



Downtown San Antonio

MIXED USE DEVELOPMENT



RESPONSIVE ENGAGED MOTIVATED

OFFICE SPACE

43,000 Sq. Ft

CAMBRIA

Hotels & Suites

184 Room
Boutique Upscale Hotel

MEETING SPACE & PRE FUNCTION

8,400 Sq. Ft

RESTAURANT SITE

4,000 Sq. ft interior
+ 1,100 Sq. ft Patio

ROOFTOP BAR

4,000 Sq. Ft
Rooftop bar

RETAIL SITE

4,000 Sq. Ft
+ 1,000 Sq Ft Patio

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PROPERTY LOCATION

100 N Main AVE
SAN ANTONIO, TX 78205

***Please note that any and all computations and projections herein are estimates or examples based on the assumptions and criteria contained in this document. They are not intended to be and do not constitute a warranty or guarantee, and are not a substitute for investor due diligence.

LOCATION & SURROUNDINGS

With only one newly built hotel in the last decade, most hotels in Downtown San Antonio are off the main track & very regulated. We have the flexibility & control to build a product that can shape the design of our surrounding areas.



About half a block East is the San Antonio Riverwalk entrance. This allows for the convenience of our leisure markets the accessibility to one of downtown San Antonio's main attractions.



Recently, the missions in San Antonio have been inducted as UNESCO World Heritage Site. The only one in Texas and one out of 23 in the US. This is an opportunity and to us, an opportunity of a lifetime.



Business locations nearby provide plenty of opportunity for the property, its revenue and its guests.

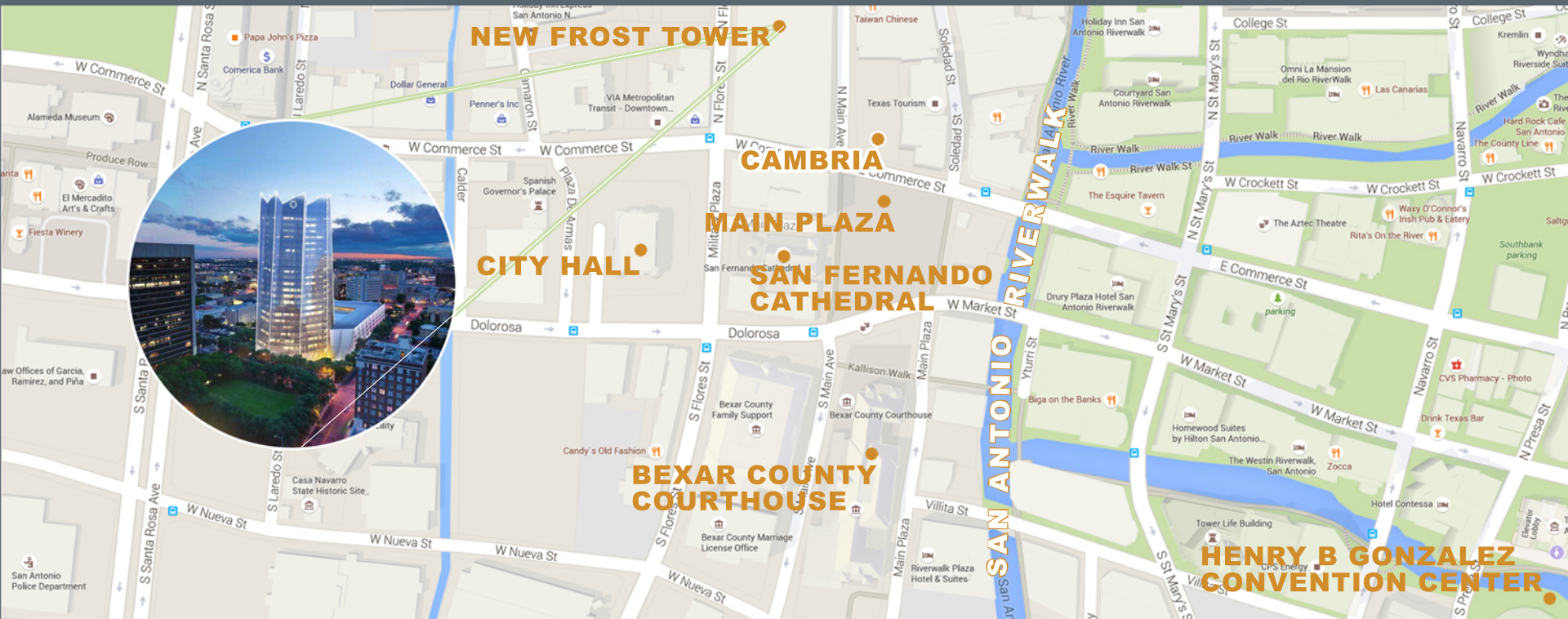
The saga at San Fernando Cathedral & Main Plaza, artistic capital of downtown that will continue to expand and grow with the San Antonio 2020 plan



