

FEASIBILITY STUDY AND FINANCIAL PROJECTIONS FOR A PROPOSED

90-ROOM SPRINGHILL SUITES

BRUNSWICK, GEORGIA

APRIL 2017



April 21, 2017

Mr. James Drumm, City Manager
City of Brunswick
PO Box 550
Brunswick, GA 31521

By email: jdrumm@cityofbrunswick-ga.gov

Dear Mr. Drumm,

We are pleased to present this feasibility study and financial projections for a proposed 90-room SpringHill Suites in Brunswick, Georgia. Projections in this report assume that a professional hotel management company with a proven record of success with similar hotels manages the proposed hotel. The recommendations and projections in this study are the result of research in the Brunswick hotel market that included site analysis, interviews with competitive hoteliers, and analysis of data on competitive hotels, and other interviews in the marketplace.

We have done our best to obtain accurate information for you. However, since we relied on interviews as well as other sources, some information may vary from actual. Conclusions are based on research ending February 13, 2017 and we cannot be responsible for events occurring after that date, or not foreseen. Our projections are based on assumptions and we do not warrant that they will be achieved. This report has been prepared for the City of Brunswick, for their internal use and decision-making process, and for presentation to selected hotel chains and hotel developers. It is restricted against inclusion in offering statements or wider distribution without our express written permission.

Please do not hesitate to call as we can be of further assistance or whenever questions arise concerning this report or the underlying research and analysis.

Sincerely,

The Highland Group Hotel Investment Advisors, Inc.

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Conclusions — Proposed SpringHill Suites – Brunswick, Georgia

Projected operating results for the proposed 90-room SpringHill Suites in Brunswick, Georgia are shown in the following table.

Projected Operating Results SpringHill Suites				
Year	Occupancy	Average Room Rate (1)	Total Revenues (1)	Net Operating Income (1)
2019	60%	\$120	\$2,336,810	\$717,875
2020	66%	\$126	\$2,715,409	\$898,842
2021	68%	\$129	\$2,837,346	\$965,253
2022	70%	\$131	\$2,964,828	\$1,028,309
2023	70%	\$134	\$3,024,124	\$1,048,875
Note: (1) Adjusted for inflation Source: The Highland Group				

The projections in this report are based on the following key assumptions.

- There is no significant decline in training at The Federal Law Enforcement Training Center (FLETC) or GLYNCO.
- FLETC does not add any new dormitories to its campus.
- No measurable decline in tourism to the Golden Isles, which includes Brunswick.
- Revitalization of downtown Brunswick continues and that the blighted area near the site of the proposed SpringHill suites would be improved.
- The proposed SpringHill Suites would be located adjacent to or connected by a breeze way to the proposed Oglethorpe Conference Center in downtown Brunswick.
- A hotel management company with a proven track record manages the proposed SpringHill Suites.

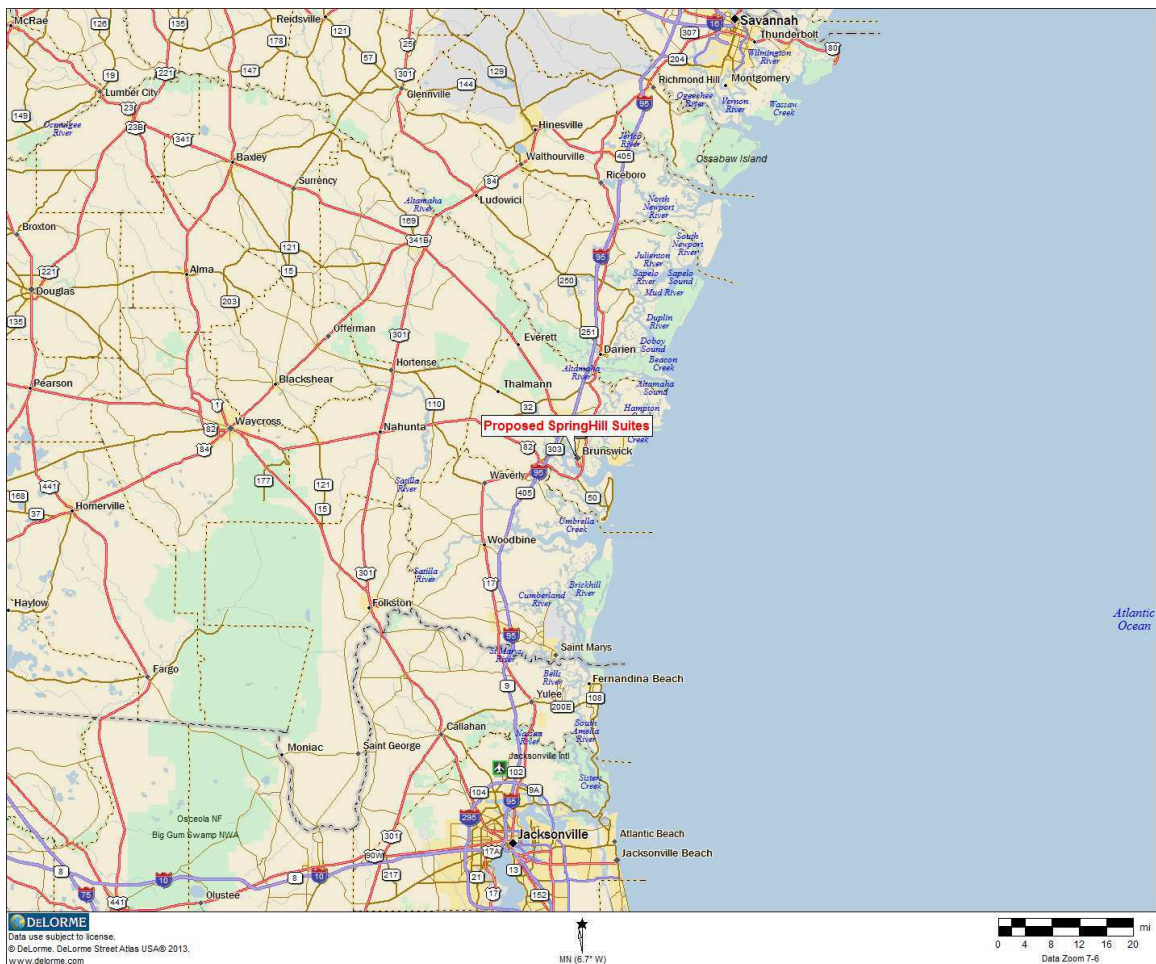
Our market research indicates that the hotel market in Brunswick is currently at capacity. The primary hotel demand generators in this market are training at Glynco and tourism to the Golden Isles. Glynco is the FLETC's largest training center in the country by number of students trained. The center provides training classes to personnel in law enforcement, CDC, TSA, as well as other departments throughout the year. These training classes can last for up to several weeks and students use on-campus dormitories, as well as hotels for lodging during training. The proposed hotel would be in downtown Brunswick, which is roughly five to seven miles away from the primary concentration of hotels in the market. Currently, all the hotels in Brunswick are located at exit 36 and exit 38 on Interstate 95 or near Glynn Place Mall. Revitalization of downtown Brunswick began roughly 15 years ago, but stalled during the national recession in 2009. The economic downturn caused many of the shops and restaurants in downtown to close, which caused some areas of downtown to become rundown. The recovery has reportedly been slow, but several new restaurants and shops have been added in recent years and a new brewery is expected to open sometime in 2017. There is a good potential opportunity for a new hotel in downtown Brunswick market given the strong demand growth in recent years.

The proposed hotel is projected to achieve 60 percent occupancy at an average rate of \$120 its first year of operation. Occupancy is projected to increase to 70 percent by 2022. Total annual revenues and net operating income in 2019 are projected to be roughly \$2.3 million and \$718,000 respectively. Annual revenues are forecast to reach over \$3 million by 2023.

