FEASIBILITY STUDY REPORT
FOR THE
PROPOSED OUTDOOR WATERPARK
SOUTHEAST QUADRANT OF HALLS MILL ROAD AND LEES LANE
MOBILE, MOBILE COUNTY, ALABAMA

Date of Report:

April 18, 2022

For

Commissioner Connie Hudson
Mobile County Commission
205 Government Street
Mobile, Alabama 36644

April 18, 2022

Commissioner Connie Hudson
Mobile County Commission
205 Government Street
Mobile, Alabama 36644

RE: Feasibility Study Report for Proposed Outdoor Waterpark
Mobile, Mobile County, Alabama

Dear Commissioner Hudson:

In fulfillment of the agreement outlined in the letter of engagement, we completed our study of the market demand and financial feasibility analysis for the proposal to develop an outdoor waterpark in the southeast quadrant of Halls Mill Road and Lees Lane in Mobile, Mobile County, Alabama. The study is based upon market conditions observed as of the date of our market inspection on January 18, 2022, and research conducted in January and February 2022.

The subject property will be adjacent to the under-construction Mobile County Soccer Complex and the proposed natatorium. Our projections assume that the waterpark will be owned and operated by a private developer.

Assumptions

The conclusions contained in this report are based upon a review of information provided by you and field work in the market area, which is described in the Scope of Assignment section. As in all studies of this type, the conclusions reached do not consider or provide 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 outdoor waterpark, as well as an aggressive marketing program. We assume the proposed waterpark will open January 1, 2024. We presume no significant change in the competitive position of the waterpark 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 based on information obtained and our experience in the waterpark 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 which are set forth in this report.

This report and its contents are intended solely for the information of our client for internal use relative to determining the feasibility of the project. The report should not be relied upon for any other purpose. Neither our report nor any of its contents nor any reference to Hotel & Leisure Advisors, LLC (H&LA) may be disseminated online or 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 are available to perform additional consulting services as the scope of the development is finalized. In addition, we are available to perform an economic impact study, 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
____
David J. Sangree, MAI, ISHC
President

N. Maredia
____
Nuresh Maredia, CHIA
Director of Appraisal & Consulting Services

FEASIBILITY STUDY REPORT
FOR THE
PROPOSED OUTDOOR WATERPARK MOBILE
SOUTHEAST QUADRANT OF HALLS MILL ROAD AND LEES LANE
MOBILE, MOBILE COUNTY, ALABAMA

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SCOPE OF THE ASSIGNMENT

Mobile County Commission retained Hotel & Leisure Advisors, LLC to estimate the potential market feasibility of the development of an outdoor waterpark adjacent to the Mobile County Soccer Complex in Mobile, Mobile County, Alabama.

We made several independent investigations and analyses in preparing this study including:

- Evaluated the subject site and its relationship to potential users as well as its attributes relative to waterpark and other amusement facility competitors.

- Interviewed representatives and/or researched information from the local convention and visitors bureau and economic development officials, regarding the proposed site and region.

- Interviewed managers or owners of existing and proposed competitive waterpark properties.

- Researched the performance of U.S. waterparks.

- Interviewed representatives of area attractions to determine usage and new supply additions.

- Conducted demand interviews with potential users of the proposed facility.

- Contacted 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.

- Completed a physical inspection of the subject property and the area. In addition to the subject’s specific information, we considered relevant market data when determining the projections.

The financial analysis was based primarily upon the probable operating experience of the property relative to gross operating revenues, typical expense levels, and resultant net cash flow. Estimates of operating revenues were based upon market data relative to industry standards and comparable properties in the subject area. Expense levels were estimated based upon industry standards and operating histories of similar properties. We estimated the financial projections for the subject facility for 11 years beginning January 1, 2024.

EXECUTIVE SUMMARY

Mobile County Commission is considering the development of an outdoor waterpark. The county would either sell or lease the land to a private developer for the development of the proposed outdoor waterpark.

The subject land is located near the under-construction Mobile County Soccer Complex, which will include 10 soccer fields when completed. Phase 1 of the soccer complex is complete and opened in 2020, which includes three lighted soccer fields and parking for 200 cars. The soccer complex is projected to attract regional tournaments, clubs and league plays, and also be open to local residents for lessons,. The county also plans to develop a natatorium which will include an indoor pool in Phase 1 and an outdoor pool in Phase 2. Similar to the soccer complex, the natatorium is projected to host regional swim meets and competitions and be open to local residents for lessons and recreation use. We recommend that the waterpark management team partner with the soccer complex and natatorium, which will allow the waterpark to increase attendance levels.

We recommend that the outdoor waterpark be developed in multiple phases. Phase I should include a mid- to large-size waterpark with approximately 20 acres inclusive of parking area that would offer a quality experience to guests. As part of a future expansion, the developers should consider adding more attractions to the waterpark and/or develop dry attractions such as a multi-story ropes course and zipline.

The following table summarizes the planned attractions for the outdoor waterpark development.

Summary of Proposed Features

Proposed Outdoor Waterpark Mobile

Sizing	
Outdoor attraction area and parking	20.0 acres
Future Expansion	5.0 acres
Total site	25.0 acres
Rides and Attractions	**Quantity / Size**
Mat racer slides	6-8
Tube slides	2-3
Body slides	3-4
Bowl rides/Family raft ride	2-3
Drop slides	2
Total slides	**15-20**
Lazy river	
Wave pool	
Surf machine	
Leisure/Activity pool with water basketball and lily pads	
Interactive treehouse structure with kid slides, water jets and dumping	
Children's pool and toddler slides	
Dry Attractions (future expansion)	
Ropes course	
Zipline over waterpark	
Food and Beverage Outlets	
Large snack bar with outdoor seating	
Kiosks selling food, beverages and ice-cream	
Bar selling beer, wine and tropical drinks	
Group picnic area/pavillion	
Other Features	**Quantity / Size**
Retail/Gift shop	1,000 square feet
Cabanas (Rental Fee)	30
Lockers (Rental Fee)	500

Source: Hotel & Leisure Advisors

The proposed outdoor waterpark should include a wide range of waterpark entertainment. The following bullets describe our recommendations for the waterpark.

- The waterpark should develop a unique theme for the entire facility. Having a unique theme and a descriptive story with each of the rides provides a more interesting, interactive experience for visitors.

- The park should offer a lazy river. Guests will travel around the lazy river on tubes and enjoy a relaxing ride while moving with the current. The subject waterpark should offer complimentary tubes.

- The park should have a large wave pool, offering fun for the entire family.

- We recommend the subject offer multiple food and beverage outlets and kiosks, including:
    - Quick service outlet selling pizza, hot dogs, tacos, sandwiches, burgers, ice cream, and beverages
    - Multiple kiosks selling food, beverages, and ice cream
    - We recommend the subject obtain a liquor license and have a bar for beer, wine, and tropical drinks
    - We recommend the development include a covered picnic pavilion with tables and benches. This pavilion can be rented to larger groups and parties and can also be used by waterpark patrons on busy days when there are no groups.
    - We recommend that the park require guests to purchase food and beverages in the waterpark and limit outside food and beverage items to people with special dietary needs.
- The waterpark should offer 15 to 20 larger water slides, including the following:
    - Body slides
    - Tube slides
    - Bowl rides
    - Drop slides
    - Mat Racer slides
- We recommend that the waterpark obtain at least one “signature” attraction that will make the subject waterpark stand out from other waterparks in the region.
- We recommend a multi-story water play structure with water guns, kid slides, water jets, bubblers, water wheels, tipping bucket, and other play feature equipment.
- The waterpark should offer a children’s pool with zero-depth entry for toddlers with slides for toddlers.
- The waterpark entry building should include a retail store, lockers, changing rooms, and restrooms.
- We recommend the property have a number of cabanas throughout the facility that can be rented on a daily basis. Chairs and cabanas should surround the wave pool and the lazy river. Cabanas should range from chairs and a table to premium cabanas that offer lounge chairs, fan, and food service. We recommend that cabana prices fluctuate and range from $100 to $200 depending on the time of year.

- We recommend plenty of shaded areas be built in the waterpark due to high temperatures during the summer.

- We recommend that in future years the developers install additional attractions such as additional slides and pools, as this will help the subject waterpark continue to attract repeat visitation. The developers should plan for the future phases during Phase 1 and prepare a master plan accordingly.

- As part of a future expansion, the developers should consider adding dry attractions including a multi-story ropes course and zipline going over the waterpark.

- We recommend that the proposed waterpark be active on social media websites such as Facebook, Instagram, and Twitter, where it can offer park news, special event announcements, discounts, and special pricing.

- We recommend the waterpark charge $5 for parking. We recommend those who purchase a season pass for the waterpark receive a complimentary parking pass.

- We recommend the park host special events during the waterpark season to entice visitors and increase repeat visitation. The waterpark should offer movie nights during select days of the waterpark season. Movie nights at waterparks are typically hosted around the wave pool.

Development Budget

The client has not prepared a formal development budget. We project the subject development costs to range from $20,000,000 to $30,000,000 million or from approximately $1,000,000 to $1,500,000 per acre for a 20-acre site excluding land costs. The final development costs will depend heavily on the cost of land, and the quality of slides and attractions. The subject's development cost will be lowered if the subject shares a parking lot with the proposed natatorium. The subject waterpark could potentially use the natatorium and soccer complex as overflow parking area; however, it could be more difficult to charge for parking if it is shared.

Subject Waterpark Projections

The following table indicates our projections of financial performance for the proposed waterpark for the first 11 years of the analysis.

Forecasted Financial Performance Summary

Proposed Outdoor Waterpark Mobile

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Average Rate	$27.80	$28.40	$29.15	$29.88	$30.63	$31.39	$32.98	$33.80	$34.65	$35.51
Days Open	90	90	90	90	90	90	90	90	90	90
Attendance	208,000	215,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000
	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
Admissions	$5,783	$6,106	$6,383	$6,543	$6,707	$6,874	$7,222	$7,403	$7,588	$7,777
Food and Beverage	1,872	1,971	2,056	2,108	2,160	2,214	2,327	2,385	2,444	2,505
Retail	260	274	286	293	300	308	323	331	339	348
Rentals and Other Income (Net)	538	563	585	599	614	630	662	678	695	712
Parking / Other	156	164	171	176	180	185	194	199	204	209
Total Operating Revenue	**8,609**	**9,078**	**9,481**	**9,719**	**9,961**	**10,211**	**10,728**	**10,996**	**11,270**	**11,551**
Cost of Sales										
Food and Beverage	618	645	669	685	703	720	757	776	795	815
Retail	104	109	113	115	118	121	127	131	134	137
Total Departmental Expenses	**722**	**754**	**782**	**800**	**821**	**841**	**884**	**907**	**929**	**952**
Total Departmental Profit	**7,887**	**8,324**	**8,699**	**8,919**	**9,140**	**9,370**	**9,844**	**10,089**	**10,341**	**10,599**
Undistributed Operating Expenses										
Labor	2,152	2,246	2,330	2,388	2,448	2,509	2,636	2,702	2,769	2,839
Administrative & General	517	539	559	573	587	602	633	648	665	681
Sales & Marketing	387	404	419	430	441	452	474	486	498	511
Operating Supplies	215	225	233	239	245	251	264	270	277	284
Prop. Oper. & Maintenance	456	476	494	506	519	532	559	573	587	602
Utilities	387	400	412	422	433	444	466	478	490	502
Total Undistributed Oper. Expenses	**4,114**	**4,290**	**4,447**	**4,558**	**4,673**	**4,790**	**5,032**	**5,157**	**5,286**	**5,419**
Gross Operating Profit	**3,773**	**4,034**	**4,252**	**4,361**	**4,467**	**4,580**	**4,812**	**4,932**	**5,055**	**5,180**
Management Fees	430	454	474	486	498	511	536	550	564	578
Income Before Non-Oper. Expenses	**3,343**	**3,580**	**3,778**	**3,875**	**3,969**	**4,069**	**4,276**	**4,382**	**4,491**	**4,602**
Non-Operating Expenses										
Property Tax	127	130	133	137	140	144	151	155	159	163
Insurance	260	267	273	280	287	294	309	317	325	333
Reserve for Replacement	258	363	474	486	498	511	536	550	564	578
Total Non-Operating Expenses	**645**	**760**	**880**	**903**	**925**	**949**	**996**	**1,022**	**1,048**	**1,074**
Net Income / EBITDA	**$2,698**	**$2,820**	**$2,898**	**$2,972**	**$3,044**	**$3,120**	**$3,280**	**$3,360**	**$3,443**	**$3,528**
NOI as percent of Total Revenue	**31.3%**	**31.1%**	**30.6%**	**30.6%**	**30.6%**	**30.6%**	**30.6%**	**30.6%**	**30.6%**	**30.5%**

Source: Hotel & Leisure Advisors

Our analysis indicates that the development of the proposed outdoor waterpark produces a positive return. We analyzed the potential value for the waterpark utilizing a 12.0% discount rate and a 10.0% terminal capitalization rate. The valuation indicates a conclusion of $28,000,000 as completed for the development. The discounted cash flow as stabilized valuation equals $29,500,000. The discounted cash flow analysis utilizes higher discount and terminal capitalization rates than typical for commercial properties like apartments to account for the added risk involved in owning and operating a waterpark. The value conclusions are not meant to be market value because there are still many unknowns concerning the subject project; rather, they are presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal.

Site Attributes

Mobile is Alabama's third largest city and a major center for health care, transportation, and shipping. The proposed site in Mobile is southwest of downtown Mobile, near the Interstate 10 and Interstate 65 junction. The site will have visibility from both highways. The immediate area surrounding the subject site includes light industrial development followed by residential development as you move away from the area.

Competitive Waterpark Market

The proposed waterpark will be the only waterpark in Mobile. The following table highlights the comparable waterparks in the region and information concerning their performance and attractions.

Comparable Attractions Overview

	Waterville USA, Gulf Shores, AL	Gulf Islands Waterpark, Gulfport, MS	Big Kahuna's Waterpark & Adventure Park Destin, FL	Alabama Splash Adventure and Amusement Park Bessemer , AL	Grand Paradise Waterpark, Collins, MS
Estimated Attendance	150,000-175,000	150,000-175,000	175,000-200,000	175,000-200,000	75,000-100,000
Size (acres)	20	20	25	14	7
Ownership	Private	Private	Private	Private	Private
Days open	85	87	115	90	85
Visitors per day	2,059	2,011	1,739	2,222	941
Admission and Rental Fees					
Adult admission fees	$33.95	$45.00	$45.99	$44.99	$30.00
Child admission fees	$25.95	$30.00	$40.99	$39.99	$26.00
Season pass	$150.00	$55	$55.00	$99.00	$94.99
Daily parking fees	Free	Free	$5	Free	Free
Locker rental	$8-$12	$8	$11-$15	$7	$5
Cabana rental	$135	$60-$190	$149	$150-$175	$50-$85
Amenities					
# of Dry Attractions	9	3	3	15	0
Number of slides	17	11	25	14	9
Lazy river	No	Yes	Yes	Yes	Yes
Wave pool	Yes	Yes	Yes	Yes	No
FlowRider / surf machine	Yes	No	Yes	No	No
Food and Beverage					
# of F&B Outlets	4	3	4	6	2
Alcohol sales	No	No	No	No	No
Outside food & beverage permitted?	No	No	No	No	No

Source: Hotel & Leisure Advisors and individual attractions' websites

Waterpark Usage

The following table indicates our projections of attendance and waterpark revenue from season pass holders, residents, and overnight leisure guests.

Forecasted Attendance and Revenue						
Proposed Outdoor Waterpark Mobile	2024	2025	2026	2027	2028	2029
Season Pass Holders						
Number of pass holders	23,200	23,896	24,374	24,374	24,374	24,374
Average price per pass	$85.00	$87.13	$89.30	$91.54	$93.82	$96.17
Forecasted revenue	$1,972,000	$2,081,939	$2,176,667	$2,231,084	$2,286,861	$2,344,033
Total visitors per year	92,800	95,584	97,496	97,496	97,496	97,496
Local Visitors						
Total visitors per year	93,413	96,215	98,139	98,139	98,139	98,139
Average admission price	$32.96	$33.79	$34.63	$35.50	$36.39	$37.30
Forecasted revenue	$3,079,250	$3,250,918	$3,398,835	$3,483,806	$3,570,901	$3,660,174
Overnight Leisure Visitors						
Total visitors per year	22,204	22,870	23,327	23,327	23,327	23,327
Average admission price	$32.96	$33.79	$34.63	$35.50	$36.39	$37.30
Forecasted revenue	$731,923	$772,728	$807,887	$828,084	$848,787	$870,006
Total						
Subject property annual attendance	208,416	214,669	218,962	218,962	218,962	218,962
Subject property annual attendance (rounded)	208,000	215,000	219,000	219,000	219,000	219,000
Total ticket revenue (rounded)	$5,783,000	$6,106,000	$6,383,000	$6,543,000	$6,707,000	$6,874,000
Overall average rate	$27.80	$28.40	$29.15	$29.88	$30.63	$31.39
Usage						
Average daily attendance over 90 days	2,316	2,385	2,433	2,433	2,433	2,433
Maximum daily capacity	6,000	6,000	6,000	6,000	6,000	6,000
Usage percentage	39%	40%	41%	41%	41%	41%
Demand Segmentation						
Season Pass Holders	45%	45%	45%	45%	45%	45%
Local Visitors	45%	45%	45%	45%	45%	45%
Overnight Leisure Visitors	11%	11%	11%	11%	11%	11%

Source: Hotel & Leisure Advisors

Subject Development Outlook

Overall, our study revealed that the proposed subject waterpark development is viable depending on the final construction costs and available municipal incentives. The subject's location adjacent to the soccer complex and proposed natatorium is a positive since both facilities are projected to hosts numerous events and the subject can provide water entertainment for guests attending the sports events or family members who may not want to attend the sports events during the summer.

The subject waterpark will have good visibility from Interstate 10 and 65 and is convenient to the population within Mobile County as well as other nearby portions of Alabama, Mississippi, and Florida. The valuation analysis indicates that the proposed waterpark may need municipal incentives including offering land at below market price to entice a private developer to move forward with the development. Our valuation analysis indicates that the hypothetical as completed value is within the range of the development costs.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

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

The location and amenities of the proposed waterpark are still being finalized and the financial projections shown later in this report may change depending upon the type of rides and amenities utilized in the proposed development. As these plans are determined, they could have a material impact on this study.

Our report assumes that both the soccer complex and the proposed natatorium are developed.

There are no other extraordinary assumptions or hypothetical conditions.

COMPETENCY OF THE CONSULTANTS

Hotel & Leisure Advisors, LLC is an international hospitality consulting firm specializing in appraisals, feasibility studies, and impact analysis for hotels, outdoor and indoor waterparks, resorts, golf courses, restaurants, conference and convention centers, and other leisure real estate. We work exclusively in the hospitality industry and concentrate our efforts on in-depth understanding of the trends and factors related to this industry. Our participation in industry associations and trade groups keeps us abreast of developments affecting our clients and gives us access to rich sources of data. We follow news and transactions occurring in the hospitality industry on a daily basis. The consultants of the firm have performed over 3,000 hotel and waterpark studies since 1987 at various firms. Mr. David J. Sangree, MAI, CPA, ISHC has written articles concerning waterpark resorts for *Hotel/Motel Management, Lodging Hospitality, World Waterpark Magazine, Midwest Real Estate News, Aquatics Magazine* and *Hotel Online* and is a national expert on these types of properties. He has appeared on Good Morning America, CNBC, and Fox8 News in segments concerning hotels, resorts and waterparks. He has inspected most of the open indoor waterpark resorts and many outdoor waterparks in the United States and Canada. 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.

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 subject property 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.

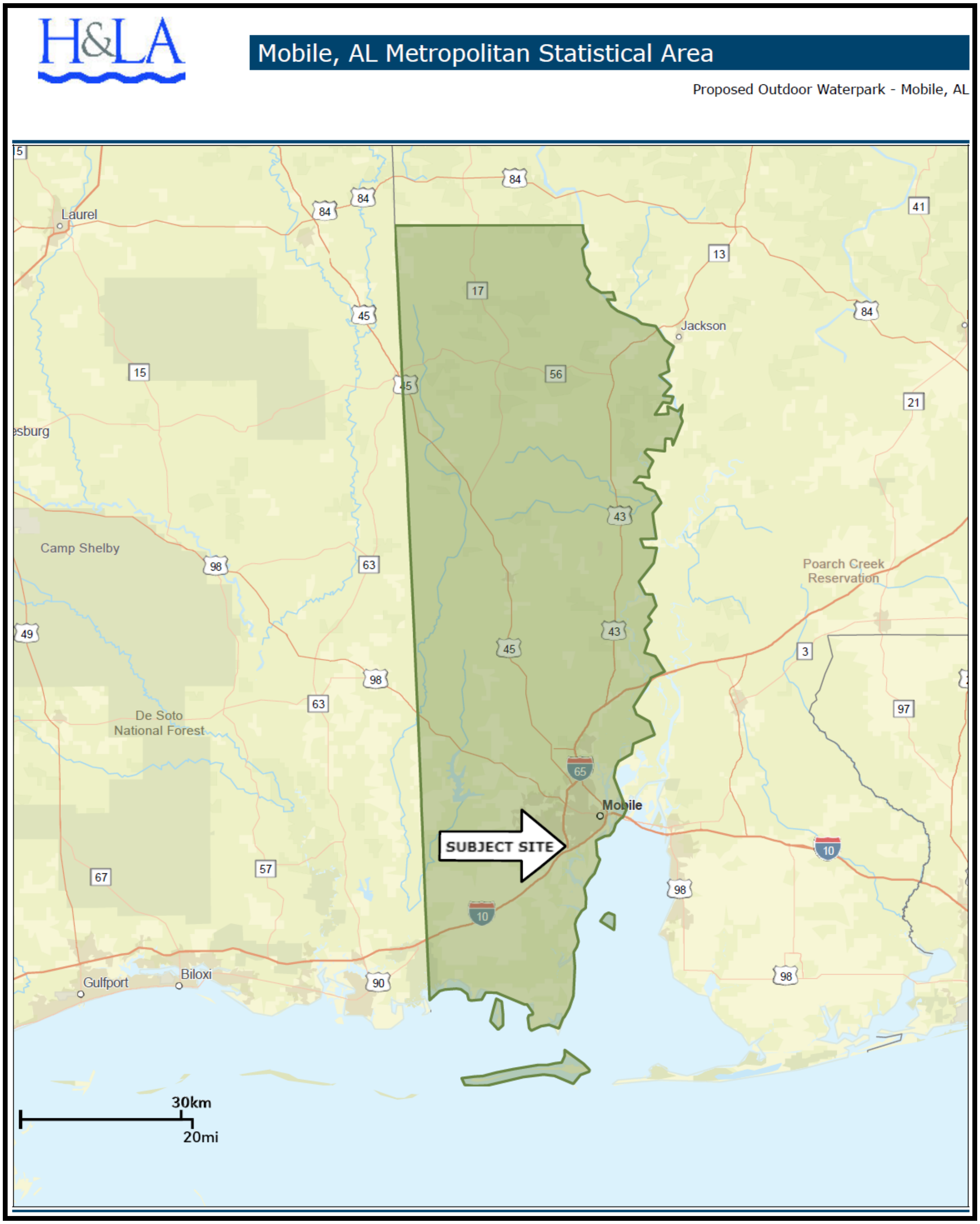
18. The report does not address the project's compliance with the federal statute commonly known as the Americans with Disabilities Act as well as regulations and accessibility guidelines promulgated thereunder.

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.

AREA REVIEW

The feasibility of a waterpark project is influenced in a general manner by the economic, political, physical, and social characteristics of its surrounding area. The subject site is in Mobile, Mobile County, Alabama, and belongs to the Mobile, AL Metropolitan Statistical Area (MSA). An MSA consists of at least one urbanized area of 50,000 or more people plus adjacent areas having a high degree of social and economic integration with the core. According to the U.S. Census Bureau, the Mobile MSA is comprised of two Alabama counties: Mobile and Washington.

The following map shows the location of the subject site within the Mobile MSA.



Located on the Gulf Coast, Mobile is Alabama's third largest city and a major center for health care, transportation, and shipping. The subject site is southwest of downtown Mobile, near the juncture of Interstate 10 and Interstate 65. The proposed waterpark is part of a large under-development sports and recreation district that includes the recently opened Mobile County Soccer Complex.

According to The Appraisal of Real Estate, 15th 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. Those 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. This section of the report will present demographics and income figures for Mobile, Mobile County, the Mobile MSA, and the state of Alabama based on official Census findings and estimates and projections from the Environmental Systems Research Institute (ESRI).

Population Trends: The following table presents population growth trends for the subject area.

Population Growth Trends

Mobile, Alabama

Area	2000 Census	2010 Census	2021 Est.	2026 Proj.	%Change 2000-10	%Change 2010-21	%Change 2021-26
Mobile	204,209	195,160	196,019	197,815	-4.4%	0.4%	0.9%
Mobile County	399,843	412,992	420,950	426,772	3.3%	1.9%	1.4%
Mobile MSA	417,940	430,573	439,696	445,720	3.0%	2.1%	1.4%
Alabama	4,447,100	4,779,736	5,033,936	5,147,176	7.5%	5.3%	2.2%

Sources: U.S. Census Bureau, ESRI

Despite a slight drop in the city population, Mobile County and the Mobile MSA have both seen gradual growth over the past two decades. As indicated, the vast majority of the MSA population resides in Mobile County. Between 2021 and 2026, the Mobile MSA is projected to experience a net gain of more than 6,000 residents.

Households: Household consumption plays a critical role in the economic outlook of a region. A household includes all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. The following table presents household growth trends for the subject area.

Household Growth Trends

Mobile, Alabama

Area	2000 Census	2010 Census	2021 Est.	2026 Proj.	%Change 2000-10	%Change 2010-21	%Change 2021-26
Mobile	80,303	78,974	79,765	80,718	-1.7%	1.0%	1.2%
Mobile County	150,179	158,435	162,544	165,186	5.5%	2.6%	1.6%
Mobile MSA	156,884	165,193	169,862	172,615	5.3%	2.8%	1.6%
Alabama	1,737,080	1,883,791	1,995,993	2,044,548	8.4%	6.0%	2.4%

Sources: U.S. Census Bureau, ESRI

Once again, these numbers depict an area of steady and continued growth, particularly at the county and MSA levels. The fact that growth in the number of households has outpaced population growth indicates a trend toward smaller households. Over the next few years, the subject area is projected to continue gaining households at all geographic levels.

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. The nearest major higher education campus is the University of South Alabama, on the west side of Mobile. This comprehensive public university has a typical enrollment of over 14,000 students, inclusive of undergraduates and graduate students. The university's NCAA Division I athletic programs are an important source of visitor demand for the area, as are commencement ceremonies, prospective student visitation, and other university-related events. Other notable institutions in the greater Mobile area include Spring Hill College, the University of Mobile, and Bishop State Community College.

Retail Centers: According to the U.S. Travel Association, shopping is one of the most frequent travel activities among domestic leisure travelers, second only to visiting relatives. 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.

Mobile's largest retail center is the Shoppes at Bel Air, located just off Interstate 65 west of downtown. This enclosed shopping mall features four department store anchors and a total of more than 80 individual stores, restaurants, and service providers. The area surrounding the mall offers a large collection of big box retailers and chain restaurants. East of Mobile, Tanger Outlets Foley offers a collection of more than 100 popular brand name outlet stores.

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

Major Tourist Attractions

Subject Area

Attraction	Location
Battleship USS Alabama	Mobile Riverfront
Gulfquest National Maritime Museum of the Gulf of Mexico	Mobile Riverfront
Gulf Coast Exploreum Science Center	Mobile Riverfront
Mobile Tennis Center	West of Downtown
The Park at OWA	Foley, AL
Waterville USA	Gulf Shores, AL
Gulf Coast Beaches	multiple locations

Source: Hotel & Leisure Advisors

With a history dating back to the early 1700s, Mobile offers a wealth of historical and cultural attractions. Major points of interest include the Mobile Museum of Art, Saenger Theatre, the History Museum of Mobile, the Mobile Carnival Museum, and several historic homes. Battleship Memorial Park, along the Mobile Riverfront, includes the Battleship USS Alabama and a World War II era submarine, as well as other historical military equipment and memorials. The Mobile Tennis Center, one of the largest facilities of its kind in the world, features 60 lighted tennis courts and is frequently used for league play and regional tournaments.

Other notable attractions in the area include the Gulfquest National Maritime Museum of the Gulf of Mexico, Gulf Coast Exploreum Science Center, and Mobile Botanical Gardens. Mobile is also within an hour's drive of Alabama's Gulf Coast beaches, which offer several family-friendly attractions such as Gulf State Park, Alabama Gulf Coast Zoo, The Park at OWA, and Waterville USA.

According to the *2020-2021 Alabama Tourism Industry Economic Impact* report prepared by Alabama Tourism Department, Mobile County attracted 3.3 and 2.8 million visitors in 2019 and 2020 respectively, making it the third most visited county in Alabama. Baldwin County, which is the county adjacent to Mobile County, received the highest number of visitors at 6.8 and 5.9 million visitors in 2019 and 2020 respectively.

Convention Facilities: Large event facilities such as convention centers, exposition centers, fairgrounds, theaters, stadiums, and arenas play a major role in attracting visitors to an area. These visitors frequently make use of paid overnight accommodations and patronize local restaurants, retail stores, and tourist attractions.

The subject site is near The Grand Hall, a mid-sized event venue capable of hosting wedding receptions, private parties, and corporate events. The nearby Heron Lakes Country Club offers more than 8,000 square feet of event space and can accommodate up to 400 guests for similar types of events. Mobile's main convention venue is the Arthur R. Outlaw Mobile Convention Center, along the downtown riverfront. This 317,000-square-foot facility features two exhibit halls, two ballrooms, and 16 meeting rooms. The Convention Center hosts a wide range of events throughout the year, including conventions, trade shows, consumer shows, concerts, and sports tournaments.

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 following table lists median household income estimates for the subject area.

Median Household Income Estimates

Mobile, Alabama

Area	2021 Est.	2026 Proj.	%Change 2021-26
Mobile	$43,362	$47,279	9.0%
Mobile County	$49,969	$53,393	6.9%
Mobile MSA	$49,626	$53,233	7.3%
Alabama	$51,773	$56,524	9.2%

Sources: U.S. Census Bureau, ESRI

The median household income in the greater Mobile area is slightly below the state average. As an additional point of comparison, the median household income for the United States as a whole was estimated at $64,730 for 2021. At all geographic levels, the area is projected to see modest income growth over the next few years.

Cost of Living: According to the C2ER (formerly ACCRA) *Cost of Living Index*, the cost of living in the Mobile MSA is relatively low compared to other major metro areas in the United States. For first-quarter 2021, the Mobile MSA had a cost of living index of 86.8. As an index score of 100 represents the national average, MSAs with a cost of living index below 100 are considered to have a lower cost of living while those with an index score above 100 are considered to have a higher cost of living.

The following table compares the cost of living in the Mobile MSA to that of other major metro areas in the United States.

Cost of Living Comparison	
Metro Area	Cost of Living Index
Memphis TN-MS-AR	86.4
Oklahoma City OK	86.7
Mobile AL	***86.8***
St. Louis MO-IL	87.3
San Antonio-New Braunfels TX	93.2
Houston-The Woodlands-Sugar Land TX	94.9
Charlotte-Concord-Gastonia NC-SC	95.9
Tampa-St. Petersburg-Clearwater FL	96.3
Orlando-Kissimmee-Sanford FL	98.2
Phoenix-Mesa-Scottsdale AZ	101.2
Dallas-Plano-Irving TX	102.5
Atlanta-Sandy Springs-Roswell GA	102.6
Detroit-Dearborn-Livonia MI	103.7
Minneapolis-St. Paul-Bloomington MN-WI	104.7
Baltimore-Columbia-Towson MD	107.3
Philadelphia PA	110.4
Denver-Aurora-Lakewood CO	114.7
Miami-Miami Beach-Kendall FL	115.6
Chicago-Naperville-Arlington Heights IL	123.9
Portland-Vancouver-Hillsboro OR-WA	131.6
San Diego-Carlsbad CA	142.5
Los Angeles-Long Beach-Glendale CA	146.6
Boston MA	151.8
Seattle-Bellevue-Everett WA	151.8
Washington-Arlington-Alexandria DC-VA-MD-WV	154.7
New York-Jersey City-White Plains NY-NJ (Brooklyn)	174.6
San Francisco-Redwood City-South San Francisco CA	188.0
New York-Jersey City-White Plains NY-NJ (Manhattan)	240.6

Source: C2ER, Cost of Living Index 1st Quarter 2021

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 the subject area.

Historical Unemployment Rates					
	2016	2017	2018	2019	2020
Mobile	6.9%	5.6%	5.1%	4.1%	9.1%
Mobile County	6.6%	5.4%	4.7%	3.7%	7.9%
Mobile MSA	6.6%	5.4%	4.7%	3.7%	7.9%
Alabama	5.9%	4.6%	3.9%	3.0%	5.9%
United States	4.9%	4.4%	3.9%	3.7%	8.1%

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

While the Mobile area tends to experience higher levels of unemployment than the state as a whole, the MSA's annual unemployment rate fell below 4% in 2019. The city, county, and MSA all saw a sharp rise in unemployment in 2020 due to the pandemic. The Bureau of Labor Statistics also tracks unemployment on a monthly basis. Preliminary figures for December 2021 indicate an unemployment rate of 4.5% in Mobile, 3.9% in Mobile County, 3.9% in the Mobile MSA, and 3.1% in the state of Alabama. These monthly numbers indicate significant recovery over the worst periods of the pandemic.

