Hotel R & D, LLC
Hotel Research & Development

HOTEL MARKET AND FEASIBILITY ANALYSIS

BERLIN, WISCONSIN

MAY, 2015

Market/Feasibility Studies; Site Location; Development Ventures
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HOTEL MARKET STUDY

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May 12, 2015

In accordance a request by the City of Berlin, I have completed a hotel market analysis for the Berlin, Wisconsin market in relation to the development of a new hotel.

As in all studies of this type, the estimated results are based upon competent and efficient management and presuotelme no significant changes in the competitive position of the lodging industry in the immediate area from that set forth in this report. The conclusions reached are based upon my present knowledge of the competitive area as of the completion of my fieldwork and research in May, 2015. The terms of our engagement are such that I have no obligation to revise this report or the estimated operating results to reflect events or conditions, which occur subsequent to the date of completion. However, I am available to discuss the necessity for revisions in view of changes in the economic or market factors affecting the proposed development.

Since the estimated results are based upon estimates and assumptions, which are subject to uncertainty and variation, I do not include the possible impact of government restrictions or environmental regulations on the project except those set forth in this report.

This study has been specifically designed to address the development of a new hotel to be located in Berlin, Wisconsin.

I would like to thank you for the opportunity to provide assistance in this project. I would be pleased to hear from you if I can be of any further assistance in the interpretation and application of these findings and conclusions.

Sincerely,

Michael P. Lindner

Michael P. Lindner
Hotel R&D, llc

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CONCLUSIONS

Based on the fieldwork and analysis performed for this study, it is determined that the Berlin, Wisconsin market area would support new lodging development. The introduction of a new mid-priced hotel brand at this growing business hub location will target a high volume of commercial/business travelers along with a strong seasonal tourism push.

The conclusions of this study determine that the Berlin market could support a new 50-room middle to mid-upscale property, as defined by Smith Travel Research (see addendum). It is recommended that the property offers a majority of standard rooms as well as a manageable number of suites (20% - 30%) that offer more long-term functional features than luxury related amenities. The Performance Projections below are based on a 50-room mid-upscale hotel with approximately 15 various suites.

Projected Performance (first full year)

	Breakeven	**Full Year 1**	Year 3 (stabilization)
Occupancy:	40.00%	54.00%	60.00%
Average Daily Rate:	$78.00	$80.00	$84.00

Five-Year Annual Projections*

	Occ	**Areawide****	**ADR**	**Areawide**	**Property RevPar**
Year 1	54%	54%	$ 80	$89.20	$43.20
Year 2	58%	59%	$ 84	$87.00	$48.72
Year 3	60%	62%	$ 86	$93.00	$51.60
Year 4	63%	63%	$ 88	$99.00	$55.44
Year 5	65%	65%	$ 90	$104.00	$58.50

* Projections based on current trends of competitive hotels, impact of 50 rooms on current occupancy levels and estimated rates included in this report. Further evaluation and detail is contained in the Demand analysis section of this study.
Estimated competitive occupancy and Average Daily Rates included in this report are based on an average of performance during the years 2010 - 2014. Information was provided by property management and staff, franchise personnel and local officials. This average is used to offset the extreme impact the recession periods from 2007- 2009 and to illustrate the likely trends based on a high and low occupancy period.

** Areawide includes Oshkosh, Ripon, Green Lake and Wautoma markets; Year 1 occupancy is based on impact of 50 additional rooms. Occupancy and ADR growth is based on past 5-year trends as illustrated by room tax collection and Smith Travel Research data.

Conclusions Support Summary

Occupancy

The Opening Year occupancy is slightly below the proposed hotels' "fair share" of total room demand in the competitive market area defined as Green Lake and Waushara Counties as well as Oshkosh. Specifically, the primary market includes the communities of Berlin, Wautoma and Green Lake.

The First Full Year occupancy is based on the property's fair share, plus traditional sell-outs dates reported by area hotel operators AND the penetration levels of market share achieved by similar properties evaluated in this report.

The Third Year occupancy (stabilization) projections are based on the proposed hotels' ability to capture the maximum penetration of demand markets (commercial, leisure, transient and group) that is currently reported. (See Demand Analysis, Table 4)

Annual occupancy growth is projected at an average of 4% for the second full year of operation due to the anticipated opening of additional competitive hotels. Annual growth levels to 3% by Year 3 and 2.5% by Year 5 are projected.

Average Daily Rate

The Opening Year ADR is based on the combined average rate of competitive mid-priced hotels in the defined market of described previously for an average of the years 2010-2014.

The **First Full Year** ADR is based on the following rate structure, including standard industry discounts. This rate structure is demonstrated in the Projections of Occupancy, Average Rate and Revenue in this report. The projection of ADR for the property's first year of operation is equal to the current (2014) average daily rate of competitive hotels in the Green Lake to Oshkosh Market Area. This sample includes upper economy, mid-priced and upscale hotel segments.

The Third Year the Average Daily Rate is based on current area wide averages plus calculated growth that is consistent with past trends of 2.0% annually.

Rate Structure

Projections of Average Daily Rate for the proposed hotel is based on the following rate structure, excluding special event rates:

Room Type	Rooms	Low	Shoulder	High
Standard	30-40	$ 79	$89	$129
Suite	10-20	$ 99	$129	$159

These rates and the room type mix may not represent the actual structure of the proposed hotel. Rates are based on local rate structures of competitive hotels and motels. Room mix is considered standard with similar competitive hotels.

Assumptions and Recommendations

Based upon the research and analysis conducted, this report concludes that the proposed development of a mid to upper mid-priced hotel to be located in Berlin, Wisconsin would have strong regional market support. It is the author's recommendation that the property incorporates no more than 50 sleeping rooms. Affiliation with a strong regional or national franchise will be vital to the successful operation of the proposed property, in conjunction with an experienced developer and operator.

It is recommended that the property be positioned as a mid to upper mid-priced hotel that will target middle to upper commercial market as well as leisure, group and limited transient demand markets.

It is also strongly recommended that indoor recreational amenities, such as a swimming pool, be incorporated within the proposed development. This feature allows for further enhancement of room rates as well as occupancy during peak and shoulder visitor seasons. A meeting room is a recommended option for the proposed development. Group function space equaling 2-3 existing room bays could serve a multipurpose for meetings, hospitality suites and enhanced sleeping accommodations. Providing dedicated meeting facilities could enhance the property's appeal to the locally and regionally generated corporate demand.

Final recommendations are that the property be positioned and marketed as a business class hotel yet maintain the services and features that are established by most common franchises. Growing corporate demand in the Berlin area should be targeted by a dedicated commercial hotel. Yet, the same property must appeal to the strong family-oriented leisure demand generated by local and regional events and other activities.

Site Analysis

Due to the current lack of newer, modern lodging operations in the City of Berlin, the specific location will not be subject to competitive factors as in other markets where a variety of hotels and motels exist. However, specific sites can offer advantages or create disadvantages beyond those of a competitive nature. Examples include visibility to traffic flow, accessibility to a variety of visitors and proximity to destination businesses and/or attractions.

One of the City of Berlin's attributes is the appearance of a vibrant downtown business district that offers a variety of support services ranging from restaurants to retail shops and general services. This positive downtown environment is further enhanced by the scenic ambiance of the Fox River. Future plans of the city include enhancing the river feature with river walks and structures that would invite people to the water front.

State Highway 91 serves Berlin as a main commercial route through the downtown business district serving as Huron Street on the east side of the Fox River bridge and Broadway Street on the west side. While Highway 49 South is an active commercial corridor leading to the Green Lake area, it appears to have fewer available building sites and less support services as the downtown business district.

Therefore, this study highly recommends development of a new hotel along the Highway 91 corridor.

During the fieldwork portion of this study, numerous sites, most with existing structures, were viewed and stated as "potentially available". However, any site with existing structures creates additional costs that may hinder new hotel development. Aside from the purchase of land currently held by multiple owners, demolition and abnormal site preparation could be prohibited.

The City of Berlin has established a Tax Incremental Financing District that includes many available and potential hotel sites in the downtown area. While this could help compensate the additional costs of development, the actual size of available sites may not be adequate for a new hotel structure and parking.

The two most prominent sites evaluated during the fieldwork portion of this study are 1) vacant, raw land located behind the City Inn and Banquet Hall on Broadway Street, west of downtown and 2) the soon-to-be former Kwik Trip Gas Station and Convenience Store located along Broadway near Mound Street. The descriptions below are designed to provide educated, fact-based opinions of the author. No prices have been discussed for reviewed.

Site 1

Site 1 is located on the western edge of the city on the north side of Broadway Street behind/adjacent to the City Inn Restaurant and Banquet Hall.

This site offers 16 raw acres and is adjacent to a likely room demand generator in the City Inn Banquet Hall. It is within close proximity of other support services including numerous food venues and several blocks from the new Walmart Super Center.

This site is currently raw, agriculture land vacant and set back from Broadway Street. The site's distance from the downtown business district does limit visibility and accessibility from the main traffic flow. However, it is located along the route from downtown to the growing west side commercial district.

Site 2

Site 2 is located at the soon-to-be former Kwik Trip site at Broadway and Mound Street. This site appears to be small but adequate for a 50-room hotel. It borders Webster Park and the City outdoor swimming pool with water park features. In addition, there are numerous support services including McDonalds, the new Kwik Trip and is 2 blocks from the Fox River. Site 2 is also within the TIF district.

There may be significant site preparation with Site 2 as common with former gas station locations. The size of the site may also require additional land purchases to accommodate proper parking regulations.

Accessibility and Visibility would be excellent on this site as the proposed hotel would be positioned closer to the streetscape and situated between Highway 49 North and Highway 49 South therefore, visible to traffic volume utilizing these routes through town.

Overall Ranking

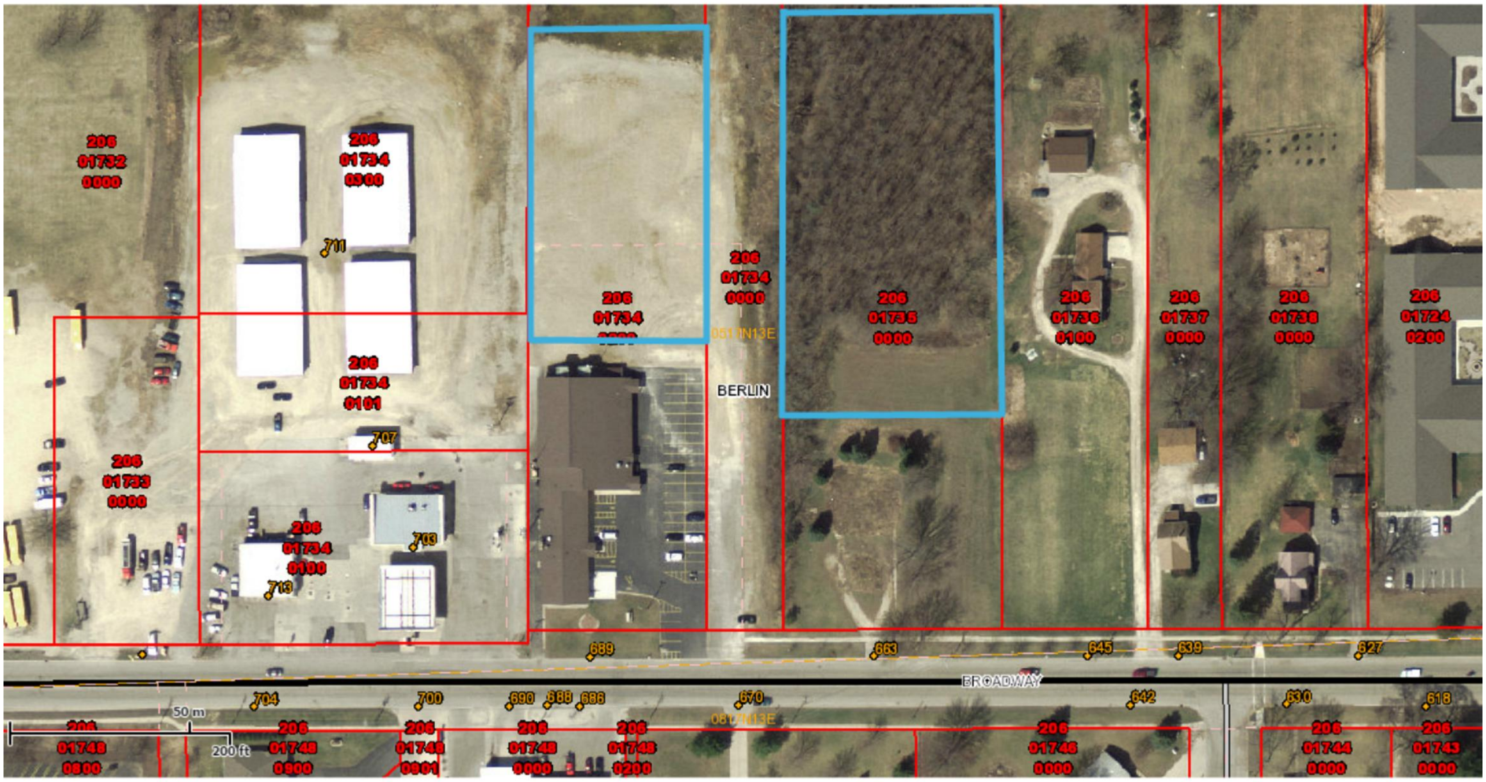
Based on the analysis of the two sites and other potential locations, a numerical rating of the sites was determined. Site Area 2 received the highest rating with a 35 out of 40 while Site 1 receives a 31 out of 40. It should be noted that this ranking is subjective and based on the authors experience with hotel marketing as well as development. It should also be noted, that the cost of development of Site 2 and its size with potential easements and boundaries could eliminate its' strength all together,

Site Analysis

Category	**Site 1**	**Site 2**
Accessibility	4	5
Visibility	3	5
Parking	5	3
Site Preparation	4	2
Utilities	4	5
Zoning	5	5
Guest Support Services	5	5
TIF/Incentives	1	5
Overall	**31**	**35**

GIS Viewer Map

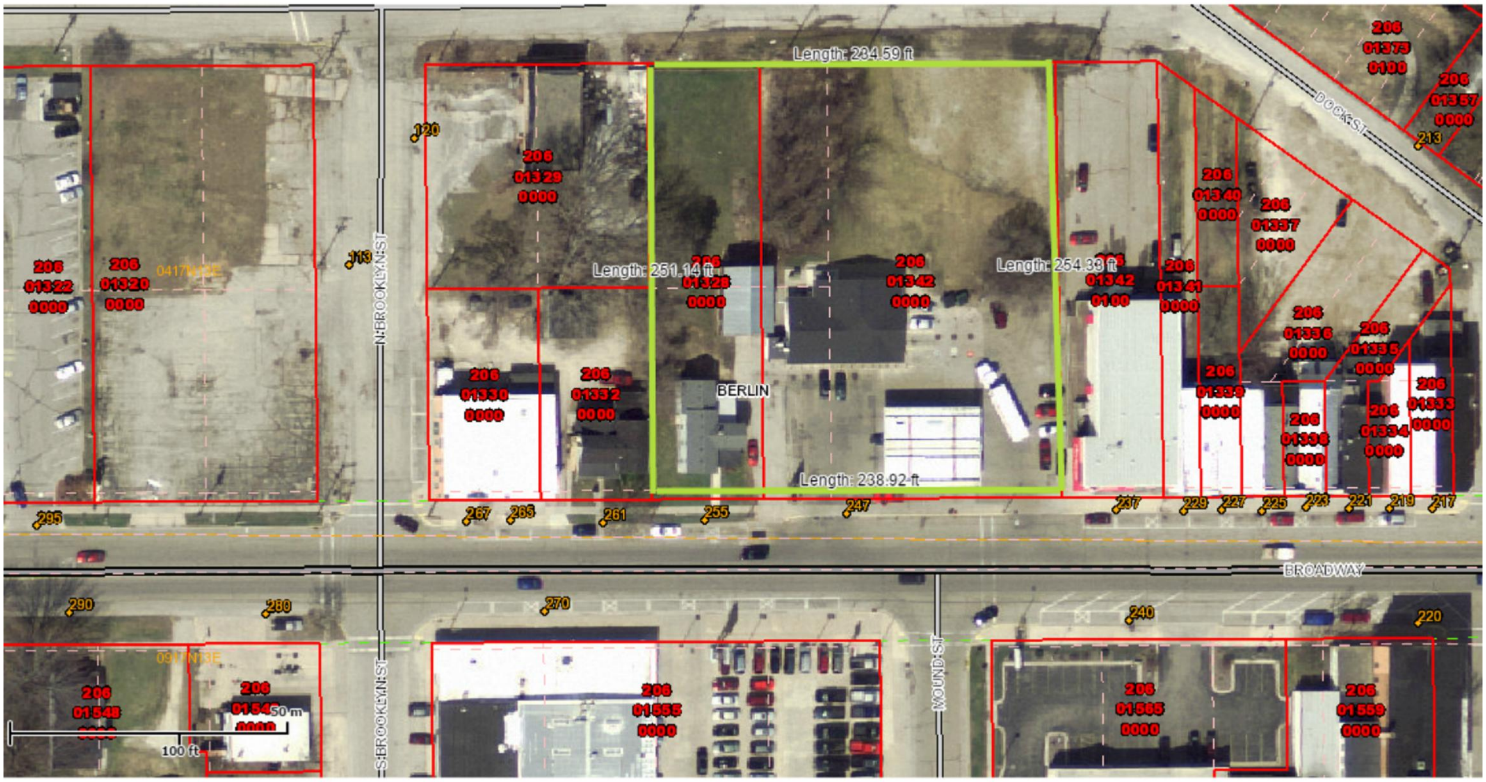
Green Lake County, WI



GIS Viewer Map. Green Lake County, WI. Tue May 5 2015 06:16:18 AM.

GIS Viewer Map

Green Lake County, WI



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Franchise Brand

Although there are no competitive hotels in Berlin, there are a number of resorts and inns around the Green Lake area that are capable of commanding higher rates than the competitive hotels that were evaluated. Many of these resorts and inns are considerably more upscale than the competitive hotels and attract a separate demographic of overnight guests. The $100 - $200 per night rate indicates visitors' willingness to pay a higher price for accommodations.

The proposed rate structure of a new hotel in Berlin closely mirrors those of the competitive properties in Oshkosh and Ripon. However, capturing more weekend and tourist-seasonal demand and less commercial and transient demand results in significantly higher average daily rates for the subject hotel. The model year, as demonstrated in the Calendar of Occupancy and ADR in this report uses a rate range of $69 weekday and $89-$129 on weekends and during special sell-out events. These are well within and somewhat below the averages commanded by competitive hotels in Oshkosh and Ripon.

