



HOTEL & LEISURE ADVISORS

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**MARKET FEASIBILITY STUDY REPORT  
FOR THE  
PROPOSED INDOOR WATERPARK RESORT-COOPERSTOWN  
4850 STATE HIGHWAY 28  
HARTWICK, OTSEGO COUNTY, NEW YORK**

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FOR

Mr. Jeff Hyman and Mr. Sandy Mathes  
Hyman Hemispheric, LLC  
and  
Mr. Sandy Mathes  
Otsego County IDA



## HOTEL & LEISURE ADVISORS

December 14, 2015

Mr. Jeff Hyman and Mr. Sandy Mathes  
President  
Hyman Hemispheric, LLC  
37 Forest Drive  
Voorheesville, NY 12186

and

Mr. Sandy Mathes  
CEO  
Otsego County IDA  
189 Main Street, 5<sup>th</sup> Floor  
Oneonta, NY 13820

**RE: Proposed Indoor Waterpark Resort-Cooperstown  
Hartwick, Otsego County, New York**

Dear Mr. Hyman and Mr. Sandy Mathes:

In fulfillment of our engagement letter, we completed our study of the market demand and economic feasibility for the proposal to develop an indoor waterpark resort in Hartwick, Otsego County, New York. The study is based upon market conditions observed as of the date of our market inspection on August 12, 2015, and research conducted in August and September 2015. The subject site is at 4850 State Highway 28, adjacent to Cooperstown Fun Park.

### **Assumptions**

The conclusions contained in this report are based upon a review of information provided by you and on-site field work in the market area, which is described in the Scope of Assignment section. As in all studies of this type, the conclusions 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. We assume the subject will hire appropriate management personnel to operate and market the indoor waterpark resort. We assume that the subject will operate as an independent resort not affiliated with a national franchise. We assume the proposed resort will open January 1, 2018. 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 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 project's feasibility. The report should not be relied upon for any other purpose. Neither our report nor any of its contents nor any reference to Hotel & Leisure Advisors, LLC (H&LA) may be included or quoted in 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 have also prepared an economic impact study on the proposed development, which is a separate document from this study.

We are available to prepare additional consulting services on this proposed property as the scope of the development is finalized. In addition, we are available to perform a full narrative appraisal report or management company analysis for the proposed development upon your request. 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



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

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## **SCOPE OF THE ASSIGNMENT**

Mr. Jeff Hyman and Mr. Sandy Mathes with Otsego County IDA retained Hotel & Leisure Advisors, LLC to estimate the potential market feasibility of the development of a destination indoor waterpark resort in Hartwick.

We made a number of independent investigations and analyses while preparing this study, including:

- Evaluating the subject site and its relationship to potential demand generators as well as its attributes relative to the lodging and waterpark competitors.
- Interviewing representatives of the local convention and visitors bureau, chamber of commerce, and city, county, and economic development officials, to collect information concerning the proposed site and region.
- Interviewing managers or owners of existing and proposed competitive hotel or resort properties.
- Interviewing representatives of various hotel chains to determine performance of area hotels and proposed new supply additions.
- Interviewing managers of indoor waterpark resorts across the country and representatives of area attractions to determine usage and new supply additions.
- Consulting various agencies and databases for demographic data, land use policies and trends, growth estimates, and employment data. We also relied on data retained in our office, which is updated regularly for use in all assignments.
- Completing a physical inspection of the subject property and the area. Mr. Jeff Hyman and Mr. Sandy Mathes provided the subject property data. In addition to the subject's specific information, we considered relevant market data in determining the projections used in our cash flow analysis.

We based the financial analysis primarily upon the probable operating experience of the property relative to gross operating revenues, typical expense levels, and resultant net cash flow. We estimated operating revenues utilizing market data relative to industry standards and comparable properties in the subject area. We estimated expense levels based upon industry standards and operating histories of similar properties. We estimated the financial projections for the subject facility for 11 years, beginning January 1, 2018.

**EXECUTIVE SUMMARY**

The client is considering development of a destination indoor waterpark resort. We recommend, and have prepared our study utilizing an assumption, that the subject would develop a 400-room full-service destination indoor waterpark resort. We recommend approximately 80,000 square feet of indoor waterpark space to allow the subject to offer a facility larger than the Six Flags Great Escape Indoor Waterpark in Queensbury, and similar to the Great Wolf Lodge in the Pocono Mountains. We also recommend the development of a FEC with outdoor recreational components and conference space as additional resort amenities. In addition, to capture excess summertime demand, we recommend the development of a three-acre outdoor waterpark amenity that will increase the capacity of the resort to attract summer day pass demand.

The Cooperstown market is seasonal with peak demand occurring for a 13-week period during the summer. Room night demand outside of this time frame decreases. Therefore, in order to increase demand during non-peak times, a destination resort needs to offer sufficient amenities and be large enough to attract new demand. The combination of new demand created by the proposed destination resort, along with the existing year-round attractions in Cooperstown (i.e. Hall of Fame, Brewery Ommegang, Fenimore Art Museum, etc.), will provide sufficient attractions for the proposed subject to be viable. We note that the proposed subject needs to work cooperatively with all existing Cooperstown attractions to position and market Cooperstown as a year-round destination.

The following table profiles our recommendations for the proposed resort hotel in Hartwick, Otsego County, New York.

<b>Proposed Indoor Waterpark Resort-Cooperstown Recommended Facility (1 of 2)</b>			
<b>Number of Units</b>		<b>400</b>	
<b>Room Mix</b>	<b>Units</b>	<b>Room Breakdown %</b>	<b>Size (S.F.)</b>
Standard Suite (Sleeps 4 to 6)	260	65%	400 - 500
Specialty Suite (Sleeps 6 to 10)	80	20%	500 - 600
Themed One-Bedroom Kid Suites with Bunk Beds	60	15%	700 - 800
<b>Resort Branding</b>			
Independent Resort			
Great Wolf Lodge			
<b>Meeting Rooms</b>	<b>Square Feet</b>	<b>Banquet Seating Capacity</b>	
Large Event Room (Divisible into Six Rooms)	8,000	660	
Junior Ballroom (Divisible into Three Rooms)	4,500	350	
Breakout rooms	5,000	-	
Prefunction Space	<u>2,500</u>	-	
<b>Total</b>	<b>20,000</b>		
<b>Food and Beverage Outlets</b>			
Three-Meal Buffet-Style Restaurant			
Local Wine/Craft Brew Restaurant			
Bar/Lounge with Limited Food Offerings (with gallery overlooking surf machine)			
Deli/Pastry/Ice Cream Outlet			
Coffee Shop			
Waterpark Snack Bar and Outdoor Concessions			
FEC Concessions			
<b>Waterpark Features</b>		<b>Sizing</b>	
Indoor Square Footage		80,000	
Outdoor Square Footage		3-acres	
# of Lockers		750	
Birthday Party Rooms S.F. (Divisible Into 3)		1,500	
<b>Potential Waterpark Themes</b>			
America's Pastime Baseball Waterpark			
Cavern-Geological			
Adirondack			
Mohican Territory			
Source: Hotel & Leisure Advisors			

<b>Proposed Indoor Waterpark Resort-Cooperstown Recommended Facility (2 of 2)</b>		
<b>Additional Four-Season Revenue Centers</b>	<b>Comments</b>	
Family Entertainment Center (FEC)	20,000	square feet
Arcade & Redemption Center		
Indoor Mini-Golf		
Golf Simulators		
Media Center/Gamer's Pavilion		
Laser Tag		
Cosmic Bowling Center		
Indoor Rock Climbing Course		
Indoor Ropes Challenge Course		
Outdoor BMX Rentals	Bike trails on 20 acres	
Outdoor Pole to Pole Zip Line Course	2-3 hr, 12 events	
Tubing Hill		
Cross Country Ski Rentals	Utilize BMX Trails	
Hiking/Activity/Exercise Terrain Park	Natural Areas	
Float Tubes/Canoe/Kayak Rentals	Third Party Leased Operation	
<b>Hotel/Conference Center Amenities</b>		
Two or Three Resort Retail/Gift Shops (throughout resort)	6,000	square feet
Family-Oriented Spa	5,000	square feet
Business Center		
Complimentary High Speed Internet (throughout resort)		
Health Club (Fitness Room, Steam Room, Whirlpool)		
Complimentary Parking		
Corporate Executive Team Building Programs	Shoulder Seasons	
<b>Other On-Site Amenities</b> (not included in financial analysis)		
Cooperstown-Charlotte Valley Railroad Access	Train Station to HOF	
Employee Housing Cluster		
Indoor/Outdoor Sports Venue	Expansion Potential - Phase II	
Baseball Field(s)		
Indoor Baseball Facility		
Basketball/Volleyball Courts		
Soccer/Lacrosse Field		
Sand Volleyball Court		
Marksmanship Range		
Concessions		
Source: Hotel & Leisure Advisors		

**Recommendations**

We recommend the subject offer a sufficient number of amenities to create a true resort destination. The following bullets highlight our recommendations for the destination resort.

- We recommend the subject offer 400 guestrooms with a mixture of standard suites, specialty suites, and themed one-bedroom kids suites. All rooms should include a sleeper sofa or bunk beds. A microwave and mini refrigerator should be included in each guestroom. There should be a mixture of room types including themed rooms with kid’s bunk beds and separate kid’s areas. Standard suites should be larger than typical hotel guestrooms with an average square footage between 400 and 500 square feet, the larger specialty suites with an average square footage between 500 and 600 square feet, and themed one-bedroom kid

suites offering approximately 700 to 800 square feet. We recommend approximately 65% standard suites and 35% specialty suites.

- We recommend a family-oriented “fast casual” restaurant as well as a local wine/craft brew restaurant. The resort should be designed in a way that allows at least one restaurant and conference/event space to share the same kitchen.
- The casual dining restaurant should have a built-in buffet, which will increase efficiency. The casual dining bar & grill should be open for breakfast, lunch, and dinner daily.
- The local wine/craft brew restaurant should leverage a relationship with the nearby Brewery Ommegang attraction to provide an authentic Cooperstown experience (fresh from hop farm to glass).
- In addition to its restaurants, we also recommend inclusion of an over-the-counter confectionary/ ice cream shop offering baked goods, ice cream, and candy and a sandwich shop (possibly franchised). We recommend a coffee shop in the lobby. There should also be a snack bar in the indoor waterpark and the FEC (both serving alcohol). In addition a seasonal outdoor waterpark snack bar and concessions should be developed for the outdoor venues.
- We recommend the subject offer a conference center with flexible meeting and conference space of approximately 20,000 square feet to attract a variety of groups, associations, wedding parties, and events. A mid-sized conference center should target groups during midweek periods during the shoulder seasons and winter. The conference space should be located on the opposite end of the building from the indoor waterpark to allow separation between two types of users. The flexible space should include:
  - An 8,000 square foot main ballroom divisible into six rooms, each with its own access, to house multiple smaller events. As a banquet area, this space will seat 660 people at 72” round tables.
  - An additional 4,500 square foot junior ballroom with banquet seating capacity for 350 to host smaller receptions. This room should be divisible into three smaller rooms.
  - Approximately 5,000 square feet of breakout meeting space.
  - Approximately 2,500 square feet of pre-function area.
  - The meeting rooms should be well appointed with the latest in meeting technologies, including ample power, Wi-Fi, video conferencing, and acoustical treatments. The meeting rooms should be well appointed with the latest in meeting technologies, including ample power, Wi-Fi, video conferencing, and acoustical treatments. The design of the parking lot should allow for the conference facility to be separate from the waterpark guests.
- We recommend the resort feature a multi-station business center.

- We recommend the resort offer complimentary amenities such as Wi-Fi and parking.
- As the anchor attraction for the subject resort destination, we recommend a well-themed, large indoor waterpark of approximately 80,000 square feet, which is described later in this report. This is similar in size to the Great Wolf Lodge, in the Pocono Mountains.
- In addition to the indoor waterpark, we recommend a three-acre outdoor waterpark be developed adjacent to the indoor facility. This outdoor waterpark will provide summer guests an opportunity to leverage good weather, and will attract additional visitor demand through the availability of day passes. The size of the outdoor waterpark will be sufficient enough to make it a destination unto itself.
- We recommend the resort include a 5,000 square foot family-oriented spa. The subject resort spa should include several treatment rooms and offer services such as massages, manicures, pedicures, hair updos, and other kid- and family-oriented treatments.
- We recommend two or three resort-themed retail gift shops with a total of 6,000 square feet be developed to encourage souvenir and aquatic-related purchases. These retail gift shops should be located in strategic points throughout the resort property: one in the lobby area selling novelty items, and a second near the waterpark entrance selling swimming related items. Small retail shops and kiosks should be located near the FEC such as build a bear, kids tattoo/henna parlor and keychain/wristband kiosk etc. By locating the FEC, restaurant and retail near each other, the subject can offer a “main street” type atmosphere, which will be active during the evenings. One of the retail shops should include a 24-hour convenience market next to the front desk that will sell snacks, beverages and convenience items.
- We recommend constructing 20,000 square feet of combined FEC space adjacent to the indoor waterpark. The FEC would house a large arcade with both electronic and skill games, indoor miniature golf, laser tag, and soft play areas with balls and tubes for children. For older teens a gamers pavilion should be located separately from the younger children’s area. The FEC should include a media center that can be used to view movies and provide a performance entertainment area for resort guests as well as high-tech attractions, including simulators and virtual reality attractions for teens and groups. The FEC should contain a redemption center. We recommend expanding the recreational amenities to include a rock climbing adventure center. We project this FEC complex to attract youth groups and adventure tourists year-round.
- We recommend the subject leverage the natural terrain of its acreage. We recommend an outdoor adventure park offering outdoor amenities including a pole-to-pole zip line, ropes course, and mountain bike BMX rentals for use on various trails developed throughout the property. For winter, we recommend a snow tubing hill and cross country ski trails.
- We recommend natural areas of the resort be maintained and offer outdoor hiking and exercise trails, as well as potential recreation amenities along the riverbank. This could include leasing river access to a float tube/canoe/kayak outfitter.

- We recommend the subject offer 1,500 square feet of multiple birthday party rooms adjacent to the indoor waterpark and FEC for party guests to assemble when they are not in the waterpark. This room can be utilized as an overflow breakout room or for waterpark snack bar seating when there are no birthday parties.
- We recommend the subject offer RFID wristbands to hotel guests to pay for various services at the resort, including arcade tokens, gift shop, restaurants, deli shop, and waterpark snack bar. The wristbands can either be pre-paid (for children) or linked to a guestroom account.
- We recommend a Magique-type interactive game for children that would utilize different sections of the hotel. This interactive game is extremely popular and profitable at the Great Wolf Lodge properties. We also recommend other dry play areas within the hotel for children to enjoy.
- We recommend sufficient parking be developed for the destination indoor waterpark resort. The designers should plan for appropriate vehicular circulation and accommodate the multi-use components of the resort and their parking needs. i.e. restaurant, outdoor adventure center, conference center, etc.
- We recommend that an overall master plan be developed for the resort including the identification of areas for potential expansion. Planning for an expansion in the initial drawings will lower the cost later.
- We recommend the subject try to obtain the Leadership in Energy and Environmental Design (LEED) certification as a “green” structure, which would allow for reduced energy costs and positive eco-friendly publicity. The LEED Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings. In McGraw Hill Construction’s 2013 report, *Green Retail and Hospitality: Capitalizing on the Growth in Green Building Investments*, hotel owners reported an 11% increase in asset value and a 14% in return on investment (ROI) as a result of green improvements. Green buildings also are drawing more customers, with 55% of hotel owners reporting an increase in occupancy post green improvement.

### **Development Budget**

The developers have not yet prepared a formal development budget. Based on our review of construction costs at other indoor waterparks, we forecast development costs for the proposed project to range from \$140 million to \$180 million or from \$350,000 to \$450,000 per available room.

### **Subject Resort Projections**

The following forecasts of income and expenses reflect the subject’s anticipated performance for calendar years beginning in 2018. We projected that the subject’s operations will stabilize in the fourth year and all income and expense items will increase thereafter at the underlying inflation rate of 2.5%. 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 presented rounded figures to the nearest thousand.

PROJECTED FINANCIAL PERFORMANCE																
PROPOSED INDOOR WATERPARK RESORT-COOPERSTOWN																
	Base Year 2018				Base +1 2019				Base +2 2020				Base +3 2021			
Number of Rooms	400				400				400				400			
Occupancy	62.9%				66.3%				69.0%				69.0%			
Average Rate	\$282.00				\$296.10				\$307.94				\$315.64			
Days Open	365				365				365				365			
Rooms Occupied	91,821				96,820				100,778				100,778			
Annualized Rooms	146,000				146,000				146,000				146,000			
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	\$ 25,894	58.5%	\$ 64,735	\$ 282.00	\$ 28,668	59.7%	\$ 71,670	\$ 296.10	\$ 31,034	60.4%	\$ 77,585	\$ 307.95	\$ 31,810	60.4%	\$ 79,525	\$ 315.65
Food and Beverage	\$ 7,900	17.8%	\$ 19,750	\$ 86.04	\$ 8,362	17.4%	\$ 20,905	\$ 86.37	\$ 8,786	17.1%	\$ 21,965	\$ 87.18	\$ 9,005	17.1%	\$ 22,513	\$ 89.36
Other Operated Departments	\$ 1,300	2.9%	\$ 3,250	\$ 14.16	\$ 1,372	2.9%	\$ 3,430	\$ 14.17	\$ 1,439	2.8%	\$ 3,598	\$ 14.28	\$ 1,475	2.8%	\$ 3,688	\$ 14.64
Rentals and Other Income	\$ 1,300	2.9%	\$ 3,250	\$ 14.16	\$ 1,376	2.9%	\$ 3,440	\$ 14.21	\$ 1,446	2.8%	\$ 3,615	\$ 14.35	\$ 1,482	2.8%	\$ 3,705	\$ 14.71
Spa (net)	\$ 195	0.4%	\$ 488	\$ 2.12	\$ 206	0.4%	\$ 515	\$ 2.13	\$ 217	0.4%	\$ 543	\$ 2.15	\$ 222	0.4%	\$ 555	\$ 2.20
Retail	\$ 1,920	4.3%	\$ 4,800	\$ 20.91	\$ 2,043	4.3%	\$ 5,108	\$ 21.10	\$ 2,155	4.2%	\$ 5,388	\$ 21.38	\$ 2,209	4.2%	\$ 5,523	\$ 21.92
FEC	\$ 2,200	5.0%	\$ 5,500	\$ 23.96	\$ 2,341	4.9%	\$ 5,853	\$ 24.18	\$ 2,469	4.8%	\$ 6,173	\$ 24.50	\$ 2,531	4.8%	\$ 6,328	\$ 25.11
Indoor Waterpark	\$ 3,553	8.0%	\$ 8,883	\$ 38.69	\$ 3,685	7.7%	\$ 9,213	\$ 38.06	\$ 3,848	7.5%	\$ 9,620	\$ 38.18	\$ 3,944	7.5%	\$ 9,860	\$ 39.14
Total Revenue	\$ 44,262	100.0%	\$ 110,655	\$ 482.05	\$ 48,053	100.0%	\$ 120,133	\$ 496.31	\$ 51,394	100.0%	\$ 128,485	\$ 509.97	\$ 52,678	100.0%	\$ 131,695	\$ 522.72
Departmental Expenses																
Rooms	\$ 4,661	18.0%	\$ 11,653	\$ 50.76	\$ 4,920	17.2%	\$ 12,300	\$ 50.82	\$ 5,159	16.6%	\$ 12,898	\$ 51.19	\$ 5,288	16.6%	\$ 13,220	\$ 52.47
Food & Beverage	\$ 5,530	70.0%	\$ 13,825	\$ 60.23	\$ 5,838	69.8%	\$ 14,595	\$ 60.30	\$ 6,122	69.7%	\$ 15,305	\$ 60.75	\$ 6,275	69.7%	\$ 15,688	\$ 62.27
Other Operated Departments	\$ 780	60.0%	\$ 1,950	\$ 8.49	\$ 821	59.8%	\$ 2,053	\$ 8.48	\$ 859	59.7%	\$ 2,148	\$ 8.52	\$ 881	59.7%	\$ 2,203	\$ 8.74
Retail	\$ 1,248	65.0%	\$ 3,120	\$ 13.59	\$ 1,321	64.7%	\$ 3,303	\$ 13.64	\$ 1,388	64.4%	\$ 3,470	\$ 13.77	\$ 1,423	64.4%	\$ 3,558	\$ 14.12
FEC	\$ 1,100	50.0%	\$ 2,750	\$ 11.98	\$ 1,164	49.7%	\$ 2,910	\$ 12.02	\$ 1,223	49.5%	\$ 3,058	\$ 12.14	\$ 1,254	49.5%	\$ 3,135	\$ 12.44
Indoor Waterpark	\$ 2,413	67.9%	\$ 6,033	\$ 26.28	\$ 2,508	68.1%	\$ 6,270	\$ 25.90	\$ 2,602	67.6%	\$ 6,505	\$ 25.82	\$ 2,667	67.6%	\$ 6,668	\$ 26.46
Total Dept. Expenses	\$ 15,732	35.5%	\$ 39,330	\$ 171.33	\$ 16,572	34.5%	\$ 41,430	\$ 171.16	\$ 17,353	33.8%	\$ 43,383	\$ 172.19	\$ 17,788	33.8%	\$ 44,470	\$ 176.51
Departmental Income	\$ 28,530	64.5%	\$ 71,325	\$ 310.71	\$ 31,481	65.5%	\$ 78,703	\$ 325.15	\$ 34,041	66.2%	\$ 85,103	\$ 337.78	\$ 34,890	66.2%	\$ 87,225	\$ 346.21
Undistributed Operating Expenses																
Administrative & General	\$ 3,080	7.0%	\$ 7,700	\$ 33.54	\$ 3,252	6.8%	\$ 8,130	\$ 33.59	\$ 3,410	6.6%	\$ 8,525	\$ 33.84	\$ 3,495	6.6%	\$ 8,738	\$ 34.68
Management Fees	\$ 1,328	3.0%	\$ 3,320	\$ 14.46	\$ 1,442	3.0%	\$ 3,605	\$ 14.89	\$ 1,542	3.0%	\$ 3,855	\$ 15.30	\$ 1,580	3.0%	\$ 3,950	\$ 15.68
Marketing	\$ 3,480	7.9%	\$ 8,700	\$ 37.90	\$ 3,664	7.6%	\$ 9,160	\$ 37.84	\$ 3,834	7.5%	\$ 9,585	\$ 38.04	\$ 3,930	7.5%	\$ 9,825	\$ 39.00
Prop. Oper. & Maintenance	\$ 1,840	4.2%	\$ 4,600	\$ 20.04	\$ 1,937	4.0%	\$ 4,843	\$ 20.01	\$ 2,027	3.9%	\$ 5,068	\$ 20.11	\$ 2,078	3.9%	\$ 5,195	\$ 20.62
Energy Costs	\$ 1,800	4.1%	\$ 4,500	\$ 19.60	\$ 1,895	3.9%	\$ 4,738	\$ 19.57	\$ 1,983	3.9%	\$ 4,958	\$ 19.68	\$ 2,033	3.9%	\$ 5,083	\$ 20.17
Total UDOEs	\$ 11,528	26.0%	\$ 28,820	\$ 125.55	\$ 12,190	25.4%	\$ 30,475	\$ 125.90	\$ 12,796	24.9%	\$ 31,990	\$ 126.97	\$ 13,116	24.9%	\$ 32,790	\$ 130.15
Income Before Fixed Charges	\$ 17,002	38.4%	\$ 42,505	\$ 185.16	\$ 19,291	40.1%	\$ 48,228	\$ 199.25	\$ 21,245	41.3%	\$ 53,113	\$ 210.81	\$ 21,774	41.3%	\$ 54,435	\$ 216.06
Fixed Charges																
Property Tax	\$ 2,167	4.9%	\$ 5,418	\$ 23.60	\$ 2,221	4.6%	\$ 5,553	\$ 22.94	\$ 2,277	4.4%	\$ 5,693	\$ 22.59	\$ 2,334	4.4%	\$ 5,835	\$ 23.16
Insurance	\$ 440	1.0%	\$ 1,100	\$ 4.79	\$ 451	0.9%	\$ 1,128	\$ 4.66	\$ 462	0.9%	\$ 1,155	\$ 4.58	\$ 474	0.9%	\$ 1,185	\$ 4.70
Reserve for Replacement	\$ 885	2.0%	\$ 2,213	\$ 9.64	\$ 1,442	3.0%	\$ 3,605	\$ 14.89	\$ 2,056	4.0%	\$ 5,140	\$ 20.40	\$ 2,107	4.0%	\$ 5,268	\$ 20.91
Total Fixed Charges	\$ 3,492	7.9%	\$ 8,730	\$ 38.03	\$ 4,114	8.6%	\$ 10,285	\$ 42.49	\$ 4,795	9.3%	\$ 11,988	\$ 47.58	\$ 4,915	9.3%	\$ 12,288	\$ 48.77
Net Income/EBIDTA	\$ 13,510	30.5%	\$ 33,775	\$ 147.13	\$ 15,177	31.6%	\$ 37,943	\$ 156.75	\$ 16,450	32.0%	\$ 41,125	\$ 163.23	\$ 16,859	32.0%	\$ 42,148	\$ 167.29

Source: Hotel & Leisure Advisors

Our analysis indicates that the development of the proposed 400-key indoor waterpark resort with approximately 80,000 square feet of waterpark area produces a positive return. The market area surrounding the subject site contains no indoor waterpark resorts, which are popular with families for short vacations and getaways. We analyzed the discounted cash flow result for the resort utilizing a 11.0% discount rate and a 9.0% terminal capitalization rate. The discounted cash flow as completed indicates a conclusion of \$174,600,000 or \$436,500 per available hotel room for the development. The discounted cash flow as stabilized indicates a conclusion of \$186,200,000 or \$465,500 per available hotel room for the development. The value conclusions are not meant to be market value because there are still many unknowns concerning the subject project, but they are presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal.

### **Area Review**

The neighborhood surrounding the subject site has a variety of uses that are primarily related to agricultural, residential, and hospitality. A portion of the subject site is visible from State Highway 28.

Cooperstown Fun Park is adjacent to the subject site. This family attraction includes laser tag, bumper boats, go-karts, batting cages, miniature golf, and an arcade. Land uses north of the subject site include the Red Carpet Inn motel, and single family agricultural residences and farmland. Downtown Cooperstown is two miles north of the subject site. Land uses south of the subject site include the Holiday Inn Express and Suites, Laser Tag, Council Rock Brewery, a strip shopping center called Cooperstown Commons with a Topps grocery store, McDonalds, Best Western Plus Hotel, NBT Bank, Frozen Yogurt, and Subway. Further south is the Cooperstown Dreams Park, the Country Inn and Suites by Carlson hotel, and agricultural farm land with single family farm residences. The village of Milford is 5.3 miles south of the subject site. Land uses east of the subject site include agricultural farmland and the Brewery Ommegang. Land use west of the subject site is wooded acreage interspersed with agricultural farmland. The neighborhood surrounding the subject site offers limited restaurant and some family entertainment options. The highway precludes pedestrian access and parking is limited at most roadside establishments.

### **Competitive Hotel Market**

The proposed indoor waterpark resort will be the first resort hotel with an indoor waterpark in the Cooperstown market. Due to the nature of the proposed destination resort, we analyzed a grouping of similar resort properties, including other indoor waterpark resorts as well as the local hotel properties in the Cooperstown market. The following table provides their operating performance.

<b>Proposed Indoor Waterpark Resort-Cooperstown Historical Performance of Competitive Set</b>			
<b>Total Market Demand Segment</b>	<b>Historical</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Commercial</b>	11,522	11,447	11,837
<b>Group</b>	84,833	89,685	90,705
<b>Leisure</b>	338,836	343,809	343,976
<b>Total Room Night Demand</b>	435,191	444,941	446,519
Total Room Demand Growth	-	2.2%	0.4%
Total Room Nights Available	683,370	682,882	678,678
Total Room Supply Growth	-	-0.1%	-0.6%
Adjusted Market Occupancy	63.7%	65.2%	65.8%
ADR	\$265.86	\$266.91	\$269.08
ADR Growth	-	0.4%	0.8%
RevPAR	\$169.31	\$173.91	\$177.03
RevPAR Growth	-	2.7%	1.8%
Source: Hotel & Leisure Advisors			

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

### **Indoor Waterpark Attendance**

We analyzed the potential demand for an 80,000 square foot indoor waterpark. We recommend the resort advertise that the indoor waterpark is for guests only during the non-summer season to encourage visitors to stay at the resort, but allow groups and birthday parties to come when space is available. During the summer we recommend the addition of a large three-acre seasonal outdoor waterpark, which will increase the capacity of the subject to attract day pass visitors during the 13-week summer baseball tournament season, when demand is at its peak. The following table indicates our projections of attendance and indoor waterpark revenue from the subject resort guestrooms, summertime day pass visitation, and local daily attendance.

<b>Projected Attendance and Indoor Waterpark Revenue Proposed Indoor Waterpark Resort-Cooperstown 80,000 square feet</b>					
Calendar Years					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>Proposed Indoor Waterpark Resort-Cooperstown</u></b>					
Subject property occupied rooms	91,821	96,820	100,778	100,778	100,778
Waterpark package occupied rooms	87,039	91,777	95,529	95,529	95,529
Segment property attendance	391,674	412,998	429,879	429,879	429,879
<b><u>Summertime Day Pass</u></b>					
Projected Day Pass Attendees	66,025	67,676	69,368	69,368	69,368
Waterpark admission per room	\$33.00	\$33.83	\$34.67	\$35.54	\$36.43
Projected revenue	\$2,178,825	\$2,289,128	\$2,405,015	\$2,465,140	\$2,526,769
<b><u>Groups and Birthday Parties - Non-Summer Months</u></b>					
Group Attendees	13,659	13,300	13,633	13,633	13,633
Waterpark admission average	\$33.00	\$33.83	\$34.67	\$35.54	\$36.43
Projected revenue	\$450,745	\$449,886	\$472,661	\$484,478	\$496,590
<b><u>Total</u></b>					
Subject property attendance	471,358	493,974	512,880	512,880	512,880
Available Capacity (2,000/day-winter/4,000/day-summer/Annual Avg. 2,500)	912,500	912,500	912,500	912,500	912,500
Usage percentage	<b>52%</b>	<b>54%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>
Total ticket revenue (rounded)	\$2,630,000	\$2,739,000	\$2,878,000	\$2,950,000	\$3,023,000
<b><u>Cabanas and Locker Rentals Revenue</u></b>	\$923,000	\$946,000	\$970,000	\$994,000	\$1,019,000
<b><u>Total Revenue</u></b>	\$3,553,000	\$3,685,000	\$3,848,000	\$3,944,000	\$4,042,000
<b><u>Statistical information</u></b>					
Projected attendance per indoor square foot	5.9	6.2	6.4	6.4	6.4
Source: Hotel & Leisure Advisors					

### **Subject Development Outlook**

Overall, our study revealed that the proposed subject destination resort development is feasible depending upon construction costs and available municipal incentives. The subject would benefit from potential municipal incentives such as a tax abatement, infrastructure assistance, or rebate of room tax. The subject's location in Cooperstown is its strongest attribute due to the existing seasonal demand already in the market as well as several iconic year-round attractions. Additionally, the subject will represent the largest indoor waterpark resort in upstate New York, which is a positive and the longer winters in upstate New York may allow for greater success of a large indoor waterpark resort property. However, additional competition from two recently opened indoor waterpark resorts in the Poconos, and a number of proposed projects within the Northeast United States, will limit potential performance levels of the subject. The proposed resort is projected to earn a positive rate of return and out-penetrate the local competitive set of hotels.

**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**

We assume that qualified professional hospitality management with demonstrated expertise in management of hotels and indoor waterparks will operate the subject property. We assume that adequate funds will be available for upkeep and repair of the facility.

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

There are no other extraordinary assumptions or hypothetical conditions.

## **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, ski 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 have performed more than 2,000 hotel studies since 1987 at various firms. Mr. David J. Sangree, MAI, CPA, ISHC has written articles about hotels, resorts, and waterparks for *Hotel 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. He has inspected most of the open indoor waterpark resorts in North America. 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 site is in the town of Hartwick, Otsego County, New York, and belongs to the Oneonta, New York Micropolitan Statistical Area (Micro). A Micro consists of at least one urbanized area of between 10,000 and 50,000 people plus adjacent areas having a high degree of social and economic integration with the core. In this case, however, the Oneonta Micro consists of just one county: Otsego County. Throughout this section of the report, this statistical area will be referred to simply as Otsego County.

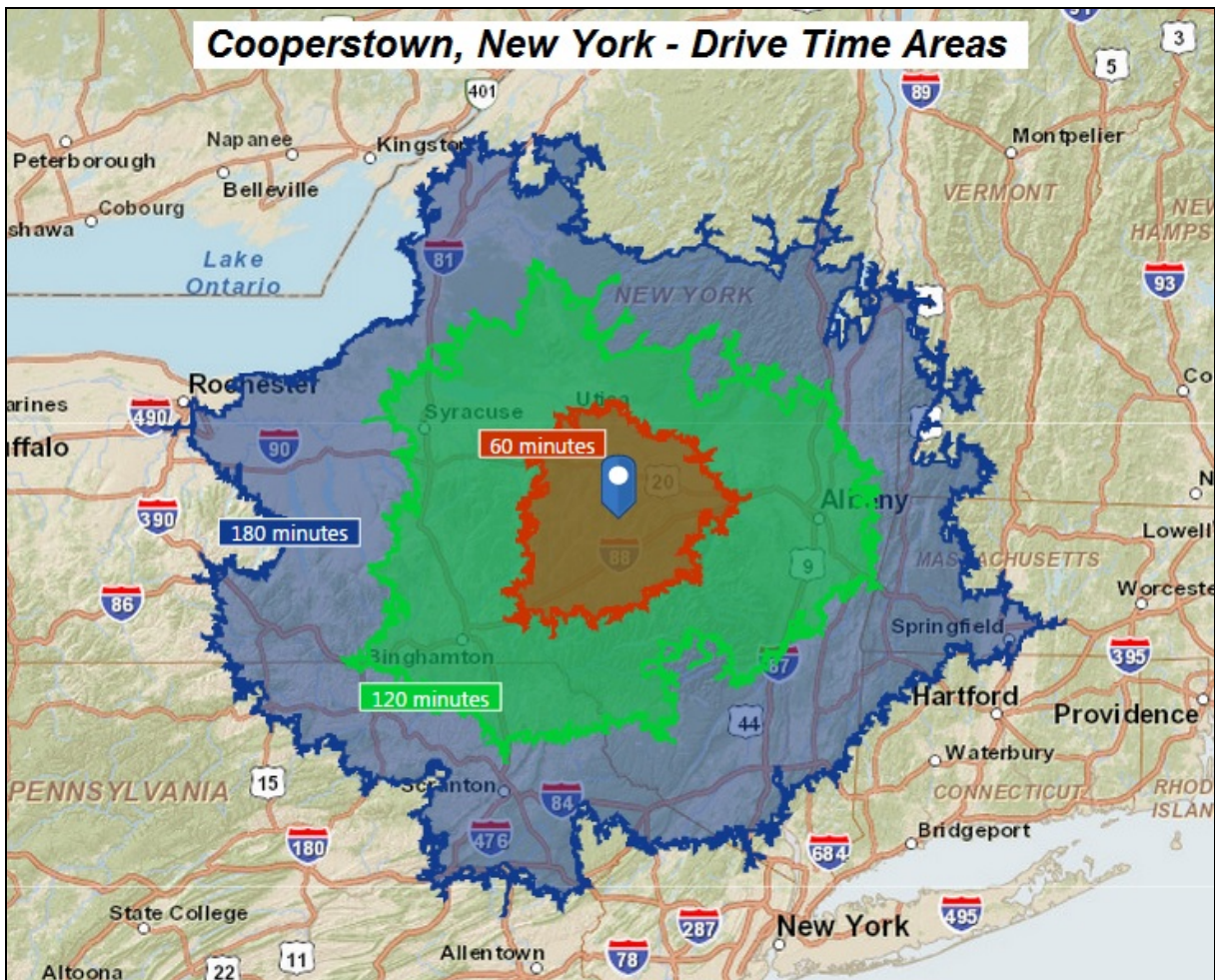
Located in central New York, the proposed site is approximately 40 miles south of Utica, 80 miles northeast of Binghamton, 90 miles west of Albany, and 90 miles southeast of Syracuse. The site is directly adjacent to Cooperstown Fun Park, approximately one mile north of Cooperstown Dreams Park, a massive outdoor sports complex that hosts youth baseball tournaments. The site is about three miles south of the National Baseball Hall of Fame and Museum in Cooperstown, the primary tourist attraction in Otsego County.

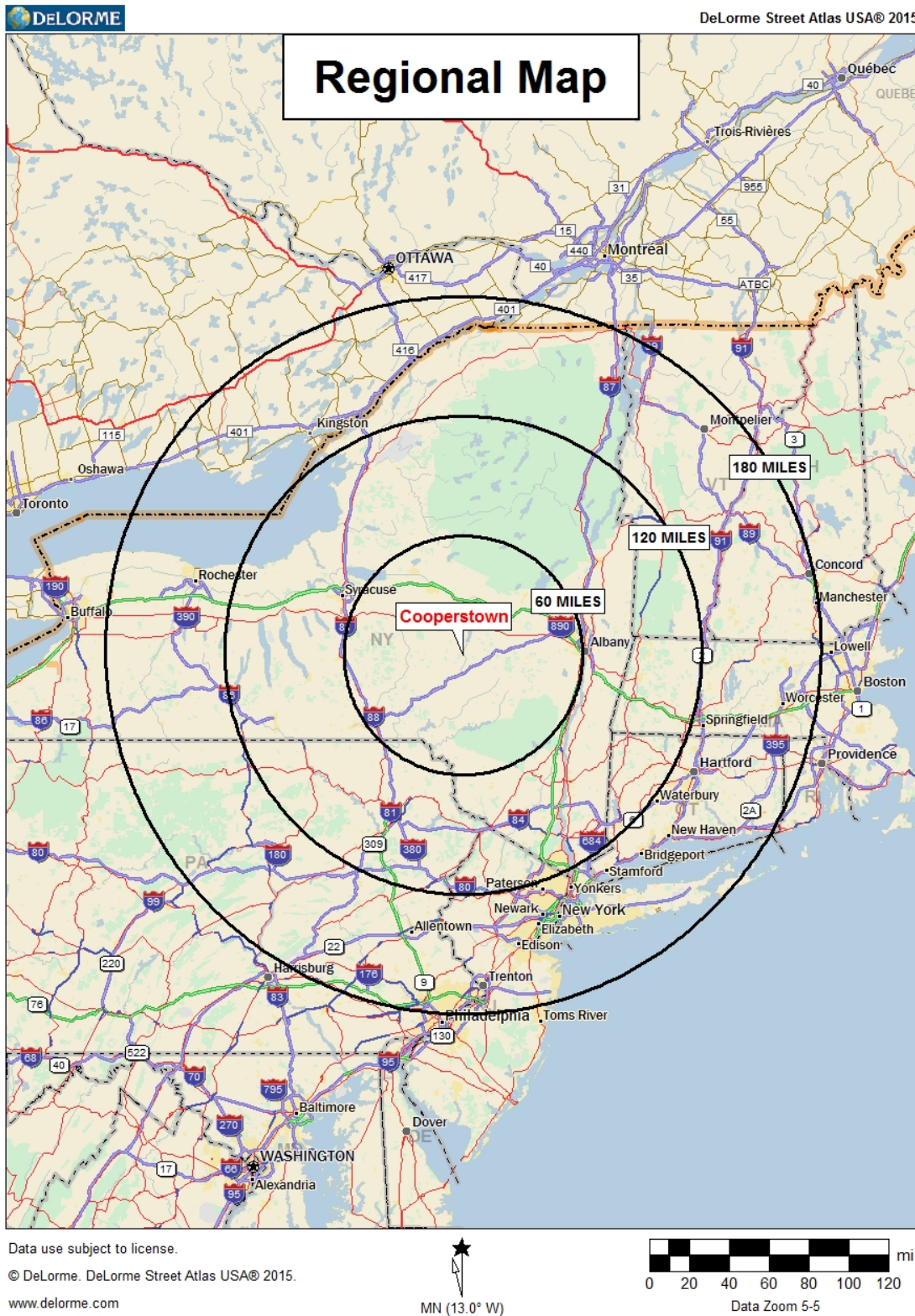
According to The Appraisal of Real Estate, 14<sup>th</sup> Edition, published by the Appraisal Institute, all real estate markets are influenced by the attitudes, motivations, and interactions of buyers and sellers of real property, which in turn are subject to various social, economic, governmental, and environmental forces. Analysis of these forces is performed by investigating specific factors pertaining to each. With a hospitality property, particular emphasis is placed on trends affecting visitation 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).

The following map represents drive time areas from Cooperstown for 60 minutes, 120 minutes, and 180 minutes followed by a map showing 60, 120, and 180 mile rings around Cooperstown.





**Population Trends:** The following table presents population growth trends for Hartwick, Otsego County, and the state of New York.

Population Growth Trends Hartwick, New York							
Area	2000 Census	2010 Census	2015 Est.	2020 Proj.	%Change 2000-10	%Change 2010-15	%Change 2015-20
Hartwick	2,203	2,110	2,121	2,120	-4.2%	0.5%	0.0%
Otsego County	61,698	62,259	62,267	61,984	0.9%	0.0%	-0.5%
New York	18,976,457	19,378,102	19,704,032	20,119,871	2.1%	1.7%	2.1%

Sources: U.S. Census Bureau, ESRI

Otsego County is currently home to about 62,000 residents, with over 2,100 in the town of Hartwick. The largest population center in the county is the city of Oneonta, with about 14,000 residents. The village of Cooperstown has approximately 1,900 residents. From 2000 to 2010, the resident population in Otsego County increased by 0.9%, compared to 2.1% at the state level. As shown, the county has seen little change in population since 2010, and this is projected to remain the case heading into the near future.

**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 Hartwick, Otsego County, and New York.

Household Growth Trends Hartwick, New York							
Area	2000 Census	2010 Census	2015 Est.	2020 Proj.	%Change 2000-10	%Change 2010-15	%Change 2015-20
Hartwick	850	870	886	893	2.4%	1.8%	0.8%
Otsego County	23,300	24,620	24,802	24,858	5.7%	0.7%	0.2%
New York	7,056,860	7,317,755	7,476,368	7,650,474	3.7%	2.2%	2.3%

Sources: U.S. Census Bureau, ESRI

The household count currently stands at around 25,000 in Otsego County, with nearly 900 households in the town of Hartwick. While the county experienced a small measure of growth between the past two Census years, little change has occurred since 2010. In Otsego County, as in the state of New York as a whole, the fact that growth in the number of households has outpaced population growth is indicative of a 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. Otsego County is home to two higher education institutions: the State University of New York at Oneonta (SUNY Oneonta) and Hartwick College. SUNY Oneonta, part of the larger State University of New York system, is a public liberal arts college with around 6,100 students. Hartwick College, a private liberal arts college, has a typical enrollment of around 1,500

students. Both of these institutions are located in the city of Oneonta, approximately 15 miles south of the proposed subject site. Intercollegiate athletics at these two institutions are an important source of visitor demand for the area, as are commencement ceremonies, prospective student visitation, cultural programs, and other events.

**Retail Centers:** Research conducted by the Travel Industry Association of America indicates that shopping continues to be the most common activity among U.S. adult travelers, with an estimated 63% including shopping as an activity on a trip. While there may be many types of retail stores in a given area, travelers are typically drawn to traditional enclosed malls, outlet malls, downtown shopping districts, and outdoor “lifestyle” centers.

The nearest retail development is Cooperstown Commons, located just north of Cooperstown Dreams Park. This small retail plaza offers a Tops grocery store and a liquor store, as well as a handful of quick-service restaurants. The nearest sizeable retail center is Southside Mall in Oneonta. Located near Interstate 88 and the Susquehanna River, this single-level enclosed mall is anchored by JCPenney, OfficeMax, T.J.Maxx, Bed Bath & Beyond, and the Southside Mall Cinemas. The area surrounding the mall offers a number of additional retailers such as Walmart, Dick’s Sporting Goods, and BJ’s Wholesale Club.

**Tourism Statistics:** Tourism is a major economic driver for the state of New York. According to the latest research from Tourism Economics, statewide traveler spending reached an all-time high of \$62.5 billion in 2014, representing a 5.4% increase over the previous year and an 18% increase over the pre-recession peak set in 2008. The largest share of this total (66%) was spent in New York City. In 2014, nearly 80% of the statewide visitor spending was attributable to three regions in downstate New York: New York City, Long Island, and the Hudson Valley.

According to the state’s delineations, the subject area is part of the Central New York region, which is comprised of Broome, Chenango, Herkimer, Madison, Montgomery, Oneida, Otsego, and Schoharie Counties. In 2014, visitor spending in this region reached over \$2.0 billion or roughly 3% of the state total. The neighboring Capital-Saratoga region, which includes the greater Albany area, also received 3% of the statewide visitor expenditures in 2014. The Finger Lakes region, which borders Central New York to the west, recorded 5% of the state total.

The next table presents a county-by-county breakdown of visitor spending in the Central New York region for the past three years.

<b>Annual Traveler Spending ('000s) in Central New York</b>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>% Change 2013-2014</u>
Broome	\$ 297,266	\$ 273,576	\$ 285,888	4.5%
Chenango	\$ 28,094	\$ 27,720	\$ 28,197	1.7%
Herkimer	\$ 99,158	\$ 107,902	\$ 109,864	1.8%
Madison	\$ 80,837	\$ 80,811	\$ 83,746	3.6%
Montgomery	\$ 32,496	\$ 33,683	\$ 39,010	15.8%
Oneida	\$ 1,169,677	\$ 1,181,203	\$ 1,239,482	4.9%
<b>Otsego</b>	<b>\$ 160,206</b>	<b>\$ 167,496</b>	<b>\$ 175,573</b>	<b>4.8%</b>
<u>Schoharie</u>	<u>\$ 53,855</u>	<u>\$ 52,787</u>	<u>\$ 54,183</u>	<u>2.6%</u>
<b>TOTAL</b>	<b>\$ 1,921,589</b>	<b>\$ 1,925,178</b>	<b>\$ 2,015,943</b>	<b>4.7%</b>

Source: Tourism Economics, *The Economic Impact of Tourism in New York, 2014 Calendar Year - Central New York Focus*

In 2014, Otsego County ranked third in the region in terms of traveler spending after Oneida County and Broome County. As shown, the county has achieved significant growth in visitor spending over the past two years. Travel-related expenditures supported roughly 3,400 jobs in the county in 2014, with a total payroll of over \$83 million. These expenditures also generated over \$22 million in state and local taxes in 2014.

**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.

<b>Major Tourist Attractions in the Subject Area</b>	
<u>Attraction</u>	<u>Location</u>
Cooperstown Dreams Park	Hartwick, NY
National Baseball Hall of Fame and Museum	Cooperstown, NY
Farmers' Museum	Cooperstown, NY
Fenimore Art Museum	Cooperstown, NY
Glimmerglass State Park	Cooperstown, NY
Otsego Lake	Cooperstown, NY
Turning Stone Resort Casino	Oneida, NY

Source: Hotel & Leisure Advisors

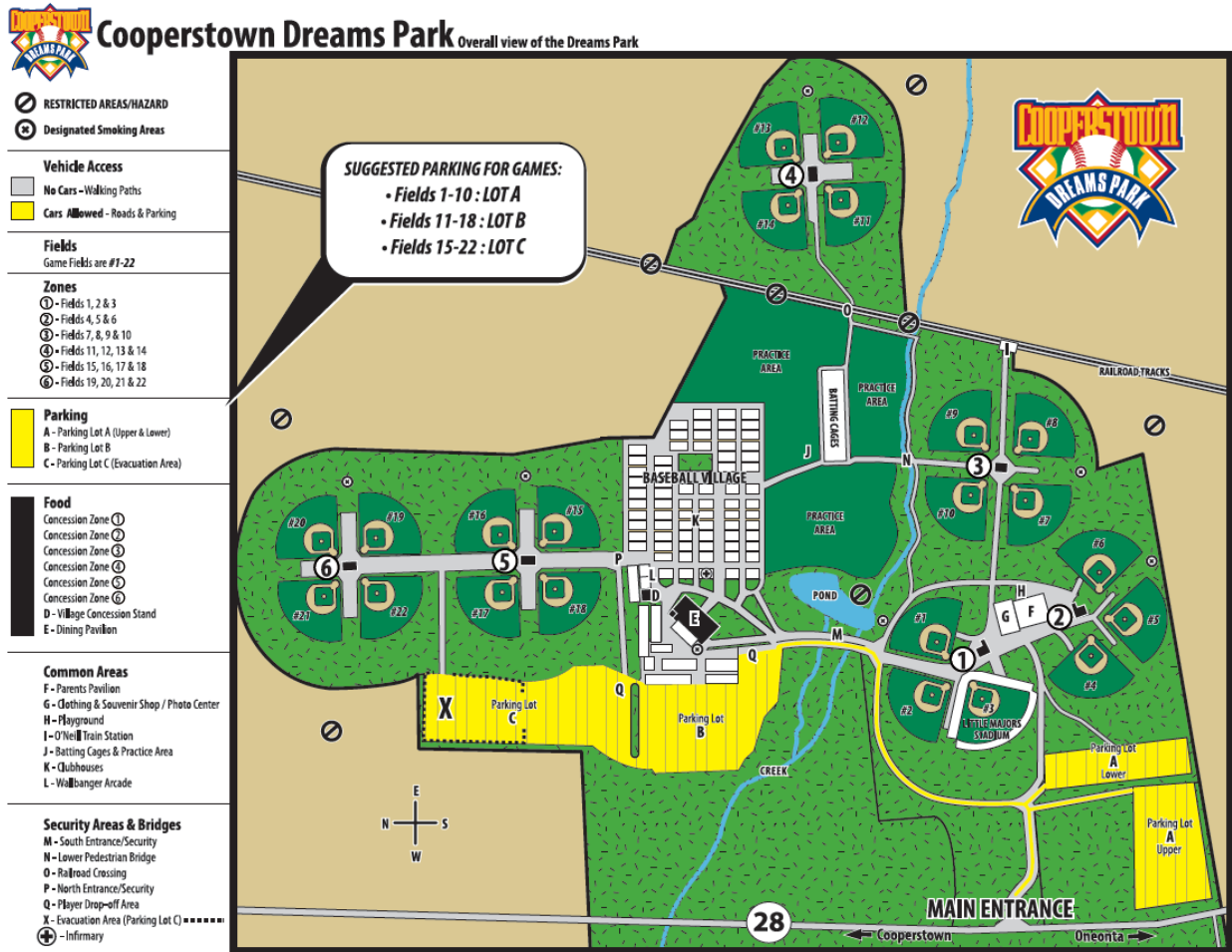
The most prominent tourist attraction in Otsego County is the National Baseball Hall of Fame and Museum in Cooperstown. This three-story facility holds a vast collection of baseball memorabilia and interactive multimedia exhibits designed to appeal to a wide range of visitors. According to management, the National Baseball Hall of Fame and

Museum receives almost 300,000 visitors annually. Each summer, new inductees are honored at a series of special events during Hall of Fame Weekend. The biggest event, the Hall of Fame Induction Ceremony, drew 48,000 visitors in 2014, the third highest attendance in the Hall's 75-year history. In 2015, attendance was estimated at 45,000 visitors.

Cooperstown is also home to Otsego Lake, the Farmers' Museum, Fenimore Art Museum, and Glimmerglass State Park. The Farmers' Museum is a living history museum that recreates life in a 19<sup>th</sup> century agricultural community. Fenimore Art Museum, located along Otsego Lake, showcases a permanent collection of early American art as well as rotating exhibitions year round. Glimmerglass State Park, located on the eastern shore of Otsego Lake, is a 600-acre preserved natural area with a beach, playground, nature trails, campground, and picnic areas. The Glimmerglass Festival, an opera and musical theater festival, is held each summer at the Alice Busch Theater, at the north end of Otsego Lake. Other notable attractions in and around Cooperstown include Clark Sports Center, Gilbert Lake State Park, Betty & Wilbur Davis State Park, Leatherstocking Golf Course, Cooperstown Brewing Company, and the historic Hyde Hall mansion at Glimmerglass State Park. Brewery Ommegang hosts more than 65,000 visitors per year to its 140-acre hop farm for brewery tours and its concert series. Fly Creek Cider Mill hosts more than 120,000 visitors per year to its orchard and specialty food market.

The proposed resort is to be approximately one mile north of Cooperstown Dreams Park, a large outdoor sports complex that hosts youth baseball tournaments each summer. In addition to its 22 baseball fields, the complex features batting cages, practice areas, spectator seating, a playground, arcade, gift shop, multiple food concession areas, and on-site housing for players. Each summer, Cooperstown Dreams Park welcomes 1,500 youth players each week for 13 consecutive weeks. Cooperstown Dreams Park generates roughly \$26.5 million worth of visitor expenditures, benefitting local hotels, restaurants, and attractions.

The following map shows the full layout of Cooperstown Dreams Park.



A similar baseball complex called Cooperstown All-Star Village is located along State Route 23 in Oneonta. Oneonta is also home to the Joseph Popp Butterfly Conservatory, as well as various points of interest on the campuses of Hartwick College and SUNY Oneonta. Beyond Otsego County, other major attractions in the central New York region include Howe Caverns, Sylvan Beach Amusement Park, and Turning Stone Resort Casino.

The following table shows the driving distance from the subject site to prominent attractions in Cooperstown and the surrounding area.

<b>Driving Distance from Subject Site to Selected Destinations</b>	
	<u>Miles</u>
Cooperstown Dreams Park	1.0
Brewery Ommegang	5.0
National Baseball Hall of Fame and Museum	5.3
Otsego Lake (nearest point)	5.4
Farmers' Museum	6.0
Fenimore Art Museum	6.0
Gilbert Lake State Park	11.6
Betty & Wilbur Davis State Park	12.2
Hyde Hall	12.6
Glimmerglass State Park	12.6
SUNY Oneonta	15.2
Hartwick College	16.0
Southside Mall	17.1
Cooperstown All-Star Village	19.1
Utica, NY	40.0
Turning Stone Resort Casino	56.6
Albany International Airport	67.9
Sylvan Beach Amusement Park	75.9
Syracuse Hancock International Airport	85.3
Source: DeLorme Street Atlas USA	

**Event 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.

While there are no dedicated convention centers in Otsego County, meeting and event space is available at a number of hotels, attractions, and community facilities. The largest event spaces are located at the National Baseball Hall of Fame and Museum, Clark Sports Center, Hyde Hall, Fenimore Art Museum, Otesaga Resort Hotel, and on the campuses of SUNY Oneonta and Hartwick College.

### **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 Hartwick, Otsego County, and New York.

<b>Median Household Income Estimates Hartwick, New York</b>			
<b>Area</b>	<b>2015 Est.</b>	<b>2020 Proj.</b>	<b>%Change 2015-20</b>
Hartwick	\$42,616	\$50,725	19.0%
Otsego County	\$44,631	\$51,225	14.8%
New York	\$58,048	\$66,766	15.0%
Sources: U.S. Census Bureau, ESRI			

Income levels in Otsego County tend to be below the state average. For 2015, the median household income is estimated at \$42,616 in Hartwick, \$44,631 in Otsego County, and \$58,048 in the state of New York. As an additional point of comparison, the median household income for the United States as a whole is estimated at \$53,217 for 2015. At all geographic levels, the subject area is projected to see healthy income growth over the next five years.

### **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 Otsego County and the state of New York. Figures for Hartwick are not included here because the Bureau of Labor Statistics does not track unemployment in communities of fewer than 25,000 residents.

<b>Historical Unemployment Rates</b>					
<b>Area</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Otsego County	7.6%	7.7%	7.9%	6.8%	5.7%
New York	8.6%	8.3%	8.5%	7.7%	6.3%
United States	9.6%	8.9%	8.1%	7.4%	6.2%
Source: U.S. Department of Labor, Bureau of Labor Statistics					

Like most parts of the country, Otsego County saw elevated levels of unemployment in the wake of the most recent recession. However, the county’s unemployment rate remained below the state level in each of the past five years. In 2014, the annual unemployment rate stood at 5.7% in Otsego County, compared to 6.3% in the state of New York as a whole. The Bureau of Labor Statistics also tracks unemployment on a

monthly basis. Preliminary figures for June 2015 indicate an unemployment rate of 5.1% in Otsego County and 5.2% in the state of New York.

**Employment by Industry:** The distribution of employment helps determine the economic character of an area. The table below shows the three largest industrial sectors in terms of the estimated number of persons employed in 2015 for Hartwick, Otsego County, and the state of New York.

Largest Industrial Sectors, 2015						
Hartwick, New York						
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
Hartwick	Accommodation/ Food Services	23.4%	Retail Trade	15.1%	Educational Services	9.8%
Otsego County	Educational Services	19.0%	Health Care/ Social Assistance	17.8%	Retail Trade	13.3%
New York	Health Care/ Social Assistance	14.8%	Retail Trade	12.8%	Educational Services	9.9%

Source: ESRI

The leading sector in Otsego County is Educational Services, followed by Health Care/Social Assistance and Retail Trade. Employment in the Accommodation/Food Services sector is a reliable indicator of the importance of tourism to a local economy. In 2015, this sector accounted for an estimated 23.4% of the overall employment in Hartwick, 9.5% in Otsego County, and 8.0% in the state of New York. This comparison shows that hospitality-oriented businesses like hotels and restaurants are of greater relative importance to the town of Hartwick than to the larger geographical areas to which it belongs.

The next table shows the total annual nonfarm employment in Otsego County and the state of New York for the years 2010 through 2014, plus the latest monthly numbers for 2015 as compared to the same period in 2014. These figures are based on the employment status of residents.

Total Nonfarm Employment, 2010-2014				
	Otsego County	% Change	New York	% Change
2010	29,468	—	8,769,723	—
2011	28,968	-1.7%	8,727,961	-0.5%
2012	28,981	0.0%	8,796,100	0.8%
2013	28,902	-0.3%	8,890,997	1.1%
2014	28,528	-1.3%	8,964,021	0.8%
June 2014	29,471		9,044,602	
June 2015, Preliminary	29,059	-1.4%	9,235,950	2.1%

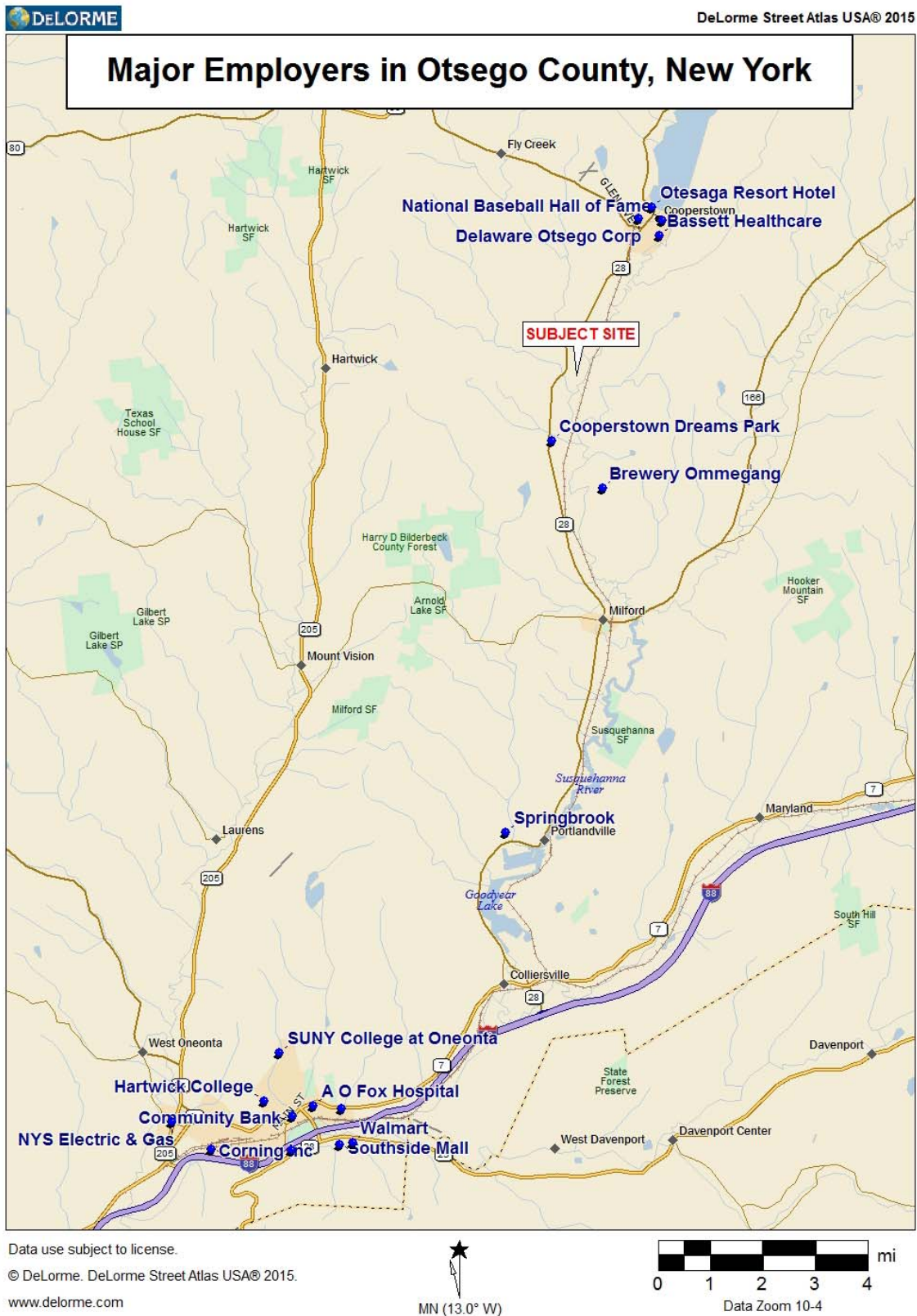
Source: U.S. Department of Labor, Bureau of Labor Statistics

Total employment in Otsego County fell slightly over the past five years, with the sharpest losses occurring in 2011. By June 2015 the county's total nonfarm employment had dropped by -1.4% versus June 2014, compared to an increase of 2.1% at the state level.

