



Proposal for a Market Feasibility and Financial Analysis Study

Proposed Outdoor Waterpark Vicksburg, Mississippi



Our Mission

Empowering hospitality and leisure industry clients to make sound decisions with data-driven analysis and insightful recommendations



HOTEL & LEISURE ADVISORS

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June 8, 2026

Ms. Kimberly Nailor
City Attorney
City of Vicksburg
PO Box 150
Vicksburg, MS 39181
Via e-mail: knailor@vicksburg.org

**RE: Market Feasibility and Financial Analysis Study
Proposed Outdoor Waterpark, Vicksburg, Mississippi**

Dear Ms. Nailor:

Thank you for the opportunity to submit a proposal for the feasibility analysis of the proposed outdoor waterpark in Vicksburg, Mississippi. Hotel & Leisure Advisors (H&LA) has completed numerous hotel, conference center, and waterpark studies in Mississippi. We would be pleased to prepare a market study and make financial projections for the proposed outdoor waterpark as outlined in the attached proposal.

Based on our hospitality experience and our understanding of the proposed facility concepts, I am confident that Hotel & Leisure Advisors is well qualified to respond to your consulting requirements. We have developed sophisticated and innovative research techniques, resulting in thorough analyses that incorporate in-depth local, regional, and state market information. I have attached our company qualifications to this proposal. Over the years, H&LA has served over 1,000 clients on a wide variety of projects. Upon request, we will provide you with a list of references relevant to your project whom you can contact.

To proceed with our engagement, please sign this proposal and return it to our office with a retainer payment. I look forward to working with you on this assignment. If you have any questions or require any additional information, please contact me.

Hotel & Leisure Advisors, LLC

A handwritten signature in black ink that reads 'David J. Sangree'.

David J. Sangree, MAI, ISHC
President



HOTEL & LEISURE ADVISORS

Proposal for Consulting Services Proposed Outdoor Waterpark, Vicksburg, Mississippi

I. Market Feasibility and Financial Analysis Study

OBJECTIVE

This engagement will assess the market feasibility of the proposed outdoor waterpark development in Vicksburg on a 200-acre site near an existing youth sports facility. It is our understanding that the estimate of feasibility will be used for decision-making purposes in determining whether to develop the waterpark. We will produce a detailed financial analysis for the project and estimate its probable operating performance for an 11-year holding period. Our analysis will provide valuable insights to support informed decision-making regarding project viability.

Beyond financial analysis, we will provide tailored recommendations regarding key aspects of the proposed development, including:

- Sizing of the overall property and recommendations on attractions to include:
 - waterpark features
 - potential dry attractions
 - food and beverage facilities
 - picnic areas
 - birthday party rooms
 - expansion capabilities
- Strategic amenity offerings to maximize guest attraction and revenue generation
- Potential operating options - private management company versus city parks department

SCOPE OF WORK

Research & Data Collection

Prior to initiating our study, we will engage with the client to define the project's scope, address confidentiality concerns, and align our analysis with specific objectives. Our research process includes the following components:

- **Understand Business Goals:** Review the overall objectives for the proposed development and assess the scale of the investment and vision for the project
- **Review Subject Data:** Review information such as development budget, financial forecast, architectural plans, tax & zoning information, etc.
- **Review Existing Research:** Evaluate prior market studies and leverage our insights into the submarket

- **Site & Market Evaluation:** Conduct a site visit and market tour, including:
 - Travel to the subject market for a site visit, neighborhood and market tour, and meetings with the client
 - Visit competitive waterparks and attractions to assess facilities, performance benchmarks, and market segmentation
 - Interview waterpark and attraction managers, owners, and representatives of major chains
 - Engage with local economic development authorities, convention and visitor bureau, tourism board, chamber of commerce, assessor's office, and municipal planning offices.
 - Review zoning, tax, and regulatory considerations relevant to the development
 - Analyze the project's master plan (if available) and planned developments in the surrounding area

