

For Sale By Owner

Confidential Investment Offering



Yuma, Arizona

\$14,500,000



Best Western InnSuites Yuma Mall Hotel & Suites
"Yuma's Largest (and in our opinion) Finest Hotel"



Yuma, Arizona

I. Executive Summary

- Confidential Offering
- Investment Highlights
- Upside Potential
- Business Fundamentals
- Property Overview
- Competitive Overview
- Financial Overview
- Franchise Overview

II. Property Description

- Location
- Location Map
- Guest Studios & Suites
- Meeting Facilities
- Food & Beverage
- Guest Services
- Capital Expenditures
- Environmental
- Improvement Features

III. Market Summary

- Yuma Overview

IV. Competitive Analysis

- Competitive Overview
- STR Overview

V. Financial Analysis

- OCC, ADR, RevPAR
- Market Segmentation
- Room Revenue
- Operating Profit



Studio InnSuite with 2 Queen beds

Yuma, Arizona

Yuma Hospitality Properties Ltd., is offering for sale the 166-suite Best Western InnSuites Yuma Mall Hotel & Suites (subject property). This is Yuma's largest lodging property. The suite hotel is located at 16th St. just off Interstate 8 adjacent to the Yuma Palms Regional Mall and a short drive to Yuma International Airport, the Marine Corp Air Station and Yuma proving grounds. The hotel occupies 4.76 acres of land. Management is available on a month-to-month basis.

The Best Western InnSuites Yuma Mall Hotel & Suites provides an exceptional investment opportunity to acquire a business and conference hotel right off Interstate 8, at the Mall which is the center of Yuma activity, only two and a half miles from the Yuma International Airport, the Marine Corp Air Station and six miles to California and the US/Mexico border.

Investment Highlights

Strategic Location, Dynamic Business Environment

- The subject property is strategically located at the Regional Mall off of Interstate 8. Yuma is located halfway between Phoenix and San Diego and Tucson and Los Angeles. Yuma boasts an international airport and is situated on the main transcontinental line of the Southern Pacific Railroad. Yuma County serves as a transportation thoroughfare for the southwestern United States.
- Cross-country interstate highway traffic year-round.
- The hotel is just steps away from the Regional Mall, heart of Yuma's business, shopping and entertainment districts.
- Large Military Business year-round.
- Yuma County continues to provide a dynamic, growing environment in which to do business. Agriculture is a major factor and growing. Yuma-area agribusiness is a billion-dollar industry. Winter tourism and the year-round military contribute substantially to the economy. New and existing light industry increases Yuma's economic diversity. The Mexican free-port of San Luis Rio Colorado is located 23 miles south.
- The subject property has good access to Yuma and freeway interchanges. Primary access is by heading west on 16th St. or south on Avenue 3E. Secondly, access to the freeway is found along Giss Parkway 1 to 1 ½ miles to the north.

Upside Potential

- Strong Lodging demand: Tourism is a major industry for both Arizona and Yuma County, generating more than \$450 million for Yuma County's economy. With proximity to California and Mexico, the area attracts large numbers of travelers and international shoppers. During the winter, Yuma experiences an influx of seasonal visitors that increases the county's population to over 200,000, positively impacting the entire economy.
- Located adjacent within walking distance to the new Yuma Palms Regional Center.
- Yuma Palms Regional Center features 1,000,000 square feet of department and specialty stores, restaurants and entertainment, as well as walkways, plazas and gathering areas to invite social interaction.
- Yuma Palms Regional Center encompasses four main shopping districts; including a village, a power center, a regional center and a Restaurant Row. All districts are interconnected through shaded pedestrian walkways, which are segmented by small, grassy plazas with sitting benches and water features.

Yuma, Arizona

Business Fundamentals

- A strong built-in base of lodging demand from year-round cross country I-8 traffic and companies including: Dole Fresh Vegetables, Gowan Company, Salyer American Fresh, Boeing Shaw Industries, Yuma Regional Medical Center, Marine Corps Air Station, the U.S. Army Proving Grounds and its close proximity to Mexico provides diversified year-round business and is projected to enable the hotel to leverage its future RevPAR performance.
- The Best Western's RevPAR Index reflects the upside potential of the hotel - projected to be gained from new management and recently complete renovations.
- Given the current land and construction costs, this investment offering represents a solid opportunity to acquire a +/- 4.76-acre hotel.

