HOTEL D'ARTS PROJECT

December 17, 2018

Clarence Woods, NPF CRA Manager
City of Fort Lauderdale Community Redevelopment Agency
914 Sistrunk Boulevard, Suite 200
Fort Lauderdale, FL 33311
Tel: 954-828-4519
Fax: 954-828-4500
E-mail: CWoods@fortlauderdale.gov

RE: Proposal for AVENUE D'ARTS FLL, LLC

Developer: IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group
Project: COMFORT SUITES – HOTEL D'ARTS

Dear Mr. Woods:

Please accept this letter on behalf of IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group as a formal request to acquire Parcels 5042-10-12-0520, 5042-10-12-0540 and 5042-10-12-0550 identified by postal addresses 713 NW 3 Street, 717 NW 3 Street and 723 NW 3 Street in Fort Lauderdale, Florida 33311 in "As Is" condition for $355,000. The Development Team currently owns Parcels 5042-10-12-0560, 5042-10-12-0580 and 5042-10-12-0590, which when combined with the three CRA-owned lots in question, will provide a development footprint of 36,975 square feet of land. We are proposing to develop a 5-story, 100-unit Hotel project on the site catering to business travelers and tourists visiting Fort Lauderdale.

Please find the relevant supporting documents below, and let us know if you have any questions.

Sincerely,

Sameet Patel
Hotel D'Arts FLL, LLC

Recently Completed Comfort Suites in Dania Beach


COMFORT
SUITES

Comfort SUITES

NW 7th AVENUE & 3rd STREET FT LAUDERDALE, FL

PROJECT DATA

CURRENT USE OF PROPERTY: VACANT
PROPOSED USE OF PROPERTY: 100 ROOM SUITES HOTEL

ZONING DESIGNATION: NWRAC-MUw
NORTH WEST REGIONAL ACTIVITY CENTER MIXED USE WEST

LOT AREA: 29,725 SF OR 0.6824 ACRES
WEST PARCEL: 7,250 SF OR 0.1664 ACRES

TOTAL HOTEL GUEST ROOMS PROPOSED: 100

BUILDING HEIGHT:	ALLOWED	PROPOSED
FLOORS	5	5
HEIGHT	65 FT	64'-8"

SETBACKS:	REQUIRED	PROPOSED
FRONT - NW 7th AVENUE	5 FT	5'-2"
FRONT - NW 3rd STREET	NONE	4"
SIDE - NORTH	NONE	10'
SIDE - WEST	NONE	42'-5"

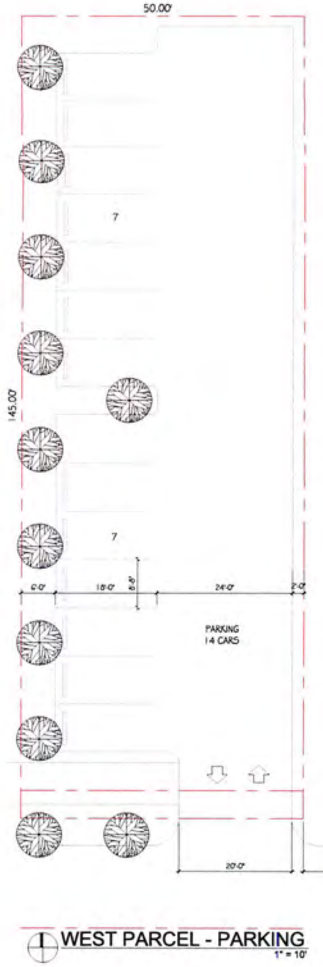
PARKING REQUIRED: 8'-8" x 18'-0"
HOTEL: 1.00 SPACES / ROOM = 100 x 1.00 = 100 SPACES

ACCESSIBLE PARKING REQUIRED: 12'-0" x 18'-0" = 3 SPACES

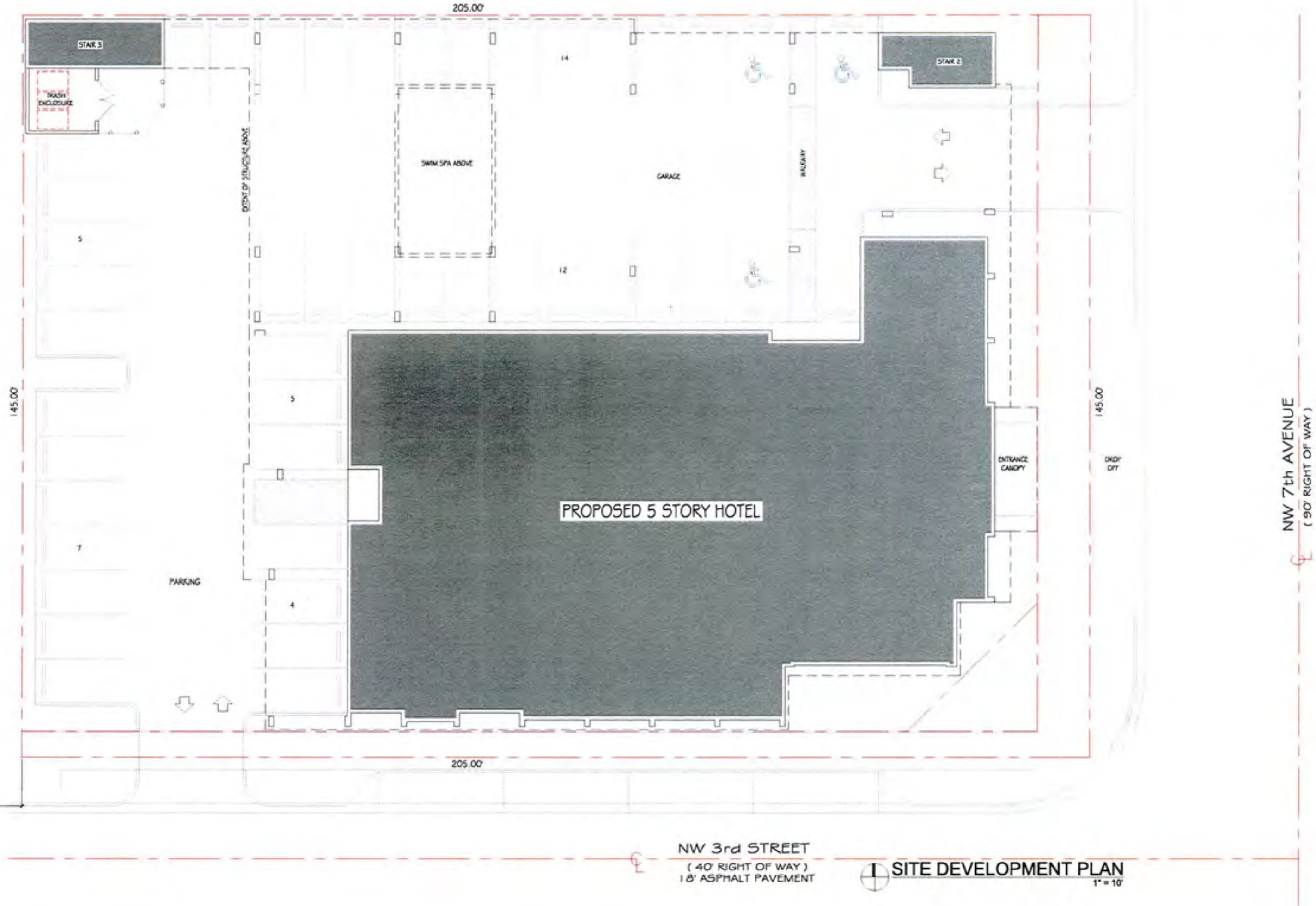
PARKING PROVIDED:	REGULAR	ADA	TOTAL
ON SITE	42	3	45
3rd STREET PARKING	4	0	4
WEST PARCEL	14	0	14
TOTAL PARKING PROVIDED:	60	3	63

HOTEL ROOMS:	1st	2nd	3rd	4th	5th	TOTAL
KING-STUDIO	-	8	12	12	12	44
QUEEN-STUDIO	-	12	13	13	13	51
ACCESSIBLE	-	2	1	1	1	5
TOTAL:	-	22	26	26	26	100

BUILDING AREA:	
FIRST FLOOR: HOTEL USE:	9,200 SF
VEHICULAR & PEDESTRIAN USE:	10,415 SF
FIRST FLOOR FOOTPRINT:	19,615 SF
SECOND FLOOR: HOTEL USE:	14,470 SF
POOL DECK:	5,145 SF
TYPICAL FLOOR: 3RD, 4TH & 5TH	14,470 SF



WEST PARCEL - PARKING
1" = 10'



SITE DEVELOPMENT PLAN
1" = 10'

DATE: JUNE 17, 2018

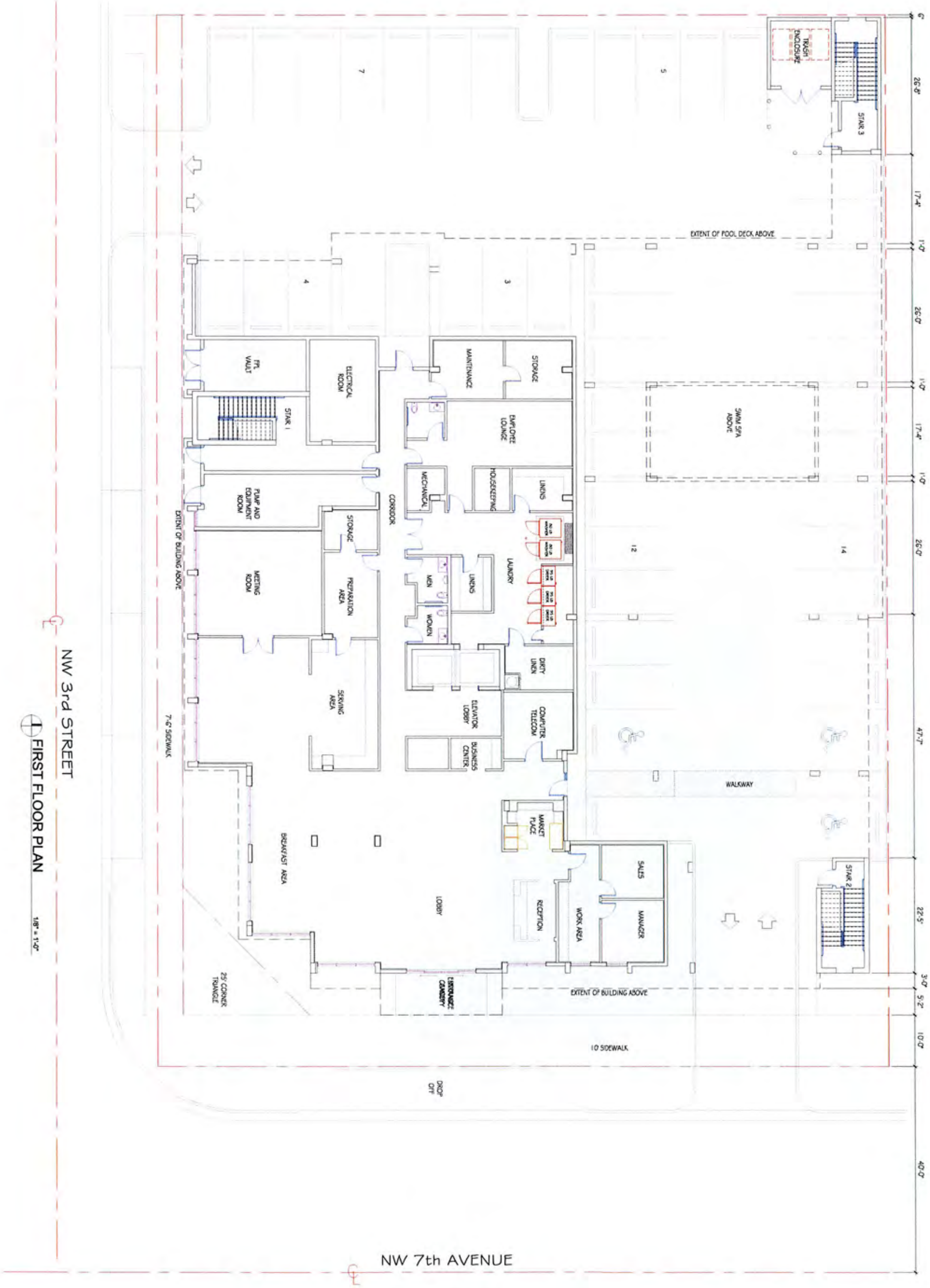
A.01

REV.	DATE	DESCRIPTION

SITE DEVELOPMENT PLAN

Comfort SUITES
NW 7th AVENUE & 3rd STREET FT LAUDERDALE, FL

Israel Bigelman
architect
801 FAIRWAY DRIVE
MIAMI BEACH, FL 33141
Phone: 305.861.4547
IBIGELMAN@AOL.COM



FIRST FLOOR PLAN 1/8" = 1'-0"

DATE: JUNE 17, 2018

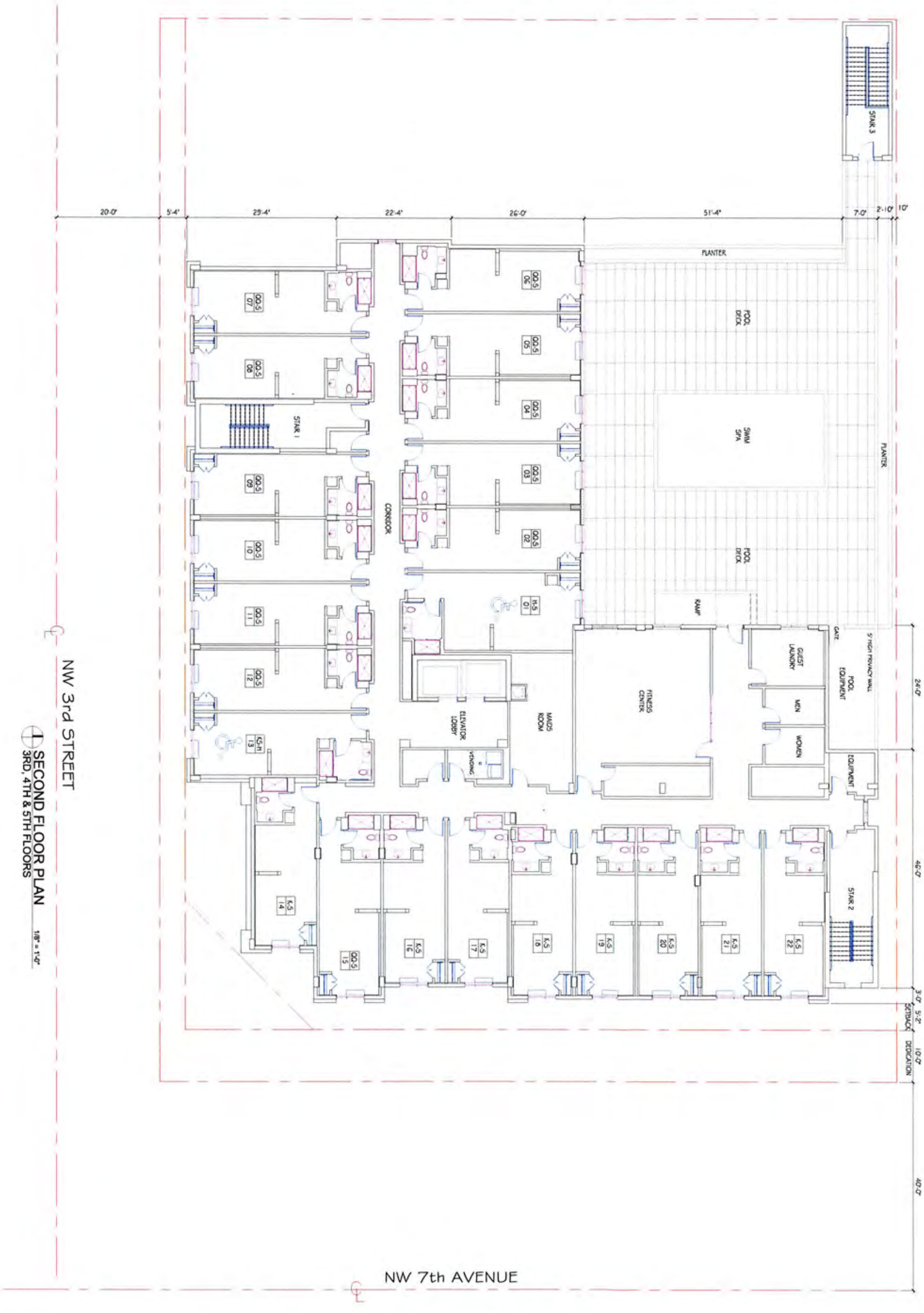
A.02

REV.	DATE	DESCRIPTION

FIRST FLOOR PLAN

Comfort SUITES
NW 7th AVENUE & 3rd STREET FT LAUDERDALE, FL

Israel Bigelman
architect
801 FAIRWAY DRIVE
MIAMI BEACH, FL 33141
Phone: 305.861.4547
IBIGELMAN@AOL.COM

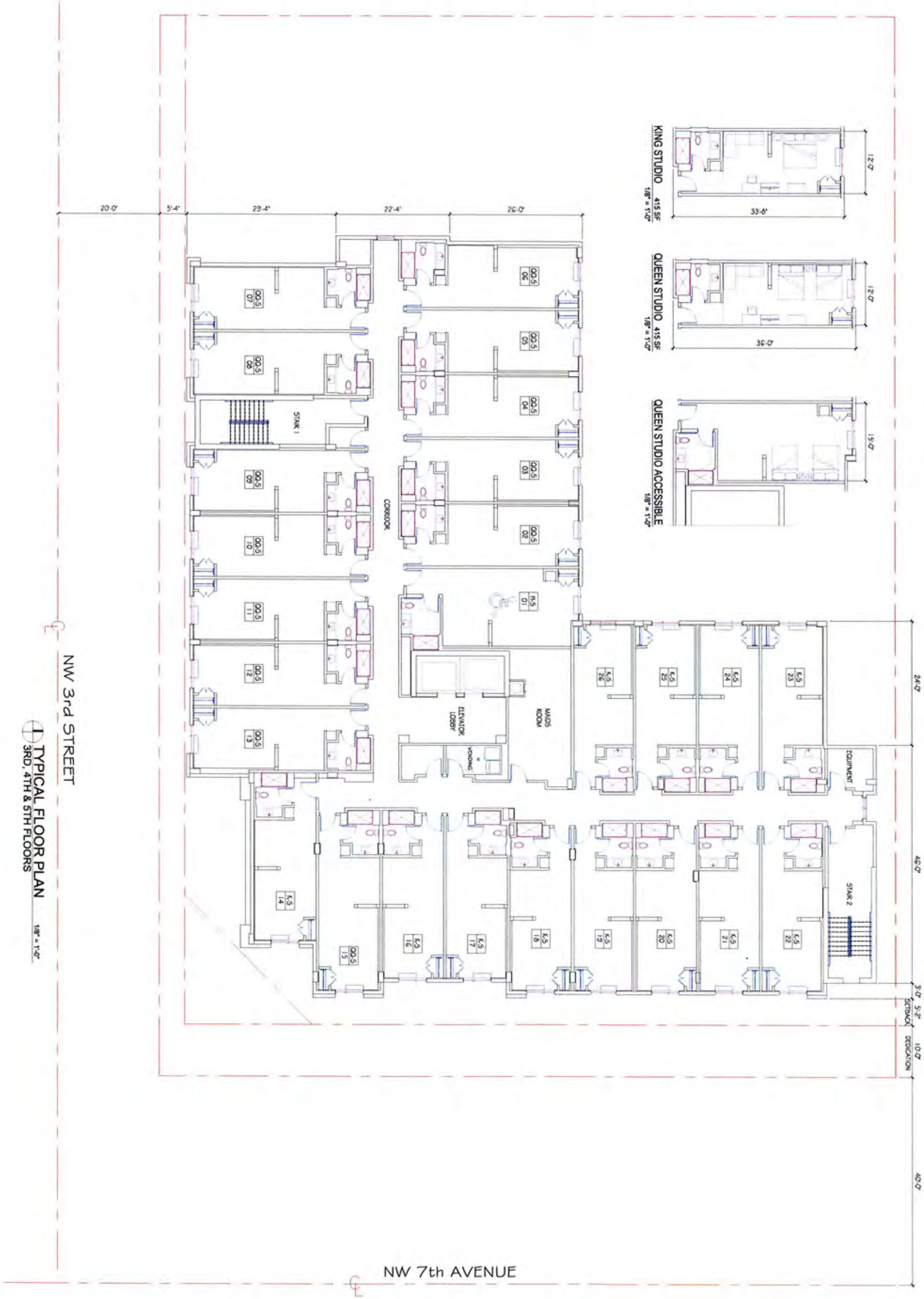


DATE: JUNE 17, 2018	REV.	DATE	DESCRIPTION
A.03			

SECOND FLOOR PLAN

Comfort SUITES
NW 7th AVENUE & 3rd STREET FT LAUDERDALE, FL

Israel Bigelman
architect
801 FAIRWAY DRIVE
MIAMI BEACH, FL 33141
Phone: 305.861.4547
IBIGELMAN@AOL.COM



DATE: JUNE 17, 2016

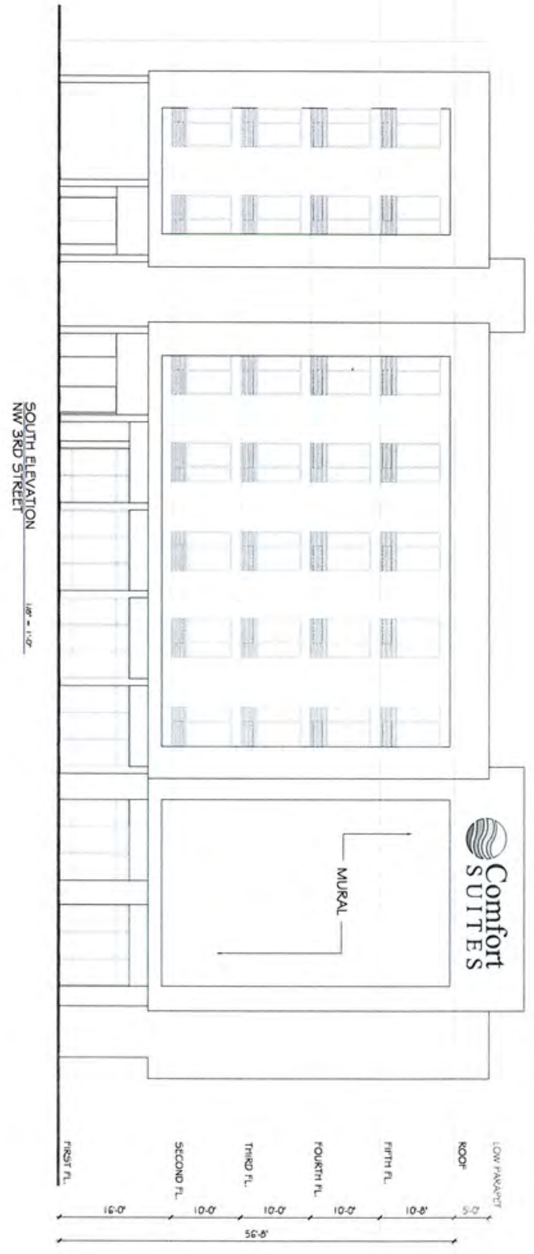
A.04

REV	DATE	DESCRIPTION

TYPICAL FLOOR PLAN

Comfort SUITES
NW 7th AVENUE & 3rd STREET FT LAUDERDALE, FL

Israel Bigelman
architect
801 FAIRWAY DRIVE
MIAMI BEACH, FL 33141
Phone: 305.861.4547
IBIGELMAN@AOL.COM



DATE: JUNE 18, 2018

A.05

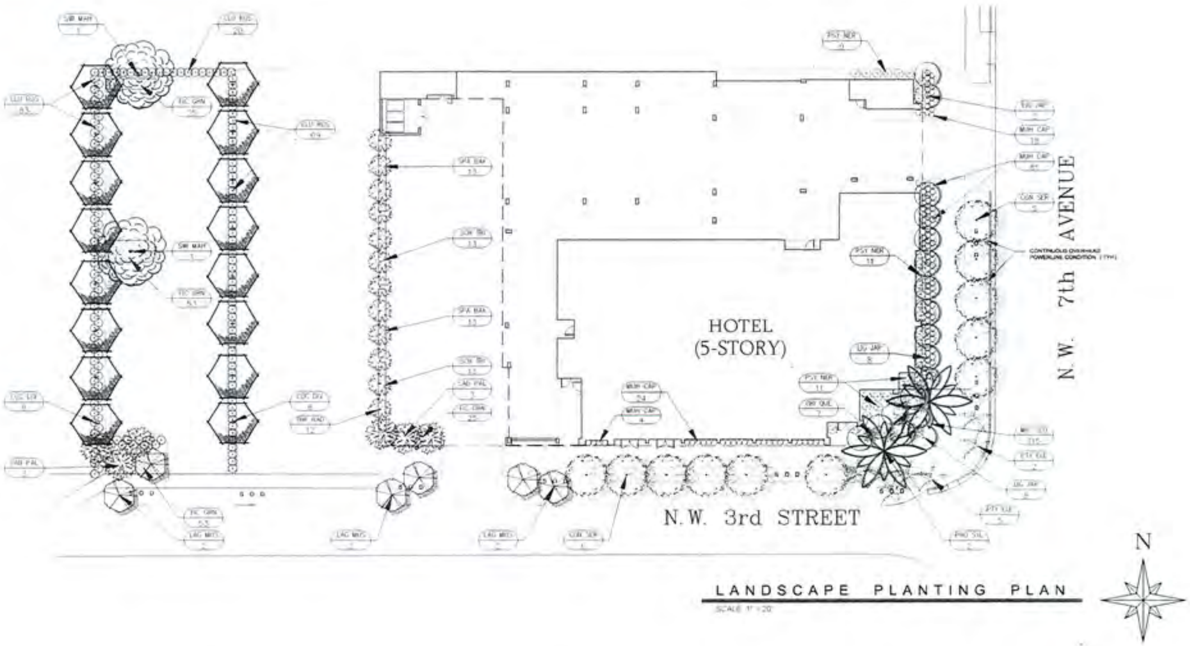
REV.	DATE	DESCRIPTION
△		

EAST & SOUTH
ELEVATIONS

Comfort SUITES
NW 7th AVENUE & 3rd STREET FT LAUDERDALE, FL

Israel Bigelman
architect
801 FAIRWAY DRIVE
MIAMI BEACH, FL 33141
Phone: 305.861.4547
IBIGELMAN@AOL.COM

CAM # 19-0408
Exhibit 4



LANDSCAPE PLANTING PLAN

SCALE: 1" = 20'

GENERAL NOTES & SPECIFICATIONS

1. All proposed plant material shall be a minimum of Florida No. 1 or better as described in Grades and Standards for Nursery Plants, Parts I and II, latest edition published by the Florida Department of Agriculture and Consumer Services.
2. All planted areas shall contain a three (3) inch layer of wood mulch from harvested Eucalyptus or Melaleuca stands, solar sterilized. Keep mulch a min. 12" away from tree trunks. Create min. 5' diameter mulch tree rings around all trees not within a shrub or groundcover bed.
3. All existing and new plant material shall be pruned, if needed, to achieve the shape and form characteristic to their design intent. Pruning shall be in strict accordance with ISA A300 guidelines.
4. All sod shall be certified and weed and insect free.
5. Contractor shall be responsible for locating existing utilities or other obstructions which may interfere with plant installation.
6. Call Sunshine One Call service for underground utility locations 48 hours prior to any excavation or digging 1-800-432-4770.
7. Landscape planting beds and/or sod shall extend to the edge of pavement from vehicular areas, however all plants shall be set back a minimum of 3' from pavement/hardscape edges.
8. All above ground mechanical equipment, irrigation pumps, FPL transformers, etc. shall be screened on a minimum of three (3) sides by landscape shrubs.
9. Where overhead power lines exist, all proposed trees and palm setbacks shall conform with the Florida Power and Light (FPL) Guidelines for setbacks from overhead utility lines.
10. Plant quantities are provided for convenience. In the event of discrepancies between plant quantities and plan graphics, plan graphics shall take precedence.
11. All landscape buffer areas shall have uncompacted coarse loam that is a minimum of 12 inches deep. Soils shall be appreciably free of gravel, stones, rubble or trash. All compacted soil, contaminated soil or roadbase fill shall be removed. Under no circumstances shall soils with greater than five percent or less than 0.5 percent organic matter be accepted.
12. All sod shall be St. Augustine 'Floratam' variety over 3" of amended soil mixture raked to a smooth, fine grade.
13. Grade all landscape areas to produce an even smooth surface after limerock and deleterious materials are removed and amended soil is placed. For any vegetation listed as invasive or prohibited species by the City of Ft. Lauderdale, Broward County, recent Florida Exotic Pest and Plant Council (Class I), remove entire systems and all parts of flora including foliage, seeds or droppings, trunks and primary foliage support systems, and entire root systems to prevent re-establishment. Dispose of waste off-site at a facility that processes such debris.
14. At time of Building Permit, Irrigation Plans shall be submitted with Landscape Plans. All landscape areas will receive 100% head-to-head irrigation coverage.
15. See landscape details sheet L-201 for Structural Soil details for trees adjacent to paved areas.
16. Use physical 24" depth root barrier, by DeepRoot Systems or equal, for all trees planted within 8' of underground utilities. Follow manufacturer's instructions for installation.
17. An Engineering Landscaping (GLANDSCAPE) Permit is required for the Landscape and Irrigation work within the adjacent right-of-way. Contractor to obtain all needed permits as part of this work.
18. No trees are allowed on top of water, sewer and storm infrastructure. Should field conditions be such that this may occur, consult Landscape Architect of Record and City of Ft. Lauderdale Engineer (or his designee) for acceptable tree locations to avoid this condition.
19. Maintenance declaration for landscaping in the right-of-way will be required prior to certificate of occupancy. Owner, permit expediter, or general contractor must coordinate with the City of Ft. Lauderdale.

PLANT LIST AND SPECIFICATIONS

TREE AND PALMS

	SYMBOL	QUANTITY	LATIN NAME	COMMON NAME	SIZE	SPREAD	DESCRIPTION
*N	CON SER	11	Conocarpus erectus 'Sericeus'	SILVER BUTTONWOOD	12' HT./2" DBH	5'	FG, SINGLE STRAIGHT TRUNK, FULL RADIAL BRANCHING
	LAG MUS	6	Lagerstroemia indica X fauriei 'Muskogee'	MUSKOGEE CRAPE MYRTLE	12' HT./2" DBH	5'	FG, SINGLE STRAIGHT TRUNK, FULL RADIAL BRANCHING
	LIG JAP	17	Ligustrum japonicum	LIGUSTRUM	10' OVERALL HEIGHT	5'	MULTI-TRUNK, 4' CT, FULL RADIAL BRANCHING
	PHO SYL	2	Phoenix sylvestris	SYLVESTER DATE PALM	MIN. 12' CLEAR WOOD	16'	FLORIDA FANCY, FG, THICK STRAIGHT EVEN TRUNKS W/DIAMOND PATTERN, NO PENCILING, FULL CROWNS
	PTY ELE	10	Ptychosperma elegans	SOLITAIRE PALM	12'/16'/20'/24' HTS.	10'	F.G. STRAIGHT EVEN TRUNKS, NO PENCILING, FULL CROWNS
*N	SAB PAL	3	Sabal palmetto	SABAL PALM	14'/18'/22' HTS.	N/A	FG, THICK STRAIGHT EVEN TRUNKS, SLICKED, NO PENCILING, HURRICANE CUT
*N	SW MAH	2	Swietenia mahagoni	SOUTHERN MAHOGANY	12' HT./2" DBH	5'	FG, STRAIGHT TRUNK, FULL RADIAL BRANCHING
*N	THR RAD	12	Thrinax radiata	FLORIDA THATCH PALM	MIN. 8' CLEAR TRUNK	8'	F.G. STRAIGHT EVEN TRUNKS, FULL CROWNS

SHRUBS AND GROUNDCOVER

	SYMBOL	QUANTITY	LATIN NAME	COMMON NAME	SIZE	DESCRIPTION
*N	CLU ROS	172	Clusia guttifera	LITTLELEAF CLUSIA	24" X 24"	FULL, SPACE 24" ON CENTER
	CRI QUE	3	Crinum 'Queen Emma'	QUEEN EMMA CRINUM LILY	36" X 48"	FULL, SPACE AS SHOWN BETWEEN LIGUSTRUM @ SE PLANTER BED
	FIC MAC	156	Ficus microcarpa 'Green Island'	GREEN ISLAND FICUS	18" X 18"	18"X18", FULL, SPACE 24" ON CENTER
	MIC SCO	115	Microsorum scolopendria	WART FERN	15" X 15"	FULL, SPACE 18" ON CENTER AS GROUNDCOVER @ SE PLANTER BED
*N	MUH CAP	131	Muhlenbergia capillaris	MUHLY GRASS	16" X 16"	FULL, SPACE 24" ON CENTER
*N	PSY NER	31	Psychotria nervosa	WILD COFFEE	24" X 24"	FULL, SPACE 30" ON CENTER
	SCH TRI	26	Schefflera arboricola 'Trinette'	TRINETTE	24" X 24"	FULL, SPACE 24" ON CENTER
*N	SPA BAK	26	Spartina bakeri	SAND CORDGRASS	24" X 24"	FULL, SPACE 24" ON CENTER

*N - ABOVE DENOTES FLORIDA NATIVE SPECIES - SEE NATIVE PERCENTAGE CALCULATIONS IN TABULAR DATA CHART BELOW

L-200

LANDSCAPE
PLANTING PLAN

GREEN EARTH
LANDSCAPE ARCHITECTURE

705 SW 3RD STREET

18 119
06-21-18

William Dale Bryant
LA6666943

LEGEND:

B.M.	= BENCHMARK
B.C.R.	= BROWARD COUNTY RECORDS
C	= CALCULATED MEASUREMENT
℄	= CENTERLINE
C.B.	= CHORD BEARING
C.B.S.	= CONCRETE BLOCK STRUCTURE
C.L.F.	= CHAIN LINK FENCE
C.O.	= CLEAN OUT
CONC.	= CONCRETE
C.L.P.	= CONCRETE LIGHT POLE
D	= DEED MEASUREMENT
E.S.	= ELECTRIC SERVICE
ELEV.	= ELEVATION
F.P.L.	= FLORIDA POWER & LIGHT
F.H.	=FIRE HYDRANT
G.V.	= GATE VALVE
L.P.	= LIGHT POLE
M	= MEASURED
M-D.C.R.	= MIAMI-DADE COUNTY RECORDS
M.H.	= MANHOLE
NAVD	= NORTH AMERICAN VERTICAL DATUM
NGVD	= NATIONAL GEODETIC VERTICAL DATUM
O.R.B.	= OFFICIAL RECORDS BOOK
P	= PLAT MEASUREMENT
P.B.	= PLAT BOOK
P.E.	= POOL EQUIPMENT
P.B.C.R.	= PALM BEACH COUNTY RECORDS
P.O.B.	= POINT OF BEGINNING
P.O.C.	= POINT OF COMMENCEMENT
TYP.	= TYPICAL
W.F.	= WOOD FENCE
W.P.P.	= WOOD POWER POLE
A/C	= AIR CONDITIONING UNIT
o/s	= OFFSET
R/W	= RIGHT-OF-WAY
♿	= HANDICAPPED PARKING
✠	= FIRE HYDRANT
⊸	= UTILITY POLE
↗	= SPOT ELEVATION

PINNELL SURVEY, INC.
PROFESSIONAL SURVEYORS AND MAPPERS
5300 WEST HILLSBORO BOULEVARD, SUITE 215-A
COCONUT CREEK, FLORIDA 33073
PHONE: (954)418-4940 FAX: (954)418-4941
LICENSED BUSINESS #6857

PROJECT ADDRESS: N.W. 3rd STREET AND 7th AVENUE
FORT LAUDERDALE, FLORIDA 33311

CERTIFY TO:

1. CITY OF FORT LAUDERDALE
2. IMPACT INVESTMENTS 1 LLC

LEGAL DESCRIPTION:

LOTS 31, 32, 33, 34, 35 AND 36, BLOCK A, SUBDIVISION FOR FT. LAUDERDALE LAND AND DEVELOPMENT CO BLOCK 6, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 1, PAGE(S) 57, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA. SAID LANDS SITUATE, LYING AND BEING IN BROWARD COUNTY, FLORIDA. LESS THE EAST 20 FEET OF LOT 36 FOR STREET RIGHT OF WAY.

THE SOUTH ONE-HALF (S 1/2) OF THAT PORTION OF VACATED ALLEY LYING IMMEDIATELY NORTH OF AND ADJACENT TO LOTS 31 AND 32, BLOCK A, SUBDIVISION FOR FT. LAUDERDALE LAND AND DEVELOPMENT CO BLOCK 6, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 1, PAGE(S) 57, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA. SAID LANDS SITUATE, LYING AND BEING IN BROWARD COUNTY, FLORIDA.

AND THE SOUTH ONE-HALF (S 1/2) OF THE PORTION OF SAID VACATED ALLEY BETWEEN SAID LOTS 1, 2, 3, 4, 33, 34, 35 AND 36, BLOCK A, SUBDIVISION FOR FT. LAUDERDALE LAND AND DEVELOPMENT CO BLOCK 6, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 1, PAGE(S) 57, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA. SAID LANDS SITUATE, LYING AND BEING IN BROWARD COUNTY, FLORIDA.

LOTS 24, 25, 28, 29, 30 AND THE SOUTH 5 FEET OF THE ABUTTING VACATED ALLEY AS DESCRIBED IN OFFICIAL RECORDS BOOK 13946, PAGE 94, BLOCK A, SUBDIVISION FOR FT. LAUDERDALE LAND AND DEVELOPMENT CO BLOCK 6, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 1, PAGE(S) 57, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA. SAID LANDS SITUATE, LYING AND BEING IN BROWARD COUNTY, FLORIDA.

ENCROACHMENT NOTES:

1) 6' CHAIN LINK FENCE CROSSES OVER THE COMMON PROPERTY LINE BETWEEN LOT 25 AND LOT 26.

