



RFQ No. 13-16 “City Hall Re-Use Project”

Submitted by:

Olson Real Estate Group, Inc., dba R.D. Olson Development

November 20, 2012

R.D. OLSON
DEVELOPMENT
Hospitality Builders

November 20, 2012

City of Newport Beach
Attn: RFQ Administrator
3300 Newport Blvd.
Newport Beach, CA 92663

Re: RFQ No. 13-16 “City Hall Re-Use Project” – Transmittal Letter

Dear RFQ Administrator,

As detailed herein, Olson Real Estate Group, Inc., dba R.D. Olson Development is a high quality hotel developer and owner with tremendous experience in all stages of the development process. Over the years, our company has cultivated relationships with the world’s strongest hotel brands and the debt and equity partners required to execute developments of this scale. The extensive relationships, experience, and capabilities established by the R.D. Olson Development team places the company among the most highly regarded hotel developers in California and the West Coast. Our firm has been the preferred choice for both the highest quality companies and municipalities alike including City of Tustin, Irvine Company and Sares Regis to name a few.

Our recent track record includes four newly opened hotels in the last twelve months, and two hotels totaling 300 rooms and 16,000s.f. of retail currently under construction at Edinger and the 55 Fwy. in Tustin. Additionally, we were recently selected by the Irvine Company to purchase land in the Irvine Spectrum to build two hotels with the first 200 room 8 story hotel scheduled to break ground early next year.

R.D. Olson Development is pleased to present this “Statement of Qualifications” to be considered as the developer of a boutique hotel for the City Hall Re-Use Project in Newport Beach. Please find below and attached for your review and consideration the submittal requirements as required by the Request for Qualifications.

Please note that the audited financials for R.D. Olson Development and R.D. Olson Construction will be sent under separate cover.

Participating Organizations & Relationship:

R.D. Olson Development – Developer and Hotel Owner

R.D. Olson Construction – General Contractor

Hotel Brand – TBD

Hotel Operator - TBD

Developer Point of Contact:

Dustin Schmidt
Vice President of Real Estate Acquisitions
R.D. Olson Development
2955 Main Street, 3rd Floor
Irvine, CA 92614
Direct Phone - 949-271-1114
dustin.schmidt@rdodevelopment.com

Binding Signature:

OLSON REAL ESTATE GROUP, INC., DBA
R.D. OLSON DEVELOPMENT
AND
R.D. OLSON CONSTRUCTION, INC.



Robert D. Olson
President
R.D. Olson Development
R.D. Olson Construction

Table of Contents

- 1. Qualifications, Related Experience, and References**
 - a. Development team qualifications
 - b. Development teach experience
 - c. Previous projects that demonstrate qualifications
 - d. Experience with long term ground lease projects
 - e. References

- 2. Financial Capability & Past Performance**
 - a. Audited financial statement (Provided under separate cover)
 - b. Financial and litigation issues list and descriptions

- 3. Conceptual Financing Approach**

- 4. Conceptual Development Approach**

Attachments:

- A. Proposer Information Form**
- B. Statement of Disclosure**

Qualifications, Related Experience, and References

Development Team Qualifications and Relative Experience:

R.D. Olson Development was formed in 1998 to develop hotels for its own portfolio and is owned and operated by Robert D. Olson. RDOD began by building two hotels totaling 407 rooms in the Disneyland Anaheim Resort that were later sold to Intercontinental Hotels. In addition to founding and owning 100 percent of R.D. Olson Development, Mr. Olson founded R.D. Olson Construction, which is ranked in the top 50 as a General Contractor in size by volume by California Construction Magazine in California.

RDOC has a solid track record building and retrofitting prominent hotels throughout the West and additionally has an excellent and extensive working relationship with every major hotel brand. To date R.D. Olson Construction has successfully executed approximately \$1Billion worth of the new construction and renovations on behalf of their clients.

New hotels developed by R.D. Olson Development include:

Marriott Courtyard	Goleta/Santa Barbara, CA (2012)
Marriott Courtyard	Maui, HI (2012)
Marriott Residence Inn	San Juan Capistrano, CA (2012)
Marriott Courtyard	Oceanside, CA (2011)
Renaissance ClubSport	Aliso Viejo, CA (2008)
Marriott Residence Inn	Burbank, CA (2007)
Marriott Residence Inn	Oceanside, CA (2007)
Marriott Residence Inn	Irvine, CA (2001)
Holiday Inn	Anaheim, CA (2000)
Staybridge Suites	Anaheim, CA (2000)

Hotels constructed by R.D. Olson Construction include (Partial List):

Legoland Hotel	Carlsbad, CA (Under construction)
Marriott Courtyard	Goleta/Santa Barbara, CA (2012)
Marriott Courtyard	Maui, HI (2012)
Marriott Residence Inn	San Juan Capistrano, CA (2012)
Marriott Courtyard	Oceanside, CA (2011)
Waikiki Edition	Honolulu, HI (2010)
Avia Hotel	Long Beach, CA (2009)
Renaissance ClubSport	Aliso Viejo, CA (2008)
Hotel Palomar	Westwood, CA (2008)
Marriott Residence Inn	Burbank, CA (2007)
Marriott Residence Inn	Oceanside, CA (2007)
Shadow Ridge Resort (Select Phases)	Palm Springs CA (2000-2006)
Ojai Valley Inn & Spa (Renovation)	Ojai, CA (2005 - 2006)
Marriott Newport Coast Resort, Phases 1, 1B	Newport Beach, CA (2000-2001)
Marriott Residence Inn	Irvine, CA (2001)
Hotel Monaco	San Francisco, CA (1995)