Employment by Industry: The distribution of employment helps determine the economic character of an area. The following table shows the three largest industrial sectors in terms of the estimated number of persons employed in 2021 for each geographic area.

Largest Industrial Sectors, 2021						
	Mobile, Alabama					
	Largest industrial sector		2nd largest industrial sector		3rd largest industrial sector	
	Industry	% of employees	Industry	% of employees	Industry	% of employees
Mobile	Health Care/ Social Assistance	20.7%	Retail Trade	13.4%	Accommodation/ Food Services	9.0%
Mobile County	Health Care/ Social Assistance	17.3%	Retail Trade	14.3%	Manufacturing	9.7%
Mobile MSA	Health Care/ Social Assistance	16.9%	Retail Trade	14.0%	Manufacturing	10.3%
Alabama	Health Care/ Social Assistance	14.3%	Retail Trade	13.3%	Public Administration	10.5%

Source: ESRI

The top sector in the Mobile area is Health Care/Social Assistance, representing more than one fifth of all jobs in the city proper. Employment in the Accommodation/Food Services sector is a reliable indicator of the importance of tourism to a local economy. In 2021, this sector accounted for an estimated 9.0% of the overall employment in Mobile and Mobile County; and 8.7% in the Mobile MSA.

The next table shows the total annual nonfarm employment in the Mobile MSA and the state of Alabama for the years 2016 through 2020, plus the latest monthly numbers for 2021 as compared to the same period in 2020.

Total Nonfarm Employment, 2016-2020				
	Mobile MSA	% Change	Alabama	% Change
2016	183,500	—	1,997,000	—
2017	184,200	0.4%	2,018,700	1.1%
2018	185,400	0.7%	2,044,500	1.3%
2019	186,500	0.6%	2,074,800	1.5%
2020	178,400	-4.3%	1,986,100	-4.3%
December 2020	181,700		2,021,800	
December 2021, Preliminary	182,900	0.7%	2,070,200	2.4%

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

The Mobile MSA experienced a gradual rise in employment from 2016 to 2019, followed by a marked decline in 2020 amid the pandemic. By December 2021, employment in the MSA had risen by 0.7% since December 2020; however, the area had not yet returned to pre-pandemic job levels. Overall, these figures show that the greater Mobile area has not kept pace with the state of Alabama as a whole in terms of job growth in recent years.

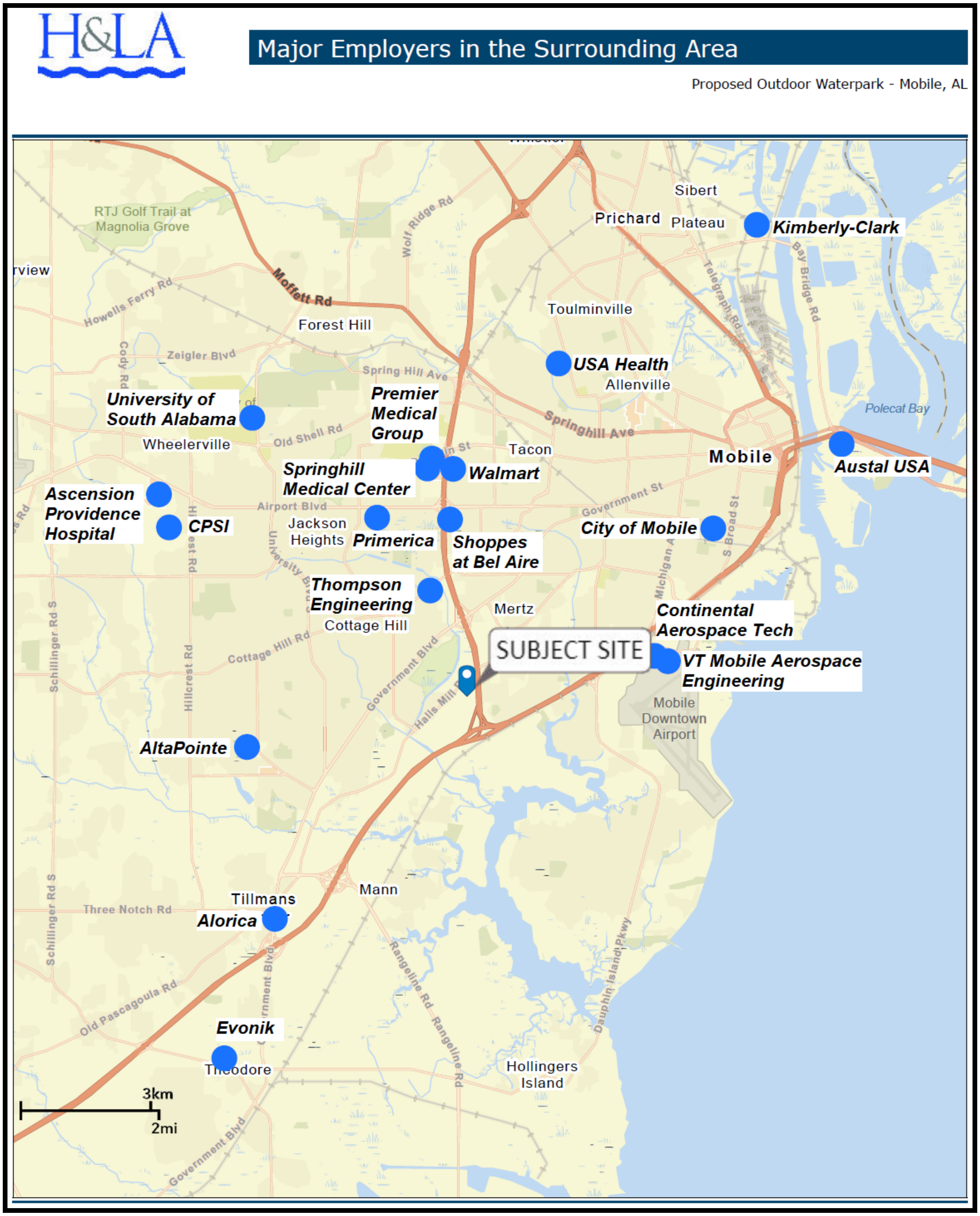
Major Employers: The overall character of an area is largely determined by the types of businesses located within it, their economic strengths, and their growth potential. The largest employers in the area are listed in the following table.

Major Employers in the Mobile Area

Firm/Organization	#Employees	Industry Description
Austal USA	4,000+	Shipbuilding
Infirmary Health System	4,000+	Health Care
Ingalls Shipbuilding	4,000+	Shipbuilding
Mobile County Public Schools	4,000+	K-12 Public Education
University of South Alabama/USA Health System	4,000+	Education/Health Care
Alorica	1,000 - 2,999	Inbound Call Center
AltaPointe	1,000 - 2,999	Health Care
AM/NS Calvert	1,000 - 2,999	Steel
Baldwin County Board of Education	1,000 - 2,999	K-12 Public Education
Chevron	1,000 - 2,999	Oil
City of Mobile	1,000 - 2,999	Local Government
Mobile County	1,000 - 2,999	Local Government
CPSI	1,000 - 2,999	Software
Providence Hospital	1,000 - 2,999	Health Care
Springhill Medical Center	1,000 - 2,999	Health Care
VT MAE	1,000 - 2,999	Aerospace Maintenance & Repair
Airbus	500 - 999	Aerospace
Alabama Power	500 - 999	Utility
Alabama State Port Authority	500 - 999	Maritime/Transportation
Army Corps of Engineers	500 - 999	Engineering
AT&T	500 - 999	Utility
BASF	500 - 999	Chemicals
Boise Paper	500 - 999	Paper
Evonik	500 - 999	Chemicals
G.A. West & Co.	500 - 999	Industrial Construction
Grand Hotel Marriott Resort	500 - 999	Tourism
Kimberly-Clark Corp.	500 - 999	Paper
Outokumpu Stainless USA	500 - 999	Steel
Regions Bank	500 - 999	Financial
SSAB	500 - 999	Steel

Source: Mobile Area Chamber of Commerce

The next map illustrates the location of the subject site in relation to major employers in the surrounding area.



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

- FGP Holding, a Mobile-based producer of frozen novelties, is moving forward with a plan to expand its local operations by investing $20 million in a production facility at 3107 Halls Mill Road, about one mile northeast of the subject site. The company plans to hire roughly 200 additional workers by the time the new plant is fully operational in early 2023.

- In 2020, the new Hancock Whitney Stadium opened on the campus of the University of South Alabama, replacing the 74-year-old Ladd-Peebles Stadium. The new 25,450-seat stadium is now home to the university's South Alabama Jaguars football program. Representing an investment of about $78 million, Hancock Whitney Stadium is one of the newest and most technically up-to-date facilities of its kind in the region, and it will also be used for concerts and other types of sporting events.

- Civic leaders in Mobile and Baldwin counties recently revived plans for a new $2.1 billion Interstate 10 bridge that would span the Mobile River and expand the highway across Mobile Bay. While an earlier version of this plan was rejected in 2019, the new plan is anticipated to proceed with lowered vehicle tolls and added lanes to address safety concerns. While this project is expected to move forward with the help of federal infrastructure grants, it remains unclear when the bridge will be finished.

- In April 2021, the Federal Aviation Administration approved a 10-year, $403 million plan to relocate commercial passenger service from Mobile Regional Airport to the Mobile Downtown Airport. This project will involve the creation of a new 130,000-square-foot international terminal at the downtown airport designed to better serve those flying into the city. Phase I of the plan – which includes the new terminal, garage parking, and a tarmac expansion – is expected to be completed in 2024.

- A massive new industrial park is now under construction in Theodore, Alabama, just south of Mobile. As planned, the South Alabama Logistics Park will cover 1,300 acres in Mobile County, with about six million square feet of warehouse, distribution, and manufacturing space in the first phase, and over 12 million square feet at full build-out. Once completed, the South Alabama Logistics Park will ensure Mobile's role as a leading Southern center for shipping for decades to come.

- In November 2021, the Poarch Band of Creek Indians announced plans to open a new hotel, conference center, and indoor waterpark at the existing OWA entertainment complex in Foley, Alabama. Representing an investment of about $75 million, this latest expansion will add 200 hotel rooms to the OWA complex and 100,000 square feet of indoor waterpark space.

- The city of Mobile is planning to develop and expand attractions around the Africatown Historic District, including museums, a visitor center and tours as part of the initial phase plus additional future attractions related to African American history.

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 two main highways serving the Mobile area are Interstate 10 and Interstate 65. Interstate 10 provides a direct link to the greater New Orleans area to the west and the Northern Florida cities of Pensacola, Tallahassee, and Jacksonville to the east. Interstate 65 connects Mobile to the state capital of Montgomery to the northeast and continues northward to Birmingham, Alabama's largest population center. Interstate 165 is a five-mile spur connecting Interstate 65 to downtown Mobile. The area is further served by US Routes 43, 45, 90, 98, and a well-developed system of state and local roads.

The subject site is along Halls Mill Road near the juncture of Interstate 10 and Interstate 65. The following table presents traffic volume statistics on both interstates, as well as Halls Mill Road, from the points closest to the subject site.

Annual Average Daily Traffic Volume

Mobile, Alabama

	Halls Mill Road		**Interstate 65**	**Interstate 10**	
	North of Site	*South of Site*	*North of I-10*	*West of I-65*	*East of I-65*
2016	9,960	9,970	80,460	96,240	87,780
2017	9,600	9,640	81,390	104,220	88,420
2018	9,662	9,702	82,311	94,538	88,195
2019	9,760	10,420	83,410	96,787	88,820
2020	9,458	9,299	76,468	88,617	77,531

Source: Alabama Department of Transportation

Air Transportation: The nearest airport offering scheduled commercial passenger service is Mobile Regional Airport, on the western side of the city. This mid-sized airport is served by Delta, United, and American, with nonstop service to four major Southern markets: Atlanta, Charlotte, Dallas, and Houston. The Mobile Downtown Airport, between Interstate 10 and Mobile Bay, is mainly used by private planes and cargo carriers.

The following table presents historical passenger activity at Mobile Regional Airport.

Passenger Volume

Mobile Regional Airport

	Passenger Enplanements	%Change
2016	288,209	—
2017	288,222	0.0%
2018	297,544	3.2%
2019	328,245	10.3%
2020	154,993	-52.8%

Source: Federal Aviation Administration

As shown, the airport experienced strong passenger volume growth in the years leading up to the pandemic. Beyond Mobile, the next nearest commercial airports are Gulfport Biloxi International and Pensacola International.

Climate: The climate of the subject area is generally hot in the summer and mild in the winter. The average daily temperature in January is 50.2 degrees Fahrenheit and the average daily temperature in July is 82.1 degrees Fahrenheit. Daily high temperatures tend to reach 80 degrees or above for five months out of the year. The following table depicts typical weather conditions for the area based on data collected over a 30-year period.

Average Weather Conditions for Mobile, Alabama (1981-2010)

	Avg Daily High Temperature (°F)	Mean Temperature (°F)	Avg Daily Low Temperature (°F)	Precipitation (inches)
January	60.0	50.2	40.4	5.7
February	63.2	53.5	43.8	4.8
March	69.8	59.8	49.8	6.4
April	76.1	66.4	56.7	4.6
May	83.0	73.8	64.7	5.3
June	88.2	79.8	71.4	6.4
July	90.4	82.1	73.7	6.5
August	90.5	82.1	73.6	6.1
September	87.3	78.5	69.7	5.3
October	79.4	69.2	59.1	4.1
November	70.3	60.0	49.8	5.0
December	61.9	52.6	43.4	5.1
Average / Total	**76.7**	**67.4**	**58.1**	**65.3**

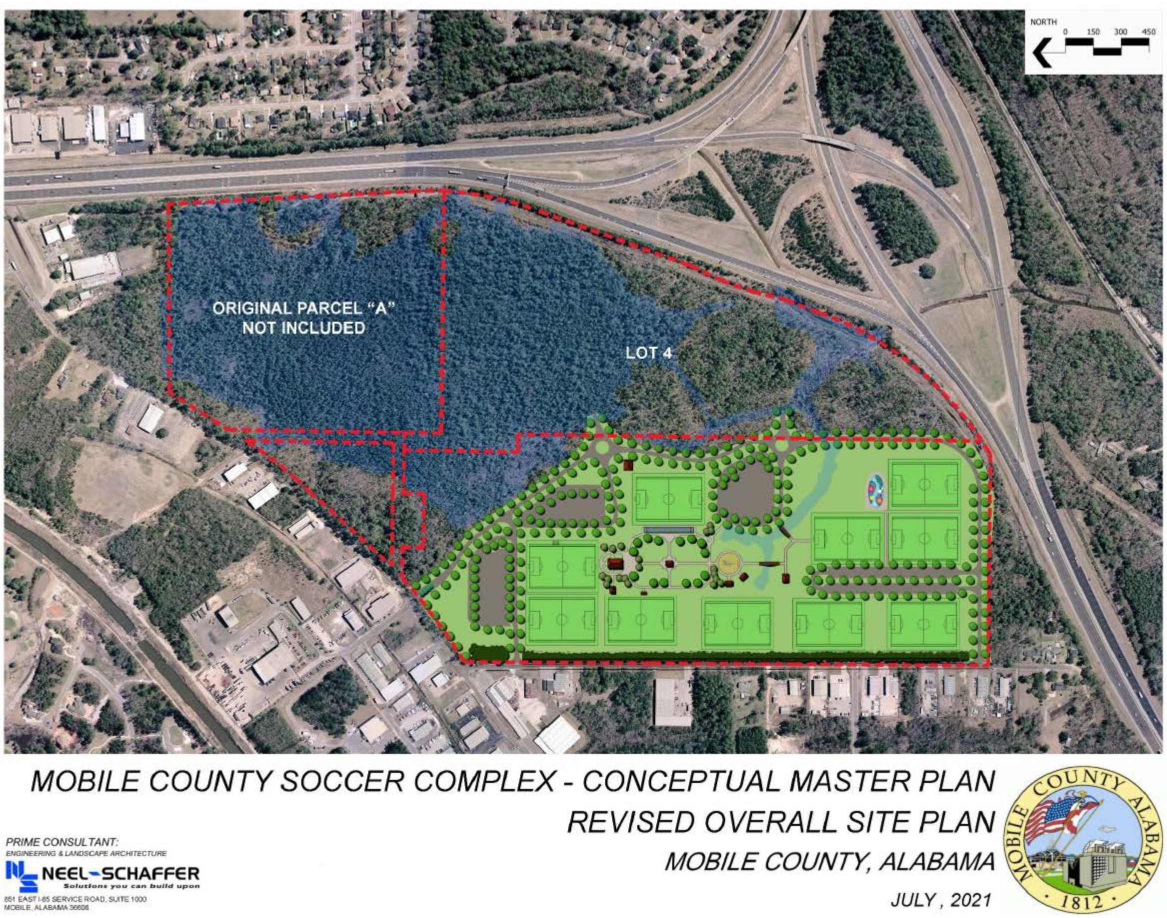
Source: The National Oceanic and Atmospheric Administration's National Climatic Data Center

NEIGHBORHOOD ANALYSIS

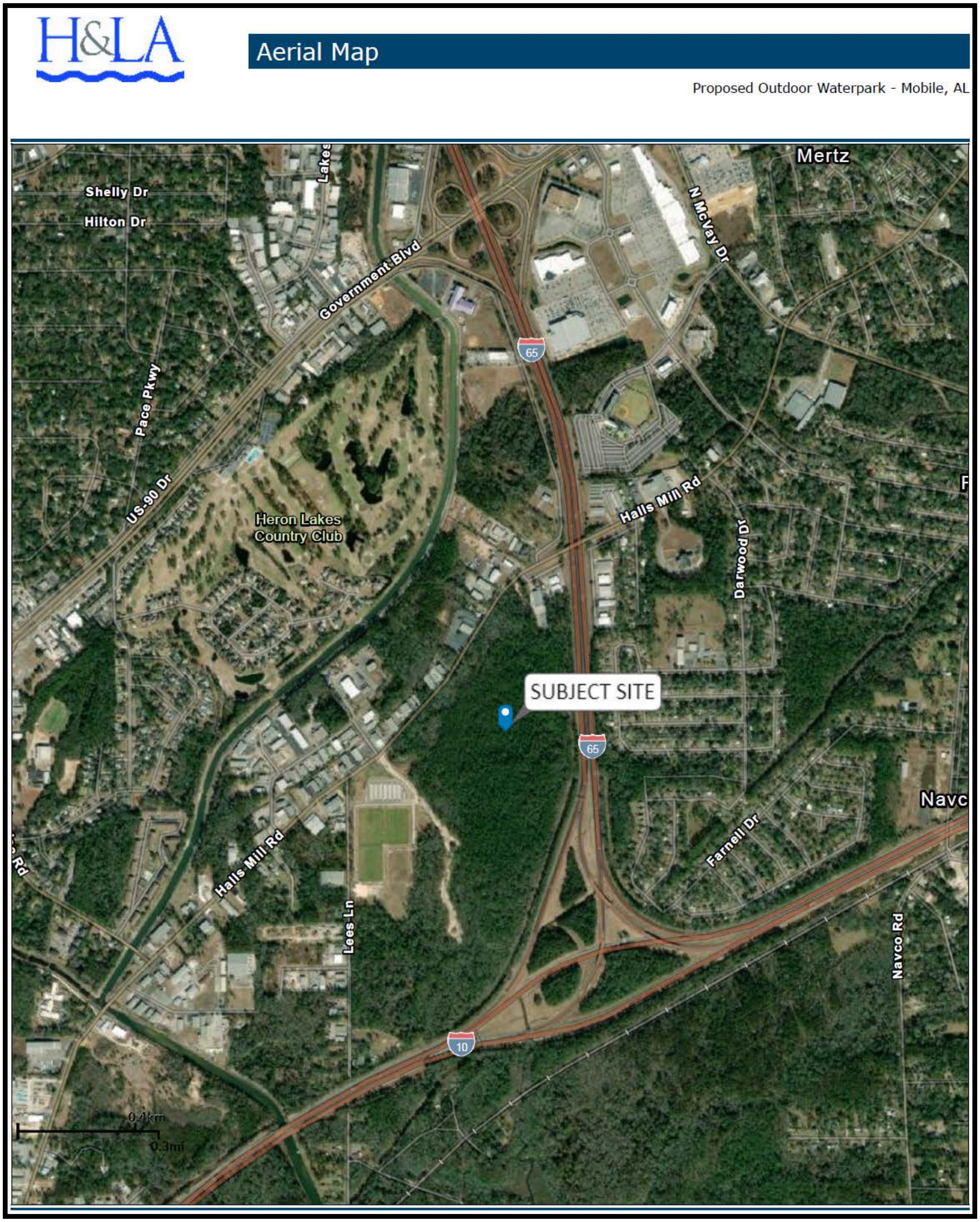
The neighborhood surrounding a waterpark can impact its status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment.

The subject site is southwest of downtown Mobile, near the juncture of Interstates 10 and 65. The site is adjacent to the Mobile County Soccer Complex and is surrounded by light industrial uses and woods. Residential development is located around Interstate 10 and Interstate 65.

In 2020, Phase 1 of the Mobile County Soccer Complex opened just off Halls Mill Road near the juncture of Interstates 10 and 65. Phase 1 of the soccer complex offers three regulation soccer fields, LED lighting, restroom facilities, and parking for more than 200 vehicles. This area is now used for local league play. This represents the first phase of a larger sports complex planned at the site that is to eventually include six additional fields, parking, and concession stands. The county is planning to develop a natatorium adjacent to the soccer complex and the proposed subject waterpark. Although no timeline has been announced, the county anticipates that both the natatorium and the proposed waterpark may open at the same time.



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



The next map shows the location of the subject site in relation to major roads and highways in the surrounding area.

Regional Map

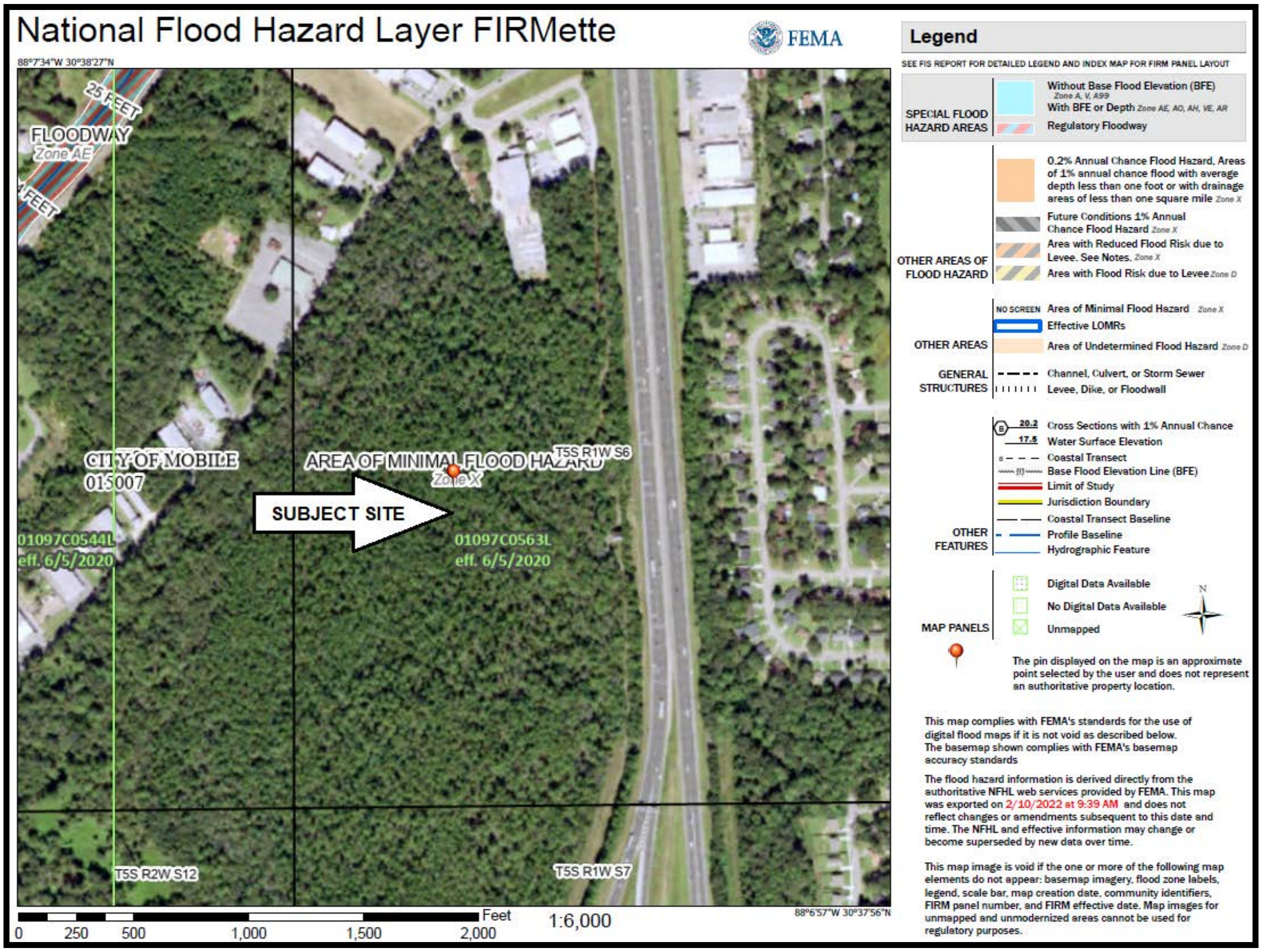
Proposed Outdoor Waterpark - Mobile, AL

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 for which base flood elevations have not been established
ZONE AE	An area inundated by 100-year flooding for which base flood elevations are provided
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 following map presents the FEMA flood zone determinations for the subject site as of June 5, 2020. The map (Map Number 01097C0563L) indicates that the subject site is in a Zone X area.



Outlook

Our review of the above data indicates a positive outlook for the subject area based on recent demographic trends. The proposed waterpark would benefit from its proximity to the Mobile County Soccer Complex, which will draw youth competitors and their families from throughout the larger region. The site is also well-positioned relative to the area's two main highways, Interstate 10 and Interstate 65. These factors point to sustained economic well-being within the region and should benefit the subject property by ensuring high levels of demand heading into the future.

SITE DESCRIPTION, ZONING, & REAL ESTATE TAXES

Site Location: The subject is in the southeast quadrant of Halls Mill Road and Lees Lane in Mobile, Mobile County, Alabama.

Size and Shape: Mobile County Commission plans to allocate approximately 25 acres of the larger 61-acre lot for the proposed waterpark. However, the county commission has indicated that the final land allocation for the development will depend on the waterpark needs.

Access and Exposure: The proposed waterpark slides will have visibility from Interstate 10 and 65 depending on the waterpark layout. Access to the subject site will be obtained via Varner Drive. The site is approximately 2.6 miles from Interstate 65 and U.S. 90 interchange (Exit 1) and approximately 4.6 miles from Interstate 10 and Alabama 193 N/Rangeline Road interchange.

Zoning: The subject site is currently zoned residential but based on our discussions with the county commission, the subject site can be approved for a waterpark development.

Site Conditions: We have not been provided with an engineering or environmental study done for the subject site. H&LA has not performed an engineering study nor test borings and makes no conclusion as to the condition of the foundation or the soil and subsoil conditions. The subject site is heavily wooded with wetlands on portions of the larger 61-acre parcel.

Utilities: We assume that all necessary utilities and services are available to the subject property's site. We assume the city of Mobile will provide adequate water and sewer services.

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 is a component of a larger 61-acre parcel. The site is currently owned by Mobile County. It has not been finalized if the county will sell the underlying land to the waterpark developer or lease it on a long-term basis. For the purposes of our study, we assume that the proposed waterpark will pay property taxes and will not be tax exempt.

Commercial properties in Mobile County are assessed at 20% of the assessor's market value. The current millage rate for the subject is 63.5 per $1,000 of assessed value.

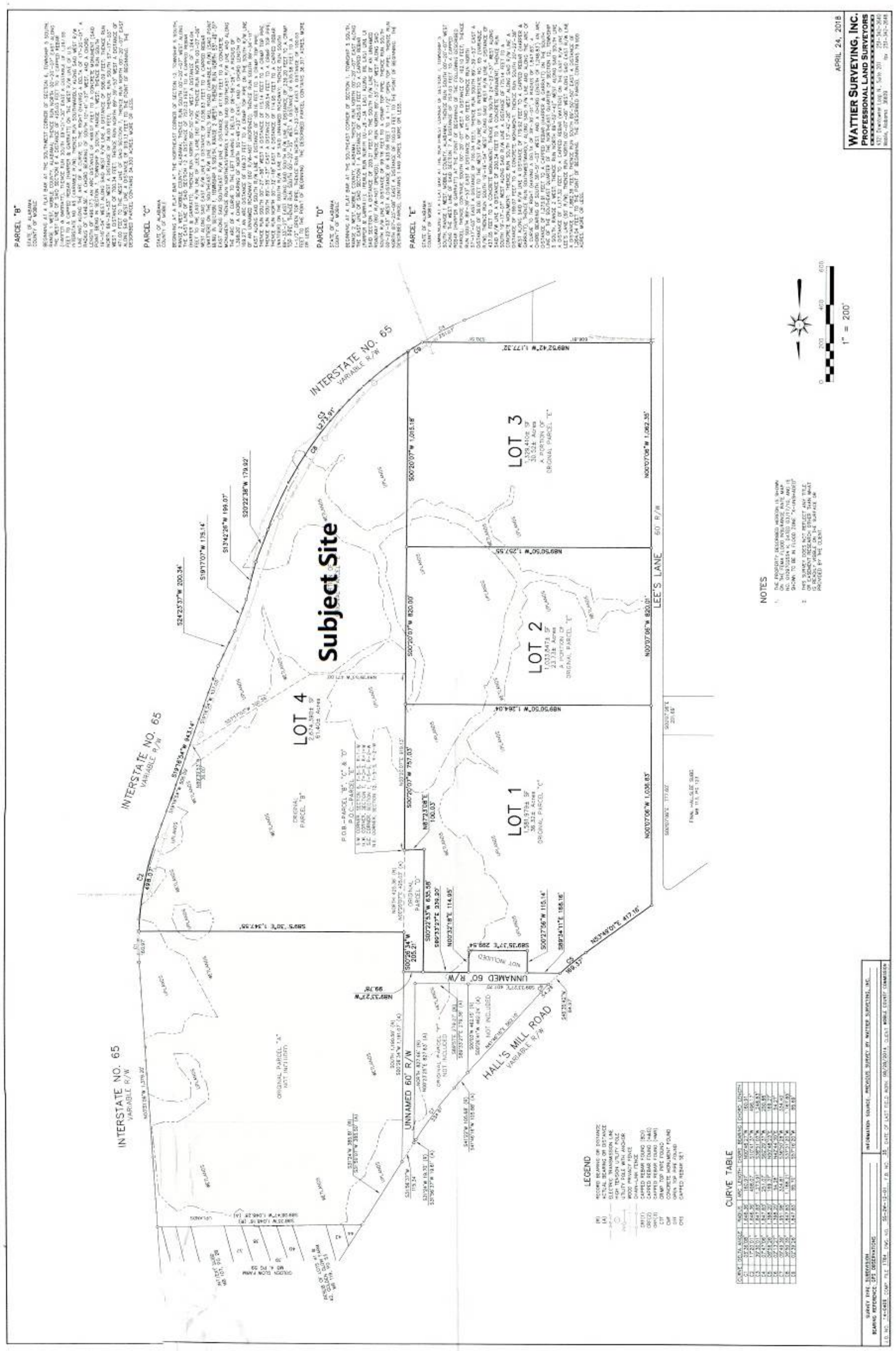
We reviewed the current property assessments for Waterville USA, which is located in Baldwin County, Alabama. The waterpark and family entertainment center is valued by the assessor at $6.9 million.

The following table indicates our projection for real estate and personal property taxes for the first year of the analysis.

