



CITYSTREET  
COMMERCIAL



DSRT } SURF

“OCEANFRONT” PALM DESERT, CALIFORNIA





FOR SALE: NEARLY PERMITTED 139-ROOM \*“BEACHFRONT” RESORT  
HOTEL PAD WITHIN A WORLD-CLASS SURF PARK.  
SEPARATE FOOD, BEVERAGE, AND ENTERTAINMENT RIGHTS AVAILABLE FOR THE  
ENTIRE RESORT



Buyer can select its own general contractor or utilize existing general contractor currently building project

\*Beachfront = Fronting the Surf Lagoon



## Hotel Lot

- 139 guest rooms
  - Total Hotel Buildable Area: **±155,244 square feet**
  - 2-story Podium Parking Structure: **±46,680 square feet**
- Guest Room Mix: **54 King Rooms, 68 Queen Rooms, 17 Premium Suites**
- Premium Amenities Include:
  - **Total Guestroom sq. ft: 62,960**
  - **Restaurant**
  - **Flex Space**
  - **Conference Facilities/Spa**
  - **Outdoor Pool**
  - **Jacuzzi**
- **± 4,148 sq. ft. pool deck with pool, hot tub, cabanas and poolside bar**
- Currently zoned for timeshares, fractional interest or condos
- Most offsite improvements being done by seller

## Food, Beverage & Entertainment Rights

- **Hotel Restaurant & Bar**
- **Poolside Bar & Lounge**
- **Poolside Cabanas**
- **In-Room Dining**
- **Minibars**
- Entertainment and programming opportunities such as:
  - **Hosting & Monetizing Concerts**
  - **Some Branding Rights**
  - **Corporate Events**
  - **Private Functions & Festivals**

ALL FOOD & BEVERAGE ALL DAY AND NIGHT WITHIN THE RESORT

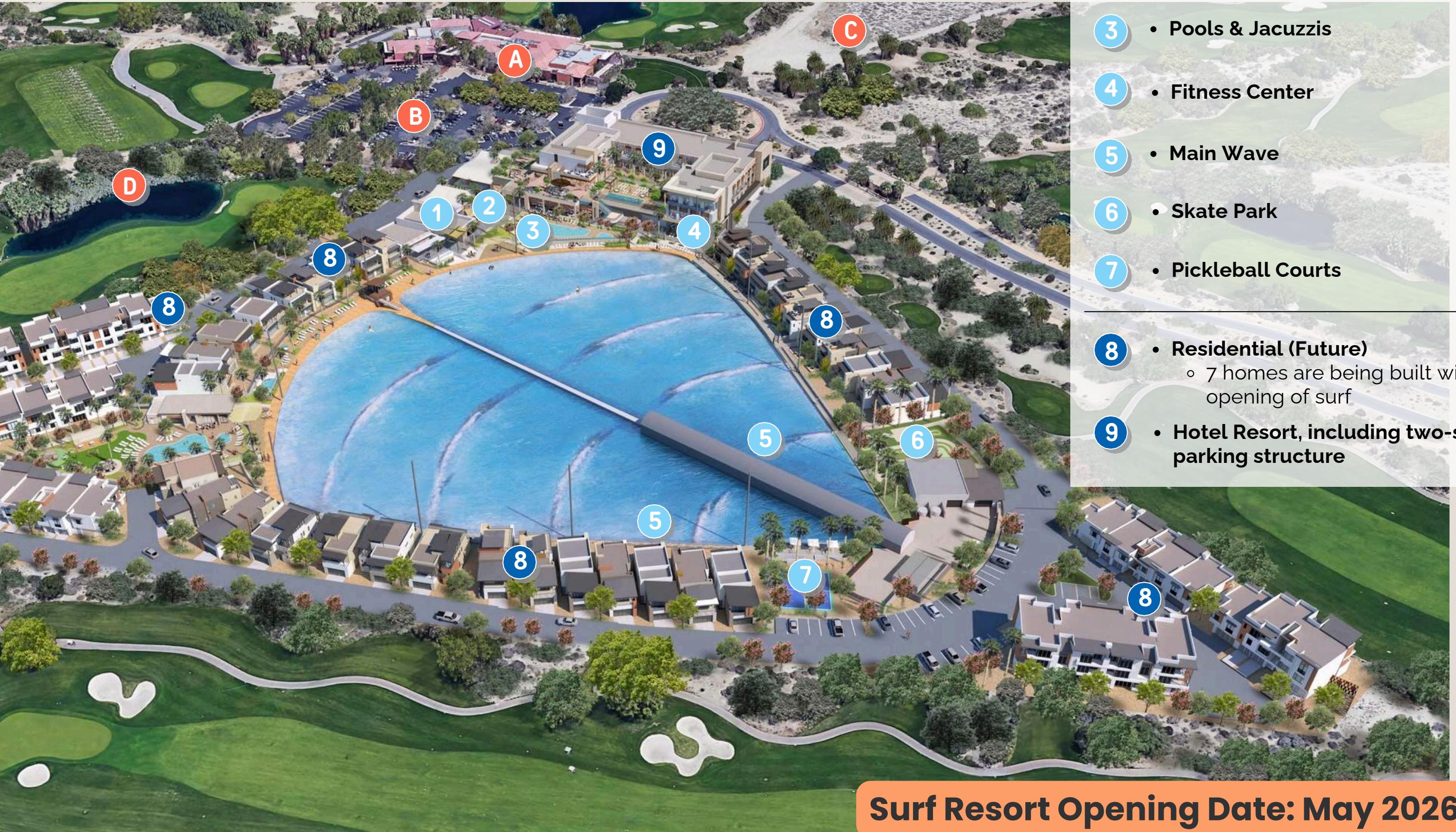
*In the event buyer elects not to purchase Food, Beverage, and Entertainment rights, ownership shall lease back said rights at a premium to prevailing market rates.*



# PROJECT SITE MAP AFTER CONSTRUCTION

(1-7 Being Built Currently)

- 1 • **Surf Center**
  - Check-In, Rentals, Retail, etc.
- 2 • **Food & Beverage**
  - Temporary restaurants and bars
- 3 • **Pools & Jacuzzis**
- 4 • **Fitness Center**
- 5 • **Main Wave**
- 6 • **Skate Park**
- 7 • **Pickleball Courts**
- 8 • **Residential (Future)**
  - 7 homes are being built with the opening of surf
- 9 • **Hotel Resort, including two-story parking structure**



