

February 11, 2015

Ms. Cindy Fay
Procurement Analyst
City of Griffin
Procurement – 3rd Floor
100 S Hill Street
PO Box T
Griffin, GA 30224



**Re: Response to Request for Proposal (RFP)
Hotel Convention Center (HCC) Feasibility Study
Griffin, GA**

Dear Ms. Fay:

On behalf of PKF Consulting USA, we appreciate receiving your Request for Proposal (“RFP”) in connection with the potential market demand, and optimal configuration for a proposed hotel/convention facility (herein referred to as the “the Project”) to be located in the City of Griffin (herein referred to as the “City”) within Spalding County, Georgia. This proposal sets forth the project objectives, our approach to completing the work, and our qualifications. We are confident of our ability to perform this assignment based on our experience with hotel development as well as our knowledge of the local, state, regional and national lodging markets. We appreciate the opportunity to submit this proposal and look forward to assisting you in this important matter.

BACKGROUND AND OBJECTIVES

We understand that the leadership of the City of Griffin in partnership with Spaulding County and the Griffin-Spalding Development Authority (GSDA) herein referred to as the “Client”) is exploring the viability of the Project that is believed to enhance the quality of life and vitality of Griffin and Spalding County.

To this end, we understand that you are seeking a professional evaluation of the market feasibility and the potential level of economic appeal of this Project. We understand your goal is to determine what type of hospitality project is feasible for development by the private sector and what amenities could be supported. The RFP has not directly identified the proposed site location for the Project other than that it would be located in Griffin, Georgia. Therefore, we understand that there may be multiple potential sites for the Project within the City.

Per the RFP, we understand the objectives/key tasks associated with the study effort to be:

- Evaluate the attributes of the potential sites and the surrounding area to determine the overall suitability for the Project.
- Analyze economic and demographic conditions including current and future growth market trends and demand.
- Review competitive facilities by conducting accommodation inventory and meeting space analysis and research convention center, conference centers and stand-alone meetings venues; hotels related to the convention and exhibits market; and hotels related to additional market segments in the City and in the Atlanta, Georgia area.
- Conduct hotel market analysis and define generators of hotel room and meeting demand in the area.
- Identify and determine the needs assessment as it relates to community needs plus as an economic impact tool for the City.
- Conduct market research and demand analysis of the local, regional and national meeting and lodging markets as it relates to the development of a convention/conference center and hotel facility. Primary market research from convention industry analysis/trends and interviews with potential users including meeting planners, event promoters and/or consumers.
- Recommend facilities that will assist the design team in the establishment of a program for the Project, including (but not limited to) number and types of rooms, meeting spaces, ballrooms, dedicated business education amphitheater facilities (if appropriate), parking, and amenities such as fitness clubs, swimming pools, restaurants, service areas, storage, etc. Such facilities should be consistent with and match the market segment demand analysis as defined in the analyses to be completed.
- Recommend hotel facility branding that would be appropriate in view of the findings and conclusions developed through the conduct of the planned analyses.

- Provide financial projections of operating revenue and expense including design expense, construction expense, market penetration, occupancy, average room rate, revenue and resulting cash flow available for debt service and income taxes during the first ten years of the Project.
- Provide model showing appropriate level of public incentives if needed to make the project feasible.
- Identify financing options.
- Provide overall economic impact of the Project (including impact on hotel room nights, restaurants, retailers and tax revenue increase to the City).
- Provide an opinion of the feasibility of the proposed Project.

APPROACH

We have developed an analytical approach for assignments like this that will enable us to quickly develop preliminary conclusions as to the potential viability of the Project. While facilities of this nature ultimately require detailed analyses, our depth of experience and expertise in the lodging industry enables us to quickly determine if certain critical attributes are present in any given situation.

