



STAYBRIDGE
SUITES

Staybridge Suites Miramar Beach – Sandestin
Miramar Beach, Florida



United States Bankruptcy Auction
Investment Offering Memorandum



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Confidentiality & Conditions

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

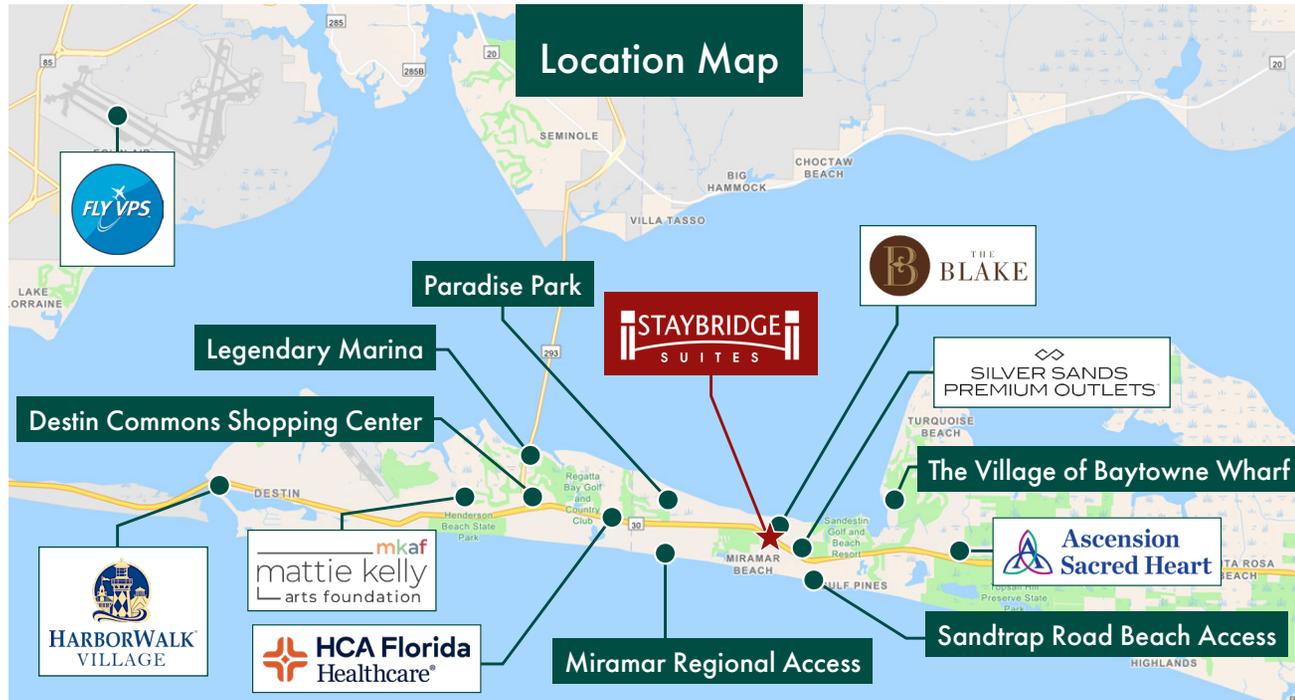
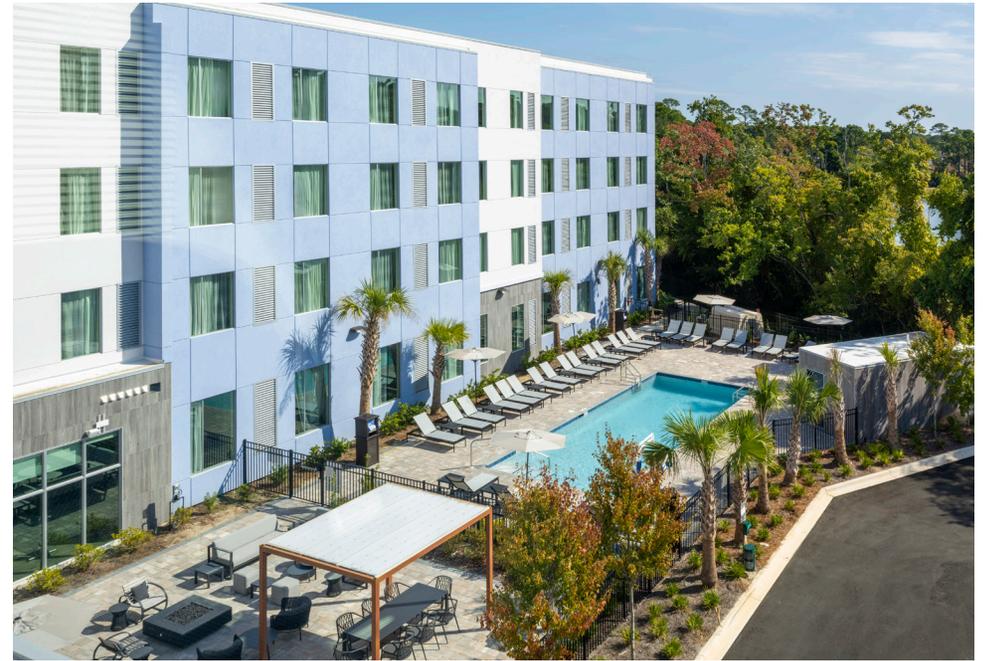


Opportunity Overview

HREC Investment Advisors (“HREC”) and Fisher Auction Company (“Fisher”) are pleased to present via Live Zoom Auction the opportunity to acquire the fee-simple interest in the 116-suite Staybridge Suites Miramar Beach – Sandestin (“Hotel” or “Property”) located at 50 Ponce de Leon St. Miramar Beach, FL.