The recommendation that the proposed hotel be positioned as a mid-scale, limited service class hotel offers the following national brands. Acceptance by a franchise company may be impacted by proximity of related franchises and size. The following are the most known regional and national hotel franchised that are defined as midscale properties.

AmericInn	regional recognition that was represented in Wautoma until 2011 and currently represented in Oshkosh.
Best Western	no presentation in immediate competitive market area; national and international recognition. Upscale representation in Oshkosh
Cobblestone	newer and rapidly growing franchise designed for secondary and tertiary markets represented in Oshkosh with sister properties (Boarders) in Wautoma and Ripon
GrandStay	newer and growing upper Midwest brand offering high-end furnishings; known for extended stay suite styles. Located in Appleton and other Wisconsin locations.
Quality Inn	one of the older franchises of Choice Hotels, Quality Inn has experienced a slight surge in conversion and new construction; sister brand of Comfort Inn and Econolodge.
Sleep Inn	another Choice Hotels brand that experienced rapid growth in the 1990's and early 2000.

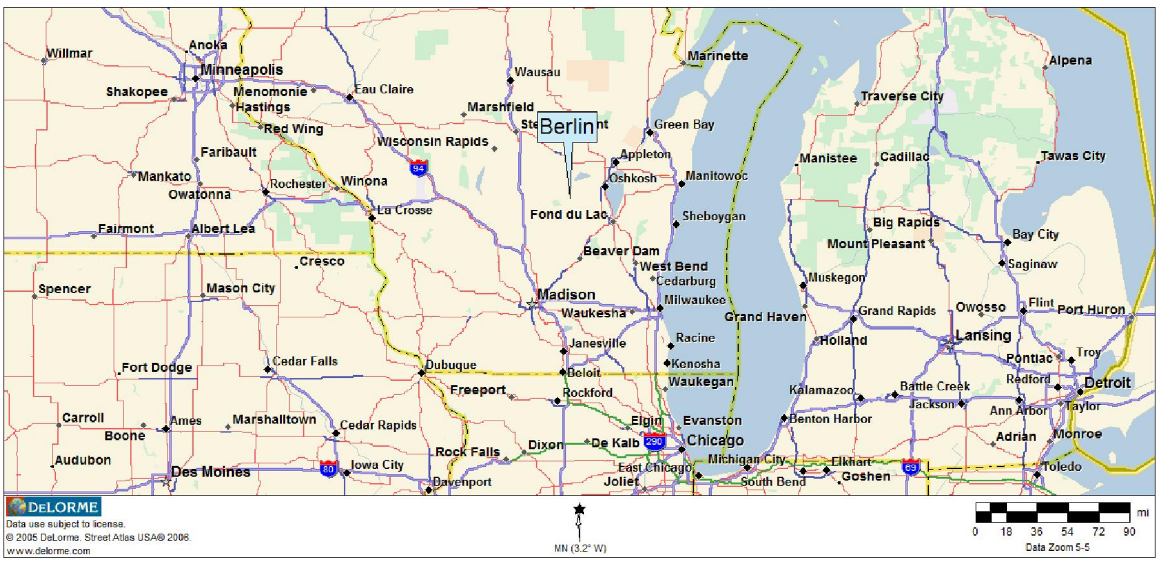
There are many other midscale franchises available although few have a strong following in the subject region. The conclusions in this report are not based on any particular franchise. However, consideration should be made in selecting a brand that is easily recognizable and marketable to the public. In addition, a brand with common franchise affiliations to properties in Oshkosh and other feeder markets could result in a greater volume of overflow and alternative lodging when these situations arise.

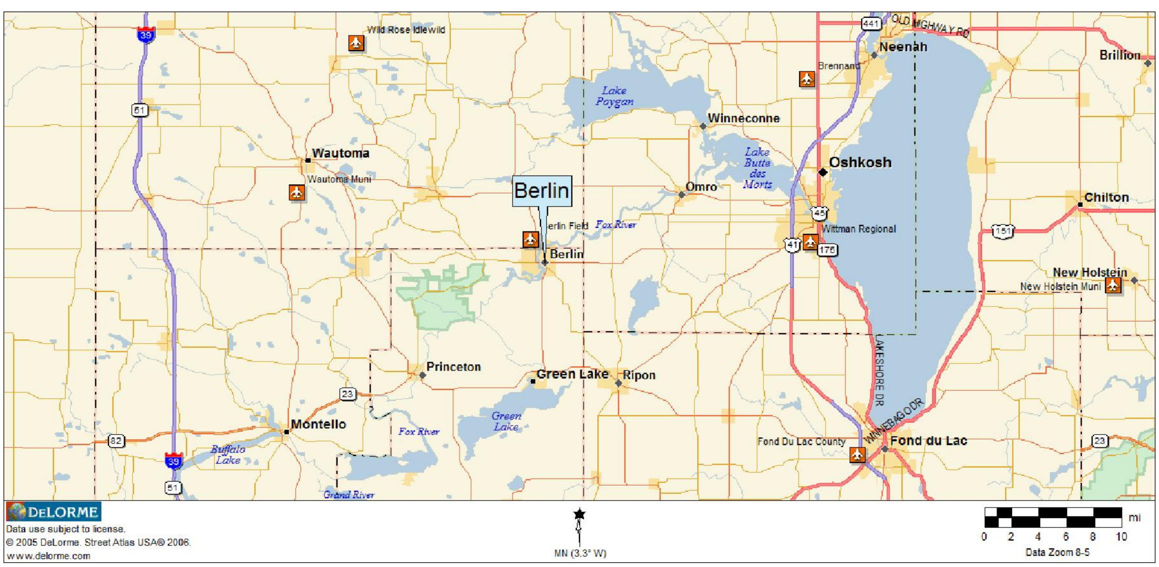
BERLIN, WISCONSIN
HOTEL MARKET STUDY

Market Description

The City of Berlin is located in central Wisconsin 27 miles west of the City of Oshkosh and 10 miles North of Green Lake and Ripon. It is the largest community in Green Lake County and a small portion extends into Waushara County.

Berlin has a current population of 5,524 (Census 2010) within the Green Lake County population of 19,151 (2010 census). Waushara County offers a population of 24,469 while neighboring Marquette County has a population of 15,217. Winnebago County to the East has a population of 168,690 and includes much of the "Fox Cities" region with Oshkosh, Neenah and Menasha.

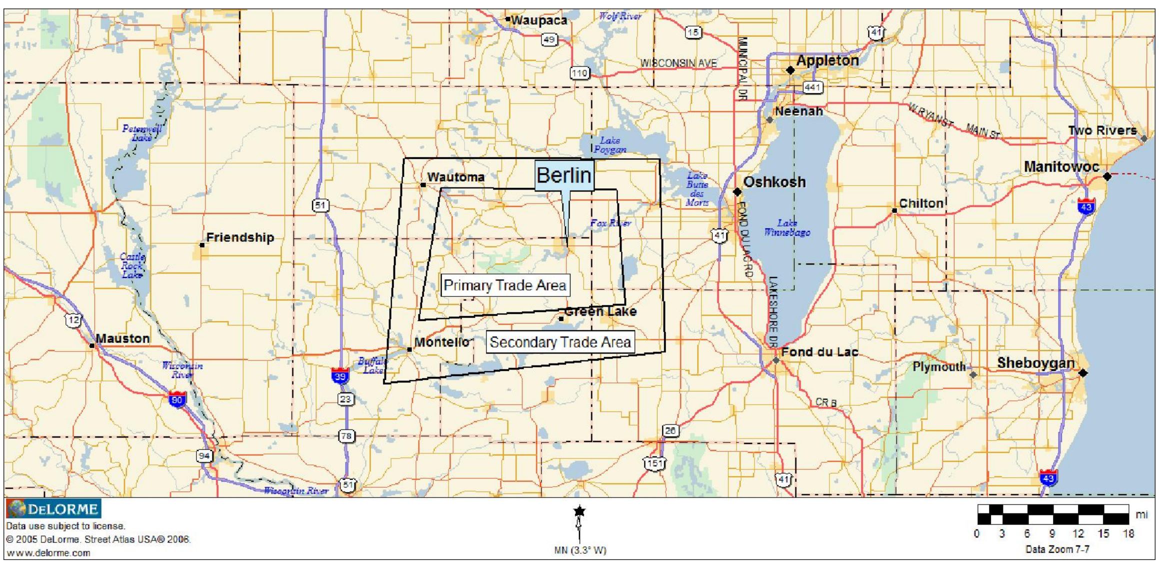




Trade Area

According to a recent report created by Vierbicher & Associates, a Wisconsin engineering and community planning company, the Trade Area of Berlin encompasses a population of 45,000 consumers. This expansive region is largely due to the recent location of a Super WalMart center in the city which has already spurred additional retail. While designed for retail and housing definitions, the "trade area" can be correlated with the demand markets for new lodging development. The "Primary" trade area, as defined by Vierbicher & Associates, is the region in which "*which represents the area from which the bulk of consumer demand is generated, or from which "at least 50 percent of all consumers within the boundary are most likely to travel to Berlin to shop"*. The Secondary Trade Area, according to Vierbicher, is the area "*which represents the area from which specialty shops or destination type retailers can be expected to draw customers*." Aside from specialty retail and service businesses, this report concludes that business and leisure visitors to the secondary market area would also utilize lodging operations in Berlin. This is due to the lack of competitive lodging and the availability of other key retail and service businesses.

The map below is a rough interpretation of the Primary and Secondary Trade Area for Berlin as defined by Vierbicher & Associates. This study indicates that businesses in these trade areas would also utilize Berlin for overnight accommodations.



If a "tertiary" trade area was to be defined for Berlin, it would expand into portions of Winnebago County to the east including the City of Oshkosh. While visitors and consumers of goods and services in this region have many options within Oshkosh, specialty retail and services in Berlin are known to attract customers from this region. Additionally, visitors to the Oshkosh area may be forced to find alternative lodging during certain periods and events when local hotels are full. Berlin would be a likely alternative market if qualified lodging was available.

The Demand Analysis section of this report list the potential demand generating businesses and events located in the Primary, Secondary and Tertiary Trade Areas.

Population

While local and regional population trends may not directly impact the performance of a hotel operation, they can represent growth, decline and stability of the subject market. In addition, the specific demographics can be correlated with future lodging demand growth related to local social activities including family gatherings such as weddings, funerals, reunions, etc.

Population figures tend to vary by source, especially historic trends and estimates. Data from this section is provided by the Wisconsin Department of Administration and the US Census Bureau.

The chart on the following page contains population trends for various regions and sub regions using data from the above stated sources. The Primary Market Area includes the Cities of Berlin, Green Lake, Wautoma and Ripon. Aside from the subject market of Berlin, the other communities are the closest and/or key service markets to Berlin. The respective counties are included.

Minor Feeder Markets are defined as the likely origins of visitors to the subject market or provide influence to area visitors. These may be target destinations of feeder markets that are unable to accommodate overnight visitors during certain periods or events when local lodging is full or unacceptable due to quality or rate structures.

Major Feeder Markets are the likely origin of visitors to the subject market and surrounding area.

Observations

Berlin population grew by 4.7% from 2000 to 2014 according to the Wisconsin Department of Administration. During the same period, Green Lake County population decreased by less than one percent while the State of Wisconsin population grew by 7.1%.

The City of Green Lake experienced a significant decrease in population from 2010 to 2014 which brought the County-wide population down by 1.1%. Still, the largest communities in the primary market – Berlin and Ripon, experienced steady growth. This could indicate a preference for the services, amenities and employment opportunities provided by the two larger cities over the smaller towns.

Meanwhile, the feeder markets, both regional and major metro areas, continue to grow in population offering an audience of over 15 million people within a 260 mile radius of Berlin.

Population Trends						
Area	**2000**	**2010**	**% chg**	**2014**	**% chg 2010-2014**	**Compound Annual chg**
Subject Market						
Berlin	5,222	5,435	4.1%	5,465	0.6%	**0.3%**
Green Lake	1,100	1,183	7.5%	961	-18.8%	**-1.0%**
Ripon	7,639	7,733	1.2%	7,795	0.8%	**0.1%**
Wautoma	1,998	2,218	11.0%	2,171	-2.1%	**0.6%**
Total	**15,959**	**16,569**	**3.8%**	**16,392**	**-1.1%**	**0.2%**
Subject Counties						
Green Lake County	19,105	19,051	-0.3%	19,114	0.3%	**0.0%**
Waushara County	23,066	24,496	6.2%	24,511	0.1%	**0.4%**
Marquette County	14,555	15,404	5.8%	15,399	0.0%	**0.4%**
Total	**56,726**	**58,951**	**3.9%**	**59,024**	**0.1%**	**0.3%**
Local Feeder Markets						
Winnebago County	156,763	166,994	6.5%	168,216	0.7%	**0.5%**
Outagamie County	161,091	176,695	9.7%	180,022	1.9%	**0.8%**
Fond du Lac County	97,296	101,633	4.5%	102,424	0.8%	**0.4%**
Total	**415,150**	**445,322**	**7.3%**	**450,662**	**1.2%**	**0.6%**
Metro Feeder Markets						
Chicago	9,098,316	9,461,105	4.0%	9,554,598	1.0%	**0.4%**
Milwaukee	1,500,741	1,555,908	3.7%	1,572,245	1.0%	**0.3%**
Minneapolis	3,031,918	3,348,859	10.5%	3,495,176	4.4%	**1.0%**
Madison	535,421	605,435	13.1%	633,787	4.7%	**1.2%**
Green Bay	282,599	306,241	8.4%	314,531	2.7%	**0.8%**
Total	**14,448,995**	**15,277,548**	**5.7%**	**15,570,337**	**1.9%**	**0.5%**

Source: Wisconsin Department of Administration; US Census Bureau

Along with the stability in population, Berlin has experienced significant expansion of the retail industry base. The recent opening of a Super WalMart Center not only expanded the "Trade Area" population but almost immediately attracted two additional retail businesses – O'Reilly Auto Parts and Tractor Supply. This expansion of retail businesses and related new employment is expected to attract new residents to the city. Thus, population trends are expected to continue an upward trend for the near future.

Market Economy

The following section reviews the general economic condition of Berlin and the surrounding market area as it pertains to the lodging industry. The economic stability of the region is measured by sales data obtained by the Department of Administration and Wisconsin Department of Revenue.

The economy of Green Lake County is primarily based on tourism. Much of the tourist industry in the county is centered around Green Lake, the deepest inland lake in Wisconsin, the Fox River and the other numerous natural resources throughout the region. Berlin, in contrast, appears to be much more diverse as it is home to the county's larger manufacturing, retail and healthcare employers. Generally speaking, Berlin is where visitors and residents from Green Lake, Waushara and Marquette Counties go for everyday goods and services.

Still, Berlin offers an equal amount of recreational based tourist attractions. The Fox River flows through the center of the downtown business district meandering northeast into the Winnebago System chain of lakes. Along the way is the Eureka Lock and Dam, the only remaining working lock system on the Fox River. Created in the 1870's the lock was recently renovated and restored by the Berlin Boat Club and others to revitalize its use for navigation and recreation. Southwesterly, the Fox flows through the White River Marsh Wildlife Area, a 12,000 acre refuge.

In addition to the natural attractions surrounding Berlin and Green Lake County, the region is also a well-established and historic resort destination. Green Lake is home to the state's oldest golf course – Tuscumbia Country Club, founded in the late 19th century. Several other world class courses including nearby Mascoutin Golf Course are located within a short distance of Green Lake and Berlin.

Heidel House Resort, one of Wisconsin's oldest resort spas is located on the northern end of Green Lake and has been continually updated to include a high quality conference center, health spa and variety of accommodations. A number of smaller "mom & pop" style resorts are also scattered throughout the county and surrounding region.

Employment and Sales by Industry

The chart in this section illustrates the change in Employment by Industry for Green Lake County as reported by the Wisconsin Department of Workforce Development. The primary goal in this analysis, as it pertains to the lodging industry, is to determine the strength and stability of employment sectors that tend to influence local lodging demand.

Manufacturing

Despite experiencing a 27% decline in the number of jobs from 2000 – 2014, the manufacturing industry in Green Lake County is still the largest employing sector. Badger Mining, a sand producing firm, has been around for over 100 years and is headquartered in Berlin. Magnum Products, a world-leader in mobile generators, light towers and other construction industry-based products, is located in one of Berlin's three industrial parks. Del Monte Corporation operates in Markesan, south of Berlin. Other manufacturers around the County specialize in products made from plastics to metals. Most of the NFL, NBA and college sport uniforms are produced at RAJ in Berlin.

Despite the decrease in employment of the manufacturing sector, the number of recorded manufacturing firms in Green Lake County actually increased by 63% from 2010 to 2013. Moreover, annual sales of manufactured goods increased by over 80% from 2010 – 2013 according to Wisconsin Department of Revenue.

Manufacturing companies, especially those located in Berlin and Green Lake County, tend to attract a strong volume of visitors. Company associates from other locations, vendors, suppliers, service and goods reps and government agency related staff are among the most frequent visitors to the manufacturing firms in the area.

Retail

Berlin is a primary retail hub to a population area twelve times its own population. The recent addition of a Super WalMart Center along with a vast number of franchise and independent retailers has expanded Berlin into a strong goods and service center to residents and visitors alike. The retail sector generates nearly 13% of the total employment in Green Lake. Similar to the manufacturing sector, retail employment opportunities decreased by 23% from 2010 to 2013. However, sales revenue of retail establishments increased by 16.5%.

Vierbicher & Associates engineering and community planning specialists, performed a detailed market analysis of Berlin in 2013. In its report, Vierbicher noted; "…*Berlin's position as a regional hub has created opportunities for retailers to tap into a broader customer pool and grow overall sales despite reduced spending at the household level. This regional capture is also reflected by the 6.2 percent increase in sales taxes collected at the County level in 2011.*

The chart of Sales based on County Tax collections expands the statement of strength of the retail sector in Green Lake County using County Sales Tax collections from 2010 – 2013. As the chart illustrates, Green Lake County retailers experienced a 16.5% increase in annual sales from 2010 to 2013. Neighboring Marquette County saw a near 15% increase and Waushara County experienced 9% growth.