GENERAL NOTES:

1) TYPE OF SURVEY: BOUNDARY
2) IF THIS SURVEY HAS BEEN REVISED AS INDICATED IN THE REVISION BOX SHOWN HEREON, THEN ANY AND ALL PREVIOUS VERSIONS OF THIS SURVEY PREPARED BY PINNELL SURVEY, INC. ARE NULL & VOID.
3) THIS SURVEY IS NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
4) THE PROPERTY SHOWN HEREON WAS NOT ABSTRACTED FOR OWNERSHIP, RIGHTS-OF-WAY, EASEMENTS OR OTHER MATTERS OF RECORD BY PINNELL SURVEY, INC. THERE MAY BE ADDITIONAL RESTRICTIONS THAT ARE NOT DEPICTED ON THIS SURVEY THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THE COUNTY, FOR WHICH THE SUBJECT PROPERTY IS LOCATED IN.
5) UNLESS OTHERWISE NOTED, FIELD MEASUREMENTS ARE IN AGREEMENT WITH RECORD MEASUREMENTS.
6) ELEVATIONS SHOWN HEREON ARE BASED ON THE NAVD '88, UNLESS OTHERWISE NOTED.
7) UNDERGROUND IMPROVEMENTS AND UTILITIES ARE NOT LOCATED.
8) FENCE AND WALL OWNERSHIP IS NOT DETERMINED.
9) THIS DRAWING IS THE PROPERTY OF PINNELL SURVEY, INC. AND SHALL NOT BE USED OR REPRODUCED, WHOLE OR IN PART WITHOUT WRITTEN PERMISSION & AUTHORIZATION FROM PINNELL SURVEY, INC.
10) ALL EASEMENTS SHOWN ON THE ATTACHED DRAWING ARE PER THE RECORD PLAT (UNLESS OTHERWISE NOTED).
11) TREE DESCRIPTIONS ARE GENERAL IN NATURE AND SHOULD BE VERIFIED.
12) REFERENCE BENCHMARK ELEVATION DATUM WAS CONVERTED FROM NGVD 1929 TO NAVD 1988 USING CORPSCON 6.0.1
13) REFERENCE BENCHMARK: CITY OF FORT LAUDERDALE B.M. AT N.E. CORNER OF CATCH BASIN AT N.W. 10TH AVENUE AND N.W. 4TH STREET, ELEVATION = 5.851' (NGVD '29) / 4.281' (NAVD '88)
14) BY GRAPHIC PLOTTING ONLY, THE PROPERTY SHOWN HEREON IS LOCATED WITHIN A FLOOD ZONE "X(0.2%)" WITH NO BASE FLOOD ELEVATION DETERMINED, AS SHOWN ON F.I.R.M. MAP 125105-0369-H, BEARING A MAP EFFECTIVE DATE OF 08/18/14 AND AN INDEX MAP REVISION DATE OF 08/18/14.
15) DATE FIELDWORK PERFORMED: 12/14/15 (FIELD BOOK 521, PAGE 04)
16) DRAWN BY: J.H.P. & O.D.I. CHECKED BY: J.H.P.

CERTIFICATION:

THIS IS TO CERTIFY THAT I HAVE RECENTLY SURVEYED THE PROPERTY DESCRIBED IN THE FOREGOING TITLE CAPTION AND HAVE SET OR FOUND MONUMENTS AS INDICATED ON THIS SKETCH AND THAT SAID ABOVE GROUND SURVEY AND SKETCH ARE ACCURATE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY MEETS THE STANDARDS OF PRACTICE UNDER RULE 5J-17, FLORIDA ADMINISTRATIVE CODE, ADOPTED BY THE FLORIDA STATE BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS.

JASON H. PINNELL
No. 5734

05/02/18

JASON H. PINNELL
PROFESSIONAL SURVEYOR & MAPPER
LICENSE NO. 5734 – STATE OF FLORIDA

REVISIONS:

REVISION	DATE	CHECKED BY
UPDATE SURVEY: ADD LOTS 24, 25, 28–30, ELEVATIONS, TREES (18-0747)	04/30/18	O.C./J.P.

PROJECT NAME:

JOB NO.: 05-4941


HOTEL
d'ARTS
HOTEL
d'ARTS


HOTEL
d'ARTS

AVENUE D'ARTS FLL, LLC

December 17, 2018

Clarence Woods, NPF CRA Manager
City of Fort Lauderdale Community Redevelopment Agency
914 Sistrunk Boulevard, Suite 200
Fort Lauderdale, FL 33311
Tel: 954-828-4519
Fax: 954-828-4500
E-mail: CWoods@fortlauderdale.gov

RE: Owner and Developer: AVENUE D'ARTS FLL, LLC
Project: COMFORT SUITES – HOTEL D'ARTS
Request: CRA Development Incentive Program Funding Contribution

Dear Mr. Woods:

Please accept this letter on behalf of AVENUE D'ARTS FLL, LLC as a formal request of Northwest Progresso-Flagler Heights (NPF) CRA funds to assist with project related and off-site improvements for the Hotel D'Arts Project. The request is for a total commitment of $3,000,000 from the CRA's Development Incentive Program.

Based on the IRR Analysis sheet included within the supporting documents, the Hotel D'Arts Project is not financially feasible without development incentives from the CRA. To date, given the site's location in an economically depressed area, no nationally known hotel chains have been developed. As such, IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group are pioneering development in the Dorsey-Riverbend corridor, and the projected financial metrics such as Average Daily Rate (ADR) and occupancy will likely be below market for several years of operation. When looking at a five-year cash flow analysis without incentives, the Project is basically not profitable at an IRR of 1.46%. In order for the Project to make financial sense given the intrinsic risks of this unproven location, $3,000,000 in the form of construction cost reimbursements is being requested. With these funds, which will enable the development of a more aesthetically-pleasing franchised product, the projected IRR would reach 12.39% which is the minimum threshold a typical Developer would need to assume the development risk.

The debt assumptions within the IRR Analysis were based on preliminary quotes from lender relationships. It should be noted that interest rates have been steadily increasing in recent months with the 10-year treasury rate hitting its 52-week high in October 2018. As such, further rate increases during the DRC/site plan approval process will likely result in additional financial stress on the Project.

In addition, construction costs have been on the rise in South Florida. Hard constructions costs are increasing due to recent taxes on overseas materials. Secondly, it is becoming more difficult to find and attract skilled labor given fierce competition among other Projects. These issues are leading to added costs for the Hotel D'Arts project, in which the DIP funding would help to mitigate.

Attached please find the required application form and supportive documents for the Development Incentive Program request.

Please call me with any questions.

Sincerely,

Sameet Patel
Hotel D'Arts FLL, LLC

Description of Proposed Development and Request for Funding:

1.General Property Information. IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group have proposed to construct a 5-story, 100-room hotel at the northwest corner of N.W. 3rd Street and N.W. 7th Avenue, Fort Lauderdale, Florida. The hotel will be a limited service hotel (Comfort Suites). In support of the development, IMPACT Real Estate Group has retained Walter Duke + Partners to model the Economic Benefits of the hotel construction and operations on the surrounding areas. For purposes of this analysis, the Primary Study Area includes the zip codes of 33301, 33304, 33305, 33306, 33311, 33312, 33315 and 33316, which generally includes the areas east of Interstate 95, South of Oakland Park Boulevard, North of Interstate 595 and west of the Atlantic Ocean and it is reflective of the study area.

The Property is located on the Eastern border of the Dorsey-Riverbend HOA, a neighborhood that is considered a focus area of the Northwest-Progresso-Flagler Heights CRA. The CRA is dedicated to eliminate slum and blight. Although several developers have started acquiring land in this corridor, no significant commercial development projects have broken ground in recent years. IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group are pioneering development into this area with the first large scale hotel project this far West of the Florida East Coast Railway (FEC) tracks in Downtown Fort Lauderdale. The Hotel d'Arts Project will bring needed jobs to the area and serve as a catalyst for both redevelopment in the immediate vicinity of the hotel and the area West of the FEC rail. The Applicant understands that the development of a hotel on the Property presents unique risks, because to date, no one has attempted to develop a Project of this size this far West of the Downtown core.

2. Project Details. The proposed hotel is to be franchised as a Comfort Suites by Choice Hotels as a limited service hotel consisting of 100 suites. The building is 5 stories in height and designed with a contemporary architectural style exemplified by the simple clean lines of the structure, and geometric features along the facade. The facade of the building is well articulated; providing visual variety and interest without being overwhelming. The street level facade enhances the pedestrian environment by incorporating architectural features into its design; which add special interest of being located on Avenue of the Arts

In addition; the Hotel has been designed with the following design criteria:

(1) Surface parking and ground level with floor to ceiling glass. (2) active uses and amenities on the first floor; (3) internal vehicle circulation; (4) internal building services; The streetscape improvements include installation of new curbing; pavers; landscaping; lighting; wide sidewalks, benches. These improvements are focused on creating a pedestrian friendly environment and an overall neighborhood aesthetic.

This request is consistent with other Development Incentive Program funding requests that have been granted to other projects West of the Florida East Coast Railway (FEC) tracks in Downtown Fort Lauderdale. Below is a list of the other Development Incentive Program awards granted by the CRA:

Previous Development Incentive Program Awards

Project	**Estimated Capital Investment**	**DIP Award**	**DIP Award Percentage**
YMCA of South Florida	$15,000,000	$10,000,000	66.7%
Six13	$28,615,025	$7,000,000	24.5%
Sistrunk Market	$5,998,477	$1,400,000	23.3%

3.Project Construction Schedule: Hotel D'Arts FLL, LLC expects to break ground in July 2019 and expects construction to last for approximately 12-16 months.

4.Request for funding. The direct project construction costs associated with the hotel development, \$16,675,000, will be spent on hard and soft construction costs in the local economy. The construction period is expected to take one year commencing in July 2019. Local economic impacts of the hotel construction plus multiplier effects of the hotel construction will exceed \$27 million. Construction and related service employment, plus induced and indirect employment, will support 135 jobs over the construction period, as well as supporting an additional 67 non-construction jobs. The Applicant is requesting \$3,000,000 in Development Incentive Program awards in order to make this hotel project feasible.

As justification for this request, the Applicant asks that you consider the following:

a. Having the local financial commitment of the CRA will aid the developer in securing the National known flag critical to future investment and making the Hotel economically feasible.

b. The Hotel Project will not only be an economic catalyst for the area but will bring nearly 245 new jobs to the area. (According to attached economic analysis).

c. The Applicant is pursuing a nationally known flag for the hotel, which will encourage additional development further West of the Florida East Coast Railway (FEC) tracks in Downtown Fort Lauderdale.

5.Conclusion: The proposed Project is consistent with and furthers the objectives of the Northwest-Progresso-Flagler Heights Redevelopment Plan, and the Applicant is hopeful that this funding request will be granted so the Project is economically feasible.

Additional information regarding the development team and project are included with this submittal.

a. Development plans (Renderings)
b. Development team information

CRA TIP Rebate Program Calculation

		Year 1	Year 2	Year 3	Year 4	Year 5
Current Land Value		$ 296,380	$ 305,271	$ 314,430	$ 323,862	$ 333,578
Future Value	3%	$ 16,675,000	$ 17,175,250	$ 17,690,508	$ 18,221,223	$ 18,767,859
Net Increase in Assessed Value		$ 16,378,620	$ 16,869,979	$ 17,376,078	$ 17,897,360	$ 18,434,281
Millage Rate		0.01140	0.01140	0.01140	0.01140	0.01140
Assessment on Increased Value		$ 186,716	$ 192,318	$ 198,087	$ 204,030	$ 210,151
County Collection	95%	$ 177,380	$ 182,702	$ 188,183	$ 193,828	$ 199,643
County to City	95%	$ 168,511	$ 173,567	$ 178,774	$ 184,137	$ 189,661
% Rebate per CRA Program		0%	0%	0%	0%	0%
CRA Reimbursement		$ -	$ -	$ -	$ -	$ -

Folio Number	2018 Assessed Value
504210120590	$ 40,250.00
504210120580	$ 56,930.00
504210120560	$ 56,920.00
504210120550	$ 56,910.00
504210120540	$ 28,460.00
504210120520	$ 56,910.00
	$ 296,380.00

Projection of Income & Expenses

Hotel D'Arts FLL

Number of Rooms:

100

	ROOM REV STATS	Year 1			Year 2			Year 3			Year 4			Year 5		
	Rooms Sold	22,813			25,185			27,010			27,375			28,105		
	Rooms Available	36,500			36,500			36,500			36,500			36,500		
	ADR	$110.00			$122.00			$129.00			$132.50			$135.00		
	Occupancy	62.50%			69.00%			74.00%			75.00%			77.00%		
	RevPAR	68.75			84.18			95.46			99.38			103.95		
Revenues	**Account**	**Revenue**	**POR**	**% Rev**	**Revenue**	**POR**	**% Rev**	**Revenue**	**POR**	**% Rev**	**Revenue**	**POR**	**% Rev**	**Revenue**	**POR**	**% Rev**
Rooms		$ 2,510,059.38	$110.03	90.78%	$ 3,073,325.55	$122.03	91.61%	$ 3,485,100.30	$129.03	92.03%	$ 3,628,008.75	$132.53	92.22%	$ 3,794,859.38	$135.03	92.35%
Food & Beverage		$ 110,195.82	$ 4.83	3.99%	$ 121,656.19	$ 4.83	3.63%	$ 130,471.85	$ 4.83	3.45%	$ 132,234.98	$ 4.83	3.36%	$ 135,761.25	$ 4.83	3.30%
Telephone		$ 684.38	$ 0.03	0.02%	$ 755.55	$ 0.03	0.02%	$ 810.30	$ 0.03	0.02%	$ 821.25	$ 0.03	0.02%	$ 843.15	$ 0.03	0.02%
Miscellaneous		$ 144,175.00	$ 6.32	5.21%	$ 159,169.20	$ 6.32	4.74%	$ 170,703.20	$ 6.32	4.51%	$ 173,010.00	$ 6.32	4.40%	$ 177,623.60	$ 6.32	4.32%
Total Revenues		$ 2,765,114.57	$ 121.21	100%	$ 3,354,906.49	$133.21	100%	$ 3,787,085.65	$ 140.21	100%	$ 3,934,074.98	$143.71	100%	$ 4,109,087.38	$146.21	100%
Expenses	**Account**	**Expense**	**POR**	**% Rm Rev**	**Expense**	**POR**	**% Rm Rev**	**Expense**	**POR**	**% Rm Rev**	**Expense**	**POR**	**% Rm Rev**	**Expense**	**POR**	**% Rm Rev**
Departmental Expenses																
Rooms		$ 570,223.53	$ 25.00	22.72%	$ 635,823.03	$ 25.25	20.69%	$ 688,649.66	$ 25.50	19.76%	$ 704,799.49	$ 25.75	19.43%	$ 730,620.39	$ 26.00	19.26%
Food & Beverage		$ 102,171.16	$ 4.48	4.07%	$ 112,796.96	$ 4.48	3.67%	$ 120,970.66	$ 4.48	3.47%	$ 122,605.40	$ 4.48	3.38%	$ 107,463.66	$ 4.48	3.90%
Telephone		$ 10,265.63	$ 0.45	0.41%	$ 11,333.25	$ 0.45	0.37%	$ 12,154.50	$ 0.45	0.35%	$ 12,318.75	$ 0.45	0.34%	$ 12,647.25	$ 0.45	0.33%
Miscellaneous		$ 87,074.41	$ 3.79	3.47%	$ 95,529.85	$ 3.79	3.11%	$ 102,452.31	$ 3.79	2.94%	$ 102,666.89	$ 3.76	2.84%	$ 106,605.78	$ 3.79	2.81%
Total Departmental Expenses		$ 769,734.74	$ 33.72	30.7%	$ 855,483.10	$ 33.97	27.8%	$ 924,227.13	$ 34.22	26.5%	$ 942,390.53	$ 34.43	26.0%	$ 957,337.09	$ 34.72	26.3%
Gross Operating Income		$ 1,995,379.83	$ 87.49	69.3%	$ 2,499,423.39	$ 99.24	72.2%	$ 2,862,858.52	$105.99	73.5%	$ 2,991,684.46	$109.28	74.0%	$ 3,151,750.29	$111.49	73.7%
Undistributed Operating Expense																
Admin & General		$ 238,455.04	$ 8.70	9.50%	$ 251,294.37	$ 10.00	8.18%	$ 261,170.77	$ 9.70	7.50%	$ 263,146.05	$ 9.65	7.25%	$ 267,096.61	$ 9.54	7.04%
Sales & Marketing		$ 163,354.76	$ 7.16	6.51%	$ 170,983.66	$ 6.79	5.56%	$ 176,852.04	$ 6.55	5.08%	$ 178,025.71	$ 6.50	5.01%	$ 180,373.06	$ 6.42	5.97%
Franchise		$ 290,836.56	$ 12.75	11.59%	$ 356,110.86	$ 14.14	11.59%	$ 403,829.21	$ 14.95	11.59%	$ 420,391.03	$ 15.36	11.59%	$ 439,744.88	$ 15.65	11.59%
Utilities		$ 94,671.88	$ 4.15	3.77%	$ 104,517.75	$ 4.15	3.40%	$ 112,091.50	$ 4.15	3.22%	$ 113,606.25	$ 4.15	3.13%	$ 116,635.75	$ 4.15	3.07%
Repairs & Maint		$ 94,763.83	$ 4.15	3.78%	$ 99,341.27	$ 3.94	3.23%	$ 102,862.38	$ 3.81	2.95%	$ 103,566.60	$ 3.78	2.86%	$ 104,975.04	$ 3.74	2.77%
Total Undistributed Expenses		$ 882,082.07	$ 36.91	35.15%	$ 982,247.91	$ 39.02	31.97%	$ 1,056,805.90	$ 39.16	30.33%	$ 1,078,735.64	$ 39.44	29.84%	$ 1,108,825.35	$ 39.49	30.44%
Gross Operating Profit		$ 1,113,297.76	$ 50.58	34.17%	$ 1,517,175.48	$ 60.22	40.19%	$ 1,806,052.63	$ 66.83	43.14%	$ 1,912,948.81	$ 69.84	44.17%	$ 2,042,924.94	$ 72.00	43.25%
Fixed Expenses																
Fixed Charges		$ 267,341.24	$ 11.72	10.09%	$ 325,644.37	$ 12.93	10.09%	$ 368,322.48	$ 13.64	10.09%	$ 382,969.08	$ 13.99	10.09%	$ 400,263.64	$ 14.24	10.09%
Reserve for Replacement		$ 55,302.29	$ 2.42	2.00%	$ 100,647.19	$ 4.00	3.00%	$ 151,483.43	$ 5.61	4.00%	$ 157,363.00	$ 5.75	4.00%	$ 164,363.50	$ 5.85	4.00%
Total Fixed Expenses		$ 322,643.53	$ 14.14	12.09%	$ 426,291.57	$ 16.93	13.09%	$ 519,805.91	$ 19.24	14.09%	$ 540,332.08	$ 19.74	14.09%	$ 564,627.13	$ 20.09	14.09%
Net Operating Income		$ 790,654.23	$ 36.44	28.59%	$ 1,090,883.91	$ 43.29	32.52%	$ 1,286,246.72	$ 47.59	33.96%	$ 1,372,616.73	$ 50.10	34.89%	$ 1,478,297.81	$ 51.91	35.98%

PROPERTY LOCATION		ROOM COUNT	TOTAL SQ. FT.
FORT LAUDERDALE, FL		100	72,225
DESCRIPTION	**TOTAL**	**COST PER KEY**	**COST PER SQ. FT.**
*FF&E	$1,598,175.00	$15,981.75	$22.13
*OS&E	$286,414.00	$2,864.14	$3.97
*Technology	$255,811.00	$2,558.11	$3.54
*Additional Expenses	$433,803.00	$2,338.03	$6.01
Subtotal	**$2,574,203.00**	**$25,742.03**	**$35.64**
*Includes tax, freight, purchasing fee, and attic stock when applicable.			
DESCRIPTION	**TOTAL**	**COST PER KEY**	**COST PER SQ. FT.**
CRA Land Acquisition	$355,000.00		
Design & Engineering	$305,620.00		
Franchise Application Fee	$60,000.00		
Permits & Licenses	$75,000.00		
Base Construction	$11,700,450.00		$162.00
Construction Contingency	$585,022.50		5.00%
Landscaping Allowance	$414,000.00		
Project Management	$324,000.00		
Feasibility & Appraisals	$12,500.00		
Initial Financing Costs	$55,000.00		
Project Cost/Site Work/Misc Construction Cost	$895,000.00		
Subtotal	**$14,781,592.50**	**$147,815.93**	**$204.66**
DESCRIPTION	**TOTAL**	**COST PER KEY**	**COST PER SQ. FT.**
****TOTAL BUDGET ESTIMATE FOR COMFORT SUITES**	**$17,355,795.50**	**$173,557.96**	**$240.30**
All areas above that are highlighted in YELLOW should be confirmed for the specific property budgeting.			

Sunny Coast Construction Inc.
401 E Jackson Street Suite 2340
Tampa FL 33602
Bid Date: 12-6-18

Hotel Construction
16 Months
Concrete/Plank/Metal Stud

Item	Cost Code	Category	Contract Amount
Comfort Suites Ft Lauderdale Fl			
00 - Procurement and Contracting Requirements			
00-00 31 00-31 43 - Entitlement Processing: Other	00-00 31 00-31 43 - Entitlement Processing	Other	$-
00-00 31 00-31 43.1 - Private Provider Inspection Fees: Other	00-00 31 00-31 43.1 - Private Provider Inspection Fees	Other	$ 65,009.00
00-00 31 00-31 46 - Permit: Other	00-00 31 00-31 46 - Permit	Other	$4,000.00
00-43 00 - Project Development and Estimating: Other	00-43 00 - Project Development and Estimating	Other	$-
00-72 00 - Builder's Risk and General Liability: Other	00-72 00 - Builder's Risk and General Liability	Other	$20,000.00
Subtotal 00 - Procurement and Contracting Requirements			**$89,009.00**
01 - General Requirements			
01-00 00 - General Requirements: Other	01-00 00 - General Requirements	Other	$ 343,000.00
01-53 00 - Temporary Construction: Other	01-53 00 - Temporary Construction	Other	$2,000.00
01-56 00 - Temporary Barriers and Enclosures: Other	01-56 00 - Temporary Barriers and Enclosures	Other	$ 19,800.00
01-71 00-71 13 - Moblization: Other	01-71 00-71 13 - Moblization	Other	$10,000.00
01-74 00 - Cleaning and Waste Management: Other	01-74 00 - Cleaning and Waste Management	Other	$32,009.00
01-80 00 - Performance Requirements: Other	01-80 00 - Performance Requirements	Other	$-
Subtotal 01 - General Requirements			**$ 406,809.00**
02 - Existing Conditions			
02-21 00 - Surveys: Other	02-21 00 - Surveys	Other	$ 14,300.00
02-41 00 - Demolition: Other	02-41 00 - Demolition	Other	$-
02-56 00 - Site Containment: Other	02-56 00 - Site Containment	Other	$ 9,470.00
Subtotal 02 - Existing Conditions			**$23,770.00**
03 - Concrete			
03-01 00 - Concrete Slab	03-01 00 - Maintenance of Concrete	Other	$ 450,000.00
03-05 00 - Common Work Results for Concrete: Other	03-05 00 - Common Work Results for Concrete	Other	$ 21,000.00
03-10 00 - Concrete Forming and Accessories: Other	03-10 00 - Concrete Forming and Accessories	Other	$10,990.00
03-15 00 - Concrete Accessories: Other	03-15 00 - Concrete Accessories	Other	$1,000.00
03-20 00 - Concrete Reinforcing: Other	03-20 00 - Concrete Reinforcing	Other	$4,500.00
03-41 00 - Precast Structural Concrete: Other	03-41 00 - Precast Structural Concrete	Other	$540,090.00
03-47 00 - Site-Cast Concrete: Other	03-47 00 - Site-Cast Concrete	Other	$20,000.00
03-50 00 - Cast Decks and Underlayment: Other	03-50 00 - Cast Decks and Underlayment	Other	$-
03-53 00 - Concrete Topping: Other	03-53 00 - Concrete Topping	Other	$ 87,600.00
Subtotal 03 - Concrete			**$ 1,135,180.00**
04 - Masonry			
04-22 00 - Concrete Unit Masonry: Other	04-22 00 - Concrete Unit Masonry	Other	$ 987,000.00
04-57 00 - Masonry Fireplaces: Other	04-57 00 - Masonry Fireplaces	Other	$-
Subtotal 04 - Masonry			**$ 987,000.00**
05 - Metals			
05-12 00 - Structural Steel Framing: Other	05-12 00 - Structural Steel Framing	Other	$ 287,000.00
05-21 00 - Steel Joist Framing: Other	05-21 00 - Steel Joist Framing	Other	$27,500.00
05-31 00 - Steel Decking: Other	05-31 00 - Steel Decking	Other	$76,000.00
05-40 00 - Cold-Formed Metal Framing: Labor	05-40 00 - Cold-Formed Metal Framing	Labor	$657,000.00
Subtotal 05 - Metals			**$ 1,047,500.00**
06 - Wood, Plastics, and Composites			
06-16 00 - Sheathing: Other	06-16 00 - Sheathing	Other	$ 201,009.00
06-22 00 - Millwork: Labor	06-22 00 - Millwork	Labor	$32,000.00
06-40 00 - Architectural Woodwork: Other	06-40 00 - Architectural Woodwork	Other	$219,000.00
06-46 00 - Wood Trim: Other	06-46 00 - Wood Trim	Other	$ 45,900.00
Subtotal 06 - Wood, Plastics, and Composites			**$ 497,909.00**
07 - Thermal and Moisture Protection			
07-14 00 - Fluid-Applied Waterproofing: Other	07-14 00 - Fluid-Applied Waterproofing	Other	$ 109,000.00
07-19 00 - Water Repellents: Labor	07-19 00 - Water Repellents	Labor	$-
07-21 00 - Thermal Insulation: Other	07-21 00 - Thermal Insulation	Other	$87,000.00
07-46 00 - Siding: Metal tiles	07-46 00 - Metal roof	Other	$-
07-54 00 - Thermoplastic Membrane Roofing: Other	07-54 00 - Thermoplastic Membrane Roofing	Other	$440,187.00
07-81 00 - Applied Fireproofing: Other	07-81 00 - Applied Fireproofing	Other	$43,000.00
Subtotal 07 - Thermal and Moisture Protection			**$ 679,187.00**
08 - Openings			
08-10 00 - Doors and Frames: Labor	08-10 00 - Doors and Frames	Labor	$ 43,009.00
08-10 00 - Doors and Frames: Other	08-10 00 - Doors and Frames	Other	$213,433.00
08-12 00 - Metal Frames: Other	08-12 00 - Metal Frames	Other	$21,009.00
08-32 00 - Sliding Glass Doors: Other	08-32 00 - Sliding Glass Doors	Other	$ 26,500.00
08-43 00 - Storefronts: Other	08-43 00 - Storefronts	Other	$41,008.00
08-50 00 - Windows: Other	08-50 00 - Windows	Other	$298,000.00
Subtotal 08 - Openings			**$ 642,959.00**

09 - Finishes			
09-21 00 - Plaster and Gypsum Board Assemblies: Other	09-21 00 - Plaster and Gypsum Board Assemblies	Other	$435,000.00
09-51 00 - Acoustical Ceilings: Other	09-51 00 - Acoustical Ceilings	Other	$69,000.00
09-60 00 - Flooring: Tile - Carpet Install, VCT	09-60 00 - Flooring	Other	$145,655.00
09-72 00 - Wall Coverings: Install	09-72 00 - Wall Coverings	Other	$29,800.00
09-75 00 - EIFS	09-75 00 - EIFS	Other	$455,000.00
09-91 00 - Painting: Other	09-91 00 - Painting	Other	$121,000.00
Subtotal 09 - Finishes			**$1,255,455.00**
10 - Specialties			
10-28 00 - Toilet, Bath, and Laundry Accessories: Other	10-28 00 - Toilet, Bath, and Laundry Accessories	Other	$65,009.00
10-28 19 - Surrounds:Material and Labor	10-28 19 - Surrounds	Labor	$76,999.00
10-28 19 - Surrounds: Other	10-28 19 - Surrounds	Other	$-
10-44 00 - Fire Protection Specialties: Other	10-44 00 - Fire Protection Specialties	Other	$13,200.00
10-51 00 - Lockers: Other	10-51 00 - Lockers	Other	$4,300.00
10-75 00 - Flagpoles: Other	10-75 00 - Flagpoles	Other	$3,200.00
10-82 00 - Grilles and Screens: Other	10-82 00 - Grilles and Screens	Other	$13,200.00
Subtotal 10 - Specialties			**$175,908.00**
12 - Furnishings			
12-32 00 - Manufactured Wood Casework: Other	12-32 00 - Manufactured Wood Casework	Other	$-
12-36 00 - Countertops: Other	12-36 00 - Countertops	Other	$143,755.00
12-44 00 - Bath Furnishings: Other	12-44 00 - Bath Furnishings	Other	$-
Subtotal 12 - Furnishings			**$143,755.00**
13 - Special Construction			
13-11 00 - Swimming Pools: Other	13-11 00 - Swimming Pools	Other	$89,000.00
Subtotal 13 - Special Construction			**$89,000.00**
14 - Conveying Equipment			
14-20 00 - Elevators: Other	14-20 00 - Elevators	Other	$289,000.00
14-91 00 - Facility Chutes: Other	14-91 00 - Facility Chutes	Other	$-
Subtotal 14 - Conveying Equipment			**$289,000.00**
21 - Fire Suppression			
21-13 00 - Fire-Suppression Sprinkler Systems: Other	21-13 00 - Fire-Suppression Sprinkler Systems	Other	$114,300.00
Subtotal 21 - Fire Suppression			**$114,300.00**
22 - Plumbing			
22-05 00 - Common Work Results for Plumbing: Other	22-05 00 - Common Work Results for Plumbing	Other	$650,900.00
22-40 00 - Plumbing Fixtures: Other	22-40 00 - Plumbing Fixtures	Other	$101,000.00
Subtotal 22 - Plumbing			**$751,900.00**
23 - Heating, Ventilating, and Air Conditioning (HVAC)			
23-00 00 - HVAC: Other	23-00 00 - HVAC	Other	$687,000.00
Subtotal 23 - Heating, Ventilating, and Air Conditioning (HVAC)			**$687,000.00**
26 - Electrical			
26-05 00 - Common Work Results for Electrical: Other	26-05 00 - Common Work Results for Electrical	Other	$790,000.00
26-11 00 - Substations: Other	26-11 00 - Substations	Other	$-
Subtotal 26 - Electrical			**$790,000.00**
28 - Electronic Safety and Security			
28-10 00 - Electronic Access Control and Intrusion Detection: Other	28-10 00 - Electronic Access Control and Intrusion Detection	-	$43,000.00
28-31 00 - Fire Detection and Alarm: Other	28-31 00 - Fire Detection and Alarm	Other	$87,000.00
Subtotal 28 - Electronic Safety and Security			**$130,000.00**
31 - Earth Work			
31-00 00 - Site Clearing and Earth Work: Other	31-00 00 - Site Clearing and Earth Work	Other	$298,000.00
31-31 16 - Termite Treatment: Other	31-31 16 - Termite Treatment	Other	$5,000.00
Subtotal 31 - Earth Work			**$303,000.00**
32 - Exterior Improvements			
32-00 00 - Asphalt Paving and Infrastructure: Other	32-00 00 - Asphalt Paving and Infrastructure	Other	$567,900.00
32-14 00 - Unit Paving: Other	32-14 00 - Unit Paving	Other	$-
32-16 00 - Curbs, Gutters, Sidewalks, and Driveways: Other	32-16 00 - Curbs, Gutters, Sidewalks, and Driveways	Other	$43,009.00
32-17 23 - Pavement Markings: Other	32-17 23 - Pavement Markings	Other	$8,900.00
32-31 00 - Fences and Gates: Other	32-31 00 - Fences and Gates	Other	$12,000.00
32-80 00 - Irrigation: Other	32-80 00 - Irrigation	Other	$-
Report Grand Total			**$631,809.00**
32-90 00 - Landscaping: Other	32-90 00 - Landscaping	Other	$-
Subtotal 32 - Exterior Improvements			**$631,809.00**
50 - Misc.			
50-10 00 - Contractor Fee: Other	50-10 00 - Contractor Fee	Other	$830,000.00
Subtotal 50 - Misc.			**$830,000.00**
Subtotal of Project			**$11,700,450.00**

Proposal based off of plans and specs

Proposal is valid for 45 Days

MERIDIAN
CAPITAL GROUP, LLC

November 30th , 2018

Impact Real Estate Group
AVENUE D'ARTS FLL, LLC.
Attention: Joseph Poveromo

Re: <u>The Hotel Development in Fort Lauderdale on parcel numbers 5042-10-12-0560, 5042-10-12-0580, 5042-10-12-0590. 5042-10-12-0520, 5042-10-12-0540 and 5042-10-12-0550.</u>

Dear Mr. Poveromo:

Based on the information you have supplied to Meridian Capital Group, LLC ("Meridian"), as well as current market conditions, we feel strongly that we can obtain financing for the Property on the following terms and conditions:

LOAN AMOUNT	$ 11,651,250 ***Maximum of 65% LTC
RATE	Floating at 350 – 650 over LIBOR
TERM	3 years + 1 year extension option
AMORTIZATION	None (Interest Only)
RECOURSE	Full Guarantee and Non-Recourse options
RESERVES / ESCROWS	Interest reserve to be determined
PREPAYMENT PENALTY	Minimum Yield and exit fees TBD
OTHER	Property Specific Operating Accounts
ESTIMATED FEES	
GOOD FAITH DEPOSIT	$50,000
BANK FEE	TBD
THIRD PARTY REPORTS	TBD
INSPECTION FEE	TBD
BROKER FEE (1%)	1% of committed loan amount

Please note that the foregoing does not represent an offer to loan and is based solely on Meridian's experience in the marketplace and information provided. Any and all terms are and will be subject to the specific requirements of each lender (including, without limitation, due diligence requests and standard KYC requirements) as well as constantly changing market conditions.

For more information, please contact Eric Trombly, Senior Vice President, by phone at 561-807-8629 or via email at ETrombly@meridiancapital.com. Thank you

7284 West Palmetto Park Road, Ste 304-S, Boca Raton, Florida 33433
Telephone: 561.367.0005 | Facsimile: 561.367.0099 | www.meridiancapital.com

HOTEL D'ARTS - IRR ANALYSIS

Loan Data

Original Principal	$11,281,267
Amortization Period (Years)	25
Annual Interest Rate	7.00%
Total Number of Payments	300
Monthly Interest	0.58%
Payment	($956,804)

Loan Data

Interest	($65,807)
Principal	($13,926)
Total Monthly Payment	($79,734)
Annual Payment	($956,804)

Without CRA Incentives

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Acquisition & Equity Outlay	($6,074,528)					
Net Operating Income		$790,654	$1,090,884	$1,286,247	$1,372,617	$1,478,298
Annual Debt Service		($956,804)	($956,804)	($956,804)	($956,804)	($956,804)
Net Cash Flow - Operations		($166,150)	$134,080	$329,443	$415,813	$521,494
Net Cash Flow - Total	($6,074,528)	($166,150)	$134,080	$329,443	$415,813	$5,805,517
Exit Cap Rate	9.00%	$16,425,531				
Sale Expenses	5.00%	$821,277				
Exit Sales Price	$16,425,531					
Loan Payoff	$10,320,232					
Net Proceeds from Sale	$5,284,023					
IRR	**1.46%**					

HOTEL D'ARTS - IRR ANALYSIS

With CRA Incentives

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Acquisition & Equity Outlay	($6,074,528)					
Net Operating Income		$790,654	$1,090,884	$1,286,247	$1,372,617	$1,478,298
Annual Debt Service		($956,804)	($956,804)	($956,804)	($956,804)	($956,804)
Net Cash Flow - Operations		($166,150)	$134,080	$329,443	$415,813	$521,494
CRA Incentives - DIP (3 Years)		$1,000,000	$1,000,000	$1,000,000	$0	$0
Net Cash Flow - Total	($6,074,528)	$833,850	$1,134,080	$1,329,443	$415,813	$5,805,517
Exit Cap Rate	9.00%	$16,425,531				
Sale Expenses	5.00%	$821,277				
Exit Sales Price	$16,425,531					
Loan Payoff	$10,320,232					
Net Proceeds from Sale	$5,284,023					
IRR	**12.39%**					

SP

Sameet Patel

551 NW 77th St, Ste.108
Boca Raton, FL 33487

Demonstrated Achievements

- Formed Onyx Hospitality in 2007 to become a cornerstone of the hospitality industry by implementing cost effective strategies, consistent growth, and increasing financial prosperity.
- Expanded Onyx Hospitality portfolio by adding 6 new development sites.
- Approved by the World's best travel company Marriott as a Hotel Developer & Operator
- Gold award properties four consecutive years representing the top 10% of hotels within Choice Hotels. Became CHIEF qualified (top 1% of developers for Choice Hotels)

Core Competencies

- Contract & Lease negotiations
- Vendor Service Management
- Business Development/ROI
- Market Research & Analysis
- Budget Development & Forecasting
- Team Leadership & Brand Growth
- Hotel Operation & Development

Education

Florida Atlantic University
Boca Raton, FL
Business Management
Graduated: Spring 2012

Professional Summary

Dynamic and highly experienced in hospitality operations and management with solid history of success, including oversight of multimillion-dollar properties. Steadfast leader and coordination with a track record of steering, improvement building and guiding top-performing teams, and optimizing internal operations.

Professional Experience

Chairman/ CEO **2011- Present**
Onyx Hospitality I Boca Raton, FL
Provide visionary leadership for $35 million+ Hospitality Company offering positive impact on building strong teams and efficient system for the brand growth and downsizing objectives.

- Research, market and implement strategy for the Southeast market prospects, successfully identify prospects that have led to new business developments.
- Streamlined decision-making by developing deal analysis templates and incorporating historical market and transactional pricing data.
- Strategically managed revenue generation endeavors, including the development of forecasts, divisional pipeline strategies.
- Creating new revenue streams by identifying new markets by producing income that had not previously existed.
- Managed a team of professionals to implement inspired business ethics into day to day operations.

General Manager **Dec. 2008 - June 2011**
Comfort Suites Palm Bay
Appointed to General Manager of a 83- room property with $3 million in revenue. Managed all hotels activities with duties including supervising, training staff of over 30 employees, reviewing of P&L statements, room division operations, accounting and bookkeeping, management of individual department managers, budgeting, and forecasting revenues.

- Providing Segment Strategies for Transient and Group business to include appropriate revenue management initiatives to achieve or surpass hotels' financial goals.
- Successfully increased revenues by 20% from previous year.
- Reorganized accounting department and implemented new control procedures resulting in increased efficiency.
- Increased guest satisfaction scores by 10% from previous year.
- Secured new business and expanded the client base by planning and executing dynamic marketing and advertising campaigns with trade papers, local venues, and the Chamber of Commerce.