R.D. Olson has built numerous other branded hotels throughout California (in addition to numerous smaller, boutique or unbranded hotels), including those branded by:

- Hyatt
- Hilton
- Starwood/W
- Sheraton
- Kimpton
- InterContinental
- Fairmont

Currently under development by R.D. Olson Development are hotel projects including:

- Marriott Courtyard, Irvine Spectrum, CA
- Marriott Residence Inn, Pasadena, CA
- Marriott Residence Inn, Tustin, CA
- Marriott Fairfield Inn, Tustin, CA
- Marriott Residence Inn, Maui, HI
- Marriott Residence Inn, Goleta/Santa Barbara, CA
- Timber Cove Resort and Spa, Sonoma County, CA

Please refer to www.rdodevelopment.com for R.D. Olson Development details and current projects under construction, also visit www.rdolson.com for R.D. Olson Construction details, current projects under construction, and its track record.

R.D. Olson Development has developed the following assets in its portfolio:

- Marriott Courtyard, Goleta/Santa Barbara, CA
- Marriott Courtyard, Maui, HI
- Residence Inn, San Juan Capistrano, CA
- Marriott Courtyard, Oceanside, CA
- Residence Inn by Marriott, Burbank, CA
- Residence Inn by Marriott, Oceanside, CA
- University Village Tower Student Apartments, Riverside, CA
- Holiday Inn Hotel, Anaheim, CA
- Staybridge Suites Hotel, Anaheim, CA
- Main & Jamboree – Mixed-use residential/retail, Irvine, CA

Currently owned by R.D. Olson Development are the following hotels:

- Marriott Courtyard, Goleta/Santa Barbara, CA
- Marriott Courtyard, Maui, HI
- Residence Inn by Marriott, San Juan Capistrano, CA
- Residence Inn by Marriott, Irvine, CA (John Wayne Airport)
- Timber Cove Inn, Sonoma County, CA

R. D. Olson Development Management Team:

Robert D. Olson, President



Robert Olson, founder of one of the country's leading hotel builders, R.D. Olson Construction, has been active in all phases of construction and development for almost three decades. He has played an instrumental part in a wide variety of projects across the U.S. including hotels, country clubs, retail, multi family, mid-rise office, and recreational facilities. Mr. Olson founded R.D. Olson Development in 1998 after spending nearly 20 years at the helm of R.D. Olson Construction. The time was right to detach the development services from the construction company, and R.D. Olson Development was formed. Olson's experience as a builder inspired efforts to improve the development process by refining market analysis and adding increased efficiency in combination with improved quality.

The company was founded on the simple principles of providing what the marketplace demands, maintaining clear focus on the end user, and delivering creative solutions and profitable developments/ ventures. Real estate markets may change, but the way we do business remains the same.

As a corporate executive who thoroughly enjoys the challenging demands and close working relationships that today's development business demands, Mr. Olson continues to play a role in every major R.D. Olson project. He works closely with his design and development teams in some of the company's most prestigious projects providing valuable input for marketing, investment analyses, debt and equity structure, planning and entitlements, budgeting, constructability and end-user requirements.

Mr. Olson received his MBA from the University of Southern California (USC). Mr. Olson was the recipient of the Orange County Business Journal's 2007 "Excellence in Entrepreneurship" Award, the Construction Financial Management Association's 1994 "Construction Executive of the Year", and Ernst & Young's 1989 "Entrepreneur of the Year". He has been a featured industry speaker at a number of industry conferences including UCLA's Hotel Investment Conference, Beverly Hills; the New York Hotel/Motel show at the Javits Center in New York City; and the Lodging Conference in Scottsdale, Arizona. Mr. Olson is an active member of the Young Presidents' Organization (YPO) having held the California Coast Chairman position in 2001 and 2002; additionally he served on the Board of Directors and Executive Committee of the Orange County Chapter of the American Red Cross.

Anthony Wrzosek, Vice President of Planning & Development



Anthony Wrzosek serves as vice president of planning and development for R.D. Olson Development, drawing on his 21 years of experience in the planning, architecture and construction industries. Wrzosek's responsibilities include overall management, due diligence, concept and design development, governmental entitlements and agency approvals, building technology, and construction cost control.

Prior to joining R.D. Olson Development, Wrzosek provided operations and project management for prominent firms in the greater Chicago, San Francisco Bay, and Los Angeles metropolitan areas. He has managed a number of significant hospitality and multifamily projects including a 157-acre exclusive resort in Napa Valley, CA, a 41-story luxury apartment building in Chicago, IL, and a 329,000-square-foot hotel and training center in Oak Brook, IL.

Mr. Wrzosek is a licensed architect. He earned his Master of Architecture degree and Bachelor of Science degree from University of Illinois at Urbana-Champaign, and also attended the prestigious Ecole d'Architecture de Paris.

