



Proposed Resort at Talking Stick

May 8, 2017

DE RITO PARTNERS

CHMWarnick



Development Team

DE RITO PARTNERS

CHMWarnick

De Rito Family of Companies

Introduction

- **De Rito Partners, Inc.**, is a full-service retail brokerage firm which specializes in property leasing and tenant representation. The firm currently represents more than 180 retail shopping centers and has more than 60 tenant representation accounts. Additionally, we specialize in brokering land and investment sales statewide.
- **De Rito Partners Development, Inc.**, specializes in the development and redevelopment of select retail and mixed-use properties. The company is currently redeveloping the 1.2 million square foot Pavilions at Talking Stick (formerly Scottsdale Pavilions), the company creates retail environments for shoppers, merchants, communities and investors. The company has developed approximately 20 first class retail and auto properties totaling more than 5 million square feet throughout the Greater Phoenix area with a Fry's Marketplace anchored center and redevelopment of 32nd Street & Indian School under construction in 2016.
- **De Rito Land Development, LLC**, specializes in ground-up, grocery-anchored, and other commercial neighborhood shopping centers with an El Super grocery-anchored center and retail strip center currently under construction in 2016.
- **De Rito Property Management, LLC**, offers premier-quality property management services for retail properties of any size. The company currently manages approximately 20 properties totaling approximately 1.9 million square feet.
- **De Rito Opportunity Investors, LLC**, offers individually tailored retail property solutions and specializes in acquisitions of distressed properties and value added opportunities. The company owns 20 properties from an original portfolio of 45 properties acquired during the rent economic downturn.

De Rito Partners Development, Inc.

Tenant Representation

De Rito Partners represents more than 60 National and Local retail tenants



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CHIM Warnick

De Rito Partners Property Management, LLC

De Rito Partners Management is an in-house property management company focusing on value enhancement and tenant retention.

- Managing approximately 20 properties throughout the Phoenix valley, including The Pavilions at Talking Stick
- Total portfolio of approximately 1.9 million square feet of retail space



De Rito Partners Development, Inc.

Commercial Retail Projects

COMPLETED PROJECTS

- 20 retail & automotive projects
- More than 5 million square feet



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De Rito Partners Development, Inc.

Completed Projects



CASA PALOMA

De Rito Partners Development, Inc.

Completed Projects



MARICOPA FIESTA



GILBERT FIESTA



HAMSTRA SQUARE



MESA RIVERVIEW

De Rito Partners Development, Inc. Completed Projects



RIGGS MARKETPLACE



AVONDALE FIESTA



CHANDLER AUTO MALL

De Rito Partners Development, Inc.

Completed Projects



The Pavilions at Talking Stick

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Introduction

- CHMWarnick (“CHMW”) is the leading provider of hospitality advisory and asset management services in the United States
- CHMW’s team of hotel real estate experts have exceptional hands-on experience in every stage of the investment cycle – *from development to disposition*
- CHMW enables hotel owners to successfully navigate issues, make informed decisions, and execute on strategies proven to yield superior investment returns

CHMWarnick At A Glance

UNDER ASSET MANAGEMENT



60+
HOTELS



25K
ROOMS



\$15
BILLION

HOTELS UNDER DEVELOPMENT

Lead Project Advisor



\$2
BILLION

OUR PEOPLE. YOUR EXPERTS.



8
OFFICES
IN THE US



34
HOSPITALITY
PROFESSIONALS



23
YEARS
AVERAGE EXPERIENCE

- 20-year track record
- 100% focused on the hotel industry
- 60+ hotels; 25,000 guestrooms; \$15 billion in client investments under asset management
- Oversees \$2 billion in hotel development projects
- 40 hospitality professionals; one-third of which has over 30 years of hospitality experience
- Experience with every major hotel brand, every type of hotel, and all domestic and international markets
- Diversified client types: Native American communities, sovereign wealth funds, Fortune 500, private equity, public and municipal agencies, lending institutions, high net-worth individuals, family offices

Full-Service Hospitality Advisors



CHMWarnick Experience



Represents owners of world-class hotels and mixed-use developments

60+ hotels under asset management ~ \$2 billion projects under development



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CHMWarnick Development Experience

- Project planning
- Concept development
- Facility programming
- Investment analysis
- Brand and management selection & contract negotiation
- Project team selection (architect, project manager, designer)
- Project budgeting
- Sales & marketing strategy
- Market positioning
- Pre-opening operations oversight (asset management)

