



**CRAB CAY MASTER PLANNED COMMUNITY**

**Located At**

**CRAB CAY, QUEEN ELIZABETH HARBOR, GREAT EXUMA, THE BAHAMAS**

**FOR:**

Mr. Leon Andrew Wells  
CN Luxury Resorts, Inc.  
3033 West Alabama  
Houston, TX 77098

**BY:**



**2200 North Loop West, Suite 230  
Houston, Texas 77018**

**Effective Date of Appraisal**

October 25, 2018

Mr. Leon Andrew Wells  
CN Luxury Resorts, Inc.  
3033 West Alabama  
Houston, TX 77098

Re: Master Planned Resort and Residential Development  
Crab Cay Master Planned Community  
Crab Cay, Queen Elizabeth Harbor, Great Exuma, The Bahamas

Dear Mr. Leon Andrew Wells:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal report on the property referenced above.

The value opinion reported below is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report. We particularly call your attention to the extraordinary assumptions and hypothetical conditions in this report.

Throughout the Caribbean and Bahamas in 2018, through September, significant increases in hotel occupancies and rental rates, bulk parcel demand from developers pushing pricing to upwards of \$2,500,000 per acre, and more hotel sales (22 sales through July 2018) with just nine sales totaling over \$4,300,000,000 in transactions, more transactional revenue than the previous three years combined have been evidenced that show The Bahamas, Caribbean and Dominican Republic markets have recovered from the economic recession that began in 2007. Hurricane Irma in 2017 stalled 28 hotel projects (this number does not include Puerto Rico damaged hotels) from operating causing over 2,000,000 hotel room nights being unable to be occupied. Consequently, operational hotels have been pushed to all-time occupancy and rental rate highs.

Projects in the Bahamas have tended to fair better during the recovery than those resorts in other areas of the Caribbean. This is due to the perceived security of investing in real estate, beauty of the landscape, superior airport access and close proximity to the United States As such, lot and home prices in the Bahamas remain at some of the highest levels of any resort country in the world.

Surveys of brokers, title companies, hotel management companies, construction companies and prior investors who had invested in excess of \$8,000,000,000 in the Caribbean have unilaterally indicated the market in the Bahamas has recovered to economic levels that are supportive of new construction, as seen in the sales of two condominiums at \$1,647 per square foot in the newly constructed condominium building at February Point, Great Exuma. Decreased unemployment, favorable taxes, perceived security from high wealth individuals relative to safety and financial aspects, as well as high consumer sentiment on government performance has perpetuated real estate market conditions in the Bahamas to rebound to above normalized conditions.

Crab Cay Master Planned Community will cater to an upscale market, similar to other resort and residential projects on Exuma, New Providence, Abaco and other islands in the Bahamas. This marina and resort community is unique to the market due to:

1. Its island configuration;
2. Protected “Hurricane Hole” in Queen Elizabeth Harbor;
3. Location proximate to Sandals Resort; and
4. Location proximate to Exuma International Airport.

The spectacular views are expected to command upper pricing. Further, the hotel, marina and club development will allow the community to compete with the highest priced resort and residential developments in the region. The following is a summary of the land use:

Crab Cay Master Planned Community		Finished Vacant Developed Lot and Finished Home Inventory					
Type	Inventory Type	Total Units	Lot SF Size	Bulk Parcel Acreage	Units / Acre	Building Unit Size	Building Size Bulk
Welcome Beach Ferry Terminal	Boat Dock	1	4,500	0.10	9.7	3,600	3,600
Beach Bungalows	Bungalows	11	1,625	0.41	26.8	1,300	14,300
Bungalows (Umbrella Village)	Bungalows	28	1,625	1.04	26.8	1,300	36,400
Marina Bungalows / Marina Village West	Bungalows	28	5,809	3.73	7.5	600	16,800
Spa Beach Bungalows	Bungalows	7	Incl. SB	Incl. SB	---	1,300	9,100
Welcome Beach Clubhouse	Clubhouse	1	162,653	3.73	0.3	2,500	2,500
Harbour Village I / Marina Village North	Condo & 1st Level Retail	2	Incl. HVI	Incl. HVI	---	18,250	36,500
Claw Beach Condos	Condos	10	5,600	1.29	7.8	5,600	56,000
Condos (Umbrella Village)	Condos	20	3,500	1.61	12.4	3,500	70,000
Harbour Village I / Marina Village North Condos	Condos	36	309,189	7.10	5.1	3,500	126,000
Harbour Village I / Marina Village North Condos	Condos	20	Incl. HVI	Incl. HVI	---	5,000	100,000
Harbour Village II / Marina Village South Condos	Condos	30	248,466	5.70	5.3	3,500	105,000
Claw Beach Homes	Homes	12	12,667	3.49	3.4	6,333	76,000
Founders' Enclave Homes	Homes	52	12,000	14.33	3.6	6,000	312,000
Harbour Village II Homes	Homes	15	12,000	4.13	3.6	6,000	90,000
Umbrella Village Homes	Homes	20	12,000	5.51	3.6	6,000	120,000
Walker Estates Homes	Homes	23	15,778	8.33	2.8	6,000	138,000
Welcome Beach Homes	Homes	18	12,000	4.96	3.6	6,000	108,000
Crab Cay Resort Hotel - 114 Keys	Hotel	114	291,024	6.68	17.1	86,765	86,765
Welcome Beach Hotel	Hotel	25	1,148	0.66	37.9	574	14,350
Harbour Village II Restaurant	Restaurant	2	Incl. HVII	Incl. HVII	---	8,400	16,800
Harbour Village I / Marina Village North Hotel/Restaurant	Hotel / Restaurant	32	Incl. HVI	Incl. HVI	---	741	23,700
Claw Beach Hotel	Hotel, Restaurant & Spa	39	2,183	1.95	20.0	1,092	42,570
Claw Beach Lots	Lots	11	9,133	2.31	4.8	---	---
Founders' Enclave Lots	Lots	57	59,769	78.21	0.7	---	---
Harbour Village II Lots	Lots	5	3,750	0.43	11.6	---	---
Walker Estates Lots	Lots	22	12,545	6.34	3.5	---	---
Marina Slips	Marina	110	---	---	---	---	---
Destination Spa	Spa	1	151,502	3.48	0.3	30,650	30,650
Miscellaneous, ROW, Open Space	Misc	5	935,233	21.47	0.2	---	---
<b>Total</b>		<b>757</b>	<b>2,285,700</b>	<b>186.99</b>	<b>4.0</b>	<b>---</b>	<b>1,635,035</b>

Note: 64,500 SF adjusted to 2/3 size

The property was inspected by and the report was prepared by Ryan P. Lin, MAI. Ryan P. Lin, MAI gathered and analyzed considerable data and information having a bearing on its values. Our experience with

numerous land buyers, sellers and developers' of resort-oriented residential projects in the Exumas, the Bahamas and other Caribbean countries (Dominican Republic, Barbuda, USVI, BVI, Anguilla, etc.), in addition to 32 cities in Mexico and Central America, provides the appraiser with unique market knowledge and information that few real estate professionals possess. Most of the sale comparables have been analyzed/appraised by the appraiser in previous assignments and associations with local and national politicians, attorneys and title companies provided input that has led to a reasonable opinion of market value. The appraiser owns not only the largest enriched database in the United States with 151,000,000 properties, but also tracks hundreds of Caribbean projects for over 20 years. Over 150 data specialists costing millions annually, process the data and upgrades, are part of his team.

High-value real estate and resort properties located outside of the United States are generally marketed, priced, and transacted in United States Dollars (USD). Therefore, the data presented, analysis, and conclusions are reported in United States Dollars. There is also the assumption that the developer has the financial capabilities to fund the infrastructure through debt and/or equity. The following is a summary of the proposed land uses and build-out:

LAND USE SUMMARY		Crab Cay Master Planned Community					
Property	Product Sale Type	Total Units	Gross SF/Lot	Total Gross SF	Gross Acres	Current Condition	Proposed Condition
Beach Bungalows	Bungalows	11	1,625	17,875	0.410	Raw Land	Bulk Parcel Sale
Bungalows (Umbrella Village)	Bungalows	28	1,625	45,500	1.045	Raw Land	Bulk Parcel Sale
Marina Bungalows / Marina Village West	Bungalows	28	5,809	162,653	3.734	Raw Land	Bulk Parcel Sale
Claw Beach Condos	Condos	10	5,600	56,000	1.286	Raw Land	Bulk Parcel Sale
Condos (Umbrella Village)	Condos	20	3,500	70,000	1.607	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	36	8,589	309,189	7.098	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	20	Incl. HVI	Incl. HVI	---	Raw Land	Bulk Parcel Sale
Harbour Village II / Marina Village South Condos	Condos	30	8,282	248,466	5.704	Raw Land	Bulk Parcel Sale
Claw Beach Homes	Homes	12	12,667	152,000	3.489	Raw Land	Finished Lot
Founders' Enclave Homes	Homes	52	12,000	624,000	14.325	Raw Land	Finished Lot
Harbour Village II Homes	Homes	15	12,000	180,000	4.132	Raw Land	Finished Lot
Umbrella Village Homes	Homes	20	12,000	240,000	5.510	Raw Land	Finished Lot
Walker Estates Homes	Homes	23	15,778	362,898	8.331	Raw Land	Finished Lot
Welcome Beach Homes	Homes	18	12,000	216,000	4.959	Raw Land	Finished Lot
Crab Cay Resort Hotel - 114 Keys	Hotel	114	291,024	291,024	6.681	Raw Land	Master Developed, Sold Stabilized in 3 Years
Welcome Beach Hotel	Hotel	25	1,148	28,700	0.659	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village II Restaurant	Restaurant	2	Incl. HVII	Incl. HVII	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village I / Marina Village North Hotel/Restaurant	Hotel / Restaurant	32	Incl. HVI	Incl. HVI	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Hotel	Hotel, Restaurant & Spa	39	2,183	85,140	1.955	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Lots	Lots	11	9,133	100,467	2.306	Raw Land	Finished Lot
Founders' Enclave Lots	Lots	57	59,769	3,406,828	78.210	Raw Land	Finished Lot
Harbour Village II Lots	Lots	5	3,750	18,750	0.430	Raw Land	Finished Lot
Walker Estates Lots	Lots	22	12,545	276,000	6.336	Raw Land	Finished Lot
Marina Slips	Marina	110	---	---	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Destination Spa	Spa	1	151,502	151,502	3.478	Raw Land	Master Developed, Sold Stabilized in 3 Years
Miscellaneous, ROW, Open Space	Misc	5	935,233	4,676,166	22.478	Raw Land	HOA Owned
<b>Total</b>	---	<b>757</b>	---	<b>11,655,783</b>	<b>182.71</b>	---	---

The scope of this assignment included providing a market value “as-is”, “upon completion of construction (roadways, infrastructure, landscaping)” estimate provides for the sale of finished lots, resort parcel superpads, etc. The following is a summary of the lot inventory to be sold:

RETAIL LOT REVENUE		Crab Cay Master Planned Community					
Property	Total Units	Paper Lot / Platted Lot Revenue		Infrastructure Costs		Finished Retail Lot Revenues	
		Per Lot/Parcel	Total	Per Lot	Total	Per Lot	Total
Claw Beach Homes	12	\$1,115,435	\$13,385,224	\$130,846	\$1,570,148	\$1,246,281	\$14,955,372
Founders' Enclave Homes	52	\$3,833,001	\$199,316,027	\$130,846	\$6,803,973	\$3,963,846	\$206,120,000
Harbour Village II Homes	15	\$656,207	\$9,843,101	\$130,846	\$1,962,684	\$787,052	\$11,805,785
Umbrella Village Homes	20	\$1,049,733	\$20,994,658	\$130,846	\$2,616,913	\$1,180,579	\$23,611,570
Walker Estates Homes	23	\$852,970	\$19,618,305	\$130,846	\$3,009,449	\$983,815	\$22,627,755
Welcome Beach Homes	18	\$1,049,733	\$18,895,192	\$130,846	\$2,355,221	\$1,180,579	\$21,250,413
Claw Beach Lots	11	\$1,127,189	\$12,399,082	\$130,846	\$1,439,302	\$1,258,035	\$13,838,384
Founders' Enclave Lots	57	\$8,101,786	\$461,801,799	\$130,846	\$7,458,201	\$8,232,632	\$469,260,000
Harbour Village II Lots	5	\$213,507	\$1,067,535	\$130,846	\$654,228	\$344,353	\$1,721,763
Walker Estates Lots	22	\$1,309,174	\$28,801,837	\$130,846	\$2,878,604	\$1,440,020	\$31,680,441
<b>Totals</b>	<b>235</b>	<b>\$3,345,203</b>	<b>\$786,122,761</b>	<b>\$130,846</b>	<b>\$30,748,722</b>	<b>\$3,476,049</b>	<b>\$816,871,483</b>

The master developer will not be developing all homes and condominiums and there is substantial demand from sub-developers to sell Bulk Parcels for development; a summary of that inventory follows:

BULK LAND REVENUE		Crab Cay Master Planned Community	
Property	Total Units	Bulk Land Revenue	
		Per Lot/Parcel	Total
Beach Bungalows	11	\$72,727	\$800,000
Bungalows (Umbrella Village)	28	\$64,286	\$1,800,000
Marina Bungalows / Marina Village West	28	\$203,571	\$5,700,000
Claw Beach Condos	10	\$250,000	\$2,500,000
Condos (Umbrella Village)	20	\$125,000	\$2,500,000
Harbour Village I / Marina Village North Condos	36	\$300,000	\$10,800,000
Harbour Village II / Marina Village South Condos	30	\$153,333	\$4,600,000
<b>Totals</b>	<b>163</b>	<b>\$176,074</b>	<b>\$28,700,000</b>

The master developer will be developing a few homes and condominiums and that inventory follows:

FINISHED HOME REVENUE		Crab Cay Master Planned Community								
Homes	Total Units	Bulk Home Revenue		Infrastructure Costs		Finished Home Revenues		Building Cost Per Home	Lot Allocation	% of Home Price
		Per Home	Total	Per Home	Total	Per Home	Total			
Spa Beach Bungalows	7	\$1,164,000	\$8,148,000	\$136,000	\$952,000	\$1,300,000	\$9,100,000	\$1,255,029	\$280,029	22%
Harbour Village I / Marina Village North	2	\$10,814,000	\$21,628,000	\$136,000	\$272,000	\$10,950,000	\$21,900,000	\$10,892,550	\$490,050	4%
<b>Totals</b>	<b>9</b>	<b>\$3,308,444</b>	<b>\$29,776,000</b>	<b>\$136,000</b>	<b>\$1,224,000</b>	<b>\$3,444,444</b>	<b>\$31,000,000</b>	---	---	---

The master developer will also be constructing the hotels, restaurants and destination spa. A summary follows:

HOTEL, SPA & RESTAURANT RETAIL REVENUE		Crab Cay Master Planned Community									
Hotels	Total Units	Bulk		Infrastructure Costs		Finished Parcel Revenues		At Completion of Construction		Upon Reaching Stabilized Occupancy	
		Per Lot/Parcel	Total	Per Lot	Total	Per Lot	Total	Per Unit	Total	Per Unit	Total
Crab Cay Resort Hotel - 114 Keys	114	\$38,176	\$4,352,066	\$12,701	\$1,447,934	\$50,877	\$5,800,000	\$549,395	\$62,631,075	\$1,228,592	\$140,059,507
Welcome Beach Hotel	25	\$39,280	\$982,004	\$12,720	\$317,996	\$52,000	\$1,300,000	\$427,970	\$10,699,250	\$967,720	\$24,192,997
Harbour Village II Restaurant	2	\$350,000	\$700,000	\$0	\$0	\$350,000	\$700,000	\$6,104,000	\$12,208,000	\$6,104,000	\$12,208,000
Harbour Village I / Marina Village North Hotel/Restaurant	32	\$49,438	\$1,582,004	\$9,937	\$317,996	\$59,375	\$1,900,000	\$555,594	\$17,779,000	\$1,052,500	\$33,679,990
Claw Beach Hotel	39	\$73,247	\$2,856,649	\$24,188	\$943,351	\$97,436	\$3,800,000	\$828,767	\$32,321,900	\$1,067,615	\$41,636,997
Destination Spa	1	\$3,800,000	\$3,800,000	\$0	\$0	\$3,800,000	\$3,800,000	\$25,255,000	\$25,255,000	\$25,255,000	\$25,255,000
<b>Totals</b>	<b>213</b>	<b>\$67,008</b>	<b>\$14,272,722</b>	<b>\$59,547</b>	<b>\$3,027,278</b>	<b>\$81,221</b>	<b>\$17,300,000</b>	<b>\$755,371.95</b>	<b>\$160,894,225</b>	<b>\$1,300,622</b>	<b>\$277,032,491</b>

Lastly, the master developer will be constructing the marina. A summary follows:

Marina		Crab Cay Master Planned Community					
Marina	Total	Infrastructure Costs		At Completion of Construction		Upon Reaching Stabilized Occupancy	
	Units	Per Lot	Total	Per Unit	Total	Per Unit	Total
Crab Cay Marina	110	\$22,333	\$ 2,456,597	\$306,627	\$33,728,979	\$485,000	\$53,350,000

The restaurants and destination spa were not appraised as a stand-alone asset, but the costs associated with construction was included with the resulting resale value being the same as cost. It is assumed the cost-value relationship would be a ‘break-even’ for these going concern operations, as they benefit all guests and owners within the Crab Cay Master Planned Community.

Because no master planned community project ever completes 100 percent infrastructure prior to initiating sales, the prospective date reflects the data where infrastructure is in sufficient capacity to start sales. Based on the Scope of Work, and as outlined in the report, we have developed an opinion that the Market Value of the Fee Simple estate of the above property, subject to the assumptions and limiting conditions, certifications, extraordinary and hypothetical conditions, if any, and definitions, is:

Crab Cay Master Planned Community	Value Conclusions	Date of Value
Market Value - As Is - Land Value w/Entitlements & Partial Improvements	\$192,630,000	October 15, 2018
Prospective Value - Upon Completion of Developer Construction	\$370,950,000	April 14, 2020
Aggregate Gross Revenue - Lot & Home Sales, Marina, Hotel & Spa	\$2,439,103,502	October 14, 2021

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

**SAGE GROUP**

Ryan P. Lin, MAI  
 Managing Director  
 Certified General Real Estate Appraiser  
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 346-571-7074 Office Direct

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## EXECUTIVE SUMMARY

The following reflects the build-out of the project:

LAND USE SUMMARY		Crab Cay Master Planned Community					
Property	Product Sale Type	Total Units	Gross SF/Lot	Total Gross SF	Gross Acres	Current Condition	Proposed Condition
Beach Bungalows	Bungalows	11	1,625	17,875	0.410	Raw Land	Bulk Parcel Sale
Bungalows (Umbrella Village)	Bungalows	28	1,625	45,500	1.045	Raw Land	Bulk Parcel Sale
Marina Bungalows / Marina Village West	Bungalows	28	5,809	162,653	3.734	Raw Land	Bulk Parcel Sale
Claw Beach Condos	Condos	10	5,600	56,000	1.286	Raw Land	Bulk Parcel Sale
Condos (Umbrella Village)	Condos	20	3,500	70,000	1.607	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	36	8,589	309,189	7.098	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	20	Incl. HVI	Incl. HVI	---	Raw Land	Bulk Parcel Sale
Harbour Village II / Marina Village South Condos	Condos	30	8,282	248,466	5.704	Raw Land	Bulk Parcel Sale
Claw Beach Homes	Homes	12	12,667	152,000	3.489	Raw Land	Finished Lot
Founders' Enclave Homes	Homes	52	12,000	624,000	14.325	Raw Land	Finished Lot
Harbour Village II Homes	Homes	15	12,000	180,000	4.132	Raw Land	Finished Lot
Umbrella Village Homes	Homes	20	12,000	240,000	5.510	Raw Land	Finished Lot
Walker Estates Homes	Homes	23	15,778	362,898	8.331	Raw Land	Finished Lot
Welcome Beach Homes	Homes	18	12,000	216,000	4.959	Raw Land	Finished Lot
Crab Cay Resort Hotel - 114 Keys	Hotel	114	291,024	291,024	6.681	Raw Land	Master Developed, Sold Stabilized in 3 Years
Welcome Beach Hotel	Hotel	25	1,148	28,700	0.659	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village II Restaurant	Restaurant	2	Incl. HVII	Incl. HVII	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village I / Marina Village North Hotel/Restaurant	Hotel / Restaurant	32	Incl. HVI	Incl. HVI	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Hotel	Hotel, Restaurant & Spa	39	2,183	85,140	1.955	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Lots	Lots	11	9,133	100,467	2.306	Raw Land	Finished Lot
Founders' Enclave Lots	Lots	57	59,769	3,406,828	78.210	Raw Land	Finished Lot
Harbour Village II Lots	Lots	5	3,750	18,750	0.430	Raw Land	Finished Lot
Walker Estates Lots	Lots	22	12,545	276,000	6.336	Raw Land	Finished Lot
Marina Slips	Marina	110	---	---	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Destination Spa	Spa	1	151,502	151,502	3.478	Raw Land	Master Developed, Sold Stabilized in 3 Years
Miscellaneous, ROW, Open Space	Misc	5	935,233	4,676,166	22.478	Raw Land	HOA Owned
<b>Total</b>	---	<b>757</b>	---	<b>11,655,783</b>	<b>182.71</b>	---	---

Club amenities are not included in this analysis as memberships associated with the club and the going concern operations of the club. It is assumed usage, dues and other fees will reflect a break-even business operations analysis.

## PROJECT SUMMARY

The developer's strategy seeks to highlight unique product and amenities that attract the wealthiest residential resort buyers and club members in the world. CN Luxury Resorts, Inc. has principals that are highly successful business icons, are well-respected, and have significant United States contacts. They are striving to create a leading resort master-planned community in The Bahamas that will command not only the highest prices in the region, but the entire Caribbean region.

CN Luxury Resorts will first focus on:

1. The Crab Cay Resort Hotel with 114 units;
2. Marina;
3. Spa Beach Bungalows with 7 finished units;
4. Harbour Village I / Marina Village North with 2 units;
5. Lot sales to investors and future homeowners; and
6. Bulk parcel sales of condominium parcels to sub-developers who will construct finished units for sale.

Crab Cay is arguably the most monetizable asset in the Caribbean:

- 188 acres with over 9 miles of protected ocean front.
- 8 miles of ocean frontage with crescent beaches and elevations providing surrounding views.
- Located at the center of one of the most beautiful and protected harbours in the Caribbean.
- Connected to the Great Exuma mainland via a \$12,000,000 bridge that is an architectural masterpiece.
- 32 acre marina basin-already dredged. Situated within the protected environs of Elizabeth Harbour and known as a "Hurricane Hole", providing favorable insurance rates to mego-yachters.
- The Exumas already have 10 Forbes Billionaire island owners who are financially backing infrastructure improvements on Great Exuma.
- Stocking Island is a "National Treasure" that supports a protective island creating a natural 8 mile long, 2 mile wide safety basin, one of only 3 in the Caribbean.
- Great Exuma already has the leading performing Sandals Resort in the world.
- February Point, adjacent to Crab Cay, has multiple billionaire/millionaire owners and new condos are selling for \$1,600 per square foot.
- Utilities will be designed, constructed, owned and operated by Matrix Engineering for benefit of Crab Cay Master Planned Community.

Crab Cay Master Planned Community has the original concept design approved by the Government; however this approval provides for a maximum development density and the project, as outlined herein, represents a significant decrease in density and a lower number of lots/units.



The total inventory is summarized as follows:

LAND USE SUMMARY		Crab Cay Master Planned Community					
Property	Product Sale Type	Total Units	Gross SF/Lot	Total Gross SF	Gross Acres	Current Condition	Proposed Condition
Beach Bungalows	Bungalows	11	1,625	17,875	0.410	Raw Land	Bulk Parcel Sale
Bungalows (Umbrella Village)	Bungalows	28	1,625	45,500	1.045	Raw Land	Bulk Parcel Sale
Marina Bungalows / Marina Village West	Bungalows	28	5,809	162,653	3.734	Raw Land	Bulk Parcel Sale
Claw Beach Condos	Condos	10	5,600	56,000	1.286	Raw Land	Bulk Parcel Sale
Condos (Umbrella Village)	Condos	20	3,500	70,000	1.607	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	36	8,589	309,189	7.098	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	20	Incl. HVI	Incl. HVI	---	Raw Land	Bulk Parcel Sale
Harbour Village II / Marina Village South Condos	Condos	30	8,282	248,466	5.704	Raw Land	Bulk Parcel Sale
Claw Beach Homes	Homes	12	12,667	152,000	3.489	Raw Land	Finished Lot
Founders' Enclave Homes	Homes	52	12,000	624,000	14.325	Raw Land	Finished Lot
Harbour Village II Homes	Homes	15	12,000	180,000	4.132	Raw Land	Finished Lot
Umbrella Village Homes	Homes	20	12,000	240,000	5.510	Raw Land	Finished Lot
Walker Estates Homes	Homes	23	15,778	362,898	8.331	Raw Land	Finished Lot
Welcome Beach Homes	Homes	18	12,000	216,000	4.959	Raw Land	Finished Lot
Crab Cay Resort Hotel - 114 Keys	Hotel	114	291,024	291,024	6.681	Raw Land	Master Developed, Sold Stabilized in 3 Years
Welcome Beach Hotel	Hotel	25	1,148	28,700	0.659	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village II Restaurant	Restaurant	2	Incl. HVII	Incl. HVII	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village I / Marina Village North Hotel/Restaurant	Hotel / Restaurant	32	Incl. HVI	Incl. HVI	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Hotel	Hotel, Restaurant & Spa	39	2,183	85,140	1.955	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Lots	Lots	11	9,133	100,467	2.306	Raw Land	Finished Lot
Founders' Enclave Lots	Lots	57	59,769	3,406,828	78.210	Raw Land	Finished Lot
Harbour Village II Lots	Lots	5	3,750	18,750	0.430	Raw Land	Finished Lot
Walker Estates Lots	Lots	22	12,545	276,000	6.336	Raw Land	Finished Lot
Marina Slips	Marina	110	---	---	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Destination Spa	Spa	1	151,502	151,502	3.478	Raw Land	Master Developed, Sold Stabilized in 3 Years
Miscellaneous, ROW, Open Space	Misc	5	935,233	4,676,166	22.478	Raw Land	HOA Owned
<b>Total</b>	---	<b>757</b>	---	<b>11,655,783</b>	<b>182.71</b>	---	---

## ENTITLEMENT OVERVIEW

The current master plan has received the necessary government subdivision approvals, with Heads of Agreement providing favorable tax, import duty and construction incentives.



The island of Crab Cay is part of the archipelago of the Bahamas, known as the Exumas. It is planned as the “Ultimate Enlightened Approach to Island Luxury” centered around four core “brand truths”:

- Authenticity – The Crab Cay experience encompasses a unique world of historic and cultural authenticity dating back to the 1700's. Governor William Walker selected the property for its stunning natural landscape. The Crab Cay ethos is a finely blended mix of the past and present. The grand estate of the past-ruling elite has evolved into a pinnacle of luxury and status for the modern world.

William Walker Ruins



- Adventure – The magnificence of Crab Cay is best enjoyed through excursions out into the glowing aquamarine waters that surround the community. Jacques Cousteau, the legendary marine explorer, was quite fond of the aquatic diversity of Crab Cay through explorations of a cave that goes entirely under a large portion of the island. Residents and guests will enjoy exceptional marine facilities for boating, diving and several other adventurous watersports.

### Marina Village Condominiums Over Retail



- Security – The exclusive community offers the most extensive security in all of Exuma, beginning with the highly secure gated checkpoint prior to crossing the single bridge into Crab Cay. Rigorous 24/7 security patrols via ground and water will provide a safe haven to residents and guests. State-of-the-art video surveillance throughout the property will augment patrols, offering residents and guests exceptional peace of mind.

Bridge Connecting Crab Cay to Great Exuma



- Serenity – The surreal natural beauty, incredibly attentive staff, and comprehensive assortment of spa and concierge will warmly envelop guests and residents. The gorgeous natural setting provides the optimal backdrop for spa treatments and personal pampering. By many travel enthusiasts, the Exuma region is considered to be one of the most pristine tropical destinations of the world.



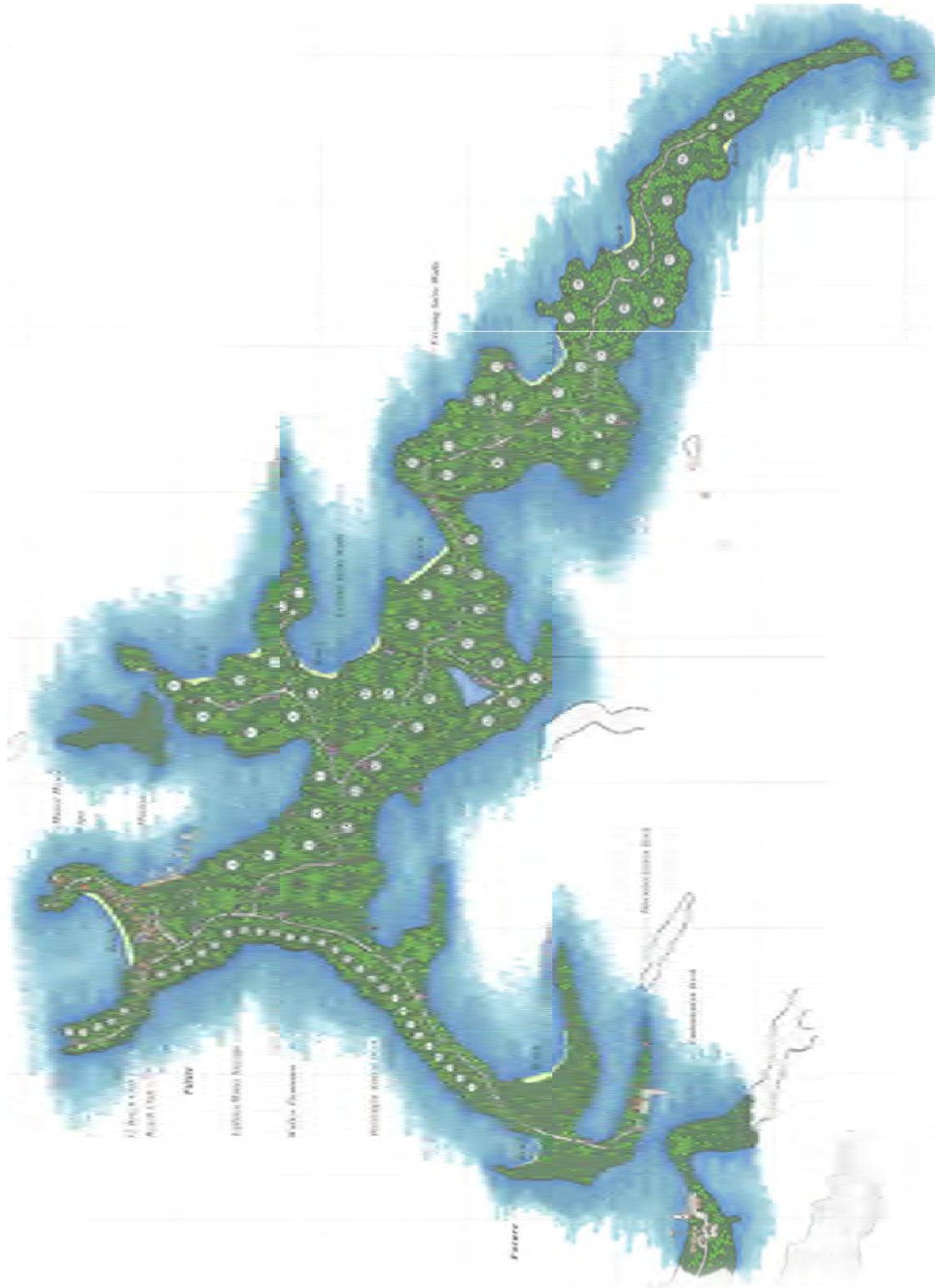
Islands Magazine has recognized Exuma as one of the top five islands in the world on which to live--and the only island in The Bahamas or the Caribbean that was recognized. While the entire Bahamas chain is renowned for its clear turquoise water, the area from the Exumas stretching to the south and east toward the Caribbean is particularly vivid and clear. The islands reside directly on the Tropic of Cancer allowing sunlight to illuminate the water from a higher angle, reflecting a deeper and more brilliant color.

## INTRODUCTION

### Identification of Property

Crab Cay Master Planned Community

Crab Cay, Queen Elizabeth Harbor, Great Exuma, The Bahamas



**Intended Use and Users of the Appraisal**

This appraisal is intended to provide an opinion of the market value as-is (land value with entitlements and partially completed infrastructure), upon completion of construction (roadways, infrastructure, master developer completed homes, hotel, spa and miscellaneous improvements), upon stabilized occupancy of hotels and marina, of the Fee Simple interest in the property for the use of CN Luxury Resorts, Inc., their investment advisors and their investors to assist in making management decisions. All other uses and users are unintended.

**Dates of Inspection and Valuation**

The as-is conclusions are as of October 15, 2018. The property was inspected by Ryan P. Lin, MAI in 2007, 2009 and 2015. No formal inspection was made in the course of this assignment, but as it is reported, the subject's property condition has not changed since the prior inspections. Ryan P. Lin, MAI gathered and analyzed considerable data and information having a bearing on its values.

**Personal Property, Fixtures, and Intangible Items**

This appraisal did include personal property, fixtures, equipment, or intangibles associated with the hotel valuation upon stabilization. The contributory value of such items was applicable for this assignment and was reflected in the hotel value conclusions.

**Property Rights Appraised**

Fee Simple interest.

**Scope of the Appraisal**

This is an appraisal report intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice (USPAP). In addition, the report was also prepared to conform to the requirements of the Code of Professional Ethics of the Appraisal Institute.

In preparation of this appraisal, we investigated numerous bulk land, finished lots, hotel, home and condominium sales in the subject's market, analyzed listing data, and considered the input of buyers, sellers, general contractors, utility developers, brokers, property developers and public officials. Additionally, we investigated the general regional economy as well as the specifics of the local area of the subject.

The scope of this appraisal required collecting primary and secondary data relative to the subject property. The depth of the analysis is intended to be appropriate in relation to the significance of the appraisal issues as presented herein. The data have been analyzed and confirmed with sources believed to be reliable, in the normal course of business, leading to the value conclusions set forth in this report. In the context of completing this report, we have made a physical inspection of the subject property and most of the lot, bulk land, improved sales and hotel rental comparables. The valuation process involved utilizing generally accepted market-derived methods and procedures considered appropriate to the assignment.

This appraisal employs the Cost Approach, Sales Comparison Approach and Income Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered necessary and applicable for market participants.

**Exposure Time**

The value opinion presumes that "A reasonable time is allowed for exposure in the open market." Exposure time is defined as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of property and under various market conditions. As noted above, exposure time is always presumed to precede the effective date of appraisal. It is the length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective opinion based on an analysis of past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

There are a number of pending sales included within the Sales Comparison Approach, for both the entire property and various lot and bulk land inventory. Partially and completed resort master planned projects for sale have just in the last two years been brought back to the market, primarily due to the need to 'unwind' ownership and/or financing structures that were in place prior to 2008.

Brokers at Abaco Estates, HG Christie's and CBRE indicated if the subject property was listed for sale, it would sell within 24 months. Based on our discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately twenty-four (24) months. This assumes an active and professional marketing plan would have been employed by the current owner.

**Legal Description**

No legal description was provided. However, various maps are included within this report and a short legal description of the site can be found within the appraiser's files.

**Property History**

The subject was purchased over five years ago by Murphy Family Trust who funded the initial infrastructure, bridge, dredged the channel from the marina to deep water and the marina basin, land plans, preliminary building plans, processed the government approvals including the Heads of Agreement and assembled significant marketing materials. Luxury Resorts, Inc. is looking to purchase the property with their investors at a price to be negotiated, that could include an initial payment and seller participation in future cash flows.

**Extraordinary Assumptions**

An extraordinary assumption is defined by USPAP as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

The property has been purchased and the owners have completed the necessary land use plans, and architectural schematics for the property. As the pre-development project matures, engineering, cost estimates, utility concept analysis and more defined details relative to subdivision parcels will be developed. Further, Crab Cay Master Planned Community is in a unique position, as one of the largest upscale resort developments in The Bahamas, with a mega-yacht marina. At full occupancy, this project would house almost 800 resort guests and second homeowners and require up to 200 employees to service the project. The infrastructure required for this development is substantial.

The conclusions assume the owner / developer has the financial wherewithall to complete infrastructure, hotels and marina. We also assume the development has all of the necessary government approvals for infrastructure, vertical home /resort development and private utility ownership is obtained and utilities can be developed in sufficient capacity to provide project build -ut, as planned. This includes recent approvals as follows:

- The Environmental Impact Statement was initiated in 2002, and has had various amendments to include Land Use Plan, Shoreline Stabilization Plan, Geotechnical Analysis, Grading and Coastal Construction Plan, Resource Management Plan and Socioeconomic Benefit study.
- First American / IDM has reported that insurable Title is available.
- On Heads of Agreement, initially date June 2, 2003 indicates the land is owned in fee simple. Little Crab Cay (located off the eastern coast of Crab Cay) with approximately 6 acres, is owned by the Crown (Bahamas), but can be purchased in fee simple and developed by the Crab Cay Master Plan master developer. Development is subject to approval from the BEST Commission and other government agencies, who will monitor the development for compliance. The Government approve a seabed “lease” for the 1,260,000 square feet for the Marina Site. Total investment of not less than \$243,000,000 was proposed for the project.
- The Governor of the The Bahamas has reviewed the project, master plan and marketing materials and is a strong proponent of the project.

Although the infrastructure will be built in phases, the prospective date of value was made at a time where lot / bulk parcel sales could occur. In large projects of this type, infrasture across the entire property is rarely completed at one time and in advance of any sales. Therefore, while the prospective date of value assumes infrastructure completion, it is likely that infrastructure will be phased one to two years following the prospective value date.

Acceptance of, and/or use of this report constitutes acceptance of the above extraordinary assumptions.

### **Hypothetical Conditions**

A hypothetical condition is defined by the *USPAP* (2006 Edition, The Appraisal Foundation) as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property;

or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

For purposes of this report, the Aggregate Retail Revenues is the sum of a number of individual market values of discrete units of realty: e.g., finished sites, condominiums, detached single family residences, individual units in a planned unit development, etc. Aggregate Retail Revenues is not a market value. The basic assumptions underlying this value is that each unit will be sold individually at full market (retail) price (i.e., market value) to as many buyers as there are units on the same (effective) date of value. In the market valuation process each unit is individually valued based on market evidence. Then, those individual market values are totaled to arrive at the Aggregate Retail Revenues. Further, the scope of the assignment included providing a hypothetical market value “upon completion of construction (roadways, infrastructure, landscaping)” estimate of finished lots, superpads, completed construction, etc. as of the date of value. The “upon completion of construction (roadways, infrastructure, landscaping)” estimate was a hypothetical valuation scenario.

## THE BAHAMAS OVERVIEW



### Overview

The Commonwealth of the Bahamas is an island nation consisting of an archipelago of 700 islands that extends from 50 miles SE of the coast of Florida to a point north of Haiti. The total area of the Bahamas is roughly 5,379 square miles, although only 30 of the 700 islands are inhabited. New Providence and Grand Bahama are the two principal islands of the Bahamas. Nassau, situated on New Providence Island, is the Commonwealth's capital. The other inhabited islands are commonly referred to as the "out-islands," the largest of which are Abaco, Acklins/Crooked Island, Andros, Berry Islands, Bimini, Cat Island, Eleuthera, Exumas, Inagua, Long Island, Mayaguana, and San Salvador.

The Bahamas maintain a flourishing role as one of the world's most favored year-round tourist destinations.

### Climate

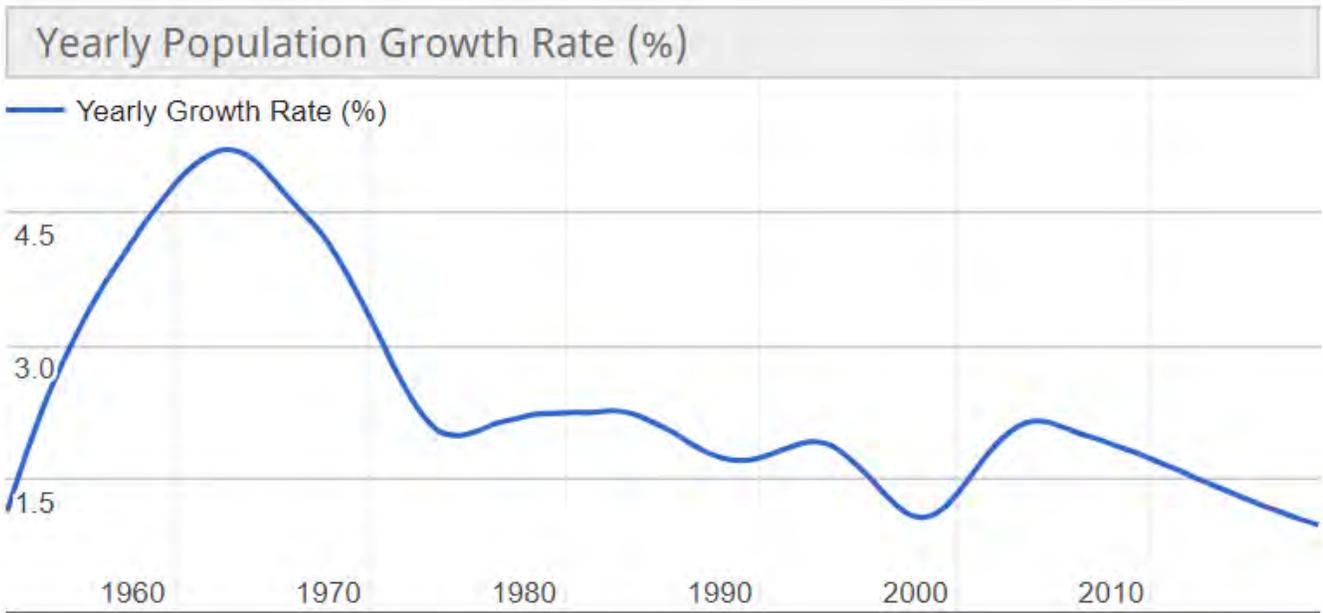
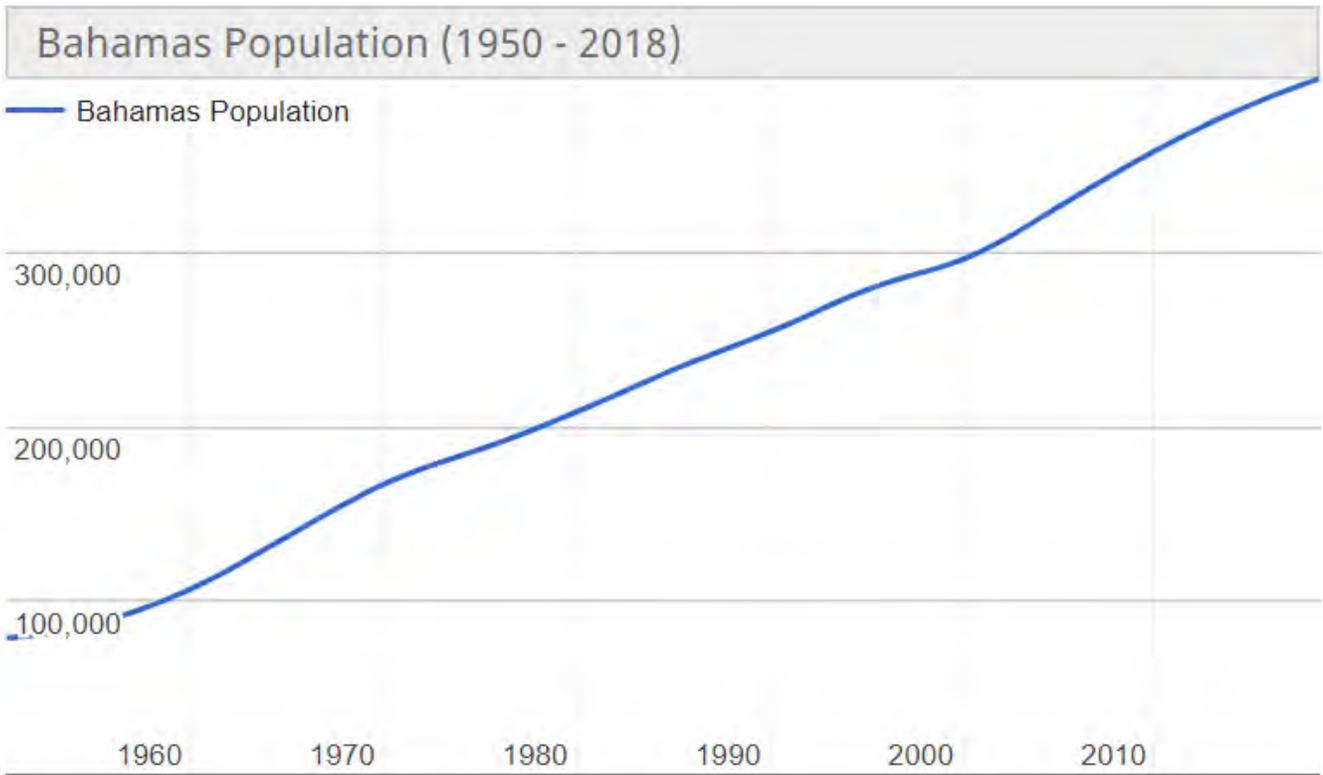
The Tropic of Cancer crosses Little Exuma approximately 100 miles south of the subject property. The Islands of The Bahamas enjoy the idyllic climate most people associated with tropic seas. The temperatures seldom drop below 60 degrees (F), or rise above 90 degrees (F). Most of the rain comes in brief summer showers. Abaco receives approximately 42 inches of rain annually. The surrounding sea normally ranges from the low 80's in the summer, to about 74 degrees (F) in midwinter.