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

<b>Major Employers in Otsego County, New York</b>			
<b><u>Firm/Organization</u></b>	<b><u>Location</u></b>	<b><u>#Employees</u></b>	<b><u>Industry Description</u></b>
Bassett Healthcare Network	Cooperstown	2,000	Hospitals
SUNY College at Oneonta	Oneonta	1,075	Higher Education Institutions
A O Fox Hospital	Oneonta	1,000	Hospitals
Springbrook	Oneonta	720	Schools for the Disabled
Hartwick College	Oneonta	400	Higher Education Institutions
Otesaga Resort Hotel	Cooperstown	350	Resorts
Walmart Supercenter	Oneonta	350	Department Stores
Community Bank	Oneonta	309	Banks
Corning Inc	Oneonta	240	Glass-Manufacturers
National Baseball Hall of Fame	Cooperstown	200	Non-Profit Organizations
Opportunities For Otsego Inc	Oneonta	190	Social Service & Welfare Organizations
Delaware Otsego Corp	Cooperstown	172	Railroads
Home Depot	Oneonta	150	Home Centers
Catskill Area Hospice & Palliative Care	Oneonta	101	Hospices
New York State Electric & Gas	Oneonta	100	Electric Companies
West Hill Terrace	Edmeston	100	Nursing & Convalescent Homes
Source: ReferenceUSA			

As indicated, most of the county's leading employers are clustered in the communities of Oneonta and Cooperstown. The next map illustrates the location of the subject site in relation to major employers in the surrounding area.



**New Developments and Events:** The following bullets describe recent developments and events that will influence tourism, employment, and the general economy in Otsego County and the surrounding region.

- In July 2014, the Baseball Hall of Fame Induction Ceremony welcomed 48,000 visitors, the third highest attendance in the event's history. In 2015, the ceremony received about 45,000 visitors. The all-time record attendance was set in 2007, when the Hall of Fame welcomed 82,000 fans to induct Cal Ripken Jr. and Tony Gwynn.
- In 2014, the U.S. Mint issued a series of gold and silver coins commemorating the 75<sup>th</sup> anniversary of the Baseball Hall of Fame and Museum. The sale of these coins has generated more than \$7.8 million for the institution, a sum nearly equal to a year's worth of revenue. The success of the coin program has helped to improve the Hall of Fame's financial standing and ensure its continued operation.
- The Clark Sports Center in Cooperstown recently began work on a \$20 million expansion. Highlights of this project will include an eight-lane competition pool, expanded locker rooms, squash courts, racquetball courts, and an expanded fitness center. This project is scheduled to be finished in fall 2016.
- President Barack Obama made an official visit to the National Baseball Hall of Fame and Museum in May 2014. While in town, the president addressed the importance of tourism to the region's economic future. Obama's high-profile visit garnered positive media attention for both the Hall of Fame and the greater Cooperstown area.
- In 2013, the newly relocated Utica Comets professional hockey team (formerly Peoria Rivermen), began playing their home matches at the Utica Memorial Auditorium, approximately 40 miles north of Cooperstown. The Comets are a minor league affiliate of the National Hockey League's Vancouver Canucks. In addition to Comets hockey, the Utica Memorial Auditorium also hosts concerts and college athletics.
- In November 2014, Turning Stone Resort Casino announced plans for a \$100 million expansion that will create a luxury retail complex and an entertainment venue with a six-screen movie theater and a bowling alley. This project is expected to create 600 jobs in the construction phase and up to 500 full- and part-time jobs once it is completed. In all, this project represents 250,000 square feet of new development, and it is schedule to open by the end of 2016.
- In November 2013, voters in the state of New York approved a constitutional amendment to legalize non-Indian casinos. The amendment allows for the creation of up to four full-fledged resort casinos in upstate New York, with no more than two allowed in any single region. In late 2014, the New York Gaming Facility Location Board approved the development of casinos in Seneca, Sullivan, and Ulster Counties. The Board rejected a proposed casino in Orange County, which would have been the closest to New York City. These projects are now in the early planning phase, and it remains to be seen what effect they will have on the regional casino landscape.

**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. The nearest interstate highway is Interstate 88, which runs east/west along the southern edge of Otsego County, passing through the city of Oneonta. Interstate 88 connects the area to Albany to the east and Binghamton to the west. The site is about 30 miles south of Interstate 90 (New York State Thruway), which provides a direct connection to Utica and Syracuse. The main roadways in the Cooperstown area are State Route 28 and State Route 80. The subject site is located along State Route 28, approximately three miles south of Cooperstown and 14 miles north of Interstate 88.

The following table presents traffic volume statistics on State Route 28 from the points closest to the subject site.

<b>Annual Average Daily Traffic Volume Hartwick, New York</b>		
<b>State Route 28</b>		
	<i>South of Goey Pond Rd</i>	<i>North of Goey Pond Rd</i>
2013	5,591	10,609
2012	5,679	10,213
2011	5,670	10,600
2010	5,670	7,640
2009	5,650	7,630

Source: New York State Department of Transportation

**Air Transportation:** Cooperstown is primarily a drive-to destination. The closest airports offering scheduled commercial passenger service are Albany International, Syracuse Hancock International, and the Greater Binghamton Airport, all of which are more than an hour's drive away.

**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 20.5 degrees Fahrenheit and the average daily temperature in July is 67.6 degrees Fahrenheit. The area typically receives more than 80 inches of snowfall each year. The following table depicts typical weather conditions for the area based on data collected from the weather station in Cooperstown over a 30-year period.

<b>Average Weather Conditions for Cooperstown, New York (1981-2010)</b>					
<b>Month</b>	<b>Maximum Temperature (°F)</b>	<b>Mean Temperature (°F)</b>	<b>Minimum Temperature (°F)</b>	<b>Precipitation (inches)</b>	<b>Snowfall (inches)</b>
January	27.2	20.5	13.9	3.0	24.6
February	30.8	23.0	15.2	2.7	15.3
March	39.2	31.1	23.0	3.3	15.2
April	53.0	43.8	34.7	3.7	4.2
May	64.5	54.6	44.7	3.8	0.1
June	72.7	63.5	54.3	4.4	0.0
July	76.7	67.6	58.5	4.1	0.0
August	75.1	66.2	57.3	4.1	0.0
September	67.6	58.7	49.9	3.9	0.0
October	55.9	47.5	39.2	4.3	0.5
November	43.9	37.6	31.2	3.3	5.5
December	<u>32.1</u>	<u>26.5</u>	<u>20.8</u>	<u>3.1</u>	<u>17.0</u>
ANNUAL	53.3	45.2	37.0	43.7	82.4

Source: The National Oceanic and Atmospheric Administration's National Climatic Data Center

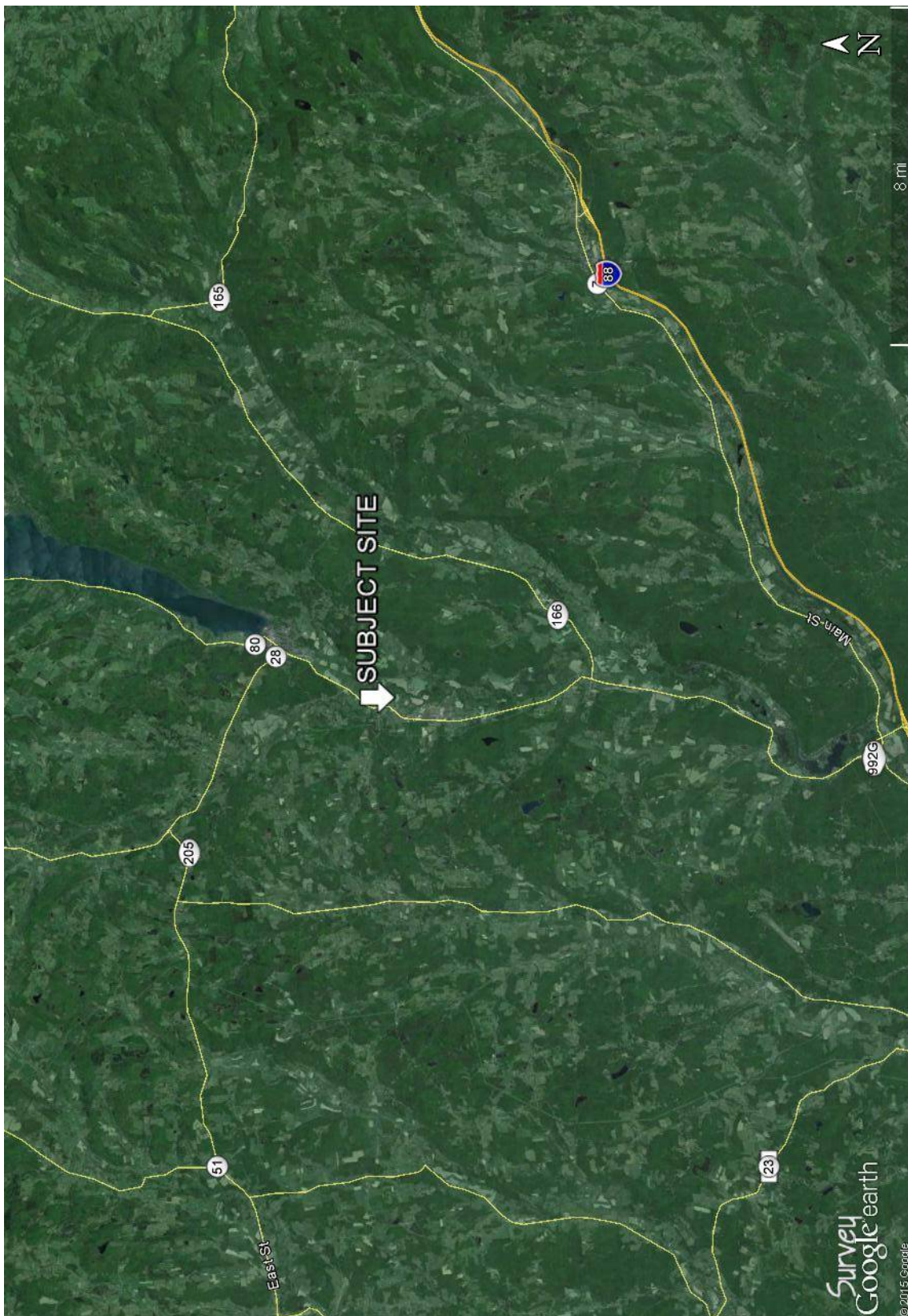
## **NEIGHBORHOOD ANALYSIS**

The neighborhood surrounding a lodging facility impacts its status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. The subject site is located along State Route 28, surrounded by the Cooperstown Fun Park, the Susquehanna River, and open agricultural land.

**Aerial Photograph:** The following image is an aerial photograph of the subject site.



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

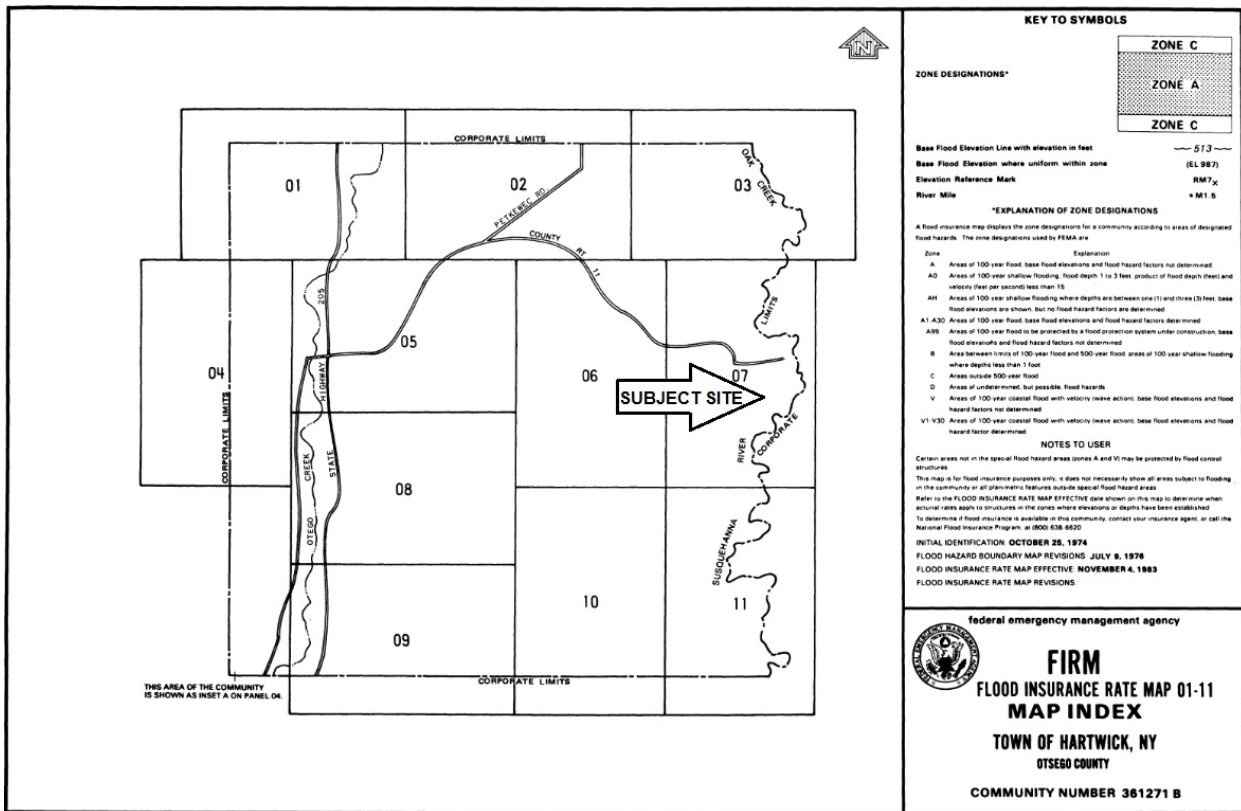


**Flood Zone Determinations:** According to FEMA definitions, the term 100-year floodplain indicates an area in which there is a 1% or greater annual probability of a flood occurring; the term 500-year floodplain indicates an area with a 0.2% or greater annual probability of flooding.

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 November 4, 1983. The map (Map Number 361271B) indicates that the subject site is in an area of low flood risk.



**Surroundings of Subject Site**

The neighborhood surrounding the subject site has a variety of uses that are primarily related to agricultural, residential, and hospitality. A portion of the subject site is visible from State Highway 28.

Cooperstown Fun Park is adjacent to the subject site. This family attraction includes laser tag, bumper boats, go-karts, batting cages, miniature golf, and an arcade. It achieved total revenue between \$400,000 and \$500,000 in 2014. Land uses north of the subject site include the Red Carpet Inn motel, and single family agricultural residences and farmland. Downtown Cooperstown is two miles north of the subject site. Land uses south of the subject site include the Holiday Inn Express and Suites, Laser Tag, Council Rock Brewery, a strip shopping center called Cooperstown Commons with a Topps grocery store, McDonalds, Best Western Plus Hotel, NBT Bank, Frozen Yogurt, and Subway. Further south is the Cooperstown Dreams Park, the Country Inn and Suites by Carlson hotel, and agricultural farm land with single family farm residences. The village of Milford is 5.3 miles south of the subject site. Land uses east of the subject site include agricultural farmland and the Brewery Ommegang. Land use west of the subject site is wooded acreage interspersed with agricultural farmland. The neighborhood surrounding the subject site offers limited restaurant and some family entertainment options. The highway precludes pedestrian access and parking is limited at most roadside establishments.

## **Outlook**

Our review of the above data indicates a positive outlook for the subject area based on recent trends in population, income, and employment. Cooperstown is centrally located within the state of New York, making it easy to access from several major Northeast population centers. The area's two main attractions, the National Baseball Hall of Fame and Cooperstown Dreams Park, have both seen strong attendance in recent years, and travel-related spending in Otsego County has increased steadily over the past three years. All of these factors point to sustained economic well-being within the region and should benefit the subject property by ensuring steady levels of demand heading into the future.

## **DEMOGRAPHIC COMPARISON OF COOPERSTOWN VS. WISCONSIN DELLS AND SANDUSKY**

The success of the proposed indoor waterpark resort is closely tied to demographics and income levels within its market area. Cooperstown, located in central New York, is an important visitor destination that is best known as the site of the National Baseball Hall of Fame and Museum. We compared the proposed subject site with Wisconsin Dells, Wisconsin, and Sandusky, Ohio, because these locations share many similarities as well as differences, making the comparison of the existing waterpark resorts in Wisconsin Dells and Sandusky to the subject especially meaningful. Similarities shared among the Cooperstown, Wisconsin Dells, and Sandusky regional areas include:

- Natural water related attractions.  
Cooperstown: Otsego Lake, Susquehanna River  
Wisconsin Dells: Wisconsin River  
Sandusky: Lake Erie
- Lower room rates during winter months.
- Higher room rates during July and August and special events due to strong demand.
- Variety of tourist attractions within area.  
Cooperstown: National Baseball Hall of Fame and Museum, Cooperstown Dreams Park, Fenimore Art Museum, Farmers' Museum, Glimmerglass State Park  
Wisconsin Dells: Noah's Ark Outdoor Waterpark, Tommy Bartlett shows, Dells boat tours, and various family attractions  
Sandusky: Cedar Point Amusement Park, Lake Erie Islands, Monsoon Lagoon Outdoor Waterpark, Merry-Go-Round Museum
- Easy accessibility from major highways.  
Cooperstown: State Route 28  
Wisconsin Dells: I-90/94  
Sandusky: I-80/90 and State Route 2
- Historically seasonal tourist attractions (May through September).  
Cooperstown is a small tourism-oriented community with a mix of seasonal and year-round attractions

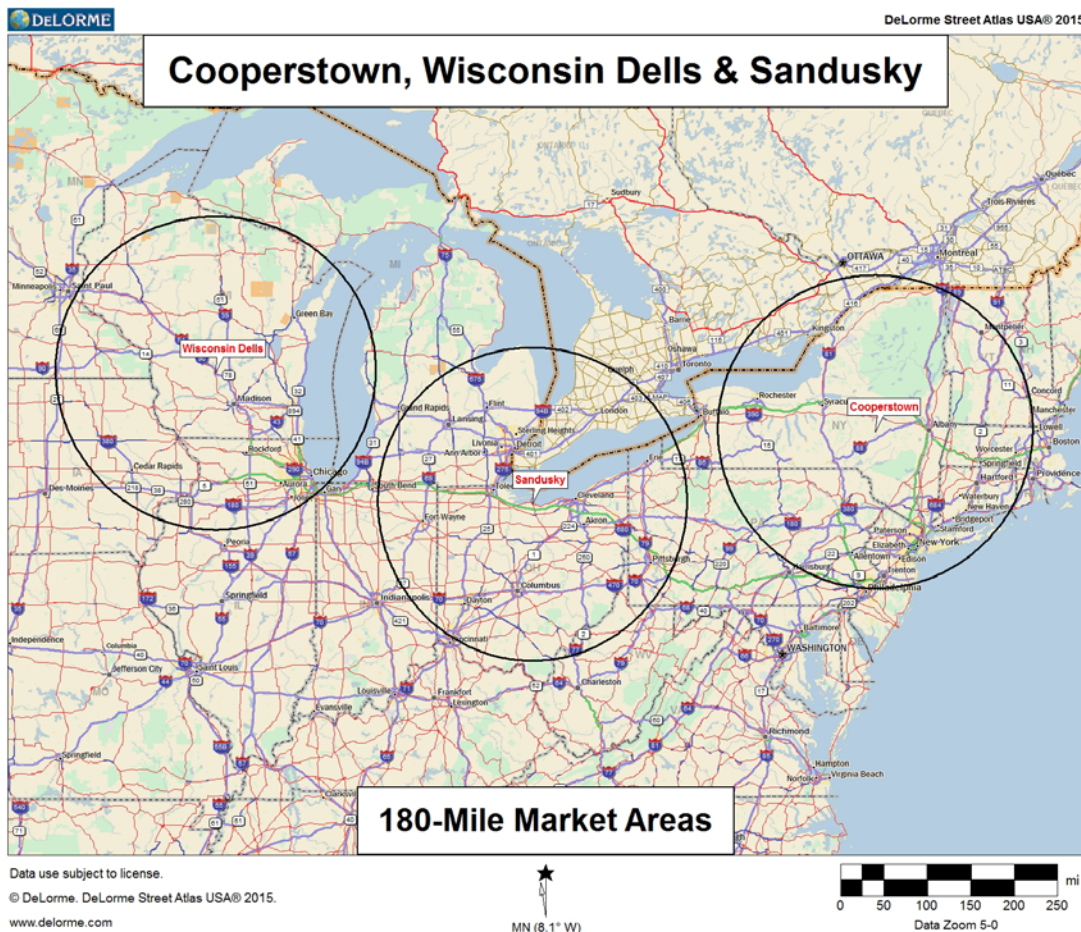
Wisconsin Dells is a seasonal resort community with numerous waterparks and amusement attractions

Sandusky is a seasonal resort community centered around Cedar Point Amusement Park and Soak City outdoor waterpark

Differences among the three areas are as follows:

- Leisure visitation to market.  
Cooperstown area: Under one million visitors annually  
Wisconsin Dells: Over four million visitors annually  
Sandusky/Lake Erie Islands Region: Over nine million visitors annually
- Major theme parks.  
Cooperstown: No major theme parks in area  
Wisconsin Dells: Noah's Ark Outdoor Waterpark and various small and midsize amusements  
Sandusky: Cedar Point Amusement Park and Soak City Outdoor Waterpark
- Skiing.  
Cooperstown: Cross country skiing available at nearby state parks; multiple downhill ski areas in the larger Central New York region  
Wisconsin Dells: Four small ski areas  
Sandusky: No ski areas
- Varied driving distances to larger metropolitan areas.  
Cooperstown: New York, Syracuse, Albany, Rochester, and Hartford within 180 miles  
Wisconsin Dells: Chicago, Minneapolis/St. Paul and Milwaukee within 180 miles  
Sandusky: Detroit, Cleveland, Columbus, and Toledo within 120 to 180 miles
- Available Hotel Supply.  
Cooperstown: 602 available guestrooms in 13 properties  
Wisconsin Dells: 7,846 available guestrooms  
Sandusky/Erie & Ottawa Counties: 6,749 available guestrooms

The following is an analysis of the three market areas based on 120-mile and 180-mile radii emanating from Cooperstown, New York; Wisconsin Dells, Wisconsin; and Sandusky, Ohio. It is important to note that the Sandusky and Cooperstown market areas both include portions of Canada. In this analysis, population and household figures for the Canadian portions of the Sandusky and Cooperstown market areas were based on estimates and projections provided by Environics Analytics Group, based on official findings from Statistics Canada, the Canadian equivalent of the U.S. Census Bureau.



**Population:** The following table presents a summary of population growth trends for the Cooperstown, Wisconsin Dells, and Sandusky market areas based on 120-mile and 180-mile radii emanating from each.

<b>Population Growth Trends</b>			
<b>Cooperstown, Wisconsin Dells and Sandusky Market Areas</b>			
<b>Area</b>	<b>2015 (Est.)</b>	<b>2020 (Proj.)</b>	<b>%Change 2015-20<sup>1</sup></b>
<b>120-mile radius</b>			
Cooperstown	6,848,989	6,921,638	0.2%
Wisconsin Dells	6,074,718	6,174,431	0.3%
Sandusky	14,157,413	14,282,220	0.2%
<b>180-mile radius</b>			
Cooperstown	37,243,134	37,993,527	0.4%
Wisconsin Dells	17,073,785	17,344,815	0.3%
Sandusky	25,519,657	25,797,385	0.2%

<sup>1</sup> Indicates a compound annual rate of change

Sources: ESRI, Environics Analytics Group

The population of Cooperstown’s 180-mile market area is significantly greater than that of the other two market areas presented. The population inside Cooperstown’s 180-mile radius is estimated around 37.2 million, compared to 17.1 million for Wisconsin Dells and 25.5 million for Sandusky. When comparing 120-mile radii, Cooperstown’s market area is closer in size to that of Wisconsin Dells. By 2020, the population inside Cooperstown’s 180-mile radius is expected to reach nearly 38.0 million.

As a point of comparison, we assembled a table based on the population of the seven largest Metropolitan Statistical Areas (MSAs) in the Cooperstown, Wisconsin Dells, and Sandusky 180-mile market areas. These lists include all metropolitan areas that lie either wholly or partially within the respective 180-mile rings. The figures in this table represent U.S. Census Bureau estimates for 2014 based on the most recent decennial census. As shown, the total population of the seven largest metropolitan areas in the Cooperstown 180-mile market area is well above that of the other two market areas listed.

<b>Population of Large Metropolitan Areas Cooperstown, Wisconsin Dells and Sandusky Market Areas</b>					
<b>Largest MSAs within the Cooperstown 180-mile radius</b>	<b>Total Population</b>	<b>Largest MSAs within the Wisconsin Dells 180-mile radius</b>	<b>Total Population</b>	<b>Largest MSAs within the Sandusky 180-mile radius</b>	<b>Total Population</b>
New York-Newark-Jersey City, NY-NJ-PA	20,092,883	Chicago-Naperville-Elgin, IL-IN-WI	9,554,598	Detroit-Warren-Dearborn, MI	4,296,611
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,051,170	Minneapolis-St. Paul-Bloomington, MN-WI	3,495,176	Pittsburgh, PA	2,355,968
Boston-Cambridge-Newton, MA-NH	4,732,161	Milwaukee-Waukesha-West Allis, WI	1,572,245	Cincinnati, OH-KY-IN	2,149,449
Providence-Warwick, RI-MA	1,609,367	Madison, WI	633,787	Cleveland-Elyria, OH	2,063,598
Hartford-West Hartford-East Hartford, CT	1,214,295	Davenport-Moline-Rock Island, IA-IL	383,030	Columbus, OH	1,994,536
Buffalo-Cheektowaga-Niagara Falls, NY	1,136,360	Rockford, IL	342,411	Indianapolis-Carmel-Anderson, IN	1,971,274
Rochester, NY	<u>1,083,393</u>	Green Bay, WI	<u>314,531</u>	Grand Rapids-Wyoming, MI	<u>1,027,703</u>
<b>Total, Top 7 MSAs</b>	<b>35,919,629</b>	<b>Total, Top 7 MSAs</b>	<b>16,295,778</b>	<b>Total, Top 7 MSAs</b>	<b>15,859,139</b>
<b>Note: MSA = Metropolitan Statistical Area</b>					
Source: U.S. Census Bureau, 2014 Estimates					

The subject’s 180-mile market area has a significantly larger number of metropolitan area residents to draw from compared to the Wisconsin Dells and Sandusky market areas. The largest metropolitan area in the subject’s market area is the New York-Newark-Jersey City MSA, which spans three states and is home to more than 20 million people. Other major metro areas in the subject’s defined market area include Philadelphia, Boston, Providence, Hartford, Buffalo, and Rochester.

**Households:** A household consists of all the people occupying a single housing unit. While individual members of a household purchase goods and services, these purchases actually reflect household needs and decisions. Thus, the household is a critical unit to be considered when reviewing market data and forming conclusions about the market area and its impact on a recreational facility. The following table presents a summary of household growth trends for the Cooperstown, Wisconsin Dells, and Sandusky market areas based on 120-mile and 180-mile radii emanating from each.

<b>Household Growth Trends Cooperstown, Wisconsin Dells and Sandusky Market Areas</b>			
<b>Area</b>	<b>2015 (Est.)</b>	<b>2020 (Proj.)</b>	<b>%Change 2015-20<sup>1</sup></b>
<b>120-mile radius</b>			
Cooperstown	2,666,497	2,700,399	0.3%
Wisconsin Dells	2,432,662	2,481,208	0.4%
Sandusky	5,667,990	5,743,347	0.3%
<b>180-mile radius</b>			
Cooperstown	14,095,283	14,412,190	0.4%
Wisconsin Dells	6,586,387	6,712,811	0.4%
Sandusky	10,228,560	10,409,135	0.4%
<sup>1</sup> Indicates a compound annual rate of change			
Sources: ESRI, Environics Analytics Group			

There are an estimated 14.1 million households in the Cooperstown 180-mile market area, which is greater than the estimated 6.6 million households in the Wisconsin Dells market area and the 10.2 million households in the Sandusky market area.

**Age Distribution:** The following table presents the age distribution of the population for Cooperstown’s 180-mile radius.

<b>Percentage of U.S. Population by Age Cooperstown Market Area</b>	
<b>Age</b>	<b>180-Mile Radius</b>
	<b>2015 (Est.)</b>
0-19	24.2%
20-34	20.3%
35-54	26.8%
55-64	13.3%
65+	15.4%
Median Age	39.5
Source: ESRI	

According to 2015 ESRI estimates, the median age of the U.S. population is 37.9 years. In the subject’s 180-mile radius, the 2015 estimated median age was 39.5 years. An estimated 24.2% of the resident population within 180 miles of the subject site is under the age of 20.

**Income:** Income levels on a per capita, per family or household basis indicate the economic level of the residents of the market area and form an important component of this total analysis. More directly, household income, when combined with the number of households, is a major determinant of an area’s sales potential. The following table presents current median household income levels for the Cooperstown, Wisconsin Dells, and Sandusky market areas based on 120-mile and 180-mile radii emanating from each.

2015 U.S. Median Household Income Estimates Cooperstown, Wisconsin Dells & Sandusky Market Areas		
Area	Households	Households
	<u>120-mile radius</u>	<u>180-mile radius</u>
Cooperstown	\$58,312	\$61,595
Wisconsin Dells	\$53,270	\$56,098
Sandusky	\$50,593	\$49,880

Source: ESRI

Household income levels in the subject’s 180-mile market area tend to be higher than those in the comparable areas surrounding Wisconsin Dells and Sandusky. Overall, income levels are expected to increase in each of the geographical areas listed.

The following table presents the distribution of income for households within Cooperstown’s 120-mile and 180-mile market areas.

2015 Estimated U.S. Households by Income Cooperstown Market Area				
Income Range	# of Households		# of Households	
	120-mile radius	% of Total	180-mile radius	% of Total
0-\$49,999	1,128,262	42.3%	5,660,345	40.9%
\$50,000-\$74,999	483,227	18.1%	2,275,670	16.4%
\$75,000-\$99,999	363,905	13.6%	1,783,206	12.9%
\$100,000-\$149,999	386,540	14.5%	2,052,321	14.8%
over \$150,000	<u>304,563</u>	<u>11.5%</u>	<u>2,074,756</u>	<u>15.0%</u>
<b>Total</b>	<b>2,666,497</b>		<b>13,846,298</b>	

Source: ESRI

There are an estimated 1.5 million households within the 120-mile radius of the site with household annual earnings over \$50,000. Within Cooperstown’s 180-mile radius, there are an estimated 8.2 million households with household annual earnings over \$50,000. Our research indicates a household income of approximately \$50,000 as the minimum income necessary to comfortably afford a stay at a quality indoor waterpark resort. According to the 2015 estimates, 57.7% of households in the 120-mile radius and 59.1% of households in the 180-mile radius meet or exceed this income threshold. Within a 180-mile radius of the site, there are over 4.1 million households with annual earnings of over \$100,000.

**Supply of Indoor Waterpark Resorts per Household:** We have analyzed the number of U.S. and Canadian indoor waterpark resort properties located within the 180-mile rings around each of the three markets. The figures presented in the following tables include existing indoor waterpark properties and those under construction. We performed this analysis to determine the number of choices available to consumers who live within an approximately three-hour drive of each location. The following table indicates our conclusions.

<b>Indoor Waterpark Properties within 180 Miles of Cooperstown, Wisconsin Dells &amp; Sandusky</b>			
	<u>Cooperstown</u>	<u>Wisconsin Dells</u>	<u>Sandusky</u>
2015 Est. Households, 180-mile radius	14,095,283	6,586,387	10,228,560
Number of Existing and Under-Construction Hotels with Indoor Waterparks	10	34	14
Total Rooms	3,196	9,599	4,039
Total Waterpark SF	542,500	1,239,800	681,000
Households per Waterpark SF	26.0	5.3	15.0
Sources: ESRI, Hotel & Leisure Advisors			

Within the 180-mile radius, Cooperstown has the greatest number of households per indoor waterpark square foot while Wisconsin Dells has the lowest. Of the 10 properties in the subject’s market area, three are in the state of New York, four are in Pennsylvania, two are in Massachusetts, and one is in Connecticut.

There are 34 hotels and resorts with indoor waterparks within a 180-mile radius of Wisconsin Dells and 14 within the 180-mile radius around Sandusky. We note that in all markets there are proposals for additional indoor waterpark resorts, which will increase the supply and potentially dilute occupancy levels. The market section indicates additional information about the supply of indoor waterpark resorts.

We analyzed the total number of family households – i.e. those most likely to have children in the home – within the 180-mile radii of Wisconsin Dells, Sandusky, and the subject. According to the U.S. Census Bureau, a family household consists of a householder plus one or more people living in the same dwelling who are related to the householder by birth, marriage, or adoption. Although not all family households contain young children, making the distinction between family households and total households is a way of highlighting those households most likely to visit an indoor waterpark hotel.

These figures were considered in relation to the total number of overnight rooms available at indoor waterpark properties within each market area.

<b>Ratio of Family Households to Indoor Waterpark Hotel Rooms within 180 Miles of Cooperstown, Wisconsin Dells &amp; Sandusky</b>			
	<u>Cooperstown</u>	<u>Wisconsin Dells</u>	<u>Sandusky</u>
2015 Est. Family Households, 180-mile radius	9,215,160	4,273,443	6,647,145
Number of Existing and Under-Construction Hotels with Indoor Waterparks	10	34	14
Total Rooms	3,196	9,599	4,039
Family Households per Indoor Waterpark Hotel Room	2,883.3	445.2	1,645.7
Sources: ESRI, Hotel & Leisure Advisors			

The estimated number of family households within Cooperstown's 180-mile radius is approximately 9.2 million. As shown, the Wisconsin Dells market area has 445.2 family households for every indoor waterpark overnight room. Therefore, of the three defined areas, the Wisconsin Dells market is by far the most saturated with this type of product. To achieve the same ratio of family households to indoor waterpark hotel rooms as the Wisconsin Dells market, the Cooperstown market area would have to hold 20,699 rooms. After taking into account the 3,196 rooms that already exist within a 180-mile radius of the subject, this would amount to an additional 17,503 rooms. We do not recommend that this level of new supply be developed in the short term but present the figures to show the potential for new indoor waterpark hotels.

## **SITE ANALYSIS**

**Site Location:** The subject is at 4850 State Highway 28, in the town of Hartwick, Otsego County, New York.

**Size and Shape:** The developers are in negotiations for the purchase of 65.00 acres, some of which is wetland area. The site is bordered by the Susquehanna River on the east, and is irregular in shape.

**Access and Exposure:** Access to the subject site is obtained via Highway 28. A traveler on Interstate 88 will take Exit 17 then travel north on State Highway 28 approximately 14 miles to the subject site. The site will have limited visibility from Highway 28 due to the position of the property behind Cooperstown Fun Park. The proposed destination indoor waterpark resort will be a large structure, which with lighting and unique architecture, will be visible from the highway.

**Zoning:** Hartwick does not have a zoning ordinance. Therefore, the proposed subject development would be a legally conforming use.

**Site Conditions:** We were not provided with an engineering or environmental study for the subject site, because one has yet to be completed. H&LA has not performed an engineering study or test borings and makes no conclusion as to the condition of the foundation or the soil and subsoil conditions. The subject site is currently a combination of open fields, woods, and wetland areas. There is elevation change from the entry off Highway 28 to the lower areas near the Susquehanna River.

**Utilities:** We assume that all necessary utilities and services are available or will be made available to the subject property's site.

**Deed Restrictions/Easements:** We assume that the standard utility easements from the local electrical, telephone and gas companies will encumber the subject property. These easements are considered typical for the operation of commercial property and are not detrimental. No other easements were made known to the appraiser, and none are assumed to exist.

**Property Taxes:** The subject site will be split out from two real estate tax parcels, which are 146.00-1-26.01, and 162.00-1-53.01. The majority of the acreage will be on parcel 146.00-1-26.01. Commercial property in Otsego County is assessed at 100.0% of theoretical market value. The tax rate for the neighborhood is 0.02022 per \$1,000 of assessed value. There are no personal property taxes in New York.

To derive a reasonable property tax estimate for the subject, we analyzed the assessed values for comparable hotels in the area of the subject, which are shown in the following table.

<b>Comparable Assessments</b>				
<u>Year</u>	<u>Property</u>	<u>Rooms</u>	<u>Assessment</u>	<u>Per Room</u>
2015	Best Western Plus Cooperstown	99	\$5,582,400	\$56,388
2015	Holiday Inn Express & Suites Cooperstown	74	\$4,400,000	\$59,459
2015	Country Inn & Suites Cooperstown	60	\$5,117,800	\$85,297
Source: Otsego County Assessor's Office				

Assessments range from \$56,388 to \$85,297 per room for the comparables, with an average of \$67,048 per room. The current assessment of the subject is inconsequential since the subject will be reassessed when the indoor waterpark resort opens. Because details concerning the subject project have not yet been identified to establish a property assessment, we estimated real estate taxes of 5.0% of total revenue, which equals \$2,045,000 in the first year. The 5.0% rate is above the range of the industry standards and comparables presented in the Financial Analysis section of this report as it considers the forecasted assessment and tax rate. Our estimate does not consider any potential abatement that the subject may be awarded. We acknowledge that this calculation will change depending upon what governmental authorities actually offer the project.



**SUBJECT SITE**

**Competitive Advantages and Disadvantages of Subject Site**

**Advantages**

- The subject site is in the town of Hartwick. The town does not have a zoning code, and therefore the subject site has unlimited use potential.
- The subject site is accessed from State Highway 28. This is the main highway on which travelers to Cooperstown travel north and south. The subject site will leverage the existing Cooperstown Fun Park location as a destination development for travelers coming to Cooperstown.
- The subject site is adjacent to Cooperstown Fun Park, a large family entertainment destination venue with laser tag, bumper boats, go-karts, batting cages, and an arcade.

- The subject site is one mile north of Cooperstown Dreams Park. This venue provides local room night demand for 13 weeks per year.
- The amount of land for the proposed subject is 65.12 acres, which offers sufficient land area for an attractive master plan to be prepared, including the ability to include outdoor recreation uses that are popular in upstate New York.
- The subject site offers change in elevation that the proposed development can leverage through the creation of several outdoor adventure activities including zip lines, ropes courses, tubing and sledding hills, etc.
- The eastern boundary of the subject site is the Susquehanna River. The proposed subject will leverage the woods and river frontage as a point of differentiation for the resort through providing seasonal river access as a resort amenity.
- The subject site has access to an existing active rail line. Access is across the Susquehanna River at the eastern most boundary of the property. A train station platform that spans the river could be a unique amenity to the resort as this platform station on-site could provide access to downtown Cooperstown for resort guests, without having to utilize their automobiles.
- The subject site is located convenient to downtown Cooperstown including the National Baseball Hall of Fame, Fenimore Art Museum, Brewery Ommegang, and other attractions of upstate New York.
- The subject site is centrally located within a 3-hour drive from Syracuse, Utica, Albany, Schenectady, New York City, Rochester, and Hartford.

### **Disadvantages**

- The subject site's market is very seasonal in nature with high demand during the baseball tournament season and lower demand during the remainder of the year, therefore, the subject site will need to create its own demand in order to extend its shoulder seasons. The proposed resort will include a variety of family entertainment options, which will provide multiple attractions for visitors, both indoors and outdoors.
- Although the subject has limited visibility from State Highway 28, a traveler needs to drive approximately 14 miles to get to the subject site from Interstate 88. This distance is a disadvantage in winter during inclement weather. Extensive signage and mobile direction applications will be required as part of the proposed development.

**Conclusion** Although the subject neighborhood currently offers a limited number of activities for vacationing families, it is our opinion that with the level of infrastructure proposed by the developers, the subject site will offer a sufficient number of activities to attract these families to the area and the proposed subject resort beyond those just coming for the baseball tournament season.

**Pictures of Subject Site**



View Looking East toward River



View Looking South



View Looking Northeast



View Looking North



View Looking West from River Grove



View of River

## **DESCRIPTION OF PROJECTED/RECOMMENDED IMPROVEMENTS**

**General:** The client is considering development of a destination indoor waterpark resort. We recommend and have prepared our study utilizing an assumption that the subject would develop a 400-room full-service destination indoor waterpark resort. We recommend approximately 80,000 square feet of indoor waterpark space to allow the subject to offer a facility larger than the Six Flags Great Escape Indoor Waterpark in Queensbury, and similar to the Great Wolf Lodge in the Pocono Mountains. We also recommend the development of a FEC with outdoor recreational components and conference space as additional resort amenities. In addition, to capture excess summertime demand, we recommend the development of a three-acre outdoor waterpark amenity that will increase the capacity of the resort to attract summer day pass demand.

The Cooperstown market is seasonal with peak demand occurring for a 13-week period during the summer. Room night demand outside of this time frame decreases. Therefore, in order to increase demand during non-peak times, a destination resort needs to offer sufficient amenities and be large enough to attract new demand. The combination of new demand created by the proposed destination resort, along with the existing year-round attractions in Cooperstown (i.e. Hall of Fame, Brewery Ommegang, Fenimore Art Museum, etc.), will provide sufficient attractions for the proposed subject to be viable. We note that the proposed subject needs to work cooperatively with all existing Cooperstown attractions to position and market Cooperstown as a year-round destination.

As will be discussed under the franchise affiliation section, in our opinion the subject should operate as an independent resort. Another option is for the subject to be branded as a Great Wolf Lodge. The subject site's location has the potential to make the subject a "gateway" to the Cooperstown area. This is a strong attribute for the proposed subject, and the gateway notion will lend credibility to an authentic Cooperstown experience for visitors. The name and theme of the resort are very important. Primary demand in the area is generated by baseball, therefore an "America's Pastime Baseball Waterpark" or sports theme might be appropriate. However, the resort will house families and siblings of the ballplayers and could benefit from other interesting themes like "Adirondack", "Caverns", "Mohican Territory" or other interesting and attractive themes.

The subject development includes an ample amount of land to develop a broad range of year-round tourism infrastructure. We recommend that an overall master plan be developed for the resort including the identification of areas for potential expansion. We project the proposed property will open by January 1, 2018. The following table indicates our recommendations for the resort.

<b>Proposed Indoor Waterpark Resort-Cooperstown</b>			
<b>Recommended Facility (1 of 2)</b>			
<b>Number of Units</b>		<b>400</b>	
<b>Room Mix</b>			
	<b>Units</b>	<b>Room Breakdown %</b>	<b>Size (S.F.)</b>
Standard Suite (Sleeps 4 to 6)	260	65%	400 - 500
Specialty Suite (Sleeps 6 to 10)	80	20%	500 - 600
Themed One-Bedroom Kid Suites with Bunk Beds	60	15%	700 - 800
<b>Resort Branding</b>			
Independent Resort			
Great Wolf Lodge			
<b>Meeting Rooms</b>		<b>Square Feet</b>	<b>Banquet Seating Capacity</b>
Large Event Room (Divisible into Six Rooms)		8,000	660
Junior Ballroom (Divisible into Three Rooms)		4,500	350
Breakout rooms		5,000	-
Prefunction Space		<u>2,500</u>	-
<b>Total</b>		<b>20,000</b>	
<b>Food and Beverage Outlets</b>			
Three-Meal Buffet-Style Restaurant			
Local Wine/Craft Brew Restaurant			
Bar/Lounge with Limited Food Offerings (with gallery overlooking surf machine)			
Deli/Pastry/Ice Cream Outlet			
Coffee Shop			
Waterpark Snack Bar and Outdoor Concessions			
FEC Concessions			
<b>Waterpark Features</b>		<b>Sizing</b>	
Indoor Square Footage		80,000	
Outdoor Square Footage		3-acres	
# of Lockers		750	
Birthday Party Rooms S.F. (Divisible Into 3)		1,500	
<b>Potential Waterpark Themes</b>			
America's Pastime Baseball Waterpark			
Cavern-Geological			
Adirondack			
Mohican Territory			
Source: Hotel & Leisure Advisors			

<b>Proposed Indoor Waterpark Resort-Cooperstown</b>		
<b>Recommended Facility (2 of 2)</b>		
<b>Additional Four-Season Revenue Centers</b>	<b>Comments</b>	
Family Entertainment Center (FEC)	20,000	square feet
Arcade & Redemption Center		
Indoor Mini-Golf		
Golf Simulators		
Media Center/Gamer's Pavilion		
Laser Tag		
Cosmic Bowling Center		
Indoor Rock Climbing Course		
Indoor Ropes Challenge Course		
Outdoor BMX Rentals	Bike trails on 20 acres	
Outdoor Pole to Pole Zip Line Course	2-3 hr, 12 events	
Tubing Hill		
Cross Country Ski Rentals	Utilize BMX Trails	
Hiking/Activity/Exercise Terrain Park	Natural Areas	
Float Tubes/Canoe/Kayak Rentals	Third Party Leased Operation	
<b>Hotel/Conference Center Amenities</b>		
Two or Three Resort Retail/Gift Shops (throughout resort)	6,000	square feet
Family-Oriented Spa	5,000	square feet
Business Center		
Complimentary High Speed Internet (throughout resort)		
Health Club (Fitness Room, Steam Room, Whirlpool)		
Complimentary Parking		
Corporate Executive Team Building Programs	Shoulder Seasons	
<b>Other On-Site Amenities</b> (not included in financial analysis)		
Cooperstown-Charlotte Valley Railroad Access	Train Station to HOF	
Employee Housing Cluster		
Indoor/Outdoor Sports Venue	Expansion Potential - Phase II	
Baseball Field(s)		
Indoor Baseball Facility		
Basketball/Volleyball Courts		
Soccer/Lacrosse Field		
Sand Volleyball Court		
Marksmanship Range		
Concessions		
Source: Hotel & Leisure Advisors		

We recommend the subject offer a sufficient number of amenities to create a true resort destination. The following bullets highlight our recommendations for the destination resort.

- We recommend the subject offer 400 guestrooms with a mixture of standard suites, specialty suites, and themed one-bedroom kids suites. All rooms should include a sleeper sofa or bunk beds. A microwave and mini refrigerator should be included in each guestroom. There should be a mixture of room types including themed rooms with kid's bunk beds and separate kid's areas. Standard suites should be larger than typical hotel guestrooms with an average square footage between 400 and 500 square feet, the larger specialty suites with an average square footage between 500 and 600 square feet, and themed one-bedroom kid

suites offering approximately 700 to 800 square feet. We recommend approximately 65% standard suites and 35% specialty suites.

- We recommend a family-oriented “fast casual” restaurant as well as a local wine/craft brew restaurant. The resort should be designed in a way that allows at least one restaurant and conference/event space to share the same kitchen.
- The casual dining restaurant should have a built-in buffet, which will increase efficiency. The casual dining bar & grill should be open for breakfast, lunch, and dinner daily.
- The local wine/craft brew restaurant should leverage a relationship with the nearby Brewery Ommegang attraction to provide an authentic Cooperstown experience (fresh from hop farm to glass).
- In addition to its restaurants, we also recommend inclusion of an over-the-counter confectionary/ ice cream shop offering baked goods, ice cream, and candy and a sandwich shop (possibly franchised). We recommend a coffee shop in the lobby. There should also be a snack bar in the indoor waterpark and the FEC (both serving alcohol). In addition a seasonal outdoor waterpark snack bar and concessions should be developed for the outdoor venues.
- We recommend the subject offer a conference center with flexible meeting and conference space of approximately 20,000 square feet to attract a variety of groups, associations, wedding parties, and events. A mid-sized conference center should target groups during midweek periods during the shoulder seasons and winter. The conference space should be located on the opposite end of the building from the indoor waterpark to allow separation between two types of users. The flexible space should include:
  - An 8,000 square foot main ballroom divisible into six rooms, each with its own access, to house multiple smaller events. As a banquet area, this space will seat 660 people at 72” round tables.
  - An additional 4,500 square foot junior ballroom with banquet seating capacity for 350 to host smaller receptions. This room should be divisible into three smaller rooms.
  - Approximately 5,000 square feet of breakout meeting space.
  - Approximately 2,500 square feet of pre-function area.
  - The meeting rooms should be well appointed with the latest in meeting technologies, including ample power, Wi-Fi, video conferencing, and acoustical treatments. The meeting rooms should be well appointed with the latest in meeting technologies, including ample power, Wi-Fi, video conferencing, and acoustical treatments. The design of the parking lot should allow for the conference facility to be separate from the waterpark guests.
- We recommend the resort feature a multi-station business center.

- We recommend the resort offer complimentary amenities such as Wi-Fi and parking.
- As the anchor attraction for the subject resort destination, we recommend a well-themed, large indoor waterpark of approximately 80,000 square feet, which is described later in this report. This is similar in size to the Great Wolf Lodge, in the Pocono Mountains.
- In addition to the indoor waterpark, we recommend a three-acre outdoor waterpark be developed adjacent to the indoor facility. This outdoor waterpark will provide summer guests an opportunity to leverage good weather, and will attract additional visitor demand through the availability of day passes. The size of the outdoor waterpark will be sufficient enough to make it a destination unto itself.
- We recommend the resort include a 5,000 square foot family-oriented spa. The subject resort spa should include several treatment rooms and offer services such as massages, manicures, pedicures, hair updos, and other kid- and family-oriented treatments.
- We recommend two or three resort-themed retail gift shops with a total of 6,000 square feet be developed to encourage souvenir and aquatic-related purchases. These retail gift shops should be located in strategic points throughout the resort property: one in the lobby area selling novelty items, and a second near the waterpark entrance selling swimming related items. Small retail shops and kiosks should be located near the FEC such as build a bear, kids tattoo/henna parlor and keychain/wristband kiosk etc. By locating the FEC, restaurant and retail near each other, the subject can offer a “main street” type atmosphere, which will be active during the evenings. One of the retail shops should include a 24-hour convenience market next to the front desk that will sell snacks, beverages and convenience items.
- We recommend constructing 20,000 square feet of combined FEC space adjacent to the indoor waterpark. The FEC would house a large arcade with both electronic and skill games, indoor miniature golf, laser tag, and soft play areas with balls and tubes for children. For older teens a gamers pavilion should be located separately from the younger children’s area. The FEC should include a media center that can be used to view movies and provide a performance entertainment area for resort guests as well as high-tech attractions, including simulators and virtual reality attractions for teens and groups. The FEC should contain a redemption center. We recommend expanding the recreational amenities to include a rock climbing adventure center. We project this FEC complex to attract youth groups and adventure tourists year-round.
- We recommend the subject leverage the natural terrain of its acreage. We recommend an outdoor adventure park offering outdoor amenities including a pole-to-pole zip line, ropes course, and mountain bike BMX rentals for use on various trails developed throughout the property. For winter, we recommend a snow tubing hill and cross country ski trails.

- We recommend natural areas of the resort be maintained and offer outdoor hiking and exercise trails, as well as potential recreation amenities along the riverbank. This could include leasing river access to a float tube/canoe/kayak outfitter.
- We recommend the subject offer 1,500 square feet of multiple birthday party rooms adjacent to the indoor waterpark and FEC for party guests to assemble when they are not in the waterpark. This room can be utilized as an overflow breakout room or for waterpark snack bar seating when there are no birthday parties.
- We recommend the subject offer RFID wristbands to hotel guests to pay for various services at the resort, including arcade tokens, gift shop, restaurants, deli shop, and waterpark snack bar. The wristbands can either be pre-paid (for children) or linked to a guestroom account.
- We recommend a Magiquest-type interactive game for children that would utilize different sections of the hotel. This interactive game is extremely popular and profitable at the Great Wolf Lodge properties. We also recommend other dry play areas within the hotel for children to enjoy.
- We recommend sufficient parking be developed for the destination indoor waterpark resort. The designers should plan for appropriate vehicular circulation and accommodate the multi-use components of the resort and their parking needs. i.e. restaurant, outdoor adventure center, conference center, etc.
- We recommend that an overall master plan be developed for the resort including the identification of areas for potential expansion. Planning for an expansion in the initial drawings will lower the cost later.
- We recommend the subject try to obtain the Leadership in Energy and Environmental Design (LEED) certification as a “green” structure, which would allow for reduced energy costs and positive eco-friendly publicity. The LEED Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings. In McGraw Hill Construction’s 2013 report, *Green Retail and Hospitality: Capitalizing on the Growth in Green Building Investments*, hotel owners reported an 11% increase in asset value and a 14% in return on investment (ROI) as a result of green improvements. Green buildings also are drawing more customers, with 55% of hotel owners reporting an increase in occupancy post green improvement.

### **Indoor Waterpark Features and Amenities**

We recommend the subject integrate the indoor waterpark into the proposed hotel for a complete indoor waterpark resort destination. The subject should have interior connections between the hotel, conference center, FEC, and the indoor waterpark.

**Projected Sizing:** The proposed indoor waterpark size is within the range of other indoor waterpark facilities including Jay Peak in Jay, Vermont; Six Flags Great Escape in Queensbury, NY; Great Wolf Lodge in Fitchburg, Massachusetts; and Great Wolf Lodge in Poconos, Pennsylvania.

- The Pump House at Jay Peak Resort has 176 guestrooms and 40,000 square feet of indoor waterpark area, which equals 227 square feet of indoor waterpark space per available unit. The resort has an additional 300 condominium units that participate in a rental pool that may access the property.
- Six Flags Great Escape Indoor Waterpark in Queensbury, NY offers 200 guestrooms and a 38,500 square foot indoor waterpark area which equals 192.5 square feet per available unit.
- Great Wolf Lodge in Fitchburg offers 406 guestrooms and a 61,000 square foot indoor waterpark area, which equals 150 square feet per available unit.
- Great Wolf Lodge in Poconos offers 401 guestrooms and a 78,000 square foot indoor waterpark area, which equals 194 square feet per available unit.

According to our recommendation, the subject will offer 80,000 square feet of waterpark area and 400 guestrooms, which equals 200 square feet of indoor waterpark space per guestroom. The proposed will offer the largest indoor waterpark in New York State. The other planned amenities available at the subject resort will enable it to differentiate itself from other resort facilities, and position itself as the go-to destination resort in upstate New York.

The size recommendation for the indoor waterpark resort will provide a good room-to-waterpark ratio. Typically, the indoor waterpark utilizes approximately 35 to 40 square feet per person. At 80,000 square feet, this implies that the subject indoor waterpark will hold 2,000 to 2,285 people at one time. Additional people will be allowed into the other components of the resort. The subject is projected to have 400 available guestrooms. If we assume approximately four people per guestroom, this equals 1,600 people at 100% occupancy for the hotel, leaving capacity for day visitors and birthday party packages.

The subject should be developed and advertised as a resort that is not open for day passes in the fall through spring so guests need to stay overnight at the hotel. We recommend the subject waterpark offer day passes only for groups and birthday parties during slower time periods. During the summer we recommend the waterpark be open to the public.

**Indoor Waterpark Features:** We recommend the indoor waterpark have extensive theming throughout and include a variety of tube slides, body slides, pools, and other indoor waterpark attractions. The rides and attractions need to offer sufficient entertainment value. The rides should have theming and a sense of adventure, similar to an amusement park. We recommend the subject facility obtain at least one ride or attraction that is unique to the facility that can be promoted to the public. The waterpark should have a separate locker room area with a minimum of 750 lockers to accommodate hotel guests who are checking in and out on their day of arrival and/or departure as well as birthday party guests. Additional components for the indoor waterpark area could include:

- Various slides and tubes and other rides for toddlers, school-aged children, teens, adults, and entire families to enjoy

- One or two “thrill slides” targeting older children, teenagers and adults – such as an AquaLoop™
- Multi-level water game structure with various interactive spraying water components and small “kiddie” slides
- Zero-depth entry pool area for babies and toddlers with small slides and water fountains
- Whirlpools for adults, older children, and teens; an indoor/outdoor whirlpool is recommended
- Water basketball and water polo areas
- Lazy river
- Wave pool
- Water coaster
- Double FlowRider™ or Surfstream™ simulated surf machine
- Family raft ride
- Retractable roof

**Outdoor Waterpark:** We recommend the subject offer an outdoor waterpark area with a minimum of 3-acres including an outdoor wave pool, still water pool, multiple slides, lazy river, and other outdoor water attractions, including an additional 15 cabanas for rent. The outdoor waterpark will appeal to visitors generating the already strong demand in the summer. There are no outdoor waterparks of the size and scope of the subject in the area. We recommend the outdoor waterpark area be constructed adjacent to the indoor waterpark to provide an additional summer amenity.

#### **Other Potential On-Site Amenities**

- We recommend the proposed subject leverage the existing railroad and Cooperstown and Charlotte Valley Railway as a unique means of transportation to and from downtown Cooperstown, the Hall of Fame, Doubleday Field, boutique shopping, and many downtown restaurants. We recommend a platform and train station be constructed for passenger train access. Leveraging this type of transportation will allow guests to experience Cooperstown without having to drive. If possible, we strongly suggest this amenity be included in the initial phase of development.
- In our research, a concern that was mentioned myriad times was that of the local workforce development. While there could be potential synergies with several of the local universities, the real issue is the lack of affordable workforce housing in Cooperstown. With the strong summertime demand from Cooperstown Dreams Park, many local residents have rented their houses to visitors for high rates. Some reports are that yearly mortgage payments are made solely through

summer rentals. The lack of affordable housing for a tourism workforce is the issue. We recommend that if financially feasible, employee housing be constructed on-site that would alleviate housing concerns and attract a solid workforce. The financial feasibility of this amenity is beyond the scope of work of our engagement.

- A future phase of development for consideration is the inclusion of a sports venue at the destination resort. A year-round indoor/outdoor sports venue with myriad activities and components could help bring room demand to the subject throughout the shoulder and winter seasons. A baseball facility with indoor and outdoor fields, flexible for baseball and/or softball could potentially be viable. Other sport activities such as basketball, volleyball, cheerleading, indoor soccer, indoor lacrosse, as well as outdoor seasonal play on athletic fields could also potentially be viable. Whether locals would participate in league play (no room nights) or the resort would go after regional tournament play (potential room nights), the sports venue would be a complementary use to the destination resort and help extend the activity at the resort components including increases in the food and beverage departments. An analysis of a sports venue is beyond the scope of this engagement.

We visited the recently opened Aquatopia at Camelback Lodge and Kalahari Resort indoor waterparks in the Poconos. These two properties will compete with the subject for the New York market. The theming, layout, and attractions offered are the latest in the industry and could be incorporated into the design of the subject's indoor waterpark. The following pictures were taken at the two newest Poconos indoor waterpark resorts – Aquatopia at Camelback and Kalahari Resort.

**Pictures of Regional Indoor Waterpark Resorts**



Camelback Lodge – FlowRider Surf Simulator



Camelback Lodge – Wave Pool



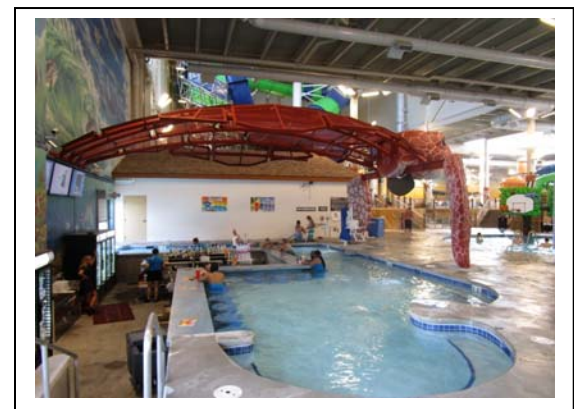
Camelback Lodge – Multi-level Interactive Play Area



Camelback Lodge – Arcade



Kalahari – Basketball and Water Polo Area



Kalahari – Swim-up Bar

**Development Costs for Indoor Waterpark Resorts:** We analyzed the development budgets of other indoor waterpark resorts that are under development or have been developed in the region. In the following table, we compiled a variety of development cost data for indoor waterpark resorts inclusive of land, hotel, waterpark, and all development costs.

Indoor Waterpark Resort Development Costs Combined Hotel and Waterpark Components							
Name/Description	City	State	Year Opened/To Open	Sq. Feet of Waterpark Space	Number of Rooms	Cost	Cost Per Room
Great Wolf Lodge	Garden Grove	CA	2016	100,000	603	\$285,000,000	\$472,637
Key Lime Cove	Gurnee	IL	2008	64,500	414	\$136,000,000	\$328,502
Ramada Inn with Indoor Waterpark	Watervliet	MI	2008	11,000	95	\$12,000,000	\$126,316
Great Wolf Lodge	Concord	NC	2009	80,000	409	\$134,000,000	\$327,628
CanadInns Splasher	Grand Forks	ND	2007	40,000	201	\$43,000,000	\$213,930
Hope Lake Lodge	Cortland	NY	2009	33,000	150	\$39,000,000	\$260,000
Six Flags Great Escape Lodge and Indoor Waterpark	Queensbury	NY	2006	38,500	200	\$47,000,000	\$235,000
Great Wolf Lodge	Mason	OH	2007	79,000	401	\$116,000,000	\$289,277
Kalahari Indoor Waterpark Resort	Pocono Township	PA	2015	106,000	457	\$210,000,000	\$459,519
Camelback Indoor Waterpark Resort	Tannersville	PA	2015	125,000	453	\$163,000,000	\$359,823
Great Wolf Lodge	Tannersville	PA	2005	78,000	401	\$104,000,000	\$259,352
Wilderness at the Smokies Resort	Sevierville	TN	2009	66,000	394	\$100,000,000	\$253,807
Great Wolf Lodge	Grand Mound	WA	2009	58,000	398	\$172,000,000	\$432,161
Average				67,615	352	\$120,076,923	\$341,128
Source: Hotel & Leisure Advisors							

Development costs for new construction indoor waterpark resorts ranged from \$126,316 to \$472,637 per available room. The wide range depends upon the quality of property, cost of land, and the extent of the indoor waterpark. The range of costs is also impacted by union requirements for construction work, extent of financing costs included in development budget, and amount of entrepreneurial profit included in development budget.

We forecast development costs for the proposed project to range from \$140 million to \$180 million or from \$350,000 to \$450,000 per available room.

### **FRANCHISE AFFILIATION ANALYSIS**

We have analyzed the potential for the resort to operate as an independent property versus franchised. The subject hotel 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.

The subject will be a unique facility with an indoor waterpark, FEC, gift shops, conference space, outdoor waterpark, and other potential amenities. There are few national

franchises that are identifiable with this type of product. Our analysis of resorts in the eastern states of the U.S. indicates that most are independent. Since the subject will be located in a tourist destination, we typically would recommend an independent brand. However, we also recognize the Great Wolf Lodge brand as a potential fit for the subject. The Great Wolf Lodge brand is the only indoor waterpark resort brand in North America. The advantage to the subject would be immediate brand recognition. The popularity of the Great Wolf Lodge Poconos, Great Wolf Lodge Fitchburg, and Great Wolf Lodge Williamsburg supports the brand in the eastern portion of the U.S. However, we have completed our study based on the resort operating as an independent resort with no national hotel brand affiliation. If this assumption is valid, we recommend the resort become a part of a national reservation center to assist with bookings.