Richard Warnick, Managing Director



- Co-Founder of CHMWarnick – based in Phoenix
- Over 35 years experience
- Experience in all aspects of the hotel industry, including branding, development, financing, marketing, and operations
- Extensive expertise in the luxury segment [e.g., shareholder and board member of Montage Hotels & Resorts]
- Broad mixed-use development experience
- Respected speaker and writer
- Urban Land Institute Hotel Development Council, Member & Former Co-Chair
- International Society of Hospitality Consultants, Past President, Chairman Emeritus
- Hospitality Asset Managers Association, Member

CHMWarnick Team

LEADERSHIP TEAM



Chad Crandell
Managing Director &
CEO



Ken Wilson
Managing Director &
Co-Chairman



Rich Warnick
Managing Director &
Co-Chairman



Sandy Luke
Managing Director

SUBJECT MATTER EXPERTS



Fern Kanter
Managing Director &
SVP



Kristie Dickinson
Executive Vice President



Derek Olsen
Senior Vice President

ASSET MANAGEMENT & ADVISORY TEAM



Michael Doyle
Managing Director & EVP



Tom Morone
Managing Director & EVP



Jalil Mekouar
Managing Director & EVP



Chad Sorensen
Managing Director & EVP



Andrew Leber
Senior Vice President



Larry Trabulsi
Senior Vice President



Maxine Taylor
Senior Vice President



Robert Hayward
Senior Vice President



Emily Wilson
Vice President



Liya Ma
Manager



Lauren Robichaud
Senior Associate



Tommy Pho
Senior Associate



Philip Colón
Senior Associate



Alayna Parro
Senior Associate



Davonne Reaves
Associate



Tracey Scalzo
Associate

ACCOUNTING/RISK MANAGEMENT



Celeste Ledoux
Managing Director & CFO



Marcela Chrasticka
Accounting Manager



Christine Baekey
Accounting Manager



Brendan Sullivan
Accountant



Yue Wang
Staff Accountant



Gaofeng Xu
Staff Accountant

CONTRACT PARTNERS



Wayne Williams
Contract Partner



Dave Sherf
Contract Partner



Sabir Jaffer
Contract Partner



Barry Robinson
Contract Partner

EXECUTIVE SUPPORT



Lindsay Brown
Executive Assistant



Stephanie Trenter
Executive Assistant

CHMWarnick Representative Clients

- Abu Dhabi Investment Authority
- Al Duwaila Asset Management, Ltd.
- Anbang Insurance
- Anschutz Entertainment Group
- Austin Convention Enterprises
- Avenue Capital
- Baltimore Development Corporation
- Bank of America
- Barry Real Estate Companies
- Boston University
- Brookfield Asset Management
- California State Teachers' Retirement System
- Carey Value Added
- Cerberus Capital
- City of Phoenix
- Colorado Convention Center Authority
- Credit Suisse
- CW Capital
- DFW Airport
- Denver Convention Center Authority
- Denver International Airport
- DMP Pacific Ventures
- Eastdil Secured
- Felcor Realty Trust
- First Commercial Corporation
- General Motors
- Host Hotels
- Investment Corporation of Dubai
- iStar Financial
- Kennedy Wilson
- Kintetsu Enterprises/ Miyako Hotels
- Kyo-ya Hotels
- LA Koreana
- Lubert Adler
- Marathon Real Estate Fund
- Metropolitan Pier & Exposition Authority
- Mirae Global Investment
- National Real Estate Advisors
- Oaktree Capital Management
- Perella Weinberg Partners
- Ohana Real Estate Holdings
- Paulson & Co.
- Plumber & Pipefitters National Pension Fund
- Port Authority NY/NY
- Rock Gaming
- Rockwood Capital
- Sammons Corporation
- Spectrum Group Management
- Starwood Capital
- Steeprock Capital
- Thor Equities
- UBS
- United Brotherhood of Carpenters
- XLD Group NA Real Estate Development, Inc.
- Vancouver Downtown Redevelopment Authority

CHMWarnick Arizona Resort Experience

Phoenix Metro Resorts

- Arizona Biltmore
- Arizona Grand Resort
- DoubleTree La Posada
- DoubleTree Paradise Valley
- Embassy Suites Paradise Valley
- Fairmont Scottsdale
- Gold Canyon Golf Resort
- Hermosa Inn
- Hyatt Regency Scottsdale
- JW Marriott Camelback Inn
- JW Marriott Desert Ridge
- Marriott Mountain Shadows