## **Government**

The government has enacted a multi-million dollar advertising campaign, targeting United States and European vacationers. The government's focus on tourism is indicative of it being one of the major economic stimuli in the economy. Thus, the government has continued to provide incentives to the industry, one of which is the Hotel Encouragement Act. This Act provides tax and other economic incentives to the hotel industry

## **Population**

The following tables illustrate population growth for the country:



- The population density in Bahamas-is 40 per square kilometers (103 people per square miles).
- The total land area is 10,010 square kilometers (3,865 square miles)
- 83.5 % of the population is urban (333,441 people in 2018)
- The median age in Bahamas-is 32.9 years.

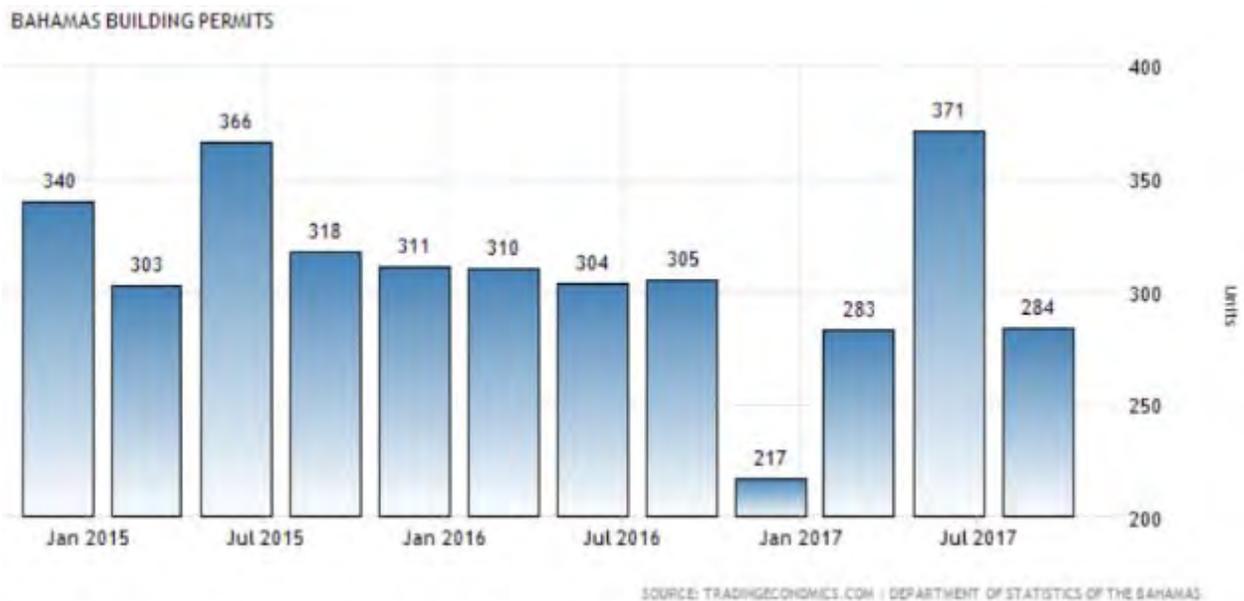
**Number of Households and Household Incomes**

Island	Total Population	Males	Females	Number of Households
EXUMA AND CAYS	3,571	1,875	1,696	1,133

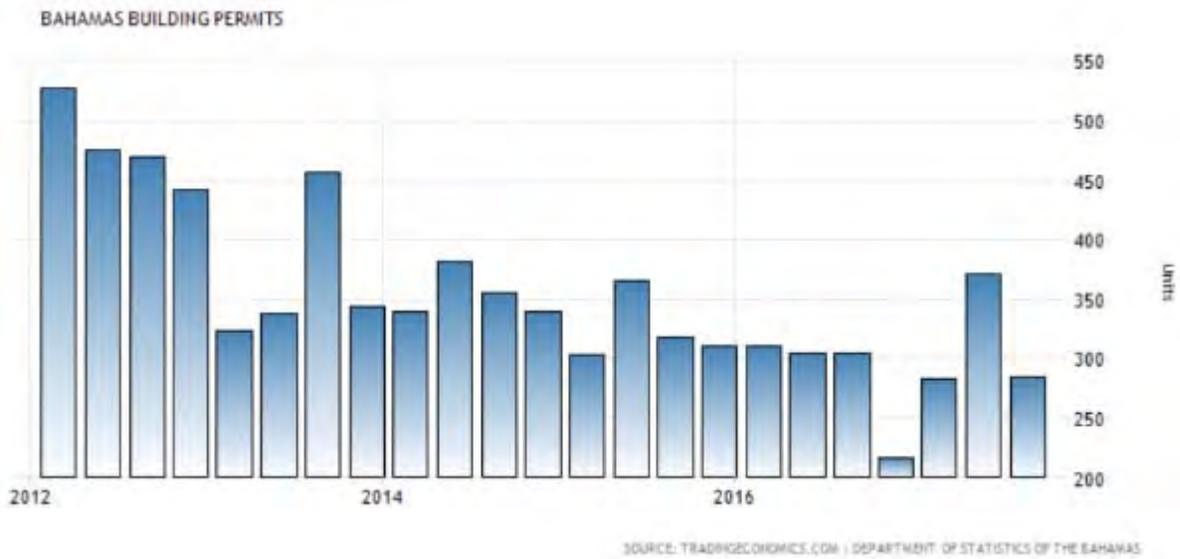
Resort home product caters to international resort owners and is not reflected in the population and household numbers. The following is a summary of the country’s builder permit characteristics.

**Building Permits**

Building Permits in Bahamas decreased to 284 Units in the third quarter of 2017 from 371 Units in the second quarter of 2017. Building Permits in Bahamas averaged 355.13 Units from 2012 until 2017, reaching an all time high of 528 Units in the first quarter of 2012 and a record low of 217 Units in the fourth quarter of 2016.

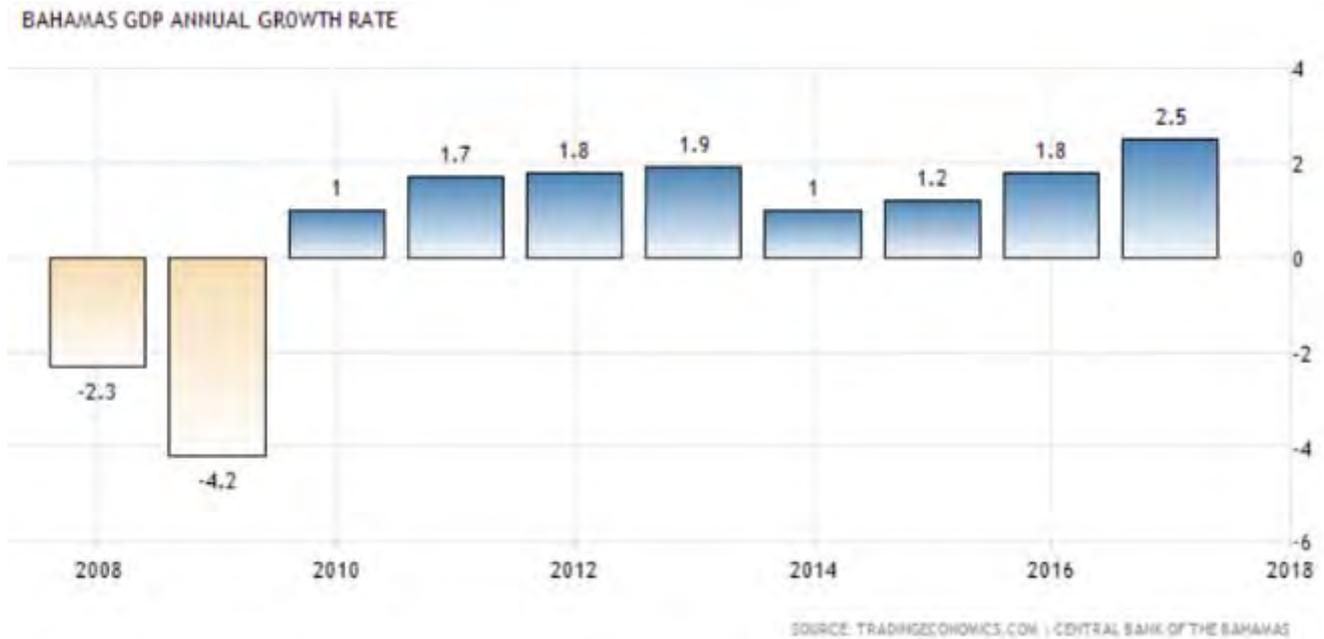


While building permits spiked in 3Q 2017, they have been on a downward trend for the last 10 years:



**Workforce Characteristics**

The Bahamas is a stable and developing nation with an economy heavily dependent on tourism and offshore banking. The Bahamas has become a favorite for international investment, and of particular attraction is the tax-free economy, where there are no taxes on corporate earnings, or capital gains. Since 2010, the economy has been expanding.



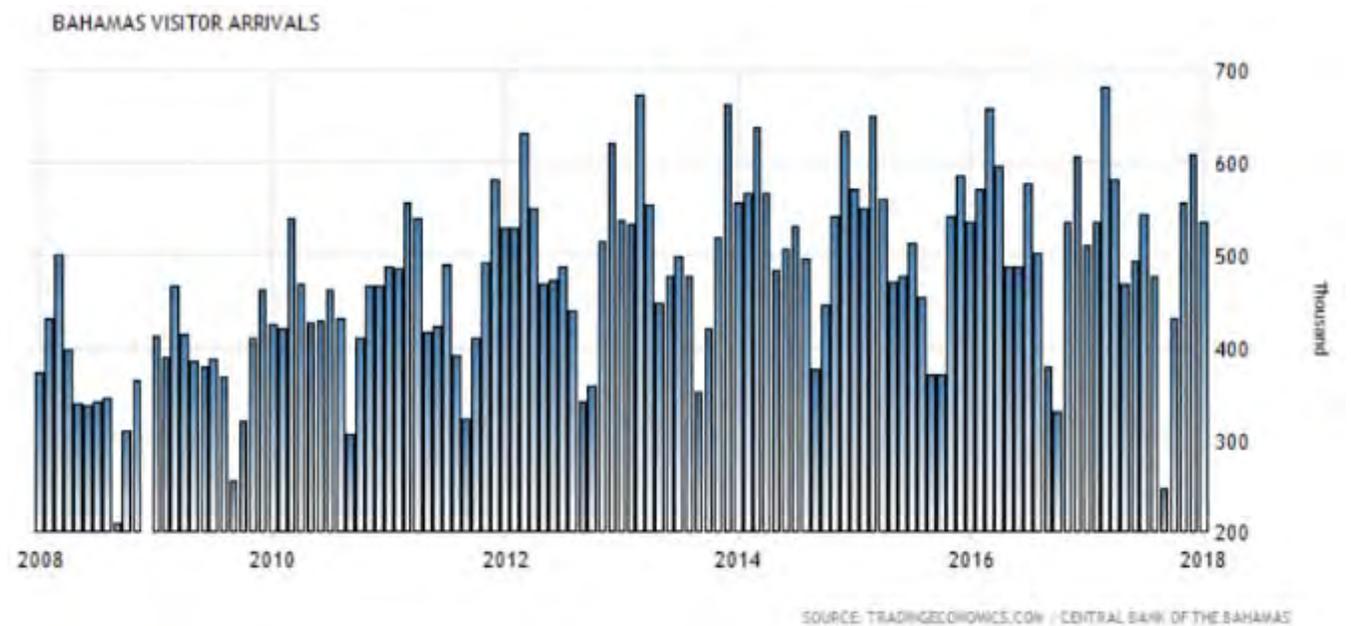
The Government also looks favorably upon projects that will provide revenue to the Islands, and streamlines the process to approve this type of activity, especially in the areas of finance, tourism, insurance, shipping and manufacturing.

**Tourism Industry**

Bahamas tourism trends have been positive and projected to continue:



The same data on a different chart showing monthly tourism follows:



As shown, there is some volatility of traffic throughout the year, with summer being the highest traveled:

Bahamas Trade	Last	Previous	Highest	Lowest	Unit
<a href="#">Tourist Arrivals</a>	535.10	609.60	682.70	150.30	Thousand

It should be noted that tourism is considered the largest industry in the Bahamas with the most significant economic impact to the nation's gross domestic product.

Overall growth prospects in the near term will depend heavily on the fortunes of the tourism sector and growth in the United States economy. While the Bahamas tourism industry is private-sector driven, in 1992, some 20% of the hotel room inventory was owned by the government. In recent years, most government-owned hotels have been purchased and refurbished by Jamaican, Italian, Danish, Swiss, and other international investors. Government ownership of hotels has been reduced to some 5% of the country's room inventory.

Exemptions from property tax and customs duty for companies investing in hotel and resort development have stimulated renovation and encouraged the construction of new hotels for the first time since 1989. Major tourism resort development has been concentrated in the two main vacation destinations in the Bahamas:

- New Providence (Nassau/Paradise Island); and
- Grand Bahamas (Freeport/Lucaya).

Currently, Cable Beach was opened in 2017 with Baha Mar. Combined with its Casino, Conference Center, four anchor hotels and approximately 4,500 rooms, it is the destination in Nassau, competing only with Atlantis. Many plans are being discussed for developments on Grand Bahama with one competing in size with Bah Mar and Atlantis. BAHAMAR

Acres: 1,000

The \$4.2 billion, 1,000-acre development on a half-mile of beachfront in Nassau has a price range: \$248 - \$483 (Based on Average Rates for a Standard Room).

Baha Mar comprises three hotel brands — Grand Hyatt, SLS Hotels and Rosewood Hotels & Resorts — for a total of 2,300 rooms. Grand Hyatt, with 1,800 rooms, is the largest and will be previewing on opening day; with nightly rates in the mid-\$300 range, it's also the most affordable. The 300-room SLS, with starting rates at upward of \$500 a night, will debut later this year, and the 200-room Rosewood, the most upscale of the three with room prices from \$700, is scheduled to open next spring (Grand Hyatt is open for invited guests initially and is accepting paid reservations for late May).

But accommodations are only a component of Baha Mar: The project also includes a 100,000-square-foot casino — the largest in the Caribbean — that overlooks the ocean, according to Baha Mar's president, Graeme Davis; 42 restaurants and lounges; 30 luxury retailers including Rolex and Bulgari; an 18-hole Jack Nicklaus Signature Golf Course and Golf Club; 11 swimming pools surrounded by more than 250 palm trees; and a free-standing Espa brand spa with 24 treatment rooms (white marble plays a prominent role). The casino, the golf course, seven of the swimming pools, a part of the spa and a handful of retailers and restaurants will be open on April 21, while the rest of the amenities are scheduled to be introduced over the next year.

Large-scale flashy resorts, in the vein of those in Macau and Las Vegas, may not be an anomaly today, but the drama leading up to Baha Mar's opening sets it apart from the bunch: The Nassau-based development

group BMD Holdings Ltd., led by the chief executive Sarkis Izmirlian, announced plans for the project, then a \$1.6 billion venture, with much fanfare in late 2005.

However, low-impact, environmentally sensitive resorts exist on virtually all of the other 16 main inhabited islands of the Bahamas chain, and all represent excellent opportunities for tourism development.

Eco-tourism is a focal point for development of the "out," or "family," islands, which include all the islands of the Bahamas, except New Providence and Grand Bahamas. Although the size of the Bahamas is traditionally estimated by its land mass (roughly 5,379 square miles, including many tiny, uninhabited rocks, isles and Cays), these islands extend over a marine territory of about 100,000 square miles. This marine territory is as important as the landmass itself. Most people come to the Bahamas for its beaches, clear waters, and abundant and varied marine life. Almost 5% of the world's coral reefs are located in the Bahamas.

Gaming is another attraction in the Bahamas, with major casinos in the Atlantis Resort and Baha Mar at Cable Beach. The former Lucayan Beach Resort and Casino in Freeport reopened after a thorough renovation as Our Lucaya Resort but has languished. A new Resort and Casino is being proposed for Grand Bahama that will be similar in size as Baha Mar and Atlantis. This should rejuvenate Grand Bahama and return it to a tourist destination.

### Passenger Traffic

Six major airports in the Bahamas are served by various international airlines, including Delta Airlines, Carnival Airlines, AOM, British Airways, Air Jamaica, American Eagle, USAir, United / Continental Airlines, Laker Airways, Spirit, JetBlue and Air Canada, allowing direct flights to and from key destinations in Europe, North and America, and the Caribbean, with connections around the globe. The airport in Nassau is the 6<sup>th</sup> most visited in the Caribbean.

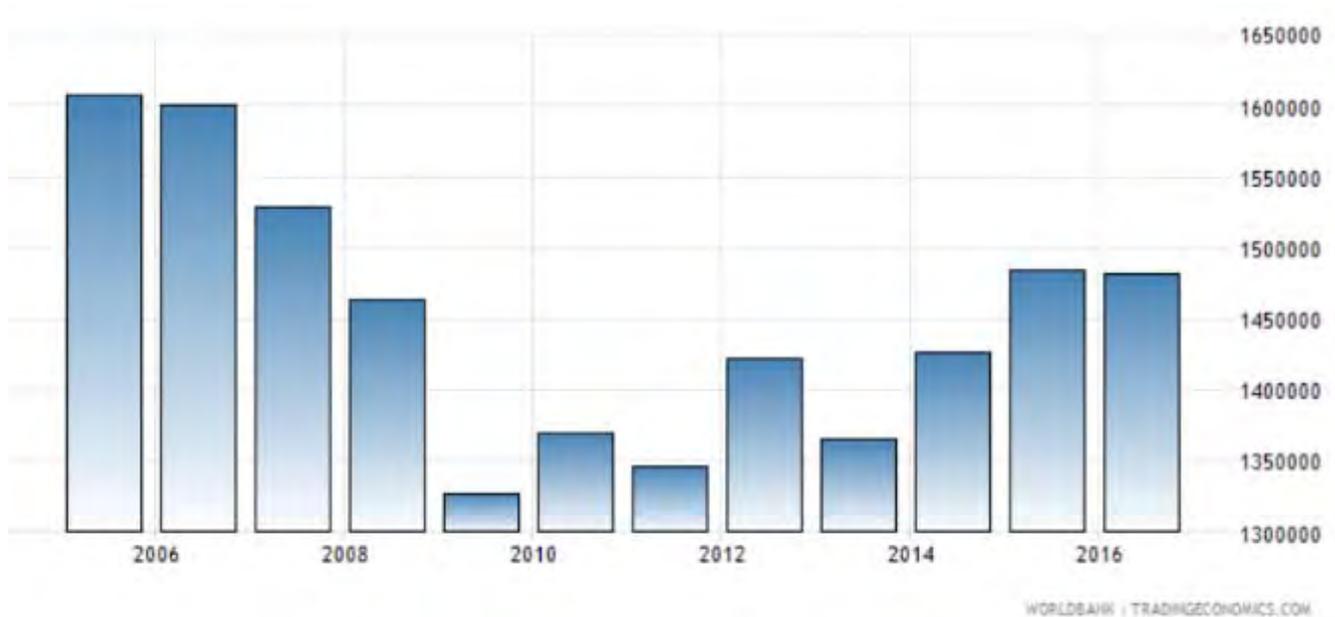
### Busiest Airports in the Caribbean

Rank	Country/Region	Airport name	IATA/ICAO Code	City Served	Passengers
1.	Puerto Rico	Luis Muñoz Marín International Airport	SJU/TJSJ	San Juan	8,808,028
2.	Dominican Republic	Punta Cana International Airport	PUJ/MDPC	Punta Cana	6,366,552
3.	Cuba	José Martí International Airport	HAV/MUHA	Havana	5,713,859
4.	Jamaica	Sangster International Airport	MBJ/MKJS	Montego Bay	4,284,558
5.	Dominican Republic	Las Americas International Airport	SDQ/MDSD	Santo Domingo	3,537,306
6.	Bahamas	Lynden Pindling International Airport	NAS/MYNN	Nassau	3,339,876

Exuma International Airport serves the city of George Town directly from Nassau, Miami, Atlanta, Norfolk, and Toronto.

A total of 23 seaports dot the Bahamas, allowing for regular shipping connections to the Americas and Europe. The Bahamas is one of the world's most-visited cruise ship destinations, receiving some 40% of all cruise visitors to the Caribbean region. The Cruise ship terminal in Nassau was upgraded approximately three years ago to accommodate the largest operating Cruise ship, the Oasis of the Seas. Cruise lines servicing the Bahamas include Discovery, Costa Cruise Line, Premier Cruise Line, Carnival Cruise Line, Royal Caribbean, Disney, and Norwegian Cruise Lines. Additionally, the Government has recently completed the new container port at Arawak Cay to service the large and increasing volume of container traffic for Nassau and the out islands. The table below summarizes the volume of inbound passenger traffic to the Bahamas overall, from 2006 through 2016.

### Inbound Tourism, International



The above data indicate a slight decline in arrivals to the Bahamas from 2006, attributable to the global economic crisis. Beginning in 2016 however, the arrivals began increasing and have continued on this steady upward trend in 2017. This clearly shows that the Bahamas to be a desired destination.

## LODGING MARKET SUPPLY AND DEMAND ANALYSIS

### NEW HOTEL PROJECTS APPROVED

According to the most recent Caribbean-Mexico hotel pipeline report from analytics firm STR, the Dominican Republic had 3,525 rooms in construction in January, more than any other destination in the Caribbean.

### Hotel Announcements



In the Bahamas, the following projects were under construction or completed in 2017 and 2018:

1. **Baha Mar** - In its newest iteration under new owner CTFE (which owns Rosewood), the hotel had a “phased opening” in April 2018 and now is fully operational with a casino hotel, convention center and golf course.
2. **The Other Side** - On the completely opposite end of the Bahamian spectrum is The Other Side, a solar-powered collection of not-inexpensive tents and shacks on quiet Eleuthera Island.
3. **Bahama House** - Those in the know are beelining to laid-back hotspot Harbour Island for Bahama House, a carefully renovated 19th-century colonial decked out in Bahamian style. But what sets this

apart from other hotels is that it's the latest offering from Eleven Experience, an adventure travel company that specializes in customizing local experiences. For example, Bahama House can arrange bonefishing, deep-sea fishing, jet skiing or horseback riding on the beach, although it's understandable if Harbour Island escapees simply want to while away the hours on the beach. Of course there are plenty of reasons to hang out at Bahama House as well, namely 11 rooms, some with four-poster, king-size beds; two cottages; proper tiki and rum bars; and a freshwater pool with underwater speakers. Unlike other boutique properties, the nightly rate includes prearrival planning, customized itineraries, a gourmet breakfast spread, private concierge service and a full day of professional photography.

4. **Margaritaville Resort** - Aimbridge Hospitality signed on to manage a new Margaritaville Resort in development for Nassau, Bahamas. The Jimmy Buffett-inspired resort is currently under construction and set to begin a partial opening by the end of 2019. The \$250-million hotel will consist of 150 guestrooms, 148 oceanfront residences, meeting space for 400, signature Margaritaville food-and-beverage concepts, an entertainment center, a kid's club, a spa and a cascading water pool. The Margaritaville Beach Resort and Marina's six-acre development centered at The Pointe will also include an open-air shopping concourse, movie theater, bowling alley and outdoor performance stage. The resort's water park will be the largest of all the Margaritaville resorts. The resort will offer eight restaurant experiences. Other amenities will include access to the St. Somewhere Spa, retail huts, a private beach and a special blue diving pool. The 45-slip marina will include modern floating berths for up to 150-foot yachts.

While not a hotel in the strictest sense, the accommodations are far more luxurious than the average hotel room, with three beachfront sleeping "tents" that are more like cottages, each furnished with hardwood floors, four-poster beds, two couches and modern décor; meanwhile, the "shacks" take it to the next level with decks and dual sinks.

Although The Bahamas weathered Hurricane Irma, the strongest storm ever recorded in the Atlantic, 2,000,000+ hotel room nights were damaged and are a major reason why undamaged hotels have seen such an increase in occupancy:

### **List of Damaged Hotels in the Caribbean Basin**

#### **Anguilla**

- 1 CuisinArt Golf Resort & Spa and The Reef by CuisinArt- This property was significantly affected, and their engineers are presently assessing the full extent of the damage. The ownership and management are committed to restoring, rebuilding and reopening, as well as doing everything possible to help and support their employees.
- 2 Four Seasons Resort and Residences Anguilla- Experienced major damage to the resort and the company CEO Barry Sternlicht says "Property was ripped apart and it looks like a nuclear bomb went off. Over \$20 million in damage."

- 3 Quintessence Boutique Resort- The property sustained a fair amount of damage and the proposed November 1 opening will now be delayed indefinitely.

**Barbuda**

- 1 Sad to report: the entire island of around 1,800 people has been evacuated. According to Ambassador Ronald Sanders, “For the first time in 300 years, there’s not a single living person on the island of Barbuda — a civilization that has existed on that island for over 300 years has now been extinguished.”

**BVI**

- 1 Peter Island Resort & Spa- Major damage reported
- 2 Biras Creek Resort- Major damage reported

**Virgin Gorda**

- 1 Bitter End Yacht Club - Major damage to the resort and is in the process of estimating the future rebuild.
- 2 Oil Nut Bay- Damage was reported but fortunately they have a bunker and staff is safe.
- 3 Rosewood Little Dix Bay: Resort was closed for renovation and they are in the process of cleanup.

**Tortola**

- 1 The Island Last Resort- this popular restaurant, wedding destination experienced severe damage.

**Jost Van Dyke**

- 1 Mosquito Island- Destroyed with severe structural damage
- 2 Necker Island- Destroyed with severe structural damage
- 3 Saba Rock- Destroyed with severe structural damage.

**St. Bart**

- 1 The Eden Rock Hotel- Received heavy structural damage and flooding and are in the process of cleanup and rebuilding.
- 2 Cheval Blanc St-Barth Isle de France- Extensive exterior damage. Not re-opening until 2018
- 3 Nikki Beach- Destroyed and will need to be rebuilt. Will not open for the 2017 season
- 4 Tom Beach- Destroyed and will need to be rebuilt

**St Maarten/ St Martin**

- 1 Beach Plaza- Badly damaged
- 2 Esmeralda Resort- Almost 70% destroyed
- 3 Hotel Mercure- Damaged

- 4 Grand Case Beach Club- Severe damage and will not open until 2018
- 5 Oyster Bay Beach Resort: Significant damage was reported
- 6 Riu Palace St. Martin: Infrastructure is severely affected.
- 7 Sonesta: Resort damage is severe. All further reservations from now through the end of 2017 have been canceled.
- 8 Westin Dawn Beach: Significant damage was reported

**St Johns**

- 1 St. John Westin- received heavy damage

**St Thomas**

- 1 Bluebeard's Castle Resort: sustained major damage
- 2 Sugar Bay Resort & Spa: Sustained significant property damage. Opening date to be determined.
- 3 The Ritz-Carlton- sustained damage and is closed until further notice.

With over 2,000,000 hotel room nights lost, previous guest of these hotels will be looking for new opportunities and a new hotel at Crab Cay Master Planned Community will meet their expectations for both the near term and into the future. As a result, there is no better time to build a hotel at Crab Cay Master Planned Community.

## COMPETITIVE MARKET OVERVIEW

The developer's of CN Luxury Resorts, Inc. intends to offer the following different types of real estate products:

1. Beach Real Estate
2. Condominium Real Estate
3. Hotel, Beach Club, Restaurants

The marina will also offer for-sale product from dockominium sales, that will represent the purchase of a long-term lease agreement with the same time-line and renewals as outlined in the Government's Seabed Lease for the Crab Cay Master Planned Community Marina.

This diversity provides for various products oriented to the extreme upper income market demand. While the owner intends to internally develop the infrastructure, marina, hotel, restaurants and a few finished homes, the valuation analysis required the economics of finished lot and bulk parcels to subdevelopers. The success of the project is dependent upon the initial execution strategy by placing emphasis on a variety of products in every stage of the development. The target market relative to real estate buyers of homes and condominiums is:

1. High net worth individuals from Europe who are interested in resort real estate and wish to live in an eco-environment – these individuals are particularly attracted to smaller residential units, like the condominium and condo-hotel units being constructed;
2. High net worth individuals from America who are interested in resort real estate and wish to live in an eco-environment – these individuals are particularly attracted to larger residential units and the sport fishing evidenced at the location (Americans spend more money on fishing than any other recreational event);
3. Yacht and Mega-Yacht owners interested in the safety of mooring in Crab Cay and Queen Elizabeth Harbor. They are also attracted to the beauty of the environment and a combination of world-class yachting, safety / security and hotel and retail amenities will attract the wealthiest boating enthusiasts in the world.
4. Bahamian expatriates (1+ million of them live in the United States) who are interested in owning a high quality property in their homeland for use as a vacation home or as a source of income;
5. The international travelers looking for an adventure travel area that remains at its development infancy and is an attractive place to spend leisure time; and
6. Investors looking to purchase lots for appreciation or lower priced home inventory to put into rental pools that can reach potential guests worldwide through websites like AirBnB and VRBO.

A review of the buyers at the competitive projects substantiate that the project's potential customers and investors, in order of demand, will be based in the following countries:

- United States
- Europe (United Kingdom, Spain, Germany, Belgium, France)
- Canada
- South American
- East Europe (Russia)
- Asia

The process of marketing a resort community of this type requires an integrated campaign with hotel management companies. Over 20% of new upscale real estate buyers in South Florida are of international origin and it is logical to market to those international markets for prospective buyers.

### **Recent Updates**

The Caribbean's hotel industry saw a strong rebound in September 2018, according to the latest data from hotel analytics firm STR.

- Caribbean hotel occupancy was 48.8 percent in September, a 6.9 percent increase over the same month in 2017 that was the region's second positive year-over-year monthly change all year. Of course, the improvement was in part due to last September's major hurricanes — but the occupancy numbers were not far removed from previous Septembers in years like 2014 and 2015.
- Average daily rates rose by 3.4 percent to \$152.59 in September, while revenue per available room (RevPar) rose by 10.5 percent to \$74.49.
- For the year, Caribbean hotel occupancy is at 66.9 percent, a small 0.7 percent decline compared to the first nine months of 2017. The decline was due to the 2,000,000+ hotel room nights down due to needed repairs from Hurricane Irma.

STR's data surveyed 1,936 properties comprising 250,859 total rooms in the wider Caribbean region. The Bahamas' economy is considered one of the most stable in the Caribbean thanks to its close ties and proximity to the United States

### **Bahamas Tourism Is Booming in 2018**

The Bahamas reported a whopping 18 percent surge in stopover visitors in the first quarter of 2018, the fastest rate of growth in the region. That was announced by Bahamas Tourism Minister Dionisio D'Aguilar during a keynote presentation on July 2018 at Caribbean Week in New York. According to D'Aguilar, the 18 percent rise meant an extra 63,000 visitors in the period.

"We're very bullish on 2018," said D'Aguilar, who is concluding his term as the chairman of the Caribbean Tourism Organization.

International arrivals to The Bahamas are up 10.2 percent year to date, according to the Ministry of Tourism. The arrivals growth trend began last October.

Strong economies in the United States and Canada, loss of rooms in the Caribbean due to storm damage from the last hurricane season and the opening of Baha Mar all contribute to the growth. There has been a 29.6 percent increase in arrivals from Canada through July.

The Ministry of Tourism expects higher arrivals numbers for the rest of the year, with bookings up 6.7 percent in August through October and up 10 percent for November and December.

“The Ministry of Tourism and Aviation restarted robust marketing and communications efforts in North America, telling The Bahamas travel story to consumers by bringing travel journalists and digital influencers to the country, and using strategic content and digital amplification to reach travel decision makers,” it said in a release on Sunday.

“The ministry is already underway with the marketing program for 2018-2019 and anticipates continued business growth supported by this work.”

With tourism being our number one industry, there is hope that good times are here again in The Bahamas. The economy is projected to grow by 2.5 percent this year, and 2.25 percent in 2019.

“Lynden Pindling International Airport has reported historic arrival numbers for the country’s premier airport facility. Browse Nassau hotels on Trip Advisor for this coming weekend and you may see that most of the hotels are projected to sell out soon and we are seeing very strong occupancy rates. These outcomes are validation of the sales, marketing and communications work we have been doing,” said Minister of Tourism Dionisio D’Aguilar.

A booming tourism business in 2018 could help offset any slowdown to the economy caused by the increase in value-added tax (VAT) as of July 1 this year.

The closure of the Grand Lucayan in Grand Bahama since the fall of 2016 means that island is not benefitting as fully as it should from a good year in tourism. The government plans to buy the hotel, and apparently flip it, taking it out of the hands of Hutchison Whampoa, the current owner. A fire-sale is then likely if a buyer could be found.

Grand Bahama’s fall-off has made the Family Islands, as a combined unit, the second largest air arrivals component in Bahamian tourism. Last year 285,398 visitors came in planes to these islands – the highest recorded total. Boutique hotels and homes available via online marketplaces such as Airbnb and HomeAway are driving visitors to these islands.

Tourism is overwhelmingly the main industry in the country. This year our stopover segment is growing too, whereas in recent years it’s just been the cruise business.

The Baha Mar recently debuted the final phase of its development, the new Rosewood Baha Mar, at the end of last month.



*Baha Mar*

It’s also due in part to a veritable renaissance for the Out Islands of the Bahamas, which have been making a major push to promote islands like Cat Island, Harbour Island, Acklins Island, Long Island and Bimini, among others. “The Out Islands are very vibrant right now,” D’Aguilar told *Caribbean Journal*. “They’re certainly very robust, and we’re expecting a record number of foreign visitors to those islands in 2018.”

That could mean a projected 300,000 visitors to the Out Islands, this year, D’Aguilar said.



*Valentines on Harbour Island.*

“Hotel members of the Bahama Out Islands Promotion Board in all categories (hotels with more than 50 rooms and hotels with 50 rooms and under in the Northern, Central and Southern Bahamas) showed increases in Room Nights Sold for the January – April period when compared to the same period in 2017,” said Kerry Fountain, executive director of the Bahamas Out Islands Promotion Board. “Furthermore, forecasts for the May – July period, when compared to the May – July period in 2017, also point to across-the-board increases in Room Nights Sold. While this is indeed good news, there is still tremendous potential for further growth if we were to establish a true hub to these islands via Nassau, thus providing more convenient and more affordable one-stop service to all of our islands.”

It was a major turnaround for the destination following a sluggish 2017 during which The Bahamas reported a 2.1 percent reduction in stayover arrivals, in large part due to a pair of hurricanes in the previous two years.

That’s due to a number of factors, from new airlift from carriers like Southwest Airlines and JetBlue (and more on the way from airlines including Delta) and the finally-complete opening of the 2,300 room Baha Mar megaresort. As a result, increased air traffic is occurring:

- American Airlines is expanding its service to the Bahamas this coming winter. The world’s largest airline has announced the planned launch of new flights between Charlotte and Marsh Harbour airport in Abaco. The new route, which will begin Dec. 22, will operate year-round on Saturdays, according to a statement from American Airlines. It’s another boost for one of the hottest destinations in the region, a haven for boaters and island lovers drawn to beaches like the world-famous Treasure Cay and island-hopping to bucket-list spots like Green Turtle Cay and Great Guana Cay.
- Silver Airways Begins Operating Flights From Tampa to Abaco - Silver Airways has officially begun flights between Tampa, Fla. and Marsh Harbour, Abaco in the Bahamas. The flights include twice-weekly nonstop flights between Tampa and Marsh Harbour on Saturdays and Sundays. Silver is a major carrier between Florida and the Bahamas, including flights to Marsh Harbour, Treasure Cay, Governor’s Harbour, North Eleuthera, George Town and Bimini. In a statement, the Bahamian government said the new route offered “ease of travel between Tampa Bay and the Abacos, a premier boating haven in the region, and of course facilitates sport fishermen and leisure travelers for whom Abaco is like home away from home.”
- Marsh Harbour debuted a totally revamped airport last year, New International Airport Terminal in Abaco:



**Abaco:** The Bahamas has officially opened the new 46,000-square-foot international terminal at Marsh Harbour in Abaco. “This is a new phase in our growth and development,” Bahamas Tourism Minister Obie Wilchcombe said. “We are in a revolutionary age where we see new growth and development throughout The Bahamas. It is not just New Providence or Grand Bahama but also Abaco, which is fundamental in our development. So this is a major stride for the country’s tourism industry.” Donald Dean, the chief project architect for the terminal, said it had been designed in the typical “Abaco” style, with hardy planks and coral stones combined with traditional materials. The terminal was built by FES Construction, led by James Edgecombe.

Found in the Northern Bahamas region, the Abacos form a 120-mile chain of islands stretching over 650 square miles. The most popular of the islands are the Great Abaco Island and Little Abaco.

- A 5-bedroom, 5-bathroom 3,675 sq.ft. single family home in Treasure Cay sells for \$2.5 million
- A 125,322 sq.ft. single family home located in Man-O-War Cay with 2 private beach coves sells for \$1.95 million.
- A 4-bedroom, 3-bathroom, 1,900 sq.ft. single family home in Elbow Cay sells for \$990,000.
- A 3-bedroom, 2-bathroom 1,500 sq.ft. property off the coast of Green Turtle Cay sells for \$749,000.

**Andros:** The largest island in the Bahamas, Andros is hailed as the world’s bone fishing capital and has the third largest fringing barrier reef in the world. It is the least developed among the group of islands in the Bahamas, making it the perfect escape for people who want to get away from the city bustle.

- 4-bedroom, 5-bedroom 4,000 sq.ft. single family home in Staniard Creek sells for \$1.84 million
- 1,400 sq.ft. Kamalame Cay home with 2 bedrooms and 2.5 bathrooms sells for \$990,000

- 2-bedroom, 2-bathroom 1,753 sq.ft. property in Congo Town sells for \$450,000

**Eleuthera:** 50 miles east of Bahamas' capital Nassau is Eleuthera, boasting a stunning reef system and 110 miles of pink and white sands.

- 4-bedroom, 4-bathroom 76,230 sq.ft. single family home sells for \$4.5 million
- A 2-bedroom, 2-bathroom 4,200 sq.ft. single family home sells for \$4 million

**Exumas:** Exuma consists of over 360 islands, many of which are still untouched and are less explored than the prime destinations of Grand Bahama and Nassau.

- A 7-bedroom, 9-bathroom 5,000 sq.ft. single family duplex off the shore of Tar Bay sells for \$4.9 million
- A 4,800 sq.ft. single family home with 6 bedrooms and 3 bathroom sells for \$3.3 million

**Grand Bahama:** The fourth largest island and considered the most known island in the Bahams, Grand Bahama is home to every conceivable amenity and property type. It has a commercial and tourism centre called Freeport located near the international airport. It is the second most populated city in the archipelago and is popular among vacationers and shoppers.

- A 3-bedroom, 2.5-bathroom single family home measuring 6,200 sq.ft. in Bahamia sells for \$700,000.
- A 7,000 sq.ft. property with 6 bedrooms and 7 bathrooms in Fortune Cay sells for \$2.2 million.

**Nassau:** Located on New Providence is the capital of the Bahamas, Nassau, a 21-mile long island which is linked to neighboring Paradise Island, home to the Atlantis resort, by a bridge. A full-service luxury development housing waterfront properties called Ocean Club Estates can be found at the easternmost tip of Paradise Island.

Located just at the western tip of New Providence is Lyford Cay, a gated community which has long been home to some of the world's wealthiest individuals. It has a private international school and a mile-long beach that can only be enjoyed by a select few. Just east of Lyford Cay lies Old Fort Bay, a modern private waterfront community with iconic Poinciana trees.

- A 5-bedroom, 6-bathroom 2,522 sq.ft. single family home in Old Fort Bay sells for \$2.75 million.

A 4-bedroom, 5-bathroom 5,694 sq.ft. single family home in Lyford Cay sells for \$2.45 million .

**Turks and Caicos:** The real estate market in Turks and Caicos continues to show strong growth, according to a new report from Turks and Caicos Sotheby's International Realty.

Sales volume totaled \$135 million in the first half of 2018, which represented a 7.37 percent increase over the same period in 2017. The average sales price also rose 6.79 percent, jumping from \$681,097 to \$727,350.

That was driven in part by five villa sales in Turks and Caicos' Beach Enclave Long Bay development, while six beachfront villas at the Shore Club are either sold or reserved. Another six of seven villas at the Gansevoort's new luxe development have also been sold.

In the single-family home sector, sales prices rose by 19.32 percent to \$1.441 million, led by what the brokerage said was “new development in the luxury villa sector.”

Condo sales growth was flatter, with a 1.17 percent increase in sales volume to \$34.1 million, though average prices rose 8.75 percent to \$784,842.

Sotheby’s noted that days on the market in the condo sector fell by 24 percent, from 402 days to 305 days, due to constructed supply and increased demand. There were an additional \$184 million in pending transactions at the time of publication.

### **Competitive Projects Summary**

H.G. Christie Real Estate, John Christie, a leading Bahamian realtor reported several high-end islands recently sold.

1. \$29,000,000 island sale.
2. Children’s Bay Cay for \$25,000,000.

But these do not top the \$102,000,000 paid by Aga Khan for Bell Island in 2009.

Citing a direct correlation between the recovering US economy and the improving real estate market, the experienced realtor is both cautious and optimistic, adding that whilst the conditions are “steadily improving”, they’re still not quite up to figures posted pre-recession. According to Mr. Christie, the traditional markets have picked up considerably, with buyers from the likes of Europe and the United States registering a lot of interest in the company’s private island portfolio.

**COMPETITIVE MASTER PLANNED COMMUNITY DEVELOPMENTS**

**Rich & Famous Owners of Exuma Cays**

The Exuma Cays boasts the highest concentration of celebrity-owned private islands anywhere in the world. Movie stars, royalty and old-money families have yachted around the Exumas and vacationed on the main island, Great Exuma, since at least the 1950s. Jessica Tandy and Hume Cronyn made headlines for their vacations on the island in their movie-making heydays in the 1950s and '60s. The natural beauty, seclusion and privacy of the island made Great Exuma the perfect getaway from the rigors of the celebrity lifestyle. Modern day celebrities have strongly followed suit with their strong appetite for the decadent island life of the Exumas.

While The Bahamas archipelago is spread out over more than 5,000 square miles, the world’s elite has made the Exumas their neighborhood of choice. Entertainment magazine *The Hollywood Reporter* christened the Exumas as a “veritable Hamptons of The Bahamas” where, “everyone from Johnny Depp to Bernard Arnault, CEO of luxury goods conglomerate LVMH Moët Hennessey, is an owner there.” Other celebrities who own property in the Exumas include David Copperfield, Faith Hill and Tim McGraw.



**New South Ocean Development, New Providence, Bahamas**

CBRE's Golf & Resort Group was engaged, along with CBRE's Hotel Group to analyze various hold/sell alternatives for New South Ocean, a 380-acre, master-planned golf and resort community outside of Nassau on the island of New Providence in the Bahamas. The oceanfront property features a completely renovated "Blue Shark" golf club (designed by Greg Norman), with planned amenities that include a 5-star hotel, a 4-

star hotel, casino, marina, racquet club and retail development. In addition, a residential component is planned consisting of canal villas, estates and golf course homes, as well as fractional units.

The government signed a heads of agreement in February 2018 with Michael Wiener, principal of 4M Harbour Island Limited, to develop a \$45m world class tourism resort on Harbour Island. Four bulk parcels surrounding the marina subsequently sold, offers were made and rejected or accepted and are pending for pricing as high as \$3M an acre.

### Wiener Harbor Island

Mr. Wiener, an American who has a proven track record in real estate development in Hawaii and Texas, was one of several industry leaders who signed a Heads of Agreement in March 2018 to employ up to 150 people during the construction stage of the project. Prime Minister Dr Hubert Minnis said, “This project has been completed in its totality,” he said, referring to due diligence efforts. “I spent the entire last night making sure I went over every line myself... It is not clear when construction is expected to begin on the project, but Dr Minnis said it will take two and a half years to complete.

“Today confirms my government’s commitment to accelerate the growth of the economy of the Bahamas and in so doing uplift the living standards of the people of the Bahamas, particularly those living in our Family Islands,” he said. “This is part of our desire to provide greater opportunities in the Family Islands. It will serve to encourage Family Island residents to remain on the island of their birth, enjoy a sustainable future and provide for the needs of their families.