Property Overview

Property: Best Western InnSuites Yuma Mall Hotel & Suites located at 1450 Castle Dome Ave.

Number of Suites: 166 Studios and Suites

HVAC: Individual wall mounted thermostat controlled

Assessor's Parcel Number: 109-08-041-014A

Land Area: 4.76 gross acres +/-; 207,345 gross SF +/-

Terrain: The subject site is generally at street grade on the southern portion of the site and then slopes to the north and east.

Zoning: B-2, this classification allows for a wide variety of business and commercial uses, not limited to the subject as a 166-unit suite hotel development.

Utilities: All utilities are available to the site including electricity, telephone, gas, sewer and water. Police and fire protection are provided by the City of Yuma.

Immediate Environs: The uses immediately adjacent and surrounding the subject include:

East: Yuma Palms Mall

West: Interstate 8

North: Strip Center and the 472-unit Castle Dome Self Storage complex.

South: The Shilo Inn and Hampton Inn followed by 16th Street.

Primary Amenities:

- Outdoor swimming pool, Spa, Sun Deck
- 24 hour Airport Shuttle
- Business Center with 4 Guest Computers and Free High Speed Internet
- Fitness Center and Game Room
- PJ's Café and Lounge, Room service, Hosted Social Hour
- Two Lighted Tennis Courts, Basketball Court
- Large Meeting Room Facilities
- Guest Library
- Gift Shop



Relaxing Pool Area

Yuma, Arizona

Market Segmentation

Market segmentation data for the subject property is estimated as follows:

Government: 45% Corporate: 30% Group: 15% Leisure: 10%

Competitive Overview

Property	Rooms	Opened
Best Western InnSuites	166	1982
Clarion Suites Yuma	163	1987
Days Inn	65	1995
Fairfield Inn	64	2000
Springhill Suites	80	2004
Holiday Inn	121	2005
Hampton Inn	90	2005
Total	749	

STR Report

Tab 2 - Weekly Performance at a Glance - My Property vs. Competitive Set

Best Western InnSuites Hotel & Suites 1450 S Castle Dome Ave Yuma, AZ 85365-1732 Phone: (928) 783-8341
 STR # 1850 Chain ID: 03097 Mgt Co: None Owner: None
 Period ending: June 14, 2008 Date Created: June 17, 2008

June 08, 2008 - June 14, 2008

		Sunday		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total	
		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg	
Occupancy	My Property	57.8%	-31.4	79.5%	-19.5	81.3%	-15.6	74.7%	-22.5	77.1%	-16.9	63.9%	-34.2	72.9%	-16.0	72.5%	-22.3
	Comp Set	44.7%	-31.3	72.4%	-26.4	78.2%	-21.6	73.0%	-26.4	63.1%	-29.1	48.7%	-27.4	40.7%	-27.7	60.1%	-26.8
	Index	129.4	-0.2	109.9	9.4	104.0	7.6	102.4	5.3	122.1	17.2	131.1	-9.4	179.1	16.3	120.6	6.2
ADR	My Property	71.88	33.5	75.55	20.3	70.19	-2.6	67.27	-6.7	69.32	12.9	77.14	21.9	83.64	32.5	73.47	14.3
	Comp Set	90.65	-5.3	102.22	-4.6	103.74	-3.6	102.49	-7.2	98.12	-5.2	86.21	-7.4	86.11	-7.9	97.29	-5.5
	Index	79.3	40.9	73.9	26.1	67.7	1.0	65.6	0.6	70.6	19.2	89.5	31.7	97.1	43.9	75.5	20.9
RevPAR	My Property	41.57	-8.5	60.07	-3.2	57.08	-17.9	50.25	-27.7	53.45	-6.1	49.26	-19.7	60.96	11.4	53.23	-11.2
	Comp Set	40.52	-34.9	73.96	-29.8	81.11	-24.4	74.78	-31.7	61.95	-32.8	41.98	-32.8	35.05	-33.5	58.48	-30.8
	Index	102.6	40.7	81.2	37.9	70.4	8.7	67.2	5.9	86.3	39.7	117.3	19.4	173.9	67.4	91.0	28.4

