

## **PROPOSED FACILITIES AND SERVICES**

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Based upon the analysis and demand for lodging accommodations in the Umatilla, Florida, market and the review of the pertinent characteristics of area visitors, the following general comments regarding the nature and scope of the facilities and services to be provided by the proposed Fairfield Inn & Suites Hotel are presented. The plan presented coincides with the project developer's conception, with which we concur in the outlined quality and scope of the proposed hotel development.

### **General Concept**

The proposed Fairfield Inn & Suites will be the newest hotel in Umatilla, Florida.

Market Research, as stated in the Supply and Demand Section of this Study, has revealed a need for 75 guest rooms with, and emphasis on, suites that comfortably accommodate a family of four or a business person seeking working areas separate from sleeping accommodations.

## Room Mix

Based upon field research of the feasibility study, a Mid-Priced Hotel is recommended. This hotel segment includes such brands as Hampton Inn, Holiday Inn Express, LaQuinta Inn, Comfort Suites, and Springhill Suites.

It is the recommendation of Interim Hospitality Consultants that the developer select Fairfield Inn & Suites, a franchise of Marriott Hotels. Marriott is one of the leading franchisors in the Mid-Priced segment of the Hospitality Industry. The Fairfield Inn & Suites concept and design are presented in this section.

The Market Research for the proposed hotel has determined that the room mix should consist of:

<b>Room Mix Umatilla, Florida</b>	
King Studio	25
Queen Studio	20
King Suite	10
King Suite	12
Queen Suite, Wide	8
<b>Total Rooms</b>	<b>75</b>

*Source: Interim Hospitality Consultants*

In addition to the market-driven suites that are to be furnished to Marriott standards, the Fairfield Inn & Suites should incorporate a guest laundry, ballroom/conference room, aquatic center of indoor swimming pool and spa, and a fitness center. All rooms should have the latest technology in Internet wiring. Telephone and Internet services area forecasted to be complimentary. All rooms should have refrigerator/freezers, microwaves, and coffee makers to meet the competitive demand.

## Hotel Facilities

### *Business Center*

A Business Center, located in the Lobby near the Front Desk, should be provided for complimentary use by the hotel's guests. This center should be composed, minimally, of a desk with a computer (with Internet connection), monitor, printer, its own dedicated fax machine, and a color copier.

## ***Meeting Rooms***

The Market Research has determined the need for a meeting and conference room to seat 50 persons. This is in addition to a permanent 12-person boardroom

## ***Aquatic Center***

Due to climate considerations, and to meet existing direct hotel competition, an outdoor heated swimming pool is required, along with a whirlpool spa, fitness center, and a guest laundry incorporated into the fitness center.

## **Guest Rooms**

To meet and exceed the design of hotels in the Competitive Market Set, to the extent possible, the rooms should be 12 feet wide, with 10-foot ceilings on the first floor and a minimum of 9-foot ceilings on all upper floors.

In addition to the high standards of a Fairfield Inn & Suites room, the Field Research has recommended—to meet the new hotel’s competition—that all rooms include an under-cabinet refrigerator with freezer, and a four-cup coffee maker positioned on the countertop. A microwave oven would hang from under a top shelf in all rooms.

Two telephones, one on the bedside table and one on the desk, with 25-foot cords and two separate telephone lines, would be in each room; possibly one phone should be cordless. The latest technology in wired and wireless Internet service should be provided in all rooms.

All bathrooms, in addition to franchise requirements, should include a designer shower curtain, pulsating showerhead, crescent shower rod, hair dryer with night light, makeup mirror, and iron and ironing board.

To meet the existing competitive hotels, the bed linen presentation should be enhanced to double pillows and triple sheets on all beds in all rooms. The hotel should enact the “Green Room” policy of housekeeping services in all rooms.

## **Lobby**

A casual and attractive Lobby would provide a striking first impression to guests as well as a spot to sit for impromptu meetings and phone calls in front of a signature Lobby fireplace.