The all-suite/extended stay Hotel, which features brand new block and steel construction just opened in September 2025.

As the Florida Panhandle’s Emerald Coast enters a new economic cycle (just in time for the 2026 Summer season), the Property’s availability to investors represents a once-in-a-cycle opportunity to acquire – at “mark-to-market” pricing – a brand new, all-suite/extended stay Upscale Chain hotel in the luxurious neighborhood of Sandestin at the heart of the Emerald Coast.



Travel Distances from Property	
Destination	Minutes
The Blake Assisted Living	0
Silver Sands Premium Outlets	2
Sandtrap Road Beach Access	5
Miramar Regional Access	6
HCA Florida Destin Emergency Center	6
Paradise Park	6
Ascension Sacred Heart Emerald Coast	8
The Village of Baytowne Wharf	9
Destin Commons Shopping Center	11
Legendary Marina	11
Mattie Kelly Arts Foundation	12
HarborWalk Village	18
Destin-Fort Walton Beach Airport	45

Seller is a debtor-in-possession in a pending Chapter 11 Bankruptcy Case (Case No. 25-bk-31131) pending before the United States Bankruptcy Court for the Northern District of Florida, Pensacola Division ("Court"). Seller has Secured a Stalking Horse Bid and will now offer the property via a live zoom auction scheduled for Wednesday, April 15, 2026. The bidding will start at a minimum of \$19,400,000 plus the 3% Buyers Premium. The Hotel is being sold subject to the approval of the Bankruptcy Court. The Court Approved Bid Procedures can be found in the Court Documents Section in the online data room.

Terms of Sale

- **Estate:** Fee simple.
- **Terms:** As is, where is, with all faults. All cash to the Seller.
- **Management:** The Property will be delivered to the buyer free and clear of the current management agreement. Notwithstanding, Commonwealth Hotels Inc. is the incumbent third-party management company. They would be interested in discussing with the successful buyer their services as a benefit relative to management continuity over the transition period, as well as over the longer-term period.
- **Branding:** The hotel is currently under a long-term licensing agreement with IHG. IHG will remain subject to approval of new buyer. In the event a buyer might be interested in terminating the license, the payment of any liquidated damages would be the sole responsibility of the buyer. The Brokers make no representation as to the amount of the liquidated damages, although a copy of the licensing agreement has been posted to the data room for informational purposes.



Top Investment Highlights

- 1 Mark-to-market valuation.
- 2 Newly constructed “enhanced prototype” building that has been open for less than a year.
- 3 All-suite/extended stay guestroom offering with oversized rooms.
- 4 Extended stay guestrooms perfect for short-term rentals (at high ADRs).
- 5 Just in time delivery to a new owner vis-a-vis the high cash-flowing summer season.
- 6 Location within the popular Sandestin Neighborhood in the heart of the Emerald Coast.
- 7 Frontage on US 98/Emerald Coast Parkway, just five minutes from the Gulf’s famed fine white sand beaches.
- 8 No change of ownership PIP.
- 9 Potential alternate branding options.



Instructions for Bidder Qualification

**United States Bankruptcy Court
Northern District of Florida | Pensacola Division
Hotel One Partners Miami Beach, LLC | Case 25-bk-31131
Staybridge Suites – 50 Ponce De Leon Street, Miramar Beach, Florida 32550**

The following instructions are to help guide you in becoming a Qualified Bidder for the Live Zoom Auction of the Staybridge Suites hotel located at 50 Ponce De Leon Street, Miramar Beach, Florida 32550 (the "Property"). The following Documents, Proof of Funds, Corporate Authority and Bidder Deposit are due **by 5:00PM ET on or before Friday, April 10th, 2026.**

- 1 Complete and sign the Bidder Registration Form.
- 2 Complete and sign the Return of Bidder Deposit Form.
- 3 Complete and sign the Acknowledgement of Review of the Purchase and Sale Agreement ("PSA"), Bid Procedures and United States Bankruptcy Court Order.
- 4 Submit the fully executed PSA in the form attached hereto, **which Purchase Price listed in such PSA shall not be lower than \$19,400,000.00** per paragraph ten (10) of the Court Approved Bid Procedures. The effectiveness of such PSA being contingent only upon the Bidder becoming the Successful Purchaser of the Property pursuant to the Bid Procedures (Exhibit 1 of the attached Bankruptcy Court Order) and the entry of the Sale Order by the Bankruptcy Court.
- 5 Wire into Berger Singerman LLP's Trust Account (the "Escrow Agent") via a Federal wire transfer in U.S. Funds (not an ACH Credit) a \$200,000.00 Bidder Deposit no later than **Friday, April 10th, 2026, 5:00 PM ET.** Contact Fisher Auction Company for wiring instructions via email info@fisherauction.com or call 954.942.0917.
- 6 Provide written evidence that, in the sole and absolute discretion of the Debtor, establishes that the Bidder has the financial ability to consummate the purchase of the Property in the amount of the purchase price listed in the fully executed PSA as well as any increased purchase price that the Bidder intends on submitting in connection with the Auction ("Proof of Funds").
- 7 Provide written evidence acceptable to the Debtor in its sole discretion demonstrating the appropriate corporate authorization of the Bidder to consummate the purchase of the Property.
- 8 Provide a signed copy of the Corporate Affidavit executed under penalty of perjury by a corporate officer of the Bidder, such Affidavit identifying (i) the corporate structure of the Bidder (ii) the identity of the officers, directors, managers, members and equity holders of the Bidder (iii) disclosing any relationship between any of such parties and the Debtor or any or the Debtor's direct or indirect owners, and (iv) disclosing any relationship between any of such parties and any other interested parties and its principals.
- 9 You must submit your complete package, (including items 1 – 8), along with a copy of your valid Driver's License or Passport, no later than **Friday, April 10th, 2026, 5:00 PM via email** to the following:

Fisher Auction Company | info@fisherauction.com | Facsimile: 954.782.8143 | Phone: 954.942.0917

The Auction will begin at 11:00 AM ET on Wednesday, April 15th, 2026. Qualified Bidders will be provided with a Zoom link prior to the Auction. Immediately following the conclusion of the Auction, the Successful Bidder shall execute the Purchase and Sale Agreement via DocuSign and shall supplement its Bidder Deposit by an additional amount such that the total deposit equals not less than ten percent (10%) of the Total Purchase Price. The supplemental amount shall be provided by Federal Wire Transfer to Berger Singerman, LLP (the "Escrow Agent"). **A Sale Hearing (the "Sale Hearing") shall be held on Friday, April 24th, 2026, at 10:00AM CT (11:00 AM ET)** (or such other time as the Bankruptcy Court may establish) for the U.S. Bankruptcy Court to approve the Sale of the Real Property free and clear of all liens, claims and encumbrances to the Highest and Best Purchaser pursuant to the Purchase and Sale Agreement, Bid Procedures and the United States Bankruptcy Court Order.

Property Overview

Property Overview	
Street Address	50 Ponce de Leon St. Miramar Beach, FL 32550
County	Walton
Year Opened	2025
Ownership Interest	Fee simple
Guestrooms	116
Number of Stories	4
Gross Building Area	+/- 102,250 SF
Lot Size	+/- 2.38 Acres
Zoning	Coastal Center Mixed Use
Features & Amenities	Business Center, Fitness Center, Outdoor Pool, On-Site Bar with Bar Menu

Guestrooms

Guestroom Breakdown		
Room Type	Count	Area (SF)
1-Bedroom King Suites A	35	<varies>
1-Bedroom King Suites B	7	580
1-Bedroom King Suites Accessible	2	687
1-Bedroom King ADA	1	687
1-Bedroom Queen/Queen Suites	29	<varies>
1-Bedroom Queen/Queen Corner Suites	3	724
1-Bedroom Queen/Queen Suites Extended	3	712
1-Bedroom Queen/Queen Suites ADA	1	708
Studio King	18	415
Studio Queen/Queen	14	469
Studio King Accessible	2	553
Studio King ADA	1	553
Total	116	

It is noteworthy that the Hotel contains 81 (70% of the total) 1-bedroom suites. (Staybridge brand standards only require 12 - 15.)



Food & Beverage

The Hotel features a complimentary hot breakfast in accordance with Staybridge brand standards.

The lobby bar (also a Staybridge brand standard) has a full liquor license that also allows for catering within and on the grounds of the Hotel.

Just as important given the Property’s leisure orientation, there are a wide variety of food and beverage alternatives within the Miramar Beach/Sandestin Trade Area.



**Capital Expenditures/
Change of Ownership PIP**

This new-build property was just completed in September 2025 at an estimated cost of \$35,000,000 or \$302,000/guest suite.

A comfort letter from IHG indicating no change of ownership PIP has been requested.



Structural/Systems Overview

A full set of construction drawings are located in the due diligence vault.



Structural/System Overview

Frame Type	Masonry	Public Area Windows	1 5/16-in, double glazed, impact insulated.
In-Room HVAC	VTACS	Parking Space Count	98 spaces plus 30 spaces shared at Blake = 128 total. Joint parking easement for spaces between Staybridge & Blake.
Roof Age	<1 year	Washers & Dryers	4 washers & 6 dryers.
Exterior Walls	CB Stucco	Number of Elevators	2 (2,100/1,500 capacity)
Interior Walls	Custom Paneling	Smoke Detectors	Detectors in all rooms. Hard-wired.
Guestroom Windows	1-in, double glazed, impact insulated.	Lock Type	RFID

Economic Cycle Dynamics

A recent Wall Street Journal article stated the following: “Investors also have a big-picture reason to feel good. **The economy, whatever it does over the next several months, looks to be in much healthier shape than it was for more than a decade following the 2008-09 financial crisis.**”

Further to the point, it is believed that the Emerald Coast is at the beginning of a new economic cycle – on both the demand and supply sides of the investment/operations equations – that is expected to trend positive just in time for the 2026 summer season.

On the demand side:

- **“Lapping” the Liberation Day Comparable.** As operators in the Emerald Coast destinations are all too aware, the April 2025 announcement of “Liberation Day” tariff strategies stressed regional demand dynamics throughout the 2025 summer season.

With international trade dynamics now stabilized and the specter of associated economic disruption largely dissipated, very positive 2025/26 YOY demand comparisons within the Emerald Coast should be easily achievable.

- **Regional Population Growth Continues.** As is well known, the Emerald Coast is primarily a “drive-to” destination.

The Miramar Beach/Sandestin neighborhood is within an eight-hour drive of roughly 25 – 30 million people within the greater Southeast region. As is well documented, the **Southeast continues to grow in population at a rate that is higher than the rest of the country.**

- **Regional Economic Growth Looking Good.** Efforts to reindustrialize the USA and to otherwise grow the national economy are poised to bear fruit in 2026. Over 30 projects have already broken ground and are generating construction and other jobs.

