



HOTEL & LEISURE ADVISORS

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**ANALYSIS OF CONTRACT RENT FOR MATTEL WONDER AGREEMENT  
FOR THE  
PROPOSED ROCKY MOUNTAIN GRAND RESORT AND CASCADIA  
ARENA  
28549 COUNTY ROAD 17  
GREELEY, WELD COUNTY, COLORADO**

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Date of Report:

February 13, 2026

FOR

Ms. Allena Portis  
Department of Finance  
City of Greeley  
1000 10th Street  
Greeley, CO 80631



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**RE: Analysis of Contract Rent for Mattel Wonder Agreement  
Proposed Rocky Mountain Grand Resort and Cascadia Arena  
Greeley, Weld County, Colorado**

Dear Ms. Portis:

In fulfillment of our engagement letter, we completed our fairness opinion and analysis of contract rent of the Mattel agreement for the Proposed Rocky Mountain Grand Indoor Waterpark Resort and Cascadia Arena. The study is based upon market conditions observed as of the date of our market inspection on September 15, 2025, and research conducted in February 2026.

The property will be along US Route 34 on the west side of Greeley, about 12 miles from the city center and five miles from Interstate 25. The subject site has excellent access and visibility from US Route 34 and County Road 17. The proposed westside development in Greeley, Colorado, is a transformative 300-acre mixed-use entertainment district designed to serve as a regional destination intended to drive tourism, stimulate investment, create jobs, and enhance economic growth for the city.

Our study analyzes the contract rental agreement between four parties to determine if the contract terms are fair to the city of Greeley and the nonprofit, Provident Resources Group, Inc. that will be owning the property. The parties included in the agreement are the following:

1. Project Play Holdings, LLC – Brand Manager – Mattel
2. American Resort Management, LLC - Operational Management Company and Licensee (ARM)
3. City of Greeley, Colorado (City)
4. PRG-Greeley West Properties, LLC – Sublicensee (PRG) - Provident Resources Group, Inc.

Our firm prepared a market feasibility and financial analysis study for the proposed Rocky Mountain Grand Resort and Cascadia Arena, dated December 19, 2025. In that study, we analyzed two scenarios for the indoor waterpark resort, including with and without Mattel Wonder branding. For the purpose of this contract rent analysis, we have assumed that the Mattel Wonder contract will be considered for the project and have utilized our Scenario 2 financial projections in our analysis of the fairness of the contract.

### **Assumptions**

The conclusions contained in this report are based upon a review of information provided by you and fieldwork in the market area, which is described in the Scope of Assignment section. As in all studies of this type, the conclusions reached do not consider or provide for the effect of any sharp rise or decline in local or general economic conditions that are not presently foreseeable. The estimated results are based on competent and efficient management of the proposed indoor waterpark resort and arena, as well as an aggressive marketing program. We assume the proposed resort will open January 1, 2029.

It is expressly understood that the scope of this study and the report thereon do not include the possible impact of zoning regulations, licensing requirements, or other restrictions concerning the project, except where such matters have been brought to our attention and are set forth in our reports.

This report and its contents are intended solely for the information of our client for internal use relative to determining the project's feasibility. The report should not be relied upon for any other purpose. Neither our report nor any of its contents nor any reference to Hotel & Leisure Advisors (H&LA) may be disseminated online or included or quoted in any document, offering circular, registration statement, prospectus, sales brochure, other appraisal, or other agreement without our prior written approval. Such permission will not be unreasonably withheld.

We have prepared an analysis of contract rent for the Colorado Eagles contract in a separate document. We offer additional consulting services on this proposed property as the scope of the development is finalized. We appreciate the opportunity to be of service to your organization and look forward to working with you again.

Respectfully submitted,

**Hotel & Leisure Advisors, LLC**

David J. Sangree, MAI, ISHC  
President

**ANALYSIS OF CONTRACT RENT FOR MATTEL WONDER AGREEMENT REPORT FOR  
THE  
PROPOSED ROCKY MOUNTAIN GRAND RESORT AND CASCADIA ARENA  
28549 COUNTY ROAD 17  
GREELEY, WELD COUNTY, COLORADO  
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## **SCOPE OF THE ASSIGNMENT**

Ms. Allena Portis with City of Greeley retained Hotel & Leisure Advisors to prepare an analysis of the contract rent specified in the Mattel Wonder licensing agreement with the City of Greeley and other parties. This analysis will benchmark the proposed financial terms against comparable licenses, franchises, and agreements for similar waterparks and waterpark resorts across the United States. We have concluded with an opinion on the fairness of the contract rent for the agreement.

## **Methodology Overview**

To complete this study, we conducted comprehensive market research, including analysis of:

- **Industry Trends:** Evaluated national and regional indoor waterpark resort trends concerning agreements with national brand partners
- **Contract Analysis:** Analyzed the Mattel Wonder contract, including
  - Financial terms
  - Length of contract
  - Termination clause
  - What the brand/team is offering to provide the development
  - Other relevant information
  - Prepared an abstract on the contract summarizing the terms
- **Lease Analysis - Mattel:**
  - Analyzed comparable leases and financial terms from other brand partners for hotels and waterparks
  - Analyzed hotel, restaurant, and FEC franchise company fees and compared them to projected fees from Mattel
  - Analyzed fees charged by other major brand companies to waterpark developments in the United States and compared them to the projected fees from Mattel
  - Profiled the financial terms for a wide range of comparable leases and/or contracts of other brand partners for waterparks and hotels
  - Prepared a SWOT analysis to highlight the strengths, weaknesses, opportunities, and threats related to the proposed Mattel Wonder contract
  - Reviewed terms for similar contracts for major brands
  - Assessed the fairness of the Mattel contract

## **EXECUTIVE SUMMARY**

Our analysis has collected royalty fee data from a wide range of comparable properties, including hotels, restaurants, FECs, and other licensing companies similar to Mattel. We have indicated the fees charged by these other companies and compared them to the fee structure proposed in the Mattel sublicensing agreement. Our analysis indicates that the Mattel royalty fees as a percentage of departmental revenue and total resort revenue are within a reasonable range compared to the wide range of comparable companies' licensing fees. Our analysis indicates that the fee structure in the sublicensing agreement is fair to all parties.

<b>Analysis of Royalty Fees</b>			
<b>Comparable</b>	<b>Brand Licensing Fee or Royalty Fee as % of Departmental Revenue</b>	<b>Brand Licensing Fee or Royalty Fee as % of Total Revenue</b>	<b>Brand Licensing Fee/Royalty Fee + Marketing Fee + Programming Fee as % of Total Revenue</b>
Hotel franchise average	5.4% of rooms revenue and 2.9% of food and beverage revenue	4.4% of total revenue	7.4% of total revenue
Restaurant franchise average		4.4% of total revenue	8.9% of total revenue
FEC franchise average		6.5% of total revenue	11.8% of total revenue
Confidential major brands		3.8% of total revenue	3.8% of total revenue
<i>Proposed Mattel Wonder Contract</i>	<i>8.0% of revenue subject to Mattel royalties</i>	<i>2.8% of total resort revenue</i>	<i>2.8% of total resort revenue</i>

Source: Hotel & Leisure Advisors

Our analysis indicates that the Mattel sublicense agreement has a mixture of fees that are applicable to specific revenue categories. For these specific revenue categories, Mattel will receive a percentage of revenues that is at the higher end of the range of royalty fees charged by the comparables presented in this report, but at the low-end of the combined royalty, marketing, and programming fees charged by the franchise comparables. Our review of the Mattel contract indicates it will not just license the property, but Mattel will be providing programming and marketing support, including providing a website for all of the indoor waterparks under the Mattel Wonder branding.

More importantly, we have considered the proposed fees as a percentage of total revenue for the overall resort. The Mattel contract is at the low end of the range as presented in the table above. This is reasonable as the proposed resort will not be branded as the Mattel Wonder Resort, rather only the waterpark will be branded with Mattel Wonder waterpark.

**PROPOSED DEVELOPMENT**

The City of Greeley in conjunction with its non-profit partner, Provident Resource Group, is planning to develop a full-service hotel with indoor waterpark, which will be known as the Rocky Mountain Grand Resort. Additionally, the client plans to develop an approximately 8,300-seat multi-functional arena that will become the new home of the Colorado Eagles American Hockey League (AHL) professional ice hockey team, an affiliate of the NHL’s Colorado Avalanche. Connected to the arena will be an ice center offering three additional NHL regulation sheets of ice. The subject development includes a large amount of land to develop a wide range of tourism infrastructure.

The proposed resort will include a 411-room resort with an 81,000-square-foot Mattel-branded indoor waterpark, 10,000-square-foot Mattel Superstore adjacent to the property, 18,500-square-foot family entertainment center (FEC), 18,329 square feet of flexible meeting space, and multiple food and beverage outlets. The subject Mattel Wonder waterpark will be themed around Mattel’s portfolio of brands, incorporating the company’s well-known intellectual property and product lines into the park’s design,

attractions, and guest experiences. Signature brands such as Barbie, Hot Wheels, Fisher-Price, and American Girl will serve as the basis for themed slides, play areas, interactive attractions, and family entertainment zones. This approach allows the waterpark to offer immersive brand experiences, where guests can engage directly with favorite characters, games, and products. The development budget for the proposed resort is approximately \$309 million.

The conference center will offer multi-functional meeting and event space with an indoor-outdoor atrium and terraces overlooking the Cascadia headwaters and surrounding mountains. Additional guest amenities consist of a full-service spa, a state-of-the-art fitness facility, and a rooftop restaurant and bar featuring outdoor seating and views of the Rocky Mountains.

