

Marriott Autograph Collection Truax Hotel - Temecula, CA



Project Highlights

- Fully Entitled Hospitality Project; Fee Land
#1 Marriott brand Autograph hotel
- Premium Product Located in World-Renowned
Temecula Wine Country; AUTOMATED 508
SPACE GARAGE with 300 spaces for public rental
- 4 Star Hotel; 185 Guest Rooms including 9
suites, gourmet restaurant, wedding
venue, bridal suite, rooftop bar, pool with
waterfall, 415sf ave room size, penthouses
- High Upside Potential upon Exit or Long-Term Hold
Grading started /Building permits ready to pull











THE TRUAX HOTEL

A Marriott Autograph Collections Property

The Truax Hotel, located in Old Town Temecula, California is part of the Truax Legacy. Built with state-of-the-art technology, this "Turn of the Century Design" honors the area's historic Western past while embracing vibrant future.

This luxury destination resort includes a four-star hotel, banquet and conference facilities, health club and luxury spa services, with boutique shops, bar & lounge and four dining experiences. The project features architectural elements including paseo walkways, water features roof-top patio, pool, jacuzzi, wedding venue and inviting outdoor spaces. Construction is underway, but was stopped due to default by lender on recorded \$86M construction loan.



Watch the Hotel come to life and learn more about Temecula.

<https://www.youtube.com/watch?v=IDFuVEX5LHs>



Truax Hotel Pool Deck

OFFERING MEMORANDUM

Equity -\$57M

Construction -\$105M

*Live. Work. Play...
in Old Town
Temecula*

Specifications:

- Luxury Hotel
- 201,538 Sq. Ft.
- Two Towers, 5 floors each::
 - Spanish
 - Western
- 185 Guest Rooms
 - 13 Suites
- Wedding Venue
- Banquet and Conference
- 4 Restaruant
- Retail
- Luxury Spa
- Health Club
- Pool & Jacuzzi
- Bar & Lounge
- Roof Top Patio
- Automated for profit garage with 508 spaces

Owner: Truax Family of Companies
Contact: David Fogg
David.Fogg@TruaxMgt.com

Truax Development
41923 Second Street, Suite 401,
Temecula, CA 92590,
Phone (951)764-7813

General Contractor: davisREED
Hotel Operator: Evolution
Architect: NOAA Group
Interior Design: Addir Design











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Capital Stack:			Milestones/completion dates	Permanent loan	Permanent loan	Terminal event	Sale of Property
Capital Stack:	Total	%	detail schedule to be provided	NOI below \$ 14,413,556		NOI below 17,408,759	
	rate	loan to cost		Prop taxes 856,800		Prop taxes 964,896	
Construction loan	9.50%	65.0%		Adjusted NOI \$ 15,270,356	\$ 15,270,356	Adjusted NOI 18,373,655	18,373,655
Capital	51,991,216	IRR 23.01%		Value at cap rate \$ 277,642,838		Value at cap rate 334,066,458	
Total project cost	\$ 148,416,216		Total due Temecula hotel investments:	Adj. prop taxes (1.02%) (2,831,957)		Adj. prop taxes (1.02%) (3,407,478)	
Cash investment needed:			Total debt \$ 11,996,996	NOI as adjusted \$ 12,438,399		NOI as adjusted 14,966,177	
Existing member Neste			Accrued interest \$ 6,701,875	Cap rate 5.50%		Cap rate 5.50%	
Payoff land note	\$ 4,481,356		Total capital \$ 2,209,740	Value after new property taxes 226,152,712		Value after new property taxes 272,112,315	
Payoff THI investment principal 14,206,736			Preferred return \$ 963,970	Loan to Value 71%		Selling costs - 2% (5,442,246)	
Payoff THI accrued interest and pref return \$ 7,665,845	21,872,581		Payoff to THI \$ 21,872,581	Loan amount \$ 159,437,662		Net proceeds before debt payoff 266,670,068	
Payoff accumulated property taxes 4,797,281				Rate 5.25%		Payoff permanent loan (140,921,223)	
Payoff capitalized Pace interest remaining on tax roll 1,700,000				Payoff const. ln (96,425,000)		Net proceeds 125,748,845	
Total obligation - Neste 32,851,218				Net cash after payoff const. loan 63,012,662			
Discount (18,851,218)				annual pay't			
Net payoff to Neste 14,000,000				DSCR 10,565,048 1.36			
Existing member Pascoe \$ 500,000				Debt yield - NOI/Debt (must exceed 9%) 9.04%			
LAND ACQUISITION 14,500,000							
Payoff accounts payable 4,474,999							
Equity origination fee -2 points 1,030,000							
Additional cash to fund construction loan equity 31,986,217							
Total Cash Investment \$ 51,991,216							

Cost breakdown		%
Land	\$ 14,500,000	9.77%
Hard costs	110,400,917	74.39%
Soft costs	12,000,176	8.09%
Finance	11,515,123	7.76%
Total budget	\$ 148,416,216	100.00%

Fiscal period	construction term		perm loan							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Average Daily Rate-Evolution comp set 2			\$330.09	\$374.70	\$397.18	\$409.09	\$421.36	\$434.00	\$447.02	\$460.43
Occupancy			68.0%	74.0%	76.0%	76.0%	76.0%	76.0%	76.0%	76.0%
RevPar			\$ 224.50	\$ 277.45	\$ 301.74	\$ 310.79	\$ 320.04	\$ 329.64	\$ 339.53	\$ 349.71
Available Rooms			67,710	67,525	67,525	67,525	67,710	67,525	67,525	67,525
Rooms sold			46,050	50,000	51,300	51,300	51,428	51,288	51,288	51,288
Net operating income hotel - Evolution projection 11.18.22 using STR 11.17.22			\$ 10,378,443	\$ 13,292,494	\$ 14,161,005	\$ 14,180,484	\$ 14,681,860	\$ 15,134,860	\$ 15,595,529	\$ 16,070,152
NOI from Parking Garage:										
Retail space in parking garage - square footage			\$ 2,713	\$ 2,713	\$ 2,713	\$ 2,713	\$ 2,713	\$ 2,713	\$ 2,713	\$ 2,713
Rate -per month			\$ 3.50	\$ 3.61	\$ 3.71	\$ 3.82	\$ 3.94	\$ 4.06	\$ 4.18	\$ 4.30
Annual NNN income from retail space			\$ 113,946	\$ 117,364	\$ 120,885	\$ 124,512	\$ 128,247	\$ 132,095	\$ 136,057	\$ 140,139
Revenue from public parking (300 spaces) (Gibson report-3% cola annual increase):										
Hourly			\$ 344,056	\$ 354,378	\$ 365,009	\$ 375,959	\$ 387,238	\$ 398,855	\$ 410,821	\$ 423,145
Special events - short term			\$ 242,933	\$ 250,221	\$ 257,728	\$ 265,459	\$ 273,423	\$ 281,626	\$ 290,075	\$ 298,777
Special events - long term			\$ 445,100	\$ 458,453	\$ 472,207	\$ 486,373	\$ 500,964	\$ 515,993	\$ 531,473	\$ 547,417
Banquets			\$ 184,320	\$ 189,850	\$ 195,545	\$ 201,411	\$ 207,454	\$ 213,677	\$ 220,088	\$ 226,690
Weddings			\$ 25,920	\$ 26,698	\$ 27,499	\$ 28,323	\$ 29,173	\$ 30,048	\$ 30,950	\$ 31,878
Other			\$ 8,135	\$ 8,379	\$ 8,630	\$ 8,889	\$ 9,156	\$ 9,431	\$ 9,714	\$ 10,005
Less expenses			\$ (276,000)	\$ (284,280)	\$ (292,808)	\$ (301,593)	\$ (310,640)	\$ (319,960)	\$ (329,558)	\$ (339,445)
Net operating income from public portion of automated garage			\$ 974,464	\$ 1,003,698	\$ 1,033,809	\$ 1,064,823	\$ 1,096,768	\$ 1,129,671	\$ 1,163,561	\$ 1,198,468
COMBINED NET OPERATING INCOME			\$ 11,466,853	\$ 14,413,556	\$ 15,315,699	\$ 15,369,819	\$ 15,906,875	\$ 16,396,625	\$ 16,895,147	\$ 17,408,759
Truax asset management fee			\$ (300,000)	\$ (309,000)	\$ (318,270)	\$ (327,818)	\$ (337,653)	\$ (347,782)	\$ (358,216)	\$ (368,962)
Construction loan interest only			(9,160,375)							
Debt Service -permanent loan				(10,565,048)	(10,565,048)	(10,565,048)	(10,565,048)	(10,565,048)	(10,565,048)	(10,565,048)
Refinance/sale of property				63,012,662						125,748,845
Key money Marriott/Evolution			1,800,000							
Luxury tax rebate City of Temecula			600,000							
Total cash received and distributed			\$ 4,406,478	\$ 66,552,170	\$ 4,432,381	\$ 4,476,953	\$ 5,004,174	\$ 5,483,795	\$ 5,971,884	\$ 132,223,594

(see page 2 for waterfall and IRR)

