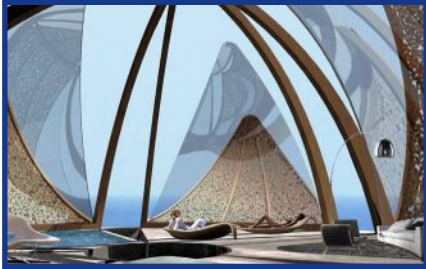




**GLOBAL
VALUATION**

INTERNATIONAL APPRAISAL SERVICES



Appraisal Report of

**The Blue Horizon Resort & Spa
A Five Star Master Planned Resort Community
South of kilometer 4.3 of State Rd. 996
Puerto Real Ward, Vieques Island, Puerto Rico**

**Prepared for
First Bank**

**Prepared by
Global Valuation**

**(Headquarters)
9106 Champions Way
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**GLOBAL
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March 1, 2010

First Bank
Miguel A. Santin
Vice President
Structured Finance
1519 Ponce de Leon Ave.
Santurce, Puerto Rico 00908

Mr. Santin:

In accordance with our Appraisal Services Contract, we have completed an appraisal of the subject property described below. The property was inspected and all necessary investigations and analysis were made by Global Valuation.

The subject property is briefly described as "The Blue Horizon Resort & Spa" a Five Star Master Planned Resort Community. The resort has a diversified mix of 95-Villas, Suites and Penthouses containing a total of 227-keys. The Villas are furnished with top-of-the-line furniture, fixtures and equipment and feature infinity pools, jacuzzi, and private gardens. The Lotus Spa Suites are a one of a kind design with elevators, private massage rooms, Jacuzzis and turkish baths. Each Spa Suite will be shaped like a lotus flower with transparent petals-unfolding in tiers - offering owners and guests a place to "sleep under the stars". The Penthouses have a roof top garden and jacuzzi.

Resort Commercial Space includes "The Tamarindo Spa" (13,500SF), "Tamarindo Restaurant" (1,350SF) "Oceanfront Restaurant" (6,000SF), "Le Petite Village Shops" (40,000SF) and "Park Pavilion Restaurant" (2,000SF).

Resort amenities include a Beach Club; Tennis Club and Equestrian Club. The resort is being developed on approximately 55-acres of oceanfront land featuring one kilometer of beach, located South of kilometer 4.3 on State Road 996, Puerto Real Ward, Vieques Island, Puerto Rico.

The scope of work is to estimate the Market Value of the 55-acres of oceanfront land "AS IS", the "LIQUIDATION VALUE" of the land assuming a 180-day marketing period and the Aggregate of Retail Values of the 95-Resort Villas as completed - "ARV AS COMPLETED".

This is a Real Property Appraisal prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Appraisal Report is prepared under the "Self-Contained Appraisal Report" option. The Appraisal Foundation is authorized by the United States Congress as the source of appraisal standards and appraiser qualifications. The report complies with all of the standards established in Title XI of the "Financial Institutions Reform Recovery Enforcement Act of 1989 (FIRREA).

Based upon all of our investigations, inspections, consultations and analysis, it is our opinion that the subject property has a Market Value of:

“AS IS”

March 1, 2010
Forty Million Dollars
\$40,000,000

“LIQUIDATION VALUE

September 1, 2010
Thirty Five Million Dollars
\$35,000,000

“ARV AS COMPLETED”

February 28, 2015
Three Hundred One Million Dollars
\$301,000,000

We certify that we have no interest past or present in the subject property and that our conclusions of value are based on internationally accepted techniques, methods and procedures. Moreover, our fee is not contingent upon a specified value conclusion. The value conclusions are subject to the Assumptions and Limiting Conditions, presented in part two of this appraisal report.

Respectfully submitted,



Thomas G. Spears
President & CEO
Global Valuation



**GLOBAL
VALUATION**

INTERNATIONAL APPRAISAL SERVICES

PART ONE — Introduction

- I. Executive Summary**
- II. Certificate of Value**

PART ONE — Introduction

I. Executive Summary

The subject property is briefly described as “The Blue Horizon Resort & Spa” a Five Star Master Planned Resort Community. The resort has a diversified mix of 95-Villas, Suites and Penthouses containing a total of 227-keys. The Villas are furnished with top-of-the-line furniture, fixtures and equipment and feature infinity pools, jacuzzi, and private gardens. The Lotus Spa Suites are a one of a kind design with elevators, private massage rooms, Jacuzzis and turkish baths. Each Spa Suite will be shaped like a lotus flower with transparent petals-unfolding in tiers - offering owners and guests a place to “sleep under the stars”. The Penthouses have a roof top garden and jacuzzi.

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Scope of Work

The scope of work is to estimate the Market Value of the 55-acres of oceanfront land “AS IS”, the “LIQUIDATION VALUE” of the land assuming a 180-day marketing period and the Aggregate of Retail Values of the 95-Resort Villas as completed - “ARV AS COMPLETED”.

Highest and Best Use

Resort Hotel.

Date of Appraisal and Report

“AS IS”	-	March 1, 2010
“LIQUIDATION VALUE”	-	September 1, 2010
“ARV AS COMPLETED”	-	February 28, 2015

Interest Appraised

Fee Simple Interest.

Market Value Estimates

Based upon all of our investigations, inspections, consultations and analysis, it is our opinion that the subject property has a Market Value of:

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PART ONE — Introduction

II. Certificate of Value

The appraiser (s) signing this report certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the causes 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.
- Global Valuation has made a personal inspection of the subject.
- No one provided significant professional assistance to the appraiser (s) signing this report.
- The subject property is briefly described as “The Blue Horizon Resort & Spa” a Five Star Master Planned Resort Community. The resort has a diversified mix of 95-Villas, Suites and Penthouses containing a total of 227-keys. The Villas are furnished with top-of-the-line furniture, fixtures and equipment and feature infinity pools, jacuzzi, and private gardens. The Lotus Spa Suites are a one of a kind design with elevators, private massage rooms, Jacuzzis and turkish baths. Each Spa Suite will be shaped like a lotus flower with transparent petals-unfolding in tiers - offering owners and guests a place to “sleep under the stars”. The Penthouses have a roof top garden and jacuzzi.

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- The scope of work is to estimate the Market Value of the 55-acres of oceanfront land “AS IS”, the “LIQUIDATION VALUE” of the land assuming a 180-day marketing period and the Aggregate of Retail Values of the 95-Resort Villas as completed - “ARV AS COMPLETED”.
- Our conclusions of value are based on internationally accepted techniques and methods.

PART ONE — Introduction

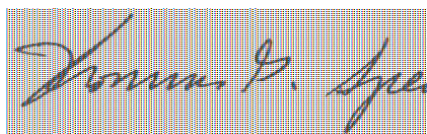
II. Certificate of Value (continued)

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Thirty Five Million Dollars
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“ARV AS COMPLETED”
February 28, 2015
Three Hundred One Million Dollars
\$301,000,000



Thomas G. Spears, ASA
State Certified General Real Estate Appraiser
Florida, # RZ1243



Richard Singerle, MAI
State Certified General Real Estate Appraiser
U.S. Virgin Islands, #3-2016530

PART TWO — Premises of the Appraisal

- I. Type of Appraisal and Report Format**
- II. Assumptions and Limiting Conditions**
- III. Purpose, Use and Intended Users of the Appraisal**
- IV. Scope of Work**
- V. Definitions of Market Value and Terms**
- VI. Date of Appraisal and Date of Report**
- VII. Property Rights Appraised**
- VIII. Sales History of the Subject Property**

PART TWO — Premises of the Appraisal

I. Type of Appraisal and Report Format

This is a Real Property Appraisal prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Appraisal Report is prepared under the “Self-Contained Appraisal Report” option. The Appraisal Foundation is authorized by the United States Congress as the source of appraisal standards and appraiser qualifications.

The reported analysis, opinions, and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the American Society of Appraisers and the Appraisal Institute. The use of this report is subject to the requirements of the American Society of Appraisers and the Appraisal Institute relating to review by their duly authorized representatives.

II. Assumptions and Limiting Conditions

The value conclusions and the certification within this report are made expressly subject to the following assumptions and limiting conditions.

THIS APPRAISAL REPORT HAS BEEN MADE WITH THE FOLLOWING ASSUMPTIONS:

No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

The illustrative material in this report is included only to help the reader visualize the property.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless non-conformity has been identified, described and considered in the appraisal report.

It is assumed that all required licenses; certificates of occupancy, consents, and other legislative or administrative authority from any government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

It is assumed that “The Blue Horizon Resort & Spa” is developed in accordance with all of the descriptions contained in this report.

This valuation is predicated upon selling the commercial space to resort restaurant, spa and retail companies at cost.

THIS APPRAISAL REPORT HAS BEEN MADE WITH ALL THE FOLLOWING LIMITING CONDITIONS:

Possession of this report, or a copy thereof, does not carry with it the right of publication.

PART TWO — Premises of the Appraisal

II. Assumptions and Limiting Conditions (continued)

The appraiser (s), by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless financial arrangements have been previously made.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser (s), or Global Valuation shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser (s) and Global Valuation.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

The forecasts, projections or operating estimates contain herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

This appraisal was prepared by Global Valuation and consists of trade secrets and commercial and financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4).

This report remains the property of Global Valuation and contains proprietary information; the use of this report is expressly prohibited unless all contractual obligations for payment thereof have been completed.

The reader of this report is encouraged to verify the contents and status by direct contact with:

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E-mail: tgs@globalvaluation.com

PART TWO — Premises of the Appraisal

III. Purpose, Use and Intended Users of the Appraisal

The purpose of an appraisal is the stated reason and scope of an appraisal assignment, which, is established by the client. The scope of work is to estimate the Market Value of the 55-acres of oceanfront land “AS IS”, the “LIQUIDATION VALUE” of the land assuming a 180-day marketing period and the Aggregate of Retail Values of the 95-Resort Villas as completed - “ARV AS COMPLETED”.

The use or function of an appraisal is the manner in which a client employs the information contained in the appraisal report. The function of this appraisal is for financing.

The intended user is the First Bank.

IV. Scope of Work

The scope of work is to estimate the Market Value of the 55-acres of oceanfront land “AS IS”, the “LIQUIDATION VALUE” of the land assuming a 180-day marketing period and the Aggregate of Retail Values of the 95-Resort Villas as completed - “ARV AS COMPLETED”.

The scope of work refers to the extent of the process in which data are collected, confirmed, and reported. Three types of data are gathered for Appraisals: general data, specific data and competitive supply and demand data.

GENERAL DATA consist of information about trends in the social, economic, governmental, and environmental forces that affect property value. Global Valuation has gathered all the required general data necessary to estimate the value of the subject property.

SPECIFIC DATA relate to the property being appraised and to the comparable properties. This data includes legal, physical, locational, cost and income and expense information about properties and the details of comparable sales. Financial arrangements that could affect selling prices are also considered. We have collected verified and analyzed all the required specific data necessary to estimate the value of the subject property including specific data for the subject property and all comparable properties utilized in this analysis.

COMPETITIVE SUPPLY AND DEMAND DATA relate to the competitive position of the property in its future market. Supply data include inventories of existing and proposed competitive properties, vacancy rates, and absorption rates. Demand data may consist of population, income employment, and survey data pertaining to potential property users. Global Valuation has gathered and verified all the required competitive supply and demand data necessary to estimate the value of the subject property.

One internationally accepted method of data analysis has been developed for this valuation. The Subdivision Development Approach.

THE SUBDIVISION DEVELOPMENT APPROACH is a method of estimating land value when subdivision and development are the highest and best use, such as for the subject property. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the finished units. The resultant net sales proceeds are then discounted to present value at a market derived rate over the development and absorption period to indicate the value of the land “AS IS”.

PART TWO — Premises of the Appraisal

V. Definitions of Market Value and Terms

MARKET VALUE as defined by the Appraisal Standards Board of the Appraisal Foundation, Uniform Standards of Professional Appraisal Practice (USPAP), is 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 are 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 each acting in what they consider their own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. 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.

“AS IS” VALUE as defined by the dictionary of Real Estate Appraisal, third edition Appraisal Institute is the value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal. Relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

AGGREGATE OF RETAIL VALUES refers to the sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs.

PROSPECTIVE MARKET VALUE refers to a forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

LIQUIDATION VALUE is the likely price of an asset when it is allowed insufficient time to sell on the open market, thereby reducing its exposure to potential buyers. Liquidation value is typically lower than fair market value. Unlike cash or securities, certain illiquid assets, like real estate, often require a period of several months in order to obtain their fair market value in a sale, and will generally sell for a significantly lower price if a sale is forced to occur in a shorter time period. Liquidation value may be either the result of a forced liquidation or an orderly liquidation. Either value assumes that the sale is consummated by a seller who is compelled to sell and assumes an exposure period which is less than market normal.

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale will occur within a limited future marketing period specified by the client.
2. The actual market conditions currently prevailing are those to which the appraised property interest is subject.

PART TWO — Premises of the Appraisal

V. Definitions of Market Value and Terms (continued)

3. The buyer is acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. The buyer is acting in what he or she considered's his or her best interest.
7. A limited marketing effort and time will be allowed for the completion of the sale.
8. Payment will be made in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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.

MARKET VALUE TERMS are the current purchasing power of the United States Dollar.

