

FEASIBILITY STUDY

Proposed 60-Room Limited-Service Hotel East Jordan, Charlevoix County, Michigan



Date of Report

August 26, 2013

Prepared for:

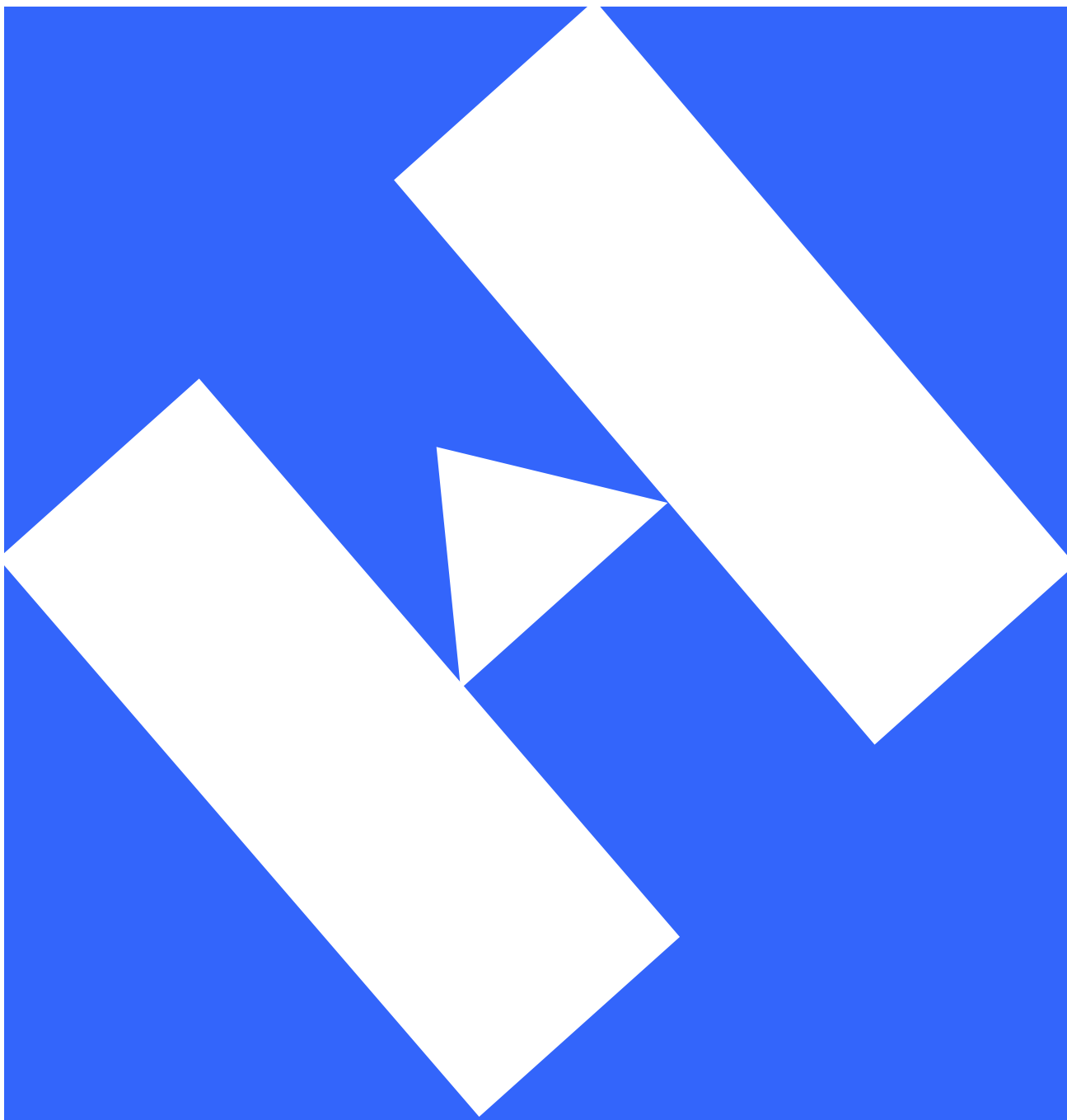
Mr. Chris Yonker, City Administrator
City of East Jordan
201 Main Street
East Jordan, MI 49727

By



HOSPITALITY ADVISORS CONSULTING GROUP

411 Huron View Boulevard - Suite 104
Ann Arbor, Michigan 48103





HOSPITALITY ADVISORS

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Affiliated with Allen & Associates Appraisal Group Inc.

August 20, 2013

Mr. Chris Yonker, City Administrator
City of East Jordan
201 Main Street
East Jordan, MI 49727

Dear Mr. Yonker:

Pursuant to our discussions, we have investigated the feasibility of a limited-service hotel in East Jordan, Charlevoix County, Michigan. We performed market research involving hotel demand generators, civic leaders and area hotels to determine the demand for the proposed hotel. Additionally, we provide a brief description of the Charlevoix County area in economic and demographic terms, an overview of the proposed subject's area hotel supply and demand, and the probable market position of the hotel as well as utilization (occupancy), average rate, and a prospective financial analysis for the first five years of operation of the proposed hotel in East Jordan.

In the body of the report we discuss the selection of a site for a hotel development within the community. We were presented with four sites and conducted a site analysis to come to our recommendation. There were pros and cons for each site but in the course of our analysis it became clear that the site should be in the downtown area to have maximum impact on the community. Once that became clear to us we utilized both subjective and objective criteria to make our selection. The assumptions that we used were based upon our observations and input from our interviews and if there are other elements of which we were unaware it could change this recommendation.

The selection of site four over site three has to do primarily with size. We do not believe site three is large enough to host the size of development required without acquiring the adjacent property. The access and egress to site three would cause traffic as well as neighborhood issues. Though this site is superior to any of the others from the standpoint of visibility and lake access, resolution of these issues would make this the better site.

During the course of our research, we became aware of several issues in East Jordan that in our opinion need to be addressed either before this project is developed or in conjunction with the project if the project is to succeed. These issues include:

1. The Jordan River connection with Lake Charlevoix must be improved. This is crucial to tourism in the area. Silt and sand deposit at the mouth of the Jordan River is adversely affecting the city marina in recent years. East Jordan cannot afford to have its marina affected during the tourist season, which could be a major draw. Not solving this issue could have a negative effect on a hotel's performance impacting the tourist segment of demand.

2. Additionally, more effort must be made to connect the Jordan River and Dressel Nature Preserves with trails for hiking and biking and connections to Sportsmen's Club Park and the Jordan River access points. These changes would likely require a partnership with, and funding from, the State of Michigan. Though it is outside the scope of this report, we strongly recommend that all efforts need to be made to connect trails and river access to enhance recreational opportunities in the area.

3. Improve and develop the downtown area. The proposed subject is certainly a key component of this, but there needs to be a broader emphasis on retail and restaurant offerings in the city and DDA to generate more consistent activity beyond the seasonal festival-goers and day-trippers. Additionally, the current streetscape effort with flowers and planters has been very appealing. Additional streetscaping with flowers, accent walls and other points of visual impact is an inexpensive addition that has great impact.

We appreciate the opportunity to work with you on this project.

Very truly yours,

HOSPITALITY ADVISORS

EXECUTIVE SUMMARY

Hospitality Advisors was retained by the City of East Jordan, Michigan to explore the feasibility of a hotel development in the City. The assignment asked that we select the most appropriate site and then perform a market analysis resulting in this report.

Site Analysis

As a part of this analysis, HA was to evaluate four sites and choose one as the subject. Two of the sites were near the downtown and two were on the perimeter proximate to entry points to the City. Having visited all four sites, we feel that the site needs to be downtown to have the greatest economic impact as well as the highest probability for success. The two downtown sites both had strengths and weaknesses; however, we chose the site above the dam on the river (site 3) in the report. This site was centrally located to downtown businesses and could be developed with waterfront (river) access and provided appropriate size for such a development.

Market Analysis

During interviews of potential demand generators and others in the community, we discovered demand that currently is escaping the community to Charlevoix and the resorts in the area leaving East Jordan out of consideration as a destination both for summer and winter tourism traffic as well as local and regional corporate business. From our interviews of local and regional corporate and social destination demand drivers, we were able to estimate demand that would be available to a property in East Jordan. Below is our estimate of room night demand by segment for a local property. It should be noted that we feel the property should be developed with a national flag.

5 Year Demand Build-Up Analysis					
Segment	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Corporate</i>	3,418	3,486	3,556	3,627	3,699
<i>Group</i>	1,124	1,146	1,169	1,193	1,217
<i>Leisure</i>	8,574	8,745	8,920	9,098	9,280
<i>Total</i>	13,115	13,377	13,645	13,918	14,196
<i>Est. Occupancy</i>	59.89%	61.08%	62.31%	63.55%	64.82%

These estimates assume not only a national flag, but professional management and a quality facility of approximately 60 rooms of high quality and an indoor pool/whirlpool. Additionally, our interviews indicated a small meeting room and spacious and comfortable lobby and breakfast area. Design will be important to this facility as it needs to blend into the riverfront site, be unique and high-quality. Below is a chart of potential occupancy and average daily rates that our analysis implies for such a facility.

Rooms Revenue Summary					
Metric	Year One	Year Two	Year Three	Year Four	Year Five
<i>Total Est. Roomnights</i>	13,115	13,377	13,645	13,918	14,196
<i>Est. Occupancy</i>	59.89%	61.08%	62.31%	63.55%	64.82%
<i>Est. Average Daily Rate</i>	\$94.68	\$97.05	\$99.48	\$101.96	\$104.51

Conclusion

It is our conclusion that a branded hotel of approximately 60 rooms with appropriate amenities as outlined in the body of this report and assuming competent management could achieve cash flow at a level to support a \$4.5-\$5 million dollar project.

Several other suggestions that we have to improve the likelihood of success for such a project include improved streetscaping done to the downtown area, which should improve appeal for visitors. Also, continued improvement of downtown storefronts and attraction of artists and boutiques to the downtown will provide visitors to East Jordan with the same sense of quality and appeal that local residents feel for their community.

Area Economic & Demographic Profile



The subject development area is situated in the city of East Jordan, Charlevoix County, Michigan. East Jordan is located in the northwest portion of Michigan's Lower Peninsula, approximately 250 miles northwest of Detroit. The image to the left illustrates the location of Charlevoix County relative to other Michigan Counties.

Area Highway System

A network of highways that includes U.S. 31, Michigan Highway 66 (M-66), Michigan Highway 32 (M-32) and county route C-48 serves the East Jordan area. U.S. 31 is a regional highway running from the Indiana State Line north along Lake Michigan through the northern Lower Peninsula. M-66 is a regional state highway running through East Jordan from the Battle Creek area north ending at U.S. 31 in Charlevoix. M-32 begins in East Jordan and runs east through the towns of Gaylord and Atlanta to its end in the city of Alpena. C-48 runs west from M-66 through the town of Ellsworth meeting its end at U.S. 31. Two of the proposed sites are located along M-66 in the outer areas of East Jordan. The other two sites are along M-32 in the downtown area near Lake Charlevoix. Refer to the following table for traffic counts on thoroughfares affecting the proposed site.