## Summary

Based upon field research for the feasibility study, a Fairfield Inn & Suites as an upper midpriced limited-service hotel is recommended. This hotel segment includes such brands as Hampton Inn, Holiday Inn Express, LaQuinta Inn, Comfort Inns, and Springhill Suites.

It is the recommendation of Interim Hospitality Consultants that the developer select Fairfield Inn & Suites, a franchise of Marriott Hotels. Marriott is one of the leading franchises in the Mid-Priced segment of the Hospitality Industry. The Fairfield Inn & Suites concept and design are presented in this section.

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## Franchisor Drawings

Fairfield Inn & Suites Hotel drawings, as supplied by Marriott Hotels, for 75 rooms are presented.





Fairfield's 30+ year legacy of performance offers owners and franchisees a highly efficient economic model that delivers strong results. The second largest Marriott International brand, Fairfield is a proven performer poised for growth. The brand **consistently exceeds goals across key metrics: guest satisfaction, RevPAR, Marriott channel contribution and owner satisfaction.** The latest prototype was designed to deliver flexibility—whether the hotel is located in an urban, secondary or tertiary market. This innovative model enables owners to adapt to site requirements and local market needs. Considered the **most efficient cost to build in the upper midscale tier**, the new prototype emphasizes speed to market and ROI.

Fairfield provides stress-free stays for travelers seeking to maintain their routine and stay balanced through their travels. The brand supports guest productivity and well-being with smart spaces, health-conscious food options, and the Fairfield 100% Guarantee – all at a great value – so our guests never skip a beat. With over 900 hotels across three continents, in locations ranging from key urban gateway cities to leisure destinations to tertiary markets, Fairfield Inn & Suites is everywhere you want to be.

**Key Competitors: Hampton Inn, Holiday Inn Express, La Quinta**

### Distribution (Q1 2018)

With urban growth throughout the U.S. as well as India, Brazil and Mexico, the brand now has over 900 hotels and the largest pipeline in the Marriott portfolio with nearly 380 properties.

### U.S. and Canada (Units / Rooms)

Open: 910 / 84,060  
 Pipeline: 318 / 31,575

### Global (Units / Rooms)

Open: 935 / 87,932  
 Pipeline: 379 / 41,673

### Franchise Hotel Performance\*

Average Occupancy Rate: 71.2%

Average Daily Room Rate: \$112.72

Average RevPAR: \$80.29

Average RevPAR Index: 106.6

Loyal Customer Base:  
 Marriott Rewards® Member Paid Nights represent 52.8% of total Fairfield Nights

Lower Cost Bookings:  
 Marriott's channels generate 65.0% of Fairfield reservations

### Competitive Fee Structure\*

Application Fee: The greater of \$50,000 or \$400 per guestroom

Royalty Fee: 5.5% of Gross Room Sales

Marketing Fund Fee: 2.5% of Gross Room Sales

### Optimized Cost Plan\*

80 – 110 keys  
 Average Cost Per Key: \$86,000 – \$137,000

120 – 150 keys  
 Average Cost Per Key: \$81,000 – \$127,000

\*2018 Fairfield Franchise Disclosure Document. For all other costs and fees, refer to the FDD.

### RECENT OPENINGS

Fairfield Inn & Suites Gainesville I-75, FL  
 Opened March 2018



Fairfield Inn & Suites Boston Walpole, MA  
 Opened December 2017







# Fairfield Proto Model Attributes

Fairfield 100% Guarantee® ensures excellent service and a stress-free stay experience