The owners have allocated approximately 98.088 acres of the site for the proposed Rocky Mountain Grand Resort and waterpark, the proposed arena, and parking for these developments, along with additional planned developments. The site was granted a Planned Unit Development (PUD) zoning designation in September 2025. The PUD zoning in Greeley provides a framework for large-scale, mixed-use projects, allowing a variety of land uses to be integrated within a single master plan. For the Westside Development, the PUD designation enables the creation of a 300-acre district that combines entertainment, residential, hospitality, and public amenities. Permitted uses include the 8,300-seat arena and youth ice center, the indoor waterpark resort, retail and dining establishments, a mix of single-family and multi-family housing, as well as parks, open spaces, and transportation infrastructure.

The proposed ice arena will serve as the home arena of the Colorado Eagles professional hockey team. The Colorado Eagles will enter a long-term, 40-year lease as the anchor tenant of the new Greeley Arena and Ice Center, paying a per-game facility fee while sharing in major revenue streams, including food and beverage, parking, naming rights, and sponsorships.

## **BRANDS AND EXPERIENTIAL ENTERTAINMENT**

Experiential entertainment refers to interactive forms of leisure with a focus on hands-on participation rather than passive viewing. This entertainment can include immersive storytelling, virtual reality, and augmented reality. Audiences engage in, play, and explore various worlds, transforming them into characters within the experience. Experiential entertainment is becoming a more popular offering at waterparks, theme parks, arcades, escape rooms, and museums, with the goal of creating memorable and shareable experiences. These physical, venue-specific attractions are considered location-based entertainment (LBE).

When LBE is tied to specific, well-known intellectual property, it provides motivation to visit. While in years past destination resorts cornered the market on IP-related “worlds,” which were expensive to develop, much smaller venues are now able to incorporate some form of IP-based experiential concepts into their entertainment offerings. Thousands of IPs are available to license, offering almost limitless ways to bring them to life and leverage them in many different types of attractions and settings.

In the waterpark industry, non-licensed properties have historically dominated, including a mix of regional and local facilities. The concept of waterparks and waterpark resorts

partnering with brands for use of their intellectual property is becoming more popular, as it helps attract, engage, and retain visitors. Affiliation with known brands helps a waterpark stand out from competitors, offering a compelling reason for guests to choose that location over others that are not brand affiliated.

Mattel's toys and characters are part of popular culture, evoking nostalgia in older generations and creating new memories for children, making them ideal for collaboration with waterparks. The same is true for other brands. While in no way exhaustive, the following provides an overview of brands that have licensed use of their IP to waterparks and other leisure properties.

**Hasbro** – This toy manufacturing and entertainment holding company was founded in 1923 and largely competes with Mattel. It owns the trademarks and products of such companies as Kenner, Milton Bradley, Parker Brothers, and Wizards of the Coast. Well-known products include Transformers, G.I. Joe, Power Rangers, Monopoly, Nerf, Potato Head, Play-Doh, Twister, My Little Pony, and Peppa Pig. The company partners with a wide range of properties that utilize its IP, including the following.

- **Hasbro Game Park (Rochester, New York):** Located at The Strong National Museum of Play, featuring Monopoly-themed areas, Chutes and Ladders, and Candy Land
- **Peppa Pig Theme Park (Winter Haven, Florida, and Fort Worth, Texas):** Standalone theme parks with a focus on preschool guests
- **Peppa Pig World of Play (Auburn Hills, Michigan):** Venue and play area located in the Great Lakes Crossing Outlets, based on the children's TV series and featuring the title character and her friends, with a snack bar and gift shop
- **Galaxyland Powered by Hasbro (Edmonton, Canada):** Located in West Edmonton Mall, this indoor park features rides and attractions themed after Hasbro games and characters
- **Universal Parks (multiple locations):** "Transformers: The Ride-3D" is an ultra-immersive, high-thrill flight simulator ride at Universal parks in Hollywood, California; Orlando, Florida; Singapore; and Beijing that blurs the line between fiction and reality. The ride features 3D screens, physical effects, and character meet-and-greets with Optimus, Bumblebee, and Megatron.
- **Dungeons & Dragons: The Immersive Quest (Plano, Texas):** A live, interactive role-playing attraction that allows fans to choose their character class, which then shapes their experience. The attraction includes multiple themed rooms, sets, challenges, and atmospheric design.
- **Monopoly Lifesized (England):** An immersive gaming experience in London, where guests step on to one of four giant Monopoly-themed boards, roll the dice, and work in teams to complete a hands-on challenge, puzzle, or mini game
- **Hasbro City (Mexico):** A large family entertainment center within the Paseo Interlomas Mall featuring multiple branded attractions
- **Shanghai Marriott Hotel Pudong South (China):** The first Hasbro-themed hotel in China, with unique hotel rooms themed after Transformers or My Little Pony
- **Haven Holidays (multiple locations):** Many of these UK-based RV parks/campgrounds offer Nerf Training Camps, which are provided for Haven by one of Hasbro's licensees. Featuring inflatable arenas and obstacles, guests use Nerf blasters in Nerf-themed spaces, working in teams to win the game.

- **Proposed Planet Playskool (UK):** Immersive entertainment centers are planned for the UK, featuring such characters as Transformers and Potato Head
- **Proposed Peppa Pig Outdoor Theme Park (China):** Hasbro and Max-Matching Entertainments, the exclusive licensee for Hasbro's first Peppa Pig Outdoor Theme Park in China, announced plans in 2025 for a mega theme park covering more than 48 acres on Changxing Island in Chongming, Shanghai. With an investment of about 2.4 billion Chinese Yuan (\$331 million), the park will be home to five themed zones (Peppa's neighborhood, urban zone, water zone, snow zone, and nature zone), featuring immersive rides and shows inspired by the series. Plans also include the world's first Peppa Pig-themed hotel with more than 400 rooms and a commercial street with themed retail and dining experiences.

**Nickelodeon** – A pay television channel launched in 1979 as the first cable channel for children, it is now the flagship property of Nickelodeon Group, a subdivision of the Paramount Media Network's division of Paramount Skydance. According to the company, Nickelodeon programming (series and movies) is the most watched on Paramount+, with annual global product sales of \$4 billion. Following are examples of the company's IP partnerships.

- **Nickelodeon Hotels & Resorts (multiple locations):** This hotel chain opened a waterpark resort in Punta Cana, Dominican Republic in 2016, in association with licensee Karisma Hotels and Resorts. A second location opened in Riviera Maya, Mexico, in 2021. A third property connected to The Land of Legends theme park in Antalya, Turkey, opened in 2025. A fourth location is in development for Everest Place in Orlando, Florida, with a possible 2028 opening, and a fifth location is currently in development in Garden Grove, California, with a possible 2029 opening.
- **Nickelodeon Universe (multiple locations):** Located at the Mall of America in Bloomington, Minnesota, it was re-branded in 2007 to become the first indoor Nickelodeon theme park in the United States. It was previously themed as "Camp Snoopy" and "The Park at MoA". It contains a variety of Nickelodeon-themed rides. A second Nickelodeon Universe indoor theme park was opened in 2019 at the American Dream Mall in East Rutherford, New Jersey. An 8.5-acre indoor theme park, the New Jersey location is promoted as the largest of its kind in the western hemisphere.
- **Nickelodeon Lands (multiple locations):** These areas within theme parks include locations at Blackpool Pleasure Beach in England, Sea World in Australia, Parque de Atracciones de Madrid in Spain, and children's entertainment centers in Essex, England, and Shenzhen, China. Attractions vary, based on such characters as SpongeBob SquarePants, Paw Patrol, Dora the Explorer, and Jimmy Neutron.

**DreamWorks** – DreamWorks, an animation studio owned by Comcast's NBCUniversal as part of Universal Pictures, released its first film, Antz, in 1998, and its latest film, Gabby's Dollhouse: The Movie, in 2025. Some examples of the company's IP partnerships follow.

- **DreamWorks Water Park at American Dream Mall (East Rutherford, New Jersey):** Occupying six stories adjacent to the Nickelodeon Universe theme park, DreamWorks Water Park is advertised as the largest indoor water park in the United States and offers 40 water slides and attractions, including a wave pool,

water coaster, and body slide. The park opened in fall 2020. Specific themed areas are based on Shrek, Kung Fu Panda, and Madagascar.

- **DreamWorks Land (Orlando, Florida):** Universal Studios Florida opened a new immersive themed area known as DreamWorks Land in 2024, replacing the former Woody Woodpecker's KidsZone at Universal Orlando Resort. The area includes DreamWorks franchises like Shrek, Kung Fu Panda, Trolls, and Gabby's Dollhouse.
- **DreamPlay by DreamWorks (Philippines):** The world's first indoor interactive play and creativity center theme park is located within the City of Dreams Manila, a luxury resort and casino complex, which opened in 2015

**Warner Bros. Discovery** – Originally formed in 1923 as Warner Bros. Pictures, Inc., this parent company is a multinational mass media and entertainment enterprise. It owns such brands as DC Comics (including Superman, Batman, and Wonder Woman), Harry Potter, Game of Thrones, Looney Tunes, Scooby-Doo, and Friends. Warners Bros. Discovery partners with major operators to create immersive worlds, including the following.

- **The Wizarding World of Harry Potter (multiple locations):** This immersive world is located at Universal theme parks globally. All three theme parks at the Universal Orlando Resort in Orlando, Florida (Universal Islands of Adventure, Universal Studios Florida, and Universal Epic Universe) include Harry Potter-themed environments. Other locations include Universal Studios Hollywood, Universal Studios Japan, and Universal Studios Beijing.
- **Warner Bros. World Abu Dhabi (UAE):** One of the largest indoor theme parks in Abu Dhabi, it features DC Comics, Looney Tunes, and Hanna-Barbera characters
- **The Friends Experience (multiple locations):** This experience has permanent flagship locations in New York City and Las Vegas featuring interactive set recreations of the popular television show, with replica props and costumes. Worldwide temporary touring pop-ups also occur frequently.