Our opportunity is a clean slate on the Northwest Corner, near local attractions and businesses. With approximately 3 million square feet of office space within a quarter mile of the Cambria, this location is primed to attract the modern business traveler and the millenials - Two key components in today's economy.

LOCATION

In addition to Main Plaza and San Fernando Cathedral, directly across the street are the City of San Antonio Municipal Offices and City Hall. Directly across the plaza is the main Courthouse for the area that is consistently solicited by those outside of San Antonio.



This location will be the closest hotel & food outlet to the main stream businesses that surround the Plaza. One place of note is the upcoming 400,000 square foot Frost Tower just down the street.

THE PLAN - HOTEL

Our analysis contained within on the hotel side takes in very conservative numbers and competitive sets to provide our analysis on the returns that we would achieve in the downtown market. we have provided some research data that shows some actual numbers from existing downtown properties that do not have a prime location to ensure projections are not overestimated.

Our partnership with Cambria Hotels will bring their boutique brand to the Downtown San Antonio Area. Cambria Hotels has recently launched two properties in New York City and has signed locations in Brickell, Miami, Downtown Denver, Downtown Los Angeles and other high end market segments



ABOUT CAMBRIA

The Cambria Brand is Choice's upscale lifestyle brand that was created to target Business and Millennial Travelers.

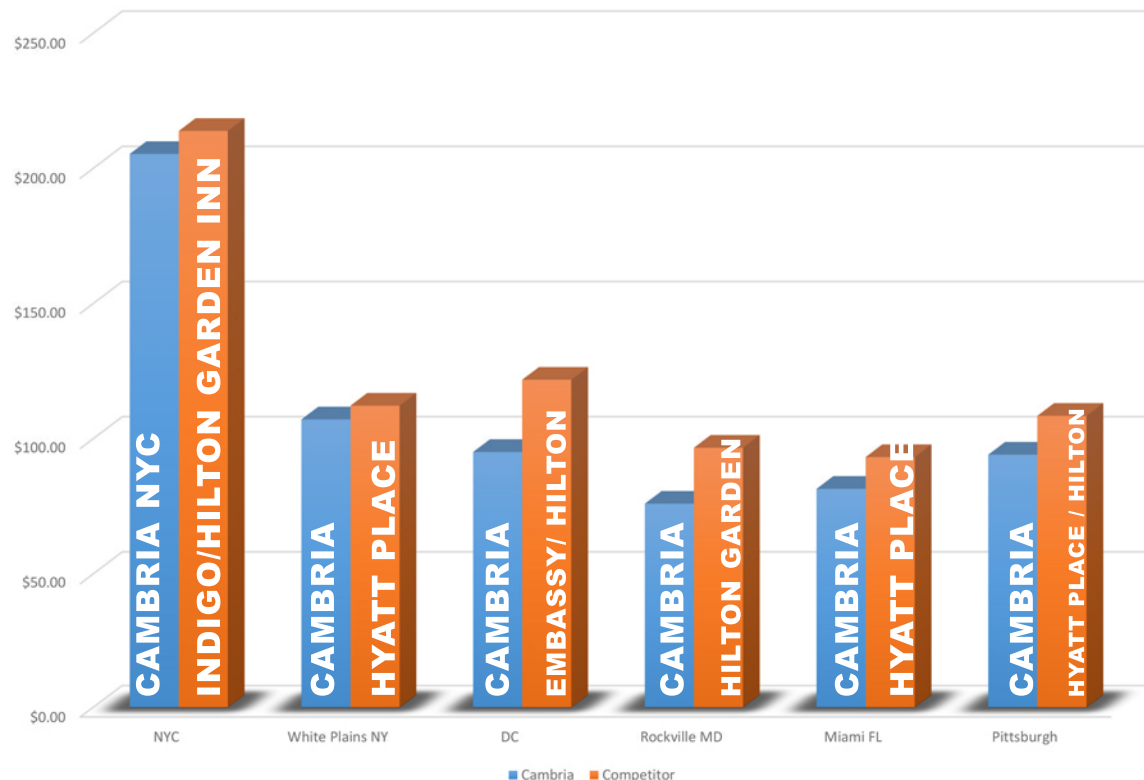
Their goal is to be in the Top 75 Markets in the States and have placement preference amongst travelers above the Hilton Garden Inn and Marriott Courtyard Products.