**Surf Resort Opening Date: May 2026**

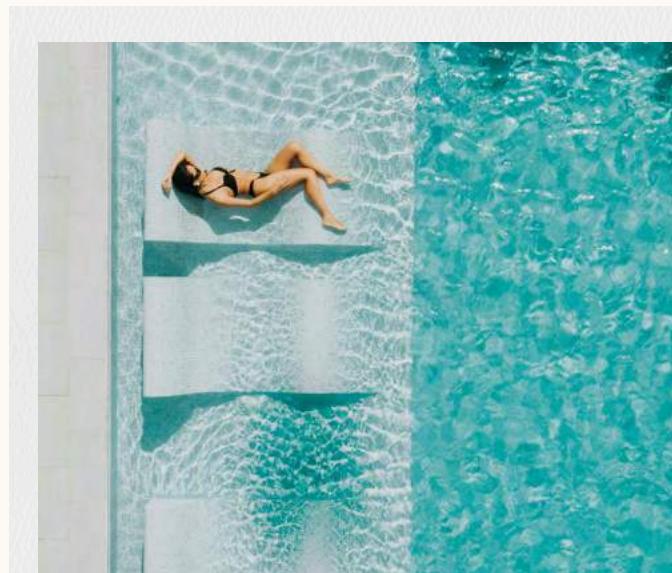
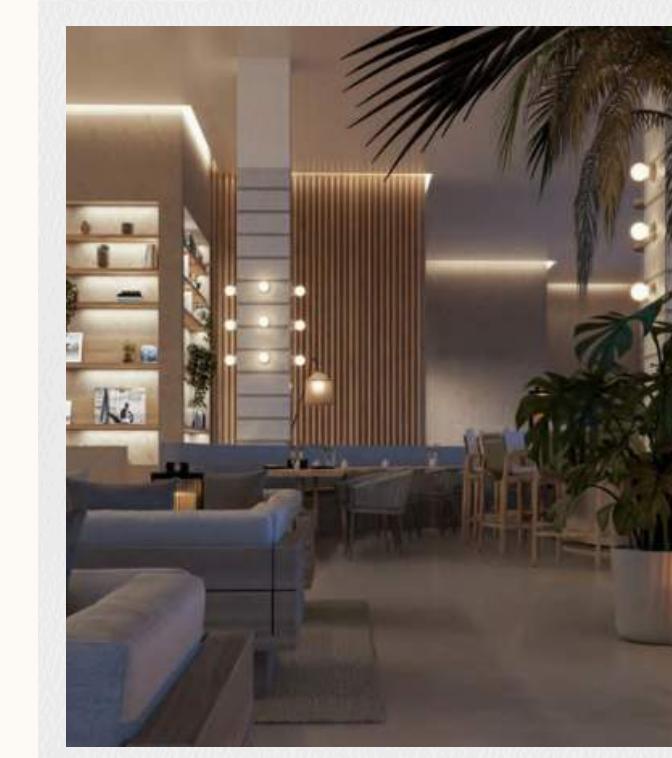
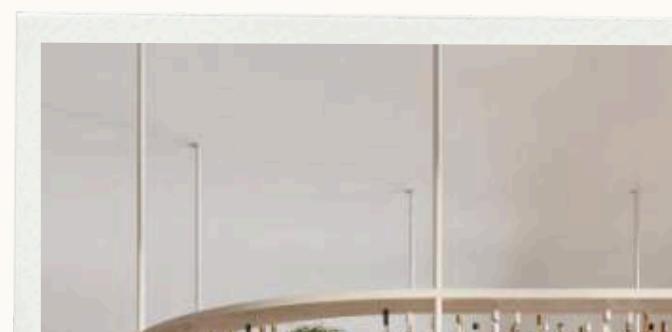
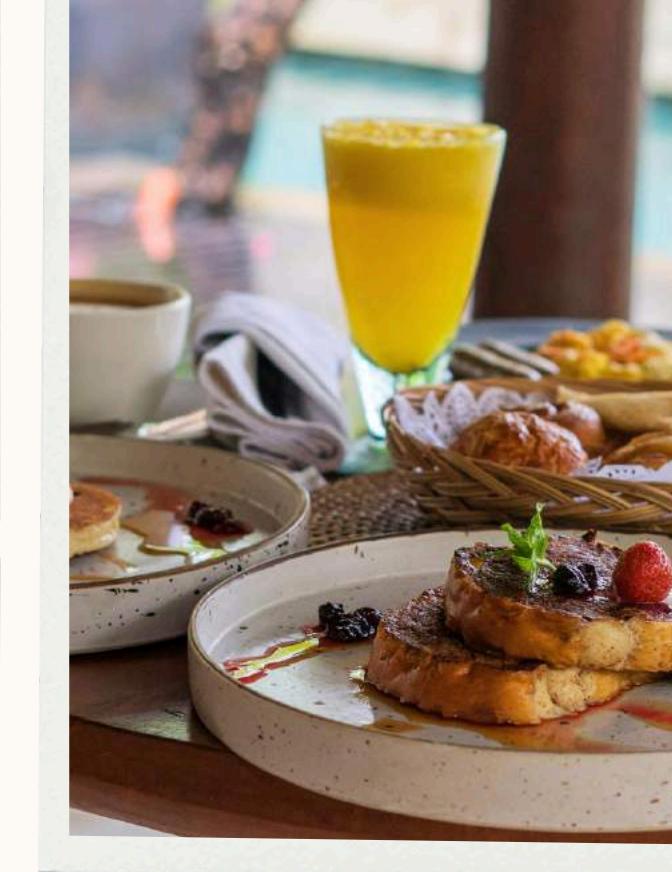


# A Destination Like No Other

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The excitement of surfing, the comfort of luxury - all in one destination.



