

Property Specifications: Holiday Inn Express & Suites, Santa Maria, CA

1. PROJECT OVERVIEW

- **Hotel Name:** Holiday Inn Express & Suites, by IHG
- **Location:** Santa Maria, CA
- **Entity:** Anand Enterprises LP (General Partner: Lotus Management, Inc.)
- **Market Position:**
 - High Barrier to enter Santa Barbara Marketplace.
 - Replacing a 200-room Holiday Inn that will exit the IHG system after project initiation.
- **Total Estimated Cost:** \$20 million (35% equity raise)
- **Land Status:** Purchased outright

2. INVESTMENT & COST STRUCTURE

- **Equity & Financial Strategy:**
 - A portion of the development fee and pre-opening costs will be deferred via a **promissory note** to reduce upfront cash requirements.
- **Construction Contingency:**
 - Estimated at 7.5% of total construction costs, subject to lender requirements.
- **Fees Charged by Lotus Management, Inc. (General Partner):**
 - **3% Equity Fee**

- **Flat Development Fee**, covering:
 - Full liability exposure
 - Loan procurement (construction & permanent)
 - Permitting, budgeting, and cost estimation
 - Construction oversight and cost management
 - Weekly site visits and contractor monitoring
 - FF&E (Furniture, Fixtures & Equipment) procurement & installation
 - Coordination with city planning, architects, and engineers

- **Construction Accounting & Reporting (By Lotus Real Estate & Development):**
 - Monthly construction reports to partners
 - Loan coordination and funding management
 - Construction accounting, tax preparation, and expense tracking

3. CONSTRUCTION & DESIGN

- **Estimated Construction Timeline: 18 months**
- **Total Guest Rooms: 93**
- **Architectural & Design Features:**
 - Modern, upscale design aligned with Holiday Inn Express brand standards
 - Integration of energy-efficient systems to enhance sustainability
 - Business and leisure-friendly amenities, including:
 - Complimentary breakfast area
 - Fitness center
 - Meeting rooms for corporate guests
 - High-speed Wi-Fi

- **Zoning & Compliance:**
 - Approved zoning for hospitality use
 - Compliance with local and state building regulations

4. HOTEL MANAGEMENT & OPERATIONS

- **Managed by:** Lotus Management, Inc. (post-opening)
- **Management Agreement:**
 - 4% Management Fee
 - Flat Accounting Fee, as per contract
- **Pre-Opening Support:**
 - Dedicated Regional Director of Operations to oversee initial operations.

5. EXIT STRATEGY

- **Long-Term Asset Holding:** Minimum 5+ years before considering repositioning.
- **Annual Portfolio Review:** Decision to hold or reposition based on market conditions.
- **Partner Exit Conditions:**
 - Partners can only sell shares after 3 full years of operations
 - Any sale must be made to existing partners at market value (appraised)