EVOLUTION MANAGEMENT

Projection summary 11.18.22

Hotel Truax, Autograph Collection
 ROOM COUNT: 185
 8 YEAR PRO FORMA

	2026	2027	2028	2029	2030	2031	2032	Sale 2033
Occupancy %	68%	74%	76%	76%	76%	76%	76%	76%
Average Daily Rate	330.09	374.70	397.18	409.09	421.36	434.00	447.02	460.43
% Change		13.33%	6.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RevPAR	224.50	277.45	301.74	310.79	320.04	329.64	339.53	349.71
% Change		23.60%	8.71%	3.00%	2.97%	3.00%	3.00%	3.00%
Total RmNts Sold	46,050	50,000	51,300	51,300	51,428	51,288	51,288	51,288
Total RmNts Available	67,710	67,525	67,525	67,525	67,710	67,525	67,525	67,525
DEPARTMENTAL REVENUE								
Rooms	15,200,750	18,735,000	20,375,146	20,986,400	21,669,751	22,258,860	22,926,626	23,614,425
Food & Beverage	13,295,275	15,069,500	15,910,268	16,387,576	16,903,435	17,410,538	17,932,854	18,470,840
Restaurants & Room Service	6,604,775	7,285,000	7,698,718	7,929,680	8,187,989	8,433,629	8,686,637	8,947,236
Banquets & Catering	6,690,500	7,784,500	8,211,550	8,457,897	8,715,446	8,976,909	9,246,217	9,523,603
Retail Shops	499,193	514,169	529,594	545,482	561,846	578,701	596,062	613,944
Resort Fees	1,036,125	1,200,000	1,313,280	1,313,280	1,398,848	1,440,814	1,484,038	1,528,559
Other Operated Income	69,075	77,250	81,636	84,085	86,824	89,429	92,112	94,875
Misc Other Income	69,075	77,250	81,636	84,085	86,824	89,429	92,112	94,875
Parking	-	-	-	-	-	-	-	-
Total Departmental Revenue	30,169,493	35,673,169	38,291,561	39,400,909	40,707,529	41,867,771	43,123,805	44,417,519
DEPARTMENTAL EXPENSES								
Rooms	2,499,196	2,700,000	2,853,306	2,938,905	3,034,640	3,117,139	3,210,653	3,306,973
Food & Beverage	9,414,617	10,440,470	10,937,336	11,265,456	11,621,269	11,937,202	12,295,318	12,664,177
Retail Shops	67,118	69,132	71,206	73,342	75,542	77,596	79,924	82,321
Resort Fees	362,644	396,000	433,382	433,382	461,620	474,169	488,395	503,046
Other Operated Income	27,630	30,900	32,655	33,634	34,730	35,674	36,744	37,846
Misc Other Income	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-
Total Departmental Expenses	12,371,205	13,636,502	14,327,885	14,744,720	15,227,800	15,641,780	16,111,033	16,594,365
DEPARTMENTAL PROFIT								
Rooms	12,701,554	16,035,000	17,521,840	18,047,495	18,635,111	19,141,721	19,715,973	20,307,452
Food & Beverage	3,880,658	4,629,030	4,972,932	5,122,120	5,282,166	5,473,336	5,637,536	5,806,662
Retail Shops	432,075	445,037	458,388	472,140	486,304	501,106	516,139	531,623
Resort Fees	673,481	804,000	879,898	879,898	937,228	966,644	995,644	1,025,513
Other Operated Income	41,445	46,350	48,982	50,451	52,095	53,755	55,368	57,029
Misc Other Income	69,075	77,250	81,636	84,085	86,824	89,429	92,112	94,875
Total Departmental Profit	17,798,288	22,036,667	23,963,676	24,656,189	25,479,729	26,225,991	27,012,772	27,823,155
OTHER OPERATING EXPENSES								
Administrative & General	1,602,690	1,765,736	1,857,413	1,912,150	1,972,629	2,026,257	2,087,045	2,149,656
Information & Telecommunications	200,000	206,000	212,180	218,545	225,102	231,221	238,158	245,303
Sales & Marketing	2,124,252	2,343,033	2,463,916	2,533,309	2,609,313	2,680,249	2,760,657	2,843,476
Franchise Fees-Marriott	456,023	749,400	1,018,757	1,049,320	1,083,488	1,112,943	1,146,331	1,180,721
Repairs & Maintenance	603,252	621,349	639,990	659,189	678,965	697,423	718,346	739,896
Utilities	391,425	409,814	424,852	437,598	451,008	463,269	477,167	491,482
Total Other Operating Expenses	5,377,642	6,095,332	6,617,108	6,810,111	7,020,504	7,211,362	7,427,704	7,650,533
GROSS OPERATING PROFIT								
	12,420,646	15,941,335	17,346,567	17,846,078	18,459,225	19,014,630	19,585,068	20,172,621
Management Fee	980,509	1,159,378	1,244,476	1,280,530	1,322,995	1,360,703	1,401,524	1,443,569
INCOME BEFORE FIXED EXP	11,440,138	14,781,957	16,102,092	16,565,548	17,136,230	17,653,927	18,183,544	18,729,051
FIXED EXPENSE								
Property Taxes	600,000	612,000	624,240	636,725	649,459	662,448	675,697	689,211
Insurance	160,000	164,000	168,100	172,303	176,610	181,908	187,366	192,987
Total Fixed Expense	760,000	776,000	792,340	809,028	826,069	844,356	863,063	882,198
EBITDA	10,680,138	14,005,957	15,309,752	15,756,520	16,310,161	16,809,571	17,320,481	17,846,853
Less: FF&E Reserve	301,695	713,463	1,148,747	1,576,036	1,628,301	1,674,711	1,724,952	1,776,701
NET OPERATING INCOME	10,378,443	13,292,494	14,161,005	14,180,484	14,681,860	15,134,860	15,595,529	16,070,152

Tab 7 - Day of Week Analysis

Temecula, CA Area Selected Properties UPDATE

Job Number: 1384799_SADIM Staff: GS Created: November 17, 2022

Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Nov - 21	53.9	53.7	63.9	71.5	76.7	82.3	79.4	69.1
Dec - 21	57.9	61.8	63.5	61.4	59.6	68.2	72.1	63.5
Jan - 22	39.8	35.9	36.1	37.5	40.8	58.7	65.3	45.1
Feb - 22	61.3	62.5	57.3	60.0	64.1	74.3	81.7	65.9
Mar - 22	65.8	76.3	78.7	79.4	73.5	79.3	85.6	77.0
Apr - 22	69.2	71.6	74.3	77.2	83.4	87.5	89.6	79.6
May - 22	64.5	61.4	65.8	68.4	72.0	79.6	84.9	70.3
Jun - 22	69.3	69.1	72.0	70.7	75.8	82.8	84.7	74.8
Jul - 22	71.6	70.0	69.2	73.4	77.5	80.0	84.2	75.5
Aug - 22	58.8	62.8	64.5	64.4	68.6	85.5	89.3	69.9
Sep - 22	69.9	56.9	59.0	65.1	70.6	80.1	84.4	69.8
Oct - 22	54.9	58.3	63.4	69.1	72.9	83.4	84.3	69.1
Total Year	61.1	61.6	64.3	66.7	69.6	78.5	82.0	69.1

Three Year Occupancy (%)		
	Sun	Mon
Nov 19 - Oct 20	50.3	49.4
Nov 20 - Oct 21	53.8	51.5
Nov 21 - Oct 22	61.1	61.6
Total 3 Yr	55.2	54.2

ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Nov - 21	290.06	276.51	311.55	313.60	353.90	388.95	404.04	337.28
Dec - 21	293.66	282.47	299.93	303.33	317.07	382.69	372.81	325.15
Jan - 22	276.08	285.61	270.88	276.33	284.99	333.77	336.33	301.60
Feb - 22	325.07	303.91	304.70	306.87	325.39	363.48	391.83	335.36
Mar - 22	328.67	319.08	332.16	333.24	383.17	408.19	424.09	361.43
Apr - 22	325.54	327.27	345.05	336.07	403.68	414.44	416.34	373.77
May - 22	353.05	322.21	339.55	330.52	363.71	423.58	459.42	372.14
Jun - 22	351.66	353.66	365.34	374.38	422.62	428.21	487.14	400.98
Jul - 22	513.03	481.59	420.34	440.34	513.48	547.61	523.96	497.11
Aug - 22	391.06	427.19	449.41	450.55	481.63	490.44	510.74	460.70
Sep - 22	416.18	410.93	408.63	357.43	395.34	453.45	487.37	422.55
Oct - 22	330.09	333.70	359.01	344.03	388.51	400.19	425.22	373.37
Total Year	357.35	345.41	353.98	351.54	391.44	424.80	439.19	384.21

Three Year ADR		
	Sun	Mon
Nov 19 - Oct 20	246.98	241.5
Nov 20 - Oct 21	304.97	288.5
Nov 21 - Oct 22	357.35	345.5
Total 3 Yr	307.84	298.5

RevPAR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Nov - 21	156.26	164.97	199.08	224.19	271.44	320.14	320.66	233.03
Dec - 21	170.03	174.66	190.38	186.38	188.86	261.05	268.61	206.33
Jan - 22	109.80	102.57	97.83	103.62	116.27	196.06	219.47	135.94
Feb - 22	199.18	189.99	174.72	184.21	208.48	270.07	320.15	220.97
Mar - 22	216.35	243.53	261.55	264.44	281.62	323.82	362.91	278.21
Apr - 22	225.16	234.43	256.26	259.40	336.52	362.63	373.17	297.54
May - 22	227.87	197.84	223.57	225.91	261.71	337.14	390.20	261.49
Jun - 22	243.82	244.36	262.92	264.70	320.31	354.53	412.79	299.96
Jul - 22	367.39	337.28	291.04	323.00	398.04	437.96	441.18	375.16
Aug - 22	229.85	268.12	289.90	290.13	330.27	419.35	456.22	322.05
Sep - 22	291.03	233.65	241.01	232.56	279.05	363.27	411.26	294.99
Oct - 22	181.25	194.64	227.72	237.59	283.15	333.58	358.36	258.05
Total Year	218.43	212.68	227.65	234.43	272.55	333.53	360.23	265.50

Three Year RevPAR		
	Sun	Mon
Nov 19 - Oct 20	124.22	112.5
Nov 20 - Oct 21	164.04	145.5
Nov 21 - Oct 22	218.43	212.6
Total 3 Yr	169.81	158.5