Yuma, Arizona

Financial Overview

2007-2008		2007	2008*
Total Rev. \$4,070,324		Room Revenue	Room Revenue
OCC 84%	January	\$361,321	\$365,772
ADR \$77	February	\$385,781	\$394,290
Suites Available 60,590	March	\$403,599	\$376,765
Suites Occupied 50,895	April	\$365,708	\$336,744
	May	\$305,458	\$295,889
	June	\$299,207	\$300,560
	July	\$265,038	\$275,139
	August	\$292,015	\$298,679
	September	\$333,130	\$334,793
	October	\$356,011	\$357,633
	November	\$324,111	\$325,546
	December	\$238,456	\$277,159
		Total	\$3,938,969

*2008 Actual through May, Budget thereafter

Terms of sale

Price: \$14,500,000

Cap Rate: 12%

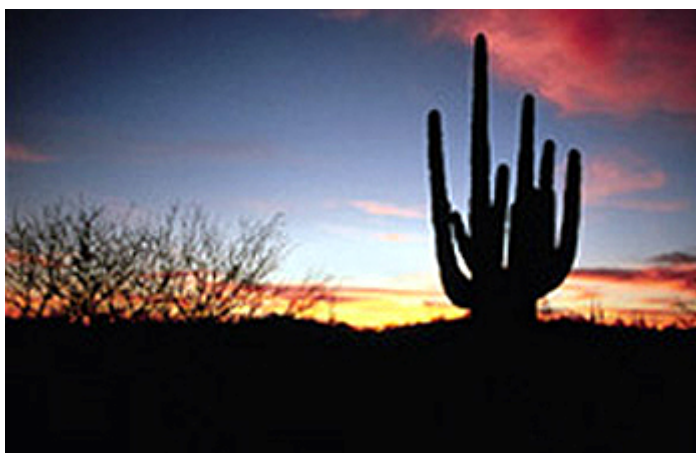
Franchise: Best Western

Management: Optional month-to-month

Ownership Interest: Fee Simple

Franchise Overview

- The Best Western license agreement is good standing available on a year-to-year basis. The regional InnSuites trade name and reservation system is available on a month-to-month basis.



Beautiful Desert Sunset

Yuma, Arizona

Location

Best Western InnSuites Yuma Mall Hotel & Suites
1450 Castle Dome Avenue
Yuma, Arizona

The Best Western InnSuites' neighborhood can be geographically defined as that portion east and north of Interstate 8 or the north east area of metropolitan Yuma. This area is known as "South Gila Valley", located on the east side of the city of Yuma, with good access to Yuma and freeway interchanges via three routes and within walking distance to the new 1,000,000 SF Yuma Palms Regional Center. The Yuma Regional Mall is the center of all business, shopping and entertainment in Yuma and Yuma County featuring department and specialty stores, restaurants and entertainment, as well as walkways, plazas and gathering areas. Further enhancing the hotel's convenient freeway location with year-round freeway business is its ability to capture demand from a broad trade area and accessibility to the greater Yuma area.

Agricultural production is predominant in the South Gila Valley which is part of the Yuma Irrigation District. At the west end of the valley nearest to Yuma are two aspects of urban expansion, primarily industrial uses together with some residential developments.

Industrial development is centered north of east 16th St. (U.S. Highway 95), running east from Pacific Avenue to Avenue 3E. There is also development south of 16th St. and further north at Pacific Avenue and 8th St, but the principal area is in the south half of Section 26 which comprises three subdivisions, Lee Pate Industrial Park, Gila Acres subdivision, and Gila Commercial subdivision. Commercial development found in the neighborhood is mainly along 16th St. or towards its intersection with Interstate 8. Found in this vicinity are most of Yuma's hotels, restaurants and retail developments.

The eastern portion of the neighborhood is generally developed with either farms or two small industrial areas. The Hotel is well located with respect to numerous, key demand generators:

- Yuma Palms Regional Center 0.0 mile(s)
- Paradise Casino 1.0 mile(s)
- Yuma Territorial Park Historic Site 1.0 mile(s)
- Colorado River Sports 2.0 mile(s)
- Yuma International Airport, approximately 2.5 miles from the hotel.
- Major corporate locations nearby the Hotel include:
 - 3 miles from Marine Corp Air Station
 - 3 miles from Yuma Regional Medical Center
 - 21 miles from Yuma Proving Grounds
- Desert Hill Golf Course 4.0 mile(s)
- Algodones, Mexico is approximately 6 miles from the hotel.
- Arizona Western College 10.0 mile(s)
- Imperial Sand Dunes 15.0 mile(s)
- San Luis, Mexico 25.0 mile(s)

Yuma, Arizona

Location Map



Property Access

Access to the hotel is via two-lane Castle Dome Ave. leading north from 16th St. Commercial visibility is afforded by Interstate 8, the western boundary of the subject. Sixteenth St. leads into the heart of the city of Yuma.