Average Daily Traffic Counts	Period	2000	2011	Δ%
M-32 beginning in East Jordan	2000-2011	9,200	4,600	-10.91%
M-66 north of East Jordan	2000-2011	4,100	2,800	-6.16%
M-66 south of East Jordan	2000-2011	4,500	3,400	-4.56%

Source: Michigan Dept. of Transportation

Air Traffic

Cherry Capital Airport (TVC) is the major airport serving the East Jordan/Charlevoix County area and it is located approximately forty (40) miles southwest of the city of East Jordan and the proposed site. Cherry Capital is the primary airport serving the northern Lower Peninsula. Cherry Capital consists of four gates in a Northern Michigan Artisan-style terminal building. Additionally, Cherry

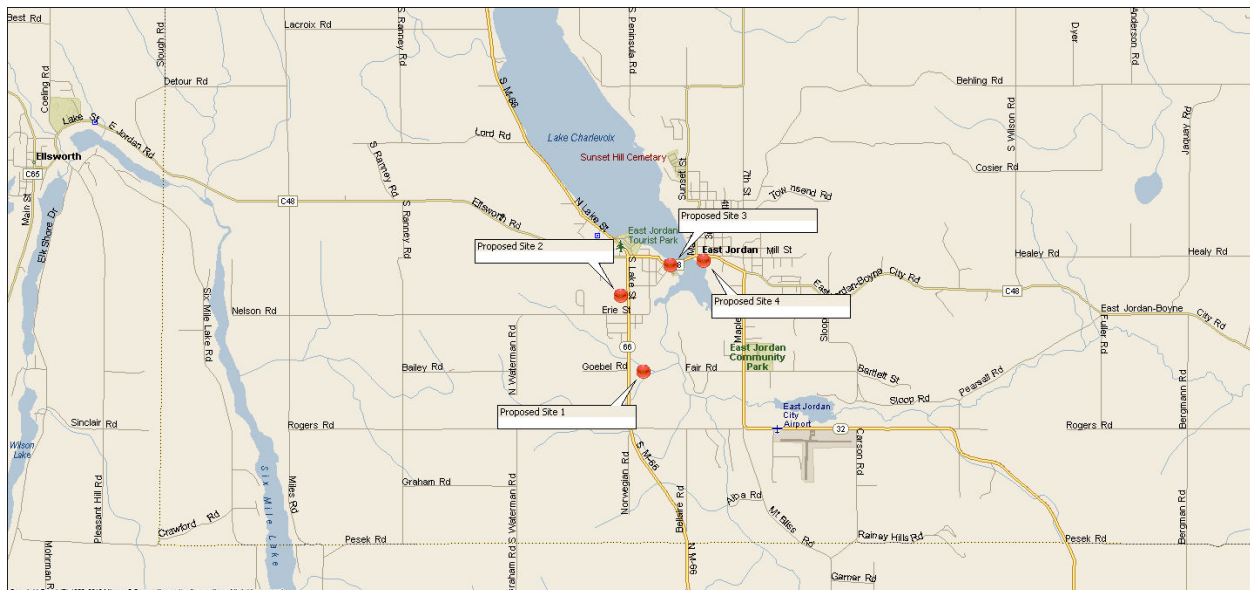
Capital has three airlines serving the area: Delta, United and American Airlines. Cherry Capital saw an all-time high in total passenger traffic in 2005.

Historic Passenger Volume Cherry Capital Airport

<u>Year</u>	<u>Total Passengers</u>	<u>Δ%</u>
2012	362,059	2.78%
2011	352,250	2.49%
2010	343,679	-3.99%
2009	357,955	-3.63%
2008	371,444	-8.63%
2007	406,537	-2.17%
2006	415,547	-3.38%
2005	430,067	8.32%
2004	397,038	3.85%
2003	382,302	-
Compounded Annual Growth		-0.77%

Source: Michigan Department of Transportation

Map of the East Jordan Area






Aerial View of the Proposed Site(s)



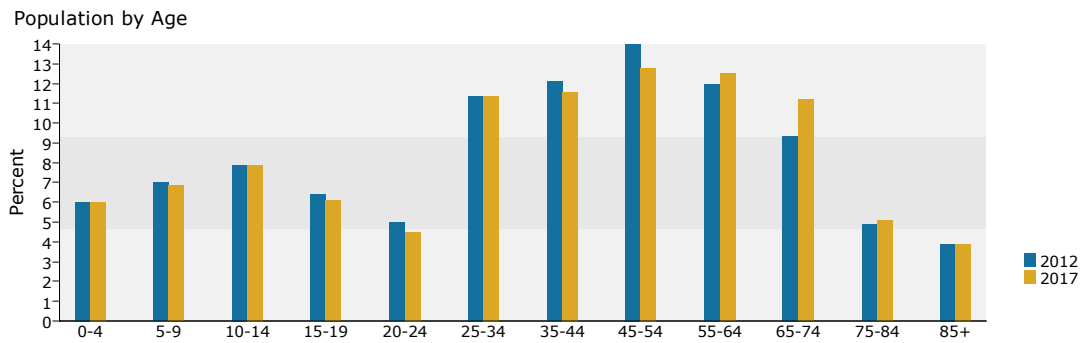
Neighborhood Observations

Proposed Limited Service Hotel, East Jordan, Michigan

Description	
Analysis Area:	2.0 mile ring surrounding proposed subject site
Primary Transportation Artery:	 
Most Proximate Highway:	
Land Uses:	Residential, Commercial Highway Business, Retail
Neighborhood Influence(s):	Jordan River, Lake Charlevoix's South Arm, EJ Industries
Development Trends:	Limited vacant land in area for development

Population

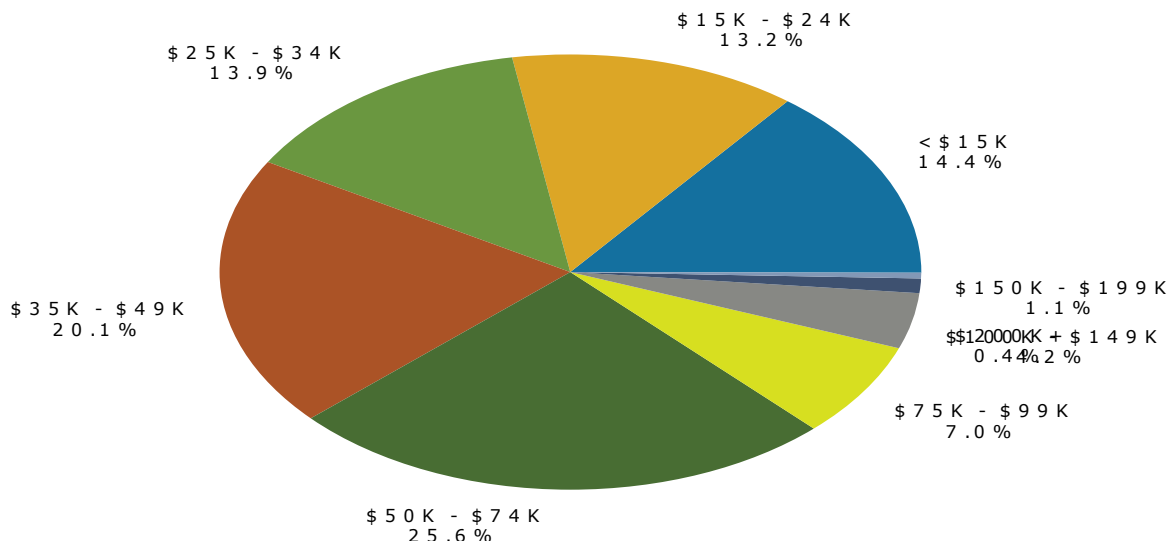
The population trends of an area have no direct correlation with hotel room night demand but do reflect the economic health of an area. Therefore, a discussion of population is necessary. With a population of 25,949 in 2010, Charlevoix County has seen a 0.05% compounded annual decrease over the 11-year period starting December 31, 2000 and ending December 31, 2010. The State of Michigan experienced the same annual decrease of 0.05%, during the same time. Additionally within two miles of the subject site, there are 3,091 residents with a median age of approximately 40.9 years as of 2012. Approximately 49.5% of the population is between the ages of 25 and 64 and is expected to decline to 48.3% by 2017 according to Site To Do Business.



Median Household Income

Trends in personal income reflect the spending ability of local residents. Like population trends, personal income has no direct correlation with hotel room night demand but rather tends to gauge the economic health of a market area. We can compare and measure Charlevoix County and Michigan state income through analysis. Charlevoix County's level of Median Household Income resulted in a 1.86% compounded annual increase from 2000-2010. These figures compare with those for the State of Michigan, which registered growth of 0.78% annually from 2000-2010. The State of Michigan's Median Household Income through 2011 was \$48,669 and for Charlevoix County it was \$48,745. Additionally, within two miles of the subject site, the 2012 median household income amounted to \$39,937 with 25.6% of workers earning between \$50,000 and \$74,999 per year, which is expected to grow to 30.5% of workers within the next five (5) years according to Site To Do Business.

2012 Household Income



Retail Sales

The level of retail sales is an additional measure of an area's economic health and vitality and may point out economic trends. Between 2002 and 2007, the level of retail sales for Charlevoix County increased at an average annual rate of 0.54%. During the same period, the State of Michigan declined by a similar pace at 0.02%. Specific statistics for retail sales are not kept by regional and local government entities. Refer to the following chart.

Economic and Demographic Data			
	<u>Period</u>		<u>CAG</u>
Population	<u>2000</u>	<u>2010</u>	<u>Δ%</u>
Charlevoix County	26,090	25,949	-0.05%
Michigan	9,938,444	9,883,635	-0.05%
Median Household Income	<u>2000</u>	<u>2007-2011</u>	<u>Δ%</u>
Charlevoix County	\$39,788	\$48,745	1.86%
Michigan	\$44,667	\$48,669	0.78%
Retail Sales	<u>2002</u>	<u>2007</u>	<u>Δ%</u>
Charlevoix County	\$206,286,000	\$221,210,000	0.54%
Michigan (Millions)	\$109,350,139	\$109,102,594	-0.02%

Source: State of Michigan, U.S. Census

Employment

Important factors in determining present and potential commercial and industrial growth include total employment, the distribution of employment among industry segments and trends in distribution. The following table illustrates employment data and analysis for the aforementioned areas.

Unemployment Figures	Period	2000	2012	2012 Unemployment Rate	Δ%
Charlevoix County Labor Force	2000-2012	13,814	12,797	-	-0.64%
Charlevoix County Employment	2000-2012	13,198	11,418	10.78%	-1.20%
Michigan Labor Force	2000-2012	5,144,000	4,657,000	-	-0.83%
Michigan Employment	2000-2012	4,953,000	4,232,000	9.13%	-1.30%

Source: Michigan Labor Market Information, 2013

Major Employers - Charlevoix County		
<u>Employer</u>	<u>Employees</u>	<u>Market Sector</u>
Boyne USA Inc.	1,541	Recreation Resort
EJ Industries	1,230	Iron Foundry
LexaMar Corp.	1,059	Plastics Manufacturer
Grandvue Medical Care Facility	915	Assisted Living Facility
Charlevoix Area Hospital	880	Hospital & Health Services
Harbor Industries	650	Window & Lobby Displays
Summertree Residential Centers	600	Mental Health Facilities
Northwest Michigan Community Medical	600	Preventative Health Care
Honeywell International Inc.	536	Aircraft Parts & Equipment
St. Mary's Cement Inc.	500	Cement Manufacturer

Source: Northern Lakes Economic Alliance 2013

Conclusion

In summary, Charlevoix County has seen its population stay steady over the past decade, which is somewhat uncommon in Michigan given recent economic troubles. Also, Charlevoix County has seen its household income and retail sales figures increase over the past decade. Charlevoix County and the city of East Jordan are not highly dependent upon the automotive industry for economic growth, but rather health care and non-auto manufacturing. Regardless, growth is occurring in areas of the county such as East Jordan with high-tech industries like plastics and agriculture. Most of the Charlevoix County economy is still dependent on seasonal tourism, which is heavily volatile. The growth of commercial development as well as a stable automotive industry and an improving economic climate should create the atmosphere for a stable hotel market, which we believe will allow the proposed subject hotel to enjoy solid occupancy and average rates on an annual basis.

Site Analysis

The map below shows the location of four possible hotel sites. Additionally, we have analyzed each site in terms of the strengths and weaknesses as it relates to the desired activity generated by a high quality product.



Proposed Site 1: This site is located along M-66 at the southwest end of East Jordan adjacent to the various nature preserves along the Jordan River. This site's primary strength is its proximity to the area's local natural assets, which would likely be a major part of the project were this site selected. The primary weakness of this site is that it is not located within close proximity to the downtown and lakefront areas, which is a major goal of this proposed project. Therefore, we do not believe this site is the most ideal for the proposed project, yet it may be a fine site for a hotel project at a later date.

