

DRAFT North Castle Hotel Model

FOR DISCUSSION PURPOSES ONLY

JF Capital Advisors

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CONFIDENTIAL



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DRAFT North Castle Hotel Model**Full Service vs Boutique vs Limited Service vs Boutique with Apartments Scenario Comparison**

(\$ in thousands, except per key)

The following compares key metrics under the Full Service, Boutique, Limited Service, and Boutique with Apartments scenarios.

	<u>Full Service</u>	<u>Boutique Scenario</u>	<u>Limited Service</u>	<u>Boutique + Apts</u>
Number of Hotel Rooms	300	120	145	97
Number of Rental Apartments	0	0	0	69
Number of Affordable Rental Apartments	0	0	0	16
Combined Number of Units	300	120	145	166
Building Square Footage (Including Pool/Fitness Club)	225,000	85,000	80,000	164,400
Per Key	750	708	552	1,695
Meeting Space	20,550	4,050	1,800	5,200
Per Key	69	34	12	54
Land Cost	\$0	\$0	\$0	\$0
Per Key	0	0	0	0
Development Cost of Hotel	\$103,211	\$44,906	\$40,175	\$50,170
Per Key	344,038	374,221	277,067	517,220
Development Cost of Apartments	\$0	\$0	\$0	\$23,823
Per Unit	0	0	0	345,257
Exit Cap Rate - Hotel Only	8.50%	8.00%	9.00%	8.00%
Exit Price (Gross) - Hotel Only	82,888	42,884	30,381	55,320
Per Key	276,293	357,369	209,522	570,305
Exit Cap Rate - Apartments Only	0.00%	0.00%	0.00%	5.50%
Exit Price (Gross) - Apartments Only	0	0	0	32,546
Per Unit	0	0	0	471,676
Profit on Hotel (Exit Price less Development Cost)	(20,324)	(2,022)	(9,794)	5,149
Profit on Apartments (Exit Price less Development Cost)	0	0	0	8,723
Unlevered:				
IRR	0.0%	4.6%	1.2%	8.6%
NPV (8.0% Discount Rate)	(\$25,173)	(\$6,254)	(\$10,153)	\$1,824
Equity Multiple	1.1x	1.3x	1.1x	1.5x
Total Profit	\$8,176	\$11,328	\$2,338	\$38,180
Leveraged: ⁽¹⁾				
IRR	0.0%	1.5%	0.0%	12.6%
NPV (12.0% Discount Rate)	(\$22,736)	(\$6,623)	(\$9,441)	\$719
Equity Multiple	0.6x	1.1x	0.5x	2.0x
Total Profit	(\$12,945)	\$1,406	(\$6,538)	\$23,000

Source: JF Capital Projections

Note: Leveraged assumes no refinancing of the initial construction debt financing

DRAFT North Castle Hotel Model**Full Service vs Boutique vs Limited Service vs Boutique with Apartments Scenario Comparison**

(\$ in thousands, except per key)

The following compares key metrics under the Full Service, Boutique, Limited Service, and Boutique with Apartments scenarios.

	<u>Full Service</u>	<u>Boutique Scenario</u>	<u>Limited Service</u>	<u>Boutique + Apts</u>
Loan to Cost	65.00%	65.00%	65.00%	68.22%
Debt Yield (NOI/Debt) - Year 1	5.12%	6.14%	7.18%	7.18%
Debt Yield (NOI/Debt) - Year 3	9.17%	10.92%	9.74%	11.28%
Unleveraged Yield: (NOI/Development Cost)				
Year 1	3.3%	3.9%	4.6%	4.9%
Year 2	4.5%	5.7%	5.6%	6.4%
Year 3	5.7%	6.9%	6.1%	7.5%
Hotel Occupancy - Year 1	60.0%	57.0%	62.0%	60.0%
Hotel Occupancy - Year 3	69.0%	65.0%	72.0%	70.0%
Hotel ADR - Year 1	\$160	\$230	\$165	\$242
Hotel ADR - Year 3	180	256	184	269
Market Rate Apartment Average Occupancy - Year 1	0.0%	0.0%	0.0%	90.0%
Market Rate Apartment Average Occupancy - Year 3	0.0%	0.0%	0.0%	95.0%
Market Rate Apartment Average Monthly Rent - Year 1	\$0	\$0	\$0	\$2,745
Market Rate Apartment Average Monthly Rent - Year 3	0	0	0	2,912
Affordable Apartment Average Occupancy - Year 1	0.0%	0.0%	0.0%	90.0%
Affordable Apartment Average Occupancy - Year 3	0.0%	0.0%	0.0%	95.0%
Affordable Apartment Average Monthly Rent - Year 1	\$0	\$0	\$0	\$1,338
Affordable Apartment Average Monthly Rent - Year 3	0	0	0	1,419

Source: JF Capital Projections

DRAFT North Castle Hotel Model**Feasibility Analysis**

The following pages provide an overview of the feasibility analysis for the North Castle Hotel.

In order to evaluate the feasibility and viability of a 300 room full service hotel adjacent to the IBM headquarters in Armonk, we did the following:

- Toured the site
 - Toured competitive full service, meetings-oriented hotels
 - Created a Targeted Competitive Set of hotels and ordered data on Occupancy, Average Daily Rate ("ADR"), and Revenue Per Available Room ("RevPAR") from Smith Travel Research ("STR"), the leading independent provider of hotel operating statistics data
 - Compiled information of the EBITDA margin performance of some of the competitive set hotels
 - Created a 5-year operating pro forma financial statement reflecting 5 years after opening of the Hotel
 - Compared pro forma financial statement projections to the STR data for the Competitive Set hotels
-

DRAFT North Castle Hotel Model**Feasibility Analysis**

In order to evaluate the feasibility and viability of a 300 room full service hotel adjacent to the IBM headquarters in Armonk, we did the following:

- Created a preliminary hotel development budget using cost assumptions from general contractors and utilizing soft cost assumptions consistent with other full service hotel developments.
- Prepared a financial analysis evaluating financial returns and credit statistics including Internal Rate of Return ("IRR"), Net Present Value ("NPV"), Total Return, Equity Multiple, Debt Yield, Debt Service Coverage Ratio ("DSCR")
- Evaluated the impact and issues related to IBM as a major corporate demand driver and the existence of its own hotel rooms and meeting center
- Reviewed the operating performance metrics of the La Quinta Armonk hotel as the closest geographic comparable.

Based upon our financial analysis, a 300-room, full-service hotel is not viable and would need a substantial financial subsidy in order to generate acceptable returns for any developer or investor. These returns, as measured by leveraged IRR, would need to be in the 22-25% range. Even with such a subsidy, it would be extremely challenging to obtain debt financing for a hotel that would not be well received and is unnecessary in the market.

DRAFT North Castle Hotel Model**Feasibility Analysis**

The following is an overview of the impact of the IBM Training Center on the Hotel feasibility analysis.

- IBM is a major Demand Driver and a Major Risk Factor.
 - As a major multi-national corporation, IBM is a strong demand driver, though for training and meeting purposes, they have their own conference center with 183 hotel rooms and 15,000 square feet of meeting and event space.
 - It is not possible to book a room at the IBM Training Center hotel if you are not an employee of IBM or have a meeting set at the Training Center.
 - While difficult to underwrite, a hotel would be highly dependent on IBM as a continued demand driver.
 - If it should be acquired, relocated, or have a change in focus at any time during the useful life of the Hotel, it could cause the Occupancy and ADR to decline with no viable backup major demand generator.
 - Appraisers, underwriters, lenders, and investors must consider this and as a result will have a difficult time ascribing a strong value.
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DRAFT North Castle Hotel Model

Feasibility Analysis

Smith Travel Research is the leading independent aggregator of hotel operating statistics. On a fee basis, reports called STAR reports can be ordered, which will provide the weighted average composite data for an identified selection of hotels.

STR does not provide data on any individual specific hotels, but rather presents a weighted average (weighted by number of rooms) composite presentation of Occupancy, Average Daily Rate, and Revenue Per Available Room ("RevPAR"). The STAR reports show this composite data on a monthly and annual basis. STR breaks the data down by day of the week, by month, and they highlight the peak and trough statistics on a rolling trailing-twelve-month basis.

We ordered and used the following STR competitive sets for building the projections in each of the 4 different hotel scenarios. The Boutique Set is used for Boutique Only and for the Hybrid Boutique with Apartments Scenario.

Set Type	Hotel Name	Address	Date Opened	Age in Years	Number of		Meeting Space			
					Rooms	Restaurants	Total	Largest	Rooms	Per Key
Full Service	Hilton Westchester	699 Westchester Ave, Rye Brook, NY 10573	Apr 1973	44	445	2	30,000	9,520	34	67
Full Service	Sheraton Tarrytown	600 White Plains Rd, Tarrytown, NY 10591	Jan 2007	10	150	2	1,452	968	3	10
Full Service	Renaissance Westchester	80 W Red Oak Ln, West Harrison, NY 10604	Apr 1981	36	348	2	23,705	6,460	16	68
Full Service	Doubletree Tarrytown	455 S Broadway, Tarrytown, NY 10591	Jan 1961	56	246	2	24,000	10,000	20	98
Full Service	Westchester Marriott	670 White Plains Rd, Tarrytown, NY 10591	Nov 1981	36	444	3	26,676	9,216	21	60
Full Service	Hyatt Greenwich	1800 E Putnam Ave, Old Greenwich, CT 06870	Dec 1986	31	373	3	35,000	9,600	20	94
Average:				36	334		23,472			66
Boutique	Doral Arrowwood Resort	975 Anderson Hill Rd, Rye Brook, NY 10573	Jun 1983	34	374	4	37,600	30,000	3	101
Boutique	Castle Hotel and Spa	400 Benedict Ave, Tarrytown, NY 10591	Dec 1996	21	31	1	3,300	1,000	3	106
Boutique	Ritz Carlton Westchester	3 Renaissance Square, White Plains, NY 10601	Dec 2007	10	146	2	12,073	6,014	7	83
Boutique	J House Greenwich	1114 E Putnam Ave, Riverside, CT 06878	May 2012	5	86	2	3,593	1,850	3	42
Boutique	Delamar Greenwich	500 Steamboat Rd, Greenwich, CT 06830	Oct 2002	15	82	2	2,350	1,000	3	29
Average:				17	144		11,783			72
Limited Service	Residence Inn White Plains	5 Barker Ave, White Plains, NY 10601	Jun 1982	35	134	1	280	280	1	2
Limited Service	Hampton Inn White Plains	200 W Main St, Elmsford, NY 10523	Jun 1957	60	156	1	2,815	1,050	3	18
Limited Service	Hyatt House White Plains	101 Corporate Park Dr, White Plains, NY 10604	Jan 2000	17	159	1	1,288	1,288	1	8
Limited Service	SpringHill Suites Tarrytown	480 White Plains Rd, Tarrytown, NY 10591	Feb 2004	13	145	1	350	350	1	2
Limited Service	Courtyard Tarrytown	475 White Plains Rd, Tarrytown, NY 10591	Jan 1988	29	139	1	1,196	598	2	9
Limited Service	Courtyard Rye	631 Midland Ave, Rye, NY 10580	Mar 1988	29	145	1	1,308	654	2	9
Average:				31	146		1,206			8

Source: Hotel Websites

DRAFT North Castle Hotel Model**Feasibility Analysis**

The following is an overview of the weighted average occupancy, ADR, and RevPAR for each of the 3 competitive sets used. The data is based on independent third party Smith Travel Research competitive set analysis.

Full Service Competitive Set	2015	2016	TTM 9/2017
Occupancy	76.5%	73.9%	71.1%
ADR (Average Daily Rate)	\$141.08	\$145.54	\$146.30
RevPAR (Revenue Per Available Room)	107.97	107.54	104.02
Boutique Competitive Set	2015	2016	TTM 9/2017
Occupancy	62.0%	63.4%	64.0%
ADR (Average Daily Rate)	\$217.79	\$202.92	\$206.50
RevPAR (Revenue Per Available Room)	135.00	128.73	132.16
Limited Service Competitive Set	2015	2016	TTM 9/2017
Occupancy	81.2%	77.2%	77.1%
ADR (Average Daily Rate)	\$154.47	\$156.86	\$151.60
RevPAR (Revenue Per Available Room)	125.42	121.11	116.88

Source: Smith Travel Research reports reflecting data from May 2012 to September 2017

DRAFT North Castle Hotel Model

Feasibility Analysis

The following is a penetration index overview for each of the 4 hotel scenarios versus their respective competitive set. The calculations reflect the Pro Forma projections in the JF Capital model divided by the third party Smith Travel Research competitive set data.

Comp Set Penetration - Full Service	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy	84.6%	90.7%	95.6%	98.5%	100.7%
ADR	110.5%	118.8%	123.0%	125.5%	128.0%
RevPAR	93.4%	107.7%	117.6%	123.6%	129.0%
Comp Set Penetration - Boutique	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy	89.2%	96.1%	100.1%	103.2%	102.7%
ADR	112.5%	119.9%	124.1%	125.4%	126.7%
RevPAR	100.4%	115.2%	124.2%	129.5%	130.1%
Comp Set Penetration - Limited Service	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy	80.6%	87.5%	92.0%	94.7%	94.2%
ADR	109.9%	117.1%	121.3%	122.6%	123.8%
RevPAR	88.6%	102.5%	111.6%	116.0%	116.6%
Comp Set Penetration - Boutique + Apts ⁽¹⁾	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy	93.9%	100.8%	107.8%	114.0%	113.5%
ADR	118.4%	126.1%	130.6%	134.6%	138.6%
RevPAR	111.2%	127.1%	140.7%	153.4%	157.2%

In all cases above, we are projecting ADR on initial and a stabilized basis of over 100% indicating projected ADR well above the competitive sets.

*Based on the above, the stabilized projected RevPAR (Occupancy * ADR) in all scenarios exceeds that of the competitive sets analyzed.*

(1) The Boutique + Apts projections are being compared to the operating statistics of the Boutique Comp Set

DRAFT North Castle Hotel Model**Feasibility Analysis**

FULL SERVICE COMPSET : The following illustrates the Smith Travel Research ("STR") relevant competitive set used for the full-service scenario.

Hotel	Street Address	Rooms	Meeting Space
Hyatt Regency Greenwich	1800 E Putnam Ave, Old Greenwich, CT 06870	373	35,000
Hilton Westchester	699 Westchester Ave, Rye Brook, NY 10573	445	30,000
Sheraton Hotel Tarrytown	600 White Plains Rd, Tarrytown, NY 10591	150	1,452
Marriott Westchester	670 White Plains Rd, Tarrytown, NY 10591	444	26,676
Doubletree Tarrytown	455 S Broadway, Tarrytown, NY 10591	246	24,000
Renaissance Westchester Hotel	80 W Red Oak Ln, West Harrison, NY 10604	348	23,705

Based on this competitive set, the 2016 and Trailing Twelve Month (12 months leading up to September 2017) statistics are as follows:

	2016	TTM 9/2017
Occupancy	73.9%	71.1%
Average Daily Rate	\$145.54	\$146.30
RevPAR	107.54	104.02

DRAFT North Castle Hotel Model**Feasibility Analysis**

Observations on the full service competitive set are as follows:

- The competitive set consists of 6 hotels with 2,006 rooms and has an average key count of 334, requiring a tremendous focus on meetings, events, and group business.
 - For the Armonk "Full Service" Competitive Set, occupancy has averaged 72.0% with an average ADR of \$140.
 - Peak Occupancy on a TTM basis was in January 2016 at 76.8% with a corresponding ADR of \$141
 - Most recent TTM occupancy as of September 2017 had declined to 71.2% at a slightly higher ADR of \$147.
 - Saturday is the highest occupancy day at 85.0%, though also the second lowest ADR at \$130.
 - Sunday is the weakest occupancy at 50.7%, followed by Thursday at 67.6%.
 - 4 months have very weak occupancy (December to March) of 56.8% to 62.5%; those same months have the weakest ADRs of \$128 to \$142.
 - Overall ADR is fairly consistent without a lot of variability.
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DRAFT North Castle Hotel Model**Feasibility Analysis**

RENAISSANCE WESTCHESTER

We have also obtained verifiable information on the Renaissance Westchester hotel as it is owned by publicly traded Sunstone Hotel Investors, a public REIT, which provides quarterly data in its SEC filings on occupancy, ADR, RevPAR, EBITDA and EBITDA Margin. The Renaissance Westchester has 348 rooms with 23,705 square feet of meeting space.

	2015	2016
Occupancy	80.9%	76.4%
Average Daily Rate	\$145.49	\$153.46
RevPAR	117.70	117.24
EBITDA	\$4,129	\$3,484
EBITDA Margin	18.1%	15.8%

DRAFT North Castle Hotel Model**Feasibility Analysis**

The following is an overview of the development cost and valuation of the Full-Service 300 room scenario.

In evaluating the final development cost and an assumed sale at the end of Year 5 of operations, we evaluated transaction sales comps. Since 2003, we identified 64 hotels that have sold for an average of \$122,276 per key and a high of \$289,485 per key.

This does not support our modeled development cost for the 300-room Full Service hotel of \$103,211,411 or \$344,038 per key, or our assumed exit sale price of \$81,230,054 or \$270,767 per key.

Based on our pro forma projections, with a 2 year construction period and 5 year operating period prior to sale at a 8.5% cap rate, the transaction generates the following financial returns:

	Full Service	
	Unleveraged	Leveraged
IRR	0.0%	0.0%
NPV	(\$25,173)	(\$22,736)
Equity Multiple	1.1x	0.6x
Total Return	\$8,176	(\$12,945)

DRAFT North Castle Hotel Model**Feasibility Analysis**

We assumed a \$67,087,417 construction loan at an interest rate of 6.5%. Based on the operating pro forma proposed, the credit statistics for the 300-room Full Service Hotel are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
NOI	\$3,394	\$4,668	\$5,922	\$6,627	\$7,045
DSCR	0.7x	0.9x	1.2x	1.3x	1.4x
Debt / EBITDA	17.6x	12.3x	9.4x	8.3x	7.7x
Debt Yield	5.1%	7.1%	9.2%	10.4%	11.2%
Loan to Cost	64.2%	63.4%	62.6%	61.7%	60.7%
Loan to Value (assumes a 8.5% cap rate)	166.1%	119.2%	92.7%	81.7%	75.6%
Debt Per Key	\$221,036	\$218,278	\$215,342	\$212,215	\$208,884

Using conventional refinancing credit statistics, at an 12.0% debt yield, the Hotel would be able to generate \$47,872,936 of refinancing proceeds in year 3 which is a shortfall to the end of Year 3 debt balance of \$-16,729,640.

Using a 7.5% debt constant and a 1.4x Debt Service Coverage Ratio, the Hotel would be able to generate \$54,711,927 of refinancing proceeds in year 3 which is a shortfall to the end of Year 3 debt balance of \$-9,890,649.

DRAFT North Castle Hotel Model**Feasibility Analysis**

The chart below shows in thousands the Debt outstanding by year and the refinancing proceeds available by year for the Full-Service 300 room scenario, with any surplus or shortfall.

Using any market standard refinancing metrics, it would be impossible to refinance the construction debt.

	Year 1	Year 2	Year 3	Year 4	Year 5
Debt Balance	\$66,311	\$65,484	\$64,603	\$63,664	\$62,665
Refinancing Proceeds - Debt Yield Approach ⁽¹⁾	27,436	37,735	47,873	53,572	56,951
Surplus/Shortfall	(\$38,875)	(\$27,748)	(\$16,730)	(\$10,092)	(\$5,714)
Debt Balance	\$66,311	\$65,484	\$64,603	\$63,664	\$62,665
Refinancing Proceeds - Debt Constant Approach ⁽²⁾	31,355	43,126	54,712	61,225	65,087
Surplus/Shortfall	(\$34,955)	(\$22,357)	(\$9,891)	(\$2,439)	\$2,422

Note: \$ in thousands

(1) Assumes a 12.0% Debt Yield

(2) Assumes a 7.5% Debt Constant, and a 1.4x DSCR

DRAFT North Castle Hotel Model**Feasibility Analysis**

Given that a 300-room full service hotel is clearly not viable, we evaluated the feasibility and viability of two other options:

1) 120 room independent boutique lifestyle hotel

2) 145 room branded limited service hotel

We performed the same underwriting analysis for these two alternatives as for the 300-room full service hotel.

The following is an overview of the competitive set of hotels used for the 120 room independent, boutique hotel scenario.

Hotel	Street Address	Rooms	Meeting Space
Delamar Greenwich Harbor Hotel	500 Steamboat Rd, Greenwich, CT 06830	82	2,350
The J House Greenwich	1114 E Putnam Ave, Riverside, CT 06878	86	3,593
Hotel Zero Degrees Stamford	909 Washington Blvd, Stamford, CT 06901	97	1,000
Doral Arrowwood	975 Anderson Hill Rd, Rye Brook, NY 10573	374	37,600
Ritz-Carlton The New York Westchester	3 Renaissance Square, White Plains, NY 10601	146	12,073

Based on this competitive set, the 2016 and Trailing Twelve Month (12 months leading up to September 2017) statistics are as follows:

	2016	TTM 9/2017
Occupancy	63.4%	64.0%
Average Daily Rate	\$202.92	\$206.50
RevPAR	128.73	132.16

DRAFT North Castle Hotel Model**Feasibility Analysis**

Observations on the independent competitive set are as follows:

- The Boutique/Independent competitive set consists of 5 hotels with 780 rooms, the largest of which is Doral Arrowwood with 369 rooms.
 - Occupancy has averaged 61.8% with an average ADR of \$215.
 - Peak Occupancy on a TTM basis was 64.1% in August 2017 with a corresponding \$207 ADR; TTM ADR peaked at \$221 in October 2014
 - Highest Occupancies are Tuesday and Wednesday at 74.8% and 72.1%; High occupancy on Saturday of 70.2%; Similarly highest ADR of \$220 on both Tuesday and Wednesday
 - Extremely low Sunday Occupancy of 44.5% on Sunday and 56.3% and 57.1% on Thursday and Friday respectively.
 - ADRs range from \$195 on Friday to \$220 on Tuesdays and Wednesdays without a lot of yielding of stronger rate.
 - There are 5 extremely weak months with occupancy ranging from 47.4% to 59.6%.
 - In the last 12 months, ADR has ranged from \$193 to \$217.
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DRAFT North Castle Hotel Model**Feasibility Analysis**

Based on our pro forma projections, with a 2 year construction period and 5 year operating period prior to sale at a 8.0% cap rate, the transaction generates the following financial returns:

Independent Boutique - 120 Rooms

	Unleveraged	Leveraged
IRR	4.6%	1.5%
NPV	(\$6,254)	(\$6,623)
Equity Multiple	1.3x	1.1x
Total Return	\$11,328	\$1,406

We assumed a \$29,189,209 construction loan at an interest rate of 7.0%. Based on the operating pro forma proposed, the credit statistics for the Independent Boutique Hotel are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
NOI	\$1,773	\$2,573	\$3,078	\$3,353	\$3,431
DSCR	0.8x	1.1x	1.3x	1.4x	1.5x
Debt / EBITDA	14.4x	9.6x	7.7x	7.0x	6.7x
Debt Yield	6.1%	9.0%	10.9%	12.1%	12.5%
Loan to Cost	64.3%	63.6%	62.8%	61.9%	61.0%
Loan to Value (assumes a 8.0% cap rate)	130.3%	88.8%	73.3%	66.4%	63.9%
Debt Per Key	\$240,668	\$237,913	\$234,965	\$231,810	\$228,435

Using conventional refinancing credit statistics, at an 12.0% debt yield, the Hotel would be able to generate \$24,883,120 of refinancing proceeds in year 3 which is a shortfall to the debt balance of \$-3,312,657.

Using a 7.5% debt constant and a 1.4x Debt Service Coverage Ratio, the Hotel would be able to generate \$28,437,851 of refinancing proceeds in year 3 which is a surplus to the debt balance of \$242,074.

DRAFT North Castle Hotel Model**Feasibility Analysis**

The chart below shows in thousands the Debt outstanding by year and the refinancing proceeds available by year for the Boutique/Independent scenario, with any surplus or shortfall.

Using any market standard refinancing metrics, it would only be possible to refinance the debt in Year 4 using the Debt Constant Approach.

	Year 1	Year 2	Year 3	Year 4	Year 5
Debt Balance	\$28,880	\$28,550	\$28,196	\$27,817	\$27,412
Refinancing Proceeds - Debt Yield Approach ⁽¹⁾	14,333	20,799	24,883	27,102	27,732
Surplus/Shortfall	(\$14,548)	(\$7,751)	(\$3,313)	(\$716)	\$320
Debt Balance	\$28,880	\$28,550	\$28,196	\$27,817	\$27,412
Refinancing Proceeds - Debt Constant Approach ⁽²⁾	16,380	23,770	28,438	30,973	31,693
Surplus/Shortfall	(\$12,500)	(\$4,779)	\$242	\$3,156	\$4,281

Note: \$ in thousands

(1) Assumes a 12.0% Debt Yield

(2) Assumes a 7.5% Debt Constant, and a 1.4x DSCR

DRAFT North Castle Hotel Model**Feasibility Analysis**

The following is an overview of the competitive set of hotels used for the 145 room limited service hotel scenario.

Hotel	Street Address	Rooms	Meeting Space
Hampton Inn White Plains Tarrytown	200 W Main St, Elmsford, NY 10523	156	2,815
Courtyard Rye	631 Midland Ave, Rye, NY 10580	145	1,308
Springhill Suites Tarrytown Greenburgh	480 White Plains Rd, Tarrytown, NY 10591	145	350
Courtyard Tarrytown Westchester County	475 White Plains Rd, Tarrytown, NY 10591	139	1,196
Residence Inn White Plains Westchester County	5 Barker Ave, White Plains, NY 10601	134	280
Hyatt House White Plains	101 Corporate Park Dr, White Plains, NY 10604	159	1,288

Based on this Limited Service competitive set, the 2016 and TTM statistics are as follows:

	2016	TTM 9/2017
Occupancy	77.2%	77.1%
Average Daily Rate	\$156.86	\$151.60
RevPAR	\$121.11	\$116.88

DRAFT North Castle Hotel Model**Feasibility Analysis**

Other observations on the limited service competitive set are as follows:

- The competitive set consists of 6 hotels with 879 rooms, with an average of 146 per hotel.
 - Occupancy has averaged 78.7% with an average ADR of \$149.
 - Peak Occupancy on a TTM basis was in January 2016 at 81.3% with a corresponding ADR of \$155.
 - Tuesday and Wednesday have the highest occupancies at 87.3% and 86.6% with ADRs of \$168 and \$166.
 - Saturday occupancy is also very high at 82.7% at a \$147 ADR.
 - The weakest occupancy is Sunday at 61.3% at a \$145 ADR
 - Overall ADRs are not very variable, ranging from \$143 on Friday to \$168 on Tuesday.
 - Only 2 months of the year, January and February are below 70% and only 3 months of the year (December to February) have ADRs below \$140.
-

DRAFT North Castle Hotel Model**Feasibility Analysis**

Based on our pro forma projections, with a 2 year construction period and 5 year operating period prior to sale at a 9.0% cap rate, the transaction generates the following financial returns:

	Limited Service - 145 Rooms	
	Unleveraged	Leveraged
IRR	1.2%	0.0%
NPV	(\$10,153)	(\$9,441)
Equity Multiple	1.1x	0.5x
Total Return	\$2,338	(\$6,538)

We assumed a \$26,113,594 construction loan at an interest rate of 7.0%. Based on the operating pro forma proposed, the credit statistics are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
NOI	\$1,855	\$2,254	\$2,457	\$2,690	\$2,734
DSCR	0.9x	1.1x	1.2x	1.3x	1.3x
Debt / EBITDA	12.9x	10.2x	8.9x	8.1x	7.8x
Debt Yield	7.2%	8.8%	9.7%	10.8%	11.1%
Loan to Cost	64.3%	63.6%	62.8%	61.9%	61.0%
Loan to Value (assumes a 9.0% cap rate)	125.4%	102.0%	92.4%	83.3%	80.7%
Debt Per Key	\$178,187	\$176,147	\$173,964	\$171,629	\$169,130

Using conventional refinancing credit statistics, at an 12.0% debt yield, the Hotel would be able to generate \$19,860,566 of refinancing proceeds in year 3 which is a shortfall to the debt balance of \$-5,364,272.

Using a 7.5% debt constant and a 1.4x Debt Service Coverage Ratio, the Hotel would be able to generate \$22,697,790 of refinancing proceeds in year 3 which is a shortfall to the debt balance of \$-2,527,048.

DRAFT North Castle Hotel Model**Feasibility Analysis**

The chart below shows in thousands the Debt outstanding by year and the refinancing proceeds available by year for the Limited Service Hotel, with any surplus or shortfall.

Using any market standard refinancing metrics, it would be impossible to refinance the construction debt.

	Year 1	Year 2	Year 3	Year 4	Year 5
Debt Balance	\$25,837	\$25,541	\$25,225	\$24,886	\$24,524
Refinancing Proceeds - Debt Yield Approach ⁽¹⁾	14,991	18,220	19,861	21,744	22,102
Surplus/Shortfall	(\$10,846)	(\$7,321)	(\$5,364)	(\$3,142)	(\$2,422)
Debt Balance	\$25,837	\$25,541	\$25,225	\$24,886	\$24,524
Refinancing Proceeds - Debt Constant Approach ⁽²⁾	17,133	20,823	22,698	24,850	25,259
Surplus/Shortfall	(\$8,704)	(\$4,718)	(\$2,527)	(\$36)	\$736

Note: \$ in thousands

(1) Assumes a 12.0% Debt Yield

(2) Assumes a 7.5% Debt Constant, and a 1.4x DSCR

DRAFT North Castle Hotel Model**Feasibility Analysis**

Given that the options evaluated (300 room Full Service hotel, 120 room Boutique hotel, and 145 room Limited Service hotel) are not financially feasible, we present an option that with some value engineering can become financially feasible as it includes a combination of a 97 room Boutique hotel and 69 one and two bedroom apartments

The following is an overview of the hybrid - Boutique Hotel and Apartments scenario.

- The Boutique hotel is assumed to have an occupancy of 60.0% in Year 1 growing to 74.0% in Year 5, and an ADR of \$242.00 in Year 1 growing to \$294.13 in Year 5.*
- The Apartment component is assumed to have an occupancy of 90.0% for the Market Rate 1-bedroom and 90.0% for the Market Rate 2-bedroom in Year 1 growing to 95.0% for the Market Rate 1-bedroom and 95.0% for the Market Rate 2-bedroom in Year 5. Monthly rent is assumed to be \$2,500 for the Market Rate 1-bedroom and \$3,500 for the Market Rate 2-bedroom in Year 1 growing to \$2,814 for the Market Rate 1-bedroom and \$3,939 for the Market Rate 2-bedroom in Year 5.*
- The Apartment component is assumed to have an occupancy of 90.0% for the Affordable 1-bedroom, 90.0% for the Affordable 2-bedroom, and 90.0% for the Affordable 3-bedroom in Year 1 growing to 95.0% for the Affordable 1-bedroom, 95.0% for the Affordable 2-bedroom, and 95.0% for the Affordable 3-bedroom in Year 5. Monthly rent is assumed to be \$1,000 for the Affordable 1-bedroom, \$1,200 for the Affordable 2-bedroom, and \$1,500 for the Affordable 3-bedroom in Year 1 growing to \$1,126 for the Affordable 1-bedroom, \$1,351 for the Affordable 2-bedroom, and \$1,688 for the Affordable 3-bedroom in Year 5.*

Based on our pro forma projections, with a 2 year construction period and 5 year operating period prior to sale at a 7.1% blended cap rate, the transaction generates the following financial returns:

	Boutique with Apartments	
	Unleveraged	Leveraged
IRR	8.6%	12.6%
NPV	\$1,824	\$719
Equity Multiple	1.5x	2.0x
Total Return	\$38,180	\$23,000

DRAFT North Castle Hotel Model**Feasibility Analysis**

For the combined Boutique hotel with apartments scenario, we assumed a \$50,477,743 construction loan at an interest rate of 7.0%. Based on the operating pro forma proposed, the credit statistics are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
NOI	\$3,598	\$4,720	\$5,558	\$5,977	\$6,211
DSCR	1.0x	1.4x	1.6x	1.7x	1.8x
Debt / EBITDA	13.2x	9.8x	8.0x	7.2x	6.9x
Debt Yield	7.2%	9.5%	11.3%	12.2%	12.9%
Loan to Cost	67.7%	67.2%	66.6%	66.0%	65.3%
Loan to Value (assumes a 9.0% cap rate)	111.4%	84.2%	70.9%	65.3%	62.2%

Using conventional refinancing credit statistics, at an 9.0% debt yield, the Hotel would be able to generate \$59,905,997 of refinancing proceeds in year 3 which is a surplus to the debt balance of \$10,636,117.

Using a 6.5% debt constant and a 1.3x Debt Service Coverage Ratio, the Hotel would be able to generate \$63,805,204 of refinancing proceeds in year 3 which is a surplus to the debt balance of \$14,535,324.

DRAFT North Castle Hotel Model**Feasibility Analysis**

The chart below shows in thousands the Debt outstanding by year and the refinancing proceeds available by year for the Boutique Hotel with Apartments, with any surplus or shortfall.

Using any market standard refinancing metrics, it would only be possible to refinance in Year 3 using the Debt Yield Approach and in Year 2 using the Debt Constant Approach.

	Year 1	Year 2	Year 3	Year 4	Year 5
Debt Balance	\$50,100	\$49,698	\$49,270	\$48,814	\$48,328
Refinancing Proceeds - Debt Yield Approach ⁽¹⁾	38,784	50,875	59,906	64,414	66,944
Surplus/Shortfall	(\$11,317)	\$1,177	\$10,636	\$15,601	\$18,616
Debt Balance	\$50,100	\$49,698	\$49,270	\$48,814	\$48,328
Refinancing Proceeds - Debt Constant Approach ⁽²⁾	41,308	54,186	63,805	68,607	71,301
Surplus/Shortfall	(\$8,792)	\$4,488	\$14,535	\$19,793	\$22,973

Note: \$ in thousands

(1) Assumes a 9.0% Debt Yield

(2) Assumes a 6.5% Debt Constant, and a 1.3x DSCR

DRAFT North Castle Hotel Model**Feasibility Analysis**

The following provides the projected occupancy and property taxes the municipality would receive in the 300 Room Full Service Hotel Scenario.

The property taxes are based on illustrative preliminary assumptions. We need to further diligence these assumptions with the local tax assessor and the development team.

Based on our 300 room financial model and pro forma, the municipality would have received Occupancy taxes and property taxes as follows:

300 Room Full Service Scenario							
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total	50-Year Total
Occupancy Tax to Armonk ⁽¹⁾	\$315,360	\$365,555	\$407,453	\$436,034	\$461,766	\$1,986,167	\$19,861,675
Total Property Tax ⁽²⁾	696,677	696,677	696,677	696,677	696,677	3,483,385	34,833,851
Property Tax to Armonk ⁽³⁾	118,435	118,435	118,435	118,435	118,435	592,175	5,921,755
Total Tax to Armonk	\$433,795	\$483,990	\$525,888	\$554,469	\$580,201	\$2,578,343	\$25,783,429

Source: Town of North Castle, NY Tax Breakdown and IBM Learning Center Occupancy Tax Breakdown

(1) Calculated as 3% of the Rooms Revenue. Total Occupancy Taxes paid would be 3.0% to the City and 6.0% to the County.

(2) Total property taxes paid are calculated as 2.25% of the appraised value which is assumed to be 30% of the Total Value of \$103,211,411 or \$30,963,423. Total Property taxes are growing at 3% per year in Years 2-5.

(3) Property taxes to Armonk are calculated as 17.0% of the Total Property Tax paid

DRAFT North Castle Hotel Model**Feasibility Analysis**

The following provides the projected occupancy and property taxes the municipality would receive in the 120 Room Boutique Hotel Scenario.

The property taxes are based on illustrative preliminary assumptions. We need to further diligence these assumptions with the local tax assessor and the development team.

Based on our 120 room financial model and pro forma, the municipality would have received Occupancy taxes and property taxes as follows:

	120 Room Independent/Boutique Hotel Scenario						
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total	50-Year Total
Occupancy Tax to Armonk ⁽¹⁾	\$172,265	\$198,619	\$218,641	\$232,130	\$236,772	\$1,058,427	\$10,584,271
Total Property Tax ⁽²⁾	404,158	404,158	404,158	404,158	404,158	2,020,791	20,207,914
Property Tax to Armonk ⁽³⁾	68,707	68,707	68,707	68,707	68,707	343,535	3,435,345
Total Tax to Armonk	\$240,972	\$267,326	\$287,348	\$300,836	\$305,479	\$1,401,962	\$14,019,616

Source: Town of North Castle, NY Tax Breakdown and IBM Learning Center Occupancy Tax Breakdown

(1) Calculated as 3% of the Rooms Revenue. Total Occupancy Taxes paid would be 3.0% to the City and 3.0% to the County.

(2) Total property taxes paid are calculated as 2.25% of the appraised value which is assumed to be 40% of the Total Value of \$44,906,475 or \$17,962,590. Total Property taxes are growing at 3% per year in Years 2-5.

(3) Property taxes to Armonk are calculated as 17.0% of the Total Property Tax paid

DRAFT North Castle Hotel Model**Feasibility Analysis**

The following provides the projected occupancy and property taxes the municipality would receive in the 145 Room Limited Service Hotel Scenario.

The property taxes are based on illustrative preliminary assumptions. We need to further diligence these assumptions with the local tax assessor and the development team.

Based on our 145 room financial model and pro forma, the municipality would have received Occupancy taxes and property taxes as follows:

	145 Room Limited Service Hotel Scenario						
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total	50-Year Total
Occupancy Tax to Armonk ⁽¹⁾	\$162,427	\$188,834	\$209,939	\$222,244	\$226,689	\$1,010,133	\$10,101,334
Total Property Tax ⁽²⁾	361,573	372,420	383,593	395,100	406,953	1,919,639	19,196,393
Property Tax to Armonk ⁽³⁾	61,467	61,467	61,467	61,467	61,467	307,337	3,073,369
Total Tax to Armonk	\$223,894	\$250,302	\$271,407	\$283,711	\$288,156	\$1,317,470	\$13,174,703

Source: Town of North Castle, NY Tax Breakdown and IBM Learning Center Occupancy Tax Breakdown

(1) Calculated as 3% of the Rooms Revenue. Total Occupancy Taxes paid would be 3.0% to the City and 3.0% to the County.

(2) Total property taxes paid are calculated as 2.25% of the appraised value which is assumed to be 40% of the Total Value of \$40,174,760 or \$16,069,904. Total Property taxes are growing at 3% per year in Years 2-5.

(3) Property taxes to Armonk are calculated as 17.0% of the Total Property Tax paid

DRAFT North Castle Hotel Model

Feasibility Analysis

The following provides the projected occupancy and property taxes the municipality would receive in the 97 Room Boutique Hotel with 69 Apartments Scenario.

The property taxes are based on illustrative preliminary assumptions. We need to further diligence these assumptions with the local tax assessor and the development team.

Based on our 97 hotel room and 69 apartment financial model and pro forma, the municipality would have received Occupancy taxes and property taxes as follows:

97 Room Boutique Hotel Scenario							
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total	50-Year Total
Occupancy Tax to Armonk ⁽¹⁾	\$154,224	\$177,101	\$200,260	\$222,289	\$231,180	\$985,054	\$9,850,540
Total Property Tax ⁽²⁾	451,533	465,079	479,031	493,402	508,204	2,397,249	23,972,494
Property Tax to Armonk ⁽³⁾	76,761	79,063	81,435	83,878	86,395	407,532	4,075,324
Total Tax to Armonk	\$230,985	\$256,164	\$281,695	\$306,167	\$317,575	\$1,392,586	\$13,925,864
69 Apartment Scenario							
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total	50-Year Total
Occupancy Tax to Armonk ⁽¹⁾	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Tax ⁽²⁾	214,404	220,837	227,462	234,285	241,314	1,138,302	11,383,021
Property Tax to Armonk ⁽³⁾	36,449	37,542	38,668	39,829	41,023	193,511	1,935,114
Total Tax to Armonk	\$36,449	\$37,542	\$38,668	\$39,829	\$41,023	\$193,511	\$1,935,114
Total Boutique and Apartments Scenario							
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total	50-Year Total
Occupancy Tax to Armonk ⁽¹⁾	\$154,224	\$177,101	\$200,260	\$222,289	\$231,180	\$985,054	\$9,850,540
Total Property Tax ⁽²⁾	665,937	685,915	706,493	727,688	749,518	3,535,552	35,355,516
Property Tax to Armonk ⁽³⁾	113,209	116,606	120,104	123,707	127,418	601,044	6,010,438
Total Tax to Armonk	\$267,434	\$293,706	\$320,364	\$345,996	\$358,598	\$1,586,098	\$15,860,978

Source: Town of North Castle, NY Tax Breakdown and IBM Learning Center Occupancy Tax Breakdown

(1) Calculated as 3% of the Rooms Revenue. Total Occupancy Taxes paid would be 3.0% to the City and 3.0% to the County. Assumed to be \$0 for the Residential Component.

(2) Total property taxes paid are calculated as 2.25% of the appraised value which is assumed to be 40% of the Total Development cost of \$50,170,321 or \$20,068,128 for the Boutique Hotel, 40% of the Total Development cost of \$23,822,712 or \$9,529,085 for the Apartments, and 40% of the Total Development cost of \$73,993,033 or \$29,597,213 for the combined. Total Property taxes are growing at 3% per year in Years 2-5.

(3) Property taxes to Armonk are calculated as 17.0% of the Total Property Tax paid

DRAFT North Castle Hotel Model**Competitive Set Analysis**

The following is a monthly competitive set analysis representing the average STR Comp Set statistics by month since 2011.

Full Service	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Occupancy	58.5%	61.1%	64.9%	75.1%	75.6%	78.6%	74.6%	72.6%	79.8%	81.9%	75.8%	63.8%	72.0%
ADR	\$131.09	\$134.88	\$135.17	\$139.49	\$144.35	\$150.16	\$138.48	\$136.41	\$148.90	\$151.07	\$142.42	\$127.29	\$139.76
Boutique	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Occupancy	48.5%	53.9%	55.1%	63.2%	66.1%	71.5%	63.8%	62.1%	71.0%	71.8%	61.0%	49.1%	61.8%
ADR	\$207.11	\$205.88	\$206.44	\$209.48	\$217.62	\$222.68	\$209.00	\$208.27	\$221.26	\$219.66	\$217.19	\$212.27	\$214.84
Limited Service	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Occupancy	62.3%	67.8%	73.6%	79.9%	82.2%	86.4%	81.9%	83.1%	87.1%	88.5%	78.6%	71.3%	78.7%
ADR	\$138.26	\$138.11	\$138.98	\$143.45	\$150.92	\$158.58	\$152.00	\$149.83	\$157.69	\$162.13	\$154.13	\$139.20	\$148.91

For each of the 3 STR Comp Sets, January is the weakest month and October is the strongest month in terms of Occupancy

ADR is lowest in the winter months (December-February) for each of the 3 STR Comp Sets. ADR is usually highest in June, September, and October.

Source: STR Report created on November 8th, 2017

DRAFT North Castle Hotel Model**Competitive Set Analysis**

The following is a day of week Full Service STR competitive set analysis representing the average statistics for the past 3 years (November 2014 - October 2017).

Full Service

Occupancy	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Nov 14 - Oct 15	51.6%	73.8%	84.4%	83.6%	69.3%	78.0%	85.5%	75.2%
Nov 15 - Oct 16	52.2%	75.2%	84.5%	82.4%	69.3%	77.6%	85.6%	75.2%
Nov 16 - Oct 17	48.3%	69.5%	79.7%	77.5%	64.2%	74.7%	83.9%	71.2%
Total 3 Year	50.7%	72.8%	82.8%	81.2%	67.6%	76.8%	85.0%	73.9%

ADR	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Nov 14 - Oct 15	\$130.03	\$151.71	\$158.12	\$156.06	\$140.66	\$122.27	\$125.16	\$141.22
Nov 15 - Oct 16	133.55	153.72	159.52	157.31	143.69	128.82	130.65	144.43
Nov 16 - Oct 17	136.98	156.36	162.16	161.96	145.18	130.65	133.79	147.13
Total 3 Year	\$133.44	\$153.88	\$159.89	\$158.35	\$143.13	\$127.20	\$129.87	\$144.21

For the Full Service STR Comp Set, Sundays have the lowest occupancy in each of the last 3 years and Fridays have the lowest average ADR.

Source: STR Report created on November 8th, 2017

DRAFT North Castle Hotel Model**Competitive Set Analysis**

The following is a day of week Boutique STR competitive set analysis representing the average statistics for the past 3 years (November 2014 - October 2017).

Boutique

Occupancy	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Nov 14 - Oct 15	44.2%	68.1%	76.5%	73.7%	55.2%	52.6%	67.4%	62.6%
Nov 15 - Oct 16	45.2%	65.5%	74.6%	71.1%	56.4%	56.7%	69.0%	62.6%
Nov 16 - Oct 17	44.2%	65.9%	73.4%	71.5%	57.2%	61.8%	74.0%	64.0%
Total 3 Year	44.5%	66.5%	74.8%	72.1%	56.3%	57.1%	70.2%	63.1%

ADR	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Nov 14 - Oct 15	\$207.27	\$235.26	\$237.55	\$234.15	\$220.87	\$198.24	\$199.02	\$220.85
Nov 15 - Oct 16	194.30	204.67	205.93	207.85	210.54	198.21	197.02	203.05
Nov 16 - Oct 17	201.91	215.41	217.20	215.11	210.96	190.42	196.68	207.18
Total 3 Year	\$201.12	\$218.68	\$220.41	\$219.32	\$214.04	\$195.42	\$197.54	\$210.33

For the Boutique STR Comp Set, Sundays have the lowest occupancy in each of the last 3 years and Fridays have the lowest average ADR.

Source: STR Report created on November 8th, 2017

DRAFT North Castle Hotel Model**Competitive Set Analysis**

The following is a day of week Limited Service STR competitive set analysis representing the average statistics for the past 3 years (November 2014 - October 2017).

Limited Service

Occupancy	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Nov 14 - Oct 15	61.5%	79.4%	87.8%	87.5%	76.5%	78.4%	84.6%	79.4%
Nov 15 - Oct 16	62.6%	79.3%	87.1%	86.1%	76.7%	76.4%	82.1%	78.6%
Nov 16 - Oct 17	59.8%	77.3%	86.8%	86.0%	74.4%	74.1%	81.3%	77.1%
Total 3 Year	61.3%	78.7%	87.3%	86.6%	75.9%	76.3%	82.7%	78.4%

ADR	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Nov 14 - Oct 15	\$144.79	\$161.41	\$169.10	\$166.73	\$151.51	\$139.93	\$142.88	\$154.45
Nov 15 - Oct 16	146.63	163.81	170.41	169.34	155.02	145.17	149.17	157.73
Nov 16 - Oct 17	142.22	156.37	164.28	162.46	146.24	142.72	148.48	152.57
Total 3 Year	\$144.58	\$160.56	\$167.94	\$166.18	\$150.99	\$142.60	\$146.81	\$154.93

For the Limited Service STR Comp Set, Sundays have the lowest occupancy in each of the last 3 years and Fridays have the lowest average ADR.

Source: STR Report created on November 8th, 2017

DRAFT North Castle Hotel Model**IBM Conference Center**

The following is an overview of the IBM Conference Center, a training compound for IBM employees in Armonk, NY.

- The IBM Conference Center has 183 rooms and 15,000 square feet of meeting space is not generally available to the public.
 - Published rates are under \$150 per night, but users are generally attending a program which has a CMP - Complete Meeting Planner package, with a full set of meals and audio visual services.
 - The IBM Center has minimal business on weekends (Friday, Saturday, and Sunday) which are generally weaker occupancy days and low ADR days; this is a result of limited training programs and meeting programs on weekends.
 - The IBM Center also has substantially less business in December, January, and February, which are the weakest hotel occupancy months.
 - The IBM Center is both a strong potential demand driver as well as a competitive threat.
 - It can drive overflow business but that is not consistent.
 - In the future, if ever turned into a transient hotel, would likely decimate the performance of the new hotel.
 - IBM overflow business is most likely to be at a time when it is least needed by the hotel (midweek non-holiday occupancy)
-

DRAFT North Castle Hotel Model**Westchester County White Plains Airport**

The following is an overview of the Westchester County White Plains Airport.

- The airport is located approximately 33 miles north of Midtown Manhattan and 3.6 miles from the IBM Conference Center.
- The major airlines that fly to the Westchester County White Plains Airport are American Airlines, Cape Air, Delta, JetBlue, United, and US Airways.
- Non-stop destinations include Atlanta, Chicago, Detroit, Ft. Lauderdale, Orlando, Philadelphia, Providence, and Washington D.C.
- As per FAA records, the airport had 757,466 passenger boardings in 2015 and 756,189 in 2014.

The following chart details the distances from the various comp set hotels to the Westchester County White Plains Airport. The average distance of all three comp sets is 8.3 miles, compared to the 3.6 miles of distance between the IBM Conference Center and the airport.

Set Type	Hotel Name	Address	Distance from Westchester Airport
Full Service	Hilton Westchester	699 Westchester Ave, Rye Brook, NY 10573	5.9
Full Service	Sheraton Tarrytown	600 White Plains Rd, Tarrytown, NY 10591	10.1
Full Service	Renaissance Westchester	80 W Red Oak Ln, West Harrison, NY 10604	6.7
Full Service	Doubletree Tarrytown	455 S Broadway, Tarrytown, NY 10591	11.7
Full Service	Westchester Marriott	670 White Plains Rd, Tarrytown, NY 10591	9.8
Full Service	Hyatt Greenwich	1800 E Putnam Ave, Old Greenwich, CT 06870	10.1
Boutique	Doral Arrowwood Resort	975 Anderson Hill Rd, Rye Brook, NY 10573	3.2
Boutique	Castle Hotel and Spa	400 Benedict Ave, Tarrytown, NY 10591	11.0
Boutique	Ritz Carlton Westchester	3 Renaissance Square, White Plains, NY 10601	5.9
Boutique	J House Greenwich	1114 E Putnam Ave, Riverside, CT 06878	9.1
Boutique	Delamar Greenwich	500 Steamboat Rd, Greenwich, CT 06830	7.3
Limited Service	Residence Inn White Plains	5 Barker Ave, White Plains, NY 10601	5.8
Limited Service	Hampton Inn White Plains	200 W Main St, Elmsford, NY 10523	9.6
Limited Service	Hyatt House White Plains	101 Corporate Park Dr, White Plains, NY 10604	5.5
Limited Service	SpringHill Suites Tarrytown	480 White Plains Rd, Tarrytown, NY 10591	10.5
Limited Service	Courtyard Tarrytown	475 White Plains Rd, Tarrytown, NY 10591	10.5
Limited Service	Courtyard Rye	631 Midland Ave, Rye, NY 10580	7.2

As the airport does not handle international or long haul flights, many business travelers find it convenient to fly in and fly out on the same day without requiring a hotel room overnight.