Our work plan is multi-phased; principal objectives of our work include the determination of current and potential lodging demand in the market area, the assessment of existing and potential hotel supply, the estimation of the share of the market that could reasonably be attained by the proposed Hotel, and the projection of potential cash flows from operations available to service debt and provide a return on invested capital.

Prior to commencing our work on the study, we will meet with you and/or your associates, as appropriate, to discuss the overall Project in detail. Following this meeting, our work plan for the study will be as follows.

PHASE I

Evaluation of Site and Surrounding Area

In this part of the study, we will inspect and evaluate the potential sites to assess their opportunities and constraints for development of the proposed Project. Some of the factors we will analyze include:

- Access, both vehicular and pedestrian;
- Access to parking;
- Visibility from principal access routes;
- Access from local/regional airports;
- Ambiance of the surrounding neighborhood;
- Current land uses in the vicinity;
- Topography of the site and immediate vicinity;
- Relationship to area demand generators;
- Relationship to area amenities such as restaurants and shopping;
- Relationship to downtown commercial core; and
- Advantages/disadvantages of each site versus the alternative sites.

Based on the above analysis, we will make recommendations to the optimal site for the Project.

Market Area Review and Analysis

We will gather and analyze relevant economic data regarding the Greater Griffin area to determine whether the overall economic environment in the area appears to be suitable for the proposed Project. We will examine correlations between key economic factors and the demand for lodging and will utilize any available forecasts of these indicators in our evaluation of potential demand.

We will perform primary market research in the area, consisting of interviews with key demand generators, inspection and evaluation of competition and discussions with people familiar with development patterns and the local and regional meeting and lodging markets. Among those with whom we will conduct such interviews are:

- Griffin and or Spalding Economic Development;
- Griffin and or Spalding Chamber of Commerce;
- Griffin and or Spalding museums and tourist attractions;
- Owners and managers of potentially competitive lodging facilities;
- Potential users including meeting planners, event promoters and/or consumers.

We will also conduct an evaluation of the conference and convention business that has historically met in the City of Griffin and Spalding County, the attractiveness of the City and Spalding County as a tourism and meeting destination and the competitive advantages and disadvantages of the Project concept. This will also entail an overview and definition of relative market segments. As part of this work step, we will analyze historical data and review projected convention/group bookings. We will also conduct a SWOT analysis to identify the advantages and disadvantages of the Project, on both a local and regional level. We will gather information to supplement our analysis such as:

- How will the target markets regard the advantages that this Project has to offer versus competitive advantages in other areas?
- What would be the potential frequency of use of this facility by a "repeat" clientele?
- What are the seasonal demand patterns?
- How price-sensitive are users likely to be?
- How should the subject facility be competitively positioned to maximize utilization, e.g. price structure and amenities offered to accommodate various demand sources?

Demand Growth Estimates

We will develop a census of competitive meeting and lodging facilities for the proposed Project. We will evaluate the performance of these facilities in the immediate area and within the determined competitive set, which may be local, county-wide, or regional. This census will include the following factors:

- Name
- Location
- Average Room Rate and Occupancy (reported in the ranges and in aggregate)
- Five year trend analysis
- Market mix of guests
- Type and size of food, beverage, and meeting facilities and amenities
- Hotel/Convention Center facility

We will identify any rumored or proposed projects in the area that might be considered competition for the proposed Project. We will analyze historical economic growth in the area and the characteristics of each of the principal segments of demand including commercial travelers, tourists, group meetings, and any other identifiable sources of demand. Then, using the information gathered in our research, we will estimate growth in

demand for each market segment and project demand for each of the next five to ten years, expressed in room nights.

Facilities Recommendations and Operational Strategy

As part of our analysis, and based on the nature and kind of requirements associated with the identified potential users of the Project, we will make recommendations relating to the:

- Amount of land required to accommodate the proposed development including parking;
- Number and mix of guest rooms and suites;
- Room configuration;
- Food and beverage concept;
- Banquet and meeting space requirements (including number of rooms and size);
- Estimate the number of events per year for utilization of the convention center;
- Other required facilities and amenities;
- Service levels required;
- Advantages and disadvantages of various hotel branding options; and
- Pros and cons of new build and/or existing facility options.