Erika Urbani, Chief Financial Officer



Erika Urbani oversees all aspects of R.D. Olson Development's finances including accounting and reporting, budgeting, risk management, and information systems management. Urbani also is a pertinent member of the company's strategic business planning team. She promotes best practices to enhance the company's effectiveness and profitability.

In 1991, after years of employment with the Corporate Finance Group at Chase Manhattan Bank in Buenos Aires, Argentina, Urbani moved to the United States and landed a position in R.D. Olson Construction's marketing department. Two years later, Urbani's aptitude for working with numbers redirected her positioning with the company and she moved into the accounting department where she also became involved with R. D. Olson Development's finances. In 1997, she was promoted to controller – a position she held until she was named Chief Financial Officer in 2006.

Urbani attended California State University, Fullerton and received her Bachelor of Arts degree in accounting. She also earned designations as a Certified Construction Industry Financial Professional and Certified Managerial Accountant. These academic achievements were in addition to her Bachelor of Science degree in computer science she received from the University of Belgrano, Argentina in 1991. She is a member of the National Executive Committee of the Construction Financial Management Association and was the 2006-2007

president of its Orange County chapter. She also conducts CCIFP overview seminars on accounting and financial management for candidates interested in sitting for the exam.

Dennis Reyling, Vice President of Construction & Development



Dennis Reyling is Vice President of Construction and Development for R.D. Olson Development. In this position, Reyling oversees day-to-day management, due diligence, concept and design development, governmental approvals, building technology, and construction cost control for the firm. As a University of California, Berkeley-educated architect, Reyling brings more than - 30 years of experience in the real estate development and construction industries.

Reyling spent six years with Hopkins Real Estate Group as chief operating officer. He oversaw all development projects, in all phases of planning and construction. In this role he worked with CEO Steve Hopkins to direct and implement company strategies.

As President of R.D. Olson Construction, Reyling oversaw operations, marketing, and corporate finance. He was widely credited with playing a key role in establishing the company as an industry leader. During his 12 years with the firm, Reyling oversaw such high profile projects as the construction of Kimpton’s four star luxury Hotel Monaco in San Francisco, and Broken Top Country Club in Bend, Oregon.

Dustin Schmidt, Vice President of Real Estate Acquisitions



Dustin Schmidt serves as Vice President of Real Estate Acquisitions for R.D. Olson Development. In this position, Dustin is responsible for the acquisition of new development opportunities and asset acquisitions. Dustin brings to R.D. Olson over 10 years of experience in development brokerage, real estate acquisitions, and development consulting.

Prior to joining R.D. Olson Development, Dustin ran a specialized real estate services company focused on assisting developers in the acquisition and sale of residential and commercial development opportunities. In 2004 Dustin was a founding broker and Senior Vice President for the Downtown Los Angeles office of O’Donnell/Atkins Company a land brokerage firm. He was responsible for over \$400,000,000 in successful transactions specializing in high density residential and mixed-use projects throughout Southern California.

Dustin earned his Bachelor’s degree from the College of Urban and Regional Planning at Cal Poly Pomona. Prior to Cal Poly Pomona, Dustin studied in the School of Architecture in the College of Environmental Design at the University of Colorado, Boulder.

Blake Evans, Vice President of Finance



Blake Evans serves as financial and acquisitions analyst for R.D. Olson Development, providing services including financial modeling and underwriting, market feasibility study, due diligence analysis, land acquisition, and arranging for debt and equity funding. Evans has six years of experience in the finance industry, primarily focused on real estate.

Before joining R.D. Olson Development, Evans served nearly three years as a senior financial analyst in the asset management division of SunCal Companies, a large master planned developer on the west coast. He was responsible for providing the executive management team with cash flow management analysis, project debt and equity underwriting, quarterly project status reports, and project portfolio underwriting for over 20 master planned communities in various stages from acquisition to disposition.

A graduate of the University of Southern California's Marshall School of Business in 2003, Evans obtained a dual major in corporate finance and real estate finance. He also recently obtained the Certificate in Hotel Real Estate Investments and Asset Management from Cornell University's School of Hotel Administration.

Marriott Courtyard – Goleta/Santa Barbara Opened August 2012

Santa Barbara, considered one of the most exclusive and prestigious California destination markets. Santa Barbara and the surrounding areas have emerged as a major resort area in Southern California and are a significant destination stop for regional, national and international visitors. In addition to the numerous tourist attractions and amenities, the community has a diversified economy that has allowed the area to weather past recessions better than most of Southern California. Due to its location within Southern California, the county is a prime drive-to destination and the Santa Barbara Airport provides easy air access from/to nine western region destinations.