Market Analysis

- **Industry Trends:** Evaluate national and regional waterpark and amusement industry trends to contextualize the project within broader market conditions
- **Economic & Demographic Assessment:** Analyze local market factors such as population growth, employment rates, income levels, tourism, and transportation access
- **Regional Supply Analysis:** Analyze demographic and economic information within various drive times of the subject compared with successful comparable waterpark facilities
- **Site Analysis:** Analyze the proposed project site, including
 - Traffic counts
 - Access and visibility
 - Proximity and travel time
 - Nearby visitor attractions
 - Distance to demand generators relative to competitive properties
 - Demographic and economic information within various drive times of the subject, including the number of children and families, household income, and other population statistics
 - Usage levels and seasonality for adjacent youth sports complex
 - Visitation levels, leasing trends, new stores and attractions, etc.
- **Competitive Positioning:**
 - Examine current hotel supply and review any packages that the waterpark could have with the existing and proposed hotels
 - Determine a competitive set of waterpark properties and compare the facts and performance figures for each property to the subject
 - Utilize data analytics tools (i.e., Placer) to analyze visitor demand and demographics at comparable waterparks and attractions
 - Prepare a SWOT analysis to highlight the strengths, weaknesses, opportunities, and threats related to the proposed development
 - Analyze the historical market of the competitive properties and project the market for the proposed waterpark
- **Supply & Demand Dynamics:**
 - Identify new waterparks that are under construction, planned, or proposed in the market

- Compare the performance, features, and amenities of the subject to similar properties in similar markets throughout the region
 - Evaluate trends in the supply of and demand for waterparks to estimate future revenue potential
 - Forecast market growth and assess potential impacts from new supply additions
 - Quantify the projected performance of the subject compared to similar properties in similar markets throughout the region
- **Development Cost Projections:** Estimate a range of construction costs based upon cost data from CoreLogic and in-house data from other assignments to provide a realistic financial framework for decision-making
 - **Proposed Project Forecasts:**
 - Forecast pricing and usage for the proposed property
 - Compare the projected performance of the subject to comparable properties in similar markets throughout the region and the subject's competitive set of properties
 - Analyze daily and monthly usage performance of the market, and make projections for a stabilized year
 - Analyze pricing and usage at other indoor waterparks, including standalone facilities and those connected to hotels. We will project indoor waterpark usage by connected hotel guests, nearby hotel guests, and local users. We will project pricing for day passes and overnight packages.
 - Evaluate sizing, amenities, attractions, and potential usage of the waterpark components by reviewing waterparks in the region

Financial Analysis & Feasibility Projection

Utilizing insights from the market analysis, we will develop a comprehensive financial model forecasting the waterpark's potential performance for a standard holding period. This will include:

- **Revenue & Expense Projections:**
 - Utilize data from comparable properties, industry benchmarks (*IAAPA's Waterpark Benchmark Study and World Waterpark Association*), and our proprietary financial information from comparable properties
 - Forecast key performance metrics, including usage levels and average ticket prices for an 11-year holding period
- **Operational Performance Projections:** The financial analysis report will include detailed comparisons with actual operating statements of similar properties and will provide a line-by-line discussion of each of the major departments of a waterpark. In addition, we will:
 - Analyze the effects of estimated future inflation on revenues and expenses and arrive at the estimated cash flow from operations
 - Estimate departmental revenue and expenses
 - Adjust projections to account for inflation and anticipated market fluctuations
- **Feasibility Analysis:**
 - Calculate the potential value of the property based on typical discount and capitalization rates
 - Benchmark value created against construction costs and comparable developments to determine financial feasibility

The financial analysis report will include detailed comparisons with actual operating statements of similar properties and will provide a line-by-line discussion of each of the major departments of a waterpark.

Comprehensive Market Feasibility Study

We will present our findings in a comprehensive narrative market study report, outlining recommended facility components and providing prospective financial analysis. Our evaluation will assess the strength and growth potential of the target markets, analyzing attendance trends, utilization rates, and other key performance indicators relevant to comparable properties. The report will include specific recommendations regarding aquatic area size, number and type of rides, food and beverage facilities, meeting facilities, waterpark amenities, other facilities, and any expansion potential for the property. We will suggest possible amenities that the property could offer to attract additional demand. Our report will serve as a strategic resource for stakeholders, investors, and decision-makers, offering clear, data-driven insights to support the planning and development of a successful project.

