



A NEW VISION FOR A STORIED PLACE

MANOR HOUSE

AT GUY PARK

INVESTMENT OPPORTUNITY BY
MOHAWK DEVELOPMENT GROUP



TABLE OF CONTENTS

1	Executive Summary
5	Context
14	Zoning
17	Market Analysis
31	Financial Analysis
48	Architecture
67	Risks & Mitigants
69	Appendix

EXECUTIVE SUMMARY

In 2019, Governor Cuomo unveiled a proposal dubbed “Reimagine the Canals,” pledging \$300 million to develop and improve recreational activities along the Erie Canal to boost tourism, mitigate flooding issues, enhance irrigation and recreational fishing, and restore wetlands. Of the \$300 million, \$25 million will be allocated to a set of initial projects which includes developing destination accommodations along the historic Erie Canal. Guy Park Manor, a historic building along the Erie canal in the city of Amsterdam, New York, has been selected as one of the first development projects, making it an attractive investment opportunity for those interested in a transformative and historic public-private-partnership project.

Re-branded as the Manor House at Guy Park, the site will become a historic resort destination and a cultural hub of Amsterdam, with Guy Park Manor anchoring the site as a heritage attraction. The programming will be manifested through a 50 key hotel, restaurant, bar, spa, and outdoor activity center. The proposed development will span the two opposing strips of land along the Mohawk River and will connect across the river via a pedestrian bridge. Year-round programming will activate the site, with space to play, relax, and learn.

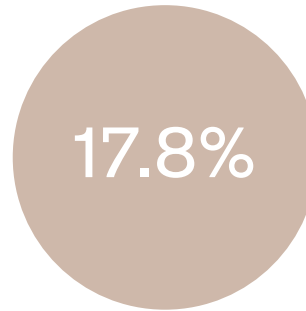
Mohawk Development Group is offering a unique opportunity to invest \$7.4 million to act as a Limited Partner in the development of this heritage hospitality destination.



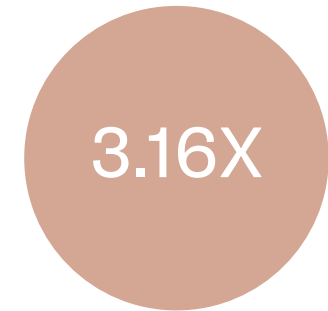
DEVELOPMENT COST



LEVERED IRR



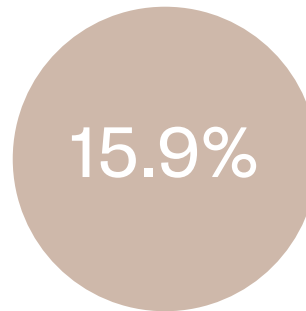
EQUITY MULTIPLE



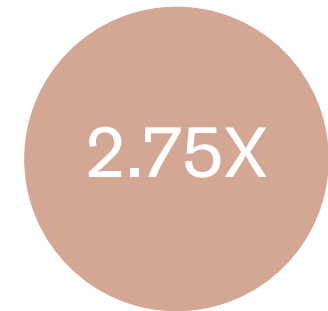
LP EQUITY



LP IRR



LP EQUITY MULTIPLE





HISTORIC

Guy Park Manor is the oldest home in the City of Amsterdam, with more than 250 years of history. This is an exceptionally rare opportunity to be apart of Guy Park Manor’s story. This historic project will make any portfolio stand out.



WELL-CONNECTED

The property has extensive access to nature that spans beyond the 17 acres of the site. The site is connected to the Erie Canal Trail, which features over 300 miles of multi-use, year-round trails. The site is also located less than an hour away from the Adirondacks, providing the site with unparalleled natural assets and experiences.



TRANSFORMATIVE

The project has an immense amount of public support, due to its historic value and its potential economic impact. As a part of something larger, Manor House at Guy Park will transform not only Amsterdam, but also Mohawk Valley and Upstate New York.

Executive Summary

AREA BREAKDOWN

AREA			TOTAL SQFT	USE/DESCRIPTION
Common Areas:				
Manor House			12,802 SF	Guest reception, farm to table restaurant, cafe with fire place, administrative offices, staff lockers, back of house, storage
Power House Bar			696 SF	Bar, indoor seating for up to 32 persons, restrooms
Spa			4,025 SF	Adjacent to hotel rooms; treatment & massage rooms, pool, sun room
Camp House			3,360 SF	Outdoor activities building, light F&B, equipment rental, restrooms
Boat House			3,549 SF	Aquatic activities building, boat dock, kayak launch, restrooms
Total Common Areas			28,278 SF	
Lodging:				
	Units	Size		
Single Rooms	20	450 SF	9,000 SF	Connected via walkway to Manor House
Double Rooms	20	450 SF	9,000 SF	Connected via walkway to Manor House
Suites	8	610 SF	4,880 SF	Connected via walkway to Manor House
Cabins	16	220 SF	3,520 SF	Located across the river, clusters of 4
Bathrooms/Amenities		700 SF	5,600 SF	Shared between cabins
Circulation/BOH/Mech			3,408 SF	
Total Lodging	50		35,408 SF	
Landscaping			39,142 SF	Boardwalk, outdoor landscaping, parking
Total Square Footage			97,0496 SF	

CONTEXT

The site is located in Amsterdam, a city located along the Mohawk River, and is a 3-hour drive away from New York City and a 40-minute drive from Albany. The site holds historical significance, as it houses Guy Park Manor and is located along the Erie Canal. The site boasts beautiful river views and lends itself to an array of outdoor activities. Furthermore, the site is located an hour away from the Adirondacks, making it the perfect getaway from the urban bustle. Once known for its carpet mills, the city is once again seeing economic revitalization with the Downtown Revitalization Initiative, creating an excellent backdrop for the development of a heritage destination hotel.









Size: 6.26 sq mi
Population: 17,864







Site Area: 17 acres
North bank: 12 acres
South bank: 5 acres



1774
Built for Guy
Johnson

Early 1800s
Stagecoach &
Tavern stop

1907
Sold to state for
preservation

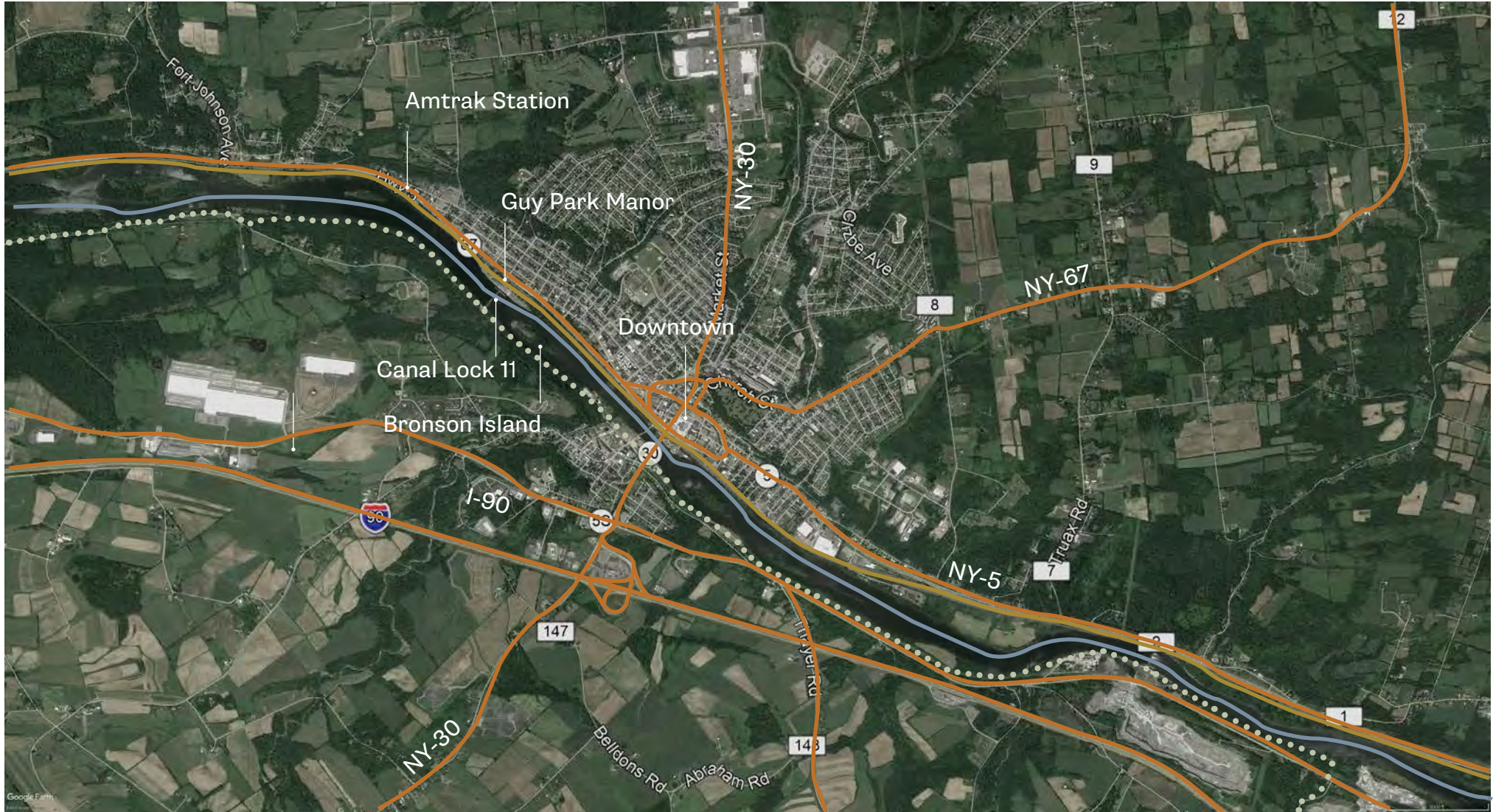
1973
Added to NRHP

Early 2000s
Walter Elwood
Museum



August 2011
Severely
damaged by
Hurricane Irene

Guy Park Manor was built in 1774 for Guy Johnson, an Irish-born British superintendent in colonial New York. After the American Revolution, Guy Johnson fled to Canada and the house was sold by the state to a private owner. Since then, it has gone through several other uses. In private hands, it served as a stagecoach, tavern, and private residence. The house was purchased by the state again in 1907 and added to the National Registry for Historic Preservation in 1973. In its most recent manifestation, Guy Park housed the Walter Elwood Museum until it was partially destroyed by Hurricane Irene in 2011. Since then, the state has stabilized the property and is now awaiting new life. This is where our story begins.



Car:		
Schenectady	45	Minutes
Albany	36	Minutes
Poughkeepsie	1	Hour 45 minutes
Adirondacks	1	Hours
NYC	3	Hours

Train:		
Schenectady	23	Minutes
Albany	45	Minutes
Poughkeepsie	2	Hours
Adirondacks	1	Hours 45 minutes
NYC:	3	Hours 30 minutes

- Mohawk River
- Amtrak
- Roads
- Empire State Trail

ZONING

Guy Park Manor is located on a parcel owned by the New York Power Authority (NYPA) in the city of Amsterdam, in Montgomery County. The site is within the Commercial Corridor zoning district which allows for various type of uses. Development on the land will be as-of-right according to current zoning regulations. The City of Amsterdam does not have a FAR for this site. All infrastructural work, including flood mitigation projects, quiet zone rail road crossing, and pedestrian bridge will be paid for by public funding. The site is prone to riverine flooding, and thus will require an Environmental Impact Assessment to ensure that the development will not negatively impact the surrounding environment.