Market Share Estimates

The focus here will be on estimated demand for the proposed Project. Upon completion of the estimate of market area supply and demand, we will determine the share of the market that the proposed facility should reasonably be expected to capture for the property's first five years of operation. Our analysis will include an estimate of the demand that could be induced, if any, through the development of the Subject property. This includes an analysis of underserved markets and/or opportunities that can be targeted with a new convention/conference center and hotel as well as current community needs and possible quality of life opportunities that would benefit from additional meeting and lodging space.

Based upon an analysis of the sources of demand available to the Subject property and its estimated competitive position, we will estimate the average daily room rate that could potentially be achieved in a representative year, in current value dollars, and over the first five years of operation of the Project.

Financial Analysis

Based upon the analysis of market demand and the estimated utilization of the Hotel, we will project revenues and operating expenses for the Hotel for its first ten years of

operation. Our prospective financial analysis will be in sufficient detail to reflect the major revenue and expense categories. These estimates will result in a “bottom line” of net operating income available for debt service after management fees and reserves for replacement of fixed assets but before interest, depreciation, amortization and income taxes. All of our financial analyses are prepared in accordance with the Uniform System of Accounts for the Lodging Industry.

We shall prepare these estimates by department base on the historical operating performance of comparable facilities. PKF Hospitality Research annually publishes Trends in the Hotel Industry, a statistical analysis of operating statements of over 7,000 hotel properties. While a similar data base is maintained by STR, Inc., PKF Consulting USA is the only consulting firm with access to the actual, unaggregated financial statements of comparable hotels. This database will be utilized in preparing financial statements for the proposed facility.

Meetings and Presentations

We will meet with you throughout the course of this assignment and have budgeted for three formal sessions as follows:

- Kick-off Meeting (in-person)
- Progress Meeting with Preliminary Results (via conference call or webinar)
- Presentation of Final Results (in-person)

PHASE II

Draft and Final Reports

In addition to final in-person presentation, we will prepare a full narrative report that will describe the market analysis and our findings and conclusions regarding the future operating potential of the proposed Hotel. The report will be prepared in its final form upon receipt and resolution of any review comments that you might have. This report will be suitable for both your internal use as well as for presentation to potential hotel developers, lending institutions, management companies and franchises that may be interested in participating in the Hotel project.

PROJECT FEES

Based on our current hourly billing rates and an estimate of the hours required to complete this study, our professional fees are provided as follows:

**FAILURE TO RETURN THIS PAGE AS PART OF YOUR SUBMITTAL MAY RESULT IN A REJECTION.
COST PROPOSAL MUST BE SUBMITTED UNDER A SEPARATE AND SEALED ENVELOPE.**

RFP 15-006

COST PROPOSAL: HOTEL/CONVENTION CENTER FEASIBILITY STUDY

Company Name PKF Consulting USA Price Valid Through April 12, 2015

PRICE STRUCTURE – Complete the following and include associated information specifics for the cost quoted (pricing must be submitted on this form; additional pages may be used as needed):

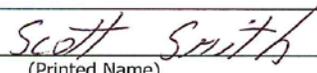
| Description | Cost |
|---|-------------------------|
| Phase I: Identification, Fieldwork and Analysis – Market Demand Description: _____ | \$ <u>18,000</u> |
| Phase I: Identification, Fieldwork and Analysis – Financial Feasibility Description: _____ | \$ <u>5,000</u> |
| Phase I: Identification, Fieldwork and Analysis – Economic Impact & Operational Description: _____ | \$ <u>3,000</u> |
| Phase II: Implementation/Deliverables/Narrative Report Description: _____ | \$ <u>5,000</u> |
| TOTAL PROJECT | \$ <u>31,000</u> |

| Additional Fees | Cost |
|---|----------------------|
| Hourly rate for additional work not included in scope | \$ <u>200 to 500</u> |
| Other potential fees (specify) Out of Pocket Expenses | \$ <u>2,500</u> |
| Other potential fees (specify) | \$ _____ |

COMMENTS/RECOMMENDATIONS: _____

List any/all exceptions to specified requirements *(use additional blank sheet if needed)*:

The City reserves the right to accept the BEST-EVALUATED RESPONSE as deemed by the Evaluation Committee, which may or may not be the lowest monetary submittal.