Source: Westchester County White Plains Airport website

FTE Analysis - Comparison

The following provides a comparison of the preliminary expectations by department for the Full Time Equivalent Employees ("FTEs")

Department	Full Service	Boutique Scenario	Limited Service	Boutique with Apts
Rooms ⁽¹⁾	25	10	12	11
Food & Beverage	55	50	10	46
Admin & General	14	8	7	12
Sales and Marketing	13	9	6	11
Repair and Maintenance	12	8	6	11
Parking/Valet	9	6	3	8
Other	3	3	3	8
Total Hotel	131	94	47	107

(1) Assumes 30 minutes of housekeeping per room

DRAFT North Castle Hotel Model

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Construction Cost Build-Up - Hotel - Boutique vs. Limited Comparison

(\$ in thousands, except per key and per SF amounts)

	Keys Total SF		Keys Total SF			
	120 85,000		145 80,000			
	Boutique		Limited Service		Difference	
	Total	Per Key	Total	Per Key	Total \$	Per Key
Land Costs						
Allocation of Land Cost	\$0	\$0	\$0	\$0	\$0	(\$0)
Other	0	0	0	0	0	0
Total Land Costs	\$0	\$0	\$0	\$0	\$0	(\$0)
Hard Costs						
Construction Cost	\$25,500	\$212,500	\$24,000	\$165,517	(\$1,500)	(\$46,983)
Contingency	5.0% 1,275	10,625	1,200	8,276	(75)	(2,349)
Total Hard Costs	\$26,775	\$223,125	\$25,200	\$173,793	(\$1,575)	(\$49,332)
Soft Costs and Other						
Designer	\$450	\$3,750	\$550	\$3,793	\$100	\$43
A&E Fees, Design Consultants	1,500	12,500	1,500	10,345	0	(2,155)
Consultants	75	625	75	517	0	(108)
Geo / SOE	60	500	60	414	0	(86)
Engineering	65	542	65	448	0	(93)
Expeditor	80	667	80	552	0	(115)
Insurance	650	5,417	650	4,483	0	(934)
Real Estate Taxes	250	2,083	250	1,724	0	(359)
Legal	150	1,250	150	1,034	0	(216)
Borrower Legal	150	1,250	150	1,034	0	(216)
Owner's Rep	90	750	90	621	0	(129)
Operating Expenses	120	1,000	120	828	0	(172)
Miscellaneous	125	1,042	125	862	0	(180)
Franchise Application Fee	0	0	100	690	100	690
Pre-Opening	1,200	10,000	950	6,552	(250)	(3,448)
Pool/Fitness Club FF&E	1,200	10,000	0	0	(1,200)	(10,000)
Hotel FF&E Public Spaces	1,500	12,500	840	5,793	(660)	(6,707)
Hotel FF&E	3,000	25,000	2,610	18,000	(390)	(7,000)
OS&E	1,020	8,500	1,088	7,500	68	(1,000)
Pool/Fitness Club OS&E	420	3,500	0	0	(420)	(3,500)
Development Fee	3.0% 803	6,694	756	5,214	(47)	(1,480)
Mortgage Recording Tax ⁽¹⁾	379	3,162	339	2,341	(40)	(821)
Interest Reserve ⁽²⁾	2,043	17,027	1,828	12,607	(215)	(4,420)
Origination Fee ⁽³⁾	292	2,432	261	1,801	(31)	(631)
Financing / Brokerage Fee ⁽⁴⁾	292	2,432	261	1,801	(31)	(631)
Working Capital	240	2,000	290	2,000	50	0
Title Insurance ⁽⁵⁾	130	1,083	133	917	3	(166)
Third Party Reports	150	1,250	150	1,034	0	(216)
Other Financing Costs	100	833	100	690	0	(144)
Operator Technical Services Fee	200	1,667	300	2,069	100	402
Brand Creation Fee	150	1,250	0	0	(150)	(1,250)
Advisory Fee ⁽⁶⁾	410	3,417	410	2,828	0	(589)
Contingency	5.0% 837	6,973	694	4,783	(143)	(2,190)
Total Soft Costs and Other	\$18,131	\$151,096	\$14,975	\$103,274	(\$3,157)	(\$47,821)
Total Project Cost	\$44,906	\$374,221	\$40,175	\$277,067	(\$4,732)	(\$97,153)

Source: JF Capital illustrative internal projections

(1) Mortgage Recording Tax calculated as 1.3% of total loan balance, (2) Interest Reserve calculated as 100% of one year of interest on full loan amount, (3) Origination Fee calculated as 1.0% of loan,

(4) Financing / Brokerage Fee calculated as 1.0% of loan, (5) Estimated using First American Title Calculator, (6) Advisory Fee calculated as a retainer for work done through December 31, 2017 + varying monthly retainers thereafter + success fees upon execution of various agreements + 100bps of loan

COMPARISON - Boutique vs. Limited

Pro Forma (COMPARISON) - Boutique vs. Limited - Dollars

(\$ in thousands)

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Limited	Boutique	Variance	Limited	Boutique	Variance	Limited	Boutique	Variance	Limited	Boutique	Variance	Limited	Boutique	Variance
Number of Rooms	145	120	25	145	120	25	145	120	25	145	120	25	145	120	25
Occupancy	62.0%	57.0%	5.0%	68.0%	62.0%	6.0%	72.0%	65.0%	7.0%	74.0%	67.0%	7.0%	74.0%	67.0%	7.0%
ADR	\$165.00	\$230.00	(\$65.00)	\$174.90	\$243.80	(\$68.90)	\$183.65	\$255.99	(\$72.35)	\$189.15	\$263.67	(\$74.52)	\$192.94	\$268.94	(\$76.01)
RevPAR	\$102.30	\$131.10	(\$28.80)	\$118.93	\$151.16	(\$32.22)	\$132.22	\$166.39	(\$34.17)	\$139.97	\$176.66	(\$36.68)	\$142.77	\$180.19	(\$37.42)
Days Open	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Rooms Available	52,925	43,800	9,125	52,925	43,800	9,125	52,925	43,800	9,125	52,925	43,800	9,125	52,925	43,800	9,125
Rooms Occupied	32,814	24,966	7,848	35,989	27,156	8,833	38,106	28,470	9,636	39,165	29,346	9,819	39,165	29,346	9,819
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rooms	5,414	5,742	(328)	6,294	6,621	(326)	6,998	7,288	(290)	7,408	7,738	(330)	7,556	7,892	(336)
Food & Beverage	1,715	5,399	(3,684)	1,852	6,050	(4,198)	1,954	6,727	(4,773)	2,030	6,948	(4,918)	2,109	7,151	(5,042)
Other	375	586	(211)	429	667	(238)	471	738	(266)	497	773	(276)	509	792	(283)
Total Revenue	\$7,504	\$11,727	(\$4,223)	\$8,575	\$13,337	(\$4,762)	\$9,423	\$14,753	(\$5,330)	\$9,935	\$15,459	(\$5,524)	\$10,174	\$15,835	(\$5,661)
Distributed Expenses															
Rooms	1,354	1,723	(369)	1,448	1,788	(340)	1,540	1,822	(282)	1,556	1,934	(379)	1,587	1,973	(386)
Food & Beverage	1,483	3,957	(2,474)	1,569	4,138	(2,569)	1,631	4,359	(2,728)	1,695	4,434	(2,739)	1,762	4,564	(2,802)
Other	188	293	(106)	214	333	(119)	236	369	(133)	248	386	(138)	254	396	(142)
Total Distributed Exp.	\$3,024	\$5,973	(\$2,949)	\$3,231	\$6,259	(\$3,028)	\$3,406	\$6,549	(\$3,144)	\$3,499	\$6,755	(\$3,256)	\$3,603	\$6,933	(\$3,330)
Distributed Profit															
Rooms	4,061	4,020	41	4,847	4,833	14	5,458	5,466	(8)	5,852	5,803	49	5,969	5,919	50
Food & Beverage	231	1,441	(1,210)	282	1,912	(1,630)	323	2,369	(2,045)	335	2,514	(2,179)	348	2,587	(2,239)
Other Operated Departments	188	293	(106)	214	333	(119)	236	369	(133)	248	386	(138)	254	396	(142)
Operating Income	\$4,480	\$5,754	(\$1,274)	\$5,344	\$7,078	(\$1,735)	\$6,017	\$8,203	(\$2,186)	\$6,436	\$8,704	(\$2,268)	\$6,571	\$8,902	(\$2,331)
Undistributed Expenses															
A&G	600	997	(396)	665	1,100	(436)	707	1,180	(473)	745	1,237	(492)	763	1,267	(504)
Telecommunications	75	117	(42)	86	133	(48)	94	148	(53)	99	155	(55)	102	158	(57)
Sales and Marketing	450	938	(488)	472	934	(462)	518	1,033	(514)	546	1,082	(536)	560	1,108	(549)
Repairs	300	469	(169)	343	533	(190)	377	590	(213)	397	618	(221)	407	633	(226)
Energy	225	352	(127)	257	400	(143)	283	443	(160)	298	464	(166)	305	475	(170)
Total Undistributed Exp.	\$1,651	\$2,873	(\$1,222)	\$1,822	\$3,101	(\$1,279)	\$1,979	\$3,393	(\$1,414)	\$2,086	\$3,555	(\$1,469)	\$2,137	\$3,642	(\$1,506)
GOP	\$2,829	\$2,881	(\$52)	\$3,521	\$3,978	(\$456)	\$4,039	\$4,810	(\$772)	\$4,350	\$5,148	(\$799)	\$4,435	\$5,260	(\$825)
Management Fee	225	352	(127)	300	467	(167)	377	590	(213)	397	618	(221)	407	633	(226)
Franchise Fee	162	0	162	252	0	252	350	0	350	370	0	370	378	0	378
Fixed Expenses															
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	362	404	(43)	372	404	(32)	384	404	(21)	395	404	(9)	407	404	3
Insurance	75	117	(42)	86	133	(48)	94	148	(53)	99	155	(55)	102	158	(57)
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fixed Expenses	\$437	\$521	(\$85)	\$458	\$538	(\$79)	\$478	\$552	(\$74)	\$494	\$559	(\$64)	\$509	\$563	(\$54)
EBITDA	\$2,005	\$2,008	(\$3)	\$2,511	\$2,973	(\$462)	\$2,834	\$3,668	(\$835)	\$3,087	\$3,971	(\$884)	\$3,141	\$4,064	(\$923)
FF&E Reserve	150	235	(84)	257	400	(143)	377	590	(213)	397	618	(221)	407	633	(226)
NOI	\$1,855	\$1,773	\$81	\$2,254	\$2,573	(\$319)	\$2,457	\$3,078	(\$621)	\$2,690	\$3,353	(\$663)	\$2,734	\$3,431	(\$696)

COMPARISON - Boutique vs. Limited

Pro Forma (COMPARISON) - Boutique vs. Limited - Margins

(\$ in thousands)

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Limited	Boutique	Variance	Limited	Boutique	Variance	Limited	Boutique	Variance	Limited	Boutique	Variance	Limited	Boutique	Variance
Number of Rooms	145	120	25	145	120	25	145	120	25	145	120	25	145	120	25
Occupancy	62.0%	57.0%	5.0%	68.0%	62.0%	6.0%	72.0%	65.0%	7.0%	74.0%	67.0%	7.0%	74.0%	67.0%	7.0%
ADR	\$165.00	\$230.00	(\$65.00)	\$174.90	\$243.80	(\$68.90)	\$183.65	\$255.99	(\$72.35)	\$189.15	\$263.67	(\$74.52)	\$192.94	\$268.94	(\$76.01)
RevPAR	\$102.30	\$131.10	(\$28.80)	\$118.93	\$151.16	(\$32.22)	\$132.22	\$166.39	(\$34.17)	\$139.97	\$176.66	(\$36.68)	\$142.77	\$180.19	(\$37.42)
Days Open	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Rooms Available	52,925	43,800	9,125	52,925	43,800	9,125	52,925	43,800	9,125	52,925	43,800	9,125	52,925	43,800	9,125
Rooms Occupied	32,814	24,966	7,848	35,989	27,156	8,833	38,106	28,470	9,636	39,165	29,346	9,819	39,165	29,346	9,819
Revenues	%	%	% pts	%	%	% pts	%	%	% pts	%	%	% pts	%	%	% pts
Rooms	72.2%	49.0%	23.2%	73.4%	49.6%	23.8%	74.3%	49.4%	24.9%	74.6%	50.1%	24.5%	74.3%	49.8%	24.4%
Food & Beverage	22.8%	46.0%	-23.2%	21.6%	45.4%	-23.8%	20.7%	45.6%	-24.9%	20.4%	44.9%	-24.5%	20.7%	45.2%	-24.4%
Other	5.0%	5.0%	0.0%	5.0%	5.0%	0.0%	5.0%	5.0%	0.0%	5.0%	5.0%	0.0%	5.0%	5.0%	0.0%
Total Revenue	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%
Distributed Expenses															
Rooms	25.0%	30.0%	-5.0%	23.0%	27.0%	-4.0%	22.0%	25.0%	-3.0%	21.0%	25.0%	-4.0%	21.0%	25.0%	-4.0%
Food & Beverage	86.5%	73.3%	13.2%	84.7%	68.4%	16.4%	83.4%	64.8%	18.7%	83.5%	63.8%	19.7%	83.5%	63.8%	19.7%
Other	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%
Total Distributed Exp.	40.3%	50.9%	-10.6%	37.7%	46.9%	-9.2%	36.1%	44.4%	-8.3%	35.2%	43.7%	-8.5%	35.4%	43.8%	-8.4%
Distributed Profit															
Rooms	75.0%	70.0%	5.0%	77.0%	73.0%	4.0%	78.0%	75.0%	3.0%	79.0%	75.0%	4.0%	79.0%	75.0%	4.0%
Food & Beverage	13.5%	26.7%	-13.2%	15.3%	31.6%	-16.4%	16.6%	35.2%	-18.7%	16.5%	36.2%	-19.7%	16.5%	36.2%	-19.7%
Other Operated Departments	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%
Operating Income	59.7%	49.1%	10.6%	62.3%	53.1%	9.2%	63.9%	55.6%	8.3%	64.8%	56.3%	8.5%	64.6%	56.2%	8.4%
Undistributed Expenses															
A&G	8.0%	8.5%	-0.5%	7.8%	8.3%	-0.5%	7.5%	8.0%	-0.5%	7.5%	8.0%	-0.5%	7.5%	8.0%	-0.5%
Telecommunications	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%
Sales and Marketing	6.0%	8.0%	-2.0%	5.5%	7.0%	-1.5%	5.5%	7.0%	-1.5%	5.5%	7.0%	-1.5%	5.5%	7.0%	-1.5%
Repairs	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
Energy	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%
Total Undistributed Exp.	22.0%	24.5%	-2.5%	21.3%	23.3%	-2.0%	21.0%	23.0%	-2.0%	21.0%	23.0%	-2.0%	21.0%	23.0%	-2.0%
GOP	37.7%	24.6%	13.1%	41.1%	29.8%	11.2%	42.9%	32.6%	10.3%	43.8%	33.3%	10.5%	43.6%	33.2%	10.4%
Management Fee	3.0%	3.0%	0.0%	3.5%	3.5%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
Franchise Fee	2.2%	0.0%	2.2%	2.9%	0.0%	2.9%	3.7%	0.0%	3.7%	3.7%	0.0%	3.7%	3.7%	0.0%	3.7%
Fixed Expenses															
Rent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property Taxes	4.8%	3.4%	1.4%	4.3%	3.0%	1.3%	4.1%	2.7%	1.3%	4.0%	2.6%	1.4%	4.0%	2.6%	1.4%
Insurance	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Fixed Expenses	5.8%	4.4%	1.4%	5.3%	4.0%	1.3%	5.1%	3.7%	1.3%	5.0%	3.6%	1.4%	5.0%	3.6%	1.4%
EBITDA	26.7%	17.1%	9.6%	29.3%	22.3%	7.0%	30.1%	24.9%	5.2%	31.1%	25.7%	5.4%	30.9%	25.7%	5.2%
FF&E Reserve	2.0%	2.0%	0.0%	3.0%	3.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
NOI	24.7%	15.1%	9.6%	26.3%	19.3%	7.0%	26.1%	20.9%	5.2%	27.1%	21.7%	5.4%	26.9%	21.7%	5.2%

Construction Cost Build-Up - Hotel - Boutique vs. Full Service Comparison

(\$ in thousands, except per key and per SF amounts)

	Total SF	Boutique (120 Keys)		Full Service (300 Keys)		Difference	
		Total	Per Key	Total	Per Key	Total \$	Per Key
Land Costs	85,000						
Allocation of Land Cost		\$0	\$0	\$0	\$0	(\$0)	(\$0)
Other		0	0	0	0	0	0
Total Land Costs		\$0	\$0	\$0	\$0	(\$0)	(\$0)
Hard Costs							
Construction Cost		\$25,500	\$212,500	\$67,500	\$225,000	\$42,000	\$12,500
Contingency	5.0%	1,275	10,625	3,375	11,250	2,100	625
Total Hard Costs		\$26,775	\$223,125	\$70,875	\$236,250	\$44,100	\$13,125
Soft Costs and Other							
Designer		\$450	\$3,750	\$600	\$2,000	\$150	(\$1,750)
A&E Fees, Design Consultants		1,500	12,500	1,850	6,167	350	(6,333)
Consultants		75	625	75	250	0	(375)
Geo / SOE		60	500	60	200	0	(300)
Engineering		65	542	65	217	0	(325)
Expeditor		80	667	80	267	0	(400)
Insurance		650	5,417	650	2,167	0	(3,250)
Real Estate Taxes		250	2,083	250	833	0	(1,250)
Legal		150	1,250	150	500	0	(750)
Borrower Legal		150	1,250	150	500	0	(750)
Owner's Rep		90	750	90	300	0	(450)
Operating Expenses		120	1,000	120	400	0	(600)
Miscellaneous		125	1,042	125	417	0	(625)
Franchise Application Fee		0	0	0	0	0	0
Pre-Opening		1,200	10,000	2,000	6,667	800	(3,333)
Hotel FF&E Public Spaces		1,500	12,500	3,500	11,667	2,000	(833)
Hotel FF&E		3,000	25,000	6,600	22,000	3,600	(3,000)
OS&E		1,020	8,500	4,500	15,000	3,480	6,500
Development Fee	3.0%	803	6,694	2,126	7,088	1,323	394
Mortgage Recording Tax ⁽¹⁾		379	3,162	235	783	(145)	(2,379)
Interest Reserve ⁽²⁾		2,043	17,027	4,361	14,536	2,317	(2,491)
Origination Fee ⁽³⁾		292	2,432	671	2,236	379	(196)
Financing / Brokerage Fee ⁽⁴⁾		292	2,432	671	2,236	379	(196)
Working Capital		240	2,000	750	2,500	510	500
Title Insurance ⁽⁵⁾		130	1,083	130	433	0	(650)
Third Party Reports		150	1,250	150	500	0	(750)
Other Financing Costs		100	833	100	333	0	(500)
Operator Technical Services Fee		200	1,667	300	1,000	100	(667)
Brand Creation Fee		150	1,250	0	0	(150)	(1,250)
Advisory Fee ⁽⁶⁾		410	3,417	460	1,533	50	(1,883)
Contingency	5.0%	837	6,973	1,518	5,060	681	(1,913)
Total Soft Costs and Other		\$18,131	\$151,096	\$32,336	\$107,788	\$14,205	(\$43,308)
Total Project Cost		\$44,906	\$374,221	\$103,211	\$344,038	\$58,305	(\$30,183)

Source: JF Capital illustrative internal projections

(1) Mortgage Recording Tax calculated as 1.30% of total loan balance, (2) Interest Reserve calculated as 100% of one year of interest on full loan amount, (3) Origination Fee calculated as 1.0% of loan,

(4) Financing / Brokerage Fee calculated as 1.0% of loan, (5) Estimated using First American Title Calculator, (6) Advisory Fee calculated as a retainer for work done through December 31, 2017 + varying monthly retainers thereafter + success fees upon execution of various agreements + 100bps of loan

COMPARISON - Full Service vs. Boutique

Pro Forma (COMPARISON) - Full Service vs. Boutique - Dollars

(\$ in thousands)

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Full Service	Boutique	Variance	Full Service	Boutique	Variance	Full Service	Boutique	Variance	Full Service	Boutique	Variance	Full Service	Boutique	Variance
Number of Rooms	300	120	180	300	120	180	300	120	180	300	120	180	300	120	180
Occupancy	60.0%	57.0%	3.0%	65.0%	62.0%	3.0%	69.0%	65.0%	4.0%	71.0%	67.0%	4.0%	73.0%	67.0%	6.0%
ADR	\$160.00	\$230.00	(\$70.00)	\$171.20	\$243.80	(\$72.60)	\$179.76	\$255.99	(\$76.23)	\$186.95	\$263.67	(\$76.72)	\$192.56	\$268.94	(\$76.38)
RevPAR	\$96.00	\$131.10	(\$35.10)	\$111.28	\$151.16	(\$39.88)	\$124.03	\$166.39	(\$42.36)	\$132.73	\$176.66	(\$43.92)	\$140.57	\$180.19	(\$39.62)
Days Open	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Rooms Available	109,500	43,800	65,700	109,500	43,800	65,700	109,500	43,800	65,700	109,500	43,800	65,700	109,500	43,800	65,700
Rooms Occupied	65,700	24,966	40,734	71,175	27,156	44,019	75,555	28,470	47,085	77,745	29,346	48,399	79,935	29,346	50,589
Revenues	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rooms	10,512	5,742	4,770	12,185	6,621	5,565	13,582	7,288	6,294	14,534	7,738	6,797	15,392	7,892	7,500
Food & Beverage	6,999	5,399	1,601	8,138	6,050	2,088	9,488	6,727	2,761	10,590	6,948	3,642	10,959	7,151	3,808
Other	922	586	335	1,070	667	403	1,214	738	477	1,322	773	549	1,387	792	595
Total Revenue	\$18,433	\$11,727	\$6,706	\$21,393	\$13,337	\$8,055	\$24,284	\$14,753	\$9,531	\$26,447	\$15,459	\$10,988	\$27,738	\$15,835	\$11,903
Distributed Expenses															
Rooms	2,943	1,723	1,221	3,168	1,788	1,381	3,124	1,822	1,302	3,198	1,934	1,263	3,386	1,973	1,413
Food & Beverage	5,316	3,957	1,359	5,800	4,138	1,662	6,406	4,359	2,047	7,065	4,434	2,631	7,318	4,564	2,753
Other	461	293	168	535	333	201	607	369	238	661	386	275	693	396	298
Total Distributed Exp.	\$8,720	\$5,973	\$2,747	\$9,503	\$6,259	\$3,244	\$10,137	\$6,549	\$3,588	\$10,924	\$6,755	\$4,169	\$11,397	\$6,933	\$4,464
Distributed Profit															
Rooms	7,569	4,020	3,549	9,017	4,833	4,184	10,458	5,466	4,992	11,337	5,803	5,534	12,006	5,919	6,087
Food & Beverage	1,683	1,441	242	2,338	1,912	426	3,082	2,369	714	3,525	2,514	1,011	3,642	2,587	1,055
Other Operated Departments	461	293	168	535	333	201	607	369	238	661	386	275	693	396	298
Operating Income	\$9,713	\$5,754	\$3,959	\$11,890	\$7,078	\$4,811	\$14,147	\$8,203	\$5,944	\$15,523	\$8,704	\$6,819	\$16,341	\$8,902	\$7,439
Undistributed Expenses															
A&G	1,567	997	570	1,711	1,100	611	1,821	1,180	641	1,984	1,237	747	2,080	1,267	814
Telecommunications	184	117	67	214	133	81	243	148	95	264	155	110	277	158	119
Sales and Marketing	1,475	938	536	1,497	934	564	1,457	1,033	424	1,587	1,082	505	1,664	1,108	556
Repairs	737	469	268	856	533	322	971	590	381	1,058	618	440	1,110	633	476
Energy	461	352	109	535	400	135	729	443	286	793	464	330	832	475	357
Total Undistributed Exp.	\$4,424	\$2,873	\$1,551	\$4,813	\$3,101	\$1,712	\$5,221	\$3,393	\$1,828	\$5,686	\$3,555	\$2,131	\$5,964	\$3,642	\$2,322
GOP	\$5,289	\$2,881	\$2,408	\$7,076	\$3,978	\$3,099	\$8,926	\$4,810	\$4,116	\$9,837	\$5,148	\$4,688	\$10,377	\$5,260	\$5,117
Management Fee	553	352	201	749	467	282	971	590	381	1,058	618	440	1,110	633	476
Franchise Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed Expenses															
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	697	404	293	697	404	293	697	404	293	697	404	293	697	404	293
Insurance	276	117	159	321	133	188	364	148	217	397	155	242	416	158	258
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fixed Expenses	\$973	\$521	\$452	\$1,018	\$538	\$480	\$1,061	\$552	\$509	\$1,093	\$559	\$535	\$1,113	\$563	\$550
EBITDA	\$3,763	\$2,008	\$1,755	\$5,310	\$2,973	\$2,337	\$6,894	\$3,668	\$3,225	\$7,685	\$3,971	\$3,714	\$8,155	\$4,064	\$4,091
FF&E Reserve	369	235	134	642	400	242	971	590	381	1,058	618	440	1,110	633	476
NOI	\$3,394	\$1,773	\$1,621	\$4,668	\$2,573	\$2,095	\$5,922	\$3,078	\$2,844	\$6,627	\$3,353	\$3,275	\$7,045	\$3,431	\$3,615

COMPARISON - Full Service vs. Boutique

Pro Forma (COMPARISON) - Full Service vs. Boutique - Margins

(\$ in thousands)

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Full Service	Boutique	Variance	Full Service	Boutique	Variance	Full Service	Boutique	Variance	Full Service	Boutique	Variance	Full Service	Boutique	Variance
Number of Rooms	300	120	180	300	120	180	300	120	180	300	120	180	300	120	180
Occupancy	60.0%	57.0%	3.0%	65.0%	62.0%	3.0%	69.0%	65.0%	4.0%	71.0%	67.0%	4.0%	73.0%	67.0%	6.0%
ADR	\$160.00	\$230.00	(\$70.00)	\$171.20	\$243.80	(\$72.60)	\$179.76	\$255.99	(\$76.23)	\$186.95	\$263.67	(\$76.72)	\$192.56	\$268.94	(\$76.38)
RevPAR	\$96.00	\$131.10	(\$35.10)	\$111.28	\$151.16	(\$39.88)	\$124.03	\$166.39	(\$42.36)	\$132.73	\$176.66	(\$43.92)	\$140.57	\$180.19	(\$39.62)
Days Open	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Rooms Available	109,500	43,800	65,700	109,500	43,800	65,700	109,500	43,800	65,700	109,500	43,800	65,700	109,500	43,800	65,700
Rooms Occupied	65,700	24,966	40,734	71,175	27,156	44,019	75,555	28,470	47,085	77,745	29,346	48,399	79,935	29,346	50,589
Revenues	%	%	% pts	%	%	% pts	%	%	% pts	%	%	% pts	%	%	% pts
Rooms	57.0%	49.0%	8.1%	57.0%	49.6%	7.3%	55.9%	49.4%	6.5%	55.0%	50.1%	4.9%	55.5%	49.8%	5.7%
Food & Beverage	38.0%	46.0%	-8.1%	38.0%	45.4%	-7.3%	39.1%	45.6%	-6.5%	40.0%	44.9%	-4.9%	39.5%	45.2%	-5.7%
Other	5.0%	5.0%	0.0%	5.0%	5.0%	0.0%	5.0%	5.0%	0.0%	5.0%	5.0%	0.0%	5.0%	5.0%	0.0%
Total Revenue	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%
Distributed Expenses															
Rooms	28.0%	30.0%	-2.0%	26.0%	27.0%	-1.0%	23.0%	25.0%	-2.0%	22.0%	25.0%	-3.0%	22.0%	25.0%	-3.0%
Food & Beverage	75.9%	73.3%	2.6%	71.3%	68.4%	2.9%	67.5%	64.8%	2.7%	66.7%	63.8%	2.9%	66.8%	63.8%	2.9%
Other	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%
Total Distributed Exp.	47.3%	50.9%	-3.6%	44.4%	46.9%	-2.5%	41.7%	44.4%	-2.7%	41.3%	43.7%	-2.4%	41.1%	43.8%	-2.7%
Distributed Profit															
Rooms	72.0%	70.0%	2.0%	74.0%	73.0%	1.0%	77.0%	75.0%	2.0%	78.0%	75.0%	3.0%	78.0%	75.0%	3.0%
Food & Beverage	24.1%	26.7%	-2.6%	28.7%	31.6%	-2.9%	32.5%	35.2%	-2.7%	33.3%	36.2%	-2.9%	33.2%	36.2%	-2.9%
Other Operated Departments	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%
Operating Income	52.7%	49.1%	3.6%	55.6%	53.1%	2.5%	58.3%	55.6%	2.7%	58.7%	56.3%	2.4%	58.9%	56.2%	2.7%
Undistributed Expenses															
A&G	8.5%	8.5%	0.0%	8.0%	8.3%	-0.3%	7.5%	8.0%	-0.5%	7.5%	8.0%	-0.5%	7.5%	8.0%	-0.5%
Telecommunications	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%
Sales and Marketing	8.0%	8.0%	0.0%	7.0%	7.0%	0.0%	6.0%	7.0%	-1.0%	6.0%	7.0%	-1.0%	6.0%	7.0%	-1.0%
Repairs	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
Energy	2.5%	3.0%	-0.5%	2.5%	3.0%	-0.5%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%
Total Undistributed Exp.	24.0%	24.5%	-0.5%	22.5%	23.3%	-0.8%	21.5%	23.0%	-1.5%	21.5%	23.0%	-1.5%	21.5%	23.0%	-1.5%
GOP	28.7%	24.6%	4.1%	33.1%	29.8%	3.3%	36.8%	32.6%	4.2%	37.2%	33.3%	3.9%	37.4%	33.2%	4.2%
Management Fee	3.0%	3.0%	0.0%	3.5%	3.5%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
Franchise Fee	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed Expenses															
Rent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property Taxes	3.8%	3.4%	0.3%	3.3%	3.0%	0.2%	2.9%	2.7%	0.1%	2.6%	2.6%	0.0%	2.5%	2.6%	0.0%
Insurance	1.5%	1.0%	0.5%	1.5%	1.0%	0.5%	1.5%	1.0%	0.5%	1.5%	1.0%	0.5%	1.5%	1.0%	0.5%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Fixed Expenses	5.3%	4.4%	0.8%	4.8%	4.0%	0.7%	4.4%	3.7%	0.6%	4.1%	3.6%	0.5%	4.0%	3.6%	0.5%
EBITDA	20.4%	17.1%	3.3%	24.8%	22.3%	2.5%	28.4%	24.9%	3.5%	29.1%	25.7%	3.4%	29.4%	25.7%	3.7%
FF&E Reserve	2.0%	2.0%	0.0%	3.0%	3.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
NOI	18.4%	15.1%	3.3%	21.8%	19.3%	2.5%	24.4%	20.9%	3.5%	25.1%	21.7%	3.4%	25.4%	21.7%	3.7%

DRAFT North Castle Hotel Model

CONFIDENTIAL

Construction Cost Build-Up - Hotel - Independent/Boutique vs. Boutique Hotel with Apartments Scenario

(\$ in thousands, except per key and per SF amounts)

		Hotel Keys	120	Hotel Keys	97		
		Apartments	0	Apartments	69		
		Total SF	85,000	Total SF	164,400		
		Boutique/Independent		Boutique Hotel/Apts		Difference	
		Total	Per Key	Total	Per Key	Total \$	Per Key
Land Costs							
Allocation of Land Cost		\$0	\$0	\$0	\$0	\$0	\$0
Other		0	0	0	0	0	0
Total Land Costs		\$0	\$0	\$0	\$0	\$0	\$0
Hard Costs							
Construction Cost		\$25,500	\$212,500	\$33,044	\$340,664	\$7,544	\$128,164
Contingency	5.0%	1,275	10,625	1,652	17,033	377	6,408
Total Hard Costs		\$26,775	\$223,125	\$34,697	\$357,697	\$7,922	\$134,572
Soft Costs and Other							
Designer		\$450	\$3,750	\$436	\$4,490	(\$15)	\$740
A&E Fees, Design Consultants		1,500	12,500	1,340	13,814	(160)	1,314
Consultants		75	625	67	691	(8)	66
Geo / SOE		60	500	40	414	(20)	(86)
Engineering		65	542	54	553	(11)	11
Expeditor		80	667	54	553	(26)	(114)
Insurance		650	5,417	436	4,490	(215)	(927)
Real Estate Taxes		250	2,083	168	1,727	(83)	(357)
Legal		150	1,250	168	1,727	18	477
Borrower Legal		150	1,250	168	1,727	18	477
Owner's Rep		90	750	80	829	(10)	79
Operating Expenses		120	1,000	80	829	(40)	(171)
Miscellaneous		125	1,042	84	863	(41)	(178)
Pre-Opening		1,200	10,000	804	8,289	(396)	(1,711)
Pool/Fitness Club FF&E		1,200	10,000	300	3,093	(900)	(6,907)
Hotel FF&E Public Spaces		1,500	12,500	1,200	12,371	(300)	(129)
Hotel FF&E		3,000	25,000	2,600	26,804	(400)	1,804
OS&E		1,020	8,500	900	9,278	(120)	778
Pool/Fitness Club OS&E		420	3,500	250	2,577	(170)	(923)
Development Fee	3.0%	803	6,694	1,088	11,211	284	4,518
Mortgage Recording Tax ⁽¹⁾		379	3,162	459	4,736	80	1,573
Interest Reserve ⁽²⁾		2,043	17,027	2,120	21,853	76	4,825
Origination Fee ⁽³⁾		292	2,432	353	3,643	61	1,210
Financing / Brokerage Fee ⁽⁴⁾		292	2,432	353	3,643	61	1,210
Working Capital		240	2,000	175	1,800	(65)	(200)
Title Insurance ⁽⁵⁾		130	1,083	123	1,263	(8)	180
Third Party Reports		150	1,250	105	1,082	(45)	(168)
Other Financing Costs		100	833	70	722	(30)	(112)
Operator Technical Services Fee		200	1,667	200	2,062	0	395
Brand Creation Fee		150	1,250	200	2,062	50	812
Advisory Fee ⁽⁶⁾		410	3,417	287	2,959	(123)	(458)
Contingency	5.0%	837	6,973	715	7,370	(122)	397
Total Soft Costs and Other		\$18,131	\$151,096	\$15,474	\$159,523	(\$2,658)	\$8,427
Total Project Cost		\$44,906	\$374,221	\$50,170	\$517,220	\$5,264	\$142,999

Source: JF Capital illustrative internal projections

Note: The Boutique Hotel with Apartments scenario does not include the development budget for the Apartments component. The comparison is only between the two Boutique hotel scenarios.

(1) Mortgage Recording Tax calculated as 1.3% of total loan balance, (2) Interest Reserve calculated as 100% of one year of interest on full loan amount, (3) Origination Fee calculated as 1.0% of loan,

(4) Financing / Brokerage Fee calculated as 1.0% of loan, (5) Estimated using First American Title Calculator, (6) Advisory Fee calculated as a retainer for work done through December 31, 2017 + varying monthly retainers thereafter + success fees upon execution of various agreements + 100bps of loan

COMPARISON - Boutique with Apartments vs. Independent/Boutique

Pro Forma (COMPARISON) - Boutique with Apartments vs. Independent/Boutique - Dollars

(\$ in thousands)

The following is a comparison between the Pro Forma \$ amounts of the Boutique Hotel With Apartments scenario and the Independent/Boutique Hotel Scenario

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance
Hotel Rooms	97	120	(23)	97	120	(23)	97	120	(23)	97	120	(23)	97	120	(23)
Apartments	69	0	69	69	0	69	69	0	69	69	0	69	69	0	69
Occupancy (Hotel and Apartment)	75.0%	57.0%	18.0%	79.0%	62.0%	17.0%	82.5%	65.0%	17.5%	84.5%	67.0%	17.5%	84.5%	67.0%	17.5%
ADR (Hotel Only)	\$242.00	\$230.00	\$12.00	\$256.52	\$243.80	\$12.72	\$269.35	\$255.99	\$13.36	\$282.81	\$263.67	\$19.14	\$294.13	\$268.94	\$25.18
RevPAR (Hotel Only)	\$145.20	\$131.10	\$14.10	\$166.74	\$151.16	\$15.58	\$188.54	\$166.39	\$22.15	\$209.28	\$176.66	\$32.62	\$217.65	\$180.19	\$37.46
Days Open	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Rooms Available	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)
Rooms Occupied	26,554	24,966	1,588	27,970	27,156	814	29,209	28,470	739	29,917	29,346	571	29,917	29,346	571
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rooms	6,943	5,742	1,201	7,822	6,621	1,201	8,694	7,288	1,406	9,489	7,738	1,751	9,847	7,892	1,955
Food & Beverage	6,878	5,399	1,479	7,623	6,050	1,573	8,344	6,727	1,617	8,633	6,948	1,685	8,887	7,151	1,736
Other	1,505	586	919	1,658	667	991	1,803	738	1,066	1,901	773	1,128	1,963	792	1,171
Total Revenue	\$15,326	\$11,727	\$3,599	\$17,103	\$13,337	\$3,765	\$18,841	\$14,753	\$4,088	\$20,022	\$15,459	\$4,564	\$20,697	\$15,835	\$4,862
Distributed Expenses															
Rooms	1,490	1,723	(233)	1,507	1,788	(281)	1,544	1,822	(278)	1,651	1,934	(284)	1,696	1,973	(278)
Food & Beverage	4,961	3,957	1,003	5,051	4,138	913	5,282	4,359	924	5,383	4,434	949	5,542	4,564	978
Other	678	293	385	731	333	398	767	369	398	812	386	425	839	396	443
Total Distributed Exp.	\$7,128	\$5,973	\$1,155	\$7,289	\$6,259	\$1,030	\$7,593	\$6,549	\$1,044	\$7,846	\$6,755	\$1,091	\$8,076	\$6,933	\$1,143
Distributed Profit															
Rooms	5,454	4,020	1,434	6,315	4,833	1,482	7,150	5,466	1,684	7,838	5,803	2,035	8,152	5,919	2,233
Food & Beverage	1,917	1,441	476	2,572	1,912	660	3,062	2,369	693	3,250	2,514	736	3,345	2,587	758
Other Operated Departments	828	293	534	926	333	593	1,036	369	667	1,089	386	702	1,124	396	728
Operating Income	\$8,198	\$5,754	\$2,444	\$9,813	\$7,078	\$2,735	\$11,248	\$8,203	\$3,044	\$12,177	\$8,704	\$3,473	\$12,621	\$8,902	\$3,719
Undistributed Expenses															
A&G	1,029	997	33	1,082	1,100	(18)	1,117	1,180	(63)	1,191	1,237	(46)	1,231	1,267	(36)
Telecommunications	129	117	12	145	133	12	161	148	14	173	155	18	178	158	20
Sales and Marketing	960	938	22	975	934	41	1,077	1,033	44	1,146	1,082	64	1,185	1,108	76
Repairs	524	469	55	549	533	16	565	590	(25)	601	618	(18)	621	633	(13)
Energy	436	352	84	487	400	87	538	443	96	573	464	109	592	475	117
Total Undistributed Exp.	\$3,079	\$2,873	\$206	\$3,239	\$3,101	\$139	\$3,459	\$3,393	\$66	\$3,683	\$3,555	\$127	\$3,807	\$3,642	\$165
GOP	\$5,119	\$2,881	\$2,239	\$6,574	\$3,978	\$2,596	\$7,789	\$4,810	\$2,979	\$8,494	\$5,148	\$3,346	\$8,814	\$5,260	\$3,553
Management Fee	484	352	132	611	467	145	754	590	164	801	618	183	828	633	194
Franchise Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed Expenses															
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	666	404	262	686	404	282	706	404	302	728	404	324	750	404	345
Insurance	165	117	48	184	133	50	202	148	54	214	155	59	221	158	63
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fixed Expenses	\$831	\$521	\$310	\$870	\$538	\$332	\$908	\$552	\$357	\$942	\$559	\$383	\$971	\$563	\$408
EBITDA	\$3,804	\$2,008	\$1,797	\$5,093	\$2,973	\$2,120	\$6,127	\$3,668	\$2,459	\$6,751	\$3,971	\$2,780	\$7,015	\$4,064	\$2,951
FF&E Reserve	201	235	(33)	368	400	(32)	565	590	(25)	773	618	155	799	633	166
NOI	\$3,603	\$1,773	\$1,830	\$4,725	\$2,573	\$2,152	\$5,562	\$3,078	\$2,484	\$5,978	\$3,353	\$2,625	\$6,216	\$3,431	\$2,785

COMPARISON - Boutique with Apartments vs. Independent/Boutique

Pro Forma (COMPARISON) - Boutique with Apartments vs. Independent/Boutique - Margins

(\$ in thousands)

The following is a comparison between the Pro Forma margins of the Boutique Hotel With Apartments scenario and the Independent/Boutique Hotel Scenario

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance
Hotel Rooms	97	120	(23)	97	120	(23)	97	120	(23)	97	120	(23)	97	120	(23)
Apartments	69	0	69	69	0	69	69	0	69	69	0	69	69	0	69
Occupancy (Hotel and Apartment)	75.0%	57.0%	18.0%	79.0%	62.0%	17.0%	82.5%	65.0%	17.5%	84.5%	67.0%	17.5%	84.5%	67.0%	17.5%
ADR (Hotel Only)	\$242.00	\$230.00	\$12.00	\$256.52	\$243.80	\$12.72	\$269.35	\$255.99	\$13.36	\$282.81	\$263.67	\$19.14	\$294.13	\$268.94	\$25.18
RevPAR (Hotel Only)	\$145.20	\$131.10	\$14.10	\$166.74	\$151.16	\$15.58	\$188.54	\$166.39	\$22.15	\$209.28	\$176.66	\$32.62	\$217.65	\$180.19	\$37.46
Days Open	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Rooms Available	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)
Rooms Occupied	26,554	24,966	1,588	27,970	27,156	814	29,209	28,470	739	29,917	29,346	571	29,917	29,346	571
Revenues	%	%	% pts	%	%	% pts	%	%	% pts	%	%	% pts	%	%	% pts
Rooms	45.3%	49.0%	-3.7%	45.7%	49.6%	-3.9%	46.1%	49.4%	-3.3%	47.4%	50.1%	-2.7%	47.6%	49.8%	-2.3%
Food & Beverage	44.9%	46.0%	-1.2%	44.6%	45.4%	-0.8%	44.3%	45.6%	-1.3%	43.1%	44.9%	-1.8%	42.9%	45.2%	-2.2%
Other	9.8%	5.0%	4.8%	9.7%	5.0%	4.7%	9.6%	5.0%	4.6%	9.5%	5.0%	4.5%	9.5%	5.0%	4.5%
Total Revenue	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%
Distributed Expenses															
Rooms	21.5%	30.0%	-8.5%	19.3%	27.0%	-7.7%	17.8%	25.0%	-7.2%	17.4%	25.0%	-7.6%	17.2%	25.0%	-7.8%
Food & Beverage	72.1%	73.3%	-1.2%	66.3%	68.4%	-2.1%	63.3%	64.8%	-1.5%	62.4%	63.8%	-1.5%	62.4%	63.8%	-1.5%
Other	45.0%	50.0%	-5.0%	44.1%	50.0%	-5.9%	42.5%	50.0%	-7.5%	42.7%	50.0%	-7.3%	42.7%	50.0%	-7.3%
Total Distributed Exp.	46.5%	50.9%	-4.4%	42.6%	46.9%	-4.3%	40.3%	44.4%	-4.1%	39.2%	43.7%	-4.5%	39.0%	43.8%	-4.8%
Distributed Profit															
Rooms	78.5%	70.0%	8.5%	80.7%	73.0%	7.7%	82.2%	75.0%	7.2%	82.6%	75.0%	7.6%	82.8%	75.0%	7.8%
Food & Beverage	27.9%	26.7%	1.2%	33.7%	31.6%	2.1%	36.7%	35.2%	1.5%	37.6%	36.2%	1.5%	37.6%	36.2%	1.5%
Other Operated Departments	55.0%	50.0%	5.0%	55.9%	50.0%	5.9%	57.5%	50.0%	7.5%	57.3%	50.0%	7.3%	57.3%	50.0%	7.3%
Operating Income	53.5%	49.1%	4.4%	57.4%	53.1%	4.3%	59.7%	55.6%	4.1%	60.8%	56.3%	4.5%	61.0%	56.2%	4.8%
Undistributed Expenses															
A&G	6.7%	8.5%	-1.8%	6.3%	8.3%	-1.9%	5.9%	8.0%	-2.1%	5.9%	8.0%	-2.1%	5.9%	8.0%	-2.1%
Telecommunications	0.8%	1.0%	-0.2%	0.9%	1.0%	-0.1%	0.9%	1.0%	-0.1%	0.9%	1.0%	-0.1%	0.9%	1.0%	-0.1%
Sales and Marketing	6.3%	8.0%	-1.7%	5.7%	7.0%	-1.3%	5.7%	7.0%	-1.3%	5.7%	7.0%	-1.3%	5.7%	7.0%	-1.3%
Repairs	3.4%	4.0%	-0.6%	3.2%	4.0%	-0.8%	3.0%	4.0%	-1.0%	3.0%	4.0%	-1.0%	3.0%	4.0%	-1.0%
Energy	2.8%	3.0%	-0.2%	2.9%	3.0%	-0.1%	2.9%	3.0%	-0.1%	2.9%	3.0%	-0.1%	2.9%	3.0%	-0.1%
Total Undistributed Exp.	20.1%	24.5%	-4.4%	18.9%	23.3%	-4.3%	18.4%	23.0%	-4.6%	18.4%	23.0%	-4.6%	18.4%	23.0%	-4.6%
GOP	33.4%	24.6%	8.8%	38.4%	29.8%	8.6%	41.3%	32.6%	8.7%	42.4%	33.3%	9.1%	42.6%	33.2%	9.4%
Management Fee	3.2%	3.0%	0.2%	3.6%	3.5%	0.1%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
Franchise Fee	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed Expenses															
Rent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property Taxes	4.3%	3.4%	0.9%	4.0%	3.0%	1.0%	3.7%	2.7%	1.0%	3.6%	2.6%	1.0%	3.6%	2.6%	1.1%
Insurance	1.1%	1.0%	0.1%	1.1%	1.0%	0.1%	1.1%	1.0%	0.1%	1.1%	1.0%	0.1%	1.1%	1.0%	0.1%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Fixed Expenses	5.4%	4.4%	1.0%	5.1%	4.0%	1.1%	4.8%	3.7%	1.1%	4.7%	3.6%	1.1%	4.7%	3.6%	1.1%
EBITDA	24.8%	17.1%	7.7%	29.8%	22.3%	7.5%	32.5%	24.9%	7.7%	33.7%	25.7%	8.0%	33.9%	25.7%	8.2%
FF&E Reserve	1.3%	2.0%	-0.7%	2.1%	3.0%	-0.9%	3.0%	4.0%	-1.0%	3.9%	4.0%	-0.1%	3.9%	4.0%	-0.1%
NOI	23.5%	15.1%	8.4%	27.6%	19.3%	8.3%	29.5%	20.9%	8.7%	29.9%	21.7%	8.2%	30.0%	21.7%	8.4%

COMPARISON - Boutique w/Apartments (Hotel Only) vs. Independent/Boutique

Pro Forma (COMPARISON) - Boutique w/Apartments (Hotel Only) vs. Independent/Boutique - Dollars

(\$ in thousands)

The following is a comparison between the Pro Forma \$ amounts of just the Hotel within the Boutique Hotel with Apartments Scenario and the Independent/Boutique Hotel Scenario

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance
Hotel Rooms	97	120	(23)	97	120	(23)	97	120	(23)	97	120	(23)	97	120	(23)
Occupancy (Hotel Only)	60.0%	57.0%	3.0%	65.0%	62.0%	3.0%	70.0%	65.0%	5.0%	74.0%	67.0%	7.0%	74.0%	67.0%	7.0%
ADR (Hotel Only)	\$242.00	\$230.00	\$12.00	\$256.52	\$243.80	\$12.72	\$269.35	\$255.99	\$13.36	\$282.81	\$263.67	\$19.14	\$294.13	\$268.94	\$25.18
RevPAR (Hotel Only)	\$145.20	\$131.10	\$14.10	\$166.74	\$151.16	\$15.58	\$188.54	\$166.39	\$22.15	\$209.28	\$176.66	\$32.62	\$217.65	\$180.19	\$37.46
Days Open	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Rooms Available	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)
Rooms Occupied	21,243	24,966	(3,723)	23,013	27,156	(4,143)	24,784	28,470	(3,687)	26,200	29,346	(3,146)	26,200	29,346	(3,146)
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rooms	5,141	5,742	(601)	5,903	6,621	(717)	6,675	7,288	(613)	7,410	7,738	(328)	7,706	7,892	(186)
Food & Beverage	6,878	5,399	1,479	7,623	6,050	1,573	8,344	6,727	1,617	8,633	6,948	1,685	8,887	7,151	1,736
Other	905	586	318	1,018	667	351	1,130	738	393	1,208	773	435	1,249	792	457
Total Revenue	\$12,923	\$11,727	\$1,196	\$14,545	\$13,337	\$1,207	\$16,150	\$14,753	\$1,397	\$17,250	\$15,459	\$1,792	\$17,842	\$15,835	\$2,006
Distributed Expenses															
Rooms	1,388	1,723	(335)	1,417	1,788	(371)	1,469	1,822	(353)	1,593	1,934	(341)	1,657	1,973	(316)
Food & Beverage	4,961	3,957	1,003	5,051	4,138	913	5,282	4,359	924	5,383	4,434	949	5,542	4,564	978
Other	498	293	204	540	333	206	565	369	196	604	386	217	624	396	229
Total Distributed Exp.	\$6,846	\$5,973	\$873	\$7,007	\$6,259	\$748	\$7,316	\$6,549	\$766	\$7,580	\$6,755	\$825	\$7,823	\$6,933	\$890
Distributed Profit															
Rooms	3,753	4,020	(267)	4,487	4,833	(347)	5,207	5,466	(259)	5,817	5,803	13	6,049	5,919	130
Food & Beverage	1,917	1,441	476	2,572	1,912	660	3,062	2,369	693	3,250	2,514	736	3,345	2,587	758
Other Operated Departments	407	293	114	479	333	145	565	369	196	604	386	217	624	396	229
Operating Income	\$6,077	\$5,754	\$323	\$7,537	\$7,078	\$459	\$8,834	\$8,203	\$631	\$9,670	\$8,704	\$966	\$10,019	\$8,902	\$1,116
Undistributed Expenses															
A&G	969	997	(28)	1,018	1,100	(82)	1,050	1,180	(130)	1,121	1,237	(115)	1,160	1,267	(107)
Telecommunications	129	117	12	145	133	12	161	148	14	173	155	18	178	158	20
Sales and Marketing	840	938	(98)	873	934	(61)	969	1,033	(64)	1,035	1,082	(47)	1,070	1,108	(38)
Repairs	452	469	(17)	473	533	(61)	484	590	(106)	518	618	(101)	535	633	(98)
Energy	388	352	36	436	400	36	484	443	42	518	464	54	535	475	60
Total Undistributed Exp.	\$2,778	\$2,873	(\$95)	\$2,945	\$3,101	(\$156)	\$3,149	\$3,393	(\$244)	\$3,364	\$3,555	(\$192)	\$3,479	\$3,642	(\$163)
GOP	\$3,298	\$2,881	\$418	\$4,592	\$3,978	\$614	\$5,685	\$4,810	\$874	\$6,306	\$5,148	\$1,158	\$6,540	\$5,260	\$1,279
Management Fee	388	352	36	509	467	42	646	590	56	690	618	72	714	633	80
Franchise Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed Expenses															
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	452	404	47	465	404	61	479	404	75	493	404	89	508	404	104
Insurance	129	117	12	145	133	12	161	148	14	173	155	18	178	158	20
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fixed Expenses	\$581	\$521	\$59	\$611	\$538	\$73	\$641	\$552	\$89	\$666	\$559	\$107	\$687	\$563	\$124
EBITDA	\$2,330	\$2,008	\$322	\$3,472	\$2,973	\$499	\$4,398	\$3,668	\$730	\$4,950	\$3,971	\$979	\$5,139	\$4,064	\$1,075
FF&E Reserve	129	235	(105)	291	400	(109)	484	590	(106)	690	618	72	714	633	80
NOI	\$2,201	\$1,773	\$428	\$3,181	\$2,573	\$608	\$3,914	\$3,078	\$835	\$4,260	\$3,353	\$908	\$4,426	\$3,431	\$995

COMPARISON - Boutique w/Apartments (Hotel Only) vs. Independent/Boutique

Pro Forma (COMPARISON) - Boutique w/Apartments (Hotel Only) vs. Independent/Boutique - Dollars

(\$ in thousands)

The following is a comparison between the Pro Forma \$ amounts of just the Hotel within the Boutique Hotel with Apartments Scenario and the Independent/Boutique Hotel Scenario

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance	Bout + Apt	Boutique	Variance
Hotel Rooms	97	120	(23)	97	120	(23)	97	120	(23)	97	120	(23)	97	120	(23)
Occupancy (Hotel Only)	60.0%	57.0%	3.0%	65.0%	62.0%	3.0%	70.0%	65.0%	5.0%	74.0%	67.0%	7.0%	74.0%	67.0%	7.0%
ADR (Hotel Only)	\$242.00	\$230.00	\$12.00	\$256.52	\$243.80	\$12.72	\$269.35	\$255.99	\$13.36	\$282.81	\$263.67	\$19.14	\$294.13	\$268.94	\$25.18
RevPAR (Hotel Only)	\$145.20	\$131.10	\$14.10	\$166.74	\$151.16	\$15.58	\$188.54	\$166.39	\$22.15	\$209.28	\$176.66	\$32.62	\$217.65	\$180.19	\$37.46
Days Open	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Rooms Available	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)	35,405	43,800	(8,395)
Rooms Occupied	21,243	24,966	(3,723)	23,013	27,156	(4,143)	24,784	28,470	(3,687)	26,200	29,346	(3,146)	26,200	29,346	(3,146)
Revenues	%	%	% pts	%	%	% pts	%	%	% pts	%	%	% pts	%	%	% pts
Rooms	39.8%	49.0%	-9.2%	40.6%	49.6%	-9.1%	41.3%	49.4%	-8.1%	43.0%	50.1%	-7.1%	43.2%	49.8%	-6.6%
Food & Beverage	53.2%	46.0%	7.2%	52.4%	45.4%	7.1%	51.7%	45.6%	6.1%	50.0%	44.9%	5.1%	49.8%	45.2%	4.6%
Other	7.0%	5.0%	2.0%	7.0%	5.0%	2.0%	7.0%	5.0%	2.0%	7.0%	5.0%	2.0%	7.0%	5.0%	2.0%
Total Revenue	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%
Distributed Expenses															
Rooms	27.0%	30.0%	-3.0%	24.0%	27.0%	-3.0%	22.0%	25.0%	-3.0%	21.5%	25.0%	-3.5%	21.5%	25.0%	-3.5%
Food & Beverage	72.1%	73.3%	-1.2%	66.3%	68.4%	-2.1%	63.3%	64.8%	-1.5%	62.4%	63.8%	-1.5%	62.4%	63.8%	-1.5%
Other	55.0%	50.0%	5.0%	53.0%	50.0%	3.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%
Total Distributed Exp.	53.0%	50.9%	2.0%	48.2%	46.9%	1.3%	45.3%	44.4%	0.9%	43.9%	43.7%	0.2%	43.8%	43.8%	0.1%
Distributed Profit															
Rooms	73.0%	70.0%	3.0%	76.0%	73.0%	3.0%	78.0%	75.0%	3.0%	78.5%	75.0%	3.5%	78.5%	75.0%	3.5%
Food & Beverage	27.9%	26.7%	1.2%	33.7%	31.6%	2.1%	36.7%	35.2%	1.5%	37.6%	36.2%	1.5%	37.6%	36.2%	1.5%
Other Operated Departments	45.0%	50.0%	-5.0%	47.0%	50.0%	-3.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%
Operating Income	47.0%	49.1%	-2.0%	51.8%	53.1%	-1.3%	54.7%	55.6%	-0.9%	56.1%	56.3%	-0.2%	56.2%	56.2%	-0.1%
Undistributed Expenses															
A&G	7.5%	8.5%	-1.0%	7.0%	8.3%	-1.3%	6.5%	8.0%	-1.5%	6.5%	8.0%	-1.5%	6.5%	8.0%	-1.5%
Telecommunications	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%
Sales and Marketing	6.5%	8.0%	-1.5%	6.0%	7.0%	-1.0%	6.0%	7.0%	-1.0%	6.0%	7.0%	-1.0%	6.0%	7.0%	-1.0%
Repairs	3.5%	4.0%	-0.5%	3.3%	4.0%	-0.8%	3.0%	4.0%	-1.0%	3.0%	4.0%	-1.0%	3.0%	4.0%	-1.0%
Energy	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%
Total Undistributed Exp.	21.5%	24.5%	-3.0%	20.3%	23.3%	-3.0%	19.5%	23.0%	-3.5%	19.5%	23.0%	-3.5%	19.5%	23.0%	-3.5%
GOP	25.5%	24.6%	1.0%	31.6%	29.8%	1.7%	35.2%	32.6%	2.6%	36.6%	33.3%	3.3%	36.7%	33.2%	3.4%
Management Fee	3.0%	3.0%	0.0%	3.5%	3.5%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
Franchise Fee	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed Expenses															
Rent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property Taxes	3.5%	3.4%	0.0%	3.2%	3.0%	0.2%	3.0%	2.7%	0.2%	2.9%	2.6%	0.2%	2.8%	2.6%	0.3%
Insurance	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Fixed Expenses	4.5%	4.4%	0.0%	4.2%	4.0%	0.2%	4.0%	3.7%	0.2%	3.9%	3.6%	0.2%	3.8%	3.6%	0.3%
EBITDA	18.0%	17.1%	0.9%	23.9%	22.3%	1.6%	27.2%	24.9%	2.4%	28.7%	25.7%	3.0%	28.8%	25.7%	3.1%
FF&E Reserve	1.0%	2.0%	-1.0%	2.0%	3.0%	-1.0%	3.0%	4.0%	-1.0%	4.0%	4.0%	0.0%	4.0%	4.0%	0.0%
NOI	17.0%	15.1%	1.9%	21.9%	19.3%	2.6%	24.2%	20.9%	3.4%	24.7%	21.7%	3.0%	24.8%	21.7%	3.1%

North Castle Hotel RCA Sales Comparables

The following is a comparison of the development costs and the assumed sale prices after development and a 5-year operating period under the 4 different scenarios.