Front Desk Manager **May 2006 - Aug. 2008**
Best Western Hotel – Palm Beach FL

- Compiled and checked daily record sheets, receipts, and vouchers using computerized systems.
- Ensured documentation, kept and updated for all in-hotel configurations and support services.
- Ran various reports for management.
- Handled reservations made by guests through the computer system.

Minesh A Patel, MD, MBA

(Office) 386-754-DOCS (3627)
(Fax) 386-754-3657

404 NW Hall of Fame Drive
Lake City, FL 32055
drpatel@primarycaremedic.com

Education

Internal Medicine Board Certified	(August 2004)
Internal Medicine Residency (Categorical Position)	Pontiac, MI
St. Joseph Mercy Oakland (SJM-O)	(2000-2004)
M.P. Shah Medical College	Jamnagar, India
M.B.B.S. (Bachelor of Medicine and Surgery) / M.D	(1989-1995)
Boston University School of Management	Boston, MA
MBA (Health Care Management & Business Management)	(1997-1999)

Work Experience

Primary Care Medicine (2005-present)
Lake City, FL

Operate a three provider internal medicine practice as the administrator and as one of the providers. Manage inpatient and outpatient care. Supervise PA, ARNP, nursing staff and overlook the billing.

Morpheus Group, LLC (2006- present)
Lake City, FL

Vice-President of the group which involves all aspects of hotel development-Project feasibility, land acquisition, Franchise development, new hotel opening, renovations, financing, daily operation supervision, continuous property improvement.

Categorical Internal Medicine Resident (2000-2004)
St. Joseph Mercy Oakland Hospital
Pontiac, MI

Financial Reporting Analyst (1999-2000)
Gillette World HQ
Boston, MA

Operations Management Consulting Project (1997-1998)
Massachusetts General Hospital
Cambridge, MA

Consultant to improve the quality and efficiency of the process flow in a vascular lab. The proposed model reduced utilization rate of the nurses from 132% to 80%. The through put time of our patient dropped from 60 minutes to 44 minutes. Increased profits from $515000-$747000 per year.

Research Assistant & Internship, Department of General Medicine (1997-1998)
Beth Israel Hospital
Boston, MA

Helped with quality improvement projects to identify areas of insufficiency in the primary care division. Recommended process and quality improvement changes. Conductive focus groups, surveyed providers, which facilitated the implementation of immediate improvement opportunities and laid the ground work for developing a Tickler/Checkout system that automatically updates the patient's file. Formulated clinical practice guidelines for prevention of cervical breast and colon cancer.

Physician (1994-1995)
Internship Rotations- Internal Medicine, ObGyn, Pediatrics
Ahmedabad, India

Research Experience

Research Project Manager (1997-1998)
Harvard Medical School, Beth Israel Hospital, Department of General Medicine
Boston, MA

Conducted pilot study with patients on Weight Reduction Drugs (Phenteramine, Fenfluramine and Dexfenfluramine). Developed a patient data collection sheet and chart review manual based on guide lines provided by practice and research. Also, collected data from the OMR (On-line Medical Records) and analyzed it using statistical software (SPSS).

Honors / Awards

M.P Shah Award	(Conferred in 1993)
Medical Examination Honors (Top 100 in the state)	(Conferred in 1989)

Service Activities

Volunteer- Beth Israel Hospital (1996-1997)

Worked as a Continuous Quality Improvement (CQI) Project Manager to improve process of screening tests done for breast, colon and cervical cancer

Monthly Health Camps – M.P. Shah Medical College (1992-1994)

Provided free screening services: patient history, physical examinations and minor surgical procedures on patients in a remote village with poor access to healthcare, Jamnagar, India

Publications

Risk for valvular heart disease among users of fenfluramine and dexfenfluramine who underwent echocardiography before use of medication. Ann Intern Med. 1998; 129:870-4
(Helped in Data Collection)

Extracurricular Activities – Professional Organizations

Vice President, House Staff Committee	(2002-2003)
President, House Staff Committee	(2003-2004)
SJMO Medical Education Residency Website Developer	(2002-2003)
SJMO Computer Information Systems/Technology Committee	(2001-2003)
SJMO Physician Order Entry Project	(2001-2002)
OHEP Research Workshop Series Certification	(2001-2002)
American Medical Informatics Association	(2001-2002)
ACGME Council Member	(2000-2003)
American Association of Physicians from India	(2000-2003)
Beth Israel Hospital (Harvard Medical School) CQI/TQM Committee	(1997-1998)

List of Hotels Owned & Under Development

Hotels Owned & Operated

1. Comfort Suites – Palm Bay, FL
2. Super 8 Motel – Dania, FL
3. Relax Inn – Fort Lauderdale, FL
4. Holiday Inn Express – Live Oak, FL
5. Holiday Inn – Lake City, FL
6. Holiday Inn Express – Jacksonville, FL
7. Best Western Plus – Horn Lake, MS
8. Comfort Inn – Horn Lake, MS
9. Econo Lodge – Forrest City, AR

New Development

1. Hampton Inn – Fort Lauderdale, FL
2. Hotel D'Arts – Fort Lauderdale, FL
3. Avid by IHG – Viera, FL
4. Comfort Suites – Sebring, FL
5. La Quinta Inn – Lake City, FL
6. Courtyard by Marriott – Lake City, FL
7. Avid by IHG – Lake City, FL
8. Courtyard by Marriott – Jacksonville, FL
9. Home2 Suites – Jacksonville, FL
10. Home2 Suites – Emporia, VA
11. Brand TBD – Garner, NC
12. Courtyard by Marriott – Memphis, TN
13. Holiday Inn Express – Collierville, MS

Robert B. Lochrie III, Esq.

Partner

Direct Telephone: 954-779-1101
Email: rlochrie@lochrielaw.com

Mr. Lochrie practices land use and zoning law and government relations. A significant portion of Mr. Lochrie's practice focuses on urban redevelopment. Because of his substantial experience and knowledge in this area, Mr. Lochrie is able to repeatedly guide clients through the myriad of legal and practical issues associated with demanding urban development initiatives and manage the projects through all aspects of the government entitlement process. Numerous large and complex redevelopment projects involve coordination of various design professionals, creating approval strategies and working with elected officials, municipalities, and various community associations.

Mr. Lochrie also routinely handles comprehensive plan amendments, rezoning, platting, and environmental permitting. He assists clients in defending their property rights in the face of contrary governmental regulations and he works with local jurisdictions to create more reasonable regulations.

In addition to traditional land use permitting issues, Mr. Lochrie has successfully assisted developers in obtaining contract awards from local governments through the Request for Proposal (RFP) process. Mr. Lochrie's clients have been awarded long-term leases and have secured properties from local governments in order to develop new projects on a consistent basis.

A number of Mr. Lochrie's clients have also been assisted in effectively securing Tax Increment Financing ("TIF"). TIF has been helpful in encouraging growth within blighted areas by partnering with Community Redevelopment Agencies to provide financial assistance to developers.

Education:

- J.D., University of Florida College of Law, 1993,
  -Florida Law Review, Senior Managing Editor
- B.A., Boston College, 1990
  -Political Science Honors Program
  -Queen Mary College, University of London

Recognition:

- Rated AV Preeminent®, Martindale-Hubbell's highest rating
- Best Lawyers® in America, Land Use and Zoning Law
- Best Lawyers® - Best Law Firms, U.S. News & World Report
- "Top Lawyer", South Florida Legal Guide
- 2011 Ultimate CEO Award, South Florida Business Journal
- "50 Most Powerful People in Broward", Gold Coast Magazine
- "20 on the Fastrack", Fastrack Magazine-Inside South Florida Business

Community Involvement:

- Broward County Performing Arts Center Foundation, President
- Museum of Discover and Science, Board Member
- Orange Bowl Committee, Member, Athletic Chair

- Broward Workshop, Executive Committee Member
- Urban Land Institute Southeast Florida/Caribbean, Advisory Board Member
- St. Thomas Aquinas High School/Bienes Center, Board Member
- Fort Lauderdale Chamber Downtown Council, Former Chair
- Broward County YMCA, Former Chair and Past President
- Florida House on Capitol Hill, Trustee
- Jack and Jill Children's Center, Past President
- Fort Lauderdale Historical Society, Former Executive Officer
- Alzheimer's Association of Southeast Florida, Former Executive Officer
- Leadership Broward, Alumni

Memberships:

- The Florida Bar
- Urban Land Institute
- Broward League of Cities
- Greater Fort Lauderdale Chamber of Commerce
- Fort Lauderdale Historical Society
- Broward County Bar Association
- American Bar Association

Erik J. Wilczek, P.E.

Principal-in-Charge

Professional Credentials

Master of Science, Civil Engineering, Florida Atlantic University

Bachelor of Science, Civil Engineering, State University of New York at Buffalo

Professional Engineer in Florida (58216)

Special Qualifications

Years of Experience: 23

- Significant civil engineering experience includes site planning, land development, drainage design, water system design, sanitary sewer design, roadway design, and intersection design for both private- and public-sector clients.
- Successfully managed South Florida development programs for national retail clients.
- Has served numerous South Florida municipalities including the cities of Pembroke Pines, Lauderhill, Plantation, and the Town of Bay Harbor Islands.

Representative Experience

Southern Mills Industrial Park, Royal Palm Beach, FL — Project manager for the team that has provided site plan modification, landscape and irrigation design, civil engineering design and permitting, and construction observation for a 28-acre, 363,000 sf office/industrial 3-building development.

FedEx Ground, Medley, FL — Project manager for a 32-acre site in the Town of Medley in charge of civil design of offsite roadway improvements required of the development order including widening of 122nd St, close out of the original permits, civil design of the building expansion, and site planning and engineering design for a parking lot expansion.

Miramar Centre Business Park Building A, Miramar, FL — Project manager for a 13-acre industrial site in the City of Miramar. The scope of work included site plan approval; water main extension design and permits; sewer main extension design and permits; and paving, grading and drainage design and permits for a 265,000-square-foot warehouse. Permitting agencies involved were the City of Miramar, South Broward Drainage District, South Florida Water Management District, Broward County Health Department, and Broward County Department of Environmental Protection. Kimley-Horn provided full site civil services as well as landscape and irrigation design.

Miramar Centre Business Park Building B, Miramar, FL — Project manager for a 20-acre industrial site in the City of Miramar. The scope of work included site plan approval; water main extension design and permits; sewer main extension design and permits; and paving, grading and drainage design and permits for a 315,000-squaare-foot warehouse. Permitting agencies involved were the City of Miramar, South Broward Drainage District, South Florida Water Management District, Broward County Health Department, and Broward County Department of Environmental Protection. Kimley-Horn provided full site civil and landscape and irrigation design.

WCI Waterside (formerly Bishop Pit), Unincorporated Broward County, FL — Project manager for a 413-acre on-going residential development in unincorporated Broward County, adjacent to the City of Parkland. The scope of work included site plan coordination with planner; reuse and water main extension design and permits; sewer main extension design and permits, lift station design, cut-fill balance for the optimization of lake design.

LNR Turtle Run, Coral Springs, FL — Project manager for a 34-acre 246,000 sf 5-building commercial development in the City of Coral Springs, FL. Project included site plan processing, plat waiver processing, land use amendment, civil design and permitting, landscape design, significant drainage modeling including off site runoff from a 100-acre farm, wetland mitigation processing, 3-acre lake relocation, and traffic engineering for signal modification and turn lanes.

TD Bank (formerly Commerce Bank), Miami-Dade, Broward, and Palm Beach Counties, FL, Miami-Dade, Broward, and Palm, FL — Project manager for the design team that has provided a range of transportation planning, traffic engineering, environmental design, landscape design, and site civil services for this retail bank program in Florida. The firm has investigated more than 375 South Florida locations, and designed and permitted more than 60 sites. Many locations were developed on sites with contamination from previous gas station use.

CVS Pharmacy, Various Locations, Miami-Dade, Broward, and Palm Beach Counties ,FL — Project manager responsible for preparing conceptual site plans, due diligence reports, site plan submittals, engineering permit submittals, and construction plans for more than 100 proposed CVS Pharmacy stores in Miami-Dade, Broward, and Palm Beach counties including two sites in the City of Tamarac.

The Ritz-Carlton, Fort Lauderdale (formerly known as the St. Regis Hotel, Spa & Residences/Castillo Grand), Fort Lauderdale, FL — Project engineer responsible for providing all site civil and transportation planning/traffic engineering services for the St. Regis Hotel, Spa, and Residences, which was originally named the Castillo Grand and is now The Ritz-Carlton, Fort Lauderdale. The project includes a new pedestrian overpass across SR A1A, the relocation of metered public parking spaces from Castillo Street to Birch Road, and nearly 100 percent lot coverage, making drainage a critical concern. As a 24-story, high-rise development, this project was the subject of several intense public hearings, during which we provided expert testimony on engineering and planning issues.

Gateway Park, Lauderhill, FL — Project manager for a passive park development that included grading, pavement, drainage design, permitting, a wood pedestrian span bridge, and site amenity design.

The Promenade, Fort Lauderdale, FL — Served as project manager for this multi-use development that included land development design and permitting services for a 174-unit apartment complex and three-story bank.

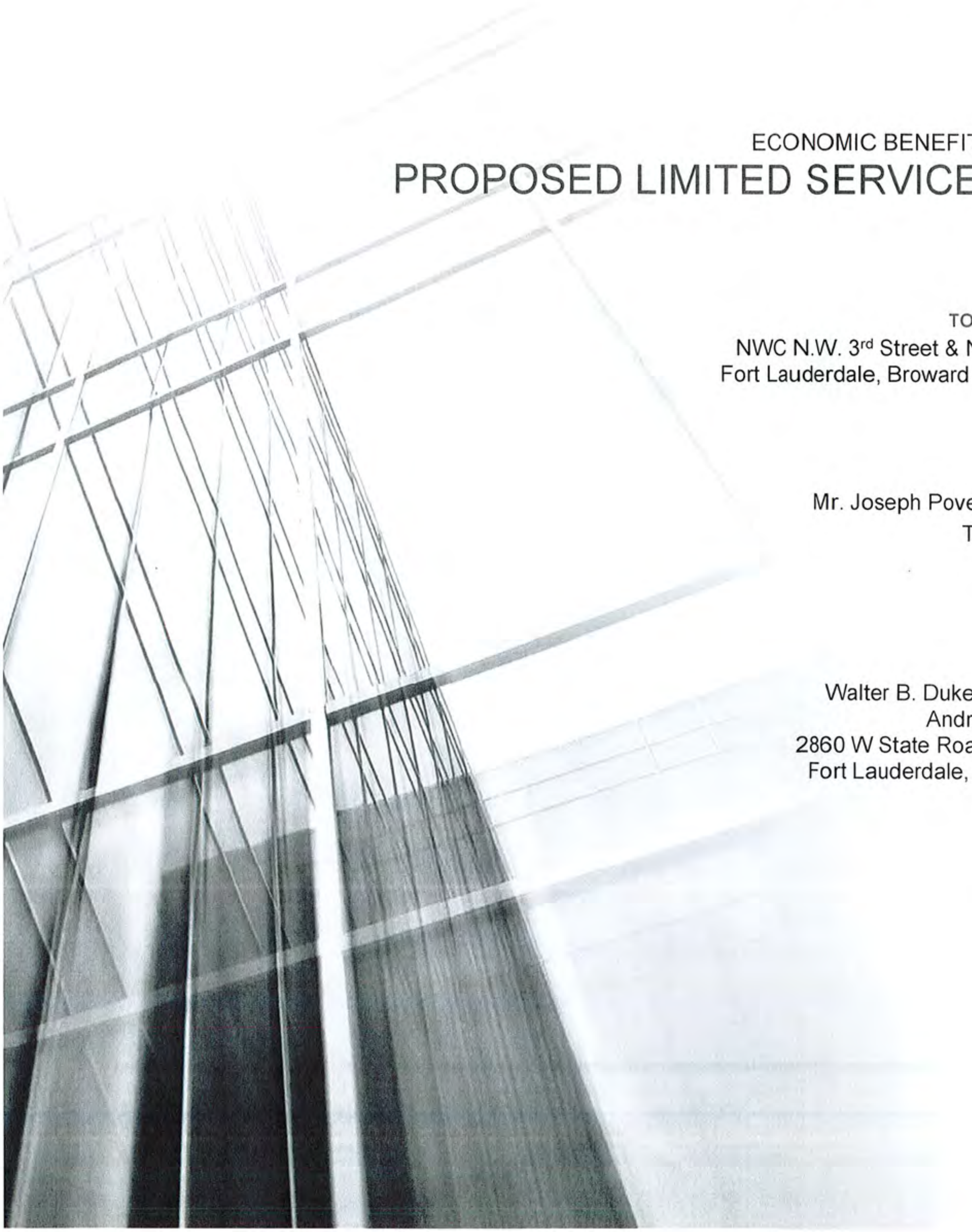
Inverrary Boulevard Master Plan, Lauderhill, FL — Involved with drainage design, permitting, and roadway design. In addition, provided master planning services for Inverrary Boulevard, including drainage improvements, addition of bicycle paths, stripping, and meeting ADA compliance for sidewalks. Inverrary Boulevard serves as a main spine through the City. Currently, it is a four-lane divided highway near Oakland Park Boulevard and University Drive.

Pembroke Pines RV Parking Lot, Pembroke Pines, FL — Involved in drainage design, permitting, and parking design, as well as construction services that included shop drawing review, site visits, and construction consulting. Teamed with the Haskell Company for this design/build project in the City of Pembroke Pines. The City operates a RV parking lot for residents to store their large vehicles. The project included development of parking plans, fire protection and drainage design as well as utility coordination and permitting.

Malibu Bay, West Palm Beach, FL — Project engineer for this 264-unit low- to moderate-income apartment complex located on a 13-acre portion of the former Palm Beach Lakes Golf Course. The golf course was designated a brownfield by the state because the groundwater had become contaminated with arsenic after years of pesticide treatments. Kimley-Horn completed the site assessment and remediation design for the use of engineering and institutional controls to address soil, groundwater, and sediment arsenic impacts. This was the first residential site in the State of Florida for which such controls were approved for use. We also provided the site civil engineering, surveying, construction administration, and civil permitting services required to redevelop the site as a multifamily development.

WALTER DUKE
+PARTNERS

COMMERCIAL
REAL ESTATE VALUATION



ECONOMIC BENEFIT STUDY OF A
PROPOSED LIMITED SERVICE HOTEL

TO BE LOCATED AT
NWC N.W. 3rd Street & N.W. 7th Avenue
Fort Lauderdale, Broward County, Florida

FOR
Mr. Joseph Poveromo, Principal
TE Management

PREPARED BY
Walter B. Duke, III, MAI, CCIM
Andrew S. Rolf, MAI
2860 W State Road 84, Suite 109
Fort Lauderdale, FL 33312-4804

DATED
June 7, 2018

Table of Contents

Contents

Index of Tables

Executive Summary

TE Management and Onyx Hospitality, has proposed to construct a 5-story, 100-room hotel at the northwest corner of N.W. 3rd Street and N.W. 7th Avenue, Fort Lauderdale, Florida. The hotel will be a limited service hotel (Comfort Suites). In support of the development, TE Management has retained Walter Duke + Partners to model the Economic Benefits of the hotel construction and operations on the surrounding areas. For purposes of this analysis the Primary Study Area includes the zip codes of 33301, 33304, 33305, 33306, 33311, 33312, 33315 and 33316, which generally includes the areas east of Interstate 95, south of Oakland Park Boulevard, north of Interstate 595 and west of the Atlantic Ocean and it is reflective of the study area.

The direct project construction costs associated with the hotel development, $16,675,000, will be spent on hard and soft construction costs in the local economy. The construction period is expected to take one year commencing in early 2019. Local economic impacts of the hotel construction plus multiplier effects of the hotel construction will exceed $27 million. Construction and related service employment, plus induced and indirect employment, will support 135 jobs over the construction period, as well as supporting an additional 67 non-construction jobs.

Permanent economic impacts of the project include estimated hotel revenue of $3 million, 43 permanent jobs and just under $5.9 million in ongoing local activity including direct, indirect and induced economic effects. Hotel guest spending was estimated to support 100 permanent jobs as well as over $11 million in ongoing local activity including direct, indirect and induced economic effects. The data within this Economic Benefits Study and the Executive Summary reflect the following economic impacts:

<u>Economic Impacts – Construction</u>

Economic Activity - $27,056,644 during construction
Labor Income - $9,668,412
Employment – 202 persons employed during construction

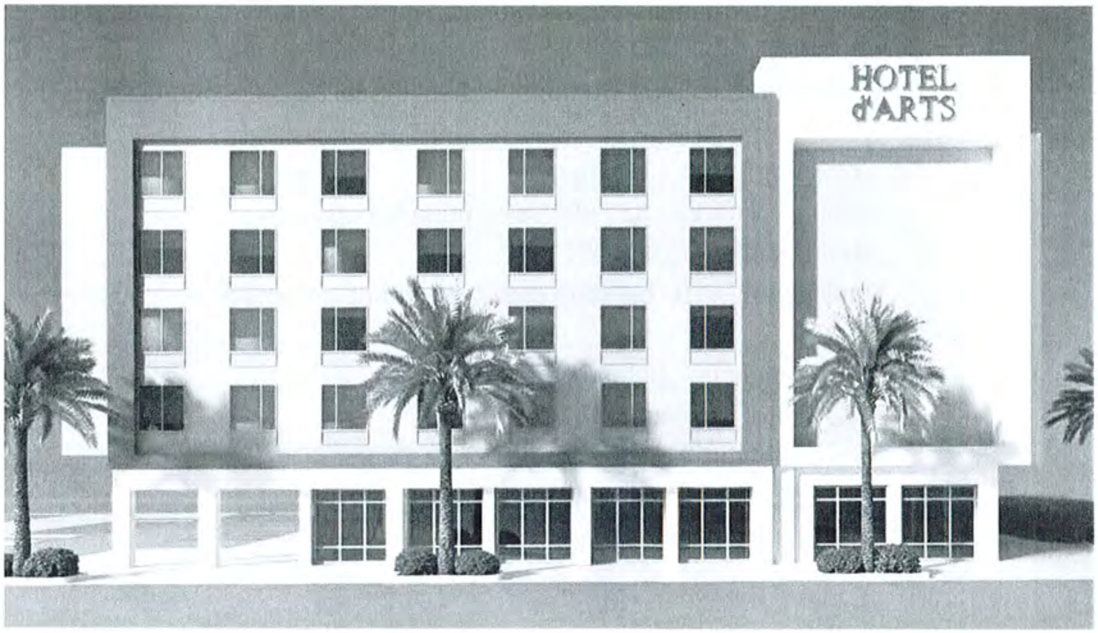
<u>Economic Impacts – Hotel Operations</u>

Direct Hotel Revenue - $3,000,000
Total Economic Activity - $5,899,272
Total Employee Earnings - $1,677,675
Total Employment – 43 jobs

Economic Impacts – Hotel Guest Spending

Total Economic Activity - $11,033,742
Total Employee Earnings - $3,618,165
Total Employment – 100 jobs

Proposed Limited Service Hotel



1.0 Introduction

TE Management and Onyx Hospitality, has proposed to construct a 5-story, 100-room hotel at the northwest corner of N.W. 3rd Street and N.W. 7th Avenue, Fort Lauderdale, Florida. The hotel will be a limited service hotel (Comfort Suites). This analysis examines the economic impact of the construction of the 100-room hotel and the ongoing operations of the hotel. Economic impacts detail the income, employment and multiplier of these activities.

2.0 Economic Impact Analysis

Walter Duke + Partners conducted the analysis to determine the economic impacts of construction and operation of the proposed 100-room, limited service hotel. The analysis relies upon data gathered from the following sources:

- Primary data for construction and operation as provided by the developer
- Economic Impact Molding using IMPLAN

A systematic analysis of local level economic impacts is essential for effective planning in the public- and private-sectors. Walter Duke + Partners has used IMPLAN multipliers for this analysis for the following Zip Codes that make up the study area: 33301, 33304, 33305, 33306, 33311, 33312, 33315 and 33316.

Consistent with standard practice for these types of economic impact studies, our analysis considers the direct (i.e., onsite) impacts associated with the proposed hotel development, as well as "multiplier" impacts within the Fort Lauderdale economy (these "indirect" and "induced" impacts are calculated for the zip codes listed above). These multiplier impacts have been projected using the IMPLAN model. The IMPLAN model was originally developed by researchers at the University of Minnesota and is widely used throughout the United States for economic impact analysis. The model estimates impacts at the city and county levels (based on data that are specific to Fort Lauderdale).

The programmatic data used in the IMPLAN analysis were derived from the developer's pro forma projections developed for the Value Enhancement Analysis (VEA) for the project. Economic benefits were estimated through the following process.

- <u>Construction Phase</u> – Based on data from the VEA pro forma, construction value of the proposed project was matched to the appropriate IMPLAN construction sector. Construction costs do not include land acquisition costs, as this is simply an asset swap and does not produce any economic activity.

- Operations Phase – Operations-phase impacts are based on the operation of the hotel. The estimated annual gross sales are used as inputs in the IMPLAN model to estimate ongoing impacts associated with the proposed hotel use.

- Guest Spending – Impacts are based on the estimated annual spending by hotel guests in the local economy. The IMPLAN model is again utilized to estimate ongoing impacts associated with spending by hotel guests.

The hotel project will generate the following types of economic benefits in the regional economy:

- Direct Benefits – Direct benefits relate to: a) the short-term business activity of general contractors involved in the project construction, and b) the ongoing business activity of retailers and other firms located within the developed project.

- Indirect Benefits – Indirect benefits will result when local firms directly impacted by the project in turn purchase materials, supplies or services from other firms. An example would include increased sales of building materials as a result of construction activity.

- Induced Benefits – Induced benefits relate to the consumption spending of employees of firms that are directly or indirectly affected by the project. These would include all of the goods and services normally associated with household consumption (e.g., housing, retail purchases, local services, etc.).

The analysis quantifies the above benefits in terms of the following measures:

- Total industry output – the increase in gross industry receipts, representing the total economic activity generated by the project;

- Total value added – The difference between an industry's total output and the cost of its intermediate inputs. It is the portion of total output that most accurately reflects local economic activity (i.e., local payrolls and profits, as distinct from gross output which may include the value of raw materials purchased outside the region);

- Employment – Expressed as new full-time equivalent (FTE) jobs; and

- Labor Income – Payroll and benefits associated with the created jobs, along with additional proprietor income (payments received by self-employed individuals and unincorporated business owners).

3.0 Construction Impacts

The construction cost of the proposed hotel less land acquisition is $16,675,000 will be spent on hard and soft construction costs in the local economy. Local economic impacts of the hotel construction plus multiplier effects of the hotel construction will exceed $27 million. There are economic impacts benefiting the community from this local construction activity. The economic impacts of construction take place during the construction period only. These impacts will cease after the construction period estimated to be no more than one year. For purposes of this analysis and in order to estimate the impact as of the analysis date, the construction period was estimated to commence in 2019.

Walter Duke + Partners estimates the average number of construction and related service employment plus induced and indirect employment will support 135 jobs over the construction period as well as supporting an additional 67 non-construction jobs. Walter Duke + Partners estimated the annual number of construction workers that will be required to complete the construction of the hotel using the IMPLAN modeling system to determine employment and economic impacts. The table below summarizes the total impact of the construction of the proposed limited service hotel:

Table 1. Total New Construction Benefits Estimates

Impact Type	Employment	Labor Income ($)	Value Added ($)	Output ($)
Direct Effect	134.9	$6,368,124	$9,098,650	$16,675,000
Indirect Effect	21.6	$1,299,616	$2,100,172	$4,055,969
Induced Effect	45.8	$2,000,672	$3,668,281	$6,325,675
Total Effect	202.3	$9,668,412	$14,867,103	$27,056,644

Source: Copyright 2018 IMPLAN Group; Walter Duke + Partners

The direct economic output of the construction, combined with the indirect and induced impacts, which ripple throughout the local economy, will result in an estimated $27 million in total economic output. This includes $9.67 million in wage earnings and total direct, indirect and induced employment of ±202 jobs. The total economic output was calculated using the IMPLAN impact model and includes the output, earnings and employment associated with the construction of the proposed limited service hotel.

Construction is a major employment sector in South Florida. The new construction impacts can be described among different key construction related industries and areas of business. The table below highlights the most prominent industries, which will benefit from the construction of the proposed Tier 1 hotel:

Table 2. New Construction Impact – Selected Key Sectors

Sector	Description	Employment	Labor Income	Value Added	Output
57	Construction of new commercial...	134.9	$6,368,124	$9,098,650	$16,675,000
395	Wholesale trade	5.0	$392,814	$783,293	$1,187,318
440	Real estate	3.1	$47,162	$352,349	$539,370
449	Architectural, engineering, an...	2.7	$216,783	$217,602	$433,161
501	Full-service restaurants	2.7	$70,580	$77,719	$142,848
502	Limited-service restaurants	2.3	$47,714	$120,886	$205,305
482	Hospitals	2.2	$154,717	$188,294	$335,000
411	Truck transportation	1.7	$82,789	$101,190	$258,907
405	Retail - General merchandise s...	1.6	$44,803	$70,243	$108,999
475	Offices of physicians	1.5	$138,608	$137,663	$207,331
	Total Effect	157.7	$7,564,094	$11,147,888	$20,093,240

Source: Copyright 2018 IMPLAN Group; Walter Duke + Partners

The impact of the construction of the hotel is felt throughout the local economy, benefitting a variety of industries and supporting economic diversity. Key industries benefitting from the construction of the hotel include construction firms, engineers, architects, real estate services and food and beverage sales, which comprise a large percentage of the current labor force in Fort Lauderdale.

4.0 Hotel Operations Impact

Revenue from the hotel operation was estimated to total $3 million by Walter Duke + Partners. The revenue is estimated to occur in 2020, or one year after the construction of the proposed hotel. IMPLAN modeling indicates that the hotel operation is estimated to support 25 permanent jobs as well as an additional 18 jobs unrelated to the hotel operation. The ongoing total employment income is estimated to be $1,677,675 by IMPLAN with total ongoing economic output of $5,899,272. The table below summarizes the total impact of the hotel operation of the proposed hotel:

Table 3. Annual Economic Impacts – Hotel Operations

Impact Type	Employment	Labor Income ($)	Value Added ($)	Output ($)
Direct Effect	25.0	$883,611	$1,810,947	$3,475,356
Indirect Effect	9.3	$454,328	$739,030	$1,339,658
Induced Effect	8.2	$339,736	$637,722	$1,084,258
Total Effect	42.6	$1,677,675	$3,187,700	$5,899,272

Source: Copyright 2018 IMPLAN Group; Walter Duke + Partners

The direct economic output of the hotel operation, combined with the indirect and induced impacts, which ripple throughout the local economy, will result in an estimated $5.9 million in total economic output. This includes $1.7 million in wage earnings and total direct, indirect and induced employment of ±43 jobs. The total economic output was calculated using the IMPLAN impact model and includes the output, earnings and employment associated with the ongoing operation of the proposed limited service hotel.

The ongoing impacts of the hotel operation can be described among different industries and areas of business. The table below highlights the most prominent industries, which will benefit from the ongoing operation of the proposed hotel:

Table 4. Community Economic Impacts – Selected Key Sectors

Sector	Description	Employment	Labor Income	Value Added	Output
499	Hotels and motels, including c...	21.7	$766,785	$1,571,515	$3,013,236
503	All other food and drinking pl...	0.9	$23,814	$23,758	$39,448
440	Real estate	0.7	$10,638	$79,476	$121,661
468	Services to buildings	0.6	$11,593	$12,861	$21,952
501	Full-service restaurants	0.4	$11,321	$12,467	$22,914
502	Limited-service restaurants	0.4	$8,190	$20,751	$35,242
464	Employment services	0.3	$14,202	$21,913	$28,752
461	Management of companies and en...	0.3	$35,392	$44,750	$78,150
395	Wholesale trade	0.3	$26,414	$52,672	$79,840
62	Maintenance and repair constru...	0.3	$15,454	$24,006	$49,786
	Total Effect	26.0	$923,805	$1,864,168	$3,490,980

Source: Copyright 2018 IMPLAN Group; Walter Duke + Partners

The impact of the hotel operation will primarily impact the hospitality field where the majority of the employment and labor income will be created. However, hotel employees will spend their earnings at a number of places including food and beverage sales, restaurants, shopping and local services. Thus, the ongoing operation of the hotel will create new employment in Fort Lauderdale and support new and existing employment in other fields within Fort Lauderdale. Therefore, the ongoing operation of the hotel is considered to be a positive for the City of Fort Lauderdale in terms of employment and total economic impact.

5.0 Hotel Guest Spending

Revenue from hotel guest spending was estimated by IMPLAN to total $11,033,742. The revenue is estimated to occur in 2020 or one year after the construction of the proposed hotel. Hotel guest spending is estimated to support 100 permanent jobs. The ongoing total employment income is estimated to be $3,618,165 by IMPLAN. The table below summarizes the total impact of the hotel operation of the proposed hotel:

Table 5. Annual Economic Impacts – Hotel Guests Spending

Impact Type	Employment	Labor Income ($)	Value Added ($)	Output ($)
Direct Effect	68.8	$2,235,141	$3,445,867	$6,614,086
Indirect Effect	13.4	$633,669	$1,086,359	$2,047,297
Induced Effect	17.4	$749,356	$1,373,879	$2,372,359
Total Effect	99.6	$3,618,165	$5,906,104	$11,033,742

Source: Copyright 2018 IMPLAN Group; Walter Duke + Partners

The direct economic output of hotel guest spending combined with the indirect and induced impacts, which ripple throughout the local economy, will result in an estimated $11 million in total economic output. This includes $3.62 million in wage earnings and total direct, indirect and induced employment of ±100 jobs. The total economic output was calculated using the IMPLAN impact model and includes the output, earnings and employment associated with hotel guest spending.

The ongoing impacts of hotel guest spending can be described among different industries and areas of business. The table below highlights the most prominent industries, which will benefit from the ongoing operation of the proposed hotel:

Table 6. Community Economic Impacts – Key Industries

Sector	Description	Employment	Labor Income	Value Added	Output
501	Full-service restaurants	23.8	$612,382	$674,329	$1,236,576
503	All other food and drinking pl...	22.9	$624,043	$622,564	$1,031,357
502	Limited-service restaurants	7.6	$156,343	$396,109	$671,179
408	Air transportation	6.1	$571,262	$1,208,957	$2,466,483
400	Retail - Food and beverage sto...	3.1	$86,529	$131,816	$203,067
406	Retail - Miscellaneous store r...	2.7	$58,840	$66,978	$108,181
440	Real estate	2.1	$31,707	$236,885	$361,097
404	Retail - Sporting goods, hobby...	1.7	$39,995	$57,105	$90,984
405	Retail - General merchandise s...	1.4	$39,078	$61,267	$96,366
403	Retail - Clothing and clothing...	1.4	$32,672	$70,504	$115,359
	Total Effect	72.8	$2,252,854	$3,526,515	$6,380,650

Source: Copyright 2018 IMPLAN Group; Walter Duke + Partners

Tourism and hospitality is a key industry in Fort Lauderdale and Broward County. A new hotel can accommodate overnight guests or longer stay guests traveling through the Fort Lauderdale-Hollywood International Airport and Port Everglades. The impact of the hotel guest spending will primarily impact food and beverage sales including restaurants but will also impact air transportation and retail sales. Fort Lauderdale has a number of destination style shopping locations including the Galleria Mall, Las Olas Boulevard and 17th Street that will undoubtedly benefit from guest spending from the proposed hotel. Further, restaurants and bars at the same location as well as locations along Fort Lauderdale Beach, the Fort Lauderdale CBD, and the Fort Lauderdale CRA, particularly adjacent Flagler Village, will also benefit from guest spending from the proposed limited service hotel. Guest spending at the most prominent industries will support ±73 jobs and labor income of $2.25 million. Therefore, the estimated guest spending is considered to be a positive for the City of Fort Lauderdale in terms of employment and total economic impact.

6.0 Summary of Economic Impacts

The construction and ongoing operation of the proposed limited service hotel provides a significant contribution to the local economy. From the time of construction of the hotel is started to the end of the first year of operation, economic impact on the local economy is estimated to be just under $44 million by IMPLAN.

Construction impacts will exceed $27 million but will cease after one year. The ongoing operation of the hotel along with hotel guest spending was estimated to create over $16.9 million in total economic benefits by IMPLAN along with supporting 143 jobs and supporting just under $5.3 million in employee wages. Based on the analysis conducted within this economic benefit study it is Walter Duke + Partners conclusion that the construction and ongoing operation of the proposed hotel is a positive for the City of Fort Lauderdale, particularly within the study area. Further, in our opinion, the development of a hotel will create a precedent in the CRA and the subject neighborhood, which will serve to encourage expanded development in the CRA. A successful hotel operation will increase the confidence of other operators in the area and spur additional development.

7.0 Economic Impact Methodology - IMPLAN

On General Input-Output

Economic Impact Analysis (EIA) refers to any number of processes that trace how changes in spending, such as business closures, new industrial or infrastructural developments, natural disasters, and conventions, move through an economy. An impact study measures the cumulative effects of that spending on a defined geographic region.

EIA can also provide information about the effects of policy and employment changes such as reports on job creation estimates related to the American Recovery and Reinvestment Act of 2009, to the effects of a local business' opening or closing, the impacts of job exportation to other countries, or the tax revenue associated to certain policy decisions made by local, state or federal governments.

Typically, whenever the phrase the "estimated impact on the economy/community is that X jobs are created" is used, these are the results of an economic impact analysis report.

Impact Analysis Tells Us About Changes in Jobs, Income and Production

Economic impact studies generate large amounts of information about local industries, employment, wages, profits, labor spending, and taxes that may be useful for a variety of purposes and circumstances.

Economic impact analysis looks backwards rather than forwards through the economy. In other words, to determine the effect of increased production in a local industry, economic analysis looks at the industries, which supply the producing industry with the items and services for its production. Thus, an increase in window production will result in the manufacturer purchasing a variety of supplies including wood, glass, and furnishings for the windows, all of which will be incorporated into the final product.

Increases in labor dollars also have economic effects, because increased labor dollars typically translate into increased income spending. EIA provides a measurement of the impacts of employee spending of all employees of the firm seeing the sales change, and all the employees of subsequent impacted Industries in the supply chain, as long as these employees live within the defined geography of the study.

