

EXECUTIVE SUMMARY



CN LUXURY RESORTS, INC.

\$60,000,000

Up to Twelve (12) Investment Units at a Price of Five Million Dollars (\$5,000,000) per Unit.

Each Unit consists of One Million (1,000,000) Shares of CN Luxury Resorts, Inc.

Common Stock, \$0.0001 par value per share and One (1) Residential Real

Estate/Marina Certificate. The Minimum Investment is \$5,000,000.

CN Luxury Resorts, Inc. has not registered the Preferred Stock, the Common Stock or the Real Estate/Marina Certificates with the Securities and Exchange Commission (“SEC”) under the Securities Act of 1933, as amended (the “Securities Act”) or under any other federal securities laws or the securities laws of any state within the United States. The offering of the Preferred Stock, the Common Stock, and the Real Estate/Marina Certificates is only to accredited investors pursuant to Rule 506(c) promulgated under the Securities Act and a limited number of persons outside of the United States in compliance with Regulation S under the Securities Act.

The date of this Executive Summary is January 2, 2022

Business overview

CN Luxury Resorts Inc., hereinafter called CNLR, has a contract to purchase and develop the island of Crab Cay, a private island in the Bahamas, which is to be acquired from Holmes Company Limited, hereinafter called *Holmes*, a Bahamian company owned by the Harry D. Murphy family, hereinafter called *Murphy*. Located just off the eastern coast of Great Exuma, and south of Stocking Island in Elizabeth Harbour, Crab Cay, which is 182.8 acres in size, will be developed, along with an additional 48.55 acres on the mainland of Great Exuma, as a gated, limited access, master planned, resort community. Approximately 146 estate homes will be built on subdivided lots from 1/3 to 2.58 acres, along with approximately 227 villa/condominiums, a boutique hotel, a luxury spa. There will also be a marina village and deep-water marina with 13,000 linear feet of marina berthage. The entire island is planned to be developed to a density of 373 private dwellings.

Crab Cay will also accommodate one or more restaurants, fitness facilities, world-class beaches and specialty retail shops. The island will be developed as a Condotel destination luxury resort with recreational facilities and an array of sporting activities. The hotel is projected to have at least 160 rentable units, 36 rooms in the main hotel building and an additional 124 privately owned units in a rental pool consisting of condominiums and multi-bedroom villas which will be managed by the hotel operation.

Signed Acquisition and Development Agreement.

The contract between CNLR and Murphy provides for the acquisition of Holmes and its holdings in the Great Exuma region, to include the entire island of Crab Cay, approximately 182.2 acres (plus 48.55 acres on Great Exuma). This acquisition will be achieved via a merger between CNLR and Holmes for a cash price of \$50,000,000 at closing. Murphy will also receive Two Million (2,000,000) shares of CNLR Preferred Stock. These Preferred Shares will be redeemed for no more than Fifty Million dollars (\$50,000,000). Upon redemption of the Preferred Shares, Murphy will be issued 25,000,000 shares of CNLR Common Stock, receive four (4) fully developed subdivided lots on Crab Cay and up to four (4) Crab Cay marina berths (not to exceed a combined total of 400 linear feet). The Preferred Stock will be redeemed before all other CNLR stockholders receive any dividends or any other payments emanating from the ownership of the CNLR Stock. The Closing for the acquisition of Crab Cay, along with the 48.55 acres on Great Exuma, will occur on or before July 31, 2022.

The Offering

The following summary describes the principal terms of the offering. Certain terms described below are subject to important limitations and exceptions. The sections of the Private Placement Circular (the "PPC") entitled *Description of the Preferred Stock*, *Description of the Common Stock* and *Description of the Real Estate/Marina Certificates* contain more detailed descriptions of these securities being offered in the private placement by CNLR.

THE OFFERING

The Common Shares

Securities Offered 12,000,000 shares of fully diluted Common Stock, \$0.001 par value per share, at a price of \$2.00 per share. The Common Stock Shares outstanding prior to this offering are 13,372,155. The total Common Stock Shares that will be outstanding after this offering is fully subscribed and the issuance of 25,000,000 shares to Murphy as partial payment for the purchase of Crab Cay is 100,000,000.