In fact, much of the trillions of dollars in announced new investments will be spent on economic growth projects in those markets that feed demand to the Emerald Coast’s hotels.



Further, Southeast Region has strong in-place infrastructure in automotive, aerospace and energy, all of which align with the new trade deals; and the region is known for its right-to-work laws that are attractive to employers.

- **Household Cash Flows to Strengthen.** Policies geared toward strengthening household cash flows – which directly target those demographic cohorts that frequent the Emerald Coast – will start showing results in 2Q 2026. These policies include:
 - **Continued inflation moderation**, particularly with regards to the price of gasoline, which is fundamental to the health of drive-to destinations.
 - **Lower interest rates** that will mostly affect household payments on consumer debt such as car loans and credit card debt.
 - **Higher tax rebate checks in April 2026** given:
 - No taxes on tips.
 - No taxes on overtime.
 - Deductibility of interest on new car purchases.
 - Higher deductibility for state and local taxes (SALT).
 - Immediate expensing of equipment purchases (a boon to small business owners who pay taxes quarterly).
 - The possibility of a **“tariff rebate.”**
- **Travel Trends.** As is generally understood, Florida’s beach markets did very well during the pandemic era.



HarborWalk Village



Miramar Beach, Florida

Starting in 2023, however, market dynamics resulted in fewer Florida vacations due to (1) the reemergence of European and cruise vacations and (2) the “quiet boycotting” by Canadian vacationers during the heat of the trade negotiations.

The pendulum is now swinging back to the norm (i.e., in favor of Florida’s beaches) as (1) European vacations have run their course (due in no small part to the widely reported overcrowding and anti-tourism sentiment in many popular destinations) and **(2) Canadians and Europeans alike look forward to returning to familiar haunts in Florida.**

On the supply side:

- As is also well known, there have been considerable additions to hotel room supply in the Panhandle given long-term demand trends.
- Although there are still two hotel projects under construction in the Miramar Beach/Sandestin Trade Area, **it is highly unlikely that there will be any new lending on hotel development deals in the area. As such, a new owner of the Hotel can look forward to the possibility of no new competition over a typical holding period.**

Area Review

Overview

As per CoStar/STR, the Hotel is situated within the **Panhandle Market** and the **Fort Walton Beach Submarket**.

More importantly, the **Property lies at the heart of Florida's famed Emerald Coast**, a tagline designation for the corridor of fine, white-sanded beaches that stretches from Panama City Beach to Pensacola Beach.

The local **Miramar Beach/Sandestin Trade Area** encompasses a +/-10 mile stretch from Henderson State Park to the Grand Boulevard, an upscale shopping mall that is Sandestin's unofficial downtown.

Of note, the trade area is the Emerald Coast's undisputed hub for corporate groups given the abundance of meeting space, golfing, fishing, and shopping.

STR reports that the 85% of all demand within the Fort Walton Beach Submarket is transient and 15% is groups.

Leisure Demand

The main attraction within the Emerald Coast is, of course, its long stretches of fine white sand beaches. As the Gulf Coast has the closest beaches to much of the interior of the eastern USA, area accommodations are popular with transient leisure travelers for family vacations, romantic get-aways, school breaks, snowbirds and remote work stays.

Although the destination is most crowded during the summer season, that season is growing longer each year. Notwithstanding, the other seasons are also popular, especially for couples and seniors.

See [Visit South Walton](#) for additional information.

Group Demand

The Miramar Beach/Sandestin trade area is the epicenter of corporate group and related travel (such as weddings) within the Emerald Coast.

The appeal of the destination is due to its highly developed infrastructure for meetings, as well as surrounding amenities (golf, shopping, events) and natural beauty.

The stand-alone Baytowne Conference Center offers 85,000 square feet of state-of-the-art meeting space, and the Hilton Sandestin has 45,000 square feet of flexible meeting space.



Emerald Coast



Baytowne Conference Center

Trade Area Highlights

The Community of Sandestin

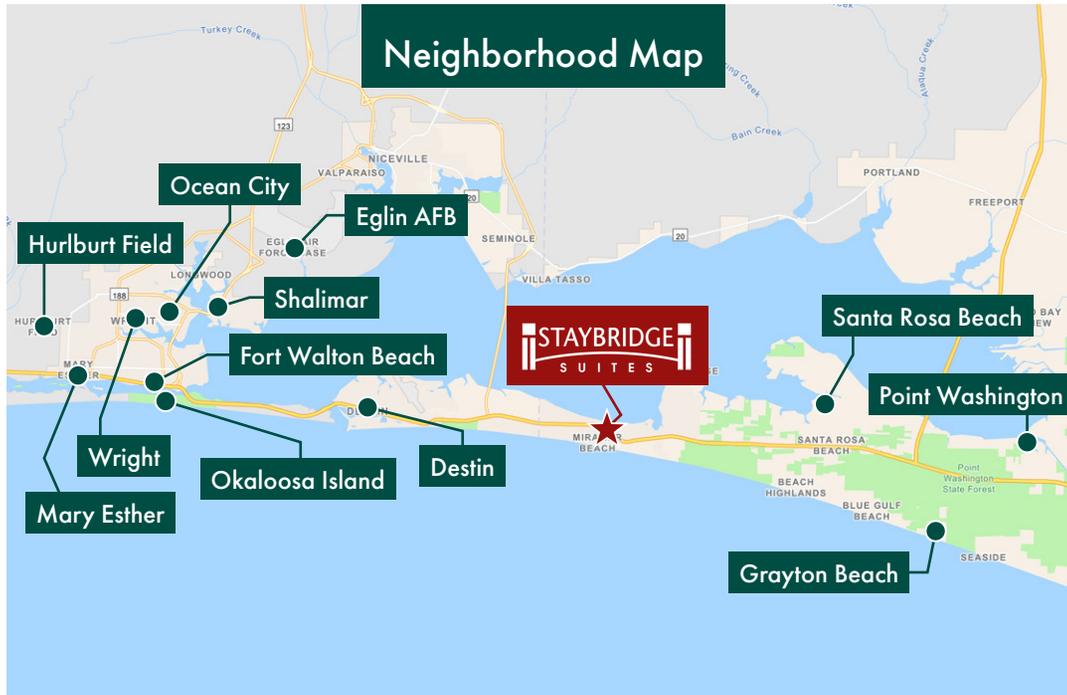
The neighborhood is dominated by the unincorporated Community of Sandestin. Sandestin comprises some 2,400 acres, features several thousand homes ranging up to \$8.0 million (the median price is \$740,000).