**Margaritaville Hotels & Resorts (multiple locations)** – According to the company's 2025 franchise disclosure document, Margaritaville Hotels & Resorts, LLC offers franchises for the development and operation of upscale, full-service hotel or resort properties. The total investment necessary to begin operation of a Margaritaville hotel or resort with 210 guest rooms ranges from \$22,124,700 to \$221,320,700, including an amount ranging from \$224,700 to \$440,700 that must be paid to the franchisor or affiliate. As of December 31, 2024, there were 18 franchised Margaritaville Hotels & Resorts operating in the United States and four operating outside of the country in the Bahamas, Costa Rica, and two locations in Mexico. The following resorts offer waterparks.

- **Margaritaville Resort Lake Lanier:** Offers the affiliated Fins Up! Waterpark on the shores of Lake Lanier, Georgia, located less than an hour from Atlanta
- **Margaritaville Resort Cape Cod:** Has a Fins Up! Indoor Waterpark on site
- **Margaritaville Resort Orlando:** Offers complimentary daytime admission to the adjacent Island H2O Water Park (which was ranked among the Best Outdoor

Water Parks by USA Today for four consecutive years) to all guests staying at the resort

**Peanuts** – It was announced in fall 2025 that the Peanuts franchise, featuring Snoopy and Charlie Brown, will continue its exclusive partnership with Six Flags Entertainment (formerly Cedar Fair) in North America through 2030. Peanuts characters are featured in themed areas such as Camp Snoopy and Planet Snoopy in 11 parks. Those parks include Knott's Berry Farm (Buena Park, California – where the partnership began in the 1980s), Cedar Point (Sandusky, Ohio), Kings Island (Mason, Ohio), Carowinds (Charlotte, North Carolina), Canada's Wonderland (Ontario, Canada), Kings Dominion (Doswell, Virginia), California's Great America (Santa Clara, California), Dorney Park & Wildwater Kingdom (Allentown, Pennsylvania), Worlds of Fun (Kansas City, Missouri), Valleyfair (Shakopee, Minnesota), and Michigan's Adventure (Muskegon, Michigan). Following a December 2025 acquisition, Sony owns 80% of the Peanuts brand, with the Schulz family retaining a 20% stake.

**Great Wolf Resorts, Inc.** owns and operates the Great Wolf Lodge chain of 23 family resort hotels and indoor waterparks. In addition to a water park, each resort features restaurants, arcades, spas, and children's activities. The company is owned by a private equity firm and owns all of their resorts except for two where they have licensing agreements.

- **Great Wolf Lodge (Grand Mound, Washington):** This property is jointly owned and operated with the Chehalis Tribe on federal trust land and branded with Great Wolf intellectual property. The property pays a licensing fee to Great Wolf Resorts.
- **Great Wolf Lodge (Niagara Falls, Ontario):** The real estate of the Niagara Falls location is owned by Niagara Water Park Properties Ltd. and operated by Ripley's. It is branded with Great Wolf IP, and the property pays a licensing fee to Great Wolf Resorts.

**Sesame Place (multiple locations)** – Sesame Place is a children's theme park and waterpark based on the educational television program Sesame Street. There are two of these parks, one in Philadelphia, Pennsylvania, and one in San Diego, California, which are owned and operated by United Parks & Resorts under an exclusive license from Sesame Workshop, the non-profit owner of Sesame Street.

**Developer-Owned Intellectual Property** - Some hospitality properties use their own intellectual property instead of partnering with other companies and paying a licensing fee. Following are examples of waterparks that have developed their own intellectual property through expenditure of substantial theming budgets.

- **Disney's Blizzard Beach (Orlando, Florida):** Themed waterpark located at the Walt Disney World Resort in Bay Lake, Florida, near Orlando, that opened in 1995. Park elements include a beach chair-themed chair lift and pretend snow skis, with a blend of tropical landscaping and simulated melting snow.
- **Disney's Typhoon Lagoon (Orlando, Florida):** Themed waterpark located at the Walt Disney World Resort in Lake Buena Vista, Florida, near Orlando, that opened in 1989. The theme of the park is the "Disney legend" of a typhoon that

destroyed a tropical paradise. The park's centerpiece is a shrimp boat impaled upon a mountain that erupts a 50-foot geyser of water every half hour.

- **Universal Volcano Bay (Orlando, Florida):** A tropical-themed waterpark at Universal Orlando Resort that opened in 2017. "Krakatau," a 200-foot-tall volcano, is the park's centerpiece, which is surrounded by attractions in four themed areas.
- **Aquatica (multiple locations):** A chain of waterparks owned and operated by United Parks & Resorts that serve as companions to Sea World parks and are known for a mixture of animal encounters and water-based attractions. Locations include Orlando, Florida and San Antonio, Texas. A third park in Chula Vista, California, closed in 2021 and was converted into Sesame Place San Diego.
- **Kalahari Resorts & Conventions (multiple locations):** A waterpark resort chain with four locations in Wisconsin Dells, Wisconsin; Pocono Manor, Pennsylvania; Sandusky, Ohio; and Round Rock, Texas that are named for the Kalahari Desert in southern Africa. The resorts are themed and decorated with African animals, plants, and other related motifs.

## LICENSING CONSIDERATIONS

According to an Attractions Management article titled "Developing IP Experiences," Walt Disney developed Disneyland theme parks to maintain the longevity of what, at the time, was mainly film-based intellectual property. Brands such as Lego and Warner Bros. have followed suit, creating entire attractions based on their IPs, but most intellectual property development involves existing attractions adding an IP-branded experience to what they already offer. The article identified three levels of investment in IP:

- **Temporary Events:** Costumed characters can appear at an attraction for short periods of time. This low-cost option allows a test of a character's popularity and limits risk if the IP is not a hit with guests. For example, Peppa Pig made an appearance at Paultons Park in the UK in 2008. The IP was very popular and aligned with the park's brand, resulting in the opening of Peppa Pig World at the park in 2011.
- **IP Branded Rides/Experiences:** A single ride or experience can be added within an attraction, the cost of which can vary from simple ride-naming to the development of highly immersive, IP-branded experiences. This strategy aims to provide an additional incentive for guests to visit and can support increased attendance.
- **IP Lands within Attractions:** A more involved step is creating an entire section within an attraction that better immerses the visitor in the world of the IP. The investment necessary for these features is greater, as is the risk should the IP not meet expectations. However, successful projects can significantly boost both attendance and income. Examples include Diagon Alley (the magical shopping district in the Harry Potter series) at Universal Studios Orlando, Hello Kitty Land in Japan, and Ferrari Land at PortAventura World in Spain.

To successfully develop an IP-based attraction, the article noted the following considerations for property owners:

- Develop clear objectives, including the type of affiliation desired, keeping in mind such things as the targeted visitor, the type (temporary or permanent), and the amount available to invest.
- Take time to identify possible IPs that are the best fit for the stated objectives. Ensure that the intended scope of the project meets the needs of both the attraction and the IP owner.
- Build strong relationships with both the IP owner (which negotiates the agreement) and the IP creative team (which oversees and approves the development process), which could range from six months to several years.
- Respect and protect the reputation of the IP, which is a main concern of the IP owner, in addition to the incremental source of income.
- In order to negotiate a fair agreement which allows both parties to benefit, prepare solid estimates of the incremental impact of adding the IP in both revenue and cost, as IP owners may be less familiar with attraction economics. The term of the agreement should provide sufficient return on investment, such as a 10-year period with options to renew. Following the launch year, the impact often diminishes.
- Clearly communicate ongoing needs of the property. Specify any required support, such as exclusivity within a region or sector and commitment for the term.

Further, a Bloolooop article titled “Around the Globe with Hasbro: IP is Much More than a Theme Park Opportunity” mentions that choosing an appropriate IP partner shouldn’t be considered a “one size fits all” endeavor. The execution and delivery of a concept is critical, and partnerships do not always result in immediate results. Organizations should be prepared and willing to fine-tune strategies as needed.

Generally speaking, license agreements typically have two components:

- A fixed upfront fee, which guarantees exclusivity for the development period and funds the IP’s costs for supporting the development.
- An annual percentage of the incremental revenue or profit for the term of the agreement. Alternatively, it can be a fixed fee, which is easier for an attraction to plan for and eliminates the need to isolate the amount of growth attributable to the addition of the IP.

While individual licensing agreements vary considerably, the annual cost can range from approximately 4% to 10% of incremental admissions revenue and 8% to 10% of IP-branded merchandise income, according to the aforementioned Attractions Management article. A property may also incur costs related to time spent interacting with the IP team and may experience increased investment costs related to the addition of the IP.

A LinkedIn article titled “How Much Does Licensing Really Cost? The Complete Financial Breakdown” discusses licensing costs and potential returns and emphasizes the importance of understanding the true value of licensing beyond just upfront costs. While licensing does involve added expense, it is an investment that can lead to substantial growth if done strategically. The following summarizes key points:

- **The Right Question:** Instead of concentrating solely on licensing costs, businesses should focus on the return on investment (ROI) that licensing can provide
- **Royalty Rates:** These are a percentage of net sales and can range from 3% to 15% based on the type of industry. Food and beverage licensing typically ranges from 3% to 6%, while licensing popular characters for toys or apparel carries higher rates because these categories have higher margins.
- **Minimum Guarantees (MGs):** These are upfront payments, but they are often recoupable against future royalties, essentially acting as a deposit
- **Additional Costs:** Legal fees, marketing, product development, packaging, and quality control need to be considered, as they are part of the bigger picture
- **Premium Pricing and Sales Multiplier:** Licensed products often allow companies to charge higher prices, which can more than offset royalty costs. In some cases, sales can increase by 200% to 400% with the addition of IP.
- **Smart Licensing Decisions:** Choosing a strong brand that has market recognition and negotiating effectively should be the focus, not simply minimizing upfront costs

## **MATTEL OVERVIEW**

Mattel, founded in 1945 by the married team of Ruth & Elliot Handler and Harold “Matt” Matson, is a global toy and family entertainment company. It has launched or acquired numerous toys over the years, including the Uke-A-Doodle (a child-sized ukulele introduced in 1947 that was the company’s first popular toy), the Magic 8 Ball, snap-lock beads, corn popper, xylophone, Barbie (named after the Handlers’ daughter), Ken (named after the Handlers’ son), Chatty Cathy, the Chatter Telephone, Hot Wheels, Uno, Polly Pocket, View-Master, and Monster High, among others.