Market Overview

The proposed SpringHill Suites would be in Glynn County, which is the largest county in the Brunswick Metropolitan Area (MSA). The mainland port city of Brunswick, along with St. Simmons Island, Little St. Simmons Island, Sea Island, and Jekyll Island comprise the Golden Isles of Georgia.

The map following shows the proposed hotel location in the region.



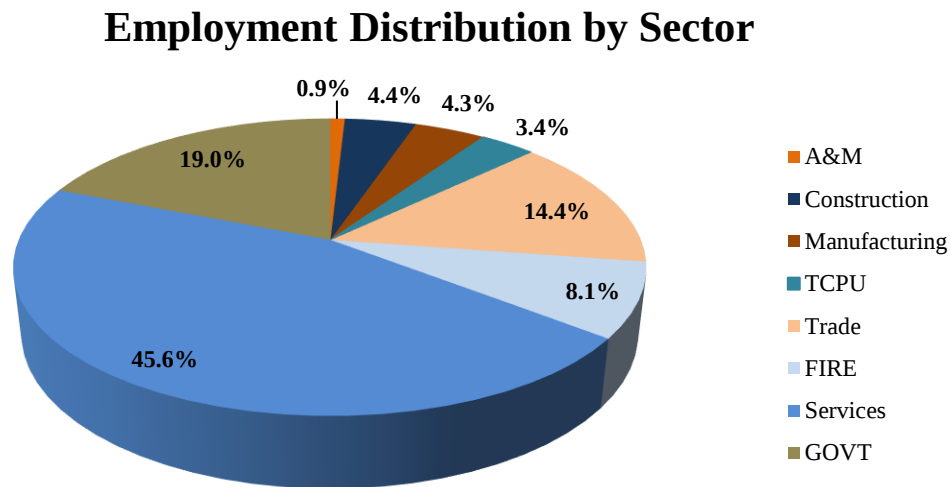
Economic Indicators

The table below illustrates key economic indicators for the MSA and Glynn County, with data provided by Woods & Poole Economics (WPE).

Historic and Projected Economic Indicators						
	Brunswick, GA MSA			Glynn County		
	2005	2015	2025	2005	2015	2025
Population (000's) CAG (1)	101.53	116.11 1.4%	130.71 1.2%	72.59	83.05 1.4%	92.88 1.1%
Employment (000's) CAG (1)	56.68	55.34 -0.2%	64.16 1.5%	48.77	47.59 -0.2%	55.10 1.5%
Accommodation & Food Services Employment (000's) CAG (1)	7.97	7.62 -0.4%	8.40 1.0%	7.37	7.00 -0.5%	7.67 0.9%
Gross Regional Product (\$ millions) (2) CAG (1)	\$3,515	\$3,533 0.1%	\$4,187 1.7%	\$3,167	\$3,186 0.1%	\$3,765 1.7%
Total Retail Sales (\$ millions) (2) CAG (1)	\$1,668.55	\$1,806.03 0.8%	\$2,160.62 1.8%	\$1,469.61	\$1,614.58 0.9%	\$1,925.99 1.8%
Wealth Index (3) CAG (1)	91.0%	79.3% -1.4%	78.2% -0.1%	102.8%	88.4% -1.5%	87.3% -0.1%
Note: (1) Compound Annual Change (2) 2005 constant dollars (3) US = 100%						
Source: Woods & Poole Economics						

WPE projects growth in population, employment, accommodation and food service employment, gross regional product, and total retail sales in the MSA through 2025. Increases in these indicators correlate positively with increasing hotel demand.

The chart below illustrates the distribution of employment in Glynn County for 2015, as reported by WPE. The services sector is the largest segment, representing 45.6 percent of employment in the county, followed by government at 19 percent, and trade at 14.4 percent.



The diversified mix of employment with a large base of service industries and government is conducive to future growth projections and offers some protection against downturns in specific industries.

Major Employers

The tables below present major employers in Brunswick and Glynn County.

Glynn County Major Employers		
Employer	Industry Sector	Employees
Sea Island Company	Hospitality	1,760
Southeast Georgia Health System	Healthcare	1,700
Brunswick Cellulose Inc.	Paper Manufacturer	600
Wal-Mart Super Center	Retail	600
eBay Enterprise Inc.	Call Center	500
King & Prince Seafood Corp	Food Manufacturer	345
College of Coastal Georgia	Education	300
International Auto Processing	Auto Import/Export	283
Rich Products Corp	Food Manufacturer	251
Pinova Inc.	Chemical Manufacturer	247
King & Prince Resort	Hotel	230
Source: Brunswick & Glynn County Development Authority		

According to the Brunswick and Glynn County Economic Development the county's 11 largest employers account for nearly 7,000 jobs. However, roughly 45 percent of those jobs are in the hospitality, retail, and call center sectors, which typically do not generate hotel demand for area hotels.

FLETC - Glynco

The FLETC has five facilities around the country. Glynco in Brunswick is the largest with an estimated 60 percent of all FLETC student training days occurring at its facility. According to the FLETC, classes range from 3 days to 16 weeks with an average duration of two weeks. The Glynco facility reportedly has nine dormitories with more than 2,000 rooms to accommodate students on site, but frequently students use hotels because the dormitories fill up quickly. Moreover, visiting instructors and other visitors to Glynco also stay in hotels. Our projections in this report assume that Glynco does not add more dormitories over the projection period. Glynco is located nearly seven miles north of the site of the proposed hotel.

The last FLETC agency financial report available on their website was for 2009. In this report, the number of students that trained at Glynco was 23,412, which equated to 136,374 student weeks. Market participants report that the number of students and student weeks has increased substantially since that time because of additional training programs at Glynco.

The most recent addition to Glynco occurred in February 2017 when the TSA officially opened its 75,000-square-foot Modular Training Site. This will purportedly allow the TSA to increase its training at the facility from 8,000 students to more than 14,000 annually.

The current government per diem in the market is \$125 per night from August through February and \$151 per night from March through July. This is a generous government per diem and with the market near capacity this provides a good opportunity for a new hotel in the market.

Southeast Georgia Health System

The Southeast Georgia Health System Brunswick campus features a 316-bed acute care hospital and is the only major medical facility in a 150-square mile area. Serving an eight-county region, the hospital provides nearly all the principal medical and surgical specialties, except for open heart surgery. The Southeast Georgia Health System employs roughly 1,700 individuals and is located just over two miles from the site of the proposed SpringHill Suites.

The Port of Brunswick

The Port of Brunswick is comprised of three Georgia Ports Authority (GPA)-owned deep-water terminals, two of which are directly operated by the GPA. It forms a vital part of the area's economy and is recognized as one of the fastest growing auto and heavy machinery ports in North America. It ranks number one for new import vehicles in the U.S. and is the nation's second busiest port for import and export automobiles. The port specializes in non-containerized freight. A dedicated roll-on/roll-off facility, the Colonel's Island Terminal

has three berths and four on-terminal auto processors, and is utilized by more than 60 auto and heavy equipment manufacturers. Mercedes-Benz USA will reportedly double its footprint on Colonel's Island Terminal soon. The Colonel's Island terminal also features a dedicated agri-bulk berth and can accommodate a diverse group of agri- product. The Mayor's Point Terminal is a dedicated breakbulk facility specializing as a distribution center for a variety of forest and solid wood products, such as wood pulp, linerboard, plywood, and paper products. The East River Terminal specializes in the handling of a diverse mix of bulk commodities. In fiscal year 2016, total tonnage at the port of Brunswick was 2,843,691. The port is located roughly 9 miles from the proposed SpringHill Suites.