The community features four championship golf courses. The Village of Baytowne Wharf is a popular “funky” neighborhood node that offers over 20 dining options and 30 shops. The Village overlooks a marina brimming with fishing and pleasure boats.

Scenic Route 30A

At the middle of the Emerald Coast is a section of roadway dubbed Scenic Route 30A that spans the Community of Sandestin on the west and Alys Beach on the east.

The scenic route – a popular day trip for visitors to Miramar Beach/Sandestin – is known for its natural beauty, its state parks and for the relaxing drive. It is accented by a string of eclectic upscale and luxury communities that hug the coastline.



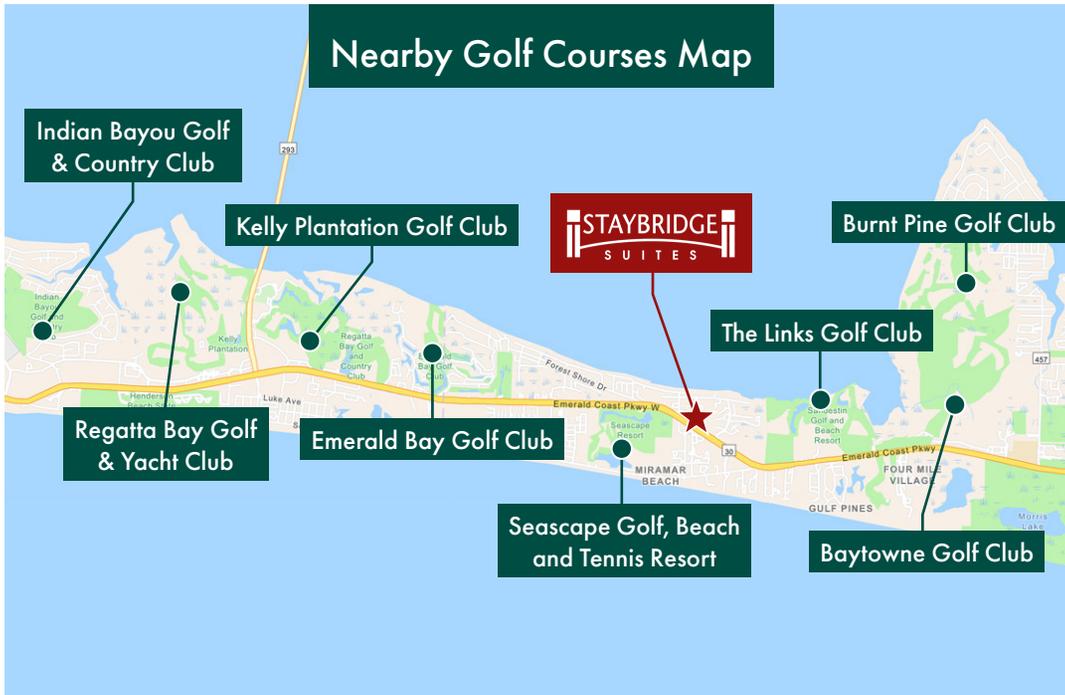
Golf and Fishing

There are some 24 golf courses within the Miramar Beach/Sandestin Trade Area. These include nine championship courses. Four are at the Sandestin Golf & Beach Resort. The others are Kelly Plantation, Regatta Bay, Emerald Bay, Indian Bayou and Seascapes.

In addition to a well-developed charter fishing industry, the Emerald Coast hosts several prestigious fishing tournaments throughout the year including (1) The Emerald Coast Blue Marlin Classic, (2) the Destin Fishing Rodeo and (3) the Big Bend Saltwater Classic.



Sandestin Golf and Beach Resort



Nearby Golf Courses Map



Emerald Coast Blue Marlin Classic

Festivals

The Emerald Coast also hosts a variety of festivals throughout the year, including:

- 30A Songwriters Festival
- Pepsi Gulf Coast Jam
- Flora-Bama Songwriters Festival
- Sandestin Gumbo Festival
- 30A Wine Festival
- South Walton Beaches Wine & Food Festival
- Sandestin Wine Festival
- Destin Seafood Festival
- Tequila & Taco Fest
- Billy Bowlegs Pirate Festival
- Digital Graffiti at Alys Beach

Non-Tourism Demand Generators

- **Government/Military.** The Panhandle is home to six military installations: four Air Force bases and two Navy facilities. Closest to the Hotel is **Elgin Air Force Base**, whose mission is “critical for weapons development, testing and operational readiness across multiple domains.” Elgin has a workforce of some 17,000 who work on or directly support the base.