The Real Estate Certificates

Real Estate Certificates Offered... Each Real Estate Certificate, one certificate for every Five Million dollars (\$5,000,000) invested, entitles the holder to receive a credit toward the full purchase price of a Villa on Crab Cay at a cost of \$600 per square foot:

One Certificate – entitles an investor to a 4,500 square foot Walker Estate Villa;

Two Certificates – entitles an investor to a 9,000 square foot Enclave Villa.

Marina Berth Ownership

Marina Berth Offered Investors will also be entitled to ownership of a Marina Berth located in Crab Cay's marina. One (1) linear foot of berthage for each \$125,000 invested: 40 linear feet for \$5,000,000 and 80 linear feet for \$10,000,000.

Hotel Ownership

Hotel(s) Ownership Offered All investors will also be entitled to partial ownership of the Crab Cay Hotel(s) (1% per \$5,000,000 invested) and a specified pro-rata share of the profits derived from hotel operations.

Use of Proceeds

The following table sets forth estimated applications and order of application of the proceeds from the \$60,000,000 to be raised, based on the sale of the Units being offered. These proceeds will be combined with an additional \$100,000,000 provided by a private institutional equity partner and \$20,000,000 in infrastructure capital from a private utility company for a total of \$180,000,000. CNLR also believes it can raise another \$50,000,000 via real estate and marina berth presales, although this is not included in the estimates below. Amounts indicated are estimates and actual expenditures may differ. In addition, conditions may cause the order of expenditures to be modified.

| <u>Items Paid</u> | <u>Assumes Maximum Proceeds</u> |
|---|---------------------------------|
| Crab Cay Land & Marina Acquisition | 50,000,000 |
| Total Capital Procurement Costs | 11,400,000 |
| Land and Infrastructure Improvements: Phase I | 29,880,000 |
| Construction of Hotel | 48,860,000 |
| Construction of Marina: Phase I | 12,242,500 |
| Construction of Condominium Models | 9,420,000 |
| Contingency Funds | 18,197,500 |
| (a) <u>Total</u> | \$180,000,000 |

CN Luxury Resorts Current Investment

Operating Expenses. Operating expenses represent the direct costs attributable to the Crab Cay Development. To date, CNLR and its stockholders have invested over \$3,642,348. Expenses include securities offering underwriting costs, legal fees, land planning, subdivision approvals, land survey costs, architecture, accounting, internet design and travel, among others.

- (a) The amounts set forth above merely indicate the proposed use of proceeds. Actual expenditures may vary substantially from these estimates based upon economic conditions and the Company's ability to avail itself of cost saving measures. The Company is unable to predict the precise period for which the offering will provide financing, although management believes that the offering proceeds will provide the Company with more than the necessary working capital to meet its immediate cash requirements for the Crab Cay development. The Company may need to seek additional funds through loans or other financing arrangements, including stock offerings, regardless of the amount raised in this offering. There can be no assurance that financing would be available in the future if that need were to arise; notwithstanding, Management believes that the revenues from the sales of condos, bungalows and villas will provide the additional cash flow needed to support continuing construction requirements.

Project Participants

Murphy International Development - Master Developer. Pete Murphy has brought Murphy International Development to excellent terms with the Bahamian government to develop Crab Cay. In cooperation with the Bahamian authorities and their long-term goals for the region, Murphy Development has laid the foundation for CNLR and its investors to participate in an extraordinary business opportunity.

Pete began his career working on the Murphy family farm in North Carolina. Over the years, Murphy Family Farms grew to become the largest live pork production organization in the world. After merging with Smithfield Foods in 2000, the Murphy family began expanding their real estate development enterprise.

The Murphy family created the premiere real estate development, River Landing Golf Club and Resort, a private gated community of over 1,400 acres, near Wilmington, North Carolina. Their vision, diligent work ethic, and business acumen resulted in an overwhelming success and established Murphy International Development as a successful real estate developer.