We recommend that the developers hire a competent hotel management company that will operate the subject property as an independent indoor waterpark resort destination. We are available to analyze and help you select an appropriate waterpark resort management company. Although we recommend the resort be independent, we suggest it affiliate with various national reservation services to bolster its presence on various websites. We have utilized a combined marketing/franchise expense in our projections to match typical resort marketing fees. An effective marketing campaign as an independent resort can result in a higher value than as a chain property.

**NATIONAL LODGING MARKET OVERVIEW**

We thoroughly analyze trends and statistics within the national lodging market, using our research as well as that of nationally recognized hospitality data providers, including Smith Travel Research (STR), PKF Hospitality Research (PKF) and PriceWaterhouseCoopers (PwC). Our analysis focuses on the overall operating performance of the U.S. hotel industry, primarily regarding occupancy, average daily rate (ADR) and revenue per available room (RevPAR). In addition, we consider new supply additions; travel forecasts; future hotel performance projections; and hotel property sales values.

**Occupancy, ADR and RevPAR Performance by Region**

The following table shows the performance of U.S. hotels by region for the past four years, based on statistics from STR's *Hotel Review*.

U.S. Hotel Performance by Regions												
	Occupancy				ADR				RevPAR			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
<b>New England</b>	61.2%	61.4%	62.4%	63.7%	\$120.66	\$127.18	\$131.85	\$138.68	\$73.84	\$78.11	\$82.22	\$88.32
<b>Middle Atlantic</b>	65.4%	66.5%	65.9%	66.9%	\$145.05	\$150.64	\$155.90	\$160.45	\$94.80	\$100.12	\$102.73	\$107.40
<b>South Atlantic</b>	59.4%	60.8%	61.9%	64.8%	\$100.20	\$103.49	\$106.63	\$111.20	\$59.50	\$62.89	\$65.96	\$72.09
<b>East North Central</b>	56.5%	58.4%	59.0%	60.6%	\$88.20	\$92.47	\$95.54	\$99.65	\$49.82	\$53.97	\$56.47	\$60.40
<b>East South Central</b>	55.5%	56.2%	56.8%	59.1%	\$77.22	\$79.48	\$82.00	\$86.35	\$42.89	\$44.69	\$46.54	\$51.01
<b>West North Central</b>	56.2%	57.3%	57.7%	59.6%	\$80.92	\$84.20	\$86.52	\$90.13	\$45.48	\$48.23	\$49.97	\$53.76
<b>West South Central</b>	58.1%	60.5%	61.4%	63.7%	\$84.80	\$88.87	\$93.06	\$96.44	\$49.23	\$53.75	\$57.10	\$61.42
<b>Mountain</b>	59.1%	59.1%	60.2%	63.2%	\$93.39	\$96.20	\$98.97	\$104.47	\$55.20	\$56.86	\$59.62	\$65.99
<b>Pacific</b>	65.6%	67.8%	69.4%	71.5%	\$119.05	\$126.30	\$133.75	\$142.44	\$78.06	\$85.65	\$92.83	\$101.85
<b>Total U.S.</b>	59.9%	61.3%	62.2%	64.4%	\$101.85	\$106.25	\$110.30	\$115.32	\$61.02	\$65.15	\$68.58	\$74.28

Source: Smith Travel Research

Every region experienced increases in each of the key metrics, indicating overall improvement in performance. In terms of occupancy, the Pacific region achieved the highest levels. The Middle Atlantic region achieved the highest ADR and RevPAR. In all categories, the East South Central region lagged behind all other regions.

**Occupancy by Demand Segment**

According to the *2014 TRENDS in the Hotel Industry* report from PKF Hospitality Research, transient business dominates segmentation across all property types, followed by group and contract business.

Hotel Customer Segmentation							
	Property Type						
	Full Service	Limited Service	Suite w/F&B	Suite w/o F&B	Convention	Resort	
<b>Transient</b>	71.4%	82.9%	71.8%	94.0%	42.1%	58.4%	
<b>Group</b>	23.0%	11.0%	25.7%	4.0%	53.1%	38.7%	
<b>Contract</b>	4.9%	4.8%	2.2%	1.7%	4.5%	2.2%	
<b>Other</b>	0.7%	1.3%	0.4%	0.3%	0.3%	0.7%	

Source: PKF Hospitality Research, LLC

**Operating Performance Forecasts**

According to STR and Tourism Economics, 2014 was a banner year for the U.S. hotel industry, building on a record-setting 2013. Rooms revenue (\$133 billion), rooms available (1.8 billion) and rooms sold (1.1 billion) were the most ever recorded. Occupancy rose to 64.4%, just missing the record 64.8% set in 1995. ADR (\$115) and RevPAR (\$74) were the highest since STR began tracking data in 1987. The company expects the momentum to continue in 2015, particularly in ADR and RevPAR growth.

Overall U.S. Lodging Performance						
	Occupancy	% Change Occ.	ADR	% Change ADR	RevPAR	% Change RevPAR
<b>2010</b>	57.6%	-	\$98.01	-	\$56.44	-
<b>2011</b>	60.0%	4.2%	\$101.71	3.8%	\$61.03	8.1%
<b>2012</b>	61.4%	2.3%	\$105.96	4.2%	\$65.06	6.6%
<b>2013</b>	62.2%	1.3%	\$110.09	3.9%	\$68.49	5.3%
<b>2014</b>	64.4%	3.5%	\$115.03	4.5%	\$74.12	8.2%
<b>2015 (Forecast)</b>	65.3%	1.4%	\$120.93	5.1%	\$78.99	6.6%
<b>2016 (Forecast)</b>	65.8%	0.8%	\$126.94	5.0%	\$83.56	5.8%

Source: Smith Travel Research (6/15)

In its March 2015 edition of *Hotel Horizons*, PKF Hospitality Research affirmed its forecast of strong fundamental performance for the U.S. lodging industry. The company predicts that by the end of 2015, the industry will achieve an occupancy level of 65.6% (the highest since 1995), which will mark six consecutive years of increasing occupancy. The 1.9% increase in occupancy, combined with a 5.3% rise in ADR, equals a 7.3% boost to RevPAR. In 2016, the increase in occupancy is projected to slow to just 0.6%, but the pace of ADR growth is forecasted to improve to 6.3%. The net result will be a 6.5% gain in RevPAR next year.

A strong outlook for group demand, coupled with strong transient travel and a continued positive economic environment, were key drivers for PwC's 2014 forecasts. According to its January 2015 *Hospitality Directions*, PwC expects 2015 to follow the same path. Early forecasts include an occupancy level of 65.1%, which should allow hoteliers to be more aggressive with pricing. It predicts a 7.4% increase in RevPAR, with more than 80% coming from room rate, and 1.4% supply growth.

H&LA's analysis indicates that the lodging industry will continue to enjoy the steady successes it has seen over the past few years. We project continued improvement in 2015 with higher percentage ADR gains for upscale, upper upscale and luxury properties.

**New Supply of Lodging Rooms**

With demand at an all-time high, there is some concern about the potential for oversupply of rooms. For 2015, industry analysts project a small uptick in supply of 1.3% to 1.5%.

Lodging Econometrics' latest forecast confirmed continued slow supply growth. It noted that since 2011 new supply growth has been slow and incremental with 412 hotel openings in 2012, 488 in 2013 and 557 hotels with 63,352 rooms in 2014. It projects 726 hotels will open in 2015 and 797 in 2016. Total new hotel openings are not expected to peak until 2018-19.

According to the March 2015 STR *Pipeline Report*, the total active U.S. hotel development pipeline comprised 3,604 projects totaling 435,518 rooms, which represents a 17.6% increase in the number of rooms under contract compared with the previous year, and a 31.9% increase in the number of rooms under construction. STR reports that limited-service brands – particularly in the upscale and upper-midscale segments – are driving more than two-thirds of hotel development.

The following table details the U.S. hotel development pipeline by chain scale segment.

<b>U.S. Pipeline by Chain Scale Segment</b>						
<b>Chain scale</b>	<b>Preliminary Existing Supply</b>	<b>% Change</b>	<b>In Construction</b>	<b>% Change</b>	<b>Total Under Contract</b>	<b>% Change</b>
<b>Luxury</b>	107,127	-0.4%	4,640	1.4%	8,694	7.3%
<b>Upper Upscale</b>	573,902	1.8%	14,228	71.7%	33,524	35.0%
<b>Upscale</b>	635,284	4.1%	48,252	32.3%	125,607	27.0%
<b>Upper Midscale</b>	876,485	1.2%	38,312	29.9%	135,196	26.3%
<b>Midscale</b>	474,188	-1.9%	5,272	7.6%	27,527	21.0%
<b>Economy</b>	782,679	1.5%	809	-25.4%	4,176	-4.3%
<b>Unaffiliated</b>	1,537,432	0.0%	17,361	34.4%	100,794	-3.3%
<b>Total</b>	<b>4,987,097</b>	<b>1.0%</b>	<b>128,874</b>	<b>31.9%</b>	<b>435,518</b>	<b>17.6%</b>
Note: Rooms under contract includes projects in In Construction, Final Planning and Planning stages.						
Source: STR (3/15)						

**Travel Forecasts**

According to American Express Global Business Travels' *Global Business Travel Forecast 2015*, North American business travelers can expect price increases across travel categories in 2015.

With an improving economy and greater corporate confidence, capacity discipline by U.S. carriers, and the recent consolidation of the domestic market, airlines are predicted to raise their long- and short-haul fares in the coming year. Inventory controls are likely to improve yields for airlines, leading to fewer seats in lower fare classes on busier routes.

According to the U.S. Department of Commerce (DOC), a record 75 million international visitors traveled to the United States in 2014, a 7% increase over 2013. The top inbound markets continued to be Canada and Mexico with 23 million and 17.3 million visits, respectively. According to the Office of Travel & Tourism Industries' *2014 Fall Travel Forecast*, the DOC projects international travel to the U.S. will continue to experience strong growth through 2019, with annual growth rates of 3.3% to 5.9%. By 2019, this growth would produce 88.3 million visitors, a 27% increase and more than 18 million additional visitors compared to 2013.

### **Meetings Forecasts**

According to American Express' *2015 Global Meetings and Events Forecast*, corporate meetings are increasing in North America, albeit at a relatively tepid pace. Among the survey's findings:

- Training programs account for the largest increase in activity (0.9% increase) and in meeting size (0.6% increase). These meetings average 2.4 days compared to conferences/tradeshows (2.9) and incentive/special events (3.2).
- The reduction in length of meetings (2.3 days on average) has resulted in increased demand for meetings at airport properties.
- More planners are booking meetings in locations where the highest number of attendees live. Strong demand is being seen in primary and secondary city destinations. Even close to home, there is a push for fun or unique locations.
- Based on activity within the Cvent Supplier Network between July 2013 and June 2014, the top five U.S. cities for meetings and events were Chicago, Orlando, Las Vegas, Atlanta and San Diego.
- Group rates are expected to increase 4.6% in 2015, which will put pressure on meetings budgets.

### **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 target the hip and trendy, while others target the business clientele.

**Proposed Indoor Waterpark Resort – Cooperstown, NY  
Market Analysis**

Smith Travel Research 2014 Chain Scales					
Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy
Affina	Ace Hotel	Aloft Hotel	3 Palms	A Victory Hotels	Affordable Suites of America
AKA	Autograph Collection	Ascend	Ayres	America's Best Suites	America's Best Inn
Andaz	Club Quarters	Aston Hotel	Best Western Plus	AmericInn	Americas Best Value Inn
Conrad	Delta	Best Western Premier	Boarders Inn & Suites	Baymont Inn & Suites	Budget Host
Dorchester Collection	Dolce	Cambria Suites	Boulders Inn & Suites	Best Western	Budget Suites of America
Fairmont	Dream	Canad Inn	Chase Suites	Cabot Lodge	Budgetel
Four Seasons	Embassy Suites	Club Med	Clarion	Candlewood Suites	Country Hearth Inn
Grand Hyatt	Gaylord	Coast Hotel	Comfort Inn	Centerstone Hotels	Crestwood Suites
InterContinental	Hard Rock	Courtyard	Comfort Suites	ClubHouse	Crossland Suites
JW Marriott	Hilton	Crowne Plaza	Country Inn & Suites	Cobblestone	Days Inn
Langham	Hyatt	Disney	Doubletree Club	Crossings by GrandStay	Downtownner Inn
Loews	Jolie De Vivre	DoubleTree	Drury Inn	Crystal Inn	Econo Lodge
Luxury Collection	Kimpton	element	Drury Inn & Suites	GrandStay Residential Suites	Extended Stay America
Mandarin Oriental	Le Meridien	Four Points	Drury Lodge	Hawthorn Suites by Wyndham	Extended Stay Deluxe
Montage	Marriott	Grand America	Drury Plaza Hotel	Howard Johnson	E-Z 8
Orient Express	Marriott Conference Center	Great Wolf Lodge	Drury Suites	InnSuites Hotel	Family Inn of America
Palace Resorts	Marriott Executive Apartments	Hilton Garden Inn	Fairfield Inn	Lakeview Distinctive Hotels	Good Nite Inn
Park Hyatt	Millennium	Homewood Suites	Golden Tulip	La Quinta Inn & Suites	Great Western
Ritz-Carlton	Omni	Hotel Indigo	Hampton Inn	MainStay Suites	GuestHouse Inn
RockResorts	Pan Pacific	Hyatt House	Hampton Inn & Suites	Oak Tree Inn	HomeGate
Rosewood	Radisson Blu	Hyatt Place	Holiday Inn	Quality Inn	Home-Towne Suites
Sofitel	Renaissance	Legacy Vacation Club	Holiday Inn Express	Ramada	Howard Johnson Express
St Regis	Sheraton Hotel	Melia	Home2 Suites by Hilton	Red Lion	InTown Suites
Taj	Sonesta Hotel	Novotel	Isle of Capri	Rode Inn	Jameson Inn
The Peninsula	Starhotels	NYLO Hotel	Larkspur Landing	Settle Inn	Key West Inn
Thompson Hotels	Swissotel	Outrigger	Lexington	Shilo Inn	Knights Inn
Trump International Collection	Warwick Hotels	Radisson	Night	Signature Inn	Lees Inn Of America
Viceroy	Westin	Residence Inn	OHANA	Sleep Inn	Master Hosts Inns
W Hotel	Wyndham	Springhill Suites	Park Inn	Vagabond Inn	Masters Inn
Waldorf-Astoria		Staybridge Suites	Phoenix Inn	Vista	Microtel Inn & Suites
			Ramada Plaza	Wingate by Wyndham	Motel 6
			Real Inn		National 9
			Silver Cloud		Passport Inn
			Sonesta ES Suites		Pear Tree Inn
			Tryp by Wyndham		Red Carpet Inn
			TownePlace Suites		Red Roof Inn
			Westmark		Road Star Inn
			Wyndham Garden Hotel		Rodeway Inn
			Xanterra		Savannah Suites
					Scottish Inn
					Select Inn
					Studio 6
					Suburban Extended Stay
					Sun Suites Hotels
					Super 8
					Travelodge
					Value Place
					Yotel

Source: Smith Travel Research

J.D. Power and Associates' 2015 *North American Hotel Guest Satisfaction Index Study* indicated hotel guest satisfaction reached an all-time high. Overall, guest satisfaction averaged 804 on a 1,000-point scale, which is up 20 points from 2014.

Seven key factors are examined in each segment to determine overall satisfaction: reservation; check-in/check-out; guestroom; food and beverage; hotel services; hotel facilities; and cost and fees. The following hotel brands rank highest in guest satisfaction within their respective segments:

- Luxury: The Ritz-Carlton (sixth consecutive year)
- Upper Upscale: Omni Hotels & Resorts
- Upscale: Hyatt Place
- Upper Midscale: Drury Hotels
- Midscale: Wingate by Wyndham
- Economy/Budget: Microtel Inn & Suites by Wyndham (third consecutive year)
- Upper Extended Stay: Homewood Suites by Hilton (third consecutive year)
- Extended Stay: Candlewood Suites (second consecutive year)

### **Hotel Sales Overview**

JLL and STR Analytics are among the companies who track hotel sales and project future sales trends. We reviewed their latest projections, which are summarized below.

In its *2015 Hotel Transaction Almanac*, STR Analytics reported \$27.8 billion in U.S. hotel transactions occurred in 2014, an increase of more than \$10 billion from 2013. During the year, \$18.5 billion in hotel assets changed hands while the remaining \$9.3 billion resulted in new hotel openings. STR expects transaction volume to rise in 2015 with demand compression and only modest levels of new hotel supply.

Among the *Almanac's* findings:

- The average price per key was a record \$219,000, a 15.3% increase over 2013
- The total investment for acquisitions increased to \$249,000 while the average cost for construction was \$186,000
- Distressed sales fell to normal levels, with only 4% of hotel trades involving a struggling asset
- The average cap rate declined to 8.2%, the lowest on record

<b>Hotel Sales by Chain Scale</b>					
	<b>Transactions</b>	<b>Percentage of Transaction Activity</b>	<b>Average Room Count</b>	<b>Average Price per Room</b>	<b>Room Revenue Multiplier</b>
<b>Luxury</b>	18	4%	366	\$462,000	6.53
<b>Upper Upscale</b>	52	11%	381	\$214,000	6.92
<b>Upscale</b>	178	40%	153	\$227,000	6.42
<b>Upper Midscale</b>	61	14%	132	\$111,000	4.12
<b>Midscale</b>	30	7%	129	\$55,000	2.84
<b>Economy</b>	21	5%	96	\$40,000	3.24
<b>Independent</b>	87	19%	196	\$296,000	6.82
<b>Total</b>	447	100%	189	\$219,000	5.50

Source: STR Hotel Transaction Almanac 2015

In its 2015 *Hotel Investment Outlook*, JLL predicts transaction volume in the U.S. hotel market will continue to rise and will reach \$34.5 billion in 2015. In the U.S., investors are disposing of assets purchased at the onset of the recovery cycle. Momentum is further fueled by private equity funds seeking to deploy capital. JLL expects the markets to see some portfolio deals top the \$1 billion mark. Hotel values continue to climb, with single-asset hotel transaction values increasing 13% since the previous peak before the recession. Loan-to-value ratios are expected to increase and 2015 will likely see an upward pulse on base interest rates, which could affect hotel investments.

LE says selling price per room will continue to accelerate in the absence of new supply and continued low interest rates and attractive financing terms.

The following tables show LE’s statistics for the average selling price per room and total transactions from 2009-14.

<b>Total Hotel Transactions 2009-14</b>				
	<b>Single Asset</b>	<b>Portfolio</b>	<b>M&amp;A Property Transfers</b>	<b>Total Transactions</b>
<b>2009</b>	504	24	0	528
<b>2010</b>	544	124	690	1,358
<b>2011</b>	824	233	204	1,261
<b>2012</b>	658	789	10	1,457
<b>2013</b>	890	404	1	1,295
<b>2014</b>	799	481	12	1,292

Source: Lodging Econometrics

<b>Average Selling Price Per Room</b>						
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>No. of Transactions</b>	935	977	578	686	513	427
<b>Price</b>	\$156,002	\$129,347	\$113,878	\$104,652	\$108,494	\$57,434

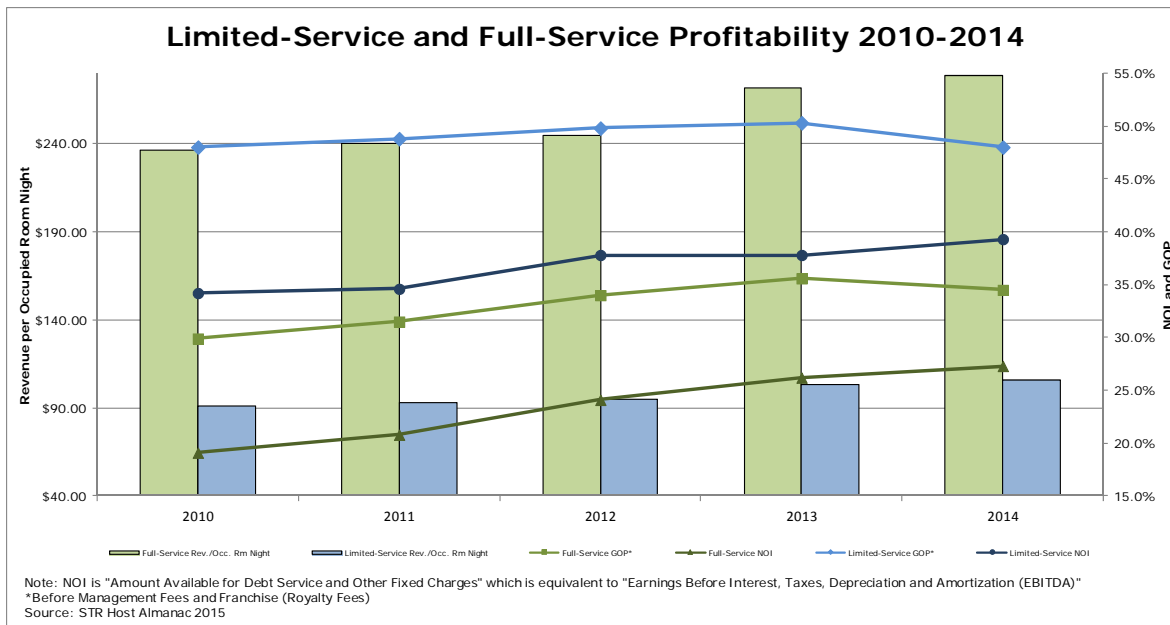
Note: Data only includes transactions with a reported selling price  
Source: Lodging Econometrics

**Financial Statistics Concerning Hotels**

We analyzed financial statistics concerning the performance of hotels as taken from the 2015 *HOST Almanac* published by STR. This report included analysis based on the income and expense statements of more than 5,300 hotels for year-end 2014 and trend data from more than 30,000 hotels that report data to STR. This information 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 five years.

Selected Financial Ratios to Sales						
	Full-Service			Limited-Service		
	Rev./Occ. Rm Night	GOP*	NOI	Rev./Occ. Rm Night	GOP*	NOI
<b>2010</b>	\$236.13	29.9%	19.1%	\$91.01	48.0%	34.2%
<b>2011</b>	\$240.08	31.5%	20.8%	\$92.97	48.8%	34.6%
<b>2012</b>	\$244.76	34.0%	24.1%	\$95.13	49.8%	37.8%
<b>2013</b>	\$271.78	35.6%	26.2%	\$103.33	50.3%	37.8%
<b>2014</b>	\$278.34	34.5%	27.3%	\$105.59	48.0%	39.3%

Note: NOI is "Amount Available for Debt Service and Other Fixed Charges" which is equivalent to "Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)"  
\*Before Management Fees and Franchise (Royalty) Fees  
Source: STR *Host Almanac 2015*



The percentage of gross operating profit (GOP) before management fees and franchise fees showed year-over-year improvements from 2010-2013 before dropping in 2014. Both property types saw increases in revenue per occupied room night and net operating income (NOI). Limited-service hotels outperform full-service hotels on a percentage basis for both GOP and NOI, but full-service hotels have higher revenue per occupied room night.

## **ANALYSIS OF INDOOR WATERPARK RESORTS**

A waterpark is a type of amusement park that features water play areas such as waterslides, splash pads, wave pools, lazy rivers, and swimming pools. Outdoor waterparks are generally seasonal and are highly dependent on the weather. The United States has the largest and most concentrated waterpark market in the world. According to our research, more than 800 larger waterparks exist within the United States. Hotel & Leisure Advisors defines waterparks as follows:

- An outdoor waterpark is a facility offering three or more waterslides and other aquatic facilities that may include a wave pool and lazy river.
- An indoor waterpark resort is a lodging establishment containing an indoor aquatic facility with a minimum of 10,000 square feet of indoor waterpark space and inclusive of amenities such as slides, tubes, and a variety of indoor water play features.
- A standalone indoor waterpark is an aquatic center without an attached hotel, having a minimum of 10,000 square feet, inclusive of amenities such as slides, tubes, and a variety of indoor water play features.
- A resort hotel with outdoor waterpark is a hotel with three or more water play features, such as slides, lazy rivers, or wave pools that require lifeguards.

The following table identifies, by region, the current supply of waterparks.

<b>2015 U.S. Open Waterpark Supply by Region</b>			
<b>U.S. Outdoor Waterparks</b>			
<b>Region</b>	<b>Municipal</b>	<b>Private</b>	<b>Total</b>
Northeast	7	60	67
Midwest	172	46	218
South	123	116	239
West	49	52	101
<b>Total</b>	<b>351</b>	<b>274</b>	<b>625</b>
Note: Outdoor waterpark defined as an aquatic facility without attached hotel having 3 or more slides			
<b>U.S. Indoor Waterpark Resorts</b>			
<b>Region</b>	<b>Franchise</b>	<b>Independent</b>	<b>Total</b>
Northeast	7	9	16
Midwest	35	63	98
South	0	13	13
West	4	5	9
<b>Total</b>	<b>46</b>	<b>90</b>	<b>136</b>
Note: Indoor waterpark resort defined as a hotel with a minimum of 10,000 square feet of indoor waterpark space			
<b>U.S. Standalone Indoor Waterparks</b>			
<b>Region</b>	<b>Municipal</b>	<b>Private</b>	<b>Total</b>
Northeast	1	3	4
Midwest	27	0	27
South	9	3	12
West	18	2	20
<b>Total</b>	<b>55</b>	<b>8</b>	<b>63</b>
Note: Standalone indoor waterpark defined as having a minimum of 10,000 square feet of aquatic area and featuring multiple water features			
<b>U.S. Resorts with Outdoor Waterparks Only</b>			
<b>Region</b>	<b>Franchise</b>	<b>Independent</b>	<b>Total</b>
Northeast	0	2	2
Midwest	0	2	2
South	13	13	26
West	11	6	17
<b>Total</b>	<b>24</b>	<b>23</b>	<b>47</b>
Note: Resort with outdoor waterpark defined as a resort hotel having an outdoor waterpark with at least 3 features (e.g. slide, lazy river, wave pool, etc.). This count excludes those that also have indoor waterparks.			
<b>Combined Total Number of U.S. Waterparks</b>			<b>871</b>
Source: Hotel & Leisure Advisors, LLC, July 2015			

The development of indoor waterpark resorts and the addition of indoor waterparks to existing hotels in North America have become more widespread since 2000. The growth of indoor waterparks is due to their popularity with families and their appeal as a short weekend or two- to three-day getaway for families that may not have time for longer vacations. The primary growth of indoor waterparks in hotels and resorts is in historically

summer resort locations, although they have also been developed in suburban and urban locations.

Although numerous hotels bill their indoor pools as waterparks, H&LA categorizes those with less than 10,000 square feet of aquatic area as hotels with water features. H&LA divides indoor waterpark resorts into two categories:

- An indoor waterpark destination resort has more than 30,000 square feet of indoor waterpark space and is considered a true destination resort that families visit year round primarily due to the waterpark and secondarily because of other attractions or events in the area.
- A hotel with indoor waterpark has 10,000 to 30,000 square feet of attached indoor waterpark space that serves as an amenity to the hotel rather than a true destination.

The following table defines the types of indoor waterparks being developed in lodging establishments in North America.

<b>Types of Indoor Waterparks in Lodging Establishments</b>			
	Hotel with Water Features	Hotel with Indoor Waterpark	Indoor Waterpark Destination Resort
Size of aquatic area	1,000 to less than 10,000 square feet	10,000 to 30,000 square feet	30,000+ square feet
Possible Amenities	swimming pool, slide, toddler area with mushroom, spray gun	multiple slides, tree house with slides, spray guns, tipping buckets, Jacuzzi, various pools, lazy river	multiple slides, tree house with slides, spray guns, tipping buckets, Jacuzzi, various pools, lazy river, wave pool, water coaster, surfing, outdoor waterpark features
Capacity	up to 250 people	250 to 750 people	750 to 5,000 people
Minimum Number of Lifeguards	1	3	10
Arcade Size	0 to 1,000 square feet	1,000 to 3,000 square feet	3,000 to 10,000 square feet
Source: Hotel & Leisure Advisors			

An indoor waterpark destination resorts are year-round destinations that attract families interested in the waterpark and other resort activities, which may include an arcade or family entertainment center, shopping, spa, fitness facilities, indoor play area, and kids' club with supervised activities. They feature a variety of room types that often are larger than typical hotel rooms and are popular with families that have children ages 14 and younger.

Two distinct trends are appearing in the growth of indoor waterparks:

- Smaller projects typically include adding a waterpark to an existing hotel (typically franchised) or the development of a franchised hotel with an indoor waterpark. The waterpark is offered as a guest amenity but is not the entire focus of a hotel. These properties have not performed as well in terms of occupancy and average daily rates (ADR) and have more conflicts between families and corporate guests.
- Destination resorts (typically independent) consist of larger themed properties with additional amenities and larger waterpark areas. The focus is on leisure travelers whose primary interest is the resort's waterpark and complementary amenities. These properties tend to perform better in terms of occupancy and ADR.

### **National Indoor Waterpark Resort Supply**

According to our research, there are nearly 150 indoor waterpark resorts in the United States and Canada. The largest concentration of hotels with indoor waterparks in North America is in Wisconsin Dells, Wisconsin, which has 12 hotels totaling 5,124 rooms and 705,000 square feet of indoor waterpark space. The following table profiles the indoor waterpark supply in the U.S. and Canada.

<b>Indoor Waterpark Resort Supply</b>						
<b>State/Province</b>	<b>Number of Resorts</b>	<b>Average Room Count</b>	<b>Indoor Waterpark Size (SF)</b>			<b>Percent Franchised</b>
			<b>Average</b>	<b>High</b>	<b>Low</b>	
Colorado	1	125	10,000	10,000	10,000	100%
Connecticut	1	279	26,000	26,000	26,000	100%
Florida	1	392	30,000	30,000	30,000	0%
Idaho	2	182	31,000	42,000	20,000	50%
Illinois	4	292	32,300	60,200	19,000	0%
Indiana	3	194	29,000	40,000	12,000	0%
Iowa	7	137	17,571	25,000	10,000	29%
Kansas	1	281	38,000	38,000	38,000	0%
Massachusetts	4	291	29,500	61,000	10,000	50%
Michigan	14	215	26,429	58,000	10,000	36%
Minnesota	14	154	24,000	75,000	10,000	57%
Missouri	5	311	22,040	32,000	11,000	40%
Montana	1	109	25,000	25,000	25,000	0%
Nebraska	2	249	21,000	32,000	10,000	100%
New Hampshire	1	163	35,000	35,000	35,000	100%
New Jersey	1	283	30,000	30,000	30,000	100%
New Mexico	1	290	28,000	28,000	28,000	0%
New York	3	182	27,833	38,500	12,000	33%
North Carolina	1	402	84,000	84,000	84,000	0%
North Dakota	4	172	20,750	40,000	10,000	75%
Ohio	9	331	53,611	174,500	15,000	22%
Oklahoma	1	87	28,000	28,000	28,000	100%
Pennsylvania	6	384	78,667	125,000	10,000	33%
South Carolina	3	507	12,333	15,000	10,000	33%
South Dakota	5	189	19,400	30,000	12,000	80%
Tennessee	3	494	41,167	66,000	20,000	0%
Texas	4	404	64,750	90,000	19,000	0%
Utah	1	191	10,000	10,000	10,000	100%
Vermont	1	416	40,000	40,000	40,000	0%
Virginia	2	901	61,625	67,000	56,250	0%
Washington	3	279	26,000	58,000	10,000	33%
Wisconsin	26	272	40,254	205,000	10,000	15%
Wyoming	1	160	11,000	11,000	11,000	100%
<b>Total USA/Average</b>	<b>136</b>	<b>282</b>	<b>32,552</b>			<b>34%</b>
Alberta	3	260	80,600	217,800	12,000	67%
Manitoba	2	123	10,000	10,000	10,000	100%
Ontario	6	454	40,833	90,000	15,000	67%
Saskatchewan	1	157	10,000	10,000	10,000	100%
<b>Total Canada/Average</b>	<b>12</b>	<b>199</b>	<b>28,287</b>			<b>69%</b>

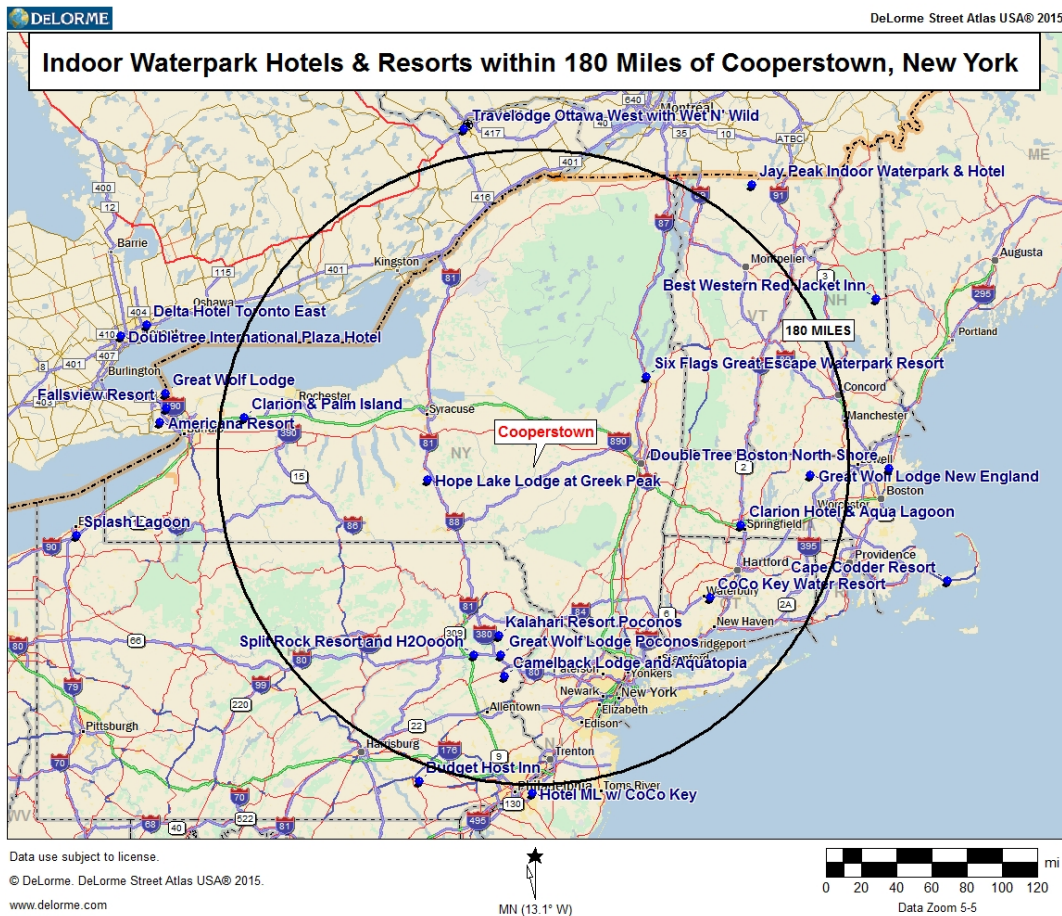
Note: Resorts have a minimum of 10,000 square feet of indoor waterpark space  
Source: Hotel & Leisure Advisors, LLC, September 2015

The following table and map indicate existing hotels and resorts with indoor waterparks in New York and the surrounding states.

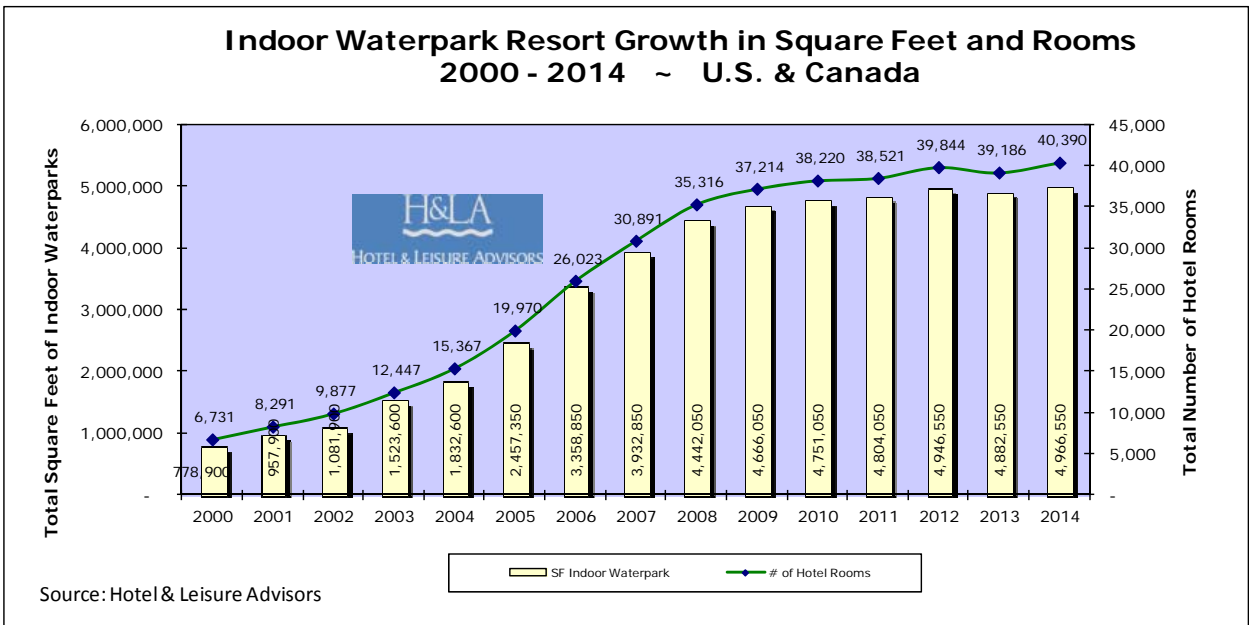
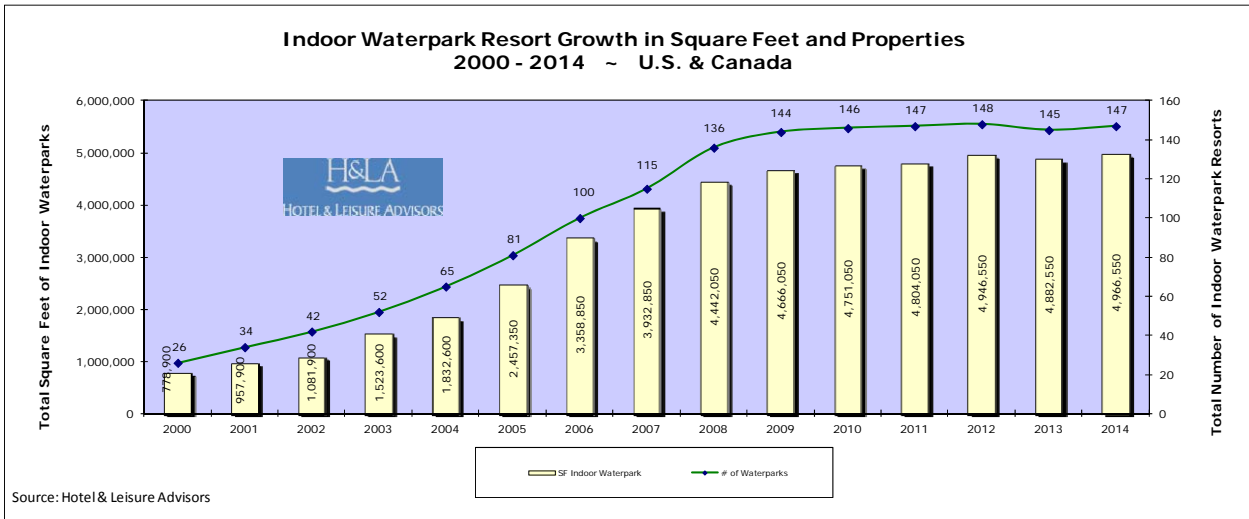
**Proposed Indoor Waterpark Resort – Cooperstown, NY  
Market Analysis**

Hotels & Resorts with Indoor Waterparks - Regional Area						
Name	Location	State / Province	Number of Rooms		Waterpark (SF)	
			Franchise	Independent	Franchise	Independent
CoCo Key Water Resort Hotel & Convention Center (former Holiday Inn)	Waterbury	CT	279		26,000	
Double Tree by Hilton Hotel Boston North Shore with CoCo Key Water Resort	Danvers	MA	367		37,000	
Great Wolf Lodge (Former Holiday Inn with CoCo Key)	Fitchburg	MA		406		61,000
Cape Codder Resort & Spa	Hyannis	MA		260		10,000
Clarion Hotel and Aqua Lagoon Waterpark	Springfield	MA	130		10,000	
Palm Island Indoor Waterpark @ Clarion Hotel	Batavia	NY	195		12,000	
Cascades @ Hope Lake Lodge at Greek Peak	Cortland	NY		150		33,000
Six Flags Great Escape Waterpark Resort	Queensbury	NY		200		38,500
Splash Lagoon - Residence Inn, HI Express & Comfort Inn	Erie	PA	395		100,000	
Split Rock Resort with H2Oooohh!	Lake Harmony	PA		525		53,000
Budget Host Inn & Suites with Caribbean Indoor Waterpark	Lancaster	PA	70		10,000	
Kalahari Resort	Pocono Manor	PA		457		106,000
Great Wolf Lodge	Scotrun	PA		401		78,000
Camelback Lodge and Aquatopia Indoor Waterpark	Tannersville	PA		453		125,000
Americana Resort With Indoor Waterpark	Niagara Falls	ON		204		25,000
Fallsview Indoor Waterpark (Sheraton, Crowne Plaza, Skyline Inn). Excl Cliff	Niagara Falls	ON	1,111		90,000	
Great Wolf Lodge	Niagara Falls	ON		406		85,000
Travelodge Ottawa West with Wet N' Wild	Ottawa	ON	196		15,000	
Delta Hotel Toronto East	Scarborough	ON	371		15,000	
International Plaza Hotel (former Doubletree)	Toronto	ON	433		10,000	
<b>Total</b>		<b>20</b>	<b>3,547</b>	<b>3,462</b>	<b>325,000</b>	<b>614,500</b>
<b>Average</b>			<b>355</b>	<b>346</b>	<b>32,500</b>	<b>61,450</b>
<b>Total / Average for Combined Franchise &amp; Independent</b>			<b>7,009</b>	<b>350</b>	<b>939,500</b>	<b>46,975</b>

Note: Resorts have a minimum of 10,000 square feet of indoor waterpark space  
Source: Hotel & Leisure Advisors, LLC, September 2015



The following charts indicate the growth in indoor waterpark resort supply in the United States and Canada.



The number of indoor waterpark resorts grew substantially between 2000 and 2009 but has leveled off since 2011. There has been some consolidation among smaller indoor waterpark resorts with a few closing and others, such as the Mount Olympus Resort in Wisconsin Dells, buying multiple properties. The Wisconsin Dells market formerly had 16 indoor waterpark resorts. Four smaller hotels closed their indoor waterparks and now provide complimentary admission to the Mount Olympus Water and Theme Park. Three of the four hotels were purchased by Mount Olympus Resort, which operates them as rooms-only properties.

**Recent Openings of Indoor Waterpark Resorts**

The following tables indicate properties that opened or expanded in 2013 and 2014 in the United States and Canada.

<b>Indoor Waterpark Additions, Expansions, and Openings in 2013</b>				
<b>Indoor Waterparks and Resorts</b>	<b>City</b>	<b>State / Prov</b>	<b>New Rooms</b>	<b>Indoor Waterpark Sq. Ft.</b>
Avalanche Bay Super Loop Slide Addition	Boyne Falls	MI	0	-
Great Wolf Lodge Slide and Bowling Addition	Traverse City	MI	0	-
Maui Sands Indoor Waterpark Resort Reopen	Sandusky	OH	224	35,000
Wilderness at the Smokies Outdoor Water Slide Addition	Sevierville	TN	0	-
Jay Peak Condos Addition	Jay	VT	50	-
Kalahari Resort Hot Tubs and Steak Restaurant Addition	Wisconsin Dells	WI	0	-
<b>Standalone Indoor Waterparks</b>				
Surf's Up	Nashua	NH	0	15,000
Sahara Sam's Indoor and Outdoor Waterpark Expansion	Berlin Township	NJ	0	8,000
<b>Total</b>		<b>8</b>	<b>274</b>	<b>58,000</b>
Source: Hotel & Leisure Advisors, LLC				

<b>Indoor Waterpark Additions, Expansions that Opened in 2014</b>				
<b>Indoor Waterparks and Resorts</b>	<b>City</b>	<b>State / Prov</b>	<b>New Rooms</b>	<b>Indoor Waterpark Sq. Ft.</b>
Fox River Resort Waterpark Addition	Sheridan	IL	0	19,000
Great Wolf Lodge (former Holiday Inn CoCo Key)	Fitchburg	MA	406	61,000
Clarion Hotel Conversion of Holidome to Waterpark	West Springfield	MA	0	10,000
Zehnder's Splash Village Expansion	Frankenmuth	MI	32	29,000
Maui Sands Indoor Waterpark Resort Reopen Rest of Hotel	Sandusky	OH	130	-
Great Wolf Lodge Ropes Course Addition	Poconos	PA	0	-
Crown Reef Resort	Myrtle Beach	SC	0	12,000
WaTiki Indoor Waterpark Resort Arcade Addition	Rapid City	SD	0	-
Blue Harbor Resort Flowrider and Bar Addition	Sheboygan	WI	0	-
Wilderness Resort Indoor Go Kart Track Addition and Two-Story Black-light Laser Tag Areana Expansion	Wisconsin Dells	WI	0	-
<b>Standalone Indoor Waterparks</b>				
Snohomish Aquatic Center	Snohomish	WA	0	52,000
The Salvation Army Ray and Joan Kroc Corps Community Center	Camden	NJ	0	11,000
Adventure Bay Family Water Park	Windsor	ON	0	45,000
Williston Recreation Center	Williston	ND	0	15,000
Oasis Surf	Brossard	QC	0	15,000
<b>Total</b>		<b>15</b>	<b>568</b>	<b>269,000</b>
Note: Resorts have a minimum of 10,000 square feet of indoor waterpark space				
Source: Hotel & Leisure Advisors, LLC				

**Sizing of Waterparks:** The typical indoor waterpark resort property has approximately 150 square feet of net indoor waterpark space (waterpark area and play area but excluding arcade, gift shop, offices) per guestroom. This correlates with research that indicates an indoor waterpark should have approximately 35 to 40 square feet of space per person. Because a typical hotel room will house between three and four people, this calls for between 105 and 160 square feet of indoor waterpark space per guestroom. Some larger properties have up to 200 square feet of indoor waterpark per guestroom.

**Waterpark Resort Condominiums:** A number of Midwest indoor waterpark resorts have sold condominium hotel units to raise funds to construct indoor waterpark additions. Sale prices for condominium units, which are then rented out by the management company, range from \$200,000 to \$500,000 for a two- to three-bedroom (frequently lockout) unit. The buyer of the condominium unit typically utilizes the unit only one to two weeks per year. The buyer hires the hotel management company to rent the unit on a nightly basis and the management company receives between 40% and 50% of the room

revenues. Resorts with condominium units include Kalahari Resorts in Sandusky, Ohio; Kalahari Resorts, Great Wolf Lodge and Wilderness Resort in Wisconsin Dells; Blue Harbor Resort in Sheboygan, Wisconsin; Boyne's Mountain Grand Lodge and Avalanche Bay in Boyne Falls, Michigan; and Grizzly Jack's Grand Bear Lodge in Starved Rock, Illinois.

**Timeshare Units and Indoor Waterpark Resorts:** Some indoor waterpark resorts are adding timeshare units to their overall rooms supply. Resorts that offer timeshare units include Massanutten Resort in Virginia and the Wilderness Resorts in Wisconsin Dells and Sevierville, Tennessee. Massanutten Resort reported that after announcing the indoor waterpark addition both sales and prices of timeshare units increased. Mount Olympus Resort Water and Theme Park Resort in Wisconsin Dells partnered with Bluegreen Corporation to develop two- and three-bedroom Odyssey Dells timeshare units in 2008 and 2009. Wyndham's timeshare division is selling timeshares at the Wilderness Resort in Wisconsin Dells and the Wilderness Resort in Sevierville.

**Vacation Trends:** As the pace of family life continues to speed up, more families are taking the time to relax together. Multi-generational vacations have experienced rapid and sustained growth, and that trend is expected to continue. According to a recent survey conducted by Preferred Hotel Group, multi-generational travel accounts for about half of all family vacations. Although 44% of these vacations include grandparents, parents, and children, the other 56% includes friends, and adult siblings and their children. Seventy-seven percent of those who take multi-generational trips do so every year, especially Millennials (91%). Multi-generational travelers took an average of 2.5 multi-generational vacations during the 12 months preceding the survey. For each vacation, they booked an average of 2.6 rooms, stayed an average of 5.1 nights, and spent an average of \$2,067. Along with family and friends, Internet search engines are the primary sources used to select destinations, and most make reservations online. Thirty-five percent of multi-generational travelers visit the same destination annually, and Orlando is the most popular destination (39%). Beach vacations (35%), theme park vacations (28%), and vacations to visit friends and relatives (26%) were the most popular types of multi-generational vacations taken. Children (primarily those between the ages of 7 and 15) take an active part in planning these trips (40%), including choosing daily activities (77%) and destinations (62%) and influencing the selection of the hotel or resort (49%).

**Indoor Waterparks Occupancy and Average Room Rates:** Waterpark resorts generally outperform the non-waterpark hotels in the same market. There are several reasons for this premium performance, including:

- Year-round destination resorts
- Elimination of weather-related vacation risks
- Wide appeal of water-based recreation
- Increasing demand for short drive-to getaway vacations
- Themes with varying levels of appeal
- Location proximate to customer base
- Location within established family vacation market

### **Performance Figures of Indoor Waterpark Resorts**

Occupancy, ADR and RevPAR for 15 Larger Indoor Waterpark Destination Resorts: We analyzed the occupancy, ADR and RevPAR performance figures for 15 indoor waterpark destination resorts, using four years of historical data. These resorts are located

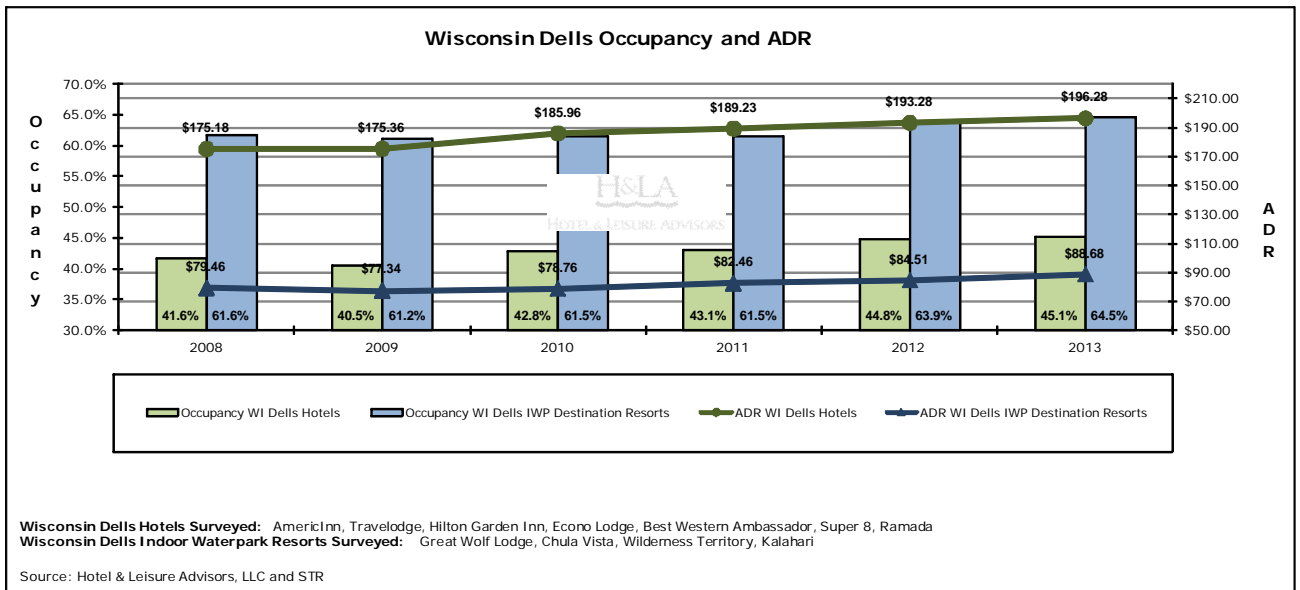
throughout the United States and represent a variety of brands and properties. The purpose of the analysis is to determine the change in RevPAR between the years. The following table indicates the RevPAR for each year and the percentage change.

<b>Historical Performance of Grouping of Indoor Waterpark Destination Resorts</b>				
<b>15 resorts with average of 439 rooms</b>				
<u>Year</u>	<u>Occupancy</u>	<u>ADR</u>	<u>RevPAR</u>	<u>% Change</u>
2011	59.5%	\$232.54	\$138.40	-
2012	63.2%	\$230.43	\$145.59	5.2%
2013	63.0%	\$235.96	\$148.63	2.1%
2014	65.2%	\$238.07	\$155.29	4.5%

Note: Resorts contain over 30,000 SF of indoor waterpark  
 Source: Hotel & Leisure Advisors

These number compare to the U.S. hotel industry, which saw an increase of 6.8% in RevPAR between 2011 and 2012; 5.3% between 2012 and 2013; and 8.3% in 2013 and 2014.

Occupancy and ADR for Wisconsin Dells Indoor Waterpark Resorts: Occupancy and ADR for the four larger indoor waterpark resorts located in Wisconsin Dells are shown in the following table along with the results from the Smith Travel Research report of seven franchised hotels without indoor waterparks in Wisconsin Dells. The purpose of this analysis is to show the higher occupancy and ADR that larger indoor waterpark resorts achieve compared with typical franchise properties.



The overall market average of the comparable indoor waterpark resorts outperformed the franchise-affiliated Wisconsin Dells non-resort overall average by 19.4 occupancy points and \$107.60 in ADR in 2013. Specific properties within the competitive set outperformed the overall average Smith Travel Research figures by up to 32 occupancy points in 2013.

Compared to the indoor waterpark resorts, the Wisconsin Dells hotels with a small or no indoor waterpark achieve substantially lower occupancy levels. The franchise hotels are open year-round but achieve their strong occupancy in the summer, limiting their direct comparison. However, the analysis clearly indicates the higher occupancy and ADRs are generally achieved by hotels with large indoor waterparks.

Great Wolf Resorts: We analyzed the historic figures of the Great Wolf Resorts properties from their SEC filings prior to the company's purchase by the Apollo private equity group and becoming a private company. The following indicates pertinent information for 2008 through 2012.

<b>Great Wolf Resorts, Inc. Operating Statistics for 2008-2012</b>					
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>All Properties</b>					
Occupancy	66.4%	63.3%	59.7%	59.8%	63.6%
ADR	\$261.55	\$260.10	\$252.30	\$244.79	\$253.85
RevPAR	\$173.69	\$164.58	\$150.60	\$146.38	\$161.33
Total RevPOR	\$399.30	\$395.18	\$387.83	\$376.93	\$387.70
Total RevPAR	\$265.17	\$250.05	\$231.50	\$225.40	\$246.39
<b>Generation I Resorts (Wisconsin Dells, Sandusky, Traverse City, Kansas City)</b>					
Occupancy	58.9%	56.1%	52.7%	52.7%	56.6%
ADR	\$200.31	\$201.09	\$198.56	\$191.45	\$196.25
RevPAR	\$118.05	\$112.77	\$104.70	\$100.92	\$110.98
Total RevPOR	\$302.81	\$302.77	\$300.42	\$288.87	\$293.86
Total RevPAR		\$169.79	\$158.42	\$152.28	\$166.19
<b>Generation II Resorts (Williamsburg, Poconos, Niagara Falls, Mason, Grapevine, Grand Mound and Concord)</b>					
Occupancy	69.2%	66.0%	63.9%	63.7%	67.0%
ADR	\$281.24	\$279.05	\$271.86	\$263.95	\$279.58
RevPAR	\$194.71	\$184.15	\$173.76	\$168.14	\$187.44
Total RevPOR	\$430.33	\$424.84	\$419.92	\$408.36	\$421.50
Total RevPAR		\$280.37	\$268.39	\$260.14	\$282.60
Source: Great Wolf Resorts, Inc. (SEC Filings)					

Generation I resorts comprise hotels with 300 rooms or less while the Generation II resorts comprise hotels of 400 rooms or more. Additionally, the Generation I resorts are located in areas with much more competition than the Generation II resorts. Occupancy declined for all properties between 2008 and 2010 due to the national economic recession. Performance in 2011 and 2012 indicated occupancy improvements over previous years. Between 2010 and 2012 Generation I resorts posted a 6.2-point improvement and Generation II resorts posted a 5.3-point improvement. ADRs decreased between 2008 and 2009 and rebounded between 2009 and 2012. ADR levels were well above national averages for hotel properties in similar markets. The 8.5% RevPAR decline

in 2009 was better than the national hotel industry's decline of 16.7%. Both generations reported RevPAR improvement from 2010-12.

CoCo Key Resorts: In 2011, CoCo Key Water Resort hotels in Connecticut, Illinois, Massachusetts, Missouri, Nebraska, New Jersey, and Ohio were sold at auction for a total of \$53,000,000 to multiple buyers. The 2,725-room portfolio included nine waterparks connected to both independent and franchise-affiliated hotels built between 1963 and 1993 with generally inferior locations in their respective markets. Fiscal year 2010 occupancies ranged from 34% to 63%. The properties offer small to midsize indoor waterpark facilities in suburban areas far from major family attractions like amusement parks, which has limited the higher-rated leisure demand. Nearly all of the properties were renovated and rebranded with quality franchise affiliations after purchase; however, corporate transient and group travelers have not patronized these properties in the numbers the developers forecasted.

**Usage of Indoor Waterpark:** The following table indicates our estimates of annual usage of the indoor waterparks and a usage per square foot figure for each indoor waterpark. The names of each facility are kept confidential.

<b>Annual Attendance at Indoor Waterpark Resorts</b>		
Resort	Estimated Annual Attendance	Attendance/SF
A	1,000,000	5.8
B	700,000	5.6
C	296,000	5.4
D	414,000	5.3
E	280,000	4.3
F	67,000	6.7
G	196,000	4.4
H	125,000	5.5
Average		5.4
Source: Hotel & Leisure Advisors		

Attendance ranges from below 100,000 to approximately 1,000,000 visitors per year. Among the eight existing indoor waterpark resorts, attendance per square foot ranges from 4.3 to 6.7 people. The overall average is 5.4 people per square foot.

### **Waterpark Attendance**

The World Waterpark Association estimated approximately 82.5 million attendees at North American waterparks during 2013, compared to 85 million in 2012. Approximately 82 million attended in 2011 and 79 million attended in 2010, which is significantly higher than the 41 million who attended in 1991. Most of the attendance is from freestanding waterparks; however, indoor waterpark resorts are also included in the figure.

We analyzed statistics concerning attendance at the top U.S. outdoor waterparks as taken from the *Global Attractions Attendance Report*.

Top 20 U.S. Waterparks by Annual Attendance					
Rank	Park	Location	2014	2013	% Change over 2013
			Attendance	Attendance	
1	Typhoon Lagoon at Walt Disney World	Orlando, FL	2,185,000	2,142,000	2.0%
2	Blizzard Beach at Walt Disney World	Orlando, FL	2,007,000	1,968,000	2.0%
3	Aquatica	Orlando, FL	1,569,000	1,553,000	1.0%
4	Wet 'n Wild	Orlando, FL	1,284,000	1,259,000	2.0%
5	Schlitterbahn	New Braunfels, TX	1,037,000	1,027,000	1.0%
6	Water Country USA	Williamsburg, VA	726,000	726,000	0.0%
7	Adventure Island	Tampa, FL	644,000	638,000	0.9%
8	Schlitterbahn	Galveston, TX	551,000	546,000	0.9%
9	Hyland Hills Water World	Denver, CO	527,000	538,000	-2.0%
10	Six Flags Hurricane Harbor	Arlington, TX	523,000	518,000	1.0%
11	Six Flags White Water	Marietta, GA	510,000	505,000	1.0%
12	Wet 'n Wild	Phoenix, AZ	467,000	472,000	-1.1%
13	Raging Waters	San Dimas, CA	429,000	423,000	1.4%
14	Six Flags Hurricane Harbor	Jackson, NJ	423,000	432,000	-2.1%
15	Splash-Splash	Riverhead, NY	421,000	411,000	2.4%
16	Zoombezi Bay	Powell, OH	416,000	360,000	15.6%
17	Dollywood's Splash Country	Pigeon Ford, TN	408,000	400,000	2.0%
18	Wet 'n Wild Emerald Point	Greensboro, NC	398,000	398,000	0.0%
19	Knott's Soak City USA	Buena Park, CA	372,000	368,000	1.1%
20	Soak City at Cedar Point	Sandusky, OH	371,000	379,000	-2.1%

Source: TEA 2014 Theme Index, The Global Attractions Attendance Report (released 2015)

**Conclusion:** These trends are positive for indoor waterpark resorts because they indicate that people are looking for enjoyable activities for children during shorter durations. Our analysis of the comparable indoor waterpark resorts indicates that an indoor waterpark allows a property to achieve substantially higher occupancy and ADR than those properties without this component. There are examples of properties successfully operating the waterpark for both hotel guests and the public, although proper management is required for proper pricing and to avoid overcrowding.

### Recent and Projected Development of Indoor Waterpark Resorts

The following table shows indoor waterparks and expansions projected to open in 2015.