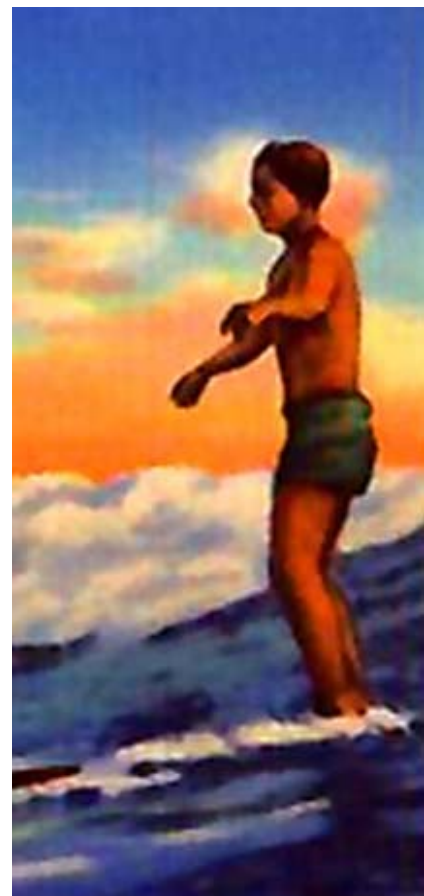
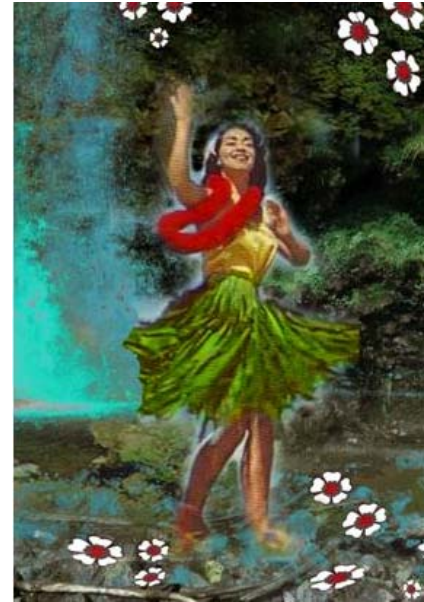
This Wallace Neff inspired design boasts a dramatic lobby great room featuring a center fireplace, candelabra, and giant exposed beams on the ceiling. In addition, the interior courtyard offers guest amenities including pool, spa, fire pits and a putting green that can dual as an event space.



Marriott Courtyard – Maui, HI Opened June 2012

The Courtyard in Maui is located near the Kahului airport and will be seen by most visitors to the area. We wanted to create a uniquely Hawaiian building, so we incorporated a large Dickey-style roof, which is one of the most prevalent cottage-style elements of Hawaiian architecture and will be immediately recognizable to visitors and residents alike. The landscaping is heavily influenced by Hawaii's native plants, and the outdoor courtyard is populated with Hawaii-staple tiki torches, cabanas and a large event lawn. To highlight popular local activities, we included a storage area for windsurfing and kite surfing equipment.

Inside the Maui Courtyard, our artwork and upholstery tell the story of local Maui history and culture. We purchased custom artwork from a local Hawaiian artist. This artwork highlights the history of surfing, hula, fishing and canoeing on Maui, while the upholstery includes imagery of local flora and fauna.



Marriott Residence Inn – San Juan Capistrano Opened February 2012

The community of San Juan Capistrano is dominated by the San Juan Capistrano Mission, year-round equestrian competitions, a rich ranching and Western history and a strong beach culture.

The design, construction and decoration of our Residence Inn in San Juan Capistrano plays on all of these. The building is designed in the mission style, but still includes modern architectural elements. The artwork and furnishings include cowhide upholstery, local artwork, equestrian-themed books and space for customers to park horse trailers. A large pool and spa area with a frameless glass wall, an oversized barbecue area, patios for ground floor units and a putting green were included to encourage our guests to spend time outside, looking towards the beaches and Pacific Ocean in the distance.

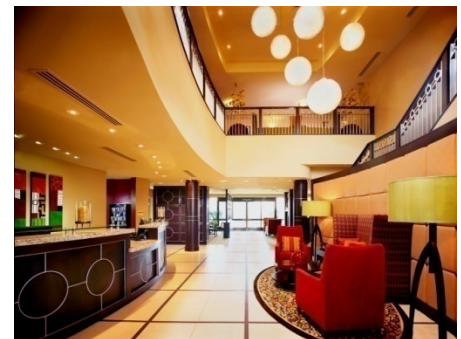
We want our guests to understand the culture of San Juan Capistrano in an effort to help them connect with the community on their visit.



Marriott Residence Inn – Burbank Opened 2007

As the home of multiple motion picture studios, Burbank is billed as the back lot of Hollywood. The entertainment industry began moving to Burbank in the 1920s and has maintained a steady presence in the area since that time. Many of the guests at our Burbank Residence Inn are long-term visitors to the area working in the entertainment industry.

In an effort to incorporate Burbank’s local entertainment industry flavor into our hotel, we focused on bringing an “old Hollywood” feel to the hotel design, furnishings and artwork. The furniture and much of the artwork has an art deco theme, and old movie posters and on-set photographs are placed throughout the public spaces and guestrooms. The front lobby includes an open, round staircase to the second floor, reminiscent of old Hollywood movie mansions, and the exterior lighting on the building makes our guests feel that they are entering an exclusive premiere each time they return to the hotel.



Renaissance Club Sport – Aliso Viejo Opened 2008

One of only two in existence, the Renaissance Club Sport located in Aliso Viejo is a contemporary boutique hotel, a full service sports club, a vibrant bar and restaurant, and a rejuvenating day spa all under one roof.

Located within a significant corporate hub in a strategic location in Aliso Viejo, Orange County near thousands of homes, the property is a perfect amenity for both the local families and corporate users. Additionally, the club has become a destination for business travelers who now come to the property to be able to utilize the Club Sport during their stay.

Decorated with vibrant colors, special lighting, and contemporary furnishings, the hotel and club shines through with a high class look and feel while maintaining an open, airy and inviting lodging, socializing, and fitness environment.



