
**MARKET FEASIBILITY STUDY REPORT
FOR THE
WOLVERINE DILWORTH HOTEL
300 E. WATER STREET
BOYNE CITY, CHARLEVOIX COUNTY, MICHIGAN**

Date of Report:

June 4, 2010

FOR

Ms. Elisabeth Knibbe, FAIA
Principal
Quinn Evans Architects
219 N. Main Street
Ann Arbor, Michigan 48104



HOTEL & LEISURE ADVISORS

June 4, 2010

Ms. Elisabeth Knibbe, FAIA
Principal
Quinn Evans Architects
219 N. Main Street
Ann Arbor, Michigan 48104

**RE: Wolverine Dilworth Hotel
Boyne City, Charlevoix County, Michigan**

Dear Ms. Knibbe:

In fulfillment of our engagement letter, we have completed our study of the market demand and economic feasibility for the proposal to redevelop the Wolverine Dilworth Hotel in Boyne City, Charlevoix County, Michigan. The developer plans to open the hotel as a 29-unit property with two restaurants and meeting space. The property is located at 300 E. Water Street. The consultants have prepared more than 1,000 similar studies over the past 20 years with various firms. The study is based upon market conditions observed as of the date of our market inspection on May 19, 2010 and research conducted in May and June, 2010.

Assumptions

The conclusions contained in this report are based upon a review of information provided by you, Landmark Development, and on-site field work in the market area that is described in the Scope of Assignment section. As in all studies of this type, the conclusions reached do not take into account, or make provisions for, the effect of any sharp rise or decline in local or general economic conditions not presently foreseeable. The estimated results are based on competent and efficient management of the proposed hotel, as well as an aggressive marketing program prior to and after the opening of the proposed hotel. We assume the subject will hire appropriate management personnel to operate and market the hotel. We assume that the subject will operate as a branded hotel affiliated with the Ascend Collection by Choice Hotels or similar quality brand. We assume the proposed hotel will open January 1, 2012. We presume no significant change in the competitive position of the hotel industry in the area from that as set forth in this report. We do not warrant that the estimates will be attained, but they have been conscientiously prepared on the basis of information obtained and our experience in the hotel industry.

It is expressly understood that the scope of this study and the report thereon do not include the possible impact of zoning regulations, licensing requirements, or other restrictions concerning the project, except where such matters have been brought to our attention and that are set forth in this report.

This report and its contents are intended solely for the information of our client for internal use relative to determining the feasibility of the project. The report should not be relied upon for any other purpose. Otherwise, neither our report nor any of its contents nor any reference to Hotel & Leisure Advisors, LLC (H&LA) may be included or quoted in

Ms. Elisabeth Knibbe, FAIA
June 4, 2010
Page 2

any document, offering circular, registration statement, prospectus, sales brochure, other appraisal, or other agreement without our prior written approval. Such permission will not be unreasonably withheld.

We are available to perform additional consulting services on this proposed property as the scope of the development is finalized. In addition, we are available to perform a self-contained full narrative appraisal report, economic impact study, or management company analysis for the proposed development upon your request. We are also available to provide asset management services to the client if the hotel is developed. We appreciate the opportunity to be of service to your organization and look forward to working with you again.

Respectfully submitted,

Hotel & Leisure Advisors, LLC



David J. Sangree, MAI, ISHC
President



Joseph Pierce
Senior Associate

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TABLE OF CONTENTS

A.	INTRODUCTION	
	Scope of the Assignment	A-1
	Executive Summary	A-2
	Standard Conditions	A-7
	Extraordinary Assumptions and Hypothetical Conditions	A-10
	Competency of the Consultants	A-10
B.	AREA ANALYSIS AND DESCRIPTIVE DATA	
	Area Review	B-1
	Neighborhood Analysis	B-15
	Site Analysis	B-20
	Description of Projected/Recommended Improvements	B-25
	Franchise Affiliation Analysis	B-29
	Municipal Incentives	B-30
C.	MARKET ANALYSIS	
	National Lodging Overview	C-1
	Michigan Lodging Overview	C-8
	Comparable Lodging Market Overview	C-10
	Projected Market Occupancy	C-22
	Demand Interviews	C-23
D.	SUBJECT OCCUPANCY AND AVERAGE DAILY RATE ANALYSIS	
	Competitive Advantages and Disadvantages of Subject Property	D-1
	Projected Subject Occupancy	D-2
	Estimated Average Daily Rate	D-7
E.	FINANCIAL ANALYSIS	
	Introduction	E-1
	Income and Expense Analysis	E-3
	Prospective Financial Analysis in Inflated Dollars	E-15
F.	CERTIFICATION	F-1
	ADDENDA	
	Qualifications	Addendum I
	Smith Travel Research Report	Addendum II
	Building Plans and Site Plans	Addendum III
	Demand Interviews Survey Form	Addendum IV

SCOPE OF THE ASSIGNMENT

Hotel & Leisure Advisors, LLC has been retained by Ms. Elisabeth Knibbe, FAIA with Quinn Evans Architects to estimate the potential market feasibility of the redevelopment of the Wolverine Dilworth Hotel in Boyne City.

We made a number of independent investigations and analyses in performing this study. We evaluated the subject site and its relationship to potential demand generators as well as its attributes relative to the lodging competitors. We interviewed representatives of the Convention and Visitors Bureau, Chamber of Commerce, and assessor's office, as well as, city officials, county officials, and economic development officials to collect information concerning the proposed site and region. We interviewed managers or owners of existing and proposed competitive hotel or resort properties. We interviewed representatives of various hotel chains to determine performance of area hotels and proposed new supply additions. We interviewed representatives of area attractions to determine usage and new supply additions. We have conducted demand interviews with various potential users of the proposed facility.

In conducting our investigation and analysis, we relied on data retained in our office that is updated regularly for use in all assignments. Various agencies and databases, including the Site to Do Business database, were contacted for demographic data, land use policies and trends, growth estimates, and employment data.

Neighborhood data was supplemented by a physical inspection of the subject property and the area. The subject property data considered in our analysis was provided by Ms. Elisabeth Knibbe, FAIA and Landmark Development. In addition to the subject's specific information, we have considered relevant market data in determining the projections used in our cash flow analysis.

The financial analysis was based primarily upon the probable operating experience of the property relative to gross operating revenues, typical expense levels, and resultant net cash flow. Estimates of operating revenues were based upon market data relative to industry standards and comparable properties in the subject area. Expense levels were estimated based upon industry standards and operating histories of similar properties. We have estimated the financial projections for the subject facility for the year beginning January 1, 2012 for 11 years.

EXECUTIVE SUMMARY

The following chart profiles our recommendations for the Wolverine Dilworth Hotel in Boyne City, Charlevoix County, Michigan.

Wolverine Dilworth Hotel Recommended Facility		
Number of Units		29
Room Mix	Units	Room Breakdown %
Single Queen	18	62%
Double-Queens	6	21%
Queen Suites	3	10%
Two-Bedroom Suite	2	7%
Hotel Affiliation		Historic Hotels of America
Franchise Recommendations		
Ascend Collection by Choice Hotels		
Kimpton Boutique Hotels		
Preferred Boutique Hotels		
Best Western		
Meeting Rooms		Square Feet
First Floor Meeting Room		1,500
Total		1,500
Food and Beverage Outlets		Seating
First Floor Restaurant (Casual Theme)		90
Lower Level Bar (Irish Pub Theme)		65
Amenities		
Fitness Room		
Complimentary High Speed Internet		
Business Center		
Complimentary Parking		
Gift Shop		
Source: Hotel & Leisure Advisors		

Subject Hotel Projections

The following table indicates our projections of financial performance for the proposed hotel for the first four years of the analysis.

PROJECTED FINANCIAL PERFORMANCE																
WOLVERINE DILWORTH HOTEL																
	Base Year				Base +1				Base +2				Base +3			
	2012				2013				2014				2015			
Number of Rooms	29				29				29				29			
Occupancy	52.6%				56.4%				59.0%				59.0%			
Average Rate	\$120.00				\$126.00				\$131.04				\$134.97			
Days Open	365				365				365				365			
Rooms Occupied	5,567				5,970				6,248				6,248			
Rooms Available	10,585				10,585				10,585				10,585			
Revenues	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm
Rooms	\$ 668	27.6%	\$ 23,034	\$ 120.00	\$ 752	28.2%	\$ 25,931	\$ 125.95	\$ 819	28.5%	\$ 28,241	\$ 131.07	\$ 843	28.5%	\$ 29,069	\$ 134.91
Food and Beverage	\$ 1,700	70.2%	\$ 58,621	\$ 305.38	\$ 1,859	69.6%	\$ 64,103	\$ 311.37	\$ 1,991	69.3%	\$ 68,655	\$ 318.64	\$ 2,051	69.3%	\$ 70,724	\$ 328.24
Other Operated Departments	\$ 40	1.7%	\$ 1,379	\$ 7.19	\$ 44	1.6%	\$ 1,517	\$ 7.37	\$ 47	1.6%	\$ 1,621	\$ 7.52	\$ 49	1.7%	\$ 1,690	\$ 7.84
Rentals and Other Income	\$ 15	0.6%	\$ 517	\$ 2.69	\$ 16	0.6%	\$ 552	\$ 2.68	\$ 18	0.6%	\$ 621	\$ 2.88	\$ 18	0.6%	\$ 621	\$ 2.88
Total Revenue	\$ 2,423	100.0%	\$ 83,552	\$ 435.26	\$ 2,671	100.0%	\$ 92,103	\$ 447.37	\$ 2,875	100.0%	\$ 99,138	\$ 460.11	\$ 2,961	100.0%	\$ 102,103	\$ 473.88
Departmental Expenses																
Rooms	\$ 167	25.0%	\$ 5,759	\$ 30.00	\$ 177	23.5%	\$ 6,103	\$ 29.65	\$ 186	22.7%	\$ 6,414	\$ 29.77	\$ 191	22.7%	\$ 6,586	\$ 30.57
Food & Beverage	\$ 1,275	75.0%	\$ 43,966	\$ 229.03	\$ 1,361	73.2%	\$ 46,931	\$ 227.96	\$ 1,435	72.1%	\$ 49,483	\$ 229.66	\$ 1,479	72.1%	\$ 51,000	\$ 236.70
Other Operated Departments	\$ 36	90.0%	\$ 1,241	\$ 6.47	\$ 38	86.4%	\$ 1,310	\$ 6.36	\$ 40	85.1%	\$ 1,379	\$ 6.40	\$ 41	83.7%	\$ 1,414	\$ 6.56
Total Dept. Expenses	\$ 1,478	61.0%	\$ 50,966	\$ 265.50	\$ 1,576	59.0%	\$ 54,345	\$ 263.97	\$ 1,661	57.8%	\$ 57,276	\$ 265.83	\$ 1,711	57.8%	\$ 59,000	\$ 273.83
Departmental Income	\$ 945	39.0%	\$ 32,586	\$ 169.76	\$ 1,095	41.0%	\$ 37,759	\$ 183.40	\$ 1,214	42.2%	\$ 41,862	\$ 194.29	\$ 1,250	42.2%	\$ 43,103	\$ 200.05
Undistributed Operating Expenses																
Administrative & General	\$ 110	4.5%	\$ 3,793	\$ 19.76	\$ 116	4.3%	\$ 4,000	\$ 19.43	\$ 120	4.2%	\$ 4,138	\$ 19.20	\$ 124	4.2%	\$ 4,276	\$ 19.84
Management Fees	\$ 73	3.0%	\$ 2,517	\$ 13.11	\$ 80	3.0%	\$ 2,759	\$ 13.40	\$ 86	3.0%	\$ 2,966	\$ 13.76	\$ 89	3.0%	\$ 3,069	\$ 14.24
Marketing	\$ 145	6.0%	\$ 5,000	\$ 26.05	\$ 152	5.7%	\$ 5,241	\$ 25.46	\$ 159	5.5%	\$ 5,483	\$ 25.45	\$ 163	5.5%	\$ 5,621	\$ 26.09
Franchise Fees	\$ 27	4.0%	\$ 931	\$ 4.85	\$ 30	4.0%	\$ 1,034	\$ 5.02	\$ 33	4.0%	\$ 1,138	\$ 5.28	\$ 34	4.0%	\$ 1,172	\$ 5.44
Prop. Oper. & Maintenance	\$ 58	2.4%	\$ 2,000	\$ 10.42	\$ 61	2.3%	\$ 2,103	\$ 10.22	\$ 64	2.2%	\$ 2,207	\$ 10.24	\$ 66	2.2%	\$ 2,276	\$ 10.56
Energy Costs	\$ 58	2.4%	\$ 2,000	\$ 10.42	\$ 60	2.2%	\$ 2,069	\$ 10.05	\$ 62	2.2%	\$ 2,138	\$ 9.92	\$ 64	2.2%	\$ 2,207	\$ 10.24
Total UDOEs	\$ 471	19.4%	\$ 16,241	\$ 84.61	\$ 499	18.7%	\$ 17,207	\$ 83.58	\$ 524	18.2%	\$ 18,069	\$ 83.86	\$ 540	18.2%	\$ 18,621	\$ 86.42
Income Before Fixed Charges	\$ 474	19.6%	\$ 16,345	\$ 85.15	\$ 596	22.3%	\$ 20,552	\$ 99.82	\$ 690	24.0%	\$ 23,793	\$ 110.43	\$ 710	24.0%	\$ 24,483	\$ 113.63
Fixed Charges																
Property Tax	\$ 112	4.6%	\$ 3,862	\$ 20.12	\$ 115	4.3%	\$ 3,966	\$ 19.26	\$ 118	4.1%	\$ 4,069	\$ 18.88	\$ 122	4.1%	\$ 4,207	\$ 19.52
Insurance	\$ 13	0.5%	\$ 448	\$ 2.34	\$ 13	0.5%	\$ 448	\$ 2.18	\$ 14	0.5%	\$ 483	\$ 2.24	\$ 14	0.5%	\$ 483	\$ 2.24
Reserve for Replacement	\$ 48	2.0%	\$ 1,655	\$ 8.62	\$ 80	3.0%	\$ 2,759	\$ 13.40	\$ 115	4.0%	\$ 3,966	\$ 18.40	\$ 118	4.0%	\$ 4,069	\$ 18.88
Total Fixed Charges	\$ 173	7.1%	\$ 5,966	\$ 31.08	\$ 208	7.8%	\$ 7,172	\$ 34.84	\$ 247	8.6%	\$ 8,517	\$ 39.53	\$ 254	8.6%	\$ 8,759	\$ 40.65
Net Income	\$ 301	12.4%	\$ 10,379	\$ 54.07	\$ 388	14.5%	\$ 13,379	\$ 64.99	\$ 443	15.4%	\$ 15,276	\$ 70.90	\$ 456	15.4%	\$ 15,724	\$ 72.98

Source: Hotel & Leisure Advisors

Our analysis indicates that the development of the proposed 29-key hotel with a restaurant, Irish Pub, and meeting space produces a positive return. However, we recommend the subject receive a property tax abatement to reduce the real estate tax burden. We have not assumed an abatement in our report. We have analyzed the discounted cash flow result for the hotel utilizing a 12.50% discount rate and a 10.00% terminal capitalization rate. The discounted cash flow as completed indicates a conclusion of \$4,100,000 or \$141,379 per available hotel room (29 rooms) for the development. The discounted cash flow as stabilized indicates a conclusion of \$4,400,000 or \$151,724 per available hotel room for the development. We note that the value conclusions are not meant to be market value because there are still many unknowns concerning the subject project but rather are presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal.

Development costs for the proposed project are presented in the following table.

Wolverine Dilworth Hotel Development Budget		
Description	Costs	\$/Room
Land purchase	\$550,000	\$20,370
Hotel construction general building renovation	\$1,500,000	\$55,556
Hotel specific upgrades	\$303,643	\$11,246
Development soft costs	\$1,475,450	\$54,646
Miscellaneous Operating Equipment	\$48,400	\$1,793
Furniture, Fixtures, & Equipment and Operating supplies for restaurant and guest rooms	\$600,625	\$22,245
Contingency Costs, Pre-opening Costs, and Working Capital	\$855,000	\$31,667
Total	\$5,333,118	\$197,523
Note: Dollars per room is based on developer's room count of 27 units		
Source: Landmark Development		

The developer anticipates the property will be eligible for a number of state and federal grants and loans based upon its historic status.

Site Attributes

The developer has the option to purchase the 0.750 acre parcel in which the closed Wolverine Dilworth Hotel currently occupies. The site also contains 27 parking spaces and a grassy area to the east of the existing structure. The closed Wolverine Dilworth Hotel currently contains 27 guest rooms, a restaurant, meeting room and spacious lobby. The property also has a basement which houses the property's laundry and maintenance locations, as well as space for an Irish Pub. This space has been used as a nightclub in the past.

Area Review

The neighborhood surrounding the subject site contains a variety of uses which are primarily related to retail, restaurant, residential, and hospitality. The subject has visibility from both Water Street and East Street. Water Street provides access to Lake Charlevoix and Boyne City's many retail shops and restaurants. There is a city owned public beach and state park beach within walking distance of the subject. The site is located 0.2 miles from Lake Charlevoix.

Competitive Hotel Market

Boyne City has one year-round hotel within the city limits, the Boyne City Motel. The Water Street Inn is a condominium development which rents hotel rooms when the condominium owners are not utilizing the facility. Neither property would be a primary competitor for the subject. We have analyzed a grouping of comparable hotels including both limited- and full-service properties located in the resort communities of Bay Harbor, Petoskey, and Traverse City to gain a perspective of market demand in the region. The following table provides their operating performance.

Comparables Operating Performance										
Wolverine Dilworth Hotel										
Year	Annual Supply	% Chg.	Demand	% Chg.	OCC	% Chg.	ADR	% Chg.	RevPAR	% Chg.
2004	221,555	-	128,222	-	57.9%	-	\$87.87	-	\$50.86	-
2005	221,555	0.0%	137,446	7.2%	62.0%	7.2%	\$89.54	1.9%	\$55.55	9.2%
2006	221,555	0.0%	142,370	3.6%	64.3%	3.6%	\$94.51	5.5%	\$60.73	9.3%
2007	234,101	5.7%	137,334	-3.5%	58.7%	-8.7%	\$102.68	8.6%	\$60.24	-0.8%
2008	251,485	7.4%	142,843	4.0%	56.8%	-3.2%	\$104.42	1.7%	\$59.31	-1.5%
2009	271,173	7.8%	145,368	1.8%	53.6%	-5.6%	\$103.87	-0.5%	\$55.68	-6.1%
Average of Years	236,904	4.2%	138,931	2.6%	58.9%	-1.3%	\$97.15	3.5%	\$57.06	2.0%
Year-To-Date through April										
2009	82,680	-	33,156	-	40.1%	-	\$83.01	-	\$33.29	-
2010	93,720	13.4%	38,280	15.5%	40.8%	1.9%	\$83.39	0.5%	\$34.06	2.3%
Note: Results do not include the Renaissance Inn at Bay Harbor which does not report to Smith Travel Research										
Source: Smith Travel Research										

As shown in the following table, the existing competitive supply is primarily focused on leisure demand with a smaller amount of group and commercial demand. The market achieves its highest occupancy levels in the summer months.

Total Accommodated Demand Output			
Segment		2009 Rm Nights	Segment Percent
1	Commercial	51,288	31%
2	Group	26,974	16%
3	Leisure	88,694	53%
TOTAL		166,957	100%
Market Occupancy		52.9%	
Market ADR		\$ 112.47	
Source: Hotel & Leisure Advisors			

Subject Development Outlook

Overall, our study has revealed that the proposed subject hotel development has a potential of being viable. The subject's location within Boyne City is its strongest attribute. The community is improving its posture in the region as a resort community with a small town feel and an active public/private partnership directed toward development and growth. Additionally, the subject will represent Boyne City's first and only full-service lodging option, which is a positive. The proposed hotel is projected to require various tax credits and municipal incentives to be renovated. We also recommend a real estate tax abatement be considered for a period of years.

Recommendations

We have made the following recommendations for the proposed development.

- We recommend the subject develop the historic Wolverine Dilworth Hotel into a 29-room full-service hotel. The current floor plans identify 27-units, and there are two sitting areas on the second and third floors. We recommend these sitting areas, along with portions of the adjacent suites be converted to guest rooms.
- We recommend the pass through from the lobby to the meeting room be closed to the meeting room. It further should be configured to be a sundries/novelty shop on the wall shared with the front desk and a business center on the outside wall. The west wall of the front desk could be opened to allow front desk staff to serve as cashiers for the novelty shop. The west side of the re-designed room should contain a guest accessible computer with high speed internet access, monitor, and printer. Such amenities would capture additional revenue and provide a convenience for guests.
- The subject plans to offer approximately 1,500 square feet of meeting space which will allow the subject to attract additional group business.
- We recommend the meeting room be designed with the latest hi-tech lighting, sound control, and AV systems to meet corporate business expectations. We recommend the facility include wireless High Speed Internet Access (HSIA), and extensive electrical outlets for laptops, ceiling projectors, and other technological items.
- We recommend the developers work with the city in an effort to resolve the limited parking situation at the hotel. We recommend attempting to acquire the satellite Ford dealer lot located directly south of the hotel or alternate available parcels within the neighborhood. Attempts should also be made to forge agreements with area businesses to utilize their parking spaces at times when the business may be closed. While the community offers a great deal of on street parking throughout the city, street parking adjoining the subject has a two hour limitation. We encourage the city to limit street parking on East Street adjoining the hotel to hotel only guests to facilitate loading and unloading and for overnight guests.
- We encourage the use of the grass area located on the east side of the property for outdoor events such as receptions and parties. The utilization of the green space enhances the revenue potential of the food and beverage department in an outdoor environment.
- We recommend the incorporation of the name Boyne City into the formal name of the hotel. While the Dilworth Hotel name commands respect within the community and region, it is not a recognized property name outside the market. However, Boyne City is developing a reputation for leisure travelers and its association within the Michigan Main Street Program is helping to promote the market outside of northern Michigan.
- We recommend and have assumed the subject will affiliate with a national franchise such as the Ascend Collection of Choice Hotels or similar quality brand to

provide greater access to reservation channels. We also recommend the subject join Historic Hotels of America.

- The property will offer two restaurants which should share the same kitchen. The first floor restaurant off the lobby will contain a bar and dining area. The developer plans to convert the lower level restaurant/bar into an Irish Pub. We recommend the lobby restaurant be a three-meal-a-day facility featuring fare which will be both attractive to the local residence year-round and seasonal visitors. The Irish Pub will be a popular concept to seasonal visitors and local patrons but should be operated to reflect the seasonality of the market. In season, the volume of travelers will be sufficient to support both operations. However, in offseason the garden level pub would best operate on weekends and during holiday windows of time, thus not competing with the lobby restaurant for the diminished number of patrons.
- We recommend the subject try to obtain LEED certification as a "green" structure, which would allow for reduced energy costs and positive eco-friendly publicity. We recommend the developers analyze the various point systems for certification and balance the potentially higher costs with energy and environmental savings. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings. LEED gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. The article "The Greening of Real Estate Appraisal" published in the second quarter 2007 issue of *Valuation* indicates that green buildings on average save 30% of energy costs, 35% of carbon costs, 30% to 50% on water use costs, and 50% to 90% of waste costs. The article "Energy Star Buildings Outperform Peers" published in March 2008 by the COSTAR Group indicates that "green" buildings outperform their peer non-green assets in key areas such as occupancy, sale price, and rental rates, sometimes by wide margins.

STANDARD CONDITIONS

The following Standard Conditions apply to real estate consulting engagements and appraisals by Hotel & Leisure Advisors, LLC (H&LA). Extraordinary Assumptions are added as required.

1. The report is to be used in whole and not in part. The report, engagement letter and these standard conditions constitute the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any and all prior or current agreements or understandings between the parties, whether in writing or orally. The report and engagement letter may not be amended except in writing signed by the parties hereto. These standard conditions shall survive the completion of the assignment.
2. Publication of the report or engagement letter without the prior written consent of H&LA is prohibited unless otherwise stated in the letter of engagement. Neither the report nor engagement letter may be used by any person other than the party

to whom they are addressed nor may they be used for purposes other than that for which they were prepared. Neither the engagement letter, nor the report, nor their contents, nor any reference to the appraisers or H&LA or any reference to the Appraisal Institute, International Society of Hospitality Consultants, American Institute of Certified Public Accountants, or the American Institute of Architects, (or the MAI, ISHC, CPA or AIA designations) may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, other appraisal, loan, or other agreement or document without H&LA's prior written permission, in its sole discretion. Moreover, "H&LA" is a registered trademark of Hotel & Leisure Advisors, LLC. The client agrees that in event of a breach of this Section 2, in addition to any other rights and remedies of H&LA, and hereby consents to injunctive relief.

3. No responsibility is assumed for the legal description or any matters which are legal in nature. Title to the property is assumed to be good and marketable and the property is assumed to be free and clear of all liens unless otherwise stated. No survey of the property was performed. Sketches, maps, photos, or other graphic aids included in the reports are intended to assist the reader in ready identification and visualization of the property and are not intended for technical purposes.
4. The information contained in the assignment is based upon data gathered from sources the consultant or appraiser assumes to be reliable and accurate. Some of this information may have been provided by the owner of the property. Neither the consultants nor H&LA shall be responsible for the accuracy or completeness of such information including the correctness of public records or filings, estimates, opinions, dimensions, sketches, exhibits, and other factual matters.
5. The report may contain prospective financial information, estimates, or opinions that represent the consultants' or appraisers' view of reasonable expectations at a particular point in time. Such information, estimates, or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by H&LA's prospective financial analyses will vary from those described in the report, and the variations may be material. The financial projections stated in the report and any opinions of value are as of the date stated in the report. Changes since that date in external and market factors or in the property itself can significantly affect property value or performance.
6. H&LA has not considered the presence of potentially hazardous materials and contaminants such as asbestos, urea formaldehyde foam insulation, toxic waste, PCBs, pesticides, mold, lead-based paints, or other materials. The appraisers and consultants are not qualified to detect or report on hazardous material contamination and H&LA urges the client to retain an expert in this field if desired.
7. Unless noted, H&LA assumes there are no encroachments, zoning violations, or building violations encumbering the subject property. It is assumed that the property will not be operated in violation of any applicable government regulations, zoning, codes, ordinances, or statutes. No responsibility is assumed for architectural design and building codes. The analysis and concept drawings included in the report are not intended for technical purposes.

8. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
9. Real estate consulting engagements and appraisal assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and the client will be obligated to pay in advance for the standard per diem fees and travel costs.
10. No significant change is assumed in the supply and demand patterns indicated in the report. The appraisal or consulting engagement assumes market conditions as observed as of the current date of the market research stated in the letter of transmittal. These market conditions are believed to be correct; however, H&LA or the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.
11. The quality of a lodging facility or other leisure property's management has a direct effect on the property's economic viability. It should be specifically noted by any prospective reader that the engagement assumes that the property will be competently managed, leased, and maintained by financially sound owners over the expected period of ownership. H&LA is not responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.
12. The forecast of income and expenses are not predictions of the future. Rather, they are the consultants' best estimates of current market thinking on future income and expenses. We do not warrant that the estimates will be obtained, but that they have been prepared in a conscientious manner on the basis of information obtained during the course of this study.
13. The subject property is valued assuming all items of furniture, fixtures, equipment, working capital, and inventory are in place. Should items essential in the operation of the hotel prove to be missing, we reserve the right to amend the opinion of value expressed in an appraisal report.
14. H&LA does not, as part of this consulting report or appraisal, perform an audit, review, or examination (as defined by the American Institute of Certified Public Accountants) of any of the historical or prospective financial information used and therefore, does not express any opinion with regard to it.
15. The consulting engagement or appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute. No other code, ordinance, rule or regulation of any kind or nature whatsoever shall apply.
16. It is agreed that the maximum damages recoverable from H&LA or its affiliates or their respective employees relative to this engagement shall be the amount of the money actually collected by H&LA or its affiliates for work performed pursuant to the engagement letter. The client acknowledges that H&LA cannot and does not guarantee and makes no representations as to the success of the project. H&LA shall not be liable for any incidental, breach of warranty, consequential or punitive

damages, expenses, costs or losses whatsoever directly or indirectly arising out of the services performed hereunder (including negligence and/or gross negligence). In addition, there is no accountability or liability to any third party.

17. The client hereby releases and discharges H&LA, its directors, officers, and employees, from and against any and all claims and demands of any nature or kind whatsoever arising as a result of the design, development, operations, and performance of the proposed or existing project. The client furthermore agrees to indemnify, defend and hold harmless H&LA and its directors, officers and employees, from any and all claims of any nature whatsoever, including attorney fees, expenses and costs.
18. The report does not address the project's compliance with the federal statute commonly known as the Americans with Disabilities Act as well as regulations and accessibility guidelines promulgated thereunder.
19. The provisions of the report, the engagement letter and these standard conditions shall be severable, and if a court of competent jurisdiction holds any provisions of the report, engagement letter and these standard conditions invalid, illegal or unenforceable, the remaining provisions shall nevertheless remain in full force and effect as written.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

It is assumed that qualified professional hospitality management with demonstrated expertise in management of hotels will operate the subject property. It is assumed that adequate funds will be available for upkeep and repair of the facility.

The location and amenities of the proposed hotel and the details concerning its structure are still in the idea stage and the financial projections shown in this report may change depending upon the type of facility and amenities utilized in the proposed project. As these plans are determined, they could have a material impact on this study.

No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of routine observations made during the appraisal process.

COMPETENCY OF THE CONSULTANTS

Hotel & Leisure Advisors, LLC is a national hospitality consulting firm specializing in appraisals, feasibility studies, economic impact studies, and impact analyses for hotels, outdoor and indoor waterparks, resorts, golf courses, restaurants, conference and convention centers, and other leisure real estate. We work exclusively in the hospitality industry and concentrate our efforts on in-depth understanding of the trends and factors related to this industry. Our participation in industry associations and trade groups keeps us abreast of developments affecting our clients and gives us access to rich sources of data. We follow news and transactions occurring in the hospitality industry on a daily basis. The consultants of the firm have performed more than 1,000 hotel studies since 1987 at various firms. Mr. David J. Sangree, MAI, CPA, ISHC has written articles concerning hotels, resorts, and waterparks for *Hotel/Motel Management*, *Lodging Hospitality*, *World Waterpark Magazine*, *Midwest Real Estate News*, *Aquatics Magazine*,

Hotel Online, and Cornell Hotel and Restaurant Administration Quarterly and is a national expert on these types of properties. He has appeared on Good Morning America and CNBC concerning shows on resorts and waterparks. We maintain databases and files concerning various types of hospitality properties. Therefore, we possess the knowledge and experience to conduct the inspection, analysis, and reasoning necessary to estimate the feasibility of the subject.

AREA REVIEW

The feasibility of a hotel project is influenced in a general manner by the economic, political, physical, and social characteristics of its surrounding area. The subject is located in Boyne City, Charlevoix County, Michigan. Boyne City is a small community located in the northwest portion of lower Michigan, approximately 12 miles south of Petoskey and 45 miles northeast of Traverse City. The city sits on the easternmost bank of Lake Charlevoix. Boyne Mountain, a ski and golf resort located approximately six miles southeast of Boyne City, is the primary tourist attraction in Charlevoix County.

According to The Appraisal of Real Estate, 13th Edition published by the Appraisal Institute, market area analysis focuses on the four forces – social, economic, governmental, and environmental – that influence value. Analysis of the four forces is performed by investigating specific factors pertaining to each. With a hospitality property, particular emphasis is placed on trends affecting visitors to the area.

Social Forces

In performing a market area analysis, it is necessary to identify relevant social characteristics and influences. To identify and describe these characteristics, one must know that the social or demographic characteristics that influence property values most in a community tend to overlap. Price levels in the subject market in relation to prices in competing areas reflect the overall desirability of the subject market area. Relevant demographic characteristics include population density, employment categories, age levels, household size, and employment status. The population, income, and employment figures presented in this section were taken from the Site To Do Business (STDB) database and are based on official Census findings and estimates and projections from the Environmental Systems Research Institute (ESRI).

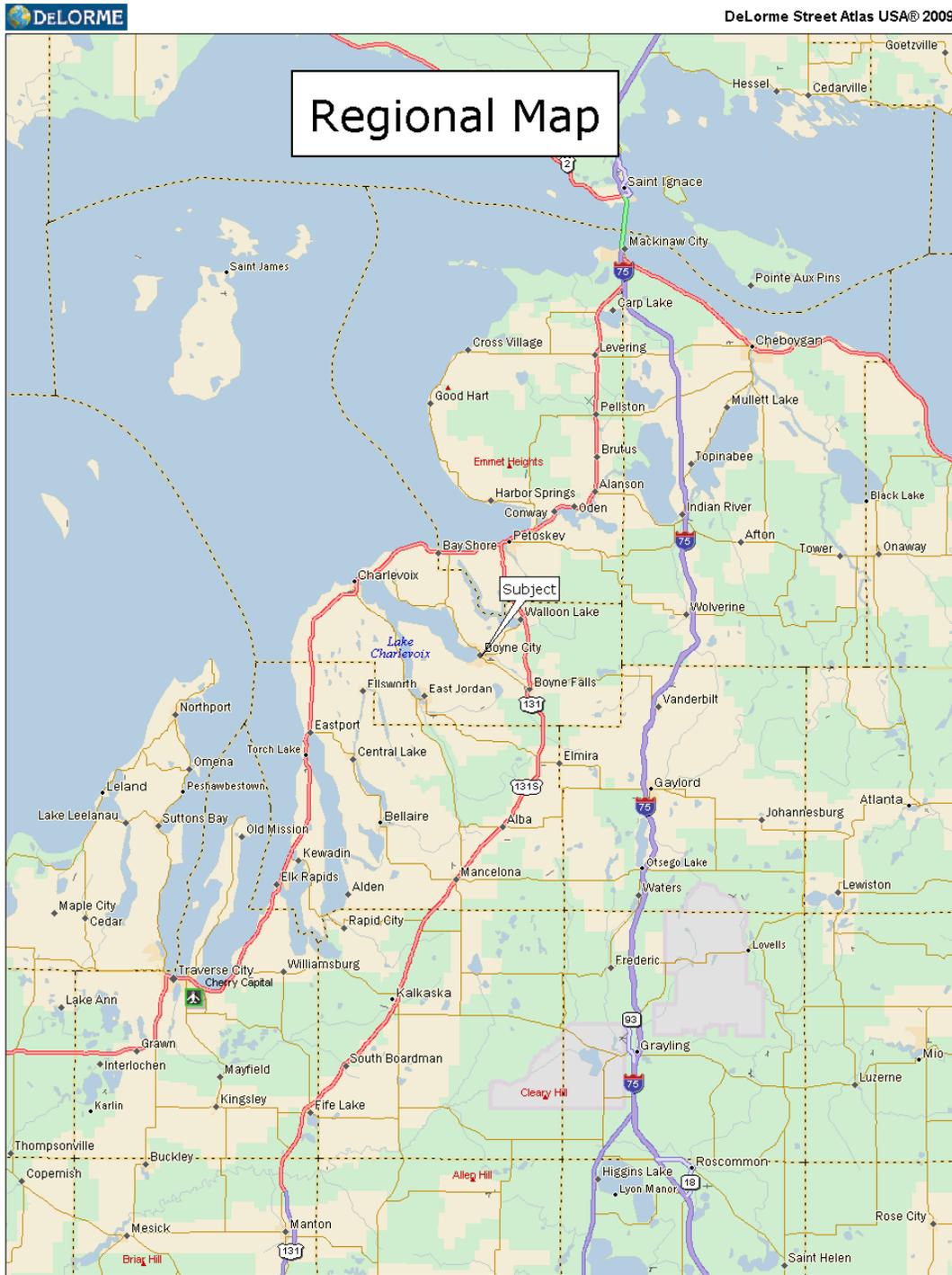
Population Trends: The following table presents population growth trends for Boyne City, Charlevoix County, and the state of Michigan.

Population Growth Trends							
Boyne City, Michigan							
Area	1990 Census	2000 Census	2009 (Est.)	2014 (Proj.)	%Change 1990-00	%Change 2000-09	%Change 2009-14
Boyne City	3,365	3,503	3,447	3,481	4.1%	-1.6%	1.0%
Charlevoix County	21,468	26,090	26,940	27,408	21.5%	3.3%	1.7%
Michigan	9,295,297	9,938,444	10,194,648	10,227,800	6.9%	2.6%	0.3%

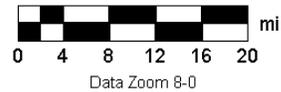
Source: STDB

In 2009, the population of Charlevoix County was estimated at 26,940, with an estimated 3,447 people living in Boyne City alone. As indicated, Charlevoix County saw significant population growth between the 1990 and 2000 Censuses, and the county has continued to grow since 2000, though at a slower rate than recorded previously. Meanwhile, the resident population of Boyne City has largely unchanged over the past two decades. It is worth noting that these population figures represent permanent

resident population only and therefore do not include partial-year residents who may have vacation homes in the area.



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Households: Household consumption plays a critical role in the economic outlook of a region. A household is broadly defined as one or more person(s) living in a housing unit. Households consist of married couples, and male and female householders. The following table presents household growth trends for Boyne City, Charlevoix County, and Michigan.

Household Growth Trends							
Boyne City, Michigan							
Area	1990 Census	2000 Census	2009 (Est.)	2014 (Proj.)	%Change 1990-00	%Change 2000-09	%Change 2009-14
Boyne City	1,362	1,468	1,476	1,500	7.8%	0.5%	1.6%
Charlevoix County	8,243	10,400	10,980	11,250	26.2%	5.6%	2.5%
Michigan	3,419,331	3,785,661	3,939,172	3,972,480	10.7%	4.1%	0.8%

Source: STDB

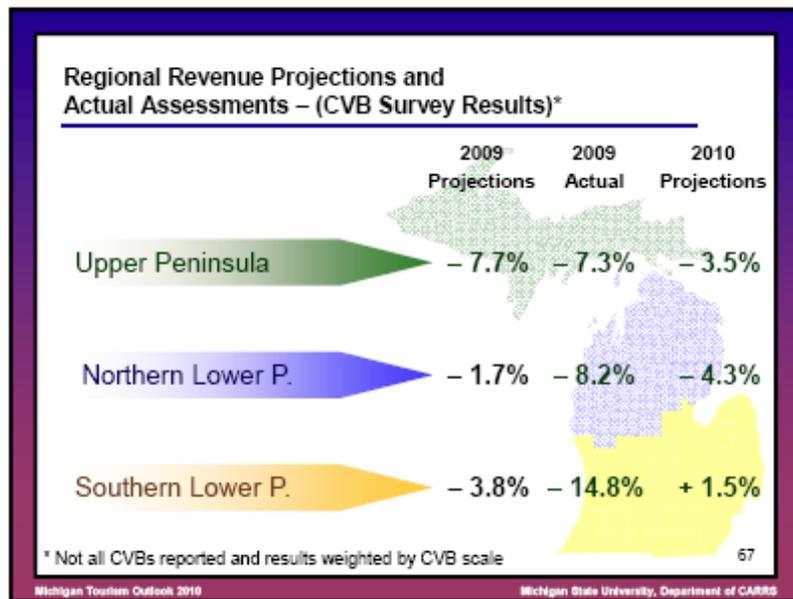
According to the 2009 estimates, there are currently 10,980 households living in Charlevoix County, with 1,476 in Boyne City. As with population, Charlevoix County has seen a greater percentage increase in its household count over the past two decades than the state of Michigan as a whole, and this is projected to remain the case heading into the future. At all geographic levels, the fact that growth in the number of households has outpaced population growth highlights the widespread trend toward smaller households.

Higher Education: Institutions of higher learning are typically demand generators for leisure facilities and they help to provide an area with a stable employment base. There are no colleges or universities located in Boyne City or anywhere else in Charlevoix County. The nearest higher education institution is the Petoskey campus of North Central Michigan College in Emmet County, approximately 12 miles to the north. This campus offers two-year degree programs and career training, with a typical annual enrollment of 3,000 students. The next nearest institutions are located in Traverse City, more than an hour's drive away.

Tourism Statistics: According to Michigan State University Extension (MSUE), which collects tourism-related data throughout the state, Charlevoix County receives an estimated 301,710 visitors annually. This figure, the most recent official estimate available, represents an average of person trips recorded in the years 2000 through 2004. Roughly 88% of visitors to Charlevoix County were identified as leisure travelers, as opposed to business travelers. Among all visitors to the county, the average length of stay was 3.8 days; among leisure visitors, the average was 3.9 days. In all, this translates to over 1.1 million visitor days per year.

As in most parts of the country, Michigan's tourism industry has struggled over the past two years as consumers have cut back on vacation spending. According to data presented at "Driving Tourism 2010, The Michigan Governor's Conference," which took place in May 2010, total hotel stays in the state dropped by 8.9% from 2007 to 2008, with business stays down by 18.5% and leisure stays down by 4.2%. Total direct travel expenditures at the state level equaled \$16.3 billion in 2008, a 9.9% drop from the previous year. From 2008 to 2009, total travel volume in the state dropped by another 0.9% and total direct travel spending dropped by 13.6%.

For 2010, total travel volume is projected to rise by 2% to 3%, and travel spending is projected to rise by 3% to 4%. However, based on a statewide survey of CVBs, the southern portion of Michigan is expected to reap a greater share of the improving tourism market than the northern areas, as illustrated in the following graphic which was featured in a slide presentation given at the conference.



Recreation and Regional Attractions: Recreational facilities and regional attractions enhance an area’s quality of life. These activities also have a significant economic impact on an area by increasing the demand for services and retail trade created by visitors. Tourists in turn tend to generate lodging demand on weekends, holidays and summer months, offsetting commercial visitations during weaker periods. The following table lists major attractions in the area.

Major Tourist Attractions in the Subject Area	
<u>Attraction</u>	<u>Location</u>
Lake Michigan	Western Michigan
Boyne Mountain Resort	Boyne Falls, MI
Boyne Highlands Resort	Harbor Springs, MI
Nub's Nob Ski Area	Harbor Springs, MI
Odawa Casino Resort	Petoskey, MI
Young State Park	Boyne City, MI

Source: Hotel & Leisure Advisors

Within the area, popular activities for visitors include skiing, boating, fishing, golf, and casino gaming. There are three major ski resorts within 20 miles of Boyne City: Boyne Mountain, Boyne Highlands, and Nub’s Nob. Boyne Mountain is the closest of the three,

located just located just six miles southeast of Boyne City. In addition to golf and ski slopes, Boyne Mountain offers several restaurants, children’s programs, a zipline attraction, the Solace Spa, and the Avalanche Bay indoor waterpark. Overall, the area has more than 100 downhill ski slopes plus numerous cross country ski trails. Top golf courses in the area include the Bay Harbor Golf Club, Crooked Tree Golf Club, The Alpine at Boyne Mountain, and Harbor Point Golf Course. The area offers numerous opportunities for outdoor recreation at state and local parks, among them Young State Park on Lake Charlevoix, Fisherman’s Island State Park on Lake Michigan, Avalanche Mountain Preserve in Boyne City, and the Mackinaw State Forest, which occupies a large portion of the land area in eastern Charlevoix County. The Little Traverse Wheelway offers 26 miles of paved trail for walking, hiking and biking. Historical and cultural attractions in the area include the Boyne City Historical Museum, the Little Traverse History Museum, the Bay Harbor History Museum, and the Andrew Blackbird Museum. Odawa Casino Resort, located in Petoskey, offers 50,000 square feet of gaming space with 1,500 slot machines and 36 table games.

The following table shows the driving distance from the subject site to some of the most visited attractions in Boyne City, Charlevoix County, and the surrounding area.

Driving Distance from Subject to Selected Destinations	
	<u>Miles</u>
Boyne City Historical Museum	0.5
Avalanche Mountain Preserve	1.0
Boyne City Municipal Airport	1.0
Young State Park	2.5
Boyne Mountain Resort	5.6
Odawa Casino Resort	13.7
North Central Michigan College	15.2
Charlevoix Municipal Airport	19.0
Castle Farms	21.1
Boyne Highlands Resort	24.7
Nub's Nob Ski Area	24.8
Pellston Regional Airport	35.1
Source: Mapquest.com	

Convention Facilities: Large event facilities, such as convention centers, exposition centers, fairgrounds, theaters, stadiums, and arenas play a major role in attracting visitors to an area. These visitors frequently make use of paid overnight accommodations and patronize local restaurants, retail stores, and tourist attractions. There are no major convention facilities in Boyne City or Charlevoix County. However, a number of resorts in the area – including Boyne Mountain, Boyne Highlands Resort, and the Odawa Casino Resort – offer meeting rooms and event space. Throughout the area, additional event space is available at local hotels, country clubs, restaurants, state parks, and various community facilities.

Economic Forces

Economic considerations relate to the financial capacity of a market area’s occupants and their ability to purchase goods and services. Among the economic factors that can be considered in this type of analysis are median household income levels, per capita income, income distribution for households, unemployment levels, and the amount and type of economic development in a given area.

Income: The economic vitality of an area is an important consideration in forecasting the demand and potential income for commercial real estate. The table below lists median household income estimates for Boyne City, Charlevoix County, and Michigan.

Median Household Income Estimates							
Boyne City, Michigan							
Area	1990 Census	2000 Census	2009 (Est.)	2014 (Proj.)	%Change 1990-00	%Change 2000-09	%Change 2009-14
Boyne City	\$21,359	\$36,037	\$45,555	\$50,144	68.7%	26.4%	10.1%
Charlevoix County	\$24,738	\$39,817	\$48,453	\$50,988	61.0%	21.7%	5.2%
Michigan	\$31,020	\$44,683	\$55,536	\$56,866	44.0%	24.3%	2.4%

Source: STDB

Households in the local area tend to have somewhat lower income levels than those in the state of Michigan as a whole. For 2009, the median household income was estimated at \$45,555 in Boyne City and \$48,453 in Charlevoix County, compared to \$55,536 in the entirety of Michigan. As an additional point of comparison, the median household income for the United States as a whole is estimated at \$54,719 for 2009. The city and county have experienced strong income growth over the time period presented; however, slower income growth is projected for the period of 2009 to 2014, as a result of the ongoing economic recession.

Disposable Income: One indicator often used to measure an area’s ability to buy is disposable income, which is an expression of household income minus tax payments. Analyzing disposable income levels presents a clearer picture of residents’ buying power in a given area, and is useful in determining market strength. The following table presents the most recent disposable income figures available for Boyne City, Charlevoix County, and the state of Michigan.

Disposable Income Boyerne City, Michigan	
Area	<u>Median HH Disposable Income</u> 2009 (Est.)
Boyerne City	\$36,368
Charlevoix County	\$37,708
Michigan	\$42,722
United States	\$43,361
Source: STDB	

These figures, which speak directly to the ability of resident households to purchase goods and services, show that households in the local area tend to have less in the way of useable income when compared to households at the state and national levels.

Industries and Employment

Information on the size of a region’s labor force and the relative trends in employment and unemployment are key local economic indicators.

Unemployment Rates: The widely cited unemployment rate provides a good measure of the relative utilization of labor in a region. These measures are “residency-based,” providing current information on the labor force status of the residents of a county or region. The following table presents unemployment rates for Charlevoix County and the state of Michigan. Figures for Boyerne City are not included here because the Bureau of Labor Statistics does not track unemployment in communities of fewer than 25,000 residents.

Historical Unemployment Rates					
Area	2005	2006	2007	2008	2009
Charlevoix County	7.3%	7.6%	8.5%	9.7%	14.7%
Michigan	6.8%	6.9%	7.1%	8.3%	13.6%
United States	5.1%	4.6%	4.6%	5.8%	9.3%
Source: U.S. Department of Labor, Bureau of Labor Statistics					

Like most parts of the country, the subject area has seen a marked increase in unemployment over the past two years in response to current recession. However, beginning long before the recession, the state of Michigan was already suffering some of the worst unemployment rates in the nation. As the preceding table illustrates, the unemployment rate in Charlevoix County tends to be slightly above the state level and significantly above the national level. In 2009, the annual unemployment rate stood at 14.7% in Charlevoix County, compared to 13.6% in the state of Michigan and 9.3% in the United States as a whole. The Bureau of Labor Statistics also tracks unemployment

on a monthly basis. Preliminary figures for March 2010 indicate an unemployment rate of 18.9% in Charlevoix County and 14.9% in the state of Michigan.

Employment by Industry: The distribution of employment helps determine the economic character of an area. The chart below shows the three largest industrial sectors in terms of the estimated number of persons employed in 2009 for Boyne City, Charlevoix County, and the state of Michigan.

Largest Industrial Sectors, 2009						
Boyne City, Michigan						
Geographic Area	Largest industrial sector		2nd largest industrial sector		3rd largest industrial sector	
	Industry	Percentage of persons employed	Industry	Percentage of persons employed	Industry	Percentage of persons employed
Boyne City	Public Administration	14.5%	Retail Trade	13.7%	Accommodation/ Food Services	13.3%
Charlevoix County	Manufacturing	18.3%	Accommodation/ Food Services	11.9%	Health Care/Social Assistance	11.7%
Michigan	Health Care/Social Assistance	15.3%	Manufacturing	14.5%	Retail Trade	12.3%

Source: STDB

In 2009, the top three employment sectors in Boyne City were Public Administration, Retail Trade, and Accommodation/Food Services. Manufacturing is the leading sector at the county level, followed by Accommodation/Food Services, and Health Care/Social Assistance. Employment in the Accommodation/Food Services sector is a reliable indicator of the importance of tourism to a local economy. In 2009, this sector accounts for an estimated 13.3% of the overall employment in Boyne City, compared to 11.9% in Charlevoix County and 8.3% in the state of Michigan. This comparison suggests that hospitality-related businesses like hotels and restaurants are of greater relative importance to the city and county than to the larger geographic area in which they are located.

The next table shows trends in overall employment for Boyne City, Charlevoix County, and the state of Michigan since 2000. These figures are based on the employment status of residents.

Overall Employment Growth, 2000-2009				
	<i>Total Est. Employment</i>		<i>Net Change</i>	<i>% Change</i>
	<u>2000</u>	<u>2009</u>	<u>2000-2009</u>	<u>2000-2009</u>
Charlevoix County	12,001	12,528	527	4.4%
Michigan	4,637,461	4,142,898	-494,563	-10.7%

Source: U.S. Census Bureau, ESRI forecasts

From 2000 to 2009, Charlevoix County experienced an estimated net gain of 527 jobs or 4.4%. During the same time period, total employment in the state of Michigan dropped by an estimated -10.7%. It is important to note, however, that these numbers reflect employment change over a relatively long period of time and therefore do not highlight any job losses which may have occurred over the past two or three years.

Major Employers: The demand for hotels is closely tied to the types of business in an area, their economic strengths and their growth potential. The largest employers in Charlevoix County are listed in the following table.

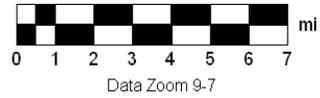
Major Employers in Charlevoix County, Michigan			
Firm/Organization	Location	#Employees	Description
East Jordan Iron Works Inc	East Jordan	551	Gray & ductile iron foundry
Boyne USA Inc	Boyne Falls	450	Hotel/Motel Operation Public Golf Course Sport/Recreation Camp
LexaMar Corp	Boyne City	325	Manufactures finished injection molded plastic products
Harbor Industries Inc	Charlevoix	300	Manufactures window & lobby displays & cutouts; manufactures wood partitions & fixtures
Grandvue Medical Care Facility	East Jordan	240	Extended Care Facility
Charlevoix Area Hospital	Charlevoix	229	General Hospital
Cemex Cement Inc	Charlevoix	220	Manufactures Portland cement
Honeywell International Inc	Boyne City	200	Manufactures aircraft parts & equipment; manufactures search & navigation systems
Spectrus Inc	Charlevoix	190	Manufactures optical instruments & lenses; manufactures industrial & commercial lighting fixtures
Summertree Residential Centers	Boyne City	170	Homes For Developmentally Disabled And Mentally Ill Adults
North West Michigan Community	Charlevoix	169	Preventive Health Service
CPI Products Inc	Charlevoix	111	Manufactures conveyors & conveying equipment
Kmart Corp	Charlevoix	100	Dept Stores Discount
Source: Michigan Economic Development Corporation			

The next map illustrates the location of the subject site in relation to major employers in the surrounding area. In addition to the major Charlevoix County employers, the map

also shows some of the largest employers in neighboring Emmet County, including the Odawa Casino Resort, Moeller Aerospace, Boyne Highlands Resort, and the Nub's Nob Ski Area.



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New Developments: The following bullets describe recent developments that will influence tourism, employment, and the general economy in the Boyne City, Charlevoix County and the surrounding area.

- In 2009, Gaylord-based Catt Development began work on a \$12 million new marina, condominium hotel, retail, restaurant, and office development at the end of Water Street in downtown Boyne City on the shore of Lake Charlevoix. The project, called One Water Street, is currently under construction and has agreed to have Magnum Hospitality of Traverse City fill the restaurant space of the site with a European-themed bistro. Magnum Hospitality owns the Red Mesa Grill restaurants in Boyne City and Traverse City, as well as Pearl's New Orleans Kitchen in Elk Rapids. The One Water Street Marina is expected to open by summer 2010, and a commercial building housing the office, retail, and restaurant component is also scheduled to be completed and open by mid 2010. The hotel component is expected to be completed in the summer of 2011.
- In March 2010, the Boyne City City Commission approved funding for a 15-year extension of the Boyne City Main Street Program, the city's downtown development authority. Since forming in 1994, the group has been active in effecting building and infrastructure improvements in downtown Boyne City.
- In 2010, construction will begin on a major project to reconstruct Boyne City-Charlevoix Road from Boyne City to Horton Bay. This project is being funded by a voter-approved county-wide road millage in Charlevoix County.
- In nearby Petoskey, a major condominium/hotel project called Petoskey Pointe is currently stalled due to financing issues. This block-sized development, located in downtown Petoskey, has been in the works for the past several years. Construction was halted in 2007, and in February 2009 the Petoskey City Council declared the development firm Lake Street Petoskey Associates to be in default on loans provided for the project.
- In Harbor Springs, a \$20 million condominium project called Hotel Janelle has struggled to come to fruition as one investor backed out of the development and another began foreclosure proceedings after the initial financing commitment began to expire. In late 2009, however, The Cottage Company in Harbor Springs received a building permit extension to 2011 from the City of Harbor Springs and foreclosure proceedings were delayed. If completed as planned, this development would include a spa, an athletic club, pool and an upscale wine and martini bar.
- In 2009, the Charlevoix City Council approved a \$12.9 million expansion and improvement plan for the Charlevoix Municipal Airport. Tentative plans include a waterfall, fire place, pilot chart room, expanded restrooms, a restaurant, and retail store space. Most of the funding for this project is expected to come from the Federal Aviation Administration and state grants.
- In January 2009, Odawa Casino Resort in Petoskey announced that it would lay off 80 of its workers, marking the second mass layoff at the resort in a span of five months. The layoffs were attributed to a drop in customers and increases in operating costs. In August of 2008, the casino resort laid off 55 full-time employees and 45 part-time staff members as part of a company-wide

reorganization. Meanwhile, officials at the resort have reportedly begun to explore the idea of adding another on-site hotel, possibly connected to the casino building. The resort, which opened in 2007, is one of the area's largest tourist attractions and a leading employer.

Governmental Forces

Governmental considerations relate to the laws, regulations, and property taxes that affect properties in the market area and the administration and enforcement of these constraints such as zoning laws, building codes, and housing and sanitary codes. The property tax burden associated with the benefits provided and the taxes charged for similar benefits in other areas are considered. The enforcement of applicable codes, regulations, and restrictions should be equitable and effective. Governmental characteristics that should be considered in the analysis of a market area include property tax burden relative to services provided, special assessments, zoning and building codes, quality of public services, and environmental regulations. Some of these factors are discussed in the zoning and real estate tax sections later in this report.

Environmental Forces

Environmental influences consist of any natural or man-made features that are contained in or affect the market area and its location. These include a building's type and size, topographical features such as terrain and vegetation, changes in property use and land use patterns, and the adequacy of public utilities.