Also in the area is **Hurlburt Field**. Hurlburt is the hub for Air Force special operations and has a total workforce of 13,000.

- **Hospitals.** **Ascension Sacred Heart Emerald Coast** is a 76-bed hospital located just two miles to the east of the Hotel. The **Surgery center of Sacred Heart Medical Park Destin** lies about three miles to the west.
- **General Commercial.** Demand from this sector comes mainly from product representatives and others associated with local commerce. That said, Acentria Insurance, a full-service independent insurance agency has their headquarters less than 10 minutes to the east of the Property.



Transportation

Florida’s Panhandle is accessible by east/west running Interstate 10 which connects to feeder markets via I-95, I-75, I-65 and I-55.

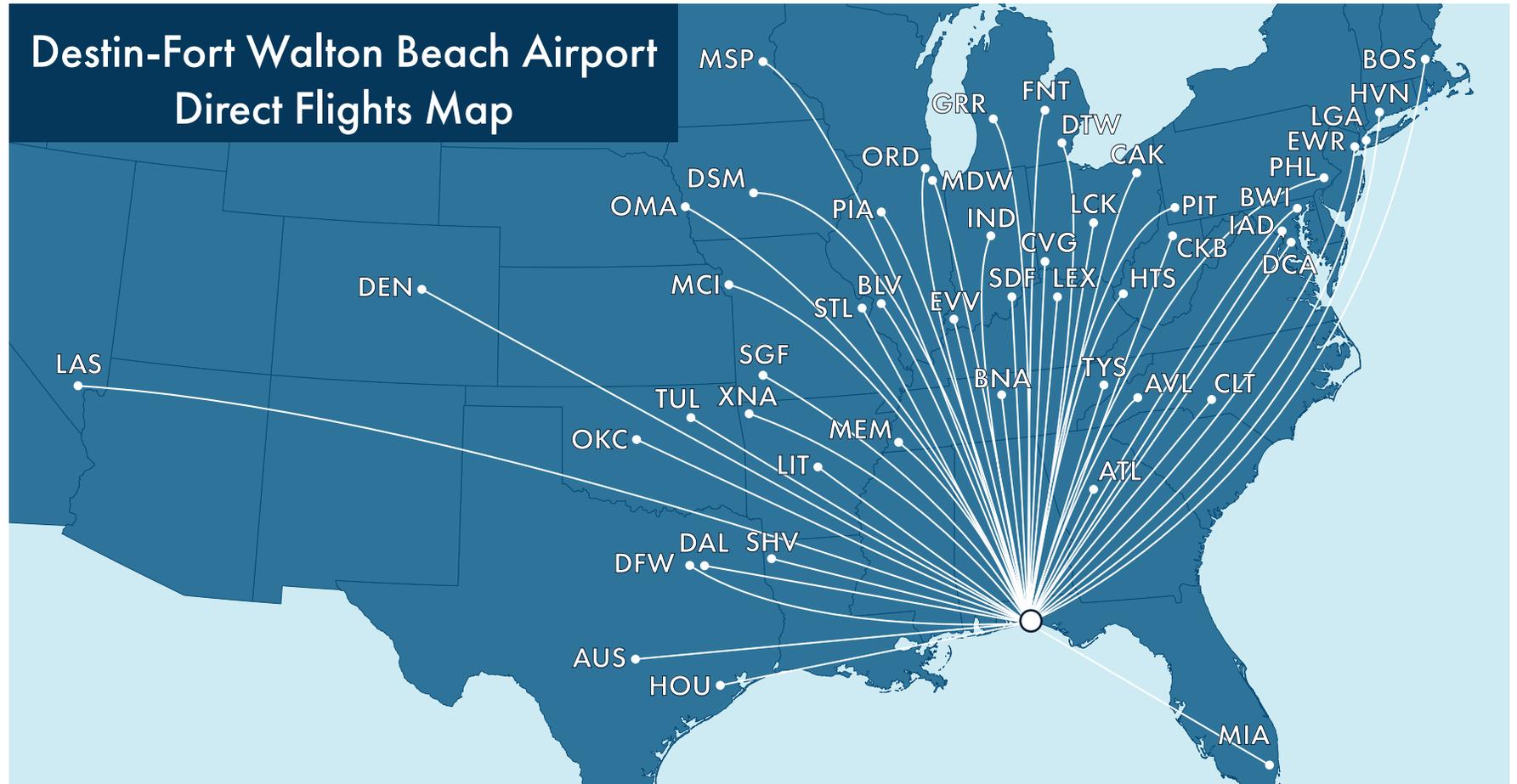
US Highway 98 is the main artery servicing regional traffic along the Emerald Coast.

As discussed above, Scenic 30A hugs the coastline from Sandestin to Rosemary Beach.

It is important to highlight that **the Destin Fort Walton Beach Airport has non-stop flights to 49 cities in 28 states** including those from Delta, American, Southwest, JetBlue and Allegiant, among others.