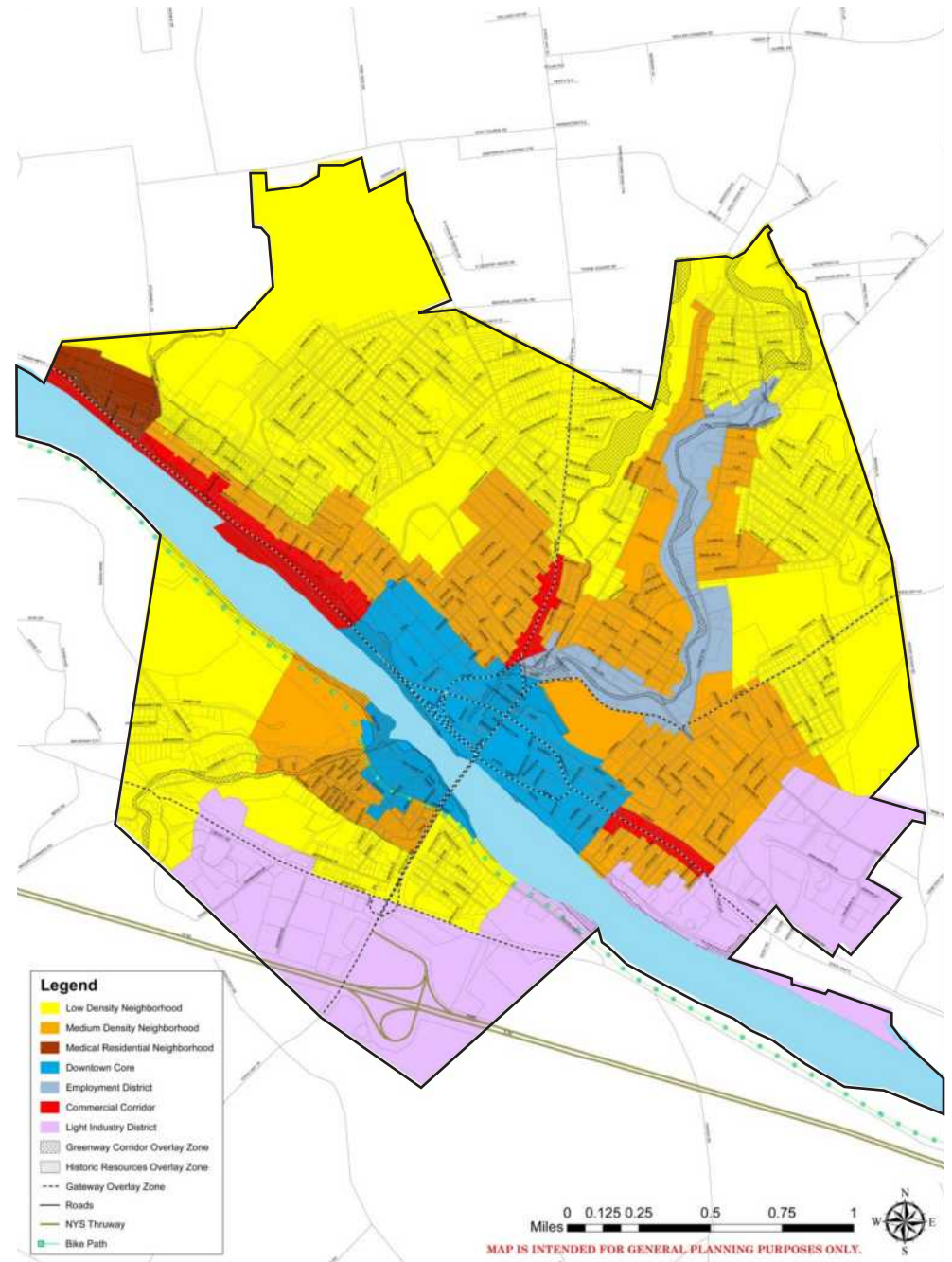
The site is located within the Commercial Corridor zoning district, which allowed for hotels, restaurants, taverns, and retail sales establishments. The proposed developed will be as-of-right, but will require further environmental impact analysis.

Permitted Uses:

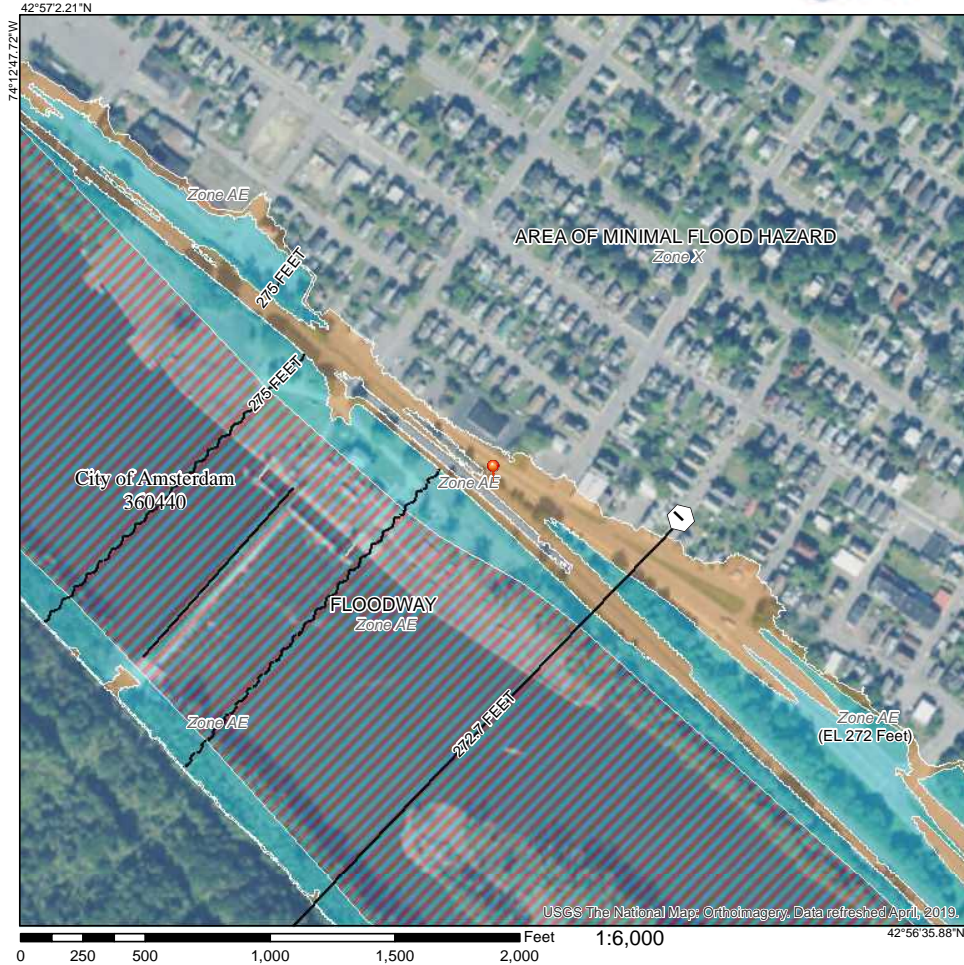
- professional offices
- banks and financial institutions
- medical clinics
- personal service establishment
- second-story residential units
- restaurants and taverns.
- retail sales establishment
- shopping center
- garden center
- schools
- automobile service station (minor)
- automobile sales
- boat sales/rental
- convenience store
- car wash
- motels and hotels
- theaters and auditoriums
- indoor commercial amusement
- copy shops, mail services, and print shops
- health club.
- child care
- churches, sunday school, and parish houses.
- home improvement store.
- funeral home.

Special Permit Uses:

- athletic facility
- amphitheater
- recreation commercial
- live entertainment
- automobile service station (major)
- membership club



National Flood Hazard Layer FIRMeTte



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, A99
	With BFE or Depth Zone AE, AO, AH, VE, AR
	Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
	Future Conditions 1% Annual Chance Flood Hazard Zone X
	Area with Reduced Flood Risk due to Levee. See Notes, Zone X
	Area with Flood Risk due to Levee Zone D

OTHER AREAS	NO SCREEN Area of Minimal Flood Hazard Zone X
	Effective LOMRs
	Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall

OTHER FEATURES	Cross Sections with 1% Annual Chance Water Surface Elevation
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Transect Baseline
	Profile Baseline
	Hydrographic Feature

MAP PANELS	Digital Data Available
	No Digital Data Available
	Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

The site is located within the FEMA Floodplain; however, there are reports from the New York Canal Corporation that illustrate how the flood levels are lowered based on the positioning of the movable dams. The movable dams are pulled up during major flood events and during the winter to allow for the flow of the river, and avoid any major flooding issues.

Despite the reports from the Canal Corporation, the design is manifested in a way that responds to the danger of flooding. All the built structures will be lifted 1 foot above the floodplain.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/7/2019 at 6:30:51 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

MARKET ANALYSIS

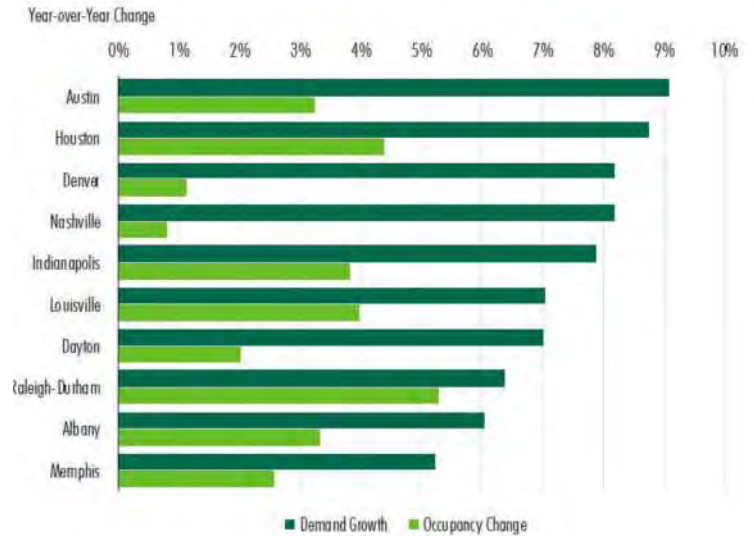
As with any market outside of major cities, performing a market analysis requires the reconciling of data from multiple sources and geographies. The following section carefully presents data gathered on the Hudson Valley, Town of Amsterdam, and regional comparables. These findings show that the boutique hotel market is a growing segment in Upstate New York, as demand is on the rise and supply is lagging behind. Surrounding areas in Amsterdam are also showing similar trends of under-supply and unmet demand. Comparables in the region have demonstrated that a concept similar to Manor House at Guy Park is popular amongst tourists and is a sustainable concept for our projected ADR.



NEW YORK HOTEL SUPPLY & DEMAND

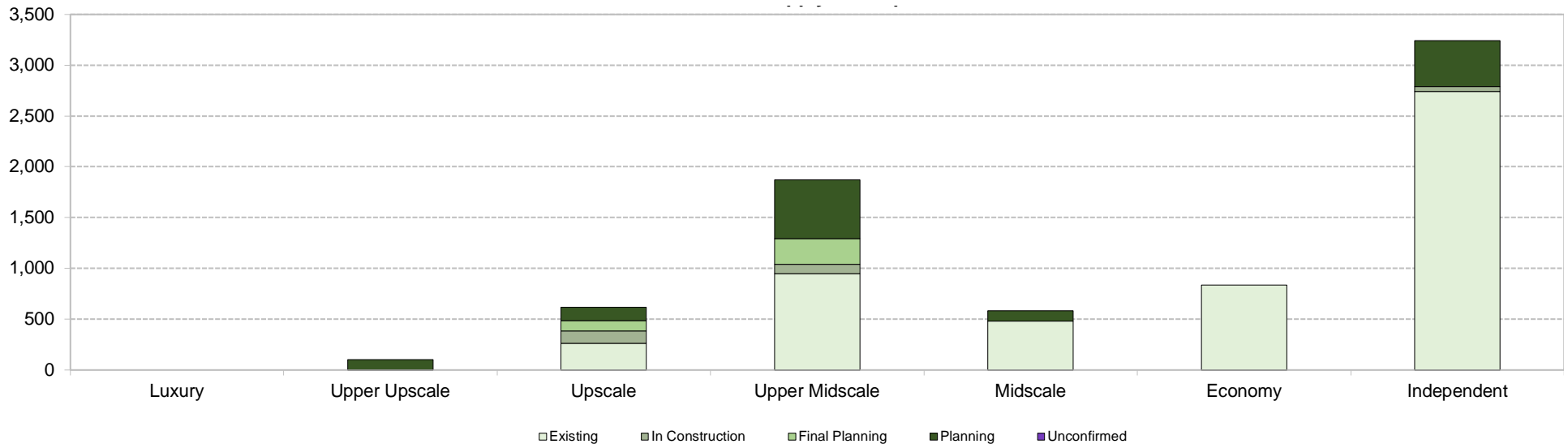
Demand Growth:

Demand for accommodation in Upstate New York remains strong as illustrated in the graph provided by CBRE. Consumer behavior is shifting; a larger number of travelers are looking for getaway destinations other than mainstream destinations. Albany (a non-primary market) is among the top 10 demand markets in the United States , and demand growth is outpacing supply growth in all of the top 10 secondary and tertiary markets.



Supply:

The following table demonstrates the supply for hotels in the Hudson Valley, which indicates that there is disproportionate number of independent hotels already existing. Independent hotels have more popularity in rural areas because of the expenses associated with franchising and managing hotels. Of the 25 hotels in the pipeline, only 5 are planned to be independently operated.

