



05/06/2019

EVEN Hotel Alpharetta, Georgia

REPORT THROUGH: April 30th, 2019

Dear Partners:

Progress report for the most relevant aspects of the EVEN Hotel Alpharetta as of April 30th, 2019.

CONSTRUCTION PROGRESS

EVEN Hotel Alpharetta is officially set to get TCO (Temporary Certificate of Occupancy) by September 16, 2019 in our contract with the General Contractor.

However, according to the March 27, 2019 report from our scheduling consultant, the project is 30 days behind schedule. As a consequence, a notice to cure was issued on April 8, 2019 and General Contractor is resequencing activities to cure the scheduling issue. Based on the above, our scheduling consultant is providing in the following days an updated schedule based on the resequencing being worked with the general contractor, which we estimate will confirm a TCO day by the end of October for a November opening date worse case scenario.

After review of the performance of the Owner's Rep, EDG has made the decision to transition the Alpharetta project from Spectrum Development to Claro Development (<http://clarocorp.com/>) which has proven to be very professional and efficient in leading our current project under construction in Orlando (Tru by Hilton) as well as the EVEN hotel Miami Airport completed last year. We feel that the efficiencies and the attention to detail that Claro provides will give us the level of service needed to conclude the project and overcome the current challenges in the job.

PROJECT BUDGET

A comprehensive revision of the budget is already underway and will be presented as part of the May 31st report for your review as we are finalizing the purchasing of all "by owner items".

FF&E

The updated FF&E design package has been accepted, with IHG funding any additional costs over budget for the new designs. Claro is finalizing contracts for interior/exterior signage, fitness equipment and TV's. Additionally, the IT budget was finalized by IHG last week and we are in process of finalizing negotiations.

PRE-OPENING ACTIVITIES

IHG has hired Jason Spencer as General Manager of the hotel. Mr. Spencer has vast experience managing hotels such as Hilton Garden Inn, Homewood Suites, and Residence Inn. On April 29th Jessica Tyre will join

the IHG team as the Director of Sales. In May they will be devoted to trade shows, PR activities, and generating the Hotel's sales and marketing plan.

IHG WEBSITE

Our EVEN Hotel Alpharetta website is already up and can be accessed through the following link:

<https://www.ihg.com/evenhotels/hotels/us/en/alpharetta/atlev/hoteldetail>

BE ADVISED THAT GOING FORWARD ALL REPORTS WILL BE LOCATED IN OUR GOOGLE DRIVE WITH ALL THE EXHIBITS SO YOU CAN REVIEW THEM AT ANY TIME.

<https://drive.google.com/drive/folders/12SSHG7r8YA3VNS3b6nzX8nf2fRICsbBL>

As always, should you have any questions or concerns, please do not hesitate to contact me.

Stay updated with our projects and brand by visiting our website at

<http://www.epelboim.com>

or following our social media channels



A handwritten signature in black ink, appearing to read "Noel Epelboim".

Noel Epelboim / CEO