II. SurveyMonkey Demand Research

OBJECTIVE

To complement the comprehensive analysis in Component I, we offer an additional layer of data-driven insight through a custom online survey. This survey is designed to gather direct input from city of Vicksburg residents and potential guests, providing valuable feedback on key aspects of the proposed waterpark's offerings.

SCOPE OF WORK

The survey will focus on the following areas:

- Interest in new development
- Current usage of similar facilities
- Desired amenities and services
- Acceptable waterpark day pass pricing
- Additional input respondents may have regarding the development

The insights gained from the survey will be seamlessly integrated into our overall market analysis, along with a detailed write-up of the findings. These results will enhance our demand and rate projections and refine the recommendations for the facility, ensuring that the development aligns with the needs and preferences of potential guests.

We will work closely with the client to ensure effective survey distribution. We assume the client will provide a list of at least 1,500 email addresses to help ensure a robust response rate. Alternatively, we can leverage SurveyMonkey's targeting capabilities to purchase responses based on over 200 profiling attributes, tailored specifically to the project's target audience.

H&LA will design the survey, which will be submitted to the client for review and approval before distribution. This survey-driven approach ensures that the proposed development is not only market-informed but also backed by real-time consumer preferences.

III. Economic Impact Study

OBJECTIVE

The Economic Impact Study will assess the broader economic effects of the proposed development on the local community, providing essential insights to garner support from government entities and community stakeholders. This study will quantify both the fiscal impact (tax revenue generation for the local and state government) and the economic impact (job creation and increased spending within the community).

The impact of such a project extends across temporary and permanent stages of economic activity. Temporary impacts include jobs and revenues generated during the construction phase, while permanent impacts arise from sustained job creation, long-term operational revenues, and the associated benefits to local service providers. The project is expected to generate substantial new tax revenues from incremental visitor spending, employment taxes, and enhanced utilization of public utilities and services.

SCOPE OF WORK

Our Economic Impact Study will include the following key components:

- **Economic Multiplier Analysis:** Utilize recognized economic modeling programs to calculate direct and indirect spending impacts, incorporating accepted economic multipliers to project the full extent of the development's economic influence
- **Assessment of Economic Events:** Identify significant economic events resulting from both the construction and operations of the proposed facility. We will estimate gross expenditures to gauge the total economic impact
- **Nationwide Spending Patterns:** Analyze national event patron surveys to understand spending behaviors, including purchases at restaurants, retail stores, accommodations, and transportation. We will apply data from reputable surveys to estimate per-visitor spending.
- **Leisure and Household Spending Analysis:** Evaluate spending trends related to recreation and leisure activities using data from industry sources such as D.K. Shifflet, Longwoods, Placer, and Davidson-Peterson Associates
- **Municipal Revenue Impact:** Analyze and project the total tax impact on municipal, county, and state revenues. This includes lodging taxes, retail sales tax, property taxes, income taxes, and other relevant fiscal contributions.
- **County-Specific Economic Modeling:** Customize a county economic model to calculate direct and indirect spending, employment multipliers, average annual jobs created, and municipal tax revenues, leveraging U.S. Department of Commerce RIMS II multipliers
- **Job Creation Projections:** Estimate the number and types of new jobs that will be created by the development, both during the construction phase and as part of the resort's long-term operations

- **Impact on Local Hotel Market:** Assess how the proposed development will influence the existing hotel market, considering supply and demand shifts as well as potential competition
- **Municipal Incentive Opportunities:** Profile potential municipal incentives, examining tax abatements, tax incremental financing, room tax rebates, and other incentives offered by other regions for similar developments
- **Economic Impact Breakdown:** Provide a comprehensive analysis of the three primary types of economic impact the proposed hotel will have on the local economy:
 - **Direct Impact:** Jobs and spending directly created by the construction and operation of the resort
 - **Indirect/Induced Impact:** Economic benefits stemming from the supply chain, such as increased business for local suppliers due to resort operations
 - **Final Impact:** The overall effect on regional output, earnings, and employment driven by the increased demand generated by the resort

Economic Impact Study

The findings of the Economic Impact Study will be communicated in a detailed narrative report, which will serve as a standalone document, distinct from the feasibility study, though it will reference and align with its conclusions. The report will provide clear insights to help guide decision-making and demonstrate the positive economic contributions of the proposed development to stakeholders and policymakers.