Tab 10 - Response Report

5.8.24

The Truax Hotel and Automated Parking Garage

PROJECT BUDGET

Section/Category	Acquisition cost		Accrued costs	Costs to complete		total costs		Grand	supporting schedules	
			payables	Hotel	Auto Garage	Hotel (80%)	(20%)	Total		
Land	11,600,000	2,900,000				11,600,000	2,900,000	14,500,000	Purchase price for land and all entitlements	
Hard Costs:										
Consultant Fees				474,510	-	474,510	-	474,510	tab-consultants, inspect, offsites	
Inspections & Monitoring				295,648	-	295,648	-	295,648	tab-consultants, inspect, offsites	
On/Off Site Improvements			116,709	538,600		655,309	-	655,309	tab-consultants, inspect, offsites	
Building Hotel -DAVIS REED			1,325,000	70,675,000		72,000,000	-	72,000,000	tab-Davis Reed, includes contingency	
Parking Garage			-		22,157,418	-	22,157,418	22,157,418	automated garage - see schedule	
Hotel FF&E / OS&E				11,772,643		11,772,643	-	11,772,643	tab-FF&E	
Tenant Improvements				419,490		419,490	-	419,490	TI \$45 psf x 9,322 sf hotel plus 2,713 sf garage	
Model mock up rooms				250,000		250,000	-	250,000	\$125k per room -cost to build	
Other hard costs										
Construction mgmt/admin Truax			1,055,899	1,200,000	120,000	2,255,899	120,000	2,375,899	revised to a monthly amount	
Contingency -parking garage only/hotel is in davis reed estimate									included in estimate	
Hard cost total			2,497,608	85,625,891	22,277,418	88,123,499	22,277,418	110,400,917		
Other Soft Costs:										
Due diligence						-	-	-	paid to date	
Design review committee						-	-	-	paid to date	
Consultants/const. docs			679,923	125,000		804,923	-	804,923	modifications to permit set will be needed	
Permits and fees				5,589,377	121,532	5,589,377	121,532	5,710,909	tab-permits and fees	
Truax finance and admin fee			530,000	300,000	120,000	830,000	120,000	950,000	25k x 12-hotel/10k x 12 garage	
Leasing comissions				55,932	16,278	55,932	16,278	72,210	\$6 psf commission -9,322 sf hotel and 2,713 garage	
Rental lease for mock up and sales office			253,916	192,000		445,916	-	445,916	24 months x \$8,000 per month	
Hotel startup/franchise fee				1,518,249		1,518,249	-	1,518,249	see tab	
Hotel tech service fees				96,000		96,000	-	96,000	per marriott franchise agreement	
Legal/title/broker fee			440,952	240,000	15,000	680,952	15,000	695,952	estimate for legal and title work	
Property taxes				120,000	30,000	120,000	30,000	150,000	const. period only 2 years x \$75k per year	
Marketing/branding			72,600	55,000		127,600	-	127,600	remaining contract	
Commercial Insurance				958,963	191,938	958,963	191,938	1,150,901	see tab	
Contingency - Soft (3%)				277,516		277,516	-	277,516	3% of soft costs	
Soft cost total			1,977,391	9,528,036	494,748	11,505,427	494,748	12,000,176		
Financing Costs:										
Equity origination fee				824,000	206,000	824,000	206,000	1,030,000	80/20 split -hotel / garage of equity fee	
Construction loan fees and costs				1,573,000	355,500	1,573,000	355,500	1,928,500	tab const period int and fees	
Construction period interest				7,434,391	1,122,232	7,434,391	1,122,232	8,556,623	tab const period int and fees	
Financing costs total			-	9,831,391	1,683,732	9,831,391	1,683,732	11,515,123		
Total Project Costs	11,600,000	2,900,000	4,474,999	104,985,319	24,455,899	121,060,318	27,355,899	148,416,216		
			FUNDING:							
			Construction Loan:		78,650,000	17,775,000	96,425,000			
			LTC		65.0%	65.0%	65.0%			
			Overall Project funding:							
			Construction loan					96,425,000		
			Cash investment					51,991,216		
			Total					148,416,216		

Budget for Davis Reed by division

5.8.24

Description of Work	Scheduled Value	Revised Scheduled Value	CSI DIVISION	25% for	
				2019 contract	cost increase to 2024
General Conditions Costs	4,583,123	4,583,123			
			1 -general conditions	4,583,123	5,728,904
SWPP Installation	62,946	62,946			
Final Cleanup	150,000	150,000			
Temporary Stair Towers	30,000	30,000			
Misc. Jobsite Equipment	54,240	54,240			
Crane Rental	420,489	420,489			
Manhoist Rental	233,478	233,478			
Manhoist Operator	215,579	215,579			
Elevator Operator	74,984	74,984			
Cutting & Patching	50,000	50,000			
			2 -Misc.	1,291,716	1,614,645
C.I.P. Concrete	5,155,000	5,155,000			
Concrete Topping Slab	161,971	161,971			
Pre-Cast Concrete	333,552	333,552			
GypCrete	412,300	412,300			
			3- Concrete	6,062,823	7,578,529
Unit Masonry	331,111	331,111	4- Masonry	331,111	413,889
Structural Steel	2,373,644	2,373,644			
Misc. Rentals	135,359	135,359			
Metal Stairs	541,048	541,048			
Structural Metal Stud Framing	4,034,037	4,034,037			
Decorative Metal	745,853	745,853			
Steel Trellis	138,950	138,950			
			5 -Metals	7,968,891	9,961,114
Rough Carpentry	547,608	547,608			
Casework	2,110,554	2,110,554			
Stone Countertops	320,000	320,000			
			6 -Wood and plastics	2,978,162	3,722,703
Dampproofing and Waterproofing	310,146	310,146			
Insulation	268,085	268,085			
Membrane Roofing	343,706	343,706			
Sheet Metal Flashing	456,253	456,253			
Fireproofing	50,000	50,000			
Joint Sealants	51,669	51,669			
			7 -Thermal/Moisture protecti	1,479,859	1,849,824
Doors, Frames & Hardware	1,246,016	1,246,016			
Access Doors & Panels	61,500	61,500			
Overhead Doors	37,500	37,500			
Won Doors	53,645	53,645			
Folding Doors	102,100	102,100			
Glass & Glazing	577,992	577,992			
Windows	1,198,282	1,198,282			
			8 -Openings	3,277,035	4,096,294
Plaster	2,939,936	2,939,936			

Metal Framing and Drywall	5,762,000	5,762,000			
Tile	1,600,000	1,600,000			
Wood Ceilings	90,200	90,200			
Flooring	545,715	545,715			
Painting	750,000	750,000			
			9 -Finishes	11,687,851	14,609,814
Signage	7,500	7,500			
Photoluminescent Signage	45,000	45,000			
Toilet Accessories	86,621	86,621			
Shower Doors	149,300	149,300			
Fireplaces	79,500	79,500			
Knox Box	1,300	1,300			
Fire Extinguishers	14,000	14,000			
			10 -Specialties	383,221	479,026
Window Washing	175,000	175,000	11 -Equipment	175,000	218,750
			12 -Furnishings	-	
Swimming Pool	167,250	167,250			
Fountain	210,281	210,281			
			13 -Special construction	377,531	471,914
Elevators	1,081,070	1,081,070	14 -Elevators	1,081,070	1,351,338
Fire Sprinklers	511,000	511,000	21 -Fire suspension	511,000	638,750
Plumbing	2,744,170	2,744,170	22 -Plumbing	2,744,170	3,430,213
HVAC	3,749,250	3,749,250	23 -HVAC	3,749,250	4,686,563
Electrical	3,019,081	3,019,081	26 -Electrical	3,019,081	3,773,851
Earthwork	449,806	449,806	31 -Earthwork	449,806	562,258
Shoring	122,317	122,317	31 -Shoring	122,317	152,896
Asphalt Paving	54,193	54,193			
Concrete Paving	680,439	680,439			
Pavement Markings & Prkg Bumpers	5,250	5,250			
Landscape & Irrigation	50,815	50,815			
			32 -Exterior improvements	790,697	988,371
Water, Sanitary & Storm	413,000	413,000	33 -Utilities	413,000	516,250
OCIP Credit Allowance	(392,148)	(392,148)	93 -OCIP credit	(392,148)	(490,185)
Buyout Savings	-	-			
Contingency-Contractor	1,061,691	1,061,691	97 -Contingency	1,061,691	1,327,114
FEE	2,190,717	2,190,717	98 -FEE	2,190,717	2,738,396
Subguard Insurance	621,676	621,676	99 -Corporate	621,676	777,095
Liability Insurance	199,355	199,355	99 -Corporate	199,355	249,194
99-08 P&P Bond	-	-			
Add-Alt for DRC P&P Bond (change order 1)	-	485,843	Bond	485,843	607,304
PPCO#002					
Total schedule of values	57,158,005	57,643,848		57,643,848	72,054,810

rounded to \$ 72,000,000

DASHER LAWLESS

Number of Parking Spaces: 510

	<u>Contract</u>
EQUIPMENT:	
Lifts / Turntables	\$ 912,175
Stackers	\$ 305,413
Shuttles	\$ 1,668,614
Shuffles	\$ 619,634
Cat Walks	\$ 250,404
Pallets / Pallet Stops	\$ 1,356,395
Conveyors	\$ 443,017
Rollers / Prockets / Urethane	\$ 530,821
System Load Bays	\$ 613,341
System Controls / Network Devices	\$ 241,805
System Engineering	\$ 649,872
Production Management Exp.	\$ 98,810
System Installation	\$ 1,068,947
Commissioning	\$ 106,895
Shipping	\$ 321,550
Sub-Total Equipment	<u>\$ 9,187,693</u>
BUILDING CONSTRUCTION:	
Excavation / Trucking	\$ 343,100
Below Grade Shoring	\$ 690,248
Masonry	\$ 101,900
Structural Steel	\$ 3,042,135
Stairs	\$ 374,000
Concrete	\$ 1,488,000
Woods, Plastics & Composites	\$ 649,300
Electrical	\$ 500,000
Fire Sprinklers & Alarm	\$ 267,337
Thermal & Moisture Protection	\$ 307,957
Openings	\$ 50,200
Finishes	\$ 274,300
HVAC / Plumbing	\$ 195,800
Sub-Total Building Construction	<u>\$ 8,284,277</u>
OTHER GC COSTS:	
General Conditions	\$ 925,982
GC Fee & Insurance	\$ 480,650
GC Contingency	\$ 288,718
Building Bond Percentage	\$ 100,000
Sub-Total Other GC Costs	<u>\$ 1,795,350</u>
TOTAL CONTRACT	<u>\$ 19,267,320</u>
15% increase projected to revised gmax	<u>\$ 2,890,098</u>
Revised contract projected	<u><u>\$ 22,157,418</u></u>