VI. Date of Appraisal and Date of Report

"AS IS"	-	March 1, 2010
"LIQUIDATION VALUE"	-	September 1, 2010
"ARV AS COMPLETED"	-	February 28, 2015

VII. Property Rights Appraised

The valuation of real property includes both the physical real estate and the rights that one or more individuals or legal entities may hold or contemplate holding in the ownership or use of the land and improvements, special attention must be given to limitations or ownership rights, which include easements, encroachments liens, leases, and the disposition of air or subsurface rights. In this case, the property rights appraised are fee simple interest or estate; defined as absolute ownership of real estate that is unencumbered by any other interest or estate and is subject only to the limitations imposed by government agencies.

VIII. Sales History of the Subject Property

According to interviews with the owner "Green Horizon", the history of transactions during the past five years are summarized as follows:

Year	Transaction	Property (+/- acres)	Sale Price	Property
2005	40% interest	18.0	\$4,500,000	Blue Horizon Hotel
2005	100% interest	3.0	\$500,000	Hotel Vacant Land
2005	100% interest	31.0	\$4,500,000	Plantation Villas
2008	100% (option)	3.0	\$5,200,000	Tamarindo
		55.0	\$14,700,000	

PART TWO — Premises of the Appraisal

VIII. Sales History of the Subject Property (continued)

It is important to note that this is an assemblage of 55-acres of contiguous land which has been purchased during the past five years. The sale prices in no way represent market value “AS IS”. The subject property has all governmental approvals, entitlements and permits to develop the Blue Horizon Resort & Spa as described in this report.

PART THREE — Presentation of Data

- I. Identification of the Subject Property**
- II. Area Profile**
- III. Caribbean Trends in the Hotel Industry - PKF**
- IV. Caribbean Tourism Data**

PART THREE — Presentation of Data

I. Identification of the Subject Property

The subject property is briefly described as “The Blue Horizon Resort & Spa” a Five Star Master Planned Resort Community. The resort has a diversified mix of 95-Villas, Suites and Penthouses containing a total of 227-keys. The Villas are furnished with top-of-the-line furniture, fixtures and equipment and feature infinity pools, jacuzzi, and private gardens. The Lotus Spa Suites are a one of a kind design with elevators, private massage rooms, Jacuzzis and turkish baths. Each Spa Suite will be shaped like a lotus flower with transparent petals-unfolding in tiers - offering owners and guests a place to “sleep under the stars”. The Penthouses have a roof top garden and jacuzzi.

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Resort amenities include a Beach Club; Tennis Club and Equestrian Club. The resort is being developed on approximately 55-acres of oceanfront land featuring one kilometer of beach, located South of kilometer 4.3 on State Road 996, Puerto Real Ward, Vieques Island, Puerto Rico.

Vertical Construction - Unit Mix

Unit Type	# Units	# keys	Interior Floor Area (SF)	Exterior Floor Area (SF)	Total Unit Area (SF)	Total Building Area (SF)
Hotel Villas						
4BR (2-story) Oceanfront						
Ground Floor			2,578	374	2,952	
Second Floor			2,478	374	2,852	
Totals	3	12	5,056	748	5,804	17,412
2BR (1-story) Oceanfront	4	8	1,932	---	1,932	7,728
2BR (1-story) Hillside	4	8	1,932	---	1,932	7,728
4BR (2-story) Hillside						
Ground Floor			2,578	374	2,952	
Second Floor			2,578	374	2,952	
Totals	1	4	5,156	748	5,904	5,904
Total Hotel Villas	12	32				38,772
Water Villas						
3BR (2-story) Water Villa						
Ground Floor			1,820	494	2,314	
Second Floor			1,236	---	1,236	
Totals	8	24	3,056	494	3,550	28,400
Lotus Spa Suites						
1BR (2-story) Hillside						
Ground Floor			835	167	1,002	
Second Floor			668	167	835	
Totals	15	15	1,503	334	1,837	27,555

PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Unit Type	# Units	# keys	Interior Floor Area (SF)	Covered Porch Area (SF)	Total Unit Area (SF)	Total Building Area (SF)
Tamarindo Spa Suites	7	7	595	55	650	4,550
Le Petite Penthouses	21	21	1,286	--	1,286	27,006
Total Suites & PH	51	67				87,511
Plantation Villa Clusters						
Hamlet I Oceanfront						
Unit A (with kitchen) G.F*			2,000	500	2,500	
Unit B Ground Floor*			830	300	1,130	
Unit C Ground Floor			830	300	1,130	
Totals	11	44	3,660	1,100	4,760	52,360
Hamlet I Hillside						
Unit A (with kitchen) G.F*			2,000	500	2,500	
Unit B Ground Floor*			830	300	1,130	
Unit C Ground Floor			830	300	1,130	
Totals	5	20	3,660	1,100	4,760	23,800
Hamlet II Hillside						
Unit A (with kitchen) G.F*			2,000	500	2,500	
Unit B Ground Floor*			830	300	1,130	
Unit C Ground Floor			830	300	1,130	
Unit D Second Floor			830	150	980	
Totals	16	64	4,490	1,250	5,740	91,840
Total Villa Clusters	32	128				168,000
Grand Total	95	227				294,283

Commercial Space	
Unit Type	Total Building Area (SF)
Tamarindo Spa	13,500
Tamarindo Restaurant	1,350
Oceanfront Restaurant	6,000
Le Petite Villa Shops	40,000
Park Pavilion Restaurant	2,000
Total Commercial Space	62,850

Ownership

Green Horizon

PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Zoning

The subject property has all of the required governmental approvals, entitlements and permits to develop “The Blue Horizon Resort & Spa” as described in this report.

Site Size and Shape

The subject property is irregular in shape and contains 55-acres more or less.

Blue Horizon Resort	21.0-acres
Plantation Villas	31.0-acres
Tamarindo Option	3.0-acres
Totals	55.0-acres

Utilities

All available public utilities are at the property including water, sewer, telephone, electricity, etc.

Easements and Restrictions

Those of records.

Frontage / Accessibility

The subject property is accessible via State Road 996 and also has a helicopter landing pad. The site fronts one kilometer on the Caribbean Sea and is accessible by sea.

Topography

Elevations up to seventy (70) feet above sea level which provide magnificent vistas of the Caribbean Sea.

Developers Overview

Blue Horizon Resort & Spa – Resort Expansion

An SVI Development Company Project

1. The Resort Entrance: A Sweet View

Our new resort entrance will be marked using a classic Caribbean hallmark: a tall sugar cane mill that reaches high towards the blue island sky. This attractive tower replica, constructed of rough natural stones, an antique wooden structure and palm-leaf thatch roof, will double as a welcoming portal to the resort. As guests enter the gate, they will be greeted by history and taken back to a simpler time as it serves as a landmark for the transition that took place in our island’s history. For guest security and convenience, this “Sugar Cane Gate” will be staffed around-the-clock.

As the entrance sits at a seventy feet elevation, our oceanfront resort will afford guests that breathtaking “I’ve arrived” moment from first view. As guests pass through the Gate, their eyes are embraced fully by the 180 degree view of the “blue horizon” - our signature Caribbean coastal skyline.

PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

2. The Reception Area: An Ocean Air Embrace

Our reception building will be our guests' first moment to relax and experience our distinctive service via the actual physical design. Therefore, the reception building has been designed as a large open-air atrium with only side walls so that guests immediately witness the expansive ocean views and the resort landscaping. Furthermore, there is a path that leads directly down to the ocean, for those guests who can't wait to dip their toes in the water.

Adjacent to the check-in area will be a walk-up tower, offering an unlimited 360 degree view – the first picture perfect moment of the guests' stay. The reception building will accommodate a library and bar/coffee lounge, both for relaxing, quiet conversation and reading.

After check-in, each guest party will be privately "toured" through the property while their luggage is taken to their villa, so as the guests walk through the door, they will find their luggage waiting for them. For transportation, we will be using a solar-powered golf cart – one of the many eco-tourism methods the new IBH will be employing.

3. The Terrain: A Single Road & Lush Landscaping

As the Blue Horizon prides itself on being situated on a choice parcel of lush Caribbean oceanfront property, we've elected to only build one vehicle road into the resort. Instead of regular pavement, we have opted for a type of compacted ground or at least no more than a natural road covering in the form of a mosaic made of elements like clay or terracotta/granite, as it takes us back to days long gone. This single road will keep the property sonically peaceful, allowing the ocean breezes to work their calming magic on guests. The road descends briefly to the reception area and a guest parking lot.

Parking lots will be invisible, below eye level and/or hidden by plants, flowers and trees (no headlights to disturb guests). The employee parking lot will be separate as well. As evening melts into night, the paths will be dimly lit with variations in light intensity that make them twinkle as if they were part of the Milky Way.

The landscaping of the Blue Horizon will feature beautiful native plants and flowers of the Caribbean, lushly planted into the grounds as well as incorporated into physical structures. The plantation villas will include open-air terraces with variations of pink, orange and white bougainvilleas. Each private spa suite will display dramatic flora and fauna arrangements as part of their indoor-outdoor pool.

Much of the existing landscape is thriving and will be incorporated into the new resort, such as dozens of palm trees, exquisite bright orange flamboyants - Puerto Rico's national flowering tree - brightly colored bougainvilleas, tall and shady mango trees and numerous "Travelers Palms".

One signature landscaping feature of our property and Vieques in general are massive granite boulders – typically 8 feet tall and wide. These will be incorporated into the landscape design to elicit a "Zen" feeling of stillness amongst guests. In addition, a Japanese pond with koi fish will amuse children and infuse a sense of quiet life to the grounds, while sculptures will bring guests' artistic senses to life. A small chapel, alluding to the spirituality of the natural surroundings, will be constructed on the grounds. The façade will blend with the earth thanks to natural stone, inlaid plaster decorations and earth-orange colored roof tiles hiding a wooden roof structure.

Opposite the Sugar Cane Tower, an orchard with mango, avocado, orange, lemon, grapefruit, banana and litchi trees will not only add a decorative element but will supply the restaurant and juice bar with fresh fruit every day.

PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

A shaded walk-jog path will meander around the property for the health and sun protection of exercise enthusiasts. The property also has a couple of small bridges covering quaint creeks, as well as a shade area for taking a simple rest under the trees.

Lastly, there will be a boardwalk through the property's red mangrove stand - a unique natural feature of the Caribbean ecosystem, converted into a path through nature for romance or solitude.

Emergency lights will illuminate when necessary, but normally candlelight (hand-lit every evening) will provide an enchanting atmosphere for the main path around the village.

4. Our Plantation Villas: Relaxed Coastal Luxury

Our 32 villas take their inspiration from the timeless elegance of Mediterranean coastal villas, combined with the breezy, open-air feel of Caribbean plantation designs.

Each of our 32 villas will be an independent structure, with four guest quarters per villa. Each quarter within the villa will enjoy a private patio; the top levels will sport a verandah blossoming with colorful flowers and plants.

The current design of the villas calls for the following floor plan:

- Each bathroom shower will feature a “Water Forest” with 6 shower heads and oversized bathtubs plus an outdoor shower area in the gardens.
- Each living room will feature hidden desktop technology with wireless Internet access.
- The structures will be insulated and ventilated, requiring only the absolute minimum air conditioning/ electricity/led lighting; important detail: main switch can be off for suite or villas while leaving some plugs on.
- The bedrooms will feature 16-foot high ceilings, exquisite interior design, complete with a wine refrigerator.
- Some hotel suites will be equipped with a mini kitchen.
- The terrace on each floor will have a bench to relax and enjoy the views; it will also be possible to sleep outdoors on the balcony.
- All villas will offer a private Jacuzzi (with a rapid filling system) for the ultimate in evening relaxation and stargazing.
- The courtyard will be landscaped, furnished and lighted to guarantee privacy, creating an additional outdoor living space. There could be a pool in this space as well.

5. The Park-Pavilion Restaurant

This restaurant, located in the “petit village”, will define a new standard of relaxed “modern art nouveau style”. A dual-sided structure with a central building, the exterior appearance will be artistic and inviting. Imagine this stunning awning: a decorative glass plane, softly fusing pale yellow, warm orange and peach shades, illuminated by the Caribbean sunlight. The dual glass planes will be upheld by suspension cables, connecting the wings to create a central building. The entire structure will support a roof covered in natural-grass and copper panels.

PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

The central building will have an extra floor level with a spacious dining area.

The ambience will suit a range of meals, from champagne brunch to semi-formal lunches and dinners. The interior will feature plenty of natural light wood and stone, with different vaulted arches, resembling a French wine cellar. Adorning the interior will be mosaics, water color paintings, aquarelles with Botanic designs & trompe l'oeils alluding to the natural bounty of a grape harvest, done in a French-impressionist style, a la Renoir.

The grounds will offer an outside terrace and pond with natural plants and flowers and a view of the entire resort.

6. Our Oceanfront Pool & Restaurant: A Duet of Play & Dining

Set directly on the ocean, next to the mangrove trees, and surrounded by numerous palms and orchid plants, our signature restaurant + pool combination structure will consist of two natural-looking, open buildings with palm-leaf thatch roofs.

On the top floor, guests will discover an oceanfront casual restaurant, furnished with colorful, outdoor canopy beds for shade and relaxation. This level will be well suited for weddings, fashion shows, product promotions and private parties.