Tax Analysis - First Year

Proposed Outdoor Waterpark Mobile	
Est. Assessor's value of real estate	$10,000,000
Assessment percent	20.0%
Assessed value	$2,000,000
Effective tax rate	0.06350
Total tax	$127,000

Source: Hotel & Leisure Advisors


Subject Site
LOT 1
LOT 2
LOT 3
LOT 4
INTERSTATE NO. 65
LEE'S LANE
HALL'S MILL ROAD
UNNAMED 60' R/W
NOTES
LEGEND
CURVE TABLE
WATTIER SURVEYING, INC.
PROFESSIONAL LAND SURVEYORS
APRIL 24, 2018

SITE SURVEY

Competitive Advantages and Disadvantages of Subject Site

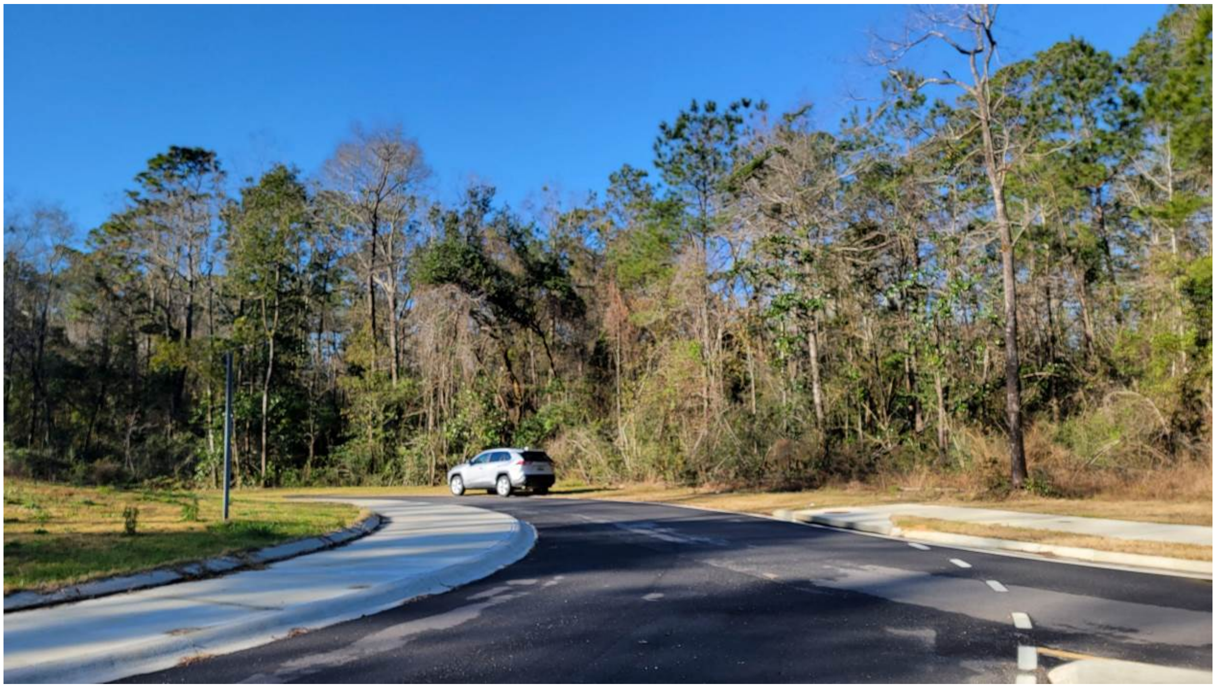
Advantages

- The site will be adjacent to a large sports complex that will attract local residents and regional tournaments to the site.
- The proposed subject site will be visible from Interstate 10 and Interstate 65 providing it with excellent visibility to travelers on the highway.
- The weather in Mobile, Alabama is favorable for an outdoor waterpark as it is hot and sunny most days during the summer.
- From 2000 through 2021, the population in Mobile MSA has grown by 2.1% and is projected to grow by 1.4% between 2021 and 2026.

Disadvantages

- The median household income in Mobile MSA ($49,626) is below the state ($51,773) and national average ($64,730) for 2021. At all geographic levels, the area is projected to see modest income growth over the next few years.

Pictures of the Subject Site



Picture of the Sports Complex

DESCRIPTION OF COMMON WATERPARK FEATURES

We have analyzed the types of waterpark features that currently exist at various waterparks throughout the United States. The following describes the major types of waterpark rides and attractions.

Water Slides: Sometimes called flumes, these are the most basic element of any waterpark. There are two basic types: body slides (often called speed slides) and tube slides. Body slides are designed to convey the rider downward on a current of water, without the use of a tube or raft, into a landing pool or runoff area below. They are relatively narrow and vary in terms of height, length, steepness, and intricacy of slide path (i.e. twists and turns). Tube slides utilize inner tubes or rafts to carry the rider down the slide.

AquaLoop™: This body slide launches single riders from a launch chamber platform. After a countdown, a trap door opens, and the rider immediately drops into a near vertical slide. The rider accelerates to approximately 37 miles per hour in roughly two seconds before entering the 45°-loop element known as an inclined loop.

Tube Slides: Designed to carry riders on inflatable rafts or inner tubes downward into a landing pool, these tubes or rafts can accommodate single or multiple riders. Tube slides and raft slides are generally wider and less steep than body slides.

Multi-Person Raft Ride: An attraction that conveys rafts capable of carrying two to six people through a water course, these rides are generally built extra wide and vary in terms of length, steepness, and speed.

Boomerango: Featuring a steep drop that takes rafts of riders up a near vertical wall for a moment of weightlessness before a free fall, this attraction offers a final bump before riders splash down.

Mat Racer: A side-by-side multi-lane racing waterslide, the mat racer requires participants to lie facedown on a mat with handles. These slides feature one or more bumps, accelerating riders towards a "finish line." This high-capacity attraction encourages repeat races while also entertaining spectators.

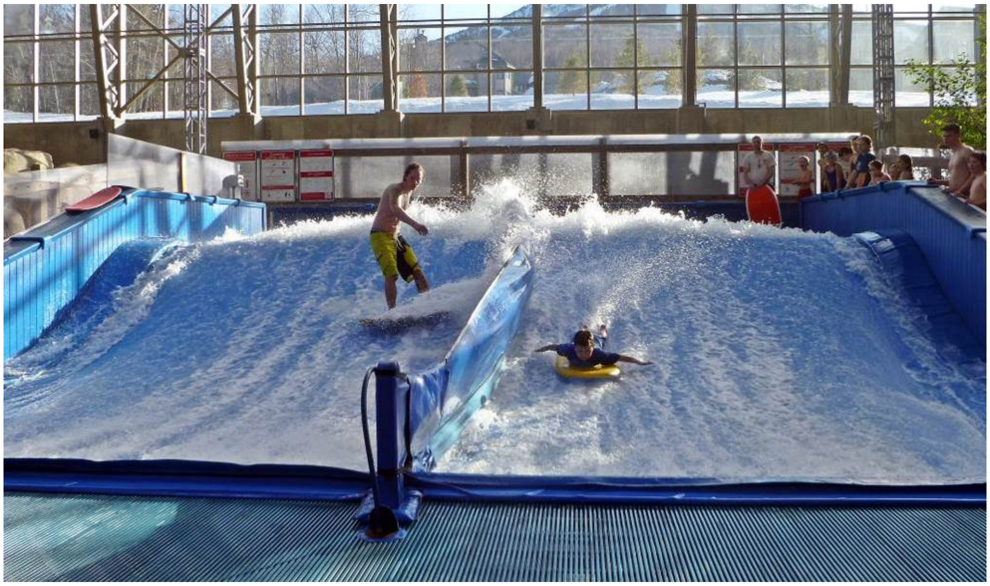
Bowl/Funnel: A high-speed water ride that propels riders around the inside of a giant bowl- or funnel-shaped basin, these attractions have a high-thrill rating but a lower passenger flow through rate.

Water Coaster: Similar to a roller coaster, these rides use conveyor belts to lift large multi-passenger rafts to the top of tall, steep hills.

Lazy River / Action River: Lazy rivers and action rivers are designed to convey riders on rafts or inner tubes slowly around a level course using an artificially created current. Action rivers include small waves, geysers, vortexes, and/or interactive spray elements.

Wave Pool: This attraction produces artificial waves in a large pool, usually starting from the deep end and dissipating at the shallow end. The waves are typically timed with each hour being split up into three major components: no waves, midsize waves, and large waves. This allows guests to come and go depending upon their desire for different sizes of waves.

FlowRider: Simulating an ocean's waves, this surf machine attraction by Whitewater West utilizes wave sheet technology for surfing or body boarding. Whitewater offers double or single FlowRiders. Other surf machines are offered by American Wave Machines and Wave Loch.



Flowhouse: An entertainment venue which combines a surf machine, food, beverage, retail, and events is the trademark of a Flow House. Visitors come to eat and drink, listen to music, and be entertained by endless surf machine riding lessons, competitions, and professionals showing off their skills.

Flowhouse Ibiza
(image source: Flowhouse.com)

Giant Tipping Bucket / Aquatic Play Structure: These attractions often feature a large container that fills and dumps massive amounts of water on guests, typically at timed intervals. Whitewater West offers a version called AquaPlay, which is popular at various waterparks. The buckets are typically incorporated into a themed, multi-level water play structure, such as a treehouse. The incorporated play structure contains a number of water play features as well as smaller "kiddie" slides.

Spray Park / Spray Pad / Water Playground: Designed for younger children, these water play areas may include fountains, bubblers, water mushrooms, in-ground spray jets, water cannons, lily pads, and very small water slides. This is the least expensive water attraction to develop, and it is typically the most fun for young children.

Water Mushrooms

Lilly Pads

Spray Park

Water Basketball Pool: This feature uses either a floating hoop in a pool or a stationary hoop and backboard attached to the poolside, allowing guests to play basketball in the water.

DESCRIPTION OF PROPOSED IMPROVEMENTS

General: We have analyzed the proposed development and reviewed the preliminary development plans for the proposed project. The following describes the proposed development.

The client is planning to sell the subject land to a private developer for the development of an outdoor waterpark in Mobile County. We recommend that the scope of the proposed outdoor waterpark should be that of a mid- to large-size waterpark.

We recommend that the outdoor waterpark be developed in multiple phases. Phase I should include a mid-size waterpark with approximately 20 acres inclusive of parking area that would offer a quality experience to guests. As part of a future expansion, the developers should consider adding more attractions to the waterpark and/or develop dry attractions such as a multi-story ropes course and zip line on the additional five acres.

We project the proposed property will open for the 2024 waterpark season. The following table indicates our recommendations for the proposed outdoor waterpark.

Summary of Proposed Features	
Proposed Outdoor Waterpark Mobile	
Sizing	
Outdoor attraction area and parking	20.0 acres
Future Expansion	5.0 acres
Total site	25.0 acres
Rides and Attractions	**Quantity / Size**
Mat racer slides	6-8
Tube slides	2-3
Body slides	3-4
Bowl rides/Family raft ride	2-3
Drop slides	2
Total slides	**15-20**
Lazy river	
Wave pool	
Surf machine	
Leisure/Activity pool with water basketball and lily pads	
Interactive treehouse structure with kid slides, water jets and dumping	
Children's pool and toddler slides	
Dry Attractions (future expansion)	
Ropes course	
Zipline over waterpark	
Food and Beverage Outlets	
Large snack bar with outdoor seating	
Kiosks selling food, beverages and ice-cream	
Bar selling beer, wine and tropical drinks	
Group picnic area/pavillion	
Other Features	**Quantity / Size**
Retail/Gift shop	1,000 square feet
Cabanas (Rental Fee)	30
Lockers (Rental Fee)	500

Source: Hotel & Leisure Advisors

The proposed outdoor waterpark should include a wide range of waterpark entertainment. The following bullets describe our recommendations for the waterpark.

- The waterpark should develop a unique theme for the entire facility. Having a unique theme and a descriptive story with each of the rides provides a more interesting, interactive experience for visitors.

- The park should offer a lazy river. Guests will travel around the lazy river on tubes and enjoy a relaxing ride while moving with the current. The subject waterpark should offer complimentary tubes.

- The park should have a large wave pool, offering fun for the entire family.
- We recommend the subject offer multiple food and beverage outlets and kiosks, including:
    - Quick service outlet selling pizza, hot dogs, tacos, sandwiches, burgers, ice cream, and beverages
    - Multiple kiosks selling food, beverages, and ice cream
    - We recommend the subject obtain a liquor license and have a bar for beer, wine, and tropical drinks
    - We recommend the development include a covered picnic pavilion with tables and benches. This pavilion can be rented to larger groups and parties and can also be used by waterpark patrons on busy days when there are no groups.
    - We recommend that the park require guests to purchase food and beverages in the waterpark and limit outside food and beverage items to people with special dietary needs.
- The waterpark should offer 15 to 20 larger water slides, including the following:
    - Body slides
    - Tube slides
    - Bowl rides
    - Drop slides
    - Mat Racer slides
- We recommend that the waterpark obtain at least one “signature” attraction that will make the subject waterpark stand out from other waterparks in the region.
- We recommend a multi-story water play structure with water guns, kid slides, water jets, bubblers, water wheels, tipping bucket, and other play feature equipment.
- The waterpark should offer a children’s pool with zero-depth entry for toddlers with slides for toddlers.
- The waterpark entry building should include a retail store, lockers, changing rooms, and restrooms.
- We recommend the property have a number of cabanas throughout the facility that can be rented on a daily basis. Chairs and cabanas should surround the wave pool and the lazy river. Cabanas should range from chairs and a table to premium cabanas that offer lounge chairs, fan, and food service. We recommend that

cabana prices fluctuate and range from $100 to $200 depending on the time of year.

- We recommend plenty of shaded areas be built in the waterpark due to high temperatures during the summer.

- We recommend that in future years the developers install additional attractions such as additional slides and pools, as this will help the subject waterpark continue to attract repeat visitation. The developers should plan for the future phases during Phase 1 and prepare a master plan accordingly.

- As part of a future expansion, the developers should consider adding dry attractions including a multi-story ropes course and zipline going over the waterpark.

- We recommend that the proposed waterpark be active on social media websites such as Facebook, Instagram, and Twitter, where it can offer park news, special event announcements, discounts, and special pricing.

- We recommend the waterpark charge $5 for parking. We recommend those who purchase a season pass for the waterpark receive a complimentary parking pass.

- We recommend the park host special events during the waterpark season to entice visitors and increase repeat visitation. The waterpark should offer movie nights during select days of the waterpark season. Movie nights at waterparks are typically hosted around the wave pool.

DEVELOPMENT BUDGET

The client has not prepared a formal development budget. The following table shows a range of recent private outdoor waterpark development costs.

Private Outdoor Waterpark Development Costs

Waterpark	Location		Opened	Development Costs	Acres	$ per Acre
Typhoon Texas	Katy	TX	2016	$52,000,000	25	$2,080,000
Volcano Bay Waterpark	Orlando	FL	2017	$250,000,000	29	$8,620,690
H2OBX	Powells Point	NC	2017	$46,000,000	80	$575,000
Westgate Cocoa Beach Resort	Cocoa Beach	FL	2018	$15,000,000	1	$15,000,000
Maui Jack's Waterpark	Chincoteague Island	VA	2018	$5,000,000	4	$1,250,000
Perfect Day at CocoCay Waterpark	CocoCay	Bahamas	2019	$88,000,000	13	$6,769,231
Island H2O Live!	Kissimmee	FL	2019	$62,000,000	13	$4,769,231
HyTides Plunge Waterpark and Desert Twist Lazy River @ Hyatt Regency Indian Wells Resort & Spa	Indian Wells	CA	2020	$8,000,000	3	$2,666,667
Soaky Mountain Waterpark	Sevierville	TN	2020	$90,000,000	50	$1,800,000
Baha Mar Bay	Nassau	Bahamas	2021	$200,000,000	17	$11,764,706
Treasure Cove Water Park at Westgate Lakes Resort & Spa	Orlando	FL	2021	$12,000,000	1	$12,000,000
Splash City Waterpark and FEC	St. George	UT	2021	$17,000,000	16	$1,062,500
Wild Rivers Waterpark	Irvine	CA	2022	$73,800,000	35	$2,128,028
Strand @ Gilbert Waterpark	Gilbert	AZ	2022	$60,000,000	25	$2,400,000
Average				**$69,914,286**	**22.3**	**$3,140,400**

Source: Hotel & Leisure Advisors

Recent outdoor waterpark developments (inclusive of land) have ranged from approximately $5,000,000 to $250,000,000 (approximately $600,000 to $15,000,000 per acre). Costs for waterparks range widely due to location, site work, and number and quality of waterslides and attractions added to the waterpark. Adding several high quality and popular waterslides increases the overall costs while adding fewer and average quality attractions lowers the costs. The average cost of development for the projects in the table above was $69,914,286 ($3,100,000 per acre).

We recommend the subject represent a good quality mid-size outdoor waterpark with an approximately 20-acre waterpark with additional 5 acres for future expansion. We project the subject development costs to range from $20,000,000 to $30,000,000 million or from approximately $1,000,000 to $1,500,000 per acre for a 20-acre site excluding land costs. The final development costs will depend heavily on the cost of land, and the quality of slides and attractions. The subject's development cost will be lowered if the subject shares a parking lot with the proposed natatorium.

NATIONAL WATERPARKS OVERVIEW

A waterpark is a type of amusement park that features water play areas such as water slides, splash pads, wave pools, lazy rivers, and swimming pools. Outdoor waterparks are generally seasonal and are highly dependent on the weather. Outdoor waterparks, which evolved in the late 1970s, have become popular over the years. Although Point Mallard Park in Decatur, Alabama, had the first U.S. wave pool in 1970, the first official waterpark, Wet 'n Wild in Orlando, was created in 1977 by George Millay (creator and founder of SeaWorld), according to the World Waterpark Association.

The United States has the largest and most concentrated waterpark market in the world. According to our research, over 1,000 larger waterparks exist within the United States. Hotel & Leisure Advisors defines waterparks as follows:

- An outdoor waterpark is a facility offering three or more water slides and other aquatic features.

- 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 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 at least three amenities such as slides, tubes, and 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 as defined above.

2022 US and Canada Open Waterpark Supply by Region

Outdoor Waterparks

Region	Municipal / Non-Profit	Private	Total
Northeast	15	58	73
Midwest	257	41	298
South	179	119	298
West	67	47	114
Canada	8	25	33
Total	**526**	**290**	**816**

Note: Outdoor Waterpark is defined as an aquatic facility without attached hotel having 3 or more slides.

Indoor Waterpark Resorts

Region	Franchise	Independent	Total
Northeast	6	12	18
Midwest	32	50	82
South	7	12	19
West	11	4	15
Canada	9	6	15
Total	**65**	**84**	**149**

Note: Indoor Waterpark Resort is defined as a hotel with more than 10,000 square feet of indoor waterpark space.

Standalone Indoor Waterparks

Region	Municipal / Non-Profit	Private	Total
Northeast	2	2	4
Midwest	34	0	34
South	21	1	22
West	44	3	47
Canada	22	2	24
Total	**123**	**8**	**131**

Note: Standalone Indoor Waterpark is defined as being larger than 10,000 square feet with at least three water features.

Resorts with Outdoor Waterparks

Region	Franchise	Independent	Total
Northeast	0	3	3
Midwest	0	4	4
South	21	28	49
West	16	7	23
Canada	0	3	3
Total	**37**	**45**	**82**

Note: Resort with Outdoor Waterpark is defined as a resort hotel having an outdoor waterpark with at least 3 features (slide, lazy river, wave pool, etc.) excluding resorts that also have indoor waterparks.

Total Number of US and Canadian Waterparks	**1,178**

Source: Hotel & Leisure Advisors, LLC, March 2022

Numerous smaller aquatic facilities, some of which claim to be waterparks, are located throughout the country. Waterparks can be municipally or privately owned. Resort destination indoor and outdoor waterpark facilities are typically independent, while some facilities have affiliated with franchised lodging companies to increase awareness and leverage a hotel brand's identity.

Due to the upheaval caused by the COVID-19 pandemic in 2020, we have utilized statistical information from 2019, as a representative benchmark year for waterpark performance where appropriate throughout this analysis.

Hotel & Leisure Advisors estimates over 130 million attendees at North American waterparks annually in 2019. A majority of the attendance is from freestanding waterparks; however, indoor and outdoor waterpark resorts are included in the figure. Existing waterparks continue to add surprising touches, from multimillion-dollar rides to private cabanas. Water coasters, bowl rides, and body board/surfing attractions are big draws.

According to our research, Texas has more outdoor waterparks than any other state as shown in the following table.

Top Ten States with Outdoor Waterparks

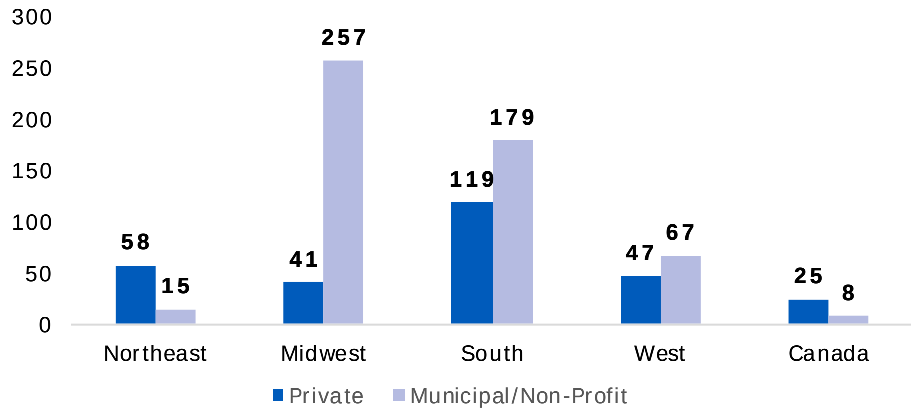
Rank	State	# of Waterparks*
1	Texas	87
2	Illinois	61
3	Missouri	48
4	Florida	43
5	Ohio	42
6	California	37
7	Pennsylvania	27
8	Indiana	26
9	Wisconsin	24
10	Georgia	23

* with three or more slides

Source: Hotel & Leisure Advisors

Overall, the South and Midwest boast the greatest number of outdoor waterparks in the country, as shown in the following graph.

US and Canada Outdoor Waterparks



Source: Hotel & Leisure Advisors

We analyzed the regional locations of the waterparks compared to the population by region. As shown, the Northeast region of the United States has the largest number of people per outdoor waterpark.

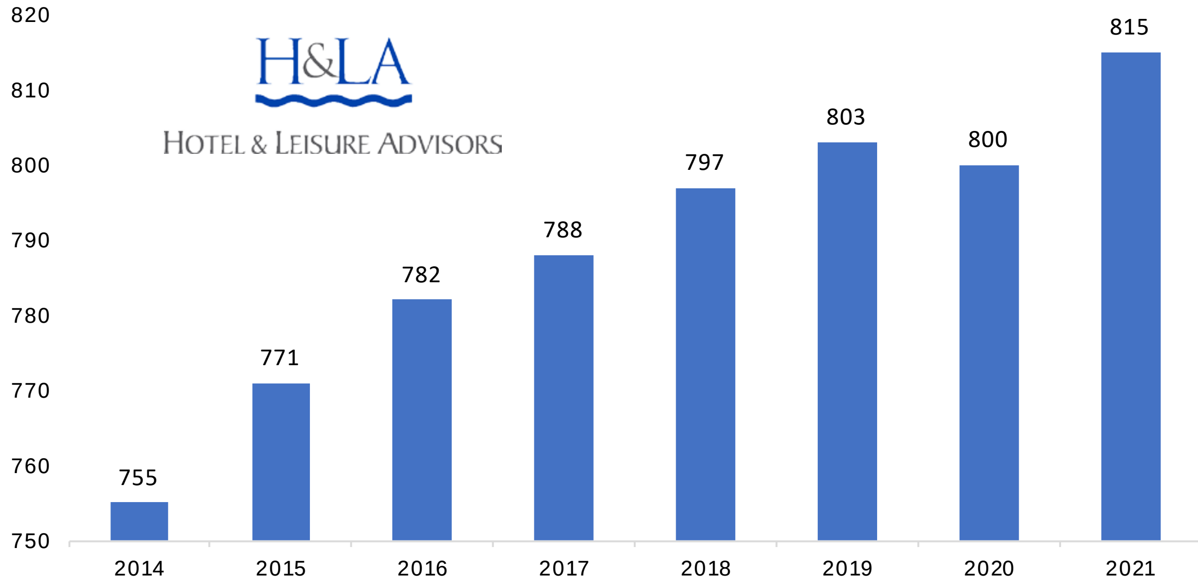
US and Canada Residents per Outdoor Waterpark by Region			
Region	**Number of Waterparks**	**Population**	**Residents per Waterpark**
Northeast	73	56,111,079	768,645
Midwest	298	68,308,744	229,224
South	298	124,753,948	418,637
West	114	77,993,663	684,155
Canada	33	37,058,856	1,122,996
Total	**816**	**364,226,290**	**446,356**

Source: Hotel & Leisure Advisors, LLC, March 2022

Waterparks have benefited from people's desire to travel closer to home and take more weekend trips in recent years. This has boosted attendance at local and regional waterparks. The development of new waterparks by resorts, campgrounds, and municipalities has bolstered national waterpark attendance.

The following chart indicates the growth in outdoor waterpark supply in the United States. The number of outdoor waterparks grew steadily from 2014 to 2019 but declined slightly in 2020 before growing in 2021. Overall, the industry has experienced a 7.9% growth since 2014.

Outdoor Waterpark Supply Growth 2014 - 2021
United States and Canada



Source: Hotel & Leisure Advisors

Attendance

We analyzed attendance statistics at the top 20 U.S. outdoor waterparks reported by the Themed Entertainment Association and AECOM *2020 Theme Index, The Global Attractions Attendance Report*. Due to closures and reduced attendance caused by COVID-19 in 2020, 2019 and 2018 are also presented to show pre-pandemic attendance levels. The industry experienced significant improvement in 2021 and is poised for a full recovery in the coming seasons.

Top 20 US Waterparks by Annual Attendance

Rank	Park	Location	2020 Attendance	% Change over 2019	2019 Attendance	% Change over 2018	2018 Attendance
1	Typhoon Lagoon at Walt Disney World	Orlando, FL	-	-	2,248,000	-1.0%	2,271,000
2	Blizzard Beach at Walt Disney World	Orlando, FL	316,000	-84.1%	1,983,000	-1.0%	2,003,000
3	Universal's Volcano Bay	Orlando, FL	574,000	-68.3%	1,811,000	5.0%	1,725,000
4	Aquatica Orlando	Orlando, FL	528,000	-65.6%	1,533,000	-1.5%	1,556,000
5	Schlitterbahn New Braunfels	New Braunfels, TX	451,000	-54.7%	996,000	-2.0%	1,016,000
6	Water Country USA	Williamsburg, VA	-	-	736,000	1.0%	729,000
7	Adventure Island	Tampa, FL	125,000	-80.9%	656,000	-1.9%	669,000
8	Aquatica San Antonio	San Antonio, TX	263,000	-59.6%	651,000	0.9%	645,000
9	Schlitterbahn Galveston	Galveston, TX	337,000	-40.6%	567,000	1.4%	559,000
10	Splish Splash	Calverton, NY	-	-	542,000	0.6%	539,000
11	Six Flags Hurricane Harbor Arlington	Arlington, TX	235,000	-56.3%	538,000	0.9%	533,000
12	Six Flags White Water Atlanta	Marietta, GA	238,000	-54.8%	526,000	-0.9%	531,000
13	Six Flags Hurricane Harbor	Jackson, NJ	85,000	-82.4%	482,000	1.5%	475,000
14	Typhoon Texas	Katy, TX	203,000	-57.5%	478,000	6.0%	451,000
15	Six Flags Hurricane Harbor Splashtown	Spring, TX	-	-	475,000	0.0%	475,000
16	Zoombezi Bay	Powell, OH	176,000	-62.2%	466,000	6.4%	438,000
17	Six Flags Hurricane Harbor Phoenix	Glendale, AZ	-	-	441,000	-2.0%	450,000
18	Camelbeach	Tannersville, PA	151,000	-65.6%	439,000	0.5%	437,000
19	Dollywood's Splash Country	Pigeon Forge, TN	188,000	-56.6%	433,000	-0.9%	437,000
20	Cedar Point Shores	Sandusky, OH	-	-	424,000	1.0%	420,000

Source: TEA Theme Index, Global Attractions Attendance Report 2019 (released 2020) and 2020 (released 2021)

We also profiled the admission rates and days open for these facilities, as shown in the following table.

US Waterparks with Highest Attendance - Admission Rates - 2021

Rank	Name	Location	Adult Admission	Child Admission	Season Pass	Pass Comments	Days Open	2019 Attendance per Day
1	Typhoon Lagoon at Walt Disney World	Walt Disney World, Lake Buena Vista, FL	$69.00	$63.00	$99.00	Offered as an add-on to Disney World Annual Passes	335	6,710
2	Blizzard Beach at Walt Disney World	Walt Disney World, Lake Buena Vista, FL	$69.00	$63.00	$99.00	Offered as an add-on to Disney World Annual Passes	335	5,919
3	Universal's Volcano Bay	Orlando, FL	$80.00	$75.00	$499.00	Includes admission to Universal Studios Florida and Universal's Islands of Adventure.	365	4,962
4	Aquatica Orlando	Orlando, FL	$42.99	$42.99	$138- $399	Multiple park passes available.	365	4,200
5	Schlitterbahn New Braunfels	New Braunfels, TX	$39.99	$39.99	$110.00	$230 Platinum pass includes admission to all Cedar Fair parks.	100	9,960
6	Water Country USA	Williamsburg, VA	$46.00	$46.00	$107.99	Multiple plans include admission to Busch Gardens. $339.99 Platinum pass includes admission to 11 parks.	100	7,360
7	Adventure Island	Tampa, FL	$44.99	$44.99	$117.00	$399 Platinum pass includes admission to 11 U.S. parks operated by Sea World Parks & Entertainment.	190	3,453
8	Aquatica San Antonio	San Antonio, TX	$29.99	$29.99	$95.99	$215.99 Platinum pass includes admission to 11 U.S. parks operated by Sea World Parks & Entertainment.	110	5,918
9	Schlitterbahn Galveston	Galveston, TX	$44.99	$37.99	$110.00	$230 Platinum pass includes admission to all Cedar Fair parks.	100	5,670
10	Splish Splash	Calverton, NY	$54.99	$44.99	$79.99-$169.99	$169.99 Platinum pass includes admission to 16 US Palace Entertainment Parks.	100	5,420
11	Six Flags Hurricane Harbor Arlington	Arlington, TX	$34.99-$39.99	$34.99-$39.99	$79.99-$299.99	$299.99 Ultimate Pass includes admission to all Six Flags outdoor parks.	115	4,678
12	Six Flags White Water Atlanta	Marietta, GA	$24.99-$29.99	$24.99-$29.99	$69.99-$299.99	$299.99 Ultimate Pass includes admission to all Six Flags outdoor parks.	110	4,782
13	Six Flags Hurricane Harbor	Jackson, NJ	$29.99-$34.99	$29.99-$34.99	$59.99	$80 3-Park Pass includes admission to Six Flags Great Adventure and Drive Thru Safari	100	4,820
14	Typhoon Texas	Katy, TX	$39.99	$32.99	$74.99	Pricing is for any-day tickets. Choose-your-day admission is dynamically priced based on day and availability.	95	5,032
15	Six Flags Hurricane Harbor Splashtown	Spring, TX	$29.99	$29.99	$49.99-$209.99	Platinum and Diamond passes include admission to all Six Flags outdoor parks.	100	4,750
16	Zoombezi Bay	Powell, OH	$33.99	$27.99	$79.99 (child) $109.00 (adult)	$164.99 Gold pass includes entry to Columbus Zoo and Aquarium.	90	5,178
17	Six Flags Hurricane Harbor Phoenix	Glendale, AZ	$34.99	$34.99	$69.99-$229.99	$229.99 Ultimate Pass includes admission to all Six Flags outdoor parks.	125	3,528
18	Camelbeach	Tannersville, PA	$40.00	$40.00	$89-$109	$300 Super Pass includes lift access for skiing and snowboarding.	90	4,878
19	Dollywood's Splash Country	Pigeon Forge, TN	$49.95	$39.95	$99.00	Separate combo park passes include admission to Dollywood theme park.	95	4,558
20	Cedar Point Shores	Sandusky, OH	$45.00	$45.00	$135.00-$230.00	Platinum pass includes admission to all Cedar Fair amusement and waterparks.	100	4,240

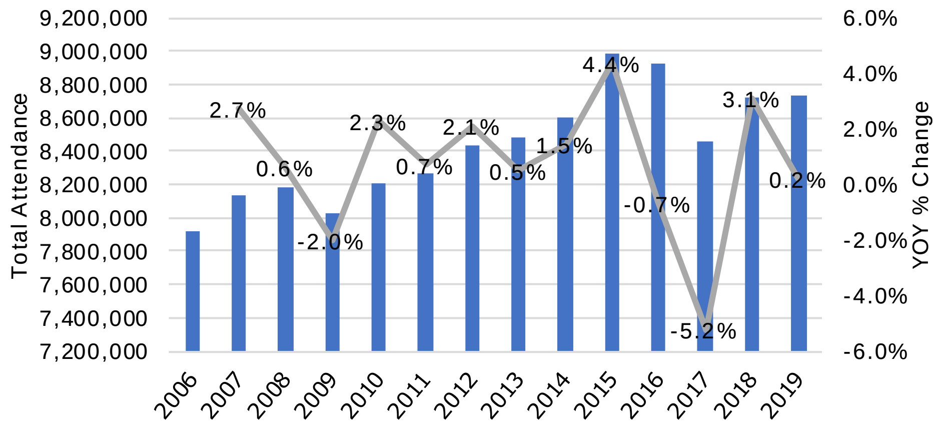
Source: Hotel & Leisure Advisors, individual waterpark websites, and TEA 2019 Theme Index, Global Attractions Attendance Report (released 2020)

Adult admission prices range from $30 to $80, with children's pricing discounted at most parks. All parks offer discounts for advance, online daily ticket purchases, and a few parks have added special pricing for "specific day" admissions. The range of season pass rates vary, depending on whether the pass includes theme park access and the level of benefits. In addition, many parks offer deep discounts to boost the sale of season passes during the off-season, and some parks have introduced free "Preschool" passes for children whose ages range from three to five.

We analyzed the attendance for nine top performing waterparks from 2006 to 2019, a period spanning the Great Recession and the subsequent recovery. We included the following waterparks:

1. Typhoon Lagoon at Walt Disney World - Orlando, FL
2. Blizzard Beach at Walt Disney World - Orlando, FL
3. Schlitterbahn - New Braunfels, TX
4. Water Country USA - Williamsburg, VA
5. Adventure Island - Tampa, FL
6. Six Flags White Water - Marietta, GA
7. Schlitterbahn - Galveston, TX
8. Six Flags Hurricane Harbor - Arlington, TX
9. Splish Splash - Calverton, NY

Attendance Trends at Top U.S. Waterparks
Total Attendance and YOY % Change



Source: TEA Theme Index, Global Attractions Attendance Reports 2007-2019 and Hotel & Leisure Advisors

In 2009, just after the financial crisis, these parks experienced a modest 2.0% decrease in attendance. Attendance grew in subsequent years until 2016, which was flat, and 2017, which experienced a 5.2% decrease largely attributable to the opening of Volcano Bay and its effect on the three Orlando waterparks as well as poor weather at other seasonal parks. 2018 figures show an increase. This indicates waterparks provide sufficient value to their guests, and attendance is more resilient in the face of an economic downturn.