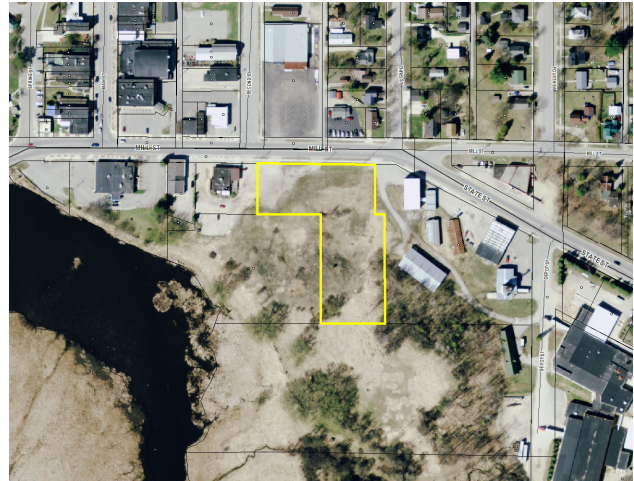
Proposed Site 2: The second site available for the proposed subject is also located on the southwest end of East Jordan, but is located on the west side of M-66 adjacent to a retail complex. This site is vacant commercial land with ingress/egress and utilities available to the site. This site's primary strength is its status as development-ready. Major weaknesses with this site include distance from downtown and Lake Charlevoix as well as lack of access to the local nature and green spaces along the Jordan River. Given these reasons, we believe this site is better-suited for retail or residential development, not lodging.

Proposed Site 3: The third site available for the proposed project is the site on the north side of M-32 just west of the Jordan River/Lake Charlevoix bridge. This site's strengths include water frontage along Lake Charlevoix, access to the various nature areas across M-32 at Sportsman's Club Park and easy access to the downtown area across the bridge. The primary weakness with this site is its size. We believe that this property would need to be expanded by absorbing the two residences adjacent to the site. Additionally, the site is located within view of the EJ industries iron smelter, which emits loud noise for much of the day and could negatively affect the outdoor areas of the proposed hotel. We believe this site is the best from a location standpoint, but is limited by its size and we do not know what the potential for purchasing contiguous land may be.

Proposed Site 4: The fourth potential site for the proposed hotel is located in downtown East Jordan between the East Jordan Cooperative property and BC Pizza, directly across M-32 from the hardware store. This site's strengths include its downtown location as well as its frontage along the Jordan River basin and its access to the snowmobile trail. Weaknesses of the site include lack of lake frontage along Lake Charlevoix as well as distance from the Jordan River nature area access. In our opinion, these weaknesses are not as strong as the other sites' given the stated goal of the project. This site's weaknesses are certainly not enough to outweigh the strengths of this site. Therefore, it is our opinion that this site makes the most sense for a hotel development taking advantage of both the downtown location as well as the natural assets of the Jordan River watershed.

Location, Visibility and Access

As proposed, the subject site will have excellent visibility from M-32 and will have visibility from most parts of the downtown area as well as the lakefront areas. The site is to consist of one limited-service hotel, which likely will be a minimum three (3) stories with signage as required by brand and local zoning. Access is considered good and will be gained by way of curb cuts along M-32/Mill Street. The proposed site is currently comprised of two parcels, which would likely need to be combined. Please refer to the maps on the following page



Summary of Subject Parcel(s)

Reference ID	Parcel ID	Improvement Type	Acreage*
1	053-023-093-50	Vacant Land	1.13
2	053-023-093-60	Vacant Land	1.13

Source: County Records

* Parent parcel acreage, actual acreage NAV

Site Photos

The current site is being used temporarily as a soil depository from the Jordan River dredging efforts.

The site is to be cleared in 2014 once development has been approved.



Subject Site Facing Southeast



Subject Site Facing East



Subject Site Facing South



Subject Site Facing South



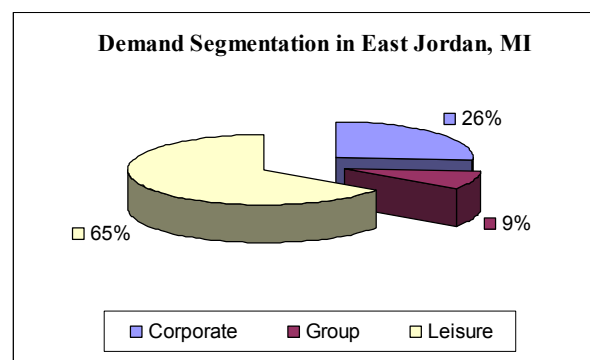
Subject Site Facing West

Market Analysis

Based on our interviews with local demand generators, our *Market Analysis* will present a discussion of the relevant supply and demand factors impacting the subject property, as proposed. However, since there is little competitive supply in the surrounding market, we have performed a build-up approach to ascertain area demand that would equate to hotel room nights for the proposed facility. Our demand analysis will evaluate the demographic composition of the primary market area to arrive at an estimate of demand in the primary market area. In our *Market Analysis* we will provide a conclusion of the subject's market potential. Our market position discussion will present an occupancy and average rate analysis. The East Jordan area is considered at the redevelopment stage by where there are various prospects for new demand in the area.

Demand Segmentation

Based on information gathered during the course of our fieldwork, we have separated proposed lodging demand for the proposed hotel into three segments: corporate, group and leisure demand. It is necessary to identify and quantify each demand segment in order to forecast future demand, as each demand segment exhibits different growth characteristics. The table below illustrates the estimated room night demand captured by the proposed subject in its first year of operation, by market segment.



To determine an achievable occupancy percentage for the proposed subject property throughout the period of prospective analysis, we will analyze the demand seasonality of the proposed hotel and the occupancy achieved during the course of the year. A high quality, competitively priced hotel should, in our opinion, be able to accommodate a significant share of demand and capture demand that is currently escaping the immediate area.

Demand Seasonality

Our fieldwork indicates that seasons must be divided into several different categories. We have segmented the year into four seasons: Season 1 through Season 4.

Season 1:

We have determined that Season 1 in the East Jordan market to span weekdays and weekends from January through March.

Season 2:

We have deemed Season 2 in the East Jordan market to include weekdays and weekends in the April and May shoulder months.

Season 3:

We have deemed Season 3 in the East Jordan market to include high-demand period weekdays and weekends from June through August.

Season 4:

We have deemed Season 4 in the East Jordan market to include weekdays and weekends in shoulder and low months from September through December.

Market Segments

We have divided the proposed hotel's demand into three (3) demand segments. These segments interact differently in each season of the year. The three segments include the corporate market, group market and leisure market. The following paragraphs analyze each of these different market segments. We spoke with various local companies and organizations throughout Charlevoix County representing over 1,000 employees in different industries. There are also some local corporate and leisure social events which are currently not being served locally. On the following pages we have estimated future growth in demand by segment over 5 years. Included with our estimates is a discussion of the factors which impact our estimates.

Corporate Transient Market

Corporate demand is greatest during the week Monday through Thursday. We have estimated corporate room nights for the proposed hotel through our interviews with companies in the area. Various local businesses were very interested in a good quality lodging establishment in East Jordan. Additionally, there is a small amount of corporate demand from Charlevoix and Boyne City which would be available to the property due to lack of supply during the summer season in Charlevoix. Corporate demand tends to be consistent during weekdays and appreciates easy access, proximity and consistency in service. We estimate total corporate room nights at 3,418 in the first year then grow to 3,699 in the fifth year and stabilize at that number.

Group Market

Group demand includes both social and corporate demand which covers most seasons of the year. We have estimated group room nights for the proposed hotel through our interviews in the East Jordan market. This demand is currently escaping the immediate area; however, our experience in this type of market leads us to believe that it is more significant than is apparent. We estimate that the group demand segment represents 9% of the total demand or 1,124 room nights in the first year of operation.

Leisure Transient Market

Leisure demand is greatest during the summer months and occurs primarily on Fridays and Saturdays in all seasons. M-32 and M-66 are major regional highways and the facility will have great visibility and accessibility from M-32. M-32 is a state highway that connects the East Jordan area with Gaylord and Alpena. Additionally, M-66 is a regional state highway that begins downstate in Battle Creek and ends in Charlevoix and also runs through East Jordan. These roads allow for access to and from East Jordan with most major highways as well as access to many major resort towns and leisure destinations throughout the northern Lower Peninsula. The subject will also be in position to capture demand from many of the local festivals and regional events throughout the year. Additionally, a major event facility catering to weddings and social events is located approximately 20 minutes from the proposed site and would generate significant leisure demand throughout much of the year. We've estimated demand in the leisure transient segment at 8,574 room nights in the first year growing to 9,280 by the stabilized fifth year.

Market Position of the proposed facility*Facilities*

The proposed hotel facility will include 60 rooms. The hotel's amenities will likely include a large lobby and common area for breakfast, small gift/sundry shop, an ample indoor swimming pool and whirlpool, fitness room, sauna, meeting room with space for approximately 50 guests, small business center as well as vending and guest laundry facilities. Additionally, we recommend a large deck area on the rear of the building overlooking the Jordan River basin and its natural serenity. Due to the quality of the furniture, fixtures and equipment, the subject property will have a public area similar to that found in good quality, commercially-oriented, limited service hotels.

Demand Growth

In order to estimate future hotel room demand available for capture by the proposed subject property, it is necessary to estimate growth in demand, by segment, over the period of prospective analysis. Segment demand growth is estimated through analysis of historical demand, trends, and/or development of demand generators. For the purposes of this analysis, we have estimated growth in demand at 2.0% per year for all segments over the course of our analysis given the limited yet regional nature of the market.

Latent/Unaccommodated Demand

Unaccommodated demand refers to individuals who are unable to secure accommodations in the market because all of the local hotels are filled. These travelers must defer their trips, settle for less desirable accommodations, or stay in properties located outside the market area. Because this demand did not yield occupied room nights, it is not included in the historical accommodated room night demand estimate. Unaccommodated demand is a form of excess demand that results from the cyclical nature of the hotel business.

In commercial markets where demand is not equally spaced throughout the week, hotels often exhibit peaks and valleys in their daily occupancies. The opposite is true in leisure markets where leisure hotels enjoy strong occupancies Friday and Saturday and also during the summer months in Michigan and lower occupancies from Sunday to Thursday and during winter months. Because there are no existing

hotels in the market, it is difficult to estimate unaccommodated demand. Although there may be some unaccommodated demand in this market, we have not considered any in our analysis.

Based on interviews conducted during the course of our fieldwork, demand segmentation and occupancy for the first year are summarized in the following table.

Prospective Room Night Demand

5 Year Demand Build-Up Analysis					
Segment	Year 1	Year 2	Year 3	Year 4	Year 5
Corporate	3,418	3,486	3,556	3,627	3,699
Group	1,124	1,146	1,169	1,193	1,217
Leisure	8,574	8,745	8,920	9,098	9,280
Total	13,115	13,377	13,645	13,918	14,196
Est. Occupancy	59.89%	61.08%	62.31%	63.55%	64.82%

On the following pages we have estimated future growth in demand by segment for the first year and beyond. The following estimates were based primarily on historical growth in the region and our experience with the Michigan lodging industry. Since 1980, total demand in the state of Michigan has grown at an average rate of 3.0-4.0 percent annually. During that time, there have been periodic downturns followed by longer periods of increased demand.

We have chosen to use a stabilized occupancy of 65% in the fifth year, which is reasonable given the lack of hotel accommodation in Charlevoix County. The stabilized occupancy is intended to reflect the anticipated results of the subject property over its economic life, given any and all changes in the life cycle of the hotel. Although it is likely that the subject property will operate at occupancies above this stabilized level, we believe it is equally likely for temporary downturns in the economy and the seasonal nature of the local market to force the occupancy below this selected point of stability.

Average Daily Rate

Based upon our understanding of the marketplace the rate will be driven primarily by leisure customers as the corporate demand will be relatively stable and rate-sensitive. The proposed subject operates in a highly seasonal location with most of the demand being captured in the summer months. Not surprisingly, rates are mostly driven by seasonality, with rates being highest in the summer months. We

have chosen to utilize a base average rate of \$94.68 due to the different rate structures estimated for the various seasons. We believe that this property can achieve rate growth throughout the analysis of 2.5% due to the price and availability of quality lodging in Charlevoix County during the peak season. Taking into account the subject property's quality of facilities, location and occupancy levels, we have estimated the future average daily rates for the subject.

Summary of Estimated Future Average Daily Rate (ADR)					
Proposed Limited Service Hotel, East Jordan, MI					
Year	1	2	3	4	5
Estimated ADR	\$94.68	\$97.05	\$99.48	\$101.96	\$104.51

PROSPECTIVE FINANCIAL ANALYSIS**Departmental Revenue and Expense Assumptions****Rooms Department**

Rooms Revenue is derived from the estimated occupancies for the subject multiplied by the estimated Average Daily Room rate as discussed in detail in the market analysis section of this report. To recap, the following table indicates the estimated occupancy levels and Average Daily Room rates for the proposed hotel.