“The \$45,000,000 Harbour Island resort and marina development, due to be completed in two and half years, will enhance the natural attributes of Harbour Island, invigorate and stimulate the economy of Harbour Island and the surrounding Eleuthera communities. “Mr Wiener’s vision for the transformation and revitalisation of the vintage property will bring a unique appeal to the southwest coast of Harbour Island. The marina property will be redesigned into a world class, state of the art luxury mega yacht based resort community with a wide array of amenities consisting of a marina, club house, restaurants, a retail and a resort residential community to include single and two-story town homes with a total of 28 guest rooms, ten villas and a swimming pool.

“The 55-slip marina and resort will be distinctly different with an architectural loyalist style design reflecting the historic roots of the Dunmore Town settlement and will enhance the product offering on Harbour Island,” Dr Minnis said.

As a result of the marina announcement, several upland bulk land sales have occurred in the last year:

Location	Price Date	Site SF Site Ac	Entitlements Utility*	Public Utilities	Per SF Per Ac	COMMENTS
Narrows, Northern Tip	\$11,500,000	277,042 SF	Multi-family	All	\$41.51	Sold adjacent to new Island Harbor marina, proposed for condominiums
Harbor Island, Bahamas	3Q 2017	6.36 Ac	Good	Available	\$1,808,176	
Queen's Highway	\$5,000,000	113,256 SF	Multi-family	All	\$44.15	Sold adjacent to new Island Harbor marina, proposed for condominiums
Harbor Island, Bahamas	4Q 2017	2.60 Ac	Good	Available	\$1,923,077	
Queen's Highway, 400' Beachfront	\$12,900,000	274,428 SF	Multi-family	All	\$47.01	Sold adjacent to new Island Harbor marina, proposed for condominiums
Harbor Island, Bahamas	Offer, May 2018	6.30 Ac	Good	Available	\$2,047,619	

## Baker's Bay

[Baker's Bay Golf & Ocean Club](#) is a private golf and ocean community, marina, and club located on the northern point of [Great Guana Cay](#) in the Abaco Islands, Bahamas. Only 150 miles (240 km) from the [Florida](#) coast, Baker's Bay may feature more than 6 miles (9.7 km) of beachfront and offer views of the Atlantic Ocean and the Sea of Abaco, a private 18-hole [Tom Fazio](#) golf course, a private marina, as well as private beach club and spa. But the future of the development remains in question while a court date with the Privy Council looms. The 610-acre (2.5 km<sup>2</sup>) private community with resort amenities. Most of the members are also members of clubs back in the States. Baker's Bay Golf & Ocean Club occupies close to one-third of the 1,600-acre island.

- 220 estate homesites intended for single-family homes measuring 3,000 square feet to 12,000 square feet,
- 21 beach club cottages,
- 75 developer residences,
- 15 boathouses, which allow owners to dock their yachts just below their residences; a few of the cottages and boathouses,
- A semi-public-access marina village and
- 152-slip marina (capable of handling all but the most mega of mega-yachts), Baker's Bay is a big-footprint project.

Homesite prices average \$5 million, making it very much the province of CEOs, celebrities and pro athletes like golfers Phil Mickelson and Ben Crane, who are both members. Opened in 2010, it's still a work in progress, but visitor accommodations, services and amenities are up and running at an extremely high level.

Prices range from \$3.1 million to more than \$10 million for custom homesites, with only 11 developer lots remaining for sale

- GOLF COURSE #161 .84 acres \$3,100,000 [Explore Property](#)
- GOLF COURSE #136 .72 acres \$3,250,000 [Explore Property](#)
- GOLF COURSE #159 .76 acres \$3,500,000 [Explore Property](#)
- MARINA VILLAGE B1-1 139' Ocean Frontage .99 acres \$4,500,000 [Explore Property](#)
- MARINA VILLAGE HOMESITE B1-14 103' Atlantic Beach Frontage .78 acres \$4,500,000 [Explore Property](#)
- ATLANTIC ESTATE #97 .91 acres \$7,500,000 [Explore Property](#)
- WHALE'S TAIL #85 .98 acres \$8,500,000 [Explore Property](#)
- SEA OF ABACO #39 .815 acres \$8,750,000 [Explore Property](#)
- SEA OF ABACO #59 145' beach frontage 44,720 sq. ft 1.03 acres \$9,000,000 [Explore Property](#)
- SEA OF ABACO #48 1.08 acres \$9,500,000 [Explore Property](#)
- SEA OF ABACO #26 1.4 acres \$10,000,000 [Explore Property](#)

Cottages and boathouses are priced from \$4.5 million to \$5.5 million.

A deep-water marina with 152 free-standing slips that can accommodate Motor Yachts up to 250 feet in length. The Beach Club cottage area has completely sold out, and Sunset Park has only a couple of the 14 lots remaining.

### **The Abaco Club at Winding Bay**

About 25 minutes from Great Abaco's Marsh Harbour airport (*Marsh Harbour; 866-770-2619; [ritzcarltonclub.com](http://ritzcarltonclub.com)*) is a private facility managed by Ritz-Carlton as one of the company's Destination Clubs. In general it's a members-only affair.

The club was founded in 2004 by Peter de Savary, the swashbuckling entrepreneur behind several of the last decade's ultra-high-end developments, most notably the Carnegie Club at Skibo Castle in the Scottish Highlands. Though he sold his stake to Ritz-Carlton back in 2006, the property still reflects his basic vision, with the bar and cabanas clustered down by the beach and the clubhouse, restaurant, spa and estate lots perched on a dagger-shaped bluff overlooking Winding Bay and the Atlantic Ocean.

The golf course, codesigned in 2004 by the English architect Donald Steel and his former associate Tom Mackenzie, plays over grounds both low and high. The first seven holes run parallel to the bay, and the next seven return on the inland side, at which point a brief hill climb takes the player to the finishing holes on the bluff. This out-and-back routing plan, though rarely seen among new courses, is common among the traditional links of the British Isles.

Steel and Mackenzie conceived of this course as a "tropical links," and in the most basic sense, the aesthetic—rumpled fairways, deep, penal pot bunkers and woozy greens, all shaped in a sandy-soil environment—is indeed a faithful homage to the courses of Ireland and Scotland. In a tropical setting, the links look is certainly different, and for the most part it's quite appealing, especially on holes like the par-four fifth, where it's hard to tell where the beach ends and the golf course begins.

Upon completion, the Project will feature:

- Approximately 400-450 residential units; these units will be a mixture of oceanfront home sites, golf villas and marina village homes,
- A championship-caliber 18-hole golf course,
- A 240-slip marina,
- Up to 75 villa-style rooms available for rental, and
- A high-amenitized equity club with 400 members.

The Project will feature modern infrastructure and utility systems uniquely designed for a fragile island ecological system. The developers will allocate land for both conservation of natural areas as well as for island-wide logistical support for solid waste processing and transfer, community meeting facilities, and public beach access.

Winding Bay is located only 3 miles from the quaint fishing village of Cherokee Sound. Grocery Stores and Gas Station, Library and Churches. Little Harbour offers fabulous island cuisine at Pete's Pub, occasionally with live music.

Property Features: Gated community, Club House, Fine Dining, Golf, Tennis, Boating, Fishing, Beach Bar, Water Sports.

### **BIMINI BAY RESORT AND CASINO**

Developer: RAV Bahamas, a subsidiary of Miami-based Capo Group

Acres: 700

Features: 2,100 Housing Units, a 250 Room hotel managed by Conrad Hilton, a 20,000 square foot casino, small convention center, and 18 hole golf course.

This 750-acre premier luxury beachfront resort spans approximately half the intimate island of Bimini, with hotel, casina, private condos, Serenity Spa and Salon and 10,000 square feet casino with more than 160 slot machines. With the largest marina complex in the Bahamas, Resorts World Bimini is the center of the Big Game Fishing Capital of the World. the resort's two marinas – the Mega Yacht Marina and Fisherman's Village Marina. The Resorts World Bimini Marina offers an expansive harbor for guests to dock their boats, accommodating vessels up to 200 feet.

### **GINN SUR MER**

Location: West End, Grand Bahama

Developer: The Ginn Co. (prior)

Acres: 700

Projected Investment \$4.9 billion

Features: 4,000 condominium and hotel units, 1,800 single family homes sites, two golf courses, marinas, casino and airplane runway with customs and immigration

Status: CLOSED

Ginn Sur Mer was the original name of a grand development currently under construction at West End, Grand Bahamas. In 2008, Ginn (the previous developer) defaulted on a massive construction loan, leaving the bank Credit Suisse a substantial amount of property within the development. Credit Suisse and Lubert Adler (the company that provided the initial funding for the project) recently removed Ginn as developer, along with the name "Ginn Sur Mer". A new name for the development, and plans to complete the amenities, has yet to be disclosed.

Much of the infrastructure for the development has been completed (utilities, canals, airport, golf course, roads), but no buildings are in place yet. Ginn sur Mer was originally envisioned as a palatial, \$4.9 billion master-planned development, with 1,400 single home sites and 4,000+ condo hotel units. During the sales

process 2006-2008, some 220 lots were sold before sales were suspended due to the loan default. The original plans for the development was elaborate, with the following amenities marketed:

- Arnold Palmer-designed golf course (95% completed)
- Jack Nicklaus-designed golf course
- Grand canal with water taxis and gondolas (completed)
- 55,000 sq. ft. casino
- Mega-yacht marina (completed, less docks)
- Private airport (completed)
- Full-service spa
- Fitness center
- Championship tennis facility
- Equestrian facility
- Designer stores & boutiques
- Fine-dining restaurants
- Extensive convention & meeting space
- Two multi-acre water parks
- Numerous and varied pools
- Exclusive beach clubs (completed)
- Kids' club
- Five-star concierge service

### **OLD BAHAMA BAY**

Location: West End, Grand Bahama Island

Developer: West End Developers

Acres: 150

Projected Investment

Features: Boutique 49 suite hotel now open; Homesites, lots, 75 slip Marina, Customs House, luxury hotels in historic village of West End

### **CHUB CAY MARINA AND RESORT**

Location: Chub Cay

Developer: Chub Cay Club Associates, partly owned by Kaye Pearson, Bob Moss and Walt McCrory, all of Ft. Lauderdale

Acres: 870

Projected Investment: \$300 million

Features: 5,000 foot runway with customs and immigration, 219 slip marina, restaurants, dive shop and five bedroom villas

Status: The marina opened and build-out is now completed.

### **RITZ-CARLTON ROSE ISLAND**

Location: Rose Island, off Nassau

Developer: Ritz-Carlton Hotel Co. of Chevy Chase, Md.

Acres: 230

Projected Investment: \$900 million

Features: Hotel, 300 slip marina, condominiums, townhouses, and estate homes

Status: Developers received government approval in 2005.

### **ROYAL ISLAND, ELEUTHERA**

Roger Staubach, former Hall-of-Fame quarterback for the Dallas Cowboys, along with Jack Nicklaus, and [Cypress Equities](#), developer of the planned Royal Island in the Bahamas, started the high-end private resort with a Jack Nicklaus Golf Club.

Royal Island is a 430-acre uninhabited island approximately 190 miles east of Miami near Harbor Island and Eleuthera Island. Cypress Equities, the development affiliate of The Staubach Company, a global real estate advisory firm founded in 1977 by NFL Hall-of-Fame quarterback Roger Staubach, purchased of Royal Island. It plans to develop an ultra-luxury resort and private club residential community. In addition to private residences and homesites, and the golf club, a 200-slip marina and a boutique hotel and spa will be built. There will be 3 beach clubs on the property.

The ruins of the W.P. Stewart house at Royal Island, which date back to the 1930's, have been cleared and landscaped, in preparation for the infrastructure of the development.

Status: Closed

### **CURRENT CLUB**

Current Club Villas, Restaurant and Marina

Location: Current Cut, North Eleuthera

Developer: Island Development Group, of Palm Beach, Florida; Founder & President Michael Lopez and Ali Kas. Development Team composed of Mark Klosky, David Ingle, Steven Jones, and Mr. Marc Mirbod; also currently developing a 125 acre project in Palm Coast , Florida

Acres: 6

Projected Investment: \$12 million

Features: An upscale resort/residential community complete with 34 condominium hotel units and villas, marina, restaurant and upgrading of the existing dock. The villas will consist of two and three bedroom units furnished on the inside with tropical hardwood trim, marble, stone and a mahogany finish. Bahamian artwork will highlight the décor of the room. Amenities will include swimming pools, fitness room, business centre and a game room.

Status: Ground has been broken, but construction has stopped

### **SKY BEACH CLUB**

Location: Governors Harbour, Eleuthera

Developer: Partnership of Pinnacle Development Partners, LLC and David Sklar of [KRA, Inc.](#) Pinnacle Development Partners

Acres: 22

#### Projected Investment

Features: 35 Resort Homes designed by David Sklar, clubhouse pool, beach One-story, split level and two-story homes that are available all come with 25 hours of private jet service through Flight Options, LLC. These homes have a beautiful view of the Atlantic Ocean and cascade down so every home has a view. These homes are 3,060-3400 square feet and are priced from \$2.7- \$3.7 million. All of the homes come fully furnished and all appliances are brand name (Viking/Hansgrohe). Sky Beach even offers a grocery service, so when you arrive to your home you can immediately start relaxing. You will be able to go online and order the items you need and upon your arrival they will be there waiting for you. The entire property will be wireless internet and each home will come with a computer. There will be a restaurant in the main club, where we have just signed on the head chef of Atlantis? NOBU to be our Food and Beverage manager for the entire property, and a Tiki bar & grill on the beach.

Status: Final approval Received

### **FRENCH LEAVE AND SAVANNAH HILL**

Location: Governors Harbour, Eleuthera

Developer: EIC Resorts of State College, Pa.

Acres: 356

Projected Investment \$120 million

Features: Park Yatt boutique hotel, two marinas, condominiums, and oceanfront lots selling up to \$3.5 million

Status: Developers received government approval in 2004; construction has been delayed

### **COTTON BAY**

Location: Rock Sound, Eleuthera

Developer: Eleuthera Properties, Ltd.

Acres: 1,500

Projected Investment: \$300 million

Features: 114 Home lots, two and three bedroom villas, 32 slip marina and 73 room Starwood Luxury Collections hotel

Status: Approved by the government in 2004

### **POWELL POINT AT CAPE ELEUTHERA**

Location: Cape Eleuthera

Developer: Richard M. DeVos family of Grand Rapids, Michigan. The DeVos family's principal business is Alticor Inc., the parent company of Amway Corporation

Acres: 700

Projected Investment: \$100+ million

Features: Estate homes, beach villas, town homes, marina

Status: Currently under construction

Website: [www.capeeleuthera.com](http://www.capeeleuthera.com)

### **FLAMINGO POINT**

Location: Arthurs Town, Cat Island

Developer: Barry Beschel

Acres: unknown

Projected Investment: unknown

Features: Oceanfront Lots

Status: 80% sold

### **CRYSTAL MOUNT LIMITED RESORT**

Location: South Cat Island

Developer: Crystal Mount Limited, and a member of the Royal Family of Qatar

Acres: 500

Projected Investment: \$26 million

Features: Plans include a "Monte Carlo-styled casino," 250-room hotel, 75 villas and at least 100 estate lots; low density" and "eco-friendly,.

Status: Government Approved in January 2006

### **EMERALD BAY RESORT**

Location: Great Exuma

Developer: EBR Holding Ltd. of Great Exuma

Acres: 470

Investment: \$165+ million

Features: 183 room Four Seasons hotel, crescent-shaped beach, golf course designed by Greg Norman, and

150 slip marina able to handle boats up to 200 feet long

Status: Opening was 2003, with more condos and single family homes planned, Reopened in 2008 with Sandals, now the best performing hotel in their chain.

### **RUM CAY RESORT MARINA**

Location: Rum Cay

Developer: Montana Holdings of Nassau

Acres: 900

Projected Investment: \$700 million

Features: New Airport Terminal, and hangar, 80 slip marina, hotel and marina village

Status: Approved by the government in 2004, the marina and marina vilage are scheduled to open next year (2007); build-out is scheduled for 2011

### **MAYAGUANA DEVELOPMENT**

Location: Mayaguana

Developer: Bahamian Government and "I Group" of Boston

Acres: 10,000

Projected Investment: \$1.8 billion

Features: Plans include expansion of the former United States Air Force base at Abraham's Bay to include "the world's longest runway" and a trust fund put aside by the developer to finance infrastructure and public services in the Bahamian-occupied portions of the island

Status: CLOSED; Final Plans not approved

### **BONDS CAY**

Location: Bonds Cay, Berry Islands

Developer: Antonio de La Rua, Shakira, Roger Waters, Alejandro Sanz, Arturo Rubinstein

Acres: 700

Shakira's company, Carpe Diem, is seeking \$500,000 back that was invested in a real estate development on the 700-acre Bonds Cay, a Bahamian cay in the Berry Islands. This island was purchased for \$16,000,000 and is back on the market for \$24,000,000.

In summary, all of the active project compete for buyers and rental guests. However, the uniqueness of Queen Elizabeth Harbor sets Crab Cay Master Planned Community apart from the rest of these projects, providing a safe harbor to alleviate wind and storm surge, while providing an established footprint of completed homes, lots and infrastructure that will help sell unsold inventory.

**LAND SALES AND HOME PRICES**

Within the Exuma Islands the following is available for sale:

Total Real Estate Listings:	81
Average Home Price:	\$689,577
Highest Listing Price:	\$9,750,000
Lowest Listing Price:	\$10,000

A sample of homes and condos/villas for sale in Exuma follow:



**Stocking Island**

\$9,750,000

Type: For Sale

Status: Available

Exuma & Exuma Cays,  
Bahamas  
8 Bed, 5 Bath, 10000 Sqft,  
11.5 Acres  
Residential

**1031 Grand Isle**

\$4,449,000

Type: For Sale

Status: Available

Exuma & Exuma Cays,  
Bahamas  
4 Bed, 5 Bath  
Residential

**Starfish Ct**

\$3,500,000

Type: For Sale

Status: Available

Exuma & Exuma Cays,  
Bahamas  
4 Bed, 4 Bath, 5350 Sqft, 0.76  
Acres  
Residential

A sample of lots for resale on Great Exuma in master planned communities follow:



### February Point

\$750,000

Type: For Sale

Status: Available

Exuma & Exuma Cays, Bahamas  
0.48 Acres  
Residential

### Emerald Bay

\$300,000

Type: For Sale

Status: Available

Exuma & Exuma Cays, Bahamas  
28600 Sqft, 0.66 Acres  
Residential

Discussions with local real estate brokers indicate demand is rebounding, particularly in the \$400,000 to \$800,000 home price range. However, limited inventory is providing some pent up demand.

But Baker's Bay pricing sets the highest mark for lot pricing in not only Abaco, but throughout the Bahamas, but is nearing development completion and inventory sell-out:

**Baker's Bay**



**MARINA VILLAGE BI-1**

139' Ocean Frontage

99 acres

\$4,500,000

[Explore Property](#)



**MARINA VILLAGE HOMESITE BI-14**

103' Atlantic Beach Frontage

78 acres

\$4,500,000

[Explore Property](#)



**ATLANTIC ESTATE #97**

91 acres

\$7,500,000

[Explore Property](#)



**WHALE'S TAIL #85**

98 acres

\$8,500,000

[Explore Property](#)



**SEA OF ABACO #39**

815 acres

\$8,750,000

[Explore Property](#)



**SEA OF ABACO #59**

145' beach frontage

44,720 sq. ft (1.03 acres) acres

\$9,000,000

[Explore Property](#)



DIAMOND POINT ESTATE #2

6,031 sq. ft | 6 br | 6.5 ba | .66 acres

\$22,000,000



SEA OF ABACO ESTATE #64

Sea of Abaco

10,274 sq. ft | 6 br | 6.5 ba | 1.39 acres

\$29,995,000



IRON GATE

Whales Tail

4,327 sq. ft | 4 br | 4.5 ba | 1.073 acres

\$11,000,000

[Explore Property](#)



"SHIP'S INN"

Sunset Park

3,430 sq. ft | 4 br | 4.5 ba | .4 acres

\$11,500,000

[Explore Property](#)



KREISSMAN RESIDENCE

Atlantic Estates

6,695 sq. ft | 6 br | 6 full, 3 half ba | 1.023 acres

\$21,000,000

[Explore Property](#)

Crab Cay Master Planned Community has a far superior marina, unique elevations providing incomparable site views and extensive unique shoreline that makes it superior to Baker's Bay.

## FUNDAMENTAL MARKET ANALYSIS

The subject consists of the following land uses:

LAND USE SUMMARY		Crab Cay Master Planned Community					
Property	Product Sale Type	Total Units	Gross SF/Lot	Total Gross SF	Gross Acres	Current Condition	Proposed Condition
Beach Bungalows	Bungalows	11	1,625	17,875	0.410	Raw Land	Bulk Parcel Sale
Bungalows (Umbrella Village)	Bungalows	28	1,625	45,500	1.045	Raw Land	Bulk Parcel Sale
Marina Bungalows / Marina Village West	Bungalows	28	5,809	162,653	3.734	Raw Land	Bulk Parcel Sale
Claw Beach Condos	Condos	10	5,600	56,000	1.286	Raw Land	Bulk Parcel Sale
Condos (Umbrella Village)	Condos	20	3,500	70,000	1.607	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	36	8,589	309,189	7.098	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	20	Incl. HVI	Incl. HVI	---	Raw Land	Bulk Parcel Sale
Harbour Village II / Marina Village South Condos	Condos	30	8,282	248,466	5.704	Raw Land	Bulk Parcel Sale
Claw Beach Homes	Homes	12	12,667	152,000	3.489	Raw Land	Finished Lot
Founders' Enclave Homes	Homes	52	12,000	624,000	14.325	Raw Land	Finished Lot
Harbour Village II Homes	Homes	15	12,000	180,000	4.132	Raw Land	Finished Lot
Umbrella Village Homes	Homes	20	12,000	240,000	5.510	Raw Land	Finished Lot
Walker Estates Homes	Homes	23	15,778	362,898	8.331	Raw Land	Finished Lot
Welcome Beach Homes	Homes	18	12,000	216,000	4.959	Raw Land	Finished Lot
Crab Cay Resort Hotel - 114 Keys	Hotel	114	291,024	291,024	6.681	Raw Land	Master Developed, Sold Stabilized in 3 Years
Welcome Beach Hotel	Hotel	25	1,148	28,700	0.659	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village II Restaurant	Restaurant	2	Incl. HVII	Incl. HVII	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village I / Marina Village North Hotel/Restaurant	Hotel / Restaurant	32	Incl. HVI	Incl. HVI	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Hotel	Hotel, Restaurant & Spa	39	2,183	85,140	1.955	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Lots	Lots	11	9,133	100,467	2.306	Raw Land	Finished Lot
Founders' Enclave Lots	Lots	57	59,769	3,406,828	78.210	Raw Land	Finished Lot
Harbour Village II Lots	Lots	5	3,750	18,750	0.430	Raw Land	Finished Lot
Walker Estates Lots	Lots	22	12,545	276,000	6.336	Raw Land	Finished Lot
Marina Slips	Marina	110	---	---	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Destination Spa	Spa	1	151,502	151,502	3.478	Raw Land	Master Developed, Sold Stabilized in 3 Years
Miscellaneous, ROW, Open Space	Misc	5	935,233	4,676,166	22.478	Raw Land	HOA Owned
<b>Total</b>	---	<b>757</b>	---	<b>11,655,783</b>	<b>182.71</b>	---	---

A market analysis for custom lot and home inventory was conducted for the residential development. The developer will sell finished lots, construct a few select homes, the hotels, restaurants, beach club and demand will come from the following types of buyers:

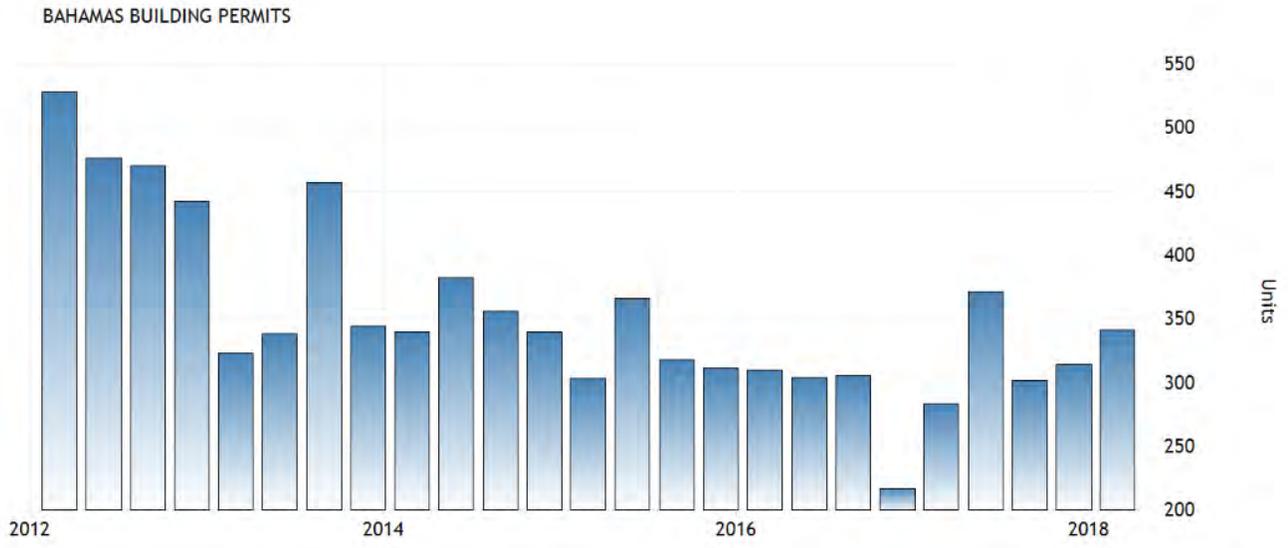
1. Purchase lot, home or condominium as an investment;

2. Purchase home or condominium for partial use and rental pool investment;
3. Purchase lot to construct a home or a finished home for personal use;
4. Purchase or lease a marina slip, and that could motivate a real estate purchase; and
5. Purchase a condominium in conjunction with a retail space along the marina boardwalk, making a live / work / play investment.

There are a number of projects situated throughout the Bahamas and Caribbean that have sold out or nearing completion. The following represents development projects that would be deemed similar to the subject at completion of construction:

PROJECT COMPARISONS						
Name	City	Total Acres	Units		Amenities and Specials	
			Total	New Development		
<b>Molasses Reef Ritz Carlton luxury resort on the island of West Caicos in Turks and Caicos</b>	West Caicos, TCI	600	75 beachfront villas, marina; designed in 2003, and built in 2006/7/8, Apex, the owner in 2014 was spending \$100,000,000 to cure deterioration and the collapsed marina.	75 beachfront villas	N/A	Ritz-Carlton open 2007; The project sits on the secluded and uninhabited 9-square mile island of West Caicos.
<b>Emerald Bay Resort and Grand Isle Villas (prior Four Seasons resort hotel sold to Sandals Resort in 2008)</b>	Greater Exuma	475	Condos \$1.4 - \$2.5 million 775 Condos Total House Lots, less than one acre at \$1.2 - \$1.5 million. 45 Ocean Ridge Estate Lots 154 Club Estate Lots 19 Marina Lots in hotel design, full hotel 16 Emerald Bay Villas 18 Four Seasons Private Residence Club	All 64 units sold, \$800k-\$1.8 mil reflecting over \$40 million in contracts and reservations. \$70 million in pre-sales strictly over the internet. 18 condos included in hotel design, full hotel amenities were originally sold for \$1.2 million. Several were resold at \$2.5 million and recently a resale of \$3.1 million has been recorded. 2-3 bedroom homes are under contract, 1,800 sf for \$1.4 million, 2,500 sf for \$2.5 million, all ocean view. The first finished house sold to Steve Case for \$3.1 million. 64 Total Grand Isle Villas 15 sold, 1 under contract, 2,285-2,683 sq ft, \$995k-\$1.9m. 12 Four	50 acre site beginning development in 2019 with Beaches resort.	Greg Norman Golf Course, Four Seasons, pool pavilion, 125 slip protected deep water marina, European Spa, fitness and tennis center. Initial sales included the most desirable lots. Four Seasons opened December 1st.
<b>Little Dix Bay</b>	Virgin Gorda, BV	150	15	Rosewood Little Dix Bay is currently closed following the aftermath of Hurricane Irma passing through the British Virgin Islands in September 2017, the resort did sustain significant damage. The anticipated re-open is late 2019, although the resort currently remains closed for all future reservations. There are 100 rental hotel units.	17 lots	Laurance Rockefeller founded Little Dix Bay in 1964 as a haven for well-to-do travelers, he had the foresight to choose an island that would dodge the wrath of rampant development, which has spoiled so many pristine Caribbean locales. Some four decades later, Little Dix continues to pamper the rich and demanding, even more so now, after a recent \$25 million overhaul by oil heiress Caroline Rose Hunt's Rosewood group.
<b>Turks &amp; Caicos Sporting Club</b>	Turks & Caicos	108	Custom lots and cottages within resort development	60 beachfront lots	N/A	Ambergris Cay, home to Turks & Caicos Sporting Club, is an 1,100 -acre private residential island at the southeastern end of the Caicos Bank that has been under private ownership since 1811. With eight miles of waterfront, the private island is nearly 3.3 miles long by 1.5 miles wide and rises to 96 feet. More than 65 percent of Ambergris Cay is preserved to maintain its archaeological ruins and natural landscape.
<b>February Point www.februarypoint.com</b>	Greater Exuma	80	167 Residential Home Lots broken down into Cottages, Marina Townhomes, Marina & Beach Villas and a multi-family parcel.	167	N/A	Luxury Marina Villas, 2-3 Bedroom oceanfront starting from \$1.2 mil. 87-Residential Homesites .25-1.0 acres, \$300k - \$1million. Tennis club and proshop, waterfront restaurant, pool, 2 marinas, children's play area, beach bar and club and condo-hotel and fitness center.
<b>Bakers Bay - a Discovery Land Development</b>	Great Abaco	585		27 Internal homesites (non-ocean view - located around Baker's Bay's Tom Fazio-designed practice facility and golf course from \$1,250,000 to \$2,200,000; Beach and golf frontage homesites located around Baker's Bay's Tom Fazio-designed practice facility and golf course range from \$4,000,000 to \$10,000,000.	N/A	Baker's Bay Golf & Ocean Club is the Bahamas' most exclusive, members-only club community. The 585-acre property features a Tom Fazio-designed golf course; 6-1/2 miles of white-sand beach; a family beach club, three restaurants; a world-class spa and wellness center; and luxurious residences.
<b>Winding Bay The Abaco Club www.theabacoclub.com</b>	Great Abaco	520	60 homesites-2 Acres, 70 West-Indian Cottages	130	Opened in 2004, Southworth Development assumed 100% control of the 600-acre club in January 2018. Southworth has already invested \$30 million into the club since taking control of the property in 2014 from Marriott Vacations Worldwide, which operated the property as a Ritz-Carlton Club.	Abaco Club on Winding Bay is a private, international sporting club and residential community. Situated on 453 acres. The clubhouse has dining with Bahamian style cottages, supports 20 "Inn Style" bedroom suites. Beach house provides casual dining and all aquatic activities. The clubhouse will have dining with Bahamian style cottages, will support 20 "Inn Style" bedroom suites. Beach house will provide casual dining and will be for the hub for all aquatic activities. Part of the Carnegie-Abbey Club Memberships. 400 members, \$50,000 deposit, \$4,000 yearly dues. There will be a spa, tennis courts, an equestrian center, watersports, bone fishing, boating

Building Permits in Bahamas increased to 341 Units in the first quarter of 2018 from 314 Units in the fourth quarter of 2017. Building Permits in Bahamas averaged 353.64 Units from 2012 until 2018, reaching an all time high of 528 Units in the first quarter of 2012 and a record low of 217 Units in the fourth quarter of 2016.



SOURCE: TRADINGECONOMICS.COM | DEPARTMENT OF STATISTICS OF THE BAHAMAS

Source: Department of Statistics, Bahamas and Trading Economics

Quarterly trends projected by the government of the Bahamas follow:



SOURCE: TRADINGECONOMICS.COM | DEPARTMENT OF STATISTICS OF THE

1Y 
  5Y 
  10Y 
  MAX 
 
 Compare

Bahamas Housing	Last	Q3/18	Q4/18	Q1/19	Q2/19
Building Permits	341	319	333	331	326

These permits reflect new home construction on sold or developer inventory lots. It is logical to assume that Exuma will capture a portion of this new home demand and Crab Cay Master Planned Community will capture a portion of the Exuma demand.

Lots	95
Homes	149
Condominiums	96
Bungalows	67
<b>Total</b>	<b>407</b>

The proposed 407 estate lots, custom homes, villas and bungalows represent only a 2.2% capture ratio based on annualized permits projected over a 12-year sellout:

Years to absorb=	12.00
Units	407
12-Year Home Demand	15,708
Capture Ratio	2.6%

This analysis assumes 100% finished home, condominium and bungalow absorption. The ability to sell lots should accelerate inventory sales, as buyers can hold onto the lots for years prior to home construction

We have surveyed various Bahamian projects for over two decades and a summary of those projects selling initial developer inventory or resales as a result of the projects being completed follow:



Specifically, we looked at historical absorption rates for competing projects to the subject in the region and previously sold out of initial builder inventory:

Project	Sub-Division	Location			Total Units	Sales Start Date	Sales End	Units Sold To-Date (2)	Percent	Pace (Units/Year) <sup>(3)</sup>
		Beachfront First Row	Beachfront Back Row	Golf Frontage						
Ritz, Molasses Reef, Turks & Caicos	Ocean Estate Lots	42	--	--	42	Jan-05	Sold Out	42	100%	4.2
Emerald Bay	Marina Beach	19	--	--	19	Jan-02	Sold Out	19	100%	7.6
	Resales	6	--	--	6	Oct-04	Active	7	117%	7.0
	Ocean Ridge	--	--	45	45	Jan-02	Sold Out	45	100%	13.9
	Resales	--	--	13	13	Oct-04	Active	6	46%	6.0
Little Dix Bay	Dover Hill	11	--	--	17	Jan-00	Resales	17	100%	1.1
	Heavenly Hammock	17	--	--	17	Jan-17	Active	6	35%	3.0
	Astwood Ridge	--	--	--	32	Mar-04	Active	2	6%	2.0
Turks & Caicos Sporting Club	Columbus Beach	27	5	--	32	Mar-04	Active	1	3%	1.0
	Lighthouse Point	22	--	--	22	Mar-04	Active	5	23%	5.0
	Grand Cortage <sup>(4)</sup>	11	11	--	22	Mar-04	Active	15	68%	15.0
	Ocean Estate Lots	46	17	--	116	Jan-04	Active	51	53%	4.4
February Point Bakers Bay	Ocean Estate Lots	167	--	--	167	Jan-05	Active	161	96%	12.4
	Golf Lots	--	--	9	9	Jan-05	Active	6	67%	0.5
Winding Bay - Abaco Club	Marina Village	--	--	--	44	Jan-05	Active	42	95%	3.2
	Ocean Estate Lots	108	3	--	111	Jan-05	Active	90	81%	6.9
	Golf Lots	--	--	5	5	Jan-05	Active	5	100%	0.4
<b>TOTALS</b>		<b>476</b>	<b>36</b>	<b>72</b>	<b>135</b>		<b>530</b>	<b>74%</b>	<b>5.5</b>	

The lower range supports 1 to 5 custom lot sales per year, while the upper range is 7 to 15 units per year. The variance is due to the logistics in travel to the locations, marketing effectiveness and timing of development. Between 2007 and 2011, the market retraction (in both price points and demand declines) was substantial, as the United States economy collapsed. However, all surveys support 2018 being record United States demand and Hurricane Irma in 2017 caused substantial reductions in supply in both hotel rooms and undamaged resort inventory for sale.

Again, with 2407 Crab Cay Master Planned Community total units, would sell out in 12 years, well within the absorption levels for the competitive product offerings.

### SITE CHARACTERISTICS

#### Size/Shape/Dimensions

The subject is located in Queen Elizabeth Harbor in the Exuma chain in the Bahamas.



The Crab Cay Resort Hotel will have the following unit mix:

Hotel Rooms: Main Building	96
Villas	12
Residences	6
<b>Total Hotel Construction</b>	<b>114</b>

Residential parcels include beach front lots, ridge view beach access, and the larger estate lots. Guests will be provided full concierge services throughout the property.

#### Access/Visibility

Access to the site is provided via a private drive / bridge from Queen Elizabeth Highway, which is a single-lane, two-way, asphalt paved roadway. Overall, access and visibility are considered good for a mixed use project in the market area.



### **Topography/Drainage**

The subject site is generally level to the ocean. Drainage appears to be adequately facilitated by the site's topography. No engineering study of the soils was provided.

### **Floodplain**

The subject is located in an area not mapped by flood management officials. Furthermore, the boundary survey provided does not reference a flood plain. Therefore, we assume the subject was not constructed in a flood hazard area. We recommend the client obtain a detailed survey or elevation certificate of the site.

### **Soil/Subsoil Conditions**

A geotechnical analysis describing the soil and subsoil conditions at the subject site was not furnished. The soil appears suitable for development based upon a visual inspection of the subject improvements and surrounding development. The analysts assume that no hidden or unapparent soil conditions exist which would render the property unusable.

### **Utilities/Services**

While electricity is available, water and sewer facilities will need to be constructed and extended throughout the development to fully service the community once completed. Utility and service costs are average in regard to those found within competing communities.

**Manmade Improvements**

The site is currently improved with a small gravel road. All proposed horizontal improvements to include streetscape, roadways, services, pool, restaurant, fitness center, etc. will have to be constructed. The improvements will be discussed in depth in the Improvement Analysis section of this report.

**Hazards/Nuisances/Other**

No apparent nuisances, such as smoke or hazardous materials, were identified on the subject site. No engineering or environmental study was provided to the analyst. As such, we suggest the client obtain an Environmental Site Assessment.

**Legal-Government Factors****Development Restrictions/Easements**

Based upon a visual inspection, the site does not appear detrimentally impacted by easements. Further, we are not aware of any private deed restrictions or development control outside the jurisdiction of the zoning and development code.

**Real Estate Taxes**

The subject property is located within the jurisdiction of the Exumas. The Bahamian Tax Director assesses the subject and is levied on the taxable value of the property. The taxable value is 1.00% of the assessed value, which is 100% of the fair market value. However, fair market value is usually a fraction of sales price. The amount of tax is determined by the tax rate multiplied by the Fair Market Value.

**Transportation Facilities**

Private vehicular transportation is the most common form utilized at the subject.

**Conclusion**

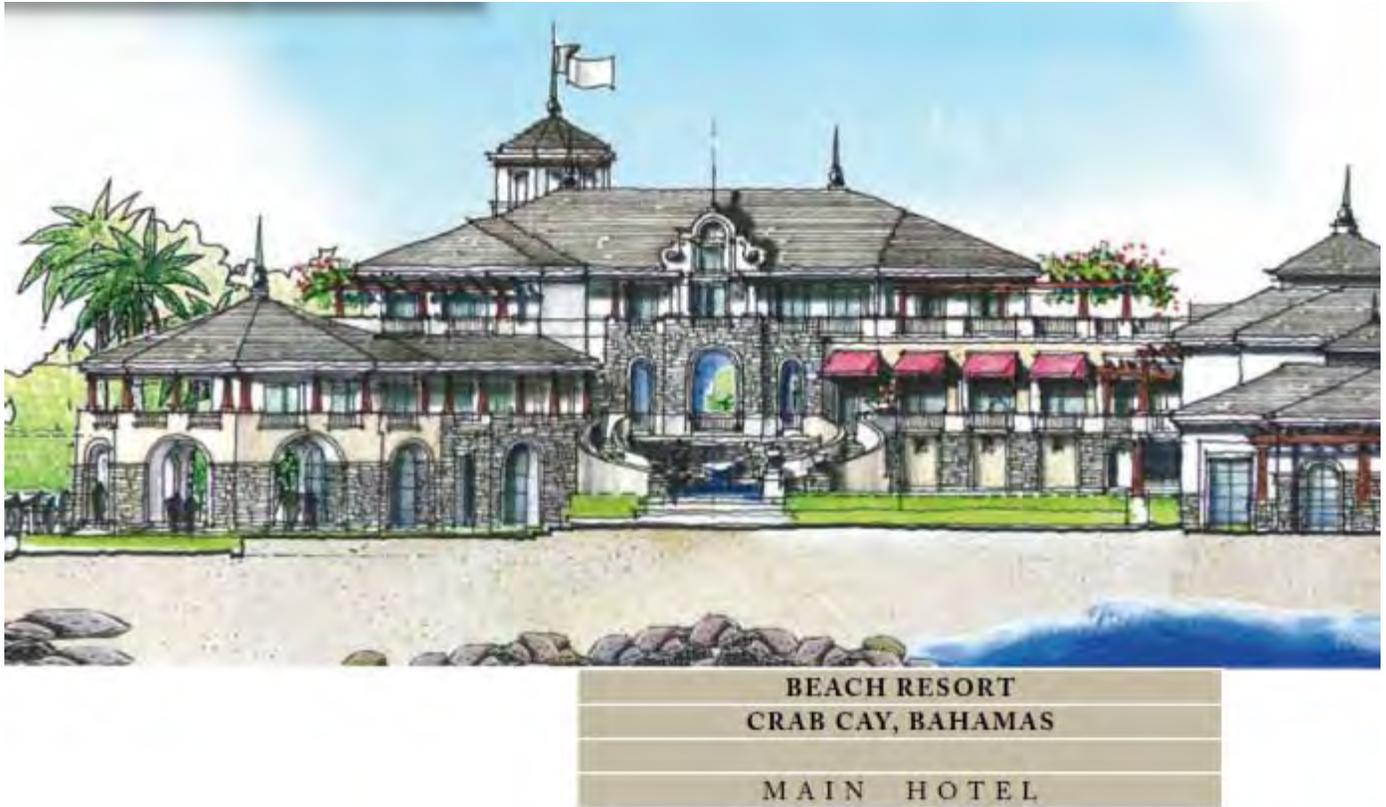
The subject site is situated adjacent to the town of Georgetown, the largest urban area in the Exumas. Queen Elizabeth Highway extends northward to provide access of other resort communities (including Sandals and the Greg Norman Golf Course), the Georgetown International Airport (GGT) and small towns. Stocking Island is the barrier island that creates the harbor basin of Queen Elizabeth Harbor where Crab Cay is situated. Subsequently, the the Crab Cay site is in one of the most protected harbors in the world, but previous dredging of a deep water channel to the proposed Crab Cay Master Planned Community marina allows for unique mega yacht access. This unique location, coupled with the site's elevaton changes and the extensive ocean front caters to some of the highest income households in the world. The site will require private water and sewer and does not appear to be hindered by any easements or restrictions.

**Zoning**

The subject has obtained entitlements from the jurisdictional authorities to develop the resort in a manner similar to our descriptions and we believe them to be according to the entitlements provided. Based on our inspection and provided site plans, the improvements proposed for the subject appear to represent a legal, conforming use.

**PROPOSED HOTEL - GENERAL DESCRIPTION**

The subject of this appraisal is a proposed located within the Crab Cay Master Planned Community in Bahamas, Island of Great Abaco. The proposed improvements will be built of steel, block, brick, rock and EIFS exterior buildings.



The project will have a spa, with typical services and special spa rooms. Full restaurant, concierge, watersports, back of the house facilities will be situated on the mainland. The Admares Group is proposed to implement a design-build strategy that will allow for pre-built off-site construction, greatly reducing the costs of typical site built development in the Bahamas.

**Legal Uses and Ratios**

The proposed improvements will have for following lodge accommodations:

	UNITS	HOTEL KEYS	SF EACH	TOTAL SF
HOTEL ROOMS: MAIN BUILDING	96	96	600	57,600
Villas	12	12	800	9,600
Residences	6	6	2,400	14,400
<b>TOTAL HOTEL CONSTRUCTION</b>	<b>114</b>	<b>114</b>	<b>716</b>	<b>81,600</b>

The surface parking, lights and other site improvements will also be developed on the site. The planned improvements are anticipated to meet all of the legal requirements necessary to be used as a resort master planned community with homes, marina and hotel.

## HIGHEST AND BEST USE

To determine the highest and best use we have evaluated the subject site as vacant:

### **Highest and Best Use As Vacant**

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

We have evaluated the highest and best use of each component of the property that is a part of this appraisal, as if vacant. Each property's highest and best use must meet four criteria, which are:

1. Legally Permissible
2. Physically Possible
3. Financially Feasible
4. Maximally Productive

The purpose of identifying the highest and best use of land as if vacant is for land valuation purposes. Land is always valued at its highest and best use as if vacant. The highest and best use as if vacant conclusion is also necessary to identify comparable land sales. In this scenario all potential uses, not just the proposed use, are considered.

### **Legally Permissible**

The first test concerns permitted uses. According to the Heads of Agreement, the Crab Cay Master Planned Community is entitled for resort development. The Bahamas requires developers to submit subdivision and condominium plat approval through the country's planning and utilities administrations before sales can occur. Thus, the land plans approved provide for "maximum" build-out and the developer has to option to build less-than the approved density.

### **Physically Possible**

The physical characteristics of the site, including shape, size, topography, accessibility, and availability of utilities, were all given consideration. The site's physical orientation was also considered. Based on our inspection and the adjacent or nearby properties that are improved or proposed for development, it seems evident the land is physically suitable for resort and residential development. All utilities typically required for development will have to be developed by the developer to a level sufficient to maintain community buildout. This includes well/desal water, self contained sewer facilities and electrical generation systems.