COMPLETED BY:
 Company Name: PKF Consulting USA
 Contact Person:  
 (Signature) (Printed Name)

In the event we encounter unexpected conditions or circumstances beyond our control that would cause us materially to exceed the above fee estimate, we shall inform you as quickly as possible so that we may mutually agree to an acceptable fee adjustment, which will be based upon our standard hourly rates as follows:

| | |
|--------------------------------------|---------------|
| Executive and Senior Vice Presidents | \$350 - \$500 |
| Vice Presidents | \$225 - \$325 |
| Associates | \$175 - \$200 |
| Consultants | \$100 - \$150 |

If, at any time during the course of the study we form an initial opinion that there is insufficient demand to support the investment, we will suspend the assignment at that point and discuss our findings with you. If you desire that we terminate the assignment at this point, we will write you a brief letter summarizing our findings and charge you only for that time actually incurred to date at our regular per diem rates, plus expenses.

As is customary in assignments of this nature, we require a retainer of 60 percent of the total fee estimate (\$18,600) prior to commencing the assignment. A final invoice for the balance of our fees plus all expenses incurred will be presented and will be payable upon delivery of a draft of our proposed final report.

All invoices will be paid by the City of Griffin.

PROJECT TIMELINE

On the basis of our current scheduling, we would be able start work on this assignment within two weeks of receiving your authorization to proceed and complete Phase I of our analysis within four weeks thereafter. We estimate that Phase II will take an additional one weeks to complete. Our proposal is valid for 60 days from February 12, 2015.

WHY PKF CONSULTING USA?

As a point of background, we would like to provide you with a brief overview of our Firm. PKF Consulting USA ("PKF") is a division of the CBRE Group (NYSE:CBG), the largest real estate services firm in the World. PKF is an international firm of management consultants, industry specialists, and appraisers who provide a full range of services to the hospitality, real estate, and tourism industries.

Headquartered in San Francisco, the Firm has offices in Atlanta, Boston, Bozeman, Chicago, Houston, Indianapolis, Jacksonville, Los Angeles, Nashville, New York, Philadelphia, Salem, Tampa and Washington, with over 50 professionals and support staff serving both public and private sector clients. Our Firm is comprised of three integrated divisions which provide consulting, brokerage and research services to the hospitality industry.

1. Consulting

Our consulting group provides advisory services and industry expertise to help our clients in planning, developing, managing, financing, problem-solving, improving operations, and valuing hotels and other hospitality assets. Our engagements range from hotel market and financial feasibility studies to investment structuring, and from hotel appraisals to asset management.

Our consulting group is constantly providing clients both large and small with the most constructive and valuable advice in the industry, performing feasibility and market studies, acquisition due diligence and valuations involving hotels, resorts, restaurants, golf courses, and a variety of mixed-use developments and other hospitality products. We have the distinct advantage of being the only hospitality consulting firm with its own, proprietary database of U.S. hotel financial statistics.