ADDITIONAL SERVICES

Site Master Planning & Conceptual Design

For these services, H&LA partners with **Architectural Design Consultants, Inc. (ADCI)**, a leading architecture and design firm. Their expertise transforms the feasibility concepts into clear, inspiring designs that enhance guest experience and operational efficiency. ADCI can develop conceptual site layouts, building designs, visualizations, and marketing materials that bring the project vision to life and guide informed decision-making.

- **Conceptual Design and Visualization**
 - ADCI will develop preliminary renderings and conceptual design materials that clearly communicate the project's vision
 - Feasibility findings are translated into a tangible site concept, defining program, size, scope, and scale through carefully crafted visualizations
- **Collaborative Design Development**
 - ADCI will utilize the results of the feasibility study to prepare conceptual site and building layouts
 - Design elements—including circulation, adjacencies, and functional flow—are organized to enhance guest experience, simplify operations, and support long-term performance
- **Community and Stakeholder Engagement**
 - ADCI can coordinate interactive work sessions, community feedback forums, and presentations to municipal officials
 - These efforts help build consensus, facilitate stakeholder buy-in, and refine the design in alignment with shared priorities

- **Visual Communication and Promotion**
 - ADCI can provide high-quality marketing visuals, 3D models, and animations that effectively convey the project's aesthetic, functionality, and market appeal

H&LA Additional Advisory Services

- **Developer/Management Search:** RFQ services to assist in finding a developer or management company
- **Facility Planning:** Comprehensive analysis to support operational and strategic planning
- **Expert Witness & Litigation Support:** Testimony and guidance for court proceedings related to our analysis

Any of the additional services outlined above can be provided on an as-needed basis. Pricing will be provided upon request and can be tailored to the specific scope, complexity, and timing of the engagement.

PROJECT QUALIFICATION & EXPERIENCE

Our consultants are national experts in the analysis of all types of waterpark and resort properties. We have prepared more than 4,200 studies on a wide range of hotels and leisure properties in the United States, Canada, and other countries. We have prepared more than 1,000 studies on waterpark properties in the United States and internationally. Our expertise is internationally recognized. H&LA has been honored with two Leading Edge Awards from the World Waterpark Association, recognizing our innovative contributions during the feasibility phase of projects that helped guide development concepts and shape successful waterpark developments. David Sangree has also been inducted into the World Waterpark Association's Hall of Fame and received the organization's Executive Board Award for his leadership and impact on the industry. In addition, he has been featured twice by Aquatics International magazine, including in their "Power People" issue, as one of the most influential figures in the aquatics and waterpark community.

With your project in mind, below is a small sampling of projects we have completed over the years that are similar to yours in property type or scope of services. A complete list of all H&LA projects can be found on our [website](#).



Proposed Hotel at Tropic Falls at OWA Indoor Waterpark – Foley, Alabama: H&LA assessed the market feasibility of a proposed hotel connected to the Tropic Falls at OWA indoor waterpark in Foley, Alabama. Our analysis included interviews with local tourism, economic development, and government officials; managers of competitive hotel and indoor waterpark resort properties; and area attraction representatives, along with a physical inspection of the site and review of market and demographic data. The study examined the development of a 200-room hotel with interior access to the Tropic Falls indoor

waterpark, situated on a two-to-four-acre parcel within the broader OWA entertainment complex. The proposed hotel is projected to strengthen the overall draw of OWA by enabling packaged offerings that combine hotel stays with waterpark and theme park access.

Grand Paradise Waterpark – Collins, Mississippi: H&LA prepared a comprehensive appraisal of an outdoor waterpark in Collins, Mississippi. Our analysis included a physical inspection of the subject property and a review of market conditions. The property is a mid-sized outdoor waterpark on approximately 7 acres, featuring a lazy river, tube and body slides, a zero-depth children's activity area, bowl ride, 31 rentable cabanas, and food and beverage service. H&LA rendered two value opinions for the fee simple estate in the going concern.