	Keys	Price	Per Key
Average of Transaction Sales Comps	193	\$23,649,025	\$122,276
Median of Transaction Sales Comps	146	18,292,508	122,897
Full Service Hotel Scenario Development Cost:	300	\$103,211,411	\$344,038
Full Service Hotel Scenario Exit Price:	300	81,230,054	270,767
Boutique Hotel Scenario Development Cost:	120	44,906,475	374,221
Boutique Hotel Scenario Exit Price:	120	42,026,550	350,221
Limited Service Hotel Scenario Development Cost:	145	40,174,760	277,067
Limited Service Hotel Scenario Exit Price:	145	29,773,100	205,332
Boutique Hotel w/Apartments Scenario Development Cost:	97 ⁽¹⁾	\$50,170,321	\$517,220
Boutique Hotel w/Apartments Scenario Exit Price:	97 ⁽¹⁾	\$54,213,205	\$558,899

Based on the above, all 4 scenarios have significantly higher development costs and exit prices as compared to the average and median of the 64 local investment sales comparable transactions.

Source: Real Capital Analytics

(1) Only includes the 97 hotel rooms from the Boutique with Apartments Scenario; excludes all apartment units

North Castle Hotel RCA Sales Comps

The following lists the sales of all hotels within 20 miles of the North Castle Hotel site sorted by price-per-key.

Date	Property Name	City	State	Units	Price	Price Per Key	Cap Rate
Feb-16	HNA Palisades Premier Conference Center	Palisades	NY	206	\$59,634,000	\$289,485	
Dec-06	Summerfield Suites	Harrison	NY	159	43,600,000	274,214	8.3%
Mar-05	Tarrytown House	Tarrytown	NY	209	50,500,000	241,627	
Jun-16	Stamford Courtyard	Stamford	CT	115	26,000,000	226,087	
Nov-14	Hampton Inn	Elmsford	NY	156	34,853,431	223,419	
Jun-14	Marriott Courtyard	Montvale	NJ	190	40,615,494	213,766	
Jul-07	Dolce Norwalk	Norwalk	CT	120	24,932,623	207,772	6.7%
Aug-08	195 Oenoke Ridge	New Canaan	CT	17	3,407,500	200,441	
Apr-06	Sheraton Stamford	Stamford	CT	448	79,574,082	177,621	
Oct-10	Residence Inn New Rochelle	New Rochelle	NY	124	21,000,000	169,355	
Nov-13	Hilton Garden Inn Norwalk	Norwalk	CT	170	28,650,000	168,529	8.1%
Feb-03	Hilton	Port Chester	NY	446	74,000,000	165,919	
Apr-07	Hilton	Port Chester	NY	446	73,581,137	164,980	7.6%
Sep-03	Dolce Norwalk	Norwalk	CT	120	19,700,000	164,167	
Sep-10	Residence Inn by Marriott	White Plains	NY	133	21,200,000	159,398	
Oct-06	Hilton Stamford	Stamford	CT	484	69,000,000	142,562	
May-10	fmr Maples Inn	New Canaan	CT	22	3,100,000	140,909	
Mar-05	Courtyard by Marriott Norwalk	Norwalk	CT	145	20,400,000	140,690	
Jul-07	Westchester Marriott	Tarrytown	NY	444	62,150,000	139,977	8.9%
Feb-07	Fairfield Inn	Stamford	CT	158	22,000,000	139,241	
Jun-05	Renaissance Westchester	Harrison	NY	347	48,237,500	139,013	6.1%
Jan-06	Glen Cove Mansion Hotel	Glen Cove	NY	200	27,500,000	137,500	
Oct-13	Hilton Garden Inn	Nanuet	NY	88	11,895,339	135,174	
Oct-13	Hampton Inn	Nanuet	NY	84	11,354,642	135,174	
Nov-06	Hampton Inn Stamford	Stamford	CT	100	13,250,000	132,500	
Nov-13	Sheraton Hotel Tarrytown	Tarrytown	NY	150	19,748,735	131,658	7.8%
May-15	Hampton Inn White Plains/Tarrytown	White Plains	NY	156	19,921,080	127,699	

North Castle Hotel RCA Sales Comps

The following lists the sales of all hotels within 20 miles of the North Castle Hotel site sorted by price-per-key.

Date	Property Name	City	State	Units	Price	Price Per Key	Cap Rate
Nov-13	SpringHill Suites Tarrytown	Tarrytown	NY	145	18,404,808	126,930	8.6%
Oct-11	Marriott Courtyard	Montvale	NJ	190	23,922,973	125,910	
Feb-05	Crowne Plaza	White Plains	NY	401	48,073,000	119,883	
Apr-07	Hampton Inn	Elmsford	NY	156	18,180,208	116,540	
May-07	Extended Stay America	Elmsford	NY	136	14,730,208	108,310	7.5%
May-07	Homestead Studio Suites	Norwalk	CT	131	14,188,656	108,310	7.5%
May-08	Doubletree Club	Norwalk	CT	268	29,000,000	108,209	
Oct-13	Central Motel Court	White Plains	NY	29	3,135,000	108,103	
Sep-14	Courtyard Tarrytown Greenburgh	Tarrytown	NY	139	14,500,000	104,317	8.3%
Oct-10	Homestead Studio Suites	Norwalk	CT	131	13,000,000	99,237	
Jan-05	Marriott Courtyard	Montvale	NJ	190	18,000,000	94,737	
Jul-15	Clinton Inn	Tenafly	NJ	119	10,950,000	92,017	
Feb-17	La Quinta Inn & Suites	Elmsford	NY	106	9,500,000	89,623	
Oct-10	Extended Stay America	Elmsford	NY	136	11,700,000	86,029	
Sep-14	Hilton Woodcliff Lake	Woodcliff Lake	NJ	338	28,250,000	83,580	
Mar-11	Hilton Rye Town	Port Chester	NY	447	35,500,000	79,418	
Aug-05	Howard Johnson	Riverside	CT	103	8,000,000	77,670	
Oct-07	Orangeburg Holiday Inn	Orangeburg	NY	167	12,525,000	75,000	
Aug-13	Holiday Inn	Mount Kisco	NY	122	8,500,000	69,672	
Feb-07	Holiday Inn	Stamford	CT	380	22,000,000	57,895	
Oct-04	Armonk Wellesley Inn	Armonk	NY	140	7,771,699	55,512	
Jun-07	Marriott Courtyard	Montvale	NJ	190	10,365,269	54,554	6.0%
Nov-01	Homestead Studio Suites	Norwalk	CT	131	7,141,068	54,512	
Oct-10	Ramada - Yonkers	Yonkers	NY	103	5,250,000	50,971	
Mar-05	Courtyard by Marriott Rye	Rye	NY	145	6,000,000	41,379	
Oct-04	Wellesley Inn	Elmsford	NY	101	3,800,000	37,624	

North Castle Hotel RCA Sales Comps

The following lists the sales of all hotels within 20 miles of the North Castle Hotel site sorted by price-per-key.

Date	Property Name	City	State	Units	Price	Price Per Key	Cap Rate
Apr-04	Wellesley Inn	Elmsford	NY	101	3,800,000	37,624	
Aug-04	Clarion	Norwalk	CT	268	10,000,000	37,313	
Feb-05	Hitlon	Tarrytown	NY	246	9,000,000	36,585	
Nov-08	YMCA-Hotel	Stamford	CT	132	4,650,000	35,227	
Jul-09	Stamford Plaza	Stamford	CT	448	12,000,000	26,786	
Apr-17	Residence Inn	Stamford	CT	156	n/a		
Dec-16	Hilton Westchester	Port Chester	NY	446	n/a		
Jun-15	Marriott-Park Ridge	Park Ridge	NJ	100	n/a		
Aug-12	Ritz Carlton Westchester	White Plains	NY	146	n/a		
May-11	Stamford Courtyard	Stamford	CT	115	n/a		
Mar-05	Courtyard Tarrytown Greenburgh	Tarrytown	NY	139	n/a		
Transactions (64)				Average:	193	\$23,649,025	\$122,276

Source: Real Capital Analytics

DRAFT North Castle Hotel Model

Boutique Hotel/Apartments Scenario

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Executive Summary - Boutique + Apartments

(\$ in thousands except per key amounts)

- JF Capital is reviewing the development opportunity of an independent, boutique hotel with a residential rental component in Westchester County, NY.
 - The hotel will have 97 rooms and 23,200 SF of F&B and event space for a total of 164,400 square feet
 - The residential component will have 40 (1,000 square foot) one-bedroom apartments and 13 (1,300 square foot) two-bedroom apartments with rent priced at market rates. The residential component will also have 4 one-bedroom apartments, 2 two-bedroom apartments, and 10 three-bedroom apartments priced as affordable housing units.
 - This is a total of 69 apartments.
 - A \$50,478 development loan at 6.1% is assumed to be obtained
 - Represents an LTC of 68.2% (based on the full deal capitalization)
 - Model includes JF Capital illustrative pro forma statistics for Year 1 -Year 5 for the combined Hotel and Apartments financials.
 - Rental assumptions are \$2,500 per month for the 1-Bedroom apartments and \$3,500 per month for the 1-Bedroom apartments, each growing at 3.0% per annum.
 - Year 1 -Year 5 Revenue CAGR (Compound Annual Growth Rate) of 7.8% increasing from \$15,308 in Year 1 to \$20,684 in Year 5
 - Year 1 - Year 5 NOI CAGR (Compound Annual Growth Rate) of 14.6% increasing from \$3,598 in Year 1 to \$6,211 in Year 5
 - EBITDA margins increasing from 24.8% in Year 1 to 33.9% in Year 5
 - NOI margins increasing from 23.5% in Year 1 to 30.0% in Year 5
-

Executive Summary - Boutique + Apartments

(\$ in thousands except per key amounts)

- The following base assumptions were made:
 - Land purchase price of \$0 or \$0 per key
 - Development cost of \$50,170 for the Hotel, or \$517,220 per key and development cost of \$23,823 for the Apartments, or \$245,595 per unit. This represents an all-in cost of \$73,993.
 - The blended exit cap rate is calculated by adding the gross sale price of the Hotel of \$55,320 with the gross sale price of the Apartments of \$32,546 to achieve a total gross sale price of \$87,865. Then we divided the Combined Year 5 NOI of \$6,211 by the total gross sale price to achieve a blended cap rate of 7.07%
 - 2 year development period, and 5 year hold period with a 7.07% blended exit cap rate and fees on sale of 2.0% for net proceeds of \$86,108 or \$570,305 per key and \$471,676 per apartment unit.
 - The deal produces an illustrative leveraged IRR of 12.6%, an NPV of \$719, a total profit of \$23,000 and a return on capital of 2.0x to the equity
 - The deal produces an illustrative unleveraged IRR of 8.6%, an NPV of \$1,824, a total profit of \$38,180 and a return on capital of 1.5x to the equity
 - If refinanced in Year 2, the leveraged IRR is 13.1%, and the equity multiple is 2.0x
-

DRAFT North Castle Hotel Model

Financial Summary (5 Year Hold) - Boutique + Apartments

(\$ in thousands, except per key amounts)

Illustrative Sources & Uses			Exit Assumptions		Returns				
Total Land Cost	\$0	0.0%		Year 5 NOI - Hotel	\$4,426	Equity IRR		12.6%	
Development Cost ⁽¹⁾	73,993	100.0%		Hotel Exit Cap Rate	8.00% ⁽³⁾	Equity NPV	12.0%	\$719	
Total Uses	\$73,993	100.0%	Interest Rate	Year 5 NOI - Apartments	\$1,790	Equity Multiple		2.0x	
Debt	50,478	68.2%	6.1%	Apartment Exit Cap Rate	5.50% ⁽⁴⁾	Total Profit		\$23,000	
Mezzanine Debt	0	0.0%	12.0%	Year 5 NOI - Combined	\$6,211	Unleveraged IRR		8.6%	
Pref Equity	0	0.0%	14.0%	Blended Exit Cap Rate	7.07%	Unleveraged NPV	8.0%	\$1,824	
Equity	23,515	31.8%	6.1% ⁽²⁾	Gross Sale Price	\$87,865	Unleveraged Equity Multiple		1.5x	
Total Sources	\$73,993	100.0%		Less: 2.0% Fee	2.0%	Total Profit		\$38,180	
				Net Sale Price	\$86,108				
Valuation Metrics:				Hotel Exit Price/ Key	\$570,305				
All-In Price / (Key + Apt)		\$445,741		Apartment Exit Price/ Unit	471,676				
Hotel Debt / Hotel Key		336,193							
Apartment Debt / Apartment		258,943							
Hotel Rooms		97							
Apartments		69							
			Construction			Operation			4 Year CAGR
			Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	
Hotel Keys						97	97	97	0.0%
Apartments						69	69	69	
Days						365	365	365	
Occupancy (Hotel and Apartment)						75.0%	79.0%	82.5%	3.0%
ADR (Hotel Only)						\$252.00	\$266.52	\$279.35	4.8%
RevPAR (Hotel Only)						189.00	210.55	230.46	8.0%
% Growth							11.4%	9.5%	
Hotel Rooms Revenue						\$5,353	\$6,133	\$6,923	
Apartments Rooms Revenue						1,571	1,672	1,760	
Total Rooms Revenues						\$6,925	\$7,806	\$8,683	9.2%
F&B Revenues						6,878	7,623	8,344	6.6%
Other Revenues						1,505	1,658	1,803	0.0%
Total Revenues						\$15,308	\$17,087	\$18,830	7.8%
Revenue Growth							11.6%	10.2%	
GOP						\$5,113	\$6,568	\$7,785	
% Margin						33.4%	38.4%	41.3%	14.6%
EBITDA						\$3,800	\$5,088	\$6,124	
% Margin						24.8%	29.8%	32.5%	16.5%
FF&E						201	368	565	41.2%
NOI						\$3,598	\$4,720	\$5,558	
% Margin						23.5%	27.6%	29.5%	14.6%
NOI Per Key						52,152	68,411	80,555	

Source: JF Capital Projections

(1) Assumes per key development cost (excluding land) of \$762,815 which is spent equally over 2 years of construction

(2) Blended cost of capital assumes pref equity coupon is all paid current

(3) CBRE H1 2017 Cap Rate Survey: New York City Suburban Cap Rate for Full-Service Hotels, less 0.75%

(4) CBRE H1 2017 Cap Rate Survey: New York/Stamford Suburban Cap Rate for Multi-Family Residential, less 0.75%

DRAFT North Castle Hotel Model

Financial Summary - Boutique + Apartments

(\$ in thousands)

	Construction			Operation				
	Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Valuation Metrics								
Implied All-In Cap Rate				4.9%	6.4%	7.5%	8.1%	8.4%
Implied EBITDA Multiple				19.5x	14.5x	12.1x	11.0x	10.6x
Returns Analysis								
Property Cash Flow	\$0	\$0	\$0	\$3,598	\$4,720	\$5,558	\$5,977	\$6,211
Acquisition Cost / Sale Proceeds ⁽³⁾	(0)							86,108
Key Money / Security Deposit Return				0				
Land Subsidy				0				
Development Costs		(36,997)	(36,997)					
Debt Issuance/Repayment		13,481	36,997					(48,328)
Mezzanine Issuance/Repayment		0	0	0	0	0	0	0
Pref Equity Issuance/Repayment		0		0	0	0	0	0
Interest Expense ⁽¹⁾				(3,090)	(3,065)	(3,038)	(3,009)	(2,978)
Debt Amortization ⁽¹⁾				(378)	(402)	(428)	(456)	(486)
Mezzanine Interest Expense ⁽²⁾				0	0	0	0	0
Mezzanine Amortization ⁽²⁾				0	0	0	0	0
Pref Equity Coupon (at 14.0% rate)				0	0	0	0	0
Accrued Pref Equity PIK Payment				0	0	0	0	0
Refinancing Proceeds				0	0	0	0	0
Equity Cash Flow	(\$0)	(\$23,515)	(\$0)	\$131	\$1,253	\$2,092	\$2,511	\$40,527
Cumulative Equity Cash Flow	(0)	(23,515)	(23,515)	(23,384)	(22,131)	(20,039)	(17,527)	23,000
Unlevered Cash Flow	(0)	(36,997)	(36,997)	3,598	4,720	5,558	5,977	92,319

Source: JF Capital Projections

(1) Fixed-rate debt at 6.1% interest with a 30 year amortization schedule

(2) Fixed-rate debt at 12.0% interest with a 0 year amortization schedule

DRAFT North Castle Hotel Model

Debt Schedule - Boutique + Apartments

(\$ in thousands)

		Construction			Operation				
		Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Mortgage Debt Schedule									
Beginning Balance					\$50,478	\$50,100	\$49,698	\$49,270	\$48,814
Debt Refinancing ⁽¹⁾					0	0	0	0	0
Amortization	30 yrs ⁽²⁾				(378)	(402)	(428)	(456)	(486)
Ending Balance				\$50,478	\$50,100	\$49,698	\$49,270	\$48,814	\$48,328
Interest Rate	6.1%				6.1%	6.1%	6.1%	6.1%	6.1%
Interest Expense					3,090	3,065	3,038	3,009	2,978
Debt Service					3,468	3,467	3,466	3,465	3,464
Credit Stats									
DSCR					1.0x	1.4x	1.6x	1.7x	1.8x
Debt / EBITDA					13.2x	9.8x	8.0x	7.2x	6.9x
Debt Yield					7.2%	9.5%	11.3%	12.2%	12.9%
Loan to Cost					67.7%	67.2%	66.6%	66.0%	65.3%
Loan to Value (assumes a 8.0% cap rate)					111.4%	84.2%	70.9%	65.3%	62.2%
Debt Per Key					\$516,497	\$512,352	\$507,937	\$503,235	\$498,228
Mezzanine Debt Schedule									
Beginning Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Refinancing ⁽¹⁾				0	0	0	0	0	0
Amortization			0	0	0	0	0	0	0
Ending Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Rate	12.0%				12.00%	12.00%	12.00%	12.00%	12.00%
Interest Expense					0	0	0	0	0
Debt Service					0	0	0	0	0
Cumulative Credit Stats - Through Mezzanine									
DSCR					1.0x	1.4x	1.6x	1.7x	1.8x
Debt / EBITDA					13.2x	9.8x	8.0x	7.2x	6.9x
Debt Yield					7.2%	9.5%	11.3%	12.2%	12.9%
Loan to Cost					67.7%	67.2%	66.6%	66.0%	65.3%
Loan to Value (assumes a 8.0% cap rate)					111.4%	84.2%	70.9%	65.3%	62.2%
Debt Per Key					\$516,497	\$512,352	\$507,937	\$503,235	\$498,228
Preferred Equity Cash Flow									
Beginning Preferred Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Return	14.0%			0	0	0	0	0	0
Paid	50.0%			0	0	0	0	0	0
PIK	50.0%			0	0	0	0	0	0
Refinancing ⁽¹⁾			0	0	0	0	0	0	0
Ending Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Credit Stats - Through Pref Equity									
DSCR (assuming cash pay only)					1.0x	1.4x	1.6x	1.7x	1.8x
DSCR (assuming full coupon)					1.0x	1.4x	1.6x	1.7x	1.8x
Debt + Preferred / EBITDA					13.2x	9.8x	8.0x	7.2x	6.9x
Debt + Preferred Yield					7.2%	9.5%	11.3%	12.2%	12.9%
Debt + Preferred Equity Per Key					\$516,497	\$512,352	\$507,937	\$503,235	\$498,228

Source: JF Capital Projections

(1) Ability to refinance debt at 9.0% debt yield and 6.0% interest rate

(2) 30 year amortization schedule applies only to the Hotel portion

DRAFT North Castle Hotel Model

Sensitivities - IRR

(\$ in thousands)

Leveraged IRR Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
8.07%	7.7%	1.6%	0.0%
7.07%	12.6%	7.2%	0.4%
6.07%	17.8%	13.0%	7.1%

Leveraged IRR Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
8.07%	7.7%	6.5%	5.5%
7.07%	12.6%	11.4%	10.3%
6.07%	17.8%	16.5%	15.4%

Leveraged IRR Sensitivity			
Change in ADR	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	12.4%	15.9%	19.6%
10	12.6%	16.1%	19.8%
20	12.8%	16.3%	20.0%

Leveraged IRR Sensitivity			
Change in Dev. Cost	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	12.6%	16.1%	19.8%
2,000	11.0%	14.2%	17.7%
4,000	9.6%	12.6%	15.8%

Source: JF Capital Projections

(1) Sensitizes Leveraged IRR by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

DRAFT North Castle Hotel Model

Sensitivities - Equity Multiple

(\$ in thousands)

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
8.07%	1.5x	1.1x	0.7x
7.07%	2.0x	1.5x	1.0x
6.07%	2.6x	2.0x	1.5x

Leveraged Equity Multiple Sensitivity			
Change in ADR	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	2.0x	2.2x	2.4x
10	2.0x	2.2x	2.4x
20	2.0x	2.2x	2.4x

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
8.07%	1.5x	1.4x	1.4x
7.07%	2.0x	1.9x	1.8x
6.07%	2.6x	2.4x	2.3x

Leveraged Equity Multiple Sensitivity			
Change in Dev. Cost	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	2.0x	2.2x	2.4x
2,000	1.8x	2.0x	2.2x
4,000	1.7x	1.9x	2.1x

Source: JF Capital Projections

(1) Sensitizes Leveraged Equity Multiple by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

DRAFT North Castle Hotel Model

Sensitivities - Total Profit

(\$ in thousands)

Leveraged Total Profit Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
8.07%	\$12,328	\$2,178	(\$7,972)
7.07%	23,000	11,782	565
6.07%	37,188	24,551	11,915

Leveraged Total Profit Sensitivity			
Change in ADR	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	\$22,621	\$27,621	\$32,621
10	23,000	28,000	33,000
20	23,379	28,379	33,379

Leveraged Total Profit Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
8.07%	\$12,328	\$10,828	\$9,328
7.07%	23,000	21,500	20,000
6.07%	37,188	35,688	34,188

Leveraged Total Profit Sensitivity			
Change in Dev. Cost	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	\$23,000	\$28,000	\$33,000
2,000	21,000	26,000	31,000
4,000	19,000	24,000	29,000

Source: JF Capital Projections

(1) Sensitizes Leveraged Total Profit by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

DRAFT North Castle Hotel Model

Financial Summary (5 Year Hold) - Boutique

(\$ in thousands, except per key amounts)

Illustrative Sources & Uses			Exit Assumptions			Returns					
Total Land Cost	\$0	0.0%		Year 5 NOI - Hotel	\$4,426	Equity IRR		9.2%			
Development Cost ⁽¹⁾	50,170	100.0%		Hotel Exit Cap Rate	8.00% ⁽³⁾	Equity NPV	12.0%	(\$2,229)			
Total Uses	\$50,170	100.0%	Interest Rate	Gross Sale Price	\$55,320	Equity Multiple		1.7x			
Debt	32,611	65.0%	6.5%	Less: 2.0% Fee	2.0%	Total Profit		\$11,758			
Mezzanine Debt	0	0.0%	12.0%	Net Sale Price	\$54,213	Unleveraged IRR		7.5%			
Pref Equity	0	0.0%	14.0%	Hotel Exit Price/ Key	\$570,305	Unleveraged NPV	8.0%	(\$1,136)			
Equity	17,560	35.0%	6.5% ⁽²⁾			Unleveraged Equity Multiple		1.4x			
Total Sources	\$50,170	100.0%				Total Profit		\$22,025			
Valuation Metrics:											
All-In Price / Key		\$517,220									
Debt / Hotel Key		336,193									
Hotel Rooms		97									
			Construction			Operation					
			Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5	4 Year CAGR
Hotel Keys						97	97	97	97	97	0.0%
Days						365	365	365	365	365	
Occupancy						60.0%	65.0%	70.0%	74.0%	74.0%	5.4%
ADR						\$242.00	\$256.52	\$269.35	\$282.81	\$294.13	5.0%
RevPAR						145.20	166.74	188.54	209.28	217.65	10.6%
% Growth							14.8%	13.1%	11.0%	4.0%	
Hotel Rooms Revenue						\$5,141	\$5,903	\$6,675	\$7,410	\$7,706	
F&B Revenues						6,878	7,623	8,344	8,633	8,887	6.6%
Other Revenues						905	1,018	1,130	1,208	1,249	8.4%
Total Revenues						\$12,923	\$14,545	\$16,150	\$17,250	\$17,842	8.4%
Revenue Growth							12.5%	11.0%	6.8%	3.4%	
GOP						\$3,298	\$4,592	\$5,685	\$6,306	\$6,540	18.7%
% Margin						25.5%	31.6%	35.2%	36.6%	36.7%	
EBITDA						\$2,330	\$3,472	\$4,398	\$4,950	\$5,139	21.9%
% Margin						18.0%	23.9%	27.2%	28.7%	28.8%	
FF&E						129	291	484	690	714	53.3%
NOI						\$2,201	\$3,181	\$3,914	\$4,260	\$4,426	19.1%
% Margin						17.0%	21.9%	24.2%	24.7%	24.8%	
NOI Per Key						22,689	32,799	40,347	43,923	45,624	

Source: JF Capital Projections

(1) Assumes per key development cost (excluding land) of \$517,220 which is spent equally over 2 years of construction

(2) Blended cost of capital assumes pref equity coupon is all paid current

(3) CBRE H1 2017 Cap Rate Survey: New York City Suburban Cap Rate for Full-Service Hotels, less 0.75%

DRAFT North Castle Hotel Model

Financial Summary - Boutique

(\$ in thousands)

	Construction			Operation				
	Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Valuation Metrics								
Implied All-In Cap Rate				4.4%	6.3%	7.8%	8.5%	8.8%
Implied EBITDA Multiple				21.5x	14.4x	11.4x	10.1x	9.8x
Returns Analysis								
Property Cash Flow	\$0	\$0	\$0	\$2,201	\$3,181	\$3,914	\$4,260	\$4,426
Acquisition Cost / Sale Proceeds ⁽³⁾	(0)							54,213
Key Money / Security Deposit Return				0				
Land Subsidy				0				
Development Costs		(25,085)	(25,085)					
Debt Issuance/Repayment		7,526	25,085					(30,461)
Mezzanine Issuance/Repayment		0	0	0	0	0	0	0
Pref Equity Issuance/Repayment		0		0	0	0	0	0
Interest Expense ⁽¹⁾				(2,107)	(2,082)	(2,055)	(2,026)	(1,996)
Debt Amortization ⁽¹⁾				(378)	(402)	(428)	(456)	(486)
Mezzanine Interest Expense ⁽²⁾				0	0	0	0	0
Mezzanine Amortization ⁽²⁾				0	0	0	0	0
Pref Equity Coupon (at 14.0% rate)				0	0	0	0	0
Accrued Pref Equity PIK Payment				0	0	0	0	0
Refinancing Proceeds				0	0	0	0	0
Equity Cash Flow	(\$0)	(\$17,560)	\$0	(\$284)	\$697	\$1,430	\$1,778	\$25,696
Cumulative Equity Cash Flow	(0)	(17,560)	(17,560)	(17,844)	(17,146)	(15,716)	(13,938)	11,758
Unlevered Cash Flow	(0)	(25,085)	(25,085)	2,201	3,181	3,914	4,260	58,639

Source: JF Capital Projections

(1) Fixed-rate debt at 6.5% interest with a 30 year amortization schedule

(2) Fixed-rate debt at 12.0% interest with a 0 year amortization schedule

DRAFT North Castle Hotel Model

Debt Schedule - Boutique

(\$ in thousands)

		Construction			Operation				
		Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Mortgage Debt Schedule									
Beginning Balance					\$32,611	\$32,233	\$31,831	\$31,403	\$30,947
Debt Refinancing ⁽¹⁾					0	0	0	0	0
Amortization	30 yrs				(378)	(402)	(428)	(456)	(486)
Ending Balance			\$32,611		\$32,233	\$31,831	\$31,403	\$30,947	\$30,461
Interest Rate	6.5%				6.5%	6.5%	6.5%	6.5%	6.5%
Interest Expense					2,107	2,082	2,055	2,026	1,996
Debt Service					2,485	2,484	2,483	2,482	2,481
Credit Stats									
DSCR					0.9x	1.3x	1.6x	1.7x	1.8x
Debt / EBITDA					13.8x	9.2x	7.1x	6.3x	5.9x
Debt Yield					6.8%	10.0%	12.5%	13.8%	14.5%
Loan to Cost					64.2%	63.4%	62.6%	61.7%	60.7%
Loan to Value (assumes a 8.0% cap rate)					117.2%	80.0%	64.2%	58.1%	55.1%
Debt Per Key					\$332,301	\$328,155	\$323,741	\$319,039	\$314,032
Mezzanine Debt Schedule									
Beginning Balance			\$0		\$0	\$0	\$0	\$0	\$0
Debt Refinancing ⁽¹⁾					0	0	0	0	0
Amortization			0		0	0	0	0	0
Ending Balance		\$0	\$0		\$0	\$0	\$0	\$0	\$0
Interest Rate	12.0%				12.00%	12.00%	12.00%	12.00%	12.00%
Interest Expense					0	0	0	0	0
Debt Service					0	0	0	0	0
Cumulative Credit Stats - Through Mezzanine									
DSCR					0.9x	1.3x	1.6x	1.7x	1.8x
Debt / EBITDA					13.8x	9.2x	7.1x	6.3x	5.9x
Debt Yield					6.8%	10.0%	12.5%	13.8%	14.5%
Loan to Cost					64.2%	63.4%	62.6%	61.7%	60.7%
Loan to Value (assumes a 8.0% cap rate)					117.2%	80.0%	64.2%	58.1%	55.1%
Debt Per Key					\$332,301	\$328,155	\$323,741	\$319,039	\$314,032
Preferred Equity Cash Flow									
Beginning Preferred Balance			\$0		\$0	\$0	\$0	\$0	\$0
Preferred Return	14.0%				0	0	0	0	0
Paid	50.0%				0	0	0	0	0
PIK					0	0	0	0	0
Refinancing ⁽¹⁾			0		0	0	0	0	0
Ending Balance		\$0	\$0		\$0	\$0	\$0	\$0	\$0
Cumulative Credit Stats - Through Pref Equity									
DSCR (assuming cash pay only)					0.9x	1.3x	1.6x	1.7x	1.8x
DSCR (assuming full coupon)					0.9x	1.3x	1.6x	1.7x	1.8x
Debt + Preferred / EBITDA					13.8x	9.2x	7.1x	6.3x	5.9x
Debt + Preferred Yield					6.8%	10.0%	12.5%	13.8%	14.5%
Debt + Preferred Equity Per Key					\$332,301	\$328,155	\$323,741	\$319,039	\$314,032

Source: JF Capital Projections

(1) Ability to refinance debt at 9.5% debt yield and 6.0% interest rate

DRAFT North Castle Hotel Model

Sensitivities - IRR

(\$ in thousands)

Leveraged IRR Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
9.00%	5.0%	3.5%	1.9%
8.00%	9.2%	7.9%	6.5%
7.00%	13.7%	12.5%	11.3%

Leveraged IRR Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
10.5%	9.4%	9.7%	9.5%
9.5%	9.7%	9.9%	9.6%
8.5%	10.0%	10.2%	9.8%

Leveraged IRR Sensitivity			
Change in ADR	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	9.2%	14.0%	19.3%
10	9.5%	14.3%	19.6%
20	9.7%	14.5%	19.8%

Leveraged IRR Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
9.00%	5.0%	3.4%	1.7%
8.00%	9.2%	7.7%	6.2%
7.00%	13.7%	12.3%	10.9%

Leveraged IRR Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
70%	9.5%	8.0%	6.4%
75%	9.9%	8.1%	6.3%
80%	10.4%	8.3%	6.1%

Leveraged IRR Sensitivity			
Change in Dev. Cost	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	9.2%	14.0%	19.3%
2,000	7.2%	11.9%	17.0%
4,000	5.2%	9.7%	14.7%

Source: JF Capital Projections

(1) Sensitizes Leveraged IRR by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

DRAFT North Castle Hotel Model

Sensitivities - Equity Multiple

(\$ in thousands)

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
9.00%	1.3x	1.2x	1.1x
8.00%	1.7x	1.6x	1.5x
7.00%	2.1x	2.0x	1.9x

Leveraged Equity Multiple Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
10.5%	1.7x	1.7x	1.6x
9.5%	1.7x	1.6x	1.6x
8.5%	1.6x	1.6x	1.6x

Leveraged Equity Multiple Sensitivity			
Change in ADR	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	1.7x	2.0x	2.2x
10	1.7x	2.0x	2.3x
20	1.7x	2.0x	2.3x

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
9.00%	1.3x	1.2x	1.1x
8.00%	1.7x	1.5x	1.4x
7.00%	2.1x	2.0x	1.8x

Leveraged Equity Multiple Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
70%	1.7x	1.6x	1.5x
75%	1.8x	1.6x	1.5x
80%	1.8x	1.6x	1.5x

Leveraged Equity Multiple Sensitivity			
Change in Dev. Cost	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	1.7x	2.0x	2.2x
2,000	1.5x	1.8x	2.0x
4,000	1.3x	1.6x	1.9x

Source: JF Capital Projections

(1) Sensitizes Leveraged Equity Multiple by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

DRAFT North Castle Hotel Model

Sensitivities - Total Profit

(\$ in thousands)

Leveraged Total Profit Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
9.00%	\$5,734	\$3,936	\$2,138
8.00%	11,758	9,960	8,162
7.00%	19,503	17,705	15,906

Leveraged Total Profit Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
10.5%	\$12,606	\$11,434	\$11,361
9.5%	12,052	10,971	11,106
8.5%	11,367	10,399	10,791

Leveraged Total Profit Sensitivity			
Change in ADR	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	\$11,758	\$16,758	\$21,758
10	\$12,070	\$17,070	\$22,070
20	\$12,381	\$17,381	\$22,381

Leveraged Total Profit Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
9.00%	\$5,734	\$3,803	\$1,872
8.00%	11,758	9,825	7,893
7.00%	19,503	17,569	15,634

Leveraged Total Profit Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
70%	\$10,640	\$8,843	\$7,046
75%	9,511	7,715	5,919
80%	8,371	6,576	4,782

Leveraged Total Profit Sensitivity			
Change in Dev. Cost	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	\$11,758	\$16,758	\$21,758
2,000	9,181	14,181	19,181
4,000	6,604	11,604	16,604

Source: JF Capital Projections

(1) Sensitizes Leveraged Total Profit by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

DRAFT North Castle Hotel Model

Financial Summary (5 Year Hold) - Apartments

(\$ in thousands, except per key amounts)

Illustrative Sources & Uses			Exit Assumptions			Returns						
Total Land Cost	\$0	0.0%		Year 5 NOI - Apartments	\$1,790	Equity IRR					20.9%	
Development Cost ⁽¹⁾	23,823	100.0%		Apartment Exit Cap Rate	5.50% ⁽³⁾	Equity NPV					12.0%	\$2,960
Total Uses	\$23,823	100.0%	Interest Rate	Gross Sale Price	\$32,546	Equity Multiple					2.9x	
Debt	17,867	75.0%	5.5%	Less: 2.0% Fee	2.0%	Total Profit					\$11,260	
Mezzanine Debt	0	0.0%	12.0%	Net Sale Price	\$31,895	Unleveraged IRR					10.7%	
Pref Equity	0	0.0%	14.0%	Apartment Exit Price/ Unit	\$471,676	Unleveraged NPV					8.0%	\$2,974
Equity	5,956	25.0%	5.5% ⁽²⁾			Unleveraged Equity Multiple					1.7x	
Total Sources	\$23,823	100.0%				Total Profit					\$16,174	
Valuation Metrics:												
All-In Price / Apartment		\$345,257										
Debt / Apartment		258,943										
Apartments		69										
				Construction			Operation					
			Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5	4 Year CAGR	
Total Apartments						69	69	69	69	69		
Days						365	365	365	365	365		
Average Occupancy						90.0%	93.0%	95.0%	95.0%	95.0%		
Total Monthly Rent						\$9,700	\$9,991	\$10,291	\$10,599	\$10,917		
Total Apartments Revenues						\$1,803	\$1,918	\$2,019	\$2,079	\$2,141	4.4%	
Other Revenues						601	639	673	693	714	4.4%	
Total Revenues						\$2,403	\$2,558	\$2,691	\$2,772	\$2,855	4.4%	
Revenue Growth							6.4%	5.2%	3.0%	3.0%		
GOP						\$1,821	\$1,982	\$2,104	\$2,188	\$2,274	5.7%	
% Margin						75.8%	77.5%	78.2%	78.9%	79.6%		
EBITDA						\$1,474	\$1,620	\$1,729	\$1,801	\$1,876	6.2%	
% Margin						61.3%	63.3%	64.2%	65.0%	65.7%		
FF&E						72	77	81	83	86	4.4%	
NOI						\$1,402	\$1,544	\$1,648	\$1,718	\$1,790	6.3%	
% Margin						58.3%	60.3%	61.2%	62.0%	62.7%		
NOI Per Key						20,323	22,371	23,887	24,894	25,942		

Source: JF Capital Projections

(1) Assumes per key development cost (excluding land) of \$345,257 which is spent equally over 2 years of construction

(2) Blended cost of capital assumes pref equity coupon is all paid current

(3) CBRE H1 2017 Cap Rate Survey: New York/Stamford Suburban Cap Rate for Multi-Family Residential, less 0.75%

DRAFT North Castle Hotel Model

Financial Summary - Apartments

(\$ in thousands)

	Construction			Operation				
	Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Valuation Metrics								
Implied All-In Cap Rate				5.9%	6.5%	6.9%	7.2%	7.5%
Implied EBITDA Multiple				16.2x	14.7x	13.8x	13.2x	12.7x
Returns Analysis								
Property Cash Flow	\$0	\$0	\$0	\$1,402	\$1,544	\$1,648	\$1,718	\$1,790
Acquisition Cost / Sale Proceeds ⁽³⁾	(0)							31,895
Key Money / Security Deposit Return				0				
Land Subsidy				0				
Development Costs		(11,911)	(11,911)					
Debt Issuance/Repayment		5,956	11,911					(17,867)
Mezzanine Issuance/Repayment		0	0	0	0	0	0	0
Pref Equity Issuance/Repayment		0		0	0	0	0	0
Interest Expense ⁽¹⁾				(983)	(983)	(983)	(983)	(983)
Debt Amortization ⁽¹⁾				0	0	0	0	0
Mezzanine Interest Expense ⁽²⁾				0	0	0	0	0
Mezzanine Amortization ⁽²⁾				0	0	0	0	0
Pref Equity Coupon (at 14.0% rate)				0	0	0	0	0
Accrued Pref Equity PIK Payment				0	0	0	0	0
Refinancing Proceeds				0	0	0	0	0
Equity Cash Flow	(\$0)	(\$5,956)	\$0	\$420	\$561	\$666	\$735	\$14,835
Cumulative Equity Cash Flow	(0)	(5,956)	(5,956)	(5,536)	(4,975)	(4,310)	(3,575)	11,260
Unlevered Cash Flow	(0)	(11,911)	(11,911)	1,402	1,544	1,648	1,718	33,685

Source: JF Capital Projections

(1) Fixed-rate debt at 5.5% interest with a 0 year amortization schedule

(2) Fixed-rate debt at 12.0% interest with a 0 year amortization schedule

DRAFT North Castle Hotel Model

Debt Schedule - Apartments

(\$ in thousands)

		Construction			Operation				
		Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Mortgage Debt Schedule									
Beginning Balance					\$17,867	\$17,867	\$17,867	\$17,867	\$17,867
Debt Refinancing ⁽¹⁾					0	0	0	0	0
Amortization					0	0	0	0	0
Ending Balance				\$17,867	\$17,867	\$17,867	\$17,867	\$17,867	\$17,867
Interest Rate	5.5%				5.5%	5.5%	5.5%	5.5%	5.5%
Interest Expense					983	983	983	983	983
Debt Service					983	983	983	983	983
Credit Stats									
DSCR					1.4x	1.6x	1.7x	1.7x	1.8x
Debt / EBITDA					12.1x	11.0x	10.3x	9.9x	9.5x
Debt Yield					7.8%	8.6%	9.2%	9.6%	10.0%
Loan to Cost					75.0%	75.0%	75.0%	75.0%	75.0%
Loan to Value (assumes a 5.5% cap rate)					70.1%	63.7%	59.6%	57.2%	54.9%
Debt Per Key					\$258,943	\$258,943	\$258,943	\$258,943	\$258,943
Mezzanine Debt Schedule									
Beginning Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Refinancing ⁽¹⁾				0	0	0	0	0	0
Amortization				0	0	0	0	0	0
Ending Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Rate	12.0%				12.00%	12.00%	12.00%	12.00%	12.00%
Interest Expense					0	0	0	0	0
Debt Service					0	0	0	0	0
Cumulative Credit Stats - Through Mezzanine									
DSCR					1.4x	1.6x	1.7x	1.7x	1.8x
Debt / EBITDA					12.1x	11.0x	10.3x	9.9x	9.5x
Debt Yield					7.8%	8.6%	9.2%	9.6%	10.0%
Loan to Cost					75.0%	75.0%	75.0%	75.0%	75.0%
Loan to Value (assumes a 5.5% cap rate)					70.1%	63.7%	59.6%	57.2%	54.9%
Debt Per Key					\$258,943	\$258,943	\$258,943	\$258,943	\$258,943
Preferred Equity Cash Flow									
Beginning Preferred Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Return	14.0%			0	0	0	0	0	0
Paid	50.0%			0	0	0	0	0	0
PIK	50.0%			0	0	0	0	0	0
Refinancing ⁽¹⁾			0	0	0	0	0	0	0
Ending Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Credit Stats - Through Pref Equity									
DSCR (assuming cash pay only)					1.4x	1.6x	1.7x	1.7x	1.8x
DSCR (assuming full coupon)					1.4x	1.6x	1.7x	1.7x	1.8x
Debt + Preferred / EBITDA					12.1x	11.0x	10.3x	9.9x	9.5x
Debt + Preferred Yield					7.8%	8.6%	9.2%	9.6%	10.0%
Debt + Preferred Equity Per Key					\$258,943	\$258,943	\$258,943	\$258,943	\$258,943

Source: JF Capital Projections

(1) Ability to refinance debt at 8.0% debt yield and 5.0% interest rate

DRAFT North Castle Hotel Model

Sensitivities - IRR

(\$ in thousands)

Leveraged IRR Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
6.50%	14.2%	12.4%	10.7%
5.50%	20.9%	19.4%	18.0%
4.50%	28.0%	26.8%	25.6%

Leveraged IRR Sensitivity			
Refi	Refi Year		
Debt Yield	Year 2	Year 3	Year 4
9.0%	20.7%	21.3%	21.2%
8.0%	22.2%	22.3%	21.7%
7.0%	24.5%	23.7%	22.3%

Leveraged IRR Sensitivity			
NOI	Land Subsidy ⁽¹⁾		
Performance	0	5,000	10,000
100%	20.9%	35.3%	53.1%
90.0%	19.4%	33.8%	51.6%
80.0%	18.0%	32.3%	50.1%

Leveraged IRR Sensitivity			
Exit Cap Rate	Additional 1 Br Units ⁽²⁾		
	0	10	20
6.50%	14.2%	19.7%	24.9%
5.50%	20.9%	25.5%	29.9%
4.50%	28.0%	31.9%	35.6%

Leveraged IRR Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
6.50%	14.2%	10.1%	5.9%
5.50%	20.9%	17.4%	14.0%
4.50%	28.0%	25.0%	22.1%

Leveraged IRR Sensitivity			
Senior Loan	NOI Performance		
LTV	100%	90.0%	80.0%
70%	19.0%	17.7%	16.5%
75%	20.9%	19.4%	18.0%
80%	23.5%	21.8%	20.1%

Leveraged IRR Sensitivity			
Change in	Land Subsidy ⁽¹⁾		
Dev. Cost	0	5,000	10,000
\$0	20.9%	35.3%	53.1%
2,000	16.3%	29.9%	46.8%
4,000	11.7%	24.7%	40.8%

Source: JF Capital Projections

(1) Sensitizes Leveraged IRR by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

(2) Assumes incremental cost of \$75 per additional apartment.

DRAFT North Castle Hotel Model

Sensitivities - Equity Multiple

(\$ in thousands)

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
6.50%	2.1x	1.9x	1.8x
5.50%	2.9x	2.8x	2.6x
4.50%	4.1x	3.9x	3.8x

Leveraged Equity Multiple Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
9.0%	3.0x	2.9x	2.9x
8.0%	2.9x	2.9x	2.9x
7.0%	2.8x	2.8x	2.8x

Leveraged Equity Multiple Sensitivity			
NOI Performance	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
100%	2.9x	3.7x	4.6x
90.0%	2.8x	3.6x	4.4x
80.0%	2.6x	3.5x	4.3x

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	Additional 1 Br Units ⁽²⁾		
	0	10	20
6.50%	2.1x	2.5x	2.9x
5.50%	2.9x	3.3x	3.6x
4.50%	4.1x	4.4x	4.8x

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
6.50%	2.1x	1.7x	1.4x
5.50%	2.9x	2.5x	2.1x
4.50%	4.1x	3.6x	3.2x

Leveraged Equity Multiple Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
70%	2.6x	2.5x	2.4x
75%	2.9x	2.8x	2.6x
80%	3.3x	3.1x	2.9x

Leveraged Equity Multiple Sensitivity			
Change in Dev. Cost	Land Subsidy ⁽¹⁾		
	0	5,000	10,000
\$0	2.9x	3.7x	4.6x
2,000	2.3x	3.1x	3.9x
4,000	1.9x	2.6x	3.3x

Source: JF Capital Projections

(1) Sensitizes Leveraged Equity Multiple by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

(2) Assumes incremental cost of \$75 per additional apartment.

DRAFT North Castle Hotel Model

Sensitivities - Total Profit

(\$ in thousands)

Leveraged Total Profit Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
6.50%	\$6,353	\$5,543	\$4,733
5.50%	11,260	10,450	9,640
4.50%	18,348	17,538	16,728

Leveraged Total Profit Sensitivity			
Refi	Refi Year		
Debt Yield	Year 2	Year 3	Year 4
9.0%	\$11,663	\$11,404	\$11,289
8.0%	11,344	11,176	11,169
7.0%	10,935	10,883	11,016

Leveraged Total Profit Sensitivity			
NOI	Land Subsidy ⁽¹⁾		
Performance	0	5,000	10,000
100%	\$11,260	\$16,260	\$21,260
90.0%	10,450	15,450	20,450
80.0%	9,640	14,640	19,640

Leveraged Total Profit Sensitivity			
Exit Cap Rate	Additional 1 Br Units ⁽²⁾		
	0	10	20
6.50%	\$6,353	\$9,099	\$11,843
5.50%	11,260	14,005	16,748
4.50%	18,348	21,091	23,832

Leveraged Total Profit Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
6.50%	\$6,353	\$4,436	\$2,518
5.50%	11,260	9,341	7,421
4.50%	18,348	16,425	14,502

Leveraged Total Profit Sensitivity			
Senior Loan	NOI Performance		
LTV	100%	90.0%	80.0%
70%	\$11,703	\$10,893	\$10,082
75%	11,260	10,450	9,640
80%	10,814	10,005	9,195

Leveraged Total Profit Sensitivity			
Change in	Land Subsidy ⁽¹⁾		
Dev. Cost	0	5,000	10,000
\$0	\$11,260	\$16,260	\$21,260
2,000	8,701	13,701	18,701
4,000	6,141	11,141	16,141

Source: JF Capital Projections

(1) Sensitizes Leveraged Total Profit by assumed Land Subsidy of \$5 or \$10 million, thereby reducing development costs and being added back to the Cash Flow in Year 1.

(2) Assumes incremental cost of \$75 per additional apartment.

