

**CITY COUNCIL MEETING
TUESDAY, MAY 9, 2017**

COMMUNICATIONS RECEIVED IN SUPPORT OF

PH 17-025

MISSION CROSSINGS PROJECT

April 18, 2017

The Hon. Barbara Halliday, Mayor
City of Hayward
777 B Street
Hayward, CA 94541

RE: "Mission Crossings", 25501 Mission Boulevard Planning Application Tract 8345

Dear Mayor Halliday:

I write in support of the proposed *Mission Crossings* project which is located at the existing vacant Hayward Ford site on Mission Boulevard.

The proposed *Residence Inn by Marriott* property will provide a nearby upscale extended stay hotel option for prospective students and their families as well as visiting faculty and sports teams. In addition, I am pleased to inform you that we have begun preliminary talks with the hotel operators to potentially develop a partnership with our Hospitality, Recreation and Tourism program here at CSU East Bay which would allow our students to be able to gain practical hands-on experience in their chosen field of study.

For these reasons and more, we are proud to offer our support of this proposed development. Should you have any questions or concerns, please do not hesitate to contact me at [\(510\) 885-3877](tel:5108853877). Thank you.

Sincerely,



Leroy M. Morishita
President

cc: Hayward City Council Members
Kelly McAdoo, City Manager
David Rizk, Development Services Director
Dr. Chris Chamberlain, Chair, Department of Hospitality, Recreation & Tourism

April 20, 2017

Justin Derby, Project Manager
MLC Holdings, Inc.
12657 Alcosta Blvd
San Ramon, CA 94583

RE: Current viability of 8.9 Acre Former Hayward Ford Dealership as an automobile dealership.

Dear Justin:

Since February 5, 1996, I have been AutoNation's National Director of Real Estate in charge of the acquisition, disposition, and management of the Company's real estate assets. AutoNation is the largest retailer of new cars in the United States with over 300 dealerships nationally. The Company is publicly traded under the symbol AN on the NYSE, is 136 on the 2016 Fortune 500, and has relationships with virtually all automobile manufacturers who do business in the United States both domestic and imported.

AutoNation acquired the 8.9 acre former Hayward Ford property on September 9, 2008 to be utilized as a location for a new car dealership. Over the course of the next four years, AutoNation evaluated the property for a number of franchises but nothing was financially viable.

In the first quarter of 2012, we elected to market the property for sale. Given the zoning in place and the existing improvements, our initial marketing targeted Northern California's major new car dealer groups—our competitors. None of our competitors were interested in the property as a new car dealership; and none of the manufacturers expressed any interest in awarding a new car add point for the site. Additionally, none of the major used car operators were interested in the site, and smaller scale used car operations could not afford a facility of this scale.

Only after exhausting all potential automotive buyer possibilities did AutoNation request purchase proposals from groups interested in redeveloping the site and ultimately put the property under contract to MLC in August 2014. Since being under contract to MLC, no automotive retailers or manufacturers have contacted AutoNation regarding the site. We have not seen a significant change in the Hayward market since we elected to sell the subject property, and there has been no new interest in the site as a new car dealership or a contemporary used car operation.

Sincerely,

Harry Brumley
National Director of Real Estate
AutoNation
200 SW 1st Avenue
14th Floor
Fort Lauderdale, FL 33301
(954) 769-7134 Office
(954) 401-1535 Cell

AutoNation

AutoNation, Inc.
200 SW 1st Avenue, 14th Floor
Fort Lauderdale, FL 33301
954-769-7000 Main
www.AutoNation.com

November 14, 2016

David Rizk
Director of Development Services
City of Hayward
via electronic mail
david.rizk@hayward-ca.gov

Re: Former Hayward Ford Auto Dealership

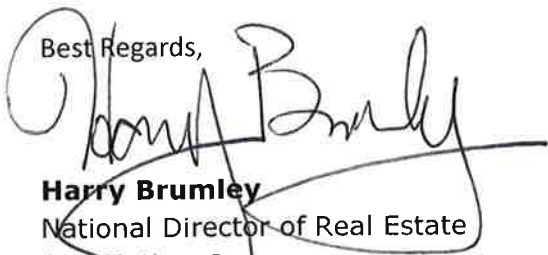
Mr. Rizk,

AutoNation, as the largest auto retailer in the United States, owns and operates 300+ franchises across the country. As you are aware, we are currently under contract to sell the property located on Mission Boulevard in Hayward, formerly occupied by Hayward Ford to MLC Holdings, Inc. for as a mixed-use hotel/retail/housing development.

As the present owner and landlord of the property, we are fully aware that the existing vacancy is not a positive amenity for the Hayward community and is in dire need of redevelopment. Auto Nation, along with several other national auto retailers, left this portion of the Mission Boulevard Auto Row years ago and has no plans to return. Locations like Mission Boulevard across the country have been vacated in an effort to relocate on more heavily traveled freeways with higher traffic counts, easy freeway access and ample signage opportunities. Simply put, the model has changed for auto retailing and older downtown locations are no longer viewed as viable locations for future auto dealerships.

Please feel free to call me anytime to discuss further.

Best Regards,



Harry Brumley
National Director of Real Estate
AutoNation, Inc.
200 SW 1st Avenue
14th Floor
Fort Lauderdale, FL 33301
(954) 769-7134

CC: Micah Hinkle
Justin Derby
Chris Zaballos





Advising Automobile Dealers LLC

(A Texas Limited Liability Company)

From the Desk of John Pico
Email: JohnPico@AdvisingDealers.com

214-284-7426
510-852-4444

April 13, 2017

Justin Derby, Project Manager
 MLC Holdings, Inc.
 12657 Alcosta Blvd
 San Ramon, CA 94583

**Re: Feasibility Study re: New Car Dealerships
 Returning to Mission Boulevard, Hayward, CA**

Dear Mr. Derby:

Enclosed herewith is the information you requested with respect to our investigation into the feasibility of new car dealerships returning to Mission Boulevard.

Unique Qualifications

Over the span of five decades, I have been approved as an expert by both state and federal courts throughout the nation, including the Superior Court of California and the Ninth Circuit District Court and the Ninth Circuit Bankruptcy Courts. See ***Exhibit 1 – Author's Experience and Credentials.***

I am uniquely familiar with this particular market, its dealerships, and the history of both. Since 1972, I was involved with the following dealerships, on Mission Boulevard, in Hayward, CA:

- Attorney for Hank Torian who once owned the Nissan, Dodge and Toyota dealerships
- Attorney for Glenn Hartzheim, who subsequently owned the Dodge dealership
- Expert witness for, and appraiser of Hayward Ford Lincoln Mercury when Jim Blakely was retiring and his partner, Bob Knezevich, were valuing their respective interests.
- Expert witness for Hamid Mirkoshesh with respect to Hayward Kia.
- Negotiated on the sale of Said Barzagar's Hayward Chrysler Jeep.
- Represented Bud Allan, in the sale of Hayward Chevrolet
- Valued Hayward Nissan when AutoNation wanted to sell it, after purchasing it from Mr. Torian.
- Valued Art Bridges' Mitsubishi Dealership

- Valued Doty Buick and Doty Cadillac

In addition, I have been personally involved in the purchase, sale and/or valuation of not only the dealerships on Mission Boulevard, but over 100 new car dealerships in the six Bay Area Counties (Marin, San Francisco, San Mateo, Santa Clara, Alameda, and Contra Costa), plus Napa and Sonoma Counties and a great many more such transactions in other areas of the state and the country.

Lastly, I was commissioned, in 2006, to analyze the future of Hayward's then "Auto Row." **See Exhibit 2 – 2006 Opinion Memo – Marina Boulevard vs. Mission Boulevard.**

I. Background of Hayward's Auto Row



In the 1960s, 70's and 80s, Hayward's "Auto Row" consisted of over two dozen franchises, stretching from Art Bridges' Pontiac-GMC, then located at 21715 Mission Boulevard, past Lew Doty Cadillac, at 22196 *Mission Blvd*, north of Jackson Street, to Ed Chandler Ford and Hayward Dodge, located on Mission Boulevard, south of Jackson Street.

When Hank Torian, Art Bridges, Ed Chandler, Lew Doty, and Don Lucas went there in the late 1960s, 1970s, and early 1980s, there were only two auto centers between Oakland and San Jose – Fremont and Hayward.

Although there were Honda and Chevrolet dealerships in San Leandro, there was no Marina Auto Mall, there was no Newark Auto Mall, there was no Fremont Auto Mall and there was no Honda and Toyota dealership center located on 880, in Milpitas.

Because of such events as:

- (a) factory consolidations (e.g., Chrysler, Jeep and Dodge combining, and Buick and GMC combining);
- (b) factory brand terminations (e.g., AMC, Pontiac, Plymouth, and Mercury going away); and
- (c) franchise relocations (e.g., Ford, Chrysler, Jeep and Dodge moving from Hayward to San Leandro);

Hayward lost many of its dealerships.

Today, of the two dozen or so franchises that once existed, Hayward's "Auto Row" now consists of but five franchises.

Hayward Auto Row “Heyday” Franchises

Toyota	Chevrolet
Honda	Chrysler Plymouth
Volkswagen	Ford
Mitsubishi	Cadillac
Oldsmobile	Datsun
Buick	Dodge
Lincoln Mercury	GMC
AMC Jeep	

Hayward Auto Row Today

Toyota
Honda
Volkswagen
Mitsubishi
Nissan

Of the five remaining franchises, Mitsubishi is a tier three franchise and was just added last year. The Mitsubishi store sold less than 400 new vehicles in 2016.* In addition, Mitsubishi does not have the strict facility requirements of the major franchisors.

Of the remaining four franchises, only one meet its new car sales expectancies.

II. NEW CAR SALES

As mentioned, in its heyday, there was no Fremont Auto Mall or San Leandro Automall to compete with Hayward’s Auto Row. If, for example, a customer wanted to buy a new Toyota the closest dealership south of Hayward Toyota was Capitol Toyota, in San Jose, or Toyota 101, across the bay, in Redwood City.

Today, Fremont Toyota and Piercy Toyota, in Milpitas, sit between Hayward and San Jose.

Over the past 60-months:

Hayward Toyota sold 9,541 new Toyota vehicles, while
Fremont Toyota sold 59,058 new Toyota vehicles.*

To the north, Toyota did not go into the San Leandro Auto Mall. Instead it (One Toyota) built a store on the 880 Freeway, approximately 8.74 miles to the north of Hayward– as the crow flies** and it sold 13,017 new Toyota vehicles during the same period. In just Honda and Toyota retail sales, combined, Fremont Auto Mall outsold Mission Boulevard by almost three to one.

Total New Vehicle Sales Hayward vs Fremont and San Leandro Auto Malls												
YEAR	Hayward Toyota	Fremont Toyota	1 Toyota Oakland	Hayward Honda	Fremont Honda	San Leandro Honda	Hayward VW	Winn VW Newark	Dublin VW	Hayward Nissan	Fremont Nissan	San Leandro Nissan
2012	1,624	11,437	1,785	1,033	1,747	1,135	562	711	662	367	1,666	10,144
2013	1,502	12,223	2,546	1,280	2,052	1,190	597	691	708	625	1,968	9,348
2014	2,292	10,451	2,938	1,310	2,306	1,276	769	569	566	1,383	3,350	5,864
2015	2,231	13,604	2,976	1,308	2,487	1,348	846	564	607	1,321	2,909	8,790
2016	1,892	11,343	2,772	1,322	2,833	1,384	719	544	421	1,126	1,973	14,611
TOTAL	9,541	59,058	13,017	6,253	11,425	6,333	3,493	3,079	2,964	4,822	11,866	48,757

*All sales numbers are taken from Dominion’s Cross Sell Reports for 2012, 2013, 2014, 2015 and 2016.