Tourism

The hotels in the Golden Isles rely heavily on tourism to the area. The Golden Isles Convention and Visitor's Bureau (CVB) reports that tourism has increase an average of 10 percent each year since 2010. Visitors to the area during fiscal year 2016, which runs July through June totaled 2.8 million

Site Location and Property Description

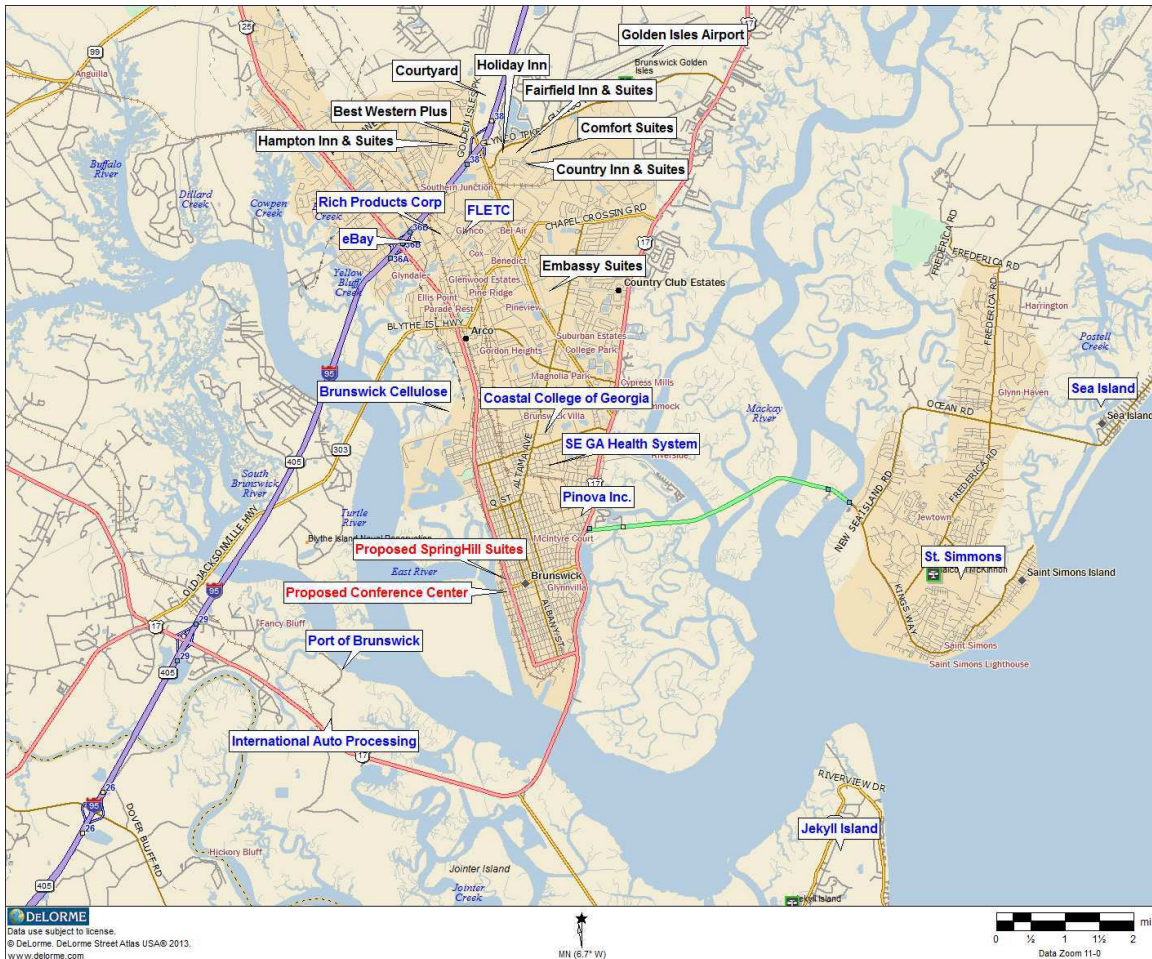
Site Description

The proposed SpringHill Suites would be on a site in between Bay Street and Newcastle Street in downtown Brunswick. The hotel will be connected to or connected by breeze way to the proposed Oglethorpe Conference Center that is to be built with TSPLOST funds by 2019. The site of the proposed hotel will be attractive to guests that desire a walkable environment to historic downtown Brunswick, retail shops, and restaurants.

The following is a photo of the site.



The map following shows the location of the proposed SpringHill Suites, competitive hotels, and key demand generators.



Access

Depending on the exact location of the hotel on the site, the hotel should have direct ingress and egress from either Newcastle Street, Bay Street or both. Access to Interstate 95 is roughly six miles north via Golden Isles Parkway.

Visibility

Golden Isles Parkway diverges as it approaches the site to become Bay Street and Newcastle Street, which would make the hotel highly visible from all three roadways. According to the Georgia Department of Transportation (GDOT), a daily average of more than 11,000 vehicles approaching the site on Golden Isles Parkway, roughly 5,700 passing the site on Bay Street, and 4,500 passing the site on Newcastle Street in 2015 (latest data available).

Convenience

The hotel site would be conveniently located to historic downtown Brunswick, the county government offices, Southeast Georgia Health System, and the barrier islands. Despite being well located for leisure travel, the hotel will be further from most corporate demand generators and FLETC than other hotels in the market. A strong pre-sales marketing effort to these sources will be critical to ease the challenge of the hotel's location.

Property Description

The proposed SpringHill Suites would be up to a four-story interior corridor building depending on the final architectural drawings. Our projections assume the hotel would include the following principle features and amenities.

- 90 guest suits
- Complimentary breakfast daily
- Meeting room of approximately 1,500 square feet divisible
- Market (convenience center with foods, beverages and sundries)
- Swimming pool
- Fitness center
- Business center
- Free high speed internet access

- Complimentary high speed internet access in all guest rooms

Projections in this report assume that a professional hotel management company with a proven record of success with similar hotels manages the proposed hotel.

Guestroom count may vary slightly depending on final building configuration.

SpringHill Suites

SpringHill Suites is an upscale, limited-service Marriott hotel brand. Other Marriott brands include Ritz Carlton, Marriott, Courtyard, Residence Inn, Fairfield Inn & Suites, and TownePlace Suites, as well as all the Starwood brands since purchasing that company in 2016. According to Marriott, there were 357 hotels open in the U.S. under the SpringHill Suites brand at year-end 2016. The brand is widely distributed and participates in the Marriott Rewards frequent guest program, which is one the most generous guest reward programs in the country. Marriott International reports that average occupancy for the SpringHill Suites brand was 79 percent and average rate was \$124 through September 30, 2016.

Hotel Market

STR estimates there are a combined 5,238 hotel rooms in the Golden Isles, which includes Brunswick. Most hotels in Brunswick are concentrated along Interstate 95 at exits 36 and 38, as well as around Glynn Place Mall. Both FLETC and tourism are the primary sources of hotel demand in Brunswick.

Competition

The proposed SpringHill Suites would be directly competitive with the best quality hotels in Brunswick, which includes the Embassy Suites, Hampton Inn & Suites, Courtyard, Fairfield Inn & Suites, Holiday Inn, Comfort Suites, Best Western Plus, and Country Inn & Suites. These eight hotels account for 700 total rooms in the market.

The following table presents operating ranges for competitive hotels.