Indoor Waterpark Additions & Indoor Waterpark Resorts Projected to Open in 2015				
Indoor Waterparks and Resorts	City	State /Prov	New Rooms	Indoor Waterpark Sq. Ft.
Holiday Inn Express/Raptor Reef/Triple Play laser tag arena and ropes course addition	Hayden	ID	0	-
Camelback Lodge and Aquatopia Indoor Waterpark	Tannersville	PA	453	125,000
Kalahari Resort	Pocono Manor	PA	457	106,000
New Residence Inn at WaTiki Indoor Waterpark Resort	Rapid City	SD	145	-
Brookings Days Inn Waterpark Addition	Brookings	SD	0	12,000
Rippin' Rapids Resort & Adventure Sports	Rapid City	SD	100	77,000
<b>Standalone Indoor Waterparks</b>				
Aquapolis Indoor Waterpark	Blainville/Montréal	QC	0	75,000
<b>Total</b>			<b>1,155</b>	<b>405,000</b>

Source: Hotel & Leisure Advisors, LLC

- The 453-room Camelback Lodge and Aquatopia Indoor Waterpark at Camelback Mountain in Pennsylvania opened in May 2015. The 125,000 square foot, multi-level indoor waterpark features seven pools, including a wave pool; 13 slides, including the longest indoor water coaster in the country; surf simulator; adventure river; multi-level spray structure; swim-up bar; snack shop; and cabanas.
- Phase One of the \$230 million, 150-acre Kalahari Resort opened in July 2015 in the Pocono Mountains of Pennsylvania and includes a 457-room hotel, 65,000 square foot convention center, and 106,000 square foot indoor waterpark with 14 water attractions. The resort has begun Phase Two, which will expand the resort to 800 rooms, 200,000 square feet of waterpark, and 300,000 square feet of convention center space by late 2017/early 2018.
- The Rippin' Rapids Resort & Adventure Sports is expected to open by year-end 2015. The park will cover approximately 93,000 square feet, with a 77,000 square foot indoor waterpark featuring waterslides, tube rides, and South Dakota's first surf simulator. The facility will also include a 100-room hotel and health club amenities such as fitness equipment, racquetball courts, and rock climbing.

There are numerous proposals for indoor waterpark properties within New York and the surrounding states. In our opinion, the sheer number of proposals is concerning for any proposed development. However, many of these projects are still preliminary and may not occur. The closest proposals to the subject include the following:

- Mountain Creek Resort in Vernon, New Jersey, is planning to develop a 100,000 square foot indoor waterpark adjacent to a 400-room hotel and 40,000 square foot sports complex. The developers received a 30-year property tax exemption for the proposed development in September 2014. The project has not obtained financing.
- A second indoor waterpark resort proposal in Vernon, New Jersey, would involve the redevelopment of the existing Legends Hotel into an indoor waterpark resort with 400 to 500 guestrooms. It is unlikely that this development would go forward if the Mountain Creek indoor waterpark proposal moves ahead.
- A 350-room indoor waterpark resort is proposed at the Mohegan Sun at Pocono Downs in Wilkes-Barre, Pennsylvania. The resort will be part of a new multimillion sports and events complex that would include two domed turf fields for baseball, softball, field hockey, soccer, football, lacrosse, and track and field; a third domed area for basketball and volleyball; and multiple outdoor ball fields.
- The 400- to 600-room Spa Castle Poconos is proposed on the site of the former Birchwood Resort in the Poconos. This indoor waterpark and spa resort will include a large indoor waterpark, large spa, recreational amenities, meeting space, hotel rooms, and condominium units. It is still working to obtain financing.
- A 300- to 400-room indoor waterpark resort is proposed at the former Concord Resort in Kiamesha Lake, New York. The redevelopment project is being spearheaded by Entertainment Properties Trust. The hotel will have a 70,000 to 100,000 square foot indoor waterpark. The phased development on approximately 1,500 acres of the former Concord Resort in Sullivan County will include a casino,

a harness racetrack, golf course, food and beverage outlets, spa, retail venues and conference and event center.

- The 275-room Wildberry Lodge indoor waterpark resort plans to offer a 60,000 square foot indoor waterpark in New Paltz, New York. It is expected to have 15,000 square feet of conference space, an arcade, retail outlets, and a 2,000 square foot spa. At this time, financing and approvals have not been obtained.
- The American Dream Meadowlands at the Meadowlands Sports Complex in East Rutherford, New Jersey, will receive \$675 million in municipal bonds according to news reports in May 2015. This entertainment complex, which was first proposed as Meadowlands Xanadu in 2003, is being led by Canadian-based Triple Five, the same company behind the West Edmonton Mall and the Mall of America. As planned, American Dream Meadowlands would include over 300 stores, a large indoor waterpark, an indoor theme park, an indoor snow park, an ice skating rink, miniature golf, movie theaters, and a concert hall. The indoor waterpark would include a football-field-sized wave pool touted as the world's largest. Despite years of delays and complications, American Dreams Meadowlands is expected to be opened by 2017.
- In New Baltimore, Greene County, New York, a 400-room indoor waterpark resort was proposed for development by MAR Holdings. According to our research, this property received approximately \$20 million in incentives from the Greene County IDA. The developer was hoping to brand the resort as a Great Wolf Lodge but as of the date of our research, Great Wolf Resorts is no longer interested in that particular development. This project is still in the planning stages and has yet to obtain financing or break ground.
- Uniland Development has proposed the revitalization of the former Rainbow Center mall in Niagara Falls, New York, into a 60,000 square indoor waterpark with an adjoining 15-story, 300-guestroom hotel tower. The property will be within walking distance of Niagara Falls. Niagara Falls City Council and the board of the USA Niagara Development Corporation approved the project. Financing for the \$150 million project has yet to be worked out between public and private sources. The project is expected to take approximately two years to complete.
- Michelle Borrello of MMM Real Estate & Development has proposed the development of a 70 guestroom, 20,000 square foot indoor waterpark resort development in Silver Creek, New York. The project is estimated to cost approximately \$10 million. While MMM received a \$700,000 loan from the Chautauqua County Industrial Development Agency, the developer was looking to the U.S. Department of Agriculture as the project's major lending source. Recently, the developer stated the project was on hold but did not specify the reason for the delay.

Although there are a number of proposals for indoor waterpark properties, no projects within the region are under construction. We included the two resorts that opened in 2015 in our penetration analysis, but acknowledge that additional properties could be developed in coming years.

**NEW YORK STATE AND REGIONAL LODGING OVERVIEW**

We analyzed performance for the state of New York for the past five years. ADR and occupancy improved since 2010. Year to date, ADR has dropped, primarily due to ADR declines in New York City. These figures are led by New York City hotels, which are performing well year-round and command the highest ADRs in the country on average.

<b>State of New York Market Operating Performance</b>						
<b>Year</b>	<b>OCC</b>	<b>% Chg.</b>	<b>ADR</b>	<b>% Chg.</b>	<b>RevPAR</b>	<b>% Chg.</b>
2010	69.2%	-	\$176.32	-	\$122.01	-
2011	70.8%	2.3%	\$185.21	5.0%	\$131.13	7.5%
2012	72.2%	2.0%	\$192.59	4.0%	\$139.05	6.0%
2013	72.5%	0.4%	\$199.23	3.4%	\$144.44	3.9%
2014	73.2%	1.0%	\$204.37	2.6%	\$149.60	3.6%
<b>Year-To-Date through July</b>						
2014	71.5%	-	\$192.02	-	\$137.29	-
2015	71.9%	0.6%	\$190.73	-0.7%	\$137.13	-0.1%
<b>Overall United States Lodging YTD Operating Performance</b>						
<b>Year-To-Date through July</b>						
2014	65.2%	-	\$114.23	-	\$74.48	-
2015	66.7%	2.3%	\$119.91	5.0%	\$79.98	7.4%

Source: Smith Travel Research

**New Supply**

According to Smith Travel research, a number of properties have opened in the Southeast New York area since 2005 as shown in the following table.

<b>Recent Supply Additions Southeast New York Area</b>				
<b>Name of Establishment</b>	<b>City &amp; State</b>	<b>Class</b>	<b>Open Date</b>	<b>Rooms</b>
Inn @ Hudson	Hudson, NY	Upper Midscale Class	Jan 2005	5
Holiday Inn Express & Suites Chester Monroe Goshen	Chester, NY	Upper Midscale Class	Feb 2005	80
The Country Squire B & B	Hudson, NY	Upper Midscale Class	Feb 2005	4
Comfort Inn & Suites Goshen	Goshen, NY	Upper Midscale Class	Apr 2005	95
Kaatskill Mountain Club	Hunter, NY	Upscale Class	Aug 2005	77
Country Inn & Suites Cooperstown	Millford, NY	Upper Midscale Class	Nov 2005	60
Inn @ Ca`Mea	Hudson, NY	Midscale Class	Jun 2006	9
Emerson Inn & Spa	Mount Tremper, NY	Luxury Class	Mar 2007	26
Microtel Inn & Suites by Wyndham Middletown	Middletown, NY	Economy Class	May 2007	80
Homewood Suites Newburgh Stewart Airport	New Windsor, NY	Upscale Class	Nov 2007	125
Hampton Inn Harriman Woodbury	Central Valley, NY	Upper Midscale Class	Aug 2008	136
Glenmere Mansion	Chester, NY	Luxury Class	Nov 2009	19
Hope Lake Lodge & Resort	Cortland, NY	Luxury Class	Dec 2009	106
The Inn @ Catlin Gardens	Slate Hill, NY	Upper Upscale Class	Aug 2010	40
Holiday Inn Express & Suites West Coxsackie	West Coxsackie, NY	Upper Midscale Class	Sep 2010	66
Holiday Inn Express Cortland	Cortland, NY	Upper Midscale Class	Jul 2011	74
Diamond Mills Hotel & Tavern	Saugerties, NY	Luxury Class	Dec 2011	30
Courtyard Oneonta	Oneonta, NY	Upscale Class	Apr 2013	95
Best Western Plus Finger Lakes Inn & Suites	Cortland, NY	Upper Midscale Class	May 2014	64
Holiday Inn Express & Suites Montgomery	Montgomery, NY	Upper Midscale Class	Aug 2014	81
<b>Total</b>				<b>1,272</b>

Source: Smith Travel Research

The closest property to the subject site that recently opened is the Courtyard Oneonta, which opened in April 2013.

### **COMPETITIVE LODGING MARKET OVERVIEW**

We analyzed the supply and demand factors for the subject's competitive market. The subject is projected to open in 2018. Both supply and demand conditions are likely to change beyond our analysis period; therefore, projecting market conditions further into the future becomes highly speculative. The projections are for calendar years ending with January. Our projections analyze currently known supply and demand changes in the market and forecast a stabilized level of performance for both the market and the subject property.

**Existing Competitive Supply:** We identified a competitive hotel supply with a total of 1,913 guestrooms in nine existing lodging facilities. We analyzed the competitiveness of each hotel selected for the competitive set. In our opinion, each of the hotels is to some degree competitive with the proposed subject, and we utilized 100% of the available guestrooms in each competitive hotel in our analysis. In determining the competitive supply, we considered the proposed subject's segmentation and sources of business. The subject will be a year-round leisure-oriented destination resort property, which currently does not exist in the Cooperstown market (the Otesaga Resort is open seasonally). The truly comparable properties include the indoor waterpark resorts in Queensbury, Poconos, and Niagara Falls, Ontario. The following tables list pertinent information about each of the competitive properties.

**Proposed Indoor Waterpark Resort – Cooperstown, NY  
Market Analysis**

Survey of Competitors									
#	Property	Location	% Comparable	# Rooms	Year Opened	Swimming Pool	Restaurant / Lounge	Meeting Space SF	Published Room Rates
1	Six Flags Great Escape Lodge & Waterpark	Queensbury, NY	100%	200	February-06	Waterpark	Yes	5,660	\$180 -\$710
2	Holiday Inn Express & Suites Cooperstown	Cooperstown, NY	100%	74	April-04	Indoor	Comp Brkfst	624	\$108-\$227
3	Best Western Plus Cooperstown Inn & Suites	Cooperstown, NY	100%	99	April-95	Indoor	Comp Brkfst	850	\$114-\$158
4	The Otesaga Resort Hotel	Cooperstown, NY	100%	132	June-09	Outdoor/Lake	Yes	12,592	\$300-\$600
5	Skytop Lodge	Skytop, PA	100%	192	June-28	Indoor/Outdoor	Yes	17,906	\$139 -\$259
6	Great Wolf Lodge Niagara Falls	Niagara Falls, ON	100%	406	April-06	Waterpark	Yes	7,381	\$220-\$580 (CAD)
7	Mohonk Mountain House	New Paltz, NY	100%	259	1869	Indoor/Lake	All Inclusive	10,297	\$496-\$1,050
8	Hope Lake Lodge	Cortland, NY	100%	150	December-09	Waterpark	Yes	18,027	\$179 - \$450
9	Great Wolf Lodge Poconos	Scotrun, PA	100%	401	October-05	Waterpark	Yes	1,450	\$240 - \$460
<b>Total</b>				<b>1,913</b>					

Source: Hotel & Leisure Advisors

Competitive Supply Performance Indicators								
#	Property	2014 Market Segmentation			2014 Estimated Performance			Overall Penetration Rate
		Commercial	Group	Leisure	Occupancy	ADR	RevPAR	
1	Six Flags Great Escape Lodge & Waterpark	0%	10%	90%	50% -60%	\$225-\$275	\$125-\$175	89%
2	Holiday Inn Express & Suites Cooperstown	40%	30%	30%	60% -70%	\$125-\$175	\$75-\$125	92%
3	Best Western Plus Cooperstown Inn & Suites	30%	35%	35%	40% -50%	\$100-\$150	\$50-\$100	74%
4	The Otesaga Resort Hotel	0%	61%	39%	70% -80%	\$250-\$300	\$175-\$225	109%
5	Skytop Lodge	0%	45%	55%	50% -60%	\$200-\$250	\$125-\$175	82%
6	Great Wolf Lodge Niagara Falls	0%	10%	90%	70% -80%	\$250-\$300	\$175-\$225	116%
7	Mohonk Mountain House	0%	35%	65%	60% -70%	\$250-\$300	\$175-\$225	96%
8	Hope Lake Lodge	0%	30%	70%	40% -50%	\$125-\$175	\$50-\$100	74%
9	Great Wolf Lodge Poconos	0%	5%	95%	70% -80%	\$350-\$400	\$275-\$325	116%
<b>Average</b>		<b>3%</b>	<b>20%</b>	<b>77%</b>	<b>66%</b>	<b>\$269.08</b>	<b>\$177</b>	<b>100%</b>

Source: Hotel & Leisure Advisors



COMPETITIVE SET MAP

**Competitive Property #1**



<b>Six Flags Great Escape Lodge &amp; Waterpark Descriptive and Performance Information</b>			
Location	Queensbury, NY	Swimming Pool	Waterpark
# Rooms	200	Restaurant / Lounge	Yes
Year Opened	February-06	Meeting Space SF	5,660
Published Room Rates	\$180 - \$710		
<b>2014 Estimated Performance</b>			
Occupancy	50%-60%	Market Segmentation:	
ADR	\$225-\$275	Commercial	0%
RevPAR	\$125-\$175	Group	10%
Overall Penetration Rate	89%	Leisure	90%
Source: Hotel & Leisure Advisors			

The 200-room Six Flags Great Escape Lodge & Waterpark is off I-87 in Queensbury, New York. Queensbury is near Lake George (a popular summer vacation spot) and roughly 55 miles north of Albany. In addition to the 38,500 square foot indoor waterpark, this resort offers two on-site restaurants and bars, a gift shop, Tranquility Spa at the Lodge, free wireless Internet access, and an arcade. The resort is off Route 9 across from the Six Flags Great Escape Theme Park, and is marketed in conjunction with the park. This property was the first hotel in New York to feature an indoor waterpark. This resort sells indoor waterpark day passes ranging from \$30 to \$45. Six Flags purchased the property in 2013 for an undisclosed price. This hotel charges a resort fee equal to 8.5% of the room rate, which is reflected in the ADR performance.

**Competitive Property #2**



<b>Holiday Inn Express &amp; Suites Cooperstown</b>			
<b>Descriptive and Performance Information</b>			
Location	Cooperstown, NY	Swimming Pool	Indoor
# Rooms	74	Restaurant / Lounge	Comp Brkfst
Year Opened	April-04	Meeting Space SF	624
Published Room Rates	\$108-\$227		
<b>2014 Estimated Performance</b>			
Occupancy	60%-70%	Market Segmentation:	
ADR	\$125-\$175	Commercial	40%
RevPAR	\$75-\$125	Group	30%
Overall Penetration Rate	92%	Leisure	30%
Source: Hotel & Leisure Advisors			

The 74-room Holiday Inn Express & Suites Cooperstown is approximately one mile north of the subject site. Services and amenities include free Wi-Fi, free breakfast, business center, indoor pool, whirlpool, fitness center, barbeque grills, outdoor recreation area with baseball diamond, and a small meeting room. The hotel underwent renovations in 2014. This property charges a destination fee (resort fee) of 3.2% of room rate per night. Management indicates this fee is new for 2015.

**Competitive Property #3**



<b>Best Western Plus Cooperstown Inn &amp; Suites</b>			
<b>Descriptive and Performance Information</b>			
Location	Cooperstown, NY	Swimming Pool	Indoor
# Rooms	99	Restaurant / Lounge	Comp Brkfst
Year Opened	April-95	Meeting Space SF	850
Published Room Rates	\$114-\$158		
<b>2014 Estimated Performance</b>			
Occupancy	40%-50%	Market Segmentation:	
ADR	\$100-\$150	Commercial	30%
RevPAR	\$50-\$100	Group	35%
Overall Penetration Rate	74%	Leisure	35%
Source: Hotel & Leisure Advisors			

The 99-room Best Western Plus Cooperstown Inn & Suites is approximately one mile north of the subject site. Features include free breakfast, indoor pool, whirlpool, fitness center, free Wi-Fi, arcade, gift shop, barbeque grills, and an 850 square foot meeting room. The hotel is comprised of two buildings. The Inn includes 63 rooms with a king or double queen beds. The adjacent lodge features extra-large junior suites. All rooms feature refrigerators and microwaves. This property does not charge a resort fee.

**Competitive Property #4**



<b>The Otesaga Resort Hotel</b>			
<b>Descriptive and Performance Information</b>			
Location	Cooperstown, NY	Swimming Pool	Outdoor/Lake
# Rooms	132	Restaurant / Lounge	Yes
Year Opened	June-09	Meeting Space SF	12,592
Published Room Rates	\$300-\$600		
<b>2014 Estimated Performance</b>			
Occupancy	70%-80%	Market Segmentation:	
ADR	\$250-\$300	Commercial	0%
RevPAR	\$175-\$225	Group	61%
Overall Penetration Rate	109%	Leisure	39%
Source: Hotel & Leisure Advisors			

The 132-room The Otesaga Resort Hotel is approximately 5.5 miles north of the subject site on the south shore of Otsego Lake in downtown Cooperstown. The AAA four-diamond hotel offers free valet parking, free Wi-Fi, fitness center, business center, outdoor pool, and gift shop. Guests can also enjoy the Hawkeye Spa or golf at Leatherstocking Golf Course. Paddleboards, boats and bikes are available for rent. Food and beverage options include Glimmerglass (breakfast, buffet lunch, dinner), Buckeye Bar & Grill (lunch and dinner), Leatherstocking Golf Bar & Grill (seasonal service), and three bars/lounges. The resort features 12,592 square feet of indoor space. The property opens for groups only during the winter months depending upon advanced booking and demand. This property does not charge a resort fee.

**Competitive Property #5**



<b>Skytop Lodge</b>			
<b>Descriptive and Performance Information</b>			
Location	Skytop, PA	Swimming Pool	Indoor/Outdoor
# Rooms	192	Restaurant / Lounge	Yes
Year Opened	June-28	Meeting Space SF	17,906
Published Room Rates	\$139 - \$259		
<b>2013 Estimated Performance</b>			
Occupancy	50%-60%	Market Segmentation:	
ADR	\$220-\$230	Commercial	0%
RevPAR	\$120-\$130	Group	45%
Overall Penetration Rate	82%	Leisure	55%
Source: Hotel & Leisure Advisors			

The 192-room Skytop Lodge is in Skytop, Pennsylvania, atop a small mountain with views of the area. The property was built in 1928 and features a historic seven-story stone hotel building. The property has 5,500 acres, including a lake and golf course. Amenities include indoor and outdoor pools, lawn bowling, biking, fishing, boating, tennis, skiing, ice skating, and hiking. The hotel added a \$6 million conference center in February 2005, which consists of two ballrooms that are 4,128 and 2,600 square feet respectively, a 700 square foot boardroom, and a new dining room. The property offers a total of 17,906 square feet of meeting space. Management indicated the property achieves approximately 100 fill nights per year. The property's spa is located on the fifth floor of the hotel and offers treatment rooms for massage and beauty treatments. This property charges a service fee (resort fee) of 15% of room rate per night.

**Competitive Property #6**



<b>Great Wolf Lodge Niagara Falls</b>			
<b>Descriptive and Performance Information</b>			
Location	Niagara Falls, ON	Swimming Pool	Waterpark
# Rooms	406	Restaurant / Lounge	Yes
Year Opened	April-06	Meeting Space SF	7,381
Published Room Rates	\$ 220-\$580 (CAD)		
<b>2014 Estimated Performance</b>			
Occupancy	70%-80%	Market Segmentation:	
ADR	\$250-\$300	Commercial	0%
RevPAR	\$175-\$225	Group	10%
Overall Penetration Rate	116%	Leisure	90%
Source: Hotel & Leisure Advisors			

The 406-room Great Wolf Lodge Niagara Falls is in Niagara Falls, Ontario, Canada. We included this indoor waterpark resort in the competitive set because it is similar in operational concept to the proposed subject. The Great Wolf Lodge overlooks the Niagara Gorge at the Whirlpool Bend in the Niagara River. The property offers an 85,000 square foot indoor waterpark, a 7,000 square foot arcade, large gift shop, fitness center, miniature golf, and an outdoor waterpark. The property also has its signature Elements Spa, a 106-seat campsite-themed restaurant, a 160-seat restaurant open for breakfast and dinner, a coffee/confectionery store, coffee shop, a Pizza Hut Express, indoor and outdoor waterpark snack shops, and lounge. The estimated ADR includes the waterpark premium. This property charges a resort fee of \$19.99 (CAD) plus taxes per night.

**Competitive Property #7**



<b>Mohonk Mountain House</b>			
<b>Descriptive and Performance Information</b>			
Location	New Paltz, NY	Swimming Pool	Indoor/Lake
# Rooms	259	Restaurant / Lounge	All Inclusive
Year Opened	February-05	Meeting Space SF	10,297
Published Room Rates	\$496-\$1,050		
<b>2014 Estimated Performance</b>			
Occupancy	60%-70%	Market Segmentation:	
ADR	\$250-\$300	Commercial	0%
RevPAR	\$175-\$225	Group	35%
Overall Penetration Rate	96%	Leisure	65%
Source: Hotel & Leisure Advisors			

The 259-room Mohonk Mountain House is in New Paltz, New York. The Victorian Castle resort overlooks Lake Mohonk in a scenic natural area comprised of over 40,000 acres, including the adjacent Mohonk Preserve. Quoted guest room rates include accommodations, meals, and afternoon tea and cookies. Complimentary amenities include an indoor pool, guided hikes, nature walks, fitness center, yoga, Pilates, tennis, mid-week golf, lake swimming, boating, ice-skating, cross-country skiing, and snowshoeing. Fee amenities include horseback riding, carriage rides, mountain biking, rock climbing, weekend golf, and disc golf. The Spa at Mohonk Mountain House offers a full-service salon, solarium with stone fireplace, and an outdoor mineral pool. The hotel also includes 10,297 square feet of meeting space. The resort has received recent awards from Conde Nast and Travel & Leisure magazines. The resort adds on a 12% room rate fee to cover all gratuities and resort fee. We note that the ADR represents the room revenue only of the all-inclusive rate. Revenue per occupied room is estimated to range from \$500 to \$600.

**Competitive Property #8**



<b>Hope Lake Lodge</b>			
<b>Descriptive and Performance Information</b>			
Location	Cortland, NY	Swimming Pool	Waterpark
# Rooms	150	Restaurant / Lounge	Yes
Year Opened	December-09	Meeting Space SF	18,027
Published Room Rates	\$179 - \$450		
<b>2014 Estimated Performance</b>			
Occupancy	40%-50%	Market Segmentation:	
ADR	\$125-\$175	Commercial	0%
RevPAR	\$50-\$100	Group	30%
Overall Penetration Rate	74%	Leisure	70%
Source: Hotel & Leisure Advisors			

The 150-room Cascades at Hope Lake Lodge is six miles off Interstate 81, close to Cortland. The condominium resort has several components, including an indoor waterpark, conference center, ski area, and outdoor adventure center, making it a year-round destination. The 150 suites sleep four to ten people and all include a full kitchen and fireplace. The resort offers packages that include skiing at Greek Peak Mountain and access to the waterpark from December 1 to March 31. Activities include the 33,000 square foot Cascades indoor waterpark; Bearfoot Den Activities Center for young children; Outdoor Adventure Center, which includes zip lines, mountain coaster, and aerial ropes course; and a 40-game arcade. The resort also includes three restaurants, a spa and fitness center. The complex includes 18,027 square feet of meeting space including the ski lodge building. The estimated ADR excludes the waterpark premium. The property was bought out of bankruptcy in April 2013 for \$7.6 million. The new owners spent over \$500,000 in improvements (primarily new snowmaking equipment) in 2014. The property charges a 4% resort fee.

**Competitive Property #9**



<b>Great Wolf Lodge Poconos</b>			
<b>Descriptive and Performance Information</b>			
Location	Scotrun, PA	Swimming Pool	Waterpark
# Rooms	401	Restaurant / Lounge	Yes
Year Opened	October-05	Meeting Space SF	1,450
Published Room Rates	\$240 - \$460		
<b>2014 Estimated Performance</b>			
Occupancy	70%-80%	Market Segmentation:	
ADR	\$350-\$400	Commercial	0%
RevPAR	\$275-\$325	Group	5%
Overall Penetration Rate	116%	Leisure	95%
Source: Hotel & Leisure Advisors			

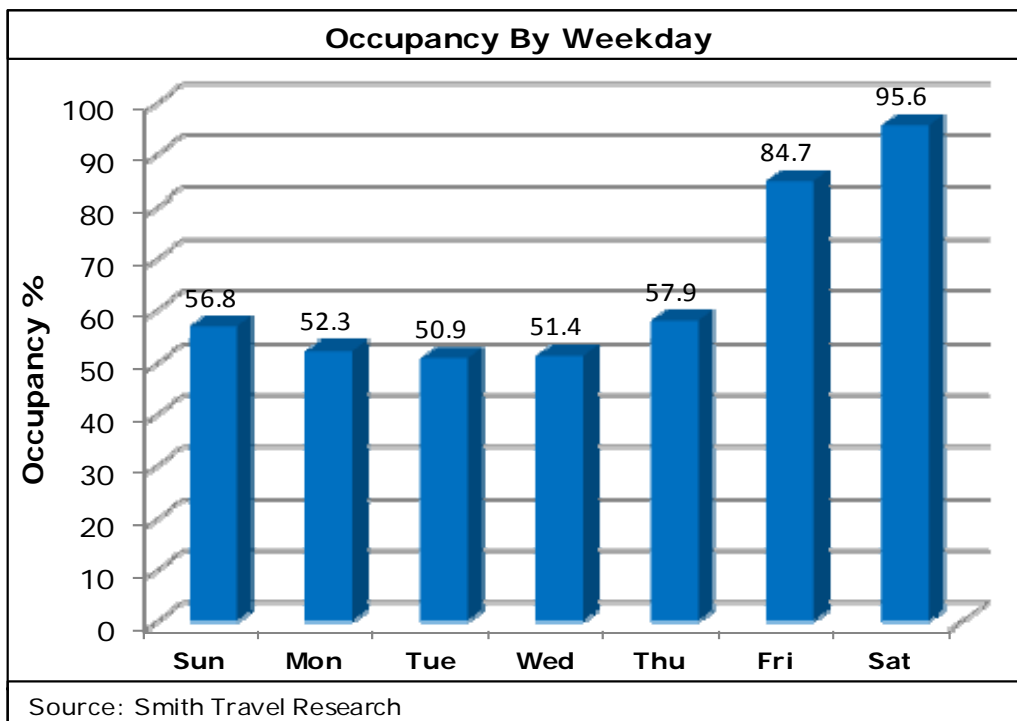
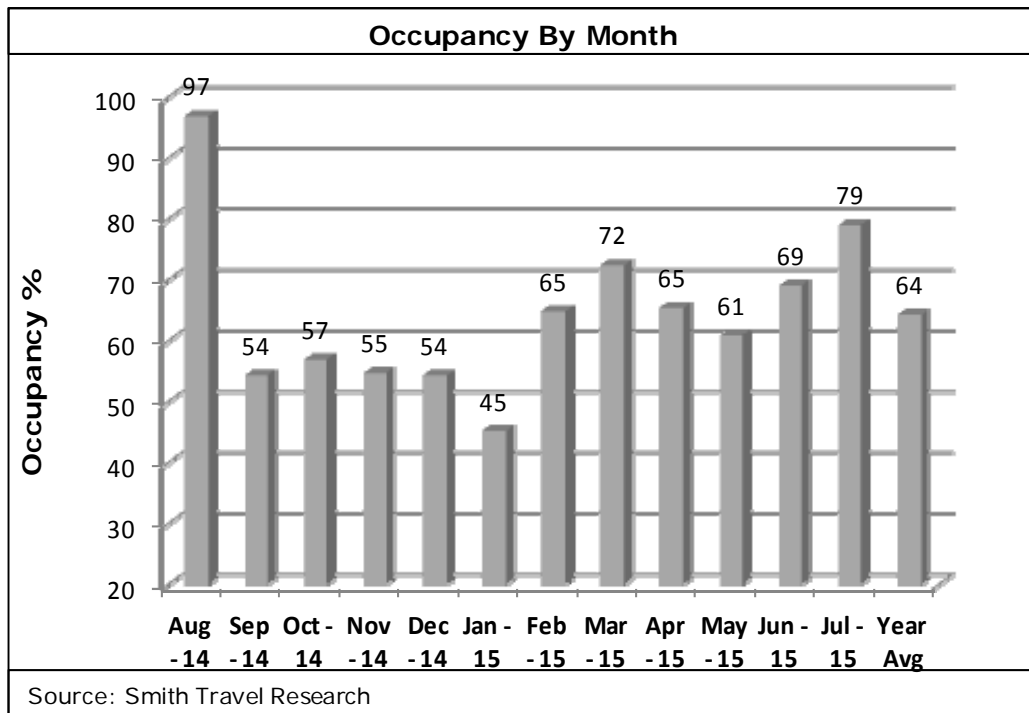
The 401-room Great Wolf Lodge Poconos is in Scotrun, Pennsylvania. This resort features a 78,000 square foot indoor waterpark, multiple restaurants, 1,450 square feet of meeting space, a 7,000 square foot arcade, 5,000 square feet of retail space, a 2,300 square foot spa, children’s activity center, and fitness center. The hotel also offers MagiQuest, a live action role-playing game in which players use an infrared emitting wand to interact with objects throughout the resort. The property includes the use of the waterpark in its rates. The property historically achieved strong levels of performance due to its large indoor waterpark, although competition is increasing in the region. The resort is one of the top performing indoor waterpark resorts in the country. This property charges a daily resort fee of \$19.99 per room, which is reflected in the ADR performance.

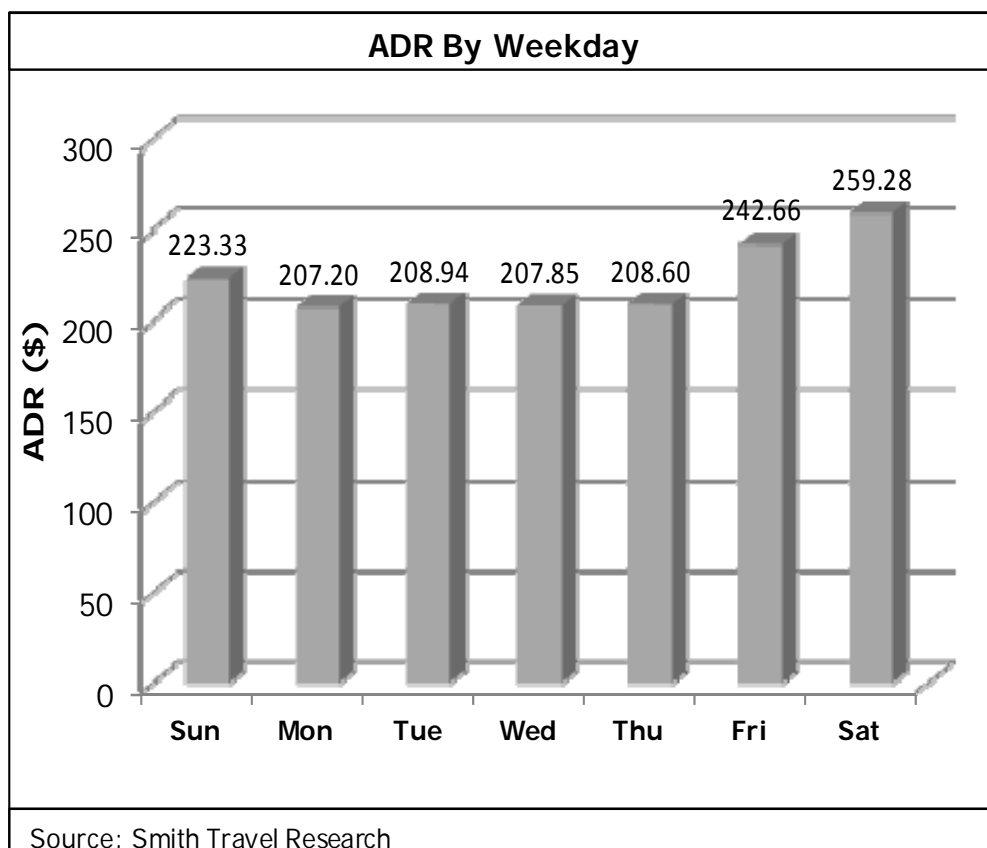
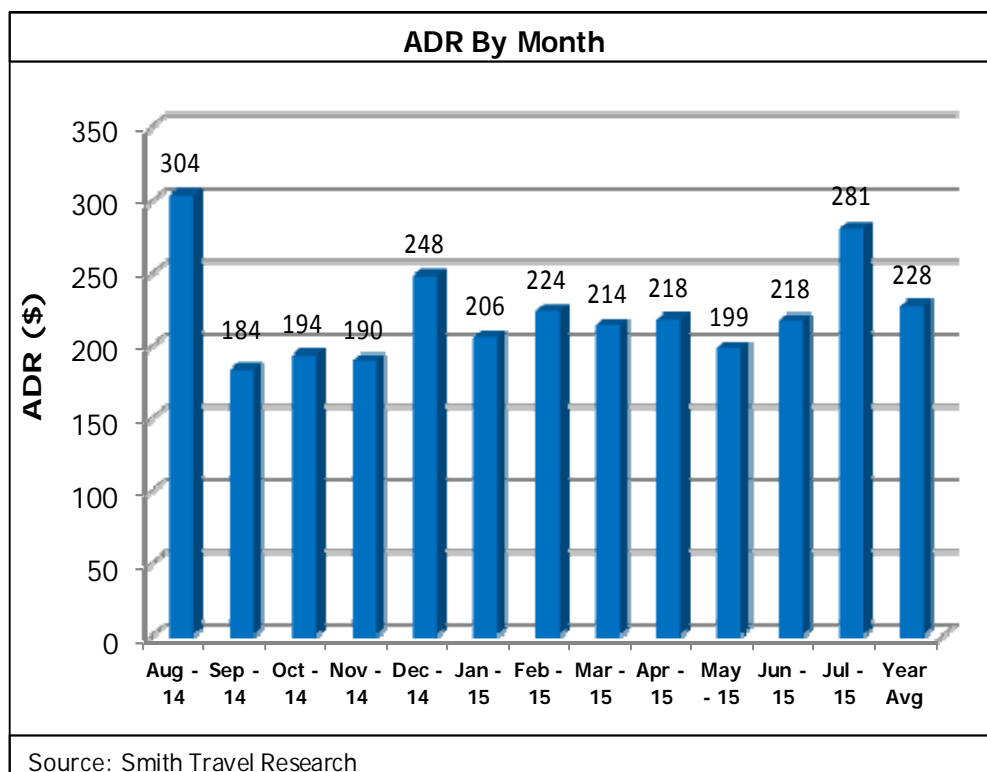
**Historical Lodging Demand:** The following table provides occupancy, ADR, and RevPAR for six hotels of the competitive set for the past six years based upon information obtained from Smith Travel Research.

Competitors Operating Performance Proposed Indoor Waterpark Resort										
Year	Annual Supply	% Chg.	Demand	% Chg.	OCC	% Chg.	ADR	% Chg.	RevPAR	% Chg.
2009	383,670	-	225,087	-	58.7%	-	\$196.72	-	\$115.41	-
2010	383,670	0.0%	232,320	3.2%	60.6%	3.2%	\$190.08	-3.4%	\$115.10	-0.3%
2011	387,720	1.1%	229,658	-1.1%	59.2%	-2.2%	\$215.89	13.6%	\$127.88	11.1%
2012	387,720	0.0%	238,740	4.0%	61.6%	4.0%	\$228.84	6.0%	\$140.91	10.2%
2013	387,232	-0.1%	244,278	2.3%	63.1%	2.4%	\$228.90	0.0%	\$144.40	2.5%
2014	383,028	-1.1%	248,351	1.7%	64.8%	2.8%	\$234.19	2.3%	\$151.84	5.2%
Average of Years	385,507	0.0%	236,406	2.0%	61.3%	2.0%	\$215.77	3.7%	\$132.59	5.7%
<b>Year-To-Date through June</b>										
2014	218,208	-	143,152	-	65.6%	-	\$233.88	-	\$153.43	-
2015	205,410	-5.9%	132,903	-7.2%	64.7%	-1.4%	\$221.95	-5.1%	\$143.61	-6.4%
Figures do not include Mohonk Mountain House, Cascades at Hope Lake Lodge, or Great Wolf Lodge Poconos										
Source: Smith Travel Research										

- The change in supply is accounted for by the Otseaga Resort varying the number of days per year it is open.
- Overall demand has increased since 2011. Recently, demand showed a decrease of -7.2% in year to date overall 2015.
- The ADR of the competitive set has shown an average annual increase of 3.7% throughout the six-year historical period.
- During the same period, RevPAR increased by 5.7% on average, although year to date it has shown a decline of -6.4%.

We analyzed the seasonality of the competitive set, including the performance by day. The following graphs indicate the performance as shown in the Smith Travel Research report for fiscal year 2015.





The competitive set of properties achieved its highest occupancy levels on Saturdays followed by Fridays and its weakest occupancy level on Sundays. The competitive properties achieved their highest ADR on Saturdays. The strongest ADR month is August while the weakest is September.

**Proposed Hotel Development:** Discussions with local officials and hotel operators, and a review of published data revealed there are no proposals for hotels in the Cooperstown market.

In our additions to supply analysis, we considered the 453-room Camelback Lodge & Indoor Waterpark and the 457-room Kalahari Resort Pocono Mountains, which opened in 2015. We also included the planned 400-room addition at the Kalahari Resort Pocono Mountains, which is projected to open by 2018. We believe these properties are somewhat comparable to the subject because they provide similar attractions; however, both are more than two hours driving distance from Cooperstown. We included 33% of their room count in our analysis. The following table indicates the resulting proposed increase in supply.

		<b>Additions to Supply</b>					
<b>Hotel</b>		<b>Projected (Calendar Year)</b>					
		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	Historical Existing Rooms	1,859	1,859	1,859	1,859	1,859	1,859
1	Proposed Indoor Waterpark Resort-Cooperstown	-	-	-	400	400	400
2	Kalahari Resort Poconos (33% competitive)	75	151	151	283	283	283
3	Camelback Indoor Waterpark Resort (33% competitive)	70	149	149	149	149	149
<b>Total New Rooms</b>		145	300	300	832	832	832
<b>Total Supply</b>		2,005	2,160	2,160	2,692	2,692	2,692
<b>Total Room Nights Available</b>		731,736	788,287	788,287	982,467	982,467	982,467

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

A thorough 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 allow us to estimate future lodging demand generated by the primary demand segments. We will analyze induced demand separately.

**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, we will subdivide the overall market into individual segments based on the type or nature of travel. The following table indicates the different segments that exist in the competitive set of hotels.

<b>Total Accommodated Demand Output</b>			
<b>Segment</b>		<b>2014 Rm Nights</b>	<b>Segment Percent</b>
1	<b>Commercial</b>	11,837	3%
2	<b>Group</b>	90,705	20%
3	<b>Leisure</b>	343,976	77%
<b>TOTAL</b>		446,519	100%
<b>Market Occupancy</b>		65.8%	
<b>Market ADR</b>		\$269.08	
Source: Hotel & Leisure Advisors			

The previous table and the table on Page C-45 indicate our estimates of total accommodated demand utilizing our hotel supply and demand model. We obtained individual occupancy, ADR, and market mix figures from the competitors to determine the historical performance figures. Our historical performance figures are different from those presented on Page C-38, which presents data directly from the Smith Travel Research report, due to our inclusion of three properties that do not report to Smith Travel Research.

Commercial Demand consists of general transient overnight travel created by businesses and governmental institutions in the area. The business traveler tends to be less price-sensitive than the leisure traveler 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, transportation workers, government-related travelers, and those travelers who are relocating to the area.

Locally, a number of organizations in the market generate limited commercial demand, including Bassett Healthcare Network, the local colleges such as SUNY College at Oneonta and Hartwick College, Corning Inc, and Delaware Otsego Corporation.

The commercial segment equaled approximately 3% of room night demand in 2014. Commercial demand trends tend to reflect trends in employment. Between 2010 and 2014, total employment in the Otsego County remained flat, which caused no commercial growth in the hotel market. We project zero to very limited commercial growth.

Group Demand includes conferences and group meetings with a minimum of 10 occupied rooms on a single night. Conventions, association meetings, corporate meetings, training seminars, and social functions such as weddings generate group demand. This segment also includes family reunions, SMERF (social, military, educational, religious, and fraternal) groups and sports teams booking in a room block. 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 competitive set is strongest at Mohonk Mountain House, which has a variety of meeting space. Other hotels within the market attract group demand utilizing their respective meeting spaces. The Otesaga Resort is the local property with the most meeting space that attracts the most group demand in Cooperstown. The local hotels report receiving strong demand from sports-related groups associated with the baseball tournaments at Cooperstown Dreams Park. The following table indicates the meeting spaces per available room of the competitive hotels.

<b>Meeting Space to Rooms Ratio</b>			
<b>Hotel</b>	<b>Meeting Space SF</b>	<b># Rooms</b>	<b>Meeting Space Per Available Room</b>
Proposed Indoor Waterpark Resort-Cooperstown	20,000	400	50.0
Six Flags Great Escape Lodge & Waterpark	5,660	200	28.3
Holiday Inn Express & Suites Cooperstown	624	74	8.4
Best Western Plus Cooperstown Inn & Suites	850	99	8.6
The Otesaga Resort Hotel	12,592	132	95.4
Skytop Lodge	17,906	192	93.3
Great Wolf Lodge Niagara Falls	7,381	406	18.2
Mohonk Mountain House	10,297	259	39.8
Hope Lake Lodge	18,027	150	120.2
Great Wolf Lodge Poconos	1,450	401	3.6

Source: Hotel & Leisure Advisors

The group segment equaled approximately 20% of room night demand in 2014. We project an increase in group demand for the competitive set based upon historical trends in the group market.

Leisure Demand consists of individuals and families visiting the area or passing through en route to other destinations. Leisure demand is strongest Friday and Saturday nights and during school holiday periods. Tourist demand for lodging peaks during the summer. Locally, the 13 weeks of baseball tournaments drive the leisure segment during the summer. While the leisure segment often is comprised of more rate-sensitive travelers, the segment is willing to pay higher rates during peak demand periods. The following table presents the primary leisure attractions in the area.

<b>Major Tourist Attractions in the Subject Area</b>	
<u>Attraction</u>	<u>Location</u>
Cooperstown Dreams Park	Hartwick, NY
National Baseball Hall of Fame and Museum	Cooperstown, NY
Farmers' Museum	Cooperstown, NY
Fenimore Art Museum	Cooperstown, NY
Glimmerglass State Park	Cooperstown, NY
Otsego Lake	Cooperstown, NY
Turning Stone Resort Casino	Oneida, NY
Source: Hotel & Leisure Advisors	

The leisure segment equaled approximately 77% of room night demand in 2014. We project increases in demand in this segment of the existing competitive set. We project strong additional growth from the opening of the proposed subject indoor waterpark resort, the Camelback Lodge & Indoor Waterpark Resort and the Kalahari Resort Pocono Mountains, which we accounted for primarily in induced demand.

The following 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.

<b>Accommodated Demand Growth Rates</b>							
<b>Segment</b>	<b>Historical (Calendar Year)</b>		<b>Projected (Calendar Year)</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Commercial</b>	-0.6%	3.4%	0.0%	0.5%	0.5%	0.5%	0.5%
<b>Group</b>	5.7%	1.1%	1.0%	3.0%	3.0%	3.0%	3.0%
<b>Leisure</b>	1.5%	0.0%	1.0%	3.0%	3.0%	4.0%	3.0%
<b>Weighted Average</b>	2.2%	0.4%	1.0%	2.9%	2.9%	3.7%	3.0%
Source: Hotel & Leisure Advisors							

**Induced Demand:** Induced demand is 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 considered the influence of induced demand as it relates to the opening of the subject and the two indoor waterpark resort supply additions.

By analyzing the current number of fill nights, we 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.

The indoor waterpark resorts we analyzed indicate fill nights typically range from 100 to 180 annually for better performing properties. The fill nights at the indoor waterpark

resorts occur primarily on weekends, during school holidays, and during the summer. We projected induced demand for 2015-2018 from the opening of the indoor waterpark resorts. The following table indicates our estimates.

Induced Demand Inputs									
Hotel	Name of Proposed	Fill Days	# Rooms	Induced Demand	Total Induced Demand (Calendar Year)				
					2015	2016	2017	2018	2019
1	Proposed Indoor Waterpark Resort-Cooperstown	130	400	52,000	0	0	0	52,000	0
2	Kalahari Resort Poconos (33% competitive)	150	283	42,422	11,311	11,311	0	19,800	0
3	Camelback Indoor Waterpark Resort (33% competitive)	150	149	22,424	10,494	11,930	0	0	0
Total			832	116,845	21,805	23,240	0	71,800	0
Segmentation			Hotel 1	Hotels 2&3	Induced Demand by Segment				
Commercial			0%	0%	0	0	0	0	0
Group			20%	20%	4,361	4,648	0	14,360	0
Leisure			80%	80%	17,444	18,592	0	57,440	0

Source: Hotel & Leisure Advisors

We project approximately 150 fill nights at the Camelback Lodge & Indoor Waterpark resort and at the Kalahari Resort Pocono Mountains. We project approximately 130 fill nights at the subject property. For each of the resorts, we applied the majority of the induced demand to the leisure segment.

### PROJECTED MARKET OCCUPANCY

The relationship between the estimated room night demand and guestroom supply provides a basis for forecasts of area-wide occupancy. We 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. We then divided the projected room night demand by the projected annual supply (incorporating supply additions) to derive the area-wide occupancy levels. The following table displays the projected supply, demand, and occupancy levels.

Proposed Indoor Waterpark Resort-Cooperstown Market Demand Analysis										
Accommodated Demand	Historical (Calendar Year)				Projected (Calendar Year)					
Segment	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Commercial	11,522	11,447	11,837	11,837	11,896	11,955	12,015	12,075	12,075	
Group	84,833	89,685	90,705	91,613	94,361	97,192	100,108	103,111	106,204	
Leisure	338,836	343,809	343,976	347,416	357,838	368,573	383,316	394,815	403,896	
<b>Total</b>	<b>435,191</b>	<b>444,941</b>	<b>446,519</b>	<b>450,866</b>	<b>464,095</b>	<b>477,720</b>	<b>495,439</b>	<b>510,001</b>	<b>522,175</b>	
Induced Demand	Projected (Calendar Year)									
Segment	2015	2016	2017	2018	2019	2020				
Commercial	0	0	0	0	0	0				
Group	4,361	9,009	9,009	23,369	23,369	23,369				
Leisure	17,444	36,036	36,036	93,476	93,476	93,476				
<b>Total</b>	<b>21,805</b>	<b>45,045</b>	<b>45,045</b>	<b>116,845</b>	<b>116,845</b>	<b>116,845</b>				
Total Market Demand	Historical (Calendar Year)				Projected (Calendar Year)					
Segment	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Commercial	11,522	11,447	11,837	11,837	11,896	11,955	12,015	12,075	12,075	
Group	84,833	89,685	90,705	95,974	103,370	106,201	123,477	126,480	129,573	
Leisure	338,836	343,809	343,976	364,860	393,874	404,609	476,792	488,291	497,372	
<b>Total Room Night Demand</b>	<b>435,191</b>	<b>444,941</b>	<b>446,519</b>	<b>472,671</b>	<b>509,140</b>	<b>522,765</b>	<b>612,284</b>	<b>626,846</b>	<b>639,020</b>	
Total Room Demand Growth	-	2.2%	0.4%	5.9%	7.7%	2.7%	17.1%	2.4%	1.9%	
Total Room Nights Available	683,370	682,882	678,678	731,736	788,287	788,287	982,467	982,467	982,467	
Total Room Supply Growth	-	-0.1%	-0.6%	7.8%	7.7%	0.0%	24.6%	0.0%	0.0%	
Adjusted Market Occupancy	63.7%	65.2%	65.8%	64.6%	64.6%	66.3%	62.3%	63.8%	65.0%	

Source: Hotel & Leisure Advisors

- We project market occupancy to decrease slightly in 2015 based on year-to-date figures and considering the new indoor waterpark resorts that opened in the Pocono Mountains.

- We project a decline in occupancy in 2018 after the opening of the subject and the Kalahari Resort room addition.
- With the strong projected induced demand from the indoor waterpark resorts, we project overall occupancy to improve in 2019, 2020 and beyond to levels similar to that achieved historically.

**GROUP DEMAND RESEARCH**

H&LA researched groups and associations who have met in Central New York to understand the potential group demand for meeting space at the subject resort. The majority of those profiled in the following table are mid-sized groups, chapters of national associations or groups bringing together participants from a wide region. An aggressive group sales department could seek out similar groups to bring additional business to the subject property.

Association demand for hotel rooms and conference space in Central New York				
Event	Event Dates	Hotels	Room Rate or Conference Fee	Packages Offered
SUNY Physical Plant Administration Association Annual Conference	01/28-29/2014	Otesaga Resort - Cooperstown, NY	\$294/night single occupancy \$405/night double	These rates include daily breakfast, lunch and dinner.
New York State Association of School Personnel Annual Conference	10/19-22/2014	Otesaga Resort - Cooperstown, NY	\$306/night single occupancy \$402/night double	These rates include daily breakfast, lunch and dinner.
2015 All Breeds Convention	01/15-17/2015	Radisson Hotel - Utica, NY	\$94/night	Hotel reservation includes admission to opening reception. Numerous meal packages are available to accommodate guests during the three day event at an additional charge.
New York Society of American Foresters Annual Meeting	01/21-23/2015	Syracuse DoubleTree Inn - East Syracuse, NY	\$96/night	Event registration includes admission to awards luncheon.
New York State Association of Professional Land Surveyors Annual Conference and Exhibition	01/21-23/2015	Turning Stone Resort - Verona, NY	\$110/night double occupancy	
New York State Floodplain and Stormwater Managers Association Annual Meeting	04/27-29/2015	Syracuse DoubleTree Inn - East Syracuse, NY	\$96/night	Hotel reservation includes admission to sponsored evening socials and daily continental breakfasts.
New York State Association for the Education of Young Children Annual Conference	04/9-11/2015	Turning Stone Resort - Verona, NY	\$159/night double occupancy \$169/night triple occupancy \$179/night quad occupancy	Hotel reservation includes opening night networking dinner and access to hospitality suite.
New York Health Information Management Association	06/5-11/2015	Crowne Plaza - Syracuse, NY	\$119/night	Hotel reservation includes complimentary event breakfasts. Other break and meal options are offered at an additional cost.
Northeastern Development Association Annual Conference	09/13-15/2015	Crowne Plaza - Syracuse, NY	\$118/night	Event registration includes daily breakfasts, snack breaks and admission to opening night networking barbecue.
New York State Society for Respiratory Care Annual Symposium	10/1-2/2015	Turning Stone Resort - Verona, NY	\$142/night double occupancy in The Tower	Sponsored snack breaks are provided with registration fee. Valet parking is included. Guest is responsible for all other meals.
College Student Personnel Association of New York State Annual Conference	10/3-6/2015	Crowne Plaza - Syracuse, NY	\$107/night	Conference guests receive free overnight parking and a complimentary wi-fi upgrade.
National Association of Educational Procurement Upstate New York Regional Conference	10/6-9/2015	Syracuse DoubleTree Inn - East Syracuse, NY	\$96/night	Event registration includes daily breakfasts, snack breaks, lunches, and admission to several evening receptions, socials and banquets.
New York Association of Conservation Districts	10/20-22/2015	Radisson Hotel - Utica, NY	\$160/night single occupancy \$200/night double	Event registration includes daily lunch, event banquet and snack breaks. Room rate discounts are available to guests who book both nights.
Capital Region Bankruptcy Bar Association Annual Conference	10/23-24/2015	Otesaga Resort - Cooperstown, NY		No reduced rates or member packages are offered for the conference. All reservations need to be made directly through the resort at rates available at the time of booking.
New York State Association of Fire Chiefs Annual Conference	06/15-18/2016	Turning Stone Resort - Verona, NY	\$108/night double occupancy in The Inn - \$209/night double occupancy in The Tower or The Hotel	Not included in the cost of conference and hotel registration, numerous add-on event packages are available for various galas, banquets, socials and activities.

Source: Hotel & Leisure Advisors

The table indicates a range of room rates from \$94 to \$405 per night for the groups shown. A majority of events offer packages, which include such items as daily meals, snack breaks, complimentary Wi-Fi, and complimentary parking. Local to Cooperstown, the Otesega Resort utilizes its meeting space to attract various groups and events indicating there is demand for meeting space in the local market.

Hotel & Leisure Advisors also identified associations in Wisconsin and Ohio that have booked events at Kalahari Resorts. The Wisconsin Dells location offers 71,894 square feet of meeting space with 35 flexible meeting rooms, while the Sandusky location boasts 143,696 square feet of meeting space with 39 meeting rooms. The types of associations listed below could generate similar demand for the proposed.

<b>State &amp; Local Association Meetings Held at Kalahari Resorts</b>	
<b>Wisconsin Dells, Wisconsin</b>	<b>Sandusky, Ohio</b>
<ul style="list-style-type: none"> <li>• Wisconsin Early Childhood Association</li> <li>• Wisconsin Athletic Directors Association</li> <li>• Wisconsin Dental Hygienists Association</li> <li>• Association of School Business Officials</li> <li>• Wisconsin Wastewater Operators’ Association</li> <li>• Wisconsin Head Start Association</li> <li>• Wisconsin Parking Association Conference</li> <li>• Wisconsin Realtors Association</li> <li>• Alzheimer’s Association</li> <li>• Wisconsin State Fire Chiefs’ Association</li> <li>• Wisconsin Library Association</li> <li>• Wisconsin EMS</li> <li>• Wisconsin Medical Society</li> <li>• Wisconsin Accountants Association</li> <li>• School Nutrition Association of Wisconsin</li> <li>• Wisconsin Corn Growers Association</li> <li>• Residential Services Association of Wisconsin</li> <li>• Wisconsin Wildlife Control Operators Association</li> <li>• State Bar of Wisconsin</li> <li>• Wisconsin Assn. of Colleges and Employers</li> </ul>	<ul style="list-style-type: none"> <li>• Ohio Educational Library Media Association</li> <li>• Council of Smaller Enterprises</li> <li>• Ohio Produce Growers &amp; Marketers Association</li> <li>• Ohio Podiatric Medical Association</li> <li>• Ohio Alliance for Public Charter Schools</li> <li>• Ohio Association of Elementary School Administrators</li> <li>• Ohio Urological Society</li> <li>• Ohio Osteopathic Association</li> <li>• Ohio Parks &amp; Recreation Association</li> <li>• Ohio Assn. for Health, Physical Education, Recreation, and Dance</li> <li>• Ohio Genealogical Society</li> <li>• Buckeye State Sheriffs Association</li> <li>• Ohio Environmental Health Association</li> <li>• Ohio Society for Human Resource Management</li> <li>• Ohio Association of Public Treasurers</li> <li>• Ohio Chapter- Assn. of Public Safety Communications Officials</li> <li>• Professional Land Surveyors of Ohio</li> <li>• Ohio State Bar Association</li> <li>• Rotary District 6400</li> <li>• Toledo Metropolitan Area Council of Governments</li> </ul>
<p>Source: Various websites</p>	

Promoting the proposed conference space to organizations like those listed above could generate a significant amount of repeat business. Such groups are often interested in new locations provided there is enough space to meet their needs and it is appropriately priced.

## **COMPETITIVE ADVANTAGES AND DISADVANTAGES OF SUBJECT PROPERTY**

We assessed the projected competitive position of the subject property compared to the defined competitive lodging supply. Based on interviews with representatives of competitive hotels, our knowledge of the market area, and consideration of factors such as competent and efficient management, a well-defined marketing program, the subject property's location, and the facility's quality, we estimated the subject's future market penetration. We consider the following property characteristics as competitive advantages and disadvantages when estimating future penetration rates for the different segments.

### **Positive Attributes**

- The subject's location adjacent to Cooperstown Fun Park is an advantage due to the attraction's established family-centric entertainment activities. In addition, significant demand in Cooperstown is generated by the 13 weeks of tournaments held during summer at the Cooperstown Dreams Park, approximately one mile south of the subject site. The indoor and outdoor waterpark attractions will appeal to siblings and post tournament ball players and provide much needed "other" family activities within the Cooperstown area. The indoor waterpark resort will leverage entertainment attractions adjacent to the site.
- The large size of the resort, its ample acreage, and location will become a staple destination attraction for the Cooperstown area. Many travelers will use the resort as a hub-and-spoke base for vacationing.
- The subject will be a large destination indoor waterpark resort that will effectively cross-market and promote an authentic Cooperstown experience with the other local, year-round attractions such as the National Baseball Hall of Fame, Brewery Ommegang, and the Fenimore and Farmer's museums. The ability to utilize the Cooperstown and Charlotte Valley Railway as a means of transportation to downtown Cooperstown, Doubleday Field, and the National Baseball Hall of Fame provides a strong and unique opportunity that will be leveraged as a point of differentiation among other resort properties.
- The subject property will be the newest hotel within the competitive set and will offer one of the largest indoor waterparks in Upstate New York, in addition to an outdoor waterpark and recreation area. The subject is projected to be popular among families and children, as well as among young adults. Although there are other projects proposed in upstate New York, at the time of our research, none has been financed or started construction. Based on the success of the resorts in Wisconsin Dells, Sandusky, and the Poconos, it is our opinion that family oriented travelers from a two- to three-hour drive will enjoy coming to the subject.
- The subject will offer an attractive facility with a wide range of room types including a higher percentage of larger suites than a typical hotel. The planned restaurants, gift shops, indoor family entertainment center, spa, indoor and outdoor waterparks, outdoor adventure activities, and other amenities will allow the subject to offer a memorable experience for leisure visitors.
- The subject will offer approximately 20,000 square feet of state-of-the-art meeting and event space and will be competitive for various groups, state associations, and meetings, particularly during the fall through spring off-season months.

- The subject has a strong potential to outperform the market particularly during the winter and summer and weekends year-round with the addition of the indoor waterpark facility.
- The subject is expected to be popular during the summer months since demand is already strong. The large outdoor waterpark, open seasonally, will enlarge capacity at the resort and increase the number of non-hotel guests through the sale of day passes during peak season. The outdoor waterpark is of a size that we forecast significant day pass demand will come from those not staying at the resort, but are in town for the sports tournaments and Hall of Fame attractions.

**Negative Attributes**

- There are several development proposals that include an indoor waterpark component in New York and the surrounding states. There are two large indoor waterpark resorts, which opened in 2015 in Pennsylvania (The Camelback Lodge & Indoor Waterpark and Kalahari Resort Poconos). There are a number of additional proposals for indoor waterpark resorts in New York, Pennsylvania, and New England.
- Cooperstown is currently a seasonal market and in order to attract visitors to the market year-round, many of the local attractions will need to extend their seasons beyond summer. However, several of the more popular attractions are open year round such as the National Baseball Hall of Fame, Brewery Ommegang, and the Fenimore and Farmers museums.
- The subject site is approximately 14 miles from the nearest interstate exit. The distance could be challenging in the inclement weather months.

**PROJECTED SUBJECT OCCUPANCY**

Room night demand in the area is generated by three major sources. These include the Cooperstown Dreams Park, Cooperstown All Star Village, and the National Baseball Hall of Fame.

In order to understand the amount of current demand generated by the Cooperstown Dreams Park, which is the number one demand generator for the area during the 13-week tournament period each summer, we have summarized their model of operation in the following table.

<b>Cooperstown Dreams Park Demand Analysis</b>			
Tournament Weeks	13	Tournament Days	91
Teams / Week	104	Teams / Season	1,352
Kids / Team	18	Kids / Season	24,336
Families to Area	24,336	Family / Kid to Area	1
Visitors to Area	110,000	Visitors / Family	4.5
Average Stay	6	Nights	
Potential Room Nights Occupied	146,016	Generated Outside Dreams Park (13 weeks)	
(Assumes each family stays in area during tournament play)			
Source: Hotel & Leisure Advisors			

**Proposed Indoor Waterpark Resort – Cooperstown, NY**  
**Subject Occupancy and Average Daily Rate Analysis**

As indicated by the following table, Cooperstown Dreams Park attracts teams from all across the country.