The site is of adequate size, terrain, configuration, frontage, and depth, and does not vary substantially in site characteristics from other resort master planned properties in The Bahamas. The availability of building materials, contractors, etc. requires logistics planning and ownership is familiar with the requirements to successfully develop the property. Thus, it is reasonably apparent that resort-oriented residential development is physically possible.

**Financial Feasibility**

For a use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible.

Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Determining the value of a property upon completion of new construction requires an in-depth analysis of the condition of the local market, the location of the subject property, the proposed use of the property, its tenancy and/or potential buyers', any pre-sales that may have occurred, developing an estimate for absorption, sales costs, operating expenses, and price points.

Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use. Determining which use is maximally productive is often straightforward, but can be quite complicated. Detailed analyses of values, costs, and returns will need to be conducted for the various uses being put to this final test.

The development of new resort-oriented and more upscale residential projects on 188 acres in the Great Exuma area indicates that an element of profit exists between costs of development and final sale revenues, provided acquisition of land at market prices and development at anticipated construction costs occurs. The financial modeling which follows after adding a 34% to 88% direct developer's profit to the home, condominium, and bungalow construction costs and land value, there is still additional profit as reflected in the discounting of the cash flow to a \$193,800,000 as-is market value.

**Maximal Productivity**

Our opinion is that development of resort-oriented residential product, such as proposed for the subject, would represent a profitable use of the site. This scenario takes into account the proposed entitlement approvals pending for the project. In addition, considering the trend of development in this area, the use of the subject for resort-oriented residential improvements was considered appropriate and conforming to the area. Considering the current and proposed infrastructure in this area, we came to the conclusion that the development of resort-oriented residential project was conforming to the area, contingent upon internal utility infrastructure development and was deemed the Highest and Best Use of the site As If Vacant.

**Highest and Best Use, Hotel Site (As Though Vacant)**

Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the highest and best use of the subject site as though vacant is: complete development of the resort-oriented master planned community.

**Probable Buyer**

The most probable buyer of the subject site is an international resort developer specializing in hotel, marina and infrastructure development.

**Highest and Best Use, As Proposed**

We have documented numerous real estate acquisitions of large land tracts (whole islands and parts of islands), lots, bulk resort parcels and condos/villas. The Bahamas-is one of the fastest growing resort areas in the Caribbean and large land holdings are commanding premium prices. This is due to the multiple land uses that can be implemented and that larger scale projects have the ability to spread out utility infrastructure costs over a larger number of units. Accordingly, the subject project, as proposed at Crab Cay Master Planned Community was concluded to be financially feasible.

We have considered the legal issues related to entitlements that permit resort development and have analyzed the physical characteristics of the site to determine what uses would be possible. We have considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the unique attributes of the site and the trend of development in this area, the use of the subject for resort-oriented development was considered appropriate and conforming to the area.

Therefore, we believe that development of resort product proposed by the developer represents a profitable use of the site and meets the test of economic feasibility. This scenario does assume all entitlement approvals are obtained for the project.

**Probable Buyer**

The most probable buyer of the subject site is an international resort developer specializing in hotel and infrastructure development.

## VALUATION PROCESS

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We have considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

### **Cost Approach**

The Cost Approach was employed by evaluating the bulk parcels underlying the residential, and hotel improvements, then adding the construction cost and entrepreneurial profit. Land sales throughout the Bahamas and Caribbean were employed.

### **Income Capitalization Approach**

The Income Capitalization Approach considers a property's potential cash flow and analyzes the present worth of the anticipated future benefits to the owner over an assumed holding period. Through a discounted cash flow and income capitalization procedure, the value of the property is calculated. This approach is usually selected as the preferred valuation method for income-producing properties because it most closely reflects the investment considerations of knowledgeable buyers.

The Income Approach to be used for land analysis is founded on the principle of discounting the anticipated flow of future benefits into a present value indication at some point in time. A variation of the income approach and cost approach, the Development Method, can be used to estimate the market value of the entire master planned community site. As such, the periodic net revenues are discounted to determine the present worth at some point in time of the future income stream (Aggregate Retail Revenue) after deducting expenses or some allocation thereof. The sum of the discounted net income from each period within the forecast results in the estimated market value of the site.

### **Sales Comparison Approach**

The Sales Comparison Approach is a method of developing an opinion of market value in which a subject property is compared with comparable properties that were recently sold. The sale prices of the properties deemed most comparable to the subject property tend to set the range in which the value of the subject property will fall. Further consideration of the comparative data allows the appraiser to derive an amount representing the value of the appraised property, in keeping with the definition of value sought, as of the date of the appraisal.

### **Reconciliation**

The final step in the valuation process is the reconciliation and correlation of the value indications. Factors that are considered in assessing the reliability of each approach include the purpose of the appraisal, the nature of the subject property, and the reliability of the data used. In reconciliation, we consider the

applicability and supportability of each approach and examine the range of value indications. The most significant weight is given to the approach that produces the most reliable solution and most closely reflects the criteria used by market participants.

**Valuation Summary**

The Cost, Sales Comparison and Income Approaches were used to determine the as-is value and the prospective value upon completion of construction.

## COST APPROACH

The cost approach was utilized to provide the following cost estimates:

1. Start-Up Costs;
2. Infrastructure;
3. Utilities;
4. Reserve / Contingency;
5. Spa Beach Bungalows;
6. Harbour Village / Marina Village North Retail / Condo;
7. Crab Cay Resort Hotel - 114 Keys;
8. Welcome Beach Hotel;
9. Harbour Village II Restaurant;
10. Harbour Village I / Marina Village North Hotel/Restaurant;
11. Claw Beach Hotel;
12. Destination Spa; and
13. Marina.

### **Start-Up Costs**

Start-Up Costs associated with the master planned community would include:

- Labor costs associated with bringing together the master developer project management team,
- Re-engaging the local and national governmental agencies associated with the project re-launch,
- Assembling the marketing and sales teams;
- Provide on-site sales platforms in which to showcase the property – the easiest way to do this is sell from mega-yachts positioned in the marina;
- Provide sales platforms in the markets where airlines are flying direct to Georgetown International Airport - Nassau, Miami / Fort Lauderdale, Atlanta, Norfolk, and Toronto;
- Establish activities at the island to entertain guests – boating, fishing, water sports, golf, etc.;

Ownership has allocated \$6,300,000 for these activities, which is more than adequate to accomplish these goals.

### **Infrastructure**

Prior ownership conducted extensive infrastructure improvements to the Crab Cay Master Planned Community:

- Connected to the Great Exuma mainland via a \$12 Million bridge that is an architectural masterpiece.
- 32 acre marina basin-already dredged. Situated within the protected environs of Elizabeth Harbour and known as a “Hurricane Hole”, providing favorable insurance rates to mego-yachters.

Because of the technical nature of this budget estimate, the appraiser relied on previous engineering estimates of \$35,000,000 to complete the remaining roadways, utilities and other infrastructure needed to complete the master planned community.

### **Utilities**

Similar to the infrastructure, prior ownership conducted extensive utility improvements to the Crab Cay Master Planned Community:

- Utility lines are installed in the bridge to connect to the proposed water and sewer plant on the mainland;
- Phone and internet / fiber optic lines in a concrete culvert are installed from the bridge to the marina.

Again, given the technical nature of this budget estimate, the appraiser relied on previous engineering estimates of \$25,000,000 to complete the remaining roadways, utilities and other infrastructure needed to complete the master planned community.

There is the option to outsource the capital infrastructure costs to experts and is highly recommended given the technical nature of the necessary improvements and ongoing management and maintenance. This is a private utility operations and the following is a leader in the industry, was the utility developer for the Four Seasons / Sandals Emerald Bay development and a long history of successful utility developments:

- iWater & Power, LLC (iWP) was founded by Whitney W. Irons to provide Utility and Systems support to island communities and select Ship and Cruise Operators throughout The Caribbean and Southeast Asian Regions. Our clients range from Lending Institutions and Equity Partners to Developers, Island Governments, Resort Operators and select Shipping and Cruise Lines. From greenfield planning and design to optimizing and upgrading mature installations, our Utility Infrastructure focus brings "first world" quality services and efficiencies to clients that expect performance.

Whitney's education as a Marine Engineer provides his strong foundation and hands on understanding of Power and Water systems and Environmental Sensitivity. While standing on that foundation, Whitney has lead the design, finance, construction and long term operations for Utility Plants in 107 countries and all seven continents. Enjoying a complete success rate for on time and on budget projects over his 30 years of experience, Whitney and his team can bring the skills required to successfully complete your project timely and on budget.

As a result, we have not included this \$25,000,000 capital infrastructure in the master cash flow.

### **Reserve / Contingency**

Management has suggested a \$25,000,000 reserve account be established for any unforeseen costs.

### **Master Developer Vertical Construction**

It is highly recommended that the master developer undertake some initial home construction and then sell remaining inventory within bulk parcel transactions. There is obviously no construction expertise in the

Exumas, so Bahamian and expatriate labor has to be brought on-site to initiate construction. This comes with the requirements to house and feed this massive labor pool. Resulting construction costs can easily run \$800+ per square foot for home, condominium, bungalow and hotel development.

However, recent advancements in building technologies allow for off-site construction that can not only maintain the quality, but cut costs by more than 50%! One of those groups is the Admares Group, they propose to implement a design-build strategy that will allow for pre-built off-site construction, greatly reducing the costs of typical site built development in the Bahamas. Further, they can provide financing of construction, which has historically been lacking in the Bahamas.

# GROUP STRUCTURE

## ADMARES GROUP INTRODUCTION



# TRUE DESIGN-BUILD

## ADMARES GROUP INTRODUCTION

### REAL TURNKEY SOLUTION FROM ADMARES

- All needs for the project handled by ADMARES as the **single contractor** responsible for every aspect of the development starting with feasibility studies, architectural and interior design, through production, construction and finance
- World leader in alternative real estate with pioneering construction methods that combine cutting-edge marine, land, modular and pre-assembly construction techniques. ADMARES' turnkey solutions guarantee quicker turnarounds and greater returns for developers, shorter project timelines and minimal environmental impact.
- Unique construction process with up to 90% of the structure prefabricated, completed and inspected off-site, guaranteeing minimal site presence and minimal local environmental impact. Construction takes place in a purpose-built production facility ensuring consistent high quality, proven with minimum material waste and reduced energy consumption.



# MAIN

ADMARES GROUP INTRODUCTION

# BENEFITS

MAIN BENEFITS OF ADMARES OFF-SITE CONSTRUCTION

- A real "wow" effect, revolutionary product in the hospitality industry
- Less than half the construction time – ready to operate only few months after delivery
- Environmentally friendly
- Minimum local construction disturbance
- No need for local labor, transportation, accommodation, catering etc.
- Unique high tech product combining know how from marine, offshore and construction industries
- Latest Technology and European Standards
- Controlled and Certified Delivery
- Guaranteed Quality Standards



# ENVIRONMENTALLY SUSTAINABLE

ADMARES GROUP INTRODUCTION

MAIN BENEFITS OF ADMARES OFF-SITE CONSTRUCTION

- Latest Green Intelligence (solar panels, sea water cooling system, etc)
- Minimum to no impact on the environment
- Construction in dedicated production facilities – minimum waste of materials and minimum energy consumption
- Latest energy consumption requirements when it comes to insulation, lighting, power consumption
- Energy management system for all kitchens
- Frequency converters for all pumps and fans
- Utilizing renewable materials



# FINANCIAL BENEFITS

## ADMARES GROUP INTRODUCTION

### VALUE ADDED BENEFITS OF ADMARES OFF-SITE CONSTRUCTION

- Limited internal project management needs
- No need to organise local labor permits, accommodation, transportation
- Higher residual value
- Higher finishing quality
- Higher technical quality
- Operational reliability – minimum downtime and repair costs
- Maintenance friendly – guest convenience
- Reduced programme times
- We change construction debt into a value asset – much quicker



The following is a summary of the vertical inventory proposed to be developed by the master developer:

1. Spa Beach Bungalows;
2. Harbour Village / Marina Village North Retail / Condo.
3. Crab Cay Resort Hotel - 114 Keys;
4. Welcome Beach Hotel;
5. Harbour Village II Restaurant;
6. Harbour Village I / Marina Village North Hotel/Restaurant;
7. Claw Beach Hotel; and
8. Destination Spa.

Based on preliminary information provided by Admares, the following is a summary of the proposed construction costs for this inventory:

FINISHED HOME REVENUE										
Crab Cay Master Planned Community										
Homes	Total Units	Bulk Home Revenue		Infrastructure Costs		Finished Home Revenues		Building Cost Per Home	Lot Allocation	% of Home Price
		Per Home	Total	Per Home	Total	Per Home	Total			
Spa Beach Bungalows	7	\$1,164,000	\$8,148,000	\$136,000	\$952,000	\$1,300,000	\$9,100,000	\$1,255,029	\$280,029	22%
Harbour Village I / Marina Village North	2	\$10,814,000	\$21,628,000	\$136,000	\$272,000	\$10,950,000	\$21,900,000	\$10,892,550	\$490,050	4%
<b>Totals</b>	<b>9</b>	<b>\$3,308,444</b>	<b>\$29,776,000</b>	<b>\$136,000</b>	<b>\$1,224,000</b>	<b>\$3,444,444</b>	<b>\$31,000,000</b>	---	---	---

HOTEL, SPA & RESTAURANT RETAIL REVENUE									
Crab Cay Master Planned Community									
Hotels	Total	Bulk		Infrastructure Costs		Finished Parcel Revenues		At Completion of Construction	
	Units	Per Lot/Parcel	Total	Per Lot	Total	Per Lot	Total	Per Unit	Total
Crab Cay Resort Hotel - 114 Keys	114	\$38,176	\$4,352,066	\$12,701	\$ 1,447,934	\$50,877	\$5,800,000	\$549,395	\$62,631,075
Welcome Beach Hotel	25	\$39,280	\$982,004	\$12,720	\$ 317,996	\$52,000	\$1,300,000	\$427,970	\$10,699,250
Harbour Village II Restaurant	2	\$350,000	\$700,000	\$0	\$0	\$350,000	\$700,000	\$6,104,000	\$12,208,000
Harbour Village I / Marina Village North Hotel/Restaurant	32	\$49,438	\$1,582,004	\$9,937	\$317,996	\$59,375	\$1,900,000	\$555,594	\$17,779,000
Claw Beach Hotel	39	\$73,247	\$2,856,649	\$24,188	\$943,351	\$97,436	\$3,800,000	\$828,767	\$32,321,900
Destination Spa	1	\$3,800,000	\$3,800,000	\$0	\$0	\$3,800,000	\$3,800,000	\$25,255,000	\$25,255,000
<b>Totals</b>	<b>213</b>	<b>\$67,008</b>	<b>\$14,272,722</b>	<b>\$59,547</b>	<b>\$3,027,278</b>	<b>\$81,221</b>	<b>\$17,300,000</b>	<b>\$755,371.95</b>	<b>\$160,894,225</b>

**Marina**

Marina costs are so unique to each project, that comparisons are not reliable. The amount and difficult factors in excavating the depth, type and extent of seawall, dock and fuel systems vary substantially.

Over \$12,000,000 has already been spent on dredging, an outlet / flushing channel at the back of the marina, engineering and plans for the Crab Cay Master Planned Community Marina. A detailed cost breakdown of the remaining costs to complete the marina follows:

Crab Cay Marina Improvements					
Preliminary Estimated Cost					
Marina					
Qty	Unit				
1.0	LS	Mobilization		375,000	\$ 375,000 1.20%
102,500.0	CY	Dredge		19	\$ 1,921,875 6.15%
5.0	Acres	Land Clearing		4,200	\$ 21,000 0.07%
102,500.0	CY	Transport and compact within project site (say 2 miles)		6	\$ 615,000 1.97%
6,000.0	CY	Gravity Wall		701	\$ 4,203,600 13.44%
160.0	ea.	16" X .5X52' Steel piles for the floating docks		10,500	\$ 1,680,000 5.37%
70.0	ea.	12"X35' wood pile		4,275	\$ 299,250 0.96%
10,000.0	Ton	Jetty and Storm Break		675	\$ 6,750,000 21.58%
1.0	LS	Bellingham Floating Dock System (70mph loaded)		8,782,500	\$ 8,782,500 28.08%
1.0	LS	Elect and Mech Work		750,000	\$ 750,000 2.40%
4,400.0	LF	Walkway around marina		68	\$ 297,000 0.95%
1.0	LS	Engineering & Architecture		825,000	\$ 825,000 2.64%
1.0	LS	Legal		300,000	\$ 300,000 0.96%
1.0	LS	Contingency		10%	\$ 2,682,023 8.58%
1.0	LS	Consturction Mgt Fee		6%	\$ 1,770,135 5.66%
<b>Sub Total</b>		Total LF of usable dock space		11,000	<b>\$ 31,272,382</b> \$ 2,843
Road and Infrastructure					
1,200.0	SF	Ships Store and Dock Masters office		400	\$ 480,000
4.6	Acres	Land Clearing		3,000	\$ 13,793
10,000.0	LF	Road landscaping		75	\$ 750,000
1.0	LS	Sewage Treatment Plant		150,000	\$ 150,000
2,000.0	LF	Potable Water Hookup and Distribution		50	\$ 100,000
2,000.0	LF	Electrical hook up		100	\$ 200,000
1.0	LS	Stand By Generator		300,000	\$ 300,000
1.0	LS	Engineering & Architecture		225,000	\$ 225,000
1.0	LS	Legal		31,250	\$ 31,250
1.0	LS	Contingency		3%	\$ 67,501
1.0	LS	Consturction Mgt Fee		6%	\$ 139,053
<b>Sub Total</b>					<b>\$ 2,456,597</b>
<b>Total</b>					<b>\$ 33,728,979</b>
<b>Per Linear Feet</b>					<b>\$ 3,066</b>

## LAND VALUATION

We used the Sales Comparison Approach to develop an opinion of market value for:

1. The hotel, home, bungalow and condominium bulk parcels; and
2. The custom lots proposed for sale.

In this method, we analyzed prices buyers have recently paid for similar sites in the market, as well as examined current offerings. In making comparisons, we adjusted the sale prices for differences between this site and the comparable sites.

The major elements of comparison utilized to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

### Hotel, Restaurant and Destination Spa Bulk Parcels

The subject hotel bulk parcels approximate land areas follows:

LAND USE SUMMARY		Crab Cay Master Planned Community					
Property	Product Sale Type	Total Units	Gross SF/Lot	Total Gross SF	Gross Acres	Current Condition	Proposed Condition
Crab Cay Resort Hotel - 114 Keys	Hotel	114	291,024	291,024	6.681	Raw Land	Master Developed, Sold Stabilized in 3 Years
Welcome Beach Hotel	Hotel	25	1,148	28,700	0.659	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village II Restaurant	Restaurant	2	Incl. HVII	Incl. HVII	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village I / Marina Village North Hotel/Restaurant	Hotel / Restaurant	32	Incl. HVI	Incl. HVI	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Hotel	Hotel, Restaurant & Spa	39	2,183	85,140	1.955	Raw Land	Master Developed, Sold Stabilized in 3 Years
Destination Spa	Spa	1	151,502	151,502	3.478	Raw Land	Master Developed, Sold Stabilized in 3 Years

We present on the following pages a summary of pertinent details of bulk parcels under contract, offers pending and recently sold land where buyers are proposing hotel or condo construction. In the valuation of the subject site's fee simple interest, the Sales Comparison Approach has been used to establish prices being paid for comparably zoned land.

The most widely used and market oriented units of comparison for properties with characteristics similar to those of the subject are price per acre and per square foot of land area. All transactions utilized in this analysis are based on the most appropriate method used in the local market.

The major elements of comparison utilized to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

The comparables and our analysis following.

SUMMARY OF COMPARABLE LAND SALES - BULK PARCELS FOR CONDOS, VILLAS, HOTEL							
No.	Location	Price Date	Site SF Site Ac	Entitlements Utility*	Public Utilities	Per SF Per Ac	COMMENTS
1	Narrows, Northern Tip Harbor Island, Bahamas	\$11,500,000 3Q 2017	277,042 SF 6.36 Ac	Multi-family Good	All Available	\$41.51 \$1,808,176	Sold adjacent to new Island Harbor marina, proposed for condominiums
2	Queen's Highway Harbor Island, Bahamas	\$5,000,000 4Q 2017	113,256 SF 2.60 Ac	Multi-family Good	All Available	\$44.15 \$1,923,077	Sold adjacent to new Island Harbor marina, proposed for condominiums
3	Queen's Highway, 400' Beachfront Harbor Island, Bahamas	\$12,900,000 Offer, May 2018	274,428 SF 6.30 Ac	Multi-family Good	All Available	\$47.01 \$2,047,619	Sold adjacent to new Island Harbor marina, proposed for condominiums
4	Rainbow Bay  Lucaya, Bahamas	\$30,700,000  Pending	805,424 SF  18.49 Ac	Multi-family  Good	All  Available	\$38.12  \$1,660,357	Prestigious Golden Beach boasts over 930 feet of beach frontage coupled with over 600 feet of canal frontage. This prime commercial property encompasses 18.49 acres and is zoned tourist commercial/multifamily. It is perfectly situated for a five star resort, timeshare resort, condominium or any major development. The property includes 6 vacant canal front lots, 6 inland lots and 6 beachfront lots.
5	Silver Cove  Lucaya, Bahamas	\$14,600,000  Listing/Available	599,386 SF  13.76 Ac	Multi-family  Average	All  Available	\$24.36  \$1,061,047	This rare beachfront and canalfront property is ideally located in Silver Cove Subdivision. It is east of the popular Island Seas timeshare resort, Cannes Village Condos and west of the Bahama Reef channel. The property is all zoned Tourist Commercial, which is the highest level of zoning available and also the rarest. Property would allow for the construction of home-sites, marina, condominiums, resort hotel, restaurant, club, retail businesses or any mixed-use enterprise. The property boasts over 2,749.65 feet of water frontage.
6	Governor's Harbour  Eleuthera, Bahamas	\$34,000,000  Listing/Available	1,481,040 SF  34.00 Ac	Multi-family  Average	All  Available	\$22.96  \$1,000,000	Just across from the picturesque village of Governor's Harbour, lies French Leave Beach, certainly the best-kept secret in Eleuthera, with it's wide, stretch of pink-sand and crystal clear waters.
7	Pritchard's Point  Great Abaco, Bahamas	\$4,200,000  Listing/Available	187,308 SF  4.30 Ac	Multi-family  Fair	All  Available	\$22.42  \$976,744	300' touching a protected cove can accommodate several boats up to 40'. This is an assemblage of 2 adjacent properties. Dirt road access.
8	February Point  Great Exuma, Bahamas	\$6,500,000  Offer / Pending	270,072 SF  6.20 Ac	Hotel  Fair	All  Available	\$24.07  \$1,048,387	Hillside site within a custom home subdivision with limited beachfront. The site faces Crab Cay, already has two tennis courts completed.

The following reflects the low, high and averages for the comparables:

Summary	Price	Parcel SF Parcel Ac	Price/SF Price/Ac
Survey Low	\$4,200,000	187,308	\$22.42
Survey High	\$34,000,000	14,600,000	\$47.01
Average	\$14,925,000	5,842,981	\$33.07
Survey Low		4.3000 Ac	\$976,744
Survey High		335.1699 Ac	\$2,047,619
Average		134.1364 Ac	\$1,440,676

## Discussion of Adjustments – Hotel, Restaurant and Spa Parcels

### Property Rights Conveyed

The property rights conveyed in a transaction typically have a bearing on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. We are analyzing the fee simple interest in the subject and only analyzed similar fee simple transactions for comparison, all of the comparables represent the fee simple estate, thus no adjustments are warranted.

**Financial Terms**

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. To the best of our knowledge, all of the sales utilized in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

**Conditions of Sale**

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Relative to a Listing, we have applied a downward adjustment to those comparables to reflect the potential price negotiations for a sale. The offers and pending sales reflect current market pricing.

**Market Conditions**

Transactions occurring in 2017 reflect current market conditions, as do the offers and pending sales.

**Location**

An adjustment for location is required when the locational characteristics of a comparable property are different from those of the subject property.

The subject property is situated in Crab Cay, Queen Elizabeth Harbor, Great Exuma, a highly desirable location with convenient access to an international airport with direct air routes to the United States and Europe. All of the selected comparables have direct international airport and beach access. However, Silver Cove in Lucaya is not a market with lot and home pricing commanded in resort developments of Abaco or Exuma and therefore warrants significant upward adjustment. Pritchard's Point parcel in Great Abaco does not have the quality of beach as the subject, warranting an upward adjustment. February Point has limited beach frontage, warranting an upward adjustment.

**Size**

The size adjustment generally reflects the inverse relationship between unit price and lot size. Variations in pricing for size was evidenced from the available market data and given the different subject bulk sizes, values per square foot variances were made in the selection of market value conclusions.

**Public Utilities**

The availability of public utilities is an important aspect that has a bearing on the value of a property. Municipal utility providers often provide utilities such as gas, electricity, and telephone. However, water and sewer needs are unique to each project. All of the Comparables had electricity, but remaining utilities had to be extended within the parcels prior to home or hotel development.

**Conclusion of Bulk Parcel Values**

Based on recent transactions for bulk parcels in The Bahamas and throughout the Caribbean, institutional-oriented property buyers are acknowledging an increase in demand and pricing in 2018. As evidenced by

Comparables 1, 2 and 3, the pricing is some of the highest ever recorded as a result of a new marina being constructed on adjacent seabed lease. This is reflective of the subject parcels, with beachfront being the most valuable, then followed by marina/harbor frontage, followed by canal and lastly interior frontages and views.

Based on recent market evidence and our subsequent analysis, our as-is market value for the subject bulk land parcels is shown in the following table:

<b>Crab Cay Resort Hotel - 114 Keys</b>			<b>Welcome Beach Hotel</b>		
VALUE CONCLUSION	\$/SF	\$/Acre	VALUE CONCLUSION	\$/SF	\$/Acre
Indicated Value	\$20.00	\$871,200	Indicated Value	\$45.00	\$1,960,200
Site Area	x 291,024	x 6.68	Site Area	x 28,700	x 0.66
Indicated Value	\$5,820,487	\$5,820,487	Indicated Value	\$1,291,500	\$1,291,500
<b>Rounded</b>	<b>\$5,800,000</b>	<b>\$5,800,000</b>	<b>Rounded</b>	<b>\$1,300,000</b>	<b>\$1,300,000</b>
Per square foot	\$19.93	\$868,134	Per square foot	\$45.30	\$1,973,101
<b>Harbour Village II Restaurant</b>			<b>Harbour Village I / Marina Village North Hotel/Restaurant</b>		
VALUE CONCLUSION	\$/SF	\$/Acre	VALUE CONCLUSION	\$/SF	\$/Acre
Indicated Value	\$45.00	\$1,960,200	Indicated Value	\$45.00	\$1,960,200
Site Area	x 15,273	x 0.35	Site Area	x 43,091	x 0.99
Indicated Value	\$687,273	\$687,273	Indicated Value	\$1,939,091	\$1,939,091
<b>Rounded</b>	<b>\$700,000</b>	<b>\$700,000</b>	<b>Rounded</b>	<b>\$1,900,000</b>	<b>\$1,900,000</b>
Per square foot	\$45.83	\$1,996,500	Per square foot	\$44.09	\$1,920,684
<b>Claw Beach Hotel</b>			<b>Destination Spa</b>		
VALUE CONCLUSION	\$/SF	\$/Acre	VALUE CONCLUSION	\$/SF	\$/Acre
Indicated Value	\$45.00	\$1,960,200	Indicated Value	\$25.00	\$1,089,000
Site Area	x 85,140	x 1.95	Site Area	x 151,502	x 3.48
Indicated Value	\$3,831,300	\$3,831,300	Indicated Value	\$3,787,542	\$3,787,542
<b>Rounded</b>	<b>\$3,800,000</b>	<b>\$3,800,000</b>	<b>Rounded</b>	<b>\$3,800,000</b>	<b>\$3,800,000</b>
Per square foot	\$44.63	\$1,944,186	Per square foot	\$25.08	\$1,092,582

**Condominium and Bungalow Bulk Parcels**

The subject condominium and bungalow bulk parcels approximate land areas follows:

LAND USE SUMMARY		Crab Cay Master Planned Community					
Property	Product Sale Type	Total Units	Gross SF/Lot	Total Gross SF	Gross Acres	Current Condition	Proposed Condition
Beach Bungalows	Bungalows	11	1,625	17,875	0.410	Raw Land	Bulk Parcel Sale
Bungalows (Umbrella Village)	Bungalows	28	1,625	45,500	1.045	Raw Land	Bulk Parcel Sale
Marina Bungalows / Marina Village West	Bungalows	28	5,809	162,653	3.734	Raw Land	Bulk Parcel Sale
Claw Beach Condos	Condos	10	5,600	56,000	1.286	Raw Land	Bulk Parcel Sale
Condos (Umbrella Village)	Condos	20	3,500	70,000	1.607	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	36	8,589	309,189	7.098	Raw Land	Bulk Parcel Sale
Harbour Village I / Marina Village North Condos	Condos	20	Incl. HVI	Incl. HVI	---	Raw Land	Bulk Parcel Sale
Harbour Village II / Marina Village South Condos	Condos	30	8,282	248,466	5.704	Raw Land	Bulk Parcel Sale

We present on the following pages a summary of pertinent details of bulk parcels under contract, offers pending and recently sold land where buyers are proposing hotel or condo construction. In the valuation of the subject site's fee simple interest, the Sales Comparison Approach has been used to establish prices being paid for comparably zoned land.

The most widely used and market oriented units of comparison for properties with characteristics similar to those of the subject are price per acre and per square foot of land area. All transactions utilized in this analysis are based on the most appropriate method used in the local market.

The major elements of comparison utilized to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

The comparables and our analysis following.

SUMMARY OF COMPARABLE LAND SALES - BULK PARCELS FOR CONDOS, VILLAS, HOTEL							
No.	Location	Price Date	Site SF Site Ac	Entitlements Utility*	Public Utilities	Per SF Per Ac	COMMENTS
1	Narrows, Northern Tip	\$11,500,000	277,042 SF	Multi-family	All	\$41.51	Sold adjacent to new Island Harbor marina, proposed for condominiums
	Harbor Island, Bahamas	3Q 2017	6.36 Ac	Good	Available	\$1,808,176	
2	Queen's Highway	\$5,000,000	113,256 SF	Multi-family	All	\$44.15	Sold adjacent to new Island Harbor marina, proposed for condominiums
	Harbor Island, Bahamas	4Q 2017	2.60 Ac	Good	Available	\$1,923,077	
3	Queen's Highway, 400' Beachfront	\$12,900,000	274,428 SF	Multi-family	All	\$47.01	Sold adjacent to new Island Harbor marina, proposed for condominiums
	Harbor Island, Bahamas	Offer, May 2018	6.30 Ac	Good	Available	\$2,047,619	
4	Rainbow Bay	\$30,700,000	805,424 SF	Multi-family	All	\$38.12	Prestigious Golden Beach boasts over 930 feet of beach frontage coupled with over 600 feet of canal frontage. This prime commercial property encompasses 18.49 acres and is zoned tourist commercial/multifamily. It is perfectly situated for a five star resort, timeshare resort, condominium or any major development. The property includes 6 vacant canal front lots, 6 inland lots and 6 beachfront lots.
	Lucaya, Bahamas	Pending	18.49 Ac	Good	Available	\$1,660,357	
5	Silver Cove	\$14,600,000	599,386 SF	Multi-family	All	\$24.36	This rare beachfront and canalfront property is ideally located in Silver Cove Subdivision. It is east of the popular Island Seas timeshare resort, Cannes Village Condos and west of the Bahama Reef channel. The property is all zoned Tourist Commercial, which is the highest level of zoning available and also the rarest. Property would allow for the construction of home-sites, marina, condominiums, resort hotel, restaurant, club, retail businesses or any mixed-use enterprise. The property boasts over 2,749.65 feet of water frontage.
	Lucaya, Bahamas	Listing/Available	13.76 Ac	Average	Available	\$1,061,047	
6	Governor's Harbour	\$34,000,000	1,481,040 SF	Multi-family	All	\$22.96	Just across from the picturesque village of Governor's Harbour, lies French Leave Beach, certainly the best-kept secret in Eleuthera, with it's wide, stretch of pink-sand and crystal clear waters.
	Eleuthera, Bahamas	Listing/Available	34.00 Ac	Average	Available	\$1,000,000	
7	Pritchard's Point	\$4,200,000	187,308 SF	Multi-family	All	\$22.42	300' touching a protected cove can accommodate several boats up to 40'. This is an assemblage of 2 adjacent properties. Dirt road access.
	Great Abaco, Bahamas	Listing/Available	4.30 Ac	Fair	Available	\$976,744	
8	February Point	\$6,500,000	270,072 SF	Hotel	All	\$24.07	Hillside site within a custom home subdivision with limited beachfront. The site faces Crab Cay, already has two tennis courts completed.
	Great Exuma, Bahamas	Offer / Pending	6.20 Ac	Fair	Available	\$1,048,387	

The following reflects the low, high and averages for the comparables:

Summary	Price	Parcel SF Parcel Ac	Price/SF Price/Ac
Survey Low	\$4,200,000	187,308	\$22.42
Survey High	\$34,000,000	14,600,000	\$47.01
Average	\$14,925,000	5,842,981	\$33.07
Survey Low		4.3000 Ac	\$976,744
Survey High		335.1699 Ac	\$2,047,619
Average		134.1364 Ac	\$1,440,676

## Discussion of Adjustments – Condominium and Bungalow Parcel

### Property Rights Conveyed

The property rights conveyed in a transaction typically have a bearing on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. We are analyzing the fee simple interest in the subject and only analyzed similar fee simple transactions for comparison, all of the comparables represent the fee simple estate, thus no adjustments are warranted.

### Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. To the best of our knowledge, all of the sales utilized in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

**Conditions of Sale**

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Relative to a Listing, we have applied a downward adjustment to those comparables to reflect the potential price negotiations for a sale. The offers and pending sales reflect current market pricing.

**Market Conditions**

Transactions occurring in 2017 reflect current market conditions, as do the offers and pending sales.

**Location**

An adjustment for location is required when the locational characteristics of a comparable property are different from those of the subject property.

The subject property is situated in Crab Cay, Queen Elizabeth Harbor, Great Exuma, a highly desirable location with convenient access to an international airport with direct air routes to the United States and Europe. All of the selected comparables have direct international airport and beach access. However, Silver Cove in Lucaya is not a market with lot and home pricing commanded in resort developments of Abaco or Exuma and therefore warrants significant upward adjustment. Pritchard's Point parcel in Great Abaco does not have the quality of beach as the subject, warranting an upward adjustment. February Point has limited beach frontage, warranting an upward adjustment.

**Size**

The size adjustment generally reflects the inverse relationship between unit price and lot size. Variations in pricing for size was evidenced from the available market data and given the different subject bulk sizes, values per square foot variances were made in the selection of market value conclusions.

**Public Utilities**

The availability of public utilities is an important aspect that has a bearing on the value of a property. Municipal utility providers often provide utilities such as gas, electricity, and telephone. However, water and sewer needs are unique to each project. All of the Comparables had electricity, but remaining utilities had to be extended within the parcels prior to home or hotel development.

**Conclusion of Bulk Parcel Values**

Based on recent transactions for bulk parcels in The Bahamas and throughout the Caribben, institutional-oriented property buyers are acknowledging an increase in demand and pricing in 2018. As evidenced by Comparables 1, 2 and 3, the pricing is some of the highest ever recorded as a result of a new marina being constructed on adjacent seabed lease. This is reflective of the subject parcels, with beachfront being the most valuable, then followed by marina/harbor frontage, followed by canal and lastly interior frontages and views.

Based on recent market evidence and our subsequent analysis, our as-is market value for the subject bulk land parcels is shown in the following table:

Beach Bungalows			Bungalows (Umbrella Village)		
VALUE CONCLUSION	\$/SF	\$/Acre	VALUE CONCLUSION	\$/SF	\$/Acre
Indicated Value	\$45.00	\$1,960,200	Indicated Value	\$40.00	\$1,742,400
Site Area	x 17,875	x 0.41	Site Area	x 45,500	x 1.04
Indicated Value	\$804,375	\$804,375	Indicated Value	\$1,820,000	\$1,820,000
<b>Rounded</b>	<b>\$800,000</b>	<b>\$800,000</b>	<b>Rounded</b>	<b>\$1,800,000</b>	<b>\$1,800,000</b>
Per square foot	\$44.76	\$1,949,538	Per square foot	\$39.56	\$1,723,253
<b>Spa Beach Bungalows</b>			<b>Marina Bungalows / Marina Village West</b>		
VALUE CONCLUSION	\$/SF	\$/Acre	VALUE CONCLUSION	\$/SF	\$/Acre
Indicated Value	\$0.00	---	Indicated Value	\$35.00	\$1,524,600
Site Area	---	---	Site Area	x 162,653	x 3.73
Indicated Value	---	---	Indicated Value	\$5,692,856	\$5,692,856
<b>Rounded</b>	---	---	<b>Rounded</b>	<b>\$5,700,000</b>	<b>\$5,700,000</b>
Per square foot	---	---	Per square foot	\$35.04	\$1,526,513
<b>Harbour Village I / Marina Village North</b>			<b>Claw Beach Condos</b>		
VALUE CONCLUSION	\$/SF	\$/Acre	VALUE CONCLUSION	\$/SF	\$/Acre
Indicated Value	\$0.00	---	Indicated Value	\$45.00	\$1,960,200
Site Area	---	Incl. HVI	Site Area	x 56,000	x 1.29
Indicated Value	---	---	Indicated Value	\$2,520,000	\$2,520,000
<b>Rounded</b>	---	---	<b>Rounded</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>
Per square foot	---	---	Per square foot	\$44.64	\$1,944,643
<b>Condos (Umbrella Village)</b>			<b>Harbour Village I / Marina Village North Condos</b>		
VALUE CONCLUSION	\$/SF	\$/Acre	VALUE CONCLUSION	\$/SF	\$/Acre
Indicated Value	\$35.00	\$1,524,600	Indicated Value	\$35.00	\$1,524,600
Site Area	x 70,000	x 1.61	Site Area	x 309,189	x 7.10
Indicated Value	\$2,450,000	\$2,450,000	Indicated Value	\$10,821,611	\$10,821,611
<b>Rounded</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>Rounded</b>	<b>\$10,800,000</b>	<b>\$10,800,000</b>
Per square foot	\$35.71	\$1,555,714	Per square foot	\$34.93	\$1,521,555
<b>Harbour Village I / Marina Village North Condos</b>			<b>Harbour Village II / Marina Village South Condos</b>		
VALUE CONCLUSION	\$/SF	\$/Acre	VALUE CONCLUSION	\$/SF	\$/Acre
Indicated Value	\$0.00	---	Indicated Value	\$30.00	\$1,306,800
Site Area	Incl. HVI	---	Site Area	x 152,000	x 3.49
Indicated Value	Incl. HVI	Incl. HVI	Indicated Value	\$4,560,000	\$4,560,000
<b>Rounded</b>	<b>Incl. HVI</b>	<b>Incl. HVI</b>	<b>Rounded</b>	<b>\$4,600,000</b>	<b>\$4,600,000</b>
Per square foot	---	---	Per square foot	\$30.26	\$1,318,263

## ESTATE LOT ANALYSIS

Custom home lots within resort master planned communities are among the most sought after category of real estate for second home buyers. With previous strong demand, developers realized significant price appreciation of custom lots through limited release of product and targeted marketing campaigns. Current market trends have suggested pre-2007 pricing levels, but lower levels of demand.

In this analysis, we have made specific comparisons to the subject proposed lots. The appraiser has previously physically inspected each of the comparable projects which then allowed the appraiser to tier and price the specific types of lots proposed for the subject. The following is reflective of the subject's proposed lot inventory:

### Subject's Proposed Lot Inventory

Subdivision	UNIT SIZE (AC)	Units	LOCATION
Founders' Enclave Lots	1.37	57	Beach
Claw Beach Homes	0.21	12	Beach
Founders' Enclave Homes	0.20	52	Iron Shore
Harbour Village II Homes	0.20	15	Harbor
Umbrella Village Homes	0.20	20	Beach
Walker Estates Homes	0.20	23	Beach / Iron Shore
Welcome Beach Homes	0.20	18	Beach
Claw Beach Lots	0.21	11	Beach
Founders' Enclave Lots	1.37	57	Beach
Harbour Village II Lots	0.09	5	Harbor
Walker Estates Lots	0.29	22	Beach / Iron Shore
<b>Total</b>		<b>235</b>	

We researched master planned communities in The Bahamas and because of the limited inventory or like-kind lot product, particularly for the custom beachfront estates, expanded the comparables to include inventory within other areas of the Caribbean.

### Estate Lot Inventory

The following is a summary of the competitive lot of inventory for those projects in this region that is deemed reasonable competitive to the subject, upon complete of construction:

**LOT COMPARABLES**

Project	Sub-Division	Location					Total Units	Sales Start Date	Sales End	Units Sold To-date <sup>(2)</sup>	Percent	Pace (Units/Year) <sup>(3)</sup>
		Beachfront First Row	Beachfront Back Row	Golf Frontage	Other <sup>(1)</sup>							
Ritz, Molasses Reef, Turks & Caicos	Ocean Estate Lots	42	-	-	-	42	Jan-05	Sold Out	42	100%	4.2	
Emerald Bay	Marina Beach	19	-	-	-	19	Jan-02	Sold Out	19	100%	7.6	
	Resales	6	-	-	-	6	Oct-04	Active	7	117%	7.0	
	Ocean Ridge	-	-	45	-	45	Jan-02	Sold Out	45	100%	13.9	
Little Dix Bay	Resales	-	-	13	-	13	Oct-04	Active	6	46%	6.0	
	Dover Hill	11	-	-	6	17	Jan-00	Resales	17	100%	1.1	
Turks & Caicos Sporting Club	Heavenly Hammock	17	-	-	-	17	Jan-17	Active	6	35%	3.0	
	Astwood Ridge	-	-	-	32	32	Mar-04	Active	2	6%	2.0	
	Columbus Beach	27	5	-	-	32	Mar-04	Active	1	3%	1.0	
	Lightbourne Point	22	-	-	-	22	Mar-04	Active	5	23%	5.0	
	Grand Cottages <sup>(4)</sup>	11	11	-	-	22	Mar-04	Active	15	68%	15.0	
February Point	Ocean Estate Lots	46	17	-	53	116	Jan-04	Active	61	53%	4.4	
Bakers Bay	Ocean Estate Lots	167	-	-	-	167	Jan-05	Active	161	96%	12.4	
	Golf Lots	-	-	9	-	9	Jan-05	Active	6	67%	0.5	
	Marina Village	-	-	-	44	44	Jan-05	Active	42	95%	3.2	
Winding Bay - Abaco Club	Ocean Estate Lots	108	3	-	-	111	Jan-05	Active	90	81%	6.9	
	Golf Lots	-	-	5	-	5	Jan-05	Active	5	100%	0.4	
<b>TOTALS</b>		<b>476</b>	<b>36</b>	<b>72</b>	<b>135</b>	<b>719</b>			<b>530</b>	<b>74%</b>	<b>5.5</b>	

The following reflects the physical characteristics of this competitive inventory:

Size (SF)					
Project	Sub-Division	Location			
		Beachfront First Row	Beachfront Back Row	Golf Frontage	Other
<b>Ritz, Molasses Reef, Turks &amp; Caicos</b>	Ocean Estate Lots	430,000	19,375	-	-
<b>Emerald Bay</b>	Marina Beach	23,000	-	-	-
<b>Emerald Bay</b>	Ocean Ridge	-	-	14,000	-
<b>Little Dix Bay</b>	Dover Hill	-	-	-	86,000
	Heavenly Hammock	47,916	-	-	-
<b>Turks &amp; Caicos Sporting Club</b>	Astwood Ridge	-	-	-	29,000
	Columbus Beach	86,000	120,000	-	-
	Lightbourne Point	50,000	-	-	-
	Grand Cottages	21,000	18,000	-	-
<b>February Point</b>	Ocean Estate Lots	8,250	8,400	-	8,400
<b>Bakers Bay</b>	Ocean Estate Lots	44,867	-	-	-
	Golf Lots	-	-	31,363	-
	Marina Village	-	43,124	-	-
<b>Winding Bay - Abaco Club</b>	Ocean Estate Lots	68,825	-	-	-
	Golf Lots	-	54,450	-	-

Size (Acres)					
Project	Sub-Division	Location			
		Beachfront First Row	Beachfront Back Row	Golf Frontage	Other
<b>Ritz, Molasses Reef, Turks &amp; Caicos</b>	Ocean Estate Lots	9.87	0.44	-	-
<b>Emerald Bay</b>	Marina Beach	0.53	-	-	-
	Ocean Ridge	-	-	0.32	-
<b>Little Dix Bay</b>	Dover Hill	-	-	-	1.97
	Heavenly Hammock	1.10	-	-	-
<b>Turks &amp; Caicos Sporting Club</b>	Astwood Ridge	-	-	-	0.67
	Columbus Beach	1.97	2.75	-	-
	Lightbourne Point	1.15	-	-	-
	Grand Cottages	0.48	0.41	-	-
<b>February Point</b>	Ocean Estate Lots	0.19	0.19	-	0.19
<b>Bakers Bay</b>	Ocean Estate Lots	1.03	-	-	-
	Golf Lots	-	-	0.72	-
	Marina Village	-	0.99	-	-
<b>Winding Bay - Abaco Club</b>	Ocean Estate Lots	1.58	-	-	-
	Golf Lots	-	1.25	-	-

The price per lot and resulting price per acre and square foot follow:

Price per Unit					
Project	Sub-Division	Location			
		Beachfront First Row	Beachfront Back Row	Golf Frontage	Other
<b>Ritz, Molasses Reef, Turks &amp; Caicos</b>	Ocean Estate Lots	\$ 10,000,000	\$ 1,200,000		
<b>Emerald Bay</b>	Marina Beach	\$2,100,000	-	-	-
	Resales	\$2,962,500			
	Ocean Ridge	-	-	\$1,098,000	-
	Resales			\$2,183,418	
<b>Little Dix Bay</b>	Dover Hill	-	-	-	\$1,210,000 <sup>(1)</sup>
	Heavenly Hammock	\$2,667,000 <sup>(1)</sup>	-	-	-
<b>Turks &amp; Caicos Sporting Club</b>	Astwood Ridge	-	-	-	\$600,000
	Columbus Beach	\$1,525,000	\$1,475,000	-	-
	Lightbourne Point	\$1,000,000	-	-	-
	Grand Cottages	\$600,000	\$400,000	-	-
<b>February Point</b>	Ocean Estate Lots	\$1,225,000	\$798,000	-	\$375,000
<b>Bakers Bay</b>	Ocean Estate Lots	\$9,000,000	\$4,500,000	-	-
	Golf Lots	-	-	\$3,500,000	-
	Marina Village	-	\$4,500,000	-	-
<b>Winding Bay - Abaco Club</b>	Ocean Estate Lots	\$3,200,000	-	-	-
	Golf Lots	-	\$2,500,000	-	-

At \$9,000,000 average lot pricing, Bakers Bay provides the most similar product type.