New Hotels Opened in the last 12 months:



Marriott Courtyard, Goleta/Santa Barbara

Description: Two-story, select service hotel includes café, conference facilities, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: Gene Fong & Lee Sak.

Construction Contractor: RDOC

Size: 106 rooms

Total Cost: \$26,000,000



Marriott Courtyard, Maui

Description: Four-story, select service hotel includes café, conference facilities, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: Johnson Braund Design

Construction Contractor: RDOC

Size: 138 rooms

Total Cost: \$28,600,000



Residence Inn by Marriott, San Juan Capistrano

Description: Three-story, extended stay hotel includes meeting rooms, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: Awbrey Cook McGill

Construction Contractor: RDOC

Size: 130 rooms

Total Cost: \$21,500,000



Marriott Courtyard, Oceanside, CA

Description: Four-story, select service hotel includes café, conference facilities, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: Johnson Braund Design

Construction Contractor: RDOC

Size: 140 rooms

Total Cost: \$23,250,000

New Hotels Under Development:

Residence Inn by Marriott, Tustin (Under construction) – Opening Summer 2013



Total Cost: \$29,300,000

Description: Four-story, extended stay hotel includes meeting rooms, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: Gene Fong and Associates

Construction Contractor: RDOC

Size: 149 rooms



Marriott Fairfield Inn & Suites, Tustin (Under construction) – Opening Summer 2013

Description: Four-story, select service hotel includes café, conference facilities, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: Gene Fong and Associates

Construction Contractor: RDOC

Size: 144 rooms

Total Cost: \$20,652,000



Marriott Courtyard, Irvine Spectrum (In entitlement) – Ground breaking 1st Quarter 2013

Description: Eight-story, select service hotel includes café, lobby bar, conference facilities, half lap Olympic swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: WATG

Construction Contractor: RDOC

Size: 203 rooms

Total Cost: \$42,500,000 (est.)



Size: 144 rooms
Total Cost: \$37,000,000 (Est.)

Residence Inn by Marriott, Pasadena (In entitlement)

Description: Five-story, extended stay hotel includes meeting rooms, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: Awbrey Cook & McGill

Construction Contractor: RDOC



Size: 140 rooms; 99,000 square feet
Total Cost: \$34,000,000 (Est.)

Residence Inn by Marriott, Goleta (In entitlement)

Description: Three-story, extended stay hotel includes meeting rooms, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: Gene Fong and Associates

Construction Contractor: RDOC



Timber Cove Inn, Sonoma County (under development)

Description: Luxury, destination hotel on the Sonoma County coast with sweeping views of the Pacific Ocean.

Owner/Client/Project Manager: RDOD

Architect: Axis

Construction Contractor: RDOC

Size: 50 rooms

Total Cost: \$29,000,000

R. D. Olson Prior Development Projects:



Staybridge Suites by IHG, Anaheim Resort Zone

Description: Seven-story, extended stay hotel including two-story great room, exercise and laundry facilities, meeting room, library, and business center.

Owner/Client/Project Manager: RDOD

Architect: Lee & Sakahara Architects

Construction Contractor: RDOC

Size: 143 rooms; 115,000 square feet

Total Cost: \$29,000,000



Holiday Inn by IHG, Anaheim Resort Zone

Description: Nine-story, full service hotel including three meeting rooms, exercise and game facilities in an assembled hotel complex.

Owner/Client/Project Manager: RDOD

Architect: Lee & Sakahara Architects

Construction Contractor: RDOC

Size: 264 rooms; 135,000 square feet

Total Cost: \$57,000,000



Residence Inn by Marriott, John Wayne Airport (Orange County)

Description: Eight-story, extended stay hotel includes meeting rooms, a fitness center, swimming pool, and sport court.

Owner/Client/Project Manager: RDOD

Architect: Cornoyer-Hedrick, Inc.

Construction Contractor: RDOC

Size: 174 rooms; 142,000 square feet

Total Cost: \$39,000,000



Residence Inn by Marriott, Burbank

Description: Four-story extended stay hotel includes meeting rooms, swimming pool, spa, and exercise room.

Owner/Client/Project Manager: RDOD

Architect: PK Architects

Construction Contractor: RDOC

Size: 166 rooms; 123,000 square feet

Total Cost: \$38,000,000



Residence Inn by Marriott, Oceanside

Description: Four-story extended stay hotel includes meeting rooms, swimming pool, exercise room, and sport court.

Owner/Client/Project Manager: RDOD

Architect: Johnson Braund Design

Construction Contractor: RDOC

Size: 125 rooms; 85,000 square feet

Total Cost: \$23,000,000



Renaissance ClubSport, Aliso Viejo

Description: Six-story, full service hotel with luxury health club integrated as one operating unit.

Architect: Dahlin Group

Construction Contractor: RDOC

Size: 174 rooms; 118,000 square feet (hotel) + 66,000 square feet (club) = total project size of 184,000 square feet

Total Cost: \$68,500,000

Experience – Long Term Ground Leases:

The entire development company including our attorney, our equity partners, and our construction lenders; has worked on many ground lease structures and has successfully completed ground lease developments as recently as February of this year when we opened one of our newest hotels. Our team understands how ground leases need to work, how to get investors comfortable, how to get hotel brands and management partners comfortable, and how to get these types of deals financed with traditional bank debt with no public finance participation.