**The significance of “as the crow flies” is explained below

III. LOCATION

In addition to the observations stated above, the San Leandro and Fremont Auto Malls not only have easy access from the freeway and freeway readerboards, but they are destination centers.

Across the street from the Ford Store, in San Leandro's Marina Square, are Nordstrom's Rack, Men's Warehouse, the Banana Republic, the GAP, and Marshall's, to name a few. And, there are triple that number of stores surrounding the Fremont Auto Mall.

Based upon locations and sales numbers, and the fact San Leandro and Fremont are destination locations, it is this author's expert opinion that no major franchise would open a new point in Hayward and weaken its major dealers by drawing traffic from them.

Quite the opposite. General Motors, for example, purchased Hayward Chevrolet in order to close the point and make its dealership in the Fremont Auto Mall stronger. The theory is similar to the arborists clipping a suckling from a tree in order to strengthen the tree.

IV. CALIFORNIA NEW CAR DEALER LAWS

Most states have restrictions on the number of dealerships that can be in any given area. Texas, for example, has a 15-mile law, while California has a 10-mile law.

Pursuant to California Vehicle Code section 3062(a)(1), a dealer has the right to protest before the Board an attempt by a manufacturer or distributor to:

1. Establish an additional dealership; or
2. Relocate an existing dealership to a location that is within a 10-mile radius of any dealership of the same line-make.*

Unless exigent circumstances are established, or there is an exception granted by law, **in California, no same make dealership can be opened within a 10-mile radius of another dealership of the same make.**

One example of a legal exception would be if an existing dealership closes, it may be reopened within 10-miles of a same make dealership provided the dealership has not been closed more than one year and does not move its location more than two-miles. In Hayward, all of the major franchises that left, left over one year ago, hence the exception would not apply.



1. **Blue Circle = 10-mile radius around San Leandro Auto Mall**
2. **Red Circle = 10-mile radius around Hayward Toyota**
3. **Black Circle = 10-mile radius around Newark Auto Mall**
4. **Green Circle = 10-mile radius around Fremont Auto Mall**

*Note: Section 3062(a)(1) refers to "relevant market area." In Section 507 "Relevant market area" is defined as "any area within a radius of 10 miles from the site of a potential new dealership." The distance is determined by a straight-line measurement between the nearest points of the new dealership's location and the protesting dealership's location. There are times when a survey may be necessary to determine whether a dealer desiring to protest is located within the relevant market area.

All of the major franchises have existing dealerships within a 10-mile radius of Hayward. Consequently, in addition to overcoming the above obstacles, a dealer-candidate that wanted to open a dealership in Hayward would surely have to overcome a dealer protest pursuant to the California Vehicle Code.

Research shows that in the past 50-years, there was only one case wherein the California New Motor Vehicle Board allowed a factory to establish a dealership in Hayward, where that dealership was within the ten-mile limit enunciated in California Vehicle Code Section 3062. See: *In the Matter of the Protest of Lloyd A. Wise, Inc., Protestant, vs. GMC Truck and Coach Division of General Motors Corporation, Respondent*, Protest No. PR-361-81, decided October 25, 1982.

The facts and circumstances of the above case, allowing the California New Motor Vehicle Board to approve a new, same make dealership in Hayward, were a unique set of circumstances and

facts and would not likely apply to a case wherein, for example, a dealer candidate wanted to establish in Hayward a franchise represented in both the San Leandro Auto Mall and the Fremont Auto Mall.

V. ADVERTISING

Another consideration of a dealer candidate and a manufacturer, when considering whether or not to open a new dealership, is advertising the location.

The cost of acquiring land and the cost of either building a facility or making an existing facility “image compliant,” are obvious considerations, but a subtler one is the amount money being spent on advertising a particular location.

In most situations, opening a new “point” * means incurring business losses for several months while establishing a customer base. Dealers pay goodwill for stores because, for example, the day after escrow closes, there is a line of vehicles in front of the service department and customers in line at the parts department. Customers are creatures of habit and, more so than vehicle sales, it takes time to woo people from other dealerships to establish those departments.

With respect to advertising, a major consideration would be competing with the Fremont Auto Mall.

According to the National Automobile Dealers Association (NADA)**, the average dealership spent \$700, per new car retailed, in advertising costs in February of 2017. Translated to Hayward vs Fremont, that means that in January and February of 2017, the Fremont Auto Mall spent over Two Million Dollars telling customers to go there, while the Hayward dealers spent less than \$600,000. Over the course of a year that would annualize to Fremont spending over Fourteen Million Dollars versus about \$3.5 million for Hayward.

The Fremont Auto Mall’s advertising budget would be another negative, in addition to location and vehicle traffic, that would negatively affect candidates and manufacturers evaluations regarding the opening of a new point in Hayward

* When a manufacturer or distributor opens a new dealership in a town where one had not existed before, it is called establishing a “new point.”

** Sources: NADA “**Dealership Profile**,” February 2017, and Dominion’s “**Cross-Sell Reports**” for California, January and February, 2017.

VI. THE FINAL OBSTACLE

If all of the above obstacles and considerations could be over-come, or satisfied, the final condition that would have to be met before a franchisor would approve a new car dealership on Mission Boulevard, would be obtaining a reasonable “rent factor.”

If a rent factor is over the recommended percent of sales and/or gross profit of the brand’s recommends, the business venture will likely fail. It might take a year, it might take two years, it might take as long as 4-years, but the dealership will surely fail. That is why **a manufacturer or**

distributor will not approve the granting of a franchise to a candidate that has, or will have, an unreasonable rent factor.

It does not matter whether the real property's commercial value is a Million Dollars, or Fifty Million Dollars, in the marketplace; the property's "value" as a new car dealership is determined by formulas based upon a percent of sales, or a percent of gross. See: Buying and Selling Automobile Dealerships, John J. Pico, National Legal Publishing Co., Inc. (1989) ISBN-10: 0936381035 ISBN-13: 978-0936381039; United States Library of Congress Number 89-082568.

In the car business, "rent factor" includes not only the amount of "rent" a dealership pays, but also the amount of taxes and utilities; hence, the term "rent and equivalent."

In determining the rent factor for a property on Mission Boulevard, one would have to consider the cost of remodeling a building to meet each factory's image requirements. This author facilitated the recent sale of the Audi dealership in Palo Alto and, in that instance, the cost of making the store "image compliant," exceeded Four Million Dollars. On a recent remodel of a client's Lincoln dealership into a Chrysler dealership, the cost of making the store "image compliant," for Chrysler was in excess of Two Million Dollars.

In the case of the old Ford facility 25501 Mission Boulevard, Hayward, for example, the 2016-2017 Alameda County tax records show the property valued at \$12,128,858 and the real property taxes at 137,444.20. Assuming those numbers remained constant, one would estimate the "rent factor" of a new car dealership at that location, as follows:

137,444.20	Annual Real Property Tax
871,490.88	Annual Mortgage (72,624.24*12) payment estimating Sale Price of \$12,128,858 with 10% down and 30-year amortized mortgage @ 7% Interest
291,220.32	Annual Payment on \$3,000,000 construction loan @ 7%, with 10% down, and amortized over 15-years (\$24,268.36 x 12)
<u>600,000.00</u>	Utilities (Estimated at \$50,000 per month)
1,900,155.40	Total Rent and Equivalent

Each manufacturer and distributor has its own "reasonable rent factor," however, the number **ranges between 1.19% of sales, for import dealers, to 1.28% of sales for domestic dealerships.** See: AutoTeam America's Benchmarks. (Auto Team America is a network of CPA firms that serve over 2,000 auto dealerships nationwide. Like a "Twenty Group", Auto Team America meets regularly to share dealership specific information and solutions to most effectively meet the needs of automotive dealers.)

In 2016, the National Automobile Dealer Association (NADA) reported the average dealership had \$59,590,891, in total sales and \$6,771,320, in total gross and had an average rent factor of 10.7% of gross, or \$724,531.24.

Using AutoTeam America's formula of 1.28% of sales, would produce a maximum rent factor of \$762,763.41.

Using either formula (NADA's or the distributor's), based upon the example using 25501 Mission Boulevard, a new car dealership would be unsustainable at half the actual costs shown. Consequently, even if one were able to obtain an exception to the 10-mile law, economic factors would make it highly unlikely that new car dealerships will return to Mission Boulevard.

Note: All of the major franchises have an image program. Tier 1 franchises generally make no exceptions to their requirements when approving a new dealer, while Tier 3 (Mitsubishi, for example) sometimes allow dealers to open a point without immediately complying with the image upgrade requirements. In those cases, however, the reasonable rent factor rule would still apply if one were looking to establish a successful dealership and in the formula presented, the only change would be a modification of the amount required to upgrade the facility.

VII. SUMMATION

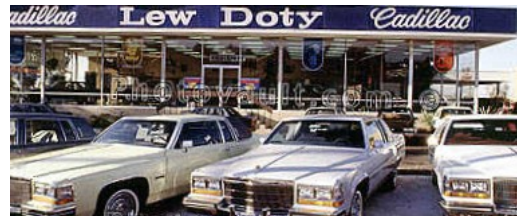
As mentioned in the beginning of this analysis, I have represented, advised, bought and sold dealerships on Hayward Auto Row for almost half a century.

Based upon my knowledge of the area, my experience with and knowledge of both the industry (dealers, distributors and lenders), I cannot foresee any reasonable circumstances under which new car dealerships would return to Mission Boulevard.

When I was representing Bud Allan (Hayward Chevrolet), I advised him to sell the dealership real property, but he had a long-term lease with General Motors and refused to sell because he thought the lease would be an annuity. Subsequent to his selling his dealership and terminating his franchise, General Motors filed bankruptcy and disavowed his lease, leaving Mr. Allan and his partner with a vacant dealership, which he and his partner tried to lease to another automotive franchise for over a year.

Finally, unable to sell the property for cash and unable to lease it, he sold it on "fire-sale" terms to the church that currently occupies it.

In evaluating the possibility of obtaining a major new car franchise for Mission Boulevard, consider too the fact that AutoNation has a dealership on Mission Boulevard. It is undeniable that AutoNation would benefit greatly if it could revitalize "Auto Row."



One has to believe that AutoNation exhausted every effort to bring another franchise to the Mission Boulevard and that it is not selling the property because it was successful. And, if AutoNation, with all its assets, could not entice any manufacturer or distributor to return to Mission Boulevard, who could?

Again, based upon the above information and the author's experience, it would appear highly unlikely that new car dealerships would be returning to Hayward's old "Auto Row," and it would appear in the best interests of the citizens of Hayward to rezone the properties not only to produce revenue in the form of taxes, but to rejuvenate the area.

If anyone has any questions or comments, please do not hesitate to contact me.

Respectfully submitted,

ADVISING AUTOMOBILE DEALERS LLC

By: _____


JOHN J. PICO
Managing Partner

Advising Automobile Dealers LLC

QUALIFICATIONS OF AUTHOR

Mr. Pico's Background and Experience

EDUCATION:

Bachelor of Arts degree, Chapman University, Orange, California,
Juris Doctorate (Doctorate of Law) from University of California, Hastings College of Law, San Francisco.

AUTOMOTIVE RELATED PUBLICATIONS (Partial List):

Buying and Selling Automobile Dealerships, National Legal Publishing Co. ISBN# 0-936381-03-5

Buying and Selling Automobile Dealerships Volume I, ISBN# 0-936381-04-3

Buying and Selling Automobile Dealerships Volume II, United States Library of Congress Number 89-082568

Buying New Car Dealerships: Common Mistakes PRWeb

Investing in Car Dealerships: How to do it Right Pro Sports Group News

Automobile Dealerships – How to Value Them *Ezine Articles*

Automobile Dealerships – Valuing Blue Sky *Ezine Articles*

Investing in Car Dealerships: Doing Your Homework, Finance Bits

Is Now the Right Time to Buy a New Car Dealership? *Ezine Articles*

The Accountant's Liability for Financial Reports

Selling to Public Companies – The Effect of Framework Agreements

Personal Goodwill: Allocation of Blue Sky / Goodwill in an Automobile Dealership Sale

Are Auto Malls the Key to Success?