Competitive Market Summary									
Competitors Direct	Total Rooms	Occupancy				Average Daily Rate			
		2014	2015	2016	2017	2014	2015	2016	2017
Embassy Suites	130	80-84%	85-89%	90-94%	85-89%	\$115-119	\$120-124	\$130-134	\$135-139
Hampton Inn Suites	97	85-89%	85-89%	90-94%	85-89%	\$105-109	\$115-119	\$120-124	\$125-129
Courtyard	93	70-74%	80-84%	80-84%	75-79%	\$90-94	\$110-114	\$115-119	\$120-124
Fairfield Inn & Suites	80	70-74%	80-84%	80-84%	75-79%	\$85-89	\$90-94	\$95-99	\$100-104
Holiday Inn	103	65-69%	65-69%	80-84%	75-79%	\$105-109	\$110-114	\$115-119	\$120-124
Comfort Suites	60	75-79%	80-84%	80-84%	75-79%	\$70-74	\$75-79	\$90-94	\$90-94
Best Western Plus	72	60-64%	70-74%	80-84%	75-79%	\$70-74	\$80-84	\$85-89	\$90-94
Country Inn & Suites	65	70-74%	75-79%	80-84%	80-84%	\$70-74	\$80-84	\$90-94	\$95-99
TOTAL	700	74%	79%	84%	82%	\$96	\$104	\$112	\$116

Source: The Highland Group

Competitive hotel occupancy increased substantially from 2014 through 2016. In October 2016 Hurricane Matthew flooded some of the dormitories at Glynnco. This caused an increase in hotel demand during the last three months of the year, which isn't expected to return in 2017. Thus, we have projected a slight decrease in competitive occupancy for 2017. As mentioned previously the hotel market in Brunswick is at capacity, which has

allowed hoteliers to aggressively increase average rates over the past several years. This resulted in a \$16 increase from 2014 through 2016. Based on interviews with market participants we project that average rates will increase 4 percent or \$4 in 2017.

The charts on the following pages summarize facilities, services, strengths and weaknesses of the competitive hotels. Photos of the competitors can be found in the addendum at the back of the report.

Competitive Hotels: Summary of Facilities and Services										
Hotel	Year Open	Rooms/Suites	Weekday Rates	Weekend Rates	Total Meeting Sq. Footage	Largest Meeting Room	Pool	Restaurant	Comp. Breakfast	Free High Speed Internet
Embassy Suites Glynn Place Mall, 500 Mall Blvd Brunswick, GA 31525 (912) 264-6100	1988	130 suites	\$175-\$219	\$155-\$205	3 rooms / 5,000 s.f.	2,016 s.f.	Outdoor	Yes	No	Yes
Hampton Inn & Suites 128 Venture Dr Brunswick, GA 31525 (912) 261-0939	2009	97 rooms	\$139-\$149	\$149-\$164	2 rooms / 2,530 s.f.	2,047 s.f.	Indoor	No	Yes	Yes
Courtyard. 580 Millennium Blvd Brunswick, GA 31525 (912) 265-2644	2005	93 rooms	\$129-\$179	\$119-\$154	1 room / 575 s.f.	-	Outdoor	Yes	No	Yes
Fairfield Inn & Suites 107 Gateway Cir Brunswick, GA 31525 (912) 264-2060	1997	56 rooms / 24 suites	\$149-\$179	\$129-\$159	None	-	Outdoor	No	Yes	Yes
Holiday Inn 138 Glymco Pkwy Brunswick, GA 31525 (912) 264-3300	2005	103 rooms	\$119-\$138	\$122-\$139	2 rooms / 1,664 s.f.	1,450 s.f.	Indoor	Yes	No	Yes
Comfort Suites 25 Ashton Dr. Brunswick, GA 31523 (912) 267-4440	2009	60 rooms	\$103-\$122	\$115-\$130	1 room / 600 s.f.	-	Indoor	No	Yes	Yes
Best Western Plus 126 Venture Dr Brunswick, GA 31525 (912) 265-1114	2009	72 rooms	\$103-\$119	\$152-\$184	None	-	Outdoor	No	Yes	Yes
Country Inn & Suites 211 Gateway Center Blvd, Brunswick, GA 31525 (912) 264-2888	2005	65 rooms	\$101-\$122	\$118-\$153	1 room / 600 s.f.	-	Indoor	No	Yes	Yes
Sources: Competitive Hotels, The Highland Group										

Competitive Hotels: Summary of Strengths and Weaknesses Relative to Subject Hotel								
Hotel	Distance From Subject Hotel	Last Renovation	Location	Access	Arrival Experience	Interior Finishes	Brand Strength	Overall Assessment
Embassy Suites Glynn Place Mall, 500 Mall Blvd Brunswick, GA 31525 (912) 264-6100	6 miles	Last guestroom renovation in 2008 and public spaces in 2011. Planned \$4 million renovation sometime in the next two years.	Superior	Inferior	Inferior	Inferior	Similar	Inferior
Hampton Inn & Suites 128 Venture Dr Brunswick, GA 31525 (912) 261-0939	8 miles	This hotel has not been substantially renovated since opening in 2009.	Superior	Superior	Inferior	Inferior	Similar	Similar
Courtyard. 580 Millennium Blvd Brunswick, GA 31525 (912) 265-2644	8 miles	This hotel was last renovated in 2012.	Superior	Superior	Inferior	Inferior	Similar	Similar
Fairfield Inn & Suites 107 Gateway Cir Brunswick, GA 31525 (912) 264-2060	8 miles	This hotel was last renovated in 2010.	Superior	Superior	Inferior	Inferior	Similar	Similar
Holiday Inn 138 Glynco Pkwy Brunswick, GA 31525 (912) 264-3300	7 miles	This hotel was renovated in 2015.	Superior	Superior	Inferior	Inferior	Inferior	Inferior
Comfort Suites 25 Ashton Dr. Brunswick, GA 31523 (912) 267-4440	6 miles	This hotel has not been substantially renovated since opening in 2009.	Superior	Superior	Inferior	Inferior	Inferior	Inferior
Best Western Plus 126 Venture Dr Brunswick, GA 31525 (912) 265-1114	8 miles	This hotel was fully renovated in 2011 when it converted from a Baymont Inn & Suites to a Best Western Plus.	Superior	Superior	Inferior	Inferior	Inferior	Inferior
Country Inn & Suites 211 Gateway Center Blvd, Brunswick, GA 31525 (912) 264-2888	6 miles	This hotel was fully renovated in 2015.	Superior	Superior	Inferior	Inferior	Inferior	Inferior
Sources: Google Maps, Competitive Hotels, The Highland Group								

The proposed SpringHill Suites would be a highly competitive product overall in terms of arrival experience, interior finishes, brand, rates, and quality. Due to its distance from Glynco, corporate demand generators, and Interstate 95 the proposed hotel would have an inferior location and access when compared to most of the competitive market.

New Supply

The owners of the Hampton Inn & Suites in Brunswick have a 172-room dual brand Hilton Garden Inn and Home2 Suites proposed for a site near the Hampton Inn & Suites. These two hotels are included in our analysis and are projected to open in January 2019. Furthermore, we are aware of a 90-room Holiday Inn Express and a 90-room TownePlace Suites that have been proposed in Brunswick. Both projects are considered preliminary and have not included them in our projections. We are unaware of any other proposed hotels that would be competitive with the proposed SpringHill Suites. Any additions to supply other than those mentioned above could materially impact projections.

Competitive Hotel Supply and Demand

The table below presents the historical operating history for the competitive set of hotels.