Summary of Estimated Occupancy Rates & Average Daily Rates		
Proposed Limited Service Hotel, East Jordan, MI		
Year	Projected Occupancy	Projected ADR
1	60%	\$94.68
2	61%	\$97.05
3	62%	\$99.48
4	64%	\$101.96
5	65%	\$104.51

As indicated above, we estimate that the proposed subject will reach a stabilized occupancy of 65% in its fifth year of operation. See the Market Analysis section of this report for a detailed explanation of the penetration, occupancy, and average daily rate assumptions.

Rooms Expenses				
Description	Total	%	\$/Room	\$/OR
Pro Forma				
Year 1	\$298,024	24.00%	\$4,967	\$22.72
Year 2	\$305,939	23.57%	\$5,099	\$22.87
Year 3	\$314,067	23.14%	\$5,234	\$23.02
Year 4	\$322,412	22.72%	\$5,374	\$23.17
Year 5	\$330,980	22.31%	\$5,516	\$23.31
Comparable Operations				
Comparable 1	\$655,918	29.61%	\$6,693	\$24.30
Comparable 2	\$340,221	31.79%	\$4,536	\$21.65
Comparable 3	\$326,153	23.15%	\$5,177	\$18.79
Comparable 4	\$479,000	24.13%	\$5,988	\$26.76
Composite	\$1,801,292	26.97%	\$5,700	\$23.10
HOST Report	\$633,954	24.3%	\$5,561	\$21.88

Rooms' department expenses include room supplies, salaries and wages of housekeeping and front office staff, laundry and cleaning supplies, uniforms, and printing and stationery. Comparable operations Rooms' Expenses range from \$18.79/OR to \$26.76/OR. Additionally, the 2012 HOST Report from Smith Travel Research (STR) reports the average rooms expense for all limited service

hotels at \$21.88/OR. We concluded that the subject property's rooms' expenses are within the range of the comparables presented, very similar to the average. Based on the range of the comparable hotels and the size and prudent management of the proposed subject, we estimate the subject's rooms expense at \$22.72/OR in the first year growing at 2.5% throughout the analysis.

Telephone Department

Telephone Revenues				
Description	Total	%	\$/Room	\$/OR
Pro Forma				
Year 1	\$1,312	0.10%	\$22	\$0.10
Year 2	\$1,351	0.10%	\$23	\$0.10
Year 3	\$1,392	0.10%	\$23	\$0.10
Year 4	\$1,434	0.10%	\$24	\$0.11
Year 5	\$1,477	0.10%	\$25	\$0.11
Comparable Operations				
Comparable 1	\$1,749	0.08%	\$18	\$0.06
Comparable 2	\$742	0.07%	\$10	\$0.05
Comparable 3	\$1,407	0.10%	\$22	\$0.08
Comparable 4	\$0	0.00%	\$0	\$0.00
Composite	\$3,898	0.06%	\$12	\$0.05
HOST Report	\$4,674	0.2%	\$41	\$0.16

This category includes revenues generated from hotel guests' local and long distance telephone calls. Comparable hotels range from \$0.00/OR to \$0.08/OR with an average of \$0.05/OR. Additionally, the 2012 HOST Report from Smith Travel Research (STR) reports the average telephone revenue for all limited service hotels at \$0.16/OR. We estimate the subject's Telephone Revenue at approximately \$0.10/OR throughout the majority of the analysis due to the increased use of cellular phones.

Telephone Expenses				
Description	Total	%	\$/Room	\$/OR
Pro Forma				
Year 1	\$9,181	700.00%	\$153	\$0.70
Year 2	\$9,424	697.51%	\$157	\$0.70
Year 3	\$9,674	695.05%	\$161	\$0.71
Year 4	\$9,932	692.61%	\$166	\$0.71
Year 5	\$10,196	690.19%	\$170	\$0.72
Comparable Operations				
Comparable 1	\$8,998	514.47%	\$92	\$0.33
Comparable 2	\$12,194	1643.40%	\$163	\$0.78
Comparable 3	\$6,731	35.26%	\$107	\$0.39
Comparable 4	\$0	0.00%	\$0	\$0.00
Composite	\$27,923	716.34%	\$88	\$0.36
HOST Report	\$18,468	390.8%	\$162	\$0.64

Expenses associated with this category include telephone company charges and payroll. The range presented by the comparables average \$0.36/OR with one property including it as other expenses.

The 2012 STR HOST Report shows telephone expense for all limited service hotels averaging \$0.64/OR. Due to the increased use of cellular phones, we conclude a telephone expense of \$0.70/OR in the first year.

Other Revenue, Net

Other Revenues, Net				
Pro Forma	Total	%	\$/Room	\$/OR
<i>Pro Forma</i>				
Year 1	\$26,230	2.07%	\$437	\$2.00
Year 2	\$27,423	2.07%	\$457	\$2.05
Year 3	\$28,671	2.07%	\$478	\$2.10
Year 4	\$29,976	2.07%	\$500	\$2.20
Year 5	\$31,340	2.07%	\$522	\$2.30
<i>Comparable Operations</i>				
Comparable 1	\$34,817	1.55%	\$355	\$1.29
Comparable 2	\$24,034	2.20%	\$320	\$1.53
Comparable 3	\$19,091	1.34%	\$303	\$1.10
Comparable 4	\$14,000	0.70%	\$175	\$0.78
Composite	\$91,942	1.36%	\$291	\$1.18
<i>HOST Report</i>	-\$342	1.5%	-\$3	-\$0.02

Other Net Revenues include any revenue received from vending machines or pay per view movie rentals that the hotel may incur during operation, net of associated expenses. Other net revenue for the comparable operations averages \$1.18/OR with a range between \$0.78/OR and \$1.53/OR. Additionally, when we subtract expenses, the 2012 HOST Report shows an average net other revenue of -\$0.02/OR. We have estimated \$2.00/OR the first year due to ancillary revenue sources.

Undistributed Expenses**Administrative and General**

Administrative & General Expenses				
Description	Total	%	\$/Room	\$/OR
<i>Pro Forma</i>				
Year 1	\$159,000	12.53%	\$2,650	\$12.12
Year 2	\$166,060	12.51%	\$2,768	\$12.41
Year 3	\$173,672	12.52%	\$2,895	\$12.73
Year 4	\$181,897	12.54%	\$3,032	\$13.07
Year 5	\$190,801	12.58%	\$3,180	\$13.44
<i>Comparable Operations</i>				
Comparable 1	\$286,611	12.73%	\$2,925	\$10.62
Comparable 2	\$96,941	8.85%	\$1,293	\$6.17
Comparable 3	\$205,420	14.37%	\$3,261	\$11.83
Comparable 4	\$222,000	11.11%	\$2,775	\$12.40
Composite	\$810,972	11.97%	\$2,566	\$10.40
<i>HOST Report</i>	\$249,432	9.3%	\$2,188	\$8.61

Administrative department expenses include two components: administrative payroll expense, which includes salaries and wages of the general manager and his staff (if any) and administrative and general-other expense, which includes credit card commissions, bad debt expenses, professional fees, postage, and other similar expenses. The subject's administrative expense is expected to be in-line with the range of the comparable operations, which range from \$1,293/Room to \$3,261/Room with an average of \$2,566/Room. Additionally, the 2012 HOST Report shows an average of \$2,188/Room. We believe that typical management would generate administrative and general expense at the level achieved by comparable operations. We estimate administrative and general expense of approximately \$2,650/Room in the first year.

Marketing

Marketing Expenses				
Description	Total	%	\$/Room	\$/OR
<i>Pro Forma</i>				
Year 1	\$54,000	4.25%	\$900	\$4.12
Year 2	\$55,736	4.20%	\$929	\$4.17
Year 3	\$57,553	4.15%	\$959	\$4.22
Year 4	\$59,125	4.08%	\$985	\$4.25
Year 5	\$60,742	4.01%	\$1,012	\$4.28
<i>Comparable Operations</i>				
Comparable 1	\$150,664	6.69%	\$1,537	\$5.58
Comparable 2	\$6,600	0.60%	\$88	\$0.42
Comparable 3	\$124,458	8.71%	\$1,976	\$7.17
Comparable 4	\$33,000	1.65%	\$413	\$1.90
Composite	\$314,722	4.65%	\$996	\$4.04
<i>HOST Report</i>	\$153,900	5.7%	\$1,350	\$5.31

Marketing departmental expenses include two components: payroll expense, which includes salaries and wages of the sales staff, and other expenses, which include the costs incurred for sales brochures, radio and television advertising, billboard advertising, trade show promotions, postage and direct mail costs. The comparable hotels marketing expenses range from \$88/Room to \$1,976/Room with an average of \$996/Room. Additionally, the 2012 HOST Report shows the average marketing expense for limited-service hotels at \$1,350/Room. It should be noted that two of the comparables have low costs for marketing and seem to rely upon the franchise marketing programs and reservation system. Therefore, based on the range of the comparable properties, we have estimated the hotel's marketing expense at \$900/Room in the first year.

Management Fee

Management Fee Expenses				
Pro Forma	Total	%	\$/Room	\$/OR
<i>Pro Forma</i>				
Year 1	\$38,079	3.00%	\$635	\$2.90
Year 2	\$39,811	3.00%	\$664	\$2.98
Year 3	\$41,622	3.00%	\$694	\$3.05
Year 4	\$43,515	3.00%	\$725	\$3.13
Year 5	\$45,494	3.00%	\$758	\$3.20
<i>Comparable Operations</i>				
Comparable 1	\$67,553	3.00%	\$689	\$2.50
Comparable 2	\$57,048	5.21%	\$761	\$3.63
Comparable 3	\$44,163	3.09%	\$701	\$2.54
Comparable 4	\$0	0.00%	\$0	\$0.00
Composite	\$168,764	2.49%	\$534	\$2.16
<i>HOST Report</i>	\$82,878	3.1%	\$727	\$2.86

We've researched management fees required by various national and regional management companies in today's market and our findings indicate that most charge between 2.5% to 5.5% with the average being 3.5%. None of the comparable properties charges a management fee. Based on our research, knowledge of the industry, and the comparable operations, we believe that prudent ownership would secure a management contract amounting to 3.0% of gross sales.

Franchise Fee

Franchise Fee Expenses				
Pro Forma	Total	%	\$/Room	\$/OR
Pro Forma				
Year 1	\$80,715	6.36%	\$1,345	\$6.15
Year 2	\$84,387	6.36%	\$1,406	\$6.31
Year 3	\$88,227	6.36%	\$1,470	\$6.47
Year 4	\$92,241	6.36%	\$1,537	\$6.63
Year 5	\$96,438	6.36%	\$1,607	\$6.79
Comparable Operations				
Comparable 1	\$121,705	5.40%	\$1,242	\$4.51
Comparable 2	\$108,745	9.93%	\$1,450	\$6.92
Comparable 3	\$6,078	0.43%	\$96	\$0.35
Comparable 4	\$243,000	12.16%	\$3,038	\$14.00
Composite	\$479,528	7.08%	\$1,517	\$6.15
HOST Report	\$81,510	3.0%	\$715	\$2.81

According to the 2013 HVS Franchise Fee Guide, the average franchise fees paid by limited service hotels surveyed ranged from 3.90% to 13.86% of total revenues. Franchise fees vary between hotel brands and franchisees and the HVS study based its projections on 200 rooms. For the purposes of this analysis, we include franchise fees of 6.5% of gross revenues, which amounts to 6.36% of rooms revenues.

Property Operations & Maintenance (P.O. & M.)

Property Operations & Maintenance Expenses				
Description	Total	%	\$/Room	\$/OR
Pro Forma				
Year 1	\$54,000	4.25%	\$900	\$4.12
Year 2	\$55,461	4.18%	\$924	\$4.15
Year 3	\$56,963	4.11%	\$949	\$4.17
Year 4	\$58,508	4.03%	\$975	\$4.20
Year 5	\$60,097	3.96%	\$1,002	\$4.23
Comparable Operations				
Comparable 1	\$152,553	6.77%	\$1,557	\$5.65
Comparable 2	\$52,412	4.79%	\$699	\$3.34
Comparable 3	\$96,838	6.77%	\$1,537	\$5.58
Comparable 4	\$75,000	3.75%	\$938	\$4.32
Composite	\$376,803	5.56%	\$1,192	\$4.83
HOST Report	\$142,500	5.3%	\$1,250	\$4.92

Property Operations and Maintenance Expense includes the costs of repairs and day-to-day maintenance of the hotel's structure, grounds, and equipment. Comparable hotels' P.O. & M expenses average \$1,192/Room, with a range of \$699/Room to \$1,557/Room. Additionally, the 2012 HOST Report shows maintenance expenses for limited service hotels averaging \$1,250/Room. We estimate

the repair and maintenance expense at \$900/Room the first year.