Performance Data

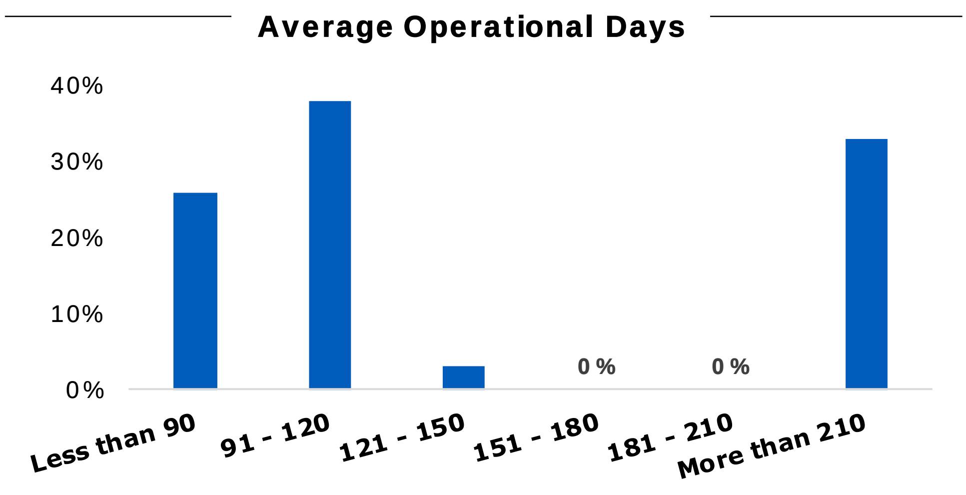
The following tables present data for 32 North American waterparks from *IAAPA's Waterpark Benchmark Report*, published in 2020 with 2019 data.

Estimated Attendance of Waterparks	
0-250,000	53%
250,000+	47%
Total Average Attendance	**421,684**

Source: IAAPA Waterpark Benchmark Report for FY2019

The study indicated that nearly half of North American waterparks achieved an annual attendance of 250,000 or more for a total average attendance of approximately 422,000, an 18% jump from the 2018 survey.

Waterparks may be affected negatively by inclement weather. Consequently, the length of the annual operating season for an outdoor waterpark is directly proportional to the extent of good weather. The majority of parks surveyed are seasonal (67%). The average number of annual operating days for 2019 was 168, with the highest percentage of parks open between 91 and 120 days annually.

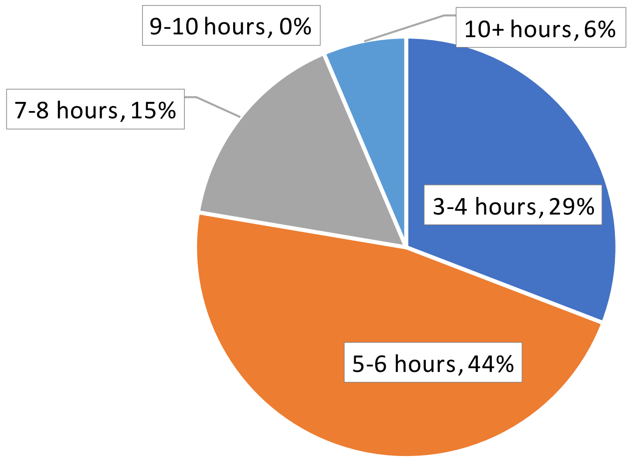


Source: IAAPA Waterpark Benchmark Report for FY2019

While most year-round waterparks are only closed 50 days out of the year, seasonal ones are often closed 245 to 275 days. Although both types of parks tend to average the same percentage of partial days to total days open, year-round waterparks typically average more private rental days than seasonal parks.

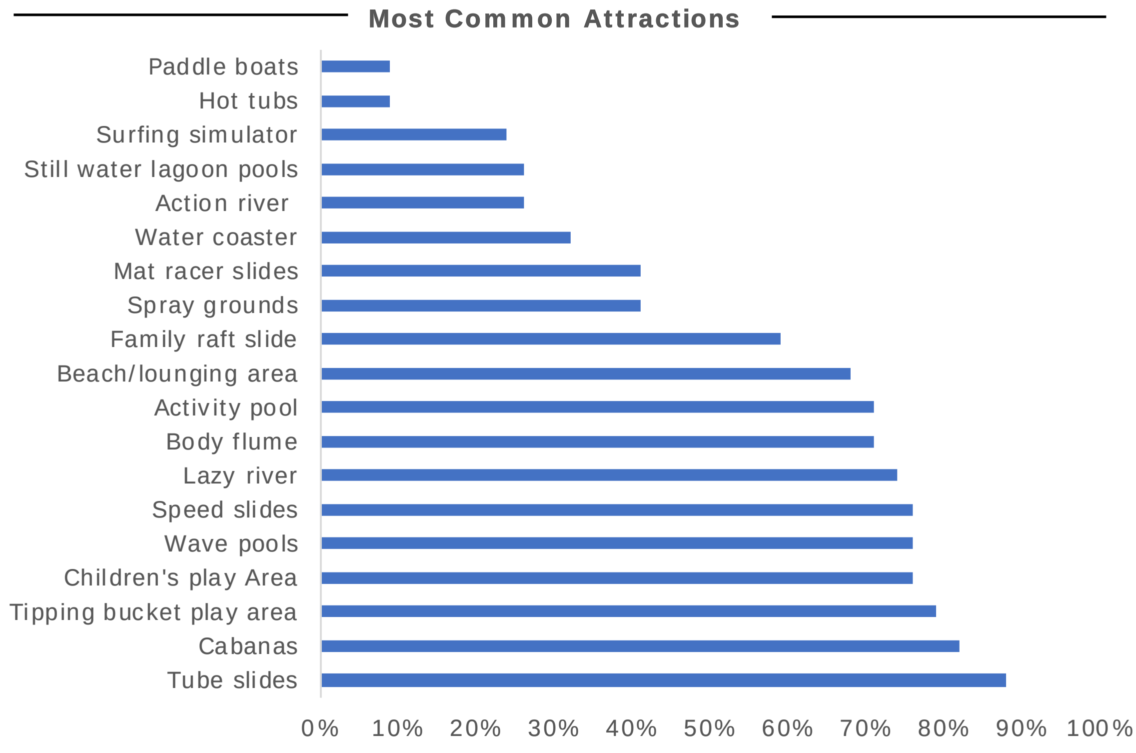
The average time spent at surveyed parks was 5.3 hours in 2019, with most guests spending between three and six hours at the facility, as shown in the following chart.

Average Time Spent at Waterpark



Source: IAAPA Waterpark Benchmark Report for FY2019

The length of stay correlates highly to the number of available attractions and facilities. Larger waterparks with many attractions and amenities, such as water rides, a wave pool, food and beverage facilities, gift shops, or arcade, retain visitors longer. The following chart shows that tube slides are now the most common attractions offered at water parks.



Source: IAAPA WaterPark Benchmark Report for FY2019

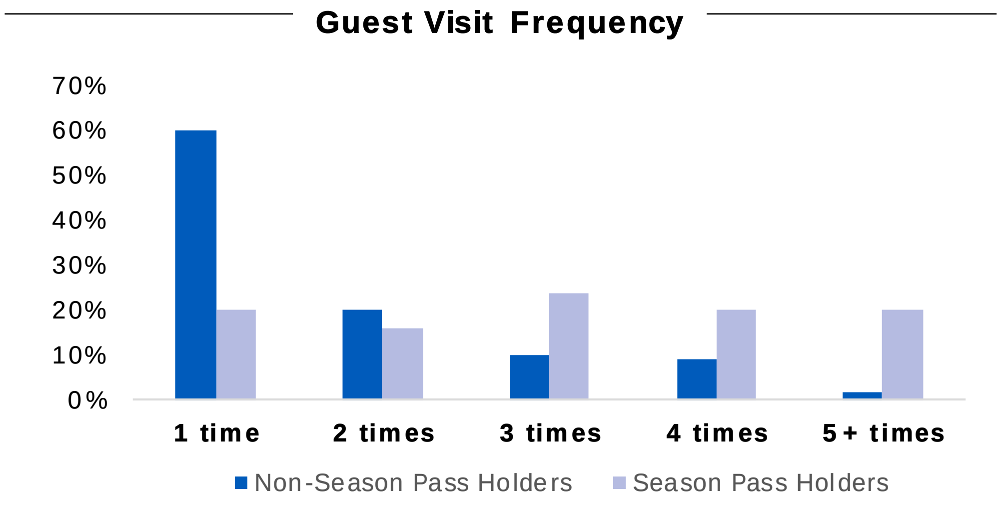
As the following table shows, general admissions accounted for half of total waterpark attendance in 2019. The surveyed parks reported that group sales accounted for 16% of attendance, and season passes accounted for 15% of attendance for the year. Season passes, which allow holders to enter parks as often as they like and sometimes include parking and discounts, ensure repeat visitors who then spend money on snacks, beverages, and rentals.

Admission costs can vary due to specials for group sales, as well as complimentary tickets, etc.

Average Admissions Characteristics						
General Admission	**Season Passes**	**Group Sales**	**Hotel/Resort**	**Promotions**	**Complimentary**	**Other**
50%	14%	16%	13%	2%	2%	3%

Source: IAAPA Waterpark Benchmark Report for FY2019

Responding parks reported that guests visit an average of 1.7 times per year, with season passes encouraging more frequent visits. On average, 20% of season pass holders visit five or more times a year.



Source: IAAPA Waterpark Benchmark Report for FY2019

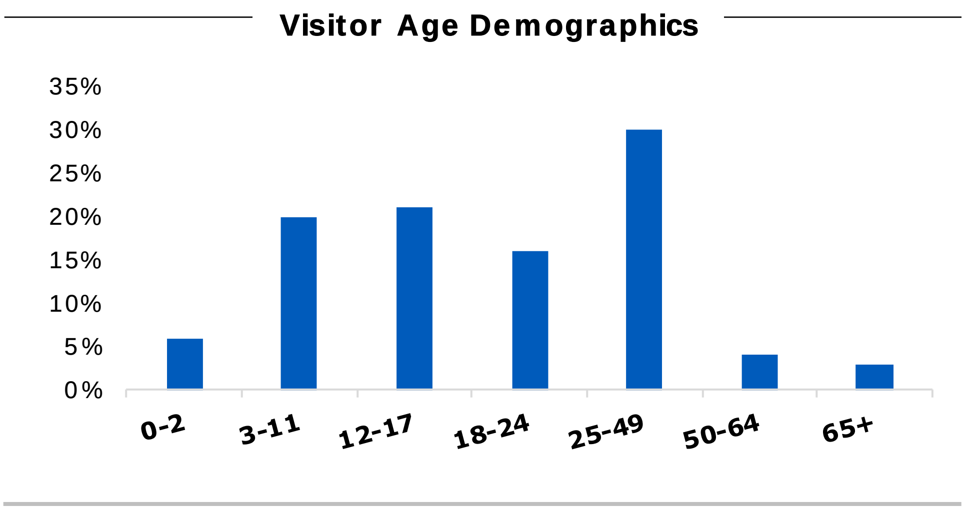
Many waterparks charge for additional services and amenities. The most common of these are rentals for cabanas, towels, rafts, life jackets, cameras, and spa services. The majority of waterparks offer free parking (62%). Of those that do charge, the average parking price was $11.00 in 2019.

Staff numbers fluctuate throughout the year, especially at seasonal parks. A significant number of employees are required in the summer when attendance rates are highest. On average, the waterparks surveyed employed 437 people full time and more than 800 people part time during peak season.

Annual labor costs and salaries accounted for 29% of expenses on average. Waterparks rely on a younger workforce and consequently incur the costs of a high rate of turnover, 40% on average. The average age of waterpark employees was 23.4 years and 39% were 17 years or less, a much higher percentage than regions outside of North America.

Waterpark Visitor Demographics

Age is an important factor in waterpark attendance. Visiting waterparks is often considered a family activity, as the attendance demographics indicate.



Source: IAAPA Waterpark Benchmark Report for FY2019

The surveyed waterparks report that children ages 0-17 account for 42% of waterpark visits, down from 46% in 2018, while ages 25 to 49 account for 30%, up from 27% the previous year. The percentage is much lower in the 18- to 24-year-old range (16%), and adults older than 50 represent the lowest percentage of waterpark visitors (7%).

The majority of guests (60%) travel 25 miles or less to waterparks. Approximately 71% fall into a radius of 50 miles or less, while only 14% of guests travel 100 miles or more. The average distance guests travel to a waterpark is 42.2 miles.

Distance of Guests From Attractions							
0-5 Miles	**6-10 Miles**	**11-25 Miles**	**26- 50 Miles**	**51-100 Miles**	**101-150 Miles**	**151-200 Miles**	**200+ Miles**
20%	18%	22%	11%	15%	10%	3%	1%

Source: IAAPA Waterpark Benchmark Report for FY2019

According to the *2018 Voice of the Visitor Annual Outlook on the Attraction Industry,* the average adult waterpark visitor was 38 years old while the average child was 10 years old. Eighty-one percent of waterpark guests visit as a family, and 47% of guests were repeat visitors during their most recent visit. A majority of guests (53%) had a season pass or waterpark membership.

Per Capita Revenue

Per capita revenue is defined as the total revenue less discounts, divided by the total attendance, including complimentary admissions. Admissions account for the largest per capita revenue. The following table shows the per capita revenue for various categories as reported by surveyed waterparks.

Average Per Capita Revenue by Category		
	Average	**Median**
Admissions	$45.46	$25.15
Food & Beverage	$22.35	$12.25
Retail & Rental	$31.50	$10.00
Games	$10.17	$5.50
Total Overall Spend	**$69.08**	**$35.00**

Note: Category averages calculated as % of overall spend

Source: IAAPA Waterpark Benchmark Report for FY2019

We analyzed per capita spending reported by three of the largest regional amusement companies.

As of 2020, Six Flags Entertainment Corporation operated ten standalone waterparks and 13 amusement parks under the Six Flags brand in the United States. Eight of the amusement parks feature attached waterparks, which are included with admission. Six Flags owns nine of the thirteen operated amusement parks, and four of the ten operated standalone waterparks.

Cedar Fair operated 11 amusement parks and three standalone waterparks. Nine of the parks included waterparks in the admission price.

SeaWorld Parks and Entertainment operated seven theme parks, including the Busch Gardens and SeaWorld brands, and five standalone waterparks, including three Aquatica parks.

Historical Attendance and Per Capita Spending

National Amusement Companies

Six Flags	2021	2020	2019	2018	2017	2016
Attendance (Million)	27.7	6.8	32.8	32.0	30.4	30.1
Per Capita Spending	$52.40	$48.45	$42.37	$42.58	$41.61	$41.07

Cedar Fair Entertainment Co.	2021	2020	2019	2018	2017	2016
Attendance (Million)	19.5	2.6	27.9	25.9	25.7	25.1
Per Capita Spending	$62.03	$46.38	$48.32	$47.69	$47.30	$46.90

SeaWorld Parks and Entertainment	2021	2020	2019	2018	2017	2016
Attendance (Million)	20.2	6.4	22.6	22.6	20.8	22.0
Per Capita Spending	$74.43	$67.75	$61.80	$60.77	$60.74	$61.10

Source: Six Flags, Cedar Fair, and SeaWorld Annual Reports

All three companies exhibited historic declines in 2020 due to the COVID-19 pandemic. 2021 park attendance for all three companies was below pre-pandemic levels, but per capita spending was well above historical figures indicating more spending at the parks.

Prior to the COVID-19 pandemic, Six Flags and Cedar Fair experienced increased attendance and per capita spending through 2019. Six Flags saw increases in attendance each year from 2016 to 2019, with a record 32.8 million visitors in 2019. Per capita spending climbed throughout the same period. Cedar Fair's attendance saw year-over-year increases through 2019. At the same time, the company enjoyed steady year-over-year growth in per capita spending. After a peak in 2013 of 23.4 million visitors and $62.43 in per capita spending, SeaWorld Parks and Entertainment experienced a drop in both attendance and per capita spending following the 2013 *Blackfish* documentary. In 2018, SeaWorld attendance increased by 1.8 million visitors, or 8.6% from 2017 but was flat in 2019.

Challenged Outdoor Waterparks and Attractions

Operators of existing waterparks and attractions need to continually reinvest in their properties in order to keep them competitive with new waterparks and attractions opening up throughout the United States and internationally. Due to declining attendance and net income, Apex Parks closed four attractions in 2020, including Indiana Beach in Northwest Indiana and Fantasy Island Park near Niagara Falls. Indiana Beach subsequently sold in 2020, and the new owner has reopened it. There are many examples of waterparks that have closed over the past decades for a variety of marketing, operational, and facility reasons.

2021 Outdoor Waterpark Openings

Due to the COVID-19 pandemic, many waterparks that were scheduled to open in 2020 were postponed until 2021. Consequently, 2021 saw significant gains over 2020.

2021 U.S. and Canada Outdoor Waterpark Openings

	Waterpark	Location		Major Attractions
Private				
	Wild Willie's Water Park	Enid	OK	Reopening of Splash Zone. Slides, lazy river
Municipal				
	Sand Mountain Park and Amphitheater	Albertville	AL	Water slides, lazy river, splash pad, 3-lane lap pool, sports pool, vortex pool
	Yogi Bear's Jellystone Park at Delaware Beaches	Lincoln	DE	Two larger slides and children's play structure
	Splash Cove and Overlook Adventure Park at Nelson Park	Decatur	IL	Water slides, children's play structure, plunge pool, climbing wall, rope swing, six-lane 25-yard lap pool, splash pad, lazy river
	Splash Valley Aquatic Park - Reopening	Kankakee	IL	Slides, lazy river
	SplashZone at Corrine J. Rose Park	Waukegan	IL	The park's water playground will include a large water-dump bucket and three-story water tower with slides and offer equipment geared for ages 2 to 12.
	Newton Pool	Newton	KS	$2.7M renovation of facility replaces pool, adds slides and lazy river
	New Hope Aquatic Park	New Hope	MN	50m pool with diving boards, water slides, lazy river, vortex pool, youth play area
	Kirksville Aquatic Center	Kirksville	MO	Pools, diving board, climbing wall, slides, lap lanes, lazy river
	Proposed Napoleon Aquatic Center	Napoleon	OH	Water slides, an 8-lane 25-yard competition pool and a beach-style entry
	Huether Family Aquatics Center	Yankton	SD	50-meter pool, zero-depth entry pool, slides, lazy river, splashpad
	El Paso City Waterparks - Lost Kingdom	El Paso	TX	Climbing wall, slides, water playground, lazy river, leisure pool, cabanas
	El Paso City Waterparks - Oasis	El Paso	TX	Surf machine, climbing wall, slides, water playground, lazy river, leisure pool, cabanas
	El Paso City Waterparks - Chapoteo	El Paso	TX	Climbing wall, slides, water playground, lazy river, leisure pool, cabanas
	El Paso City Waterparks - Camp Cohen	El Paso	TX	Endurance river, climbing wall, slides, water playground, lazy river, leisure pool, cabanas
	Aquatic Center (replacement of aging city pools)	De Pere	WI	Zero-depth entry pool, water slides
	Vandehey Waters Aquatic Center	Marshfield	WI	slides, lazy river, diving boards, lap pool, play structure, climbing wall
	Buchner Pool Upgrade	Waukesha	WI	50-meter lap pool with diving well, wading pool, water slides, and current channel

Source: Hotel & Leisure Advisors, LLC, March 2022

Larger outdoor waterpark developments in 2021 include the following:

- Demonstrating a trend towards more extensive amenities at municipal waterparks, the City of El Paso, Texas, opened four new themed waterparks between May and July 2021 featuring slides, lazy rivers, climbing walls, and cabanas. One waterpark includes a surf machine.

- In New Hope, Minnesota, the Milton C. Honsey community pool has been replaced with a $13 million aquatic park. The waterpark opened in June 2021 with an eight-lane, 50-meter swimming pool with diving boards, and a youth play area with two twisting body slides, lazy river, vortex pool and playground.

- Located in the Bahamas, Baha Mar Resort in Nassau added the $200 million Baha Bay outdoor waterpark adjacent to the SLS and Melia Hotels. The well-themed waterpark opened in July 2021 and includes a wide range of rides and attractions. It is one of the most expensive waterparks to open in North America.

2022 Outdoor Waterpark Openings

Growth in the outdoor segment will continue in 2022 with 13 new standalone waterparks planned.

2022 U.S. and Canada Outdoor Waterpark Proposed Openings

Waterpark	Location		Major Attractions
Private			
Wild Rivers Waterpark	Irvine	CA	30-acre water park with waterslides, an uphill water coaster, water play structures for children, a wave pool, a lazy river and Wild Rivers' popular Congo River Rapids
Municipal			
Lincoln Park Pool Aquatics Center	Palmetto	FL	Zero-depth beach entry pool, a six-lane lap pool, slides, shaded seating
Cottrell Aquatic Center	Dahlonega	GA	Lazy river, slides, play structure
O'Neil Park Pool	Bloomington	IL	Lazy river, diving boards, a water slide
Sunburst Bay Aquatic Center at Cary-Grove Park	Cary	IL	Could include a zero depth entry pool, slides and spray features, interactive features, shade structures, seating and an eight-lane pool
Harrer Pool	Morton Grove	IL	Lap pool, plunge pool with two water slides, a diving pool, a wading pool with splash features, private cabanas
Murphy's Aquatic Park	Avon	IN	Wave pool, water slides, toddler zone, cabana rentals, bathhouse and large play feature
Sooner Pool Expansion	Bartlesville	OK	Slide complex
Canora Aquatic Center	Canora	SK	Lazy river, tot pool, two water slides, and a four lane junior Olympic-sized lap pool
The Center Outdoor Waterpark at Generations Park	Bedford	TX	TBD
Cactus Aqua Park	Cactus	TX	Splash pad, slides, lap pool, diving board
Family Aquatic Center at Oak Point Recreation Center	Plano	TX	Splash pad, family leisure pool, wave pool, elevated play structure, concessions area, rentable cabanas and shade structures
Splash-Down Outdoor Waterpark at Aquaplex Aquatic Center	Hampton	VA	Indoor olympic-sized pool, outdoor slides, lazy river, play structure

Source: Hotel & Leisure Advisors, LLC, March 2022

The largest of these outdoor waterpark developments is Wild Rivers Waterpark, which will return to the city of Irvine, California after more than a decade. The original park operated from 1986 until its closure in 2011. The new, 26-acre, $60 million park is located in Irvine's Great Park and will be leased to operator Mike Riedel.

COMPARABLE WATERPARKS ANALYSIS

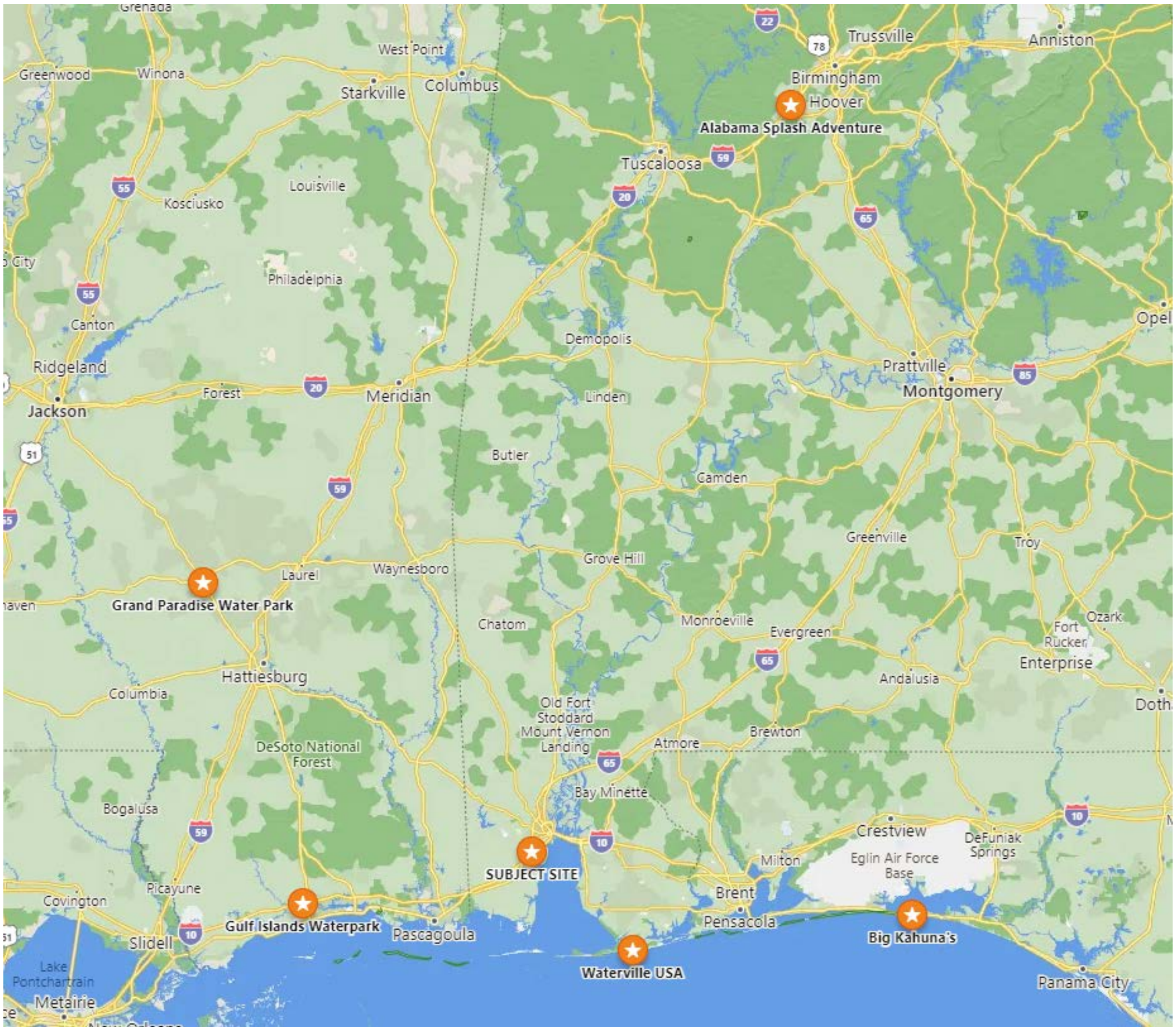
In analyzing the competitive market for the subject outdoor waterpark, we have selected a comparable set based on their proximate location, similar amenities, and similar shared target markets. We have profiled outdoor waterparks located in Alabama, Mississippi and Florida.

As the waterpark industry grows, and attendance increases, consumers have become more sophisticated and are being offered greater choices of how to spend their entertainment dollar. This is a trend affecting, and affected by, both indoor and outdoor waterparks. Waterpark growth is mirroring that of amusement parks in their need to feature both unique and state-of-the-art rides and attractions. Lazy rivers and wave pools are becoming staid in a time when consumers are seeking out thrill rides such as ProSlide Tornado and bowl rides. The following table contains an overview of five outdoor waterparks considered as comparable that are located in Alabama, Mississippi and Florida. All waterparks shown are privately owned.

Comparable Attractions Overview

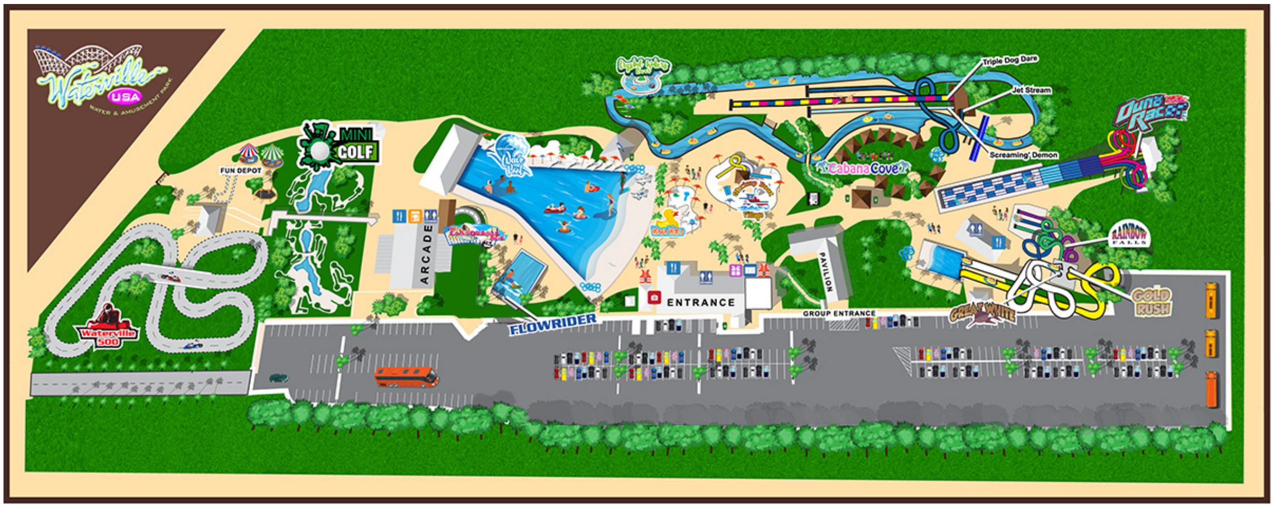
	Waterville USA, Gulf Shores, AL	Gulf Islands Waterpark, Gulfport, MS	Big Kahuna's Waterpark & Adventure Park Destin, FL	Alabama Splash Adventure and Amusement Park Bessemer , AL	Grand Paradise Waterpark, Collins, MS
Estimated Attendance	150,000-175,000	150,000-175,000	175,000-200,000	175,000-200,000	75,000-100,000
Size (acres)	20	20	25	14	7
Ownership	Private	Private	Private	Private	Private
Days open	85	87	115	90	85
Visitors per day	2,059	2,011	1,739	2,222	941
Admission and Rental Fees					
Adult admission fees	$33.95	$45.00	$45.99	$44.99	$30.00
Child admission fees	$25.95	$30.00	$40.99	$39.99	$26.00
Season pass	$150.00	$55	$55.00	$99.00	$94.99
Daily parking fees	Free	Free	$5	Free	Free
Locker rental	$8-$12	$8	$11-$15	$7	$5
Cabana rental	$135	$60-$190	$149	$150-$175	$50-$85
Amenities					
# of Dry Attractions	9	3	3	15	0
Number of slides	17	11	25	14	9
Lazy river	No	Yes	Yes	Yes	Yes
Wave pool	Yes	Yes	Yes	Yes	No
FlowRider / surf machine	Yes	No	Yes	No	No
Food and Beverage					
# of F&B Outlets	4	3	4	6	2
Alcohol sales	No	No	No	No	No
Outside food & beverage permitted?	No	No	No	No	No

Source: Hotel & Leisure Advisors and individual attractions' websites



COMPARABLE OUTDOOR WATERPARK MAP

Comparable Property #1



Waterville USA opened in 1986 and is a 20-acre water and amusement park located one mile from the beach in Gulf Shores, Alabama. Waterville opened the original waterpark in 1986, and since that time, the park has invested over $15 million in new and improved attractions. Waterville's waterpark offers a collection of water rides and attractions, including fast-action thrill rides like the six-lane Dune Racer water slides, along with 13 other water slides, a FlowRider, and a wave pool. The property also boasts a lazy river and the Shrimp Boat Village, a water playground that offers three stories of sprays, geysers, net crawls, slides, water cannons, and dumping buckets. Waterville's amusement park attractions include the Nascar Go-Carts, Cannonball Run roller coaster, 36 holes of miniature golf, Trampoline Thing, Fun Depot kiddie rides, arcade room, and two new Escape Rooms. The property also offers multiple food and beverage outlets, such as the Surf Side Grill, the Gold Rush, and Woody's Café's. Annual attendance is approximately 175,000 and admission rates are between $26-$34.

Comparable Property #2

Gulf Islands Waterpark is on the Mississippi Coast in Gulfport, Mississippi. The waterpark offers many attractions, including slides, a water coaster, and a zipline park. The Horn Island Blaster is the Gulf Coast's first and only water coaster. The Camille Cutter takes up to three people on a 400-plus foot ride on an 84-inch open flume raft ride. Deer Island Express is a tube slide complex that takes you 357 feet on a single tube from a 38-foot incline with the fastest splash-down in the park. Cat Island Catapult is one of the various tube slides. Lil' Pelican's Bay and Ship Island Wreck both offer an assortment of water activities. The Spray St. Louis provides fun for smaller children and the Padscagoula – a floating obstacle course, is for kids and teens. The park has several food and beverage outlets, including Petit Bois Island Café and Polly's Sweet Stuff. The ZipN Fun Adventure Park, which opened in 2017 on leased land from the city of Biloxi, offers a tree-top adventure course, ropes course, and aerial trails. In 2018, the park converted to a dynamic pricing model that saw major increases in online ticket sales, online revenue, and an increase in overall ticket prices of 38%. Annual attendance is approximately 175,000 and admission rates are between $30-$45.