Toyota: Is the Party Over?

Automobile Dealers: Do You Really Have the Right to Refuse Inventory?

An Analysis of Chrysler's Project Alpha / Genesis

A History of Automobile Dealership Site Control

The Future of the Lincoln and Mercury Brands

Site Control for Automobile Dealers in the 21st Century

Dallas - Fort Worth Automotive Market Analysis

Market Analysis Marina Boulevard (San Leandro) vs. Hayward Boulevard (Hayward)

Buying and Selling Automobile Dealerships – Axioms When Negotiating

Buying and Selling Automobile Dealerships – Limitations When Negotiating

Automobile Dealerships – Out of Trust – Tips for the Dealer

Automobile Dealerships – Out of Trust – Tips for the Lender

Automobile Dealerships – Out of Trust – Tips for Keepers / Trustees

Automobile Dealerships – Out of Trust – Creating a Workout Plan

Out of Trust and Workout Advice

Death of an Automobile Dealership

* Mr. Pico's writings have been published in German, French, Italian, Spanish, Portuguese, Japanese, Korean and Arabic.

QUALIFICATIONS OF AUTHOR

AUTOMOTIVE RELATED COURT CERTIFICATIONS:

- Approved by the U.S. Bankruptcy Court, 10th Circuit, District of Colorado, pursuant to Rule 202 of the Bankruptcy Code, as "Consultant to Debtor" in sale of a new car automobile dealership;
- Approved by the U.S. Bankruptcy Court, 9th Circuit, Northern District of California, pursuant to Rule 202 of the Bankruptcy Code, as "Consultant to Debtor" in sale of a new car automobile dealership;
- Approved by the U.S. District Court, 8th Circuit, Wisconsin, as Arbitrator/ Appraiser in new car Dealership litigation;
- Approved by the District Court of Colorado as expert in dealership valuation litigation;
- Approved by the Superior Court of California as: (a) "Consultant to Court Appointed Receiver" in check-kiting case,(b) "Expert Witness", with respect to dealership valuations, and(c) Superior Court Mediator in dealership/lender litigation.

SAMPLE OF AUTOMOTIVE SPEAKING ACTIVITIES:

- California Department of Motor Vehicles
- National Association of Automotive CPAs
- Various Dealer 20 Groups
- Controller Roundtable (Sponsored by AutoTeam America)
- Lender's Round Table (Sponsored by Hughes & Luce, Attorneys)
- CFO / Controller Roundtable (Sponsored by Lane Gorman Trubitt, LLP, CPAs)

AUTOMOTIVE RELATED MEDIA INTERVIEWS:

- The Kiplinger Washington Editors, Inc.
- Automotive News
- The Car Concerns Radio Show
- (PSG) Pro Sports Group [of sports agents]

ADDITIONAL AUTOMOTIVE BACKGROUND:

Before retiring from the active practice of law, in 1980, Mr. Pico represented numerous automotive dealers in the reorganizations, purchases, and sales of dealerships. He both tried cases as the attorney for the dealerships and arbitrated and mediated dealer related cases.

Over the course of the past thirty plus years, Mr. Pico has handled hundreds of dealership valuations, buy-sell agreements (both asset and stock sales) and has assisted dealers in acquiring new facilities, opening new points and negotiating and settling "out of trust" positions. As can be seen above, he has been certified by a number of courts in fields regarding the automotive business.

QUALIFICATIONS OF AUTHOR

In addition to receiving training and attending seminars with respect to the various departments in new car dealerships, Mr. Pico has "hands-on" experience" in the position of General Manager - a position which he assumed on an "interim" bases to help out a client of Automotive Advisors.

In 2005, Mr. Pico was recognized by Ezine.com as an "expert author" in the field of buying, selling and investing in automobile dealerships.

NONAUTOMOTIVE BACKGROUND:

MILITARY:

- 05 Jul 65 through 31 Dec 68
- Highest Security Clearance: Top Secret
- Highest Decoration: Air Force Commendation Medal (Awarded 20 Nov 68)
- Commander's Club, Disabled American Veterans

PAST DIRECTORSHIPS:

- Burlingame Kiwanis Club
- San Mateo Optimist Club
- San Mateo County Trial Lawyers Association
- San Mateo Business Club
- Corinth Forest Homeowners Association

PAST NEGOTIATOR:

- San Mateo Police Officers Association
- Brotherhood of Railway & Airlines Clerks

PAST PRESIDENT:

San Mateo Business Club

Corinth Forest Homeowners Association

NONAUTOMOTIVE PUBLICATIONS:

- January-March 1968 History of the 15th Reconnaissance Technical Squadron, written by Mr. Pico under the command of the 15th Air Force, Director of Intelligence, Strategic Air Command, **Classified: SECRET/ NOFORN** in accordance with Air Force Reg. 205-1.
- April-June 1968 History of the 15th Reconnaissance Technical Squadron, written by Mr. Pico under the command of the 15th Air Force, Director of Intelligence, Strategic Air Command, **Classified: SECRET/ NOFORN** in accordance with Air Force Reg. 205-1.

QUALIFICATIONS OF AUTHOR

- July-September 1968 History of the 15th Reconnaissance Technical Squadron, written by Mr. Pico under the command of the 15th Air Force, Director of Intelligence, Strategic Air Command, **Classified: SECRET/ NOFORN** in accordance with Air Force Reg. 205-1.
- October-December 1968 History of the 15th Reconnaissance Technical Squadron, written by Mr. Pico under the command of the 15th Air Force, Director of Intelligence, Strategic Air Command, **Classified: SECRET/ NOFORN** in accordance with Air Force Reg. 205-1.
- "Educational Inflation", 1969, San Francisco Chronicle.

NONAUTOMOTIVE SPEAKING ACTIVITIES:

- Hastings College of Law
- Stanford School of Law
- Regular Guest Host on KCSM-TV's "Justice Forum"
- Guest, ABC's Art Findlay Show, KGO Radio, San Francisco
- Guest on KABL Radio's Opinion 79, San Francisco;
- San Mateo Trial Lawyers Association

Partial List of valuations completed by Mr. Pico with respect to Completed Purchases and Sales

Allen Samuels Ford, Duncanville, TX – Rumsey Automotive Group
 Allen Samuels Ford Land & Facility, Duncanville, TX – Rumsey Development Corporation
 Alcala Chevrolet, Burlingame, CA - Gil Alcala
 Alcala Chevrolet Land & Facility, Burlingame, CA - Option from Gil Alcala
 Autohaus Mazda-Volkswagen, South Lake Tahoe, CA Tahoe to Carson City - Jerry Rudd
 Autohaus BMW, Tahoe to Carson City, NV - Jerry Rudd
 Barrett Mack Sales and Service, Lufkin, TX - Richard Barrett
 Billings Chevrolet, Milpitas, CA - Mike Billings
 Bishop Motors (Chrysler-Plymouth-Jeep-Dodge), Hollister, CA - Glenn Hartzheim
 Bob Curtis Oldsmobile, Torrance, CA, Robert Curtis
 Bob Curtis Land and Facility, Torrance, CA - Robert Curtis
 Bob Post Chrysler-Plymouth, Aurora, CO Robert Post
 Bob Post Chrysler Land & Facility, Aurora - Robert & Virginia Post
 Bob Post Chrysler-Plymouth, Shreveport, LA - Robert & Scott Post
 Bob Post Chrysler Land & Facility, Shreveport, LA - Robert & Scott Post
 Boulder Mitsubishi, Boulder, CO - Thomas Weisberg
 Burlingame Lincoln-Mercury, Burlingame, CA - Joseph Durelli
 Burlingame Lincoln-Mercury Land & Facility, Burlingame, CA – Joe Durelli
 Calistoga Ford, Calistoga, CA – Jimmy Vasser
 Carlsen Audi, Palo Alto, CA – Charlie Burton, Richard Pasquali
 Carrera PRB, Palo Alto, CA – Audi Land & Facility – Charlie Burton, Richard Pasquali
 Carson City Datsun- NV - Glenn Hartzheim
 Carson City Jeep-Eagle-Renault - NV - Glenn Hartzheim
 Century Chevrolet Real Property (Purchase), Broomfield, CO - Robert Stream

QUALIFICATIONS OF AUTHOR

Century Chevrolet, Broomfield, CO - Robert Stream
 Century Chevrolet Land & Facility (Sale), Broomfield, CO – Bob Stream
 Century Chevrolet, Fort Worth, TX - William McKay
 Champion Ford, Denver, CO - Robert Yates
 Connell Automotive Center (Pontiac, Buick, Cadillac, GMC, Oakland CA – Steve Simi
 Crystal Lake Honda, Crystal Lake, IL - Leo Stec & James Wolf
 Dodge Country, San Jose, CA - Hank Torian
 Doten Hyundai, Richmond, CA – Beverly Doten
 Doten Hyundai Land and Facility – Beverly Doten
 Ed Bozarth Chevrolet-Toyota, Napa, CA Ed Bozarth
 Ed Bozarth Chevrolet Land & Facility - Jimmy Vasser & Darren Smyl
 Elk Mountain Motors (Volkswagen-Audi) - Joel Towbin
 Falmouth Subaru, Falmouth, ME - John Payson
 Falmouth Subaru Land & Facility, ME, John Payson
 Falmouth Dealership Land and Facility – Barry Harris
 Fremont Dodge Land & Facility, Fremont, CA - Hank & Rita Torian
 Front Range Dodge, Northglenn, CO - James Derrickson
 Frontier GMC Truck, Fort Worth, TX - Eddie Walker
 Frontier GMC Truck Land & Facility, Ft. Worth, TX Benjamin Campbell
 Golden Ford, Golden, CO- Edward & Scott Dubravac
 Great West Pontiac, Thornton, CO - Bob Yates
 Harmon Chevrolet, Orange, TX – Al Granger & Dean Granger
 Harmon Chevrolet, Orange, TX – Land and Facility – Al Granger & Dean Granger
 Harter Mazda-Volkswagen, Davis, CA - Alvin Harter
 Hartzheim Ford, Burlingame, CA - Glenn Hartzheim
 Hartzheim Nissan-Jeep, Carson City, NV - Glenn Hartzheim
 Hillery Motors (Mazda-Isuzu), Modesto, CA - Charles Hillery
 Imperial Motors (Chrysler-Ply-Dodge), Indio, CA - Matthew Reis
 John Elway Mazda, Englewood, CO - John Elway and Rodney Buscher
 John Rotola Mazda-Volkswagen-Hyundai-Suzuki, Lakewood - John Rotola
 Johnny Haas Lincoln-Mercury, Lakewood, CO, Johnny Haas
 Johnny Hass Land & Facility, Lakewood, CO, Johnny Haas
 Lexus of Denver, Littleton, CO- R. Douglas Spedding
 Lexus of Stevens Creek, San Jose, CA – Hank Torian
 Magnussen Volkswagen, San Mateo, CA – Bernie Magnussen
 Magnussen Nissan, San Mateo, CA – Bernie Magnussen
 Manteca Nissan, CA, Oscar Travland
 Mead Pontiac-Jeep-Eagle, Grand Junction, CO - Richard Mead
 Menlo Honda, Redwood City, CA – Kieth Burgess
 Menlo Honda, Redwood City, CA – Land and Facility – Kieth Burgess
 Metro Honda, Westminster, CO - Melvin Nelson
 Metro Honda Land and Facility-Melvin Nelson
 Metro Oldsmobile-Hyundai-Daihatsu-Nelson
 Metro Olds-Hyundai-Daihatsu Land & Facility
 Metro Toyota, Englewood, CO - Nelson
 Metro Toyota Land & Facility, Englewood, CO
 Northwest Volkswagen-Mazda, Thornton, CO-Robert Yates
 Northwest Subaru, Thornton, CO - Robert Yates
 Norton Motors [Dodge, Chrysler, Jeep], Kelseyville, CA - Russ Norton and Mark
 Orange Coast Chrysler Jeep Dodge Ram, San Juan Capistrano, Jonathan Grayt