- Orange Tree Golf Resort
- Pointe Hilton Squaw Peak
- Pointe Hilton Tapatio Cliffs
- Royal Palms Resort
- Sanctuary on Camelback Mountain
- Scottsdale Four Seasons
- Sheraton Wild Horse Pass
- Talking Stick Resort
- The Boulders Resort
- The Phoenician
- The Wigwam Resort
- We-Ko-Pa Resort
- Westin Kierland Resort

Other Arizona Resorts

- Canyon Ranch
- Hilton El Conquistador
- JW Marriott Starr Pass
- The Lodge at Ventana Canyon
- Lodge on the Desert
- Loews Ventana Canyon
- Omni Tucson National
- Ritz-Carlton Dove Mountain
- Enchantment Resort & Spa
- L'Auberge de Sedona
- Hilton Sedona Resort
- Poco Diablo Resort
- Los Abogados

CHMWarnick Native American Experience

- Salt River Pima-Maricopa Indian Community
- Ak-Chin Indian Community
- Fort McDowell Yavapai Nation
- Gila River Indian Community
- Hualapai Indian Community
- Laguna Pueblo
- Navajo Nation
- Oneida Nation
- Rumsey Band of Wintun Indians
- Sac and Fox Tribe
- Santa Ana Pueblo



CHMWarnick Case Studies

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Waldorf Astoria New York, NY



- Retained in 2014 by Anbang Insurance Group (China) as development team advisor and hotel asset manager
- Anbang purchased Waldorf Astoria in 2015 for 1,95 billion
- Retained CHMW as asset manager
- Also retained CHMW to create plan for \$1.2 billion repositioning to include ultra-luxury hotel, residential, and retail complex

- ✓ Luxury NY Market & Trend Research
- ✓ Global Innovation in Luxury Concepts
- ✓ Market Positioning
- ✓ Facility Concepting and programming (hotel, residential, retail)
- ✓ Coordinate Development Team Members
- ✓ Asset Management

Diplomat Resort & Spa, Hollywood, FL



- ✓ Advisor, asset manager & investment manager
- ✓ Operational Oversight
- ✓ Capital Project Planning & Oversight
- ✓ Development Planning
- ✓ Led Entitlement Process
- ✓ Sourced Buyer & Facilitated Transaction

- Served as investment advisor and asset manager on 1,058 rooms, an 18-hole golf course, marina, country club, 50,000 SF retail, 200,000 SF convention, and spa
- Negotiated the entitlements to develop 1,200 residential units and a 500-room hotel on an adjacent parcel of land
- Planned and executed \$56M in capital projects, including the development of a \$5M Westin Heavenly Spa
- Facilitated the off-market sale for \$535 million in 2015

Hyatt Regency Tamaya Resort



- ✓ Hotel and Golf Feasibility
- ✓ Concept Development & Facilities Programming
- ✓ Brand & Operator Selection, Deal Structuring & Contract Negotiations
- ✓ Design Team & Contractor Selection
- ✓ Development & Pre-Opening Oversight
- ✓ Post Opening Asset Management (Operations Oversight)

- Advised the Santa Ana Pueblo in development of the first Native American-owned luxury resort (opened in 2001)
- The development goal was to be true to the community's culture and heritage, while also being a self-sustaining economic engine
- Have served as Asset Manager of the Resort since opening
- Currently developing an expansion plan

Hyatt Regency Tamaya



Hyatt Regency Tamaya



Hyatt Regency Tamaya



Montage Hotels & Resorts



- ✓ Brand Development
- ✓ Business Plan
- ✓ Site Selection
- ✓ Acquisition
- ✓ Due Diligence
- ✓ Concept Development
- ✓ Facility Programming
- ✓ Financing

- Partnered in the creation of new ultra-luxury hotel company
- Facilitated initial capitalization with Founder and Chairman of eBay
- Orchestrated acquisition of the company's first hotel, Montage Laguna Beach
- Oversaw site selection & land acquisition for Montage properties in Beverly Hills, Deer Valley, Sonoma, & Cabo San Lucas
- Projects include lodging, residential, retail, and significant recreational amenities, encompassing \$2 billion in total value
- On-Going Strategic Advisor & Board Member

Montage Laguna Beach, California



Montage Beverly Hills, California



Montage Deer Valley, Utah



Montage Los Cabos, Mexico

(Opening Early 2018)