BEACHFRONT EXPERIENCE  
IN PERFECT DESERT WEATHER

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# GUEST ROOM HIGHLIGHTS



Spacious accommodations with an **average room size of 452 sq. ft. - larger than most hotel rooms**

Private Balconies: Stunning views of the surf lagoon, mountains, golf course and water features



# Food & Beverage

## From Poolside to Beachfront

Extending Stay & Enhancing Spend



CREATING A DYNAMIC AND PROFITABLE HOSPITALITY ECOSYSTEM



## ADDITIONAL REVENUE OPPORTUNITY FROM FOOD, BEVERAGE, AND ENTERTAINMENT

*Proper programming can turbo-charge food & beverage profits*

- **Multiple Consumers:** Sports participants, daily visitors and families, hotel guests, golfers, villa residents, and event-goers.
- **Various Special Events:** Sporting tournaments, music festivals, themed parties, wine tastings, corporate events, and more.
  - Even lesser-known bands and DJs can also attract strong crowds, boosting F&B sales.
- **Extended Live Entertainment Hours:** Permitted for concerts until 12 midnight Thursday-Saturday and 10pm Sunday-Wednesday, maximizing event sales potential.



All the beach vibes – without the tide, weather, or logistical challenges



# M O R E   T H A N   A   R E S O R T



1. STEPS AWAY FROM  
GUARANTEED SURF



2. CURATED LIVE  
PERFORMANCES



3. YEAR-ROUND  
GATHERINGS



4. FUN FOR THE WHOLE  
FAMILY

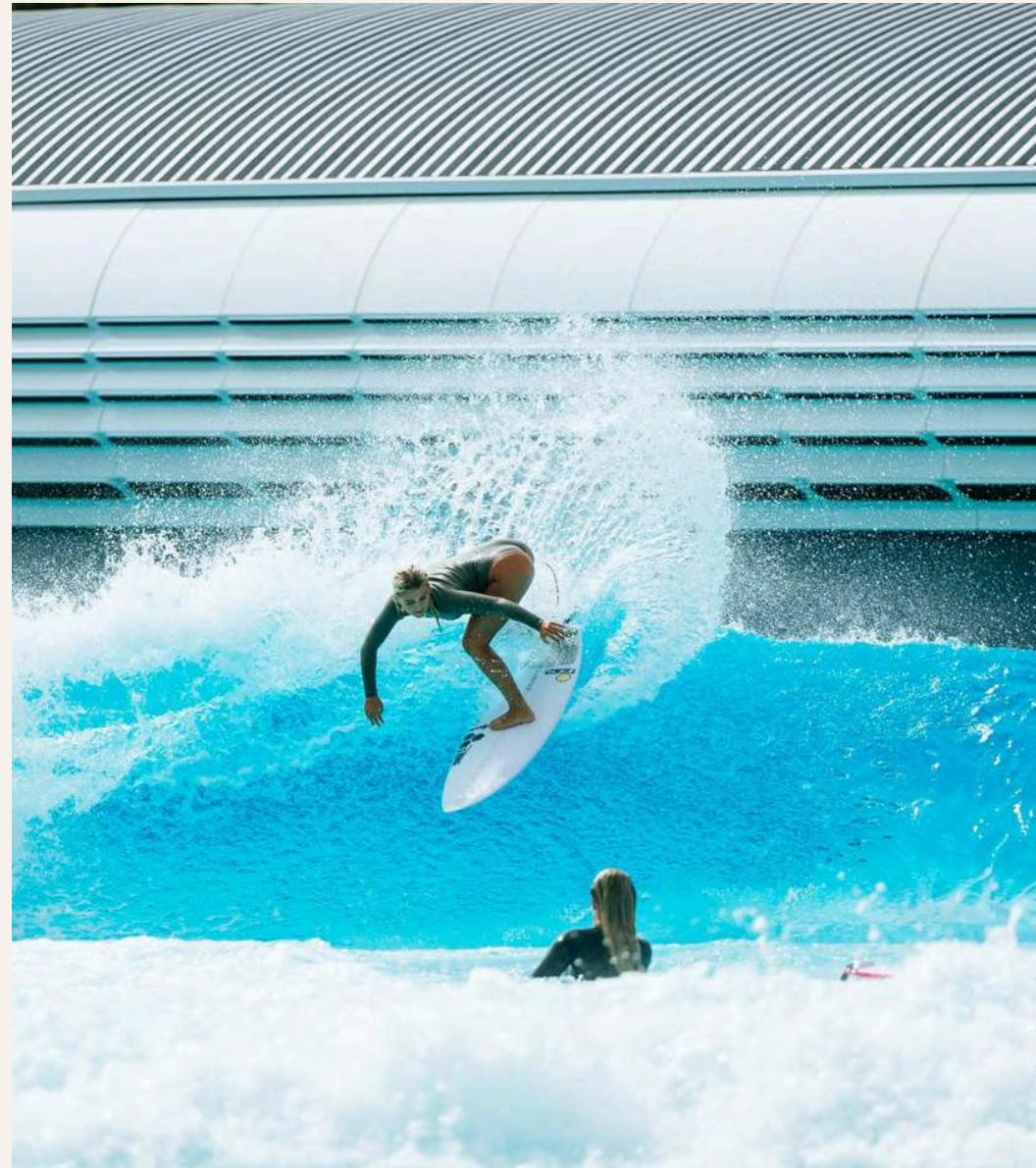


5. LUXURIOUS BEACHFRONT  
ACCOMMODATIONS



6. SURROUNDING WORLD-  
CLASS GOLF COURSES

# ALL - YEAR SUMMER EXPERIENCE



CRYSTAL CLEAR  
WATER



BIKINIS &  
BOARDSHORTS



DESERT WEATHER,  
OCEAN EXPERIENCE

*Using the water table, a large well and pump: water will be circulated to keep the surf lagoon at an ideal temperature—cooler in summer and warmer in winter*

# M O R E   T H A N   J U S T   S U R F I N G

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A dynamic offering ensuring that guests stay longer and return often





# A FIRST-CLASS RESORT IN A ONE-OF-A-KIND SURFING OASIS

## Accessible Location & Unmatched Demand

- Convenient driving distance (just minutes off the freeway) from the world's largest and wealthiest surfing population (Los Angeles, San Diego, Orange County, Santa Barbara), DSRT Surf provides a premium escape from inconsistent and crowded California surf.
- Forecasted **1,000+ daily visitors**, including **built-in sports participants**, their friends, family, and a mix of tourists, golfers, event-goers, corporate and group participants, driving high hotel occupancy and room rates, as well as high F&B sales.

17.5	50	2 hrs	437
Average Operating Hours Per Day	Average Surfers at a Time	Average Surf Session Length	Amount of Surfers a Day





# MAIN ATTRACTI0NS



**WAVE  
GARDEN®** → Surf Lagoon



The large 5.5-acre surf lagoon delivers consistent, high-quality waves for surfers of all skill levels, attracting approximately 437 sport participants daily, with 50-70 in the water at any given time. After their sessions, many will seek food, drinks, and additional entertainment..