Cooperstown Dreams Park 2015 Number of Teams by State												
WEEK #1	WEEK #2	WEEK #3	WEEK #4	WEEK #5	WEEK #6	WEEK #7	WEEK #8	WEEK #9	WEEK #10	WEEK #11	WEEK #12	WEEK #13
AK 1	DE 1	TN 1	MN 1	IN 1	IN 1	WY 1	MS 1	WA 1	IN 1	OH 1	NC 1	WA 1
VA 1	NY 1	AZ 1	MA 1	CO 1	CO 1	GA 1	NH 1	NH 1	SC 1	ME 1	AZ 1	ME 1
MD 1	MO 1	CAN 1	VA 1	MO 1	KS 1	DE 1	KY 1	CAN 1	ID 1	NV 1	FL 1	TN 1
MS 1	NE 1	WV 1	NY 1	KS 1	WV 1	HI 1	KS 1	NV 1	WI 1	FL 1	WA 2	MN 1
NM 1	NV 1	IN 1	IN 1	WV 1	MS 1	NV 1	NV 1	MO 1	CO 1	RI 1	MD 3	MD 1
MO 1	IN 1	MA 1	WI 1	MS 1	MO 1	MS 1	MO 1	ME 1	UT 1	WA 1	NH 3	AZ 1
NV 3	VA 1	MA 1	LA 1	VA 1	CAN 1	CAN 1	VA 1	MO 1	CO 1	CO 2	CT 2	NV 1
PA 2	VA 1	HI 1	VA 1	VA 1	SC 1	MA 1	IN 1	WI 1	WI 1	MD 2	MI 3	MA 2
LA 3	PA 1	SC 1	SC 2	CAN 1	AL 2	AL 1	CAN 2	HI 1	FL 2	DE 2	WI 2	UT 2
CA 3	TN 2	KY 2	NJ 2	TX 3	TX 3	TN 2	WA 2	TN 2	MD 2	CAN 2	MN 3	PA 6
IL 3	WI 2	LA 2	MO 2	AL 2	NJ 2	NC 2	TX 2	ME 2	ME 2	WI 2	RI 4	MI 6
AL 3	HI 2	WI 2	UT 3	MA 2	NY 2	IN 3	LA 2	SC 2	NV 3	VA 4	CA 5	FL 7
TX 4	AZ 2	UT 3	TN 2	NJ 2	NH 2	VA 3	NH 2	AL 2	TX 3	MI 4	PA 7	VA 8
UT 6	KS 2	AL 3	KY 3	WI 4	MA 2	MO 3	MI 2	NC 3	NC 3	MN 5	MA 15	CA 9
AZ 6	AL 3	NJ 3	TX 3	TN 2	TN 3	TX 3	FL 3	FL 3	MN 3	NH 5	VA 12	NJ 18
OH 7	TX 4	VA 3	NC 5	GA 3	GA 3	WI 3	WI 4	MD 3	CT 3	NC 6	NJ 14	NY 39
TN 8	MI 5	CO 3	CAN 4	TN 3	OH 6	GA 3	OH 4	CT 3	MI 4	CT 6	NY 26	
CO 9	UT 6	MD 6	FL 5	CA 4	NC 4	FL 3	MA 4	TX 4	NH 4	CA 9		
GA 13	NC 7	DE 4	MD 6	VA 4	CA 4	OH 5	IL 7	VA 6	MI 5	MA 9		
FL 28	CA 6	NC 5	AL 6	MI 6	WI 4	NJ 6	NY 8	NY 8	VA 5	PA 10		
	CO 6	TX 5	CA 7	NC 4	NY 5	MI 6	MN 8	IL 7	IL 7	NJ 14		
	OH 7	OH 8	OH 8	MD 8	VA 5	NY 6	CA 10	NY 8	PA 9	PA 9		
	FL 13	MI 6	MI 11	FL 8	LA 7	LA 7	PA 10	PA 10	PA 10	NY 13		
	GA 13	FL 9	MI 14	OH 6	MI 6	MD 9	NC 10	MA 11	NY 13	NY 13		
	IL 13	IL 12	IL 14	PA 7	FL 6	CA 9	IL 9	NJ 12	CA 14	CA 14		
		GA 12	IL 15	PA 7	NY 7	CA 11	CA 11	NJ 12				
			LA 7	MD 8	IL 15	PA 11		CA 13				

Source: Cooperstown Dreams Park Website

With potentially more than 145,000 room nights generated per season, and limited hotels in the area, demand for accommodations is strong during this period. All ball players stay on-site with their team at the park's baseball village. Families find accommodations on their own. Rates are higher close to the tournament park. Many locals rent their properties one week at a time, and several housing brokers exist in the market. We recognize that the 13-week season makes the entire year for the local accommodations. Our analysis assumes the subject is a major attraction, which will help the area extend the market's season beyond what the Cooperstown Dreams Park generates.

The second baseball tournament park known as Cooperstown All-Star Village in Oneonta, NY, hosts approximately 446 teams per year. This figure equates to 8,000 tournament players. Including their families, this equates to approximately 35,000 to 40,000 additional visitors. These visitors generate approximately 7,000 to 8,000 additional room nights in the Oneonta market during the summer tournament season.

The National Baseball Hall of Fame generates approximately 244,000 visitors on average annually. This figure does not include the one-week bump in attendance during Hall of Fame Inductions, which have generated an additional 10,000 to 50,000 visitors, depending upon the individual players inducted.

We note that there is duplicity among visitation at the attractions. It is reasonable to assume that guests of Cooperstown Dreams Park and Cooperstown All Star Village will also visit the Hall of Fame during their stay. Therefore, the total number of visitors to the area during the summer is less than the aggregate visitation of all three attractions combined.

Using a fair market share and penetration analysis, we estimated the subject's ability to capture future market area demand. Fair market share is the percentage of rooms that a property contributes to the total supply of guestrooms in the defined competitive market area. Penetration rate is 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 penetration rates below 100%

reflect competitive weaknesses. The following section discusses each individual demand segment.

In determining the subject’s penetration rates, we also analyzed the projected occupancy levels of each of the properties in the competitive set, which allows us to compare the subject’s performance in context with its competitive set.

**Commercial Demand Penetration:** Due to the projected leisure focus of the subject property, we forecast no penetration in the commercial segment.

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

<b>Projected Penetration Rates</b>		
<b>Group Segment</b>		
<b>Competitors</b>	<b>2014</b>	
Hotel Name	Occ rooms	Penetration Rate
Six Flags Great Escape Lodge & Waterpark		44%
Holiday Inn Express & Suites Cooperstown		136%
Best Western Plus Cooperstown Inn & Suites		128%
The Otesaga Resort Hotel		329%
Skytop Lodge		182%
Great Wolf Lodge Niagara Falls		57%
Mohonk Mountain House		165%
Hope Lake Lodge		109%
Great Wolf Lodge Poconos		29%
<b>Projected Subject</b>		
2018	15,941	85%
2019	17,159	90%
2020	18,417	95%
2021	18,417	95%
2022	18,417	95%
2023	18,417	95%
2024	18,417	95%

Source: Hotel & Leisure Advisors

We recommend the subject offer approximately 20,000 square feet of meeting space. We project a penetration rate below fair share in the group segment due to the property’s location in a more rural location, and its leisure focus.

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

<b>Projected Penetration Rates</b>		
<b>Leisure Segment</b>		
<b>Competitors</b>	<b>2014</b>	
Hotel Name	Occ rooms	Penetration Rate
Six Flags Great Escape Lodge & Waterpark		104%
Holiday Inn Express & Suites Cooperstown		36%
Best Western Plus Cooperstown Inn & Suites		34%
The Otesaga Resort Hotel		55%
Skytop Lodge		59%
Great Wolf Lodge Niagara Falls		135%
Mohonk Mountain House		81%
Hope Lake Lodge		67%
Great Wolf Lodge Poconos		143%
<b>Projected Subject</b>		
2018	75,880	108%
2019	79,661	112%
2020	82,361	114%
2021	82,361	114%
2022	82,361	114%
2023	82,361	114%
2024	82,361	114%
Source: Hotel & Leisure Advisors		

With its large indoor waterpark and additional attractions and amenities, the subject will have a important competitive advantage over the non-waterpark properties. Additionally, the subject will offer the largest indoor waterpark in Upstate New York. Leisure travelers will enjoy the subject’s market position within Cooperstown and benefit from the other year-round attractions including the National Baseball Hall of Fame, Brewery Ommegang, Fenimore Art Museum, and the Farmer’s Museum.

Our penetration rate considers that the subject will create an attraction that will have a strong interest level from families and throughout the region. The subject will also attract families coming to the Cooperstown Dreams Park for its annual baseball tournaments. Based on these factors, we anticipate the subject will penetrate this segment above fair share in the first year of operation and beyond.

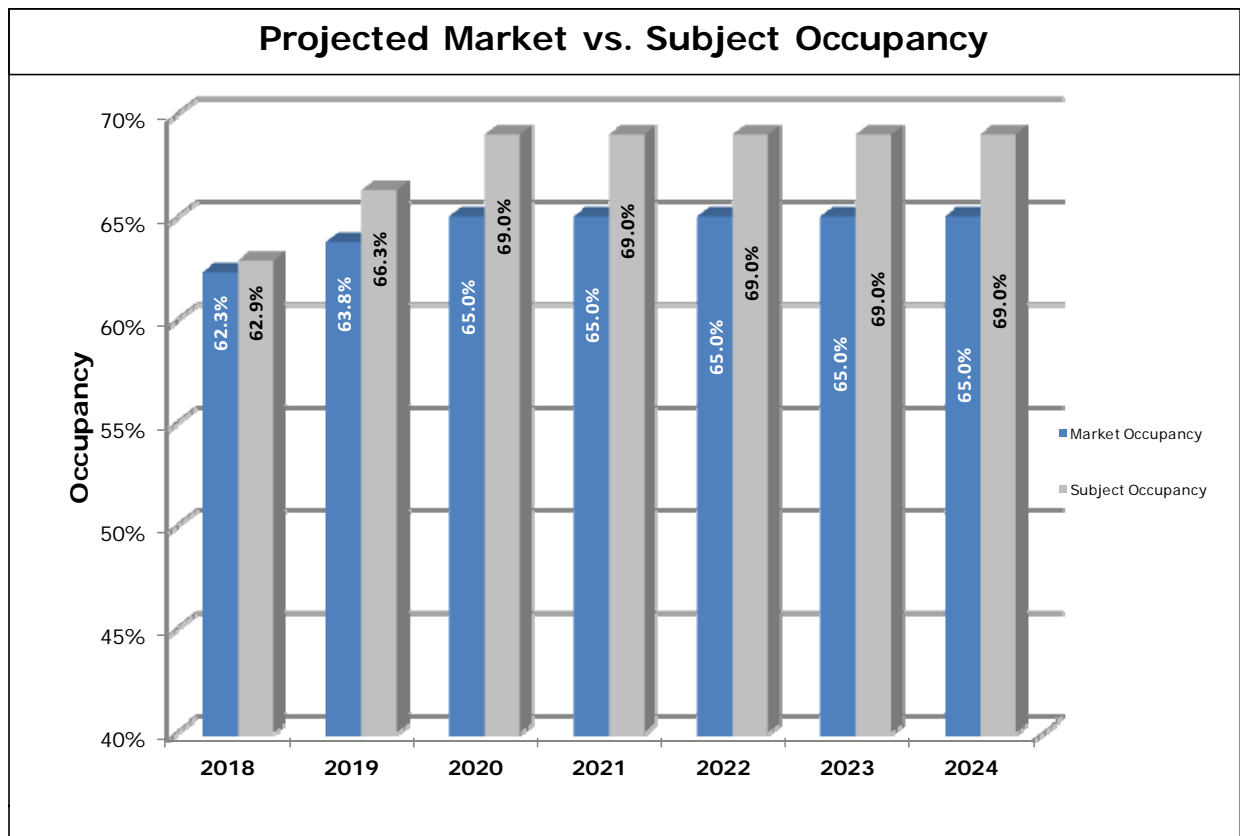
The following table presents the estimated demand penetration rates and occupancy for the subject indoor waterpark resort for the projection period.

**Proposed Indoor Waterpark Resort – Cooperstown, NY**  
**Subject Occupancy and Average Daily Rate Analysis**

**D-6**

Subject Property Name:		Proposed Indoor Waterpark Resort-Cooperstown						
<b>Room Nights by Segment</b>		2018	2019	2020	2021	2022	2023	2024
Group		15,941	17,159	18,417	18,417	18,417	18,417	18,417
Leisure		75,880	79,661	82,361	82,361	82,361	82,361	82,361
	<b>TOTAL</b>	91,821	96,820	100,778	100,778	100,778	100,778	100,778
<b>Percent of Total Room Nights by Segment</b>								
Group		17.4%	17.7%	18.3%	18.3%	18.3%	18.3%	18.3%
Leisure		82.6%	82.3%	81.7%	81.7%	81.7%	81.7%	81.7%
	<b>TOTAL</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Subject Available Rooms per Day</b>		400	400	400	400	400	400	400
<b>Subject Available Rooms per Year</b>		146,000	146,000	146,000	146,000	146,000	146,000	146,000
<b>Subject Property Projections</b>								
Subject Occupancy		62.9%	66.3%	69.0%	69.0%	69.0%	69.0%	69.0%
Market Share		15.0%	15.4%	15.8%	15.8%	15.8%	15.8%	15.8%
Fair Share		14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%
Penetration		100.9%	103.9%	106.1%	106.1%	106.1%	106.1%	106.1%
<b>Market Occupancy</b>		62.3%	63.8%	65.0%	65.0%	65.0%	65.0%	65.0%

Source: Hotel & Leisure Advisors

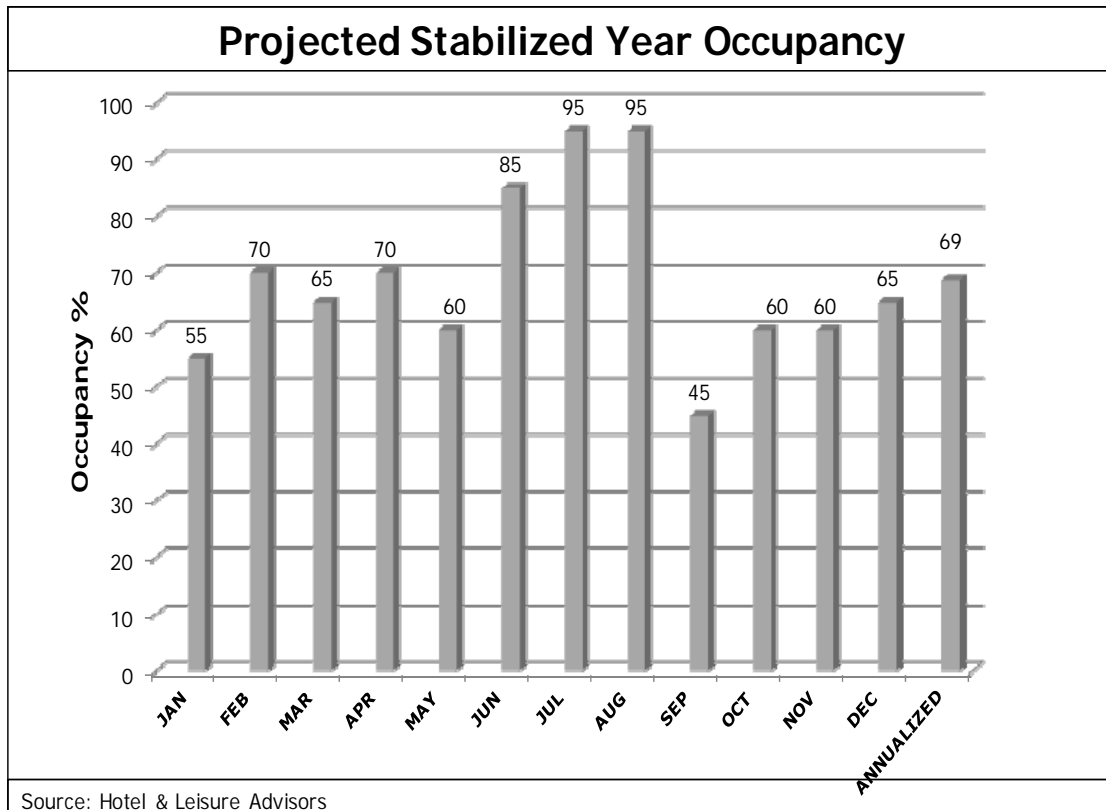


In a stabilized year of operation, we project the subject to achieve an occupancy level of 69.0%, which results in an overall penetration rate of 106.1%. The subject should outperform the market due to its many attractions. We project the market segmentation for the subject hotel to be predominantly leisure with lesser amounts of group. The stabilized occupancy reflects 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 chart indicates our projections of occupancy by month in a stabilized year of operation. The Cooperstown market is seasonal. We project higher occupancy levels in the summer during the baseball tournament season.



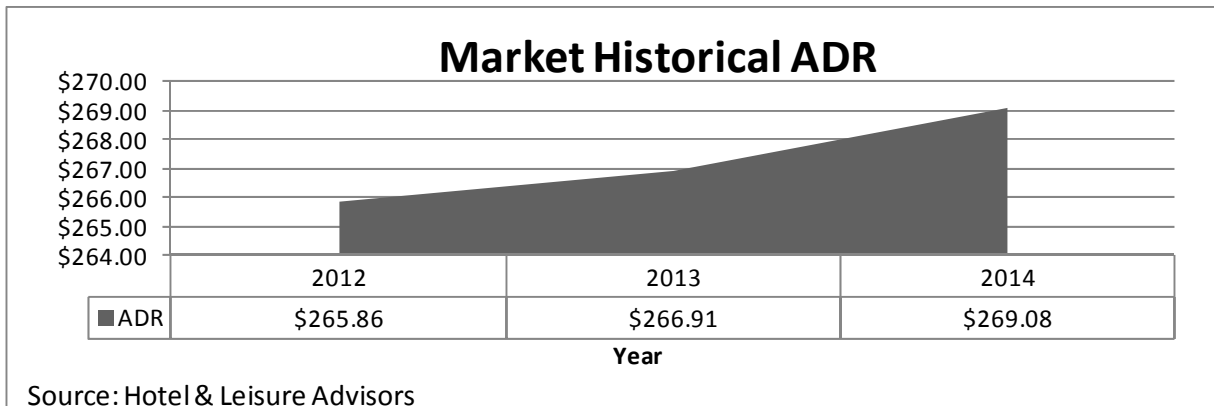
### ESTIMATED AVERAGE DAILY RATE

The estimates of future ADR for the subject hotel are based on the following factors:

- Historical ADRs achieved by the competitors
- The discounting practices of these hotels
- The projected demand segmentation of the subject
- The acknowledgement that some comparable resorts (such as Great Wolf Lodge) charge a resort fee and include the added revenue in their ADR performance. In the case of the subject, the ADR projection excludes the resort fee, which we included under Rentals and Other Income.

- Waterpark usage is included in the ADR
- The appropriate rate positioning of similarly-operated properties relative to other hotels
- Estimated economic inflation rate of 2.5% per year

We analyzed the historical ADR for the competitive set and individual competitors within the market. Between 2012 and 2014, the ADR among the competitive supply increased by a compounded annual rate of 0.6% to \$269.08 in 2014. The following chart illustrates the historical ADR performance for the competitive supply.



The competitive supply has a wide range in ADRs as shown in the following table.

Competitive Hotels Average Daily Rate Analysis		
Property		2014 Estimated Performance
1	Six Flags Great Escape Lodge & Waterpark	\$225-\$275
2	Holiday Inn Express & Suites Cooperstown	\$125-\$175
3	Best Western Plus Cooperstown Inn & Suites	\$100-\$150
4	The Otesaga Resort Hotel	\$250-\$300
5	Skytop Lodge	\$200-\$250
6	Great Wolf Lodge Niagara Falls	\$250-\$300
7	Mohonk Mountain House	\$250-\$300
8	Hope Lake Lodge	\$125-\$175
9	Great Wolf Lodge Poconos	\$350-\$400
<b>Weighted Average</b>		<b>\$269.08</b>

Source: Hotel & Leisure Advisors

**Rack Rates:** We recommend that the subject promote rack rates including usage of the indoor waterpark. We recommend that the subject offer some rooms on weekdays at lower rates for groups, while most leisure-oriented rates will be higher. Including the waterpark passes with all room rates will help plan and manage the waterpark, including knowing how many day/evening passes can be sold.

We project higher rack rates, particularly on weekends and during the high season, which we consider as weekends year round, weekdays during school breaks, and the summer. We project that the subject will offer lower rates during slower business periods.

We recommended rack rates considering the newly constructed condition, location, and competitive rate structuring at regional indoor waterpark resorts. We recommend the subject offer published room rates in 2018 dollars for the proposed subject resort between \$199 and \$699.

We project that groups will receive rates below the rack rates, which will generally include usage of the waterpark (although it may be one waterpark pass per room versus the standard four passes). Group rooms may pay extra for additional waterpark passes.

**Analysis of Subject Average Daily Rate**

We analyzed the ADR by market segment. The following table illustrates occupancy and ADRs by market segment in first-year dollars, including indoor waterpark admission.

<b>Segmentation Analysis</b>		
<b>Proposed Indoor Waterpark Resort-Cooperstown</b>		
<b>Including Waterpark Admission</b>		
<b>Group</b>		First Year <u>2018</u>
	<b>% Total Rooms</b>	17.4%
	<b>Average Daily Rate</b>	\$150
	<b>Room Nights</b>	15,941
	<b>Total Revenue</b>	\$2,391,178
<b>Leisure</b>		
	<b>% Total Rooms</b>	82.6%
	<b>Average Daily Rate</b>	\$310
	<b>Room Nights</b>	75,880
	<b>Total Revenue</b>	\$23,522,776
<b>Annual Combined</b>		
	<b>Occupancy</b>	62.9%
	<b>Total Room Nights</b>	91,821
	<b>Total Rooms Revenue</b>	\$25,913,955
	<b>Average Daily Rate</b>	\$282
	<b>RevPAR</b>	\$177.5
Note: totals may not add or multiply due to rounding		
Source: Hotel & Leisure Advisors		

We project the subject will offer discounts in the group segment to attract travelers during non-summer weekdays when families are not available to utilize the subject. The leisure segment should achieve the highest rate since it includes the summer, school holidays, and weekends year-round.

After discounting and promotions, the suggested rate structure should enable the hotel to achieve an estimated ADR of \$282 in 2018 dollars. Guests will receive a value of \$160

within the room rate for usage of the waterpark (\$40 per wristband). This will allow guests to use the waterpark on the day they arrive and the day they check out. A small number of guests, mostly in the group segment, will have traditional room rates that exclude waterpark admission. We increased the ADR projection at levels above inflation in the first two years to account for grand opening specials. Future projections increase at the rate of inflation of 2.5% throughout the remainder of the projection period.

The following table shows the projected occupancy and ADR for the market and the subject for calendar 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
2012	63.7%	\$265.86	-	\$169.31	-						
2013	65.2%	\$266.91	0.4%	\$173.91	2.7%						
2014	65.8%	\$269.08	0.8%	\$177.03	1.8%						
2015	64.6%	\$275.00	2.2%	\$177.64	0.3%						
2016	64.6%	\$281.88	2.5%	\$182.06	2.5%						
2017	66.3%	\$288.92	2.5%	\$191.60	5.2%						
2018	62.3%	\$296.14	2.5%	\$184.56	-3.7%	62.9%	\$282.00	-	95%	\$177.35	-
2019	63.8%	\$303.55	2.5%	\$193.67	4.9%	66.3%	\$296.10	5.0%	98%	\$196.36	10.7%
2020	65.0%	\$311.14	2.5%	\$202.37	4.5%	69.0%	\$307.94	4.0%	99%	\$212.56	8.3%
2021	65.0%	\$318.92	2.5%	\$207.43	2.5%	69.0%	\$315.64	2.5%	99%	\$217.87	2.5%
2022	65.0%	\$326.89	2.5%	\$212.62	2.5%	69.0%	\$323.53	2.5%	99%	\$223.32	2.5%

Source: Hotel & Leisure Advisors

## INDOOR WATERPARK ANALYSIS

Although the subject indoor waterpark will focus on hotel guests as visitors, we project that it will also be open to the public during the 13-week summer tournament season as well as for birthday parties and groups particularly on weekdays. Additional capacity for the resort will be increased during this period by the opening of the three-acre outdoor waterpark facility. During non-summer periods, after the outdoor waterpark is closed for the season, we recommend that on most weekends the subject not allow day visitors to encourage overnight stays. In this section, we estimate the number of waterpark attendees from hotel guests, summertime day-pass users, and area residents.

To estimate the average ticket prices for hotel guests and non-hotel guests, we analyzed historical ticket prices achieved on a per square foot basis at the comparable facilities. We took into account the average rates achieved by the comparables and projected the appropriate rate positioning for the subject.

The following indicates our projected overall average ticket price for the subject.

<b>Projected Average Ticket Price Analysis First Year (2018 Dollars)</b>		
<b>Relevant comparables:</b>	Rack Rate	Discounted
Kalahari-Sandusky, OH	\$55.00	\$35.00
Splashtown Beach Waterpark - Fishkill, NY (outdoor waterpark)	\$35.00	\$28.00
Splash Away Bay - Middlebury , CT (outdoor waterprk)	\$27.99	\$23.99
Jay Peak Pumphouse Waterpark, Jay Peak, VT	\$39.00	\$29.00
Splash Lagoon Indoor Waterpark - Erie, PA	\$39.95	\$29.95
Great Wolf Lodge - Scotrun, PA	\$40.00	\$40.00
Kalahari - Pocono Manor, PA	\$39.00	\$29.00
Camelback Indoor Waterpark Resort - Tannersville, PA	\$39.99	\$24.99
Average indoor waterpark price per square foot	\$0.0005	\$0.0004
Price per square foot range	\$.0001 - \$.0010	\$.0001 - \$.0007
<b>Projected overall average ticket price:</b>		
Proposed indoor waterpark square feet	80,000	
Projected price per square foot	\$0.0005	
Projected average daily ticket price	\$40.00	
Projected discounted ticket price	\$30.00	
Projected percentage of discounted tickets	70%	
Projected overall average ticket price	\$33.00	

Source: Hotel & Leisure Advisors

Guests paying for the use of the waterpark as part of their room rate will account for the majority of the waterpark patrons. We recommend the subject offer its highest waterpark admission rates (day pass) on weekends when there is limited excess capacity. We also recommend that the subject charge its highest waterpark day pass rates when schools are not in session (on all holidays and peak summer weekdays). We recommend the following ticket price structure, in 2018 dollars, for the proposed indoor waterpark.

<b>PROJECTED TICKET PRICES PROPOSED INDOOR WATERPARK</b>		
	<b>Weekdays</b>	<b>Weekends/Holidays</b>
Day Pass Rates	\$30 - 40	\$40 - 50

Source: Hotel & Leisure Advisors

The preceding rate structure represents the projected published rates for the proposed indoor waterpark in a stabilized market. We project the subject will have a range of ticket prices depending on the day of week. We project the subject will apply discounting to the listed rates during slower periods and for groups. Thus, after considering applicable discounting as well as other promotional rates, the above structure should enable the subject to achieve an estimated stabilized average ticket price of \$40.00.

We project the subject will offer room rates inclusive of waterpark admission the day of arrival and day of departure. The room rates will include four to six wristbands (admission tickets) per room. We recommend the subject greatly limit day pass availability to encourage people to stay overnight at the subject hotel during the non-summer months.

We increased the average ticket price at the rate of inflation of 2.5% throughout the projection period.

**Projected Subject Waterpark Performance**

Based on interviews with comparable indoor waterparks, 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 its facility, we estimated future demand of the subject waterpark by resort and non-resort guests.

**Hotel Demand:** We estimated the projected demand for use of the indoor waterpark through overnight hotel packages. The following table presents our projections for occupancy and the number of room night occupants who purchase waterpark packages in the first year of our analysis.

<b>Subject Hotel Packages Projected Demand First Year (2018 Dollars)</b>	
Available rooms per day	400
Available rooms per year	146,000
Projected occupancy	62.9%
Projected occupied rooms	91,821
% group demand	17%
Projected group occupied rooms	15,941
% utilize waterpark	70.0%
(a) Waterpark package occupied rooms	11,159
% leisure demand	83%
Projected leisure occupied rooms	75,880
% utilize waterpark	100.0%
(b) Waterpark package occupied rooms	75,880
(c) Total Waterpark package occupied rooms	87,039
Average guests per room	4.5
Projected visitors	391,674
Source: Hotel & Leisure Advisors	

We project approximately 11,159 of the group-occupied rooms and 75,880 of the leisure-occupied rooms will pay room rates that include waterpark admission. We project a minority of group room rates will exclude usage of the waterpark because these will be primarily on weekdays for corporate-oriented groups. We project a higher percentage of leisure-occupied rooms utilizing the waterpark because these people are at the resort to enjoy the amenities offered and will spend the additional money to enjoy the waterpark.

We project the average guestroom to have approximately 4.5 guests per room, which equals 391,674 4.5visitors.

**Summertime Day Passes:** With the opening of the three-acre outdoor waterpark during the summer baseball tournament season, we project that the subject will have enough capacity for additional visitors to utilize the waterparks. The following is our forecast of visitation from non-hotel guests utilizing the waterparks through purchasing day passes.

<b>Summertime Day Pass Projected Demand First Year (2018 Dollars)</b>	
	Estimated Day Visitors
Cooperstown Dreams Park	110,000
Cooperstown All-Star Park	35,500
Hall of Fame (non-tournament-related summer visitation)	28,000
Total Summertime Visitation	173,500
Usage Percentage	15.0%
Number of Day Pass Visitors from Attractions	26,025
Local Residents (3% of youth under 20 with .5 chaperones)	40,000
Visits per Person	1
Additional Waterpark Visitors	66,025
Waterpark admission average	\$33.00
Projected revenue (rounded)	\$2,178,825
 Additional Waterpark Visitors Per Day in Summer	 825
Source: Hotel & Leisure Advisors	

We forecast the number of summer day pass related visits attributed to the Cooperstown Dreams Park, Cooperstown All-Star Park, and the National Baseball Hall of Fame to be approximately 173,500. Utilizing a 15% capture rate this equates to 26,025. To this figure we add our estimate of local summertime resident demand of 40,000. Applying a 1.0 visit per season metric, we forecast additional waterpark visitors due to summertime demand to be 66,025, generating a total of \$2,178,825 in revenue.

**Birthday Party and Group Day Passes:** We project that the subject will have enough capacity for groups and birthday parties to utilize the waterpark on weekdays and some slower weekends. The property will need to enact capacity controls to prevent overcrowding. We recommend that day passes be sold primarily to local residents in groups (such as birthday parties, scout troops, etc.). The following table indicates our estimates.

<b>Groups and Birthday Parties - Non-Summer Months</b>	
<b>Projected Demand</b>	
<b>First Year (2018 Dollars)</b>	
60-Mile Radius residents (2015)	1,183,748
Number of youth under 20	910,596
Usage percentage	1.0%
Number of users under 20	9,106
Chaperones at .5 per user	4,553
Number of users	13,659
Visits per year	1
Waterpark visitors	13,659
Waterpark admission average	\$33.00
Projected revenue (rounded)	\$451,000
Source: Hotel & Leisure Advisors	

We forecast 1,183,748 of residents under age 20 who live within a 60-mile radius of the facility will utilize the indoor waterpark through a day pass. Including adult chaperones, this equals approximately 1.0% local waterpark visitors to use the property via day passes (including visitors attending parties or group events). We forecast strong demand for birthday parties and other children-oriented functions in the birthday party area of the waterpark. The potential for this segment is higher; however, the purpose of the waterpark is to encourage guests to stay overnight.

**Cabanas and Lockers:** We project the property will provide approximately 750 lockers for guests to store personal belongings while utilizing the waterparks. We recommend that guests of the property be permitted to utilize the indoor waterpark the day of arrival and the day of departure. Many of these guests will arrive prior to the availability of their guest room and will wish to utilize the waterpark after checking out. These individuals will secure belongings in the lockers while utilizing the waterpark. Additionally, day pass guests will also make use of these lockers during the summer season. We have projected a total of 70,000 locker rentals per year for the resort.

A number of guests will like the opportunity to enjoy a private seating area while in the indoor waterpark and will pay a premium for the privilege. The individual cabana provides a guest with the opportunity to have guaranteed seating and location to store their belongings while in the waterpark. We projected approximately 2,900 cabana rentals per year. The following table indicates our estimates.

<b>Cabanas and Locker Rentals Projected Revenues First Year (2018 Dollars)</b>	
Number of cabanas (indoor)	15
Number of cabanas (outdoor)	15
Rental rate per day	\$125
Number of rentals per year	2,900
Revenue	\$362,500
Number of lockers	750
Rental rate per day	\$8
Number of rentals per year	70,000
Revenue	\$560,000
Total	\$922,500

Source: Hotel & Leisure Advisors

We project the combined cabana and locker rental will generate \$922,500 in a stabilized year of operation.

The following table presents the estimated demand by segment and total revenue for the subject indoor waterpark for the projection period. Based upon the size of the indoor waterpark at 80,000 square feet, we project the indoor waterpark will have a maximum capacity of 2,000 people with a combined indoor and outdoor summer capacity of 4,000.

We estimate that in the first year, local residents will achieve higher projected stabilized demand because the subject will have a strong novelty factor. We reduced this in the second year and utilized the stabilized year projections in the third year and beyond. For the summertime day pass attendance, we've increased the initial attendance by an inflationary rate to bring the day pass attendance to stabilization in the third year and beyond.

<b>Projected Attendance and Indoor Waterpark Revenue</b>					
<b>Proposed Indoor Waterpark Resort-Cooperstown</b>					
<b>80,000 square feet</b>					
Calendar Years					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>Proposed Indoor Waterpark Resort-Cooperstown</u></b>					
Subject property occupied rooms	91,821	96,820	100,778	100,778	100,778
Waterpark package occupied rooms	87,039	91,777	95,529	95,529	95,529
Segment property attendance	391,674	412,998	429,879	429,879	429,879
<b><u>Summertime Day Pass</u></b>					
Projected Day Pass Attendees	66,025	67,676	69,368	69,368	69,368
Waterpark admission per room	\$33.00	\$33.83	\$34.67	\$35.54	\$36.43
Projected revenue	\$2,178,825	\$2,289,128	\$2,405,015	\$2,465,140	\$2,526,769
<b><u>Groups and Birthday Parties - Non-Summer Months</u></b>					
Group Attendees	13,659	13,300	13,633	13,633	13,633
Waterpark admission average	\$33.00	\$33.83	\$34.67	\$35.54	\$36.43
Projected revenue	\$450,745	\$449,886	\$472,661	\$484,478	\$496,590
<b><u>Total</u></b>					
Subject property attendance	471,358	493,974	512,880	512,880	512,880
Available Capacity (2,000/day-winter/4,000/day-summer/Annual Avg. 2,500)	912,500	912,500	912,500	912,500	912,500
Usage percentage	<b>52%</b>	<b>54%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>
Total ticket revenue (rounded)	\$2,630,000	\$2,739,000	\$2,878,000	\$2,950,000	\$3,023,000
<b><u>Cabanas and Locker Rentals Revenue</u></b>	\$923,000	\$946,000	\$970,000	\$994,000	\$1,019,000
<b><u>Total Revenue</u></b>	\$3,553,000	\$3,685,000	\$3,848,000	\$3,944,000	\$4,042,000
<b><u>Statistical information</u></b>					
Projected attendance per indoor square foot	5.9	6.2	6.4	6.4	6.4
Source: Hotel & Leisure Advisors					

The stabilized year projected attendance per square foot of 6.4 is higher than our estimate of the average attendance per square foot of 5.4 for eight comparable indoor waterparks as shown in the following table.

<b>Annual Attendance at Indoor Waterpark Resorts</b>		
Resort	Estimated Annual Attendance	Attendance/SF
A	1,000,000	5.8
B	700,000	5.6
C	296,000	5.4
D	414,000	5.3
E	280,000	4.3
F	67,000	6.7
G	196,000	4.4
H	125,000	5.5
Average		5.4
Source: Hotel & Leisure Advisors		

Our estimate is higher on a per square foot basis because of the additional capacity achieved during the summer months with the outdoor waterpark operation. The indoor waterpark size will represent one of the largest indoor waterparks among those profiled

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

- The subject hotel and waterpark will be professionally managed and maintained
- The subject hotel and waterpark will be effectively promoted with a well-targeted marketing program throughout the analysis period
- The subject hotel and waterpark will actively promote the waterpark and sell packages
- A continued program of periodic replacement of FF&E will continue throughout the analysis period

## **INTRODUCTION**

To estimate the statement of annual operating results of the subject property, we analyzed the subject's proposed project scope and characteristics. We 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 and 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, 10<sup>th</sup> 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 *TRENDS in the Hotel Industry 2015*, published by PKF Consulting, for New England and mid-Atlantic resorts. For comparable one, we compiled a grouping of 44 indoor waterpark destination resorts in the United States that we have analyzed over the past four years. This grouping has an average of 337 rooms and an average net indoor waterpark area of 49,628 square feet. Comparable two represents the average of 26 indoor waterpark resorts in the U.S. with indoor waterparks of at least 35,000 square feet. These 26 properties have an average of 427 rooms and an average net indoor waterpark area of 70,904 square feet. Comparable Three represents the average of six U.S. indoor waterpark resorts with the highest profit margin. These properties have an average of 588 rooms and an average net indoor waterpark area of 97,500 square feet. We note that the financial statements are confidential, and we are not allowed to release the individual statements.

The following statements present operating results and industry standards of comparable properties. We note that the industry standards do not have indoor waterparks.

Proposed Indoor Waterpark Resort-Cooperstown																
Comparable Financial Statements and Industry Standards																
Comparable One				Comparable Two				Comparable Three				PKF TRENDS - Resorts				
Avg. of 44 Indoor Waterpark Resorts (IWPR)				Avg. of 26 IWPR > 35,000 Sq. Ft. Waterpark				6 IWPRs Highest Profit Margin				2015 New England and Mid-Atlantic				
Number of Rooms	337			427			588			271						
Occupancy	57.3%			63.2%			70.6%			59.3%						
Average Rate	\$ 184.12			\$ 211.70			\$ 252.32			\$ 240.16						
Days Open	365			365			365			365						
Rooms Occupied	70,428			98,556			151,393			58,657						
Annualized Rooms	122,869			156,023			214,498			98,915						
Revenues	\$	Percent	\$/Avail Rm	\$/Occ Rm	\$	Percent	\$/Avail Rm	\$/Occ Rm	\$	Percent	\$/Avail Rm	\$/Occ Rm	\$	Percent	\$/Avail Rm	\$/Occ Rm
Rooms	\$ 12,967,020	60.4%	\$ 38,520	\$ 184.12	\$ 20,864,571	62.6%	\$ 48,811	\$ 211.70	\$ 38,200,282	64.9%	\$ 65,003	\$ 252.32	\$ 14,087,122	50.8%	\$ 51,982	\$ 240.16
Food and Beverage	\$ 4,337,748	20.2%	\$ 12,886	\$ 61.59	\$ 6,640,242	19.9%	\$ 15,534	\$ 67.38	\$ 11,386,361	19.4%	\$ 19,376	\$ 75.21	\$ 9,385,814	33.9%	\$ 34,634	\$ 160.01
Other Operated Departments	\$ 622,042	2.9%	\$ 1,848	\$ 8.83	\$ 877,286	2.6%	\$ 2,052	\$ 8.90	\$ 1,878,016	3.2%	\$ 3,196	\$ 12.40	\$ 3,661,752	13.2%	\$ 13,512	\$ 62.43
Rentals and Other Income	\$ 407,293	1.9%	\$ 1,210	\$ 5.78	\$ 810,371	2.4%	\$ 1,896	\$ 8.22	\$ 1,831,206	3.1%	\$ 3,116	\$ 12.10	\$ 591,322	2.1%	\$ 2,182	\$ 10.08
Spa (net)	\$ 178,634	0.8%	\$ 531	\$ 2.54	\$ 168,719	0.5%	\$ 395	\$ 1.71	\$ 274,061	0.5%	\$ 466	\$ 1.81	\$ -	0.0%	\$ -	\$ -
Retail	\$ 879,959	4.1%	\$ 2,614	\$ 12.49	\$ 1,374,692	4.1%	\$ 3,216	\$ 13.95	\$ 2,523,608	4.3%	\$ 4,294	\$ 16.67	\$ -	0.0%	\$ -	\$ -
FEC	\$ 815,278	3.8%	\$ 2,422	\$ 11.58	\$ 1,160,129	3.5%	\$ 2,714	\$ 11.77	\$ 1,802,225	3.1%	\$ 3,067	\$ 11.90	\$ -	0.0%	\$ -	\$ -
Indoor Waterpark	\$ 1,266,496	5.9%	\$ 3,762	\$ 17.98	\$ 1,424,466	4.3%	\$ 3,332	\$ 14.45	\$ 929,466	1.6%	\$ 1,582	\$ 6.14	\$ -	0.0%	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 21,474,469</b>	<b>100.0%</b>	<b>\$ 63,793</b>	<b>\$ 304.91</b>	<b>\$ 33,320,477</b>	<b>100.0%</b>	<b>\$ 77,950</b>	<b>\$ 338.09</b>	<b>\$ 58,825,223</b>	<b>100.0%</b>	<b>\$ 100,100</b>	<b>\$ 388.56</b>	<b>\$ 27,726,010</b>	<b>100.0%</b>	<b>\$ 102,310</b>	<b>\$ 472.68</b>
<b>Departmental Expenses</b>																
Rooms	\$ 2,514,954	19.4%	\$ 7,471	\$ 35.71	\$ 3,801,786	18.2%	\$ 8,894	\$ 38.58	\$ 6,372,901	16.7%	\$ 10,844	\$ 42.09	\$ 3,722,456	26.4%	\$ 13,736	\$ 63.46
Food & Beverage	\$ 3,178,584	73.3%	\$ 9,442	\$ 45.13	\$ 4,616,775	69.5%	\$ 10,800	\$ 46.84	\$ 7,464,992	65.6%	\$ 12,703	\$ 49.31	\$ 6,674,459	71.1%	\$ 24,629	\$ 113.79
Other Operated Departments	\$ 362,319	58.2%	\$ 1,076	\$ 5.14	\$ 371,111	42.3%	\$ 868	\$ 3.77	\$ 661,171	35.2%	\$ 1,125	\$ 4.37	\$ 2,822,465	77.1%	\$ 10,415	\$ 48.12
Retail	\$ 600,559	68.2%	\$ 1,784	\$ 8.53	\$ 897,743	65.3%	\$ 2,100	\$ 9.11	\$ 1,777,091	70.4%	\$ 3,024	\$ 11.74	\$ -	0.0%	\$ -	\$ -
FEC	\$ 296,803	36.4%	\$ 882	\$ 4.21	\$ 348,467	30.0%	\$ 815	\$ 3.54	\$ 516,010	28.6%	\$ 878	\$ 3.41	\$ -	0.0%	\$ -	\$ -
Indoor Waterpark	\$ 1,290,061	101.9%	\$ 3,832	\$ 18.32	\$ 1,890,431	132.7%	\$ 4,422	\$ 19.18	\$ 2,365,223	254.5%	\$ 4,025	\$ 15.62	\$ -	0.0%	\$ -	\$ -
<b>Total Dept. Expenses</b>	<b>\$ 8,243,280</b>	<b>38.4%</b>	<b>\$ 24,488</b>	<b>\$ 117.05</b>	<b>\$ 11,926,312</b>	<b>35.8%</b>	<b>\$ 27,900</b>	<b>\$ 121.01</b>	<b>\$ 19,157,388</b>	<b>32.6%</b>	<b>\$ 32,599</b>	<b>\$ 126.54</b>	<b>\$ 13,219,380</b>	<b>47.7%</b>	<b>\$ 48,780</b>	<b>\$ 225.37</b>
<b>Departmental Income</b>	<b>\$ 13,231,189</b>	<b>61.6%</b>	<b>\$ 39,305</b>	<b>\$ 187.87</b>	<b>\$ 21,394,164</b>	<b>64.2%</b>	<b>\$ 50,050</b>	<b>\$ 217.08</b>	<b>\$ 39,667,835</b>	<b>67.4%</b>	<b>\$ 67,501</b>	<b>\$ 262.02</b>	<b>\$ 14,506,630</b>	<b>52.3%</b>	<b>\$ 53,530</b>	<b>\$ 247.31</b>
<b>Undistributed Operating Expenses</b>																
Administrative & General	\$ 1,810,017	8.4%	\$ 5,377	\$ 25.70	\$ 2,496,466	7.5%	\$ 5,840	\$ 25.33	\$ 3,787,196	6.4%	\$ 6,444	\$ 25.02	\$ 2,452,279	8.8%	\$ 9,049	\$ 41.81
Management Fees	\$ 607,025	2.8%	\$ 1,803	\$ 8.62	\$ 1,141,814	3.4%	\$ 2,671	\$ 11.59	\$ 1,959,534	3.3%	\$ 3,334	\$ 12.94	\$ 997,822	3.6%	\$ 3,682	\$ 17.01
Marketing	\$ 1,831,112	8.5%	\$ 5,440	\$ 26.00	\$ 2,606,266	7.8%	\$ 6,097	\$ 26.44	\$ 3,781,359	6.4%	\$ 6,435	\$ 24.98	\$ 2,018,408	7.3%	\$ 7,448	\$ 34.41
Prop. Oper. & Maintenance	\$ 1,001,346	4.7%	\$ 2,975	\$ 14.22	\$ 1,358,349	4.1%	\$ 3,178	\$ 13.78	\$ 2,260,055	3.8%	\$ 3,846	\$ 14.93	\$ 1,344,431	4.8%	\$ 4,961	\$ 22.92
Energy Costs	\$ 1,237,722	5.8%	\$ 3,677	\$ 17.57	\$ 1,627,502	4.9%	\$ 3,807	\$ 16.51	\$ 2,410,304	4.1%	\$ 4,101	\$ 15.92	\$ 1,150,395	4.1%	\$ 4,245	\$ 19.61
<b>Total Und. Oper. Expenses</b>	<b>\$ 6,487,223</b>	<b>30.2%</b>	<b>\$ 19,271</b>	<b>\$ 92.11</b>	<b>\$ 9,230,396</b>	<b>27.7%</b>	<b>\$ 21,594</b>	<b>\$ 93.66</b>	<b>\$ 14,198,447</b>	<b>24.1%</b>	<b>\$ 24,161</b>	<b>\$ 93.79</b>	<b>\$ 7,963,335</b>	<b>28.7%</b>	<b>\$ 29,385</b>	<b>\$ 135.76</b>
<b>Income Before Fixed Charges</b>	<b>\$ 6,743,966</b>	<b>31.4%</b>	<b>\$ 20,034</b>	<b>\$ 95.76</b>	<b>\$ 12,163,768</b>	<b>36.5%</b>	<b>\$ 28,456</b>	<b>\$ 123.42</b>	<b>\$ 25,469,388</b>	<b>43.3%</b>	<b>\$ 43,340</b>	<b>\$ 168.23</b>	<b>\$ 6,543,295</b>	<b>23.6%</b>	<b>\$ 24,145</b>	<b>\$ 111.55</b>
<b>Fixed Charges</b>																
Property Tax	\$ 616,484	2.9%	\$ 1,831	\$ 8.75	\$ 849,807	2.6%	\$ 1,988	\$ 8.62	\$ 1,653,777	2.8%	\$ 2,814	\$ 10.92	\$ 337,124	1.2%	\$ 1,244	\$ 5.75
Insurance	\$ 298,960	1.4%	\$ 888	\$ 4.24	\$ 421,423	1.3%	\$ 986	\$ 4.28	\$ 780,098	1.3%	\$ 1,327	\$ 5.15	\$ 277,233	1.0%	\$ 1,023	\$ 4.73
Reserve for Replacement	\$ 1,006,775	4.7%	\$ 2,991	\$ 14.30	\$ 589,507	1.8%	\$ 1,379	\$ 5.98	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -
<b>Total Fixed Charges</b>	<b>\$ 1,922,220</b>	<b>9.0%</b>	<b>\$ 5,710</b>	<b>\$ 27.29</b>	<b>\$ 1,860,737</b>	<b>5.6%</b>	<b>\$ 4,353</b>	<b>\$ 18.88</b>	<b>\$ 2,433,875</b>	<b>4.1%</b>	<b>\$ 4,142</b>	<b>\$ 16.08</b>	<b>\$ 614,357</b>	<b>2.2%</b>	<b>\$ 2,267</b>	<b>\$ 10.47</b>
<b>Net Income</b>	<b>\$ 4,821,746</b>	<b>22.5%</b>	<b>\$ 14,324</b>	<b>\$ 68.46</b>	<b>\$ 10,303,030</b>	<b>30.9%</b>	<b>\$ 24,103</b>	<b>\$ 104.54</b>	<b>\$ 23,035,513</b>	<b>39.2%</b>	<b>\$ 39,198</b>	<b>\$ 152.16</b>	<b>\$ 5,928,938</b>	<b>21.4%</b>	<b>\$ 21,878</b>	<b>\$ 101.08</b>

Source: Hotel & Leisure Advisors

**Fixed and Variable Component Analysis**

In forecasting revenues and expenses for a lodging facility, we 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.

<b>Range of Fixed and Variable Ratios</b>				
	<u>Typical Percent Fixed</u>	<u>Typical Percent Variable</u>	<u>Selected % Fixed</u>	<u>Index of Variability</u>
<b>Revenues</b>				
Rooms	40% – 60%	40% – 60%	Market Analysis	Occupancy
Food & Beverage	30% – 50%	50% – 70%	40.0%	Occupancy
Other Operated Departments	30% – 60%	40% – 70%	45.0%	Occupancy
<b>Departmental Expenses</b>				
Rooms	40% – 60%	40% – 60%	45.0%	Occupancy
Food & Beverage	40% – 60%	40% – 60%	45.0%	Occupancy
Other Operated Departments	40% – 60%	40% – 60%	50.0%	Occupancy
<b>Undistributed Operating Expenses</b>				
Administrative & General	40% – 60%	40% – 60%	45.0%	Total Revenue
Management Fee	0%	100%	0.0%	Total Revenue
Marketing	40% – 60%	40% – 60%	50.0%	Total Revenue
Franchise Fees	0%	100%	0.0%	Total Revenue
Property Operation & Maintenance	40% – 60%	40% – 60%	50.0%	Total Revenue
Energy Costs	40% – 60%	40% – 60%	50.0%	Total Revenue
<b>Fixed Charges</b>				
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**

The following items outline the revenues and expenses calculations.

**Rooms Revenue:** We calculated rooms department revenue by estimating annual occupancy and ADR 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 ADR for the subject property.

<b>Proposed Indoor Waterpark Resort-Cooperstown Projected Rooms Revenue</b>						
	Base Year	Base +1	Base +2	Base +3	Base +4	Base +5
Year	2018	2019	2020	2021	2022	2023
# Rooms	400	400	400	400	400	400
Occupancy	62.9%	66.3%	69.0%	69.0%	69.0%	69.0%
Average Rate	\$282.00	\$296.10	\$307.94	\$315.64	\$323.53	\$331.62
RevPAR	\$177.35	\$196.36	\$212.56	\$217.87	\$223.32	\$228.90
Rooms Occupied	91,821	96,820	100,778	100,778	100,778	100,778
Rooms Revenue	\$25,893,522	\$28,668,402	\$31,033,980	\$31,809,830	\$32,605,076	\$33,420,203
Source: Hotel & Leisure Advisors						

**Food and Beverage Revenue:** Food and beverage (F&B) revenue is from the sale of F&B at the subject's various eateries and bars. Our estimates assume the subject will have a themed casual dining restaurant and bar, a family-friendly restaurant with built-in buffet, a coffee shop, a waterpark snack bar, a bar overlooking the FlowRider area, a confectionery/ice cream shop, outdoor concessions, and miscellaneous food income – including public room rental. We also project F&B revenue related to the meeting/event space and birthday party rooms. The following table outlines our analysis of the subject's F&B department revenues.

<b>FOOD AND BEVERAGE REVENUE</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$4,337,748	20.2%	\$12,886	\$61.59
Comp. 2	\$6,640,242	19.9%	\$15,534	\$67.38
Comp. 3	\$11,386,361	19.4%	\$19,376	\$75.21
PKF Trends	\$9,385,814	33.9%	\$34,634	\$160.01
Average	\$7,937,541	23.3%	\$20,607	\$91.05
<b>H&amp;LA 1st Yr. Proj.</b>	<b>\$7,900,000</b>	<b>17.8%</b>	<b>\$19,750</b>	<b>\$86.04</b>
<b>H&amp;LA Stabilized Proj. Year 3</b>	<b>\$8,786,000</b>	<b>17.1%</b>	<b>\$21,965</b>	<b>\$87.18</b>
Source: Hotel & Leisure Advisors				

We project first-year food and beverage revenues of \$86.04 per occupied room or \$7,900,000 in total dollars.

**Other Operated Departments Revenue:** This revenue line item consists of revenues from other operated departments that include telephone, kids' club activities, MagiQuest-type interactive game, outdoor adventure park, tubing hill, and other departments. The following table outlines our analysis of the subject's other operated department revenues.

<b>OTHER OPERATED DEPARTMENTS REVENUE</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$622,042	2.9%	\$1,848	\$8.83
Comp. 2	\$877,286	2.6%	\$2,052	\$8.90
Comp. 3	\$1,878,016	3.2%	\$3,196	\$12.40
PKF Trends	\$3,661,752	13.2%	\$13,512	\$62.43
Average	\$1,759,774	5.5%	\$5,152	\$23.14
<b>H&amp;LA 1st Yr. Proj.</b>	\$1,300,000	2.9%	\$3,250	\$14.16
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$1,439,000	2.8%	\$3,598	\$14.28

Source: Hotel & Leisure Advisors

We forecast first-year other operated departments revenues of \$14.16 per occupied room or \$1,300,000 in total dollars. We note that PKF Trends industry standards include all other operated departments at those properties – such as retail stores, spa, golf, and parking, etc.

**Rentals and Other Income:** This line item includes all net income associated with vending machines, sponsorship income, laundry, movie rental, rentals, resort fee, taxes, and any other miscellaneous income generated by the hotel. The proposed resort should charge a resort fee, which we accounted for within this line item. The comparables do not reflect a resort fee.

<b>RENTALS AND OTHER INCOME</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$407,293	1.9%	\$1,210	\$5.78
Comp. 2	\$810,371	2.4%	\$1,896	\$8.22
Comp. 3	\$1,831,206	3.1%	\$3,116	\$12.10
PKF Trends	\$591,322	2.1%	\$2,182	\$10.08
Average	\$910,048	2.4%	\$2,101	\$9.05
<b>H&amp;LA 1st Yr. Proj.</b>	\$1,300,000	2.9%	\$3,250	\$14.16
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$1,446,000	2.8%	\$3,615	\$14.35

Source: Hotel & Leisure Advisors

Our forecast includes a resort fee of \$15 per occupied room, which we assume 80% of occupied rooms will pay, since this fee is typically waived for groups. The resort fee equals \$1,101,853 in the first year of the forecast. We forecast rentals and other income of \$1,300,000, which represents 2.9% of total revenue in the first year of the analysis.

**Spa (net):** This line item includes all income (net) associated with the operations of the approximately 4,000 square foot spa. The subject will earn revenue from offering a variety of spa services including manicures and pedicures, massages, body scrubs and wraps, and facials. The spa will also generate revenue through the sale of spa-related products and merchandise. The following table outlines our analysis of the subject’s net spa income.

<b>SPA (NET)</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$178,634	0.8%	\$531	\$2.54
Comp. 2	\$168,719	0.5%	\$395	\$1.71
Comp. 3	\$274,061	0.5%	\$466	\$1.81
PKF Trends				
Average	\$207,138	0.6%	\$464	\$2.02
<b>H&amp;LA 1st Yr. Proj.</b>	\$195,000	0.4%	\$488	\$2.12
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$217,000	0.4%	\$543	\$2.15

Source: Hotel & Leisure Advisors

We estimate net spa income to be \$195,000, which represents 0.4% of total revenue, in the first year of our analysis.

**Retail Department:** We recommend and have assumed that the subject property will contain approximately 6,000 square feet of onsite retail space in two or more areas throughout the property. Retail revenue will occur from the subject selling various items including T-shirts, swimsuits, goggles, sunscreen, sundries, knick knacks, souvenirs, and other items. We recommend the subject sells items related to the waterpark resort's theme. The following table outlines our analysis of the subject's retail department revenue.

<b>RETAIL</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$879,959	4.1%	\$2,614	\$12.49
Comp. 2	\$1,374,692	4.1%	\$3,216	\$13.95
Comp. 3	\$2,523,608	4.3%	\$4,294	\$16.67
PKF Trends				
Average	\$1,592,753	4.2%	\$3,375	\$14.37
<b>H&amp;LA 1st Yr. Proj.</b>	\$1,920,000	4.3%	\$4,800	\$20.91
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$2,155,000	4.2%	\$5,388	\$21.38

Source: Hotel & Leisure Advisors

Retail revenues at other resorts we analyzed ranged from \$194 to \$706 per square foot of retail space in 2013. These 10 resorts had an overall average of \$462 per square foot and an overall average of 4,663 square feet. We also analyzed the sales per square foot of 10 publicly traded retail companies and REITs, including companies such as Simon Property Group, the Gap, and Bed Bath & Beyond. These companies had sales ranging from \$186 to \$568 per square foot, averaging \$386. The wide range reflects the type of goods sold, pricing model, and square footage of the retail brands. We forecast first-year retail revenue of \$1,920,000 which equals \$320 per square foot of retail space.

**FEC Department:** We project the indoor FEC to have approximately 20,000 square feet and be positioned adjacent to the indoor waterpark facility. Other properties we analyzed achieved gross arcade revenue ranging between \$50 per square foot to \$225 per square foot of FEC space. We assume the subject will lease the arcade equipment with an outside operator at a 50%/50% split. The following table outlines our analysis of the subject's arcade department revenue.

<b>FEC</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$815,278	3.8%	\$2,422	\$11.58
Comp. 2	\$1,160,129	3.5%	\$2,714	\$11.77
Comp. 3	\$1,802,225	3.1%	\$3,067	\$11.90
PKF Trends				
Average	\$1,259,211	3.4%	\$2,734	\$11.75
<b>H&amp;LA 1st Yr. Proj.</b>	<b>\$2,200,000</b>	<b>5.0%</b>	<b>\$5,500</b>	<b>\$23.96</b>
<b>H&amp;LA Stabilized Proj. Year 3</b>	<b>\$2,469,000</b>	<b>4.8%</b>	<b>\$6,173</b>	<b>\$24.50</b>

Source: Hotel & Leisure Advisors

The comparables indicate lower FEC revenue than our forecast partly because some of the comparables' statements reported net arcade expense versus the gross expense that we show. The industry standards do not have separate FEC departments. We forecast FEC revenue of \$2,200,000 in the first year, which equals \$110 per square foot of FEC space.

**Waterpark Revenue:** We estimated revenues for the indoor waterpark including hotel guest and non-hotel guest sales. We project the subject will have strong interest from hotel guests, high summertime day pass visitation, and will also host numerous birthday parties and events. We estimate the indoor waterpark to contain approximately 80,000 square feet and the outdoor waterpark to be roughly three acres. The following indicates our projections for the indoor waterpark as shown previously.

<b>Projected Attendance and Indoor Waterpark Revenue Proposed Indoor Waterpark Resort-Cooperstown 80,000 square feet</b>					
	Calendar Years				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>Proposed Indoor Waterpark Resort-Cooperstown</u></b>					
Subject property occupied rooms	91,821	96,820	100,778	100,778	100,778
Waterpark package occupied rooms	87,039	91,777	95,529	95,529	95,529
Segment property attendance	391,674	412,998	429,879	429,879	429,879
<b><u>Summertime Day Pass</u></b>					
Projected Day Pass Attendees	66,025	67,676	69,368	69,368	69,368
Waterpark admission per room	\$33.00	\$33.83	\$34.67	\$35.54	\$36.43
Projected revenue	\$2,178,825	\$2,289,128	\$2,405,015	\$2,465,140	\$2,526,769
<b><u>Groups and Birthday Parties - Non-Summer Months</u></b>					
Group Attendees	13,659	13,300	13,633	13,633	13,633
Waterpark admission average	\$33.00	\$33.83	\$34.67	\$35.54	\$36.43
Projected revenue	\$450,745	\$449,886	\$472,661	\$484,478	\$496,590
<b><u>Total</u></b>					
Subject property attendance	471,358	493,974	512,880	512,880	512,880
Available Capacity (2,000/day-winter/4,000/day-summer/Annual Avg. 2,500)	912,500	912,500	912,500	912,500	912,500
Usage percentage	<b>52%</b>	<b>54%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>
Total ticket revenue (rounded)	\$2,630,000	\$2,739,000	\$2,878,000	\$2,950,000	\$3,023,000
<b><u>Cabanas and Locker Rentals Revenue</u></b>					
	\$923,000	\$946,000	\$970,000	\$994,000	\$1,019,000
<b><u>Total Revenue</u></b>					
	\$3,553,000	\$3,685,000	\$3,848,000	\$3,944,000	\$4,042,000
<b><u>Statistical information</u></b>					
Projected attendance per indoor square foot	5.9	6.2	6.4	6.4	6.4
Source: Hotel & Leisure Advisors					

<b>INDOOR WATERPARK</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$1,266,496	5.9%	\$3,762	\$17.98
Comp. 2	\$1,424,466	4.3%	\$3,332	\$14.45
Comp. 3	\$929,466	1.6%	\$1,582	\$6.14
PKF Trends				
Average	\$1,206,810	3.9%	\$2,892	\$12.86
<b>H&amp;LA 1st Yr. Proj.</b>	<b>\$3,553,000</b>	<b>8.0%</b>	<b>\$8,883</b>	<b>\$38.69</b>
<b>H&amp;LA Stabilized Proj. Year 3</b>	<b>\$3,848,000</b>	<b>7.5%</b>	<b>\$9,620</b>	<b>\$38.18</b>
Source: Hotel & Leisure Advisors				

**Total Revenue:** Our projections indicate total revenue in the first year of \$482.05 per occupied room. This compares to statistics from the Great Wolf Resorts properties. The chain achieved total revenue per occupied room of \$302.81 in 2012 for the Wisconsin Dells, Sandusky, Traverse City, and Kansas City properties; and \$430.33 for the Williamsburg, Poconos, Niagara Falls, Mason, Grapevine, Grand Mound, and Concord properties. If one were to inflate the 2012 figures for the Great Wolf Lodge properties at 2.5% each year until 2018, the result would be \$351.17 for Generation I and \$499.05 for the Generation II properties. Our estimate is between the two sets of properties considering the subject will sell day passes to an outdoor waterpark.

**Departmental Expenses**

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

**Rooms Expenses:** Rooms department expenses are incurred as a result of the operation of the rooms department. They include items such 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 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 considered that 45.0% 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 ADR. The following table outlines our analysis of the subject’s room department expenses.

<b>ROOMS EXPENSE</b>				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$2,514,954	19.4%	\$7,471	\$35.71
Comp. 2	\$3,801,786	18.2%	\$8,894	\$38.58
Comp. 3	\$6,372,901	16.7%	\$10,844	\$42.09
PKF Trends	\$3,722,456	26.4%	\$13,736	\$63.46
Average	\$4,103,024	20.2%	\$10,236	\$44.96
<b>H&amp;LA 1st Yr. Proj.</b>	\$4,661,000	18.0%	\$11,653	\$50.76
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$5,159,000	16.6%	\$12,898	\$51.19

Source: Hotel & Leisure Advisors

The indoor waterpark resort properties indicate a range of rooms expense ratios from 18.2% to 19.4%, which is substantially lower than typical hotels, since the room rate includes the indoor waterpark admission component. We forecast the property to have rooms expenses of 18.0% of rooms revenue in the first year of the projection.