Utilities

Utility Expenses				
Pro Forma	Total	%	\$/Room	\$/OR
<i>Pro Forma</i>				
Year 1	\$72,133	5.68%	\$1,202	\$5.50
Year 2	\$76,922	5.80%	\$1,282	\$5.75
Year 3	\$82,043	5.91%	\$1,367	\$6.01
Year 4	\$87,520	6.03%	\$1,459	\$6.29
Year 5	\$93,377	6.16%	\$1,556	\$6.58
<i>Comparable Operations</i>				
Comparable 1	\$109,270	4.85%	\$1,115	\$4.05
Comparable 2	\$115,843	10.58%	\$1,545	\$7.37
Comparable 3	\$69,018	4.83%	\$1,096	\$3.98
Comparable 4	\$83,000	4.15%	\$1,038	\$4.78
Composite	\$377,131	5.57%	\$1,193	\$4.84
<i>HOST Report</i>	\$142,272	5.3%	\$1,248	\$4.91

This expense consists of costs incurred for heating, cooling, ventilation, lighting, and water and sewer services. The average expense levels of the comparables are \$4.84/OR with a range of \$3.98/OR to \$7.37/OR. Additionally, the 2012 HOST Report shows the average utility expense for limited service hotels at \$4.91/OR. Similar to the telephone department, this department is a function of facility design and technology more than management. We estimate the subject's energy expense to be approximately \$5.50/OR in the first year of our analysis growing at 2.5% per year.

Fixed Charges

Insurance

Insurance Expenses				
Description	Total	%	\$/Room	\$/OR
<i>Pro Forma</i>				
Year 1	\$21,000	1.65%	\$350	\$1.60
Year 2	\$21,525	1.62%	\$359	\$1.61
Year 3	\$22,063	1.59%	\$368	\$1.62
Year 4	\$22,615	1.56%	\$377	\$1.62
Year 5	\$23,180	1.53%	\$386	\$1.63
<i>Comparable Operations</i>				
Comparable 1	\$40,232	1.79%	\$411	\$1.49
Comparable 2	\$15,794	1.44%	\$211	\$1.01
Comparable 3	\$19,332	1.35%	\$307	\$1.11
Comparable 4	\$19,000	0.95%	\$238	\$1.06
Composite	\$94,358	1.39%	\$299	\$1.21
<i>HOST Report</i>	\$31,464	1.2%	\$276	\$1.09

This category covers general contents and liability insurance. We base our estimation on data presented by the comparable hotels and their costs ranged from \$211/Room to \$411/Room. Additionally, the

2012 HOST Report shows the average for limited service hotels at \$276/Room. Therefore, we have estimated a lower, per room insurance expense for the hotel of \$350/Room in the first year.

Real and Personal Property Taxes

Real Estate Tax Expenses				
Pro Forma	Total	%	\$/Room	\$/OR
<i>Pro Forma</i>				
Year 1	\$85,950	6.77%	\$1,433	\$6.55
Year 2	\$86,810	6.54%	\$1,447	\$6.49
Year 3	\$87,678	6.32%	\$1,461	\$6.43
Year 4	\$88,554	6.11%	\$1,476	\$6.36
Year 5	\$89,440	5.90%	\$1,491	\$6.30
<i>Comparable Operations</i>				
Comparable 1	\$74,781	3.32%	\$763	\$2.77
Comparable 2	\$65,952	6.02%	\$879	\$4.20
Comparable 3	\$41,826	2.93%	\$664	\$2.41
Comparable 4	\$61,000	3.05%	\$763	\$3.41
Composite	\$243,559	3.59%	\$771	\$3.12
<i>HOST Report</i>	\$131,898	4.9%	\$1,157	\$4.55

Real property taxes vary greatly from one jurisdiction to the next. We have an accurate building cost breakdown, but understand that buildings are not always assessed according to true cash value. Therefore, we have investigated assessments of comparable hotels in the market. Property in Michigan is assessed at 50% of its true cash value, also known as market value. Based upon the comparable assessments, we have estimated the subject's year-one assessment at \$25,000 per room or \$1,500,000. Using this value and the estimated tax rate for the city of East Jordan of \$57.3/1000 of taxable value, we estimate property taxes for the proposed subject at \$85,950 in the first year and grown them at 1% per year.

Summary of Real Estate Taxes				
Y1	Y2	Y3	Y4	Y5
\$85,950	\$86,810	\$87,678	\$88,554	\$89,440

Reserve for Replacement

We have included a reserve fund amount in our analysis to cover the replacement of short and long-lived building components including furniture, fixtures, and equipment (FF&E) and structural repairs. Most hotel franchisors require their franchisees to include a Reserve for Replacement with their financial statements. Therefore, we included a reserve fund of 4.0% of total revenues throughout the analysis.

Growth Rates

While we cannot be certain about future inflationary trends, we estimate inflation factors for the various items of revenue and expense. Since 1998, the annual increase in the rate of inflation has ranged from -0.03% to 3.85% last year. Based on these current inflationary trends and our knowledge of the hospitality industry during this period, we utilized a 2.5% inflation rate. Current inflation estimates from the Financial Trend Forecaster are shown below.

Historic Inflation Figures													
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVE
2013	1.59%	1.98%	1.47%	1.06%	1.36%	1.75%	-	-	-	-	-	-	-
2012	2.93%	2.87%	2.65%	2.30%	1.70%	1.66%	1.41%	1.69%	1.99%	2.16%	1.76%	1.74%	2.07%
2011	1.63%	2.11%	2.68%	3.16%	3.57%	3.56%	3.63%	3.77%	3.87%	3.53%	3.39%	2.96%	3.16%
2010	2.63%	2.14%	2.31%	2.24%	2.02%	1.05%	1.24%	1.15%	1.14%	1.17%	1.14%	1.50%	1.64%
2009	0.03%	0.24%	-0.38%	-0.74%	-1.28%	-1.43%	-2.10%	-1.48%	-1.29%	-0.18%	1.84%	2.72%	-0.03%
2008	4.28%	4.03%	3.98%	3.94%	4.18%	5.02%	5.60%	5.37%	4.94%	3.66%	1.07%	0.09%	3.85%
2007	2.08%	2.42%	2.78%	2.57%	2.69%	2.69%	2.36%	1.97%	2.76%	3.54%	4.31%	4.08%	2.85%
2006	3.99%	3.60%	3.36%	3.55%	4.17%	4.32%	4.15%	3.82%	2.06%	1.31%	1.97%	2.54%	3.24%
2005	2.97%	3.01%	3.15%	3.51%	2.80%	2.53%	3.17%	3.64%	4.69%	4.35%	3.46%	3.42%	3.39%
2004	1.93%	1.69%	1.74%	2.29%	3.05%	3.27%	2.99%	2.65%	2.54%	3.19%	3.52%	3.26%	2.68%
2003	2.60%	2.98%	3.02%	2.22%	2.06%	2.11%	2.11%	2.16%	2.32%	2.04%	1.77%	1.88%	2.27%
2002	1.14%	1.14%	1.48%	1.64%	1.18%	1.07%	1.46%	1.80%	1.51%	2.03%	2.20%	2.38%	1.59%
2001	3.73%	3.53%	2.92%	3.27%	3.62%	3.25%	2.72%	2.72%	2.65%	2.13%	1.90%	1.55%	2.83%
2000	2.74%	3.22%	3.76%	3.07%	3.19%	3.73%	3.66%	3.41%	3.45%	3.45%	3.45%	3.39%	3.38%

Source: InflationData.com

Our prospective financial statement is shown on the following page and our comparables are shown on the page following the financials.

PROSPECTIVE FINANCIAL ANALYSIS CASH FLOW BEFORE INCOME TAXES, DEPRECIATION, AND AMORTIZATION PROPOSED HOTEL, EAST JORDAN, MICHIGAN																
	Year 1				Year 2				Year 3				Year 4			
	60%	@	\$94.68		61%	@	\$97.05		62%	@	\$99.48		64%	@	\$101.96	
	TOTAL	%	/ RM	POR	TOTAL	%	/ RM	POR	TOTAL	%	/ RM	POR	TOTAL	%	/ RM	POR
REVENUES:																
ROOMS	\$1,241,765	97.83%	\$20,696	\$94.68	\$1,298,265	97.83%	\$21,638	\$97.05	\$1,357,336	97.83%	\$22,622	\$99.48	\$1,419,095	97.83%	\$23,652	\$104.00
TELEPHONE	\$1,312	0.10%	\$22	\$0.10	\$1,351	0.10%	\$23	\$0.10	\$1,392	0.10%	\$23	\$0.10	\$1,434	0.10%	\$24	\$0.11
OTHER REVENUES, NET	\$26,230	2.07%	\$437	\$2.00	\$27,423	2.07%	\$457	\$2.05	\$28,671	2.07%	\$478	\$2.10	\$29,976	2.07%	\$500	\$2.20
GROSS OPERATING REVENUE	\$1,269,307	100.00%	\$21,155	\$96.78	\$1,327,040	100.00%	\$22,117	\$99.20	\$1,387,400	100.00%	\$23,123	\$101.68	\$1,450,505	100.00%	\$24,175	\$104.22
DEPARTMENTAL EXPENSES:																
ROOMS	\$298,024	24.00%	\$4,967	\$22.72	\$305,939	23.57%	\$5,099	\$22.87	\$314,067	23.14%	\$5,234	\$23.02	\$322,412	22.72%	\$5,374	\$23.17
TELEPHONE	\$9,181	700.00%	\$153	\$0.70	\$9,424	697.51%	\$157	\$0.70	\$9,674	695.05%	\$161	\$0.71	\$9,932	692.61%	\$166	\$0.71
TOTAL DEPARTMENTAL EXPENSES	\$307,204	24.20%	\$5,120	\$23.42	\$315,363	23.76%	\$5,256	\$23.57	\$323,741	23.33%	\$5,396	\$23.73	\$332,343	22.91%	\$5,539	\$23.88
CASH FLOW BEFORE UNDISTRIB. EXP.	\$962,102	75.80%	\$16,035	\$73.36	\$1,011,677	76.24%	\$16,861	\$75.63	\$1,063,659	76.67%	\$17,728	\$77.95	\$1,118,162	77.09%	\$18,636	\$80.34
UNDISTRIBUTED OPER EXPENSES:																
ADMINISTRATIVE AND GENERAL	\$159,000	12.53%	\$2,650	\$12.12	\$166,060	12.51%	\$2,768	\$12.41	\$173,672	12.52%	\$2,895	\$12.73	\$181,897	12.54%	\$3,032	\$13.07
MARKETING	\$54,000	4.25%	\$900	\$4.12	\$55,736	4.20%	\$929	\$4.17	\$57,553	4.15%	\$959	\$4.22	\$59,125	4.08%	\$985	\$4.25
FRANCHISE FEE	\$80,715	6.36%	\$1,345	\$6.15	\$84,387	6.36%	\$1,406	\$6.31	\$88,227	6.36%	\$1,470	\$6.47	\$92,241	6.36%	\$1,537	\$6.63
PROPERTY OPER. AND MAINT.	\$54,000	4.25%	\$900	\$4.12	\$55,461	4.18%	\$924	\$4.15	\$56,963	4.11%	\$949	\$4.17	\$58,508	4.03%	\$975	\$4.20
UTILITIES	\$72,133	5.68%	\$1,202	\$5.50	\$76,922	5.80%	\$1,282	\$5.75	\$82,043	5.91%	\$1,367	\$6.01	\$87,520	6.03%	\$1,459	\$6.29
TOTAL UNDISTRIB. OPER. EXP.	\$419,847	33.08%	\$6,997	\$32.01	\$438,566	33.05%	\$7,309	\$32.78	\$458,458	33.04%	\$7,641	\$33.60	\$479,291	33.04%	\$7,988	\$34.44
CASH FLOW BEFORE FIXED CHARGES	\$542,255	42.72%	\$9,038	\$41.35	\$573,111	43.19%	\$9,552	\$42.84	\$605,200	43.62%	\$10,087	\$44.35	\$638,871	44.04%	\$10,648	\$45.90
FIXED CHARGES:																
INSURANCE	\$21,000	1.65%	\$350	\$1.60	\$21,525	1.62%	\$359	\$1.61	\$22,063	1.59%	\$368	\$1.62	\$22,615	1.56%	\$377	\$1.62
R.E. TAX	\$85,950	6.77%	\$1,433	\$6.55	\$86,810	6.54%	\$1,447	\$6.49	\$87,678	6.32%	\$1,461	\$6.43	\$88,554	6.11%	\$1,476	\$6.36
MANAGEMENT FEE	\$38,079	3.00%	\$635	\$2.90	\$39,811	3.00%	\$664	\$2.98	\$41,622	3.00%	\$694	\$3.05	\$43,515	3.00%	\$725	\$3.13
TOTAL FIXED CHARGES	\$145,029	11.43%	\$2,417	\$11.06	\$148,146	11.16%	\$2,469	\$11.07	\$151,363	10.91%	\$2,523	\$11.09	\$154,684	10.66%	\$2,578	\$11.11
CASH FLOW BEFORE RESERVE	\$397,226	31.29%	\$6,620	\$30.29	\$424,965	32.02%	\$7,083	\$31.77	\$453,838	32.71%	\$7,564	\$33.26	\$484,187	33.38%	\$8,070	\$34.79
RESERVE FOR REPLACEMENT	\$50,772	4.00%	\$846	\$3.87	\$53,082	4.00%	\$885	\$3.97	\$55,496	4.00%	\$925	\$4.07	\$58,020	4.00%	\$967	\$4.17
CASH FLOW AVAIL FOR DEBT SVC	\$346,454	27.29%	\$5,774	\$26.42	\$371,884	28.02%	\$6,198	\$27.80	\$398,342	28.71%	\$6,639	\$29.19	\$426,166	29.38%	\$7,103	\$30.62