QUALIFICATIONS OF AUTHOR

Osborn Chevrolet, Aurora, CO - Gene Osborn
 Osborn Chevrolet Land & Facility - Gene Osborn
 Osborn Subaru, Aurora, CO - Gene Osborn
 Osborne Pont-Bui-GMC, Fallon, NV - Gary Osborne
 Palm Springs Chrysler-Plymouth-Dodge, Palm Springs, CA - Henry Fox
 Patterson Ford-Mercury, Patterson, CA-Vince Lennon
 Peninsula Volkswagen, San Mateo, CA - Richard Asmar and Carl Kammyer
 Peninsula Subaru, San Mateo, CA - Richard Asmar and Carl Kammyer
 Peninsula Nissan, San Mateo, CA - Richard Asmar and Carl Kammyer
 Pete Ellis Toyota, Bellflower, CA- Peter Ellis
 Precision VW-Hyundai-Suzuki, Lakewood, CO - R. Douglas Spedding
 Prospect Motors (Chevrolet-Cadillac-Olds-Pontiac-Buick-GMC Truck), Jackson, CA - Lucy on behalf of the Ronald DiGiulio Estate
 Reis-Durelli Lincoln Mercury, Burlingame, CA, Joseph Durelli
 Reis-Durelli Land and Facility - Joseph Durelli
 Richard's Mazda, Thornton, CO - R. Douglas Spedding
 San Mateo Chrysler - Plymouth, San Mateo, CA - Glenn Hartzheim
 San Mateo Chrysler-Plymouth Land & Facility (Purchase) - Glenn Hartzheim
 San Mateo Chrysler-Plymouth Land & Facility (Sale) - Glenn & Gita Hartzheim
 San Mateo Nissan, San Mateo, CA- Bernard Magnussen
 San Mateo Volkswagen, San Mateo, CA - Bernard Magnussen
 San Rafael Dodge, San Rafael, CA – LOI – Tom Cogliano
 Santa Rosa Chevrolet, Santa Rosa - Barry Biddulph
 Shen Chevrolet, San Mateo, CA – Court Appointed Receiver
 Shen Lincoln-Mercury, San Mateo, CA – Court Appointed Receiver
 Shepherd Pontiac-Honda, Concord, CA - William Shepherd
 Shepherd Pontiac Land & Facility - Option - William Shepherd
 Shortline Mazda-VW-Hyundai-Suzuki, Lakewood, CO - Donald Hicks
 South County Chevrolet, Morgan Hill, CA – Al Chew
 Signer-Cramm Buick, Fremont, CA - Donald Signer
 South Coast Buick Cadillac GMC, Costa Mesa, CA – Hamid Hojati
 Steve Johnson Jeep-Eagle, Colorado Springs, CO - Stephen Johnson
 Stone Mountain Chevrolet, Stone Mountain (Atlanta), GA - Bob Beringhaus
 Sunlight Motors (Nissan-Audi-Volkswagen-Mazda), Glenwood Springs, CO - Thomas Grunnah, Sr. and Thomas Grunnah, Jr.
 Team of Marin Autocenter [Chevrolet, Cadillac, Hummer, Saab] San Rafael, CA - Ken Ross
 Team Hyundai of Marin - San Rafael, CA - Kenny Ross
 Town & Country Pontiac-Buick-GMC - Emanuel Bugelli
 Town & Country Jeep-Eagle, Brighton, CO - Emanuel Bugelli
 Village Lincoln, Mercury, Mazda, Denton, TX – Tom Durant and Richard Allen

Dealerships that were valued by Mr. Pico with respect to Partnership Sales, Estate Sales, Partnership Disputes, and Divorces

Anderson Honda, Palo Alto, CA – John Anderson (Partner Dissolution)
 Carlsen Audi – Ron Burton (Dissolution)
 Chesrown Chevrolet, Denver, CO – retained by both husband's and wife's attorney (Dissolution)
 Dale Spradley Lincoln-Mercury, Pueblo, CO - Sherman & Howard, Attorneys (Partner Dissolution)
 Dodge Country, San Jose, CA - Hank Torian, (Partnership Dissolution)

QUALIFICATIONS OF AUTHOR

Elk Grove Honda, Elk Grove, CA – Maggie Tadlock (Partnership Valuation)
 Economy Nissan, Durango, CO - Raymond Carter and Monte Roder (Estate Planning/Partner Valuation)
 Falmouth Subaru, Falmouth, ME – (Partnership Dissolution)
 Friendly Ford, Lakewood, CO – retained by both husband’s and wife’s attorney (Dissolution)
 Hayward Ford, Hayward, CA - Jim Blakely (Partnership Dissolution) – Attorney Bob Cross, Sideman Bancroft
 Junction Motor Service Company (Pontiac-Buick-Cadillac-GMC), Ely, NV - Partnership Valuation
 Mark Toyota, Wisconsin Rapids, WS - Mark Olynik (Partnership Litigation Arbitration)
 Mark Chrysler-Jeep, Wisconsin Rapids, WS - Mark Olynik (Partnership Litigation/Arbitration)
 Marshall Ford, Boulder, CO – retained by both husband’s and wife’s attorney (Dissolution)
 McNevin Cadillac-Volkswagen, Berkeley, CA - Estate of June McNevin (Estate Appraisal/Purchase)
 McNevin Cadillac-Volkswagen Real Property and Facilities, Berkeley, CA - Estate of June McNevin (Estate Appraisal / inter-family Purchase)
 Michael Stead's Walnut Creek Ford, CA - Estate of Wayne Stead (Estate Taxes/Inheritance)
 Prospect Motors (Chevrolet-Cadillac-Olds-Pontiac-Buick-GMC Truck), Jackson, CA – (Estate Sale to Partner)
 Pueblo Dodge-VW, Pueblo, CO - Robert Fitzgerald (Estate Planning/Partner Valuation)
 Pueblo Toyota, Pueblo, CO - Robert Fitzgerald (Estate Planning / Partner Valuation)
 Santa Cruz Subaru, CA – Charlie Canfield & Gary Shipman (Wayne Schneck Estate Valuation – Deceased Partner)
 Santa Cruz Mazda – Charlie Canfield & Gary Shipman (Wayne Schneck Estate Valuation – Deceased Partner)
 Santa Cruz Kia – Charlie Canfield & Gary Shipman (Wayne Schneck Estate Valuation – Deceased Partner)
 Shellworth Chevrolet-Oldsmobile, Vacaville, CA - Tom Shellworth (Estate Planning / inter-family Purchase)
 Spradley Lincoln-Mercury, Alamosa, CO - Sherman & Howard Attorneys at Law (Partnership Dissolution)
 Signer-Cramm Buick, Fremont, CA – (Partnership Dissolution)
 Spradley Lincoln-Mercury, Florence, CO - Sherman & Howard, Attorneys at Law (Partnership Dissolution)
 Spradley Chrysler-Dodge, Lamar, CA - Sherman & Howard, Attorneys at Law (Partnership Dissolution)
 Spradley Motors, La Junta, CO - Sherman & Howard, Attorneys at Law (Partnership Dissolution)
 Sunwest Honda, Colorado Springs, CO - Robert Fitzgerald (Estate Planning/Partnership Valuation)
 The Ford Store, Morgan Hill, CA – Tim Paulus & Jerry Feldman (Partnership Dissolution)
 The Ford Store, Morgan Hill, CA – Tim Paulus & Linda Paulus (Dissolution)
 Wayne Stead Cadillac, Walnut Creek, CA - Estate of Wayne Stead (Estate Taxes/Inheritance)

Dealerships Valued by Mr. Pico with respect to Federal and State Court Filed Actions

Alcala Chevrolet, Burlingame, CA – (Chapter XI – US Bankruptcy Court 9th Circuit)
 Alcala Chevrolet Land & Facility, Burlingame, CA – (US Bankruptcy Court 9th Chapter XI – 9th Circuit)
 Chesrown Chevrolet, Denver, CO – (Dissolution – District Court of Colorado)
 Colorado Connection d.b.a. Stampede Toyota, Greeley, CO – (Partnership Litigation – District Court of Colorado)
 Hayward Ford, Hayward, CA - Jim Blakely (Arbitration – San Mateo County)
 Manteca Nissan, CA, - (Chapter XI – Bankruptcy Court 9th Circuit)
 Mark Toyota, Wisconsin Rapids, WS - Mark Olynik (Partnership Litigation/Arbitration – US District Court, 8th Circuit)
 Mark Chrysler-Jeep, Wisconsin Rapids, WS - Mark Olynik (Partnership Litigation/Arbitration – US District Court, 8th Circuit)
 Marshall Ford, Boulder, CO – retained by both husband’s and wife’s attorney (Dissolution)
 Mission Motor Company Real Property, Hayward, CA - (Partnership Litigation/Arbitration – Superior Court of California)
 Shen Chevrolet Real Property and Facility, San Mateo, CA – (Receivership – Superior Court of California)
 Shen Infiniti, Redwood City, CA – (Receivership – Superior Court of California)
 Shen Lincoln-Mercury Real Property and Facility, San Mateo, CA – (Receivership – Superior Court of California)
 Shen Mitsubishi, Burlingame, CA – (Receivership – Superior Court of California)

QUALIFICATIONS OF AUTHOR

Shen Mitsubishi Real Property and Facility, Burlingame, CA – (Receivership – Superior Court of California)
 Sunlight Motors (Nissan-Audi-Volkswagen-Mazda), Glenwood Springs, CO – (Chapter XI – US Bankruptcy Court 10th Circuit)

Dealerships Valued by Mr. Pico with respect to sales completed by the dealer

Arata Honda, Burlingame, CA - Alvin, Donald and David James Arata
 Balestra Chrysler-Plymouth, Redwood City, CA - Joseph Balestra
 Balestra Pontiac-GMC, Redwood City, CA - Joseph Balestra
 Bauer Nissan, San Francisco, CA - Allen Bauer
 Boulder Nissan, Boulder, CO - Charles Stevinson
 Campus Mazda-VW, Davis, CA - Richard Ogen
 City Toyota, Daly City, CA - Majid Salim
 Crouch Honda, Boulder, CO - William Crouch
 Crouch Honda Land and Facility, Boulder, CO - William Crouch
 Crouch Mazda-Mercedes, Boulder, CO - William Crouch
 Crouch Mazda-Mercedes Land and Facility, Boulder, CO - William Crouch
 David Varner Chevrolet, San Francisco, CA - David Varner
 Down Town Datsun, San Jose, CA - John Taylor and Llyod Clark
 Hillery Motors Land, Modesto, CA - Charles Hillery
 Larry Lange Cadillac, Sterling, TX - Larry Lange
 Leo Payne Imports (Mercedes), Lakewood, CO - Leo Payne
 Leo Payne Hyundai, Lakewood, CO - Leo Payne
 Leo Payne Pontiac-GMC, Lakewood, CO - Leo Payne
 Longmont Chrysler-Plymouth (Joe Titman), Longmont, CO
 Magnussen-Barbee Dodge, Concord, CA - Bob Barbee and Bernie Magnussen
 Magnussen-Barbee Suzuki, Concord, CA - Bob Barbee and Bernie Magnussen
 Modesto Mazda, Modesto, CA - John Taylor and Llyod Clark
 Nationway Motors (Mercedes-Benz-Mazda-Audi-VW-Jeep-Eagle), Cheyenne, WY - Gary Weir
 NorthStar Hyundai, Thornton, CO - Robert Yates
 Nowling Oldsmobile, Downey, CA - William Nowling
 Nowling Oldsmobile Land & Facility, Downey, CA - William Nowling
 Osborn Hyundai, Aurora, CO - Gene Osborn
 Osborn Mazda, Aurora, CO - Gene Osborn
 Pete Ellis Ford, Bellflower, CO - Peter Ellis
 Premier Chrysler-Plymouth, Northglenn, CO - Gordon Seth
 Premier Jeep-Eagle, Northglenn, CO - Rodney Buscher
 Redwood City Hyundai, Redwood City, CA - James Burney
 Shen Infinity, Redwood City, CA - Court Receiver
 Spedding Chevrolet, Denver, CO - R. Douglas Spedding
 Steve Johnson Pontiac, Colorado Springs, CO - Stephen Johnson
 Supreme Subaru, Thornton, CO - R. Douglas Spedding
 Town & Country Cadillac-Oldsmobile-Honda, Salinas, CA - Gene Peracchi
 Toyota North, San Jose, CA - John Taylor and Llyod Clark