DRAFT North Castle Hotel Model

Pro Forma - Combined Boutique Hotel + Apartments

(\$ in thousands)

The following includes the combined pro forma operating results for the boutique hotel and the apartments

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Hotel Rooms	97		97		97		97		97		
Apartments	69		53		53		53		53		
Occupancy (Hotel and Apts)	75.0%		79.0%		82.5%		84.5%		84.5%		3.0%
Growth (% pts)			4.0%		3.5%		2.0%		0.0%		
ADR (Hotel only)	\$242.00		\$256.52		\$269.35		\$282.81		\$294.13		5.0%
Growth			6.0%		5.0%		5.0%		4.0%		
RevPAR (Hotel only)	\$145.20		\$166.74		\$188.54		\$209.28		\$217.65		10.6%
Growth			14.8%		13.1%		11.0%		4.0%		
Days Open	365		365		365		365		365		
Rooms Available	35,405		35,405		35,405		35,405		35,405		
Rooms Occupied	26,554		27,970		29,209		29,917		29,917		
Revenues	\$	%	\$	%	\$	%	\$	%	\$	%	
Rooms+Apartments	6,943	45.3%	7,822	45.7%	8,694	46.1%	9,489	47.4%	9,847	47.6%	9.1%
Food & Beverage	6,878	44.9%	7,623	44.6%	8,344	44.3%	8,633	43.1%	8,887	42.9%	6.6%
Other	1,505	9.8%	1,658	9.7%	1,803	9.6%	1,901	9.5%	1,963	9.5%	6.9%
Total Revenue	\$15,326	100.0%	\$17,103	100.0%	\$18,841	100.0%	\$20,022	100.0%	\$20,697	100.0%	7.8%
Distributed Expenses											
Rooms+Apartments	1,490	21.5%	1,507	19.3%	1,544	17.8%	1,651	17.4%	1,696	17.2%	3.3%
Food & Beverage	4,961	72.1%	5,051	66.3%	5,282	63.3%	5,383	62.4%	5,542	62.4%	2.8%
Other	678	45.0%	731	44.1%	767	42.5%	812	42.7%	839	42.7%	5.5%
Total Distributed Exp.	\$7,128	46.5%	\$7,289	42.6%	\$7,593	40.3%	\$7,846	39.2%	\$8,076	39.0%	3.2%
Distributed Profit											
Rooms+Apartments	5,454	78.5%	6,315	80.7%	7,150	82.2%	7,838	82.6%	8,152	82.8%	10.6%
Food & Beverage	1,917	27.9%	2,572	33.7%	3,062	36.7%	3,250	37.6%	3,345	37.6%	14.9%
Other Operated Departments	828	55.0%	926	55.9%	1,036	57.5%	1,089	57.3%	1,124	57.3%	8.0%
Operating Income	\$8,198	53.5%	\$9,813	57.4%	\$11,248	59.7%	\$12,177	60.8%	\$12,621	61.0%	11.4%
Undistributed Expenses											
A&G	1,029	6.7%	1,082	6.3%	1,117	5.9%	1,191	5.9%	1,231	5.9%	4.6%
Telecommunications	129	0.8%	145	0.9%	161	0.9%	173	0.9%	178	0.9%	8.4%
Sales and Marketing	960	6.3%	975	5.7%	1,077	5.7%	1,146	5.7%	1,185	5.7%	5.4%
Repairs	524	3.4%	549	3.2%	565	3.0%	601	3.0%	621	3.0%	4.3%
Energy	436	2.8%	487	2.9%	538	2.9%	573	2.9%	592	2.9%	8.0%
Total Undistributed Exp.	\$3,079	20.1%	\$3,239	18.9%	\$3,459	18.4%	\$3,683	18.4%	\$3,807	18.4%	5.5%
GOP	\$5,119	33.4%	\$6,574	38.4%	\$7,789	41.3%	\$8,494	42.4%	\$8,814	42.6%	14.5%
Management Fee	484	3.2%	611	3.6%	754	4.0%	801	4.0%	828	4.0%	14.4%
Franchise Fee	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Fixed Expenses											
Rent	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Property Taxes ⁽²⁾	666	4.3%	686	4.0%	706	3.7%	728	3.6%	750	3.6%	3.0%
Insurance	165	1.1%	184	1.1%	202	1.1%	214	1.1%	221	1.1%	7.6%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total Fixed Expenses	\$831	5.4%	\$870	5.1%	\$908	4.8%	\$942	4.7%	\$971	4.7%	4.0%
EBITDA	\$3,804	24.8%	\$5,093	29.8%	\$6,127	32.5%	\$6,751	33.7%	\$7,015	33.9%	16.5%
FF&E Reserve	201	1.3%	368	2.1%	565	3.0%	773	3.9%	799	3.9%	41.2%
NOI	\$3,603	23.5%	\$4,725	27.6%	\$5,562	29.5%	\$5,978	29.9%	\$6,216	30.0%	14.6%

Source: JF Capital Projections

(2) Property Taxes are calculated as 2.25% of the appraised value which is assumed to be 40% of the Total Development cost of \$73,993 or \$29,597,213 for the Combined Scenario. Total Property taxes are growing at 3% per year in Years 2-5.

DRAFT North Castle Hotel Model

Pro Forma - Boutique Hotel

(\$ in thousands)

The following includes the pro forma operating results for the boutique hotel

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Number of Rooms	97		97		97		97		97		
Occupancy	60.0%		65.0%		70.0%		74.0%		74.0%		5.4%
Growth (% pts)			5.0%		5.0%		4.0%		0.0%		
ADR	\$242.00		\$256.52		\$269.35		\$282.81		\$294.13		5.0%
Growth			6.0%		5.0%		5.0%		4.0%		
RevPAR	\$145.20		\$166.74		\$188.54		\$209.28		\$217.65		10.6%
Growth			14.8%		13.1%		11.0%		4.0%		
Days Open	365		365		365		365		365		
Rooms Available	35,405		35,405		35,405		35,405		35,405		
Rooms Occupied	21,243		23,013		24,784		26,200		26,200		
Revenues	\$	%	\$	%	\$	%	\$	%	\$	%	
Rooms	5,141	39.8%	5,903	40.6%	6,675	41.3%	7,410	43.0%	7,706	43.2%	10.6%
Food & Beverage	6,878	53.2%	7,623	52.4%	8,344	51.7%	8,633	50.0%	8,887	49.8%	6.6%
Other	905	7.0%	1,018	7.0%	1,130	7.0%	1,208	7.0%	1,249	7.0%	8.4%
Total Revenue	\$12,923	100.0%	\$14,545	100.0%	\$16,150	100.0%	\$17,250	100.0%	\$17,842	100.0%	8.4%
Distributed Expenses											
Rooms	1,388	27.0%	1,417	24.0%	1,469	22.0%	1,593	21.5%	1,657	21.5%	4.5%
Food & Beverage	4,961	72.1%	5,051	66.3%	5,282	63.3%	5,383	62.4%	5,542	62.4%	2.8%
Other	498	55.0%	540	53.0%	565	50.0%	604	50.0%	624	50.0%	5.8%
Total Distributed Exp.	\$6,846	53.0%	\$7,007	48.2%	\$7,316	45.3%	\$7,580	43.9%	\$7,823	43.8%	3.4%
Distributed Profit											
Rooms	3,753	73.0%	4,487	76.0%	5,207	78.0%	5,817	78.5%	6,049	78.5%	12.7%
Food & Beverage	1,917	27.9%	2,572	33.7%	3,062	36.7%	3,250	37.6%	3,345	37.6%	14.9%
Other Operated Departments	407	45.0%	479	47.0%	565	50.0%	604	50.0%	624	50.0%	11.3%
Operating Income	\$6,077	47.0%	\$7,537	51.8%	\$8,834	54.7%	\$9,670	56.1%	\$10,019	56.2%	13.3%
Undistributed Expenses											
A&G	969	7.5%	1,018	7.0%	1,050	6.5%	1,121	6.5%	1,160	6.5%	4.6%
Telecommunications	129	1.0%	145	1.0%	161	1.0%	173	1.0%	178	1.0%	8.4%
Sales and Marketing	840	6.5%	873	6.0%	969	6.0%	1,035	6.0%	1,070	6.0%	6.2%
Repairs	452	3.5%	473	3.3%	484	3.0%	518	3.0%	535	3.0%	4.3%
Energy	388	3.0%	436	3.0%	484	3.0%	518	3.0%	535	3.0%	8.4%
Total Undistributed Exp.	\$2,778	21.5%	\$2,945	20.3%	\$3,149	19.5%	\$3,364	19.5%	\$3,479	19.5%	5.8%
GOP	\$3,298	25.5%	\$4,592	31.6%	\$5,685	35.2%	\$6,306	36.6%	\$6,540	36.7%	18.7%
Management Fee	388	3.0%	509	3.5%	646	4.0%	690	4.0%	714	4.0%	16.5%
Franchise Fee	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Fixed Expenses											
Rent	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Property Taxes ⁽²⁾	452	3.5%	465	3.2%	479	3.0%	493	2.9%	508	2.8%	3.0%
Insurance	129	1.0%	145	1.0%	161	1.0%	173	1.0%	178	1.0%	8.4%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total Fixed Expenses	\$581	4.5%	\$611	4.2%	\$641	4.0%	\$666	3.9%	\$687	3.8%	4.3%
EBITDA	\$2,330	18.0%	\$3,472	23.9%	\$4,398	27.2%	\$4,950	28.7%	\$5,139	28.8%	21.9%
FF&E Reserve	129	1.0%	291	2.0%	484	3.0%	690	4.0%	714	4.0%	53.3%
NOI	\$2,201	17.0%	\$3,181	21.9%	\$3,914	24.2%	\$4,260	24.7%	\$4,426	24.8%	19.1%

Source: JF Capital Projections

(2) Property Taxes are calculated as 2.25% of the appraised value which is assumed to be 40% of the Total Development cost of \$50,170,321 or \$20,068,128 for the Boutique Hotel. Total Property taxes are growing at 3% per year in Years 2-5.

DRAFT North Castle Hotel Model**Apartments Buildup**

The following is a buildup of the types and number of apartments in the residential component of the North Castle Hotel.

Type	Bedrooms	Rent per Month	Number of Apartments	Dept. Profit Margin
Market Rate	1	\$2,500	40	95.0%
Market Rate	2	3,500	13	95.0%
Affordable Housing	1	1,000	4	90.0%
Affordable Housing	2	1,200	2	90.0%
Affordable Housing	3	1,500	10	90.0%
Total / Weighted Average:		\$2,419	69	93.8%
Total Gross Annual Apartment Rent Revenue:		\$2,002,800		
Year 1 Assumed Occupancy:		90.0%		
Net Rental Revenue:		\$1,802,520		
Total Apartment Profit:		1,691,495		

DRAFT North Castle Hotel Model

Pro Forma - Apartments

(\$ in thousands)

The following includes the pro forma operating results for the apartments

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Total Apartments	69		69		69		69		69		
Average Occupancy	90.0%		93.0%		95.0%		95.0%		95.0%		
Monthly RevPAR (1-bed)	\$2,250		\$2,395		\$2,520		\$2,595		\$2,673		4.4%
Monthly RevPAR (2-bed)	3,150		3,353		3,527		3,633		3,742		4.4%
Days Open	365		365		365		365		365		
Rooms Available	14,600		14,600		14,600		14,600		14,600		
Rooms Occupied	13,140		13,578		13,870		13,870		13,870		
Revenues	\$	%	\$	%	\$	%	\$	%	\$	%	
Apartment Rent Subtotal	1,803	75.0%	1,918	75.0%	2,019	75.0%	2,079	75.0%	2,141	75.0%	4.4%
Other Revenues	601	25.0%	639	25.0%	673	25.0%	693	25.0%	714	25.0%	4.4%
Total Revenue	\$2,403	100.0%	\$2,558	100.0%	\$2,691	100.0%	\$2,772	100.0%	\$2,855	100.0%	4.4%
Distributed Expenses											
Apartment Expense Subtotal	102	6.2%	90	5.2%	76	4.3%	58	3.3%	39	2.3%	-21.4%
Other Revenues	180	30.0%	192	30.0%	202	30.0%	208	30.0%	214	30.0%	4.4%
Total Distributed Exp.	\$282	11.7%	\$282	11.0%	\$277	10.3%	\$266	9.6%	\$253	8.9%	-2.7%
Distributed Profit											
Apartment Only Dept. Profit	1,701	93.8%	1,828	94.8%	1,943	95.7%	2,021	96.7%	2,103	97.7%	5.4%
Other Operated Dept. Profit	421	70.0%	448	70.0%	471	70.0%	485	70.0%	500	70.0%	4.4%
Total Departmental Profit	\$2,121	88.3%	\$2,276	89.0%	\$2,414	89.7%	\$2,506	90.4%	\$2,602	91.1%	5.2%
Undistributed Expenses											
A&G	60	2.5%	64	2.5%	67	2.5%	69	2.5%	71	2.5%	4.4%
Telecommunications	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Sales and Marketing	120	5.0%	102	4.0%	108	4.0%	111	4.0%	114	4.0%	-1.3%
Repairs	72	3.0%	77	3.0%	81	3.0%	83	3.0%	86	3.0%	4.4%
Energy	48	2.0%	51	2.0%	54	2.0%	55	2.0%	57	2.0%	4.4%
Total Undistributed Exp.	\$300	12.5%	\$294	11.5%	\$310	11.5%	\$319	11.5%	\$328	11.5%	2.2%
GOP	\$1,821	75.8%	\$1,982	77.5%	\$2,104	78.2%	\$2,188	78.9%	\$2,274	79.6%	5.7%
Management Fee	96	4.0%	102	4.0%	108	4.0%	111	4.0%	114	4.0%	4.4%
Franchise Fee	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Fixed Expenses											
Rent	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Property Taxes ⁽²⁾	214	8.9%	221	8.6%	227	8.5%	234	8.5%	241	8.5%	3.0%
Insurance	36	1.5%	38	1.5%	40	1.5%	42	1.5%	43	1.5%	4.4%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Total Fixed Expenses	\$250	10.4%	\$259	10.1%	\$268	10.0%	\$276	10.0%	\$284	10.0%	3.2%
EBITDA	\$1,474	61.3%	\$1,620	63.3%	\$1,729	64.2%	\$1,801	65.0%	\$1,876	65.7%	6.2%
FF&E Reserve	72	3.0%	77	3.0%	81	3.0%	83	3.0%	86	3.0%	4.4%
NOI	\$1,402	58.3%	\$1,544	60.3%	\$1,648	61.2%	\$1,718	62.0%	\$1,790	62.7%	6.3%

Source: JF Capital Projections

Note: Monthly Rent for both all apartments is growing at 3.0% per year.

(2) Property Taxes are calculated as 2.25% of the appraised value which is assumed to be 40% of the Total Development cost of \$23,822,712 or \$9,529,085 for the Apartments. Total Property taxes are growing at 3.0% per year in Years 2-5.

DRAFT North Castle Hotel Model

Comp Set Overview - Boutique

The competitive set comprises 5 hotels with an average key count of 157 rooms

Hotel	Street Address	Rooms	Opening Date	Meeting Space
Delamar Greenwich Harbor Hotel	500 Steamboat Rd, Greenwich, CT 06830	82	Oct 2002	2,350
The J House Greenwich	1114 E Putnam Ave, Riverside, CT 06878	86	May 2012	3,593
Hotel Zero Degrees Stamford	909 Washington Blvd, Stamford, CT 06901	97	Oct 2009	1,000
Doral Arrowwood	975 Anderson Hill Rd, Rye Brook, NY 10573	374	Jun 1983	37,600
Ritz-Carlton The New York Westchester	3 Renaissance Square, White Plains, NY 10601	146	Dec 2007	12,073

	2012 ⁽¹⁾	2013	2014	2015	2016	TTM 9/2017	Year 1	Year 2	Year 3	Year 4	Year 5
STR Comp Set											
Occupancy	58.9%	59.4%	62.5%	62.0%	63.4%	64.0%	63.9%	64.5%	65.0%	64.9%	65.2%
Growth		0.8%	5.3%	-0.8%	2.3%	2.4%	-0.2%	1.0%	0.7%	-0.1%	0.5%
ADR	\$216.31	\$218.54	\$220.48	\$217.79	\$202.92	\$206.50	\$204.44	\$203.41	\$206.26	\$210.18	\$212.28
Growth		1.0%	0.9%	-1.2%	-6.8%	-6.3%	-1.0%	-0.5%	1.4%	1.9%	1.0%
RevPAR	\$127.38	\$129.77	\$137.83	\$135.00	\$128.73	\$132.16	\$130.58	\$131.22	\$133.99	\$136.40	\$138.45
Growth		1.9%	6.2%	-2.1%	-4.6%	-4.1%	-1.2%	0.5%	2.1%	1.8%	1.5%

North Castle Hotel Projections - Boutique with Apartments (Hotel Only)

Occupancy	60.0%	65.0%	70.0%	74.0%	74.0%
ADR	\$242.00	\$256.52	\$269.35	\$282.81	\$294.13
Growth		6.0%	5.0%	5.0%	4.0%
RevPAR	\$145.20	\$166.74	\$188.54	\$209.28	\$217.65
Growth		7.0%	6.0%	5.0%	3.0%

Penetration Index

Occupancy	93.9%	100.8%	107.8%	114.0%	113.5%
ADR	118.4%	126.1%	130.6%	134.6%	138.6%
RevPAR	111.2%	127.1%	140.7%	153.4%	157.2%

Source: STR as of November 10th, 2017

(1) Operating statistics only reflect May through December of 2012

Occ & ADR are growing at JF Capital market estimates for Years 1 through 5 (based on CBRE Hotel Horizons February 2018 estimates for New York State)

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

- The following analysis shows both the size of F&B offerings, as well as potential F&B revenues as the hotel generates higher occupancy:

	Square Footage	# Seats	SF / Seat	Notes
Restaurant (First Floor)	2,800	110	25	
Coffee Bar / Bar (First Floor)	1,500	50	30	
Rooftop Bar & Lounge	8,700	65	134	
Ground Floor Lounge	0	0	N/A	
Junior Ballroom	4,000	140	29	
Pool/Fitness Club	5,000	175	29	
Boardroom	1,200	30	40	
TOTAL	23,200	570	41	

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Guest Rooms	97	97	97	97	97
Occupancy	60.0%	65.0%	70.0%	74.0%	74.0%
Occupied Rooms/Day	58	63	68	72	72
Guests/Room	1.5	1.5	1.5	1.5	1.5
Hotel Guests/Day	87	95	102	108	108
Total F&B Revenue	\$6,877,669	\$7,623,082	\$8,343,932	\$8,633,070	\$8,886,662
<i>Growth</i>		10.8%	9.5%	3.5%	2.9%
<i>Total F&B Revenue per SF</i>	\$296	\$329	\$360	\$372	\$383
<i>Total F&B Revenue per Seat</i>	12,066	13,374	14,638	15,146	15,591
Total F&B EBITDA	\$1,917,090	\$2,572,160	\$3,061,866	\$3,249,884	\$3,344,951
<i>Growth</i>		34.2%	19.0%	6.1%	2.9%
<i>Margin</i>	27.9%	33.7%	36.7%	37.6%	37.6%
<i>Total F&B EBITDA per SF</i>	\$83	\$111	\$132	\$140	\$144
<i>Total F&B EBITDA per Seat</i>	3,363	4,513	5,372	5,702	5,868

Source: Illustrative Projections; subject to build out costs, final program, and operator chosen

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant (First Floor) - (2,800 SF and 110 Seats)					
Breakfast Capture (% of Guests)	25.0%	25.0%	25.0%	25.0%	25.0%
Breakfast Covers per Day (Guests)	22	24	25	27	27
Breakfast Covers per Day (Non-Guests)	40	40	40	40	40
Breakfast Revenue per Cover 3.0%	\$16	\$16	\$17	\$17	\$18
Breakfast Revenue Subtotal	\$361,058	\$382,830	\$405,583	\$427,036	\$439,847
Breakfast Revenue per Seat	3,282	3,480	3,687	3,882	3,999
Breakfast Revenue per SF	129	137	145	153	157
Lunch Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Lunch Covers per Day (Guests)	9	9	10	11	11
Lunch Covers per Day (Non-Guests)	45	47	50	50	50
Lunch Revenue per Cover 3.0%	\$20	\$21	\$21	\$22	\$23
Lunch Revenue Subtotal	\$392,229	\$424,504	\$466,107	\$484,733	\$499,275
Lunch Revenue per Seat	3,566	3,859	4,237	4,407	4,539
Lunch Revenue per SF	140	152	166	173	178
Dinner Capture (% of Guests)	15.0%	15.0%	15.0%	15.0%	15.0%
Dinner Covers per Day (Guests)	13	14	15	16	16
Dinner Covers per Day (Non-Guests)	110	130	130	130	130
Dinner Revenue per Cover 3.0%	\$26	\$27	\$28	\$28	\$29
Dinner Revenue Subtotal	\$1,168,172	\$1,409,377	\$1,462,645	\$1,515,578	\$1,561,045
Dinner Revenue per Seat	10,620	12,813	13,297	13,778	14,191
Dinner Revenue per SF	417	503	522	541	558
Total Restaurant Revenue	\$1,921,459	\$2,216,711	\$2,334,335	\$2,427,346	\$2,500,166
EBITDA Margin	19%	24%	26%	27%	27%
Total Restaurant EBITDA	\$365,077	\$532,011	\$606,927	\$655,383	\$675,045

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Coffee Bar / Bar (First Floor) - (1,500 SF & 50 Seats)					
Breakfast Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Breakfast Covers per Day (Guests)	9	9	10	11	11
Breakfast Covers per Day (Non-Guests)	35	35	35	35	35
Breakfast Revenue per Cover 3.0%	\$8	\$8	\$8	\$9	\$9
Breakfast Revenue Subtotal	\$127,692	\$133,710	\$139,975	\$146,032	\$150,413
Breakfast Revenue per Seat	1,161	1,216	1,273	1,328	1,367
Breakfast Revenue per SF	46	48	50	52	54
Lunch Capture (% of Guests)	5.0%	5.0%	5.0%	5.0%	5.0%
Lunch Covers per Day (Guests)	4	5	5	5	5
Lunch Covers per Day (Non-Guests)	20	23	25	25	25
Lunch Revenue per Cover 3.0%	\$12	\$12	\$13	\$13	\$14
Lunch Revenue Subtotal	\$106,719	\$125,095	\$139,832	\$145,420	\$149,782
Lunch Revenue per Seat	970	1,137	1,271	1,322	1,362
Lunch Revenue per SF	38	45	50	52	53
Dinner Capture (% of Guests)	5.0%	5.0%	5.0%	5.0%	5.0%
Dinner Covers per Day (Guests)	4	5	5	5	5
Dinner Covers per Day (Non-Guests)	80	90	100	100	100
Dinner Revenue per Cover 3.0%	\$20	\$21	\$21	\$22	\$23
Dinner Revenue Subtotal	\$615,865	\$712,265	\$813,896	\$840,634	\$865,853
Dinner Revenue per Seat	5,599	6,475	7,399	7,642	7,871
Dinner Revenue per SF	220	254	291	300	309
Total Coffee Bar / Bar Revenue	\$850,275	\$971,071	\$1,093,704	\$1,132,086	\$1,166,048
EBITDA Margin	30%	36%	38%	38%	38%
Total Restaurant EBITDA	\$255,082	\$349,586	\$415,607	\$430,193	\$443,098

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Rooftop Bar & Lounge - (8,700 SF & 65 Seats)					
Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Covers per Day (Guests)	9	9	10	11	11
Covers per Day (Non-Guests)	110	120	125	125	125
Revenue per Cover 3.0%	\$30	\$31	\$32	\$33	\$34
Total Revenue	\$1,300,094	\$1,460,086	\$1,570,425	\$1,624,501	\$1,673,236
Revenue per Seat	20,001	22,463	24,160	24,992	25,742
Revenue per SF	149	168	181	187	192
EBITDA Margin	28%	35%	38%	38%	38%
Total EBITDA	\$364,026	\$511,030	\$596,761	\$617,310	\$635,830

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Ground Floor Lounge - (0 SF & 0 Seats)					
Lunch Capture (% of Guests)	0.0%	0.0%	0.0%	0.0%	0.0%
Lunch Covers per Day (Guests)	0	0	0	0	0
Lunch Covers per Day (Non-Guests)	0	0	0	0	0
Lunch Revenue per Cover	3.0%	\$0	\$0	\$0	\$0
Lunch Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Lunch Revenue per Seat	0	0	0	0	0
Lunch Revenue per SF	0	0	0	0	0
Dinner Capture (% of Guests)	0.0%	0.0%	0.0%	0.0%	0.0%
Dinner Covers per Day (Guests)	0	0	0	0	0
Dinner Covers per Day (Non-Guests)	0	0	0	0	0
Dinner Revenue per Cover	3.0%	\$0	\$0	\$0	\$0
Dinner Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Dinner Revenue per Seat	0	0	0	0	0
Dinner Revenue per SF	0	0	0	0	0
Late Night Capture (% of Guests)	0.0%	0.0%	0.0%	0.0%	0.0%
Late Night Covers per Day (Guests)	0	0	0	0	0
Late Night Covers per Day (Non-Guests)	0	0	0	0	0
Late Night Revenue per Cover	3.0%	\$0	\$0	\$0	\$0
Late Night Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Late Night Revenue per Seat	0	0	0	0	0
Late Night Revenue per SF	0	0	0	0	0
Total Third Floor Lounge Revenue	\$0	\$0	\$0	\$0	\$0
EBITDA Margin	0%	0%	0%	0%	0%
Total EBITDA	\$0	\$0	\$0	\$0	\$0

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Junior Ballroom - (4,000 SF & 140 Seats)					
Events Per Week	3.0	3.0	3.5	3.5	3.5
Number of Attendees	95	100	100	100	100
Revenue per Attendee	3.0% \$100	\$103	\$106	\$109	\$113
Total Revenue	\$1,482,000	\$1,606,800	\$1,930,838	\$1,988,763	\$2,048,426
Revenue per Seat	10,586	11,477	13,792	14,205	14,632
Revenue per SF	371	402	483	497	512
EBITDA Margin	32%	38%	42%	45%	45%
Total EBITDA	\$474,240	\$610,584	\$810,952	\$894,943	\$921,792

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Pool/Fitness Club - (5,000 SF & 175 Seats)					
Lunch Capture (% of Guests)	7.0%	7.0%	7.0%	7.0%	7.0%
Lunch Covers per Day (Guests)	6	7	7	8	8
Lunch Covers per Day (Non-Guests)	20	20	20	20	20
Lunch Revenue per Cover 3.0%	\$17	\$18	\$18	\$19	\$19
Lunch Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Lunch Revenue per Seat	0	0	0	0	0
Lunch Revenue per SF	0	0	0	0	0
Dinner Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Dinner Covers per Day (Guests)	9	9	10	11	11
Dinner Covers per Day (Non-Guests)	65	65	65	65	65
Dinner Revenue per Cover 3.0%	\$20	\$21	\$21	\$22	\$23
Dinner Revenue Subtotal	\$538,229	\$559,846	\$582,275	\$604,386	\$622,518
Dinner Revenue per Seat	4,893	5,090	5,293	5,494	5,659
Dinner Revenue per SF	192	200	208	216	222
Late Night Capture (% of Guests)	7.0%	7.0%	7.0%	7.0%	7.0%
Late Night Covers per Day (Guests)	6	7	7	8	8
Late Night Covers per Day (Non-Guests)	50	50	50	50	50
Late Night Revenue per Cover 3.0%	\$25	\$26	\$27	\$27	\$28
Late Night Revenue Subtotal	\$512,013	\$532,160	\$553,054	\$573,708	\$590,919
Late Night Revenue per Seat	4,655	4,838	5,028	5,216	5,372
Late Night Revenue per SF	183	190	198	205	211
Memberships (Residents)	60	60	60	60	60
Annual Cost	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Membership Revenue Subtotal	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
Membership Revenue per Seat	1,636	1,636	1,636	1,636	1,636
Membership Revenue per SF	64	64	64	64	64
Total Pool/Fitness Club Revenue	\$1,230,242	\$1,272,006	\$1,315,330	\$1,358,094	\$1,393,437
EBITDA Margin	35%	42%	45%	45%	45%
Total EBITDA	\$430,585	\$534,242	\$591,898	\$611,143	\$627,047

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Boardroom - (1,200 SF & 30 Seats)					
Events Per Week	3.0	3.0	3.0	3.0	3.0
Number of Attendees	10	10	10	10	10
Revenue per Attendee	3.0% \$60	\$62	\$64	\$66	\$68
Total Revenue	\$93,600	\$96,408	\$99,300	\$102,279	\$105,348
Revenue per Seat	3,120	3,214	3,310	3,409	3,512
Revenue per SF	78	80	83	85	88
EBITDA Margin	30%	36%	40%	40%	40%
Total EBITDA	\$28,080	\$34,707	\$39,720	\$40,912	\$42,139

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

F&B Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Restaurant (First Floor)	\$1,921,459	\$2,216,711	\$2,334,335	\$2,427,346	\$2,500,166
Coffee Bar / Bar (First Floor)	850,275	971,071	1,093,704	1,132,086	1,166,048
Rooftop Bar & Lounge	1,300,094	1,460,086	1,570,425	1,624,501	1,673,236
Ground Floor Lounge	0	0	0	0	0
Junior Ballroom	1,482,000	1,606,800	1,930,838	1,988,763	2,048,426
Pool/Fitness Club	1,230,242	1,272,006	1,315,330	1,358,094	1,393,437
Boardroom	93,600	96,408	99,300	102,279	105,348
Total Revenue	\$6,877,669	\$7,623,082	\$8,343,932	\$8,633,070	\$8,886,662
EBITDA					
Restaurant (First Floor)	\$365,077	\$532,011	\$606,927	\$655,383	\$675,045
Coffee Bar / Bar (First Floor)	255,082	349,586	415,607	430,193	443,098
Rooftop Bar & Lounge	364,026	511,030	596,761	617,310	635,830
Ground Floor Lounge	0	0	0	0	0
Junior Ballroom	474,240	610,584	810,952	894,943	921,792
Pool/Fitness Club	430,585	534,242	591,898	611,143	627,047
Boardroom	28,080	34,707	39,720	40,912	42,139
Total EBITDA	\$1,917,090	\$2,572,160	\$3,061,866	\$3,249,884	\$3,344,951
<i>Margin</i>	<i>27.9%</i>	<i>33.7%</i>	<i>36.7%</i>	<i>37.6%</i>	<i>37.6%</i>

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments					(\$ in actuals)
Per SF	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Per SF					
Restaurant (First Floor)	\$686	\$792	\$834	\$867	\$893
Coffee Bar / Bar (First Floor)	567	647	729	755	777
Rooftop Bar & Lounge	149	168	181	187	192
Ground Floor Lounge	N/A	N/A	N/A	N/A	N/A
Junior Ballroom	371	402	483	497	512
Pool/Fitness Club	246	254	263	272	279
Boardroom	78	80	83	85	88
Total Revenue Per SF	\$296	\$329	\$360	\$372	\$383
EBITDA Per SF					
Restaurant (First Floor)	\$130	\$190	\$217	\$234	\$241
Coffee Bar / Bar (First Floor)	170	233	277	287	295
Rooftop Bar & Lounge	42	59	69	71	73
Ground Floor Lounge	N/A	N/A	N/A	N/A	N/A
Junior Ballroom	119	153	203	224	230
Pool/Fitness Club	86	107	118	122	125
Boardroom	23	29	33	34	35
Total EBITDA Per SF	\$83	\$111	\$132	\$140	\$144

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

Per Seat	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Per Seat					
Restaurant (First Floor)	\$17,468	\$20,152	\$21,221	\$22,067	\$22,729
Coffee Bar / Bar (First Floor)	17,005	19,421	21,874	22,642	23,321
Rooftop Bar & Lounge	20,001	22,463	24,160	24,992	25,742
Ground Floor Lounge	N/A	N/A	N/A	N/A	N/A
Junior Ballroom	10,586	11,477	13,792	14,205	14,632
Pool/Fitness Club	7,030	7,269	7,516	7,761	7,962
Boardroom	3,120	3,214	3,310	3,409	3,512
Total Revenue Per Seat	\$12,066	\$13,374	\$14,638	\$15,146	\$15,591
EBITDA Per Seat					
Restaurant (First Floor)	\$3,319	\$4,836	\$5,518	\$5,958	\$6,137
Coffee Bar / Bar (First Floor)	5,102	6,992	8,312	8,604	8,862
Rooftop Bar & Lounge	5,600	7,862	9,181	9,497	9,782
Ground Floor Lounge	N/A	N/A	N/A	N/A	N/A
Junior Ballroom	3,387	4,361	5,793	6,392	6,584
Pool/Fitness Club	2,460	3,053	3,382	3,492	3,583
Boardroom	936	1,157	1,324	1,364	1,405
Total EBITDA Per Seat	\$3,363	\$4,513	\$5,372	\$5,702	\$5,868

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique + Apartments

(\$ in actuals)

Margins	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant (First Floor)	19.0%	24.0%	26.0%	27.0%	27.0%
Coffee Bar / Bar (First Floor)	30.0%	36.0%	38.0%	38.0%	38.0%
Rooftop Bar & Lounge	28.0%	35.0%	38.0%	38.0%	38.0%
Ground Floor Lounge	0.0%	0.0%	0.0%	0.0%	0.0%
Junior Ballroom	32.0%	38.0%	42.0%	45.0%	45.0%
Pool/Fitness Club	35.0%	42.0%	45.0%	45.0%	45.0%
Boardroom	30.0%	36.0%	40.0%	40.0%	40.0%
Total Margins	27.9%	33.7%	36.7%	37.6%	37.6%

FTE Analysis - Boutique + Apartments

The following provides a build up by department for the hotel FTEs including the apartment component

Department	FTEs
Rooms ⁽¹⁾	11
Food & Beverage	46
Admin & General	12
Sales and Marketing	11
Repair and Maintenance	11
Parking/Valet	8
Other	8
Total Hotel	107

(1) Assumes 30 minutes of housekeeping per room, for 97 rooms, at a Year 5 Occupancy of 74.0% plus common area cleaning for the apartment component

DRAFT North Castle Hotel Model

Construction Cost Build-Up - Hotel - Boutique + Apartments

(\$ in thousands, except per key and per SF amounts)

The following is a construction cost build up of the Boutique Hotel with Apartments Scenario, with a separate budget for the Hotel component and the Apartments component.

Hotel Keys 97
 Apartments 69
 Total SF 164,400

	Total	Per Key	Per SF	% of Total	Hotel	Per Key	Apartments	Per Unit
Land Costs								
Allocation of Land Cost	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0
Other	0	0	0	0.0%	0	0	0	0
Total Land Costs	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0
Hard Costs								
Construction Cost	\$49,320	\$297,108	\$300	66.7%	\$33,044	\$340,664	\$16,276	\$235,878
Contingency	2,466	14,855	15	3.3%	1,652	17,033	814	8,389
Total Hard Costs	\$51,786	\$311,964	\$315	70.0%	\$34,697	\$357,697	\$17,089	\$244,268
Soft Costs and Other								
Designer	650	3,916	4	0.9%	436	4,490	215	2,211
A&E Fees, Design Consultants	2,000	12,048	12	2.7%	1,340	13,814	660	6,804
Consultants	100	602	1	0.1%	67	691	33	340
Geo / SOE	60	361	0	0.1%	40	414	20	204
Engineering	80	482	0	0.1%	54	553	26	272
Expeditor	80	482	0	0.1%	54	553	26	272
Insurance	650	3,916	4	0.9%	436	4,490	215	2,211
Real Estate Taxes	250	1,506	2	0.3%	168	1,727	83	851
Legal	250	1,506	2	0.3%	168	1,727	83	851
Borrower Legal	250	1,506	2	0.3%	168	1,727	83	851
Owner's Rep	120	723	1	0.2%	80	829	40	408
Operating Expenses	120	723	1	0.2%	80	829	40	408
Miscellaneous	125	753	1	0.2%	84	863	41	425
Pre-Opening	1,200	7,229	7	1.6%	804	8,289	396	4,082
Pool/Fitness Club FF&E	600	3,614	4	0.8%	300	3,093	300	3,093
Pool/Fitness Club OS&E	400	2,410	2	0.5%	250	2,577	150	1,546
Hotel FF&E Public Spaces	1,200	7,229	7	1.6%	1,200	12,371	0	0
Hotel FF&E	2,600	15,663	16	3.5%	2,600	26,804	0	0
Hotel OS&E	900	5,422	5	1.2%	900	9,278	0	0
Apartment FF&E Public Spaces	300	1,807	2	0.4%	0	0	300	3,093
Apartment FF&E	1,200	7,229	7	1.6%	0	0	1,200	12,371
Apartment OS&E	300	1,807	2	0.4%	0	0	300	3,093
Development Fee	1,554	9,359	9	2.1%	1,088	11,211	466	4,805
Mortgage Recording Tax ⁽¹⁾	656	3,953	4	0.9%	459	4,736	197	2,030
Interest Reserve ⁽²⁾	3,102	18,689	19	4.2%	2,120	21,853	983	10,131
Origination Fee ⁽³⁾	505	3,041	3	0.7%	353	3,643	151	1,561
Financing / Brokerage Fee ⁽⁴⁾	505	3,041	3	0.7%	353	3,643	151	1,561
Working Capital	194	1,169	1	0.3%	175	1,800	19	200
Title Insurance ⁽⁵⁾	175	1,054	1	0.2%	123	1,263	53	541
Third Party Reports	150	904	1	0.2%	105	1,082	45	464
Other Financing Costs	100	602	1	0.1%	70	722	30	309
Operator Technical Services Fee	200	1,205	1	0.3%	200	2,062	0	0
Brand Creation Fee	200	1,205	1	0.3%	200	2,062	0	0
Advisory/Consulting Fee ⁽⁶⁾	410	2,470	2	0.6%	287	2,959	123	1,268
Contingency	1,021	6,152	6	1.4%	715	7,370	306	3,159
Total Soft Costs and Other	\$22,207	\$133,777	\$135	30.0%	\$15,474	\$159,523	\$6,733	\$69,416
Total Project Cost	\$73,993	\$445,741	\$450	100.0%	\$50,170	\$517,220	\$23,823	\$245,595

Source: JF Capital illustrative internal projections

(1) Mortgage Recording Tax calculated as 1.30% of total loan balance, (2) Interest Reserve calculated as 100% of one year of interest on full loan amount, (3) Origination Fee calculated as 1.0% of loan,

(4) Financing / Brokerage Fee calculated as 100bps of loan, (5) Estimated using the Stewart Title Insurance Calculator, (6) Advisory Fee calculated as \$25 retainer for work done through December 31, 2017 + \$5 per month for 6 months + \$10 per month for 18 months + \$125 upon execution of management/operator agreement + \$50 upon execution of an agreement with a third party F&B operator

DRAFT North Castle Hotel Model

Debt Refinancing Analysis - Debt Yield - Boutique + Apartments

(\$ in thousands, except per key amounts)

- The analysis below illustrates a refinancing each year at an implied debt yield of 9.0% and the refinancing excess / (shortfall) to the debt

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Debt	\$50,100	\$49,698	\$49,270	\$48,814	\$48,328
EBITDA	3,800	5,088	6,124	6,750	7,011
FF&E Reserve	201	368	565	773	799
NOI	\$3,598	\$4,720	\$5,558	\$5,977	\$6,211
Debt Yield	7.2%	9.5%	11.3%	12.2%	12.9%
NOI	\$3,598	\$4,720	\$5,558	\$5,977	\$6,211
Assumed Debt Yield	9.0%	9.0%	9.0%	9.0%	9.0%
New Loan Proceeds	\$39,983	\$52,448	\$61,759	\$66,407	\$69,015
Fees ⁽¹⁾	(1,199)	(1,573)	(1,853)	(1,992)	(2,070)
Net Proceeds	\$38,784	\$50,875	\$59,906	\$64,414	\$66,944
Refinancing Excess/(Shortfall) (\$)	(\$11,317)	\$1,177	\$10,636	\$15,601	\$18,616
Refinancing Excess/(Shortfall) (%)	-22.6%	2.4%	21.6%	32.0%	38.5%
Refinancing Per Key (97 keys)	\$412,197	\$540,703	\$636,688	\$684,605	\$711,491
Implied Refinancing EBITDA Multiple	10.5x	10.3x	10.1x	9.8x	9.8x

Source: JF Capital Projections

(1) New Debt fees of 3.0% per JF Capital assumption

DRAFT North Castle Hotel Model

Debt Refinancing Analysis - Debt Constant - Boutique + Apartments

(\$ in thousands, except per key amounts)

- The analysis below illustrates a refinancing each year at an implied debt constant of 6.5% and the refinancing excess / (shortfall) to the debt

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Debt	\$50,100	\$49,698	\$49,270	\$48,814	\$48,328
EBITDA	3,800	5,088	6,124	6,750	7,011
FF&E Reserve	201	368	565	773	799
NOI	\$3,598	\$4,720	\$5,558	\$5,977	\$6,211
Debt Yield	7.2%	9.5%	11.3%	12.2%	12.9%
NOI	\$3,598	\$4,720	\$5,558	\$5,977	\$6,211
Assumed DSCR	1.3x	1.3x	1.3x	1.3x	1.3x
Assumed Debt Constant	6.5%	6.5%	6.5%	6.5%	6.5%
New Loan Proceeds	\$42,586	\$55,862	\$65,779	\$70,729	\$73,507
Fees ⁽¹⁾	(1,278)	(1,676)	(1,973)	(2,122)	(2,205)
Net Proceeds	\$41,308	\$54,186	\$63,805	\$68,607	\$71,301
Refinancing Excess/(Shortfall) (\$)	(\$8,792)	\$4,488	\$14,535	\$19,793	\$22,973
Refinancing Excess/(Shortfall) (%)	-17.5%	9.0%	29.5%	40.5%	47.5%
Refinancing Per Key (97 keys)	\$439,027	\$575,896	\$678,129	\$729,165	\$757,801
Implied Refinancing EBITDA Multiple	11.2x	11.0x	10.7x	10.5x	10.5x

Source: JF Capital Projections

(1) New Debt fees of 3.0% per JF Capital assumption

DRAFT North Castle Hotel Model

Full-Service Hotel Scenario

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DRAFT North Castle Hotel Model**Executive Summary - Full Service**

(\$ in thousands except per key amounts)

- JF Capital is reviewing the development opportunity of a Full Service hotel in Westchester County, NY.
 - The hotel will have 300 rooms and 25,350 SF of F&B and event space for a total of 225,000 square feet
 - A \$67,087 development loan at 6.5% is assumed to be obtained
 - Represents an LTC of 65.0% (based on the full deal capitalization)
 - Model includes JF Capital illustrative pro forma statistics for Year 1 -Year 5
 - Year 1 -Year 5 Revenue CAGR (Compound Annual Growth Rate) of 10.8% increasing from \$18,433 in Year 1 to \$27,738 in Year 5
 - Year 1 - Year 5 NOI CAGR (Compound Annual Growth Rate) of 20.0% increasing from \$3,394 in Year 1 to \$7,045 in Year 5
 - EBITDA margins increasing from 20.4% in Year 1 to 29.4% in Year 5
 - NOI margins increasing from 18.4% in Year 1 to 25.4% in Year 5
 - The following base assumptions were made:
 - Land purchase price of \$00 or \$ per key
 - Development cost of \$103,211 and all-in cost of \$103,211, or \$344,038 per key
 - 2 year development period, and 5 year hold period with an 8.50% exit cap rate and fees on sale of 2.0% for net proceeds of \$81,230 or \$270,767 per key
 - The deal produces an illustrative leveraged IRR of 0.0%, an NPV of -\$22,736, a total profit of -\$12,945 and a return on capital of 0.6x to the equity
 - The deal produces an illustrative unleveraged IRR of 0.0%, an NPV of -\$25,173, a total profit of \$8,176 and a return on capital of 1.1x to the equity
 - If refinanced in Year 3, the leveraged IRR is 0.0%, and the equity multiple is 0.7x
-

DRAFT North Castle Hotel Model

Financial Summary (5 Year Hold) - Full Service

(\$ in thousands, except per key amounts)

Illustrative Sources & Uses			Exit Assumptions			Returns				
Total Land Cost	\$0	0.0%		Year 5 NOI	\$7,045	Equity IRR			0.0%	
Development Cost ⁽¹⁾	103,211	100.0%		Exit Cap Rate	8.50% ⁽³⁾	Equity NPV	12.0%		(\$22,736)	
Total Uses	\$103,211	100.0%	Interest Rate	Gross Sale Price	\$82,888	Equity Multiple			0.6x	
Debt	67,087	65.0%	6.5%	Less: 2.0% Fee	2.0%	Total Profit			(\$12,945)	
Mezzanine Debt	0	0.0%	12.0%	Net Sale Price	\$81,230	Unleveraged IRR			0.0%	
Pref Equity	0	0.0%	14.0%	Exit / Key	\$270,767	Unleveraged NPV	8.0%		(\$25,173)	
Equity	36,124	35.0%	6.5% ⁽²⁾			Unleveraged Equity Multiple			1.1x	
Total Sources	\$103,211	100.0%				Total Profit			\$8,176	
Valuation Metrics:										
All-In Price / Key		\$344,038								
Debt / Key		223,625								
Rooms		300								
			Construction			Operation				
	Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5	4 Year CAGR	
Keys				300	300	300	300	300	0.0%	
Days				365	365	365	365	365		
Occupancy				60.0%	65.0%	69.0%	71.0%	73.0%	5.0%	
ADR				\$160.00	\$171.20	\$179.76	\$186.95	\$192.56	4.7%	
RevPAR				96.00	111.28	124.03	132.73	140.57	10.0%	
% Growth					15.9%	11.5%	7.0%	5.9%		
Rooms Revenues				\$10,512	\$12,185	\$13,582	\$14,534	\$15,392	10.0%	
F&B Revenues				6,999	8,138	9,488	10,590	10,959	11.9%	
Other Revenues				922	1,070	1,214	1,322	1,387	0.0%	
Total Revenues				\$18,433	\$21,393	\$24,284	\$26,447	\$27,738	10.8%	
Revenue Growth					16.1%	13.5%	8.9%	4.9%		
GOP				\$5,289	\$7,076	\$8,926	\$9,837	\$10,377	18.4%	
% Margin				28.7%	33.1%	36.8%	37.2%	37.4%		
EBITDA				\$3,763	\$5,310	\$6,894	\$7,685	\$8,155	21.3%	
% Margin				20.4%	24.8%	28.4%	29.1%	29.4%		
FF&E				369	642	971	1,058	1,110	31.7%	
NOI				\$3,394	\$4,668	\$5,922	\$6,627	\$7,045	20.0%	
% Margin				18.4%	21.8%	24.4%	25.1%	25.4%		
NOI Per Key				11,314	15,561	19,741	22,092	23,485		

Source: JF Capital Projections

(1) Assumes per key development cost (excluding land) of \$344,038 which is spent equally over 2 years of construction

(2) Blended cost of capital assumes pref equity coupon is all paid current

(3) CBRE H1 2017 Cap Rate Survey: New York City Suburban Cap Rate for Hotels

DRAFT North Castle Hotel Model

Financial Summary - Full Service

(\$ in thousands)

	Construction			Operation				
	Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Valuation Metrics								
Implied All-In Cap Rate				3.3%	4.5%	5.7%	6.4%	6.8%
Implied EBITDA Multiple				27.4x	19.4x	15.0x	13.4x	12.7x
Returns Analysis								
Property Cash Flow	\$0	\$0	\$0	\$3,394	\$4,668	\$5,922	\$6,627	\$7,045
Acquisition Cost / Sale Proceeds	0							81,230
Key Money / Security Deposit Return				2,500				
Development Costs		(51,606)	(51,606)					
Debt Issuance/Repayment		15,482	51,606					(62,665)
Mezzanine Issuance/Repayment		0	0	0	0	0	0	0
Pref Equity Issuance/Repayment		0		0	0	0	0	0
Interest Expense ⁽¹⁾				(4,335)	(4,283)	(4,228)	(4,169)	(4,106)
Debt Amortization ⁽¹⁾				(777)	(827)	(881)	(938)	(999)
Mezzanine Interest Expense ⁽²⁾				0	0	0	0	0
Mezzanine Amortization ⁽²⁾				0	0	0	0	0
Pref Equity Coupon (at 14.0% rate)	50%			0	0	0	0	0
Accrued Pref Equity PIK Payment				0	0	0	0	0
Refinancing Proceeds				0	0	0	0	0
Equity Cash Flow	\$0	(\$36,124)	\$0	\$782	(\$442)	\$814	\$1,521	\$20,505
Cumulative Equity Cash Flow	0	(36,124)	(36,124)	(35,342)	(35,784)	(34,971)	(33,450)	(12,945)
Unlevered Cash Flow	0	(51,606)	(51,606)	5,894	4,668	5,922	6,627	88,276

Source: JF Capital Projections

(1) Fixed-rate debt at 6.5% interest with a 30 year amortization schedule

(2) Fixed-rate debt at 12.0% interest with a 0 year amortization schedule

DRAFT North Castle Hotel Model

Debt Schedule - Full Service

(\$ in thousands)

		Construction			Operation				
		Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Mortgage Debt Schedule									
Beginning Balance					\$67,087	\$66,311	\$65,484	\$64,603	\$63,664
Debt Refinancing ⁽¹⁾					0	0	0	0	0
Amortization	30 yrs				(777)	(827)	(881)	(938)	(999)
Ending Balance				\$67,087	\$66,311	\$65,484	\$64,603	\$63,664	\$62,665
Interest Rate	6.5%				6.5%	6.5%	6.5%	6.5%	6.5%
Interest Expense					4,335	4,283	4,228	4,169	4,106
Debt Service					5,112	5,110	5,109	5,107	5,105
Credit Stats									
DSCR					0.7x	0.9x	1.2x	1.3x	1.4x
Debt / EBITDA					17.6x	12.3x	9.4x	8.3x	7.7x
Debt Yield					5.1%	7.1%	9.2%	10.4%	11.2%
Loan to Cost					64.2%	63.4%	62.6%	61.7%	60.7%
Loan to Value (assumes a 8.5% cap rate)					166.1%	119.2%	92.7%	81.7%	75.6%
Debt Per Key					\$221,036	\$218,278	\$215,342	\$212,215	\$208,884
Mezzanine Debt Schedule									
Beginning Balance			\$0		\$0	\$0	\$0	\$0	\$0
Debt Refinancing ⁽¹⁾					0	0	0	0	0
Amortization			0		0	0	0	0	0
Ending Balance		\$0	\$0		\$0	\$0	\$0	\$0	\$0
Interest Rate	12.0%				12.00%	12.00%	12.00%	12.00%	12.00%
Interest Expense					0	0	0	0	0
Debt Service					0	0	0	0	0
Cumulative Credit Stats - Through Mezzanine									
DSCR					0.7x	0.9x	1.2x	1.3x	1.4x
Debt / EBITDA					17.6x	12.3x	9.4x	8.3x	7.7x
Debt Yield					5.1%	7.1%	9.2%	10.4%	11.2%
Loan to Cost					64.2%	63.4%	62.6%	61.7%	60.7%
Loan to Value (assumes a 8.5% cap rate)					166.1%	119.2%	92.7%	81.7%	75.6%
Debt Per Key					\$221,036	\$218,278	\$215,342	\$212,215	\$208,884
Preferred Equity Cash Flow									
Beginning Preferred Balance			\$0		\$0	\$0	\$0	\$0	\$0
Preferred Return	14.0%				0	0	0	0	0
Paid	50.0%				0	0	0	0	0
PIK	50.0%				0	0	0	0	0
Refinancing ⁽¹⁾			0		0	0	0	0	0
Ending Balance		\$0	\$0		\$0	\$0	\$0	\$0	\$0
Cumulative Credit Stats - Through Pref Equity									
DSCR (assuming cash pay only)					0.7x	0.9x	1.2x	1.3x	1.4x
DSCR (assuming full coupon)					0.7x	0.9x	1.2x	1.3x	1.4x
Debt + Preferred / EBITDA					17.6x	12.3x	9.4x	8.3x	7.7x
Debt + Preferred Yield					5.1%	7.1%	9.2%	10.4%	11.2%
Debt + Preferred Equity Per Key					\$221,036	\$218,278	\$215,342	\$212,215	\$208,884

Source: JF Capital Projections

(1) Ability to refinance debt at 11.0% debt yield and 6.0% interest rate

DRAFT North Castle Hotel Model

Sensitivities - IRR

(\$ in thousands)

Leveraged IRR Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
8.50%	0.0%	0.0%	0.0%
7.50%	0.0%	0.0%	0.0%
6.50%	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Refi Debt Yield	Refi Year		
	Year 3	Year 4	Year 5
12.0%	0.0%	0.0%	0.0%
11.0%	0.0%	0.0%	0.0%
10.0%	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Change in ADR	Additional Keys		
	0	10	20
\$0	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%
20	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
8.50%	0.0%	0.0%	0.0%
7.50%	0.0%	0.0%	0.0%
6.50%	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	0.0%	0.0%	0.0%
55%	0.0%	0.0%	0.0%
60%	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Change in Dev. Cost	Additional Keys		
	0	20	40
\$0	0.0%	0.0%	0.0%
2,000	0.0%	0.0%	0.0%
4,000	0.0%	0.0%	0.0%