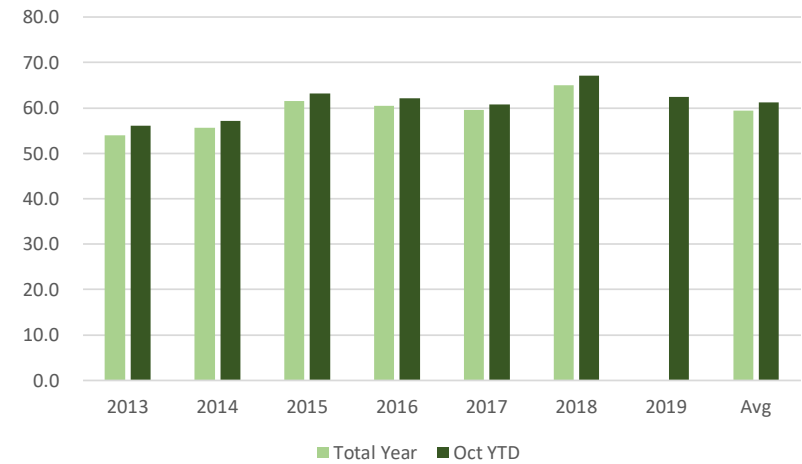


HUDSON VALLEY HOTEL TRENDS

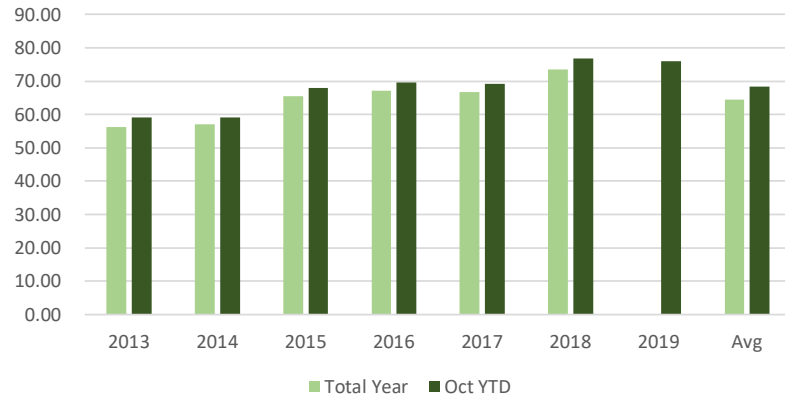
The hotel market in the Hudson Valley holds steady, with occupancy levels steadily rising every year. The occupancy rose by 9% in 2018, and reports show a 6% decline in the T-12 months, bringing it down to 2017 levels again. The data also shows a steady increase in ADR over the years, suggesting higher prices and growth for Hudson Valley hotels. Investigating further, there is a sharp increase in RevPAR in 2018 with a slight dip in the T-12 months.

Ultimately, data suggests that the lodging market in the Hudson Valley and beyond holds steady in the current market, and has the potential grow.

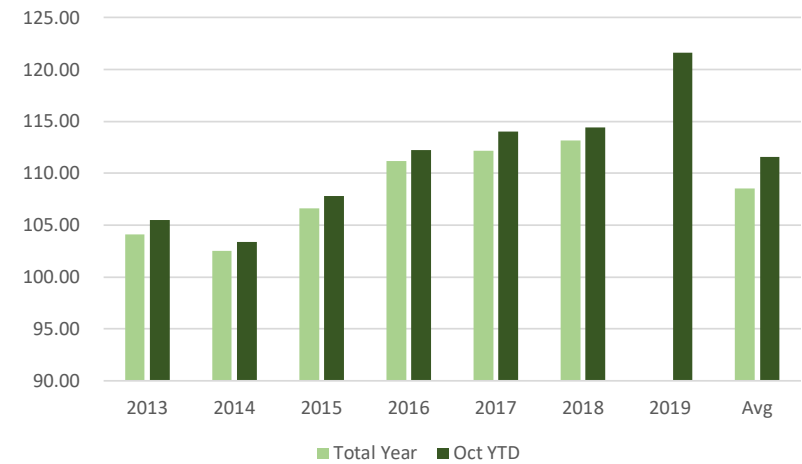
Occupancy



RevPAR



ADR





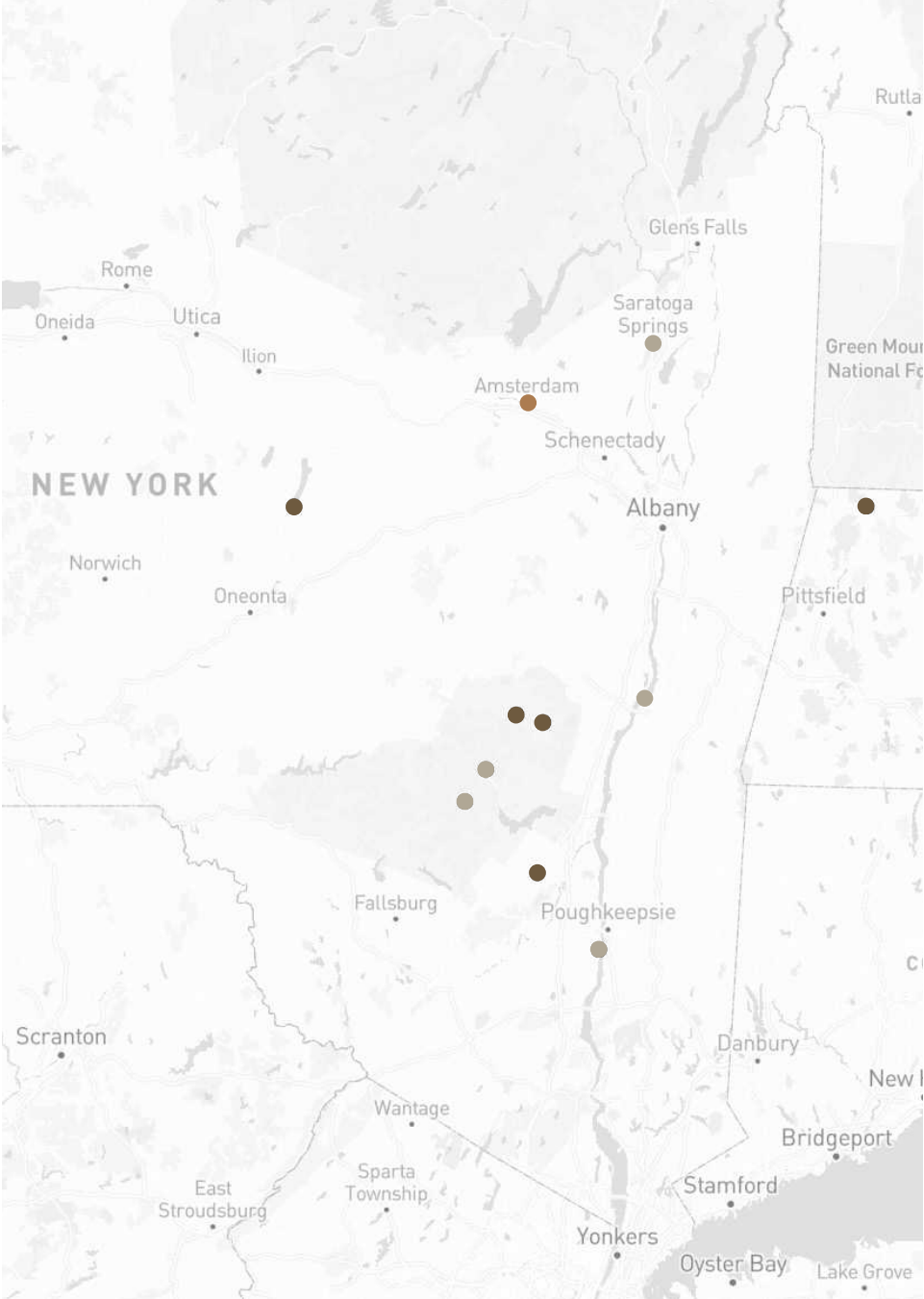
In 2019, the Town of Amsterdam (immediate area surrounding City of Amsterdam) published a Flag Hotel Study to analyze the feasibility of developing a flag hotel on several sites. While the study is most relevant to flag hotels and the Town of Amsterdam, it provides some relevant insight to the development of a boutique hotel. The findings of the report show that Amsterdam is very well-suited for the development of a flag hotel and that there are high levels of room leakages due to unmet demand. The first chart show the absorption potential given the current supply chain within a specific radius. The second table shows the Market Potential Index, with 67 people/hotel room as the baseline index score of 100. Within a 30-minute radius, Amsterdam is losing out on market potential in the hospitality industry.

Existing and Potential Rooms Per Population at Selected Radii

Distance	Population	Rooms	Population Per Room	Optimal Rooms #	Leakage	% of Potential
5-mile Radius	30,070	150	200	449	299	33%
10-mile Radius	75,618	430	176	1129	699	38%
15-mile Radius	128,069	501	256	1911	1410	26%
20-mile radius	266,280	1667	160	3974	2307	42%

Potential Market Index

Hotels & Lodging	Number	Employees	Market Potential Index	Ideal People Per Room
0-15 minutes	9	48	84	78
15-30 minutes	37	452	89	74
30-50 minutes	231	5402	110	61



The City of Amsterdam has a very limited hospitality market, and Manor House will be the first of its kind in the market. As with any “rural” hospitality market, comparables were selected on a regional scale rather than a city or neighborhood scale. As a result, there is a higher degree of “looseness” in numbers generated by comparables. Properties listed as “case studies” share similar concepts but were not included in the comp stack due to discrepancies or lack of data.

While the concept and the price point of Manor House is in a class of one in Amsterdam, there are many other similar properties in upstate New York. The following properties all share a similar concept, with properties labeled as “comparables” more closely related in terms of room count, concept, and/or amenities. ADR comparables are listed below.

Name	ADR
Tourists Welcome	283
Hasbrouk House	388
Scribner's Catskill Lodge	345
The Otesaga	392
Deer Mountain Inn	350
	\$351.60

	Manor House at Guy Park	Tourists Welcome	Hasbrouk House	Scribner's Catskill Lodge	The Otesaga Hotel	Deer Mountain Inn
Spa/Pool						
Access to Trails						
F&B						
Historic Building						
Equipment Rental						
Glamping						

- Amsterdam
- Comparables
- Case Studies

**TOURISTS
WELCOME**

North Adams,
MA
ADR: \$283

- 48-room hotel
- Historic preservation (former motel)
- Private hiking trails with connection to Appalachian trail.
- Outdoor pool
- Close proximity to museums and breweries.
- Seasonally-inspired restaurant and bar
- Historic connection to textile mills



**HASBROUK
HOUSE**

Stoneridge, NY
ADR: \$388

- 17-room hotel with 3-bedroom private cottage
- Historic preservation (18th century Dutch Colonial stone mansion)
- Farm-to-table restaurant
- 50 park-like acres with private lake
- Centrally located in mid-Hudson Valley, close to Minnewaska State Park and Catskill Mountains.



**SCRIBNER'S
CATSKILL
LODGE**

Hunter, NY
ADR: \$345

- 38-room hotel
- Historic preservation (originally Hunter Mountain Prospect House in 1880s)
- 20-acre mountainside estate
- Indoor swimming “grotto”
- Close proximity to winter sports
- Locally-inspired restaurant
- Multiple indoor-outdoor event spaces



**THE
OTESAGA
HOTEL**

Cooperstown,
NY

ADR: \$392

- 136-room hotel and 15-room inn
- Historic preservation of Colonial Revival residence
- Member of Historic Hotels of America
- Lakeside setting
- Seasonal dining, spa, and seasonal recreation



**DEER
MOUNTAIN
INN**

Tannersville,
NY
ADR: \$350

- 6 rooms (main lodge) and 2 cottages
- Historic preservation (1880s Arts and Crafts Style summer retreat for Colgate Family)
- Historic Preservation (Victorian castle & National Historic Landmark)
- Dining by Michelin-starred Chef Ryan Tate
- Game room
- Private trails connected to neighboring state lands.
- Hiking, fishing, tubing, swimming, biking, and bird watching



**BRENTWOOD
HOTEL**

Saratoga
Springs, NY

- 12-room hotel
- Located near historic site (Saratoga Race Course)
- Race views during race season
- Outdoor fireside patio
- Small, intimate bar
- Bike-for-borrow



**THE
GRAHAM &
CO**

Phoenicia, NY

- 20-room hotel
- Convenient access to Catskill Mountains
- Pool and fireside activities
- “Bunk House” concept (smaller rooms with shared bathrooms)



**BUTTER-
MILK FALLS
INN & SPA**

Milton, NY

- 10 rooms and 8 private cottages/
guest houses
- Luxury lodging
- World class day spa
- Farm-to-table restaurant
- Event space
- Farm, Garden, and Animal Rescue
Sanctuary



**FOXFIRE
MOUNTAIN
HOUSE**

Catskills, NY

- 11-room inn with a 3-room cottage
- 10 private acres with a pond, bonfire pits, and rustic outdoor pavilion
- Historic preservation project
- Farm-to-table restaurant
- Outdoor activities include horseshoeing and bocce ball