Price per Sq. Ft.					
Project	Sub-Division	Location			
		Beachfront First Row	Beachfront Back Row	Golf Frontage	Other
<b>Ritz, Molasses Reef, Turks &amp; Caicos</b>	Ocean Estate Lots	\$23	\$ 62		
<b>Emerald Bay</b>	Marina Beach	\$91	-	-	-
	Ocean Ridge	-	-	\$78	-
<b>Little Dix Bay</b>	Dover Hill	-	-	-	\$14
	Heavenly Hammock	\$19	-	-	-
<b>Turks &amp; Caicos Sporting Club</b>	Astwood Ridge	-	-	-	\$21
	Columbus Beach	\$18	\$12	-	-
	Lightbourne Point	\$20	-	-	-
	Grand Cottages	\$29	\$22	-	-
<b>February Point</b>	Ocean Estate Lots	\$148	\$95	-	\$45
<b>Bakers Bay</b>	Ocean Estate Lots	\$201	-	-	-
	Golf Lots	-	-	\$112	-
	Marina Village	-	\$104	-	-
<b>Winding Bay - Abaco Club</b>	Ocean Estate Lots	\$46	-	-	-
	Golf Lots	-	\$46	-	-
Price per Acre					
Project	Sub-Division	Location			
		Beachfront First Row	Beachfront Back Row	Golf Frontage	Other
<b>Ritz, Molasses Reef, Turks &amp; Caicos</b>	Ocean Estate Lots	\$1,013,023	\$2,697,910		
<b>Emerald Bay</b>	Marina Beach	\$3,977,000	-	-	-
	Ocean Ridge	-	-	\$3,416,000	-
<b>Little Dix Bay</b>	Dover Hill	-	-	-	\$612,000
	Heavenly Hammock	\$817,000	-	-	-
<b>Turks &amp; Caicos Sporting Club</b>	Astwood Ridge	-	-	-	\$901,000
	Columbus Beach	\$772,000	\$535,000	-	-
	Lightbourne Point	\$871,000	-	-	-
	Grand Cottages	\$1,245,000	\$968,000	-	-
<b>February Point</b>	Ocean Estate Lots	\$6,468,000	\$4,138,200	-	\$1,944,643
<b>Bakers Bay</b>	Ocean Estate Lots	\$8,737,864	-	-	-
	Golf Lots	-	-	\$4,861,111	-
	Marina Village	-	\$4,545,455	-	-
<b>Winding Bay - Abaco Club</b>	Ocean Estate Lots	\$2,025,316	-	-	-
	Golf Lots	-	\$2,000,000	-	-

As noted by the February Point sales, which represent some of the smallest lot inventory, the price per square foot and acre represent the highest of the competitive group, with the exception of Bakers Bay, which has larger lots, but prices establish the extreme upper market range.

### Custom Residential Lot Pricing Conclusions

Our concluded retail pricing for the subject's specific lot inventory follows:

Subdivision	UNIT SIZE (AC)	Units	LOCATION	PRICE / ACRE	AVERAGE RETAIL LOT PRICE	AGGREGATE RETAIL REVENUE
Founders' Enclave Lots	1.37	57	Beach	\$2,635,469	\$3,616,140	\$206,120,000
Claw Beach Homes	0.21	12	Beach	\$6,000,000	\$1,246,281	\$14,955,372
Founders' Enclave Homes	0.20	52	Iron Shore	\$3,000,000	\$590,289	\$30,695,041
Harbour Village II Homes	0.20	15	Harbor	\$4,000,000	\$787,052	\$11,805,785
Umbrella Village Homes	0.20	20	Beach	\$6,000,000	\$1,180,579	\$23,611,570
Walker Estates Homes	0.20	23	Beach / Iron Shore	\$5,000,000	\$983,815	\$22,627,755
Welcome Beach Homes	0.20	18	Beach	\$6,000,000	\$1,180,579	\$21,250,413
Claw Beach Lots	0.21	11	Beach	\$6,000,000	\$1,258,035	\$13,838,384
Founders' Enclave Lots	1.37	57	Beach	\$6,000,000	\$8,232,632	\$469,260,000
Harbour Village II Lots	0.09	5	Harbor	\$4,000,000	\$344,353	\$1,721,763
Walker Estates Lots	0.29	22	Beach / Iron Shore	\$5,000,000	\$1,440,020	\$31,680,441
<b>Total</b>		<b>235</b>			<b>\$3,606,666</b>	<b>\$847,566,524</b>

### Cost Approach – Paper/Unimproved Lot Sales

In order to ascertain the 'unimproved' value of the home lots, the infrastructure costs were considered and allocated over the bulk parcel, lot and home lot inventory, the following reflects the respective infrastructure costs, paper / platted lot and finished lot revenues:

Crab Cay Master Planned Community							
RETAIL LOT REVENUE		Paper Lot / Platted Lot Revenue		Infrastructure Costs		Finished Retail Lot Revenues	
Property	Total Units	Per Lot/Parcel	Total	Per Lot	Total	Per Lot	Total
Claw Beach Homes	12	\$1,115,435	\$13,385,224	\$130,846	\$1,570,148	\$1,246,281	\$14,955,372
Founders' Enclave Homes	52	\$3,833,001	\$199,316,027	\$130,846	\$6,803,973	\$3,963,846	\$206,120,000
Harbour Village II Homes	15	\$656,207	\$9,843,101	\$130,846	\$1,962,684	\$787,052	\$11,805,785
Umbrella Village Homes	20	\$1,049,733	\$20,994,658	\$130,846	\$2,616,913	\$1,180,579	\$23,611,570
Walker Estates Homes	23	\$852,970	\$19,618,305	\$130,846	\$3,009,449	\$983,815	\$22,627,755
Welcome Beach Homes	18	\$1,049,733	\$18,895,192	\$130,846	\$2,355,221	\$1,180,579	\$21,250,413
Claw Beach Lots	11	\$1,127,189	\$12,399,082	\$130,846	\$1,439,302	\$1,258,035	\$13,838,384
Founders' Enclave Lots	57	\$8,101,786	\$461,801,799	\$130,846	\$7,458,201	\$8,232,632	\$469,260,000
Harbour Village II Lots	5	\$213,507	\$1,067,535	\$130,846	\$654,228	\$344,353	\$1,721,763
Walker Estates Lots	22	\$1,309,174	\$28,801,837	\$130,846	\$2,878,604	\$1,440,020	\$31,680,441
<b>Totals</b>	<b>235</b>	<b>\$3,345,203</b>	<b>\$786,122,761</b>	<b>\$130,846</b>	<b>\$30,748,722</b>	<b>\$3,476,049</b>	<b>\$816,871,483</b>

## FINISHED HOME INVENTORY

### Bungalows / Condominium Inventory

Typically, bungalow, villa and condominium lots are not sold. Rather, finished units are sold or the bulk parcel is sold to a subdeveloper. The following reflects the proposed finished inventory to be built and sold by the master developer:

LAND USE SUMMARY		Crab Cay Master Planned Community					
Property	Product Sale Type	Total Units	Gross SF/Lot	Total Gross SF	Gross Acres	Current Condition	Proposed Condition
Spa Beach Bungalows	Bungalows	7	Incl. SB	Incl. SB	---	Raw Land	Finished Home
Harbour Village I / Marina Village North	Condo & 1st Level Retail	2	Incl. HVI	Incl. HVI	---	Raw Land	Finished Home

The retail home pricing for comparable finished units will be established. Then a finished unit to lot ratio for the bungalows will be ascribed to establish a retail lot pricing for valuation purposes.

The Harbor Village I / Marina Village North are 18,250 square foot units with both retail first floor units and condominiums second / third. There are no similar type units in the Bahamas, much less other developments throughout the Caribbean. Regardless, the condominium market demand is well established. With a mega-yacht marina fronting this portion of the development, the cost for the retail portion of the condominium is minimal and therefore demand should not be affected because we cannot prove specific pricing from comparables for that occupancy portion of the building.

We researched master planned communities in The Bahamas and expanded into other areas of the Caribbean for additional market support. The following is a summary of the competitive finished home sales for those projects in this region that are deemed reasonable competitive to the subject, upon complete of construction of infrastructure and amenities:

Name	City	Total Acres	PROJECT COMPARISONS			Overview and Amenities
			Total	Units		
				Sold	New Development	
<b>Emerald Bay Resort and Grand Isle Villas (prior Four Seasons resort hotel sold to Sandals Resort in 2008)</b>	Greater Exuma	475	Condos \$1.4 - \$2.5 million 775 Condos Total House Lots, less than one acre at \$1.2 - \$1.5 million. 45 Ocean Ridge Estate Lots 154 Club Estate Lots 19 Manna Lots 16 Emerald Bay Villas 16 Four Seasons Private Residence Club	All 64 units sold, \$800k-\$1.5 mil reflecting over \$40 million in contracts and reservations. \$70 million in pre-sales strictly over the internet. 18 condos included in hotel design, full hotel amenities were originally sold for \$1.2 million. Several were resold at \$2.5 million and recently a resale of \$3.1 million has been recorded. 2-3 bedroom homes are under contract, 1,800 sf for \$1.4 million, 2,500 sf for \$2.5 million, all ocean view. The first finished house sold to Steve Case for \$3.1 million. 64 Total Grand Isle Villas 15 sold, 1 under contract	50 acre site beginning development in 2019 with Beaches resort.	Greg Norman Golf Course, Four Seasons, pool pavilion, 125 slip protected deep water marina, European Spa, fitness and tennis center. Initial sales included the most desirable lots. Four Seasons opened December 1st.
<b>February Point www.februarypoint.com</b>	Greater Exuma	80	167 Residential Home Lots broken down into Cottages, Marina Townhomes, Marina & Beach Villas and a multi-family parcel.	80	N/A	Luxury Manna Villas, 2-3 Bedroom oceanfront starting from \$1.2 mil. 87-Residential Homesites .25-1.0 acres, \$300k - \$1million. Tennis club and proshop, waterfront restaurant, pool, 2 marinas, children's play area, beach bar and club and condo-hotel and
<b>Bakers Bay - a Discovery Land Development</b>	Great Abaco	565	Residential lots, villas and condominiums	27 Internal homesites (non-ocean view - located around Baker's Bay's Tom Fazio-designed practice facility and golf course from \$1,250,000 to \$2,200,000; Beach and golf frontage homesites located around Baker's Bay's Tom Fazio-designed practice facility and golf course range from \$4,000,000 to \$10,000,000.	In 2018, East Village—Baker's Bay's newest neighborhood—Veranda Cottage 3-2 is a four bedroom, four and one half bath waterfront home with direct access to marina docks, future East Village amenities. Two-story, 3,430sf Veranda Cottage, views over the marina, direct access to a row of 50' boat slips	Baker's Bay Golf & Ocean Club is the Bahamas' most exclusive, members-only club community. The 585-acre property features a Tom Fazio-designed golf course; 6-1/2 miles of white-sand beach; a family beach club, three restaurants; a world-class spa and wellness center, and luxurious residences
<b>Winding Bay The Abaco Club www.theabacoclub.com</b>	Great Abaco	520	130, 60 homesites-2 Acres, 70 West-Indian Cottages	130	N/A	Abaco Club on Winding Bay is a private, international sporting club and residential community. Situated on 453 acres. The Abaco Club on Winding Bay golf course, a spa and fitness facility, water sports, tennis courts, gourmet dining, and 2-mile beach. Clubhouse, Bahamian style cottages, 20 "inn Style" bedroom suites. Part of the Carnegie-Abbey Club Memberships, 400 members. 2, 3 and 4-bedroom island cottages, turnkey offer ocean or beach/bay views with floor plans ranging in size from 2,200-3,000 square feet. \$50,000 deposit, \$4,000 yearly dues.
<b>February Point www.februarypoint.com</b>	Greater Exuma	80	167	167	N/A	Luxury Manna Villas, 2-3 Bedroom oceanfront starting from \$1.2 mil. 87-Residential Homesites .25-1.0 acres, \$300k - \$1million. Tennis club and proshop, waterfront restaurant, pool, 2 marinas, children's play area, beach bar and club. Proposed hotel on 7 acres. 2017 completed construction on 5 unit condo project, sold two units.
<b>Molasses Reef Ritz Carlton, West Caicos, Turks and Caicos</b>	West Caicos, TC	600	75 beachfront villas, marina, designed in 2003, and built in 2006/7/8, Apex, the owner in 2014 was credited \$100,000,000	75 beachfront villas	N/A	Ritz-Carlton open 2007; The project sits on the secluded and uninhabited 9-square mile island of West Caicos.
<b>Ritz Grand Cayman</b>	Grand Cayman, USVI	120	77 beachfront villas.	77 beachfront villas	N/A	Ritz-Carlton, 365 rooms, open 2006, 9-holes Greg Norman Golf; Set on 144 acres, The Ritz-Carlton, Grand Cayman offers a luxury island resort experience with six restaurants, a spa, golf and two swimming pools.
<b>Four Seasons Resort Nevis</b>	Nevis	350	The 196-room Four Seasons Nevis was developed in 1991 and is located on Pinney's Beach on the Island of Nevis. The hotel is owned by Maritz, Wolf & Co and is operated by Four Seasons. The resort has a low-rise / low density layout and is spread over 350 acres. The property operated	sale of Villa 1409 in July 2018, two Three-bedroom villas available for sale with a similar floor plan as Villa 1409. Villa 1412 is listed for sale at \$1.95 million and has recently been updated. Villa 1411 was listed for sale this past spring at \$1.7 million with a very motivated seller.	N/A	Four Seasons Resort Nevis opened February 14, 1991 and was recently purchase by a new owner. Four Seasons Resort Nevis is undergoing a multi-phase renovation of the entire property starting with a full remodel of the 196 guest rooms.

## **Discussion of Adjustments – Bungalows / Condominiums**

### **Property Rights Conveyed**

We are analyzing the fee simple interest in the subject and only analyzed similar fee simple transactions for comparison. Thus, no adjustments are warranted.

### **Financial Terms**

To the best of our knowledge, all of the sales utilized in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

### **Conditions of Sale**

All sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Relative to a Listing, we have applied a downward adjustment to this comparable to reflect the potential price negotiations for a sale.

### **Market Conditions**

The sales included in this analysis date from 2005 to the date of valuation and pricing variations over the sellout of the homes within the bulk parcels situated in the resort master planned communities were considered in the final value conclusions.

Project	Sub-Division	Number of Units/Absorption										Pace (Units/Year)
		Location					Total Units	Sales Start Date	Sales End	Units Sold To-date	Percent	
		Beachfront First Row	Beachfront Back Row	Hillside/ Ocean View	Golf Frontage							
Ritz - Grand Cayman	Oceanfront Villas	77	0	-	-	77	Jan-05	Sold Out	77	100%	19.3	
Molasses Reef Ritz Carlton, West Caicos, Turks and Caicos	Island Villas	11	64	-	-	75	Jan-05	Sold Out	75	100%	18.8	
La Samanna	-	10	-	-	-	10	Dec-04	Sold Out	10	100%	2.5	
Viceroy Resort and Residences	Barnes Bay Villas	11	-	10	-	21	Jan-05	Sold Out	21	100%	4.2	
Emerald Bay	Grand Isle Villas	64	-	16	-	80	Jan-05	Sold Out	80	100%	16.0	
February Point	Marina Villas	5	-	-	-	5	Jun-17	Active	3	60%	3.0	
Winding Bay- The Abaco Club	West Indian Wooden Cottages	34	44	-	-	78	Jan-04	Active	26	33%	1.9	
Bakers Bay	East Village	7	-	-	-	7	Jan-18	Active	4	57%	5.3	

The various unit sizes for the comparables follow:

Project	Sub-Division	Type	A/C Area (Sq. Ft.)	Total Area (Sq. Ft.)	Bedrooms
Ritz - Grand Cayman	Oceanfront Villas	Beachfront	3,200	N/A	4
Molasses Reef Ritz Carlton, West Caicos, Turks and Caicos	Island Villas	Beachfront	4,500	N/A	4
La Samanna	-	-	2,800	N/A	3
Viceroy Resort and Residences	Barnes Bay Villas	Beachfront	5,350	6,650	4
Viceroy Resort and Residences	Barnes Bay Villas	Bluff Top	4,700	5,700	4/5
Emerald Bay	Grand Isle Villas	Interior	2,285	2,635	2
		Beachfront/ Golf	2,683	3,033	3
February Point	Luxury Marina Villas	Beachfront	2,550	2,850	3
Bakers Bay	East Village	Marina front	3,430	3,780	4
Winding Bay- The Abaco Club	West Indian Wooden Cottages	Beachfront	2,300	2,650	4

We then considered the finished home sales prices and allocated them based on location / view:

Project	Sub-Division	Beachfront First Row	Beachfront Back Row	Hillside/ Ocean View	Golf Frontage
Ritz - Grand Cayman	Oceanfront Villas	\$7,950,000	\$3,600,000	-	-
Molasses Reef Ritz Carlton, West Caicos, Turks and Caicos	Island Villas	\$6,000,000	\$2,600,000	-	-
La Samanna	-	\$3,150,000	-	-	-
Viceroy Resort and Residences	Barnes Bay Villas	\$7,490,000	\$5,875,000	-	-
Emerald Bay	Grand Isle Villas	\$1,900,000	-	\$995,000	-
February Point	Luxury Marina Villas	\$4,200,000	-	-	-
Bakers Bay	East Village	\$6,300,000	-	-	-
Winding Bay- The Abaco Club	West Indian Wooden Cottages	\$2,300,000	-	-	-

Finally, we analyzed the price per square foot of finished unit size:

<b>Project</b>	<b>Sub-Division</b>	<b>Beachfront First Row</b>	<b>Beachfront Back Row</b>	<b>Hillside/ Ocean View</b>	<b>Golf Frontage</b>
Ritz - Grand Cayman	Oceanfront Villas	\$1,442	\$1,125	-	-
Molasses Reef Ritz Carlton, West Caicos, Turks and Caicos	Island Villas	\$1,333.33	\$577.78	-	-
La Samanna	-	\$1,125	-	-	-
Viceroy Resort and Residences	Barnes Bay Villas	\$1,400	\$1,250	-	-
Emerald Bay	Grand Isle Villas	\$708	-	\$435	-
February Point	Luxury Marina Villas	\$1,647	-	-	-
Bakers Bay	East Village	\$1,837	-	-	-
Winding Bay- The Abaco Club	West Indian Wooden Cottages	\$1,000	-	-	-

The comparables were adjusted using these prices per square foot:

Sale Adjustment Grid		Bungalow - Beach Front			Bungalow - Interior			Townhomes - Canal			Bungalow - Harbor			Townhomes - Beach Front		
No.	Price PSF & Project	Economic Adjustments (Cumulative)			Property Characteristic Adjustments			Subtotal	Location	Size	Quality	Effective Age / Condition	Size	Utility, HVAC, Upgrades	Adj. Price PSF	Overall
		Property Rights Conveyed	Conditions of Sale	Financing	Market* Conditions	Subtotal	Location									
1	\$1,442.38 Oceanfront Villas	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$1,442.38 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$1,442.38 0.0%	Similar
2	\$1,333.33 Island Villas	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$1,333.33 0.0%	Similar 0.0%	Similar 0.0%	Larger 10.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$1,466.67 10.0%	Inferior
3	\$1,125.00 Viceroy Resort and Residences	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$1,125.00 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$1,125.00 0.0%	Similar
4	\$708.16 Grand Isle Villas	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$708.16 0.0%	Similar 0.0%	Similar 0.0%	Larger 25.0%	Similar 0.0%	Similar 0.0%	Inferior 25.0%	Similar 0.0%	Similar 0.0%	\$1,062.24 50.0%	Inferior
5	\$1,647.06 Luxury Marina Villas	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$1,647.06 0.0%	Similar 0.0%	Superior -10.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$1,482.35 -10.0%	Superior
6	\$1,836.73 East Village	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$1,836.73 0.0%	Similar 0.0%	Superior -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$1,469.39 -20.0%	Superior
7	\$1,000.00 West Indian Wooden Cottages	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$1,000.00 0.0%	Similar 0.0%	Superior -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Inferior 25.0%	Similar 0.0%	Similar 0.0%	\$1,050.00 5.0%	Inferior

**\*Market Conditions Adjustment**

Compound annual change in market conditions:

Date of Value (for adjustment calculations):

\*\*Utility includes shape, access, frontage and visibility.

0.00%

1-Aug-18

SALES SUMMARY		Adjusted Price Range
Price Range	\$SF	\$SF
Low	\$1,050	\$1,050
High	\$1,482	\$1,482
Average	\$1,300	\$1,300

The proposed home values for the subject's inventory follows along with the land pricing, coupled with construction costs and profit produce the following unit values and aggregate values:

<b>FINISHED HOME REVENUE</b>										
<b>Crab Cay Master Planned Community</b>										
<b>Homes</b>	<b>Total Units</b>	<b>Bulk Home Revenue</b>		<b>Infrastructure Costs</b>		<b>Finished Home Revenues</b>		<b>Building Cost</b>	<b>Lot</b>	<b>% of Home Price</b>
		<b>Per Home</b>	<b>Total</b>	<b>Per Home</b>	<b>Total</b>	<b>Per Home</b>	<b>Total</b>	<b>Per Home</b>	<b>Allocation</b>	
Spa Beach Bungalows	7	\$1,164,000	\$8,148,000	\$136,000	\$952,000	\$1,300,000	\$9,100,000	\$1,255,029	\$280,029	22%
Harbour Village I / Marina Village North	2	\$10,814,000	\$21,628,000	\$136,000	\$272,000	\$10,950,000	\$21,900,000	\$10,892,550	\$490,050	4%
<b>Totals</b>	<b>9</b>	<b>\$3,308,444</b>	<b>\$29,776,000</b>	<b>\$136,000</b>	<b>\$1,224,000</b>	<b>\$3,444,444</b>	<b>\$31,000,000</b>	---	---	---

The lot to home price ratio of 4% to 22% is at the extreme lower market range for competitive product.

## MARINA ANALYSIS

There are no sales of partially completed marinas where all information could be obtained. In reviewing marina sales throughout the resort market of Central America, Mexico and the Caribbean. premier marina developments in the United States, Canada, Mexico, Bahamas, Costa Rica, and the Dominican Republic with over 1,300 existing, under construction and to be built slips, The Marina Vallarta sold for \$7,500,000 with 352 slips, or \$21,307 per slip. This inland mega-yacht marina is in the built out resort market surrounded by hotels, golf courses and condos in Puerto Vallarta, Mexico. However, travel bans from particularly the United States reflect security concerns that make high wealth yacht owners not consider this a viable marina.

The objective for the Crab Cay Marina is to:

- Maximize the return on investment to the developer while managing sales and marketing processes associated with slip and home sales; and
- Maximize the rental rates and occupancy on for marina slips, dry dock storage and the hotel.

Marina operations have historically been a 'for lease' structure, much like a hotel. Crab Cay has implemented a structure similar to a condotel; whereas a portion of the slips are sold and put into a rental pool when not occupied; and the remaining slips remain rented. This structure does a couple of economic enhancements:

- Provides quicker funding, enhancing yields/returns;
- Creates a 'Club' structure that allows owners of slips to use other facilities with similar structures;
- Offsets economic fluctuations during periods of low demand;
- Enhances economics in some locations due to connectivity with other world class marinas; and
- Creates a 'need to buy now' incentive.

The following are known large scale marina new construction opportunities in this segment:

**Identified – To Be Built Marinas**

<b>Project</b>	<b>Location</b>	<b># of Slips</b>	<b>Size</b>	<b>Comments</b>
Crab Cay	Bahamas	153	55' to 300'+	Crab Cay's private harbor offers a deepwater anchorage naturally sheltered by surrounding barrier islands.
Rolle Cay	Bahamas	65	35' to 100'+	Located adjacent to Crab Cay, this fractional yacht club is tied to a fractional resort development with island setting in large protected bay
Leeward Harbor	Bahamas	285	40' to 300'+	Located in Great Abaco, Bahamas, Leeward Harbor Marina will have floating docks, 7,000 lf of vessel dockage, boardwalk, and restaurant
Punta Alma	Dominican Republic	160	55' to 300'+	Punta Alma Marina will have 160 boat slips, preserve mangrove areas, golf cart access, connection to lower boat access, and road connection along shore.
Harbour Island / 4M	Bahamas	55	35' to 100'+	Approved in March 2018, the project will take 2.5 years to complete and include: 55-slip marina, clubhouse, restaurant and retail at a cost of \$45 million.

A developer on Long Island, Bahamas reported they have plans to build the largest marina ever built in the Bahamas, but is still preliminary and not known timing or funding.

Similar to mimicking the success of Condo Hotels in the Early 2000's; and Founders Golf & Master Planned Community launches of the 1980's and early 1990's, whereby development, management, and funding is accomplished by:

- Branding (Brandy Marine, Bertram/Ferretti Yachts, associated hotels, and RCI Global Exchange Program);
- Bulk Sale of slips at pre-development/acquisition stage to real estate buyers in the development;
- Founders Launch Programs (select celebrities, athletes and boating enthusiasts allowed to purchase limited number of memberships/slips);
- Sustainable Sales (limited property releases); and
- Retain some slips under daily, weekly, monthly and annual leases to enhance annual cash flows.

Once slips are sold, they return to a rental pool when the boat is not at dock can provide a 34% enhancement over pure rental structures. Further, the sale of a slip to an investor provides a reasonable investment return to individuals, but enhances the overall economics of the marina.

A summary of IGY's rental rates for the respective projects:

IGY Caribbean Marina Rates										
	Slip Type	Hourly	Daily	Weekly	Monthly	Seasonal	Annual	Silver Package	Gold Package	Platinum Package
								1 - 29 days	30 - 44 days	45 - 180 days
<b>American Yacht Harbor</b>	0 - 50ft		\$1.45	\$1.30	\$1.20	\$1.00	\$0.95			
	51 - 79ft		\$1.60	\$1.50	\$1.35	\$1.25	\$1.15			
	Special T Heads		\$2.75							
	80+ ft							\$2.75	\$2.75	\$2.75
<b>Portofino Marina</b>			\$1.25	\$4.00	\$13.00					
<b>Rodney Bay Marina</b>	0 - 50ft		\$0.65	\$0.60	\$0.55	\$0.45	\$0.45			
	51 - 79ft		\$0.70	\$0.65	\$0.60	\$0.50	\$0.45			
	Special T Heads		\$2.25							
	80+ ft							\$2.25	\$2.25	\$2.25
<b>Simpson Bay Marina</b>	0 - 50ft		\$1.30	\$1.05	\$0.70	\$0.60	\$0.55			
	51 - 79ft		\$1.60	\$1.40	\$0.90	\$0.75	\$0.65			
	80+ ft, T Heads/Alongside/Doo Dock							\$4.25	\$4.10	\$3.95
	80+ ft, T Heads/Alongside/Doo Dock							\$2.25	\$2.00	\$1.90
<b>Turks &amp; Caicos Yacht Club</b>	opening fall of '08									
<b>Village Cay Marina</b>	0 - 50ft	\$10.00	\$1.40	\$1.35	\$1.20	\$1.00	\$0.95			
	51 - 79ft	\$10.00	\$1.95	\$1.90	\$1.85	\$1.75	\$1.70			
	80+ ft							\$2.75	\$2.50	\$2.25
<b>Virgin Gorda Yacht Harbour</b>	0 - 50ft		\$1.40	\$1.35	\$1.20	\$1.00	\$0.95			
	51 - 79ft		\$3.00	\$2.90	\$2.80	\$2.70	\$2.50			
	80+ ft							\$3.00	\$2.85	\$2.50
<b>The Yacht Club at Isle de Sol</b>	Dock A							\$6.00	\$5.75	\$5.50
	Dock B,C,D							\$4.75	\$4.00	\$3.75
<b>Yacht Haven Grande - Anguilla</b>	Coming Soon									
<b>Yacht Haven Grande - St. Thomas</b>	B,C and D Docks							\$4.50	\$3.85	\$3.60
	A Dock							\$5.75	\$5.50	\$5.00
	0 - 50ft		\$1.45	\$1.30	\$1.20	\$1.00	\$0.95			
	51 - 79ft		\$1.60	\$1.50	\$1.35	\$1.25	\$1.15			
<b>Average (excludes Portofino)</b>		<b>\$1.62</b>	<b>\$1.60</b>	<b>\$1.24</b>	<b>\$1.10</b>	<b>\$1.03</b>				

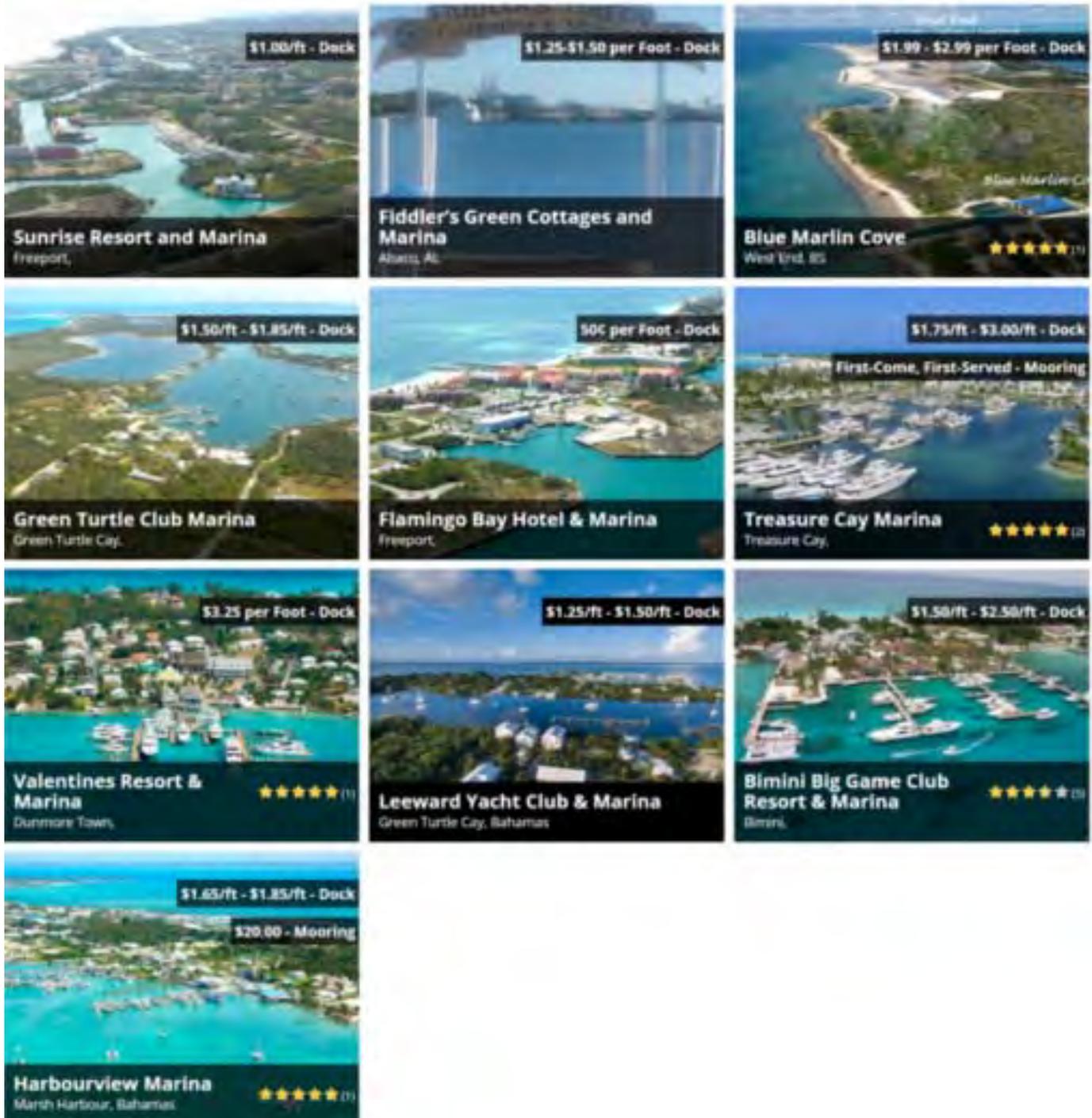
Rent comparables in Florida and Bahamas follow:

Monthly Rent	
\$	45.00
\$	15.00
\$	26.00
\$	45.00
\$	10.00
\$	30.00
\$	25.00
\$	40.54

For sale inventory follows:

Sale	LF	\$ / LF
<b>Bahamas</b>		
\$ 100,000	60	\$ 1,667
\$ 45,000	35	\$ 1,286
<b>Florida</b>		
\$ 250,000	45	\$ 5,556
\$ 85,000	50	\$ 1,700
\$ 180,000	70	\$ 2,571
\$ 167,000	47	\$ 3,553
\$ 125,000	50	\$ 2,500
\$ 61,000	35	\$ 1,743
\$ 225,000	68	\$ 3,309
\$ 132,000	46	\$ 2,870
\$ 180,000	68	\$ 2,647
<b>Average</b>		<b>\$ 2,939</b>

A sample of the Bahamas marinas survey follow:



A sample of the Florida marinas follow:

<b>Marina: Dock for rent</b>		<b>Jonathan's Landing Marina - JUPITER, FL - 33477</b>	
	<a href="#">Details</a> <a href="#">Contact Info</a>	3238 Casseekey Island Rd. JUPITER Florida (Southeast) - 33477 United States <a href="#">(View on Map)</a>	Max Length: <b>100 ft.</b> Max Beam (width): <b>21 ft.</b> Max Draw (depth): <b>9 ft.</b> Max Clearance (height): <b>Unlimited</b> Liveaboard Allowed: <b>Yes</b> (Listing ID: #11231)
		100 ft L X 21 ft W, 9 ft depth, direct access to intercoastal, 50 and 100 amp service. Free amenities included in the yearly lease is: pump out at dock, potable water, fast wireless internet, swimming pool, parking in an exclusive	
		Monthly Rate: <b>\$1,500</b>	
<b>Marina: Slip for rent</b>		<b>Yacht Management Marina - Ft. Lauderdale, FL - 33312</b>	
	<a href="#">Details</a> <a href="#">Contact Info</a>	3001 Stateroad 84 Ft. Lauderdale Florida (Southeast) - 33312 United States <a href="#">(View on Map)</a>	Max Length: <b>135 ft.</b> Max Beam (width): <b>35 ft.</b> Max Draw (depth): <b>10 ft.</b> Max Clearance (height): <b>55 ft.</b> Liveaboard Allowed: <b>Yes</b> (Listing ID: #11228)
		Located on CR 84 west of I95, this is a hurricane safe marina location. Slips range in size from 30 ft to 135 ft. Prices average \$14.00 per foot, please call for an exact dockage quote. Rates are based on size of vessel and length of	
		Monthly Rate: <b>\$1.50/ft.</b>	
<b>Home: Dock for rent</b>		<b>Private Home South Las Olas Isles - FT Lauderdale, FL - 33301</b>	
	<a href="#">Details</a> <a href="#">Contact Info</a>	South Las Olas Isles FT Lauderdale Florida (Southeast) - 33301 United States <a href="#">(View on Map)</a>	Max Length: <b>50 ft.</b> Max Beam (width): <b>25 ft.</b> Max Draw (depth): <b>5 ft.</b> Max Clearance (height): <b>Unlimited</b> Liveaboard Allowed: <b>No</b> (Listing ID: #11226)
		This dock is behind a private home on a quiet canal on the South Las Olas Isles. The canal exits at the mouth of the New River, minutes from Port Everglades. Easy access to the dock day or night makes this an ideal dock for the	
		Monthly Rate: <b>\$1,300</b>	
<b>Marina: Slip for rent</b>		<b>816 Docks - Fort Lauderdale, FL - 33304</b>	
	<a href="#">Details</a> <a href="#">Contact Info</a>	816 NE 20th Avenue Fort Lauderdale Florida (Southeast) - 33304 United States <a href="#">(View on Map)</a>	Max Length: <b>130 ft.</b> Max Beam (width): <b>30 ft.</b> Max Draw (depth): <b>10 ft.</b> Max Clearance (height): <b>Unlimited</b> Liveaboard Allowed: <b>Yes</b> (Listing ID: #11215)
		Yacht dockage on site at the 810 Marina Group headquarters! Newly renovated dock pier with 3-phase 200 volt power. Multiple high speed internet. Liveaboard welcome. Great location for your private dockage, repairs and access.	
		Monthly Rate: <b>\$5,850</b>	

While dry dock storage for boats is fully occupied with little inventory in the Bahamas or the Caribbean, Florida reflects the closest inventory where market rental rates can be evaluated:

**Boat Dock Rental near Port Everglades  
Dock-a-minium / Rack-aminium for Rent  
Contact Stan Serling at (954) 562-1605**



\$1,820 per month - Annual

Keep your boat High & Dry in this Fort Lauderdale Rack-a-minium near Fort Lauderdale Port Everglades.

(Height 17.33 ft., Width 15.17 ft., Length 52 ft.)

### **Port Sanibel Marina**



Located in Fort Myers, Florida, Port Sanibel Marina has three buildings dedicated to dry boat storage. Our storage facilities can accommodate up to 135 boats ranging in size up to 34 feet. Our storage services feature a launching facility with trailer storage.

Fully enclosed

- 0 feet to 20 feet – \$345 per month +tax
- 21 feet to 24 feet – \$425 per month +tax
- 25 feet to 29 feet – \$495 per month +tax
- 30 feet + \$525 per month +tax

As a result of this analysis, the following is a summary of the proposed individual slip and aggregate slip revenue from 50% slip sales at Crab Cay:

<b>Crab Cay</b>		
<b>Marina Slip Sales &amp; Operations-</b>		
Marina completion Date		12/1/2019
Selling Commission & Expense		10%
Total Linear Feet of Dock		11,000
<b>LF to be sold</b>	<b>50.0%</b>	<b>5,500</b>
Sales Price per LF		\$ 10,000
Slips		153
Slip Price / Per		\$ 720,000

Given the lack of comparable product and that there are no new mega yacht marinas being built in the United States, slip sales were projected to sellout by the end of 2020. The cash flow from operations of the marina was ran through 2024, with 2025 cash flow use to estimate a reversionary value estimate. Brandy Marine was consulted for appropriate expenses for marinas similar to the subject. The following is a summary of the income projections for the existing and proposed marina:



**Capitalization – Stabilized Marina**

The Bahamas has traditionally had yields surveyed among the different types of properties on home and multifamily rentals:

- Inland condominiums on Nassau have the highest average yields at around 8%, with yields of around 7% for Nassau condominiums along the water.
- Yields in Abaco and Grand Bahama waterfront are moderate, ranging from 3.57% to 4.45%.
- Last year we found a similar yield gap for Nassau houses, so it seems that this real factor, not a statistical blip.

Investors for marinas and rental slips tend to have more security than typical real estate rentals due to the inability to add significant competitive inventory. As such, we would expect the capitalization rate and resale of this marina, based on stabilized net operating income as follows:

Revenue Sources	Income Potentials
Net Operating Income - Year 6 Proforma	\$ 6,203,640
12.0%	\$ 51,696,998
Plus: Sales Proceeds - End of Year 5	\$ 53,350,000
Plus: Operating Revenue Over Period	\$ 33,260,207
<b>Total Potential Revenue</b>	<b>\$ 138,307,205</b>
<b>Cost Basis</b>	<b>\$ 33,728,979</b>
Acquisition Price	\$ 15,000,000
<b>Potential Net Proceeds</b>	<b>\$ 104,578,226</b>
<b>Return on Investment</b>	<b>214.6%</b>

**Relevant Marina Sales**

Antigua Yacht Club, Falmouth, Antigua Client Island Global Yachting (IGY) Instruction Acquisition advice and due diligence appraisal. Value Range US\$30 million.



Rodney Bay Marina, St Lucia Client IGY Instruction. Acquisition advice and due diligence appraisal with subsequent instructions to sell 14 acres of non-core development land (Pope’s Hill). Value Range US\$60 million for 232 berth marina with potential for development of a mega yacht marina.



**Marina Costs**

The Crab Cay Marina is expected to cost \$33,728,979 to construct, but Phase I funding should be sufficient to allow funding of the remaining portion of the marina through slip / dockominium sales:

	<b><u>Phase 1 Subtotal</u></b>
Marina	\$9,381,715
Road and Infrastructure	\$2,456,597
Phase 1 Subtotal	\$11,838,312

## HOTEL ANALYSIS

Lodging is a cyclical industry, passing through four distinct phases over time: peak, contraction, trough, and expansion. Since the United States financial crisis a decade ago, lodging demand has increased each of the eight years from 2009 to 2017, enabling United States hotels to achieve new record levels of occupancy each of the past three years.

### Comparable Upscale Caribbean Resort Hotels

The largest hotel on Great Exuma is Sandals Emerald Bay, an all inclusive resort part of the internal brand with similar hotels in Mexico and Jamaica. Formerly a Four Seasons Resort at Emerald Bay offers a magnificent crescent shaped beach, a Greg Norman designed 18-hole par-72 championship golf course, health club, swimming pool, tennis facilities, fine restaurants and an array of water sports. The appraiser was a consultant on the sale of the project, prior to the acquisition by Sandals. This is an excellent golf course for Crab Cay Master Planned Community owners and guests.

The planned development in Crab Cay Master Planned Community incorporates the following hotels:

LAND USE SUMMARY		Crab Cay Master Planned Community					
Property	Product Sale Type	Total Units	Gross SF/Lot	Total Gross SF	Gross Acres	Current Condition	Proposed Condition
Crab Cay Resort Hotel - 114 Keys	Hotel	114	291,024	291,024	6.681	Raw Land	Master Developed, Sold Stabilized in 3 Years
Welcome Beach Hotel	Hotel	25	1,148	28,700	0.659	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village II Restaurant	Restaurant	2	Incl. HVII	Incl. HVII	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Harbour Village I / Marina Village North Hotel/Restaurant	Hotel / Restaurant	32	Incl. HVI	Incl. HVI	---	Raw Land	Master Developed, Sold Stabilized in 3 Years
Claw Beach Hotel	Hotel, Restaurant & Spa	39	2,183	85,140	1.955	Raw Land	Master Developed, Sold Stabilized in 3 Years

These are upscale 5- and 6-Star development commanding the highest prices and rental rates in all of the Caribbean. A sale of the island should command record pricing.