The accumulation of business-to-business and labor purchases can be tracked until the resultant spending of the original sale is completely removed from the economy by imports, savings, taxes and profits.

Information from economic impact studies may be used to apply for grants to expand businesses, as a marketing tool, or to estimate how an increase in his sales, due to a county-wide 'buy local' program could the community as a whole. EIA are also often requirements of various legislative acts or permitting requirements.

What is IMPLAN

IMPLAN is an acronym for IMpact analysis for PLANning, and our products represent the culmination of 35 years of experience and expertise in economic modeling.

IMPLAN produces several data and analysis products, but the IMPLAN System is our core. The IMPLAN System is a general input-output model that is comprised of software and regional data sets. IMPLAN is designed so that users of varying skill levels and backgrounds in economics can create cost effective, accurate economic reports. We provide two tools to address customer specific needs: IMPLAN Pro for those customers who want to customize and modify the data to do in-depth advanced analyses and the IMPLAN-Online System for those customers looking to do general economic impact analysis and those who want to access IMPLAN online.

One of the most powerful aspects of IMPLAN is that input-output Models for specific regional economies can be created, and the data sources behind them are continually improved and updated. Rather than extrapolating regional data from national averages, IMPLAN® measures economic impacts from data on actual local economies. IMPLAN® data sets are available from the ZIP Code level to the national level, and regional files can be combined to create precise geographic definitions when calculating impacts. The IMPLAN Pro System also allows you to examine impact in Canada and other OECD regions.

IMPLAN Data tracks all the available industry groups in every level of the regional data. This permits detailed impact breakdowns and helps ensure accuracy of inter-industry relationships. If a study involves the introduction of an industry group that does not already exist in the local area, IMPLAN provides tools and methods for examining the potential impacts of that new industry. If the industry exists in IMPLAN, but does not exactly match the sales and employment information for the firm you are working with, the IMPLAN Industry relationships may be updated to match the known values, while still maintaining the local regional sales and employment averages for examining the Indirect and Induced impacts. In addition to analysis, you can also view all the data that lies behind your IMPLAN Model.

IMPLAN® results are recorded in easy to read tables that demonstrate the impact for a variety of economic variables. Reports can provide both detailed and summary information related to job creation, income, production, and taxes. Several options exist so you can specify the level of detail and the type of information that will be most interesting to, or productive for, the intended audience to be easily pulled into a report. While we do not have visualization tools at this time, all reports export to Excel where they can be easily manipulated into charts and graphs to meet your needs.

Where Does the Data Come From?

IMPLAN data sets are constructed annually by Implan Group LLC. Regional data is derived from many different sources, primarily federal agencies responsible for data collection.

The primary sources for data derivation include:

- the U.S. Bureau of Labor Statistics (BLS) Covered Employment and Wages (CEW) program;
- the U.S. Bureau of Economic Analysis (BEA) Regional Economic Information System (REA) program;
- the U.S. Bureau of Economic Analysis Benchmark I/O Accounts of the U.S.
- the BEA Output estimates;

- the BLS Consumer Expenditure Survey;
- the U.S. Census Bureau County Business Patterns (CBP) program;
- the U.S. Census Bureau Decennial Census and Population Surveys;
- the U.S. Census Bureau Economic Censuses and Surveys; and
- the U.S. Department of Agriculture Census.

When combined, these sources provide all the elements needed to assemble a complete U.S. data set. Assembly of these elements into a cohesive and complete U.S. IMPLAN data set requires about five months. Since the BLS CEW data is not released until July of the following year (i.e. 2013 data was released in July of 2014), IMPLAN data sets are also released one year after the current calendar year, typically in the month of December.

WALTER DUKE + PARTNERS
COMMERCIAL REAL ESTATE VALUATION

Walter B. Duke, III, MAI, CCIM
State Certified General Appraiser 375

QUALIFICATIONS OF
WALTER B. DUKE, III, MAI, CCIM

EDUCATION

University of Florida, Gainesville, Florida
Major in Real Estate
B.S. Degree in Business Administration

Appraisal Institute, American Institute of Real Estate Appraisers and Society of Real Estate Appraisers core course, electives, seminars and comprehensive examination.

APPRAISAL/REAL ESTATE EXPERIENCE

1992 – Present	President & CEO, Walter Duke + Partners, Inc.
1988 – 1992	Senior Appraiser, Clobus Valuation Co., Inc.
1985 – 1987	Staff Appraiser, Clobus Valuation Co., Inc.
1983 – 1984	Broker-Salesperson, Carmel Bay Realty

Appraisal assignments include the valuation and/or evaluation of a wide variety of commercial, residential and industrial properties in Florida prepared for banks, savings and loans, savings bank, insurance companies, estates, governmental agencies, REIT's, mortgage bankers, attorneys and individual investors. Property types include, but are not limited to, proposed and existing office buildings, commercial condominiums, warehouse and industrial properties, shopping centers and retail development, market and tax credit apartments, acreage tracts, commercial/industrial land and special purpose properties including marinas, boatyards, religious and/or educational facilities, fixed base operations (FBO).

Qualified Real Estate Valuation Expert Witness:
- U.S. Bankruptcy Court, Southern District of Florida
- 17th Judicial Circuit Court, Broward County

PROFESSIONAL AND BUSINESS AFFILIATIONS

- MAI – Member, Appraisal Institute, No. 8584
- CCIM – Certified Commercial Investment Member No. 7130
- Registered Real Estate Broker-Salesperson – State of Florida, No. 0398146
- Certified General Appraiser – State of Florida, No. RZ375
- Former Member – Review and Counseling Division – Region X
- South Florida-Caribbean Chapter of Appraisal Institute:
    - President 2000, 2nd Vice President 1999, Secretary 1998, Treasurer 1997
    - Regional Representative: Region X
- Leadership Fort Lauderdale – Class IV, 1998
- Appraisal Institute-Leadership Advisory Council, 1997
- Institute Affiliate Member – Realtor Association of Greater Fort Lauderdale
- Member – Society of Commercial Realtors of Greater Fort Lauderdale
- Member – International Council of Shopping Centers (ICSC)
- Former Member – Appraisal Journal Editorial Review Board
- Member – Marine Industries Association of South Florida (MIASF)

CIVIC AND CHARITABLE ACTIVITES

Mayor, City of Dania Beach, 2012 - 2014
City Commissioner – City of Dania Beach, 2009 – 2011, 2015-2016
Chairman - Dania Beach Community Redevelopment Agency 2012 - 2014
Member – Broward Metropolitan Planning Organization 2012 - 2016
Director, Marine Industries Association of South Florida
Trustee Member – Riverwalk Trust
Member – Historic Stranahan House and Museum
Member – Greater Fort Lauderdale Chamber of Commerce
Chair – Government Affairs - Fort Lauderdale Chamber of Commerce Marine Advisory Board
Leadership Fort Lauderdale – Class IV, 1998

RECENT AWARDS AND RECOGNITION

Appraisal Institute – Recipient of the Volunteer of Distinction Award - 2015
Jubilee Center of South Broward – Recipient of the Compassion Award 2011 - For support the local homeless population initiatives
Golden Anchor Award Winner - Highest honor bestowed by the Marine Industries of South Florida, (MIASF) for a lifetime of contribution and support to the marine industry
Marine Industry Cares – 2015 Chairman's Gala Honoree for contribution to the South Florida marine industry
Dania Lions Club - Recipient of the 2015 Nicholas James Costello Award for service to the community
Gold Coast Magazine – Fort Lauderdale - named as a 2016 Power Couple along with wife Lisa in 2016
Symphonies of the Americas, Fort Lauderdale – Honored along with wife Lisa as a couple of "Style and Substance"
South Florida Business Journal - Recognized along with five others including Fort Lauderdale Mayor Jack Seiler as one of five notable figures who are "Making Waves in the Marine Industry"

RECENT SPEAKING ENGAGEMENTS

Keynote - Commercial Real Estate Trends" - Berger Commercial Realty Lunch N Learn Series
Keynote - Florida Commercial Real Estate Market" - South Florida Loan Committee
Keynote - Market Update – South Florida Commercial Real Estate" South Florida Chapter of the American Society of Appraisers (ASA)
Keynote - Commercial Real Estate and Dania Beach Development Overview" - Broward Council of the Miami Association of Realtors
Panelist - Market Perspectives on Valuation, National Association of Office and Industrial Properties (NAIOP)
Speaker - South Florida Commercial Real Estate Financing and Valuation" South Florida CCIM Chapter
Panelist - MIASF Better Business Series" – Marine Industries of South Florida (MIASF)
Speaker - 2040 Regional Transportation Plan Rollout - Southeast Florida Transportation Council
Keynote Global Real Estate Trends Applicable to Fort Lauderdale – Fort Lauderdale Historical Society

RECENT PUBLISHED ARTICLES AND INDUSTRY CONTENT

Author - Top 5 Misconceptions About Commercial Real Estate Appraisals
Author – Dredging of the Dania Cut Off Canal Spurs Economic Growth
Author – What Type of Commercial Lease is Best for You?
Author – How Walkable Communities Increase Property Values
Author – Selling Your Marina? 5 Key Factors to Consider
Author – Millennials Finally Leaving the Nest – Fort Lauderdale Rental Market Booming
Author – The Importance of LIHTC Market Feasibility Studies
Author – When is the right time to sell a marina?" – Boating Industry Magazine – August 13, 2015
Author – Business is Booming at Walter Duke + Partners
Author – Top 10 Takeaways from this year's ICSC Conference
Co-Author – Big Profits/Low Risk: 7 Bank Lease Deal Trends
Author – Top 5 Misperceptions About Commercial Real Estate Appraisals
Author – All you need to know about Florida Charter Schools
Author – Top 4 Reasons Why Baby Boomers Still Own the Share of US Small Businesses
Author – Three Reasons to be Happy in Your Upside Down Condo!

Author – Three Troubling Trends in the South Florida Condo Market"
Author – Free Beer Included in Your Office Space?
Guest Columnist/South Florida Business Journal – Ask these questions before running for office, 2015
Author – Low Income Housing Tax Credit: A Government Program That Works
Contributor - Time to sell that Marina? – Trade Only Today Magazine – December, 2015 Issue
Author – Boom Interrupted: Six Signs Commercial Real Estate Could Be Peaking
Author – Thinking Outside the Box to Create Value in Church Property
Author – From the Desk of Duke: SHIP and SAIL Big Winners!
Guest Columnist/MIASF Soundings – Fort Lauderdale must be vigilant to maintain its title as Yachting Capital of the World
Author - Is the Condo Market Keeping You Up at Night?
Author - Top Three Reasons For An Improved Housing Market?
Author - Sea Level Rise: Does the Business Community Care?
Author – Nine Noteworthy Trends You Should Know

RECERTIFICATION AND CONTINUING EDUCATION

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and SRAs who meet the minimum standards of this program are awarded periodic education certification. I am currently certified under this program.

WALTER DUKE + PARTNERS
COMMERCIAL REAL ESTATE VALUATION

Walter B. Duke, III, MAI, CCIM
State Certified General Appraiser 375

QUALIFICATIONS OF
ANDREW S. ROLF, MAI

EDUCATION

Florida Atlantic University, Boca Raton, Florida
Master of Business Administration (MBA) – 2010

Florida State University, Tallahassee, Florida
Bachelor of Science Degree – 2003
Major – Real Estate and Finance

REAL ESTATE APPRAISAL EDUCATION

Appraisal Institute:
Basic Income Capitalization – October 2004
Course 510 Advanced Income Capitalization – September 2008
Course 520 Market Analysis & Highest and Best Use – December 2009
Course 530 Advanced Sales Comparison & Coast Approaches – July 2010
Course 550 Advanced Applications – October 2009
General Appraiser Report Writing & Case Studies – October 2010
Separating Real Property, Personal Property & Intangible Assets – June 2012

APPRAISAL/REAL ESTATE EXPERIENCE

2007 – Present	Senior Appraiser, Walter Duke + Partners, Inc., f/k/a, Clobus, McLemore & Duke, Inc.
2003 – 2007	Trainee Appraiser, Clobus, McLemore & Duke, Inc.

Appraisal assignments include the valuation and/or evaluation of a wide variety of commercial properties in Florida prepared for banks, savings and loans, insurance companies, estates, governmental agencies, REITs, mortgage bankers and individual investors. Property types include, but are not limited to, proposed and existing shopping centers, office buildings, warehouses and industrial properties, rental apartment projects, acreage tracts, commercial/industrial land, mixed-use properties, self-storage facilities and senior housing facilities.

PROFESSIONAL AFFILIATIONS

MAI – Member, Appraisal Institute, No. 456819
State-Certified General Appraiser – State of Florida No. RZ3092
Real Estate Salesperson – State of Florida No. SL-3210795

RECERTIFICATION AND CONTINUING EDUCATION

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs who meet the minimum standards of this program are awarded periodic education certification. I am currently certified under this program.

WALTER DUKE + PARTNERS
COMMERCIAL REAL ESTATE VALUATION

PARTIAL CLIENT LIST

BANKS / LENDERS
American National Bank
Amerinational
Amarillo National Bank
Bank Leumi
Bank of America, N.A.
Bank of Florida
Bank Midwest
Bank United, F.S.B.
Banesco USA
BB&T
BBCN Bank
BBVA / Compass Bank
Builder's Bank
Capital Bank
Capital One Bank
Capital Source Bank
Catholic Order of Foresters
Centennial Bank
Centerstate Bank
CIBI World Markets
Citibank, F.S.B.
Citizens Bank
City National Bank
CLI Capital
CNL Bank
Coconut Grove Bank
Comerica
Commerce Bank, N.A.
Credit Suisse
Eastern Savings Bank
ECCU
EverBank
Fidelity Bank of Florida
Fifth Third Bank
First Green Bank
First National Bank of South Miami
First Republic Bank
Florida Shores Bank
First United Bank
Flagler Bank
Floridian Community Bank
Florida Community Bank
GE Capital
Gibraltar Private Bank & Trust
Grand Bank and Trust of Florida
Heartland Bank
HSBC Bank USA
Hudson Valley Bank
Iberia Bank
International Finance Bank
Ironstone Bank
J.P. Morgan Chase Bank, N.A.
Key Bank, N.A.
Landmark Bank
Legacy Bank of Florida
Mack RE Strategies
Marquis Bank
Mercantile Bank
Mercantile Commerce Bank
Mutual of Omaha Bank
Northern Trust Bank of Florida
Oak Grove Capital
Ocean Bank
OptimumBank
Pacific National Bank
PNC Bank
Popular Community Bank
RBC Bank
Regions Bank
Sabadell United Bank
Safra National Bank of New York
Seacoast Bank
Seacoast National Bank
Seltzer Management Group
Stonegate Bank
Sun State Bank
SunTrust Bank
Surety Bank
Textron Financial
TD Bank
The Private Bank
Total Bank
U.S. Bank
U.S. Century Bank
United National Bank
Valley View Bank
Wells Fargo Bank
Zeigler Capital Markets

DEVELOPERS / INVESTORS
13TH Floor Investments
Allen Morris Commercial Real Estate
Alta Development
Altman Development
American Land Company
Atlantic Pacific Companies
Bazbaz Development
Bergeron Development
Blue Water Developers
Brandon Companies
Bridge Development
Colliers International S Florida
Cornerstone Group
Easton & Associates
Eden Multifamily
El Ad National Properties
Flagler/Codina Development
Florida Crystals
Florida East Coast Industries
Gatlin Development Company
Genting Group
Graham Companies
Groupe Pacific
IBI
Ireland Companies
Jeff Greene Partners
Lincoln Property Company
McCourt Development
Mill Creek Residential Trust
Milton & Associates
M.R. McTigue & Co
Netz Real Estate Fund
New Urban Development
Olen Properties
Pebb Capital
Pillar Multifamily
Premier Developers
RAM Real Estate Development
Raza Development
Red Apple Development
Related Companies
Rilea Group
Ross Realty Investments
Segbro Companies
Stiles Corporation
Taplin Companies
Trinsic Residential Group
Turnberry Associates
Woolbright Development
ZOM Companies

CORPORATE / COMPANIES
Aaron's Rents
Aelion Enterprises
Art Institute
AutoNation
Avison Young
BBX Capital
Bradford Marine
Budget Rent-A-Car Corporation
Holman Automotive
Huizenga Holdings
Lowes Home Centers
Miami Dolphins
Pantropic Power
Seminole Indian Tribe of Florida
Tampa Electric (TECO)
The Las Olas Companies
Uniform Advantage
Wintrust Financial
Yacht Management Group

GOVERNMENT / MUNICIPAL
Broward County Housing Authority
Broward County Property Appraiser
Broward County, Florida
City of Boca Raton
City of Deerfield Beach
City of Fort Lauderdale
City of Hallandale Beach
City of Hollywood
City of Lake Park
City of Margate
City of Miami Parking Authority
City of Miramar
City of Oakland Park
City of Sunny Isles Beach
City of Sunrise
City of Wilton Manors
Fort Lauderdale DDA
Florida Housing Finance Corp.
Housing Authority City of Ft. Laud.
Miami Parking Authority
Miami-Dade Housing Authority
Palm Beach Housing Authority
School Board of Broward County
Southwest Ranches
United Companies Lending Co.
United States Department of Justice

INSTITUTIONAL / NON-PROFIT
American Maritime Officers (AMO)
Archdioceses of Miami
Boca Raton Community Hospital
Bonnet House Museum & Gardens
Dan Marino Foundation
First Housing Corporation
Florida Inland Navigation District
Habitat for Humanity
Holy Cross Hospital
Memorial Healthcare Systems
Nova Southeastern University
South Broward Hospital District
Urban League

LIFE COMPANIES
AEGON USA Realty Advisors
Aetna Life Insurance
Allstate Life Insurance Company
Berkshire Life Insurance Co.
Genworth Financial
Great American Life Insurance Co.
Guardian Life Insurance
ING Life Insurance
John Hancock Mutual Life
Life of Georgia Insurance Co.
Lincoln National Life Ins. Co.
Met Life Mortgage
Mutual Life Insurance Co.
Nationwide Life Insurance
New York Life
New England Mutual Life
Northwestern Mutual Life
Principal Real Estate Investors
Provident Mutual
Prudential Insurance Corporation
State Farm Life Insurance
Thrivent Financial for Lutherans
TransAmerica Life

LAW FIRMS
Akerman LLP
Arnstein & Lehr
Berger Singerman LLP
Buchanan Ingersoll & Rooney PC
Cooney Trybus Kwavnick Peets
Dunay, Miskel & Backman
Frank Weinberg & Black, PL
Greenberg Traurig
Hackelman, Olive & Judd
Kirschbaum, Birnbaum, et al
Mastriana & Christiansen, PA
Moskowitz, Mandell, Salim & Simowitz
Nexterra Law
Rice, Pugatch, et al
Saavedra Goodwin
Shutts & Bowen, LLP
Tripp Scott
White & Case, LLP

MORTGAGE / WALL STREET
Ackman Ziff
AGM Financial
ASB Capital Management, Inc.
Aztec Group
Berkadia
Berkshire Mortgage Finance
Chrysler Credit Corporation
CIBC World Markets
Dockerty Romer & Company
Florida Bond & Mortgage
Gross Mortgage Finance
Guggenheim Pillar Multifamily
Holliday Fenoglio Fowler, L.P.
InterBay Funding
Mercury Capital Corporation
Merrill Lynch Capital
Midland Funding
Morgan Stanley Mortgage Capital
Northmarq Capital
Norwest Financial Corp.
Thomas D. Wood & Company
Walker & Dunlop

City of Fort Lauderdale

Northwest-Progresso-Flagler Heights
Community Redevelopment Agency
(NWPF CRA)

APPLICATION FOR CRA FUNDING ASSISTANCE

Name of Principal Owner in Charge MINESH PATEL	Tel. No. (386)984-0732	E-Mail Address MINESH@MORPHEUSGROUP-LLC.COM
Primary Contact for this CRA Request SAMEET PATEL	Tel. No. (954)594-6864	E-Mail Address SAMEET@ONYXHOSPITALITY.COM
Name of Business AVENUE D'ARTS FLL, LLC	Tax I.D. No. 83-0588829	Company Website MORPHEUSGROUP-LLC.COM
Business Address VACANT LAND	Tel. No. TBD	Fax No. TBD
City FORT LAUDERDALE	State FL	Zip Code 33311

Commencement Date to Begin Project: JULY 2019

Completion Date for Project: NOVEMBER 2020

Check Appropriate Description ↑Existing Business ☐ ↑New Business ☑	Project Type ↑Expansion ☐ ↑Relocation ☐	Facility Description Existing Space_______ sq. ft. New Space 72,225 sq. ft.
NAICS Code / Industry Type 721110	Date of Incorporation 5/10/2018	State where the business was incorporated FLORIDA

Proposed Project Location/City FORT LAUDERDALE	Proposed Address TBD
Property Control Number(s) IMPACT INVESTMENTS 1, LLC 5042-10-12-0560, 5042-10-12-0580 and 5042-10-12-0590 CRA LOTS: 5042-10-12-0520, 5042-10-12-0540 and 5042-10-12-0550	Property Owner IMPACT INVESTMENTS 1, LLC
Owner Tel. No. (include Area Code) MINESH PATEL (386)984-0732	Is there a lien on the property? ↑ Yes [✓ ↑ No]

JOB INFORMATION

Full Time Equivalent (FTE) Jobs to be created 43

Existing Jobs 0

Total FTE Jobs 43

TYPE OF BUSINESS

Sole Proprietor _____

Partnership _____

Joint Venture _____

Corporation _____

Cooperative _____

Limited Liability Company ✓

Non-Profit Org. _____

Other: __________ _____

Bank(s) Where Business Accounts for Projects Are Held

1. TBD	2. TD BANK

Name of Participating Bank/Lender

TBD

Amount $	Contact Person	Tel. No. (include Area Code)	Fax No. (include Area Code)

Name of Other Financial Source

Amount $	Contact Person	Tel. No. (include Area Code)	Fax No. (include Area Code)

Name of Other Financial Source

Amount $	Contact Person	Tel. No. (include Area Code)	Fax No. (include Area Code)

Name of Other Financial Source

Amount $	Contact Person	Tel. No. (include Area Code)	Fax No. (include Area Code)

Project Purpose and Economic Impact

*SEE ATTACHED NOTES AND EXHIBITS

NOTE 1: **If the project receives funds via another City, County, Federal or State program which also requires job creation/retention, the jobs created/retained for those programs must be in addition to the jobs required under this program.**

NOTE 2: **If project includes the purchase of equipment using CRA funds, then there must not be another UCC filing for the equipment.**

Management: Owners, partners, officers, all holders of outstanding stock — 100% of ownership must be shown (*use separate sheet if necessary*).

Name AVENUE D'ARTS FLL, LLC	Complete Address	% Owned 100%	From	To
Name	Complete Address	% Owned	From	To
Name	Complete Address	% Owned	From	To
Name	Complete Address	% Owned	From	To
Name	Complete Address	% Owned	From	To

PROJECT/ACTIVITY COST SUMMARY

1. Please state the overall project cost: $ $17,355,795
2. Please state the overall project costs related to the CRA's assisted activity? $ $17,355,795
3. Please indicate the sources and uses of funds for the project on the following table.

Project Source(s) of Funding	**Amount**	**Rate**	**Term**
Bank Loan (specify)	TBD		
City funds			
CRA funds			
Company's current cash assets			
Owner equity (specify)			
Other (specify)			
Other (specify)			
Other (specify)			
Total Sources	↓		
Select the Use(s) of Funds and the Amount Need for Each	**Sources of Funds (Yes or No)**	**Amount**	
Land Acquisition	TBD		
Real Property Acquisition			
Utility and road infrastructure improvements			
New construction of commercial and industrial buildings			
Rehabilitation of commercial and industrial buildings			
Purchase and installation of equipment and fixtures			
Other (specify)			
Other (specify)			
Other (specify)			
Total Uses	↓		

NOTE 3: Other "uses" include Architectural/Engineering Fees, Application Fees, Permit Fees Impact Fees

BUSINESS INDEBTEDNESS: Furnish the following information on all outstanding installment debts, code and other liens, notes and mortgages payable that relate to this project. The present balances should agree with the latest balance sheet submitted (*use a separate sheet if necessary*).

To Whom Payable	Original Amount	Original Date	Present Balance	Rate of Interest	Maturity Date	Monthly Payment
Name: NONE	$		$	%		$
Name:	$		$	%		$
Name:	$		$	%		$
Name:	$		$	%		$
Name:	$		$	%		$
Name:	$		$	%		$
Name:	$		$	%		$
Name:	$		$	%		$
Name:	$		$	%		$
Name:	$		$	%		$

THE FOLLOWING ITEMS MUST BE COMPLETED AND SUBMITTED WITH YOUR APPLICATION

1. A business plan which describes the company mission, market analysis, applicant capacity, economic analysis and project feasibility, a brief history and description of the company (*including the founding of the company*), overview of operations, product information, customer base, method and areas of distribution, primary competitors and suppliers within the County.
2. A list of general and limited partners, officers, directors and shareholders of the company. Please provide a resume for all the principals and key management.
3. Corporate income tax returns for the last three years (*personal returns may also be requested*).
4. Two separate lists that detail the existing jobs on your payroll and the new jobs to be created (*within the list please provide the job title of each position, a brief description of each position, annual salary for existing and new positions and the industry average salary for those positions*).
5. If machinery and equipment are being purchased with CRA funds, provide a list of all the items to be purchased, with quotes on vendor's letterhead. Include a statement from the manufacturer, attesting to the economic life of the equipment.
6. If business is a franchise, include a copy of the franchise agreement:
7. Bank Commitment Letter detailing the conditions of the loan approval.
8. Copy of IRS determination letter as a non-profit organization (*required for all non-profit organizations only*).
9. Signed copy of resolution or minutes from the meeting of the governing body authorizing submission of the application (*required for all non-profit organizations only*).
10. Articles of Incorporation or Division of Corporations information identifying authorized signatories
11. Copy of the Property Deed (*if the applicant is the owner*)
12. Copy of By-Laws (*required for all non-profit organizations only*).
13. Please sign and submit *Statement of Personal History* and *Credit Check Release* (as attached).

The following items are also needed, if your funding request is $500,000 or more

14. CPA audited corporate financial statements for the last three years (*Profit and Loss Statement and a Balance Sheet*).
15. If the most recent business return and/or financial statement is more sixty (60) days old, please submit a current Interim Financial Statement.
16. Three year financial pro formas which include operating statements, balance sheets, funding sources, and use details.
17. Ten year revenue and expense projection for the project
18. Copy of sales/purchase agreement when purchasing land or a building (*or an executed lease if applicable*).

19. If project involves construction, please provide a minimum of two (2) detailed cost estimates prepared by Architect/Engineer and/or General Contractor, preliminary plans and specifications, Architectural Illustration and photos of existing conditions.
20. Provide details regarding any credit issues, bankruptcies and lawsuits by any principal, owning 20% or more of the business.
21. The names of all affiliates and/or subsidiary companies, and their previous three (3) years financial statements and Interim Financial Statements if the financial statements are more than sixty (60) days old.
22. Attach a street map showing the location of the proposed project, Property Folio number and Legal Description.
23. Letter from the Department of Sustainable Development (DSD) approving the proposed project with zoning and land use designations, and Plan Development Review number and comments.
24. Identification and qualifications of project development team (*i.e., attorney, engineer, architect, general contractor, etc.*).
25. Current Broward County Assessed Value, new capital investment dollars and total estimated new assessment when completed and placed into service.
26. Preliminary Project Schedule
27. Existing Leases, Lease commitments and tenant makeup (*if applicable*).
28. Copy of Environmental Report showing there are no Environmental issues (*if applicable*).
29. Copy of Appraisal Report (*if applicable*).

THE FOLLOWING ITEMS ARE REQUIRED AFTER CRA BOARD APPROVAL AND PRIOR TO EXECUTION OF AN AGREEMENT AND RELEASE OF FUNDS

30. Evidence that all funds are in-place to fully fund the project.
31. A copy of the City approved project plans, contract with General Contractor and permits (Prior to Release of Funds)
32. Scope of work and all project costs
33. Copies of Insurance Certificates (Builders Risk/All Risk Policy, Commercial General Liability, Workers Compensation with the City of Fort Lauderdale and the Fort Lauderdale CRA listed as Additional Insured.

APPLICANTS CERTIFICATION

By my signature, I certify that I have read and understand the application, criteria, loan fees and program requirements. I further certify that all the information I (we) supplied is correct and accurate. All of the owners of the company/organization (*regardless of ownership percentage*) are aware of this loan and are in full agreement with the business securing financing for this project. My (our) signature(s) represent my (our) agreement to comply with City of Fort Lauderdale Community Redevelopment Agency, as it relates to this CRA funding request.

Each Proprietor, General Partner, Limited Partner and Business Owner, owning 20% or more must sign below. For all Non-Profit Organizations, all guarantors must be approved by City of Fort Lauderdale Community Redevelopment Agency.

Business Name: AVENUE D'ARTS FLL, LLC

By: 12/9/2018
Signature and Title Date
MINESH PATEL

Guarantors: 12/9/2018
Signature and Title Date

12/9/2018
Signature and Title MAHENDRA PATEL Date

Signature and Title Date

Signature and Title Date

Signature and Title Date

Northwest-Progresso-Flagler Heights Community Redevelopment Agency

APPLICATION REQUEST SUPPLEMENTAL INFORMATION

CRA Incentive Programs

Please select the incentive(s) you are applying for and insert the amount of funding assistance you are seeking:

☐	**COMMERCIAL FAÇADE IMPROVEMENT PROGRAM**	$
☐	**PROPERTY AND BUSINESS IMPROVEMENT PROGRAM**	$
☐	**STREETSCAPE ENHANCEMENT PROGRAM**	$
☑	**DEVELOPMENT INCENTIVE PROGRAM**	$ $3,000,000
☐	**PROPERTY TAX REIMBURSEMENT PROGRAM**	$

Please provide a supplement sheet responding to the following numbered questions:

1. Please describe your project.
2. What is the address, folio number and legal description of the property.
3. What is the existing and proposed use of the property? Please note that certain uses are not eligible for CRA assistance. This includes convenience stores, pawn shops, check cashing stores, tattoo parlors, massage parlors, liquor stores and other uses as may be determined by the CRA that are inconsistent with the CRA Community Redevelopment Plan. Please note that there will be restrictive covenants placed on the property for minimum of 5 years restricting use of the property to only those uses for which CRA funding was provided.
4. Are the proposed improvements to the property being made on behalf of a proposed tenant for the property. If so, please provide a copy of the lease agreement.
5. What is the zoning of the property?
6. Are you the property owner? Please provide a copy of the deed of the property. You must be the owner of the property to apply.
7. Is your project new construction or is it renovation?
8. What is the total capital investment of your project and what is your hard construction and soft cost? (While property acquisition cost is not an eligible CRA expense, it may be included in your total capital investment)
9. What is the current Broward County Assessed Value of the property?
10. Is there a mortgage on the property? Please provide OR Book and Page. Please note that CRA funding is in the form of a 0% interest forgivable loan, forgiven after 5 year of project completion secured by a first mortgage or subordinate mortgage on the property. Projects receiving over $225,000 in CRA assistance

will be secured by a forgivable loan forgiven after 7 years to 10 years depending on the level of CRA funding. Other forms of security in lieu of a forgivable mortgage will be considered on a case by case basis.

11. Are there any other liens or pending liens on the property? Please provide OR Book and Page.
12. Are there any code violations on the property? Identify.
13. Is the property listed "For Sale." Please note that properties listed for sale may not apply for CRA program funding.
14. How many new permanent jobs will be created by the project? Please describe the jobs to be created and projected salaries.
15. What is the estimated construction commencement date of the project? Please note that no work is to commence on the project unless a Program Agreement is approved and fully executed between the CRA and the property owner and that work must commence within 90 days of CRA funding approval.
16. What is the estimated completion date of the project? Please note that all approved projects must be completed within a maximum of three (3) years.
17. Please provide proof of your matching funds (i.e. bank statement, line of credit, etc.) and identify other proposed forms of financing for your project.
18. Do you have general liability and fire and casualty insurance on the property? You will be required to demonstrate proof of insurance and may include bonding requirements as required by the City/CRA prior to commencement of work. The cost of insurance may be included as part of your total project cost funded by the program.
19. Have your previously received funding from the CRA? Explain.

If you are applying for funding from the Commercial Façade Improvement Program, Property & Business Improvement Program and/or Streetscape Enhancement Program, please also complete the following:

20. Do you have a detailed scope of work? If so, please include for CRA review and approval.
21. Do you have completed architectural drawings for the scope of work to be performed? Please include along with architectural illustration(s) of the proposed work, material specifications, color selections, etc. Please note that architectural cost may be included as part of your total project cost.
22. Have your project plans been submitted for City Development Review and/or permitting and if so what are the status of the plans and the plan review number? All work must be permitted and approved by the Building Official.
23. Do you have detailed, written contractor cost estimates? If so, please provide.
24. Have you selected a contractor from the attached City/CRA Approved Contractor List? Please note if your contractor is not on the City/CRA approved list, it may be possible to have your contractor become an approved CRA Contractor. He/She will need to complete the attached Contractor Application for consideration.
25. If you are applying for the Facade Program or Property and Business investment Program, and if you are not using a City /CRA Approved Contractor, you must secure <u>two</u> detailed licensed and insured contractor cost estimates and CRA funding is limited to 60% of the lowest cost estimate not to exceed $50,000 which can only be funded on a reimbursement basis, rather than a direct payment to the contractor. In addition, all projects over $50,000 may be assigned a CRA Construction Review Specialist who will determine the scope

List of all Jobs to be Created

Job Title	#	Brief Job Description	Annual Average Salary	Industry Average Salary	Experience/Education/Skills Required

***USE ADDITIONAL SHEETS IF NECESSARY**

of work to be funded and will secure contractor pricing for the project, manage funding request and provide general project oversight.

26. For Streetscape Enhancement Program projects, see additional requirements for projects in excess of $300,000 as required by Florida Statute 255.20.

I Minesh Patel attest that the information is correct to the best of my knowledge. I further understand that the CRA program benefits are contingent upon funding availability and CRA approval and are not to be construed as an entitlement or right of a property owner/applicant. I further understand that I am responsible for providing all documentation required by The CRA.

AVENUE D'ARTS FLL, LLC
Property Owner or Business Owner ______ Signature of

MINESH PATEL
Print Name

Avenue D'Arts FLL, LLC

February 4, 2019

Clarence Woods, NPF CRA Manager
City of Fort Lauderdale Community Redevelopment Agency
914 Sistrunk Boulevard, Suite 200
Fort Lauderdale, FL 33311
Tel: 954-828-4519
Fax: 954-828-4500
E-mail: CWoods@fortlauderdale.gov

RE: Additional Information for Funding Application – Avenue D'Arts FLL, LLC

Dear Mr. Woods:

Please accept this letter on behalf of Avenue D'Arts FLL, LLC as an explanation of the partnership affiliation for Onyx Hospitality, IMPACT Real Estate Group and Morpheus Group as it relates to the development of a 5-story, 100-room hotel at the northwest corner of N.W. 3rd Street and N.W. 7th Avenue in Fort Lauderdale, Florida. The equity breakdown for the venture is listed below:

- Onyx Hospitality: 15%
- IMPACT Real Estate Group: 15%
- Morpheus Group: 70%

The two (2) guarantors of the Project, who are affiliated with Morpheus Group, are listed below:

- Minesh A Patel
- Mahendra G Patel

Attached please find personal tax returns for the previous three (3) years.

Morpheus Group currently operates the following Hotels:

- Holiday Inn Lake City FL – 127 rooms – AURUM, LLC – new build opened 2004 to current
- Holiday Inn Jacksonville West FL – 81 rooms – MERKS, LLC - new build opened 2008 to current

Attached please find tax returns for the previous three (3) years for AURUM, LLC and MERKS, LLC.

I also own a medical practice and medical complex since 2004 and 2008 respectively operating under MERK INC and LAKE CITY MEDIPLEX, LLC. Attached please find tax returns for the previous three (3) years for both entities.

Below please find a list of past projects that were owned, operated, and sold:

1. Independent – Ellisville, FL	18 rooms
2. Independent – Executive Inn and Suites – Ellisville, FL	70 rooms
3. Best Western Inn – Lake City, FL	82 rooms
4. Travel Lodge – Lake City, FL	50 rooms
5. Holiday Inn Express – Chiefland, FL	60 rooms

6. Holiday Inn Express – Bradenton, FL	60 rooms
7. Holiday Inn Express – Live Oak, FL	69 rooms

Below please find a list of future projects that are under construction or in the design/permitting phase with full control of the land:

1. LaQuinta Inn – Lake City, FL – pre-opening phase	95 rooms
2. Assisted Living Facility – Lake City, FL – design phase	100 rooms
3. Courtyard by Marriott – Lake City, FL – design phase	136 rooms
4. Courtyard by Marriott – Jacksonville, FL – City approval	110 rooms
5. Home2 by Hilton – Jacksonville, FL - City approval	90 rooms
6. Home2 by Hilton – Emporia, VA – City approval	85 rooms

Attached please find fund sources:

1. Lake City Mediplex, LLC - account
2. Merk, Inc – account
3. AURUM, LLC – account
4. MERKS, LLC - account
5. Morpheus Group – account
6. Mahendra Equity Account

I have separately attached a PDF document of all past, current, and future hotel development projects for Onyx Hospitality Group.

The contractor pricing that we have provided is an estimate – contractors can give us pricing only after the final drawings are completed and approved by the franchise and City. The estimates will be very much in line based on our past experience doing ground up construction in the Florida market.

We anticipate to operate a 100-room limited service hotel, which would require 26 staff members with the payroll breakdown below:

General Manager	$ 55,000
Assistant GM	$ 35,000
Front Desk Manager	$ 25,000
4.5 FTE Front Desk & Night Audit Staff	$ 90,000
2 FTE Breakfast & Evening Reception Staff	$ 30,000
1.5 FTE Maintenance Staff	$ 50,000
Housekeeping Supervisor	$ 25,000
10 FTE Housekeeping Staff	$200,000
4 FTE Laundry and Lobby Attendant	$ 80,000
26 FTE	**$590,000**

Please call me with any questions.