While retail stores alone may not generate substantial overnight visitors, lodging customers are often attracted to an area where retail is located. Berlin has strong representation of national brand retail stores including:

Dollar General
O'Reilly Auto Parts
Tractor Supply
WalMart
Kwik Trip
BP Gas and C-Store
Shell Oil

In addition, Berlin is home to a variety of independent and unique retail shops that are well known for attracting out of town visitors (including occasional celebrities). This includes:

W.C. Russell Moccasins
Eskimo Comfort
Mike's Bike Shop
Ripon Athletics
Bohn Implements
Berlin Trophy & Specialty Products

Healthcare

Healthcare services generates nearly 15% of the total employment of Green Lake County and reported a 10 percent increase in jobs from 2010 to 2013. The majority of this employment is created by Berlin Hospital or better known as Community Health Network. This hospital "association" has evolved from one small hospital, serving the Berlin community, to include two hospitals, a nursing home, nearly two dozen outlying community clinics, a retail pharmacy and a rehabilitation program serving nine surrounding communities. Recently, the healthcare network became partners with Fox Cities Theda Clark Medical Center expanding the services of the Berlin center even greater.

CNH is also the single largest commercial room demand generator in the community of Berlin as well as the entire Green Lake County. Ranging from friends and family of hospital and assisted living patients to visiting nurses, doctors and equipment specialists, it is likely that healthcare related visitors are in the Berlin area every day.

Average Daily Patient Census	15
Inpatient visits	1,730
Surgery performed 2013	4,420
Emergency Room visits 2013	7,667
Juliette Manor residents	38

Currently, the Berlin Hospital provides a listing of hotels, motels, resorts and campgrounds located 8 to 28 miles from the hospital. No Berlin lodging is referenced by the hospital.

Government

The Government sector of employment includes local, county, regional, state and federal government agencies located in the area or involved in occasional activities in the region. Government related employment makes up over 15% of the county's jobs despite declining by 8.6% from 2010 to 2013.

Local and regional agencies that tend to attract occasional out of town visitors include:

- Circuit Court/District Attorney
- Emergency Management
- Health & Human Services
- Land Conservation
- UW-Extension
- Veteran Services

State and Federal agencies located or active in Green Lake County include:

- USDA
- Department of Transportation
- Department of Natural Resources
- Army Corp of Engineers

Other Employment Sectors

The **Utilities** sector of employment has a small role in the employment picture in Green Lake County and experienced a 37% drop in jobs from 2010 to 2013. However, utilities companies such as Alliant Energy (Berlin and other areas) can generate demand during as well as an occasional training program.

The **Construction** sector usually generates little demand for overnight accommodations. However, growth in the construction industry typically signals overall economic growth whether residential construction or commercial. The Construction sector in Green Lake County saw a 27% increase in jobs created from 2010 to 2013 and makes up 8% of the total regional employment.

Arts, Entertainment and Recreation employment experienced a 20% increase in employment between 2010 and 2013 and creates approximately 1% of the jobs in the area. Businesses in this sector not only attract overnight visitors but entertain visitors and residents already in the area.

Lodging and Food & Beverage

Accommodations and food & beverage businesses make up over 8% of the total employment in the area despite a nearly 16% decrease in job opportunities between 2010 and 2013. Most importantly, lodging accommodations experienced a nearly 18% increase in sales between 2010 and 2013. This will be evaluated closer in the Supply and Demand Sections of this report.

Green Lake County Employment by Industry				Percent of Employment		
	2000	2014	% chg	2000	2014	% chg
Crop/Livestock Production	170	171	0.6%	2.1%	2.3%	10.1%
Mining, quarry, extraction	111	56	-49.5%	1.4%	0.8%	-44.8%
Utilities	43	27	-37.2%	0.5%	0.4%	-31.3%
Construction	433	551	27.3%	5.4%	7.6%	39.2%
Manufacturing	1,821	1,319	-27.6%	22.8%	18.1%	-20.7%
Wholesale	116	129	11.2%	1.5%	1.8%	21.7%
Retail	1,219	938	-23.1%	15.3%	12.9%	-15.8%
Information	58	92	58.6%	0.7%	1.3%	73.6%
Finance/Insurance	188	282	50.0%	2.4%	3.9%	64.1%
Real Estate	62	46	-25.8%	0.8%	0.6%	-18.8%
Professional/Technical	127	92	-27.6%	1.6%	1.3%	-20.7%
Management	-	56	-	0.0%	0.8%	0.0%
Administrative	143	162	13.3%	1.8%	2.2%	24.0%
Educational Services	62	5	-91.9%	0.8%	0.1%	-91.2%
Health Care	981	1,080	10.1%	12.3%	14.8%	20.5%
Arts, Entertainment, Recreation	68	82	20.6%	0.9%	1.1%	32.0%
Accommodations & Food Service	708	596	-15.8%	8.9%	8.2%	-7.9%
Other Services	413	459	11.1%	5.2%	6.3%	21.6%
Government	1,263	1,155	-8.6%	15.8%	15.8%	0.1%
TOTAL	**7,986**	**7,298**	**-8.6%**			

Sources
East Central Wisconsin Regional Planning Commission - 2014
A Profile of SocioEconomic Measures of Green Lake County
by Economic Profile Systems - 2014 (for the year 2000)

Industry Sales and Per Capita Sales Trends

The chart on the following page presents the sales trends of key industries in Green Lake County and the surrounding counties of Marquette and Waushara based on County Sales Tax Collections reported by the Wisconsin Department of Revenue. In addition, Per Capita Sales are illustrated to present various industry revenues generated "per resident".

Observations

Overall, sales revenue of the selected industries – Manufacturing, Wholesale, Retail, Lodging and Eating & Drinking Places, increased by 15.8% from 2010 – 2013 in Green Lake County. By comparison, Marquette County experienced a nearly 25% increase in overall sales while Waushara County sales increased by 12.6%.

All three counties saw substantial growth in **Manufactured** goods ranging from 70 – 80% from 2010 to 2013. Whether caused by tweaks in the reporting functions of the Department of Revenue or actual increased sales, growth in this area is a positive influence on the lodging industry. Successful manufacturing companies tend to attract out-of-town visitors ranging from new employee recruits to company-related personnel.

Lodging Revenue in Green Lake County grew by nearly 18% from 2010 to 2013 compared to 3.3% growth in Waushara County and 30% in Marquette County. Incidentally, Marquette County lodging mostly consists of campgrounds, camp resorts, inns and small motels. In fact, Marquette County has no franchised or modern hotel accommodations. Still, its growth illustrates the popularity of the small campgrounds and resorts to visitors of the region. This is especially true during recessions and other economic downturns as family vacations tend to focus on less-expensive alternatives to larger and often more expensive lodging.

Eating and Drinking Place revenues decreased by 2.4% in Green Lake County and decreased by 9.5% in neighboring Marquette County. By contrast, Waushara County eating and drinking places experienced a 9.4% increase from 2010 to 2013.

Per Capita Sales at **Eating and Drinking Places** has one of the most significant roles in evaluating "per person" sales in the subject market when compared to Per Capita Income. In Green Lake County, per capita income grew by 23% between 2010 and 2013. Yet Eating and Drinking Place sales decreased by 2.4%. This can be an indication that local dining establishments are not attracting local residents – or at least less residents than previous years.

Sales Revenue by Industry and Per Capita Income and Sales

GREEN LAKE COUNTY

	2010		2011		2012		2013		% Chg 2010-2013	
Green Lake County	Sales	Places	Sales	Places	Sales	Places	Sales	Places	Sales	Places
Mfg	$ 3,738,600	49	$ 5,382,400	68	$ 6,823,400	72	$ 6,731,600	80	80.1%	63.3%
Wholesale	$ 20,174,200	155	$ 25,657,800	155	$ 21,825,000	137	$ 23,010,200	129	14.1%	-16.8%
Retail										
Gas					$ 5,679,600	11	$ 5,768,200	12	1.6%	9.1%
Total	$ 96,317,800	476	$ 102,315,000	509	$ 107,858,800	526	$ 112,225,800	528	16.5%	10.9%
Lodging	**$ 6,813,800**	**19**	**$ 7,737,400**	**21**	**$ 8,394,000**	**21**	**$ 8,022,400**	**17**	**17.7%**	**-10.5%**
Eat/Drink	$ 14,845,400	59	$ 14,334,200	64	$ 14,941,600	60	$ 14,491,200	79	-2.4%	33.9%
TOTAL	**$ 206,621,200**	**1125**	**$ 225,652,800**	**1204**	**$ 235,221,600**	**1227**	**$ 239,256,600**	**1232**	**15.8%**	9.5%
Population	**19,051**		**19,091**		**19,106**		**19,093**		0.2%	
Per Capita Income	**$ 35,671**		**$ 39,858**		**$ 42,693**		**$ 43,915**		23.1%	
Per Capita Sales										
Mfg	$ 196.24		$ 281.93		$ 357.13		$ 352.57		79.7%	
Wholesale	$ 1,058.96		$ 1,343.97		$ 1,142.31		$ 1,205.16		13.8%	
Retail										
Gas	$ -		$ -		$ 297.27		$ 302.11		1.6%	
Total	$ 5,055.79		$ 5,359.33		$ 5,645.28		$ 5,877.85		16.3%	
Lodging	$ 357.66		$ 405.29		$ 439.34		$ 420.17		17.5%	
Eat/Drink	$ 779.25		$ 750.84		$ 782.04		$ 758.98		-2.6%	
TOTAL	**$ 10,845.69**		**$ 11,819.85**		**$ 12,311.40**		**$ 12,531.12**		**15.5%**	

MARQUETTE COUNTY

	2010		2011		2012		2013		% Chg 2010-2013	
Marquette County	Sales	Places	Sales	Places	Sales	Places	Sales	Places	Sales	Places
Mfg	$ 4,211,400	31	$ 5,659,400	34	$ 5,595,000	35	$ 7,427,200	38	76.4%	22.6%
Wholesale	$ 7,373,800	89	$ 8,971,200	96	$ 9,067,600	101	$ 14,675,600	100	99.0%	12.4%
Retail										
Gas	$ 6,652,000	11	$ 6,657,600	11	$ 6,868,800	13	$ 6,682,600	12	0.5%	9.1%
Total	$ 55,417,800	417	$ 55,747,400	406	$ 60,058,200	410	$ 63,657,600	452	14.9%	8.4%
Lodging	$ 2,873,400	22	$ 3,315,600	18	$ 3,575,800	19	$ 3,749,400	18	30.5%	-18.2%
Eat/Drink	$ 12,641,800	54	$ 11,697,800	49	$ 11,325,000	44	$ 11,440,000	64	-9.5%	18.5%
TOTAL	**$ 126,168,200**	**888**	**$ 135,650,600**	**876**	**$ 141,902,000**	**881**	**$ 157,521,800**	**940**	**24.9%**	5.9%
Population	**$ 15,404**		**$ 15,392**		**$ 15,394**		**$ 15,376**		-0.2%	
Per Capita Income	**$ 28,969**		**$ 31,524**		**$ 32,474**		**$ 33,836**		**16.8%**	
Per Capita Sales										
Mfg	$ 273.40		$ 367.68		$ 363.45		$ 483.04		76.7%	
Wholesale	$ 478.69		$ 582.85		$ 589.03		$ 954.45		99.4%	
Retail										
Gas	$ 431.84		$ 432.54		$ 446.20		$ 434.61		0.6%	
Total	$ 3,597.62		$ 3,621.84		$ 3,901.40		$ 4,140.06		15.1%	
Lodging	$ 186.54		$ 215.41		$ 232.29		$ 243.85		30.7%	
Eat/Drink	$ 820.68		$ 759.99		$ 735.68		$ 744.02		-9.3%	
TOTAL	**$ 8,190.61**		**$ 8,813.06**		**$ 9,218.01**		**$ 10,244.65**		**25.1%**	

Sales Revenue by Industry and Per Capita Income and Sales – Continued

WAUSHARA COUNTY

		2010		2011		2012		2013		% Chg 2010-2013	
Waushara County		Sales	Places	Sales	Places	Sales	Places	Sales	Places	Sales	Places
Mfg		$ 4,452,400	53	$ 4,665,600	51	$ 4,614,800	58	$ 7,626,600	66	71.3%	24.5%
Wholesale		$ 16,879,000	132	$ 16,601,000	139	$ 19,321,400	142	$ 21,052,800	146	24.7%	10.6%
Retail											
	Gas	$ 8,348,400	21	$ 10,242,000	22	$ 10,901,800	21	$ 10,971,400	20	31.4%	-4.8%
	Total	$ 86,005,400	521	$ 91,262,200	546	$ 95,709,600	575	$ 94,079,800	555	9.4%	6.5%
Lodging		$ 6,003,600	21	$ 5,834,200	20	$ 6,166,200	20	$ 6,202,200	21	3.3%	0.0%
Eat/Drink		$ 16,201,800	61	$ 16,188,600	61	$ 17,667,200	64	$ 17,721,800	84	9.4%	37.7%
TOTAL		**$ 210,101,600**	**1197**	**$ 218,813,800**	**1229**	**$ 226,367,000**	**1285**	**$ 236,599,800**	**1286**	**12.6%**	7.4%
Population		24496		24531		24506		24481		-0.1%	
Per Capita Income		28910		32894		34762		36301		25.6%	
Per Capita Sales											
Mfg		$ 181.76		$ 190.19		$ 188.31		$ 311.53		71.4%	
Wholesale		$ 689.05		$ 676.74		$ 788.44		$ 859.96		24.8%	
Retail											
	Gas	$ 340.81		$ 417.51		$ 444.86		$ 448.16		31.5%	
	Total	$ 3,511.00		$ 3,720.28		$ 3,905.56		$ 3,842.97		9.5%	
Lodging		$ 245.08		$ 237.83		$ 251.62		$ 253.35		3.4%	
Eat/Drink		$ 661.41		$ 659.92		$ 720.93		$ 723.90		9.4%	
TOTAL		**$ 8,576.98**		**$ 8,919.89**		**$ 9,237.21**		**$ 9,664.63**		**12.7%**	

Economic Conclusions

This section identified and evaluated a wide variety of economic indicators ranging from population to employment. While Green Lake County is generally considered a tourist destination, the City of Berlin offers a more diverse business mix and thus, economic stability.

Employment, population, business development and local sales and income in most industries appears to be in an upward trend reflecting the economic rebound of the region, State of Wisconsin and U.S. The tourism industry, albeit somewhat seasonal and very reliant on weather conditions, also appears to be growing and quite diverse in its offerings.

The key strengths of Berlin for lodging development – aside from the limited number of overnight accommodations, include:

- Diverse business base with moderate to strong room demand generators
- Berlin is easily accessible to/from former US Highway 41 now Interstate 41 (approximately 18 miles east) and Interstate 39 (33 miles to the west)
- Generally, the healthcare industry, one of the county's largest employing industries, tends to be more recession-proof even during economic downturns.

- Berlin offers a strong seasonal surge in room demand generated by seasonal tourism

- Berlin offers quick and direct access to overflow demand generated by national and international-audience events in Oshkosh, Green Bay and other larger markets.

Potential weaknesses of the Berlin market for new lodging development include:

- ✓ With little or no modern lodging, Berlin is not known as a destination for overnight visitors.

- ✓ Alternative lodging markets with modern, recognizable hotels are located within 8 miles of Berlin.

- ✓ Oshkosh and its 981 hotel and motel rooms is only 20 minutes to the east and offers a substantially higher number of dining, shopping and entertainment opportunities to area visitors.

- ✓ Although the author of this study discovered a number of quality dining establishments, local business leaders and area visitors state a lack of diverse dining and entertainment.

- ✓ Hotel development at key locations close to the downtown business district could be financially difficult as most site require demolition of buildings and multiple ownership of existing properties. Those sites located in the city's TIF district could be less restrictive.

REGIONAL HOTEL MARKET AND COMPETITIVE LODGING SUPPLY

One of the key processes in projecting the potential rates and occupancy levels of a new hotel is evaluating the historic trends of the market area and competitive set of similar, nearby hotels. These factors help in determining future demand levels.

Class of Existing Lodging Operations

Currently, there are two lodging operations located in the city of Berlin. Both are small family-run motels each over 30 years old.

The **Riverside Motel**, located along the Fox River focuses on budget-conscious long-term stays although has rooms available for transient customers. It is not considered competitive with today's modern lodging.

The Countryside Motel is located along Highway 49 just south of the downtown business district. The 20-room property was built in 1984 and appears to cater to construction crews, transient travelers and leisure visitors. The property is listed for sale.

Generally, the Countryside Motel has a good overall appearance both exterior and interior although there are signs of aging and wear. Local business perception of the motel is mostly negative or non-existent.

The motel could become more competitive in the local market as an economy to mid-priced property. Current rate structures closely compete with larger hotels and resorts within an 8-10 mile radius often driving local visitors to the nearby communities for lodging needs.

Countryside Motel

Closest Competitive Lodging

The community of Green Lake offers 4 motels, 1 full service resort and 1 private conference center. **Heidel House Resort**, located on Big Green Lake is a premier, full service conference center resort complex offering a variety of high-end accommodations, dining, entertainment and spa services. While several local Berlin companies stated a preference for the resort, it is not considered competitive with the class of lodging recommended for Berlin. A new property will compete with the Heidel House in limited markets but including its 190 rooms in the competitive set would likely skew the performance projections of the competitive set.

The Green Lake Conference Center is a semi-private Christian retreat center with 304 varying room styles and conference facilities in a picturesque setting along Green Lake. Very well established as a specialty meeting and convention center, the Green Lake Conference Center is not competitive with traditional lodging operations.

The remaining properties in Green Lake are independent motels that are limited in competitiveness with a new modern hotel, but are among the closest properties to Berlin and capture a strong share of the room demand that would be targeted by a new hotel in the area. This propertied are:

Bayview Motel, a 17 room motel located on Green Lake offering lake resort amenities. Rooms vary from standard rooms to two room suites. Room décor consists of paneled walls consistent with older properties yet are clean and relatively updated. The property was built in 1965 and is currently for sale.

Bayview Motel – promotional photo by broker

Dartford Inn is a 30 room motel located near the intersection of Highways 49 and 23 north of Green Lake. The property opened in 1968 and offers a variety of room styles typical of an older family-operated motel. Photo is promotional.

Lakeside Motel is located in Green Lake near the north end of the lake. Lakeside is also a family run motel built in 1957. Despite being one of the older motels in the area, Lakeside gets positive ratings and is well maintained.

Despite having no true competitive similarities to a newer modern lodging operation, the properties above are the closest to Berlin and capture a share of the strong leisure demand generated in the region. Each property was also referenced by at least one of the businesses interviewed for this report.