Source: JF Capital Projections

DRAFT North Castle Hotel Model

Sensitivities - Equity Multiple

(\$ in thousands)

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
8.50%	0.6x	0.3x	0.0x
7.50%	0.9x	0.6x	0.3x
6.50%	1.3x	1.0x	0.6x

Leveraged Equity Multiple Sensitivity			
Refi Debt Yield	Refi Year		
	Year 3	Year 4	Year 5
12.0%	0.7x	0.7x	0.6x
11.0%	0.7x	0.7x	0.6x
10.0%	0.7x	0.6x	0.6x

Leveraged Equity Multiple Sensitivity			
Change in ADR	Additional Keys		
	0	10	20
\$0	0.6x	0.7x	0.8x
10	0.7x	0.8x	0.9x
20	0.8x	0.9x	1.0x

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
8.50%	0.6x	0.6x	0.5x
7.50%	0.9x	0.9x	0.8x
6.50%	1.3x	1.3x	1.2x

Leveraged Equity Multiple Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	0.9x	0.7x	0.5x
55%	0.8x	0.6x	0.3x
60%	0.7x	0.5x	0.2x

Leveraged Equity Multiple Sensitivity			
Change in Dev. Cost	Additional Keys		
	0	20	40
\$0	0.6x	0.8x	0.9x
2,000	0.6x	0.7x	0.8x
4,000	0.5x	0.6x	0.8x

Source: JF Capital Projections

DRAFT North Castle Hotel Model

Sensitivities - Total Profit

(\$ in thousands)

Leveraged Total Profit Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
8.50%	(\$12,945)	(\$23,833)	(\$34,722)
7.50%	(2,114)	(14,086)	(26,058)
6.50%	12,049	(1,339)	(14,727)

Leveraged Total Profit Sensitivity			
Refi Debt Yield	Refi Year		
	Year 3	Year 4	Year 5
12.0%	(\$10,387)	(\$12,077)	(\$12,945)
11.0%	(10,917)	(12,377)	(12,945)
10.0%	(11,552)	(12,736)	(12,945)

Leveraged Total Profit Sensitivity			
Change in ADR	Additional Keys		
	0	10	20
\$0	(\$12,945)	(\$10,613)	(\$8,281)
10	(9,249)	(6,794)	(4,339)
20	(5,553)	(2,975)	(397)

Leveraged Total Profit Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
8.50%	(\$12,945)	(\$15,046)	(\$17,147)
7.50%	(2,114)	(4,232)	(6,349)
6.50%	12,049	9,910	7,770

Leveraged Total Profit Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	(\$6,156)	(\$17,061)	(\$27,967)
55%	(8,397)	(19,297)	(30,197)
60%	(10,659)	(21,554)	(32,448)

Leveraged Total Profit Sensitivity			
Change in Dev. Cost	Additional Keys		
	0	20	40
\$0	(\$12,945)	(\$8,281)	(\$3,618)
2,000	(15,746)	(11,092)	(6,437)
4,000	(18,548)	(13,902)	(9,257)

Source: JF Capital Projections

Pro Forma - Full Service

(\$ in thousands)

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Number of Rooms	300		300		300		300		300		
Occupancy	60.0%		65.0%		69.0%		71.0%		73.0%		5.0%
Growth (% pts)			5.0%		4.0%		2.0%		2.0%		
ADR	\$160.00		\$171.20		\$179.76		\$186.95		\$192.56		4.7%
Growth			7.0%		5.0%		4.0%		3.0%		
RevPAR	\$96.00		\$111.28		\$124.03		\$132.73		\$140.57		10.0%
Growth			15.9%		11.5%		7.0%		5.9%		
Days Open	365		365		365		365		365		
Rooms Available	109,500		109,500		109,500		109,500		109,500		
Rooms Occupied	65,700		71,175		75,555		77,745		79,935		
(1) Assumes 30 minutes of housekeep	\$	%	\$	%	\$	%	\$	%	\$	%	
Rooms	10,512	57.0%	12,185	57.0%	13,582	55.9%	14,534	55.0%	15,392	55.5%	10.0%
Food & Beverage	6,999	38.0%	8,138	38.0%	9,488	39.1%	10,590	40.0%	10,959	39.5%	11.9%
Other	922	5.0%	1,070	5.0%	1,214	5.0%	1,322	5.0%	1,387	5.0%	10.8%
Total Revenue	\$18,433	100.0%	\$21,393	100.0%	\$24,284	100.0%	\$26,447	100.0%	\$27,738	100.0%	10.8%
Distributed Expenses											
Rooms	2,943	28.0%	3,168	26.0%	3,124	23.0%	3,198	22.0%	3,386	22.0%	3.6%
Food & Beverage	5,316	75.9%	5,800	71.3%	6,406	67.5%	7,065	66.7%	7,318	66.8%	8.3%
Other	461	50.0%	535	50.0%	607	50.0%	661	50.0%	693	50.0%	10.8%
Total Distributed Exp.	\$8,720	47.3%	\$9,503	44.4%	\$10,137	41.7%	\$10,924	41.3%	\$11,397	41.1%	6.9%
Distributed Profit											
Rooms	7,569	72.0%	9,017	74.0%	10,458	77.0%	11,337	78.0%	12,006	78.0%	12.2%
Food & Beverage	1,683	24.1%	2,338	28.7%	3,082	32.5%	3,525	33.3%	3,642	33.2%	21.3%
Other Operated Departments	461	50.0%	535	50.0%	607	50.0%	661	50.0%	693	50.0%	10.8%
Operating Income	\$9,713	52.7%	\$11,890	55.6%	\$14,147	58.3%	\$15,523	58.7%	\$16,341	58.9%	13.9%
Undistributed Expenses											
A&G	1,567	8.5%	1,711	8.0%	1,821	7.5%	1,984	7.5%	2,080	7.5%	7.3%
Telecommunications	184	1.0%	214	1.0%	243	1.0%	264	1.0%	277	1.0%	10.8%
Sales and Marketing	1,475	8.0%	1,497	7.0%	1,457	6.0%	1,587	6.0%	1,664	6.0%	3.1%
Repairs	737	4.0%	856	4.0%	971	4.0%	1,058	4.0%	1,110	4.0%	10.8%
Energy	461	2.5%	535	2.5%	729	3.0%	793	3.0%	832	3.0%	15.9%
Total Undistributed Exp.	\$4,424	24.0%	\$4,813	22.5%	\$5,221	21.5%	\$5,686	21.5%	\$5,964	21.5%	7.8%
GOP	\$5,289	28.7%	\$7,076	33.1%	\$8,926	36.8%	\$9,837	37.2%	\$10,377	37.4%	18.4%
Management Fee	553	3.0%	749	3.5%	971	4.0%	1,058	4.0%	1,110	4.0%	19.0%
Franchise Fee	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Fixed Expenses											
Rent	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Property Taxes ⁽²⁾	697	3.8%	697	3.3%	697	2.9%	697	2.6%	697	2.5%	0.0%
Insurance	276	1.5%	321	1.5%	364	1.5%	397	1.5%	416	1.5%	10.8%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Total Fixed Expenses	\$973	5.3%	\$1,018	4.8%	\$1,061	4.4%	\$1,093	4.1%	\$1,113	4.0%	3.4%
EBITDA	\$3,763	20.4%	\$5,310	24.8%	\$6,894	28.4%	\$7,685	29.1%	\$8,155	29.4%	21.3%
FF&E Reserve	369	2.0%	642	3.0%	971	4.0%	1,058	4.0%	1,110	4.0%	31.7%
NOI	\$3,394	18.4%	\$4,668	21.8%	\$5,922	24.4%	\$6,627	25.1%	\$7,045	25.4%	20.0%

Source: JF Capital Projections

(2) Total property taxes paid are calculated as 2.25% of the appraised value which is assumed to be 30% of the Total Value of \$103,211,411 or \$30,963,423. Total Property taxes are growing at 3% per year in Years 2-5.

Pro Forma Per Occupied Room (POR) - Full Service

(\$ in thousands except POR figures)

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Number of Rooms	300		300		300		300		300		
Occupancy	60.0%		65.0%		69.0%		71.0%		73.0%		5.0%
Growth (% pts)			5.0%		4.0%		2.0%		2.0%		
ADR	\$160.00		\$171.20		\$179.76		\$186.95		\$192.56		4.7%
Growth			7.0%		5.0%		4.0%		3.0%		
RevPAR	\$96.00		\$111.28		\$124.03		\$132.73		\$140.57		10.0%
Growth			15.9%		11.5%		7.0%		5.9%		
Days Open	365		365		366		365		365		
Rooms Available	109,500		109,500		109,800		109,500		109,500		
Rooms Occupied	65,700		71,175		75,762		77,745		79,935		
Revenues	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	
Rooms	10,512	160	12,185	171	13,619	180	14,534	187	15,392	193	10.0%
Food & Beverage	6,999	107	8,138	114	9,488	125	10,590	136	10,959	137	11.9%
Other	922	14	1,070	15	1,214	16	1,322	17	1,387	17	0.0%
Total Revenue	\$18,433	\$281	\$21,393	\$301	\$24,321	\$321	\$26,447	\$340	\$27,738	\$347	10.8%
Distributed Expenses											
Rooms	2,943	45	3,168	45	3,124	41	3,198	41	3,386	42	3.6%
Food & Beverage	5,316	81	5,800	81	6,406	85	7,065	91	7,318	92	8.3%
Other	461	7	535	8	607	8	661	9	693	9	0.0%
Total Distributed Exp.	\$8,720	\$133	\$9,503	\$134	\$10,137	\$134	\$10,924	\$141	\$11,397	\$143	6.9%
Distributed Profit											
Rooms	7,569	115	9,017	127	10,458	138	11,337	146	12,006	150	12.2%
Food & Beverage	1,683	26	2,338	33	3,082	41	3,525	45	3,642	46	21.3%
Other Operated Departments	461	7	535	8	607	8	661	9	693	9	0.0%
Operating Income	\$9,713	\$148	\$11,890	\$167	\$14,184	\$187	\$15,523	\$200	\$16,341	\$204	13.9%
Undistributed Expenses											
A&G	1,567	24	1,711	24	1,821	24	1,984	26	2,080	26	7.3%
Telecommunications	184	3	214	3	243	3	264	3	277	3	10.8%
Sales and Marketing	1,475	22	1,497	21	1,457	19	1,587	20	1,664	21	3.1%
Repairs	737	11	856	12	971	13	1,058	14	1,110	14	10.8%
Energy	461	7	535	8	729	10	793	10	832	10	15.9%
Total Undistributed Exp.	\$4,424	\$67	\$4,813	\$68	\$5,221	\$69	\$5,686	\$73	\$5,964	\$75	7.8%
GOP	\$5,289	\$81	\$7,076	\$99	\$8,963	\$118	\$9,837	\$127	\$10,377	\$130	18.4%
Management Fee	553	8	749	11	971	13	1,058	14	1,110	14	19.0%
Franchise Fee	0	0	0	0	0	0	0	0	0	0	NA
Fixed Expenses											
Rent	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Property Taxes	697	11	697	10	697	9	697	9	697	9	0.0%
Insurance	276	4	321	5	364	5	397	5	416	5	10.8%
Other	0	0	0	0	0	0	0	0	0	0	0.0%
Total Fixed Expenses	\$973	\$15	\$1,018	\$14	\$1,061	\$14	\$1,093	\$14	\$1,113	\$14	3.4%
EBITDA	\$3,763	\$57	\$5,310	\$75	\$6,931	\$91	\$7,685	\$99	\$8,155	\$102	21.3%
FF&E Reserve	369	6	642	9	971	13	1,058	14	1,110	14	31.7%
NOI	\$3,394	\$52	\$4,668	\$66	\$5,960	\$79	\$6,627	\$85	\$7,045	\$88	20.0%

Source: JF Capital Projections

DRAFT North Castle Hotel Model**Comp Set Overview - Full Service**

- For the North Castle Hotel "Full Service" Competitive Set, occupancy has averaged 72.0% with an average ADR of \$140.
- Peak Occupancy on a TTM basis was in January 2016 at 76.8% with a corresponding ADR of \$141
- Most recent TTM occupancy as of September 2017 had declined to 71.2% at a slightly higher ADR of \$147.
- Saturday is the highest occupancy day at 85.0%, though also the second lowest ADR at \$130.
- Sunday is the weakest occupancy at 50.7%, followed by Thursday at 67.6%.
- 4 months have very weak occupancy (December to March) of 56.8% to 62.5%; those same months have the weakest ADRs of \$128 to \$142.
- Overall ADR is fairly consistent without a lot of variability.
- The competitive set consists of 6 hotels with 2,006 rooms and has a much larger average key count than the North Castle Hotel, requiring a tremendous focus on meetings, events, and group business.

DRAFT North Castle Hotel Model

Comp Set Overview - Full Service

The competitive set comprises 6 hotels with an average key count of 334 rooms

Hotel	Street Address	Rooms	Opening Date	Meeting Space
Hyatt Regency Greenwich	1800 E Putnam Ave, Old Greenwich, CT 06870	373	Dec 1986	35,000
Hilton Westchester	699 Westchester Ave, Rye Brook, NY 10573	445	Apr 1973	30,000
Sheraton Hotel Tarrytown	600 White Plains Rd, Tarrytown, NY 10591	150	Jan 2007	1,452
Marriott Westchester	670 White Plains Rd, Tarrytown, NY 10591	444	Nov 1981	26,676
Doubletree Tarrytown	455 S Broadway, Tarrytown, NY 10591	246	Jan 1961	24,000
Renaissance Westchester Hotel	80 W Red Oak Ln, West Harrison, NY 10604	348	Apr 1981	23,705

	2011	2012	2013	2014	2015	2016	TTM 9/2017	Year 1	Year 2	Year 3	Year 4	Year 5
STR Comp Set												
Occupancy	69.1%	70.7%	69.9%	71.7%	76.5%	73.9%	71.1%	71.0%	71.7%	72.2%	72.1%	72.5%
Growth		2.3%	-1.1%	2.5%	6.8%	-3.5%	1.7%	-0.2%	1.0%	0.7%	-0.1%	0.5%
ADR	\$134.76	\$137.27	\$138.87	\$140.51	\$141.08	\$145.54	\$146.30	\$144.84	\$144.11	\$146.13	\$148.91	\$150.40
Growth		1.9%	1.2%	1.2%	0.4%	3.2%	5.3%	-1.0%	-0.5%	1.4%	1.9%	1.0%
RevPAR	\$93.15	\$97.03	\$97.05	\$100.70	\$107.97	\$107.54	\$104.02	\$102.77	\$103.28	\$105.46	\$107.36	\$108.97
Growth		4.2%	0.0%	3.8%	7.2%	-0.4%	7.2%	-1.2%	0.5%	2.1%	1.8%	1.5%
North Castle Hotel Projections - Full Service												
Occupancy								60.0%	65.0%	69.0%	71.0%	73.0%
ADR								\$160.00	\$171.20	\$179.76	\$186.95	\$192.56
Growth									7.0%	5.0%	4.0%	3.0%
RevPAR								\$96.00	\$111.28	\$124.03	\$132.73	\$140.57
Growth									7.0%	6.0%	5.0%	3.0%
Penetration Index												
Occupancy								84.6%	90.7%	95.6%	98.5%	100.7%
ADR								110.5%	118.8%	123.0%	125.5%	128.0%
RevPAR								93.4%	107.7%	117.6%	123.6%	129.0%

Source: STR as of November 8th, 2017

Occ Occ & ADR are growing at JF Capital market estimates for Years 1 through 5 (based on CBRE Hotel Horizons February 2018 estimates for New York State)

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

- The following analysis shows both the size of F&B offerings, as well as potential F&B revenues as the hotel generates higher occupancy:

	Square Footage	# Seats	SF / Seat	Notes
Restaurant (First Floor)	1,800	70	26	
Coffee Bar / Bar (First Floor)	1,000	30	33	
Rooftop Bar & Lounge	0	0	N/A	
Ground Floor Lounge	2,000	80	25	
Ballroom	8,000	400	20	
Junior Ballroom	5,000	250	20	
Breakout Room 1	2,000	60	33	
Breakout Room 2	1,500	45	33	
Breakout Room 3	1,500	45	33	
Breakout Room 4	1,000	30	33	
Breakout Room 5	1,000	30	33	
Boardroom	550	15	37	
TOTAL	25,350	1,055	24	

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Guest Rooms	300	300	300	300	300
Occupancy	60.0%	65.0%	69.0%	71.0%	73.0%
Occupied Rooms/Day	180	195	207	213	219
Guests/Room	1.5	1.5	1.5	1.5	1.5
Hotel Guests/Day	270	293	311	320	329
Total F&B Revenue	\$6,999,323	\$8,137,867	\$9,488,078	\$10,589,890	\$10,959,164
<i>Growth</i>		16.3%	16.6%	11.6%	3.5%
<i>Total F&B Revenue per SF</i>	\$276	\$321	\$374	\$418	\$432
<i>Total F&B Revenue per Seat</i>	6,634	7,714	8,993	10,038	10,388
Total F&B EBITDA	\$1,683,415	\$2,337,886	\$3,082,095	\$3,524,574	\$3,641,636
<i>Growth</i>		38.9%	31.8%	14.4%	3.3%
<i>Margin</i>	24.1%	28.7%	32.5%	33.3%	33.2%
<i>Total F&B EBITDA per SF</i>	\$66	\$92	\$122	\$139	\$144
<i>Total F&B EBITDA per Seat</i>	1,596	2,216	2,921	3,341	3,452

Source: Illustrative Projections; subject to build out costs, final program, and operator chosen

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant (First Floor) - (1,800 SF & 70 Seats)					
Breakfast Capture (% of Guests)	25.0%	25.0%	25.0%	25.0%	25.0%
Breakfast Covers per Day (Guests)	68	73	78	80	82
Breakfast Covers per Day (Non-Guests)	40	40	40	40	40
Breakfast Revenue per Cover 3.0%	\$15	\$15	\$16	\$16	\$17
Breakfast Revenue Subtotal	\$588,563	\$637,940	\$683,216	\$717,174	\$752,554
Breakfast Revenue per Seat	8,408	9,113	9,760	10,245	10,751
Breakfast Revenue per SF	327	354	380	398	418
Lunch Capture (% of Guests)	15.0%	15.0%	15.0%	15.0%	15.0%
Lunch Covers per Day (Guests)	41	44	47	48	49
Lunch Covers per Day (Non-Guests)	20	20	20	20	20
Lunch Revenue per Cover 3.0%	\$14	\$14	\$15	\$15	\$16
Lunch Revenue Subtotal	\$309,155	\$336,193	\$360,916	\$379,282	\$398,425
Lunch Revenue per Seat	4,417	4,803	5,156	5,418	5,692
Lunch Revenue per SF	172	187	201	211	221
Dinner Capture (% of Guests)	17.5%	17.5%	17.5%	17.5%	17.5%
Dinner Covers per Day (Guests)	47	51	54	56	57
Dinner Covers per Day (Non-Guests)	20	20	20	20	20
Dinner Revenue per Cover 3.0%	\$18	\$19	\$19	\$20	\$20
Dinner Revenue Subtotal	\$441,833	\$481,733	\$518,141	\$544,992	\$572,989
Dinner Revenue per Seat	6,312	6,882	7,402	7,786	8,186
Dinner Revenue per SF	245	268	288	303	318
Total Restaurant Revenue	\$1,339,550	\$1,455,866	\$1,562,273	\$1,641,448	\$1,723,967
EBITDA Margin	16%	18%	20%	22%	22%
Total Restaurant EBITDA	\$214,328	\$262,056	\$312,455	\$361,119	\$379,273

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Coffee Bar / Bar (First Floor) - (1,000 SF & 30 Seats)					
Breakfast Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Breakfast Covers per Day (Guests)	27	29	31	32	33
Breakfast Covers per Day (Non-Guests)	10	12	14	14	14
Breakfast Revenue per Cover 3.0%	\$6	\$6	\$6	\$7	\$7
Breakfast Revenue Subtotal	\$81,030	\$93,048	\$104,668	\$109,962	\$115,479
Breakfast Revenue per Seat	1,158	1,329	1,495	1,571	1,650
Breakfast Revenue per SF	45	52	58	61	64
Lunch Capture (% of Guests)	2.5%	2.5%	2.5%	2.5%	2.5%
Lunch Covers per Day (Guests)	7	7	8	8	8
Lunch Covers per Day (Non-Guests)	20	23	25	25	25
Lunch Revenue per Cover 3.0%	\$10	\$10	\$11	\$11	\$11
Lunch Revenue Subtotal	\$97,638	\$113,960	\$126,866	\$131,569	\$136,441
Lunch Revenue per Seat	1,395	1,628	1,812	1,880	1,949
Lunch Revenue per SF	54	63	70	73	76
Dinner Capture (% of Guests)	5.0%	5.0%	5.0%	5.0%	5.0%
Dinner Covers per Day (Guests)	14	15	16	16	16
Dinner Covers per Day (Non-Guests)	20	20	20	20	20
Dinner Revenue per Cover 3.0%	\$12	\$12	\$13	\$13	\$14
Dinner Revenue Subtotal	\$146,730	\$156,207	\$165,076	\$172,182	\$179,565
Dinner Revenue per Seat	2,096	2,232	2,358	2,460	2,565
Dinner Revenue per SF	82	87	92	96	100
Total Coffee Bar / Bar Revenue	\$325,398	\$363,215	\$396,609	\$413,712	\$431,485
EBITDA Margin	20%	22%	24%	24%	24%
Total Restaurant EBITDA	\$65,080	\$79,907	\$95,186	\$99,291	\$103,556

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service		(\$ in actuals)				
		Year 1	Year 2	Year 3	Year 4	Year 5
Rooftop Bar & Lounge - (0 SF & 0 Seats)						
Capture (% of Guests)		0.0%	0.0%	0.0%	0.0%	0.0%
Covers per Day (Guests)		0	0	0	0	0
Covers per Day (Non-Guests)		0	0	0	0	0
Revenue per Cover	3.0%	\$0	\$0	\$0	\$0	\$0
Total Revenue		\$0	\$0	\$0	\$0	\$0
Revenue per Seat		N/A	N/A	N/A	N/A	N/A
Revenue per SF		N/A	N/A	N/A	N/A	N/A
EBITDA Margin		0%	0%	0%	0%	0%
Total EBITDA		\$0	\$0	\$0	\$0	\$0

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Ground Floor Lounge - (2,000 SF & 80 Seats)					
Lunch Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Lunch Covers per Day (Guests)	27	29	31	32	33
Lunch Covers per Day (Non-Guests)	30	35	35	35	35
Lunch Revenue per Cover	3.0%	\$15	\$16	\$16	\$17
Lunch Revenue Subtotal	\$312,075	\$362,322	\$383,647	\$400,540	\$418,103
Lunch Revenue per Seat	4,458	5,176	5,481	5,722	5,973
Lunch Revenue per SF	173	201	213	223	232
Dinner Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Dinner Covers per Day (Guests)	27	29	31	32	33
Dinner Covers per Day (Non-Guests)	45	45	45	45	45
Dinner Revenue per Cover	3.0%	\$20	\$21	\$22	\$23
Dinner Revenue Subtotal	\$525,600	\$558,286	\$588,975	\$613,823	\$639,632
Dinner Revenue per Seat	7,509	7,976	8,414	8,769	9,138
Dinner Revenue per SF	292	310	327	341	355
Late Night Capture (% of Guests)	0.0%	0.0%	0.0%	0.0%	0.0%
Late Night Covers per Day (Guests)	0	0	0	0	0
Late Night Covers per Day (Non-Guests)	0	0	0	0	0
Late Night Revenue per Cover	3.0%	\$0	\$0	\$0	\$0
Late Night Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Late Night Revenue per Seat	0	0	0	0	0
Late Night Revenue per SF	0	0	0	0	0
Total Ground Floor Lounge Revenue	\$837,675	\$920,608	\$972,621	\$1,014,363	\$1,057,735
EBITDA Margin	18%	20%	21%	21%	21%
Total EBITDA	\$150,782	\$184,122	\$204,250	\$213,016	\$222,124

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Ballroom - (8,000 SF & 400 Seats)					
Events Per Week	2.5	2.5	3.0	3.0	3.0
Number of Attendees	250	275	300	300	300
Revenue per Attendee	3.0% \$85	\$88	\$90	\$93	\$96
Total Revenue	\$2,762,500	\$3,129,913	\$4,220,260	\$4,346,868	\$4,477,274
Revenue per Seat	11,050	12,520	16,881	17,387	17,909
Revenue per SF	553	626	844	869	895
EBITDA Margin	30%	36%	40%	40%	40%
Total EBITDA	\$828,750	\$1,126,769	\$1,688,104	\$1,738,747	\$1,790,910
Junior Ballroom - (5,000 SF & 250 Seats)					
Events Per Week	2.0	2.5	2.5	3.0	3.0
Number of Attendees	100	120	120	150	150
Revenue per Attendee	3.0% \$90	\$93	\$95	\$98	\$101
Total Revenue	\$936,000	\$1,446,120	\$1,489,504	\$2,301,283	\$2,370,322
Revenue per Seat	3,744	5,784	5,958	9,205	9,481
Revenue per SF	187	289	298	460	474
EBITDA Margin	30%	36%	40%	40%	40%
Total EBITDA	\$280,800	\$520,603	\$595,801	\$920,513	\$948,129

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Breakout Room 1 - (2,000 SF & 60 Seats)					
Events Per Week	2.0	2.0	2.0	2.0	2.0
Number of Attendees	40	40	40	40	40
Revenue per Attendee	3.0% \$60	\$62	\$64	\$66	\$68
Total Revenue	\$249,600	\$257,088	\$264,801	\$272,745	\$280,927
Revenue per Seat	4,160	4,285	4,413	4,546	4,682
Revenue per SF	125	129	132	136	140
EBITDA Margin	18%	20%	22%	22%	22%
Total EBITDA	\$44,928	\$51,418	\$58,256	\$60,004	\$61,804
Breakout Room 2 - (1,500 SF & 45 Seats)					
Events Per Week	2.0	2.0	2.0	2.0	2.0
Number of Attendees	30	30	30	30	30
Revenue per Attendee	3.0% \$50	\$52	\$53	\$55	\$56
Total Revenue	\$156,000	\$160,680	\$165,500	\$170,465	\$175,579
Revenue per Seat	2,600	2,678	2,758	2,841	2,926
Revenue per SF	78	80	83	85	88
EBITDA Margin	18%	20%	22%	22%	22%
Total EBITDA	\$28,080	\$32,136	\$36,410	\$37,502	\$38,627
Breakout Room 3 - (1,500 SF & 45 Seats)					
Events Per Week	2.0	2.0	2.0	2.0	2.0
Number of Attendees	30	30	30	30	30
Revenue per Attendee	3.0% \$50	\$52	\$53	\$55	\$56
Total Revenue	\$156,000	\$160,680	\$165,500	\$170,465	\$175,579
Revenue per Seat	2,600	2,678	2,758	2,841	2,926
Revenue per SF	78	80	83	85	88
EBITDA Margin	18%	20%	22%	22%	22%
Total EBITDA	\$28,080	\$32,136	\$36,410	\$37,502	\$38,627

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Breakout Room 4 - (1,000 SF & 30 Seats)					
Events Per Week	2.0	2.0	2.0	2.0	2.0
Number of Attendees	20	20	20	20	20
Revenue per Attendee	3.0% \$40	\$41	\$42	\$44	\$45
Total Revenue	\$83,200	\$85,696	\$88,267	\$90,915	\$93,642
Revenue per Seat	1,387	1,428	1,471	1,515	1,561
Revenue per SF	42	43	44	45	47
EBITDA Margin	18%	20%	22%	22%	22%
Total EBITDA	\$14,976	\$17,139	\$19,419	\$20,001	\$20,601
Breakout Room 5 - (1,000 SF & 30 Seats)					
Events Per Week	2.0	2.0	2.0	2.0	2.0
Number of Attendees	20	20	20	20	20
Revenue per Attendee	3.0% \$40	\$41	\$42	\$44	\$45
Total Revenue	\$83,200	\$85,696	\$88,267	\$90,915	\$93,642
Revenue per Seat	1,387	1,428	1,471	1,515	1,561
Revenue per SF	42	43	44	45	47
EBITDA Margin	18%	20%	22%	22%	22%
Total EBITDA	\$14,976	\$17,139	\$19,419	\$20,001	\$20,601
Boardroom - (550 SF & 15 Seats)					
Events Per Week	3.0	3.0	3.0	3.0	3.0
Number of Attendees	10	10	10	10	10
Revenue per Attendee	3.0% \$45	\$46	\$48	\$49	\$51
Total Revenue	\$70,200	\$72,306	\$74,475	\$76,709	\$79,011
Revenue per Seat	4,680	4,820	4,965	5,114	5,267
Revenue per SF	128	131	135	139	144
EBITDA Margin	18%	20%	22%	22%	22%
Total EBITDA	\$12,636	\$14,461	\$16,385	\$16,876	\$17,382

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

F&B Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Restaurant (First Floor)	\$1,339,550	\$1,455,866	\$1,562,273	\$1,641,448	\$1,723,967
Coffee Bar / Bar (First Floor)	325,398	363,215	396,609	413,712	431,485
Rooftop Bar & Lounge	0	0	0	0	0
Ground Floor Lounge	837,675	920,608	972,621	1,014,363	1,057,735
Ballroom	2,762,500	3,129,913	4,220,260	4,346,868	4,477,274
Junior Ballroom	936,000	1,446,120	1,489,504	2,301,283	2,370,322
Breakout Room 1	249,600	257,088	264,801	272,745	280,927
Breakout Room 2	156,000	160,680	165,500	170,465	175,579
Breakout Room 3	156,000	160,680	165,500	170,465	175,579
Breakout Room 4	83,200	85,696	88,267	90,915	93,642
Breakout Room 5	83,200	85,696	88,267	90,915	93,642
Boardroom	70,200	72,306	74,475	76,709	79,011
Total Revenue	\$6,999,323	\$8,137,867	\$9,488,078	\$10,589,890	\$10,959,164
EBITDA					
Restaurant (First Floor)	\$214,328	\$262,056	\$312,455	\$361,119	\$379,273
Coffee Bar / Bar (First Floor)	65,080	79,907	95,186	99,291	103,556
Rooftop Bar & Lounge	0	0	0	0	0
Ground Floor Lounge	150,782	184,122	204,250	213,016	222,124
Ballroom	828,750	1,126,769	1,688,104	1,738,747	1,790,910
Junior Ballroom	280,800	520,603	595,801	920,513	948,129
Breakout Room 1	44,928	51,418	58,256	60,004	61,804
Breakout Room 2	28,080	32,136	36,410	37,502	38,627
Breakout Room 3	28,080	32,136	36,410	37,502	38,627
Breakout Room 4	14,976	17,139	19,419	20,001	20,601
Breakout Room 5	14,976	17,139	19,419	20,001	20,601
Boardroom	12,636	14,461	16,385	16,876	17,382
Total EBITDA	\$1,683,415	\$2,337,886	\$3,082,095	\$3,524,574	\$3,641,636
<i>Margin</i>	<i>24.1%</i>	<i>28.7%</i>	<i>32.5%</i>	<i>33.3%</i>	<i>33.2%</i>

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

Per SF	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Per SF					
Restaurant (First Floor)	\$744	\$809	\$868	\$912	\$958
Coffee Bar / Bar (First Floor)	325	363	397	414	431
Rooftop Bar & Lounge	N/A	N/A	N/A	N/A	N/A
Ground Floor Lounge	419	460	486	507	529
Ballroom	345	391	528	543	560
Junior Ballroom	187	289	298	460	474
Breakout Room 1	125	129	132	136	140
Breakout Room 2	104	107	110	114	117
Breakout Room 3	104	107	110	114	117
Breakout Room 4	83	86	88	91	94
Breakout Room 5	83	86	88	91	94
Boardroom	128	131	135	139	144
Total Revenue Per SF	\$276	\$321	\$374	\$418	\$432
EBITDA Per SF					
Restaurant (First Floor)	\$119	\$146	\$174	\$201	\$211
Coffee Bar / Bar (First Floor)	65	80	95	99	104
Rooftop Bar & Lounge	N/A	N/A	N/A	N/A	N/A
Ground Floor Lounge	75	92	102	107	111
Ballroom	104	141	211	217	224
Junior Ballroom	56	104	119	184	190
Breakout Room 1	22	26	29	30	31
Breakout Room 2	19	21	24	25	26
Breakout Room 3	19	21	24	25	26
Breakout Room 4	15	17	19	20	21
Breakout Room 5	15	17	19	20	21
Boardroom	23	26	30	31	32
Total EBITDA Per SF	\$66	\$92	\$122	\$139	\$144

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

Per Seat	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Per Seat					
Restaurant (First Floor)	\$19,136	\$20,798	\$22,318	\$23,449	\$24,628
Coffee Bar / Bar (First Floor)	10,847	12,107	13,220	13,790	14,383
Rooftop Bar & Lounge	N/A	N/A	N/A	N/A	N/A
Ground Floor Lounge	10,471	11,508	12,158	12,680	13,222
Ballroom	6,906	7,825	10,551	10,867	11,193
Junior Ballroom	3,744	5,784	5,958	9,205	9,481
Breakout Room 1	4,160	4,285	4,413	4,546	4,682
Breakout Room 2	3,467	3,571	3,678	3,788	3,902
Breakout Room 3	3,467	3,571	3,678	3,788	3,902
Breakout Room 4	2,773	2,857	2,942	3,030	3,121
Breakout Room 5	2,773	2,857	2,942	3,030	3,121
Boardroom	4,680	4,820	4,965	5,114	5,267
Total Revenue Per Seat	\$6,634	\$7,714	\$8,993	\$10,038	\$10,388
EBITDA Per Seat					
Restaurant (First Floor)	\$3,062	\$3,744	\$4,464	\$5,159	\$5,418
Coffee Bar / Bar (First Floor)	2,169	2,664	3,173	3,310	3,452
Rooftop Bar & Lounge	N/A	N/A	N/A	N/A	N/A
Ground Floor Lounge	1,885	2,302	2,553	2,663	2,777
Ballroom	2,072	2,817	4,220	4,347	4,477
Junior Ballroom	1,123	2,082	2,383	3,682	3,793
Breakout Room 1	749	857	971	1,000	1,030
Breakout Room 2	624	714	809	833	858
Breakout Room 3	624	714	809	833	858
Breakout Room 4	499	571	647	667	687
Breakout Room 5	499	571	647	667	687
Boardroom	842	964	1,092	1,125	1,159
Total EBITDA Per Seat	\$1,596	\$2,216	\$2,921	\$3,341	\$3,452

DRAFT North Castle Hotel Model

Potential F&B Revenues - Full Service

(\$ in actuals)

Margins	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant (First Floor)	16.0%	18.0%	20.0%	22.0%	22.0%
Coffee Bar / Bar (First Floor)	20.0%	22.0%	24.0%	24.0%	24.0%
Rooftop Bar & Lounge	0.0%	0.0%	0.0%	0.0%	0.0%
Ground Floor Lounge	18.0%	20.0%	21.0%	21.0%	21.0%
Ballroom	30.0%	36.0%	40.0%	40.0%	40.0%
Junior Ballroom	30.0%	36.0%	40.0%	40.0%	40.0%
Breakout Room 1	18.0%	20.0%	22.0%	22.0%	22.0%
Breakout Room 2	18.0%	20.0%	22.0%	22.0%	22.0%
Breakout Room 3	18.0%	20.0%	22.0%	22.0%	22.0%
Breakout Room 4	18.0%	20.0%	22.0%	22.0%	22.0%
Breakout Room 5	18.0%	20.0%	22.0%	22.0%	22.0%
Boardroom	18.0%	20.0%	22.0%	22.0%	22.0%
Total Margins	24.1%	28.7%	32.5%	33.3%	33.2%

FTE Analysis - Full Service

The following provides a build up by department for the hotel FTEs

Department	FTEs
Rooms ⁽¹⁾	25
Food & Beverage	55
Admin & General	14
Sales and Marketing	13
Repair and Maintenance	12
Parking/Valet	9
Other	3
Total Hotel	131

(1) Assumes 30 minutes of housekeeping per room, for 300 rooms, at a Year 5 Occupancy of 73.0%

Construction Cost Build-Up - Hotel - Full Service

(\$ in thousands, except per key and per SF amounts)

Keys	300				
Total SF	225,000				
		Total	Per Key	Per SF	% of Total
Land Costs					
Allocation of Land Cost		\$0	\$0	\$0	0.0%
Other		0	0	0	0.0%
Total Land Costs		\$0	\$0	\$0	0.0%
Hard Costs					
Construction Cost		\$67,500	\$225,000	\$300	95.2%
Contingency	5.0%	3,375	11,250	15	4.8%
Total Hard Costs		\$70,875	\$236,250	\$315	68.7%
Soft Costs and Other					
Designer		600	2,000	3	0.6%
A&E Fees, Design Consultants		1,850	6,167	8	1.8%
Consultants		75	250	0	0.1%
Geo / SOE		60	200	0	0.1%
Engineering		65	217	0	0.1%
Expeditor		80	267	0	0.1%
Insurance		650	2,167	3	0.6%
Real Estate Taxes		250	833	1	0.2%
Legal		150	500	1	0.1%
Borrower Legal		150	500	1	0.1%
Owner's Rep		90	300	0	0.1%
Operating Expenses		120	400	1	0.1%
Miscellaneous		125	417	1	0.1%
Pre-Opening		2,000	6,667	9	1.9%
Hotel FF&E Public Spaces		3,500	11,667	16	3.4%
Hotel FF&E		6,600	22,000	29	6.4%
OS&E		4,500	15,000	20	4.4%
Development Fee	3.0%	2,126	7,088	9	2.1%
Mortgage Recording Tax ⁽¹⁾		235	783	1	0.2%
Interest Reserve ⁽²⁾		4,361	14,536	19	4.2%
Origination Fee ⁽³⁾		671	2,236	3	0.7%
Financing / Brokerage Fee ⁽⁴⁾		671	2,236	3	0.7%
Working Capital		750	2,500	3	0.7%
Title Insurance ⁽⁵⁾		130	433	1	0.1%
Third Party Reports		150	500	1	0.1%
Other Financing Costs		100	333	0	0.1%
Operator Technical Services Fee		300	1,000	1	0.3%
Brand Creation Fee		0	0	0	0.0%
Advisory Fee ⁽⁶⁾		460	1,533	2	0.4%
Contingency	5.0%	1,518	5,060	7	1.5%
Total Soft Costs and Other		\$32,336	\$107,788	\$144	31.3%
Total Project Cost		\$103,211	\$344,038	\$459	100.0%

Source: JF Capital illustrative internal projections

(1) Mortgage Recording Tax calculated as 0.35% of total loan balance, (2) Interest Reserve calculated as 50% of one year of interest on full loan amount, (3) Origination Fee calculated as 1.0% of loan,

(4) Financing / Brokerage Fee calculated as 100bps of loan, (5) Estimated using the Stewart Title Insurance Calculator, (6) Advisory Fee calculated as \$25 retainer for work done through December 31, 2017 + \$5 per month for 6 months + \$10 per month for 18 months + \$125 upon execution of management/operator agreement + \$50 upon execution of a franchise, license, or branding agreement + \$50 upon execution of an agreement with a third party F&B operator

DRAFT North Castle Hotel Model

Debt Refinancing Analysis - Debt Yield - Full Service

(\$ in thousands, except per key amounts)

- The analysis below illustrates a refinancing each year at an implied debt yield of 12.0% and the refinancing excess / (shortfall) to the debt

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Debt	\$66,311	\$65,484	\$64,603	\$63,664	\$62,665
EBITDA	3,763	5,310	6,894	7,685	8,155
FF&E Reserve	369	642	971	1,058	1,110
NOI	\$3,394	\$4,668	\$5,922	\$6,627	\$7,045
Debt Yield	5.1%	7.1%	9.2%	10.4%	11.2%
NOI	\$3,394	\$4,668	\$5,922	\$6,627	\$7,045
Assumed Debt Yield	12.0%	12.0%	12.0%	12.0%	12.0%
New Loan Proceeds	\$28,285	\$38,902	\$49,354	\$55,229	\$58,712
Fees ⁽¹⁾	(849)	(1,167)	(1,481)	(1,657)	(1,761)
Net Proceeds	\$27,436	\$37,735	\$47,873	\$53,572	\$56,951
Refinancing Excess/(Shortfall) (\$)	(\$38,875)	(\$27,748)	(\$16,730)	(\$10,092)	(\$5,714)
Refinancing Excess/(Shortfall) (%)	-58.6%	-42.4%	-25.9%	-15.9%	-9.1%
Refinancing Per Key (120 keys)	\$235,705	\$324,186	\$411,280	\$460,241	\$489,268
Implied Refinancing EBITDA Multiple	7.5x	7.3x	7.2x	7.2x	7.2x

Source: JF Capital Projections

(1) New Debt fees of 3.0% per JF Capital assumption

DRAFT North Castle Hotel Model

Debt Refinancing Analysis - Debt Constant - Full Service

(\$ in thousands, except per key amounts)

- The analysis below illustrates a refinancing each year at an implied debt constant of 7.5% and the refinancing excess / (shortfall) to the debt

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Debt	\$66,311	\$65,484	\$64,603	\$63,664	\$62,665
EBITDA	3,763	5,310	6,894	7,685	8,155
FF&E Reserve	369	642	971	1,058	1,110
NOI	\$3,394	\$4,668	\$5,922	\$6,627	\$7,045
Debt Yield	5.1%	7.1%	9.2%	10.4%	11.2%
NOI	\$3,394	\$4,668	\$5,922	\$6,627	\$7,045
Assumed DSCR	1.4x	1.4x	1.4x	1.4x	1.4x
Assumed Debt Constant	7.5%	7.5%	7.5%	7.5%	7.5%
New Loan Proceeds	\$32,325	\$44,460	\$56,404	\$63,119	\$67,100
Fees ⁽¹⁾	(970)	(1,334)	(1,692)	(1,894)	(2,013)
Net Proceeds	\$31,355	\$43,126	\$54,712	\$61,225	\$65,087
Refinancing Excess/(Shortfall) (\$)	(\$34,955)	(\$22,357)	(\$9,891)	(\$2,439)	\$2,422
Refinancing Excess/(Shortfall) (%)	-52.7%	-34.1%	-15.3%	-3.8%	3.9%
Refinancing Per Key (120 keys)	\$269,377	\$370,499	\$470,034	\$525,990	\$559,164
Implied Refinancing EBITDA Multiple	8.6x	8.4x	8.2x	8.2x	8.2x

Source: JF Capital Projections

(1) New Debt fees of 3.0% per JF Capital assumption

DRAFT North Castle Hotel Model

Independent/Boutique Hotel Scenario

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DRAFT North Castle Hotel Model**Executive Summary - Boutique**

(\$ in thousands except per key amounts)

- JF Capital is reviewing the development opportunity of an independent, boutique hotel in Westchester County, NY.
 - The hotel will have 120 rooms and 17,350 SF of F&B and event space for a total of 85,000 square feet
 - The hotel will also have 250 parking spaces
 - A \$29,189 development loan at 7.0% is assumed to be obtained
 - Represents an LTC of 65.0% (based on the full deal capitalization)
 - Model includes JF Capital illustrative pro forma statistics for Year 1 -Year 5
 - Year 1 -Year 5 Revenue CAGR (Compound Annual Growth Rate) of 7.8% increasing from \$11,727 in Year 1 to \$15,835 in Year 5
 - Year 1 - Year 5 NOI CAGR (Compound Annual Growth Rate) of 17.9% increasing from \$1,773 in Year 1 to \$3,431 in Year 5
 - EBITDA margins increasing from 17.1% in Year 1 to 25.7% in Year 5
 - NOI margins increasing from 15.1% in Year 1 to 21.7% in Year 5
 - The following base assumptions were made:
 - Land purchase price of \$0 or \$0 per key
 - Development cost of \$44,906 and all-in cost of \$44,906, or \$374,221 per key
 - 2 year development period, and 5 year hold period with an 8.0% exit cap rate and fees on sale of 2.0% for net proceeds of \$42,027 or \$350,221 per key
 - The deal produces an illustrative leveraged IRR of 1.5%, an NPV of -\$6,623, a total profit of \$1,406 and a return on capital of 1.1x to the equity
 - The deal produces an illustrative unleveraged IRR of 4.6%, an NPV of -\$6,254, a total profit of \$11,328 and a return on capital of 1.3x to the equity
 - If refinanced in Year 2, the leveraged IRR is 2.8%, and the equity multiple is 1.2x
-

DRAFT North Castle Hotel Model

Financial Summary (5 Year Hold) - Boutique

(\$ in thousands, except per key amounts)

Illustrative Sources & Uses			Exit Assumptions			Returns					
Total Land Cost	\$0	0.0%		Year 5 NOI	\$3,431	Equity IRR				1.5%	
Development Cost ⁽¹⁾	44,906	100.0%		Exit Cap Rate	8.00% ⁽³⁾	Equity NPV				12.0%	(\$6,623)
Total Uses	\$44,906	100.0%	Interest Rate	Gross Sale Price	\$42,884	Equity Multiple				1.1x	
Debt	29,189	65.0%	7.0%	Less: 2.0% Fee	2.0%	Total Profit				\$1,406	
Mezzanine Debt	0	0.0%	12.0%	Net Sale Price	\$42,027	Unleveraged IRR				4.6%	
Pref Equity	0	0.0%	14.0%	Exit / Key	\$350,221	Unleveraged NPV				8.0%	(\$6,254)
Equity	15,717	35.0%	7.0% ⁽²⁾			Unleveraged Equity Multiple				1.3x	
Total Sources	\$44,906	100.0%				Total Profit				\$11,328	
Valuation Metrics:											
All-In Price / Key		\$374,221									
Debt / Key		243,243									
Rooms		120									
			Construction		Operation						
			Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5	4 Year CAGR
Keys						120	120	120	120	120	0.0%
Days						365	365	365	365	365	
Occupancy						57.0%	62.0%	65.0%	67.0%	67.0%	4.1%
ADR						\$230.00	\$243.80	\$255.99	\$263.67	\$268.94	4.0%
RevPAR						131.10	151.16	166.39	176.66	180.19	8.3%
% Growth							15.3%	10.1%	6.2%	2.0%	
Rooms Revenues						\$5,742	\$6,621	\$7,288	\$7,738	\$7,892	8.3%
F&B Revenues						5,399	6,050	6,727	6,948	7,151	7.3%
Other Revenues						586	667	738	773	792	0.0%
Total Revenues						\$11,727	\$13,337	\$14,753	\$15,459	\$15,835	7.8%
Revenue Growth							13.7%	10.6%	4.8%	2.4%	
GOP						\$2,881	\$3,978	\$4,810	\$5,148	\$5,260	16.2%
% Margin						24.6%	29.8%	32.6%	33.3%	33.2%	
EBITDA						\$2,008	\$2,973	\$3,668	\$3,971	\$4,064	19.3%
% Margin						17.1%	22.3%	24.9%	25.7%	25.7%	
FF&E						235	400	590	618	633	28.2%
NOI						\$1,773	\$2,573	\$3,078	\$3,353	\$3,431	17.9%
% Margin						15.1%	19.3%	20.9%	21.7%	21.7%	
NOI Per Key						14,776	21,442	25,653	27,940	28,589	

Source: JF Capital Projections

(1) Assumes per key development cost (excluding land) of \$374,221 which is spent equally over 2 years of construction

(2) Blended cost of capital assumes pref equity coupon is all paid current

(3) Based on CBRE H1 2017 Cap Rate Survey: New York City Suburban Cap Rate Range of 6.75-8.50% for Full Service Hotels

DRAFT North Castle Hotel Model

Financial Summary - Boutique

(\$ in thousands)

	Construction			Operation				
	Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Valuation Metrics								
Implied All-In Cap Rate				3.9%	5.7%	6.9%	7.5%	7.6%
Implied EBITDA Multiple				22.4x	15.1x	12.2x	11.3x	11.0x
Returns Analysis								
Property Cash Flow	\$0	\$0	\$0	\$1,773	\$2,573	\$3,078	\$3,353	\$3,431
Acquisition Cost / Sale Proceeds ⁽³⁾	(0)							42,027
Key Money / Security Deposit Return				0				
Land Subsidy				0				
Development Costs		(22,453)	(22,453)					
Debt Issuance/Repayment		6,736	22,453					(27,412)
Mezzanine Issuance/Repayment		0	0	0	0	0	0	0
Pref Equity Issuance/Repayment		0		0	0	0	0	0
Interest Expense ⁽¹⁾				(2,032)	(2,010)	(1,986)	(1,960)	(1,933)
Debt Amortization ⁽¹⁾				(309)	(331)	(354)	(379)	(405)
Mezzanine Interest Expense ⁽²⁾				0	0	0	0	0
Mezzanine Amortization ⁽²⁾				0	0	0	0	0
Pref Equity Coupon (at 14.0% rate)				0	0	0	0	0
Accrued Pref Equity PIK Payment				0	0	0	0	0
Refinancing Proceeds				0	0	0	0	0
Equity Cash Flow	(\$0)	(\$15,717)	\$0	(\$568)	\$232	\$738	\$1,014	\$15,707
Cumulative Equity Cash Flow	(0)	(15,717)	(15,717)	(16,286)	(16,053)	(15,315)	(14,301)	1,406
Unlevered Cash Flow	(0)	(22,453)	(22,453)	1,773	2,573	3,078	3,353	45,457

Source: JF Capital Projections

(1) Fixed-rate debt at 7.0% interest with a 30 year amortization schedule

(2) Fixed-rate debt at 12.0% interest with a 0 year amortization schedule

DRAFT North Castle Hotel Model

Debt Schedule - Boutique

(\$ in thousands)

		Construction			Operation				
		Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Mortgage Debt Schedule									
Beginning Balance					\$29,189	\$28,880	\$28,550	\$28,196	\$27,817
Debt Refinancing ⁽¹⁾					0	0	0	0	0
Amortization	30 yrs				(309)	(331)	(354)	(379)	(405)
Ending Balance				\$29,189	\$28,880	\$28,550	\$28,196	\$27,817	\$27,412
Interest Rate	7.0%				7.0%	7.0%	7.0%	7.0%	7.0%
Interest Expense					2,032	2,010	1,986	1,960	1,933
Debt Service					2,341	2,341	2,340	2,339	2,338
Credit Stats									
DSCR					0.8x	1.1x	1.3x	1.4x	1.5x
Debt / EBITDA					14.4x	9.6x	7.7x	7.0x	6.7x
Debt Yield					6.1%	9.0%	10.9%	12.1%	12.5%
Loan to Cost					64.3%	63.6%	62.8%	61.9%	61.0%
Loan to Value (assumes a 8.0% cap rate)					130.3%	88.8%	73.3%	66.4%	63.9%
Debt Per Key					\$240,668	\$237,913	\$234,965	\$231,810	\$228,435
Mezzanine Debt Schedule									
Beginning Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Refinancing ⁽¹⁾				0	0	0	0	0	0
Amortization			0	0	0	0	0	0	0
Ending Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Rate	12.0%				12.00%	12.00%	12.00%	12.00%	12.00%
Interest Expense					0	0	0	0	0
Debt Service					0	0	0	0	0
Cumulative Credit Stats - Through Mezzanine									
DSCR					0.8x	1.1x	1.3x	1.4x	1.5x
Debt / EBITDA					14.4x	9.6x	7.7x	7.0x	6.7x
Debt Yield					6.1%	9.0%	10.9%	12.1%	12.5%
Loan to Cost					64.3%	63.6%	62.8%	61.9%	61.0%
Loan to Value (assumes a 8.0% cap rate)					130.3%	88.8%	73.3%	66.4%	63.9%
Debt Per Key					\$240,668	\$237,913	\$234,965	\$231,810	\$228,435
Preferred Equity Cash Flow									
Beginning Preferred Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Return		14.0%		0	0	0	0	0	0
Paid		50.0%		0	0	0	0	0	0
PIK	50.0%			0	0	0	0	0	0
Refinancing ⁽¹⁾			0	0	0	0	0	0	0
Ending Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Credit Stats - Through Pref Equity									
DSCR (assuming cash pay only)					0.8x	1.1x	1.3x	1.4x	1.5x
DSCR (assuming full coupon)					0.8x	1.1x	1.3x	1.4x	1.5x
Debt + Preferred / EBITDA					14.4x	9.6x	7.7x	7.0x	6.7x
Debt + Preferred Yield					6.1%	9.0%	10.9%	12.1%	12.5%
Debt + Preferred Equity Per Key					\$240,668	\$237,913	\$234,965	\$231,810	\$228,435