Mattel was incorporated in 1948, with headquarters in Los Angeles, and became a publicly traded company in 1960. In 1990, headquarters moved to the company’s current home in El Segundo, California. It is the second-largest toy maker in the world by revenue, following the Lego Group.

The company saw \$8.5 billion in retail sales in 2024 and was named the top global licensor of 2024 by License Global and one of America’s Most Loved Brands in 2025 by Newsweek. Various sectors of their franchise include content (30 series and specials in development); digital experiences (24 new game launches and integrations); publishing (more than 50 new titles released annually); live experiences (more than 1,000 events across 300+ global cities); and consumer products (more than 1,000 global licensees). Their online presence is massive, with approximately 8.9 billion views across Mattel

channels on YouTube (with Hot Wheels as the number one vehicle property and Barbie the number three girls' property), and more than 61.8 million followers and 3.5 billion lifetime views on social media platforms.

Mattel's toys and characters have become a part of popular culture. Many toys evoke nostalgia in older generations and create new memories for children. The company has collaborated with an endless number of organizations and individuals over the years, from advertising on television when it became the first sponsor of the Mickey Mouse Club in the 1950s, to donating \$25 million in 1998 to help rebuild UCLA's children's hospital, later renamed UCLA Mattel Children's Hospital. In 1986, Barbie was painted by Andy Warhol, joining a long list of famous subjects. Mattel Children's Foundation initiated a "Global Day of Play" in 2018, an annual community service initiative that involves Mattel partnering with nonprofits and organizations around the globe to provide children a day all about play. In 2020, Mattel created free online resources, including games, activities, coloring sheets, and DIY projects, to provide family activities during the pandemic.

The company has a large brand portfolio, including its franchise brands and intellectual properties that it owns or licenses in partnership with global entertainment companies. A description of some of the more well-known Mattel brands follows.

**American Girl** – Acquired by Mattel in 1998, this brand founded a line of 18-inch historical character dolls in 1986 and went on to add books, contemporary dolls, and toys that combine learning and play. American Girl opened its first experiential retail store in Chicago in 1998. In 2018, the opportunity to fully customize a doll by selecting such things as facial features, hair, and clothing began to be offered to consumers.

**Angelina Ballerina** – A British animated television series for preschool children, Angelina Ballerina is based on a series of children's books by American author Katharine Holabird. Angelina is a young mouse who loves dancing, her family, and her classmates. The stories explore universal themes of dedication, friendship, jealousy, and loyalty. Plush doll sets were released in the early 2000s along with related books. The series was also adapted as an English National Ballet touring show.

**Barbie** – The brainchild of Ruth Handler, Barbie was launched in 1959. An adult-figured doll, at that time it filled a gap in the children's toy market that was mostly modeled after infants. It exceeded sales expectations in the first year and is one of Mattel's most famous brands. Barbie was one of the first toys to tie its marketing to television advertising, now a common strategy. She was a character in a series of novels published by Random House in the 1960s and decades later by Golden Books. From a media perspective, Barbie has been featured in video games, television specials, direct-to-video animated feature films, streaming television films, and a 2023 live-action film adaptation starring Margot Robbie. Barbie was also a supporting character in the Toy Story films and a YouTube vlogger. In 2010, Mattel added a princess-themed Barbie line, including the Disney-created Cinderella, Ariel, Belle, Anna, and Elsa. Barbie celebrated her 60<sup>th</sup> anniversary in 2019 with the release of 20 new role model dolls in recognition of influential women. Barbie has evolved over the years, becoming much more diverse. The company now offers types of Barbies that are blind, have Down syndrome, or are diabetic.

**Barney** – Barney, created by Sheryl Leach in 1987 to entertain her son, is a friendly anthropomorphic purple Tyrannosaurus rex that is the main character of a children's

media franchise. Media outlets include direct-to-video, a PBS television series, and a fully animated series, all of which focus on educational messages with songs and simple dance routines.

**Beauty Cuties** – This line of dolls was launched in 2006, combining the elements of a doll and a styling head, with a focus on hair, makeup, and fashion. Each doll is 12 inches tall with five articulation points. Their oversized heads allow hairstyle changes, and each comes with various beauty accessories, including hair extensions and a salon chair.

**Bob the Builder** – The protagonist of a British animated preschool children’s program that first aired in 1999, Bob is a general contractor. The show focuses on themes of conflict resolution, cooperation, learning skills, and socialization. The show had several spinoff series in the UK and the United States. Mattel bought the rights to the character in 2014, at which time he received a makeover to achieve a younger, slimmer, and better-proportioned look. A planned film adaptation of the animated character was announced in 2024.

**Cars (Disney Pixar)** – The popularity of this 2006 animated film led to two sequels (Cars 2 and Cars 3), two spin-off films (Planes and Planes: Fire and Rescue), and a television series of short films (Cars Toons). A video game of the same name was also released and positively received in 2006. Mattel produces collectible die-cast characters from the Cars franchise, which are anthropomorphic vehicles.

**Fisher-Price** – This brand was established in 1930, when its founders were inspired to create toys that are both fun and assist in child development. They became known for imaginative products, with quality construction at an affordable price. Owned by Mattel since 1993, this subsidiary produces toys for infants and toddlers. Popular product lines include the Chatter Telephone, Little People, Power Wheels, Rescue Heroes, Rock-a-Stack, and View-Master. The brand celebrated its 90<sup>th</sup> anniversary in 2020 with a virtual toy museum on Instagram featuring more than 90 different exhibits that incorporated vintage toys created by artist and photographer Leila Fakouri, complete with an online gift shop.

As an example of the use of this well-known brand in the hospitality sector, Royal Caribbean partnered with Fisher-Price, incorporating themed play areas into its fleet. These areas were integrated with multiple custom-built 45-minute curricula to afford hands-on play time for families with infants and toddlers, and allowed families with similarly aged children to interact, rather than leaving kids with other caretakers. Royal Caribbean also featured a Little People birthday celebration show, where costumed characters helped celebrate birthdays for young on-board guests. When the partnership ended, this program was augmented with toys from other brands.

**Flying Aces** – This brand features a collection of 10 planes, including several styles and a Blue Angels stunt team collection of three jets. The planes are constructed from Tuflite, a lightweight and flexible material, and take flight from a launching platform with a pistol grip trigger release mechanism. Others are handled by a remote control.

**Hello Kitty and Friends** – A creation of the Japanese company Sanrio, the Hello Kitty character was first launched in 1974. She debuted in the U.S. in 1976 when Sanrio opened a retail store in San Jose, California. Originally, Hello Kitty was marketed to pre-teen girls, but beginning in the 1990s, the character also found commercial success

among teenage and adult consumers as a retro brand. In partnership with Sanrio, Mattel launched a toy and accessory collection featuring the brand's popular characters with dolls, plush toys, playsets, collectibles, and stationery supplies.

**Hot Wheels** – Hot Wheels is a line of scale model cars invented by Elliot Handler and launched by Mattel in 1968 as a concept meant to appeal to boys in the same way that Barbie had to girls. Unlike Matchbox, which were small-scale models of real vehicles, Hot Wheels were “hot rod” cars, with exaggerated proportions, flame painting designs, hood blowers, large rear tires, and superchargers. The brand also sold a racing track set. Cars were equipped with innovative hard plastic tires that created less friction and rolled easily at high speeds. The line celebrated its 50<sup>th</sup> anniversary in 2018, offering a set of the original 16 Hot Wheels die-cast cars. In 2019, the company released a new line of cars with embedded NFC chips that allow digital racing play. Hot Wheels Monster Trucks were also released in 2019, including a full line of die-cast vehicles and a national live-event tour called Hot Wheels Monster Trucks Live.

**Magic 8 Ball** – Invented in 1946 by the son of a Cincinnati clairvoyant and later acquired by Mattel, this oversized black-and-white billiards eight-ball is used to seek advice or foretell the future. It is filled with blue-dyed alcohol in which floats a 20-sided die. The user asks a yes or no question to the ball and then turns it to reveal an answer that floats into a viewing window on the bottom of the ball. The Magic 8 Ball was originally sold as a paperweight, but was popular for decades as an office toy and a children's toy.

**Masters of the Universe (MOTU)** – Released by Mattel in 1982, this sword and planet-themed media franchise includes the popular He-Man and She-Ra series. The main premise focuses on the conflict between He-Man and his nemesis, Skeletor, with a large cast of supporting characters. He-Man's original launch included a line of 5.5-inch action figures, often sold with mini-comics throughout the 1980s. She-Ra was introduced in 1985, the long-lost twin sister of He-Man. Various action figure lines, children's books, magazines, comics, video games, and other merchandise were also produced, as well as several animated television series and feature films.

**Matchbox** – Originally introduced in 1953 by British company Lesney Products, these die-cast cars were sold in boxes like those in which matches were sold. A model of the coronation coach of Queen Elizabeth II was the company's first major sales success, selling more than one million units. Acquired by Mattel in 1997 with the purchase of Tyco Toys, it united the Matchbox brand with its longtime rival Hot Wheels. The brand grew over time and included other toys, such as larger-scale die-cast models, plastic model kits, slot car racing toys, and action figures.