On the middle level, guests may wish to linger in or beside the lavish infinity pool - with its signature dramatic twist. Our first infinity pool will descend via a waterfall into a lower level infinity pool. Then within the lower level pool, large granite stones will help guests step gracefully over the water to an artificial white sandy beach, waiting with parasols and oversized sunbather poster beds. There will be grottos (water pool in Cave areas) in one pool area. We will be able to increase the pool water level to change the entire look of the pool.

In addition to the infinity pool, our middle level will house a bar and food terrace for poolside drinks and snacks, with a pergola connecting the pool and restaurant elements. Restaurant décor will invite guests with a relaxing and cheery Caribbean palette of pale ocean blue, bright lime green, soft honeydew melon and white. The furniture will be made of dark brown rattan and other woods.

From early evening until 9pm, live music will create a wonderful ambience for cocktails and elegance, while scores of candles and orchids will set the mood for romantic dining. Our fare will focus on seafood, stylish salads and exceptional wine selections. Our staff will wear crisp and elegant all-white uniforms.

The kitchen will be underground to keep noise to a minimum (while connecting to the poolside bar for food and drink delivery).

Destination Island will provide a floating platform for swimming, snorkeling, surfing, sunbathing and lounging in the middle of the Caribbean Sea.

7. Le Village: The Shopping Villa

Fashioned after open-air markets found in Old World Paris, this European style shopping village will supply only the finest artisan made and unique goods available. The village will include a patisserie, a charcuterie (for fresh cuts of meats, cheeses and foie gras for an oceanfront picnic), a perfumery, a gift shop, a jewelry store, a fashion boutique, the pavilion restaurant, a pub with billiards, a barbershop/beauty salon, a real estate office, a beer brewery, a fine shoe & handbag store, a cigar shop, a book and music store, a wine cellar, a chocolate and ice cream boutique, a coffee store, an antique store, a museum, and finally, a café-crêperie designed in dark wood grains, featuring excellent strong coffees and a menu of internationally-inspired crêpes.

PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Other attractions and services worth noting are a day care center with a petting zoo, an art gallery with workshops in ceramics, glass, painting etc., a locksmith/horseshoe maker (Vieques is an equestrian island), a hobby center for scuba diving, fishing and excursions, a sports boutique, pharmacy, and a first aid room.

Above the shops, there will be a number of stylish studios with their own private patio, roof garden and Jacuzzi.

An antique water windmill that shovels water will power a small creek running through the shopping village and/or landscape design around the villas.

There will be a separate parking lot for non-resort island visitors and locals, allowing them to patronize the shopping village and amphitheater.

8. The Amphitheater: Casually Elegant Culture, Al Fresco

Puerto Rico is home to some of the most talented Latin Jazz musicians in the world, notable artists who perform salsa, cha-cha, bolero and other signature rhythms from the Latin world. This talent pool also includes world famous percussionists known for their mastery of the congas, bongos, timbales and other instruments.

Our al fresco Amphitheater will regularly host a Latin Jazz ensemble, as well as book prominent outside acts for Vieques appearances. A partnership with a company who manages various venues on Puerto Rico's mainland will allow us to bring in name brand acts for larger events or special appearances. It will also be a big screen outdoor evening movie theater extra.

A spacious banquet area and intimate theater in the vicinity will provide ample accommodation for meetings, receptions and parties, some of which may be combined with activities in the Amphitheater.

9. Tennis

The tennis courts are located just on the left as guests enter the resort grounds. Incorporating the existing Omni tennis courts on the IBH grounds, our new courts will be fitted out with state of the art grass beds and soft night lighting to prevent light pollution around the rest of the resort. There will also be a small country clubhouse for pre- or post-game gathering, and to house the equipment and amenities needed to play tennis in the warm Caribbean climate.

10. Spiritual Lotus Spa: Mind & Body

The Lotus Spa is a private water world designed around an organic theme of "light & water" in a Caribbean setting. The complex will contain 15 private Spa Suites, a restaurant, a healthy juice lounge bar, as well as a Spa store, and accommodate a wide range of facilities for the treatment of body and mind, such as a fitness & yoga area, a beauty salon, massage and acupuncture rooms, mud baths, a library, workshops – in short, the Lotus Spa will offer its guests everything they could ever imagine.

The entrance and check-in area will be illuminated by expansive roof-embedded sunlight. Beyond their radiant quality, the sunlight rays will draw guests' attention to our sculpture fountain – designed as a waterfall surrounded by lush plants – initiating the guests' relaxation time at our spa.

A Spa Suite will consist of a lounge area, combining living- and bedroom facilities, as well as a private water world with a private sauna, Turkish steam bath, Rainforest shower, whirlpool, massage & yoga area – all on a lower floor – and an indoor-outdoor pool with a floating sundeck and terrace, adorned with beautiful flower arrangements and landscape designs – all on the same level as the living-cum-bedroom. The ocean view will be absolutely amazing.

PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Each Spa Suite will be shaped like a lotus flower with transparent petals - unfolding in tiers - offering guests a place to “sleep under the stars”.

The Lotus Spa will be located at the highest part of the site and will thus benefit from spectacular views and soft ocean breezes.

Our treatment menu will be designed to accommodate discriminating spa tastes, and stay away from menu standards. The menu will highlight and draw from local ingredients that thrive in Puerto Rico and are staples within the cornucopia of natural beauty secrets. Avocado masks will be made with pure and ripe avocados and mango butters will be created from the just-picked fruits. Every guest will leave feeling breezy, tropical and beautiful inside and out.

Our Spa store will feature a signature line of high-end products, hand-crafted and designed in Europe, and focusing on pure and rare natural ingredients packaged in hip, biodegradable designs, for example, a trio of Madagascar Vanilla soaps wrapped in beautiful blue recycled paper with a real fern leaf imprint.

Our top floor Spa-cuisine café will boast an incredible 360 degree view, and offer a lean gourmet menu of tapas and sushi.

11. Above and Below-Ground Functionality: The Helipad & Maintenance Building

For our most elite travelers, an on-site helipad will be available for pre-scheduled landings, and only during peak activity hours to prevent noise pollution. The helipad will be topped with green grass and will resemble a sunflower in shape and color.

The maintenance building will house the laundry, recycling and waste facilities, refrigerators, coolers, storage, a battery room, golf carts and related equipment, plus the locker/dressing rooms for our employees.

12. Eco-Design

Beyond the saline pool, solar-powered golf carts, on-site recycling, and on-site fruit & vegetable garden referred to above, the new IBH is making a strong effort to develop the property with eco-friendly building practices, taking special advantage of solar power. Furthermore, erection of an on-site windmill to keep electricity bills at a minimum is currently under investigation.

At the commencement of this project, we invited the Department of Natural Resources to work with us and help advise us so that we could best protect our beautiful property for both guest enjoyment and sustainability. We took the extra measure of setting all physical properties back beyond the minimum “Maritime line” where construction begins. Our construction begins an additional 20 yards back, to both protect the buildings and ensure the long-term preservation of our signature, pristine coastline.

The majestic red mangrove stand on our property will be preserved primarily by the creation of a natural path through this ecosystem. It is worth noting that in the event of a storm or hurricane, mangroves greatly bolster the coastline and earth. Therefore, preserving this ecosystem is in our resort’s long-term best interest.

Site location, aerial photographs, photographs of the existing “Inn on the Blue Horizon”, site plans and renderings of the subject property begin on the next page.

PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Site Location



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Photographs of the Subject Property



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Photographs of the Subject Property



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Photographs of the Subject Property



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Photographs of the Subject Property



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Photographs of the Subject Property



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Photographs of the Subject Property



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Proposed Master Site Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Construction Phase I



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Construction Phase II



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Two Bedroom (1-story) Hotel Villa Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Three Bedroom (2-story) Hotel Villa - Ground Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Three Bedroom (2-story) Hotel Villa Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Villa A - Ground Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Villa B - Ground Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Villa B - Second Level Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

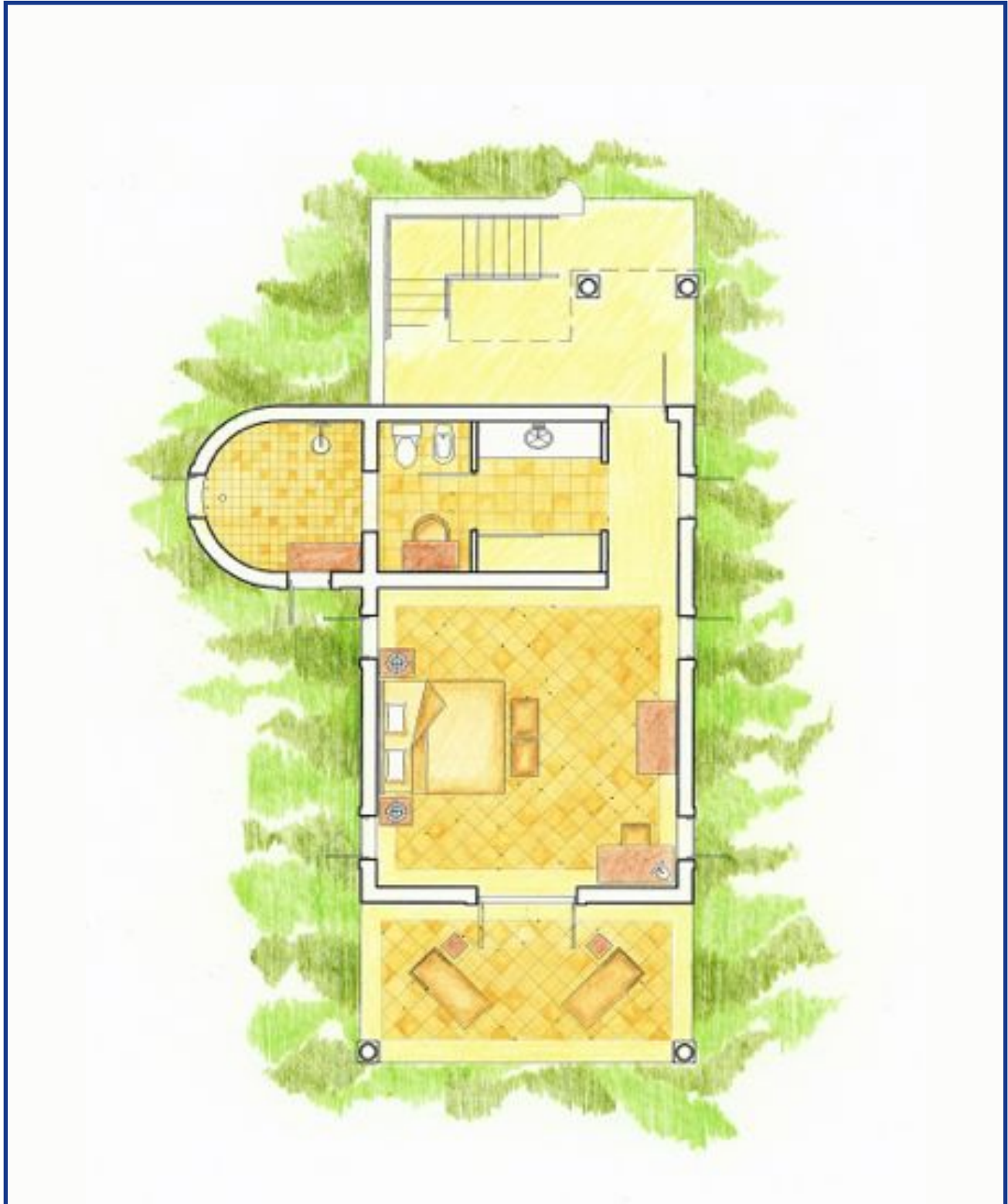
Villa C - Ground Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Villa D - Ground Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Villa D - Second Level Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Plantation Cluster Villa A - Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