Yuma, Arizona

Guest Studios & Suites

The hotel features 166 total guest studios & suites

InnSuite King Studio	40
InnSuite Double Queen Studio	40
Wet Bar Studio King	35
Executive King Suite	28
Executive Double Queen Suites	9
Board Suites	3
Presidential Jacuzzi Suites	<u>11</u>
Total	166

*Included in room the are a total of 48 two-room Suites

- Both Reliable Hard-wired High speed internet access (required by the Military) and Convenient WiFi High Speed Internet Access
- Refrigerator
- Microwave
- Cable television
- Iron & Ironing Board
- Coffee maker
- Free local calls/Two-line phones
- Free long distance access
- 11 In-room Presidential Jacuzzi spa suites available
- Non-smoking
- Handicapped
- Two-room Suites: 48
- Kitchenettes: 87

Meeting Facilities

The hotel contains a total of approximately 3924 SF of flexible meeting space. The Territorial room is located in the two-story building with approximately 1,485 SF. This building contains the lobby, office, registration area and the Territorial room. In the three-story building is the Palm Canyon Room with approximately 2,439 SF.

Food & Beverage

PJ's Café is in the center of the property next to the swimming pool and exterior Jacuzzi Hot Tub. The Café can seat up to 25 guests inside and 25 guests on the patio and provides the complimentary guest breakfast buffet and complimentary social hour. There is also food service available for dining which consists mainly of sandwiches and a limited menu plus room service.

Guest Services

- PJ's Restaurant & Pub
- Outdoor year round heated swimming pool
- Outdoor Jacuzzi Hot Tub
- Two Tennis Courts and Basketball (Nightly lit)
- Ample Meeting Facilities
- Fitness Center
- Airport Courtesy Shuttle

Yuma, Arizona

Capital Expenditures

Approximate renovation to the hotel in 2005, 2006 and 2007 was \$616,752.55.

Renovation in 2008 is centered on new 37" flat screen guest suite televisions.

Environmental

Neither the Owner nor their advisors make any representations regarding the environmental condition of the hotel. All prospective purchasers are encouraged to perform an independent environmental inspection of the property. A previous clean Phase I lender environmental report is available upon request.

Improvement Features

The majority of the property was constructed in 1981, PJ's Café was constructed in 1982. A three story building housing expanded wetbar suites and a meeting room was constructed in 1986.

The total gross square footage is 80,358 square feet which includes PJ's Café with 1,050 square feet. The registration office building is two stories and measures 8,352 SF. On the ground floor of this building are the office, lobby, registration area, and the Territorial Room, a meeting room measuring 1,485 SF. In the three-story building is the 2,439 square foot Palm Canyon Room. This provides the subject with 3,924 SF of meeting space.

The foundation is constructed of steel reinforced poured concrete over an aggregate base course with typical soil preparation.

Exterior walls consist of metal frame with a stucco finish.

Interior walls are constructed of taped and textured sheetrock over wood framing. The walls are finished with either wallpaper, ceramic tile, or are painted.

The roofs are flat, constructed of a combination of built-up asphalt over rolled composition, reported to be in good condition.

The flooring for the walkways, first floor, and sidewalks are constructed of steel reinforced poured concrete over an aggregate base course. Floors on the second level have walkways constructed of poured in place thin concrete over heavy wood framing. The overhangs are sheetrock. Tile flooring can be found throughout the lobby area, entryway, and bathrooms. All guest suites have high quality carpeting on pad.

Entry doors are solid core with a metal covering and good commercial-grade hotel hardware. The doors have a card key lock system. The interior doors are hollow core masonite with a wood grain finish and all interior door jambs are wood or metal.

All heating & cooling units are thermostatically controlled. Heating and cooling are provided by roof and wall mounted systems.

Ceilings are taped and textured sheetrock finish

Windows are clear polished glass plate tempered in aluminum fixtures.

Yuma, Arizona

The plumbing in each suite consists of a three fixture restroom that includes a tub/shower, commode and vanity. All two-room and wet bar suites have sinks and each room has a microwave, coffeemaker, and small refrigerator. The larger executive suites come with a stove. Some units have large refrigerator and dishwasher.