Typhoon Texas - Katy, Texas: H&LA completed a feasibility and market analysis study for the proposed Typhoon Texas Waterpark in Katy, approximately 25 miles west of Houston. Our study recommended a wide range of attractions for the project. We also made recommendations on food and beverage outlets, retail kiosks, and cabanas. We projected daily rates and usage levels for local visitors and tourists.

Raging Waves Waterpark – Yorkville, Illinois: H&LA completed an appraisal and market analysis of the 39-acre, Australian-themed subject property. The large outdoor waterpark boasts a wave pool, lazy river, three pipeline tubing rides, a zero-depth children's activity area improved with a large play structure, a 4-person cloverleaf tornado ride, a multi-person family raft ride, a tubing bowl, three speed slides (two enclosed, one open), and one two-seat enclosed tube ride. The waterpark offers cabanas, several food and beverage outlets, an amphitheater, and a sandy beach.



FrontierTown Waterpark – Berlin, Maryland: H&LA completed a market and financial feasibility study for the expansion of the waterpark that would increase the subject's overall size and amenities offered. We analyzed comparable outdoor waterparks found in the Maryland, Delaware, Virginia, and Pennsylvania markets. We analyzed the development budget and new development in the area. Our study made recommendations for the property expansion and considered the development costs in our analysis of feasibility.

Cowabunga Bay – Henderson, Nevada: H&LA prepared multiple market studies and valuations for the 22-acre, Hawaiian surfing-themed property. The waterpark consists of a large outdoor waterpark with a wave pool, lazy river, zero-depth children's activity area improved with a large play structure, four tube slides, two family raft slides, a six-lane mat racer slide, an enclosed speed slide with drop floor, and a private pool for cabana users. The waterpark offers 30 cabanas and 21 sun screens over chaise lounge chairs.



FEES & PAYMENT SCHEDULE

Project Fees	
Component	Fee
I - Market Feasibility and Financial Analysis Study	\$25,000
II - Survey Monkey Demand Survey	\$5,000
III - Economic Impact Study	\$10,000
Travel, subsistence, and out-of-pocket expenses, including research data	Not to exceed \$3,000 for I \$4,000 for all components

These fee estimates are subject to revision if the scope of the engagement is altered. In such an event, we will discuss the matter with you so that a mutually acceptable revision can be made. Our price quote for this scope of services is valid for 90 days from the date of this proposal. Projected expenses exclude any applicable state sales taxes. If at any point during the engagement a decision is made to discontinue our services, our professional fees will be based on the time expended through that date.

Payment Schedule
We require a 50% retainer prior to beginning the assignment.
After conclusion of our fieldwork, we will issue an invoice for 25% of the project fee. This payment is due prior to our issuing the draft report.
The final invoice (balance plus expenses) will be sent with the draft copy of the completed report. Payment of this invoice is required prior to our issuance of final reports. Hard copies of the report are available upon request for an additional fee.
Any revisions to the report made within 30 days of issuance of the draft are included in the fee. Any revisions after 30 days will require an additional 10% of the project fee. If we do not receive any revisions within 30 days, we will issue the final report, provided we have received payment of the final invoice.
Any invoice that is 60 days past due is subject to a 1.5% monthly finance charge. Client agrees to pay any fees incurred as a result of collections activity.

We will negotiate fees for any additional services when you request them. Our consulting services are available at a rate of \$170-\$620 per hour, depending on the staff person involved, or we will issue a specific fee quote once the scope of additional services is determined.

TIMING

We can begin work immediately and will provide you with the report documenting our conclusions within 40 to 60 days of receiving the retainer payment and the signed engagement letter. We will work with your appointed representative to ensure the required data is made available. *The delivery date of the draft and final reports is contingent upon receiving the data requested for the property on a timely basis.*

We will communicate with you on a regular basis throughout the project and update you as needed on our progress. Chronologically, we will:

- Issue a data request list indicating items that need to be reviewed as part of our analysis.
- Schedule appointments to meet with you and tour the subject site and local/regional market. Our fieldwork will include visits to a range of comparable facilities.
- After conclusion of fieldwork, we will conduct additional research and interviews and analyze additional data to prepare the report. It typically takes a few weeks to analyze the data and an additional few weeks to write the report.
- Execute internal review of the report for quality control purposes.
- Issue the report in draft format. After you review the draft, we will issue the final version of the report, including addenda items.