Destin-Fort Walton Beach Airport



Hotel Market

Overview

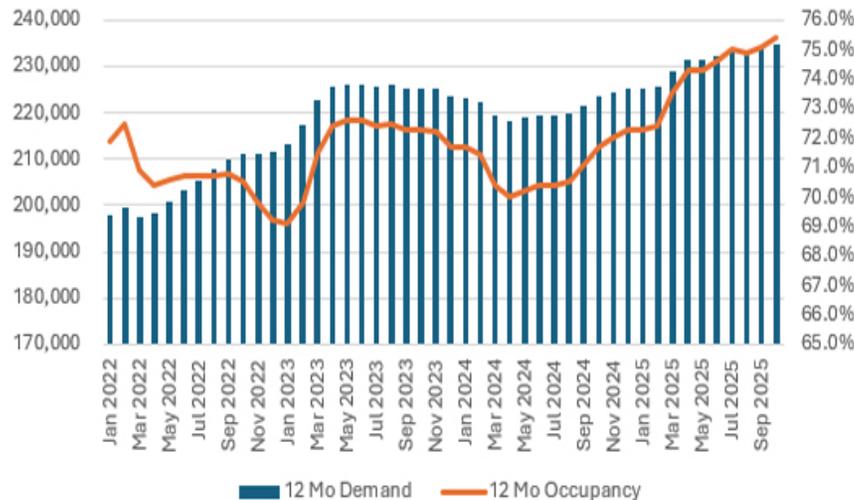
The Emerald Coast in general and the Fort Walton Beach Submarket in particular have been buffeted of late by both (1) changes in leisure travel patterns and (2) changes in government employee travel; as well as, an unusually robust supply of new hotels along the US 98 corridor that have opened over the last several years.

The above notwithstanding, CoStar reports that “[h]otel performance in the Florida Panhandle market continued to improve recently [and] the positive momentum is anticipated to continue....”

Within the Fort Walton Beach Submarket there are just two hotel projects still under construction, the 122-key Hilton Garden Inn Destin Regatta Bay and the 140-room Hyatt House Destin. Both hotels are outside the core trade area.

Further, neither Walton County nor Okaloosa County report any hotel building permitting activity during the second half of 2025 in the core trade area. Likewise, most hotel projects categorized by CoStar as either in “Final Planning” and “Proposed” will not likely go forward.

Comp Set Rolling 12 Month Demand/Occupancy Trend*



*Data excludes the Subject Property.



Primary Competitive Set

#	Hotel	# of Rooms	Opening Date
-	Staybridge Suites Miramar Beach – Sandestin	116	Sep - 2025
1	Home2 Suites by Hilton Destin	112	Dec - 2016
2	Residence Inn Sandestin At Grand Boulevard	119	Apr - 2006
3	Embassy Suites by Hilton Destin Miramar Beach	155	Jan - 2001
4	Candlewood Suites Destin-Sandestin Area	75	Mar - 2008
5	Hyatt Place Sandestin At Grand Boulevard	84	Dec - 2018
6	Courtyard Sandestin at Grand Boulevard	173	Jun - 2006
Totals		834	

Occupancy, ADR & RevPAR Primary Competitive Set*

Year	Occupancy	ADR	RevPAR
	Comp Set	Comp Set	Comp Set
Nov 2023 TTM	72.3%	\$173.39	\$125.36
Nov 2024 TTM	71.6%	\$165.30	\$118.35
Nov 2025 TTM	74.6%	\$158.41	\$118.17
% Change ('24-'25)	4.2%	-4.2%	-0.2%

A Word about Short-Term Rentals

The trade area is popular for short-term rentals during both summer and off-summer periods.

During the summer, condominium-style units are popular with families and other leisure group travelers for the larger units. The other seasons are popular with longer-term visits from retirees and snowbirds.

According to AirDNA, the annual average daily rate for “upscale” units is between \$250 and \$300 with summer rates reaching over \$300 per night.

Although the IHG branding restricts advertising for short-term rentals on popular websites such as Airbnb and VRBO, a keen operator can capture this demand through secondary channels via relationships with local travel intermediaries.



Income & Expense ProForma

The following table provides an estimated five-year proforma for the Property. The proforma is presented for informational purposes only and should not be relied upon in making a final investment decision with regard to the Hotel. In this regard, HREC Investment Advisors and Fisher Auction Company encourages potential investors to conduct their own research and analysis of the Hotel and the market.