## High Per Capita Spending

With an average additional spend of \$100 per guest per day, one could generate upwards of \$36.5 million annually in ancillary revenue with only 1,000 people on site every day - demonstrating the site's strong revenue potential.

# High Demand, Premium Rates, Maximum Occupancy

- Proper programming can turbocharge onsite attendance to 2,000 people daily. With the limited supply of 139 rooms, demand would dictate high year-round occupancy, warranting above-market average daily room rates.
- Unique “Surf-In, Surf-Out” hospitality experience may command a **\$300-\$600 nightly premium**, outperforming nearby hotels all year, especially in the summer, when most surfers take vacation and the surf is the most crowded and inconsistent in the ocean.
- During hot summer days, surfers will surf in the cooler morning and evening hours under the lights. The dry desert heat allows water to evaporate off the skin, providing natural cooling. Midday sessions will alternate every other hour with breaks for ice baths, hydration, and rest in air-conditioned rooms. Many surfers are accustomed to tropical heat, and misters at the center of the lagoon will provide added comfort.





## COMP ANALYSIS

# PREMIUM FOR PROXIMITY

THROUGH SPORTS FEATURE OR ENTERTAINMENT

LOCATION	EXAMPLE HOTEL	ASKING RACK RATE	PREMIUM % OF NEARBY OFF-AMENITY HOTELS	GROSS PREMIUM TO NEARBY OFF-AMENITY HOTELS
Magic Kingdom	Disney's Grand Floridian	\$956	75%	\$409
Beaver Creek	Ritz Carlton, Bachelor Gulch	\$1,358	65%	\$536
Disneyland	Disney's Grand Californian	\$771	151%	\$464
North Shore Oahu	The Ritz Carlton Turtle Bay (Jan/Feb: Peak Season)	\$1,050	40%	\$300
Santa Monica	Regent Santa Monica Beach	\$1,101	97%	\$541
Vail	The Hythe Luxury Collection (Arabelle at Vail Square)	\$921	41%	\$268



# A LIFESTYLE DESTINATION



## SURF RESORT FEATURES

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- Full-Service Surf Center
- Skate Area
- 3 Pickleball Courts
- 57 on-site residences - Phase 1 construction commencing Fall 2025





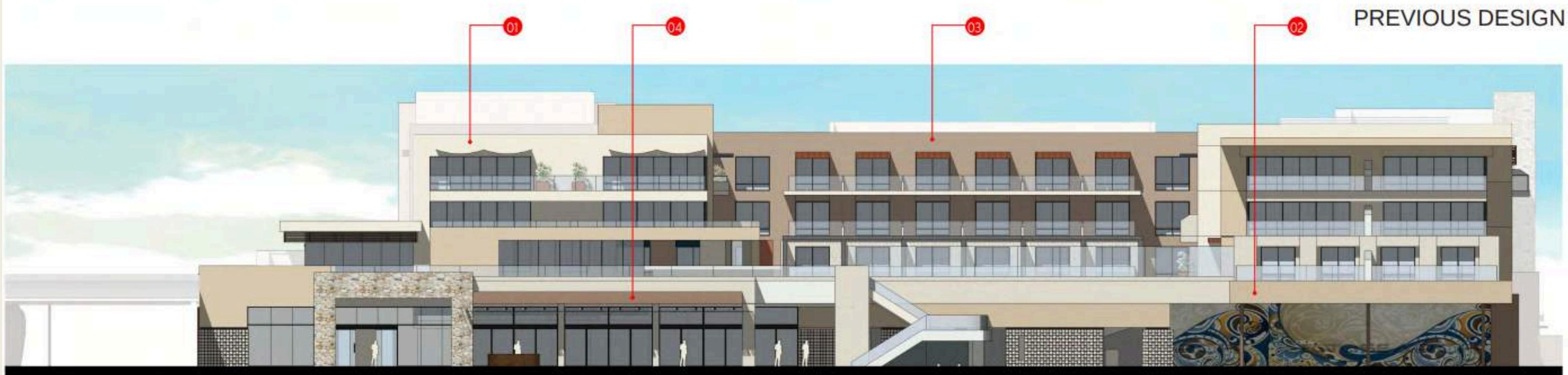
# CURRENT SITE PROGRESS



# HOTEL RESORT RENDERINGS



# HOTEL RESORT RENDERINGS



The hotel plans have undergone several redesigns, each resulting in meaningful improvements. While the current plans are near final city approval, there may still be opportunities for further refinement.

REVISED PROGRAM DESIGN



# PROOF OF CONCEPT



## Switzerland's Wavegarden Lagoon

- Generates in excess of **\$6 million** + annually in food and beverage (F&B) revenue.
- Operates under challenging conditions, including seasonal closures, bad weather, and a remote mountain location.
- Limited exposure to the global surfing community yet achieves a supposed remarkable financial performance.

DSRT SURF HAS  
COMPETITIVE  
ADVANTAGES



COACHELLA MUSIC FESTIVAL



## AREA OVERVIEW



Conveniently located  
near highways

Unlike typical desert resorts, the surf lagoon ensures steady, year-round demand with probable highest summer occupancy



# SUMMARY OF PARKING

The resort offers parking options to accommodate guests, residents, and event attendees: **approximately 900 spaces**

- **Hotel Parking Structure:** The hotel is built atop a two-story parking structure for convenient guest and visitor access.
- **Valet Services:** Additional revenue stream through valet parking offerings.