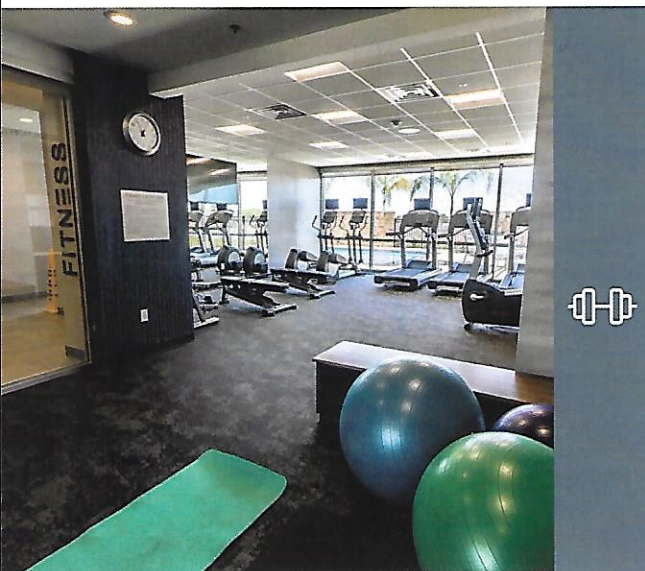
## Flexible Building Design

- Contemporary design and flexible prototype to meet varying site and market requirements.
- Functional and efficient public space and lounge area with open views, natural light and amenities guests need.
- Breakfast room with multiple seating offerings for increased seating capacity.



## Productive and “Smart” Guest Rooms/Suites with Intuitive Design

- The spacious and modern suite offers separate areas for working and sleeping.
- Flexible workspace with mobile desk, ergonomic chair, and outlets where you need them.
- Multifunctional smart wardrobe, creating space for a refrigerator, optional microwave and coffee maker.
- Purposeful storage solutions for hanging items, a luggage counter and drawers.
- An elevated bath experience with large glass walk-in shower.
- Hotels must have a minimum 25% suite mix.
- The modern decor package, Perspectives, offers multiple options and artwork to regionalize and differentiate each hotel.



## Other Amenities

- Complimentary breakfast daily featuring hot items and healthy options.
- “the Corner Market” – offering healthy “grab and go” food and beverage options 24/7.
- Minimum 600 square foot fitness room with new, modern finishes and H<sub>2</sub>O Station.
- Scalable meeting space options to meet the demands of your market.
- Outdoor lounge and seating areas, based on market need.
- Indoor/Outdoor pool, based on market need.

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### FAIRFIELD FRANCHISE DISCLOSURE:

The data above reflects the performance of all 734 franchised Fairfield hotels open and operating in North America for 24 months as of December 31, 2017, for which Smith Travel Research, Inc. has data and which did not undergo material renovations or expansions during the 24 months preceding December 31, 2017. Of the 734 Fairfield hotels, 349 (47.5%) achieved an average occupancy rate equal to or greater than 71.2%; 237 (32.3%) achieved an average daily room rate equal to or greater than \$112.72; 263 (35.8%) achieved or exceeded the average RevPAR of \$80.29, and 377 (51.4%) achieved an average RevPAR Index equal to or greater than 106.6. Of the 734 Fairfield hotels, 333 (45.4%) had at least 65.0% or more of their gross room nights booked through the Marriott Channels and 403 (54.9%) achieved or exceeded the average percentage of Marriott Rewards contribution to Occupancy of 52.8%. There is no assurance that you will do as well. OFFER AND SALE BY PROSPECTUS ONLY. See Item 19 of our Franchise Disclosure Document dated March 31, 2018, for additional details.





## MARRIOTT'S MODULAR PROGRAM

Marriott sees the way we build hotels as the next frontier for innovation, and we're ready to help our owners take advantage of the opportunities that transformation can bring. Modular construction can save owners valuable time and provide potential pricing advantages over more traditional building methods, while also improving quality—delivering a win for owners and for travelers.

Since 2015, Marriott has been working with industry-leading modular firms to explore this emerging technology and make it widely available to our owners and franchisees. You can choose to build volumetric or bath module only.

If selecting volumetric, a modular firm builds the hotel guestrooms and corridors. In the plant, skilled workers build modules to specified construction tolerances and codes to withstand the rigors of transportation, weather, and placement onsite. The building exterior and HVAC, plumbing and electrical

systems connections are completed in the field while the remainder of the hotel is finished.