The Truax Hotel and Automated Parking Garage

5.8.24

Accounts Payable Current

Vendor	Project Phase	Accounts	Description
Addir Design	Construction Docs	\$ 26,499	interior design drawings for Marriott. Invoice 1216 and 1195
Aquatic Technologies	Construction Docs	\$ 16,864	pool design and consulting
Baker McKenzie	Legal	\$ -	Marriott lawyers -franchise agreement- paid off
Butsko/NV5	Permits & Fees	\$ 9,398	Edison drawings to bring power from city parking to garage
Charter Communications	Permits & Fees	\$ 29,851	telephone/low voltage - drawings
City of Temecula	Permits & Fees	\$ 240	Unknown
Dennis Janda	Construction Docs	\$ 24,411	Survey and final map.
Gill Company	So Cal Edison	\$ 116,709	old town tire
Ground Service Technologies	Construction Docs	\$ 6,075	SWPPS Erosion control drawings
KWC Engineers	Construction Docs	\$ 1,363	WQMD
H2O Fire Protection	Construction Docs	\$ -	
HLC Civil Engineering	Construction Docs	\$ 10,688	civil engineering work.
Impact Marketing & Design	Ground Breaking	\$ 945	ground breaking
Marriott Int'l Design & Const	Hotel Startup	\$ 100,000	Plan review completed
NOAA Group	Construction Docs	\$ 297,716	Architecture
Nova Services	Inspections & Monitoring	\$ 9,386	Testing for soils and shoring
Olympique Façade	Hard Costs - Consultants	\$ 8,045	schematic design
Paladin Risk Management	Insurance		owe them some general liability
PaleoWest		\$ 5,619	Archeological inspections
Pechanga	Hard Costs - Consultants	\$ 4,718	Site observations for indian artifacts
Purchasing Management International	FF&E	\$ 43,909	we have a ff&e contract. Prelim purchasing work.
Rancho Reprographics	Permits & Fees	\$ 3,419	copies
RB Consulting Engineers Inc.	Hard Costs - Consultants	\$ 22,770	Lighting design and electrical engineering (not low voltage)
Rick Engineering		\$ 5,470	WQMD flow calculations for certification for the City
Second Wave		\$ 2,790	Initial discovery using Truax Hotel as a brand
Shoring Design Group		\$ 1,050	reaming bill on shoring design
Southern California Edison		\$ -	underground overhead power lines down to old town tire -done and paid for
Summit Erosion Control		\$ 10,397	monitor storm water control
Thein Phuc Loc-USA, LLC	Rental Lease	\$ 23,300	laydown yard
Wood Environment	Construction Docs	\$ 1,630	Archeologist of record/monitor all excavation and grading
Xpera Group	Hard Costs - Consultants	\$ 13,370	Waterproofing consultants/review all submittals
davisREED Construction	Hard Costs	\$ 1,325,000	settlement amount -excavation/shoring/proj admin
Dasher Lawless		\$ -	zero - materials reused on other jobs
		<u>\$ 2,121,632</u>	
Law Office of John W. Branch	Legal	\$ 98,079	Legal fees for altos loan
Law Office of John W. Branch	Legal	\$ 34,010	legal - april to june 2022
Law Office of John W. Branch	Legal	\$ 142,911	est amount for overall \$275k budget
Lieberg Oberhansley LLP	Legal	\$ 116,594	Legal fees for altos loan
Marks Golia		\$ 49,358	construction agreement - left off schedule in error

The Truax Hotel and Automated Parking Garage
Accounts Payable Current

5.8.24

Vendor	Project Phase	Accounts	Description
		<u>\$ 440,952</u>	
Marketing			
Watermark Associates		<u>\$ 72,600</u>	February 2020 to April 2023 \$1,815 per month - 40 months
Model suite and sales office rental:			
Second Street Old Town, LLC	two year lease	<u>\$ 253,916</u>	two years at \$13,364 per month: 1.1.21 to 12.31.22, less 5 payments
Construction and Administration			
Ranch Development Inc.	Construction management	\$ 391,500	3 months construction management fees -Jan 2020 to Mar 2020
Ranch Development Inc.	Construction admin.	\$ 455,000	reimburse 13 months const. admin - stopped Jul 2021
Ranch Development Inc.	Construction administration	\$ 58,799	August 2021 to April 2022 - reimb actual costs- \$6,533.23 per month x 9 months
Ranch Development Inc.	Construction administration	\$ 40,600	May 2022 to July 2022 - reimb. actual costs incl. Bob Erickson. \$13,533.23 per month x 3 months
Ranch Development Inc.	Construction administration	\$ 60,000	Nov 2022 to april 2023 -6 mos x \$10k (bob, cahty-alloc tme,rent other overhead)
Ranch Development Inc.	Construction administration	\$ 50,000	May 2023 to April 2024 10 mos x \$5,000 per month
Truax Management Group Inc.	Project Administration	\$ 240,000	finance and asset mgmt reimburse 16 months - stopped July 2021
Truax Management Group Inc.	Project Administration	\$ 180,000	August 2021 to July 2022 - 12 months x cost of \$15,000 per mo.
Truax Management Group Inc.	Project Administration	\$ 60,000	Nov 2022 to april 2023 -6 mos x \$10k (bob, cahty-alloc tme,rent other overhead)
Truax Management Group Inc.	Project Administration	\$ 50,000	May 2023 to April 2024 10 mos x \$5,000 per month
Total construction and admin (Truax)		<u>\$ 1,585,899</u> *	
Grand total accounts payable		Total Owed	\$ 4,474,999

The Truax Hotel and Automated Parking Garage

Construction period interest and fees -split between hotel and automated garage

5.8.24

	Hotel	Garage	total debt
Construction loan amount	<u>\$ 78,650,000</u>	<u>17,775,000</u>	<u>96,425,000</u>
Interest rate	<u>9.50%</u>	<u>9.5%</u>	
Points and fees	<u>2.0%</u>	<u>2.0%</u>	

Month	Draw %	Draw	Balance	Included in the draw:		Month	Draw %	Draw	Balance	Included in the draw:	
				Point/fees	Interest					Point/fees	Interest
1	2%	1,573,000	1,573,000	1,573,000	12,453	1	2.0%	355,500	355,500	355,500	2,814
2	1%	786,500	2,359,500		18,679	2	0.5%	88,875	444,375		3,518
3	1%	786,500	3,146,000		24,906	3	0.5%	88,875	533,250		4,222
4	1%	786,500	3,932,500		31,132	4	0.5%	88,875	622,125		4,925
5	2%	1,573,000	5,505,500		43,585	5	0.5%	88,875	711,000		5,629
6	2%	1,573,000	7,078,500		56,038	6	0.5%	88,875	799,875		6,332
7	4%	3,146,000	10,224,500		80,944	7	0.5%	88,875	888,750		7,036
8	4%	3,146,000	13,370,500		105,850	8	0.5%	88,875	977,625		7,740
9	6%	4,719,000	18,089,500		143,209	9	0.5%	88,875	1,066,500		8,443
10	6%	4,719,000	22,808,500		180,567	10	0.5%	88,875	1,155,375		9,147
11	6%	4,719,000	27,527,500		217,926	11	0.5%	88,875	1,244,250		9,850
12	6%	4,719,000	32,246,500		255,285	12	2.0%	355,500	1,599,750		12,665
13	8%	6,292,000	38,538,500		305,096	13	3.0%	533,250	2,133,000		16,886
14	8%	6,292,000	44,830,500		354,908	14	6.0%	1,066,500	3,199,500		25,329
15	10%	7,865,000	52,695,500		417,173	15	8.0%	1,422,000	4,621,500		36,587
16	9%	7,078,500	59,774,000		473,211	16	10.0%	1,777,500	6,399,000		50,659
17	9%	7,078,500	66,852,500		529,249	17	12.0%	2,133,000	8,532,000		67,545
18	5%	3,932,500	70,785,000		560,381	18	12.0%	2,133,000	10,665,000		84,431
19	3%	2,359,500	73,144,500		579,061	19	12.0%	2,133,000	12,798,000		101,318
20	2%	1,573,000	74,717,500		591,514	20	10.0%	1,777,500	14,575,500		115,389
21	2%	1,573,000	76,290,500		603,966	21	8.0%	1,422,000	15,997,500		126,647
22	1%	786,500	77,077,000		610,193	22	6.0%	1,066,500	17,064,000		135,090
23	1%	786,500	77,863,500		616,419	23	3.0%	533,250	17,597,250		139,312
24	1%	786,500	78,650,000		622,646	24	1.0%	177,750	17,775,000		140,719
100%		78,650,000		1,573,000	7,434,391	100.0%		17,775,000		355,500	1,122,232

