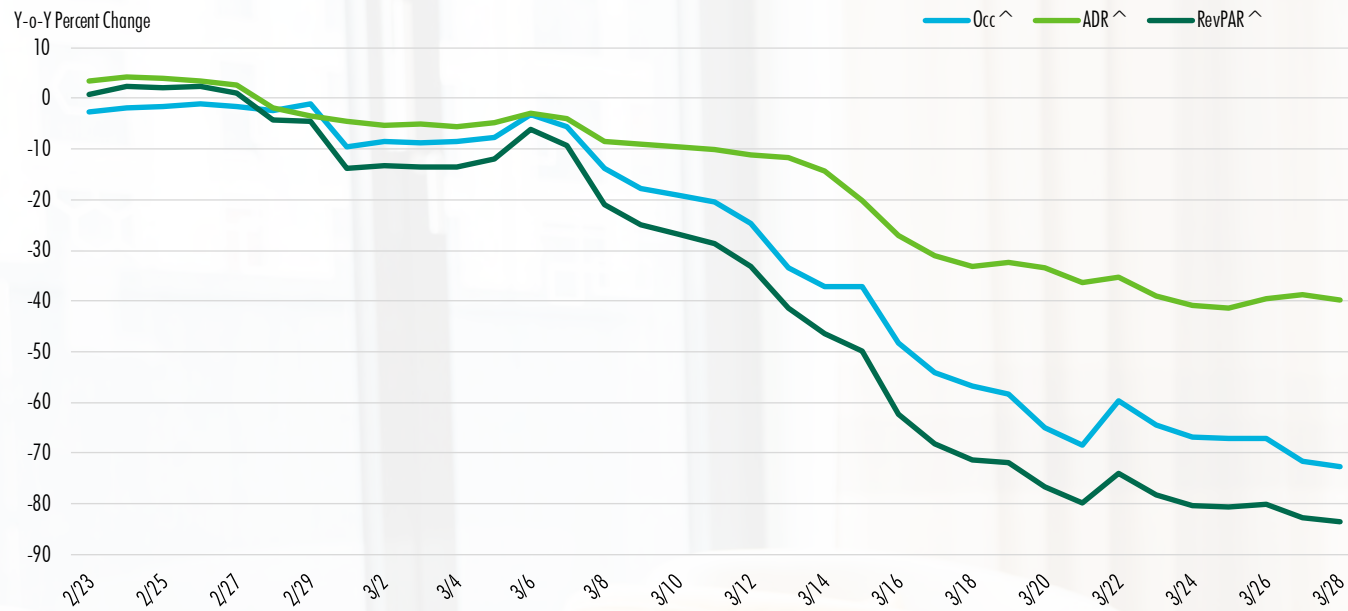
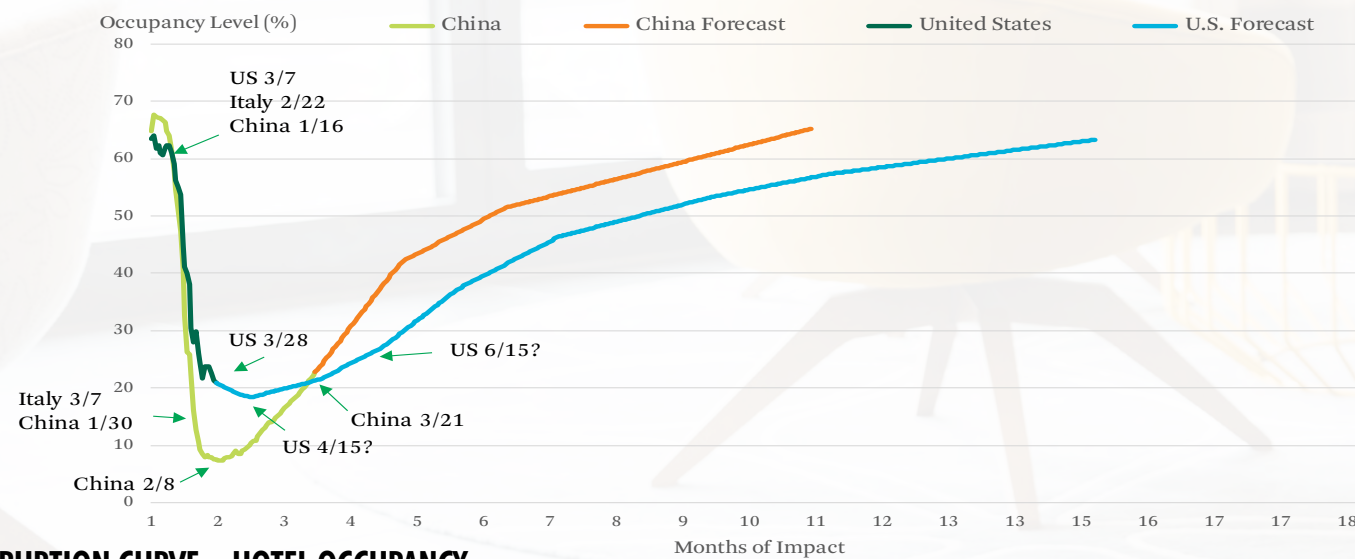