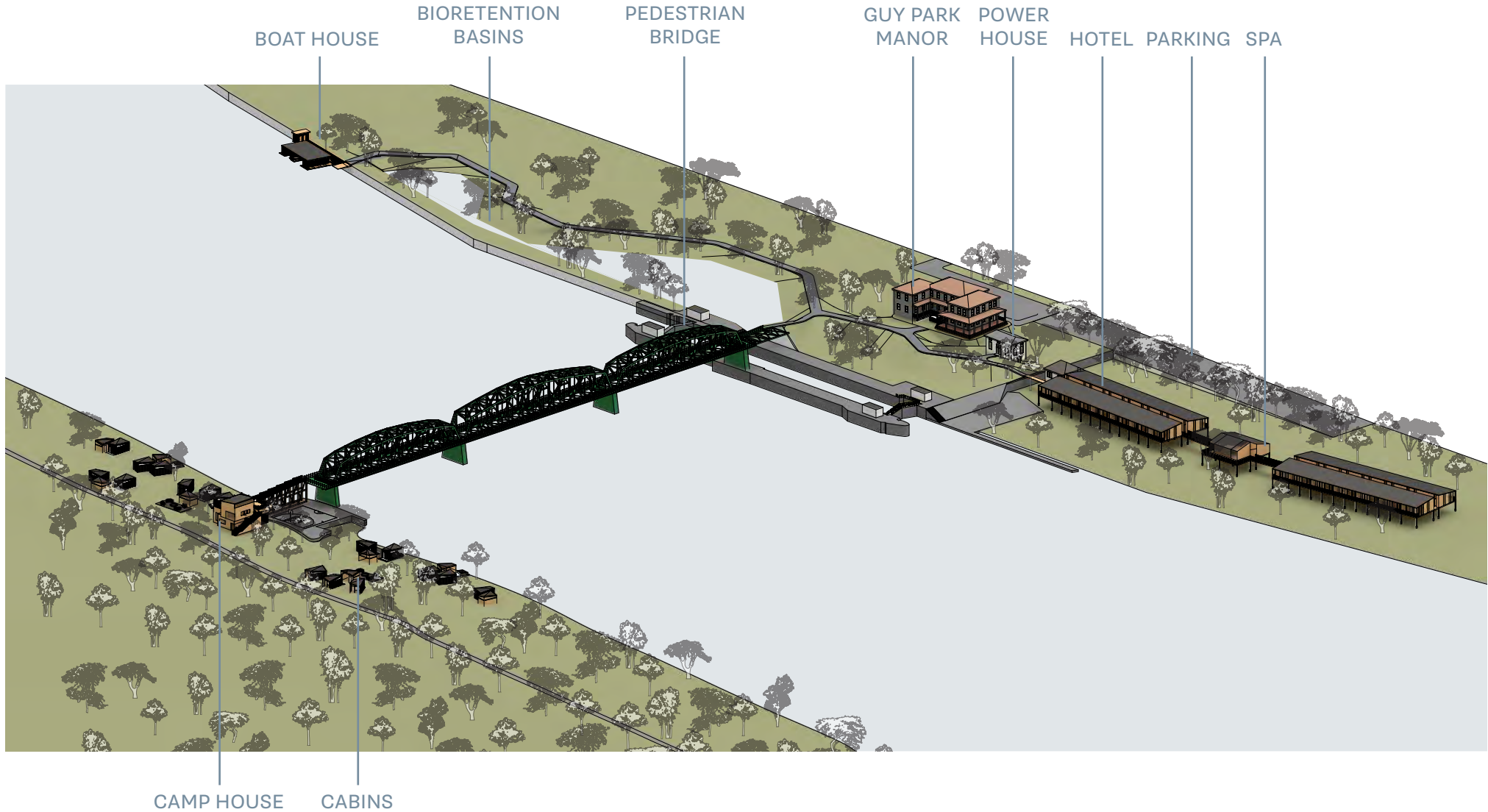
ARCHITECTURE

Guy Mark Manor, renamed Manor House, will act as the main hub of the project with the lobby, café and restaurant. Next to it, we re-imagine the powerhouse as a tavern where people can gather and enjoy a few drinks. Further downstream along the North bank will reside the hotel rooms and the spa, where people can enjoy various spa treatments.

On the opposite side of the site, to the Northwest, the boathouse will house all aquatic activities, including a kayak launch, and a dock for boats that we envision will take visitors to Schoharie crossing.

Across the river, we have both the Camp House and the cabins which will cater to a different demographic of visitors who enjoy the outdoors. The camp house will include a warming hut where trail goes can grab a hot drink during the colder months, or enjoy several outdoor activities provided through the rental shop in the warmer months. The cabins offer a different tier of rooms, specifically for travelers of the trail.





Spanning 17 acres of riverfront land, Manor House at Guy Park will transform this historic site into a heritage hospitality destination. Guests are immersed within the surrounding nature during the whole duration of the stay as they enjoy indoor-outdoor spaces while wandering throughout the resort. Landscape interventions serve dual purposes: flood mitigation and the creation of unique experiences. The bio-retention basins will not only mitigate flooding, but also clean the water and create ponds in the process of doing so.



Cross-Laminated Timber - CLT

CLT will be the primary new construction material of the project, because of its cost effectiveness, sustainability, and versatility. There is also a possibility of utilizing the canal as a part of the supply channel.



Blackened Aluminum

Blackened aluminum will be used in roofing and cladding. Its dark color will compliment the warmth of the CLT, while its texture will give the buildings a slight contemporary touch.



Charred Timber (Shou Sugi)

Bridging between the colors and the textures of CLT and blackened aluminum, charred timber will be used in the cabins. Known for its durability and resistance to insects and moisture, charred timber is extremely low maintenance and very well suited for the cabins.

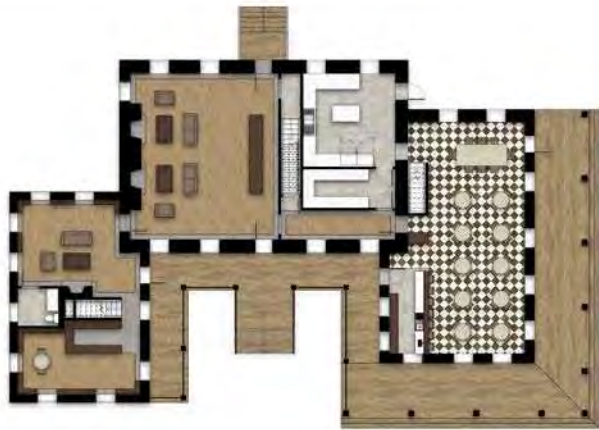


The design concept of Manor House begins with celebrating the historic Guy Park Manor. The renovation of Guy Park Manor breathe new life into it, as it will serve as the main hub of the development. It will house the lobby, a cafe, and a restaurant, with plenty of common space for guests, tourists, and residents to enjoy the historic house. In a similar approach to accommodations, the restaurant will serve higher price-point dishes while the cafe will serve lower price-point food items. This approach maximizes the market potential of Manor House, offering something for everyone.

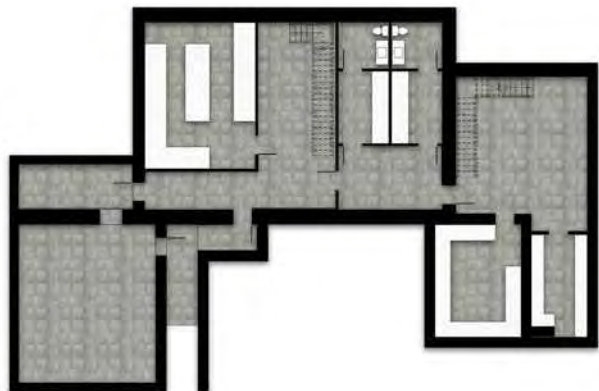
Manor House
12,802 SF
19% of revenues
\$131/sf in Hard Costs



Second Floor



Ground Floor



Basement

On the ground floor, the guest lobby and reception will boast a double height space and fire place to give the guests a warm and grand welcome upon their arrival. Also on the ground floor will be the farm to table restaurant, kitchen, and bar, with enough space to seat 92 guests. In addition, a quick-service cafe and gift shop will also be on the ground floor to allow guests space to relax and enjoy the historic structure and it's views of the river.

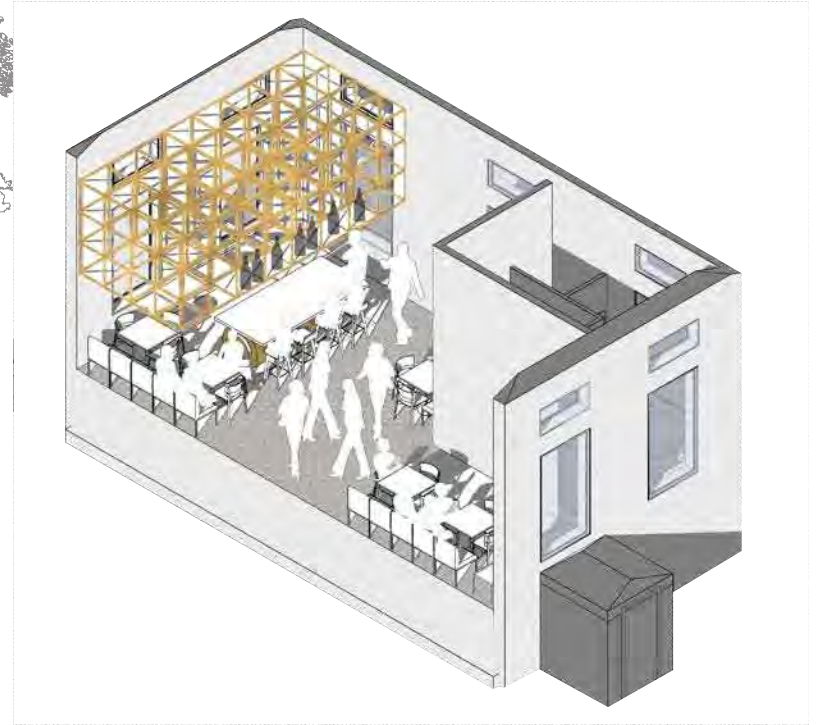
The top floor will house the second floor of the restaurant and cafe. Additionally, the admin offices and restrooms/lockers will also be located on the top floor.

Lastly, the outdoor deck will be expanded to allow for additional restaurant seating and year-round programming. The deck will have extra-ordinary views of the river, canal lock, and movable dam.









The power house is an iconic piece the Erie Canal infrastructure, as its architectural language is repeated at every canal lock. The power house on this site will be redeveloped into an vibrant bar that will become a gathering space for both residents and tourists alike. The central feature of the power house, the generator, remains a focal point, as it serves as the counter-top for the bar. The addition of a brass space frame above the bar will highlight the already existing brass elements in the power house and reinforce the historical character of the site.

Power House
696 SF
2% of Revenues
\$150/SF Hard Costs





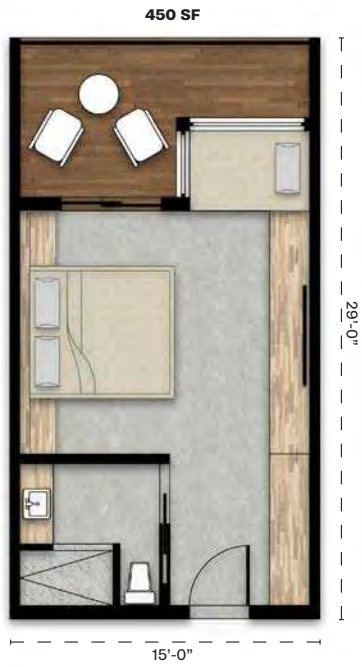
The hotel and spa, located to the east of Guy Park, will be connected via an elevated boardwalk. The design of the hotel rooms maximizes views to the river and exposure to the outdoors. The hotel has 20 single rooms, 10 double rooms, and 4 suites for a total of 34 rooms. Designed with high-quality materials, the rooms will provide a luxurious rustic experience. All guests will have private balconies to enjoy the river views, and relax after a day of outdoor activities.

The spa will feature several massage and treatment rooms, a sundeck, and pool. As a place to recharge, the spa is the perfect pairing to any activity guests at Manor House decide to indulge in.