Benchmark Hospitality International – Resort Management. Benchmark, a Texas-based hotel and resort management company, has agreed to provide the technical and management advisory services. Benchmark has a 40-year record of successful hotel/resort development and management and manages some of the top resort and hotel destinations in North America and abroad. Benchmark's focus is on managing luxury boutique hotel/resort assets with the objective of providing extraordinary returns via a creative and aggressive management style. Among the 44 exclusive hotels, resorts and personal luxury collection hotels owned or managed by Benchmark are the Forbes rated 4-star Hotel Granduca, in Houston, Texas (the only hotel in Houston with *Leading Hotels of the World* status) and One Bal Harbour on North Miami Beach, in Florida, a world class resort and spa property.

Osprey Construction – General Contractor. Osprey Construction is an international Construction Company which has extensive development experience in the Caribbean. They have a sterling reputation of getting projects completed on time and on budget. They are committed to bringing the highest standards of excellence.

Sotheby's International Realty – Real Estate Brokerage. Sotheby's is one of the world's premier realty firms. With offices located worldwide and throughout the Bahamas, Sotheby's has a thorough understanding of the region and is highly skilled in closing real estate transactions. With an office on Great Exuma, they are a perfect fit for the Crab Cay development.

Saaverdra & Goodwin – Law Firm. Saaverdra & Goodwin will be legal counsel to CN Luxury Resorts throughout the process of a successful Crab Cay development. Over the last 15 years, Saaverdra & Goodwin has been involved in over 100 Bahamian transactions and developments on behalf of an array of clients world-wide.

EDSA – Land Planning. For more than 50 years, EDSA has been creating sustainable places to live, work, learn and play. Their portfolio of completed projects pays tribute to a life-long passion for creating distinctive and inspiring environments. As stewards of the land and the environment, their mission is to improve the way the world looks, one project at a time. With passion and integrity, EDSA will join with our team with a single goal in mind – to create a place where people will make lasting memories.

Rex Nichols Architects / Bill Storrs Architects – Architectural Firms. These two architectural firms have been selected to bring a diversity of style to Crab Cay’s landscape. Both firms have been awarded for their distinct designs and attention to detail. Both firms are in Fort Lauderdale, making it convenient for Crab Cay homebuyers to meet with the architects to customize their new homes.

Jeffrey D. Blume, Limited – Golf course designer. Jeffrey D. Blume, Ltd. is a golf course architectural and land planning firm dedicated to designing world class golf courses. With over thirty years of experience, Jeffrey D. Blume has been responsible for the design and construction of premier golf facilities worldwide and will design and development the golf course on the mainland of Great Exuma adjacent to Crab Cay should CNLR elect to do so. Completed Jeffrey D. Blume projects include:

Tres Vidas
Acapulco, Mexico

Pelican Marsh Golf Club
Naples, Florida

Wendeng Golf Club
Shandong Province, China

Malibu, International
Hyogo Prefecture, Japan

Summary Projected Financial Data

The next 3 pages are summaries of projected financial information. The tables on pages 7 – 8 display the revenue, costs and net proceeds from the development and sale of the real estate on the island of Crab Cay for the periods indicated. The final page displays the equity ownership, the earned real estate/marina berthage and the projection returns resulting from an investment in the Common Stock of CNLR and the Crab Cay development.