Sincerely,

Minesh Patel, MD MBA
Avenue D'Arts FLL, LLC

ONYX HOSPITALITY, LLC
LIST OF ALL HOTELS OWNED AND/OR OPERATED

NAME OF HOTEL	CITY/STATE	NUMBER OF ROOMS	DESCRIPTION OF INTEREST
COMFORT SUITES	PALM BAY, FL	83	OWNED AND MANAGED
SUPER 8	DANIA, FL	36	OWNED AND MANAGED
RELAX INN	FORT LAUDERDALE, FL	18	OWNED AND MANAGED
ECONO LODGE	FORREST CITY, AR	42	OWNED AND MANAGED
BEST WESTERN GOODMAN INN & SUITES	HORN LAKE, MS	70	OWNED AND MANAGED
COMFORT INN	HORN LAKE, MS	49	OWNED AND MANAGED
BEST WESTERN OLIVE BRANCH	OLIVE BRANCH, MS	65	MANAGED
CANDLEWOOD SUITES	SOUTHAVEN, MS	86	OWNED AND MANAGED
NEW DEVELOPMENT			
HAMPTON INN	FORT LAUDERDALE, FL	100	
COMFORT SUITES	DOWNTOWN FLL	100	
AVID BY IHG	VIERA, FL	96	
COMFORT SUITES	SEBRING, FL	72	
COURTYARD BY MARRIOTT	OLIVE BRANCH, MS	104	
COURTYARD BY MARRIOTT	MEMPHIS, TN	112	
HOLIDAY INN EXPRESS	COLLIERVILLE, TN	85	
DERMON BUILDING (CAMBRIA HOTEL)	MEMPHIS, TN	130	
TRU BY HILTON	SOUTHAVEN, MS	93	
PREVIOUS HOTELS DEVELOPED & MANAGED			
COMFORT INN	DEERFIELD BEACH, FL	70	OWNED & MANAGED
BEST WESTERN	LANTANA, FL	93	DEVELOPED & MANAGED
COMFORT INN & SUITES	JUPITER, FL	69	DEVELOPED & MANAGED
BEST WESTERN	HORN LAKE, MS	70	OWNED & MANAGED
HAMPTON INN	WEST PLAINS, MO	82	DEVELOPED
CANDLEWOOD SUITES	MEMPHIS, TN	85	DEVELOPED

Please provide a supplement sheet responding to the following numbered questions:

1. **Please describe your project.**

   IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group have proposed to construct a 5-story, 100-room hotel at the northwest corner of N.W. 3rd Street and N.W. 7th Avenue, Fort Lauderdale Florida. The hotel will be a limited service hotel (Comfort Suites).

   The Property is located on the Eastern border of the Dorsey-Riverbend HOA, a neighborhood that is considered a focus area of the Northwest-Progresso-Flagler Heights CRA. The CRA is dedicated to eliminate slum and blight. Although several developers have started acquiring land in this corridor, no significant commercial development projects have broken ground in recent years. IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group are pioneering development into this area with the first large scale hotel project this far West of the Florida East Coast Railway (FEC) tracks in Downtown Fort Lauderdale. The Hotel d'Arts Project will bring needed jobs to the area and serve as a catalyst for both redevelopment in the immediate vicinity of the hotel and the area West of the FEC rail. The Applicant understands that the development of a hotel on the Property presents unique risks, because to date, no one has attempted to develop a Project of this size this far West of the Downtown core.

2. **What is the address, folio number and legal description of the property?**

   IMPACT Real Estate Group owns parcels 504210-12-0560, 504210-12-0580, and 504210-12-0590 with the following legal description: Lots 31, 32, 33, 34, 35 and 36, Block A, Subdivision of Ft. Lauderdale Land and Development Co Block 6, according to the plat thereof, recorded in Plat 1, Page(s) 57, of the Public Records of Miami-Dade County, Florida; said lands situate, lying and being in Broward County, Florida.

   AVENUE D'ARTS FLL, LLC, a joint venture between IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group, is proposing to acquire adjacent properties at 713, 717 and 723 NW 3rd Street in Fort Lauderdale with parcel #'s 504210-12-0520, 504210-12-0540, and 504210-12-0550 from the Fort Lauderdale Community Redevelopment Agency in order to develop the 5-story, 100-room hotel. The legal description of these parcels is: Lots 24, 25, 28, 29 and 30, Block A, Subdivision of Ft. Lauderdale Land and Development Co Block 6, according to the plat thereof, recorded in Plat 1, Page(s) 57, of the Public Records of Miami-Dade County, Florida, together with the South ½ of the vacated alley abutting to the North thereof. Said lands situate, lying and being in Broward County, Florida.

3. **What is the existing and proposed use of the property? Please note that certain uses are not eligible for CRA assistance. This includes convenience stores, pawn shops, check cashing stores, tattoo parlors, message parlors, liquor stores and other uses as may be determined by the CRA that are inconsistent with the CRA Community Redevelopment Plan. Please note that there will be restrictive covenants placed on the property for minimum of 5 years restricting use of the property to only those uses for which CRA funding was provided.**

   The subject parcels are currently vacant. The proposed use of the property is a 5-story, 100-room hotel with supporting amenities and parking.

4. **Are the proposed improvements to the property being made on behalf of a proposed tenant for the property? If so, please provide a copy of the lease agreement.**

   Not applicable.

5. **What is the zoning of the property?**

   NWRAC-MUw.

6. **Are you the property owner? Please provide a copy of the deed of the property. You must be the owner of the property to apply.**

   Yes, IMPACT Real Estate Group is the property owner through its Impact Investments 1, LLC entity. AVENUE D'ARTS FLL, LLC, a joint venture between IMPACT Real Estate Group, Onyx Hospitality and Morpheus Group will acquire the CRA-owned lots and develop the Project.

7. **Is your project new construction or is it renovation?**

   The project is for new construction.

8. **What is the total capital investment of your project and what is your hard construction and soft costs? (While property acquisition cost is not an eligible CRA expense, it may be included in your total capital investment).**

   Total capital investment is $17,355,795, land and hard construction costs are $14,780,795, and soft costs are $2,575,000.

9. **What is the current Broward County Assessed Value of the property?**

   Year 2018: $56,910, $28,460, $56,910, $56,920, $56,930, and $40,250 for a total of $296,380.

10. **Is there a mortgage on the property? Please provide OR Book and Page. Please note that CRA funding is in the form of a 0% interest forgivable loan, forgiven after 5 years of project completion secured by a first mortgage or subordinate mortgage on the property. Projects receiving over $225,000 in CRA assistance will be secured by a forgivable loan forgiven after 7 years to 10 years depending on the level of CRA funding. Other forms of security in lieu of a forgivable mortgage will be considered on a case by case basis.**

    There is no mortgage on the property.

11. **Are there any other liens or pending liens on the property? Please provide OR Book and Page.**

    There are no liens or pending liens on the property.

12. **Are there any code violations on the property? Identify.**

    There are no code violations on the property.

13. **Is the property listed "For Sale?" Please note that properties listed for sale may not apply for CRA program funding.**

The property is not listed for sale.

14. **How many new permanent jobs will be created by the project? Please describe the jobs to be created and projected salaries.**

43 FTE new, permanent jobs will be created. See Item #4 Existing Jobs and New Jobs to be Created.

15. **What is the estimated construction commencement date of the project? Please note that no work is to commence on the project unless a Program Agreement is approved and fully executed between the CRA and the property owner and that work must commence within 90 days of CRA funding approval.**

The estimated construction commencement date is July 2019.

16. **What is the estimated completion date of the project? Please note that all approved projects must be completed within a maximum of three (3) years.**

The estimated construction completion date is November 2020.

17. **Please provide proof of your matching funds (i.e., bank statement, line of credit, etc.) and identify other proposed forms of financing for your project.**

Financial information to be sent separately.

18. **Do you have general liability and fire and casualty insurance on the property? You will be required to demonstrate proof of insurance and may include bonding requirements as required by the City/CRA prior to the commencement of the work. The cost of insurance may be included as part of your total project cost funded by the program.**

AVENUE D'ARTS FLL, LLC will have general liability and fire and casualty insurance on the property.

19. **Have you previously received funding from the CRA? Explain.**

AVENUE D'ARTS FLL, LLC has not previously received funding from the CRA.

The following items must be completed and submitted with your application:

1. **A business plan which describes the company mission, market analysis, applicant capacity, economic analysis and project feasibility, a brief history and description of the company (*including the founding of the company*), overview of operations, product information, customer base, method and areas of distribution, primary competitors and suppliers within the County.**

   Please refer to the Hotel d'Arts RFP Response Package.

2. **A list of general and limited partners, officers, directors and shareholders of the company. Please provide a resume for all the principals and key management.**

   Please refer to the Hotel d'Arts RFP Response Package.

3. **Corporate income tax returns for the last three years (*personal returns may also be requested*).**

   These documents will be sent directly to the CRA.

4. **Two separate lists that detail the existing jobs on your payroll and the new jobs to be created (*within the list please provide the job title of each position, a brief description of each position, annual salary for existing and new positions and the industry average salary for those positions*).**

   Please refer to the Economic Benefit Analysis prepared by Walter Duke + Partners that is included within the Hotel d'Arts RFP Response Package.

5. **If machinery and equipment are being purchased with CRA funds, provide a list of all the items to be purchased, with quotes on vendor's letterhead. Include a statement from the manufacturer, attesting to the economic life of the equipment.**

   This will be included in the future general contractor bid for the Project once the construction documents are finalized.

6. **If business is a franchise, include a copy of the franchise agreement;**

   Please see attached below.

7. **Bank Commitment Letter detailing the conditions of the loan approval.**

   Please refer to the Hotel d'Arts RFP Response Package for general loan terms in the market today. It is too early to get specific loan details without getting concrete bids from general contractors which cannot be done until construction documents are complete.

8. **Copy of IRS determination letter as a non-profit organization *(required for all non-profit organizations only*).**

   Not applicable.

9. **Signed copy of resolution or minutes from the meeting of the governing body authorizing submission of the application (*required for all non-profit organizations only*).**

Not applicable.

10. **Articles of Incorporation or Division of Corporations information identifying authorized signatories.**

    Please see attached below.

11. **Copy of the Property Deed (if the applicant is the owner)**

    Please see attached below.

12. **Copy of By-Laws (*required for all non-profit organizations only*).**

    Not applicable.

13. **Please sign and submit *Statement of Personal History* and *Credit Check Release* (as attached).**

    Please refer to the credit check document within the CRA application.

The following items are also needed, if your funding request is $500,000 or more

14. **CPA audited corporate financial statements for the last three years (*Profit and Loss Statement and a Balance Sheet*).**

    Not applicable.

15. **If the most recent business return and/or financial statement is more sixty (60) days old, please submit a current Interim Financial Statement.**

    Not applicable.

16. **Three year financial pro formas which include operating statements, balance sheets, funding sources, and use details.**

    Please refer to the Hotel d'Arts RFP Response Package.

17. **Ten year revenue and expense projection for the project**

    Please refer to the Hotel d'Arts RFP Response Package.

18. **Copy of sales/purchase agreement when purchasing land or a building (*or an executed lease if applicable*).**

    AVENUE D'ARTS FLL, LLC to enter into a development agreement with the CRA for the three lots in question.

19. **If project involves construction, please provide a minimum of two (2) detailed cost estimates prepared by Architect/Engineer and/or General Contractor, preliminary plans and specifications, Architectural Illustration and photos of existing conditions.**

    It is too early to obtain specific independent bids without getting final construction documents – An approximate bid was included within the Hotel d'Arts RFP Response Package.

20. **Provide details regarding any credit issues, bankruptcies and lawsuits by any principal, owning 20% or more of the business.**

    None.

21. **The names of all affiliates and/or subsidiary companies, and their previous three (3) years financial statements and Interim Financial Statements if the financial statements are more than sixty (60) days old.**

    These documents will be sent directly to the CRA.

22. **Attach a street map showing the location of the proposed project, Property Folio number and Legal Description.**

    Please refer to the Hotel d'Arts RFP Response Package.

23. **Letter from the Department of Sustainable Development (DSD) approving the proposed project with zoning and land use designations, and Plan Development Review number and comments.**

    Two Pre-DRC meetings have been completed to date for Hotel d'Arts, and the Development Team has made the requested changes from City staff. If the three CRA-owned lots are awarded to AVENUE D'ARTS FLL, LLC, the Development Team will move forward with the DRC process for the Project.

24. **Identification and qualifications of project development team (*i.e., attorney, engineer, architect, general contractor, etc.*).**

    Please refer to the Hotel d'Arts RFP Response Package.

25. **Current Broward County Assessed Value, new capital investment dollars and total estimated new assessment when completed and placed into service.**

    Please refer to the Hotel d'Arts RFP Response Package.

26. **Preliminary Project Schedule**

    July 2019 – November 2020.

27. **Existing Leases, Lease commitments and tenant makeup (*if applicable*).**

    Not applicable.

28. **Copy of Environmental Report showing there are no Environmental issues (*if applicable*).**

    Please see attached below.

29. **Copy of Appraisal Report (*if applicable*).**

    The three CRA-owned lots were recently appraised for $355,000. Once the Hotel Project obtains all the necessary approvals, and the construction documents are completed, the site will be re-appraised.

30. **Evidence that all funds are in-place to fully fund the project.**

    An account for this Project will be established at a later point.

31. **A copy of the City approved project plans, contract with General Contractor and permits (Prior to Release of Funds)**

    Not applicable at this time – To be provided in the future.

32. **Scope of work and all project costs**

    Not applicable at this time – To be provided in the future.

33. **Copies of Insurance Certificates (Builders Risk/All Risk Policy, Commercial General Liability, Workers Compensation with the City of Fort Lauderdale and the Fort Lauderdale CRA listed as Additional Insured.**

    Not applicable at this time – To be provided in the future.

June 19, 2017

SENT ELECTRONICALLY VIA DOCUSIGN

Re: **Comfort Suites (FLE48)**
Fort Lauderdale, Florida

Dear Applicant:

I would like to acknowledge receipt of your franchise application and thank you for applying for a Comfort Suites franchise with Choice Hotels International, Inc. ("Choice"). Please return the following additional documents:

a. current personal financial statements for Sameet A. Patel;
b. a copy of the purchase agreement (if you have not closed) and deed (when available) for the hotel; and
c. payment of $50,000 (which represents the balance due of the affiliation fee). Please submit payment via wire. Please see our wire instructions immediately following this letter. Your wire transmittal must include your property code of **FLE48**.

Enclosed for your signature are the following documents:

1. Franchise Agreement - please enter the date that you sign the agreement on the date line underneath your signature but do not date page 1 of the Agreement;
2. Franchise Disclosure Questionnaire; and
3. Incentive Promissory Note.

To expedite the process, we strongly urge you to sign these documents electronically using DocuSign®.

Please be advised that neither this letter nor the enclosed documents constitute an offer by Choice to enter into a franchise agreement. Your application and the franchise agreement enclosed herewith are subject to review and approval by Choice's Franchise Committee. The Committee may elect to approve or reject your application, in whole or in part, and if your application is approved it will be stated in a separate letter to you.

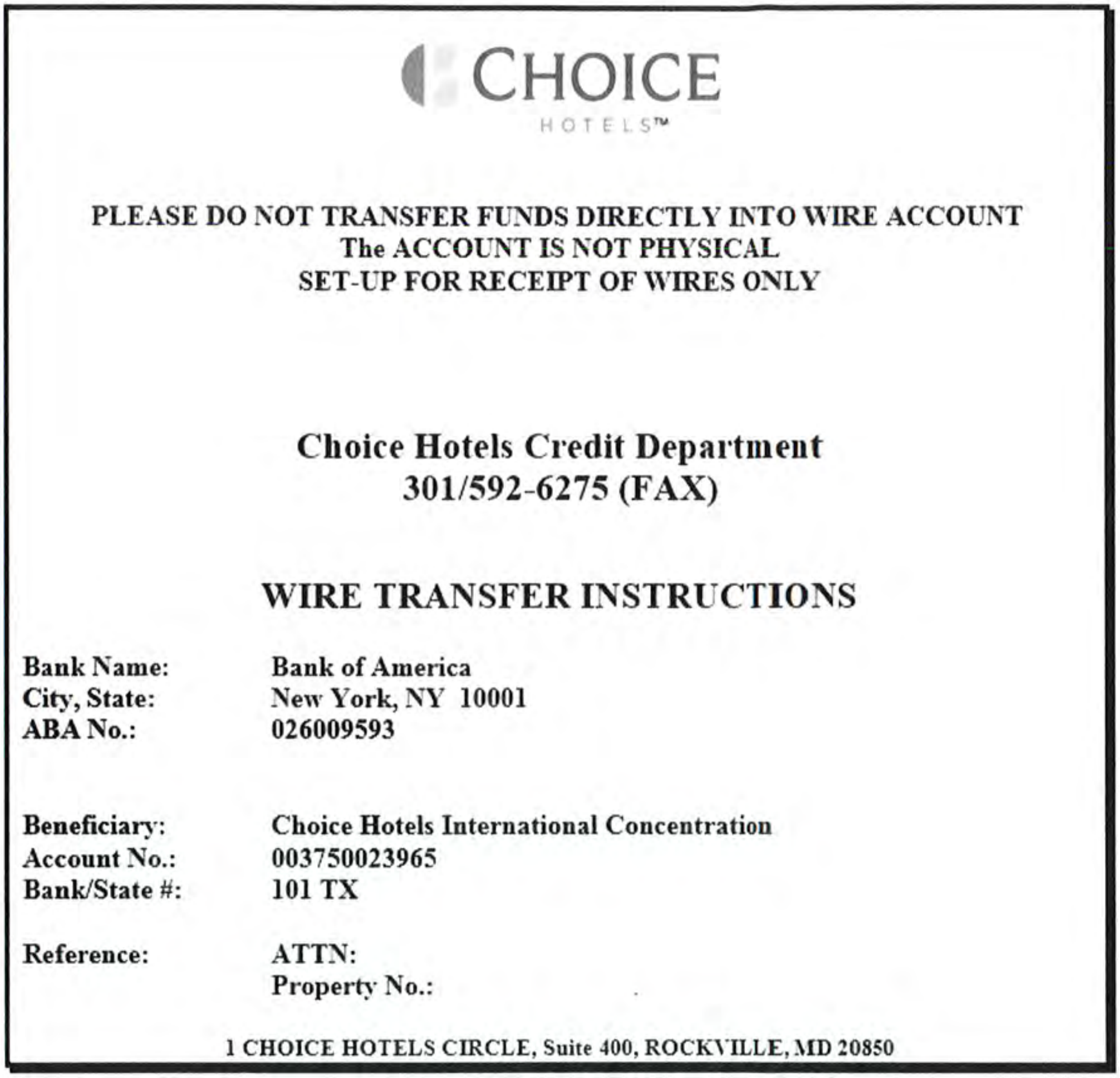
Please return all of your signed documents and supporting information to us by August 30, 2017. Choice will have no obligation to extend the date that you are required to return the documents beyond this date. **The terms of the franchise agreement are subject to change at any time prior to execution by Choice.**

If you have any questions or desire additional information, please do not hesitate to call me at (301) 592-6339.

Sincerely,

CHOICE HOTELS INTERNATIONAL, INC.

Emily Abril
Contract Specialist - Contract Administration



CHOICE
HOTELS™

PLEASE DO NOT TRANSFER FUNDS DIRECTLY INTO WIRE ACCOUNT
The ACCOUNT IS NOT PHYSICAL
SET-UP FOR RECEIPT OF WIRES ONLY

Choice Hotels Credit Department
301/592-6275 (FAX)

WIRE TRANSFER INSTRUCTIONS

Bank Name: **Bank of America**
City, State: **New York, NY 10001**
ABA No.: **026009593**

Beneficiary: **Choice Hotels International Concentration**
Account No.: **003750023965**
Bank/State #: **101 TX**

Reference: **ATTN:**
Property No.:

1 CHOICE HOTELS CIRCLE, Suite 400, ROCKVILLE, MD 20850

04/17

FLE48 – 0000032114
Comfort Suites

CHOICE HOTELS INTERNATIONAL, INC.
FRANCHISE AGREEMENT

THIS AGREEMENT ("Agreement") is made in Maryland, effective as of September 29, 2017 ("Effective Date"), between **Choice Hotels International, Inc.**, a Delaware corporation ("we" or "us"), and **Sameet A. Patel, individually** ("you").

We and you agree as follows:

1. Definitions. In addition to the terms that are defined in other parts of this Agreement, the following terms shall have the indicated meanings:

a. "Hotel" means the property located at **720 NW 4th Street, Fort Lauderdale, FL 33311** ("Location") and includes the building, land and all improvements, structures, fixtures, amenities, equipment, furniture and related rights, privileges and properties at such Location.

b. "Sleeping Rooms" means the number **100** which is and shall be the total number of rentable sleeping rooms in the Hotel, subject to change only in accordance with Section 8, below.

c. "Meeting Rooms" means the total number of meeting, conference and/or banquet or similar rooms generally available for rent in the Hotel, subject to change only in accordance with Section 8, below.

d. "Rentable Rooms" means the Sleeping Rooms and the Meeting Rooms, collectively.

e. "Designated Representative" means the person designated by you to represent you on all matters relating to this Agreement and to receive notices under this Agreement on your behalf. Unless you change the Designated Representative in accordance with Section 15 of this Agreement, your Designated Representative is **Sameet A. Patel** whose address is **551 NW 77th Street, Suite 108, Boca Raton, FL 33473**.

f. "Opening Date" means the date that you begin to rent any portion of the Rentable Rooms under this Agreement.

g. "Gross Room Revenues" means all revenues from the rental, sale, use or occupancy of any of the Rentable Rooms, for whatever purpose, including cash and credit transactions, whether or not collected by you, and any proceeds from business interruption insurance, as required by Section 12 of this Agreement. It does not include taxes required by law (including gross receipt taxes, property taxes, and hotel sales taxes), revenues from telephone calls, movie rentals, vending machines, room service or food and beverages sales.

h. "Hotel Supplies" means all furniture, fixtures, equipment (including, without limitation, computers, printers, telephones and facsimile machines), signs, amenities and other supplies used in the construction, renovation, maintenance and operation of the Hotel.

i. "Brand Mark" means the trademark and trade name **Comfort Suites®** and the logo designated by us for use in association with the Hotel (including designs, stylized letters, colors and other elements that we permit you to use at the Hotel and in advertising for the Hotel) and/or any other trademarks, trade names, trade dress, service marks or logos (whether registered or not), or any domain name, as we may require from time to time to be used in connection with the Hotel.

j. "Choice Marks" means collectively all of our trademarks and trade names, including, but not limited to, the Brand Mark, the trademarks and trade names ASCEND®, CAMBRIA SUITES®, COMFORT INN®, COMFORT SUITES®, CLARION®, QUALITY®, SLEEP INN®, MAINSTAY SUITES®, SUBURBAN EXTENDED STAY HOTEL®, ECONO LODGE®, RODEWAY INN®, and the names of our Property Management System and Reservation System, together with all related logos, trade dress, and any other additional or substituted trademarks, trade names, service marks or logos (whether registered or not) currently owned, licensed or used by us or that we later adopt, purchase or develop.

k. "Rules and Regulations" means our then-current brand rules and regulations, as updated and/or modified by us in our discretion from time to time (and any supplements) and brand guidelines (including any manuals or policies that we may make available), which may contain, among other things, our standards and requirements for constructing, equipping, furnishing, supplying, operating, maintaining and marketing the Hotel. The Rules and Regulations shall apply to all hotels operating under the Brand Mark.

l. "System" means our then-current concepts and methods for providing hotel accommodations with a high standard of service, courtesy and cleanliness using the Choice Marks and any trade secrets and includes our Property Management System and Reservation System, our loyalty program, our business referral, gift card and credit card agreements, this Agreement, the Rules and Regulations, and those identifying brand characteristics as we may from time to time reasonably designate.

m. "Other Choice Brand Hotels" means hotels other than the Hotel that are authorized by us to use the Choice Marks, our System, and our Intellectual Property (as defined in Section 7).

n. "Property Management System" means the then-current version of the automated system that we will license to you on a non-exclusive basis to assist you to operate and manage the Hotel and to capture all data and record all transactions entered into by you and the Hotel in connection with the operation of the Hotel, including all transactions relating to the Rentable Rooms.

o. "Reservation System" means the then-current methods and automated systems that we use (including our call centers and any and all related telecommunications systems, e-commerce tools and techniques, websites or mobile applications, call-forwarding or call-transfer programs and techniques or similar tools or methods used by us as modified from time to time) to take, hold, honor, and report advance reservations that are made in connection with the use of the Rentable Rooms at the Hotel and at the Other Choice Brand Hotels.

2. Grant of License. Subject to your compliance with all of your obligations under this Agreement, we grant to you a non-exclusive, limited, revocable license to use (without the right to sublicense) our System and the Brand Mark to operate the Hotel during the Term. You do not have the right to use any of the Choice Marks other than the Brand Mark in connection with the operation of the Hotel. We, for ourselves and our affiliates, retain all rights and discretion with respect to the Brand Mark and the System, including, but not limited to, those specified in Section 19(b).

3. Term. The term of this Agreement ("Term") begins on the Effective Date and ends on the date that is 20 years after the Opening Date. You have no right or option to renew this Agreement or extend the Term. If the Hotel is a hotel that is to be newly constructed (as we determine in our sole discretion), then both you and we shall have the right to terminate this Agreement, with or without cause, and as a matter of right, on the 10th and 15th anniversaries of the Opening Date. If the Hotel is not a hotel that is to be newly constructed, then both you and we shall have the right to terminate this Agreement, with or without cause, and as a matter of right, on the 5th, 10th and 15th anniversaries of the Opening Date. You or we may only exercise such termination right by giving prior written notice to the other party, provided, that you may not exercise your termination right under this Section 3 unless you have paid all fees and charges due under this Agreement (and all related agreements, including any promissory notes or other incentive agreements, and any agreements relating to the use of our System) at the time you give us notice and at the time of the proposed termination. The written notice required by this Section 3 shall be given at least 12 months prior to the date that the proposed termination as a matter of right would be effective. If you elect to terminate this Agreement in accordance with this Section 3, you must continue to remain current on all fees and charges under this Agreement through the date of such termination in order for your termination to be effective. Any termination in accordance with this Section 3 will not be subject to liquidated damages as described in Section 10(d)(2).

4. Fees and Reports.

a. Affiliation Fee. By no later than the date you sign this Agreement, you will pay us an affiliation fee of **$50,000 USD** ("Affiliation Fee"), which is non-refundable except as provided in this Section 4(a). The Affiliation Fee is fully earned upon our receipt, whether or not you open the Hotel. If we do not sign this Agreement for any reason, any monies that you have paid to us towards the Affiliation Fee, less $5,000, will be refunded to you.

b. Monthly Fees. Beginning on the Opening Date, you will pay us for each month during the Term each of the following monthly fees (collectively, "Monthly Fees"):

1. Royalty Fee. A royalty fee of 6.0% of the preceding month's Gross Room Revenues ("Royalty Fee") in consideration for the license granted to you in Section 2;

2. System Fee. A system fee of 3.5% of the preceding month's Gross Room Revenues for the ongoing development, maintenance and upgrading of the Property Management System and Reservation System, and for advertising, publicity, public relations, marketing, promotional programs, website maintenance, reservations and other similar services that we will provide to you under this Agreement and for our System as further described in Section 19(h) below, as we determine in our sole discretion (collectively, the "System Fee"). You acknowledge and agree that (i) we may increase the System Fee due to cost increases attributable to inflation, increases in the costs of advertising, publicity, public relations or marketing, additional costs of implementing new or improved programs or systems, or increases in our cost of providing the Property Management or Reservation Systems or any of the other aspects of our System, so long as the increases apply to all or most of the U.S. hotels that are authorized to use the Brand Mark; (ii) we may assess additional fees and charges for various components of the System and other services (including promotional programs and use of proprietary software) as described in this Agreement and the Rules and Regulations; and (iii) we may advance monies for the purposes described herein in an amount reasonably necessary to ensure the provision of such services whether or not sufficient System Fees are then available and subsequently obtain reimbursement of such advances through the fee increases described above or utilizing future System Fees to recover previous monies advanced; and

3. Other Fees and Commissions. Such other fees and commissions described in the Rules and Regulations which are reasonably charged by us in connection with the rights and obligations granted under this Agreement.

c. Payments and Reports. Beginning on the Opening Date, within 5 days after the end of each calendar month during the Term, you will send us a statement on a form to be determined by us showing the Gross Room Revenues, occupancy and other related information that we request for the immediately preceding month or, in the alternative, at our election, we will gather the Gross Room Revenues, occupancy and other related information through any automated information reporting systems we establish. In the event we elect to have you send us a statement of the Gross Room Revenues, you will certify that your reports are true and accurate. If we elect to have you send us a statement of the Gross Room Revenues, and you do not send us the required reports on time, we will estimate your Gross Room Revenues for interim billing purposes, and you must pay us a late charge of 1.5% of your previous month's Monthly Fees. If we elect to gather the Gross Room Revenues through our automated reporting systems, and we are unable for whatever reason to obtain an accurate report of the Gross Room Revenues, we will estimate your Gross Room Revenues for interim billing purposes. Interim bills will be considered accurate until we receive any late monthly reports or acquire accurate information through our automated reporting systems, as appropriate. We will bill you for the Monthly Fees (and interest or other penalty, if any) due under this Agreement each month, and you will pay us those amounts by the 25th day of the same month. You agree that timely payment of the Monthly Fees and any other amounts and fees due to us is of the essence for the purposes of this Agreement. You also agree that we may apply payments that you make in any order we determine regardless of any contrary language you may indicate. You agree that you will participate in computerized or automated information reporting programs and electronic fund transfer programs that we adopt for use by hotels that are authorized to use our System. If we adopt electronic fund transfer programs, you agree to make the necessary arrangements with your bank to participate in such programs and you agree to purchase computer hardware, computer software and related telephone or other network services reasonably required in order to properly participate in these programs.

d. Hotel Data. You will, in a manner and form satisfactory to us and utilizing accounting and reporting standards as reasonably required by us, prepare on a current basis (and preserve for no less than 7 years), complete and accurate records concerning Gross Room Revenues and all financial, operating, marketing and other aspects of the Hotel specified by us from time to time ("Hotel Data") and maintain an accounting system which fully and accurately reflects all financial aspects of the Hotel and its business. The Hotel Data includes all bank statements, federal tax returns, state tax returns, local occupancy tax returns, daily revenue reports, monthly and annual revenue summary reports, maid logs, guest registration folios, guest complaints, guest satisfaction survey results, and complete annual financial statements (profit and loss statements, balance sheets and cash flow statements). The Hotel Data will be maintained at the Hotel, or, if you notify us in writing, at an alternate location suitable for inspection by us. All Hotel Data must be kept separate and apart from all other data. Nothing in the foregoing shall limit us from reviewing Hotel Data that is older than 7 years or from recovering amounts owed to us from any period of time.

e. Financial Statements and Audit. If we request in writing, you will send us copies of the Hotel Data and financial statements certified by you as true and accurate (including a profit and loss statement, balance sheet, cash flow statement, or such other financial data or reports as we may request, in a form satisfactory to us) for the Hotel for the prior fiscal year (or other time period), and you will have the Gross Room Revenues or other monies due hereunder computed and certified as accurate by a certified public accountant. During the Term and for 7 years afterward, we and our authorized representatives will have the right to verify information required under this Agreement by requesting, receiving, inspecting, copying and auditing the Hotel Data and any and all records or documents related to the Hotel Data wherever they may be located. If any inspection or audit discloses a deficiency in any payments due hereunder, you must pay us all deficiencies plus interest at the rate indicated in Section 4(f), below. If the deficiency in any payment is willful or exceeds 5% of the correct amount, you will also immediately pay to us the entire cost of the inspection and audit, including travel, lodging, meals, salaries, professional fees and other expenses of the inspecting or auditing personnel.

f. Interest. You will pay us interest on all charges, costs fees and amounts due under this Agreement but not paid on time at the rate of 1.5% per month, but not more than the maximum interest rate permitted by applicable law.

5. Our Duties. We will during the Term:

a. Rules and Regulations. Make available to you an electronic copy of the Rules and Regulations;

b. Quality Assurance. Administer quality assurance programs as described in the Rules and Regulations that may include periodic visits to the Hotel (by us or authorized third parties) and/or guest satisfaction surveys and guest reviews to evaluate your compliance with this Agreement and the Rules and Regulations and advise you of any defaults and on changes that you must make to the Hotel or its operations to comply with this Agreement or the Rules and Regulations;

c. System Services. (i) Allow you to use the Property Management System and the Reservation System, (ii) provide marketing services, such as national, international and regional advertising, promotional programs, publicity, marketing research, and other related marketing activities, that we reasonably determine are appropriate for the promotion of the Hotel, our System and the Other Choice Brand Hotels; and (iii) periodically make available to the traveling public a directory or other listing of all hotels which are in good standing and that are authorized to use our System, which may be provided in an electronic format, including on the Internet, in our sole discretion. You acknowledge and agree that we may combine the services that we will provide to you in clauses (i), (ii) and (iii), above, with other hotels that are authorized to use the Brand Mark and/or our System, or other hotels that we or our affiliates operate in our sole, but reasonable, discretion. You also acknowledge and agree that we will not be obligated to permit or assist in making reservations for the Hotel for any dates following the scheduled date of expiration or termination of this Agreement, or during any period in which your rights are suspended under Section 10(c) of this Agreement; and

d. Consultation. Make available to you, at our discretion, additional consultation and services to assist you to construct, renovate, maintain, operate, and/or market the Hotel on the same basis as provided to other hotels that are authorized to use our System under the Brand Mark; we reserve the right to charge you reasonable fees that we may establish in advance or on a project-by-project basis for such consultation and services. Any guidance, recommendations, or advice provided to you during such consultation shall be deemed suggestions only, and the decision to follow any such guidance, recommendations, or advice will be made by you in your sole discretion.