Allen + Philp Architects

- A+P is an internationally recognized, Arizona based, Resort & Hotel Design Firm
- A+P has garnered more than 50 Design Awards, principally for its design of destination resorts, hotels and spas
- A+P is renowned for our ability to create unique, one of a kind hospitality environments
- A+P has designed seven of the ten most successful luxury destination resorts in Arizona
 - ♦ Fairmont Princess Scottsdale
 - ♦ Sanctuary Resort & Spa
 - ♦ Omni Montelucia Resort & Spa
 - ♦ Boulders Resort
 - ♦ JW Marriott Camelback Inn & Spa
 - ♦ Arizona Biltmore
 - ♦ Wigwam Resort & Golf Club

Allen + Philp Architects

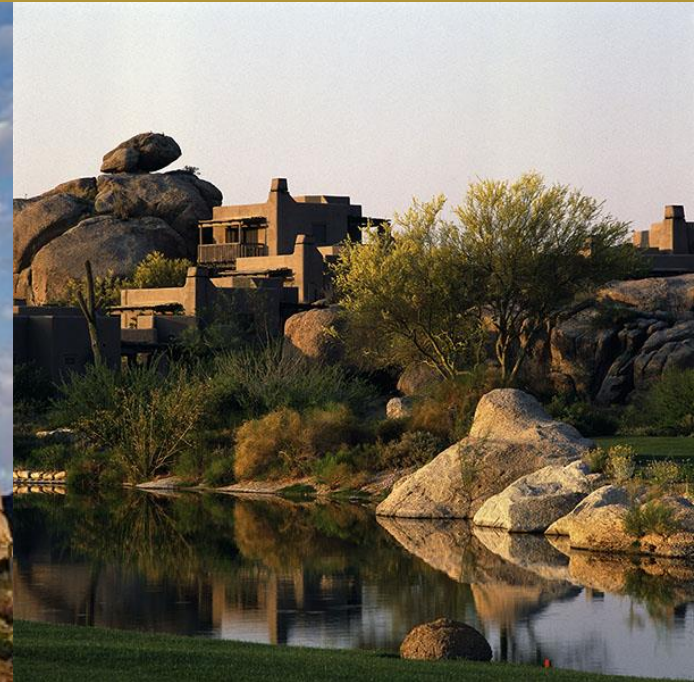
- A+P is celebrated for the ability to reflect diverse geographical, climatic and cultural influences in our hospitality design
- Native American Experience
 - ◆ Comanche Nation
 - ◆ Agua Caliente Band of Cahuilla Indians
 - ◆ Santa Clara Pueblo
- A+P has completed over \$3.3 Billion of projects in our 40 year history

A+P Representative Clients

- Bayrock Group
- Bentley Projects
- Berkley Group
- Buena Vista Hospitality
- Busch Entertainment Company
- Carefree Resorts
- Crown Realty & Development
- DDRM Greatplace
- Desert Troon Companies
- Destination Hotels & Resorts
- Fairmont Hotels & Resorts
- Financial Street Holding Company Ltd.
- Global Resorts
- Grayhawk Development
- Hainan Jianfeng Tourism Development Company
- InterContinental Hotels & Resorts
- KSL Resorts
- London Clubs International
- Marriott International
- Marriott Vacation Club International
- Minsheng Financial Leasing Company
- Morgans Hotel Group
- Omni Hotels & Resorts
- Patriot American
- Peabody Hotel Group
- PGA
- Pivotal Group
- Ritz Carlton
- Royal Street Land Company
- Railroad Legacies LLC
- Salobre Hotels S.A.
- Santa Clara Development
- Grupo Satocan
- Senior Resource Group
- SouthBridge Restaurant Group
- Southworth Development
- Spring Creek Development
- Strategic Hotels & Resorts
- Starwood Hotels & Resorts
- Sunbelt Holdings
- Suncor Development
- Sundance Group
- Watermark Retirement Communities
- Wessman Properties
- Westroc Hospitality
- Wolff Urban Development
- Woodbine Development

Boulders Resort & Spa

Scottsdale, AZ



Montelucia Resort & Spa

Paradise Valley, AZ



Fairmont Princess Resort & Spa Scottsdale, AZ



Sanctuary on Camelback

Paradise Valley, AZ



Mountain Shadows Paradise Valley, AZ





Proposed Resort at Talking Stick

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Proposed Hotel Facilities Program