CN LUXURY RESORTS, INC.
PROJECTED INCOME STATEMENT

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Years 1-10 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 1 Condominium sales (336 Units) | \$126,991,800 | \$205,703,150 | \$275,850,500 | \$309,258,000 | \$369,539,200 | \$393,542,150 | \$388,593,725 | \$388,641,450 | 175,509,403 | \$133,084,322 | \$2,766,713,700 |
| 2 Marina Berth Sales (96 Berths) | \$8,318,750 | \$11,646,250 | \$14,973,750 | \$19,965,000 | \$13,310,000 | \$18,301,250 | \$29,947,500 | \$29,947,500 | \$11,646,250 | \$8,318,750 | \$166,375,000 |
| 3 Hotel Operations | | | | | | | | | | | |
| 4 Hotel Rooms | - | - | \$5,031,600 | \$6,330,000 | \$6,570,000 | \$6,570,000 | \$6,570,000 | \$6,570,000 | \$6,570,000 | \$6,570,000 | \$50,781,600 |
| 5 Telecommunications | - | - | \$117,978 | \$148,423 | \$154,050 | \$154,050 | \$154,050 | \$154,050 | \$154,050 | \$154,050 | \$1,190,701 |
| 6 Food | - | - | \$2,265,604 | \$2,850,241 | \$2,958,307 | \$2,958,307 | \$2,958,307 | \$2,958,307 | \$2,958,307 | \$2,958,307 | \$22,865,687 |
| 7 Beverage | - | - | \$756,941 | \$952,269 | \$988,374 | \$988,374 | \$988,374 | \$988,374 | \$988,374 | \$988,374 | \$7,639,454 |
| 8 Retail | - | - | \$378,993 | \$476,791 | \$494,869 | \$494,869 | \$494,869 | \$494,869 | \$494,869 | \$494,869 | \$3,824,998 |
| 9 Spa | - | - | \$1,475,253 | \$1,855,940 | \$1,926,308 | \$1,926,308 | \$1,926,308 | \$1,926,308 | \$1,926,308 | \$1,926,308 | \$14,889,041 |
| 10 Concierge | - | - | \$412,403 | \$518,823 | \$538,494 | \$538,494 | \$538,494 | \$538,494 | \$538,494 | \$538,494 | \$4,162,190 |
| 11 Subtotal Hotel Operations | - | - | \$10,438,772 | \$13,132,487 | \$13,630,402 | \$13,630,402 | \$13,630,402 | \$13,630,402 | \$13,630,402 | \$13,630,402 | \$105,353,671 |
| 12 Rental Pool Operations | | | | | | | | | | | |
| 13 Rental Pool | - | - | \$10,810,700 | \$17,244,650 | \$20,038,500 | \$20,038,500 | \$20,038,500 | \$20,038,500 | \$20,038,500 | \$20,038,500 | \$148,286,350 |
| 14 Telecommunications | - | - | \$196,557 | \$313,537 | \$364,334 | \$364,334 | \$364,334 | \$364,334 | \$364,334 | \$364,334 | \$2,696,098 |
| 15 Food | - | - | \$1,739,442 | \$2,774,664 | \$3,224,195 | \$3,224,195 | \$3,224,195 | \$3,224,195 | \$3,224,195 | \$3,224,195 | \$23,859,276 |
| 16 Beverage | - | - | \$869,721 | \$1,387,332 | \$1,612,097 | \$1,612,097 | \$1,612,097 | \$1,612,097 | \$1,612,097 | \$1,612,097 | \$11,929,635 |
| 17 Retail | - | - | \$631,417 | \$1,007,203 | \$1,170,383 | \$1,170,383 | \$1,170,383 | \$1,170,383 | \$1,170,383 | \$1,170,383 | \$8,660,918 |
| 18 Spa | - | - | \$2,457,831 | \$3,920,600 | \$4,555,787 | \$4,555,787 | \$4,555,787 | \$4,555,787 | \$4,555,787 | \$4,555,787 | \$33,713,153 |
| 19 Concierge | - | - | \$687,079 | \$1,095,992 | \$1,273,557 | \$1,273,557 | \$1,273,557 | \$1,273,557 | \$1,273,557 | \$1,273,557 | \$9,424,413 |
| 20 Subtotal Rental Pool Operations | - | - | \$17,392,747 | \$27,743,978 | \$32,238,853 | \$32,238,853 | \$32,238,853 | \$32,238,853 | \$32,238,853 | \$32,238,853 | \$238,569,843 |
