

FOR BROKER DEALER USE ONLY

Hampton Inn and Suites
100 Passaic Avenue
Harrison, NJ 07029

The **165 room Hampton Inn and Suites** built in 2004 and is located near these room night generators below:

Harrison Real Estate Developments – Current, under construction, planning

- **Red Bull Arena:** In 2010, the Red Bull Arena, the home of New York's Major League soccer team, opened in Harrison, NJ. The \$200 million arena can host up to 25,000 people.
- Harrison's two major developments encompass over 60 acres and total over **\$1 billion**
 - **Harrison Station** – 27 acre New-Urbanist focused community with 7 buildings including - 2200 Residential Units, 80,000 sf Retail, and a 132 key Element hotel. (Some buildings still u/c)
 - **Riverbend District** – 35 acre multi-phased transit-oriented community that initiated construction in 2015 – 3,000 residential units and 100k sf retail.
- \$256M **PATH Station**
- **NOG District** – 315,000 sf office, 168,000 sf retail, 900 residential units.

Newark Real Estate Developments - Current

- **Prudential Office Tower:** In 2015, Prudential opened a \$444 million, 740,000 SF office building in downtown Newark. Additionally, the company invested \$150 million into revitalization projects around its new office building.
- **Teacher's Village:** In late 2016, the \$150 million Teachers Village opened in Newark, NJ. The Teacher's Village includes three charter schools, 65,000 SF of retail and 204 apartments.
- **Hahne's Building:** This \$170 million adaptive reuse project opened in downtown Newark in 2017. The project includes 160 luxury apartments; 75,000 SF of retail space including a Whole Foods Market and celebrity-chef helmed restaurant; the 57,000 SF Rutgers University Department of Arts, Culture and Media; and 90,000 SF of additional commercial space.
- **Rutgers University Life Sciences Center and Residential Tower:** A \$129-million project with 101,000 SF of research and classroom space and 400-bed residential tower that was completed in late 2017.

Newark Real Estate Developments - In Planning

- **Audible.com Expansion:** A 70,000 SF expansion of Audible.com's corporate headquarters is currently underway and is anticipated to be complete by 2018. Audible.com, an Amazon affiliate, is the largest audiobook producer and retailer and the fastest growing private sector employer in Newark.
- **Four Corners Millennium Project:** A \$250 million mixed-use project that will include 705 residential units, totaling 807,565 SF; 161,670 SF of retail; 110,000 SF of office; and a 130-room 70,815 SF hotel. The project is anticipated to commence construction in 2018.
- **Ironside Development:** Edison Properties unveiled plans for its \$80 million Ironside Newark, a mixed-use development located near Prudential Center that will include 446,000 SF of office space. In late 2017, Mars announced it would open its new headquarters in the building. The project should complete construction in 2020.
- **Newark Bears Stadium Redevelopment:** Located directly across the river from the Hotel, the former Newark Bears minor league baseball stadium will be redeveloped into a 2.3 million SF mixed-use development. The project will include 2,000 apartment units, 400,000 SF of office space and 120,000 SF of retail and entertainment. The development is anticipated to commence construction in 2018 and open in 2021/2022.

Technology

- **Audible.com** -The shift of technology firms to Newark commenced with Audible.com, the world's largest producer of downloadable audiobooks and an Amazon subsidiary, which opened its headquarters in downtown Newark in 2006. In 2016, Audible.com announced it would be expanding its downtown headquarters by 70,000 SF, adding a total of 350 jobs by 2018.
- **Panasonic**-In 2013, Panasonic opened its North American headquarters within a new Class-A 340,000 SF office tower in downtown Newark. The Japanese electronics giant added approximately 1,000 employees to downtown Newark.
- **Broadridge Financial Solutions** -In 2017, Broadridge Financial Solutions, a global \$4 billion fintech company focused on providing advanced communications, technology, data and analytic solutions to financial services firms, opened its Global Technology and Operations Division in 160,000 SF of 2 Gateway Center, moving approximately 1,000 employees to its downtown Newark office.

Education

- **Rutgers University –Newark:** Rutgers University Newark is a four-year research university with six schools serving over 12,000 undergraduate and graduate students. Colleges at Rutgers University-Newark include the Newark College of Arts and Sciences, University College, the School of Criminal Justice, Rutgers School of Law, Rutgers Business School, the Graduate School, and the School of Public Affairs and Administration.
- **New Jersey Institute of Technology:** The New Jersey Institute of Technology (NJIT) is the state's public polytechnic university with over 11,000 students, A leader in STEM education, research, economic development and service, NJIT offers 128 undergraduate and graduate degree programs in six specialized schools. The university, which has doubled in size over the past decade, has an extensive research and development arm focused on nano-technology, solar terrestrial physics and polymer science.
- **Seton Hall University School of Law:** Seton Hall University School of Law is a top-ranked law school and only private law school in the state of New Jersey, With over 1,000 students, Seton Hall Law is home to four centers focused on health law, intellectual property law, public interest law, social justice, and public policy and has achieved national distinction in the areas of health and pharmaceutical law, intellectual property law, public interest and government service, and international and corporate practice.