**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. The following table outlines our analysis of the subject’s food and beverage department expenses.

<b>FOOD &amp; BEVERAGE EXPENSE</b>				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$3,178,584	73.3%	\$9,442	\$45.13
Comp. 2	\$4,616,775	69.5%	\$10,800	\$46.84
Comp. 3	\$7,464,992	65.6%	\$12,703	\$49.31
PKF Trends	\$6,674,459	71.1%	\$24,629	\$113.79
Average	\$5,483,703	69.9%	\$14,394	\$63.77
<b>H&amp;LA 1st Yr. Proj.</b>	\$5,530,000	70.0%	\$13,825	\$60.23
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$6,122,000	69.7%	\$15,305	\$60.75

Source: Hotel & Leisure Advisors

We estimate the food and beverage expense ratio of 70.0% of combined food and beverage revenue in the first year.

**Other Operated Departments Expenses:** These expenses reflect the cost of providing telephone, Wi-Fi, MagiQuest-type game, and the outdoor adventure park. Additionally, the department includes salaries, wages, benefits, and cost of goods for all Kids Club activities at the resort. The following table outlines our analysis of the subject's other operated department expenses.

<b>OTHER OPERATED DEPARTMENTS EXPENSE</b>				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$362,319	58.2%	\$1,076	\$5.14
Comp. 2	\$371,111	42.3%	\$868	\$3.77
Comp. 3	\$661,171	35.2%	\$1,125	\$4.37
PKF Trends	\$2,822,465	77.1%	\$10,415	\$48.12
Average	\$1,054,266	53.2%	\$3,371	\$15.35
<b>H&amp;LA 1st Yr. Proj.</b>	\$780,000	60.0%	\$1,950	\$8.49
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$859,000	59.7%	\$2,148	\$8.52

Source: Hotel & Leisure Advisors

We project other operated departments expenses to equal 60.0% of departmental revenue in the first year of the projection.

**Retail Expenses:** These expenses include payroll and related benefits, cost of merchandise, and related operating expenses. The following table outlines our analysis of the subject's retail department expenses.

<b>RETAIL</b>				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$600,559	68.2%	\$1,784	\$8.53
Comp. 2	\$897,743	65.3%	\$2,100	\$9.11
Comp. 3	\$1,777,091	70.4%	\$3,024	\$11.74
PKF Trends				
Average	\$1,091,797	68.0%	\$2,303	\$9.79
<b>H&amp;LA 1st Yr. Proj.</b>	\$1,248,000	65.0%	\$3,120	\$13.59
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$1,388,000	64.4%	\$3,470	\$13.77

Source: Hotel & Leisure Advisors

The industry standards do not have a separate department for retail expenses. The comparable indoor waterpark destination resort properties with retail outlets have expense ratios of between 50% and 70% of retail revenue. We forecast retail expenses as a percentage of departmental revenue of 65.0%.

**FEC Expenses:** The expenses for the FEC assume that the subject property will lease all machines on a revenue split with an arcade operator who will continually update the forecasted 100+ machines. We forecast the revenue split to be approximately 40% to the arcade operator with the remaining 10% for supplies. The resort will provide staffing and supplies for other FEC activities (bowling, electric go-karts, etc.). The following table outlines our analysis of the subject's FEC department expenses.

<b>FEC</b>				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$296,803	36.4%	\$882	\$4.21
Comp. 2	\$348,467	30.0%	\$815	\$3.54
Comp. 3	\$516,010	28.6%	\$878	\$3.41
PKF Trends				
Average	\$387,093	31.7%	\$858	\$3.72
<b>H&amp;LA 1st Yr. Proj.</b>	\$1,100,000	50.0%	\$2,750	\$11.98
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$1,223,000	49.5%	\$3,058	\$12.14

Source: Hotel & Leisure Advisors

The industry standards do not have a separate department for arcade expenses. Arcade operations at other indoor waterparks we reviewed have expense ratios ranging from 40% to 60% of arcade revenue. We project FEC expenses of 50.0% of arcade revenue in the first year of the analysis.

**Waterpark Expenses:** We projected the expenses related to the waterpark specifically concerning payroll and supplies. The expenses exclude the cost of utilities and maintenance, which are shown under those respective categories. We analyzed the projected expenses for the indoor waterpark as shown in the following table.

<b>Projected Waterpark Expenses</b>				
<b>Proposed Indoor Waterpark Resort-Cooperstown</b>				
Position	Number of FTE Positions	Salary	Benefit %	Total
Management	2	\$50,000	45%	\$145,000
Lifeguards	67	\$24,000	25%	\$2,010,000
Housekeeping	3	\$22,000	25%	\$82,500
Total/Average Payroll	72	\$24,639	26%	\$2,237,500
Add Other Waterpark Expenses				\$175,000
<b>Total</b>				<b>\$2,412,500</b>
Source: Hotel & Leisure Advisors				

The table includes the number of full-time equivalent employees we project the indoor waterpark will require. In reality, the actual number will be substantially higher because many employees will be part-time. The following table indicates the averages of the other indoor waterpark destination resorts and our projection.

<b>INDOOR WATERPARK</b>				
	Amount	% of Dept. Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$1,290,061	101.9%	\$3,832	\$18.32
Comp. 2	\$1,890,431	132.7%	\$4,422	\$19.18
Comp. 3	\$2,365,223	254.5%	\$4,025	\$15.62
PKF Trends				
Average	\$1,848,572	163.0%	\$4,093	\$17.71
<b>H&amp;LA 1st Yr. Proj.</b>	<b>\$2,413,000</b>	<b>67.9%</b>	<b>\$6,033</b>	<b>\$26.28</b>
<b>H&amp;LA Stabilized Proj. Year 3</b>	<b>\$2,602,000</b>	<b>67.6%</b>	<b>\$6,505</b>	<b>\$25.82</b>
Source: Hotel & Leisure Advisors				

Our projections are similar to the averages of other indoor waterpark destination resorts that are similar in size. The comparable properties include the indoor waterpark guestroom premium within the room rate and room revenue.

### **Undistributed Operating Expenses**

Undistributed operating expenses are costs borne by the entire operation and are 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, stationary, 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.

<b>ADMINISTRATIVE &amp; GENERAL</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$1,810,017	8.4%	\$5,377	\$25.70
Comp. 2	\$2,496,466	7.5%	\$5,840	\$25.33
Comp. 3	\$3,787,196	6.4%	\$6,444	\$25.02
PKF Trends	\$2,452,279	8.8%	\$9,049	\$41.81
Average	\$2,636,489	7.8%	\$6,678	\$29.46
<b>H&amp;LA 1st Yr. Proj.</b>	\$3,080,000	7.0%	\$7,700	\$33.54
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$3,410,000	6.6%	\$8,525	\$33.84

Source: Hotel & Leisure Advisors

We estimate this expense to be \$7,700 per available room or 7.0% of total revenue in the first year of the projection.

**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.

<b>MANAGEMENT FEE</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$607,025	2.8%	\$1,803	\$8.62
Comp. 2	\$1,141,814	3.4%	\$2,671	\$11.59
Comp. 3	\$1,959,534	3.3%	\$3,334	\$12.94
PKF Trends	\$997,822	3.6%	\$3,682	\$17.01
Average	\$1,176,549	3.3%	\$2,873	\$12.54
<b>H&amp;LA 1st Yr. Proj.</b>	\$1,328,000	3.0%	\$3,320	\$14.46
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$1,542,000	3.0%	\$3,855	\$15.30

Source: Hotel & Leisure Advisors

We estimate this expense to be 3.0% of total revenue throughout the analysis period based upon current industry standards.

**Marketing Expenses:** These expenses include items related to advertising and promotion required to obtain and retain customers of 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, directories, direct mail campaign, Internet, various search engines, mobile devices, billboards, and miscellaneous sales and marketing expenses. This department also includes reservation fees, and other

marketing expenses. The following table outlines our analysis of the subject’s marketing expenses.

<b>MARKETING</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$1,831,112	8.5%	\$5,440	\$26.00
Comp. 2	\$2,606,266	7.8%	\$6,097	\$26.44
Comp. 3	\$3,781,359	6.4%	\$6,435	\$24.98
PKF Trends	\$2,018,408	7.3%	\$7,448	\$34.41
Average	\$2,559,286	7.5%	\$6,355	\$27.96
<b>H&amp;LA 1st Yr. Proj.</b>	<b>\$3,480,000</b>	<b>7.9%</b>	<b>\$8,700</b>	<b>\$37.90</b>
<b>H&amp;LA Stabilized Proj. Year 3</b>	<b>\$3,834,000</b>	<b>7.5%</b>	<b>\$9,585</b>	<b>\$38.04</b>

Source: Hotel & Leisure Advisors

We project a relatively high amount of marketing expense, which will be required to generate the level of revenues shown in this report. Our projection assumes the subject will not have a separate franchise fee. The resort with waterpark will require extensive social media, television, radio, billboard, and direct-mail advertising to attract visitors. Our first-year projections indicate a marketing expense of \$8,700 per available room, or \$3,480,000.

Our first-year marketing expense does not include preopening marketing, which we assume would be included within the development budget.

**Property Operation and Maintenance Expenses:** These expenses include payroll and related benefits and expenses associated with periodic preventive maintenance and repairs to the physical structure and mechanical equipment. Examples include supplies, outside contractors, painting and decorating, carpentry, garbage removal, and uniforms. A majority of these expenses are fixed because they are required to maintain the building. The following table outlines our analysis of the subject’s maintenance expenses, which includes those related to the waterpark.

<b>PROPERTY OPERATIONS AND MAINTENANCE</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$1,001,346	4.7%	\$2,975	\$14.22
Comp. 2	\$1,358,349	4.1%	\$3,178	\$13.78
Comp. 3	\$2,260,055	3.8%	\$3,846	\$14.93
PKF Trends	\$1,344,431	4.8%	\$4,961	\$22.92
Average	\$1,491,045	4.4%	\$3,740	\$16.46
<b>H&amp;LA 1st Yr. Proj.</b>	<b>\$1,840,000</b>	<b>4.2%</b>	<b>\$4,600</b>	<b>\$20.04</b>
<b>H&amp;LA Stabilized Proj. Year 3</b>	<b>\$2,027,000</b>	<b>3.9%</b>	<b>\$5,068</b>	<b>\$20.11</b>

Source: Hotel & Leisure Advisors

We estimate this expense at \$4,600 per available room in the first year of operation, which equals 4.2% of total revenue.

**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 lit and climate-controlled regardless of occupancy. The following table outlines our analysis of the subject's energy expenses.

<b>ENERGY</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$1,237,722	5.8%	\$3,677	\$17.57
Comp. 2	\$1,627,502	4.9%	\$3,807	\$16.51
Comp. 3	\$2,410,304	4.1%	\$4,101	\$15.92
PKF Trends	\$1,150,395	4.1%	\$4,245	\$19.61
Average	\$1,606,481	4.7%	\$3,958	\$17.41
<b>H&amp;LA 1st Yr. Proj.</b>	\$1,800,000	4.1%	\$4,500	\$19.60
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$1,983,000	3.9%	\$4,958	\$19.68

Source: Hotel & Leisure Advisors

Our estimate considers that the subject waterpark will be kept at approximately 85 degrees Fahrenheit year-round. We estimate this expense to equal \$4,500 per available room or 4.1% of total revenue in the first year of the projection. Our estimate is above the industry standards because it includes costs related to the waterpark. Our estimate does not incorporate potential energy savings that a LEED certification may provide.

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

<b>INCOME BEFORE FIXED CHARGES</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$6,743,966	31.4%	\$20,034	\$95.76
Comp. 2	\$12,163,768	36.5%	\$28,456	\$123.42
Comp. 3	\$25,469,388	43.3%	\$43,340	\$168.23
PKF Trends	\$6,543,295	23.6%	\$24,145	\$111.55
Average	\$12,730,104	33.7%	\$28,994	\$124.74
<b>H&amp;LA 1st Yr. Proj.</b>	\$17,002,000	38.4%	\$42,505	\$185.16
<b>H&amp;LA Stabilized Proj. Year 3</b>	\$21,245,000	41.3%	\$53,113	\$210.81

Source: Hotel & Leisure Advisors

**Fixed Charges**

Fixed charges 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:** These taxes are comprised of real estate and personal property taxes. Our study assumes that the subject property will pay real estate taxes to Hartwick Township and Otsego County. We estimated real estate taxes of 2.5% of total revenue since details concerning the project have not yet been finalized to establish a property assessment. We acknowledge that this calculation will change depending upon how the governmental authorities assess the development. The following table indicates our real estate tax forecast.

<b>PROPERTY TAXES</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$616,484	2.9%	\$1,831	\$8.75
Comp. 2	\$849,807	2.6%	\$1,988	\$8.62
Comp. 3	\$1,653,777	2.8%	\$2,814	\$10.92
PKF Trends	\$337,124	1.2%	\$1,244	\$5.75
Average	\$864,298	2.4%	\$1,969	\$8.51
<b>H&amp;LA 1st Yr. Proj.</b>	<b>\$2,167,000</b>	<b>4.9%</b>	<b>\$5,418</b>	<b>\$23.60</b>
<b>H&amp;LA Stabilized Proj. Year 3</b>	<b>\$2,277,000</b>	<b>4.4%</b>	<b>\$5,693</b>	<b>\$22.59</b>

Source: Hotel & Leisure Advisors

We project real estate taxes of \$2,167,000 in the first year of the analysis. Our estimate is within the range of the comparable properties as a percentage of total revenue.

**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.

<b>INSURANCE</b>				
	Amount	% of Total Rev.	\$/Avail Rm	\$/Occ Rm
<b>Comparables</b>				
Comp. 1	\$298,960	1.4%	\$888	\$4.24
Comp. 2	\$421,423	1.3%	\$986	\$4.28
Comp. 3	\$780,098	1.3%	\$1,327	\$5.15
PKF Trends	\$277,233	1.0%	\$1,023	\$4.73
Average	\$444,428	1.2%	\$1,056	\$4.60
<b>H&amp;LA 1st Yr. Proj.</b>	<b>\$440,000</b>	<b>1.0%</b>	<b>\$1,100</b>	<b>\$4.79</b>
<b>H&amp;LA Stabilized Proj. Year 3</b>	<b>\$462,000</b>	<b>0.9%</b>	<b>\$1,155</b>	<b>\$4.58</b>

Source: Hotel & Leisure Advisors

We project an expense of \$440,000 or \$1,100 per room in the first year. Our assumption incorporates the fact that the subject will have a waterpark, which requires additional liability insurance.

**Reserve for Replacement:** Furniture, fixtures, and equipment (FF&E) 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 replacement of 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 what 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 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 in keeping with industry guidelines for a hotel the subject's size and volume of operation.

**Inflation:** The assumed 2.5% per annum rate of inflation for the analysis is derived by a review of historical increase to the Consumer Price Index (CPI) and various inflation forecasts by the Federal Reserve Bank, Livingston Survey, and U.S. Congressional Budget Office. The following table presents a historical analysis of the Consumer Price Index.

U.S. Consumer Price Index		
Year	CPI	% Change
2000	172.200	-
2001	177.100	2.85%
2002	179.900	1.58%
2003	184.000	2.28%
2004	188.900	2.66%
2005	195.300	3.39%
2006	201.600	3.23%
2007	207.300	2.83%
2008	215.303	3.86%
2009	214.537	-0.36%
2010	218.056	1.64%
2011	224.939	3.16%
2012	229.594	2.07%
2013	232.957	1.46%
2014	236.736	1.62%
	<b>Average:</b>	<b>2.30%</b>

Source: US Bureau of Labor Statistics

The table shows an average growth rate of 2.30% since 2000. However, based upon our review of various economic forecasts, we project a 2.5% per annum rate of inflation is realistic. 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 2018 dollars. A 2.5% growth rate was applied to all revenue and expenses with the exception of ADR which has been increased by a higher rate in the first two years of the analysis.

#### **PROSPECTIVE FINANCIAL ANALYSIS IN INFLATED DOLLARS**

The following forecasts of income and expenses reflect the subject's anticipated performance for calendar years beginning 2018. We project 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 2.5%. 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 presented rounded figures to the nearest thousand.

<b>PROJECTED FINANCIAL PERFORMANCE</b>																
<b>PROPOSED INDOOR WATERPARK RESORT-COOPERSTOWN</b>																
	Base Year 2018				Base +1 2019				Base +2 2020				Base +3 2021			
Number of Rooms	400				400				400				400			
Occupancy	62.9%				66.3%				69.0%				69.0%			
Average Rate	\$282.00				\$296.10				\$307.94				\$315.64			
Days Open	365				365				365				365			
Rooms Occupied	91,821				96,820				100,778				100,778			
Annualized Rooms	146,000				146,000				146,000				146,000			
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	\$ 25,894	58.5%	\$ 64,735	\$ 282.00	\$ 28,668	59.7%	\$ 71,670	\$ 296.10	\$ 31,034	60.4%	\$ 77,585	\$ 307.95	\$31,810	60.4%	\$ 79,525	\$ 315.65
Food and Beverage	\$ 7,900	17.8%	\$ 19,750	\$ 86.04	\$ 8,362	17.4%	\$ 20,905	\$ 86.37	\$ 8,786	17.1%	\$ 21,965	\$ 87.18	\$ 9,005	17.1%	\$ 22,513	\$ 89.36
Other Operated Departments	\$ 1,300	2.9%	\$ 3,250	\$ 14.16	\$ 1,372	2.9%	\$ 3,430	\$ 14.17	\$ 1,439	2.8%	\$ 3,598	\$ 14.28	\$ 1,475	2.8%	\$ 3,688	\$ 14.64
Rentals and Other Income	\$ 1,300	2.9%	\$ 3,250	\$ 14.16	\$ 1,376	2.9%	\$ 3,440	\$ 14.21	\$ 1,446	2.8%	\$ 3,615	\$ 14.35	\$ 1,482	2.8%	\$ 3,705	\$ 14.71
Spa (net)	\$ 195	0.4%	\$ 488	\$ 2.12	\$ 206	0.4%	\$ 515	\$ 2.13	\$ 217	0.4%	\$ 543	\$ 2.15	\$ 222	0.4%	\$ 555	\$ 2.20
Retail	\$ 1,920	4.3%	\$ 4,800	\$ 20.91	\$ 2,043	4.3%	\$ 5,108	\$ 21.10	\$ 2,155	4.2%	\$ 5,388	\$ 21.38	\$ 2,209	4.2%	\$ 5,523	\$ 21.92
FEC	\$ 2,200	5.0%	\$ 5,500	\$ 23.96	\$ 2,341	4.9%	\$ 5,853	\$ 24.18	\$ 2,469	4.8%	\$ 6,173	\$ 24.50	\$ 2,531	4.8%	\$ 6,328	\$ 25.11
Indoor Waterpark	\$ 3,553	8.0%	\$ 8,883	\$ 38.69	\$ 3,685	7.7%	\$ 9,213	\$ 38.06	\$ 3,848	7.5%	\$ 9,620	\$ 38.18	\$ 3,944	7.5%	\$ 9,860	\$ 39.14
<b>Total Revenue</b>	<b>\$ 44,262</b>	<b>100.0%</b>	<b>\$ 110,655</b>	<b>\$ 482.05</b>	<b>\$ 48,053</b>	<b>100.0%</b>	<b>\$ 120,133</b>	<b>\$ 496.31</b>	<b>\$ 51,394</b>	<b>100.0%</b>	<b>\$ 128,485</b>	<b>\$ 509.97</b>	<b>\$52,678</b>	<b>100.0%</b>	<b>\$ 131,695</b>	<b>\$ 522.72</b>
<b>Departmental Expenses</b>																
Rooms	\$ 4,661	18.0%	\$ 11,653	\$ 50.76	\$ 4,920	17.2%	\$ 12,300	\$ 50.82	\$ 5,159	16.6%	\$ 12,898	\$ 51.19	\$ 5,288	16.6%	\$ 13,220	\$ 52.47
Food & Beverage	\$ 5,530	70.0%	\$ 13,825	\$ 60.23	\$ 5,838	69.8%	\$ 14,595	\$ 60.30	\$ 6,122	69.7%	\$ 15,305	\$ 60.75	\$ 6,275	69.7%	\$ 15,688	\$ 62.27
Other Operated Departments	\$ 780	60.0%	\$ 1,950	\$ 8.49	\$ 821	59.8%	\$ 2,053	\$ 8.48	\$ 859	59.7%	\$ 2,148	\$ 8.52	\$ 881	59.7%	\$ 2,203	\$ 8.74
Retail	\$ 1,248	65.0%	\$ 3,120	\$ 13.59	\$ 1,321	64.7%	\$ 3,303	\$ 13.64	\$ 1,388	64.4%	\$ 3,470	\$ 13.77	\$ 1,423	64.4%	\$ 3,558	\$ 14.12
FEC	\$ 1,100	50.0%	\$ 2,750	\$ 11.98	\$ 1,164	49.7%	\$ 2,910	\$ 12.02	\$ 1,223	49.5%	\$ 3,058	\$ 12.14	\$ 1,254	49.5%	\$ 3,135	\$ 12.44
Indoor Waterpark	\$ 2,413	67.9%	\$ 6,033	\$ 26.28	\$ 2,508	68.1%	\$ 6,270	\$ 25.90	\$ 2,602	67.6%	\$ 6,505	\$ 25.82	\$ 2,667	67.6%	\$ 6,668	\$ 26.46
<b>Total Dept. Expenses</b>	<b>\$ 15,732</b>	<b>35.5%</b>	<b>\$ 39,330</b>	<b>\$ 171.33</b>	<b>\$ 16,572</b>	<b>34.5%</b>	<b>\$ 41,430</b>	<b>\$ 171.16</b>	<b>\$ 17,353</b>	<b>33.8%</b>	<b>\$ 43,383</b>	<b>\$ 172.19</b>	<b>\$17,788</b>	<b>33.8%</b>	<b>\$ 44,470</b>	<b>\$ 176.51</b>
<b>Departmental Income</b>	<b>\$ 28,530</b>	<b>64.5%</b>	<b>\$ 71,325</b>	<b>\$ 310.71</b>	<b>\$ 31,481</b>	<b>65.5%</b>	<b>\$ 78,703</b>	<b>\$ 325.15</b>	<b>\$ 34,041</b>	<b>66.2%</b>	<b>\$ 85,103</b>	<b>\$ 337.78</b>	<b>\$34,890</b>	<b>66.2%</b>	<b>\$ 87,225</b>	<b>\$ 346.21</b>
<b>Undistributed Operating Expenses</b>																
Administrative & General	\$ 3,080	7.0%	\$ 7,700	\$ 33.54	\$ 3,252	6.8%	\$ 8,130	\$ 33.59	\$ 3,410	6.6%	\$ 8,525	\$ 33.84	\$ 3,495	6.6%	\$ 8,738	\$ 34.68
Management Fees	\$ 1,328	3.0%	\$ 3,320	\$ 14.46	\$ 1,442	3.0%	\$ 3,605	\$ 14.89	\$ 1,542	3.0%	\$ 3,855	\$ 15.30	\$ 1,580	3.0%	\$ 3,950	\$ 15.68
Marketing	\$ 3,480	7.9%	\$ 8,700	\$ 37.90	\$ 3,664	7.6%	\$ 9,160	\$ 37.84	\$ 3,834	7.5%	\$ 9,585	\$ 38.04	\$ 3,930	7.5%	\$ 9,825	\$ 39.00
Prop. Oper. & Maintenance	\$ 1,840	4.2%	\$ 4,600	\$ 20.04	\$ 1,937	4.0%	\$ 4,843	\$ 20.01	\$ 2,027	3.9%	\$ 5,068	\$ 20.11	\$ 2,078	3.9%	\$ 5,195	\$ 20.62
Energy Costs	\$ 1,800	4.1%	\$ 4,500	\$ 19.60	\$ 1,895	3.9%	\$ 4,738	\$ 19.57	\$ 1,983	3.9%	\$ 4,958	\$ 19.68	\$ 2,033	3.9%	\$ 5,083	\$ 20.17
<b>Total UDOEs</b>	<b>\$ 11,528</b>	<b>26.0%</b>	<b>\$ 28,820</b>	<b>\$ 125.55</b>	<b>\$ 12,190</b>	<b>25.4%</b>	<b>\$ 30,475</b>	<b>\$ 125.90</b>	<b>\$ 12,796</b>	<b>24.9%</b>	<b>\$ 31,990</b>	<b>\$ 126.97</b>	<b>\$13,116</b>	<b>24.9%</b>	<b>\$ 32,790</b>	<b>\$ 130.15</b>
<b>Income Before Fixed Charges</b>	<b>\$ 17,002</b>	<b>38.4%</b>	<b>\$ 42,505</b>	<b>\$ 185.16</b>	<b>\$ 19,291</b>	<b>40.1%</b>	<b>\$ 48,228</b>	<b>\$ 199.25</b>	<b>\$ 21,245</b>	<b>41.3%</b>	<b>\$ 53,113</b>	<b>\$ 210.81</b>	<b>\$21,774</b>	<b>41.3%</b>	<b>\$ 54,435</b>	<b>\$ 216.06</b>
<b>Fixed Charges</b>																
Property Tax	\$ 2,167	4.9%	\$ 5,418	\$ 23.60	\$ 2,221	4.6%	\$ 5,553	\$ 22.94	\$ 2,277	4.4%	\$ 5,693	\$ 22.59	\$ 2,334	4.4%	\$ 5,835	\$ 23.16
Insurance	\$ 440	1.0%	\$ 1,100	\$ 4.79	\$ 451	0.9%	\$ 1,128	\$ 4.66	\$ 462	0.9%	\$ 1,155	\$ 4.58	\$ 474	0.9%	\$ 1,185	\$ 4.70
Reserve for Replacement	\$ 885	2.0%	\$ 2,213	\$ 9.64	\$ 1,442	3.0%	\$ 3,605	\$ 14.89	\$ 2,056	4.0%	\$ 5,140	\$ 20.40	\$ 2,107	4.0%	\$ 5,268	\$ 20.91
<b>Total Fixed Charges</b>	<b>\$ 3,492</b>	<b>7.9%</b>	<b>\$ 8,730</b>	<b>\$ 38.03</b>	<b>\$ 4,114</b>	<b>8.6%</b>	<b>\$ 10,285</b>	<b>\$ 42.49</b>	<b>\$ 4,795</b>	<b>9.3%</b>	<b>\$ 11,988</b>	<b>\$ 47.58</b>	<b>\$ 4,915</b>	<b>9.3%</b>	<b>\$ 12,288</b>	<b>\$ 48.77</b>
<b>Net Income/EBIDTA</b>	<b>\$ 13,510</b>	<b>30.5%</b>	<b>\$ 33,775</b>	<b>\$ 147.13</b>	<b>\$ 15,177</b>	<b>31.6%</b>	<b>\$ 37,943</b>	<b>\$ 156.75</b>	<b>\$ 16,450</b>	<b>32.0%</b>	<b>\$ 41,125</b>	<b>\$ 163.23</b>	<b>\$16,859</b>	<b>32.0%</b>	<b>\$ 42,148</b>	<b>\$ 167.29</b>

Source: Hotel & Leisure Advisors

<b>PROJECTED FINANCIAL PERFORMANCE</b>																
<b>PROPOSED INDOOR WATERPARK RESORT-COOPERSTOWN</b>																
	Base +4				Base +5				Base +6				Base +7			
	2022				2023				2024				2025			
Number of Rooms	400				400				400				400			
Occupancy	69.0%				69.0%				69.0%				69.0%			
Average Rate	\$323.53				\$331.62				\$339.91				\$348.41			
Days Open	365				365				365				365			
Rooms Occupied	100,778				100,778				100,778				100,778			
Annualized Rooms	146,000				146,000				146,000				146,000			
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	\$ 32,605	60.4%	\$ 81,513	\$ 323.53	\$ 33,420	60.4%	\$ 83,550	\$ 331.62	\$ 34,256	60.4%	\$ 85,640	\$ 339.92	\$ 35,112	60.4%	\$ 87,780	\$ 348.41
Food and Beverage	\$ 9,230	17.1%	\$ 23,075	\$ 91.59	\$ 9,461	17.1%	\$ 23,653	\$ 93.88	\$ 9,698	17.1%	\$ 24,245	\$ 96.23	\$ 9,940	17.1%	\$ 24,850	\$ 98.63
Other Operated Departments	\$ 1,512	2.8%	\$ 3,780	\$ 15.00	\$ 1,550	2.8%	\$ 3,875	\$ 15.38	\$ 1,588	2.8%	\$ 3,970	\$ 15.76	\$ 1,628	2.8%	\$ 4,070	\$ 16.15
Rentals and Other Income	\$ 1,519	2.8%	\$ 3,798	\$ 15.07	\$ 1,557	2.8%	\$ 3,893	\$ 15.45	\$ 1,596	2.8%	\$ 3,990	\$ 15.84	\$ 1,636	2.8%	\$ 4,090	\$ 16.23
Spa (net)	\$ 228	0.4%	\$ 570	\$ 2.26	\$ 234	0.4%	\$ 585	\$ 2.32	\$ 239	0.4%	\$ 598	\$ 2.37	\$ 245	0.4%	\$ 613	\$ 2.43
Retail	\$ 2,264	4.2%	\$ 5,660	\$ 22.47	\$ 2,321	4.2%	\$ 5,803	\$ 23.03	\$ 2,379	4.2%	\$ 5,948	\$ 23.61	\$ 2,438	4.2%	\$ 6,095	\$ 24.19
FEC	\$ 2,594	4.8%	\$ 6,485	\$ 25.74	\$ 2,659	4.8%	\$ 6,648	\$ 26.38	\$ 2,726	4.8%	\$ 6,815	\$ 27.05	\$ 2,794	4.8%	\$ 6,985	\$ 27.72
Indoor Waterpark	\$ 4,042	7.5%	\$ 10,105	\$ 40.11	\$ 4,143	7.5%	\$ 10,358	\$ 41.11	\$ 4,247	7.5%	\$ 10,617	\$ 42.14	\$ 4,353	7.5%	\$ 10,882	\$ 43.19
Total Revenue	\$ 53,994	100.0%	\$ 134,985	\$ 535.77	\$ 55,345	100.0%	\$ 138,363	\$ 549.18	\$ 56,729	100.0%	\$ 141,822	\$ 562.91	\$ 58,146	100.0%	\$ 145,364	\$ 576.97
Departmental Expenses																
Rooms	\$ 5,421	16.6%	\$ 13,553	\$ 53.79	\$ 5,556	16.6%	\$ 13,890	\$ 55.13	\$ 5,695	16.6%	\$ 14,238	\$ 56.51	\$ 5,837	16.6%	\$ 14,593	\$ 57.92
Food & Beverage	\$ 6,432	69.7%	\$ 16,080	\$ 63.82	\$ 6,592	69.7%	\$ 16,480	\$ 65.41	\$ 6,757	69.7%	\$ 16,893	\$ 67.05	\$ 6,926	69.7%	\$ 17,315	\$ 68.73
Other Operated Departments	\$ 903	59.7%	\$ 2,258	\$ 8.96	\$ 926	59.7%	\$ 2,315	\$ 9.19	\$ 949	59.8%	\$ 2,373	\$ 9.42	\$ 972	59.7%	\$ 2,430	\$ 9.64
Retail	\$ 1,458	64.4%	\$ 3,645	\$ 14.47	\$ 1,495	64.4%	\$ 3,738	\$ 14.83	\$ 1,532	64.4%	\$ 3,830	\$ 15.20	\$ 1,570	64.4%	\$ 3,925	\$ 15.58
FEC	\$ 1,285	49.5%	\$ 3,213	\$ 12.75	\$ 1,317	49.5%	\$ 3,293	\$ 13.07	\$ 1,350	49.5%	\$ 3,375	\$ 13.40	\$ 1,384	49.5%	\$ 3,460	\$ 13.73
Indoor Waterpark	\$ 2,733	67.6%	\$ 6,833	\$ 27.12	\$ 2,802	67.6%	\$ 7,005	\$ 27.80	\$ 2,872	67.6%	\$ 7,180	\$ 28.50	\$ 2,943	67.6%	\$ 7,358	\$ 29.20
Total Dept. Expenses	\$ 18,232	33.8%	\$ 45,580	\$ 180.91	\$ 18,688	33.8%	\$ 46,720	\$ 185.44	\$ 19,155	33.8%	\$ 47,888	\$ 190.07	\$ 19,632	33.8%	\$ 49,080	\$ 194.81
Departmental Income	\$ 35,762	66.2%	\$ 89,405	\$ 354.86	\$ 36,657	66.2%	\$ 91,643	\$ 363.74	\$ 37,574	66.2%	\$ 93,934	\$ 372.84	\$ 38,514	66.2%	\$ 96,284	\$ 382.17
Undistributed Operating Expenses																
Administrative & General	\$ 3,582	6.6%	\$ 8,955	\$ 35.54	\$ 3,672	6.6%	\$ 9,180	\$ 36.44	\$ 3,763	6.6%	\$ 9,408	\$ 37.34	\$ 3,858	6.6%	\$ 9,645	\$ 38.28
Management Fees	\$ 1,620	3.0%	\$ 4,050	\$ 16.07	\$ 1,660	3.0%	\$ 4,150	\$ 16.47	\$ 1,702	3.0%	\$ 4,255	\$ 16.89	\$ 1,744	3.0%	\$ 4,360	\$ 17.31
Marketing	\$ 4,029	7.5%	\$ 10,073	\$ 39.98	\$ 4,129	7.5%	\$ 10,323	\$ 40.97	\$ 4,233	7.5%	\$ 10,583	\$ 42.00	\$ 4,338	7.5%	\$ 10,845	\$ 43.05
Prop. Oper. & Maintenance	\$ 2,130	3.9%	\$ 5,325	\$ 21.14	\$ 2,183	3.9%	\$ 5,458	\$ 21.66	\$ 2,238	3.9%	\$ 5,595	\$ 22.21	\$ 2,294	3.9%	\$ 5,735	\$ 22.76
Energy Costs	\$ 2,084	3.9%	\$ 5,210	\$ 20.68	\$ 2,136	3.9%	\$ 5,340	\$ 21.20	\$ 2,189	3.9%	\$ 5,473	\$ 21.72	\$ 2,244	3.9%	\$ 5,610	\$ 22.27
Total UDOEs	\$ 13,445	24.9%	\$ 33,613	\$ 133.41	\$ 13,780	24.9%	\$ 34,450	\$ 136.74	\$ 14,125	24.9%	\$ 35,313	\$ 140.16	\$ 14,478	24.9%	\$ 36,195	\$ 143.66
Income Before Fixed Charges	\$ 22,317	41.3%	\$ 55,793	\$ 221.45	\$ 22,877	41.3%	\$ 57,193	\$ 227.01	\$ 23,449	41.3%	\$ 58,622	\$ 232.68	\$ 24,036	41.3%	\$ 60,089	\$ 238.50
Fixed Charges																
Property Tax	\$ 2,392	4.4%	\$ 5,980	\$ 23.74	\$ 2,452	4.4%	\$ 6,130	\$ 24.33	\$ 2,513	4.4%	\$ 6,283	\$ 24.94	\$ 2,576	4.4%	\$ 6,440	\$ 25.56
Insurance	\$ 486	0.9%	\$ 1,215	\$ 4.82	\$ 498	0.9%	\$ 1,245	\$ 4.94	\$ 510	0.9%	\$ 1,275	\$ 5.06	\$ 523	0.9%	\$ 1,308	\$ 5.19
Reserve for Replacement	\$ 2,160	4.0%	\$ 5,400	\$ 21.43	\$ 2,214	4.0%	\$ 5,535	\$ 21.97	\$ 2,269	4.0%	\$ 5,673	\$ 22.51	\$ 2,326	4.0%	\$ 5,815	\$ 23.08
Total Fixed Charges	\$ 5,038	9.3%	\$ 12,595	\$ 49.99	\$ 5,164	9.3%	\$ 12,910	\$ 51.24	\$ 5,292	9.3%	\$ 13,230	\$ 52.51	\$ 5,425	9.3%	\$ 13,563	\$ 53.83
Net Income/EBIDTA	\$ 17,279	32.0%	\$ 43,198	\$ 171.46	\$ 17,713	32.0%	\$ 44,283	\$ 175.76	\$ 18,157	32.0%	\$ 45,392	\$ 180.17	\$ 18,611	32.0%	\$ 46,527	\$ 184.67

Source: Hotel & Leisure Advisors

PROJECTED FINANCIAL PERFORMANCE PROPOSED INDOOR WATERPARK RESORT-COOPERSTOWN												
	Base +8 2026				Base +9 2027				Base +10 2028			
Number of Rooms	400				400				400			
Occupancy	69.0%				69.0%				69.0%			
Average Rate	\$357.12				\$366.05				\$375.20			
Days Open	365				365				365			
Rooms Occupied	100,778				100,778				100,778			
Annualized Rooms	146,000				146,000				146,000			
Revenues	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm	\$(000)	Percent	\$/Avail Rm	\$/Occ Rm
Rooms	\$ 35,990	60.4%	\$ 89,975	\$ 357.12	\$ 36,890	60.4%	\$ 92,225	\$ 366.05	\$ 37,812	60.4%	\$ 94,530	\$ 375.20
Food and Beverage	\$ 10,189	17.1%	\$ 25,473	\$ 101.10	\$ 10,443	17.1%	\$ 26,108	\$ 103.62	\$ 10,705	17.1%	\$ 26,763	\$ 106.22
Other Operated Departments	\$ 1,669	2.8%	\$ 4,173	\$ 16.56	\$ 1,711	2.8%	\$ 4,278	\$ 16.98	\$ 1,753	2.8%	\$ 4,383	\$ 17.39
Rentals and Other Income	\$ 1,677	2.8%	\$ 4,193	\$ 16.64	\$ 1,719	2.8%	\$ 4,298	\$ 17.06	\$ 1,762	2.8%	\$ 4,405	\$ 17.48
Spa (net)	\$ 251	0.4%	\$ 628	\$ 2.49	\$ 258	0.4%	\$ 645	\$ 2.56	\$ 264	0.4%	\$ 660	\$ 2.62
Retail	\$ 2,499	4.2%	\$ 6,248	\$ 24.80	\$ 2,562	4.2%	\$ 6,405	\$ 25.42	\$ 2,626	4.2%	\$ 6,565	\$ 26.06
FEC	\$ 2,864	4.8%	\$ 7,160	\$ 28.42	\$ 2,935	4.8%	\$ 7,338	\$ 29.12	\$ 3,008	4.8%	\$ 7,520	\$ 29.85
Indoor Waterpark	\$ 4,462	7.5%	\$ 11,154	\$ 44.27	\$ 4,573	7.5%	\$ 11,433	\$ 45.38	\$ 4,687	7.5%	\$ 11,719	\$ 46.51
Total Revenue	\$ 59,601	100.0%	\$ 149,002	\$ 591.41	\$ 61,091	100.0%	\$ 152,728	\$ 606.20	\$ 62,617	100.0%	\$ 156,544	\$ 621.34
Departmental Expenses												
Rooms	\$ 5,983	16.6%	\$ 14,958	\$ 59.37	\$ 6,133	16.6%	\$ 15,333	\$ 60.86	\$ 6,286	16.6%	\$ 15,715	\$ 62.37
Food & Beverage	\$ 7,099	69.7%	\$ 17,748	\$ 70.44	\$ 7,277	69.7%	\$ 18,193	\$ 72.21	\$ 7,459	69.7%	\$ 18,648	\$ 74.01
Other Operated Departments	\$ 997	59.7%	\$ 2,493	\$ 9.89	\$ 1,022	59.7%	\$ 2,555	\$ 10.14	\$ 1,047	59.7%	\$ 2,618	\$ 10.39
Retail	\$ 1,610	64.4%	\$ 4,025	\$ 15.98	\$ 1,650	64.4%	\$ 4,125	\$ 16.37	\$ 1,691	64.4%	\$ 4,228	\$ 16.78
FEC	\$ 1,419	49.5%	\$ 3,548	\$ 14.08	\$ 1,454	49.5%	\$ 3,635	\$ 14.43	\$ 1,491	49.6%	\$ 3,728	\$ 14.79
Indoor Waterpark	\$ 3,017	67.6%	\$ 7,543	\$ 29.94	\$ 3,093	67.6%	\$ 7,733	\$ 30.69	\$ 3,170	67.6%	\$ 7,925	\$ 31.46
Total Dept. Expenses	\$ 20,125	33.8%	\$ 50,313	\$ 199.70	\$ 20,629	33.8%	\$ 51,573	\$ 204.70	\$ 21,144	33.8%	\$ 52,860	\$ 209.81
Departmental Income	\$ 39,476	66.2%	\$ 98,689	\$ 391.71	\$ 40,462	66.2%	\$ 101,155	\$ 401.50	\$ 41,473	66.2%	\$ 103,684	\$ 411.53
Undistributed Operating Expenses												
Administrative & General	\$ 3,954	6.6%	\$ 9,885	\$ 39.23	\$ 4,053	6.6%	\$ 10,133	\$ 40.22	\$ 4,154	6.6%	\$ 10,385	\$ 41.22
Management Fees	\$ 1,788	3.0%	\$ 4,470	\$ 17.74	\$ 1,833	3.0%	\$ 4,583	\$ 18.19	\$ 1,879	3.0%	\$ 4,698	\$ 18.65
Marketing	\$ 4,447	7.5%	\$ 11,118	\$ 44.13	\$ 4,558	7.5%	\$ 11,395	\$ 45.23	\$ 4,672	7.5%	\$ 11,680	\$ 46.36
Prop. Oper. & Maintenance	\$ 2,351	3.9%	\$ 5,878	\$ 23.33	\$ 2,410	3.9%	\$ 6,025	\$ 23.91	\$ 2,470	3.9%	\$ 6,175	\$ 24.51
Energy Costs	\$ 2,300	3.9%	\$ 5,750	\$ 22.82	\$ 2,358	3.9%	\$ 5,895	\$ 23.40	\$ 2,417	3.9%	\$ 6,043	\$ 23.98
Total UDOEs	\$ 14,840	24.9%	\$ 37,100	\$ 147.25	\$ 15,212	24.9%	\$ 38,030	\$ 150.95	\$ 15,592	24.9%	\$ 38,980	\$ 154.72
Income Before Fixed Charges	\$ 24,636	41.3%	\$ 61,589	\$ 244.46	\$ 25,250	41.3%	\$ 63,125	\$ 250.55	\$ 25,881	41.3%	\$ 64,704	\$ 256.82
Fixed Charges												
Property Tax	\$ 2,640	4.4%	\$ 6,600	\$ 26.20	\$ 2,706	4.4%	\$ 6,765	\$ 26.85	\$ 2,774	4.4%	\$ 6,935	\$ 27.53
Insurance	\$ 536	0.9%	\$ 1,340	\$ 5.32	\$ 549	0.9%	\$ 1,373	\$ 5.45	\$ 563	0.9%	\$ 1,408	\$ 5.59
Reserve for Replacement	\$ 2,384	4.0%	\$ 5,960	\$ 23.66	\$ 2,444	4.0%	\$ 6,110	\$ 24.25	\$ 2,505	4.0%	\$ 6,263	\$ 24.86
Total Fixed Charges	\$ 5,560	9.3%	\$ 13,900	\$ 55.17	\$ 5,699	9.3%	\$ 14,248	\$ 56.55	\$ 5,842	9.3%	\$ 14,605	\$ 57.97
Net Income/EBIDTA	\$ 19,076	32.0%	\$ 47,689	\$ 189.28	\$ 19,551	32.0%	\$ 48,878	\$ 194.00	\$ 20,039	32.0%	\$ 50,099	\$ 198.85

Source: Hotel & Leisure Advisors

**FEASIBILITY ANALYSIS**

The economic value of a proposed hospitality property is calculated through a discounted cash flow analysis. This analysis utilizes the property's projected net income before debt service and applies a discount rate and terminal capitalization rate to determine the valuation. This is a common method utilized in a formal appraisal process. The discount rate is the average annual rate of return necessary to attract capital based upon the overall investment characteristics. The terminal capitalization rate is applied to a future year's net income to calculate a potential sale price for the property in the future.

We analyzed the potential value for the resort utilizing a 11.0% discount rate and a 9.0% terminal capitalization rate. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections.

<b>Proposed Indoor Waterpark Resort-Cooperstown</b>					
<b>Discounted Cash Flow Analysis - As Completed</b>					
<b>Present Value of Cash Flow</b>				P.V. @:	11.0%
<u>Year</u>	<u>Year Number</u>	<u>Net Income</u>	<u>P.V. Factor</u>	<u>Present Value</u>	
2018	1	13,510,000	0.9009	12,171,171	
2019	2	15,177,000	0.8116	12,317,994	
2020	3	16,450,000	0.7312	12,028,098	
2021	4	16,859,000	0.6587	11,105,545	
2022	5	17,279,000	0.5935	10,254,245	
2023	6	17,713,000	0.5346	9,470,093	
2024	7	18,157,000	0.4817	8,745,472	
2025	8	18,611,000	0.4339	8,075,806	
2026	9	19,076,000	0.3909	7,457,281	
2027	10	19,551,000	0.3522	6,885,559	
Subtotal PV From Cash Flow				\$98,511,265	
<b>Reversion Sale Price</b>					
Net Income for Year:			11	\$20,039,000	
Divided by Reversion Overall Rate			9.0%		
Gross Reversion			\$222,655,556		
Less Costs of Sale @:			3.0%	6,679,667	
Net Reversion			\$215,975,889		
Value per Room			\$539,940		
<b>Reversion PV + PV of Cash Flow</b>					
Add Reversion	10	215,975,889	0.3522	\$76,063,356	
Subtotal PV From Cash Flow				\$98,511,265	
Market Value as of		January 1, 2018		\$174,574,621	
Less Renovation Costs				\$0	
Market Value				\$174,574,621	
<b>Rounded Market Value</b>				<b>\$174,600,000</b>	
<b>Valuation Factors</b>					
Price Per Hotel Room:				\$436,500	
% of Value from Cash Flow				56.4%	
% of Value from Reversion				43.6%	
Source: Hotel & Leisure Advisors					

The model indicates a value of \$174,600,000 as completed or \$436,500 per available hotel room (400 rooms).

We also analyzed the potential value for the resort on an “as stabilized” basis utilizing a 11.0% discount rate and a 9.0% terminal capitalization rate. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections for the subject “as stabilized.”

<b>Proposed Indoor Waterpark Resort-Cooperstown Discounted Cash Flow Analysis - As Stabilized</b>					
<b>Present Value (PV) of Cash Flow</b>				<b>P.V. @: 11.00%</b>	
Year	Year Number	Net Income	P.V. Factor	Present Value	
2020	1	16,450,000	0.9009	14,819,820	
2021	2	16,859,000	0.8116	13,683,143	
2022	3	17,279,000	0.7312	12,634,256	
2023	4	17,713,000	0.6587	11,668,102	
2024	5	18,157,000	0.5935	10,775,296	
2025	6	18,611,000	0.5346	9,950,201	
2026	7	19,076,000	0.4817	9,188,116	
2027	8	19,551,000	0.4339	8,483,697	
2028	9	20,039,000	0.3909	7,833,741	
2029	10	20,543,000	0.3522	7,234,926	
Subtotal PV From Cash Flow				\$106,271,296	
<b>Reversion Sale Price</b>					
	Net Income for Year:		11	\$21,057,000	
	Divided by Reversion OAR			9.0%	
	Gross Reversion			\$233,966,667	
	Less Costs of Sale @:		3.0%	7,019,000	
	Net Reversion			\$226,947,667	
	Value per Room			\$567,369	
<b>Reversion PV + PV of Cash Flow</b>					
Reversion	10	226,947,667	0.3522	\$79,927,446	
Subtotal PV From Cash Flow				\$106,271,296	
Market Value as of				January 1, 2020	
				\$186,198,742	
<b>Rounded Market Value</b>				<b>\$186,200,000</b>	
<b>Valuation Factors</b>					
Price Per Hotel Room:				\$465,500	
% of Value from Cash Flow				57.1%	
% of Value from Reversion				42.9%	
Source: Hotel & Leisure Advisors					

The valuation indicates a conclusion of \$186,200,000 as stabilized or \$465,500 per available hotel room.

### **Comparison of Value Created to Projected Costs**

A key component of a feasibility study is to determine whether the projected value created as shown from the discounted cash flow analysis equals or exceeds the development cost for the proposed project. Our feasibility study has presented the projected value created after a detailed analysis of the market, projected usage, and financial analysis. In some cases, the feasibility study will not have the detailed costs available and this conclusion will be determined after the client has cost estimates performed by building contractors and architects. In other cases, the client has already performed estimates of construction costs, and the feasibility study will present these estimates and compare the value created to the development costs to determine if the project is feasible. Determining the sources and uses of funds is outside the scope of this study.

In the case of the subject property, the client is in the early stages of the development process and has not yet determined a development budget. We estimated a range of development costs, based on recently constructed facilities, of \$350,000 to \$450,000 per room for the indoor waterpark resort, depending on the scope and quality of the project. Our value conclusions are at the upper end of the development cost range. Therefore, the developers will determine that the project is feasible if their development budget is equal to or below our value conclusion on a per-room basis. The subject would benefit from potential municipal incentives such as a tax abatement, infrastructure assistance, or rebate of room tax.

We note that the value conclusion is not meant to be market value because there are still many unknowns concerning the subject project. Rather, it is presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal. In addition, 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 were not available concerning municipal subsidies for the proposed project.

We offer additional analysis on the subject as the scope of the development is finalized.

I certify that, to the best of my 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 performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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.
- Eric B. Hansen, AIA, ISHC has made a personal inspection of the property that is the subject of this report. David J. Sangree, MAI, ISHC has previously viewed the subject site in 2014.
- 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.
- As of the date of this report, Eric Hansen, AIA, ISHC has completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.



David J. Sangree, MAI, ISHC  
President



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

## **ADDENDUM I**



# Hotel & Leisure Advisors Company Overview and Qualifications



A hospitality consulting firm specializing in appraisals,  
feasibility studies, impact analyses,  
economic impact studies, and litigation support

Cleveland, Ohio • 216-228-7000

[www.hladvisors.com](http://www.hladvisors.com)

San Antonio, Texas • 210-319-5440

Corporate Headquarters: 14805 Detroit Avenue, Suite 420, Cleveland, Ohio 44107-3921



## HOTEL & LEISURE ADVISORS

**Summary of Qualifications** Section A

**Services** Section B

- Market & Financial Feasibility Studies
- Appraisals & Tax Appeal Appraisals
- Economic Impact Studies
- Impact Analysis
- Litigation Support & Expert Witness Testimony
- Management Company Analysis
- Operational Analysis
- Asset Management
- Property Condition Assessment
- Other Development Services
- Seminars, Presentations & Industry Research

**Property Type Specialties** Section C

- Hotels & Resorts
- Indoor Waterpark Resorts, Waterparks & Amusement Parks
- Golf Courses & Ski Resorts
- Restaurants
- Conference, Convention & Exposition Centers

**Resources** Section D

**Clients and Assignments** Section E

**Staff** Section F

## FOCUS

- ❖ We work exclusively in the hospitality industry and concentrate our efforts on in-depth understanding of the trends and factors related to hospitality and real estate. We have a particular emphasis in hotels, waterparks, resorts, golf courses, ski resorts, amusement parks, casinos, restaurants, and conference and convention centers.
- ❖ 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 2,000 properties throughout the United States, Canada, and the 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 state licensed Certified General Appraiser, a CPA, and is a member of the International Society of Hospitality Consultants (ISHC). Laurel A. Keller (Vice President) holds the MAI designation from the Appraisal Institute and is a state licensed Certified General Appraiser. Eric Hansen (Director of Development Services) is an American Institute of Architects (AIA) member, a member of the ISHC, and a state licensed Certified General Appraiser. Joseph Pierce and Nuresh Maredia both hold a State Certified General Appraiser license.

## 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 obtain statistical data from Smith Travel Research, PKF Hospitality Research, World Waterpark Association, International Association of Amusement Parks and Attractions, American Resort Development Association, National Golf Foundation, and National Ski Areas 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 who acknowledge 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. We will customize our reports to meet your needs and the specific details of your project.*

### **Market & Financial Feasibility Studies**

A market and financial feasibility study is prepared 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 completes 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 prepares market and financial feasibility studies for all types of hotels and leisure real estate. We conduct 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. We review data generated from Smith Travel Research, the Host Study, PKF, IAAPA, the World Waterpark Association, National Ski Area Association, the American Resort Development Association, the National Golf Foundation, and the National Restaurant Association.

### **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 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 and Laurel A. Keller both hold the Appraisal Institute's MAI designation and are licensed to conduct appraisals in Ohio and other states. David and the experienced staff of H&LA prepare the highest quality real estate appraisal reports and appraisal reviews for the hospitality industry.

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 appraisal that is typically done in relationship to a tax assessment appeal by either the government or the property owner to determine the real estate market value.

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, Laurel Keller, Joseph Pierce, and Nuresh Maredia have testified in numerous tax appeal cases in various states for both the property owner and the government entities concerning appraisals we have completed.

## **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.

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 examines 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 and Eric Hansen, AIA, ISHC are on the recommended list of many hotel companies to prepare impact analyses for their franchises. An impact analysis looks at the actual performance of the subject hotel and considers demand sources for the proposed hotel. After conducting various interviews in the market, we prepare an thorough 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.

## **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 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.

## **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.

Using our extensive database of management companies, will obtain proposals and conduct interviews with companies that would be the most appropriate to consider for the project. We will provide our client with the profiles of competent and experienced management companies that will share similar goals and vision for the project.

## **Operational Analysis**

The consultants of Hotel & Leisure Advisors have over 100 years of combined experience in managing, reviewing, and operating hotels. We offer 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.

## **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.

## **Property Condition Assessment**

A property 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.

As Director of Development Services for Hotel & Leisure Advisors, Eric B. Hansen 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 offers 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, Laurel A. Keller, and Eric Hansen 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 conducts 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.

*Hotel & Leisure Advisors specializes in hotels, resorts, waterparks, amusement parks, casinos, 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 industry trends and resources.*

### **Hotels & Resorts**

- We have analyzed more than 2,000 existing and proposed hotels and resorts and have studied various 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, casino financial statements, sales comparables, and performance data

### **Indoor Waterpark Resorts, Waterparks, & Amusement Parks**

- David J. Sangree is a recognized expert on indoor waterpark resorts and has visited most of the indoor waterpark properties in the United States and Canada.
- He 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 International, and the International Society of Hospitality Consultants.
- H&LA has completed more than 400 studies of hotels and resorts with waterparks. H&LA has analyzed a range of waterparks and amusement parks with annual attendance from 50,000 to over 2,000,000 people.

### **Golf Courses**

- We have analyzed a mixture of stand-alone golf courses, golf course resorts, and golf course residential developments throughout the United States.
- Our consultants are members of the National Golf Foundation.
- We maintain databases of golf course financial statements and sales comparables.

### **Ski Resorts**

- We have analyzed 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**

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

### **Conference, Convention, & Exposition Centers**

- 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 completed feasibility studies for proposed facilities and appraisals of existing centers.

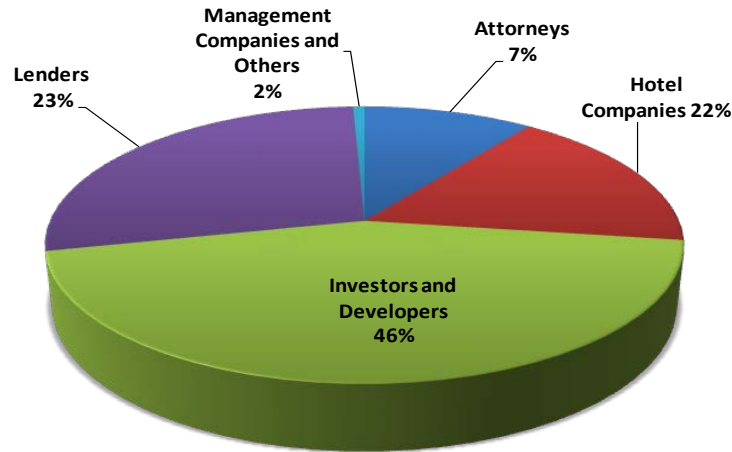
*Hotel & Leisure Advisors' unique position in the hospitality industry allows us to access many resources that give more depth to the reports we prepare for our clients. We utilize the following resources:*

- 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 8,000 sales across a wide range of prices and brands
- Financial statements database and sales database for casino properties located throughout the United States including Native American owned properties
- Financial statements database and sales database for existing indoor waterpark resorts
- 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*, and other sources that profile the meetings industry
- American Resort Development Association 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 chart represents a breakdown of our clients by category.*

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



**Breakdown of Client Types**

## Highlights

### Developers and Investors

- Scott Enterprises
- CNL Lifestyle Companies
- Kalahari Resorts
- Ho-Chunk Gaming

### Hotel Companies

- Best Western International
- Choice Hotels International
- Marriott International

### Management Companies

- Hostmark Hospitality Group
- Cedar Fair
- Great Wolf Resorts
- Winegardner and Hammons

### Lenders

- Wells Fargo
- US Bank
- Deutsche Bank
- M&T Bank

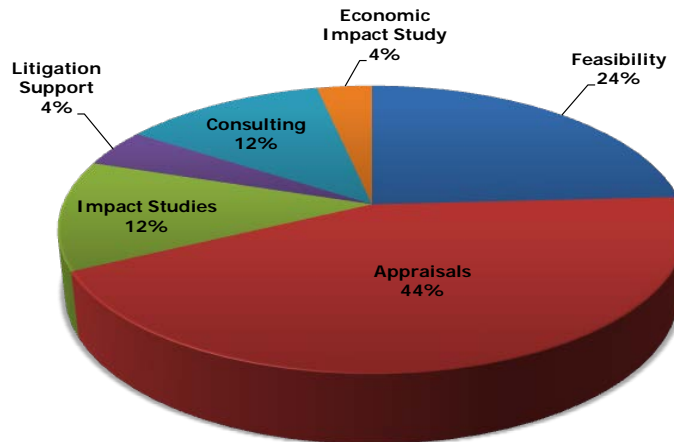
### Attorneys

- Baker Hostetler
- Squire, Sanders & Dempsey
- Britton Smith Peters & Kalail

### Other

- Ohio Department of Transportation
- Michigan State University
- Columbus Airport Authority
- FDIC

*Our studies have taken us all across the United States and Canada. We have analyzed an extensive range of property types with a particular emphasis on hotels and waterparks. The chart below shows the types of assignments we have performed for our clients.*



**Breakdown of Assignment Types**

*We cover all segments of the hospitality industry and give expert analysis about hotels, waterparks, golf courses, ski resorts, restaurants, amusements parks, casinos, and conference and convention centers. The following highlights a small sample of properties we have studied in recent years. For a complete list of all of our projects by state, please visit our website at <http://www.hladvisors.com/projects.htm>.*

**Hotels**

- Intercontinental Hotel – Boston, MA
- Westin Hotel – Chicago, IL
- Hotel Portfolio (9 properties) Various States
- Courtyard by Marriott – Cleveland, OH

**Waterpark Resorts**

- Kalahari Resort – Wisconsin Dells, WI
- Great Wolf Lodge – Concord, NC
- Key Lime Cove – Gurnee, IL
- Myrtle Waves Waterpark – Myrtle Beach, FL

**Ski Resorts**

- Greek Peak Ski Resort – Virgil, NY
- Peek n Peak Ski Resort – Findley Lake, NY
- Mountain Creek Ski Resort – Vernon, NJ

**Conference Centers**

- LaVista Conference Center – La Vista, NE
- I-X Convention Center – Cleveland, OH
- Proposed Conference Center – Columbus, IN

**Resorts and Casino Resorts**

- Peabody Hotel – Memphis, TN
- Wheeling Island Hotel, Casino, and Racetrack - WV
- Homestead Resort – Hot Springs, VA
- Marriott Resort – Orlando, FL

**Golf Courses**

- Keswick Club – Keswick, VA
- Stallion Mountain Country Club – Las Vegas, NV
- Red Tail Golf Club – Avon, OH
- Jack Frost National Golf Course – Blakeslee, PA

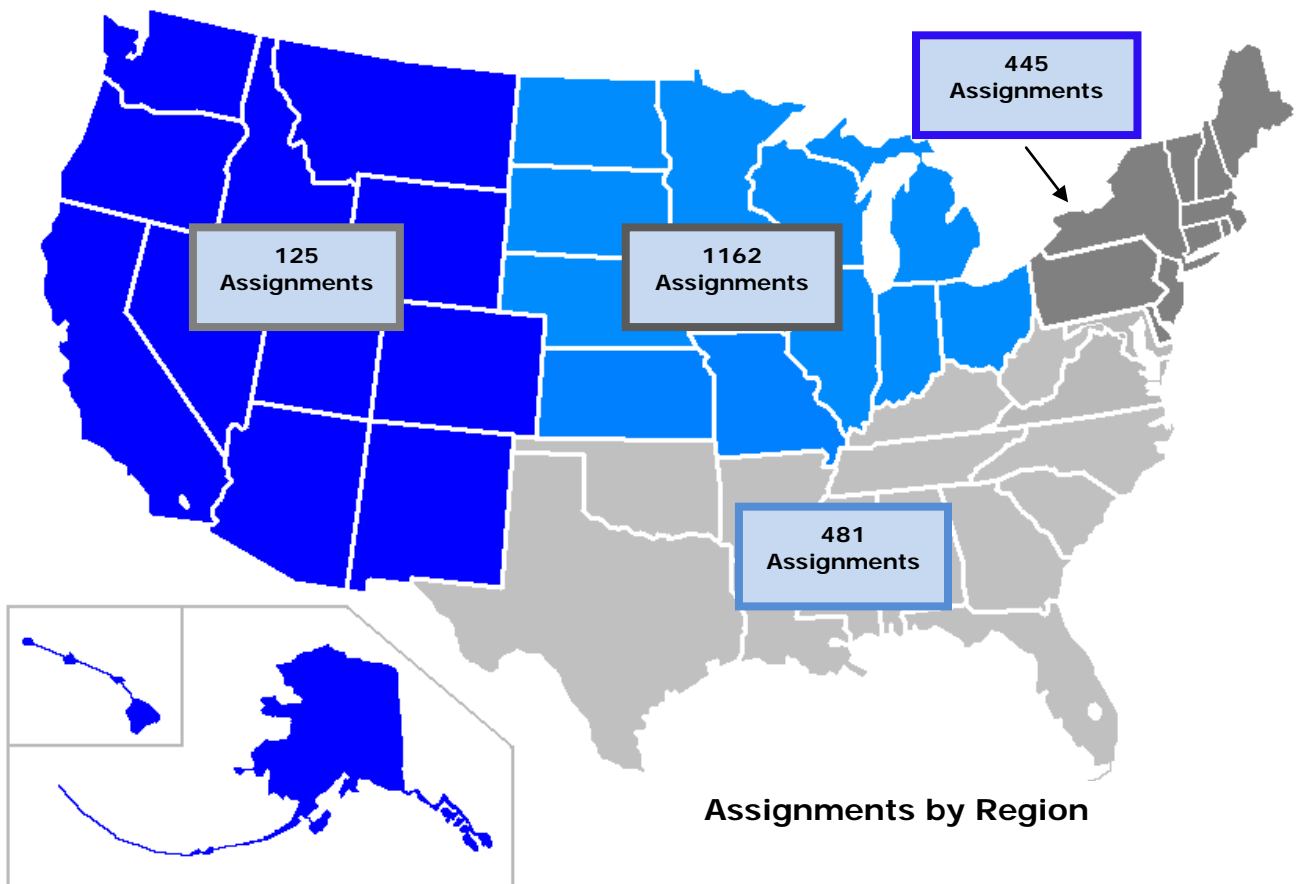
**Amusement Parks**

- Magic Springs Amusement Park – Hot Springs, AR
- Cypress Gardens Amusement Park – Winter Haven, FL
- Elitch Gardens Amusement Park – Denver, CO

**Restaurants**

- 21 Club – New York, NY
- McDonald’s Restaurants – Cleveland, OH
- Quaker Steak and Lube – Erie, PA

*H&LA works across the United States and Canada and in other international locations. This map highlights the number of assignments our consultants have worked on in the different regions of the United States. For a complete list of assignments in the United States and internationally, please review the H&LA website at <http://www.hladvisors.com/projects>.*



*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, casinos, conference centers, golf courses, restaurants, ski resorts, and other leisure real estate. He has completed studies on more than 2,000 existing and proposed hotels throughout North America in all price ranges, including economy, full-service, extended-stay, luxury hotels, resorts, and indoor waterpark resorts. 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. He is a state certified general appraiser in Ohio and many other states.