Senior professionals of the firm have been a part of the hospitality business for upwards of 25 years. They head teams of consultants who bring a broad range of experience – corporate finance, hotel and resort operations, hotel planning, and international tourism – to meeting client needs. Real estate professionals carry MAI (Appraisal Institute), CRE (Counselor of Real Estate), RICS (Royal Institution of Chartered Surveyors) and ISHC (International Society of Hospitality Consultants) designations. The Firm is staffed and equipped to provide the hospitality and real estate industries with the following key services:

- Market and Financial Feasibility Studies
- Transaction Advisory Services
- Real Estate Appraisals and Business Valuations
- Litigation Support, Expert Witness and Arbitration Services
- Acquisition Due Diligence
- Tourism and Recreational Studies
- Resort and Recreation Services
- Strategic Planning
- Development Financing
- Property Tax Appeals

- Operational Studies and Reviews
- Asset Management and Management Company Selection
- Financial Benchmarking and Consulting Services
- Econometric Forecasting
- Custom Research

Our broad client base relies on us to assist in the development, operation, acquisition and/or disposition of hotels, resorts, convention centers, golf courses, city and country clubs, restaurants, health clubs, and mixed-use projects. Specifically, we provide consulting, appraisal and customized research to the following:

- Hotel owners and developers
- Hotel management and franchise companies
- Tourism organizations
- Financial institutions, insurance companies and investors
- Sports organizations
- Clubs
- Public agencies and governments
- Attorneys, architects and land planners

2. Research

PKF Hospitality Research (PKF-HR) owns the database for *Trends® in the Hotel Industry*, the statistical review of U.S. hotel operations which first appeared in 1935 and has been published every year since. PKF's professionals use the *Trends®* database to assist their clients in making informed decisions. In addition, the *Trends®* data is used to produce custom financial reports for clients that enable them to benchmark hotel revenues, expenses, and profits.

Beginning in 2007, PKF unveiled its powerful *Hotel Horizons®*, an economics-based hotel forecasting model that projects five years of supply, demand, occupancy, ADR, and RevPAR for the U.S. lodging industry. *Hotel Horizons®* reports are published on a quarterly basis for 55 of the largest markets in the U.S. and six national chain-scales.

With a long-standing tradition of tracking and forecasting the lodging industry, our Research Group has the technical capacity to conduct custom research, the analytical skills to interpret the data, and the access necessary to gather confidential performance information from the industry.

3. Summary

Given the historical role of PKF in the hospitality and real estate industries, and our knowledge of the local market, we are of the opinion that there is no firm that can provide the services available through us. More background and information on our Firm can be obtained from our web site at www.pkfc.com.

CONTACT INFORMATION

Name and basic information of the consulting firm submitting the proposal.

Organization Name: PKF Consulting USA

Business Address: 3475 Lenox Road, Suite 720
Atlanta, Georgia 30326

Phone and Fax: (404) 842-1150
(404) 842-1165 (fax)

Website: www.pkfc.com

Name of Principal Owners: CBRE Group, Inc.

Years in Business: Original Firm: Since 1919
Successor Firm: Since 1906

Contact Person: Scott D. Smith
Senior Vice President
(404) 809-3949
scott.smith@pkfc.com

PROFESSIONAL QUALIFICATIONS

The name(s) and position(s) of personnel who will be conducting the field work, analyses, and production of the report are as follows.

Project Manager: Scott Smith, Senior Vice President (20 years with PKF)
Staff: Caroline Robichaud, Associate (5 years with PKF)
Additional Consultant (s)

The qualifications of the above professionals are included as an addendum to this proposal. No sub-consultants will be used on this assignment.

HOTEL AND CONVENTION CENTER PROJECTS

The below sample of projects represents a selection of engagements with which PKF Consulting USA has been involved:

- **Georgia Tech Foundation:** Market study and financial projections relating to the proposed development of a hotel with an attendant Executive Conference Center and Continuing Education Center proximate to the campus of the Georgia Institute of Technology in Atlanta, Georgia.
- **City of Douglasville, GA:** Market study and appraisal for a proposed 246-room Sheraton Hotel to be developed adjacent to the planned convention center in Douglasville, Georgia.
- **Proposed Hotel and Expansion to the Classic Center, Athens, GA:** Market study, financial analysis and Request for Proposal process. City ultimately decided to work with a private sector developer to affect the development of a hotel adjacent to the Classic Center.
- **City of Alpharetta, GA:** Market study, financial analysis, capital construction analysis, and economic impact analysis for a proposed Conference Center to be developed by the City. City ultimately decided to work with a private sector developer to affect the development of a hotel adjacent to the proposed Center.
- **City of Dickinson, Texas:** Completed a site selection, market study and economic impact analysis for a proposed full-service hotel and conference center to serve the Bay Area in Houston, Texas. The study was completed in conjunction with Garfield Traub who was engaged as the Project Manager / Developer for the project.
- **Johnson Development Corp., c/o City of Sugar Land, TX:** Completed a market study and financial gap analysis for a proposed hotel and conference center at the historic Imperial Sugar plant site in Sugar Land, Texas. Also provided assistance in identifying potential developers/management companies for the project.
- **Texas A&M University:** Completed a site selection, market study and financial gap analysis for a full-service hotel and conference center adjacent to Texas A&M University in College Station, Texas.
- **City of Natchitoches, LA:** Completed a market study and financial gap analysis for a hotel to be located adjacent to the existing Natchitoches Conference Center. Also, managed an RFQ process for the City to identify a potential developer for the hotel project.
- **City of Victoria, TX:** Completed a site selection, market study, financial gap analysis and economic impact study for a hotel and conference center in Victoria, Texas. Also, identified three potential developers for the project.

- **Evergreen Resort and Conference Center:** Analysis of the potential to expand the guest rooms and meeting facilities at Evergreen Resort and Conference Center at Stone Mountain Park in Stone Mountain, Georgia. PKF Consulting managed the initial project work for the Stone Mountain Memorial Association when the facility concept was initially conceived in the mid-1980's.
- **City of Los Angeles and LA, Inc. (The Convention & Visitors Bureau):** Feasibility analysis of a headquarters hotel and sports and entertainment complex to be located adjacent to the Los Angeles Convention Center and Staples Center Arena, analysis of the best practices related to the booking of conventions, ongoing analysis of pickup from conventions held.
- **City of Newnan, GA:** Market study and financial analysis of a free-standing conference center within a mixed use development with hotel, office and retail uses. The assignment involved demand analysis and projection of revenues and cash flows.
- **City of Murfreesboro, TN:** Market study, financial analysis, development and distribution of a Request for Qualifications and Request for Proposals, negotiation of development and management agreements with John Q. Hammons Hotels and Resorts (the winning bidder).
- **Downtown Waco, Inc. / City of Waco, TX:** Market study for a hotel in downtown Waco. Issued requests for hotel developer qualifications/proposals and evaluated responses to RFP.
- **The Woodlands Township, The Woodlands, TX:** Market study for a 360-room Marriott hotel and adjacent 150,000-square foot convention center on The Woodlands Waterway. Conducted an economic impact study for the entire project. Represented the Township in contract negotiations with the designated developer. Involved development agreement, lease agreement, booking policy and room block policy. The hotel is open.

PKF Consulting USA has assisted numerous municipalities throughout the country in measuring the market and economic viability of conference center and hotel development projects that incorporate creative solutions to public-private investment. Representative solutions we have seen successfully employed which may or may not be relevant to your situation are summarized below (this list is not exhaustive):

- 100% Tax-Exempt, non-profit ownership structure, financed with bonds.
- Zero percent loan financing from City with principal forgiven if 18% cumulative equity returns are not achieved.
- Second tier equity from City subordinate to 20% cumulative equity returns.
- Catering Contracts for specific public facilities with commissions to City waived and reduced in early years.