Highway Transportation: Highway accessibility is a primary consideration in planning an area's future growth and development. There are no interstate highways in Charlevoix County. The nearest is Interstate 75, which runs all the way from southern Florida to the Upper Peninsula of Michigan. Interstate 75 is approximately 20 miles east of Boyne City. On the western side of Charlevoix County, US Route 31 runs along the coast of Lake Michigan, passing through Charlevoix and Bay Shore. To the south US 31 provides a direct connection to Traverse City. On the eastern side of the county, US Route 131 is the primary north/south highway, running from Boyne Falls to Petoskey. The main road leading into Boyne City is State Route 75, which runs northwest from US Route 131 to Boyne City and northeast from the Boyne City back to US Route 131. The following chart shows historical traffic volume statistics on State Route 75 on both of these stretches for the years 2005 through 2008.

Annual Average Daily Traffic Volume		
Boyne City, Michigan		
State Route 75		
	<i>between Boyne Falls and Boyne City</i>	<i>between Boyne City and Walloon Lake</i>
2008	6,100	4,900
2007	6,500	4,100
2006	5,600	4,800
2005	5,700	4,900

Source: Michigan Department of Transportation

Air Transportation: The nearest major commercial service airport is Cherry Capital Airport in Traverse City, more than an hour's drive away. The closest airport offering scheduled passenger service is Charlevoix Municipal Airport, located along US Route 31 near the Lake Michigan shore. The following table presents historical passenger activity at Charlevoix Municipal Airport.

Airport Activities		
Charlevoix Municipal Airport		
<u>Year</u>	<u>Passenger Enplanements</u>	<u>%Change</u>
2008	17,854	7.9%
2007	16,544	17.1%
2006	14,133	-2.9%
2005	14,549	13.9%
2004	12,769	—

Source: Federal Aviation Administration

The next nearest airport offering scheduled commercial passenger service is Pellston Regional Airport in Emmet County. In 2008, this airport recorded 26,222 passenger enplanements. As a comparison, Cherry Capital Airport in Traverse City had 183,357 passenger enplanements in 2008. Boyne City Municipal Airport, a smaller facility used for general aviation, is located one mile southeast of the subject.

Climate: The climate of the subject area is generally mild in the summer and cold in the winter. The average daily temperature in January is 19.6 degrees Fahrenheit and the average daily temperature in July is 68.6 degrees Fahrenheit. The following table depicts typical weather conditions for the area based on data collected from the weather station in Boyne Falls over a 30-year period.

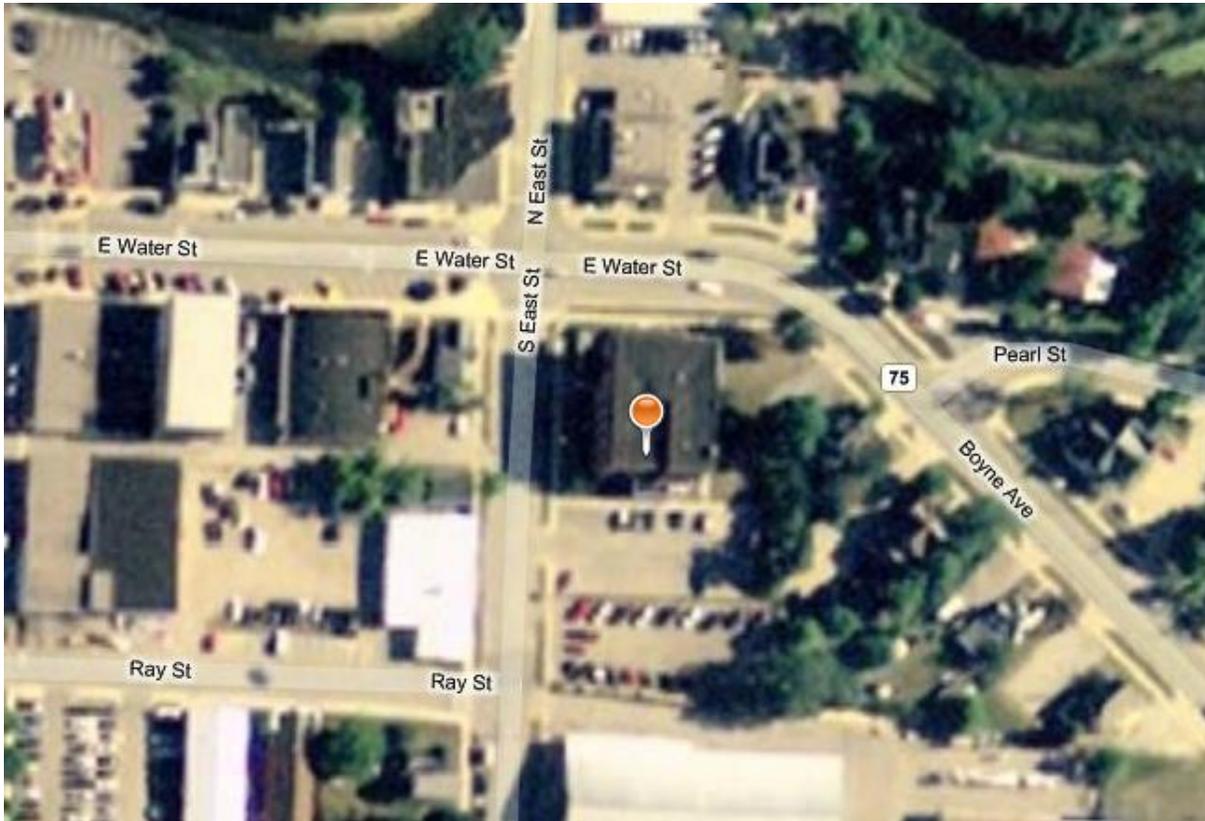
Average Weather Conditions for Boyne Falls, Michigan (1971-2000)				
Month	Low Temperature	High Temperature	Average Temperature	Precipitation
	(°F)	(°F)	(°F)	(inches)
January	11.5	27.6	19.6	2.4
February	11.0	31.4	21.2	1.4
March	19.5	41.8	30.7	2.0
April	30.6	55.8	43.2	2.3
May	40.8	69.9	55.4	2.7
June	50.4	77.9	64.2	2.7
July	55.0	82.1	68.6	3.1
August	54.0	79.5	66.8	3.7
September	47.2	70.8	59.0	3.9
October	37.9	59.1	48.5	3.4
November	29.0	44.0	36.5	2.9
December	18.5	32.2	25.4	2.4
ANNUAL	33.8	56.0	44.9	32.8

Source: The National Oceanic and Atmospheric Administration's National Weather Service

NEIGHBORHOOD ANALYSIS

The neighborhood surrounding a lodging facility impacts a hotel's status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. The subject is located in a densely developed area of downtown Boyne City.

Aerial Photograph: The image below is an aerial photograph of the subject.



The next map, generated by Google Earth, illustrates the location of the subject in relation to major roads and highways in the surrounding area.

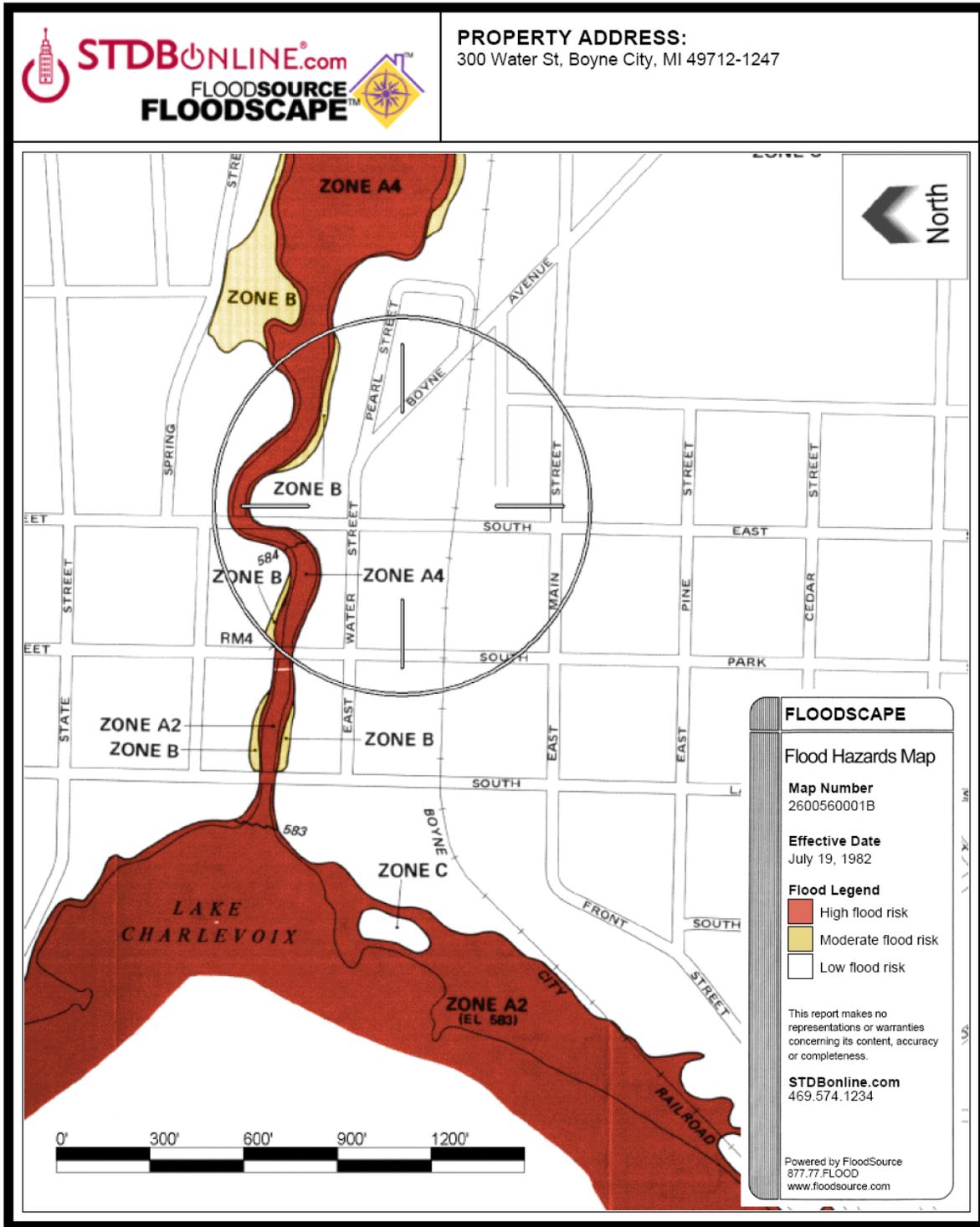


Flood Zone Determinations: According to FEMA definitions, the term 100-year floodplain indicates an area in which there is a 1% or greater annual probability of a flood occurring; the term 500-year floodplain indicates an area with a 0.2% or greater annual probability of flooding.

The most common flood zone definitions are as follows:

- ZONE A** An area inundated by 100-year flooding
- ZONE B** An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than one foot or with drainage areas less than one square mile; or an area protected by levees from 100-year flooding
- ZONE C** An area that is determined to be outside the 100- and 500-year floodplains
- ZONE D** An area of undetermined but possible flood hazards
- ZONE X** An area within a 500-year floodplain; an area within the 100-year floodplain with average depths of less than one foot or width drainage areas less than one square mile and areas protected by levees from 100-year flood

The map on the following page presents the FEMA flood zone determinations for the subject site as of July 19, 1982. The map (Map Number 2600560001B) indicates that the subject site is in a Zone C area, meaning that it is located entirely outside of all designated floodplain areas and is therefore at very low risk of flooding.



Caption

300 Water St,
 Boyne City, MI
 49712-1247

Community Name: BOYNE CITY,CTY/CHARLEVOIX CO
Community #: 0056
County: Charlevoix
FloodZone: C

Surroundings of Subject Site

The neighborhood surrounding the subject site has a variety of uses which are primarily related to retail, restaurant, residential, and hospitality. The subject has visibility from both Water Street and East Street.

Water Street is an active retail roadway within the community. Water Street also provides access from the subject to Lake Charlevoix approximately 0.2 miles to the east. Within walking distance of the subject are a number of restaurants and cafes, including Boyne River Inn, Parkside Grill & Treats, Red Mesa Grill, Subway, Water Street Café, Local Flavor, and Kilwin's Chocolates, Fudge & Ice Cream all along Water Street. Also within walking distance are The B.B.Q., Indo China Gardens, 220 Lake Street Food & Spirits, Sportsman's Good Times & Food, and Pasta Bella all located on or near South Lake Street. Additional restaurants within a short distance of the subject include Robert's Restaurant, Spicy Bob's Italian Restaurant, B.C. Pizza, and McDonalds. Two other restaurants will be opening soon. Sammich 'n Sudz is relocating from its current store front which allowed for no seating to a larger store front along South Lake Street. Cafe Santé was undergoing final preparations during our inspection for its opening on Monday, May 24th in the new development at One Water Street. Cafe Santé will be owned and operated by Magnum Hospitality, which also operates the Red Mesa Grill.

Between the subject and lake front along Water Street there are also a number of retail store fronts including H&R Block, Century 21 Realtor, Bob Mathers Ford, Boyne City Ace Hardware, Up the Lazy River, Country Now & Then, Dilworth Yacht Brokers, Boyne County Provisions, Huff Pharmacy, Momentum, Inspired Living, Radio Shack, Sunburst Marine West and professional offices. To the east of the subject there is less commercial development. Some of the land uses include Farm Bureau Insurance, Boyne County Chiropractic Center, Body Shop Gym, Prudential Real Estate, REH Acres Home Heating, and West Climate Control Inc. A little further to the southeast within the Boyne City High School is the Boyne City Performing Arts Center. Directly to the north are the US Post Office, Auto Value Parts Store, Consumers Energy, Boyne City Motel, and a concentration of homes. Immediately to the south of the subject is a parking space utilized by Bob Mathers Ford, F.O. Barden & Son Inc. – Do It Best Home Center, Mathers Body Shop, Connections North, an elementary school, and residential neighborhoods.

The neighborhood to the east of the subject offers numerous restaurant options, retail outlets and the Lake Charlevoix waterfront, while little complementary development has occurred in the other directions.

Outlook

Our review of the above data indicates a mixed outlook for the subject area. The area's high unemployment rate and relatively low household income levels are of some concern. However, these factors should not necessarily have a negative impact on a leisure-oriented lodging facility which depends primarily on the expenditures of visitors. With its existing stock of ski resorts, golf courses, state parks, and other attractions, the area surrounding Boyne City is already well known as a travel destination, especially among Michigan residents. When considered together, these factors point toward continued economic well being in the subject area, leading to stable levels of hotel demand.

SITE ANALYSIS

Site Location: The subject is located at 300 E. Water Street, Boyne City, Charlevoix County, Michigan.

Size and Shape: The developers currently have an option to acquire 0.750 acre property which includes the three-story structure and a 27-space parking lot, according to our analysis of their site plan.

Access and Exposure: Access to the subject site is obtained via East Water Street and South East Street. A traveler on US 131 from the south would connect with M-75 in Boyne Falls and travel northwest approximately 5.7 miles to the subject. From the north a traveler would connect with M-75 from US 131 near Walloon Lake and travel southwest approximately 6.7 miles to the subject.

The subject has visibility from both East Water Street and South East Street. The property is the tallest structure in the community and can be seen from the city's waterfront.

Zoning: According to Boyne City officials, the subject site is zoned CBD – Central Business District. This district's purpose is to accommodate the highest concentration of retail and service establishments. The uses permitted in this district are intended to provide a convenient and attractive retail and service center for the community and the city's tourist traffic. The district is designed and intended to promote the development of a pedestrian oriented and accessible, central commercial service district where a variety of supporting retail, commercial, office, and civic uses are permitted. Permitted uses include offices, art galleries, retail establishments, mixed-use facilities, hotels, motels, and bed and breakfast inns. Therefore, the proposed subject re-development would be a legally conforming use.

Site Conditions: We have not been provided with an engineering or environmental study performed for the subject site. H&LA has not performed an engineering study nor test borings, and makes no conclusion as to the condition of the foundation or the soil and subsoil conditions.

Utilities: All necessary utilities and services are assumed available to the subject property's site.

Deed Restrictions/Easements: The standard utility easements from the local electrical, telephone, and gas companies are projected to encumber the subject property. These easements are considered typical for the operation of commercial property, and are not detrimental.

The subject was erected in 1912, and has been included on the Michigan Register of Historical Structures and on the National Register of Historic Places maintained by the United States Department of the Interior. The building is deemed an important element in the architectural cityscape of Boyne City as a landmark of importance which contributes to the cultural heritage and visual beauty of Boyne City. Reconstruction, repair, repainting, or refinishing of the façade is to be performed according to the Standards for Rehabilitation and Guidelines for Rehabilitating Buildings issued by the

United States Department of the Interior in a manner which maintains or recreates the appearance of the façade.

No other easements were made known to the appraiser, and none are assumed to exist.

Property Taxes: The subject consists of one real estate tax parcel which is 051-320-001-10. Three values are carried on the assessment rolls for any property in the state of Michigan. These are: a state equalized value (SEV), a capped valuation, and a taxable value. The SEV is generally 50% of the market value, and is to be similar to assessments of similar properties. The capped value results from a constitutional provision for a cap on increases of assessments limiting any increase to the rate of inflation or 5% whichever is lower. This limitation continues until a property is sold or transferred. The sale of a property does not cause a re-assessment of the property. However, the sale price may be considered in establishing the SEV at the beginning of a new tax year. This new SEV becomes the taxable value for the ensuing year and the cap provision is again applied. Taxes are levied twice a year. Tax rates vary depending upon the summer or winter millage rates. The current combined effective millage rate for commercial properties is 55.0441 per \$1,000 for the year. The following table highlights the subject's historical assessment and those of other properties.

Subject and Comparable Assessments				
<u>Year</u>	<u>Property</u>	<u>Rooms</u>	<u>State Equalized Value</u>	<u>Per Room</u>
Subject:				
2007	Wolverine Dilworth Hotel	29	\$292,200	\$10,076
2008	Wolverine Dilworth Hotel	29	\$286,400	\$9,876
2009	Wolverine Dilworth Hotel	29	\$286,400	\$9,876
Comparables:				
2009	Boyne City Motel	19	\$272,100	\$14,321
2009	Charlevoix Inn & Suites	62	\$952,600	\$15,365
2009	AmericInn Lodge and Suites	52	\$1,000,100	\$19,233
Source: County Assessor's Office				

The previous table indicates an assessment range from \$9,876 to \$19,233 per room for the subject and comparables, with an average of \$13,124 per room. The subject has been closed since November 2008. The current assessments of the subject are inconsequential as the subject will be re-assessed when the hotel re-opens. The subject paid personal property taxes of \$1,494.47, \$1,349.73, and \$1,387.68 for the tax years of 2007, 2008, and 2009 respectively. However, these values will also be re-assessed following the re-opening of the property. The following table indicates our projection for real estate taxes for the first year of the analysis.

Wolverine Dilworth Hotel	
Tax Analysis	
State Equalization Value	\$1,700,000
Assessment %	100.0%
Assessed Value	\$1,700,000
Effective Tax Rate	0.0550441
Gross Tax	\$93,575
Indicated Tax	\$93,575
Rounded	\$94,000
Personal Prop Tax	\$17,600
Total Tax	\$111,600
Tax/Room	\$3,848
Source: Hotel & Leisure Advisors	

Competitive Advantages and Disadvantages of Subject Site

Advantages

- The subject is located on Water Street, the main business thoroughfare in Boyne City. The property anchors the east end of the street which provides access to numerous shops and restaurants as well as Lake Charlevoix to the west.
- Boyne City is one of 13 Michigan Main Street communities. This State of Michigan sponsored program encourages economic development through historic preservation in a manner which is appropriate in today's marketplace. This volunteer driven program works with the existing economic base to market the downtown's unique characteristic to residences, visitors, investors, and business owners.
- The historic nature of the Dilworth Hotel carries a strong positive reputation within the community. Many residents either have held functions, attended events, or have worked at the property.
- The property is a historic hotel. Such properties have a strong following among groups and individuals seeking the unique and historic nature of such properties.
- The subject is within walking distance of Lake Charlevoix. The lake is a major attraction to outdoorsmen, with easy access for boaters and fishermen. The lake has also been the catalyst for a number of second home developments whose occupants help support the local economy during the summer months.

Disadvantages

- Boyne City is not located along the region's major thoroughfares. US 31 travels north from South Bend, Indiana staying generally along the Lake Michigan shoreline, to the west of the subject crossing Lake Charlevoix in the city of Charlevoix. US 131 leads north from the Indiana State Line through the cities of Kalamazoo and Grand Rapids, Michigan passing to the east of Boyne City and joining US 31 in Petoskey, Michigan. Finally I-75 comes north from Detroit, Michigan and passes further to the east joining with US 31 in Mackinaw City,

before proceeding to the Upper Peninsula of Michigan. The closest of these roadways, US 131, passes more than 5.7 miles away from the subject.

- Boyne City is lesser known as a resort location, unlike the cities of Charlevoix, Petoskey, Mackinaw City, and Mackinaw Island. However, the community has taken strides to introduce a number of activities, including the Annual Mushroom Festival, Memorial Day Drag Races, Yacht Club Regatta, Boyne Thunder Poker Run, SOBO Arts Festival, Summer Celebration Street Festival, and Stroll the Streets.
- The property has limited onsite parking. As it currently exists the facility has 27 parking spaces to accommodate the 27 hotel units. This leaves inadequate onsite parking space to accommodate the proposed restaurant, Irish Pub, and meeting space by non-hotel guests.

Conclusion

We are of the opinion that the subject neighborhood as it currently exists would be considered an attractive location for a hotel development. The subject's location in Boyne City within walking distance of Lake Charlevoix, offers an anchor to the community's business district and compliments the market's summer leisure travel. It is our opinion that the subject is positioned to take advantage of the market's growing presence as a resort location in northern Michigan.



WEST ELEVATION



NORTH ELEVATION

BUILDING ELEVATIONS

DESCRIPTION OF PROJECTED/RECOMMENDED IMPROVEMENTS

General: The client plans and we recommend, and have performed our study based on the restoration of the Wolverine Dilworth Hotel into a 29-unit full-service hotel, with a restaurant, Irish Pub lounge, and meeting space. The client is proposing the property become part of the Ascend Collection by Choice Hotels as a franchise affiliation. The following describes the proposed development.

Wolverine Dilworth Hotel Recommended Facility		
Number of Units		29
Room Mix	Units	Room Breakdown %
Single Queen	18	62%
Double-Queens	6	21%
Queen Suites	3	10%
Two-Bedroom Suite	2	7%
Hotel Affiliation		Historic Hotels of America
Franchise Recommendations		
Ascend Collection by Choice Hotels		
Kimpton Boutique Hotels		
Preferred Boutique Hotels		
Best Western		
Meeting Rooms		Square Feet
First Floor Meeting Room		1,500
Total		1,500
Food and Beverage Outlets		Seating
First Floor Restaurant (Casual Theme)		90
Lower Level Bar (Irish Pub Theme)		65
Amenities		
Fitness Room		
Complimentary High Speed Internet		
Business Center		
Complimentary Parking		
Gift Shop		
Source: Hotel & Leisure Advisors		

The developer plans to restore the historic Wolverine Dilworth Hotel, including the existing 27 guest rooms, restaurant, lower level bar, meeting room, and lobby. The developer anticipates joining a franchise group which will permit it to maintain an independent nature while having access to a worldwide reservations network. The following bullets highlight the plans for hotel and our recommendations.

- The room mix will contain a large number of small rooms - single queens (62%). The room mix will limit the number of family visitors, but will present well for couples and romantic get-a-ways.
- We recommend the subject develop the historic Wolverine Dilworth Hotel into a 29-room full-service hotel. The current floor plans identify 27-units, and there are two sitting areas on the second and third floors. We recommend these sitting areas, along with portions of the adjacent suites be converted to guest rooms.
- The subject plans to offer approximately 1,500 square feet of meeting space which will allow the subject to attract additional group business.
- We recommend the pass through from the lobby to the meeting room be closed to the meeting room. It further should be configured to be a sundries/novelty shop on the wall shared with the front desk and a business center on the outside wall. The west wall of the front desk could be opened to allow front desk staff to serve as cashiers for the novelty shop. The west side of the re-designed room would contain a guest accessible computer with high speed internet access, monitor, and printer. Such amenities would capture additional revenue and provide a convenience for guests.
- We recommend the meeting rooms be re-designed with the latest hi-tech lighting, sound control, and AV systems to meet corporate business expectations. We recommend the facility include wireless High Speed Internet Access (HSIA), and extensive electrical outlets for laptops, ceiling projectors, and other technological items.
- The property will offer two restaurants which should share the same kitchen. The first floor restaurant off the lobby will contain a bar and dining area. The developer plans to convert the lower level restaurant/bar into an Irish Pub. We recommend the lobby restaurant be a three-meal-a-day facility featuring fare which will be both attractive to the local residence year-round and seasonal visitors. The Irish Pub will be a popular concept to seasonal visitors and local patrons, but should be operated to reflect the seasonality of the market. In season, the volume of travelers will be sufficient to support both operations. However, in offseason the garden level pub would best operate on weekends and during holiday windows of time, thus not competing with the lobby restaurant for the diminished number of patrons.
- We recommend the developers work with the city in an effort to resolve the limited parking situation at the hotel. We recommend attempting to acquire the satellite Ford dealer lot located directly south of the hotel or alternate available parcels within the neighborhood. Attempts should also be made to forge agreements with area businesses to utilize their parking spaces at times when the business may be closed. While the community offers a great deal of on street parking throughout the city, street parking adjoining the subject has a two hour limitation. We encourage the city to limit street parking on East Street adjoining the hotel to hotel only guests to facilitate loading and unloading and for overnight guests.

- We encourage the use of the grass area located on the east side of the property for outdoor events such as receptions and parties. The utilization of the green space enhances the revenue potential of the food and beverage department in an outdoor environment.
- We recommend the incorporation of the name Boyne City into the formal name of the hotel. While the Dilworth Hotel name commands respect within the community and region, it is not a recognized property name outside the market. However, Boyne City is developing a reputation for leisure travelers and its association within the Michigan Main Street Program is helping to promote the market outside of northern Michigan.
- We recommend the subject try to obtain LEED certification as a "green" structure, which would allow for reduced energy costs and positive eco-friendly publicity. We recommend the developers analyze the various point systems for certification and balance the potentially higher costs with energy and environmental savings. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings. LEED gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. The article "The Greening of Real Estate Appraisal" published in the second quarter 2007 issue of *Valuation* indicates that green buildings on average save 30% of energy costs, 35% of carbon costs, 30% to 50% on water use costs, and 50% to 90% of waste costs. The article "Energy Star Buildings Outperform Peers" published in March 2008 by the COSTAR Group indicates that "green" buildings outperform their peer non-green assets in key areas such as occupancy, sale price, and rental rates, sometimes by wide margins.

Development Costs

According to the latest available Hotel Development Cost Survey by HVS International, a new midscale hotel with food and beverage averages \$115,000 per available room with a median cost of \$98,600 per available room. The wide range of costs depends upon the quality of property and the extent of the amenities. The range of costs is also impacted by union requirements for construction work, the extent of financing costs included in development budget, and the amount of entrepreneurial profit included in the development budget. The following table outlines the various chain scales and their respective development costs.

2008/09 Hotel Development Cost Survey Per-Room Averages						
	Building and Site			Pre-Opening and		<u>Total</u>
	<u>Land</u>	<u>Improvements</u>	<u>Soft Costs</u>	<u>FF&E</u>	<u>Working Capita</u>	
Budget/Economy Hotels						
Average	\$13,800	\$48,800	\$4,500	\$8,500	\$3,000	\$63,900
Median	\$13,200	\$44,400	\$2,300	\$8,500	\$2,900	\$51,700
Allocation	14%	55%	8%	8%	4%	
Midscale Hotels w/o F&B						
Average	\$27,500	\$68,700	\$11,400	\$10,000	\$4,100	\$96,100
Median	\$14,400	\$60,700	\$8,300	\$9,700	\$2,800	\$80,500
Allocation	16%	65%	10%	10%	4%	
Extended-Stay Hotels						
Average	\$14,400	\$76,000	\$11,700	\$13,300	\$3,300	\$129,000
Median	\$12,800	\$66,600	\$10,200	\$13,700	\$2,400	\$103,400
Allocation	12%	68%	9%	12%	2%	
Midscale Hotels w/ F&B						
Average	\$16,300	\$73,800	\$13,600	\$12,600	\$3,800	\$115,000
Median	\$12,000	\$60,900	\$10,700	\$11,900	\$3,000	\$98,600
Allocation	13%	66%	12%	12%	3%	
Full-Service Hotels						
Average	\$18,700	\$120,500	\$22,700	\$23,200	\$6,900	\$206,000
Median	\$14,700	\$109,400	\$14,300	\$19,000	\$5,700	\$154,700
Allocation	12%	64%	12%	12%	4%	
Luxury Hotels and Resorts						
Average	\$96,300	\$338,900	\$136,500	\$56,800	\$20,800	\$592,600
Median	\$98,400	\$293,900	\$90,400	\$60,700	\$18,700	\$532,900
Allocation	17%	65%	11%	8%	5%	
Source: HVS International						

According to Lodging Hospitality's July 2009 Franchise Fact File, the average per room construction cost for a Historic Hotels of America property is \$125,000, while the construction costs for a Preferred Boutique property is \$200,000. These development cost variances demonstrate the wide range of cost considerations between brands of historic boutique hotels. According to the developer, the renovation of the Wolverine Dilworth Hotel is expected to have a construction budget of \$5,333,000 or \$197,523 per room based upon the original guest room estimate of 27-units. The following chart identifies the proposed budget.

Wolverine Dilworth Hotel Development Budget		
Description	Costs	\$/Room
Land purchase	\$550,000	\$20,370
Hotel construction general building renovation	\$1,500,000	\$55,556
Hotel specific upgrades	\$303,643	\$11,246
Development soft costs	\$1,475,450	\$54,646
Miscellaneous Operating Equipment	\$48,400	\$1,793
Furniture, Fixtures, & Equipment and Operating supplies for restaurant and guest rooms	\$600,625	\$22,245
Contingency Costs, Pre-opening Costs, and Working Capital	\$855,000	\$31,667
Total	\$5,333,118	\$197,523
Note: Dollars per room is based on developer's room count of 27 units		
Source: Landmark Development		

FRANCHISE AFFILIATION ANALYSIS

We have analyzed the potential for the hotel to operate as an independent property versus one with a hotel franchise. The subject could affiliate with a national hotel franchise and receive the benefits of this affiliation by being more recognizable to the potential guests. However, the costs of affiliating with a national franchise can exceed the additional value created in some cases.

In this section, we have analyzed potential brand affiliations and discussed what type of franchise the subject could affiliate with if it did decide to have a franchise. In our opinion, if the subject chooses to affiliate with a franchise, we recommend it align with a brand which is recognized for boutique historic properties. We have analyzed various potential brand affiliations for the subject which are listed below:

- Ascend Collection by Choice Hotels
- Preferred Boutique Hotels
- Kimpton Boutique Hotels
- Best Western

The brands we have listed include properties hotels with which the subject could affiliate. The Ascend Collection, Preferred, and Kimpton charge a franchise fee between 4% and 6% of rooms revenue in addition to marketing and reservation fees ranging from 2.5% to 4% of rooms revenue. The Best Western brand charges a flat franchise fee and marketing/reservations fee based upon the number of guest rooms at the property. Each of these brands celebrates the distinctiveness of the independent hotel. The Preferred and Kimpton brands are luxury oriented and have tighter controls on brand standards. Best Western offers a range of properties from small limited-service products in rural locations to large urban full-service hotels. The brand permits flexibility in product offerings and encourages the identity of each property. Best Western recently introduced descriptors to its properties, Best Western – for lower midscale products, Plus – for middle midscale properties, and Premier – describing upper midscale properties. In our opinion, if the subject were to affiliate with a national franchise, it should focus upon the Ascend Collection by Choice Hotels. The Ascend Collection properties are a mix of resort and urban locations within the upscale tier.

We recommend that the property become a member of Historic Hotels of America. Historic Hotels of America (HHA) is a program of the National Trust for Historic Preservation. HHA represents hotels that have maintained their historic architecture and ambience. To be selected for this program, a hotel must be at least 50 years old, be listed on the National Register of Historic Places or be recognized locally as having historic significance.

We have analyzed a cross-section of Ascend Collection properties. We have conducted interviews to determine the performance levels of the properties. We chose properties which are located in rural or small metropolitan areas. The following table shows occupancy and ADR performance figures for these Ascend comparable properties.

Ascend Collection Properties			
Performance Data			
Property	City/State	2009 Estimated Occupancy	2009 Estimated ADR
Hotel Utica (112 units)	Utica, New York	44%	\$94
Norfolk Lodge & Suites (100 units)	Norfolk, Nebraska	50%	\$77
Kress Inn (46 units)	De Pere, Wisconsin	47%	\$83
Glenwood Suites (56 units)	Glenwood Springs, Colorado	67%	\$97
Carriage House Inn (23 units)	Middletown, Rhode Island	36%	\$114

Source: Hotel & Leisure Advisors

The properties shown range from 23 guest rooms to 112 guest rooms. The occupancy in 2009 for this grouping ranged from 36% to 67% with an ADR range of \$77 to \$114. The managers indicated that the average daily rate of a guest room provided by the central reservation system was typically higher than the hotel overall ADR.

We recommend that the developers hire a competent hotel management company which will operate the subject property as an independent hotel within the Ascend Collection. We are available to analyze and help you select an appropriate hotel management company for the property. We recommend the subject develop a periodic renovation program to keep current with market expectations.

MUNICIPAL INCENTIVES

In our opinion, the subject development should obtain municipal incentives from the city, state, and federal programs to perform the extensive renovation at the subject site. These incentives could include a tax abatement, municipal financing, tax incremental financing, historic restoration grants, or other incentives. We recommend incentives due to the high risk involved in developing a hotel project.

The following bullets identify a number of programs which the subject should apply for:

- The Downtown Signature Building Program enables a community to secure a building that is a focal point within the downtown for commercial rehabilitation purposes that will result in job creation, and would become an asset making a significant contribution to the overall downtown area.
- The Downtown Façade Program is structured to provide commercial/mixed-use building façade improvements to sustain and minimize deterioration of the downtown area. The program is based on the premise that the exterior

improvements will stimulate additional private investment in the buildings and the surrounding area, attract and increase additional customers, thereby resulting in additional downtown economic opportunities.

- The Michigan State-Only Tax Credits for Historic Properties are incentives targeted at those resources that do not qualify for the federal credits. To be eligible for State-only credits a project must meet one of the following criteria:
 - The property is located in a locally designated historic district.
 - The property must be listed individually or as part of a historic district in the State Register of Historic Sites or the National Register of Historic Places and is in a unit of government with a population of less than 5,000 people.
 - The property must be listed individually or as part of a historic district in the State Register of Historic Sites or the National Register of Historic Places and is located in a chartered summer resort and assembly association.
 - The property must be listed individually or as part of a historic district in the State Register of Historic Sites or the National Register of Historic Places and is subject to a historic preservation easement.

The credits are equal to 25% of the project's qualified expenditures.

- Federal Tax Credits for Historic Properties incentives are available to stimulate private investment in the rehabilitation of historic structures. The incentive establishes a 20% tax credit for rehabilitation of certified historic structures for commercial purposes and a 10% tax credit for substantial rehabilitation for nonresidential purposes of buildings built before 1936 and a 39 year straight-line depreciation for the rehabilitated building.
- Brownfield Tax Incentives are available on a case-by-case basis for projects that redevelop a contaminated, blighted, or functionally obsolete property. Eligible investment includes the hard costs associated with demolition, construction, restoration, alteration, renovation, or improvements of buildings.
- We recommend the property apply for a city and county real estate tax abatement based on improvements to the subject.

In our opinion, the risks associated with the re-development of the historic property justify receiving governmental assistance. Our review of various development projects in the other regions indicates that many projects receive some sort of county or state aid.

We recommend the developers apply for a variety of city, county, state, and federal aid. For the purposes of our report, we did not assume that any specific government incentive or real estate tax abatement will be obtained.



↑ Exterior View of the Hotel

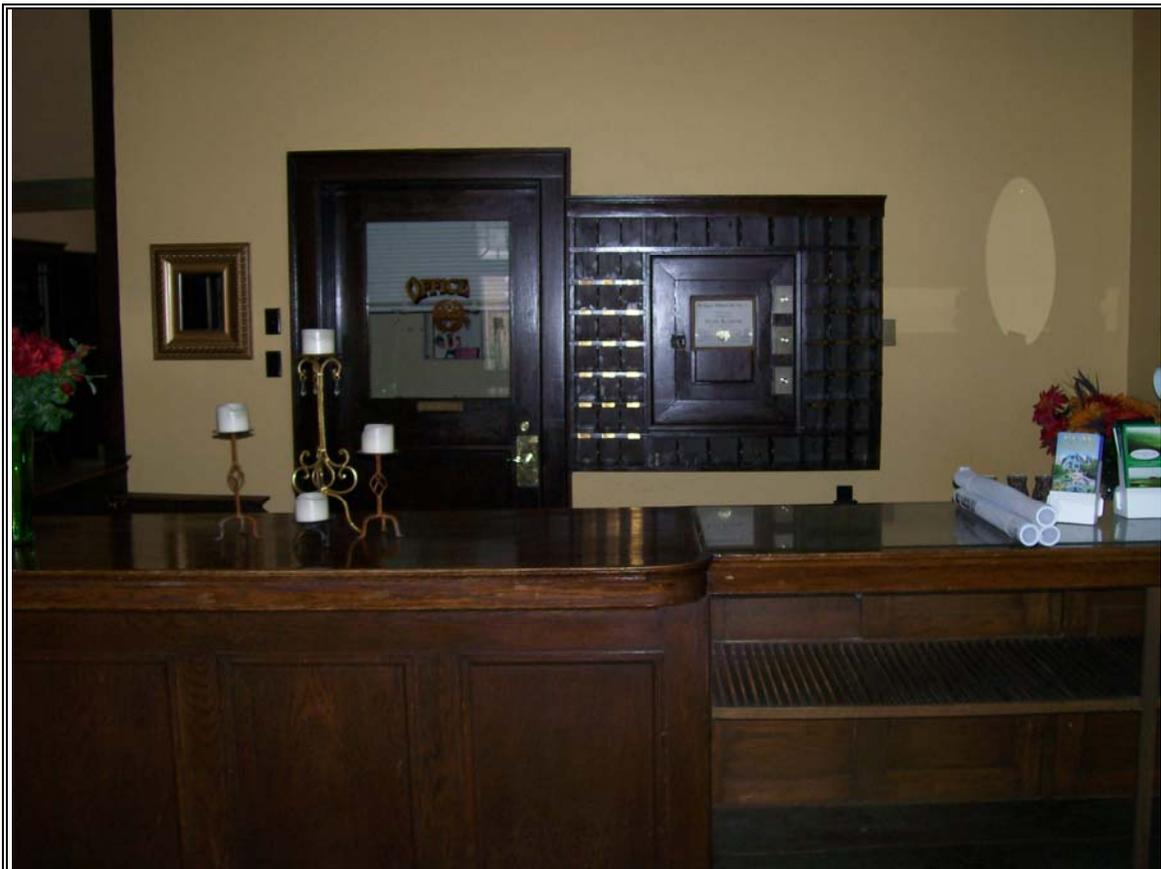
Exterior View of the Hotel ↓





↑ Exterior View of the Hotel

View of the Front Desk ↓





↑ View of the Meeting Room

View of the Restaurant/Lounge ↓





↑ View of the Two Room Suite ↓





↑ View of Second Floor Sitting Area

View of the Irish Pub Location ↓





↑ View of the Neighborhood

View of the Neighborhood ↓



NATIONAL LODGING OVERVIEW

We have analyzed information concerning the national lodging market including profiling statistics for various markets. Our national analysis focused upon occupancy and average daily rate statistics for various regions, new supply additions, projections concerning future performance of hotels, consumer sentiment for hotels, sales statistics concerning hotel properties, and operating performance statistics for hotels.

Occupancy and Average Daily Rate Performance

We have analyzed the statistical performance for hotels for the past four years in the various regions of the United States. The following table indicates our analysis.

U.S. Hotel Performance by Regions												
	Occupancy				ADR				RevPAR			
	2006	2007	2008	2009	2006	2007	2008	2009	2006	2007	2008	2009
New England	60.4%	61.1%	59.2%	54.9%	\$112.51	\$118.62	\$122.12	\$113.40	\$67.93	\$72.51	\$72.29	\$62.22
Middle Atlantic	66.0%	66.7%	64.7%	60.1%	\$136.42	\$148.49	\$152.74	\$132.64	\$90.08	\$99.07	\$98.86	\$79.67
South Atlantic	63.1%	62.2%	58.6%	54.6%	\$98.58	\$104.44	\$106.12	\$98.08	\$62.19	\$64.95	\$62.20	\$53.58
East North Central	57.6%	57.6%	55.5%	50.6%	\$86.09	\$90.12	\$91.92	\$84.77	\$49.63	\$51.91	\$50.97	\$42.93
East South Central	60.2%	59.3%	55.8%	51.6%	\$71.25	\$74.88	\$78.04	\$74.96	\$42.87	\$44.44	\$43.56	\$38.71
West North Central	57.9%	59.2%	57.6%	53.3%	\$72.75	\$76.10	\$79.17	\$76.76	\$42.11	\$45.04	\$45.58	\$40.90
West South Central	62.9%	62.1%	62.3%	54.0%	\$78.92	\$83.54	\$87.86	\$83.24	\$49.67	\$51.89	\$54.69	\$44.95
Mountain	66.1%	66.3%	61.2%	54.7%	\$94.66	\$101.16	\$104.72	\$91.31	\$62.60	\$67.05	\$64.06	\$49.91
Pacific	69.0%	68.5%	65.3%	59.9%	\$114.60	\$122.07	\$125.62	\$112.41	\$79.03	\$83.66	\$82.06	\$67.30
Total U.S.	63.3%	63.1%	60.3%	55.1%	\$97.89	\$104.40	\$106.96	\$97.51	\$61.96	\$65.61	\$64.49	\$53.71

Source: Smith Travel Research

The table indicates the performance of the United States hotel industry utilizing statistics from Smith Travel Research. As of year-end 2009, Smith Travel Research tracked a total census of 50,836 hotel properties with 4,771,189 available rooms. The sampling included in the figures shown above included 70% of the available rooms or 3,340,084 available rooms in 2009.

The figures indicate that in 2009 the Middle Atlantic region achieved the highest occupancy level while the East North Central region achieved the lowest. The Middle Atlantic States achieved the highest average daily rate while the East South Central region achieved the lowest. All regions showed a decline in occupancy levels between 2008 and 2009. Furthermore, all regions recorded a decrease in average daily rate, due to the nationwide economic downturn. RevPAR, also, fell in all regions.

Hotel & Leisure Advisors has also analyzed occupancy and ADR by segment and by hotel type. The chart below gives detailed national segmentation statistics for various hotel chain types as defined by Smith Travel Research.

U.S. Hotel Performance by Segment								
	2009 Occupancy				2009 ADR			
	Transient	Group	Contract	Total	Transient	Group	Contract	Total
Luxury	39.8%	21.0%	0.7%	61.5%	\$253.67	\$225.94	\$151.42	\$242.99
Upper Upscale	39.0%	21.8%	3.0%	63.8%	\$142.02	\$149.74	\$80.20	\$141.80
Upper Tier Independents	35.1%	16.9%	2.5%	54.5%	\$139.82	\$121.15	\$68.71	\$130.79
All Others	37.3%	11.0%	5.1%	53.5%	\$78.75	\$81.55	\$59.32	\$77.47
Total U.S.	36.9%	20.0%	2.5%	59.3%	\$149.40	\$147.14	\$77.70	\$145.65

Source: Smith Travel Research (01/10)

As can be seen on the chart above, the highest occupancy for all hotel types was in the transient segment, which is defined by STR as “rooms occupied by those with reservations at rack, corporate, corporate negotiated, package, government, or foreign travel rates.” Transient business also commanded the highest ADR when looking at the overall U.S. figure. However, Upper Upscale hotels and hotels defined by STR as “All Others” achieved their highest daily rates in the group segment.

PKF Hospitality Research’s May 2010 *Hotel Horizons* indicates a 2010 RevPAR forecast growth of 1.7% but net operating income will contract 1.4%. PKF projects 2010 occupancy to rise by 3.4% while ADR will decline 1.6%. PKF said the increased number of guests will cause hotels to incur additional operating costs such as housekeeping staff, laundry, guest supplies and energy consumption while guests pay less to rent their rooms. PKF expects 40 of their 50 key markets to realize occupancy increases, although continued downward pressure on pricing will limit annual ADR growth to just 14 markets. PKF is forecasting RevPAR to rise 7.8% in 2011 on an increase in ADR of 4.6% and a 3.4% occupancy increase.

PricewaterhouseCoopers (PwC) provided their 2010 forecasts for the U.S. lodging industry in May 2010. PwC expects 2010 RevPAR in the U.S. to grow by 1.8% with occupancy rising 3.5% and ADR in negative territory, down 1.7%. For 2011, PwC expects RevPAR to rise 6.3% with ADR leading the way with a 3.5% rise and occupancy to be up 2.7%.

We have also shown projections for national occupancy and average daily rate from Smith Travel Research. The following table indicates their projections.

Overall U.S. Lodging Forecast						
	Occupancy	% Change Occ.	ADR	% Change ADR	RevPAR	% Change RevPAR
2007	63.1%	-	\$104.10	-	\$65.69	-
2008	60.3%	-4.4%	\$106.96	2.7%	\$64.50	-1.8%
2009	55.1%	-8.6%	\$97.51	-8.8%	\$53.73	-16.7%
2010	55.8%	1.3%	\$95.45	-2.1%	\$53.26	-0.9%
2011	56.8%	1.8%	\$98.79	3.5%	\$56.11	5.4%

Source: Smith Travel Research (4/10)

The table indicates that Smith Travel Research projects overall occupancy levels to grow

between 2009 and 2011 as demand growth exceeds supply growth and the economy slowly recovers from the recession. For 2010, they are projecting supply to be up 2.2%, demand up 4.1%, fostering the rise in occupancy. They anticipate a continued decline in ADR for 2010, which in part is driving the growth in demand. They project an increase in the average daily rate in 2011 as the economy moves out of the recession. This results in a decline in RevPAR in each year between 2007 and 2010 with growth projected in 2011. STR does not see the rate deteriorating subsiding until the fall of 2010 and this will have a negative impact on future group rate negotiations.

The U.S. Travel Association announced in November 2009 that projected modest 2010 increases in leisure, business and international inbound travel will enable the industry to add nearly 90,000 American jobs. Leisure travel is expected to rise 2%, business travel is projected to increase by 2.5% and international inbound travel will increase by 3%. These job gains come on the heels of 400,000 combined travel industry job losses in 2008 and 2009. Overseas travel visitation in 2010 will remain below 2000 levels (23.5 million versus 26.0 million, respectively).

Hotel & Leisure Advisors' analysis indicates that the year 2009 will go into the record books as one of the most challenging years for hotels and resorts in recent decades. The market endured a drop in both occupancy levels and average daily rates which caused one of the largest RevPAR declines in history. Hotel & Leisure Advisors forecasts 2010 to show slight improvement for the national hospitality industry. We forecast overall occupancy levels to increase in many markets as the national economy starts to improve. However, rate pressure will continue in most markets. We forecast overall average daily rates to be relatively flat from the previous year or achieve only slight improvement in some markets. New property openings of hotels will be severely curtailed in 2010 due to the financing crisis in 2009 which greatly reduced the amount of available construction financing. This has especially affected larger resort properties which have been unable to obtain financing to begin construction. Smaller chain-affiliated properties will continue to open in 2010, though at a lower rate than in previous years.

New Supply of Lodging Rooms

Lodging Econometrics (LE) issued its revised forecast for 2010 in January 2010 and predicts that just 717 hotels, representing 82,620 rooms, will open in 2010. This is a 56% drop from 2009, when 1,301 hotels with 146,929 rooms opened. New Openings peaked for the cycle in 2008 at 1,345 hotels/154,667 rooms. LE's forecasted declines for 2010 represent a steep drop-off from earlier forecasts and are a result of the near-disappearance of lending. The flow of lending from local community banks that previously serviced new projects up to 150 rooms closed down to a near trickle during the second half of 2009.

Projects under construction, at 767 projects/95,900 rooms in Q4, are at the lowest level recorded in over four years and are expected to continue to fall throughout 2010. The forward migration of pipeline projects towards construction, termed construction starts, are at 119 projects/11,623 rooms in Q4 2009, the lowest totals since early 2002. Active projects in the pipeline are stalled because developers have little idea when they will be able to locate financing so they can begin construction. Project cancellations and postponements remain at historical highs. Meanwhile, new project announcements that replenish the pipeline, at 308 projects/33,442 rooms in Q4, have fallen to five-year lows. The robust development cycle of the last decade is drawing to a precipitous close as a

result of the near total disappearance of lending for lodging real estate and developers' viewpoints about the slow and uneven operating recovery that lies ahead.

Smith Travel Research publishes data concerning new construction activity. We have analyzed data from Smith Travel Research/TWR/Dodge Construction Pipeline Report. The following chart indicates statistics published by Smith Travel Research concerning the development pipeline.

Development Pipeline - Rooms				
Phase	October-09	October-08	Difference	% change
In Construction	111,927	190,395	-78,468	-41.21%
Planning	323,338	456,741	-133,403	-29.21%
Total	435,265	647,136	-211,871	-32.74%

Source: Smith Travel Research US Lodging Industry Overview (12/09)

The table lists the number of new hotel rooms proposed in different phases of development as of October 2009 as compared to October 2008. The figures indicate a 41.2% decrease in the number of rooms under construction. The overall active pipeline shows a decrease of 32.7%. The declines are due to the rapid decline in performance figures for the hotel industry in late 2008 and 2009. Numerous projects have been canceled. Furthermore, Smith Travel projects that if the economic downturn continues into 2010, a higher number of deferrals and full abandonment of projects in the planning pipeline can be expected.

Information Concerning Travel

American Express Business Travel released data and analysis of its North American-based domestic and international air, hotel, and car rental prices for 2010 in their *Global Business Travel Forecast*. Travel planners should expect 2010 airfares to increase by single digits while hotel rates are expected to fall in the early part of 2010. During the second half of 2010 total trip costs are expected to begin to increase as economic activity and business travel begins to increase. The following bullets indicate the projections for 2010 for travel costs:

- Domestic economy airfare should increase 2% to 7%
- International business class airfare should increase 3% to 8%
- Upper tier hotel rates should decrease -4% to -2%
- Midpriced hotel rates should decrease -3% to -1%

The U.S. Department of Commerce announced that 54.9 million International visitors traveled to the U.S. in 2009, down 5% from 2008. Canada and Mexico remained the top inbound markets. South America, Asia and Oceania experienced the strongest growth in the fourth quarter due to increases from the emerging markets of China and Brazil. International visitors spent \$121.1 billion in 2009, down nearly 15% from 2008, the largest single year decline in spending for visitors to the U.S.

The October 2009 survey by Ypartnership and the U.S. Travel Association points to a slow recovery for the industry in 2010. The survey suggests both business and leisure travelers will sharpen their travel planning and purchasing skills to ensure they do not

overpay. Value will be in vogue for leisure travel with drive vacations, mid-priced hotels, low cost carriers, all inclusive resorts, packaged vacations and cruises being popular. The October 2009 survey indicated that 85% of travelers will stay at less expensive hotels versus 81% in the October 2008 survey. The 2009 survey indicated that 80% said they will spend less overall versus 75% in October 2008. The good news is only 50% said they will stay fewer nights versus 67% in October of 2008. For business travel, same day business trips, upscale lodging at mid-scale prices, free breakfast, and free high speed Internet will be popular. They do not expect to see an improvement until there is a significant upturn in the economy. The survey revealed only 18% of U.S. adults are planning to take at least one overnight trip for business between October 2009 and April 2010 while 21% said they were planning fewer trips during the next 6 months.

The 2009 *UNWTO World Tourism Barometer* showed international tourism declines may have bottomed out. In the first nine months of 2009, international tourist arrivals declined by 7% with destinations worldwide recording a total of 600 million arrivals, down from 643 million in YTD 2008. UNWTO's forecast for 2009 indicated a decline of 5%. Arrivals in July and August 2009 were only down 3% while the first half of the year saw an average 8% decline. Africa was the only region to register a gain, up 4%. Europe, the Middle East and the Americas were down 8%, 8% and 7% respectively. For 2010, UNWTO expects modest growth of 1% to 3% with Asia expected to show the biggest rebound.

Visitation to the United States is projected to increase in future years due to the projected 2010 passage of the Travel Promotion Act of 2009 by the United States government which charges a \$10 fee to incoming travelers from visa waiver countries. The public-private partnership will spend over \$200,000,000 per year of government and private funds in promoting the United States internationally.

Hotel Chain Scales

Approximately 75% of all lodging facilities in the United States are affiliated with some type of hotel brand, which looks to provide a level of recognition for the traveling public. In the past decade, many of the popular hotel chain companies such as Marriott and Starwood have created new brands that target different segments of the market. Some of these brands have been created to target the hip and trendy while others have been created to target the business clientele. The following table highlights the various hotel chains as categorized by Smith Travel Research.

Smith Travel Research 2009 Chain Scales					
Economy	Midscale w/o F & B	Midscale w/ F & B	Upscale	Upper Upscale	Luxury
Admiral Benbow	Ameridinn	Xanterra	aloft Hotel	Affinia	AKA
America's Best Inns	Amerihost	Best Western	Adam's Mark	Caesars	Andaz
America's Best Suites	Baymont Inns & Suites	Clarion	Ascend	Camino Real	Colony
Budgetel	Candlewood Suites	Doubletree Club	Amerisuites	Doral	Conrad
Americas Best Value Inn	Cabot Lodge	Crystal Inn	Ayres	Doubletree	Fairmont
Budget Host	ClubHouse	Doyle Collection	Aston Hotels	Embassy Suites	Four Seasons
Country Hearth Inn	Comfort Inn	Golden Tulip	Cambria Suites	Gaylord Entertainment	Hotel Sofitel
Crestwood Suites	Comfort Suites	Great Wolf Lodge	Canad Inns	Hard Rock	Park Hyatt
Crossland Suites	Country Inn & Suites	Hawthorn Inn & Suites	Chase Suites	Helmsley Hotel	Grand Hyatt
Days Inn	Drury Inn	Holiday Inn	Club Med	Hilton	Inter-Continental
Downtown Inns	Drury Plaza Hotel	Holiday Inn Select	Coast Hotels	Hilton Gaming	Jumeirah
E-Z 8	Drury Inn & Suites	Howard Johnson	Courtyard	Hyatt	Loews
Econo Lodge	Drury Lodge	Jurys Hotels	Hilton Garden Inn	Joie de Vivre	Luxury Collection
Inns of America	Drury Suites	Little America	Crowne Plaza	Kimpton	Mandarin Oriental Hotel Group
Extended Stay America	Extended Stay Deluxe	Marc	element	Langham	Pan Pacific Hotels & Resorts
Family Inns of America	Fairfield Inn	Ohana Hotels	Four Points	Marriott	Peninsula Hotel
Good Nite Inn	Grandstay Residential Suites	Park Plaza	Harrah's	Marriott Conference Cente	Preferred
Great Western	GuestHouse Inns	Quality Inn	Hawthorn Suites	Le Meridien	Prince Hotels
Howard Johnson Express	Hampton Inn	Quality Suites	Hawthorn Suites Ltd	Millennium Hotels	Raffles
Homegate	Hampton Inn Suites	Ramada	Homewood Suites	New Otani Hotels, The	Regent Hotel
Homestead	Heartland Inn	Ramada Plaza	Hotel Indigo	Nikko	RockResorts
Innkeeper	Holiday Inn Express Hotel	Red Lion	Hotel Novotel	Omni	Rosewood
InTown Suites	InnSuites Hotels	Westmark	Hyatt Place	Renaissance	St Regis
1st Interstate Inn	Key West Inns & Suites	Sunspreet Resorts	Jolly	Sheraton Hotel	Sterling
Jameson Inn	Lakeview	Wyndham Garden Hotel	NYLO Hotel	Sonesta Hotel	Summit
Key West Inn	La Quinta Inns		Lexington	Starhotel	Taj
Knights Inn	La Quinta Inn & Suites		Marriott Executive Apartment:Swissotel		Ritz-Carlton
Master Hosts Inns	Lees Inn Of America		O'Callaghan	Westin	W Hotel
Masters Inn	Mainstay Suites		Miyako		Waldorf=Astoria
Microtel Inn	Phoenix Inn		Outrigger		
Motel 6	Ramada Limited		Radisson		
National 9	Rode Inn		Residence Inn		
Park Inn	Settle Inn		Sierra Suites		
Passport Inns	Shilo Inn		Springhill Suites		
Pear Tree Inn	Signature Inn		Staybridge Suites		
Red Carpet Inns	Silver Cloud		Hyatt Summerfield Suites		
Red Roof Inn	Sleep Inn		Woodfin Suite		
Roadstar Inn	TownePlace Suites		Wyndham Hotels		
Rodeway Inn	Vista				
Savannah Suites	Wellesley Inn				
Scottish Inns	Wingate By Wyndham				
Select Inn					
Shoney's Inn					
Studio Plus					
Studio 6					
Suburban Extended Stay Hotels					
Sun Suites Hotels					
Super 8					
Travelodge					
Vagabond Inn					
Value Place					

Source: Smith Travel Research

J.D. Power and Associates 2009 *North American Hotel Guest Satisfaction Index Study* indicated hotel guest satisfaction increased in 2009 compared to 2008 despite reductions in staffing and operating costs motivated by a decrease in demand. Four of the six segments – Upscale, Midscale Full-Service, Midscale Limited-Service, and Economy/Budget have improved in overall satisfaction compared with 2008. Luxury hotel satisfaction ratings have remained stable from 2008, while satisfaction ratings for extended stay properties have declined slightly over 2008. When looking at the top hotels in each segment we find that half of the six brands receiving awards in 2009 have ranked highest in their segment for at least three consecutive years. In the Upscale segment, Embassy Suites won for the third consecutive year. Drury Inn & Suites won in the Midscale Limited-Service segment for the fourth consecutive year. For the eighth

consecutive year, Microtel Inns & Suites won in the Economy/Budget segment. Other top brands were Four Seasons Hotels & Resorts for the Luxury segment, Hilton Garden Inn for the Midscale Full-Service segment and Staybridge Suites for the Extended Stay segment.