Paid to date		1,509,196	
Total		<u>1,573,000</u>	<u>8,943,587</u>

	Finance
Grand total	12,371,618

The Truax Hotel and Automated Parking Garage

5.8.24

PERMANENT LOAN AMORTIZATION SCHEDULE

Rate	5.25%
Term	30
Monthly periods	12
Permanent loan amount	\$ 159,437,662
Annual payment	\$ 10,565,048

Mo.	Period	Monthly Payment	Monthly Interest	Monthly Principal	Balance
1	1/1/2028	(\$880,420.67)	(\$697,539.77)	(\$182,880.90)	\$159,254,780.74
2	2/1/2028	(\$880,420.67)	(\$696,739.67)	(\$183,681.00)	\$159,071,099.74
3	3/1/2028	(\$880,420.67)	(\$695,936.06)	(\$184,484.61)	\$158,886,615.13
4	4/1/2028	(\$880,420.67)	(\$695,128.94)	(\$185,291.73)	\$158,701,323.40
5	5/1/2028	(\$880,420.67)	(\$694,318.29)	(\$186,102.38)	\$158,515,221.02
6	6/1/2028	(\$880,420.67)	(\$693,504.09)	(\$186,916.58)	\$158,328,304.44
7	7/1/2028	(\$880,420.67)	(\$692,686.33)	(\$187,734.34)	\$158,140,570.10
8	8/1/2028	(\$880,420.67)	(\$691,864.99)	(\$188,555.68)	\$157,952,014.43
9	9/1/2028	(\$880,420.67)	(\$691,040.06)	(\$189,380.61)	\$157,762,633.82
10	10/1/2028	(\$880,420.67)	(\$690,211.52)	(\$190,209.15)	\$157,572,424.67
11	11/1/2028	(\$880,420.67)	(\$689,379.36)	(\$191,041.31)	\$157,381,383.36
12	12/1/2028	(\$880,420.67)	(\$688,543.55)	(\$191,877.12)	\$157,189,506.24
24	12/1/2029	(\$880,420.67)	(\$678,224.04)	(\$202,196.63)	\$154,820,440.80
36	12/1/2030	(\$880,420.67)	(\$667,349.52)	(\$213,071.15)	\$152,323,962.56
48	12/1/2031	(\$880,420.67)	(\$655,890.15)	(\$224,530.52)	\$149,693,219.00
60	12/1/2032	(\$880,420.67)	(\$643,814.48)	(\$236,606.19)	\$146,920,989.09
72	12/1/2033	(\$880,420.67)	(\$631,089.35)	(\$249,331.32)	\$143,999,663.42
84	12/1/2034	(\$880,420.67)	(\$617,679.84)	(\$262,740.83)	\$140,921,223.35
360	12/1/2057	(\$880,420.67)	(\$3,835.06)	(\$876,585.61)	(\$0.00)

Truax Hotel and Garage
5.8.24

APN NUMBER:	Current due	delinquent:	Payoff April
	4.10.24		2024
922-043-002	\$ 25,456.94	\$ 432,923.62	\$ 458,380.56
922-043-003	\$ 12,485.55	\$ 217,330.12	\$ 229,815.67
922-043-004	\$ 37,513.67	\$ 649,320.60	\$ 686,834.27
922-043-015	\$ 24,505.66	\$ 432,736.27	\$ 457,241.93
922-043-018	\$ 24,497.59	\$ 432,696.45	\$ 457,194.04
922-043-023	\$ 39,520.07	\$ 701,156.78	\$ 740,676.85
922-043-024	\$ 27,484.63	\$ 485,749.50	\$ 513,234.13
922-043-025	\$ 16,992.91	\$ 297,707.56	\$ 314,700.47
922-044-017	\$ 31,922.54	\$ 531,313.93	\$ 563,236.47
922-044-020	\$ 21,442.43	\$ 354,524.19	\$ 375,966.62
Total due if paid April 2024	\$ 261,821.99	\$ 4,535,459.02	\$ 4,797,281.01

Estimated summary of Tax bill due:

Twain non completion assessment penalty on Pace Bonds	\$ 2,115,890.00
Late payment penalty on non completion assessment penalty	\$ 211,589.00
Interest at 18% annual rate on unpaid non completion penalty (42 months)	\$ 1,333,010.70
Annual amortization of Pace bond capitalized interest of \$1,874,969 (*)	\$ 507,685.00
Late payment fee	\$ 50,768.50
Interest at 18% annual rate	\$ 137,593.53
Regular taxes, including penalty and interest	\$ 440,744.28
Total tax due	\$ 4,797,281.01

* Pace bond capitalized interest is the interest the bonds earned while the funds were held in a blocked account.

**Balance still on tax rolls after amortization of capitalized interest is \$1,770,022. To return the tax bills to simply the ad valorem taxes, this sum would need to be paid.

TRUAX HOTEL CURRENT FF&E BUDGET

5.8.24

GUESTROOMS FURNITURE AND ACCESSORIES	185 ROOMS	\$	1,400,000	PMI
LOBBY			91,940	PMI
BAR AND LOUNGE			96,108	PMI
BERNIE'S TABLE, WINE ROOM, COURTYARD			200,000	
BALLROOM, MEETING ROOMS, PREFUNCTION			143,358	PMI
3RD FLOOR CAFÉ AND BAR W FIREPLACE			198,000	PMI
3RD FLOOR CAFÉ AND BAR LOUNGE AREA UPGRADE			100,000	
WROUGHT IRON BIRD CAGE			38,561	
3 MEAL DINING			140,000	PMI
BACK OF HOUSE			45,000	PMI
WEST TOWER			37,991	PMI
EAST TOWER			24,337	PMI
WEDDING VENUE	ALLOWANCE		70,000	
POOL FURNITURE, PATIO FURNITURE	ALLOWANCE		35,000	
HOTEL ACCESSORIES			100,000	
ARTWORK PUBLIC AND GUESTROOMS	ALLOWANCE		135,000	
CONTINGENCY	ALLOWANCE		230,000	
INCIDENTALS			45,000	
COFFEE SHOP MERCANTILE			50,000	
CARPET, PAD AND GLUE PUBLIC SPACES AND GUESTROOMS	SUPPLY ONLY		195,000	
SMARTWOOD AND PROVENZA FLOORING	SUPPLY ONLY		80,000	
CHANGE SMARTWOOD IN BATHROOMS TO CERAMIC TILE			80,000	
PATIO FURNITURE INC GUESTROOMS			60,000	PMI
SIGNAGE INTERIOR AND EXTERIOR			160,000	
DECORATIVE LIGHTING	SUPPLY ONLY		415,000	
DECORATIVE LIGHTING CONSULTANT			25,000	
WALL COVERING	SUPPLY ONLY		153,393	
CAB UPGRADE FOR MITSUBISHI ELEVATORS			50,000	
HOTEL GYM EQUIPMENT			87,000	
HOTEL ACCESSORIES			40,000	
			\$	4,525,688
ESTIMATED SALES TAX				INC ABOVE
BONDED WHAREHOUSE AND INSTALLATION				INC ABOVE

ESTIMATED FREIGHT		INC ABOVE	
INSTALLATION EXCEPT WHERE SUPPLY ONLY		INC ABOVE	
FF&E PURCHASE AND MANAGEMENT FEE	PMI		138,000
PEDESTAL PAVER SYSTEM AT WEDDING VENUE AND 3RD FLOOR BAR			150,000
KEY ENTRY SYSTEM	MARRIOTT		90,000
SALES OFFICE AND MOCK UP ROOMS	ALLOWANCE		250,000
OS&E	EVOLUTION BUDGET		1,500,000
ICE MACHINES			65,000
LAUNDRY EQUIPMENT			150,000
KITCHEN EQUIPMENT			1,373,000
PASEO FOUNTAIN INSTALLED			21,000
MARRIOTT TECHNOLOGY EQUIPMENT	CENTRADA		749,963
LOW VOLTAGE	SOLARA		310,180
SMURF TUBES FOR LOW VOLTAGE DISTRIBUTION			65,000
FIRE ALARM SAFETY	BERG		331,000
PAGING AND INTERCOM SYSTEM	CENTRADA		75,000
AUDIO VISUAL FOR MEETING AND BANQUET ROOMS	ALLOWANCE		80,000
ADDITIONAL DECORATIVE LIGHTING AT DOORS AND PATHWAYS SUPPLY ONLY			160,000
SOUND AND MUSIC SYSTEM	MOOD MEDIA		207,000
SALES TAX		INC ABOVE	
BONDED WHAREHOUSING FOR ITEMS 40-60			270,000
DELIVERY		INC ABOVE	
INSTALLATION EXCEPT WHERE SUPPLY ONLY			208,000
PLANTER POTS SUPPLIED BY OWNER			181,765
Total 12.31.19		\$	10,900,596
Projected cost increase at 8%			8%
FF and E estimate		\$	11,772,643