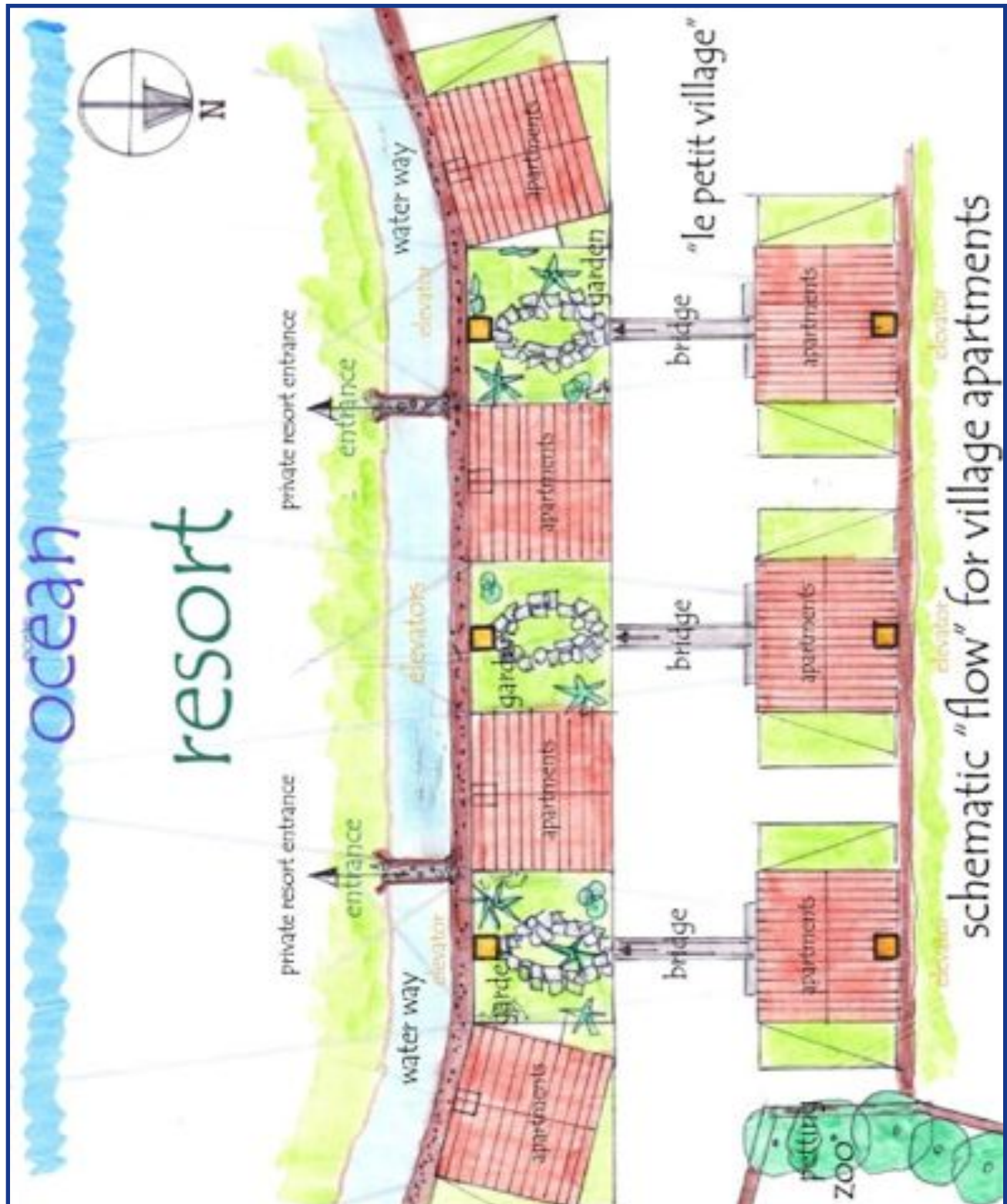
Plantation Cluster Villa B - Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

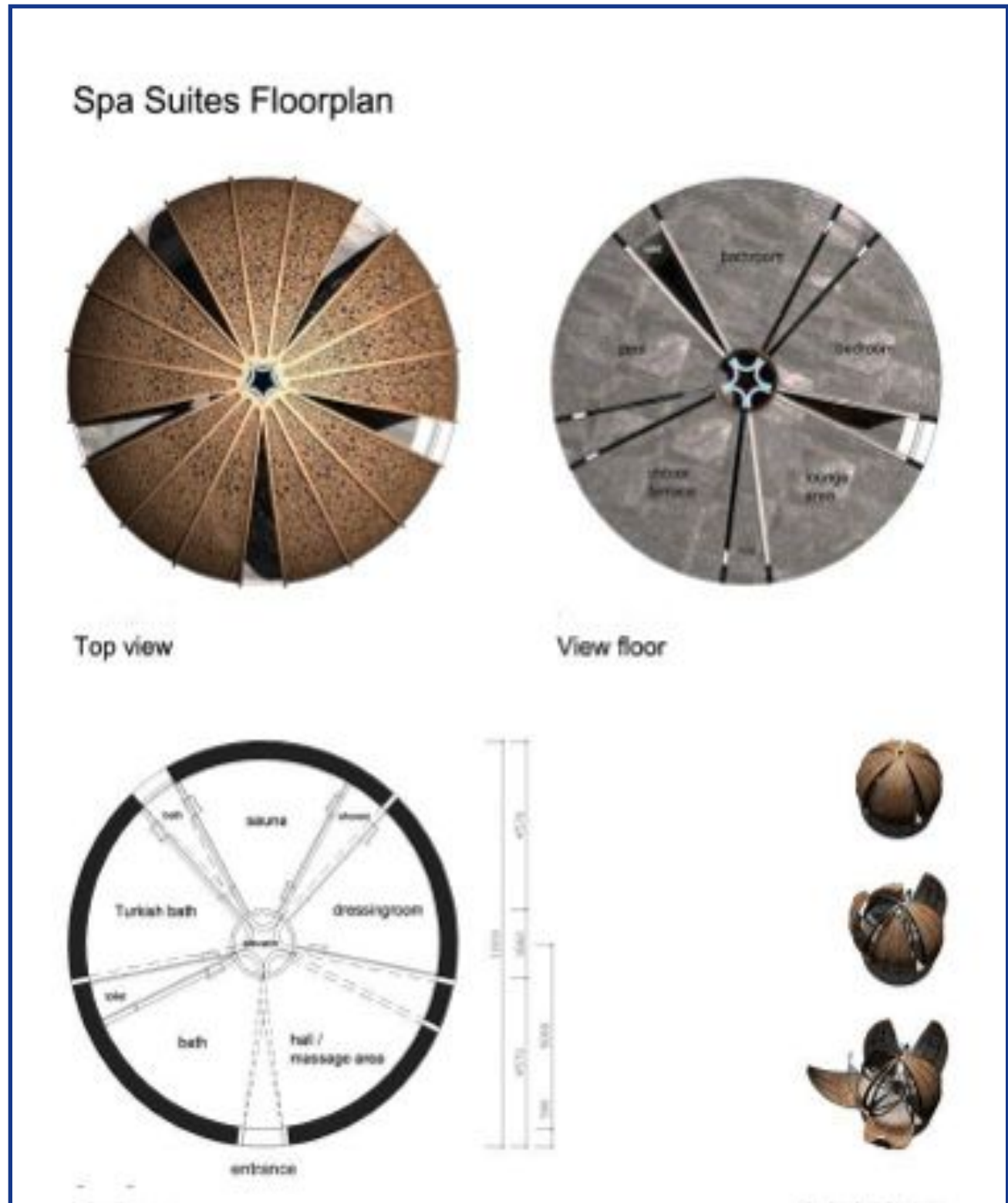
Penthouse Le Petit Village Schematic Flow - Penthouse Suites



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

One Bedroom (2-story) - Lotus Spa Suites Floor Plan



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Rendering - Lotus Spa Suites



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

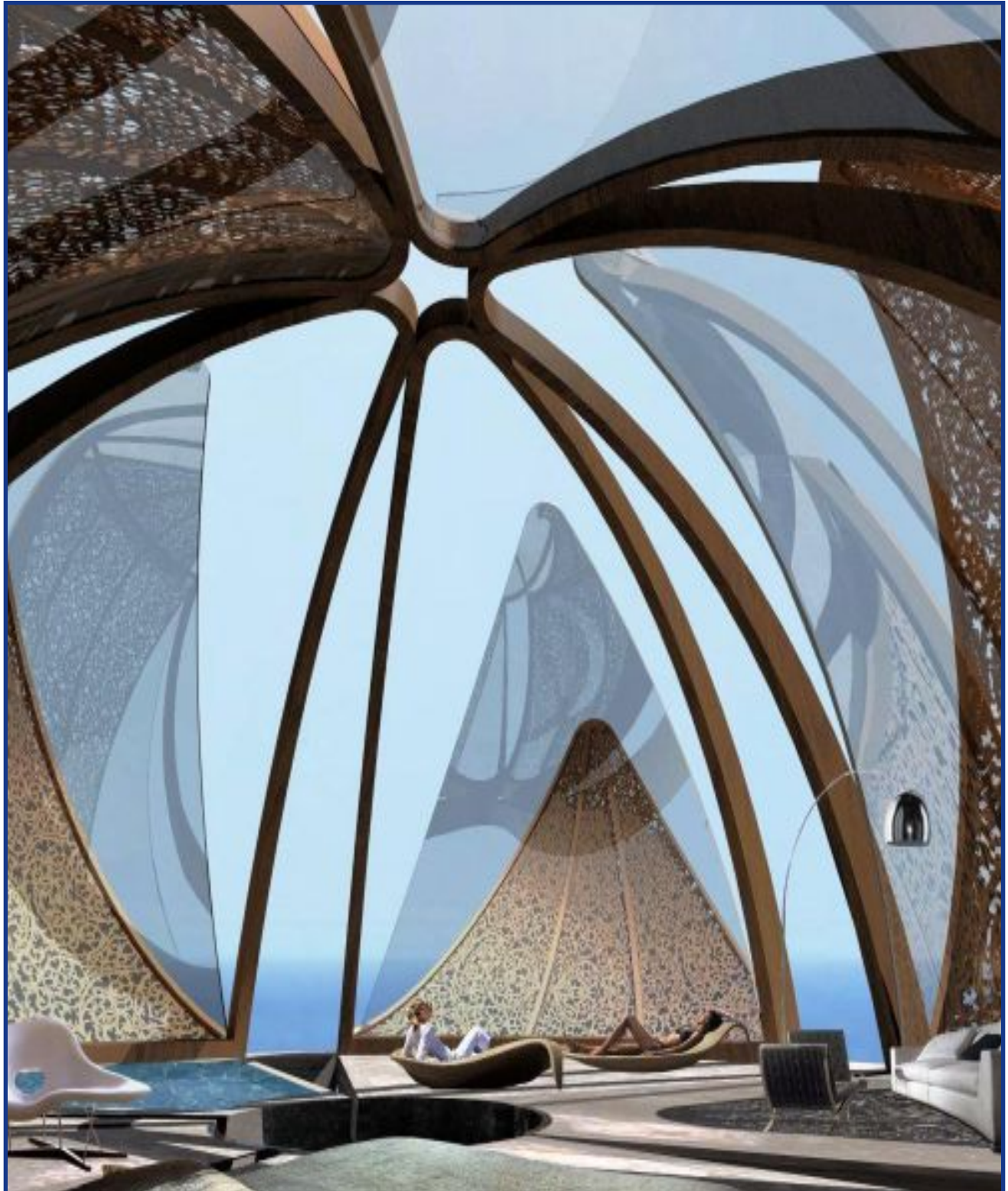
Rendering - Lotus Spa Suites



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

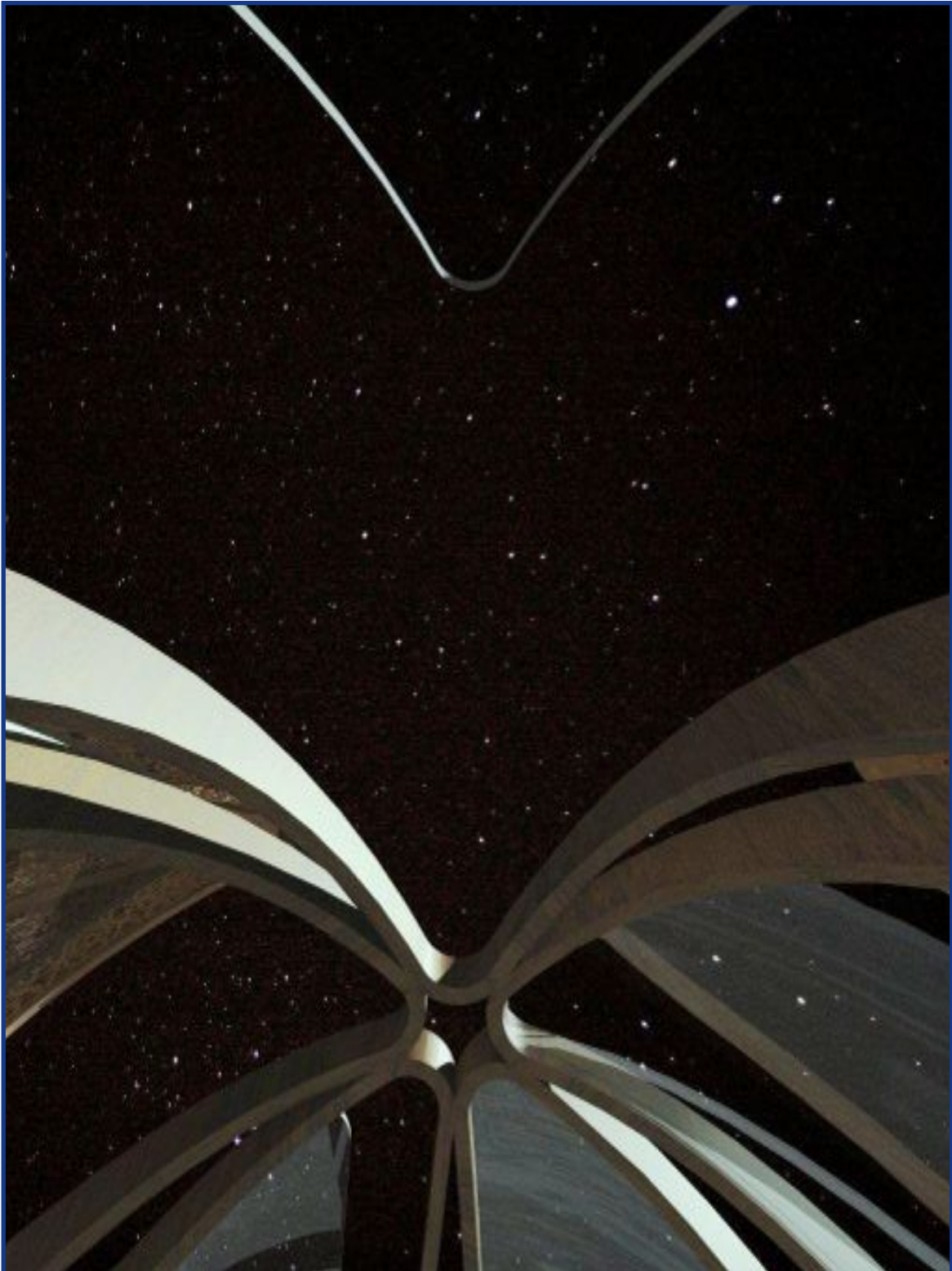
Rendering - Lotus Spa Suites



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Rendering - Lotus Spa Suites



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Rendering - Lotus Spa Suites



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Suite Rendering



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Suite Rendering



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Renderings



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Renderings



PART THREE — Presentation of Data

I. Identification of the Subject Property (continued)

Renderings



PART THREE — Presentation of Data

II. Area Profile

The subject property is located on Vieques Island in the Commonwealth of Puerto Rico.