The competitive properties frequently mentioned by Berlin area companies as preferred lodging of business travelers include three properties in the City of Ripon, approximately 8 miles south of Berlin. These properties are:

Property	Rooms	Opened
Boarders Inn	42	1992
Comfort Suites	72	2005
Welcome Inn	38	1971
	152	**1989**

In addition, there are two franchised motels in the city of Wautoma, approximately 30 miles northwest of Berlin. These properties are:

Property	Rooms	Opened
Boarders Inn	49	1999
Super 8	51	1991
	100	**1995**

Oshkosh Competitive Lodging

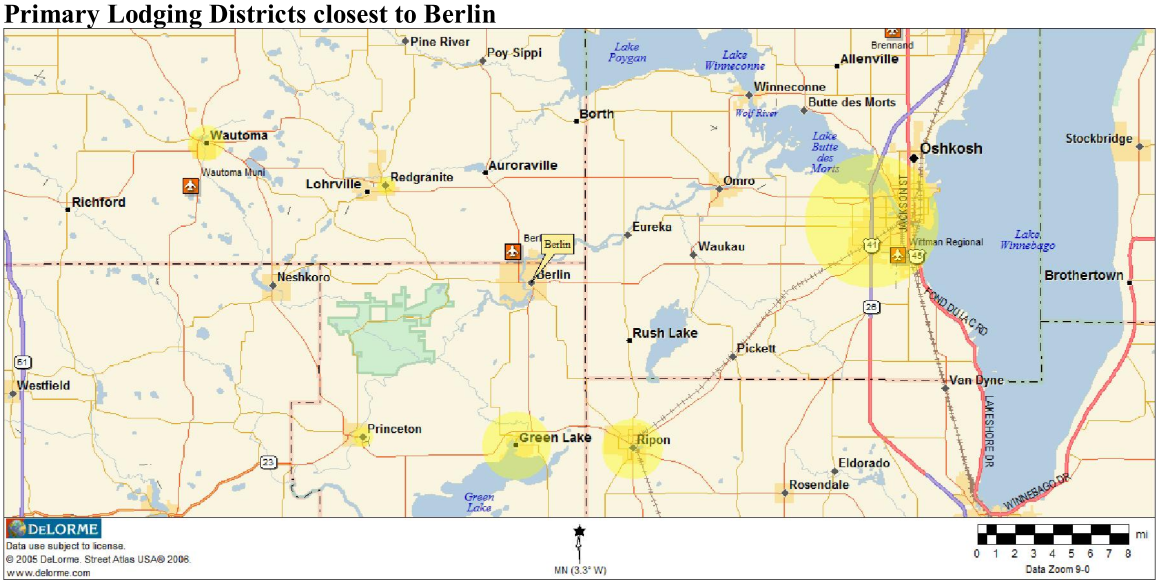
The most competitive lodging to the proposed hotel in Berlin may be those located in the City of Oshkosh, approximately 30 miles east. Numerous company representatives in Berlin stated a preference for lodging in Oshkosh due to the variety of accommodations and the greater variety of support services such as dining and entertainment.

Oshkosh currently has 11 competitive hotels and motels offering a total of 982 rooms.

Property	Opened	Rooms
Best Western Premier Waterfront Hotel & Convention Center	2013	176
AmericInn	1993	64
Comfort Suites	2008	80
Fairfield Inn & Suites	1992	54
Hilton Garden Inn	2001	126
La Quinta Inns & Suites	1973	96
Super 8	1987	61
Cobblestone Inn & Suites	2011	31
Hawthorn Suites	2001	77
Holiday Inn Express & Suites	1997	69
Motel 6	1971	96

The key competitive hotels in Oshkosh that would provide accommodations or services that are not available at facilities closer to Berlin include Best Western Premier, Hilton Garden Inn and possibly the Holiday Inn Express.

Primary Lodging Districts closest to Berlin



In addition to the hotels and motels listed above, there are numerous other lodging operations within a 30 mile radius of Berlin that offer some level of competitiveness with a new hotel in the subject market. These properties are listed on the charts on the following page to identify total lodging supply and projected demand in the region.

Berlin Area Lodging

Location	Distance	Property	Rooms	Opened	Low Weekend	Low Weekday	Mid Weekend	Mid Weekday	Peak Weekend	Peak Weekday	Special Events	Est Occ	Rms Sold	Avg Rate
Berlin	0	Countryside Lodge	20	1984	$ 79.99	$ 64.00	$ 86.65	$ 79.99	$ 89.99	$ 89.99	$ 159.99	35.0%	2555	$ 81.77
Total	**0**		**20**	1984	**$ 79.99**	**$ 64.00**	**$ 86.65**	**$ 79.99**	**$ 89.99**	**$ 89.99**	**$ 159.99**	**35.0%**	**2555**	**$ 81.77**
Green Lake	6	Dartford Inn	30	1968	$ 76.00	$ 76.00	$ 79.00	$ 67.00	$ 92.00	$ 92.00	$ 125.00	45.0%	4928	$ 80.33
Green Lake	6	Lakeside Motel	15	1957	$ 64.00	$ 44.00	$ 84.00	$ 44.00	$ 84.00	$ 84.00	$ 99.00	45.0%	2464	$ 67.33
Green Lake	7	Bayview Motel	17	1965	$ 65.00	$ 65.00	$ 65.00	$ 65.00	$ 120.00	$ 100.00	$ 120.00	60.0%	3723	$ 80.00
Total	**6.8**		**62**	**1963**	**$ 68.33**	**$ 61.67**	**$ 76.00**	**$ 58.67**	**$ 98.67**	**$ 92.00**	**$ 114.67**	**49.1%**	**11114**	**$ 75.89**
Ripon	7	Boarders	42	1992	$ 84.99	$ 71.99	$ 89.99	$ 84.99	$ 109.99	$ 89.99	$ 194.99	62.0%	9505	$ 88.66
Ripon	7	Comfort Suites	72	2005	$ 99.00	$ 88.00	$ 130.00	$ 100.00	$ 135.00	$ 115.00	$ 255.00	67.0%	17608	$ 111.17
Ripon	7	Welcome Inn	38	1971	$ 52.99	$ 52.99	$ 82.33	$ 69.00	$ 89.00	$ 89.00	$ 170.00	55.0%	7629	$ 72.55
Total	**7**		**152**	**1989**	**$ 78.99**	**$ 70.99**	**$ 100.77**	**$ 84.66**	**$ 111.33**	**$ 98.00**	**$ 206.66**	**62.6%**	**34741**	**$ 90.79**
RedGranite	10	Quarry Inn & Suites	40	2000	$ 49.00	$ 65.00	$ 55.00	$ 69.00	$ 79.00	$ 89.00	$ 189.00	40.0%	5840	$ 67.67
Total	**10**		**40**	**2000**	**$ 49.00**	**$ 65.00**	**$ 55.00**	**$ 69.00**	**$ 79.00**	**$ 89.00**	**$ 189.00**	**40.0%**	**5840**	**$ 67.67**
Wautoma	17	Boarders	49	1999	$ 85.99	$ 79.99	$ 85.99	$ 79.99	$ 105.99	$ 99.99	$ 133.00	60.0%	10731	$ 89.66
Wautoma	17	Super 8	51	1991	$ 92.66	$ 72.24	$ 86.99	$ 72.24	$ 88.99	$ 94.66	$ 149.59	63.0%	11727	$ 84.63
Total	**17**		**100**	**1995**	**$ 89.33**	**$ 76.12**	**$ 86.49**	**$ 76.12**	**$ 97.49**	**$ 97.33**	**$ 141.30**	**61.5%**	**22458**	**$ 87.14**
Oshkosh	**27**	**Ohkosh Area**	**981**	**1993**	**$ 89.00**	**$ 59.00**	**$ 111.00**	**$ 111.00**	**$ 119.00**	**$ 114.00**	**$ 320.00**	**62.0%**	**222000**	**$ 100.50**
TOTAL REGION		**REGION**	**####**	**1987.4**	**$ 90.93**	**$ 79.36**	**$ 103.18**	**$ 95.89**	**$ 119.10**	**$ 116.06**	**$ 226.32**	**60.4%**	**298,709**	**$ 100.75**

DEMAND FOR LODGING

The demand for lodging in Green Lake County is dominated by tourism and group related visitors. However, Berlin has the potential for a more balanced demand between leisure and commercial visitors. Berlin is home to a number of industrial and service-sector firms that attract visitors on a consistent basis. However, with the current lack of overnight accommodations, these visitors must seek lodging in other nearby markets. More often, these alternative markets are outside of Green Lake County.

Hotels in the cities of Oshkosh (27 miles east) and Ripon (16 miles southeast) currently reap the greatest benefit of commercial/corporate overnight demand generated in the Berlin area. Both of these alternative markets offer national brand recognizable lodging that is typically more appealing to corporate travelers. As the largest community in the subject region, Oshkosh also offers a greater number of dining and entertainment options. Still, based on comments made during interviews with local businesses, it is determined that a good quality branded hotel in Berlin would capture the majority of visitors to the Berlin area.

Even with the strong potential of corporate or commercial demand, tourism dominates the market economy and provides a spike in area occupancy and rate levels of hotels especially during peak summer months and the fall shoulder season. Annual area wide events and regional attractions throughout Central Wisconsin attract weekend visitors throughout the year including the traditionally slower winter season.

The City of Oshkosh hosts a number of annual events that fill hotels far beyond its 980 room daily capacity. Each summer, the Experimental Aircraft Association AirVenture attracts over 500,000 visitors from 64 countries filling area hotels for nearly the entire 10-day (including arrival periods). Room rates at area hotels typically quadruple from the average daily rates during this event.

Even certain Green Bay Packer games at Lambeau Field (74 miles northeast) often fill hotels within a 60-70 mile radius of Green Bay. While Berlin is just outside this typical boundary, visitors to the Green Bay/Fox Cities region during "game weekends" are usually forced to find lodging well within the Berlin boundaries.

The following section reviews and evaluates the sources of room demand that will most likely be targeted by a new hotel in the subject market area. Typically, the proposed hotel's share of existing demand, determined by nearby competitive hotels, would be used for occupancy projections. While this approach is used on a broad-scale competitive set, the lack of local competitive lodging requires a "build-up" approach to calculating occupancy and rate for the proposed hotel. This is presented in the "Calendar of Occupancy and Average Daily Rate" section that follows.

Commercial Demand

Commercial room demand is generated by visitors to area companies and organizations and tends to offer consistency throughout the year. It is also often difficult to estimate if companies don't track this activity – and most companies do not. However, interviews with local and regional companies can provide the best insight of potential demand. In addition, interviews with competitive hotel staff and local officials provide additional support.

Commercial activity accounts for 70% of the area wide hotel occupancy in the Northwest Suburbs according to the Greater Chicago County Convention & Visitors Bureau. Much of this demand is generated from a balance between Fortune 1000 corporate firms and medium-size manufacturing operations. Healthcare centers and retail businesses also generate large portions of the total demand for rooms in this region.

The largest companies in an area often generate the most room demand for area hotels. Among the major employers in Berlin and the surrounding region are:

AREA TOP EMPLOYERS

Company	Location	Employees
Community Health Network	Berlin/Green Lake	600
CARE Wisconsin Social Service	Green Lake	600
Grede Foundry	Berlin	317
Magnum Power	Berlin	330
Heidel House Resort	Green Lake	300
Green Lake Conf Center	Green Lake	250
Badger Mining Corporation	Berlin	180
Milsco Manufacturing	Red Granite	200
Ripon Athletic	Berlin	140
Flash Transport	Markeson	125
Juliette Manor	Berlin	116
Walmart	Berlin	115
Ripon Jacket	Berlin	100
Berlin High School	Berlin	95
Del Monte	Markeson	75
Berlin Middle School	Berlin	65
Berlin Historical Society	Berlin	50
F&M Banks	Berlin, etal	50
Wilson-Hurd	Berlin	50
Laser Excel	Green Lake	50

Source: *Wisconsin Department of Workforce Development*

The following page offers a brief summary of projected room demand by key companies available for interviews during the fieldwork portion of this study.

Key Commercial Demand Generators - Berlin Market Area

Alliant Energy	Training 1-2/month 3-4 days; natural disaster events draw crews 50-60 pp for 1-4 weeks; general expansion projects including road work and powerline maintenance also bring out-of-town personnel.
Badger Mining	Company has approximately 100 annual visits by direct company associates plus numerous "indirect" visits by vendors, suppliers, government agency personnel and others. Currently use Heidel House in Green Lake (offering $75 - $79 rate) and Comfort Suites in Ripon.
CHN	friends and family; product and procedure reps and install; visiting staff; 1-2 day training per month. Expansion into Theda Clark Network likely to generate greater amount of visitors during upcoming year.
Grede Foundry	Company doesn't track overnight visitors - can account for several company associates per month
Magnum/Generac	Strong visitations but most guests stay in Oshkosh or Appleton (offices and plants in both cities). Key reason is lack of dining and other entertainment in Berlin area.
Ripon Athletic	Estimate 2-3 reps (buyers, material) per week but unaware of where they stay.
Darling Intl	monthly visitors - 5-10 nights stay in Oshkosh
Wisconsin Spice	Occassional visits by suppliers, customers, social events (off-site)
Barbola Funeral	frequent requests - monthly, almost every event requires 1+ rooms
Dept of Transportation	Most visitors from region but occasional management or support crews from other areas
Dept of Natural Resources	special programs or events can bring 1-2 visitors to area
Department of Corrections	utilize Red Granite motel for training programs, visiting staff and related agency personnel stay in Oshkosh
Lifequest Services (Wautoma)	equipment reps, training programs and social functions each year utilize area hotels. Would use Berlin.
Walmart	supplier reps, drivers and company personnel usually visit multiple stores and will stay whereever schedule day ends (usually larger markets). Berlin central location could attract personnel.

Leisure Demand

Similar to many Wisconsin markets, Green Lake County area hotels and resorts enjoy strong occupancies during peak vacation months of summer. Much of the leisure demand generated in the region is outdoor recreation based.

Among the key demand generating attractions in the subject area are:

Attraction/Events	Location	Description
Green Lake	Green Lake	7,300 acre deepest inland lake in Wisconsin
		Boating, charter fishing, cruises
Fox River	Berlin	Fishing, boating
Eureka Dam & Locks	Berlin/Eureka	fishing, boating, scenic
Mascoutin Golf Course	Berlin	27-hole tournament site
Golf Courses @ Lawsonia	Green Lake	included oldest in state
Berlin Historical Society	Berlin	Museum of Local History
		Berlin Bottling Works Museum
		Huser Blacksmith Shop
		Clark School House
Thrasher Opera House	Green Lake	Performing Arts
Vines & Rushes Winery	Ripon	winery tours
Nordic Mountain SkiHill	Wautoma	skiing and mountain bike events
Mascoutin State Trail	Berlin -	state bike trail
State Snowmobile Trails	County wide	140 miles of groomed trails
White River Wildlife Area	County	12,000 acre public refuge
Grand River Marsh Area	County	7,000 acre public land
Princeton Flea Market	Princeton	largest outdoor weekly flea market
R&M Motors Auctions	Berlin	several annual farm/machinery auctions
Green Lake Bird Fest	Green Lake	annual watching and educational
Green Lake Fine Arts	Green Lake	annual arts & craft festival
Wis State Chili Cook off	Green Lake	growing annual event
Wine & Beer Extravaganza	Berlin	city event fundraiser
Bugle Mouth Bass Tourney	Berlin	Fox River tournament
Street Cruisers	Berlin	annual ride and car show
Walleyes for Tomorrow	Berlin	annual banquet and events
Harvest Fest	Green Lake	annual food and craft event
EAA AirVenture	Oshkosh	world famous air show
Country USA	Oshkosh	large country music fest
Snake Creek Wetlands Trail	Green Lake	bike and hiking trail

Sources: *Berlin Chamber of Commerce; Green Lake Convention & Visitors Bureau*

In addition, there are numerous other small retail shops, galleries, recreational activities (golf courses), cultural events and theatrical performance through various venues in the Green Lake County area.

These events and attractions lure participants, spectators and other visitors to the entire region each year. Although the proposed hotel may not always compete directly for some of this demand, the market still contributes to the overall strong summer and weekend occupancy in the area.

Area and regional events are also a major source of room demand for the subject market and throughout Central and Northeastern Wisconsin. Events throughout Oshkosh and as far away as Green Bay and Fond du Lac can attract enough visitors to generate demand for lodging in the subject market.

A listing of events, by month, is provided in the Calendar of Occupancy and ADR projections in this section.

Transient Demand

Highway transient demand is expected to be a minor but measureable source of room business for the proposed hotel. State Highway 91 is routed directly through the downtown Berlin business district as Huron Street. Highway 91 extends East to Interstate 41 in Oshkosh. West of Berlin, the state route becomes County Highway F traveling westward to Wisconsin Highway 73 at the edge of Green Lake/Marquette Counties.

State Route 49 is a well-traveled North-South route extending North to Shawano County at Highway 29 and South to Interstate 41 in Dodge County (Lomira). Locally, Highway 49 connects Berlin to Highway 21 in Waushara County and travels south to Green Lake.

Traffic counts from the East on Highway 91 are reported at **5,100** vehicles per day while traffic volume from the West is reported at **4,600** vehicles per day. Highway 49 reports **2,900** vehicles to the north of the city and **4,800** to the south.

Transient demand has always been correlated with highway traffic volume regarding potential visitors in route from one destination to another. However, today the correlation is diluted by the trends of fewer travelers making advanced reservations for their destinations. The ability to check rates and available through a plethora of online travel sites often results in literally last minute bookings or inquiries for accommodations.

Group Demand

Group demand in the Berlin/Green Lake County market area is primarily generated by social functions and tour business. Overflow group convention demand may be realized by events held at the Heidel House and Green Lake Conference Center in Green Lake, but less likely than functions held closer to Berlin.

The small meetings and banquet market is a potential source of room demand with only two true banquet and conference facilities in the community. The City Inn at the west end of town is a full service restaurant with banquet facilities for up to 250 people. The Mascoutin Golf Course at the southern edge of Berlin also caters banquet events for up to 240 guests. Weddings, corporate and social outings and civic events are held at both venues.

Another growing source of group demand for overnight accommodations is the youth nd adult amateur athletic market. While few regional or state tournaments were found during fieldwork for this study, Berlin and the surrounding communities have strong potential to host regional soccer, softball/baseball, basketball, dance and other athletic tournaments from “pee-wee” programs to high school functions.