Bathroom modules are similar in terms of production, but are craned directly into traditionally framed buildings, eliminating the need for onsite labor and the complexities that are typically associated with construction of hotel bathrooms.





# BENEFITS OF A MODULAR CONSTRUCTION APPROACH

- SPEED...projects can be built faster and open sooner
- PREDICTABILITY...budget certainty is offered by elimination of pricing redundancy, risk, and waste
- QUALITY...controlled production environment offers consistency
- GREEN...modules are completed with minimal waste
- SAVINGS...potentially offers pricing advantages in areas where labor and materials are at a premium
- QUIET...inherently higher STC ratings deliver higher guest satisfaction
- EASE...even the FF&E can be fully delivered with the guestrooms

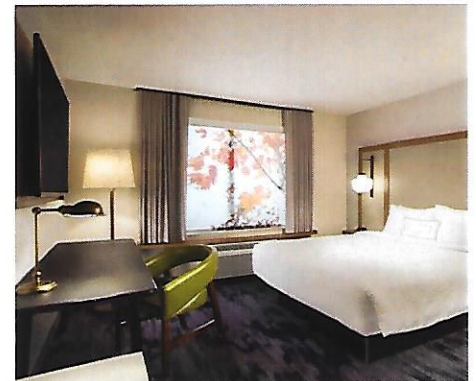
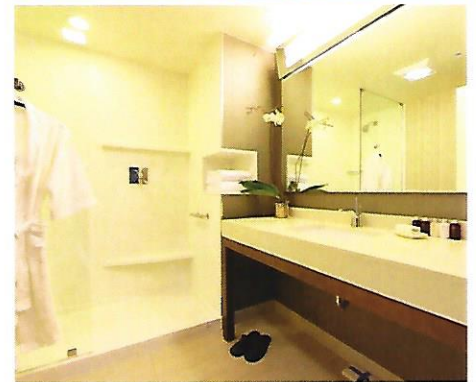
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## **Environmental Concerns**

Information from the U.S. Green Building Council (USGBC) is presented at the end of this Section F. The information is provided as a base to assist in the development of a “Green” development/building project.

### **Leadership in Energy and Environmental Design (LEED®) Green Building Rating System**

#### ***Welcome to USGBC***

The U.S. Green Building Council is a 501(c)(3) nonprofit community of leaders working to make Green Buildings available to everyone within a generation.

The U.S. Green Building Council (USGBC) is a Washington, D.C. –based 501(c)(3) nonprofit organization committed to a prosperous and sustainable future for our nation through cost-efficient and energy-saving Green Buildings. USGBC works toward its mission of market transformation through its LEED® Green Building certification program, robust educational offerings, a nationwide network of chapters and affiliates, the annual Greenbuild International Conference & Expo, and advocacy in support of public policy that encourages and enables Green Buildings and communities.

The LEED® Green Building certification program is a voluntary, consensus-based national rating system for buildings designed, constructed and operated for improved environmental and human health performance. LEED® addresses all building types and emphasizes state-of-the-art strategies in five areas sustainable site development, water savings, energy efficiency, materials and resources selection, and indoor environmental quality.

#### ***LEED® Rating Systems***

*What is LEED®?*

The Leadership in Energy and Environmental Design (LEED®) Green Building Rating System™ encourages and accelerates global adoption of sustainable Green Building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria.

- ✓ LEED® is a third-party certification program and the nationally accepted benchmark for the design, construction and operation of high performance

Green Buildings. LEED® gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance. LEED® promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

*Who uses LEED®?*

Architects, real estate professionals, facility managers, engineers, interior designers, landscape architects, construction managers, lenders and government officials all use LEED® to help transform the built environment to sustainability. State and local governments across the country are adopting LEED® for public-owned and public-funded buildings; there are LEED® initiatives in federal agencies, including the Departments of Defense, Agriculture, Energy, and State; and LEED® projects are in progress in 41 different countries, including Canada, Brazil, Mexico and India.