Source: JF Capital Projections

(1) Ability to refinance debt at 10.0% debt yield and 6.0% interest rate

DRAFT North Castle Hotel Model

Sensitivities - IRR

(\$ in thousands)

Leveraged IRR Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
9.00%	0.0%	0.0%	0.0%
8.00%	1.5%	0.0%	0.0%
7.00%	6.7%	1.2%	0.0%

Leveraged IRR Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
12.0%	3.0%	2.2%	1.7%
11.0%	2.8%	2.1%	1.6%
10.0%	2.6%	1.8%	1.5%

Leveraged IRR Sensitivity			
Change in ADR	Land Subsidy		
	0	5,000	10,000
\$0	1.5%	7.1%	13.7%
10	2.7%	8.3%	14.7%
20	3.8%	9.4%	15.8%

Leveraged IRR Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
9.00%	0.0%	0.0%	0.0%
8.00%	1.5%	0.0%	0.0%
7.00%	6.7%	4.7%	2.7%

Leveraged IRR Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	3.4%	0.0%	0.0%
55%	2.9%	0.0%	0.0%
60%	2.3%	0.0%	0.0%

Leveraged IRR Sensitivity			
Change in Dev. Cost	Land Subsidy		
	0	5,000	10,000
\$0	1.5%	7.1%	13.7%
2,000	0.0%	3.9%	10.3%
4,000	0.0%	0.6%	6.8%

Source: JF Capital Projections

DRAFT North Castle Hotel Model

Sensitivities - Equity Multiple

(\$ in thousands)

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
9.00%	0.8x	0.5x	0.1x
8.00%	1.1x	0.7x	0.4x
7.00%	1.5x	1.1x	0.7x

Leveraged Equity Multiple Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
11.0%	1.2x	1.1x	1.1x
10.0%	1.2x	1.1x	1.1x
9.0%	1.2x	1.1x	1.1x

Leveraged Equity Multiple Sensitivity			
Change in ADR	Land Subsidy		
	0	5,000	10,000
\$0	1.1x	1.4x	1.7x
10	1.2x	1.5x	1.8x
20	1.2x	1.6x	1.9x

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
9.00%	0.8x	0.7x	0.5x
8.00%	1.1x	0.9x	0.8x
7.00%	1.5x	1.3x	1.2x

Leveraged Equity Multiple Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	1.2x	1.0x	0.7x
55%	1.2x	0.9x	0.6x
60%	1.1x	0.8x	0.5x

Leveraged Equity Multiple Sensitivity			
Change in Dev. Cost	Land Subsidy		
	0	5,000	10,000
\$0	1.1x	1.4x	1.7x
2,000	0.9x	1.2x	1.5x
4,000	0.7x	1.0x	1.3x

Source: JF Capital Projections

DRAFT North Castle Hotel Model

Sensitivities - Total Profit

(\$ in thousands)

Leveraged Total Profit Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
9.00%	(\$3,264)	(\$8,420)	(\$13,577)
8.00%	1,406	(4,217)	(9,841)
7.00%	7,410	1,186	(5,038)

Leveraged Total Profit Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
11.0%	\$3,287	\$2,054	\$1,543
10.0%	2,885	1,725	1,361
9.0%	2,393	1,323	1,138

Leveraged Total Profit Sensitivity			
Change in ADR	Land Subsidy		
	0	5,000	10,000
\$0	\$1,406	\$6,406	\$11,406
10	2,653	7,653	12,653
20	3,901	8,901	13,901

Leveraged Total Profit Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
9.00%	(\$3,264)	(\$5,464)	(\$7,665)
8.00%	1,406	(814)	(3,035)
7.00%	7,410	5,164	2,918

Leveraged Total Profit Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	\$4,716	(\$919)	(\$6,554)
55%	3,626	(2,006)	(7,637)
60%	2,522	(3,105)	(8,733)

Leveraged Total Profit Sensitivity			
Change in Dev. Cost	Land Subsidy		
	0	5,000	10,000
\$0	\$1,406	\$6,406	\$11,406
2,000	(1,554)	3,446	8,446
4,000	(4,515)	485	5,485

Source: JF Capital Projections

Pro Forma - Boutique

(\$ in thousands)

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Number of Rooms	120		120		120		120		120		
Occupancy	57.0%		62.0%		65.0%		67.0%		67.0%		4.1%
Growth (% pts)			5.0%		3.0%		2.0%		0.0%		
ADR	\$230.00		\$243.80		\$255.99		\$263.67		\$268.94		4.0%
Growth			6.0%		5.0%		3.0%		2.0%		
RevPAR	\$131.10		\$151.16		\$166.39		\$176.66		\$180.19		8.3%
Growth			15.3%		10.1%		6.2%		2.0%		
Days Open	365		365		365		365		365		
Rooms Available	43,800		43,800		43,800		43,800		43,800		
Rooms Occupied	24,966		27,156		28,470		29,346		29,346		
Revenues	\$	%	\$	%	\$	%	\$	%	\$	%	
Rooms	5,742	49.0%	6,621	49.6%	7,288	49.4%	7,738	50.1%	7,892	49.8%	8.3%
Food & Beverage	5,399	46.0%	6,050	45.4%	6,727	45.6%	6,948	44.9%	7,151	45.2%	7.3%
Other	586	5.0%	667	5.0%	738	5.0%	773	5.0%	792	5.0%	7.8%
Total Revenue	\$11,727	100.0%	\$13,337	100.0%	\$14,753	100.0%	\$15,459	100.0%	\$15,835	100.0%	7.8%
Distributed Expenses											
Rooms	1,723	30.0%	1,788	27.0%	1,822	25.0%	1,934	25.0%	1,973	25.0%	3.5%
Food & Beverage	3,957	73.3%	4,138	68.4%	4,359	64.8%	4,434	63.8%	4,564	63.8%	3.6%
Other	293	50.0%	333	50.0%	369	50.0%	386	50.0%	396	50.0%	7.8%
Total Distributed Exp.	\$5,973	50.9%	\$6,259	46.9%	\$6,549	44.4%	\$6,755	43.7%	\$6,933	43.8%	3.8%
Distributed Profit											
Rooms	4,020	70.0%	4,833	73.0%	5,466	75.0%	5,803	75.0%	5,919	75.0%	10.2%
Food & Beverage	1,441	26.7%	1,912	31.6%	2,369	35.2%	2,514	36.2%	2,587	36.2%	15.7%
Other Operated Departments	293	50.0%	333	50.0%	369	50.0%	386	50.0%	396	50.0%	7.8%
Operating Income	\$5,754	49.1%	\$7,078	53.1%	\$8,203	55.6%	\$8,704	56.3%	\$8,902	56.2%	11.5%
Undistributed Expenses											
A&G	997	8.5%	1,100	8.3%	1,180	8.0%	1,237	8.0%	1,267	8.0%	6.2%
Telecommunications	117	1.0%	133	1.0%	148	1.0%	155	1.0%	158	1.0%	7.8%
Sales and Marketing	938	8.0%	934	7.0%	1,033	7.0%	1,082	7.0%	1,108	7.0%	4.3%
Repairs	469	4.0%	533	4.0%	590	4.0%	618	4.0%	633	4.0%	7.8%
Energy	352	3.0%	400	3.0%	443	3.0%	464	3.0%	475	3.0%	7.8%
Total Undistributed Exp.	\$2,873	24.5%	\$3,101	23.3%	\$3,393	23.0%	\$3,555	23.0%	\$3,642	23.0%	6.1%
GOP	\$2,881	24.6%	\$3,978	29.8%	\$4,810	32.6%	\$5,148	33.3%	\$5,260	33.2%	16.2%
Management Fee	352	3.0%	467	3.5%	590	4.0%	618	4.0%	633	4.0%	15.8%
Franchise Fee	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Fixed Expenses											
Rent	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Property Taxes ⁽²⁾	404	3.4%	404	3.0%	404	2.7%	404	2.6%	404	2.6%	0.0%
Insurance	117	1.0%	133	1.0%	148	1.0%	155	1.0%	158	1.0%	7.8%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total Fixed Expenses	\$521	4.4%	\$538	4.0%	\$552	3.7%	\$559	3.6%	\$563	3.6%	1.9%
EBITDA	\$2,008	17.1%	\$2,973	22.3%	\$3,668	24.9%	\$3,971	25.7%	\$4,064	25.7%	19.3%
FF&E Reserve	235	2.0%	400	3.0%	590	4.0%	618	4.0%	633	4.0%	28.2%
NOI	\$1,773	15.1%	\$2,573	19.3%	\$3,078	20.9%	\$3,353	21.7%	\$3,431	21.7%	17.9%

Source: JF Capital Projections

(2) Total property taxes paid are calculated as 2.25% of the appraised value which is assumed to be 40% of the Total Value of \$44,906,475 or \$17,962,590. Total Property taxes are growing at 3% per year in Years 2-5.

Pro Forma Per Occupied Room (POR) - Boutique

(\$ in thousands except POR figures)

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Number of Rooms	120		120		120		120		120		
Occupancy	57.0%		62.0%		65.0%		67.0%		67.0%		4.1%
Growth (% pts)			5.0%		3.0%		2.0%		0.0%		
ADR	\$230.00		\$243.80		\$255.99		\$263.67		\$268.94		4.0%
Growth			6.0%		5.0%		3.0%		2.0%		
RevPAR	\$131.10		\$151.16		\$166.39		\$176.66		\$180.19		8.3%
Growth			15.3%		10.1%		6.2%		2.0%		
Days Open	365		365		366		365		365		
Rooms Available	43,800		43,800		43,920		43,800		43,800		
Rooms Occupied	24,966		27,156		28,548		29,346		29,346		
Revenues	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	
Rooms	5,742	230	6,621	244	7,308	256	7,738	264	7,892	269	8.3%
Food & Beverage	5,399	216	6,050	223	6,727	236	6,948	237	7,151	244	7.3%
Other	586	23	667	25	738	26	773	26	792	27	0.0%
Total Revenue	\$11,727	\$470	\$13,337	\$491	\$14,773	\$517	\$15,459	\$527	\$15,835	\$540	7.8%
Distributed Expenses											
Rooms	1,723	69	1,788	66	1,822	64	1,934	66	1,973	67	3.5%
Food & Beverage	3,957	159	4,138	152	4,359	153	4,434	151	4,564	156	3.6%
Other	293	12	333	12	369	13	386	13	396	13	0.0%
Total Distributed Exp.	\$5,973	\$239	\$6,259	\$230	\$6,549	\$229	\$6,755	\$230	\$6,933	\$236	3.8%
Distributed Profit											
Rooms	4,020	161	4,833	178	5,466	191	5,803	198	5,919	202	10.2%
Food & Beverage	1,441	58	1,912	70	2,369	83	2,514	86	2,587	88	15.7%
Other Operated Departments	293	12	333	12	369	13	386	13	396	13	0.0%
Operating Income	\$5,754	\$230	\$7,078	\$261	\$8,223	\$288	\$8,704	\$297	\$8,902	\$303	11.5%
Undistributed Expenses											
A&G	997	40	1,100	41	1,180	41	1,237	42	1,267	43	6.2%
Telecommunications	117	5	133	5	148	5	155	5	158	5	7.8%
Sales and Marketing	938	38	934	34	1,033	36	1,082	37	1,108	38	4.3%
Repairs	469	19	533	20	590	21	618	21	633	22	7.8%
Energy	352	14	400	15	443	16	464	16	475	16	7.8%
Total Undistributed Exp.	\$2,873	\$115	\$3,101	\$114	\$3,393	\$119	\$3,555	\$121	\$3,642	\$124	6.1%
GOP	\$2,881	\$115	\$3,978	\$146	\$4,830	\$169	\$5,148	\$175	\$5,260	\$179	16.2%
Management Fee	352	14	467	17	590	21	618	21	633	22	15.8%
Franchise Fee	0	0	0	0	0	0	0	0	0	0	NA
Fixed Expenses											
Rent	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Property Taxes	404	16	404	15	404	14	404	14	404	14	0.0%
Insurance	117	5	133	5	148	5	155	5	158	5	7.8%
Other	0	0	0	0	0	0	0	0	0	0	0.0%
Total Fixed Expenses	\$521	\$21	\$538	\$20	\$552	\$19	\$559	\$19	\$563	\$19	1.9%
EBITDA	\$2,008	\$80	\$2,973	\$109	\$3,688	\$129	\$3,971	\$135	\$4,064	\$138	19.3%
FF&E Reserve	235	9	400	15	590	21	618	21	633	22	28.2%
NOI	\$1,773	\$71	\$2,573	\$95	\$3,098	\$109	\$3,353	\$114	\$3,431	\$117	17.9%

Source: JF Capital Projections

DRAFT North Castle Hotel Model**Comp Set Overview - Boutique**

- For the North Castle Hotel "Boutique" Competitive Set, occupancy has averaged 61.8% with an average ADR of \$215.
 - Peak Occupancy on a TTM basis was 64.1% in August 2017 with a corresponding \$207 ADR; TTM ADR peaked at \$221 in October 2014
 - Highest Occupancies are Tuesday and Wednesday at 74.8% and 72.1%; High occupancy on Saturday of 70.2%; Similarly highest ADR of \$220 on both Tuesday and Wednesday.
 - Extremely low Sunday Occupancy of 44.5% on Sunday and 56.3% and 57.1% on Thursday and Friday respectively.
 - ADRs range from \$195 on Friday to \$220 on Tuesdays and Wednesdays without a lot of yielding of stronger rate.
 - There are 5 extremely weak months with occupancy ranging from 47.4% to 59.6%.
 - In the last 12 months, ADR has ranged from \$193 to \$217.
 - The Boutique competitive set consists of 5 hotels with 780 rooms, the largest of which is Doral Arrowwood with 369 rooms.
-

DRAFT North Castle Hotel Model

Comp Set Overview - Boutique

The competitive set comprises 5 hotels with an average key count of 157 rooms

Hotel	Street Address	Rooms	Opening Date	Meeting Space
Delamar Greenwich Harbor Hotel	500 Steamboat Rd, Greenwich, CT 06830	82	Oct 2002	2,350
The J House Greenwich	1114 E Putnam Ave, Riverside, CT 06878	86	May 2012	3,593
Hotel Zero Degrees Stamford	909 Washington Blvd, Stamford, CT 06901	97	Oct 2009	1,000
Doral Arrowwood	975 Anderson Hill Rd, Rye Brook, NY 10573	374	Jun 1983	37,600
Ritz-Carlton The New York Westchester	3 Renaissance Square, White Plains, NY 10601	146	Dec 2007	12,073

	2012 ⁽¹⁾	2013	2014	2015	2016	TTM 9/2017	Year 1	Year 2	Year 3	Year 4	Year 5
STR Comp Set											
Occupancy	58.9%	59.4%	62.5%	62.0%	63.4%	64.0%	63.9%	64.5%	65.0%	64.9%	65.2%
Growth		0.8%	5.3%	-0.8%	2.3%	2.4%	-0.2%	1.0%	0.7%	-0.1%	0.5%
ADR	\$216.31	\$218.54	\$220.48	\$217.79	\$202.92	\$206.50	\$204.44	\$203.41	\$206.26	\$210.18	\$212.28
Growth		1.0%	0.9%	-1.2%	-6.8%	-6.3%	-1.0%	-0.5%	1.4%	1.9%	1.0%
RevPAR	\$127.38	\$129.77	\$137.83	\$135.00	\$128.73	\$132.16	\$130.58	\$131.22	\$133.99	\$136.40	\$138.45
Growth		1.9%	6.2%	-2.1%	-4.6%	-4.1%	-1.2%	0.5%	2.1%	1.8%	1.5%
North Castle Hotel Projections - Boutique											
Occupancy							57.0%	62.0%	65.0%	67.0%	67.0%
ADR							\$230.00	\$243.80	\$255.99	\$263.67	\$268.94
Growth								6.0%	5.0%	3.0%	2.0%
RevPAR							\$131.10	\$151.16	\$166.39	\$176.66	\$180.19
Growth								7.0%	6.0%	5.0%	3.0%
Penetration Index											
Occupancy							89.2%	96.1%	100.1%	103.2%	102.7%
ADR							112.5%	119.9%	124.1%	125.4%	126.7%
RevPAR							100.4%	115.2%	124.2%	129.5%	130.1%

Source: STR as of November 10th, 2017

(1) Operating statistics only reflect May through December of 2012

Occ & ADR are growing at JF Capital market estimates for Years 1 through 5 (based on CBRE Hotel Horizons February 2018 estimates for New York State)

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

- The following analysis shows both the size of F&B offerings, as well as potential F&B revenues as the hotel generates higher occupancy:

	Square Footage	# Seats	SF / Seat	Notes
Restaurant (First Floor)	3,500	120	29	
Coffee Bar / Bar (First Floor)	1,800	50	36	
Rooftop Bar & Lounge	3,000	40	75	
Ground Floor Lounge	0	0	N/A	
Junior Ballroom	3,500	110	32	
Pool/Fitness Club	5,000	175	29	
Boardroom	550	20	28	
TOTAL	17,350	515	34	

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Guest Rooms	120	120	120	120	120
Occupancy	57.0%	62.0%	65.0%	67.0%	67.0%
Occupied Rooms/Day	68	74	78	80	80
Guests/Room	1.5	1.5	1.5	1.5	1.5
Hotel Guests/Day	103	112	117	121	121
Total F&B Revenue	\$5,398,525	\$6,049,829	\$6,727,069	\$6,948,106	\$7,151,149
<i>Growth</i>		12.1%	11.2%	3.3%	2.9%
<i>Total F&B Revenue per SF</i>	\$311	\$349	\$388	\$400	\$412
<i>Total F&B Revenue per Seat</i>	10,483	11,747	13,062	13,491	13,886
Total F&B EBITDA	\$1,441,311	\$1,911,941	\$2,368,515	\$2,514,023	\$2,587,013
<i>Growth</i>		32.7%	23.9%	6.1%	2.9%
<i>Margin</i>	26.7%	31.6%	35.2%	36.2%	36.2%
<i>Total F&B EBITDA per SF</i>	\$83	\$110	\$137	\$145	\$149
<i>Total F&B EBITDA per Seat</i>	2,799	3,713	4,599	4,882	5,023

Source: Illustrative Projections; subject to build out costs, final program, and operator chosen

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant (First Floor) - (3,500 SF & 120 Seats)					
Breakfast Capture (% of Guests)	25.0%	25.0%	25.0%	25.0%	25.0%
Breakfast Covers per Day (Guests)	26	28	29	30	30
Breakfast Covers per Day (Non-Guests)	40	40	40	40	40
Breakfast Revenue per Cover 3.0%	\$15	\$15	\$16	\$16	\$17
Breakfast Revenue Subtotal	\$359,434	\$382,905	\$402,234	\$419,685	\$432,276
Breakfast Revenue per Seat	2,995	3,191	3,352	3,497	3,602
Breakfast Revenue per SF	103	109	115	120	124
Lunch Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Lunch Covers per Day (Guests)	10	11	12	12	12
Lunch Covers per Day (Non-Guests)	45	47	50	50	50
Lunch Revenue per Cover 3.0%	\$18	\$19	\$19	\$20	\$20
Lunch Revenue Subtotal	\$363,058	\$393,575	\$430,056	\$445,542	\$458,908
Lunch Revenue per Seat	3,025	3,280	3,584	3,713	3,824
Lunch Revenue per SF	104	112	123	127	131
Dinner Capture (% of Guests)	15.0%	15.0%	15.0%	15.0%	15.0%
Dinner Covers per Day (Guests)	15	17	18	18	18
Dinner Covers per Day (Non-Guests)	110	130	130	130	130
Dinner Revenue per Cover 3.0%	\$25	\$26	\$27	\$27	\$28
Dinner Revenue Subtotal	\$1,144,184	\$1,379,173	\$1,428,389	\$1,476,625	\$1,520,924
Dinner Revenue per Seat	9,535	11,493	11,903	12,305	12,674
Dinner Revenue per SF	327	394	408	422	435
Total Restaurant Revenue	\$1,866,676	\$2,155,652	\$2,260,679	\$2,341,852	\$2,412,108
EBITDA Margin	18%	23%	25%	26%	26%
Total Restaurant EBITDA	\$336,002	\$495,800	\$565,170	\$608,882	\$627,148

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Coffee Bar / Bar (First Floor) - (1,800 SF & 50 Seats)					
Breakfast Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Breakfast Covers per Day (Guests)	10	11	12	12	12
Breakfast Covers per Day (Non-Guests)	20	25	25	25	25
Breakfast Revenue per Cover 3.0%	\$6	\$6	\$6	\$7	\$7
Breakfast Revenue Subtotal	\$66,269	\$81,566	\$85,268	\$88,687	\$91,348
Breakfast Revenue per Seat	552	680	711	739	761
Breakfast Revenue per SF	19	23	24	25	26
Lunch Capture (% of Guests)	2.5%	2.5%	2.5%	2.5%	2.5%
Lunch Covers per Day (Guests)	3	3	3	3	3
Lunch Covers per Day (Non-Guests)	20	23	25	25	25
Lunch Revenue per Cover 3.0%	\$8	\$8	\$8	\$9	\$9
Lunch Revenue Subtotal	\$65,890	\$77,566	\$86,507	\$89,389	\$92,071
Lunch Revenue per Seat	549	646	721	745	767
Lunch Revenue per SF	19	22	25	26	26
Dinner Capture (% of Guests)	5.0%	5.0%	5.0%	5.0%	5.0%
Dinner Covers per Day (Guests)	5	6	6	6	6
Dinner Covers per Day (Non-Guests)	30	40	40	40	40
Dinner Revenue per Cover 3.0%	\$12	\$12	\$13	\$13	\$14
Dinner Revenue Subtotal	\$153,869	\$205,630	\$213,053	\$220,306	\$226,915
Dinner Revenue per Seat	1,282	1,714	1,775	1,836	1,891
Dinner Revenue per SF	44	59	61	63	65
Total Coffee Bar / Bar Revenue	\$286,029	\$364,762	\$384,828	\$398,383	\$410,334
EBITDA Margin	30%	33%	35%	35%	35%
Total Restaurant EBITDA	\$85,809	\$120,371	\$134,690	\$139,434	\$143,617

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Rooftop Bar & Lounge - (3,000 SF & 40 Seats)					
Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Covers per Day (Guests)	10	11	12	12	12
Covers per Day (Non-Guests)	75	85	100	100	100
Revenue per Cover 3.0%	\$27	\$28	\$29	\$30	\$30
Total Revenue	\$840,237	\$976,087	\$1,167,842	\$1,206,754	\$1,242,957
Revenue per Seat	21,006	24,402	29,196	30,169	31,074
Revenue per SF	280	325	389	402	414
EBITDA Margin	28%	32%	35%	35%	35%
Total EBITDA	\$235,266	\$312,348	\$408,745	\$422,364	\$435,035

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Ground Floor Lounge - (0 SF & 0 Seats)					
Lunch Capture (% of Guests)	0.0%	0.0%	0.0%	0.0%	0.0%
Lunch Covers per Day (Guests)	0	0	0	0	0
Lunch Covers per Day (Non-Guests)	0	0	0	0	0
Lunch Revenue per Cover	3.0%	\$0	\$0	\$0	\$0
Lunch Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Lunch Revenue per Seat	0	0	0	0	0
Lunch Revenue per SF	0	0	0	0	0
Dinner Capture (% of Guests)	0.0%	0.0%	0.0%	0.0%	0.0%
Dinner Covers per Day (Guests)	0	0	0	0	0
Dinner Covers per Day (Non-Guests)	0	0	0	0	0
Dinner Revenue per Cover	3.0%	\$0	\$0	\$0	\$0
Dinner Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Dinner Revenue per Seat	0	0	0	0	0
Dinner Revenue per SF	0	0	0	0	0
Late Night Capture (% of Guests)	0.0%	0.0%	0.0%	0.0%	0.0%
Late Night Covers per Day (Guests)	0	0	0	0	0
Late Night Covers per Day (Non-Guests)	0	0	0	0	0
Late Night Revenue per Cover	3.0%	\$0	\$0	\$0	\$0
Late Night Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Late Night Revenue per Seat	0	0	0	0	0
Late Night Revenue per SF	0	0	0	0	0
Total Third Floor Lounge Revenue	\$0	\$0	\$0	\$0	\$0
EBITDA Margin	0%	0%	0%	0%	0%
Total EBITDA	\$0	\$0	\$0	\$0	\$0

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Junior Ballroom - (3,500 SF & 110 Seats)					
Events Per Week	3.0	3.0	3.5	3.5	3.5
Number of Attendees	80	85	90	90	90
Revenue per Attendee	3.0% \$85	\$88	\$90	\$93	\$96
Total Revenue	\$1,060,800	\$1,160,913	\$1,477,091	\$1,521,404	\$1,567,046
Revenue per Seat	9,644	10,554	13,428	13,831	14,246
Revenue per SF	303	332	422	435	448
EBITDA Margin	30%	35%	42%	45%	45%
Total EBITDA	\$318,240	\$406,320	\$620,378	\$684,632	\$705,171

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Pool/Fitness Club - (5,000 SF & 175 Seats)					
Lunch Capture (% of Guests)	7.0%	7.0%	7.0%	7.0%	7.0%
Lunch Covers per Day (Guests)	7	8	8	8	8
Lunch Covers per Day (Non-Guests)	20	20	20	20	20
Lunch Revenue per Cover	3.0%	\$17	\$18	\$19	\$19
Lunch Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Lunch Revenue per Seat	0	0	0	0	0
Lunch Revenue per SF	0	0	0	0	0
Dinner Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Dinner Covers per Day (Guests)	10	11	12	12	12
Dinner Covers per Day (Non-Guests)	65	65	65	65	65
Dinner Revenue per Cover	3.0%	\$20	\$21	\$22	\$23
Dinner Revenue Subtotal	\$549,398	\$572,647	\$594,009	\$614,700	\$633,141
Dinner Revenue per Seat	4,578	4,772	4,950	5,123	5,276
Dinner Revenue per SF	157	164	170	176	181
Late Night Capture (% of Guests)	7.0%	7.0%	7.0%	7.0%	7.0%
Late Night Covers per Day (Guests)	7	8	8	8	8
Late Night Covers per Day (Non-Guests)	50	50	50	50	50
Late Night Revenue per Cover	3.0%	\$25	\$26	\$27	\$28
Late Night Revenue Subtotal	\$521,786	\$543,361	\$563,321	\$582,733	\$600,215
Late Night Revenue per Seat	4,348	4,528	4,694	4,856	5,002
Late Night Revenue per SF	149	155	161	166	171
Memberships (Residents)	60	60	60	60	60
Annual Cost	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Membership Revenue Subtotal	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
Membership Revenue per Seat	1,500	1,500	1,500	1,500	1,500
Membership Revenue per SF	51	51	51	51	51
Total Pool/Fitness Club Revenue	\$1,251,184	\$1,296,008	\$1,337,329	\$1,377,433	\$1,413,356
EBITDA Margin	35%	42%	45%	45%	45%
Total EBITDA	\$437,914	\$544,323	\$601,798	\$619,845	\$636,010

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Boardroom - (550 SF & 20 Seats)					
Events Per Week	3.0	3.0	3.0	3.0	3.0
Number of Attendees	10	10	10	10	10
Revenue per Attendee	3.0% \$60	\$62	\$64	\$66	\$68
Total Revenue	\$93,600	\$96,408	\$99,300	\$102,279	\$105,348
Revenue per Seat	4,680	4,820	4,965	5,114	5,267
Revenue per SF	170	175	181	186	192
EBITDA Margin	30%	34%	38%	38%	38%
Total EBITDA	\$28,080	\$32,779	\$37,734	\$38,866	\$40,032

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

F&B Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Restaurant (First Floor)	\$1,866,676	\$2,155,652	\$2,260,679	\$2,341,852	\$2,412,108
Coffee Bar / Bar (First Floor)	286,029	364,762	384,828	398,383	410,334
Rooftop Bar & Lounge	840,237	976,087	1,167,842	1,206,754	1,242,957
Ground Floor Lounge	0	0	0	0	0
Junior Ballroom	1,060,800	1,160,913	1,477,091	1,521,404	1,567,046
Pool/Fitness Club	1,251,184	1,296,008	1,337,329	1,377,433	1,413,356
Boardroom	93,600	96,408	99,300	102,279	105,348
Total Revenue	\$5,398,525	\$6,049,829	\$6,727,069	\$6,948,106	\$7,151,149
EBITDA					
Restaurant (First Floor)	\$336,002	\$495,800	\$565,170	\$608,882	\$627,148
Coffee Bar / Bar (First Floor)	85,809	120,371	134,690	139,434	143,617
Rooftop Bar & Lounge	235,266	312,348	408,745	422,364	435,035
Ground Floor Lounge	0	0	0	0	0
Junior Ballroom	318,240	406,320	620,378	684,632	705,171
Pool/Fitness Club	437,914	544,323	601,798	619,845	636,010
Boardroom	28,080	32,779	37,734	38,866	40,032
Total EBITDA	\$1,441,311	\$1,911,941	\$2,368,515	\$2,514,023	\$2,587,013
<i>Margin</i>	<i>26.7%</i>	<i>31.6%</i>	<i>35.2%</i>	<i>36.2%</i>	<i>36.2%</i>

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique					(\$ in actuals)
Per SF	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Per SF					
Restaurant (First Floor)	\$533	\$616	\$646	\$669	\$689
Coffee Bar / Bar (First Floor)	159	203	214	221	228
Rooftop Bar & Lounge	280	325	389	402	414
Ground Floor Lounge	N/A	N/A	N/A	N/A	N/A
Junior Ballroom	303	332	422	435	448
Pool/Fitness Club	250	259	267	275	283
Boardroom	170	175	181	186	192
Total Revenue Per SF	\$311	\$349	\$388	\$400	\$412
EBITDA Per SF					
Restaurant (First Floor)	\$96	\$142	\$161	\$174	\$179
Coffee Bar / Bar (First Floor)	48	67	75	77	80
Rooftop Bar & Lounge	78	104	136	141	145
Ground Floor Lounge	N/A	N/A	N/A	N/A	N/A
Junior Ballroom	91	116	177	196	201
Pool/Fitness Club	88	109	120	124	127
Boardroom	51	60	69	71	73
Total EBITDA Per SF	\$83	\$110	\$137	\$145	\$149

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

Per Seat	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Per Seat					
Restaurant (First Floor)	\$15,556	\$17,964	\$18,839	\$19,515	\$20,101
Coffee Bar / Bar (First Floor)	5,721	7,295	7,697	7,968	8,207
Rooftop Bar & Lounge	21,006	24,402	29,196	30,169	31,074
Ground Floor Lounge	N/A	N/A	N/A	N/A	N/A
Junior Ballroom	9,644	10,554	13,428	13,831	14,246
Pool/Fitness Club	7,150	7,406	7,642	7,871	8,076
Boardroom	4,680	4,820	4,965	5,114	5,267
Total Revenue Per Seat	\$10,483	\$11,747	\$13,062	\$13,491	\$13,886
EBITDA Per Seat					
Restaurant (First Floor)	\$2,800	\$4,132	\$4,710	\$5,074	\$5,226
Coffee Bar / Bar (First Floor)	1,716	2,407	2,694	2,789	2,872
Rooftop Bar & Lounge	5,882	7,809	10,219	10,559	10,876
Ground Floor Lounge	N/A	N/A	N/A	N/A	N/A
Junior Ballroom	2,893	3,694	5,640	6,224	6,411
Pool/Fitness Club	2,502	3,110	3,439	3,542	3,634
Boardroom	1,404	1,639	1,887	1,943	2,002
Total EBITDA Per Seat	\$2,799	\$3,713	\$4,599	\$4,882	\$5,023

DRAFT North Castle Hotel Model

Potential F&B Revenues - Boutique

(\$ in actuals)

Margins	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant (First Floor)	18.0%	23.0%	25.0%	26.0%	26.0%
Coffee Bar / Bar (First Floor)	30.0%	33.0%	35.0%	35.0%	35.0%
Rooftop Bar & Lounge	28.0%	32.0%	35.0%	35.0%	35.0%
Ground Floor Lounge	0.0%	0.0%	0.0%	0.0%	0.0%
Junior Ballroom	30.0%	35.0%	42.0%	45.0%	45.0%
Pool/Fitness Club	35.0%	42.0%	45.0%	45.0%	45.0%
Boardroom	30.0%	34.0%	38.0%	38.0%	38.0%
Total Margins	26.7%	31.6%	35.2%	36.2%	36.2%

FTE Analysis - Boutique

The following provides a build up by department for the hotel FTEs

Department	FTEs
Rooms ⁽¹⁾	10
Food & Beverage	50
Admin & General	8
Sales and Marketing	9
Repair and Maintenance	8
Parking/Valet	6
Other	3
Total Hotel	94

(1) Assumes 30 minutes of housekeeping per room, for 120 rooms, at a Year 5 Occupancy of 67.0%

DRAFT North Castle Hotel Model

Departmental Profit Breakdown - Boutique

(\$ in thousands, except per key amounts)

The following overview allocates the undistributed and fixed expenses to each of the revenue sources (based on the revenue as a percent of the total), in order to calculate a net profit margin for the Rooms, F&B and Other Operating

The Undistributed Expenses and Fixed Expenses are either distributed on a proportional square foot basis or a % of Total Revenue.

	Year 1 Total			Rooms			F&B			Other Operating Dept.		
Allocations												
Square Feet	85,000		100.0%	57,650		67.8%	17,350		20.4%	10,000		11.8%
Total Revenue	\$11,727		100.0%	\$5,742		49.0%	\$5,399		46.0%	\$586		5.0%
Revenues	\$	%	Alloc.	\$	%	Alloc.	\$	%	Alloc.	\$	%	Alloc.
Rooms	\$5,742	49.0%		\$5,742	100.0%							
Food & Beverage	5,399	46.0%					\$5,399	100.0%				
Total Other Operating Dept.	586	5.0%								\$586	100.0%	
Total Revenue	\$11,727	100.0%		\$5,742	100.0%		\$5,399	100.0%		\$586	100.0%	
<i>Revenue Growth</i>												
Distributed Expenses												
Rooms	\$1,723	30.0%		\$1,723	30.0%							
Food & Beverage	3,957	73.3%					\$3,957	73.3%				
Total Other Operating Dept.	293	50.0%								\$293	50.0%	
Total Dist. Expenses	\$5,973	50.9%		\$1,723	30.0%		\$3,957	73.3%		\$293	50.0%	
<i>Expense Growth</i>												
Distributed Profit												
Rooms	\$4,020	70.0%		\$4,020	70.0%							
Food & Beverage	1,441	26.7%					\$1,441	26.7%				
Total Other Oper. Dept.	293	50.0%								\$293	50.0%	
Operating Income	\$5,754	49.1%		\$4,020	70.0%		\$1,441	26.7%		\$293	50.0%	
Undist. Expenses												
A&G	\$997	8.5%	100.0%	\$488	8.5%	49.0%	\$459	8.5%	46.0%	\$50	8.5%	5.0%
Telecommunications	117	1.0%	100.0%	57	1.0%	49.0%	54	1.0%	46.0%	6	1.0%	5.0%
Sales and Marketing	938	8.0%	100.0%	459	8.0%	49.0%	432	8.0%	46.0%	47	8.0%	5.0%
Repairs	469	4.0%	100.0%	318	5.5%	67.8%	96	1.8%	20.4%	55	9.4%	11.8%
Energy	352	3.0%	100.0%	281	4.9%	80.0%	70	1.3%	20.0%	0	0.0%	0.0%
Total Undist. Exp.	\$2,873	24.5%	100.0%	\$1,604	27.9%	55.8%	\$1,111	20.6%	38.7%	\$158	26.9%	5.5%
GOP	\$2,881	24.6%	100.0%	\$2,415	42.1%	83.8%	\$330	6.1%	11.5%	\$135	23.1%	4.7%
Management Fee	352	3.0%	100.0%	172	3.0%	49.0%	162	3.0%	46.0%	18	3.0%	5.0%
Fixed Expenses												
Rent	0	0.0%	100.0%	0	0.0%	67.8%	0	0.0%	20.4%	0	0.0%	11.8%
Property Taxes(2)	404	3.4%	100.0%	274	4.8%	67.8%	82	1.5%	20.4%	48	8.1%	11.8%
Insurance	117	1.0%	100.0%	80	1.4%	67.8%	24	0.4%	20.4%	14	2.4%	11.8%
Other	0	0.0%	100.0%	0	0.0%	49.0%	0	0.0%	46.0%	0	0.0%	5.0%
Total Fixed Expenses	\$521	4.4%	100.0%	\$354	6.2%	67.8%	\$106	2.0%	20.4%	\$61	10.5%	11.8%
EBITDA	\$2,008	17.1%	100.0%	\$1,889	32.9%	94.1%	\$62	1.1%	3.1%	\$56	9.6%	2.8%
FF&E Reserve	235	2.0%	100.0%	115	2.0%	49.0%	108	2.0%	46.0%	12	2.0%	5.0%
NOI	\$1,773	15.1%	100.0%	\$1,774	30.9%	100.1%	(\$46)	-0.9%	-2.6%	\$45	7.6%	2.5%

Construction Cost Build-Up - Hotel - Boutique

(\$ in thousands, except per key and per SF amounts)

Keys	120				
Total SF	85,000				
		Total	Per Key	Per SF	% of Total
Land Costs					
Allocation of Land Cost		\$0	\$0	\$0	0.0%
Other		0	0	0	0.0%
Total Land Costs		\$0	\$0	\$0	0.0%
Hard Costs					
Construction Cost		\$25,500	\$212,500	\$300	95.2%
Contingency	5.0%	1,275	10,625	15	4.8%
Total Hard Costs		\$26,775	\$223,125	\$315	59.6%
Soft Costs and Other					
Designer		450	3,750	5	1.0%
A&E Fees, Design Consultants		1,500	12,500	18	3.3%
Consultants		75	625	1	0.2%
Geo / SOE		60	500	1	0.1%
Engineering		65	542	1	0.1%
Expeditor		80	667	1	0.2%
Insurance		650	5,417	8	1.4%
Real Estate Taxes		250	2,083	3	0.6%
Legal		150	1,250	2	0.3%
Borrower Legal		150	1,250	2	0.3%
Owner's Rep		90	750	1	0.2%
Operating Expenses		120	1,000	1	0.3%
Miscellaneous		125	1,042	1	0.3%
Pre-Opening		1,200	10,000	14	2.7%
Pool/Fitness Club FF&E		1,200	10,000	14	2.7%
Hotel FF&E Public Spaces		1,500	12,500	18	3.3%
Hotel FF&E		3,000	25,000	35	6.7%
OS&E		1,020	8,500	12	2.3%
Pool/Fitness Club OS&E		420	3,500	5	0.9%
Development Fee	3.0%	803	6,694	9	1.8%
Mortgage Recording Tax ⁽¹⁾		379	3,162	4	0.8%
Interest Reserve ⁽²⁾		2,043	17,027	24	4.6%
Origination Fee ⁽³⁾		292	2,432	3	0.7%
Financing / Brokerage Fee ⁽⁴⁾		292	2,432	3	0.7%
Working Capital		240	2,000	3	0.5%
Title Insurance ⁽⁵⁾		130	1,083	2	0.3%
Third Party Reports		150	1,250	2	0.3%
Other Financing Costs		100	833	1	0.2%
Operator Technical Services Fee		200	1,667	2	0.4%
Brand Creation Fee		150	1,250	2	0.3%
Advisory Fee ⁽⁶⁾		410	3,417	5	0.9%
Contingency	5.0%	837	6,973	10	1.9%
Total Soft Costs and Other		\$18,131	\$151,096	\$213	40.4%
Total Project Cost		\$44,906	\$374,221	\$528	100.0%

Source: JF Capital illustrative internal projections

(1) Mortgage Recording Tax calculated as 1.30% of total loan balance, (2) Interest Reserve calculated as 100% of one year of interest on full loan amount, (3) Origination Fee calculated as 1.0% of loan,

(4) Financing / Brokerage Fee calculated as 100bps of loan, (5) Estimated using the Stewart Title Insurance Calculator, (6) Advisory Fee calculated as \$25 retainer for work done through December 31, 2017 + \$5 per month for 6 months + \$10 per month for 18 months + \$125 upon execution of management/operator agreement + \$50 upon execution of an agreement with a third party F&B operator

DRAFT North Castle Hotel Model

Debt Refinancing Analysis - Debt Yield - Boutique

(\$ in thousands, except per key amounts)

- The analysis below illustrates a refinancing each year at an implied debt yield of 12.0% and the refinancing excess / (shortfall) to the debt

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Debt	\$28,880	\$28,550	\$28,196	\$27,817	\$27,412
EBITDA	2,008	2,973	3,668	3,971	4,064
FF&E Reserve	235	400	590	618	633
NOI	\$1,773	\$2,573	\$3,078	\$3,353	\$3,431
Debt Yield	6.1%	9.0%	10.9%	12.1%	12.5%
NOI	\$1,773	\$2,573	\$3,078	\$3,353	\$3,431
Assumed Debt Yield	12.0%	12.0%	12.0%	12.0%	12.0%
New Loan Proceeds	\$14,776	\$21,442	\$25,653	\$27,940	\$28,589
Fees ⁽¹⁾	(443)	(643)	(770)	(838)	(858)
Net Proceeds	\$14,333	\$20,799	\$24,883	\$27,102	\$27,732
Refinancing Excess/(Shortfall) (\$)	(\$14,548)	(\$7,751)	(\$3,313)	(\$716)	\$320
Refinancing Excess/(Shortfall) (%)	-50.4%	-27.1%	-11.7%	-2.6%	1.2%
Refinancing Per Key (120 keys)	\$123,132	\$178,684	\$213,773	\$232,833	\$238,246
Implied Refinancing EBITDA Multiple	7.4x	7.2x	7.0x	7.0x	7.0x

Source: JF Capital Projections

(1) New Debt fees of 3.0% per JF Capital assumption

DRAFT North Castle Hotel Model

Debt Refinancing Analysis - Debt Constant - Boutique

(\$ in thousands, except per key amounts)

- The analysis below illustrates a refinancing each year at an implied debt constant of 7.5% and the refinancing excess / (shortfall) to the debt

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Debt	\$28,880	\$28,550	\$28,196	\$27,817	\$27,412
EBITDA	2,008	2,973	3,668	3,971	4,064
FF&E Reserve	235	400	590	618	633
NOI	\$1,773	\$2,573	\$3,078	\$3,353	\$3,431
Debt Yield	6.1%	9.0%	10.9%	12.1%	12.5%
NOI	\$1,773	\$2,573	\$3,078	\$3,353	\$3,431
Assumed DSCR	1.4x	1.4x	1.4x	1.4x	1.4x
Assumed Debt Constant	7.5%	7.5%	7.5%	7.5%	7.5%
New Loan Proceeds	\$16,887	\$24,505	\$29,317	\$31,931	\$32,674
Fees ⁽¹⁾	(507)	(735)	(880)	(958)	(980)
Net Proceeds	\$16,380	\$23,770	\$28,438	\$30,973	\$31,693
Refinancing Excess/(Shortfall) (\$)	(\$12,500)	(\$4,779)	\$242	\$3,156	\$4,281
Refinancing Excess/(Shortfall) (%)	-43.3%	-16.7%	0.9%	11.3%	15.6%
Refinancing Per Key (120 keys)	\$140,722	\$204,210	\$244,311	\$266,094	\$272,281
Implied Refinancing EBITDA Multiple	8.4x	8.2x	8.0x	8.0x	8.0x

Source: JF Capital Projections

(1) New Debt fees of 3.0% per JF Capital assumption

DRAFT North Castle Hotel Model

Limited Service Hotel Scenario

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DRAFT North Castle Hotel Model**Executive Summary - Limited Service**

(\$ in thousands except per key amounts)

- JF Capital is reviewing the development opportunity of a Limited Service hotel in Westchester County, NY.
 - The hotel will have 145 rooms and 6,600 SF of F&B and event space for a total of 80,000 square feet
 - The hotel will also have 250 parking spaces
- A \$26,114 development loan at 7.0% is assumed to be obtained
 - Represents an LTC of 65.0% (based on the full deal capitalization)
- Model includes JF Capital illustrative pro forma statistics for Year 1 -Year 5
 - Year 1 -Year 5 Revenue CAGR (Compound Annual Growth Rate) of 7.9% increasing from \$7,504 in Year 1 to \$10,174 in Year 5
 - Year 1 - Year 5 NOI CAGR (Compound Annual Growth Rate) of 10.2% increasing from \$1,855 in Year 1 to \$2,734 in Year 5
 - EBITDA margins increasing from 26.7% in Year 1 to 30.9% in Year 5
 - NOI margins increasing from 24.7% in Year 1 to 26.9% in Year 5
- The following base assumptions were made:
 - Land purchase price of \$0 or \$0 per key
 - Development cost of \$40,175 and all-in cost of \$40,175, or \$277,067 per key
 - 2 year development period, and 5 year hold period with an 9.0% exit cap rate and fees on sale of 2.0% for net proceeds of \$29,773 or \$205,332 per key
- The deal produces an illustrative leveraged IRR of 0.0%, an NPV of -\$9,441, a total profit of -\$6,538 and a return on capital of 0.5x to the equity
- The deal produces an illustrative unleveraged IRR of 1.2%, an NPV of -\$10,153, a total profit of \$2,338 and a return on capital of 1.1x to the equity
- If refinanced in Year 2, the leveraged IRR is 0.0%, and the equity multiple is 0.7x

DRAFT North Castle Hotel Model

Financial Summary (5 Year Hold) - Limited Service

(\$ in thousands, except per key amounts)

Illustrative Sources & Uses			Exit Assumptions			Returns					
Total Land Cost ⁽³⁾	\$0	0.0%		Year 5 NOI	\$2,734	Equity IRR		0.0%			
Development Cost ⁽¹⁾	40,175	100.0%		Exit Cap Rate	9.00% ⁽³⁾	Equity NPV	12.0%	(\$9,441)			
Total Uses	\$40,175	100.0%	Interest Rate	Gross Sale Price	\$30,381	Equity Multiple		0.5x			
Debt	26,114	65.0%	7.0%	Less: 2.0% Fee	2.0%	Total Profit		(\$6,538)			
Mezzanine Debt	0	0.0%	12.0%	Net Sale Price	\$29,773	Unleveraged IRR		1.2%			
Pref Equity	0	0.0%	14.0%	Exit / Key	\$205,332	Unleveraged NPV	8.0%	(\$10,153)			
Equity	14,061	35.0%	7.0% ⁽²⁾			Unleveraged Equity Multiple		1.1x			
Total Sources	\$40,175	100.0%				Total Profit		\$2,338			
Valuation Metrics:											
All-In Price / Key		\$277,067									
Debt / Key		180,094									
Rooms		145									
			Construction			Operation					
			Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5	4 Year CAGR
Keys						145	145	145	145	145	0.0%
Days						365	365	365	365	365	
Occupancy						62.0%	68.0%	72.0%	74.0%	74.0%	4.5%
ADR						\$165.00	\$174.90	\$183.65	\$189.15	\$192.94	4.0%
RevPAR						102.30	118.93	132.22	139.97	142.77	8.7%
% Growth							16.3%	11.2%	5.9%	2.0%	
Rooms Revenues						\$5,414	\$6,294	\$6,998	\$7,408	\$7,556	8.7%
F&B Revenues						1,715	1,852	1,954	2,030	2,109	5.3%
Other Revenues						375	429	471	497	509	0.0%
Total Revenues						\$7,504	\$8,575	\$9,423	\$9,935	\$10,174	7.9%
Revenue Growth							14.3%	9.9%	5.4%	2.4%	
GOP						\$2,829	\$3,521	\$4,039	\$4,350	\$4,435	11.9%
% Margin						37.7%	41.1%	42.9%	43.8%	43.6%	
EBITDA						\$2,005	\$2,511	\$2,834	\$3,087	\$3,141	11.9%
% Margin						26.7%	29.3%	30.1%	31.1%	30.9%	
FF&E						150	257	377	397	407	28.3%
NOI						\$1,855	\$2,254	\$2,457	\$2,690	\$2,734	10.2%
% Margin						24.7%	26.3%	26.1%	27.1%	26.9%	
NOI Per Key						12,790	15,545	16,945	18,552	18,857	

Source: JF Capital Projections

(1) Assumes per key development cost (excluding land) of \$277,067 which is spent equally over 2 years of construction

(2) Blended cost of capital assumes pref equity coupon is all paid current

(3) Based on CBRE H1 2017 Cap Rate Survey: New York City Suburban Cap Rate Range of 7.75-9.25% for Limited Service Hotels

DRAFT North Castle Hotel Model

Financial Summary - Limited Service

(\$ in thousands)

	Construction			Operation				
	Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Valuation Metrics								
Implied All-In Cap Rate				4.6%	5.6%	6.1%	6.7%	6.8%
Implied EBITDA Multiple				20.0x	16.0x	14.2x	13.0x	12.8x
Returns Analysis								
Property Cash Flow	\$0	\$0	\$0	\$1,855	\$2,254	\$2,457	\$2,690	\$2,734
Acquisition Cost	(0)							29,773
Key Money Security Deposit Return ⁽¹⁾	0			750				
Land Subsidy				0				
Development Costs		(20,087)	(20,087)					
Debt Issuance/Repayment		6,026	20,087					(24,524)
Mezzanine Issuance/Repayment		0	0	0	0	0	0	0
Pref Equity Issuance/Repayment		0		0	0	0	0	0
Interest Expense ⁽²⁾				(1,818)	(1,798)	(1,777)	(1,754)	(1,729)
Debt Amortization ⁽²⁾				(276)	(296)	(317)	(339)	(362)
Mezzanine Interest Expense ⁽³⁾				0	0	0	0	0
Mezzanine Amortization ⁽³⁾				0	0	0	0	0
Pref Equity Coupon (at 14.0% rate)				0	0	0	0	0
Accrued Pref Equity PIK Payment				0	0	0	0	0
Refinancing Proceeds				0	0	0	0	0
Equity Cash Flow	(\$0)	(\$14,061)	\$0	\$510	\$160	\$364	\$597	\$5,892
Cumulative Equity Cash Flow	(0)	(14,061)	(14,061)	(13,551)	(13,391)	(13,028)	(12,430)	(6,538)
Unlevered Cash Flow	(0)	(20,087)	(20,087)	2,605	2,254	2,457	2,690	32,507

Source: JF Capital Projections

(1) Assumes payment of \$350 of key money.