| 21 Total Revenue | \$135,310,550 | \$217,349,400 | \$318,655,769 | \$370,099,465 | \$428,718,455 | \$457,712,655 | \$464,410,480 | \$464,458,205 | \$233,024,908 | \$187,272,327 | \$3,277,012,214 |
| 22 Building Costs - Condominium Sales | \$40,002,417 | \$64,796,492 | \$86,892,908 | \$97,416,270 | \$116,404,848 | \$123,965,777 | \$122,407,023 | \$122,422,057 | \$55,285,462 | \$41,921,561 | \$871,514,816 |
| 23 Building Costs - Investors' Real Estate | - | - | - | - | \$14,200,000 | \$24,500,000 | \$24,000,000 | \$35,540,465 | - | - | \$81,000,000 |
| 24 Preferred Stock & Debt Redemption | - | - | - | - | \$34,000,000 | \$54,000,000 | \$42,000,000 | \$30,000,000 | - | - | \$160,000,000 |
| 25 Interest on Debt | \$800,000 | \$2,000,000 | \$2,800,000 | \$3,600,000 | \$3,320,000 | \$1,560,000 | \$240,000 | \$5,000,000 | - | - | \$19,320,000 |
| 26 Realty Fees | \$7,619,508 | \$12,342,189 | \$16,551,030 | \$18,555,480 | \$22,172,352 | \$23,612,529 | \$23,315,624 | \$23,318,487 | \$10,530,564 | \$7,985,059 | \$166,002,822 |
| 27 Marina Berth Cost | \$6,461,950 | \$3,960,550 | \$10,422,500 | - | - | - | - | - | - | - | \$20,845,000 |
| 28 Management & Administrative Costs | \$364,800 | \$364,800 | \$364,800 | \$364,800 | \$364,800 | \$364,800 | \$364,800 | \$364,800 | \$364,800 | \$364,800 | \$3,648,000 |
| 29 Hotel Operations | | | | | | | | | | | |
| 30 Departmental Expenses | | | | | | | | | | | |
| 31 Room Expense | - | - | \$1,046,573 | \$1,316,640 | \$1,366,560 | \$1,366,560 | \$1,366,560 | \$1,366,560 | \$1,366,560 | \$1,366,560 | \$10,562,573 |
| 32 Telecommunications | - | - | \$90,371 | \$113,692 | \$118,002 | \$118,002 | \$118,002 | \$118,002 | \$118,002 | \$118,002 | \$912,075 |
| 33 Food | - | - | \$1,925,763 | \$2,422,705 | \$2,514,561 | \$2,514,561 | \$2,514,561 | \$2,514,561 | \$2,514,561 | \$2,514,561 | \$19,435,834 |
| 34 Beverage | - | - | \$419,345 | \$527,557 | \$547,559 | \$547,559 | \$547,559 | \$547,559 | \$547,559 | \$547,559 | \$4,232,256 |
| 35 Retail | - | - | \$255,820 | \$321,834 | \$334,036 | \$334,036 | \$334,036 | \$334,036 | \$334,036 | \$334,036 | \$2,581,870 |
| 36 Spa | - | - | \$668,289 | \$840,741 | \$872,617 | \$872,617 | \$872,617 | \$872,617 | \$872,617 | \$872,617 | \$6,744,732 |
| 37 Concierge | - | - | \$314,251 | \$395,343 | \$410,332 | \$410,332 | \$410,332 | \$410,332 | \$410,332 | \$410,332 | \$3,171,586 |
| 38 Total Departmental | | | \$4,720,412 | \$5,938,512 | \$6,163,667 | \$6,163,667 | \$6,163,667 | \$6,163,667 | \$6,163,667 | \$6,163,667 | \$47,640,926 |
| 39 Other Operating Expenses | | | | | | | | | | | |
| 40 General & Administration Expenses | - | - | \$1,304,846 | \$1,641,561 | \$1,703,800 | \$1,703,800 | \$1,703,800 | \$1,703,800 | \$1,703,800 | \$1,703,800 | \$13,169,207 |
| 41 Marketing | - | - | \$835,102 | \$1,050,599 | \$1,090,432 | \$1,090,432 | \$1,090,432 | \$1,090,432 | \$1,090,432 | \$1,090,432 | \$8,428,293 |
| 42 Maintenance & Repairs | - | - | \$464,525 | \$584,396 | \$606,553 | \$606,553 | \$606,553 | \$606,553 | \$606,553 | \$606,553 | \$4,688,239 |