Local Hotel Performance Trends

The following section reviews and evaluates the performance trends of the competitive hotels in the subject area. Through this evaluation, the projections of performance for the subject hotel are made.

Table 1: Area Competitive Markets and Overall Market Performance

This first table evaluates occupancy and rate performance of each competitive market area. Data is correlated with the Smith Travel Research report contained at this end of this section. Smith Travel Research is the leading lodging performance organization that gathers individual property data and provides this data in a regionalized analysis.

Berlin Competitive Supply													
			Off	Off	Mid	Mid	Peak	Peak	Rooms	Estimated	Rooms	Estimated	Average
Property	Rooms	Avg Yr	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Available	Occupancy	Sold	ADR	Single
Primary													
Berlin	20	1984	$ 79.99	$ 64.00	$ 86.65	$ 79.99	$ 89.99	$ 89.99	7300	35.0%	2555	$ 71.00	$ 81.77
Green Lake	62	1963	$ 68.33	$ 61.67	$ 76.00	$ 58.67	$ 98.67	$ 92.00	22630	49.1%	11114	$ 131.00	$ 75.89
Ripon	152	1989	$ 78.99	$ 70.99	$ 100.77	$ 84.66	$ 111.33	$ 98.00	55480	62.6%	34741	$ 103.00	$ 90.79
RedGranite	40	2000	$ 49.00	$ 65.00	$ 55.00	$ 69.00	$ 79.00	$ 89.00	14600	40.0%	5840	$ 133.00	$ 67.67
Wautoma	100	1995	$ 89.33	$ 76.12	$ 86.49	$ 76.12	$ 97.49	$ 97.33	36500	61.5%	22458	$ 137.00	$ 87.14
Oshkosh	981	1993	$ 89.00	$ 59.00	$ 111.00	$ 111.00	$ 119.00	$ 114.00	358065	62.0%	222000	$ 149.00	$ 100.50
TOTAL	**1355**	**1987**	**$ 75.77**	**$ 66.13**	**$ 85.99**	**$ 79.91**	**$ 99.25**	**$ 96.72**	**494575**	**60.4%**	**298709**	**$ 141.10**	$ 83.96

Table 2: Occupancy and Market Segment of Demand for Competitive Hotels

This table lists the occupancy of the Primary and Secondary competitive hotels and the estimated market segmentation of demand. The purpose of this chart is to determine which properties target the different types of room demand that exist in the area.

Occupancy and Market Segmentation												
Primary Competition												
			Rooms	Corporate		Leisure		Transient		Group/Other		
Property	Rooms	Occupancy	Sold	Percent	Rooms	Percent	Rooms	Percent	Rooms	Percent	Rooms	
Berlin	20	35.0%	2,555	50%	1,278	35%	894	10%	256	5%	128	100%
Green Lake	62	49.1%	11,114	10%	1,111	80%	8,891	5%	556	5%	556	100%
Ripon	152	62.6%	34,741	35%	12,159	35%	12,159	20%	6,948	10%	3,474	100%
RedGranite	40	40.0%	5,840	15%	876	70%	4,088	15%	876	0%	-	100%
Wautoma	100	61.5%	22,458	35%	7,860	50%	11,229	15%	3,369	0%	-	100%
Oshkosh	981	62.0%	222,000	60%	133,200	20%	44,400	10%	22,200	10%	22,200	100%
TOTAL	**1355**	**60.4%**	**298,709**	**52%**	**156,485**	**27%**	**81,662**	**11.5%**	**34,204**	**9%**	**26,358**	**100%**

SUMMARY

Despite the vast difference in quality and brand segmentation, the properties in Berlin and the surrounding area are classified as primary competitors because of the limited number of similar rooms in the subject market. This worksheet is used to determine total demand by market segment that is available to the proposed hotel

Room Demand by Segment is well balanced. Dominated by Leisure demand, commercial and transient activity provides stable support during typically slower commercial demand periods. Transient demand is weaker than the other compared markets largely due to the lack of a primary highway or interstate routes.

Table 3: **Projected Growth of Lodging Demand by Market Segment**

This table projects the growth of lodging demand for each market segment as determined in this report. Demand growth is then calculated into estimated supply growth to determine a five-year area wide occupancy level.

BERLIN AREA LODGING MARKET

	Available Rooms	Competitive Factor	Competitive Rooms	Corporate Demand	Leisure Demand	Transient Demand	Group Demand	Total Demand	
ESTIMATED GROWTH OF ROOM DEMAND BY MARKET SEGMENT									
BERLIN AREA	1,355	100%	1,355	156,485	81,662	34,204	26,358	298,709	
TOTAL	**1,355**	**100%**	**1,355**	**156,485**	**81,662**	**34,204**	**26,358**	**298,709**	
TOTAL COMPETITIVE				**156,485**	**81,662**	**34,204**	**26,358**	**298,709**	
PROJECTED GROWTH BY MARKET SEGMENT									
TOTAL	**1,355**		**1,355**	**156,485**	**81,662**	**34,204**	**26,358**	**298,709**	
Annual Growth				1	1	1	1		
			Year 1	162,744	84,112	34,546	26,621	308,024	3.1%
			Year 2	169,254	86,635	34,892	26,887	317,668	3.1%
			Year 3	176,024	89,234	35,241	27,156	327,655	3.1%
			Year 4	183,065	91,912	35,593	27,428	337,997	3.2%
			Year 5	190,388	94,669	35,949	27,702	348,708	3.2%

SUMMARY

Overall, room demand is projected to grow by an annual compounded level of 3.0 % over the next five years. During the past five years, area lodging revenue increased by 7.7% according to room tax collections provided by the Department of Administration and interviews with local property operators.

Corporate Demand is expected to remain stable and could experience greater growth if the development of the industrial park in Berlin continues.

Leisure demand in Green Lake County is expected to remain a strong secondary source of business. The introduction of the proposed hotel is expected to have a substantial impact on overall leisure demand growth in the region.

Group demand is also expected to increase slightly as the new lodging is added to the region offering a renewed effort to promote and attract business meetings and conventions. This will remain a secondary source of room business for the proposed hotel.

Transient Demand as stated above, is expected to be a marginal growth segment due to the lack of major interstate or "drive-by" highways to other destinations. However, transient growth can occur as fewer visitors make advanced reservations for their destinations.

PROJECTED GROWTH OF LODGING SUPPLY AND IMPACT ON AREA WIDE OCCUPANCY

	Competitive Rooms	Annual	Demand	Area wide Occupancy
Existing	1355	494575	298709	60.4%
Year 1	1405	512825	308024	60.1%
Year 2	1405	512825	317668	61.9%
Year 3	1405	512825	327655	63.9%
Year 4	1405	512825	337997	65.9%
Year 5	1405	512825	348708	68.0%

Table 4: Penetration of Occupancy by Market Segment

Once an areawide occupancy is determined, each property occupancy is compared to the area-wide average to determine which hotels perform best, by market segment. This "penetration" of fair share is then used in projecting the performance of the subject hotel.

BERLIN AREA HOTEL MARKET STUDY
Penetration of Occupancy by Market Segment

PRIMARY COMPETITION

	Rooms	OCCUPANCY	Penetration	Corporate Percent	Corporate Penetration	Leisure Percent	Leisure Penetration	Transient Percent	Transient Penetration	Group Percent	Group Penetration
Berlin	20	35.0%	57.95%	50%	82.79%	35%	57.95%	10%	16.56%	5%	8.28%
Green Lake	62	49.1%	81.32%	10%	16.56%	80%	132.46%	5%	8.28%	5%	8.28%
Ripon	152	62.6%	103.68%	35%	57.95%	35%	57.95%	20%	33.11%	10%	16.56%
RedGranite	40	40.0%	66.23%	15%	24.84%	70%	115.90%	15%	24.84%	0%	0.00%
Wautoma	100	61.5%	101.88%	35%	57.95%	50%	82.79%	15%	24.84%	0%	0.00%
Oshkosh	981	62.0%	102.65%	60%	99.34%	20%	33.11%	10%	16.56%	10%	16.56%
TOTAL	**1355**	**60.4%**	100.00%	**52%**	86.74%	**27%**	45.26%	**11%**	18.96%	**9%**	14.61%
Primary	**1355**	60.4%	100.00%	52%	86.74%	27%	100%	11%	100%	9%	100%
AREA WIDE	**1355**	**60.4%**	**100.00%**	**52%**	**100%**	**27%**	**100%**	**11%**	**100%**	**9%**	**100%**

Table 5: Projected Performance of Subject Hotel

Occupancy projections of the subject hotel are calculated by listing the "fair share" percentage of demand (subject rooms divided by total room count) and then adding the estimated penetration of the hotel (by market segment). This estimated penetration is determined by averages achieved by other competitive hotels.

PROJECTED PERFORMANCE OF SUBJECT 50 ROOM HOTEL								
Based on AREA WIDE Demand Estimates								
Corporate								
	Total Competitive Rooms	Subject Property Rooms	Fair Share Percent	Corporate Rooms Sold	Subject Hotel Share	Subject Hotel Penetration	**Projected Rooms Sold**	**Percentage of Occupancy**
YEAR 1	1405	50	3.6%	162744	5792	50%	2896	35%
YEAR 2	1405	50	3.6%	169254	6023	60%	3614	36%
YEAR 3	1405	50	3.6%	176024	6264	70%	4385	39%
YEAR 4	1405	50	3.6%	183065	6515	70%	4560	39%
YEAR 5	1405	50	3.6%	190388	6775	70%	4743	40%
Leisure								
	Total Competitive Rooms	Subject Property Rooms	Fair Share Percent	Leisure Rooms Sold	Subject Hotel Share	Subject Hotel Penetration	**Subject Rooms Sold**	**Percentage of Occupancy**
YEAR 1	1405	50	3.6%	84112	2993	125%	3742	46%
YEAR 2	1405	50	3.6%	86635	3083	150%	4625	46%
YEAR 3	1405	50	3.6%	89234	3176	150%	4763	42%
YEAR 4	1405	50	3.6%	91912	3271	150%	4906	42%
YEAR 5	1405	50	3.6%	94669	3369	150%	5053	42%
Transient								
	Total Competitive Rooms	Subject Property Rooms	Fair Share Percent	Transient Rooms Sold	Subject Hotel Share	Subject Hotel Penetration	**Subject Rooms Sold**	**Percentage of Occupancy**
YEAR 1	1405	50	3.6%	34546	1229	50%	615	7%
YEAR 2	1405	50	3.6%	34892	1242	50%	621	6%
YEAR 3	1405	50	3.6%	35241	1254	50%	627	6%
YEAR 4	1405	50	3.6%	35593	1267	50%	633	5%
YEAR 5	1405	50	3.6%	35949	1279	50%	640	5%
Group								
	Total Competitive Rooms	Subject Property Rooms	Fair Share Percent	Group Rooms Sold	Subject Hotel Share	Subject Hotel Penetration	**Subject Rooms Sold**	**Percentage of Occupancy**
YEAR 1	1405	50	3.6%	26621	947	100%	947	12%
YEAR 2	1405	50	3.6%	26887	957	133%	1273	13%
YEAR 3	1405	50	3.6%	27156	966	150%	1450	13%
YEAR 4	1405	50	3.6%	27428	976	150%	1464	13%
YEAR 5	1405	50	3.6%	27702	986	150%	1479	12%

PROJECTED PERFORMANCE OF SUBJECT HOTEL						Rooms Sold and Occupancy		
TOTALS								
			Corporate	Leisure	Transient	Group	Total	Occupancy
Year 1	Fair Share		5792	2993	1229	947	10962	60%
	Projected		**2896**	**3742**	**615**	**947**	**8200**	**45%**
Year 2	Fair Share		6023	3083	1242	957	11305	62%
	Projected		**3614**	**4625**	**621**	**1273**	**10132**	**56%**
Year 3	Fair Share		6264	3176	1242	957	11638	64%
	Projected		**4385**	**4763**	**627**	**1450**	**11225**	**62%**
Year 4	Fair Share		6515	3271	1267	976	12028	66%
	Projected		**4560**	**4906**	**633**	**1464**	**11564**	**63%**
Year 5	Fair Share		6775	3369	1279	986	12410	68%
	Projected		**4743**	**5053**	**640**	**1479**	**11915**	**65%**

These projections compare the subject property's fair share of each demand market segment to the actual projection of market penetration. Penetration rates are based on competitive performance illustrated earlier in this section.

CALENDAR OF OCCUPANCY AND AVERAGE DAILY RATE PROJECTIONS BASED ON THE 2016 CALENDAR YEAR
Berlin, Wisconsin

The following section provides a monthly projection of occupancy and Average Daily Rate for the proposed hotel. The purpose of this "workbook" is to project a scenario of monthly performance using data and calculations gathered for this study. It can also be used as a basis for the hotel's marketing plan and includes annual and special events that impact occupancy and rate.

While the daily occupancy and rate estimates are based on actual performance trends of the local market, these projections are used to calculate the monthly averages. The daily rates are based on an average of the recommended rack rate structure minus standard discounts or plus seasonal increases.

Events and attractions noted in the monthly calendars are mostly city-wide or regional events that are known to impact the subject market as well as the entire metro area.

NOTE:
Daily, monthly and annual revenue calculations included in the Calendar of Occupancy and ADR Projections are used in forming occupancy and ADR estimates. The revenue projections may not match those of any pro forma or other financial analysis in this report.

January	31		Projected Occupancy:			40.6%		
Rooms	50		Projected ADR:			$ 75.06		
TOTAL	1550							
	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
	0.0%					80.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	80.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	80.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	100.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	100.0%	100.0%	
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	0	0	0	0	40	50	
	0	10	10	10	10	40	50	
	0	10	10	10	10	40	50	
	0	10	10	10	10	50	50	
	0	10	10	10	10	50	50	
TOTAL	**0**	**40**	**40**	**40**	**40**	**220**	**250**	**630**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thu**	**Fri**	**Sat**	
	$ 69.00	$ -	$ -	$ -	$ -	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ -	$ -	$ -	$ 3,000	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,000	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,000	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,750	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,750	$ 3,950	
TOTAL	**$ -**	**$ 2,760**	**$ 2,760**	**$ 2,760**	**$ 2,760**	**$ 16,500**	**$ 19,750**	**$ 47,290**
NOTES:	**Area wide occupancy trend:**			36.7%				
	Area wide ADR trend:			$51.65				
WEEKDAY					**WEEKEND**			
Rack Rates	$65 - $75				**Rack Rates:**	$79 - $99		
			Special Events and Activities					
			See Demand Analysis Section for the Market Study for Details					
New Year's Day								
Snowmobile trails								
Cross Country Ski trails								
Nordic Mountain Sking								

February	28		Projected Occupancy:			39.3%		
Rooms	50		Projected ADR:			$ 72.09		
TOTAL	1400							
	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
		20.0%	20.0%	20.0%	20.0%	100.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	100.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	80.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	80.0%	100.0%	
	0.0%	20.0%						
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	10	10	10	10	50	50	
	0	10	10	10	10	50	50	
	0	10	10	10	10	40	50	
	0	10	10	10	10	40	50	
	0	10	0	0	0	0	0	
TOTAL	**0**	**50**	**40**	**40**	**40**	**180**	**200**	**550**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
		$ -	$ -	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00						
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ -	$ 690	$ 690	$ 3,750	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,750	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,000	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,000	$ 3,950	
	$ -	$ 690	$ -	$ -	$ -	$ -	$ -	
TOTAL	**$ -**	**$ 2,760**	**$ 2,070**	**$ 2,760**	**$ 2,760**	**$ 13,500**	**$ 15,800**	**$ 39,650**
NOTES:	**Area wide occupancy trend:**			47.7%				
	Area wide ADR trend:			$55.82				
WEEKDAY					**WEEKEND**			
Rack Rates	$65 - $75				**Rack Rates:**	$79 - $99		

Special Events and Activities

See Demand Analysis Section for the Market Study for Details

Valentine's Weekend

Battle on the Bago Lake Winnebago

Sturgeon Spearing Lake Winnebago

March	31		Projected Occupancy:		41.9%		
Rooms	50		Projected ADR:		$ 73.13		
TOTAL	1550						

	Projected Occupancy							
	Sun	Mon	Tues	Wed	Thur	Fri	Sat	TOTAL
			40.0%	40.0%	40.0%	100.0%	100.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	70.0%	75.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%			
	Projected Room Nights							
	Sun	Mon	Tues	Wed	Thur	Fri	Sat	
	0	0	20	20	7	50	50	
	0	10	20	20	20	50	50	
	0	10	20	20	20		50	
	0	10	20	20	20	35	37.5	
	0	10	20	20	20	0	0	
TOTAL	0	40	100	100	87	135	187.5	649.5
	Projected ADR							
	Sun	Mon	Tues	Wed	Thur	Fri	Sat	
			$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00			
	Projected Revenue							
	Sun	Mon	Tues	Wed	Thur	Fri	Sat	
	$ -	$ -	$ 1,380	$ 1,380	$ 483	$ 3,750	$ 3,950	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 3,750	$ 3,950	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ -	$ 3,950	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 2,625	$ 2,963	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ -	$ -	
TOTAL	$ -	$ 2,760	$ 6,900	$ 6,900	$ 6,003	$ 10,125	$ 14,813	$ 47,501

NOTES:	Area wide occupancy trend:	41.6%	
	Area wide ADR trend:	$55.68	
WEEKDAY Rack Rates	$65 - $75	WEEKEND Rack Rates:	$69 - $99

Special Events and Activities

See Demand Analysis Section for the Market Study for Details

Annual Dairyland Farm Toy Show Ripon

April	30	Projected Occupancy:	44.0%
Rooms	50	Projected ADR:	$ 73.61
TOTAL	1500		

	Sun	Mon	Tues	Wed	Thur	Fri	Sat	TOTAL
	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
						70.0%	70.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	70.0%	70.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	70.0%	70.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	70.0%	70.0%	
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	0	0	0	0	35	35	
	0	10	20	20	20	35	35	
	0	10	20	20	20	50	50	
	0	10	20	20	20	35	35	
	0	10	20	20	20	35	35	
TOTAL	**0**	**40**	**80**	**80**	**80**	**190**	**190**	**660**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
						$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ -	$ -	$ -	$ 2,625	$ 2,765	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 2,625	$ 2,765	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 3,750	$ 3,950	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 2,625	$ 2,765	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 2,625	$ 2,765	
TOTAL	**$ -**	**$ 2,760**	**$ 5,520**	**$ 5,520**	**$ 5,520**	**$ 14,250**	**$ 15,010**	**$ 48,580**