Brunswick, GA - Competitive Set Operating History									
Year	Room Night Supply	Change in Supply	Occupancy	Room Night Demand	Change in Demand	Average Rate	Change in Rate	RevPar	Change in RevPar
2006	172,280		67.7%	116,627		\$92.00		\$62.28	
2007	172,280	0.0%	76.2%	131,229	12.5%	\$95.81	4.1%	\$72.98	17.2%
2008	172,280	0.0%	62.3%	107,333	-18.2%	\$101.01	5.4%	\$62.93	-13.8%
2009	222,282	29.0%	60.0%	133,289	24.2%	\$96.35	-4.6%	\$57.78	-8.2%
2010	254,130	14.3%	58.0%	147,499	10.7%	\$89.71	-6.9%	\$52.07	-9.9%
2011	255,264	0.4%	60.2%	153,754	4.2%	\$86.93	-3.1%	\$52.36	0.6%
2012	255,500	0.1%	64.3%	164,271	6.8%	\$87.79	1.0%	\$56.45	7.8%
2013	255,500	0.0%	67.2%	171,635	4.5%	\$88.70	1.0%	\$59.59	5.6%
2014	255,500	0.0%	74.3%	189,747	10.6%	\$95.95	8.2%	\$71.26	19.6%
2015	255,500	0.0%	79.3%	202,625	6.8%	\$104.28	8.7%	\$82.70	16.1%
2016	255,500	0.0%	83.9%	214,380	13.0%	\$111.76	16.5%	\$93.77	31.6%
CAG (1)		4.0%			6.3%		2.0%		4.2%
CAG (2)		0.1%			6.4%		3.7%		10.3%
Note: (1) Compound Annual Growth 2006-2016									
Note: (2) Compound Annual Growth 2010-2016									
Source: STR									

The Hampton Inn & Suites, Comfort Suites, and Baymont Inn & Suites all opened during the Great Recession in 2009. Since then no new hotels have opened, but the Baymont Inn & Suites did convert to a Best Western Plus in 2011. The lack of new supply in the competitive market allowed occupancies to steadily increase since 2010. Demand declined in 2008, but has increased each year since at a compound annual average growth rate of more than 6 percent. The effectively full hotel market enabled hoteliers to aggressively raise rates as demonstrated by the strong rate increases from 2014 through 2016. Without any new hotels projected to open in 2017, we expect average rate growth to continue albeit at a more modest pace.

Mix of Business

Mix of business in the competitive set is estimated at:

- 40 percent corporate
- 14 percent group
- 27 percent leisure
- 20 percent government

The mix of business results in strong demand for rooms throughout the week and on weekends.

Seasonality of Demand

The table below presents a 12-month rolling average for occupancy, average rate and RevPar by day of the week, ending December 2016 for the selected hotels discussed in the section above.

Competitive Hotel Market Operating Performance by Day of Week-1/2016-12/2016							
	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Occupancy	70.7%	82.3%	87.5%	89.2%	87.5%	86.5%	83.8%
ADR	\$106.37	\$111.31	\$112.56	\$112.65	\$111.27	\$113.53	\$113.58
RevPar	\$75.18	\$91.59	\$98.46	\$100.45	\$97.34	\$98.15	\$95.13
Source: STR							

As illustrated, occupancy is above 80 percent Monday through Saturday and is a healthy 70 percent on Sunday nights. Likewise, average rates are strong Monday through Saturday and only decline \$6 to \$7 on Sunday nights. This hotel market is exceptionally strong with an estimated 200 fill nights in the market annually and a large volume of demand turned away.

Competitive Market Projections

The following table presents supply and demand projections for the competitive set of hotels. The Proposed SpringHill Suites is expected to be open for a full year in 2019.

Projection of Supply and Demand by Segment										
Segment	Actual			Projected						
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Corporate</i>	75,886	81,008	85,705	83,661	83,661	96,210	99,096	102,069	105,131	105,131
Percent Change		7%	6%	-2%	0%	15%	3%	3%	3%	0%
Segment Demand	75,886	81,008	85,705	83,661	83,661	96,210	99,096	102,069	105,131	105,131
<i>Group</i>	26,172	27,852	29,599	28,896	28,896	36,119	37,925	38,684	39,458	39,458
Percent Change		6%	6%	-2%	0%	25%	5%	2%	2%	0%
Segment Demand	26,172	27,852	29,599	28,896	28,896	36,119	37,925	38,684	39,458	39,458
<i>Leisure</i>	50,058	53,858	56,701	55,337	55,337	63,638	64,911	66,209	67,533	67,533
Percent Change		8%	5%	-2%	0%	15%	2%	2%	2%	0%
Segment Demand	50,058	53,858	56,701	55,337	55,337	63,638	64,911	66,209	67,533	67,533
<i>Government</i>	37,600	39,802	42,257	41,258	41,258	45,384	47,653	49,083	50,555	50,555
Percent Change		6%	6%	-2%	0%	10%	5%	3%	3%	0%
Segment Demand	37,600	39,802	42,257	41,258	41,258	45,384	47,653	49,083	50,555	50,555
Total Demand	189,716	202,520	214,262	209,152	209,152	241,352	249,586	256,045	262,678	262,678
Total Supply	255,500	255,500	255,500	255,500	255,500	351,130	351,130	351,130	351,130	351,130
Total Demand Percent Change	-	7%	6%	-2%	0%	15%	3%	3%	3%	0%
Total Supply Percent Change	-	0%	0%	0%	0%	37%	0%	0%	0%	0%
Competitive Set Occupancy	74%	79%	84%	82%	82%	69%	71%	73%	75%	75%
Source: The Highland Group										

Each segment of demand is discussed in the paragraphs below.

Corporate

Corporate demand is mainly business travelers staying on mid-week nights. Corporate demand generally occurs year-round, but slows down in December and January. Between 2014 and 2016, corporate demand increased at a compound average annual rate of 6.3 percent because the market is full and unable to accommodate more guests on mid-week nights. Corporate demand is projected to increase by an annual average rate of 3.9 percent from 2017 through 2023, reflecting expansion of hotel supply through the opening of the SpringHill Suites, Hilton Garden Inn, and Home2 Suites.

Group

Group demand in Brunswick is largely youth athletics and SMERF demand. Currently, the hotels in Brunswick are reportedly unable to accommodate large groups due to insufficient meeting space. The barrier islands have adequate meeting facilities for these groups, but are cost prohibitive for many government, social, and association groups. The proposed Oglethorpe Conference Center will be able to serve large groups that are currently turned away in the market. Between 2014 and 2016, group demand increased at a compound average annual rate of 6.3 percent. Group demand is projected to increase by an annual average rate of 5.3 percent from 2017 through 2023 due to the opening of the Oglethorpe Conference Center and SpringHill Suites in 2019.

Leisure

Leisure demand relates primarily to vacation travel and tourism. Between 2014 and 2016, leisure demand increased at a compound average annual rate of 6.4 percent. Leisure demand is projected to increase by an annual average rate of 3.4 percent from 2017 through

2023. The Brunswick market is full on roughly 50 weekend nights annually. The proposed SpringHill Suites will be able to accommodate demand on those peak nights that is currently turned away because the market is full.

Government

Government demand in Brunswick comes mainly from training at Glynco, but also includes limited Glynn County employee travel. Between 2014 and 2016, government demand increased at a compound annual average rate of 6 percent. Government demand is projected to increase by an annual average rate of 3.4 percent from 2017 through 2023. The projected growth rate reflects the opening of the SpringHill Suites, Hilton Garden Inn, and Home2 Suites in 2019.

Overall, supply and demand are expected to increase at a compound annual average 5.4 and 3.9 percent respectively from 2017 through 2023. Demand growth projections are conservative when compared with historical demand growth from 2006 through 2016, as shown in the table on page 19.

Projections

Penetration Analysis

The table following presents market penetration projections for the proposed SpringHill Suites.