Additional Dealerships and/or Dealership Land and Facilities Appraised or Valued by Mr. Pico and Name of Client

QUALIFICATIONS OF AUTHOR

All-American Dodge, Skokie, IL - Willy T Ribbs
 Alpine Motors (Porsche), Colorado Springs, CO - Robert Fitzgerald
 Biddulph Chevrolet, Santa Rosa, CA - J. Edward Bozarth
 Bill Dreiling Buick, Lakewood, CO - Joe Putnam
 Baytown Toyota, Houston, TX – Angelo Ferro
 Beaver Toyota, Santa Fe, New Mexico – Mike Beaver
 Broadway Jeep-Eagle, Littleton, CO - Robert Fitzgerald
 Burgess Honda, Menlo Park, CA - George Assoun
 Burlingame Ford, Burlingame, CA - George Assoun
 City Toyota, Daly City, CA - Majid Salim
 Cowboy State Motors, Cheyenne, WY - Gary Weir
 Chesrown Chevrolet, Denver, CO - Marshall and Lori Sue Chevron
 Datsun of Downey, Downey, CA - Kenneth Olson
 Dale Spradley Lincoln-Mercury, Pueblo, CO - Sherman & Howard, Attorneys (Partner Dispute)
 Daly City Datsun, Daly City, CA - Glenn Hartzheim
 Daly City Toyota, Daly City, CA - Majid Salim
 Dodge City, Lakewood, CO - Robert Fitzgerald
 Doty Cadillac, Dublin, CA - Stephen Doty
 Downtown Datsun, San Jose, CA - John Taylor and Llyod Clark
 Durelli Chrysler-Plymouth-Dodge, Petaluma, CA - Joseph Durelli
 Durelli Chrysler Land and Facility, Petaluma, CA - Joseph Durelli
 Economy Nissan, Durango, CO - Raymond Carter (Estate Planning)
 Economy Nissan Real Property, Durango, CO - Raymond and Sharon Carter (Estate Planning)
 Elmwood Ford, Elmwood Park, NJ – Skip Wells
 Fairfield Nissan, Fairfield, CA - Farris Smotherman
 Flatirions Acura, Boulder, CO - William Crouch
 Flatirions Acura Land and Facility, Boulder, CO - William Crouch
 Flatirions Subaru, Boulder, CO - William Crouch
 Flatirions Subaru Land and Facility, Boulder, CO - William Crouch
 Formby Ford-Mercury, Silverthorne, CO - Emmett Formby
 Formby Pontiac-Buick-Cadillac-GMC Truck, Silverthorne, CO - Emmett Formby
 Fremont Toyota - Fremont, CA - Hank Torian
 Fremont Ford – Rumsey Automotive Group
 Gene Osborn Toyota, Colorado Springs, CO - Gene Osborn
 Gene Peracchi Pontiac-Suzuki, Fresno, CA - Gene Peracchi
 Gillman Toyota Honda Mazda, Denison, TX - Angelo Ferro
 Glendale Porsche-Audi, Glendale, CA - Merle Ferguson
 (Tom) Grace Honda, San Bruno, CA - Robert Hix
 Hayward Ford, Hayward, CA - Jim Blakely (Partnership Purchase)
 Hayward Toyota, Hayward, CA – Hank Torian (Appraisal)
 Hottman Chevrolet-Oldsmobile, Brighton, CO - Hank Torian
 Hudeberg Volkswagen-Audi-Subaru, Colorado Springs, CO - Doug McKinnon, Attorney at Law
 Hyundai Center of Redwood City, Redwood City, CA - James Burney
 Junction Motor Service Co. (Pontiac-Buick-Cadillac-GMC), Ely, NV - Partnership Appraisal
 Jack Kent Cadillac, Englewood, CO - Hank Torian
 John Rotola Lotus, Mazda, Maserati, Lakewood, CO - John Rotola
 Larry Lange Jaguar, Plano, TX - Larry Lange
 Les Vogel Chrysler-Plymouth-Jeep, Burlingame, CA - Glenn Hartzheim
 Les Vogel Dodge, Burlingame, CA - Glenn Hartzheim
 Lexus of Concord, Concord, CA - Hank Torian (Appraisal)

QUALIFICATIONS OF AUTHOR

Lexus of Stevens Creek - San Jose, CA - Hank Torian (Appraisal)
 Lithia Ford, Napa, CA – Jimmy Vasser
 Longmont Chrysler-Plymouth (Red Barkley's), Longmont, CO - Hank Torian
 Marin Nissan, San Rafael, CA - Angelo Ferro, Majid Salim
 Marina Pontiac-Cadillac, Salinas, CA - Marty Hernandez and Jim Shyne
 Mark Toyota, Wisconsin Rapids, WI - Mark Olynik (Arbitration)
 Mark Chrysler-Jeep, Wisconsin Rapids, WI - Mark Olynik (Arbitration)
 Marshall Ford, Boulder, CO - Marshall & Lori Sue Chesrown
 McNevin Cadillac-Volkswagen, Berkeley, CA - Estate of June McNevin (Estate Appraisal)
 McNevin Cadillac-Volkswagen Real Property and Facilities, Berkeley, CA - Estate of June McNevin (Est. Appraisal)
 Michael Stead's Walnut Creek Ford, CA - Estate of Wayne Stead (Estate Taxes)
 Mineral King Toyota, Visalia, CA - Jimmy Vasser
 Mission Motor Company Real Property, Hayward, CA - Andrew Fagan, Esquire (Litigation)
 Monterey Ford-Lincoln-Mercury, Monterey, CA - Gene Peracchi
 Mucci Pontiac-Buick-GMC, Menlo Park, CA - Jeffery Stern
 Negherbon Auto Center (Porsche, Audi, Dodge), Oakland, CA – Gary Negherbon
 Norton Motors (Chrysler Jeep Dodge), Kelseyville, CA – Mark Norton
 Novato Ford, Novato, CA - Francis Verducci
 Paramount Chevrolet, Downey, CA - Peter Ellis
 Patchetts Ford, Newman, CA – Ed Garcia
 Pete Becker Mazda-Jeep-Renault, Palm Springs, CA - Peter Becker
 Pikes Peak Acura, Colorado Springs, CO - William Crouch
 Point One Toyota, Evanston, IL - William Gleason
 Pueblo Dodge-VW, Pueblo, CO - Robert Fitzgerald (Estate Planning)
 Pueblo Toyota, Pueblo, CO - Robert Fitzgerald (Estate Planning)
 Putnam-Windh Honda, Visalia, CA - Jimmy Vasser
 Putnam-Windh Pontiac-Buick-GMC, Visalia, CA - Jimmy Vasser
 Putnam Windh Land and Facilities, Visalia, CA - Jimmy Vasser and Angelo Ferro
 R&G Toyota-Volvo, San Rafael, CA – Angelo Ferro
 Redwood City Dodge-Kia, Redwood City, CA – Gene Johnson
 Salinas Nissan, Salinas, CA - John Taylor and Lloyd Clark to Gene Peracchi
 San Rafael Ford, San Rafael, CA - Angelo Ferro, Majid Salim
 San Rafael Nissan, San Rafael, CA – Angelo Ferro
 Santa Rosa Chrysler-Jeep, Santa Rosa, CA – Tom Cogliano
 Shellworth Chevrolet-Oldsmobile, Vacaville, CA - Tom Shellworth (Estate Planning)
 Shen Chevrolet Real Property and Facility, San Mateo, CA - Receivership of Michael Shen
 Shen Infiniti, Redwood City, CA - Receivership of Michael Shen
 Shen Lincoln-Mercury Real Property and Facility, San Mateo, CA - Receivership of Mike Shen
 Shen Mitsubishi, Burlingame, CA - Receivership of Michael Shen
 Shen Mitsubishi Real Property and Facility, Burlingame, CA - Receivership of Michael Shen
 South City Ford, South San Francisco, CA – Dave Gonzalez
 Spradley Lincoln-Mercury, Alamosa, CO - Sherman & Howard Attorneys at Law (Partner Purchase)
 Spradley Lincoln-Mercury, Florence, CO - Sherman & Howard, Attorneys at Law (Partner Purchase)
 Spradley Chrysler-Dodge, Lamar, CA - Sherman & Howard, Attorneys at Law (Partner Purchase)
 Spradley Motors, La Junta, CO - Sherman & Howard, Attorneys at Law (Partner Purchase)
 Sunnyvale Dodge (Real Property and Facility), Sunnyvale, CA - Peter Ellis
 Sunwest Honda, Colorado Springs, CO - Robert Fitzgerald
 Town & Country Chevrolet, Cadillac, Middletown, CT franchises & facility - Mickey Augeri
 Town & Country Pontiac, Buick, Middletown, CT franchises & facility - Mickey Augeri
 Town & Country Lincoln, Mercury, Middletown, CT franchises & facility - Mickey Augeri

QUALIFICATIONS OF AUTHOR

Valley Chevrolet, Medford, OR - Bob DeBoer
 Village Lincoln-Mercury, Irving, TX – Marty Surber, Scott Flemming
 Wayne Stead Cadillac, Walnut Creek, CA - Estate of Wayne Stead (Estate Tax)
 Westlake Pontiac, Daly City, CA - Glenn Hartzheim
 Wild Ford, Borger, TX – Reno Cappelli, Mariano DeCola
 Wright Ford, Bellevue, WA - Doug Spedding
 Wright Toyota-Isuzu, Bellevue, WA - Doug Spedding
 Zumwalt-Magrini Chrysler-Plymouth-Jeep-Suzuki, Santa Rosa, CA - Angelo Ferro

Partial List Dealerships Mr. Pico Valued with respect to Capitalization Loans

Arata Pontiac-GMC, Burlingame, CA - Alvin Arata
 Arata Subaru, Burlingame, CA – Alvin Arata
 Autowest BMW, Fremont, CA – Hank Torian
 Burlingame Lincoln-Mercury, Burlingame, CA – Joe Durelli
 Cherry Creek Dodge, Aurora, CO - Hank Torian
 Durelli Chrysler-Plymouth-Dodge, Petaluma, CA
 Dodge Country, San Jose, CA – Hank Torian
 Doty Cadillac, Dublin, CA – Lou Doty
 Downtown Datsun, San Jose, CA – John Taylor
 Egrin Chrysler-Plymouth, Fremont, CA – Hank Torian
 Fremont Honda, Fremont, CA – Hank Torian
 Hayward Dodge, Hayward, CA – Hank Torian
 San Mateo Chrysler-Plymouth, San Mateo, CA – Glenn Hartzheim