Hotel Sales Overview

We have reviewed statistics concerning the sales of hotels and projections for future sales trends profiling information from the Pennsylvania State University Index of Hotel Values.

Penn State Index of Hotel Values		
Overall	Value Per Room	Annual % of Change
2006	\$89,880	11.1%
2007	\$98,264	9.3%
2008	\$93,752	-4.6%
2009	\$76,457	-18.4%
2010 (Projected)	\$74,087	-3.1%
Luxury		
2006	\$326,883	9.5%
2007	\$351,351	7.5%
2008	\$324,204	-7.7%
2009	\$253,083	-21.9%
2010 (Projected)	\$239,918	-5.2%
Upper Upscale		
2006	\$166,178	9.2%
2007	\$177,203	6.6%
2008	\$165,032	-6.9%
2009	\$134,460	-18.5%
2010 (Projected)	\$128,914	-4.2%
Upscale		
2006	\$113,019	12.1%
2007	\$121,624	7.6%
2008	\$113,957	-6.3%
2009	\$92,028	-19.2%
2010 (Projected)	\$89,157	-3.1%
Midscale with Food & Beverage		
2006	\$67,464	12.0%
2007	\$72,178	6.7%
2008	\$68,329	-5.3%
2009	\$57,900	-16.7%
2010 (Projected)	\$54,163	-4.8%
Midscale without Food & Beverage		
2006	\$71,036	14.5%
2007	\$77,972	9.8%
2008	\$74,465	-4.3%
2009	\$62,870	-15.8%
2010 (Projected)	\$61,437	-2.3%
Economy		
2006	\$26,381	17.7%
2007	\$28,204	6.9%
2008	\$25,617	-9.2%
2009	\$17,793	-30.5%
2010 (Projected)	\$16,771	-5.7%
Source: The Pennsylvania State University (4/10)		

The table lists the average hotel sales prices historically in 2006 through 2009 and projections for 2010. The survey indicates that the average U.S. hotel value declined by 18.4% in 2009 and is expected to decline further in 2010 losing another 3.1%.

Financial Statistics Concerning Hotels

We have analyzed financial statistics concerning the performance of hotels as taken from the 2009 *Host Report* published by Smith Travel Research. This report includes the operating statements of over 5,800 hotels and is also utilized in the financial analysis section of this report. The following table presents selected financial ratios to sales for both full-service and limited-service hotels for the past ten years.

Selected Financial Ratios to Sales						
	Full-Service			Limited-Service		
	GOP*	Fixed Charges	Pre-Tax Income (Loss)	GOP*	Fixed Charges	Pre-Tax Income (Loss)
1999	36.0	13.2	19.4	50.7	14.2	29.0
2000	37.8	13.1	21.3	50.4	14.6	30.6
2001	35.1	17.5	12.0	50.5	18.6	25.6
2002	33.6	17.8	10.4	47.9	19.2	21.5
2003	30.8	18.2	9.0	44.9	20.5	19.4
2004	31.3	17.9	10.9	48.5	19.4	23.2
2005	33.0	15.0	14.4	51.1	19.1	27.9
2006	34.4	14.6	16.1	55.4	17.9	32.8
2007	35.7	16.3	15.2	52.0	18.0	30.8
2008	32.4	16.9	13.5	50.2	18.7	28.7

*Before Management Fees and Franchise (Royalty) Fees
Source: STR Host Report 2009

The table indicates that the percentage of gross operating profit before management fees and franchise fees declined between 2001 and 2003 for both full-service hotels and limited-service hotels. The gross operating profit showed an improvement from 2003 to 2006 for both property types. In 2007, gross operating profits reached its highest levels since 2000 for full-service properties while limited-service hotels experienced a decline. In 2008, gross operating profit showed a decline in both categories. From 2003 to 2006, the percentage of fixed charges to total revenue has declined and then showed an increase in 2007 and 2008 for both property types. The pretax income showed a strong improvement from 2004 to 2006 for both property types, but both property types showed declines in pre-tax income in 2007 and 2008.

MICHIGAN LODGING OVERVIEW

The state of Michigan suffered a decline in occupancy each year between 2006 and 2009. However, the state did achieve improvement in ADR in 2007 and 2008, but experienced a decline in 2009. The year-to-date figures indicate an improvement in demand and occupancy levels for the state, but ADR continues to decline. The following chart shows

the historical lodging performance, including year-to-date performance through April 2010 for the state of Michigan followed by the performance hotels in North Central Michigan. According to Smith Travel Research, the state of Michigan has 1,363 properties with a total census of 110,759 guest rooms while North Central Michigan has 190 properties with 12,025 guest rooms.

Michigan Market Operating Performance						
Year	OCC	% Chg.	ADR	% Chg.	RevPAR	% Chg.
2006	53.9%	-	\$75.00	-	\$40.43	-
2007	53.7%	-0.4%	\$80.75	7.7%	\$43.36	7.3%
2008	51.6%	-3.9%	\$82.70	2.4%	\$42.67	-1.6%
2009	47.5%	-7.9%	\$78.41	-5.2%	\$37.24	-12.7%
Year-To-Date through April						
2009	41.4%	-	\$78.11	-	\$32.34	-
2010	43.8%	5.8%	\$74.20	-5.0%	\$32.50	0.5%
Overall United States Lodging YTD Operating Performance						
Year-To-Date through April						
2009	52.0%	-	\$100.17	-	\$52.09	-
2010	53.6%	3.1%	\$96.73	-3.4%	\$51.85	-0.5%
Source: Smith Travel Research						

North Central Michigan Market Operating Performance						
Year	OCC	% Chg.	ADR	% Chg.	RevPAR	% Chg.
2007	48.0%	-	\$78.91	-	\$37.88	-
2008	48.5%	1.0%	\$78.75	-0.2%	\$38.19	0.8%
2009	44.3%	-8.7%	\$78.83	0.1%	\$34.92	-8.6%
Year-To-Date through April						
2009	35.2%	-	\$71.90	-	\$25.27	-
2010	32.8%	-6.7%	\$72.83	1.3%	\$23.89	-5.5%
Source: Smith Travel Research						

The table above indicates that hotels in North Central Michigan achieved an increase in occupancy in 2008, but experienced a sharp decline in 2009. However from 2007 through 2009 average daily rate has remained virtually unchanged, declining only -\$0.08 in the three-year period. Year to date RevPAR is down -5.5%, which is much greater than the state of Michigan, which has experienced a decline of -0.5% in RevPAR. It should be noted that performance of hotels in the state of Michigan is dominated by hotels in Detroit, Lansing, and Grand Rapids.

New Supply

Very few properties have opened in the North Central Michigan area since 2005 as shown in the following table.

Recent Supply Additions North Central Michigan				
Name of Establishment	City & State	Aff Date	Open Date	Rooms
Cambria Suites Traverse City	Traverse City, MI	Jun 2009	Jun 2009	92
Holiday Inn Express & Suites Petoskey	Petoskey, MI	Aug 2007	Aug 2007	82
Americinn Greenville	Greenville, MI	Dec 2006	Dec 2006	69
Best Western Pentwater Trace Inn & Suites	Pentwater, MI	Jun 2005	Jun 2005	60
Mountain Grand Lodge & Spa	Boyne Falls, MI	May 2005	May 2005	220
Total				523

Source: Smith Travel Research

The table indicates that the Cambria Suites was the last new hotel to open in North Central Michigan. Please note that this table only includes newly built properties and does not include properties that may have changed franchise affiliation or names.

COMPETITIVE LODGING MARKET OVERVIEW

Supply and demand factors for the subject's competitive market have been analyzed for six years beginning in the year 2010. The subject is projected to open in 2012. Although both supply and demand conditions are likely to change beyond our analysis period, projecting market conditions further into the future becomes highly speculative. The projections are for calendar years beginning with the month of January. Our projections analyze currently known supply and demand changes in the market and forecast a stabilized level of occupancy for both the market and the subject property. The stabilized level is considered to project a representative level of performance for both the market and the subject based upon currently known information.

Existing Competitive Supply: Based on our research, we have identified a competitive hotel supply with a total of 910 guest rooms in seven existing lodging facilities. We have analyzed the competitiveness of each of the hotels selected for the competitive set. In our opinion, each of the hotels is in some degree competitive with the proposed subject and we have utilized 100% of the available guest rooms in each competitive hotel for our analysis. In determining the competitive supply for proposed subject, we have considered the proposed subject's segmentation and sources of business. In this section, we have profiled and analyzed a hotel supply of select-service, limited-service, and full-service properties located to the north and south of Boyne City most of which participate with Smith Travel Research.

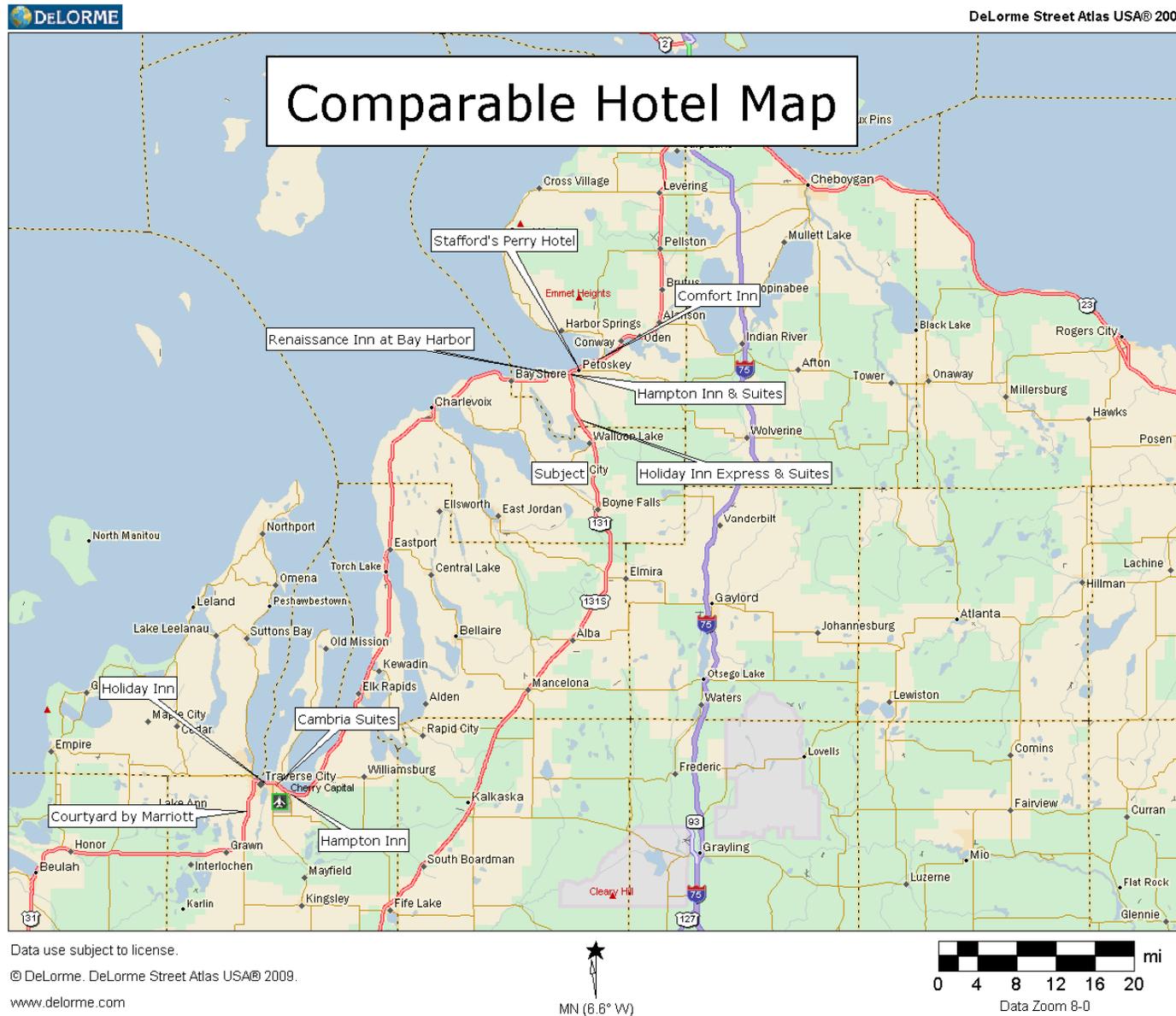
We omitted from our analysis the three closest properties to the subject, Boyne City Motel, Water Street Inn, and Mountain Grand Lodge and Spa at Boyne Mountain. These properties do not report to Smith Travel Research. The Boyne City Motel is a 19-unit exterior corridor property located just north of the subject. The property is tired, but is the only year-round facility in town. The property offers complimentary coffee and free parking. Management noted that while the market is very seasonal, the property offers a consistent rate of \$69. However, the property will negotiate with companies based upon volume of activity. We omitted this property from the analysis due to its lack of amenities and tired nature.

The Water Street Inn is not a hotel, but instead is a grouping of vacation condominiums governed by a condominium association, located along Lake Charlevoix. There are 27-units, of which 20 are available for rental. Each unit is a one-bedroom condominium suite with a private balcony or patio, kitchenettes, and a sleeper sofa. They are rented on a rotational basis, and owners can occupy the unit at any time of the year for as long as

they wish. Management stated that it is not uncommon for a condominium owner to occupy their unit during prime summer days or during events, removing the unit from inventory. The rental company offers rates from \$99 in the off-season to \$249 in the months of July and August. Management also stated that they have a corporate rate of \$89, which is offered in the off-season, but not in the summer. We omitted this property from the analysis due to the inconsistency of inventory year-round.

The Mountain Grand Lodge and Spa at Boyne Mountain is the largest property in the market. This property is located at the base of Boyne Mountain. In addition to skiing, the property offers an 88,000 square-foot indoor waterpark, an 18,000 square-foot spa and fitness center, indoor/outdoor pool, access to the Country Club of Boyne golf course, and on site shops, restaurants and lounges. Beyond the 220-units that make up the Mountain Grand Lodge, Boyne USA also operates a number of other lodging alternatives at Boyne Mountain, including the Clock Tower Lodge, Deer Lake Villas, Creekside condominiums, Edelweiss Lodge, three- and four-bedroom Mountain Cabins, and one-, two-, and three-bedroom Mountain Villas. The development is very sensitive to yield management of the property, and offers a wide range of packages throughout the year. During the height of ski season guest rooms average between \$200 and \$300 per night. However, toward the end of ski season, packages are offered for as low as \$99 per night including lift tickets. The property will incorporate the waterpark and spa into packages as well, in an effort to maximize yield. Based on its size and breadth of amenities, we did not incorporate this property into our analysis. However, the property's amenities, such as skiing, spa and the waterpark, are available to people outside the property's guests. These amenities draw large numbers of people to the region, which we considered when determining the demand for room nights in the market.

The following charts list the comparable properties and pertinent information about each hotel. Photographs of each comparables are provided at the end of this section.



Survey of Comparables										
#	Property	Location	% Comparable	Effective		Year Opened	Swimming Pool	Restaurant/ Lounge	Meeting Space SF	Room Rates
				# Rooms	Rm. Count					
1	Courtyard Traverse City	Traverse City, MI	100%	83	83	June-00	Indoor	Yes	None	\$99-\$134
2	Cambria Suites Traverse City	Traverse City, MI	100%	92	92	June-09	Indoor	Yes	1,064	\$129-\$259
3	Hampton Inn Traverse City	Traverse City, MI	100%	124	124	January-87	Indoor	Comp. Brkst	None	\$99-\$179
4	Holiday Inn Traverse City	Traverse City, MI	100%	179	179	July-68	Indoor & Outdoor	Yes	5,366	\$119-\$209
5	Holiday Inn Express & Suites Petoskey	Petoskey, MI	100%	82	82	August-07	Indoor	Comp. Brkst	1,008	\$69-\$299
6	Comfort Inn Petoskey	Petoskey, MI	100%	65	65	July-87	None	Comp. Brkst	None	\$69-\$139
7	Stafford's Perry Hotel	Petoskey, MI	100%	79	79	1899	None	Yes	7,500	\$90-\$245
8	Hampton Inn Suites Petoskey	Petoskey, MI	100%	77	77	January-02	Indoor	Comp. Brkst	600	\$89-\$199
9	Renaissance Inn at Bay Harbor	Bay Harbor, MI	100%	129	129	August-97	Outdoor	Yes	12,027	\$229-\$279
Total				910	910					

Source: Hotel & Leisure Advisors

Comparable Supply Performance Indicators								
#	Property	2009 Market Segmentation			2009 Estimated Performance			Overall Penetration Rate
		Commercial	Group	Leisure	Occupancy	ADR	RevPAR	
1	Courtyard Traverse City	50%	10%	40%	65%	\$95	\$61.70	123%
2	Cambria Suites Traverse City	20%	15%	65%	65%	\$118	\$76.70	123%
3	Hampton Inn Traverse City	30%	10%	60%	54%	\$96	\$51.84	102%
4	Holiday Inn Traverse City	25%	20%	55%	56%	\$106	\$59.36	106%
5	Holiday Inn Express & Suites Petoskey	35%	5%	60%	60%	\$112	\$67.20	113%
6	Comfort Inn Petoskey	25%	5%	70%	35%	\$90	\$31.50	66%
7	Stafford's Perry Hotel	5%	30%	65%	40%	\$124	\$49.72	76%
8	Hampton Inn Suites Petoskey	40%	5%	55%	51%	\$95	\$48.45	96%
9	Renaissance Inn at Bay Harbor	35%	35%	30%	49%	\$166	\$81.58	93%
Average		31%	16%	53%	53%	\$112.47	\$59.54	100%

Source: Hotel & Leisure Advisors

The existing comparable supply can be described as follows:

The 83-room Courtyard Traverse City is located on the south side of Traverse City, across US 31 from the Grand Traverse Mall. This property has undergone a complete renovation to conform to the new Marriott prototype for the Courtyard brand. All guest room hard and soft goods were replaced in 2008/2009 while the lobby and public were renovated in the winter of 2009/2010. The property offers the Bistro restaurant which is open for breakfast and dinner, Starbucks coffee station, complimentary high-speed internet, twenty-four hour fitness center, indoor pool, outdoor terrace, and business center. The property has been a consistently strong occupancy leader among the comparables. The property has no meeting space, which management stated limits its ability to drive occupancy further. Additionally, management noted that the Courtyard is one of the first to lose leisure demand in the market due to its distance from Grand Traverse Bay. The property compensates for the softer leisure demand with strong commercial business. The property achieved an overall penetration rate of 123% in 2009.

The 92-room Cambria Suites Traverse City is located within a short distance of Grand Traverse Bay and is the newest property in the comparable set. In the short time since opening in June 2009, the property has established itself as a rate and occupancy leader in the Traverse City market. The property offers a Barista coffee bar, a bistro-style restaurant serving breakfast and dinner, a full-service bar, a sundry shop, indoor pool, fitness-center, 1,064 square feet of meeting space, and free wireless high-speed internet access. The property achieved an overall penetration rate of 123% in 2009.

The 124-room Hampton Inn Traverse City is located across US 31 from Grand Traverse Bay. While the beach is visible from the front door of the hotel, the property's construction is perpendicular to the waterway making it difficult for any guest room to see the bay. Management noted the strong seasonality of the market, stating that the summer season is when "properties pay their mortgage" and inclement summer weather can severely hamper a property's ability to achieve budget expectations for the year. The property has no meeting space, but tries to utilize its breakfast area in the off-season to accommodate small groups and receptions in an effort to capture room nights. The property offers complimentary breakfast, fitness center, an indoor pool, and business center. The property achieved an overall penetration rate of 102% in 2009.

The 179-room Holiday Inn Traverse City is located on Grand Traverse Bay and is the oldest of the Traverse City comparables. The property offers a three-meal-a-day restaurant, a sports bar, a nightclub with live entertainment on Friday and Saturday, and a seasonally operated patio with live entertainment seven days a week featuring local talent. Management stated that the patio entertainment is very popular in the summer with tourist guests, while Shimmers Nightclub has a strong local following on the weekends year-round. Management also noted the 5,366 square feet of meeting space is very valuable in the off-season, providing a competitive advantage for attracting groups which other hotels in the market cannot match. The property also offers business center, indoor pool, an outdoor pool, beachfront, a fitness center, gift shop, and wireless internet throughout. The property is also located along the TART trail, 22 miles of groomed paths for hiking, jogging, and biking. The property achieved an overall penetration rate of 106% in 2009.

The 82-room Holiday Inn Express & Suites Petoskey is located north of the subject off US 131 outside of downtown Petoskey. Management noted the leisure nature of the market but identified different targets with the seasons. In summer, the market is family oriented

with school age children, while fall attracts empty nesters and seniors, and from Christmas until mid-February the area attracts skiers. The market experiences dramatic drops in occupancy between the close of ski season and the Memorial Day weekend. According to management, the market can experience as much as a 200% rate differential between the months of April (the low point) and July (a high point). The property features complimentary breakfast, an indoor pool, fitness room, 1,008 square feet of meeting space, and a business center. The property also offers complimentary limousine service to local attractions. The property achieved an overall penetration rate of 113% in 2009.

The 65-room Comfort Inn Petoskey is located along US 131 just outside Petoskey. The property has limited visibility from the highway. The hotel is located less than two miles from the Gaslight District shopping area. Services and amenities at the hotel include complimentary breakfast, high speed internet and fitness room. The property does not have an indoor or outdoor pool. Management stated that the lack of a pool does not hamper the property in the summer, but would be a valuable amenity in the other three seasons. The property achieved an overall penetration rate of 66% in 2009.

The 79-room Stafford's Perry Hotel is located in downtown Petoskey on a bluff which overlooks Lake Michigan. This property is located in the historic Gaslight District in downtown Petoskey and is the first choice for guests in the summer. However, according to management, the property lags behind the branded hotels in the off-season. This historic hotel has strong interest among baby boomers. The property has an identity and typifies the history of the region, benefitting from strong repeat business. The property has two F&B outlets: the H.O. Rose Dining Room is located upstairs, while Noggin Room Pub is located off the lobby. The hotel also offers dining in the Rose Garden Veranda outdoors weather permitting. In the summer, all dining options are available. However, in the winter only the Noggin Room Pub is open seven-days-a-week. Management stated that the experience in the Pub is improved during the off-season and the Dining Room is open only on weekends due to the sharp drop-off in demand. The property has an array of uniquely shaped rooms for meetings and events including the Rose Dining Room in the off-season. The property also utilizes tents in the Rose Garden Veranda to capture an outdoor experience. The property also offers a gift shop, florist, and the Stafford's Gallery of Art and History located adjacent to the hotel. The property achieved an overall penetration rate of 76% in 2009.

The 77-room Hampton Inn Suites Petoskey is located is located less than one mile north of the Holiday Inn Express & Suites Petoskey along U.S. 131. The property has good visibility from the highway. The hotel is located one mile from the Gaslight District shopping area. The manager at the hotel indicated that prior to the opening of the Holiday Inn Express, the Hampton Inn was the market leader in performance in franchised hotels in the area. Services and amenities at the hotel include complimentary breakfast, high-speed internet, business center, fitness room, and indoor pool. The property also offers 600 square feet of meeting room. The property achieved an overall penetration rate of 96% in 2009.

The 129-room Renaissance Inn at Bay Harbor is located north of the subject in Bay Harbor. The property is the only condominium hotel in the comparable set. This resort property is located along Little Traverse Bay. Guests of this resort have access to the Bay Harbor Golf Club and the club's three courses. In addition to a sandy beachfront, the property offers an outdoor pool, outdoor lawn chess, and lawn croquet. For guests who stay inside, The Spa offers facials, manicures, pedicures, massages and body treatments

for both men and women. The formal restaurant, Sagamore's Restaurant offers a lakeside dining room while the South American Grille offers casual dining and lounge. Weather permitting, both have a terrace which overlooks the bay. The property also features a lobby café. The property has the most meeting space of the comparables with 12,027 square feet of space. The property also has access to two smaller meeting rooms at the Bay Harbor Golf Club and will utilize the Sagamore's Terrace for receptions. Additional amenities of the property include the Boyne Country Clothiers, a fitness center, wireless internet, and complimentary shuttle service to the golf club, the Village of Bay Harbor and Petoskey Gaslight District. The property achieved an overall penetration rate of 93% in 2009.

Historical Lodging Demand: The following table provides occupancy, average daily rate (ADR), and revenue per available room (RevPAR) for the defined competitive set for the past five years based upon information obtained from Smith Travel Research.

Comparables Operating Performance										
Wolverine Dilworth Hotel										
Year	Annual Supply	% Chg.	Demand	% Chg.	OCC	% Chg.	ADR	% Chg.	RevPAR	% Chg.
2004	221,555	-	128,222	-	57.9%	-	\$87.87	-	\$50.86	-
2005	221,555	0.0%	137,446	7.2%	62.0%	7.2%	\$89.54	1.9%	\$55.55	9.2%
2006	221,555	0.0%	142,370	3.6%	64.3%	3.6%	\$94.51	5.5%	\$60.73	9.3%
2007	234,101	5.7%	137,334	-3.5%	58.7%	-8.7%	\$102.68	8.6%	\$60.24	-0.8%
2008	251,485	7.4%	142,843	4.0%	56.8%	-3.2%	\$104.42	1.7%	\$59.31	-1.5%
2009	271,173	7.8%	145,368	1.8%	53.6%	-5.6%	\$103.87	-0.5%	\$55.68	-6.1%
Average of Years	236,904	4.2%	138,931	2.6%	58.9%	-1.3%	\$97.15	3.5%	\$57.06	2.0%
Year-To-Date through April										
2009	82,680	-	33,156	-	40.1%	-	\$83.01	-	\$33.29	-
2010	93,720	13.4%	38,280	15.5%	40.8%	1.9%	\$83.39	0.5%	\$34.06	2.3%
Note: Results do not include the Renaissance Inn at Bay Harbor which does not report to Smith Travel Research										
Source: Smith Travel Research										

The table indicates the changes in supply and demand of the comparable set for the proposed subject property. Demand experienced growth from 2004 through 2006, declining in 2007, but recovering in 2008 and 2009. Unfortunately with the opening of the Holiday Inn Express in 2007 and the Cambria Suites in 2009 occupancy among the comparables has declined each year since 2006. Demand has shown a strong increase of 15.5% in year to date 2010, but occupancy grown only 1.9% as the market continues to absorb the additional supply.

The average daily rate of the competitive set has shown an average annual increase of 3.5% between the six-year historical period. During the same period, the RevPAR has increased by 2.0% on average, and year to date it has shown an improvement of 2.3%.

We have analyzed the seasonality of the competitive set including the performance by day. The following table indicates the performance as shown in the Smith Travel Research report for fiscal year 2010.

Analysis of Competitive Set Daily and Monthly Occupancy and ADR Wolverine Dilworth Hotel								
Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
May - 09	31.5	38.8	50.7	55.9	46.6	57.3	64.3	49.5
Jun - 09	41.3	54.5	59.3	61.9	56.5	65.1	71.1	58.4
Jul - 09	64.3	74.1	83.1	80.1	83.1	90.8	91.6	81.4
Aug - 09	59.0	68.7	81.0	82.7	79.9	87.8	92.6	78.3
Sep - 09	52.6	52.3	59.6	65.1	65.9	80.4	89.2	66.2
Oct - 09	44.1	51.7	60.7	60.1	57.4	68.7	76.6	60.7
Nov - 09	22.7	39.7	43.6	41.0	39.9	52.7	53.9	41.2
Dec - 09	30.1	43.2	43.9	38.0	40.3	36.6	40.0	39.0
Jan - 10	20.0	33.4	39.9	40.1	34.0	40.6	44.8	36.0
Feb - 10	32.6	34.7	41.9	48.6	43.5	58.9	69.1	47.0
Mar - 10	20.9	36.0	41.7	41.7	36.2	42.6	51.7	38.8
Apr - 10	25.9	42.2	48.0	46.4	40.8	47.2	44.1	42.2
Year Avg	36.8	47.7	54.2	55.2	52.3	60.8	66.1	53.3
ADR (\$)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
May - 09	\$87.73	\$87.98	\$88.86	\$88.61	\$90.10	\$102.44	\$103.27	\$94.33
Jun - 09	\$99.42	\$100.49	\$100.22	\$98.93	\$97.58	\$116.70	\$121.05	\$105.49
Jul - 09	\$122.81	\$124.96	\$128.83	\$129.48	\$130.74	\$164.82	\$163.76	\$139.73
Aug - 09	\$118.67	\$123.42	\$124.53	\$125.13	\$123.08	\$149.89	\$156.05	\$133.23
Sep - 09	\$102.82	\$92.28	\$95.32	\$94.84	\$97.42	\$118.93	\$130.56	\$106.15
Oct - 09	\$83.86	\$87.14	\$89.22	\$87.75	\$87.91	\$110.61	\$113.76	\$97.01
Nov - 09	\$69.14	\$71.79	\$75.94	\$76.30	\$75.48	\$83.66	\$82.04	\$77.02
Dec - 09	\$83.92	\$84.05	\$84.49	\$87.78	\$95.00	\$82.91	\$81.06	\$85.99
Jan - 10	\$76.34	\$75.80	\$80.47	\$81.81	\$79.05	\$90.30	\$86.96	\$82.65
Feb - 10	\$83.71	\$79.94	\$82.19	\$82.05	\$82.53	\$89.93	\$93.63	\$85.91
Mar - 10	\$74.05	\$79.33	\$84.94	\$79.55	\$79.68	\$81.78	\$84.72	\$81.29
Apr - 10	\$82.62	\$82.97	\$83.92	\$81.38	\$81.05	\$85.57	\$85.81	\$83.42
Year Avg	\$96.53	\$95.40	\$97.02	\$97.41	\$98.60	\$114.08	\$116.24	\$103.25

Note: Results do not include the Renaissance Inn at Bay Harbor which does not report to Smith Travel Research
Source: Smith Travel Research

The table indicates that the competitive set of properties achieved their highest occupancy levels on Fridays and Saturdays and their weakest occupancy level on Sundays. The highest average daily rate is achieved on Fridays and Saturdays particularly in the month of July. The market benefits from the array of outdoor activities in the market and region's scenic beauty. The strongest ADR month is July while the weakest month is November.

Proposed Hotel Development: Discussions with local municipal officials, real estate brokers, and hotel operators and review of various published data have revealed that currently there is one proposal for a new hotel in the market.

Boyne City developer Glenn Catt is constructing a development at One Water Street in Boyne City. The development includes a marina, a 37-room hotel, a restaurant and retail stores. Of the 37 hotel rooms, 17 will be sold as condominium suites. The revenue from these rooms will be split between the hotel and the condominium owner. The restaurant component is scheduled to open on May 24, 2010 and will be operated by Magnum Hospitality, operators of Red Mesa Grill in Boyne City. The 24-slip marina is expected to be completed by the summer of 2010 and was under construction at the time of our inspection. The 37-unit hotel is expected to be completed by the summer of 2011. We

have included this hotel as part of our supply addition as it will compete directly with the subject in Boyne City.

The following table indicates the proposed increase in supply, which we have incorporated into our analysis. We have included the proposed subject and the One Water Street condominium hotel within our analysis. We have also included the annualized guest rooms associated with the Cambria Suites Traverse City, which opened in June 2009.

Additions to Supply							
Hotel		2010	2011	2012	2013	2014	2015
	Historical Existing Rooms	864	864	864	864	864	864
1	Wolverine Dilworth Hotel	-	-	29	29	29	29
2	One Water Street		19	37	37	37	37
3	Cambria Suites Traverse City	46	46	46	46	46	46
	Total New Rooms	46	65	112	112	112	112
	Total Supply	910	929	976	976	976	976
	Total Room Nights Available	332,150	338,903	356,240	356,240	356,240	356,240

Source: Hotel & Leisure Advisors

Area Demand Analysis

Estimates of demand for lodging facilities within the market area included analysis of the following factors.

1. Identification of the appropriate demand segments for the competitive set
2. The characteristics of each demand segment, including the need for quality lodging accommodations
3. The overall contribution of room nights generated by each demand segment, as well as the growth potential of each demand segment
4. The strength and attractiveness of the market area's business environment with regard to the economy, educated labor force, leisure attractions, and quality of life
5. Historical and anticipated trends in employment distribution and growth
6. Interviews with representatives of competitive hotels and various hotel chains to determine performance of area hotels and proposed new supply additions
7. Interviews with representatives of Convention and Visitors Bureau, Chamber of Commerce, city officials, county officials, economic development officials and others

Future lodging demand generated by the primary demand segments in the market is estimated based upon an analysis of key economic and demographic indicators, annual historical growth by demand segment for the competitive market, and the anticipated impact of future development on lodging demand.

Market Demand Segmentation: The market for transient accommodations relates to a wide range of travelers within a market area. For the purposes of the demand analysis,

the overall market is subdivided into individual segments based on the type or nature of travel. The following table indicates the different segments, which exist in the competitive set of hotels.

Total Accommodated Demand Output			
Segment		2009 Rm Nights	Segment Percent
1	Commercial	51,288	31%
2	Group	26,974	16%
3	Leisure	88,694	53%
TOTAL		166,957	100%
Market Occupancy		52.9%	
Market ADR		\$ 112.47	
Source: Hotel & Leisure Advisors			

Future lodging demand generated by the primary demand segments is estimated based upon an analysis of key economic and demographic indicators, annual historical growth by demand segment for the competitive market, and the anticipated impact of future development on lodging demand. Induced demand is analyzed separately.

Commercial Demand is defined as general transient overnight travel created by businesses and governmental institutions in the area. The business traveler tends to be less price-sensitive than many leisure travelers and is more likely to utilize a hotel's food and beverage facilities. Commercial demand is typically strongest on Sunday through Thursday nights. This demand segment consists of people visiting area companies for purposes of relocation, corporate inspection, sales meetings, consulting, training, and other purposes.

Commercial demand is generated by a number of companies located in the Traverse City, Petoskey, and Boyne City markets including Munson Medical Center, Northwest Michigan College, Sara Lee, UPS, Northern Michigan Regional Hospital, Circuit Controls Operations, Wal-Mart, Honeywell International, Lexamar Corporation, Arete Industries, Jervis B. Webb Company, and East Jordan Iron Works. This segment also includes transportation workers including truck drivers, railroad workers, government related travelers, people coming due to the area's businesses and travelers who are relocating to the area.

The commercial segment equals approximately 31% of room night demand in 2009. Commercial demand trends tend to reflect trends in employment. Between 2000 and 2009, total employment in the Charlevoix County has grown modestly while employment in the state of Michigan has declined sharply, which has limited commercial growth in the hotel market. We project slow commercial growth due to the slow improvement in the economy.

Group Demand includes conferences and group meetings with a minimum of 10 occupied rooms on a single night. Group lodging demand is generated in conjunction with conventions, association meetings, corporate meetings, training seminars, and social functions such as weddings and family reunions. This segment also includes family reunions and SMERF (social, military, educational, religious, and fraternal) groups. Group demand typically utilizes meeting space in the market's hotels as well as larger convention centers and event centers within the area.

Group demand in the comparable set is strongest at the Renaissance Inn at Bay Harbor, which contains the greatest amount of meeting space. Other hotels within the market attract group demand utilizing their respective meeting spaces as well as appealing to groups, which do not require in house meeting space. The following table indicates the meeting spaces per available room of the competitive hotels.

Meeting Space to Rooms Ratio			
Hotel	Meeting Space SF	# Rooms	Meeting Space Per Available Room
Courtyard Traverse City	None	83	N/A
Cambria Suites Traverse City	1,064	92	11.6
Hampton Inn Traverse City	None	124	N/A
Holiday Inn Traverse City	5,366	179	30.0
Holiday Inn Express & Suites Petoskey	1,008	82	12.3
Comfort Inn Petoskey	None	65	N/A
Stafford`s Perry Hotel	7,500	79	94.9
Hampton Inn Suites Petoskey	600	77	7.8
Renaissance Inn at Bay Harbor	12,027	129	93.2

Source: Hotel & Leisure Advisors

The group segment equals approximately 16% of room night demand in 2009. We project an increase in group demand for the competitive set in the group market with the improvement in the economy.

Leisure Demand consists of individuals and families visiting attractions in the area or passing through en route to other destinations. Their purpose for travel may include sightseeing, visiting friends and relatives, recreation, relaxation, events, and numerous other non-business activities. Leisure demand is strongest Friday and Saturday nights and during school holiday periods. Tourist demand for lodging peaks during the summer months when people visit the subject area for various lake related activities. Additionally, leisure demand comes during the winter months when ski areas such as Boyne Mountain, Boyne Highlands, and Nub's Nob are open to skiers. Winter leisure demand is primarily generated during the weekends. While the leisure segment often is comprised of more rate sensitive travelers, the segment is willing to pay higher rates during peak demand periods. Primary leisure attractions in the market are presented in the following table.

Major Tourist Attractions in the Subject Area	
Attraction	Location
Lake Michigan	Western Michigan
Boyne Mountain Resort	Boyne Falls, MI
Boyne Highlands Resort	Harbor Springs, MI
Nub's Nob Ski Area	Harbor Springs, MI
Odawa Casino Resort	Petoskey, MI
Young State Park	Boyne City, MI

Source: Hotel & Leisure Advisors

The leisure segment equals approximately 53% of room night demand in 2009. We project moderate increases in demand in the segment of the existing comparable set.

The lodging demand historical and projected growth rates by segment for the subject lodging market are shown in the following table.

Segment	Accommodated Demand Growth Rates							
	Historical		Projected					
	2008	2009	2010	2011	2012	2013	2014	
Commercial	7.5%	-2.4%	3.0%	3.0%	2.0%	1.0%	1.0%	
Group	0.1%	1.2%	4.0%	3.0%	2.0%	1.0%	1.0%	
Leisure	6.2%	1.3%	7.0%	5.0%	5.0%	3.0%	2.0%	
Weighted Average	5.6%	0.1%	5.3%	4.1%	3.7%	2.1%	1.6%	

Source: Hotel & Leisure Advisors

The preceding table indicates the historical growth achieved by each of the segments over the past two years and the consultant's projection of long-term outlook for the subject's market area.

Induced Demand: Induced demand is defined as the incremental demand stimulated by the introduction of new supply, in excess of demand changes caused by external economic conditions. In other words, the introduction of a new hotel in a market can increase demand due to additional supply on sold-out nights, or due to the specific facilities or marketing efforts of a property. We have considered the influence of induced demand as it relates to the opening of the subject, and the other room additions.

By analyzing the current number of fill nights, we have estimated the induced demand that would be created by having additional hotel rooms in the market. We project that the market will receive a percentage of induced demand when the existing hotels currently fill up, displacing demand to surrounding markets.

Historically, the area hotels generally report approximately 65-150 fill nights annually. These fill nights occur primarily between late May and October. The Traverse City properties noted a slightly higher number of fill nights than those in the Petoskey area. The following table indicates our estimates.

Induced Demand Inputs									
Hotel	Name of Proposed	Fill Days	# Rooms	Induced Demand	Total Induced Demand				
					2010	2011	2012	2013	2014
1	Wolverine Dilworth Hotel	100	29	2,900	0	0	2,900	0	0
2	One Water Street	100	37	3,700	0	1,850	1,850	0	0
3	Cambria Suites Traverse City	120	46	5,520	5,520	0	0	0	0
Total				12,120	5,520	1,850	4,750		
Segmentation				Hotel 1, 2, & 3	Induced Demand by Segment				
Commercial				30%	1,656	555	1,425		
Group				10%	552	185	475		
Leisure				60%	3,312	1,110	2,850		

Source: Hotel & Leisure Advisors

We project approximately 100 fill nights each for the subject and One Water Street condominium hotel and 120 fill nights for the Cambria Suites Traverse City. For the subject hotel we have applied the majority of the induced demand to the leisure segment.

PROJECTED MARKET OCCUPANCY

The forecasts of area-wide occupancy are derived from the relationship between the estimated room night demand and guest room supply. We have applied the growth rates and induced demand to the base year room night demand for each segment to arrive at a forecast of area-wide annual lodging demand. The projected room night demand is then divided by the projected annual supply (incorporating supply additions) to derive the area-wide occupancy levels. The projected supply, demand, and occupancy levels are shown in the following table.

Wolverine Dilworth Hotel Market Demand Analysis										
Accommodated Demand Segment	Historical				Projected					
	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Commercial	48,881	52,555	51,288	52,827	54,412	55,500	56,055	56,616	56,616	
Group	26,633	26,649	26,974	28,053	28,895	29,473	29,768	30,066	30,066	
Leisure	82,443	87,526	88,694	94,903	99,648	104,630	107,769	109,924	109,924	
Total	157,957	166,729	166,957	175,783	182,955	189,603	193,592	196,606	196,606	
Induced Demand Segment					Projected					
	2010	2011	2012	2013	2014	2015				
Commercial	1,656	2,211	3,636	3,636	3,636	3,636				
Group	552	737	1,212	1,212	1,212	1,212				
Leisure	3,312	4,422	7,272	7,272	7,272	7,272				
Total	5,520	7,370	12,120	12,120	12,120	12,120				
Total Market Demand Segment	Historical				Projected					
	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Commercial	48,881	52,555	51,288	54,483	56,623	59,136	59,691	60,252	60,252	
Group	26,633	26,649	26,974	28,605	29,632	30,685	30,980	31,278	31,278	
Leisure	82,443	87,526	88,694	98,215	104,070	111,902	115,041	117,196	117,196	
Total Room Night Demand	157,957	166,729	166,957	181,303	190,325	201,723	205,712	208,726	208,726	
Total Room Demand Growth	-	5.6%	0.1%	8.6%	5.0%	6.0%	2.0%	1.5%	0.0%	
Total Room Nights Available	278,617	298,570	315,360	332,150	338,903	356,240	356,240	356,240	356,240	
Total Room Supply Growth	-	7.2%	5.6%	5.3%	2.0%	5.1%	0.0%	0.0%	0.0%	
Adjusted Market Occupancy	56.7%	55.8%	52.9%	54.6%	56.2%	56.6%	57.7%	58.6%	58.6%	

Source: Hotel & Leisure Advisors

The table indicates that we project the market occupancy to show an increase in 2010 due to the lack of new supply and projected growth in demand. We project continued growth in occupancy in 2011 and 2012 despite the opening of the One Water Street development and the subject as leisure demand grows with additional lodging options.

DEMAND INTERVIEWS

We have performed interviews to determine the demand for the re-developed Dilworth Hotel. Our interviews focused on local corporate demand as well as leisure visitors.

In each case, the individual interviewed was identified as the person responsible for hotel rooms and outside meeting space. All were given a brief description of the proposed development and asked to predict the organization's possible interest. Twelve groups and companies were contacted and, from among these, nine individuals agreed to be interviewed. The following summarize their responses.

Lexamar Corporation is located in Boyne City. The organization brings people into the region for training every other week. Most of the persons are local but some do require accommodations. Additionally, the company will relocate employees to the region. The relocations can take up to 90 days to complete and the company will cover a family for 30 days. The company currently uses properties in Petoskey for housing and sometimes will use the Boyne City Motel. They are concerned with security and need a property with a 24/7 front desk staff. The training involves 15 to 20 people on average but can be as large as 40 people. They meet in numerous locations based on availability but would welcome a local alternative. They have met at the Dilworth before. On a personal basis, the contact would welcome the restaurant and Irish Pub concept. He noted that the hotel has character but needs to have modern amenities for business travelers. Overall, the re-development of the Dilworth has a high level of interest to this group.

Jervis B. Webb Company is located in Boyne City but its main office is in Harbor Springs. They have need for guest rooms when sales people come into the market but the need is seldom. When necessary the company uses hotels in Petoskey. The company has in-house training facilities thus having limited need for meeting space. Generally, the company will provide breaks during the meeting session affording an opportunity for lunch guests. Occasionally the company will cater in to keep the session on track. Overall, the re-development has a low interest to this group.

Arete Industries, is located in Boyne City. The contact noted that the firm has no need for room nights but visiting sales personnel may have need for affordable hotels. Most meetings and training is done in-house with limited need for meeting space outside the facility. However, the company would be open to catering opportunities. The company also has holiday parties, which it would hold off site. The number of people involved would be approximately 40 employees. On a personal note, the contact would be very interested in the restaurant if the room was made inviting. The Irish Pub concept was described as positive, unique and different. There is nothing like it in the area and would be popular if it provided a good value. The project had a medium level of interest to the company, but a high level of interest personally, especially the restaurant and Irish Pub.

Industrial Magnetics Inc. is located in Boyne City. The company conducts sales meetings in December and June requiring 8 to 10 guest room nights each time. They have used the Water Street Inn, Boyne City Motel and Boyne Mountain Resort. Rates can run from \$70 per night for the winter meeting to \$230 per night when the meeting is held in the summer. The meetings are held in-house and involve 12 to 14 people. The meetings generally last past lunch and the company may entertain catering of lunch. Additionally, corporate dinners are held in the area incorporating about 20 people. These represent an opportunity for either the restaurant or meeting space within the Dilworth Hotel. The company has used the Dilworth Hotel in the past. The contact believed the

restaurant could be successful, but noted the competition within the market is difficult. She believed the Irish Pub concept was a very good idea. She offered a concern involving the consistency of hours of operation. Although, she understands the need to reduce hours of operation in slower times, she stated the food operations need to be available in the hours which they publish. Overall the contact expressed a high level of interest for the development.

Peter Fitzsimons, with the **Petoskey – Harbor Springs- Boyne City Visitors Bureau** expressed strong positive interest toward the re-development of the Dilworth Hotel. He noted that Boyne City has become a destination in the region for restaurants. Boyne Mountain has brought a great deal to the region and the spinoff from their demand generation has benefitted all of the markets. He noted that the Michigan Main Street group and the Boyne Area Chamber of Commerce have worked hard to get Boyne City on the regional radar. However, a new restaurant entry into the market will need to create a unique dining environment. Meetings within the market are difficult to secure. Many companies within the area have created or secured meeting locations overtime. However, the wedding market in the region is huge. Year-round the Stafford Perry Hotel is booked for weddings and in the summer, the demand is enormous. The demand for guest rooms involves three seasons. During the summertime market, demand is strong enough to accommodate the inventory in the region. During the winter window from mid-December through February, the skiing demand provides solid demand for most of the region, with Boyne USA occupying a dominant position in the market. In the remaining part of the year, when you can neither ski nor play golf, the guest room inventory far exceeds the demand. During this season properties and communities need to be creative to attract demand to the market.

Great Lakes Energy Cooperative conducts training sessions a couple of times per year requiring rooms for approximately 10 people each time. The cooperative utilizes the Water Street Inn and Boyne City Motel for their overnight needs at a rate of approximately \$100 per night. The training is done in-house but generally involve lunch which can be catered or the people are on their own. The sessions involve groups of between 4 and 20 people with an average of 12 per session. Additionally the cooperative had board meetings which are held onsite but present a catering opportunity. The contact was positive about a quality restaurant within the hotel as well as the Irish Pub concept. She expressed that there are few places to stay in the area for visiting families. She also noted that the bar was loud and made it difficult for people to sleep. She stated a high level of interest in the project both for the cooperative and personally.

Jim Baumann with the **Boyne Area Chamber of Commerce**, expressed concern regarding the lack of hotel rooms in the community, noting there are only 40 hotel rooms in the city. He expressed that the leisure demand is not being captured particularly in the summer. He noted that many of the area businesses send their guest room demand to Petoskey and Boyne Mountain, but acknowledged that Boyne Mountain tends to be very expensive. The community has gained a reputation for restaurants but it lacks meeting facilities. He stated that the Chamber used to meet at the Dilworth Hotel. The SoBo Arts District on the south side of the city along Lake Street has created interest. The area has seen new galleries and restaurants develop, increasing the popularity of the community. He stated that the city is easy to navigate even during the busy summer months but parking can be tough. He noted that the city is trying to be proactive in addressing the parking issue.

The owner of **Local Flavor** a bookstore and café in Boyne City emphasized the historic landmark nature of the building and its importance to the community. She stated that the population of the community triples in the summer and influence all aspects of the community. The skiers are more interested in the restaurants and lounges. Before its closing the Dilworth Hotel was the only property with meeting space in the city. She mentioned that the yacht club and other community organizations would appreciate the opportunity to meet in the historic hotel. She stated that Boyne City has become a destination and credits much of that to the Michigan Main Street program and the Chamber of Commerce. She identified that the community is busy but far less congested than Charlevoix and Petoskey, and very family oriented.

Mary Faculak is the owner/operator of **Mary's of Boyne** and a member of the **East Jordan Chamber of Commerce**. Ms. Faculak provided a prospective on the differences between the two communities and the strengths of Boyne City. She noted that Boyne City is a very walkable community with small town appeal. She stated that while demand for services is strongest in the summer, business activity is consistent the remainder of the year creating a strong business environment. Boyne USA has helped the region by enhancing the skiing attraction which provides for a solid winter season. The water, marinas, and parks are great assets to the community. She noted that the Boyne City Motel is the only year-round motel and the demand in the market exceeds supply. She believes that the hotel will make the perfect anchor to the Water Street business district. The area's clientele appreciate good food and drink and the hotel/restaurant combination will be good for the community.



↑ View of Courtyard Traverse City

View of Cambria Suites Traverse City ↓





↑ View of Holiday Inn Express & Suites Petoskey

View of Comfort Inn Petoskey ↓





↑ View of Stafford`s Perry Hotel

View of Hampton Inn Suites Petoskey ↓





↑ View of Renaissance Inn at Bay Harbor

COMPETITIVE ADVANTAGES AND DISADVANTAGES OF SUBJECT PROPERTY

We have assessed the projected competitive position of the proposed subject property as it compares to the defined competitive lodging supply. Based on interviews with representatives of competitive hotels, our general knowledge of the market area, and consideration of factors such as: competent and efficient management, a well defined marketing program, the location of the subject property, and the quality of the facility, we have estimated future market penetration of the subject. The following property characteristics were considered as competitive advantages and disadvantages when estimating future penetration rates for the different segments.

Positive Attributes

- The subject is located on Water Street, the main business thoroughfare in Boyne City. The property anchors the east end of the street, which provides access to numerous shops and restaurants as well as Lake Charlevoix to the west.
- A number of area businesses utilize hotels in Petoskey, approximately 10 miles away, to obtain the level of service expected by their guests. A renovated and updated Dilworth Hotel would be attractive to area businesses. The property is projected to appeal to the area business community as well as the unsatisfied demand that occurs in the summer.
- The subject is within walking distance of Lake Charlevoix. The lake is a major attraction to outdoorsmen, with easy access for boaters and anglers. The lake has also been the catalyst for a number of second home developments whose occupants help support the local economy during the summer months. During the summer months the subject will be a convenient facility for visitors.
- The historic nature of the Dilworth Hotel carries a strong positive reputation within the community. Many residents either have held functions, attended events, or have worked at the property.
- The property is a historic hotel. Such properties have a strong following among groups and individuals seeking the unique and historic nature of such properties.
- The property will be part of a national franchise such as the Ascend Collection by Choice Hotels. Such an affiliation will afford the property exposure to brand loyal guests looking for a memorable experience while earning brand reward points.
- The subject will offer an attractive facility with a range of room types including intimate guest rooms and large suites. The planned restaurant, Irish Pub concept, and other amenities will allow the subject to offer a memorable experience for leisure visitors.

Negative Attributes

- The small property size will make it difficult to develop market share. The group market segment, defined as 10 or more room nights, will be difficult to establish, as a group would constitute over a third or more of the property inventory.

- The size of the guest rooms are smaller than comparable newer hotels. While they create a historic ambiance to the property, they are generally not what today's traveler is looking for.
- The property has limited onsite parking. As currently exists the facility has 27 parking spaces to accommodate the 29 hotel units. This leaves inadequate onsite parking space to accommodate the proposed restaurant, Irish Pub, and meeting space by non-hotel guests.

PROJECTED SUBJECT OCCUPANCY

Projected levels of occupancy for the subject hotel are discussed in detail in this section. Estimates of the ability of the subject to capture future market area demand were formulated via a fair market share and penetration analysis. Fair market share is defined as the percentage of rooms, which a property contributes to the total supply of guest rooms in the defined competitive market area. Penetration rate is defined as the percentage of a property's fair share of demand that is actually accommodated by that property. Penetration rates in excess of 100% indicate that a hotel possesses competitive advantages, while competitive weaknesses are reflected by penetration rates that are below 100%.

In determining the penetration rates for the subject, we have also analyzed the historical penetration levels of each of the competitors. We have calculated, through our computer model, projected penetration rate and projected occupancy levels for each competitor and new supply additions. This provides us with a better framework to analyze the subject's projected performance in context of our projected market occupancy. The following section discusses each individual demand segment.

Commercial Demand Penetration: The following table presents the historical penetration rates for the competitive supply, followed by the projected subject penetration rates.

Projected Penetration Rates Commercial Segment		
Competitors	2009	
<u>Hotel Name</u>	<u>Occ rooms</u>	<u>Penetration Rate</u>
Courtyard Traverse City	10,000	200%
Cambria Suites Traverse City	2,000	80%
Hampton Inn Traverse City	7,000	100%
Holiday Inn Traverse City	9,000	86%
Holiday Inn Express & Suites Petoskey	6,000	129%
Comfort Inn Petoskey	2,000	54%
Stafford's Perry Hotel	1,000	12%
Hampton Inn Suites Petoskey	6,000	125%
Renaissance Inn at Bay Harbor	8,000	106%
Projected Subject		
2012	1,345	76%
2013	1,462	82%
2014	1,511	84%
2015	1,511	84%
2016	1,511	84%
Source: Hotel & Leisure Advisors		

Current commercial demand in the Boyne City area is willing to travel to Petoskey for accommodations. Once renovated the subject and the new One Water Street condominium hotel will be the only comparable properties within the immediate market. While many of the rooms may be deemed too small for some commercial travelers, other units should be acceptable to business travelers. Unfortunately there are limited corporate demand generators in the subject's market, thus we project subject will penetrate below its fair share of demand in this segment.

Group Demand Penetration: The following table presents the historical penetration rates for the competitive supply, followed by the projected subject penetration rates.