SUMMARY OF COMPARABLE OPERATIONS																				
	Comparable 1 98 Rooms 365 Days Open				Comparable 2 75 Rooms 365 Days Open				Comparable 3 63 Rooms 365 Days Open				Comparable 4 80 Rooms 365 Days Open				Composite 316 Rooms 365 Days Open			
	75.5% TOTAL	@ %	\$82.06 /RM	POR	57.4% TOTAL	@ %	\$68.10 /RM	POR	75.5% TOTAL	@ %	\$81.21 /RM	POR	61.3% TOTAL	@ %	\$110.88 /RM	POR	67.6% TOTAL	@ %	\$85.66 /RM	POR
REVENUES:																				
ROOMS	\$2,215,187	98.4%	\$22,604	\$82.06	\$1,070,072	97.7%	\$14,268	\$68.10	\$1,409,010	98.6%	\$22,365	\$81.16	\$1,985,000	99.3%	\$24,813	\$110.88	\$6,679,269	98.6%	\$21,137	\$85.66
TELEPHONE	\$1,749	0.1%	\$18	\$0.06	\$742	0.1%	\$10	\$0.05	\$1,407	0.1%	\$22	\$0.08	\$0	0.0%	\$0	\$0.00	\$3,898	0.1%	\$12	\$0.05
OTHER REVENUES	\$34,817	1.5%	\$355	\$1.29	\$24,034	2.2%	\$320	\$1.53	\$19,091	1.3%	\$303	\$1.10	\$14,000	0.7%	\$175	\$0.78	\$91,942	1.4%	\$291	\$1.18
GROSS OPERATING REVENUE	\$2,251,753	100.0%	\$22,977	\$83.41	\$1,094,848	100.0%	\$14,598	\$69.68	\$1,429,508	100.0%	\$22,691	\$82.34	\$1,999,000	100.0%	\$24,988	\$111.66	\$6,775,109	100.0%	\$21,440	\$86.89
DEPARTMENTAL EXPENSES:																				
ROOMS	\$655,918	29.6%	\$6,693	\$24.30	\$340,221	31.8%	\$4,536	\$21.65	\$326,153	23.1%	\$5,177	\$18.79	\$479,000	24.1%	\$5,988	\$26.76	\$1,801,292	27.0%	\$5,700	\$23.10
Payroll	\$655,918	29.6%	\$6,693	\$24.30	\$227,207	21.2%	\$3,029	\$14.46	\$181,521	12.9%	\$2,881	\$10.46	\$479,000	24.1%	\$5,988	\$26.76	\$1,543,646	23.1%	\$4,885	\$19.80
Other	\$0	0.0%	\$0	\$0.00	\$113,014	10.6%	\$1,507	\$7.19	\$144,632	10.3%	\$2,296	\$8.33	\$0	0.0%	\$0	\$0.00	\$257,646	3.9%	\$815	\$3.30
TELEPHONE	\$8,998	514.5%	\$92	\$0.33	\$12,194	1643.4%	\$163	\$0.78	\$6,731	35.3%	\$107	\$0.39	\$0	#DIV/0!	\$0	\$0.00	\$27,923	716.3%	\$88	\$0.36
TOTAL DEPARTMENTAL EXPENSES	\$664,916	29.5%	\$6,785	\$24.63	\$352,415	32.2%	\$4,699	\$22.43	\$332,884	23.3%	\$5,284	\$19.17	\$479,000	24.0%	\$5,988	\$26.76	\$1,829,215	27.0%	\$5,789	\$23.46
CASH FLOW BEFORE UNDISTRIBUTED EXP	\$1,586,837	70.5%	\$16,192	\$58.78	\$742,433	67.8%	\$9,899	\$47.25	\$1,096,624	76.7%	\$17,407	\$63.17	\$1,520,000	76.0%	\$19,000	\$84.90	\$4,945,894	73.0%	\$15,652	\$63.43
UNDISTRIBUTED OPER EXPENSES:																				
ADMINISTRATIVE AND GENERAL	\$286,611	12.7%	\$2,925	\$10.62	\$96,941	8.9%	\$1,293	\$6.17	\$205,420	14.4%	\$3,261	\$11.83	\$222,000	11.1%	\$2,775	\$12.40	\$810,972	12.0%	\$2,566	\$10.40
TOTAL MANAGEMENT FEE	\$67,553	3.0%	\$689	\$2.50	\$57,048	5.2%	\$761	\$3.63	\$44,163	3.1%	\$701	\$2.54	\$0	0.0%	\$0	\$0.00	\$168,764	2.5%	\$534	\$2.16
MARKETING	\$150,664	6.7%	\$1,537	\$5.58	\$6,600	0.6%	\$88	\$0.42	\$124,458	8.7%	\$1,976	\$7.17	\$33,000	1.7%	\$413	\$1.90	\$314,722	4.6%	\$996	\$4.04
FRANCHISE FEE	\$121,705	5.4%	\$1,242	\$4.51	\$108,745	9.9%	\$1,450	\$6.92	\$6,078	0.4%	\$96	\$0.35	\$243,000	12.2%	\$3,038	\$14.00	\$479,528	7.1%	\$1,517	\$6.15
PROPERTY OPERATION AND MAINT.	\$152,553	6.8%	\$1,557	\$5.65	\$52,412	4.8%	\$699	\$3.34	\$96,838	6.8%	\$1,537	\$5.58	\$75,000	3.8%	\$938	\$4.32	\$376,803	5.6%	\$1,192	\$4.83
ENERGY	\$109,270	4.9%	\$1,115	\$4.05	\$115,843	10.6%	\$1,545	\$7.37	\$69,018	4.8%	\$1,096	\$3.98	\$83,000	4.2%	\$1,038	\$4.78	\$377,131	5.6%	\$1,193	\$4.84
TOTAL UNDISTRIBUTED OPER EXP:	\$888,356	39.5%	\$9,065	\$32.91	\$437,589	40.0%	\$5,835	\$27.85	\$545,975	38.2%	\$8,666	\$31.45	\$656,000	32.8%	\$8,200	\$36.64	\$2,527,920	37.3%	\$8,000	\$32.42
INCOME BEFORE FIXED CHARGES	\$698,481	31.0%	\$7,127	\$25.87	\$304,844	27.8%	\$4,065	\$19.40	\$550,649	38.5%	\$8,740	\$31.72	\$864,000	43.2%	\$10,800	\$48.26	\$2,417,974	35.7%	\$7,652	\$31.01
FIXED CHARGES:																				
INSURANCE	\$40,232	1.8%	\$411	\$1.49	\$15,794	1.4%	\$211	\$1.01	\$19,332	1.4%	\$307	\$1.11	\$19,000	1.0%	\$238	\$1.06	\$94,358	1.4%	\$299	\$1.21
R.E. TAX	\$74,781	3.3%	\$763	\$2.77	\$65,952	6.0%	\$879	\$4.20	\$41,826	2.9%	\$664	\$2.41	\$61,000	3.1%	\$763	\$3.41	\$243,559	3.6%	\$771	\$3.12
LEASE EXPENSE	\$0	0.0%	\$0	\$0.00	\$0	0.0%	\$0	\$0.00	\$0	0.0%	\$0	\$0.00	\$0	0.0%	\$0	\$0.00	\$0	0.0%	\$0	\$0.00
TOTAL	\$115,013	5.1%	\$1,174	\$4.26	\$81,746	7.5%	\$1,090	\$5.20	\$61,158	4.3%	\$971	\$3.52	\$80,000	4.0%	\$1,000	\$4.47	\$337,917	5.0%	\$1,069	\$4.33
CASH FLOW BEFORE RESERVE	\$583,468	25.9%	\$5,954	\$21.61	\$223,098	20.4%	\$2,975	\$14.20	\$489,491	34.2%	\$7,770	\$28.19	\$784,000	39.2%	\$9,800	\$43.79	\$2,080,057	30.7%	\$6,582	\$26.68
RESERVE FOR REPLACEMENT	\$90,070	4.0%	\$919	\$3.34	\$0	0.0%	\$0	\$0.00	\$0	0.0%	\$0	\$0.00	\$100,000	5.0%	\$1,250	\$5.59	\$190,070	2.8%	\$601	\$2.44
CASH FLOW AVAIL FOR DEBT SVC	\$493,398	21.9%	\$5,035	\$18.28	\$223,098	20.4%	\$2,975	\$14.20	\$489,491	34.2%	\$7,770	\$28.19	\$684,000	34.2%	\$8,550	\$38.21	\$1,889,987	27.9%	\$5,981	\$24.24
	ROOM NIGHTS 26,996				ROOM NIGHTS 15,713				ROOM NIGHTS 17,361				ROOM NIGHTS 17,903				ROOM NIGHTS 77,973			

ASSUMPTIONS AND LIMITING CONDITIONS

The following are assumptions utilized during our analysis and are based upon discussions held during our fieldwork with our client, local hotel operators, various civic leaders, and others knowledgeable in the Michigan hospitality industry.

In accordance with our engagement letter, the legal and regulatory requirements applicable to this project, including zoning, other state and local government regulations, permits, and licenses were not ascertained. No effort was made to determine state or local legislation, including any environmental or ecological matters, nor were the potential impact of possible energy shortages quantified.

This study is based upon information developed from research of the market, knowledge of the industry and meetings with our clients during which they provided us certain information. The sources of information and bases of the estimates and assumptions are stated in the body of this report. Hospitality Advisors has no responsibility to update this report for events and circumstances occurring after the date of this report.

The report is based on estimates and assumptions developed through our research of the market. However, some assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, actual results may vary from those presented, and the variations may be material.

Further, Hospitality Advisors has not been engaged to evaluate the effectiveness of management, and are not responsible for future marketing efforts and other management actions upon which actual results will depend. This report was prepared for the information of the City of East Jordan and its approved agents for use in internal decision-making and in connection with applications for securing a national franchise and financing the proposed project. Otherwise, neither the report nor its contents may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, loan, appraisal or any other agreement or document without the prior written permission of Hospitality Advisors. They should not be relied on for any purpose. It is agreed that Hospitality Advisors' liability is limited to the amount of the fees paid as liquidated damages.