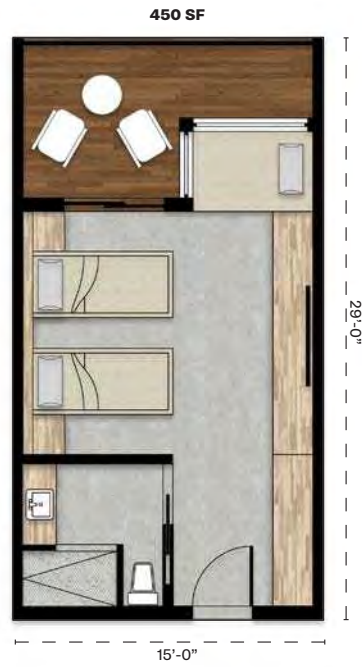
Hotel
20,604 SF
70% of Revenues
\$187/sf Hard Costs

Spa
5,750 SF
2% of Revenues
\$187/sf Hard Costs





Single Room



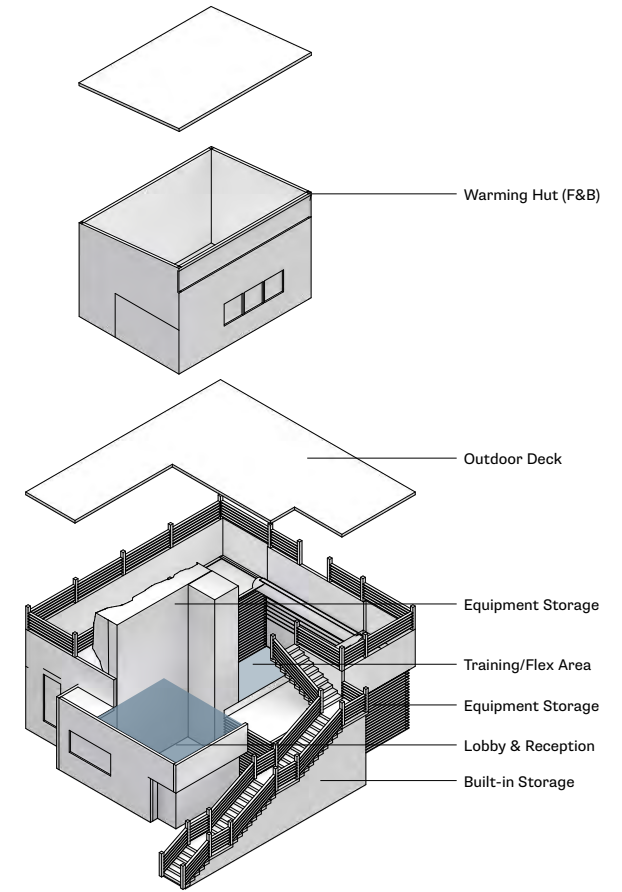
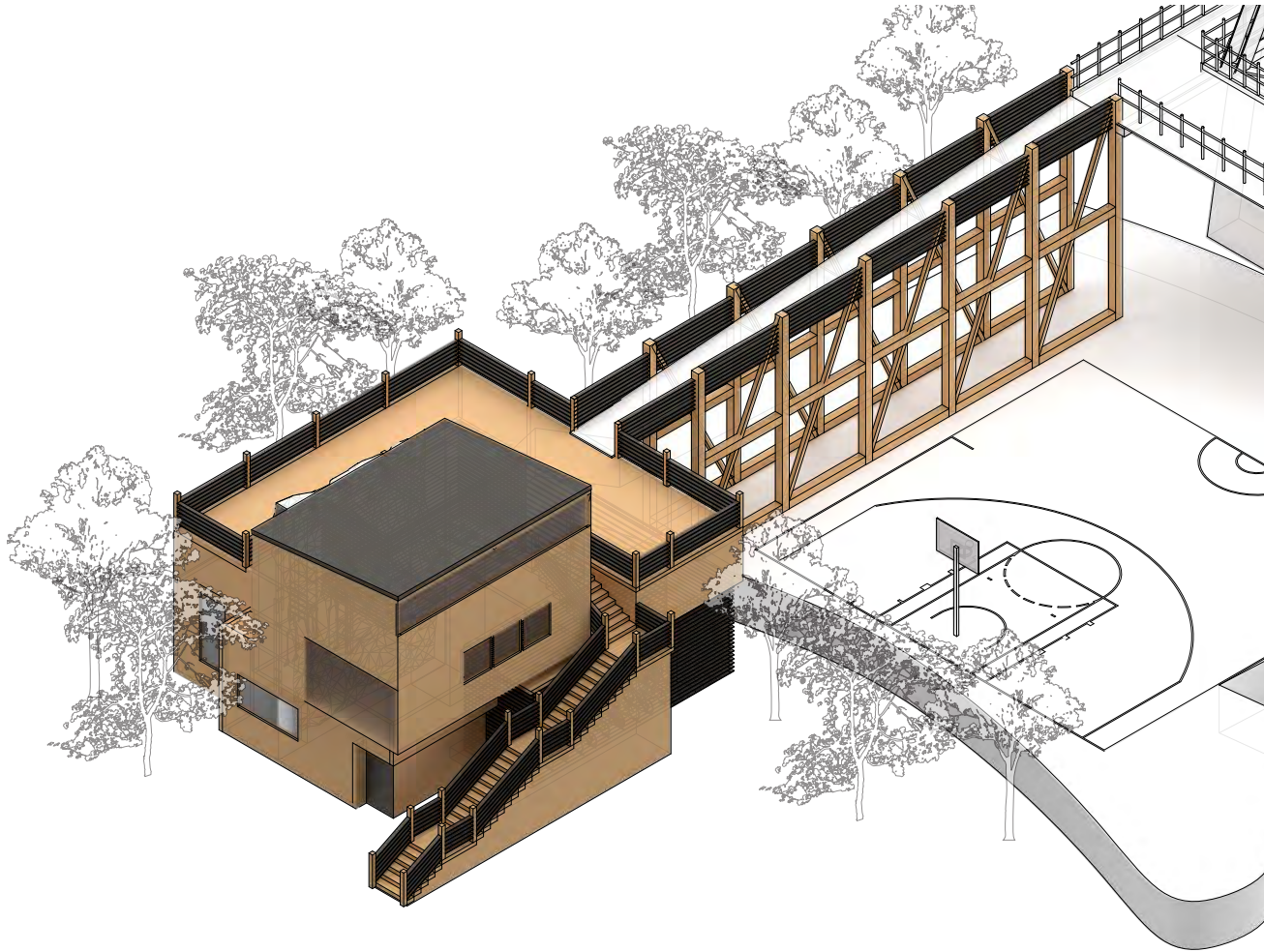
Double Room



Bunk Room

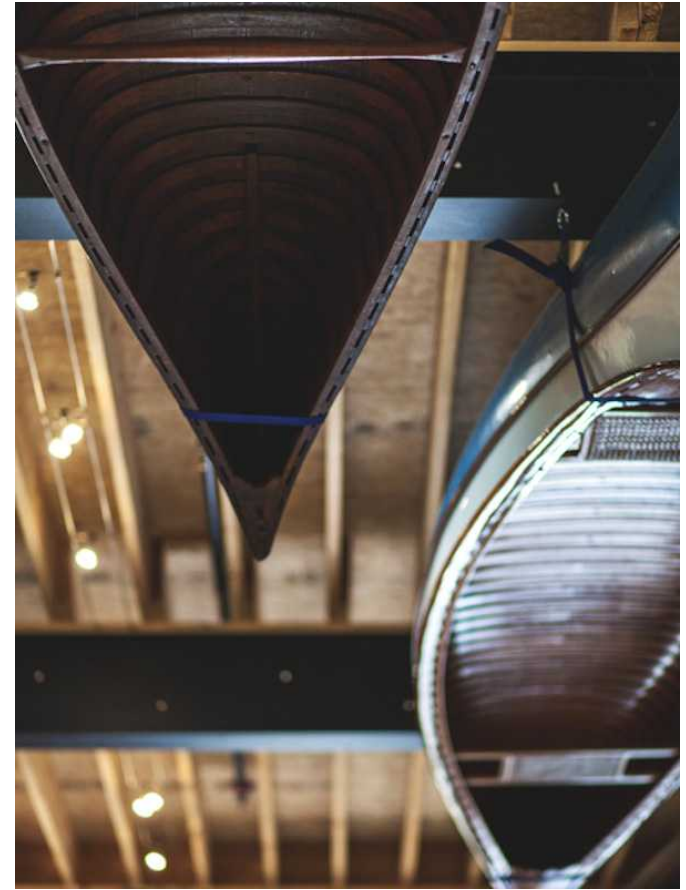


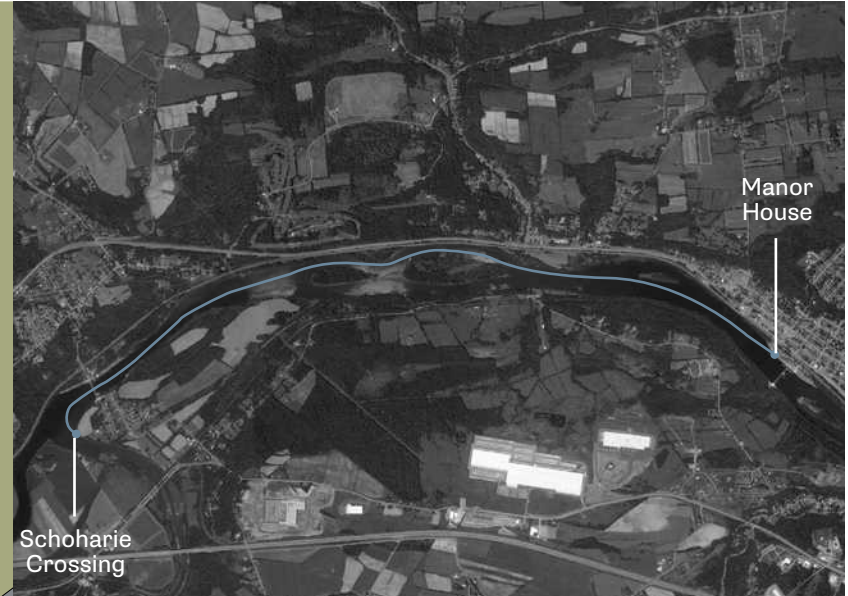
Suite



The Camp House will rent out land-based equipment for recreational activities, such as snowshoes, bikes, and hiking equipment. It will also serve snacks and drinks during hours of operation. A spacious rooftop deck serves as an outdoor lounge to enjoy views of the Mohawk River. Constructed out of mass timber, the camp house will showcase sustainable construction and will be the first timber-frame construction in upstate New York. The camp house is designed to provide an indoor-outdoor experience while also providing convenient access to equipment. It is accessible via the Empire State Trail and the pedestrian bridge.

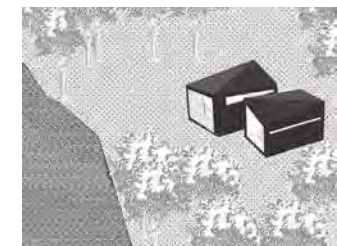
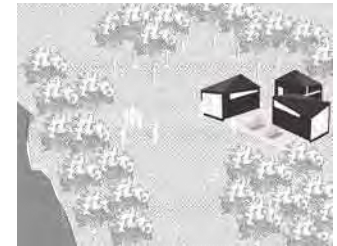
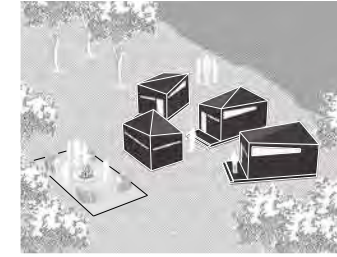
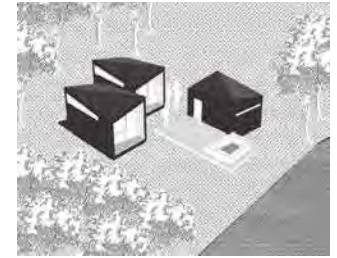
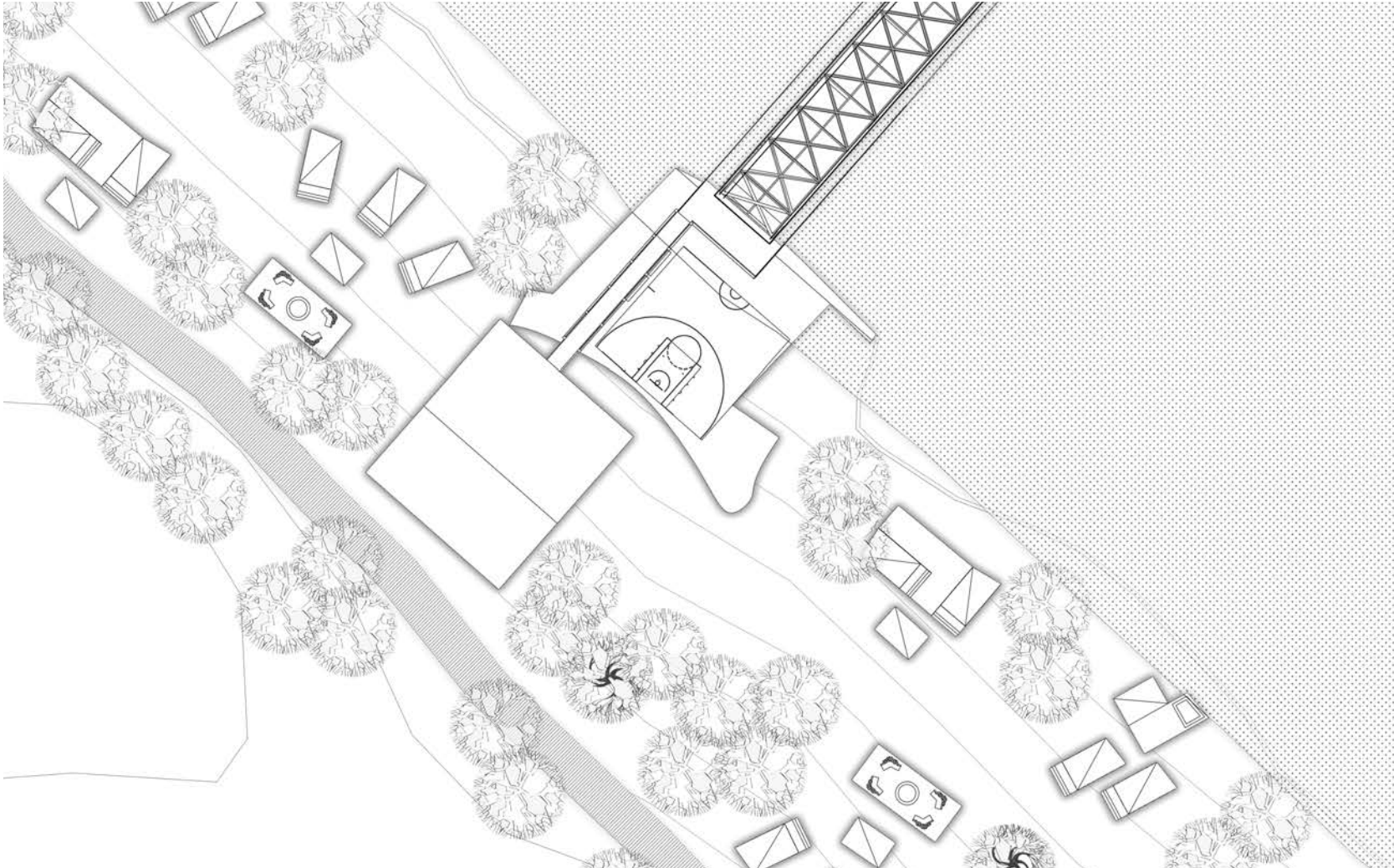
Camp House
3,360 SF
\$187/sf Hard Costs
6% of Revenues
(shared with boat house)





The boathouse will house all aquatic activities, which includes a kayak launch, equipment storage, and a dock for tour boats that go up to Schoharie Crossing, a historic site and of the last remaining locks of the original canal. It is also the only site where all 3 phases of the New York canals can be seen at once.

