DAYTON HOTEL BY LOCALE

OPERATIONS PLAN

Apr 11, 2022

PROJECT NAME: Dayton Hotel by Locale
PROJECT ADDRESS: 609 E. Dayton Street, Madison, WI 53703

PROJECT VISION

The Dayton Hotel by Locale – Madison will create a new and exciting experience for visitors to the Madison area. The hotel will be developed by McGrath Property Group and managed by Locale.

The aim of this document is to provide an overview of the management practice and procedures to be implemented at the Dayton Hotel by Locale. It will be reviewed on a regular basis to ensure it responds to the ongoing management needs of the development.

AN INTRODUCTION TO LOCALE HOSPITALITY

Launched in 2016, Locale is an Austin-based residential hospitality company that manages thoughtfully designed, upscale apartment-style accommodations for business, leisure, and extended stay travel. Locale's mobile-first model and tech-forward service provides a seamless guest experience throughout the stay.

THE DAYTON APARTHOTEL BY LOCALE

The Dayton Hotel will be Locale's entry into the Madison market. From thoughtfully designed accommodations to the dynamic buzz of the Dayton cafe, it will be a neighborhood apartment hotel featuring modern amenities and tech-forward services.

PROJECT DATA

- 55 serviced apartments
- Hotel hours of operation 24/7
- F&B outlets
  - Dayton Cafe is 1450 SF (seats 20)
  - Hours of operation TBD
- Lounge / lobby is 450 SF (seats 8)
- Site total is .52 acres (both sites)
- Total building is 48,948 SF
- Building footprint is 13,758 SF
- Parking and transportation
  - Onsite underground garage
    - 25 underground spaces
  - 4 shared BCycles stations, 2 interior bike stalls, and 4 exterior bike stalls

HOTEL MANAGER RESPONSIBILITIES

Locale will coordinate, direct and manage the hotel operation on behalf of McGrath Property Group, ensure guest satisfaction, protect the financial assets of the business and maintain the physical integrity of the building.

1. Tech-forward guest experience

The hotel features tech-enabled products and services to offer guests a modern, mobile-first experience during their stays.

- Mobile self check-in
- Building WiFi
- Smart noise and smoke sensors
- Smart building access control
- Virtual concierge 24/7
- Keyless express check-out

2. Job creation

Locale will be hiring employees from the local community to staff the hotel and we anticipate the cafe to hire locally. Locale will also be working with local vendors and staffing agencies on key service contracts, such as housekeeping, security, and maintenance.

3. Rules and regulations

- No parties or excessive noise during quiet hours from 10pm -7am. Our properties utilize Noiseaware technology to ensure the comfort and security of our guests.
- Pets are not allowed. Service animals are welcome.
- No smoking of any kind is permitted. This includes all rooms, common spaces, and public areas on property.

ADDITIONAL SECURITY MEASURES

The following security measures will be put in place to ensure the safety of guests at all times:

A. Access Control System

Entry into the building, all common areas, and units will be controlled. Guests may be issued fobs that are individually registered for access. In the event of a lost or stolen fob, the system will cancel the fob and generate a new fob.

B. Security Staff

A security guard will be available and on-call under certain circumstances.

C. Emergency Contact

1. Hospitality Associate
2. 24/7 concierge team
3. Operations Director

OPERATIONAL PROCESSES

1. Procedures

Locale will implement a set of standard policies and procedures to ensure there is clarity and consistency in the way the property is managed, so that guests have a safe and positive experience during their stay.

2. Cleaning

Cleaning and disinfecting practices have been enhanced during COVID-19 so guests can stay with confidence. In addition to following CDC and WHO guidelines, we're providing our

housekeeping teams with enhanced training, strengthening our cleaning and inspection checklists, and sanitizing common areas frequently.

3. Waste Management

Trash removal contractor will be GFL (or alternative company), which is currently the contractor for all McGrath Property Group properties in Wisconsin.

Three 2 yard dumpsters for trash and recycling would be picked up 1-2x per week. Pickups would be scheduled during non-peak parking ingress/egress times - between 10-11:30am and 1:30-3pm to ensure staff and front drive area are not adversely impacted. The cafe would use the same dumpsters as the hotel.

4. Parking

All vehicles parked on the premises must be registered with Locale prior to the guest's arrival. The company shall not assume liability or responsibility for any vehicle, occupants, or contents while operated or parked at the property. Locale reserves the right to have the vehicle towed at the owner's expense if vehicle is left after departure without obtaining consent.

