

July 27, 2019

Mr. Scott Blankenship, City Manager
City of Umatilla
Post Office Box 2286
Umatilla, Florida 32784

Via Federal Express

Dear Mr. Blankenship:

This report, entitled "Feasibility Study with Financial Projections for the development of a Market-Driven Hotel at the site designated by you in Umatilla, Florida has been prepared pursuant to our agreement with Lake County of June 19, 2019.

The report consists of a survey of the site and surrounding areas regarding the suitability for hotel development; a market study of the Umatilla, Florida area pertaining to transient lodging facilities; and based on these studies, estimates and assumptions, discussed in this report, the Financial Projections for the proposed hotel.

The scope of our work is described in the attached report and includes, among other things, the following steps: We discuss the demand for the facilities with representatives of government, commerce, and industry. We revisited economic and demographic data and industrial growth statistics of the area. Existing and planned travel patterns, area approaches, hotels, restaurants, and lounges were surveyed and analyzed as they pertain to the site.

In accordance with our engagement letter, we did not ascertain the legal and regulatory requirements applicable to this project, including zoning, permits, licenses, and other state and local government regulations. No effort has been made to determine the possible effect on this project of present or future federal, state, and local legislation, including any regarding environmental or ecological matters, nor an analysis of the potential impact of possible energy shortages.

Our study is based on information developed from research of the market, knowledge of the industry, and conversations with you during which we were provided certain information. The sources of information and basis of our estimates and assumptions are stated in the body of this report. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying projections are based on estimates and assumptions developed in connection with the Feasibility Study. However, certain assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the projection period may vary from the forecasts, and the variations may be material.

The Author and Interim Hospitality Consultants will not be liable for errors and omissions in judgment, negligence, or other fault in connection with this Feasibility Study, except for acts of gross negligence, willful malfeasance, and fraud.

We acknowledge that the hotel will be financed through one or more loans with financial institutions and said financial institutions may rely on the Feasibility Study when determining whether to extend financial credit and the terms thereof. In addition, we understand that you plan to offer ownership interests in the hotel to accredited investors in a private placement under various rules and regulations of the Securities Acts (Offering), and that investors may rely on the Feasibility Study as part of their investment analysis.

Further, we acknowledge that you and others may utilize the Feasibility Study to evaluate the market potential for the proposed hotel, planning the composition of the hotel, projecting levels of market penetration, occupancy, and average room rate, preparing cash flow and financial projections, and other purposes.

In your multiple capacities as developer of the hotel, you and your agents and assigns, are hereby authorized to utilize the Feasibility Study for its intended purposes and in pursuance of the matters described herein. As such, you and your agents and assigns, are authorized to disclose the Feasibility Study to any and all third parties and their attorneys, accountants, and employees who need access in order to analyze aspects of the hotel. These authorizations may not and will not be revoked. Neither you nor third parties to which you disclose the Feasibility Study have a duty to maintain the confidentiality of the Feasibility Study. We acknowledge that the Feasibility Study is owned by you, and you may utilize it as your sole property.

Interim Hospitality Consultants and its staff have no interest, in any form or manner, in the development of the subject hotel. Also, the IHC Findings were in no manner based upon the compensation received by Interim Hospitality Consultants.

Thank you for allowing Interim Hospitality Consultants to be of service to you.

Regards,



Edward L. Xanders, CHA
Its Manager