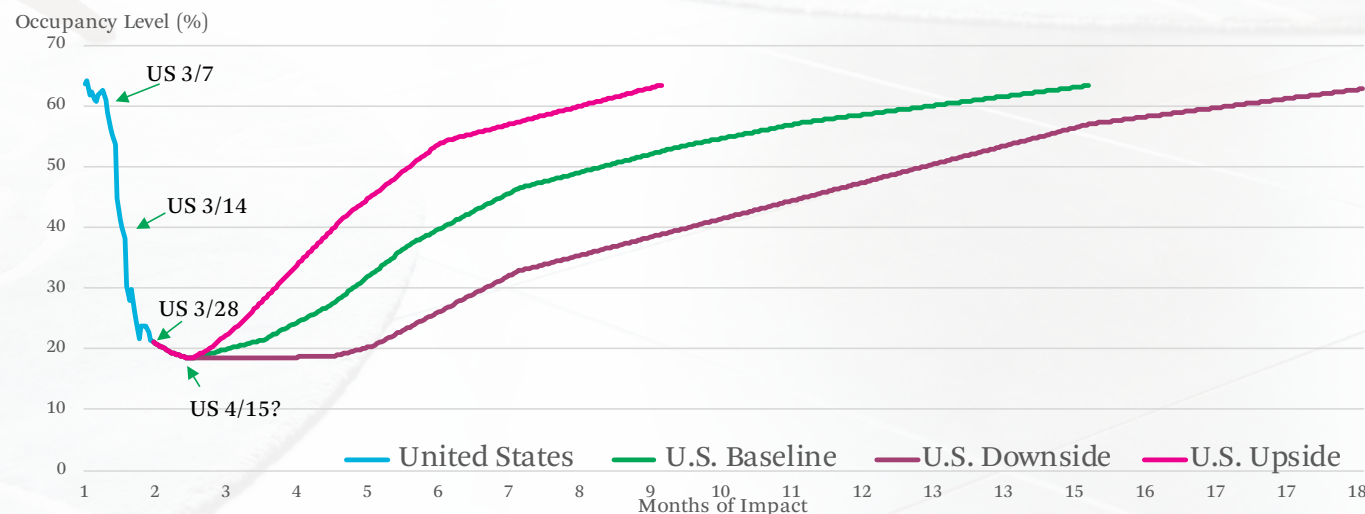
DEEP DECLINES IN PERFORMANCE



DISRUPTION CURVE – HOTEL OCCUPANCY



DISRUPTION CURVE – HOTEL OCCUPANCY



CBRE Hotels projects a “Baseline” impact forecast for year end 2020 RevPAR at -45.8%. There is also an “Upside” and “Downside” scenario bracketing the Baseline. These scenarios project an impact ranging from a -32.6% to a -56.2% impact on RevPAR. The 6 charts below depict 1) the daily impact of the virus on National Occupancy, ADR and RevPAR. 2) the disruption curve showing the historic and projected trajectory of hotel occupancy in both China and the US, 3) The graphically depicted baseline, upside and downside recovery scenarios, 4) the CBRE Forecast before the Virus, 5) the updated downside forecast of the baseline scenario, and 6) a chart showing the impact on RevPAR for each of the three scenarios. Bear in mind that the impact of the coronavirus will cause a **temporary displacement** of hotel demand. The USA is a social and a mobile society that relies and thrives on travel, **the industry will rebound dramatically** once we collectively conquer the virus.