Partial List of Dealerships Mr. Pico Valued For Clients that were not Not Purchased by the Clients

Adcock Pontiac-Oldsmobile-GMC, Cleveland, TX
 Adrian Vega's Ford-Lincoln-Mercury-Nissan, Slidell, LA
 Almanden Toyota, San Jose, CA
 Allen Mazda, Englewood, CO
 All-American Dodge, Englewood, CO
 Alpine Motorsports (Porsche-Audi), Colorado Springs, CO
 Antioch Dodge, Antioch, CA
 Autohaus Brugger Mercedes-Benz, Redwood City, CA
 Autowest BMW, Fremont, CA
 Bell Chevrolet, Tunjunga, CA
 Benson Pontiac-Buick-GMC, Petaluma, CA
 Berkeley Automall (Tom Southwick), Berkeley, CA
 Beverly Hills Porsche-Audi, Beverly Hills, CA - Vick Hollander
 Blum Oldsmobile, Englewood, CO
 Bob Grooms Ford, Englewood, CO
 Bob Grooms Subaru, Englewood, CO
 Bob Grooms Nissan, Englewood, CO
 Bridges Mitsubishi, Hayward, CA
 Buena Vista Mercedes-Benz, Buena Vista, CA
 Burlingame (Sabitini) Imports, Burlingame, CA

QUALIFICATIONS OF AUTHOR

Campus Chevrolet, Davis, CA
Campus Toyota, Davis, CA
Champion Buick, Sunnyvale, CA
Carlsen Volkswagen, Palo Alto, CA
Center City Ford, San Diego, CA
Cherry Creek Dodge, Aurora, CO
Chula Vista Chevrolet, Chula Vista, CA
Claremont Auto Park, Claremont, CA
Colorado Chrysler-Plymouth, Aurora, CO
Cooper Motors (Pontiac-Buick-GMC), Fallon, NV
Corteze Oldsmobile, Richmond, CA
Daly City Nissan (Marty Morganstern), Daly City, CA
DeBoer Mazda, Ashland, OR
DiGiullio Pontiac, Fremont, CA
DiGiullio Pontiac Land & Facility, Fremont, CA
Doty Buick, Hayward, CA
Douglas Mitsubishi, Thornton, CO
Ed Chandler Ford, Hayward, CA
Elk Grove Mazda, Elk Grove Village, IL
Elm Ford-Mercury, Inc., Woodland, CA
Fiesta Ford, Palm Springs, CA
Flannery Chevrolet, Englewood, CO
Formby Ford, Ft. Lupton, CO
Forest Lane Porsche-Audi, Dallas, TX
Frank Meads Mazda, Fremont, CA
Freeway Datsun, Rosemead, CA - Barry Daniel
Fred Smith Lincoln-Mercury, Independence, MO
Gene Osborn Hyundai, Boulder, CO
Gene Osborn Hyundai, Colorado Springs, CO
Gene Osborn Toyota, Colorado Springs, CO
Glenwood Porsche, Glenwood Springs, CO
Gregg Motors, Beverly Hills, CA
Gregg Motors, Santa Barbara, CA
Henry Butts Oldsmobile, Dallas, TX
Heritage Oldsmobile-Cadillac-GCM, Woodland, CA
Honda City Land
Hull Chrysler-Plymouth, Englewood, CO
Indio Toyota, Indio, CA
Irby Chrysler-Plymouth-Dodge, Duncanville, TX
Irvine Mitsubishi, Irvine, CA
Irvine Nissan, Irvine, CA
Irvine Toyota, Irvine, CA
James Chevrolet, Albany, CA
Jim Close Honda, Hayward, CA
Jim Shyne Motors, Inc., Fallon, NV
John Chezik Toyota, Kansas City, MO
Kerr Ford-Chrysler-Plymouth, Lakewood, CO
Kerr Buick, Englewood, CO
Landy Ford, Alameda, CA
Larry Lange Hyundai, Arlington, TX

QUALIFICATIONS OF AUTHOR

Larry Robbinson Chevrolet, Novato, CA
 Liberty Chevrolet, Selma, CA
 Llyod Wise Datsun, San Leandro, CA
 Marina Pontiac-Cadillac, Monterey, CA
 Markley Motors (Honda), Greeley, CO
 Max Honda, Casper, WY
 McConnells' Mountain States Volkswagen, Denver, CO
 Melody Toyota, San Bruno, CA
 Mezettti Volkswagen, Fremont, CA
 Midway Honda-GMC
 Modesto Nissan, Modesto, CA
 Mucci Pontiac-Buick-GMC, Menlo Park, CA
 New Country Chrysler-Plymouth, Durango, CO - New Country Ford, Durango, CO
 New Country Toyota, Durango, CO
 Northrige Lincoln-Mercury, Thornton, CO
 Novato Ford, Novato, CA
 Open Point Chrysler, Atlanta, GA
 Open Point Ford, Milpitas, CA
 Pacifica Ford, Pacifica, CA
 Palm Desert Nissan, Palm Desert, CA
 Pikes Peak Acura, Colorado Springs, CO - Bill Crouch
 Durelli's Chrysler-Plymouth-Dodge, Petaluma, CA - Joe Durelli
 Point One Chrysler-Jeep, Evanston, IL - Willy T. Ribbs
 Premier Nissan, San Jose, CA
 Ray Baldwin Motors, Capitola, CA
 Rhett White Ford, Walnut Creek, CA
 Sampsons Motor City, Pontiac-Buick-GMC-Jeep, Brighton, CO
 San Rafael BMW, San Rafael, CA
 Sopris Honda, Glenwood Springs, CO - Bill Crouch
 South Shore Ford, South Lake Tahoe, CA
 Stevinson Chevrolet-Mazda, Englewood, CO - Chuck Stevinson
 Stevinson Nissan, Boulder, CO - Chuck Stevinson
 Sundland VW-Porsche-Audis, Las Vegas, NV
 Sunrise Chrysler-Plymouth, Rancho Cordova, CA
 Swanson Chrysler-Plymouth, Los Gatos, CA
 Thrifty Car Rental, Denver, CO (Chuck Ruwart)
 Turner Buick
 Thoroughbred Mercedes-Benz, Colorado Springs, CO - Tink Wilkerson
 Valley Dodge, Dublin, CA
 Valley Nissan, Dublin, CA
 Western Auto (Cadillac-Oldsmobile), Petaluma, CA - George Dexter
 Wicker Chevrolet - Tom Wicker

IMPORTANT NOTES

(1) **This List** represents over 40-Years of experience and it **is not intended to imply that a particular dealership is currently, or has recently been in play.** For example, *Cherry Creek Dodge was valued in 1977 (Three owners ago); Falmouth Subaru was sold in 1987 (Two owners ago); City Toyota was valued in 1997 (One owner ago).*

QUALIFICATIONS OF AUTHOR

(2) This list is truly only a "partial" list, as there were many, many dealerships and facilities that were valued, analyzed, purchased, or sold which remain "confidential" because the dealer did not, or does not want the factory, employees, or relatives to know that the store was in play, or appraised.

(3) Also, some dealerships were valued and/or sold more than once. A couple of examples are: (a) **Burlingame Ford** was sold by Glenn Hartzheim to Gary Falk, in 1980 and we valued it again in 2000 for a dealer that was going to purchase it when Mr. Falk retired; and, (b) **Lexus of Stevens Creek** was valued in 1999, when Mr. Torian sold a number of his dealerships to **AutoNation**, and again in 2001, when Mr. Torian sold Lexus of Stevens Creek to the **Penske Automotive Group**.

(4) Sales of Businesses and Sales of Facilities are listed separately because the selling of a dealership business requires a different set of talents and skills than the selling of dealership land and facilities.

Advising Automobile Dealerships LLC



Marriott International, Inc.
Lodging Development

915 Highland Pointe Drive
Suite 250
Roseville, CA 95678

Robert A. Sanger
Area Vice President
916-724-5234
714-464-5498 Fax

April 4, 2017

Ken Patel
Vice President
Tri Star Hotel Investments, LLC

Ken,

Thank you for expressing your interest to develop a 100-room Residence Inn by Marriott to be located on Mission Boulevard in Hayward, California. As you know, the Residence Inn brand is one of the strongest performing brands in the Marriott system, with over 730 hotels open worldwide and a development pipeline of over 210 properties. Further, the Residence Inn system has achieved an occupancy rate of about 80% over the last three years.

The Oakland/East Bay lodging market (per the attached CBRE Hotels Trends Report) has performed well over the last three years, achieving occupancy rates in the low 80% range. Further, existing Residence Inns located in the East Bay have outperformed the overall Oakland/East Bay market with occupancy rates in the mid to high 80% range. The strong East Bay lodging market fundamentals, along with the performances of the existing Residence Inns, support the development of another Residence Inn product in the Hayward market.

Given the market's strengths and my familiarity with your site, please be assured that I strongly support the development of a Residence Inn hotel on Mission Boulevard.

Please let me know how Marriott can further support your development efforts.

Sincerely,

A handwritten signature in black ink that reads "Robert A. Sanger". The signature is written in a cursive, flowing style.

Robert A. Sanger
Area Vice President, Lodging Development

TRENDS[®]

IN THE HOTEL INDUSTRY Northern California

DECEMBER 2016

Hotel Rooms Departments Struggle to Control Expenses

By Robert Mandelbaum and Gary McDade

Changes in rooms revenue per available room (RevPAR), and RevPAR penetration receive a lot of attention from hotel managers. This is because the monies hotels receive from renting guest rooms is the major source of revenue across all property types in the U.S. According to the 2016 edition of *Trends[®] in the Hotel Industry*, rooms revenue averaged 68.1 percent of total operating revenue in 2015. This metric exceeds 97 percent at limited-service and extended-stay hotels. Alternatively, rooms revenue comprises only 51.8 percent of total revenue at resorts.

Even more impressive than the contribution of rooms revenue to total revenue, is the influence of the rooms department on hotel profitability. On average, the profits generated by the rooms department made up 81.7 percent of total department profits in 2015. This ratio ranged from 68.2 percent at resorts to 99.1 percent at limited-service properties. In short, as the rooms department goes, so goes the hotel.

To gain a better understanding of the profitability of hotel rooms departments, we examined the performance of 1,809 properties that submitted data to our *Trends[®]* survey each year from 2007 to 2015. This allows us to analyze changes in rooms department expenses and profits through the latest industry cycle.

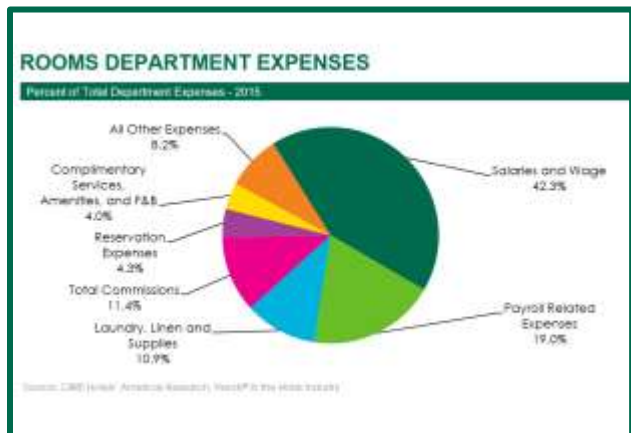
LABOR INTENSIVE

Per the Uniform System of Accounts for the Lodging Industry, representative expenses assigned directly to the rooms department include items such as labor costs, the cost to launder linens, guest room supplies, reservation system expenses, travel agent commissions, and complimentary food and beverage.