- 99-year Ground lease with payments to City subordinate to debt service.
- 99-year Premises Lease (Meeting Space) with payments to City subordinate to 18% equity returns.
- Tax Increment Financing of City subordinated equity.
- Cash payments from City in order to offset costs of providing a “buildable site”.
- Management Contracts on public facilities, including Parking Garage and Conference Center.
- 99-year Management Agreement on 100% publicly funded conference facility with a “fee” paid to hotel owner equal to all profits generated up to a pro forma amount, and 50% thereafter.
- Management Agreement on 100% publicly funded garage with fee paid to hotel owner equal to 50% of the profits.
- Below market Shortfall Loans from City equal to 80% of actual hotel operating shortfalls, including payments of preferred returns to equity investors.
- Public Convention space rental charge credits based on level of room rates paid by convention groups.
- Sales Tax Exempt Purchasing of development costs.
- Property tax exemptions and “Payment in Lieu of Taxes” (PILOT) Agreement.
- General Obligation Bond financing of 100% of development costs.
- Taxable Revenue bond financing for Conference facility through hotel occupancy taxes.
- Below market interest rate loans from municipality in one instant, and from a consortium of community lending institutions in another instance.
- Agreement to purchase City parking spaces at “wholesale” rates, below market, in order to resell to hotel guests at a profit.
- Shared obligations for replacement of hotel/conference center Capital Equipment.
- Reduced cost and waiver of construction permits and fees.
- City funding of Title Insurance premiums.
- City agreed to purchase and provides shuttles to outlying parking facilities for hotel employees’ use.
- Formation of condominium ownership structure with municipal ownership and below market lease to private enterprise.
- City loan with two percent (2.0%) interest for 25 years.
- One dollar (\$1.00) per year premises lease with City participation in excess profits.
- Municipal guarantee of portion of private loans, secured by Municipal Letter of Credit.
- Sale/Leaseback of certain hotel public spaces to City with lease payments equal to incremental City bond costs.

REFERENCES

- **Proposed Hotel Tuscaloosa, Alabama**

PKF conducted a market study and economic impact study for a proposed hotel in downtown Tuscaloosa, Alabama in March and July 2014. The client is moving forward with the development of this hotel.

Client Contact: Chance Partners, LLC
 Jeff Rosen
 5256 Peachtree Road, Suite 135
 Atlanta, GA 30341
 jrosen@chance-partners.com
 (678) 608-0553

- **Proposed Hotels Rome, Georgia**

PKF conducted a market study for two proposed hotels in downtown Rome, Georgia in March, 2014. The client's borrower is moving forward with the development of these hotels.

Client Contact: Citizens' First Bank
 Mr. Mac McKnight
 Vice President
 P.O. Box 1613
 Rome, GA 30162
 macmcknight@synovus.com
 (706) 291-5060

- **Proposed Hotel Conway, South Carolina**

PKF conducted a market study for a proposed hotel in historic downtown Conway, South Carolina in February 2013. The results of the study led the client to postpone development of the hotel.

Client Contact: City of Conway
 Bill Graham
 City Administrator
 PO Box 1075

Conway, SC 29528
bgraham@cityofconway.com
(843) 248-1760

- **Proposed Hotel Beaufort, North Carolina**

PKF conducted a market study for a proposed hotel on the waterfront in Beaufort, North Carolina in late 2012. The client is seeking financing for the development of this hotel.

Client Contact: Front Street Village
Bucky Oliver
2400 Lennoxville Road
Beaufort, NC 28516
bucky@jetcraft.com
(252) 728-6509

- **Proposed Conference Center Beaufort, South Carolina**

PKF conducted a market and feasibility study as well as an economic impact analysis for a proposed stand-alone conference center in Beaufort, South Carolina in late 2011. The results of the study led the client to suspend or postpone development of the facility.