**Minecraft** – This video game was released by Swedish video game developer Mojang Studios in 2011 for personal computers, offering users the opportunity to explore a three-dimensional world. Players discover and extract raw materials, craft tools, and build structures, and can cooperate with or compete against other players. Considered the best-selling video game of all time, Mojang Studios and the Minecraft intellectual property were purchased by Microsoft in 2014 for \$2.5 billion. Mattel's partnership with Minecraft includes the production of collectible action figures and toys based on the video game, as well as toys and a downloadable content map based on the 2025 Minecraft movie.

**Monster High** – Introduced in 2010, this line of fashion dolls features the teenage children of famous monsters, including Dracula, Frankenstein, Gorgon, Werewolf, and The Mummy. The popularity of the dolls led to an animated comedy television series that aired on Nickelodeon for two seasons in 2022-2023 and 2024. *Monster High*, a 2022 musical fantasy film released on Paramount+ and Nickelodeon, was followed by a sequel, *Monster High 2*, in 2023.

**Pingu** – This character is a mischievous young emperor penguin who lives in the South Pole. A stop motion animated children’s television series produced in Switzerland that first aired in 1990, it features Pingu and his family living and working in igloos. Nearly all dialogue is an invented penguin language, consisting of babbling, muttering, and honking. While relatively unknown in the U.S., this endearing series has been popular internationally, due in part to the use of its “universal” language. Mattel acquired intellectual property rights to Pingu in 2012 when it purchased British children’s entertainment company HIT Entertainment.

**Polly Pocket** – This line of inch-tall dolls and accessories was designed by Chris Wiggs in 1983 for his daughter, using a makeup powder compact as a small house for the doll. The dolls folded in the middle, like the case, which opened to form a dollhouse or playset, and had circular bases that fit into the case, allowing them to stand inside the house. In 1998, Mattel acquired the product when it purchased the brand and its original manufacturer, Bluebird Toys. Mattel redesigned Polly, creating a larger doll with a more life-like appearance, and began to offer interchangeable plastic clothes for the dolls. Polly Pocket has inspired movies, a TV series, a web series, books, clothing, and other fashion products.

**Pulsar: The Ultimate Man of Adventure** – Produced in 1976 to compete with Kenner’s Six Million Dollar Man toy line, this 14-inch action figure with a distinctive sweatsuit and white boots has a clear torso that reveals internal organs. Pressing a button on his back animates his heart, lungs, and blood flow. Pulsar’s face can also be lifted to insert a mission disk, “programming” his brain. Only two other toys in this line were produced: the Life Systems Center, a medical bay for Pulsar’s physical checkups, and his nemesis, Hypos.

**Scrabble** – This popular word game was invented in 1931 and has two to four players scoring points by placing individual lettered tiles in crossword style on a gridded game board. Scrabble is sold in more than 120 countries and is available in more than 30 languages. While the game is produced in the U.S. and Canada by Hasbro, Mattel owns the rights to manufacture the game outside the U.S. and Canada. There are web and video versions of the game, and it has inspired books, documentaries, and game shows.

**Thomas & Friends** – This franchise is centered around Thomas the Tank Engine, an anthropomorphic tank engine created in the 1940s that has inspired a series of books, toys, and a British children’s television series about talking trains and other vehicles. The television show was first broadcast in the U.S. in 1989. The rights to the series are held by Mattel through its acquisition of HIT Entertainment. In 2018, the Thomas & Friends television series began an alliance with the United Nations to introduce some of the organization’s sustainable development goals, including clean water and sanitation, gender equality, quality education, responsible consumption, and sustainable communities.

**Toy Story (Disney Pixar)** – Toy Story is a 1995 animated adventure comedy film produced by Pixar Animation Studios and Walt Disney Pictures. Featuring toys that come to life when humans are not present, main characters Woody and Buzz Lightyear won the hearts of viewers. Its initial release grossed more than \$350 million worldwide and led to a multimedia franchise, including several sequels and short films. Mattel sells Toy Story dolls, figures, costumes, accessories, and more.

**Tyco** – This iconic toy company began in the 1950s and is known for toy train kits, slot cars, and radio-controlled vehicles. Over the years, the company acquired popular toy lines, including Matchbox, View-Master, Magna Doodle, and Sesame Street. Tyco merged with Mattel in 1996, adding to Mattel's large family of toys.

**Uno** – Named for the Spanish and Italian word for "one," this card game was developed in 1971 in a Cincinnati, Ohio, suburb. Similar to Crazy Eights, Uno is a shedding game, where the objective is to get rid of your cards while preventing other players from getting rid of their cards. The game became part of the Mattel family in 1992. Spin-offs include slot machines, a game show, and a film adaptation.

### **Current Films & Television**

In 1970, Mattel formed a film production company with producer Robert Radnitz, which began Mattel's foray into entertainment. Mattel's film production division was renamed and reorganized several times over the years, ultimately leading to a June 2025 consolidation of its film and television divisions, renamed Mattel Studios.

Barbie was Mattel's first major motion picture. Distributed by Warner Brothers, it was the biggest movie in the studio's 100-year history, exceeding 2011's Harry Potter and the Deathly Hallows: Part 2. The movie reached \$1 billion in global box office sales barely three weeks after its summer 2023 release and earned more than \$155 million in its first weekend. In addition to Barbie, the following table lists various movies featuring Mattel brands that are in production or development.

Movie Title/Character	Starring	Projected Release Date
Barbie	Margot Robbie	2023
UNO	N/A	2026
Barney	Daniel Kaluuya	2026
Masters of the Universe	N/A	2026
Matchbox	John Cena	2026
Barbie 2	N/A	2027
Thomas & Friends	N/A	2027
Hot Wheels	N/A	TBD
Bob the Builder	Anthony Ramos	TBD
Major Matt Mason	Tom Hanks	TBD
Polly Pocket	Lily Collins	TBD
Rock 'Em Sock 'Em Robots	Vin Diesel	TBD
Magic 8 Ball	N/A	TBD
Wishbone	N/A	TBD
View-Master	N/A	TBD
Christmas Balloon	N/A	TBD
Monster High	N/A	TBD
Whac-a-Mole	N/A	TBD
American Girl	N/A	TBD

Source: Mattel

In October 2025, a scripted live-action television series based on the Magic 8 Ball was announced. In collaboration with Mattel, the show will be written by Brad Falchuk and directed by M. Night Shyamalan. A pop culture icon, the ball has intrigued generations with its ability to answer important questions and will be the centerpiece of this supernatural drama.

### Customer Survey

A Mattel customer survey was recently conducted to gather information from consumers about the proposed name, Mattel Wonder Indoor Waterpark, with 400 parents of children aged 10 or younger responding. Survey results show that 79% of respondents are excited (41%) or very excited (38%) about the idea of visiting a Mattel waterpark, with expectations of themed attractions aligning with the Mattel brand and characters and the ability to purchase Mattel products on site. Many respondents mentioned feeling nostalgic about the toys they or their children enjoy. About two-thirds (67%) felt that they would be likely to visit a Mattel waterpark. Additionally, more than half (61%) of respondents thought that the proposed name stood out slightly or a lot more than the names of other known waterparks.

### Mattel Wonder Indoor Waterpark Overview

In November 2025, Mattel announced the development of five experiential waterparks (one of which is due to include the subject site in Greeley, Colorado) that will feature brands from its large portfolio, including Barbie and Hot Wheels, dubbed Mattel Wonder

Indoor Waterparks™. The first will be built in Orlando, Florida, 10 minutes from Walt Disney World. Two other Mattel Wonder waterparks have been announced for Bellevue, Nebraska and Bradley, Illinois. For these projects, Mattel is partnering with aquatic design firm Martin Aquatic, waterpark management firm American Resort Management, and brand developer I-dentity Group. Proposed plans for the Orlando location include indoor and outdoor waterpark features (such as lazy rivers, wave pools, and water slides), an OpenAire retractable roof that allows both natural light and protection from the elements, an outdoor event lawn, a retail store, a family entertainment center, and a parking lot. Each waterpark is expected to offer immersive experiences inspired by 12 or more unique Mattel brands.

A related venture is Mattel Adventure Park, a theme park currently under construction in Glendale, Arizona, in partnership with Epic Resort Destinations that is expected to open in 2026, with a second Mattel Adventure Park planned for Bonner Springs, Kansas, part of the Kansas City metro area.

## **MATTEL WONDER CONTRACT OVERVIEW**

We have prepared a review of the proposed licensing agreement for Mattel Wonder and have profiled the contract in the following pages. A copy of the draft contract dated February 3, 2026 that we reviewed is included in the addendum of this report.

### **Parties Involved in the Sublicense Agreement**

- Project Play Holdings, LLC (Brand Manager) – development and brand management company holding the exclusive sublicense rights to develop waterparks using the various Mattel brands
- American Resort Management, LLC (Operational Management Company and Licensee) – granted exclusive license for the use of the brands for the purpose of creating, developing, constructing, and managing the brands and promoting and rolling out the waterpark in the territory. It is also the exclusive management company for the brands.
- The City of Greeley, Colorado (City) determined that it is in the best interest of its residents to develop the waterpark in support of a new multi-purpose sports and entertainment arena and a hotel. The waterpark will benefit the city and will fulfil a public purpose by creating jobs, boosting local tax revenues, revitalizing underutilized areas in the city, improving the quality of life for its residents, and generally contributing to a more robust economy.
- PRG-Greeley West Properties, LLC (Sublicensee) - owner and operator of the waterpark, responsible for developing, financing, constructing, and operating the waterpark in partnership with the City. It is a Colorado limited liability company whose sole member is Provident Resources Group, Inc. (PRG). PRG is a Georgia nonprofit corporation and a tax-exempt organization under Section 501(a) of the Internal Revenue Code. One of its charitable missions is to lessen the burdens of government by developing, constructing, managing, maintaining, and operating public facilities. The Sublicensee will delegate to ARM the management of the day-to-day management of the waterpark for a reasonable management fee for a reasonable term.