Projected Penetration Rates Group Segment		
Competitors	2009	
<u>Hotel Name</u>	<u>Occ rooms</u>	<u>Penetration Rate</u>
Courtyard Traverse City	2,000	76%
Cambria Suites Traverse City	1,600	114%
Hampton Inn Traverse City	2,400	63%
Holiday Inn Traverse City	7,300	131%
Holiday Inn Express & Suites Petoskey	900	35%
Comfort Inn Petoskey	400	20%
Stafford's Perry Hotel	3,500	141%
Hampton Inn Suites Petoskey	700	30%
Renaissance Inn at Bay Harbor	8,100	201%
Projected Subject		
2012	832	91%
2013	858	93%
2014	885	95%
2015	885	95%
2016	885	95%
Source: Hotel & Leisure Advisors		

The subject will offer approximately 1,500 square feet of meeting space. While this represents a modest meeting room, there is no comparable facility in the subject's neighborhood. Our interviews suggest there is limited corporate group demand, but a great deal of social group demand. We project the subject will capture much of the market's weddings, receptions, reunions, and graduations and penetrate slightly below its fair share in the group segment.

Leisure Demand Penetration: The following table presents the historical penetration rates for the competitive supply, followed by the projected subject penetration rates.

Projected Penetration Rates Leisure Segment		
Competitors	2009	
<u>Hotel Name</u>	<u>Occ rooms</u>	<u>Penetration Rate</u>
Courtyard Traverse City	8,000	92%
Cambria Suites Traverse City	7,000	150%
Hampton Inn Traverse City	15,000	115%
Holiday Inn Traverse City	20,000	110%
Holiday Inn Express & Suites Petoskey	11,000	128%
Comfort Inn Petoskey	6,000	87%
Stafford's Perry Hotel	8,000	93%
Hampton Inn Suites Petoskey	8,000	100%
Renaissance Inn at Bay Harbor	7,000	52%
Projected Subject		
2012	3,390	102%
2013	3,650	107%
2014	3,853	111%
2015	3,853	111%
2016	3,853	111%
Source: Hotel & Leisure Advisors		

Leisure travelers will be interested in the subject and the One Water Street condominium hotel because they will represent new guest room offerings in the market. The subject will appeal to travelers who are attracted to the unique nature of a historic property. The property is convenient to the Water Street shops, the community's many events, and Lake Charlevoix. We have projected a penetration rate above fair share.

The following table presents the estimated demand penetration rates and occupancy for the subject hotel for the projection period.

Wolverine Dilworth Hotel
Subject Occupancy and Average Daily Rate Analysis

D-6

Subject Property Name:		Wolverine Dilworth Hotel						
Room Nights by Segment		2012	2013	2014	2015	2016	2017	2018
Commercial		1,345	1,462	1,511	1,511	1,511	1,511	1,511
Group		832	858	885	885	885	885	885
Leisure		3,390	3,650	3,853	3,853	3,853	3,853	3,853
	TOTAL	5,567	5,970	6,248	6,248	6,248	6,248	6,248
Percent of Total Room Nights by Segment								
Commercial		24.2%	24.5%	24.2%	24.2%	24.2%	24.2%	24.2%
Group		15.0%	14.4%	14.2%	14.2%	14.2%	14.2%	14.2%
Leisure		60.9%	61.1%	61.7%	61.7%	61.7%	61.7%	61.7%
	TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subject Available Rooms per Day		29.0	29.0	29.0	29.0	29.0	29.0	29.0
Subject Available Rooms per Year		10,585	10,585	10,585	10,585	10,585	10,585	10,585
Subject Property Projections								
Occupancy		52.6%	56.4%	59.0%	59.0%	59.0%	59.0%	59.0%
Market Share		2.8%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%
Fair Share		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Penetration		92.9%	97.7%	100.8%	100.8%	100.8%	100.8%	100.8%
Market Occupancy		56.6%	57.7%	58.6%	58.6%	58.6%	58.6%	58.6%
Source: Hotel & Leisure Advisors								

In a stabilized year of operation, the subject is projected to achieve an occupancy level of 59.0% which results in an overall penetration rate of 100.8%. The subject is projected to outperform the market despite its lower commercial and group demand, due to the region's strong leisure demand. The market segmentation for the subject hotel is projected to be 24.2% commercial, 14.2% group, and 61.7% leisure. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life, given all changes in the life cycle of the hotel. Thus, the stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the subject property may operate at occupancies above this stabilized level, we believe it equally possible for shifts in the local economy and changes in the market's demand patterns to force the occupancy below this selected point of stability.

Monthly Analysis

The following table indicates our projections of occupancy by month in a stabilized year of operation.

Projection of Monthly Occupancy Wolverine Dilworth Hotel	
Month	Stabilized Year <u>Occupancy</u>
JAN	45.0%
FEB	50.0%
MAR	48.0%
APR	47.0%
MAY	55.0%
JUN	73.0%
JUL	88.0%
AUG	80.0%
SEP	70.0%
OCT	65.0%
NOV	39.0%
DEC	<u>44.0%</u>
ANNUALIZED	59%

Source: Hotel & Leisure Advisors

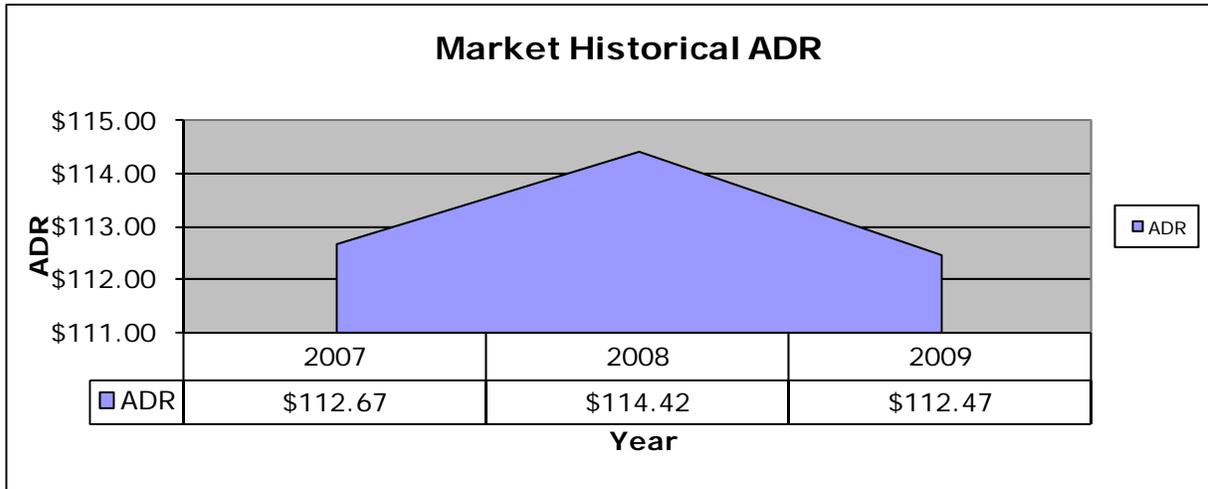
The table indicates that we project higher occupancy levels summer months. Occupancy will decline after mid-October, through most of the winter months. Wintertime occupancy is supported by the area ski resorts.

ESTIMATED AVERAGE DAILY RATE

The estimates of future average daily rate for the subject hotel are based on the following factors:

- Historical average daily rates achieved by the competitors
- The discounting practices of these hotels
- The projected demand segmentation of the subject
- The appropriate rate positioning of similarly-operated properties relative to other hotels
- Estimated economic inflation rate of 3.0% per year

We have analyzed the historical average daily rate for the competitive set and individual competitors within the market. Between 2007 and 2009, the average daily room rate among the competitive supply increased by a compounded annual rate of -0.1% to \$112.47 in 2009. The following chart illustrates the historical average daily rate performance for the competitive supply.



The comparable supply has a wide range in average daily rates as shown in the following table.

Comparable Hotels Average Daily Rate Analysis		
	Property	2009 Estimated Performance
1	Courtyard Traverse City	\$95
2	Cambria Suites Traverse City	\$118
3	Hampton Inn Traverse City	\$96
4	Holiday Inn Traverse City	\$106
5	Holiday Inn Express & Suites Petoskey	\$112
6	Comfort Inn Petoskey	\$90
7	Stafford's Perry Hotel	\$124
8	Hampton Inn Suites Petoskey	\$95
9	Renaissance Inn at Bay Harbor	\$166
	Average	\$112.47

Source: Hotel & Leisure Advisors

Rack Rates: We project higher rack rates, particularly on weekends and during the high season, which we consider from Memorial Day weekend until mid-October when the change in fall foliage has concluded. Additional high periods occur on weekends during ski season and Christmas school breaks. We project that the subject will offer lower rates during slower time periods.

We have projected recommended rack rates taking into account the projected brand affiliation, newly renovated condition, location, and competitive rate structuring at nearby hotels. We recommend the following room rate structure, in 2012 dollars, for the proposed subject hotel.

Wolverine Dilworth Hotel Recommended Rack Rates		
Room Type	In-Season	Off-Season
Single Queen	\$169 - \$269	\$89 - \$139
Double-Queens	\$169 - \$269	\$89 - \$139
Queen Suites	\$199 - \$299	\$129 - \$179
Two-Bedroom Suite	\$299 - \$399	\$199 - \$299
Source: Hotel & Leisure Advisors		

The preceding rate structure represents the appropriate published rates for the proposed subject for rates both in-season and off-season in a stabilized lodging market in 2012 dollars. We considered the competitive rate structuring at nearby hotels. The following chart illustrates occupancy and average daily rates by market segment in the first year of the projection.

Segmentation Analysis Wolverine Dilworth Hotel		
		First Year <u>2012</u>
Commercial	% Total Rooms	24.2%
	Average Daily Rate	\$90
	Room Nights	1,345
	Total Revenue	\$121,039
Group	% Total Rooms	15.0%
	Average Daily Rate	\$105
	Room Nights	832
	Total Revenue	\$87,386
Leisure	% Total Rooms	60.9%
	Average Daily Rate	\$135
	Room Nights	3,390
	Total Revenue	\$457,612
Annual Combined	Occupancy	52.6%
	Total Room Nights	5,567
	Total Revenue	\$666,037
	Average Daily Rate	\$120
	RevPAR	\$62.9
Note: totals may not add or multiply due to rounding		
Source: Hotel & Leisure Advisors		

We project the subject will have to offer discounts in group and commercial segments in order to attract travelers during off-season when the leisure travelers are not available to utilize the subject facilities. The leisure segment is projected to be the highest rate,

because this will occur throughout the summer, school holidays, and on weekends during the winter ski season.

After discounting and promotions, the above rate structure should enable the hotel to achieve an estimated average daily rate of \$120.00 in 2012. We have increased the average daily rate projection at levels above inflation in the first two years to account for introductory specials, which will be performed. Future projections are increased at the rate of inflation of 3.0% throughout the projection period.

The following table demonstrates the projected base and inflated ADR for the subject for fiscal year projections beginning in January of each year.

Estimated Average Daily Rate, Occupancy and RevPAR Market and Subject											
Year	Competitive Set of Hotels					Subject Property					
	Occupancy	ADR	ADR Growth Rate	RevPAR	RevPAR Growth Rate	Occupancy	ADR	ADR Growth Rate	ADR Penetration	RevPAR	RevPAR Growth Rate
2007	56.7%	\$112.67	-	\$63.88	-						
2008	55.8%	\$114.42	1.6%	\$63.90	0.0%						
2009	52.9%	\$112.47	-1.7%	\$59.54	-6.8%						
2010	54.6%	\$115.00	2.3%	\$62.77	5.4%						
2011	56.2%	\$119.60	4.0%	\$67.17	7.0%						
2012	56.6%	\$123.19	3.0%	\$69.76	3.9%	52.6%	\$120.00	-	97%	\$63.11	-
2013	57.7%	\$126.88	3.0%	\$73.27	5.0%	56.4%	\$126.00	5.0%	99%	\$71.07	12.6%
2014	58.6%	\$130.69	3.0%	\$76.57	4.5%	59.0%	\$131.04	4.0%	100%	\$77.35	8.8%
2015	58.6%	\$134.61	3.0%	\$78.87	3.0%	59.0%	\$134.97	3.0%	100%	\$79.68	3.0%
2016	58.6%	\$138.65	3.0%	\$81.24	3.0%	59.0%	\$139.02	3.0%	100%	\$82.07	3.0%
2017	58.6%	\$142.81	3.0%	\$83.67	3.0%	59.0%	\$143.19	3.0%	100%	\$84.53	3.0%

Source: Hotel & Leisure Advisors

Our estimates of revenues, as outlined in this section of the report, are predicated on the following assumptions:

- The subject hotel will be professionally managed and maintained
- The subject hotel will be effectively promoted with a well-targeted marketing program throughout the analysis period
- A continued program of periodic replacement of furniture, fixtures and equipment will continue throughout the analysis period

INTRODUCTION

The estimation of the statement of annual operating results of the subject property involved an analysis of the proposed subject project scope and characteristic. We have identified operating statements of comparable properties and reviewed industry standards for comparable properties in forecasting the financial performance of the subject.

The general steps include the following:

- Estimate the potential gross revenues for the subject property based upon an examination of the prior operating history of the subject property (if available); operating history of comparable properties in the subject market area as well as on a national basis; and an analysis of industry trends.
- Analyze departmental, undistributed, and fixed expenses and project appropriate amounts in each category.
- Project the resultant net operating income (cash flow before debt service) over an appropriate holding period.

All amounts have been rounded to the nearest one thousand dollars and account classifications generally conform to the definitions prescribed by the American Hotel and Lodging Association in the Uniform System of Accounts for the Lodging Industry, 10th Edition.

The prospective financial analysis is based on the results of operations of comparable facilities, industry standards, and projections regarding the future environment in which the hotel will operate. This includes the assumption that the property will be operated in a competent and professional manner and will be properly advertised and promoted.

The industry standards utilized for this analysis are from the Host Study 2009, published by Smith Travel Research and TRENDS in the Hotel Industry, 2009, published by PKF Consulting. We utilized industry standards for full-service hotels with under 150 guest rooms for both the Host Study and PKF Trends report. In addition, we utilized and analyzed actual financial results of full-service hotels in the Midwestern and Northeastern United States.

The following statements present comparable hotel operating results and industry standards of comparable properties.

Wolverine Dilworth Hotel																
Comparable Financial Statements and Industry Standards																
Comparable One				Comparable Two				Host Report - F/S Under 150 rooms				PKF Trends - F/S Under 150 rooms				
F/S Hotel				F/S Hotel				2008				2008				
Number of Rooms	119			53			120			118						
Occupancy	67.6%			40.3%			63.5%			67.5%						
Average Rate	\$	122.36		\$82.75			\$124.41			\$155.94						
Days Open	365			365			365			365						
Rooms Occupied	29,289			7,789			27,813			29,072						
Rooms Available	43,316			19,345			43,800			43,070						
Revenues	\$	Percent	\$/Avail Rm	\$/Occ Rm	\$	Percent	\$/Avail Rm	\$/Occ Rm	\$	Percent	\$/Avail Rm	\$/Occ Rm	\$	Percent	\$/Avail Rm	\$/Occ Rm
Rooms	\$	58.4%	\$ 30,117	\$ 122.36	\$ 644,548	41.7%	\$ 12,161	\$ 82.75	\$ 3,460,320	74.9%	\$ 28,836	\$ 124.41	\$ 3,422,472	84.7%	\$ 29,004	\$ 117.72
Food and Beverage	\$	39.0%	\$ 20,121	\$ 81.75	\$ 824,769	53.4%	\$ 15,562	\$ 105.89	\$ 889,920	19.2%	\$ 7,416	\$ 32.00	\$ 489,936	12.1%	\$ 4,152	\$ 16.85
Other Operated Departments	\$	2.5%	\$ 1,294	\$ 5.26	\$ 75,495	4.9%	\$ 1,424	\$ 9.69	\$ 200,400	4.3%	\$ 1,670	\$ 7.21	\$ 84,960	2.1%	\$ 720	\$ 2.92
Rentals and Other Income	\$	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 72,360	1.6%	\$ 603	\$ 2.60	\$ 42,952	1.1%	\$ 364	\$ 1.48
Total Revenue	\$	100.0%	\$ 51,532	\$ 209.37	\$ 1,544,812	100.0%	\$ 29,147	\$ 198.33	\$ 4,623,000	100.0%	\$ 38,525	\$ 166.22	\$ 4,040,320	100.0%	\$ 34,240	\$ 138.98
Departmental Expenses																
Rooms	\$	25.1%	\$ 7,564	\$ 30.73	\$ 199,692	31.0%	\$ 3,768	\$ 25.64	\$ 856,080	24.7%	\$ 7,134	\$ 30.78	\$ 860,928	25.2%	\$ 7,296	\$ 29.61
Food & Beverage	\$	80.7%	\$ 16,240	\$ 65.98	\$ 577,158	70.0%	\$ 10,890	\$ 74.10	\$ 759,600	85.4%	\$ 6,330	\$ 27.31	\$ 423,620	86.5%	\$ 3,590	\$ 14.57
Other Operated Departments	\$	58.1%	\$ 751	\$ 3.05	\$ 2,347	3.1%	\$ 44	\$ 0.30	\$ 188,880	94.3%	\$ 1,574	\$ 6.79	\$ 77,998	91.8%	\$ 661	\$ 2.68
Total Dept. Expenses	\$	47.7%	\$ 24,555	\$ 99.77	\$ 779,197	50.4%	\$ 14,702	\$ 100.04	\$ 1,804,560	39.0%	\$ 15,038	\$ 64.88	\$ 1,362,546	33.7%	\$ 11,547	\$ 46.87
Departmental Income	\$	52.3%	\$ 26,976	\$ 109.60	\$ 765,615	49.6%	\$ 14,446	\$ 98.29	\$ 2,818,440	61.0%	\$ 23,487	\$ 101.34	\$ 2,677,774	66.3%	\$ 22,693	\$ 92.11
Undistributed Operating Expenses																
Administrative & General	\$	9.2%	\$ 4,737	\$ 19.25	\$ 207,850	13.5%	\$ 3,922	\$ 26.69	\$ 466,200	10.1%	\$ 3,885	\$ 16.76	\$ 403,088	10.0%	\$ 3,416	\$ 13.87
Management Fees	\$	3.0%	\$ 1,549	\$ 6.29	\$ 46,658	3.0%	\$ 880	\$ 5.99	\$ 157,800	3.4%	\$ 1,315	\$ 5.67	\$ 118,590	2.9%	\$ 1,005	\$ 4.08
Marketing	\$	6.0%	\$ 3,085	\$ 12.53	\$ 58,250	3.8%	\$ 1,099	\$ 7.48	\$ 300,000	6.5%	\$ 2,500	\$ 10.79	\$ 365,682	9.1%	\$ 3,099	\$ 12.58
Franchise Fees	\$	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 60,240	1.7%	\$ 502	\$ 2.17	\$ -	0.0%	\$ -	\$ -
Prop. Oper. & Maintenance	\$	5.3%	\$ 2,713	\$ 11.02	\$ 101,216	6.6%	\$ 1,910	\$ 12.99	\$ 245,400	5.3%	\$ 2,045	\$ 8.82	\$ 221,250	5.5%	\$ 1,875	\$ 7.61
Energy Costs	\$	5.7%	\$ 2,951	\$ 11.99	\$ 131,316	8.5%	\$ 2,478	\$ 16.86	\$ 229,560	5.0%	\$ 1,913	\$ 8.25	\$ 198,594	4.9%	\$ 1,683	\$ 6.83
Total Und. Oper. Expenses	\$	29.2%	\$ 15,034	\$ 61.08	\$ 545,290	35.3%	\$ 10,288	\$ 70.01	\$ 1,459,200	31.6%	\$ 12,160	\$ 52.46	\$ 1,307,204	32.4%	\$ 11,078	\$ 44.96
Income Before Fixed Charges	\$	23.2%	\$ 11,942	\$ 48.52	\$ 220,325	14.3%	\$ 4,157	\$ 28.29	\$ 1,359,240	29.4%	\$ 11,327	\$ 48.87	\$ 1,370,570	33.9%	\$ 11,615	\$ 47.14
Fixed Charges																
Property Tax	\$	3.0%	\$ 1,534	\$ 6.23	\$ 30,833	2.0%	\$ 582	\$ 3.96	\$ 151,200	3.3%	\$ 1,260	\$ 5.44	\$ 171,926	4.3%	\$ 1,457	\$ 5.91
Insurance	\$	1.0%	\$ 492	\$ 2.00	\$ 22,805	1.5%	\$ 430	\$ 2.93	\$ 50,520	1.1%	\$ 421	\$ 1.82	\$ 64,782	1.6%	\$ 549	\$ 2.23
Reserve for Replacement	\$	0.0%	\$ -	\$ -	\$ 62,210	4.0%	\$ 1,174	\$ 7.99	\$ 103,680	2.2%	\$ 864	\$ 3.73	\$ -	0.0%	\$ -	\$ -
Total Fixed Charges	\$	3.9%	\$ 2,026	\$ 8.23	\$ 115,848	7.5%	\$ 2,186	\$ 14.87	\$ 305,400	6.6%	\$ 2,545	\$ 10.98	\$ 236,708	5.9%	\$ 2,006	\$ 8.14
Net Income	\$	19.2%	\$ 9,916	\$ 40.29	\$ 104,477	6.8%	\$ 1,971	\$ 13.41	\$ 1,053,840	22.8%	\$ 8,782	\$ 37.89	\$ 1,133,862	28.1%	\$ 9,609	\$ 39.00

Source: Hotel & Leisure Advisors

Fixed and Variable Component Analysis

In forecasting revenues and expenses for a lodging facility, we have utilized a fixed and variable component model. The model is based on the premise that hotel revenues and expenses have a component that is fixed and another component that varies directly with occupancy and facility utilization. Therefore, a projection is estimated by taking a known level of revenue or expense and calculating the fixed component as well as the variable portion. The fixed component is then held at a constant level while the variable portion is adjusted for the percentage change between the projected occupancy and facility utilization, which produces the projected level of revenue or expense.

The following table indicates the revenue and expense categories that can be projected utilizing the fixed and variable component model. The first two columns represent the typical range of fixed versus variable while the third column represents the figure selected for this project.

Range of Fixed and Variable Ratios				
	<u>Typical Percent Fixed</u>	<u>Typical Percent Variable</u>	<u>Selected % Fixed</u>	<u>Index of Variability</u>
Revenues				
Rooms	30% – 50%	50% – 70%	Market Analysis	Occupancy
Food & Beverage	0% – 30%	70% – 100%	10.0%	Occupancy
Other Operated Departments	30% – 60%	40% – 70%	10.0%	Occupancy
Departmental Expenses				
Rooms	50% – 70%	30% – 50%	60.0%	Occupancy
Food & Beverage	40% – 60%	40% – 60%	50.0%	Occupancy
Other Operated Departments	40% – 60%	40% – 60%	60.0%	Occupancy
Undistributed Operating Expenses				
Administrative & General	60% – 80%	20% – 40%	75.0%	Total Revenue
Management Fee	0%	100%	0.0%	Total Revenue
Marketing	60% – 80%	20% – 40%	75.0%	Total Revenue
Franchise Fees	0%	100%	0.0%	Total Revenue
Property Operation & Maintenance	55% – 75%	25% – 45%	70.0%	Total Revenue
Energy Costs	85% – 95%	5% – 15%	90.0%	Total Revenue
Fixed Charges				
Property Taxes	100%	0%	100.0%	Total Revenue
Insurance	100%	0%	100.0%	Total Revenue
Reserve for Replacement	0%	100%		Total Revenue

Source: Hotel & Leisure Advisors

INCOME AND EXPENSE ANALYSIS

Rooms Revenue: Rooms department revenue was calculated by estimating annual occupancy and average daily rate per occupied room. Our estimates of occupancy and ADR, and the rationale supporting these estimates, are presented in the Subject Occupancy and Average Daily Rate Analysis section of this report. The following table indicates the projected occupancy levels and average daily rate for the subject property.

Wolverine Dilworth Hotel Projected Rooms Revenue						
	Base Year	Base + 1	Base + 2	Base + 3	Base + 4	Base + 5
Year	2012	2013	2014	2015	2016	2017
# Rooms	29	29	29	29	29	29
Occupancy	52.6%	56.4%	59.0%	59.0%	59.0%	59.0%
Average Rate	\$120.00	\$126.00	\$131.04	\$134.97	\$139.02	\$143.19
Rooms Occupied	5,567	5,970	6,248	6,248	6,248	6,248
Rooms Revenue	\$668,040	\$752,220	\$818,738	\$843,300	\$868,599	\$894,657

Source: Hotel & Leisure Advisors

Food and Beverage Revenue: Food and beverage revenue is from the sale of food and beverages at the subject's restaurant, Irish Pub, meeting room, and miscellaneous food income including public room rental. We conducted interviews with various restaurants within the market. The following is a recap of those discussions:

The **Red Mesa Grill** is owned and operated by Magnum Hospitality on Water Street in Boyne City. The restaurant is recognized in the community as the best operated product in the market. Management noted the seasonality of the market but stated the region has become a year-round market. As the community is a walk-around market the area is very weather dependent. Generally, the restaurant can do approximately 190 covers for dinner in the off-season while it can generate upwards of 600 covers in-season. The lunch market can be just as dynamic generating approximately 50 covers off-season but as many as 350 covers in-season. The average lunch check is approximately \$14 while the average dinner check is \$20.

220 Lake Street Food & Spirits is located on Lake Street in the SoBo district of Boyne City. Management stated that business is sharply impacted by the seasonality of the market. Management noted that 80% of the sales for the year are generated in the months of July and August. In the summer the property will offer breakfast, lunch, and dinner and can incorporate outdoor patio seating, which is very popular. Management estimates that the property can generate between 800 and 1,500 covers a day in the summer months, turning tables in the restaurant at least three times for lunch and dinner. In the off-season cover counts decline to the 100's for lunch and dinner, as breakfast is not offered. The restaurant achieves an average check of \$11 for lunch and \$17 for dinner. The property provides entertainment on weekends which management states is very popular. Additionally the restaurant provides catering within the market. He stated that the catering activity accounts for approximately 2% of the restaurant's total revenue and occurs primarily in the summer.

Sammich'N Sudz is a small sandwich shop located on Lake Street in the SoBo district of Boyne City. At the time of our visit, the shop was relocating to a larger storefront as its current address could not provide seating. The manager stated that in the summer the shop could generate between 300 and 500 covers per day while in the off-season it was not uncommon to generate less than 10. While the shop is open long hours in the summer, it operates much shorter hours in the winter. With the new shop which will allow seating, management hopes to improve sales, particularly in the winter months when skiers come to the region.

The **Parkside Grille & Treats** is a former Dairy Queen restaurant which is located on Water Street. Management of this restaurant re-affirmed the seasonality of the market stating that a restaurant must make its revenue between the months of June and August. However, they offered an additional insight that the summer is a time of families with children, while the fall features older adults there to experience the small town atmosphere and changing leaves. She also noted that the winter brings the snowmobilers and skiers to the region. She stated the winter groups are interested in finer dining and bars. In the summer the Grille will attract approximately 625 per weekday and 1,200 people on the weekend. The average check for the Grille is \$7.

The BBQ recently re-opened in May 2010. The manager of the restaurant has worked in the market for a number of years and the strongest window of opportunity is from mid-May through September. They anticipate the BBQ will turn the 125 seat restaurant an average of three times for dinner and twice for lunch in the summer. The projected average check for the restaurant is \$15 for dinner and \$10 for lunch. The restaurant currently does not have a liquor license. Although it would enhance the average check, the lack of the license does not impact the summer cover count because of the strong seasonal demand. However, management believes that the restaurant will be adversely impacted in the winter if the property does not secure the liquor license. The attraction to people in the winter is good food and drink. As the property has not been a full-year we do not have an estimate on restaurant's performance.

The **Stafford's Perry Hotel** operates two restaurants including the **H.O. Rose Dining Room** and **Noggin Room Pub**. The Rose Dining Room has views of Little Traverse Bay and is frequently booked for wedding receptions and private parties. During the slower winter season this restaurant is open for breakfast Monday through Sunday, lunch Monday through Friday and dinner Friday and Saturday only. In the summer, the restaurant will be open six days a week for all three meal periods and Sundays for breakfast. Unlike the stand-alone restaurants above which generally provide one menu for all meal periods but may offer specials, the Rose Dining Room offers different menus for each meal period. The average check for breakfast is approximately \$15, for lunch \$18, and dinner \$35. As the restaurant offers an elegant dining experience the rate of turns is slower. The restaurant does approximately 50 covers for breakfast in the winter but 150 in the summer, 35 covers for lunch in the winter/225 in the summer, and 75 covers on the weekends in the winter/300 in the summer. The Noggin Room Pub is a casual environment whose service has been upgraded to accommodate guest seven days-a-week. The Pub is open for lunch and dinner and offers a separate menu for each meal period. The Pub generates approximately 50 covers for lunch in the winter and 275 covers in the summer with an average check of \$13. For dinner the Pub generates approximately 50 covers in the winter and 210 covers in the summer on an average check of \$20. These numbers do not account for guests who come to the Pub for the weekday happy hour or live entertainment and sit at the bar. Management acknowledged that the cover counts in the winter are strongly influenced by the occupancy of the hotel while the summertime counts are impacted by the activity in the region. The interaction of these two restaurants represents the closest comparable to that of the subject's restaurant and Irish Pub concept.

Based on the above interviews, we recommend the first floor restaurant be open seven days a week while the Irish Pub open on weekends and special events in the off-season and seven days a week in season. The following tables outline our analysis of the restaurant and Irish Pub revenue production by month.

Wolverine Dilworth Hotel 65-seat Restaurant								
	<u>Days</u>	Breakfast	Lunch	Dinner	Breakfast	Lunch	Dinner	<u>Total Revenue</u>
		<u>Covers per day</u>			<u>Average Check</u>			
					<u>\$10</u>	<u>\$15</u>	<u>\$25</u>	
JAN	31	8	10	25	\$2,480	\$4,650	\$19,375	\$26,505
FEB	28	8	10	30	\$2,240	\$4,200	\$21,000	\$27,440
MAR	31	8	12	25	\$2,480	\$5,580	\$19,375	\$27,435
APR	30	15	12	30	\$4,500	\$5,400	\$22,500	\$32,400
MAY	31	20	35	50	\$6,200	\$16,275	\$38,750	\$61,225
JUN	30	40	65	80	\$12,000	\$29,250	\$60,000	\$101,250
JUL	31	45	115	125	\$13,950	\$53,475	\$96,875	\$164,300
AUG	31	45	115	125	\$13,950	\$53,475	\$96,875	\$164,300
SEP	30	40	60	80	\$12,000	\$27,000	\$60,000	\$99,000
OCT	31	20	35	65	\$6,200	\$16,275	\$50,375	\$72,850
NOV	30	8	10	25	\$2,400	\$4,500	\$18,750	\$25,650
DEC	31	8	10	35	\$2,480	\$4,650	\$27,125	\$34,255
Total		265	489	695	\$80,880	\$224,730	\$531,000	\$836,610

Source: Hotel & Leisure Advisors

Wolverine Dilworth Hotel 65-seat Irish Pub								
	<u>Days</u>	Breakfast	Lunch	Dinner	Breakfast	Lunch	Dinner	<u>Total Revenue</u>
		<u>Covers per day</u>			<u>Average Check</u>			
					<u>\$0</u>	<u>\$10</u>	<u>\$15</u>	
JAN	12		25	40		\$4,500	\$12,000	\$16,500
FEB	12		25	40		\$4,500	\$12,000	\$16,500
MAR	12		15	30		\$2,700	\$9,000	\$11,700
APR	12		20	40		\$3,600	\$12,000	\$15,600
MAY	20		35	60		\$10,500	\$30,000	\$40,500
JUN	30		75	85		\$33,750	\$63,750	\$97,500
JUL	31		95	105		\$44,175	\$81,375	\$125,550
AUG	31		95	105		\$44,175	\$81,375	\$125,550
SEP	30		75	85		\$33,750	\$63,750	\$97,500
OCT	20		45	60		\$13,500	\$30,000	\$43,500
NOV	12		25	30		\$4,500	\$9,000	\$13,500
DEC	12		30	40		\$5,400	\$12,000	\$17,400
Total					\$0	\$205,050	\$416,250	\$621,300

Source: Hotel & Leisure Advisors

We also project food and beverage revenue related to the meeting space. Based upon our interviews in the market, we anticipate limited corporate meeting opportunities. However we believe the property will do well with weddings and social events. The following table outlines our analysis of the subject's food and beverage department revenues.

FOOD AND BEVERAGE REVENUE				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$2,394,359	39.0%	\$20,121	\$81.75
Comp. 2	\$824,769	53.4%	\$15,562	\$105.89
Host	\$889,920	19.2%	\$7,416	\$32.00
PKF Trends	\$489,936	12.1%	\$4,152	\$16.85
Average	\$1,149,746	31.0%	\$11,813	\$59.12
H&LA 1st Yr. Proj.	\$1,700,000	70.2%	\$58,621	\$305.38
H&LA Stabilized Proj. Year 3	\$1,991,000	69.3%	\$68,655	\$318.64

Source: Hotel & Leisure Advisors

We have projected first year food and beverage revenues of \$305.38 per occupied room or \$1,700,000 in total dollars.

Other Operated Departments Revenue: This revenue line item consists of revenues from other operated departments which include telephone, sundries/gift shop, valet parking, and other departments. The following table outlines our analysis of the subject's other operated department revenues.

OTHER OPERATED DEPARTMENTS REVENUE				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$154,003	2.5%	\$1,294	\$5.26
Comp. 2	\$75,495	4.9%	\$1,424	\$9.69
Host	\$200,400	4.3%	\$1,670	\$7.21
PKF Trends	\$84,960	2.1%	\$720	\$2.92
Average	\$128,715	3.5%	\$1,277	\$6.27
H&LA 1st Yr. Proj.	\$40,000	1.7%	\$1,379	\$7.19
H&LA Stabilized Proj. Year 3	\$47,000	1.6%	\$1,621	\$7.52

Source: Hotel & Leisure Advisors

We project first year other operated departments revenues of \$7.19 per occupied room or \$40,000 in total dollars.

Rentals and Other Income: This line item includes all income (net) associated with vending machines, sponsorship income, laundry, movie rental, rentals, meeting room rental, faxes, and any other miscellaneous income generated by the hotel.

RENTALS AND OTHER INCOME				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1				
Comp. 2				
Host	\$72,360	1.6%	\$603	\$2.60
PKF Trends	\$42,952	1.1%	\$364	\$1.48
Average	\$57,656	1.3%	\$484	\$2.04
H&LA 1st Yr. Proj.	\$15,000	0.6%	\$517	\$2.69
H&LA Stabilized Proj. Year 3	\$18,000	0.6%	\$621	\$2.88

Source: Hotel & Leisure Advisors

Based upon the comparables and industry standards, we project rentals and other income of \$15,000 in the first year of the analysis. This category represents 0.6% of total revenue in the first year of our analysis.

Total Revenue: Our projections indicate total revenue in the first year of \$435.26 per occupied room. As a comparison, Comparable Three, Host Report - F/S Under 150 rooms, achieved total revenues per occupied room of \$166.22, while Comparable Four, PKF Trends - F/S Under 150 rooms, achieved total revenues per occupied room of \$138.98. Our projections are much higher as we project the subject to achieve much higher food and beverage revenue.

Departmental Expenses

Departmental expenses are costs borne by individual departments of the hotel and can be segmented separately.

Rooms Expenses: Rooms department expenses include expenses incurred as a result of the operation of the rooms department. They include such items as salaries and wages, employee benefits, travel agent commissions, contract cleaning, guest transportation, laundry and dry cleaning, linens, operating supplies, reservations, uniforms, and other costs. Salaries, wages, and employee benefits account for a substantial portion of this category. Although payroll varies somewhat with occupancy (because management can schedule housekeepers, bell staff, and other hourly staff to work when demand requires), a higher percentage of the department's expenses are considered as fixed because a hotel still has to maintain staffing in all areas at all times. As a result, salaries, wages, and employee benefits are only moderately sensitive to changes in occupancy. For the purposes of our model, we have considered that 60.0% of the expenses are fixed. Commissions represent remuneration to various booking agents including travel agents for booking rooms. Because these fees are based on a percentage of the rooms revenue, they are highly dependent on occupancy and average daily rate. The following table outlines our analysis of the subject's room department expenses.

ROOMS EXPENSE				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$900,147	25.1%	\$7,564	\$30.73
Comp. 2	\$199,692	31.0%	\$3,768	\$25.64
Host	\$856,080	24.7%	\$7,134	\$30.78
PKF Trends	\$860,928	25.2%	\$7,296	\$29.61
Average	\$704,212	26.5%	\$6,441	\$29.19
H&LA 1st Yr. Proj.	\$167,000	25.0%	\$5,759	\$30.00
H&LA Stabilized Proj. Year 3	\$186,000	22.7%	\$6,414	\$29.77

Source: Hotel & Leisure Advisors

We project the property to have rooms expenses of 25.0% of rooms revenue in the first year of the projection. We have utilized a rooms expense within the range of the comparables and industry standards.

Food and Beverage Expenses: These expenses reflect the items necessary for the operation of the restaurant, lounge, and meeting facilities within the lodging facility. Major items of expense in the food and beverage department include the cost of food and beverage, payroll, china, glassware, menus, uniforms, and other expenses related to the operation of the food and beverage facilities. The following table outlines our analysis of the subject's food and beverage department expenses.

FOOD & BEVERAGE EXPENSE				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$1,932,505	80.7%	\$16,240	\$65.98
Comp. 2	\$577,158	70.0%	\$10,890	\$74.10
Host	\$759,600	85.4%	\$6,330	\$27.31
PKF Trends	\$423,620	86.5%	\$3,590	\$14.57
Average	\$923,221	80.6%	\$9,262	\$45.49
H&LA 1st Yr. Proj.	\$1,275,000	75.0%	\$43,966	\$229.03
H&LA Stabilized Proj. Year 3	\$1,435,000	72.1%	\$49,483	\$229.66

Source: Hotel & Leisure Advisors

We estimate the food and beverage expense ratio of 75.0% of combined food and beverage revenue in the first year which is higher than comparable two but lower than industry standards as a percent of department revenue.

Other Operated Departments Expenses: These expenses reflect the cost of providing local and long distance calls and includes costs for rental equipment, house calls, and wireless access capability. These expenses also include the cost associated with a sundries/gift shop and valet parking. The following table outlines our analysis of the subject's other operated department expenses.

OTHER OPERATED DEPARTMENTS EXPENSE				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$89,428	58.1%	\$751	\$3.05
Comp. 2	\$2,347	3.1%	\$44	\$0.30
Host	\$188,880	94.3%	\$1,574	\$6.79
PKF Trends	\$77,998	91.8%	\$661	\$2.68
Average	\$89,663	61.8%	\$758	\$3.21
H&LA 1st Yr. Proj.	\$36,000	90.0%	\$1,241	\$6.47
H&LA Stabilized Proj. Year 3	\$40,000	85.1%	\$1,379	\$6.40

Source: Hotel & Leisure Advisors

While telephone departments have become money losing amenities for hotel with the advent of the internet and cellular phones, we anticipate the gift shop and valet parking will produce a modest profit which will off-set some of the telephone department losses. We project other operated departments expenses to equal 90.0% of other operated departments revenue in the first year of the projection.

Undistributed Operating Expenses

Undistributed operating expenses are costs borne by the entire operation, and not attributable to any one specific department or profit center.

Administrative and General Expenses: This department represents expenses related to the management and administration of the property. It includes salaries and wages, employee benefits, cost of accounting and legal fees, credit card commissions, printing, stationery, general liability insurance, donations, travel and entertainment, security, and postage costs. Most administrative and general expenses are relatively fixed although there are variable components such as bonuses provided to management. The following table outlines our analysis of the subject's administrative and general department expenses.

ADMINISTRATIVE & GENERAL				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$563,675	9.2%	\$4,737	\$19.25
Comp. 2	\$207,850	13.5%	\$3,922	\$26.69
Host	\$466,200	10.1%	\$3,885	\$16.76
PKF Trends	\$403,088	10.0%	\$3,416	\$13.87
Average	\$410,203	10.7%	\$3,990	\$19.14
H&LA 1st Yr. Proj.	\$110,000	4.5%	\$3,793	\$19.76
H&LA Stabilized Proj. Year 3	\$120,000	4.2%	\$4,138	\$19.20

Source: Hotel & Leisure Advisors

We have estimated this expense to be \$3,793 per available room or 4.5% of total revenue in the first year of the projection which is in the range of industry standards.

Management Fee: The projection for the subject hotel's income and expenses assumes competent management by a professional management company. We assume that a prudent investor would utilize a competent management company with fees structured at market rates. Although some companies provide their own management for hotels they will typically charge the property for management services. Management fees typically range between 2% to 4% of total revenue for full-service hotels and 3% to 5% for limited service hotels. The following table outlines our analysis of the subject's management fee expenses.

MANAGEMENT FEE				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$184,353	3.0%	\$1,549	\$6.29
Comp. 2	\$46,658	3.0%	\$880	\$5.99
Host	\$157,800	3.4%	\$1,315	\$5.67
PKF Trends	\$118,590	2.9%	\$1,005	\$4.08
Average	\$126,850	3.1%	\$1,187	\$5.51
H&LA 1st Yr. Proj.	\$73,000	3.0%	\$2,517	\$13.11
H&LA Stabilized Proj. Year 3	\$86,000	3.0%	\$2,966	\$13.76

Source: Hotel & Leisure Advisors

We have estimated this expense to be 3.0% of total revenue throughout the analysis period based upon current industry standards for management agreements.

Marketing Expenses: These include expenses related to advertising and promotion required to obtain and retain customers for its products and services. Expenses include salaries and wages, employee benefits, subscriptions, operating supplies, postage, telephone, trade shows, and travel and entertainment. The department includes the costs of advertising in various media such as newspapers, magazines and directories, as well as direct mail campaign, billboards and miscellaneous sales and marketing expenses. This department also includes marketing expenses related to the franchise affiliation. Franchise royalty fees are shown separately under franchise fees. The following table outlines our analysis of the subject's marketing expenses.

MARKETING				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$367,079	6.0%	\$3,085	\$12.53
Comp. 2	\$58,250	3.8%	\$1,099	\$7.48
Host	\$300,000	6.5%	\$2,500	\$10.79
PKF Trends	\$365,682	9.1%	\$3,099	\$12.58
Average	\$272,753	6.3%	\$2,446	\$10.84
H&LA 1st Yr. Proj.	\$145,000	6.0%	\$5,000	\$26.05
H&LA Stabilized Proj. Year 3	\$159,000	5.5%	\$5,483	\$25.45

Source: Hotel & Leisure Advisors

We have a marketing expense higher than the comparables on an available room basis but within the range of industry standards. Our projection assumes the subject will have a separate franchise fee. Our first year projections indicate a marketing expense of \$5,000 per available room, or \$145,000 in the first year of the projection.

Our first year marketing expense does not include preopening marketing which will be required to inform the regional area about the re-developed Dilworth Hotel. We assume the preopening marketing funds would be included within the development budget.

Franchise Fee: Franchise fees are the fees paid to franchise companies for the ability to utilize their name and systems. Typical franchise expenses range from 4% to 6% of rooms revenue. We have included a franchise fee of 4% based on the subject becoming an Ascend Collection hotel. The following table outlines our analysis of the franchise fee.

FRANCHISE FEE				
	Amount	% of Room Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$0	0.0%	\$0	\$0.00
Comp. 2	\$0	0.0%	\$0	\$0.00
Host	\$60,240	1.7%	\$502	\$2.17
PKF Trends	\$0	0.0%	\$0	\$0.00
Average	\$15,060	0.4%	\$126	\$0.54
H&LA 1st Yr. Proj.	\$27,000	4.0%	\$931	\$4.85
H&LA Stabilized Proj. Year 3	\$33,000	4.0%	\$1,138	\$5.28

Source: Hotel & Leisure Advisors

We have projected a franchise fee of 4.0% of rooms revenue for the subject property.

Property Operation and Maintenance Expenses: These expenses include salaries and wages, employee benefits, cost of supplies, outside contractors, painting and decorating, carpentry, garbage removal, engineering supplies, uniforms, and other costs associated with maintaining the physical plant of the structure. A majority of these expenses are fixed because they are required to maintain the building. This category includes both payroll and related benefits and other expenses associated with periodic preventive maintenance and repairs to the physical structure and mechanical equipment. The following table outlines our analysis of the subject's maintenance expenses.

PROPERTY OPERATIONS AND MAINTENANCE				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$322,794	5.3%	\$2,713	\$11.02
Comp. 2	\$101,216	6.6%	\$1,910	\$12.99
Host	\$245,400	5.3%	\$2,045	\$8.82
PKF Trends	\$221,250	5.5%	\$1,875	\$7.61
Average	\$222,665	5.7%	\$2,136	\$10.11
H&LA 1st Yr. Proj.	\$58,000	2.4%	\$2,000	\$10.42
H&LA Stabilized Proj. Year 3	\$64,000	2.2%	\$2,207	\$10.24

Source: Hotel & Leisure Advisors

We estimate this expense at \$2,000 per available room in the first year of operation which equals 2.4% of total revenue. Our estimate is at the high end of industry standards per available room based on the age and historic nature of the property.

Energy Expenses: These represent expenditures for electricity, heating, fuel, water, waste removal and related operating supplies. A large portion of a lodging facility's energy consumption is relatively fixed. All public areas must be continually lighted and climate controlled regardless of occupancy. The following table outlines our analysis of the subject's energy expenses.

ENERGY				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$351,198	5.7%	\$2,951	\$11.99
Comp. 2	\$131,316	8.5%	\$2,478	\$16.86
Host	\$229,560	5.0%	\$1,913	\$8.25
PKF Trends	\$198,594	4.9%	\$1,683	\$6.83
Average	\$227,667	6.0%	\$2,256	\$10.98
H&LA 1st Yr. Proj.	\$58,000	2.4%	\$2,000	\$10.42
H&LA Stabilized Proj. Year 3	\$62,000	2.2%	\$2,138	\$9.92

Source: Hotel & Leisure Advisors

We estimate this expense to equal \$2,000 per available room or 2.4% of total revenue in the first year of the projection. Our estimate is above the industry standards but in the range of the comparables on a per available room basis. Our estimate does not incorporate potential energy savings which a LEED certification may allow.

Income before Fixed Charges: We have analyzed our projection of income before fixed charges with the comparable properties as shown in the following table.

INCOME BEFORE FIXED CHARGES				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$1,421,085	23.2%	\$11,942	\$48.52
Comp. 2	\$220,325	14.3%	\$4,157	\$28.29
Host	\$1,359,240	29.4%	\$11,327	\$48.87
PKF Trends	\$1,370,570	33.9%	\$11,615	\$47.14
Average	\$1,092,805	25.2%	\$9,760	\$43.21
H&LA 1st Yr. Proj.	\$474,000	19.6%	\$16,345	\$85.15
H&LA Stabilized Proj. Year 3	\$690,000	24.0%	\$23,793	\$110.43

Source: Hotel & Leisure Advisors

Fixed Charges

Fixed expenses include any expenses that relate to the ownership of the hotel including property taxes, buildings and contents insurance, reserve for replacement, and any applicable land, building, or equipment rental.

Real Estate and Property Taxes: We have calculated taxes based upon a state equalized value of \$1,700,000, which considers the development costs for the subject. Our estimate does not assume an abatement. We acknowledge that this calculation will change depending upon what the governmental authorities offer the project. The following table indicates our first-year real estate tax projection.

Wolverine Dilworth Hotel	
Tax Analysis	
State Equalization Value	\$1,700,000
Assessment %	100.0%
Assessed Value	\$1,700,000
Effective Tax Rate	0.0550441
Gross Tax	\$93,575
Indicated Tax	\$93,575
Rounded	\$94,000
Personal Prop Tax	\$17,600
Total Tax	\$111,600
Tax/Room	\$3,848

Source: Hotel & Leisure Advisors

We project real estate taxes of \$111,600 in the first year of the analysis.

Building and Property Insurance: The insurance expense category includes the cost of insuring the building and its contents against damage or destruction from fire, weather, sprinkler leakage, boiler explosion, breakage, and other potential disasters. The insurance expense includes both property and liability insurance. Over the past several years insurance costs for hotels have fluctuated dramatically depending upon claims and natural disasters. The following table outlines our analysis of the subject's insurance expenses.

INSURANCE				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
Comparables				
Comp. 1	\$58,500	1.0%	\$492	\$2.00
Comp. 2	\$22,805	1.5%	\$430	\$2.93
Host	\$50,520	1.1%	\$421	\$1.82
PKF Trends	\$64,782	1.6%	\$549	\$2.23
Average	\$49,152	1.3%	\$473	\$2.24
H&LA 1st Yr. Proj.	\$13,000	0.5%	\$448	\$2.34
H&LA Stabilized Proj. Year 3	\$14,000	0.5%	\$483	\$2.24

Source: Hotel & Leisure Advisors

We have projected an expense of \$13,000 or \$448 per room in the first year of the projection.

Reserve for Replacement: Furniture, fixtures, and equipment are essential to the operation of a lodging facility and their quality often influences the class of a property. Included in this category are all non real estate items that are normally capitalized, not expensed. Most hotels account for the replacement of furniture, fixtures, and equipment (FF&E) by establishing a fund commonly referred to as a reserve for replacement which is generally funded from a hotel's cash flow. In theory, a sufficient amount of money is available to replace FF&E at the end of its useful life. A recent study by the International Society of Hospitality Consultants indicated that the traditional 3% reserve is lower than most hotels they surveyed actually spent over historical periods. The survey indicated that the expense should be between 4% and 5% of total revenues. We have estimated this reserve to equal 2.0% of total sales in the first year of operation, increasing to 3.0% in the second year, and 4.0% in year three and beyond. The 4.0% replacement reserve is projected for year three and beyond because it is in keeping with industry guidelines for a hotel the subject's size and volume of operation.

Inflation: The assumed 3.0% per annum rate of inflation for the analysis is derived by a review of the historical increases to the Consumer Price Index (CPI). To the extent that actual rates differ from this percentage, the estimates would have to be adjusted. All revenue and expense items were first calculated in 2012 dollars. A 3.0% growth rate was applied to all revenue and expenses.

PROSPECTIVE FINANCIAL ANALYSIS IN INFLATED DOLLARS

The following forecasts of income and expenses reflect the subject's anticipated performance for calendar years beginning 2012. We have projected that the subject's operations will stabilize in the third year and all income and expense items will increase thereafter at the underlying inflation rate of 3.0%. We note that departmental expense ratios are expressed as a percentage of departmental revenues. All other expense ratios are expressed as a percentage of total revenues. We have presented rounded figures to the nearest thousand.