Competitive Property #3

Big Kahuna's is a water and adventure park in Destin, Florida, boasting the largest waterpark on the Emerald Coast. The park covers more than 25-acres and boasts more than 40 water attractions, an arcade, and a sky coaster. The park has dozens of waterslides, three rushing rivers, white water tubing, two wave pools, a children's play area, and Tiagra Falls, the largest man-made waterfall in the world. The property offers three food and beverage outlets serving a variety of food options. The property offers nine slides and thrill rides, including the Maui Pipeline Speed Slides and Jumanji, a long slide that twists and turns. There are four children's areas with kid-sized attractions and variable depth pools. Pleasure Island includes a pass-through waterfall and a spray pad. Pirate Ship and Crocodile Flats offer twirling slides for small children. The adventure park offers four entertainment options, including a sky coaster, cyclone, FlowRider, and mini golf. Additional dry attractions include miniature golf and the Cyclone airplane ride. Guests are not allowed to bring in outside food and beverage and there is a nominal parking fee of $5. Annual attendance is approximately 200,000 and ticket prices range from $41-$46.

Competitive Property #4

Alabama Splash Adventure offers an outdoor waterpark and amusement park in Bessemer, Alabama that was rebranded and expanded in 2012. The waterpark (excluding parking) occupies approximately 14 acres of the 89-acre site. Over the past several years, the new owners have added thirteen amusement attractions, 3 waterpark attractions (which includes two new water slides), restored the famous Rampage wooden roller coaster, and added additional amenities. Attractions include a wave pool, lazy "warrior" river, a zero-depth children's activity area improved with a large play structure, four tube slides, four children's slides, a children's pool, a bowl slide, and an oscillating tube slide. Other children's attractions include a water maze and an Aqua Course. The waterpark offers cabanas, several food and beverage outlets, and ample parking. The property has a tropical "tiki" theme. The entrance to both the waterpark and the amusement park is through a main street "midway" area that offers retail, food and beverage outlets, and several arcade areas. The park added three new attractions in 2019: FreeFall (waterslide), Galleon (swing ship), and Twister (waterslide). Annual attendance is approximately 200,000 and ticket prices range from $40-$45.

Competitive Property #5

Grand Paradise Waterpark is a waterpark in Collins, Mississippi. The seven-acre waterpark is the smallest of the comparable waterparks. The property offers two food and beverage outlets serving a variety of food options. The property offers nine slides and thrill rides, including the Wipe Out, FreeFALL, and AquaTWIST. There is a treehouse structure and a splash pad for kids. Grand Falls Racer is a four-lane mat racer. The park also offers a wave pool and lazy river. Annual attendance is approximately 80,000 and ticket prices range from $26-$30.

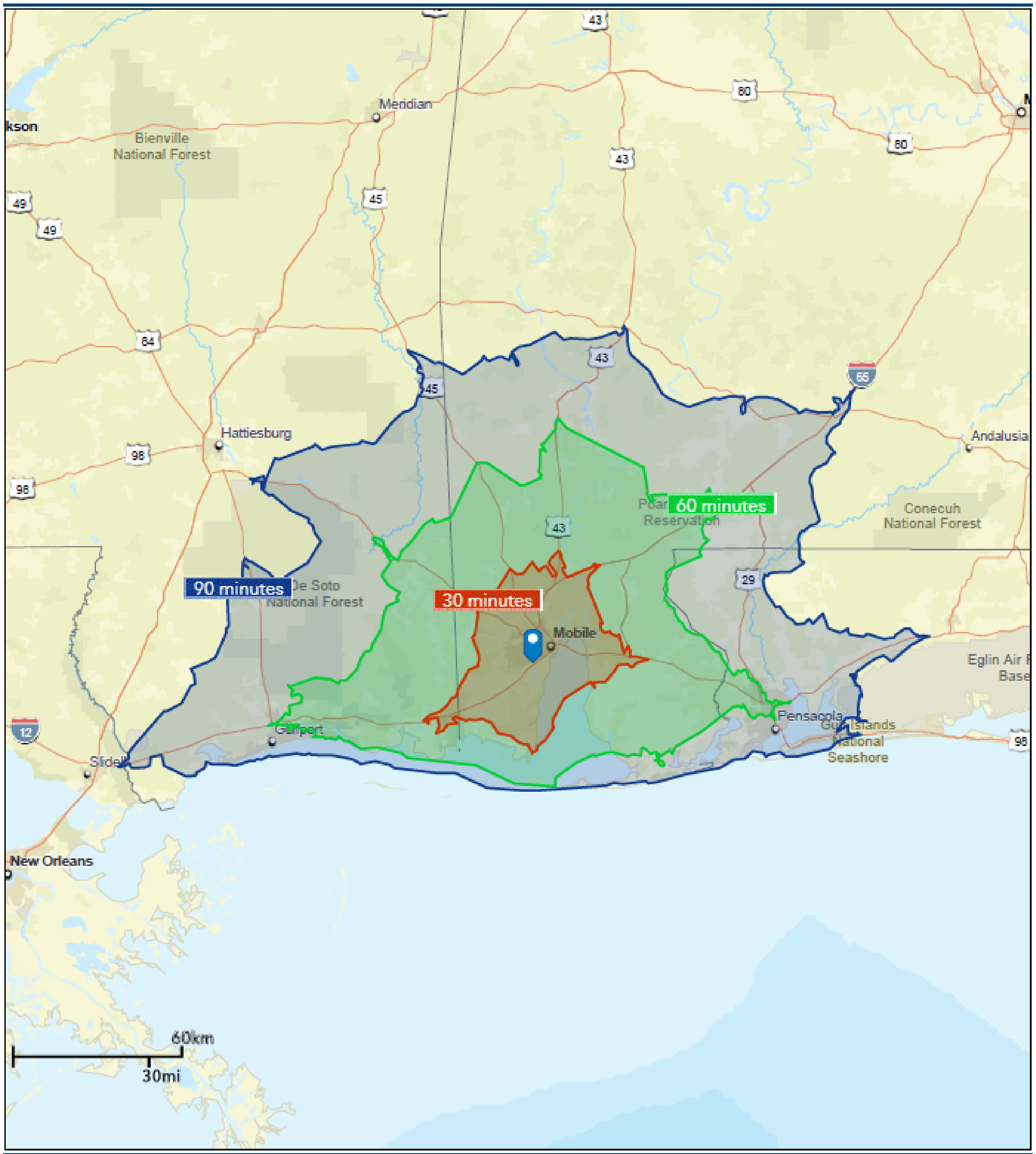
DEMOGRAPHIC COMPARISON OF SUBJECT SITE VERSUS COMPARABLE WATERPARKS

The success of the proposed outdoor waterpark is closely tied to demographics and income levels within its market area. For the purpose of this analysis, we have defined the subject's market area as the 30-minute, 60-minute, and 90-minute drive times from the site. In this section, we will compare attendance, population, and income figures from these defined areas to figures within the same drive time areas surrounding five comparable waterpark properties in Alabama, Mississippi, and Florida.

The following maps show the approximate outlines of the drive time areas considered for the proposed waterpark site in Mobile, Alabama.

30-, 60- & 90-Minute Drive Time Areas

Proposed Outdoor Waterpark - Mobile, AL



January 20, 2022

The following tables present a comparison of drive time areas surrounding the subject site and each of the comparable waterpark locations. The figures presented in this section were generated by the Environmental Systems Research Institute (ESRI) and are based on official data from the U.S. Census Bureau.

Population: The following table presents the drive time resident population for the subject site and the comparable property market areas. It also shows each park's annual attendance per population for each drive time area.

Attendance at Comparable Attractions

	Annual Attendance	Total Population within 30 min. drive	Attendance per 30 min. pop.	Total Population within 60 min. drive	Attendance per 60 min. pop.	Total Population within 90 min. drive	Attendance per 90 min. pop.
Subject		442,810		927,938		1,642,364	
Waterville USA, Gulf Shores, AL	175,000	76,972	2.27	397,175	0.44	1,051,495	0.17
Gulf Islands Waterpark, Gulfport, MS	175,000	266,725	0.66	698,292	0.25	2,329,283	0.08
Big Kahuna's Waterpark & Adventure Park Destin, FL	200,000	159,159	1.26	351,617	0.57	931,966	0.21
Alabama Splash Adventure and Amusement Park Bessemer , AL	200,000	534,811	0.37	1,288,517	0.16	1,957,101	0.10
Grand Paradise Waterpark, Collins, MS	80,000	99,886	0.80	387,699	0.21	1,202,963	0.07
Average	166,000	263,394	0.63	675,206	0.25	1,519,195	0.11

Source: Hotel & Leisure Advisors & ESRI, 2021 estimates

The subject site has the second highest population within 30- and 60-minute drive time radii and third highest within the 90-minute drive radius. If we apply the average attendance per 60 minute population of the profiled waterparks of 0.25 times the available population within 60 minutes of 927,938 people equals a projected attendance of 228,134.

Youth Population: The following table presents a summary of youth population for the subject site and comparable property market areas based on 30-, 60-, and 90-minute drive times. The youth population is defined as people 19 and under in the U.S. It also shows each park's annual attendance per youth population for each category.

Youth Attendance at Comparable Attractions							
	Annual Attendance	Total Youth Population within 30 min. drive	Attendance per 30 min. youth pop.	Total Youth Population within 60 min. drive	Attendance per 60 min. youth pop.	Total Youth Population within 90 min. drive	Attendance per 90 min.youth pop.
Subject		109,346		227,033		394,900	
Waterville USA, Gulf Shores, AL	175,000	16,309	10.73	94,599	1.85	248,807	0.70
Gulf Islands Waterpark, Gulfport, MS	175,000	66,900	2.62	176,777	0.99	568,817	0.31
Big Kahuna's Waterpark & Adventure Park Destin, FL	200,000	33,853	5.91	79,644	2.51	210,540	0.95
Alabama Splash Adventure and Amusement Park Bessemer , AL	200,000	129,039	1.55	313,242	0.64	466,590	0.43
Grand Paradise Waterpark, Collins, MS	80,000	24,858	3.22	100,125	0.80	313,852	0.25
Average	166,000	71,089	2.34	178,259	0.93	377,931	0.44

Source: Hotel & Leisure Advisors & ESRI, 2021 estimates

If we apply the average attendance per 60 minute youth population of the profiled waterparks of 0.93 times the available youth population within 60 minutes of 227,033 people equals a projected attendance of 211,420.

Median Household Income: We have analyzed the U.S. median household income around each of the drive time areas for the subject site and comparable locations. 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 people, is a major determinate of an area's sales potential. The following table presents current median household income levels for the drive times surrounding the subject site and each of the comparable properties.

2016 U.S. Median Household Income Near Comparable Attractions

	Median Household Income within 30 min. drive	Median Household Income within 60 min. drive	Median Household Income within 90 min. drive
Subject	$51,582	$52,164	$52,065
Waterville USA, Gulf Shores, AL	$49,939	$53,695	$52,875
Gulf Islands Waterpark, Gulfport, MS	$51,085	$52,584	$52,348
Big Kahuna's Waterpark & Adventure Park Destin, FL	$67,317	$64,972	$57,154
Alabama Splash Adventure and Amusement Park Bessemer , AL	$53,664	$56,616	$53,716
Grand Paradise Waterpark, Collins, MS	$40,027	$43,697	$47,561
Average	$52,269	$53,955	$52,620

Source: Hotel & Leisure Advisors & ESRI, 2021 estimates

As shown, income levels in the subject's market area are similar to the comparable outdoor waterparks. The analysis indicates that the proposed pricing structure for the subject would be similar to the range of regional comparables.

PROPOSED WATERPARKS

The **Park at OWA** opened in 2017 in Foley, Alabama, and is part of the larger OWA entertainment complex. The complex includes a number of retail, dining, and entertainment components; hotel; sports tourism complex; and the 14-acre Park at OWA amusement park. The developers are expanding the Park at OWA to include an 100,000-square-foot indoor waterpark named Tropic Falls. The indoor waterpark is scheduled to open in May 2022 and will offer a retractable roof, 11 waterslides, and other waterpark attractions. The developers plan to offer one ticket for the entire park, which will include access to the amusement park and the indoor waterpark.

There is a proposal for a new master planned development to include an outdoor waterpark in Alabama. **Bama Bayou** in Orange Beach, Alabama, is a $300 million project that includes Gulf World Marine Park, hotel developments, a resort village with restaurants and shops, convention center, marina, nature trails, and an outdoor waterpark. Waterpark features will include speed slides, a lazy river, and a large wave pool. The project has long been proposed with no speculation as to if or when it will come to fruition. As it is not financed or under construction, we have not assumed it in our demand analysis.

SWOT ANALYSIS OF SUBJECT

We assessed the projected competitive position of the proposed subject property as it compares to the defined competitive waterpark supply in the following SWOT analysis.

Strengths

- The subject will be located adjacent to the Mobile County Soccer Complex and will benefit from sporting tournaments and events held at the complex. The subject is projected to attract visiting athletes and families to the subject waterpark. It will also be popular with residents of the Mobile County area.

- Mobile County plans to build a natatorium and an outdoor pool complex adjacent to the proposed waterpark. We recommend that the subject waterpark management work with the natatorium management to offer packages during the summer months. The subject waterpark will benefit from swimming competitions held during the waterpark operating season.

- The subject site is located along the Interstate 10 and 65 junction and offers good visibility from both highways. Depending on the site layout, guests traveling on these highways may be able to see the waterslides.

- The subject has a sufficient land area to create a quality regional outdoor waterpark with land available for additional phases. Typically, waterparks and amusement parks will add a new ride or attraction every one to three years to keep interest levels high from potential attendees.

- The subject will offer an attractive facility with a wide range of attractions and amenities that will allow the subject to offer a memorable experience for leisure visitors.

- There are no outdoor waterparks within the 60-minute drive time radius of the subject. The two nearest waterparks (Waterville USA and Gulf Islands Waterpark) are within the 60- to 90-minute drive time radius. However, we feel that the subject has a better location as it has the highest population count within the 30- and 60-minute drive time compared to the two nearest comparables.

Weaknesses

- The neighborhood surrounding the subject site lacks complimentary tourist attractions and some of the nearby improvements are industrial in function.

- Although the subject has good visibility from both I-10 and I-65, access from both the highways is somewhat difficult. The subject will need to have directional signage to help visitors to the facility.

Opportunities

- The proposed subject will be the only waterpark in Mobile. In addition to demand from Mobile County, we project the subject will be able to capture demand originating from southern Mississippi and south central Alabama. The subject could capture demand from the western Florida panhandle region, but we project this region will be highly competitive as there are other waterparks in this region.

- The subject could potentially capture leisure family travelers on Interstate 10 headed to and from Florida and the Gulf Coast resort areas.
- The subject can capture group and event bookings at the waterpark during the summer months including birthday parties.
- The subject waterpark could partner with area hotels to offer waterpark tickets to hotel guests.

Threats

- The Park at OWA is developing an indoor waterpark resort adjacent to its amusement park. The indoor waterpark will be open year-round and will compete with the subject waterpark during the summer months.

PROJECTED DEMAND AND TICKET PRICE ANALYSIS

Based on interviews with representatives of the subject, comparable outdoor waterparks, knowledge of the market area, and consideration of factors such as competent and efficient management, a well-defined marketing program, the subject's location, and the quality of its facility, we estimated future demand for the proposed outdoor waterpark in Mobile. In this section, we estimated the number of attendees and admission revenue for the subject.

Days Open: The subject waterpark is projected to be open 90 days a year and will focus upon a variety of potential users including local residents, school and church groups, other groups, families visiting the area and staying overnight, and visitors to the sports complex. We project the facility to be busiest on weekends throughout the summer. The following table indicates our projections for number of days open during the season.

Forecasted Days Open

Proposed Outdoor Waterpark Mobile

2024

	Days Open
May	11
June	30
July	31
August	15
September	3
Total / Average	90

Source: Hotel & Leisure Advisors

We project the subject to be open the entire months of June and July and select days in May, August and September. We assume the subject waterpark will be open weekends in May and remain open through Labor Day.

Estimated Average Ticket Price

To estimate the average ticket price for the subject property, we analyzed historical ticket prices achieved at the regional and local comparable facilities shown earlier in this study.

Comparable Attractions Ticket Price Analysis

	Adult admission fees	Child admission fees	Season pass
Waterville USA, Gulf Shores, AL	$33.95	$25.95	$150.00
Gulf Islands Waterpark, Gulfport, MS	$45.00	$30.00	$55.00
Big Kahuna's Waterpark & Adventure Park Destin, FL	$45.99	$40.99	$55.00
Alabama Splash Adventure and Amusement Park Bessemer , AL	$44.99	$39.99	$99.00
Grand Paradise Waterpark, Collins, MS	$30.00	$26.00	$94.99
Average ticket price	$39.99	$32.59	$90.80

Source: Hotel & Leisure Advisors

We considered the comparables' average rates, projected discounting practices of the subject, and the appropriate rate positioning for the subject. We recommend the following ticket price structure for the proposed waterpark in the first year of operation inclusive of full day and half day tickets.

Projected Ticket Prices
Proposed Waterpark

	Weekdays	Weekends/Holidays
Day Pass Rates	$25 - $35	$35 - $45

Source: Hotel & Leisure Advisors

The preceding rate structure represents the projected published rates for the proposed waterpark in a stabilized market. The following indicates our projected overall average ticket price for the subject.

Forecasted Ticket Price Analysis

	Adult admission fees	Child admission fees	Season pass
Ticket price (rack rate)	$45.00	$37.00	$85.00
Sales by segment	40%	60%	
Average full price ticket		$40.20	
Ticket discount	30%	30%	
Percentage of tickets discounted	60%	60%	
Overall price by segment	$36.90	$30.34	
Overall average ticket price		$32.96	

Source: Hotel & Leisure Advisors

The subject should offer dynamic pricing with higher rates on weekends due to higher demand. The subject should offer higher ticket prices for walk-in guests and offer discounts to visitors who purchase tickets online. We recommend the use of coupons and discounts during slower time periods. We project the subject will have a range of ticket prices and promotions throughout the season. Thus, after considering applicable discounting as well as other promotional rates, the above structure should enable the subject to achieve an estimated average ticket price of $32.96.

Projected Subject Outdoor Waterpark Performance

Our research indicates that children from one to 13 years of age, along with their parents, are the main demand generators for the subject waterpark; however, we expect the subject will also attract teenagers and young adults ages 14 through 24. We project stronger demand on weekends and during school vacations.

We projected the percentage of visitors between the ages of one and 24 from various drive times to the subject property. The drive times represent a 30-, 60-, and 90-minute drive to the subject. We also projected the number of adults who will attend the waterpark primarily as chaperones. We projected the number of annual passes that may be sold. We also projected the number of overnight tourists who will utilize the park. The following table indicates our estimates. The base population figures represent the 2021 population estimates.

Local Visitors - Forecasted Demand			
Proposed Outdoor Waterpark Mobile			
First Year - 2024			
	Age 0-14	Age 15-24	Total
30-min. drive			
Population	82,146	53,843	135,989
Age group usage	20%	14%	17.6%
Number of youth visitors	16,429	7,538	23,967
Adult chaperones per youth	0.75	0.25	0.59
Number of adult chaperones	12,322	1,885	14,206
Total youth and adult visitors	28,751	9,423	38,174
Visits per season	3	2.5	2.9
Total visits from this distance	**86,253**	**23,556**	**109,810**
% of all visits			59.0%
60-min. drive			
Population	170,787	111,423	282,210
Population net of those above	88,641	57,580	146,221
Age group usage	16%	11%	14.0%
Number of youth visitors	14,183	6,334	20,516
Adult chaperones per youth	0.75	0.25	0.60
Number of adult chaperones	10,637	1,583	12,220
Total youth and adult visitors	24,819	7,917	32,737
Visits per season	2	2	2.0
Total visits from this distance	**49,639**	**15,835**	**65,473**
% of all visits			35.2%
90-min. drive			
Population	296,013	197,968	493,981
Population net of those above	125,226	86,545	211,771
Age group usage	4%	2%	3.2%
Number of youth visitors	5,009	1,731	6,740
Adult chaperones per youth	0.75	0.25	0.62
Number of adult chaperones	3,757	433	4,190
Total youth and adult visitors	8,766	2,164	10,929
Visits per season	1	1	1.0
Total visits from this distance	**8,766**	**2,164**	**10,929**
% of all visits			5.9%
Total local visitors	**144,658**	**41,554**	**186,213**
Local day pass visitors			93,413
Local season pass visitors			92,800
% youth	57%	80%	63%
% adult	43%	20%	37%

Source: Hotel & Leisure Advisors

Local Residents: We project that the subject will attract many local residents, including those who will buy season passes. We project that approximately 186,213 visitors including day pass admission and season pass holders within a 90-minute drive radius will utilize the subject property.

Season Pass Holders: The subject is projected to offer a variety of season passes to local residents to utilize the park unlimited times. We recommend that the season pass include free parking. Typically, waterparks price their season passes equal to between one and three times their day pass admission. We project the subject annual passes to be priced between 2.0 and 2.5 times the price of a day pass admission. The following table highlights the projected demand for annual passes.

Season Pass Holders - Forecasted Demand	
Proposed Outdoor Waterpark Mobile	
First Year - 2024	
Season Pass	
Number Sold	23,200
Average price per pass	$85.00
Total revenue	$1,972,000
Number of visitors per pass	4
Total visitors per year	92,800
Revenue per visit	$21.25

Source: Hotel & Leisure Advisors

Although some buyers will make good use of these passes, others may utilize them relatively infrequently. We project that annual pass holders will utilize the park approximately four times a year. We project the passes to be popular among families.

Overnight Leisure Visitors: We projected demand from leisure visitors who visit the area and stay at the local lodging facilities. This also includes teams visiting the sports complex for soccer tournaments and swimming competitions. Additionally, we project that some overnight family leisure visitors will utilize the subject facility when passing through Mobile to and from Florida and the Gulf Coast. There are 5,874 hotel guest rooms within Mobile, Alabama. We estimated the percentage of these room nights that are families and then estimated a percentage who would utilize the subject.

Overnight Leisure Visitors - Forecasted Demand	
Proposed Outdoor Waterpark Mobile	
First Year - 2024	
Number of hotel rooms in Mobile, AL	5,874
Number of nights in season	90
Projected local hotel market occupancy during season	70.0%
Annual occupied room nights in season	370,062
% of hotel rooms occupied by leisure-oriented visitors	50.0%
Estimated seasonal family / leisure room nights	185,031
Average guests per family / leisure room	3
Estimated seasonal family / leisure room visitors	555,093
% likely to visit attraction	4.0%
Total likely attraction visitors	22,204
Average ticket price	$32.96
Forecasted admission revenue	$731,923

Source: Hotel & Leisure Advisors

We project the subject will capture a relatively modest 4.0% of the total number of family overnight visitors to Mobile during the waterpark season. In reality, this number could be higher; but the focus of the park is for residents more than tourists, and we project the marketing effort will be tailored primarily toward residents. We project less discounting provided to overnight leisure visitors.

Forecasted Total Attendance: The following table projects the attendance, average ticket price per waterpark visitor, and revenue from the waterpark tickets sold for the subject waterpark. We project attendance growth rates of 3.0% in the second year of the analysis and 2.0% in the third year of the analysis, which is considered the stabilized year. The projected waterpark attendance growth rates are higher than the projected population growth rate in Mobile MSA.

Forecasted Attendance and Revenue						
	Proposed Outdoor Waterpark Mobile					
	2024	2025	2026	2027	2028	2029
Season Pass Holders						
Number of pass holders	23,200	23,896	24,374	24,374	24,374	24,374
Average price per pass	$85.00	$87.13	$89.30	$91.54	$93.82	$96.17
Forecasted revenue	$1,972,000	$2,081,939	$2,176,667	$2,231,084	$2,286,861	$2,344,033
Total visitors per year	92,800	95,584	97,496	97,496	97,496	97,496
Local Visitors						
Total visitors per year	93,413	96,215	98,139	98,139	98,139	98,139
Average admission price	$32.96	$33.79	$34.63	$35.50	$36.39	$37.30
Forecasted revenue	$3,079,250	$3,250,918	$3,398,835	$3,483,806	$3,570,901	$3,660,174
Overnight Leisure Visitors						
Total visitors per year	22,204	22,870	23,327	23,327	23,327	23,327
Average admission price	$32.96	$33.79	$34.63	$35.50	$36.39	$37.30
Forecasted revenue	$731,923	$772,728	$807,887	$828,084	$848,787	$870,006
Total						
Subject property annual attendance	208,416	214,669	218,962	218,962	218,962	218,962
Subject property annual attendance (rounded)	208,000	215,000	219,000	219,000	219,000	219,000
Total ticket revenue (rounded)	$5,783,000	$6,106,000	$6,383,000	$6,543,000	$6,707,000	$6,874,000
Overall average rate	$27.80	$28.40	$29.15	$29.88	$30.63	$31.39
Usage						
Average daily attendance over 90 days	2,316	2,385	2,433	2,433	2,433	2,433
Maximum daily capacity	6,000	6,000	6,000	6,000	6,000	6,000
Usage percentage	39%	40%	41%	41%	41%	41%
Demand Segmentation						
Season Pass Holders	45%	45%	45%	45%	45%	45%
Local Visitors	45%	45%	45%	45%	45%	45%
Overnight Leisure Visitors	11%	11%	11%	11%	11%	11%

Source: Hotel & Leisure Advisors

The stabilized usage level is intended to reflect the property's anticipated results over its remaining economic life, given all changes in the life cycle of the waterpark and assuming continual reinvestment in the waterpark. Thus, the stabilized usage level excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low usage levels. Although the subject property may operate at usage levels above this stabilized level, we believe it is equally possible for shifts in the local economy and changes in the market's demand patterns to force the usage level below this selected point of stability.

Our projected attendance per day open ranges from 2,316 in the first year to 2,433 in a stabilized year of the analysis. Our forecast is at the higher end of the range of the five comparables, which ranged from 941 to 2,222 visitors per day because the subject has stronger demographics and will be located next to a soccer complex and proposed natatorium.

Monthly Analysis: We have analyzed our attendance projection based upon a monthly analysis. The following table indicates our projections for the proposed subject waterpark on a monthly basis.

Forecasted Monthly and Daily Attendance

Proposed Outdoor Waterpark Mobile

2024

	Attendance	% of Attendance	Days Open	Average Daily Attendance
May	16,640	8%	11	1,513
June	66,560	32%	30	2,219
July	85,280	41%	31	2,751
August	33,280	16%	15	2,219
September	6,240	3%	3	2,080
Total / Average	**208,000**	**100%**	**90**	**2,311**

Source: Hotel & Leisure Advisors

Forecasted Design Day Attendance

We forecast the subject will be open 90 days per year with an average operating time of nine hours (10:00 AM to 7:00 PM) per day. To forecast design day capacity, we considered average daily attendance during the busiest month, July. The following table presents our analysis of the design day capacity forecast:

Design Day Capacity Forecast	
Proposed Outdoor Waterpark Mobile	
Peak month attendance - July	85,280
Average weekly attendance (4.43 weeks)	19,251
Forecasted % of peak day attendance	30%
Forecasted attendance on peak day (Saturday)	5,775
Forecasted % of peak on-site attendance	75%
Forecasted design day attendance	4,331

Source: Hotel & Leisure Advisors

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

1. The subject waterpark will be professionally managed and maintained;

2. The subject waterpark will be effectively promoted with a well-targeted marketing program throughout the analysis period;

3. A continued program of periodic replacement of furniture, fixtures, and equipment will continue throughout the analysis period to help maintain the efficiency of operation for the subject.

INTRODUCTION

To estimate the statement of annual operating results of the subject property, we analyzed the scope and characteristics of the proposed development. We have identified operating statements of comparable properties and reviewed industry standards for comparable properties in forecasting the financial performance of the subject.

The general steps include the following:

- Estimated the potential gross revenues for the subject property based upon an examination of the subject property's prior operating history (if available), operating history of comparable properties in the subject market area and on a national basis, and an analysis of industry trends.

- Analyzed departmental, undistributed, and fixed expenses, and project appropriate amounts in each category.

- Projected the resultant net operating income (cash flow before debt service) over an appropriate holding period.

Account classifications generally conform to the standards presented in the World Waterpark Association's Waterpark Resort Task Force. All percentages or amounts per visitor presented in the following pages were first computed on the basis of the revenue and expenses expressed in constant dollars and then inflated. All dollar amounts are expressed in stated year dollars unless otherwise noted.

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 waterpark 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.

Financial Comparables: We considered the results of operations of comparable facilities. We have reviewed information from the Waterpark Resort Task Force by the World Waterpark Association, and IAAPA Waterpark Benchmark Report 2020-2021 by the International Association of Amusement Parks and Attractions. We compiled from our database a grouping of 34 outdoor waterpark facilities as well as two groupings of select properties. The data presented is an average of the statements to protect the confidentiality of this financial information. H&LA has signed agreements that contractually prohibit our release of the identity of the presented statements to third parties.

Comparable Financial Statements and Industry Standards

	Comparable 1			Comparable 2			Comparable 3			Comparable 4		
	Average of 34 Outdoor Waterparks			Avg. of 5 Midsize Outdoor Waterparks			Average of 6 Midsized with highest NOI %			IAAPA 2020 Waterpark Benchmark Survey		
Average Rate	$22.61			$16.02			$17.75			$25.15		
Days Open	161			100			99			168		
Attendance	292,545			145,299			225,674			412,500		
	$	%	$ / Attendee	$	%	$ / Attendee	$	%	$ / Attendee	$	%	$ / Attendee
Revenues												
Admissions	$6,615,574	59.6%	$22.61	$2,328,024	74.0%	$16.02	$4,006,679	66.3%	$17.75	$10,374,375	61.0%	$25.15
Food and Beverage	2,418,841	21.8%	8.27	603,181	19.2%	4.15	1,300,624	21.5%	5.76	3,401,434	20.0%	8.25
Retail	380,020	3.4%	1.30	21,325	0.7%	0.15	178,565	3.0%	0.79	1,530,645	9.0%	3.71
Rentals and Other Income (Net)	657,748	5.9%	2.25	193,654	6.2%	1.33	518,479	8.6%	2.30	1,020,430	6.0%	2.47
Arcade	563,149	5.1%	1.92	-	-	-	-	-	-	510,215	3.0%	1.24
Sponsorships	69,628	0.6%	0.24	-	-	-	31,260	0.5%	0.14	170,072	1.0%	0.41
Parking / Other	388,166	3.5%	1.33	-	-	-	9,875	0.2%	0.04	-	-	-
Total Operating Revenue	**11,093,127**	**100.0%**	**37.92**	**3,146,184**	**100.0%**	**21.65**	**6,045,482**	**100.0%**	**26.79**	**17,007,172**	**100.0%**	**41.23**
Cost of Sales												
Food and Beverage	823,687	34.1%	2.82	228,839	37.9%	1.57	394,088	30.3%	1.75	1,610,704	47.4%	3.90
Retail	175,212	46.1%	0.60	11,885	55.7%	0.08	70,928	39.7%	0.31	585,710	38.3%	1.42
Arcade	145,195	25.8%	0.50	-	-	-	-	-	-	-	-	-
Parking / Other	44,871	11.6%	0.15	-	-	-	-	-	-	-	-	-
Total Departmental Expenses	**1,188,965**	**10.7%**	**4.06**	**240,724**	**7.7%**	**1.66**	**465,016**	**7.7%**	**2.06**	**2,196,414**	**12.9%**	**5.32**
Total Departmental Profit	**9,904,163**	**89.3%**	**33.86**	**2,905,460**	**92.3%**	**20.00**	**5,580,465**	**92.3%**	**24.73**	**14,810,758**	**87.1%**	**35.90**
Undistributed Operating Expenses												
Labor	2,909,245	26.2%	9.94	854,997	27.2%	5.88	1,543,971	25.5%	6.84	3,660,690	21.5%	8.87
Administrative & General	773,135	7.0%	2.64	247,420	7.9%	1.70	335,346	5.5%	1.49	1,757,131	10.3%	4.26
Sales & Marketing	655,574	5.9%	2.24	202,047	6.4%	1.39	260,260	4.3%	1.15	878,566	5.2%	2.13
Operating Supplies	252,782	3.8%	0.86	58,699	2.5%	0.40	109,688	2.7%	0.49	439,283	4.2%	1.06
Prop. Oper. & Maintenance	560,955	5.1%	1.92	146,727	4.7%	1.01	258,495	4.3%	1.15	1,464,276	8.6%	3.55
Utilities	496,917	4.5%	1.70	206,184	6.6%	1.42	232,933	3.9%	1.03	732,138	4.3%	1.77
Total Undistributed Oper. Expenses	**5,648,608**	**50.9%**	**19.31**	**1,716,074**	**54.5%**	**11.81**	**2,740,693**	**45.3%**	**12.14**	**8,932,084**	**52.5%**	**21.65**
Gross Operating Profit	**4,255,555**	**38.4%**	**14.55**	**1,189,386**	**37.8%**	**8.19**	**2,839,773**	**47.0%**	**12.58**	**5,878,674**	**34.6%**	**14.25**
Management Fees	163,200	1.5%	0.56	-	-	-	92,176	1.5%	0.41	-	-	-
Income Before Non-Oper. Expenses	**4,092,355**	**36.9%**	**13.99**	**1,189,386**	**37.8%**	**8.19**	**2,747,597**	**45.4%**	**12.18**	**5,878,674**	**34.6%**	**14.25**
Non-Operating Expenses												
Property Tax	308,625	2.8%	1.05	39,374	1.3%	0.27	119,694	2.0%	0.53	292,855	1.7%	0.71
Insurance	335,265	3.0%	1.15	128,368	4.1%	0.88	194,533	3.2%	0.86	585,710	3.4%	1.42
Misc.	348,951	3.1%	1.19	-	-	-	155,178	2.6%	0.69	-	-	-
Reserve for Replacement	189,564	1.7%	0.65	-	-	-	90,096	1.5%	0.40	-	-	-
Total Non-Operating Expenses	**1,182,405**	**10.7%**	**4.04**	**167,742**	**5.3%**	**1.15**	**559,501**	**9.3%**	**2.48**	**878,566**	**5.2%**	**2.13**
Net Income / EBITDA	**$2,909,949**	**26.2%**	**$ 9.95**	**$1,021,644**	**32.5%**	**$ 7.03**	**$2,188,096**	**36.2%**	**$ 9.70**	**$5,000,109**	**29.4%**	**$ 12.12**

Source: Hotel & Leisure Advisors

Fixed and Variable Component Analysis

In forecasting revenues and expenses for an attraction, we utilized a fixed and variable component model. The model is based on the premise that revenues and expenses have a component that is fixed and another component that varies directly with 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 facility utilization, which produces the projected level of revenue or expense.