QUALIFICATIONS

Hospitality Advisors is a unique organization made up of individuals with experience in every aspect of the complex hospitality industry. Combined, our professionals have over ninety years of experience in valuation, operations, market analysis, litigation support, and asset management. Committed to the hospitality industry, Hospitality Advisors brings hands on experience and understanding to all aspects of the business. Some of the specific service areas that we offer include the following:

- MARKET ANALYSIS including the identification of the subject property's competitive market, analysis of the property's performance versus its market, identification of the subject's position within the competitive market, evaluation of the subject's potential in that market, and estimating future potential operating statistics for the facility.
- OPERATIONS CONSULTING including an evaluation of the present management, review of management and franchise agreements, evaluation of facilities, and development of strategies for re-positioning.
- VALUATIONS of hotel, resort properties, and conference center facilities for financing, litigation, acquisition, and disposition decisions.
- FEASIBILITY STUDIES of hotel, resort, and conference center properties to determine a project's viability within the market and to secure construction and/or permanent financing.
- ASSET MANAGEMENT services including ongoing oversight and evaluation of the operational and financial performance and conformance to the re-positioning and/or management recommendations.
- LITIGATION SUPPORT services including research, analysis, and expert testimony on issues relating to the valuation, operation, and management of leisure real estate.
- COST CONTAINMENT CONSULTING services include telecommunications consulting, local telephone bill auditing, long distance analysis (1+ and 0+), PBX and/or voice mail equipment procurement and maintenance expense negotiation.

- INVESTOR SERVICES through our affiliated company Select Hospitality Brokers, Inc, include property disposition, equity and debt fundraising, and buyer representation
- COST CONTAINMENT CONSULTING services include telecommunications consulting, local telephone bill auditing, long distance analysis (1+ and 0+), PBX and/or voice mail equipment procurement and maintenance expense negotiation.
- INVESTOR SERVICES through our affiliated company Select Hospitality Brokers, Inc, include property disposition, equity and debt fundraising, and buyer representation.

CHARLES A. SKELTON

Charles Skelton is the President of Hospitality Advisors - Consulting Group. Mr. Skelton was the former Senior Principal in charge of Leisure Time and Real Estate Advisory Services consulting practices in LAVENTHOL & HORWATH'S Michigan office. Mr. Skelton headed this group from 1983 to 1990 and during that time conducted feasibility and market analyses on projects ranging from hotels, resorts, and conference centers to multi-use commercial developments.

Mr. Skelton has been particularly involved in numerous hotel and conference center development projects and has conducted seminars on the topic. He publishes a bi-annual publication on the state of Michigan's hospitality industry widely recognized by hoteliers and hospitality professionals.

Education: B.A. Muskingum College

Professional Memberships: Chairman Ann Arbor Convention and Visitor Bureau 1983, 1984, and 1985. Member Michigan Travel and Tourism Associations, Member BOMA Licensed Real Estate Salesperson, State of Michigan.

LAURENCE G. ALLEN, MAI

Laurence Allen is the President of Hospitality Advisors - Valuation Group and is a state certified real estate appraiser in Michigan. With more than twenty years experience in real estate appraisal, including involvement with more than 400 hotel appraisals, Mr. Allen is well versed on the topic of hotel real estate. Prior to forming Hospitality Advisors Valuation Group, Mr. Allen was the National Director of Appraisal for BDO Seidman, an international consulting and accounting company.

He has experience in hotel valuations in major cities around the country, appraisals for major property tax and condemnation cases in Michigan, bankruptcy experience in Michigan, Connecticut, Ohio, and Texas.

Education: M.B.A University of Michigan. B.A. Linfield College

Professional Memberships: M.A.I. Appraisal Institute (Past President of Michigan Chapter #10) C.F.A. Institute of Chartered Financial Analysts. Licensed Real Estate Broker, State of Michigan American Society of Appraisers, ASA, (Past President Detroit Chapter)

STEPHEN W. SHERF, CPA

Stephen Sherf is President of Hospitality Consulting Group, an affiliate of Hospitality Advisors. Mr. Sherf was the former Senior Principal in charge of Leisure Time and Real Estate Advisory Services consulting practices in LAVENTHOL & HORWATH'S Minneapolis, Minnesota office. Pursuant to that, Mr. Sherf was Vice President of Development for a hotel company, which operated 13 hotels in the Midwest. He also co-founded MHA Research, which later merged with Marquette Advisors, a nationally recognized real estate appraisal firm with a specialty in hotel and gaming appraisal. Mr. Sherf headed the hospitality-consulting group for this company. During his 24 years in the hospitality industry, Mr. Sherf has conducted feasibility and market analyses on projects including hotels, convention centers, casinos, restaurants, and residential developments.

Mr. Sherf has taught seminars for the Minnesota Legal Education Center, Minnesota Institute of Legal Education, and the Minnesota Bankers Association. He has been a guest lecturer at the University of Minnesota-Graduate School of Business and at Stout University.

Education: M.B.A. Cornell University. B.S. Cornell University

Professional Memberships: C.P.A. Certified Public Accountant. Planning Commission - City of Minnetrista, Minnesota. Board of Directors - Schumacher's New Prague Inn. Licensed Gaming Operator, Colorado

JEREMY L. ALLEN

Jeremy Allen has held various operational positions in the hotel industry. He also has experience in the restaurant industry with P.F. Changs. Mr. Allen was formerly a franchise analyst for Marriott International Inc, in Washington D.C. Prior to Hospitality Advisors, he performed work on commercial real estate appraisals and market studies with Allen and Associates Appraisal Group. Currently, Mr. Allen performs appraisals and feasibility studies for hotels and resorts.

Education: B.S. Cornell University, School of Hotel Administration

Professional Memberships: Limited Licensed Appraiser, State of Michigan. Member, Cornell Hotel Society. Chair, Cornell Alumni Association

KEVIN M. VESSELS

Kevin Vessels is the newest member of the Hospitality Advisors organization. Mr. Vessels has held operational positions in hotels and foodservice operations. His hotel experience includes Choice Hotels and the prestigious Grand Hotel on Mackinac Island, Michigan. Mr. Vessels graduated from Michigan State University in 2005.

Education: B.A. Michigan State University, the School of Hospitality Business

HOLLY A. SKELTON

Holly Skelton leads the sales and marketing efforts for Hospitality Advisors. With a passion for customer service, Ms. Skelton's role is to provide a communication link between Hospitality Advisors' and its clients. After several years as an engineer in the automotive industry, Ms. Skelton also provides a logical approach and plan to managing the projects of Hospitality Advisors.

Education: B.A. Albion College. B.S.M.E University of Michigan Ann Arbor. M.S.M.E. Purdue University.

WILLIAM H. PETTY, CHA

Bill Petty heads up the operational management group of Hospitality Advisors. He has over 30 years of day-to-day, hands-on management experience. Bill has opened four full service hotels from the ground up and led two of those hotels to the top operational award category available. Both hotels were designated as in the top 10 of their respective franchise affiliation.

Education: B.S. Newberry College, Business Administration/Economics

Professional Memberships: C.H.A. Certified Hotel Administrator

Alabama

- EconoLodge, Huntsville

Arizona

- Howard Johnson, Flagstaff
- Clarion, Scottsdale
- Days Inn, Phoenix
- Super 8, Phoenix
- Super 8, Tempe

California

- Milner Hotel, Los Angeles
- Redevelopment Study, Buena Park

Florida

- Boca Raton Resort and Club, Boca Raton
- Ramada Inn, Boca Raton
- Howard Johnson Pirate's Cove, Daytona Beach
- Fairfield Inn by Marriott, Key West
- Proposed Woodfin Suites, Lake Buena Vista
- Proposed Wellesley Inn, Lakeland
- Paramount Suite Hotel, Marco Island
- Quality Suites-Oceanside, Melbourne
- Turnberry Isle Resort and Club, Miami
- The Crescent Time Share, Miami Beach
- Proposed Hilton Hotel, Naples
- Hyatt Grand Cypress, Orlando
- The Chesterfield Hotel, Palm Beach
- Marriott's Bay Point Resort, Panama City Beach
- Hawaiian Ocean Inn, South Palm Beach
- Days Inn, Starke
- Holiday Inn Sabal Park, Tampa
- Milner Hotel, Tampa
- Holiday Inn-Countryside, Vero Beach
- Holiday Inn-Oceanside, Vero Beach

Florida

- Proposed Limited Service Hotel, Vero Beach
- Helen Wilkes Hotel, West Palm Beach
- Hampton Inn, Bonita Springs

Georgia

- Knights Inn, Atlanta
- Proposed AmeriSuites, Atlanta
- Days Inn, New Brunswick

Indiana

- Holiday Inn, Angola
- Days Inn, Indianapolis
- Hilton Hotel, Indianapolis
- New England Suites, Indianapolis
- Proposed Homewood Suites, Merrillville
- Best Western Inn, Clarksville

Illinois

- Hotel 21 East, Chicago
- Proposed Comfort Inn, Chicago
- Proposed Guest Quarters, Chicago
- Tremont Hotel, Chicago
- Whitehall Hotel, Chicago
- Sheraton Hotel, Naperville
- Proposed Country Inn and Suites, Rockford
- Proposed Fairfield Suites Hotel, Crystal Lake

Iowa

- Days Inn, Des Moines
- Proposed Hampton Inn, Marshalltown
- Red Roof Inn, Iowa City
- Baymont Inn, Des Moines

Kentucky

- Holiday Inn, Corbin
- Knights Inn, Lexington

Maine

- Hampton Inn, South Portland

Maryland

- Paramount Inner Harbor Hotel, Baltimore

Massachusetts

- Marriott Longwharf, Boston
- Milner Hotel, Boston
- Swansea Country Club, Swansea
- Radisson, Woburn

Michigan

- Grand Traverse Resort, Acme
- Best Western Greenfield Inn, Allen Park
- Proposed Holiday Inn-Express, Allen Park
- Hilton Inn, Ann Arbor
- Howard Johnson, Ann Arbor
- Proposed Concord Suites, Ann Arbor
- Residence Inn, Ann Arbor
- Proposed Hilton garden Inn, Ann Arbor
- Market Overview, Ann Arbor
- Proposed Hilton Garden Inn, Auburn Hills
- Proposed Holiday Inn Express, Auburn Hills
- Proposed Fairfield Inn by Marriott, Battle Creek
- Bay Valley Resort, Bay City
- Proposed Fairfield Inn by Marriott, Bay City
- Proposed Holiday Inn Express, Bellaire
- Holiday Inn and Conference Center, Big Rapids

Michigan Cont'd.

- Proposed Fairfield Inn by Marriott, Big Rapids
- Market Street Inn, Birch Run

- Proposed Limited Service Hotel, Birch Run
- Barclay Inn, Birmingham
- Proposed Educational Training Center, Birmingham
- The Townsend Hotel, Birmingham
- Proposed Courtyard by Marriott, Brighton
- Proposed Holiday Inn-Express, Brighton
- Proposed Fairfield Inn by Marriott, Cadillac
- Fellows Creek Lodge, Canton
- Sugar Loaf Resort, Cedar
- Proposed Comfort Inn and Conf. Ctr. Chelsea
- Proposed Hampton Inn, Clinton Township
- Proposed Hotel-Macomb Comm. Coll., Clinton Township
- Edgewood Country Club, Commerce Township
- Hampton Inn, Commerce Township
- Days Inn, Dearborn
- Marriott, Dearborn
- Ritz-Carlton, Dearborn
- Days Inn, Detroit
- Holiday Inn-Fairlane, Detroit
- Hotel St. Regis, Detroit
- Milner Hotel, Detroit
- Proposed International Hotel, Detroit
- Proposed David Whitney Hotel, Detroit
- Proposed Embassy Suites Hotel, Detroit
- Proposed Ferry Street Inn, Detroit
- Proposed Hilton Garden Inn, Detroit

Michigan Cont'd.