*How is LEED® Developed?*

LEED® Rating Systems are developed through an open, consensus-based process led by LEED® communities. Each volunteer committee is composed of a diverse group of practitioners and experts representing a cross-section of the building and construction industry. The key elements of USGBC's consensus process include a balanced and transparent committee structure, technical advisory groups that ensure scientific consistency and rigor, opportunities for stakeholder comment and review, member ballot of new rating systems, and a fair and open appeals process.

**LEED® Version 3**

The LEED® Green Building certification program's greatest strength lies in its consensus-based, transparent, ongoing development cycle. The next version of LEED® is here! On April 27, 2009, USGBC launched LEED® v3. The ability to be flexible allows LEED® to evolve, taking advantage of new technologies and advances in building science while prioritizing energy efficiency and CO<sub>2</sub> emissions reductions.

**Project Certification**

As part of the newly launched LEED® v3, the Green Building Certification Institute (GBCI) has assumed administration of LEED® certification for all commercial and institutional projects registered under any LEED® Rating System.

LEED® certification provides independent, third-party verification that a building project meets the highest Green building and performance measures. Sustainable building strategies should be considered early in the development cycle. An integrated project team



will include the major stakeholders of the project such as the developer/owner, architect, engineer, landscape architect, contractor, and asset and property management staff. Implementing an integrated, systems-oriented approach to Green project design, development and operations can yield synergies and improve the overall performance of a building. Initial LEED® assessment will bring the project team together to evaluate and articulate the project's goals and the certification level sought.

There are both environmental and financial benefits to earning LEED® certification.

LEED®-certified buildings are designed to:

- Lower operating costs and increase asset value.
- Reduce waste sent to landfills.
- Conserve energy and water.
- Be more healthful and safer for occupants.
- Reduce harmful greenhouse gas emissions.
- Qualify for tax rebates, zoning allowances and other incentives in hundreds of cities.
- Demonstrate an owner's commitment to environmental stewardship and social responsibility.

### ***Eligibility***

Commercial buildings as defined by standard building codes are eligible for certification under the LEED® for New Construction, LEED® for Existing Buildings, LEED® for Commercial Interiors, LEED® for Retail, LEED® for Schools, and LEED® for Core & Shell rating systems. Building types include – but are not limited to – offices, retail and service establishments, institutional buildings (e.g., libraries, museums and religious institutions), hotels and residential buildings of four or more habitable stories.

### ***Green Building Research***

The built environment has a profound impact on our natural environment, economy, health, and productivity.

In the United States alone, buildings account for:

- 72% of electricity consumption,
- 39% of energy use,
- 38% of all carbon dioxide (CO<sub>2</sub>) emissions,
- 40% of raw materials use,
- 30% of waste output (136 million tons annually), and
- 14% of potable water consumption.

## ***Benefits of Green Building***

Environmental benefits:

- Enhance and protect ecosystems and biodiversity.
- Improve air and water quality.
- Reduce solid waste.
- Conserve natural resources.

Economic Benefits:

- Reduce operating costs.
- Enhance asset value and profits.
- Improve employee productivity and satisfaction.
- Optimize life-cycle economic performance.

Health and community benefits:

- Improve air, thermal, and acoustic environments.
- Enhance occupant comfort and health.
- Minimize strain on local infrastructure.
- Contribute to overall quality of life.

## ***Rankings of Completed Projects***

Under LEED® there are 100 possible Base Points distributed across six credit categories:

- Sustainable Sites.
- Water Efficiency.
- Energy and Atmosphere.
- Materials and Resources.
- Indoor Environmental Quality.
- Innovation in Design.

An additional four points may be received for Regional Priority Credits and six points for Innovation in Design.

Total points buildings can qualify for four levels of certification:

- |    |                 |              |
|----|-----------------|--------------|
| A. | LEED® Platinum  | 80 and above |
| B. | LEED® Gold      | 60 and above |
| C. | LEED® Silver    | 50 and above |
| D. | LEED® Certified | 40 and above |