Existing ground leases in portfolio:

Marriott Residence Inn – Irvine/John Wayne Airport

174 Rooms

Opened 2001

Developed and still owned by R.D. Olson Development via a special purpose entity

150 year ground lease

*Structured ground lease approximately 12 years ago in order to develop the 174 room hotel.

Marriott Residence Inn – Goleta/Santa Barbara

118 Rooms

150 year ground lease

*Have already closed on the ground lease and will be breaking ground on hotel mid next year.

Marriott Residence Inn – San Juan Capistrano

130 Rooms

Opened February 2012

Developed and is still owned by R.D. Olson Development via a special purpose entity.

150 year ground lease

*Structured ground lease in order to develop the hotel and successfully financed construction.

(This is likely the most recent example throughout Southern California of a new hotel development getting financed as a ground lease)

New ground leases:

R.D. Olson Development is one of very few hotel development companies that is comfortable with ground leases and has a track record of successfully negotiating them and financing new development projects on ground leases as well.

In addition to the City Hall Re-Use site, R.D. Olson Development is currently evaluating several other hotel development opportunities that are on ground leases as well.

R.D. Olson Development References:

Marriott International, Inc.

10400 Fernwood Road, Dept. 51/514.01
Bethesda, MD 20817

Mr. Eric Jacobs

Chief Development Officer, North America

eric.jacobs@marriott.com

(301) 380-3000

Irvine Company

111 Innovation Drive
Irvine, CA 92617

Mr. Doug Holte

President, Office Properties

dholte@irvinecompany.com

(949) 720-2645

City of Tustin

300 Centennial Way
Tustin, CA 92780

Mr. John Buchanan

Development Program Manager

jbuchanan@tustinca.org

(714) 573-3124

City of Irvine

One Civic Center Plaza, PO Box 19575
Irvine, CA 92623-9575

Mr. John Ernst

Principal Planner

jernst@ci.irvine.ca.us

(949) 724-6361

City of Anaheim

701 N. Park Center Drive
Santa Ana, CA 92705

Mr. Tom Tait

Mayor of Anaheim

tomtait@tait.com

(714) 560-8200 , ext. 602

Geoffrey L. Stack
Managing Director
SARES-REGIS Group
18802 Bardeen Avenue
Irvine, CA 92612
jstack@sares-regis.com
(949)-809-2418

R.D. Olson Construction References:

Marriott International, Inc.

10400 Fernwood Road, Dept. 51/514.01
Bethesda, MD 20817

Mr. Eric Jacobs

eric.jacobs@marriott.com

(301) 380-3000

Marriott Vacation Club

6649 Westwood Boulevard, Suite 500
Orlando, FL 32821

Mr. Tom Davis

tom.davis@vacationclub.com

(407) 206-6311

Sunstone Hotels

10304 Carroll Shores Place
Tampa, FL 33612

Mr. Guy Lindsey

glindsey@sunstonehotels.com

(813) 932-6785

Hilton Hotel Corporation

9336 Civic Center Drive
Beverly Hills, CA 90201

Mr. Tim Powell

tim_powell@hilton.com

(310) 205-4591

Burton Way Hotels

2029 Century Park East, Suite 2200
Los Angeles, CA 90067

Ms. Eleda Cohen

pinzeleda@sbcglobal.net

(818) 769-7600

Behringer Harvard

15601 Dallas Parkway, Suite 600
Addison, TX 75001

Mr. James Gaspard

jgaspard@behringerharvard.com

(214) 655-1600

Financial Capability and Past Performance

Financial Capability:

- Audited financial statement. Provided by our CFO Erika Urbani under separate cover.
- Financial/Litigation Issues. None.

Conceptual Financing Approach:

- RD Olson Development has arranged financing for construction of six hotels since October 2011. Average deal size has ranged from \$20 million to \$55 million.
- Construction debt is raised from RD Olson's strong relationships with several nationally recognized banks. Debt is full recourse through the construction period personally guaranteed by Bob Olson. Typical leverage ranges from 65% to 70%. RD Olson has raised over \$100 million since October 2011 for construction.
- Equity, representing the balance of the capital stack, is raised through a network of high net worth individuals comprised primarily of former and current professional athletes and coaches. The private offering allows for these qualified investors to subscribe to a California limited liability company whose sole purpose is to acquire, own, develop and asset manage the asset. RD Olson Development invests approximately 10% of the equity and retains control of the partnership as one of the two managing members. The other managing member is the individual who represents the network of high net worth individuals. RD Olson Development and its equity partners have raised over \$50 million since October 2011 for the development of new hotels.

Conceptual Development Approach



R.D. Olson Development is pleased to state our interest in developing a boutique hotel on the current City of Newport Beach City Hall property. The following describes our typical development approach and ownership structure.

R.D. Olson Development is a full service, multidisciplined development company with expertise in all phases of development including land use entitlements, equity and debt finance, construction, hotel operation, brand management, and asset management. Our company takes pride in a very hands on and personal approach to every project we develop.

Brand/Hotel Operator Collaboration:

In all of our hotel developments, from the very beginning, choosing the type of hotel, the brand, and the operator are critical decisions. Our company has a tremendous relationship in the hospitality industry across all upper end chain scales. Due to these relationships we are able to get various brands or operators involved early to produce programming and proformas to assist us in determining the ultimate fit for a given opportunity.