### **Grant of Rights**

The Brand Manager grants the Sublicensee an exclusive sublicense, including the following:

- The right to use, reproduce, display, and modify the Brands to create, develop, build, manage, operate, and rollout the attraction in coordination with ARM and the Brand Manager
- The right to use the Brands as necessary for the conduct of business, including the attraction components, and for any secondary spend opportunities
- The right to incorporate elements of the Brands in material designed to advertise, market, and promote the attraction, including online, on the website, and on any social media pages approved by the Brand Manager
- The right to use a Mattel-approved name for the attraction
- The right to develop and manage a venue website, which is separate from the master Mattel waterpark website, which is managed and operated by the Brand Manager and/or ARM
- The sublicense does not grant the right to manufacture or supply any toy categories of attraction-specific merchandise. These must be sourced through Mattel directly.

### **Term of the Sublicense**

The term of the sublicense is fifteen years after the expected opening date of the waterpark. There is an option of a renewal of another 15 years or less, providing the Sublicensee is not in material breach of contract, is in good financial standing, and the attraction has earned to date at least \$25,000,000 in gross receipts, is operating consistent with all legal and contractual requirements, and is fully operating and in good condition.

### **Restrictions**

Mattel will not open any single or multi-brand indoor or outdoor standalone waterpark within the territory, which extends 200 miles from the site chosen for the waterpark, within the term of the agreement. The Sublicensee will not include any direct competitor's products or merchandise within the attraction.

### **Consideration**

- The initial application fee is \$250,000. It is non-refundable and recoupable over a period of 36 months of operation, credited towards fees paid by the Sublicensee to the Brand Manager in equal annual increments of \$83,333 per year. The application fee is considered a late opening fee if the Opening Date is delayed too long. At that point, it is not recoupable.

- The Sublicensee is able to offer an admission ticket package with approval of the Brand Manager. The Parties will agree on the amount to be allocated to the value of the admission fee for the purpose of calculating receipts for the waterpark and appropriate fees to Mattel.
- The Parties will discuss secondary spend opportunities, which means any new consumer spending opportunities within the waterpark. These may include themed party rooms, private events, cabana rental, advertising on the website, and visitor car parking fees.

### **Responsibilities**

The Sublicensee will design a master plan with respect to use of the Brands, and subject to approval by Mattel. It shall ensure that the attraction and its components will conform to the Definitive Project Documents, the CPP, the Crisis Management/Communication Procedure, the Customer Service Management Documents, and the Brand Guidelines (none of which were included in the document or available for H&LA to review).

- The Sublicensee is solely responsible for upholding its obligations under the terms of the ARM Management Agreement to manage the attraction in a safe and lawful manner. ARM is responsible for operating and staffing the attraction in a safe and lawful manner.
- The Sublicensee is responsible for creating a Capital Expenditures Reserve, which is funded with 2% of gross revenue from ticket sales starting on a set date. After the 3<sup>rd</sup> full year of operations, Sublicensee shall prepare a 10-year Capital Improvement Plan. Sublicensee shall offset amounts required to be funded with the amount required to be funded for capital improvements under the financing documents. Beginning on the 5<sup>th</sup> year of operations, the Capital Expenditures Reserve increases to 3% providing the Sublicensee can comply with the financing documents and can fund such additional reserve.
- The Parties agree that they will, from time to time, review the content and concept of the property with a view to renewing and refreshing it. The Sublicensee will be responsible for developing an action plan once the approval is received for a significant refresh.
- Mattel's approval is required if the Sublicensee wishes to expand or modify the attraction with regard to the Brands.
- The Sublicensee is responsible for submitting a feasibility study, proof of funding, governmental approvals, general information on the location, layout and floor plan, details of any surrounding businesses, and proposed milestones for review and approval by Mattel and the Brand Manager.
- If a Brand-themed Attraction Component is required to temporarily close for more than 24 hours, the Sublicensee through ARM must notify the Brand Manager and provide information and justification for why. Any customer-facing messaging regarding the closure must be approved by the Brand Manager.

- The Brand Manager will provide consultancy services to the Sublicensee at no additional cost from the Effective Date to the Opening Date of the first attraction. These services will include review and input on design plans, master plan and business plan for the attraction, site visits, floor plan assessments, brand style guide, and assistance in developing the Sublicensee's marketing, merchandise recommendations, and sponsorship programs.

### **Development and Operations**

Milestones will be created for the design, development, and construction of each attraction.

- The Sublicensee will develop a business plan detailing the budgetary items for the development phase and the period for the first five operating years.
- The Sublicensee will develop an annual operating business plan for the next operating year. The Brand Manager and Mattel will provide any suggestions or feedback on the annual operating business plan. The Sublicensee will consider these suggestions, but final approval of the annual operating business plan will remain with the Sublicensee and/or PRG.
- The Sublicensee will conduct an annual operations audit, ensuring the correct operation and health and safety of the attraction. This audit will be performed one month prior to the Opening Date and annually thereafter. Any issues must be resolved as soon as reasonably possible.

### **Merchandising Program**

Mattel will develop attraction-specific merchandise, which will enhance the public awareness of the waterpark. No more than 65% of the merchandise mix in the branded retail shops must be existing merchandise, attraction-specific merchandise, and other merchandise. Mattel has the right to supply attraction-specific merchandise and will supply a large selection. For each order, 35% of the total quantity must be collected by the Sublicensee when available. The remaining 65% will be stored at the warehouse and collected over the following 18 months. If the merchandise is not collected, Mattel may destroy the remaining items at the cost of the Sublicensee.

### **Food & Beverage**

The Sublicensee agrees to reserve at least 65% of the restaurants and food and beverage kiosks as brand-themed. The Parties will agree on the food and beverage offerings at the Brand-themed restaurants and kiosks.

### **Sponsorship**

If the Sublicensee pursues a sponsorship opportunity, it must be approved by the Brand Manager. A percentage of receipts is payable to the Brand Manager.

### **Advertising and Marketing**

The Parties will jointly develop a marketing program for the attraction, including a breakdown of proposed marketing spend categories by media. It will include parameters for the use and depiction of Mattel's trademarks and brands. The marketing investment at the attraction is to be no less than 4% of the annual projected net revenue from admission fees. The final program is subject to approval by the Sublicensee and/or PRG and will be reviewed and updated at least once annually.

- The Sublicensee will develop a marketing kit based on Mattel's Brand Guidelines and subject to approval by the Brand Manager. It must be updated annually to reflect any significant Brand changes.
- Sublicensee agrees to provide Mattel and the Brand Manager access to the attraction at no admission cost for any investors, prospective investors, sponsors, licensees, and agents. They will also provide at least 200 complimentary VIP tickets for use in promotions and for Mattel partners.

### **Special Conditions**

The Brand Manager will provide an overall Brand website for the Branded waterparks promoting the attractions. It is solely responsible for the management, maintenance, and hosting of it and the domain name.

- The Sublicensee may create its own venue website that doesn't mention the Brands, but it must state that its services are owned, operated, managed, and offered by the Sublicensee, not Mattel or the Brand Manager. If the Sublicensee wishes to create a website promoting the park using the Brand names in any way, Mattel must approve it, and the domain name of this website will be in Mattel's name and under license from Mattel.
- The Brand Manager must approve any social media management plan, which must follow the latest version of its style guides.
- This agreement can be considered as security for payment of financing for the attraction. The lender must be allowed to step into the Sublicensee's position if it obtains ownership of the attraction through foreclosure or otherwise.

### **Royalty Fees**

Fees payable to Mattel will include the following:

- 8% of receipts from:
  - Admission fees
  - Admission ticket package (agreed upon percentage)
  - Brand-themed secondary spend opportunities
  - Existing or attraction-specific merchandise (unless ordered directly from Mattel)
- 5% of receipts from sale of food and beverage at the attraction

- 40% of receipts from sponsorships where sourced by Sublicensee
- 60% of receipts from sponsorships where sourced by Mattel or Brand Manager
- For the avoidance of doubt, Sublicensee shall not be required to pay a percentage of any receipts received during the Term of this agreement under more than one of the categories set out above (i.e., there shall be no “double-dipping” on receipts).

## **OVERVIEW OF FRANCHISE BRANDS ROYALTY FEES**

We have prepared an analysis of fees that other nationally known brands charge to license their name to various hotels, restaurants, and family entertainment centers (FECs) in the United States. Our research began by collecting the Uniform Franchise Offering Circular (UFOC) or Franchise Disclosure Document (FDD) from a wide range of comparable brands and comparing them to Mattel Wonder. The sections pertaining to the costs associated with being a franchisee were then analyzed. Since the Federal Trade Commission regulates the sale of franchises, information regarding each franchise fee structure is readily available through these disclosure documents. For purposes of this study, UFOCs and FDDs published in 2024 and 2025 for all brands represented herein were collected. Franchisors must reveal and adhere to all terms of the franchise agreement as set forth in these documents, thereby eliminating (in theory) any potential for negotiating a more or less favorable contract. Only mandatory and quantified fees were included. Mattel is not planning to franchise their name, and there are no similar documents available profiling their fee structure.

### **Hotels**

Approximately 70% of all lodging facilities in the United States are affiliated with a hotel brand, which helps to provide a level of recognition for the traveling public. Brands often target different market segments – some target the hip and trendy, while others target business clientele, or extended-stay guests – and are segmented by their service level. We have profiled in the following chart the fees charged by a range of full-service brands in the hotel industry.