Each suite has a king or queen bed, a dresser, couch, chair, desk, microwave, coffeemaker, and hair dryer. The two-room and wet bar suites also provide a refrigerator, sink, and an additional television. Each room has at least one large television in a armoire.

There is sufficient on-site parking and handicapped spaces around the perimeter of the site with total parking spaces of 240. There is land for expansion.

Landscaping consists of a wide myriad of desert vegetation. The interior courtyard area is predominantly grass.

Guest laundry equipment is owned. The on-site hotel laundry for the hotel consists of three washers and three dryers. There are ice machines located throughout the complex. Furniture around the pool consists of lounge chairs and tables. The lobby and office area consists of desks for four offices, the registration desk, and couches and chairs off the lobby/registration area.

The hotel is separated into six buildings housing a guest suites and one building housing PJ's Café. All buildings are two-story in design, except the most recently constructed building is three stories. The three story building is sprinkled.



Spacious Sundeck

Yuma, Arizona

Yuma Overview

Location

Located in the Yuma and Gila valleys of Southwestern Arizona where Arizona, California, and Mexico converge is Yuma. With a climate that mixes pure desert sunshine with the cool waters of the Colorado River and Gila Rivers, Yuma offers our residents a year round vista of surrounding rugged mountains and green agricultural fields.

The incorporated area of Yuma is approximately 110 square miles and houses over 88,775 full-time residents. The City of Yuma is a full service council-manager government. The City is governed by a charter, Arizona state statutes, and an adopted Strategic Management Plan.

The City employs approximately 1,050 full and part-time employees in eleven departments. Public services include police, fire, water and wastewater utilities, solid waste services, parks, recreation, and arts & culture services.

Yuma is located in the Southwestern corner of Arizona near the borders of California, Sonora, Mexico, and Baja California, Mexico.

History

Yuma's history dates back to 1540 when Hernando de Alarcon, the Spanish explorer, became the first European to see the site of the present day City of Yuma. From 1540 to 1854, Yuma was under the flags of Spain and Mexico, but in 1854 became a territorial possession of the United States through the Gadsden Purchase. In the 1850's, Yuma became the major river crossing of the California gold seekers. From the 1850s to the 1870s, steamboats on the Colorado River transported passengers and goods to mines, ranches and military outposts in the area, serving the ports of Yuma, Laguna, Castle Dome, and others. In its early years, Yuma was identified by several names. From 1854 until 1858, Yuma was known as Colorado City, from 1858 until 1873, it was named Arizona City. Yuma received its present name by the Territorial Legislature in 1873. The City and County were named for the original inhabitants, the Yumas. The Yumas were a combination of Indian tribes of the lower Colorado Region, which consisted of the Quechans, Cocopah's, and the Mohave's; these tribes were bound by being members of one linguistic group.

Yuma is rich in the history of the old West; mountain men, Fort Yuma Soldiers, river men, railroaders, and the inmates of the infamous Yuma Territorial Prison made Yuma's history unforgettable. Yuma is the third fastest growing area in the country for the period 1990 - 2000, with a growth rate of 49.7% strong growth continues. Yuma is Arizona's third largest metropolitan area, behind Phoenix and Tucson.

County: Yuma County

Distance to Phoenix: 185 miles

Distance to Tucson: 237 miles

Highways: I-8; US 95

Elevation: 138 feet

	1990	2000	2007
Yuma	54,923	77,515	88,750
Yuma County	106,895	160,026	169,760
Arizona	3,665,228	5,130,632	5,472,750

Sources: AZ Department of Economic Security and U.S. Census Bureau.

Yuma, Arizona

Yuma Tourism and Winter Visitors

In percentage terms, there are more people are moving to Yuma than almost anywhere in the country. In fact, Yuma is the third fastest growing area in the United States. Now all of these people can't be wrong - so why, out of all of the great cities in the U.S., does Yuma stand out? What makes Yuma a great place to live, raise a family, or start a business?

Probably the most obvious reason for Yuma's outstanding growth is, of course, Yuma's desert climate. Summers can get a little warm, but with the low humidity and the prevalence of air conditioning, they are far from unbearable. And as your reward for making it through 3 months of heat, you have 9 months of beautiful temperatures. Even in the middle of January - Yuma's coldest month - the daytime temperature averages in the mid-60's. Yuma's wonderful winters have not gone unnoticed by our friends from the North - Yuma's population doubles with the arrival of winter visitors, providing a boon for area businesses. Seasonal visitors contribute approximately \$300 million annually to the Yuma economy.