Boat House
3,549 SF
\$150/sf Hard Costs
6% of Revenues
(shared with camp house)



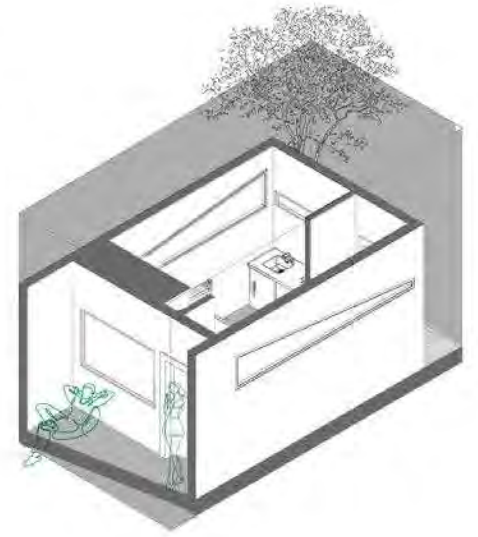
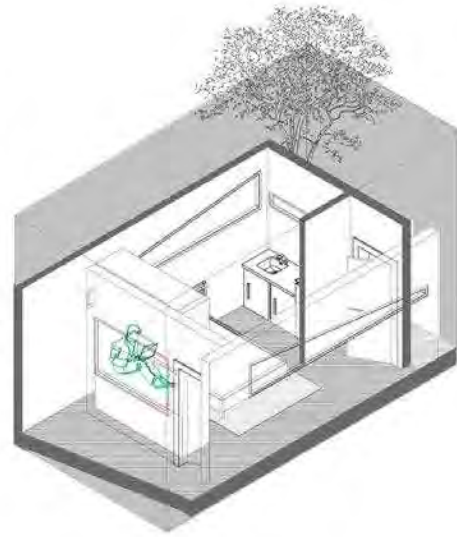
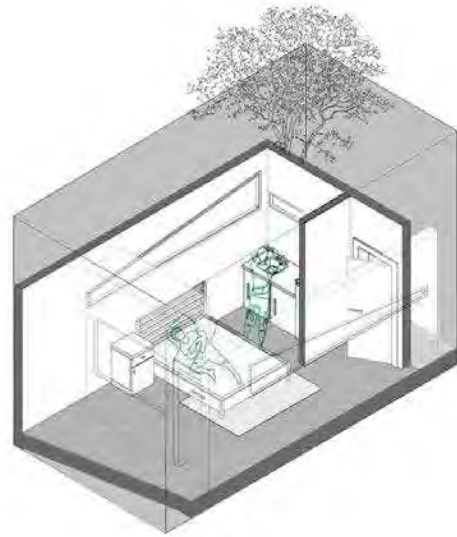
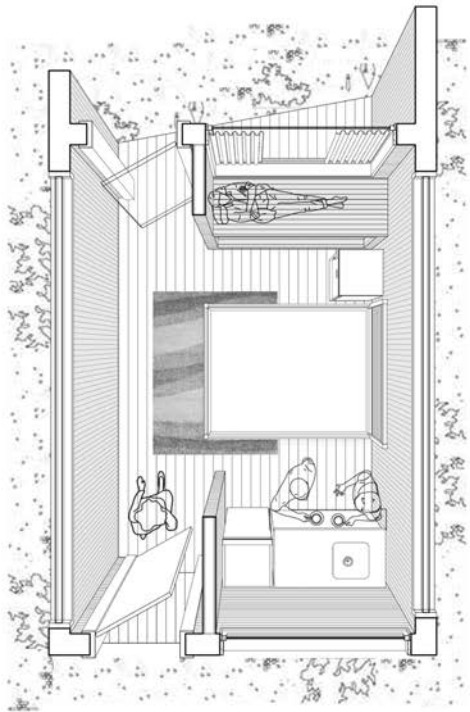
The cabins offer a hospitality experience similar to glamping. With a lower price point than hotel rooms, cabins are aimed at attracting visitors who are looking for unique accommodations and convenient access to the Erie Canal Trail. Each cabin has a private bedroom, and shares a bathroom with its cluster. Grouped in clusters of two and three, the cabins each share outdoor amenities like fire pits, soaking pits, and sun decks to foster communal experiences.

Cabins

9,472 SF

\$112/SF Hard Costs

7% of Revenues





FINANCIAL ANALYSIS

Mohawk Development Group is offering a 90% Limited Partner equity position in Manor House for \$7.4 million. With a phased development scenario, Manor House at Guy Park has promising returns and a reduced risk exposure. The selected Exit Strategy will be to refinance the construction loan into a permanent loan for a total holding period of 10 years. Upon sale, the project is expected to return 17.77% IRR and a 3.16x EM. Projected LP returns are 15.9% IRR and 2.75x EM.



Mohawk Development Group invites you to invest approximately

\$7,437,305

for a

90% LIMITED PARTNER

equity position in the development of Manor House at Guy Park

CONSTRUCTION BUDGET

The construction budget for Manor House at Guy Park has been estimated at approximately \$16.5 million (\$276/sf). 50% of this cost will be funded with debt financing with an estimated floating rate of 7%+LIBOR.

Please note the following:

1. Scope of work at Guy Park Manor will only include FF&E, as the rehabilitation will be paid for by FEMA.
2. Scope of work at Power House will only include utility work and FF&E.
3. All hard costs for new construction were estimated through RSMeans, redevelopment costs (Guy Park Manor & Power House) are 70% of new construction costs.

Hotel Development Budget					
	Gross SF		59,840		
		Cost/SF	Total		% of Total
Upfront Land Payment			\$ 196,721.40		1.19%
	Area (SF)				
Hard Costs					
Guy Park Manor	12,802	\$ 131.46	\$ 1,682,950.92		10.2%
Power House	696	\$ 131.46	\$ 91,496.16		0.6%
Hotel	25,936	\$ 187.80	\$ 4,870,780.80		29.5%
Cabins	9,472	\$ 112.68	\$ 1,067,304.96		6.5%
Spa	4,025	\$ 187.80	\$ 755,895.00		4.6%
Boat House	3,549	\$ 150.00	\$ 532,350.00		3.2%
Camp House	3,360	\$ 187.80	\$ 631,008.00		3.8%
Parking	27,000	\$ 3.00	\$ 81,000.00		0.5%
Boardwalk	12,142	\$ 75.00	\$ 910,650.00		5.5%
Landscaping			\$ 600,000.00		3.6%
Hard Cost Contingency		4.00%	\$ 467,643.16		2.8%
Total Hard Costs		\$ 195.37	\$ 11,691,079.00		70.7%
Soft Costs					
Development Cost		4.00%	\$ 467,643.16		2.8%
Architecture		10%	\$ 1,169,107.90		7.1%
Permits & Municipal Fees			\$ 250,000.00		1.5%
Sales & Marketing			\$ 500,000.00		3.0%
Soft Cost Contingency		5.00%	\$ 151,934.27		0.9%
Misc Costs			\$ 500,000.00		3.0%
Total Soft Costs		\$ 50.78	\$ 3,038,685.33		18.4%
Financing Costs					
Loan Origination Fee		1.50%	\$ 123,955.09		0.8%
Other Financing Costs		1.25%	\$ 103,295.90		0.6%
Interest Reserve			\$ 1,373,608.01		8.3%
Total Financing Costs			\$ 1,600,859.00		9.7%
Total Construction Budget		\$ 276.19	\$ 16,527,344.72		100.0%

DEVELOPMENT SCENARIOS

Development Schedule (Scenario 3)		1	2	3
Analysis Start Date	12/31/2019	12/31/2019	12/31/2019	12/31/2019
Beginning Construction Period	1	1	1	1
Pre-Construction Period	6	6	6	6
Construction Loan Closing	7	7	7	7
Pre-Const. & Constr. Period	48	24	24	48
Total Construction Period	48	18	18	48
Hotel Opening Date	1/1/2022	1/1/2022	1/1/2022	1/1/2022
Permanent Loan (1st Refi)	0	25	25	0
Months to Stabilization	48	48	48	48
Stabilization Year	5	5	5	5
Refinance Month	49	49	49	49
Refinance Year	5	5	5	5
Total Hold Period (Months)	120	120	120	120
Total Hold Period (Years)	10	10	10	10
Exit NOI / Cap Rate	\$ 1,782,458.61		8.75%	
Exit Value		\$ 20,370,955.57		

SCENARIO 1

The cabins are excluded from the development, and thus eliminating additional room keys. While this scenario was not selected, an analysis was performed to study the financial impact of not having different levels of accommodations.

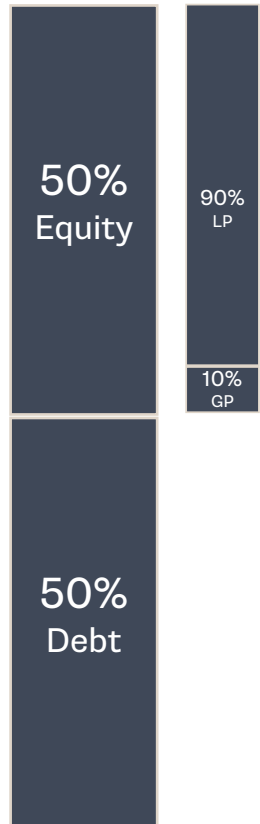
SCENARIO 2

The cabins are built during the same time as the rest of the development. A permanent loan kicks in upon stabilization and refinanced upon stabilization in Y5. The risk with this investment is that it relies on the completion and success of the Erie Canal Trail. Without its completion, the number of guests in the cabins may be reduced. This scenario was used in Exit Strategy Plan B due to its short hold term.

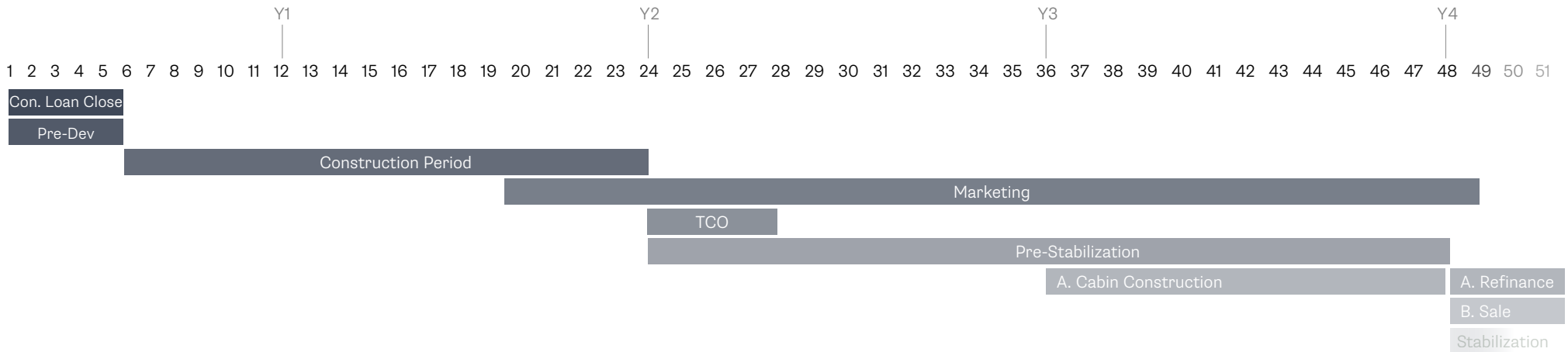
SCENARIO 3

The cabins have a delayed construction schedule. The rest of the development is built first and operated for a year before construction starts on the cabins. In this scenario, there is a construction loan that is up-sized in Y4, and then refinanced upon stabilization in Y5. Ultimately, this scenario was chosen because it yielded the highest return and would align better with public investments, such as the completion of the Erie Canal Trail.