Caribbean Islands Map



PART THREE — Presentation of Data

II. Area Profile (continued)

Puerto Rico



Location

Caribbean, island between the Caribbean Sea and the North Atlantic Ocean, east of the Dominican Republic.

Area

Total: 13,790 sq km

Land: 8,870 sq km

Water: 4,921 sq km

Coastline

501 km

Terrain

Mostly mountains with coastal plain belt in north; mountains precipitous to sea on west coast; sandy beaches along most coastal areas.

Elevation extremes

Lowest point: Caribbean Sea 0 m

Highest point: Cerro de Punta 1,339 m

PART THREE — Presentation of Data

II. Area Profile (continued)

Natural resources

Some copper and nickel; potential for onshore and offshore oil.

Geography

Important location along the Mona Passage - a key shipping lane to the Panama Canal; San Juan is one of the biggest and best natural harbors in the Caribbean; many small rivers and high central mountains ensure land is well watered; south coast relatively dry; fertile coastal plain belt in north.

People

Population:

3,971,020 (July 2009 est.).

Country comparison to the world: 129

Population growth rate:

0.34% (2009 est.).

Country comparison to the world: 171

Urbanization:

Urban population: 98% of total population (2008).

Rate of urbanization: 0.8% annual rate of change (2005-10 est.).

Government

Country name: Conventional long form: Commonwealth of Puerto Rico.

Conventional short form: Puerto Rico.

Dependency status:

Unincorporated, organized territory of the US with commonwealth status; policy relations between Puerto Rico and the US conducted under the jurisdiction of the Office of the President.

Government type: Commonwealth.

Capital Name: San Juan.

Administrative divisions:

None (territory of the US with commonwealth status); there are no first-order administrative divisions as defined by the US Government, but there are 78 municipalities (municipios, singular - municipio) at the second order; Adjuntas, Aguada, Aguadilla, Aguas Buenas, Aibonito, Anasco, Arecibo, Arroyo, Barceloneta, Barranquitas, Bayamon, Cabo Rojo, Caguas, Camuy, Canovanas, Carolina, Catano, Cayey, Ceiba, Ciales, Cidra, Coamo, Comerio, Corozal, Culebra, Dorado, Fajardo, Florida, Guanica, Guayama, Guayanilla, Guaynabo, Gurabo, Hatillo, Hormigueros, Humacao, Isabela, Jayuya, Juana Diaz, Juncos, Lajas, Lares, Las Marias, Las Piedras, Loiza, Luquillo, Manati, Maricao, Maunabo, Mayaguez, Moca, Morovis, Naguabo, Naranjito, Orocovi, Patillas, Penuelas, Ponce, Quebradillas, Rincon, Rio Grande, Sabana Grande, Salinas, San German, San Juan, San Lorenzo, San Sebastian, Santa Isabel, Toa Alta, Toa Baja, Trujillo Alto, Utuado, Vega Alta, Vega Baja, **Vieques**, Villalba, Yabucoa, Yauco.

PART THREE — Presentation of Data

II. Area Profile (continued)

Independence:

None (territory of the US with commonwealth status).

National holiday:

US Independence Day, 4 July (1776); Puerto Rico Constitution Day, 25 July (1952).

Constitution:

Ratified 3 March 1952; approved by US Congress 3 July 1952; effective 25 July 1952.

Legal system:

Based on Spanish civil code and within the US Federal system of justice.

Suffrage:

18 years of age; universal; island residents are US citizens but do not vote in US presidential elections.

Executive branch:

Chief of state: President Barack H. OBAMA (since 20 January 2009); Vice President Joseph R. BIDEN (since 20 January 2009).

Head of government: Governor Luis FORTUNO (since 2 January 2009.)

Cabinet: Cabinet appointed by the governor with the consent of the legislature.

Elections: under the US Constitution, residents of unincorporated territories, such as Puerto Rico, do not vote in elections for US president and vice president; however, they may vote in Democratic and Republican party presidential primary elections; governor elected by popular vote for a four-year term (no term limits); election last held 4 November 2008 (next to be held in November 2012).

Election results: Luis FORTUNO elected governor with 52.8% of the vote.

Legislative branch:

Bicameral Legislative Assembly consists of the Senate (at least 27 seats; members are directly elected by popular vote to serve four-year terms) and the House of Representatives (51 seats; members are elected by popular vote to serve four-year terms).

Elections: Senate - last held 4 November 2008 (next to be held November 2012); House of Representatives - last held 4 November 2008 (next to be held in November 2012).

Election results: Senate - percent of vote by party - PNP 81.5%, PPD 18.5%; seats by party - PNP 22, PPD 5; House of Representatives - percent of vote by party - PNP 72.5%, PPD 27.5%; seats by party - PNP 37, PPD 14.

Note: Puerto Rico elects, by popular vote, a resident commissioner to serve a four-year term as a nonvoting representative in the US House of Representatives; aside from not voting on the House floor, he enjoys all the rights of a member of Congress; elections last held 4 November 2008 (next to be held in November 2012); results - percent of vote by party - NA; seats by party - PNP 1.

Judicial branch:

Supreme Court; Appellate Court; Court of First Instance composed of two sections: a Superior Court and a Municipal Court (justices for all these courts appointed by the governor with the consent of the Senate).

Political parties and leaders:

National Democratic Party [Roberto PRATS]; National Republican Party of Puerto Rico [Dr. Tiody FERRE]; New Progressive Party or PNP [Pedro ROSSELLO] (pro-US statehood); Popular Democratic Party or PPD [Anibal ACEVEDO-VILA] (pro-commonwealth); Puerto Rican Independence Party or PIP [Ruben BERRIOS Martinez] (pro-independence).

PART THREE — Presentation of Data

II. Area Profile (continued)

Political pressure groups and leaders:

Boricua Popular Army or EPB (a revolutionary group also known as Los Macheteros); note - the following radical groups are considered dormant by Federal law enforcement: Armed Forces for National Liberation or FALN, Armed Forces of Popular Resistance, Volunteers of the Puerto Rican Revolution.

International organization participation:

Caricom (observer), Interpol (subbureau), IOC, ITUC, UNWTO (associate), UPU, WCL, WFTU.

Diplomatic representation in the US:

None (territory of the US with commonwealth status).

Diplomatic representation from the US:

None (territory of the US with commonwealth status).

Flag description:

Five equal horizontal bands of red (top and bottom) alternating with white; a blue isosceles triangle based on the hoist side bears a large, white, five-pointed star in the center; design initially influenced by the US flag, but similar to the Cuban flag, with the colors of the bands and triangle reversed.

Economy - overview:

Puerto Rico has one of the most dynamic economies in the Caribbean region. A diverse industrial sector has far surpassed agriculture as the primary locus of economic activity and income. Encouraged by duty-free access to the US and by tax incentives, US firms have invested heavily in Puerto Rico since the 1950s. US minimum wage laws apply. Sugar production has lost out to dairy production and other livestock products as the main source of income in the agricultural sector. Tourism has traditionally been an important source of income.

Currency

United States dollar (US\$).

GDP (purchasing power parity):

\$70.59 billion (2008 est.)
country comparison to the world: 79
\$72.03 billion (2007)
\$73.35 billion (2006)
note: data are in 2008 US dollars

GDP (official exchange rate):

\$88 billion (2008 est.)

GDP - real growth rate:

-2% (2008 est.)
country comparison to the world: 212
-1.8% (2007 est.)
0.5% (2006 est.)

GDP - per capita (PPP):

\$17,800 (2008 est.)
country comparison to the world: 68
\$18,300 (2007 est.)
\$18,700 (2006 est.)

Note: data are in 2008 US dollars.

PART THREE — Presentation of Data

II. Area Profile (continued)

Puerto Rico is classified as a high income country, high income countries are defined by the World Bank as countries with a Gross National Income (GNI) per capita of \$11,116 or more.

Labor Force

1.4 million (2005).

By occupation: Services 28.2%, government 22.1%, trade 21.1%, manufacturing 11.1%, construction and mining 7%, transportation and other public utilities 4.8%, finance, insurance and real estate 3.5%, agriculture 2.1% (2005).

Construction Growth

Construction is currently one of the most dynamic activities in Puerto Rico's economy. Since the mid-1980's, the construction industry has grown faster than most other economic sectors, helping to sustain the overall growth of the economy.

Organized Labor

115,000 members in 4 unions; the largest is the General Confederation of Puerto Rican workers with 35,000 members (1983).

Transportation

Airports:

29 (2008)

country comparison to the world: 119

Airports - with paved runways:

total: 17

over 3,047 m: 3

1,524 to 2,437 m: 2

914 to 1,523 m: 7

under 914 m: 5 (2008)

Airports - with unpaved runways:

total: 12

1,524 to 2,437 m: 1

914 to 1,523 m: 1

under 914 m: 10 (2008)

Roadways:

total: 26,186 km

country comparison to the world: 103

paved: 24,877 km (includes 427 km of expressways)

unpaved: 1,309 km (2007)

Merchant marine:

total: 3

country comparison to the world: 140

PART THREE — Presentation of Data

II. Area Profile (continued)

by type: roll on/roll off 3

foreign-owned: 3 (US 3)

registered in other countries: 1 (Saint Vincent and the Grenadines 1) (2008)

Ports and terminals:

Guayanilla, Mayaguez, San Juan

Vieques, Puerto Rico



Vieques, in full Isla de Vieques, is an island-municipality of Puerto Rico in the northeastern Caribbean, part of an island grouping sometimes known as the Spanish Virgin Islands. Although Puerto Rico is a U.S. Commonwealth, Vieques, like the rest of Puerto Rico, retains strong Spanish influences from 400 years of Spanish ownership.

Vieques lies about 8 miles (13 km) to the east of the Puerto Rican mainland, and measures approximately 21 miles (34 km) long by 4 miles (6 km) wide. The two main towns of Vieques are Isabel Segunda (sometimes written “Isabel II”), the administrative center located on the northern side of the island, and Esperanza, located on the southern side. At peak, the population of Vieques is around 10,000.

The island’s name is a Spanish spelling of a Native American word said to mean “small island”. It also has the nickname “Isla Nena”, usually translated from the Spanish as “Little Girl Island”, as a reference to its being perceived as Puerto Rico’s little sister island. During the colonial period the British name was “Crab Island”.

Vieques is best known internationally as the site of a series of protests against the United States Navy’s use of the island as a bombing range and testing ground, which eventually led to the Navy’s departure in 2003. Today the former Navy land is a national wildlife refuge, with numerous beaches that still retain the names given by the Navy, including Red Beach, Blue Beach, Green Beach and others. The beaches are commonly listed among the top beaches in the Caribbean for their azure-colored waters and white sands.

United States acquisition

In 1898, after Spain’s defeat in the Spanish–American War, Vieques, along with mainland Puerto Rico, was ceded to the United States.

PART THREE — Presentation of Data

II. Area Profile (continued)

In the 1920s and 1930s, the sugar industry, on which Vieques was totally dependent, went into decline due to falling sugar prices and industrial unrest. Many locals were forced to move to mainland Puerto Rico or Saint Croix to look for work.

During World War II, the United States military purchased about two thirds of Vieques as an extension to the Roosevelt Roads Naval Station nearby on the Puerto Rican mainland. The original purpose of the base (never implemented) was to provide a safe haven for the British fleet should Britain fall to Nazi Germany. Much of the land was bought from the owners of large farms and sugar cane plantations, and the purchase triggered the final demise of the sugar industry. Many agricultural workers, who had no title to the land they occupied, were evicted.

After the war, the US Navy continued to use the island for military exercises, and as a firing range and testing ground for bombs, missiles, and other weapons in a manner not unlike Kaho'olawe in the Hawaiian Islands.

Protests and departure of the United States Navy

The continuing post-war presence in Vieques of the United States Navy drew protests from the local community, angry at the expropriation of their land and the environmental impact of weapons testing. The locals' discontent was exacerbated by the island's parlous economic condition.