5. Deliveries

Primary supply and food deliveries will occur 2-3 times per week while UPS / FedEx / Amazon deliveries will occur once per day.

6. Maintenance

Locale will oversee the hotel infrastructure to ensure functionality and safety. Installations, repairs and renovations will be performed as needed while meeting health & safety standards.

7. Emergency Preparedness

Locale will identify and plan for emergency situations, and will implement and provide guidance to employees and guests on emergency response procedures, including emergency reporting, alarm systems, evacuation procedures, drills, fire detection and suppression equipment, exit facilities and recovery plans.

LOCALE

Hospitality Management Overview

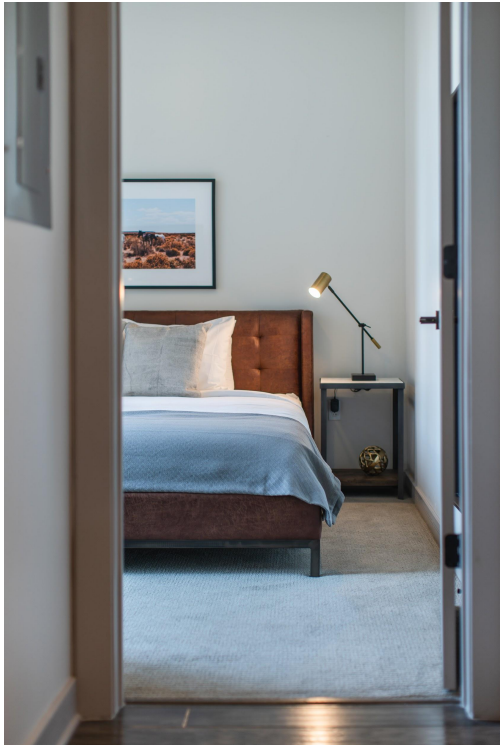
Locale Hospitality, Inc.
Q1 2022

Meet Locale

Locale is a new type of hospitality company that combines the comforts of home and convenience of a hotel when traveling. Since 2016, we have partnered with real estate owners to give people another way to stay at their buildings through upscale, fully-managed furnished apartments. These well-appointed accommodations feature tech-enabled services to offer guests a modern yet comfortable residential hospitality experience - an entirely new way to stay.

Company information

- Headquartered in Austin, TX
- Over 140,000 nights hosted
- Operates nine locations in multiple markets
- Best-in-class guest satisfaction (70+ NPS)
- 100% regulatory compliance



Locale | Houston

People are traveling and working in entirely new ways

Work from anywhere is the norm

74% of Americans ages 18-34 y.o. are interested in being a “digital nomad” or working remotely on a trip

Visitors stay longer

Since 2019, there has been a 45% increase in nights stayed per trip for vacation rental travelers

Typical hotels aren’t as enticing

24% of millennials seek out furnished rentals when they travel, compared to just 12% who prefer national hotel brands

THE WALL STREET JOURNAL.

“What if renting a home became as easy as ordering food?”

Skift

“Brands that embrace agility and flexibility will be equipped for the future of travel”

Locale caters to the needs of today's travelers

Why people choose Locale furnished apartments over typical hotels and vacation rentals

More space
2x size of hotel rooms
Separate living area
Desks / workspaces

Trusted brand
Consistency
Quality furnishings
Known product

Tech-forward
Free, fast WiFi
Mobile check-in
Smart homes

Flexibility
No commitments
No upfront fees
National network

Convenience
Full kitchens
In-room laundry
Bigger bathrooms

Personalization
Digital concierge
24/7 support
Local staff

We have partnered real estate groups on various property types

- Class A and B+ properties
- Lease-ups
- Stabilized assets
- High-rise, mid-rise, and garden-style
- Urban or dense suburban locations
- Units built or renovated within the last 10 years

We are a hassle-free, turnkey management solution

Our capabilities:

Pre-opening

- Design services
- Purchasing, procurement
- Furniture installation
- Vendor selection
- Staff training

Property operations

- Guest screening
- Professional cleaning
- Inventory management
- Local staffing
- 24/7 support (text / call)

Commercialization

- Revenue management
- Daily, weekly, monthly pricing
- Length of stay restrictions
- Resident discounted rates
- Reservation management

Technology services

- Mobile check-in
- Smart locks
- Noise & smoke sensors
- Smart TV + streaming
- Mesh WiFi (free)