Investment Analyses:

Early on in the acquisition process our team builds a detailed investment analyses and development budget. Having a successful track record that includes happy lenders and satisfied investors allows R.D. Olson Development to gauge the financial viability of an opportunity early on. Starting with market supply and demand, the hotel development costs are analyzed against the projected net operating income to determine the unleveraged and leveraged return on investment. This is then analyzed against our equity hurdle rates to determine if a project is worthwhile.

Entitlements:

R.D. Olson Development looks at every project as a public private partnership from the standpoint of the community, city, and the developer all need to be pleased with the end result. Having worked with almost every city council and planning staff in every major west coast market through R.D. Olson Development and its construction company, our experience of bringing hospitality development projects from the conceptual stage to completion is second to none. Our process always starts with open communication with the city and public outreach. Our company is well received due to our track record and local projects that citizens and city officials are familiar with. Enjoying an excellent reputation for quality and performance with each of these city-planning departments, our projects are given serious consideration when presented and the community has a much higher level of confidence that the project will get to the finish line.

Pre-Construction:

R.D. Olson Development selects and manages the design and engineering consultant team that is best suited for each individual project. A team that is both competitive and has the resources available to commit to the project is selected for each development project. Having worked with essentially all architects and designers in the lodging industry, RDOD has the resources necessary for every type of development.

Construction:

With construction as its roots, R.D. Olson Development has become one of the best construction managers in the hospitality business. Our company works as a team leader to bring the constructors, architects, designers, FF&E contractors and the many vendors together to ensure a well-orchestrated process. Meeting budgets and time frames are the hallmarks of R.D. Olson Development and R.D. Olson Construction.

Hotel Opening:

One of the most critical points in the hospitality development process is the final turnover of the property to the hotel management. R.D. Olson Development understands the importance of accommodating the management and operations of the property so that hiring, training, vendor negotiations, final guest room setup, food and beverage operations and marketing can be coordinated with the final completion and turnover of the property.

Asset Management:

The management of the asset, separate from the hotel management, is crucial for the property owners. Ensuring the team is on target for strategic and marketing goals and making necessary changes as required is critical to meeting the owner's return on investment goals. R.D. Olson Development has the experience working with the nation's top hotel flags and managers in meeting these goals.

Ownership Structure:

As a ground lessee and Owner, R.D. Olson Development (or an affiliated LLC) would ground lease the site and develop the hotels utilizing our typical equity plus construction/mini-perm loan capital structure. We do not anticipate looking to the City of Newport Beach nor the community to assist financially in any way.

As Developer in addition to Owner, R.D. Olson Development (wholly owned by its principal Robert D. Olson and its executives) would manage all aspects of the process and commit to completion of those hotels mutually determined to be optimal for the market. R.D. Olson will control the brand franchise process and all other ownership items, including property management group selection and on-going asset management.

Additionally, we would contract R.D. Olson Construction, one of the premier hotel builders in the state. R.D. Olson Construction is capable and experienced in delivering hotel projects of precisely this nature and quality in Southern California, and the best choice for GC for the project based on its superior track record of on-time and on-budget performance, extensive

product knowledge and expertise, commitment to construction schedule and management of construction costs.

We hope to be considered for this unique opportunity and we look forward to your response. For follow up questions or further discussion, please do not hesitate to contact Dustin Schmidt, Vice President of Real Estate Acquisitions directly at 949-271-1114.

Sincerely,

R.D. OLSON DEVELOPMENT

A handwritten signature in black ink, appearing to read "Dustin M. Schmidt". The signature is stylized with a large initial "D" and "S".

Dustin M. Schmidt
Vice President of Real Estate Acquisitions

ATTACHMENT A: PROPOSER INFORMATION FORM

Instructions: Complete the form below and remit as part of your Proposal as Attachment A.


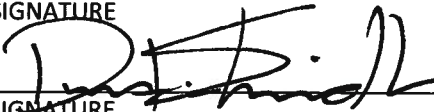
PROPOSER INFORMATION

PROPOSER/CONSULTANT/ NAME: Olson Real Estate Group, Inc., DBA R.D. Olson Development
ADDRESS FOR NOTICES: 2955 Main Street, Third Floor
Irvine CA 92614
MAIN CONTACT (NAME AND TITLE): Dustin Schmidt, Vice President
CONTACT NUMBERS: TELEPHONE: 949-271-1114 FAX: 949-271-1080
E-MAIL ADDRESS: dustin.schmidt@rdodevelopment.com

FIRM SIGNATURE AUTHORIZATION AND CERTIFICATION

Per the California Corporate Code, Business and Professions Code, the Consultant's Bylaws/Operating Agreement and/or the attached Board Resolution (if applicable), I/we hereby verify that I/we am/are (an) authorized signatory(ies) for the aforementioned Consultant and as such am/are authorized to sign and bind the Consultant in contract with the City of Newport Beach.