These protests came to a head in 1999 when Vieques native David Sanes, a civilian employee of the United States Navy, working as a security guard at the Atlantic Fleet Weapons Training Facility on Vieques, was killed by a bomb dropped during target practice. A campaign of civil disobedience began. The locals took to the ocean in their small fishing boats and successfully stopped the US Navy's military exercises. The Vieques issue became something of a cause célèbre, and local protesters were joined by sympathetic groups and prominent individuals from the mainland United States (such as Edward James Olmos) and abroad.

As a result of this pressure, in May 2003 the Navy withdrew from Vieques, and much of the island was designated a National Wildlife Refuge under the control of the United States Fish and Wildlife Service. Closure of Roosevelt Roads Naval Station followed in 2004.

Government

Vieques is a municipio of Puerto Rico, translated as "municipality" and in this context roughly equivalent to "township". It is in the Puerto Rican electoral district of Carolina. Local government is under the leadership of a mayor (Spanish *alcalde*), presently Evelyn Delorme Camacho. Like the rest of Puerto Rico, the head of state is the President of the United States.

Administrative divisions

Administratively Vieques is divided into Isabel Segunda plus twelve wards:

- | | |
|---------------|-------------------|
| - Monte Santo | - Esperanza |
| - Florida | - Martineau |
| - Puerto Real | - Villa Borinquen |
| - La Llave | - Monte Carmelo |
| - Luján | - Verde Vieques |
| - Destino | - Pílon |

These are often referred to as "barrios", though this term is also applied to various other sublocalities and townships on the island.

PART THREE — Presentation of Data

II. Area Profile (continued)

Geography

Vieques measures about 21 miles (34 km) east-west, and three to four miles (5 km) north-south. It has a land area of 52 square miles (135 km²) and is located about ten miles (16 km) to the east of Puerto Rico. To the north of Vieques is the Atlantic Ocean, and to the south the Caribbean Sea. The island of Culebra is about 10 miles (16 km) north of Vieques, and the US Virgin Islands lie to the east. Vieques and Culebra, together with various small islets, make up the so-called Spanish Virgin Islands, sometimes known as the Passage Islands.

The former US Navy lands, now wildlife reserves, occupy the entire eastern and western ends of Vieques, with the former live weapons testing site (known as the “LIA”, or “Live Impact Area”) at the extreme eastern tip. These areas are unpopulated. The former civilian area occupies very roughly the central third of the island and contains the towns of Isabel Segunda on the north coast, and Esperanza on the south.

Vieques has a terrain of rolling hills, with a central ridge running east-west. The highest point is Monte Pirata (“Pirate Mount”) at 987 feet (300 m). Geologically the island is composed of a mixture of volcanic bedrock, sedimentary rocks such as limestone and sandstone, and alluvial deposits of gravel, sand, silt, and clay. There are no permanent rivers or streams. Much former agricultural land has been reclaimed by nature due to prolonged disuse, and, apart from some small-scale farming in the central region, the island is largely covered by brush and subtropical dry forest. Around the coast lie palm-fringed sandy beaches interspersed with lagoons, mangrove swamps, salt flats and coral reefs.



Location of Vieques, with the Spanish Virgin Islands highlighted in yellow, the US Virgin Islands of St. Thomas, St. John and St. Croix in white, and Tortola, in the British Virgin Islands, in beige.

Economy

The sugar industry, once the mainstay of the island's economy, declined during the early decades of the twentieth century, and finally collapsed in the 1940s when the US Navy took over much of the land on which the sugar cane plantations stood. After an initial naval construction phase, opportunities for making a living on the island were largely limited to fishing or subsistence farming on reduced area. Crops grown on the island include avocados, bananas, coconuts, grains, papayas and sweet potatoes. A small number of permanent local jobs

PART THREE — Presentation of Data

II. Area Profile (continued)

were provided by the US Navy. Since the 1970s General Electric has employed a few hundred workers at a manufacturing plant. Unemployment was widespread, with consequent social problems. The 2000 US census reported a median household income in 1999 dollars of \$9,331 (compared to \$41,994 for the USA as a whole), and 35.8% of the population of 16 years and over in the labor force (compared to 63.9% for the USA as a whole).

Like the rest of Puerto Rico, the island's currency is the US dollar.

Following the 2003 departure of the US Navy, efforts have been made to redevelop the island's agricultural economy, to clean up contaminated areas of the former bombing ranges, and to develop Vieques as a tourist destination.

Tourism

For sixty years the majority of Vieques was closed off by the US Navy, and the island remained almost entirely undeveloped for tourism. This lack of development is now marketed as a key attraction. Vieques is promoted under an ecotourism banner as a sleepy, unspoiled island of rural "old world" charm and pristine deserted beaches, and is rapidly becoming a popular destination.

Since the Navy's departure, tensions on the island have been low, although land speculation by foreign developers and fears of overdevelopment have caused some resentment among local residents, and there are occasional reports of lingering anti-American sentiment.

The lands previously owned by the Navy have been turned over to the U.S. National Fish and Wildlife Service and the authorities of Puerto Rico and Vieques for management. The immediate bombing range area on the eastern tip of the island suffers from severe contamination, but the remaining areas are mostly open to the public, including many beautiful beaches that were inaccessible to civilians when the military bases were open.

Snorkeling is excellent, especially at Blue Beach (Bahía de la Chiva). Aside from archeological sites, such as La Hueca, and deserted beaches, a unique feature of Vieques is the presence of two pristine bioluminescent bays, including Mosquito Bay. Vieques is also famous for its feral horses, which roam free over parts of the island. These are descended from stock originally brought by European colonisers.

Landmarks and places of interest

- Fortín Conde de Mirasol (Count Mirasol Fort), a fort built by the Spanish in the mid 19th century, now a museum
- Playa Esperanza (Esperanza Beach)
- The tomb of Le Guillou, the town founder, in Isabel Segunda
- La Casa Alcaldía (City Hall)
- Faro Punta Mulas, built in 1896
- Faro de Puerto Ferro
- Sun Bay Beach
- The Bioluminescent Bay
- The 300-year-old ceiba tree
- Rompeolas (Mosquito Pier), renamed Puerto de la Libertad David Sanes Rodríguez in 2003

PART THREE — Presentation of Data

II. Area Profile (continued)

- Puerto Ferro Archaeological Site
- Black Sand Beach
- Hacienda Playa Grande (Old Sugarcane Plantation Building)
- Underground U.S. Navy Bunkers

Festivals and events

- Festival de los Reyes Magos (Epiphany Festival) – January 6
- Via Crucis (Passion Play) – Holy Week
- Festival Cultural Viequense (Vieques Cultural Festival) – March/April
- Fiestas Patronales (Traditional Town Festivities) – July
- Trova Navideña (Christmas Troubador Night) – December
- Festival Navideño (Christmas Festival) – December-January

Language

Both Spanish and English are recognized as official languages. Spanish is the primary language of most inhabitants.

Transportation

Vieques is served by Antonio Rivera Rodríguez Airport, which currently accommodates only small propeller driven aircraft. Services to the island run from San Juan's Luis Muñoz Marín International Airport, Ceiba Airport or Isla Grande Airport (20-30 minute flight). Flights are also available between Vieques and Saint Croix and Saint Thomas.

A ferry runs from Fajardo several times a day.

PART THREE — Presentation of Data

III. Caribbean Trends in the Hotel Industry - PKF

Stormy Seas Ahead in the Caribbean?

Scott D. Smith, MAI



The Caribbean hotel industry experienced mixed results in 2008 when it came to number of visitors, construction of hotels and resorts, and profit margins. By year end, the issue that loomed in everyone's head was, "In which direction is the economy headed and what are the effects it will have on businesses?"

Caribbean hotels and resorts are counting on the US market to improve so that business can improve as soon as possible. The recession that started in 2008 has no definite ending. However, Ben Bernanke of the US Federal Reserve believes that the economy's recession will end by 2009 and that 2010 will be the year for rebuilding.

Until the recession ends, hotels all over the Caribbean are attempting to come up with different strategies to help boost business. These strategies include using incentive packages, cutting room rates, and working with the government and airline companies to increase visitor numbers. Some hotels in the Caribbean went so far as to pay airline subsidies in an attempt to retain or add air service. The issue of how the current recession has impacted the Caribbean hotel industry will be discussed later in this article.

According to Smith Travel Research, room supply in the Caribbean increased 1.0 percent in 2008. Unfortunately, room demand in the Caribbean decreased 2.5 percent. The decrease in room demand caused a 3.5 percent decrease in occupancy. Due to the competitive market conditions in the Caribbean, average daily rate (ADR) decreased 9.0 percent. The combination of the declines in both occupancy and ADR caused revenue per available room (RevPAR) to decrease 12.2 percent in 2008.

Total tourist arrivals in the Caribbean region dropped nearly 4.0 percent (701,312 people) from the 2007 to 2008. Of the 13 countries that provided annual tourist stay-over arrival information for both 2007 and 2008 (Table A), only seven posted increases. The Dominican Republic once again was the most popular destination in the Caribbean for tourists with a total of 3,979,672 visitors. The Dominican Republic was also the number one Caribbean destination for visitors from Europe, while the most popular destination for US tourists was Cancun, Mexico. Most Canadians preferred traveling to Cuba.

According to research done by Cruise Lines International Association (CLIA), 43 percent of survey respondents cited the Caribbean as the most appealing destination for cruise passengers worldwide. However, the number of cruise passengers that visited the Caribbean decreased by 3.5 percent. In recent years, the Caribbean has faced growing competition from Alaskan and European cruises. The fourth edition of the European Cruise Contribution report showed that Europe saw a 10 percent increase of passengers embarking from European ports, an increase of 4.7 million passengers from 2007.

Issue 1: Caribbean Airlift

A major issue that the Caribbean hotel industry had to confront in 2008 was that many airlines were cutting flights to the region. This was due in part to the rising price of jet fuel, as well as the economic downturn in the US. However, airlift has improved for many Caribbean destinations so far in 2009.

Airlift to Bonaire during 2008 became more difficult with Delta, Continental, and American Eagle all cutting flights. American Airlines also cut flights to the Bahamas. Conversely, American Airlines began offering more flights to Grenada, St. Kitts, Puerto Rico, and Antigua. According to Caribbean UPDATE, American Airlines has decided to reinstate flights effective November 19, 2009 to Puerto Rico by adding three more daily flights. This comes after the airline decided to cut daily flights to Puerto Rico from 38 to 18 in September 2008.

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III. Caribbean Trends in the Hotel Industry - PKF (continued)

Flights to places such as the US Virgin Islands, Martinique, Antigua & Barbuda, Puerto Rico, St. Lucia, St. Maarten, and Dominica all increased in 2009. According to the July 2009 edition of Caribbean UPDATE, JetBlue is going to be flying to three new Caribbean destinations effective October 2009. These new locations include Barbados, Jamaica, and St. Lucia. JetBlue currently has service to Montego Bay, Jamaica, but will increase its Jamaican service by offering flights to Kingston's Norman Manley International Airport as well. JetBlue is also looking to increase service to Santo Domingo in the Dominican Republic and Cancun, Mexico. Delta Airlines just announced that a second flight to St. Kitts will be added effective in December of 2009, just in time for the winter traveling season. This positive outlook on airlift is encouraging for the hotel industries of those respective Caribbean nations.

Jamaica's House of Representatives recently approved a US\$101.8 million guarantee for loans to Air Jamaica, Ltd. in order for the airline to operate under its new 2009-2010 business plan. Air Jamaica, Ltd. is currently Jamaica's government-owned national airline, but as recent as 2007 has considered becoming a private company.

Issue 2: Economic Recession

Questions about the US and the world economies are a concern for the Caribbean travel industry. All eyes are on the US and European markets. As noted earlier, in order for Caribbean hotels to deal with the problems that have arisen because of the economic situation, there have been different strategies implemented in an attempt to stimulate growth and increase business.

One major strategy that is being utilized by hotels in the Caribbean in 2009 is the use of incentive packages. The US Virgin Islands, currently being hit hard because of its close ties to the US economy, released a 2009 group incentive program. Under this program, groups that booked 20 or more rooms for 2009 with a minimum of four nights between December 15, 2008 and April 30, 2009 received a \$50 credit for each member of the group. These credits are able to be used at local restaurants, businesses, and attractions in the US Virgin Islands. Furthermore, the USVI Department of Tourism is offering a groups reward program where it is possible for a group to win \$5,000. One hotel, the Westin St. John, recently announced their "Recession Rescue Package" which offers a \$150 credit when you stay for five nights, or a \$200 credit if you stay six nights or more. The Caribe Hilton in San Juan, Puerto Rico is offering an incentive program of its own as well, offering a \$50 resort credit to guests who stay two or three nights, or a \$75 resort credit for staying four or more nights. These kinds of incentives are being offered all over the Caribbean. A main theme that is evident from these packages is that Caribbean hotels are attempting to get travelers to the region to extend their stay and generate demand for other revenue departments such as restaurants and spas.

Another major strategy being employed by Caribbean hotels is the use of marketing to target areas. Many of these target areas are large, metropolitan areas in the United States, including Philadelphia, New York, Chicago, and Boston. The Jamaican Government has approved an increase of US\$5 million in advertising in these large cities. St. Lucia and the Bahamas are both following suit increasing their marketing budgets by US\$7 million and US\$12 million respectively.