The hotels proposed for Crab Cay Master Planned Community is more of a small and elite category of lodging products, often referred to as "exclusive" or "boutique" resort hotels. These projects are also proposed for a marina, which distinguished themselves by virtue of superior quality and unique services offered. They are typically less than 200 rooms and command average room rates in excess of \$300 per night. The fact that these facilities can command such high room rates is partially attributable to the established reputations in the Caribbean lodging market, as well as several other factors critical to the development, operation and preserved image of boutique resort properties. These include:

- Location - most luxury resorts in the Caribbean are located away from, but within reasonable distance of, their island's activity centers and airport. A sense of privacy and exclusiveness is expected by the guests, provided that the activity centers are accessible. Isolated locations limit the degree to which local residents and guests from other hotels in the area frequent the resort. Moreover, some resort managers actually discourage patronage from outside sources in order to preserve the exclusive image of the property.
- Marketing - marketing strategies for luxury properties must be specifically designed to reach affluent markets. Successful marketing programs frequently possess the following attributes:
  - Extensive effort is devoted to studying such market characteristics as geographical origin, visitation and spending patterns, guest profiles, and any information that more accurately identifies sources of demand.
  - Luxury resort clientele must be cultivated and courted. Detailed histories are maintained which highlight specific service requirements and idiosyncrasies of individual guests. These histories are used to personalize direct mailing programs, as well as to understand the needs of repeat guests.
  - Media advertising and travel reviews, which are generally used to promote the off-season is often limited to a select group of specialized publications.
  - Moreover, local suburban newspapers catering to the upper class are also a good source of publicity. Furthermore, marketing management often seeks exposure through respected travel writers who publish their critiques in a variety of periodicals, books and travel guides.
- Services - perhaps the most important component offered by a luxury resort in the Caribbean is the level of service. Excellent service is translated as fulfilling the needs and wants of the guests. High quality service is the major factor, which enables a resort to attract the luxury market. Even temporary lapses in service levels can severely hurt a resort's reputation. Furthermore, recovering from a poor or questionable image is difficult. Therefore, service levels must be consistently maintained. The following factors are always considered:
  - Staff to guest ratio of nearly two-to-one;
  - On-site concierge willing to arrange almost anything for a guest including transportation, private boat charters, entertainment and other special services;
  - Excellent food and beverage service that includes 24-hour room service, complying with special meal requests and organizing picnic lunches;
  - Turndown and valet service provided by the housekeeping department.
- Facilities and Amenities - guestrooms are simple, yet oversized and well furnished, and contain a variety of amenities such as fresh flowers, fine stationery, vanity packs with suntan lotion and imported soaps,

and beach robes and footwear. Public facilities usually include one or two gourmet and specialty restaurants, and a pool or ocean side cocktail lounge. Meeting and banquet facilities, if available, usually consist of one or two general purpose rooms with limited capacities. This factor, coupled with the minimal number of guest rooms, restricts the degree to which secluded, luxury resorts can serve group markets. Recreational facilities are extensive and usually include the following items:

- Large swimming pool and deck area with comfortable lounge chairs;
- Tennis courts
- In some cases, golf
- A full range of water sports, including snorkeling, scuba diving, sailing, water skiing, fishing and so forth. These services are often handled on a concession basis, or provided to the guest at no extra charge.
- The single most important recreational amenity that any Caribbean resort can offer is a high-quality beach area. As mentioned previously, most luxury resorts possess exceptionally fine beaches, which often provide the following characteristics:
  - Beaches appear to be uninhabited, with little or no adjacent hotel activity
  - The surrounding waters are usually calm and hazard-free
  - Beach areas are landscaped with shade trees providing some protection from the sun while contributing to the guest's sense of privacy
  - Guestrooms are located proximate or contiguous to the beach areas

For the purposes of our analysis, we have selected eleven Caribbean resorts that are considered comparable, in varying degrees to the proposed subject. The determination of which properties are comparable was based on their reputation and market orientation, type and class of facilities, location, quality of management, average room rates, and a discussion with management representatives at the subject. A summary of the operating statistics and facilities at these resorts appear on the following pages. Additional information about the hotels appears in the following paragraphs.

The operating performance of three primary competitors including CuisinArt Resort, Malliouhana, and Hotel Guanahani was not included in our supply and demand analysis because these hotels do not participate with STR and are usually closed two or three months per year. However, we did include them in the analysis below to provide a general overview of their product offering. Furthermore, it should be noted that there are other resorts in the Caribbean that may also compete with the proposed subject; however, they were not included in our analysis for various reasons, including: significantly smaller size, location in lesser known island destinations, and lack of any type of affiliation, among others (i.e. Sandy Lane, Carlyle Bay, and Raffles Resort):

- The 109-room One&Only Ocean Club opened originally in 1962 and is located on a 20-acre beachfront parcel in Paradise Island, The Bahamas. The property is owned and operated by Kerzner International,

under the One&Only brand (also owners of the adjacent Atlantis Resort). Ownership reported that approximately \$4.5 million was spent in capital expenditures during the period 2001-2005. In 2003, three 4,500 square-foot villas were added and are the most sought-after product at this hotel (usually reserved with months in advance at rates exceeding \$5,000 per night). Due to the popularity of the villas, ownership is planning to develop more villas in the near future. Another major attribute of this property includes its proximity / affiliation with Atlantis and patrons at the property have access to all the amenities offered at the resort.



- o The 196-room Four Seasons Nevis was developed in 1991 and is located on Pinney's Beach on the Island of Nevis. The hotel is owned by Maritz, Wolf & Co and is operated by Four Seasons. The resort has a low-rise / low density layout and is spread over 350 acres. Public areas and guestrooms are located in several West Indian plantation style buildings/cottages along the beach, featuring views of the Caribbean, Mt. Nevis and the golf course. Furthermore, there are numerous single-family homes throughout the golf course and some participate in the transient rental program with Four Seasons. Overall, the hotel is in very good condition as a result of over \$50 million in renovations since 1999 (after significant damage caused by hurricane Lenny in 1999). Management reported that an additional \$3 million was spent for guestroom upgrades and back-of-the-house repairs.



- The 166-unit Caneel Bay was completed in 1950 and is located on a 169-acre peninsula in the heart of the Virgin Islands National Park and bordered by the Caribbean Sea in St. John, USVI. Laurence S. Rockefeller "discovered" Caneel Bay in 1952 while on a Caribbean sailing trip and acquired the old Caneel Bay Plantation and began developing the infrastructure on what became the resort today. Since 1991, Deutsche Bank owned this hotel and in May 2004 CBI Acquisition, LLC (whose principal shareholders include Equis Financial Group, Roebing Advisors LLC, and Rosewood Hotels & Resorts) purchased the leasehold interest in the property for approximately \$28.0 million (\$168,675 per unit). As part of the transaction, Rosewood Hotels & Resorts entered into a long-term contract to continue managing the property. The property prides itself on a low profile and conservative appearance, yet comfortable and elegant (the appearance and rustic accommodations may not match its reputation as a luxury hotel or its operating performance). All improvements are low-rise and the design and layout is intended to preserve its picturesque location and natural beauty. The facilities of this hotel are in very good condition as a result of significant capital investments (approximately \$12 million in the past eight years).

Caneel Bay is currently in shambles. The resort, which spans 170 acres and lies within the Virgin Islands National Park, sustained extreme damage during Hurricane Irma.



- The Little Dix Bay opened in 1964 and is located along the southwest shoreline of the Island of Virgin Gorda in the BVI. Virgin Gorda is located approximately 26 miles NE of St. John and 12 twelve miles east of Tortola. The property was acquired for \$37,500,000 (or \$383,000 per room) by Rosewood Hotels & Resorts and Maritz, Wolff & Co. in July 1998. The property's guestrooms are housed in multiple freestanding structures positioned across 515 acres of land. Little Dix Bay is also a low-profile resort, extremely secluded and exclusive. In addition to the resort, ownership also includes the Virgin Gorda Airport, the Virgin Gorda Yacht Harbor, and ±9,500 square feet of retail space located at the Marina Shops. None of the rooms feature television sets or radios. Due to significant damage caused by Hurricane Lenny, the property closed in November 1999 and reopened in February 2000 after undergoing extensive renovations. The post-hurricane overhaul included new guestroom soft goods; new

restaurant and public area furniture; new landscaping; completely restored beach; refinishing of the entire fleet of guest ferries, sailboats and small watercraft; re-paving of resort roads, extensive roof repair, and the addition of new trails throughout the property.

Little Dix Bay on Virgin Gorda posted the following update. They said, "With the holiday season approaching and many people's minds on the Caribbean, the team at Rosewood Little Dix Bay wanted to share an update on our beloved island of Virgin Gorda. Although the resort was closed and under renovation, unfortunately the property did sustain damage and therefore will not re-open in 2017 as originally planned. At this time, we are still assessing the effects that the storm had on our resort. We now anticipate a late 2019 re-opening, although currently the resort remains closed for all future reservations.



- The Cap Juluca, which is situated on the southwest coast of Anguilla (six miles north of St. Martin) on a 179-acre peninsula with views of the island of Saba and the mountains of St. Martin, opened in 1988. Originally, the hotel had 18 units but currently features 98-rooms subsequent to two expansions. Included in this room count are two-, three- and four-bedroom villas, which have been sold to private investors and leased back to the property to be integrated into the hotel operation. Guest units at Cap Juluca feature oversized, marble bathrooms, fully stocked mini-bars, private balconies, individual air conditioning units and telephones. Amenities at Cap Juluca include a mile-long crescent beach, a variety of water sports, tennis courts, two restaurants and a gift shop. Breakfast is served on private guest balconies on a daily basis. This hotel also has a meeting room to accommodate 30 persons. Cap Juluca's primary competitive advantages are its beautiful beach along with its large, well-decorated guest rooms, which are among the most luxurious in the Caribbean. Cap Juluca is currently one of the Caribbean's most modern and deluxe facilities. The property closed after being damaged by Hurricane Lenny in November 1999 and reopened in November 2000 (after a major renovation).

Update 2018: Cap Juluca re-opens November 17, 2018. Currently accepting reservations. More info & booking here. Update 2017: Cap Juluca has been purchased and taken over by Belmond, a premier luxury hotel brand with a prestigious reputation based out of London. Belmond will be investing an impressive

\$121 million into the property. On August 27th 2017, Cap Juluca closed to begin its large scale renovations. Guest rooms, public spaces and the spa will be completely renovated and several two bedroom beachfront villas will be added to the luxury property. The grand renovations will bring a brand new and magnificent Cap Juluca.



- Opened in 1974, La Samanna has 81 rooms and is located in St. Martin. The property is owned and managed by Orient Express Hotels, which purchased the property on October 18, 1996 for \$21,790,535. The hotel is comprised of a main building and 15 separate villa buildings located adjacent to the beach. This hotel is closed for business two months of the year (from September 1 through October 31). Since Orient-Express purchased the hotel in 1996 they have spent over \$10 million in capital improvements. A new retail, marina, and condo project is completed in an area of the resort located in the Dutch side of the Island (the remaining portions of La Samanna are located on the French side).



- The 183-room Four Seasons Exuma opened in 2003, now Sandels Resorts and is located in Great Exuma, Bahamas. The hotel is part of a mixed-use development known as Emerald Bay, which also features residential (single family residences and condominium units) and golf uses. The entire development is owned by private investors and is operated by Four Seasons. In addition to guestrooms, the property features a championship golf course designed by Greg Norman, full-service spa and health club, several

dining options, two swimming pools, approximately 13,000 square feet of indoor function space. Previous when Four Seasons operated the hotel, they also managed a 5,000 square-foot casino (with 65 slot machines and 8 table games, including blackjack, craps and roulette), but closed upon the transition to Sandals.



- The Ritz-Carlton St. Thomas-is located on the eastern end of St. Thomas (seven miles from Charlotte Amalie). It opened for operation in 1992. This hotel was formerly known as the Grand Palazzo Hotel and was purchased by Marriott International in 1996 (reportedly, the acquisition price was \$11.0 million or \$72,000 per room and \$17.0 million was subsequently spent on repairing and upgrading the property). In December 1996, the property reopened as a Ritz-Carlton. With architecture influenced by Spanish, European and Caribbean design, the property's hotel guestrooms and Private Residence Club units are spread out in six buildings spanning over 15 acres. The property completed an approximately \$75 million expansion and renovation in 2002, which included 48 new units, a Private Club Lounge, and a ±8,700 square-foot spa and fitness center. The existing guestrooms also underwent a complete refurbishment, including new furniture, carpeting, draperies, bed linens, and new A/C units and plumbing systems. Ownership invested approximately \$40 million to upgrade the property, including the addition of 16 executive suites and four presidential suites, adding eight treatment rooms and open air cabanas to the spa, and increase the size of the fitness center (and adding a separate yoga/aerobics studio). During the renovation period, the room count of the property was estimated at 109 rooms; however, the total unit inventory for the hotel is actually 200.



- The 351-unit Ritz-Carlton Grand Cayman opened in 2005 and is located on Seven Mile Beach, in Grand Cayman. The property is owned by private investors and is operated by Ritz-Carlton. The hotel is a component of mixed-use development that includes 300 dedicated hotel rooms, 24 condominium hotel units (providing for 65 additional hotel keys), 69 luxury condominiums, retail space, several food and beverage outlets, conference and meeting facilities, spa and fitness center, and a nine hole golf course. The hotel has 600 feet of direct beach frontage and also water-frontage along the North Sound (where a marina and additional residential developments will be built in the coming years). The hotel is in excellent physical condition due to its recent opening and despite incurring massive damage after hurricane Ivan struck the island in late 2005. As a result of the damage, the opening of the property was delayed by almost one year.



- The CuisinArt Resort & Spa opened in 1999 and is located on a 20-acre beachfront site in Rendezvous Bay, Anguilla. The property's design was inspired by the architecture of the Greek island Mykonos. Facilities at the property include a full-service spa, tennis courts, a fitness center, an international art gallery, two restaurants, an infinity-edge pool, a vast hydroponic greenhouse, and a full-service spa. Sharing ownership and name with the international kitchenware company, the resort capitalizes the "A" (CuisinArt) to highlight its emphasis of food and cooking. This property's occupancy has ranged from 40 to 50 percent, at an ADR ranging from \$400 to \$500.

The hotel suffered significant damage and will not open until November 2018.



- Located at Meads Bay, Anguilla, the 53-room Malliouhana Resort & Spa was developed in 1982. The property enjoys an excellent reputation for outstanding service, décor and ambience. All of the guest rooms have air-conditioning, televisions and telephones. Furthermore, similar to Cap Juluca, Anguilla offers the property seclusion that other Caribbean islands cannot offer. However, this seclusion comes with a price, as Anguilla is a difficult island to access. The main complex at the hotel consists of a three-story Mediterranean-style building with arched balconies. Guestrooms are located in surrounding villas, typical of most resorts in the region and similar to La Samanna. However, the property was developed with seclusion in mind and all of the guest rooms and suites have private verandas with thick privacy walls and shrubbery. The most recent enhancement to the property was the addition of the new 15,000 square foot oceanfront spa. This hotel is individually owned and operated. This property's occupancy has ranged from 60 to 65 percent, at an ADR ranging from \$650 to \$700.



- The Hotel Guanahani & Spa is located on a secluded 15-acre peninsula at the Grand Cul de Sac, St. Barthelemy, French West Indies. The island of St. Bart's is a trendy location which has become extremely popular with the fashion and entertainment industries. As such, the island and hotel have earned a reputation with international guests. The property includes two beaches, two fresh water swimming pools, tennis courts and a day spa. The guestrooms have been recently renovated and some suites at the property have private pools. Negative factors facing the resort are the difficult access to St. Bart's as well as the fact that St. Bart's is one of the most expensive islands in the Caribbean. However, this is typically not a concern for hotel guests who can afford to stay at the property. The property opened in 1986 with 58 rooms designed by Christian Liaigre, and then was expanded in 1993 with new bungalows. In 2004 the hotel's room configuration were reduced from 75 to 69 rooms. Also, a state-of-the-art, full-service spa opened in December 2004. This property's occupancy has ranged from 55 to 60 percent, at an ADR ranging from \$500 to \$550.

St. Barth's community has even grown stronger after Hurricanes Irma and Maria. They have come together to start rebuilding and expect to open by end of 2018.



A review of the comparable data provided the following:

- Travel professionals worldwide recognize these properties as the leading upscale resorts in the Caribbean.
- A high degree of seasonality is apparent. The season, shoulder and off-season periods vary from property to property, with the number of days in each averaging approximately to be:
  - Season - May 1 - October 31 (183 days);
  - Shoulder - April, November 1 - December 14 (76 days);
  - Off-season - December 15 - March 31 (106 days).
- Market segmentation does not vary greatly among the comparable resorts. The leisure segment represents the overwhelming majority of clientele at these resorts. A handful of properties that offer some meeting space are able to attract selected small incentive groups that do not jeopardize their upscale image and reputation.
- All properties market their facilities to the non-price sensitive, high-income and extremely demanding guest. The demands are in terms of service, quality of facilities and exclusivity of the environment. These comparable resorts have substantial acreage with maximum densities of one to two rooms per acre.
- The majority of demand continues to emanate from the United States. Increased air accessibility to the region has diversified the geographical region from which guests originate beyond the traditional demand center of the Northeastern United States. Improved access has also contributed to increases in business from the midwest and west coast of the United States, as well as Europe and South America.
- Published room rates reflect the seasonality that exists in the region.

Property	# of Rooms	Occupancy	Average Room Rate \$	Rev PAR	Occupancy Penetration	ADR Penetration	RevPAR Penetration
One&Only Ocean Club	109	82%	869.00	711.69	112%	147%	163%
Four Seasons Nevis	196	67%	559.00	377.32	92%	94%	86%
Caneel Bay	166	70%	543.00	380.10	96%	92%	87%
Little Dix Bay	100	71%	485.00	341.93	97%	82%	78%
Cap Juluca	98	70%	635.00	444.50	96%	107%	102%
La Samanna	81	77%	649.00	499.73	105%	110%	114%
Ritz-Carlton St. Thomas	152	75%	402.00	301.90	103%	68%	69%
<b>Overall Totals/Averages</b>	<b>902</b>	<b>73%</b>	<b>\$591.71</b>	<b>\$436.74</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Proposed Hotel Facilities

Our fieldwork revealed the following projects with reasonable certainty of completion expected to be added to the Exumas hotel inventory:

- The Bahamian government has signed a “heads of agreement” in February 2016 for a \$200 million luxury resort in the Exumas. The eco-friendly resort will be located on Children’s Bay Cay and Williams

Cay, both 15 minutes off the northern coast of Barraterre, Exuma. “The resort will add to the economic and social development of the Exumas and will certainly be another bright spot in The Bahamas archipelago of Islands,” said Bahamas Prime Minister Perry Christie. “Among its benefits is the high-end branding affiliated with a prominent European family; and diversification of the tourism industry in the form of a 5-star experience for high net worth individuals.” The owner of the project is Dona Bertarelli, member of the Swiss family whose business interests include the five-star Grand Hotel Park in Gstaad. One island, Children’s Bay Cay, will be developed into a five-star resort with a 50-room hotel and five over-the-water “pavilions.” The island will also see a marina village with restaurants and a small cinema complex, a nature center, a marine park and a 20-slip marina. “As a further demonstration of the Developer’s respect for the environment, a nature park is planned for the uninhabited Windsack Cay, which lies about ¼ of a mile off Children’s Bay Cay,” he added. Williams Cay will be a private section of the resort, including an 18-hole golf course designed by Tom Fazio, Christie said. “The Cay will have 15-20 villas; the over-the-water pavilions; a welcome center; a villa owner club house; nature trails; biking and jogging trails; and seaplane and helipad facilities,” he added. “A bridge will link Children’s Bay Cay and Williams Cay.”

- Sandal’s sister hotel, Beaches is expected to start soon with construction on a 50-acre adjacent site that will add over 220 rooms.

While we have taken reasonable steps to determine the potential of new supply within the market our field work and analysis is limited to projects that are publicly known or disclosed. Future projects that may come on line that have not been publicly disclosed and that may affect the current competitive supply are thus beyond the scope of this analysis and the effective date of value.

### ***Conclusion Demand Growth***

Overall, room demand increased substantially in 2017, as the United States economy is booming and 2,000,000+ hotel room nights are down / destroyed due to Irma in 2017. The stronger demand increases are a direct result of induced demand due to continued demand for these types of luxury resort destinations in the Caribbean. Strong demand growth rates were forecasted during the years when new hotels are anticipated to open (i.e. 2018 - 2020).

### **Estimated Market Performance of the Subject Hotel**

#### ***Projected Occupancy***

Seasonal and leisure markets are less impacted by the same economics of commercially oriented lodging markets. In other words, while businesses may cut back on travel budgets, families highly value their annual vacations to spend time together, and leisure properties are less impacted. Those well-located properties offering significant meeting space, food and beverage, spa or recreational facilities and amenities tend to fill on the weekends as well as many weekdays, nearly year round.

The only local competitive resort is the Sandals Emerald Bay, previously a Four Seasons resort, with golf course. Confidential sources reported \$1,000 ADR and 92% occupancy going into summer of 2018.



A review of room availability for a 7-night stays for the next four months show strong sold out occupancies through the second week of August and individual room nigh available for the first week of June show only 1 room available for a seven week stay:

<input type="radio"/>	Beach House Grande Luxe Walkout Club Level Room - WHL	US\$4,876.00 We have 1 room left
<input type="radio"/>	Beach House Honeymoon Oceanview Grande Luxe Club Level Room - HOL	SOLD OUT > Availability
<input type="radio"/>	Beach House Oceanview Grande Luxe Club Level Room - OL	SOLD OUT > Availability
<input type="radio"/>	Beach House Oceanview Grande Luxe Walkout Club Level Room - WOL	SOLD OUT > Availability
<input type="radio"/>	Beach House Club Level Junior Suite - HJ	SOLD OUT > Availability
<input type="radio"/>	Beach House Honeymoon Oceanview Club Level Junior Suite - HJS	SOLD OUT > Availability
<input type="radio"/>	Beach House Oceanview Club Level Junior Suite - OJ	SOLD OUT > Availability
<input type="radio"/>	Beach House Oceanview Walkout Club Level Junior Suite - WOJ	SOLD OUT > Availability
<input type="radio"/>	Beach House One Bedroom Butler Suite - 1B	SOLD OUT > Availability
<input type="radio"/>	Beach House Oceanview One Bedroom Butler Suite - 1BO	SOLD OUT > Availability
<input type="radio"/>	Beach House Honeymoon Oceanview One Bedroom Butler Suite - H1BO	SOLD OUT > Availability
<input type="radio"/>	Beach House Oceanview One Bedroom Walkout Butler Suite - W1BO	SOLD OUT > Availability
<input type="radio"/>	Beachfront Butler Junior Villa Suite - PGB	SOLD OUT > Availability
<input type="radio"/>	Beachfront Walkout Butler Junior Villa Suite - WGB	SOLD OUT > Availability
<input type="radio"/>	Beachfront Honeymoon Butler Villa Suite - PBV	SOLD OUT > Availability
<input type="radio"/>	Beachfront Honeymoon Walkout Butler Villa Suite - BWV	SOLD OUT > Availability
<input type="radio"/>	Beachfront Oversized Butler Villa Suite - PBCS	SOLD OUT > Availability
<input type="radio"/>	Beachfront Oversized Walkout Butler Villa Suite - WBCS	SOLD OUT > Availability
<input type="radio"/>	Prime Minister Honeymoon One Bedroom Beachfront Walkout Butler Villa Suite - PW1	SOLD OUT > Availability
<input type="radio"/>	Royal Estate Two Story One Bedroom Beachfront Butler Villa Suite with Pool - BSP	SOLD OUT > Availability

Add on costs, like spa, golf and concierge services at Emerald Bay are some of the highest costs in the Sandals portfolio.

Considering the 73% occupancy performance and an upper end range of 82% for the One and Only, also the highest room night rate at \$869, followed by La Sammana ay 77% and \$649 ADR, combined with an improving economy and the subject’s anticipated market position the Crab Cay Master Planned Community hotel is

projected to reach a stabilized occupancy level in its third operating year. We have estimated occupancy following completion of construction as follows in the financial projections.

***Projected Average Daily Rate (ADR)***

Published room rates, or "rack" rates, are not the same as the Average Daily Rate (ADR). Hotels generally have a variety of room rates available in addition to the rack rate. Typically, business travelers, volume corporate accounts, contract, groups, and government employees are offered a discounted, or lower than rack, rate. Thus, ADR has evolved as a common measure of economic performance within the industry. It is calculated by dividing the total room revenue by the number of occupied and paid rooms during a specific period. As a result of discounted rates, the ADR, when calculated on an annual basis, is typically lower than the average of published room rates.

The subject will be a modern, state-of-the-art, luxury beach front "green" eco-resort with spa and wellness center with yoga pavilion. The property is located in one of the most protected bays in the Bahamas and Caribbean, allowing better seasonal occupancy than almost all of the competitive set, including Emerald Bay, which faces the open ocean.

As noted previously, though the primary competitive set achieved year end ADR as follows:

Property	# of Rooms	Occupancy	Average Room Rate \$
One&Only Ocean Club	109	82%	869.00
Four Seasons Nevis	196	67%	559.00
Caneel Bay	166	70%	543.00
Little Dix Bay	100	71%	485.00
Cap Juluca	98	70%	635.00
La Samanna	81	77%	649.00
Ritz-Carlton St. Thomas	152	75%	402.00
<b>Overall Totals/Averages</b>	<b>902</b>	<b>73%</b>	<b>\$591.71</b>

The Crab Cay Master Planned Community hotel will be new and staged rental rates with occupancy increases will best help the project stabilized in 2021. As such, we have estimated ADR at as follows:

**Crab Cay Resort Hotel - 114 Keys**

	Annual Revenues in US Dollars			Ratios and Percentages
	2019	2020	2021	
<b>Assumptions: Rates and Occupancy</b>				
Hotel:				
# of Keys	114	114	114	
# of Ann. Keys Available	41,610	41,610	41,610	
# of Keys Occupied	31,208	37,449	38,281	
Annual Occupancy	75%	90%	92%	86%
Average Daily Rate	\$ 650	\$ 780	\$ 936	\$ 789
Revenue Per Available Room	\$ 20,284,875	\$ 29,210,220	\$ 35,831,203	
Additional Rental Pool Condo Hotel Rooms				
# of Keys	68	68	68	
# of Ann. Keys Available	24,820	24,820	24,820	
# of Keys Occupied	15,393	18,472	18,882	
Annual Occupancy Less Use	62%	74%	76%	
Average Daily Rate	\$ 813	\$ 976	\$ 1,171	\$ 986
Revenue Per Available Room	\$ 12,514,650	\$ 18,021,096	\$ 22,105,877	
Percent Retained by Hotel	30%	30%	30%	
Additional Rental Pool Condo Hotel Rooms				
# of Keys	14	14	14	
# of Ann. Keys Available	5,110	5,110	5,110	
# of Keys Occupied	2,044	2,044	2,044	
Annual Occupancy Less Use	40%	40%	40%	
Average Daily Rate	\$ 813	\$ 976	\$ 1,171	\$ 986
Revenue Per Available Room	\$ 1,661,772	\$ 1,994,126	\$ 2,392,952	
Percent Retained by Hotel	15%	15%	15%	

**Crab Cay Proposed Harbor Village I / Marina Village North - 32 Units**

	Annual Revenues in US Dollars			Ratios and Percentages
	2020	2021	2022	
<b>Assumptions: Rates and Occupancy</b>				
Hotel:				
# of Keys	32	32	32	
# of Ann. Keys Available	11,680	11,680	11,680	
# of Keys Occupied	8,760	10,512	10,746	
Annual Occupancy	75%	90%	92%	86%
Average Daily Rate	\$ 650	\$ 780	\$ 936	\$ 789
Revenue Per Available Room	\$ 5,694,000	\$ 8,199,360	\$ 10,057,882	

**Crab Cay Proposed Welcome Beach Hotel - 25 Units**

	Annual Revenues in US Dollars			Ratios and Percentages
	2020	2021	2022	
<b>Assumptions: Rates and Occupancy</b>				
Hotel:				
# of Keys	25	25	25	
# of Ann. Keys Available	9,125	9,125	9,125	
# of Keys Occupied	6,844	8,213	8,395	
Annual Occupancy	75%	90%	92%	86%
Average Daily Rate	\$ 650	\$ 780	\$ 936	\$ 789
Revenue Per Available Room	\$ 4,448,438	\$ 6,405,750	\$ 7,857,720	

**Claw Beach Hotel - 39 Units**

				Annual Revenues in US Dollars			Ratios and Percentages
				2020	2021	2022	
<b>Assumptions: Rates and Occupancy</b>							
Hotel:							
# of Keys				39	39	39	
# of Ann. Keys Available				14,235	14,235	14,235	
# of Keys Occupied				10,676	12,812	13,096	
Annual Occupancy				75%	90%	92%	86%
Average Daily Rate				\$ 650	\$ 780	\$ 936	\$ 789
Revenue Per Available Room				\$ 6,939,563	\$ 9,992,970	\$ 12,258,043	

**Income Approach – Proposed Resort Hotel and Condotel**

Operating results of luxury coastal resorts in the Bahamas and Caribbean with condominium units available in a hotel rental program are limited. This is primarily due to the older age of the competitive set and at the time of construction, most projects did not undertake timeshare, condo, or condotel sister development.

***Comparable Operations***

Data from the following sources has been used as the basis for the income and expense assumptions in our financial projection for the proposed hotel. They are:

- Aggregated operating results for nine luxury resorts in beach locations with spas (no golf).

The following is a summary of expense performance.

It should be noted that two comparables generate additional revenues from condominium participation in a rental program, along with non-participating owners generating significant revenues at the various hotel food, beverage and spa outlets. The net impact on the financial performance of the resort by these condominium owners, is a higher utilization of the resorts facilities and amenities, as well as a pro rata reimbursement to the resort for shared public space expenses including, but not limited to, the lobby and registration area, pool(s), landscaping, maintenance, utilities, security, etc. Consideration will be given to this potential revenue during the following income and expense analysis.

Comparable Expense Range		
Category	%Rev or Income Category	
Room Revenue	90.8%	98.1%
Food and Beverage Revenue	20.0%	35.0%
Garage / Parking	1.0%	3.0%
Spa	5.0%	10.0%
Resort Fee	0.0%	5.0%
Other Operated Departments	5.2%	8.4%
Other Revenue	0.2%	1.9%
Total Revenue	100.0%	100.0%
Departmental Expenses		
Rooms Expenses	6.5%	13.0%
Food & Beverage Exp	72.2%	80.0%
Garage / Parking	35.0%	54.0%
Spa	65.3%	74.2%
Other Operated Departments	2.1%	4.2%
Undistributed Expenses		
Genl Adm	4.2%	7.2%
Sales & Marketing	3.0%	12.6%
Property Operations	3.0%	3.5%
Energy (Utilities)	2.0%	4.9%
Management Fees	2.0%	3.5%
Fixed Expenses		
Property Tax	0.2%	0.4%
Insurance	1.0%	2.0%
Condo Expense Allocation	2.0%	4.0%
Reserve for Replacements	1.3%	4.0%

Only direct operating expenses are charged to operating departments of the hotel. The general overhead items which are applicable to operations as a whole are classified as deductions from income and include administrative and general expenses, franchise fees, marketing expenses, property operations and maintenance expenses, energy costs, and a reserve for replacement.

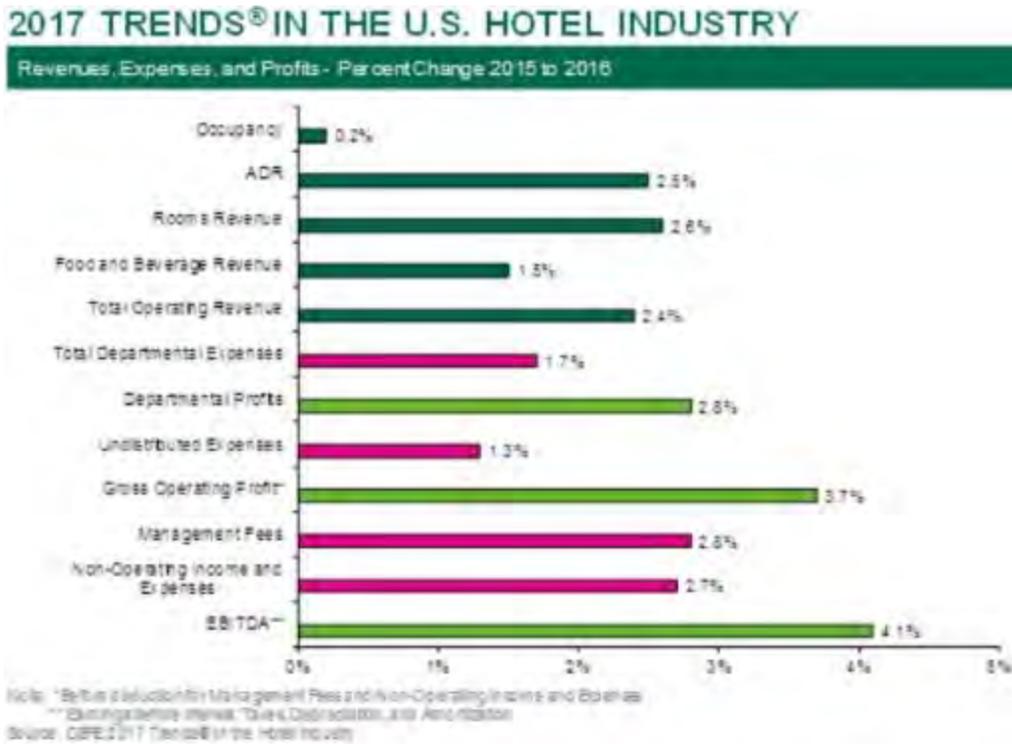
### Financial Projections

Fundamental to the estimates of operating results is the assumption of competent and efficient management at the property with a well-coordinated marketing plan. Among the primary responsibilities of management is the maintenance of the quality of the facility, the execution of an adequate marketing effort, and effective control of operating costs. Our projections of revenues and expenses have been made in 2021 value dollars, unless otherwise stated, prior to adjustments for variations in occupancy and inflation. The financial model that we employ then inflates these inputs accordingly.

### Inflation and Growth in Revenues and Expenses

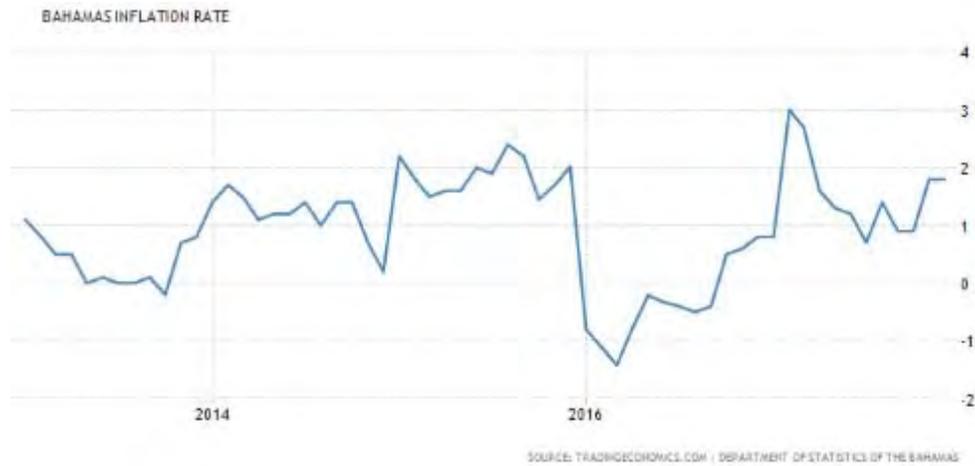
The base revenue and expense categories are inflated to reflect current dollars for each projection year. Each category for the various revenues and expenses can be affected by different types of inflation, although a general

rate of change has been applied to most all revenue and expense line items. While expense inflation studies could not be found for the Bahamas, we have been able to track historical averages for the United States



According to the Bureau of Labor Statistics, rates of inflation are calculated using consumer price index (CPI) changes.

## Bahamas Inflation Rate 1972-2018



We have estimated the rate of inflation, for insurance and variable expenses not specifically tied to revenue items, like rooms expenses, projections, to be 2.0% after occupancy stabilization. Property taxes will increase at a 2.0% rate. All variable expenses tied directly to revenue production, like food & beverage and spa, will be allocated as a percentage of income.

### Departmental Revenues and Expenses

Direct or departmental revenues and expenses, which typically vary with occupancy, are generally analyzed on a per occupied room (POR) basis, which varies with occupancy, while undistributed expenses, which are more fixed in nature, are typically analyzed on a per available room (PAR) basis. Because the analysis considers that the hotel will stabilize in three years following construction, a percentage of revenue for applicable expense was employed and helps account for the variability of expenses, excluding taxes and insurance, during the lease-up period following completion of construction.

## Rooms Revenues and Expenses

<b>Crab Cay Resort Hotel - 114 Keys</b>							
				<b>Annual Revenues in US Dollars</b>			<b>Ratios and Percentages</b>
				<b>2019</b>	<b>2020</b>	<b>2021</b>	
<b>Revenue</b>							
Hotel Rooms			\$ 20,284,875	\$ 29,210,220	\$ 35,831,203		61.75%
Rental Pool Condo Hotel Rooms - Net			\$ 3,754,395	\$ 5,406,329	\$ 6,631,763		11.43%
Rental Pool Condo Units - Net			\$ 249,266	\$ 299,119	\$ 358,943		0.66%
Food			\$ 4,056,975	\$ 5,842,044	\$ 7,166,241		12.35%
Beverage			\$ 2,637,034	\$ 3,797,329	\$ 4,658,056		8.03%
Telecommunications			\$ 131,852	\$ 189,866	\$ 232,903		0.40%
Resort Fees			\$ 936,225	\$ 1,123,470	\$ 1,148,436		2.32%
Community Health Club Memberships			\$ 167,400	\$ 279,000	\$ 372,000		0.59%
Other Income -Spa/Concierge			\$ 686,565	\$ 823,878	\$ 842,186		1.70%
Rental and Other Income			\$ 312,075	\$ 374,490	\$ 382,812		0.77%
<b>Total Revenues</b>			<b>\$ 33,216,661</b>	<b>\$ 47,345,745</b>	<b>\$ 57,624,543</b>		<b>100.00%</b>
					<b>\$ 138,186,949</b>		
<b>Expenses by Department</b>							
Rooms			\$ 6,559,904.94	\$ 9,446,263.12	\$ 11,587,416.09		19.97%
Food			\$ 2,839,883	\$ 4,089,431	\$ 5,016,368		8.64%
Beverage			\$ 791,110	\$ 1,139,199	\$ 1,397,417		2.41%
Telecommunications			\$ 13,548	\$ 18,189	\$ 21,632		0.04%
Resort Fees			\$ 374,490	\$ 449,388	\$ 459,374		0.93%
Other Income -Spa/Concierge			\$ 274,626	\$ 329,551	\$ 336,875		0.68%
Rental and Other Income			\$ 124,830	\$ 149,796	\$ 153,125		0.31%
<b>Total Departmental Expenses</b>			<b>\$ 10,978,392</b>	<b>\$ 15,621,817</b>	<b>\$ 18,972,207</b>		<b>32.98%</b>
<b>Total Gross Profit</b>			<b>\$ 22,238,269</b>	<b>\$ 31,723,928</b>	<b>\$ 38,652,336</b>		<b>67.02%</b>

<b>Crab Cay Proposed Harbor Village I / Marina Village North - 32 Units</b>							
				<b>Annual Revenues in US Dollars</b>			<b>Ratios and Percentages</b>
				<b>2020</b>	<b>2021</b>	<b>2022</b>	
<b>Revenue</b>							
Hotel Rooms				\$ 5,694,000	\$ 8,199,360	\$ 10,057,882	69.04%
Rental Pool Condo Hotel Rooms - Net				\$ -	\$ -	\$ -	0.00%
Rental Pool Condo Units - Net				\$ -	\$ -	\$ -	0.00%
Food				\$ 1,138,800	\$ 1,639,872	\$ 2,011,576	13.81%
Beverage				\$ 740,220	\$ 1,065,917	\$ 1,307,525	8.98%
Telecommunications				\$ 37,011	\$ 53,296	\$ 65,376	0.45%
Resort Fees				\$ 262,800	\$ 315,360	\$ 322,368	2.60%
Community Health Club Memberships				\$ 167,400	\$ 279,000	\$ 372,000	2.36%
Other Income -Spa/Concierge				\$ 192,720	\$ 231,264	\$ 236,403	1.90%
Rental and Other Income				\$ 87,600	\$ 105,120	\$ 107,456	0.87%
<b>Total Revenues</b>				<b>\$ 8,320,551</b>	<b>\$ 11,889,189</b>	<b>\$ 14,480,586</b>	<b>100.00%</b>
						<b>\$ 34,690,326</b>	
<b>Expenses by Department</b>							
Rooms				\$ 1,138,800.00	\$ 1,639,872.00	\$ 2,011,576.32	13.81%
Food				\$ 797,160	\$ 1,147,910	\$ 1,408,103	9.67%
Beverage				\$ 222,066	\$ 319,775	\$ 392,257	2.69%
Telecommunications				\$ 5,961	\$ 7,264	\$ 8,230	0.06%
Resort Fees				\$ 105,120	\$ 126,144	\$ 128,947	1.04%
Other Income -Spa/Concierge				\$ 77,088	\$ 92,506	\$ 94,561	0.76%
Rental and Other Income				\$ 35,040	\$ 42,048	\$ 42,982	0.35%
<b>Total Departmental Expenses</b>				<b>\$ 2,381,235</b>	<b>\$ 3,375,519</b>	<b>\$ 4,086,658</b>	<b>28.38%</b>
<b>Total Gross Profit</b>				<b>\$ 5,939,316</b>	<b>\$ 8,513,670</b>	<b>\$ 10,393,928</b>	<b>71.62%</b>

### Crab Cay Proposed Welcome Beach Hotel - 25 Units

	Annual Revenues in US Dollars			Ratios and Percentages
	2020	2021	2022	
<b>Revenue</b>				
Hotel Rooms	\$ 4,448,438	\$ 6,405,750	\$ 7,857,720	68.59%
Rental Pool Condo Hotel Rooms - Net	\$ -	\$ -	\$ -	0.00%
Rental Pool Condo Units - Net	\$ -	\$ -	\$ -	0.00%
Food	\$ 889,688	\$ 1,281,150	\$ 1,571,544	13.72%
Beverage	\$ 578,297	\$ 832,748	\$ 1,021,504	8.92%
Telecommunications	\$ 28,915	\$ 41,637	\$ 51,075	0.45%
Resort Fees	\$ 205,313	\$ 246,375	\$ 251,850	2.58%
Community Health Club Memberships	\$ 167,400	\$ 279,000	\$ 372,000	3.00%
Other Income -Spa/Concierge	\$ 150,563	\$ 180,675	\$ 184,690	1.89%
Rental and Other Income	\$ 68,438	\$ 82,125	\$ 83,950	0.86%
<b>Total Revenues</b>	<b>\$ 6,537,049</b>	<b>\$ 9,349,460</b>	<b>\$ 11,394,333</b>	<b>100.00%</b>
			<b>\$ 27,280,842</b>	
<b>Expenses by Department</b>				
Rooms	\$ 889,687.50	\$ 1,281,150.00	\$ 1,571,544.00	13.72%
Food	\$ 622,781	\$ 896,805	\$ 1,100,081	9.60%
Beverage	\$ 173,489	\$ 249,824	\$ 306,451	2.68%
Telecommunications	\$ 5,313	\$ 6,331	\$ 7,086	0.07%
Resort Fees	\$ 82,125	\$ 98,550	\$ 100,740	1.03%
Other Income -Spa/Concierge	\$ 60,225	\$ 72,270	\$ 73,876	0.76%
Rental and Other Income	\$ 27,375	\$ 32,850	\$ 33,580	0.34%
<b>Total Departmental Expenses</b>	<b>\$ 1,860,996</b>	<b>\$ 2,637,780</b>	<b>\$ 3,193,358</b>	<b>28.20%</b>
<b>Total Gross Profit</b>	<b>\$ 4,676,053</b>	<b>\$ 6,711,680</b>	<b>\$ 8,200,975</b>	<b>71.80%</b>

<b>Claw Beach Hotel - 39 Units</b>							
				<b>Annual Revenues in US Dollars</b>			<b>Ratios and Percentages</b>
				<b>2020</b>	<b>2021</b>	<b>2022</b>	
<b>Revenue</b>							
Hotel Rooms				\$ 6,939,563	\$ 9,992,970	\$ 12,258,043	69.34%
Rental Pool Condo Hotel Rooms - Net				\$ -	\$ -	\$ -	0.00%
Rental Pool Condo Units - Net				\$ -	\$ -	\$ -	0.00%
Food				\$ 1,387,913	\$ 1,998,594	\$ 2,451,609	13.87%
Beverage				\$ 902,143	\$ 1,299,086	\$ 1,593,546	9.01%
Telecommunications				\$ 45,107	\$ 64,954	\$ 79,677	0.45%
Resort Fees				\$ 320,288	\$ 384,345	\$ 392,886	2.61%
Community Health Club Memberships				\$ 167,400	\$ 279,000	\$ 372,000	1.94%
Other Income -Spa/Concierge				\$ 234,878	\$ 281,853	\$ 288,116	1.91%
Rental and Other Income				\$ 106,763	\$ 128,115	\$ 130,962	0.87%
<b>Total Revenues</b>				<b>\$ 10,104,053</b>	<b>\$ 14,428,917</b>	<b>\$ 17,566,839</b>	<b>100.00%</b>
						<b>\$ 42,099,809</b>	
<b>Expenses by Department</b>							
Rooms				\$ 1,387,912.50	\$ 1,998,594.00	\$ 2,451,608.64	13.87%
Food				\$ 971,539	\$ 1,399,016	\$ 1,716,126	9.71%
Beverage				\$ 270,643	\$ 389,726	\$ 478,064	2.70%
Telecommunications				\$ 6,609	\$ 8,196	\$ 9,374	0.06%
Resort Fees				\$ 128,115	\$ 153,738	\$ 157,154	1.04%
Other Income -Spa/Concierge				\$ 93,951	\$ 112,741	\$ 115,247	0.76%
Rental and Other Income				\$ 42,705	\$ 51,246	\$ 52,385	0.35%
<b>Total Departmental Expenses</b>				<b>\$ 2,901,474</b>	<b>\$ 4,113,257</b>	<b>\$ 4,979,958</b>	<b>28.49%</b>
<b>Total Gross Profit</b>				<b>\$ 7,202,579</b>	<b>\$ 10,315,660</b>	<b>\$ 12,586,881</b>	<b>71.51%</b>

*Rooms expenses* consist of salaries and wages; employee benefits; commissions, contract cleaning; laundry and uniform cleaning; linens; operating supplies; reservation costs; and other items related to the rooms department.