# APPENDIX



# PROJECTIONS



# PRO FORMA

## DSRT Surf Hotel Resort - Annual Pro Forma Profit & Loss Statement

Assumptions Based on 139-Room Beachfront Resort  
(Adjacent to Surf Lagoon)

		% of Gross Rev.	NOTES
Average Daily Rate (ADR)	\$ 600		
Average Occupancy Rate	90%		
<b>REVENUE:</b>			
Guest Rooms	\$ 27,396,900	79.6%	
Food & Beverage Lease Income	\$ 3,000,000	8.7%	Assume entertainment operations pay the hotel \$3M annually in lease income, structured as a combination of a fixed base rent and percentage of gross revenue.
Ancillary Income (Conferences, Spa, Parking, Retail, etc.)	\$ 4,000,000	11.6%	
<b>TOTAL GROSS REVENUE</b>	<b>\$ 34,396,900</b>	<b>100.0%</b>	
<b>DEPARTMENTAL EXPENSES:</b>			
Guest Rooms	\$ 5,479,380	15.9%	Assume guest room departmental expenses at 20% of guest room revenue. 20% may be light if room rates are low but too high if room rates are high.
Ancillary Services (Conferences, Spa, Parking, Retail, etc.)	\$ 2,500,000	7.3%	
<b>UNDISTRIBUTED OPERATING EXPENSES:</b>			
Property Operations & Maintenance (incl. utilities, repairs, internet, credit cards fees)	\$ 5,500,000	16.0%	
Surf Lagoon Room Referral Fee (4% of guest room revenue)	\$ 1,095,876	3.2%	Assume the majority of hotel bookings originate from the surf lagoon's reservation platform and marketing efforts.
Sales & Marketing	\$ 400,000	1.2%	As a result, minimal dedicated hotel sales and marketing efforts maybe required.
Hotel Management Fee (3% of guest room + ancillary revenue)	\$ 941,907	2.7%	No brand affiliation or hotel flag required, reducing franchise fees and related overhead.
General & Administrative	\$ 2,000,000	5.8%	
<b>FIXED CHARGES:</b>			
Property Taxes & Insurance	\$ 1,600,000	4.7%	
<b>TOTAL EXPENSES</b>	<b>\$ 19,517,163</b>	<b>56.7%</b>	
<b>EBITA:</b>	<b>\$14,879,737</b>	<b>43.30%</b>	

# EBITA

SENSITIVITY ANALYSIS - Hotel EBITA as the Outcome		room rate								
OCCUPANCY (%)		\$400	\$450	\$500	\$550	\$600	\$650	\$700	\$750	\$800
50%		\$2,287,310	\$3,213,224	\$4,139,138	\$5,065,051	\$5,990,965	\$6,916,879	\$7,842,793	\$8,768,706	\$9,694,620
55%		\$3,028,041	\$4,046,546	\$5,065,051	\$6,083,556	\$7,102,062	\$8,120,567	\$9,139,072	\$10,157,577	\$11,176,082
60%		\$3,768,772	\$4,879,869	\$5,990,965	\$7,102,062	\$8,213,158	\$9,324,255	\$10,435,351	\$11,546,448	\$12,657,544
65%		\$4,509,503	\$5,713,191	\$6,916,879	\$8,120,567	\$9,324,255	\$10,527,942	\$11,731,630	\$12,935,318	\$14,139,006
70%		\$5,250,234	\$6,546,513	\$7,842,793	\$9,139,072	\$10,435,351	\$11,731,630	\$13,027,910	\$14,324,189	\$15,620,468
75%		\$5,990,965	\$7,379,836	\$8,768,706	\$10,157,577	\$11,546,448	\$12,935,318	\$14,324,189	\$15,713,059	\$17,101,930
80%		\$6,731,696	\$8,213,158	\$9,694,620	\$11,176,082	\$12,657,544	\$14,139,006	\$15,620,468	\$17,101,930	\$18,583,392
85%		\$7,472,427	\$9,046,480	\$10,620,534	\$12,194,587	\$13,768,641	\$15,342,694	\$16,916,747	\$18,490,801	\$20,064,854
90%		\$8,213,158	\$9,879,803	\$11,546,448	\$13,213,092	\$14,879,737	\$16,546,382	\$18,213,027	\$19,879,671	\$21,546,316
95%		\$8,953,889	\$10,713,125	\$12,472,361	\$14,231,597	\$15,990,834	\$17,750,070	\$19,509,306	\$21,268,542	\$23,027,778
100%		\$9,694,620	\$11,546,448	\$13,398,275	\$15,250,103	\$17,101,930	\$18,953,758	\$20,805,585	\$22,657,413	\$24,509,240

# EBITA

<b>Gross F&amp;B &amp; Entertainment Revenue</b>	
Hotel & Resort-Based F&B/Entertainment Revenue	\$36,500,000
<b>F&amp;B &amp; Entertainment Operating Expenses</b>	
Rent Paid to Hotel	\$3,000,000
Direct Operating Costs (Estimated at 60% of Revenue)	\$21,900,000
Surf Lagoon Revenue Participation (10% of Gross Above \$10M A)	\$2,650,000
<b>Other Expenses</b>	
Salaries, Overhead & Admin	\$2,000,000
<b>EBITA:</b>	<b>\$6,950,000</b>

<b>SENSITIVITY ANALYSIS - F&amp;B &amp; Entertainment EBITA</b>	
<i>EBITA as the outcome</i>	
Average Daily Patron On-Site (Surf Lagoon & Hotel Guests)	AVERAGE SPEND PER PATRON / DAY
	\$50      \$100      \$150      \$200
<b>750</b>	\$106,250      \$4,212,500      \$8,318,750      \$12,425,000
<b>800</b>	\$380,000      \$4,760,000      \$9,140,000      \$13,520,000
<b>900</b>	\$927,500      \$5,855,000      \$10,782,500      \$15,710,000
<b>950</b>	\$1,201,250      \$6,402,500      \$11,603,750      \$16,805,000
<b>1000</b>	\$1,475,000      \$6,950,000      \$12,425,000      \$17,900,000
<b>1050</b>	\$1,748,750      \$7,497,500      \$13,246,250      \$18,995,000
<b>1100</b>	\$2,022,500      \$8,045,000      \$14,067,500      \$20,090,000
<b>1150</b>	\$2,296,250      \$8,592,500      \$14,888,750      \$21,185,000
<b>1250</b>	\$2,843,750      \$9,687,500      \$16,531,250      \$23,375,000