Similar to many United States hotels, several Caribbean properties in 2008 were forced to layoff employees due to the downturn in the economy. The following list highlights some hotels who have had to institute layoffs:

- Sandals Resort - laid off 650 hotel employees which is around 7.0 percent of its workforce;
- Comfort Suites Paradise Island - laid off one fifth of its workers after it had reduced working hours in an attempt to avoid layoffs;

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III. Caribbean Trends in the Hotel Industry - PKF (continued)

- The Atlantis - the Bahamas' second largest employer, laid off 800 workers;
- Four Seasons Great Exuma - hotel that employed 500 people in its workforce is now closed;
- Four Seasons Nevis - currently closed until October of 2009 because of the impacts of Hurricane Omar;
- Baha Mar in the Bahamas - laid off 80 employees at two locations.

Issue 3: Caribbean Hotel Construction

The construction of hotels and resorts in the Caribbean has been impacted by the poor US and European economies. Many Caribbean hotels have not been able to get the financing they need in order to proceed with construction. Last year's Caribbean Trends® publication explained how many hotels in the Caribbean were following US trends by including a residential component to their properties. These hotels used deposits received from the residential units to help finance the construction of the hotel.

But many believe that this hotel development model is no longer viable. Deposits from buyers are no longer sufficient enough to cover the financing of many hotels which has stalled construction of several projects in the Caribbean.

Four proposed Ritz-Carlton hotels in the Caribbean have been affected because of financing which has stalled the construction of all these hotels. The Ritz-Carlton St. Lucia was originally supposed to be complete and open for business by 2010, but because of the industry slow down, will begin construction at the end of 2009 and will not be open until 2012. According to a report by The Courier, construction on the Ritz-Carlton Cap Cana (a resort with four luxury hotels, three golf courses, and a yacht marina) has been stalled with 500 workers to be laid off. This project, as well as the Ritz-Carlton Molasses Reef at West Caicos, were impacted by the bankruptcy of Lehman Brothers. The fourth Ritz-Carlton affected by the economic crisis is the Rose Island project which is awaiting further financing.

In the Dominican Republic, the Four Seasons La Romana has also delayed construction because of similar situations to the Ritz-Carltons, according to Dominican Republic Travel News. But, the Dominican Republic government has announced plans for three new projects: The Vista Cana, Punta Perla, and the Nuevo La Romana. The Westin Roco Ki has experienced delays in construction due to construction cost over runs and the inability to receive additional financing.

On a positive note, Caribbean *UPDATE* reported that the Hyatt Regency Curaçao Golf Resort, Spa & Marina has announced it will be opening its doors in March of 2010.

The following table shows the Caribbean development pipeline.

Caribbean Development Pipeline								
Region	Under Construction		Starts Next 12 Months		Early Planning		Total Pipeline	
	Projects	Rooms	Projects	Rooms	Projects	Rooms	Projects	Rooms
Caribbean	54	12,395	27	5,076	24	4,665	105	22,136
Source: Lodging Econometrics - March 2009								

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III. Caribbean Trends in the Hotel Industry - PKF (continued)

There are a total of 105 projects (22,136 rooms) under development in the Caribbean. As of March 31, 2009, of the 105 total projects, 54 projects (51.4 percent) are under construction. We suspect that the construction of the remaining 51 projects will be delayed until current economic situation gets better.

When will everything rebound?

Everyone wants to know when this economic recession will end and business will get back to normal. There is no definite answer, but for many countries in the Caribbean it will depend on the direction of the US economy. While many Caribbean hotel projects are currently stalled, delayed, waiting on financing, and/or dealing with layoffs, things are improving when it comes to airlift into the region. Many flights have been added or have been reinstated. The economic recession has forced hotels in the Caribbean to look for innovative ways to market their properties in order to gain market share. Hotels are being forced to become creative with their incentive packages and are offering discounted room rates that would never be possible if the economy was in better shape. Many tourists are taking advantage of these special opportunities.

Although the Caribbean tourism industry is currently facing one of the most difficult “perfect storms” of economic distress in recent memory, we expect that within the next two years (2011) tourism will begin to rebound.

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IV. Caribbean Tourism Data

The latest statistics (2009) published by the Caribbean Tourism Organization in February 26, 2010 follows:

Table 1: Tourist (Stop-over) Arrivals in 2009					
Destination	Period	Tourist Arrivals	% Change		
			Overall	Winter #	Summer #
Anguilla	Jan-Jun	30,716	-22.6	-21.8	-24.4
Antigua & Barbuda *	Jan-Nov	211,107	-12.7	-13.6	-12.0
Aruba ^P	Jan-Dec	812,623	-1.7	-6.8	1.1
Bahamas	Jan-Oct	1,116,195	-11.4	-14.2	-9.2
Barbados ^P	Jan-Dec	518,564	-8.7	-7.2	-9.5
Belize	Jan-Oct	192,155	-6.0	-7.1	-4.9
Bermuda	Jan-Dec	235,860	-10.5	-21.8	-6.8
Bonaire	Jan-Sep	49,316	-12.7	-16.3	-9.2
British Virgin Is.	Jan-Jul	205,914	-17.0	-19.3	-13.4
Cancun (Mexico) **	Jan-Sep	1,434,416	-15.6	1.0	-31.4
Cayman Islands	Jan-Dec	271,958	-10.2	-12.5	-8.6
Cuba	Jan-Dec	2,429,809	3.5	1.9	4.7
Curacao ^P	Jan-Nov	333,866	-3.5	-3.0	-3.9
Dominica ^P	Jan-Nov	64,402	-12.1	-1.4	-17.1
Dominican Republic *	Jan-Dec	3,992,303	0.3	-4.8	3.7
Grenada ^P	Jan-Dec	113,370	-12.5	-11.4	-13.2
Guyana ^P	Jan-Dec	141,053	6.2	-1.9	10.1
Jamaica	Jan-Dec	1,831,097	3.6	2.0	4.5
Martinique ^P	Jan-Dec	443,202	-7.7	-20.7	-2.3
Montserrat	Jan-Nov	4,897	-17.1	-11.4	-20.8
Puerto Rico**	Jan-Oct	1,082,423	-2.8	-7.7	1.6
Saba	Jan-Aug	8,707	-3.4	1.4	-8.2
St. Eustatius	Jan-Apr	4,025	-2.6	-2.6	-
St. Lucia	Jan-Dec	278,491	-5.8	-8.8	-4.1
St. Maarten	Jan-Dec	440,185	-7.4	-13.7	-2.9
St. Vincent & the G'dines	Jan-Oct	60,442	-12.1	-8.1	-15.0
Trinidad & Tobago	Jan-Jul	251,975	-5.7	-10.5	1.3
U S Virgin Islands	Jan-Dec	666,051	-2.5	-10.0	2.6

* Non-Resident Air Arrivals ** Non-Resident Hotel registrations only ^P Preliminary figures

Winter - Jan to Apr; Summer - May to Dec

N B: Figures are subject to revision by reporting countries

SOURCE - Data supplied by member countries and available as at February 26, 2010



PART THREE — Presentation of Data

IV. Caribbean Tourism Data (continued)

Table 2a: Tourist Arrivals by Month - 2009

Destination	January		February		March		April		May		June	
	Tourist	% ch	Tourist	% ch	Tourist	% ch	Tourist	% ch	Tourist	% ch	Tourist	% ch
Anguilla	4,958	-18.8	5,489	-23.5	5,714	-32.3	5,861	-9.0	4,354	-31.1	4,340	-16.2
Antigua & Barbuda *	22,657	-9.8	24,471	-14.5	23,272	-18.1	22,416	-11.3	17,048	-18.4	16,365	-12.2
Aruba ^P	69,225	-2.9	67,107	-8.1	67,456	-16.9	71,621	2.5	61,479	-3.4	63,117	2.8
Bahamas	93,679	-15.2	110,078	-14.7	143,443	-17.9	133,678	-8.6	122,363	-13.2	131,009	-14.5
Barbados ^P	45,455	-7.2	49,838	-8.1	50,237	-10.3	45,277	-2.3	38,665	-14.7	34,377	-21.0
Belize	22,580	-2.4	22,600	-12.4	26,499	-14.0	22,210	4.0	17,855	-11.6	20,118	-9.6
Bermuda	7,703	-17.3	10,013	-26.0	14,519	-23.1	18,810	-20.2	25,456	-18.2	30,713	-6.4
Bonaire	5,488	-15.0	6,266	-11.6	6,365	-12.7	5,409	-25.5	5,301	-10.1	4,566	-24.8
British Virgin Is.	29,514	-13.8	22,570	-36.2	33,880	-24.9	34,230	-0.2	27,641	-15.5	26,553	-15.6
Cancun (Mexico) **	212,323	12.2	216,449	6.8	223,945	-3.2	184,331	-10.3	63,606	-65.3	134,501	-32.9
Cayman Islands	23,404	-9.4	26,482	-12.8	31,194	-18.8	27,973	-6.7	21,438	-16.7	24,149	-13.7
Cuba	268,115	7.9	262,985	1.2	279,199	-2.4	236,301	1.6	164,652	3.7	164,941	7.3
Curacao	32,457	10.7	31,712	-5.7	30,066	-14.9	31,202 ^P	0.7	26,345 ^P	-1.0	28,201 ^P	8.0
Dominica ^P	6,008	-7.4	6,853	30.9	4,413	-35.9	5,876	20.9	6,640	-18.7	3,946	-18.4
Dominican Rep.*	382,055	-2.4	387,487	-6.4	406,270	-6.8	342,398	-3.2	296,374	2.4	331,373	-0.2
Grenada ^P	12,987	-2.6	9,688	-19.6	9,949	-25.5	10,451	6.0	7,408	-22.8	7,094	-31.2
Guyana ^P	8,132	-10.3	8,400	-5.5	11,876	-5.9	13,507	11.3	8,941	7.9	11,012	19.1
Jamaica	148,886	4.2	160,282	2.2	175,929	-4.5	164,090	7.8	153,443	8.6	168,561	4.1
Martinique ^P	40,678	-11.2	38,066	-17.9	35,618	-32.9	40,221	-1.0	35,242	-9.6	30,116	-1.6
Montserrat	468	-9.3	502	-13.6	617	-14.2	460	-7.1	395	-17.9	392	-29.4
Puerto Rico**	116,237	-4.1	117,197	-10.2	128,668	-12.9	118,894	-2.2	107,630	-0.1	105,505	-3.0
Saba	1,178	7.0	1,119	-1.1	1,193	0.0	1,115	0.1	1,013	-9.9	936	6.0
St. Eustatius	1,154	-4.8	862	-15.7	1,008	5.1	1,001	6.5	-	-	-	-
St. Lucia	23,051	-7.6	25,262	-13.2	25,938	-18.9	26,326	8.8	25,292	-9.0	19,706	-15.1
St. Maarten	44,647	-8.3	42,521	-14.1	41,878	-24.7	41,601	-5.4	33,566	-11.4	31,464	-6.7
St. Vincent & the G'dines	6,444	1.2	6,049	-24.2	7,065	-7.8	6,704	2.1	4,676	-23.7	6,137	-23.5
Trinidad & Tobago	30,620	-34.3	46,085	31.7	32,005	-21.5	34,641	-8.2	32,048	9.5	33,126	10.4
U S Virgin Islands	60,679	-5.8	62,225	-6.2	62,585	-23.0	65,738	-2.1	57,571	-2.2	58,110	-7.4