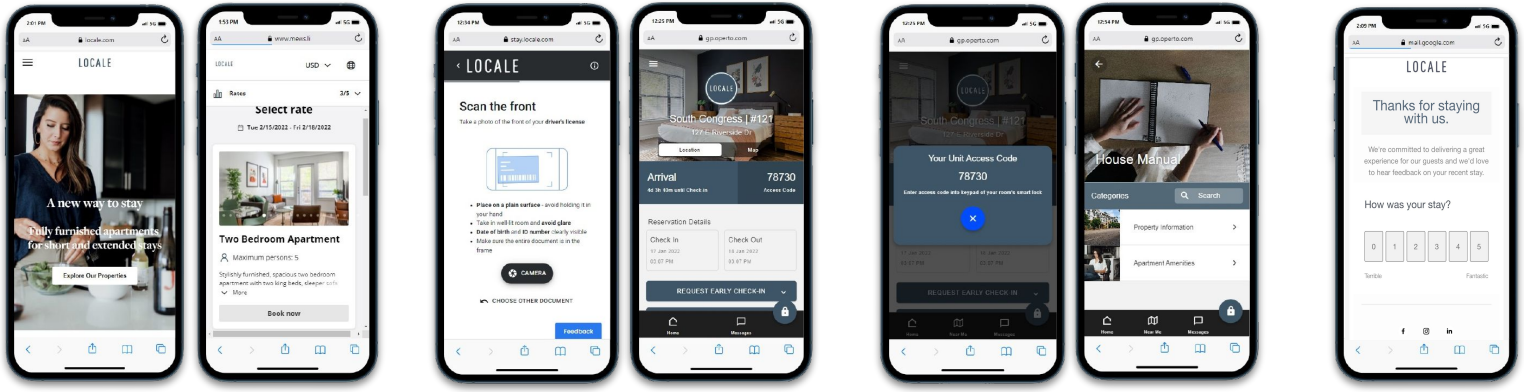
Sales & marketing

- Locale.com booking engine
- Third-party distribution
- Corporate housing
- Social media + search
- Reputation management

Finance & reporting

- Weekly reservation reports
- Detailed accounting
- Liability insurance
- Tax compliance
- Regulatory compliance

Our cloud-based technology powers the guest journey



Explore & book

- Locale.com engine
- Dynamic pricing
- Real-time availability
- Stripe payments infrastructure

Pre-stay

- Guest screening
- Ancillary purchases
- Virtual check-in

In-stay

- Mobile key access
- Digital concierge
- Free WiFi
- Streaming services
- 24/7 concierge

Check-out

- Mobile check-out
- Post-stay survey
- Loyalty program
- Locale Pass (TBD)

We attract younger, tech-savvy travelers

Our guests

Mix of business and leisure
25% travel for business

Generally younger
82% under 55 years old

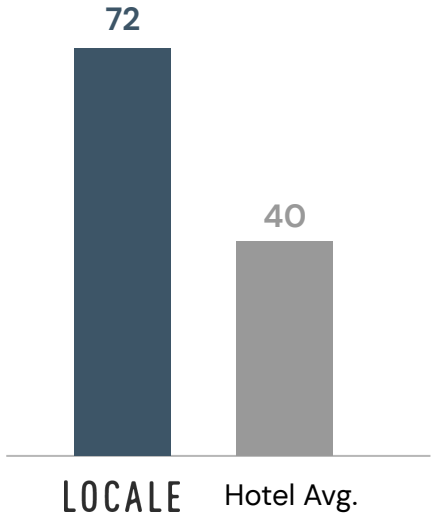
High income
69% earn more than $100K/year