NOTES:	**Area wide occupancy trend:**	56.1%
	Area wide ADR trend:	$55.96

WEEKDAY		**WEEKEND**	
Rack Rates	$65 - $75	**Rack Rates:**	$69 - $99

Special Events and Activities

See Demand Analysis Section for the Market Study for Details

Green Lake Bird Festival 3rd weekend

May	31		Projected Occupancy:			51.0%		
Rooms	50		Projected ADR:			$ 81.41		
TOTAL	1550							
	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
	0.0%	20.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	0.0%	20.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	0.0%	20.0%	40.0%	40.0%	100.0%	100.0%	100.0%	
	100.0%	20.0%	40.0%					
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	10	20	20	20	50	50	
	0	10	20	20	20	50	50	
	0	10	20	20	20	50	50	
	0	10	20	20	50	50	50	
	50	10	20	0	0	0	0	
TOTAL	**50**	**50**	**100**	**80**	**110**	**200**	**200**	**790**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 89.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 89.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 89.00	
	$ 69.00	$ 79.00	$ 79.00	$ 79.00	$ 79.00	$ 99.00	$ 99.00	
	$ 89.00	$ 79.00	$ 79.00					
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 3,950	$ 4,450	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 3,950	$ 4,450	
	$ -	$ 690	$ 1,380	$ 1,380	$ 1,380	$ 3,950	$ 4,450	
	$ -	$ 790	$ 1,580	$ 1,580	$ 3,950	$ 4,950	$ 4,950	
	$ 4,450	$ 790	$ 1,580	$ -	$ -	$ -	$ -	
TOTAL	**$ 4,450**	**$ 3,650**	**$ 7,300**	**$ 5,720**	**$ 8,090**	**$ 16,800**	**$ 18,300**	**$ 64,310**
NOTES:	**Area wide occupancy trend:**			56.7%				
	Area wide ADR trend:			$57.64				
WEEKDAY					**WEEKEND**			
Rack Rates	$65 - $75				**Rack Rates:**	$69 - $99		
			Special Events and Activities					
			See Demand Analysis Section for the Market Study for Details					
fishing season opens			Berlin HS Alumni Banquet					
Many area attractions open								
golf season opens								
Memorial Day weekend								
Gear up Green Lake Bike Ride								
Ripon College Graduation								
Eureka Locks open								
Peak wedding season								

June	30		Projected Occupancy:			64.2%		
Rooms	50		Projected ADR:			$ 91.08		
TOTAL	1500							

	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
				40.0%	40.0%	80.0%	100.0%	
	10.0%	40.0%	40.0%	40.0%	50.0%	80.0%	100.0%	
	10.0%	45.0%	45.0%	50.0%	60.0%	100.0%	100.0%	
	50.0%	50.0%	60.0%	60.0%	70.0%	100.0%	100.0%	
	70.0%	75.0%	80.0%	80.0%	100.0%			

	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	0	0	20	20	40	50	
	5	20	20	20	25	40	50	
	5	22.5	22.5	25	30	50	50	
	25	25	30	30	35	50	50	
	35	37.5	40	40	50	0	0	
TOTAL	**70**	**105**	**112.5**	**135**	**160**	**180**	**200**	**962.5**

	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
				$ 79.00	$ 79.00	$ 99.00	$ 99.00	
	$ 79.00	$ 79.00	$ 79.00	$ 79.00	$ 79.00	$ 99.00	$ 99.00	
	$ 79.00	$ 85.00	$ 85.00	$ 85.00	$ 85.00	$ 99.00	$ 99.00	
	$ 85.00	$ 85.00	$ 85.00	$ 85.00	$ 89.00	$ 109.00	$ 109.00	
	$ 85.00	$ 85.00	$ 85.00	$ 85.00	$ 89.00			

	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ -	$ 1,580	$ 1,580	$ 3,960	$ 4,950	
	$ 395	$ 1,580	$ 1,580	$ 1,580	$ 1,975	$ 3,960	$ 4,950	
	$ 395	$ 1,913	$ 1,913	$ 2,125	$ 2,550	$ 4,950	$ 4,950	
	$ 2,125	$ 2,125	$ 2,550	$ 2,550	$ 3,115	$ 5,450	$ 5,450	
	$ 2,975	$ 3,188	$ 3,400	$ 3,400	$ 4,450	$ -	$ -	
TOTAL	**$ 5,890**	**$ 8,805**	**$ 9,443**	**$ 11,235**	**$ 13,670**	**$ 18,320**	**$ 20,300**	**$ 87,663**

NOTES:	**Area wide occupancy trend:**			78.4%				
	Area wide ADR trend:			$58.11				
WEEKDAY					**WEEKEND**			
Rack Rates	$79 - $89				**Rack Rates:**	$79 - $109		

Special Events and Activities

See Demand Analysis Section for the Market Study for Details

summer vacation begins
AYA Fishing Tourney Green Lake
Peak wedding season
CountryUSA Oshkosh

July	31		Projected Occupancy:		78.1%			
Rooms	50		Projected ADR:		$ 108.26			
TOTAL	1550							
	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
	0.0%	70.0%					100.0%	
	100.0%	70.0%	80.0%	80.0%	80.0%	100.0%	100.0%	
	60.0%	70.0%	80.0%	80.0%	80.0%	100.0%	100.0%	
	60.0%	70.0%	80.0%	80.0%	80.0%	100.0%	100.0%	
	60.0%	70.0%	80.0%	80.0%	80.0%	100.0%	100.0%	
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0					0	50	
	50	35	40	40	40	50	50	
	30	35	40	40	40	50	50	
	30	35	40	40	40	50	50	
	30	35	40	40	40	50	50	
TOTAL	**140**	**140**	**160**	**160**	**160**	**200**	**250**	**1210**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ 79.00	$ 89.00					$ 109.00	
	$ 79.00	$ 89.00	$ 89.00	$ 89.00	$ 89.00	$ 109.00	$ 109.00	
	$ 79.00	$ 89.00	$ 89.00	$ 89.00	$ 89.00	$ 129.00	$ 129.00	
	$ 129.00	$ 129.00	$ 129.00	$ 129.00	$ 129.00	$ 149.00	$ 149.00	
	$ 79.00	$ 89.00	$ 89.00	$ 89.00	$ 89.00	$ 129.00	$ 129.00	
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,450	
	$ 3,950	$ 3,115	$ 3,560	$ 3,560	$ 3,560	$ 5,450	$ 5,450	
	$ 2,370	$ 3,115	$ 3,560	$ 3,560	$ 3,560	$ 6,450	$ 6,450	
	$ 3,870	$ 4,515	$ 5,160	$ 5,160	$ 5,160	$ 7,450	$ 7,450	
	$ 2,370	$ 3,115	$ 3,560	$ 3,560	$ 3,560	$ 6,450	$ 6,450	
TOTAL	**$ 12,560**	**$ 13,860**	**$ 15,840**	**$ 15,840**	**$ 15,840**	**$ 25,800**	**$ 31,250**	**$ 130,990**
NOTES:	**Area wide occupancy trend:**			80.0%				
	Area wide ADR trend:			$59.92				
WEEKDAY					**WEEKEND**			
Rack Rates	$59 - $69$69 - $89				**Rack Rates:**	$79 - $109		
			Special Events and Activities					
			See Demand Analysis Section for the Market Study for Details					
Fourth of July								
Peak hiking, biking and recreational activities season								
wedding weekends								
EAA Oshkosh								
Lifefest Oshkosh								
Rockfest Oshkosh								

August	31	Projected Occupancy:		75.8%
Rooms	50	Projected ADR:		$ 94.66
TOTAL	1550			

	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
		0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	80.0%	80.0%	80.0%	80.0%	80.0%	100.0%	100.0%	
	60.0%	60.0%	60.0%	60.0%	80.0%	100.0%	100.0%	
	60.0%	60.0%	60.0%	60.0%	80.0%	100.0%	100.0%	
	40.0%	50.0%	60.0%	60.0%				
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	0	50	50	50	50	50	
	40	40	40	40	40	50	50	
	30	30	30	30	40	50	50	
	30	30	30	30	40	50	50	
	20	25	30	30	0	0	0	
TOTAL	**120**	**125**	**180**	**180**	**170**	**200**	**200**	**1175**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
		$ -	$ 89.00	$ 89.00	$ 89.00	$ 109.00	$ 109.00	
	$ 79.00	$ 89.00	$ 89.00	$ 89.00	$ 89.00	$ 109.00	$ 109.00	
	$ 79.00	$ 89.00	$ 89.00	$ 89.00	$ 89.00	$ 109.00	$ 109.00	
	$ 79.00	$ 79.00	$ 79.00	$ 79.00	$ 79.00	$ 129.00	$ 129.00	
	$ 79.00	$ 79.00	$ 79.00	$ 79.00				
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ 4,450	$ 4,450	$ 4,450	$ 5,450	$ 5,450	
	$ 3,160	$ 3,560	$ 3,560	$ 3,560	$ 3,560	$ 5,450	$ 5,450	
	$ 2,370	$ 2,670	$ 2,670	$ 2,670	$ 3,560	$ 5,450	$ 5,450	
	$ 2,370	$ 2,370	$ 2,370	$ 2,370	$ 3,160	$ 6,450	$ 6,450	
	$ 1,580	$ 1,975	$ 2,370	$ 2,370	$ -	$ -	$ -	
TOTAL	**$ 9,480**	**$ 10,575**	**$ 15,420**	**$ 15,420**	**$ 14,730**	**$ 22,800**	**$ 22,800**	**$ 111,225**

NOTES:	**Area wide occupancy trend:**		67.3%		
	Area wide ADR trend:		$58.91		
WEEKDAY				**WEEKEND**	
Rack Rates	$69 - $89			**Rack Rates**	$79 - $109

Special Events and Activities

See Demand Analysis Section for the Market Study for Details

Green Lake County Fair

Greenway Movin on the Mascoutin

September	30	Projected Occupancy:	66.3%
Rooms	50	Projected ADR:	$ 84.48
TOTAL	1500		

	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
					100.0%	100.0%	100.0%	
	50.0%	60.0%	60.0%	60.0%	60.0%	100.0%	100.0%	
	40.0%	50.0%	60.0%	60.0%	60.0%	100.0%	100.0%	
	20.0%	50.0%	60.0%	60.0%	60.0%	100.0%	100.0%	
	10.0%	40.0%	40.0%	40.0%	50.0%	100.0%		
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	0	0	0	50	50	50	
	25	30	30	30	30	50	50	
	20	25	30	30	30	50	50	
	10	25	30	30	30	50	50	
	5	20	20	20	25	50	0	
TOTAL	**60**	**100**	**110**	**110**	**165**	**250**	**200**	**995**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
					$ 109.00	$ 109.00	$ 109.00	
	$ 69.00	$ 69.00	$ 79.00	$ 79.00	$ 79.00	$ 89.00	$ 99.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 89.00	$ 99.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 89.00	$ 99.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 89.00		
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ -	$ -	$ 5,450	$ 5,450	$ 5,450	
	$ 1,725	$ 2,070	$ 2,370	$ 2,370	$ 2,370	$ 4,450	$ 4,950	
	$ 1,380	$ 1,725	$ 2,070	$ 2,070	$ 2,070	$ 4,450	$ 4,950	
	$ 690	$ 1,725	$ 2,070	$ 2,070	$ 2,070	$ 4,450	$ 4,950	
	$ 345	$ 1,380	$ 1,380	$ 1,380	$ 1,725	$ 4,450	$ -	
TOTAL	**$ 4,140**	**$ 6,900**	**$ 7,890**	**$ 7,890**	**$ 13,685**	**$ 23,250**	**$ 20,300**	**$ 84,055**

NOTES:	**Area wide occupancy trend:**	60%
	Area wide ADR trend:	$62.00

WEEKDAY		**WEEKEND**	
Rack Rates	$65 - $75	**Rack Rates**	$75 - $99

<u>Special Events and Activities</u>

See Demand Analysis Section for the Market Study for Details

Labor Day Weekend
Harvest Fest Green Lake
Fall color season

October	31		Projected Occupancy:			52.6%		
Rooms	50		Projected ADR:			$ 77.59		
TOTAL	1550							

	Projected Occupancy							
	Sun	Mon	Tues	Wed	Thur	Fri	Sat	TOTAL
	10.0%	40.0%					100.0%	
	10.0%	40.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	10.0%	40.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	10.0%	40.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	10.0%	40.0%	40.0%	40.0%	40.0%	100.0%	100.0%	
	Projected Room Nights							
	Sun	Mon	Tues	Wed	Thur	Fri	Sat	
	5	20	0	0	0	0	50	
	5	20	20	20	20	50	50	
	5	20	20	20	20	50	50	
	5	20	20	20	20	50	50	
	5	20	20	20	20	50	50	
TOTAL	25	100	80	80	80	200	250	815
	Projected ADR							
	Sun	Mon	Tues	Wed	Thur	Fri	Sat	
	$ 69.00	$ 69.00					$ 89.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 89.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 89.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 89.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 89.00	
	Projected Revenue							
	Sun	Mon	Tues	Wed	Thur	Fri	Sat	
	$ 345	$ 1,380	$ -	$ -	$ -	$ -	$ 4,450	
	$ 345	$ 1,380	$ 1,380	$ 1,380	$ 1,380	$ 3,950	$ 4,450	
	$ 345	$ 1,380	$ 1,380	$ 1,380	$ 1,380	$ 3,950	$ 4,450	
	$ 345	$ 1,380	$ 1,380	$ 1,380	$ 1,380	$ 3,950	$ 4,450	
	$ 345	$ 1,380	$ 1,380	$ 1,380	$ 1,380	$ 3,950	$ 4,450	
TOTAL	$ 1,725	$ 6,900	$ 5,520	$ 5,520	$ 5,520	$ 15,800	$ 22,250	$ 63,235

NOTES:	Area wide occupancy trend:	53.0%		
	Area wide ADR trend:	$59.60		
WEEKDAY			WEEKEND	
Rack Rates	$65 - $79		Rack Rates	$79 - $99

Special Events and Activities

See Demand Analysis Section for the Market Study for Details

Fall hunting and fishing

November	30		Projected Occupancy:		46.8%		
Rooms	50		Projected ADR:		$ 76.19		
TOTAL	1500						

	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
			20.0%	20.0%	20.0%	70.0%	75.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	70.0%	75.0%	
	10.0%	25.0%	60.0%	60.0%	60.0%	100.0%	100.0%	
	60.0%	60.0%	60.0%	60.0%	60.0%	100.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%				
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	0	10	10	10	35	37.5	
	0	10	10	10	10	35	37.5	
	5	12.5	30	30	30	50	50	
	30	30	30	30	30	50	50	
	0	10	10	10	0	0	0	
TOTAL	**35**	**62.5**	**90**	**90**	**80**	**170**	**175**	**702.5**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
			$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 89.00	$ 89.00	$ 89.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 79.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00				
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ 690	$ 690	$ 690	$ 2,765	$ 2,963	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 2,765	$ 2,963	
	$ 345	$ 863	$ 2,070	$ 2,070	$ 2,670	$ 4,450	$ 4,450	
	$ 2,070	$ 2,070	$ 2,070	$ 2,070	$ 2,070	$ 3,950	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ -	$ -	$ -	
TOTAL	**$ 2,415**	**$ 4,313**	**$ 6,210**	**$ 6,210**	**$ 6,120**	**$ 13,930**	**$ 14,325**	**$ 53,523**

NOTES:	**Area wide occupancy trend:**			47.0%			
	Area wide ADR trend:			$56.27			
WEEKDAY					**WEEKEND**		
Rack Rates	$65 - $79				**Rack Rates**	$79 - $99	

Special Events and Activities

See Demand Analysis Section for the Market Study for Details

Thanksgiving Weekend
Deer Hunting Season

December	31		Projected Occupancy:			40.0%		
Rooms	50		Projected ADR:			$ 74.58		
TOTAL	1550							
	Projected Occupancy							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	**TOTAL**
					20.0%	75.0%	75.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	75.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	75.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	100.0%	100.0%	
	0.0%	20.0%	20.0%	20.0%	20.0%	100.0%	100.0%	
	Projected Room Nights							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	0	0	0	0	10	37.5	37.5	
	0	10	10	10	10	37.5	50	
	0	10	10	10	10	37.5	50	
	0	10	10	10	10.0	50	50	
	0	10	10	10	10	50	50	
TOTAL	**0**	**40**	**40**	**40**	**50**	**212.5**	**237.5**	**620**
	Projected ADR							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
					$ -	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 79.00	
	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 69.00	$ 75.00	$ 89.00	
	Projected Revenue							
	Sun	**Mon**	**Tues**	**Wed**	**Thur**	**Fri**	**Sat**	
	$ -	$ -	$ -	$ -	$ -	$ 2,813	$ 2,963	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 2,813	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 2,813	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,750	$ 3,950	
	$ -	$ 690	$ 690	$ 690	$ 690	$ 3,750	$ 4,450	
TOTAL	**$ -**	**$ 2,760**	**$ 2,760**	**$ 2,760**	**$ 2,760**	**$ 15,938**	**$ 19,263**	**$ 46,240**
NOTES:	**Area wide occupancy trend:**			45%				
	Area wide ADR trend:			$57.20				
WEEKDAY					**WEEKEND**			
Rack Rates	$69 - $79				**Rack Rates**	$75 - $89		
			Special Events and Activities					
			See Demand Analysis Section for the Market Study for Details					
local holiday banquets								
winter break								
New Year's Eve								
snowmobile trails open								

MONTHLY PERFORMANCE PROJECTIONS					Berlin Hotel Project								
# of Rooms	50												
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Occupancy	40.6%	39.3%	41.9%	44.0%	51.0%	64.2%	78.1%	75.8%	66.3%	52.6%	46.8%	40.0%	53.5%
Rooms Sold	630	550	650	660	790	963	1210	1175	995	815	703	620	9760
% of total	6.5%	5.6%	6.7%	6.8%	8.1%	9.9%	12.4%	12.0%	10.2%	8.4%	7.2%	6.4%	100.0%
ADR	$ 75.06	$ 72.09	$ 73.13	$ 73.61	$ 81.41	$ 91.08	$ 108.26	$ 94.66	$ 84.48	$ 77.59	$ 76.19	$ 74.58	$ 84.46
Revenue	$47,290	$39,650	$47,501	$48,580	$64,310	$87,663	$130,990	$111,225	$84,055	$63,235	$53,523	$46,240	$824,261

*total revenue based on proforma calculations and may not equal the sum of the monthly revenue projections.