In markets that they have opened in the last 18 Months, the performance of the Cambria's has surpassed all expectations and exceeded market performance.

See Appendix C



RevPAR Comparison by Market

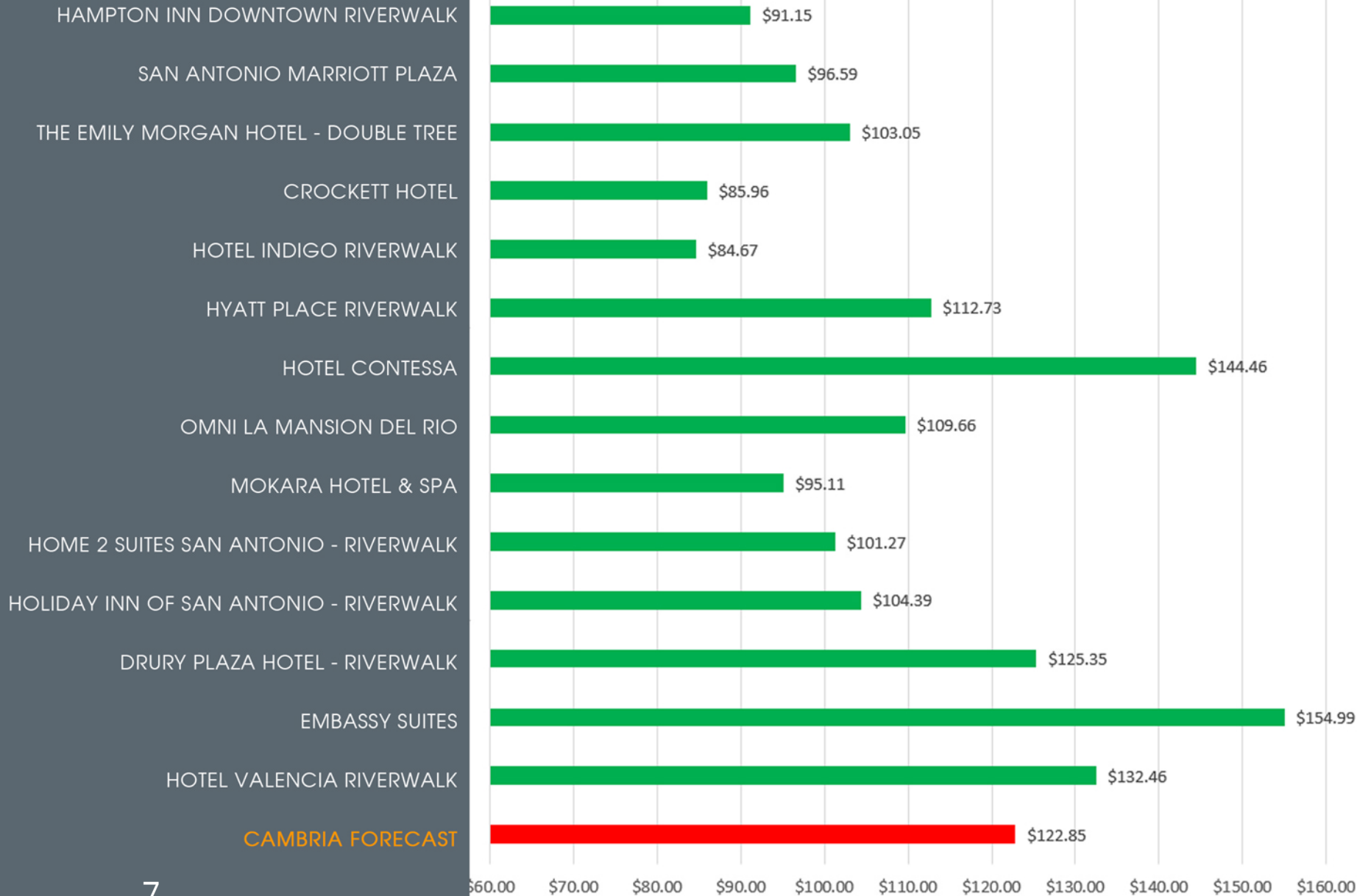


NEARBY HOTEL DATA

<u>Proximity</u>	<u>Hotel Name</u>	<u>ROOM COUNT</u>	<u>12- month</u>	<u>Revenue/Room</u>	<u>RevPar</u>
<u>0</u>	<u>Cambria Forecast</u>	<u>184</u>	<u>\$8,250,606</u>	<u>\$44,840</u>	<u>\$123</u>
0.1	Hotel Valencia Riverwalk	213	\$10,297,813	\$ 48,347	\$ 132
0.1	Embassy Suites	285	\$16,122,491	\$ 56,570	\$ 155
0.1	Drury Plaza Hotel Riverwalk	305	\$13,954,224	\$ 45,752	\$ 125
0.1	Holiday Inn Riverwalk	313	\$11,925,700	\$ 38,101	\$ 104
0.2	Home 2 Suites Riverwalk	128	\$4,731,515	\$ 36,965	\$ 101
0.2	Mokara Hotel & Spa	200	\$6,942,979	\$ 34,715	\$ 95
0.2	Omni La Mansion Del Rio	338	\$13,528,394	\$ 40,025	\$ 110
0.3	Hotel Contessa	265	\$13,972,583	\$ 52,727	\$ 144
0.4	Hyatt Place Riverwalk	132	\$5,431,260	\$ 41,146	\$ 113
0.4	Hotel Indigo Riverwalk	149	\$4,604,862	\$ 30,905	\$ 85
0.5	Crockett Hotel	138	\$4,329,974	\$ 31,377	\$ 86
0.5	The Emily Morgan Hotel - A Doubletree by Hilton	177	\$6,657,232	\$ 37,611	\$ 103
0.5	San Antonio Marriott Plaza	251	\$8,849,115	\$ 35,255	\$ 97
0.6	Hampton Inn Riverwalk	169	\$5,622,661	\$ 33,270	\$ 91
Average REVPAR excluding Cambria					\$ 110

Room revenue was calculated using Texas Occupancy Tax data.
 We used the 15 most eligible properties based on distance and similarity.
 The room count for these hotels range from 149 to 300 rooms.
 All hotel average data is based on first 3 quarters of 2015, source: STR Inc

Revenue Per Available Room



THE PLAN - ROOFTOP BAR



Since there is no space for new construction in the Downtown San Antonio market, the rooftop bar concept that has taken off around the US has not been implemented in San Antonio.