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. Mr. Sangree has twice been 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.

### **Laurel A. Keller, MAI – Vice President**

Laurel Keller has been with Hotel & Leisure Advisors since 2005, bringing expertise in the feasibility analysis and appraisal of hotels, resorts, and other leisure-oriented assets such as golf courses, indoor waterpark resorts, outdoor waterparks, amusement parks, conference centers, ski resorts, and casinos. Since 2001, she has completed more than 400 appraisal and consulting assignments for existing and proposed properties in 34 states. Laurel has appraised individual assets ranging in value from less than \$1 million to well over \$100 million.

Combined with her background in hotel and country club operations, she offers more than 20 years of hospitality consulting and management expertise in completing feasibility studies, brand-on-brand impact studies, appraisals, operational reviews, and economic impact studies. Ms. Keller has worked with various major hospitality brands and management companies as part of numerous assignments and has extensive knowledge of brand criteria, best practices, and current market trends. Laurel also has experience as an expert witness for litigation.

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

Mr. Hansen offers 20 years of hospitality experience, working throughout the United States to provide consulting services for the hospitality industry. Along with skills in preparing consulting reports and designing hospitality properties, he has expertise in site planning and development services, planning and zoning expert witness testimony, jurisdictional due diligence, and PIP analysis. He has worked with various 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. 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. He is a Certified General Real Estate Appraiser in Ohio, Michigan, and New York, and a licensed architect in Ohio.

**Joseph Pierce – Director of Appraisal & Consulting Services**

Joseph Pierce has been a hospitality consultant and appraiser since 2003. He has completed appraisals, market feasibility studies, economic impact studies, and impact studies throughout the United States. Mr. Pierce has a wide range of experience in operations and accounting for hotels and resorts. Mr. Pierce was 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. He is a Certified General Real Estate Appraiser in Ohio, Michigan and Pennsylvania.

**Nuresh Maredia – Project Manager**

Mr. Maredia is a hospitality consultant and appraiser and has completed assignments in over 30 states. Since joining Hotel & Leisure Advisors, Mr. Maredia has completed over 250 studies. He has generated appraisals, market feasibility studies, economic impact studies, and hotel impact studies for a wide variety of leisure and hospitality oriented property types. Mr. Maredia 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 near Mumbai, India. He has been a hospitality consultant since 2006. 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. He is a Certified General Real Estate Appraiser in Texas and Pennsylvania. Mr. Maredia heads our San Antonio office.

**John A. Kelley III, CHIA – Associate**

Mr. Kelley spent nearly five years working for Westin Hotels in Rhode Island and Maryland in the Rooms Division. During his tenure at LRA Worldwide, Inc., he completed over 500 hotel evaluations in 46 states across the United States and more than 20 countries throughout the Asia-Pacific, Europe, the Middle East, and North America. John is a graduate of Johnson & Wales University with a B.S. in Hotel and Tourism Management. In 2015, he completed his graduate studies at Northeastern University with a dual-master's degree in business and finance. He has been recognized by the American Hotel & Lodging Educational Foundation for his advanced studies and contributions to the hospitality industry and received Certification in Hotel Industry Analytics (CHIA) from AH&LEI and STR, Inc. Mr. Kelley is an adjunct professor at Cuyahoga Community College's Hospitality Management Center in Cleveland, teaching courses related to lodging and tourism. Mr. Kelley is Registered Real Estate Appraiser Assistant in Ohio and prepares appraisals, market feasibility studies, economic impact studies, and impact studies throughout the United States.

**John Burke – Associate**

Mr. Burke has over three year's revenue management experience with Hilton Worldwide where he oversaw a portfolio of over 150 focus service hotels, which generated over \$500M of revenue. During his time at Hilton, he tested the new Global Revenue Optimization (GRO) system, which was rolled out to all of Hilton's focus service brands. Prior to Hilton, Mr. Burke worked for InterContinental Hotels Group where he analyzed hotels' booking channels. John is a graduate of the University of South Carolina with a B.S. in Business Administration with a major in Accounting and a minor in Hotel, Restaurant & Tourism Management. Mr. Burke is Registered Real Estate Appraiser Assistant in Ohio and prepares appraisals, market feasibility studies, economic impact studies, and impact studies throughout the United States.

**Kyle Mossman – Senior Research Analyst**

Mr. Mossman researches various hospitality-related topics for the firm and performs reviews and math checks of reports and prepares demographic and business analysis. 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.

**Heidi Banak – Research Analyst/Marketing Coordinator**

Ms. Banak conducts hospitality research and performs reviews and math checks of reports. She manages our website and other communications and coordinates our marketing efforts. Ms. Banak also provides administrative support. 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.

**Laura M. Sangree – Business Manager**

Mrs. Sangree manages accounting, human resources, and technology functions for Hotel & Leisure Advisors. She received an MBA from the University of Chicago in 1988 and a Bachelor of Arts from The College of Wooster in 1984.

**Melissa Kress – Administrative Coordinator**

Ms. Kress performs reviews and math checks of reports and provides administrative support. Additionally, she performs research in connection with various hospitality topics. Ms. Kress has previous experience coordinating tradeshow operations across the United States and Canada. She received a Bachelor of Arts from John Carroll University in 1991.

**Cheryl Higley – Research Analyst**

Ms. Higley provides research support and performs reviews and math checks of reports. She worked previously with Hotel Management Magazine, Hotel Sales & Marketing Association International and Golfdom Magazine. She received a Bachelor of Arts degree in Journalism and Criminal Justice from Indiana University.

## **David J. Sangree, MAI, CPA, ISHC**

President  
Hotel & Leisure Advisors, LLC  
14805 Detroit Avenue, Suite 420  
Cleveland, Ohio 44107-3921  
Phone: 216-228-7000 ext. 20  
Fax: 216-228-7320  
E-mail: dsangree@hladvisors.com  
www.hladvisors.com

### **Professional Affiliations**

Appraisal Institute, MAI (Former President, Northern Ohio Chapter)  
Cornell Hotel Society (Past Treasurer - Chicago, IL chapter)  
Cornell University Real Estate Council  
International Association of Amusement Parks and Attractions (IAAPA)  
International Society of Hospitality Consultants (ISHC)  
National Golf Foundation (NGF)  
National Ski Areas Association (NSAA)  
Ohio Hotel and Lodging Association  
The School of Hospitality Business at MSU Real Estate & Development Advisory Council  
The Appraisal Journal Review Panel  
Urban Land Institute  
World Waterpark Association (WWA)

### **Education**

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

### **State Certification**

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

### **Experience**

- President, Hotel & Leisure Advisors, Cleveland, Ohio, since 2005
- Director of Hospitality Consulting and Principal, US Realty Consultants, Inc., Cleveland, Ohio, 2001-2005
- Director of Hospitality Consulting, US Realty Consultants, Inc., Columbus, Ohio, 1992-2001
- Financial & Training Consultant, Malawi National Credit Union League (US Peace Corps), Malawi, Africa, 1989-1991

- Senior Consultant in the Hospitality Group, 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 feasibility analysis, appraisal, and valuation of hotels, resorts, indoor waterpark resorts, waterparks, amusement parks, conference centers, ski resorts, casinos, land, and golf courses. He has performed studies on more than 2,000 existing and proposed hotels, resorts, and leisure properties in more than 46 states. He has performed hotel studies in all price ranges including economy, limited service, full-service, extended-stay, upper upscale, luxury, and resorts including indoor waterpark resorts.

He has extensive experience in performing market and feasibility studies, impact analysis, appraisals, economic impact studies, 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.

Mr. Sangree is a nationally recognized expert on waterpark resorts and has visited most of the open waterpark properties in the United States and Canada. He has performed more than 500 studies of hotels and resorts with waterparks since 1999, and he maintains a database of statistical information concerning indoor and outdoor 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.

### **Recently Published Articles**

"2015 Indoor and Outdoor Waterpark Supply Continues Growth as Surf Simulators Take Center Wave" *HotelNewsNow*, April 2015  
"2014 Waterpark Resorts Supply and Demand Update" *HotelNewsNow*, March 2014  
"Room Service more than Revenue Generator" *Hotel News Now*, August 2013  
"Waterpark Resorts Supply and Demand 2013 Update" *Hotel Online*, January 2013  
"Weight Loss Resorts are Boon for Developers" *Hotel News Now*, August 2012  
"Perform Market Analysis with a Feasibility Study for Indoor Waterpark Resorts and Outdoor Waterparks" *Appraisal Journal* Spring 2012 and *WWA Development Guide*  
"Top 10 Largest Hotel Brands Average Sale Prices" *Hotel News Now*, September 2011  
"Waterpark Resorts Supply and Demand 2011 Update" *Hotel News Now*, August 2011  
"The Lodging Market is Improving in Ohio's Big Cities" *Hotel Online*, September 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 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  
"Adding a Waterpark to a Hotel: Is it a Good Idea?" *Hotel & Motel Management*, June 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

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 Speaking Engagements

"[Waterpark Resorts Market/Feasibility Analysis and Appraisal](#)" presentations at the World Waterpark Association annual conventions in 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, and 2003  
"[Revenue Management-to Do List](#)" Nov. 2014 at NATHIC Hotel Investment Seminar, Chicago, IL  
"[The Food Revolution](#)" Nov. 2013 for NATHIC Hotel Investment Seminar, Chicago, IL  
"[Waterparks and Resorts Outlook](#)" April 2013 for Aquatics International webinar  
"[Hotel Valuation Seminar](#)" October 2012 at the Integra Realty Resources appraiser training in Las Vegas, NV  
"[Suburban Hotels Panel](#)" July 2012 at the Midwest Lodging Investors Summit in Chicago, IL  
"[Overview of Cleveland Lodging Market](#)" April 2012 at the Ohio Hotel and Lodging Association Cleveland Lodging Council Meeting, Cleveland Ohio  
"[Cleaning up Hotel Distress](#)" July 2011 at the Midwest Lodging Investors Summit in Chicago, IL  
"[Valuation Issues Affecting Hotel Properties in the Current Real Estate Economy](#)" August 2010 at the Institute for Professionals in Taxation in Cleveland, OH

"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, Ithaca, NY

"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

"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

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

"Feasibility Analysis for Indoor Waterpark Resorts," October 2006 at Cornell University's School of Hotel Administration Development Class

**Litigation Assignments Involving Expert Testimony**

Boone County Board of Revision (2015) Turfway Park, Florence, Kentucky	Cuyahoga County Board of Revision (2012) Re: 3 McDonald's Restaurants
Lancaster County Common Pleas Court (2014) Re: Sight & Sound Theater, Strasburg, PA	U.S. Bankruptcy Court (2012) Re: Holiday Inn Express Houston, Texas
Sauk County Circuit Court (2014) Re: Great Wolf Lodge Wisconsin Dells	Franklin County Board of Revision (2012) Re: Hilton Garden Inn & Comfort Suites Columbus, Ohio
Ohio Board of Tax Appeals & BOR (2013, 2014 & 2015) Re: Thistledown Racetrack, Warrensville Heights, Ohio	State of Tennessee Administrative Court (2012) Re: Embassy Suites Murfreesboro, Tennessee
Somerset County Common Pleas Court (2013) Re: Hidden Valley Resort, Somerset, PA	Clark County District Court (2012) Re: Stallion Mountain Country Club, Las Vegas, Nevada
Ohio Board of Tax Appeals (2013) Re: Shoreby Club, Bratenahl, Ohio	State of Michigan Tribunal (2011) Re: Radisson Hotel, Kalamazoo, Michigan
Ohio Board of Tax Appeals (2013) Re: Maui Sands Hotel, Sandusky, Ohio	Franklin County Board of Revision (2011) Re: Sheraton Suites, Columbus, Ohio
Hamilton County Board of Revision (2012) Re: Five Seasons Country Club, Cincinnati, Ohio	Nebraska Tax Equalization and Review Commission (2011) Re: LaVista Conference Center, LaVista, Nebraska

State of Virginia Circuit Court (2011)  
Re: Keswick Club, Charlottesville, Virginia

Licking County Board of Revision (2010)  
Re: Cherry Valley Lodge and CoCo Key  
Indoor Waterpark, Newark, Ohio

Ohio Board of Tax Appeals (2010)  
Re: Doubletree Hotel, Independence, Ohio

Ohio Board of Tax Appeals (2010)  
Re: Courtyard Hotel, Willoughby, Ohio

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

## **Eric B. Hansen, AIA, ISHC**

Director of Development Services  
Hotel & Leisure Advisors, LLC  
14805 Detroit Avenue, Suite 420  
Cleveland, Ohio 44107-3921  
Phone: 216-228-7000 ext. 21  
Fax: 216-228-7320  
E-mail: ehansen@hladvisors.com  
www.hladvisors.com

### **Professional Affiliations**

Candidate for Designation in the Appraisal Institute  
American Institute of Architects (AIA)  
International Society of Hospitality Consultants (ISHC)  
National Council of Architectural Registration Boards (NCARB)  
Ohio Hotel & Lodging Association  
Ohio Travel Association – President 2015/2016  
Board Member 2010-2012  
Secretary 2012/2013, Treasurer 2013/2014  
Vice President 2014/2015  
World Waterpark Association  
National Association of Sports Commissions (NASC)

### **Education**

Certification in Hotel Financial Management, Cornell University School of Hotel Administration, Executive Education Program, 2007  
Bachelor of Architecture, University of Cincinnati, 1989

Appraisal Institute courses:

- Appraisal Principles
- Appraisal Procedures
- Fair Housing
- USPAP 15 hour
- Sales Comparison Approach
- Market Analysis and Highest and Best Use
- Cost Approach and Site Valuation
- Income Capitalization Approach I
- Income Capitalization Approach II
- Real Estate Finance Statistics and Valuation Modeling
- General Appraiser Report Writing and Case Studies
- Advanced Income Capitalization
- Online Business Practices and Ethics
- Advanced Quantitative Analysis
- Advanced Market Analysis and Highest and Best Use
- Advanced Concepts and Case Studies

Various continuing educational courses for AIA membership

## State Certifications

Certified General Real Estate Appraiser in the State of Ohio, Michigan, and New York  
Active Architectural License in the State of Ohio

## Experience

- Director of Development Services, Hotel & Leisure Advisors, Cleveland, Ohio since August 2007
- Principal, Cole + Russell Architects, Inc., Cincinnati, Ohio 1992 - 2007
  - Hospitality Studio Director 1998 - 2004
  - Housing Studio Director 2004 - 2006
  - C+RA Board of Directors, Secretary, 2000 – 2006
- Intern Architect, Corporex Companies, Covington, Kentucky, 1988 - 1992

Mr. Hansen's expertise is in the project development analysis of hospitality facilities. Mr. Hansen is also active in preparing appraisals, market feasibility studies, and impact studies for hotels, resorts, waterparks, sports facilities, golf courses, conference centers, and other hospitality properties. Mr. Hansen offers over 20 years of experience in the hospitality industry and has been the responsible architect on over 65 hotels (9,000+ keys) and conference centers of various brands, including full service, extended stay, select service, and economy scales. In 2002, Mr. Hansen was invited to membership in the International Society of Hospitality Consultants as one of eight architects at that time in the membership. Leveraging his background in architecture, he brings expertise in performing feasibility analysis, property condition assessments, site planning and concept development, zoning expert witness testimony, jurisdictional due diligence, and PIP analysis. Mr. Hansen has worked with various major hotel company corporate offices and has extensive knowledge of brand criteria. His tenured experience includes leading his C+RA studio in their relationship with Marriott, as the Prototype Architect for the Courtyard by Marriott brand.

As a 20-year hospitality consultant with a foundation in architecture, financial management, and appraisal theory, Mr. Hansen brings well rounded expertise to various H&LA assignments and assists H&LA clients with their pre development, consulting, and valuation needs.

## Published Articles

- "One Drop at a Time (Part Two)" *World Waterpark Magazine* October 2015
- "One Drop at a Time (Part One)" *World Waterpark Magazine* September 2015
- "Winning the Stay to Play Game" *Hotel News Now* February 2015
- "Hoteliers Score Business with Sports Groups" *Hotel News Now* May 2013
- "When the Waters Run Dry" *World Waterpark, Convention Issue*, October/November 2012
- "The Impact of State Incentivized Tourism Development" *Hotel Online*, May 2012
- "Making Sense of Green Certifications in Lodging Facilities" *Hotel Online*, September 2010
- "Financing your Indoor Waterpark Resort in 2010" *Hotel News Now*, June 2010
- "Property Condition Assessments: The Basics" *Hotel Online*, March 2009
- "Is Water Conservation at Waterparks Considered Oxymoronic?" *Hotel Online*, April 2008
- "Renovation Strategies for Success," *Hotel & Motel Management*, September, 2003

## Speaking Engagements

April 2015

Presenter, National Association of Sports Commissions Sports Event Symposium, "Crafting an Impactful First Impression: A Hotel's Role in Sports Tourism"

October 2014;

Presenter, Ohio Conference on Tourism, "Political Action Committee"

April 2014;

Presenter, Quarterly Meeting of the Akron/Canton, Ohio Hotel & Lodging Association, "Akron/Canton Hotel Market Update"

January 2013;

Presenter, Quarterly Meeting of the Cleveland Chapter, Ohio Hotel & Lodging Association, "Cleveland Hotel Market Update"

October 2012;

Presenter, Ohio Conference on Tourism, "Political Action Committee"

October 2011;

Presenter, Ohio Conference on Tourism, "Legislative Action Fund"

April 2011;

Presenter, Quarterly Meeting of the Cleveland Chapter, Ohio Hotel & Lodging Association, "Cleveland Hotel Market Update"

November 2008;

Presenter, Ohio Hotel and Lodging Association, "Lodging Innovations; Design and Technology"

March 2004:

Guest Panelist, Hunter Investment Conference, "Hotel Renovations"

October 2003;

Presenter and Discussion Facilitator, ISHC Conference "IAAC Design Guidelines"

June 2001;

Presenter, Marriott's Link Ownership Conference "Building Codes in the Hotel Industry"

## Hospitality Consulting Experience (Aug. 2007 – Present)

Since joining Hotel and Leisure Advisors, Mr. Hansen has completed more than 100 studies including feasibility studies, appraisals, economic impact studies, hotel impact studies, and property condition assessments. These studies have encompassed a wide range of projects including large-scale indoor waterpark resorts (with and without condominiums), high-end residential fractional analysis, full-service upscale hotels, residential and non-residential conference centers, multi-sport venues, golf courses, and theaters. Along with performing other miscellaneous consulting assignments including site analysis reviews, he has experience as an expert witness for litigation. In addition, Mr. Hansen created and developed the waterpark industry's first overall drought management plan specifically for indoor waterpark resorts located in drought prone areas of the country.

## Hospitality Architectural Experience (1992 – 2007)

Marriott Full Service Hotels	Keys	Completion date
Birmingham, AL	295	1998
Cleveland, OH	295	2005
Coralville, IA	286	2004 (design only)
Cranberry, Twp PA	295	2003
West Des Moines, IA	240	1997 (reflag from Ramada)
DFW Irving, TX	491	1998 (addition design only)
Dublin, OH	295	1997
Erlanger, KY	295	1999

Ft. Worth, TX	295	2000
Indianapolis, IN	60	2008 (addition)
San Antonio, TX	260	2000 (reflag from Holiday Inn)
West Chester, OH	295	2002
<b>Renaissance by Marriott</b>		
Cleveland, OH	n/a	2000 (exterior renovation only)
Raleigh, NC	229	2007
St. Louis, MO	n/a	2003 (Owner's rep CA services only)
<b>Courtyard by Marriott</b>		
	Consulting Brand Architect 1999-2002	
Austin, TX	24	2000 (addition)
Bernard's Twp, NJ	235	2001
Elizabeth, NJ	200	2002
Ewing Twp, NJ	130	2003
Fair Oaks, VA	n/a	2002 (lobby & guestroom renovation)
Golden, CO	90	1999
Hunt Valley, MD	n/a	2001 (lobby & guestroom renovation)
Lakewood, CO	90	1997
Landover, MD	n/a	2001 (lobby & guestroom renovation)
North Myrtle Beach, SC	138	1999
Paramus, NJ	153	2007 (design & CA services)
Salt Lake City, UT	150	1998
South Brunswick, NJ	144	2000
Woburn, MA	193	2002
<b>Residence Inn by Marriott</b>		
Austin, TX	88	1998
Chesterfield, MO	n/a	2004 (gatehouse & room renovation)
Elizabeth, NJ	196	2002
Frederick, MD	91	2002
Golden, CO	78	2002
Louisville, CO	82	1998
Louisville, KY	102	1999
Roundrock, TX	96	1998
Saddle River, NJ	174	2002
Salt Lake City, UT	78	1998
San Antonio, TX	29	1998 (addition)
Schaumburg, IL	121	2000
<b>Fairfield Inn by Marriott</b>		
Muskegon, MI	83	2003
<b>TownePlace Suites by Marriott</b>		
Lombard, IL	127	2001
Plantation, FL	102	2001 (design only)
Springfield, VA	135	2003
<b>SpringHill Suites by Marriott</b>		
Austin, TX	134	2001
Centreville, VA	136	2000
Durham, NC	120	2000
Louisville, KY	132	2001

Mishiwaka, IN	134	2000
Newark Airport, NJ	200	2004
Plantation, FL	155	2001 (design only)
Schaumburg, IL	132	2001
<b>Hilton Garden Inn</b>		
Columbus, OH	114	2005
Riverhead, NY	115	2008
<b>Hampton Inn</b>		
Albuquerque, NM	131	1994
Kings Mills, OH	34	1997 (addition)
Urbana, IL	35	2004 (addition)
<b>Homewood Suites by Hilton</b>		
BWI Airport, MD	147	1998
Billerica, MA	147	1999
Great Valley, PA	123	1997
Washington, DC	175	2001
<b>Holiday Inn Express</b>		
Greenville, OH	64	2001
<b>The Savory Hotel &amp; Spa</b>		
Des Moines, IA	270	1998 Complete renovation of historic full service hotel
<b>The WISP Mountain Resort</b>		
McHenry, MD	2003	Exterior renovation of condo – hotel
<b>NKU METS Center</b>		
Erlanger, KY	2003	Independent 'hi-tech' conference center
<b>First Watch Restaurants</b>		
Roll-out program	2006-2007	Various locations in Ohio, Pennsylvania, Kentucky, Florida, Maryland, Missouri, and Arizona.

## **ADDENDUM II**



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## Cooperstown, NY Area Selected Properties

January 2009 to July 2015

Currency: USD - US Dollar

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

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<b>Avg</b>	2,782,231	3,730,173	4,187,224	3,729,789	3,666,884	4,601,994	6,702,867	8,064,476	3,523,499	3,402,233	2,843,618	3,902,658	51,121,502	29,401,161
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# Tab 3 - Percent Change from Previous Year - Detail by Measure

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Occupancy														Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2010	11.3	1.5	-15.0	-18.8	5.6	4.4	4.4	-4.6	16.6	30.1	8.4	9.5	3.2	-1.1	
2011	16.5	-0.6	8.8	2.1	-5.5	0.5	8.7	-10.2	-11.5	-10.4	-9.5	-4.5	-2.2	3.6	
2012	0.1	0.8	9.3	18.2	-14.5	4.7	2.4	-0.3	3.6	0.7	20.6	11.1	4.0	2.8	
2013	-5.4	2.5	23.5	-14.6	11.5	9.1	-9.5	9.2	8.0	-0.4	-8.0	8.3	2.4	1.3	
2014	-3.7	6.9	-6.2	15.7	10.3	2.8	-1.6	8.8	-9.9	5.4	16.2	-9.3	2.8	3.0	
2015	0.1	-4.6	4.1	6.5	4.1	-8.1	-0.5							-1.4	
<b>Avg</b>	3.1	1.1	4.1	1.5	1.9	2.2	0.6	0.6	1.3	5.1	5.5	3.0	2.0	1.4	

ADR														Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2010	-1.7	3.6	3.9	-3.4	-6.3	-2.4	-4.4	-4.6	-2.0	-5.7	-9.8	1.6	-3.4	-1.9	
2011	9.2	-3.8	4.7	10.1	18.3	17.3	20.3	15.0	16.4	25.4	18.3	4.7	13.6	12.2	
2012	4.3	15.9	7.0	11.9	6.8	6.4	-0.1	11.3	5.5	-1.7	1.8	5.0	6.0	6.6	
2013	4.5	-1.4	7.7	-4.3	2.4	4.2	2.3	-6.0	-3.3	-0.6	-1.5	-2.7	0.0	2.1	
2014	-0.0	0.8	-7.1	5.0	-1.1	1.2	8.6	12.4	-8.6	1.0	2.5	-0.1	2.3	1.2	
2015	-5.5	-2.1	-6.6	-2.2	-3.9	-3.4	-1.0							-5.1	
<b>Avg</b>	1.8	2.2	1.6	2.9	2.7	3.9	4.3	5.6	1.6	3.7	2.2	1.7	3.7	2.5	

RevPAR														Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2010	9.4	5.2	-11.7	-21.6	-1.0	1.9	-0.2	-9.0	14.3	22.6	-2.2	11.3	-0.3	-3.0	
2011	27.2	-4.4	13.9	12.5	11.8	17.9	30.7	3.3	3.1	12.4	7.0	0.0	11.1	16.3	
2012	4.4	16.9	16.9	32.2	-8.6	11.4	2.3	10.9	9.3	-1.0	22.9	16.7	10.2	9.5	
2013	-1.1	1.1	33.0	-18.3	14.1	13.7	-7.4	2.7	4.4	-1.0	-9.4	5.3	2.5	3.4	
2014	-3.8	7.7	-12.9	21.4	9.0	4.0	6.9	22.3	-17.7	6.4	19.1	-9.4	5.2	4.3	
2015	-5.4	-6.6	-2.8	4.1	-0.0	-11.3	-1.5							-6.4	
<b>Avg</b>	5.1	3.3	6.1	5.1	4.2	6.3	5.1	6.1	2.7	7.9	7.5	4.8	5.7	4.0	

Supply														Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2010	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	
2011	0.0	0.0	0.0	13.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.9	
2012	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	
2013	0.0	0.0	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	0.0	-0.1	-0.1	
2014	0.0	0.0	0.0	-12.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-1.1	-1.8	
2015	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-36.9							-5.9	
<b>Avg</b>	-0.0	-0.0	-0.0	0.3	-0.1	-0.1	-6.2	-0.1	-0.1	-0.1	-0.1	0.0	-0.0	-1.0	

Demand														Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2010	11.3	1.5	-15.0	-18.8	5.6	4.4	4.4	-4.6	16.6	30.1	8.4	9.5	3.2	-1.1	
2011	16.5	-0.6	8.8	16.3	-5.5	0.5	8.7	-10.2	-11.5	-10.4	-9.5	-4.5	-1.1	5.6	
2012	0.1	0.8	9.3	18.2	-14.5	4.7	2.4	-0.3	3.6	0.7	20.6	11.1	4.0	2.8	
2013	-5.4	2.5	23.5	-14.8	11.3	8.9	-9.7	9.1	7.8	-0.6	-8.2	8.3	2.3	1.2	
2014	-3.7	6.9	-6.2	1.8	10.2	2.7	-1.7	8.7	-10.0	5.3	16.1	-9.3	1.7	1.1	
2015	-0.0	-4.7	4.0	6.4	4.0	-8.2	-37.2							-7.2	
<b>Avg</b>	3.1	1.1	4.1	1.5	1.8	2.2	-5.5	0.5	1.3	5.0	5.5	3.0	2.0	0.4	

Revenue														Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2010	9.4	5.2	-11.7	-21.6	-1.0	1.9	-0.2	-9.0	14.3	22.6	-2.2	11.3	-0.3	-3.0	
2011	27.2	-4.4	13.9	28.1	11.8	17.9	30.7	3.3	3.1	12.4	7.0	0.0	12.3	18.5	
2012	4.4	16.9	16.9	32.2	-8.6	11.4	2.3	10.9	9.3	-1.0	22.9	16.7	10.2	9.5	
2013	-1.1	1.1	33.0	-18.4	13.9	13.4	-7.6	2.5	4.2	-1.2	-9.6	5.3	2.3	3.3	
2014	-3.8	7.7	-12.9	6.8	8.9	3.9	6.8	22.2	-17.7	6.3	19.0	-9.4	4.0	2.4	
2015	-5.5	-6.7	-2.9	4.0	-0.1	-11.4	-37.8							-11.9	
<b>Avg</b>	5.1	3.3	6.1	5.2	4.2	6.2	-1.0	6.0	2.6	7.8	7.4	4.8	5.7	3.1	



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

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

	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	Jul YTD
Occ	11.3	1.5	-15.0	-18.8	5.6	4.4	4.4	-4.6	16.6	30.1	8.4	9.5	3.2	-1.1
ADR	-1.7	3.6	3.9	-3.4	-6.3	-2.4	-4.4	-4.6	-2.0	-5.7	-9.8	1.6	-3.4	-1.9
RevPAR	9.4	5.2	-11.7	-21.6	-1.0	1.9	-0.2	-9.0	14.3	22.6	-2.2	11.3	-0.3	-3.0
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	1.5	-15.0	-18.8	5.6	4.4	4.4	-4.6	16.6	30.1	8.4	9.5	3.2	-1.1
Revenue	9.4	5.2	-11.7	-21.6	-1.0	1.9	-0.2	-9.0	14.3	22.6	-2.2	11.3	-0.3	-3.0

	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Total Year	Jul YTD
Occ	16.5	-0.6	8.8	2.1	-5.5	0.5	8.7	-10.2	-11.5	-10.4	-9.5	-4.5	-2.2	3.6
ADR	9.2	-3.8	4.7	10.1	18.3	17.3	20.3	15.0	16.4	25.4	18.3	4.7	13.6	12.2
RevPAR	27.2	-4.4	13.9	12.5	11.8	17.9	30.7	3.3	3.1	12.4	7.0	0.0	11.1	16.3
Supply	0.0	0.0	0.0	13.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.9
Demand	16.5	-0.6	8.8	16.3	-5.5	0.5	8.7	-10.2	-11.5	-10.4	-9.5	-4.5	-1.1	5.6
Revenue	27.2	-4.4	13.9	28.1	11.8	17.9	30.7	3.3	3.1	12.4	7.0	0.0	12.3	18.5

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total Year	Jul YTD
Occ	0.1	0.8	9.3	18.2	-14.5	4.7	2.4	-0.3	3.6	0.7	20.6	11.1	4.0	2.8
ADR	4.3	15.9	7.0	11.9	6.8	6.4	-0.1	11.3	5.5	-1.7	1.8	5.0	6.0	6.6
RevPAR	4.4	16.9	16.9	32.2	-8.6	11.4	2.3	10.9	9.3	-1.0	22.9	16.7	10.2	9.5
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	0.1	0.8	9.3	18.2	-14.5	4.7	2.4	-0.3	3.6	0.7	20.6	11.1	4.0	2.8
Revenue	4.4	16.9	16.9	32.2	-8.6	11.4	2.3	10.9	9.3	-1.0	22.9	16.7	10.2	9.5

	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Total Year	Jul YTD
Occ	-5.4	2.5	23.5	-14.6	11.5	9.1	-9.5	9.2	8.0	-0.4	-8.0	8.3	2.4	1.3
ADR	4.5	-1.4	7.7	-4.3	2.4	4.2	2.3	-6.0	-3.3	-0.6	-1.5	-2.7	0.0	2.1
RevPAR	-1.1	1.1	33.0	-18.3	14.1	13.7	-7.4	2.7	4.4	-1.0	-9.4	5.3	2.5	3.4
Supply	0.0	0.0	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	0.0	-0.1	-0.1
Demand	-5.4	2.5	23.5	-14.8	11.3	8.9	-9.7	9.1	7.8	-0.6	-8.2	8.3	2.3	1.2
Revenue	-1.1	1.1	33.0	-18.4	13.9	13.4	-7.6	2.5	4.2	-1.2	-9.6	5.3	2.3	3.3

	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Total Year	Jul YTD
Occ	-3.7	6.9	-6.2	15.7	10.3	2.8	-1.6	8.8	-9.9	5.4	16.2	-9.3	2.8	3.0
ADR	-0.0	0.8	-7.1	5.0	-1.1	1.2	8.6	12.4	-8.6	1.0	2.5	-0.1	2.3	1.2
RevPAR	-3.8	7.7	-12.9	21.4	9.0	4.0	6.9	22.3	-17.7	6.4	19.1	-9.4	5.2	4.3
Supply	0.0	0.0	0.0	-12.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-1.1	-1.8
Demand	-3.7	6.9	-6.2	1.8	10.2	2.7	-1.7	8.7	-10.0	5.3	16.1	-9.3	1.7	1.1
Revenue	-3.8	7.7	-12.9	6.8	8.9	3.9	6.8	22.2	-17.7	6.3	19.0	-9.4	4.0	2.4

	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Total Year	Jul YTD
Occ	0.1	-4.6	4.1	6.5	4.1	-8.1	-0.5							-1.4
ADR	-5.5	-2.1	-6.6	-2.2	-3.9	-3.4	-1.0							-5.1
RevPAR	-5.4	-6.6	-2.8	4.1	-0.0	-11.3	-1.5							-6.4
Supply	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-36.9							-5.9
Demand	-0.0	-4.7	4.0	6.4	4.0	-8.2	-37.2							-7.2
Revenue	-5.5	-6.7	-2.9	4.0	-0.1	-11.4	-37.8							-11.9

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# Tab 5 - Twelve Month Moving Average

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Occupancy (%)													
	January	February	March	April	May	June	July	August	September	October	November	December	
2010	59.0	59.1	58.4	57.5	57.7	58.0	58.3	57.9	58.6	59.9	60.2	60.6	
2011	61.1	61.1	61.4	61.4	61.1	61.2	61.8	61.0	60.4	59.8	59.4	59.2	
2012	59.2	59.3	59.7	60.5	59.8	60.0	60.2	60.2	60.4	60.4	61.1	61.6	
2013	61.4	61.5	62.6	61.8	62.3	62.8	62.0	62.7	63.1	63.1	62.7	63.1	
2014	62.9	63.3	62.9	63.6	64.1	64.3	64.2	64.9	64.4	64.6	65.3	64.8	
2015	64.8	64.6	64.8	65.1	65.4	64.8	64.3						

ADR (\$)													
	January	February	March	April	May	June	July	August	September	October	November	December	
2010	196.48	197.01	197.54	197.28	196.17	195.68	194.61	192.81	192.24	190.84	189.60	190.08	
2011	191.10	190.54	191.29	192.52	195.05	197.69	203.23	206.95	209.46	213.12	215.23	215.89	
2012	216.45	218.76	219.90	221.69	222.97	224.11	224.18	227.67	228.44	228.16	227.87	228.84	
2013	229.47	229.24	230.85	230.27	230.44	231.19	231.58	229.98	229.29	229.21	229.27	228.90	
2014	228.92	229.04	227.44	228.20	227.87	228.13	230.55	235.46	234.48	234.47	234.30	234.19	
2015	233.53	233.21	231.87	231.46	230.70	230.03	227.54						

RevPAR (\$)													
	January	February	March	April	May	June	July	August	September	October	November	December	
2010	115.93	116.38	115.31	113.37	113.28	113.46	113.42	111.67	112.73	114.28	114.14	115.10	
2011	116.77	116.37	117.50	118.23	119.22	120.90	125.53	126.14	126.41	127.44	127.88	127.88	
2012	128.22	129.67	131.21	134.10	133.28	134.54	134.99	137.04	137.89	137.80	139.33	140.91	
2013	140.82	140.93	144.46	142.30	143.52	145.20	143.69	144.23	144.67	144.58	143.81	144.40	
2014	144.10	144.88	143.04	145.20	146.10	146.67	147.95	152.74	150.89	151.49	152.94	151.84	
2015	151.43	150.70	150.36	150.79	150.79	149.14	146.33						

Supply													
	January	February	March	April	May	June	July	August	September	October	November	December	
2010	383,670	383,670	383,670	383,670	383,670	383,670	383,670	383,670	383,670	383,670	383,670	383,670	
2011	383,670	383,670	383,670	387,720	387,720	387,720	387,720	387,720	387,720	387,720	387,720	387,720	
2012	387,720	387,720	387,720	387,720	387,720	387,720	387,720	387,720	387,720	387,720	387,720	387,720	
2013	387,720	387,720	387,720	387,660	387,598	387,538	387,476	387,414	387,354	387,292	387,232	387,232	
2014	387,232	387,232	387,232	383,242	383,211	383,181	383,150	383,119	383,089	383,058	383,028	383,028	
2015	382,997	382,969	382,938	382,908	382,877	382,847	370,230						

Demand													
	January	February	March	April	May	June	July	August	September	October	November	December	
2010	226,391	226,640	223,960	220,477	221,552	222,451	223,607	222,101	224,978	229,748	230,957	232,320	
2011	234,432	234,323	235,660	238,115	236,998	237,108	239,497	236,320	233,995	231,847	230,360	229,658	
2012	229,674	229,812	231,352	234,530	231,767	232,767	233,474	233,384	234,030	234,167	237,076	238,740	
2013	237,933	238,355	242,616	239,563	241,406	243,386	240,424	242,957	244,402	244,294	242,899	244,278	
2014	243,748	244,937	243,540	243,849	245,697	246,351	245,880	248,531	246,528	247,502	250,022	248,351	
2015	248,348	247,481	248,316	249,455	250,254	248,214	238,102						

Revenue (\$)													
	January	February	March	April	May	June	July	August	September	October	November	December	
2010	44,480,290	44,650,767	44,240,323	43,494,900	43,462,052	43,529,655	43,516,235	42,822,947	43,250,682	43,845,950	43,790,305	44,160,307	
2011	44,800,247	44,646,916	45,079,735	45,840,730	46,225,768	46,874,052	48,671,780	48,906,573	49,011,882	49,411,302	49,581,140	49,581,772	
2012	49,713,114	50,274,267	50,874,568	51,991,948	51,676,604	52,164,683	52,340,008	53,134,376	53,461,976	53,427,346	54,022,684	54,632,379	
2013	54,597,673	54,639,723	56,008,442	55,164,739	55,629,202	56,269,542	55,676,593	55,875,127	56,038,817	55,995,694	55,688,560	55,915,782	
2014	55,798,771	56,101,337	55,391,515	55,645,952	55,986,445	56,199,569	56,688,180	58,519,076	57,806,192	58,030,783	58,580,894	58,160,268	
2015	57,997,089	57,714,487	57,577,104	57,738,437	57,734,488	57,097,144	54,177,568						

High value is boxed.

Low value is boxed and italicized.

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# Tab 6 - Twelve Month Moving Average with Percent Change

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Jan 10	59.0		196.48		115.93		383,670		226,391		44,480,290	
Feb 10	59.1		197.01		116.38		383,670		226,640		44,650,767	
Mar 10	58.4		197.54		115.31		383,670		223,960		44,240,323	
Apr 10	57.5		197.28		113.37		383,670		220,477		43,494,900	
May 10	57.7		196.17		113.28		383,670		221,552		43,462,052	
Jun 10	58.0		195.68		113.46		383,670		222,451		43,529,655	
Jul 10	58.3		194.61		113.42		383,670		223,607		43,516,235	
Aug 10	57.9		192.81		111.61		383,670		222,101		42,822,941	
Sep 10	58.6		192.24		112.73		383,670		224,978		43,250,682	
Oct 10	59.9		190.84		114.28		383,670		229,748		43,845,950	
Nov 10	60.2		189.60		114.14		383,670		230,957		43,790,305	
Dec 10	60.6	3.2	190.08	-3.4	115.10	-0.3	383,670	0.0	232,320	3.2	44,160,307	-0.3
Jan 11	61.1	3.6	191.10	-2.7	116.77	0.7	383,670	0.0	234,432	3.6	44,800,247	0.7
Feb 11	61.1	3.4	190.54	-3.3	116.37	-0.0	383,670	0.0	234,323	3.4	44,646,916	-0.0
Mar 11	61.4	5.2	191.29	-3.2	117.50	1.9	383,670	0.0	235,660	5.2	45,079,735	1.9
Apr 11	61.4	6.9	192.52	-2.4	118.23	4.3	387,720	1.1	238,115	8.0	45,840,730	5.4
May 11	61.1	5.9	195.05	-0.6	119.22	5.2	387,720	1.1	236,998	7.0	46,225,768	6.4
Jun 11	61.2	5.5	197.69	1.0	120.90	6.6	387,720	1.1	237,108	6.6	46,874,052	7.7
Jul 11	61.8	6.0	203.23	4.4	125.53	10.7	387,720	1.1	239,497	7.1	48,671,780	11.8
Aug 11	61.0	5.3	206.95	7.3	126.14	13.0	387,720	1.1	236,320	6.4	48,906,573	14.2
Sep 11	60.4	2.9	209.46	9.0	126.41	12.1	387,720	1.1	233,995	4.0	49,011,882	13.3
Oct 11	59.8	-0.1	213.12	11.7	127.44	11.5	387,720	1.1	231,847	0.9	49,411,302	12.7
Nov 11	59.4	-1.3	215.23	13.5	127.88	12.0	387,720	1.1	230,360	-0.3	49,581,140	13.2
Dec 11	59.2	-2.2	215.89	13.6	127.88	11.1	387,720	1.1	229,658	-1.1	49,581,772	12.3
Jan 12	59.2	-3.1	216.45	13.3	128.22	9.8	387,720	1.1	229,674	-2.0	49,713,114	11.0
Feb 12	59.3	-2.9	218.76	14.8	129.67	11.4	387,720	1.1	229,812	-1.9	50,274,267	12.6
Mar 12	59.7	-2.9	219.90	15.0	131.21	11.7	387,720	1.1	231,352	-1.8	50,874,568	12.9
Apr 12	60.5	-1.5	221.69	15.2	134.10	13.4	387,720	0.0	234,530	-1.5	51,991,948	13.4
May 12	59.8	-2.2	222.97	14.3	133.28	11.8	387,720	0.0	231,767	-2.2	51,676,604	11.8
Jun 12	60.0	-1.8	224.11	13.4	134.54	11.3	387,720	0.0	232,767	-1.8	52,164,683	11.3
Jul 12	60.2	-2.5	224.18	10.3	134.99	7.5	387,720	0.0	233,474	-2.5	52,340,008	7.5
Aug 12	60.2	-1.2	227.67	10.0	137.04	8.6	387,720	0.0	233,384	-1.2	53,134,376	8.6
Sep 12	60.4	0.0	228.44	9.1	137.89	9.1	387,720	0.0	234,030	0.0	53,461,976	9.1
Oct 12	60.4	1.0	228.16	7.1	137.80	8.1	387,720	0.0	234,167	1.0	53,427,346	8.1
Nov 12	61.1	2.9	227.87	5.9	139.33	9.0	387,720	0.0	237,076	2.9	54,022,684	9.0
Dec 12	61.6	4.0	228.84	6.0	140.91	10.2	387,720	0.0	238,740	4.0	54,632,379	10.2
Jan 13	61.4	3.6	229.47	6.0	140.82	9.8	387,720	0.0	237,933	3.6	54,597,673	9.8
Feb 13	61.5	3.7	229.24	4.8	140.93	8.7	387,720	0.0	238,355	3.7	54,639,723	8.7
Mar 13	62.6	4.9	230.85	5.0	144.46	10.1	387,720	0.0	242,616	4.9	56,008,442	10.1
Apr 13	61.8	2.2	230.27	3.9	142.30	6.1	387,660	-0.0	239,563	2.1	55,164,739	6.1
May 13	62.3	4.2	230.44	3.4	143.52	7.7	387,598	-0.0	241,406	4.2	55,629,202	7.6
Jun 13	62.8	4.6	231.19	3.2	145.20	7.9	387,538	-0.0	243,386	4.6	56,269,542	7.9
Jul 13	62.0	3.0	231.58	3.3	143.69	6.4	387,476	-0.1	240,424	3.0	55,676,593	6.4
Aug 13	62.7	4.2	229.98	1.0	144.23	5.2	387,414	-0.1	242,957	4.1	55,875,127	5.2
Sep 13	63.1	4.5	229.29	0.4	144.67	4.9	387,354	-0.1	244,402	4.4	56,038,817	4.8

## Tab 6 - Twelve Month Moving Average with Percent Change

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Oct 13	63.1	4.4	229.21	0.5	144.58	4.9	387,292	-0.1	244,294	4.3	55,995,694	4.8
Nov 13	62.7	2.6	229.27	0.6	143.81	3.2	387,232	-0.1	242,899	2.5	55,688,560	3.1
Dec 13	63.1	2.4	228.90	0.0	144.40	2.5	387,232	-0.1	244,278	2.3	55,915,782	2.3
Jan 14	62.9	2.6	228.92	-0.2	144.10	2.3	387,232	-0.1	243,748	2.4	55,798,771	2.2
Feb 14	63.3	2.9	229.04	-0.1	144.88	2.8	387,232	-0.1	244,937	2.8	56,101,337	2.7
Mar 14	62.9	0.5	227.44	-1.5	143.04	-1.0	387,232	-0.1	243,540	0.4	55,391,515	-1.1
Apr 14	63.6	3.0	228.20	-0.9	145.20	2.0	383,242	-1.1	243,849	1.8	55,645,952	0.9
May 14	64.1	2.9	227.87	-1.1	146.10	1.8	383,211	-1.1	245,697	1.8	55,986,445	0.6
Jun 14	64.3	2.4	228.13	-1.3	146.67	1.0	383,181	-1.1	246,351	1.2	56,199,569	-0.1
Jul 14	64.2	3.4	230.55	-0.4	147.95	3.0	383,150	-1.1	245,880	2.3	56,688,180	1.8
Aug 14	64.9	3.4	235.46	2.4	152.74	5.9	383,119	-1.1	248,531	2.3	58,519,076	4.7
Sep 14	64.4	2.0	234.48	2.3	150.89	4.3	383,089	-1.1	246,528	0.9	57,806,192	3.2
Oct 14	64.6	2.4	234.47	2.3	151.49	4.8	383,058	-1.1	247,502	1.3	58,030,783	3.6
Nov 14	65.3	4.1	234.30	2.2	152.94	6.3	383,028	-1.1	250,022	2.9	58,580,894	5.2
Dec 14	64.8	2.8	234.19	2.3	151.84	5.2	383,028	-1.1	248,351	1.7	58,160,268	4.0
Jan 15	64.8	3.0	233.53	2.0	151.43	5.1	382,997	-1.1	248,348	1.9	57,997,089	3.9
Feb 15	64.6	2.2	233.21	1.8	150.70	4.0	382,969	-1.1	247,481	1.0	57,714,487	2.9
Mar 15	64.8	3.1	231.87	1.9	150.36	5.1	382,938	-1.1	248,316	2.0	57,577,104	3.9
Apr 15	65.1	2.4	231.46	1.4	150.79	3.9	382,908	-0.1	249,455	2.3	57,738,437	3.8
May 15	65.4	1.9	230.70	1.2	150.79	3.2	382,877	-0.1	250,254	1.9	57,734,488	3.1
Jun 15	64.8	0.8	230.03	0.8	149.14	1.7	382,847	-0.1	248,214	0.8	57,097,144	1.6
Jul 15	64.3	0.2	227.54	-1.3	146.33	-1.1	370,230	-3.4	238,102	-3.2	54,177,568	-4.4

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# Tab 7 - Day of Week Analysis

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 14	96.3	98.1	98.1	90.2	86.7	98.3	107.7	96.9
Sep - 14	31.6	46.1	43.9	41.8	58.3	77.3	86.6	54.4
Oct - 14	52.4	49.6	41.2	41.8	44.8	75.5	95.6	57.0
Nov - 14	27.7	39.1	30.5	44.6	61.9	88.6	89.0	54.7
Dec - 14	53.3	38.0	36.9	46.3	33.8	82.0	100.8	54.4
Jan - 15	44.3	28.3	21.7	20.4	36.2	71.9	80.8	45.2
Feb - 15	63.3	51.2	45.1	47.6	52.5	89.0	105.5	64.9
Mar - 15	63.9	59.2	63.4	50.0	64.4	98.9	115.0	72.4
Apr - 15	60.8	57.3	56.8	58.8	59.5	83.8	84.0	65.4
May - 15	50.2	32.0	48.3	53.5	59.7	78.3	94.5	61.0
Jun - 15	66.3	61.6	56.0	56.2	66.8	87.0	95.2	69.1
Jul - 15	75.8	72.7	75.7	66.1	76.5	91.1	96.1	79.0
<b>Total Year</b>	<b>56.8</b>	<b>52.3</b>	<b>50.9</b>	<b>51.4</b>	<b>57.9</b>	<b>84.7</b>	<b>95.6</b>	<b>64.3</b>

Three Year Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Aug 12 - Jul 13	54.7	53.0	52.5	55.6	57.2	74.6	86.9	62.0
Aug 13 - Jul 14	57.2	52.7	52.1	54.2	57.7	82.2	93.1	64.2
Aug 14 - Jul 15	56.8	52.3	50.9	51.4	57.9	84.7	95.6	64.3
<b>Total 3 Yr</b>	<b>56.2</b>	<b>52.7</b>	<b>51.9</b>	<b>53.8</b>	<b>57.6</b>	<b>80.5</b>	<b>91.8</b>	<b>63.5</b>

ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 14	291.60	302.56	294.78	287.14	285.93	320.35	330.88	304.00
Sep - 14	168.13	159.35	160.14	145.57	166.29	211.10	225.86	183.63
Oct - 14	198.74	163.11	162.10	155.79	159.91	212.85	241.78	193.64
Nov - 14	140.33	141.22	153.32	183.58	204.46	211.89	209.16	189.85
Dec - 14	248.14	246.52	252.63	279.53	221.03	231.57	252.62	248.43
Jan - 15	186.88	135.19	119.19	105.58	214.93	228.26	249.68	206.09
Feb - 15	212.60	187.19	202.58	186.00	201.80	247.90	265.46	223.90
Mar - 15	200.09	195.43	201.74	184.37	188.60	219.49	266.63	214.04
Apr - 15	214.62	181.72	187.71	199.11	204.37	244.18	269.24	218.18
May - 15	201.55	157.51	154.55	164.66	169.69	220.82	238.32	198.75
Jun - 15	217.50	212.67	205.11	202.05	193.76	230.92	244.81	217.64
Jul - 15	273.23	260.15	261.78	257.54	260.88	312.47	320.99	281.01
<b>Total Year</b>	<b>223.33</b>	<b>207.20</b>	<b>208.94</b>	<b>207.85</b>	<b>208.60</b>	<b>242.66</b>	<b>259.28</b>	<b>227.54</b>

Three Year ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Aug 12 - Jul 13	230.64	215.01	210.30	210.65	215.79	249.08	264.19	231.58
Aug 13 - Jul 14	224.57	213.81	213.38	207.21	211.89	245.59	265.34	230.55
Aug 14 - Jul 15	223.33	207.20	208.94	207.85	208.60	242.66	259.28	227.54
<b>Total 3 Yr</b>	<b>226.16</b>	<b>212.08</b>	<b>210.90</b>	<b>208.63</b>	<b>212.14</b>	<b>245.67</b>	<b>262.92</b>	<b>229.90</b>

RevPAR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 14	280.90	296.87	289.23	259.08	247.94	314.89	356.25	294.60
Sep - 14	53.10	73.43	70.35	60.86	96.92	163.09	195.58	99.90
Oct - 14	104.20	80.88	66.82	65.13	71.67	160.81	231.09	110.32
Nov - 14	38.85	55.21	46.70	81.94	126.60	187.74	186.20	103.93
Dec - 14	132.27	93.70	93.21	129.49	74.65	189.97	254.52	135.08
Jan - 15	82.80	38.22	25.81	21.59	77.70	164.04	201.67	93.25
Feb - 15	134.61	95.77	91.33	88.59	105.87	220.60	280.01	145.25
Mar - 15	127.85	115.66	127.81	92.22	121.52	217.05	306.62	155.04
Apr - 15	130.44	104.18	106.67	116.99	121.62	204.71	226.17	142.72
May - 15	101.28	50.43	74.63	88.15	101.24	173.01	225.25	121.14
Jun - 15	144.24	131.02	114.81	113.49	129.40	200.91	232.94	150.44
Jul - 15	207.16	189.13	198.11	170.10	199.56	284.66	308.42	222.03
<b>Total Year</b>	<b>126.80</b>	<b>108.45</b>	<b>106.42</b>	<b>106.78</b>	<b>120.74</b>	<b>205.62</b>	<b>247.89</b>	<b>146.33</b>

Three Year RevPAR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Aug 12 - Jul 13	126.10	113.93	110.37	117.11	123.42	185.93	229.68	143.69
Aug 13 - Jul 14	128.35	112.70	111.26	112.29	122.26	201.94	247.09	147.95
Aug 14 - Jul 15	126.80	108.45	106.42	106.78	120.74	205.62	247.89	146.33
<b>Total 3 Yr</b>	<b>127.08</b>	<b>111.74</b>	<b>109.39</b>	<b>112.18</b>	<b>122.16</b>	<b>197.74</b>	<b>241.46</b>	<b>145.98</b>

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# Tab 8 - Raw Data

Cooperstown, NY Area Selected Properties  
 Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %			Exchange Rate
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants	Per USD
Jan 09	38.3		186.39		71.31		30,132		11,528		2,148,736		5	972	100.0	1.000
Feb 09	61.1		199.13		121.58		27,216		16,616		3,308,816		5	972	100.0	1.000
Mar 09	59.4		196.71		116.91		30,132		17,908		3,522,686		5	972	100.0	1.000
Apr 09	63.5		186.52		118.40		29,160		18,510		3,452,495		5	972	100.0	1.000
May 09	55.8		172.49		96.29		34,317		19,157		3,304,434		6	1,107	87.8	1.000
Jun 09	61.0		175.53		107.13		33,210		20,269		3,557,811		6	1,107	87.8	1.000
Jul 09	76.8		222.33		170.81		34,317		26,365		5,861,693		6	1,107	87.8	1.000
Aug 09	95.4		235.60		224.88		34,317		32,755		7,717,181		6	1,107	87.8	1.000
Sep 09	52.3		172.47		90.25		33,210		17,379		2,997,293		6	1,107	87.8	1.000
Oct 09	46.3		165.95		76.76		34,317		15,873		2,634,154		6	1,107	87.8	1.000
Nov 09	43.3		173.19		74.97		33,210		14,376		2,489,787		6	1,107	87.8	1.000
Dec 09	47.6		228.79		108.97		30,132		14,351		3,283,418		5	972	100.0	1.000
Jan 10	42.6	11.3	183.18	-1.7	78.01	9.4	30,132	0.0	12,832	11.3	2,350,522	9.4	5	972	100.0	1.000
Feb 10	62.0	1.5	206.30	3.6	127.84	5.2	27,216	0.0	16,865	1.5	3,479,293	5.2	5	972	79.4	1.000
Mar 10	50.5	-15.0	204.38	3.9	103.29	-11.7	30,132	0.0	15,228	-15.0	3,112,242	-11.7	5	972	79.4	1.000
Apr 10	51.5	-18.8	180.15	-3.4	92.84	-21.6	29,160	0.0	15,027	-18.8	2,707,072	-21.6	5	972	79.4	1.000
May 10	59.0	5.6	161.70	-6.3	95.33	-1.0	34,317	0.0	20,232	5.6	3,271,586	-1.0	6	1,107	69.7	1.000
Jun 10	63.7	4.4	171.27	-2.4	109.17	1.9	33,210	0.0	21,168	4.4	3,625,414	1.9	6	1,107	69.7	1.000
Jul 10	80.2	4.4	212.50	-4.4	170.42	-0.2	34,317	0.0	27,521	4.4	5,848,273	-0.2	6	1,107	69.7	1.000
Aug 10	91.1	-4.6	224.77	-4.6	204.68	-9.0	34,317	0.0	31,249	-4.6	7,023,887	-9.0	6	1,107	69.7	1.000
Sep 10	61.0	16.6	169.09	-2.0	103.13	14.3	33,210	0.0	20,256	16.6	3,425,034	14.3	6	1,107	69.7	1.000
Oct 10	60.2	30.1	156.44	-5.7	94.11	22.6	34,317	0.0	20,643	30.1	3,229,422	22.6	6	1,107	69.7	1.000
Nov 10	46.9	8.4	156.18	-9.8	73.30	-2.2	33,210	0.0	15,585	8.4	2,434,142	-2.2	6	1,107	69.7	1.000
Dec 10	52.2	9.5	232.49	1.6	121.25	11.3	30,132	0.0	15,714	9.5	3,653,420	11.3	5	972	79.4	1.000
Jan 11	49.6	16.5	200.11	9.2	99.25	27.2	30,132	0.0	14,944	16.5	2,990,462	27.2	5	972	79.4	1.000
Feb 11	61.6	-0.6	198.49	-3.8	122.21	-4.4	27,216	0.0	16,756	-0.6	3,325,962	-4.4	5	972	79.4	1.000
Mar 11	55.0	8.8	214.01	4.7	117.65	13.9	30,132	0.0	16,565	8.8	3,545,061	13.9	5	972	79.4	1.000
Apr 11	52.6	2.1	198.38	10.1	104.43	12.5	33,210	13.9	17,482	16.3	3,468,067	28.1	6	1,107	81.9	1.000
May 11	55.7	-5.5	191.30	18.3	106.55	11.8	34,317	0.0	19,115	-5.5	3,656,624	11.8	6	1,107	81.9	1.000
Jun 11	64.1	0.5	200.85	17.3	128.69	17.9	33,210	0.0	21,278	0.5	4,273,698	17.9	6	1,107	81.9	1.000
Jul 11	87.2	8.7	255.63	20.3	222.81	30.7	34,317	0.0	29,910	8.7	7,646,001	30.7	6	1,107	81.9	1.000
Aug 11	81.8	-10.2	258.57	15.0	211.52	3.3	34,317	0.0	28,072	-10.2	7,258,680	3.3	6	1,107	81.9	1.000
Sep 11	54.0	-11.5	196.88	16.4	106.30	3.1	33,210	0.0	17,931	-11.5	3,530,343	3.1	6	1,107	100.0	1.000
Oct 11	53.9	-10.4	196.21	25.4	105.74	12.4	34,317	0.0	18,495	-10.4	3,628,842	12.4	6	1,107	100.0	1.000
Nov 11	42.5	-9.5	184.71	18.3	78.41	7.0	33,210	0.0	14,098	-9.5	2,603,980	7.0	6	1,107	100.0	1.000
Dec 11	49.8	-4.5	243.41	4.7	121.27	0.0	30,132	0.0	15,012	-4.5	3,654,052	0.0	5	972	100.0	1.000
Jan 12	49.6	0.1	208.68	4.3	103.60	4.4	30,132	0.0	14,960	0.1	3,121,804	4.4	5	972	100.0	1.000
Feb 12	62.1	0.8	230.09	15.9	142.82	16.9	27,216	0.0	16,894	0.8	3,887,115	16.9	5	972	100.0	1.000
Mar 12	60.1	9.3	228.96	7.0	137.57	16.9	30,132	0.0	18,105	9.3	4,145,362	16.9	5	972	100.0	1.000
Apr 12	62.2	18.2	221.95	11.9	138.07	32.2	33,210	0.0	20,660	18.2	4,585,447	32.2	6	1,107	100.0	1.000
May 12	47.6	-14.5	204.33	6.8	97.37	-8.6	34,317	0.0	16,352	-14.5	3,341,280	-8.6	6	1,107	100.0	1.000
Jun 12	67.1	4.7	213.74	6.4	143.38	11.4	33,210	0.0	22,278	4.7	4,761,777	11.4	6	1,107	100.0	1.000
Jul 12	89.2	2.4	255.46	-0.1	227.91	2.3	34,317	0.0	30,617	2.4	7,821,326	2.3	6	1,107	100.0	1.000
Aug 12	81.5	-0.3	287.79	11.3	234.67	10.9	34,317	0.0	27,982	-0.3	8,053,048	10.9	6	1,107	100.0	1.000
Sep 12	55.9	3.6	207.67	5.5	116.17	9.3	33,210	0.0	18,577	3.6	3,857,943	9.3	6	1,107	100.0	1.000
Oct 12	54.3	0.7	192.91	-1.7	104.74	-1.0	34,317	0.0	18,632	0.7	3,594,212	-1.0	6	1,107	100.0	1.000
Nov 12	51.2	20.6	188.12	1.8	96.34	22.9	33,210	0.0	17,007	20.6	3,199,318	22.9	6	1,107	81.9	1.000
Dec 12	55.3	11.1	255.68	5.0	141.50	16.7	30,132	0.0	16,676	11.1	4,263,747	16.7	5	972	100.0	1.000
Jan 13	47.0	-5.4	218.12	4.5	102.45	-1.1	30,132	0.0	14,153	-5.4	3,087,098	-1.1	5	972	100.0	1.000
Feb 13	63.6	2.5	226.91	-1.4	144.37	1.1	27,216	0.0	17,316	2.5	3,929,165	1.1	5	972	100.0	1.000
Mar 13	74.2	23.5	246.54	7.7	183.00	33.0	30,132	0.0	22,366	23.5	5,514,081	33.0	5	972	100.0	1.000
Apr 13	53.1	-14.6	212.51	-4.3	112.87	-18.3	33,150	-0.2	17,607	-14.8	3,741,744	-18.4	6	1,105	100.0	1.000
May 13	53.1	11.5	209.16	2.4	111.10	14.1	34,255	-0.2	18,195	11.3	3,805,743	13.9	6	1,105	100.0	1.000
Jun 13	73.2	9.1	222.69	4.2	162.96	13.7	33,150	-0.2	24,258	8.9	5,402,117	13.4	6	1,105	100.0	1.000
Jul 13	80.7	-9.5	261.38	2.3	211.02	-7.4	34,255	-0.2	27,655	-9.7	7,228,377	-7.6	6	1,105	100.0	1.000
Aug 13	89.1	9.2	270.41	-6.0	240.89	2.7	34,255	-0.2	30,515	9.1	8,251,582	2.5	6	1,105	100.0	1.000
Sep 13	60.4	8.0	200.86	-3.3	121.32	4.4	33,150	-0.2	20,022	7.8	4,021,633	4.2	6	1,105	100.0	1.000