- 450 spacious rooms and suites, each with a private balcony and exceptional views
- Seven food and beverage outlets
 - ◆ Three-meal restaurant
 - ◆ Specialty restaurant
 - ◆ Market (grab & go)
 - ◆ Pool bar & grill
 - ◆ Spa juice bar
 - ◆ Lobby bar
 - ◆ Cocktail lounge
- Approximately 45,000 square feet of indoor meeting and banquet space
- Extensive outdoor function venues including:
 - ◆ Event lawns & patios
 - ◆ A covered outdoor wedding chapel
 - ◆ A cookout venue with an amphitheater
- 16,000-square foot spa and fitness facility with adult only pool
- Swimming pool a la Hyatt Scottsdale
- Fountains and water features
- Multiple hotel-oriented retail outlets

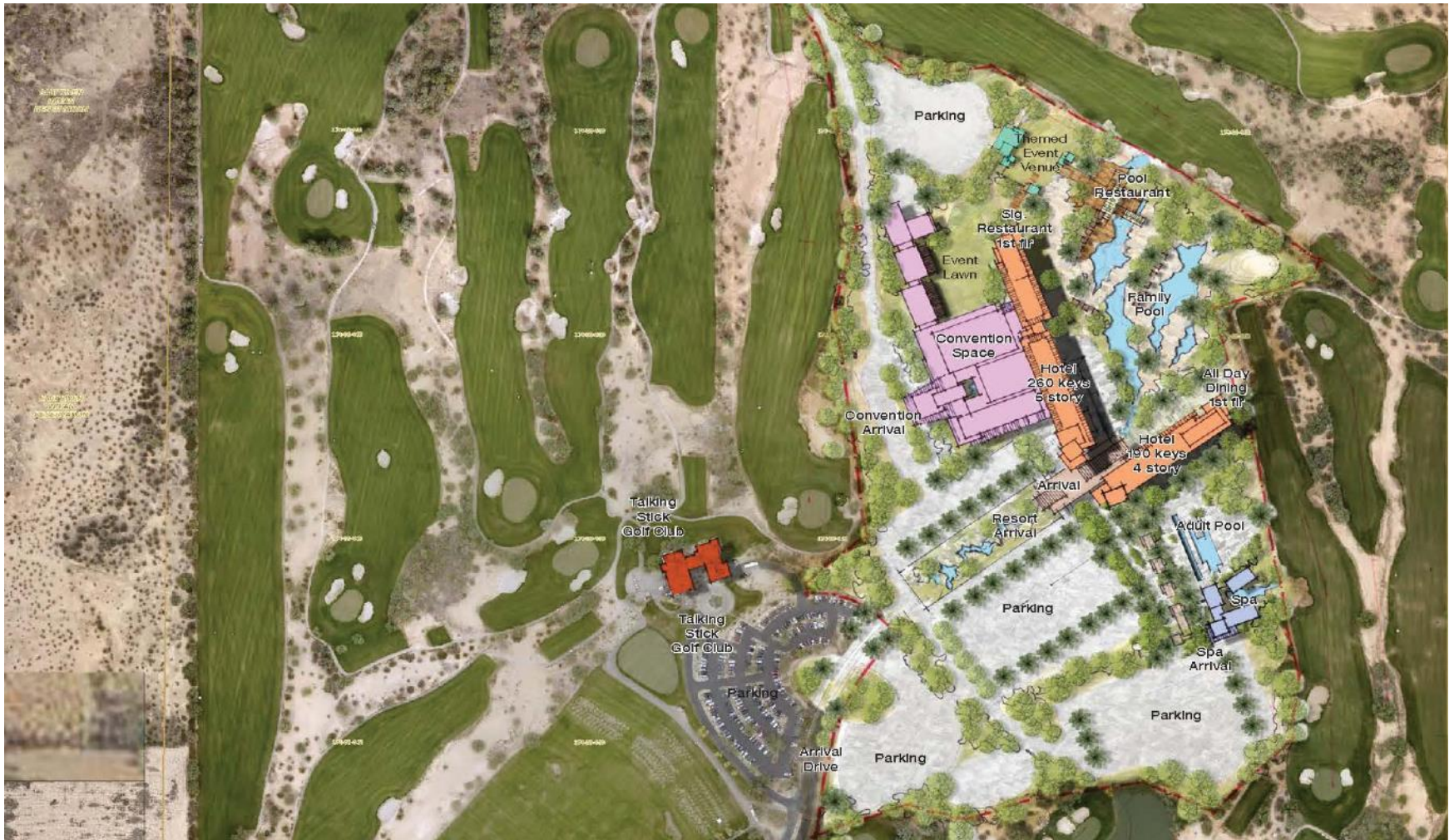
Proposed Hotel Attributes



Location Plan



Proposed Hotel Site Plan



Proposed Hotel Site Plan with 150-Room Expansion



Design Concept



Design Concept



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Architectural Theme

- Celebration of the Desert Southwest
- Integration into the site
- Arrival focus
- Natural materials, textures, colors
- Cultural touchstones + historical reference
- Forward-looking