- Proposed Hotel and Conference Center, Detroit
- Proposed Hyatt Regency Hotel, Detroit
- Proposed Staybridge Suites, Detroit
- Radisson Pontchartrain, Detroit

- Proposed DoubleTree Guest Suites, Detroit
- Ramada, Detroit
- Stroh River Place Inn, Detroit
- Westin Renaissance Center, Detroit
- Holiday Inn and Conference Center, East Lansing
- Proposed Hilton Garden Inn, East Lansing
- Holiday Inn, East Tawas
- Comfort Inn, Farmington Hills
- Proposed Sheraton Suites, Farmington Hills
- Radisson Suites, Farmington Hills
- Proposed Fairfield Inn by Marriott, Fenton
- Hyatt Regency, Flint
- Proposed Holiday Inn, Flint
- Proposed Hampton Inn & Suites, Flint
- Radisson Riverfront Hotel, Flint
- Proposed Fairfield Inn by Marriott, Frankenmuth
- Proposed SpringHill Suites by Marriott, Frankenmuth
- Treetops Sylvan Resort, Gaylord
- Proposed Wingate Inn, Grand Blanc
- Amway Grand Plaza Hotel, Grand Rapids
- Courtyard by Marriott-Downtown, Grand Rapids
- Days Inn-Downtown, Grand Rapids
- Hilton Inn, Grand Rapids
- Holiday Inn-East, Grand Rapids

Michigan Cont'd.

- Holiday Inn-North, Grand Rapids
- Holiday Inn-South, Grand Rapids
- Proposed Hilton Garden Inn, Grand Rapids
- Proposed New England Suites, Grand Rapids

- Proposed Quality Inn, Grand Rapids
- Radisson Eastbank, Grand Rapids
- Holiday Inn, Hazel Park
- Country Inn by Carlson, Holland
- Days Inn, Holland
- Holiday Inn, Holland
- Holland Inn, Holland
- Proposed Holland Marriott Hotel, Holland
- Proposed Homewood Suites by Hilton, Holland
- Proposed Red Roof Inn, Jackson
- Clarion Hotel, Kalamazoo
- Proposed Courtyard by Marriott, Kalamazoo
- Hilton, Kalamazoo
- Holiday Inn, Kalamazoo
- Holiday Inn Expressway, Kalamazoo
- Proposed Holiday Inn Conversion, Kalamazoo
- Proposed Holiday Inn Express, Kalamazoo
- Proposed Sleep Inn, Kalamazoo
- Proposed Staybridge Suites Hotel, Kalamazoo
- Ramada Hotel, Kalamazoo
- Holiday Inn South/Convention Center, Lansing
- Proposed Staybridge Suites, Lansing
- Proposed Hilton Garden Inn, Lansing
- Quality Suites, Lansing

Michigan Cont'd.

- Proposed Fairfield Inn by Marriott, Lapeer
- Garland Resort, Lewiston
- Quality Inn, Lincoln Park
- Holiday Inn, Livonia
- Proposed Best Western, Ludington
- Proposed Waterfront Hotel, Ludington
- Mission Point Resort, Mackinac Island

- Proposed Hampton Inn, Macomb Township
- Hampton Inn, Madison Heights
- Heritage Hotel, Marquette
- Proposed Hotel at Canadian Lakes, Mecosta
- Ashman Court Hotel and Conference Center, Midland
- Proposed Springhill Suites, Midland
- Proposed Fairfield Inn by Marriott, Midland
- Valley Plaza Inn, Midland
- Knights Inn, Monroe
- Best Western, Muskegon
- Hilton Hotel and Convention Center, Muskegon
- Holiday Inn, Muskegon
- Holiday Inn, Niles
- Hampton Inn, Northville
- The Hotel Baronette, Novi
- Proposed Best Western, Novi
- Proposed Holiday Inn Express, Novi
- Sheraton Oaks, Novi
- Wyndham Garden Hotel, Novi
- Proposed Hampton Inn and Suites, Okemos
- Indianwood Golf and Country Club, Orion Twp.
- Proposed Waterfront Hotel, Petoskey
- Comfort Inn, Plainwell

Michigan Cont'd.

- Proposed Hampton Inn and Suites, Plymouth Township
- Proposed Fairfield Inn by Marriott, Port Huron
- Proposed Holiday Inn-Express, Port Huron
- Thomas Edison Inn, Port Huron
- Proposed Courtyard by Marriott & Conference Center, Portage

- Proposed Limited Service Hotel, Richmond
- Hilton Suites, Romulus
- Guest Quarters, Romulus
- Hampton Inn, Romulus
- Holiday Inn Crowne Plaza-Airport, Romulus
- Proposed Hilton Garden Inn-Airport, Romulus
- Quality Inn Airport, Romulus
- Ramada Inn Airport, Romulus
- Signature Inn, Romulus
- RS Eastin Inn, Roseville
- The Georgian Inn, Roseville
- Proposed Hotel & Conference Center., Royal Oak
- Proposed Royal Grand Hotel, Royal Oak
- St. Clair Inn, St. Clair
- Four Points by Sheraton, Saginaw
- Knights Inn, Saginaw
- Proposed Residence Inn, Saginaw
- Old Harbor Inn, South Haven
- Proposed Holiday Inn-Express, South Haven
- Hampton Inn, Southfield
- Homestead Studio Suites, Southfield
- Michigan Inn, Southfield
- Proposed Ramada Limited Hotel, Southfield
- Radisson Hotel, Southfield

Michigan Cont'd.

- Proposed Comfort Suites Hotel, Southgate
- Holiday Inn, Spring Lake
- Proposed Limited Service Hotel, Stanton
- Best Western Sterling Inn, Sterling Heights
- Proposed Hampton Inn, Stevensville
- Hampton Inn, Traverse City
- Holiday Inn, Traverse City
- AmericInn, Traverse City

- Cherry Tree Inn on the Beach, Traverse City
- Proposed Courtyard by Marriott, Traverse City
- Drury Inn, Troy
- Proposed Events Facility, Troy
- Proposed Hilton Residential Suite, Troy
- Proposed Homewood Suites by Hilton, Troy
- Proposed Courtyard by Marriott, Utica
- Days Hotel, Warren
- Hampton Inn, Warren
- Proposed Hilton Garden Inn, Warren
- Quality Inn, Warren
- Van Dyke Park Hotel and Conf. Center, Warren
- The Orchards Golf Club, Washington Twp.
- Proposed Holiday Inn Express, Waterford Twp.
- Proposed Ramada Inn, Watervliet
- Proposed Holiday Inn Express, Wixom
- Proposed Hampton Inn, Wyoming
- Proposed Huron Shores, Ypsilanti
- Proposed Eastern Mich. Univ. Conf. Center, Ypsilanti
- Radisson Golf and Conference Center, Ypsilanti

Minnesota

- Proposed Northwoods Lodge, Eagan
- Proposed Raintree Resort, Eagan
- Proposed Comfort Inn & Suites, Monticello
- Proposed Holiday Inn, Monticello
- Proposed Residence Inn by Marriott, St. Paul
- Proposed Corporate Hotel, Marshall

New York

- Hyatt Regency, Buffalo

- Holiday Inn, Cortland
- Comfort Inn, Hornell
- Ramada Inn, Ithaca
- Madison Hotel, New York

North Carolina

- Days Inn-East, Asheville
- Holiday Inn Center City, Charlotte
- Milner Inn, Raleigh

North Dakota

- Kirkwood Inn & Conference Center, Bismarck

Ohio

- Residence Inn, Dayton
- Holiday Inn, Lima
- Days Inn, Middletown
- Radisson Hotel, Sandusky
- Marriott Portside, Toledo
- Proposed Training/Development Ctr, Toledo
- Quality Inn, Wickliffe

Oregon

- Holiday Inn Crowne Plaza, Portland
- Proposed AmeriSuites, Portland

Pennsylvania

- Proposed Limited Service Hotel, Hanover
- Mt. Airy Lodge, Mt. Pocono
- Pocono Gardens Lodge, Mt. Pocono
- Strickland's Mountain Inn, Mt. Pocono
- Residence Inn by Marriott-Airport, Philadelphia

South Carolina

- Proposed Luxury Hotel and Conf. Ctr, Columbia

Tennessee

- Proposed Public Events Center, Franklin
- Proposed Convention Center Hotel, Franklin
- Proposed Elvis Presley's Heartbreak Hotel, Memphis
- Proposed Expansion Cool Springs Conference Center, Franklin

Texas

- Paramount Hotel, Dallas

Virginia

- Linden Row Inn, Richmond

Washington

- Residence Inn by Marriott, Seattle
- Wyndham Garden Hotel-Airport, Seattle
- Wyndham Garden Hotel-Bothell, Seattle

Wisconsin

- Hotel Fon Du Lac, Fon Du Lac

FINANCIAL INSTITUTIONS

- Ann Arbor Commerce Bank
- Bank of Auburn Hills
- Bank of Bloomfield Hills
- Bank of Nova Scotia
- Barclays Bank
- Bayview
- Bernard Financial Group
- Centerline Capital Group
- Charter One Bank
- Chemical Bank
- CIGNA
- Citicorp Real Estate
- Citizens Financial Group
- Citizens Bank
- Citizens First Bank
- Clarkston State Bank
- Comerica Bank
- Community Central Bank
- Crestar Bank
- DBS Bank
- ECCU
- Fifth Third Bank
- First Michigan Bancorp
- First Union National Bank of Florida
- Flagstar Bank
- Fleet National Bank
- Ford Motor Credit Corp.
- Franklin Bank
- GE Commercial Finance
- Glendale Federal
- GMAC
- Great Lakes Bancorp
- Greystone Bank
- Howard Savings Bank
- Huntington Banks of Michigan
- Indigo Leasing
- Lapeer Bank
- Manufacturers National Bank
- Marine Midland Bank
- Mercantile Bank

FINANCIAL INSTITUTIONS

- Mercury Bank & Trust
- Michigan National Bank
- MileStone Bank
- National City Bancorp
- Nomura Bank
- Old Kent Bank
- Peoples Bank
- PMC Commercial Trust
- PNC Bank
- Premier Commercial
- Principal Bank
- Prudential
- Republic Bank
- Sanwa Bank
- ShoreBank
- Silverhill Bank
- Sky Bank
- Skymar Capital Corp.
- Standard Federal Bank
- St. James Place Bank
- Strategic Capital Bank
- Summit Bank
- The Money Store Commercial Lending
- The Townsend Group
- United Bank & Trust
- US Bank
- USB Real Estate
- Warren Bank
- Western United Bank
- Western United Life
- Yasuda Bank and Trust

INSURANCE COMPANIES

- Aetna Real Estate Investments
- Alfa Mutual Life Insurance Company
- Equitable Life Insurance Company
- Fidelity Mutual Life Insurance Company
- Lincoln National Insurance Company

INSURANCE COMPANIES CONT'D.

- Prudential Life Insurance Company
- Northwestern Mutual Life Insurance Company

CORPORATE CLIENTS

- Amway Corporation
Consumers Power Company
- Dominos Pizza, Inc.
- Ferris State University
- Ford Motor Land Development Corp.
- Macomb (MI) Community College
- Melling Tool Company
- Whirlpool Corporation

INVESTMENT GROUPS/ADVISORS

- AR Cap
- Capital Realty Services
- Centerline Capital Group
- CNB Capital, Inc.
- Detroit Investment Fund
- GE Commercial Finance
- Kidder Peabody
- Nomura Asset Capital Corporation
- Salomon Brothers

HOTEL COMPANIES

- Beacon Hospitality Group
- Buckhead America Corporation
- Choice Hotels
- CMI Corporate
- Compri Hotels/Doubletree
- ClubHouse Inns
- Crestline Capital Corporation
- Days Inns of America
- Holiday Corporation

HOTEL COMPANIES CONT'D.

- Hilton Hotels International
- Hyatt Hotels Corporation
- Marriott Corporation
- Omni International
- Prime Hospitality Corporation
- Promus Corporation
- Rafael Hotels, Limited
- Ramada Hotels
- Rank Hotels
- Ritz-Carlton Hotel Company
- Servico
- Westin Hotels and Resorts
- White Lodging Services Corporation
- Wyndham Hotels and Resorts

GOVERNMENTAL

ORGANIZATIONSRI

- Birmingham (MI) Public Schools
- City of Columbia, South Carolina
- City of Dearborn, Michigan
- City of Detroit, Michigan
- City of Dowagiac, Michigan
- City of Franklin, Tennessee
- City of Gary, Indiana
- City of Lansing, Michigan
- City of Pontiac, Michigan
- City of Portage, Michigan
- City of Southfield, Michigan
- City of St. Clair Shores, Michigan
- Lee County, Florida
- Mackinac Island Commission
- Michigan Dept. of Natural Resources
- Michigan Dept. of the Treasury
- Twenty-Third Judicial Circuit Court of Michigan
- Troy (MI) Chamber of Commerce
- Wayne County, Michigan