Yuma Overview

Principal Economic Activities

Agriculture is a major economic factor, and at the current rate of growth, Yum-area agribusiness will be a billion-dollar industry by the century's beginning. Tourism and the military also contribute substantially to the economy. New and existing light industry increases Yuma's economic diversity. The Mexican free-port of San Luis Rio Colorado is located 23 miles southwest. For industries interested in offshore manufacturing, or twinplant operations, San Luis has all facilities necessary.

County Employment 2002

Agriculture	22,902
Construction	2,825
Fire	1,350
Government	12,275
Manufacturing	1,950
Services	10,575
TCPU	1,625
Trade	11,300

Source: Arizona Department of Economic Security

Major Private Employers

- Dole Fresh Vegetables
- Gowan Company
- Slayer American Fresh
- Shaw Industries
- Yuma Regional Medical Center

Major Public Employers

- City of Yuma
- Marine Corps. Air Station
- U.S. Army, Yuma Proving Grounds
- Yuma County
- Yuma Elementary School

Scenic Attractions

The Yuma State Territorial Prison Park, with cells carved from rock, once housed Arizona's most dangerous outlaws, but today is a popular tourist attraction operated by the Arizona State Parks Department. Other attractions in the area include Fort Yuma (built in 1851), the 16th-century St. Thomas Mission Dams; and across the Colorado River, the California sand dunes. In nearby San Luis and Algodones, Mexico, port-of-entry communities, casino night spots and shopping are popular activities. Lakes along the Colorado River offer fishing water skiing and swimming opportunities. The Arizona State Parks Board and the City of Yuma operates the new Yuma Crossing State Park, featuring living history on the Colorado before 1900.

Yuma, Arizona

Industrial Properties

There are numerous industrial parks available with space for light or heavy industry, office, warehouse, commercial and storage. Various size parcels are available with monthly or annual leases.

Utilities

Electricity: APS (Statewide)
Natural Gas: Southwest Gas Corp.
Telephone: Qwest
Water & Sewer: Municipal (Yuma)
Cable Providers: Yes
Digital Switching Station: Yes
Internet Service Provider: Yes
Cable Internet Service Provider: Yes
Fiber Optics: Yes

Community Facilities

The city of Yuma offer a broad range of community facilities including three museums, an adult center, a library, an art gallery, 15 parks, two bowling alleys, a Boys and Girls Club, nine indoor theaters, one private and six public golf courses, three swimming pools (one Olympic size), 11 lighted tennis courts, Riverfront Park and a major league ball park.

Yuma has extensive education institutions for elementary, middle school, high school, post graduate, 4-year university and vocational/technical college.

Financial

Number of Banks: 14

Governmental Agencies

Fire Department: Staffed City/Local Fire Department
Law Enforcement: City Police Department

Airports

Yuma International Airport, two airlines with more than 26 daily flights to/from Yuma and Phoenix, AZ and Los Angeles, CA

Medical

Yuma has one extensive hospital



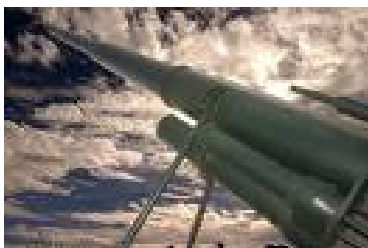
Golf

Yuma, Arizona

Competitive Overview

The Best Western InnSuites' competitive set (including the Best Western InnSuites) offers a total of 2,050 guestrooms. The properties are considered competitive based upon their location, demand orientation, chain affiliation, facilities, amenities, and overall quality.