Well educated
90% have at least a bachelor's

Stay a bit longer
4.5 night avg. length of stay

Best-in-class customer satisfaction

Net promoter score
NPS measures guest satisfaction



★★★★★

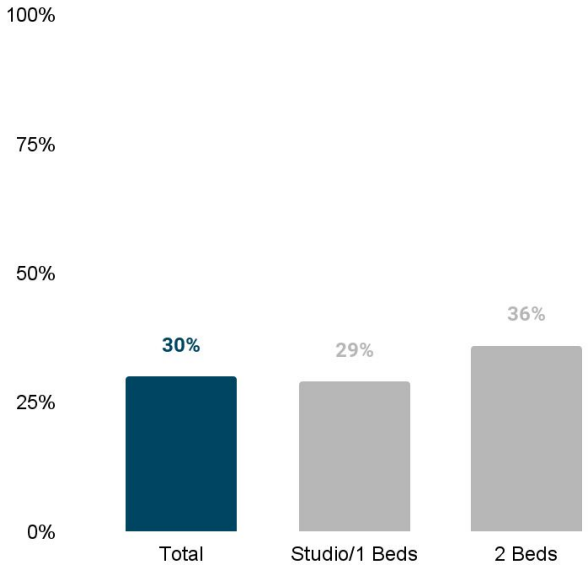
Loved this place and would stay again in a heartbeat. Loved the location in the middle of everything and the apartment seriously makes me want to consider moving there. Can't recommend enough!
Jullian, Tacoma, WA

The majority of Locale guests do not bring a vehicle

The Locale guest prefers to walk, cycle, take public transportation, or use a rideshare service. 70% of Locale room nights do not require any parking. Expected parking demand is minimal.

Percentage of Locale room nights that include parking

Data includes all short-term (<30 night) reservations across all Locale properties since January 1, 2021



14.8

Expected parking spaces used at 100% occupancy

11.1

Expected parking spaces used at 75% occupancy

We are rapidly growing our footprint throughout the U.S.

Current Markets

Planned Expansion

Locale's team has deep hospitality and real estate experience

Team Highlights

Over $2B in real estate assets managed

Strong technology team with multifamily expertise

Finance team led by professionals with branded hotel experience

Revenue team led by hotel and short-term rental experts

Nitesh Gandhi
Founder & CEO
Asset managed $1B in hotels at Chartres Lodging; vacation rentals at Oasis; Marakon; Wharton MBA, Northwestern BA

Anil Bhagat
Property Operations
Head of property management at WCRE; oversaw $1B+ in assets as a GM at Jamestown and NA Properties; Pepperdine MBA

Jeff Turner
Finance
Former Director of Finance at JW Marriott in Austin and Charlotte; 8+ years at White Lodging

Mara Tamez
Guest Experience
Former Hilton guest services; Texas State BA, Universitat Pompeu Fabra IB

John Brosens
Real Estate
5+ years in real estate private equity at Stolar Capital, focused predominantly on multifamily; Georgetown BA

Joe Mangioni
IT / Systems
4+ years at Locale in tech and IT management; expert in access control systems and hotel and vacation rental software

Chase Gray
Business Operations
Strategy consultant at Deloitte working exclusively on global hospitality clients; Wharton MBA, Claremont McKenna BA

Howard Story
Revenue Management
Former lead pricing analyst at Vacasa / Turnkey Vacation Rentals; Cornell CRME; St. Edwards MBA

Jason Cole
Technology
Former CTO of Sentral (formerly Daydream Apartments); 25+ years of experience in product and technology; Wharton BA

Brian Dinerstein
President, The Dinerstein Cos.
National multifamily developer and manager with 60K apartments completed and $3B in assets under management

Marc Swerdlow
Principal, EMES RE Advisors
Former President & GC at Forum RE Group; Principal/COO at Magellan; President/GC at Waterton; GE Capital; Heitman

Roman Speron
President, Align Residential
Former EVP at Crescent Heights

Property Management Advisors

Thank you.

Nitesh Gandhi
Founder & CEO
nitesh@locale.com

Appendix

We employ strict safeguards and protections

Risk mitigation

Multi-step guest verification (ID + background checks)
Guests follow community guidelines or face eviction
Minimum length of stay requirements

Active monitoring

In-unit noise sensors
In-unit smoke sensors
24/7 centralized phone, text, and email support
Local staff available in each market

Comprehensive protection

A-rated insurance coverage for all parties

Frequently asked questions

What assets does Locale manage?

Locale manages Class A and B multifamily residences in well-located urban or dense suburban markets.

Does Locale manage full buildings?

Yes, we offer full property management services for residential assets. Typically we will run all or a portion of the building as short-term rentals to maximize revenue.

Does Locale partner on ground-up assets?

Locale can operate across all phases of an asset's life cycle. New construction presents an opportunity to design favorable access control systems and locations for the short-term rental units.

What is Locale's minimum partnership size?

Our operating platform allows us to partner on a handful of units (10+), a full floor(s), or an entire asset, whether it is standalone or part of a programmatic relationship.

What is Locale's typical partnership structure?

Management agreements, where Locale is operating all or a portion of the building's apartments as furnished rentals. We also offer master leases and hybrid partnership models.

For more information, visit: locale.com/real-estate