



## Property Scale-Down/Close-Down Scenario Checklist

The following list has been prepared by the asset management and operations team at The Plasencia Group with the goal of assisting our clients as they prepare to scale back or completely shut down operations at their respective hotels and resorts. This list, categorized by typical hotel department, is a work in progress and will continue to be updated. Recipients are advised to consult with their on-site managers and operators regarding the efficacy and impact of implementing any of the steps or actions listed below.

### Administration & Finance

- Defer all accounts payable by an additional 30 to 60 days, with or without consent of vendors.
- Cancel or temporarily halt all unnecessary vendor contracts.
- Review loan agreements paying particular attention to default covenants and the ability to use reserve funds for operating and debt service shortfalls.
- Determine whether applying for the SBA's PPP loan requires lender consent.
- Deposit cash register and main safe bank to operating account.
- Reassign appropriate staff to collect outstanding receivables and consider offering discounts for prompt payment of outstanding amounts.
- Prepare a list of vendors and creditors.
- Review business interruption insurance policy provisions and file claims as allowable.
- Review management agreement performance tests and address need to suspend such tests.
- Review provisions of any ground lease regarding possible defaults and required notifications.
- Review union contract language to determine if a partial or full shut down whether violates the agreement.
- Cancel or temporarily halt all employee expense rights and freeze all employee business credit cards.
- Cancel or temporarily halt all corporate Shared Service programs and corporate-related travel.
- Cancel or temporarily halt all armored car services.
- Cancel or temporarily halt all employee conference attendance registrations and travel.



# LODGING CRISIS STRATEGIES

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## Property Scale-Down/Close-Down Scenario Checklist

### Administration & Finance

continued

- Cancel or temporarily halt all equipment leases for unnecessary equipment.
- Eliminate or temporarily halt all subscriptions of publications. Reduce or eliminate bank and credit card service fees.
- Reduce frequency of or eliminate waste hauling service.
- Reduce or eliminate lawn and landscape maintenance and other non-life safety related contracts.
- Sell unopen inventories to sister hotels that are still in operation. Terminate monthly subscription or service contracts.
- Turn off all non-essential electronic equipment.
- Notify insurance companies in writing of operational changes.
- If property is being vacated, secure insurance files and other important data on off-site digital location.
- If there is ongoing construction at the hotel, consider whether it should continue, be phased back or ramped up (subject to any governmental directives). Consider impact of the crisis on availability of materials, availability of labor, ability to obtain inspections, loan advances, and construction generally.

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### Rooms

- Advise future reservations of temporary operational changes, as needed.
- Set guestroom thermostats to 77 degrees (summer), 65 degrees (winter) and off (spring and fall).
- Close all guest room black-out blinds or drapery.
- Defrost and turn off in-room refrigerators (leaving door ajar).
- Work with the brand to ensure that new hotel reservations are not being taken for an agreed period.
- Empty and/or secure all housekeeping carts.
- Empty and disinfect all trash bins
- Secure all windows and balcony doors.
- Remove and secure all guestroom linen.
- Wash all terry and linen before closing down property laundry.
- Return all open operating supplies and housekeeping equipment to locked storage.
- Remove all paper goods from all public restrooms.
- Eliminate valet parking services and allow self-parking as appropriate.



# LODGING CRISIS STRATEGIES

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## Property Scale-Down/Close-Down Scenario Checklist

### Rooms

continued

- Cancel or temporarily halt in-room entertainment service contracts.
- Close all tennis courts and restrict entry (Viruses may be transmitted through handling of tennis balls).
- Turn off corridor lighting.
- Ensure proper air flow to avoid moisture and mold build-up.

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### Food & Beverage

- Empty all kitchen freezers and coolers if possible. Turn off compressors and leave doors open.
- Turn off all lighting in kitchen, storage and dining areas.
- Empty and turn off all fryers and other kitchen equipment.
- Turn off all non-essential cooking equipment.
- Turn off kitchen hoods and exhaust fans.
- Sell or return any paper supplies, canned food and cleaning supplies that may be in short supply to vendors for credits.
- Empty or donate all kitchen perishables to furloughed employees or charities.
- Secure all dry goods.

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### Engineering

- Set all meeting room and common area thermostats to 80 degrees (summer), 63 degrees (winter) and off (spring and fall). Ensure proper air flow to avoid moisture and mold build-up.
- Set all guest corridor and common area thermostats to 80 degrees (summer), 63 degrees (winter) and off (spring and fall).
- Cycle pool filtration systems to 25% of current load (reduce filtration hours).
- Turn off pool gas heaters. Drain all jacuzzi spas.
- Close all pool umbrellas and securely store all transportable furniture and equipment.
- Eliminate or temporarily halt all non-essential PM programs or extend frequency of inspection and services.
- Lower temperature of all hot water heaters. Shut off boilers based on need.
- Turn off all non-essential interior and exterior lighting (landscape, tennis, pool, garage, etc.).
- Turn off all non-essential lighting in back of house.



## Property Scale-Down/Close-Down Scenario Checklist

### Engineering

#### continued

- Move inspection of fire safety equipment in-house. Lengthen inspection periods by third party contractors.
- Shut down all non-essential elevators.
- Shut off all unnecessary natural gas supply lines (kitchen, laundry, pool, etc.). Trip all shunts to disable gas.
- Power down all laundry equipment.
- Turn off all hood and exhaust fans.
- Set all lawn sprinkler timers to once per week.
- Reduce golf course mowing and irrigation (as applicable).
- Turn off all unnecessary electrical equipment.
- Empty, drain and sanitize all ice machines. Leave lids ajar. Drain all water sumps.
- Run hot water in all faucets, toilets and drains every seven days to prevent legionella.
- Adjust all air handlers for minimal operation.
- Adjust chillers to higher temperatures as appropriate. Turn off chillers as appropriate.
- Secure all outdoor furniture.
- Log all actions being taken to reverse steps once operations ramp up.
- Turn off all fountains, exterior fans, etc.
- Unplug all fitness center equipment.
- Secure all outdoor dining furniture.
- Empty and disinfect all trash bins.

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### Human Resources

- Furlough all non-essential personnel. Ensure updated contact information is available for each employee.
- Prepare and submit employee roster information to State unemployment office.
- Require all management to take PTO.
- Cancel or temporarily halt all processing and payroll service contracts or change payment schedules to monthly.
- Eliminate or temporarily halt all recruitment advertising.



# LODGING CRISIS STRATEGIES

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### Security & Loss Prevention

- Set revised loss prevention / security protocols and increase patrols.
- Secure all equipment and unopened operating supplies.
- Install additional security cameras as needed at ingress/egress points.
- Institute limited number of controlled access points for anyone entering the property. Secure all other ingress/egress routes.
- Extend saved security video recording periods.
- Lock and secure all property-operated vehicles.
- Post closure signage as appropriate.



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Contact us today if our experienced advisory team can assist you in evaluating your hotel's operations reduction process or to help you navigate a complete shut-down or closure of your property.

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