By far the greatest expense within the department is labor. Personnel within the rooms department consist of room attendants, laundry workers, front desk clerks, bellmen, reservationists, and concierges. In 2015, the combined cost of salaries, wages, and benefits

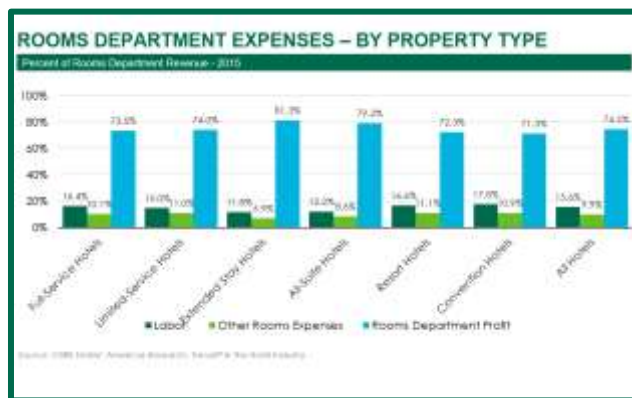
TRENDS[®] is compiled and produced by CBRE Hotels. Readers are advised that CBRE Hotels does not represent the data contained herein to be definitive. Neither should the contents of this publication be construed as a recommendation of policies or actions. Quotation and reproduction of this material are permitted with credit to CBRE Hotels.

for these positions equaled 61.3 percent of total rooms department expenses.



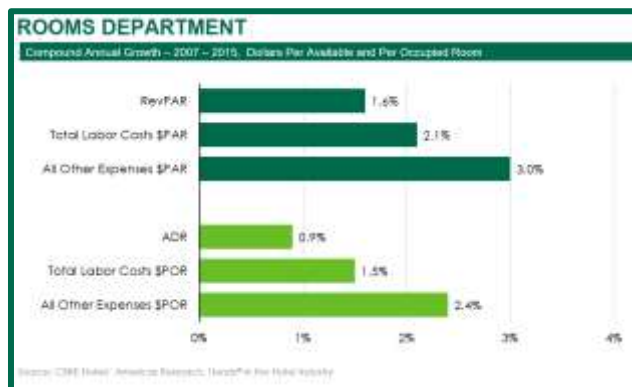
As expected, convention, resort, and full-service hotels have the highest percentage of labor costs measured against department revenue. These properties offer the most extensive levels of services and amenities, and therefore have the greatest staffing levels. Conversely, extended-stay hotels achieve the lowest labor to revenue cost ratio because they only service guest rooms periodically and have lower volumes of check-ins and check-outs.

Despite the extensive array of expenses and high dependency on labor, rooms departments are very profitable. On average, the properties in our study sample averaged a department profit margin of 74.5 percent in 2015. This ranged from 71.3 percent at convention hotels to 81.3 percent at the extended-stay properties.



THE OTHER EXPENSES

RevPAR for the study sample increased at a compound annual growth rate (CAGR) of 1.6 percent from 2007 to 2015. Unfortunately, total department expenses increased by a CAGR of 2.5 percent during the same period. Therefore, department profits grew at a CAGR of just 1.3 percent.



While labor is the largest expense within the rooms department, over the past eight years it has been the other rooms department expenses that have subdued the ability of management to increase profits. During the past eight years labor costs measured on a per available room basis increased at a CAGR of 2.1 percent, but the combined cost of all other department expenses grew by 3.0 percent. This same pattern holds true when measuring these same items on a dollar per occupied room basis.

TRENDS® is compiled and produced by CBRE Hotels, Consulting. Readers are advised that CBRE Hotels, Consulting does not represent the data contained herein to be definitive. Neither should the contents of this publication be construed as a recommendation of policies or actions. Quotation and reproduction of this material are permitted with credit to CBRE Hotels.

Labor costs within the rooms department tend to be more variable compared to other departments. Management can vary the schedules of housekeeping, laundry, front desk and bell staff personnel with fluctuations in occupancy. Going forward, however, controlling labor costs will be more challenging as occupancy levels remain near all-time record levels, and salary and wage rates increase.

The rise in the other department expenses may be partially explained by increases in brand standards. Over the years, we have heard from our clients that the hotel brands have raised their standards for items like bedding and linens, in-room gratis coffee and water, and complimentary breakfasts. Further, the commissions paid to third parties have increased given the proliferation of online travel agencies.

With expenses growing at a greater pace than revenues, rooms department profit margins for the subject sample in 2015 (74.5%) were below 2007 levels (76.3%). The only property type able to improve their profit margin during this period was all-suite hotels.



CHALLENGES IN THE FUTURE

CBRE Hotels' Americas Research's December 2016 edition of *Hotel Horizons*[®] is forecasting RevPAR gains of less than three percent from

2017 through 2019. Facing modest growth in rooms revenue, hotel managers will be challenged to maintain growth in both rooms department profit levels, and profit margins. Given the link to overall hotel profitability, hotel owners and operators need to pay attention to rooms department expenses, not just RevPAR.

* * *

Robert Mandelbaum (Director of Research Information Services) and Gary McDade (Senior Research Analyst) work in the Atlanta office of CBRE Hotels' Americas Research. To purchase a copy of Trends[®] in the Hotel Industry, please visit <https://pip.cbrehotels.com>, or call (855) 223-1200. This article was published in the February 2017 edition of Lodging.

TRENDS[®] is compiled and produced by CBRE Hotels, Consulting. Readers are advised that CBRE Hotels, Consulting does not represent the data contained herein to be definitive. Neither should the contents of this publication be construed as a recommendation of policies or actions. Quotation and reproduction of this material are permitted with credit to CBRE Hotels.

**STATISTICS AND TRENDS OF HOTEL-MOTEL BUSINESS
NORTHERN CALIFORNIA MONTHLY TRENDS
MONTH OF DECEMBER**

REPORT OF ROOMS BUSINESS BY LOCATION

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
SAN FRANCISCO	\$223.37	\$211.48	5.6%	80.1%	79.3%	1.1%	\$178.98	\$167.63	6.8%
SAN FRANCISCO AIRPORT	170.01	162.96	4.3%	77.9%	78.0%	-0.1%	132.39	127.06	4.2%
SAN JOSE/PENINSULA	176.43	178.40	-1.1%	64.6%	62.1%	4.0%	114.01	110.83	2.9%
OAKLAND/EAST BAY	134.41	127.18	5.7%	69.3%	68.8%	0.8%	93.18	87.47	6.5%
MONTEREY/CARMEL	254.39	237.60	7.1%	58.5%	56.2%	4.1%	148.79	133.45	11.5%
CENTRAL VALLEY	83.26	81.81	1.8%	62.0%	59.6%	3.9%	51.61	48.79	5.8%
SACRAMENTO	112.66	108.81	3.5%	61.8%	59.9%	3.2%	69.61	65.14	6.9%
MARIN COUNTY	145.49	145.97	-0.3%	70.5%	71.9%	-2.1%	102.53	105.03	-2.4%
NAPA COUNTY	212.29	184.29	15.2%	55.3%	59.7%	-7.4%	117.37	109.99	6.7%
SONOMA COUNTY	134.55	128.19	5.0%	70.2%	66.0%	6.4%	94.47	84.56	11.7%
OTHER NORTHERN CALIFORNIA	106.01	101.47	4.5%	58.4%	58.5%	-0.2%	61.87	59.34	4.3%
OVERALL AVERAGE	\$169.99	\$163.41	4.0%	69.4%	68.3%	1.5%	\$117.96	\$111.68	5.6%

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER \$175.00	\$233.00	\$221.89	5.0%	73.4%	72.4%	1.4%	\$171.12	\$160.74	6.5%
\$125.00 TO \$175.00	150.75	146.53	2.9%	70.8%	69.6%	1.8%	106.80	101.97	4.7%
\$75.00 TO \$125.00	103.07	100.71	2.3%	63.8%	63.9%	-0.1%	65.76	64.34	2.2%
UNDER \$75.00	59.85	57.41	4.2%	60.5%	58.2%	3.9%	36.20	33.42	8.3%
OVERALL AVERAGE	\$169.99	\$163.41	4.0%	69.4%	68.3%	1.5%	\$117.96	\$111.68	5.6%

REPORT OF ROOMS BUSINESS BY SIZE OF PROPERTY

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER 400 ROOMS	\$212.83	\$203.51	4.6%	76.4%	75.5%	1.1%	\$162.55	\$153.70	5.8%
250 TO 400 ROOMS	199.87	188.38	6.1%	73.0%	72.4%	0.9%	146.00	136.37	7.1%
150 TO 250 ROOMS	165.00	159.19	3.7%	66.8%	65.6%	1.8%	110.19	104.44	5.5%
UNDER 150 ROOMS	117.11	114.41	2.4%	63.9%	62.4%	2.3%	74.80	71.41	4.8%
OVERALL AVERAGE	\$169.99	\$163.41	4.0%	69.4%	68.3%	1.5%	\$117.96	\$111.68	5.6%

SOURCE: CBRE HOTELS, CONSULTING

TRENDS® is compiled and produced by CBRE Hotels, Consulting. Readers are advised that CBRE Hotels, Consulting does not represent the data contained herein to be definitive. Neither should the contents of this publication be construed as a recommendation of policies or actions. Quotation and reproduction of this material are permitted with credit to CBRE Hotels.

**STATISTICS AND TRENDS OF HOTEL-MOTEL BUSINESS
SAN FRANCISCO MONTHLY TRENDS
MONTH OF DECEMBER**

REPORT OF ROOMS BUSINESS BY LOCATION

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
UNION/NOB/MOSCONE	\$229.84	\$218.31	5.3%	81.5%	79.0%	3.1%	\$187.26	\$172.49	8.6%
FINANCIAL DISTRICT	259.11	251.76	2.9%	85.6%	85.6%	0.0%	221.73	215.52	2.9%
FISHERMAN'S WHARF	171.97	159.25	8.0%	74.9%	81.2%	-7.7%	128.82	129.27	-0.4%
CIVIC CENTER/VAN NESS	157.03	141.51	11.0%	67.6%	70.5%	-4.1%	106.14	99.73	6.4%
OVERALL AVERAGE	<u>\$223.37</u>	<u>\$211.48</u>	<u>5.6%</u>	<u>80.1%</u>	<u>79.3%</u>	<u>1.1%</u>	<u>\$178.98</u>	<u>\$167.63</u>	<u>6.8%</u>

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER \$200.00	\$259.66	\$244.47	6.2%	82.0%	80.1%	2.3%	\$212.88	\$195.85	8.7%
\$150.00 TO \$200.00	\$183.94	\$176.92	4.0%	80.3%	80.0%	0.4%	\$147.78	\$141.59	4.4%
\$150.00 AND UNDER	\$133.20	\$121.67	9.5%	59.5%	64.4%	-7.6%	\$79.26	\$78.36	1.1%
OVERALL AVERAGE	<u>\$223.37</u>	<u>\$211.48</u>	<u>5.6%</u>	<u>80.1%</u>	<u>79.3%</u>	<u>1.1%</u>	<u>\$178.98</u>	<u>\$167.63</u>	<u>6.8%</u>

REPORT OF ROOMS BUSINESS BY SIZE OF PROPERTY

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER 400 ROOMS	\$220.55	\$209.68	5.2%	82.8%	81.0%	2.2%	\$182.57	\$169.83	7.5%
250 TO 400 ROOMS	247.35	229.53	7.8%	77.8%	79.8%	-2.5%	192.46	183.10	5.1%
150 TO 250 ROOMS	196.30	187.02	5.0%	74.8%	75.2%	-0.4%	146.90	140.54	4.5%
UNDER 150 ROOMS	192.37	182.61	5.3%	70.5%	65.8%	7.2%	135.69	120.15	12.9%
OVERALL AVERAGE	<u>\$223.37</u>	<u>\$211.48</u>	<u>5.6%</u>	<u>80.1%</u>	<u>79.3%</u>	<u>1.1%</u>	<u>\$178.98</u>	<u>\$167.63</u>	<u>6.8%</u>

SOURCE: CBRE HOTELS, CONSULTING

TRENDS® is compiled and produced by CBRE Hotels, Consulting. Readers are advised that CBRE Hotels, Consulting does not represent the data contained herein to be definitive. Neither should the contents of this publication be construed as a recommendation of policies or actions. Quotation and reproduction of this material are permitted with credit to CBRE Hotels.