1. CONSULTANT AUTHORIZED SIGNATORY(IES):

	Robert D. Olson	President	11/20/12
SIGNATURE	PRINT NAME	TITLE	DATE
	Dustin Schmidt	Vice President	11/20/12
SIGNATURE	PRINT NAME	TITLE	DATE

2. SIGNATURE AUTHORIZATION IS PROVIDED IN ACCORDANCE WITH:

- Proposer's Bylaws/ Operating Agreement Section _____ Copy Attached
- Board Resolution Copy Attached
- Corporate or Business and Professions Code**

**If Consultant is a corporation, two (2) authorized signatories will be required on all documents submitted, unless specified in the organization's Bylaws or corporate resolution.

IMPORTANT NOTE: If the signature authorization status of any individual changes during the term of the contract, it is the responsibility of the Consultant to contact the City Administrator for the Consultant regarding the change and to complete and submit a new Signature Authorization Form. Incorrect information on file may delay the processing of any of the documents submitted.

CERTIFICATE

Effective as of November 19, 2012, the undersigned (“**Affiant**”) hereby certifies that Affiant is the Assistant Secretary of **OLSON REAL ESTATE GROUP, INC.**, a California corporation (the “**Company**”), and is authorized to execute and deliver this Certificate (the “**Certificate**”), and Affiant further certifies as follows:

1. That I have personal knowledge of the Company’s records and each of the matters specified herein.

2. That the Company is in good standing in its state of existence and the execution and delivery of the Request for Proposal by the City of Newport Beach has been duly authorized and approved by the Company and constitutes a valid and binding agreement of the Company.

3. That a true, complete and correct copy of the Articles of Incorporation of the Company, as of the date hereof, is attached hereto as Exhibit A and incorporated herein by reference for all purposes.

4. That the Company is in existence and in the state of its organization, as evidenced by the certificate of status from the Secretary of State of the State of California attached hereto as Exhibit B.

5. That at a regular or special meeting of the shareholders (as required by the Bylaws) duly convened at which a quorum was present or by unanimous written consent of the shareholders (as required by the Bylaws) of the Company, which such meeting or unanimous consent was and is in the form required by and in conformity with the Company’s Articles of Incorporation, Bylaws, and all applicable law, the officers of the Company whose names are set forth in Section 6 of this Certificate were, and are, duly authorized to execute documents by and on behalf of Company.

6. That the following named persons are officers of the Company, to-wit: Dustin Schmidt, Vice President, and Blake Evans, Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand to be effective as of the date set forth in the first paragraph hereof.

AFFIANT:



Name: Scott S. Pollard
Title: Assistant Secretary

EXHIBIT A

Articles of Incorporation

The Articles of Incorporation of the Company follow this cover page.

2088048

ARTICLES OF INCORPORATION
OF
Olson Real Estate Group, Inc.

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JUN 10 1998

BILL JONES, Secretary of State

I

The name of this corporation is Olson Real Estate Group, Inc.

II

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the GENERAL CORPORATION LAW of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Robert D. Olson
Olson Real Estate Group, Inc.
2955 Main Street, Suite 300
Irvine, California 92614


IV

The corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue is 1,000,000.

V

This corporation is a CLOSE CORPORATION. All of the corporation's issued shares of stock, of all classes, shall be held of record by not more than 35 shareholders.

Date: June 6, 1998


Michael D. Zebari, Attorney
at Law, Incorporator

Page 1 of 1

COPY



EXHIBIT B

Certificate of Good Standing

The Certificate of Good Standing of the Company follows this cover page.

State of California
Secretary of State

CERTIFICATE OF STATUS

ENTITY NAME:

OLSON REAL ESTATE GROUP, INC.

FILE NUMBER: C2088048
FORMATION DATE: 06/10/1998
TYPE: DOMESTIC CORPORATION
JURISDICTION: CALIFORNIA
STATUS: ACTIVE (GOOD STANDING)

I, DEBRA BOWEN, Secretary of State of the State of California,
hereby certify:

The records of this office indicate the entity is authorized to
exercise all of its powers, rights and privileges in the State of
California.

No information is available from this office regarding the financial
condition, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate
and affix the Great Seal of the State of
California this day of July 23, 2012.

Debra Bowen

DEBRA BOWEN
Secretary of State



2088048

SECRETARY OF STATE

M
10/98

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

JUN 12 1998



Bill Jones

Secretary of State

ATTACHMENT B: STATEMENT OF DISCLOSURE

Instructions: Each submittal must be accompanied by a signed Statement of Disclosure. This form must be completed, signed, dated and submitted by all persons proposed to serve as a Consultant Team Member.

Consultants and proposed Consultant Team Members must disclose any and all business activities, relationships and/or business positions currently or previously held with City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.

The City has determined that all persons seeking to serve as a Consultant to the City shall complete truthfully, sign, date and submit this Disclosure Statement prior to performing any consultant work or services for the District.

I, Olson Real Estate Group, Inc [NAME OF PROPOSER], hereby certify the following:

I have no reportable business activities, relationships and/or business positions with any City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.

My reportable business activities, relationships and/or business positions within the last five (5) years with City employees, City Council members, City commissioners, or City advisory boards/committees (please provide a description of the business activity, relationship or business position, relevant dates, job titles, positions held, etc.):

The foregoing certifications are true and correct. I make this certification under penalty of perjury under the laws of the State of California.

Signature of Consultant



Signature Date

11/20/12

Printed Name and Title

Robert D. Olson
President

[If necessary, attach a separate sheet(s) detailing each instance]