Impact on Talking Stick Resort

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The Proposed Hotel is a Different Type of Product

- Luxury non-gaming resort versus upscale gaming resort
- 5-Star / Diamond Rating versus 4-Star / Diamond Rating
 - ♦ More luxurious finishes
 - ♦ Higher level of service characterized by personalization and highly refined style
 - ♦ World class food & beverage
 - ♦ Priced accordingly
- Relaxed low-key style versus active high-energy environment

The Proposed Hotel is a Different Type of Product

- Customers who want a gaming hotel experience are not likely to go to a non-gaming resort... and vice versa
 - [Some can't by law, charter, or public image]
 - [Attractive to families]
- Proposed Resort will be at a higher price point than Talking Stick Resort because...
 - ♦ Luxury versus upscale positioning
 - ♦ Development cost of the new Resort cannot be supported with the pricing structure offered by Talking Stick Resort
 - ♦ Talking Stick Resort will always have a pricing advantage over new Resort because the casino subsidizes the hotel

The Proposed Hotel is a Different Type of Product

- Because of price and concept differences, the proposed resort will compete most directly with other luxury resorts in Metro Phoenix:
 - Hyatt Regency Scottsdale
 - JW Marriott Camelback Inn
 - The Phoenician
 - The Arizona Biltmore
 - Fairmont Scottsdale
 - Westin Kierland
 - JW Marriott Desert Ridge
 - Omni Montelucia
- Most “displacement” will come from these resorts
- The share attracted from Talking Stick Resort would be very small

Benefits of the Proposed Resort

- The same benefits will accrue to Talking Stick golf courses
 - ♦ The number of golfers will increase
 - ♦ Higher demand means higher pricing
- And...
 - ♦ Customers staying at luxury resorts are accustomed to paying higher prices for a round of golf when they are on vacation or part of a group outing – these customers are more valuable than other golfers

Building a “strategic mote”

- The combination of Talking Stick Resort and our Resort, plus the surrounding destination amenities (Talking Stick Golf, Talking Stick Casino, Salt River Fields, the Pavilions, Butterfly Wonderland, OdySea Aquarium) will help SRPMIC maintain dominance in the face of new competition from the Tohono O'odham Nation casino in Glendale and others in the future