Income & Expense ProForma – Staybridge Suites Miramar Beach – Sandestin - Miramar Beach, FL																				
Year	Year 1	% Gross	\$ POR	\$ PAR	Year 2	% Gross	\$ POR	\$ PAR	Year 3	% Gross	\$ POR	\$ PAR	Year 4	% Gross	\$ POR	\$ PAR	Year 5	% Gross	\$ POR	\$ PAR
Number of Guestrooms:	116				116				116				116				116			
Occupancy:	64%				68%				70%				71%				71%			
Average Room Rate:	\$166.30				\$182.93				\$192.08				\$199.76				\$205.75			
RevPAR:	\$106.93				\$124.39				\$134.45				\$141.83				\$146.08			
REVENUES																				
Rooms	\$4,524	94.8%	\$166.30	\$39,002	\$5,267	95.1%	\$182.93	\$45,403	\$5,693	95.2%	\$192.08	\$49,076	\$6,005	95.2%	\$199.76	\$51,768	\$6,185	95.2%	\$205.75	\$53,321
Food & Beverage	195	4.1%	7.18	1,684	217	3.9%	7.54	1,871	229	3.8%	7.73	1,974	238	3.8%	7.92	2,052	246	3.8%	8.18	2,121
Other Income	50	1.1%	1.85	435	56	1.0%	1.95	483	59	1.0%	1.99	509	61	1.0%	2.03	526	63	1.0%	2.10	543
TOTAL REVENUES	\$4,770	100.0%	\$175.34	\$41,121	\$5,540	100.0%	\$192.41	\$47,757	\$5,981	100.0%	\$201.79	\$51,558	\$6,304	100.0%	\$209.71	\$54,345	\$6,494	100.0%	\$216.03	\$55,985
DEPARTMENTAL EXPENSES**																				
Rooms	\$1,171	25.9%	\$43.03	\$10,092	\$1,295	24.6%	\$44.97	\$11,162	\$1,355	23.8%	\$45.70	\$11,678	\$1,406	23.4%	\$46.77	\$12,121	\$1,448	23.4%	\$48.17	\$12,484
Food & Beverage	141	72.1%	5.18	1,214	155	71.4%	5.38	1,336	163	71.1%	5.49	1,403	169	71.1%	5.63	1,459	174	70.9%	5.80	1,503
Other Expenses	18	36.6%	0.68	159	20	35.7%	0.69	172	21	35.6%	0.71	181	22	36.1%	0.73	190	22	34.9%	0.73	190
TOTAL DEPARTMENTAL EXPENSES	\$1,330	27.9%	\$48.88	\$11,464	\$1,470	26.5%	\$51.05	\$12,671	\$1,538	25.7%	\$51.91	\$13,262	\$1,597	25.3%	\$53.13	\$13,770	\$1,645	25.3%	\$54.71	\$14,177
DEPARTMENTAL INCOME	\$3,440	72.1%	\$126.45	\$29,657	\$4,070	73.5%	\$141.36	\$35,086	\$4,442	74.3%	\$149.89	\$38,296	\$4,707	74.7%	\$156.57	\$40,576	\$4,850	74.7%	\$161.32	\$41,807
UNDIST. OPERATING EXPENSES																				
Administrative & General	\$378	7.9%	\$13.89	\$3,258	\$421	7.6%	\$14.64	\$3,633	\$446	7.5%	\$15.04	\$3,843	\$465	7.4%	\$15.48	\$4,012	\$479	7.4%	\$15.95	\$4,132
Information & Telecom	53	1.1%	1.96	460	57	1.0%	1.99	494	60	1.0%	2.03	518	62	1.0%	2.07	536	64	1.0%	2.13	552
Management Fee	143	3.0%	5.26	1,234	166	3.0%	5.77	1,433	179	3.0%	6.05	1,547	189	3.0%	6.29	1,630	195	3.0%	6.48	1,680
Franchise Fees	226	4.7%	8.32	1,950	263	4.7%	9.12	2,265	284	4.7%	9.57	2,445	299	4.7%	9.94	2,577	308	4.7%	10.24	2,655
Sales & Marketing	312	6.5%	11.46	2,688	346	6.3%	12.03	2,987	366	6.1%	12.34	3,154	382	6.1%	12.69	3,289	393	6.1%	13.07	3,388
Property Operations & Maint.	182	3.8%	6.67	1,565	201	3.6%	6.99	1,736	255	4.3%	8.60	2,198	266	4.2%	8.84	2,291	274	4.2%	9.11	2,360
Energy, Water, & Waste	183	3.8%	6.72	1,575	199	3.6%	6.93	1,720	209	3.5%	7.04	1,798	216	3.4%	7.20	1,866	223	3.4%	7.42	1,922
TOTAL UNDIST. OPERATING EXPENSES	\$1,477	30.8%	\$54.28	\$12,730	\$1,655	29.8%	\$57.48	\$14,267	\$1,798	30.1%	\$60.67	\$15,502	\$1,879	29.8%	\$62.51	\$16,201	\$1,936	29.8%	\$64.40	\$16,688
GROSS OPERATING PROFIT	\$1,964	41.3%	\$72.17	\$16,927	\$2,415	43.7%	\$83.88	\$20,819	\$2,644	44.2%	\$89.21	\$22,794	\$2,827	44.9%	\$94.06	\$24,375	\$2,914	44.9%	\$96.93	\$25,119
FIXED CHARGES																				
Property Taxes	\$227	4.8%	\$8.35	\$1,958	\$234	4.2%	\$8.12	\$2,016	\$241	4.0%	\$8.13	\$2,077	\$248	3.9%	\$8.26	\$2,139	\$256	3.9%	\$8.50	\$2,203
Insurance	193	4.0%	7.10	1,665	199	3.6%	6.91	1,715	205	3.4%	6.91	1,767	211	3.3%	7.02	1,820	217	3.3%	7.23	1,874
TOTAL FIXED CHARGES	\$420	8.8%	\$15.45	\$3,623	\$433	7.8%	\$15.03	\$3,732	\$446	7.5%	\$15.04	\$3,844	\$459	7.3%	\$15.28	\$3,959	\$473	7.3%	\$15.73	\$4,078
C/F BEFORE RESERVE	\$1,543	32.4%	\$56.73	\$13,304	\$1,982	35.8%	\$68.85	\$17,088	\$2,198	36.8%	\$74.17	\$18,951	\$2,368	37.6%	\$78.78	\$20,416	\$2,441	37.6%	\$81.19	\$21,042
Reserve for Replacement	191	4.0%	7.01	1,645	222	4.0%	7.70	1,910	239	4.0%	8.07	2,062	252	4.0%	8.39	2,174	260	4.0%	8.64	2,239
TOTAL NET INCOME	\$1,352	28.4%	\$49.71	\$11,659	\$1,761	31.8%	\$61.15	\$15,177	\$1,959	32.8%	\$66.10	\$16,888	\$2,116	33.6%	\$70.39	\$18,242	\$2,181	33.6%	\$72.55	\$18,802

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

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



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