SpringHill Suites Penetration Analysis					
Segment	2019	2020	2021	2022	2023
SpringHill Suites	90	90	90	90	90
Fair Share Demand	9%	9%	9%	9%	9%
<i>Corporate</i>					
Fair Share Demand	9,001	9,271	9,549	9,836	9,836
Penetration	50%	50%	50%	50%	50%
Capture	4,500	4,635	4,775	4,918	4,918
Mix	23%	21%	21%	21%	21%
<i>Group</i>					
Fair Share Demand	3,379	3,548	3,619	3,691	3,691
Penetration	205%	245%	245%	245%	245%
Capture	6,927	8,693	8,867	9,044	9,044
Mix	35%	40%	40%	40%	40%
<i>Leisure</i>					
Fair Share Demand	5,954	6,073	6,194	6,318	6,318
Penetration	70%	70%	70%	70%	70%
Capture	4,168	4,251	4,336	4,423	4,423
Mix	21%	19%	19%	19%	19%
<i>Government</i>					
Fair Share Demand	4,246	4,458	4,592	4,730	4,730
Penetration	95%	95%	95%	95%	95%
Capture	4,034	4,235	4,362	4,493	4,493
Mix	21%	19%	20%	20%	20%
<i>Total</i>					
Fair Share Demand	22,580	23,350	23,954	24,575	24,575
Penetration	87%	93%	93%	93%	93%
Capture	19,629	21,815	22,340	22,878	22,878
Occupancy	60%	66%	68%	70%	70%
Source: The Highland Group					

A penetration analysis was performed to assess how well the proposed SpringHill Suites would compete in each segment of demand. The formula for penetration is room nights of demand captured by a hotel divided by that hotel's fair share of demand. Fair share is the ratio of the hotel's rooms to the number of competitive rooms in the market area. All else being equal, each hotel would have 100 percent penetration; however, hotels differ in their degree of competitiveness across the segments. Strong potential performance is reflected in penetration rates above 100 percent.

Penetration in each segment of demand is discussed in the paragraphs following.

Corporate

The SpringHill Suites will be located further from most of the corporate demand generators than the other competitive hotels in the market. However, as one of the newest hotels in the Brunswick market upon opening by a decade it will appeal to some business travelers. Penetration in the corporate segment is expected to 50 percent and room nights are forecast to be approximately 21 percent of the hotel's total room nights over the projection period.

Group

The SpringHill Suites location will be attractive to wedding and social events, as well as conferences held at the Oglethorpe Conference Center. Youth athletic events hosted at the North Glynn Recreation complex are less likely to utilize the proposed hotel than its competitors because those hotels are closer to the complex. Despite this, penetration in the group segment is projected to be 205 percent in 2019, increasing to 245 percent thereafter. Group guests are expected to account for about 40 percent of room nights at the SpringHill Suites. These rates of penetration assume that the Oglethorpe Conference Center opens by 2019 and that it will attract conferences and groups that cannot currently be accommodated in the market.

Leisure

The SpringHill Suites would appeal to leisure guests due to its location in historic downtown Brunswick where there are boutique shops and restaurants. The hotel would also be attractive to travelers looking for a walkable environment. Penetration in the leisure segment is expected to be 70 percent and room nights are forecast to be approximately 19 percent of the hotel's total room nights over the projection period.

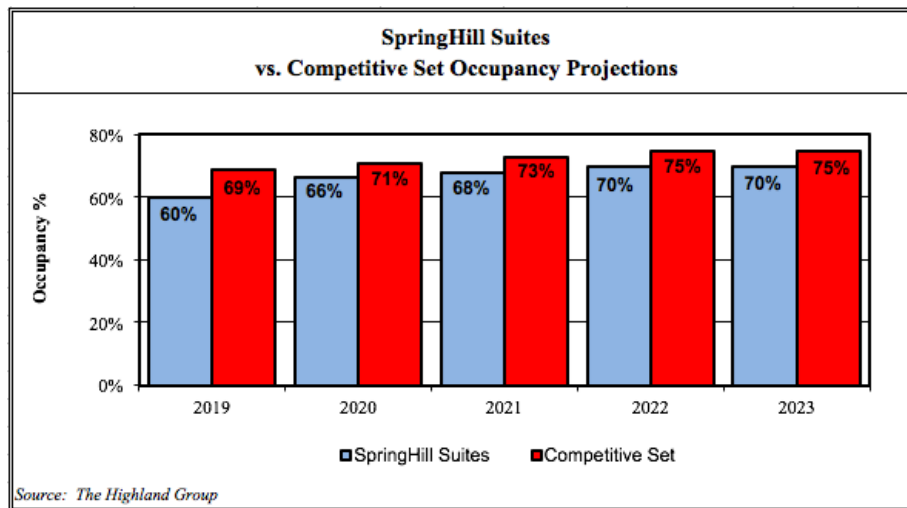
Government

The SpringHill Suites would be the closest hotel to the Glynn County offices in downtown Brunswick, but would be one of the furthest hotels from Glynnco the largest government demand generator in the market. Consequently, the proposed SpringHill Suites is positioned to achieve a 95 percent government penetration rate throughout the projection period. Government demand is projected to account for roughly 20 percent of the hotel's total room nights over the projection period.

Overall market penetration is projected to range from 87 to 93 percent over the projection period.

Occupancy

The graph below illustrates the Proposed SpringHill Suites' occupancy compared to the competitive market over the projection period.



Despite being the newest upscale limited-service hotel in Brunswick, the proposed SpringHill Suites is expected to underperform the market occupancy throughout the projection period. This is due to its location in the downtown area that is still revitalizing and its distance from Glynco and many of the corporate demand sources in the market.

Average Rate

Average rates are based on current and projected rates at competitive hotels. In the table following hotels are sorted in descending order of estimated projected average rate in 2019 dollars.

Competitive Hotel Average Rate Projections								
Hotel	2016	2017	2018	2019	2020	2021	2022	2023
Embassy Suites	\$130-134	\$135-139	\$140-144	\$140-144	\$140-144	\$145-149	\$145-149	\$150-154
Hampton Inn Suites	\$120-124	\$125-129	\$130-134	\$130-134	\$135-139	\$135-139	\$140-144	\$145-149
Courtyard	\$115-119	\$120-124	\$125-129	\$125-129	\$130-134	\$130-134	\$135-139	\$140-144
Holiday Inn	\$115-119	\$120-124	\$125-129	\$125-129	\$130-134	\$130-134	\$135-139	\$135-139
SpringHill Suites	-	-	-	\$120	\$126	\$129	\$131	\$134
Fairfield Inn & Suites	\$95-99	\$100-104	\$105-109	\$105-109	\$105-109	\$105-109	\$110-114	\$110-114
Country Inn & Suites	\$90-94	\$95-99	\$95-99	\$95-99	\$100-104	\$100-104	\$105-109	\$105-109
Comfort Suites	\$90-94	\$90-94	\$95-99	\$95-99	\$95-99	\$100-104	\$100-104	\$105-109
Best Western Plus	\$85-89	\$90-94	\$95-99	\$95-99	\$95-99	\$95-99	\$100-104	\$100-104

Source: The Highland Group

The SpringHill Suites would be priced below the Embassy Suites, Hampton Inn & Suites, Courtyard, and Holiday Inn because of their quality, brand positioning, and location closer to Glynco. However, the SpringHill Suites will be one of the newest and best quality hotels in Brunswick and it should achieve a higher rate than the Fairfield Inn & Suites, Country Inn & Suites, Comfort Suites, and Best Western Plus.

The following table shows average rate by demand segment projected for the SpringHill Suites.