**Proposed Rocky Mountain Grand Resort and Cascadia Arena – Greeley, Colorado**  
**Analysis of Contract Rent for Mattel Wonder** **23**

Hotel Brands Franchise Fees						
Brand	Initial and/or Application Fee	Royalty Fees		Rewards Program	Programs Services	Marketing Fee <sup>1</sup>
		% of Rooms Revenue	% of F&B Revenue	% of Total Eligible Guest Revenue	% of Rooms Revenue	% of Rooms Revenue
Embassy Suites by Hilton	\$100K + \$400/room>250 rooms	3.5% - 5.5%		4.3%	4%	
Hilton Garden Inn	\$100K + \$400/room>150 rooms	5.5%		3.6%	4%	
Hilton Hotels & Resorts	\$85K + \$400/room>250 rooms	5%	3%	4.3%	4%	
Tapestry Collection by Hilton	\$100K + \$400/room>250 rooms	5%		4.3%	4%	
Tempo by Hilton	\$100K + \$400/room>250 rooms	5%		4.3%	4%	
Hyatt Regency	Greater of \$100K or \$400/room	6%	3%	4.5%	3% + \$448/rm/yr	
The Unbound Collection by Hyatt	Greater of \$100K or \$400/room	7%		4.5%	3.5%	
Crowne Plaza	\$500/room max \$75K	5%		4.55%	3%	
InterContinental Hotels & Resorts	\$500/room max \$100K	6%	2%	4.55%	3%	
Margaritaville	\$500/room	5%	5%	\$10/room	\$144/rm/yr	2%
Autograph Collection Hotels	\$100K + \$400/room>250 rooms	5%		4.2%	2.02% + \$40K/year +\$450/rm/yr	1.5%
Delta Hotels by Marriot	\$100K + \$400/room>250 rooms	5%		4.2%	2.16% + \$45K/year +\$380/rm/yr	1.5%
JW Marriott	\$100K + \$400/room>250 rooms	6%	3%	4.2%	1.62% + \$50K/year +\$510/rm/yr	1%
Le Méridien	\$100K + \$400/room>250 rooms	5%		4.2%	2.02% + \$50K/year +\$510/rm/yr	1%
Marriott Hotels	\$100K + \$400/room>250 rooms	6%	3%	4.2%	1.62% + \$50K/year +\$510/rm/yr	1%
Renaissance Hotels	\$100K + \$400/room>250 rooms	5%		4.2%	2.12% + \$50K/year +\$510/rm/yr	1.5%
Sheraton Hotels	\$100K + \$400/room>250 rooms	6%	2%	4.2%	2.02% + \$50K/year +\$510/rm/yr	1%
The Luxury Collection	\$100K + \$400/room>250 rooms	5%	2%	4.2%	1.92% + \$40K/year +\$450/rm/yr	1%
Tribute Portfolio	\$100K + \$400/room>250 rooms	5%		4.2%	2.02% + \$40K/year +\$450/rm/yr	1.5%
Average		5.4%	2.9%	4.3%	3.2%	1.3%

<sup>1</sup> Included in Program Services Fee for Marriott Brands

Source: Hotel Business (12/25), various FDD's

Hotel franchise fees are compensation paid by the franchisee to the franchisor for the use of the brand's name, logo, marketing, and referral and reservation systems. Franchise fees normally include an initial fee with the franchise application, plus ongoing fees paid periodically throughout the term of the agreement. In general, most of the franchise fees paid by a hotel are based on rooms revenue and are highly variable.

We have considered the 2024 US Hotel Profitability Index published by CoStar/STR and the reported breakdown of revenues for a full-service chain hotel in the United States. We have applied the average rooms and food and beverage royalty fee shown in the previous chart to determine the total royalty fees that would be payable by a property branding with a major hotel flag.

<b>Analysis of Hotel Franchise Fees</b>					
<b>Department</b>	<b>Percentage of Total Revenue in Hotel</b>	<b>Average Franchise Royalty Fees</b>	<b>Calculated Royalty Fees as % of Total Revenue</b>	<b>Royalty + Program + Marketing as % of Rooms Revenue</b>	<b>Calculated Royalty + Program + Marketing Fees as % of Total Revenue</b>
Rooms	68.5%	5.4%	3.7%	9.9%	6.8%
Food and beverage	23.4%	2.9%	0.7%		0.7%
Other departments	4.4%				
Miscellaneous	3.7%				
<b>Total</b>	<b>100.0%</b>		<b>4.4%</b>	<b>9.9%</b>	<b>7.4%</b>

Source: CoStar 2024 Hotel Profitability Index and Hotel & Leisure Advisors

Applying the average royalty fees for rooms and food and beverage to the chain hotels' revenue breakdown between various departments equals total royalty fees of 4.4% of total revenue. Including the combined royalty fees, program fees, and marketing fees equals total franchise fees of 7.4% of total revenue.

### Restaurants

We have analyzed franchise fees paid by a variety of restaurant chains in the United States. Unlike hotels, a majority of restaurants are operated independently or as part of large chains owned by stockholders. A minority of restaurants franchise their brand to individual owners. Royalty fees are paid to the franchisor based on a percentage of gross sales or total revenue.

<b>Restaurant Franchise Fees</b>					
<b>Brand</b>	<b>Development/Franchise Fee</b>	<b>Royalty Fees % of Gross Sales</b>	<b>Technical Services % of Gross Sales</b>	<b>Advertising % of Gross Sales</b>	<b>Loyalty Program % of Program Sales</b>
Buffalo Wild Wings	\$12,500 + \$12,500	5%		3.75%	2.2%
Chili's Grill & Bar	\$20,000 + \$60,000	1.25%	4.3%	9.2%	
Famous Dave's	\$35,000	5%		2.5%	
IHOP	\$15,000 + \$50,000	4.5%		3.5%	
Pizza Hut	\$25,000	6%		4.75%	
Red Robin	\$12,500 + \$35,000	5%		4%	
TGI Friday's	\$50K+ \$25K @ add'l store + \$50K	4%		4%	
<b>Average</b>		<b>4.4%</b>	<b>4.3%</b>	<b>4.5%</b>	<b>2.2%</b>

Source: Various FDD's

The table indicates a range of development/franchise fees. Royalty fees average 4.4% of total revenue, while combined royalty and advertising fees average 9.9% of total revenue.

**FECs**

We have analyzed franchise fees paid by a variety of FEC's in the United States. Similar to restaurants, a majority of FEC's are independently branded or part of major chains like Dave and Busters. The table below indicates FEC's that are franchised. They also charge an initial franchise fee and royalty fees after the facility has opened, along with fees for advertising and branding services.

FEC Franchise Fees				
Brand	Franchise Fee	Royalty Fees % of Gross Sales	Brand Fund % of Gross Sales	Advertising % of Gross Sales
Altitude Trampoline Park	\$50,000	6%	2%	N/A
Launch Family Entertainment	\$75,000	6%	2%	2%
Monster Mini Golf	\$60,000	7%	2%	2%
Sky Zone	\$75,000	6%	3%	4%
Slick City	\$75,000	7%	1%	Lesser of 3% annual gross sales or \$150K
Urban Air Adventure Park	\$100,000	7%	N/A	5%
Average		6.5%	2%	3.3%

Source: Various FDD's

The table indicates that the FEC's charge between 6% and 7% of total revenue for royalty fees, with an average of 6.5% of total revenue. They also charge marketing fees, including brand fund and advertising, which average a combined 5.3% of total revenue while the combined royalty, brand fund, and advertising fees equal 11.8% of total revenue.

**OVERVIEW OF OTHER BRAND LICENSING FEES**

We have reviewed other assignments that we have conducted, which included a major brand similar to Mattel. These projects included major resort or attraction brands that are listed on the United States stock markets or owned by major private equity firms. The following table indicates four comparable properties' licensing fees as a percentage of total revenue.

Confidential Fees for Major Brands	
Comparable	Brand Licensing Fee
Comparable A	3% of total revenue
Comparable B	4.1% of total revenue
Comparable C	1.5% of total revenue < \$20M + 5% >\$20M
Comparable D	4% of total revenue for first 3 years/ 5% thereafter
Average of fees as % of total revenue after year 3	3.8% of total revenue

*Source: Hotel & Leisure Advisors*

Our analysis of these four confidential comparables indicates an average of 3.8% of total revenue in a stabilized year is charged by these major brands to license the property.

### **SWOT ANALYSIS OF MATTEL WONDER**

We assessed the projected benefits of the Mattel Wonder brand for the subject property compared to other available brands or the property being independently branded in the following SWOT analysis.

#### **Strengths**

- The Mattel brand is the largest toy company in the world and the top licensor of brands.
- The Mattel brand brings instant recognition to the proposed indoor waterpark on a national basis. This will allow the property to attract increased demand in a quicker manner than if the property were independently branded.
- The Mattel company offers well-known brands that fit well with the proposed indoor waterpark, including Barbie, Thomas the Tank Engine, Hot Wheels, and others.
- The many brands that Mattel offers will allow the waterpark to offer a wide variety of events and theming in future years.
- The contract with Mattel indicates that Mattel will offer a website for all Mattel Wonder branded waterparks and will be actively involved in the oversight of the proposed property, versus just collecting a licensing fee for using their names.

#### **Weaknesses**

- Mattel is not offering to provide a reservation system or guest loyalty program services similar to the major hotel brands. However, they are planning to provide a website and will provide input into marketing for the property.

- There are no existing waterparks or attractions that are branded with Mattel for one to analyze the beneficial performance that the brand provides.

### **Opportunities**

- There are many potential opportunities with Mattel branding through theming, movies, character releases, events, etc., to allow the property to achieve stronger revenues than if it were to be independently developed.
- Mattel sells a wide range of products through its retail offerings. Mattel plans to create unique products that will only be sold at Mattel waterparks. This creates an opportunity for the property to attract collectors of unique Mattel products as well as being able to charge potentially higher prices for them.

