



OFFERING MEMORANDUM · HOSPITALITY / EXTENDED-STAY

Hawthorn Suites®

12180 Tributary Point Drive · Gold River, California 95670

A fully renovated, 61-suite extended-stay asset positioned for a near-term flag conversion to Candlewood Suites — and a same-day operating margin improvement that has nothing to do with rate or occupancy growth.

61

SUITES

2002

YEAR BUILT

\$8.95M

OFFERING PRICE

~\$146.7K

PRICE / KEY

EXECUTIVE SUMMARY

You Aren't Buying Potential. You're Buying Execution.

Most hotel offerings ask an investor to underwrite a renovation that hasn't happened yet, and a brand approval that hasn't been secured. This offering removes both of those variables. KW Commercial is pleased to present the exclusive opportunity to acquire **Hawthorn Suites**, a 61-suite, extended-stay hotel in Gold River, California, that has already absorbed approximately **\$1.1 million** in owner-funded renovation and sits on a defined, well-understood path to a Candlewood Suites (IHG) flag conversion.

Most buyers underwrite hotel value through rate and occupancy growth alone. The sophisticated read on this asset is different: the brand conversion itself manufactures value, independent of market performance. Candlewood Suites is IHG's dedicated extended-stay brand and, notably, operates without a complimentary hot breakfast program — a fixed cost center that this property currently carries as a Hawthorn-flagged hotel. Converting the flag doesn't just open the door to Candlewood's stronger extended-stay rate structure; it eliminates that cost stack outright.

"The renovation is banked. The brand conversion path is clear. And there is a \$112,729 NOI add-back that has nothing to do with ADR or occupancy growth."

\$1.1M

OWNER-FUNDED RENOVATION
COMPLETED

\$112,729

DAY-ONE NOI ADD-BACK

~\$1.4M

IMPLIED VALUE LIFT @ 8% CAP

Layer in the asset's position inside the Folsom / Gold River technology corridor — one of the most consistently in-demand extended-stay submarkets in the Sacramento region — and the combination of a completed renovation, a defined conversion path, and a structural expense reduction makes this a rare instance of underwritable, near-term value creation in hospitality real estate.

THE OPPORTUNITY

From Cost Center to Pure Profit

Every Hawthorn-flagged extended-stay hotel carries the cost of a complimentary hot breakfast program — food, supplies, and dedicated attendant labor, every single day, regardless of how many rooms are occupied. Candlewood Suites, IHG's flagship extended-stay brand, was built around the opposite assumption: long-staying guests with in-suite kitchenettes don't need it, and IHG's brand standards reflect that. The conversion doesn't trade one cost for another. It removes the cost entirely.

DAY-ONE NOI ADD-BACK

Annual Breakfast Food & Supply Costs	(\$76,849)
Annual Breakfast Attendant Labor Wages	(\$35,880)
Net Annual Expense Eliminated / NOI Add-Back	\$112,729

Capitalized at an 8% rate — a conservative, in-market assumption for a stabilized extended-stay asset — that single operational pivot is worth approximately \$1,409,000 in incremental asset value, realized the moment the conversion closes. This is before crediting any of the additional ADR lift that Candlewood's stronger extended-stay positioning typically commands relative to a legacy Hawthorn flag.

WHY THIS WORKS

- ✓ Expense elimination, not expense hope — contractual brand standard, not a management initiative
- ✓ Renovation scope already substantially complete and self-funded by current ownership
- ✓ Conversion path is defined against an active, numbered PIP — not an open-ended estimate
- ✓ Located in an affluent, high-tech employment corridor with durable extended-stay demand

BUYER TAKEAWAY

This is a value-creation thesis that doesn't depend on a buyer outperforming the market. It depends on completing a brand conversion that already has a clean path, thanks to the renovation work this ownership group has already funded. The remaining path to flag approval is bounded, documented, and budgetable — see the Renovation & Brand Conversion Summary on the following page.

RENOVATION & BRAND CONVERSION

A Clean Path to Candlewood Suites

Current ownership has already invested approximately **\$1.1 million** in capital improvements across the property — work that satisfies a meaningful share of the requirements on the property's active Candlewood Suites Property Improvement Plan (PIP), issued by IHG. A full item-by-item comparison of completed Hawthorn work against the Candlewood PIP is available to qualified buyers upon NDA.

COMPLETED & CREDITED TOWARD PIP

- ✓ Full guest room furniture package, all 61 suites
- ✓ Bathroom remodels with new fixtures & finishes
- ✓ New LVT flooring throughout guest suites
- ✓ Hallway wallpaper, carpet & lighting upgrades
- ✓ Full interior repaint, guest rooms & corridors
- ✓ Lobby flooring, furniture & brand-ready finishes
- ✓ Fitness center equipment refresh
- ✓ Exterior: garbage enclosure & full landscaping
- ✓ New blinds & sheers, all guest suites

DEFINED REMAINING SCOPE

- Brand de-identification & Candlewood signage package
- Breakfast area repurposing (no longer operationally required)
- Guest laundry expansion to brand spec
- Life-safety upgrades (CO detection, fire alarm scope)
- Select new casegoods - minimal
- Kitchen cabinets; Ordered by Seller

Unlike a typical value-add hotel acquisition, the heavy lifting of renovation has already been done by current ownership. What remains is a known, numbered scope of work — not a guess.