Sources					
<u>% of Total</u>					
Debt					
Construction Loan				\$	8,263,672.36
Total Debt:		50.00%		\$	8,263,672.36
Equity:					
General Partner			10%	\$	826,367.24
Limited Partner			90%	\$	7,437,305.13
Total Equity		50.00%		\$	8,263,672.36
Total Sources				\$	16,527,344.72
Uses					
	<u>Cost/Key</u>	<u>Cost/Gross SF</u>		<u>Cost/Net SF</u>	
Upfront Land Payment	\$ 4,098.36	\$ 3.29	\$	3.87	\$ 196,721.40
Hard Costs	\$ 243,564.15	\$ 195.37	\$	230.20	\$ 11,691,079.00
Soft Costs	\$ 63,305.94	\$ 50.78	\$	59.83	\$ 3,038,685.33
Financing Costs	\$ 33,351.23	\$ 26.75	\$	31.52	\$ 1,600,859.00



CONSTRUCTION TIMELINE



While most of the predevelopment phase will be performed prior to the awarding of the RFP, a predevelopment period has still been phased in for a more conservative timeline. The whole development period will span 4 years, with predevelopment spanning 6 months, construction spanning 1.5 years, and pre-stabilization spanning another 2 years. In Plan A, the cabins are constructed in a separate phase beginning in Year 3. The project will either be refinanced in Y4 according to Plan A or sold upon stabilization according to Plan B.

OPERATING ASSUMPTIONS

The following assumptions have been applied to the projected cash flows for Manor House.

Please note the following:

1. The ADR of Manor House is underwritten to exceed the surrounding ADR due to it being a unique asset. No suitable comps for ADR were found within the immediate area. Refer to Marketing Analysis section for ADR comps on a regional scale.
2. A ground lease with Landlord (NYPA) is underwritten at 15% of the Land Tax Assessment. This ground lease structure is typical for government-leased land.

Hotel Market Assumptions			
Market:			
ADR		\$	108.50
Occupancy			59.35%
Manor House:			
ADR		\$	300.00
Stabilized Occupancy			55.00%

Hotel Operating Assumptions			
Room Expenses			30.00%
Cabin Expenses			18.00%
Restaurant Expense			85.00%
ADR Growth			3.00%
Expense Growth			3.00%
General & Administrative			4.00%
Sales & Marketing			6.00%
Property Operation and Maintenance			6.00%
Management Fee			4.00%
Insurance			2.50%
Ground Lease	15%	\$	98,360.70
FF&E Reserves			4.00%

FINANCING ASSUMPTIONS

Debt Assumptions			
Construction Loan:			
Rate	Floating		7.00%
LTC			50%
Origination Fees			1.50%
Other Financing Costs			1.25%
Extension Fee			0.25%
Term			36
Term (Years)			3
Permanent Loan:		<u>Perm Loan</u>	<u>Refinance</u>
Permanent Loan Rate	Fixed	5.50%	5.50%
Amortization (Years)		25	25
Amortization (Months)		300	300
PMT		7.37%	7.37%
Minimum Debt Yield		11.00%	11.00%
DSCR		1.35	1.35
Maximum LTV		70%	70%

Permanent Loan Sizing	
Debt Yield	11%
NOI	\$ 941,585.23
Loan Amount	\$ 8,559,865.75
DSCR	1.35
NOI	\$ 941,585.23
Annual Debt Service	\$ 697,470.54
Monthly Debt Service	\$ 58,122.55
Loan Amount	\$9,464,863.87
LTV	70%
Maximum Loan Amount	\$ 9,805,058.84
Maximum Loan Amount	\$ 8,559,865.75
Permanent Loan	\$ 8,559,865.75
Annual Debt Service	(\$630,780.78)
Monthly Debt Service	(\$52,565.06)

Refi Loan Sizing	
Debt Yield	11%
NOI	\$ 1,480,360.45
Loan Amount	\$ 13,457,822.26
DSCR	1.35
NOI	\$ 1,480,360.45
Annual Debt Service	\$ 1,096,563.30
Monthly Debt Service	\$ 91,380.27
Loan Amount	\$14,880,660.45
LTV	70%
Maximum Loan Amount	\$ 10,976,241.71
Maximum Loan Amount	\$10,976,241.71
Permanent Loan	\$ 10,976,241.71
Annual Debt Service	(\$808,844.73)
Monthly Debt Service	(\$67,403.73)

Property Valuation at Opening	
Year 1 NOI	941,585
Discount Rate	12.00%
NPV	\$14,007,226.91

Property Valuation at Stabilization	
Year 5 NOI	\$ 1,480,360.45
Discount Rate	12.00%
NPV	\$15,680,345.30

Construction Loan	
Loan Amount	\$ 8,263,672.36

The following financing assumptions have been applied to both Exit Plan A and Exit Plan B. The permanent loan sizing is based on the Property Valuation at Operating. The refinance loan sizing is based on the Property Valuation at Stabilization in Y5.

EXIT STRATEGY - PLAN A

Exit Strategy A to exit the development phase of the investment in Manor House is to refinance the construction loan with a permanent loan for a total investment period of 10 years. This long-term hold effectively flattens the yield curve, therefore yields from the investment rely more on the predicted cash flows than unexpected appreciation. With a further-out sales date, the hotel has time to prove to potential buyers its potential and profitability. Potential buyers may include boutique hotel developers or developer/operator partnerships specializing in unique collections, such as Selina and Rosewood.

Plan A provides the Limited Partner with the highest return given the Limited Partner's level of risk. Due to its promising returns and reduced exposure to risk, Plan A has been selected as the preferred exit strategy.

See Exhibit C for a detailed Pro-Forma

Unlevered Returns (Plan A)	
Unlevered Nominal Profit	\$ 15,670,956.41
Deal Level Unlevered IRR	10.66%
Unlevered Equity Multiple	2.12X

Levered Returns (Plan A)	
Levered Nominal Profit	\$ 17,847,565.66
Deal Level Levered IRR	17.77%
Levered Equity Multiple	3.16X

LP Returns (Plan A)	
IRR (LP)	15.9%
Equity Multiple (LP)	2.75x
Return on Investment (LP)	174.7%
LP's Share of Profits	72.8%

Sensitivity Analysis (Plan A)

Levered IRR

		LTC				
		40%	45.0%	50.0%	55.0%	60.0%
17.77%						
5%		17.63%	17.93%	18.28%	18.65%	19.11%
6.00%		17.48%	17.71%	18.02%	18.34%	18.72%
7.00%		17.30%	17.50%	17.76%	18.04%	18.34%
8.00%		17.13%	17.29%	17.51%	17.75%	17.99%
9.00%		16.96%	17.09%	17.27%	17.46%	17.65%

Occupancy

		ADR				
		\$ 200.00	\$ 250.00	\$ 300.00	\$ 350.00	\$ 400.00
17.77%						
50%		5.42%	11.06%	14.94%	18.69%	22.20%
52.50%		7.09%	12.38%	16.39%	20.20%	23.76%
55.00%		8.62%	13.65%	17.77%	21.64%	25.25%
57.50%		10.04%	14.86%	19.10%	23.03%	26.68%
60.00%		11.28%	16.05%	20.38%	24.36%	28.06%

		Upfront Land Payment				
		\$ 96,721.00	\$ 146,721.00	\$ 196,721.00	\$ 246,721.00	\$ 296,721.00
17.77%		17.98%	17.88%	17.77%	17.67%	17.56%

Levered Equity Multiple

		LTC				
		40%	45.0%	50.0%	55.0%	60.0%
3.16X						
5%		2.94X	3.08X	3.24X	3.44X	3.69X
6.00%		2.92X	3.05X	3.20X	3.39X	3.62X
7.00%		2.89X	3.01X	3.16X	3.34X	3.55X
8.00%		2.87X	2.98X	3.12X	3.28X	3.49X
9.00%		2.84X	2.95X	3.08X	3.24X	3.43X

0

		ADR				
		\$ 200.00	\$ 250.00	\$ 300.00	\$ 350.00	\$ 400.00
3.16X						
50%		1.49X	2.21X	2.72X	3.26X	3.79X
52.50%		1.68X	2.39X	2.94X	3.51X	4.07X
55.00%		1.88X	2.57X	3.16X	3.76X	4.35X
57.50%		2.08X	2.75X	3.38X	4.01X	4.63X
60.00%		2.28X	2.94X	3.60X	4.26X	4.91X

		Upfront Land Payment				
		\$ 96,721.00	\$ 146,721.00	\$ 196,721.00	\$ 246,721.00	\$ 296,721.00
3.16X		17.77%	17.77%	17.77%	17.77%	17.77%

Exit Strategy B to exit the development phase of the investment in Manor House is to refinance the construction loan with the sale of the asset upon stabilization. This is not expected, as the value of the property is more dependent on the exit cap rate and appreciation than long-term cash flows. Furthermore, it may be difficult to find a buyer given the unique asset and the relatively remote market. Due to the development schedule, Plan B would not allow for Scenario 3 to occur, therefore enhancing exposure to risk. While Plan B is not anticipated, a financial analysis on this plan was performed in the case the owner decides to sell and the buyer is willing to pay at or above its market value.

The uncertainties and complexities of Exit Strategy B are reflected in the projected returns and sensitivity analyses. The JV returns are lower to Plan A, while the exposure to risk is enhanced due to the inability to pursue Development Scenario 3.

See Exhibit D for a detailed Pro-Forma.

Assumptions	
Total Holding Period	5
Hotel Opening Year	3
Going-Out Cap Rate	8.75%
Cost of Sale	3.50%
Discount rate	12%

Sensitivity Analysis (Unlevered IRR)		Exit Cap Rate					
		8.25%	8.50%	8.75%	9.00%	9.25%	
Holding Period	3	6.81%	-12.44%	-14.44%	-16.36%	-18.20%	-19.98%
	4	7.32%	6.08%	4.89%	3.75%	2.65%	
	5	8.44%	7.61%	6.81%	6.03%	5.29%	
	6	9.04%	8.42%	7.83%	7.26%	6.71%	
	7	9.42%	8.93%	8.47%	8.02%	7.59%	

Sensitivity Analysis (Unlevered EM)		Exit Cap Rate					
		8.25%	8.50%	8.75%	9.00%	9.25%	
Holding Period	3	1.25	0.85	0.82	0.80	0.78	0.76
	4	1.19	1.16	1.12	1.09	1.07	
	5	1.32	1.28	1.25	1.22	1.19	
	6	1.45	1.41	1.38	1.35	1.32	
	7	1.59	1.55	1.51	1.48	1.45	

Sensitivity Analysis (Levered IRR)		Exit Cap Rate					
		8.25%	8.50%	8.75%	9.00%	9.25%	
Holding Period	3	29.25%	-4.05%	-3.03%	-1.96%	-0.85%	0.34%
	4	42.63%	41.13%	39.66%	38.22%	36.80%	
	5	31.47%	30.35%	29.25%	28.17%	27.10%	
	6	25.23%	24.36%	23.50%	22.66%	21.84%	
	7	21.43%	20.73%	20.05%	19.39%	18.74%	

Sensitivity Analysis (LUnlevered EM)		Exit Cap Rate					
		8.25%	8.50%	8.75%	9.00%	9.25%	
Holding Period	3	1.50	1.06	1.04	1.03	1.01	1.00
	4	1.28	1.25	1.23	1.21	1.19	
	5	1.58	1.54	1.50	1.46	1.43	
	6	1.41	1.39	1.36	1.34	1.32	
	7	1.48	1.45	1.43	1.40	1.38	

As a Public-Private-Partnership Project (PPP), Manor House is in a beneficial situation to acquire additional support and grants from city, county, and state government. While not included in the financial model as sources of funding, these are just some of the available sources that are applicable to this project:

- Traditional support programs such as PILOT agreements and sales tax and mortgage tax exemptions.
- Empire State Development: ESD Grant Funds, Excelsior Jobs Program, Strategic Planning and Feasibility Studies, Market New York
- New York State Council on the Arts: Arts and Cultural Initiatives, Arts & Cultural Facilities Improvement Program
- Office of Parks, Recreation and Historic Preservation: Environmental Protection Fund Grants Program for Parks, Preservation and Heritage (EPF), Recreational Trails Program
- Department of State: Local Waterfront Revitalization Program, Local Government Efficiency Program
- New York State Canal Corporation: Canalway Grants Program
- New York State Energy Research and Development Authority: Energy Efficiency Programs, Net Zero Energy for Economic Development, Commercial and Industrial Carbon Challenge
- Department of Environmental Conservation: Climate Smart Communities Grant Program, Water Quality Improvement (WQIP) Program, Non-Agricultural Nonpoint Source Planning Grant, NYS DEC/EFC Wastewater Infrastructure Engineering Planning Grant Program
- Environmental Facilities Corporation: Green Innovation Grant Program

MARKETING

Marketing for Manor House at Guy Park will have three target markets: wellness tourists, culinary tourists, and Erie Canal Trail users. Each of these three target markets are rapidly growing in upstate New York, and is expected to continue growing due to consumer trends and state-sponsored programs. By leveraging natural assets and state initiatives, Manor House will be able to stretch its marketing budget and efforts. The diverse target market is reflected in Manor House's diverse, year-round programming.