### **Threats**

- There are multiple proposals for Mattel Wonder waterparks in the United States. If additional properties are constructed within the Colorado region, it could diminish the benefits the brand brings to the subject site. The Mattel contract agrees not to open another standalone waterpark within a 200-mile drive radius of Greeley, which includes 75% of Colorado (most of the major cities), and parts of Wyoming, Nebraska, and Kansas, which limits this potential threat.

## **ANALYSIS OF CONTRACT RENT**

### **Projected Royalty Percentage**

We have analyzed the revenues that would be applicable to the Mattel brand licensing contract and calculated the amount of fees to be paid to Mattel Wonder. We have calculated the percentage of these applicable revenues as well as of the total revenues for the overall Rocky Mountain Grand Resort. We have utilized the revenue projections contained within our market feasibility study dated December 19, 2025 for Scenario 2 and the fees from the revised Mattel licensing agreement dated February 3, 2026 to prepare our calculations as we note that the royalty fee percentages have changed slightly from our December report.

<b>Mattel Royalty Fees Analysis</b>					
Revenue source	Departmental Revenue from H&LA Study for Scenario 2	% of Revenue Subject to Mattel Fees	Revenue Subject to Mattel Fees	Royalty Fee	Royalty to be Paid to Mattel
Indoor waterpark revenue	\$22,636,000	100%	\$22,636,000	8%	\$1,810,880
Spa revenue	\$1,500,000	25%	\$375,000	8%	\$30,000
Incremental F&B coming from Mattel waterpark	\$4,278,950	100%	\$4,278,950	5%	\$213,948
Mattel superstore retail	\$6,500,000	60%	\$3,900,000	8%	\$312,000
Mattel sponsorship revenues of Misc. Income	\$300,000	100%	\$300,000	50%	\$150,000
Total revenue subject to Mattel royalties	\$35,214,950		\$31,489,950		\$2,516,828
Mattel royalty as a % of revenue subject to Mattel royalties				8.0%	
Total revenue for Rocky Mountain Grand Resort	\$89,603,000				
Royalty to Mattel as a % of total resort revenue				2.8%	

Source: H&LA Market Feasibility Study dated December 19, 2025 and PPH Sublicense Greeley 2.3.26

**Indoor waterpark revenue** represents all admissions, cabanas, lockers, and miscellaneous revenue directly related to the indoor waterpark. According to the contract, Mattel will be charging a royalty fee of 8% of all revenue in this category.

**Spa revenue** represents revenue earned in the spa from massages, pedicures, hairstyling, retail sales, and other related revenues. According to the sublicense agreement, Mattel will be charging 8% of receipts from Brand themed secondary spend opportunities. We have forecasted that 25% of the spa revenue will be considered as secondary spend opportunities, with the remainder not applicable to the contract, as it will be for spa services such as massages that are not related to the brand.

**Incremental food and beverage revenue coming from waterpark** represents food and beverage revenue earned in the indoor waterpark. We calculated the incremental revenue by taking the difference between Scenario 2 and Scenario 1 food and beverage revenue from our market feasibility study. According to the contract, sublicensee shall pay 5% of receipts from the sale of food & beverage at the attraction.

**Mattel superstore retail** represents revenue earned in the planned Mattel retail store. The proposed resort will have other retail outlets in addition to the Mattel retail store that we do not forecast Mattel royalties applying to them. We calculated the applicable revenue in this category by taking the difference in retail revenue between Scenario 2 and Scenario 1. According to the contract, Mattel will charge 8% of all existing or attraction-specific merchandise, unless any existing merchandise is ordered directly from Mattel in which case the percentage of receipts associated with the sale of such merchandise shall reduce to 0%. We forecast that 60% of the Mattel retail store revenue will represent retail sales that are not ordered directly from Mattel and are applicable to the royalty fee while the remainder will be ordered directly from Mattel.

**Mattel sponsorship revenue** represents a portion of the miscellaneous income department of the hotel. We have forecasted sponsorship revenue that may occur with the Mattel Wonder branding. According to the contract, the Sublicensee will pay 40% of receipts from sponsorship of the attraction where such sponsor is sourced and secured by Sublicensee and 60% of receipts from sponsorship where such sponsor is sourced and secured by Mattel or Brand Manager, with Sublicensee having approval rights over such sponsor. We have assumed an equal split of 50% of revenue will be paid to Mattel.

**Mattel royalty as a percentage of revenue subject to Mattel royalties** represents the percentage of applicable revenue from the Mattel branding. Our calculation indicates that Mattel will be receiving 8.0% of total revenue subject to Mattel fees, incorporating each of these components. We have also calculated the projected Mattel fees that the property will be paying as a percentage of the total revenue for the overall Rocky Mountain Grand Resort. Our calculation indicates that the property will pay 2.8% of total revenue for the overall resort.

## COMPARISON TO COMPARABLES

We have compared the projected Mattel royalty fees as a percentage of revenue subject to Mattel royalties as well as a percentage of total resort revenue to the wide range of comparables that we have analyzed in this report. We note that each of the major brands that we have analyzed in this report have unique contract issues that make a direct comparison between contracts difficult. Our goal in this analysis is to determine if the Mattel fee structure is within a range of reasonableness and beneficial to both parties.

Analysis of Royalty Fees			
Comparable	Brand Licensing Fee or Royalty Fee as % of Departmental Revenue	Brand Licensing Fee or Royalty Fee as % of Total Revenue	Brand Licensing Fee/Royalty Fee + Marketing Fee + Programming Fee as % of Total Revenue
Hotel franchise average	5.4% of rooms revenue and 2.9% of food and beverage revenue	4.4% of total revenue	7.4% of total revenue
Restaurant franchise average		4.4% of total revenue	8.9% of total revenue
FEC franchise average		6.5% of total revenue	11.8% of total revenue
Confidential major brands		3.8% of total revenue	3.8% of total revenue
<i>Proposed Mattel Wonder Contract</i>	<i>8.0% of revenue subject to Mattel royalties</i>	<i>2.8% of total resort revenue</i>	<i>2.8% of total resort revenue</i>

Source: Hotel & Leisure Advisors

Our analysis indicates that the Mattel sublicense agreement has a mixture of fees that are applicable to specific revenue categories. For these specific revenue categories, Mattel will receive a percentage of revenues that is at the higher end of the range of royalty fees charged by the comparables presented in this report, but at the low-end of the combined royalty, marketing, and programming fees charged by the franchise comparables. Our review of the Mattel contract indicates it will not just license the property, but Mattel will be providing programming and marketing support including providing a website for all of the indoor waterparks under the Mattel Wonder branding.

More importantly, we have considered the proposed fees as a percentage of total revenue for the overall resort. The Mattel contract is at the low end of the range as presented in the table above. This is reasonable as the proposed resort will not be branded as the Mattel Wonder Resort, rather only the waterpark will be branded with Mattel Wonder waterpark.

## **Conclusion**

Our analysis has collected royalty fee data from a wide range of comparable properties including hotels, restaurants, FECs, and other licensing companies similar to Mattel. We have indicated the fees charged by these other companies and compared them to the fee structure proposed in the Mattel sublicensing agreement. Our analysis indicates that the Mattel royalty fees as a percentage of departmental revenue and total resort revenue are within a reasonable range compared to these wide range of comparable companies licensing fees. Our analysis indicates that the fee structure in the sublicensing agreement is fair to all parties.

## **EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**

Our study analyzes the draft version of the contract with Mattel Wonder dated February 3, 2026. Our analysis utilizes the information available as of the date of this report. If changes are made to the draft version of the contract, we are available to update our analysis.

There are no other extraordinary assumptions or hypothetical conditions.

## **COMPETENCY OF THE CONSULTANTS**

Hotel & Leisure Advisors is a national hospitality consulting firm specializing in appraisals, feasibility studies, economic impact studies, and impact analyses for hotels, outdoor and indoor waterparks, resorts, ski resorts, golf courses, restaurants, conference and convention centers, and other leisure real estate. We work exclusively in the hospitality industry and concentrate our efforts on in-depth understanding of the trends and factors related to this industry. Our participation in industry associations and trade groups keeps us abreast of developments affecting our clients and gives us access to rich sources of data. We follow news and transactions occurring in the hospitality industry on a daily basis. The consultants have completed more than 4,200 hotel and attraction studies since 1987 at various firms. 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 J. Sangree, MAI, CPA, ISHC and other H&LA consultants have written articles about hotels, resorts, and waterparks for *Hotel Management*, *Lodging Hospitality*, *World Waterpark Magazine*, *Midwest Real Estate News*, *Aquatics Magazine*, *Hotel Online*, and *Cornell Hotel and Restaurant Administration Quarterly* and is a national expert on these types of properties. He has appeared on [Good Morning America](#), [CNBC](#), and [Fox8 News](#) in segments concerning hotels, resorts, and waterparks. He has inspected most of the open indoor waterpark resorts in North America. Recognizing David as an industry leader, Aquatics International twice named him, most recently in 2019, in their "Power Issue" of the most powerful people in the aquatics industry. The World Waterpark Association honored him with induction into their Hall of Fame in 2022 and with their Executive Board Award in 2016. These awards signify David's commitment and expertise in the waterpark industry and identify him as helping to shape some of the latest trends.

H&LA maintains databases and files concerning various types of hospitality properties. Therefore, we possess the knowledge and experience to conduct the inspection, analysis, and reasoning necessary to estimate the feasibility of the subject.

### **STANDARD CONDITIONS**

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

1. The report is to be used in whole and not in part. The report, engagement letter, and these standard conditions constitute the entire understanding and agreement between the parties with respect to the subject matter hereof and 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.

DRAFT

**CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- David J. Sangree, MAI, ISHC and Stephen Szczygiel, CHIA made a personal inspection of the property that is the subject of this report.
- Gina Svat and Sally Weisbarth provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- As of the date of this report, David J. Sangree, MAI, ISHC has completed the continuing education program for Designated Members of the Appraisal Institute.

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David J. Sangree, MAI, ISHC  
President