**STATISTICS AND TRENDS OF HOTEL-MOTEL BUSINESS
NORTHERN CALIFORNIA MONTHLY TRENDS
TWELVE MONTHS ENDED DECEMBER**

REPORT OF ROOMS BUSINESS BY LOCATION

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
SAN FRANCISCO	\$276.43	\$269.36	2.6%	87.6%	86.7%	1.1%	\$242.10	\$233.43	3.7%
SAN FRANCISCO AIRPORT	199.41	190.40	4.7%	85.0%	86.2%	-1.4%	169.51	164.12	3.3%
SAN JOSE/PENINSULA	207.04	195.18	6.1%	79.8%	81.0%	-1.4%	165.31	158.04	4.6%
OAKLAND/EAST BAY	150.90	138.20	9.2%	80.3%	81.2%	-1.1%	121.18	112.17	8.0%
MONTEREY/CARMEL	316.33	309.95	2.1%	74.9%	75.1%	-0.3%	236.84	232.76	1.8%
CENTRAL VALLEY	88.89	84.52	5.2%	72.6%	71.6%	1.4%	64.53	60.51	6.6%
SACRAMENTO	118.41	111.41	6.3%	74.6%	75.2%	-0.8%	88.39	83.83	5.4%
MARIN COUNTY	174.90	166.50	5.0%	82.6%	81.7%	1.1%	144.42	135.98	6.2%
NAPA COUNTY	265.07	255.35	3.8%	75.5%	77.2%	-2.2%	200.12	197.04	1.6%
SONOMA COUNTY	170.89	160.04	6.8%	79.4%	80.4%	-1.2%	135.62	128.61	5.5%
OTHER NORTHERN CALIFORNIA	97.36	91.98	5.8%	70.1%	69.2%	1.4%	68.26	63.61	7.3%
OVERALL AVERAGE	\$199.58	\$190.66	4.7%	80.4%	80.4%	-0.1%	\$160.37	\$153.33	4.6%

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER \$175.00	\$277.45	\$267.84	3.6%	83.9%	83.4%	0.6%	\$232.71	\$223.32	4.2%
\$125.00 TO \$175.00	181.56	172.96	5.0%	82.1%	83.0%	-1.0%	149.10	143.52	3.9%
\$75.00 TO \$125.00	114.82	108.43	5.9%	77.3%	77.9%	-0.8%	88.72	84.50	5.0%
UNDER \$75.00	63.30	59.32	6.7%	69.4%	69.1%	0.4%	43.92	40.99	7.1%
OVERALL AVERAGE	\$199.58	\$190.66	4.7%	80.4%	80.4%	-0.1%	\$160.37	\$153.33	4.6%

REPORT OF ROOMS BUSINESS BY SIZE OF PROPERTY

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER 400 ROOMS	\$252.42	\$242.70	4.0%	84.9%	85.4%	-0.6%	\$214.30	\$207.29	3.4%
250 TO 400 ROOMS	239.66	227.92	5.1%	84.1%	83.1%	1.2%	201.48	189.36	6.4%
150 TO 250 ROOMS	199.59	189.24	5.5%	79.2%	80.0%	-1.0%	158.10	151.47	4.4%
UNDER 150 ROOMS	131.34	124.80	5.2%	75.6%	75.4%	0.2%	99.27	94.15	5.4%
OVERALL AVERAGE	\$199.58	\$190.66	4.7%	80.4%	80.4%	-0.1%	\$160.37	\$153.33	4.6%

SOURCE: CBRE HOTELS, CONSULTING

TRENDS® is compiled and produced by CBRE Hotels, Consulting. Readers are advised that CBRE Hotels, Consulting does not represent the data contained herein to be definitive. Neither should the contents of this publication be construed as a recommendation of policies or actions. Quotation and reproduction of this material are permitted with credit to CBRE Hotels.

**STATISTICS AND TRENDS OF HOTEL-MOTEL BUSINESS
SAN FRANCISCO MONTHLY TRENDS
TWELVE MONTHS ENDED DECEMBER**

REPORT OF ROOMS BUSINESS BY LOCATION

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
UNION/NOB/MOSCONE	\$288.17	\$281.45	2.4%	87.8%	86.7%	1.3%	\$253.05	\$244.04	3.7%
FINANCIAL DISTRICT	296.27	290.53	2.0%	90.6%	88.1%	2.8%	268.37	255.97	4.8%
FISHERMAN'S WHARF	235.13	227.48	3.4%	87.0%	88.7%	-1.9%	204.64	201.78	1.4%
CIVIC CENTER/VAN NESS	186.48	180.55	3.3%	82.1%	81.6%	0.5%	153.04	147.42	3.8%
OVERALL AVERAGE	<u>\$276.43</u>	<u>\$269.36</u>	<u>2.6%</u>	<u>87.6%</u>	<u>86.7%</u>	<u>1.1%</u>	<u>\$242.10</u>	<u>\$233.43</u>	<u>3.7%</u>

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER \$200.00	\$309.82	\$301.64	2.7%	88.6%	87.0%	1.8%	\$274.42	\$262.55	4.5%
\$150.00 TO \$200.00	\$242.63	\$235.74	2.9%	87.5%	87.2%	0.3%	\$212.30	\$205.63	3.2%
\$150.00 AND UNDER	\$164.24	\$161.01	2.0%	77.3%	77.6%	-0.3%	\$127.03	\$124.96	1.7%
OVERALL AVERAGE	<u>\$276.43</u>	<u>\$269.36</u>	<u>2.6%</u>	<u>87.6%</u>	<u>86.7%</u>	<u>1.1%</u>	<u>\$242.10</u>	<u>\$233.43</u>	<u>3.7%</u>

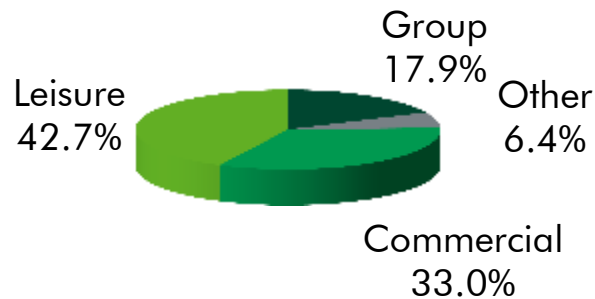
REPORT OF ROOMS BUSINESS BY SIZE OF PROPERTY

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER 400 ROOMS	\$272.58	\$264.94	2.9%	88.6%	88.2%	0.5%	\$241.43	\$233.57	3.4%
250 TO 400 ROOMS	300.24	290.07	3.5%	87.2%	85.7%	1.8%	261.92	248.63	5.3%
150 TO 250 ROOMS	252.05	254.79	-1.1%	84.0%	82.2%	2.2%	211.72	209.42	1.1%
UNDER 150 ROOMS	238.85	236.71	0.9%	82.5%	78.8%	4.7%	197.10	186.60	5.6%
OVERALL AVERAGE	<u>\$276.43</u>	<u>\$269.36</u>	<u>2.6%</u>	<u>87.6%</u>	<u>86.7%</u>	<u>1.1%</u>	<u>\$242.10</u>	<u>\$233.43</u>	<u>3.7%</u>

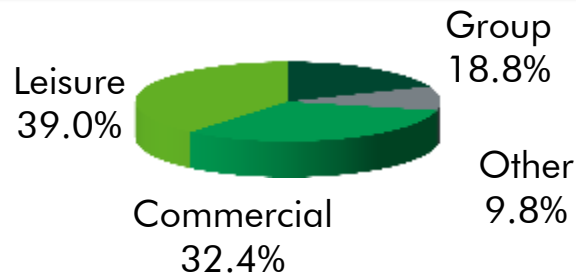
SOURCE: CBRE HOTELS, CONSULTING

MARKET MIX – DECEMBER 2016

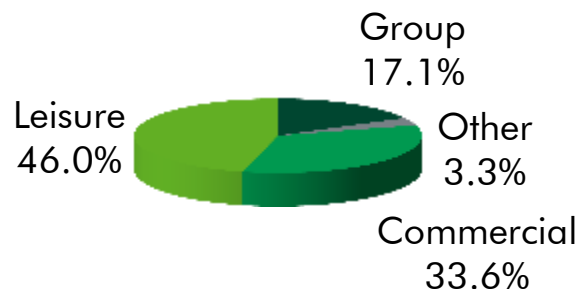
Northern California (Overall)



Northern California (not including San Francisco)



San Francisco



TRENDS® is compiled and produced by CBRE Hotels, Consulting. Readers are advised that CBRE Hotels, Consulting does not represent the data contained herein to be definitive. Neither should the contents of this publication be construed as a recommendation of policies or actions. Quotation and reproduction of this material are permitted with credit to CBRE Hotels.



**MILLER STARR
REGALIA**

1331 N. California Blvd.
Fifth Floor
Walnut Creek, CA 94596

T 925 935 9400
F 925 933 4126
www.msrlgal.com

Nadia L. Costa
Direct Dial: 925 941 3235
nadia.costa@msrlgal.com

April 20, 2017

Via Email and U.S. Mail

Sara Buizer
Planning Manager
City of Hayward
777 B Street
Hayward, CA 94541
Email: Sara.Buizer@hayward-ca.gov
Mike.Porto@hayward-ca.gov

Re: Mission Crossings: Support for Continuance of
Special Planning Commission Hearing

Dear Ms. Buizer:

This office represents MLC Holdings, the applicant for the Mission Crossings project, which is scheduled to be considered by the City's Planning Commission this evening, as Agenda Item No. 1. We understand there has been correspondence submitted by Mr. Varni, on behalf of his client, which asserts a number of claims and seeks a continuance of this item. As explained more fully below, my client is supportive of continuing the above-referenced matter to a date certain of Thursday, April 27th.

As a preliminary matter, we would like to commend the City for its thoughtful and diligent approach to the processing of the requested entitlements for this project. In particular, we believe the Addendum and related technical studies prepared by the City and its consultants reflect a robust analysis that have been prepared in accordance with and adequately reflect CEQA's mandates. Furthermore, the City has adhered to all applicable procedural requirements under state and local laws and regulations as these relate to notice and disclosure.

Accordingly, the CEQA documentation for the project fulfills CEQA's fundamental purpose of facilitating informed decision making, and thus it would be proper to proceed with the scheduled hearing. That said, we understand the desire to ensure a full opportunity for review of said documentation; therefore, we support the City's continuance of the matter to the date certain of Thursday, April 27th.

Sara Buizer
Planning Manager
City of Hayward
April 20, 2017
Page 2

Please feel free to contact me with any questions regarding the foregoing.

Sincerely,

MILLER STARR REGALIA

A handwritten signature in cursive script that reads "Nadia Costa". The signature is written in black ink and is positioned above the printed name.

Nadia L. Costa

NLC:sls

cc: Arthur F. Coon, Esq. (Miller Starr Regalia)
Charles McKeag (MLC Holdings)
Justin Derby (MLC Holdings)