CN LUXURY RESORTS, INC.
PROJECTED INCOME STATEMENT (continued)

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Years 1-10 |
|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 43 Management Fee | - | - | \$417,551 | \$525,299 | \$545,216 | \$545,216 | \$545,216 | \$545,216 | \$545,216 | \$545,216 | \$4,214,146 |
| 44 Utilities | - | - | \$365,357 | \$459,637 | \$477,064 | \$477,064 | \$477,064 | \$477,064 | \$477,064 | \$477,064 | \$3,687,378 |
| 45 Central Hub Allocated | - | - | \$490,622 | \$617,227 | \$640,629 | \$640,629 | \$640,629 | \$640,629 | \$640,629 | \$640,629 | \$4,951,623 |
| 46 Total Other Operating | - | - | \$3,878,004 | \$4,878,719 | \$5,063,694 | \$5,063,694 | \$5,063,694 | \$5,063,694 | \$5,063,694 | \$5,063,694 | \$39,138,887 |
| 47 Fixed Expenses | | | | | | | | | | | |
| 48 Insurance | - | - | \$46,976 | \$51,246 | \$51,246 | \$51,246 | \$51,246 | \$51,246 | \$51,246 | \$51,246 | \$405,698 |
| 49 Building FF&E | - | - | \$66,549 | \$72,599 | \$72,599 | \$72,599 | \$72,599 | \$72,599 | \$72,599 | \$72,599 | \$574,742 |
| 50 Total Fixed | - | - | \$113,524 | \$123,845 | \$123,845 | \$123,845 | \$123,845 | \$123,845 | \$123,845 | \$123,845 | \$980,439 |
| 51 Subtotal Hotel Operations | - | - | \$8,711,940 | \$10,941,076 | \$11,351,206 | \$11,351,206 | \$11,351,206 | \$11,351,206 | \$11,351,206 | \$11,351,206 | \$87,791,018 |
| 52 Rental Pool Operations | | | | | | | | | | | |
| 53 Departmental Expenses | | | | | | | | | | | |
| 54 Room Expense | - | - | \$4,864,815 | \$7,760,093 | \$9,017,325 | \$9,017,325 | \$9,017,325 | \$9,017,325 | \$9,017,325 | \$9,017,325 | \$66,728,858 |
| 55 Telecommunications | - | - | \$150,563 | \$240,169 | \$279,080 | \$279,080 | \$279,080 | \$279,080 | \$279,080 | \$279,080 | \$2,065,212 |
| 56 Food | - | - | \$1,478,525 | \$2,358,465 | \$2,740,565 | \$2,740,565 | \$2,740,565 | \$2,740,565 | \$2,740,565 | \$2,740,565 | \$20,280,380 |
| 57 Beverage | - | - | \$481,825 | \$768,582 | \$893,102 | \$893,102 | \$893,102 | \$893,102 | \$893,102 | \$893,102 | \$6,609,019 |
| 58 Retail | - | - | \$426,207 | \$679,862 | \$790,008 | \$790,008 | \$790,008 | \$790,008 | \$790,008 | \$790,008 | \$5,846,117 |
| 59 Spa | - | - | \$1,113,397 | \$1,776,032 | \$2,063,772 | \$2,063,772 | \$2,063,772 | \$2,063,772 | \$2,063,772 | \$2,063,772 | \$15,272,061 |
| 60 Concierge | - | - | \$523,555 | \$835,146 | \$970,450 | \$970,450 | \$970,450 | \$970,450 | \$970,450 | \$970,450 | \$7,181,401 |
| 61 Total Departmental | - | - | \$9,038,887 | \$14,418,349 | \$16,754,302 | \$16,754,302 | \$16,754,302 | \$16,754,302 | \$16,754,302 | \$16,754,302 | \$123,983,048 |
| 62 Other Operating Expenses | | | | | | | | | | | |
| 63 General & Administrative Expenses | - | - | \$2,174,093 | \$3,467,997 | \$4,029,857 | \$4,029,857 | \$4,029,857 | \$4,029,857 | \$4,029,857 | \$4,029,857 | \$29,821,232 |
| 64 Marketing | - | - | \$1,391,420 | \$2,219,518 | \$2,579,108 | \$2,579,108 | \$2,579,108 | \$2,579,108 | \$2,579,108 | \$2,579,108 | \$19,085,586 |
| 65 Maintenance & Repairs | - | - | - | - | - | - | - | - | - | - | - |
| 66 Management Fee | - | - | \$695,710 | \$1,109,759 | \$1,289,554 | \$1,289,554 | \$1,289,554 | \$1,289,554 | \$1,289,554 | \$1,289,554 | \$9,542,793 |
| 67 Utilities | - | - | - | - | - | - | - | - | - | - | - |
| 68 Central Hub Allocated | - | - | - | - | - | - | - | - | - | - | - |
| 69 Total Other Operating | - | - | \$4,261,223 | \$6,797,274 | \$7,898,519 | \$7,898,519 | \$7,898,519 | \$7,898,519 | \$7,898,519 | \$7,898,519 | \$58,449,611 |
| 70 Fixed Expenses | | | | | | | | | | | |
| 71 Insurance | - | - | - | - | - | - | - | - | - | - | - |
| 72 Building FF&E | - | - | - | - | - | - | - | - | - | - | - |
| 73 Total Fixed | - | - | - | - | - | - | - | - | - | - | - |
| 74 Subtotal Rental Pool Operations | - | - | \$13,300,110 | \$21,215,623 | \$24,652,821 | \$24,652,821 | \$24,652,821 | \$24,652,821 | \$24,652,821 | \$24,652,821 | \$182,432,659 |
| 75 Depreciation | \$383,759 | \$660,781 | \$830,345 | \$832,250 | \$832,250 | \$832,250 | \$832,250 | \$832,250 | \$832,250 | \$832,250 | \$7,700,635 |
| 76 Total Expenses | \$55,632,434 | \$84,124,812 | \$139,873,633 | \$152,925,499 | \$227,298,277 | \$264,839,383 | \$249,163,724 | \$253,482,086 | \$103,017,103 | \$87,107,698 | \$1,617,464,649 |
| 77 Net Operating Income | \$79,678,116 | \$133,224,588 | \$178,782,137 | \$217,173,966 | \$201,420,178 | \$192,873,272 | \$215,246,756 | \$210,976,119 | \$130,007,805 | \$100,164,629 | \$1,659,547,566 |
| 78 Interest Income | \$723,051 | \$1,980,383 | \$2,657,596 | \$3,228,291 | \$2,994,547 | \$2,868,026 | \$3,200,719 | \$3,137,215 | \$1,933,216 | \$1,487,445 | \$24,210,490 |
| 79 Interest Expense | - | - | - | - | - | - | - | - | - | - | - |
| 80 Pre Tax Income | \$80,401,167 | \$135,204,971 | \$181,439,733 | \$220,402,257 | \$204,414,725 | \$195,741,297 | \$218,447,475 | \$214,113,334 | \$131,941,021 | \$101,652,074 | \$1,683,758,055 |
| 81 Investors' Income on \$60mm @ 12% Ownership (Pre Tax)* | | | | | | | | | | | \$202,050,967 |
| 82 Investors' Average Annual Return upon 10 year completion (Pre Tax)* | | | | | | | | | | | 33.675% |