CONDITIONS

The report will be prepared in accordance with our Standard Conditions, which are attached. To indicate your acceptance of this proposal, please sign and return it to us with a retainer of 50% as authorization for us to proceed with the engagement.

As a material inducement for Hotel & Leisure Advisors to enter into this agreement for services and for value received, and the consideration of Hotel & Leisure Advisors' performance in providing appraisal and consulting services for the client, the signature on this letter guarantees the company's timely payment of this agreement. This includes, but is not limited to, the payment of any and all sums due pursuant to the agreement. This guarantee applies to services rendered prior to and after the above date.

Thank you for this opportunity to be of service. We look forward to working with you on this assignment.

Sincerely,

Hotel & Leisure Advisors, LLC



David J. Sangree, MAI, ISHC
President

By signing below, I agree to the fees and terms described in the attached proposal. By initialing next to the component(s) below, I agree to pay fees for the report as indicated. I have read and understood the proposal and the attached standard conditions, and I agree to the terms and conditions therein.

Component	Fee	Initial for Components to be Engaged
I - Market Feasibility and Financial Analysis Study	\$25,000	
II - Survey Monkey Demand Survey	\$5,000	
III - Economic Impact Study	\$10,000	
Travel, subsistence, and out-of-pocket expenses, including research data	Not to exceed \$3,000 for Component I; \$4,000 for all components	

Signature

Name (print)

Title

Company

Company Address

City, State, ZIP code

Email

Phone Number

Date

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OF THE PROPOSED WATERPARK**

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Standard Conditions: The following Standard Conditions apply to real estate consulting engagements and appraisals by Hotel & Leisure Advisors, LLC (H&LA). Extraordinary Assumptions are added as required.

1. The report is to be used in whole and not in part. The report, engagement letter, and these standard conditions constitute the entire understanding and agreement between the parties with respect to the subject matter hereof and supersede any and all prior or current agreements or understandings between the parties, whether in writing or orally. The report and engagement letter may not be amended except in writing signed by the parties hereto. These standard conditions shall survive the completion of the assignment.
2. Publication of the report or engagement letter without the prior written consent of H&LA is prohibited unless otherwise stated in the letter of engagement. Neither the report nor engagement letter may be used or relied upon by any person other than the party to whom they are addressed, nor may they be used for purposes other than that for which they were prepared. Neither the engagement letter, nor the report, nor their contents, nor any reference to the appraisers or H&LA or any reference to the Appraisal Institute, International Society of Hospitality Consultants, or the American Institute of Certified Public Accountants, (or the MAI, ISHC, or CPA designations) may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, other appraisal, loan, or other agreement or document without H&LA's prior written permission, in its sole discretion. Moreover, "H&LA" is a registered trademark of Hotel & Leisure Advisors, LLC. The client agrees that in the event of a breach of this Section 2, in addition to any other rights and remedies of H&LA, Client hereby consents to injunctive relief.
3. H&LA assumes no responsibility for the legal description or any matters that are legal in nature. Title to the property is assumed to be good and marketable, and the property is assumed to be free and clear of all liens unless otherwise stated. No survey of the property was performed. Sketches, maps, photos, or other graphic aids included in the reports are intended to assist the reader in ready identification and visualization of the property and are not intended to be used for legal or technical purposes.
4. The information used in H&LA's services may come from data gathered from the property owner and other sources. H&LA has the right to rely on this information as being reliable, accurate, and complete. Neither the consultants nor H&LA shall be responsible for determining the accuracy or completeness of such information, including but not limited to the correctness of public records or filings, estimates, opinions, dimensions, sketches, exhibits, and other factual matters.
5. The report may contain prospective financial information, estimates, or opinions that represent the consultants' or appraisers' view of reasonable expectations at a particular point in time based on the information provided or available to them. Such information, estimates, or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by H&LA's prospective financial analyses will vary from those described in the report, and the variations may be material. The financial projections stated in the report and any opinions of value are as of the date stated in the report. Changes since that date in external and market factors or in the property itself can significantly affect property value or performance.
6. H&LA has not considered the presence of unknown conditions or potentially hazardous materials and contaminants such as asbestos, urea formaldehyde foam insulation, toxic waste, PCBs, pesticides, mold, lead-based paints, or other materials. The appraisers and consultants are not qualified to detect or report on hazardous material contamination, and H&LA urges the client to retain an expert in this field if desired.
7. Unless noted, H&LA assumes there are no encroachments, zoning violations, or building violations encumbering the subject property. It is assumed that the property will not be operated in violation of any applicable government regulations, zoning, codes, ordinances, or statutes. No responsibility is assumed for architectural design and building codes. The analysis and concept drawings included in the report are not intended for technical purposes.
8. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
9. Real estate consulting engagements and appraisal assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements. In the event such services are agreed upon, the client will be obligated to pay in advance for H&LA's standard per diem fees and travel costs.
10. No significant change is assumed in the supply and demand patterns indicated in the report.

