Hi

Today we are here to review the results of the analyses to determine if it there was profitability in turning the Watershed portfolio of properties form long term rental into short term rental.

We have used the data provided by Watershed and created a series of parameters that would influence the profitability. The 8 parameters are displayed here in the top right corner. We have used an estimated sensible median series of parameters which seem to be appropriate for the overall portfolio. The results for the overall portfolio are shown in the bottom right corner. This shows that after the initial year one of conversion capital spending to turn the properties into short term rentals in yellow the profit start to build .

However this is not true for all properties. We have noticed that 5 cities carry the best potential for turning the short term rental into profitability. Palo Alto, san Diego, Miami, Chicago and New York as shown on the map.

The profitability also varies with the type of property as the histogram of profit shows on the top.

We have been adjusting the 8 parameters described earlier to find scenarios and thresholds of the minim and maximum profitability. This is described the white paper report submitted to you and we can discuss that in more details.

To summarize , concentrating the conversion of the identified profitable properties in those 5cities would bring the best profit.