PROJECTED FINANCIAL PERFORMANCE																
WOLVERINE DILWORTH HOTEL																
	Base Year 2012				Base +1 2013				Base +2 2014				Base +3 2015			
Number of Rooms	29				29				29				29			
Occupancy	52.6%				56.4%				59.0%				59.0%			
Average Rate	\$120.00				\$126.00				\$131.04				\$134.97			
Days Open	365				365				365				365			
Rooms Occupied	5,567				5,970				6,248				6,248			
Rooms Available	10,585				10,585				10,585				10,585			
Revenues	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm
Rooms	\$ 668	27.6%	\$ 23,034	\$ 120.00	\$ 752	28.2%	\$ 25,931	\$ 125.95	\$ 819	28.5%	\$ 28,241	\$ 131.07	\$ 843	28.5%	\$ 29,069	\$ 134.91
Food and Beverage	\$ 1,700	70.2%	\$ 58,621	\$ 305.38	\$ 1,859	69.6%	\$ 64,103	\$ 311.37	\$ 1,991	69.3%	\$ 68,655	\$ 318.64	\$ 2,051	69.3%	\$ 70,724	\$ 328.24
Other Operated Departments	\$ 40	1.7%	\$ 1,379	\$ 7.19	\$ 44	1.6%	\$ 1,517	\$ 7.37	\$ 47	1.6%	\$ 1,621	\$ 7.52	\$ 49	1.7%	\$ 1,690	\$ 7.84
Rentals and Other Income	\$ 15	0.6%	\$ 517	\$ 2.69	\$ 16	0.6%	\$ 552	\$ 2.68	\$ 18	0.6%	\$ 621	\$ 2.88	\$ 18	0.6%	\$ 621	\$ 2.88
Total Revenue	\$ 2,423	100.0%	\$ 83,552	\$ 435.26	\$ 2,671	100.0%	\$ 92,103	\$ 447.37	\$ 2,875	100.0%	\$ 99,138	\$ 460.11	\$ 2,961	100.0%	\$ 102,103	\$ 473.88
Departmental Expenses																
Rooms	\$ 167	25.0%	\$ 5,759	\$ 30.00	\$ 177	23.5%	\$ 6,103	\$ 29.65	\$ 186	22.7%	\$ 6,414	\$ 29.77	\$ 191	22.7%	\$ 6,586	\$ 30.57
Food & Beverage	\$ 1,275	75.0%	\$ 43,966	\$ 229.03	\$ 1,361	73.2%	\$ 46,931	\$ 227.96	\$ 1,435	72.1%	\$ 49,483	\$ 229.66	\$ 1,479	72.1%	\$ 51,000	\$ 236.70
Other Operated Departments	\$ 36	90.0%	\$ 1,241	\$ 6.47	\$ 38	86.4%	\$ 1,310	\$ 6.36	\$ 40	85.1%	\$ 1,379	\$ 6.40	\$ 41	83.7%	\$ 1,414	\$ 6.56
Total Dept. Expenses	\$ 1,478	61.0%	\$ 50,966	\$ 265.50	\$ 1,576	59.0%	\$ 54,345	\$ 263.97	\$ 1,661	57.8%	\$ 57,276	\$ 265.83	\$ 1,711	57.8%	\$ 59,000	\$ 273.83
Departmental Income	\$ 945	39.0%	\$ 32,586	\$ 169.76	\$ 1,095	41.0%	\$ 37,759	\$ 183.40	\$ 1,214	42.2%	\$ 41,862	\$ 194.29	\$ 1,250	42.2%	\$ 43,103	\$ 200.05
Undistributed Operating Expenses																
Administrative & General	\$ 110	4.5%	\$ 3,793	\$ 19.76	\$ 116	4.3%	\$ 4,000	\$ 19.43	\$ 120	4.2%	\$ 4,138	\$ 19.20	\$ 124	4.2%	\$ 4,276	\$ 19.84
Management Fees	\$ 73	3.0%	\$ 2,517	\$ 13.11	\$ 80	3.0%	\$ 2,759	\$ 13.40	\$ 86	3.0%	\$ 2,966	\$ 13.76	\$ 89	3.0%	\$ 3,069	\$ 14.24
Marketing	\$ 145	6.0%	\$ 5,000	\$ 26.05	\$ 152	5.7%	\$ 5,241	\$ 25.46	\$ 159	5.5%	\$ 5,483	\$ 25.45	\$ 163	5.5%	\$ 5,621	\$ 26.09
Franchise Fees	\$ 27	4.0%	\$ 931	\$ 4.85	\$ 30	4.0%	\$ 1,034	\$ 5.02	\$ 33	4.0%	\$ 1,138	\$ 5.28	\$ 34	4.0%	\$ 1,172	\$ 5.44
Prop. Oper. & Maintenance	\$ 58	2.4%	\$ 2,000	\$ 10.42	\$ 61	2.3%	\$ 2,103	\$ 10.22	\$ 64	2.2%	\$ 2,207	\$ 10.24	\$ 66	2.2%	\$ 2,276	\$ 10.56
Energy Costs	\$ 58	2.4%	\$ 2,000	\$ 10.42	\$ 60	2.2%	\$ 2,069	\$ 10.05	\$ 62	2.2%	\$ 2,138	\$ 9.92	\$ 64	2.2%	\$ 2,207	\$ 10.24
Total UDOEs	\$ 471	19.4%	\$ 16,241	\$ 84.61	\$ 499	18.7%	\$ 17,207	\$ 83.58	\$ 524	18.2%	\$ 18,069	\$ 83.86	\$ 540	18.2%	\$ 18,621	\$ 86.42
Income Before Fixed Charges	\$ 474	19.6%	\$ 16,345	\$ 85.15	\$ 596	22.3%	\$ 20,552	\$ 99.82	\$ 690	24.0%	\$ 23,793	\$ 110.43	\$ 710	24.0%	\$ 24,483	\$ 113.63
Fixed Charges																
Property Tax	\$ 112	4.6%	\$ 3,862	\$ 20.12	\$ 115	4.3%	\$ 3,966	\$ 19.26	\$ 118	4.1%	\$ 4,069	\$ 18.88	\$ 122	4.1%	\$ 4,207	\$ 19.52
Insurance	\$ 13	0.5%	\$ 448	\$ 2.34	\$ 13	0.5%	\$ 448	\$ 2.18	\$ 14	0.5%	\$ 483	\$ 2.24	\$ 14	0.5%	\$ 483	\$ 2.24
Reserve for Replacement	\$ 48	2.0%	\$ 1,655	\$ 8.62	\$ 80	3.0%	\$ 2,759	\$ 13.40	\$ 115	4.0%	\$ 3,966	\$ 18.40	\$ 118	4.0%	\$ 4,069	\$ 18.88
Total Fixed Charges	\$ 173	7.1%	\$ 5,966	\$ 31.08	\$ 208	7.8%	\$ 7,172	\$ 34.84	\$ 247	8.6%	\$ 8,517	\$ 39.53	\$ 254	8.6%	\$ 8,759	\$ 40.65
Net Income	\$ 301	12.4%	\$ 10,379	\$ 54.07	\$ 388	14.5%	\$ 13,379	\$ 64.99	\$ 443	15.4%	\$ 15,276	\$ 70.90	\$ 456	15.4%	\$ 15,724	\$ 72.98

Source: Hotel & Leisure Advisors

PROJECTED FINANCIAL PERFORMANCE																
WOLVERINE DILWORTH HOTEL																
	Base +4				Base +5				Base +6				Base +7			
	2016				2017				2018				2019			
Number of Rooms	29				29				29				29			
Occupancy	59.0%				59.0%				59.0%				59.0%			
Average Rate	\$139.02				\$143.19				\$147.49				\$151.91			
Days Open	365				365				365				365			
Rooms Occupied	6,248				6,248				6,248				6,248			
Rooms Available	10,585				10,585				10,585				10,585			
Revenues	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm
Rooms	\$ 869	28.5%	\$ 29,966	\$ 139.07	\$ 895	28.5%	\$ 30,862	\$ 143.24	\$ 921	28.5%	\$ 31,759	\$ 147.40	\$ 949	28.5%	\$ 32,724	\$ 151.88
Food and Beverage	\$ 2,113	69.3%	\$ 72,862	\$ 338.16	\$ 2,176	69.3%	\$ 75,034	\$ 348.25	\$ 2,241	69.3%	\$ 77,276	\$ 358.65	\$ 2,308	69.3%	\$ 79,586	\$ 369.37
Other Operated Departments	\$ 50	1.6%	\$ 1,724	\$ 8.00	\$ 51	1.6%	\$ 1,759	\$ 8.16	\$ 53	1.6%	\$ 1,828	\$ 8.48	\$ 55	1.7%	\$ 1,897	\$ 8.80
Rentals and Other Income	\$ 19	0.6%	\$ 655	\$ 3.04	\$ 19	0.6%	\$ 655	\$ 3.04	\$ 20	0.6%	\$ 690	\$ 3.20	\$ 20	0.6%	\$ 690	\$ 3.20
Total Revenue	\$ 3,051	100.0%	\$ 105,207	\$ 488.28	\$ 3,141	100.0%	\$ 108,310	\$ 502.68	\$ 3,235	100.0%	\$ 111,552	\$ 517.73	\$ 3,332	100.0%	\$ 114,897	\$ 533.25
Departmental Expenses																
Rooms	\$ 197	22.7%	\$ 6,793	\$ 31.53	\$ 203	22.7%	\$ 7,000	\$ 32.49	\$ 209	22.7%	\$ 7,207	\$ 33.45	\$ 215	22.7%	\$ 7,414	\$ 34.41
Food & Beverage	\$ 1,523	72.1%	\$ 52,517	\$ 243.74	\$ 1,569	72.1%	\$ 54,103	\$ 251.10	\$ 1,616	72.1%	\$ 55,724	\$ 258.62	\$ 1,664	72.1%	\$ 57,379	\$ 266.31
Other Operated Departments	\$ 43	86.0%	\$ 1,483	\$ 6.88	\$ 44	86.3%	\$ 1,517	\$ 7.04	\$ 45	84.9%	\$ 1,552	\$ 7.20	\$ 46	83.6%	\$ 1,586	\$ 7.36
Total Dept. Expenses	\$ 1,763	57.8%	\$ 60,793	\$ 282.15	\$ 1,816	57.8%	\$ 62,621	\$ 290.63	\$ 1,870	57.8%	\$ 64,483	\$ 299.27	\$ 1,925	57.8%	\$ 66,379	\$ 308.08
Departmental Income	\$ 1,288	42.2%	\$ 44,414	\$ 206.13	\$ 1,325	42.2%	\$ 45,690	\$ 212.05	\$ 1,365	42.2%	\$ 47,069	\$ 218.45	\$ 1,407	42.2%	\$ 48,517	\$ 225.18
Undistributed Operating Expenses																
Administrative & General	\$ 128	4.2%	\$ 4,414	\$ 20.49	\$ 132	4.2%	\$ 4,552	\$ 21.13	\$ 136	4.2%	\$ 4,690	\$ 21.77	\$ 140	4.2%	\$ 4,828	\$ 22.41
Management Fees	\$ 92	3.0%	\$ 3,172	\$ 14.72	\$ 94	3.0%	\$ 3,241	\$ 15.04	\$ 97	3.0%	\$ 3,345	\$ 15.52	\$ 100	3.0%	\$ 3,448	\$ 16.00
Marketing	\$ 168	5.5%	\$ 5,793	\$ 26.89	\$ 173	5.5%	\$ 5,966	\$ 27.69	\$ 178	5.5%	\$ 6,138	\$ 28.49	\$ 184	5.5%	\$ 6,345	\$ 29.45
Franchise Fees	\$ 35	4.0%	\$ 1,207	\$ 5.60	\$ 36	4.0%	\$ 1,241	\$ 5.76	\$ 37	4.0%	\$ 1,276	\$ 5.92	\$ 38	4.0%	\$ 1,310	\$ 6.08
Prop. Oper. & Maintenance	\$ 68	2.2%	\$ 2,345	\$ 10.88	\$ 70	2.2%	\$ 2,414	\$ 11.20	\$ 72	2.2%	\$ 2,483	\$ 11.52	\$ 74	2.2%	\$ 2,552	\$ 11.84
Energy Costs	\$ 66	2.2%	\$ 2,276	\$ 10.56	\$ 68	2.2%	\$ 2,345	\$ 10.88	\$ 70	2.2%	\$ 2,414	\$ 11.20	\$ 72	2.2%	\$ 2,483	\$ 11.52
Total UDOEs	\$ 557	18.3%	\$ 19,207	\$ 89.14	\$ 573	18.2%	\$ 19,759	\$ 91.70	\$ 590	18.2%	\$ 20,345	\$ 94.42	\$ 608	18.2%	\$ 20,966	\$ 97.30
Income Before Fixed Charges	\$ 731	24.0%	\$ 25,207	\$ 116.99	\$ 752	23.9%	\$ 25,931	\$ 120.35	\$ 775	24.0%	\$ 26,724	\$ 124.03	\$ 799	24.0%	\$ 27,552	\$ 127.87
Fixed Charges																
Property Tax	\$ 126	4.1%	\$ 4,345	\$ 20.16	\$ 129	4.1%	\$ 4,448	\$ 20.65	\$ 133	4.1%	\$ 4,586	\$ 21.29	\$ 137	4.1%	\$ 4,724	\$ 21.93
Insurance	\$ 15	0.5%	\$ 517	\$ 2.40	\$ 15	0.5%	\$ 517	\$ 2.40	\$ 16	0.5%	\$ 552	\$ 2.56	\$ 16	0.5%	\$ 552	\$ 2.56
Reserve for Replacement	\$ 122	4.0%	\$ 4,207	\$ 19.52	\$ 126	4.0%	\$ 4,345	\$ 20.16	\$ 129	4.0%	\$ 4,448	\$ 20.65	\$ 133	4.0%	\$ 4,586	\$ 21.29
Total Fixed Charges	\$ 263	8.6%	\$ 9,069	\$ 42.09	\$ 270	8.6%	\$ 9,310	\$ 43.21	\$ 278	8.6%	\$ 9,586	\$ 44.49	\$ 286	8.6%	\$ 9,862	\$ 45.77
Net Income	\$ 468	15.3%	\$ 16,138	\$ 74.90	\$ 482	15.3%	\$ 16,621	\$ 77.14	\$ 497	15.4%	\$ 17,138	\$ 79.54	\$ 513	15.4%	\$ 17,690	\$ 82.10

Source: Hotel & Leisure Advisors

PROJECTED FINANCIAL PERFORMANCE

WOLVERINE DILWORTH HOTEL

	Base +8 2020				Base +9 2021				Base +10 2022			
Number of Rooms	29				29				29			
Occupancy	59.0%				59.0%				59.0%			
Average Rate	\$156.47				\$161.16				\$166.00			
Days Open	365				365				365			
Rooms Occupied	6,248				6,248				6,248			
Rooms Available	10,585				10,585				10,585			
Revenues	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm
Rooms	\$ 978	28.5%	\$ 33,724	\$ 156.52	\$ 1,007	28.5%	\$ 34,724	\$ 161.16	\$ 1,037	28.5%	\$ 35,759	\$ 165.96
Food and Beverage	\$ 2,378	69.3%	\$ 82,000	\$ 380.57	\$ 2,449	69.3%	\$ 84,448	\$ 391.94	\$ 2,522	69.3%	\$ 86,966	\$ 403.62
Other Operated Departments	\$ 56	1.6%	\$ 1,931	\$ 8.96	\$ 58	1.6%	\$ 2,000	\$ 9.28	\$ 60	1.6%	\$ 2,069	\$ 9.60
Rentals and Other Income	\$ 21	0.6%	\$ 724	\$ 3.36	\$ 22	0.6%	\$ 759	\$ 3.52	\$ 22	0.6%	\$ 759	\$ 3.52
Total Revenue	\$ 3,433	100.0%	\$ 118,379	\$ 549.41	\$ 3,536	100.0%	\$ 121,931	\$ 565.90	\$ 3,641	100.0%	\$ 125,552	\$ 582.70
Departmental Expenses												
Rooms	\$ 222	22.7%	\$ 7,655	\$ 35.53	\$ 229	22.7%	\$ 7,897	\$ 36.65	\$ 235	22.7%	\$ 8,103	\$ 37.61
Food & Beverage	\$ 1,714	72.1%	\$ 59,103	\$ 274.31	\$ 1,765	72.1%	\$ 60,862	\$ 282.47	\$ 1,818	72.1%	\$ 62,690	\$ 290.95
Other Operated Departments	\$ 48	85.7%	\$ 1,655	\$ 7.68	\$ 49	84.5%	\$ 1,690	\$ 7.84	\$ 51	85.0%	\$ 1,759	\$ 8.16
Total Dept. Expenses	\$ 1,984	57.8%	\$ 68,414	\$ 317.52	\$ 2,043	57.8%	\$ 70,448	\$ 326.96	\$ 2,104	57.8%	\$ 72,552	\$ 336.72
Departmental Income	\$ 1,449	42.2%	\$ 49,966	\$ 231.90	\$ 1,493	42.2%	\$ 51,483	\$ 238.94	\$ 1,537	42.2%	\$ 53,000	\$ 245.98
Undistributed Operating Expenses												
Administrative & General	\$ 144	4.2%	\$ 4,966	\$ 23.05	\$ 148	4.2%	\$ 5,103	\$ 23.69	\$ 153	4.2%	\$ 5,276	\$ 24.49
Management Fees	\$ 103	3.0%	\$ 3,552	\$ 16.48	\$ 106	3.0%	\$ 3,655	\$ 16.96	\$ 109	3.0%	\$ 3,759	\$ 17.44
Marketing	\$ 189	5.5%	\$ 6,517	\$ 30.25	\$ 195	5.5%	\$ 6,724	\$ 31.21	\$ 201	5.5%	\$ 6,931	\$ 32.17
Franchise Fees	\$ 39	4.0%	\$ 1,345	\$ 6.24	\$ 40	4.0%	\$ 1,379	\$ 6.40	\$ 41	4.0%	\$ 1,414	\$ 6.56
Prop. Oper. & Maintenance	\$ 76	2.2%	\$ 2,621	\$ 12.16	\$ 78	2.2%	\$ 2,690	\$ 12.48	\$ 81	2.2%	\$ 2,793	\$ 12.96
Energy Costs	\$ 74	2.2%	\$ 2,552	\$ 11.84	\$ 77	2.2%	\$ 2,655	\$ 12.32	\$ 79	2.2%	\$ 2,724	\$ 12.64
Total UDOEs	\$ 625	18.2%	\$ 21,552	\$ 100.02	\$ 644	18.2%	\$ 22,207	\$ 103.07	\$ 664	18.2%	\$ 22,897	\$ 106.27
Income Before Fixed Charges	\$ 824	24.0%	\$ 28,414	\$ 131.87	\$ 849	24.0%	\$ 29,276	\$ 135.87	\$ 873	24.0%	\$ 30,103	\$ 139.71
Fixed Charges												
Property Tax	\$ 141	4.1%	\$ 4,862	\$ 22.57	\$ 146	4.1%	\$ 5,034	\$ 23.37	\$ 150	4.1%	\$ 5,172	\$ 24.01
Insurance	\$ 17	0.5%	\$ 586	\$ 2.72	\$ 17	0.5%	\$ 586	\$ 2.72	\$ 18	0.5%	\$ 621	\$ 2.88
Reserve for Replacement	\$ 137	4.0%	\$ 4,724	\$ 21.93	\$ 141	4.0%	\$ 4,862	\$ 22.57	\$ 146	4.0%	\$ 5,034	\$ 23.37
Total Fixed Charges	\$ 295	8.6%	\$ 10,172	\$ 47.21	\$ 304	8.6%	\$ 10,483	\$ 48.65	\$ 314	8.6%	\$ 10,828	\$ 50.25
Net Income	\$ 529	15.4%	\$ 18,241	\$ 84.66	\$ 545	15.4%	\$ 18,793	\$ 87.22	\$ 559	15.4%	\$ 19,276	\$ 89.46

Source: Hotel & Leisure Advisors

Conclusion

Our analysis indicates that the subject will achieve a positive rate of return. We have analyzed the potential value for the hotel or resort utilizing a 12.50% discount rate and a 10.00% terminal capitalization rate. The following chart indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections.

Wolverine Dilworth Hotel				
Discounted Cash Flow Analysis - As Completed				
Present Value of Cash Flow			P.V. @:	12.50%
<u>Year</u>	<u>Year Number</u>	<u>Net Income</u>	<u>P.V. Factor</u>	<u>Present Value</u>
2012	1	301,000	0.8889	267,556
2013	2	388,000	0.7901	306,568
2014	3	443,000	0.7023	311,133
2015	4	456,000	0.6243	284,679
2016	5	468,000	0.5549	259,707
2017	6	482,000	0.4933	237,756
2018	7	497,000	0.4385	217,916
2019	8	513,000	0.3897	199,939
2020	9	529,000	0.3464	183,266
2021	10	545,000	0.3079	167,831
Subtotal PV From Cash Flow				\$2,436,350
Reversion Sale Price				
	Net Income for Year:		11	\$559,000
	Divided by Reversion Overall Rate			10.0%
	Gross Reversion			\$5,590,000
	Less Costs of Sale @:		3.0%	167,700
	Net Reversion			\$5,422,300
	Value per Room			\$186,976
Reversion PV + PV of Cash Flow				
Add Reversion	10	5,422,300	0.3079	\$1,669,776
Subtotal PV From Cash Flow				\$2,436,350
Market Value as of January 1, 2012				\$4,106,126
Less Renovation Costs				\$0
Market Value				\$4,106,126
Rounded Market Value				\$4,100,000
Valuation Factors				
Price Per Hotel Room:				\$141,379
% of Value from Cash Flow				59.3%
% of Value from Reversion				40.7%

The valuation indicates a conclusion of \$4,100,000 as completed or \$141,379 per available hotel room (29 rooms).

We have also analyzed the potential value for the hotel on an "as stabilized" basis utilizing a 12.50% discount rate and a 10.00% terminal capitalization rate. The following chart indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections for the subject "as stabilized."

Wolverine Dilworth Hotel					
Discounted Cash Flow Analysis - As Stabilized					
Present Value (PV) of Cash Flow				P.V. @: 12.50%	
<u>Year</u>	<u>Year Number</u>	<u>Net Income</u>	<u>P.V. Factor</u>	<u>Present Value</u>	
2014	1	443,000	0.8889	393,778	
2015	2	456,000	0.7901	360,296	
2016	3	468,000	0.7023	328,691	
2017	4	482,000	0.6243	300,910	
2018	5	497,000	0.5549	275,800	
2019	6	513,000	0.4933	253,048	
2020	7	529,000	0.4385	231,947	
2021	8	545,000	0.3897	212,411	
2022	9	545,000	0.3464	188,809	
2023	10	561,350	0.3079	172,866	
Subtotal PV From Cash Flow				\$2,718,555	
Reversion Sale Price					
	Net Income for Year:		11	\$578,191	
	Divided by Reversion OAR			10.0%	
	Gross Reversion			\$5,781,905	
	Less Costs of Sale @:		3.0%	173,457	
	Net Reversion			\$5,608,448	
	Value per Room			\$193,395	
Reversion PV + PV of Cash Flow					
Reversion	10	5,608,448	0.3079	\$1,727,100	
Subtotal PV From Cash Flow				\$2,718,555	
Market Value as of January 1, 2014				\$4,445,655	
Less Renovation Costs				\$0	
Market Value				\$4,445,655	
Rounded Market Value				\$4,400,000	
Valuation Factors					
Price Per Hotel Room:				\$151,724	
% of Value from Cash Flow				61.8%	
% of Value from Reversion				39.3%	
Source: Hotel & Leisure Advisors					

The valuation indicates a conclusion of \$4,400,000 as stabilized or \$151,724 per available hotel room (29 rooms).

We note that the value conclusion is not meant to be market value because there are still many unknowns concerning the subject project but rather is presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal. However, sufficient development cost details were not available concerning the construction costs, site improvement costs, and other expenses related to the proposed development. Additionally, sufficient details are not available concerning municipal subsidies for the proposed project.

We are available to perform additional analysis on the subject as additional information is obtained.

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- David J. Sangree, MAI, ISHC and Joseph Pierce have made a personal inspection of the property that is the subject of this report.
- Kyle Mossman provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- As of the date of this report, David J. Sangree, MAI, ISHC has completed the continuing education program of the Appraisal Institute.



David J. Sangree, MAI, ISHC
President



Joseph Pierce
Senior Associate

ADDENDUM I



HOTEL & LEISURE ADVISORS

QUALIFICATIONS

OF

HOTEL & LEISURE ADVISORS



HOTEL & LEISURE ADVISORS

Table of Contents

Summary of Qualifications	Section A
Services	Section B
<ul style="list-style-type: none">• Market and Financial Feasibility Studies• MAI Appraisals and Tax Appeal Appraisals• Economic Impact Studies• Impact Analysis• Management Company Analysis• Litigation Support and Witness Testimony• Operational Analysis and Review• Asset Management Services• Project Development Analysis and Physical Condition Assessment• Other Development Services• Seminars, Presentations, and Industry Research	
Property Type Specialties	Section C
<ul style="list-style-type: none">• Hotels & Resorts• Indoor Waterpark Resorts, Waterparks, & Amusement Parks• Golf Courses and Ski Resorts• Restaurants• Conference, Convention, & Exposition Centers	
Clients	Section D
<ul style="list-style-type: none">• Developers & Investors• Hotel Companies• Lenders• Management Companies• Attorneys• Others	
Staff	Section E
Partial Listing of Projects by Property Type	Section F

FOCUS

- ❖ Hotel & Leisure Advisors (H&LA) is a hospitality consulting firm specializing in appraisals, feasibility studies, impact analyses, economic impact studies, asset management, and property condition assessments for hotels, waterparks, resorts, golf courses, ski resorts, amusement parks, restaurants, conference and convention centers, and other leisure real estate.
- ❖ We work exclusively in the hospitality industry and concentrate our efforts on in-depth understanding of the trends and factors related to hospitality.
- ❖ We participate in industry associations and trade groups to keep us abreast of developments affecting our clients and give us access to rich sources of data.
- ❖ We follow news and transactions occurring in the hospitality industry on a daily basis.

EXPERIENCE

- ❖ Our consultants have more than 100 years combined experience in the hospitality industry and have studied more than 1,000 properties throughout the United States, Canada, and Caribbean.
- ❖ Our consultants analyze a variety of property types and work with clients who have many different objectives.
- ❖ We apply appropriate and detailed analysis to projects ranging from stand-alone properties to complex multi-component developments.

EDUCATION

- ❖ The consultants of Hotel & Leisure Advisors have degrees from recognized hospitality programs at leading universities.
- ❖ All consultants participate in continuing education programs provided by appraisal and hospitality organizations.
- ❖ David J. Sangree (President) holds the MAI designation from the Appraisal Institute, is a CPA, and is a member of the International Society of Hospitality Consultants (ISHC). Eric Hansen (Director of Development Services) is an American Institute of Architects (AIA) member and a member of the ISHC.

VALUE

- ❖ Hotel & Leisure Advisors produces comprehensive, detailed reports that meet the high standards outlined by the Appraisal Institute and adheres to the Uniform Standards of Professional Appraisal Practice (USPAP).
- ❖ We are members of and obtain statistical data from Smith Travel Research, PKF, World Waterpark Association, International Association of Amusement Parks and Attractions, American Resort Development Association, National Golf Foundation, National Ski Areas Association, International Association of Assembly Managers, and National Restaurant Association.

REPUTATION

- ❖ Hotel & Leisure Advisors acquires much of its business from referrals by clients who recognize the quality and value of our reports. We are happy to provide references on request.
- ❖ Our reports are respected by clients and lenders for providing the reasoning and research behind our conclusions.
- ❖ Our consultants are quoted in the media and contribute articles to leading industry publications.

Hotel & Leisure Advisors is proud to provide an extensive range of services to our clients that can be tailored to meet specific needs. We are interested in working with you to create a package that satisfies all your requirements.

Market & Financial Feasibility Studies

A market and financial feasibility study is performed for proposed projects or for existing properties being considered for significant changes. The study is an analysis of market conditions, economic and demographic factors, site conditions, and their effects on the proposed project. Hotel & Leisure Advisors performs a detailed analysis of comparable properties' performance and conditions. We research and present information concerning properties that are closing and new supply additions. We analyze existing and projected demand generators in the market. The study estimates the operating performance of the proposed project and may suggest variations in size or scope that would improve performance.

Lenders may require a feasibility study as part of a financing application. Developers, investors, owners, and managers may use a feasibility study in their planning processes. H&LA performs market and financial feasibility studies for all types of hotels and leisure real estate. We perform extensive supply and demand interviews when researching performance levels of hotels and leisure real estate within local and regional markets. We utilize a sophisticated hospitality valuation and analysis model that provides a detailed analysis of a market by evaluating competitive factors, several databases of financial information, and comparisons with other similar properties and industry standard reports. These reports are generated from Smith Travel Research, the Host Study, PKF, IAAPA, the World Waterpark Association, the American Resort Development Association, the National Golf Foundation, and the National Restaurant Association.

MAI Appraisals & Tax Appeal Appraisals

An appraisal is a professional opinion of the value of a property. It is often used in the process of obtaining financing and establishing a market value for a sale. Periodic appraisals may be required to assess the quality of a lender's portfolio. Appraisals are often ordered by lenders, buyers, sellers, owners wishing to refinance, and investors.

An appraiser with the MAI designation exceeds the minimum state certification and licensing required of all appraisers. When you hire an MAI, you are receiving the services of a professional with specialized training and experience in the appraisal industry who adheres to specific standards and ethics and must fulfill continuing education requirements. David J. Sangree, MAI, CPA, ISHC, is certified by the Appraisal Institute and licensed to conduct appraisals in Ohio and many other states. He and the experienced staff of H&LA perform the highest quality real estate appraisal assignments related to the hospitality industry. We also perform appraisal reviews of other hospitality-related appraisals.

H&LA utilizes a sophisticated hospitality valuation model which provides a detailed analysis of a market and determines the valuation for a property. Our analysis considers the income capitalization approach, sales approach, and cost approach, with a primary focus on the income capitalization approach for a hospitality project.

A tax appeal appraisal is a specialized form of an MAI appraisal that is typically done in relationship to a tax assessment appeal by either the government or the property owner when wanting to determine the market value for assessment purposes.

H&LA will prepare a market value appraisal to determine the real estate component of the going concern hospitality property. Our analysis includes a detailed review of the market and determines the going concern valuation. We then allocate that value among the real estate, personal property, and any business value component that may exist. David J. Sangree, MAI, CPA, ISHC, has testified in numerous tax appeal cases in various states for both the property owner and the government entities concerning appraisals performed.

Economic Impact Studies

An economic impact study analyzes the financial impact a particular project will have throughout the many levels of the economy, both locally and countywide. This impact will include both temporary and permanent effects on the economy. Temporary impacts will include jobs and revenues created during the construction of the facility as well as related costs. Permanent economic impacts will be generated by permanent jobs created, ongoing revenues realized by service providers, and other sources.

Hotel & Leisure Advisors provides economic impact studies for all types of hotels and leisure real estate projects. Our studies identify significant economic events resulting from construction and operations of a proposed facility, review and analyze event patron surveys throughout the nation to estimate spending patterns, analyze relevant municipal revenues, and project the impact on the market for the development of proposed facilities. We estimate three types of economic impact, including Direct-Effect Impact, Indirect or Induced Impacts, and Final Impacts on local economies. We utilize the RIMS II multipliers for output earnings and employment by industry for the county, which are generated by the U.S. Department of Commerce. We calculate the projected jobs and output for the proposed development for a ten-year period. We also calculate projected tax revenue from all sources for a ten-year period.

Impact Analysis

An impact analysis for a proposed project details the effects of that project in a market where an existing franchise exists. An owner of an existing franchise or the franchising company may order an impact analysis when a new franchise is being considered in an area where similar properties are in operation.

David J. Sangree, MAI, CPA, ISHC, is on the recommended list of many hotel companies to prepare impact analyses for their franchises. An impact analysis prepared by H&LA provides a detailed look at the actual performance of the subject hotel and considers demand sources for the proposed hotel. After performing various interviews in the market, we prepare a detailed analysis that considers the potential impact the proposed property will have on the existing property. We utilize a detailed computer-based model to determine the existing demand at the objecting property and consider specific demand segments that may switch to a new property if it were constructed. We analyze potential additional demand which could come to the objecting property from having another brand affiliation in a general market. We estimate the amount of occupancy, average daily rate, and room revenue impact that may occur from the

addition of a new property to an existing market. We estimate both base and incremental impact.

Management Company Analysis

A management company analysis is a review of an existing or proposed hospitality project and the identification of appropriate management companies to consider as operators of the facility. Hiring a qualified management company can make or break a hotel or resort development. Spending the appropriate resources to identify the most qualified management company is a useful analysis to perform. Hotel & Leisure Advisors is available to assist our clients in identifying appropriate management companies for all types of hospitality projects.

Our consultants will analyze our extensive database of management companies to find those that are best suited for a specific project. We will obtain proposals and conduct interviews with representatives from each company we view as potential candidates (minimum of six). We will then prepare a profile of each management company for our client that conveys the company's philosophy, properties currently under management, geographic expertise, and future pipeline of management contracts. The profile will include an analysis of the fee structure of each company and the historical performance of the properties each company operates. We will prepare a matrix analyzing the advantages and disadvantages of each company. Based upon the results of this analysis, we will utilize a scoring system to rank each of the management companies and provide an opinion as to which companies would be the most appropriate to interview and consider for the project.

Our goal is to provide our client with the profiles of competent and experienced management companies that will share similar goals and vision for the project.

Litigation Support & Expert Witness Testimony

Hotel & Leisure Advisors is available to provide expert witness testimony for attorneys in various litigation cases involving the hospitality industry or valuations. David J. Sangree, MAI, CPA, ISHC, has testified in a number of courtrooms in various states concerning hotel- and hospitality-related projects. As an expert witness, he provides high level qualifications and strong research capabilities.

Operational Analysis & Reviews

The consultants of Hotel & Leisure Advisors have over 100 years of combined experience in managing, reviewing, and operating hotels. We are available to prepare a one-time operational analysis and review of an existing hotel to analyze areas where the hotel is performing well and areas that are in need of improvements. Our report considers both objective and subjective performance characteristics through our inspection of the property and the completion of various interviews. During the course of our research, we will interview management of the property, management of comparable properties, clients of the property, and knowledgeable city and county officials. We will also perform a financial review comparing the financial performance of the subject property with industry standards and our database of over 1,000 financial statements of hotels.

As an addition to an operational review, we are available to perform a physical condition assessment. A physical condition assessment is an analysis that assesses the general

physical condition and maintenance status of an existing building and property. This survey provides recommendations for repair/renovation with cost estimates which affords receivers, owners, brokers, and lenders the opportunity to improve the value of a hotel.

Asset Management Services

For hotels requiring ongoing operational analysis, Hotel & Leisure Advisors offers asset management services to optimize the performance of the property. Our qualified asset managers provide additional resources for the property to improve success. We will work with the hotel management company and the owner to optimize the value of the hotel property. Our experienced consultants will offer specific services tailored to the client and his/her property. Specific service offerings include market research, operations oversight, accounting review, meetings with management, contract negotiations, and advice on various aspects of operating and marketing the hotel property.

As part of a yearly contract, consultants will make periodic site visits throughout the year. During the site visit, the consultant will conduct a financial review and meet with management concerning current performance, strategic marketing efforts, capital expenditure plans, and any other concerns management may have. Between visits the consultants will perform market research and financial analysis for the property. We will evaluate the effectiveness of current marketing plans, monitor performance of the hotel compared to the competitive set, monitor changes in the market, and conduct performance benchmarking. We will analyze financial performance on a monthly basis and identify areas where opportunities exist to improve performance.

As part of our asset management services, we will work with the management company and owner in performing contract negotiations and providing advice and/or assistance in selecting operators, franchisors, suppliers, contractors, and other outside services. Additionally, we analyze the compliance of the hotel with loan documents, franchise brand product improvement plans (PIP), and/or franchise agreements. Other services may be provided on an as-needed basis.

Receivership Services: As a court-appointed trustee, H&LA acts as a receiver, controls cash flow, and protects the operational integrity of the asset. The physical integrity of the property is protected through capital expenditure analysis and various asset management strategies. H&LA assists in determining the appropriate course of action for the property, including liquidation and disposition activities if required.

Project Development Analysis and Property Condition Assessment

A project development analysis is a professional consulting service that provides necessary and specific information for developers and owners to make informed decisions prior to the commitment phase of a new construction or renovation project.

The project development analysis is a written, detailed complement to the feasibility and market studies that H&LA already performs. The information gleaned is used to communicate the vision of the project to lenders, equity investors, and design professionals prior to their engagements. The information also details the specific jurisdictional protocols necessary for development and identifies potential issues that will need to be addressed.

A physical condition assessment is an analysis that assesses the general physical condition and maintenance status of an existing building and property. This survey provides recommendations for repair/renovation with cost estimates. This survey gives receivers, owners, and lenders the opportunity to stabilize and protect the value of their hotels. Additionally, brokers can utilize hotel physical condition assessment surveys to enhance their property offering materials.

Hotel & Leisure Advisors performs project development analyses and physical condition assessment reports for all types of hotels and leisure real estate. As Director of Development Services for Hotel & Leisure Advisors, Eric B. Hansen, AIA, ISHC, is a licensed architect and hospitality consultant. He and his staff leverage their knowledge of the development process and their financial acumen to assess and communicate the appropriate direction for a project.

Other Development Services

Hotel & Leisure Advisors performs other development related services on an as-needed basis. For site analyses and reviews, we research potential locations for lodging and leisure facilities, prepare a detailed analysis on the location, and review performance of comparable properties. Studies include analyzing traffic counts, access to the site, visibility, proximity and travel time, nearby visitor attractions, nearby corporate and group demand generators, and access to convention and event facilities. We analyze primary leisure, group, and commercial attractions and organizations within the market to identify distances from the site to potential demand generators.

Hotel & Leisure Advisors also provides the following development services:

- Site Verification
- RFQ/RFP Preparation
- Hotel Brand Facilitator
- Hotel Brand Selection Assistance
- Hotel Brand Compliance Services
- Product Research Assistance

Our services help the developer, corporate brand franchisor, and/or owner with their development needs.

Seminars, Presentations, and Industry Research

David J. Sangree, MAI, CPA, ISHC, and Eric Hansen, AIA, ISHC have presented at seminars for a range of national hotel, waterpark, and amusement conferences. The consultants of H&LA are available to lead seminars and presentations for various organizations concerning hospitality industry topics or about a specific topic for a company or organization.

Hotel & Leisure Advisors is available to prepare industry research concerning the hospitality industry on a wide range of topics. Our consultants have written numerous publications about various topics in the hospitality industry, including indoor waterpark resorts, hotel capitalization rates, hotel impact studies, management fees in hotels, overviews on various markets within the United States, and other topics. We are available to prepare specific research concerning a requested topic.

Hotel & Leisure Advisors is a hospitality consulting firm specializing in hotels, resorts, outdoor and indoor waterparks, amusement parks, golf courses, restaurants, conference and convention centers, ski resorts, and other leisure real estate. Our focus on these property types provides our clients with access to the latest hospitality industry trends and resources. Our experience with these property types allows us to analyze your project within the broader hospitality industry context and give you more meaningful reports.

Hotels & Resorts

Limited-Service Hotels • Select-Service Hotels • Full-Service Hotels • All Suite Hotels • Extended Stay Hotels • Resorts • Condominium Hotels • Timeshare Resorts • Casino Hotels • Spa Hotels • Ski Resorts • Fractional Hotels

- We have studied more than 1,000 existing and proposed hotels and resorts in more than 45 states since 1987.
- We have analyzed hotel and resort markets throughout the United States, Canada, and the Caribbean
- We have experience with a wide range of property types and hotel franchises
- We have databases of thousands of hotel and resort financial statements, sales comparables, and performance data to provide us with actual operating information.

Indoor Waterpark Resorts, Waterparks, & Amusement Parks

Indoor Waterpark Resorts • Indoor Waterparks • Outdoor Waterparks • Amusement Parks

- David Sangree, MAI, CPA, ISHC, is a recognized national expert on indoor waterpark resorts and has visited most of the open waterpark properties in the United States and Canada.
- David Sangree has been a featured speaker and roundtable participant at industry conferences sponsored by the World Waterpark Association, International Association of Amusement Parks and Attractions, Aquatics Magazine, and the International Society of Hospitality Consultants.
- He has performed more than 200 studies of hotels and resorts with indoor waterparks since 1999, when indoor waterparks were first proposed in the United States outside of the Wisconsin Dells.
- The firm has analyzed a range of outdoor waterparks and amusement parks with annual attendance from 50,000 to over 2,000,000 people.

Golf Courses

Golf Courses • Golf Course Resorts • Country Clubs

- We have analyzed stand-alone golf courses, golf course resorts, and golf course residential developments in 14 states.
- Our consultants are members of the National Golf Foundation.
- We maintain databases of golf course financial statements and golf course sales comparables.

Ski Resorts

- We have studied a wide range of ski resorts in the northeastern United States.
- Our consultants are members of the National Ski Areas Association.
- We maintain databases of ski resort financial statements and sales comparables.

Restaurants

Restaurants in Hotels • Stand-Alone Restaurants

- We have analyzed a wide range of restaurants throughout the United States.
- Our staff has extensive work experience in a wide range of restaurants and hotels.
- We have experience with both high-end and chain-style restaurants.

Conference, Convention, & Exposition Centers

Conference Centers • Convention Centers • Exposition Centers • Arenas • Amphitheaters • Fairgrounds

- We have conducted studies on larger conference and convention centers located in major metropolitan areas, as well as smaller conference centers in hotels.
- We have experience with both stand-alone facilities and centers connected with hotels.
- We have performed feasibility studies for proposed facilities and appraisals of existing centers.

Analysis Methods

The consultants of Hotel & Leisure Advisors gather data from many sources and conduct thorough analyses for reports prepared for all property types. The following is a representative list of the functions that may be performed in the preparation of a consulting study or appraisal:

- Analyze in detail the local and regional markets for the project
- Review the overall development and projected development within the neighborhood
- Assess the economic and demographic factors of the general area to determine the economic environment of the subject and the sources from which business is generated within the area. This will include a review of the local and larger region's population, household growth, employment, income levels, transportation, etc.
- Consider supply and demand changes, cyclical patterns, and potential growth in the market
- Evaluate trends in the supply of and demand for hospitality properties to forecast future supply and demand situations
- Collect data about existing primary and secondary competition through interviews, financial statements, and public information

- Determine new supply proposed for a market area using our databases of proposed and under construction properties and other resources
- Conduct demand interviews with individuals, groups, and corporations that are potential users of the new property
- Perform detailed analyses of demand generators within the market, potential demand generators which may be coming into the market, and those which may be leaving the market
- Analyze pricing and usage at comparable facilities
- Utilize a complex computer-based model to synthesize gathered data into projections about demand, rates, usage, and financial performance
- Analyze historical performance of comparable properties contained in our various databases
- Utilize income capitalization approach, sales comparison approach, and cost approach as applicable when doing market value appraisals
- Allocate going concern value among real estate, personal property and business values for appraisals
- Review sizing and components planned for proposed development and recommend changes for feasibility studies

Resources

Hotel & Leisure Advisors' unique position in the hospitality industry allows us to access many resources that give more depth to the reports we prepare for our clients. We utilize the following resources:

- Reliable contacts with developers, lenders, architects, and franchise companies that provide information on performance, fees, and new supply information
- Financial statements database of more than 1,000 hotels and resorts throughout the United States and Canada
- Hotel sales database that contains more than 5,000 different sales across a wide range of prices
- Financial statements database and sales database for existing indoor waterpark resorts
- Frequently updated list of new indoor waterpark resorts proposed in the U.S. and Canada
- World Waterpark Association and the International Association of Amusement Parks and Attractions memberships, which provide extensive data and research concerning indoor and outdoor waterparks, amusement parks, and family entertainment centers
- Financial and usage databases for outdoor waterparks, amusement parks, and family entertainment centers
- Smith Travel Research, PKF Trends, Lodging Econometrics, and other hotel data sources
- Golf course financial statements and golf course sales database
- Statistical data concerning the performance of golf courses from National Golf Foundation, Pellucid, and others
- Ski Resort financial statements database and ski resort sales database
- Ski resort data from National Ski Areas Association, RRC Associates, and others
- National Restaurant Association and related statistical restaurant data
- International Association of Assembly Managers, *Meetings Magazine*, *Tradeshaw Week*, and other sources that profile the meetings industry

- American Resort Development Association membership that provides extensive information concerning timeshare and fractional interest resorts

Our consultants continue to find additional resources that provide valuable information for our clients and the respective projects we are analyzing.

Hotel & Leisure Advisors works with a wide range of developers, investors, hotel companies, lenders, management companies, attorneys, and others in providing appraisals, market feasibility studies, impact studies, and other consulting reports. The following lists include clients served by the consultants of H&LA at various firms.

If you would like specific references relevant to your type of project, please contact us.

Developers & Investors

ABN Realty Company, LLC
Acheson Ventures
Action Pittsburgh, LLC
Ameri Shal Investments
American Property Hospitality Management
Aquatic Resorts & Entertainment
Asha Companies
Atrium Holding Company
Audubon Land Development Co.
BBL Construction Services
Bedford Development
Bettendorf Development Corp.
Big Water Resort
Blue Dolphin Development
Blue Sky Development
Brandicorp
Brenda Lawson, LLC
Brooklyn Hospitality
The Burke Group
BVT-Akins
Carlson Development
The Catlett Corporation
CB Richard Ellis
CDA Hospitality, LLC
Chehalis Tribal Enterprises
Charter Township of Lansing
Chippewa Partners, LLC
CNL Lifestyle Corp
Columbus Zoo and Aquarium
Corporex Realty & Investment Corp.
The Cortex Alliance, LLC
Cross Holdings
Crystal Golf Resort
Cumberland Development
C.W. Craig
David Gross Contracting Corp.
DBG Enterprises
David Thie & Associates
Dial Companies
Dolphins Stadium
Eastdil Realty
Emmco Corporation
Equity Real Estate Group
EV Bishoff Company
EVS Consulting Inc.
Excel Hospitality
Farda Associates
Felcor Lodging Trust
Flats East Development Company
Focus Development
Forest City Enterprises
Further Lane Securities
G Hospitality Group
General Electric Capital Corporation
Georgia Land and Commercial Solutions
The Georgetown Company
Giambone Companies
GK Development, Inc
Glenmoor Country Club
Glen Properties
Golf Management Services Corp.
Greenleaf Co.
Haberhill, LLC
Heritage Development Company
Heritage Hills Golf Resort
Highlander Properties
Hollister Interchange Resort Development, LLC
Horizon Development Co.
Hotel Development Services, LLC
Howes Caverns
HP Development, LLC
H₂O Resorts II, LLC
HRS
Hunter Hospitality, LLC
Indiana Motel Developers, Inc.
Indiana University of Pennsylvania
Indicom Appraisal Associates
Inner-Urban Homes & Hospitality, LLC
Iskalo Development Corp.
JJR
JMD Management, LLC
Kel Cross, Inc.
Kirkland Development
Kobe Realty, LLC
Konover Companies
Krishna Akron Hospitality
KSL Capital Partners
Lake Michigan Resorts
Lake Rudolph Campground and RV Resort
Lemery Greisler, LLC
Lost Island Waterpark
Mar Holdings, LLC
Martin Capital Group
Maxwell Development & Construction
McArdle Enterprises
MDA Hospitality Consultants
Meadowview Development, LLC
Millbrook First Nation Economic Development Corp.
Momentum Commercial Real Estate
Monsoon Lagoon
Mountain Manor Development Company

Moyar Enterprises
Murphy, McEnery & Company, LLC
Nationwide Realty
NeuBridge, LLC
NK Enterprises, LLC
Otsego Club
Paer Ahnert Enterprises
Palm Springs Real Estate Services
Peak Resorts Inc. & Affiliates
Peeples Business Development
Peerless Group
Pegasus Partners, LLC
Petro Environmental Tech., Inc.
Pharmacia & Upjohn
Pioneer Companies
Pittsburgh Mills Limited Partnership
Platinum Realty Holdings
Platinum Ridge Properties
Playhouse Square Center
Pomeroy Enterprises
Port Hospitality, LLC
Powder Ridge White Water Mountain Resorts
Puller Group, Inc.
Rand, LLC
RCI Consulting dba Ragatz Consulting
Real Estate Investors of Decatur, LLC
Reed Hill, LLC
Resort at Split Rock
Riverpointe South Hotel Partners, LLC
Riversedge Development Corp.
R&R Global Hospitality
RSK Properties
Rymine Properties
Sanford Associates
Schacet Companies
Scott Enterprises
Shani Corporation
Sheboygan Development Corporation
Shield Hotel Management
Shelter Canadian Properties Limited
Silver Companies
Skipper Marine Corporation
Skowron Real Estate
Skyline Plaza Development
Smiley's Fun Zone
Smokin' Joe's
Snively Development Co.
Somerset Plaza Partners, LLC
Splash Zone
Stark Enterprises
Stonehenge Real Estate
Strategic Growth Company
Street Corner Group
Structured Development, LLC
Sultans Run Golf Course
Sunshine Home Development, Inc.
Tarbell Management Group
Tee Bar Corporation
Thunder Enterprises
Timothy Harvey Properties
Towne Development Group, Ltd.
Tri-Hotels, Inc.
Urban Redevelopment Authority of Pittsburgh
Vandermolen Recreational
Vandyne Enterprises
Vedder Price
Vista Research
Vitale Realty Advisors
VMS Realty
Wasatch Spectrum
Waterpark H2O
Water Technology Inc.
Wave House Belmont Park, LLC
Waveloch, Inc.
Waves of Fun
Waveyard Resort
Weingart Development Company
Wells Fargo RETECHS
Westshore Improvement, LLC
Wilderness Ventures
Win Sum Ski Corp.

Hotel Companies

American Youth Hostels
Bertram Inn and Conference Center
Best Western City View Motor Inn
Best Western International
BMV Hospitality
Boykin Lodging Co.
BRE/Homestead Village, LLC
Buffalo Lodging Associates
Choice Hotels
Choice Hotels International
Columbia Sussex
Comfort Inn
Comfort Inn North
Continental Wingate
Côte Family Companies
Days Inns Worldwide, Inc.
Dillon International
Dollywood Company
Erie County Hoteliers Association
Felcor Lodging Trust
Floridian Motel
Focus Hotels
The Galbreath Company
Gaylord Entertainment
Glenmoor Country Club
The Great Lakes Companies, Inc.
Great Wolf Resorts
Great Northern Resorts Limited
Harrison Inn
HD Hotels
Historic Roberts Hotel, LLC
Holiday Inn Express
Holiday Inns and Resorts
Homestead Village
The Hotel Group
InterContinental Hotels Group
JW Marriott
Kalahari Resorts
Keswick Hall and Golf Club
Lodgian, Inc.

Marriott International, Inc.
 New Castle Hotel Group
 Orient Express Hotels
 P & G Hospitality Group
 Peak Resorts, Inc.
 Ramada Franchise Systems, Inc.
 Roscoe Village Inn
 RSDS Hotel Group
 Scott Enterprises
 The Sea Hotel Company, LLC

Seven Springs Mountain Resort
 Sheraton Suites
 Starboard Hospitality, LLC
 Sunstone Hotel Investors
 Walden Country Inn
 Wave Pointe Marina and Resort
 White Lodging Services
 Wilderness Resort
 Willow Valley Resort
 Wyndham Hotels & Resorts

Lenders

Allstate Appraisal, LP
 American National Bank
 Anglo Irish Boston Corporation
 Associated Bank National Association
 Banc One Capital Corporation
 Bancorp South
 BankFirst Corp
 Bank Midwest
 Bank of America
 Bank of Arizona
 Bank of Nova Scotia
 Bank One
 BB Syndication Services
 Bremer Bank
 Cambridge Capital
 Capital One Bank
 Capmark Finance, Inc.
 Capstone Realty Advisors
 Cardinal Investment Company
 Charter One Bank
 Chase Commercial Mortgage Banking
 Chase Manhattan Bank
 Chase Real Estate Finance Group
 Chemical Bank of New York
 CIBC
 CIT Small Business Lending
 Citicapital Small Business Finance
 Citicorp Real Estate, Inc.
 Citigroup Global Markets, Inc.
 Citizens Financial Bank
 City National Bank of West Virginia
 CNL Lifestyle Company
 Comerica Bank
 The Commercial Capital Group, Ltd.
 Criimi Mae Services
 Deutsche Bank
 Dougherty Funding
 FDIC
 Fifth Third Bank
 First Bank of Arizona
 First Community Financial
 First National of America
 First Place Bank
 First Savings Bank of Perkasio
 Five Star Commercial Mortgage
 GE Capital Franchise Finance
 GE Capital Real Estate
 GE Franchise Finance Corporation
 General Electric Capital Corporation
 GMAC Commercial Mortgage

GMAC Hospitality Division
 Grand Pacific Financing Corporation
 Greenwich Capital
 Greenwich Capital Financial Products, Inc.
 Horizon Bank
 Huntington National Bank
 Indianapolis Bond Bank
 Infinity Commercial Capital
 iStar Financial, Inc.
 Key Bank
 Legg Mason Real Estate Capital, Inc.
 Lehman Brothers
 Marine Bank
 Marshall BankFirst
 Marshall Group
 Marshall Investments
 Merrill Lynch Capital
 Metropolitan Life
 Michigan Commerce Bank
 Midland Loan Services
 Mortgage Company of Indiana
 M&I Bank
 M&T Bank
 Nara Bank
 NationsBank Corporation
 Nationwide Insurance
 Newbridge Capital Group
 Nomura Capital
 Ocwen Financial Corp.
 Ohio Equities, Inc.
 Orix Capital Market, LLC
 Overseas Chinese Bank
 Peoples Bank of Western Pennsylvania
 PNC/National City Bank
 Promac
 Prudential Realty Group, Inc.
 Rockbridge Capital, Inc.
 S & T Bank
 Salomon Brothers Realty Corporation
 Sky Bank
 Southwest Bank
 Standard Bank and Trust Co.
 Stearns Bank NA
 Stonehenge Holdings, Inc.
 Summit Financial Group
 Tennessee Commerce Bank
 UPS Capital Business Credit
 US Bank
 Vanguard Financial Company
 Washington Mutual

Wells Fargo Retchs

Management Companies

Alliance Hospitality, Inc.
 American Hospitality Management Company
 Babson Capital Management, LLC
 Brilyn, Inc.
 Cedar Fair
 CK Capital Management
 Concord Columbus Limited Partnership
 Concord Hospitality Enterprises Company
 DBG Enterprises, Inc.
 First Hospitality Company, LLC
 Galbreath Company
 H & W Management, Inc.
 Hostmark Hospitality Group

Wheeling National Bank

Huron Partners
 Impac Hotel Group
 Keller Enterprises
 Landcor Hospitality
 Lend Lease Asset Management, LLP
 Lexington Management Corporation
 Madden Group, Inc.
 Meander Hospitality Group
 Moreland Management
 Shree Radha Krishna
 Tarbell Management Group
 Wilson Hotel Management Company, Inc.

Attorneys

Auble, Jolicoeur & Gentry
 AVTI
 Baker & Hostetler
 Baker, Donelson, Bearman, Caldwell & Berkowitz
 Britton Smith Peters & Kalail, Co., LPA
 Chamberlain, Hrdlicka, White, Williams & Martin
 Cohen & Grigsby
 Dinsmore & Shohl, LLP
 Fabyanske Westron Hart & Thompson
 Goldstein Goldstein Rikon & Gottlieb
 Holliday Fenoglio Fowler, LP
 Kohrman Jackson Krantz
 Lemery Greisler, LLC
 Loniello, Johnson & Simonini
 Lowe, Gray, Steele & Darko, LLP

McDonald, Carano, Wilson, LLP
 McDonald, Illig, Jones & Britton
 Murphy Desmond S.C.
 Murray, Murphy, Moul & Basil, LLP
 Paul Roland Law Offices
 Payne & Hodous
 Piper Rudnick
 Plunkett & Cooney, P.C.
 Schottenstein Zox & Dunn
 Schuler, Plank, Morgan & Braham
 Squire, Sanders & Dempsey
 Thompson Hine
 Weiss, Berzowski, Brady & Donahue
 Whalen & Compton
 Wilson Elser Moskowitz Edelman & Dicker, LLP

Others

Allstate Appraisal L.P.
 Blue & Co., LLC
 BTL SR Toledo, Inc.
 City Club of Gastonia
 City of Port Clinton
 Clark County Fairgrounds
 Clear Channel Entertainment
 Columbus Convention & Visitors Bureau
 Columbus Redevelopment Commission
 Columbus Regional Airport Authority
 Columbus Zoo and Aquarium
 Contemporary Technologies
 Continental Companies
 Continental Valuations
 Five Seasons Country Clubs
 Fort Findlay Brewing Company
 Franklin County Convention Facilities
 Grobmyer Associates
 Interwestern of Ohio
 I-X Center Corporation
 Kelsey Foods, Inc.
 Landauer Associates, Inc.
 Landauer Hospitality Group
 Lawrenceburg Redevelopment Commission
 Life Start Wellness Network

Lodging Hospitality
 Lorain County Metropolitan Park District
 Marion Cando
 Marshall County Chamber of Commerce
 Meridian Pacific, Ltd.
 Michigan State University
 Middletown Convention & Visitors Bureau
 MTB Corporation
 Ohio Department of Transportation
 Ohio State University at Newark
 Orion Consulting Inc.
 P & S, LLC
 Pinnacle Advisory Group
 Piqua Improvement Corporation
 PKF Consulting
 Redevelopment Authority of the County of
 Washington
 Reed & Associates
 Revere Local School District
 Shaker Associates Limited
 Sierra Liberty Associates
 Solid Waste Authority
 Suburban Press, Inc.
 Swaco
 The Trust for Public Land

Vanguard Appraisal, Inc.
Vedant, Inc.
Warnick & Company, LLC
Warren Township Assessor's Office
Wave2Wave Communications, Inc.
Zapis Communications

Hotel & Leisure Advisors is a team of qualified appraisal professionals and support staff with more than 100 combined years of experience in the hospitality industry. Our knowledge of hospitality industry trends, access to superb resources, and experience result in detailed, functional, and informative reports for our clients.

David J. Sangree, MAI, CPA, ISHC - President

Mr. Sangree's expertise is in the appraisal and analysis of hotels, resorts, indoor and outdoor waterparks, amusement parks, conference centers, golf courses, restaurants, ski resorts, and other leisure real estate. He has performed studies on more than 1,000 existing and proposed hotels throughout North America in all price ranges, including economy, full-service, extended-stay, luxury hotels, resorts, and indoor waterpark resorts. He has extensive experience in performing market studies, feasibility and impact analyses, appraisals, financial analyses, and site selection. Since 1987, Mr. Sangree has provided consulting services to banks, hotel companies, developers, management companies, and other parties involved in the lodging and leisure sectors throughout the United States, Canada, and the Caribbean.

Mr. Sangree was formerly employed by US Realty Consultants in Cleveland and Columbus, Pannell Kerr Forster in Chicago, and Westin Hotels in Chicago, New York, Fort Lauderdale, and Cincinnati. Mr. Sangree received his Bachelor of Science degree from Cornell University School of Hotel Administration in 1984.

He has spoken at many seminars throughout the United States, has written numerous articles, and is frequently quoted in magazines and newspapers about the hospitality and waterpark industry. He has appeared on *Good Morning America* and *CNBC* in segments profiling resorts and waterparks. In 2008, Mr. Sangree was named one of *Aquatics International Magazine's "Power 25,"* an annual list of professionals it deems the most powerful people in the aquatics industry. Mr. Sangree was profiled as one of the first consultants serving the waterpark resort industry and for his expertise and experience in shaping some of the latest industry trends.

Eric B. Hansen, AIA, ISHC – Director of Development Services

Mr. Hansen's expertise is in performing appraisals, market feasibility studies, property condition assessments, project development analysis, and impact studies for hotels, resorts, waterparks, golf courses, conference centers, and other hospitality properties. Mr. Hansen offers 16 years of hospitality experience, working throughout the United States to provide consulting and architectural services for the hospitality industry. Along with skills in performing consulting reports and designing hospitality properties, he has expertise in performing site planning and development services, planning and zoning expert witness testimony, jurisdictional due diligence, and PIP analysis. He has worked with various major hotel company corporate offices and has extensive knowledge of brand criteria.

Mr. Hansen received his Bachelor of Architecture from the University of Cincinnati in 1989 and a certification in Hotel Financial Management from the Cornell University School of Hotel Administration Professional Development Program in 2007. Mr. Hansen was formerly employed by Cole + Russell Architects, Inc., as the Director of the C+RA Hospitality Studio. As an eighteen-year hospitality consultant and architect with a

foundation in financial management, appraisal theory, and hospitality consulting, Mr. Hansen brings well-rounded expertise to various H&LA assignments and assists clients with their pre-development, consulting, and valuation needs.

Joseph Pierce - Senior Associate

Mr. Pierce performs appraisals, market feasibility studies, economic impact studies and impact studies throughout North America for a wide range of hospitality properties. He has been a hospitality consultant and appraiser since 2003. He has a wide range of experience in operations and accounting for hotels and resorts. Mr. Pierce has been a Controller and Director of Finance and Accounting for Clarion, Renaissance, Marriott, and Westin Hotels. He also managed The Talbott Hotel, an independently-owned hotel in Chicago. Mr. Pierce received an MBA from Michigan State University's hospitality program in 1981 and a Bachelor of Science in Accounting from the State University of New York at Brockport in 1978.