# DEAL

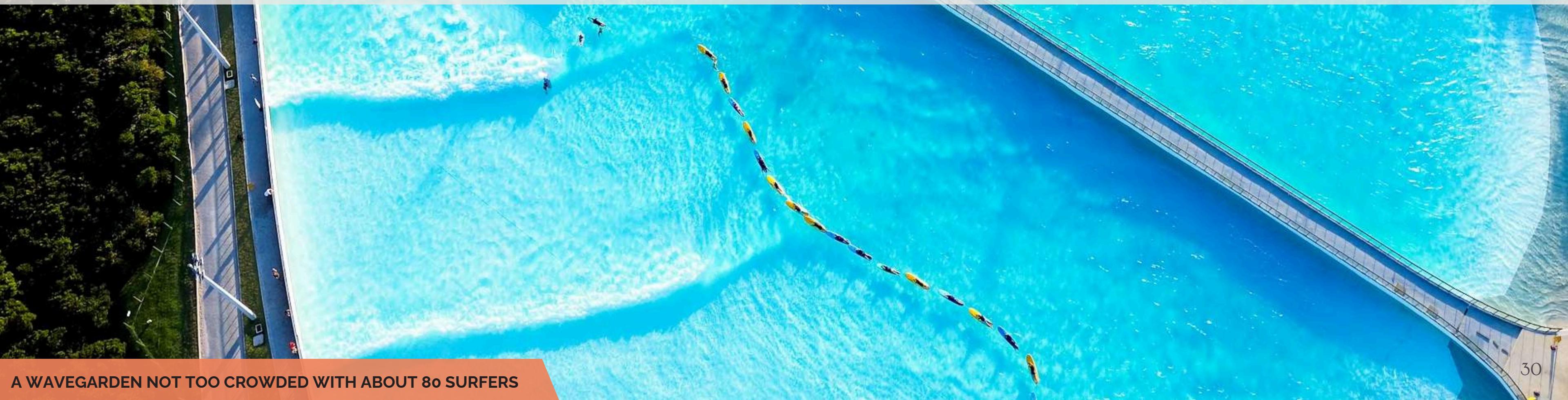
- HOTEL LOT ASKING PRICE: \$8M
- F&B + ENTERTAINMENT RIGHTS (ENTIRE RESORT): \$19M
- NO LONG ESCROW PERIOD
- BUYER MAY BE REQUIRED TO RELEASE FUNDS SHORTLY AFTER DUE DILIGENCE
- F&B + ENTERTAINMENT RIGHTS ARE ONLY AVAILABLE IF THE SAME OR A RELATED PARTY ALSO PURCHASES THE HOTEL LOT
  - HOTEL LOT CAN BE PURCHASED INDEPENDENTLY
  - IF F&B/ENTERTAINMENT RIGHTS ARE NOT ACQUIRED, SELLER WILL LEASE BACK F&B OPERATIONS WITH A FAVORABLE RENT AND PROFIT-SHARING MODEL
- PROOF OF FUNDS MAY BE REQUESTED EARLY IN THE DUE DILIGENCE PROCESS
- NO SELLER CARRY