6. Your Duties. You will during the Term:

a. Compliance with Rules and Regulations. Comply with the requirements of this Agreement and the Rules and Regulations, which you acknowledge we may modify and/or update in our sole discretion from time to time, and not disclose this Agreement or the Rules and Regulations (including any copies of the Rules and Regulations that are no longer the then-current version) to anyone except your authorized employees (or the employees of your management company, if authorized by us), or your attorneys, accountants, or lenders, or on an as-needed basis;

b. Good Repair; Safe and Secure. Construct, renovate, operate, furnish, maintain and advertise the Hotel according to this Agreement and the Rules and Regulations; undertake all repairs, cleaning, redecoration, repainting, and replacement of obsolete or outdated Hotel Supplies; take such other corrective action as is necessary to maintain the Hotel interior and exterior, including any parking areas and food and beverage facilities, in a clean, sound, and attractive condition and good repair at all times; and operate the Hotel in a safe and secure manner that optimizes public health and safety. You are solely responsible for determining and addressing all safety concerns relating to the condition of the Hotel and surrounding areas;

c. Ethical Standards; Performance. Establish and maintain a high ethical and moral standard in connection with your operation of the Hotel and not allow or sponsor any activity at the Hotel that could reasonably be determined to negatively impact the Brand Mark, the Choice Marks, our System, the Other Choice Brand Hotels or our business reputation; operate the Hotel in a professional manner that meets or exceeds the generally accepted standards of performance of leading hotel operators in the industry;

d. Compliance with Laws; Limited Use. Comply with all local, state, and federal laws, rules, regulations and agency orders, and obtain all required permits and licenses, applicable to you, your employees, or the construction, renovation, operation, maintenance or promotion of the Hotel (including, but not limited to, all labor and employment laws), and not permit the Hotel to be used for any purpose or activity that is unlawful or that is not contemplated by this Agreement or the Rules and Regulations;

e. Training. Comply with our training requirements by ensuring that you and the Hotel's general manager(s) attend (at the times required by us) our then-current training programs, including our annual national convention for hotels authorized to use the System ("Training Programs") and pay the cost of tuition, living expenses, and travel expenses associated with attendance at the Training Programs by you and the Hotel's general manager(s). You understand and agree that you will be solely responsible for training your employees in the operation of the Hotel;

f. Signage. Obtain and display prominently at the Hotel our approved interior and exterior signage in compliance with the Rules and Regulations, which may be modified from time to time in our sole discretion, and maintain the signage in a clean and attractive condition, and in good working order at all times;

g. Property Management and Reservation Systems. Use the Property Management System (and the equipment, networks, software and procedures (including hardware and software refresh requirements) that are described in the Rules and Regulations) to operate and manage the Hotel and in connection with all guest transactions (including all transactions relating to the Rentable Rooms), and use our Reservation System to accept, hold, honor and track all reservations for the Rentable Rooms. You understand and agree that your use of the Property Management System is governed by a separate agreement, as we may modify and/or update from time to time ("Online Terms of Use"), which Online Terms of Use are expressly incorporated herein by reference and made a part of this Agreement, and you agree that you will abide by such Online Terms of Use and pay all applicable fees described in the Rules and Regulations. You also acknowledge and agree that each of we and you have ownership rights in data used or generated by the Property Management System or the Reservation System;

h. Evaluation. Allow us (or any third party authorized by us) to enter the Hotel at any reasonable time to evaluate your compliance with this Agreement, the Rules and Regulations, and any quality assurance program we administer either directly or through an authorized third party. During such visit, you will assist us (or the authorized third party) in such manner as is required for us (or the authorized third party) to conduct our evaluation and, subject to availability, provide us (or the authorized third party) with one free Sleeping Room for one night. In addition, you agree that we (or the authorized third party) may evaluate your compliance with this Agreement, the Rules and Regulations, and any quality assurance program we administer, remotely and/or through data obtained from guest satisfaction surveys or programs. You agree to take all steps necessary to correct any deficiencies identified in our evaluation within the time periods that we reasonably specify;

i. Rate Information. Upon our request, and in the manner and format we specify, send us a written description of your Hotel and its then-current rates so that we may include this information in directories and other listings and information that we periodically make available to the public. If you do not send us changes to the information that you provide to us by the deadlines that we indicate, you will honor the rates and descriptive information on record at the time of the deadlines;

j. Promotional Programs. Participate in and honor the terms of any loyalty, discount or promotional program and pay all applicable fees or charges associated with such programs (including any room discounts, rewards programs, frequent traveler programs, photographic or virtual tour programs or gift card programs that are applicable to the Hotel or Other Choice Brand Hotels) that we offer to the public on your behalf and any room rate quoted to any guest at the time the guest makes an advance reservation. You agree that you will take all action necessary (including the supply to us of all information and the purchase of any supplies, equipment or services) to participate in any loyalty, discount or promotional programs, and that you will grant us all necessary rights in and to any photographs, video and/or other marketing materials that we may require in order to reasonably undertake such promotional programs on behalf of the Hotel, and/or some or all of the Other Choice Brand Hotels;

k. Travel Agent Commissions. Promptly pay all travel agent commissions and global distribution system charges due from you in connection with the Hotel whether payable by you directly or collected by us on behalf of others, and abide by the Rules and Regulations related to travel agent and global distribution system procedures;

l. System Referrals. Use your best efforts to maximize and increase the business of the Hotel, and if you are unable to accommodate a potential guest, refer the guest to Other Choice Brand Hotels that are near to the Hotel, if any;

m. ADA Certification. Ensure that the Hotel complies with the requirements of the Americans with Disabilities Act ("ADA"). Prior to the Opening Date, you will provide to us a certification from your architect, your general contractor, a consulting architect or you, on a form satisfactory to us, certifying that the Hotel is in compliance with all applicable provisions of the ADA. The Hotel may not open, use the Brand Mark or our System until this certification is properly completed and delivered to us;

n. Franchise Association. Join and maintain membership in a franchise association designated by us for hotels that are authorized to use the Brand Mark ("Franchise Association"), and pay monthly Franchise Association dues to us (or our designee) in an amount we reasonably require. You acknowledge and agree that the purpose of any Franchise Association created, sponsored, or endorsed by us will be to, among other things: affect a high-level relationship among all franchisees, and between individual franchisees and us, for the purpose of mutual advantage and cooperation; improve and encourage a high performance level and cooperative action among all franchisees; advance new ideas, discuss System-wide issues and focus attention on various matters as they relate to a significant number of franchisees; encourage an exchange of operational and promotional ideas; and make appropriate recommendations to us to assure that our plans and policies enhance our mutual interests. However, you acknowledge and agree that we are not required to obtain the consent of any Franchise Association on these or any other matters;

o. Renovations. Undertake, at our written request, remodeling, renovations, and modifications to existing improvements, necessary to modernize and conform the Hotel to the Rules and Regulations or other requirements of our System ("Renovations") and sign a property improvement plan or other writing that we prepare to document your obligation to complete such Renovations. Within 90 days after receipt of our written request that your Hotel undergo Renovations, you will submit to us for our review and approval, complete and professional drawings and plans for such Renovations before beginning any work to complete the Renovations. You will complete the required Renovations within the time reasonably specified by us in our written request. You acknowledge and agree that the obligations described in this Section 6(o) are in addition to your ongoing obligations to comply with Section 6(b) and Section 6(d);

p. Identifying Information. Send us, before the Opening Date (and any time there is a change in any of the information), the following, as appropriate: (i) the legal name and business type (corporation, limited liability company, limited partnership, etc.) of the Hotel's operating entity; (ii) its federal TIN (taxpayer identifying number); (iii) its state income tax account number(s); (iv) its state payroll tax (withholding and unemployment tax) account number(s); (v) its state sales tax and occupancy tax account number(s); and (vi) its local (county and city) occupancy tax account number(s);

q. Guest Complaints. Participate in, and pay all charges in connection with all required guest complaint resolution programs and ratings and review policies, which we may modify from time to time, as specified in the Rules and Regulations;

r. Construction and Substantial Renovation Related Duties. If the Hotel has yet to be constructed or if the Hotel is to be Substantially Renovated (as defined below):

1. Plans. Ensure that your preliminary drawings and designs for the Hotel satisfy the Rules and Regulations and the then-current prototype design specifications for hotels that are authorized to use the Brand Mark and provide a copy of your preliminary drawings and designs to us for our review and approval at least **6 months** before Construction Start, and final working drawings and final architectural designs for the Hotel ("Plans") to us for our review at least **3 months** before Construction Start. "Construction Start" means the date that bona fide pouring of footings for the Hotel begins at the Location in the case of a hotel to be constructed or the date that renovations begin in the case of an existing hotel that is to be Substantially Renovated. "Substantially Renovated" means the existing building is to be re-constructed on the interior in all areas (public spaces, guestrooms, and bathrooms) down to the concrete or stud walls (or drywall, if in good condition), including replacement of all (or substantially all) floors and ceilings. We agree to provide you with written notice of our review and determination of the Plans within 15 business days after the date we have received the Plans and agree that if we fail to provide you notice in accordance with this Section 6(r)(1), the Plans are deemed to be approved by us. If Construction Start does not commence within 6 months of our written approval of your final architectural designs for the hotel (or within 6 months of automatic approval if we fail to provide you notice within

fifteen business days in accordance with this Section 6(r)(1)), then you must resubmit final architectural designs for approval at least 60 days prior to Construction Start;

2. Timing and Extensions. Cause Construction Start to occur within **12 months** of the Effective Date, and within 5 days after Construction Start, inform us in writing that Construction Start has occurred. If you do not cause Construction Start to occur within 12 months of the Effective Date of this Agreement, you may request, before the end of the 12 months, an additional 3 months for Construction Start. We are not obligated to extend the time for Construction Start. If we agree to extend the time for Construction Start beyond the original 12 month requirement, you will pay us an extension fee of $5,000 for each 3-month extension that we grant to you;

3. Completion. Continue Hotel construction (or renovation) in accordance with the Plans, after Construction Start, without unreasonable interruption, until the Hotel is ready for our inspection. You must complete Hotel construction (or renovation), including furnishing, equipping, and preparing for opening, by the Opening Deadline (as defined in Section 6(s)(6));

4. Progress Reports. Send us, when we request during construction (or renovation), reports showing the progress made toward completing Hotel construction (or renovation);

s. Opening. Prior to the Opening Date:

1. Use of Brand Mark. Use the Brand Mark only as permitted in Section 7(c) of this Agreement;

2. Cooperation/Inspection. Cooperate with us, and require your architect, engineer, contractors and subcontractors to cooperate with us, and allow us to inspect the Location and the Hotel to determine whether construction (or renovation) satisfies the Rules and Regulations, the then-current prototype design specifications for hotels that are authorized to use the Brand Mark, and the Plans and/or the property improvement plan set forth in Attachment A (if applicable);

3. Hotel Supplies. Order, purchase and/or lease and install all Hotel Supplies, related equipment, supplies and other required items to operate the Hotel;

4. Advertising. Advertise the Hotel locally, at your expense and in a manner meeting our specifications; and

5. Opening Authorization. Notify us in writing at least 30 days before the Opening Date so that we can inspect, and if we reasonably determine it to be appropriate, authorize you to begin operating the Hotel under the Brand Mark and this Agreement. You will not begin operation of the Hotel using the Brand Mark or our System until you have received our specific written authorization to do so; and

6. Opening Deadline. Ensure that the Opening Date occurs within **12 months** after Construction Start (if the Hotel has yet to be constructed or if the Hotel is to be Substantially Renovated), or the BES Deadline (if set forth in Attachment A) ("Opening Deadline");

t. Sources of Products and Services. Ensure that all products and services sold or offered for sale at the Hotel, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used at the Hotel, meet our standards and specifications. You must also purchase all products and services that we designate in the Rules and Regulations solely from suppliers (including manufacturers, distributors and other sources) approved by us (collectively, "Qualified Vendors"), which demonstrate, to our continuing reasonable satisfaction, the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in writing. We reserve the right to require you to purchase any or all approved products or services solely from us or our designated affiliate. We also reserve the right to receive a rebate or other benefit from Qualified Vendors based on purchases by you and other franchisees. We may limit the number of Qualified Vendors to obtain volume discounts and to promote consistent quality and adequate supplies for the brand. If you desire to purchase designated products or services from a party other than a Qualified Vendor, you must submit to us a written request to approve the proposed supplier, together with such information as we may reasonably require. Among the criteria that we consider is the financial stability of the supplier, whether the product or service meets our standards and specifications, and whether the product or service is of use to our franchisees. Our complete written criteria are available for review upon your request. Where applicable, the proposed supplier must submit product samples and specifications to us. We will use our best efforts to notify the proposed supplier within 90 days after we receive all required information and samples, although a longer period may be required for certain products or services due to their cost or importance to the brand or their financial impact on our franchisees. We may revoke our approval of particular products or Qualified Vendors when we determine, in our sole discretion, that such products or suppliers no longer meet our standards or specifications.

u. Confidential Information. Maintain the absolute confidentiality of the Confidential Information (as defined below) during and after the term of this Agreement. You agree that you: (i) will not use the Confidential Information in any capacity or business or purpose other than what is explicitly authorized under the terms of this Agreement; (ii) will not make unauthorized copies of any Confidential Information disclosed in written form; (iii) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information. You shall divulge such Confidential Information only to such of your employees, attorneys, accountants, agents, lenders, or prospective purchasers of the Hotel as must have access to it in order to operate, loan money in connection with, or purchase the Hotel. "Confidential Information" includes the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, Rules and Regulations, systems, costs and financial information that we communicate to you or that you otherwise acquire in operating the Hotel under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

7. Intellectual Property.

a. No Ownership Rights. You acknowledge and agree that except as expressly permitted by this Agreement or any Online Terms of Use, you do not have any right, title or interest in and to the Brand Mark or the Choice Marks, Rules and Regulations, System, our then current concept and method for providing hotel accommodations using any of the Choice Marks, Property Management System, Reservation System, trade secrets or business methods (collectively, "Intellectual Property") and you will not contest our rights in and to such Intellectual Property or to current or future derivations of or improvements made to the Intellectual Property, nor our right to register our rights in the Intellectual Property or to grant to others the right to use the Intellectual Property or any other intellectual property that we own. You understand that the Intellectual Property will remain our property, and that your use of any portion of the Intellectual Property inures to our benefit. You also agree that you will not sub-license the Intellectual Property rights we have granted to you under this Agreement, to any other person or entity, and you will not use such Intellectual Property for any purpose other than in connection with the Hotel in accordance with the terms of this Agreement. You agree to assign and you do hereby assign any and all rights you or any other party working on your behalf may have or develop in the Intellectual Property at no cost to us. You acknowledge and agree that all rights to our Intellectual Property that have not been granted to you in this Agreement will remain ours.

b. Limited Use; Web Sites. You acknowledge and agree that you will not include the Brand Mark (or any other Choice Marks), any words that constitute a portion of the Brand Mark (or any other Choice Marks), words that describe the Brand Mark (or any other Choice Marks), any portion of the names of our Property Management System or Reservation System, or anything confusingly similar to these marks or words ("Choice-Related Words") in your name or the name of any of your affiliates, whether a partnership, corporation, limited liability company, joint venture or any other type of business organization. You will not establish, or operate a previously established web site on the internet (or on any other network, wireless or otherwise) using any domain name (or other identifying characteristics) that contains any of the Choice-Related Words, or any other portion of our Intellectual Property or anything similar to our

Intellectual Property or which does not comply with our then-current domain name policy or our property website guidelines, internet distribution policy, or such similar policies or regulations adopted by us from time to time and made available to you. You acknowledge and agree that the restrictions on your use of the Choice-Related Words will survive the expiration or earlier termination of this Agreement and that we retain the right to pre-approve your use of linking and framing between your internet (or other network) web pages and all other web sites. We have the right to determine the content and use of online or electronic media associated with any of the Choice Marks. You may not participate in any website or other electronic media (including social media) that markets goods and services under the Choice Marks unless it is first approved in writing by us.

c. Limited Use of Brand Mark. After the Effective Date but before the Opening Date, you may make the following limited use of the Brand Mark:

1. Temporary Signs. No earlier than 90 days prior to the Opening Date, use the Brand Mark on a temporary sign, meeting our standards, at the Location advising the general public that a hotel authorized to use the Brand Mark is under construction;

2. Local Media. No earlier than 90 days prior to the Opening Date, use the Brand Mark to promote the Hotel construction and opening in the local media;

3. Supplies. No earlier than 90 days prior to the Opening Date, purchase operating supplies and equipment bearing the Brand Mark required for Hotel operation; and

4. Permanent Signs. No earlier than 30 days before the Opening Date and only with our written consent, install permanent Hotel signs meeting our standards bearing the Brand Mark and the designated logo.

d. Permitted Registration. If you are required by law to register any of our Intellectual Property, your registration application must specify that you will use our Intellectual Property: (i) only at the Hotel and in advertising for the Hotel; (ii) only during the Term; and (iii) without claiming any rights in and to the Intellectual Property during or after the Term.

e. Notice of Suit; Injunctive Relief; Survival. You will promptly notify us of any suit filed or demand made against you challenging the validity of our Intellectual Property ("IP Claim"). Following the receipt of such notice from you and using our attorneys, we agree to defend you against any IP Claim, and to defend and indemnify you against your loss, cost or expense related to such IP Claim, except where such IP Claim arose because you used our Intellectual Property in violation of our domain name policy, property website guidelines, internet distribution policy, this Agreement, the Online Terms of Use, or the Rules and Regulations. You will not settle or compromise any IP Claim without our prior written consent, and you agree to cooperate with us in defending against any such IP Claim. In connection with such IP Claim, you acknowledge and agree that if at any time during the Term you do not immediately discontinue the use of our Intellectual Property (including the Brand Mark) or the Choice-Related Words following our notice to you to discontinue such use, we will seek injunctive and equitable relief for your infringement (or use of the Choice-Related Words) and, in that event, you waive, to the maximum extent permitted by law, any requirement for any bond for the issuance of any injunction, and if a bond is required, you agree that it will not exceed $1,000. The provisions of this Section 7 will survive the expiration or earlier termination of this Agreement.

f. Changes to Brand Mark. You agree and acknowledge that we have the right, in our sole discretion, to modify, add to, or discontinue use of the Brand Mark, or to substitute different proprietary marks, for use in identifying the System and/or the Hotel. You shall promptly comply with such changes, revisions and/or substitutions, and bear all the costs of modifying your interior and exterior signage, advertising materials, interior graphics and any other items which bear the Brand Mark to conform therewith.

8. Change in Sleeping Room Count. You may change the Sleeping Rooms by 5% or less by constructing additional (or removing) Sleeping Rooms, but only after providing prior written notice to us. If you wish to change the Sleeping Rooms by more than 5% by constructing additional (or removing) Sleeping Rooms or if you wish to make substantial alterations to the Hotel, you may not do so without our prior written consent, which may be conditioned on, among other things, our inspection of the Hotel and the applicable rooms. If we consent to your expansion of the Hotel or to substantial alterations to the Hotel, you must send us your construction plans and pay us an expansion fee for each addition to the number of Sleeping Rooms equal to the then-current per-room charge for hotels that are permitted to use the Brand Mark, but the expansion fee will be not less than $1,000. We will add any additional Sleeping Rooms or Meeting Rooms that you construct to the Rentable Rooms (or delete any Sleeping Rooms or Meeting Rooms that you remove from the Rentable Rooms), and you will include revenues from the additional Sleeping Rooms and any additional Meeting Rooms to calculate the Gross Room Revenues for determining the Monthly Fees due under this Agreement.

9. Assignment.

a. Our Assignment. We may sell or assign all or part of our rights or obligations under this Agreement to any person or legal entity. Any such sale or assignment will inure to the benefit of any assignee or other successor.

b. Your Assignment. Your rights and duties under this Agreement are personal to you. We entered into this Agreement and granted the rights outlined in this Agreement to you in reliance on the business skill, financial capacity and personal character of you and your principal owners. You may not sell, assign, transfer, lease, or otherwise encumber any direct or indirect interest that you have in the Hotel, in you, or in any rights or obligations under this Agreement without giving us at least 15 days prior written notice and obtaining our prior written consent, which will not be unreasonably withheld or delayed. Furthermore, if a Controlling Interest (as defined in Section 9(d)) of the originally approved ownership of the Hotel is being transferred or if you are conveying the Hotel or 50% or more of the undivided interest in the Hotel, you and the transferee must comply with all reasonable conditions we require before we will approve of such transfer, including, but not limited to, (i) the transferee signing our then-current form of the franchise agreement for hotels that are authorized to use the Brand Mark, (ii) the transferee signing a property improvement plan or other writing that we prepare to document the transferee's obligations to complete required Renovations (as defined in Section 6(o)), (iii) all of transferee's owners signing our then-current form of personal guaranty agreement; and (iv) payment of a re-licensing fee equal to the then-current affiliation fee we charge for new franchisees authorized to use the Brand Mark. We reserve the right to withhold our consent to any transfer if the Hotel fails to comply with our then-current brand image and standards or the transferee fails to demonstrate to our satisfaction that it meets our educational, managerial and business standards, possesses a good moral character, business reputation and credit rating, has the experience, aptitude and ability to operate the Hotel, and has adequate financial resources and capital to operate the Hotel. Our consent is not required for a mortgage or for the sale or transfer by you of securities in a publicly-traded corporation or entity that individually, or in the aggregate with other sales or transfers by you, constitute the sale or transfer of less than 5% of the outstanding capital stock or other equity interests in you or the Hotel. If you assign or transfer the Hotel or any rights granted to you or your obligations under this Agreement without our written consent, you breach this Agreement and we may terminate this Agreement pursuant to Section 10(b)(2)(d).

c. Transfer due to Death or Mental Incompetence; Transfer to Close Family Member. If you, or any natural person with an ownership interest in you, dies or becomes mentally incompetent, the executor, administrator, or personal representative of that person must transfer that person's ownership interest in you or the Hotel (within 12 months after death or determination of mental incompetence) to one or more of the remaining persons in your entity (if applicable) or to heirs of the deceased person that we approve. If you wish to transfer your ownership interest in the Hotel to a close adult family member (such as a current spouse, parent, child, sibling, grandchild or grandparent) ("Close Family Member"), that Close Family Member must demonstrate to us that he or she has both the financial ability and experience necessary to operate the Hotel as required by Section 9(b) before we will approve a transfer. No additional fees will be payable for any transfers of an ownership interest in the Hotel due to death or determination of mental incompetence. However, if you wish to transfer your ownership interest in the

Hotel to a Close Family Member, an application fee (not to exceed $5,000) will be due to us, which will be fully refundable if we do not approve the transfer. Our approvals under this Section 9(c) will not be unreasonably withheld or delayed.

d. Controlling Interest. For purposes of this Agreement, "Controlling Interest" includes your interest if you are an individual and you own 50% or more ownership interest in the Hotel, any general partner's interest in a partnership entity, 50% or more of the voting stock of a corporate entity, 50% or more of the ownership interests in a limited liability company, or a 50% or more undivided interest in the Hotel.

10. Default and Termination.

a. Termination By You. If we default in our material obligations under this Agreement, you may terminate this Agreement only if you first give us written notice of the defaults and of your intention to terminate this Agreement and we have not cured those defaults within 60 days after receiving your written notice. With regard to any defaults which are not reasonably capable of being cured within 60 days, the cure period shall be extended for a reasonable additional period of time provided that we have promptly commenced to cure or cause to be cured such default, and thereafter we diligently pursue our efforts in that regard.

b. Termination By Us.

1. Termination with Notice and Opportunity to Cure. If you default in your material obligations under this Agreement, we may terminate this Agreement, effective on the date stated in our notice (or the earliest date permitted by applicable law) as follows:

(a) Non-Payment of Fees. If you do not pay us the Monthly Fees or any other fees, charges and amounts due under this Agreement (including travel agent commissions and global distribution system fees) or file required monthly reports of Gross Room Revenues, within 10 days of our written notice of default to you; or

(b) Other Breach. If you do not cure fully any other breach of your obligations or warranties under this Agreement, within 30 days of our written notice of default to you (or such longer period we designate in our sole discretion).

(c) Cure Periods. You acknowledge and agree that we may, in our sole discretion, extend the time period for you to cure any default but are under no obligation to do so, and any such extension shall not constitute a waiver of the cure periods set forth in this Agreement.

2. Immediate Termination Effective on Notice. Upon written notice to you, we may terminate this Agreement immediately, without giving you an opportunity to cure the default, if:

(a) Imminent Threat. There is an imminent threat or danger to public health or the safety of persons or property resulting from the construction, renovation, maintenance, or operation of your Hotel;

(b) Abandonment; Loss of Possession; Failure to Open. Subject to Section 14 of this Agreement, you stop operating the Hotel using the Brand Mark or according to the requirements of our System or this Agreement for any period of time, you abandon the Hotel, you temporarily or permanently lose the right to possess the Hotel (including, without limitation, due to the appointment of a Receiver or an event of condemnation), you lose the right to operate the Hotel, you fail to open the Hotel using the Brand Mark or in accordance with this Agreement, or you lose the right to transact business in the jurisdiction in which the Hotel is located;

(c) Criminal Behavior. You (or a beneficial owner of you) are charged with or plead guilty to a felony, a fraud, a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to have an adverse effect on the Brand Mark, the Choice Marks, our System, the Other Choice Brand Hotels, our business, our goodwill, our Intellectual Property, or our interest in this Agreement or any other instrument or agreement that we may have entered with you;

(d) Transfer. You (or a beneficial owner of you) transfer or purport to transfer any rights or obligations under this Agreement, any Controlling Interest in you, your interest in the Hotel, or a Controlling Interest in the Hotel without our prior written consent, except as otherwise permitted under Section 9(b) or 9(c) hereof;

(e) False Records. You maintain false books or records, send us false reports, or make any materially false statement in your franchise application or any other document you are required to submit to us;

(f) Bankruptcy. You file a petition in bankruptcy, become insolvent, make a general assignment for the benefit of creditors, or are unable to pay your debts to creditors on a timely basis;

(g) Insurance. You do not buy, maintain or send us evidence of insurance as required by this Agreement, or if we opt to procure, on your behalf, insurance required by this Agreement and you fail to reimburse us as we require under Section 12(f);

(h) Multiple Defaults. We send you 2 or more written notices of default under this Agreement for the same or a similar cause or reason in any consecutive 12 month period during the Term, whether or not cured;

(i) Construction. You do not (i) begin construction or renovation of the Hotel on or before the date required by Section 6(r)(2) of this Agreement, (ii) submit Plans to us for our approval prior to Construction Start, and in accordance with Section 6(r)(1), or (iii) once begun, continue, without unreasonable interruptions, the construction or renovation of the Hotel;

(j) Opening Deadline. You fail to open the Hotel by the Opening Deadline in accordance with Section 6(s)(6);

(k) Property Improvement Deadline. You fail to complete required improvements and/or repairs to upgrade the Hotel by the deadline(s) set forth in a property improvement plan;

(l) Goodwill. You engage in conduct that impairs the image, identity, value or goodwill associated with the Brand Mark (or any other Choice Marks) or the System;

(m) Confidential Information. You make a material unauthorized disclosure of Confidential Information; or

(n) Other Agreements. You or your affiliate (or a beneficial owner of you or your affiliate) materially breaches any other instrument or agreement with us or our affiliates, or any mortgage, deed of trust or lease covering the Hotel, unless cured within any applicable notice or grace periods contained in such document.

c. Suspension of Franchise Rights. If you breach any material obligation required by this Agreement or are in default hereunder, we may, after 10 days from our written notice of default (or longer time required by law) for financial defaults, or after 30 days from our written notice of default (or longer time required by law) for non-financial defaults, or immediately in the case of a breach under Section 10(b)(2), above: (i) suspend any or all services that we (or our authorized representative) provide to you in connection with our System including your access to our Central Reservations System, or (ii) suspend your right to use our Intellectual Property. In addition, while the default remains uncured, you will have no rights under the Impact Policy or the Fair Franchising Policy (as defined in Section 19(b)). In our sole discretion, we may reinstate the suspended System services or the right to use our Intellectual Property if you cure your default before this Agreement terminates and pay us the then-current reinstatement fee (as established in the Rules and Regulations). If we suspend System services or your right to use our Intellectual Property, we may use other remedies, including termination of this Agreement, after the appropriate time to cure, if any, has lapsed.

d. Our Remedies.

1. No System Services. If this Agreement expires or is terminated, we will cease to provide you with any services in connection with our System, which will include removal of the Hotel from any directories, websites, and other distribution channels, cessation of promotion programs and advertising, and cessation of your right to use our Intellectual Property. In addition, we may notify guests holding reservations that the Hotel is no longer authorized to use the Brand Mark, use our Intellectual Property or receive services in connection with our System, and we may relocate such guests upon their request.

2. Liquidated Damages – Post-Opening Termination. If we terminate this Agreement due to your default after the Opening Date, you will pay us, within 30 days after termination, as liquidated damages and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the average monthly Gross Room Revenues during the prior 12 full calendar months (or such shorter time that the Hotel has been open), multiplied by (ii) the maximum Royalty Fee payable under Section 4(b)(1), multiplied by (iii) the number of months (including partial months, which will be prorated) between the date of termination and the next date that you could have terminated this Agreement under Section 3, not to exceed 36 months. However, the product of (i) multiplied by (ii) will not be less than the product of $45.00 multiplied by the number of contractually approved Sleeping Rooms.

3. Liquidated Damages – Pre-Opening Termination. If we terminate this Agreement due to your default prior to the Opening Date, you will pay us, within 30 days after the termination, as liquidated damages and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the greater of the number of contractually approved Sleeping Rooms, multiplied by (ii) $45.00, multiplied by (iii) 36 months.

4. Reasonable Estimate. You acknowledge and agree that the injury to us caused by your breach of this Agreement and its termination is difficult or impossible to accurately estimate, and that the methods of calculating liquidated damages in Sections 10(d)(2), 10(d)(3), and 11(a) are reasonable estimates of our probable loss resulting from your breach of this Agreement and its termination. Payment of liquidated damages by you does not affect your obligation to pay us all Monthly Fees and other fees and amounts due to us that accrued before the termination of this Agreement nor does it affect your continuing indemnification obligations pursuant to Section 13 of this Agreement.

5. Discounted Liquidated Damages. We will reduce the amount of liquidated damages payable to us under this Section 10(d) by 20% (the "Discounted Liquidated Damages Amount") if, within 15 days of termination of this Agreement, you (i) discontinue all use of our Intellectual Property (including the Brand Mark and Choice-Related Words), (ii) pay all outstanding fees and charges due under this Agreement and any other franchise agreement between Choice and you or your affiliate, and (iii) pay the Discounted Liquidated Damages Amount to us by certified or cashier's check. Notwithstanding the foregoing, if we terminate this Agreement pursuant to Section 10(b)(2)(b) because you abandon the Hotel or stop operating the Hotel using the Brand Mark or according to the requirements of our System or this Agreement, we will reduce the amount of liquidated damages payable to us under this Section 10(d) by only 5%, provided that you comply with (i) through (iii) above.

e. Evidence of Breach. If the validity of the termination of this Agreement is disputed, we may introduce evidence of a breach of this Agreement or evidence of any claim associated with the Hotel, including any facilities that are managed by others at the Hotel, whether or not stated in the default or termination notice.

11. Obligations on Termination. On termination or expiration of this Agreement for any reason, you must, at your expense:

a. Intellectual Property. Immediately discontinue all use of our Intellectual Property, refrain from using the Brand Mark to identify the Hotel and cease to use the Choice-Related Words. If you do not immediately discontinue use of our Intellectual Property (including the Brand Mark) or use of the Choice-Related Words following the expiration or termination of this Agreement, you will pay us, as liquidated damages and not as a penalty, the sum of $2,500 for each day following the expiration or termination of this Agreement that you continue to use our Intellectual Property (including the Brand Mark) or the Choice-Related Words, and we will have the right to seek injunctive and equitable relief for your infringement (or use of the Choice-Related Words) and, in that event, you waive, to the maximum extent permitted by law, any requirement for any bond for the issuance of any injunction, and if a bond is required, you agree that it will not exceed $1,000;

b. Registration. Cancel any assumed name or similar registration containing our Intellectual Property (including the Brand Mark) or any variation or portion of our Intellectual Property (including the Brand Mark) or the Choice-Related Words, discontinue all use of any web sites or other electronic media (including social media) that markets goods and services under the Choice Marks and furnish us with reasonable evidence showing that you complied with these obligations within 30 days after termination or expiration of this Agreement;

c. Payment. Promptly pay all sums owed to us and our subsidiaries or affiliates, and all damages, costs, and expenses, including reasonable attorneys' fees, that we incur, either before or following the termination of this Agreement, as a result of your default, including all outstanding Monthly Fees, any liquidated damages due under this Agreement, and any costs and expenses we incur to obtain injunctive relief for the enforcement of any portion of this Agreement; and

d. Return or Destroy Materials. Immediately return to us, or at our option, destroy all originals and copies of any materials that we have provided to you relating to our System and your operation of the Hotel, including all copies of any manuals, the Rules and Regulations and any data stored in or generated by our Property Management System and Reservation System. Except for your copy of this Agreement and other documents that you reasonably need to comply with applicable laws, you may not retain any material that we provided to you during the Term.

12. Insurance.

a. Pre-Opening Coverage. You must purchase by Construction Start and maintain until the Opening Date, at your expense, directly or through your general contractor, the types and amounts of insurance coverage as we may require in the Rules and Regulations or otherwise in writing, including, but not limited to:

1. General Liability. Commercial General Liability Insurance (including automobile liability, bodily injury and property damage) protecting you and naming us and our affiliates and subsidiaries, our and their respective officers, directors, agents and employees as Additional Insureds (as defined in Section 12(c)) from and against all types of liabilities, including personal injury and property damage, together with the costs of defense and/or adjustments arising out of the operations to construct or renovate the Hotel. The insurance must include coverage for contractual liability, explosion, collapse and underground property damage hazard liability, personal injury liability, products and completed operations liability, owner's and contractor's protective liability, and independent contractor's liability and must be accompanied by waivers of subrogation in our favor and the favor of our affiliates and subsidiaries, the officers, directors, agents and employers of us, our affiliates and subsidiaries.

2. Builder's Risk. All-risk builder's risk coverage to insure the Hotel buildings under construction or renovation to 100% of their replacement cost value, protecting you, us and the Additional Insureds, and a workers' compensation policy as required by statute.

b. Post-Opening Coverage. Beginning no later than the Opening Date and for the rest of the Term, you must purchase and maintain, at your expense, the types and amounts of insurance coverage as we may require in the Rules and Regulations or otherwise in writing, including, but not limited to:

1. Physical Damage Coverage. All-risk physical damage coverage, insuring the Hotel and its contents for its full replacement cost. If the Hotel is damaged or destroyed, and unless a mortgagee requires otherwise, the proceeds of any insurance will be used to repair or restore the Hotel in accordance with your plans that we approve. Your insurance must contain a waiver of subrogation in our favor and the favor of our affiliates and subsidiaries, the officers, directors, agents and employees of us, our affiliates and subsidiaries.

2. General Liability; Automobile. Commercial Automobile and Commercial General Liability Insurance policies written on an occurrence form protecting you and the Additional Insureds (as defined in Section 12(c)) from and against all manner of liability. The coverage described in the preceding sentence is primary to any coverage that we maintain and must include Contractual, Products and Completed Operations, Independent Contractors, Personal Injury, Property Damage, Bodily Injury and Host Liquor Liability coverage (if applicable), together with the costs and expenses of the defense and/or adjustment of injury or damage, without exception, from or in any way related to any operation or activity conducted under this Agreement and/or of the Hotel, including adjacent areas like swimming pools, parking lots, restaurants, and bars. Your Automobile Liability Policy must cover owned, hired and non-owned vehicles used in the operation of the Hotel. The policies described in this Section 12(b)(2) must cover lawsuits or actions brought anywhere in the world. These policies must provide limits per location and per occurrence as required in the Rules and Regulations and must be accompanied by a waiver of subrogation in favor of the Additional Insureds. You may meet the required total minimum limits through a combination of primary and umbrella policies. If alcoholic beverages are sold at the Hotel (whether or not you own the establishment that sells the alcohol), you must purchase and maintain Dram Shop/Liquor Liability Insurance with such limits as required in the Rules and Regulations.

3. Workers' Compensation. Statutory Workers Compensation and Employers Liability insurance with minimum Employers Liability limits per accident and per disease as required in the Rules and Regulations.

4. Business Interruption. Business interruption insurance which shall provide for coverage of a minimum of three (3) months in the event the Hotel is not operational at any time during the Term. Your business interruption insurance policy must name us as a specific loss payee.

c. Additional Insured Requirement. You must also obtain and attach an endorsement for all commercial automobile, commercial general and umbrella policies used to meet the requirements in Sections 12(a) and 12(b) adding us, our affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees, as additional insureds ("Additional Insureds").

d. Rating; Primary Coverage; Notice of Change. You must place your insurance with insurance companies reasonably acceptable to us and with an A.M. Best Rating of A-, VI or better. All insurance, commercial automobile, commercial general liability, umbrella and dram shop/liquor liability (if applicable), that you purchase must be specifically endorsed to provide that the coverage will be primary and that any insurance carried by Additional Insureds will be excess and non-contributory. We may reasonably change the insurance coverage requirements set forth in this Section 12 during the Term by giving you at least 30 days' notice of the change. You must comply with our directions, at your expense, and deliver to us evidence of your compliance before the change becomes effective.

e. Certificates of Insurance. You must send us, by no later than ten (10) days prior to Construction Start and/or the Opening Date, as applicable under Sections 12(a) and 12(b), certificates of insurance, endorsements, declarations and/or other documents requested by us, indicating your property code, the Hotel name and address, and proof that you have purchased the required insurance coverage and the Additional Insureds endorsement has been accepted by your insurance carrier. You must also provide us with evidence of renewal before the expiration date of each insurance policy. You are responsible for providing us with 30 days advanced written notice if the certificate of insurance by the insurer has been canceled, reduced in coverage, or otherwise altered. Acceptance by Choice of an improper certificate of insurance shall not constitute a waiver, release or modification of any of the insurance coverage and endorsements required under this Agreement.

f. Procurement of Insurance. If you, for any reason, fail to procure or provide us with evidence that you maintain at least the minimum insurance required by Section 12(a) or 12(b), as applicable (or as designated by us from time to time in the Rules and Regulations) together with the endorsement required by Section 12(c), you acknowledge and agree that we will have the immediate right and authority, but not the obligation, to procure such insurance on your behalf, and charge the cost of the insurance to you. You agree that you will reimburse us for the cost of such insurance and for any reasonable out-of-pocket costs that we incur should we elect to obtain such insurance within 30 days of receipt of our notice that such costs are due and payable to us. The foregoing shall not limit our right to terminate this Agreement pursuant to Section 10(b)(2)(g).

g. No Waiver of Obligations. Your purchase and maintenance of insurance and your performance of your obligations under this Agreement are in addition to your obligation to indemnify us. If applicable, you should obtain additional insurance coverage since we do not require insurance against all potentially insurable risks, such as Employment Practices Liability insurance; if you do, for your protection, you should name us as an Additional Insured on this additional coverage.

13. Indemnification. To the fullest extent permitted by law, you must defend, indemnify and hold harmless us, our affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees (each, an "Indemnified Party") from and against any claim, loss, cost, damage, expense judgment and liability, including, but not limited to, employment related liability and environmental liability (a "Claim"), including reasonable attorneys' fees (whether or not a lawsuit has been filed) and any court costs, resulting in whole or in part from any damage or loss, including personal injury, of any nature, connected with the Hotel construction, renovation or operation, or any facilities that are managed by others in the Hotel, or out of, or as a result of, in whole or in part your (or your agent's or employee's) error, omission, act or failure, even where negligence of an Indemnified Party is alleged, except to the extent that the loss, costs, damage, expense or liability is solely and proximately caused by the negligence of an Indemnified Party. Notwithstanding the foregoing, if we are required by a court of law to contribute to any Claim, the amount of our contribution will be calculated by applying principles of comparative negligence where a Claim was jointly caused by your negligence and by our negligence. You must reimburse us for all amounts we reasonably spend, including attorneys' fees and court costs, to protect the Indemnified Parties from, or to remedy, your defaults under this Agreement or claims arising out of your operation of the Hotel. We will have the sole and exclusive control (including the right to be represented by attorneys of our choosing) over the defense of any Claims against an Indemnified Party and over their settlement, compromise or other disposition. This provision will be deemed divisible, such that if it is in any way (or to any extent) determined to be invalid or unenforceable, it will be deemed modified so as to be valid and enforceable and to be in full force and effect to the fullest extent permitted by law. This provision will survive the expiration or earlier termination of this Agreement.

14. Casualty. If the Hotel is damaged by fire, natural disaster or other casualty, you must promptly and properly repair the damage. If the damage or repair requires closing the Hotel, you must immediately notify us, begin reconstruction within 6 months after that closing; reopen the Hotel for continuous business operation in accordance with the Rules and Regulations as soon as practicable (but in any event within 12 months after the Hotel closing), and send us at least 30 days' prior written notice of the date of reopening. Upon your written request, we will extend the Term of this Agreement by the number of days between the date of the original closing of the Hotel and the date of reopening. If insurance proceeds are not available or are insufficient to repair or rebuild the Hotel and if you provide us with reasonable evidence that such proceeds are not available to you within 6 months after the original closing of the Hotel, and provided that you are not in default at the time of casualty and are not the cause of the insurance proceeds not being available, then we will terminate this Agreement without penalty to either party.

15. Notices. All notices required or permitted under this Agreement must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized delivery or courier service that allows tracking of packages or letters, to us at **Choice Hotels**

International, Inc., 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850, Attention: General Counsel, or at such other address we require upon written notice to you, and to you at the Designated Representative's address set forth in Section 1 of this Agreement. You authorize the Designated Representative to submit written notices to us or receive our written notices to you as your agent. Any notice by registered or certified mail or by delivery or courier service is deemed given and received at the date and time of sending. You may change the Designated Representative and/or the Designated Representative's address by written notice to us.

16. Attorneys' Fees. Attorneys' fees must be paid according to the terms of this Section 16 and also, as may be applicable, Section 13 of this Agreement. The prevailing party (as determined by the court or arbitrator) in any arbitration or claim filed to enforce the terms of this Agreement will recover from the other party the reasonable expenses of its attorneys, whether that attorney is employed by you or us or specially retained in connection with the proceeding, along with any court costs, arbitration costs, arbitrator fees, the reasonable costs of necessary expert witnesses, and the reasonable travel costs (including food and lodging) of the prevailing party's witnesses in the proceeding. If such a claim seeks, in whole or in part, attorneys' fees under Section 13, that provision will control. Attorneys' fees, including those payable to any attorney who is an employee of yours or ours, will be determined by reference to the usual and customary rate for such attorney, and the rates charged by attorneys of similar background and experience performing similar work in the area where the proceeding is conducted. Any judgment or arbitration award for fees or other amounts owed to us to enforce our rights under Section 4, Section 10(d) or Section 21 of this Agreement will bear interest at the rate referred to in Section 4(f) until paid.

17. Taxes, Permits; Notice of Legal Actions.

a. Taxes. You must pay when due all taxes related to the Hotel that may be levied or assessed by any federal, state, or local taxing authority, and all other indebtedness related to the Hotel. You must pay any sales tax, gross receipts tax, or similar tax imposed on us (but not our income taxes) on any payments that you must make to us under this Agreement. If there is a bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness under the procedures of the taxing authority or applicable law. You may not permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the Hotel or the Location.

b. Permits. You must timely obtain and maintain all permits, certificates and licenses necessary for the construction, renovation, operation and maintenance of the Hotel, including licenses to do business, fictitious name registration and sales tax permits, health and sanitation permits, and ratings and fire clearances. You must send us, within 10 days of your receipt, copies of all inspection reports, warnings, certificates, and ratings, received from any governmental entity.

c. Notice of Suit. You must notify us in writing and provide us with copies, within 5 days of your receipt, of any actual or threatened criminal or civil action, suit, proceeding, or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality affecting you or the Hotel.