Laurel A. Keller – Senior Associate

Ms. Keller performs appraisals, market feasibility studies, and impact studies throughout North America for a wide range of hospitality properties. She has been a hospitality consultant and appraiser since 2001. She is active in valuations and consulting for hotels, resorts, golf courses, ski resorts, timeshare resorts, and other leisure-oriented income-producing properties. She has held management positions with the Sheraton Cleveland Airport Hotel, the Sheraton Cleveland City Center Hotel, the Avon Oaks Country Club in Avon, Ohio, and the Onwentsia Country Club in Lake Forest, Illinois. Ms. Keller received her Bachelor of Science in Hospitality Management from Purdue University in 1997. She is a state certified Commercial Real Estate Appraiser in Ohio.

Nuresh Maredia – Associate

Mr. Maredia performs appraisals, market feasibility studies, economic impact studies, and impact studies throughout North America for a wide range of hotels, waterparks, amusement parks, ski resorts, family entertainment centers, timeshare resorts, and other leisure real estate. He has a wide range of experience in hotels and resorts. He has worked in management positions at a hotel and restaurant in Texas and has also helped operate and manage four independent hotels in and around Mumbai, India. Mr. Maredia received a Masters of Science in Hospitality Business in 2005 and a Bachelor of Arts in Business Finance in 2003 from Michigan State University.

Chantal Ge Wu – Associate

Ms. Wu performs appraisals, market feasibility studies, and impact studies throughout North America for a wide range of hospitality properties. She spent three years with Ernst & Young's U.S. and China practices as a corporate tax accountant and business advisory consultant prior to joining H&LA. She also obtained hotel operations experience from Hyatt Regency Crown Center in Kansas City, Missouri and the Statler Hotel in Ithaca, New York. Ms. Wu received a Masters of Management in Hospitality, School of Hotel Administration, from Cornell University in 2010 and her Bachelors of Science in Business Administration from the Walter A. Haas School of Business at the University of California, Berkeley, in 2006.

Kyle Mossman – Senior Research Analyst

Mr. Mossman researches various hospitality-related topics for the firm and performs reviews and math checks of reports. He is a 1999 graduate of Otterbein College and obtained his Master's Degree in Library and Information Science from Kent State University in 2006.

Laura M. Sangree – Business Manager

Mrs. Sangree manages accounting, human resources, and technology functions for Hotel & Leisure Advisors. She performs reviews and math checks of reports and conducts research on various topics. She received an MBA from the University of Chicago in 1988 and a Bachelor of Arts from The College of Wooster in 1984.

Heidi Banak – Research Analyst/Administrative Assistant

Ms. Banak provides administrative support, conducts hospitality research, and performs reviews and math checks of reports. She manages our website and other communications and assists with marketing. She received a Bachelor of Arts from Kent State University in 2003.

Hollie Gibbs – Research Analyst

Ms. Gibbs provides research and administrative support to Hotel & Leisure Advisors' staff members and performs reviews and math checks of reports. She received her Bachelor of Science degree in Journalism and Mass Communication from Kent State University in 1998.

**PARTIAL LIST OF HOTELS AND RESORTS APPRAISED OR STUDIED
BY CONSULTANTS OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

ARIZONA

HoJo Inn	Flagstaff
Courtyard by Marriott (Proposed)	Goodyear
Ramada Inn	Goodyear
Proposed Resort	Mesa
Courtyard by Marriott	Phoenix
Residence Inn (Proposed)	Phoenix
TownPlace Suites	Phoenix
Residence Inn	Scottsdale
Residence Inn – Mayo Clinic	Scottsdale
Proposed Candlewood Suites	Tolleson
Proposed Hotel Indigo	Tolleson
Proposed Resort	Yuma

ARKANSAS

DoubleTree Guest Suites	Bentonville
Holiday Inn	Jacksonville
Hilton Inn	Little Rock

CALIFORNIA

Comfort Park Suites	Anaheim
Econolodge	Bakersfield
Quality Inn	Bakersfield
Chase Suite Hotel	Brea
Woodfin Suites Hotel	Cypress
Proposed Cambria Suites	El Segundo
Woodfin Suites	Emeryville
Horizon Casino Resort	Lake Tahoe
Desert Springs JW Marriott Resort	Palm Desert
Proposed Fractional Condo Complex	Palm Springs
La Costa Resort	San Diego
Proposed Resort	San Diego
Woodfin Suites Hotel	San Diego

COLORADO

Proposed Resort	Colorado Springs
Renaissance Hotel	Colorado Springs
Residence Inn	Colorado Springs
Courtyard-Cherry Creek	Denver
Fairfield Inn	Denver
Proposed Residence Inn	Denver
Proposed Resort	Keystone

CONNECTICUT

Proposed Resort	East Hartford
Clarion/Doubletree	Norwalk
Hampton Inn	Rocky Hill
Radisson Inn (proposed)	Stonington

Connecticut Grand Hotel	Waterbury
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FLORIDA

Sea Turtle Inn	Atlantic Beach
Proposed G Resorts	Fort Lauderdale
Proposed Hotel	Fort Lauderdale
Pink Shell Resort	Fort Myers Beach
Proposed Hotel	Fort Myers
Value Place Hotel	Fort Myers
Fairfield Inn	Fort Walton Beach
Fort Walton Beach Hotel	Fort Walton Beach
Hampton Inn	Fort Walton Beach
Proposed Courtyard Marriott	Fort Walton Beach
Best Western	Jacksonville
Hampton Inn (proposed)	Jacksonville
Howard Johnson Express Inn	Kissimmee
Banana Bay Resort	Marathon
Homewood Suites	Miami
Sagamore, the Art Hotel	Miami Beach
Sheraton (proposed)	North Naples
Four Points by Sheraton	Orlando
Holiday Inn	Orlando
Howard Johnson Express	Orlando
Lake Buena Vista Hotel	Orlando
Quality Inn Airport	Orlando
South Seas Resort (proposed)	Orlando
Panama City Beach Hotel	Panama City Beach
Saint Petersburg-Marina Cove	Saint Petersburg
Proposed Hotel	Sarasota
Courtyard by Marriott – Sarasota/Bradenton	Sarasota
Courtyard by Marriott – University Town Center (Proposed)	Sarasota
Residence Inn	Sarasota
Springhill Suites	Sarasota
DolceVita Resort	Singer Island
Chase Suite Hotel	Tampa
Comfort Suites	Tampa
Days Inn	West Palm Beach

GEORGIA

Crowne Plaza Ravinia	Atlanta
Harvey Hotel - Powers Ferry	Atlanta
HI Sunspree Resort Brand Analysis	Atlanta
Holiday Inn - Airport South	Atlanta
Holiday Inn Express	Atlanta

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Holiday Inn Express - Cobb Galleria	Atlanta	Proposed Holiday Inn Indoor Water Resort	Effingham
Radisson Expert Witness	Atlanta	Proposed Hilton Garden Inn	Effingham
Radisson Hotel College Park	Atlanta	Best Western Midway Motor Lodge	Elk Grove Village
Radisson Hotel	Atlanta	Holiday Inn	Elk Grove Village
Radisson Hotel Airport	Atlanta	Sheraton Suites	Elk Grove Village
Radisson Hotel NorthLake	Atlanta	Holiday Inn	Elmhurst
Residence Inn - Midtown	Atlanta	Fox Lake Resort (proposed)	Fox Lake
Ritz-Carlton – Atlanta/Buckhead	Atlanta	Holiday Inn	Glen Ellyn
Ritz-Carlton – Atlanta/Downtown	Atlanta	Key Lime Cove Resort	Gurnee
Ritz-Carlton – Atlanta/Midtown (Proposed)	Atlanta	Full-Service Hotel at Sears (proposed)	Hoffman Estates
Hotel & Indoor Waterpark (Proposed)	Buford	Holiday Inn	Itasca
Best Western (proposed)	Port West Worth	Hilton Garden Inn	Kankakee
Best Western	Savannah	Best Western Inn	La Grange
Best Western & Denny's Restaurant	Savannah	Hilton Garden Inn (proposed)	Mattoon
Holiday Inn Express	Smyrna	Mattoon Conference Center	Mattoon
		Proposed Resort	Mokena
		Fairfield Inn – Normal	Normal
		Holiday Inn	Normal
		Adam's Mark Hotel	Northbrook
		Northbrook Hilton	Northbrook
		Wyndham Garden	Oak Brook
		Holiday Inn Brandywine	Peoria
		Holiday Inn City Center	Peoria
		Signature Inn	Peoria
		Fairfield Inn – Rockford	Rockford
		Doubletree O'Hare	Rosemont
		Holiday Inn O'Hare	Rosemont
		Waves of Fun	Sandwich
		Four Points by Sheraton	Schiller Park
		Holiday Inn Express (proposed)	Schiller Park
		Howard Johnson at O'Hare	Schiller Park
		Holiday Inn	Schaumburg
		Marriott Schaumburg	Schaumburg
		Best Western	Urbana
		Motel 6	Villa Park
		Conference Center Hotel (proposed)	Woodridge
		<u>INDIANA</u>	
		Holiday Inn Express (proposed)	Bluffton
		Holiday Inn Express (proposed)	Carmel
		Fairfield Inn – Castleton	Castleton
		Limited Service Hotel (proposed)	Corydon
		Baymont Inn & Suites	Dale
		Ramada Limited	Evansville
		Holiday Inn Express	Fishers
		Proposed Resort	Fishers
		Candlewood Suites (proposed)	Fort Wayne
<u>IDAHO</u>			
Holiday Inn Airport	Boise		
Holiday Inn Express	Hayden		
Hotel & Indoor Waterpark Resort (Proposed)	Post Falls		
<u>ILLINOIS</u>			
Fairfield Inn & Suites	Bloomington		
Hawthorn Suites	Bloomington		
Holiday Inn	Bloomington		
Signature Inn	Bloomington		
Proposed Hotel	Bolingbrook		
Proposed Bridgeview Hotel	Bridgeview		
Proposed Hotels	Bridgeview		
Hawthorn Suites Hotel	Champaign		
Crowne Plaza Hotel	Chicago		
Country Inn & Suites	Chicago		
Holiday Inn O'Hare	Chicago		
Omni Hotel (proposed)	Chicago		
Proposed Boutique Hotel	Chicago		
Proposed Full-Service Hotel	Chicago		
Wyndham Garden O'Hare	Chicago		
Westin Hotel	Chicago		
Camelot Inn (Motel 6)	Collinsville		
Best Western	Collinsville		
Holiday Inn Decatur	Decatur		
Radisson Suites	Downers Grove		
Baymont Inn	East Peoria		
Embassy Suites	East Peoria		
Proposed Resort	East Peoria		

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Holiday Inn Airport	Fort Wayne	Holiday Inn	Shelbyville
Sumner Suites	Fort Wayne	Holiday Inn Express	Shelbyville
Holiday Inn Express (proposed)	Gas City	Proposed Hotels	South Bend
Proposed Resort	Greendale	Hotel & Indoor Waterpark (proposed)	West Lafayette
Holiday Inn Express & Suites (proposed)	Greensburg	Proposed Hotel and Indoor Waterpark	Whitestown
Proposed Resort	Greenwood	Proposed Holiday Inn Express	Whitestown
Holiday Inn Express	Howe		
Best Western Castleton Inn	Indianapolis	<u>IOWA</u>	
Best Western-Indianapolis	Indianapolis	Holiday Inn Amana Colonies	Amana
Days Inn East	Indianapolis	Proposed Resort	Amana
Embassy Suites Downtown	Indianapolis	Proposed Resort	Bettendorf
Embassy Suites North	Indianapolis	Marriott Hotel	Des Moines
Four Points by Sheraton	Indianapolis	Grand Harbor Resort	Dubuque
Harrison Inn & Conference (proposed)	Indianapolis	Hampton Inn & Suites	Marshalltown
Hampton Inn East (proposed)	Indianapolis	Proposed Resort	Waterloo
Hampton Inn Northeast	Indianapolis		
Holiday Inn East	Indianapolis	<u>KANSAS</u>	
Holiday Inn Southeast	Indianapolis	Great Wolf Lodge	Kansas City
Holiday Inn Select North	Indianapolis	Courtyard by Marriott	Shawnee
Intown Suites (proposed)	Indianapolis		
Indoor Waterpark Resort	Indianapolis	<u>KENTUCKY</u>	
Motel 6	Indianapolis	Holiday Inn Airport (proposed)	Boone County
Omni Severin Hotel	Indianapolis	Best Western Continental Inn	Bowling Green
Omni Indianapolis North Hotel	Indianapolis	Best Western Motor Inn	Bowling Green
Proposed 750-room Hotel	Indianapolis	Best Western (proposed)	Bowling Green
Proposed Banquet and Conference Center	Indianapolis	Holiday Inn Express	Carrollton
Proposed Downtown Hotel	Indianapolis	Days Inn	Danville
Signature Inn	Indianapolis	Holiday Inn	Florence
Staybridge Suites (proposed)	Indianapolis	Knights Inn - South	Florence
University Place Hotel	Indianapolis	Drawbridge Inn	Fort Mitchell
Proposed Hotel	Jasper	Best Western Hancock Inn	Lewisport
Proposed Hotel & Conference Center	Lawrenceburg	Best Western Regency	Lexington
Holiday Inn	Marion	Holiday Inn South	Lexington
Luxury Hotel (proposed)	Madison	Holiday Inn	Louisville
Knights Inn	Merrillville	Holiday Inn - Airport East	Louisville
Radisson Star Plaza	Merrillville	Holiday Inn - Rivermont	Louisville
Holiday Inn	Michigan City	Holiday Inn - Southeast	Louisville
Holiday Inn (proposed)	Mishawaka	Wilson Inn - Airport	Louisville
Roberts Hotel & Waterpark	Muncie	Holiday Inn	Morehead
Limited-Service Hotel (proposed)	New Albany	Proposed Resort	Morehead
Proposed Hotel	Noblesville	Holiday Inn Express (proposed)	Mount Sterling
Proposed Resort	Portage	Hilton Garden Inn (proposed)	Newport
Holiday Inn Express (proposed)	Rising Sun	L&K Motel & Restaurant	Richmond
Proposed Indoor Waterpark Resort	Santa Claus	Wise Motel	Richmond
Proposed Indoor Waterpark Resort	Shipshewana	Holiday Inn	Winchester
Wana Waves Hotel & Waterpark	Shipshewana		

**PARTIAL LIST OF HOTELS AND RESORTS APPRAISED OR STUDIED
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LOUISIANA

Chase Suite Hotel	Baton Rouge
Holiday Inn Select	New Orleans
Omni Royal Orleans Hotel	New Orleans
Royal Sonesta	New Orleans
Windsor Court	New Orleans

MAINE

Bar Harbor Hotel	Bar Harbor
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MARYLAND

Proposed Skyline Hotels	Baltimore
Residence Inn	Frederick
Chase Suite Hotel	Hunt Valley
Proposed Indoor Waterpark Resort	McHenry
Proposed Doubletree Hotel	Linthicum
Proposed Summerfield Suites	Linthicum
Proposed Renaissance Hotel	Linthicum
Crosswinds Resort	Linthicum
Doubletree Club Hotel	Largo
Ramada Inn	Oxen Hill
Inn at Perry Cabin	St. Michaels
Inn at Perry Cabin Expansion	St. Michaels
Fairfield Inn & Suites	White Marsh
Residence Inn	White Marsh
Springhill Suites (proposed)	White Marsh

MASSACHUSETTS

Wyndham Copley Plaza	Boston
Holiday Inn	Boxborough
Best Western - Fitchburg and Trade Center	Fitchburg
Proposed Resort – Hotel and Conference Center	Fitchburg
Holiday Inn-Holyoke	Holyoke
Proposed Cambria Suites	Rockland

MICHIGAN

Holiday Inn Express & Suites (proposed)	Acme
Holiday Inn Express	Allen Park
Hampton Inn	Ann Arbor
Holiday Inn North Campus	Ann Arbor
Brooke Lodge	Augusta
Holiday Inn	Battle Creek
Proposed Indoor Waterpark Resort	Bay City
Super 8	Belleville
Proposed Resort	Benton Harbor
Holiday Inn Express	Birmingham
DoubleTree Dearborn	Detroit

DTE Energy Music Theatre	Detroit
Hilton Garden Inn	Detroit
The Palace @ Auburn Hills	Detroit
Holiday Inn Express with Waterpark	Dundee
Splash Universe Resort	Dundee
Hampton Inn (proposed)	East Lansing
Marriott Hotel	East Lansing
Proposed Holiday Inn Express & Suites	Fenton
Indoor Waterpark Resort (proposed)	Gaylord
Courtyard Hotel	Grand Rapids
Crowne Plaza	Grand Rapids
Hampton Inn	Grand Rapids
Holiday Inn Express	Grand Rapids
Holiday Inn	Grayling
Holiday Inn Holland	Holland
Holiday Inn Express (proposed)	Holland
Holiday Inn	Kalamazoo
Days Inn	Kalamazoo
Radisson Hotel	Kalamazoo
Clarion Hotel & Conference Center	Lansing
Proposed Hotels with Indoor Waterpark and Conference Center	Lansing
Holiday Inn Lansing - South	Lansing (South)
Holiday Inn Lansing - West	Lansing (West)
Proposed Waterpark Resort	Lansing
Best Western of Mackinaw City	Mackinaw City
Best Western, Thunderbird	Mackinaw City
Holiday Inn Express	Mackinaw City
Holiday Inn Express (proposed)	Marshall
Hampton Inn	Muskegon
Holiday Inn Express (proposed)	Pellston
Holiday Inn Express	Petosky
Hotel with Indoor Waterpark (proposed)	Petosky
Proposed Indoor Waterpark Resort	Port Huron
Double JJ Resort	Rothbury
Hotel with Conference Center	Romulus
Blue Water Inn	St. Clair
Best Western – Lakefront	St. Ignace
Straits Breeze Inn	St. Ignace
Radisson Town Center	Southfield
Holiday Inn	Southgate
Proposed Resort	South Haven
Comfort Suites	Stevensville
Knights Inn	Sturgis
Ramada Inn & Suites	Taylor
Condo Hotel Resort (proposed)	Traverse City
Great Wolf Lodge	Traverse City

**PARTIAL LIST OF HOTELS AND RESORTS APPRAISED OR STUDIED
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Great Buffalo Lodge (proposed)	Traverse City	<u>MISSOURI</u>	
Holiday Inn	Traverse City	Atrium Inn Addition	Branson
Fairfield Inn – Warren	Warren	Castle Rock Resort	Branson
Proposed Ramada Inn with IWP	Watervliet	Grand Country Inn	Branson
Ramada Inn	Watervliet	Motel 6	Fenton
Holiday Inn Express & Suites	Williamsburg	Proposed Resort	Hazelwood
Best Western	Woodhaven	Proposed Wilderness Resort	Hollister
Holiday Inn & Express	Woodhaven	Crowne Plaza	Jackson
		Days Inn South	Kansas City
<u>MINNESOTA</u>		Country Club Hotel & Spa	Lake Ozark
Holiday Inn	Arden Hills	Best Western Airport	St. Louis
Holiday Inn Express	Baxter	Chase Plaza Hotel	St. Louis
Radisson Hotel	Bloomington	Holiday Inn Select	St. Louis
Holiday Inn Minneapolis North	Brooklyn Center	Proposed Resort	St. Louis
Northland Inn	Brooklyn Park	Holiday Inn	St. Peters
Best Western	Chaska	Hawthorn Suites	Springfield
Best Western Edgewater	Duluth		
Best Western Downtown	Duluth	<u>NEBRASKA</u>	
Edge Hotel	Duluth	Holiday Inn	Kearney
Holiday Inn	Duluth		
Super 8	Golden Valley	<u>NEW HAMPSHIRE</u>	
Holiday Inn Metrodome	Minneapolis	Holiday Inn	Concord
Radisson Hotel - Metrodome	Minneapolis	Holiday Inn	Manchester
Proposed Indoor Waterpark Resort	Nisswa	Inn at Amoskeag Falls	Manchester
Holiday Inn	Ostego	Proposed Resort	Tilton
Holiday Inn	Owatonna		
Best Western Kelly Inn	Plymouth	<u>NEW JERSEY</u>	
Holiday Inn City Center	Rochester	Hampton Inn	Absecon
Holiday Inn Express Airport (proposed)	Rochester	Crowne Plaza	Clark
Holiday Inn Express	Roseville	Residence Inn	East Rutherford
Best Western	Shakopee	Crowne Plaza	Edison
Best Western Kelly Inn	St. Paul	Days Inn	Edison
Days Inn River Center	St. Paul	Holiday Inn Express	Flemington
Holiday Inn I-94 East	St. Paul	Proposed Resort	Jackson
Holiday Inn St. Paul North	St. Paul	Courtyard by Marriott (proposed)	Lyndhurst
South St. Hotel and Conference Center	St. Paul	Proposed Resort	May's Landing
Holiday Inn (proposed)	Vadnais Heights	Four Points by Sheraton	Mt. Arlington
Holiday Inn	Winona	Staybridge Suites	Parsippany
		Proposed Resort	Pequannock
<u>MISSISSIPPI</u>		Best Western	Rahway
Harvey Hotel Downtown	Jackson	Renaissance Hotel	Rutherford
Harvey Hotel & Suites	Jackson	Crowne Plaza	Somerset
Holiday Inn Express	Jackson	Holiday Inn	Somerset
Holiday Inn Select (Proposed)	Jackson	Ramada Inn Plainfield	South Plainfield
Proposed Hilton Garden Inn	Jackson	Clinton Inn	Tenafly
		Sunrise Suites Hotel	Tinton Falls
		Legends Hotel	Vernon
		Proposed Resort	Vernon

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Proposed Cambria Suites	West Orange	Proposed Resort	Harriman
Proposed Resort	Wildwood	Proposed Radisson Hotel	Henrietta
		Hotel & Indoor Waterpark	Hogansburg
<u>NEW MEXICO</u>		Best Western - MacArthur	Holtsville
Albuquerque Grand Hotel	Albuquerque	Best Western - Strathmore	Holtsville
Carlisle Hotel	Albuquerque	Proposed Resort	Howes Cave
Motel 6	Albuquerque	Inn at Hyde Park	Hyde Park
Proposed Hotel	Albuquerque	Best Western – Kennedy Airport	Jamaica
Radisson Hotel Indoor Waterpark Addition	Albuquerque	Hudson Valley Resort	Kerhonkson
		Proposed Fractional Condo Resort	Lake George
<u>NEVADA</u>		Best Western City View	Long Island
Holiday Inn	Kearney	Proposed Hotel	Malone
Embassy Suites	Las Vegas	Proposed Hotel	Massena
Comfort Inn	North Las Vegas	Indoor Waterpark (proposed)	Monroe
Comfort Inn and Suites (proposed)	North Las Vegas	Proposed Indoor Waterpark and Family Entertainment Center	Monticello
		Rodeway Inn	New Paltz
<u>NEW YORK</u>		21 Club	New York
Albany Ramada Inn	Albany	Best Western	New York
Best Western Albany Airport Inn	Albany	Courtyard by Marriott	New York
Proposed Candlewood Suites	Amherst	Marriott Downtown	New York
Proposed Full-Service Hotel	Amherst	Ramada Inn	New York
Proposed Springhill Suites	Amherst	Holiday Inn	Orangeburg
Ramada Inn	Armonk	Six Flags Resort (proposed)	Queensbury
Proposed Hilton Garden Inn	Auburn	Six Flags Great Escape Resort	Queensbury
Proposed Hotel and Conference Center	Auburn	Holiday Inn – Henrietta	Rochester
Comfort Inn	Batavia	Lodge At Woodcliff	Rochester
Best Western Brooklyn Bay	Brooklyn	Best Western Rotterdam Motor Inn	Schenectady
Best Western Downtown	Brooklyn	Ramada Inn & Convention Center	Schenectady
Best Western Gregory Hotel	Brooklyn	Proposed Resort	Syracuse
Adam's Mark Hotel	Buffalo	Best Western Rensselaer Inn	Troy
Proposed Indoor Waterpark	Catskills	Hope Lake Resort Development	Virgil
Holiday Inn Express	Cheektowaga	Fairfield Inn	Webster
Best Western	Chestnut Ridge	Best Western	West Coxsackie
Extended Stay Hotel (proposed)	Clarence		
Best Western	Clifton Park	<u>NORTH CAROLINA</u>	
Microtel	Colonie	Comfort Suites	Asheville
Radisson Hotel	Corning	Proposed Convention Hotel	Asheville
Greek Peak Resort	Cortland	Renaissance by Marriott	Asheville
Best Western New Baltimore Inn	Coxsackie	Homewood Suites	Charlotte
Best Western City View	East Elmhurst	Microtel Inn	Charlotte
Quality Inn - LaGuardia	East Elmhurst	Summerfield Suites	Charlotte
Holiday Inn	East Syracuse	Microtel	Cornelius
Proposed Resort	Ellicottville	Sheraton Imperial Hotel	Durham
Ramada Inn	Elmsford	Proposed Hotel	Fayetteville
Proposed Glacier Lakes Resort	Farmington	Best Western	Kenly
Best Western (proposed)	Flushing	Microtel Inn	Morrisville
Proposed Resort	Great Valley	Holiday Inn State Capital	Raleigh

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Holiday Inn (proposed)	Raleigh	Holiday Inn Express	Chillicothe
Best Western (proposed)	Randleman	Garfield Suites Hotel	Cincinnati
Communities of Penland Hotel	Spruce Pine	Eastgate Hotel (proposed)	Cincinnati
Best Western (proposed)	Wilmington	Hampton Inn (proposed)	Cincinnati
Best Western	Wilmington	Hawthorn Suites – Downtown (proposed)	Cincinnati
		Hilton Garden Inn	Cincinnati
<u>NORTH DAKOTA</u>		Holiday Inn - Downtown	Cincinnati
Country Inn and Suites	Fargo	Holiday Inn Eastgate	Cincinnati
Holiday Inn	Grand Forks	Holiday Inn Express (proposed)	Cincinnati
Proposed Canad Inns Indoor Waterpark Resort	Grand Forks	Holiday Inn North	Cincinnati
Twin Oaks Resort (proposed)	Lake Metigoshe	Hyatt Regency Hotel	Cincinnati
		Signature Inn - Northeast	Cincinnati
<u>OHIO</u>		Holiday Inn Express & Suites	Circleville
Best Western	Akron	Best Western Greentree	Clarksville
Best Western Executive Inn	Akron	Best Hotel & Suites	Cleveland
Fairfield Inn & Suites	Akron	Comfort Inn	Cleveland
Knights Inn - South	Akron	Embassy Suites	Cleveland
Knights Inn	Akron	Hampton Inn	Cleveland
Quaker Square Hilton	Akron	Hilton Garden Inn	Cleveland
Residence Inn (proposed)	Akron	Holiday Inn Express-Downtown	Cleveland
Proposed Hampton Inn	Ashland	Holiday Inn (proposed)	Cleveland
Comfort Inn	Ashtabula	Holiday Inn - Airport	Cleveland
Ohio University Inn	Athens	Holiday Inn and Suites (proposed)	Cleveland
Value Place Hotel	Avon	Holiday Inn - Lakeside	Cleveland
Aqua Marine Resort	Avon Lake	Holiday Inn Select	Cleveland
Bertram Inn & Conference Center	Aurora	Lakefront Boat Hotel (proposed)	Cleveland
Proposed Resort	Aurora	Marriott Downtown	Cleveland
Walden Country Inn & Stables	Aurora	Proposed Downtown Hotel	Cleveland
Proposed Country Inn & Suites	Austintown	Proposed Flats Luxury Hotel	Cleveland
Holiday Inn	Beachwood	Proposed Hotel at CAC	Cleveland
Residence Inn	Beachwood	Proposed University Hospital Hotel	Cleveland
Red Roof Inn	Bedford Heights	Radisson Hotel	Cleveland
Ramada Inn	Bedford Heights	Residence Inn Colonial Arcade	Cleveland
Holiday Inn	Bellefontaine	Ritz Carlton	Cleveland
Clarion Inn	Boston Heights	Sheraton - City Center	Cleveland
Holiday Inn Express (proposed)	Bowling Green	Travelodge/Holiday Inn	Cleveland
Holiday Inn Express (proposed)	Brook Park	Wyndham Hotel	Cleveland
Hampton Inn (proposed)	Brooklyn	Youth Hostel (proposed)	Cleveland
Holiday Inn Express (proposed)	Brooklyn	Baymont Inn	Columbus
Holiday Inn Express & Suites (proposed)	Brooklyn	Best Western	Columbus
Proposed Select-Service Hotel	Brooklyn	Concourse Hotel	Columbus
Holiday Inn	Cambridge	Comfort Inn & Suites	Columbus
Comfort Inn	Canton	Convention Center Hotel (proposed)	Columbus
Glenmoor Club	Canton	Courtyard by Marriott - Downtown	Columbus
McKinley Grand Hotel	Canton	Courtyard by Marriott - Airport	Columbus
Microtel Inn and Suites (proposed)	Canton	Former Best Western	Columbus
Proposed Holiday Inn Express Hotel	Centerville	Extended Stay Hotel (proposed)	Columbus

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Hampton Inn	Columbus	Holiday Inn Northwest	Englewood
Hampton Inn & Suites (proposed)	Columbus	Euclid Hotel (proposed)	Euclid
Hilton Garden Inn	Columbus	Proposed Hotels and Conf Center	Fairborn
Holiday Inn Downtown	Columbus	Hampton Inn (proposed)	Fairfield
Holiday Inn Select	Columbus	Hilton	Fairlawn
Holiday Inn - Airport	Columbus	Holiday Inn	Fairlawn
Holiday Inn - East	Columbus	Radisson Hotel	Fairlawn
Holiday Inn Express - West (proposed)	Columbus	Best Western	Forest Park
Holiday Inn Express	Columbus	Indoor Waterpark Resort (proposed)	Forest Park
Holiday Inn Express (proposed)	Columbus	Proposed Full-Service Hotel	Forest Park
Howard Johnson - West	Columbus	Holiday Inn	Freemont
Hyatt Regency	Columbus	Holiday Inn Fostoria	Fostoria
Hyatt Regency Expansion	Columbus	Holiday Inn Express (proposed)	Gahanna
Marriott North	Columbus	Proposed Springhill Suites	Gahanna
Proposed Sleep Inn	Columbus	Proposed Towneplace Suites	Gahanna
Proposed 300-room Hotel	Columbus	Proposed Cambria Suites Hotel	Green
Ramada Plaza	Columbus	Proposed Resort	Green
Ramada Inn East Airport	Columbus	Holiday Inn Express & Suites (proposed)	Groveport
Residence Inn	Columbus	Proposed Hampton Inn	Heath
Staybridge Suites (proposed)	Columbus	Holiday Inn Express (proposed)	Huber Heights
Towneplace Suites	Columbus	L&K Motel/Hotel & Restaurant	Huber Heights
Value Place Hotel	Columbus	Holiday Inn	Hudson
Westin Great Southern	Columbus	Courtyard by Marriott	Independence
Renaissance Quail Hollow	Concord Twp.	Holiday Inn	Independence
Residence Inn	Copley Twp.	Marriott Hotel (proposed)	Independence
Roscoe Village Inn	Coshocton	Residence Inn	Independence
Country Inn and Suites	Cuyahoga Falls	Holiday Inn Express (proposed)	Jeffersonville
Sheraton Suites	Cuyahoga Falls	Holiday Inn	Kent
Country Inn and Suites (proposed)	Dayton	Holiday Inn Express Kings Island	Kings Mill
Crowne Plaza	Dayton	Proposed Hotel and Residences	Lakewood
Doubletree Guest Suites	Dayton	Best Western	Lancaster
Fairfield Inn	Dayton	Hampton Inn	Lancaster
Hampton Inn	Dayton	Shaker Run Hotel (proposed)	Lebanon
Holiday Inn	Dayton	Holiday Inn Express (proposed)	Lodi
Holiday Inn - South	Dayton	Limited-Service Hotel (proposed)	Lodi
Holiday Inn - Dayton Mall	Dayton	Holiday Inn Express (proposed)	London
Holiday Inn - North	Dayton	Erievue Motel	Lorain
Knights Inn	Dayton	Proposed Hotel	Lyndhurst
Signature Inn	Dayton	Proposed Holiday Inn Express	Macedonia
Stouffers Renaissance	Dayton	Microtel Inn (proposed)	Madison
Holiday Inn Express (proposed)	Delaware	L&K Motel/Hotel	Mansfield
Red Roof Inn	Delaware	Marblehead Inn	Marblehead
Staybridge Suites (proposed)	Dublin	Marion Conference Center (proposed)	Marion
Wyndham Dublin Hotel	Dublin	Days Inn - Kings Island	Mason
Radisson Hotel	Eastlake	Great Wolf Lodge	Mason
Clarion Hotel	Eastlake	Hannaford Inn & Suites	Mason
Holiday Inn	Elyria	Proposed Extended Stay Hotel	Mason
Hampton Inn	Englewood		

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Signature Inn/Country Inn Northeast	Mason	Comfort Inn	Piqua
Comfort Inn and Suites	Maumee	Proposed Hotel & Conference Center	Piqua
Comfort Inn West	Maumee	Proposed Hotel	Piqua
Economy Inn	Maumee	Best Western	Port Clinton
Holiday Inn	Maumee	Proposed Resort	Port Clinton
Tharaldson Inn & Suites	Maumee	Holiday Inn	Portsmouth
Holiday Inn (proposed)	Maumee	Proposed Hotel	Powell
Holiday Inn	Mayfield	Proposed Country Inn & Suites	Reynoldsburg
Baymont Inn & Suites	Mayfield Heights	Proposed Fairfield Inn	Reynoldsburg
Proposed Chippewa Lake Resort	Medina	Days Inn/Quality Inn	Richfield
Proposed Full-Service Hotel	Medina	Super 8 Motel	Richfield
Holiday Inn Express	Mentor	Best Western	Sandusky
Residence Inn	Mentor	Castaway Bay	Sandusky
Holiday Inn Dayton Mall	Miamisburg	Clarion Hotel	Sandusky
Courtyard by Marriott	Middleburg Heights	Floating Hotel (proposed)	Sandusky
Holiday Inn	Middleburg Heights	Comfort Inn & Suites	Sandusky
Proposed Courtyard by Marriott	Middleburg Heights	Great Wolf Lodge	Sandusky
Ramada Inn	Middleburg Heights	Holiday Inn	Sandusky
Residence Inn	Middleburg Heights	Indoor Waterpark Resort (proposed)	Sandusky
Proposed Towneplace Suites	Middleburg Heights	Kalahari Resort	Sandusky
Towneplace Suites	Middleburg Heights	Maui Sands Resort	Sandusky
Convention Center (proposed)	Middletown	Proposed Coyote Falls Resort	Sandusky
Manchester Inn	Middletown	Quality Inn	Sandusky
Comfort Inn	Milan	Comfort Inn	Sharonville
Holiday Inn Express (proposed)	Milford	Holiday Inn - North	Sharonville
Cherry Valley Lodge	Newark	Preston Hotel	Sharonville
Proposed OSU Conference Center	Newark	Comfort Inn	Sidney
Holiday Inn Express (proposed)	Newark	Best Western	Springdale
Proposed Select-Service Hotel	New Albany	Howard Johnson Hotel	Springdale
Super 7	New Philadelphia	Holiday Inn	Springfield
Jackson Motor Lodge	North Jackson	Holiday Inn - Express	St. Clairsville
Homestead Village	North Olmsted	Best Western (proposed)	Strasburg
Courtyard by Marriott	North Olmsted	Best Western Inn & Suites	Streetsboro
Radisson	North Olmsted	Hampton Inn & Suites (proposed)	Streetsboro
Best Western	Norwalk	Proposed Hotel w/ Indoor Waterpark	Streetsboro
Hilton Garden Inn (proposed)	Norwood	Wingate Inn	Streetsboro
Holiday Inn Express	Oakwood Village	Hampton Inn	Stow
Holiday Inn Express (proposed)	Obetz	Holiday Inn	Strongsville
Holiday Inn Express (proposed)	Oxford	Holiday Inn Select	Strongsville
AmeriHost	Painesville	Proposed Indoor Waterpark Resort	Sugar Creek
Quail Hollow Resort	Painesville	Holiday Inn Express & Suites (proposed)	Swanton
Howard Johnson	Perry Township	Proposed Holiday Inn Express	Tiffin
Holiday Inn French Quarter	Perrysburg	Holiday Inn at Southwyck	Toledo
Holiday Inn Express & Suites	Perrysburg	Toledo Marriott Portside	Toledo
Perrysburg Inn	Perrysburg	Toledo Hilton Inn	Toledo
		Holiday Inn West	Toledo

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Comfort Suites (proposed)	Twinsburg	Best Western	Erie
Best Western	Uhrichsville	Comfort Inn	Erie
Holiday Inn Express (proposed)	Vermillion	Courtyard by Marriott	Erie
Holiday Inn Express (proposed)	Wadsworth	Courtyard by Marriott (proposed)	Erie
Ramada Inn	Wadsworth	Full-Service Hotel (proposed)	Erie
Staybridge Suites (proposed)	West Chester	Holiday Inn Express & Suites (proposed)	Erie
Proposed Hotel	West Chester	Holiday Inn Express	Erie
Residence Inn (proposed)	Westerville	Hilton Garden Inn (proposed)	Erie
Courtyard by Marriott	Westlake	Knights Inn	Erie
Proposed Crocker Park Hotel	Westlake	Downtown Full-Service Hotel (proposed)	Erie
Residence Inn	Westlake	Residence Inn	Erie
Towneplace Suites	Westlake	Splash Lagoon	Erie
Howard Johnson - East	Whitehall	Best Western	Harrisburg
Holiday Inn	Wickliffe	Four Points Sheraton Inn	Harrisburg
Country Hearth Inn (proposed)	Willard	Holiday Inn East	Harrisburg
Marriott Courtyard	Willoughby	Holiday Inn Harrisburg Hotel & Conf.	Harrisburg
Proposed Hotel	Woodmere	Holiday Inn Harrisburg West	Harrisburg
Hilton Garden Inn (proposed)	Wooster	Holiday Inn Express Riverfront	Harrisburg
Holiday Inn	Worthington	Radisson Hotel & Conference Ctr.	Harrisburg
Residence Inn (proposed)	Worthington	Ramada Inn Market Square	Harrisburg
Towneplace Suites (proposed)	Worthington	Best Western Hershey Inn	Hershey
		Holiday Inn Express (proposed)	Hershey
<u>OKLAHOMA</u>		Proposed Hotels	Indiana
Howard Johnson Express	Clinton	Best Western Inn at Towamencin	Kulpsville
Courtyard	Oklahoma City	Resort @ Split Rock	Lake Harmony
Embassy Suites	Oklahoma City	Ramada Brunswick Hotel	Lancaster
Holiday Inn	Oklahoma City	Willow Valley Resort proposed addition	Lancaster
Holiday Inn Express (2)	Oklahoma City	Proposed Resort	Marshalls Creek
Holiday Inn Express (proposed)	Oklahoma City	Best Western	Middletown
Springhill Suites (proposed)	Oklahoma City	Days Inn	Monroeville
		Proposed Hotel	New Galilee
<u>OREGON</u>		Comfort Suites (proposed)	Oakdale
Hampton Inn	Clackamas	Proposed Hotel	Oaks
Proposed Resort	McMinnville	Proposed Resort	Oaks
		Best Western City Center	Philadelphia
<u>PENNSYLVANIA</u>		Best Western Independence Park	Philadelphia
Microtel Inn	Allentown	Best Western Penn Landing	Philadelphia
All-Suite Hotel (proposed)	Altoona	Sheraton - Northeast	Philadelphia
Proposed Resort	Beaver Falls	Comfort Inn	Pittsburgh
Proposed Resort	Black Moshannon State Park	Courtyard by Marriott (proposed)	Pittsburgh
Proposed Hotel	California	Fox Chapel Resort	Pittsburgh
Seven Springs Resort	Champion	Holiday Inn (McKnight Road)	Pittsburgh
Proposed Hotel	Chester	Holiday Inn Parkway East	Pittsburgh
Knights Inn	Clarion	Holiday Inn Greentree	Pittsburgh
Best Western	Concordville	Marriott Hotel	Pittsburgh
Best Western	Danville	Proposed Extended Stay Hotel	Pittsburgh
Comfort Suites (proposed)	Edinboro		
Bayfront Hotel	Erie		

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Proposed Hotel: Bakery Square	Pittsburgh	Residence Inn	Spartanburg
Proposed Indoor Waterpark Resort	Pittsburgh	Proposed Resort	Summerton
Westin William Penn	Pittsburgh		
Holiday Inn Airport	Pittsburgh	<u>SOUTH DAKOTA</u>	
Great Wolf Lodge (proposed)	Pocono Township	Hilton Garden Inn	Rapid City
Proposed Indoor Waterpark Resort	Poconos		
Wyomissing Square Courtyard	Reading	<u>TENNESSEE</u>	
Great Wolf Lodge	Scotrun	Proposed Resort	Chattanooga
Comfort Inn	Selinsgrove	Econo Lodge	Columbia
Proposed Hotel with Waterpark	Somerset	Best Western	Franklin
Proposed Indoor Waterpark Resort	Tarentum	Gatlinburg-Great Smoky Mountains Hotel	Gatlinburg
Best Western Hill Motor Lodge	Tannersville	Wild Bear Falls Indoor Waterpark	Gatlinburg
Proposed Indoor Waterpark Resort	Tannersville	Proposed Resort	Jellico
Holiday Inn	Uniontown	Best Western	Johnson City
Holiday Inn Meadowlands	Washington	Whitestone Country Inn	Kingston
Proposed Full Service Hotel	West Homestead	Best Western Luxbury Inn	Knoxville
Pocono Mountain Lodge	Whitehaven	Signature Inn	Knoxville
Holiday Inn Williamsport	Williamsport	Embassy Suites	Memphis
Holiday Inn Express (proposed)	Williamsport	Ramada Inn Midtown	Memphis
Heritage Hills Resort	York	Embassy Suites	Murfreesboro
		Proposed Hyatt Place	Murfreesboro
<u>RHODE ISLAND</u>		Best Western Airport Inn	Nashville
Proposed Residence Inn	Lincoln	Best Western Opryland	Nashville
Providence Lincoln Courtyard	Lincoln	Opryland Resort and Conv. Center	Nashville
Providence Marriott	Providence	Proposed Best Western	Nashville
Hampton Inn & Suites (proposed)	Warwick	Holiday Inn Select	Nashville
Proposed Shipwreck Falls Resort	West Warwick	Proposed Resort	Pigeon Forge
Proposed Indoor Waterpark Resort	West Warwick	Proposed Resort	Pigeon Forge
Proposed 7 th Wave Resort	West Warwick	Proposed Resort	Sevierville
		Wilderness Resort	Sevierville
<u>SOUTH CAROLINA</u>		Proposed Wyndham Hotel	Sevierville
Charleston Place Hotel	Charleston	Best Western	Shelbyville
Orient Express Hotel	Charleston	Best Western	Tullahoma
Omni Hotel at Charleston Place	Charleston	Days Inn	White House
Planters Inn	Charleston	Best Western	Winchester
Holiday Inn Express (proposed)	Garden City		
Holiday Inn & Suites (proposed)	Little River	<u>TEXAS</u>	
Embassy Suites	Myrtle Beach	Crowne Plaza (proposed)	Addison
Hilton Resort	Myrtle Beach	Harvey Hotel	Addison
Holiday Inn Express Broadway	Myrtle Beach	Holiday Inn Express	Addison
Holiday Inn - Kings Highway	Myrtle Beach	Blue Cypress Hotel	Arlington
Holiday Inn - Oceanfront	Myrtle Beach	Holiday Inn Airport West	Bedford
Holiday Inn - Sunspree Resort	Myrtle Beach	Harvey Hotel	Brook Hollow
Kingston Plantation	Myrtle Beach	Holiday Inn Express (proposed)	Commerce
Holiday Inn	Myrtle Beach West	Corpus Christi-North Padre Island	Corpus Christi
Holiday Inn Express & Suites	Murrells Inlet	Days Inn	Corpus Christi
Holiday Inn	N. Myrtle Beach	Bristol Suites	Dallas
Holiday Inn	Pawleys Island	Harvey Hotel	Dallas

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Holiday Inn Aristocrat	Dallas	Proposed Hotel & Indoor Waterpark	Sandy
Holiday Inn Central	Dallas	Proposed Resort	Springville
Holiday Inn - Market Center	Dallas		
Holiday Inn - North Park Plaza	Dallas	<u>VERMONT</u>	
Holiday Inn Select – Downtown (proposed)	Dallas	Sheraton Hotel & Conference Ctr.	Burlington
Holiday Inn Select - Mockingbird Lane	Dallas	Long Trail House	Stratton Mountain
Holiday Inn Select - North	Dallas	Stratton Springs Lodge	Stratton Mountain
Holiday Inn Sunland Park	El Paso		
Sheraton Hotel	Forth Worth	<u>VIRGINIA</u>	
Galveston Beach Hotel	Galveston	Hampton Inn	Alexandria
Holiday Inn Select	Garland	Proposed Resort	Ashland
Great Wolf Lodge	Grapevine	Courtyard By Marriott (proposed)	Blacksburg
Holiday Inn Express	Greenville	Keswick Hall	Charlottesville
Crowne Plaza - Galleria	Houston	Keswick Hall Orient Express	Charlottesville
Harvey Suites Medical Center	Houston	Courtyard by Marriott	Chesapeake
Holiday Inn and Suites	Houston	Holiday Inn	Chesapeake
Holiday Inn Astrodome	Houston	Proposed Springhill Suites	Chesapeake
Holiday Inn Medical Center	Houston	Residence Inn	Chesapeake
Holiday Inn Northwest	Houston	Best Western	Fredericksburg
Ramada Plaza Northwest	Houston	Best Western Thunderbird	Fredericksburg
Harvey Hotel	Irving	Johnny Appleseed Inn	Fredericksburg
Harvey Suites	Irving	Kalahari Resort	Fredericksburg
Holiday Inn Airport South	Irving	Proposed Indoor Waterpark Resort	Fredericksburg
Holiday Inn Select	Irving	Hawthorn Suites	Herndon
Proposed Hotel	Laredo	Comfort Inn	Hillsville
Fairfield Inn	Laredo	Super 8	Hillsville
Fairfield Inn and Suites (proposed)	Laredo	Homestead Resort	Hot Springs
Courtyard by Marriott	Plano	Holiday Inn	Newport News
Harvey Hotel	Plano	Proposed Hotel	North Stafford
Holiday Inn	Plano	Proposed Hotel	Richmond
Marriott Hotel	Plano	Virginia Beach-On the Ocean	Virginia Beach
Proposed Renaissance Hotel	Plano	Best Western Historic Area Inn	Williamsburg
Holiday Inn Select	Richardson	Four Points by Sheraton	Williamsburg
Hyatt Regency Hotel	Richardson	Great Wolf Lodge (proposed)	Williamsburg
Ramada Limited (I-10)	San Antonio	Best Western	Wytheville
Ramada Limited (SW Loop 410)	San Antonio		
South Padre Island	South Padre Island	<u>WASHINGTON</u>	
Proposed Hotel & Indoor Waterpark	Sandy	Great Wolf Lodge (proposed)	Grand Mound
		Hawthorn Suites	Kent
		Courtyard	Lynnwood
		Proposed Resort	Moses Lake
		Holiday Inn	Renton
<u>UTAH</u>			
Proposed Indoor Waterpark Resort	Park City		
Chase Suite Hotel	Salt Lake City	<u>WASHINGTON, DC</u>	
Holiday Inn Express	Salt Lake City	Proposed Hotel at Catholic Univ.	Washington, DC
Quality Inn Center	Salt Lake City	W Hotel	Washington, DC
Sheraton City Center	Salt Lake City		

**PARTIAL LIST OF HOTELS AND RESORTS APPRAISED OR STUDIED
BY CONSULTANTS OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

WEST VIRGINIA

Holiday Inn on the Hill	Bluefield
Proposed Cambria Suites	Charleston
Sleep Inn/Harding Rest.	Charleston
Sleep Inn (proposed)	Cross Lanes
Proposed Volcano Island Resort	Fairmont
Holiday Inn Hotel & Suites	Huntington
Holiday Inn Express (proposed)	Huntington
Holiday Inn	Morgantown
Proposed Hotel-Marshall County	Moundsville
Sleep Inn (proposed)	Moundsville
Holiday Inn	Weirton
Proposed Resort	Wheeling

WISCONSIN

Holiday Inn	Appleton
Hotel & Conference Center (proposed)	Appleton
Paper Valley Hotel	Appleton
Sheraton Hotel (proposed)	Appleton
Best Western	Baraboo
Holiday Inn & Express	Black River Falls
Fairfield Inn	Brookfield
Residence Inn	Brookfield
Inn at Mount Telemark	Cable
Holiday Inn Express	DeForest
Lake Lawn Resort	Delavan
Holiday Inn Express & Suites	Greenfield
American Club	Kohler
Proposed Resort	Lake Delton
Grand Geneva Resort	Lake Geneva
Rodeway Inn	Lake Mills
Proposed Wave Point Resort	Little Sturgeon Bay
Crowne Plaza	Madison
Excel Grand Hotel	Madison
Holiday Inn East	Madison
Holiday Inn Madison West	Madison
Holiday Inn Select	Madison
Proposed Full-Service Hotel	Madison
Ramada Limited Northeast (Proposed)	Madison
Holiday Inn Conference Center	Marshfield
Park Oasis Inn	Mauston
Courtyard by Marriott	Milwaukee
Holiday Inn – Airport	Milwaukee
Holiday Inn Express & Suites	Milwaukee
Sheraton Four Points	Milwaukee
Waters of Minocqua	Minocqua

Valley Inn	Neenah
Holiday Inn Express & Suites	New Lisbon
Fairfield Inn & Suites	Oak Creek
Pioneer Inn and Marina	Oshkosh
Pioneer Resort	Oshkosh
Indoor Waterpark Resort (proposed)	Pleasant Prairie
Holiday Inn Express	Racine
Marriott Hotel	Racine
Blue Harbor Resort	Sheboygan
Sheboygan Condominiums (proposed)	Sheboygan
Waterpark Resort (proposed)	Sheboygan
Holiday Inn Express (proposed)	Sparta
Holiday Inn Convention Center	Stevens Point
Best Western Bridgeview	Superior
Holiday Inn Express (proposed)	Superior
Holiday Inn	Tomah
Three Bears Lodge	Warrens
Indoor Waterpark Resort (prop.)	Wausau
Best Western	Wisconsin Dells
Great Wolf Lodge	Wisconsin Dells
Holiday Inn	Wisconsin Dells
Kalahari Resort	Wisconsin Dells
Proposed Resort	Wisconsin Dells
Wilderness Resort	Wisconsin Dells

WYOMING

Multiple Resorts	Yellowstone National Park
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INTERNATIONAL

BAHAMAS

Proposed Upscale Golf Resort	Great Harbor Cay Island
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CANADA

ALBERTA

Proposed Resort	Grand Prairie
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BRITISH COLUMBIA

Holiday Inn Whistler Village Center	Whistler
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NOVA SCOTIA

Proposed Resort	Truro
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ONTARIO

Proposed Resort	Boblo Island
Great Wolf Lodge (proposed)	Niagara Falls

QUEBEC

Proposed Courtyard by Marriott	Montreal
Proposed Fairfield Inn & Suites	Montreal
Proposed Residence Inn	Montreal

**PARTIAL LIST OF INDOOR WATERPARK RESORTS, INDOOR AND OUTDOOR WATERPARKS AND
AMUSEMENT PARKS APPRAISED OR STUDIED BY CONSULTANTS
OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

ARKANSAS

Magic Springs and Crystal Falls
Amusement Park Hot Springs

Proposed Indoor Waterpark Mokena
Waves of Fun Indoor Waterpark Sandwich

ARIZONA

Proposed Indoor Waterpark and
Recreation Center Mesa
Proposed Outdoor Waterpark and
Sports Complex Tolleson
Proposed Splash Universe Resort Yuma

INDIANA

Proposed Indoor Waterpark Resort Fishers
Proposed Indoor Waterpark Resort Greendale
Proposed Indoor Waterpark Resort Greenwood
Proposed Hotel w/ Indoor Waterpark Indianapolis
Holiday Inn and Caribbean Cove Indianapolis
Roberts Hotel & Waterpark Muncie
Proposed Indoor Waterpark Resort Portage
Proposed Indoor Waterpark Resort Santa Claus
Proposed Indoor Waterpark Resort Shipshewana
Wana Waves Hotel & Waterpark Shipshewana
Prop. Hotel with Indoor Waterpark South Bend
Prop. Hotel with Indoor Waterpark West Lafayette
Proposed Hotel & Indoor Waterpark Whitestown

CALIFORNIA

Proposed Outdoor Waterpark Palm Desert
Proposed Wave House Resort San Diego

COLORADO

Proposed Indoor Waterpark Resort Colorado
Springs
Proposed Indoor Waterpark Resort Keystone

IOWA

Proposed Indoor Waterpark Resort Amana
Holiday Inn/Wasserbahn Waterpark Amana
Colonies
Proposed Indoor Waterpark Resort Bettendorf
Grand Harbor Resort Dubuque
Proposed Indoor Waterpark Resort Waterloo
Lost Island Waterpark Waterloo

CONNECTICUT

Proposed Indoor Waterpark Resort East Hartford
Outdoor Waterpark (proposed) Middlefield
Proposed Indoor Waterpark Addition Waterbury

KANSAS

Great Wolf Lodge Kansas City

FLORIDA

Proposed Outdoor Waterpark Miami
Cypress Gardens Amusement Park Winter Haven

GEORGIA

Proposed Hotel w/ Indoor Waterpark Buford
Proposed Family Entertainment Center Statesboro

MARYLAND

Proposed Crosswinds Resort Linthicum
Proposed Skyline Hotels with IWP Linthicum
Proposed Indoor Waterpark Resort Linthicum
Proposed Indoor Waterpark Resort McHenry

IDAHO

Proposed Indoor Waterpark Addition Boise
Holiday Inn Express Hayden
Proposed Hotel w/ Indoor Waterpark Post Falls

MASSACHUSETTS

Best Western Indoor Waterpark Fitchburg
Proposed Waterpark Resort Fitchburg

ILLINOIS

Proposed Indoor Waterpark Resort Bridgeview
Proposed Hotels & Indoor Waterpark Bridgeview
Proposed Indoor Waterpark Resort Bolingbrook
Holiday Inn Decatur & Waterpark Decatur
Proposed Waterpark Resort East Peoria
Prop. Holiday Inn & Indoor Waterpark Effingham
Holiday Inn and Mayan Adventure
Waterpark Elmhurst
Prop. Fox Lake Resort with Waterpark Fox Lake
Key Lime Cove Resort Gurnee
Proposed Indoor Waterpark Resort Hoffman
Estates

MICHIGAN

Proposed Indoor Waterpark Resort Benton Harbor
Holiday Inn Express with Waterpark Dundee
Splash Universe Resort Dundee
Proposed Indoor Waterpark Resort Gaylord
Proposed Indoor Waterpark Addition Grand Rapids
Holiday Inn Express Grand Rapids
Proposed Hotels w/ Indoor Waterpark Lansing
Proposed Indoor Waterpark Resort Lansing
Proposed Indoor Waterpark Resort Muskegon
Proposed Indoor Waterpark Resort Petosky