CLICK BELOW FOR MORE INFORMATION

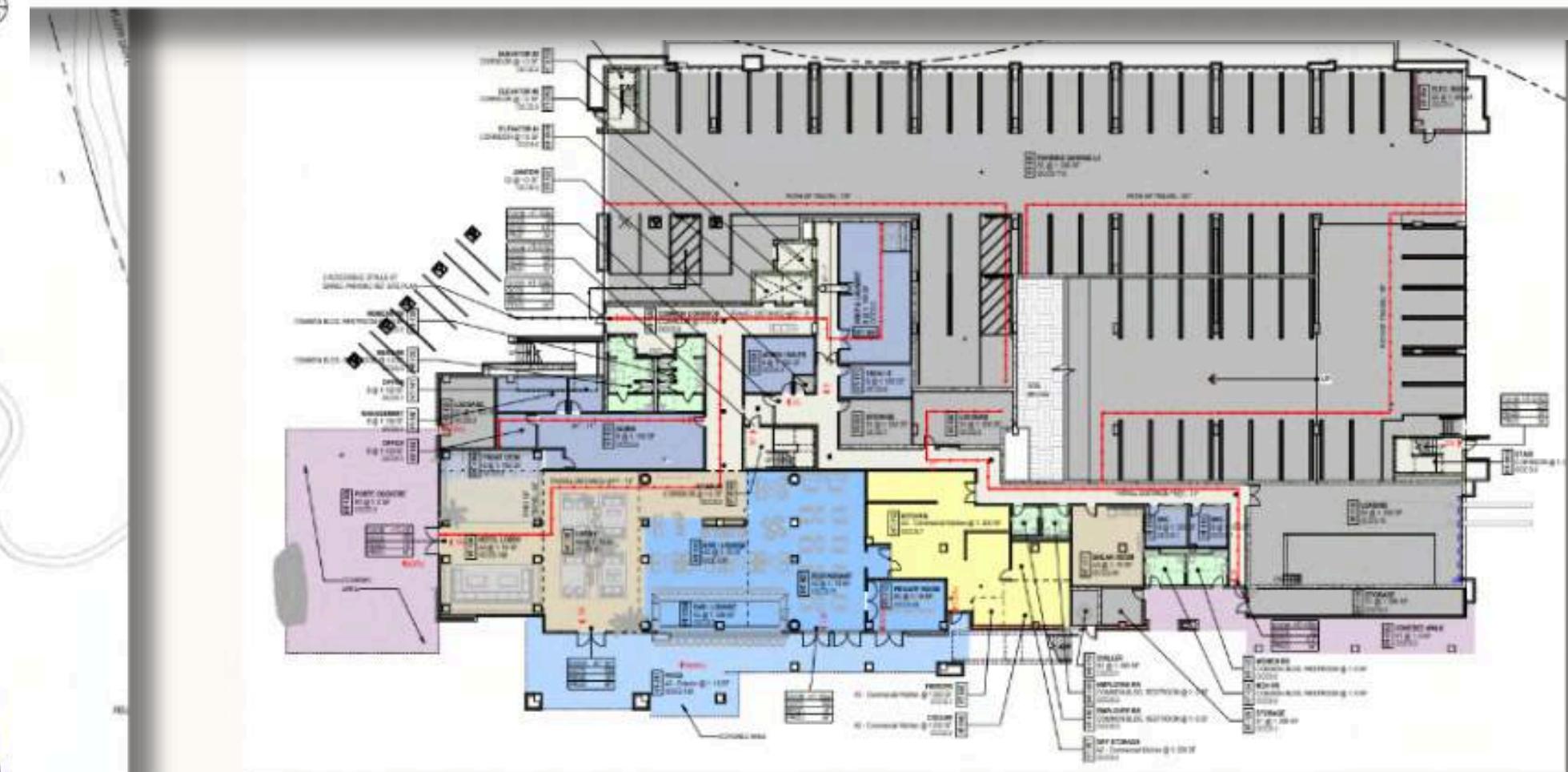
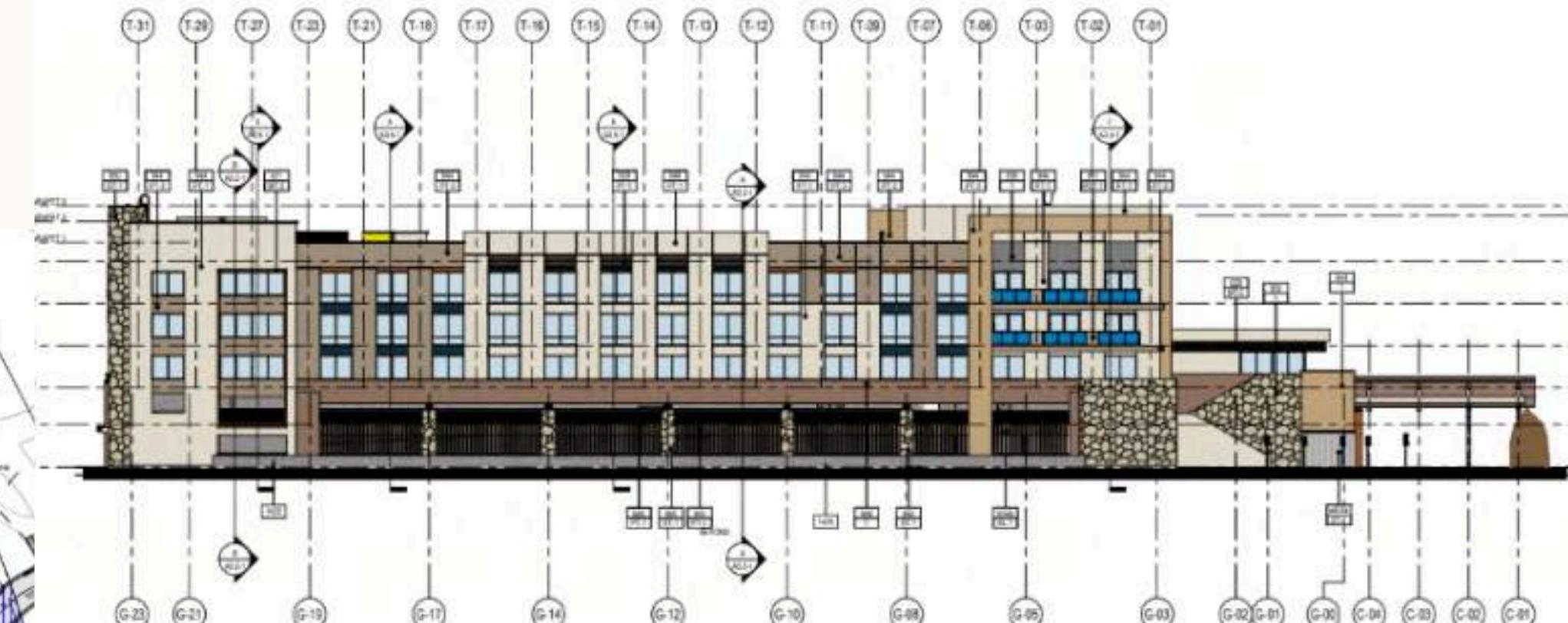
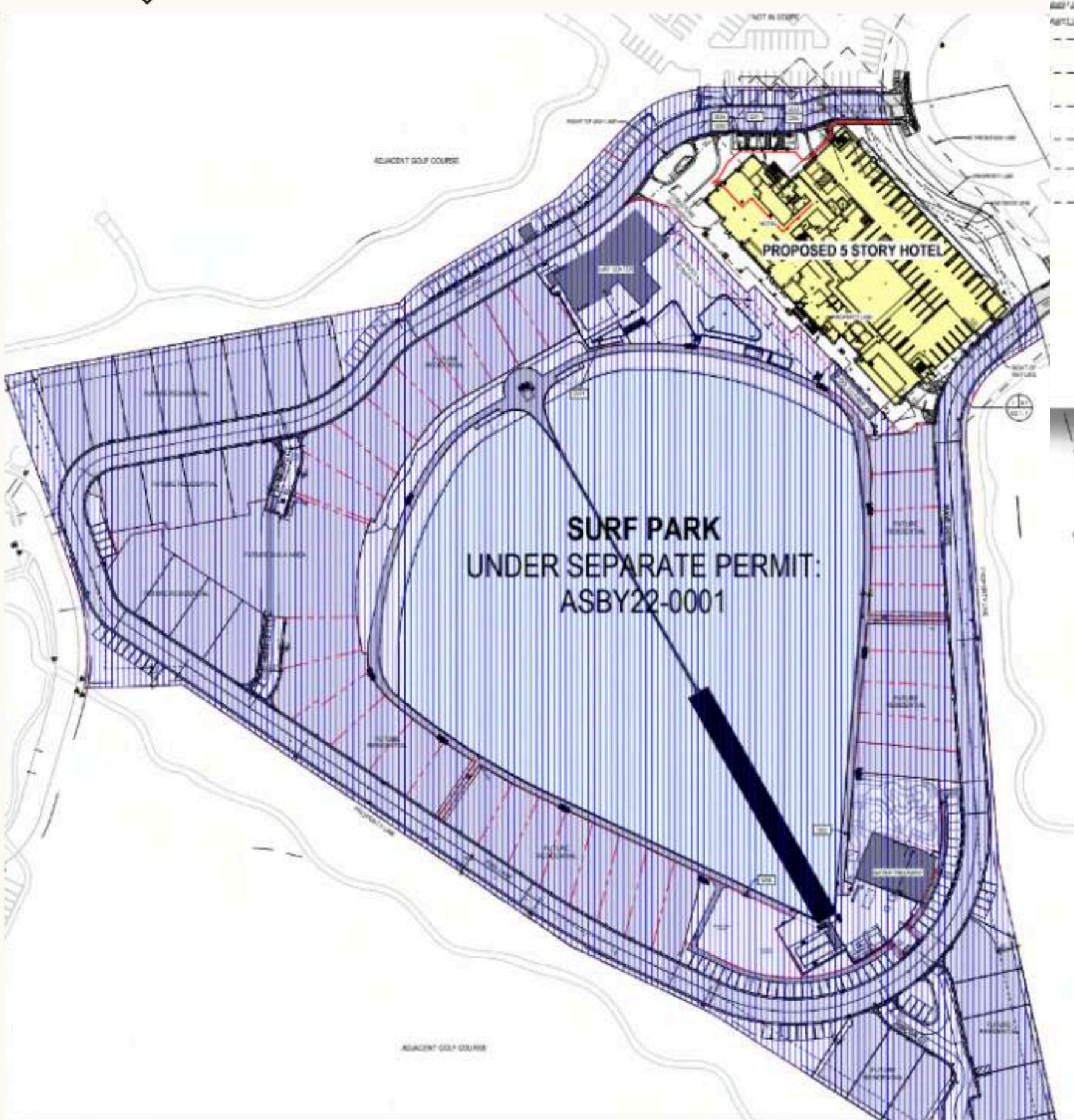
DATA ROOM