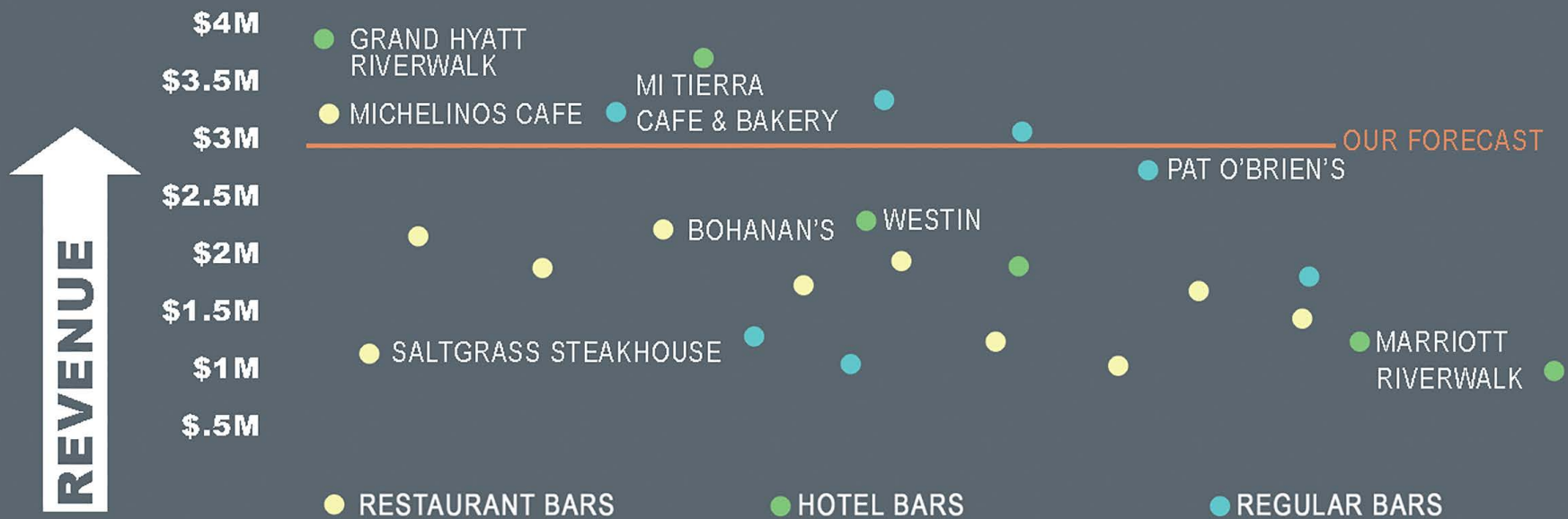
We have analyzed the mixed beverage sales at other downtown Hotel bars. We have also studied lounges nearby the San Antonio Downtown market help better estimate our earnings.

Our consultations with different high end lounges throughout the US gave us a baseline for planning, construction and product configuration.



FOOD & BEVERAGE REVENUE

Roof Top bar and restaurant are forecasted based on running internally. This chart uses 11 San Antonio Downtown bar revenues to estimate the weekly patrons around the area.



THE PLAN - OFFICE SPACE & RETAIL

The office space at the Cambria falls under the Class A category. The average asking rate in the San Antonio Market is \$25.73 with the highest being \$31.

The Central Business District (CBD) is where the Cambria will reside. The vacancy rate for the district is 13.2%



Assumptions

Office Space

- 38,952 square feet of rentable space
- \$30 per square feet with \$10 triple net
- Class A Office Space based on 90% occupancy

Retail Space

- 4100 square feet of rentable space
- \$28 per square feet with \$7 triple net

FINANCIAL PROJECTIONS

Year 1 Revenue Summary

Room Count	184
Projected ADR	\$159.00
Projected Occ. %	65%
Projected RevPar	\$103.35
Projected Revenue	\$6,940,986
F&B and Banquet	\$3,106,548.00
Retail	\$146,300
Office	\$1,433,558
Project Revenue	\$11,627,392

Cost Summary

Total Cost	\$47,717,481
Down Payment	\$22,000,000
Loan	\$25,717,481
Term Length (Years)	25
Interest Rate	6.50%
Monthly Payment	\$151,282
Annual Payment	\$1,815,384
Cost Per Key	\$184,500.00
Revenue Per Key	\$ 37,723