PUBLISHED FORECASTS - NO GROWTH FOR 2020 (BEFORE COVID-19 TRANSMISSION OUTSIDE OF CHINA)

Year	Occ	Occ^	ADR	ADR^	RevPAR*	RevPAR^	Supply	Supply^	Demand	Demand^
2015	65.4%	-	\$120.41	-	\$78.69	-	4,951,673	-	3,235,921	-
2016	65.4%	0.1%	\$124.06	3.0%	\$81.14	3.1%	5,021,012	1.4%	3,283,828	1.5%
2017	65.9%	0.7%	\$126.81	2.2%	\$83.52	2.9%	5,106,199	1.7%	3,363,052	2.4%
2018	66.1%	0.4%	\$129.96	2.5%	\$85.94	2.9%	5,206,614	2.0%	3,442,727	2.4%
2019	66.1%	0.0%	\$131.20	1.0%	\$86.73	0.9%	5,311,653	2.0%	3,511,367	2.0%
2020	65.6%	-0.8%	\$132.09	0.7%	\$83.63	-0.1%	5,417,265	2.0%	3,552,637	1.2%
2021	65.8%	0.3%	133.54	1.1%	\$87.86	1.4%	5,515,924	1.8%	3,629,089	2.2%

UPDATED DOWNSIDE FORECAST – PRELIMINARY

Year	Occ	Occ^	ADR	ADR^	RevPAR	RevPAR^	Supply	Supply^	Demand	Demand^
2016	65.4%	0.1%	\$124.06	3.0%	\$81.14	3.1%	5,021,012	1.4%	3,283,828	1.5%
2017	65.9%	0.7%	\$126.81	2.2%	\$83.52	2.9%	5,106,199	1.7%	3,363,052	2.4%
2018	66.1%	0.4%	\$129.96	2.5%	\$85.94	2.9%	5,206,614	2.0%	3,442,727	2.4%
2019	66.1%	0.0%	\$131.20	1.0%	\$86.73	0.9%	5,311,653	2.0%	3,511,367	2.0%
2020	42.7%	-35.4%	\$110.01	-16.2%	\$46.96	-45.8%	5,345,979	0.6%	2,282,996	-35.0%
2021	59.9%	40.2%	\$123.64	12.4%	\$74.02	57.5%	5,376,941	0.6%	3,218,893	41.0%
2022	63.8%	6.5%	\$131.68	6.5%	\$83.95	13.4%	5,442,008	1.2%	3,496,446	7.8%
2023	64.8%	1.7%	\$134.45	2.1%	\$87.17	3.8%	5,538,607	1.8%	3,590,764	3.5%
2024	65.6%	1.2%	\$136.72	1.7%	\$89.67	2.9%	5,635,150	1.7%	3,695,984	2.9%

UPDATED DOWNSIDE FORECAST – PRELIMINARY

Year	Baseline		Upside		Downside	
	RevPAR	RevPAR^	RevPAR	RevPAR^	RevPAR	RevPAR^
2016	\$81.14	3.1%	\$81.14	3.1%	\$81.14	3.1%
2017	\$83.52	2.9%	\$83.52	2.9%	\$83.52	2.9%
2018	\$85.94	2.9%	\$85.94	2.9%	\$85.94	2.9%
2019	\$86.73	0.9%	\$86.73	0.9%	\$86.73	0.9%
2020	\$46.98	-45.0%	\$58.48	-32.6%	\$38.03	-56.2%
2021	\$74.02	57.5%	\$87.41	49.5%	\$64.65	70.0%
2022	\$83.95	13.4%	\$91.70	4.9%	\$75.55	16.9%
2023	\$87.17	3.8%	\$95.10	3.7%	\$82.43	9.1%