<p>Clarion Suites Yuma Location: 2600 S. 4th Ave. Yuma, AZ Number of Rooms: 163 Built: 1987 Meeting Space: 1,600 SF Approx Facilities: The hotel is located two miles from the Yuma International Airport. Cabana and cocktail lounge.</p>	<p>Fairfield Inn Yuma Location: 1801 S. Sunridge Dr. Yuma, AZ Number of Rooms: 64 Built: 2000 Meeting Space: 0 SF Facilities: The Fairfield Inn is located 1.5 miles from the Marine Corps Air Station, and Yuma International Airport. Free local cable, complimentary continental breakfast, free local calls, same day dry cleaning, pool and spa.</p>
<p>Hampton Inn & Suites Yuma Location: E. 923 Third Ave. Yuma, AZ 99202 Number of Rooms: 90 Built: 2005 Meeting Space: 2,400 SF Facilities: The Hampton Inn & Suites offers rooms with a standard coffee maker, iron and ironing board, and complimentary in-room movie channel. They also offer local calls and no surcharge for using a calling card. Guests also enjoy the following complimentary items: hot breakfast, breakfast bags, high speed internet access in every room, wireless internet access in the lobby, meeting rooms and public areas, coffee and tea in the lobby.</p>	<p>Holiday Inn Yuma Location: 322 N. Yuma Falls Court Yuma, AZ 99201 Number of Rooms: 121 Built: 2005 Meeting Space: 1,925 SF Facilities: The Holiday Inn is a newly built hotel which features a restaurant, lounge, meeting and banquet facilities, and a self-serve sundries shop. The Holiday Inn has an outdoor swimming pool and hot tub. The hotel also offers a fitness center. The hotel also features a fully equipped business center.</p>



Yuma Proving Ground

Yuma, Arizona

Financial Information

YUMA BEST WESTERN HOTEL

PROPERTY OPERATING STATEMENTS - UNAUDITED NOI

For the 12 Months Ended January 31, 2006, 2007, May 31, 2008 and Projected 12 Months Ended December 31, 2008

	31-Jan-06	31-Jan-07	Trailing 12 31-May-08	Projected 31-Dec-08
Revenues				
Room	\$ 3,573,086	\$ 3,550,474	\$ 3,895,483	\$ 4,302,436
Food & beverage	71,612	70,096	88,919	86,049
Telecommunications	24,783	4,277	6,919	6,500
Miscellaneous	41,578	38,773	50,113	43,024
Total revenues	\$ 3,711,059	\$ 3,663,621	\$ 4,041,434	\$ 4,438,009
Expenses				
Rooms	\$ 712,629	\$ 714,489	\$ 769,974	\$ 819,359
Food & beverage	67,799	77,584	92,283	64,537
Telecommunications	39,816	16,782	5,934	12,977
Miscellaneous	34,524	24,375	12,549	20,304
G&A	279,251	292,379	304,426	297,333
Advertising & promotion	196,894	200,219	250,330	215,122
Utilities	192,538	219,398	240,188	250,088
Repairs & maintainance	254,701	298,493	291,221	271,838
Hospitality	113,453	122,791	160,788	156,412
Management fees to affiliates	80,794	90,201	99,360	107,561
Advertising Trust fees to affiliates	17,557	34,447	38,368	43,024
Corporate accounting fees	24,000	24,000	24,000	24,000
Best Western trademark license fees	87,788	87,951	91,751	86,122
Trademark license fees to affiliates	46,397	45,100	49,680	53,780
Total expenses	\$ 2,148,142	\$ 2,248,210	\$ 2,430,852	\$ 2,422,458
Gross Operating Profit	\$ 1,562,917	\$ 1,415,411	\$ 1,610,581	\$ 2,015,551
Add back:				
Corporate accounting fees	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
Management fees to affiliates	80,794	90,201	99,360	107,561
Advertising Trust fees to affiliates	17,557	34,447	38,368	43,024
Trademark license fees to affiliates	46,397	45,100	49,680	53,780
1/2 G&A expense	139,625	146,189	152,213	148,667
Subtotal add backs	\$ 308,373	\$ 339,938	\$ 363,621	\$ 377,032
Adjusted Gross Operating Profit	\$ 1,871,290	\$ 1,755,349	\$ 1,974,203	\$ 2,392,584
Deduct:				
Real estate and personal property taxes	\$ 131,842	\$ 128,914	\$ 134,362	\$ 134,000
New Management fee 3%	107,193	106,514	116,864	129,073
New Trademark license fees 1%	35,731	35,505	38,955	43,024
Replacement Reserves 3%	107,193	106,514	116,864	129,073
Subtotal deducts	\$ 381,958	\$ 377,448	\$ 407,046	\$ 435,171
Adjusted Net Operating Income	\$ 1,489,333	\$ 1,377,901	\$ 1,567,157	\$ 1,957,413

*Depreciation and interest expense are not included in statement.