**PARTIAL LIST OF INDOOR WATERPARK RESORTS, INDOOR AND OUTDOOR WATERPARKS AND
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Proposed Indoor Waterpark Resort	Port Huron	Proposed Glacier Lakes Resort	Farmington
Double JJ Resort-Indoor Waterpark	Rothbury	Proposed Indoor Waterpark Resort	Farmington
Great Wolf Lodge	Traverse City	Proposed Indoor Waterpark Resort	Great Valley
Proposed Condo Hotel Resort	Traverse City	Proposed Indoor Waterpark Resort	Howes Cave
Proposed Ramada Inn with Indoor Waterpark	Watervliet	Waterpark Addition to Resort	Kerhonkson
		Proposed Indoor Waterpark and Family Entertainment Center	Monticello
<u>MINNESOTA</u>		Proposed Indoor Waterpark Resort	New Paltz
Proposed Indoor Waterpark Addition	Arden Hills	Proposed Randall's Island Aquatic Center	New York
Holiday Inn Express and		Fallsville Splash Waterpark	Niagara Falls
Three Bears Lodge	Baxter	Six Flags Great Escape Resort	Queensbury
Waterpark of America	Bloomington	Proposed Indoor Waterpark Resort	Syracuse
Best Western Edgewater	Duluth	Hope Lake Lodge (proposed)	Virgil
Edge Hotel & Indoor Waterpark	Duluth		
Holiday Inn Wildwoods Waterpark	Ostego	<u>NORTH CAROLINA</u>	
Holiday Inn and Great Serengeti Waterpark	Owatonna	Proposed Convention Hotel with Indoor Waterpark	Asheville
Proposed Indoor Waterpark Resort	Nisswa	Proposed Hotel w/ Indoor Waterpark	Fayetteville
		Communities of Penland w/ Waterpark	Penland
<u>MISSOURI</u>			
Atrium Inn Indoor Waterpark Resort	Branson	<u>NORTH DAKOTA</u>	
Castle Rock Resort and Indoor Waterpark	Branson	Canad Inns w/ Indoor Waterpark	Grand Forks
Grand Country Inn	Branson	Holiday Inn	Grand Forks
Proposed Hotel w/ Indoor Waterpark	Hazelwood		
Proposed Wilderness Resort	Hollister	<u>OHIO</u>	
Proposed Indoor Waterpark Resort	St. Louis	Holiday Inn East w Indoor Waterpark	Columbus
		Holiday Inn Select Fort Rapids	Columbus
<u>NEBRASKA</u>		Proposed Indoor Waterpark Resort	Forest Park
Holiday Inn with Water Feature	Kearney	Proposed Indoor Waterpark Resort	Green
		Proposed Great Wolf Lodge	Mason
<u>NEW HAMPSHIRE</u>		Proposed Indoor Waterpark Resort	Port Clinton
Proposed Indoor Waterpark Resort	Tilton	Monsoon Lagoon	Port Clinton
		Castaway Bay	Sandusky
<u>NEW JERSEY</u>		Great Bear Lodge	Sandusky
Proposed Indoor Waterpark Resort	May's Landing	Great Wolf Lodge	Sandusky
Proposed Indoor Waterpark Resort	Jackson	Holiday Inn and Maui Sands Resort	Sandusky
Proposed Indoor Waterpark Resort	Pequannock	Kalahari Resort	Sandusky
Proposed Indoor Waterpark Resort	Somerset	Proposed Coyote Falls Resort	Sandusky
Legends Hotel and Indoor Waterpark	Vernon	Proposed Indoor Waterpark Resort	Streetsboro
Proposed Indoor Waterpark Resort	Vernon	Proposed Indoor Waterpark Resort	Sugarcreek
Sahara Sam's Indoor Waterpark	West Berlin	Comparable Amusement Park Sales	Various
Proposed Indoor Waterpark Resort	Wildwood		
		<u>OREGON</u>	
<u>NEW MEXICO</u>		Proposed Indoor Waterpark Resort	McMinnville
Radisson Hotel Indoor Waterpark	Albuquerque		
		<u>PENNSYLVANIA</u>	
<u>NEW YORK</u>		Proposed Indoor Waterpark Resort	Beaver Falls
Proposed Indoor Waterpark Resort	Catskill	Seven Springs Resort	Champion
Greek Peak Ski Resort	Cortland	Proposed Indoor Waterpark Resort	Edinburg
Proposed Indoor Waterpark Resort	Ellicottville	Splash Lagoon Indoor Waterpark	Erie

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Resort at Split Rock – Waterpark		<u>VIRGINIA</u>	
Expansion	Lake Harmony	Proposed Indoor Waterpark Resort	Ashland
Willow Valley Resort Addition	Lancaster	Kalahari Resort	Fredericksburg
Proposed Hotel w/ Indoor Waterpark	New Galilee	Proposed Indoor Waterpark Resort	Fredericksburg
Proposed Indoor Waterpark Resort	Marshalls Creek	Proposed Outdoor Waterpark	Hot Springs
Proposed Indoor Waterpark Resort	Oaks	Great Wolf Lodge	Williamsburg
Proposed Fox Chapel Marina Resort	Pittsburgh		
Proposed Indoor Waterpark Resort	Pittsburgh	<u>WASHINGTON</u>	
Proposed Great Wolf Lodge	Pocono	Proposed Great Wolf Lodge	Grand Mound
Township		Proposed Indoor Waterpark Resort	Moses Lake
Proposed Indoor Waterpark Resort	Poconos		
Great Wolf Lodge	Scotrun	<u>WEST VIRGINIA</u>	
Proposed Hotel w/ Indoor Waterpark	Somerset	Proposed Volcano Island	Fairmont
Proposed Indoor Waterpark Resort	Tarentum	Proposed Indoor Waterpark Resort	Fairmont
Proposed Indoor Waterpark Resort	Tannersville	Proposed Indoor Waterpark Resort	Wheeling
Heritage Hills Indoor Waterpark	York		
Waterpark Addition to Resort	York	<u>WISCONSIN</u>	
		Proposed Addition of an Indoor	
<u>RHODE ISLAND</u>		Waterpark	Cable
Proposed Shipwreck Falls Resort	West Warwick	Black Wolf Lodge	Lake Delton
Proposed 7 th Wave Resort	West Warwick	Proposed Condos at Great Wolf Lodge	Lake Delton
		Proposed Resort w/ Indoor Waterpark	Lake Delton
<u>SOUTH CAROLINA</u>		Proposed Wavepoint Resort	Little Sturgeon
Myrtle Waves Waterpark	Myrtle Beach	& Marina	Bay
Proposed Indoor Waterpark Resort	Summerton	Holiday Inn & Waterpark	Madison
		Waters of Minocqua Resort	Minocqua
<u>TENNESSEE</u>		Proposed Indoor Waterpark Resort	Pleasant Prairie
Proposed Indoor Waterpark Resort	Chattanooga	Blue Harbor Resort	Sheboygan
Wild Bear Falls Indoor Waterpark	Gatlinburg	Proposed Indoor Waterpark Resort	Sheboygan
Proposed Indoor Waterpark Resort	Jellico	Proposed Sheboygan Condominiums	Sheboygan
Proposed Waterpark Addition to Hotel	Johnson City	Three Bears Lodge	Warrens
Proposed Waterpark Resort	Nashville	Proposed Indoor Waterpark Resort	Wausau
Proposed Waterpark Addition to Hotel	Nashville	Wilderness Resort	Wisconsin Dells
Proposed Indoor Waterpark Resort	Pigeon Forge	Kalahari Resort	Wisconsin Dells
Proposed Resort	Pigeon Forge	Great Wolf Lodge	Wisconsin Dells
Wilderness Resort	Sevierville	Proposed Resort w/ Indoor Waterpark	Wisconsin Dells
Proposed Wyndham Hotel	Sevierville		
		<u>CANADA</u>	
<u>TEXAS</u>		<u>ALBERTA</u>	
Great Wolf Lodge	Grapevine	Proposed Indoor Waterpark Resort	Grand Prairie
<u>UTAH</u>		<u>NOVA SCOTIA</u>	
Proposed Indoor Waterpark Resort	Park City	Proposed Indoor Waterpark Resort	Truro
Proposed Indoor Waterpark Addition	Salt Lake City		
Proposed Indoor Waterpark Resort	Sandy	<u>ONTARIO</u>	
Proposed Indoor Waterpark Resort	Springville	Splash Canyon Waterpark	Barrie
		Great Falls Lodge	Niagara Falls
<u>VERMONT</u>		Proposed Indoor Waterpark Resort	Niagara Falls
Proposed Waterpark Addition	Burlington	Proposed Indoor Waterpark Resort	Boblo Island

**PARTIAL LIST OF GOLF COURSES, COUNTRY CLUBS & SKI AREAS APPRAISED OR STUDIED
BY CONSULTANTS OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

CALIFORNIA

Desert Springs JW Marriott Palm Desert

CONNECTICUT

Powder Ridge Ski Resort Middlefield

COLORADO

Keystone Mountain Keystone

FLORIDA

Copperhead Golf Club Lehigh Acres

GEORGIA

Golf Driving Range Statesboro

HAWAII

Westin Kauai Resort - Proposed Golf Course Kauai

IOWA

Proposed Resort and Golf Course Amana

KENTUCKY

Proposed Residential and Golf Course Development Harodsburg

MICHIGAN

Ostego Club Ski Resort and Golf Course Gaylord

Double JJ Resort and Golf Course Rothbury

MINNESOTA

Grand View Lodge Golf Course Nisswa

MISSOURI

Golf Course Camdenton

NEVADA

Stallion Mountain Country Club Las Vegas

NEW JERSEY

Pine Hill Golf Club Pine Hill

NEW YORK

Proposed Greek Peak Ski Area Cortland

Proposed Hope Lake Golf Course Cortland

Holiday Valley Golf Course Ellicottville

Hudson Valley Resort and Golf Course Kerhonkson

Holiday Mountain Ski Resort Monticello

Lodge at Woodcliff and Golf Course Rochester

Windham Mountain Ski Area Windham

NORTH CAROLINA

Proposed Penland Golf Course Spruce Pine

OHIO

Red Tail Golf Club Avon

Aqua Marine Resort Golf Course Avon Lake

Glenmoor Club Canton

Five Seasons Sports Country Club Cincinnati

Proposed Golf Course Cincinnati

Phoenix Golf Course Columbus

Renaissance Quail Hollow and Golf Course Concord Township

Proposed Golf Course Jackson Township

Shaker Run Hotel & Golf Course Lebanon

Five Seasons Sports Country Club Westlake

PENNSYLVANIA

Seven Springs Resort and Golf Course Champion

Big Boulder Ski Area Kidder Township

Proposed Jack Frost National Golf Course and Ski Resort Kidder Township

Resort at Split Rock and Golf Course Lake Harmony

Willow Valley Resort and Golf Course Lancaster

Heritage Hills Golf Resort York

SOUTH CAROLINA

Kingston Plantation and Golf Course Myrtle Beach

VERMONT

Stratton Mountain Stratton

VIRGINIA

Keswick Club and Subdivision Charlottesville

Homestead Resort Hot Springs

WASHINGTON

Proposed Resort w/ Golf Course Moses Lake

WISCONSIN

Mount Telemark Cable

Lake Lawn Resort and Golf Course Delavan

American Club Kohler

Grand Geneva Resort Lake Geneva

Proposed Resort with Golf Course Little Sturgeon Bay

Trappers Turn Golf Course and Proposed Resort Wisconsin Dells

**PARTIAL LIST OF GOLF COURSES, COUNTRY CLUBS & SKI AREAS APPRAISED OR STUDIED
BY CONSULTANTS OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

**PARTIAL LIST OF RESTAURANTS AND CLUBS APPRAISED OR STUDIED
BY CONSULTANTS OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

FLORIDA

Quaker Steak and Lube (proposed) Sarasota

KENTUCKY

Former Restaurant Lexington

INDIANA

Proposed Restaurant and Banquet Center Jasper

MICHIGAN

Gandy Dancer Ann Arbor
Charley's Crab Grand Rapids
Meriwether's Southfield
River Crab & Blue Water Inn St. Clair
Charley's Crab Troy

NEW YORK

Quaker Steak and Lube (proposed) Clarence
21 Club New York

NORTH CAROLINA

City Club of Gastonia Gastonia

OHIO

L&K Restaurant Chester
Prop. Colonial Arcade Restaurant Cleveland
Prop. Restaurant at Cleveland Athletic Club Cleveland
Engine House #5 Columbus
Prop. Microbrewery and Restaurant Findlay
Prop. Dinner Theater at Chippewa Lake Medina
Prop. Valentino's Restaurant Middleburg Heights
Five Seasons Club Westlake

PENNSYLVANIA

Boston's Restaurant Erie
Quaker Steak and Lube Erie
Safari Steakhouse Restaurants Erie
Grand Concourse Pittsburgh
Big Fish West
Conshohocken

Note: Refer to the list of Hotels & Resorts for additional hotels and resorts with food and beverage outlets.

**PARTIAL LIST OF CONFERENCE, CONVENTION AND EXPOSITION CENTERS APPRAISED OR STUDIED
BY CONSULTANTS OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

ARIZONA

Proposed Conference Center Mesa

CALIFORNIA

JW Marriott Resort Palm Desert

COLORADO

Proposed Indoor Waterpark Resort Colorado Springs

FLORIDA

Germain Arena Estero

South Seas Resort (proposed) Orlando

GEORGIA

Crowne Plaza Ravinia Atlanta

Radisson Hotel Atlanta

HAWAII

Westin Kauai Resort Kauai

ILLINOIS

Crowne Plaza Hotel Chicago

Holiday Inn O'Hare Chicago

Omni Hotel (proposed) Chicago

Westin Hotel Chicago

Radisson Suites Downers Grove

Proposed Hilton Garden Inn Effingham

Sheraton Suites Elk Grove Village

Fox Lake Resort (proposed) Fox Lake

KeyLime Cove Gurnee

Full-Service Hotel at Sears
(proposed) Hoffman Estates

Hilton Garden Inn & Conference Ctr. Kankakee

Mattoon Conference Ctr. Mattoon

Adam's Mark Hotel Northbrook

Northbrook Hilton Northbrook

Holiday Inn Brandywine Peoria

Holiday Inn City Center Peoria

Doubletree O'Hare Rosemont

Holiday Inn O'Hare Rosemont

Holiday Inn Schaumburg

Marriott Schaumburg Schaumburg

Conference Center Hotel (proposed) Woodridge

INDIANA

Proposed Conference Center Columbus

Proposed Hotel & Conference Center Fishers

Embassy Suites Downtown Indianapolis

Embassy Suites North Indianapolis

Harrison Inn & Conference Center
(proposed) Indianapolis

Holiday Inn Select North Indianapolis

Omni Severin Hotel Indianapolis

Omni Indianapolis North Hotel Indianapolis

Proposed 750-room Hotel Indianapolis

Proposed Banquet and Conference
Center Indianapolis

University Place Hotel Indianapolis

Performing Arts Theater (proposed) Lawrenceburg

Proposed Hotel & Conference Center Lawrenceburg

Luxury Hotel (proposed) Madison

Radisson Star Plaza Merrillville

Holiday Inn (proposed) Mishawaka

Holiday Inn Shelbyville

Proposed Indoor Waterpark Resort Shipshewana

Proposed Hotel with Conference
Center South Bend

IOWA

Holiday Inn Amana Colonies Amana

Proposed Indoor Water Park Resort Amana

Marriott Hotel Des Moines

KENTUCKY

Drawbridge Inn Fort Mitchell

Holiday Inn Louisville

LOUISIANA

Omni Royal Orleans Hotel New Orleans

Royal Sonesta New Orleans

Windsor Court New Orleans

MARYLAND

Proposed Crosswinds Resort &
Conference Center Linthicum

Proposed Renaissance Hotel and
Conference Center Linthicum

MASSACHUSETTS

Wyndham Copley Plaza Boston

Holiday Inn Boxborough

Best Western Fitchburg & Trade Ctr. Fitchburg

MICHIGAN

Brooke Lodge Augusta

Compuware Sports Arena Detroit

DTE Energy Music Theatre Detroit

Hilton Garden Inn Detroit

The Palace @ Auburn Hills Detroit

Marriott Hotel East Lansing

**PARTIAL LIST OF CONFERENCE, CONVENTION AND EXPOSITION CENTERS APPRAISED OR STUDIED
BY CONSULTANTS OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

Crowne Plaza	Grand Rapids	Radisson Hotel	Corning
Holiday Inn	Grayling	Greek Peak Resort	Cortland
Radisson Hotel	Kalamazoo	Proposed Glacier Lakes Resort	Farmington
Clarion Hotel & Conference Center	Lansing	Radisson Hotel	Henrietta
Proposed Hotels and Conference Center	Lansing	Hudson Valley Resort	Kerhonkson
Holiday Inn Lansing - South	Lansing (South)	Holiday Inn	Orangeburg
Holiday Inn Lansing - West	Lansing (West)	Six Flags Resort (proposed)	Queensbury
Double J Resort	Rothbury	Lodge At Woodcliff	Rochester
Proposed Hotel and Conference Ctr.	Romulus	Ramada Inn & Convention Center	Schenectady
Radisson Town Center	Southfield		
Condo Hotel & Conf. Ctr. Resort (proposed)	Traverse City	<u>NORTH CAROLINA</u>	
		Proposed Convention Hotel	Asheville
		Renaissance by Marriott	Asheville
		Holiday Inn (proposed)	Raleigh
<u>MINNESOTA</u>			
Northland Inn	Brooklyn Park		
Holiday Inn	Duluth	<u>NORTH DAKOTA</u>	
Holiday Inn Metrodome	Minneapolis	Alerus Convention Center Hotel	Grand Forks
Radisson Hotel - Metrodome	Minneapolis		
Proposed Indoor Waterpark Resort	Nisswa	<u>OHIO</u>	
Holiday Inn City Center	Rochester	Quaker Square Hilton	Akron
Holiday Inn St. Paul North	St. Paul	Ohio University Inn	Athens
		Bertram Inn & Conference Center	Aurora
<u>MISSISSIPPI</u>		I-X Convention Center	Berea
Harvey Hotel Downtown	Jackson	Glenmoor Club	Canton
Holiday Inn Select (Proposed)	Jackson	Firststar Arena	Cincinnati
		Holiday Inn Eastgate	Cincinnati
<u>MISSOURI</u>		Hyatt Regency	Cincinnati
Proposed Wilderness Resort & Conference Center	Hollister	Holiday Inn - Lakeside	Cleveland
Crowne Plaza	Jackson	Marriott Downtown	Cleveland
Chase Park Plaza & Conference Center	St. Louis	Sheraton - City Center	Cleveland
Holiday Inn Select	St. Louis	Concourse Hotel	Columbus
		Convention Center Hotel (proposed)	Columbus
<u>NEW HAMPSHIRE</u>		Hyatt Regency	Columbus
Holiday Inn	Concord	Marriott North	Columbus
Holiday Inn	Manchester	Proposed 300-room Hotel	Columbus
		Westin Great Southern	Columbus
<u>NEW JERSEY</u>		Renaissance Quail Hollow	Concord Twp.
Crowne Plaza	Edison	Sheraton Suites	Cuyahoga Falls
Renaissance Hotel	Rutherford	Doubletree Guest Suites	Dayton
Holiday Inn	Somerset	Stouffers Renaissance	Dayton
Clinton Inn	Tenafly	Wyndham Dublin Hotel	Dublin
		Radisson Hotel	Eastlake
<u>NEVADA</u>		Clarion Hotel	Eastlake
Embassy Suites	Las Vegas	Proposed Hotels and Conference Center	Fairborn
		Hilton	Fairlawn
<u>NEW YORK</u>		Hancock County Fairgrounds and Civic Center (proposed)	Findlay
Proposed Conference Center	Auburn	Marriott Hotel (proposed)	Independence

**PARTIAL LIST OF CONFERENCE, CONVENTION AND EXPOSITION CENTERS APPRAISED OR STUDIED
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Marion Conference Center (proposed)	Marion	Embassy Suites	Myrtle Beach
Great Wolf Lodge Conference Center	Mason	Hilton Resort	Myrtle Beach
Proposed Conference Center at Chippewa Lake	Medina		
Holiday Inn Dayton Mall	Miamisburg	<u>TENNESSEE</u>	
Convention Center (proposed)	Middletown	Proposed Resort and Conference Center	Nashville
Manchester Inn	Middletown	Proposed Resort with Conference Ctr	Pigeon Forge
Cherry Valley Lodge	Newark	Wilderness Resort and Expo Ctr.	Sevierville
Proposed OSU Conference Center	Newark		
Holiday Inn French Quarter	Perrysburg	<u>TEXAS</u>	
Proposed Hotel & Conference Center	Piqua	Crowne Plaza (proposed)	Addison
Proposed Resort & Conference Ctr.	Port Clinton	Harvey Hotel	Dallas
Holiday Inn - North	Sharonville	Holiday Inn - Market Center	Dallas
Exposition Center (proposed)	Springfield	Holiday Inn Select – Downtown (proposed)	Dallas
Holiday Inn Select	Strongsville	Holiday Inn Select - North	Dallas
Toledo Marriott Portside	Toledo	Sheraton Hotel	Fort Worth
Toledo Hilton Inn	Toledo	Great Wolf Lodge & Conference Ctr.	Grapevine
		Crowne Plaza - Galleria	Houston
<u>OKLAHOMA</u>		Harvey Hotel	Irving
Embassy Suites	Oklahoma City	Harvey Hotel	Plano
Holiday Inn	Oklahoma City		
		<u>UTAH</u>	
<u>PENNSYLVANIA</u>		Sheraton City Center	Salt Lake City
Proposed Resort	Beaver Falls		
Proposed Resort	Centre	<u>VERMONT</u>	
Seven Springs Resort	Champion	Sheraton Hotel & Conference Ctr.	Burlington
Best Western Hotel and Conference Center	Concordville		
Downtown Full-Service Hotel (proposed)	Erie	<u>VIRGINIA</u>	
Holiday Inn Harrisburg Hotel & Conference Ctr.	Harrisburg	Proposed Resort & Conference Ctr.	Ashland
Radisson Hotel & Conference Ctr.	Harrisburg	Holiday Inn & Conference Center	Chesapeake
Resort at Split Rock	Lake Harmony	Kalahari Resort & Conference Ctr.	Fredericksburg
Willow Valley Resort	Lancaster	Proposed Resort & Conference Ctr.	Fredericksburg
Sheraton - Northeast	Philadelphia	Homestead Resort	Hot Springs
Marriott Hotel	Pittsburgh	Indoor Waterpark Resort	Williamsburg
Westin William Penn	Pittsburgh		
Proposed Resort & Conference Ctr.	Tannersville	<u>WASHINGTON</u>	
Holiday Inn Meadowlands	Washington	Great Wolf Lodge (proposed)	Centralia
Heritage Hills Resort and Conference Center	York	Holiday Inn	Renton
<u>RHODE ISLAND</u>		<u>WEST VIRGINIA</u>	
Providence Marriott	Providence	Proposed Resort & Conference Ctr.	Fairmont
		Holiday Inn	Morgantown
		Holiday Inn	Weirton
		Proposed Indoor Waterpark Resort	Wheeling
<u>SOUTH CAROLINA</u>			
Charleston Place Hotel	Charleston	<u>WISCONSIN</u>	
Orient Express Hotel	Charleston	Hotel & Conference Center (proposed)	Appleton
Omni Hotel at Charleston Place	Charleston		

**PARTIAL LIST OF CONFERENCE, CONVENTION AND EXPOSITION CENTERS APPRAISED OR STUDIED
BY CONSULTANTS OF HOTEL & LEISURE ADVISORS AT VARIOUS FIRMS**

Paper Valley Hotel	Appleton
Sheraton Hotel (proposed)	Appleton
Inn at Mount Telemark	Cable
Lake Lawn Resort	Delavan
American Club	Kohler
Grand Geneva Resort	Lake Geneva
Proposed Wave Point Resort	Little Sturgeon Bay
Crowne Plaza	Madison
Convention Center (proposed)	Madison
Holiday Inn Conference Center	Marshfield
Sheraton Four Points	Milwaukee
Marriott Hotel	Racine
Blue Harbor Resort	Sheboygan
Holiday Inn Convention Center	Stevens Point
Kalahari Resort & Convention Ctr.	Wisconsin Dells
Proposed Resort & Conference Ctr.	Wisconsin Dells
Wilderness Resort & Conference Ctr.	Wisconsin Dells

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Professional Affiliations

International Association of Amusement Parks and Attractions (IAAPA)
World Waterpark Association (WWA)
WWA's Waterpark Resort Task Force
Appraisal Institute, MAI (Former President, Northern Ohio Chapter)
The Appraisal Journal Review Panel
American Institute of Certified Public Accountants (AICPA)
Cornell Hotel Society (Past Treasurer - Chicago, IL chapter)
International Society of Hospitality Consultants (ISHC)
Ohio Travel Association
Ohio Hotel and Lodging Association
Meeting Planners International
National Golf Foundation
National Ski Areas Association
American Resort Development Association

Education

Bachelor of Science, Hotel Administration, Cornell University, 1984
Various International Society of Hospitality Consultants, Appraisal Institute, & CPA continuing education courses

Experience

- President, Hotel & Leisure Advisors, Cleveland, Ohio, 2005 –
- Director of Hospitality Consulting and Principal in Cleveland office, US Realty Consultants, Inc., Cleveland and Columbus, Ohio, 1992-2005
- Financial & Training Consultant with Malawi National Credit Union League (US Peace Corps), Malawi, Africa, 1989-1991.
- Senior Consultant in the Hospitality Group of Pannell Kerr Forster, Chicago, Illinois, 1987-1989.
- Management positions with four Westin Hotels and Resorts in Cincinnati, Chicago, New York, and Fort Lauderdale - 1983-1987.

Mr. Sangree's expertise is in the appraisal and analysis of hotels, resorts, indoor waterpark resorts, waterparks, amusement parks, conference centers, ski resorts, and golf courses. He has performed studies on more than 1,000 existing and proposed hotels

in more than 46 states in all price ranges including economy, full-service, extended-stay, and luxury hotels and resorts including indoor waterpark resorts.

He has extensive experience in performing market and feasibility studies, impact analysis, appraisals, financial analysis and performance projections, site selection, and financial reviews for hospitality properties. He has been an active appraiser/consultant since 1987 and also has 10 years of work experience in the hotel/restaurant industry including management positions with four Westin Hotels properties. He also performs feasibility studies, appraisals, and economic impact analysis for proposed and existing ski areas, waterparks, amusement parks, conference and convention centers, arenas and entertainment centers. He is active in the analysis and valuation of land and other income-producing property types including casinos, golf courses, office, retail centers, housing developments, and multi-property portfolios.

Mr. Sangree is a nationally recognized expert on indoor waterpark resorts and has visited most of the open waterpark properties in the United States and Canada. He has performed more than 200 studies of hotels and resorts with indoor waterparks since 1999, and he maintains a database of statistical information concerning indoor waterpark resorts. Mr. Sangree was named in 2008 one of *Aquatics International Magazine's* "Power 25." *Aquatics International* publishes an annual list of professionals it deems the most powerful people in the aquatics industry. Mr. Sangree was profiled as one of the first consultants serving the waterpark resort industry and for his expertise and experience in shaping some of the latest industry trends. Mr. Sangree has appeared on Good Morning America and CNBC on special reports concerning resorts and waterparks.

State Certification

Certified as a General Real Estate Appraiser in the states of Ohio, Michigan, Illinois, New York, Pennsylvania, and Georgia. Temporary certification available in all other states. Certified as a Public Accountant in the state of Ohio.

Published Articles

"Waterpark Resorts Supply and Demand 2010 Update" *Hotel Online*, June 2010
"Financing your Indoor Waterpark Resort in 2010" *Hotel News Now*, June 2010
"2009 Median Hotel Prices Plummet – Is it Time to Appeal Your Property Taxes?" *Hotel Online*, November 2009
"Financing Your Indoor Waterpark Resort in 2009" *Hotel Online*, September 2009
"Outdoor Waterparks: Private vs. Municipal" *Aquatics International*, September, 2009
"Indoor Waterpark Supply and Demand Mid-Year 2009 Update" *Hotel Online*, July 2009
"Indoor Waterpark Resort Supply Grows and Faces Challenges in 2009" *Hotel News Now* February, 2009
"Dealing With the Economic Downturn: 10 Ideas for Hotels and Resorts" *Hotel Online*, December, 2008
"Cleveland's Second Wind: 2008 Overview" *Hotel Online*, September, 2008
"Financing Your Indoor Waterpark," *World Waterpark Association's 2008 Development and Expansion Guide*
"Indoor Waterparks Surfing a Wave in North America in '08" *Hotel Online*, July 2008 and *Water Leisure and Lodging*, July, 2008
"Economic Impact Studies Help Land Financing" *Hotel Motel Management*, May 2008
"Unique Ways for Resorts to Radically Increase Revenue" *Developments Magazine an ARDA Publication*, April, 2008

"Indoor Waterparks Supply and Demand Growth in '07," *Lodging Hospitality*, September 2007

"Appraisal & Market Analysis of Indoor Waterpark Resorts," *Waterpark Development and Expansion Guide '07*

"Financing Your Indoor Waterpark Resort," *Waterpark Development and Expansion Guide '07 and Hotel Online*, August 2007

"Indoor Waterparks Make a Bigger Splash in North America," *Water Leisure & Lodging 2007 and Hotel Online*, July 2007

"Waterpark Resorts Top 10 by Revenue," *Waterpark Resorts Today Annual IT Book*, 2007-2008

"Number of Indoor Waterpark Destination Resorts Grow in 2007," *Hotel Online*, February 2007

"Riding the Wave, Indoor Waterpark Resort Numbers Increase in '06" *Water Leisure and Lodging and Hotel Online*, September 2006

"Appraisal & Market Analysis of Indoor Waterpark Resorts," *Waterpark Development and Expansion Guide '06 and Hotel Online*, September 2006

"Financing Your Indoor Waterpark Resort," *Waterpark Development and Expansion Guide '06 and Hotel Online*, September 2006

"Adding a Waterpark to a Hotel: Is it a Good Idea?" *Hotel & Motel Management*, June 2006

"Midwest Whets Appetite for Indoor Waterparks," *Heartland Real Estate Business*, May 2006

"Ohio's Lodging Market: Historical Analysis & 2006 Forecast," *Hotel Online*, March 2006

"Indoor Waterparks and Hotels, a Case Study," *Hotel Investment Issues and Perspectives Fourth Edition*, January 2006 & *Hotel Online*, February, 2006

"Indoor Waterpark Destination Resorts, a Growing Trend," *Aquatics Magazine*, October 2005

"Splashtacular Growth," *Water Leisure and Lodging*, September 2005

"Hotel Capitalization Rates Drop Further," *Hotel Online*, May 2005

"Indoor Waterpark Resorts Continue Growth in '05," *Midwest Real Estate News*, May 2005

"Hotel Condominium Sales Grow at Indoor Waterpark Resorts," *Hotel Motel Management*, April 2005

"Cleveland's Lodging Market: a Slow Climb Back," *Hotel Online*, February 2005

"Indoor Waterpark Resorts Continue Impressive Growth in '05," *Hotel Online*, January 2005

"Splashtacular Growth of Indoor Waterpark Resorts," *World Waterpark Magazine*, October 2004

"Financing Challenges for Indoor Waterpark Resorts," *World Waterpark Development and Expansion Guide 2004-2005*

"Indoor Waterparks Appeal to Hotels, Large Destination Resorts," *Hotel Motel Management*, July 2004

"Indoor Waterpark Resorts Expand Nationwide," *Hotel Online*, April 2004

"Hotel Capitalization Rates Drop," *Hotel Online*, March 2004

"Cleveland Market at Bottom with Improvement Predicted," *Hotel Online*, January 2004

"Appraisal and Financing of Indoor Waterpark Resorts," *Hotel Online*, October 2003 & *World Waterpark Development and Expansion Guide*, 2004

"Indoor Waterpark Resorts: Independent Versus Franchised," *USRC Hospitality Perspectives*, Spring 2003

"Indoor Waterpark Resorts Enjoy Competitive Advantages over Traditional Hotels," *Lodging Hospitality*, May 2003

"War in Iraq Expected to Have Limited Effect on Hotel Values," *Hotel Motel Management*, May 2003

"Cleveland Hospitality Market Faces Increased Vacancies," *Heartland Business*, March 2003
"Hotel Capitalization Rates Drop," *Hotel Online*, February 2003 and *USRC Hospitality Perspectives* Spring 2003
"Analyzing the Impact of a New Hotel on Existing Properties," *AAHOA Lodging Business*, October 2002
"Indoor Waterpark Resorts Make a Splash in Midwest," *Hotel Motel Management*, August 2002
"Full-service Hotel Capitalization Rates Jump," *Hotel Interactive*, April 2002 and *USRC Hospitality Perspectives*, Winter/Spring 2002
"Midwest Cities Drop in Occupancy," *USRC Hospitality Perspectives*, Winter/Spring 2002
"Recession Aids Capitalization Rate Increase for Full-service Hotels," *Hotel Motel Management*, February 2002
"Investors Demand Higher Capitalization Rates from Hoteliers," *Hotel Motel Management*, February 2001
"Investment Parameters Rising in the Limited and Full-service Sectors," *Lodging Real Estate*, May 2000
"Hotel Capitalization Rates Start to Rise," *USRC Hospitality Perspectives*, Fall/Winter 1999/2000
"Northern Operators Test Waters for Indoor Recreation Areas," *Hotel Motel Management*, February 2000
"Midwest Cities Continue New Hotel Expansion," *USRC Hospitality Perspectives*, Fall/Winter 1999/2000
"Hotel Capitalization Rates Continue to Rise," *UNLV Hospitality Financial Management Review*, Winter 2000
"Hotel Investments on Rise," *USRC Hospitality Perspectives*, Fall/Winter 1998/1999
"Hotel Investments Nearing Replacement Cost," *USRC Hospitality Perspectives*, Summer/Fall 1997
"Hotel Investments Shows Strong Improvement," *USRC Hospitality Perspectives*, Summer 1996
"Trends in Hotel Management Contracts," *Cornell Hotel and Restaurant Quarterly*, October 1996
"Management Fees Survey," *USRC Hospitality Perspectives*, Fall/Winter 1995/1996
"Dramatic Expansion Continues for Chicago Hotel Market," *Chicago Commerce Magazine*, 1988

Quoted extensively in *CNN.com*, *Columbus Business First*, *Columbus Monthly*, *Hotel Business*, *Chicago Sun Times*, *Columbus Dispatch*, *Cleveland Crain's*, *Cleveland Plain Dealer*, *Cincinnati Business Courier*, *Fort Myers News-Press*, *Hotel Interactive*, *Cornell Hotel and Restaurant Quarterly*, *Meeting News*, *Aquatics International*, *Midwest Real Estate News*, *New York Times*, *CNBC*, *Albany Times Union*, *RCI Ventures*, *Time Magazine*, *USA Today*, and other publications. He has appeared on *CNBC* and *ABC* on segments concerning resorts and waterparks.

Recent Major Speaking Engagements

"Indoor Waterpark Resorts: Where Are the Opportunities"
July 2010 at the Midwest Lodging Investors Summit in Chicago, IL
"Opportunities for Innovation" April 2010 at the Cornell University School of Hotel Administration's Hotel Ezra Cornell (HEC) conference
"How to Analyze the Market and Determine Economic Feasibility" October 2009 at the World Waterpark Association Development Workshop in Orlando
"Case Study Presentation on Performing a Market Feasibility Study" October 2009 at the

International Society of Hospitality Consultants annual conference in Québec City
"Insights into 2010 Market Performance" October 2009 - a video segment on Hotel News Network interviewing Mr. Sangree along with other leading ISHC consultants
"Hotel Financing Track - Taking Advantage of Distress: Where are the Opportunities?" July 2009 at the Midwest Lodging Investors Summit in Chicago, IL
"How to Analyze the Market and Determine Economic Feasibility" October 2008 at the World Waterpark Association Development Workshop in Las Vegas, NV
"Indoor Waterpark Resorts" July 2008 at the Midwest Lodging Investors Summit in Chicago, IL
"Seminar on Hospitality Industry" February 2008 at the Northern Ohio Chapter of the Appraisal Institute quarterly meeting in Cleveland, OH
"Challenges of Obtaining Financing for Indoor Waterpark Resorts." November 2007 at the World Resort Leadership and Development Conference in Orlando, FL
"How to Analyze the Market and Determine Economic Feasibility," October 2007 at the World Waterpark Association Conference in Palm Springs, CA
"Industry Outlook and Trends," October 2007 at the World Waterpark Association Conference in Palm Springs, CA
Port Clinton Ohio City Council Meeting, Provided description of resort feasibility study and economic impact study performed for the city council and attendees in September and October, 2007
"Water Park Wars" An in depth news segment on Good Morning America on June 23, 2007 featured Mr. Sangree as an interviewee
"Financing 101: Preparing Financial Projections and Obtaining Financing for Indoor Waterpark Resorts," November 2006 at the Waterpark Resorts Leadership and Development Conference (WRLD) in Las Vegas, NV
"How to Analyze the Market and Determine Economic Feasibility," October 2006 at the World Waterpark Association Conference in Orlando, FL
"Feasibility Analysis for Indoor Waterpark Resorts," October 2006 at Cornell University's School of Hotel Administration Development Class
"Indoor Waterparks and Hotels," January 2006 at ALIS (America's Lodging Investment Summit) conference in Los Angeles
"Indoor Waterpark Resorts - Feasibility and Statistics," November 2005 at International Association of Amusement Parks and Attractions (IAAPA) conference in Atlanta
"Indoor Waterpark Destination Resorts" and "Market Feasibility Study Methodology," October 2005 at the World Waterpark Association conference in Las Vegas
"Financing Challenges for Hotel Indoor Waterparks Resorts," October 2004 at the World Waterpark Association conference in Fort Lauderdale, Florida
"Buy, Sale, or Refinance: Which One of These Is in Your Future," June 2004 at the Best Western regional conference, Detroit, Michigan
"Trends in Hotel Values," March 2004 at the Hotel Investment Conference, Atlanta, Georgia
"Appraising and Financing Hotel Indoor Waterpark Resorts," October 2003 at the World Waterpark Association conference in Palm Springs, California
"Underwriting and Market Analysis," September 2003 at the International Society of Hospitality Consultants conference in Chicago, Illinois
"Buying and Selling Hotels Panel," March 2003 at the Hotel Investment Conference, Atlanta, Georgia
"Analysis of Indoor Waterparks Impact on Resort Performance," September, 2002 at the International Society of Hospitality Consultant's conference in Montréal, Canada
"Changes in Hotel Capitalization Rates," January 2002 at the Hotel Brokers International Annual Conference, Orlando, Florida

Recent Litigation Assignments Involving Expert Testimony

San Diego Superior Court (2010)

Re: La Costa Resort and Spa, Carlsbad, California

Board of Revisions Tax Appeal (2010)

Re: Crowne Plaza and Fairfield Inn, Sharonville, Ohio

United States Bankruptcy Court (2010)

Re: Peek 'n Peak Resort, Findley Lake, New York

Board of Review Tax Appeal, Lake Delton, Wisconsin (2009)

Re: Great Wolf Lodge Wisconsin Dells

Board of Revisions Tax Appeal (2008)

Re: Residence Inn, Cleveland, Ohio

Marion County Indiana Superior Court (2008)

Re: Indiana Stadium and Convention Building Authority vs. Michael A. Maio

New York Supreme Court, Niagara County (2008)

Re: Splash Outdoor Waterpark

State of Virginia Circuit Court (2005 and 2008)

Re: Keswick Club, Charlottesville, Virginia

Board of Revision Tax Appeal (2006)

Re: Five Seasons Country Club, Cincinnati, Ohio

Board of Revision Tax Appeals (2005)

Re: Various Residence Inns, Hilton Garden Inn, Embassy Suites, Cuyahoga County, Ohio

United States Bankruptcy Court (2004)

Re: Days Inn, Monroeville, Pennsylvania

State of Florida Circuit Court (2004)

Re: Howard Johnson Plaza, Orlando, Florida

Board of Revision Tax Appeal (2003)

Re: Preston Hotel, Sharonville, Ohio

College Park Holdings, LLC versus RaceTrac Petroleum, Inc. (2002)

Re: Radisson Hotel-Old National Highway, College Park, Georgia

Board of Revision Tax Appeal (2003)

Re: Radisson Gateway Hotel, Cleveland, Ohio

Nationwide Insurance versus Motor Inn, Inc. (2003)

Re: Drawbridge Inn, Fort Mitchell, Kentucky

Historical Clients (Partial Listing)

American Youth Hostels
Baker & Hostetler
Bancorp South
Bank of America
Bank of Nova Scotia
Best Western International
BMV Hospitality
Brilyn Inc.
Buffalo Lodging Associates
Capmark Financial
Capstone Realty Advisors
Cedar Fair
Choice Hotels International
Citizens Financial Bank
CIBC
Citicorp Real Estate, Inc.
CNL Income Corporation
Columbia Sussex
Columbus Convention & Visitors Bureau
Comfort Inn
Commercial Mortgage Corporation
Concord Columbus Limited Partnership
Concord Hospitality Enterprises Co.
Continental Companies
Corporex
Days Inns Worldwide Inc.
DBG Enterprises, Inc.
Deutsche Bank
Dillon International
Dinsmore & Shohl LLP
Emerald Hospitality
Fifth Third Bank
First Bank of Arizona
First Hospitality Company LLC
Floridian Motel
Focus Hotels
Fort Findlay Brewing Company
Franklin County Convention Facilities
GE Capital Real Estate
Glen Properties
Greenwich Capital
Great Wolf Resorts
Grobmyer Associates
H & W Management Inc.
Harrison Inn
Holiday Inn Express
Homestead Village
Hotel Development Services LLC
Hostmark Hospitality Group
HP Development LLC
Huntington National Bank
Huron Partners
Impac Hotel Group
Indiana Motel Developers, Inc.
Indianapolis Bond Bank
Intercontinental Hotels & Resorts
istar Financial
I-X Center Corporation
Kalahari Resorts
JP Morgan Chase
Landcor Hospitality
Lawrenceburg Redevelopment Commission
Lehman Brothers
Lend Lease
Life Start Wellness Network
M & T Bank
Lowe Gray Steele & Darko, LLP.
Madden Group, Inc.
Marion Cando
Marriott Corporation
Marshall BankFirst
Mcardle Enterprises
Meander Hospitality Group
Meridian Pacific, Ltd.
Metropolitan Life
Michigan State University
Middletown Convention & Visitors Bureau
Mortgage Company of Indiana
MTB Corporation
National City Bank
Nationwide Insurance
Nationwide Realty
New Castle Hotel Group
Nomura Capital
Ocwen Financial Corp.
Ohio Equities, Inc.
Orient Express Hotels
Ohio State University
Overseas Chinese Bank
P & G Hospitality Group
P & S LLC
Peak Resorts Inc.
Peoples Bank of Western Pennsylvania
Petro Environmental Tech. Inc.
Pharmacia & Upjohn
Piqua Improvement Corporation
Prudential Mortgage Capital
Ramada Franchise Systems, Inc.
Roscoe Village Foundation
Rockbridge Capital, Inc.
S & T Bank
Schacet Companies
Schuler, Plank, Morgan and Braham
Scott Enterprises
Sheraton Suites
Shree Radha Krishna
Sheboygan Development Council
Six Flags
Solid Waste Authority
Stonehenge Holdings, Inc.
Suburban Press, Inc.
Sunstone Hotels
Sunshine Home Development
The Catlett Corporation
The Trust for Public Land
Timothy Harvey Properties
Towne Development Group, Ltd.
Vanguard Financial Company
Vedant Inc.
Virchow Krause
Washington Mutual
Wells Fargo Bank
Wheeling National Bank
Wilderness Resorts
Wilson Hotel Management Company Inc
Win Sum Ski Corporation
Wyndham Hotels & Resort

Joseph Pierce

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Professional Affiliations

Michigan State University Alumni Association
Hospitality Financial and Technology Professionals
World Waterpark Association
Ohio Travel Association
Ohio Hotel and Lodging Association
National Ski Areas Association
National Golf Foundation
American Resort Development Association

State Certification

Certified as a Registered Real Estate Appraisal Assistant in the State of Ohio

Education

Master of Business Administration in Hospitality Management from Michigan State University, 1981
Bachelor of Science in Accounting from the State University of New York at Brockport, 1978
Completed requirements and passed exam to be Certified Public Accountant, 1981
Various Appraisal Institute courses including:
110 - Appraisal Principles
120 - Appraisal Procedures
310 – Basic Income Capitalization
General Appraiser Income Approach. Part 2
Fair Housing
Real Estate Finance, Statistics, and Valuation Modeling
General Appraiser Market Analysis and Highest and Best Use
General Appraiser Sales Comparison Approach
General Appraiser Site Valuation and Cost Approach
[General Appraiser Report Writing and Case Studies](#) -

Experience

- Senior Associate, Hotel and Leisure Advisors since October 2005, Cleveland, Ohio
- Senior Associate, U S Realty Consultants, Inc. Cleveland, Ohio -2003-2005
- Controller, Clarion Hotel Cleveland Airport West-2002-2003
- Director of Finance and Accounting, Renaissance Cleveland Hotel, Cleveland, Ohio-2000-2001
- Director of Finance and Accounting, South Bend Marriott, South Bend, Indiana - 1998-2000
- General Manager and Controller, the Talbott Hotel, Chicago, Illinois-1988-1997

- Assistant Controller And Cost Analyst, Westin Hotels, Rosemont, Illinois and Detroit, Michigan 1982-1988

Published Articles

"2009 Median Hotel Prices Plummet – Is it Time to Appeal Your Property Taxes? *Hotel Online*, November 2009

"Dealing with an Economic Downturn: Ten Ideas for Hotels and Resorts" *Hotel Online*, December 2008

"Ohio's Lodging Market: Historical Analysis & 2006 Forecast," *Hotel Online*, March 2006

"Cleveland's Lodging Market: a Slow Climb Back," *Hotel Online*, February 2005

"Cleveland Market at Bottom with Improvement Predicted" *Hotel Online*, January 2004

Joseph Pierce has been a hospitality consultant and appraiser since 2003. He has performed appraisals, market feasibility studies, and impact studies in numerous states including numerous projects in Ohio. He has a wide range of experience in operations and accounting for hotels and resorts. During Mr. Pierce's career he has also managed an independently-owned hotel, The Talbott Hotel in Chicago. Mr. Pierce's emphasis is in hospitality related properties.

ADDENDUM II



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Boyne City, MI Selected Properties

January 2004 to April 2010

Currency: USD - US Dollar

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

	Tab
Table of Contents	1
Data by Measure	2
Percent Change by Measure	3
Percent Change by Year	4
Twelve Month Moving Average	5
Day of Week Analysis	6
Raw Data	7
Classic	8
Response Report	9
Help	10
Terms and Conditions	11



Tab 2 - Data by Measure

Boyer City, MI Selected Properties

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

Occupancy (%)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2004	40.5	50.2	43.4	46.1	54.5	68.0	83.1	78.7	72.4	66.7	45.8	44.4	57.9	44.9
2005	42.5	54.2	48.1	51.8	57.9	77.9	89.0	84.5	75.3	69.4	48.1	45.3	62.0	49.0
2006	47.3	57.4	52.8	53.7	61.0	79.8	91.2	85.9	76.2	71.4	50.4	43.4	64.3	52.7
2007	41.8	51.8	47.7	45.6	53.1	71.2	88.4	77.3	74.8	66.7	42.7	40.9	58.7	46.6
2008	40.1	50.3	43.6	43.8	53.2	66.7	86.3	84.1	69.6	67.7	40.0	35.4	56.8	44.3
2009	38.4	46.5	36.2	39.9	49.5	58.4	81.4	78.3	66.2	60.7	41.2	39.0	53.6	40.1
2010	36.0	47.0	38.8	42.2										40.8
Avg	40.7	50.8	44.0	45.9	54.7	69.7	86.3	81.3	72.1	66.8	44.4	41.2	58.6	45.2

ADR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2004	73.61	76.01	70.87	69.72	76.19	92.15	125.96	115.46	84.62	79.63	67.36	73.67	87.87	72.55
2005	72.03	74.71	70.67	70.43	82.01	88.88	126.35	116.41	90.65	85.14	69.68	76.85	89.54	71.96
2006	71.92	75.81	74.36	71.99	82.52	98.82	132.31	125.70	98.78	89.41	76.84	81.81	94.51	73.56
2007	79.42	81.72	81.00	81.59	88.02	108.93	139.33	133.24	107.09	97.85	81.70	88.23	102.68	80.96
2008	82.05	86.24	82.26	79.63	91.74	113.11	135.15	136.03	107.47	100.55	81.91	89.52	104.42	82.62
2009	86.77	84.13	82.04	78.99	94.33	105.49	139.73	133.23	106.15	97.01	77.02	85.99	103.87	83.01
2010	82.65	85.91	81.29	83.42										83.39
Avg	78.40	80.77	77.49	76.52	85.83	101.22	133.42	127.23	99.59	92.01	75.80	82.67	97.34	78.31

RevPAR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2004	29.78	38.18	30.74	32.14	41.52	62.65	104.64	90.92	61.23	53.14	30.85	32.74	50.86	32.58
2005	30.59	40.49	33.96	36.50	47.50	69.21	112.40	98.33	68.23	59.07	33.55	34.82	55.55	35.25
2006	34.00	43.48	39.23	38.68	50.32	78.90	120.69	108.00	75.30	63.84	38.76	35.51	60.73	38.73
2007	33.22	42.30	38.67	37.20	46.70	77.53	123.22	103.01	80.14	65.26	34.89	36.11	60.24	37.74
2008	32.92	43.37	35.84	34.88	48.79	75.42	116.67	114.41	74.77	68.04	32.75	31.72	59.31	36.60
2009	33.28	39.13	29.71	31.55	46.66	61.63	113.71	104.32	70.24	58.85	31.74	33.57	55.68	33.29
2010	29.77	40.40	31.52	35.21										34.06
Avg	31.90	41.03	34.08	35.10	46.95	70.57	115.18	103.44	71.83	61.47	33.67	34.05	57.09	35.39

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2004	18,817	16,996	18,817	18,210	18,817	18,210	18,817	18,817	18,210	18,817	18,210	18,817	221,555	72,840
2005	18,817	16,996	18,817	18,210	18,817	18,210	18,817	18,817	18,210	18,817	18,210	18,817	221,555	72,840
2006	18,817	16,996	18,817	18,210	18,817	18,210	18,817	18,817	18,210	18,817	18,210	18,817	221,555	72,840
2007	18,817	16,996	18,817	18,210	18,817	18,210	18,817	21,359	20,670	21,359	20,670	21,359	234,101	72,840
2008	21,359	19,292	21,359	20,670	21,359	20,670	21,359	21,359	20,670	21,359	20,670	21,359	251,485	82,680
2009	21,359	19,292	21,359	20,670	21,359	23,430	24,211	24,211	23,430	24,211	23,430	24,211	271,173	82,680
2010	24,211	21,868	24,211	23,430										93,720
Avg	20,314	18,348	20,314	19,659	19,664	19,490	20,140	20,563	19,900	20,563	19,900	20,563	236,904	78,634

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2004	7,612	8,536	8,162	8,394	10,254	12,381	15,632	14,818	13,176	12,556	8,339	8,362	128,222	32,704
2005	7,991	9,211	9,042	9,437	10,899	14,179	16,739	15,894	13,706	13,055	8,768	8,525	137,446	35,681
2006	8,895	9,748	9,928	9,785	11,475	14,539	17,164	16,167	13,881	13,435	9,186	8,167	142,370	38,356
2007	7,871	8,797	8,984	8,303	9,983	12,961	16,641	16,513	15,469	14,245	8,826	8,741	137,334	33,955
2008	8,570	9,702	9,305	9,054	11,360	13,783	18,439	17,965	14,380	14,453	8,263	7,569	142,843	36,631
2009	8,193	8,972	7,736	8,255	10,566	13,689	19,703	18,956	15,503	14,687	9,657	9,451	145,368	33,156
2010	8,719	10,284	9,388	9,889										38,280
Avg	8,264	9,321	8,935	9,017	10,756	13,589	17,386	16,719	14,353	13,739	8,840	8,469	138,931	35,538

Revenue (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Apr YTD
2004	560,346	648,831	578,436	585,193	781,229	1,140,923	1,969,007	1,710,819	1,114,991	999,863	561,754	615,987	11,267,379	2,372,806
2005	575,604	688,198	639,005	664,655	893,829	1,260,228	2,114,975	1,850,203	1,242,411	1,111,466	610,920	655,130	12,306,624	2,567,462
2006	639,762	739,026	738,231	704,425	946,882	1,436,708	2,270,982	2,032,270	1,371,231	1,201,190	705,881	668,133	13,454,721	2,821,444
2007	625,123	718,847	727,666	677,402	878,706	1,411,803	2,318,611	2,200,230	1,656,542	1,393,847	721,105	771,214	14,101,096	2,749,038
2008	703,134	836,725	765,472	720,999	1,042,160	1,559,021	2,491,949	2,443,708	1,545,439	1,453,246	676,850	677,564	14,916,267	3,026,330
2009	710,881	754,811	634,635	652,066	996,654	1,444,046	2,753,100	2,525,572	1,645,688	1,424,715	743,771	812,737	15,098,676	2,752,393
2010	720,651	883,529	763,142	824,976										3,192,298
Avg	647,929	752,852	692,370	689,959	923,243	1,375,455	2,319,771	2,127,134	1,429,384	1,264,055	670,047	700,128	13,524,127	2,783,110

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Tab 3 - Percent Change from Previous Year - Detail by Measure

Boyer City, MI Selected Properties

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

Occupancy														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2005	5.0	7.9	10.8	12.4	6.3	14.5	7.1	7.3	4.0	4.0	5.1	1.9	7.2	9.1	
2006	11.3	5.8	9.8	3.7	5.3	2.5	2.5	1.7	1.3	2.9	4.8	-4.2	3.6	7.5	
2007	-11.5	-9.8	-9.5	-15.1	-13.0	-10.9	-3.0	-10.0	-1.8	-6.6	-15.4	-5.7	-8.7	-11.5	
2008	-4.1	-2.8	-8.8	-3.9	0.3	-6.3	-2.4	8.8	-7.0	1.5	-6.4	-13.4	-3.2	-5.0	
2009	-4.4	-7.5	-16.9	-8.8	-7.0	-12.4	-5.7	-6.9	-4.9	-10.4	3.1	10.2	-5.6	-9.5	
2010	-6.1	1.1	7.1	5.7										1.9	
Avg	-1.6	-0.9	-1.2	-1.0	-1.6	-2.5	-0.3	0.2	-1.7	-1.7	-1.7	-2.2	-1.3	-1.2	

ADR														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2005	-2.1	-1.7	-0.3	1.0	7.6	-3.5	0.3	0.8	7.1	6.9	3.4	4.3	1.9	-0.8	
2006	-0.1	1.5	5.2	2.2	0.6	11.2	4.7	8.0	9.0	5.0	10.3	6.5	5.5	2.2	
2007	10.4	7.8	8.9	13.3	6.7	10.2	5.3	6.0	8.4	9.4	6.3	7.8	8.6	10.1	
2008	3.3	5.5	1.6	-2.4	4.2	3.8	-3.0	2.1	0.4	2.8	0.3	1.5	1.7	2.0	
2009	5.8	-2.4	-0.3	-0.8	2.8	-6.7	3.4	-2.1	-1.2	-3.5	-6.0	-3.9	-0.5	0.5	
2010	-4.7	2.1	-0.9	5.6										0.5	
Avg	2.1	2.1	2.4	3.2	4.4	3.0	2.1	3.0	4.7	4.1	2.9	3.2	3.5	2.4	

RevPAR														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2005	2.7	6.1	10.5	13.6	14.4	10.5	7.4	8.1	11.4	11.2	8.8	6.4	9.2	8.2	
2006	11.1	7.4	15.5	6.0	5.9	14.0	7.4	9.8	10.4	8.1	15.5	2.0	9.3	9.9	
2007	-2.3	-2.7	-1.4	-3.8	-7.2	-1.7	2.1	-4.6	6.4	2.2	-10.0	1.7	-0.8	-2.6	
2008	-0.9	2.5	-7.3	-6.2	4.5	-2.7	-5.3	11.1	-6.7	4.3	-6.1	-12.1	-1.5	-3.0	
2009	1.1	-9.8	-17.1	-9.6	-4.4	-18.3	-2.5	-8.8	-6.1	-13.5	-3.1	5.8	-6.1	-9.1	
2010	-10.6	3.3	6.1	11.6										2.3	
Avg	0.2	1.1	1.0	1.9	2.7	0.3	1.8	3.1	3.1	2.4	1.0	0.7	2.0	1.0	

Supply														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
2006	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
2007	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.5	13.5	13.5	13.5	13.5	5.7	0.0	
2008	13.5	13.5	13.5	13.5	13.5	13.5	13.5	0.0	0.0	0.0	0.0	0.0	7.4	13.5	
2009	0.0	0.0	0.0	0.0	0.0	13.4	13.4	13.4	13.4	13.4	13.4	13.4	7.8	0.0	
2010	13.4	13.4	13.4	13.4										13.4	
Avg	4.5	4.5	4.5	4.5	2.7	5.4	5.4	5.4	5.4	5.4	5.4	5.4	4.2	4.5	