The occupancy in this summary represents an average of the low to high range calculated in this study.

These monthly projections of occupancy and ADR are based on the authors knowledge of the Berlin market area.
The author makes no guarantee of these projections nor is responsible for any errors and ommissions.
This summary is based on current lodging trends in the subject market and information provided by potential room demand generators
in the Green Lake County and surrounding counties.

The following pro forma is a draft of the projections for the subject 50 room limited service hotel in Berlin, Wisconsin. These projections are based on regional local hotel operation evaluations and are believed to represent the subject project as an accurate overview. Stated revenues are based on current market information and historic trends of the subject market using past appraisals and other available data.
Stated expenses are based on operating data of similar size and class of hotel gathered by Hotel R&D, the 2014 HOST REPORT by Smith Travel Research and local industry sources.

A six year projection is provided allowing the representation of a partial First Year of operations.

It should be understood that the results presented in this analysis are the professional opinion and research of Hotel R&D, LLC and are based upon the information available at this time.
These projections infer proper and professional management of the business operation. The projections also infer that market conditions do not change the information received upon which those projections have been based. Hotel R&D, LLC assumes no responsibility for changes in the marketplace.
Furthermore, it is presumed that those reading this analysis completely understand its contents.
If the reader is unclear of the understanding of the contents, clarification should be received from its author, Hotel R&D, LLC.

Hotel R&D, LLC

BERLIN, WISCONSIN

HOTEL MARKET ANALYSIS

FINANCIAL ANALYSIS AND PROJECTIONS
50-ROOM LIMITED SERVICE HOTEL

I. Summary of Five Year Pro forma

II. Summary of Revenues

III. Profit and Loss Summary Page

IV. Summary of Deductions

V. General & Administrative and Other expenses

VI. Sales and Marketing Expenses

VII. Taxes and Management Fees

VIII. Repairs and Maintenance Costs

FIVE YEAR PROFORMA
SUMMARY

# of Rooms in Hotel: 50

- -

ADR	7	$80.00	$84.00	$86.00		$90.00
% increase		3%	5%	2%	2%	2%
Occupancy	40%	54.0%	58.0%	60.0%	63.0%	65.0%

	BREAK-EVEN		***Year 1***		***Year 2***		***Year 3***		***Year 4***		***Year 5***	
Revenues												
Room	$569,400	*98.7%*	$788,400	*98.7%*	$889,140	*98.7%*	$941,700	*98.7%*	$1,011,780	*98.7%*	$1,067,625	*98.7%*
Meeting Room	$0	*0.0%*	$0	*0.0%*	$0	*0.0%*	$0	*0.0%*	$0	*0.0%*	$0	*0.0%*
Other Miscellaneous Income	$7,738	*1.3%*	$10,446	*1.3%*	$11,501	*1.3%*	$12,195	*1.3%*	$13,124	*1.3%*	$13,880	*1.3%*
Total Revenue	**$577,138**	***100.0%***		***100.0%***	**$900,641**	***100.0%***	**$953,895**		**$1,024,904**		**$1,081,505**	***100.0%***
Departmental Expenses % of Department Revenue												
Room - includes brkfst & recept	$143,963	*25.3%*	$205,468	*26.1%*	$218,522	*24.6%*	$227,908	*24.2%*	$239,637	*23.7%*	$249,733	*23.4%*
Telephone	($1,898)	*-0.3%*	($2,562)	*-0.3%*	($2,821)	*-0.3%*	($2,991)	*-0.3%*	($3,219)	*-0.3%*	($3,404)	*-0.3%*
Meeting Room	$0	*#DIV/0!*	$0	*#DIV/0!*	$0	*#DIV/0!*	$0	*#DIV/0!*	$0	*#DIV/0!*	$0	*#DIV/0!*
Other Miscellaneous	$2,628	*34.0%*	$3,548	*34.0%*	$3,811	*33.1%*	$3,942	*32.3%*	$4,139	*31.5%*	$4,271	*30.8%*
TOTAL DEPARTMENTAL EXPENSES	$144,693	*25.1%*	$206,454	*25.8%*	$219,512	*24.4%*	$228,859	*24.0%*	$240,556	*23.5%*	$250,599	*23.2%*
Gross Operating Income	**$432,445**		**$592,392**		**$681,129**		**$725,036**		**$784,348**		**$830,905**	***76.8%***
Undistributed Operating Expenses (Deductions)		*% of gross*		*% of gross*		*% of gross*		*% of gross*		*% of gross*		*% of gross*
General & Administrative	$64,173	*11.1%*	$69,446	*8.7%*	$72,594	*8.1%*	$74,975	*7.9%*	$77,719	*7.6%*	$80,239	*7.4%*
Franchise Fees	$38,763	*6.7%*	$52,724	*6.6%*	$57,477	*6.4%*	$59,897	*6.3%*	$63,351	*6.2%*	$65,837	*6.1%*
Sales & Marketing	$27,161	*4.7%*	$27,393	*3.4%*	$28,808	*3.2%*	$29,680	*3.1%*	$30,835	*3.0%*	$31,723	*2.9%*
Utilities	$43,654	*7.6%*	$58,933	*7.4%*	$64,881	*7.2%*	$68,796	*7.2%*	$74,042	*7.2%*	$78,302	*7.2%*
Repairs & Maintenance	$19,962	*3.5%*	$20,384	*2.6%*	$20,894	*2.3%*	$21,416	*2.2%*	$21,951	*2.1%*	$22,500	*2.1%*
Total Deductions From Income	$193,712	*33.6%*	$228,881	*28.7%*	$244,653	*27.2%*	$254,764	*26.7%*	$267,899	*26.1%*	$278,602	*25.8%*
INCOME BEFORE FIXED CHARGES	**$238,732**	*41.4%*	**$363,512**	*45.5%*	**$436,476**	*48.5%*	**$470,272**	*49.3%*	**$516,449**	*50.4%*	**$552,304**	*51.1%*
Real Estate Taxes	$12,000	*2.1%*	$36,250	*4.5%*	$36,720	*4.1%*	$37,454	*3.9%*	$38,203	*3.7%*	$38,968	*3.6%*
Management Fee	$23,086	*4.0%*	$28,758	*3.6%*	$30,622	*3.4%*	$30,525	*3.2%*	$32,797	*3.2%*	$34,608	*3.2%*
Insurance	$20,000	*0.8%*	$20,500	*0.8%*	$21,000	*0.8%*	$21,500	*0.8%*	$22,000	*0.8%*	$22,500	*0.8%*
Reserve for Replacement	$0	*0.0%*	$7,988	*1.0%*	$18,013	*2.0%*	$28,617	*3.0%*	$40,996	*4.0%*	$43,260	*4.0%*
FF&E Lease	$0	*0.0%*	$0	*0.0%*	$0	*0.0%*	$0	*0.0%*	$0	*0.0%*	$0	*0.0%*
CASH FLOW AVAILABLE FOR DEBT SERVICE	**$183,647**		**$270,015**		**$330,121**		**$352,176**		**$382,452**		**$412,968**	***38.2%***
5% interest												
Debt Service		***(int. only)***	**$168,000**	***(Int Only)***	**$269,615**		**$269,615**		**$269,615**		**$269,615**	
Debt Service Coverage	**1.1**		**1.6**		**1.2**		**1.3**		**1.4**		**1.5**	
Return of Equity Investment			7.1%		4.2%		5.7%		7.8%		10.0%	

THE FIRST YEAR PROJECTION OF OCCUPANCY AND ADR ASSUME 1 FULL YEAR OF OPERATIONS. THE ABOVE PROFORMA STATEMENT OF CASH FLOW FROM OPERATIONS AND DEBT SERVICE COVERAGE REPRESENTS A COMPILATION OF DATA AND INFORMATION GATHERED FROM HISTORICAL DATA AND INDUSTRY STATISTICS FOR SIMILAR TYPES OF PROPERTIES. THE PREPARER DOES NOT GUARANTEE THE DATA, AND ASSUMES NO LIABILITY FOR ANY ERRORS IN FACT, OMISSIONS, ANALYSIS OR JUDGEMENT. THE DATA IS BASED ON THE BEST JUDGEMENTS OF THE PREPARER AND CLIENT. WE MAKE NO GUARANTEES OR ASSURANCES THAT THE PROJECTIONS WILL BE REALIZED AS STATED.

ROI excludes depreciation calculations.

REVENUE SCHEDULE

Rooms	Per Occupied Room	Annual Increase	Opening	Year 1	Year 2	Year 3	Year 4	Year 5
Rooms in Hotel	50		**50**	50	50	50	50	50
ADR	$80.00		$ 78.00	$80.00	$84.00	$86.00	$88.00	$90.00
Rooms Avail.	18,250		18,250	18,250	18,250	18,250	18,250	18,250
Occupancy	54.0%		40.0%	54.0%	58.0%	60.0%	63.0%	65.0%
Occupied Rooms	9,855		7,300	9,855	10,585	10,950	11,498	11,863
Revenue	788,400		569,400	788,400	889,140	941,700	1,011,780	1,067,625

Telephone

Telephone revenue is virtually non-existent. Internet revenue is now included in this category. However, charging for internet is not a recommended practice in the lodging industry (at this time). Therefore, this category illustrates no revenue and equipment and land-line service throughout the property.

Revenue	$0.00	2.5%	$0	$0	$0	$0	$0	$0
Expense/Lease	($0.26)	2.5%	($1,898)	($2,562)	($2,821)	($2,991)	($3,219)	($3,404)
Profit	($0.26)		($1,898)	($2,562)	($2,821)	($2,991)	($3,219)	($3,404)

Food & Beverage

Food & Beverage revenue is not calculated in this example. Typical f&b revenue would include commissions on catered events and vending.

Revenue	$0.00	2.5%	$0	$0	$0	$0	$0	$0
Expense	40%	2.5%	$0	$0	$0	$0	$0	$0
Profit	$0.00		$0	$0	$0	$0	$0	$0

Meeting Room Rental

No meeting room revenue is calculated in this example.

Property	*Capacity*	*Day Rate*
0	50	$ 150.00
0	30	$ 75.00
0	50	$ 150.00

Revenue	$0.00	2.5%	$0	$0	$0	$0	$0	$0
Expense	$0.00	2.5%	$0	$0	$0	$0	$0	$0
Profit	$0.00		$0	$0	$0	$0	$0	$0

Miscellaneous

Miscellaneous income includes fax, copier machine commissions, guest laundry and vending. Rentals and other income are net of expenses. Vending revenue in an extended stay can be slightly higher with upgraded vending facilities. These figures are based on industry averages for the Limited Service sector of lodging.

Revenue	$1.06	2.5%	$7,738	$10,446	$11,501	$12,195	$13,124	$13,880
Expense	($0.36)	2.5%	($2,628)	($3,548)	($3,811)	($3,942)	($4,139)	($4,271)
Profit	$0.70		$5,110	$13,994	$15,311	$16,137	$17,264	$18,150

DEPARTMENTAL EXPENSES

Departmental or Rooms Expenses include payroll and related costs for front desk and housekeeping and the costs of supplies.
Payroll expenses are based on current area wages plus FICA, SUTA and FUTA taxes.

			Annual Increase	***Opening***	***Year 1***	***Year 2***	***Year 3***	***Year 4***	***Year 5***
Front Desk Supervisor	$ -	sales coordinator	2.5%		-	-	-	-	-
Front Desk Staff	365	Days							
and Reservations	16	Hours per Day							
	5,840								
	$ 9.00	Rate per Hour	2.5%	9.00	9.00	9.23	9.46	9.69	9.93
	52,560			33,320	52,560	53,874	55,221	56,601	58,016

Front Desk staffing equals one clerk per 8 hour shift for first and second shift assuming Manager assistance when necessary.

			Annual Increase	Opening	Year 1	Year 2	Year 3	Year 4	Year 5
Night Auditor and	365	Days							
Security/front desk	8	Hours per Day							
	2,920								
	$ 10.00	Rate per Hour	2.5%	10.00	10.25	10.51	10.77	11.04	11.31
	29,200			18,620	29,930	30,678	31,445	32,231	33,037
Subtotal-Wages				51,940	82,490	84,552	86,666	88,833	91,054
Taxes & Benefits	12.0%			6,233	9,899	10,146	10,400	10,660	10,926
Total Wages & Benefits				**58,173**	**92,389**	**94,699**	**97,066**	**99,493**	**101,980**
Miscellaneous									
Printing/material	$0.06	per Occupied Room	2.5%	423	572	629	667	718	759
Office Supplies	$125	per Month	2.5%	1,500	1,500	1,538	1,576	1,615	1,656
Van Lease/Operations	**$0**	**per month**	2.5%	-	-	-	-	-	-
Commissions (T/A only)	1.2%	of Room Revenue		6,833	9,461	10,670	11,300	12,141	12,812
Total Expenses				8,756	11,532	12,836	13,544	14,475	15,227
				66,929	**103,921**	**107,535**	**110,610**	**113,967**	**117,207**

			Annual Increase	Opening	Year 1	Year 2	Year 3	Year 4	Year 5
Executive Housekeeper	-		2.5%	-	-	-	-	-	-
Laundry& Housemen	365	Days							
also van driver	-	Hours per Day							
	-								
	$ 8.00	Rate per Hour	2.5%	8.00	8.20	8.41	8.62	8.83	9.05
	-			-	-	-	-	-	-
Housekeepers	9,855	# of Occupied rooms		7,300	9,855	10,585	10,950	11,498	11,863
	15	Rooms cleaned/Housekeeper day		15	15	15	15	15	15
	657	# of Housekeeper Days		487	657	706	730	767	791
	6	Hours per Day		6	6	6	6	6	6
	3,942			2,920	3,942	4,234	4,380	4,599	4,745
	$ 8.50	Rate per Hour	2.5%	8.50	8.71	8.93	9.15	9.38	9.62
	33,507			24,820	34,345	37,811	40,093	43,150	45,633
Subtotal-Housekeeping Wages				24,820	34,345	37,811	40,093	43,150	45,633
Taxes & Benefits	12.0%			2,978	4,121	4,537	4,811	5,178	5,476
Total Wages & Benefits				27,798	38,466	42,348	44,904	48,328	51,108

Miscellaneous

INDUSTRY AVERAGE EXPENSES

Drapery	$0.00	per month		2.5%	-	-	-	-	-	-
Carpet Cleaning	$5.00	per room	2	2.5%	500	513	525	538	552	566
Linen	$0.48	per occupied rooms		2.5%	3,504	4,730	5,208	5,522	5,943	6,285
Satellite/Cable/Internet	$700.00	per month		2.5%	8,400	8,610	8,825	9,046	9,272	9,504
Printed Material	$0.00	per occupied rooms		2.5%	-	-	-	-	-	-
Paper Products	$0.11	per occupied rooms		2.5%	803	1,084	1,193	1,265	1,362	1,440
Soap	$0.06	per occupied rooms		2.5%	438	591	651	690	743	786
In-room coffee	$0.21	per occupied rooms		2.5%	1,533	2,070	2,278	2,416	2,600	2,750
Cleaning Supplies	$0.24	per occupied room		2.5%	1,752	2,365	2,604	2,761	2,972	3,143
Laundry Supplies	$0.22	per occupied room		2.5%	1,606	2,168	2,387	2,531	2,724	2,881
Maintenance	$50.00	per month		2.5%	600	615	630	646	662	679
Miscellaneous	$50.00	per month		2.5%	600	615	630	646	662	679
Plants & Gst. Bldg. Exp.	$0.00	per month		2.5%	-	-	-	-	-	-
Total Housekeeping					47,534	61,827	67,281	70,966	75,820	79,820

Complimentary Breakfast/Reception		**Factor**							
	Continental Breakfast	**$ 4.00**		$ 29,200	$ 39,420	$ 43,399	$ 46,017	$ 49,526	$ 52,376
	Manager's Reception	**$ 4.00**		$ -	$ -	$ -	$ -	$ -	$ -
	Miscellaneous per month	**$ 150**	2.5%	$ 1,800	$ 1,845	$ 1,891	$ 1,938	$ 1,987	$ 2,037
				$ 29,500	**$ 39,720**	**$ 43,706**	**$ 46,333**	**$ 49,849**	**$ 52,707**
TOTAL ROOMS EXPENSE				**143,963**	**205,468**	**218,522**	**227,908**	**239,637**	**249,733**

COST OF COMPLIMENTARY SERVICES

Complimentary services include newspapers, lobby coffee, promotional items and other goods and services.

	Factor		Opening	Year 1	Year 2	Year 3	Year 4	Year 5
Continental Breakfast/Occupied Roo	$4.00	2.5%	29,200	39,420	43,399	46,017	49,526	52,376
Managers Reception (4 nites)	$0.00	2.5%	-	-	-	-	-	-
Newspaper and Other	$25.00	2.5%	300	300	308	315	323	331
Total Complimentary Services Expenses			**29,500**	**39,720**	**43,706**	**46,333**	**49,849**	**52,707**

GENERAL ADMINISTRATIVE

Administrative and general expenses include costs associated with administering the hotel such as key personnel salaries, office supplies bad debt, credit card and other costs.
General Manager and Resident Manager wages are based on similar size and market properties.

Industry standards for Mid-priced properties is 12.1% of gross revenue according to *the Highland Group* . However, some wages, including accountant, night audit, and other fees that are included in industry averages are located in the Rooms and other sections of this pro forma.