## Tab 8 - Raw Data

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %			Exchange Rate
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants	Per USD
Oct 13	54.1	-0.4	191.70	-0.6	103.67	-1.0	34,255	-0.2	18,524	-0.6	3,551,089	-1.2	6	1,105	100.0	1.000
Nov 13	47.1	-8.0	185.25	-1.5	87.25	-9.4	33,150	-0.2	15,612	-8.2	2,892,184	-9.6	6	1,105	100.0	1.000
Dec 13	59.9	8.3	248.74	-2.7	149.04	5.3	30,132	0.0	18,055	8.3	4,490,969	5.3	5	972	100.0	1.000
Jan 14	45.2	-3.7	218.02	-0.0	98.57	-3.8	30,132	0.0	13,623	-3.7	2,970,087	-3.8	5	972	100.0	1.000
Feb 14	68.0	6.9	228.68	0.8	155.49	7.7	27,216	0.0	18,505	6.9	4,231,731	7.7	5	972	100.0	1.000
Mar 14	69.6	-6.2	229.11	-7.1	159.44	-12.9	30,132	0.0	20,969	-6.2	4,804,259	-12.9	5	972	100.0	1.000
Apr 14	61.4	15.7	223.05	5.0	137.04	21.4	29,160	-12.0	17,916	1.8	3,996,181	6.8	5	972	100.0	1.000
May 14	58.6	10.3	206.87	-1.1	121.15	9.0	34,224	-0.1	20,043	10.2	4,146,236	8.9	6	1,104	100.0	1.000
Jun 14	75.2	2.8	225.40	1.2	169.54	4.0	33,120	-0.1	24,912	2.7	5,615,241	3.9	6	1,104	100.0	1.000
Jul 14	79.4	-1.6	283.88	8.6	225.48	6.9	34,224	-0.1	27,184	-1.7	7,716,988	6.8	6	1,104	100.0	1.000
Aug 14	96.9	8.8	304.00	12.4	294.60	22.3	34,224	-0.1	33,166	8.7	10,082,478	22.2	6	1,104	100.0	1.000
Sep 14	54.4	-9.9	183.63	-8.6	99.90	-17.7	33,120	-0.1	18,019	-10.0	3,308,749	-17.7	6	1,104	100.0	1.000
Oct 14	57.0	5.4	193.64	1.0	110.32	6.4	34,224	-0.1	19,498	5.3	3,775,680	6.3	6	1,104	100.0	1.000
Nov 14	54.7	16.2	189.85	2.5	103.93	19.1	33,120	-0.1	18,132	16.1	3,442,295	19.0	6	1,104	100.0	1.000
Dec 14	54.4	-9.3	248.43	-0.1	135.08	-9.4	30,132	0.0	16,384	-9.3	4,070,343	-9.4	5	972	100.0	1.000
Jan 15	45.2	0.1	206.09	-5.5	93.25	-5.4	30,101	-0.1	13,620	-0.0	2,806,908	-5.5	5	971	100.0	1.000
Feb 15	64.9	-4.6	223.90	-2.1	145.25	-6.6	27,188	-0.1	17,638	-4.7	3,949,129	-6.7	5	971	100.0	1.000
Mar 15	72.4	4.1	214.04	-6.6	155.04	-2.8	30,101	-0.1	21,804	4.0	4,666,876	-2.9	5	971	100.0	1.000
Apr 15	65.4	6.5	218.18	-2.2	142.72	4.1	29,130	-0.1	19,055	6.4	4,157,514	4.0	5	971	100.0	1.000
May 15	61.0	4.1	198.75	-3.9	121.14	-0.0	34,193	-0.1	20,842	4.0	4,142,287	-0.1	6	1,103	100.0	1.000
Jun 15	69.1	-8.1	217.64	-3.4	150.44	-11.3	33,090	-0.1	22,872	-8.2	4,977,897	-11.4	6	1,103	100.0	1.000
Jul 15	79.0	-0.5	281.01	-1.0	222.03	-1.5	21,607	-36.9	17,072	-37.2	4,797,412	-37.8	5	697	100.0	1.000

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# Tab 9 - Classic

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 09	38.3		186.39		71.31		30,132		11,528		2,148,736		5	972	100.0
Feb 09	61.1		199.13		121.58		27,216		16,616		3,308,816		5	972	100.0
Mar 09	59.4		196.71		116.91		30,132		17,908		3,522,686		5	972	100.0
Apr 09	63.5		186.52		118.40		29,160		18,510		3,452,495		5	972	100.0
May 09	55.8		172.49		96.29		34,317		19,157		3,304,434		6	1,107	87.8
Jun 09	61.0		175.53		107.13		33,210		20,269		3,557,811		6	1,107	87.8
Jul 09	76.8		222.33		170.81		34,317		26,365		5,861,693		6	1,107	87.8
Aug 09	95.4		235.60		224.88		34,317		32,755		7,717,181		6	1,107	87.8
Sep 09	52.3		172.47		90.25		33,210		17,379		2,997,293		6	1,107	87.8
Oct 09	46.3		165.95		76.76		34,317		15,873		2,634,154		6	1,107	87.8
Nov 09	43.3		173.19		74.97		33,210		14,376		2,489,787		6	1,107	87.8
Dec 09	47.6		228.79		108.97		30,132		14,351		3,283,418		5	972	100.0
Jul YTD 2009	59.7		192.99		115.14		218,484		130,353		25,156,671				
Total 2009	58.7		196.72		115.41		383,670		225,087		44,278,504				
Jan 10	42.6	11.3	183.18	-1.7	78.01	9.4	30,132	0.0	12,832	11.3	2,350,522	9.4	5	972	100.0
Feb 10	62.0	1.5	206.30	3.6	127.84	5.2	27,216	0.0	16,865	1.5	3,479,293	5.2	5	972	79.4
Mar 10	50.5	-15.0	204.38	3.9	103.29	-11.7	30,132	0.0	15,228	-15.0	3,112,242	-11.7	5	972	79.4
Apr 10	51.5	-18.8	180.15	-3.4	92.84	-21.6	29,160	0.0	15,027	-18.8	2,707,072	-21.6	5	972	79.4
May 10	59.0	5.6	161.70	-6.3	95.33	-1.0	34,317	0.0	20,232	5.6	3,271,586	-1.0	6	1,107	69.7
Jun 10	63.7	4.4	171.27	-2.4	109.17	1.9	33,210	0.0	21,168	4.4	3,625,414	1.9	6	1,107	69.7
Jul 10	80.2	4.4	212.50	-4.4	170.42	-0.2	34,317	0.0	27,521	4.4	5,848,273	-0.2	6	1,107	69.7
Aug 10	91.1	-4.6	224.77	-4.6	204.68	-9.0	34,317	0.0	31,249	-4.6	7,023,887	-9.0	6	1,107	69.7
Sep 10	61.0	16.6	169.09	-2.0	103.13	14.3	33,210	0.0	20,256	16.6	3,425,034	14.3	6	1,107	69.7
Oct 10	60.2	30.1	156.44	-5.7	94.11	22.6	34,317	0.0	20,643	30.1	3,229,422	22.6	6	1,107	69.7
Nov 10	46.9	8.4	156.18	-9.8	73.30	-2.2	33,210	0.0	15,585	8.4	2,434,142	-2.2	6	1,107	69.7
Dec 10	52.2	9.5	232.49	1.6	121.25	11.3	30,132	0.0	15,714	9.5	3,653,420	11.3	5	972	79.4
Jul YTD 2010	59.0	-1.1	189.29	-1.9	111.65	-3.0	218,484	0.0	128,873	-1.1	24,394,402	-3.0			
Total 2010	60.6	3.2	190.08	-3.4	115.10	-0.3	383,670	0.0	232,320	3.2	44,160,307	-0.3			
Jan 11	49.6	16.5	200.11	9.2	99.25	27.2	30,132	0.0	14,944	16.5	2,990,462	27.2	5	972	79.4
Feb 11	61.6	-0.6	198.49	-3.8	122.21	-4.4	27,216	0.0	16,756	-0.6	3,325,962	-4.4	5	972	79.4
Mar 11	55.0	8.8	214.01	4.7	117.65	13.9	30,132	0.0	16,565	8.8	3,545,061	13.9	5	972	79.4
Apr 11	52.6	2.1	198.38	10.1	104.43	12.5	33,210	13.9	17,482	16.3	3,468,067	28.1	6	1,107	81.9
May 11	55.7	-5.5	191.30	18.3	106.55	11.8	34,317	0.0	19,115	-5.5	3,656,624	11.8	6	1,107	81.9
Jun 11	64.1	0.5	200.85	17.3	128.69	17.9	33,210	0.0	21,278	0.5	4,273,698	17.9	6	1,107	81.9
Jul 11	87.2	8.7	255.63	20.3	222.81	30.7	34,317	0.0	29,910	8.7	7,646,001	30.7	6	1,107	81.9
Aug 11	81.8	-10.2	258.57	15.0	211.52	3.3	34,317	0.0	28,072	-10.2	7,258,680	3.3	6	1,107	81.9
Sep 11	54.0	-11.5	196.88	16.4	106.30	3.1	33,210	0.0	17,931	-11.5	3,530,343	3.1	6	1,107	100.0
Oct 11	53.9	-10.4	196.21	25.4	105.74	12.4	34,317	0.0	18,495	-10.4	3,628,842	12.4	6	1,107	100.0
Nov 11	42.5	-9.5	184.71	18.3	78.41	7.0	33,210	0.0	14,098	-9.5	2,603,980	7.0	6	1,107	100.0
Dec 11	49.8	-4.5	243.41	4.7	121.27	0.0	30,132	0.0	15,012	-4.5	3,654,052	0.0	5	972	100.0
Jul YTD 2011	61.1	3.6	212.47	12.2	129.89	16.3	222,534	1.9	136,050	5.6	28,905,875	18.5			
Total 2011	59.2	-2.2	215.89	13.6	127.88	11.1	387,720	1.1	229,658	-1.1	49,581,772	12.3			
Jan 12	49.6	0.1	208.68	4.3	103.60	4.4	30,132	0.0	14,960	0.1	3,121,804	4.4	5	972	100.0
Feb 12	62.1	0.8	230.09	15.9	142.82	16.9	27,216	0.0	16,894	0.8	3,887,115	16.9	5	972	100.0
Mar 12	60.1	9.3	228.96	7.0	137.57	16.9	30,132	0.0	18,105	9.3	4,145,362	16.9	5	972	100.0
Apr 12	62.2	18.2	221.95	11.9	138.07	32.2	33,210	0.0	20,660	18.2	4,585,447	32.2	6	1,107	100.0
May 12	47.6	-14.5	204.33	6.8	97.37	-8.6	34,317	0.0	16,352	-14.5	3,341,280	-8.6	6	1,107	100.0
Jun 12	67.1	4.7	213.74	6.4	143.38	11.4	33,210	0.0	22,278	4.7	4,761,777	11.4	6	1,107	100.0
Jul 12	89.2	2.4	255.46	-0.1	227.91	2.3	34,317	0.0	30,617	2.4	7,821,326	2.3	6	1,107	100.0
Aug 12	81.5	-0.3	287.79	11.3	234.67	10.9	34,317	0.0	27,982	-0.3	8,053,048	10.9	6	1,107	100.0
Sep 12	55.9	3.6	207.67	5.5	116.17	9.3	33,210	0.0	18,577	3.6	3,857,943	9.3	6	1,107	100.0
Oct 12	54.3	0.7	192.91	-1.7	104.74	-1.0	34,317	0.0	18,632	0.7	3,594,212	-1.0	6	1,107	100.0
Nov 12	51.2	20.6	188.12	1.8	96.34	22.9	33,210	0.0	17,007	20.6	3,199,318	22.9	6	1,107	81.9

# Tab 9 - Classic

Cooperstown, NY Area Selected Properties

Job Number: 703499\_SADIM Staff: SS Created: August 19, 2015

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
<b>Dec 12</b>	55.3	11.1	255.68	5.0	141.50	16.7	30,132	0.0	16,676	11.1	4,263,747	16.7	5	972	100.0
Jul YTD 2012	62.9	2.8	226.39	6.6	142.29	9.5	222,534	0.0	139,866	2.8	31,664,111	9.5			
Total 2012	61.6	4.0	228.84	6.0	140.91	10.2	387,720	0.0	238,740	4.0	54,632,379	10.2			
<b>Jan 13</b>	47.0	-5.4	218.12	4.5	102.45	-1.1	30,132	0.0	14,153	-5.4	3,087,098	-1.1	5	972	100.0
<b>Feb 13</b>	63.6	2.5	226.91	-1.4	144.37	1.1	27,216	0.0	17,316	2.5	3,929,165	1.1	5	972	100.0
<b>Mar 13</b>	74.2	23.5	246.54	7.7	183.00	33.0	30,132	0.0	22,366	23.5	5,514,081	33.0	5	972	100.0
<b>Apr 13</b>	53.1	-14.6	212.51	-4.3	112.87	-18.3	33,150	-0.2	17,607	-14.8	3,741,744	-18.4	6	1,105	100.0
<b>May 13</b>	53.1	11.5	209.16	2.4	111.10	14.1	34,255	-0.2	18,195	11.3	3,805,743	13.9	6	1,105	100.0
<b>Jun 13</b>	73.2	9.1	222.69	4.2	162.96	13.7	33,150	-0.2	24,258	8.9	5,402,117	13.4	6	1,105	100.0
<b>Jul 13</b>	80.7	-9.5	261.38	2.3	211.02	-7.4	34,255	-0.2	27,655	-9.7	7,228,377	-7.6	6	1,105	100.0
<b>Aug 13</b>	89.1	9.2	270.41	-6.0	240.89	2.7	34,255	-0.2	30,515	9.1	8,251,582	2.5	6	1,105	100.0
<b>Sep 13</b>	60.4	8.0	200.86	-3.3	121.32	4.4	33,150	-0.2	20,022	7.8	4,021,633	4.2	6	1,105	100.0
<b>Oct 13</b>	54.1	-0.4	191.70	-0.6	103.67	-1.0	34,255	-0.2	18,524	-0.6	3,551,089	-1.2	6	1,105	100.0
<b>Nov 13</b>	47.1	-8.0	185.25	-1.5	87.25	-9.4	33,150	-0.2	15,612	-8.2	2,892,184	-9.6	6	1,105	100.0
<b>Dec 13</b>	59.9	8.3	248.74	-2.7	149.04	5.3	30,132	0.0	18,055	8.3	4,490,969	5.3	5	972	100.0
Jul YTD 2013	63.7	1.3	231.07	2.1	147.14	3.4	222,290	-0.1	141,550	1.2	32,708,325	3.3			
Total 2013	63.1	2.4	228.90	0.0	144.40	2.5	387,232	-0.1	244,278	2.3	55,915,782	2.3			
<b>Jan 14</b>	45.2	-3.7	218.02	-0.0	98.57	-3.8	30,132	0.0	13,623	-3.7	2,970,087	-3.8	5	972	100.0
<b>Feb 14</b>	68.0	6.9	228.68	0.8	155.49	7.7	27,216	0.0	18,505	6.9	4,231,731	7.7	5	972	100.0
<b>Mar 14</b>	69.6	-6.2	229.11	-7.1	159.44	-12.9	30,132	0.0	20,969	-6.2	4,804,259	-12.9	5	972	100.0
<b>Apr 14</b>	61.4	15.7	223.05	5.0	137.04	21.4	29,160	-12.0	17,916	1.8	3,996,181	6.8	5	972	100.0
<b>May 14</b>	58.6	10.3	206.87	-1.1	121.15	9.0	34,224	-0.1	20,043	10.2	4,146,236	8.9	6	1,104	100.0
<b>Jun 14</b>	75.2	2.8	225.40	1.2	169.54	4.0	33,120	-0.1	24,912	2.7	5,615,241	3.9	6	1,104	100.0
<b>Jul 14</b>	79.4	-1.6	283.88	8.6	225.48	6.9	34,224	-0.1	27,184	-1.7	7,716,988	6.8	6	1,104	100.0
<b>Aug 14</b>	96.9	8.8	304.00	12.4	294.60	22.3	34,224	-0.1	33,166	8.7	10,082,478	22.2	6	1,104	100.0
<b>Sep 14</b>	54.4	-9.9	183.63	-8.6	99.90	-17.7	33,120	-0.1	18,019	-10.0	3,308,749	-17.7	6	1,104	100.0
<b>Oct 14</b>	57.0	5.4	193.64	1.0	110.32	6.4	34,224	-0.1	19,498	5.3	3,775,680	6.3	6	1,104	100.0
<b>Nov 14</b>	54.7	16.2	189.85	2.5	103.93	19.1	33,120	-0.1	18,132	16.1	3,442,295	19.0	6	1,104	100.0
<b>Dec 14</b>	54.4	-9.3	248.43	-0.1	135.08	-9.4	30,132	0.0	16,384	-9.3	4,070,343	-9.4	5	972	100.0
Jul YTD 2014	65.6	3.0	233.88	1.2	153.43	4.3	218,208	-1.8	143,152	1.1	33,480,723	2.4			
Total 2014	64.8	2.8	234.19	2.3	151.84	5.2	383,028	-1.1	248,351	1.7	58,160,268	4.0			
<b>Jan 15</b>	45.2	0.1	206.09	-5.5	93.25	-5.4	30,101	-0.1	13,620	-0.0	2,806,908	-5.5	5	971	100.0
<b>Feb 15</b>	64.9	-4.6	223.90	-2.1	145.25	-6.6	27,188	-0.1	17,638	-4.7	3,949,129	-6.7	5	971	100.0
<b>Mar 15</b>	72.4	4.1	214.04	-6.6	155.04	-2.8	30,101	-0.1	21,804	4.0	4,666,876	-2.9	5	971	100.0
<b>Apr 15</b>	65.4	6.5	218.18	-2.2	142.72	4.1	29,130	-0.1	19,055	6.4	4,157,514	4.0	5	971	100.0
<b>May 15</b>	61.0	4.1	198.75	-3.9	121.14	-0.0	34,193	-0.1	20,842	4.0	4,142,287	-0.1	6	1,103	100.0
<b>Jun 15</b>	69.1	-8.1	217.64	-3.4	150.44	-11.3	33,090	-0.1	22,872	-8.2	4,977,897	-11.4	6	1,103	100.0
<b>Jul 15</b>	79.0	-0.5	281.01	-1.0	222.03	-1.5	21,607	-36.9	17,072	-37.2	4,797,412	-37.8	5	697	100.0
Jul YTD 2015	64.7	-1.4	221.95	-5.1	143.61	-6.4	205,410	-5.9	132,903	-7.2	29,498,023	-11.9			

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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, displayed as the average rental rate for a single room.

### **Affiliation Date**

Date the property affiliated with current chain/flag

### **Census (Properties and Rooms)**

The number of properties and rooms that exist within the selected property set or segment.

### **Change in Rooms**

Indicator of whether or not an individual hotel has added or removed rooms from their inventory.

### **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.

### **Extended Historical Trend**

Data on selected properties or segments starting in 2000.

### **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. Occupancy is always displayed as a percentage of rooms occupied.

### **Open Date**

Date the property opened as a lodging establishment.

### **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

### **Sample % (Rooms)**

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

### **Standard Historical Trend**

Data on selected properties or segments starting in 2005.

### **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**

# Tab 12 - 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, STR, Inc. ("STR"), STR Global, Ltd. ("STRG"), and the licensee identified elsewhere in this Agreement ("Licensee") agree as follows:

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## 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.

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.

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.

venture relationship.  
STR hereby agrees to deliver the Licensed Materials to Licensee as follows: 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.

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**



# Demographic and Income Profile

Cooperstown site  
 4470 RT 28, Milford, New York, 13807  
 Ring: 60 mile radius

Prepared by Esri  
 Latitude: 42.63478  
 Longitude: -74.96468

Summary	Census 2010	2015	2020
Population	1,180,202	1,183,748	1,189,335
Households	474,133	479,800	483,389
Families	302,108	304,151	305,545
Average Household Size	2.39	2.37	2.36
Owner Occupied Housing Units	336,576	335,866	336,385
Renter Occupied Housing Units	137,557	143,934	147,004
Median Age	41.7	42.9	43.7
Trends: 2015 - 2020 Annual Rate	Area	State	National
Population	0.09%	0.42%	0.75%
Households	0.15%	0.46%	0.77%
Families	0.09%	0.39%	0.69%
Owner HHs	0.03%	0.19%	0.70%
Median Household Income	2.10%	2.84%	2.66%

Households by Income	2015		2020	
	Number	Percent	Number	Percent
<\$15,000	55,099	11.5%	52,158	10.8%
\$15,000 - \$24,999	49,443	10.3%	38,278	7.9%
\$25,000 - \$34,999	52,849	11.0%	45,755	9.5%
\$35,000 - \$49,999	66,987	14.0%	65,733	13.6%
\$50,000 - \$74,999	92,727	19.3%	90,058	18.6%
\$75,000 - \$99,999	64,391	13.4%	78,387	16.2%
\$100,000 - \$149,999	60,273	12.6%	64,199	13.3%
\$150,000 - \$199,999	21,610	4.5%	29,002	6.0%
\$200,000+	16,400	3.4%	19,798	4.1%
Median Household Income	\$52,897		\$58,683	
Average Household Income	\$69,795		\$78,890	
Per Capita Income	\$28,729		\$32,510	

Population by Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	62,761	5.3%	59,461	5.0%	57,835	4.9%
5 - 9	67,608	5.7%	63,897	5.4%	61,439	5.2%
10 - 14	74,289	6.3%	69,034	5.8%	68,381	5.7%
15 - 19	89,311	7.6%	80,800	6.8%	78,521	6.6%
20 - 24	77,526	6.6%	82,851	7.0%	72,532	6.1%
25 - 34	125,619	10.6%	134,240	11.3%	138,327	11.6%
35 - 44	144,873	12.3%	131,105	11.1%	134,169	11.3%
45 - 54	187,796	15.9%	171,759	14.5%	151,445	12.7%
55 - 64	161,218	13.7%	177,140	15.0%	181,706	15.3%
65 - 74	96,203	8.2%	120,776	10.2%	142,694	12.0%
75 - 84	62,777	5.3%	60,587	5.1%	70,379	5.9%
85+	30,221	2.6%	32,098	2.7%	31,907	2.7%

Race and Ethnicity	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
White Alone	1,063,243	90.1%	1,048,570	88.6%	1,035,071	87.0%
Black Alone	48,453	4.1%	52,802	4.5%	56,988	4.8%
American Indian Alone	3,352	0.3%	3,824	0.3%	4,192	0.4%
Asian Alone	25,235	2.1%	31,276	2.6%	38,546	3.2%
Pacific Islander Alone	381	0.0%	499	0.0%	608	0.1%
Some Other Race Alone	16,169	1.4%	19,073	1.6%	21,963	1.8%
Two or More Races	23,369	2.0%	27,704	2.3%	31,967	2.7%
Hispanic Origin (Any Race)	46,172	3.9%	56,038	4.7%	65,733	5.5%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

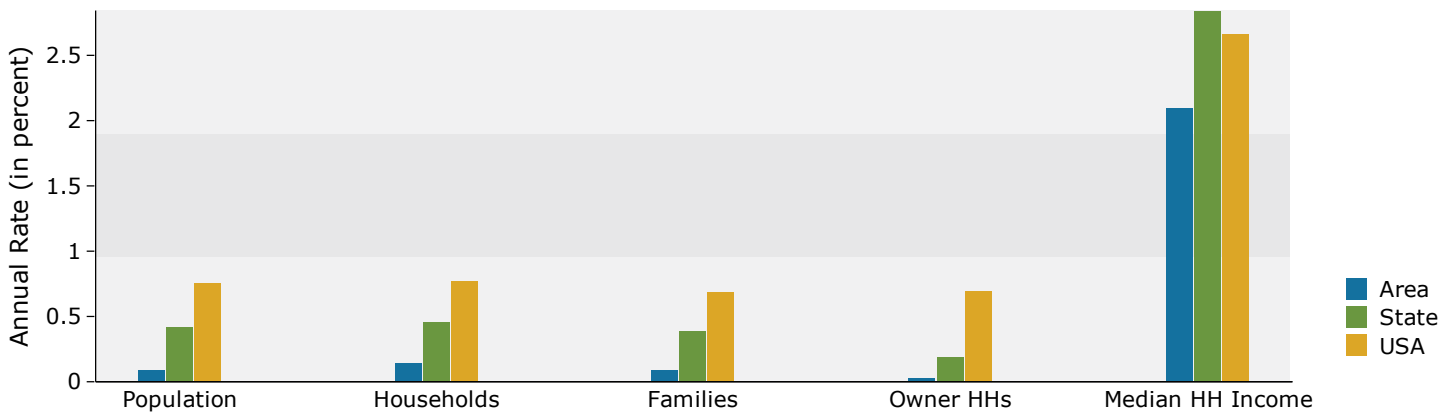


# Demographic and Income Profile

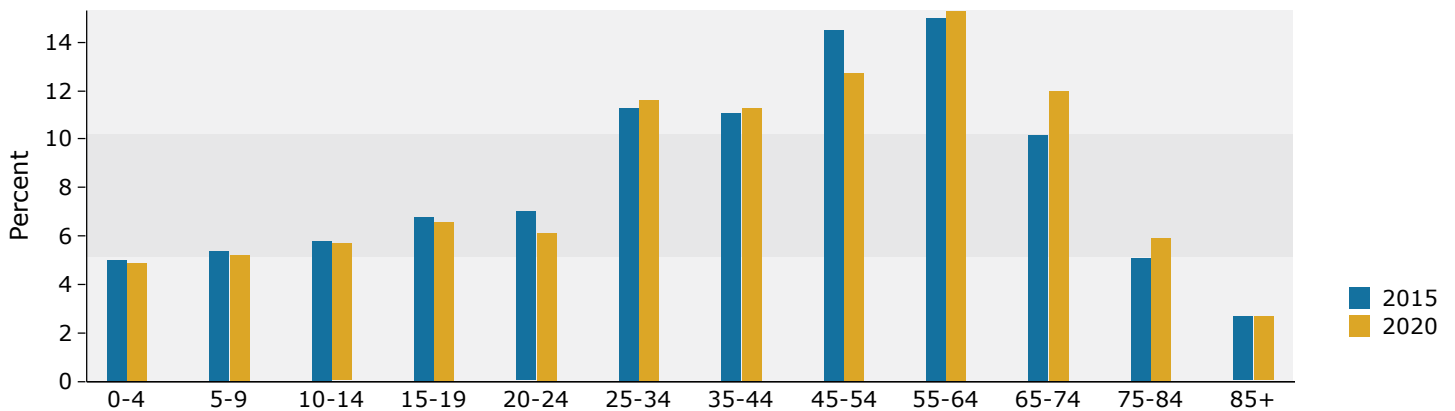
Cooperstown site  
 4470 RT 28, Milford, New York, 13807  
 Ring: 60 mile radius

Prepared by Esri  
 Latitude: 42.63478  
 Longitude: -74.96468

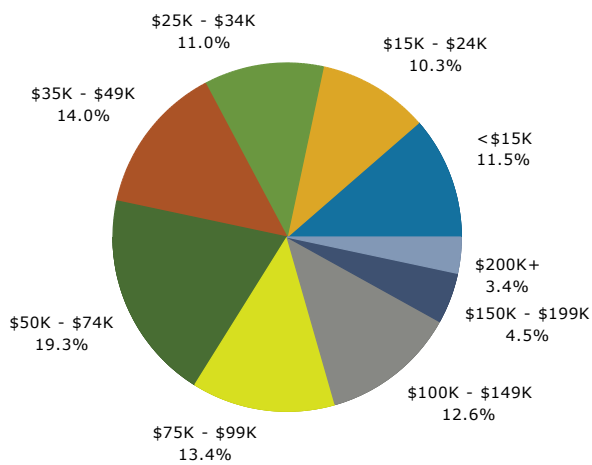
## Trends 2015-2020



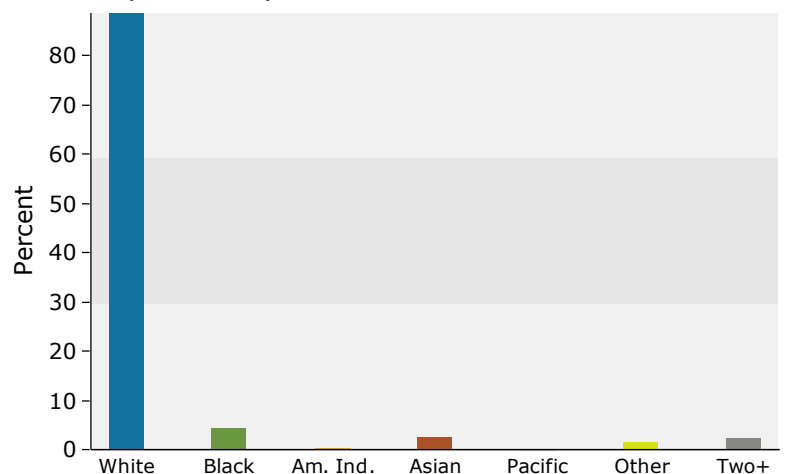
## Population by Age



## 2015 Household Income



## 2015 Population by Race



2015 Percent Hispanic Origin: 4.7%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.



# Demographic and Income Profile

Cooperstown site  
4470 RT 28, Milford, New York, 13807  
Ring: 120 mile radius

Prepared by Esri  
Latitude: 42.63478  
Longitude: -74.96468

Summary	Census 2010	2015	2020
Population	6,794,585	6,848,989	6,921,638
Households	2,627,243	2,666,497	2,700,399
Families	1,722,142	1,738,967	1,756,388
Average Household Size	2.48	2.47	2.46
Owner Occupied Housing Units	1,841,247	1,838,182	1,852,137
Renter Occupied Housing Units	785,997	828,315	848,262
Median Age	40.6	41.6	42.3
Trends: 2015 - 2020 Annual Rate	Area	State	National
Population	0.21%	0.42%	0.75%
Households	0.25%	0.46%	0.77%
Families	0.20%	0.39%	0.69%
Owner HHs	0.15%	0.19%	0.70%
Median Household Income	2.76%	2.84%	2.66%

Households by Income	2015		2020	
	Number	Percent	Number	Percent
<\$15,000	282,566	10.6%	265,863	9.8%
\$15,000 - \$24,999	247,782	9.3%	190,320	7.0%
\$25,000 - \$34,999	261,755	9.8%	224,137	8.3%
\$35,000 - \$49,999	336,159	12.6%	324,538	12.0%
\$50,000 - \$74,999	483,227	18.1%	462,744	17.1%
\$75,000 - \$99,999	363,905	13.6%	426,188	15.8%
\$100,000 - \$149,999	386,540	14.5%	427,823	15.8%
\$150,000 - \$199,999	159,119	6.0%	207,083	7.7%
\$200,000+	145,444	5.5%	171,703	6.4%
Median Household Income	\$58,312		\$66,804	
Average Household Income	\$79,904		\$90,717	
Per Capita Income	\$31,534		\$35,821	

Population by Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	378,778	5.6%	359,099	5.2%	355,366	5.1%
5 - 9	410,530	6.0%	387,846	5.7%	370,125	5.3%
10 - 14	444,002	6.5%	420,855	6.1%	409,929	5.9%
15 - 19	506,428	7.5%	468,433	6.8%	454,944	6.6%
20 - 24	459,010	6.8%	490,318	7.2%	439,286	6.3%
25 - 34	742,371	10.9%	795,128	11.6%	837,418	12.1%
35 - 44	872,638	12.8%	781,579	11.4%	802,669	11.6%
45 - 54	1,091,425	16.1%	1,010,412	14.8%	894,147	12.9%
55 - 64	891,861	13.1%	988,893	14.4%	1,030,228	14.9%
65 - 74	520,630	7.7%	657,256	9.6%	777,091	11.2%
75 - 84	328,023	4.8%	327,229	4.8%	384,618	5.6%
85+	148,908	2.2%	161,941	2.4%	165,817	2.4%

Race and Ethnicity	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
White Alone	5,913,976	87.0%	5,846,666	85.4%	5,791,267	83.7%
Black Alone	388,770	5.7%	425,391	6.2%	462,178	6.7%
American Indian Alone	21,242	0.3%	23,692	0.3%	25,849	0.4%
Asian Alone	166,465	2.4%	195,325	2.9%	228,120	3.3%
Pacific Islander Alone	2,199	0.0%	2,781	0.0%	3,283	0.0%
Some Other Race Alone	153,818	2.3%	182,506	2.7%	212,949	3.1%
Two or More Races	148,069	2.2%	172,628	2.5%	197,992	2.9%
Hispanic Origin (Any Race)	457,362	6.7%	547,574	8.0%	647,385	9.4%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

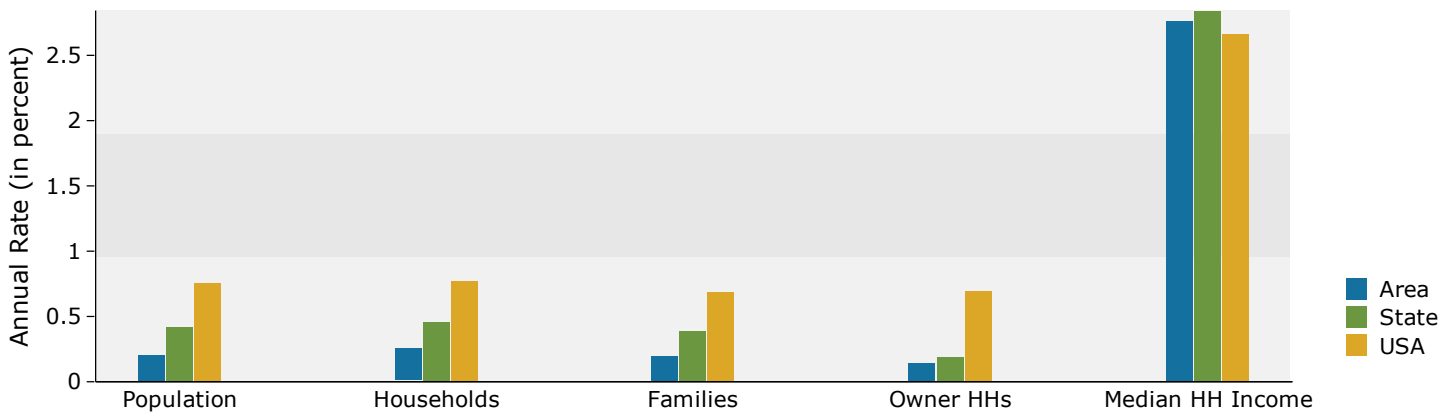


# Demographic and Income Profile

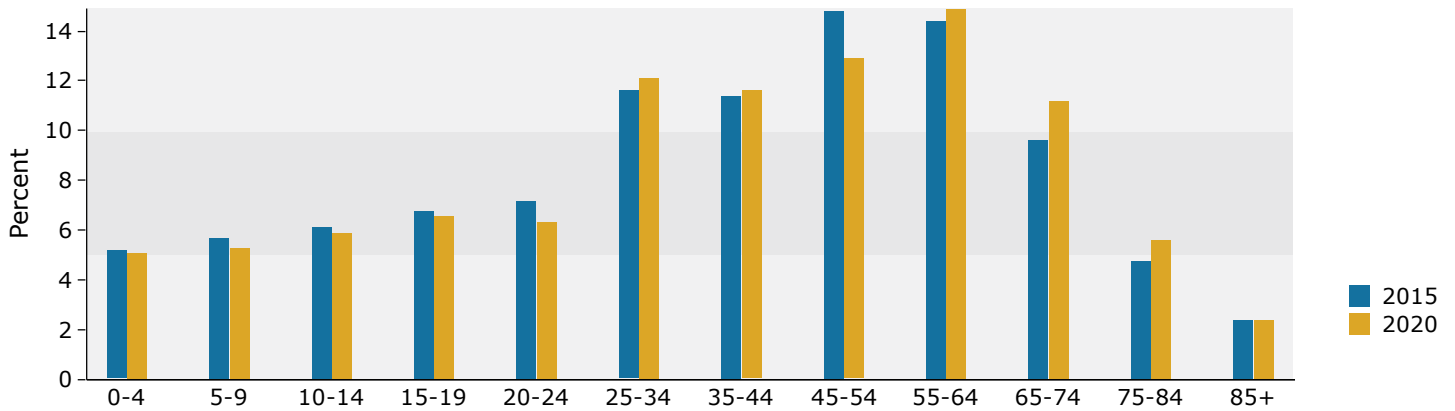
Cooperstown site  
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 Ring: 120 mile radius

Prepared by Esri  
 Latitude: 42.63478  
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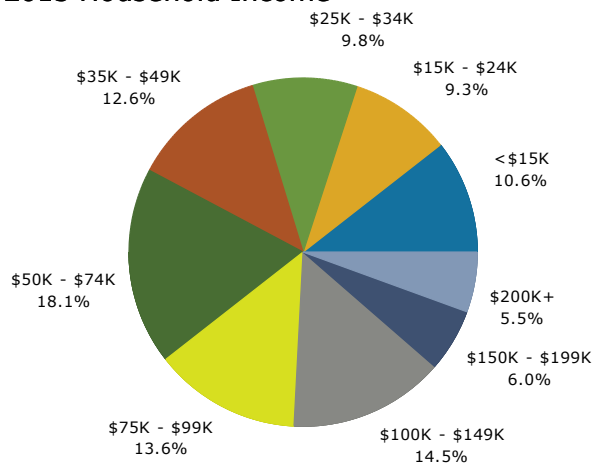
## Trends 2015-2020



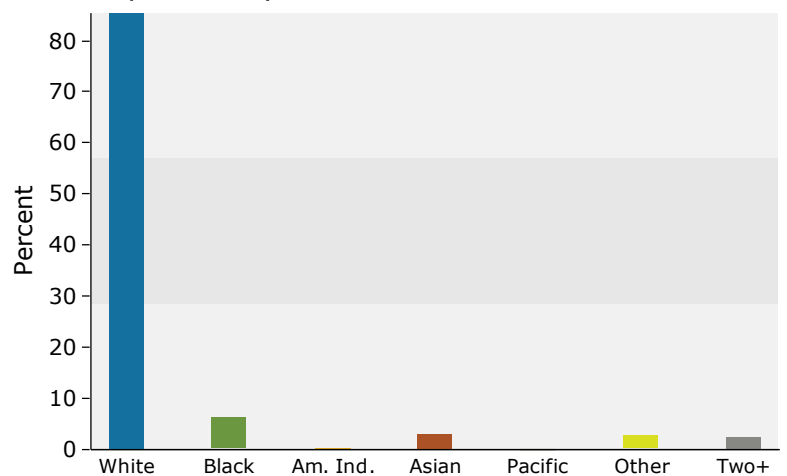
## Population by Age



## 2015 Household Income



## 2015 Population by Race



2015 Percent Hispanic Origin: 8.0%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.



# Demographic and Income Profile

Cooperstown site  
 4470 RT 28, Milford, New York, 13807  
 Ring: 180 mile radius

Prepared by Esri  
 Latitude: 42.63478  
 Longitude: -74.96468

Summary	Census 2010	2015	2020
Population	36,058,185	36,649,195	37,393,122
Households	13,574,342	13,846,299	14,149,210
Families	8,905,900	9,040,272	9,211,440
Average Household Size	2.58	2.57	2.57
Owner Occupied Housing Units	8,082,016	8,049,134	8,162,926
Renter Occupied Housing Units	5,492,336	5,797,165	5,986,284
Median Age	38.6	39.5	40.2
Trends: 2015 - 2020 Annual Rate	Area	State	National
Population	0.40%	0.42%	0.75%
Households	0.43%	0.46%	0.77%
Families	0.38%	0.39%	0.69%
Owner HHs	0.28%	0.19%	0.70%
Median Household Income	3.11%	2.84%	2.66%

Households by Income	2015		2020	
	Number	Percent	Number	Percent
<\$15,000	1,583,233	11.4%	1,490,220	10.5%
\$15,000 - \$24,999	1,185,493	8.6%	916,646	6.5%
\$25,000 - \$34,999	1,247,059	9.0%	1,064,870	7.5%
\$35,000 - \$49,999	1,644,560	11.9%	1,593,172	11.3%
\$50,000 - \$74,999	2,275,670	16.4%	2,219,726	15.7%
\$75,000 - \$99,999	1,783,206	12.9%	1,991,912	14.1%
\$100,000 - \$149,999	2,052,321	14.8%	2,375,731	16.8%
\$150,000 - \$199,999	978,968	7.1%	1,218,968	8.6%
\$200,000+	1,095,788	7.9%	1,277,964	9.0%
Median Household Income	\$61,595		\$71,799	
Average Household Income	\$88,317		\$100,405	
Per Capita Income	\$33,689		\$38,314	

Population by Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	2,131,410	5.9%	2,035,219	5.6%	2,044,245	5.5%
5 - 9	2,205,194	6.1%	2,159,973	5.9%	2,043,348	5.5%
10 - 14	2,312,910	6.4%	2,280,999	6.2%	2,226,902	6.0%
15 - 19	2,535,861	7.0%	2,395,582	6.5%	2,328,971	6.2%
20 - 24	2,466,305	6.8%	2,559,940	7.0%	2,332,711	6.2%
25 - 34	4,674,562	13.0%	4,869,700	13.3%	5,125,480	13.7%
35 - 44	4,915,212	13.6%	4,594,074	12.5%	4,785,350	12.8%
45 - 54	5,537,731	15.4%	5,246,034	14.3%	4,854,888	13.0%
55 - 64	4,362,522	12.1%	4,871,089	13.3%	5,145,790	13.8%
65 - 74	2,538,059	7.0%	3,180,439	8.7%	3,749,700	10.0%
75 - 84	1,627,475	4.5%	1,634,710	4.5%	1,902,643	5.1%
85+	751,016	2.1%	821,436	2.2%	853,094	2.3%

Race and Ethnicity	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
White Alone	25,370,696	70.4%	25,085,703	68.4%	24,875,112	66.5%
Black Alone	4,781,576	13.3%	4,918,378	13.4%	5,073,599	13.6%
American Indian Alone	147,966	0.4%	156,501	0.4%	168,529	0.5%
Asian Alone	2,413,208	6.7%	2,738,428	7.5%	3,124,085	8.4%
Pacific Islander Alone	14,633	0.0%	16,621	0.0%	18,133	0.0%
Some Other Race Alone	2,330,110	6.5%	2,595,050	7.1%	2,864,769	7.7%
Two or More Races	999,863	2.8%	1,138,514	3.1%	1,268,895	3.4%
Hispanic Origin (Any Race)	5,743,833	15.9%	6,433,167	17.6%	7,202,495	19.3%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

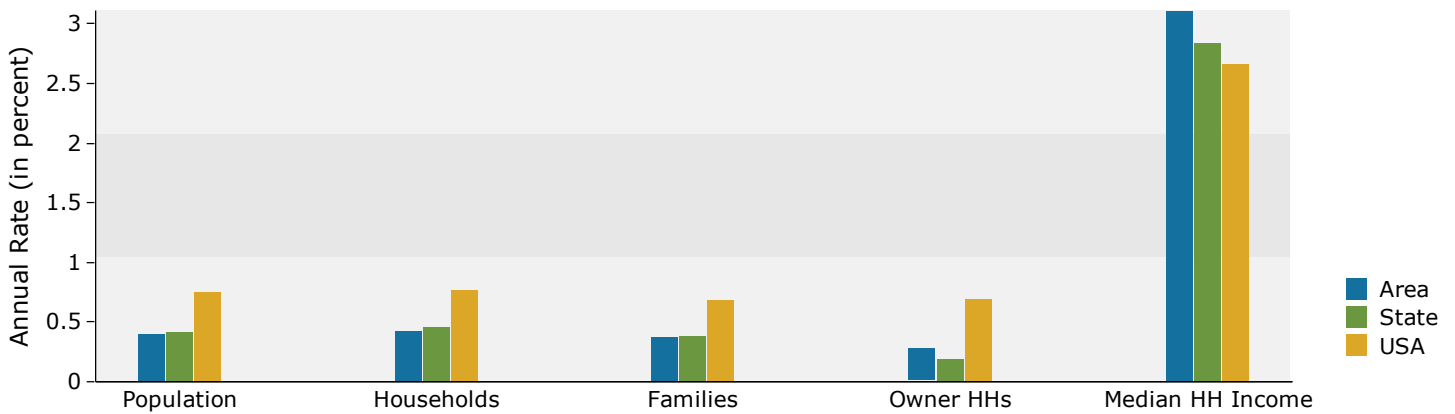


# Demographic and Income Profile

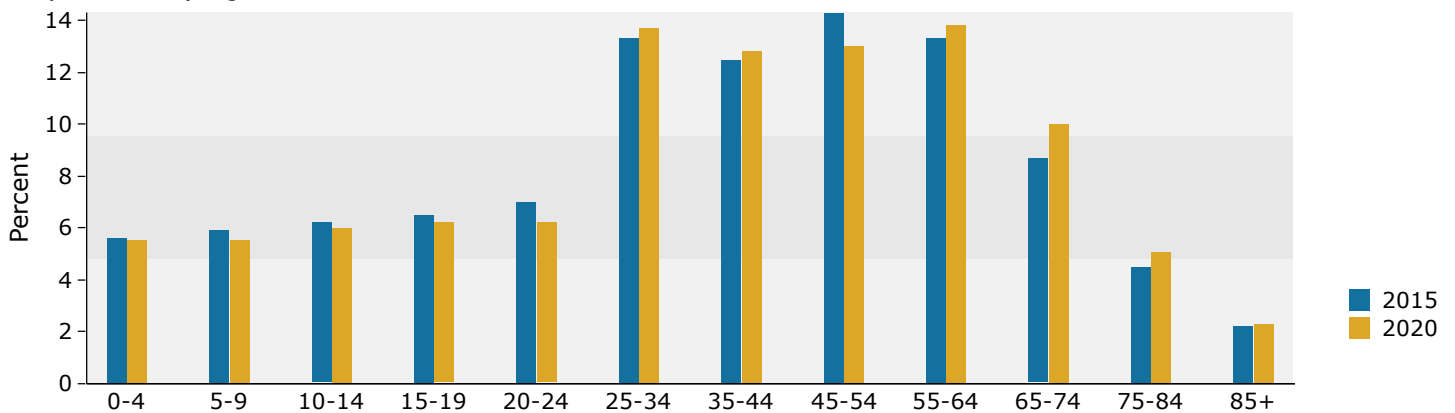
Cooperstown site  
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Prepared by Esri  
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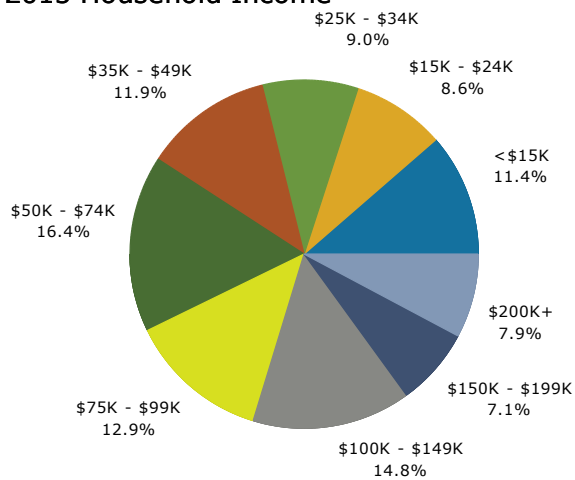
## Trends 2015-2020



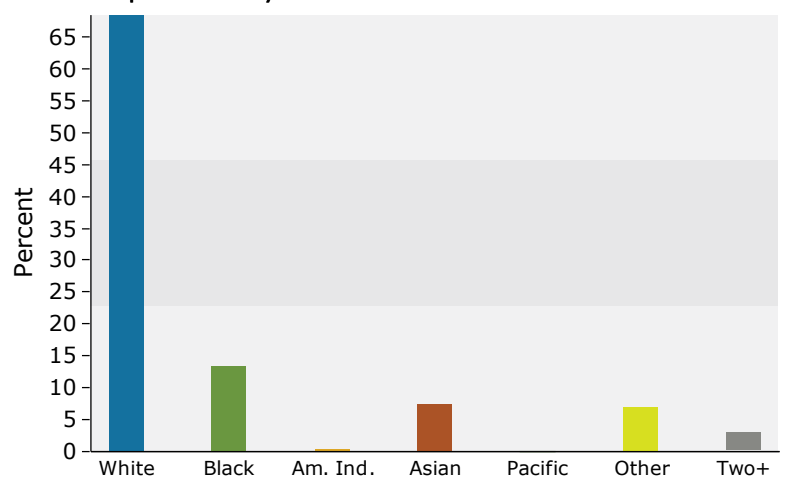
## Population by Age



## 2015 Household Income



## 2015 Population by Race



2015 Percent Hispanic Origin: 17.6%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

## **ADDENDUM IV**

## Attractions



## Water Park Passes Included with All Suites!

At [Six Flags Great Escape Lodge and Indoor Water Park](#) near Lake George, attractions include one of the best water parks in New York!

Get ready for over 38,000 square feet of **splashes, swirls, spills, squeals and smiles!** Kids and adults alike float leisurely on inner-tubes, enjoy the thrills of a **white-water rafting** experience, catch a wave and do some surfing, [ride the tubes](#) through curls and tunnels, or explore a treehouse full of slides and water features. The weather is always a **balmy 82 degrees**, so grab your suits and swim shoes and get ready to make a splash.

Browse our [Lake George hotel specials](#) and packages!

### Tall Timbers Treehouse

Tall Timbers is jammed packed with fun. With over 160 play features preschoolers and school-age kids will love the swivel water rifles, hydro blasters, arch jets and steering wheels that turn up or down water fountains. But no treehouse is complete without that gigantic water bucket perched high above and always ready to soak the splash-seekers below. The blue, green and orange slides are for those 40" and over and the red slides are limited to 54" and under.



### Tak-it-Eesi-Creek

Take a leisurely float along the lazy river. Large inflatable tubes carry you on a winding adventure through the Indoor Waterpark while mini waterfalls and fountains surprise you along the way. Guests less than 42" in height will need to be accompanied by a guest 54" or more. Non swimmers and children must be kept within arms reach at all times of a capable swimmer over 54" or more.



## Avalanche

Experience a twisting, turning, exhilarating four-person raft ride that will immediately have you wanting to do it again and again. This 382-foot tube simulates all the thrills of a white-water rafting experience complete with a 41-foot drop. The minimum height requirement is 36" and those from 36" to 42" must be accompanied by a guest 54" or more. Maximum weight restriction of 800 pounds per raft.



## Boogie Bear Surf

Are you ready to catch a wave? Enjoy continual sheet wave action for body boarding and surfing. You can even take stand-up surfing lessons! Experienced instructors offer lessons in small, intimate groups of four. And best of all, you'll enjoy showing off your new surfing skills during your entire stay, and bring home a souvenir photo to capture all the fun. The Surf for a boogie board riders is for those 42" and over. The Surf for stand up riders is 54" and over, (a lesson through White Water Bay is required to stand up surf). Reservations for lessons at a cost of \$50 per participant can be made at the [Gitchee Goomie gift shop](#) in the Waterpark.



## Lott-A-Watta-Bay

Explore the lagoon attached to the Tak-it-eesi-Creek. Cliff-like rock formations send cascading jets of water on to the guests below. As with the lazy river, guests less than 42" in height will need to be accompanied by a guest 54" or more. Non swimmers and children must be kept within arms reach at all times of a capable swimmer over 54" or more.



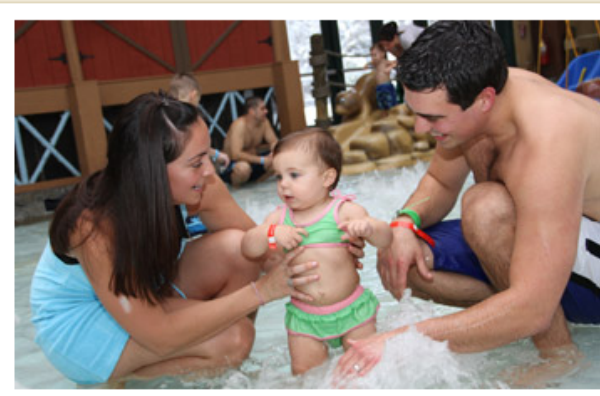
## Glacier Run and Snow Shoe Falls

Fast and fun — these side by side tube-shaped water slides take you through loops and curls and down a 41-foot drop. Glacier Run is 287-feet and Snow Shoe Falls is 291-feet. Each require the rider be at least 42" in height.



## Tip-A-Kanu-Beach

Tots and young children will love this shallow activity pool area designed just for them. There are pint-sized waterslides, baby swings and wildlife-themed spurting fountains. Slides in this area are restricted to guests under 54" tall. To keep this a safe place for the little ones to play, guests taller than 54" are only permitted in this area if accompanied by a guest under 54".



## Soakum Spring

This warm water spa is designed as a place for those 18 years and older to relax and hang out when you need a respite from all the action. Those under the age of 18 will not be permitted.



# GREAT WOLF LODGE NIAGARA FALLS ONTARIO



**Fort Mackenzie®** Included  
Experience our multi-story, splash-loaded interactive treehouse – Fort Mackenzie. [Learn More >](#)



**Wooly Mammoth** Included  
Share the thrills together in one huge raft! [Learn More >](#)



**Grizzly Falls, Eagle Falls and Bobcat Falls** Included  
Twist, turn and splash your way through all three exciting raft rides! [Learn More >](#)



**Beaver & Squirrel Falls** Included  
Quickly escape the Fort Mackenzie® treehouse on your choice water slides! [Learn More >](#)



**Niagara Rapids Run** Included  
Find out what it's like to ride a roller coaster made of water! [Learn More >](#)



**Canada Vortex** Included  
Grab a friend and climb in for a howlin' good tube run on Canada Vortex, a water park thrill. [Learn More >](#)



**Rainbow Lake** Included  
Ride big waves and experience the thrills of a gigantic indoor wave pool filled with 450,000 lite [Learn More >](#)



**Crystal River** Included  
Pile your pack in a tube or two and let your cares float away on the lazy river. [Learn More >](#)



**Frog Pond** Included  
Balance on logs and lily pads as you make your way across this agility course set in a pool of co [Learn More >](#)



**Otter Lake** Included  
Splash, swim, and play as long as you like with your family and friends in Otter Lake. [Learn More >](#)



**Kiddie Slides** Included  
Have a wolf pup wanting to be part of the "big kid water park action"? [Learn More >](#)



**Chipmunk Cove** Included  
Whoosh down miniature waterslides in the toddler-friendly Chipmunk Cove. [Learn More >](#)



**Whirlpool Hot Spas** Included  
Slip into the Whirlpool Hot Spas and instantly relax from head to toe! [Learn More >](#)



**Loon Lagoon** Included  
Don't forget to make time for fun in the sun, Loon Lagoon, our heated outdoor pool, ranges fr [Learn More >](#)



**Cabana Rentals**  
Cabanas are available to rent daily for your family's comfort and convenience throughout the [Learn More >](#)

## HOPE LAKE LODGE CASCADES INDOOR WATERPARK CORTLAND, NY

### Whitewater Wave Pool

Experience the force of a true Adirondack Whitewater adventure! With over 67,000 gallons of water, all fed by a raging 30 ft. wide, 13 ft. tall waterfall, this is your place for pure water excitement! Guests under 42" tall must wear a life jacket.



### The Rapids

Think you have what it takes to tackle The Rapids? Cascades has 4 water slides to choose from.

#### *Rapids 2 & 3 Slides*

Our two interior slides, labeled as Rapids 2 & 3, are over 100 ft. long and 2-stories high. These are designed for children and young adults 42-48" tall and under 130 lbs.



### Rapids 4 & 5 Slides

The really adventurous can take on our two 3-story enclosed slides, labeled as Rapids 4 & 5. Our body slide is 250 ft. long, and goes outside the building before re-entering to splash down in a pool below. Alongside is a tube slide, which lets you ride a one or two person tube down over 1000 gallons of water per minute in a 52" slide. This ride also travels outside the building before landing in a pool back inside the Waterpark. You must be 48" tall to ride either of these slides. Children and young adults 42-48" tall may ride the tube slide if accompanied by an adult (18 yrs or older).



### Big Bear Falls

An interactive play structure, featuring a net climb, 4 water blasters, 2 slides, water jets, a 500 gallon, 360° deluge bucket, and much more! No age limit / height limit.



### Little Bear Falls

The little ones don't have to be worried about being left out of the fun! Little Bear Falls is designed specifically for small children, with 6' - 12' water depth, air and water bubbler features, a tiny tot's swing, and a kid-sized slide. Guests must be 48" and under to play.



## The Cove

Our 22,000 gallon, 1,000 sq. ft. basketball cove is fed by a 9 ft. high waterfall, and features 2 custom themed basketball hoops!



## Northwoods Pool and Hot Springs

Northwoods Pool is our 1,500 sq. ft., 35,000 gallon, outdoor swimming pool that is heated and open year round! Swim laps, or just float along, no matter the season!

Sit back and relax at Hot Springs, our large indoor/outdoor hot tubs. Featuring hydrotherapy jets and 100° water temperature, our hot tubs are perfect for unwinding after a fun-filled day on the slopes or after exploring all that the Finger Lakes has to offer.



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2000 NYS Rt. 392 Cortland, NY 13045  
(866) 764-7017

# GREAT WOLF LODGE POCONOS



## Fort Mackenzie®

Included

Experience our multi-story, splash-loaded interactive treehouse – Fort Mackenzie. [Learn More >](#)



## MagiQuest®

Explore an enchanted kingdom and become a Master Magi with your very own magic wand. [Learn More >](#)



## Iron Horse™ Fitness Room

Included

Stick to your routine (or start a new one) in our 24-hour access fitness room, included with your [Learn More >](#)



## Scoops® Kid Spa

An ice-cream themed spa designed just for kids! [Learn More >](#)



## Elements™ Spa Salon

Escape to Elements Spa Salon where tranquility and spa treatments transport you away from everyday. [Learn More >](#)



## The Double Barrel Drop®

Included

Swoosh up and down the sides of not one, but two huge funnel drops. [Learn More >](#)



## Northern Lights™ Arcade

The bright lights, squeals of delight and roars of laughter are sure to guide you right to North. [Learn More >](#)



## River Canyon Run™

Included

Create your own family adventure on River Canyon Run, a signature Great Wolf Lodge water slide. [Learn More >](#)



## Alberta Falls®

Included

Twist, turn, slide and splash your way down 4-stories of fast-paced waterslide fun before a final. [Learn More >](#)



## Ten Paw Alley™

Here your little ones can bowl like the big kids! [Learn More >](#)



## Totem Towers

Included

Quickly escape the Fort Mackenzie® treehouse on your choice of water slides! [Learn More >](#)



## Howl at the Moon™ Glow Golf

Get in the "glow" game and howl at the moon. [Learn More >](#)



## Howlers Peak Ropes Course®

Take your family fun to new heights! [Learn More >](#)



## Hydro Plunge®

Included

Find out what it's like to ride a roller coaster made of water! [Learn More >](#)



## Coyote Cannon

Included

Grab a friend and climb in for a howlin' good tube run on Coyote Cannon, a water park thrill. [Learn More >](#)



## The Clubhouse Crew

Bring the Great Wolf Lodge experience to life and set your little one's imagination free as t. [Learn More >](#)



### Slap Tail Pond®



Get ready to catch a wave in Slap Tail Pond! [Learn More >](#)



### Howly Wood® XD Theater

Buckle up for an immersive 4D theater experience! [Learn More >](#)



### Crooked Creek



Pile your pack in a tube or two and let your cares float away on Crooked Creek, the lazy river. [Learn More >](#)



### Creation Station

Create our own stuffed animal at Creation Station. [Learn More >](#)



### Big Foot Pass



Balance on logs and lily pads as you make your way across this agility course set in a pool! [Learn More >](#)



### ShadowQuest™

Take your quest to the next level, young Magi! [Learn More >](#)



### Compass Quest™

Extend your live-action MagiQuest® journey with Compass Quest, discovering untold layers of m [Learn More >](#)



### Chinook Cove



Splash, swim, and play as long as you like with your family and friends in Chinook Cove. [Learn More >](#)



### Whopping Hollow



Have a wolf pup under 48-inches wanting to be part of the "big kid water park action" [Learn More >](#)



### Oliver's Time Challenge

Race against the clock in Oliver's Time Challenge. [Learn More >](#)



### Wolf Walk™



Hike the lodge with us and learn to howl like a wolf! [Learn More >](#)



### Cub Paw Pool



Whoosh down miniature water slides and ride stationary water jet skis just like the big kids in t [Learn More >](#)



### The Forest Friends Show™



Make new friends and learn new songs! [Learn More >](#)



### North Hot Springs



Enter a blissful oasis – North Hot Springs! [Learn More >](#)



### Story Time



Put on your cutest PJs and get cozy for nightly Story Time. [Learn More >](#)



### South Hot Springs



Take a break from the action in South Hot Springs—a family warming pool everyone can enjoy. [Learn More >](#)



### Raccoon Lagoon®



Included

Scamper over to Raccoon Lagoon when outdoor adventure calls! [Learn More >](#)



### Wolf Pup Activities



Included

Our roving Kids Experience pack members bring the fun right to your wolf pups with music, dancing [Learn More >](#)



### Cabana Rentals

Treasure your time together in a private cabana. [Learn More >](#)