The Truax Hotel and Automated Parking Garage

5.8.24

Permits and fees payable after loan funds when building permits are pulled

City / County Fees

DESCRIPTION		PAYABLE TO:
TUMF Service Commercial (hotel only)	883,000.00	RIVERSIDE COUNTY
TUMF Service Commercial (Retail)	75,000.00	RIVERSIDE COUNTY
K-Rat	875.00	RIVERSIDE COUNTY
Area Drainage	5,636.00	RIVERSIDE COUNTY
File Tentative Parcel Map	9,959.00	RIVERSIDE COUNTY
Dev Impact Fees - Retail	119,300.00	CITY OF TEMECULA
Dev Impact Fees Service Comm	976,800.00	CITY OF TEMECULA
MSHCP(multiple species fee)	12,222.00	CITY OF TEMECULA
School Fee (TVUSD)	144,300.00	TEMECULA VALLEY SCHOOL DISTRICT
Community Art Fee	46,900.00	CITY OF TEMECULA
WQMP Review (Water Quality Mgmt. Plan)	1,330.00	CITY OF TEMECULA
Demolition Permit Fee	888.00	CITY OF TEMECULA
Traffic Control Fee	197.00	CITY OF TEMECULA
Encroachment Temp Fence Fees	34.00	CITY OF TEMECULA
Encroachment Temp Waterline Fee	256.00	CITY OF TEMECULA
Pechanga Tribal Monitoring Services	30,000.00	PECHANGA TRIBAL SERVICES
CITY AND COUNTY FEES TOTAL	<u>2,306,697.00</u>	

Utility Fees

Rancho Calif Water District Fees	35,000.00	RANCHO WATER
RCWD Detector Plan Check Fee	4,000.00	RANCHO WATER
Sewer Financial Participation Charge	391,396.00	EASTERN MUN WATER DISTRICT
Old Town Sewer Surcharge Fee	1,338,534.00	EASTERN MUN WATER DISTRICT
Water/sewer supply dev fee	45,384.00	EASTERN MUN WATER DISTRICT
Sewer Treatment Capacity Charge	741,882.00	EASTERN MUN WATER DISTRICT
Elec/Gas/Communication	50,000.00	VERIZON/ ATT /SOCAL EDISON
Landscape Financial Participation	3,605.00	RANCHO WATER
U/G Rear Pole Line (Edison, Cable, Phone)	108,000.00	SOCAL EDISON
RCWD inspection	10,000.00	RANCHO WATER
EMWD inspection	15,000.00	EASTERN MUN WATER DISTRICT
Edison inspection	13,200.00	SOCAL EDISON
RCWD Bond	25,000.00	RANCHO WATER
EMWD Bond	25,000.00	EASTERN MUN WATER DISTRICT
Edison Bond	10,000.00	SOCAL EDISON
UTILITY FEES TOTAL	<u>2,816,001.00</u>	

Plan / Permit Fees

Bldg & Safety Plan Check Fee	56,650.00	CITY OF TEMECULA
Public Works Grading Permit	6,700.00	CITY OF TEMECULA
Public works Plan Check Fee	12,875.00	CITY OF TEMECULA
Public works off site Plan Check Fee	12,515.00	CITY OF TEMECULA

Public works on site Plan Check Fee	44,000.00	CITY OF TEMECULA
Public works Soils Grading/Foundation	7,725.00	CITY OF TEMECULA
Public works Grading Inspection Fee	3,090.00	CITY OF TEMECULA
Building and Safety Patio / Balcony Fees	14,684.00	CITY OF TEMECULA
Building and safety Swimming Pool Fees	5,120.00	CITY OF TEMECULA
Fire Dept Plan Check Fee	7,725.00	CITY OF TEMECULA
Fire Dept Double detector Plan Check Fee	875.00	CITY OF TEMECULA
Fire Dept Bldg Inspection Fee	2,575.00	CITY OF TEMECULA
Fire Dept Fire Sprinkler Plan Check & Inspection Fee	2,929.00	CITY OF TEMECULA
Fire Dept Fire Alarm Plan Check & Inspection Fee	4,026.00	CITY OF TEMECULA
Fire Dept Plan Check & Inspection Fee	1,697.00	CITY OF TEMECULA
Fire Dept kitchen hood Plan Check Fee	2,060.00	CITY OF TEMECULA
Building Permit Fee	87,610.35	CITY OF TEMECULA
Landscape Plan Check	4,120.00	CITY OF TEMECULA
Parking Structure permit fee	8,858.58	CITY OF TEMECULA
Cash Bonds	154,500.00	CITY OF TEMECULA
Health Department plan check review	11,590.00	DEPARTMENT OF HEALTH
SWRCB Annual Permit Fee	484.00	STATE WATER RESOURCE CONTROL BOARD
RCWD Water Plan Check Fee	4,635.00	RANCHO WATER
EMWD Sewer Plan Check Fee	4,635.00	EASTERN MUN WATER DISTRICT
Strong Motion/SB1473 pass thru fees to state	5,000.00	STATE OF CALIFORNIA
PLANS / PERMIT FEES TOTAL	<u>466,678.93</u>	
Total Hotel Permits and fees	<u>5,589,376.93</u>	
Plan / Permit Fees Parking Structure		
Bldg & Safety Plan Check Fee	26,267.00	CITY OF TEMECULA
Public Works Grading Permit	6,700.00	CITY OF TEMECULA
Public works Plan Check Fee	6,438.00	CITY OF TEMECULA
Public works off site Plan Check Fee	8,755.00	CITY OF TEMECULA
Public works Soils Grading/Foundation Inspection	3,575.00	CITY OF TEMECULA
Public works Grading Inspection Fee	6,500.00	CITY OF TEMECULA
Fire Dept Plan Check Fee	7,725.00	CITY OF TEMECULA
Fire Dept Double detector Plan Check Fee	876.00	CITY OF TEMECULA
Fire Dept Bldg Inspection Fee	6,500.00	CITY OF TEMECULA
Fire Dept Fire Sprinkler Plan Check & Inspection Fee	1,569.00	CITY OF TEMECULA
Building Permit Fee	10,107.00	CITY OF TEMECULA
Landscape Plan Check	3,500.00	CITY OF TEMECULA
Cash Bonds	25,000.00	CITY OF TEMECULA
RCWD Water Plan Check Fee	3,500.00	RANCHO WATER
EMWD Sewer Plan Check Fee	3,500.00	EASTERN MUN WATER DISTRICT
Strong Motion/SB1473 pass thru fees to state	1,020.00	STATE OF CALIFORNIA
Total Garage Permits and fees	<u>121,532.00</u>	
Total permits and fees	<u><u>5,710,908.93</u></u>	

The Truax Hotel and Automated Parking Garage

Pre-Opening Estimated Payroll, Operations, and Marketing Expense

Hotel Truax

5.8.24

Room Count: 185

Evolution portion of projection:

Position	Months Out	Annual Salary	Proj Salary
General Manager	10.0	\$150,000	\$126,923
Director of Sales	9.0	\$120,000	\$91,538
Regional Revenue Mgt	6.0	\$55,800	\$28,615
Controller	3.0	\$85,000	\$22,885
Accounting Mgr 1	2.0	\$41,600	\$7,200
Accounting Mgr 2	1.0	Bonus	\$4,000
Front Office Manager	2.0	\$65,000	\$11,250
Director of HR	3.0	\$85,000	\$22,885
Chief Engineer	6.0	\$80,000	\$41,026
Exec. Housekeeper	2.0	\$65,000	\$11,250
Sales Mgr 1	6.0	\$65,000	\$33,333
Sales Mgr 2	3.0	\$65,000	\$17,500
Catering Mgr 1	5.0	\$65,000	\$27,917
Catering Mgr 2	3.0	\$65,000	\$17,500
Sales Coord	3.0	\$33,280	\$8,960
Restaurant Chef	3.0	\$95,000	\$25,577
F&B Manager	3.0	\$85,000	\$22,885
Total Management Wages		\$1,220,680	\$521,243
Total Hourly Wages			\$113,900
Bonus (mgmt only)			\$74,594
Taxes & Benefits			\$212,921
Total Payroll			\$922,659
Marketing-Related Expenses			\$181,000
Sales-Related Expenses			\$111,250
Pre-Opening Fee			\$150,000
Total Pre-opening Labor and Marketing Expenses-Evolution projection			\$1,364,909

Marriot portion of projection:

Hotel Startup Budget

Application Fee -\$75k paid	
Payroll/Training	27,340
Marketing	26,000
Construction Review -complete, bill is due now	50,000
Interior Design - complete, bill is due now	50,000
	<u>153,340</u>
Grand total start up costs	<u><u>\$1,518,249</u></u>

The Truax Hotel and Automated Parking Garage

5.8.24

Commercial Insurance

Cost to complete

#REF!

HOTEL:

<u>Coverage</u>	<u>Limits</u>	<u>Total</u>	<u>Hotel</u>	<u>Garage</u>
General Liability/WRAP	\$2,000,000 - \$4,000,000	\$ 196,211	\$ 196,211	
Excess Liability/WRAP	\$10,000,000	123,600	123,600	
Excess Liability/WRAP	\$15,000,000	66,579	66,579	
Excess Liability/WRAP	\$5,000,000	18,537	18,537	
		<u>\$ 404,927</u>	<u>\$ 404,927</u>	
Builders Risk 07/01/19	HC \$96M-SF \$12M-INC \$12M	392,290	392,290	
Excess Earthquake	\$25,000,000	60,244	60,244	
Total Hotel		<u>\$ 857,461</u>	<u>\$ 857,461</u>	

GARAGE:

General Liability/WRAP	\$2,000,000 - \$4,000,000	101,254		101,254
Excess Liability/WRAP	\$10,000,000	65,309		65,309
Total Garage		<u>\$ 166,563</u>		<u>\$ 166,563</u>

WRAP ADMINISTRATION:

\$ 22,250 \$ 17,800 \$ 4,450

COLA INCREASE

\$ 104,627 \$ 83,702 \$ 20,925

Totals

\$ 1,150,901 \$ 958,963 \$ 191,938

PER-ROOM HOTEL DEVELOPMENT COSTS

The averages and medians below reflect a broad range of development projects across the United States, including projects in areas with low barriers to entry and in high-priced urban and resort destinations.