18. Approvals and Waivers.

a. Approvals. Our approvals and consents will not be effective unless signed by one of our duly-authorized representatives. We may withhold our consent in our reasonable discretion or at any time when you are in breach of any obligation under this Agreement.

b. Reliance; No Liability. Except as otherwise expressly stated in this Agreement (including any addenda or amendments), we make no warranties or guarantees on which you may rely. We assume no liability or obligation to you by providing any waiver, approval, consent, suggestion to you, or by reason of any delay or denial of any request that you make to us.

c. No Waiver/Forbearance. Failure to exercise any power or to insist on strict compliance with any obligation or condition under this Agreement is not a waiver of any future right to demand exact compliance with any of the terms in this Agreement. Waiver of any particular default or extension of any cure period will not affect or impair a party's rights with respect to any later default of the same, similar, or a different nature. No delay, forbearance, or omission to exercise any power or right of a party following any breach or default of any of the terms, sections, or covenants of this Agreement by the defaulting party, will affect or impair the rights of the party not in default.

19. Acknowledgments.

a. No Warranty or Guarantee. You acknowledge and agree that you have conducted an independent investigation of the benefits of signing this Agreement, and you understand that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent on your ability as an independent business person. We have not made, and you acknowledge that you have not received from us or our agents, any representations, projection, warranty or guarantee, express or implied, as to the profitability or other potential success of the business venture contemplated by this Agreement, except as expressly set forth in the Franchise Disclosure Document.

b. Limited Rights. You acknowledge and agree that this Agreement and the limited rights to use the Intellectual Property granted to you under this Agreement relate only to the Hotel and the Location. Except as may be specifically set forth in Section 2, this Agreement does not grant you any protected area, market or territorial rights. Subject to the terms of our then-current incremental impact policy ("Impact Policy") and our then-current version of the fair franchising policy ("Fair Franchising Policy"): (i) we may own, operate, or franchise other hotels and/or allow such hotels to use our Intellectual Property (including the Brand Mark), at any other location, either separately or combined, and (ii) we, and any of our affiliates and other franchisees may now or in the future engage in transient lodging or related business activities that may compete with the Hotel.

c. Control; No Duty; Independent Contractor. You acknowledge and agree that you are solely responsible for exercising ordinary, day-to-day business control over the Hotel, including all personnel and employment related matters and decisions and pricing of rooms and other services at the Hotel, regardless of any advice or consultation received from us. Neither this Agreement nor the Rules and Regulations create a fiduciary or joint employer relationship between you and us or between your employees and us. You are an independent contractor. Nothing in this Agreement or the Rules and Regulations makes, or is intended to make, either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other (except that you agree that we may act as your agent when making reservations for your Hotel).

d. No Right to Contract; No Third Party Obligations; Truthfulness. You acknowledge and agree that you are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and we shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action. You acknowledge and agree that you will not represent in any proposed financing agreement or to any proposed lender or participant in a public or private investment offering that we or any of our affiliates is, or will, become responsible for your obligations under the financing agreement, nor that we are, or will be, participating in any private or public investment offering. Before you distribute a prospectus of your intended private or public offering, you must send us a copy for our prior written approval, not to be unreasonably withheld, of references made to us in the prospectus. You warrant the truth and completeness of all your statements in your application and the content of all other documents that you send to us as part of the application process and that you are required to submit to us under this Agreement.

e. Disclosure. You acknowledge that you received from us the Franchise Disclosure Document required by the Federal Trade Commission and by the applicable state(s) in which you live and where the Hotel is located at least 14 days before you signed this Agreement or paid to us any consideration for the hotel franchise.

f. Ownership. You warrant that you are the true owner of, and record holder of title to, the Hotel, or that you are currently leasing the Hotel under a lease that allows you the right to enter into this Agreement. If you are a corporation, limited liability company, partnership, or other entity, all owners of the entity, including any subsequent person or entity that becomes an owner at any time after the Effective Date, shall sign our then-current form of personal guaranty agreement, unless expressly waived by us in our sole discretion.

g. Data Security. You acknowledge and agree that we and you each own the rights in and to any data captured by the Property Management System or Reservation System ("Guest Data") and that we may use Guest Data in any reasonable manner that we determine. You also acknowledge and agree that you are obligated to comply with all information security and data privacy standards and requirements contained in the Brand Standards and all applicable federal and state laws, regulations, and standards relating to information security and data privacy, including, without limitation, the Payment Card Industry Data Security Standard ("PCI DSS"). You must secure all Guest Data against loss or theft and against unauthorized or unintended access, disclosure, copying, use or modification. You agree to notify us in writing as soon as practicable (and at least within 24 hours) of any known, suspected, or alleged security breach of Guest Data in your possession or custody or under your control. You also acknowledge and agree that you are obligated to indemnify us from and against any Claim resulting from any such data security breach pursuant to Section 13 of this Agreement. Without limiting the foregoing, to the extent we possess or otherwise provide services that allow for the storage, processing, or transmittal of Guest Data as defined by the PCI DSS ("Services"), or to the extent we could impact the security of the Guest Data environment, we will remain in compliance with the applicable PCI DSS requirements with respect to those Services. We will also remain aware of changes to the PCI DSS and implement all procedures and practices as may be reasonably necessary for the Services to remain in compliance with the PCI DSS, in each case at our sole cost and expense.

h. System Fee. You acknowledge and agree that we may use the System Fee to meet all costs incident to providing the Hotel (and all Other Choice Brand Hotels) with marketing and advertising services, the Property Management System, and the Reservation System, and that such costs may include certain of our overhead expenses that are reasonably allocated to provide such services. You further agree that we have the absolute and unilateral right to determine, when, how and what portion of the System Fee may be used for (i) marketing purposes, including the right to purchase and pay for marketing services, product research and development, production materials, ad slicks, brochures, videotapes, radio and television commercials, media advertising (internet, e-commerce, television, radio, cable, magazines, newspapers and other print), services provided by advertising agencies, market research, trade shows, conventions, promotions, research and design, public relations, and loyalty programs, (ii) the development, operation and maintenance of the Property Management System and Reservation System, and (iii) the cost of personnel, accounting services, travel expenses, office space, overhead costs, administrative costs, computers, other equipment, furniture, salaries and fringe benefits, development, design and maintenance of internet web-pages and websites, including internet service provider costs, network costs, and for other similar costs that we reasonably deem to be appropriate. You also acknowledge that other franchisees authorized to use our System may not contribute the same percentage or total amount that you must pay to us as the System Fee. You further acknowledge and agree that we are not obligated, in expending the System Fee, to make expenditures for your Hotel or Brand Mark which are equivalent or proportionate to your contribution.

i. Online Terms of Use. You acknowledge and agree that your right to use the Property Management System will be governed by the Online Terms of Use that are provided to you in an online format which you agree to review periodically. You acknowledge and agree that the Online Terms of Use are specifically incorporated as part of this Agreement and you will comply with the terms and conditions of the then-current Online Terms of Use. You agree that you, the Hotel's general manager, or any other authorized employee of the Hotel ("Authorized User") may accept and agree on behalf of you to the terms and conditions of the Online Terms of Use. You also acknowledge and agree that we have the right, in our sole discretion, to modify, add or remove any terms or conditions of the Online Terms of Use. Changes to the Online Terms of Use will be posted online and will be immediately effective. You agree that use by an Authorized User of the Property Management System after we post any such changes will indicate that you accept and agree to the Online Terms of Use, as modified.

j. No Liability. You acknowledge and agree that we will not assume liability for, or be deemed liable as a result of, any act or omission of yours relating to the construction, renovation, operation, maintenance or promotion of the Hotel or for any claim or judgment arising from such act or omission.

k. Anti-Terrorism / Anti-Bribery Laws. You individually represent and warrant to us that neither you (including your directors and officers, senior management and shareholders (or other persons) having a controlling interest in you), nor any affiliates or funding sources are (a) owned or controlled by, or acting on behalf of, the government of any country that is subject to an embargo imposed by the United States government; or (b) an entity or individual ("Person") identified by any government or legal authority under applicable laws as a Person with whom dealings and transactions by us are prohibited or restricted, including Persons designated on the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including known terrorists and narcotics and human traffickers). You will promptly notify us in writing upon the occurrence of any event which would render the foregoing representations and warranties incorrect. You further represent and warrant to us that you, including persons having a controlling interest in you, are not in violation of any anti-money laundering laws, anti-terrorism, anti-bribery, trade sanctions or other laws or embargoes, including without limitation the U.S. Patriot Act and the U.S. Foreign Corrupt Practices Act and related regulations and executive orders. You represent and warrant that you are qualified to do business in the United States, have the authority to execute this Agreement, and are eligible under applicable United States laws to carry out the obligations under this Agreement and any subsequent assumption of your rights and obligations under this Agreement.

l. Child Protection Code of Conduct. We are a member of ECPAT-USA's Tourism Child-Protection Code of Conduct (www.thecode.org) ("The Code"), which is an industry-driven responsible tourism initiative with a mission to provide awareness, tools, and support to the tourism industry in order to prevent the sexual exploitation of children. You agree to support the principles of The Code and to take all reasonable steps at the Hotel, including the training of staff, to recognize and prevent all forms of human trafficking.

20. Miscellaneous.

a. Severability. If any section of this Agreement is held to be illegal, invalid or unenforceable, both parties agree that (i) the section will be removed; (ii) this Agreement will be understood and enforced as if the illegal, invalid, or unenforceable section had never been in this Agreement; and (iii) the remaining sections will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable section or by its removal. A section similar to the removed section will be automatically added as a part of this Agreement to the maximum extent enforceable.

b. No Third Party Beneficiaries. Except as otherwise expressly provided in this Agreement, nothing in this Agreement is intended, nor will anything in this Agreement be deemed, to confer on any person or legal entity other than us or you, or our respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

c. Headings. All captions and headings in this Agreement are intended solely for the convenience of the parties and do not affect the meaning or construction of any section.

d. References. All references to the masculine, neuter, or singular, include the masculine, feminine, neuter, or plural. The word "include" and its derivatives are not to be construed as terms of limitation. If "you" consists of more than one person or entity, your acknowledgments, promises, covenants, agreements, and obligations made or undertaken in this Agreement are jointly and severally undertaken by each of you.

e. Counterparts. If this Agreement is executed in multiple counterparts, each executed copy is an original.

f. Governing Law. This Agreement becomes valid and effective only when we have signed it, and it will be interpreted under the substantive laws of Maryland, not including its conflict of laws provision or such provisions of any other jurisdiction; except that nothing herein shall be construed to establish independently your right to pursue claims under Maryland's Franchisee Registration and Disclosure Law.

g. Cumulative Rights and Remedies. Rights and remedies stated in this Agreement are cumulative and not exclusive of any other right or remedy.

h. Attachments/Addenda. All attachments, addenda and amendments to this Agreement are incorporated into and a part of this Agreement. Any addenda or amendments to this Agreement will not be effective unless signed by one of our duly-authorized representatives and by you. All duly-executed addenda and/or amendments are incorporated into and will become a part of this Agreement.

i. Survival. Those of your obligations and our obligations under this Agreement which expressly or by their nature survive the expiration or earlier termination of this Agreement will survive such expiration or termination, including, but not limited to, Sections 7, 10(d), 11, 13, 16, 17, 18, 19, 20, 21, 22, 23 and 24.

j. Seal. This Agreement is a contract under seal and is intended by the parties to be a specialty under Maryland law.

21. Arbitration. Except for our claims against you for indemnification or actions seeking to enjoin you from using any of our Intellectual Property (including the Brand Mark) or the Choice-Related Words in violation of this Agreement or any other related agreements (including the Online Terms of Use), any controversy or claim arising out of or relating to this Agreement or any other related agreements, or the breach of this Agreement or any other related agreements, including any claim that this Agreement or any part of this Agreement or any related agreements is invalid, illegal, or otherwise voidable or void, as well as any claim that we violated any laws in connection with the execution or enforcement of this Agreement or any related agreements and any claim for declaratory relief, will be sent to final and binding arbitration in the state of Maryland before either the American Arbitration Association, J.A.M.S., or National Arbitration Forum in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including its rules for emergency measures of protection, except to the extent that the Commercial Rules of the American Arbitration Association may be interpreted to require you or us to produce documents, witnesses, or information at a time other than at a hearing on the claim without our mutual consent. In the event more than one demand for arbitration is filed in connection with this Agreement or any related agreements, the demand filed with the American Arbitration Association, J.A.M.S., or National Arbitration Forum office having jurisdiction over Maryland proceedings shall take precedence, and any other demand shall be withdrawn and presented in the Maryland filing. The arbitrator will apply the substantive laws of Maryland, without reference to its conflict of laws provision, except that nothing herein shall be construed to establish independently your right to pursue claims under Maryland's Franchise Registration and Disclosure Law. Judgment on the arbitration award may be entered in any court having jurisdiction. If any party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party, notwithstanding its failure to appear. Any arbitration will be conducted at our headquarters office in Maryland and the parties agree that any state laws attempting to prohibit arbitration in Maryland are pre-empted by the Federal Arbitration Act. Nothing in this Section 21 will be construed as requiring you or us to make a claim in arbitration before exercising any rights you or we may have to give notice of default or termination in accordance with the terms of this Agreement or any related agreements.

22. NO CLASS ACTIONS. NEITHER YOU NOR WE SHALL SEEK TO LITIGATE OR ARBITRATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY, ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE

SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO ARBITRATION OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN US AND YOU AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, US OR YOU, UNLESS BOTH WE AND YOU CONSENT IN WRITING. WE HAVE THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. YOU AGREE AND ACKNOWLEDGE THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN YOU AND US OR ANY AFFILIATE OF OURS WILL BE CONSIDERED UNIQUE ON ITS FACTS AND MAY NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

23. WAIVER OF JURY TRIAL. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER.

24. INTEGRATION. THIS AGREEMENT, ALL OF ITS ATTACHMENTS, AND ANY AGREEMENT SPECIFICALLY MADE A PART OF THIS AGREEMENT PURSUANT TO THE TERMS HEREOF, CONTAIN THE COMPLETE UNDERSTANDING OF THE PARTIES AND REPLACE ANY PREVIOUS WRITTEN OR ORAL AGREEMENT ON THE SAME SUBJECT MATTER. NO REPRESENTATION, INDUCEMENT, PROMISE OR AGREEMENT, ORAL OR OTHERWISE, NOT CONTAINED IN THIS AGREEMENT, WILL BE OF ANY FORCE OR EFFECT. NOTHING IN THIS OR IN ANY RELATED AGREEMENT, HOWEVER, IS INTENDED TO DISCLAIM THE REPRESENTATIONS WE MADE IN THE FRANCHISE DISCLOSURE DOCUMENT THAT WE FURNISHED TO YOU.

We and you agree to be bound by the terms and conditions of this Agreement, including all Attachments, by setting the hands and seals of our duly authorized and empowered representatives on this Agreement, effective as of the Effective Date.

Choice Hotels International, Inc.,
a Delaware corporation

DocuSigned by:
By ____________________________ (Seal)
Name: Christopher J. Wallace
Title: Vice President and Assistant General Counsel

Date: 9/29/2017

Sameet A. Patel, individually

DocuSigned by:
X: ____________________________ (Seal)
3C32010853C346E...

Date: 9/28/2017

PLEASE INITIAL THE ATTACHED SCHEDULE A

Schedule A – for Individuals

By initialing this Schedule A that is attached to the Franchise Agreement, you certify that the information provided below is true and accurate. The following represents the names and percentages owned of the individual owners of the Hotel.

Name of Individual Hotel Owner	*Percentage owned*
Sameet A. Patel	100%

DS

INITIAL HERE

FLE48 - 0000032114

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Choice Hotels International, Inc. ("Choice") and you are preparing to enter into a Franchise Agreement for the operation of a Comfort Suites hotel. The purpose of this Questionnaire is to confirm that you are making an informed investment decision and to determine whether any improper statements or promises were made to you that Choice has not authorized. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Did you receive the Comfort Suites Franchise Disclosure Document at least 14 calendar days before you signed any agreement with Choice or made any payment to Choice?

Yes __x__ **No** ____

2 Did you receive and personally review the Comfort Suites Franchise Agreement and each exhibit and schedule attached to it?

Yes __x__ **No** ____

3. Do you understand your obligations under the Franchise Agreement and each exhibit and schedule attached to it?

Yes __x__ **No** ____

4. (a) Did you consult an attorney or other trusted advisor to discuss the Franchise Agreement and the risks of operating a Comfort Suites hotel?

Yes __x__ **No** ____

(b) If you answered "No" above, did you voluntarily choose not to consult an attorney or other trusted advisor, and do you fully understand the risks of operating a Comfort Suites hotel (if you answered "Yes" above, please leave blank)?

Yes __x__ **No** ____

5. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, the overall economy, and other economic and business factors?

Yes __x__ **No** ____

6. Please acknowledge whether each of the following statements is true and correct:

a. No Choice employee or representative has made any statement or promise concerning the revenues, profits or earnings of a Comfort Suites hotel in the Choice system that is different from or inconsistent with the information contained in the Franchise Disclosure Document.

Do you agree that the above statement is true and correct?

Yes __x__ **No** ____

b. No Choice employee or representative has made any promise or guaranty regarding the amount of money I may earn, the amount of revenue I may generate in operating a Comfort Suites hotel, or the likelihood of my success.

Do you agree that the above statement is true and correct?

Yes __x__ **No** ____

c. No Choice employee or representative has made any statement or promise concerning the advertising, marketing, training, support service or other assistance that Choice will furnish to me that is different from or inconsistent with the information contained in the Franchise Disclosure Document.

Do you agree that the above statement is true and correct?

Yes __x__ **No** ____

If you have answered "No" to any of the questions in this Questionnaire, please provide a full explanation of your answer in the following blank lines. (Attach additional pages if necessary.) If you have answered "Yes" to each of the questions, please leave the following lines blank.

____

____

____

You understand that your answers to this Questionnaire are important to Choice and that we will rely on them. This Questionnaire is not intended nor will it act as a release, estoppel, or waiver of any liability incurred under the Illinois Franchise Disclosure Act or the Maryland Franchise Registration and Disclosure Law.

By signing this Questionnaire, you are representing that you have responded truthfully and completely to all of the above questions.

NOTE: IF THE APPLICANT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST SIGN THIS QUESTIONNAIRE.

DocuSigned by:

Sign: ______________________

3C32010853C346E

Print Name: Sameet A. Patel

Date: 9/28/2017

Electronic Articles of Organization
For
Florida Limited Liability Company

L18000117980
FILED 8:00 AM
May 10, 2018
Sec. Of State
kbrumbley

Article I

The name of the Limited Liability Company is:

AVENUE D'ARTS FLL, LLC

Article II

The street address of the principal office of the Limited Liability Company is:

404 NW HALL OF FAME DR
LAKE CITY, FL. 32055

The mailing address of the Limited Liability Company is:

404 NW HALL OF FAME DR
LAKE CITY, FL. 32055

Article III

The name and Florida street address of the registered agent is:

MINESH PATEL
404 NW HALL OF FAME DR
LAKE CITY, FL. 32055

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: MINESH PATEL

L18000117980
FILED 8:00 AM
May 10, 2018
Sec. Of State
kbrumbley

Article IV

The name and address of person(s) authorized to manage LLC:

Title: MGR
MINESH PATEL
404 NW HALL OF FAME DR
LAKE CITY, FL. 32055

Article V

The effective date for this Limited Liability Company shall be:

05/09/2018

Signature of member or an authorized representative

Electronic Signature: MINESH PATEL

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.

Florida Department of State

DIVISION OF CORPORATIONS

Sunbiz.org DIVISION of CORPORATIONS
an official State of Florida website

Department of State / Division of Corporations / Search Records / Detail By Document Number /

Detail by Entity Name

Florida Limited Liability Company
ONYX HOSPITALITY, LLC

Filing Information

Document Number	L15000179469
FEI/EIN Number	47-5387241
Date Filed	10/08/2015
Effective Date	10/08/2015
State	FL
Status	ACTIVE

Principal Address

551 NW 77TH ST
SUITE 108
BOCA RATON, FL 33487

Changed: 04/14/2017

Mailing Address

551 NW 77TH ST
SUITE 108
BOCA RATON, FL 33487

Changed: 04/14/2017

Registered Agent Name & Address

PATEL, SAMEET
551 NW 77TH ST
SUITE 108
BOCA RATON, FL 33487

Address Changed: 04/14/2017

Authorized Person(s) Detail

Name & Address

Title MGRM

PATEL, SAMEET
551 NW 77TH ST
SUITE 108
BOCA RATON, FL 33487

Title MGR

PATEL, MAHENDRA
551 NW 77TH ST
SUITE 108
BOCA RATON, FL 33487

Annual Reports

Report Year	Filed Date
2016	05/17/2016
2017	04/14/2017
2018	03/26/2018

Document Images

03/26/2018 -- ANNUAL REPORT	View image in PDF format
04/14/2017 -- ANNUAL REPORT	View image in PDF format
05/17/2016 -- ANNUAL REPORT	View image in PDF format
10/08/2015 -- Florida Limited Liability	View image in PDF format

Florida Department of State, Division of Corporations

Sunbiz.org DIVISION of CORPORATIONS
an official State of Florida website

Detail by Entity Name

Florida Limited Liability Company
MORPHEUS GROUP LLC

Filing Information

Document Number	L07000035459
FEI/EIN Number	26-0240354
Date Filed	04/04/2007
State	FL
Status	ACTIVE

Principal Address

162 N.W. BIRDIE PLACE
LAKE CITY, FL 32055

Mailing Address

162 N.W. BIRDIE PLACE
LAKE CITY, FL 32055

Registered Agent Name & Address

PATEL, MINESH
162 N.W. BIRDIE PLACE
LAKE CITY, FL 32055

Name Changed: 04/28/2008

Authorized Person(s) Detail

Name & Address

Title MGR

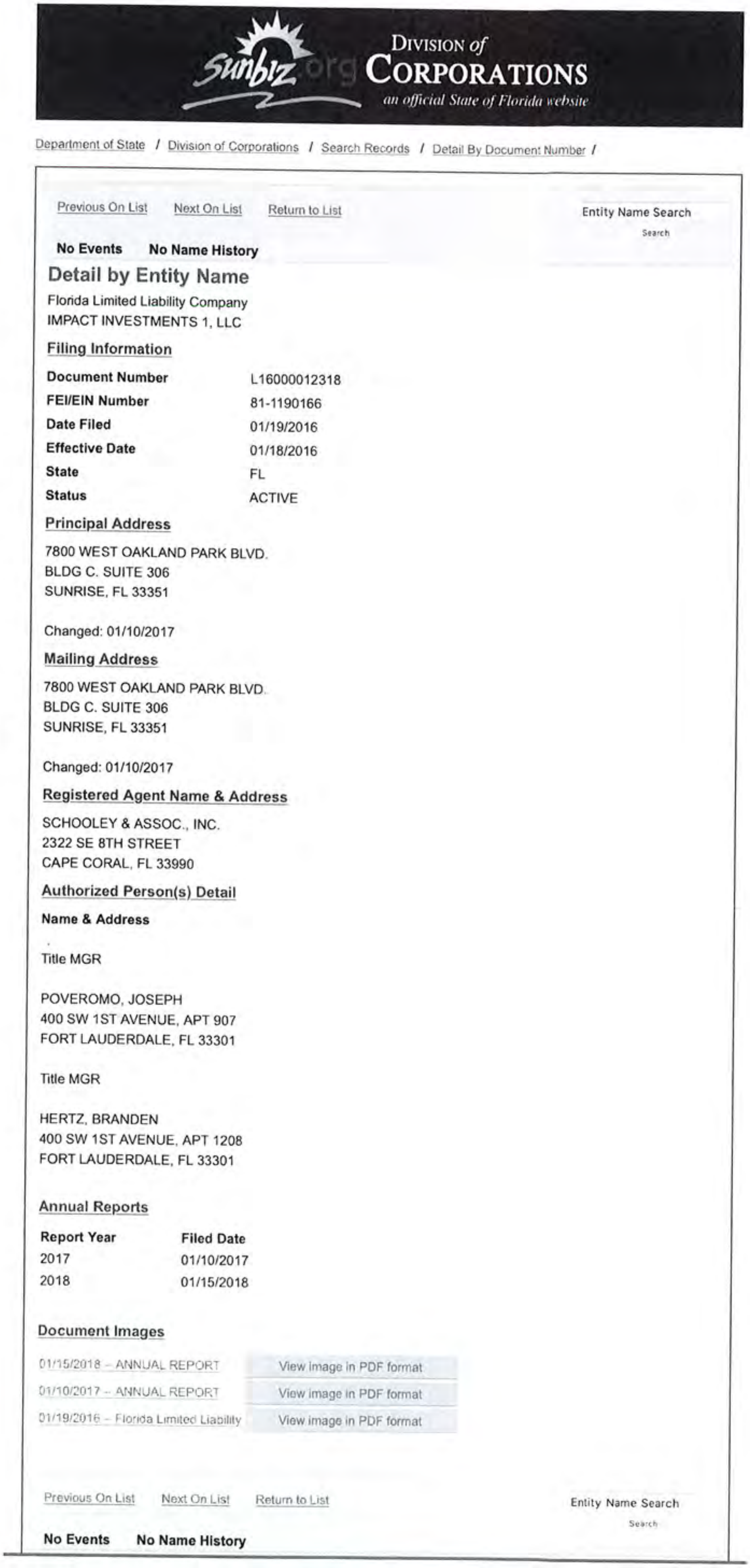
PATEL, MINESH
162 N.W. BIRDIE PLACE
LAKE CITY, FL 32055

Annual Reports

Report Year	Filed Date
2016	01/22/2016
2017	01/09/2017
2018	03/06/2018

Document Images

03/06/2018 -- ANNUAL REPORT	View image in PDF format



No Events **No Name History**

Detail by Entity Name

Florida Limited Liability Company
IMPACT INVESTMENTS 1, LLC

Filing Information

Document Number	L16000012318
FEI/EIN Number	81-1190166
Date Filed	01/19/2016
Effective Date	01/18/2016
State	FL
Status	ACTIVE

Principal Address

7800 WEST OAKLAND PARK BLVD.
BLDG C. SUITE 306
SUNRISE, FL 33351

Changed: 01/10/2017

Mailing Address

7800 WEST OAKLAND PARK BLVD.
BLDG C. SUITE 306
SUNRISE, FL 33351

Changed: 01/10/2017

Registered Agent Name & Address

SCHOOLEY & ASSOC., INC.
2322 SE 8TH STREET
CAPE CORAL, FL 33990

Authorized Person(s) Detail

Name & Address

Title MGR

POVEROMO, JOSEPH
400 SW 1ST AVENUE, APT 907
FORT LAUDERDALE, FL 33301

Title MGR

HERTZ, BRANDEN
400 SW 1ST AVENUE, APT 1208
FORT LAUDERDALE, FL 33301

Annual Reports

Report Year	Filed Date
2017	01/10/2017
2018	01/15/2018

Document Images

01/15/2018 -- ANNUAL REPORT	View image in PDF format
01/10/2017 -- ANNUAL REPORT	View image in PDF format
01/19/2016 -- Florida Limited Liability	View image in PDF format

No Events **No Name History**

Prepared by:
David R. Roy, Esq.
David R. Roy, P.A.
4209 N. Federal Highway
Pompano Beach, FL 33064
954-784-2961
File No: 15-DR-340

Return to:
Sheri E. Nott d/b/a Nott Law Group
6751 N Federal Highway, Suite 200
Boca Raton, FL 33487
561-314-4860
File No: 15-53326

[Space Above This Line For Recording Data]

Warranty Deed

This Warranty Deed made this 17th day of **February, 2016** between **JPG Investment Properties, LLC, a Florida limited liability company** whose post office address is **P.O. Box 950, Fort Lauderdale, FL 33302**, grantor, and **Impact Investments 1, LLC, a Florida limited liability company** whose post office address is **7800 West Oakland Park Blvd., Bldg C, Suite 306, Fort Lauderdale, FL 33351-674**, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in **Broward County**, **Florida** to-wit:

See Exhibit "A" attached hereto and made a part hereof as if fully set forth herein.

Parcel Identification Number(s): 504210-12-0590 and 504210-12-0580 and 504210-12-0560

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to **December 31, 2015**.

DoubleTime®

(3)

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

JPG Investment Properties, LLC, a Florida limited liability company

By: Jesse P. Gaddis
Jesse P. Gaddis, Managing Member

Witness Name: Yvette Gordon-Powell

Sandra J. Black
Witness Name: SANDRA J. BLACK

State of Florida
County of Broward

The foregoing instrument was acknowledged before me this 12TH day of February, 2016 by Jesse P. Gaddis, Managing Member of JPG Investment Properties, LLC, a Florida limited liability company, on behalf of the corporation. He ☒ is personally known to me or ~~[X] ha~~s produced a driver's license as identification.

[Notary Seal]

SANDRA J. BLACK
Commission # EE 877915
Expires April 14, 2017
Bonded Thru Troy Fain Insurance 800-385-7019

Sandra J Black
Notary Public

Printed Name: SANDRA J. BLACK

My Commission Expires: 4/14/2017

EXHIBIT A

Lots 31, 32, 33, 34, 35 and 36, Block A, Subdivision for Ft. Lauderdale Land and Development Co Block 6, according to the plat thereof, recorded in Plat Book 1, Page(s) 57, of the Public Records of Miami-Dade County, Florida; said lands situate, lying and being in Broward County, Florida. Less the East 20 feet of Lot 36 for street right of way.

The South one-half (S 1/2) of that portion of vacated alley lying immediately north of and adjacent to Lots 31 and 32, Block A, Subdivision for Ft. Lauderdale Land and Development Co Block 6, according to the plat thereof, recorded in Plat Book 1, Page(s) 57, of the Public Records of Miami-Dade County, Florida; said lands situate, lying and being in Broward County, Florida,

and the South one-half (S 1/2) of the portion of said vacated alley between said Lots 1, 2, 3, 4, 33, 34, 35 and 36, Block A, Subdivision for Ft. Lauderdale Land and Development Co Block 6, according to the plat thereof, recorded in Plat Book 1, Page(s) 57, of the Public Records of Miami-Dade County, Florida; said lands situate, lying and being in Broward County, Florida,

AEI Consultants
Environmental & Engineering Services

12/18/2015

PHASE I
ENVIRONMENTAL SITE ASSESSMENT

Property Identification:
54T
504210-12-0450, 0451, 0560, 0580, 0590
Fort Lauderdale, Broward County, Florida 33311

AEI Project No. 351949

Prepared For:
BKS One Corp
4400 North Federal Highway, Suite 307
Boca Raton, Flordia 33431

Prepared By:
AEI Consultants
399 Camino Gardens Boulevard Suite 305
Boca Raton, Florida 33432
(954) 966-1746
AEI Main Contact: Bryan Hogan

Environmental & Engineering Due Diligence

Site Investigation & Remediation

Energy Performance & Benchmarking

Industrial Hygiene

Construction Consulting

Construction, Site Stabilization & Stormwater Services

Zoning Analysis Reports & ALTA Surveys

National Presence
Regional Focus
Local Solutions

www.aeiconsultants.com

PROJECT SUMMARY

54T
504210-12-0450, 0451, 0560, 0580, 0590, Fort Lauderdale, Broward County, Florida 33311

Report Section		No Further Action	REC	CREC	HREC	Other Environmental Considerations	Recommended Action
2.1	Site Location and Description	✓				✓	
2.2	Site and Vicinity Characteristics	✓				✓	
3.1	Historical Summary	✓					
4.0	Regulatory Agency Records Review	✓				✓	
5.0	Regulatory Database Records Review	✓				✓	
5.2	Vapor Migration	✓					
6.3	Previous Reports and Other Provided Documentation	✓					
7.1	Subject Property Reconnaissance Findings	✓					
7.2	Adjacent Property Reconnaissance Findings	✓				✓	
8.1	Asbestos-Containing Building Materials	✓					
8.2	Lead-Based Paint	✓					
8.3	Radon	✓					
8.4	Drinking Water Sources and Lead in Drinking Water	✓					
8.5	Mold/Indoor Air Quality Issues	✓					

TABLE OF CONTENTS

TABLE OF APPENDICES

LIST OF COMMONLY USED ACRONYMS

AST	Aboveground Storage Tank
AUL	Activity and Use Limitation
APCD	Air Pollution Control District
AHERA	Asbestos Hazard Emergency Response Act
AQMD	Air Quality Management District
ACM	Asbestos-Containing Material
APN	Assessor's Parcel Number
ASTM	American Society for Testing and Materials
bgs	Below Ground Surface
BTEX	Benzene, Toluene, Ethylbenzene, and Xylenes
COC	Contaminant of Concern
CERCLA	Comprehensive Environmental Response Compensation and Liability Act
CERCLIS	Comprehensive Environmental Response Compensation and Liability Information System
CREC	Controlled Recognized Environmental Condition
EPA	Environmental Protection Agency
ESA	Environmental Site Assessment
HAZNET	Facility and Manifest Data
GPR	Ground-Penetrating Radar
HWS	Hazardous Waste Site
HVAC	Heating, Ventilation and Air Conditioning
HREC	Historical Recognized Environmental Condition
LLP	Landowner Liability Protection
LQG	Large Quantity Generator
LBP	Lead-Based Paint
LCP	Lead Containing Paint
LUST	Leaking Underground Storage Tank
MSDS	Material Safety Data Sheet
MCL	Maximum Contaminant Level
MTBE	Methyl Tertiary Butyl Ether
µg/L	Micrograms per Liter
mg/kg	Milligrams per Kilogram
mg/L	Milligrams per Liter
NESHAP	National Emission Standards for Hazardous Air Pollutants
NPL	National Priorities List
NFA	No Further Action
ND	None Detected
NOV	Notice of Violation
NTC	Notice to Comply
O&M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
ppb	Parts per Billion
ppm	Parts per Million
PCE	Perchloroethylene, Tetrachloroethylene, Tetrachloroethene, PERC
PTO	Permit to Operate
pCi/L	PicoCuries per Liter
PCB	Polychlorinated Biphenyl
REC	Recognized Environmental Condition
RCRA	Resource Conservation and Recovery Act
RP	Responsible Party
SVOC	Semi-Volatile Organic Compound
SQG	Small Quantity Generator
SLIC	Spills, Leaks, Investigation, and Cleanup
TPH	Total Petroleum Hydrocarbons
TPHd	Total Petroleum Hydrocarbons (diesel range)
TPHg	Total Petroleum Hydrocarbons (gasoline range)
TPHo	Total Petroleum Hydrocarbons (oil range)
TRPH	Total Recoverable Petroleum Hydrocarbons
TCE	Trichloroethylene, Trichloroethene
UST	Underground Storage Tank
USDA	United States Department of Agriculture
USGS	United States Geological Survey
VOC	Volatile Organic Compound

EXECUTIVE SUMMARY

AEI Consultants (AEI) was retained by BKS One Corp to conduct a Phase I ESA in conformance with the proposal and the scope and limitations of ASTM Standard Practice E1527-13 and the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) for the property located at 504210-12-0450, 0451, 0560, 0580, 0590, Fort Lauderdale, Broward County, Florida. Any exceptions to, or deletions from, this practice are described in Sections 1.4, 1.5, and 1.6 of this report.

PROPERTY DESCRIPTION

PROPERTY INFORMATION	
Property Name	54T
Street Address(es)	504210-12-0450, 0451, 0560, 0580, 0590
City	Fort Lauderdale
State	Florida
Location	Southwest corner of the intersection of Northwest 7th Avenue and Northwest 4th Street
Vicinity Characteristics	Commercial and vacant land
Approximate Site Acreage/Source	0.85/Property Appraiser
Property Type	Vacant land
Subject Property Use(s)	Vacant land
Assessor Parcel Number(s)	504210-12-0450,504210-12-0451,0560,504210-12-0580,504210-12-0590
SITE AND BUILDING INFORMATION	
Number of Buildings	N/A
Year(s) of Construction	N/A
Number of Floors/Stories	N/A
Basement or Subgrade Area(s)	N/A
Number of Units	N/A
Building Area (SF)/Source	N/A/N/A
Building Description(s)	N/A
Building Occupant(s)	The subject property consists of 5 parcels of vacant land owned by the City of Fort Lauderdale (5042-10-12-0451), Sixth Street Corp (5042-10-12 04510), and JPG Investment Properties (5042-10-12-0560, 5042-10-12-0580, 5042-10-12-0590).
Additional Improvements	None identified
Current On-site Operations	None identified
Current Use of Hazardous Substances	None identified
UTILITY PROVIDER INFORMATION	
Natural Gas Provider	None identified
Electricity Provider	None identified
Heating System Fuel Source	None identified

Cooling System Power Source	None identified
Potable Water Provider or Source	City of Fort Lauderdale (subject property not developed) per AEI's knowledge of the area
Sewage Disposal Provider or Treatment System	City of Fort Lauderdale (subject property not developed) per AEI's knowledge of the area
REGULATORY INFORMATION	
Regulatory Database Listings	None identified
Institutional Controls	None identified
Engineering Controls	None identified
Environmental Liens	None identified

Based on a review of historical sources, the subject property was identified to consist of residential homes from at least 1928 until at least 1980. By 1995, the subject property was cleared and has remained vacant land until the present day.

The following historical addresses were associated with the subject property: 704, 708, and 710 Northwest 4th Street & 705-707 and 713 Northwest 3rd Street. These addresses were also researched as part of this assessment.

Based on the date of development, it is possible that the subject property was historically equipped with at least one septic system. Based on the residential nature of occupancy, any on-site septic systems are not expected to represent a significant environmental concern. However, if any septic systems are encountered upon future redevelopment, they should be should be addressed under local regulatory guidelines.

The immediately surrounding properties consist of the following:

Direction from Site	Tenant/Use (Address)	Regulatory Database Listing(s)
North	Northwest 4th Street, followed by office building and a church (401 and 404 Northwest 7th Street)	None identified
East	Northwest 7th Avenue, followed by Vacant land* and a hospital (200 Northwest 7th Avenue**)	*CERCLIS; CERCLIS-NFRAP **Broward Haz Mat
South	Paved road, followed by vacant land	None identified
West	Vacant land and a church (720 Northwest 4th Street)	None identified
Northeast	Intersection of Northwest 4th Street and Northwest 7th Avenue, followed by a School (400 Northwest 7th Avenue)	None identified

If the surrounding properties are listed in the regulatory database, please refer to Section 5.1 for discussion.