(2) Fixed-rate debt at 7.0% interest with a 30 year amortization schedule

(3) Fixed-rate debt at 12.0% interest with a 0 year amortization schedule

DRAFT North Castle Hotel Model

Debt Schedule - Limited Service

(\$ in thousands)

		Construction			Operation				
		Time 0	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5
Mortgage Debt Schedule									
Beginning Balance					\$26,114	\$25,837	\$25,541	\$25,225	\$24,886
Debt Refinancing ⁽¹⁾					0	0	0	0	0
Amortization	30 yrs				(276)	(296)	(317)	(339)	(362)
Ending Balance				\$26,114	\$25,837	\$25,541	\$25,225	\$24,886	\$24,524
Interest Rate	7.0%				7.0%	7.0%	7.0%	7.0%	7.0%
Interest Expense					1,818	1,798	1,777	1,754	1,729
Debt Service					2,095	2,094	2,093	2,093	2,092
Credit Stats									
DSCR					0.9x	1.1x	1.2x	1.3x	1.3x
Debt / EBITDA					12.9x	10.2x	8.9x	8.1x	7.8x
Debt Yield					7.2%	8.8%	9.7%	10.8%	11.1%
Loan to Cost					64.3%	63.6%	62.8%	61.9%	61.0%
Loan to Value (assumes a 9.0% cap rate)					125.4%	102.0%	92.4%	83.3%	80.7%
Debt Per Key					\$178,187	\$176,147	\$173,964	\$171,629	\$169,130
Mezzanine Debt Schedule									
Beginning Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Refinancing ⁽¹⁾				0	0	0	0	0	0
Amortization			0	0	0	0	0	0	0
Ending Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Rate	12.0%				12.00%	12.00%	12.00%	12.00%	12.00%
Interest Expense					0	0	0	0	0
Debt Service					0	0	0	0	0
Cumulative Credit Stats - Through Mezzanine									
DSCR					0.9x	1.1x	1.2x	1.3x	1.3x
Debt / EBITDA					12.9x	10.2x	8.9x	8.1x	7.8x
Debt Yield					7.2%	8.8%	9.7%	10.8%	11.1%
Loan to Cost					64.3%	63.6%	62.8%	61.9%	61.0%
Loan to Value (assumes a 9.0% cap rate)					125.4%	102.0%	92.4%	83.3%	80.7%
Debt Per Key					\$178,187	\$176,147	\$173,964	\$171,629	\$169,130
Preferred Equity Cash Flow									
Beginning Preferred Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Return		14.0%		0	0	0	0	0	0
Paid		50.0%		0	0	0	0	0	0
PIK	50.0%			0	0	0	0	0	0
Refinancing ⁽¹⁾			0	0	0	0	0	0	0
Ending Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Credit Stats - Through Pref Equity									
DSCR (assuming cash pay only)					0.9x	1.1x	1.2x	1.3x	1.3x
DSCR (assuming full coupon)					0.9x	1.1x	1.2x	1.3x	1.3x
Debt + Preferred / EBITDA					12.9x	10.2x	8.9x	8.1x	7.8x
Debt + Preferred Yield					7.2%	8.8%	9.7%	10.8%	11.1%
Debt + Preferred Equity Per Key					\$178,187	\$176,147	\$173,964	\$171,629	\$169,130

Source: JF Capital Projections

(1) Ability to refinance debt at 10.0% debt yield and 6.0% interest rate

DRAFT North Castle Hotel Model

Sensitivities - IRR - Limited Service

(\$ in thousands)

Leveraged IRR Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
10.00%	0.0%	0.0%	0.0%
9.00%	0.0%	0.0%	0.0%
8.00%	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
12.0%	0.0%	0.0%	0.0%
11.0%	0.0%	0.0%	0.0%
10.0%	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Change in ADR	Land Subsidy		
	0	5,000	10,000
\$0	0.0%	0.0%	6.7%
10	0.0%	0.5%	9.5%
20	0.0%	3.4%	12.0%

Leveraged IRR Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
10.00%	0.0%	0.0%	0.0%
9.00%	0.0%	0.0%	0.0%
8.00%	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	0.0%	0.0%	0.0%
55%	0.0%	0.0%	0.0%
60%	0.0%	0.0%	0.0%

Leveraged IRR Sensitivity			
Change in Dev. Cost	Land Subsidy		
	0	5,000	10,000
\$0	0.0%	0.0%	6.7%
4,000	0.0%	0.0%	0.0%
8,000	0.0%	0.0%	0.0%

Source: JF Capital Projections

DRAFT North Castle Hotel Model

Sensitivities - Equity Multiple - Limited Service

(\$ in thousands)

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
10.00%	0.3x	0.0x	-0.2x
9.00%	0.5x	0.2x	-0.1x
8.00%	0.8x	0.5x	0.2x

Leveraged Equity Multiple Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
12.0%	0.7x	0.6x	0.6x
11.0%	0.7x	0.6x	0.6x
10.0%	0.6x	0.6x	0.5x

Leveraged Equity Multiple Sensitivity			
Change in ADR	Land Subsidy		
	0	5,000	10,000
\$0	0.5x	0.9x	1.2x
10	0.7x	1.0x	1.4x
20	0.8x	1.2x	1.5x

Leveraged Equity Multiple Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
10.00%	0.3x	0.2x	0.1x
9.00%	0.5x	0.4x	0.3x
8.00%	0.8x	0.7x	0.5x

Leveraged Equity Multiple Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	0.8x	0.6x	0.4x
55%	0.7x	0.5x	0.3x
60%	0.7x	0.4x	0.1x

Leveraged Equity Multiple Sensitivity			
Change in Dev. Cost	Land Subsidy		
	0	5,000	10,000
\$0	0.5x	0.9x	1.2x
4,000	0.2x	0.5x	0.8x
8,000	-0.1x	0.2x	0.5x

Source: JF Capital Projections

DRAFT North Castle Hotel Model

Sensitivities - Total Profit - Limited Service

(\$ in thousands)

Leveraged Total Profit Sensitivity			
Exit Cap Rate	NOI Performance		
	100%	90.0%	80.0%
10.00%	(\$9,516)	(\$13,394)	(\$17,273)
9.00%	(6,538)	(10,715)	(14,891)
8.00%	(2,817)	(7,365)	(11,914)

Leveraged Total Profit Sensitivity			
Refi Debt Yield	Refi Year		
	Year 2	Year 3	Year 4
12.0%	(\$4,487)	(\$5,423)	(\$6,127)
11.0%	(4,781)	(5,641)	(6,248)
10.0%	(5,133)	(5,904)	(6,394)

Leveraged Total Profit Sensitivity			
Change in ADR	Land Subsidy		
	0	5,000	10,000
\$0	(\$6,538)	(\$1,538)	\$3,462
10	(4,671)	329	5,329
20	(2,804)	2,196	7,196

Leveraged Total Profit Sensitivity			
Exit Cap Rate	Additional Development Cost		
	\$0	\$1,500	\$3,000
10.00%	(\$9,516)	(\$11,723)	(\$13,930)
9.00%	(6,538)	(8,763)	(10,988)
8.00%	(2,817)	(5,064)	(7,311)

Leveraged Total Profit Sensitivity			
Senior Loan LTV	NOI Performance		
	100%	90.0%	80.0%
50%	(\$3,575)	(\$7,762)	(\$11,949)
55%	(4,551)	(8,735)	(12,919)
60%	(5,539)	(9,719)	(13,899)

Leveraged Total Profit Sensitivity			
Change in Dev. Cost	Land Subsidy		
	0	5,000	10,000
\$0	(\$6,538)	(\$1,538)	\$3,462
4,000	(12,472)	(7,472)	(2,472)
8,000	(18,405)	(13,405)	(8,405)

Source: JF Capital Projections

Pro Forma - Limited Service

(\$ in thousands)

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Number of Rooms	145		145		145		145		145		
Occupancy	62.0%		68.0%		72.0%		74.0%		74.0%		4.5%
Growth (% pts)			6.0%		4.0%		2.0%		0.0%		
ADR	\$165.00		\$174.90		\$183.65		\$189.15		\$192.94		4.0%
Growth			6.0%		5.0%		3.0%		2.0%		
RevPAR	\$102.30		\$118.93		\$132.22		\$139.97		\$142.77		8.7%
Growth			16.3%		11.2%		5.9%		2.0%		
Days Open	365		365		365		365		365		
Rooms Available	52,925		52,925		52,925		52,925		52,925		
Rooms Occupied	32,814		35,989		38,106		39,165		39,165		
Revenues	\$	%	\$	%	\$	%	\$	%	\$	%	
Rooms	5,414	72.2%	6,294	73.4%	6,998	74.3%	7,408	74.6%	7,556	74.3%	8.7%
Food & Beverage	1,715	22.8%	1,852	21.6%	1,954	20.7%	2,030	20.4%	2,109	20.7%	5.3%
Other	375	5.0%	429	5.0%	471	5.0%	497	5.0%	509	5.0%	7.9%
Total Revenue	\$7,504	100.0%	\$8,575	100.0%	\$9,423	100.0%	\$9,935	100.0%	\$10,174	100.0%	7.9%
Distributed Expenses											
Rooms	1,354	25.0%	1,448	23.0%	1,540	22.0%	1,556	21.0%	1,587	21.0%	4.1%
Food & Beverage	1,483	86.5%	1,569	84.7%	1,631	83.4%	1,695	83.5%	1,762	83.5%	10.7%
Other	188	50.0%	214	50.0%	236	50.0%	248	50.0%	254	50.0%	0.0%
Total Distributed Exp.	\$3,024	40.3%	\$3,231	37.7%	\$3,406	36.1%	\$3,499	35.2%	\$3,603	35.4%	4.5%
Distributed Profit											
Rooms	4,061	75.0%	4,847	77.0%	5,458	78.0%	5,852	79.0%	5,969	79.0%	10.1%
Food & Beverage	231	13.5%	282	15.3%	323	16.6%	335	16.5%	348	16.5%	10.7%
Other Operated Departments	188	50.0%	214	50.0%	236	50.0%	248	50.0%	254	50.0%	7.9%
Operating Income	\$4,480	59.7%	\$5,344	62.3%	\$6,017	63.9%	\$6,436	64.8%	\$6,571	64.6%	10.1%
Undistributed Expenses											
A&G	600	8.0%	665	7.8%	707	7.5%	745	7.5%	763	7.5%	6.2%
Telecommunications	75	1.0%	86	1.0%	94	1.0%	99	1.0%	102	1.0%	7.9%
Sales and Marketing	450	6.0%	472	5.5%	518	5.5%	546	5.5%	560	5.5%	5.6%
Repairs	300	4.0%	343	4.0%	377	4.0%	397	4.0%	407	4.0%	7.9%
Energy	225	3.0%	257	3.0%	283	3.0%	298	3.0%	305	3.0%	7.9%
Total Undistributed Exp.	\$1,651	22.0%	\$1,822	21.3%	\$1,979	21.0%	\$2,086	21.0%	\$2,137	21.0%	6.7%
GOP	\$2,829	37.7%	\$3,521	41.1%	\$4,039	42.9%	\$4,350	43.8%	\$4,435	43.6%	11.9%
Management Fee	225	3.0%	300	3.5%	377	4.0%	397	4.0%	407	4.0%	16.0%
Franchise Fee ⁽¹⁾	162	2.2%	252	2.9%	350	3.7%	370	3.7%	378	3.7%	0.0%
Fixed Expenses											
Rent	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N/A
Property Taxes ⁽²⁾	362	4.8%	372	4.3%	384	4.1%	395	4.0%	407	4.0%	3.0%
Insurance	75	1.0%	86	1.0%	94	1.0%	99	1.0%	102	1.0%	7.9%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total Fixed Expenses	\$437	5.8%	\$458	5.3%	\$478	5.1%	\$494	5.0%	\$509	5.0%	3.9%
EBITDA	\$2,005	26.7%	\$2,511	29.3%	\$2,834	30.1%	\$3,087	31.1%	\$3,141	30.9%	11.9%
FF&E Reserve	150	2.0%	257	3.0%	377	4.0%	397	4.0%	407	4.0%	28.3%
NOI	\$1,855	24.7%	\$2,254	26.3%	\$2,457	26.1%	\$2,690	27.1%	\$2,734	26.9%	10.2%

Source: JF Capital Projections

(2) Total property taxes paid are calculated as 2.25% of the appraised value which is assumed to be 40% of the Total Value of \$40,174,760 or \$16,069,904. Total Property taxes are growing at 3% per year in Years 2-5.

Pro Forma Per Occupied Room (POR) - Limited Service

(\$ in thousands except POR figures)

	Forecast										4 Year CAGR
	Year 1		Year 2		Year 3		Year 4		Year 5		
Number of Rooms	145		145		145		145		145		
Occupancy	62.0%		68.0%		72.0%		74.0%		74.0%		4.5%
Growth (% pts)			6.0%		4.0%		2.0%		0.0%		
ADR	\$165.00		\$174.90		\$183.65		\$189.15		\$192.94		4.0%
Growth			6.0%		5.0%		3.0%		2.0%		
RevPAR	\$102.30		\$118.93		\$132.22		\$139.97		\$142.77		8.7%
Growth			16.3%		11.2%		5.9%		2.0%		
Days Open	365		365		365		365		365		
Rooms Available	52,925		52,925		52,925		52,925		52,925		
Rooms Occupied	32,814		35,989		38,106		39,165		39,165		
Revenues	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	Total \$	\$ POR	
Rooms	5,414	165	6,294	175	6,998	184	7,408	189	7,556	193	8.7%
Food & Beverage	1,715	52	1,852	51	1,954	51	2,030	52	2,109	54	5.3%
Other	375	11	429	12	471	12	497	13	509	13	0.0%
Total Revenue	\$7,504	\$229	\$8,575	\$238	\$9,423	\$247	\$9,935	\$254	\$10,174	\$260	7.9%
Distributed Expenses											
Rooms	1,354	41	1,448	40	1,540	40	1,556	40	1,587	41	4.1%
Food & Beverage	1,483	45	1,569	44	1,631	43	1,695	43	1,762	45	4.4%
Other	188	6	214	6	236	6	248	6	254	6	0.0%
Total Distributed Exp.	\$3,024	\$92	\$3,231	\$90	\$3,406	\$89	\$3,499	\$89	\$3,603	\$92	4.5%
Distributed Profit											
Rooms	4,061	124	4,847	135	5,458	143	5,852	149	5,969	152	10.1%
Food & Beverage	231	7	282	8	323	8	335	9	348	9	10.7%
Other Operated Departments	188	6	214	6	236	6	248	6	254	6	0.0%
Operating Income	\$4,480	\$137	\$5,344	\$148	\$6,017	\$158	\$6,436	\$164	\$6,571	\$168	10.1%
Undistributed Expenses											
A&G	600	18	665	18	707	19	745	19	763	19	6.2%
Telecommunications	75	2	86	2	94	2	99	3	102	3	7.9%
Sales and Marketing	450	14	472	13	518	14	546	14	560	14	5.6%
Repairs	300	9	343	10	377	10	397	10	407	10	7.9%
Energy	225	7	257	7	283	7	298	8	305	8	7.9%
Total Undistributed Exp.	\$1,651	\$50	\$1,822	\$51	\$1,979	\$52	\$2,086	\$53	\$2,137	\$55	6.7%
GOP	\$2,829	\$86	\$3,521	\$98	\$4,039	\$106	\$4,350	\$111	\$4,435	\$113	11.9%
Management Fee	225	7	300	8	377	10	397	10	407	10	16.0%
Franchise Fee	162	5	252	7	350	9	370	9	378	10	23.5%
Fixed Expenses											
Rent	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Property Taxes	362	11	372	10	384	10	395	10	407	10	3.0%
Insurance	75	2	86	2	94	2	99	3	102	3	7.9%
Other	0	0	0	0	0	0	0	0	0	0	0.0%
Total Fixed Expenses	\$437	\$13	\$458	\$13	\$478	\$13	\$494	\$13	\$509	\$13	3.9%
EBITDA	\$2,005	\$61	\$2,511	\$70	\$2,834	\$74	\$3,087	\$79	\$3,141	\$80	11.9%
FF&E Reserve	150	5	257	7	377	10	397	10	407	10	28.3%
NOI	\$1,855	\$57	\$2,254	\$63	\$2,457	\$64	\$2,690	\$69	\$2,734	\$70	10.2%

Source: JF Capital projections

DRAFT North Castle Hotel Model**Comp Set Overview - Limited Service**

- For the North Castle Hotel "Limited Service" Competitive Set, occupancy has averaged 78.7% with an average ADR of \$149.
 - Peak Occupancy on a TTM basis was in January 2016 at 81.3% with a corresponding ADR of \$155.
 - The latest TTM occupancy as of September 2017 was 77.1% at an ADR of \$152.
 - Tuesday and Wednesday have the highest occupancies at 87.3% and 86.6% with ADRs of \$168 and \$166.
 - Saturday occupancy is also very high at 82.7% at a \$147 ADR.
 - The weakest occupancy is Sunday at 61.3% at a \$145 ADR
 - Overall ADRs are not very variable, ranging from \$143 on Friday to \$168 on Tuesday.
 - Only 2 months of the year, January and February are below 70% and only 3 months of the year (December to February) have ADRs below \$140.
 - The competitive set consists of 6 hotels with 879 rooms.
-

DRAFT North Castle Hotel Model

Comp Set Overview - Limited Service

The competitive set comprises 6 hotels with an average key count of 147 rooms

Hotel	Street Address	Rooms	Opening Date	Meeting Space
Hampton Inn White Plains Tarrytown	200 W Main St, Elmsford, NY 10523	156	Jun 1957	2,815
Courtyard Rye	631 Midland Ave, Rye, NY 10580	145	Mar 1988	1,308
Springhill Suites Tarrytown Greenburgh	480 White Plains Rd, Tarrytown, NY 10591	145	Feb 2004	350
Courtyard Tarrytown Westchester County	475 White Plains Rd, Tarrytown, NY 10591	139	Jan 1988	1,196
Residence Inn White Plains Westchester County	5 Barker Ave, White Plains, NY 10601	134	Jun 1982	280
Hyatt House White Plains	101 Corporate Park Dr, White Plains, NY 10604	159	Jan 2000	1,288

	2011	2012	2013	2014	2015	2016	TTM 9/2017	Year 1	Year 2	Year 3	Year 4	Year 5
STR Comp Set												
Occupancy	77.1%	79.2%	79.4%	78.3%	81.2%	77.2%	77.1%	76.9%	77.7%	78.3%	78.2%	78.6%
Growth		2.7%	0.3%	-1.4%	3.7%	-4.9%	-0.1%	-0.2%	1.0%	0.7%	-0.1%	0.5%
ADR	\$137.73	\$141.81	\$149.85	\$152.54	\$154.47	\$156.86	\$151.60	\$150.08	\$149.33	\$151.42	\$154.30	\$155.84
Growth		3.0%	5.7%	1.8%	1.3%	1.5%	-3.4%	-1.0%	-0.5%	1.4%	1.9%	1.0%
RevPAR	\$106.19	\$112.31	\$119.00	\$119.44	\$125.42	\$121.11	\$116.88	\$115.48	\$116.05	\$118.50	\$120.63	\$122.45
Growth		5.8%	5.9%	0.4%	5.0%	-3.4%	-3.5%	-1.2%	0.5%	2.1%	1.8%	1.5%
North Castle Hotel Projections - Limited Service												
Occupancy								62.0%	68.0%	72.0%	74.0%	74.0%
ADR								\$165.00	\$174.90	\$183.65	\$189.15	\$192.94
Growth									6.0%	5.0%	3.0%	2.0%
RevPAR								\$102.30	\$118.93	\$132.22	\$139.97	\$142.77
Growth									7.0%	6.0%	5.0%	3.0%
Penetration Index												
Occupancy								80.6%	87.5%	92.0%	94.7%	94.2%
ADR								109.9%	117.1%	121.3%	122.6%	123.8%
RevPAR								88.6%	102.5%	111.6%	116.0%	116.6%

Source: STR as of November 8th, 2017

Occ & ADR are growing at JF Capital market estimates for Years 1 through 5 (based on CBRE Hotel Horizons February 2018 estimates for New York State)

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service

(\$ in actuals)

- The following analysis shows both the size of F&B offerings, as well as potential F&B revenues as the hotel generates higher occupancy:

	Square Footage	# Seats	SF / Seat	Notes
Restaurant (First Floor)	1,800	70	26	
Coffee Bar / Bar (First Floor)	1,000	30	33	
Rooftop Bar & Lounge	0	0	N/A	
Ground Floor Lounge	2,000	80	25	
Junior Ballroom	0	0	N/A	
Meeting Room	1,500	60	25	
Boardroom	300	10	30	
TOTAL	6,600	250	26	

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Guest Rooms	145	145	145	145	145
Occupancy	60.0%	65.0%	69.0%	71.0%	73.0%
Occupied Rooms/Day	87	94	100	103	106
Guests/Room	1.5	1.5	1.5	1.5	1.5
Hotel Guests/Day	131	141	150	154	159
Total F&B Revenue	\$1,714,502	\$1,851,625	\$1,953,928	\$2,030,242	\$2,109,377
<i>Growth</i>		8.0%	5.5%	3.9%	3.9%
<i>Total F&B Revenue per SF</i>	\$260	\$281	\$296	\$308	\$320
<i>Total F&B Revenue per Seat</i>	6,858	7,406	7,816	8,121	8,438
Total F&B EBITDA	\$231,418	\$282,406	\$323,388	\$335,242	\$347,516
<i>Growth</i>		22.0%	14.5%	3.7%	3.7%
<i>Margin</i>	13.5%	15.3%	16.6%	16.5%	16.5%
<i>Total F&B EBITDA per SF</i>	\$35	\$43	\$49	\$51	\$53
<i>Total F&B EBITDA per Seat</i>	926	1,130	1,294	1,341	1,390

Source: Illustrative Projections; subject to build out costs, final program, and operator chosen

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant (First Floor) - (1,800 SF and 70 Seats)					
Breakfast Capture (% of Guests)	0.0%	0.0%	0.0%	0.0%	0.0%
Breakfast Covers per Day (Guests)	0	0	0	0	0
Breakfast Covers per Day (Non-Guests)	0	0	0	0	0
Breakfast Revenue per Cover 3.0%	\$0	\$0	\$0	\$0	\$0
Breakfast Revenue Subtotal	\$0	\$0	\$0	\$0	\$0
Breakfast Revenue per Seat	0	0	0	0	0
Breakfast Revenue per SF	0	0	0	0	0
Lunch Capture (% of Guests)	15.0%	15.0%	15.0%	15.0%	15.0%
Lunch Covers per Day (Guests)	20	21	23	23	24
Lunch Covers per Day (Non-Guests)	20	20	20	20	20
Lunch Revenue per Cover 3.0%	\$14	\$14	\$15	\$15	\$16
Lunch Revenue Subtotal	\$202,228	\$216,881	\$230,462	\$241,019	\$252,003
Lunch Revenue per Seat	2,889	3,098	3,292	3,443	3,600
Lunch Revenue per SF	112	120	128	134	140
Dinner Capture (% of Guests)	17.5%	17.5%	17.5%	17.5%	17.5%
Dinner Covers per Day (Guests)	23	25	26	27	28
Dinner Covers per Day (Non-Guests)	20	20	20	20	20
Dinner Revenue per Cover 3.0%	\$18	\$19	\$19	\$20	\$20
Dinner Revenue Subtotal	\$281,442	\$302,764	\$322,459	\$337,598	\$353,355
Dinner Revenue per Seat	4,021	4,325	4,607	4,823	5,048
Dinner Revenue per SF	156	168	179	188	196
Total Restaurant Revenue	\$483,671	\$519,645	\$552,921	\$578,617	\$605,358
EBITDA Margin	1%	2%	3%	3%	3%
Total Restaurant EBITDA	\$4,837	\$10,393	\$16,588	\$17,359	\$18,161

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service

(\$ in actuals)

Coffee Bar / Bar (First Floor) - (1,000 SF & 30 Seats)	Year 1	Year 2	Year 3	Year 4	Year 5
Breakfast Capture (% of Guests)	10.0%	10.0%	10.0%	10.0%	10.0%
Breakfast Covers per Day (Guests)	13	14	15	15	16
Breakfast Covers per Day (Non-Guests)	10	12	14	14	14
Breakfast Revenue per Cover 3.0%	\$6	\$6	\$6	\$7	\$7
Breakfast Revenue Subtotal	\$50,480	\$58,958	\$67,395	\$70,458	\$73,644
Breakfast Revenue per Seat	721	842	963	1,007	1,052
Breakfast Revenue per SF	28	33	37	39	41
Lunch Capture (% of Guests)	2.5%	2.5%	2.5%	2.5%	2.5%
Lunch Covers per Day (Guests)	3	4	4	4	4
Lunch Covers per Day (Non-Guests)	20	23	25	25	25
Lunch Revenue per Cover 3.0%	\$10	\$10	\$11	\$11	\$11
Lunch Revenue Subtotal	\$84,908	\$99,756	\$111,335	\$115,109	\$119,009
Lunch Revenue per Seat	1,213	1,425	1,591	1,644	1,700
Lunch Revenue per SF	47	55	62	64	66
Dinner Capture (% of Guests)	5.0%	5.0%	5.0%	5.0%	5.0%
Dinner Covers per Day (Guests)	7	7	8	8	8
Dinner Covers per Day (Non-Guests)	20	20	20	20	20
Dinner Revenue per Cover 3.0%	\$12	\$12	\$13	\$13	\$14
Dinner Revenue Subtotal	\$116,180	\$122,118	\$127,803	\$132,678	\$137,730
Dinner Revenue per Seat	1,660	1,745	1,826	1,895	1,968
Dinner Revenue per SF	65	68	71	74	77
Total Coffee Bar / Bar Revenue	\$251,567	\$280,832	\$306,533	\$318,245	\$330,384
EBITDA Margin	20%	22%	24%	24%	24%
Total Restaurant EBITDA	\$50,313	\$61,783	\$73,568	\$76,379	\$79,292

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service		(\$ in actuals)				
		Year 1	Year 2	Year 3	Year 4	Year 5
Rooftop Bar & Lounge						
Capture (% of Guests)		0.0%	0.0%	0.0%	0.0%	0.0%
Covers per Day (Guests)		0	0	0	0	0
Covers per Day (Non-Guests)		0	0	0	0	0
Revenue per Cover	3.0%	\$0	\$0	\$0	\$0	\$0
Total Revenue		\$0	\$0	\$0	\$0	\$0
Revenue per Seat		N/A	N/A	N/A	N/A	N/A
Revenue per SF		N/A	N/A	N/A	N/A	N/A
EBITDA Margin		0%	0%	0%	0%	0%
Total EBITDA		\$0	\$0	\$0	\$0	\$0

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service		(\$ in actuals)				
		Year 1	Year 2	Year 3	Year 4	Year 5
Ground Floor Lounge - (2,000 SF & 80 Seats)						
Lunch Capture (% of Guests)		10.0%	10.0%	10.0%	10.0%	10.0%
Lunch Covers per Day (Guests)		13	14	15	15	16
Lunch Covers per Day (Non-Guests)		30	35	35	35	35
Lunch Revenue per Cover	3.0%	\$15	\$15	\$16	\$16	\$17
Lunch Revenue Subtotal		\$235,699	\$277,099	\$290,465	\$301,781	\$313,515
Lunch Revenue per Seat		3,367	3,959	4,149	4,311	4,479
Lunch Revenue per SF		131	154	161	168	174
Dinner Capture (% of Guests)		10.0%	10.0%	10.0%	10.0%	10.0%
Dinner Covers per Day (Guests)		13	14	15	15	16
Dinner Covers per Day (Non-Guests)		45	45	45	45	45
Dinner Revenue per Cover	3.0%	\$20	\$21	\$21	\$22	\$23
Dinner Revenue Subtotal		\$423,765	\$444,655	\$464,732	\$482,144	\$500,183
Dinner Revenue per Seat		6,054	6,352	6,639	6,888	7,145
Dinner Revenue per SF		235	247	258	268	278
Late Night Capture (% of Guests)		0.0%	0.0%	0.0%	0.0%	0.0%
Late Night Covers per Day (Guests)		0	0	0	0	0
Late Night Covers per Day (Non-Guests)		0	0	0	0	0
Late Night Revenue per Cover	3.0%	\$0	\$0	\$0	\$0	\$0
Late Night Revenue Subtotal		\$0	\$0	\$0	\$0	\$0
Late Night Revenue per Seat		0	0	0	0	0
Late Night Revenue per SF		0	0	0	0	0
Total Ground Floor Lounge Revenue		\$659,464	\$721,754	\$755,197	\$783,926	\$813,698
EBITDA Margin		18%	20%	21%	21%	21%
Total EBITDA		\$118,703	\$144,351	\$158,591	\$164,624	\$170,877

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service

(\$ in actuals)

	Year 1	Year 2	Year 3	Year 4	Year 5
Junior Ballroom - (0 SF & 0 Seats)					
Events Per Week	0.0	0.0	0.0	0.0	0.0
Number of Attendees	0	0	0	0	0
Revenue per Attendee	3.0%	\$0	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	\$0	\$0
Revenue per Seat	N/A	N/A	N/A	N/A	N/A
Revenue per SF	N/A	N/A	N/A	N/A	N/A
EBITDA Margin	0%	0%	0%	0%	0%
Total EBITDA	\$0	\$0	\$0	\$0	\$0
Meeting Room - (1,500 SF & 60 Seats)					
Events Per Week	2.0	2.0	2.0	2.0	2.0
Number of Attendees	40	40	40	40	40
Revenue per Attendee	3.0%	\$60	\$62	\$66	\$68
Total Revenue	\$249,600	\$257,088	\$264,801	\$272,745	\$280,927
Revenue per Seat	4,160	4,285	4,413	4,546	4,682
Revenue per SF	3	3	3	3	3
EBITDA Margin	18%	20%	22%	22%	22%
Total EBITDA	\$44,928	\$51,418	\$58,256	\$60,004	\$61,804
Boardroom - (300 SF & 10 Seats)					
Events Per Week	3.0	3.0	3.0	3.0	3.0
Number of Attendees	10	10	10	10	10
Revenue per Attendee	3.0%	\$45	\$48	\$49	\$51
Total Revenue	\$70,200	\$72,306	\$74,475	\$76,709	\$79,011
Revenue per Seat	7,020	7,231	7,448	7,671	7,901
Revenue per SF	234	241	248	256	263
EBITDA Margin	18%	20%	22%	22%	22%
Total EBITDA	\$12,636	\$14,461	\$16,385	\$16,876	\$17,382

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service

(\$ in actuals)

F&B Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Restaurant (First Floor)	\$483,671	\$519,645	\$552,921	\$578,617	\$605,358
Coffee Bar / Bar (First Floor)	251,567	280,832	306,533	318,245	330,384
Rooftop Bar & Lounge	0	0	0	0	0
Ground Floor Lounge	659,464	721,754	755,197	783,926	813,698
Junior Ballroom	0	0	0	0	0
Meeting Room	249,600	257,088	264,801	272,745	280,927
Boardroom	70,200	72,306	74,475	76,709	79,011
Total Revenue	\$1,714,502	\$1,851,625	\$1,953,928	\$2,030,242	\$2,109,377
EBITDA					
Restaurant (First Floor)	\$4,837	\$10,393	\$16,588	\$17,359	\$18,161
Coffee Bar / Bar (First Floor)	50,313	61,783	73,568	76,379	79,292
Rooftop Bar & Lounge	0	0	0	0	0
Ground Floor Lounge	118,703	144,351	158,591	164,624	170,877
Junior Ballroom	0	0	0	0	0
Meeting Room	44,928	51,418	58,256	60,004	61,804
Boardroom	12,636	14,461	16,385	16,876	17,382
Total EBITDA	\$231,418	\$282,406	\$323,388	\$335,242	\$347,516
<i>Margin</i>	<i>13.5%</i>	<i>15.3%</i>	<i>16.6%</i>	<i>16.5%</i>	<i>16.5%</i>

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service						(\$ in actuals)
Per SF	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue Per SF						
Restaurant (First Floor)	\$269	\$289	\$307	\$321	\$336	
Coffee Bar / Bar (First Floor)	252	281	307	318	330	
Rooftop Bar & Lounge	N/A	N/A	N/A	N/A	N/A	
Ground Floor Lounge	330	361	378	392	407	
Junior Ballroom	N/A	N/A	N/A	N/A	N/A	
Meeting Room	166	171	177	182	187	
Boardroom	234	241	248	256	263	
Total Revenue Per SF	\$260	\$281	\$296	\$308	\$320	
EBITDA Per SF						
Restaurant (First Floor)	\$3	\$6	\$9	\$10	\$10	
Coffee Bar / Bar (First Floor)	50	62	74	76	79	
Rooftop Bar & Lounge	N/A	N/A	N/A	N/A	N/A	
Ground Floor Lounge	59	72	79	82	85	
Junior Ballroom	N/A	N/A	N/A	N/A	N/A	
Meeting Room	30	34	39	40	41	
Boardroom	42	48	55	56	58	
Total EBITDA Per SF	\$35	\$43	\$49	\$51	\$53	

DRAFT North Castle Hotel Model

Potential F&B Revenues - Limited Service

(\$ in actuals)

Per Seat	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Per Seat					
Restaurant (First Floor)	\$6,910	\$7,424	\$7,899	\$8,266	\$8,648
Coffee Bar / Bar (First Floor)	8,386	9,361	10,218	10,608	11,013
Rooftop Bar & Lounge	N/A	N/A	N/A	N/A	N/A
Ground Floor Lounge	8,243	9,022	9,440	9,799	10,171
Junior Ballroom	N/A	N/A	N/A	N/A	N/A
Meeting Room	4,160	4,285	4,413	4,546	4,682
Boardroom	7,020	7,231	7,448	7,671	7,901
Total Revenue Per Seat	\$6,858	\$7,406	\$7,816	\$8,121	\$8,438
EBITDA Per Seat					
Restaurant (First Floor)	\$69	\$148	\$237	\$248	\$259
Coffee Bar / Bar (First Floor)	1,677	2,059	2,452	2,546	2,643
Rooftop Bar & Lounge	N/A	N/A	N/A	N/A	N/A
Ground Floor Lounge	1,484	1,804	1,982	2,058	2,136
Junior Ballroom	N/A	N/A	N/A	N/A	N/A
Meeting Room	749	857	971	1,000	1,030
Boardroom	1,264	1,446	1,638	1,688	1,738
Total EBITDA Per Seat	\$926	\$1,130	\$1,294	\$1,341	\$1,390
Margins					
	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant (First Floor)	1.0%	2.0%	3.0%	3.0%	3.0%
Coffee Bar / Bar (First Floor)	20.0%	22.0%	24.0%	24.0%	24.0%
Rooftop Bar & Lounge	0.0%	0.0%	0.0%	0.0%	0.0%
Ground Floor Lounge	18.0%	20.0%	21.0%	21.0%	21.0%
Junior Ballroom	0.0%	0.0%	0.0%	0.0%	0.0%
Meeting Room	18.0%	20.0%	22.0%	22.0%	22.0%
Boardroom	18.0%	20.0%	22.0%	22.0%	22.0%
Total Margins	13.5%	15.3%	16.6%	16.5%	16.5%

FTE Analysis - Limited Service

The following provides a build up by department for the hotel FTEs

Department	FTEs
Rooms ⁽¹⁾	12
Food & Beverage	10
Admin & General	7
Sales and Marketing	6
Repair and Maintenance	6
Parking/Valet	3
Other	3
Total Hotel	47

(1) Assumes 30 minutes of housekeeping per room, for 145 rooms, at a Year 5 Occupancy of 74.0%

DRAFT North Castle Hotel Model

Departmental Profit Breakdown - Limited Service

(\$ in thousands, except per key amounts)

The following overview allocates the undistributed and fixed expenses to each of the revenue sources (based on the revenue as a percent of the total), in order to calculate a net profit margin for the Rooms, F&B and Other Operating

The Undistributed Expenses and Fixed Expenses are either distributed on a proportional square foot basis or a % of Total Revenue.

	Year 1 Total			Rooms			F&B			Other Operating Dept.		
Allocations												
Square Feet	80,000		100.0%	67,400		84.3%	6,600		8.3%	6,000		7.5%
Total Revenue	\$7,504		100.0%	\$5,414		72.2%	\$1,715		22.8%	\$375		5.0%
Revenues	\$	%	Alloc.	\$	%	Alloc.	\$	%	Alloc.	\$	%	Alloc.
Rooms	\$5,414	72.2%		\$5,414	100.0%							
Food & Beverage	1,715	22.8%					\$1,715	100.0%				
Total Other Operating Dept.	375	5.0%								\$375	100.0%	
Total Revenue	\$7,504	100.0%		\$5,414	100.0%		\$1,715	100.0%		\$375	100.0%	
<i>Revenue Growth</i>												
Distributed Expenses												
Rooms	\$1,354	25.0%		\$1,354	25.0%							
Food & Beverage	1,483	86.5%					\$1,483	86.5%				
Total Other Operating Dept.	188	50.0%								\$188	50.0%	
Total Dist. Expenses	\$3,024	40.3%		\$1,354	25.0%		\$1,483	86.5%		\$188	50.0%	
<i>Expense Growth</i>												
Distributed Profit												
Rooms	\$4,061	75.0%		\$4,061	75.0%							
Food & Beverage	231	13.5%					\$231	13.5%				
Total Other Oper. Dept.	188	50.0%								\$188	50.0%	
Operating Income	\$4,480	59.7%		\$4,061	75.0%		\$231	13.5%		\$188	50.0%	
Undist. Expenses												
A&G	\$600	8.0%	100.0%	\$433	8.0%	72.2%	\$137	8.0%	22.8%	\$30	8.0%	5.0%
Telecommunications	75	1.0%	100.0%	54	1.0%	72.2%	17	1.0%	22.8%	4	1.0%	5.0%
Sales and Marketing	450	6.0%	100.0%	325	6.0%	72.2%	103	6.0%	22.8%	23	6.0%	5.0%
Repairs	300	4.0%	100.0%	253	4.7%	84.3%	25	1.4%	8.3%	23	6.0%	7.5%
Energy	225	3.0%	110.0%	203	3.7%	90.0%	45	2.6%	20.0%	0	0.0%	0.0%
Total Undist. Exp.	\$1,651	22.0%	101.4%	\$1,268	23.4%	76.8%	\$327	19.1%	19.8%	\$79	21.0%	4.8%
GOP	\$2,829	37.7%	99.2%	\$2,793	51.6%	98.7%	(\$96)	-5.6%	-3.4%	\$109	29.0%	3.8%
Management Fee	225	3.0%	100.0%	162	3.0%	72.2%	51	3.0%	22.8%	11	3.0%	5.0%
Franchise Fee	162	2.2%	100.0%	162	3.0%	100.0%	0	0.0%	0.0%	0	0.0%	0.0%
Fixed Expenses												
Rent	0	0.0%	100.0%	0	0.0%	84.3%	0	0.0%	8.3%	0	0.0%	7.5%
Property Taxes(2)	362	4.8%	100.0%	305	5.6%	84.3%	30	1.7%	8.3%	27	7.2%	7.5%
Insurance	75	1.0%	100.0%	63	1.2%	84.3%	6	0.4%	8.3%	6	1.5%	7.5%
Other	0	0.0%	100.0%	0	0.0%	72.2%	0	0.0%	22.8%	0	0.0%	5.0%
Total Fixed Expenses	\$437	5.8%	100.0%	\$368	6.8%	84.3%	\$36	2.1%	8.3%	\$33	8.7%	7.5%
EBITDA	\$2,005	26.7%	98.9%	\$2,100	38.8%	104.8%	(\$183)	-10.7%	-9.1%	\$65	17.3%	3.2%
FF&E Reserve	235	3.1%	100.0%	169	3.1%	72.2%	54	3.1%	22.8%	12	3.1%	5.0%
NOI	\$1,770	23.6%	98.7%	\$1,931	35.7%	109.1%	(\$237)	-13.8%	-13.4%	\$53	14.1%	3.0%

DRAFT North Castle Hotel Model

Construction Cost Build-Up - Hotel - Limited Service

(\$ in thousands, except per key and per SF amounts)

Keys	145				
Total SF	80,000				
		Total	Per Key	Per SF	% of Total
Land Costs					
Allocation of Land Cost		\$0	\$0	\$0	0.0%
Other		0	0	0	0.0%
Total Land Costs		\$0	\$0	\$0	0.0%
Hard Costs					
Construction Cost		\$24,000	\$165,517	\$300	95.2%
Contingency	5.0%	1,200	8,276	15	4.8%
Total Hard Costs		\$25,200	\$173,793	\$315	62.7%
Soft Costs and Other					
Designer		550	3,793	7	1.4%
A&E Fees, Design Consultants		1,500	10,345	19	3.7%
Consultants		75	517	1	0.2%
Geo / SOE		60	414	1	0.1%
Engineering		65	448	1	0.2%
Expeditor		80	552	1	0.2%
Insurance		650	4,483	8	1.6%
Real Estate Taxes		250	1,724	3	0.6%
Legal		150	1,034	2	0.4%
Borrower Legal		150	1,034	2	0.4%
Owner's Rep		90	621	1	0.2%
Operating Expenses		120	828	2	0.3%
Miscellaneous		125	862	2	0.3%
Franchise Application Fee		100	690	1	0.2%
Pre-Opening		950	6,552	12	2.4%
Pool/Fitness Club FF&E		0	0	0	0.0%
Hotel FF&E Public Spaces		840	5,793	11	2.1%
Hotel FF&E		2,610	18,000	33	6.5%
OS&E		1,088	7,500	14	2.7%
Pool/Fitness Club OS&E		0	0	0	0.0%
Development Fee	3.0%	756	5,214	9	1.9%
Mortgage Recording Tax ⁽¹⁾		339	2,341	4	0.8%
Interest Reserve ⁽²⁾		1,828	12,607	23	4.6%
Origination Fee ⁽³⁾		261	1,801	3	0.7%
Financing / Brokerage Fee ⁽⁴⁾		261	1,801	3	0.7%
Working Capital		290	2,000	4	0.7%
Title Insurance ⁽⁵⁾		133	917	2	0.3%
Third Party Reports		150	1,034	2	0.4%
Other Financing Costs		100	690	1	0.2%
Operator Technical Services Fee		300	2,069	4	0.7%
Brand Creation Fee		0	0	0	0.0%
Advisory Fee ⁽⁶⁾		410	2,828	5	1.0%
Contingency	5.0%	694	4,783	9	1.7%
Total Soft Costs and Other		\$14,975	\$103,274	\$187	37.3%
Total Project Cost		\$40,175	\$277,067	\$502	100.0%

Source: JF Capital illustrative internal projections

(1) Mortgage Recording Tax calculated as 1.30% of total loan balance, (2) Interest Reserve calculated as 100% of one year of interest on full loan amount, (3) Origination Fee calculated as 1.0% of loan,

(4) Financing / Brokerage Fee calculated as 100bps of loan, (5) Estimated using the Stewart Title Insurance Calculator, (6) Advisory Fee calculated as \$25 retainer for work done through December 31, 2017 + \$5 per month for 6 months + \$10 per month for 18 months + \$125 upon execution of management/operator agreement + \$50 upon execution of a franchise, license, or branding agreement

DRAFT North Castle Hotel Model

Debt Refinancing Analysis - Debt Yield - Limited Service

(\$ in thousands, except per key amounts)

The analysis below illustrates a refinancing each year at an implied debt yield of 12.0% and the refinancing excess / (shortfall) to the debt.

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Debt	\$25,837	\$25,541	\$25,225	\$24,886	\$24,524
EBITDA	2,005	2,511	2,834	3,087	3,141
FF&E Reserve	150	257	377	397	407
NOI	\$1,855	\$2,254	\$2,457	\$2,690	\$2,734
Debt Yield	7.2%	8.8%	9.7%	10.8%	11.1%
NOI	\$1,855	\$2,254	\$2,457	\$2,690	\$2,734
Assumed Debt Yield	12.0%	12.0%	12.0%	12.0%	12.0%
New Loan Proceeds	\$15,455	\$18,784	\$20,475	\$22,417	\$22,786
Fees ⁽¹⁾	(464)	(564)	(614)	(672)	(684)
Net Proceeds	\$14,991	\$18,220	\$19,861	\$21,744	\$22,102
Refinancing Excess/(Shortfall) (\$)	(\$10,846)	(\$7,321)	(\$5,364)	(\$3,142)	(\$2,422)
Refinancing Excess/(Shortfall) (%)	-42.0%	-28.7%	-21.3%	-12.6%	-9.9%
Refinancing Per Key (145 keys)	\$106,585	\$129,543	\$141,206	\$154,598	\$157,142
Implied Refinancing EBITDA Multiple	7.7x	7.5x	7.2x	7.3x	7.3x

Source: JF Capital Projections

(1) New Debt fees of 3.0% per JF Capital assumption

DRAFT North Castle Hotel Model

Debt Refinancing Analysis - Debt Constant - Limited Service

(\$ in thousands, except per key amounts)

The analysis below illustrates a refinancing each year at an implied debt constant of 7.5% and the refinancing excess / (shortfall) to the debt.

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Debt	\$25,837	\$25,541	\$25,225	\$24,886	\$24,524
EBITDA	2,005	2,511	2,834	3,087	3,141
FF&E Reserve	150	257	377	397	407
NOI	\$1,855	\$2,254	\$2,457	\$2,690	\$2,734
Debt Yield	7.2%	8.8%	9.7%	10.8%	11.1%
NOI	\$1,855	\$2,254	\$2,457	\$2,690	\$2,734
Assumed DSCR	1.4x	1.4x	1.4x	1.4x	1.4x
Assumed Debt Constant	7.5%	7.5%	7.5%	7.5%	7.5%
New Loan Proceeds	\$17,663	\$21,467	\$23,400	\$25,619	\$26,041
Fees ⁽¹⁾	(530)	(644)	(702)	(769)	(781)
Net Proceeds	\$17,133	\$20,823	\$22,698	\$24,850	\$25,259
Refinancing Excess/(Shortfall) (\$)	(\$8,704)	(\$4,718)	(\$2,527)	(\$36)	\$736
Refinancing Excess/(Shortfall) (%)	-33.7%	-18.5%	-10.0%	-0.1%	3.0%
Refinancing Per Key (145 keys)	\$121,812	\$148,050	\$161,378	\$176,683	\$179,590
Implied Refinancing EBITDA Multiple	8.8x	8.5x	8.3x	8.3x	8.3x

Source: JF Capital Projections

(1) New Debt fees of 3.0% per JF Capital assumption

APPENDIX

Comparables

Courtyard Tarrytown Greenburgh
Hampton White Plains Tarrytown
Courtyard Rye
Delamar Greenwich Harbor
Doral Arrowwood Hotel
Renaissance Westchester
J House Greenwich
La Quinta Inn & Suites Armonk



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DRAFT North Castle Hotel Model

Operating Statistics

The following shows the projected operating statistics for the proposed North Castle Hotel in the Full Service, Boutique, Limited Service, and Boutique with Apartments scenarios and the comparable hotels.

	# of Rooms	2009	2010	2011	2012	2013	2014	2015	2016	2017
Occupancy										
Full Service - Year 3 ⁽¹⁾	300	69.0%	69.0%	69.0%	69.0%	69.0%	69.0%	69.0%	69.0%	69.0%
Boutique - Year 3 ⁽¹⁾	120	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Limited Service - Year 3 ⁽¹⁾	145	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%
Boutique with Apartments- Year 3⁽²⁾	97	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
STR - Full Service	334			69.1%	70.7%	69.9%	71.7%	76.5%	73.9%	71.1%
STR - Boutique	157				58.9%	59.4%	62.5%	62.0%	63.4%	64.0%
STR - Limited Service	146			77.1%	79.2%	79.4%	78.3%	81.2%	77.2%	77.1%
Courtyard Tarrytown Greenburgh	139	58.3%	69.0%	76.2%	76.7%	66.6%	73.0%			
Hampton White Plains Tarrytown	156				76.1%	74.7%	73.8%	82.9%	77.8%	79.2%
Courtyard Rye	145		74.0%	75.0%	71.0%			73.9%		
Delamar Greenwich Harbor	82					67.1%	70.6%	71.1%	72.7%	
Doral Arrowwood Hotel	374	67.0%	67.0%	67.0%	69.0%	69.0%		67.0%	69.0%	
Renaissance Westchester	348							80.9%	76.4%	
La Quinta Inn & Suites Armonk	140						66.1%	63.4%	60.6%	59.7%

(1) Represents JF Capital Projections for Year 3

(2) Operating statistics are for the Boutique Hotel component only

DRAFT North Castle Hotel Model

Operating Statistics

The following shows the projected operating statistics for the proposed North Castle Hotel in the Full Service, Boutique, Limited Service, and Boutique with Apartments scenarios and the comparable hotels.

	# of Rooms	2009	2010	2011	2012	2013	2014	2015	2016	2017
ADR										
Full Service - Year 3 ⁽¹⁾	300	\$179.76	\$179.76	\$179.76	\$179.76	\$179.76	\$179.76	\$179.76	\$179.76	\$179.76
Boutique - Year 3 ⁽¹⁾	120	255.99	255.99	255.99	255.99	255.99	255.99	255.99	255.99	255.99
Limited Service - Year 3 ⁽¹⁾	145	183.65	183.65	183.65	183.65	183.65	183.65	183.65	183.65	183.65
Boutique with Apartments- Year 3⁽²⁾	97	269.35	269.35	269.35	269.35	269.35	269.35	269.35	269.35	269.35
STR - Full Service	334			134.76	137.27	138.87	140.51	141.08	145.54	146.30
STR - Boutique	157				216.31	218.54	220.48	217.79	202.92	206.50
STR - Limited Service	146			137.73	141.81	149.85	152.54	154.47	156.86	151.60
Courtyard Tarrytown Greenburgh	139	122.64	118.57	117.59	125.52	140.09	141.12			
Hampton White Plains Tarrytown	156				129.76	129.51	134.33	130.03	131.39	129.64
Courtyard Rye	145		135.00	135.00	147.00					
Delamar Greenwich Harbor	82					308.83	310.16	313.20	323.02	
Doral Arrowwood Hotel	374	300.02	293.66	304.29	303.37	293.78		285.37	234.20	
Renaissance Westchester	348							145.49	153.46	
La Quinta Inn & Suites Armonk	140						91.43	98.26	96.18	93.53

(1) Represents JF Capital Projections for Year 3

(2) Operating statistics are for the Boutique Hotel component only

DRAFT North Castle Hotel Model**Operating Statistics**

The following shows the projected operating statistics for the proposed North Castle Hotel in the Full Service, Boutique, Limited Service, and Boutique with Apartments scenarios and the comparable hotels.