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20
	2019	2020	2021	2022	2023	2028	2033	2038
ADR FORECAST	\$ 159.00	\$ 159.00	\$ 169.00	\$ 172.38	\$ 175.83	\$ 190.34	\$ 211.17	\$ 238.91
OCCUPANCY FORECAST	65%	68%	73%	73%	73%	73%	73%	73%
Occupied Room Nights	43,654	45,669	49,027	49,027	49,027	49,027	49,027	49,027
REVPAR FORECAST	\$ 103.35	\$ 108.12	\$ 123.37	\$ 125.84	\$ 128.35	\$ 138.95	\$ 154.15	\$ 174.41
Revenue Per Key	\$ 37,723	\$ 39,464	\$ 45,030	\$ 45,931	\$ 46,849	\$ 50,716	\$ 56,265	\$ 63,659
TOTAL SALES FOR ROOMS	\$ 6,940,986	\$ 7,261,339	\$ 8,285,529	\$ 8,451,240	\$ 8,620,265	\$ 9,331,766	\$10,352,780	\$11,713,221
TOTAL SALES RETAIL OFFICE	\$ 1,579,858	\$ 1,579,858	\$ 1,579,858	\$ 1,583,624	\$ 1,612,312	\$ 1,645,799	\$ 1,694,027	\$ 1,746,000
TOTAL SALES BAR RESTAURANT BANQUETS	\$ 3,106,548	\$ 3,312,252	\$ 3,613,794	\$ 3,704,139	\$ 3,796,743	\$ 4,295,666	\$ 4,860,162	\$ 5,498,836
Total Revenue	\$ 11,627,392	\$12,153,450	\$13,479,182	\$ 13,739,004	\$14,029,320	\$15,273,231	\$16,906,969	\$18,958,056
Net Operating Income	\$ 4,463,594	\$ 4,684,318	\$ 5,510,314	\$ 5,601,933	\$ 5,719,134	\$ 6,073,291	\$ 6,658,002	\$ 7,482,407
Cash Flow	\$ 2,370,571	\$ 2,578,480	\$ 3,363,509	\$ 3,448,500	\$ 2,189,458	\$ 2,515,154	\$ 3,059,025	\$ 5,198,494
ROI	12.46%	13.51%	17.20%	79.93%	13.72%	16.39%	20.42%	29.74%
Cash on Cash Return	10.78%	11.72%	15.29%	77.89%	9.95%	11.43%	13.90%	23.63%

TIMELINE

ARCHITECTURAL PLANNING & DESIGN

Completed

CLOSE ON LAND

Completed

ENGAGE ARCHITECT

Completed

CIVIL PLANS SUBMITTED TO CITY

Approved

SHARE HOLDER COMMITMENT

Dec 31, 2016

SHARE HOLDER FUNDS AT BANK

Jan 2017

LOAN APPROVAL

Feb 2016

BREAK GROUND

Feb 2016

FULL SET PERMITTED

Jan 2017

PHASE ONE INFRASTRUCTURE

Opening Date

January 2018 - June 2018

(based on weather & city delays due to downtown market)



RESPONSIVE ENGAGED MOTIVATED

Vision Statement:

REM Hospitality will continue to be a nationally recognized hospitality organization that is innovative, inspiring and profitable.

Mission Statement

REM Hospitality maximizes assets in multiple states, in partnership with exceptional associates and a robust pool of investors. To achieve our mission, we must stay Responsive, Engaged, and Motivated!

Investor Relationships:

Create a healthy and mutual relationship with our partners and investors sustenance and passion to help each other grow



PRATIK PATEL
CEO / CO-FOUNDER
CHA/CHO/MBA/MSIS



ANAND BHAKTA
CFO / CO-FOUNDER
CHA/CHO/MBA

4801 NW LOOP 410 • SAN ANTONIO, TX 78229 • PH: 210 853 3651

EM: PRATIK@REMHOSPITALITY.COM • CELL: 210 274 3050

EM: ANAND@REMHOSPITALITY.COM • CELL: 210 885 1428

WEB: REMHOSPITALITY.COM