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

Range of Fixed and Variable Ratios

	Typical Percent Fixed	Typical Percent Variable	This Project % Fixed	Index of Variability
Cost of Sales				
Admissions	40 - 60%	40 - 60%	0%	Attendance
Food and Beverage	40 - 60%	40 - 60%	40%	Attendance
Retail	40 - 60%	40 - 60%	40%	Attendance
Undistributed Operating Expenses				
Labor	40 - 60%	40 - 60%	40%	Attendance
Administrative & General	60 - 80%	20 - 40%	40%	Attendance
Sales & Marketing	40 - 60%	40 - 60%	40%	Attendance
Operating Supplies	0%	100%	40%	Attendance
Prop. Oper. & Maintenance	40 - 60%	40 - 60%	40%	Attendance
Utilities	40 - 60%	40 - 60%	75%	Attendance
Management Fees	0%	100%	0%	Total Revenue
Non-Operating Expenses				
Property Tax	100%	0%	100%	Total Revenue
Insurance	100%	0%	100%	Total Revenue
Reserve for Replacement	0%	100%	0%	Total Revenue

Source: Hotel & Leisure Advisors

INCOME AND EXPENSE ANALYSIS

The following indicates our projections for the various revenue and expense categories. We project the outdoor waterpark operations will be open 90 days a year as presented in the previous section of this report.

Admissions Revenue: Tickets revenue, which includes revenue earned by selling individual tickets, season passes, birthday parties, and group tickets, was calculated by estimating annual waterpark visitors and revenue per visitor. Our estimates of waterpark visitors and revenue per waterpark visitors and the rationale supporting these estimates are presented in the Subject Usage section of this report. The following table projects the attendance, average ticket price per waterpark visitor, and revenue from the waterpark tickets sold for the subject waterpark.

Forecasted Attendance and Revenue

Proposed Outdoor Waterpark Mobile

	2024	2025	2026	2027	2028	2029
Season Pass Holders						
Number of pass holders	23,200	23,896	24,374	24,374	24,374	24,374
Average price per pass	$85.00	$87.13	$89.30	$91.54	$93.82	$96.17
Forecasted revenue	$1,972,000	$2,081,939	$2,176,667	$2,231,084	$2,286,861	$2,344,033
Total visitors per year	92,800	95,584	97,496	97,496	97,496	97,496
Local Visitors						
Total visitors per year	93,413	96,215	98,139	98,139	98,139	98,139
Average admission price	$32.96	$33.79	$34.63	$35.50	$36.39	$37.30
Forecasted revenue	$3,079,250	$3,250,918	$3,398,835	$3,483,806	$3,570,901	$3,660,174
Overnight Leisure Visitors						
Total visitors per year	22,204	22,870	23,327	23,327	23,327	23,327
Average admission price	$32.96	$33.79	$34.63	$35.50	$36.39	$37.30
Forecasted revenue	$731,923	$772,728	$807,887	$828,084	$848,787	$870,006
Total						
Subject property annual attendance	208,416	214,669	218,962	218,962	218,962	218,962
Subject property annual attendance (rounded)	208,000	215,000	219,000	219,000	219,000	219,000
Total ticket revenue (rounded)	$5,783,000	$6,106,000	$6,383,000	$6,543,000	$6,707,000	$6,874,000
Overall average rate	$27.80	$28.40	$29.15	$29.88	$30.63	$31.39
Usage						
Average daily attendance over 90 days	2,316	2,385	2,433	2,433	2,433	2,433
Maximum daily capacity	6,000	6,000	6,000	6,000	6,000	6,000
Usage percentage	39%	40%	41%	41%	41%	41%
Demand Segmentation						
Season Pass Holders	45%	45%	45%	45%	45%	45%
Local Visitors	45%	45%	45%	45%	45%	45%
Overnight Leisure Visitors	11%	11%	11%	11%	11%	11%

Source: Hotel & Leisure Advisors

Admissions Revenue	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$6,615,574	59.6%	$22.61
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$2,328,024	74.0%	$16.02
Comparable 3 - Average of 6 Midsized with highest NOI %	$4,006,679	66.3%	$17.75
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$10,374,375	61.0%	$25.15
Average	$5,831,163	65.2%	$20.39
H&LA Forecasted First Year	$5,783,000	67.2%	$27.80
H&LA Stabilized Year 3	$6,383,000	67.3%	$29.15

Source: Hotel & Leisure Advisors

Food and Beverage Revenue: The subject will offer a fast service type outlet and multiple kiosks throughout the waterpark providing a variety of food and beverage offerings, including hamburgers, hot dogs, pizza, and other foods. We assume the waterpark will have an alcohol license and will serve beer, wine and tropical drinks. This line item also includes revenue for picnics and catering. Guests will be required to purchase food and beverages from the outlets, and the subject is not projected to allow people to bring in their own food and beverages. The following table outlines our analysis of the subject’s food and beverage department revenue.

Food and Beverage Revenue	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$2,418,841	21.8%	$8.27
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$603,181	19.2%	$4.15
Comparable 3 - Average of 6 Midsized with highest NOI %	$1,300,624	21.5%	$5.76
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$3,401,434	20.0%	$8.25
Average	$1,931,020	20.6%	$6.61
H&LA Forecasted First Year	$1,872,000	21.7%	$9.00
H&LA Stabilized Year 3	$2,056,000	21.7%	$9.39

Source: Hotel & Leisure Advisors

We have projected food and beverage revenues of $1,872,000 in total dollars or $9.00 per attendee in the first year of our analysis.

Retail Revenue: The subject is expected to sell waterpark-related items like T-shirts, swimsuits, goggles, snacks, and themed merchandise. The following table outlines our analysis of the subject’s retail revenue.

Retail Revenue	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$380,020	3.4%	$1.30
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$21,325	0.7%	$0.15
Comparable 3 - Average of 6 Midsized with highest NOI %	$178,565	3.0%	$0.79
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$1,530,645	9.0%	$3.71
Average	$527,639	4.0%	$1.49
H&LA Forecasted First Year	$260,000	3.0%	$1.25
H&LA Stabilized Year 3	$286,000	3.0%	$1.31

Source: Hotel & Leisure Advisors

Rentals and Other Income: This line item includes all income (net) associated with vending machines, locker rentals, cabana rentals, photos, sponsorships, and any other miscellaneous income generated by the waterpark. The subject is recommended to have 30 cabanas available for daily rentals for between $100 and $200. The subject will also earn revenue from the lockers as shown in the following table.

Rentals and Other Income	Forecasted Revenues 2024
Number of cabanas	30
Daily rental rate	$125
Rentals for each per year	50
Cabana revenue	$187,500
Number of lockers	500
Daily rental rate	$10
Rentals for each per year	60
Locker revenue	$300,000
Other income	$50,000
Total revenue	**$537,500**

Source: Hotel & Leisure Advisors

The following table outlines our analysis of the subject's rental revenue.

Rentals and Other Income (Net)			
	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$657,748	5.9%	$2.25
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$193,654	6.2%	$1.33
Comparable 3 - Average of 6 Midsized with highest NOI %	$518,479	8.6%	$2.30
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$1,020,430	6.0%	$2.47
Average	$597,578	6.7%	$2.09
H&LA Forecasted First Year	$538,000	6.2%	$2.59
H&LA Stabilized Year 3	$585,000	6.2%	$2.67

Source: Hotel & Leisure Advisors

We project first-year revenues of $538,000 in total dollars which equals $2.59 per attendee.

Parking Revenue: This line item includes all revenue associated with parking fees. We project the subject to charge $5 for parking for all day pass guests, although season pass holders are recommended to receive complimentary parking with the purchase of a season pass. The following table outlines our analysis of the subject's parking revenue.

Parking / Other Revenue			
	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$388,166	3.5%	$1.33
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	-	-	-
Comparable 3 - Average of 6 Midsized with highest NOI %	$9,875	0.2%	$0.04
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	-	-	-
Average	$199,021	1.8%	$0.69
H&LA Forecasted First Year	$156,000	1.8%	$0.75
H&LA Stabilized Year 3	$171,000	1.8%	$0.78

Source: Hotel & Leisure Advisors

We project total parking revenue of $156,000, which equals $0.75 per attendee. We project a $5 parking charge for every three tickets (local and overnight leisure visitors).

Total Revenue: The following table indicates the comparables, and our projection of first-year total revenue.

Total Operating Revenue	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$11,093,127	100.0%	$37.92
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$3,146,184	100.0%	$21.65
Comparable 3 - Average of 6 Midsized with highest NOI %	$6,045,482	100.0%	$26.79
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$17,007,172	100.0%	$41.23
Average	$9,322,991	100.0%	$31.90
H&LA Forecasted First Year	$8,609,000	100.0%	$41.39
H&LA Stabilized Year 3	$9,481,000	100.0%	$43.29

Source: Hotel & Leisure Advisors

The projected total revenues for the subject are within the range of the comparable properties. Our projections take into account the location, and demographic data for the regional area including population and income levels.

Departmental Expenses

Departmental expenses are costs borne by individual departments of the waterpark and can be segmented separately. Labor costs, including payroll and benefits, are shown separately as a single line item.

Food and Beverage Expenses: These expenses reflect the cost of food and beverages, and other expenses related to the operation of the food and alcohol and non-alcoholic beverage facilities. Labor costs are shown separately. The following table outlines our analysis of the subject's food and beverage department expenses.

Food and Beverage Expense	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$823,687	34.1%	$2.82
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$228,839	37.9%	$1.57
Comparable 3 - Average of 6 Midsized with highest NOI %	$394,088	30.3%	$1.75
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$1,610,704	47.4%	$3.90
Average	$764,329	37.4%	$2.51
H&LA Forecasted First Year	$618,000	33.0%	$2.97
H&LA Stabilized Year 3	$669,000	32.5%	$3.05

Source: Hotel & Leisure Advisors

We have projected a food and beverage expense figure within the range of the comparables.

Retail Expenses: This line item represents the cost of goods for the retail revenue. Labor costs are shown separately. The following table outlines our analysis of the subject's retail department expenses.

Retail Expense	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$175,212	46.1%	$0.60
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$11,885	55.7%	$0.08
Comparable 3 - Average of 6 Midsized with highest NOI %	$70,928	39.7%	$0.31
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$585,710	38.3%	$1.42
Average	$210,934	45.0%	$0.60
H&LA Forecasted First Year	$104,000	40.0%	$0.50
H&LA Stabilized Year 3	$113,000	39.5%	$0.52

Source: Hotel & Leisure Advisors

We have projected a retail expense figure within the range of the comparables.

Undistributed Expenses

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

Labor Costs: This involves both direct and indirect labor costs such as hourly workers' wages, management's salaries, and taxes paid on these wages and salaries for the waterpark operations including food and beverage, retail and parking departments. The following table outlines our analysis of the subject's labor department expenses.

Labor Expense	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$2,909,245	26.2%	$9.94
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$854,997	27.2%	$5.88
Comparable 3 - Average of 6 Midsized with highest NOI %	$1,543,971	25.5%	$6.84
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$3,660,690	21.5%	$8.87
Average	$2,242,226	25.1%	$7.89
H&LA Forecasted First Year	$2,152,000	25.0%	$10.35
H&LA Stabilized Year 3	$2,330,000	24.6%	$10.64

Source: Hotel & Leisure Advisors

We have projected a labor expense figure at the high end of the range of the comparables on a per attendee basis which is within the range on a percent of revenue basis.

Administrative and General Expenses: These expenses represent expenses for management and administration, including such items as the cost of accounting and legal fees, credit card commissions, general liability insurance, donations, and telephone charges. The following table outlines our analysis of the subject's administrative and general department expenses.

Administrative & General Expense			
	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$773,135	7.0%	$2.64
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$247,420	7.9%	$1.70
Comparable 3 - Average of 6 Midsized with highest NOI %	$335,346	5.5%	$1.49
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$1,757,131	10.3%	$4.26
Average	$778,258	7.7%	$2.52
H&LA Forecasted First Year	$517,000	6.0%	$2.49
H&LA Stabilized Year 3	$559,000	5.9%	$2.55

Source: Hotel & Leisure Advisors

We have projected a figure within the range of the comparables as a percentage of revenue and on a per attendee basis.

Sales & Marketing Expenses: This includes the cost of advertising in various media such as television, newspapers, Internet, social media, magazines and directories, as well as direct mail campaigns, billboards, and miscellaneous sales and marketing expenses. The following table outlines our analysis of the subject's marketing department expenses.

Sales & Marketing Expense			
	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$655,574	5.9%	$2.24
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$202,047	6.4%	$1.39
Comparable 3 - Average of 6 Midsized with highest NOI %	$260,260	4.3%	$1.15
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$878,566	5.2%	$2.13
Average	$499,112	5.5%	$1.73
H&LA Forecasted First Year	$387,000	4.5%	$1.86
H&LA Stabilized Year 3	$419,000	4.4%	$1.91

Source: Hotel & Leisure Advisors

Our marketing expenses are within the range of comparables on a percentage of revenue basis.

Operating Supplies: These include costs necessary for operating the waterpark, such as wristbands, uniforms, tubes, floats, rafts, life jackets, chemicals to treat water and other supplies. The following table outlines our analysis of the subject's operating supplies department expenses.

Operating Supplies Expense			
	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$252,782	3.8%	$0.86
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$58,699	2.5%	$0.40
Comparable 3 - Average of 6 Midsized with highest NOI %	$109,688	2.7%	$0.49
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$439,283	4.2%	$1.06
Average	$215,113	3.3%	$0.70
H&LA Forecasted First Year	$215,000	2.5%	$1.03
H&LA Stabilized Year 3	$233,000	2.5%	$1.06

Source: Hotel & Leisure Advisors

We have projected a figure at the high end of the range of the comparables on a per attendee basis.

Property Operations and Maintenance: This category includes expenses related to maintenance and repairs for the entire operation. The following table outlines our analysis of the subject's repairs and maintenance department expenses.

Prop. Oper. & Maintenance Expense			
	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$560,955	5.1%	$1.92
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$146,727	4.7%	$1.01
Comparable 3 - Average of 6 Midsized with highest NOI %	$258,495	4.3%	$1.15
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$1,464,276	8.6%	$3.55
Average	$607,613	5.7%	$1.91
H&LA Forecasted First Year	$456,000	5.3%	$2.19
H&LA Stabilized Year 3	$494,000	5.2%	$2.26

Source: Hotel & Leisure Advisors

We have projected repair and maintenance expenses within the range of the comparables as a percentage of total revenue. We are also projecting a reserve for replacement within our financial projections.

Utilities Expenses: These represent expenditures for electricity, water pumping, heating, fuel, water, waste removal and related operating supplies. The following table outlines our analysis of the subject's utilities department expenses.

Utilities Expense	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$496,917	4.5%	$1.70
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$206,184	6.6%	$1.42
Comparable 3 - Average of 6 Midsized with highest NOI %	$232,933	3.9%	$1.03
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$732,138	4.3%	$1.77
Average	$417,043	4.8%	$1.48
H&LA Forecasted First Year	$387,000	4.5%	$1.86
H&LA Stabilized Year 3	$412,000	4.3%	$1.88

Source: Hotel & Leisure Advisors

We have projected utilities expenses within the range of the comparables on a per attendee basis.

Management Fee: The projection for the subject's income and expenses assumes competent management by a professional management company. The developers have not yet selected a management company. We assume that a prudent investor would utilize a competent management company with fees structured at market rates. Management fees typically range between 2% to 5% of total revenue for hospitality properties. Based on the industry standards, we have accounted for a management fee of 5.0% of total revenue throughout our analysis.

Income Before Non-Operating Expenses: The following table shows income before non-operating expenses of the subject and comparable properties.

Income Before Non-Operating Expenses	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$4,092,355	36.9%	$13.99
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$1,189,386	37.8%	$8.19
Comparable 3 - Average of 6 Midsized with highest NOI %	$2,747,597	45.4%	$12.18
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$5,878,674	34.6%	$14.25
Average	$3,477,003	38.7%	$12.15
H&LA Forecasted First Year	$3,343,000	38.8%	$16.07
H&LA Stabilized Year 3	$3,778,000	39.8%	$17.25

Source: Hotel & Leisure Advisors

Non-Operating Expenses

Non-operating expenses include any expenses that relate to the ownership of the attraction, 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. We have calculated taxes based upon a projected assessor's market value of $10,000,000. Commercial properties in Mobile County are assessed at 20% of the market value. The following table outlines our analysis of the subject's real estate tax expenses.

Tax Analysis - First Year	
Proposed Outdoor Waterpark Mobile	
Est. Assessor's value of real estate	$10,000,000
Assessment percent	20.0%
Assessed value	$2,000,000
Effective tax rate	0.06350
Total tax	$127,000

Source: Hotel & Leisure Advisors

Property Tax Expense	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$308,625	2.8%	$1.05
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$39,374	1.3%	$0.27
Comparable 3 - Average of 6 Midsized with highest NOI %	$119,694	2.0%	$0.53
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$292,855	1.7%	$0.71
Average	$190,137	1.9%	$0.64
H&LA Forecasted First Year	$127,000	1.5%	$0.61
H&LA Stabilized Year 3	$133,000	1.4%	$0.61

Source: Hotel & Leisure Advisors

Building and Property Insurance: The insurance expense category includes the cost of insuring the waterpark and its contents against damage or destruction from fire, weather, sprinkler leakage, boiler explosion, breakage, and other potential disasters. It also includes insurance from liability from swimmer accidents. The following table outlines our analysis of the subject's insurance department expenses.

Insurance Expense	Amount	% of Total Revenue	$ / Attendee
Comparables			
Comparable 1 - Average of 34 Outdoor Waterparks	$335,265	3.0%	$1.15
Comparable 2 - Avg. of 5 Midsize Outdoor Waterparks	$128,368	4.1%	$0.88
Comparable 3 - Average of 6 Midsized with highest NOI %	$194,533	3.2%	$0.86
Comparable 4 - IAAPA 2020 Waterpark Benchmark Survey	$585,710	3.4%	$1.42
Average	$310,969	3.4%	$1.08
H&LA Forecasted First Year	$260,000	3.0%	$1.25
H&LA Stabilized Year 3	$273,000	2.9%	$1.25

Source: Hotel & Leisure Advisors

Insurance agents we interviewed indicated insurance rates equal up to 5% of waterpark admissions revenue. We have projected first year insurance expense of $260,000 or 3.0% of total revenues.

Reserve for Replacement: This represents a reserve set aside to provide for the periodic replacement of furniture, fixtures and equipment during the life of the building or waterpark area. Although the comparables do not separately account for this figure in their income statements, our financial analysis assumes that enough cash would be available to maintain the overall condition of the subject over its useful life. According to the Six Flags 2019 annual report, the company requires minimum capital expenditures at three specified parks during rolling five-year periods based on 6% of park revenues. A portion of the capital expenditures could be considered as a reserve for replacement while the remaining would be considered as capital additions to various properties. We have applied a reserve for replacement of 3.0% of total revenue in the first year, 4.0% in the second year and 5.0% in third year and beyond.

Inflation: The assumed 2.5% per annum rate of inflation for the analysis is derived by a review of historical increases 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%
2015	237.017	0.12%
2016	240.007	1.26%
2017	245.120	2.13%
2018	251.107	2.44%
2019	255.657	1.81%
2020	258.811	1.23%
2021	270.970	4.70%
Average		**2.19%**

Source: US Bureau of Labor Statistics

The table shows an average growth rate of 2.19% since 2000. However, based upon our review of various economic forecasts, we project a 2.5% per annum rate of inflation is realistic. Our inflation rate projection assumes that the subject waterpark will open in 2024. Based on forecasts by various economists, inflation rates are projected to come down from the current levels by 2023 and 2024. 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 first year dollars. A 2.5% growth rate was applied to all revenue and expenses.

PROSPECTIVE FINANCIAL ANALYSIS IN INFLATED DOLLARS

The following forecasts of income and expenses reflect the subject's anticipated performance for 11 years beginning in 2024. We have projected that the subject operations will stabilize in the third year and all income and expense items will increase thereafter at the underlying inflation rate of 2.5%. All other expense ratios are expressed as a percentage of total revenues.

Forecasted Financial Performance

Proposed Outdoor Waterpark Mobile

	2024 - First Year			2025 - First +1			2026 - First +2			2027 - First +3		
Average Rate	$27.80			$28.40			$29.15			$29.88		
Days Open	90			90			90			90		
Attendance	208,000			215,000			219,000			219,000		
	$ (000)	%	$ / Attendee	$ (000)	%	$ / Attendee	$ (000)	%	$ / Attendee	$ (000)	%	$ / Attendee
Revenues												
Admissions	$5,783	67.2%	$27.80	$6,106	67.3%	$28.40	$6,383	67.3%	$29.15	$6,543	67.3%	$29.88
Food and Beverage	1,872	21.7%	9.00	1,971	21.7%	9.17	2,056	21.7%	9.39	2,108	21.7%	9.63
Retail	260	3.0%	1.25	274	3.0%	1.27	286	3.0%	1.31	293	3.0%	1.34
Rentals and Other Income (Net)	538	6.2%	2.59	563	6.2%	2.62	585	6.2%	2.67	599	6.2%	2.74
Parking / Other	156	1.8%	0.75	164	1.8%	0.76	171	1.8%	0.78	176	1.8%	0.80
Total Operating Revenue	**8,609**	**100.0%**	**41.39**	**9,078**	**100.0%**	**42.22**	**9,481**	**100.0%**	**43.29**	**9,719**	**100.0%**	**44.38**
Cost of Sales												
Food and Beverage	618	33.0%	2.97	645	32.7%	3.00	669	32.5%	3.05	685	32.5%	3.13
Retail	104	40.0%	0.50	109	39.8%	0.51	113	39.5%	0.52	115	39.2%	0.53
Total Departmental Expenses	**722**	**8.4%**	**3.47**	**754**	**8.3%**	**3.51**	**782**	**8.2%**	**3.57**	**800**	**8.2%**	**3.65**
Total Departmental Profit	**7,887**	**91.6%**	**37.92**	**8,324**	**91.7%**	**38.72**	**8,699**	**91.8%**	**39.72**	**8,919**	**91.8%**	**40.73**
Undistributed Operating Expenses												
Labor	2,152	25.0%	10.35	2,246	24.7%	10.45	2,330	24.6%	10.64	2,388	24.6%	10.90
Administrative & General	517	6.0%	2.49	539	5.9%	2.51	559	5.9%	2.55	573	5.9%	2.62
Sales & Marketing	387	4.5%	1.86	404	4.5%	1.88	419	4.4%	1.91	430	4.4%	1.96
Operating Supplies	215	2.5%	1.03	225	2.5%	1.05	233	2.5%	1.06	239	2.5%	1.09
Prop. Oper. & Maintenance	456	5.3%	2.19	476	5.2%	2.21	494	5.2%	2.26	506	5.2%	2.31
Utilities	387	4.5%	1.86	400	4.4%	1.86	412	4.3%	1.88	422	4.3%	1.93
Total Undistributed Oper. Expenses	**4,114**	**47.8%**	**19.78**	**4,290**	**47.3%**	**19.95**	**4,447**	**46.9%**	**20.31**	**4,558**	**46.9%**	**20.81**
Gross Operating Profit	**3,773**	**43.8%**	**18.14**	**4,034**	**44.4%**	**18.76**	**4,252**	**44.8%**	**19.42**	**4,361**	**44.9%**	**19.91**
Management Fees	430	5.0%	2.07	454	5.0%	2.11	474	5.0%	2.16	486	5.0%	2.22
Income Before Non-Oper. Expenses	**3,343**	**38.8%**	**16.07**	**3,580**	**39.4%**	**16.65**	**3,778**	**39.8%**	**17.25**	**3,875**	**39.9%**	**17.69**
Non-Operating Expenses												
Property Tax	127	1.5%	0.61	130	1.4%	0.60	133	1.4%	0.61	137	1.4%	0.63
Insurance	260	3.0%	1.25	267	2.9%	1.24	273	2.9%	1.25	280	2.9%	1.28
Reserve for Replacement	258	3.0%	1.24	363	4.0%	1.69	474	5.0%	2.16	486	5.0%	2.22
Total Non-Operating Expenses	**645**	**7.5%**	**3.10**	**760**	**8.4%**	**3.53**	**880**	**9.3%**	**4.02**	**903**	**9.3%**	**4.12**
Net Income / EBITDA	**$2,698**	**31.3%**	**$ 12.97**	**$2,820**	**31.1%**	**$ 13.12**	**$2,898**	**30.6%**	**$ 13.23**	**$2,972**	**30.6%**	**$ 13.57**

Source: Hotel & Leisure Advisors

Forecasted Financial Performance

Proposed Outdoor Waterpark Mobile

	2028 - First +4			2029 - First +5			2030 - First +6			2031 - First +7		
Average Rate	$30.63			$31.39			$32.17			$32.98		
Days Open	90			90			90			90		
Attendance	219,000			219,000			219,000			219,000		
	$ (000)	%	$ / Attendee	$ (000)	%	$ / Attendee	$ (000)	%	$ / Attendee	$ (000)	%	$ / Attendee
Admissions	$6,707	67.3%	$30.63	$6,874	67.3%	$31.39	$7,046	67.3%	$32.17	$7,222	67.3%	$32.98
Food and Beverage	2,160	21.7%	9.86	2,214	21.7%	10.11	2,270	21.7%	10.37	2,327	21.7%	10.63
Retail	300	3.0%	1.37	308	3.0%	1.41	315	3.0%	1.44	323	3.0%	1.47
Rentals and Other Income (Net)	614	6.2%	2.80	630	6.2%	2.88	645	6.2%	2.95	662	6.2%	3.02
Parking / Other	180	1.8%	0.82	185	1.8%	0.84	189	1.8%	0.86	194	1.8%	0.89
Total Operating Revenue	**9,961**	**100.0%**	**45.48**	**10,211**	**100.0%**	**46.63**	**10,465**	**100.0%**	**47.79**	**10,728**	**100.0%**	**48.99**
Cost of Sales												
Food and Beverage	703	32.5%	3.21	720	32.5%	3.29	738	32.5%	3.37	757	32.5%	3.46
Retail	118	39.3%	0.54	121	39.3%	0.55	124	39.4%	0.57	127	39.3%	0.58
Total Departmental Expenses	**821**	**8.2%**	**3.75**	**841**	**8.2%**	**3.84**	**862**	**8.2%**	**3.94**	**884**	**8.2%**	**4.04**
Total Departmental Profit	**9,140**	**91.8%**	**41.74**	**9,370**	**91.8%**	**42.79**	**9,603**	**91.8%**	**43.85**	**9,844**	**91.8%**	**44.95**
Undistributed Operating Expenses												
Labor	2,448	24.6%	11.18	2,509	24.6%	11.46	2,572	24.6%	11.74	2,636	24.6%	12.04
Administrative & General	587	5.9%	2.68	602	5.9%	2.75	617	5.9%	2.82	633	5.9%	2.89
Sales & Marketing	441	4.4%	2.01	452	4.4%	2.06	463	4.4%	2.11	474	4.4%	2.16
Operating Supplies	245	2.5%	1.12	251	2.5%	1.15	257	2.5%	1.17	264	2.5%	1.21
Prop. Oper. & Maintenance	519	5.2%	2.37	532	5.2%	2.43	545	5.2%	2.49	559	5.2%	2.55
Utilities	433	4.3%	1.98	444	4.3%	2.03	455	4.3%	2.08	466	4.3%	2.13
Total Undistributed Oper. Expenses	**4,673**	**46.9%**	**21.34**	**4,790**	**46.9%**	**21.87**	**4,909**	**46.9%**	**22.42**	**5,032**	**46.9%**	**22.98**
Gross Operating Profit	**4,467**	**44.8%**	**20.40**	**4,580**	**44.9%**	**20.91**	**4,694**	**44.9%**	**21.43**	**4,812**	**44.9%**	**21.97**
Management Fees	498	5.0%	2.27	511	5.0%	2.33	523	5.0%	2.39	536	5.0%	2.45
Income Before Non-Oper. Expenses	**3,969**	**39.8%**	**18.12**	**4,069**	**39.8%**	**18.58**	**4,171**	**39.9%**	**19.05**	**4,276**	**39.9%**	**19.53**
Non-Operating Expenses												
Property Tax	140	1.4%	0.64	144	1.4%	0.66	147	1.4%	0.67	151	1.4%	0.69
Insurance	287	2.9%	1.31	294	2.9%	1.34	302	2.9%	1.38	309	2.9%	1.41
Reserve for Replacement	498	5.0%	2.27	511	5.0%	2.33	523	5.0%	2.39	536	5.0%	2.45
Total Non-Operating Expenses	**925**	**9.3%**	**4.22**	**949**	**9.3%**	**4.33**	**972**	**9.3%**	**4.44**	**996**	**9.3%**	**4.55**
Net Income / EBITDA	**$3,044**	**30.6%**	**$ 13.90**	**$3,120**	**30.6%**	**$ 14.25**	**$3,199**	**30.6%**	**$ 14.61**	**$3,280**	**30.6%**	**$ 14.98**

Source: Hotel & Leisure Advisors

Forecasted Financial Performance

Proposed Outdoor Waterpark Mobile

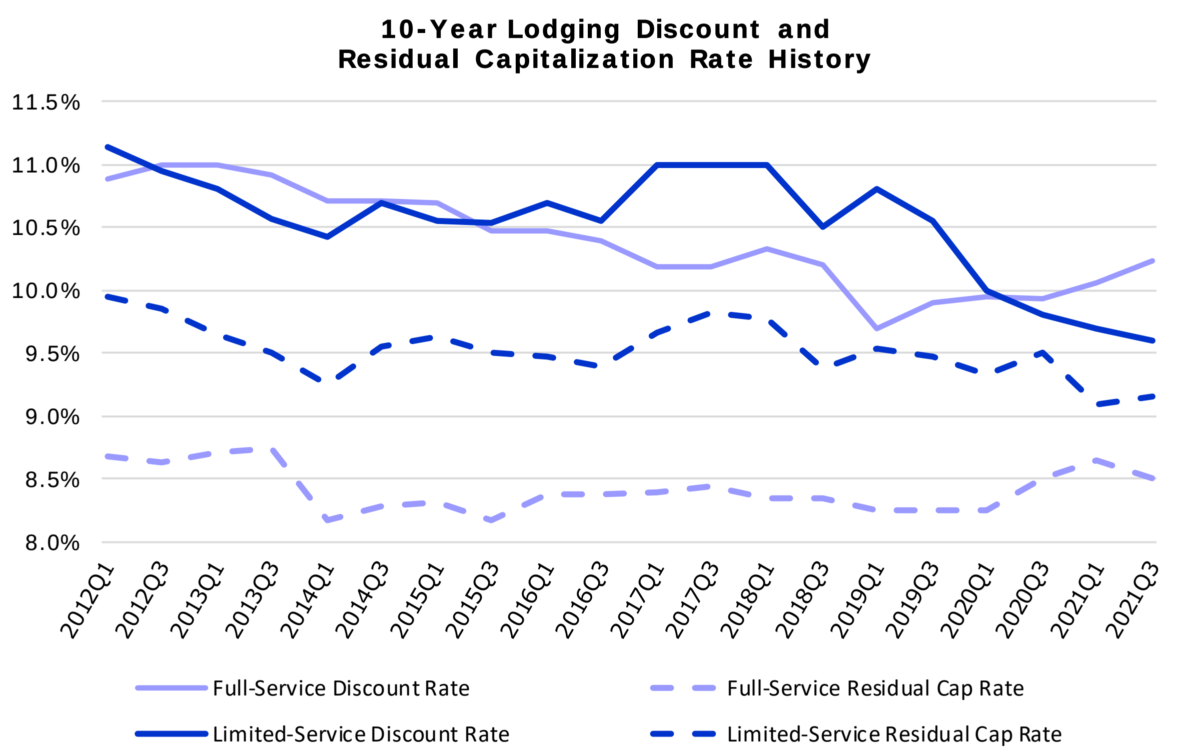
	2032 - First +8			2033 - First +9			2034 - First +10		
Average Rate	$33.80			$34.65			$35.51		
Days Open	90			90			90		
Attendance	219,000			219,000			219,000		
	$ (000)	%	$ / Attendee	$ (000)	%	$ / Attendee	$ (000)	%	$ / Attendee
Admissions	$7,403	67.3%	$33.80	$7,588	67.3%	$34.65	$7,777	67.3%	$35.51
Food and Beverage	2,385	21.7%	10.89	2,444	21.7%	11.16	2,505	21.7%	11.44
Retail	331	3.0%	1.51	339	3.0%	1.55	348	3.0%	1.59
Rentals and Other Income (Net)	678	6.2%	3.10	695	6.2%	3.17	712	6.2%	3.25
Parking / Other	199	1.8%	0.91	204	1.8%	0.93	209	1.8%	0.95
Total Operating Revenue	**10,996**	**100.0%**	**50.21**	**11,270**	**100.0%**	**51.46**	**11,551**	**100.0%**	**52.74**
Cost of Sales									
Food and Beverage	776	32.5%	3.54	795	32.5%	3.63	815	32.5%	3.72
Retail	131	39.6%	0.60	134	39.5%	0.61	137	39.4%	0.63
Total Departmental Expenses	**907**	**8.2%**	**4.14**	**929**	**8.2%**	**4.24**	**952**	**8.2%**	**4.35**
Total Departmental Profit	**10,089**	**91.8%**	**46.07**	**10,341**	**91.8%**	**47.22**	**10,599**	**91.8%**	**48.40**
Undistributed Operating Expenses									
Labor	2,702	24.6%	12.34	2,769	24.6%	12.64	2,839	24.6%	12.96
Administrative & General	648	5.9%	2.96	665	5.9%	3.04	681	5.9%	3.11
Sales & Marketing	486	4.4%	2.22	498	4.4%	2.27	511	4.4%	2.33
Operating Supplies	270	2.5%	1.23	277	2.5%	1.26	284	2.5%	1.30
Prop. Oper. & Maintenance	573	5.2%	2.62	587	5.2%	2.68	602	5.2%	2.75
Utilities	478	4.3%	2.18	490	4.3%	2.24	502	4.3%	2.29
Total Undistributed Oper. Expenses	**5,157**	**46.9%**	**23.55**	**5,286**	**46.9%**	**24.14**	**5,419**	**46.9%**	**24.74**
Gross Operating Profit	**4,932**	**44.9%**	**22.52**	**5,055**	**44.9%**	**23.08**	**5,180**	**44.8%**	**23.65**
Management Fees	550	5.0%	2.51	564	5.0%	2.58	578	5.0%	2.64
Income Before Non-Oper. Expenses	**4,382**	**39.9%**	**20.01**	**4,491**	**39.8%**	**20.51**	**4,602**	**39.8%**	**21.01**
Non-Operating Expenses									
Property Tax	155	1.4%	0.71	159	1.4%	0.73	163	1.4%	0.74
Insurance	317	2.9%	1.45	325	2.9%	1.48	333	2.9%	1.52
Reserve for Replacement	550	5.0%	2.51	564	5.0%	2.58	578	5.0%	2.64
Total Non-Operating Expenses	**1,022**	**9.3%**	**4.67**	**1,048**	**9.3%**	**4.79**	**1,074**	**9.3%**	**4.90**
Net Income / EBITDA	**$3,360**	**30.6%**	**$ 15.34**	**$3,443**	**30.6%**	**$ 15.72**	**$3,528**	**30.5%**	**$ 16.11**

Source: Hotel & Leisure Advisors

FEASIBILITY ANALYSIS

The economic value of a proposed waterpark is calculated through a discounted cash flow analysis. This analysis utilizes the property's projected net income before debt service (EBITDA) and applies a discount rate and terminal capitalization rate to determine the valuation. This is a common method utilized in a formal appraisal process. Present value, also called discounted value, is the current worth of the future sum of money or stream of cash flow given a specified rate of return. 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.