<u>Class</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>
Midscale/Economy	\$4,186	\$4,275	2.1%
Upper Midscale	\$8,102	\$8,385	3.5%
Upscale	\$10,898	\$11,710	7.5%
Upper Upscale	\$25,672	\$26,371	2.7%
Luxury	\$54,201	\$58,647	8.2%

Source: STR's Host Almanac 2016 & 2017

Based on our owners of hotels throughout the Bahamas local housing costs for employees are high, and the union hotels are in the country. The subject proposed as a 4- or 5-star status with medium to extreme upper end rental rates will require excessively high room expenses and 20% of Year 1 hotel revenue or 14% of total Revenue was projected. It should be noted that the higher amount on a dollar per occupied room basis also reflects a certain amount of cleaning expenses for the owner condominium units during their allotted annual occupancy period.

## Food and Beverage Revenue and Expenses

**Food and beverage revenue** will be generated from the hotel's various food and beverage outlets including the spa, room service and from catered meetings and meeting room rentals. As noted, the proposed subject will offer restaurant(s) serving breakfast, lunch, dinner and snacks, of organic, sustainable foods along with a bar/lounge. These outlets are anticipated to be used by hotel patrons, condominium owners, residence owners and locals. Further, meeting facilities of indoor/outdoor space, including a conference center, increasing catering possibilities.

The comparable sets combined all food and beverage associated revenues, which includes conference services and audio visual supplies and equipment into the food and beverage department and ranged from 20% to 35% of room revenue. We have used 30%+- of revenue, as the venue will also be the primary restaurant for homeowners.

**Food and beverage departmental expenses** include food and beverage product costs, payroll and related expenses, and other items such as laundry and linen, china, glassware and silverware, uniform costs, supplies and other miscellaneous items. Included within this department are the conference services departmental expenses including the payroll and benefits costs for the conference director and assistants, business center, audio visual technicians and set-up. Other operating expenses include such items as audio visual supplies, equipment rental, decorations, and the china, glass, silver, and linen used by the conference department. Comparables supported a range of 72% to 80%. Based on an analysis of the subject's organic and sustainable concept as well as the experience of the comparable properties, we have projected food and beverage expense 70% for food and 30% for beverage.

## Garage and Parking

**Garage and parking revenues** include fees for parking and storage, services such as washing and polishing and other miscellaneous. Since most parking will be outside the hotel facilities, on the mainland, and few guests will rent cars when coming to Great Exuma, we have not considered any revenue from this operations.

### ***Community Health Club Memberships (Net)***

According to *Uniform System* guidelines, these revenues would typically be accounted for in the Other Operated Departments category. We have identified them separately, as it is not necessarily a typical revenue item and would therefore not necessarily be included in the comparable sets. The subject will offer a spa with yoga and health and fitness facilities, which will be accessible to all guests. The spa will also generate income from treatments, services and merchandise from patrons not staying at the resort. As the resort will focus on healthy living, it is anticipated that the spa and fitness center will offer wellness programs and speakers along with its yoga, personal trainer services and exercise facilities and equipment. Facilities at the wellness and fitness center will be available to the Crab Cay Master Planned Community residences as well as local community residents for a \$155 monthly membership fee. We anticipate 90 memberships in the first year (primarily from the residences), 150 in the second, and 200 in year three.

### ***Spa Department Revenues and Expenses***

The subject will operate a full service spa. It will be built upon the concept of total wellbeing, in which the main goal is to promote the achievement of both physical and mental health goals through targeted spa treatments and services as well as health and wellness education, which could include, but is certainly not limited to, tailored fitness training, cooking courses and theoretical instruction. The spa will sponsor education via workshops, lectures, seminars, trainings and other experiences to help promote long-term lifestyle habits, skills and knowledge, targeting increasingly health-conscious consumers. Services will include hydrotherapy sessions, herbal wraps, mud baths, and chiropractic and Zen shiatsu services. The spa will appeal to a population that has greater access to an assortment of health-related resources, ranging from the alternative and holistic to diagnostic and medical, and are becoming more and more empowered to pursue preventative lifestyles via health and restoration, inspiration and contemplation.

We have modeled our estimated spa usage based on spa operating data compiled from comparable sets. The spa revenue is \$110 applied to 20% of the occupied room nights.

Spa expense was estimated at 40% of revenues, which is typical in the industry.

### **Other Operated Departments Revenues and Expenses**

***Other operated departments*** consist of revenues and expenses associated primarily with guest laundry, in-room movies, vending machines, cancellation fees, concierge commissions, attrition fees, forfeited deposits, interest income, miscellaneous sundry sales, telecommunications usage, babysitting services, kids club activities, transportation services, organized tours, cleaning services for the owners units and laundry and valet. In addition, a survey of resort fees charged by six of the 10 properties in the competitive set ranged from \$25 to \$30 per night, which had not varied from our surveys from prior years. Organized water trips, hiking and bird watching trips at the subject will connect visitors to local State parks, beaches and the dune habitat. Therefore, an additional \$30 per night resort fee was added to cover services such as complimentary tours of the site, valet parking, concierge and facilities fees for the health club. It should be noted that comparisons with industry averages or comparable properties are somewhat difficult, since facilities and amenities can vary substantially from property to property and estimated 50% expenses.

### ***Rental and Other Income (Net)***

Rentals and other income are comprised of revenues from retail space leases and concessions such as birding tours, kayaking, surfing, bike rentals, scuba diving and snorkeling, and other miscellaneous recreational options. The following chart presents a summary of net revenues in this department for the comparable properties. We have estimated a \$10 POR amount and estimated 50% expenses.

### **Total Revenues and Expenses**

The following is a summary of revenue and expenses by department:

<b>Crab Cay Resort Hotel - 114 Keys</b>							
<b>Annual Revenues in US Dollars</b>							
				<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Ratios and Percentages</b>
<b>Revenue</b>							
Hotel Rooms				\$ 20,284,875	\$ 29,210,220	\$ 35,831,203	61.75%
Rental Pool Condo Hotel Rooms - Net				\$ 3,754,395	\$ 5,406,329	\$ 6,631,763	11.43%
Rental Pool Condo Units - Net				\$ 249,266	\$ 299,119	\$ 358,943	0.66%
Food				\$ 4,056,975	\$ 5,842,044	\$ 7,166,241	12.35%
Beverage				\$ 2,637,034	\$ 3,797,329	\$ 4,658,056	8.03%
Telecommunications				\$ 131,852	\$ 189,866	\$ 232,903	0.40%
Resort Fees				\$ 936,225	\$ 1,123,470	\$ 1,148,436	2.32%
Community Health Club Memberships				\$ 167,400	\$ 279,000	\$ 372,000	0.59%
Other Income -Spa/Concierge				\$ 686,565	\$ 823,878	\$ 842,186	1.70%
Rental and Other Income				\$ 312,075	\$ 374,490	\$ 382,812	0.77%
<b>Total Revenues</b>				<b>\$ 33,216,661</b>	<b>\$ 47,345,745</b>	<b>\$ 57,624,543</b>	<b>100.00%</b>
						<b>\$ 138,186,949</b>	
<b>Expenses by Department</b>							
Rooms				\$ 6,559,904.94	\$ 9,446,263.12	\$ 11,587,416.09	19.97%
Food				\$ 2,839,883	\$ 4,089,431	\$ 5,016,368	8.64%
Beverage				\$ 791,110	\$ 1,139,199	\$ 1,397,417	2.41%
Telecommunications				\$ 13,548	\$ 18,189	\$ 21,632	0.04%
Resort Fees				\$ 374,490	\$ 449,388	\$ 459,374	0.93%
Other Income -Spa/Concierge				\$ 274,626	\$ 329,551	\$ 336,875	0.68%
Rental and Other Income				\$ 124,830	\$ 149,796	\$ 153,125	0.31%
<b>Total Departmental Expenses</b>				<b>\$ 10,978,392</b>	<b>\$ 15,621,817</b>	<b>\$ 18,972,207</b>	<b>32.98%</b>
<b>Total Gross Profit</b>				<b>\$ 22,238,269</b>	<b>\$ 31,723,928</b>	<b>\$ 38,652,336</b>	<b>67.02%</b>

<b>Crab Cay Proposed Harbor Village I / Marina Village North - 32 Units</b>							
				<b>Annual Revenues in US Dollars</b>			<b>Ratios and Percentages</b>
				<b>2020</b>	<b>2021</b>	<b>2022</b>	
<b>Revenue</b>							
Hotel Rooms				\$ 5,694,000	\$ 8,199,360	\$ 10,057,882	69.04%
Rental Pool Condo Hotel Rooms - Net				\$ -	\$ -	\$ -	0.00%
Rental Pool Condo Units - Net				\$ -	\$ -	\$ -	0.00%
Food				\$ 1,138,800	\$ 1,639,872	\$ 2,011,576	13.81%
Beverage				\$ 740,220	\$ 1,065,917	\$ 1,307,525	8.98%
Telecommunications				\$ 37,011	\$ 53,296	\$ 65,376	0.45%
Resort Fees				\$ 262,800	\$ 315,360	\$ 322,368	2.60%
Community Health Club Memberships				\$ 167,400	\$ 279,000	\$ 372,000	2.36%
Other Income -Spa/Concierge				\$ 192,720	\$ 231,264	\$ 236,403	1.90%
Rental and Other Income				\$ 87,600	\$ 105,120	\$ 107,456	0.87%
<b>Total Revenues</b>				<b>\$ 8,320,551</b>	<b>\$ 11,889,189</b>	<b>\$ 14,480,586</b>	<b>100.00%</b>
						<b>\$ 34,690,326</b>	
<b>Expenses by Department</b>							
Rooms				\$ 1,138,800.00	\$ 1,639,872.00	\$ 2,011,576.32	13.81%
Food				\$ 797,160	\$ 1,147,910	\$ 1,408,103	9.67%
Beverage				\$ 222,066	\$ 319,775	\$ 392,257	2.69%
Telecommunications				\$ 5,961	\$ 7,264	\$ 8,230	0.06%
Resort Fees				\$ 105,120	\$ 126,144	\$ 128,947	1.04%
Other Income -Spa/Concierge				\$ 77,088	\$ 92,506	\$ 94,561	0.76%
Rental and Other Income				\$ 35,040	\$ 42,048	\$ 42,982	0.35%
<b>Total Departmental Expenses</b>				<b>\$ 2,381,235</b>	<b>\$ 3,375,519</b>	<b>\$ 4,086,658</b>	<b>28.38%</b>
<b>Total Gross Profit</b>				<b>\$ 5,939,316</b>	<b>\$ 8,513,670</b>	<b>\$ 10,393,928</b>	<b>71.62%</b>

### Crab Cay Proposed Welcome Beach Hotel - 25 Units

	Annual Revenues in US Dollars			Ratios and Percentages
	2020	2021	2022	
<b>Revenue</b>				
Hotel Rooms	\$ 4,448,438	\$ 6,405,750	\$ 7,857,720	68.59%
Rental Pool Condo Hotel Rooms - Net	\$ -	\$ -	\$ -	0.00%
Rental Pool Condo Units - Net	\$ -	\$ -	\$ -	0.00%
Food	\$ 889,688	\$ 1,281,150	\$ 1,571,544	13.72%
Beverage	\$ 578,297	\$ 832,748	\$ 1,021,504	8.92%
Telecommunications	\$ 28,915	\$ 41,637	\$ 51,075	0.45%
Resort Fees	\$ 205,313	\$ 246,375	\$ 251,850	2.58%
Community Health Club Memberships	\$ 167,400	\$ 279,000	\$ 372,000	3.00%
Other Income -Spa/Concierge	\$ 150,563	\$ 180,675	\$ 184,690	1.89%
Rental and Other Income	\$ 68,438	\$ 82,125	\$ 83,950	0.86%
<b>Total Revenues</b>	<b>\$ 6,537,049</b>	<b>\$ 9,349,460</b>	<b>\$ 11,394,333</b>	<b>100.00%</b>
			<b>\$ 27,280,842</b>	
<b>Expenses by Department</b>				
Rooms	\$ 889,687.50	\$ 1,281,150.00	\$ 1,571,544.00	13.72%
Food	\$ 622,781	\$ 896,805	\$ 1,100,081	9.60%
Beverage	\$ 173,489	\$ 249,824	\$ 306,451	2.68%
Telecommunications	\$ 5,313	\$ 6,331	\$ 7,086	0.07%
Resort Fees	\$ 82,125	\$ 98,550	\$ 100,740	1.03%
Other Income -Spa/Concierge	\$ 60,225	\$ 72,270	\$ 73,876	0.76%
Rental and Other Income	\$ 27,375	\$ 32,850	\$ 33,580	0.34%
<b>Total Departmental Expenses</b>	<b>\$ 1,860,996</b>	<b>\$ 2,637,780</b>	<b>\$ 3,193,358</b>	<b>28.20%</b>
<b>Total Gross Profit</b>	<b>\$ 4,676,053</b>	<b>\$ 6,711,680</b>	<b>\$ 8,200,975</b>	<b>71.80%</b>

<b>Claw Beach Hotel - 39 Units</b>							
				<b>Annual Revenues in US Dollars</b>			<b>Ratios and Percentages</b>
				<b>2020</b>	<b>2021</b>	<b>2022</b>	
<b>Revenue</b>							
Hotel Rooms				\$ 6,939,563	\$ 9,992,970	\$ 12,258,043	69.34%
Rental Pool Condo Hotel Rooms - Net				\$ -	\$ -	\$ -	0.00%
Rental Pool Condo Units - Net				\$ -	\$ -	\$ -	0.00%
Food				\$ 1,387,913	\$ 1,998,594	\$ 2,451,609	13.87%
Beverage				\$ 902,143	\$ 1,299,086	\$ 1,593,546	9.01%
Telecommunications				\$ 45,107	\$ 64,954	\$ 79,677	0.45%
Resort Fees				\$ 320,288	\$ 384,345	\$ 392,886	2.61%
Community Health Club Memberships				\$ 167,400	\$ 279,000	\$ 372,000	1.94%
Other Income -Spa/Concierge				\$ 234,878	\$ 281,853	\$ 288,116	1.91%
Rental and Other Income				\$ 106,763	\$ 128,115	\$ 130,962	0.87%
<b>Total Revenues</b>				<b>\$ 10,104,053</b>	<b>\$ 14,428,917</b>	<b>\$ 17,566,839</b>	<b>100.00%</b>
						<b>\$ 42,099,809</b>	
<b>Expenses by Department</b>							
Rooms				\$ 1,387,912.50	\$ 1,998,594.00	\$ 2,451,608.64	13.87%
Food				\$ 971,539	\$ 1,399,016	\$ 1,716,126	9.71%
Beverage				\$ 270,643	\$ 389,726	\$ 478,064	2.70%
Telecommunications				\$ 6,609	\$ 8,196	\$ 9,374	0.06%
Resort Fees				\$ 128,115	\$ 153,738	\$ 157,154	1.04%
Other Income -Spa/Concierge				\$ 93,951	\$ 112,741	\$ 115,247	0.76%
Rental and Other Income				\$ 42,705	\$ 51,246	\$ 52,385	0.35%
<b>Total Departmental Expenses</b>				<b>\$ 2,901,474</b>	<b>\$ 4,113,257</b>	<b>\$ 4,979,958</b>	<b>28.49%</b>
<b>Total Gross Profit</b>				<b>\$ 7,202,579</b>	<b>\$ 10,315,660</b>	<b>\$ 12,586,881</b>	<b>71.51%</b>

### Undistributed Operating Expenses

Operating expenses that are not chargeable to a particular operating department are presented as undistributed operating expenses, in accordance with the *USALI*.

### Administrative & General

Fixed administrative and general expenses include the salaries of the general manager, controller, accountants, and human resources staff. In addition, this expense includes licenses, professional fees, legal and accounting fees, security service, donations, office supplies, travel costs, bad debt expense, data processing costs, professional fees and other miscellaneous expenses. Variable administrative and general expenses consist primarily of credit card commissions.

- Percentage of Revenue: 4.2% to 7.2%
- Per Available room: \$15,500 to \$17,000

From our analysis of the data, we have estimated a stabilized administrative and general expense for the subject site at 6.0% of revenue, noting that the homeowners will have their own association (HOA) to manage their units.

### **Marketing Expense**

Marketing expense includes the salaries, wages, and benefits associated with the sales staff, the cost of advertising and promotional expenses, printing of brochures, sales expenses such as trade shows, complimentary guest expenses, travel and entertainment, travel agency commissions and internal merchandising expenses. The sales and marketing expenses can range as follows:

- Percentage of Revenue: 3.0% to 12.6%

Per Occupied Room: \$8,500 to \$10,700

Very high end, luxury resorts also benefit from word of mouth advertising, travel shows or attention from lifestyle publications such as Travel & Leisure and Luxury Travel. A brand affiliation or well established management company with a portfolio of luxury properties will enable the property to benefit from high end referral business. The subject will also undoubtedly generate significant “free” advertising due to its location, but still warrants a marketing budget at the middle to upper range, or 8.0%.

### **Property Operations and Maintenance Expense**

Property operations & maintenance expenses are a function of building age and usage and are comprised of engineering salaries; wages; employee benefits; normal maintenance of the building; normal maintenance of electrical, mechanical and refrigeration equipment; and engineering operating supplies. The subject building will be new and in good condition, using lower maintenance, sustainable building materials. The emphasis on landscaping will be to return the dunes to their natural state, promoting bio-diversity, improving the ecosystem’s functionality, and protecting sensitive habitats. There is no doubt the property will benefit from improvements and efficiencies from its construction and design. Some of the cost savings will undoubtedly be partially offset by required maintenance of the habitat areas and dunes, gardens and fountains, freshwater and saltwater pools, and hiking and biking trails, among other features. The expense can range as follows:

Percentage of Revenue: 3.0% to 3.5%

Per Occupied Room: \$5,900 to \$8,300

Our estimate of 4.5% Year 11 and 5.0% thereafter of income given the economies of scale given operations and maintenance will also be paid by the condominium lock-offs (from the condominium units).

### **Energy Expense**

Energy expenses are generally particular to the location, climate, and type of hotel structure. Energy and utility expenses include electricity, gas, water, waste disposal, light bulbs, and sewer charges. Bahamas have some of the highest utility costs in the Caribbean, with local utilities running 2x to 4x United States costs. An 8.0% expense was projected.

## Franchise Fee

The following is the ‘incentive’ fee in addition to management fees. The fee is calculated off net operating income and allows the hotel flag to participate in the success of the project, allowing both management and ownership to strive for more net operating income. Typical range of fees follow:

Hotel Flag / Brand	Franchise Fees %
Fairmont	8.0%
Four Seasons	10.0%
Ritz-Carlton	10.0%
St. Regis	10.0%
W Hotels	8.0%

## Management Fee

Current industry standards indicate a range of management fees between 2% and 5% of total revenue, with the lower ratio typically for more upscale, full-service hotels, and the higher percentage for those with fewer amenities or potentially lower rooms rates. Based upon the quality of the facility as well as amenities planned, we have projected a 5% management fee.

## Fixed Expenses

### *Property Taxes*

Taxes are calculated based on 1.0% of construction costs.

### *Owner Revenue Split and Expense Allocation*

We have included additional rental pool revenue associated with leasing sold units.

### *Insurance*

This expense reflects building and contents insurance covering the proposed subject hotel, though it excludes general liability insurance, which is included in the *Administrative and General Expense* line item. The proposed subject resort’s insurance expense was based on discussions with insurance experts at Marsh McLennan and AIG.

The insurance expense includes buildings, contents, and general insurance. It should be noted that the individual property owners will be responsible for their own insurance. However the projection is difficult to make as the hotel will also contain all of the public space and recreational areas. It should also be noted that it is difficult to compare insurance costs due to factors such as limits of liability and amounts of deductible.

### *Reserve for Replacement*

A provision has been made in our projection regarding a reserve for the periodic replacement of furnishings, fixtures, and equipment (FF&E) as well as other short-lived items pertaining to the real property during the life of the building. Additionally, the amount is considered to be appropriate due to the level and extent of furniture, fixtures, and equipment replacement necessary to maintain the overall condition of the proposed subject over its useful life. The accepted industry standard is 4%.

**Stabilized Year Operating Results**

Presented on the following page is an estimate of the subject hotel's stabilized year operating results and the two year prior back to the date of completion of construction:

Crab Cay Resort Hotel - 114 Keys						
Annual Revenues in US Dollars						
			2019	2020	2021	Ratios and Percentages
<b>Revenue</b>						
Hotel Rooms			\$ 20,284,875	\$ 29,210,220	\$ 35,831,203	61.75%
Rental Pool Condo Hotel Rooms - Net			\$ 3,754,395	\$ 5,406,329	\$ 6,631,763	11.43%
Rental Pool Condo Units - Net			\$ 249,266	\$ 299,119	\$ 358,943	0.66%
Food			\$ 4,056,975	\$ 5,842,044	\$ 7,166,241	12.35%
Beverage			\$ 2,637,034	\$ 3,797,329	\$ 4,658,056	8.03%
Telecommunications			\$ 131,852	\$ 189,866	\$ 232,903	0.40%
Resort Fees			\$ 936,225	\$ 1,123,470	\$ 1,148,436	2.32%
Community Health Club Memberships			\$ 167,400	\$ 279,000	\$ 372,000	0.59%
Other Income -Spa/Concierge			\$ 686,565	\$ 823,878	\$ 842,186	1.70%
Rental and Other Income			\$ 312,075	\$ 374,490	\$ 382,812	0.77%
<b>Total Revenues</b>			<b>\$ 33,216,661</b>	<b>\$ 47,345,745</b>	<b>\$ 57,624,543</b>	<b>100.00%</b>
					<b>\$ 138,186,949</b>	
<b>Expenses by Department</b>						
Rooms			\$ 6,559,904.94	\$ 9,446,263.12	\$ 11,587,416.09	19.97%
Food			\$ 2,839,883	\$ 4,089,431	\$ 5,016,368	8.64%
Beverage			\$ 791,110	\$ 1,139,199	\$ 1,397,417	2.41%
Telecommunications			\$ 13,548	\$ 18,189	\$ 21,632	0.04%
Resort Fees			\$ 374,490	\$ 449,388	\$ 459,374	0.93%
Other Income -Spa/Concierge			\$ 274,626	\$ 329,551	\$ 336,875	0.68%
Rental and Other Income			\$ 124,830	\$ 149,796	\$ 153,125	0.31%
<b>Total Departmental Expenses</b>			<b>\$ 10,978,392</b>	<b>\$ 15,621,817</b>	<b>\$ 18,972,207</b>	<b>32.98%</b>
<b>Total Gross Profit</b>			<b>\$ 22,238,269</b>	<b>\$ 31,723,928</b>	<b>\$ 38,652,336</b>	<b>67.02%</b>
<b>Selling, General &amp; Administration</b>						
Administration			\$ 1,334,296	\$ 1,903,436	\$ 2,319,140	4.02%
Marketing			\$ 2,657,333	\$ 3,787,660	\$ 4,609,963	8.00%
Listing Fees			\$ 1,660,833	\$ 2,367,287	\$ 2,881,227	5.00%
Property Ops and Maintenance			\$ 1,494,750	\$ 2,367,287	\$ 2,881,227	4.88%
Utility Costs			\$ 1,779,062	\$ 2,537,914	\$ 3,092,187	5.36%
Other Undistributed Expenses			\$ 664,333	\$ 946,915	\$ 1,152,491	2.00%
<b>Total G&amp;A</b>			<b>\$ 9,590,607</b>	<b>\$ 13,910,499</b>	<b>\$ 16,936,236</b>	<b>29.26%</b>
<b>Gross Operating Income</b>			<b>\$ 12,647,663</b>	<b>\$ 17,813,429</b>	<b>\$ 21,716,100</b>	<b>37.76%</b>
<b>Management Fees</b>						
Base Management Fee	5.0%		\$ 1,111,913	\$ 1,586,196	\$ 1,932,617	3.35%
Incentive Management Fee	+/-10%		\$ 300,000	\$ 700,000	\$ 890,000	1.37%
<b>Fixed Expenses - Hotel Share</b>						
<b>Unallocated to Hotel Operation</b>						
Property Taxes			\$ 459,241	\$ 459,241	\$ 459,241	1.00%
Utilities			\$ 1,920,000	\$ 1,920,000	\$ 1,920,000	4.17%
Insurance			\$ 982,940	\$ 982,940	\$ 982,940	2.13%
Leases			\$ -	\$ -	\$ -	0.00%
Other Fixed Expenses			\$ 25,000	\$ 25,000	\$ 25,000	0.05%
Int. Expense - Hotel Financing			\$ 2,755,448	\$ 2,755,448	\$ 2,755,448	5.98%
Reserves			\$ 889,531	\$ 1,268,957	\$ 1,546,093	2.68%
<b>Total Fixed Expenses</b>			<b>\$ 6,142,629</b>	<b>\$ 6,142,629</b>	<b>\$ 6,142,629</b>	<b>13.34%</b>
<b>Net Income</b>			<b>\$ 4,203,589</b>	<b>\$ 8,115,646</b>	<b>\$ 11,204,761</b>	<b>19.70%</b>
<b>3-Year Total</b>					<b>\$ 23,523,996</b>	

<b>Crab Cay Proposed Harbor Village I / Marina Village North - 32 Units</b>							
				<b>Annual Revenues in US Dollars</b>			<b>Ratios and Percentages</b>
				<b>2020</b>	<b>2021</b>	<b>2022</b>	
<b>Revenue</b>							
Hotel Rooms			\$ 5,694,000	\$ 8,199,360	\$ 10,057,882		69.04%
Rental Pool Condo Hotel Rooms - Net			\$ -	\$ -	\$ -		0.00%
Rental Pool Condo Units - Net			\$ -	\$ -	\$ -		0.00%
Food			\$ 1,138,800	\$ 1,639,872	\$ 2,011,576		13.81%
Beverage			\$ 740,220	\$ 1,065,917	\$ 1,307,525		8.98%
Telecommunications			\$ 37,011	\$ 53,296	\$ 65,376		0.45%
Resort Fees			\$ 262,800	\$ 315,360	\$ 322,368		2.60%
Community Health Club Memberships			\$ 167,400	\$ 279,000	\$ 372,000		2.36%
Other Income -Spa/Concierge			\$ 192,720	\$ 231,264	\$ 236,403		1.90%
Rental and Other Income			\$ 87,600	\$ 105,120	\$ 107,456		0.87%
<b>Total Revenues</b>			<b>\$ 8,320,551</b>	<b>\$ 11,889,189</b>	<b>\$ 14,480,586</b>		<b>100.00%</b>
					<b>\$ 34,690,326</b>		
<b>Expenses by Department</b>							
Rooms			\$ 1,138,800.00	\$ 1,639,872.00	\$ 2,011,576.32		13.81%
Food			\$ 797,160	\$ 1,147,910	\$ 1,408,103		9.67%
Beverage			\$ 222,066	\$ 319,775	\$ 392,257		2.69%
Telecommunications			\$ 5,961	\$ 7,264	\$ 8,230		0.06%
Resort Fees			\$ 105,120	\$ 126,144	\$ 128,947		1.04%
Other Income -Spa/Concierge			\$ 77,088	\$ 92,506	\$ 94,561		0.76%
Rental and Other Income			\$ 35,040	\$ 42,048	\$ 42,982		0.35%
<b>Total Departmental Expenses</b>			<b>\$ 2,381,235</b>	<b>\$ 3,375,519</b>	<b>\$ 4,086,658</b>		<b>28.38%</b>
<b>Total Gross Profit</b>			<b>\$ 5,939,316</b>	<b>\$ 8,513,670</b>	<b>\$ 10,393,928</b>		<b>71.62%</b>
<b>Selling, General &amp; Administration</b>							
Administration			\$ 356,359	\$ 510,820	\$ 623,636		4.30%
Marketing			\$ 665,644	\$ 951,135	\$ 1,158,447		8.00%
Listing Fees			\$ 416,028	\$ 594,459	\$ 724,029		5.00%
Property Ops and Maintenance			\$ 374,425	\$ 594,459	\$ 724,029		4.88%
Utility Costs			\$ 475,145	\$ 681,094	\$ 831,514		5.73%
Other Undistributed Expenses			\$ 166,411	\$ 237,784	\$ 289,612		2.00%
<b>Total G&amp;A</b>			<b>\$ 2,454,012</b>	<b>\$ 3,569,752</b>	<b>\$ 4,351,267</b>		<b>29.91%</b>
<b>Gross Operating Income</b>			<b>\$ 3,485,304</b>	<b>\$ 4,943,918</b>	<b>\$ 6,042,661</b>		<b>41.72%</b>
<b>Management Fees</b>							
Base Management Fee	5.0%		\$ 296,966	\$ 425,683	\$ 519,696		3.58%
Incentive Management Fee	+10%		\$ 300,000	\$ 700,000	\$ 890,000		5.45%
<b>Fixed Expenses - Hotel Share</b>							
<b>Unallocated to Hotel Operation</b>							
Property Taxes			\$ 97,564	\$ 97,564	\$ 97,564		0.84%
Utilities			\$ 538,947	\$ 538,947	\$ 538,947		4.66%
Insurance			\$ 275,913	\$ 275,913	\$ 275,913		2.39%
Leases			\$ -	\$ -	\$ -		0.00%
Other Fixed Expenses			\$ 25,000	\$ 25,000	\$ 25,000		0.22%
Int. Expense - Hotel Financing			\$ 585,384	\$ 585,384	\$ 585,384		5.06%
Reserves			\$ 237,573	\$ 340,547	\$ 415,757		2.86%
<b>Total Fixed Expenses</b>			<b>\$ 1,522,808</b>	<b>\$ 1,522,808</b>	<b>\$ 1,522,808</b>		<b>13.17%</b>
<b>Net Income</b>			<b>\$ 1,127,958</b>	<b>\$ 1,954,880</b>	<b>\$ 2,694,399</b>		<b>19.52%</b>
<b>3-Year Total</b>					<b>\$ 5,777,237</b>		



<b>Claw Beach Hotel - 39 Units</b>						
<b>Annual Revenues in US Dollars</b>						
			2020	2021	2022	Ratios and Percentages
<b>Revenue</b>						
Hotel Rooms			\$ 6,939,563	\$ 9,992,970	\$ 12,258,043	69.34%
Rental Pool Condo Hotel Rooms - Net			\$ -	\$ -	\$ -	0.00%
Rental Pool Condo Units - Net			\$ -	\$ -	\$ -	0.00%
Food			\$ 1,387,913	\$ 1,998,594	\$ 2,451,609	13.87%
Beverage			\$ 902,143	\$ 1,299,086	\$ 1,593,546	9.01%
Telecommunications			\$ 45,107	\$ 64,954	\$ 79,677	0.45%
Resort Fees			\$ 320,288	\$ 384,345	\$ 392,886	2.61%
Community Health Club Memberships			\$ 167,400	\$ 279,000	\$ 372,000	1.94%
Other Income -Spa/Concierge			\$ 234,878	\$ 281,853	\$ 288,116	1.91%
Rental and Other Income			\$ 106,763	\$ 128,115	\$ 130,962	0.87%
<b>Total Revenues</b>			<b>\$ 10,104,053</b>	<b>\$ 14,428,917</b>	<b>\$ 17,566,839</b>	<b>100.00%</b>
					<b>\$ 42,099,809</b>	
<b>Expenses by Department</b>						
Rooms			\$ 1,387,913	\$ 1,998,594	\$ 2,451,609	13.87%
Food			\$ 971,539	\$ 1,399,016	\$ 1,716,126	9.71%
Beverage			\$ 270,643	\$ 389,726	\$ 478,064	2.70%
Telecommunications			\$ 6,609	\$ 8,196	\$ 9,374	0.06%
Resort Fees			\$ 128,115	\$ 153,738	\$ 157,154	1.04%
Other Income -Spa/Concierge			\$ 93,951	\$ 112,741	\$ 115,247	0.76%
Rental and Other Income			\$ 42,705	\$ 51,246	\$ 52,385	0.35%
Total Departmental Expenses			\$ 2,901,474	\$ 4,113,257	\$ 4,979,958	28.49%
<b>Total Gross Profit</b>			<b>\$ 7,202,579</b>	<b>\$ 10,315,660</b>	<b>\$ 12,586,881</b>	<b>71.51%</b>
<b>Selling, General &amp; Administration</b>						
Administration			\$ 432,155	\$ 618,940	\$ 755,213	4.29%
Marketing			\$ 808,324	\$ 1,154,313	\$ 1,405,347	8.00%
Listing Fees			\$ 505,203	\$ 721,446	\$ 878,342	5.00%
Property Ops and Maintenance			\$ 454,682	\$ 721,446	\$ 878,342	4.88%
Utility Costs			\$ 576,206	\$ 825,253	\$ 1,006,950	5.72%
Other Undistributed Expenses			\$ 202,081	\$ 288,578	\$ 351,337	2.00%
Total G&A			\$ 2,978,651	\$ 4,329,976	\$ 5,275,531	29.89%
<b>Gross Operating Income</b>			<b>\$ 4,223,928</b>	<b>\$ 5,985,684</b>	<b>\$ 7,311,350</b>	<b>41.62%</b>
<b>Management Fees</b>						
Base Management Fee	5.0%		\$ 360,129	\$ 515,783	\$ 629,344	3.58%
Incentive Management Fee	+-10%		\$ 300,000	\$ 700,000	\$ 890,000	4.49%
<b>Fixed Expenses - Hotel Share</b>						
<b>Unallocated to Hotel Operation</b>						
Property Taxes			\$ 134,209	\$ 134,209	\$ 134,209	0.96%
Utilities			\$ 656,842	\$ 656,842	\$ 656,842	4.68%
Insurance			\$ 336,269	\$ 336,269	\$ 336,269	2.40%
Leases			\$ -	\$ -	\$ -	0.00%
Other Fixed Expenses			\$ 25,000	\$ 25,000	\$ 25,000	0.18%
Int. Expense - Hotel Financing	8.0%		\$ 805,251	\$ 805,251	\$ 805,251	5.74%
Reserves			\$ 288,103	\$ 412,626	\$ 503,475	2.86%
<b>Total Fixed Expenses</b>			<b>\$ 1,957,571</b>	<b>\$ 1,957,571</b>	<b>\$ 1,957,571</b>	<b>13.95%</b>
<b>Net Income</b>			<b>\$ 1,318,125</b>	<b>\$ 2,399,704</b>	<b>\$ 3,330,960</b>	<b>19.60%</b>
<b>3-Year Total</b>					<b>\$ 7,048,789</b>	

**Direct Capitalization**

The likely buyer will be international and the United States economy will provide a strong indicators on what an investor would pay for Crab Cay Master Planned Community, upon the hotels reaching stabilized occupancy.

Coincident with a 14 basis point increase in Treasury rates to which most commercial mortgage interest rates are indexed and a five basis point decline in equity dividend rates, the RealtyRates.com Weighted Composite (Cap Rate) Index™ increased six basis points, from 9.33 to 9.39 percent during the 4th Quarter of 2017.

NAREIT reported Hotel: Cap rates on hotel properties fell 27 bps, to 8.03 percent at the end of 2017. Hotel is the one sector among the major property types where cap rates have not been trending downward; the current reading, however, is the lowest since August 2016.

Obviously, there are no trophy assets sold recently in the Caribbean. The most similar United States properties are, Montage Laguna Beach, California was purchased at a sub-6% rate. Trophy properties in Florida are now selling at 3% to 6% capitalization rates, with investors anticipating rental appreciation to push yields in future years.

Hyatt announced on December 4, 2017 that on November 9, 2017, the Company sold the 550-room Hyatt Regency Monterey Hotel and Spa (<https://monterey.regency.hyatt.com/>) in Monterey, CA for approximately \$60 million, resulting in the recognition of a pre-tax gain of approximately \$17 million. The gain will be characterized as a special item and will be recorded outside of Hyatt’s Adjusted EBITDA. This sale was reported to have a sub-6% capitalization rate.

HVS reported the following trends in capitalization rates:

**Comparative Average Cap Rates Derived from Sales Based on Historical NOI**



Source: HVS

Obviously, luxury hotels command rates below full service facilities, again supporting a capitalization rate at 6% of lower. However, after the 2017 hurricane season, investors are going to command higher yields for trophy resort properties in the Caribbean and the following reflects the valuation analysis for the subject hotels at stabilized occupancy:

<b>Direct Capitalization Analysis Crab Cay Resort Hotel - 114 Keys</b>					
<b>Net Operating Income</b>			<b>\$4,203,589</b>	<b>\$8,115,646</b>	<b>\$11,204,761</b>
<b>Residual Value</b>		8.00%			<b>\$140,059,507</b>
<b>Cost of Sale</b>		12.00%			<b>-\$16,807,141</b>
<b>Net Proceeds from Sale</b>					<b>\$123,252,367</b>

<b>Direct Capitalization Analysis Claw Beach Hotel - 39 Units</b>					
<b>Net Operating Income</b>			<b>\$1,318,125</b>	<b>\$2,399,704</b>	<b>\$3,330,960</b>
<b>Residual Value</b>		8.00%			<b>\$41,636,997</b>
<b>Cost of Sale</b>		12.00%			<b>-\$4,996,440</b>
<b>Net Proceeds from Sale</b>					<b>\$36,640,557</b>

<b>Direct Capitalization Analysis Crab Cay Proposed Welcome Beach Hotel - 25 Units</b>					
<b>Net Operating Income</b>			<b>\$815,392</b>	<b>\$1,387,657</b>	<b>\$1,935,440</b>
<b>Residual Value</b>		8.00%			<b>\$24,192,997</b>
<b>Cost of Sale</b>		12.00%			<b>-\$2,903,160</b>
<b>Net Proceeds from Sale</b>					<b>\$21,289,837</b>

<b>Direct Capitalization Analysis Crab Cay Proposed Harbor Village I / Marina Village North - 32 Units</b>					
<b>Net Operating Income</b>			<b>\$1,127,958</b>	<b>\$1,954,880</b>	<b>\$2,694,399</b>
<b>Residual Value</b>		8.00%			<b>\$33,679,990</b>
<b>Cost of Sale</b>		12.00%			<b>-\$4,041,599</b>
<b>Net Proceeds from Sale</b>					<b>\$29,638,391</b>

#### Discounted Cash Flow Analysis – Hotel

The discounted cash flow analysis was employed for the hotel:

<b>DCF Analysis - Hotel @ Completion of Construction</b>			<b>Crab Cay Resort Hotel - 114 Keys</b>		
<b>Cash Flow</b>			<b>\$4,203,589</b>	<b>\$8,115,646</b>	<b>\$134,457,127</b>
<b>Prospective Value Completion</b>	10.00%		<b>\$111,548,220</b>		
<b>Rounded</b>		NPV @	<b>\$112,000,000</b>	<b>\$982,456</b>	<b>Per Room</b>

<b>DCF Analysis - Hotel @ Completion of Construction</b>			<b>Claw Beach Hotel - 39 Units</b>		
<b>Cash Flow</b>			<b>\$1,318,125</b>	<b>\$2,399,704</b>	<b>\$39,971,517</b>
<b>Prospective Value Completion</b>	10.00%		<b>\$33,212,715</b>		
<b>Rounded</b>		NPV @	<b>\$33,000,000</b>	<b>\$846,154</b>	<b>Per Room</b>

<b>DCF Analysis - Hotel @ Completion of Construction</b>			<b>Crab Cay Proposed Welcome Beach Hotel - 25 Units</b>		
<b>Cash Flow</b>			<b>\$815,392</b>	<b>\$1,387,657</b>	<b>\$23,225,277</b>
<b>Prospective Value Completion</b>	10.00%		<b>\$19,337,584</b>		
<b>Rounded</b>		<b>NPV @</b>	<b>\$19,000,000</b>	<b>\$760,000</b>	<b>Per Room</b>
<b>DCF Analysis - Hotel @ Completion of Construction</b>			<b>Crab Cay Proposed Harbor Village I / Marina Village North - 32 Units</b>		
<b>Cash Flow</b>			<b>\$1,127,958</b>	<b>\$1,954,880</b>	<b>\$32,332,790</b>
<b>Prospective Value Completion</b>	10.00%		<b>\$26,933,123</b>		
<b>Rounded</b>		<b>NPV @</b>	<b>\$27,000,000</b>	<b>\$843,750</b>	<b>Per Room</b>

## INCOME CAPITALIZATION APPROACH TO VALUE

The Income Approach is used by investors and developers to determine the price they can afford to pay for multiple units in bulk by use of the discounted cash flow analysis. The net present value results from taking into account anticipated sales revenues of the sellout of the lots and bulk parcels (the timing of the sellout called absorption period); less costs of administration, sales and closing expenses, and a rate of return.

In order to derive the sales revenue, the retail values of the finished lots were derived via the sales comparison approach in the previous analysis.

RETAIL LOT REVENUE							
Crab Cay Master Planned Community							
Property	Total Units	Paper Lot / Platted Lot Revenue		Infrastructure Costs		Finished Retail Lot Revenues	
		Per Lot/Parcel	Total	Per Lot	Total	Per Lot	Total
Claw Beach Homes	12	\$1,115,435	\$13,385,224	\$130,846	\$1,570,148	\$1,246,281	\$14,955,372
Founders' Enclave Homes	52	\$3,833,001	\$199,316,027	\$130,846	\$6,803,973	\$3,963,846	\$206,120,000
Harbour Village II Homes	15	\$656,207	\$9,843,101	\$130,846	\$1,962,684	\$787,052	\$11,805,785
Umbrella Village Homes	20	\$1,049,733	\$20,994,658	\$130,846	\$2,616,913	\$1,180,579	\$23,611,570
Walker Estates Homes	23	\$852,970	\$19,618,305	\$130,846	\$3,009,449	\$983,815	\$22,627,755
Welcome Beach Homes	18	\$1,049,733	\$18,895,192	\$130,846	\$2,355,221	\$1,180,579	\$21,250,413
Claw Beach Lots	11	\$1,127,189	\$12,399,082	\$130,846	\$1,439,302	\$1,258,035	\$13,838,384
Founders' Enclave Lots	57	\$8,101,786	\$461,801,799	\$130,846	\$7,458,201	\$8,232,632	\$469,260,000
Harbour Village II Lots	5	\$213,507	\$1,067,535	\$130,846	\$654,228	\$344,353	\$1,721,763
Walker Estates Lots	22	\$1,309,174	\$28,801,837	\$130,846	\$2,878,604	\$1,440,020	\$31,680,441
<b>Totals</b>	<b>235</b>	<b>\$3,345,203</b>	<b>\$786,122,761</b>	<b>\$130,846</b>	<b>\$30,748,722</b>	<b>\$3,476,049</b>	<b>\$816,871,483</b>

The bulk land revenue follows:

BULK LAND REVENUE			
Crab Cay Master Planned Community			
Property	Total Units	Bulk Land Revenue	
		Per Lot/Parcel	Total
Beach Bungalows	11	\$72,727	\$800,000
Bungalows (Umbrella Village)	28	\$64,286	\$1,800,000
Marina Bungalows / Marina Village West	28	\$203,571	\$5,700,000
Claw Beach Condos	10	\$250,000	\$2,500,000
Condos (Umbrella Village)	20	\$125,000	\$2,500,000
Harbour Village I / Marina Village North Condos	36	\$300,000	\$10,800,000
Harbour Village II / Marina Village South Condos	30	\$153,333	\$4,600,000
<b>Totals</b>	<b>163</b>	<b>\$176,074</b>	<b>\$28,700,000</b>

The finished home revenue follows:

FINISHED HOME REVENUE										
Crab Cay Master Planned Community										
Homes	Total Units	Bulk Home Revenue		Infrastructure Costs		Finished Home Revenues		Building Cost Per Home	Lot Allocation	% of Home Price
		Per Home	Total	Per Home	Total	Per Home	Total			
Spa Beach Bungalows	7	\$1,164,000	\$8,148,000	\$136,000	\$952,000	\$1,300,000	\$9,100,000	\$1,255,029	\$280,029	22%
Harbour Village I / Marina Village North	2	\$10,814,000	\$21,628,000	\$136,000	\$272,000	\$10,950,000	\$21,900,000	\$10,892,550	\$490,050	4%
<b>Totals</b>	<b>9</b>	<b>\$3,308,444</b>	<b>\$29,776,000</b>	<b>\$136,000</b>	<b>\$1,224,000</b>	<b>\$3,444,444</b>	<b>\$31,000,000</b>	---	---	---

The hotel, spa and restaurant revenue follows:

HOTEL, SPA & RESTAURANT RETAIL REVENUE											
Crab Cay Master Planned Community											
Hotels	Total	Bulk		Infrastructure Costs		Finished Parcel Revenues		At Completion of Construction		Upon Reaching Stabilized Occupancy	
	Units	Per Lot/Parcel	Total	Per Lot	Total	Per Lot	Total	Per Unit	Total	Per Unit	Total
Crab Cay Resort Hotel - 114 Keys	114	\$38,176	\$4,352,066	\$12,701	\$ 1,447,934	\$50,877	\$5,800,000	\$549,395	\$62,631,075	\$1,228,592	\$140,059,507
Welcome Beach Hotel	25	\$39,280	\$982,004	\$12,720	\$ 317,996	\$52,000	\$1,300,000	\$427,970	\$10,699,250	\$967,720	\$24,192,997
Harbour Village II Restaurant	2	\$350,000	\$700,000	\$0	\$0	\$350,000	\$700,000	\$6,104,000	\$12,208,000	\$6,104,000	\$12,208,000
Harbour Village I / Marina Village North Hotel/Restaurant	32	\$49,438	\$1,582,004	\$9,937	\$317,996	\$59,375	\$1,900,000	\$555,594	\$17,779,000	\$1,052,500	\$33,679,990
Claw Beach Hotel	39	\$73,247	\$2,856,649	\$24,188	\$943,351	\$97,436	\$3,800,000	\$828,767	\$32,321,900	\$1,067,615	\$41,636,997
Destination Spa	1	\$3,800,000	\$3,800,000	\$0	\$0	\$3,800,000	\$3,800,000	\$25,255,000	\$25,255,000	#####	\$25,255,000
<b>Totals</b>	<b>213</b>	<b>\$67,008</b>	<b>\$14,272,722</b>	<b>\$59,547</b>	<b>\$3,027,278</b>	<b>\$81,221</b>	<b>\$17,300,000</b>	<b>\$755,371.95</b>	<b>\$160,894,225</b>	<b>\$1,300,622</b>	<b>\$277,032,491</b>

Lastly the marina revenue follows:

Marina							
Crab Cay Master Planned Community							
Marina	Total	Infrastructure Costs		At Completion of Construction		Upon Reaching Stabilized Occupancy	
	Units	Per Lot	Total	Per Unit	Total	Per Unit	Total
Crab Cay Marina	110	---	---	\$306,627	\$33,728,979	\$485,000	\$53,350,000

The resulting cash flows will be discounted into a prospective market value upon completion of construction.