SpringHill Suites Average Rate by Segment					
Segment	2019	2020	2021	2022	2023
<i>Corporate</i>					
Room Nights	4,500	4,635	4,775	4,918	4,918
Rate	\$118	\$123	\$123	\$123	\$123
<i>Group</i>					
Room Nights	6,927	8,693	8,867	9,044	9,044
Rate	\$100	\$105	\$105	\$105	\$105
<i>Leisure</i>					
Room Nights	4,168	4,251	4,336	4,423	4,423
Rate	\$120	\$125	\$125	\$125	\$125
<i>Government</i>					
Room Nights	4,034	4,235	4,362	4,493	4,493
Rate	\$136	\$136	\$136	\$136	\$136
Current Dollar Average Rate	\$116	\$119	\$119	\$119	\$119
Inflation	2%	2%	2%	2%	2%
Inflated Average Rate	\$120	\$126	\$129	\$131	\$134
<i>Source: The Highland Group</i>					

The government rate would be the highest because the per diem rates for Brunswick are relatively high. The leisure rate would be the second highest at the hotel because of strong tourism to the market. The corporate rate is discounted due to the hotel's distance from most of the corporate generators in the market. And the group rate is the lowest because of the discount typically offered to attract group business.

Overall average rate in 2019 is projected at \$116 in 2017 dollars. Rates in current dollars are projected to increase in 2020 as opening discounts are phased out. Average rates are also increased by 2 percent annually over the projection period, in line with an anticipated general level of inflation.

Statement of Income and Expense

The statement of income and expense is based on the market analysis, assumptions and projections contained in this report. The statements are organized according to the *Uniform System of Accounts for Hotels* published by The American Hotel and Motel Association. Companies that operate hotels commonly use The *Uniform System of Accounts*, which is also the industry standard for comparative statistics developed for hotels of all types. In the *Uniform System of Accounts*, revenues and expenses for each revenue-producing department are categorized by department to show a departmental profit margin. Undistributed operating expense ratios are based on total revenues.

Income and expense estimates are based on the 2016 (2015 income and expenses) *Host Report* by STR. Income and expenses from these sources have been adjusted for inflation accordingly. The Host Report presents average income and expense data in terms of per occupied room, per available room and as a percent of revenue. Additionally, the report distinguishes by location, property size, property type, and region. Identifying parameters in the *Host Report* is small metro/town (location), upscale (class), and South Atlantic (region).

Inflation

Expenses are inflated by two percent general inflation annually throughout the projection period.

Departmental Revenues

Rooms

Room revenue is the product of 365 x Number of Rooms x Occupancy Rate x Average Daily Rate.

Other Operated Departments, Miscellaneous Income

Other Operated Departments, miscellaneous income pertains to revenue such as parking, vending, gift shop, rollaway bed rentals, and other revenue. *The Host Report* showed average other operated departments, miscellaneous income ranging from \$1.24 to \$6.86 per occupied room at limited-service hotels. Rentals and other income for the SpringHill Suites is estimated at \$2.50 per occupied room night and adjusted for inflation.

Departmental Expenses

Rooms

The Host Report showed average rooms expenses ranging from 19.9 to 26.8 percent of room revenue for limited-service hotels. The Rooms department expense at the SpringHill Suites is estimated at 25 percent of room revenues in first year declining to 23 percent in the fourth year, reflecting increases in occupancy and room revenue.

Other Operated Departments

Other operated departments expense in *The Host Report* ranged from \$0.66 to \$2.14 per occupied room night. Other operated departments, rentals and other expenses are estimated at \$1.50 per occupied room, adjusted for inflation, and are applied to the SpringHill Suites.

Undistributed Operating Expenses

Administrative & General

Administrative and general expenses include costs associated with administering the hotel such as staff salaries, office supplies, bad debt charges, legal fees, security, and other expenses. *The Host Report* shows administrative and general expenses range from 7.6 to 10.1 percent of total revenues at limited-service hotels. Administrative and general expenses are estimated to be 10 percent of revenues in the first year, declining to 9.5 percent of revenues by the third year at the SpringHill Suites.

Information & Telecommunications Systems

Information and telecommunications systems include expenses associated with offering high speed internet and telephone service. Telephone departmental expenses average range from \$107 to \$437 per available room in *The Host Report*. We have estimated the Information and telecommunications systems expense at the proposed hotel at \$275 per available room. This is adjusted for inflation and applied to the SpringHill Suites.

Marketing

Marketing expenses include costs associated with advertising and promoting the hotel. This includes salaries, billboards and an advertising and public relations budget. It also includes expenses related to frequent guest programs. Marketing expenses in *The Host Report* for limited-service hotels range 4.5 to 6.8 percent of total revenues. We estimate the marketing expense at the proposed SpringHill Suites will be 5 percent of revenues throughout the projection period.

Franchise Fee

We estimate a collective fee of 10 percent of room revenue will cover the expenses generated by operating a SpringHill Suites. Fees assessed by Marriott will include a royalty fee, marketing assessment, reservation fee and other charges.

Utilities

Utility expenses typically include electricity, sewer, gas and water. The utility expense in *The Host Report* ranges between \$3.91 and \$7.54 per occupied room. Additionally, utility costs in the South Atlantic region are estimated at \$4.83 per occupied room. We have estimated the utilities expense at the proposed hotel at \$4.85 per occupied room. This is adjusted for inflation and applied to the SpringHill Suites.

Property Operation & Maintenance

Property operation and maintenance expenses include payroll or related expenses for maintenance personnel, cost of repairs and maintenance of the building, furniture and grounds. *The Host Report* shows property operations and maintenance costs for limited service hotels ranging from \$1,082 to \$2,236 per available room. The proposed SpringHill Suites will be a brand-new hotel; therefore, we have estimated repairs and maintenance expense at the low end of the range at \$1,085 per available room and adjusted for inflation.

Management Fee

The Host Report shows a range of management fees from 1.5 to 3.4 percent of total revenues. We assume that the proposed hotel will be managed by a professional management company with experience successfully managing upscale hotels. A management fee of 3 percent of total revenues has been applied to the proposed hotel. This fee is a base management fee and does not include any incentive fees.

Fixed Charges

Insurance

Insurance expenses, including property, liability, health and workmen's compensation, range in *The Host Report* from \$246 to \$415 per room for limited-service hotels. We estimate insurance costs to be \$300 per available room in the first year and adjusted for inflation.

Property Taxes

Property taxes are estimated based on actual taxes paid by competitive hotels in Brunswick. Taxes paid at the Hampton Inn & Suites, Courtyard, and Embassy Suites ranged from \$362 to \$445 per room in 2016. The proposed SpringHill Suites would be superior quality to all three of these hotels. Therefore, we expect the proposed SpringHill Suites to have a higher tax assessment than those hotels. We utilized a property tax ratio of \$450 per available room for the proposed hotel and adjusted for inflation for future years

Replacement Reserve

According to the International Society of Hospitality Consultant's (ISHC's) study on hotel capital expenditures, new hotels spent an average of 3.2 percent of total revenues on capital expenditures (CapEx) during their first ten years of operation. CapEx is small during the first few years but increases over time. Moreover, the SpringHill Suites is a new development. CapEx is estimated at 3 percent throughout the projection period.