*In calculating the Founding Investors' Income & Annual Return stated above, the value of the real estate that is attached to the investment was not included.

***\$60,000,000 for 12% Equity Ownership of CN Luxury Resorts, Inc.
Plus Undivided Ownership of a Crab Cay Villa & Marina Berth***

| Investment | Property Description Granted to Investor | Square Footage | Price per Square Foot | Homes Value Retail | Appraised Land Value | Marina Berths Value | Total Combined Value | Investor's Equity Stake | Share Price | Total Shares Aquired | Investor's Share of Net Revenue \$1,683,758,055 | Annualized Return Over 10 years w/o Real Estate | Annualized Return Over 10 years w/ Real Estate |
|--------------|---|-------------------|--------------------------|-----------------------|-------------------------|------------------------|-------------------------|----------------------------|-------------|-------------------------|---|---|--|
| \$60,000,000 | Total Villas | 54,000 | \$1,909 | \$103,086,000 | \$14,000,000* | \$6,600,000 | \$123,686,000 | 12.00% | \$2.00 | 12,000,000 | \$202,050,967 | 33.675% | 54.289% |
| \$10,000,000 | Enclave Villa | 9,000 | \$1,909 | \$17,181,000 | \$2,500,000 | \$1,100,000 | \$20,781,000 | 2.00% | \$2.00 | 2,000,000 | \$33,675,161 | 33.675% | 54.456% |
| \$5,000,000 | Walker Estate Villa | 4,500 | \$1,909 | \$8,590,500 | \$1,000,000 | \$550,000 | \$10,140,500 | 1.00% | \$2.00 | 1,000,000 | \$16,837,581 | 33.675% | 53.956% |

*Note: This value was determined by combining the land value of 4 Enclave lots and 4 Walker Estate lots.