Airfare/Lodging:	Cost of participating in franchise meetings and other related events
Mileage:	monthly allow for hotel related travel using $0.50/mile
Insurance:	Insurance-general comprises the premiums for policies that cover liability, life insurance, and liability insurance that covers third-party actions involving bodily injury and personal property demand.
Office Expenses:	general front office and general manager expenses not covered in Rooms Expense
Telephone	front office communication expenses (cell phone allowance)
Credit Card Commission	Standard industry expense that fluctuates with occupancy/revenues
Licenses	annual license for occupancy, elevator and food service
Accounting Fees	Assuming Profressional accounting or other services

			Annual Increase	Opening	Year 1	Year 2	Year 3	Year 4	Year 5
General Manager	$35,000		2.5%	35,000	35,875	36,772	37,691	38,633	39,599
Front Desk Mgr	$ -		2.5%	-	-	-	-	-	-
Bonus	0.0%			-	-	-	-	-	-
Subtotal - Wages				35,000	35,875	36,772	37,691	38,633	39,599
Taxes & Benefits	14.0%			4,900	5,023	5,148	5,277	5,409	5,544
Total Wages & Benefits				**39,900**	**40,898**	**41,920**	**42,968**	**44,042**	**45,143**
Miscellaneous Expenses based on Industry Averages									
				-	-	-	-	-	-
Misc. Benefits	150	per month	2.5%	1,800	1,845	1,891	1,938	1,987	2,037
Uniform Cleaning	-	per month	2.5%	-	-	-	-	-	-
Franchise Meetings	-	1	2.5%	-	-	-	-	-	-
Lodging (3 times per year)	-	1	2.5%	-	-	-	-	-	-
Mileage	100	per month	2.5%	1,200	1,230	1,261	1,292	1,325	1,358
Insurance	250	per month	2.5%	3,000	3,000	3,075	3,152	3,231	3,311
Office Expense	0.18	per occupied room	2.5%	1,314	1,774	1,953	2,071	2,229	2,357
Telephone Expense	0.19	per occupied room	2.5%	1,387	1,872	2,061	2,186	2,352	2,488
Credit Card Commission	1.4%	of room revenue		7,972	11,038	12,448	13,184	14,165	14,947
Licenses	400		2.5%	400	410	420	431	442	453
Accounting Fee	500	per month	2.5%	6,000	6,150	6,304	6,461	6,623	6,788
Help Wanted Ads	-	per month	2.5%	-	-	-	-	-	-
Miscellaneous	100	per month	2.5%	1,200	1,230	1,261	1,292	1,325	1,358
Total General & Administrative				**64,173**	**69,446**	**72,594**	**74,975**	**77,719**	**80,239**

Berlin, Wisconsin

SALES MARKETING EXPENSES

Total Sales and Marketing expenses are projected at 3.9% of total revenue compared to 4.3% industry average.
This Sales and Marketing budget excludes any personnel expenses assuming that the General Manager and Management company is responsible for sales call activity and correspondance.
This Sales and Marketing budget enhances the advertising budget with aggressive billboard placement and higher-than average general advertising.
Dues include Chamber of Commerce and/or Convention Bureau membership.
Franchise Fees are based on an average of Choice, BW, AmericInn and Wyndham franchises. This excludes any initial fees, application fees, and other service fees that may be charged by the franchise company.
Travel website commissions are based on actual averages from such including Travelocity, Expedia, Hotel.com, etc.

			Annual Increase	Opening	Year 1	Year 2	Year 3	Year 4	Year 5
Director of Sales		$ -	2.5%	-	-	-	-	-	-
Sales Coordinator		-	2.5%	-	-	-	-	-	-
Subtotal - Wages				-	-	-	-	-	-
Taxes & Benefits	22.0%			-	-	-	-	-	-
				-	-	-	-	-	-

			Annual Increase	Year 1	Year 1	Year 2	Year 3	Year 4	Year 5
Expenses									
Billboards	650	per month	2.5%	7,800	7,995	8,195	8,400	8,610	8,825
Direct Mail	-	per month	2.5%	-	-	-	-	-	-
Collateral Material	90	per month	2.5%	1,080	1,107	1,135	1,163	1,192	1,222
Other Advertising	250	per month	2.5%	3,000	3,000	3,075	3,152	3,231	3,311
Dues	400		2.5%	400	410	420	431	442	453
Uniform (Dry Cleaning)	-	per month	2.5%	-	-	-	-	-	-
Incentive Programs		per month	2.5%	-	-	-	-	-	-
Food & Bev. & Non Food	-		2.5%	-	-	-	-	-	-
Gifts	-		2.5%	-	-	-	-	-	-
WebSite Commissions	$1.51	per occ room		$14,881	$14,881	$15,983	$16,535	$17,361	$17,912
Total Sales & Marketing				**27,161**	**27,393**	**28,808**	**29,680**	**30,835**	**31,723**

FRANCHISE FEES

Advertising & Marketing Fee	2.00%	OF ROOM REV	11,388	15,768	17,783	18,834	20,236	21,353
Franchise Royalty Fee	$3.75	PER OCC ROOM	27,375	36,956	39,694	41,063	43,116	44,484
Reservation Fees	0.00%	per occupied room	-	-	-	-	-	-
			38,763	52,724	57,477	59,897	63,351	65,837

REPAIRS MAINTENANCE

Repairs and Maintenance, also referred to as Property Operations and Maintenance, is another expense that is largely controlled by management
Repairs can be a deferred or accumulating expense and usually depend on the age of the hotel and the practice of preventive maintenance.

Maintenance payroll listed is based on part time, lawncare/snow removal, minor repairs
Miscellaneous fees are industry standards.

Utility expenses are based on similar size properties in the Upper Midwest.

Salaries & Wages			*Increase/Year*	*Opening*	*Year 1*	*Year 2*	*Year 3*	*Year 4*	*Year 5*
Chief Engineer	$ -		2.5%	-	-	-	-	-	-
Maintenance Workers	1,020	Hours per year							
	$ 9.00	Rate per Hour	2.5%	9.00	9.23	9.46	9.69	9.93	10.18
	9,180			9,180	9,410	9,645	9,886	10,133	10,386
Subtotal - Salaries & Wages				9,180	9,410	9,645	9,886	10,133	10,386
Taxes & Benefits	12.0%			1,102	1,129	1,157	1,186	1,216	1,246
Total Salaries & Wages				10,282	10,539	10,802	11,072	11,349	11,633
Expenses based on Industry Averages									
Electrical & Plumbing	50	per month	2.5%	600	615	630	646	662	679
HVAC	25	per month	2.5%	300	308	315	323	331	339
Building (Ext.)	-	per month	2.5%	-	-	-	-	-	-
Pool/Spa	2,000		2.5%	2,000	2,050	2,101	2,154	2,208	2,263
Lawn	500		2.5%	500	513	525	538	552	566
Parking Lot/Snow Removal	2,400		2.5%	2,400	2,460	2,522	2,585	2,649	2,715
Pest Control	5	per month	2.5%	60	62	63	65	66	68
Light Bulbs	5	per month	2.5%	60	62	63	65	66	68
Sub contracting	50	per month	2.5%	600	615	630	646	662	679
Uniforms	-		2.5%	-	-	-	-	-	-
Flag	100		2.5%	100	103	105	108	110	113
Trash	255	per month	2.5%	3,060	3,060	3,137	3,215	3,295	3,378
				9,680	9,846				
Total Repairs & Maintenance				**19,962**	**20,384**	**20,894**	**21,416**	**21,951**	**22,500**
Utilities									
Electric, Gas, Water/Sewer	5.98	per occupied room	2.5%	43,654	58,933	64,881	68,796	74,042	78,302

	Year 1	Year 2	Year 3	Year 4	Year 5
Property Taxes 1	$36,250	$36,720	$37,454	$38,203	$38,968
Insurance	$20,500	$21,000	$21,500	$22,000	$22,500
Management Fee	$28,758	$30,622	$30,525	$32,797	$34,608
FF&E Lease	$0	$0	$0	$0	$0
Reserve for Replacement	$7,988	$18,013	$28,617	$40,996	$43,260

Construction Costs

50 rooms with indoor pool

	Per Room		Total $
Land Value	$8,000	$	400,000
Construction	**66,000**	**$**	**3,300,000**
Indoor pool	**1,100**	**$**	**55,000**
Site Work	**300**	$	15,000
Landscaping	**400**	$	20,000
FF&E/OS&E	**12,000**	$	600,000
architectural & engineering	**220**	$	11,000
Appraisal	**70**	$	3,500
Surveys	**110**	$	5,500
Construction Interest	**1,920**	$	96,000
Legal and Accounting fees	**50**	$	2,500
Franchise fees (application and fee)	**700**	$	35,000
Insurance	**150**	$	7,500
Signage	**500**	$	25,000
Permits and Fees	**100**	$	5,000
Working Capital	**2,200**	$	110,000
Pre-opening marketing, staff & training	**680**	$	34,000
Developer fee	**1,500**	$	75,000
Total construction costs	**$96,000**	**$**	**4,800,000**

THIS IS FOR INTERNAL PURPOSES ONLY AND IS NOT INTENDED TO REPRESENT AN ACTUAL CONSTRUCTI BUDGET.

Investment

	$	%
Debt	$3,360,000	70%
Equity		
Land	0	0%
Cash	1,440,000	30%
Total Equity	$1,440,000	30%

Net Available for Debt Service	**$270,015**	Based on Year 2 (first full year)
Interest 5% interest	**$168,000**	
Principle	**101,615**	
Total Debt Service	**$269,615**	
Interest Rate - 20 years	**5.0%**	
Interest Coverage Ratio (NOI/Interest Payment)	**1.6**	**x**
Debt Service Coverage Ratio (NOI/Total Debt Service)	**1.0**	**x**
Cash-on-Cash Yield To Equity (NOI-Interest)/Equity Investment	**0.0%**	

SAMPLE CONSTRUCTION BUDGET

Hotel R&D, LLC

Since 1993

Providing accurate and timely Hotel Market and Feasibility Studies for new construction and conversions.

Telephone: **(414)-379-2105**
Email: **micland12@yahoo.com**

Hotel R&D, LLC

FEASIBILITY STUDY PROCESS

Phase 1 **Field Work**

1) ***Field Work and Analysis***

Hotel R&D, LLC gathers all available data and information on the subject market including a *Smith Travel Research* report on area hotel performance trends; sales data for existing competition; listing of local companies, organizations and attractions, highway traffic data and existing competition.

Visit the subject market to interview potential demand generators, evaluate existing supply and closest available competitive supply, and determine initial strength and support of the subject market.

2) Site Analysis

Hotel R&D, LLC will inspect the proposed site(s) for general development approval and obtain information regarding zoning and building restrictions, setbacks, easements and utility tap fee calculations. In addition, a "Site Marketability Analysis" will describe the potential strengths and weakness of the parcel ranging from size limitations to visibility, accessibility and value of nearby support services.

3) ***Initial Overview***

A brief report on these initial findings will be presented. This will involve the determination of positive or negative findings during the fieldwork portion of the study.

If a weakness in the market is determined during the fieldwork phase of the study, such as previously unannounced competition or a potential loss of a major demand generator, further analysis will be terminated until an agreement is made with you to continue with the market study. If the project is terminated, all information and market data will be presented to you. No additional charges, except the retainer fee and stated travel expenses, will be incurred.

Phase 2 **Feasibility Study Components**

1) ***Transmittal Letter and Conclusions***

* Project Summary and Feasibility Conclusions
* Summary of Operating Performance (5 years)
* ADR (average sales price per unit)
* Usage (annual occupancy, visitors, rounds, covers, etc.)
* Revenues
* Net Operating Income
* Recommendations of size, property type, features and amenities.
* Suggestions of franchise affiliations (if necessary) and marketing strategies

2) ***Market Area Analysis***

* Regional Map
* General Market Characteristics
* Population Growth Trends and Forecasts
* Employment Trends and Distribution
  * Major Employers
  * Unemployment Trends
* Transportation
  - Highway System (traffic counts)
  - Airport usage trends
  * Other transportation activity
* Tourism Attractions and Attendance Patterns
* Commercial Real Estate Overview
  * Proposed Commercial Development

3) ***Site Analysis***

* Neighborhood Map
* Location
* Proximity to Major Demand Generators
* Access and Visibility
* Surrounding Area Characteristics

4) ***Lodging Market Overview***

* Current Competitive Supply
* Primary Competition
* Competition Supply Table
  * Property
  * Number of Rooms/Size/Sq. Footage/Capacity
  * Year Opened
  * Occupancy/Usage trends
  * Average Rate/average sales per unit
  * Demand Segmentation (percentage of corporate/tourist/group
* Competitive Supply Map
* Proposed Additions to Supply

5) ***Demand Analysis***

* Identification of Demand Segments (corporate/tourist/group/incentive)
* Estimates of Accommodated Demand by Segment for the Competitive Supply
* Daily/Seasonal Variations in Demand
* Unaccommodated Demand
* Estimated Growth by Demand Segment

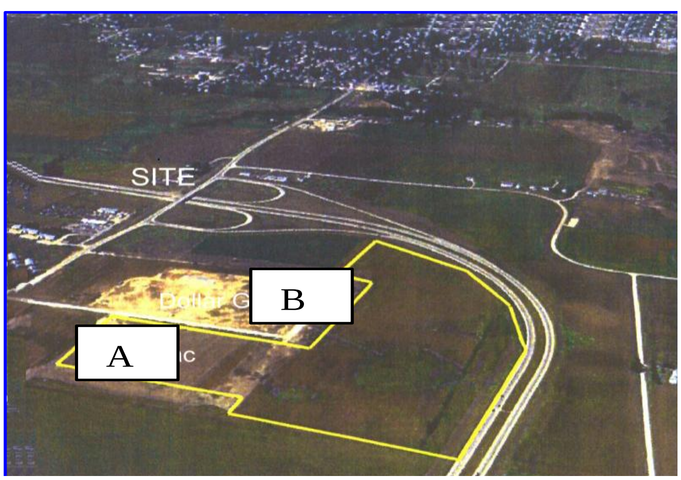
6) ***Estimated Occupancy/Usage and Average Rate/Price***

* Market Demand Penetration
    * Fair Market Share
    * Estimated Penetration by Demand Segment for Proposed Hotel/Attraction
    * Estimated Occupancy/Usage - 12 month and 5 year
* Estimated Average Rate/Price per unit sold (5 year)

7) ***Prospective Financial Analysis***

* Monthly (first year) and 5-year pro forma of operating revenue complete to Net Operating Income. The five-year pro forma can also be modified to include Return on Investment and Debt Service Coverage.

This report format has been approved by hotel franchise companies, major financial and lending institutions, community economic development organizations and the United States Small Business Administration.



SYNOPSIS OF EXPERIENCE

Hotel R&D, LLC
Oshkosh, Wisconsin 54901
Telephone: (414)-379-2105

Michael P. Lindner

I have over 30 years of experience in the hotel industry including operations, development and new project market research. My experience is diverse including management and ownership of franchise and independent hotels, developer of limited service franchised properties and author of hundreds of hotel market studies.

Recent assignments have included:

- Conducted over 400 <u>market studies</u> for new hotel and tourist developments in a variety of major, secondary, and foreign markets for independent developers, lenders and operators.

- Coordinated and implemented a <u>marketing and sales program</u> for several major market, full service hotels and resorts, as well as for a chain of full service hotels located throughout the Midwest.

- Assisted numerous first-time buyers in <u>acquisition, franchise selection and market repositioning</u>, resulting in a successful turnaround of several distressed properties.

- Co-author of <u>*Hotel Research and Market Analysis Strategies*</u>, an independent study guide and text supplement for the University of Wisconsin.

- Owned and operated water park hotel in Wisconsin Dells

- Created and implemented a strategic market and site selection plan for new hotel projects for numerous first time and established developers.

Partial list of recent feasibility and consultation project locations:

ALABAMA – 1
Andalusia, upper economy

ARKANSAS – 2
Fort Smith, full service acquisition
Little Rock, full service

CALIFORNIA – 6
Corning, limited service
Marysville, limited service
Yreka, limited service
Santa Rosa, all suites and vineyard attraction
Lodi, economy and restaurant
Los Banos, limited service hotel
Oroville, inn & suites, visitor center

COLORADO – 2
Denver, limited service + restaurant (Wingate/Damons)
Parker, upper economy

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GEORGIA – 2
Smyrna (Atlanta), limited service
LaGrange, limited service

ILLINOIS – 18
Chicago Midway Airport, limited service
Crystal Lake, all suites
Danville, limited service
DeKalb., limited service/dormitory
Decatur, full service acquisition
Edwardsville, SIU housing
Effingham, limited service
11 others

INDIANA – 11
Indianapolis area (6 residential)
Troy/Tell City, conference center
Merrillville, all-suites/full service
Fort Wayne (3)
Gas City, limited service
7 others

KANSAS - 1
Herington, economy

KENTUCKY - 7
Grayson, hotel, rest., theater
Bowling Green, extended stay
Elizabethtown, limited service
Glasgow, limited service

MICHIGAN - 21
Sault Ste Marie, suites
Escanaba, limited service
Newberry, resort
Grand Rapids area (4)
Kalamazoo (3)
Detroit (2)

MINNESOTA - 12
Minneapolis, hotel, retail, housing
Deer River, hotel/golf
Minneapolis Area (5)
Rochester (2)
Mankato, Marshall

MISSISSIPPI - 4
Vicksburg, Rainbow casino hotel
Oxford, limited service
Batesville, limited service
Jackson, full service

MISSOURI - 10
St. Louis area (4)
Kansas City area (2)
Fulton, limited service
Mexico, limited service
Cape Girardeau, limited service
Marshall, limited service

MONTANA - 1
Bozeman, all-suites

NEVADA - 1
Las Vegas, casino hotel
Acomita, casino hotel,conference

IOWA – 8
Des Moines, limited service
Boone, limited service
Storm Lake, limited service
Cedar Rapids, extended stay
Dubuque, limited service, ext. stay
Davenport area, limited service
Mt. Pleasant, limited service

OHIO – 25
Cincinnati – (3)

Cleveland, downtown extended stay
Cleveland area (7)
Toledo area (3)
Dayton (4)
Columbus (4)
Ashland, Bowling Green, Jeffersonville(2)
Cadiz, Madison, Ironton

OKLAHOMA- 3
Enid, limited service
Stillwater, limited service
Ponca City, limited service

OREGON – 2

Florence, limited service
Pendleton, casino hotel banquet center

PENNSYLVANIA- 3
Lebanon, full service
Uniontown, limited service
Grove City, limited service

TENNESSEE – 4
Jackson, limited service
Nashville area (2)
Newport, limited service

TEXAS – 7
Allen, limited service
Commerce, A&M conference hotel

NEW YORK - 1
Watertown, limited service

WISCONSIN - 59

Appleton area hotel/waterpark
Metro Milwaukee Area (11)
Madison area (6)
Eau Claire/Chippewa Falls (3)
Shawano, casino hotel, motel
Wisconsin Dells, limited service
Wausau region (5)
Cable, resort acquisition
Door County (3)

Eagle River, limited service

INTERNATIONAL
Poznan, Poland, infrastructure
Locz, Poland, nightclub/hotel
Wroclaw, Poland
Windsor, Ontario golf
Thunder Bay, Ontario

FRANCHISES
Best Western
Choice Hotels
Cendant
Marriott

Six Continents (Holiday Inns)
Hampton/Hilton
Country Inn & Suites
Motel 6
Baymont Inns

Amerihost Inn
Microtel & Hawthorne Suites
Numerous Independents