**WELLNESS
TOURISTS**

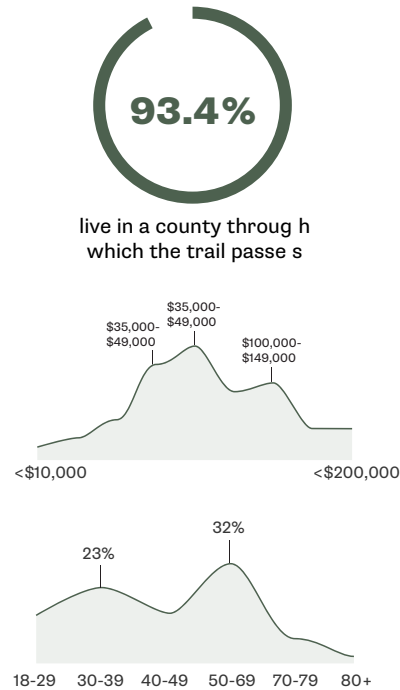
Fitness, wellness, and wellbeing are popular buzzwords among travelers today, especially among Millennials. 71% of Millennial travelers, based on a survey by Resonance, enjoy health and fitness activities while on vacation. Resorts focused on holistic health, defined as physical, mental, and social wellbeing are on the rise. Now more than ever, tourists are seeking destination experiences to escape the stresses of daily life. With excellent access to nature, the Mohawk Valley creates an excellent backdrop for a wellness resort such as Manor House.



**CULINARY
TOURISTS**

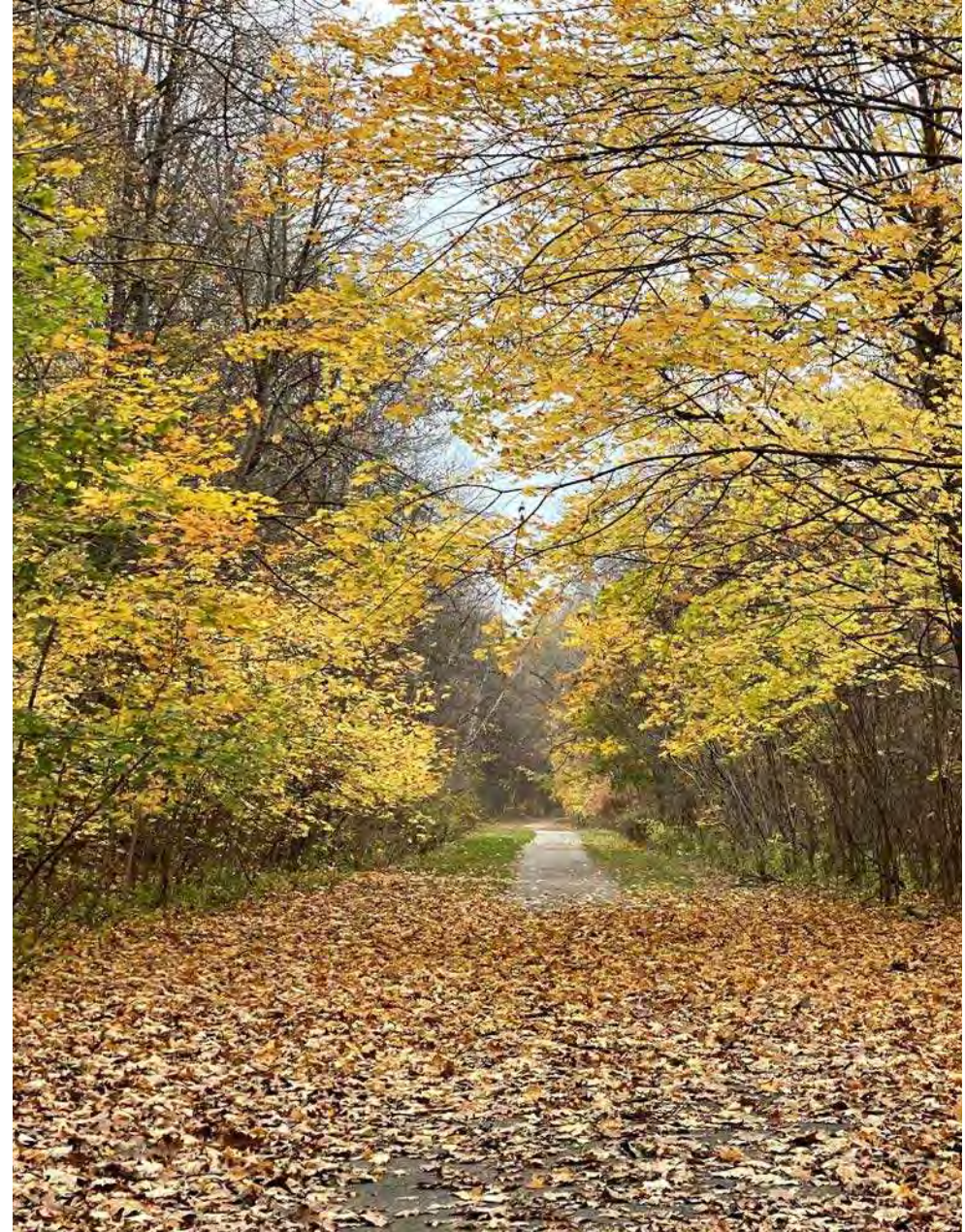
Culinary tourism is a rapidly growing segment of tourism and is the second highest spending sector in the travel and hospitality industry behind lodging. Possible food tourism benefits include increased visitors, larger sales volume, more media attention, increased tax revenue, and greater community pride. Incorporating a culinary experience will diversify and fortify Guy Park Manor's cash flow. The culinary experience will also benefit from being a part of the Taste NY program, another initiative by Governor Cuomo to spotlight foods and culinary experiences unique to New York.

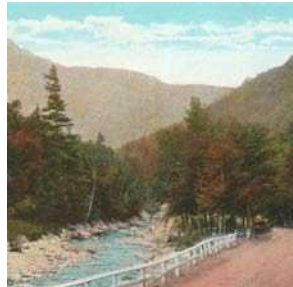




ERIE CANAL TRAIL USERS

The development of the Erie Canal Trail will bring in more tourists that are pursuing outdoor activities. Possible trail activities include biking, running, hiking, snow shoeing and many more. Once completed, it is estimated that over 69,000 people will pass through Amsterdam on the trail per year. Early trail user studies show that nearly all trail users will live in a county through which the trail passes, and that their income and age bracket will span greatly. Thus, the Manor House at Guy Park should be developed as a heritage destination for all.





As an independent boutique hotel, Manor House at Guy Park does not have the marketing capacity of flag hotels. Furthermore, Manor House is a destination resort, that is often at least a few hours away from a major city. As such, the marketing strategy of Manor House will be critical in its success. Manor House will be marketed as a historic getaway destination for those seeking a break from the regular routines of life. Marketing will begin during the last quarter of the construction period to ensure stabilized rates and occupancy are achieved. A dedicated marketing company with boutique hotel marketing will be hired to create and execute a marketing campaign for Manor House.

RISKS & MITIGANTS

The following section addresses the risks of the project and how Mohawk Development Group has mitigated that risk. Manor House at Guy Park has been thoughtfully developed to address a diverse array of risks, from market risks such as growing competition to environmental risks such as flooding.



Risks	Mitigants
Competition	<ul style="list-style-type: none">• Multiple price-point accommodations• All inclusive experiences
Rising Interest Rate	<ul style="list-style-type: none">• High Equity Stake (50%)
Flooding	<ul style="list-style-type: none">• Bioretention basins• Elevated structures• Durable construction• Public investments
Public Project Delays	<ul style="list-style-type: none">• Phasing of the cabin development

APPENDIX



Capital Contributions	%	Amount
LP	90%	\$7,437,305
GP	10%	\$826,367
Total	100%	\$8,263,672

Total Cashflow Summary	Amount
Total Contribution	\$8,263,672
Total Distributions	\$26,111,238
Total Profit	\$17,847,566

JV Waterfall				
	IRR Hurdle	GP	LP	GP Promote %
Tier 1 - Pref	8%	10%	90%	0%
Tier 2 - Catch-UP	12%	20%	80%	20%
Tier 3 - Overflow	24%	30%	70%	30%

Calendar Date Calendar Year Year Counter		1/31/2020 2020 1	1/31/2021 2021 2	1/31/2022 2022 3	1/31/2023 2023 4	1/31/2024 2024 5
Unlevered Cash Flow						
Net Operating Cash Flow		\$ -	\$ -	\$ 818,860.00	\$ 973,196.94	\$ 1,299,223.47
Sale		\$ -	\$ -	\$ -	\$ -	\$ 15,314,786.79
Total		\$ -	\$ -	\$ 818,860.00	\$ 973,196.94	\$ 16,614,010.26
% of Hard Costs		33.33%	66.67%	0.00%	0.00%	0.00%
% of Soft Costs		100.00%	0.00%	0.00%	0.00%	0.00%
Upfront Land Payment	\$ 196,721.40	\$ 196,721.40	\$ -	\$ -	\$ -	\$ -
Hard Cost	\$ 11,691,079.00	\$ 3,897,026.33	\$ 7,794,052.67	\$ -	\$ -	\$ -
Soft Cost	\$ 3,038,685.33	\$ 3,038,685.33	\$ -	\$ -	\$ -	\$ -
Total Cost	\$ 14,926,485.73	\$ 7,132,433.06	\$ 7,794,052.67	\$ -	\$ -	\$ -
Cash Flow Before Debt Service		\$ (7,132,433.06)	\$ (7,794,052.67)	\$ 818,860.00	\$ 973,196.94	\$ 16,614,010.26
Unlevered Nominal Profit	\$ 3,479,581.47					
Deal Level Unlevered IRR	6.48%					
Unlevered Equity Multiple	1.23X					
Levered Cash Flow						
Interest	\$ 333,294.19	\$ 7,507.14	\$ 273,004.92	\$ 52,782.12	\$ -	\$ -
Financing Cost - Construction Loan	\$ 212,747.25	\$ 212,747.25	\$ -	\$ -	\$ -	\$ -
Total Cost (with Financing Cost)	\$ 15,472,527.16	\$ 7,352,687.45	\$ 8,067,057.59	\$ 52,782.12	\$ -	\$ -
Beginning Equity Balance		\$ 7,736,263.58	\$ 603,830.52	\$ -	\$ -	\$ -
Equity Drawn	\$ (7,736,263.58)	\$ (7,132,433.06)	\$ (603,830.52)	\$ -	\$ -	\$ -
Ending Equity Balance		\$ 603,830.52	\$ -	\$ -	\$ -	\$ -
Loan Draw Down						
Beginning Balance		\$ -	\$ 220,254.39	\$ 7,683,481.46	\$ 0.00	\$ 0.00
Accrued Interest - Construction Loan	\$ 333,294.19	\$ 7,507.14	\$ 273,004.92	\$ 52,782.12	\$ -	\$ -
Financing Cost - Construction Loan	\$ 212,747.25	\$ 212,747.25	\$ -	\$ -	\$ -	\$ -
Loan Draw - Construction Loan	\$ 7,190,222.14	\$ -	\$ 7,190,222.14	\$ -	\$ -	\$ -
Paydown	\$ (7,736,263.58)	\$ -	\$ -	\$ (7,736,263.58)	\$ -	\$ -
Ending Balance		\$ 220,254.39	\$ 7,683,481.46	\$ 0.00	\$ 0.00	\$ 0.00
Refinance Proceeds	\$ 8,559,865.75	\$ -	\$ -	\$ 8,559,865.75	\$ -	\$ -
Financing Costs	\$ (235,396.31)	\$ -	\$ -	\$ (235,396.31)	\$ -	\$ -
Loan Payment	\$ (1,261,561.56)	\$ -	\$ -	\$ (630,780.78)	\$ (630,780.78)	\$ -
Paydown	\$ (8,893,930.22)	\$ -	\$ -	\$ -	\$ -	\$ (8,893,930.22)
Before Tax Cash Flow		\$ (7,132,433.06)	\$ (603,830.52)	\$ 776,285.08	\$ 342,416.16	\$ 7,720,080.04
Cash on Cash		-92.19%	-7.81%	10.03%	4.43%	99.79%
Levered Nominal Profit	\$ 1,102,517.70					
Deal Level Levered IRR	3.66%					
Levered Equity Multiple	1.14X					