CASE STUDY: SAMPLE LIMITED SERVICE HOTEL PERFORMANCE

- Sample limited service hotel that was performing well before any impact at 75% occupancy and \$115 ADR
- Assumed debt underwritten at a 75% LTV and a healthy 171% DCR with 25-year fixed debt at 5%

	Unimpacted	Impact Ratio		
Scenario		-35%	-45%	-55%
Rooms	120	120	120	120
Occupancy	75.0%			
ADR	\$115.00			
RevPAR	\$86.25	\$55.06	\$47.44	\$38.81
Income Performance				
Room Revenue	\$3,777,750	\$2,455,538	\$2,007,763	\$1,699,988
Total Revenue	\$3,834,416	\$2,492,371	\$2,108,929	\$1,725,487
Net Income ratio	35.0%	27.5%	25.00%	20.00%
Indicated operating expense	\$2,492,371	\$1,806,969	\$1,518,697	\$1,380,390
Net Income	\$1,342,046	\$685,402	\$527,232	\$345,097
Debt Service				
Loan Terms (prior to impact)				
LTV	75.00%			
Evaluation (at 9% Cap Rate)	\$14,911,619			
Initial Debt	\$11,183,714			
Interest Rate	5.0%			
Amortization	25			
Payment	\$784,547	\$784,547	\$784,547	\$784,547
Debt Coverage	171.0%	87%	67%	44%

CONCLUSIONS:

- The expenses while declining in each scenario on an absolute dollar basis, experienced a significant increase in the ratio to top line revenue. This is due to the significant amount of fixed expense and lower flow through at lower levels of performance.
- The change in debt coverage is enormous, dropping from a healthy 171% to a point where the NOI represents less than 70% of the debt payment at the expected baseline impact in 2020.
- **Debt coverage appears to drop below 1.0 at about a 26% decline in year end 2020 top line revenue.**
- Please keep in mind that we believe that there is a finite duration to the impact. The economy was extremely healthy before the virus, and while much of America is out of circulation, temporarily, the rebound should spike subsequent to the short-term crunch.

CORONAVIRUS RESOURCES

- Click the links below for more information on the impacts of the Coronavirus from a Federal, State and Local (Columbus) level. Other additional resources are listed below as well.

FEDERAL

- [U.S. Small Business Administration's Disaster Loan Assistance](#)
- [U.S. Chamber of Commerce Combating the Coronavirus](#)
- [Interim Guidance for Businesses and Employers from the CDC](#)

STATE & LOCAL

- [Ohio Unemployment Benefits](#)
- [Families First Coronavirus Response Act](#)
- [SharedWork Ohio](#)
- [Ohio Bankers League](#)
- [Economic & Community Development Institute Loan Program](#)

ADDITIONAL RESOURCES

- [Hotel ViewPoint | An Updated 2020 Outlook](#)
- [CBRE | The Weekly Take](#)
- [CBRE Insights](#)
- [One Columbus](#)
- [Columbus Business First | Small Business Resources](#)
- [OHLA](#)
- [AHLA](#)

PUBLIC HEALTH UPDATES

- [Centers for Disease Control and Prevention](#)
- [World Health Organization](#)
- [Ohio Department of Health](#)

NEWS

- [US Hotel RevPar forecasted to drop 50.6% for 2020](#)
- [As hotels plead for 'second' stimulus, Columbus stares down \\$379M in possible loan defaults](#)
- [How Hotel Brands are responding to COVID-19](#)
- [Big-Name Hotels Go Empty as Smaller Owners are Hurt](#)
- [\\$2 Trillion Coronavirus Economic Rescue Package](#)
- [Coronavirus and the Travel Industry](#)
- [Proposed Payroll Tax Cut](#)
- [Donald Trump Plans to Send Stimulus Checks to Workers, Bailout Airlines, Hotels](#)

ADDITIONAL INFORMATION CAN BE FOUND [HERE](#)

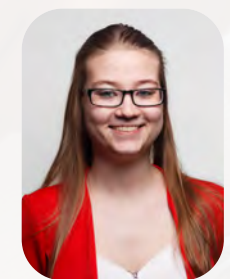
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