No Physical Adverse Impacts

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No Physical Adverse Impacts



No Physical Adverse Impacts



No Physical Adverse Impacts



No Physical Adverse Impacts



No Physical Adverse Impacts



No Physical Adverse Impacts



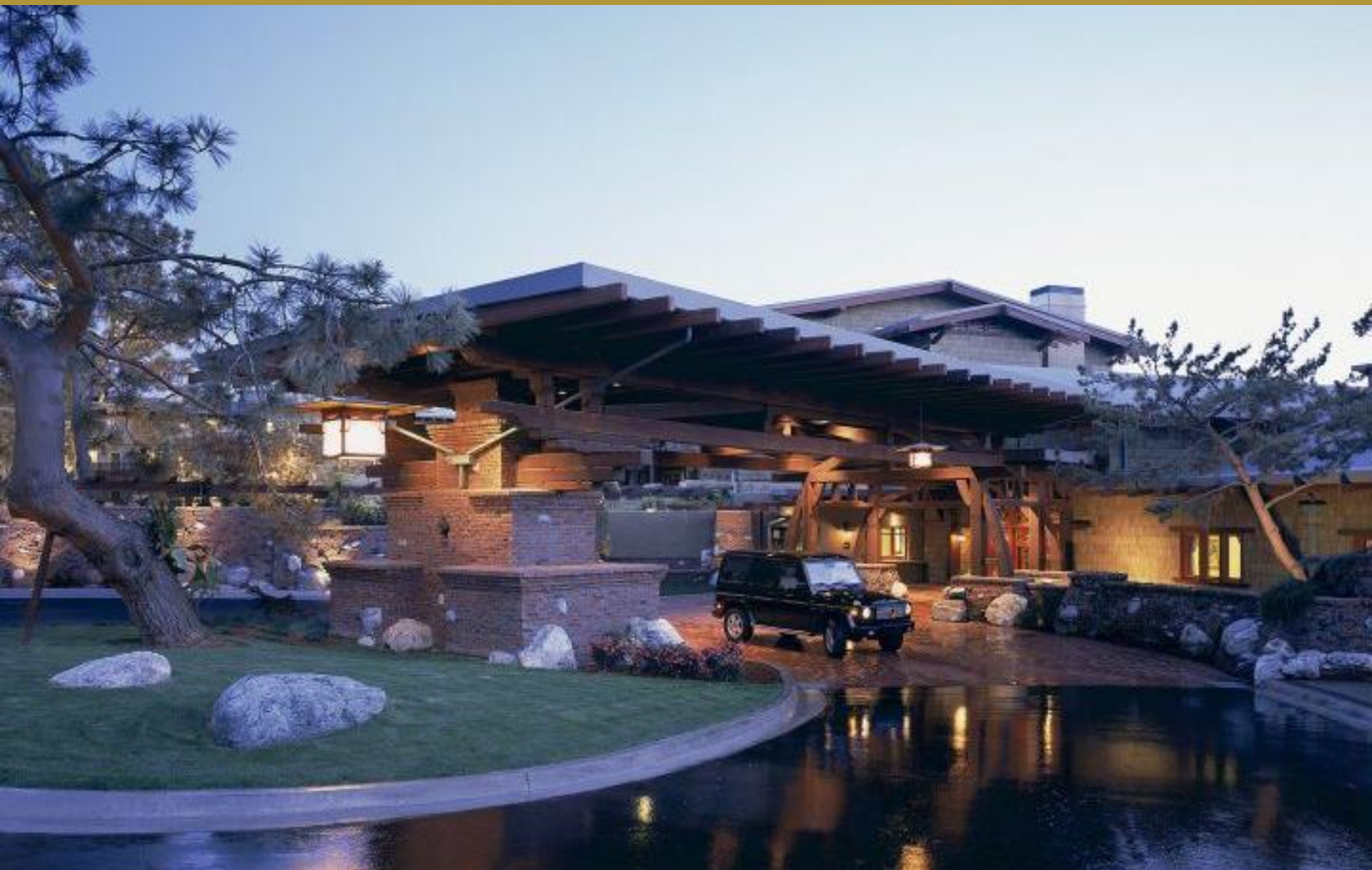
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No Physical Adverse Impacts