### Absorption

The best gauge of absorption is Baker's Bay, which has averaged 36 sales per year over the last four years. However, this includes 2010 and 2011, which had economic conditions considerably inferior to today's economic condition. Tourism has rebounded to all time highs, prices are escalating and land is being purchased for new projects. Further, the subject's retail pricing is below that at Baker's Bay. Therefore, absorption in the range of 36 to 45 units per year is reasonable for Crab Cay Master Planned Community. The following reflects the projected sellout.



Crab Cay Master Planned Community													
ABSORPTION PROJECTIONS AND GROSS REVENUE													
Fiscal Year Analysis	1	2	3	4	5	6	7	8	9	10	11	12	Total
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
<b>BULK LAND REVENUE</b>	<b>Bulk</b>	<b>Projected Absorption</b>											
Beach Bungalows	11		11										11
Bungalows (Umbrella Village)	28			28									28
Marina Bungalows / Marina Village West	28				28								28
Claw Beach Condos	10					10							10
Condos (Umbrella Village)	20						20						20
Harbour Village I / Marina Village	36							36					36
North Condos													
Harbour Village II / Marina Village			15										30
South Condos	30												30
<b>BULK LAND REVENUE</b>	<b>Bulk</b>	<b>Projected Absorption</b>											
Beach Bungalows	11		11										11
Price/Lot	\$72,727	\$72,727	\$77,156	\$79,471	\$81,855	\$84,311	\$86,840	\$89,445	\$92,129	\$94,893	\$97,739	\$100,672	
Aggregate Revenue	\$800,000	\$0	\$848,720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$848,720
Bungalows (Umbrella Village)	28			28									28
Price/Lot	\$64,286	\$64,286	\$68,201	\$70,247	\$72,354	\$74,525	\$76,761	\$79,063	\$81,435	\$83,878	\$86,395	\$88,986	
Aggregate Revenue	\$1,800,000	\$0	\$0	\$1,966,909	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,966,909
Marina Bungalows / Marina Village West	28				28								28
Price/Lot	\$203,571	\$203,571	\$215,969	\$222,448	\$229,121	\$235,995	\$243,075	\$250,367	\$257,878	\$265,615	\$273,583	\$281,790	
Aggregate Revenue	\$5,700,000	\$0	\$0	\$0	\$6,415,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,415,400
Claw Beach Condos	10					10							10
Price/Lot	\$250,000	\$250,000	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693	\$326,193	\$335,979	\$346,058	
Aggregate Revenue	\$2,500,000	\$0	\$0	\$0	\$0	\$2,898,185	\$0	\$0	\$0	\$0	\$0	\$0	\$2,898,185
Condos (Umbrella Village)	20						20						20
Price/Lot	\$125,000	\$125,000	\$132,613	\$136,591	\$140,689	\$144,909	\$149,257	\$153,734	\$158,346	\$163,097	\$167,990	\$173,029	
Aggregate Revenue	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,985,131	\$0	\$0	\$0	\$0	\$0	\$2,985,131
Harbour Village I / Marina Village North Condos	36							36					36
Price/Lot	\$300,000	\$309,000	\$318,270	\$327,818	\$337,653	\$347,782	\$358,216	\$368,962	\$380,031	\$391,432	\$403,175	\$415,270	
Aggregate Revenue	\$10,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$13,282,638	\$0	\$0	\$0	\$0	\$13,282,638
Harbour Village II / Marina Village South Condos	30		15										30
Price/Lot	\$153,333	\$157,933	\$162,671	\$167,551	\$172,578	\$177,755	\$183,088	\$188,581	\$194,238	\$200,065	\$206,067	\$212,249	
Aggregate Revenue	\$4,600,000	\$0	\$2,440,070	\$0	\$0	\$2,666,330	\$0	\$0	\$0	\$0	\$0	\$0	\$5,106,400

ABSORPTION PROJECTIONS AND GROSS REVENUE													
Crab Cay Master Planned Community													
Fiscal Year Analysis	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	1	2	3	4	5	6	7	8	9	9	9	9	9
<b>FINISHED HOME REVENUE</b>	<b>Homes</b>												
Absorption from Demo Slats	7	5	2	2	2	2	2	2	2	2	2	2	2
Spa Beach Boutiques	7	5	2	2	2	2	2	2	2	2	2	2	2
Harbour Village I / Marina Village North	2	2	2	2	2	2	2	2	2	2	2	2	2
<b>SPA &amp; RESTAURANT RETAIL REVENUE</b>	<b>Hotel/ Spa / Restaurant</b>												
Crab Cay Resort Hotel - 118 Keys	114												
Welcome Beach Hotel	25												
Harbour Village II Restaurant	2												
Harbour Village I / Marina Village North	32												
North Hotel Restaurant	39												
Citrus Beach Hotel	1												
Destination Spa	1												
<b>Total Absorption</b>	<b>410</b>	<b>24</b>	<b>24</b>	<b>46</b>	<b>50</b>	<b>48</b>	<b>35</b>	<b>51</b>	<b>29</b>	<b>21</b>	<b>19</b>	<b>11</b>	<b>410</b>
<b>FINISHED HOME REVENUE</b>	<b>Homes</b>												
Spa Beach Boutiques	7	5	2	2	2	2	2	2	2	2	2	2	7
Price/Lot	\$1,300,000	\$1,300,000	\$1,379,170	\$1,420,545	\$1,483,161	\$1,597,055	\$1,552,268	\$1,598,836	\$1,646,801	\$1,696,205	\$1,747,091	\$1,799,594	\$9,178,000
Aggregate Revenue	\$9,100,000	\$6,500,000	\$2,678,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Harbour Village I / Marina Village North	2	2	2	2	2	2	2	2	2	2	2	2	2
Price/Lot	\$10,950,000	\$10,950,000	\$11,278,500	\$11,965,463	\$12,434,321	\$12,694,051	\$13,074,873	\$13,467,119	\$13,871,142	\$14,287,266	\$14,715,884	\$15,157,461	\$21,900,000
Aggregate Revenue	\$21,900,000	\$21,900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,900,000
<b>SPA &amp; RESTAURANT RETAIL REVENUE</b>	<b>Hotel/ Spa / Restaurant</b>												
Harbour Village II Restaurant	2	2	2	2	2	2	2	2	2	2	2	2	2
Price/Lot	\$6,100,000	\$6,100,000	\$6,287,120	\$6,475,731	\$6,670,005	\$6,870,106	\$7,076,209	\$7,288,195	\$7,507,150	\$7,732,265	\$7,961,266	\$8,194,564	\$13,340,011
Aggregate Revenue	\$12,200,000	\$12,200,000	\$12,574,240	\$12,951,462	\$13,342,011	\$13,742,212	\$14,152,418	\$14,572,630	\$15,002,840	\$15,443,050	\$15,893,260	\$16,353,470	\$26,680,022
Destination Spa	1	1	1	1	1	1	1	1	1	1	1	1	1
Price/Lot	\$25,255,000	\$25,255,000	\$26,012,650	\$26,799,030	\$28,434,725	\$29,277,467	\$30,155,791	\$31,060,164	\$31,992,278	\$32,942,047	\$33,910,508	\$34,958,826	\$52,424,725
Aggregate Revenue	\$25,255,000	\$25,255,000	\$26,012,650	\$26,799,030	\$28,434,725	\$29,277,467	\$30,155,791	\$31,060,164	\$31,992,278	\$32,942,047	\$33,910,508	\$34,958,826	\$52,424,725
<b>Aggregate Revenue</b>	<b>\$1,153,603,974</b>	<b>\$87,024,754</b>	<b>\$68,290,165</b>	<b>\$68,650,674</b>	<b>\$108,168,803</b>	<b>\$82,461,667</b>	<b>\$90,338,448</b>	<b>\$92,853,451</b>	<b>\$95,809,775</b>	<b>\$1,080,803,974</b>	<b>\$1,080,803,974</b>	<b>\$1,080,803,974</b>	<b>\$1,080,803,974</b>

**Appreciation**

Lot prices are escalated 3% per year starting in Year 3. Recent historical pricing trends have been greater than 5% annually (Baker's Bay resales), however, the subject will need to have significant hotel and home construction before land prices begin to escalate.

**Costs, Reimbursements, and Expenses (Soft Costs)**

These costs are attributable to the sellout of the subject lots.

**Infrastructure Costs**

The lots and bulk parcels are being analyzed in finished condition with no remaining infrastructure costs.

**Municipal/District Reimbursements**

The appraisers have not included any potential for reimbursement associated with previously spent infrastructure.

**Closing Costs**

It is necessary to include sales commissions in the pro forma plus additional title and closing costs. These costs are typical for a broker to sell the property over the absorption period. However, bulk homes are typically sold off in-house, or contracted in a master agreement to a particular firm at percentage costs lower than for individual home sales. While this typically reduces the amount of sales commissions required, the subject is in a rural area and the need for higher than typical co-broker commissions (H.G. Christies, Abaco Estates) are warranted to attract potential buyers. We have included a total 7.0% cost for sales commissions. Stewart Title indicated that 1.0% of sales proceeds are appropriate for title and closing costs; for a total cost of 8.0%.

**Marketing/Advertising Expense**

Marketing and advertising costs at the subject are estimated to be 8.0% of sales. Projects in the Caribbean from Cap Jaluca to Atlantis and Chubb Cay in the Bahamas budget 8.0% to 12.0% each year for marketing. This is a significant cost and requires developer commitment to fund this expense for the benefit of sales velocity.

**General Administrative Expenses**

Over the duration of the project, the developer's staff and/or hired consultants will have to oversee all aspects of acquisition and periodic site inspections, financial reporting, etc. Based on a review of similar cost budgets from comparable developments (Cap Jaluca, Atlantis and Chubb), general and administrative expenses typically range from 4.0% to 8.0%. Because of the high end price points, a general administrative cost of 4.0% is reasonable.

**Real Estate Taxes**

The subject finished inventory will be taxed by the Bahamian Government at a rate of 1.0% of assessment. However, the assessment is not reflective of market value and discussions with government representatives

indicated the assessment will more likely be in the range of 5.0% to 10.0% of finished inventory. The prorated property taxes are applied in the cash flow model on remaining inventory at each period.

### **Profit**

In this analysis, the developer's profit is included in the overall discount rate selection. This is typical market practice and similar to the Korpacz and other market rate survey reporting.

### **DISCOUNT RATE**

A discount rate is applied to the net cash flows to convert the projected cash flows to present value. The discount rate is a rate of return commensurate with perceived risk used to convert future payments or receipts to present value. This rate reflects the compensation offered to an investor for assuming the inherent risk associated with the property. The discount rate varies with the size, complexity, market potential, overall quality, appeal, estimated absorption, and pricing of the product.

Developer's profit and discount rate assumptions are interrelated. Assumptions regarding entrepreneurial profit can vary considerably depending on the structure of the analysis. Profit can be included as a line item expense in the cash flow or reflected in the discount rate. In analyzing the risk associated with the projected revenues from the sell-out of the subject units, it should be noted that residential inventory sell-out typically requires a yield rate higher than investment-grade improved properties.

In interviews with developers including Starwood Hotels, Flag Properties, Kirshner Enterprises and investors like Steve Harrington, market participants consistently stated that an overall expected return of 30% to 40% is reasonable. This rate reflects the total expected return from the purchase of the bulk inventory and the implementation of the sale of individual finished lots in the case of the subject. The length of sellout period is a primary factor in the determination of the discount rate.

There are several ways to handle entrepreneurial profit in a cash flow forecast. The two most common are to use the "true" yield rate with zero or no line-item profit, and the second is to include line-item profit as an expense and select an appropriate discount rate that considers the line-item profit allocation. The line-item method is usually employed when a project begins with raw land and the site developer is a separate entity from the overall project developer. In this analysis, a blended discount rate with no separate line-item for entrepreneurial profit/project management is used. Thus, the entrepreneurial profit is built into the discount rate.

In addition to surveys of local market participants as noted above, discount rates are available from national surveys for United States projects. One of the most recognized sources of investment and developer rate information is RealtyRates.com™, a national commercial real estate data source that tracks actual and pro-forma discount rates on sell-out property types including residential subdivisions and condo projects. The Developer Survey represents a polling of commercial appraisers, lenders, and local, regional and national developers.

<b>RealtyRates.com DEVELOPER SURVEY - 1st Quarter 2018<sup>a</sup></b>						
<b>National - Subdivisions &amp; PUDs</b>						
	<b>Actual Rates</b>			<b>Pro-Forma Rates</b>		
	<b>Min</b>	<b>Max</b>	<b>Avg</b>	<b>Min</b>	<b>Max</b>	<b>Avg</b>
<b>Site-Built Residential</b>	13.32%	50.50%	32.07%	12.79%	48.48%	30.79%
-100 Units	13.32%	43.53%	28.57%	12.79%	41.79%	27.43%
100-500 Units	13.65%	47.88%	30.92%	13.11%	45.97%	30.28%
500+ Units	13.99%	50.06%	32.18%	13.43%	48.06%	32.13%
Mixed Use	14.32%	50.50%	32.57%	13.75%	48.48%	32.51%
<b>Manufactured Housing</b>	13.57%	53.59%	34.42%	13.02%	51.44%	32.39%
-100 Units	13.57%	46.60%	30.83%	13.02%	44.73%	29.02%
100-500 Units	13.90%	51.26%	33.40%	13.35%	49.21%	32.06%
500+ Units	14.24%	53.59%	34.76%	13.67%	51.44%	34.02%
<b>Business Parks</b>	13.55%	50.06%	32.60%	13.01%	48.06%	30.69%
-100 Acres	13.55%	43.53%	29.25%	13.01%	41.79%	27.54%
100-500 Acres	13.89%	47.88%	31.66%	13.33%	45.97%	30.39%
500+ Acres	14.23%	50.06%	32.95%	13.66%	48.06%	32.25%
<b>Industrial Parks</b>	13.50%	43.04%	28.97%	12.96%	41.32%	27.87%
-100 Acres	13.50%	37.42%	26.10%	12.96%	35.93%	24.61%
100-500 Acres	13.83%	41.17%	28.19%	13.28%	39.52%	27.11%
500+ Acres	14.17%	43.04%	29.32%	13.60%	41.32%	27.65%

<sup>a</sup>4th Quarter 2017 Data

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The most recent survey listed free and clear pro-forma discount rates for Site-Built Residential projects range from a low of 15% to a high of 57%. Discount rates for projects that have entitlements and finished lots, like the subject, are typically at the lower end of the range.

Given the subject is in the Bahamas, a rate in the middle of the rates is the most applicable to the subject.

<b>Discount Rate and Risk Comparisons</b>			
<b>Crab Cay Master Planned Community</b>			
<b>Factor</b>	<b>Characteristic</b>	<b>Risk Rating</b>	
<b><u>Property Location</u></b>			
Regionally	One of the safest investment countries in the Caribbean	Low to Medium	
Locally	Great Exuma has been a leading resort market with excellent air lift	Low to Medium	
<b><u>Property Type Supply/Demand</u></b>			
Nationally	Stable to Slightly Increasing	Medium	
State	Stable to Slightly Increasing	Medium	
Local	Competitive product weathered recession with above average demand at highest prices in country	Medium	
<b>Property Status</b>	Partially Improved - Grading, Bridge, Marina Dredge, Dry Utilities, Palapa Hut	Medium	
<b>Build Out Timeline (Years)</b>	Custom Lots, Homes, Villas/Bungalows	12	Medium to High
	Hotels	3	Low to Medium
<b>Pending Sales</b>	Historically 30+- Pending, Current - None	Medium to High	
<b>Proposed Home Pricing</b>	Upper end of the competitive market	High	
<b>Overall Risk Rating</b>	<b>Crab Cay Master Planned Community</b>	<b>Medium to High</b>	
<b>Applicable Discount Rate Range</b>		<b>25.00%</b>	<b>to 35.00%</b>
Quarterly Rate		<b>6.25%</b>	<b>to 8.75%</b>
<b>Overall Risk Rating</b>	<b>Hotels</b>	<b>Low to Medium</b>	
<b>Applicable Discount Rate Range</b>		<b>10.00%</b>	<b>to 15.00%</b>
Quarterly Rate		<b>2.50%</b>	<b>to 3.75%</b>

For trophy properties such as the subject, market surveys tend to provide the best support for investors' expectations as to going in cap rates, discount rate (pretax yield) and terminal cap rates. The most recent edition of the HVS report provided the following summary:



**Discounted Cash Flow Analysis Conclusion**

The estimate of the retail revenues, the anticipated absorption period, commissions, marketing, overhead, closing, and real estate taxes are used as inputs to the discounted cash flow models. The discount rate is applied to net cash flow during the absorption period. The discount rate reflects the time value of money and perceived risk of the project. This time deferral includes the expected return to capital. The following table presents the results of the discounted cash flow analysis.

Crab Cay Master Planned Community													
Master Planned Community Sellout Discounted Cash Flow Analysis (As Is)	1 2019	2 2020	3 2021	4 2022	5 2023	6 2024	7 2025	8 2026	9 2027	10 2028	11 2029	12 2030	Total
<b>Revenue</b>													
RETAIL LOT REVENUE	\$58,624,754	\$65,602,163	\$65,361,884	\$67,322,741	\$73,328,677	\$76,897,152	\$77,253,217	\$79,570,814	#####	#####	#####	\$95,809,775	\$974,457,855
BULK LAND REVENUE	\$0	\$0	\$3,288,790	\$1,966,909	\$6,415,400	\$3,564,516	\$2,985,131	\$13,282,638	\$0	\$0	\$0	\$0	\$33,503,383
FINISHED HOME REVENUE	\$28,400,000	\$2,678,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,078,000
SPA & RESTAURANT RETAIL REVENUE	\$0	\$0	\$0	\$13,340,011	\$28,424,725	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,764,736
Crab Cay Proposed Harbor Village I / Marina Village North - 82 Units	\$0	\$1,127,958	\$1,954,880	\$29,638,391	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,721,229
Crab Cay Resort Hotel - 114 Keys	\$4,203,589	\$8,115,646	#####	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$135,571,602
Crab Cay Proposed Welcome Beach Hotel - 25 Units	\$0	\$815,392	\$1,387,657	\$21,289,837	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,492,886
Claw Beach Hotel - 39 Units	\$0	\$1,918,125	\$2,399,704	\$36,640,537	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,358,387
Crab Cay Marina	\$29,807,480	\$27,236,610	\$4,449,989	\$5,211,923	\$5,738,778	\$59,553,640	#####	#####	#####	#####	#####	#####	\$13,998,419
<b>Gross Revenue (Inflated)</b>	<b>\$121,035,823</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>	<b>\$80,238,348</b>	<b>\$92,853,451</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>	<b>\$1,444,946,497</b>
<b>Miscellaneous Costs</b>													
Start-Up Costs	\$2,100,000	\$2,100,000	\$2,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,300,000
Infrastructure	\$4,375,000	\$4,375,000	\$4,375,000	\$4,375,000	\$4,375,000	\$4,375,000	\$4,375,000	\$4,375,000	\$0	\$0	\$0	\$0	\$34,000,000
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve / Contingency	\$4,166,667	\$4,166,667	\$4,166,667	\$4,166,667	\$4,166,667	\$4,166,667	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000,000
<b>Construction</b>													
Spa Beach Bungalows	\$8,785,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,785,200
Harbour Village I / Marina Village North	\$10,892,550	\$10,892,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,785,100
Crab Cay Resort Hotel - 114 Keys	\$26,202,067	\$26,202,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,404,134
Welcome Beach Hotel	\$7,840,496	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,840,496
Harbour Village II Restaurant	\$0	\$0	\$12,208,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,208,000
Harbour Village I / Marina Village North Hotel/Restaurant	\$0	\$9,756,396	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,756,396
Claw Beach Hotel	\$0	\$13,420,851	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,420,851
Destination Spa	\$0	\$0	\$26,194,310	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,194,310
Crab Cay Marina	\$29,807,480	\$27,236,610	\$4,449,989	\$5,211,923	\$5,738,778	\$59,553,640	\$0	\$0	\$0	\$0	\$0	\$0	\$13,998,419
<b>Expenses, Cost of Sales</b>													
HOA Dues	\$1,200	\$87,600	\$112,800	\$172,800	\$235,200	\$292,800	\$334,800	\$396,000	\$430,800	\$456,000	\$478,800	\$492,000	\$3,459,600
Commission/Closing Costs	8.0%	\$9,682,866	\$8,551,512	\$16,167,622	\$14,032,830	\$9,112,606	\$6,419,068	\$7,428,276	\$8,346,921	\$8,442,195	\$8,385,818	\$7,664,782	\$115,595,720
Marketing	8.0%	\$9,682,866	\$8,551,512	\$16,167,622	\$14,032,830	\$9,112,606	\$6,419,068	\$7,428,276	\$8,346,921	\$8,442,195	\$8,385,818	\$7,664,782	\$115,595,720
Administrative	4.0%	\$4,841,433	\$4,275,756	\$8,083,811	\$7,016,415	\$4,556,303	\$3,209,534	\$3,714,138	\$4,173,461	\$4,221,097	\$4,192,909	\$3,832,391	\$57,797,860
Property Tax	\$184,796	\$163,040	\$144,950	\$111,588	\$90,931	\$63,888	\$43,273	\$23,213	\$0	\$0	\$0	\$0	\$825,679
<b>Total Expenses</b>	<b>\$118,561,420</b>	<b>\$12,855,666</b>	<b>#####</b>	<b>\$94,170,770</b>	<b>\$37,388,091</b>	<b>\$96,855,056</b>	<b>\$20,800,742</b>	<b>\$23,564,904</b>	<b>\$21,298,103</b>	<b>\$21,561,487</b>	<b>\$21,443,345</b>	<b>\$19,653,955</b>	<b>\$643,967,486</b>
<b>Net Cash Flow</b>	<b>\$2,474,402</b>	<b>\$12,855,666</b>	<b>#####</b>	<b>\$76,519,489</b>	<b>\$45,160,251</b>	<b>\$59,437,605</b>	<b>\$69,488,548</b>	<b>\$83,038,413</b>	<b>\$83,965,949</b>	<b>\$83,579,391</b>	<b>\$76,155,820</b>	<b>\$76,155,820</b>	<b>\$800,979,011</b>
Present Value Factor	0.76923	0.59172	0.45517	0.35013	0.26933	0.20718	0.15937	0.12259	0.09430	0.07251	0.05580	0.04292	
<b>Present Value</b>	<b>\$1,903,386</b>	<b>\$7,606,903</b>	<b>\$49,123,578</b>	<b>\$44,217,751</b>	<b>\$20,608,923</b>	<b>\$9,356,130</b>	<b>\$9,472,352</b>	<b>\$8,518,565</b>	<b>\$7,830,489</b>	<b>\$6,090,735</b>	<b>\$4,652,451</b>	<b>\$3,268,759</b>	<b>\$157,436,215</b>

The next table shows the impact of the entire range of discount rates summarized in the Discount Rate and Risk Comparison table. The rate in the middle reflects the concluded Market Value of the subject lots and bulk parcel inventory upon completion of construction.

<b>CRAB CAY MASTER PLANNED COMMUNITY - AS IS</b>				
<b>Low to High Survey Rate Increments</b>	<b>Annual Discount</b>	<b>Net Present Value</b>	<b>NPV Rounded</b>	<b>NPV Per Acre</b>
5.00%	20.00%	\$244,536,579	\$244,540,000	\$1,307,755
5.70%	22.80%	\$214,458,233	\$214,460,000	\$1,146,893
<b>6.30%</b>	<b>25.20%</b>	<b>\$192,632,933</b>	<b>\$192,630,000</b>	<b>\$1,030,150</b>
6.90%	27.60%	\$173,792,506	\$173,790,000	\$929,397
7.50%	30.00%	\$157,436,215	\$157,440,000	\$841,960
<b>Value Conclusion</b>			<b>\$192,600,000</b>	

<b>CRAB CAY MASTER PLANNED COMMUNITY - COMPLETION OF CONSTRUCTION</b>				
<b>Low to High Survey Rate Increments</b>	<b>Annual Discount</b>	<b>Net Present Value</b>	<b>NPV Rounded</b>	<b>NPV Per Acre</b>
5.00%	20.00%	\$441,263,351	\$441,260,000	\$2,359,778
5.70%	22.80%	\$400,840,197	\$400,840,000	\$2,143,619
<b>6.30%</b>	<b>25.20%</b>	<b>\$370,945,173</b>	<b>\$370,950,000</b>	<b>\$1,983,773</b>
6.90%	27.60%	\$344,681,885	\$344,680,000	\$1,843,286
7.50%	30.00%	\$321,477,567	\$321,480,000	\$1,719,217
<b>Value Conclusion</b>			<b>\$371,000,000</b>	

## RECONCILIATION AND FINAL OPINION

The sales comparison approach supported the following conclusions. In order to derive the sales revenue, the retail values of the finished lots were derived via the sales comparison approach in the previous analysis.

RETAIL LOT REVENUE							
Crab Cay Master Planned Community							
Property	Total Units	Paper Lot / Platted Lot Revenue		Infrastructure Costs		Finished Retail Lot Revenues	
		Per Lot/Parcel	Total	Per Lot	Total	Per Lot	Total
Claw Beach Homes	12	\$1,115,435	\$13,385,224	\$130,846	\$1,570,148	\$1,246,281	\$14,955,372
Founders' Enclave Homes	52	\$3,833,001	\$199,316,027	\$130,846	\$6,803,973	\$3,963,846	\$206,120,000
Harbour Village II Homes	15	\$656,207	\$9,843,101	\$130,846	\$1,962,684	\$787,052	\$11,805,785
Umbrella Village Homes	20	\$1,049,733	\$20,994,658	\$130,846	\$2,616,913	\$1,180,579	\$23,611,570
Walker Estates Homes	23	\$852,970	\$19,618,305	\$130,846	\$3,009,449	\$983,815	\$22,627,755
Welcome Beach Homes	18	\$1,049,733	\$18,895,192	\$130,846	\$2,355,221	\$1,180,579	\$21,250,413
Claw Beach Lots	11	\$1,127,189	\$12,399,082	\$130,846	\$1,439,302	\$1,258,035	\$13,838,384
Founders' Enclave Lots	57	\$8,101,786	\$461,801,799	\$130,846	\$7,458,201	\$8,232,632	\$469,260,000
Harbour Village II Lots	5	\$213,507	\$1,067,535	\$130,846	\$654,228	\$344,353	\$1,721,763
Walker Estates Lots	22	\$1,309,174	\$28,801,837	\$130,846	\$2,878,604	\$1,440,020	\$31,680,441
<b>Totals</b>	<b>235</b>	<b>\$3,345,203</b>	<b>\$786,122,761</b>	<b>\$130,846</b>	<b>\$30,748,722</b>	<b>\$3,476,049</b>	<b>\$816,871,483</b>

The bulk land revenue follows:

BULK LAND REVENUE			
Crab Cay Master Planned Community			
Property	Total Units	Bulk Land Revenue	
		Per Lot/Parcel	Total
Beach Bungalows	11	\$72,727	\$800,000
Bungalows (Umbrella Village)	28	\$64,286	\$1,800,000
Marina Bungalows / Marina Village West	28	\$203,571	\$5,700,000
Claw Beach Condos	10	\$250,000	\$2,500,000
Condos (Umbrella Village)	20	\$125,000	\$2,500,000
Harbour Village I / Marina Village North Condos	36	\$300,000	\$10,800,000
Harbour Village II / Marina Village South Condos	30	\$153,333	\$4,600,000
<b>Totals</b>	<b>163</b>	<b>\$176,074</b>	<b>\$28,700,000</b>

The finished home revenue follows:

FINISHED HOME REVENUE										
Crab Cay Master Planned Community										
Homes	Total Units	Bulk Home Revenue		Infrastructure Costs		Finished Home Revenues		Building Cost Per Home	Lot Allocation	% of Home Price
		Per Home	Total	Per Home	Total	Per Home	Total			
Spa Beach Bungalows	7	\$1,164,000	\$8,148,000	\$136,000	\$952,000	\$1,300,000	\$9,100,000	\$1,255,029	\$280,029	22%
Harbour Village I / Marina Village North	2	\$10,814,000	\$21,628,000	\$136,000	\$272,000	\$10,950,000	\$21,900,000	\$10,892,550	\$490,050	4%
<b>Totals</b>	<b>9</b>	<b>\$3,308,444</b>	<b>\$29,776,000</b>	<b>\$136,000</b>	<b>\$1,224,000</b>	<b>\$3,444,444</b>	<b>\$31,000,000</b>	---	---	---

The hotel, spa and restaurant revenue follows:

HOTEL, SPA & RESTAURANT RETAIL REVENUE											
Crab Cay Master Planned Community											
Hotels	Total	Bulk		Infrastructure Costs		Finished Parcel Revenues		At Completion of Construction		Upon Reaching Stabilized Occupancy	
	Units	Per Lot/Parcel	Total	Per Lot	Total	Per Lot	Total	Per Unit	Total	Per Unit	Total
Crab Cay Resort Hotel - 114 Keys	114	\$38,176	\$4,352,066	\$12,701	\$ 1,447,934	\$50,877	\$5,800,000	\$549,395	\$62,631,075	\$1,228,592	\$140,059,507
Welcome Beach Hotel	25	\$39,280	\$982,004	\$12,720	\$ 317,996	\$52,000	\$1,300,000	\$427,970	\$10,699,250	\$967,720	\$24,192,997
Harbour Village II Restaurant	2	\$350,000	\$700,000	\$0	\$0	\$350,000	\$700,000	\$6,104,000	\$12,208,000	\$6,104,000	\$12,208,000
Harbour Village I / Marina Village North Hotel/Restaurant	32	\$49,438	\$1,582,004	\$9,937	\$317,996	\$59,375	\$1,900,000	\$555,594	\$17,779,000	\$1,052,500	\$33,679,990
Claw Beach Hotel	39	\$73,247	\$2,856,649	\$24,188	\$943,351	\$97,436	\$3,800,000	\$828,767	\$32,321,900	\$1,067,615	\$41,636,997
Destination Spa	1	\$3,800,000	\$3,800,000	\$0	\$0	\$3,800,000	\$3,800,000	\$25,255,000	\$25,255,000	#####	\$25,255,000
<b>Totals</b>	<b>213</b>	<b>\$67,008</b>	<b>\$14,272,722</b>	<b>\$59,547</b>	<b>\$3,027,278</b>	<b>\$81,221</b>	<b>\$17,300,000</b>	<b>\$755,371.95</b>	<b>\$160,894,225</b>	<b>\$1,300,622</b>	<b>\$277,032,491</b>

Lastly the marina revenue follows:

Marina							
Crab Cay Master Planned Community							
Marina	Total	Infrastructure Costs		At Completion of Construction		Upon Reaching Stabilized Occupancy	
	Units	Per Lot	Total	Per Unit	Total	Per Unit	Total
Crab Cay Marina	110	---	---	\$306,627	\$33,728,979	\$485,000	\$53,350,000

Based on the Scope of Work, and as outlined in the report, we have developed an opinion that the Market Value of the Fee Simple estate of the above property upon completion of construction (roadways, infrastructure, landscaping), subject to the assumptions and limiting conditions, certifications, extraordinary and hypothetical conditions, if any, and definitions follows:

Crab Cay Master Planned Community	Value Conclusions	Date of Value
Market Value - As Is - Land Value w/Entitlements & Partial Improvements	\$192,630,000	October 15, 2018
Prospective Value - Upon Completion of Developer Construction	\$370,950,000	April 14, 2020
Aggregate Gross Revenue - Lot & Home Sales, Marina, Hotel & Spa	\$2,439,103,502	October 14, 2021

## ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- 1) No survey of the subject property was undertaken and the appraiser(s) assume no responsibility associated with such matters.
- 2) The value is based on the assumption of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser(s) for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 3) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser(s) assume no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches and other exhibits that have been furnished and have been used in this report are not guaranteed.
- 4) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.
- 5) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser(s) have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 6) Appraiser(s) assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 7) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser(s), and in any event, only in its entirety.
- 8) The appraiser(s), by reason of this report, are not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made therefore.
- 9) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- 10) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 11) The construction and physical condition of the improvements described herein are based on a site visit. No liability is assumed by the appraiser(s) for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field.

- 12) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated byphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser(s) nor did the appraiser(s) become aware of such during the appraiser(s) site visit. The appraiser(s) have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, are not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 13) The projections of income, expenses, terminal values or future sales prices are not predictions of the future, rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser(s) to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- 14) The client or user of this report agrees to notify the appraiser(s) of any error, omission or inaccurate data contained in the report within 15 days of receipt, and return the report and all copies thereof to the appraiser(s) for correction prior to any use.
- 15) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- 16) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- 17) The Americans With Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 18) If this appraisal includes a prospective value as of a prospective date, the value conclusion is contingent upon the assumption that market conditions do not unexpectedly change from the date of the report to the prospective date of value.

## **ENVIRONMENTAL ASSUMPTIONS**

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.

- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

### **Special Assumptions**

The following special assumptions have been considered and can have an affect on the opinion of market value:

- The subject has significant ocean areas/frontage . It is assumed the land portions of the property can be developed.
- That the government permits the master planned community development similar to the land use plan and densities outlined within this report.
- That water through desalinization will be sufficient in capacity to provide fresh water through community build out.

### **Extraordinary Assumptions**

An extraordinary assumption is defined by the *USPAP* (2006 Edition, The Appraisal Foundation) as “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

1. The property was recently purchased and the owners are putting together necessary land use plans, and preliminary architectural schematics for the property. As the pre-development project matures, engineering, cost estimates, utility concept analysis and more defined details relative to subdivision parcels will be developed. Further, this project is intended for 8,478 units, essentially the largest resort development in the Dominican Republic, if not the entire Caribbean. At full occupancy, this project would house almost 200,000 resort guests and second homeowners and require another 200,000

employees to service the project. The infrastructure required for this development is enormous, well above what currently exists in the northwest portion of the country. Further, an international airport will have to be developed in close proximity to the property, in order to achieve the extensive hotel developments planned. Because the level of detail relative to the total property development does not currently exist at this time, a development analysis to derive market value, as-is, cannot be determined.

2. We assume the development has all of the necessary government approvals and access to utilities in sufficient capacity to provide project build out, as planned. This includes recent approvals as follows:
  - a. In October 2009, there were an additional 29 hearings on the various parcel titles that completed the entire assemblage of the property. Titles reports are being completed on these.
  - b. On November 2, 2009, the documentation required for the approval process of the master plan with the Environment and Natural Resources Ministry was submitted.
  - c. The management team has brought on a very reputable local architect (Antonio Imberto) in addition to Arquitectonica.
  - d. An official letter from IDAC - the International Airport Council requesting information on the proposed airport. Ownership has engaged Kimley & Horne Engineers to do the airfield study and provide the council with the required information.
  - e. The President of The Bahamas has reviewed the project, master plan and marketing materials and is a strong proponent of the project's success.
3. Acceptance of, and/or use of this report constitutes acceptance of the above extraordinary assumptions.

### **Hypothetical Conditions**

A hypothetical condition is defined by the *USPAP* (2006 Edition, The Appraisal Foundation) as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

1. For purposes of this report, the Hypothetical Aggregate Retail Revenues is the sum of a number of individual market values of discrete units of realty: e.g., finished sites, condominiums, detached single family residences, individual units in a planned unit development, etc. Aggregate Retail Revenues is not a market value. The basic assumptions underlying this value is that each unit will be sold individually at full market (retail) price (i.e., market value) to as many buyers as there are units on the same (effective) date of value. In the market valuation process each unit is individually valued based on market evidence. Then, those individual market values are totaled to arrive at the Aggregate Retail Revenues. Further, the scope of the assignment included providing a hypothetical market value “upon completion of construction (roadways, infrastructure, landscaping)” estimate of finished lots, superpads, completed construction, etc. as of the date of value. The “upon completion of construction

(roadways, infrastructure, landscaping)” estimate was a hypothetical valuation scenario. Hypothetical value can be defined as that which is contrary to what exists, but is supposed for the purpose of analysis.

## CERTIFICATION OF APPRAISAL

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

- (1) The statements of fact contained in the report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
- (3) I have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.
- (4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing 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. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (6) 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 Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- (7) Ryan P. Lin, MAI has viewed the subject property.
- (8) No one provided significant real property appraisal assistance to the persons signing this report.
- (9) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.
- (10) Ryan P. Lin, MAI is a designated Member of the Appraisal Institute and has completed the continuing education program of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.
- (11) The signatory has not previously performed 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 the acceptance of this assignment.



Ryan P. Lin, MAI  
Managing Director  
Certified General Real Estate Appraiser

## GLOSSARY OF TERMS AND DEFINITIONS

### **Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, copyright 2010.

### **Leased Fee Interest**

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, copyright 2010.

### **Leasehold Interest**

The tenant's possessory interest created by a lease. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, copyright 2010.

### **Market Rent**

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, copyright 2010.

### **Market Value**

*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash (\$US).

Source: Office of the Comptroller of the Currency (12 CFR Part 34)

## **Neighborhood**

1. A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.
2. A developed residential super pad within a master planned community usually having a distinguishing name and entrance. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, copyright 2010.

**Depreciation** is defined as loss in capital value from any cause. It is employed in this report in estimating the difference in the present day value of the improvements and the cost of new replacement. The three major types of accrued depreciation are:

### *Physical Deterioration*

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately, or is necessary to keep rents at market levels. The cost of curing the condition, and bringing the property to a satisfactory and functioning condition, is generally the measure of deferred maintenance.

### *Functional Obsolescence*

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

### *External Obsolescence*

According to the Dictionary of Real Estate Appraisal Appraisal, Fifth Edition, external obsolescence is “*an element of depreciation; a diminution of value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.*”

# QUALIFICATIONS OF RYAN P. LIN, MAI

## ADDENDA

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# QUALIFICATIONS OF RYAN P. LIN, MAI

## QUALIFICATIONS OF THE APPRAISER

### RYAN P. LIN, MAI

#### PROFESSIONAL EXPERIENCE AND REAL ESTATE VALUATION EXPERT

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**Executive Managing Director** – Enriched Data, LLC, the largest data aggregator of enriched real estate data in the United States. Enriched Data has a national database of sales, rental and deed of trust records for over 22 million commercial properties in the U.S.

**Managing Partner** – Property Analytix, LLC, a real estate appraisal firm operating at the forefront of technology. Property Analytix utilizes Enriched Data’s resources and technology to complete thousands of appraisals annually, primarily for litigation purposes.

Mr. Lin has been involved in the database, appraisal and consultation of real estate and going concerns for 13 years. Previously, he was the Managing Director with National Appraisal Partners and the Director of Valuation with O’Connor and Associates.

His experience includes valuation, consulting and appraisal review for: office buildings, retail centers, multifamily projects, condominiums, subdivisions, restaurants, private islands, military bases, hotels/motels, resorts, master-planned communities, golf courses, churches, convenience stores/gas stations, industrial properties, storage facilities, mobile home parks, multifamily tax credit properties, Section 8 housing, vacant land and special purpose properties. In addition to valuation services, Mr. Lin has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending, estates, property tax appeal and purchase price allocation.

Clients include financial institutions, insurance companies, law firms, governmental entities, developers, private property owners, and many Fortune 500 companies active in the U.S. and institutional international clients active outside the U.S., specifically in the Caribbean. Mr. Lin is considered a leading master-planned community consultant, providing land use profiles, density studies, marketing comparisons and structures, feasibility analysis, appraisal reports and joint venture proposals for some of the highest profile resort/destination master-planned communities. Mr. Lin has completed commercial real estate appraisals in California, New York, Texas, Colorado, Louisiana, Arizona, Alabama, Georgia, Kentucky, Ohio, Bahamas, and Dominican Republic.

Mr. Lin is an active real estate investor with a portfolio of assets in the Greater Houston area. With over 10 years of real estate investment experience, Mr. Lin has developed an investment strategy system to capitalize on distressed properties. Furthermore, Mr. Lin has developed appraisal report writer templates for multiple appraisal firms and is currently developing a web-based automated valuation model for all types of commercial real estate. The automated valuation model will be integrated into a cloud-based appraisal report writer due to launch in late-2018, on the Enriched Real Estate website.

#### PROFESSIONAL AFFILIATIONS

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Mr. Lin has been awarded the Appraisal Institute’s MAI designation, which is held by appraisers who are experts in the valuation of commercial real estate, and who advise clients on real estate investment decisions.

Mr. Lin was designated by ASQ as a Certified HACCP Auditor in 2011 and is qualified to perform process-safety system audits.

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# QUALIFICATIONS OF RYAN P. LIN, MAI

## STATE AND REGULATORY LICENSURE

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Mr. Lin is a State Certified General Real Estate Appraiser licensed in multiple states.

## EDUCATION

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Mr. Lin majored in economics and minored in business at the University of Texas, in Austin, Texas. Additionally, Mr. Lin has successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and other institutions.

## DEVELOPMENT EXPERT

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Mr. Lin is considered an expert in real estate development and has provided development consultation and valuation for numerous master-planned communities and resort developments, including developments located in environmentally sensitive areas. Developers have relied on the expertise of Mr. Lin for the planning and development of over a billion dollars' worth of real estate, including the following:

### ***The Stocking Island Club, Stocking Island Exuma, Bahamas***

Situated on an island in the Caribbean, this development includes a 75-acre resort and residential subdivision. The development features a luxury boutique hotel with 40 pavilion suites, restaurants, bars, resort pools, health club, tennis courts, and a sailing academy. Additionally, the development includes a residential subdivision featuring 85 beach front villas, each with a private swimming pool.

### ***Legacy Point, Wilmore, Kentucky***

This development includes a 175-acre master-planned community located just outside of Lexington, Kentucky. The master-planned community features a 550-lot residential subdivision and an 18-hole golf course designed by Jack Nicklaus. The golf course is a double-fairway continuous course with a championship layout and features a clubhouse, driving range, activities center, and maintenance facility.

### ***Punta Alma, Puerto Plata, Dominican Republic***

Situated on an ocean peninsula, this development parcel has stringent environmental/green development requirements. The development includes a 1,300-acre resort with a Blue Star mega yacht marina, four 5-star hotels, polo club, golf course, residential and fractional real estate.

### ***Palmilla Beach Resort & Golf Club, Port Aransas, Texas***

Formerly known as The Newport Club, this master-planned community encompasses over 2,100 acres with nearly three miles of beach and bay frontage. The community will be developed in multiple phases. The initial phase of development includes the Seven Isles Subdivision, which consists of 295 residential lots and an 18-hole championship golf course designed by Arnold Palmer.

### ***AmanJala, Clove Cay Island, Exuma Bahamas***

Situated on an island in the Caribbean, this development includes a 145-acre master-planned resort and community. The development features an Aman-branded luxury hotel with 18 peninsula bungalows, restaurants, day spa, resort pools, fitness center, and tennis courts. The development also includes 40 residential units, priced at \$10.8 million dollars per unit.

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