Renovation scope summarized from ownership records and the property's current Candlewood Suites PIP. Final brand approval, scope, and cost remain subject to IHG's review and confirmation at time of application.

PROPERTY OVERVIEW

Asset & Market Snapshot

PROPERTY SPECIFICATIONS

Address	12180 Tributary Point Dr, Gold River, CA
Property Type	Extended-Stay, Suites w/ Kitchenettes
Number of Suites	61
Stories	Three
Corridor Type	Interior
Year Built	2002
Current Brand	Hawthorn Suites (Wyndham)
Brand Opportunity	Candlewood Suites (IHG)
Offering Price	\$8,950,000
Price Per Key	~\$146,721

MARKET POSITION

Gold River sits within the Folsom / Highway 50 corridor east of Sacramento — one of the region's most established technology and corporate employment hubs, anchored by a dense base of large employers and a steady flow of project-based, relocation, and extended-stay travel demand.

Extended-stay supply in this corridor remains constrained relative to demand, and a 61-suite, kitchenette-equipped asset is well positioned to capture multi-week and multi-month stays that limited-service and full-service competitors in the immediate trade area cannot accommodate as efficiently.

The property's interior-corridor, three-story design and suite-style inventory align directly with Candlewood Suites' brand positioning, supporting a smooth transition of the guest experience alongside the flag conversion.

A Recently Renovated Asset



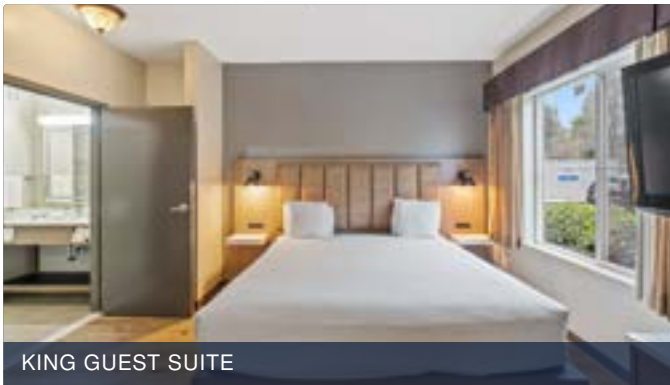
COFFEE & BREAKFAST LOUNGE



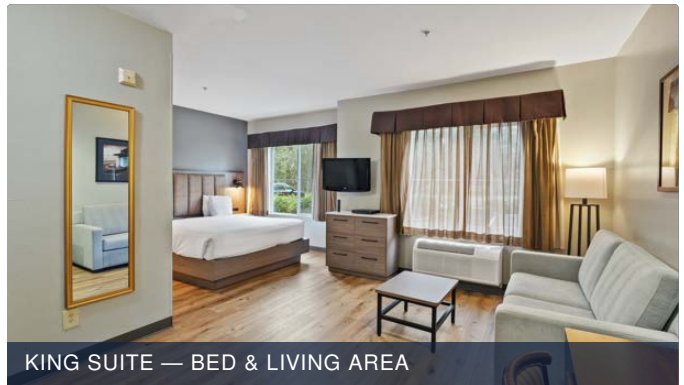
SUITE LIVING AREA



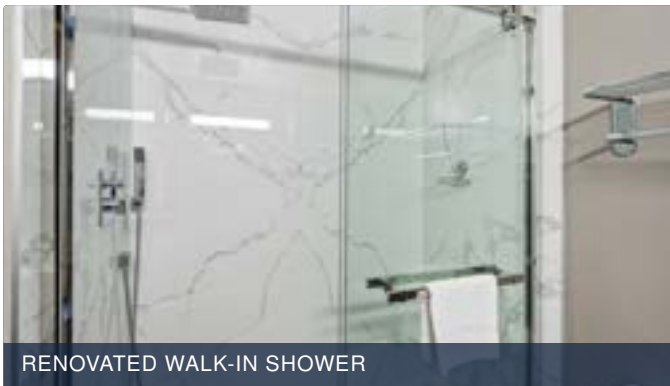
SUITE KITCHENETTE



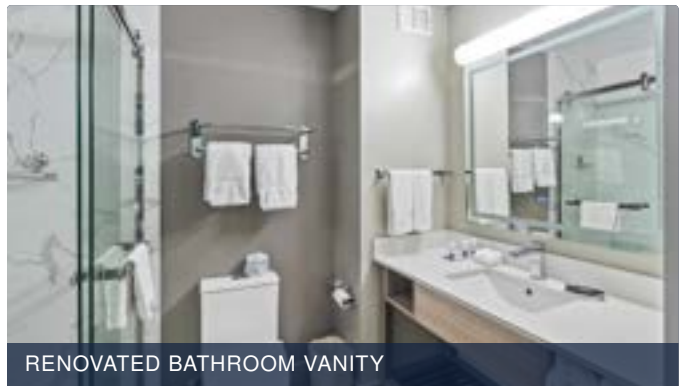
KING GUEST SUITE



KING SUITE — BED & LIVING AREA



RENOVATED WALK-IN SHOWER



RENOVATED BATHROOM VANITY

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