Statement of Income and Expenses SpringHill Suites												
Occupancy Average Rate	2019				2020				2021			
	60%				66%				68%			
	\$120				\$126				\$129			
	Total	Ratio to Sales	Amount per Available Room	Amount per Occupied Room Night	Total	Ratio to Sales	Amount per Available Room	Amount per Occupied Room Night	Total	Ratio to Sales	Amount per Available Room	Amount per Occupied Room Night
REVENUE												
Rooms	\$2,285,463	97.8%	\$26,270	\$120.45	\$2,657,203	97.9%	\$30,543	\$126.01	\$2,776,547	97.9%	\$31,914	\$128.57
Other Operated Departments	\$51,347	2.2%	\$590	\$2.71	\$58,206	2.1%	\$669	\$2.76	\$60,799	2.1%	\$699	\$2.82
TOTAL REVENUE	\$2,336,810	100.0%	\$26,860	\$123.15	\$2,715,409	100.0%	\$31,212	\$128.77	\$2,837,346	100.0%	\$32,613	\$131.39
DEPARTMENTAL EXPENSES												
Rooms	\$571,366	25.0%	\$6,567	\$30.11	\$637,729	24.0%	\$7,330	\$30.24	\$652,489	23.5%	\$7,500	\$30.21
Other Operated Depts & Rentals	\$30,808	60.0%	\$354	\$1.62	\$34,923	60.0%	\$401	\$1.66	\$36,479	60.0%	\$419	\$1.69
TOTAL DEPARTMENTAL EXPENSES	\$602,174	25.8%	\$6,922	\$31.74	\$672,652	24.8%	\$7,732	\$31.90	\$688,968	24.3%	\$7,919	\$31.90
UNDISTRIBUTED OPERATING EXPENSES												
Administrative & General	\$233,681	10.0%	\$2,686	\$12.32	\$264,752	9.8%	\$3,043	\$12.55	\$269,548	9.5%	\$3,098	\$12.48
Information & Telecommunications Systems	\$25,897	1.1%	\$298	\$1.36	\$26,415	1.0%	\$304	\$1.25	\$26,943	0.9%	\$310	\$1.25
Marketing/Sales	\$116,840	5.0%	\$1,343	\$6.16	\$135,770	5.0%	\$1,561	\$6.44	\$141,867	5.0%	\$1,631	\$6.57
Franchise Fees	\$228,546	10.0%	\$2,627	\$12.04	\$265,720	10.0%	\$3,054	\$12.60	\$277,655	10.0%	\$3,191	\$12.86
Utilities	\$99,613	4.3%	\$1,145	\$5.25	\$112,919	4.2%	\$1,298	\$5.35	\$117,949	4.2%	\$1,356	\$5.46
Property Operation & Maintenance	\$102,176	4.4%	\$1,174	\$5.38	\$104,220	3.8%	\$1,198	\$4.94	\$106,304	3.7%	\$1,222	\$4.92
TOTAL UNDISTRIBUTED OPERATING EXPENSES	\$806,754	34.5%	\$9,273	\$42.52	\$909,797	33.5%	\$10,457	\$43.14	\$940,267	33.1%	\$10,808	\$43.54
GROSS OPERATING PROFIT	\$927,882	39.7%	\$10,665	\$48.90	\$1,132,960	41.7%	\$13,023	\$53.73	\$1,208,111	42.6%	\$13,886	\$55.94
Management Fee	\$70,104	3.0%	\$806	\$3.69	\$81,462	3.0%	\$936	\$3.86	\$85,120	3.0%	\$978	\$3.94
INCOME BEFORE FIXED CHARGES	\$857,778	36.7%	\$9,860	\$45.21	\$1,051,498	38.7%	\$12,086	\$49.86	\$1,122,991	39.6%	\$12,908	\$52.00
FIXED CHARGES												
Insurance	\$28,251	1.2%	\$325	\$1.49	\$28,817	1.1%	\$331	\$1.37	\$29,393	1.0%	\$338	\$1.36
Property Tax	\$41,546	1.8%	\$478	\$2.19	\$42,377	1.6%	\$487	\$2.01	\$43,225	1.5%	\$497	\$2.00
Replacement Reserve	\$70,104	3.0%	\$806	\$3.69	\$81,462	3.0%	\$936	\$3.86	\$85,120	3.0%	\$978	\$3.94
TOTAL FIXED CHARGES	\$139,902	6.0%	\$1,608	\$7.37	\$152,656	5.6%	\$1,755	\$7.24	\$157,738	5.6%	\$1,813	\$7.30
AMOUNT AVAILABLE FOR DEBT SERVICE	\$717,875	30.7%	\$8,251	\$37.83	\$898,842	33.1%	\$10,332	\$42.62	\$965,253	34.0%	\$11,095	\$44.70
Source: The Highland Group												

Statement of Income and Expenses SpringHill Suites								
Occupancy Average Rate	2022				2023			
	70%				70%			
	\$131				\$134			
	Total	Ratio to Sales	Amount per Available Room	Amount per Occupied Room Night	Total	Ratio to Sales	Amount per Available Room	Amount per Occupied Room Night
REVENUE								
Rooms	\$2,901,319	97.9%	\$33,348	\$131.19	\$2,959,346	97.9%	\$34,015	\$133.82
Other Operated Departments	\$63,508	2.1%	\$730	\$2.87	\$64,779	2.1%	\$745	\$2.93
TOTAL REVENUE	\$2,964,828	100.0%	\$34,078	\$134.06	\$3,024,124	100.0%	\$34,760	\$136.74
DEPARTMENTAL EXPENSES								
Rooms	\$667,303	23.0%	\$7,670	\$30.17	\$680,650	23.0%	\$7,824	\$30.78
Other Operated Depts & Rentals	\$38,105	60.0%	\$438	\$1.72	\$38,867	60.0%	\$447	\$1.76
TOTAL DEPARTMENTAL EXPENSES	\$705,409	23.8%	\$8,108	\$31.90	\$719,517	23.8%	\$8,270	\$32.53
UNDISTRIBUTED OPERATING EXPENSES								
Administrative & General	\$281,659	9.5%	\$3,237	\$12.74	\$287,292	9.5%	\$3,302	\$12.99
Information & Telecommunications Systems	\$27,482	0.9%	\$316	\$1.24	\$28,032	0.9%	\$322	\$1.27
Marketing/Sales	\$148,241	5.0%	\$1,704	\$6.70	\$151,206	5.0%	\$1,738	\$6.84
Franchise Fees	\$290,132	10.0%	\$3,335	\$13.12	\$295,935	10.0%	\$3,402	\$13.38
Utilities	\$123,206	4.2%	\$1,416	\$5.57	\$125,671	4.2%	\$1,444	\$5.68
Property Operation & Maintenance	\$108,430	3.7%	\$1,246	\$4.90	\$110,599	3.7%	\$1,271	\$5.00
TOTAL UNDISTRIBUTED OPERATING EXPENSES	\$979,151	33.0%	\$11,255	\$44.28	\$998,734	33.0%	\$11,480	\$45.16
GROSS OPERATING PROFIT	\$1,280,268	43.2%	\$14,716	\$57.89	\$1,305,874	43.2%	\$15,010	\$59.05
Management Fee	\$88,945	3.0%	\$1,022	\$4.02	\$90,724	3.0%	\$1,043	\$4.10
INCOME BEFORE FIXED CHARGES	\$1,191,324	40.2%	\$13,693	\$53.87	\$1,215,150	40.2%	\$13,967	\$54.95
FIXED CHARGES								
Insurance	\$29,981	1.0%	\$345	\$1.36	\$30,580	1.0%	\$351	\$1.38
Property Tax	\$44,089	1.5%	\$507	\$1.99	\$44,971	1.5%	\$517	\$2.03
Replacement Reserve	\$88,945	3.0%	\$1,022	\$4.02	\$90,724	3.0%	\$1,043	\$4.10
TOTAL FIXED CHARGES	\$163,015	5.5%	\$1,874	\$7.37	\$166,275	5.5%	\$1,911	\$7.52
AMOUNT AVAILABLE FOR DEBT SERVICE	\$1,028,309	34.7%	\$11,820	\$46.50	\$1,048,875	34.7%	\$12,056	\$47.43
Source: The Highland Group								

ADDENDUM

COMPETITIVE HOTEL PHOTOS



Embassy Suites Brunswick



Hampton Inn & Suites Brunswick



Courtyard Brunswick



Fairfield Inn & Suites Brunswick



Holiday Inn Brunswick



Comfort Suites Brunswick



Best Western Plus Brunswick



Country Inn & Suites Brunswick