EXHIBIT 2: HOTEL DEVELOPMENT COST PER ROOM AMOUNTS

	Land	Building & Site Improvements	Soft Costs	FF&E	Pre-Opening & Working Capital	Developer Fee	Total
Limited-Service Hotels							
Average	\$14,168	\$96,154	\$14,439	\$14,968	\$2,938	\$4,243	\$146,910
Median	\$9,787	\$91,024	\$10,750	\$13,574	\$2,153	\$4,465	\$131,752
% of Total*	10%	68%	10%	10%	2%	1%	100%
Extended-Stay Hotels (Midscale)							
Average	\$20,686	\$95,735	\$16,794	\$14,414	\$2,889	\$3,984	\$154,502
Median	\$16,822	\$80,719	\$12,662	\$14,414	\$2,737	\$3,721	\$131,076
% of Total*	14%	63%	11%	9%	2%	2%	100%
Extended-Stay Hotels (Upscale)							
Average	\$17,377	\$129,130	\$28,200	\$19,932	\$4,640	\$6,699	\$205,979
Median	\$14,593	\$125,090	\$21,366	\$20,320	\$3,040	\$7,212	\$191,620
% of Total*	8%	64%	14%	10%	2%	2%	100%
Select-Service Hotels							
Average	\$25,354	\$152,378	\$29,792	\$22,659	\$8,004	\$7,051	\$245,238
Median	\$19,642	\$129,429	\$27,605	\$23,148	\$7,212	\$6,818	\$213,854
% of Total*	9%	64%	12%	10%	3%	2%	100%
Dual-Branded Hotels							
Average	\$20,950	\$181,786	\$25,041	\$26,189	\$5,512	\$9,824	\$269,302
Median	\$11,486	\$138,384	\$23,066	\$23,221	\$4,500	\$8,502	\$209,158
% of Total*	8%	68%	9%	10%	2%	3%	100%
Full-Service Hotels							
Average	\$51,397	\$291,937	\$64,437	\$38,097	\$16,494	\$14,696	\$477,058
Median	\$28,090	\$220,976	\$51,134	\$32,584	\$13,596	\$14,792	\$361,172
% of Total*	7%	66%	13%	8%	3%	2%	100%
Luxury Hotels							
Average	\$81,329	\$497,468	\$129,875	\$52,459	\$26,333	\$17,546	\$805,010
Median	\$47,508	\$482,319	\$94,194	\$45,900	\$21,868	\$20,490	\$712,279
% of Total*	10%	63%	16%	7%	3%	2%	100%
Redevelopment Projects							
Average	\$45,302	\$195,436	\$49,860	\$31,468	\$10,787	\$15,878	\$348,731
Median	\$22,165	\$145,020	\$33,862	\$23,046	\$7,166	\$13,208	\$244,467
% of Total*	13%	58%	15%	9%	3%	3%	100%
Total							
Average	\$34,509	\$201,739	\$44,512	\$27,672	\$10,285	\$11,094	\$329,810
Median	\$15,101	\$116,792	\$21,254	\$19,551	\$3,103	\$813	\$176,613
% of Total*	9%	64%	14%	9%	3%	2%	100%

Source: HVS

* The percentage of total is calculated based on the total sample of all budgets



BERNARD L. TRUAX II

List of Projects

- | | | |
|-----|--|-----------------|
| 1. | The Truax Building | Temecula, CA |
| 2. | La Cresta Preserve | Murrieta, CA |
| 3. | Thompson Business Park and Multifamily Units | Winchester, CA |
| 4. | Garrett Group Corporate Headquarters | Temecula, CA |
| 5. | RBF Engineering Corporate Headquarters | Temecula, CA |
| 6. | Silver Hawk Corporate Center | Murrieta, CA |
| 7. | Lennar Regional Headquarters | Temecula, CA |
| 8. | Silver Hawk Industrial Center | Murrieta, CA |
| 9. | Dimension Business Park | Lake Forest, CA |
| 10. | Rancho Bella Vista | Murrieta, CA |

Bernard L. Truax II

List of Projects

1. THE TRUAX BUILDING - TEMECULA, CA

The Truax Building is a classic "turn-of-the-century" Class "A" building with dramatic stone and glass lobby features. The Truax Building has dynamic views of the valley, fantastic sunsets and convenience of local downtown establishments. It is directly adjacent to the Old Town Parking Garage that provides free parking. This ensures that the Truax Building has some of the best parking availability in Old Town. Project completed in May-2014.

Stories: Four. Use: Retail on first floor, Office on all other floors.

Building type: Steel frame construction w/ limestone block.

Floor heights: 13ft to 22ft first floor / 13ft on all other floors.

Ceiling Height: 9ft to 10ft. Elevator: 2 hydraulic passenger elevators.

Lobby: Dramatic stone, glass and wood finishes.



2. LA CRESTA PRESERVE – MURRIETA, CA

Located on the Santa Rosa Plateau just west of Murrieta, CA along with several other communities, La Cresta is a neighborhood of vast stretches of land, of breathtaking natural beauty, and of ultimate luxury. Entitled 60 acres of property with the County of Riverside. Subdivided the property into four separate sub-divisions with certified residential pads. Installed water line and septic to each lot. Built a fully paved road accessing the properties. Ready for building plans. Gated Luxury Estate Lots. Completed: May-2011.



3. THOMPSON BUSINESS PARK AND MULTIFAMILY UNITS – WINCHESTER, CA

Located at the North East corner of Thompson Rd. and Winchester R. Nearly entitled 20 acres of property in the County of Riverside for the purpose of building a multi-family apartment complex with a commercial component. The apartment project will eventually feature 217 village style, courtyard loaded apartments with tuck under parking and a full amenity package. The commercial center will be located along the front of Thompson and Winchester Roads. The center will eventually feature a gym along with inline retail space. Also, the site will be developed with 4 stand-alone retail pads.

4. GARRETT GROUP CORPORATE HEADQUARTERS - TEMECULA, CA.

Located at 1 Better World Cir #200 in Temecula, the project was completed in 2005. The Garrett Corporate Center is the headquarters for The Garrett Group, LLC and The Betterworld Trust. The three (3) building complex has approximately 58,000 square feet of Class "A" office space. The structure is early California architecture with a mixture of old and new using warm materials seasoned in the Temecula sun. It is designed after an early villa with thick walls, stone floors in the lobbies, spiral staircases with wrought iron railing, vaulted ceilings and hanging chandeliers.



5. RBF ENGINEERING CORPORATE HEADQUARTERS – TEMECULA, CA

Located at 40810 County Center Drive within the Highland Business Center, the project consists of one (1) tenant office building. Michael Baker International acquired RBF Consulting in 2011.



6. SILVER HAWK CORPORATE CENTER – MURRIETA, CA

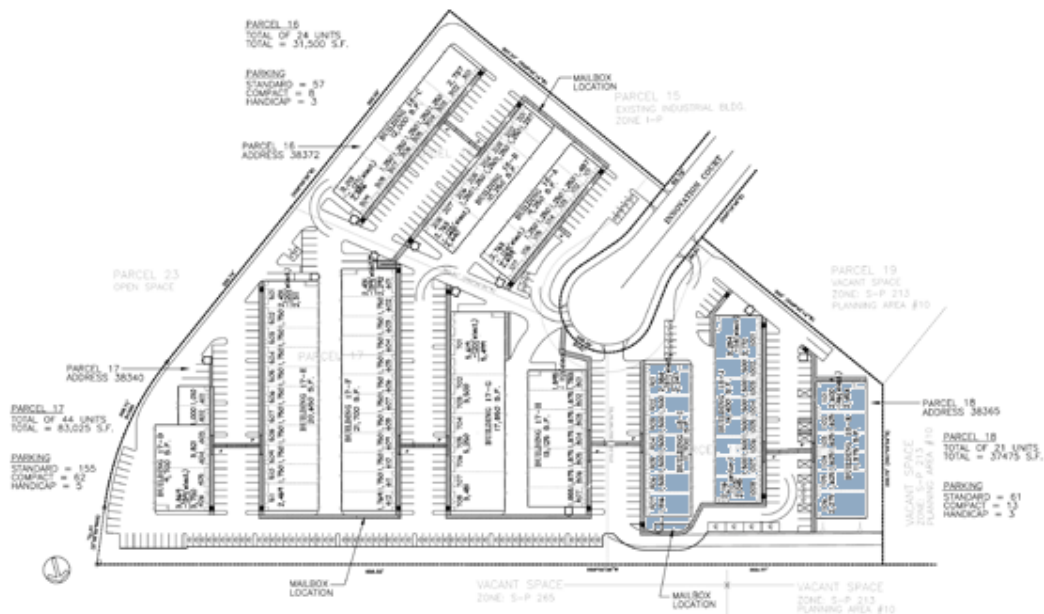
Located at 38975-38977 Sky Canyon Drive, the Silver Hawk Corporate Center built in 2007, is a class A multi-tenant project, consisting of two (2) buildings totaling 80,200 SF of office space.



7. LENNAR LOCAL HEADQUARTERS – TEMECULA, CA

8. SILVER HAWK INDUSTRIAL CENTER – MURRIETA, CA

Strategically located between Orange and San Diego counties, this industrial project combines state-of-the-art design and unmatched amenities to deliver premier industrial accommodations of size requirements from 1,500 to 6,500 square feet. The Silver Hawk Industrial Center is strategically located near French Valley Airport, just off Winchester Road and Technology Drive. The industrial property is part of the Winchester Commerce Center Master Planned Business Park area. The project was completed in 2007.



9. DIMENSION BUSINESS PARK – LAKE FOREST, CA

In April of 1984, Mr. Truax began entitlement on the Dimension Business Park located in Lake Forest California. This large project was completed four years later spanning 90 acres. Its primary use has been office, retail and industrial flex space.