Demand														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2005	5.0	7.9	10.8	12.4	6.3	14.5	7.1	7.3	4.0	4.0	5.1	1.9	7.2	9.1	
2006	11.3	5.8	9.8	3.7	5.3	2.5	2.5	1.7	1.3	2.9	4.8	-4.2	3.6	7.5	
2007	-11.5	-9.8	-9.5	-15.1	-13.0	-10.9	-3.0	2.1	11.4	6.0	-3.9	7.0	-3.5	-11.5	
2008	8.9	10.3	3.6	9.0	13.8	6.3	10.8	8.8	-7.0	1.5	-6.4	-13.4	4.0	7.9	
2009	-4.4	-7.5	-16.9	-8.8	-7.0	-0.7	6.9	5.5	7.8	1.6	16.9	24.9	1.8	-9.5	
2010	6.4	14.6	21.4	19.8										15.5	
Avg	2.6	3.6	3.2	3.5	1.1	2.4	4.8	5.1	3.5	3.2	3.3	3.2	2.6	3.2	

Revenue														Total Year	Apr YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2005	2.7	6.1	10.5	13.6	14.4	10.5	7.4	8.1	11.4	11.2	8.8	6.4	9.2	8.2	
2006	11.1	7.4	15.5	6.0	5.9	14.0	7.4	9.8	10.4	8.1	15.5	2.0	9.3	9.9	
2007	-2.3	-2.7	-1.4	-3.8	-7.2	-1.7	2.1	8.3	20.8	16.0	2.2	15.4	4.8	-2.6	
2008	12.5	16.4	5.2	6.4	18.6	10.4	7.5	11.1	-6.7	4.3	-6.1	-12.1	5.8	10.1	
2009	1.1	-9.8	-17.1	-9.6	-4.4	-7.4	10.5	3.3	6.5	-2.0	9.9	19.9	1.2	-9.1	
2010	1.4	17.1	20.2	26.5										16.0	
Avg	4.4	5.7	5.5	6.5	5.5	5.2	7.0	8.1	8.5	7.5	6.0	6.3	6.1	5.4	

Tab 4 - Percent Change from Previous Year - Detail by Year

Boyer City, MI Selected Properties

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Total Year	Apr YTD
Occ	5.0	7.9	10.8	12.4	6.3	14.5	7.1	7.3	4.0	4.0	5.1	1.9	7.2	9.1
ADR	-2.1	-1.7	-0.3	1.0	7.6	-3.5	0.3	0.8	7.1	6.9	3.4	4.3	1.9	-0.8
RevPAR	2.7	6.1	10.5	13.6	14.4	10.5	7.4	8.1	11.4	11.2	8.8	6.4	9.2	8.2
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	5.0	7.9	10.8	12.4	6.3	14.5	7.1	7.3	4.0	4.0	5.1	1.9	7.2	9.1
Revenue	2.7	6.1	10.5	13.6	14.4	10.5	7.4	8.1	11.4	11.2	8.8	6.4	9.2	8.2

	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Total Year	Apr YTD
Occ	11.3	5.8	9.8	3.7	5.3	2.5	2.5	1.7	1.3	2.9	4.8	-4.2	3.6	7.5
ADR	-0.1	1.5	5.2	2.2	0.6	11.2	4.7	8.0	9.0	5.0	10.3	6.5	5.5	2.2
RevPAR	11.1	7.4	15.5	6.0	5.9	14.0	7.4	9.8	10.4	8.1	15.5	2.0	9.3	9.9
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	11.3	5.8	9.8	3.7	5.3	2.5	2.5	1.7	1.3	2.9	4.8	-4.2	3.6	7.5
Revenue	11.1	7.4	15.5	6.0	5.9	14.0	7.4	9.8	10.4	8.1	15.5	2.0	9.3	9.9

	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Total Year	Apr YTD
Occ	-11.5	-9.8	-9.5	-15.1	-13.0	-10.9	-3.0	-10.0	-1.8	-6.6	-15.4	-5.7	-8.7	-11.5
ADR	10.4	7.8	8.9	13.3	6.7	10.2	5.3	6.0	8.4	9.4	6.3	7.8	8.6	10.1
RevPAR	-2.3	-2.7	-1.4	-3.8	-7.2	-1.7	2.1	-4.6	6.4	2.2	-10.0	1.7	-0.8	-2.6
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.5	13.5	13.5	13.5	13.5	5.7	0.0
Demand	-11.5	-9.8	-9.5	-15.1	-13.0	-10.9	-3.0	2.1	11.4	6.0	-3.9	7.0	-3.5	-11.5
Revenue	-2.3	-2.7	-1.4	-3.8	-7.2	-1.7	2.1	8.3	20.8	16.0	2.2	15.4	4.8	-2.6

	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Total Year	Apr YTD
Occ	-4.1	-2.8	-8.8	-3.9	0.3	-6.3	-2.4	8.8	-7.0	1.5	-6.4	-13.4	-3.2	-5.0
ADR	3.3	5.5	1.6	-2.4	4.2	3.8	-3.0	2.1	0.4	2.8	0.3	1.5	1.7	2.0
RevPAR	-0.9	2.5	-7.3	-6.2	4.5	-2.7	-5.3	11.1	-6.7	4.3	-6.1	-12.1	-1.5	-3.0
Supply	13.5	13.5	13.5	13.5	13.5	13.5	13.5	0.0	0.0	0.0	0.0	0.0	7.4	13.5
Demand	8.9	10.3	3.6	9.0	13.8	6.3	10.8	8.8	-7.0	1.5	-6.4	-13.4	4.0	7.9
Revenue	12.5	16.4	5.2	6.4	18.6	10.4	7.5	11.1	-6.7	4.3	-6.1	-12.1	5.8	10.1

	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Total Year	Apr YTD
Occ	-4.4	-7.5	-16.9	-8.8	-7.0	-12.4	-5.7	-6.9	-4.9	-10.4	3.1	10.2	-5.6	-9.5
ADR	5.8	-2.4	-0.3	-0.8	2.8	-6.7	3.4	-2.1	-1.2	-3.5	-6.0	-3.9	-0.5	0.5
RevPAR	1.1	-9.8	-17.1	-9.6	-4.4	-18.3	-2.5	-8.8	-6.1	-13.5	-3.1	5.8	-6.1	-9.1
Supply	0.0	0.0	0.0	0.0	0.0	13.4	13.4	13.4	13.4	13.4	13.4	13.4	7.8	0.0
Demand	-4.4	-7.5	-16.9	-8.8	-7.0	-0.7	6.9	5.5	7.8	1.6	16.9	24.9	1.8	-9.5
Revenue	1.1	-9.8	-17.1	-9.6	-4.4	-7.4	10.5	3.3	6.5	-2.0	9.9	19.9	1.2	-9.1

	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Total Year	Apr YTD
Occ	-6.1	1.1	7.1	5.7										1.9
ADR	-4.7	2.1	-0.9	5.6										0.5
RevPAR	-10.6	3.3	6.1	11.6										2.3
Supply	13.4	13.4	13.4	13.4										13.4
Demand	6.4	14.6	21.4	19.8										15.5
Revenue	1.4	17.1	20.2	26.5										16.0

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Tab 5 - Twelve Month Moving Average

Boyer City, MI Selected Properties

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2005	58.0	58.3	58.7	59.2	59.5	60.3	60.8	61.3	61.5	61.8	62.0	62.0
2006	62.4	62.7	63.1	63.2	63.5	63.7	63.9	64.0	64.1	64.2	64.4	64.3
2007	63.8	63.4	62.9	62.3	61.6	60.9	60.7	60.1	60.2	59.9	59.1	58.7
2008	58.3	58.1	57.7	57.4	57.4	57.1	57.3	57.8	57.4	57.5	57.3	56.8
2009	56.6	56.4	55.7	55.4	55.1	54.5	54.4	54.1	54.0	53.5	53.5	53.6
2010	53.2	53.2	53.3	53.3								

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2005	87.73	87.58	87.45	87.36	87.79	87.50	87.87	88.20	88.79	89.28	89.36	89.54
2006	89.42	89.44	89.58	89.64	89.65	90.67	91.50	92.61	93.41	93.79	94.18	94.51
2007	95.09	95.59	96.16	97.00	97.56	98.51	99.25	100.24	101.17	101.97	102.35	102.68
2008	102.72	102.90	102.94	102.70	102.85	103.29	103.21	103.85	103.86	104.12	104.22	104.42
2009	104.75	104.72	104.96	105.06	105.34	104.58	105.50	105.34	105.21	104.84	104.29	103.87
2010	103.56	103.51	103.22	103.25								

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2005	50.92	51.10	51.38	51.73	52.24	52.78	53.44	54.07	54.64	55.15	55.37	55.55
2006	55.84	56.07	56.51	56.69	56.93	57.73	58.43	59.25	59.84	60.24	60.67	60.73
2007	60.66	60.57	60.52	60.40	60.09	59.98	60.20	60.26	60.87	61.03	60.45	60.24
2008	59.92	59.84	59.36	58.94	59.00	59.01	59.10	60.07	59.62	59.86	59.69	59.31
2009	59.34	59.02	58.50	58.22	58.04	56.96	57.34	57.03	56.81	56.09	55.77	55.68
2010	55.14	55.09	54.98	55.06								

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2005	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555
2006	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555	221,555
2007	221,555	221,555	221,555	221,555	221,555	221,555	221,555	224,097	226,557	229,099	231,559	234,101
2008	236,643	238,939	241,481	243,941	246,483	248,943	251,485	251,485	251,485	251,485	251,485	251,485
2009	251,485	251,485	251,485	251,485	251,485	254,245	257,097	259,949	262,709	265,561	268,321	271,173
2010	274,025	276,601	279,453	282,213								

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2005	128,601	129,276	130,156	131,199	131,844	133,642	134,749	135,825	136,355	136,854	137,283	137,446
2006	138,350	138,887	139,773	140,121	140,697	141,057	141,482	141,755	141,930	142,310	142,728	142,370
2007	141,346	140,395	139,451	137,969	136,477	134,899	134,376	134,722	136,310	137,120	136,760	137,334
2008	138,033	138,938	139,259	140,010	141,387	142,209	144,007	145,459	144,370	144,578	144,015	142,843
2009	142,466	141,736	140,167	139,368	138,574	138,480	139,744	140,735	141,858	142,092	143,486	145,368
2010	145,894	147,206	148,858	150,492								

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2005	11,282,637	11,322,004	11,382,573	11,462,035	11,574,635	11,693,940	11,839,908	11,979,292	12,106,712	12,218,315	12,267,481	12,306,624
2006	12,370,782	12,421,610	12,520,836	12,560,606	12,613,659	12,790,139	12,946,146	13,128,213	13,257,033	13,346,757	13,441,718	13,454,721
2007	13,440,082	13,419,903	13,409,338	13,382,315	13,314,139	13,289,234	13,336,863	13,504,823	13,790,134	13,982,791	13,998,015	14,101,096
2008	14,179,107	14,296,985	14,334,791	14,378,388	14,541,842	14,689,060	14,862,398	15,105,876	14,994,773	15,054,172	15,009,917	14,916,267
2009	14,924,014	14,842,100	14,711,263	14,642,330	14,596,824	14,481,849	14,743,000	14,824,864	14,925,113	14,896,582	14,963,503	15,098,676
2010	15,108,446	15,237,164	15,365,671	15,538,581								

High value is boxed.

Low value is boxed and italicized.

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Tab 6 - Day of Week Analysis

Boyne City, MI Selected Properties

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

Occupancy (%)								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
May - 09	31.5	38.8	50.7	55.9	46.6	57.3	64.3	49.5
Jun - 09	41.3	54.5	59.3	61.9	56.5	65.1	71.1	58.4
Jul - 09	64.3	74.1	83.1	80.1	83.1	90.8	91.6	81.4
Aug - 09	59.0	68.7	81.0	82.7	79.9	87.8	92.6	78.3
Sep - 09	52.6	52.3	59.6	65.1	65.9	80.4	89.2	66.2
Oct - 09	44.1	51.7	60.7	60.1	57.4	68.7	76.6	60.7
Nov - 09	22.7	39.7	43.6	41.0	39.9	52.7	53.9	41.2
Dec - 09	30.1	43.2	43.9	38.0	40.3	36.6	40.0	39.0
Jan - 10	20.0	33.4	39.9	40.1	34.0	40.6	44.8	36.0
Feb - 10	32.6	34.7	41.9	48.6	43.5	58.9	69.1	47.0
Mar - 10	20.9	36.0	41.7	41.7	36.2	42.6	51.7	38.8
Apr - 10	25.9	42.2	48.0	46.4	40.8	47.2	44.1	42.2
Total Year	36.8	47.7	54.2	55.2	52.3	60.8	66.1	53.3

Three Year Occupancy (%)								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
May 07 - Apr 08	39.0	51.6	59.1	60.2	56.8	64.5	70.6	57.4
May 08 - Apr 09	37.3	51.4	58.3	59.9	54.3	60.8	65.9	55.4
May 09 - Apr 10	36.8	47.7	54.2	55.2	52.3	60.8	66.1	53.3
Total 3 Yr	37.7	50.1	57.1	58.3	54.3	61.9	67.5	55.3

ADR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
May - 09	87.73	87.98	88.86	88.61	90.10	102.44	103.27	94.33
Jun - 09	99.42	100.49	100.22	98.93	97.58	116.70	121.05	105.49
Jul - 09	122.81	124.96	128.83	129.48	130.74	164.82	163.76	139.73
Aug - 09	118.67	123.42	124.53	125.13	123.08	149.89	156.05	133.23
Sep - 09	102.82	92.28	95.32	94.84	97.42	118.93	130.56	106.15
Oct - 09	83.86	87.14	89.22	87.75	87.91	110.61	113.76	97.01
Nov - 09	69.14	71.79	75.94	76.30	75.48	83.66	82.04	77.02
Dec - 09	83.92	84.05	84.49	87.78	95.00	82.91	81.06	85.99
Jan - 10	76.34	75.80	80.47	81.81	79.05	90.30	86.96	82.65
Feb - 10	83.71	79.94	82.19	82.05	82.53	89.93	93.63	85.91
Mar - 10	74.05	79.33	84.94	79.55	79.68	81.78	84.72	81.29
Apr - 10	82.62	82.97	83.92	81.38	81.05	85.57	85.81	83.42
Total Year	96.53	95.40	97.02	97.41	98.60	114.08	116.24	103.25

Three Year ADR								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
May 07 - Apr 08	99.51	97.10	95.87	97.08	97.96	111.87	114.66	102.70
May 08 - Apr 09	100.30	97.61	99.28	99.16	101.13	116.03	117.24	105.06
May 09 - Apr 10	96.53	95.40	97.02	97.41	98.60	114.08	116.24	103.25
Total 3 Yr	98.71	96.68	97.39	97.88	99.22	113.98	116.04	103.66

RevPAR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
May - 09	27.62	34.16	45.01	49.57	41.95	58.74	66.38	46.66
Jun - 09	41.06	54.79	59.45	61.20	55.18	75.95	86.05	61.63
Jul - 09	78.97	92.55	107.10	103.78	108.70	149.69	149.95	113.71
Aug - 09	70.02	84.85	100.84	103.45	98.37	131.58	144.50	104.32
Sep - 09	54.07	48.23	56.84	61.76	64.20	95.57	116.45	70.24
Oct - 09	37.01	45.07	54.19	52.76	50.47	76.03	87.12	58.85
Nov - 09	15.70	28.48	33.13	31.31	30.08	44.09	44.24	31.74
Dec - 09	25.23	36.33	37.05	33.32	38.31	30.32	32.43	33.57
Jan - 10	15.23	25.30	32.12	32.83	26.85	36.70	38.92	29.77
Feb - 10	27.28	27.77	34.44	39.86	35.87	52.93	64.67	40.40
Mar - 10	15.46	28.52	35.40	33.20	28.81	34.82	43.80	31.52
Apr - 10	21.39	34.97	40.30	37.78	33.07	40.37	37.84	35.21
Total Year	35.57	45.50	52.61	53.79	51.59	69.34	76.78	55.06

Three Year RevPAR								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
May 07 - Apr 08	38.76	50.14	56.62	58.44	55.60	72.11	80.98	58.94
May 08 - Apr 09	37.43	50.12	57.91	59.44	54.87	70.54	77.31	58.22
May 09 - Apr 10	35.57	45.50	52.61	53.79	51.59	69.34	76.78	55.06
Total 3 Yr	37.17	48.45	55.59	57.08	53.91	70.59	78.27	57.30

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Tab 7 - Raw Data

Boyne City, MI Selected Properties

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants										
Jan 04	40.5		73.61		29.78		18,817		7,612		560,346		6	607	87.0
Feb 04	50.2		76.01		38.18		16,996		8,536		648,831		6	607	87.0
Mar 04	43.4		70.87		30.74		18,817		8,162		578,436		6	607	87.0
Apr 04	46.1		69.72		32.14		18,210		8,394		585,193		6	607	87.0
May 04	54.5		76.19		41.52		18,817		10,254		781,229		6	607	87.0
Jun 04	68.0		92.15		62.65		18,210		12,381		1,140,923		6	607	87.0
Jul 04	83.1		125.96		104.64		18,817		15,632		1,969,007		6	607	87.0
Aug 04	78.7		115.46		90.92		18,817		14,818		1,710,819		6	607	87.0
Sep 04	72.4		84.62		61.23		18,210		13,176		1,114,991		6	607	87.0
Oct 04	66.7		79.63		53.14		18,817		12,556		999,863		6	607	87.0
Nov 04	45.8		67.36		30.85		18,210		8,339		561,754		6	607	87.0
Dec 04	44.4		73.67		32.74		18,817		8,362		615,987		6	607	87.0
Jan 05	42.5	5.0	72.03	-2.1	30.59	2.7	18,817	0.0	7,991	5.0	575,604	2.7	6	607	87.0
Feb 05	54.2	7.9	74.71	-1.7	40.49	6.1	16,996	0.0	9,211	7.9	688,198	6.1	6	607	87.0
Mar 05	48.1	10.8	70.67	-0.3	33.96	10.5	18,817	0.0	9,042	10.8	639,005	10.5	6	607	87.0
Apr 05	51.8	12.4	70.43	1.0	36.50	13.6	18,210	0.0	9,437	12.4	664,655	13.6	6	607	87.0
May 05	57.9	6.3	82.01	7.6	47.50	14.4	18,817	0.0	10,899	6.3	893,829	14.4	6	607	87.0
Jun 05	77.9	14.5	88.88	-3.5	69.21	10.5	18,210	0.0	14,179	14.5	1,260,228	10.5	6	607	87.0
Jul 05	89.0	7.1	126.35	0.3	112.40	7.4	18,817	0.0	16,739	7.1	2,114,975	7.4	6	607	87.0
Aug 05	84.5	7.3	116.41	0.8	98.33	8.1	18,817	0.0	15,894	7.3	1,850,203	8.1	6	607	87.0
Sep 05	75.3	4.0	90.65	7.1	68.23	11.4	18,210	0.0	13,706	4.0	1,242,411	11.4	6	607	87.0
Oct 05	69.4	4.0	85.14	6.9	59.07	11.2	18,817	0.0	13,055	4.0	1,111,466	11.2	6	607	87.0
Nov 05	48.1	5.1	69.68	3.4	33.55	8.8	18,210	0.0	8,768	5.1	610,920	8.8	6	607	87.0
Dec 05	45.3	1.9	76.85	4.3	34.82	6.4	18,817	0.0	8,525	1.9	655,130	6.4	6	607	87.0
Jan 06	47.3	11.3	71.92	-0.1	34.00	11.1	18,817	0.0	8,895	11.3	639,762	11.1	6	607	87.0
Feb 06	57.4	5.8	75.81	1.5	43.48	7.4	16,996	0.0	9,748	5.8	739,026	7.4	6	607	87.0
Mar 06	52.8	9.8	74.36	5.2	39.23	15.5	18,817	0.0	9,928	9.8	738,231	15.5	6	607	87.0
Apr 06	53.7	3.7	71.99	2.2	38.68	6.0	18,210	0.0	9,785	3.7	704,425	6.0	6	607	87.0
May 06	61.0	5.3	82.52	0.6	50.32	5.9	18,817	0.0	11,475	5.3	946,882	5.9	6	607	100.0
Jun 06	79.8	2.5	98.82	11.2	78.90	14.0	18,210	0.0	14,539	2.5	1,436,708	14.0	6	607	100.0
Jul 06	91.2	2.5	132.31	4.7	120.69	7.4	18,817	0.0	17,164	2.5	2,270,982	7.4	6	607	100.0
Aug 06	85.9	1.7	125.70	8.0	108.00	9.8	18,817	0.0	16,167	1.7	2,032,270	9.8	6	607	100.0
Sep 06	76.2	1.3	98.78	9.0	75.30	10.4	18,210	0.0	13,881	1.3	1,371,231	10.4	6	607	100.0
Oct 06	71.4	2.9	89.41	5.0	63.84	8.1	18,817	0.0	13,435	2.9	1,201,190	8.1	6	607	100.0
Nov 06	50.4	4.8	76.84	10.3	38.76	15.5	18,210	0.0	9,186	4.8	705,881	15.5	6	607	100.0
Dec 06	43.4	-4.2	81.81	6.5	35.51	2.0	18,817	0.0	8,167	-4.2	668,133	2.0	6	607	100.0
Jan 07	41.8	-11.5	79.42	10.4	33.22	-2.3	18,817	0.0	7,871	-11.5	625,123	-2.3	6	607	100.0
Feb 07	51.8	-9.8	81.72	7.8	42.30	-2.7	16,996	0.0	8,797	-9.8	718,847	-2.7	6	607	100.0
Mar 07	47.7	-9.5	81.00	8.9	38.67	-1.4	18,817	0.0	8,984	-9.5	727,666	-1.4	6	607	100.0
Apr 07	45.6	-15.1	81.59	13.3	37.20	-3.8	18,210	0.0	8,303	-15.1	677,402	-3.8	6	607	100.0
May 07	53.1	-13.0	88.02	6.7	46.70	-7.2	18,817	0.0	9,983	-13.0	878,706	-7.2	6	607	100.0
Jun 07	71.2	-10.9	108.93	10.2	77.53	-1.7	18,210	0.0	12,961	-10.9	1,411,803	-1.7	6	607	100.0
Jul 07	88.4	-3.0	139.33	5.3	123.22	2.1	18,817	0.0	16,641	-3.0	2,318,611	2.1	6	607	100.0
Aug 07	77.3	-10.0	133.24	6.0	103.01	-4.6	21,359	13.5	16,513	2.1	2,200,230	8.3	7	689	100.0
Sep 07	74.8	-1.8	107.09	8.4	80.14	6.4	20,670	13.5	15,469	11.4	1,656,542	20.8	7	689	100.0
Oct 07	66.7	-6.6	97.85	9.4	65.26	2.2	21,359	13.5	14,245	6.0	1,393,847	16.0	7	689	100.0
Nov 07	42.7	-15.4	81.70	6.3	34.89	-10.0	20,670	13.5	8,826	-3.9	721,105	2.2	7	689	100.0
Dec 07	40.9	-5.7	88.23	7.8	36.11	1.7	21,359	13.5	8,741	7.0	771,214	15.4	7	689	100.0
Jan 08	40.1	-4.1	82.05	3.3	32.92	-0.9	21,359	13.5	8,570	8.9	703,134	12.5	7	689	100.0
Feb 08	50.3	-2.8	86.24	5.5	43.37	2.5	19,292	13.5	9,702	10.3	836,725	16.4	7	689	100.0
Mar 08	43.6	-8.8	82.26	1.6	35.84	-7.3	21,359	13.5	9,305	3.6	765,472	5.2	7	689	100.0

Tab 7 - Raw Data

Boyne City, MI Selected Properties

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants										
Apr 08	43.8	-3.9	79.63	-2.4	34.88	-6.2	20,670	13.5	9,054	9.0	720,999	6.4	7	689	100.0
May 08	53.2	0.3	91.74	4.2	48.79	4.5	21,359	13.5	11,360	13.8	1,042,160	18.6	7	689	100.0
Jun 08	66.7	-6.3	113.11	3.8	75.42	-2.7	20,670	13.5	13,783	6.3	1,559,021	10.4	7	689	100.0
Jul 08	86.3	-2.4	135.15	-3.0	116.67	-5.3	21,359	13.5	18,439	10.8	2,491,949	7.5	7	689	100.0
Aug 08	84.1	8.8	136.03	2.1	114.41	11.1	21,359	0.0	17,965	8.8	2,443,708	11.1	7	689	100.0
Sep 08	69.6	-7.0	107.47	0.4	74.77	-6.7	20,670	0.0	14,380	-7.0	1,545,439	-6.7	7	689	100.0
Oct 08	67.7	1.5	100.55	2.8	68.04	4.3	21,359	0.0	14,453	1.5	1,453,246	4.3	7	689	100.0
Nov 08	40.0	-6.4	81.91	0.3	32.75	-6.1	20,670	0.0	8,263	-6.4	676,850	-6.1	7	689	100.0
Dec 08	35.4	-13.4	89.52	1.5	31.72	-12.1	21,359	0.0	7,569	-13.4	677,564	-12.1	7	689	100.0
Jan 09	38.4	-4.4	86.77	5.8	33.28	1.1	21,359	0.0	8,193	-4.4	710,881	1.1	7	689	100.0
Feb 09	46.5	-7.5	84.13	-2.4	39.13	-9.8	19,292	0.0	8,972	-7.5	754,811	-9.8	7	689	100.0
Mar 09	36.2	-16.9	82.04	-0.3	29.71	-17.1	21,359	0.0	7,736	-16.9	634,635	-17.1	7	689	100.0
Apr 09	39.9	-8.8	78.99	-0.8	31.55	-9.6	20,670	0.0	8,255	-8.8	652,066	-9.6	7	689	100.0
May 09	49.5	-7.0	94.33	2.8	46.66	-4.4	21,359	0.0	10,566	-7.0	996,654	-4.4	7	689	100.0
Jun 09	58.4	-12.4	105.49	-6.7	61.63	-18.3	23,430	13.4	13,689	-0.7	1,444,046	-7.4	8	781	100.0
Jul 09	81.4	-5.7	139.73	3.4	113.71	-2.5	24,211	13.4	19,703	6.9	2,753,100	10.5	8	781	100.0
Aug 09	78.3	-6.9	133.23	-2.1	104.32	-8.8	24,211	13.4	18,956	5.5	2,525,572	3.3	8	781	100.0
Sep 09	66.2	-4.9	106.15	-1.2	70.24	-6.1	23,430	13.4	15,503	7.8	1,645,688	6.5	8	781	100.0
Oct 09	60.7	-10.4	97.01	-3.5	58.85	-13.5	24,211	13.4	14,687	1.6	1,424,715	-2.0	8	781	100.0
Nov 09	41.2	3.1	77.02	-6.0	31.74	-3.1	23,430	13.4	9,657	16.9	743,771	9.9	8	781	100.0
Dec 09	39.0	10.2	85.99	-3.9	33.57	5.8	24,211	13.4	9,451	24.9	812,737	19.9	8	781	100.0
Jan 10	36.0	-6.1	82.65	-4.7	29.77	-10.6	24,211	13.4	8,719	6.4	720,651	1.4	8	781	100.0
Feb 10	47.0	1.1	85.91	2.1	40.40	3.3	21,868	13.4	10,284	14.6	883,529	17.1	8	781	100.0
Mar 10	38.8	7.1	81.29	-0.9	31.52	6.1	24,211	13.4	9,388	21.4	763,142	20.2	8	781	100.0
Apr 10	42.2	5.7	83.42	5.6	35.21	11.6	23,430	13.4	9,889	19.8	824,976	26.5	8	781	100.0

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Tab 8 - Classic

Boyne City, MI Selected Properties

Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants								
Jan 04	40.5		73.61		29.78		18,817		7,612		560,346		6	607	87.0
Feb 04	50.2		76.01		38.18		16,996		8,536		648,831		6	607	87.0
Mar 04	43.4		70.87		30.74		18,817		8,162		578,436		6	607	87.0
Apr 04	46.1		69.72		32.14		18,210		8,394		585,193		6	607	87.0
May 04	54.5		76.19		41.52		18,817		10,254		781,229		6	607	87.0
Jun 04	68.0		92.15		62.65		18,210		12,381		1,140,923		6	607	87.0
Jul 04	83.1		125.96		104.64		18,817		15,632		1,969,007		6	607	87.0
Aug 04	78.7		115.46		90.92		18,817		14,818		1,710,819		6	607	87.0
Sep 04	72.4		84.62		61.23		18,210		13,176		1,114,991		6	607	87.0
Oct 04	66.7		79.63		53.14		18,817		12,556		999,863		6	607	87.0
Nov 04	45.8		67.36		30.85		18,210		8,339		561,754		6	607	87.0
Dec 04	44.4		73.67		32.74		18,817		8,362		615,987		6	607	87.0
Apr YTD 2004	44.9		72.55		32.58		72,840		32,704		2,372,806				
Total 2004	57.9		87.87		50.86		221,555		128,222		11,267,379				
Jan 05	42.5	5.0	72.03	-2.1	30.59	2.7	18,817	0.0	7,991	5.0	575,604	2.7	6	607	87.0
Feb 05	54.2	7.9	74.71	-1.7	40.49	6.1	16,996	0.0	9,211	7.9	688,198	6.1	6	607	87.0
Mar 05	48.1	10.8	70.67	-0.3	33.96	10.5	18,817	0.0	9,042	10.8	639,005	10.5	6	607	87.0
Apr 05	51.8	12.4	70.43	1.0	36.50	13.6	18,210	0.0	9,437	12.4	664,655	13.6	6	607	87.0
May 05	57.9	6.3	82.01	7.6	47.50	14.4	18,817	0.0	10,899	6.3	893,829	14.4	6	607	87.0
Jun 05	77.9	14.5	88.88	-3.5	69.21	10.5	18,210	0.0	14,179	14.5	1,260,228	10.5	6	607	87.0
Jul 05	89.0	7.1	126.35	0.3	112.40	7.4	18,817	0.0	16,739	7.1	2,114,975	7.4	6	607	87.0
Aug 05	84.5	7.3	116.41	0.8	98.33	8.1	18,817	0.0	15,894	7.3	1,850,203	8.1	6	607	87.0
Sep 05	75.3	4.0	90.65	7.1	68.23	11.4	18,210	0.0	13,706	4.0	1,242,411	11.4	6	607	87.0
Oct 05	69.4	4.0	85.14	6.9	59.07	11.2	18,817	0.0	13,055	4.0	1,111,466	11.2	6	607	87.0
Nov 05	48.1	5.1	69.68	3.4	33.55	8.8	18,210	0.0	8,768	5.1	610,920	8.8	6	607	87.0
Dec 05	45.3	1.9	76.85	4.3	34.82	6.4	18,817	0.0	8,525	1.9	655,130	6.4	6	607	87.0
Apr YTD 2005	49.0	9.1	71.96	-0.8	35.25	8.2	72,840	0.0	35,681	9.1	2,567,462	8.2			
Total 2005	62.0	7.2	89.54	1.9	55.55	9.2	221,555	0.0	137,446	7.2	12,306,624	9.2			
Jan 06	47.3	11.3	71.92	-0.1	34.00	11.1	18,817	0.0	8,895	11.3	639,762	11.1	6	607	87.0
Feb 06	57.4	5.8	75.81	1.5	43.48	7.4	16,996	0.0	9,748	5.8	739,026	7.4	6	607	87.0
Mar 06	52.8	9.8	74.36	5.2	39.23	15.5	18,817	0.0	9,928	9.8	738,231	15.5	6	607	87.0
Apr 06	53.7	3.7	71.99	2.2	38.68	6.0	18,210	0.0	9,785	3.7	704,425	6.0	6	607	87.0
May 06	61.0	5.3	82.52	0.6	50.32	5.9	18,817	0.0	11,475	5.3	946,882	5.9	6	607	100.0
Jun 06	79.8	2.5	98.82	11.2	78.90	14.0	18,210	0.0	14,539	2.5	1,436,708	14.0	6	607	100.0
Jul 06	91.2	2.5	132.31	4.7	120.69	7.4	18,817	0.0	17,164	2.5	2,270,982	7.4	6	607	100.0
Aug 06	85.9	1.7	125.70	8.0	108.00	9.8	18,817	0.0	16,167	1.7	2,032,270	9.8	6	607	100.0
Sep 06	76.2	1.3	98.78	9.0	75.30	10.4	18,210	0.0	13,881	1.3	1,371,231	10.4	6	607	100.0
Oct 06	71.4	2.9	89.41	5.0	63.84	8.1	18,817	0.0	13,435	2.9	1,201,190	8.1	6	607	100.0
Nov 06	50.4	4.8	76.84	10.3	38.76	15.5	18,210	0.0	9,186	4.8	705,881	15.5	6	607	100.0
Dec 06	43.4	-4.2	81.81	6.5	35.51	2.0	18,817	0.0	8,167	-4.2	668,133	2.0	6	607	100.0
Apr YTD 2006	52.7	7.5	73.56	2.2	38.73	9.9	72,840	0.0	38,356	7.5	2,821,444	9.9			
Total 2006	64.3	3.6	94.51	5.5	60.73	9.3	221,555	0.0	142,370	3.6	13,454,721	9.3			
Jan 07	41.8	-11.5	79.42	10.4	33.22	-2.3	18,817	0.0	7,871	-11.5	625,123	-2.3	6	607	100.0
Feb 07	51.8	-9.8	81.72	7.8	42.30	-2.7	16,996	0.0	8,797	-9.8	718,847	-2.7	6	607	100.0
Mar 07	47.7	-9.5	81.00	8.9	38.67	-1.4	18,817	0.0	8,984	-9.5	727,666	-1.4	6	607	100.0
Apr 07	45.6	-15.1	81.59	13.3	37.20	-3.8	18,210	0.0	8,303	-15.1	677,402	-3.8	6	607	100.0
May 07	53.1	-13.0	88.02	6.7	46.70	-7.2	18,817	0.0	9,983	-13.0	878,706	-7.2	6	607	100.0
Jun 07	71.2	-10.9	108.93	10.2	77.53	-1.7	18,210	0.0	12,961	-10.9	1,411,803	-1.7	6	607	100.0
Jul 07	88.4	-3.0	139.33	5.3	123.22	2.1	18,817	0.0	16,641	-3.0	2,318,611	2.1	6	607	100.0
Aug 07	77.3	-10.0	133.24	6.0	103.01	-4.6	21,359	13.5	16,513	2.1	2,200,230	8.3	7	689	100.0
Sep 07	74.8	-1.8	107.09	8.4	80.14	6.4	20,670	13.5	15,469	11.4	1,656,542	20.8	7	689	100.0
Oct 07	66.7	-6.6	97.85	9.4	65.26	2.2	21,359	13.5	14,245	6.0	1,393,847	16.0	7	689	100.0
Nov 07	42.7	-15.4	81.70	6.3	34.89	-10.0	20,670	13.5	8,826	-3.9	721,105	2.2	7	689	100.0
Dec 07	40.9	-5.7	88.23	7.8	36.11	1.7	21,359	13.5	8,741	7.0	771,214	15.4	7	689	100.0

Tab 8 - Classic

Boyne City, MI Selected Properties
 Job Number: 299535_SADIM Staff: AS Created: May 26, 2010

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants								
Apr YTD 2007	46.6	-11.5	80.96	10.1	37.74	-2.6	72,840	0.0	33,955	-11.5	2,749,038	-2.6			
Total 2007	58.7	-8.7	102.68	8.6	60.24	-0.8	234,101	5.7	137,334	-3.5	14,101,096	4.8			
Jan 08	40.1	-4.1	82.05	3.3	32.92	-0.9	21,359	13.5	8,570	8.9	703,134	12.5	7	689	100.0
Feb 08	50.3	-2.8	86.24	5.5	43.37	2.5	19,292	13.5	9,702	10.3	836,725	16.4	7	689	100.0
Mar 08	43.6	-8.8	82.26	1.6	35.84	-7.3	21,359	13.5	9,305	3.6	765,472	5.2	7	689	100.0
Apr 08	43.8	-3.9	79.63	-2.4	34.88	-6.2	20,670	13.5	9,054	9.0	720,999	6.4	7	689	100.0
May 08	53.2	0.3	91.74	4.2	48.79	4.5	21,359	13.5	11,360	13.8	1,042,160	18.6	7	689	100.0
Jun 08	66.7	-6.3	113.11	3.8	75.42	-2.7	20,670	13.5	13,783	6.3	1,559,021	10.4	7	689	100.0
Jul 08	86.3	-2.4	135.15	-3.0	116.67	-5.3	21,359	13.5	18,439	10.8	2,491,949	7.5	7	689	100.0
Aug 08	84.1	8.8	136.03	2.1	114.41	11.1	21,359	0.0	17,965	8.8	2,443,708	11.1	7	689	100.0
Sep 08	69.6	-7.0	107.47	0.4	74.77	-6.7	20,670	0.0	14,380	-7.0	1,545,439	-6.7	7	689	100.0
Oct 08	67.7	1.5	100.55	2.8	68.04	4.3	21,359	0.0	14,453	1.5	1,453,246	4.3	7	689	100.0
Nov 08	40.0	-6.4	81.91	0.3	32.75	-6.1	20,670	0.0	8,263	-6.4	676,850	-6.1	7	689	100.0
Dec 08	35.4	-13.4	89.52	1.5	31.72	-12.1	21,359	0.0	7,569	-13.4	677,564	-12.1	7	689	100.0
Apr YTD 2008	44.3	-5.0	82.62	2.0	36.60	-3.0	82,680	13.5	36,631	7.9	3,026,330	10.1			
Total 2008	56.8	-3.2	104.42	1.7	59.31	-1.5	251,485	7.4	142,843	4.0	14,916,267	5.8			
Jan 09	38.4	-4.4	86.77	5.8	33.28	1.1	21,359	0.0	8,193	-4.4	710,881	1.1	7	689	100.0
Feb 09	46.5	-7.5	84.13	-2.4	39.13	-9.8	19,292	0.0	8,972	-7.5	754,811	-9.8	7	689	100.0
Mar 09	36.2	-16.9	82.04	-0.3	29.71	-17.1	21,359	0.0	7,736	-16.9	634,635	-17.1	7	689	100.0
Apr 09	39.9	-8.8	78.99	-0.8	31.55	-9.6	20,670	0.0	8,255	-8.8	652,066	-9.6	7	689	100.0
May 09	49.5	-7.0	94.33	2.8	46.66	-4.4	21,359	0.0	10,566	-7.0	996,654	-4.4	7	689	100.0
Jun 09	58.4	-12.4	105.49	-6.7	61.63	-18.3	23,430	13.4	13,689	-0.7	1,444,046	-7.4	8	781	100.0
Jul 09	81.4	-5.7	139.73	3.4	113.71	-2.5	24,211	13.4	19,703	6.9	2,753,100	10.5	8	781	100.0
Aug 09	78.3	-6.9	133.23	-2.1	104.32	-8.8	24,211	13.4	18,956	5.5	2,525,572	3.3	8	781	100.0
Sep 09	66.2	-4.9	106.15	-1.2	70.24	-6.1	23,430	13.4	15,503	7.8	1,645,688	6.5	8	781	100.0
Oct 09	60.7	-10.4	97.01	-3.5	58.85	-13.5	24,211	13.4	14,687	1.6	1,424,715	-2.0	8	781	100.0
Nov 09	41.2	3.1	77.02	-6.0	31.74	-3.1	23,430	13.4	9,657	16.9	743,771	9.9	8	781	100.0
Dec 09	39.0	10.2	85.99	-3.9	33.57	5.8	24,211	13.4	9,451	24.9	812,737	19.9	8	781	100.0
Apr YTD 2009	40.1	-9.5	83.01	0.5	33.29	-9.1	82,680	0.0	33,156	-9.5	2,752,393	-9.1			
Total 2009	53.6	-5.6	103.87	-0.5	55.68	-6.1	271,173	7.8	145,368	1.8	15,098,676	1.2			
Jan 10	36.0	-6.1	82.65	-4.7	29.77	-10.6	24,211	13.4	8,719	6.4	720,651	1.4	8	781	100.0
Feb 10	47.0	1.1	85.91	2.1	40.40	3.3	21,868	13.4	10,284	14.6	883,529	17.1	8	781	100.0
Mar 10	38.8	7.1	81.29	-0.9	31.52	6.1	24,211	13.4	9,388	21.4	763,142	20.2	8	781	100.0
Apr 10	42.2	5.7	83.42	5.6	35.21	11.6	23,430	13.4	9,889	19.8	824,976	26.5	8	781	100.0
Apr YTD 2010	40.8	1.9	83.39	0.5	34.06	2.3	93,720	13.4	38,280	15.5	3,192,298	16.0			

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Methodology

While virtually every chain in the United States provides STR with data on almost all of their properties, there are still some hotels that don't submit data. But we've got you covered.

Every year we examine guidebook listings and hotel directories for information on hotels that don't provide us with data. We don't stop there. We call each hotel in our database every year to obtain "published" rates for multiple categories. Based on this information we group all hotels - those that report data and those that don't - into groupings based off of price level and geographic proximity. We then estimate the non-respondents based off of nearby hotels with similar price levels.

Similarly, we sometimes obtain monthly data from a property, but not daily data. We use a similar process. We take the monthly data that the property has provided, and distribute it to the individual days based on the revenue and demand distribution patterns of similar hotels in the same location.

We believe it imperative to perform this analysis in order to provide interested parties with our best estimate of total lodging demand and room revenue on their areas of interest. Armed with this information a more informed decision can be made.

Glossary

ADR (Average Daily Rate)

Room revenue divided by rooms sold.

Affiliation Date

Date the property affiliated with current chain/flag

Census (Properties and Rooms)

The number of properties and rooms that exist (universe)

Change in Rooms

Indicator of whether or not an individual hotel has had added or deleted rooms.

Exchange Rate

The factor used to convert revenue from U.S. Dollars to the local currency.
The exchange rate data is obtained from Oanda.com. Any aggregated number in the report (YTD, Running 3 month, Running 12 month) uses the exchange rate of each relative month when calculating the data.

Demand (Rooms Sold)

The number of rooms sold (excludes complimentary rooms).

Full Historical TREND

Data on selected properties or segments starting in 1987.

Occupancy

Rooms sold divided by rooms available.

Open Date

Date the property opened

Percent Change

Amount of growth, up, flat, or down from the same period last year (month, ytd, three months, twelve months). Calculated as $((TY-LY)/LY) * "100"$.

Revenue (Room Revenue)

Total room revenue generated from the sale or rental of rooms.

RevPAR - Revenue Per Available Room

Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR).

Sample % (Rooms)

The % of rooms STR receives data from. Calculated as $(\text{Sample Rooms}/\text{Census Rooms}) * "100"$.

Standard Historical TREND

Data on selected properties or segments starting in 1997.

STR Code

Smith Travel Research's proprietary numbering system. Each hotel in the lodging census has a unique STR code.

Supply (Rooms Available)

The number of rooms times the number of days in the period.

Twelve Month Moving Average

The value of any given month is computed by taking the value of that month and the values of the eleven preceding months, adding them together and dividing by twelve.

Year to Date

Average or sum of values starting January 1 of the given year.

Tab 11 - Terms and Conditions

Before purchasing this product you agreed to the following terms and conditions.

In consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Smith Travel Research, Inc. ("STR") and purchaser of this product ("Licensee") agree as follows:

1. LICENSE

1.1 Definitions.

(a) "Agreement" means these Standard Terms and Conditions and any additional terms specifically set out in writing in the document(s) (if any) to which these Standard Terms and Conditions are attached or in which they are incorporated by reference, and, if applicable, any additional terms specifically set out in writing in any Schedule attached hereto.

(b) "Licensed Materials" means the newsletters, reports, databases or other information resources, and all lodging industry data contained therein, provided to Licensee hereunder.

1.2 Grant of License. Subject to the terms and conditions of this Agreement, and except as may be expressly permitted elsewhere in this Agreement, STR hereby grants to Licensee a non-exclusive, non-transferable, indivisible, non-sublicensable license to use, copy, manipulate and extract data from the Licensed Materials for its own INTERNAL business purposes only.

1.3 Copies. Except as expressly permitted elsewhere in this Agreement, Licensee may make and maintain no more than two (2) copies of any Licensed Materials.

1.4 No Service Bureau Use. Licensee is prohibited from using the Licensed Materials in any way in connection with any service bureau or similar services. "Service bureau" means the processing of input data that is supplied by one or more third parties and the generation of output data (in the form of reports, charts, graphs or other pictorial representations, or the like) that is sold or licensed to any third parties.

1.5 No Distribution to Third Parties. Except as expressly permitted in this Agreement, Licensee is prohibited from distributing, republishing or otherwise making the Licensed Materials or any part thereof (including any excerpts of the data and any manipulations of the data) available in any form whatsoever to any third party, other than Licensee's accountants, attorneys, marketing professionals or other professional advisors who are bound by a duty of confidentiality not to disclose such information.

1.6 Security. Licensee shall use commercially reasonable efforts to protect against unauthorized access to the Licensed Materials.

1.7 Reservation of Rights. Licensee has no rights in connection with the Licensed Materials other than those rights expressly enumerated herein. All rights to the Licensed Materials not expressly enumerated herein are reserved to STR.

2. DISCLAIMERS AND LIMITATIONS OF LIABILITY

2.1 Disclaimer of Warranties. The licensed materials are provided to the licensee on an "as is" and "as available" basis. STR makes no representations or warranties of any kind, express or implied, with respect to the licensed materials, the services provided or the results of use thereof. Without limiting the foregoing, STR does not warrant that the licensed materials, the services provided or the use thereof are or will be accurate, error-free or uninterrupted. STR makes no implied warranties, including without limitation, any implied warranty of merchantability, noninfringement or fitness for any particular purpose or arising by usage of trade, course of dealing, course of performance or otherwise.

2.2 Disclaimers. STR shall have no liability with respect to its obligations under this agreement or otherwise for consequential, exemplary, special, incidental, or punitive damages even if STR has been advised of the possibility of such damages. Furthermore, STR shall have no liability whatsoever for any claim relating in any way to any decision made or action taken by licensee in reliance upon the licensed materials.

2.3 Limitation of Liability. STR's total liability to licensee for any reason and upon any cause of action including without limitation, infringement, breach of contract, negligence, strict liability, misrepresentations, and other torts, shall be limited to all fees paid to STR by the licensee during the twelve month period preceding the date on which such cause of action first arose.

3. MISCELLANEOUS

3.1 Liquidated Damages. In the event of a violation of Section 1.5 of these Standard Terms and Conditions, Licensee shall be required to pay STR an amount equal to the sum of (i) the highest aggregate price that STR, in accordance with its then-current published prices, could have charged the unauthorized recipients for the Licensed Materials that are the subject of the violation, and (ii) the full price of the lowest level of republishing rights that Licensee would have been required to purchase from STR in order to have the right to make the unauthorized distribution, regardless of whether Licensee has previously paid for any lower level of republishing rights, and (iii) fifteen percent (15%) of the total of the previous two items. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

3.2 Obligations on Termination. Within thirty (30) days of the termination or expiration of this Agreement for any reason, Licensee shall cease all use of the Licensed Materials and shall return or destroy, at STR's option, all copies of the Licensed Materials and all other information relating thereto in Licensee's possession or control as of the such date. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

3.3 Governing Law; Jurisdiction and Venue. This Agreement shall be governed by the substantive laws of the State of Tennessee, without regard to its or any other jurisdiction's laws governing conflicts of law. Any claims or actions regarding or arising out of this Agreement shall be brought exclusively in a court of competent jurisdiction located in Nashville, Tennessee, and the parties expressly consent to personal jurisdiction thereof. The parties also expressly waive any objections to venue.

3.4 Assignment. Licensee is prohibited from assigning this Agreement or delegating any of its duties under this Agreement without the prior written consent of STR.

3.5 Independent Relationship. The relationship between the parties is that of an independent contractor. Nothing in this Agreement shall be deemed to create an employer/employee, principal/agent, partnership or joint venture relationship.

3.6 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed given i) when delivered in person, at the time of such delivery; ii) when delivered by facsimile transmission or e-mail, at the time of transmission (provided, however, that notice delivered by facsimile transmission shall only be effective if such notice is also delivered by hand or deposited in the United States mail, postage prepaid, registered, certified or express mail or by courier service within two (2) business days after its delivery by facsimile transmission); iii) when delivered by a courier service or by express mail, at the time of receipt; or iv) five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, addressed (in any such case) to the addresses listed on the first page of this Agreement or to such other address as either party may notify the other in writing.

3.7 Waiver. No waiver of any breach of this Agreement will be deemed to constitute a waiver of any subsequent breach of the same or any other provision.

3.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the matters described herein, superseding in all respects any and all prior proposals, negotiations, understandings and other agreements, oral or written, between the parties.

3.9 Amendment. This Agreement may be amended only by the written agreement of both parties.

3.10 Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

3.11 Injunctive Relief. The parties agree that, in addition to any other rights or remedies which the other or STR may have, any party alleging breach or threatened breach of this Agreement will be entitled to such equitable and injunctive relief as may be available from any court of competent jurisdiction to restrain the other from breaching or threatening to breach any of the provisions of this Section, without posting bond or other surety.

3.12 Notice of Unauthorized Access. Licensee shall notify STR immediately upon Licensee's becoming aware of any facts indicating that a third party may have obtained or may be about to obtain unauthorized access to the Licensed Materials, and shall fully cooperate with STR in its efforts to mitigate the damages caused by any such breach or potential breach.

3.13 Conflicting Provisions. In the event that any provision of these Standard Terms and Conditions directly conflicts with any other provision of the Agreement, the conflicting terms of such other provision shall control.

3.14 Remedies. In addition to any other rights or remedies that STR may have, in the event of any termination by STR on account of a breach by Licensee, STR may, without refund, immediately terminate and discontinue any right of Licensee to receive additional Licensed Materials from STR.

ADDENDUM III



01 HISTORIC PHOTOGRAPH

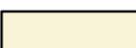
A1 NOT TO SCALE



02 EXISTING CONDITIONS

A1 NOT TO SCALE

COLOR LEGEND (NOT FOR COLOR MATCH)

- A  EXISTING BRICK
DO NOT PAINT
- B  EXISTING STONE
DO NOT PAINT
- C  SHERWIN WILLIAMS
SW 2829 - CLASSICAL WHITE
- D  SHERWIN WILLIAMS
SW 6991 - BLACK MAGIC

General Notes

1. THIS DRAWING IS INTENDED TO PROVIDE A SCHEMATIC DESIGN FOR THE FACADE REHABILITATION OF THE EXISTING BUILDING LOCATED AT ADDRESS INDICATED.
2. RECOMMENDATIONS ARE BASED UPON A PRELIMINARY REVIEW OF THE EXISTING CONDITIONS.
3. ALL WORK SHALL CONFORM TO THE SECRETARY OF INTERIOR'S STANDARDS FOR REHABILITATION, AS DEVELOPED BY THE NATIONAL PARK SERVICE WITHIN THE UNITED STATES DEPARTMENT OF THE INTERIOR.
4. WHERE "REMOVE" IS GIVEN AS A DIRECTIVE, DO SO WITH EXTREME CAUTION AND CARE IN ORDER TO ENSURE THAT THE EXISTING MATERIAL, UNDERNEATH AND/OR ADJACENT, IS NOT DAMAGED.



03 PROPOSED FACADE - NORTH ELEVATION

A1 NOT TO SCALE

No.	Revision/Issue	Date



LANDMARK DEVELOPMENT, LLC
300 E. WATER STREET
BOYNE CITY, MI 49712

Project	Y7 - BOYNE CITY	Sheet	A1
Date	3 / 2010		
Scale	NO SCALE		



01 HISTORIC PHOTOGRAPH

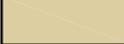
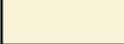
A2 NOT TO SCALE



02 EXISTING CONDITIONS

A2 NOT TO SCALE

COLOR LEGEND (NOT FOR COLOR MATCH)

- A  EXISTING BRICK
DO NOT PAINT
- B  EXISTING STONE
DO NOT PAINT
- C  SHERWIN WILLIAMS
SW 2829 - CLASSICAL WHITE
- D  SHERWIN WILLIAMS
SW 6991 - BLACK MAGIC

General Notes

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03 PROPOSED FACADE - WEST ELEVATION

A2 NOT TO SCALE

REPOINT AND CLEAN ALL MASONRY WHERE NEEDED, SEE ATTACHED "PRESERVATION BRIEFS #1 & #2"

No.	Revision/Issue	Date



LANDMARK DEVELOPMENT, LLC
300 E. WATER STREET
BOYNE CITY, MI 49712

Project	Y7 - BOYNE CITY	Sheet	A2
Date	3 / 2010		
Scale	NO SCALE		



01 HISTORIC PHOTOGRAPH

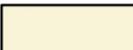
A3 NOT TO SCALE



02 EXISTING CONDITIONS

A3 NOT TO SCALE

COLOR LEGEND (NOT FOR COLOR MATCH)

- A  EXISTING BRICK
DO NOT PAINT
- B  EXISTING STONE
DO NOT PAINT
- C  SHERWIN WILLIAMS
SW 2829 - CLASSICAL WHITE
- D  SHERWIN WILLIAMS
SW 6991 - BLACK MAGIC

General Notes

1. THIS DRAWING IS INTENDED TO PROVIDE A SCHEMATIC DESIGN FOR THE FACADE REHABILITATION OF THE EXISTING BUILDING LOCATED AT ADDRESS INDICATED.
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IF ADDITION FOR EMERGENCY STAIR IS NEEDED:
 - MATCH BRICK AND DETAILING WITH EXISTING BUILDING
 - IN THE PLACE OF WINDOWS, INSET BRICK SLIGHTLY MATCHING THE PROPORTIONS AND PLACEMENT OF WINDOWS
 - DO NOT WRAP CORNICE AROUND ADDITION
 - SEE ATTACHED "PRESERVATION BRIEF #14: NEW EXTERIOR ADDITIONS TO HISTORIC BUILDINGS: PRESERVATION CONCERNS"

03 STAIR WELL ADDITION - WEST ELEVATION

A3 NOT TO SCALE



INSTALL TRIM, SIMILAR TO THAT AROUND PORCH BUT SIMPLIFIED, AND PAINT, COLOR: C
 PAINT WOOD SIDING TO MATCH BRICK
 OPTION: FINISH ADDITION IN BRICK INSTEAD OF SIDING

04 EXISTING KITCHEN ADDITION - WEST ELEVATION

A3 NOT TO SCALE

No.	Revision/Issue	Date



LANDMARK DEVELOPMENT, LLC
 300 E. WATER STREET
 BOYNE CITY, MI 49712

Project	Y7 - BOYNE CITY	Sheet	A3
Date	3 / 2010		
Scale	NO SCALE		

ADDENDUM IV

Company:
Contact Person:
Phone Number:

We are currently working with a client that is considering the re-development of the Dilworth Hotel in Boyne City. The property would include 25 to 30 guest rooms, restaurant and meeting space. As part of our research we are contacting local companies, meeting planners and groups in order to determine the existing and future hotel room night demand in the market and the interest in the restaurant and meeting space. Would you be willing to answer a few brief questions In order to assist us in our study?

Demand Questions:

1. How many hotel room nights do you generate per year or month?
2. What hotels do you currently use for transient guests?
3. What are your typical overnight needs (# of rooms) for transient guests and for meetings?
4. What is the average rate or range of rates per room that your transient guests pay and groups pay?
5. Do you hold meetings? Type?
6. What conference centers, hotels, or meeting facilities do you currently use for groups and meetings?
7. How often do you meet? _____ In typically what season or month? _____
What is your typical group size? _____
8. What is your average duration of events and/or expositions (number of days)?
9. How often do your meetings involve lunch? _____ What is the average check? _____
How often do your meetings involve dinner? _____ What is the average check? _____
10. Does your organization use the following facilities never, once a year, occasionally, very often:
Large room able to accommodate 250 to 750 people _____
Medium sized room able to accommodate 50 – 250 people _____
Small breakout rooms (less than 50 people) _____
11. We are considering recommending either a franchise brand such as Choice Hotels or an independent hotel. Which would you think is better for the local market?
12. The property will have a restaurant and a themed lounge, possibly an Irish Pub concept. Would frequent either concept and how often?
13. Would the proposed hotel with its amenities have a high, medium, or low market for your events? Why?
14. Do you have any additional comments or suggestions?

Thank you for time and comments!