Based upon topographic map interpretation, the direction of groundwater flow beneath the subject property is inferred to be to the south. Based on the United States Geological Service (USGS) groundwater is presumed to be present at an estimated depth of less than 7 feet bgs.

FINDINGS

Recognized Environmental Condition (REC) is defined by the ASTM Standard Practice E1527-13 as the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.

- AEI did not identify evidence of RECs during the course of this assessment.

Controlled Recognized Environmental Condition (CREC) is defined by the ASTM Standard Practice E1527-13 as a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.

- AEI did not identify evidence of CRECs during the course of this assessment.

Historical Recognized Environmental Condition (HREC) is defined by the ASTM Standard Practice E1527-13 as a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls.

- AEI did not identify evidence of HRECs during the course of this assessment.

Other Environmental Considerations warrant discussion, but do not qualify as RECs as defined by the ASTM Standard Practice E1527-13. These include, but are not limited to, de minimis conditions and/or environmental considerations such as the presence of ACMs, LBP, radon, mold, and lead in drinking water, which can affect the liabilities and financial obligations of the client, the health and safety of site occupants, and the value and marketability of the subject property.

- According to the database, there was a historical CERCLIS site located at the intersection of Northwest 7th Avenue and Northwest 4th Street (northeast adjacent to the subject property). According to historical review, AEI observed there was historically several gas ASTs located on the east adjacent vacant lot that appeared to have been used as a gasoline company from at least 1928 till at least 1980. The Environmental Protection Agency (EPA) identified this site as the Ft. Lauderdale Gasification Plant and listed this property as a priority site because it had posed a potential risk to human health and/ or the environment due to contamination by a hazardous waste. The Ft. Lauderdale Gasification Plant is currently registered as an Archived superfund site by the EPA and does not require any clean up action or further investigation at this time, according to the EPA. Assessments performed on this site ended in 1990 when it was identified as a CERCLIS NFRAP. This site is further discussed in Section 5.1. Based on the work performed, regulatory status (NFRAP), hydrologic gradient, and redevelopment of the east adjacent property into a hospital, this site does not represent a significant risk to the subject property.

CONCLUSIONS, OPINIONS, AND RECOMMENDATIONS

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM Standard Practice E1527-13 and the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) of 504210-12-0450, 0451, 0560, 0580, 0590, Fort Lauderdale, Broward County, Florida, the *subject property*. Any exceptions to, or deletions from, this practice are described in Sections 1.4, 1.5, and 1.6 of this report.

AEI did not identify evidence of RECs or CRECs in connection with the subject property during the course of this assessment. AEI recommends no further investigation for the subject property at this time.

1.0 INTRODUCTION

This report documents the methods and findings of the Phase I ESA performed in conformance with the proposal and scope and limitations of ASTM Standard Practice E1527-13 and the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) for the property located at 504210-12-0450, 0451, 0560, 0580, 0590, Fort Lauderdale, Broward County, Florida (Appendix A: Figures and Appendix B: Property Photographs).

1.1 SCOPE OF WORK

The purpose of the Phase I ESA is to assist the client in identifying potential RECs, in accordance with ASTM E1527-13, associated with the presence of any hazardous substances or petroleum products, their use, storage, and disposal at and in the vicinity of the subject property. Property assessment activities focused on: 1) a review of federal, state, tribal, and local databases that identify and describe underground fuel tank sites, leaking underground fuel tank sites, hazardous waste generation sites, and hazardous waste storage and disposal facility sites within the ASTM approximate minimum search distance; 2) a property and surrounding site reconnaissance, and interviews with the past and present owners and current occupants and operators to identify potential environmental contamination; and 3) a review of historical sources to help ascertain previous land use at the site and in the surrounding area.

1.2 ADDITIONAL SERVICES

Other Environmental Considerations such as ACMs, LBP, lead in drinking water, radon, mold, and wetlands can result in business environmental risks for property owners which may disrupt current or planned operations or cash flow and are generally beyond the scope of a Phase I assessment as defined by ASTM E1527-13. Based upon the agreed-on scope of services this ESA did not include subsurface or other invasive assessments, business environmental risks, or other services not specifically identified and discussed herein.

1.3 SIGNIFICANT ASSUMPTIONS

The following assumptions are made by AEI in this report. AEI relied on information derived from secondary sources including governmental agencies, the client, designated representatives of the client, property contact, property owner, property owner representatives, computer databases, and personal interviews. AEI has reviewed and evaluated the thoroughness and reliability of the information derived from secondary sources including government agencies, the client, designated representatives of the client, property contact, property owner, property owner representatives, computer databases, or personal interviews. It appears that all information obtained from outside sources and reviewed for this assessment is thorough and reliable. However, AEI cannot guarantee the thoroughness or reliability of this information.

Groundwater flow, unless otherwise specified by on-site well data or well data from the subject property or nearby sites, is inferred from contour information depicted on the USGS topographic maps. AEI assumes the property has been correctly and accurately identified by the client, designated representative of the client, property contact, property owner, and property owner's representatives.

1.4 LIMITATIONS

Property conditions, as well as local, state, tribal, and federal regulations can change significantly over time. Therefore, the recommendations and conclusions presented as a result of this assessment apply strictly to the environmental regulations and property conditions existing at the time the assessment was performed. Available information has been analyzed using currently accepted assessment techniques and it is believed that the inferences made are reasonably representative of the property. AEI makes no warranty, expressed or implied, except that the services have been performed in accordance with generally accepted environmental property assessment practices applicable at the time and location of the assessment.

Considerations identified by ASTM as beyond the scope of a Phase I ESA that may affect business environmental risk at a given property include the following: ACMs, radon, LBP, lead in drinking water, wetlands, regulatory compliance, cultural and historical resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality, mold, and high voltage lines. These environmental issues or conditions may warrant assessment based on the type of the property transaction; however, they are considered non-scope issues under ASTM Standard Practice E1527-13.

If requested by the client, these non-scope issues are discussed herein. Otherwise, the purpose of this assessment is solely to satisfy one of the requirements for qualification of the innocent landowner defense, contiguous property owner or bona fide prospective purchaser under CERCLA. ASTM Standard Practice E1527-13 and the United States EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) constitute the "all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice" as defined in:

1. 42 U.S.C. § 9601(35)(B), referenced in the ASTM Standard Practice E1527-13.
2. Sections 101(35)(B) (ii) and (iii) of CERCLA and referenced in the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312).
3. 42 U.S.C. § 9601(40) and 42 U.S.C. § 9607(q).

The Phase I ESA is not, and should not be construed as, a warranty or guarantee about the presence or absence of environmental contaminants that may affect the property. Neither is the assessment intended to assure clear title to the property in question. The sole purpose of assessment into property title records is to ascertain a historical basis of prior land use. All findings, conclusions, and recommendations stated in this report are based upon facts, circumstances, and industry-accepted procedures for such services as they existed at the time this report was prepared (i.e., federal, state, and local laws, rules, regulations, market conditions, economic conditions, political climate, and other applicable matters). All findings, conclusions, and recommendations stated in this report are based on the data and information provided, and observations and conditions that existed on the date and time of the property reconnaissance.

Responses received from local, state, or federal agencies or other secondary sources of information after the issuance of this report may change certain facts, findings, conclusions, or circumstances to the report. A change in any fact, circumstance, or industry-accepted procedure upon which this report was based may adversely affect the findings, conclusions, and recommendations expressed in this report.

1.5 LIMITING CONDITIONS/DEVIATIONS

The performance of this Phase I ESA was limited by the following:

- December 9, 2015, the Broward County Fire Rescue (BCFR) was contacted for information on the subject property in order to identify historical tenants and property use. However, as of this writing, no response has been received from the BCFR. Upon receiving pertinent information in connection with the subject property, AEI will immediately issue an addendum to this report if items of environmental concern are identified. However, based on the quality of information obtained from other sources, this limitation is not expected to significantly alter the findings of this assessment.
- Since the subject property is not developed, no physical address has been provided to or identified by AEI during the course of this assessment. A physical address is often utilized in the historical research process in order to identify any address-specific information, such as regulatory and enforcement actions. However, based on the reliability of other data sources, the lack of a physical address is not expected to significantly alter the findings of this assessment. It should be noted that AEI researched historical addresses of past residences on the subject property during this assessment.
- The subject property owner was not interviewed during this assessment. Based on information obtained from other sources, this limiting condition is not expected to alter the overall findings of this assessment.

1.6 DATA GAPS AND DATA FAILURE

According to ASTM E1527-13, data gaps occur when the Environmental Professional is unable to obtain information required by the Standard, despite good faith efforts to gather such information. Pursuant to ASTM E1527-13, only significant data gaps, defined as those that affect the ability of the Environmental Professional to identify RECs, need to be documented.

Data failure is one type of data gap. According to ASTM E1527-13, data failure occurs when all of the standard historical sources that are reasonably ascertainable and likely to be useful have been reviewed and yet the objectives have not been met. Pursuant to ASTM E1527-13, historical sources are required to document property use back to the property's first developed use or back to 1940, whichever is earlier, or periods of five years or greater.

1.6.1 DATA FAILURE

The following data failure was identified during the course of this assessment:

Data Failure	In the 1928 sanborn, the subject property was developed with residences. Thus, it is assumed that prior to 1928, the subject property would have been used for residential purposes, if not undeveloped. Therefore, this data failure is not expected to significantly alter the Findings of this assessment.
Information/Sources Consulted	Sanborn Maps

1.6.2 DATA GAPS

AEI did not identify significant data gaps which affected our ability to identify RECs.

1.7 RELIANCE

All reports, both verbal and written, are for the benefit of BKS One Corp. This report has no other purpose and may not be relied upon by any other person or entity without the written consent of AEI. Either verbally or in writing, third parties may come into possession of this report or all or part of the information generated as a result of this work. In the absence of a written agreement with AEI granting such rights, no third parties shall have rights of recourse or recovery whatsoever under any course of action against AEI, its officers, employees, vendors, successors, or assigns. Reliance is provided in accordance with AEI's Proposal and Standard Terms and Conditions executed by BKS One Corp on November 30, 2015. The limitation of liability defined in the Terms and Conditions is the aggregate limit of AEI's liability to the client and all relying parties.

2.0 SITE AND VICINITY DESCRIPTION

2.1 SITE LOCATION AND DESCRIPTION

PROPERTY INFORMATION	
Property Name	54T
Street Address(es)	504210-12-0450, 0451, 0560, 0580, 0590
City	Fort Lauderdale
State	Florida
Location	Southwest corner of the intersection of Northwest 7th Avenue and Northwest 4th Street
Vicinity Characteristics	Commercial and vacant land
Approximate Site Acreage/Source	0.85/Property Appraiser
Property Type	Vacant land
Subject Property Use(s)	Vacant land
Assessor Parcel Number(s)	504210-12-0450,504210-12-0451,0560,504210-12-0580,504210-12-0590
SITE AND BUILDING INFORMATION	
Number of Buildings	N/A
Year(s) of Construction	N/A
Number of Floors/Stories	N/A
Basement or Subgrade Area(s)	N/A
Number of Units	N/A
Building Area (SF)/Source	N/A/N/A
Building Description(s)	N/A
Building Occupant(s)	The subject property consists of 5 parcels of vacant land owned by the City of Fort Lauderdale (5042-10-12-0451), Sixth Street Corp (5042-10-12 04510), and JPG Investment Properties (5042-10-12-0560, 5042-10-12-0580, 5042-10-12-0590).
Additional Improvements	None identified
Current On-site Operations	None identified
Current Use of Hazardous Substances	None identified
UTILITY PROVIDER INFORMATION	
Natural Gas Provider	None identified
Electricity Provider	None identified
Heating System Fuel Source	None identified
Cooling System Power Source	None identified
Potable Water Provider or Source	City of Fort Lauderdale (subject property not developed) per AEI's knowledge of the area
Sewage Disposal Provider or Treatment System	City of Fort Lauderdale (subject property not developed) per AEI's knowledge of the area

REGULATORY INFORMATION	
Regulatory Database Listings	None identified
Institutional Controls	None identified
Engineering Controls	None identified
Environmental Liens	None identified

Refer to Appendix A: Figures and Appendix B: Property Photographs for site location and description.

2.2 SITE AND VICINITY CHARACTERISTICS

The immediately surrounding properties consist of the following:

Direction from Site	Tenant/Use (Address)	Regulatory Database Listing(s)
North	Northwest 4th Street, followed by office building and a church (401 and 404 Northwest 7th Street)	None identified
East	Northwest 7th Avenue, followed by Vacant land* and a hospital (200 Northwest 7th Avenue**)	*CERCLIS; CERCLIS-NFRAP **Broward Haz Mat
South	Paved road, followed by vacant land	None identified
West	Vacant land and a church (720 Northwest 4th Street)	None identified
Northeast	Intersection of Northwest 4th Street and Northwest 7th Avenue, followed by a School (400 Northwest 7th Avenue)	None identified

If the surrounding properties are listed in the regulatory database, please refer to Section 5.1 for discussion.

2.3 PHYSICAL SETTING

Geology: Based on a review of the United States Department of Agriculture (USDA) Soil Survey for the area of the subject property, the soils in the vicinity of the subject property are classified as Urban Land. The Urban Land designation indicates that more than 85 percent of the original soils have been disturbed or covered by paved surfaces, buildings or other structures. Because of the variability of the soil material, on-site investigation would be required to determine the specific soil composition at the subject property.

USGS Topographic Map:	Fort Lauderdale South, Florida, Florida Quadrangle
Nearest surface water to subject property:	New River/2,200 feet southeast
Gradient Direction/Source:	South/topographic map interpretation
Estimated Depth to Groundwater/Source:	Less than 7 feet bgs/USGS

Note: Groundwater flow direction can be influenced locally and regionally by the presence of local wetland features, surface topography, recharge and discharge areas, horizontal and vertical inconsistencies in the types and location of subsurface soils, and proximity to water pumping wells. Depth and gradient of the water table can change seasonally in response to variation in precipitation and recharge, and over time, in response to urban development such as storm water controls, impervious surfaces, pumping wells, cleanup activities, dewatering, seawater intrusion barrier projects near the coast, and other factors.

3.0 HISTORICAL REVIEW OF SITE AND VICINITY

3.1 HISTORICAL SUMMARY

Reasonably ascertainable standard historical sources as outlined in ASTM Standard E1527-13 were used to determine previous uses and occupancies of the subject property that are likely to have led to RECs in connection with the subject property. A chronological summary of historical data found, including but not limited to aerial photographs, historical city directories, Sanborn fire insurance maps, and agency records, is as follows:

Date Range	Subject Property Description/Use	Source(s)
1928	Dwellings and vacant land	Aerial photographs, City Directories, and Sanborn Maps
1940 - 1980	Dwellings	City directories and sanborn maps
1995 - Present Day	Vacant land	Aerial Photographs and Site Reconnaissance

Based on a review of historical sources, the subject property was identified to consist of residential homes from at least 1928 until at least 1980. By 1995, the subject property was cleared and has remained vacant land until present day.

The following historical addresses were associated with the subject property: 704, 708, and 710 Northwest 4th Street & 705-707 and 713 Northwest 3rd Street. These addresses were also researched as part of this assessment.

Based on the date of development, it is possible that the subject property was historically equipped with at least one septic system. Based on the residential nature of occupancy, any on-site septic systems are not expected to represent a significant environmental concern. However, if any septic systems are encountered upon future redevelopment, they should be should be addressed under local regulatory guidelines.

3.2 AERIAL PHOTOGRAPHS

AEI reviewed aerial photographs of the subject property and surrounding area. A search was made of the Environmental Risk Information Service collection of aerial photographs. Aerial photographs were reviewed for the following years:

Year(s)	Subject Property Description	Adjacent Site Descriptions
1940	Appears to be dwellings and vacant land	NORTH: Paved road, followed by dwellings and vacant land with similar characteristics to the northeast EAST: Paved road, followed by what appears to be ASTs SOUTH: Paved road, followed by dwellings WEST: Dwellings and vacant land

Year(s)	Subject Property Description	Adjacent Site Descriptions
1949 1952 1961 1976 1980	Appears to be more dwellings constructed	NORTH: No significant changes EAST: No significant changes SOUTH: No significant changes WEST: Appears to be more residential development
1995	Appears to be grass covered vacant land	NORTH: No significant changes, however, there appears to be vacant land towards the northeast EAST: Paved road, followed by vacant land SOUTH: No significant changes WEST: No significant changes
2005	Appears to be vacant land with some soil disturbance in a clearing on the northwestern portion	NORTH: Paved road, followed by the present day buildings EAST: Paved road, followed vacant land and a hospital similar to its present day configuration SOUTH: No significant changes WEST: No significant changes
2013	Vacant and grass covered land	NORTH: No significant changes EAST: No significant changes SOUTH: No significant changes WEST: Appears to be vacant land and a commercial building similar to their present day configuration

AEI did not identify potential environmental concerns in association with the historical use of the subject property during the aerial photograph review.

AEI observed ASTs on the east adjacent property which is further discussed in Section 5.1.

If available, copies of historical aerial photographs are provided in the report appendices.

3.3 SANBORN FIRE INSURANCE MAPS

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. A search was made of the ERIS collection of Sanborn Fire Insurance maps.

The following maps were reviewed:

Year(s)	Subject Property Description (Listed Address)	Adjacent Site Descriptions
1928	The subject property has 4 small dwellings addressed at 700 Northwest 4th Street (North Street)	NORTH: Cut-off by Sanborn EAST: Northwest 7th Avenue, followed by a dwelling, vacant lot, and a manufactured gas plant SOUTH: Paved road, followed by dwellings and vacant land WEST: Vacant land and dwellings
1950 1968	The subject property has four duplexes and four single-family dwellings, addressed at 704, 708, and 710 Northwest 4th Street/ 315 Northwest 7th Avenue/ 707, 709, and 713 Northwest 3rd Street)	NORTH: Cut-off by sanborn EAST: Northwest 7th Avenue, followed by two large ASTs for a gas plant and dwellings SOUTH: Northwest 3rd Street, followed by dwellings WEST: Dwellings

AEI did not identify potential environmental concerns in association with the historical use of the subject property during the Sanborn map review.

AEI observed manufactured gas ASTs on the east adjacent property which is further discussed in Section 5.1.

If available, copies of historical Sanborn maps are provided in the report appendices.

3.4 CITY DIRECTORIES

A search of historical city directories was conducted for the subject property utilizing Broward County Main Library. The following table summarizes the results of the city directory search.

Year(s)	Address - Occupant Listed
1950 - 1980	Several residential names (704, 708, and 710 Northwest 4th Street/705-707 and 713 Northwest 3rd Street)

AEI did not identify potential environmental concerns in association with the historical use of the subject property during the city directory review.

If available, copies of historical city directories are provided in the report appendices.

3.5 HISTORICAL TOPOGRAPHIC MAPS

In accordance with our approved scope of services, historical topographic maps were not reviewed as a part of this assessment.

3.6 CHAIN OF TITLE

In accordance with our approved scope of services, a chain of title search was not performed as part of this assessment.

4.0 REGULATORY AGENCY RECORDS REVIEW

Local and state agencies, such as environmental health departments, fire prevention bureaus, and building and planning departments are contacted to identify any current or previous reports of hazardous substance use, storage, and/or unauthorized releases that may have impacted the subject property. In addition, information pertaining to AULs, defined as legal or physical restrictions, or limitations on the use of, or access to, a site or facility, is requested.

4.1 LOCAL ENVIRONMENTAL HEALTH DEPARTMENT AND/OR STATE ENVIRONMENTAL AGENCY

On December 9, 2015, AEI contacted the Broward County Pollution Prevention, Remediation, and Air Quality Division via email for information on the subject property. Files at this agency may contain information regarding hazardous substance storage and use, underground storage tanks, unauthorized releases of petroleum hydrocarbons or other contaminants that may affect the soil or groundwater in the area, wells and/or septic systems.

According to Mrs. Jill Ryanno information was on file for the subject property.

Review of information on file for the subject property at the Broward County Pollution Prevention, Remediation, and Air Quality Division did not reveal current or prior use or storage of hazardous substances on site.

4.2 FIRE DEPARTMENT

December 9, 2015, the Broward County Fire Rescue (BCFR) was contacted for information on the subject property in order to identify historical tenants and property use. However, as of this writing, no response has been received from the BCFR. Upon receiving pertinent information in connection with the subject property, AEI will immediately issue an addendum to this report if items of environmental concern are identified. However, based on the quality of information obtained from other sources, this limitation is not expected to significantly alter the findings of this assessment.

4.3 BUILDING DEPARTMENT

On December 9, 2015, AEI contacted the Fort Lauderdale Building Department via phone call for information on the subject property in order to identify historical tenants, features of concern and property use.

Evidence indicating current or prior use or storage of hazardous substances was not on file for the subject property with the Fort Lauderdale Building Department.

4.4 PLANNING DEPARTMENT

On December 9, 2015, AEI contacted the Fort Lauderdale Planning & Zoning via their online database for information on the subject property in order to identify AULs associated with the subject property.

AEI did not find evidence indicating the existence of AULs on file for the subject property with the Fort Lauderdale Planning & Zoning. A copy of the zoning map is provided in the appendix.

4.5 COUNTY ASSESSOR OFFICE

On December 9, 2015, AEI contacted the Broward County assessor's office via their website for information on the subject property in order to determine the earliest recorded date of development and use.

According to the Broward County assessor's website, there are 3 different owners of the 5 subject parcels. A copy of the plat maps are provided in the appendix.

4.6 OIL AND GAS WELLS/PIPELINES

On December 9, 2015, AEI reviewed the Florida Department of Oil and Gas (FDOG) maps and the National Pipeline Mapping System (NPMS) Public Map Viewer concerning the subject property and nearby properties. The maps contain information regarding oil and gas development.

According to the FDOG map, oil or gas wells are not located within 500 feet of the subject property. AEI did not identify evidence of environmental concerns during the map review.

4.7 OTHER AGENCIES SEARCHED

On December 9, 2015, the Contamination Locator Map of the FDEP was observed in an attempt to identify sites within the vicinity of the subject property that are under FDEP supervision for Brownfields, Petroleum, Super-Fund, and other Waste Cleanup. The map indicated no sites within the vicinity of the subject property identified in those categories. A copy of the map is provided in the appendix.

4.8 STATE ENVIRONMENTAL SUPERLIENS AND PROPERTY TRANSFER LAWS

In accordance with our approved scope of services, AEI did not assess whether the subject property is subject to any state environmental superliens and/or property transfer laws.

5.0 REGULATORY DATABASE RECORDS REVIEW

AEI contracted Environmental Risk Information Service (ERIS) to conduct a search of publicly available information from federal, state, tribal, and local databases containing known and suspected sites of environmental contamination and sites of potential environmental significance. Data gathered during the current regulatory database search is compiled by ERIS into one regulatory database report. Location information for listed sites is designated using geocoded information provided by federal, state, or local agencies and commonly used mapping databases with the exception of "Orphan" sites. Due to poor or inadequate address information, Orphan sites are identified but not geocoded/mapped by ERIS, rather, information is provided based upon vicinity zip codes, city name, and state. The number of listed sites identified within the approximate minimum search distance from the federal and state environmental records database listings specified in ASTM Standard E1527-13 is summarized in Section 5.1, along with the total number of Orphan sites. A copy of the regulatory database report is included in Appendix C of this report.

The subject property was not identified in the databases reviewed.

In determining if a listed site is a potential environmental concern to the subject property, AEI generally applies the following criteria to classify the site as lower potential environmental concern: 1) the site only holds an operating permit (which does not imply a release), 2) the site's distance from, and/or topographic position relative to, the subject property, and/or 3) the site has recently been granted "No Further Action" by the appropriate regulatory agency.

5.1 RECORDS SUMMARY

Database	Search Distance (Miles)	Subject Property Listed	Number of Listings within Search Distance	Recognized Environmental Condition or Other Environmental Consideration (Yes or No)
NPL	1	No	0	
DELISTED NPL	0.5	No	0	
CERCLIS	0.5	No	4	No, based on the distance and regulatory status, however, the east adjacent property is further discussed below.
CERCLIS NFRAP	0.5	No	3	No, based on the distance and regulatory status, however, the east adjacent property is further discussed below.
RCRA CORRACTS	1	No	0	
RCRA-TSDF	0.5	No	0	
RCRA LQG, SQG, CESQGs, VGN, NLR	SP/ADJ	No	0	
US ENG CONTROLS	SP	No	0	
US INST CONTROLS	SP	No	0	
ERNS	SP	No	0	

Database	**Search Distance (Miles)**	**Subject Property Listed**	**Number of Listings within Search Distance**	**Recognized Environmental Condition or Other Environmental Consideration (Yes or No)**
STATE/TRIBAL HWS	1	No	0	
STATE/TRIBAL SWLF	0.5	No	2	No, based on the distance and hydrologic location from the subject property.
STATE/TRIBAL REGISTERED STORAGE TANKS	SP/ADJ	No	0	
STATE/TRIBAL LUST	0.5	No	20	No, based on the hydrologic location, distance, and regulatory status.
STATE/TRIBAL EC and IC	SP	No	0	
STATE/TRIBAL VCP	0.5	No	0	
STATE/TRIBAL BROWNFIELD	0.5	No	0	
ORPHAN	N/A	No	5	No; none of the identified orphan sites are located in the immediate vicinity (500-feet) of the subject property, and/or based upon the distance and relative gradient, the sites are not expected to represent a significant environmental concern.
ADDITIONAL ENVIRONMENTAL RECORD SOURCES	SP/ADJ	No	1	No, however,the east adjacent hospital is further discussed below.

Facility Name: NBHD 7th Avenue Family Health
Database(s): Broward Haz Mat
Address: 200 Northwest 7th Avenue
Distance: Adjacent
Direction: East (hydrologically cross-gradient)

Comments:

One of the east adjacent properties operates as a hospital and was listed as a Broward County Hazardous Materials site under the facility identification number 04874. This database is a proprietary list compiled by EDR from facilities with registered permits for storage/use/disposal of hazardous materials. No other information was reported, however, based on the property use, it is assumed the permit is for the disposal of bio-hazardous waste. Based on the most recent inspection of the subject property building, it is in compliance with no violations. Based on the benign regulatory status, this does not represent an environmental concern.

Facility Name: Ft. Lauderdale Gasification Plant
Database(s): CERCLIS and CERCLIS-NFRAP
Address: Intersection of Northwest 7th Avenue
Distance: Adjacent
Direction: East (hydrologically cross-gradient)

Comments:

According to the database, there was a historical CERCLIS site located at the intersection of Northwest 7th Avenue and Northwest 4th Street (northeast adjacent to the subject property). According to historical review, AEI observed there was historically several gas ASTs located on the east adjacent vacant lot that appeared to have been used as a manufactured gas plant from at least 1928 till at least 1980.

Background for gas plants in Florida: In September 1985, the FDEP Site Screening Superfund subsection (CERCLA Group) was tasked by then Bureau Chief Bill Buzick to identify and conduct Preliminary Assessments (PAs) at Florida's known and unknown manufactured gas plant (MGP) sites. A legacy of the "Gas Light" era, these plants have also been referred to as "coal gas" or "coal gasification plants". This request was spurred by the discovery of coal tar contamination at the People's Gas facility in North Miami Beach. Through a heating process, MPGs used coal (or coke); steam and a gasification agent (naphtha, Bunker C fuel oil, diesel fuel No. 6) to produce a combustible gas (hydrogen & carbon monoxide) for City street gas lights, home lighting and stoves. These plants were often municipally owned. However, they were often franchised out to private utilities. These plants operated in Florida from the late 1880's to the late 1950's. Most MGP operations ceased in Florida by 1959 with the completion of the natural gas transmission lines. Waste products from MGP operations included tars, aqueous ammoniacal liquors, cyanide "Prussian Blue" and heavy metals. Coal tar contains a number of volatile organic compounds, benzene, ethyl benzene, toluene & xylene (BTEX) and polycyclic aromatic hydrocarbons (PAHs) [i.e. benzo [a] pyrene]. Housekeeping practices at the MGPs were very sloppy. Tar and other waste products were often discharged directly to the ground and/or into nearby streams. Many of the storage tanks (tar water separators, pits, and Gasometers) were prone to leaking. As a result, soil and groundwater contamination was fairly common at the MGPs.

The Environmental Protection Agency (EPA) identified this site as the Ft. Lauderdale Gasification Plant and listed this property as a priority site because it might have posed a potential risk to human health and/or the environment due to contamination by a hazardous waste. The Ft. Lauderdale Gasification Plant is currently registered as an Archived superfund site by the EPA and does not require any clean up action or further investigation at this time, according to the EPA. Assessments performed on this site ended in 1990 when it was identified as a CERCLIS NFRAP. Copies of the facility information are provided in the appendix indicating the EPA identification number is FLD984169268. The site was archived by EPA on March 1990. Assessment efforts were lead through the Broward County Environmental Program. Efforts included some soil removal, quarterly monitoring, and after the fourth quarter results, the site was given no further action by Broward County in March 1994. This site is not an NPL site. Based on the work performed, regulatory status (NFRAP), hydrologic gradient, and redevelopment of the east adjacent property into a hospital, this site does not represent a significant risk to the subject property.

5.2 VAPOR MIGRATION

AEI reviewed reasonably ascertainable information for the subject and nearby properties, including a regulatory database, files for nearby release sites, and/or historical documentation, to determine if potential vapor-phase migration concerns may be present which could impact the subject property.

Based on a review of available resources as documented in this report, AEI did not identify significant on-site concerns and/or regulated listings from nearby sites which suggest that a vapor-phase migration concern currently exists at the subject property.

6.0 INTERVIEWS AND USER PROVIDED INFORMATION

6.1 INTERVIEWS

Pursuant to ASTM E1527-13, the following interviews were performed during this assessment in order to obtain information indicating RECs in connection with the subject property.

6.1.1 INTERVIEW WITH OWNER

The subject property owner was not interviewed during this assessment. Based on information obtained from other sources, this limiting condition is not expected to alter the overall findings of this assessment.

6.1.2 INTERVIEW WITH KEY SITE MANAGER

A key site manager was not interviewed during this assessment. Based on information obtained from other sources, this limiting condition is not expected to alter the overall findings of this assessment

6.1.3 PAST OWNERS, OPERATORS, AND OCCUPANTS

In an attempt to interview past owners, operators and occupants regarding historical on-site operations, AEI was unable to provide the contact information for the past owners, operators, and occupants. Other methods of researching the contact information for past owners, operators, and occupants are performed by AEI when a data gap is encountered and/or if an item of environmental concern is identified for the subject property, which include reviewing historical agency records and/or online research. None of these additional research methods provided AEI contact information for past owners, operators, and occupants. As such, interviews with past owners, operators, and occupants regarding historical on-site operations were not reasonably ascertainable.

6.1.4 INTERVIEW WITH OTHERS

Information obtained during interviews with local government officials is incorporated into the appropriate segments of this section.

6.2 USER PROVIDED INFORMATION

User provided information is intended to help identify the possibility of RECs in connection with the subject property. According to ASTM E1527-13 and the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312), certain items should be researched by the prospective landowner or grantee, and the results of such inquiries may be provided to the Environmental Professional. The responsibility for qualifying for LLPs by conducting the inquiries ultimately rests with the User, and providing the information to the Environmental Professional would be prudent if such information is available.

The User did not complete the ASTM User Questionnaire or provide the User information to AEI. AEI assumes that qualification for the LLPs is being established by the User in documentation outside of this assessment.

6.3 PREVIOUS REPORTS AND OTHER PROVIDED DOCUMENTATION

No prior reports or other relevant documentation in association with the subject property was made available to AEI during the course of this assessment.

7.0 SITE RECONNAISSANCE

Site Reconnaissance Date	December 9, 2015
AEI Site Assessor(s)	Mrs. Jaqueline Kidawski
Property Escort(s)/Relationship(s) to Property	AEI was not accopmanied
Units/Areas Observed	AEI walked the whole property by foot.
Area(s) not accessed and reason(s)	AEI had access to the whole property.
Weather	Overcast

7.1 SUBJECT PROPERTY RECONNAISSANCE FINDINGS

Yes	No	Observation
	✓	Regulated Hazardous Substances/Wastes and/or Petroleum Products in Connection with Property Use
	✓	Aboveground/Underground Hazardous Substance or Petroleum Product Storage Tanks (ASTs/USTs)
	✓	Hazardous Substance and Petroleum Product Containers Not in Connection with Property Use
	✓	Unidentified Substance Containers
	✓	Electrical or Mechanical Equipment Likely to Contain Fluids
	✓	Interior Stains or Corrosion
	✓	Strong, Pungent, or Noxious Odors
	✓	Pools of Liquid
	✓	Drains, Sumps, and Clarifiers
	✓	Pits, Ponds, and Lagoons
	✓	Stained Soil or Pavement
	✓	Stressed Vegetation
	✓	Solid Waste Disposal or Evidence of Fill Materials
	✓	Waste Water Discharges
	✓	Wells
	✓	Septic Systems
	✓	Biomedical Wastes
	✓	Other

The subject property is currently vacant land and unoccupied.

AEI did not observe the above listed items during the subject property reconnaissance.

7.2 ADJACENT PROPERTY RECONNAISSANCE FINDINGS

Yes	No	Observation
	✓	Hazardous Substances/Wastes and/or Petroleum Products in Connection with Property Use
	✓	Aboveground/Underground Hazardous Substance or Petroleum Product Storage Tanks (ASTs/USTs)

Yes	No	Observation
	✓	Hazardous Substance and Petroleum Product Containers Not in Connection with Property Use
	✓	Unidentified Substance Containers
✓		Electrical or Mechanical Equipment Likely to Contain Fluids
	✓	Strong, Pungent, or Noxious Odors
	✓	Pools of Liquid
	✓	Drains, Sumps, and Clarifiers
	✓	Pits, Ponds, and Lagoons
	✓	Stained Soil or Pavement
	✓	Stressed Vegetation
	✓	Solid Waste Disposal or Evidence of Fill Materials
	✓	Waste Water Discharges
	✓	Wells
	✓	Septic Systems
	✓	Other

ELECTRICAL OR MECHANICAL EQUIPMENT LIKELY TO CONTAIN FLUIDS

Toxic PCBs were commonly used historically in electrical equipment such as transformers, fluorescent lamp ballasts, and capacitors. According to United States EPA regulation 40 CFR, Part 761, there are three categories for classifying such equipment: <50 ppm of PCBs is considered "Non-PCB"; between 50 and 500 ppm is considered "PCB-Contaminated"; and >500 ppm is considered "PCB-Containing". Pursuant to 15 U.S.C. 2605(e)(2)(A), the manufacture, process, or distribution in commerce or use of any polychlorinated biphenyl in any manner other than in a totally enclosed manner was prohibited after January 1, 1977.

Transformers

The management of potential PCB-containing transformers is the responsibility of the local utility or the transformer owner. Actual material samples need to be collected to determine if transformers are PCB-containing.

Several pole-mounted transformers were observed on the adjacent sites during the site reconnaissance. No spills, staining, or leaks were observed on or around the transformers. Based on the good condition of the equipment, the transformers are not expected to represent a significant environmental concern.

8.0 OTHER ENVIRONMENTAL CONSIDERATIONS

8.1 ASBESTOS-CONTAINING BUILDING MATERIALS

The subject property is currently vacant land or lacks structures. Consequently, no building components containing suspect asbestos containing materials were identified during the site inspection.

8.2 LEAD-BASED PAINT

The subject property is currently vacant land or lacks structures. Consequently, AEI did not observe building components likely to contain suspect LBP during the site reconnaissance.

8.3 RADON

Radon is a naturally-occurring, odorless, and invisible gas. Natural radon levels vary and are closely related to geologic formations. Radon may enter buildings through basement sumps or other openings.

The United States EPA has prepared a map to assist National, State, and local organizations to target their resources and to implement radon-resistant building codes. The map divides the country into three radon zones, with Zone 1 being those areas with the average predicted indoor radon concentration in residential dwellings exceeding the EPA Action Limit of 4.0 pCi/L. It is important to note that the EPA has found homes with elevated levels of radon in all three zones, and the EPA recommends site specific testing in order to determine radon levels at a specific location. However, the map does give a valuable indication of the propensity of radon gas accumulation in structures.

Radon sampling was not requested as part of this assessment. According to the US EPA, the radon zone level for the area is Zone 3, which has a predicted average indoor screening level less than 2.0 pCi/L, below the action level of 4.0 pCi/L set forth by the US EPA.

8.4 DRINKING WATER SOURCES AND LEAD IN DRINKING WATER

The City of Fort Lauderdale (subject property not developed) supplies potable water to the vicinity of the subject property. The subject property is not connected to the local utility. The 2014 water quality report states that lead levels in the areas water supply were below the action level (AL) and therefore are well within standards established by the FDEP and US EPA. A copy of the water quality report is provided in the appendix.

8.5 MOLD/INDOOR AIR QUALITY ISSUES

The subject property is currently vacant land or lacks structures. Consequently, mold was not addressed as part of this assessment.

9.0 SIGNATURE OF ENVIRONMENTAL PROFESSIONALS

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in §312.10 of 40 CFR Part 312.

I have the specific qualifications based on education, training, and experience to assess a property of the nature, history and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Prepared By:	Reviewed By:
DRAFT	DRAFT
Mrs. Jaqueline Kidawski Project Manager	Richard D. Fehler, Senior Author

10.0 REFERENCES

Item	Date(s)	Source
Soils Information	Retrieved December 9, 2015	USDA Web Soil Survey http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx
Aerial Photographs	1940, 1949, 1952, 1961, 1976, 1980, 1995, 2005, and 2013	Environmental Risk Information Service
Sanborn Map Report/Search	1928, 1950, and 1968	ERIS
City Directories	1940 - 1980	Broward County Main Library
Environmental Health Department/ State Environmental Agency	December 9, 2015	Broward County Pollution Prevention, Remediation, and Air Quality Division
Fire Department	Requested December 9, 2015	Broward County Fire Rescue
Building Department	December 9, 2015	Fort Lauderdale Building Department
Planning Department	December 9, 2015	Fort Lauderdale Planning & Zoning
Assessor's Information and Parcel Map	December 9, 2015	
Other Agencies Searched	December 9, 2015	FDEP's Contamination Locator Map
Regulatory Database Report	December 4, 2015	ERIS
Radon Zone Information	1993	US EPA Map of Radon Zones http://www.epa.gov/radon/zonemap.html
Water Quality Report	2014	