Transportation

- **Newark Liberty International Airport:** Newark Liberty International Airport is the 15th busiest domestic passenger airport and the 46th busiest airport in the world. Commercial air carriers listed in order of total volume, include United, American, Delta, JetBlue, Southwest, Air Canada and Virgin America; in 2016, United accounted for almost 70% of all passenger traffic. Total passenger volume has grown significantly in recent years, increasing by 5.3% in 2015, 7.6% in 2016 and 7.2% as of YTD October 2017. The airport is currently undergoing an extensive \$2.3 billion redevelopment of Terminal A –anticipated to be complete by 2022, the project will include a one-million-square-foot 33-gate terminal, 140 acres of aeronautical paving contiguous with the new terminal, a new 3,000 car parking garage and advancements to roadway and railway connectivity.
- **Port Newark-Elizabeth:** Port Newark-Elizabeth is the largest container port on the US East Coast and the third largest in the nation. In 2016, the Port handled over 4.5 million TEUs of cargo, accounting for approximately 11.0% of the total North American container trade. The Port Authority of New York and New Jersey is completing the final phase of a \$2.1 billion project that is designed to accommodate mega-ships that will travel to the area as a result of the 2016 Panama Canal expansion project. The Port Newark project includes deepening the port's channel by 50 feet and raising the height of the Bayonne Bridge to 215 feet. Trade with Asia is anticipated to increase significantly upon completion, leading to an increase in total trade volume and business derived from the port.

- **Newark Penn Station:** Newark Penn Station is the rail and bus transportation center of Newark providing business and corporations based in Newark with superior connectivity to the New York metro and New Jersey. The station is served by 11 Amtrak lines, 3 NJ Transit rail lines, PATH service and Newark Light Rail. Bus carriers include Greyhound, Peter Pan, Trail ways, NJ Transit and ONE.

Sports and Entertainment

- **Prudential Center:** The \$375 million 18,711 seat multi-purpose arena located in downtown Newark, is home to the NHL's New Jersey Devils and Seton Hall University men's basketball team. Opened in 2007, is the 4th highest grossing US arena in terms of ticket sales. The center holds over 200 events per year, including college basketball, hockey, lacrosse, soccer, boxing, music concerts and political rallies. The center also serves as the city's main convention center, hosting a number of convention and tradeshow.
- **New Jersey Performing Arts Center:** The New Jersey Performing Arts Center, also known as NJPAC, is a world-class cultural venue and one of the largest performing arts centers in the United States. NJPAC is home to the New Jersey Symphony Orchestra and has hosted world-renown artists and performance groups including Yo-Yo Ma, Paul Simon, Bob Dylan, Alvin Ailey American Dance, Sting, Jennifer Hudson and many others.
- **Red Bull Arena:** Located in downtown Harrison, Red Bull Arena is a \$200 million 25,000-seat, open-air stadium that is home to the MLS New York Red Bulls, one of the 19 teams that compose the United States professional soccer league. The arena also hosts a number of other national and international professional and collegiate soccer events, rugby matches and concerts.

New York City

- Newark is within 20 minutes of Manhattan via NJ Transit train or PATH subway system, offering visitors with convenient access to New York City's sites, attractions, businesses and corporations. Due to its close proximity to New York City, Newark attracts a significant amount of demand from leisure and corporate travelers seeking more affordable lodging options.

Overall basis in the property

- The all in cost to investors: \$33,070,534/165 rooms = \$200,428 per key (see page 20 in the ppm).
- Approximately \$14,220,534 raise
- Approximately \$4,150,000 PIP

Tax Matters

- This hotel, as do all of our hotels, generates a significant amount of depreciation. We have commissioned a **Cost Segregation Study** to be performed in order to maximize the amount of depreciation that can be recognized by the limited partners.
- The property level partnership will be audited.

Cost and Fees

- Please see pages 18-21 of the PPM for a complete breakdown of costs and fees.

Cash Flow:

- Quarterly distributions of net cash flow will be provided on the 15th day of the month following the end of each quarter. Any amount in excess of the **8% preferential rate of return** discussed in the ppm will be considered return of capital.

Map of the area: Click on the link below (or CTRL click)

<https://www.google.com/maps/place/Hampton+Inn+%26+Suites+Newark-Harrison-Riverwalk/@40.7464152,-74.1670402,17z/data=!3m1!4b1!4m5!3m4!1s0x89c2547957fa7041:0xde7ded3e28225740!8m2!3d40.7464152!4d-74.1648515>

Historical Financials

	2011 Actual		2012 Actual		2013 Actual		2014 Actual		2015 Actual		2016 Actual		2017 Actual	
	Amount		Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Comp Set														
Market Occ	82.8%		82.0%	-1.0%	81.1%	-1.1%	78.6%	-3.1%	79.2%	0.9%	78.3%	-1.2%	78.9%	0.7%
Market ADR	\$ 117.28		\$ 121.68	3.8%	\$ 124.00	1.9%	\$ 135.05	8.9%	\$ 132.87	-1.6%	\$ 134.92	1.5%	\$ 138.27	2.5%
Market RevPAR	\$ 97.14		\$ 99.79	2.7%	\$ 100.53	0.7%	\$ 106.08	5.5%	\$ 105.30	-0.7%	\$ 105.69	0.4%	\$ 109.06	3.2%
Property			<i>Hurricane - Hotel closed Nov 2012 - Feb 2013</i>											
Rooms Available	60,390		60,225		60,225		60,225		60,225		60,390		60,225	
Rooms Sold	46,854		38,442		37,204		48,110		47,334		46,175		46,346	
Occ %	77.6%		63.8%	-17.7%	61.8%	-3.2%	79.9%	29.3%	78.6%	-1.6%	76.5%	-2.7%	77.0%	0.6%
ADR	\$ 118.85		\$ 128.48	8.1%	\$ 130.49	1.6%	\$ 134.90	3.4%	\$ 135.50	0.4%	\$ 138.82	2.5%	\$ 139.36	0.4%
RevPAR	\$ 92.21		\$ 82.01	-11.1%	\$ 80.61	-1.7%	\$ 107.77	33.7%	\$ 106.50	-1.2%	\$ 106.15	-0.3%	\$ 107.24	1.0%