Client Contact: Beaufort Regional Chamber of Commerce
Christy Brewer
PO Box 910
Beaufort, SC 29901
(843) 525-8500

CONDITIONS OF OUR WORK

The report is subject to the following conditions and limitations:

- In preparing the report, the consultant will rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either express or implied, is given by the consultant for the accuracy of such information and the consultant assumes no responsibility for information relied upon later found to have been inaccurate. The consultant reserves the right

to make such adjustments to the analyses, opinions and conclusions set forth in the report as may be required by consideration of additional data or more reliable data that may become available. We will take no responsibility for the accuracy of information provided to us by you, by interviewees in the market, or by any other sources. Although we shall attempt to ensure that this information is reliable, we will not actually audit or verify the data.

- Estimates of future utilization for the Project will be based upon the assumption it will be operated under responsible ownership and competent management throughout the period of our analysis.
- Projections of utilization will be based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and other factors, including certain information that you may provide. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from the estimates, and the variations may be material. PKF Consulting USA will make no representation or warranty as to the accuracy or completeness of information contained within the presentation materials and/or report, including any estimates, and shall take no responsibility for any representations (express or implied) contained in, or for omissions from, the report.
- The information and analyses provided to you in presentation and/or report form will be intended for your information and internal use and decision-making purposes. They may also be used in connection with your efforts to secure financing for the Project, or in securing a developer for the Project. They should not be relied on for any other purpose. Neither our presentation material, nor our report, nor any reference to our Firm may be included or quoted in any offering circular, registration statement, prospectus, sales brochure, appraisal, loan agreement, or any other document in connection with the solicitation of investments from the public in either private placements or public offerings without our specific, advance written consent. Such consent may require the completion of certain additional due diligence procedures that are not included within the scope of work described in this proposal.
- The market analyses will be based on economic conditions and estimated supply and demand factors as of the last day of fieldwork. We will not assume any responsibility for economic or physical factors occurring after that date. We will

have no obligation to update our findings regarding changes in market conditions that occur subsequent to the completion of our fieldwork.

- The scope of our study and the report thereon will not include the possible impact of zoning or environmental regulations, licensing requirements, or other such matters unless they have been brought to our attention and are disclosed in the report.
- Any drafts or preliminary information communicated to you during the course of the assignment are for your internal management use only and may not be disclosed to any outside parties without our prior consent.
- This proposal shall be effective for a period of sixty (60) days from its date. Should your acceptance be delayed beyond that time, we reserve the right to modify any of the terms and conditions of our work, including our fee structure, at our sole option.
- PKF Consulting USA cannot be held liable in any course of action resulting in mediation, arbitration or litigation for any dollar amount that exceeds the fees collected from this assignment.

APPRAISAL SERVICES

PKF Consulting USA is fully qualified to provide appraisal services at the appropriate time in the development cycle of the proposed Hotel. The scope of appraisal services is not included in this proposal; however, we shall be pleased to present a subsequent proposal for such services to be performed in conjunction with the services described herein.

APPROVAL AND ACCEPTANCE

If the foregoing correctly states the nature of the work you wish undertaken at this time, and arrangements are satisfactory, please sign the enclosed copy of this proposal and return it to us, together with the requested 60% retainer, as our authorization to begin the assignment. Should you have any questions, please do not hesitate to call me at (404) 809-3949.

PKF Consulting USA is authorized to provide the services outlined in this proposal through its affiliates and we appreciate the opportunity to submit this proposal and we look forward to working with you on this very interesting assignment.

Very truly yours,



Scott D. Smith,
Senior Vice President
PKF Consulting USA
A subsidiary of CBRE, Inc.

ACCEPTED

By: _____ (Please sign)

Douglas S. Hollberg (Please print)

Company: City of Griffin, GA (Please print)

Position: Chairperson

Date: _____

ACCEPTED

By: _____ (Please sign)

_____ (Please print)

Company: _____ (Please print)

Position: _____

Date: _____

ACCEPTED

By: _____ (Please sign)

_____ (Please print)

Company: _____ (Please print)

Position: _____

Date: _____

APPROVED AS TO FORM

THIS 6th DAY OF May, 2015

BY: 
CITY ATTORNEY