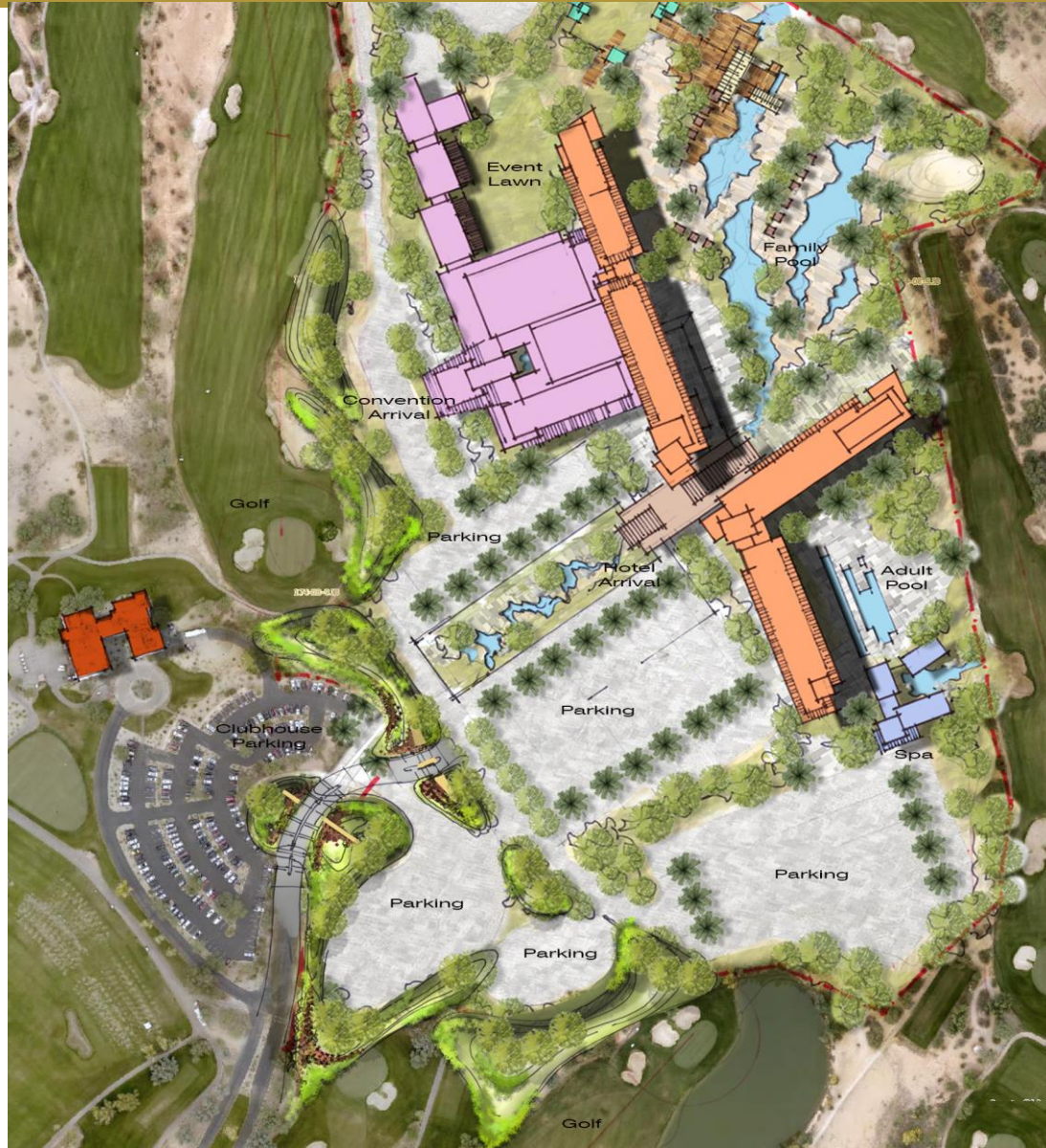
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No Physical Adverse Impacts



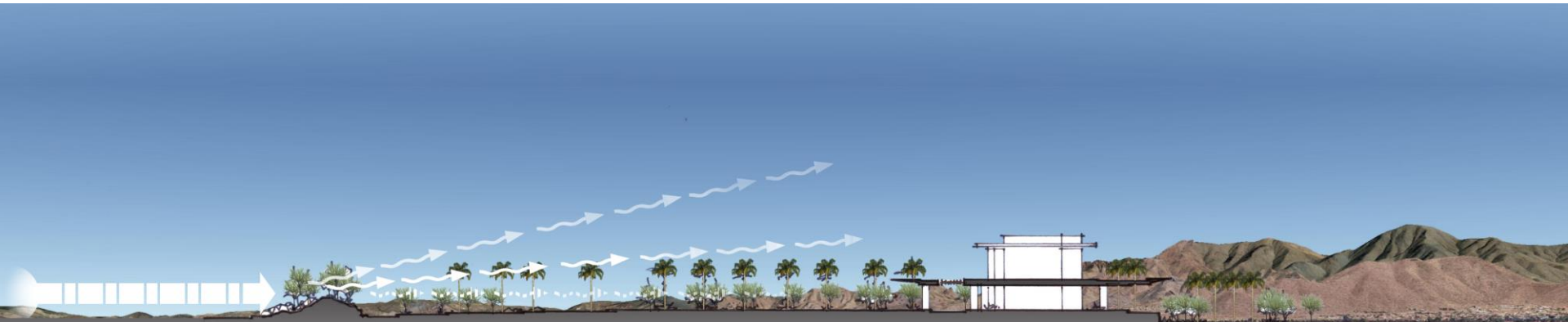
No Physical Adverse Impacts



No Physical Adverse Impacts



No Physical Adverse Impacts



No Physical Adverse Impacts



Project Development Schedule

	2017	2018	2019	2020	2021	2022	2023	2024
DEVELOPMENT DOCUMENTS PHASE Master Lease Amendment, Substitute Lease, Joint Operations Agreement, Development Agreement								
DUE DILIGENCE PHASE Site Research, Infrastructure, Utilities, etc.								
ENTITLEMENTS PHASE Design Review, Height Waiver, Conditional Use Permit, etc.								
DOCUMENTATION / PERMITTING PHASE Concept Design, Construction Documents, Plan Review & Permitting								
CONSTRUCTION PHASE								



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