There are no published surveys concerning trends in waterpark capitalization and discount rates. We have considered historical trends in full-service and limited-service hotel residual capitalization and discount rates, as they represent similar leisure-oriented properties. The following chart indicates the results over a 10-year period as taken from the PwC and Korpacz Real Estate Investor Surveys.



Source: PwC Investor Surveys

We utilized estimates higher than for hotels since sale transactions of amusement parks and waterparks show rates that are typically above those of hotels due to the added risk factors involved in operating an attraction. We analyzed the potential value for the proposed outdoor waterpark utilizing a 12.0% discount rate and a 10.0% terminal capitalization rate. The following chart indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections.

Discounted Cash Flow Analyis - As Completed

Proposed Outdoor Waterpark Mobile

Cash flow at discount rate of 12.0%

	Net Income		P.V. Factor		Present Value
2024	2,698,000	x	0.8929	=	2,408,929
2025	2,820,000	x	0.7972	=	2,248,087
2026	2,898,000	x	0.7118	=	2,062,739
2027	2,972,000	x	0.6355	=	1,888,760
2028	3,044,000	x	0.5674	=	1,727,247
2029	3,120,000	x	0.5066	=	1,580,689
2030	3,199,000	x	0.4523	=	1,447,065
2031	3,280,000	x	0.4039	=	1,324,737
2032	3,360,000	x	0.3606	=	1,211,650
2033	3,443,000	x	0.3220	=	1,108,554
Present value of cash flow					**$17,008,456**
Reversionary benefit					
Net income for 2034					3,528,000
Divided by reversion overall rate					10.0%
Gross reversion					35,280,000
Less cost of sale at 3.2%					1,128,960
Net reversion					34,151,040
Present value of reversion					**$10,995,721**
Market Value					
PV from cash flow					17,008,456
PV from reversion					10,995,721
Market value as of 1/1/2024					28,004,177
Rounded market value					**$28,000,000**
Valuation factors					
% of value from cash flow					60.7%
% of value from reversion					39.3%

Source: Hotel & Leisure Advisors

The valuation indicates a conclusion of $28,000,000.

We also analyzed the potential value for the proposed outdoor waterpark as stabilized utilizing a 10.0% discount rate and a 12.0% terminal capitalization rate. The following chart indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections for the subject as stabilized.

Discounted Cash Flow Analyis - As Stabilized

Proposed Outdoor Waterpark Mobile

Cash flow at discount rate of 12.0%

	Net Income		P.V. Factor		Present Value
2026	2,898,000	x	0.8929	=	2,587,500
2027	2,972,000	x	0.7972	=	2,369,260
2028	3,044,000	x	0.7118	=	2,166,659
2029	3,120,000	x	0.6355	=	1,982,816
2030	3,199,000	x	0.5674	=	1,815,199
2031	3,280,000	x	0.5066	=	1,661,750
2032	3,360,000	x	0.4523	=	1,519,893
2033	3,443,000	x	0.4039	=	1,390,570
2034	3,528,000	x	0.3606	=	1,272,232
2035	3,618,000	x	0.3220	=	1,164,899
Present value of cash flow					**$17,930,779**
Reversionary benefit					
Net income for 2036					3,708,000
Divided by reversion overall rate					10.0%
Gross reversion					37,080,000
Less cost of sale at 3.2%					1,186,560
Net reversion					35,893,440
Present value of reversion					**$11,556,727**
Market Value					
PV from cash flow					17,930,779
PV from reversion					11,556,727
Market value as of 1/1/2026					29,487,506
Rounded market value					**$29,500,000**
Valuation factors					
% of value from cash flow					60.8%
% of value from reversion					39.2%

Source: Hotel & Leisure Advisors

The valuation indicates a conclusion of $29,500,000 as stabilized.

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 presented the projected value created after performing 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 has not prepared a formal development budget. According to our analysis and experience with numerous similar developments that have occurred throughout the United States and Canada, we project the subject development costs to range from $20,000,000 to $30,000,000 million or from approximately $1,000,000 to $1,500,000 per acre for a 20-acre site excluding land value. The estimated value created through the financial analysis shown in this report is within the construction cost estimate, indicating that the project is feasible however, the project will need municipal incentives to entice a developer to move forward with the project. Possible municipal incentives could include below market cost of land, long term ground lease with below market rent, property tax abatement and sales tax rebate. The discounted cash flow analysis utilizes higher discount and terminal capitalization rates than typical for commercial properties like apartments to account for the added risk involved in owning and operating a waterpark.

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.

We are available to further analyze the subject as additional information is obtained.

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.
- Nuresh Maredia has made a personal inspection of the property that is the subject of this report. David J Sangree, MSI, ISHC did not make a personal inspection of the subject site.
- 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 for Designated Members of the Appraisal Institute.
- As of the date of this report, Nuresh Maredia has completed the Standards and Ethics Education Requirement for Practicing Affiliates of the Appraisal Institute.

David J Sangree
____

David J. Sangree, MAI, ISHC
President

N. Maredia
____

Nuresh Maredia, CHIA
Director of Appraisal & Consulting Services

ADDENDUM I

HOTEL & LEISURE ADVISORS

hladvisors.com

H&LA

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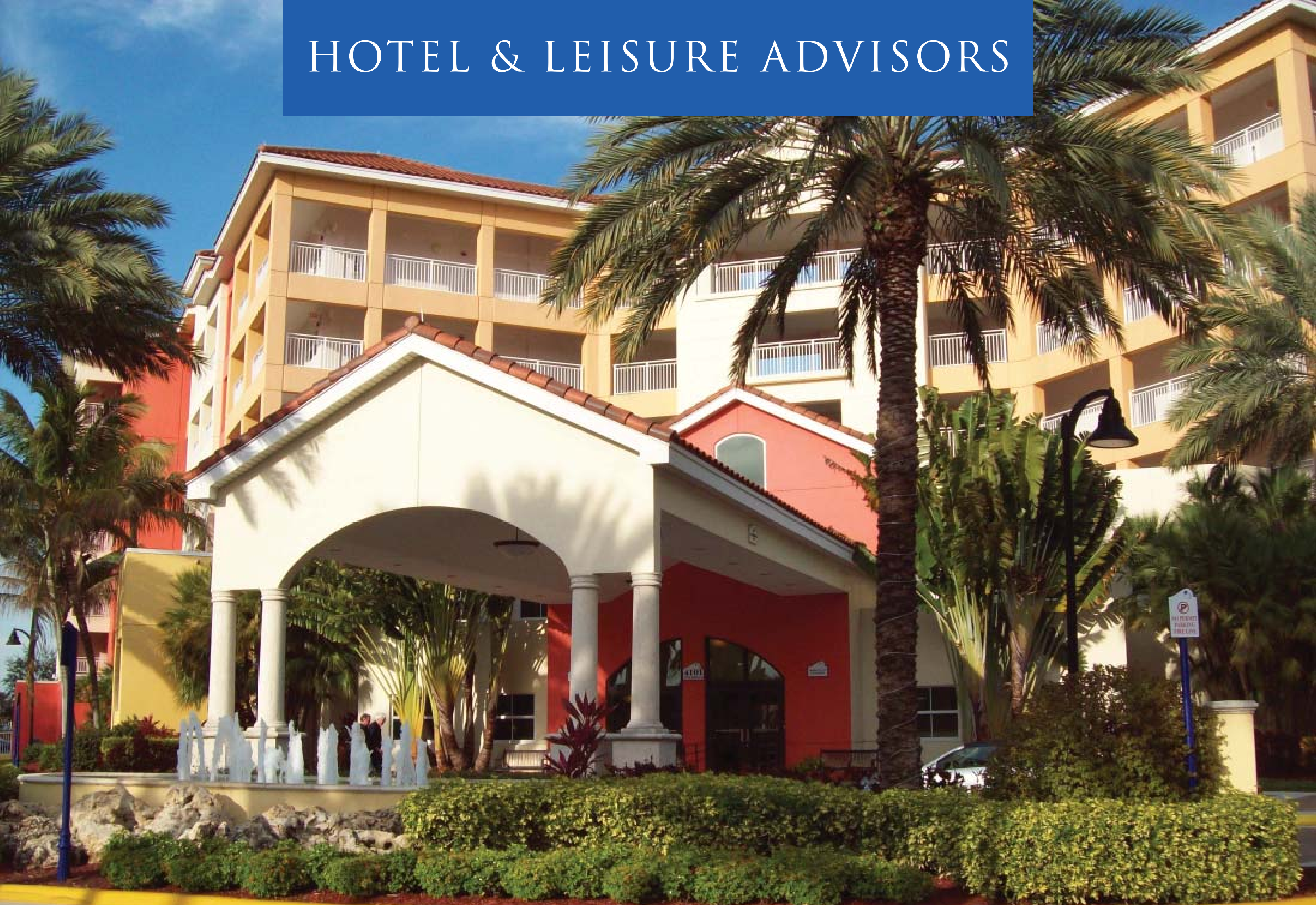
HOTEL & LEISURE ADVISORS



WHY HOTEL & LEISURE ADVISORS?

Our extensive background in hotel and leisure property operations and consulting gives H&LA the experience and financial acumen necessary to analyze all types of hotel and leisure properties, including resorts, waterparks, golf courses, ski resorts, conference and convention centers, amusement parks, spas, and casinos.

We have consulted on every major type of hospitality and leisure property and understand the unique challenges these hospitality properties face. We evaluate complex factors and approach each project with a unique perspective of what needs to be accomplished to ensure success.

HOTEL & LEISURE ADVISORS

OUR EXPERTISE

- Since 2005, H&LA has studied every major hotel brand in the United States.
- H&LA has completed more than 3,000 studies for hotels, resorts, and leisure properties across North America and Internationally.
- We have contacts with industry leaders and keep up on the latest trends, performance, challenges, and opportunities.
- Our consultants are experts in the lodging and hospitality industry, with over 150 combined years of consulting, operations, and research experience.
- Our dedicated research and support staff assist our consultants in bringing the best quality reports to our clients.
- Our consultants network with industry leaders by attending and/or presenting at leading industry conferences such as the Hunter Hotel Conference, The Lodging Conference, ISHC Conference, ALIS Conference, World Waterpark Association Symposium and Tradeshow, IAAPA Attractions Expo, the NYU International Hospitality Industry Investment Conference, and InfoComm.

OUR RESOURCES

We curate and maintain robust and updated hospitality and leisure industry data for use in our reports. We have a financial statements database of over 1,000 properties and sales database of over 10,000 sales from across the United States and Canada.

We regularly consult leading industry experts and reports from:

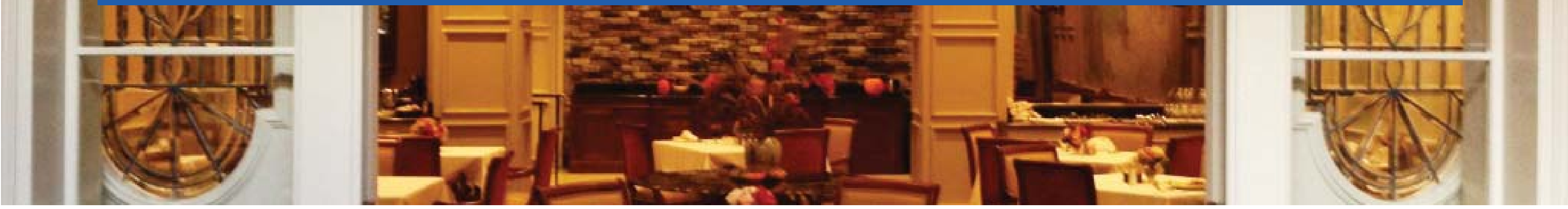
- CBRE Hotels
- STR
- Lodging Econometrics
- American Resort Development Association
- PwC
- International Spa Association
- CoStar
- National Golf Foundation
- International Society of Hospitality Consultants
- International Association of Amusement Parks and Attractions
- National Association of RV Parks & Campgrounds
- World Waterpark Association
- National Ski Area Association

OUR PROJECTS

We give our clients individualized attention and provide the very best and most thorough analysis that only a company with our expertise and knowledge can deliver. Our expertise includes the following property types:

- Hotels
- Resorts
- Outdoor Waterparks
- Indoor Waterpark Resorts
- Amusement Parks
- Golf Courses
- Ski Resorts
- Conference & Convention Centers
- Casinos
- Family Entertainment Centers
- RV Parks and Campgrounds
- Timeshare/Fractional Resorts
- Spas
- Aquariums
- Retail/Mixed-Use
- Residential

MARKET & FINANCIAL FEASIBILITY STUDY



WHAT H&LA PROVIDES

- Sophisticated hospitality and leisure feasibility models that provide detailed market analysis and assists our consultants in making credible financial projections
- Expertise from years of experience and education in the hospitality and consulting industries from our dedicated consultants and support staff
- Expert data generated from STR, ISHC, and other hospitality industry data centers and reports

WHAT TO EXPECT FROM A FEASIBILITY ANALYSIS

- Market Analysis
- Site Review
- Brand Franchise Analysis
- Usage Levels
- Development Costs
- Financial Analysis
- Valuation Analysis
- Cost-to-Value Ratio

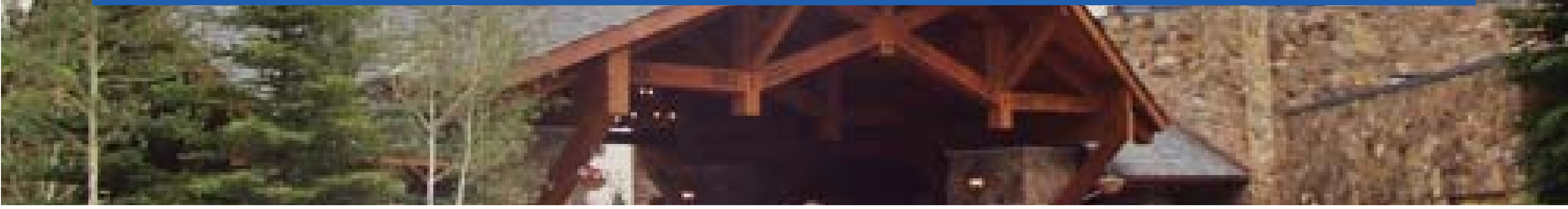
We analyze market conditions, economic and demographic factors, site conditions, and their effects on a proposed project. H&LA completes a detailed analysis of comparable properties' performance and conditions. The study estimates the operating performance of the project and may suggest variations in size or scope that would improve performance.

We analyze supply and demand when researching performance of hotels and leisure real estate within local and regional markets. We utilize sophisticated hospitality and leisure valuation models that enable us to provide a detailed market analyses by evaluating competitive factors, comparable financial information, and comparisons with similar properties and industry standards. We forecast reasonable financial projections and discern a credible valuation to determine if the project is feasible considering the development costs.

The results of our analysis are high-quality, thorough market and financial feasibility studies that are insightful and well-researched. Our clients can utilize our reports in the process of obtaining financing or investors and as a tool to help determine whether to move forward with development.

"Your report was incredible, and we are using it constantly! It will be a critical element in the construction of our project. Best and most thorough report that we have had the pleasure to see in our careers."
-Rick, Grand Prairie Park, Arts & Recreation Department

APPRAISAL AND MARKET ANALYSIS REPORT



WHAT H&LA PROVIDES

- Sophisticated hospitality and leisure valuation models that provide detailed market analysis and aids our consultants in concluding to a credible and defensible opinion of value
- The expertise of MAI-designated and state-certified hospitality appraisers with years of experience
- Expert data generated from STR, CBRE, and other hospitality industry data centers and reports

WHAT TO EXPECT FROM AN APPRAISAL REPORT

- Area Review
- Local Market Analysis
- Demand and Pricing Analysis
- Attendance and Usage Analysis
- Highest and Best Use Analysis
- Income Capitalization Approach
- Sales Comparison Approach
- Cost Approach
- Reconciled Opinion of Value

H&LA has multiple state licensed appraisers. Two of our appraisers boast the MAI designation from the Appraisal Institute. An appraiser with the MAI designation exceeds the state certification and licensing required of all appraisers. When you hire an MAI, you receive 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.

H&LA appraisals value the going-concern of a hotel or leisure property and then allocate that value among the real estate, personal property, and any business value component that may exist. Our reports are available in either a comprehensive or a summary format.

H&LA also offers retrospective tax appeal appraisals, a specialized form of an appraisal that is completed for a tax assessment appeal by either the government or the property owner to determine the real estate market value. Among the appraisal services we offer, we also provide appraisal reviews.

"We appreciate all the assistance you gave us on this matter.
Your excellent appraisals helped us reach a good compromise settlement of this case."
-Richard, Fayette County Attorney's Office

WHAT H&LA PROVIDES

- A sophisticated economic impact and financial model that provides detailed analysis of future economic benefit from a proposed development
- Expertise of consultants with a variety of qualifications including, MAI, CPA, ISHC, and MBA
- Expert data from RIMS and other sources

WHAT TO EXPECT FROM AN ECONOMIC IMPACT STUDY

- Indirect and direct output from the proposed development
- The number of jobs that the proposed development will create
- Estimated tax revenue for city, county, and state/ province

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

Our studies identify significant economic events resulting from the construction and operation of a proposed facility; consider event patron surveys to estimate spending patterns; analyze relevant municipal revenues; and project the impact on the market. We estimate three types of economic impact, including Direct-Effect Impact, Indirect or Induced Impact, and Final Impact on local economies. We utilize the RIMS II multipliers for output earnings and employment by industry for the county.

We calculate the projected jobs and output for the proposed development for a 10-year period. We calculate projected tax revenue and profile municipal incentives similar projects have received. The economic impact study is an essential tool for cities looking to publicly fund a project or for developers vying for municipal incentives.

"Everyone I've spoken to thinks very highly of you and your work. I think we're making a lot of good decisions with this project but the best so far has been hiring you. We sincerely appreciate the work you're doing."
-Justin, New Lion

OTHER SERVICES

OPERATIONAL REVIEWS

We prepare an operational analysis and review of an existing hotel or leisure property to determine areas that are performing well and those in need of improvements. This study will find opportunity at the property to enhance performance, streamline operations, and reevaluate revenue centers. Our report considers:

- Objective and subjective performance characteristics observed during our property inspection and interviews with property management and clients, management of comparable properties, and city and county officials
- Financial review analyzing all major departments and comparing the performance of the subject property with industry standards and our database of over 1,000 hotel and leisure property financial statements
- Analysis and recommendations of operational changes and renovations or capital improvements that should be completed at the property

BRAND IMPACT STUDIES

An impact analysis measures the financial impact of a brand-affiliated property entering a market in which the brand already exists. We have prepared impact studies for nearly all major hotel brands. Our impact analyses include:

- Interviewing representatives of the applicant and objecting properties and conducting an area market review
- Determining current demand at the objecting property and consider specific demand sources that may switch to a new property if it were constructed or rebranded
- Analyzing potential additional demand that would come to the objecting property from having another brand affiliation in a general market
- Estimating the occupancy, average daily rate, and room revenue impact that may occur from the addition of new supply or conversion of an existing hotel

OTHER SERVICES

RFQ PREPARATION AND SOLICITATION

Finding a qualified management or development company can make or break a hotel or leisure property project. Through our RFQ preparation and solicitation process, we assist our clients in identifying appropriate management companies and developers for all types of hospitality projects. Our goal is to have our clients receive proposals from competent and competitive companies that will share similar goals and vision for the project.

LITIGATION SUPPORT & EXPERT WITNESS TESTIMONY

H&LA provides expert witness testimony for attorneys in litigation cases involving hospitality industry valuations and consulting assignments. Our consultants have testified in various states concerning hotel- and leisure-related projects. Our understanding of the industry gives us the credibility necessary to be considered experts in our field.

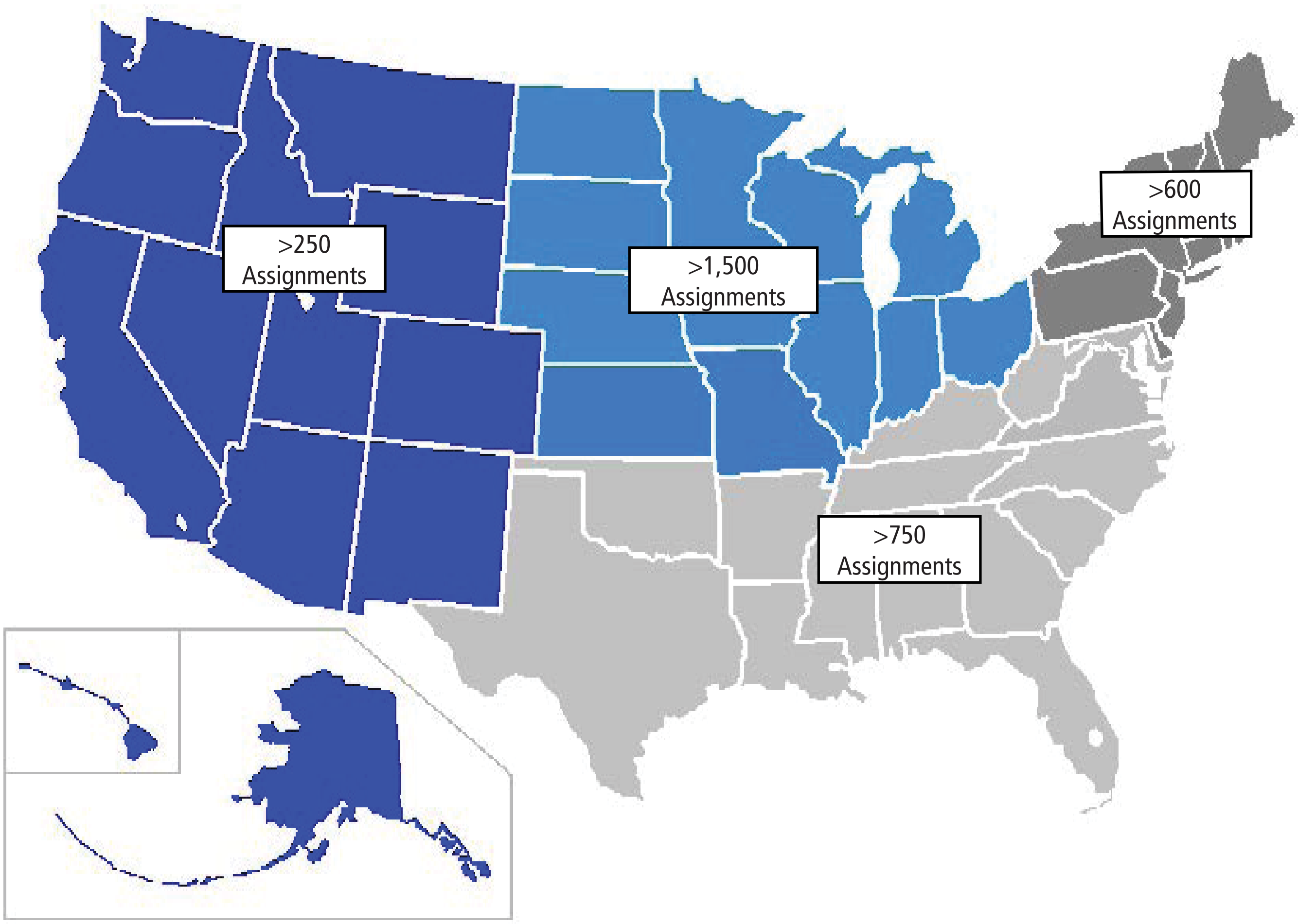
OTHER H&LA SERVICES

- Renovation Feasibility and ROI Analysis
- Site Selection Services
- Hotel Brand Facilitator/Selection Assistance
- Hotel Brand Compliance Services
- Site Verification

These services help developers, corporate brand franchisors, and/or owners with their various development needs.

H&LA PROJECTS

Our studies have taken us all across the United States and Canada. We have analyzed an extensive range of hospitality property types. We have completed studies in almost every major market in the United States.



H&LA PROJECTS

H&LA works in all sectors of the hotel and leisure industry. We have experience with all hotel brands and chain scales. In addition, we are the leading national experts in waterparks. These properties represent a sampling of the many property types we have studied.

Hotels
- Westin Hotel - Cleveland, OH
- Hilton Garden Inn - Ann Arbor, MI
- The Shoreham Hotel - New York, NY
- Embassy Suites - Chicago, IL
- Courtyard by Marriott - Houston, TX

Resort Hotels
- Pointe Hilton Squaw Peak Resort - Phoenix, AZ
- The Shores Resort & Spa - Daytona Beach FL
- Sundara Spa Resort - Wisconsin Dells, WI
- Hilton Hawaiian Village - Honolulu, HI

Indoor Waterpark Resorts
- Great Wolf Lodge Resorts (multiple locations)
- Kalahari Resorts (4 locations)
- Splash Lagoon Resort - Erie, PA
- Camelback Indoor Waterpark Resort - Tannersville, PA
- Chula Vista Resort - Wisconsin Dells, WI

Outdoor Waterparks
- Typhoon Texas - Katy, TX
- Myrtle Waves Waterpark - Myrtle Beach, SC
- Lost Island Waterpark - Waterloo, IA
- Cowabunga Bay - Henderson, NV
- Raging Waves Outdoor Waterpark - Yorkville, IL

Amusement Parks/Family Entertainment Centers
- Elitch Gardens Amusement Park - Denver, CO
- Proposed Family Entertainment Center - Portland, OR
- Crystal Falls Amusement Park - Hot Springs, AR
- Cypress Gardens Amusement Park - Winter Haven, FL

Golf Courses and Ski Resorts
- Heritage Hills Golf Course - York, PA
- Silverado Golf Course - Durant, OK
- Peek n Peak Ski Resort - Vernon, NJ
- Hidden Valley Ski Resort - Hidden Valley, PA

Campground/RV Resort
- Jellystone Park Camp Resort - Larkspur, CO
- Frontiertown Campground Resort - Berlin, MD
- Maddox Family Campground - Chincoteague, VA

Casinos
- Foxwoods Casino Resort - Mashantucket, CT
- JACK Casinos - Cleveland & Cincinnati, OH
- Silver Reef Casino Resort - Ferndale, WA
- Wheeling Island Casino and Hotel - Wheeling, WV

Conference and Convention Centers
- Marriott Chicago Convention Center Hotel - Chicago, IL
- International Exposition Center - Cleveland, OH
- Gaylord Opryland Convention Center - Nashville, TN

Retail/Mixed-Use
- Proposed Mixed-Use Retail - Portland, OR
- Proposed Mixed-Use Retail - Dallas, TX
- Proposed Retail Center - Kapolei, HI

Residential
- Proposed Condominiums - Morgantown, WV
- Proposed Apartments - Cleveland, OH
- Proposed Condominiums - Sioux Falls, SD

H&LA CLIENTS

H&LA works with a wide range of developers, investors, hotel companies, lenders, management companies, attorneys, and others. These clients represent a sampling of the various client types we serve.

Developers and Investors
- Scott Enterprises
- Delaware North Companies
- Kalahari Resorts
- Sun Communities
- Stark Enterprises
- CNL Lifestyle Companies
- Triple Five
- Crystal Lagoons

Hotel Companies
- Best Western International
- Choice Hotels International
- Marriott International
- Host Hotels
- InterContinental Hotels Group

Operators/Management Companies
- Herschend Family Entertainment
- Cedar Fair
- Great Wolf Resorts
- American Hospitality Group
- Brittain Resorts

Lenders
- Wells Fargo
- US Bank
- Deutsche Bank
- M&T Bank
- PNC Financial Services
- C-III Asset Management

Attorneys
- Kadish Hinkel & Weibel
- Sleggs Danzinger & Gill
- Smith Peters & Kalail
- Baker & Hostetler
- Thompson Hine
- McDonald Hopkins

Government/Municipal
- Ohio Department of Transportation
- Cincinnati USA
- Columbus Regional Airport Authority
- States Attorney of Cook County
- Frisco Economic Development Corporation
- Destination Cleveland
- Assessor of Hancock County, WV

Native American Tribes
- Tulalip Tribe
- Choctaw Nation of Oklahoma
- Nottawaseppi Band of Potawatomi
- The Confederated Tribe of the Grand Ronde
- HoChunk Gaming

Other
- JACK Entertainment
- EPR Properties
- The Trust for Public Land
- Six Flags
- Michigan State University
- Inland Capital Management

DAVID J. SANGREE, MAI, CPA, ISHC

PRESIDENT

Contact
dsangree@hladvisors.com
216-810-5800

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, Texas, Pennsylvania, and Wisconsin.
Certified as a Public Accountant in the state of Ohio

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
- International Society of Hospitality Consultants
- National Ski Areas Association
- The School of Hospitality Business at MSU Real Estate & Development Advisory Council
- The Appraisal Journal Review Panel
- Themed Entertainment Association
- Urban Land Institute
- World Waterpark Association
- National Association of RV Parks and Campgrounds

Experience

- President, Hotel & Leisure Advisors, Cleveland, Ohio, since 2005
- Director of Hospitality Consulting & Principal, US Realty Consultants, Cleveland, Ohio, 2001-2005
- Director of Hospitality Consulting, US Realty Consultants, 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

David'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 completed studies on more than 3,000 existing and proposed properties in 49 states and internationally. He has prepared hotel studies on all chain scales, including economy, limited service, full-service, extended-stay, upper upscale, luxury, and resorts, and indoor waterpark resorts.

David is a nationally recognized expert in the waterpark industry, having completed over 700 studies of various waterpark resorts since 1999 and visiting most of the open waterpark properties in the United States and Canada. Recognizing David as an industry leader, Aquatics International named him to their "Power People" list of the most influential people in the aquatics industry in 2019 and the World Waterpark Association honored him with their Executive Board Award in 2016. These awards signified David's commitment to the waterpark industry and identified him as helping to shape some of the latest trends. He has appeared on Good Morning America, CNBC, and Fox8 News in segments concerning hotels, resorts and waterparks. In addition, he is a regular contributor to many industry publications, offering his expertise on various hospitality industry segments.

Published Articles and Media Relations

"What's Next for Waterparks?," World Waterpark Association, April, 2021

"COVID-19 Impact on U.S. Waterparks," Hotel Online, August 2020

"Hotel Feasibility Study Methodology," July 2020

"Waterpark Financing Fundamentals," World Waterpark Association, June 2020

"U.S. and Canada Waterpark Resort Trends in 2020," World Waterpark Magazine, Hotel Online, April 2020

"Diving into Waterpark Growth Trends in 2019," World Watepark Magazine, Hotel Online, April 2019

"Waterparks: What's on Deck on 2018?," World Waterpark Magazine, Hotel Online, April 2018

"2017 Waterpark Forecast: Continued Growth," World Waterpark Magazine, Hotel Online, April 2017

"2016's Waterpark Forecast: Bigger is Better," Hotel News Now, World Waterpark Magazine, March 2016

"2015 Indoor and Outdoor Waterpark Supply Continues Growth as Surf Simulators Take Center Wave," Hotel News Now, April 2015

"2014 Waterpark Resorts Supply and Demand Update" Hotel News Now, 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

"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

"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

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

"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, Columbus Dispatch, Cleveland Crain's, Cleveland Plain Dealer, Cincinnati Business Courier, Hotel News Now, 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.