- The appraisal or consulting engagement assumes market conditions as observed as of the current date of the market research stated in the letter of transmittal. These market conditions are believed to be correct; however, H&LA and the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.
11. The quality of a lodging facility or other leisure property's management has a direct effect on the property's economic viability. It should be specifically noted by any prospective reader that the engagement assumes that the property will be competently managed, leased, and maintained by financially sound owners over the expected period of ownership. H&LA is not responsible for the management or operations of the property or any future marketing efforts or other actions upon which actual results will depend.
 12. The forecast of income and expenses is not a prediction of the future. Rather, they are H&LA or the consultants' best estimates of current market thinking on future income and expenses. H&LA does not warrant that the estimates will be achieved, but only that they have been prepared in a conscientious manner on the basis of information obtained by H&LA during the course of this study.
 13. The subject property is valued assuming all items of furniture, fixtures, equipment, working capital, and inventory are in place. Should items essential in the operation of the hotel prove to be missing, we reserve the right to amend the opinion of value expressed in an appraisal report.
 14. H&LA does not, as part of this consulting report or appraisal, perform an audit, review, or examination (as defined by the American Institute of Certified Public Accountants) of any of the historical or prospective financial information used and therefore, does not express any opinion with regard to it.
 15. The consulting engagement or appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute. No other code, ordinance, rule, or regulation of any kind or nature whatsoever shall apply.
 16. Client acknowledges and agrees that the maximum damages recoverable from H&LA members or affiliates and their respective officers, directors, and employees, relative to this engagement, shall be limited to the amount of the money actually collected by H&LA or its affiliates for work performed pursuant to the engagement letter. The client acknowledges that H&LA cannot and does not guarantee and makes no representations as to the success of the project. H&LA shall not be liable for any incidental, breach of warranty, consequential or punitive damages, expenses, costs or losses whatsoever directly or indirectly arising out of the services performed hereunder (including negligence and/or gross negligence). In addition, there is no accountability or liability to any third party.
 17. The client hereby releases and discharges H&LA, its members, and their directors, officers, and employees, from and against any and all claims and demands of any nature or kind whatsoever arising as a result of the design, development, operations, and performance of the proposed or existing project. The client furthermore agrees to indemnify, defend, and hold harmless H&LA and its members, and their directors, officers, and employees, from any and all claims of any nature whatsoever, including attorney fees, expenses, and costs arising out of or relating to H&LA's work on the project or the report.
 18. The report does not address the project's compliance with the federal statute commonly known as the Americans with Disabilities Act, as well as regulations and accessibility guidelines promulgated thereunder.
 19. The provisions of the report, the engagement letter, and these standard conditions shall be severable, and if a court of competent jurisdiction holds any provisions of the report, engagement letter, or these standard conditions invalid, illegal, or unenforceable, the remaining provisions shall nevertheless remain in full force and effect as written.
 20. Client acknowledges that H&LA is an independent contractor engaged in the operation of a business and is not an agent of Client or its affiliates. Neither party has any actual or apparent authority to act on the other party's behalf.
 21. This agreement and the work performed by H&LA shall be governed in all respects by the laws of the State of Ohio. Any disputes arising from this agreement or the work performed by H&LA shall be heard by the appropriate state or federal court located in Cleveland, OH, and Client agrees that such courts shall have sole venue and jurisdiction for all such disputes and hereby submits to the jurisdiction of such courts.