# A SURFING “DISNEYLAND”



A WAVEGARDEN NOT TOO CROWDED WITH ABOUT 80 SURFERS



**Click here to view full site analysis PDF**



# THE FUTURE OF SURF TRAVEL IS TO A SURF LAGOON



## CURRENT MARKET DYNAMICS

- The scarcity of good waves in the ocean, unpredictable conditions, crowded lineups, and cold water have fueled a multi-billion-dollar surf travel market for California surfers.

## CHALLENGES WITH OCEAN DESTINATIONS

- Even remote surf destinations are now crowded with vacationers and territorial locals, with no guarantee of good surf.

## PROVEN WILLINGNESS TO PAY FOR A SURF LAGOON VACATION

- Surfers are willing to pay approximately \$8,000 per person daily to surf the Surf Ranch in Central California, despite the experience not fully meeting all customer desires.

## DSRT Surf aims to provide a high-quality surf experience with:

- **Consistent Wave Quality:** Perfect waves delivered every time, tailored to the customer's preferences.
- **Personalized Surf Experience:** Surf exactly when you want, with the wave type you desire.
- **Customizable Surf Sessions:** Choose your ideal number of fellow surfers for a more enjoyable experience.
- **Beyond the Waves:** Enjoy exceptional amenities and activities that elevate the entire experience.



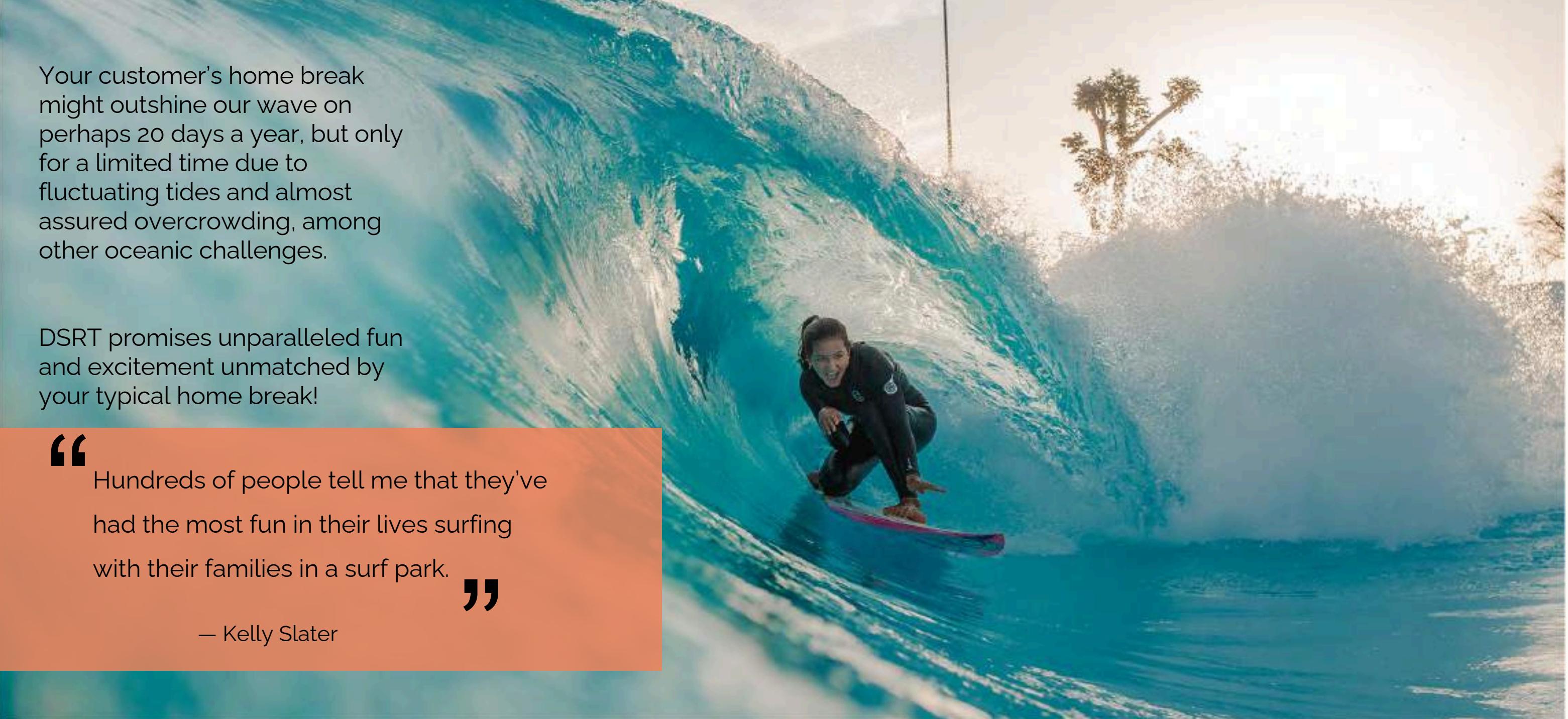
## DEDICATED HOURS

Hotel guests may receive priority surf access during the **first** and last **two** hours of the day, further elevating premium rates and minimizing vacancy





# GREAT WAVES + UNRIVALED EXPERIENCES



Your customer's home break might outshine our wave on perhaps 20 days a year, but only for a limited time due to fluctuating tides and almost assured overcrowding, among other oceanic challenges.

DSRT promises unparalleled fun and excitement unmatched by your typical home break!

“

Hundreds of people tell me that they've had the most fun in their lives surfing with their families in a surf park.

”

— Kelly Slater



# DSRT } SURF

“OCEANFRONT” PALM DESERT, CALIFORNIA

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