Speaking Engagements

"Water Parks: Impact from COVID-19 Pandemic in 2020 and Recovery in 2021", IAAPA Expo, 2021

"U.S. Waterpark and Waterpark Resort Trends," 2020 World Waterpark Association Symposium, Virtual

"Waterpark Resorts Market/Feasibility Analysis and Appraisal" presentations at the World Waterpark Association annual conventions in 2003 through 2021

"Global Valuation," International Society of Hospitality Consultants webinar, 2020 and 2021

"Virtual Reality Entertainment in Hotels," InfoComm 2019, Orlando, FL

"Hotel Valuation Techniques," Institute for Professionals in Taxation Annual Symposium, 2018, Orlando, FL

"Ohio Lodging Overview," Ohio Hotel & Lodging Association Annual Meeting, 2017, Columbus, OH

"Hotels & Waterpark Industry – Insights, Trends and Valuation Keys" May 2016 at the Appraisal Day Seminar by the International Right-of-Way Association, Columbus, OH

"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, 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 OHLA Cleveland Lodging Council Meeting

"Cleaning up Hotel Distress" July 2011 at the Midwest Lodging Investors Summit, 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, 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, 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, Chicago, IL

"Seminar on Hospitality Industry" February 2008 at the Northern Ohio Chapter of the Appraisal Institute quarterly meeting, Cleveland, OH

"Challenges of Obtaining Financing for Indoor Waterpark Resorts," November 2007 at the World Resort Leadership and Development Conference, Orlando, FL

"Water Park Wars" An in depth news segment on Good Morning America on June 23, 2007

Guest Speaker at Cornell University's School of Hotel Administration and Michigan State University's School of Hospitality Business, 2006-2017

Litigation Assignments Involving Expert Testimony

Board of Revision, Summit County (2021)
Re: Sheraton Suites, Cuyahoga Falls; Doubletree, and Hilton Hotel, Fairlawn, Ohio

Board of Revision of Hamilton County, Ohio (2020)
Re: Cincinnatian Hotel

Board of Revision of Cuyahoga County (2020)
Re: Hampton Inn Brooklyn, Ohio

Board of Revision of Cuyahoga County (2019)
Re: Doubletree Cleveland, Ohio

Board of Revision of Medina County (2019)
Re: Fairfield Inn & Suites, Medina, Ohio

District Court of Moore County (2018)
Re: Holiday Inn Express, Dumas, Texas

Ohio Board of Tax Appeals & BOR (2018, 2015 & 2013) Re: Thistledown Racetrack, Warrensville Heights, Ohio

Boone County Board of Revision (2015)
Turfway Park, Florence, Kentucky

Lancaster County Common Pleas Court (2014)
Re: Sight & Sound Theater, Strasburg, PA

Sauk County Circuit Court (2014)
Re: Great Wolf Lodge Wisconsin Dells

Somerset County Common Pleas Court (2013)
Re: Hidden Valley Resort, Somerset, PA

Ohio Board of Tax Appeals (2013)
Re: Shoreby Club, Bratenahl, Ohio

Ohio Board of Tax Appeals (2013)
Re: Maui Sands Hotel, Sandusky, Ohio

Hamilton County Board of Revision (2012)
Re: Five Seasons Country Club, Cincinnati, Ohio

Cuyahoga County Board of Revision (2012)
Re: 3 McDonald's Restaurants

U.S. Bankruptcy Court (2012)
Re: Holiday Inn Express Houston, Texas

Franklin County Board of Revision (2012)
Re: Hilton Garden Inn & Comfort Suites Columbus, Ohio

State of Tennessee Administrative Court (2012)
Re: Embassy Suites Murfreesboro, Tennessee

Clark County District Court (2012)
Re: Stallion Mountain Country Club, Las Vegas, Nevada

State of Michigan Tribunal (2011)
Re: Radisson Hotel, Kalamazoo, Michigan

Franklin County Board of Revision (2011)
Re: Sheraton Suites, Columbus, Ohio

NE Tax Equalization & 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, (2003)
Re: Drawbridge Inn, Fort Mitchell, Kentucky

NURESH MAREDIA, CHIA
DIRECTOR OF APPRAISAL & CONSULTING SERVICES

Contact
nmaredia@hladvisors.com
210-319-5440

Education

Masters of Science in Hospitality Business, Michigan State University
Bachelor of Arts in Business Finance, Michigan State University

State Certification

Certified as a General Real Estate Appraiser in Texas.
Certified Hotel Industry Analyst (CHIA)

Professional Affiliations

- Appraisal Institute, Practicing Affiliate
- International Association of Amusement Parks and Attractions
- Ohio Hotel and Lodging Association
- Ohio Travel Association
- National Golf Foundation
- National Ski Areas Association
- World Waterpark Association
- National Association of RV Parks and Campgrounds

Experience

- Director of Appraisal and Consulting Services, Hotel & Leisure Advisors, Texas - Current
  (Other positions held at H&LA since 2006 include Project Manager, Senior Associate and Associate)

- Assistant Manager, Comfort Suites, Houston, Texas

- Assistant Manager, Samarkand Restaurant, Houston, Texas

Nuresh is a hospitality consultant and appraiser and has completed assignments in over 30 states. 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. Nuresh has a wide range of experience in hotels and resorts. Nuresh's expertise is in the evaluation of leisure properties, including hotels, waterparks, amusement parks, surf parks, and other leisure real estate. 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. Nuresh is a Certified General Real Estate Appraiser in Texas and a practicing affiliate with the Appraisal Institute. Nuresh heads our San Antonio office.

Published Articles

"COVID-19 Impact on U.S. Waterparks," Hotel Online, August 2020

"The Retailtainment Trend Shows No Signs of Slowing Down" Park World Magazine, November 2019

"The Rise of Retailtainment" Park World Magazine, November 2018

"Houston Hotel Market: Will 2017 be up or down?" Hotel Online, February 2017

"Continued Growth in the Dallas Hotel Market" Hotel Online, August 2015

"Recession Recovery and Continued Growth in the Houston Hotel Market" Hotel Online, January 2014

"Analysis of Golf Course Listing Prices" Hotel & Leisure Insights, October 2012

"Impact of Oil Boom on Hotels: Williston, North Dakota Market Overview" Hotel Online, September 2011

"Dry Ski Slopes: Year-Round Skiing without Snow" Hotel Online, December 2010

"Outdoor Waterparks: Private vs. Municipal" Aquatics International, September 2009

ADDENDUM II

H&LA

Demographic and Income Comparison Profile

SUBJECT SITE
36693, Mobile, Alabama
Drive Time: 30, 60, 90 minute radii

Prepared by Esri
Latitude: 30.63549
Longitude: -88.12144

	30 minutes	60 minutes	90 minutes
Census 2010 Summary			
Population	424,073	856,612	1,495,492
Households	164,154	326,311	573,980
Families	111,724	226,533	392,176
Average Household Size	2.54	2.56	2.52
Owner Occupied Housing Units	109,172	226,329	395,529
Renter Occupied Housing Units	54,982	99,982	178,451
Median Age	36.9	37.3	37.7
2021 Summary			
Population	442,810	927,938	1,642,364
Households	172,784	356,948	634,668
Families	115,212	242,919	425,577
Average Household Size	2.52	2.54	2.51
Owner Occupied Housing Units	111,692	246,338	430,816
Renter Occupied Housing Units	61,092	110,610	203,852
Median Age	39.2	39.5	39.8
Median Household Income	$51,582	$52,164	$52,065
Average Household Income	$70,361	$71,375	$71,704
2026 Summary			
Population	453,644	962,687	1,708,580
Households	177,520	371,472	661,894
Families	117,721	251,449	441,527
Average Household Size	2.51	2.54	2.51
Owner Occupied Housing Units	116,596	259,781	455,561
Renter Occupied Housing Units	60,924	111,691	206,333
Median Age	40.3	40.6	40.8
Median Household Income	$55,609	$56,674	$56,870
Average Household Income	$79,166	$80,290	$80,912
Trends: 2021-2026 Annual Rate			
Population	0.48%	0.74%	0.79%
Households	0.54%	0.80%	0.84%
Families	0.43%	0.69%	0.74%
Owner Households	0.86%	1.07%	1.12%
Median Household Income	1.51%	1.67%	1.78%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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Demographic and Income Comparison Profile

SUBJECT SITE
36693, Mobile, Alabama
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Latitude: 30.63549
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	30 minutes		60 minutes		90 minutes	
2021 Households by Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
<$15,000	23,768	13.8%	42,213	11.8%	75,555	11.9%
$15,000 - $24,999	18,610	10.8%	37,100	10.4%	68,831	10.8%
$25,000 - $34,999	16,748	9.7%	38,263	10.7%	68,847	10.8%
$35,000 - $49,999	24,159	14.0%	52,710	14.8%	90,143	14.2%
$50,000 - $74,999	32,988	19.1%	65,148	18.3%	116,064	18.3%
$75,000 - $99,999	19,365	11.2%	43,293	12.1%	75,993	12.0%
$100,000 - $149,999	21,899	12.7%	47,542	13.3%	84,702	13.3%
$150,000 - $199,999	8,370	4.8%	16,542	4.6%	27,799	4.4%
$200,000+	6,875	4.0%	14,136	4.0%	26,732	4.2%
Median Household Income	$51,582		$52,164		$52,065	
Average Household Income	$70,361		$71,375		$71,704	
Per Capita Income	$27,522		$27,552		$27,866	
2026 Households by Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
<$15,000	21,993	12.4%	38,802	10.4%	68,481	10.3%
$15,000 - $24,999	16,854	9.5%	33,963	9.1%	63,205	9.5%
$25,000 - $34,999	15,992	9.0%	36,786	9.9%	65,985	10.0%
$35,000 - $49,999	23,545	13.3%	52,194	14.1%	89,108	13.5%
$50,000 - $74,999	34,103	19.2%	68,170	18.4%	122,288	18.5%
$75,000 - $99,999	19,994	11.3%	45,464	12.2%	81,562	12.3%
$100,000 - $149,999	26,033	14.7%	57,116	15.4%	101,948	15.4%
$150,000 - $199,999	10,694	6.0%	21,731	5.8%	36,651	5.5%
$200,000+	8,312	4.7%	17,244	4.6%	32,664	4.9%
Median Household Income	$55,609		$56,674		$56,870	
Average Household Income	$79,166		$80,290		$80,912	
Per Capita Income	$31,044		$31,074		$31,497	

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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2010 Population by Age	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Age 0 - 4	28,587	6.7%	57,148	6.7%	98,469	6.6%
Age 5 - 9	28,675	6.8%	57,145	6.7%	96,795	6.5%
Age 10 - 14	29,488	7.0%	58,282	6.8%	98,850	6.6%
Age 15 - 19	31,105	7.3%	62,678	7.3%	108,777	7.3%
Age 20 - 24	29,374	6.9%	58,631	6.8%	103,948	7.0%
Age 25 - 34	54,845	12.9%	109,815	12.8%	191,383	12.8%
Age 35 - 44	53,209	12.5%	109,072	12.7%	188,086	12.6%
Age 45 - 54	62,066	14.6%	125,514	14.7%	221,273	14.8%
Age 55 - 64	51,184	12.1%	103,959	12.1%	183,457	12.3%
Age 65 - 74	30,953	7.3%	66,052	7.7%	117,491	7.9%
Age 75 - 84	17,732	4.2%	35,656	4.2%	64,584	4.3%
Age 85+	6,856	1.6%	12,659	1.5%	22,381	1.5%
2021 Population by Age	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Age 0 - 4	26,405	6.0%	54,950	5.9%	95,795	5.8%
Age 5 - 9	27,615	6.2%	57,543	6.2%	99,521	6.1%
Age 10 - 14	28,126	6.4%	58,294	6.3%	100,697	6.1%
Age 15 - 19	27,200	6.1%	56,246	6.1%	98,887	6.0%
Age 20 - 24	26,643	6.0%	55,177	5.9%	99,081	6.0%
Age 25 - 34	61,190	13.8%	127,144	13.7%	225,360	13.7%
Age 35 - 44	55,680	12.6%	116,932	12.6%	204,610	12.5%
Age 45 - 54	52,306	11.8%	110,596	11.9%	194,858	11.9%
Age 55 - 64	59,160	13.4%	124,311	13.4%	222,635	13.6%
Age 65 - 74	47,114	10.6%	99,971	10.8%	179,357	10.9%
Age 75 - 84	22,847	5.2%	49,792	5.4%	90,425	5.5%
Age 85+	8,524	1.9%	16,982	1.8%	31,137	1.9%
2026 Population by Age	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Age 0 - 4	26,655	5.9%	56,239	5.8%	98,579	5.8%
Age 5 - 9	27,575	6.1%	58,357	6.1%	101,233	5.9%
Age 10 - 14	28,956	6.4%	61,345	6.4%	105,873	6.2%
Age 15 - 19	28,446	6.3%	60,370	6.3%	106,555	6.2%
Age 20 - 24	25,656	5.7%	53,805	5.6%	97,219	5.7%
Age 25 - 34	56,156	12.4%	118,004	12.3%	210,597	12.3%
Age 35 - 44	60,498	13.3%	127,954	13.3%	225,369	13.2%
Age 45 - 54	53,626	11.8%	113,831	11.8%	199,619	11.7%
Age 55 - 64	55,432	12.2%	118,931	12.4%	212,332	12.4%
Age 65 - 74	51,805	11.4%	110,424	11.5%	199,219	11.7%
Age 75 - 84	29,474	6.5%	63,831	6.6%	116,028	6.8%
Age 85+	9,367	2.1%	19,596	2.0%	35,957	2.1%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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	30 minutes		60 minutes		90 minutes	
2010 Race and Ethnicity	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
White Alone	260,816	61.5%	584,030	68.2%	1,060,034	70.9%
Black Alone	143,423	33.8%	220,914	25.8%	342,578	22.9%
American Indian Alone	2,055	0.5%	7,953	0.9%	13,225	0.9%
Asian Alone	7,565	1.8%	16,498	1.9%	27,726	1.9%
Pacific Islander Alone	217	0.1%	542	0.1%	1,269	0.1%
Some Other Race Alone	3,968	0.9%	12,002	1.4%	19,591	1.3%
Two or More Races	6,029	1.4%	14,672	1.7%	31,069	2.1%
Hispanic Origin (Any Race)	10,452	2.5%	29,679	3.5%	55,540	3.7%
2021 Race and Ethnicity	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
White Alone	264,608	59.8%	622,064	67.0%	1,141,447	69.5%
Black Alone	152,587	34.5%	237,143	25.6%	376,652	22.9%
American Indian Alone	2,240	0.5%	8,787	0.9%	14,731	0.9%
Asian Alone	9,378	2.1%	20,625	2.2%	35,387	2.2%
Pacific Islander Alone	215	0.0%	641	0.1%	1,608	0.1%
Some Other Race Alone	5,117	1.2%	16,915	1.8%	27,452	1.7%
Two or More Races	8,665	2.0%	21,762	2.3%	45,088	2.7%
Hispanic Origin (Any Race)	14,209	3.2%	43,300	4.7%	80,957	4.9%
2026 Race and Ethnicity	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
White Alone	267,233	58.9%	638,959	66.4%	1,175,857	68.8%
Black Alone	157,140	34.6%	244,985	25.4%	391,429	22.9%
American Indian Alone	2,387	0.5%	9,308	1.0%	15,563	0.9%
Asian Alone	10,383	2.3%	22,789	2.4%	39,146	2.3%
Pacific Islander Alone	234	0.1%	724	0.1%	1,795	0.1%
Some Other Race Alone	6,112	1.3%	20,202	2.1%	32,345	1.9%
Two or More Races	10,156	2.2%	25,720	2.7%	52,445	3.1%
Hispanic Origin (Any Race)	17,040	3.8%	52,621	5.5%	96,370	5.6%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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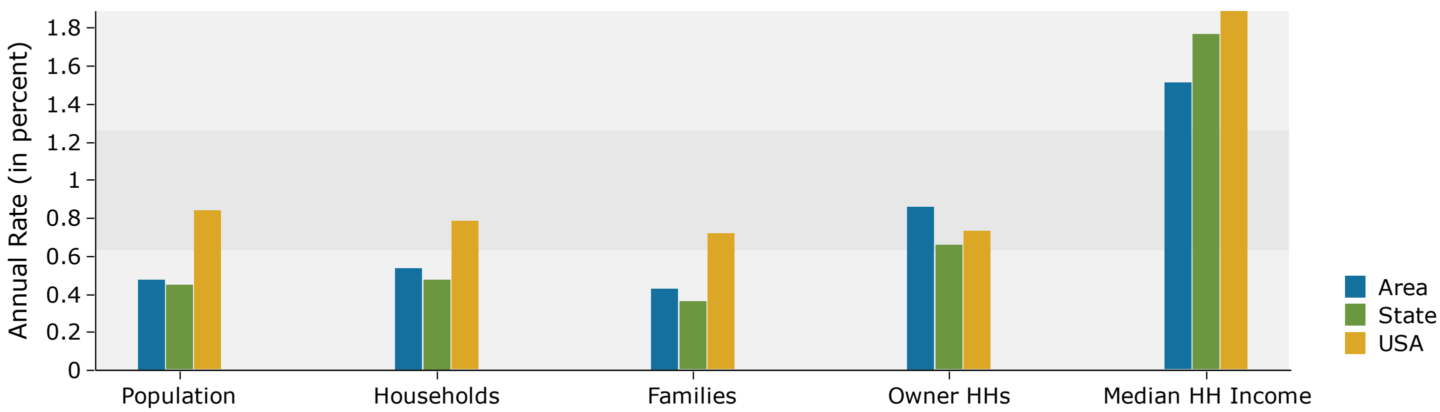
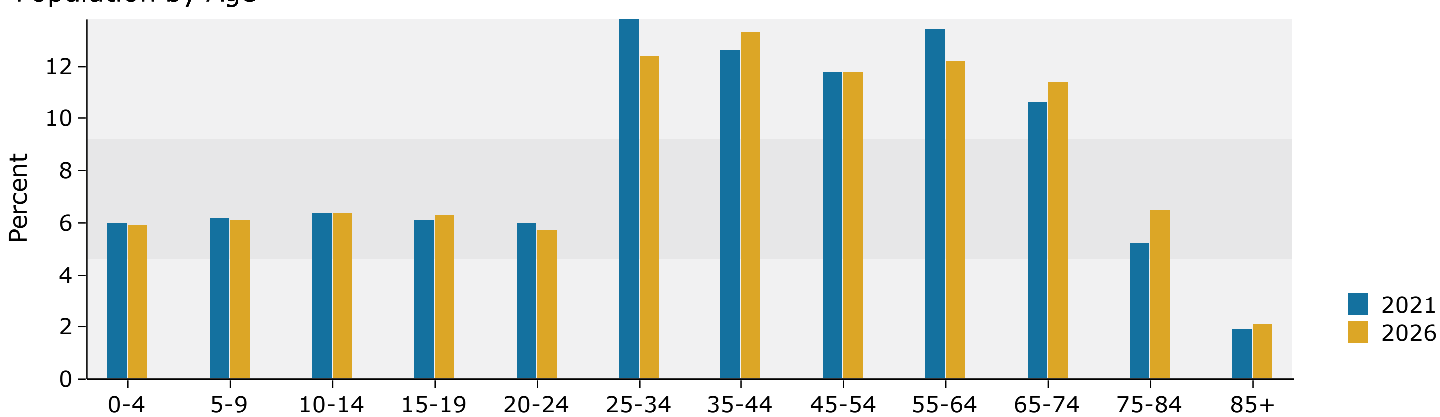
30 minutes

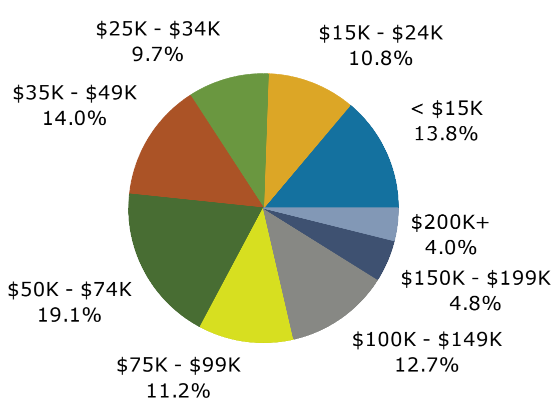
Trends 2021-2026



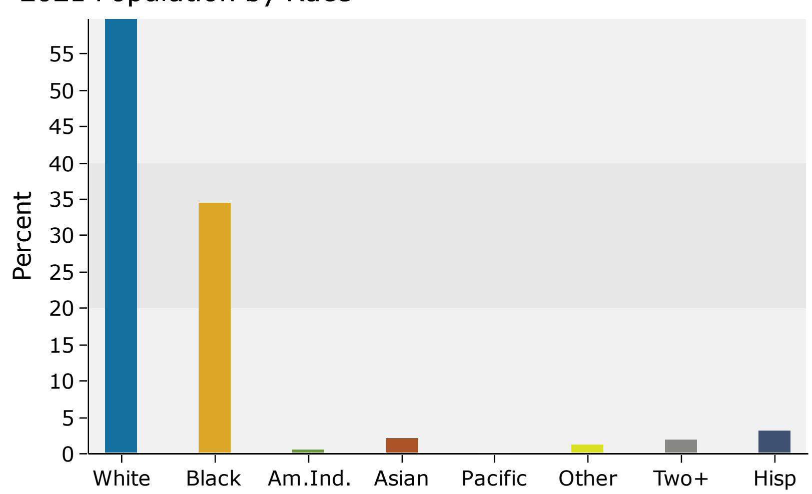
Population by Age



2021 Household Income



2021 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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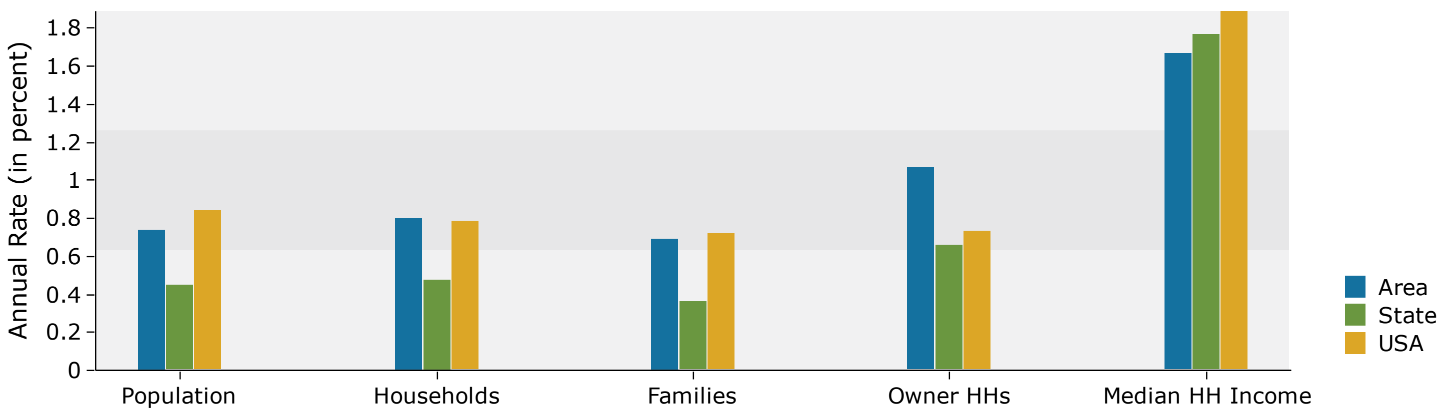
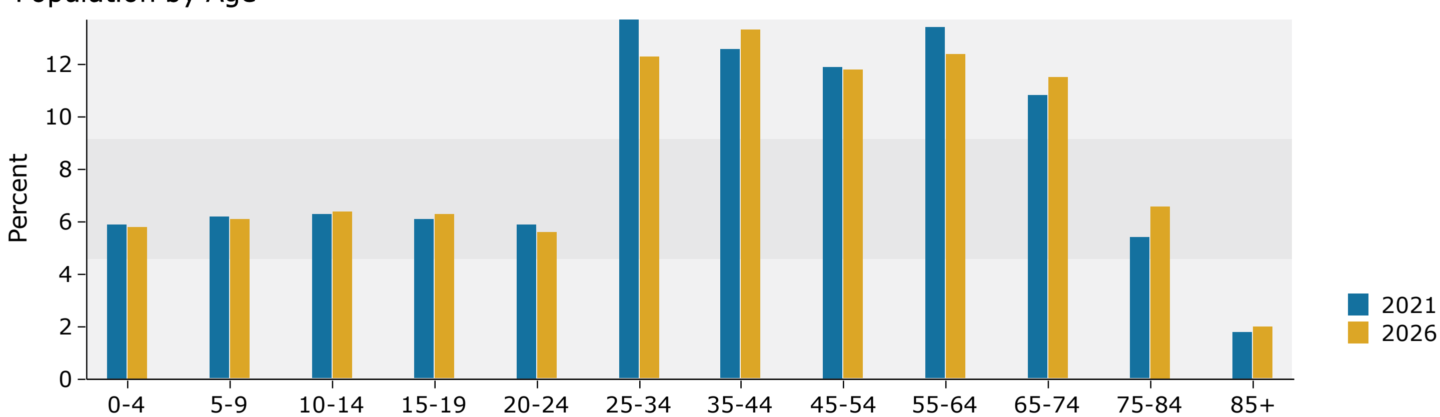
60 minutes

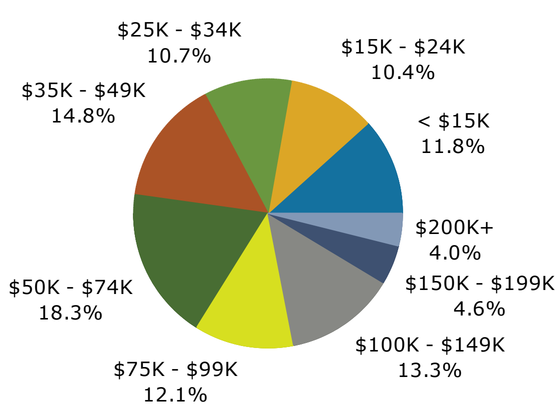
Trends 2021-2026



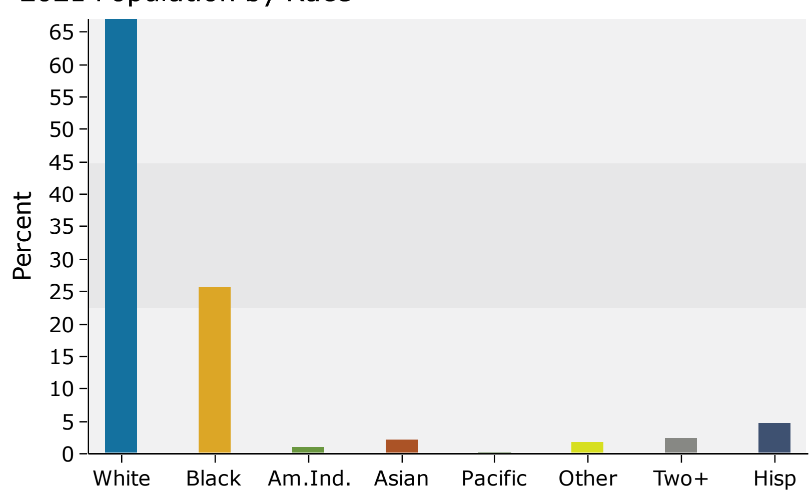
Population by Age



2021 Household Income



2021 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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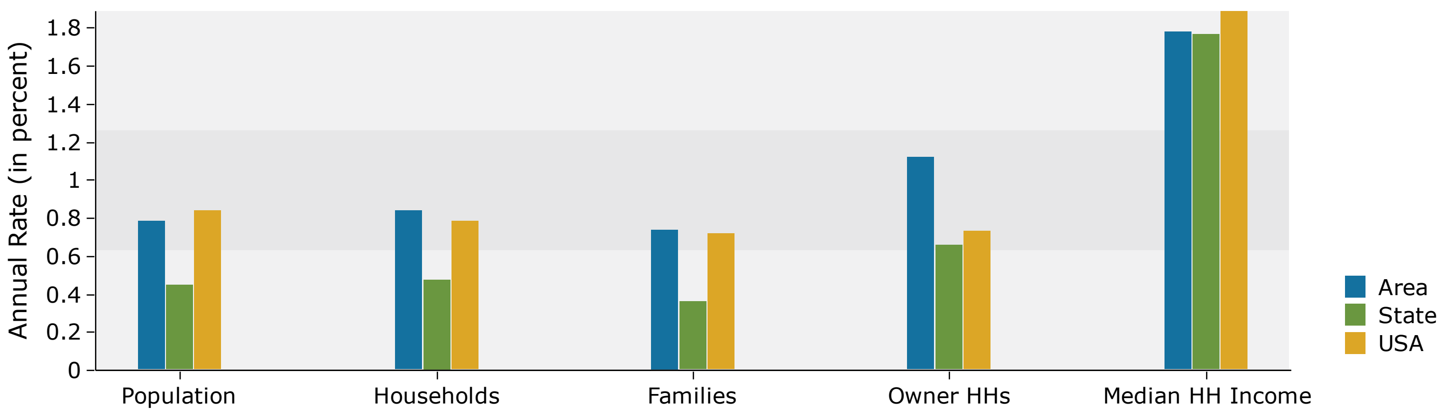
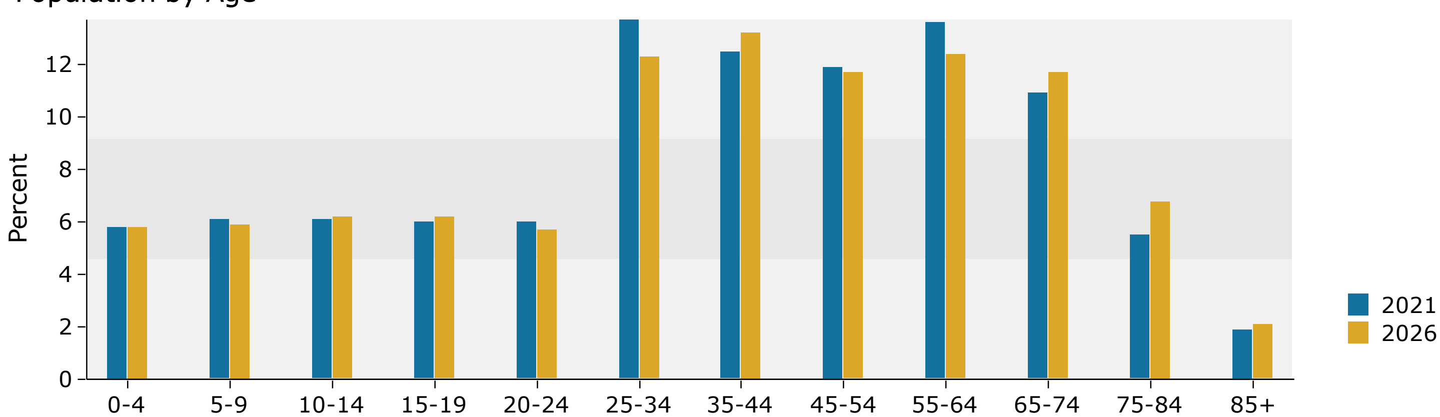
90 minutes

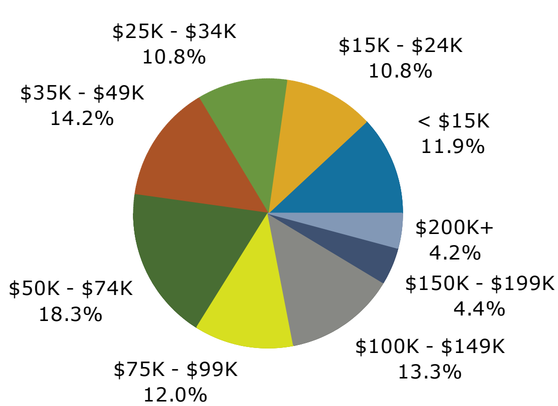
Trends 2021-2026



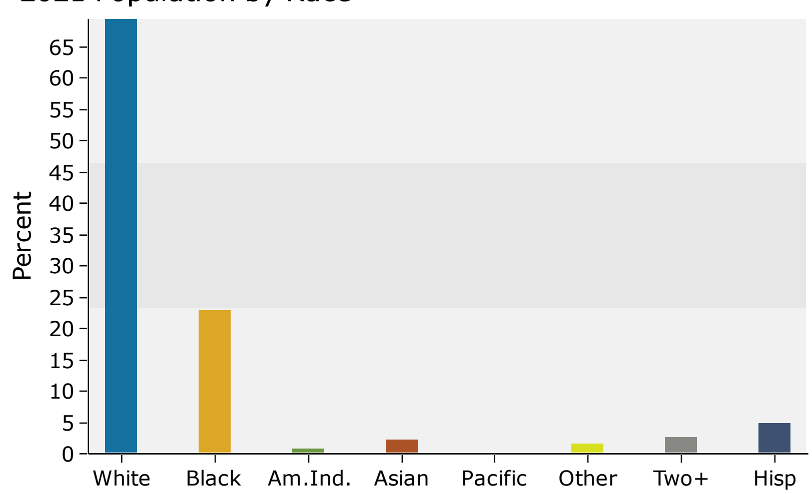
Population by Age



2021 Household Income



2021 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.