	<u># of Rooms</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
RevPAR										
Full Service - Year 3 ⁽¹⁾	300	\$124.03	\$124.03	\$124.03	\$124.03	\$124.03	\$124.03	\$124.03	\$124.03	\$124.03
Boutique - Year 3 ⁽¹⁾	120	166.39	166.39	166.39	166.39	166.39	166.39	166.39	166.39	166.39
Limited Service - Year 3 ⁽¹⁾	145	132.22	132.22	132.22	132.22	132.22	132.22	132.22	132.22	132.22
Boutique with Apartments- Year 3⁽²⁾	97	188.54	188.54	188.54	188.54	188.54	188.54	188.54	188.54	188.54
STR - Full Service	334			93.15	97.03	97.05	100.70	107.97	107.54	104.02
STR - Boutique	157				127.38	129.77	137.83	135.00	128.73	132.16
STR - Limited Service	146			106.19	112.31	119.00	119.44	125.42	121.11	116.88
Courtyard Tarrytown Greenburgh	139	71.50	81.81	89.60	96.27	93.30	103.02			
Hampton White Plains Tarrytown	156				98.75	96.74	99.14	107.79	102.22	102.67
Courtyard Rye	145		99.90	101.25	104.37					
Delamar Greenwich Harbor	82					207.22	218.97	222.69	234.84	
Doral Arrowwood Hotel	374	201.01	196.75	203.87	209.32	202.71		191.20	161.60	
Renaissance Westchester	348							117.70	117.24	
La Quinta Inn & Suites Armonk	140						60.44	62.30	58.29	55.84

(1) Represents JF Capital Projections for Year 3

(2) Operating statistics are for the Boutique Hotel component only

Courtyard Tarrytown Greenburgh

Address:	475 White Plains Road
Keys:	139
Food and Beverage:	The Bistro - Open for breakfast and dinner
Meeting Space:	
Sleepy Hollow Room	598
Kykuit Room	598
Total Meeting Space:	1,196

	Total	Per Key
Loan	\$10,559,476	\$75,967
Mezz	2,294,320	16,506
Total	\$12,853,796	\$92,473
Appraisal	\$16,000,000	\$115,108

	2009	2010	2011	2012	2013	TTM 8/31/14
Occ	58.3%	69.0%	76.2%	76.7%	66.6%	73.0%
ADR	\$122.64	\$118.57	\$117.59	\$125.52	\$140.09	\$141.12
RevPAR	71.50	81.81	89.60	96.27	93.30	103.02
Revenue	\$3,889,723	\$4,524,818	\$4,962,679	\$5,387,455	\$5,276,659	\$5,814,381
EBITDA	828,136	867,136	869,951	1,046,799	1,091,936	1,346,622
<i>Margin</i>	<i>21.3%</i>	<i>19.2%</i>	<i>17.5%</i>	<i>19.4%</i>	<i>20.7%</i>	<i>23.2%</i>

Source: Trepp

Hampton White Plains Tarrytown

Address:	200 West Main Street
Notes:	Built in 1957, Renovated in 2016
Keys:	156
Food and Beverage:	Hotel lounge serving breakfast and selling snacks
Meeting Space:	
Elmsford Room	750
Tarrytown Room	1,015
White Plains Room	1,050
Total Meeting Space:	2,815

	<u>Total</u>	<u>Per Key</u>				
Loan	\$20,723,000	\$132,840				
Appraisal	\$25,000,000	\$160,256				
(as of 5/1/2017)						
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2015</u>	<u>TTM 4/2017</u>
Occ	76.1%	74.7%	73.8%	82.9%	77.8%	79.2%
ADR	\$129.76	\$129.51	\$134.33	\$130.03	\$131.39	\$129.64
RevPAR	98.75	96.74	99.14	107.79	102.22	102.67
Revenue	\$5,910,824	\$5,702,120	\$5,838,357	\$6,433,587	\$6,119,635	\$6,093,577
EBITDA	1,912,854	1,553,738	1,675,752	2,126,219	1,694,359	1,725,125
<i>Margin</i>	32.4%	27.2%	28.7%	33.0%	27.7%	28.3%

Source: Trepp

Courtyard Rye

Address:	631 Midland Avenue
Notes:	Built 1988, Renovated 2009
Keys:	145
Food and Beverage:	The Bistro - Open for breakfast and dinner
Meeting Space:	
Meeting Room A	654
Meeting Room B	654
Total Meeting Space:	<hr/> 1,308

	Total	Per Key	
Loan	\$7,978,480	\$55,024	
Appraisal	\$25,500,000	\$175,862	
(as of 3/1/2015)			
	2013	2014	T-12 2/28/15
Revenue	\$6,624,269	\$6,694,148	\$5,838,357
EBITDA	2,324,186	2,400,280	1,675,752
<i>Margin</i>	35.1%	35.9%	28.7%
Occupancy			73.9%

Source: Trepp

Delamar Greenwich Hotel

Address: 500 Steamboat Road, Greenwich, CT 06830**Keys:** 82**Food and Beverage:**

l'escale - French Restaurant

The Lounge - Cocktail bar

Meeting Space:

Delamar Boardroom 350

Antibes Room 1,000

Deauville Room 1,000

Total Meeting Space: 2,350

	Total	Per Key
Mortgage Loan	\$35,500,000	\$432,927
Appraisal	50,000,000	609,756

Delamar Greenwich Harbor

(\$ in thousands except ADR and RevPAR)

	Historicals							
	2013		2014		2015		TTM 10/2016	
Number of Rooms	82		82		82		82	
Occupancy	67.1%		70.6%		71.1%		72.7%	
Growth (% pts)			5.2%		0.7%		2.3%	
ADR	\$308.83		\$310.16		\$313.20		\$323.02	
Growth			0.4%		1.0%		3.1%	
RevPAR	\$207.22		\$218.97		\$222.69		\$234.84	
Growth			5.7%		1.7%		5.5%	
Days Open	365		365		365		365	
Rooms Available	29,930		29,930		29,930		29,930	
Rooms Occupied	20,083		21,131		21,280		21,759	
Revenues	\$	%	\$	%	\$	%	\$	%
Rooms	6,203	75.8%	6,550	72.7%	6,661	72.7%	7,044	72.8%
Food & Beverage	74	0.9%	72	0.8%	75	0.8%	79	0.8%
Other	1,905	23.3%	2,393	26.5%	2,423	26.5%	2,554	26.4%
Total Revenue	\$8,182	100.0%	\$9,015	100.0%	\$9,159	100.0%	\$9,677	100.0%
Distributed Expenses								
Rooms	1,716	27.7%	1,815	27.7%	1,858	27.9%	1,869	26.5%
Food & Beverage	30	40.1%	29	40.5%	29	39.2%	37	46.7%
Other	520	27.3%	847	35.4%	791	32.6%	858	33.6%
Total Distributed Expenses	\$2,265	27.7%	\$2,691	29.9%	\$2,678	29.2%	\$2,764	28.6%
Distributed Profit								
Rooms	4,487	72.3%	4,735	72.3%	4,803	72.1%	5,175	73.5%
Food & Beverage	44	59.9%	43	59.5%	46	60.8%	42	53.3%
Other	1,386	72.7%	1,546	64.6%	1,632	67.4%	1,696	66.4%
Operating Income	\$5,917	72.3%	\$6,324	70.1%	\$6,481	70.8%	\$6,913	71.4%
Undistributed Expenses								
A&G	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Sales and Marketing	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Repairs	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Energy	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Franchise Fee	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Undistributed Expenses	\$2,146	26.2%	\$2,220	24.6%	\$2,044	22.3%	\$2,216	22.9%
GOP	\$3,772	46.1%	\$4,104	45.5%	\$4,437	48.4%	\$4,696	48.5%
Management Fee	188	2.3%	206	2.3%	206	2.2%	227	2.3%
Fixed Expenses								
Property & Other Taxes	188	2.3%	186	2.1%	191	2.1%	209	2.2%
Insurance	79	1.0%	135	1.5%	138	1.5%	148	1.5%
Other	33	0.4%	23	0.3%	23	0.2%	15	0.2%
Total Fixed Expenses	\$299	3.7%	\$344	3.8%	\$351	3.8%	\$372	3.8%
EBITDA	\$3,285	40.1%	\$3,553	39.4%	\$3,880	42.4%	\$4,097	42.3%
FF&E Reserve	328	4.0%	361	4.0%	366	4.0%	380	3.9%
NOI	\$2,956	36.1%	\$3,193	35.4%	\$3,514	38.4%	\$3,717	38.4%

Source: JPMDB 2017-C5 Mortgage Loan

Doral Arrowwood Hotel

Address: 975 Anderson Hill Road, Rye Brook, NY 10573**Keys:** 374**Food and Beverage:**

Mulligans Outdoor Café - café serving lunch outdoors

The Atrium - restaurant serving breakfast, lunch, and dinner

The PUB - wine and cocktail bar

Pool Bar - poolside bar serving drinks and snacks

Meeting Space:

Westchester Wing 30,000

Executive Boardroom 1,100

Ballroom 6,500

Total Meeting Space: 37,600

	Total	Per Key
Mortgage Loan	\$75,000,000	\$200,535
Appraisal	158,000,000	422,460

Doral Arrowwood Hotel

	Historicals													
	2009		2010		2011		2012		2013		2015		2016	
Number of Rooms	374		374		374		374		374		374		374	
Occupancy	67.0%		67.0%		67.0%		69.0%		69.0%		67.0%		69.0%	
Growth			0.0%		0.0%		3.0%		0.0%		-2.9%		3.0%	
ADR	\$300.02		\$293.66		\$304.29		\$303.37		\$293.78		\$285.37		\$234.20	
Growth			-2.1%		3.6%		-0.3%		-3.2%		-2.9%		-17.9%	
RevPAR	\$201.01		\$196.75		\$203.87		\$209.32		\$202.71		\$191.20		\$161.60	
Growth			-2.1%		3.6%		2.7%		-3.2%		-5.7%		-15.5%	
Days Open	365		365		365		366		365		365		366	
Rooms Available	136,510		136,510		136,510		136,884		136,510		136,510		136,884	
Rooms Occupied	91,462		91,462		91,462		94,450		94,192		91,462		94,450	
Revenues	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Rooms	0	N/A	0	N/A	0	N/A	12,276	34.3%	13,508	39.1%	0	N/A	10,555	38.2%
Food & Beverage	0	N/A	0	N/A	0	N/A	8,110	22.6%	7,712	22.3%	0	N/A	1,572	5.7%
Telephone	0	N/A	0	N/A	0	N/A	30	0.1%	18	0.1%	0	N/A	0	N/A
Other	0	N/A	0	N/A	0	N/A	15,401	43.0%	13,352	38.6%	0	N/A	15,524	56.1%
Total Revenue	\$34,300	100.0%	\$33,573	100.0%	\$34,789	100.0%	\$35,816	100.0%	\$34,590	100.0%	\$32,626	100.0%	\$27,651	100.0%
Distributed Expenses														
Rooms	0	N/A	0	N/A	0	N/A	3,751	30.6%	3,860	28.6%	0	N/A	3,649	34.6%
Food & Beverage	0	N/A	0	N/A	0	N/A	6,646	82.0%	6,464	83.8%	0	N/A	8,773	558.2%
Telephone	0	N/A	0	N/A	0	N/A	252	835%	278	1526%	0	N/A	127	N/A
Other	0	N/A	0	N/A	0	N/A	3,897	25.3%	3,452	25.9%	0	N/A	1,293	8.3%
Total Distributed Expenses	\$26,573	77.5%	\$26,942	80.3%	\$26,253	75.5%	\$14,547	40.6%	\$14,055	40.6%	\$26,050	79.8%	\$13,841	50.1%
Distributed Profit														
Rooms	0	N/A	0	N/A	0	N/A	8,525	69.4%	9,648	71.4%	0	N/A	6,906	65.4%
Food & Beverage	0	N/A	0	N/A	0	N/A	1,463	18.0%	1,247	16.2%	0	N/A	(7,201)	-458%
Telephone	0	N/A	0	N/A	0	N/A	(222)	-735%	(260)	-1426%	0	N/A	(127)	N/A
Other	0	N/A	0	N/A	0	N/A	11,504	74.7%	9,900	74.1%	0	N/A	14,231	91.7%
Operating Income	\$7,727	22.5%	\$6,630	19.7%	\$8,535	24.5%	\$21,270	59.4%	\$20,535	59.4%	\$6,576	20.2%	\$13,809	49.9%
Undistributed Expenses														
A&G	N/A	N/A	N/A	N/A	N/A	N/A	3,482	9.7%	3,311	9.6%	N/A	N/A	4,577	16.6%
Sales and Marketing	N/A	N/A	N/A	N/A	N/A	N/A	1,898	5.3%	1,981	5.7%	N/A	N/A	368	1.3%
Repairs	N/A	N/A	N/A	N/A	N/A	N/A	1,496	4.2%	1,373	4.0%	N/A	N/A	1,504	5.4%
Energy	N/A	N/A	N/A	N/A	N/A	N/A	1,743	4.9%	1,759	5.1%	N/A	N/A	2,216	8.0%
Franchise Fee	N/A	N/A	N/A	N/A	N/A	N/A	201	0.6%	203	0.6%	N/A	N/A	7	0.0%
Other	N/A	N/A	N/A	N/A	N/A	N/A	0	0.0%	0	0.0%	N/A	N/A	829	3.0%
Total Undistributed Expenses	\$0	N/A	\$0	N/A	\$0	N/A	\$8,820	24.6%	\$8,626	24.9%	\$0	N/A	\$9,502	34.4%
GOP	\$0	N/A	\$0	N/A	\$0	N/A	\$12,450	34.8%	\$11,909	34.4%	\$0	N/A	\$4,307	15.6%
Management Fee	0	0.0%	0	0.0%	0	0.0%	1,433	4.0%	1,384	4.0%	0	0.0%	1,106	4.0%
Fixed Expenses														
Rent	N/A	N/A	N/A	N/A	N/A	N/A	37	0.1%	34	0.1%	N/A	N/A	0	0.0%
Property & Other Taxes	N/A	N/A	N/A	N/A	N/A	N/A	2,577	7.2%	2,652	7.7%	N/A	N/A	3,141	11.4%
Insurance	N/A	N/A	N/A	N/A	N/A	N/A	212	0.6%	195	0.6%	N/A	N/A	493	1.8%
Total Fixed Expenses	\$0	N/A	\$0	N/A	\$0	N/A	\$2,827	7.9%	\$2,880	8.3%	\$0	N/A	\$3,634	13.1%
EBITDA	\$7,727	22.5%	\$6,630	19.7%	\$8,535	24.5%	\$8,191	22.9%	\$7,645	22.1%	\$6,576	20.2%	(\$433)	-1.6%
FF&E Reserve	1,372	4.0%	1,343	4.0%	1,392	4.0%	1,433	4.0%	1,384	4.0%	1,305	4.0%	1,717	6.2%
NOI	\$6,355	18.5%	\$5,287	15.7%	\$7,144	20.5%	\$6,758	18.9%	\$6,261	18.1%	\$5,271	16.2%	(\$2,150)	-7.8%

Source: Trepp Loan Details

For Years 2009-2011 and 2015, RevPAR is calculated as 80% of Total Revenue divided by the number of available rooms

Renaissance Westchester**General Information**

Address: 80 West Red Oak Lane, West Harrison, NY 10604

Keys: 348

Food and Beverage:

Hive Living Room + Bar - restaurant serving breakfast, lunch, and dinner

Chef's Table - restaurant serving 5-7 course dinners

Meeting Space:

Grand Ballroom	6,460	Hudson Room	1,128
Irving Room	1,820	Gallery	272
Greeley Room	1,820	Veranda	336
Cooper Room	1,820	Library	288
Masefield Room	840	Parlor	506
Hutchinson Room	660	Portico	368
Zenger Room	589	Red Oak Terrace	2,772
The Commons	2,232	Harrison Ballroom	1,794

Total Meeting Space: 23,705

Renaissance Westchester

Financial and Operating Information

(Revenue and EBITDA \$ in thousands)

The following details the operating statistics for the Renaissance Westchester Hotel, a 348-room hotel with 23,705 square feet of meeting space.

	2015 FY	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2016 FY	2017 Q1	2017 Q2	2017 Q3
Occ	80.9%	60.7%	83.1%	80.7%	72.6%	76.4%	66.1%	79.7%	76.1%
ADR	\$145.49	\$138.66	\$161.15	\$158.87	\$152.73	\$153.46	\$148.18	\$161.67	\$158.85
RevPAR	117.70	84.17	133.92	128.21	110.88	117.24	97.95	128.85	120.88
Revenue	\$22,801	\$4,410	\$6,409	\$5,779	\$5,520	\$22,118	\$4,279	\$6,432	\$5,649
EBITDA	4,129	68	1,531	1,022	863	3,484	(17)	1,564	749
Margin	18.1%	1.5%	23.9%	17.7%	15.6%	15.8%	-0.4%	24.3%	13.3%

Source: SEC Filings

DRAFT North Castle Hotel Model**Comp Set Overview - La Quinta Inn & Suites Armonk Westchester County**

- For the La Quinta Inn & Suites Armonk Westchester County Competitive Set, occupancy has averaged 72.8% with an average ADR of \$119.
 - Peak Occupancy for the La Quinta Inn & Suites on a TTM basis was in December 2014 at 66.1% with a corresponding ADR of \$91.
 - The latest TTM occupancy for the hotel as of October 2017 was 59.7% at an ADR of \$94.
 - In the competitive set, Tuesday and Wednesday have the highest occupancies at 78.9% and 78.0% and highest ADRs of \$129 and \$128.
 - Saturday occupancy is also very high at 76.3% at a \$116 ADR.
 - The weakest occupancy is Sunday at 54.3% at a \$111 ADR
 - Overall ADRs are not very variable, ranging from \$111 on Sunday to \$129 on Tuesday for the competitive set and \$91 on Sunday to \$99 on Saturday for the hotel itself.
 - The competitive set consists of 5 hotels with 598 rooms.
-

DRAFT North Castle Hotel Model

Comp Set Overview - La Quinta Inn & Suites Armonk Westchester County

The following is an overview of the operating statistics of the competitive set for the La Quinta Inn & Suites Armonk Westchester County and the La Quinta Hotel.

Hotel	Street Address	Rooms	Meeting Space	
			Total	Per Key
La Quinta Inn & Suites Armonk Westchester	20 Saw Mill River Rd, Hawthorne, NY 10532	140	4,300	31
Holiday Inn Mount Kisco Westchester	1 Holiday Inn Dr, Mt Kisco, NY 10549	118	6,000	51
Hampton Inn White Plains Tarrytown	200 W Main St, Elmsford, NY 10523	156	2,800	18
Super 8 Stamford	32 Grenhart Rd, Stamford, CT 06902	99	0	0
Comfort Inn & Suites Hawthorne	20 Saw Mill River Rd, Hawthorne, NY 10532	85	600	7
Total/Average:		598	2,740	21

STR Comp Set⁽¹⁾

	2014	2015	2016	TTM 9/2017
Occupancy	73.4%	73.7%	71.2%	68.5%
Growth		0.4%	-3.4%	-3.8%
ADR	\$117.02	\$119.49	\$121.00	\$118.45
Growth		2.1%	1.3%	-2.1%
RevPAR	\$85.89	\$88.06	\$86.15	\$81.14
Growth		2.5%	-2.2%	-5.8%

La Quinta Inn & Suites Armonk Westchester

	2014	2015	2016	TTM 9/2017
Occupancy	66.1%	63.4%	60.6%	59.7%
Growth		-4.1%	-4.4%	-1.5%
ADR	\$91.43	\$98.26	\$96.18	\$93.53
Growth		7.5%	-2.1%	-2.8%
RevPAR	\$60.44	\$62.30	\$58.29	\$55.84
Growth		3.1%	-6.4%	-4.2%

Penetration Index

	2014	2015	2016	TTM 9/2017
Occupancy	90.1%	86.0%	85.1%	87.2%
ADR	78.1%	82.2%	79.5%	79.0%
RevPAR	70.4%	70.7%	67.7%	68.8%

Source: STR Report created on November 17th, 2017

(1) Operating statistics for the the La Quinta Inn & Suites Westchester County are not included in the Comp Set

RCA Comparables - Armonk

Multifamily Apartments
Office
Retail



RCA Comparables - Armonk**Multifamily, Office, and Retail Comparables**

- The following pages highlight the capital transactions for apartment, office and retail since the beginning of 2016 within 10 miles of the North Castle Hotel site located at 20 Old Post Road in Armonk, NY.
 - The data, which was collected by RCA, includes transactions in Westchester County, as well as Stamford, Greenwich and surrounding towns in Connecticut
 - The summaries are separated by sector, as well as refinancings and sales
 - The real estate market in the surrounding areas has been strong over the last few years with 123 transactions completed.
 - There were 29 apartment transactions over the last 2 years, 17 of which were sales and 12 were refinancings
 - There were 60 office transactions over the last 2 years, 40 of which were sales and 20 were refinancings
 - There were 34 retail transactions over the last 2 years, 26 of which were sales and 8 were refinancings
 - The average sales price of an apartment building was \$14,831,969. At an average door count of 126, this represents \$247,303 per door.
 - The median sales price of an apartment building was \$8,410,000, with a high of \$67,000,000 and a low of \$1,770,000
 - The average sales price of an office building was \$22,354,979. At an average SF of 105,373, this represents \$188 per square foot.
 - The median sales price of an office building was \$10,925,000, with a high of \$147,000,000 and a low of \$1,788,477
 - The average sales price of a retail building was \$18,135,307. At an average SF of 56,913, this represents \$715 per square foot.
 - The median sales price of a retail building was \$20,297,578, with a high of \$27,500,000 and a low of \$13,095,157
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Armonk New York RCA Comps

The following is a list of recent Apartment transactions within 10 miles of 20 Old Post Road in Armonk, NY sorted by date.

Date	Property Name	City	State	Units	Status	Type	Price	Price Per Unit	Cap Rate	Distance	Lender
Dec-17	Wescott	Stamford	CT	261	Sale	Apartment	67,000,000	256,705		10.0	Freddie Mac (\$55m approx)
Oct-17	Augustana Homes of Greenwich	Riverside	CT	31	Sale	Apartment	10,300,000	332,258		8.5	Fannie Mae (\$7m approx)
Sep-17	Maple House Apartments	Ossining	NY	105	Sale	Apartment	30,634,000	291,752		8.0	Fannie Mae (\$27m approx)
Jul-17	264 King Street	Port Chester	NY	56	Sale	Apartment	4,137,500	73,884		7.7	Peapack Gladstone Bank (\$2m approx)
May-17	Riverkeeper	Ossining	NY	25	Sale	Apartment	4,450,000	178,000	6.4%	7.8	First Nat'l Bk of Long Island (\$3m approx)
Apr-17	Apuovia	White Plains	NY	30	Sale	Apartment	11,500,000	383,333		5.1	
Jan-17	Halstead White Plains Metro North	White Plains	NY	124	Sale	Apartment	35,250,000	284,274	5.8%	5.8	
Jan-17	Quinby 15	White Plains	NY	16	Sale	Apartment	2,700,000	168,750	5.7%	6.7	Freddie Mac 2017-SB30 (\$2m approx)
Jan-17	The Gables	White Plains	NY	12	Sale	Apartment	4,300,000	358,333	5.6%	6.9	Freddie Mac 2017-SB32 (\$3m approx)
Jan-17	8 Howard Avenue	White Plains	NY	18	Sale	Apartment	4,150,000	230,556		6.5	
Dec-16	The Residences at Tarryhill	White Plains	NY	87	Sale	Apartment	n/a			5.4	
Jul-16	22 Main Street	Tarrytown	NY	244	Sale	Apartment	1,770,000	354,000	5.5%	7.3	Freddie Mac 2016-SB21 (\$1m approx)
May-16	3 Calvert St	Harrison	NY	122	Sale	Apartment	6,250,000	178,571		9.5	
Apr-16	224 Purchase Street	Rye	NY	500	Sale	Apartment	6,800,000	425,000		8.4	
Feb-16	Audubon Manor	Ossining	NY	146	Sale	Apartment	10,020,000	133,600		7.8	
Feb-16	Cortlandt Ridge	Ossining	NY	123	Sale	Apartment	26,190,000	143,115		8.3	
Feb-16	Waterview on the Hudson	Ossining	NY	245	Sale	Apartment	11,860,000	164,722		8.6	
Subtotal: Transactions (17)				Average:			\$14,831,969	\$247,303	5.7%	7.5	
				Median:			8,410,000	243,631	5.7%	7.8	
				High:			67,000,000	425,000	6.4%	10.0	
				Low:			1,770,000	73,884	5.5%	5.1	

Source: Real Capital Analytics

Armonk New York RCA Comps

The following is a list of recent Apartment transactions within 10 miles of 20 Old Post Road in Armonk, NY sorted by date.

Date	Property Name	City	State	Units	Status	Type	Price	Price Per Unit	Cap Rate	Distance	Lender
Nov-17	74 Wildley Street	Tarrytown	NY	6	Refinance	Apartment	1,088,710	181,452		7.3	Fannie Mae (\$1m approx)
Oct-17	The Castle	Port Chester	NY	122	Refinance	Apartment	n/a			7.8	SunTrust (\$22m approx)
Sep-17	Laddin's Rock	Stamford	CT	24	Refinance	Apartment	3,950,000	164,583	6.3%	9.6	Freddie Mac 2017-SB44 (\$3m approx)
Jul-17	132-132A North Broadway	Tarrytown	NY	12	Refinance	Apartment	2,300,000	191,667	5.5%	7.1	Freddie Mac 2017-SB40 (\$2m approx)
May-17	Woodside Street	Stamford	CT	30	Refinance	Apartment	4,600,000	153,333	4.9%	9.9	Freddie Mac 2017-SB36 (\$3m approx)
Apr-17	Oxford House Apartments	Ossining	NY	67	Refinance	Apartment	8,700,000	129,851	5.8%	8.1	Freddie Mac 2017-SB36 (\$7m approx)
Feb-17	Westwood	Stamford	CT	95	Refinance	Apartment	n/a			9.3	Dwight Capital (\$13m approx)
Dec-16	Steamboat Road	Greenwich	CT	29	Refinance	Apartment	n/a			8.5	Sterling National Bank (\$8m approx)
Oct-16	Clinton Terrace	Ossining	NY	100	Refinance	Apartment	12,600,000	126,000		8.0	Fannie Mae (\$5m approx), Fannie Mae (\$5m approx)
Sep-16	Sherwood Green	Greenwich	CT	10	Refinance	Apartment	3,247,450	324,745	5.6%	7.2	COMM 2016-COR1 (\$2m alloc'd)
Aug-16	Stepping Stones	White Plains	NY	364	Refinance	Apartment	n/a			4.9	Capital One (\$23m approx)
Apr-16	38 Hamilton Place	Tarrytown	NY	72	Refinance	Apartment	1,350,000	225,000	5.3%	7.2	Freddie Mac 2016-SB20 (\$1m approx)
Subtotal: Transactions (12)				Average:	78		\$4,729,520	\$187,079	5.5%	7.9	
				Median:	49		3,598,725	173,018	5.5%	7.9	
				High:	364		12,600,000	324,745	6.3%	9.9	
				Low:	6		1,088,710	126,000	4.9%	4.9	

Source: Real Capital Analytics

Armonk New York RCA Comps

The following is a list of recent Office transactions within 10 miles of 20 Old Post Road in Armonk, NY sorted by date.

Date	Property Name	City	State	SF	Status	Type	Price	Price Per SF	Cap Rate	Distance	Lender
Nov-17	7-11 S Broadway	White Plains	NY	74,100	Sale	Office	9,600,000	130		5.5	
Oct-17	2 Depot Plz	Bedford Hills	NY	25,000	Sale	Office	5,400,000	216		9.0	
Sep-17	Westchester Business Center	White Plains	NY	90,527	Sale	Office	13,700,000	151		5.7	
Sep-17	1011 High Ridge Road	Stamford	CT	24,219	Sale	Office	3,577,692	148		9.2	
Sep-17	992 High Ridge Road	Stamford	CT	12,107	Sale	Office	1,788,477	148		9.2	
Jul-17	Greenwich Atrium	Greenwich	CT	105,526	Sale	Office	33,750,000	320		7.5	Pacific Western Bank (\$27m approx)
Jun-17	225 High Ridge Street	Stamford	CT	227,966	Sale	Office	22,550,000	99	6.3%	9.4	
Jun-17	fmr Philips Research	Briarcliff Manor	NY	180,000	Sale	Office	12,250,000	68		7.3	
Jun-17	Westchester One	White Plains	NY	907,436	Sale	Office	147,000,000	162	8.6%	5.6	BANK 2017-BNK6 (\$68m approx), BANK 2017-BNK5 (\$68m approx)
May-17	555 White Plains Road	Tarrytown	NY	133,645	Sale	Office	5,475,000	41		6.7	
Apr-17	520 White Plains Road	Tarrytown	NY	174,000	Sale	Office	20,750,000	119		6.8	
Apr-17	611 West Hartsdale Avenue	White Plains	NY	28,000	Sale	Office	5,700,000	204		6.6	
Apr-17	80 Grassland Road	Elmsford	NY	87,613	Sale	Office	10,800,000	123		5.3	
Mar-17	Tarrytown Corporate Center	Tarrytown	NY	275,675	Sale	Office	30,125,000	109		6.6	
Mar-17	111-123 High Road	Stamford	CT	40,000	Sale	Office	10,250,000	256		9.4	Sterling National Bank (\$7m approx)
Dec-16	Pace University - Briarcliff Campus	Briarcliff Manor	NY	330,000	Sale	Office	17,375,000	53		5.6	
Dec-16	272 North Bedford Road	Mount Kisco	NY	50,000	Sale	Office	9,025,000	181	9.0%	7.6	
Dec-16	401 Columbus Ave	Valhalla	NY	26,508	Sale	Office	2,995,000	113		2.8	
Nov-16	One Lafayette Place	Greenwich	CT	130,073	Sale	Office	70,430,000	541		7.3	RBC Capital (\$24m alloc'd), RBC Capital (\$24m alloc'd)
Nov-16	Sleepy Hollow	Sleepy Hollow	NY	383,000	Sale	Office	50,000,000	131		7.1	
Nov-16	Greenwich Office Park	Pemberwick	CT	380,245	Sale	Office	130,000,000	342	6.3%	7.3	Natixis, MS 2016-UBS12, CSMC 2016-NXSR, CITI 2017-P7 (\$33m each)
Nov-16	440 Hamilton Avenue	White Plains	NY	337,900	Sale	Office	20,500,000	61		5.4	Madison Realty Capital (\$15m approx)
Oct-16	470 West Ave	Stamford	CT	56,136	Sale	Office	4,000,000	71		9.9	Connecticut Cmnty Bk (\$3m approx)
Oct-16	22 5th St	Stamford	CT	20,000	Sale	Office	3,400,000	170		9.9	
Sep-16	411 Theodore Fremd Avenue	Rye	NY	111,086	Sale	Office	25,250,000	227		9.3	
Aug-16	Greenwich Bank & Trust building	Greenwich	CT	429	Sale	Office	18,500,000			7.3	
Jul-16	500 West Putnam	Greenwich	CT	551	Sale	Office	41,000,000	338		7.5	Mesa West Capital (\$36m approx)
Jul-16	Stamford Health	Stamford	CT	305	Sale	Office	19,000,000	413		9.1	
Jun-16	Wexford Plaza	Greenwich	CT	224	Sale	Office	51,250,000	512		7.4	CIBC (\$35m approx)
Jun-16	10 County Center Road	White Plains	NY	310	Sale	Office	9,250,000	44		5.5	
Jun-16	77 Tarrytown Rd	White Plains	NY	124	Sale	Office	3,550,000	169		5.6	
Jun-16	33 Davis Avenue	White Plains	NY	348	Sale	Office	2,950,000	311		6.2	
May-16	Westchester Office Building	Ossining	NY	115	Sale	Office	3,408,010	133		8.6	
May-16	International Drive Seven	Rye Brook	NY	258	Sale	Office	20,000,000	63		4.4	
Apr-16	Rye Brook Plaza	Port Chester	NY	90	Sale	Office	11,050,000	147		7.4	
Apr-16	Kohlberg & Company	Mount Kisco	NY	81	Sale	Office	2,900,000			5.8	
Apr-16	1 Martine Ave	White Plains	NY	90	Sale	Office	10,750,000	131		5.9	
Mar-16	Renaissance Square	White Plains	NY	409	Sale	Office	20,800,000	317		5.6	
Mar-16	Connecticut Light & Power	Greenwich	CT	97	Sale	Office	8,300,000	271		7.7	
Mar-16	200 N Central Ave	Hartsdale	NY	710	Sale	Office	5,800,000	119		6.7	
Subtotal: Transactions (40)				Average:	105,373		\$22,354,979	\$188	7.7%	7.1	
				Median:	27,254		10,925,000	148	7.5%	7.2	
				High:	907,436		147,000,000	541	9.0%	9.9	
				Low:	81		1,788,477	41	6.3%	2.8	

Source: Real Capital Analytics

Armonk New York RCA Comps

The following is a list of recent Office transactions within 10 miles of 20 Old Post Road in Armonk, NY sorted by date.

Date	Property Name	City	State	SF	Status	Type	Price	Price Per SF	Cap Rate	Distance	Lender
Nov-17	Centre at Purchase	Harrison	NY	683,676	Refinance	Office	\$177,000,000	\$259		5.7	JP Morgan (\$94m approx), JPMCC 2017-FL11 (\$94m approx)
Sep-17	143 Sound Beach Avenue	Old Greenwich	CT	14,346	Refinance	Office	n/a			9.6	Columbia Bank (\$4m approx)
Sep-17	1133 Westchester Avenue	White Plains	NY	609,690	Refinance	Office	n/a			6.7	Union Labor Life (\$17m approx)
Jul-17	440 Mamaroneck Avenue	Harrison	NY	239,156	Refinance	Office	52,000,000	217	6.1%	9.4	CITI 2017-P8 (\$33m approx)
Apr-17	280 Mamaroneck Avenue	White Plains	NY	27,225	Refinance	Office	n/a			6.0	Signature Bank (\$3m approx)
Feb-17	Red Oak Corporate Park	Harrison	NY	149,896	Refinance	Office	n/a			6.2	
Feb-17	31 River Road	Cos Cob	CT	13,430	Refinance	Office	n/a			8.4	Union Savings Bank (\$3m approx)
Feb-17	Greenwich Financial Center	Greenwich	CT	81,334	Refinance	Office	87,500,000	1,076	4.9%	7.8	LSTAR 2017-5 (\$54m approx)
Dec-16	239 Greenwich Avenue	Greenwich	CT	31,929	Refinance	Office	n/a			7.6	Signature Bank (\$27m approx)
Nov-16	79 East Post Road	White Plains	NY	18,750	Refinance	Office	n/a			6.0	TD Bank (\$4m approx)
Oct-16	Unknown	Harrison	NY	316,604	Refinance	Office	44,500,000	141	6.2%	6.7	GS 2016-GS4 (\$27m approx)
Oct-16	711 Westchester Avenue	White Plains	NY	116,799	Refinance	Office	n/a			5.8	GS 2016-GS4 (\$10m alloc'd)
Oct-16	777 Westchester Avenue	White Plains	NY	124,108	Refinance	Office	n/a			5.8	GS 2016-GS4 (\$11m alloc'd)
Oct-16	200 Pemberwick Road	Glenville	CT	54,922	Refinance	Office	9,000,000	164	6.6%	6.4	RCMT 2016-3 (\$5m approx), NorthEast Cmnty Bk (\$5m approx)
Oct-16	297 Knollwood Road	White Plains	NY	34,946	Refinance	Office	n/a			6.0	
Sep-16	32 Sherwood Pl	Greenwich	CT	12,463	Refinance	Office	4,157,389	334	5.6%	7.2	COMM 2016-COR1 (\$3m alloc'd)
Jul-16	Sutton Park	Valhalla	NY	148	Refinance	Office	17,500,000	178	7.0%	2.9	CD 2016-CD1 (\$12m approx)
Jul-16	1200 High Ridge Road	Stamford	CT	82	Refinance	Office	n/a			9.2	Connecticut Cmnty Bk (\$7m approx)
Apr-16	79 East Post Road	White Plains	NY	118	Refinance	Office	n/a			6.0	Santander (\$3m approx)
Apr-16	One Theall Rd	Rye	NY	160	Refinance	Office	n/a			9.3	
Subtotal: Transactions (20)				Average:	126,489		\$55,951,056	\$442	6.0%	6.9	
				Median:	33,438		44,500,000	217	6.1%	6.5	
				High:	683,676		177,000,000	1,076	7.0%	9.6	
				Low:	82		4,157,389	141	4.9%	2.9	

Source: Real Capital Analytics

Armonk New York RCA Comps

The following is a list of recent Retail transactions within 10 miles of 20 Old Post Road in Armonk, NY sorted by date.

Date	Property Name	City	State	SF	Status	Type	Price	Price Per SF	Cap Rate	Distance	Lender
Nov-17	Christie Place	Scarsdale	NY	12,731	Sale	Retail	17,000,000	1,335		9.1	
Nov-17	Citibank	White Plains	NY	3,663	Sale	Retail	3,300,000	901		5.5	
Oct-17	70 Memorial Plaza	Pleasantville	NY	15,000	Sale	Retail	5,800,000	387		4.0	
Oct-17	220 Garth Road	Scarsdale	NY	21,738	Sale	Retail	5,000,000	230		9.3	M&T Bank (\$3m approx)
Oct-17	1075 East Putnam Avenue	Riverside	CT	4,580	Sale	Retail	3,500,000	764		8.6	Patriot Bank (\$4m approx)
Oct-17	300 West Putnam Aveue	Greenwich	CT	10,000	Sale	Retail	3,600,000	360		7.4	
Jun-17	17-45 Washington Avenue	Pleasantville	NY	3,280	Sale	Retail	6,350,000	1,936		4.0	
May-17	1492 High Ridge Road	Stamford	CT	11,885	Sale	Retail	3,350,000	282		9.4	Tomkins Mahopac (\$2m approx)
Mar-17	Chappaqua Crossing	Chappaqua	NY	120,000	Sale	Retail	68,000,000	567		5.1	M&T Bank (\$30m approx), M&T Bank (\$30m approx)
Mar-17	Chase Bank	Stamford	CT	4,200	Sale	Retail	n/a			9.2	
Mar-17	High Ridge Center	Stamford	CT	89,050	Sale	Retail	n/a			9.3	
Mar-17	CVS	Old Greenwich	CT	8,000	Sale	Retail	n/a			9.7	
Mar-17	Westchester Pavilion	White Plains	NY	171,180	Sale	Retail	55,400,000	324		5.7	
Oct-16	970 High Ridge Road	Stamford	CT	27,233	Sale	Retail	13,296,750	488		9.2	
Oct-16	2-10 Greenwich	Greenwich	CT	15,900	Sale	Retail	8,850,000	557		7.3	BankUnited (\$7m alloc'd)
Oct-16	42 Greenwich Ave	Greenwich	CT	5,425	Sale	Retail	4,850,000	894		7.4	BankUnited (\$4m alloc'd)
Oct-16	46 Greenwich Avenue	Greenwich	CT	6,275	Sale	Retail	5,000,000	797		7.4	BankUnited (\$4m alloc'd)
Oct-16	Stop & Shop Stamford	Stamford	CT	69,733	Sale	Retail	45,400,000	651	5.2%	9.3	CFCRE 2016-C6 (\$24m approx)
Sep-16	Galleria at White Plains	White Plains	NY	878,153	Sale	Retail	119,600,000	136		5.8	
Jun-16	180 Mamaroneck Avenue	White Plains	NY	710	Sale	Retail	4,500,000	173		5.9	
May-16	Bank of America	Stamford	CT	407	Sale	Retail	3,550,000	2,507		9.4	
Apr-16	269 Purchase Street	Rye	NY	110	Sale	Retail	4,900,000	590	5.0%	8.3	
Apr-16	Bank of America	Greenwich	CT	98	Sale	Retail	n/a			7.6	Bank of America (\$13m approx)
Mar-16	150-152 Central Avenue	Greenville	NY	76	Sale	Retail	8,830,000	418	6.9%	7.6	
Mar-16	88 Greenwich Avenue	Greenwich	CT	120	Sale	Retail	5,750,000	987		7.4	
Mar-16	26 King St	Chappaqua	NY	202	Sale	Retail	3,150,000	443		4.4	
Subtotal: Transactions (26)				Average:	56,913		\$18,135,307	\$715	5.2%	7.4	
				Median:	7,138		5,375,000	562	5.2%	7.5	
				High:	878,153		119,600,000	2,507	6.9%	9.7	
				Low:	76		3,150,000	136	5.0%	4.0	

Source: Real Capital Analytics

Armonk New York RCA Comps

The following is a list of recent Retail transactions within 10 miles of 20 Old Post Road in Armonk, NY sorted by date.

Date	Property Name	City	State	SF	Status	Type	Price	Price Per SF	Cap Rate	Distance	Lender
Jul-17	Ridgeway Center	Stamford	CT	350,000	Refinance	Retail	n/a			9.7	
Jul-17	Chimney Corners	Stamford	CT	16,805	Refinance	Retail	n/a			8.2	Peoples United Bank (\$2m approx)
May-17	319 - 333 North Central Avenue	Hartsdale	NY	28,005	Refinance	Retail	n/a			6.5	Pcsb Bank (\$9m approx)
May-17	260-300 Boston Post Road	Port Chester	NY	59,533	Refinance	Retail	27,500,000	462	5.8%	8.2	CSAIL 2017-C8 (\$16m approx)
Apr-17	288 West Avenue	Stamford	CT	30,000	Refinance	Retail	n/a			9.7	Union Savings Bank (\$4m approx)
Sep-16	35 Church St	Greenwich	CT	12,415	Refinance	Retail	13,095,157	1,055	5.6%	7.2	COMM 2016-COR1 (\$9m alloc'd)
Aug-16	1212 Putnam Avenue	Riverside	CT	17,562	Refinance	Retail	n/a			8.8	Bankwell (\$5m approx)
Feb-16	289 Greenwich Ave	Greenwich	CT	309	Refinance	Retail	n/a			7.7	Sterling National Bank (\$17m approx)
Subtotal: Transactions (8)				Average:	64,329		\$20,297,578	\$759	5.8%	8.2	
				Median:	22,784		20,297,578	759	5.7%	8.2	
				High:	350,000		27,500,000	1,055	5.8%	9.7	
				Low:	309		13,095,157	462	5.6%	6.5	

Source: Real Capital Analytics

Appendix

AirBNB Data - Armonk NY

Summary - Total Nights and Revenues

Summary - Total Bookings and Nights

Data Sorted by Year

Data Sorted by Location



CAPITAL ADVISORS

AirBNB Data - Armonk NY**Executive Summary**

- The following pages illustrate AirBNB booking data as obtained from AirDNA in the areas surrounding the North Castle Hotel located in Armonk, NY
 - The 3 areas reflected in the data include Armonk and Rye in New York, and Greenwich in Connecticut.
 - There was a grand total of 1,590 Nights Booked through AirBNB in 2015. This generated a Total Revenue of \$279,857, with an implied ADR of \$176.01 and a Nights Per Day Total of 4.4
 - There was a grand total of 3,299 Nights Booked through AirBNB in 2016. This generated a Total Revenue of \$571,854, with an implied ADR of \$173.34 and a Nights Per Day Total of 9.0
 - There was a grand total of 4,547 Nights Booked through AirBNB in 2017. This generated a Total Revenue of \$776,144, with an implied ADR of \$170.69 and a Nights Per Day Total of 12.5
 - There was a grand total of 5,234 Nights Booked through AirBNB for the Twelve Months ending in October 2017. This generated a Total Revenue of \$899,662, with an implied ADR of \$171.89 and a Nights Per Day Total of 14.3
 - From 2015 to 2016 we see a growth of 107.5% in Nights Booked, a growth of 104.3% in Revenue, a growth of -1.5% in Implied ADR, and a growth of 107.5% in Nights Per Day
 - In comparing TTM October 2017 to TTM October 2016, we see a growth of 78.7% in Nights Booked, a growth of 81.0% in Revenue, a growth of 1.3% in Implied ADR, and a growth of 78.7% in Nights Per Day
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The following is a summary of the total nights and revenue per year in each of the cities below.

	Armonk		Rye		Greenwich		Total		Implied ADR	Nights Per Day ⁽¹⁾
	Nights	Revenue	Nights	Revenue	Nights	Revenue	Nights	Revenue		
Total 2015	141	\$17,737	83	\$78,559	1,366	\$183,561	1,590	\$279,857	\$176	4.4
Total 2016	610	88,017	177	36,193	2,512	447,644	3,299	571,854	173	9.0
Total 2017 YTD ⁽²⁾	1,061	226,190	413	105,779	3,073	444,175	4,547	776,144	171	12.5
TTM Oct 2017	1,169	246,722	472	111,034	3,593	541,906	5,234	899,662	172	14.3
Growth	Nights	Revenue	Nights	Revenue	Nights	Revenue	Nights	Revenue	Implied ADR	Nights Per Day ⁽¹⁾
2016 vs 2015	332.6%	396.2%	113.3%	-53.9%	83.9%	143.9%	107.5%	104.3%	-1.5%	107.5%
TTM 10/2017 vs TTM 10/2016	114.5%	233.1%	247.1%	227.9%	59.8%	39.3%	78.7%	81.0%	1.3%	78.7%

(1) Represents number of Nights Booked divided by 365 days to illustrate the implied incremental occupancy

(2) YTD is through October

The following is a summary of the total bookings and nights per year in each of the cities below as well as the implied length of stay for each.

Armonk				Rye			
Year	Booked	Nights	Length of Stay	Year	Booked	Nights	Length of Stay
2015	10	141	14.1	2015	8	83	10.4
2016	117	610	5.2	2016	34	177	5.2
2017 YTD	220	1,061	4.8	2017 YTD	110	413	3.8

Greenwich				Total			
Year	Booked	Nights	Length of Stay	Year	Booked	Nights	Length of Stay
2015	365	1,366	3.7	2015	383	1,590	4.2
2016	705	2,512	3.6	2016	856	3,299	3.9
2017 YTD	853	3,073	3.6	2017 YTD	1,183	4,547	3.8

Note: Length of Stay is calculated as Nights divided by Bookings to illustrate how the average length of stay has decreased from year to year.

The following is a monthly breakdown of AirBNB booking data broken down by city and by month.

	Armonk				Rye				Greenwich			
	Booked	Nights	Revenue	ADR	Booked	Nights	Revenue	ADR	Booked	Nights	Revenue	ADR
Jan-15	0	0	\$0	N/A	1	11	\$1,078	\$98.00	4	66	\$9,195	\$139.32
Feb-15	0	0	0	N/A	1	19	66,500	3,500.00	4	16	1,620	101.25
Mar-15	0	0	0	N/A	0	0	0	N/A	5	52	5,231	100.59
Apr-15	0	0	0	N/A	0	0	0	N/A	7	42	5,483	130.54
May-15	0	0	0	N/A	0	0	0	N/A	26	131	16,000	122.14
Jun-15	1	24	2,440	101.67	1	1	296	296.00	26	155	19,790	127.68
Jul-15	1	31	3,110	100.32	1	30	6,560	218.67	47	276	41,112	148.96
Aug-15	1	34	4,950	145.59	2	4	1,200	300.00	51	175	23,415	133.80
Sep-15	0	0	0	N/A	0	0	0	N/A	59	58	6,923	119.36
Oct-15	1	9	647	71.87	0	0	0	N/A	48	139	15,726	113.13
Nov-15	1	12	2,360	196.67	0	0	0	N/A	43	133	19,329	145.33
Dec-15	5	31	4,231	136.47	2	18	2,925	162.50	45	123	19,739	160.48
Total/Avg (2015)	10	141	\$17,737	\$125.80	8	83	\$78,559	\$946.49	365	1,366	\$183,561	\$134.38

Note: Each number in the "Booked" column represents an individual booking

The following is a monthly breakdown of AirBNB booking data broken down by city and by month.

	Armonk				Rye				Greenwich			
	Booked	Nights	Revenue	ADR	Booked	Nights	Revenue	ADR	Booked	Nights	Revenue	ADR
Jan-16	4	10	\$2,234	\$223.44	3	30	\$6,870	\$229.00	27	84	\$10,200	\$121.43
Feb-16	7	63	6,197	98.37	0	0	0	N/A	29	69	7,006	101.54
Mar-16	3	23	2,002	87.03	0	0	0	N/A	43	107	15,041	140.57
Apr-16	5	35	3,164	90.41	2	38	13,360	351.58	42	156	19,907	127.61
May-16	11	66	10,490	158.94	0	0	0	N/A	66	232	37,027	159.60
Jun-16	4	23	1,979	86.05	0	0	0	N/A	70	297	50,267	169.25
Jul-16	5	41	6,411	156.37	1	2	800	400.00	81	319	72,900	228.53
Aug-16	9	65	9,182	141.26	1	6	6,100	1,016.67	70	267	52,892	198.10
Sep-16	18	99	16,232	163.96	0	0	0	N/A	71	232	43,595	187.91
Oct-16	25	77	9,593	124.59	13	42	3,808	90.67	74	229	41,078	179.38
Nov-16	15	68	12,488	183.64	6	25	2,110	84.40	58	209	41,362	197.90
Dec-16	11	40	8,044	201.10	8	34	3,145	92.50	74	311	56,369	181.25
Total/Avg (2016)	117	610	\$88,017	\$144.29	34	177	\$36,193	\$204.48	705	2,512	\$447,644	\$178.20

Note: Each number in the "Booked" column represents an individual booking

AirBNB Data

The following is a monthly breakdown of AirBNB booking data broken down by city and by month.

	Armonk				Rye				Greenwich			
	Booked	Nights	Revenue	ADR	Booked	Nights	Revenue	ADR	Booked	Nights	Revenue	ADR
Jan-17	9	21	\$3,194	\$152.09	8	18	\$4,020	\$223.33	59	204	\$34,369	\$168.48
Feb-17	8	41	8,842	215.66	3	17	2,355	138.53	50	215	26,864	124.95
Mar-17	13	52	11,089	213.25	6	14	1,220	87.14	55	224	29,955	133.73
Apr-17	8	45	17,943	398.73	9	32	10,560	330.00	103	364	46,198	126.92
May-17	26	109	26,172	240.11	14	60	7,971	132.86	102	331	48,442	146.35
Jun-17	24	207	38,736	187.13	14	61	13,332	218.55	112	408	54,999	134.80
Jul-17	33	155	28,198	181.92	16	97	49,797	513.37	108	407	56,914	139.84
Aug-17	37	171	33,609	196.54	11	25	2,239	89.56	85	329	43,763	133.02
Sep-17	25	127	23,597	185.80	13	48	7,778	162.05	84	311	51,753	166.41
Oct-17	37	133	34,811	261.73	16	41	6,507	158.70	95	280	50,918	181.85
Total/Avg (YTD 2017)	220	1,061	\$226,190	\$213.19	110	413	\$105,779	\$256.12	853	3,073	\$444,175	\$144.54

Note: Each number in the "Booked" column represents an individual booking

AirBNB Data

The following is a monthly breakdown of AirBNB booking data broken down by city and by month.

Armonk														
Date	Booked	Nights	Revenue	ADR	Date	Booked	Nights	Revenue	ADR	Date	Booked	Nights	Revenue	ADR
Jan-15	0	0	\$0	N/A	Jan-16	4	10	\$2,234	\$223.44	Jan-17	9	21	\$3,194	\$152.09
Feb-15	0	0	0	N/A	Feb-16	7	63	6,197	98.37	Feb-17	8	41	8,842	215.66
Mar-15	0	0	0	N/A	Mar-16	3	23	2,002	87.03	Mar-17	13	52	11,089	213.25
Apr-15	0	0	0	N/A	Apr-16	5	35	3,164	90.41	Apr-17	8	45	17,943	398.73
May-15	0	0	0	N/A	May-16	11	66	10,490	158.94	May-17	26	109	26,172	240.11
Jun-15	1	24	2,440	101.67	Jun-16	4	23	1,979	86.05	Jun-17	24	207	38,736	187.13
Jul-15	1	31	3,110	100.32	Jul-16	5	41	6,411	156.37	Jul-17	33	155	28,198	181.92
Aug-15	1	34	4,950	145.59	Aug-16	9	65	9,182	141.26	Aug-17	37	171	33,609	196.54
Sep-15	0	0	0	N/A	Sep-16	18	99	16,232	163.96	Sep-17	25	127	23,597	185.80
Oct-15	1	9	647	71.87	Oct-16	25	77	9,593	124.59	Oct-17	37	133	34,811	261.73
Nov-15	1	12	2,360	196.67	Nov-16	15	68	12,488	183.64	Nov-17				
Dec-15	5	31	4,231	136.47	Dec-16	11	40	8,044	201.10	Dec-17				
Total/Avg (2015)	10	141	\$17,737	\$125.80	Total/Avg (2016)	117	610	\$88,017	\$144.29	Total/Avg (YTD 2017)	220	1,061	\$226,190	\$213.19

AirBNB Data

The following is a monthly breakdown of AirBNB booking data broken down by city and by month.

					Rye									
Date	Booked	Nights	Revenue	ADR	Date	Booked	Nights	Revenue	ADR	Date	Booked	Nights	Revenue	ADR
Jan-15	1	11	\$1,078	\$98.00	Jan-16	3	30	\$6,870	\$229.00	Jan-17	8	18	\$4,020	\$223.33
Feb-15	1	19	66,500	3,500.00	Feb-16	0	0	0	N/A	Feb-17	3	17	2,355	138.53
Mar-15	0	0	0	N/A	Mar-16	0	0	0	N/A	Mar-17	6	14	1,220	87.14
Apr-15	0	0	0	N/A	Apr-16	2	38	13,360	351.58	Apr-17	9	32	10,560	330.00
May-15	0	0	0	N/A	May-16	0	0	0	N/A	May-17	14	60	7,971	132.86
Jun-15	1	1	296	296.00	Jun-16	0	0	0	N/A	Jun-17	14	61	13,332	218.55
Jul-15	1	30	6,560	218.67	Jul-16	1	2	800	400.00	Jul-17	16	97	49,797	513.37
Aug-15	2	4	1,200	300.00	Aug-16	1	6	6,100	1,016.67	Aug-17	11	25	2,239	89.56
Sep-15	0	0	0	N/A	Sep-16	0	0	0	N/A	Sep-17	13	48	7,778	162.05
Oct-15	0	0	0	N/A	Oct-16	13	42	3,808	90.67	Oct-17	16	41	6,507	158.70
Nov-15	0	0	0	N/A	Nov-16	6	25	2,110	84.40	Nov-17				
Dec-15	2	18	2,925	162.50	Dec-16	8	34	3,145	92.50	Dec-17				
Total/Avg (2015)	8	83	\$78,559	\$946.49	Total/Avg (2016)	34	177	\$36,193	\$204.48	Total/Avg (YTD 2017)	110	413	\$105,779	\$256.12

AirBNB Data

The following is a monthly breakdown of AirBNB booking data broken down by city and by month.

Greenwich														
Date	Booked	Nights	Revenue	ADR	Date	Booked	Nights	Revenue	ADR	Date	Booked	Nights	Revenue	ADR
Jan-15	4	66	\$9,195	\$139.32	Jan-16	27	84	\$10,200	\$121.43	Jan-17	59	204	\$34,369	\$168.48
Feb-15	4	16	1,620	101.25	Feb-16	29	69	7,006	101.54	Feb-17	50	215	26,864	124.95
Mar-15	5	52	5,231	100.59	Mar-16	43	107	15,041	140.57	Mar-17	55	224	29,955	133.73
Apr-15	7	42	5,483	130.54	Apr-16	42	156	19,907	127.61	Apr-17	103	364	46,198	126.92
May-15	26	131	16,000	122.14	May-16	66	232	37,027	159.60	May-17	102	331	48,442	146.35
Jun-15	26	155	19,790	127.68	Jun-16	70	297	50,267	169.25	Jun-17	112	408	54,999	134.80
Jul-15	47	276	41,112	148.96	Jul-16	81	319	72,900	228.53	Jul-17	108	407	56,914	139.84
Aug-15	51	175	23,415	133.80	Aug-16	70	267	52,892	198.10	Aug-17	85	329	43,763	133.02
Sep-15	59	58	6,923	119.36	Sep-16	71	232	43,595	187.91	Sep-17	84	311	51,753	166.41
Oct-15	48	139	15,726	113.13	Oct-16	74	229	41,078	179.38	Oct-17	95	280	50,918	181.85
Nov-15	43	133	19,329	145.33	Nov-16	58	209	41,362	197.90	Nov-17				
Dec-15	45	123	19,739	160.48	Dec-16	74	311	56,369	181.25	Dec-17				
Total/Avg (2015)	365	1,366	\$183,561	\$134.38	Total/Avg (2016)	705	2,512	\$447,644	\$178.20	Total/Avg (YTD 2017)	853	3,073	\$444,175	\$144.54

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