10. RANCHO BELLA VISTA – MURRIETA, CA

The master planned community project infrastructure was completed in 2003. It is nestled in a prime location in Riverside County. It is bordered by Temecula to the south and the newly incorporated cities of Menifee and Wildomar to the north. With neighboring Temecula, Murrieta forms the southwestern anchor of the Inland Empire region. It is almost equidistant to San Diego, Los Angeles, and Orange County, making it ideally situated to all that Southern California has to provide. Homeowners in Rancho Bella Vista have access to an array of shops, restaurants, and entertainment venues. The Rancho Bella Vista community offers homeowners access to amenities like the Rancho Bella Vista Community Center and Park, the Mulligan Family Fun Center, with miniature golf, go kart racing, laser tag, and an arcade.



WHY TEMECULA

Executive Summary

- Temecula Valley is located between **Los Angeles** and **San Diego**
- One of the America's Safest Cities
- Over **3 Million** annual visitors
- Visitors spend **\$1.2 Billion** annually
- Over **20+ Award Winning Golf Courses**
- Over **52+ Award Winning Wineries**
- An hour drive for **20 Million** Southern California Residents



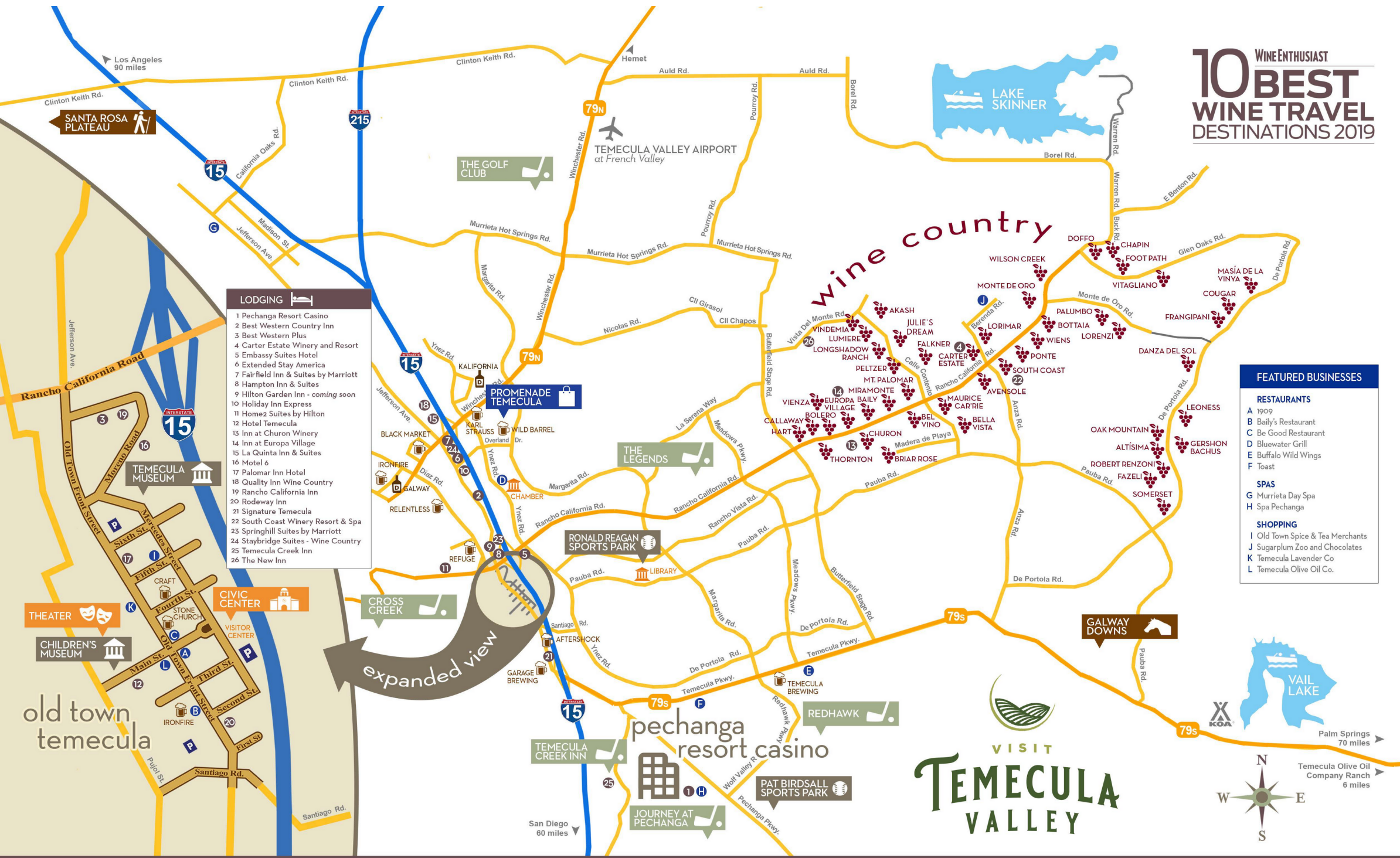
VISIT
TEMECULA
VALLEY

Location

- Southern California's Playground
- 70 miles from Los Angeles
- 70 miles from San Diego
- Freeway close
- Serviced by San Diego International Airport & Ontario International Airport
- French Valley Airport services private jets & aircrafts



WINE ENTHUSIAST
10 BEST
 WINE TRAVEL
 DESTINATIONS 2019



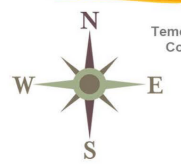
- LODGING**
- 1 Pechanga Resort Casino
 - 2 Best Western Country Inn
 - 3 Best Western Plus
 - 4 Carter Estate Winery and Resort
 - 5 Embassy Suites Hotel
 - 6 Extended Stay America
 - 7 Fairfield Inn & Suites by Marriott
 - 8 Hampton Inn & Suites
 - 9 Hilton Garden Inn - coming soon
 - 10 Holiday Inn Express
 - 11 Home2 Suites by Hilton
 - 12 Hotel Temecula
 - 13 Inn at Churon Winery
 - 14 Inn at Europa Village
 - 15 La Quinta Inn & Suites
 - 16 Motel 6
 - 17 Palomar Inn Hotel
 - 18 Quality Inn Wine Country
 - 19 Rancho California Inn
 - 20 Rodeway Inn
 - 21 Signature Temecula
 - 22 South Coast Winery Resort & Spa
 - 23 Springhill Suites by Marriott
 - 24 Staybridge Suites - Wine Country
 - 25 Temecula Creek Inn
 - 26 The New Inn

- FEATURED BUSINESSES**
- RESTAURANTS**
- A 1909
 - B Bailey's Restaurant
 - C Be Good Restaurant
 - D Bluewater Grill
 - E Buffalo Wild Wings
 - F Toast
- SPAS**
- G Murrieta Day Spa
 - H Spa Pechanga
- SHOPPING**
- I Old Town Spice & Tea Merchants
 - J Sugarplum Zoo and Chocolates
 - K Temecula Lavender Co
 - L Temecula Olive Oil Co.

old town temecula

THEATER
 CHILDREN'S MUSEUM
 CIVIC CENTER
 STONE CHURCH
 VISITOR CENTER
 IRONFIRE
 GARAGE BREWING
 TEMECULA BREWING
 REDHAWK
 JOURNEY AT PECHANGA
 PAT BIRDSALL SPORTS PARK

VISIT
TEMECULA VALLEY



Palm Springs 70 miles
 Temecula Olive Oil Company Ranch 6 miles

A nighttime photograph of Old Town Temecula. The scene is illuminated by warm streetlights. In the foreground, a wooden walkway leads towards a stone tower with a clock face. A wooden bridge with a railing spans across the middle ground. The background shows more buildings and streetlights under a dark blue sky.

Old Town Temecula

- Downtown Civic Center
- Pedestrian-friendly
- Historic, 12-block neighborhood
- Spans over 65 acres
- Almost 40 dining experiences including gourmet, casual and specialty
- Over 100 unique shopping experience
- Special events



Wine Country

- Award Winning Wineries including the Golden Bear Winery of the Year.
- Over 52 wineries in operation
- 125 approved in the Wine Country Specific Plan
- Wine Enthusiast's 10 Best Wine Travel Destinations





Weddings

- Over 5,000 weddings & related events annually
- Average wedding spend is \$28,157
- Most venues average 4 to 5 weddings weekly



Golf

Over 20 award-winning
Golf Courses including:

- Journey at Pechanga
- Temecula Creek Inn
- Bear Creek CC (private)
- Cross Creek GC
- Rancho California GC
- Redhawk GC
- The Links at Summerly
- Canyon Lake
- Pala Mesa

Equestrian

- Galway Downs
 - Temecula Valley National spring and fall Shows
 - California Dressage Society
- California Ranch Company
 - Hone of Hall of Fame Trainer Susie Hutchinson





Casinos

- Pechanga Resort & Casino
 - Voted Best Casino West of Las Vegas
- Pala Resort & Casino
- Harrah's Resort & Casino
- San Manuel Resort & Casino






Boating & Fishing

- Diamond Valley Lake
- Lake Skinner
- Lake Elsinore
- Canyon Lake



Extreme Sports

- Motocross Tracks
- Skydiving
- Water skiing
- Wakeboarding
- Air Chair



Hiking Trails

- Cleveland National Forest
 - 110 Miles of trail
- Santa Rosa Plateau & Ecological Reserve
 - 30 Miles of trail
- Santa Margarita River Trail
 - 5 Miles of trail
- Lake Skinner Recreation Area
 - 5 Miles of trail





Annual Special Events

- Temecula Rod Run – 80,000 Visitors
 - Temecula Valley Balloon and Wine Festival – 38,000 Visitors
 - Thomas the Tank Engine – 34,000 Visitors
 - Polar Express – 39,000 Visitors
-