* Non-Resident Air Arrivals

** Non-Resident Hotel registrations only

^P Preliminary figures

N B: Figures are subject to revision by reporting countries

SOURCE - Data supplied by member countries and available as at February 26, 2010



PART THREE — Presentation of Data

IV. Caribbean Tourism Data (continued)

Table 2b: Tourist Arrivals by Month - 2009

Destination	July		August		September		October		November		December	
	Tourist	% ch	Tourist	% ch	Tourist	% ch	Tourist	% ch	Tourist	% ch	Tourist	% ch
Anguilla	-	-	-	-	-	-	-	-	-	-	-	-
Antigua & Barbuda *	22,538	-5.6	17,410	-17.0	11,141	-8.8	15,279	-11.0	18,510	-10.4	-	-
Aruba ^P	75,231	6.4	75,220	-1.8	55,162	0.3	63,252	7.3	67,848	2.5	75,905	-3.9
Bahamas	144,443	-9.3	108,980	-15.0	53,771	21.4	75,149	1.7	-	-	-	-
Barbados ^P	48,046	-12.7	39,034	-13.8	28,892	-15.4	38,757	-3.5	46,251	2.3	53,735	0.7
Belize	21,291	-3.9	17,461	-6.4	9,994	11.6	11,547	3.8	-	-	-	-
Bermuda	32,837	-1.8	27,877	-13.0	19,233	1.3	22,391	2.6	14,800	-7.3	11,508	-5.5
Bonaire	6,594	6.0	4,885	-14.1	4,442	-1.5	-	-	-	-	-	-
British Virgin Is.	31,526	-9.4	-	-	-	-	-	-	-	-	-	-
Cancun (Mexico) **	157,966	-23.4	143,587	-17.8	97,708	-8.4	-	-	-	-	-	-
Cayman Islands	25,775	-14.1	19,231	-11.1	9,115	-11.8	13,018	-11.5	20,614	4.5	29,565	5.0
Cuba	196,990	6.1	163,875	-2.4	119,914	15.2	142,544	14.5	182,778	1.2	247,515	0.6
Curacao	29,822	5.3	30,938	2.7	27,334	6.4	32,407P	-2.4	33,382	-28.6	-	-
Dominica ^P	9,028	3.1	6,586	-11.3	4,358	15.1	6,807	-43.9	3,887	-17.2	-	-
Dominican Rep.*	393,452	1.7	325,863	-1.1	204,522	5.3	229,388	9.4	284,824	6.1	408,297	8.9
Grenada ^P	12,025	-9.5	12,287	-16.5	5,735	-1.6	7,894	-1.1	7,795	-2.6	10,057	-10.0
Guyana ^P	19,370	20.9	15,056	4.3	8,613	0.3	9,900	3.6	10,191	7.7	16,055	11.0
Jamaica	195,940	5.7	152,573	7.1	95,263	3.5	108,820	2.6	125,494	2.7	181,816	1.2
Martinique ^P	44,674	0.3	55,263	3.8	28,043	0.1	26,314	1.4	28,451	-5.8	40,516	-7.3
Montserrat	557	-27.0	395	-17.4	278	-18.2	398	-15.9	435	-14.2	-	-
Puerto Rico**	111,014	-2.2	110,613	-3.2	77,459	21.6	89,206	6.2	-	-	-	-
Saba	1,267	-17.4	886	-4.5	-	-	-	-	-	-	-	-
St. Eustatius	-	-	-	-	-	-	-	-	-	-	-	-
St. Lucia	26,794	-7.9	23,304	-7.9	14,675	-3.1	19,031	0.2	21,777	10.0	27,335	4.4
St. Maarten	39,546	-8.4	37,549	-9.1	19,183	-0.5	27,045	10.8	36,005	1.1	45,180	6.8
St. Vincent & the G'dines	8,454	-16.9	6,670	-8.1	3,392	-10.7	4,851	0.4	-	-	-	-
Trinidad & Tobago	43,450	-9.4	-	-	-	-	-	-	-	-	-	-
U S Virgin Islands	61,144	-2.1	50,834	-5.9	28,410	16.4	39,108	26.2	52,724	12.5	66,923	5.0

* Non-Resident Air Arrivals

** Non-Resident Hotel registrations only

^P Preliminary figures

N B: Figures are subject to revision by reporting countries

SOURCE - Data supplied by member countries and available as at February 26, 2010



PART THREE — Presentation of Data

IV. Caribbean Tourism Data (continued)

Table 3: Tourist Arrivals by Main Market - 2009

Destination	Period	United States		Canada		Europe		Other	
		Tourist	% ch	Tourist	% ch	Tourist	% ch	Tourist	% ch
Anguilla	Jan-Jun	19,453	-24.3	1,200	-8.9	3,889	-19.5	6,174	-21.1
Antigua & Barbuda *	Jan-Nov	73,974	-3.5	10,785	-8.0	84,879	-15.0	41,469	-22.7
Aruba	Jan-Dec	528,104	-1.8	33,856	4.2	75,000	2.5	175,663	-4.2
Bahamas	Jan-Oct	908,631	-11.1	83,117	-9.1	64,901	-18.9	59,546	-10.1
Barbados ^P	Jan-Dec	122,306	-7.2	63,751	11.2	220,704	-12.3	111,803	-11.8
Belize	Jan-Oct	117,246	-5.5	13,517	-5.3	24,433	-12.8	36,959	-2.9
Bermuda	Jan-Dec	172,652	-8.8	24,854	-8.6	28,960	-17.3	9,394	-21.8
Bonaire	Jan-Sep	19,395	-22.3	1,246	-20.6	21,919	-3.9	6,756	-5.3
Cancun (Mexico) **	Jan-Sep	1,126,666	-13.6	97,482	-6.3	128,553	-25.8	81,715	-31.6
Cayman Islands	Jan-Dec	215,037	-10.6	17,254	-7.0	19,117	-10.1	20,550	-9.1
Curacao ^P	Jan-Nov	31,130	-22.9	4,870	-21.4	133,671	7.8	164,195	-6.4
Cuba	Jan-Dec	-	-	914,884	11.8	838,340	-7.8	676,585	9.0
Dominica ^P	Jan-Nov	16,548	-13.2	2,283	-24.6	10,329	-17.4	35,242	-8.8
Dom Republic *	Jan-Dec	1,148,533	5.2	646,285	1.6	1,245,925	-7.4	951,560	5.0
Grenada ^P	Jan-Dec	21,111	-3.3	6,295	-0.7	35,650	-19.0	50,314	-12.4
Guyana ^P	Jan-Dec	76,151	12.1	23,802	6.7	8,252	-10.4	32,848	-1.5
Jamaica	Jan-Dec	1,172,844	1.9	290,307	22.9	276,799	-2.8	91,147	-4.5
Montserrat	Jan-Nov	1,232	-19.6	293	-10.1	1,501	-13.1	1,871	-19.4
Puerto Rico **	Jan-Sep	899,606	-2.7	11,576	-6.1	20,757	0.3	61,278	-14.1
Saba	Jan-Aug	2,979	-14.8	713	22.1	4,271	6.7	744	-19.5
St. Eustatius	Jan-Apr	829	-16.3	91	-18.0	2,213	4.2	892	-1.9
St. Lucia	Jan-Dec	98,685	-9.1	28,563	8.7	86,819	-10.4	64,424	0.6
St. Maarten	Jan-Dec	240,431	-6.8	32,277	-5.2	98,341	-4.3	69,136	-14.4
St. Vincent & the G'dines	Jan-Oct	15,747	-18.8	5,178	-3.3	15,211	-15.5	24,306	-6.6
Trinidad & Tobago	Jan-Jul	118,263	2.0	29,713	-12.6	37,429	-7.6	66,570	-13.4
U S Virgin Islands**	Jan-Nov	658,516	8.7	9,318	19.9	15,085	3.2	32,261	3.5

* Non-Resident Air Arrivals

** Non-Resident Hotel registrations only

^P Preliminary figures

N.B U.S.V.I reported figures in this tables are Hotel Registrations whereas they reported Stay Over totals are Air Arrivals

N.B: Figures are subject to revision by reporting countries

¹ USA total included in Other

SOURCE - Data supplied by member countries and available as at February 26, 2010



PART THREE — Presentation of Data

IV. Caribbean Tourism Data (continued)

Table 4: Cruise Passenger Arrivals - 2009 & 2008				
Destination	Period	2009	2008	% ch.
Antigua & Barbuda	Jan-Oct	539,924	427,263	26.4
Aruba	Jan-Oct	441,288	403,845	9.3
Bahamas	Jan-Oct	2,602,321	2,264,860	14.9
Barbados	Jan-Dec	635,746	597,523	6.4
Belize	Jan-Dec	705,219	597,370	18.1
Bermuda	Jan-Dec	318,528	286,409	11.2
Bonaire	Jan-Sep	148,058	95,615	54.8
British Virgin Is.	Jan-Jul	355,065	398,267	-10.8
Cayman Islands	Jan-Dec	1,520,372	1,553,053	-2.1
Cozumel (Mexico)	Jan-Jul	1,269,121	1,605,908	-21
Curacao	Jan-Nov	359,601	239,208	50.3
Dominica	Jan-Dec	532,352	386,414	37.8
Dominican Republic	Jan-Aug	374,284	348,923	7.3
Grenada ^P	Jan-Dec	339,752	292,712	16.1
Jamaica	Jan-Dec	922,349	1,088,901	-15.3
Martinique	Jan-Dec	69,749	87,079	-19.9
Puerto Rico	Jan-Nov	1,045,459	1,230,420	-15.0
St Lucia	Jan-Dec	699,306	619,680	12.8
St. Maarten	Jan-Dec	1,215,146	1,345,812	-9.7
St. Vincent & the Grenadines	Jan-Oct	104,781	70,206	49.2
Trinidad & Tobago	Jan-May	83,713	23,667	253.7
U S Virgin Islands	Jan-Dec	1,582,264	1,757,067	-9.9
<i>*N.B: Figures are subject to revision by reporting countries</i> <i>^P Preliminary figures</i> SOURCE - Data supplied by member countries and available as at February 26, 2010				



PART FOUR — Analysis of Data and Conclusions

- I. Highest and Best Use Analysis**
- II. Valuation Process**
- III. Land Valuation**
- IV. Parameters of Value Conclusions**
- V. Marketing Time**
- VI. Exposure Time**

PART FOUR — Analysis of Data and Conclusions

I. Highest and Best Use Analysis

The economic principles of supply and demand, substitution, balance, and conformity are basic tools for analyzing the relationships between economic behavior and appraisal. The interdependent factors that influence value, i.e. utility, scarcity, desire, and effective purchasing power, are also economic in origin because modern value and appraisal theory has evolved from neoclassical economic thought.

The relationships between economic behavior and appraisal are clearly evident in real estate markets. In these markets where buyers and sellers of property rights interact, market value has great significance to debt and equity capital investors. In all types of property transactions, market value estimates based on careful analysis of market behavior are needed to shape financial decisions that affect individuals, neighborhoods, businesses, and governments.

An understanding of market behavior is essential to the concept of highest and best use. Market forces create market value, so the interaction between market forces and highest and best use is of crucial importance. When the purpose of an appraisal is to estimate market value, highest and best use analysis identifies the most profitable, competitive use to which the property can be put. Therefore, highest and best use is a market-driven concept.

Definition: Highest and best use may be defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The highest and best use of a specific parcel of land is shaped by the competitive forces within the market where the property is located. Therefore, analysis and interpretations of highest and best use is an economic study of market forces focused on the subject property.

Market forces also shape market value. The general data that are collected and analyzed to estimate property value are also used to formulate an opinion of the property's highest and best use as of the appraisal date. In all valuation assignments, value estimates are based on use. The highest and best use of a property to be appraised provides the foundation for a thorough investigation of the competitive positions of market participants. Consequently, highest and best use can be described as the foundation on which market value rests.

Appraisal theory holds that as long as the value of a property as improved is greater than the site as unimproved, the highest and best use is use of the property as improved. Once the value of the land exceeds the value of the improved property, the highest and best use becomes use of the land as though vacant. Each parcel of real estate may have a highest and best use of the land or site as though vacant and a different highest and best use of the property as improved.

The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be legally permissible, physically possible, financially feasible, and maximally productive.

Highest and Best Use as Vacant

The Highest and Best Use as Vacant analysis assumes a parcel of land as vacant or that it can be made vacant through a demolition of any improvements. The four criteria are then applied to the subject site as though vacant.

Legally Permissible

The use must be legal. The use must be probable, not speculative or conjectural. There must be a profitable demand for such a use and it must return to the land the highest net return for the longest period of time.

PART FOUR — Analysis of Data and Conclusions

I. Highest and Best Use Analysis (continued)

The subject property has all of the required government approvals, entitlements and permits to develop The Blue Horizon Resort & Spa Master Planned Resort Community. A Master Planned Resort Community is legally permissible on the subject property.

Physically Possible

The first constraint imposed on the possible use of the property is that dictated by the physical aspects of the site itself. Size, shape and terrain of the parcel of land affect the uses to which it can be developed. The utility of the parcel may depend on its frontage and depth. Also considered is the capacity and availability of public utilities. In general, the larger the site, the greater the potential for achieving economies of scale or flexibility in development. The subject property is irregular in shape and contains a total area of 55-acres featuring one kilometer on the Caribbean Sea, and all public utilities are at the property. A Master Planned Resort Community is physically possible on the subject property.

Financially Feasible

After determining which uses are physically possible and legally permissible, we have eliminated many uses from consideration. Then the uses that meet the first two criteria are analyzed further to determine which are likely to produce an income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. In this case development costs are approximately \$196,000,000 excluding profit and 'ARV AS COMPLETED' is estimated at \$301,000,000 clearly indicating the financial feasibility of this project.

Maximally Productive

While in most valuation/analysis cases, the legality of use and physical adaptability of a site or improvement to a use is readily ascertainable, rarely is the most profitable-marketable use apparent. The maximally productive use in this case is a Master Planned Resort Community.

Conclusion

A Master Planned Resort Community is legally permissible, physically possible, financially feasible and maximally productive. Based upon all of this market data, information and analysis, it is our opinion that the highest and best use of the subject property as vacant is to develop a Master Planned Resort Community.

PART FOUR — Analysis of Data and Conclusions

II. Valuation Process

The valuation process is a systematic procedure employed to provide the answers to a client's questions about market value. It is accomplished through specific steps; the number of steps followed depends on the nature of the appraisal assignment and the data available.

In assignments to estimate market value, the ultimate goal of the valuation process is a well-supported value conclusion that reflects all the factors that influence the market value of the property being appraised. To complete the valuation process the appraiser integrates the information drawn from market research, data analysis and from the application of approaches to form a value conclusion.

The valuation process is a methodology used to solve a client's specific question about property value. This process begins with identification of the specific problem to be solved and ends when a solution is reported to the client. It is applicable in valuing the subject property. The analytical structure will be specifically applied to the property addressing its unique characteristics.

There are six internationally accepted procedures or methods utilized by professional appraisers to estimate the value of land; these are Sales Comparison Approach; Allocation; Extraction; Subdivision Development; Land Residual; Ground Rent Capitalization. For the purpose of this analysis, Global Valuation will develop the Subdivision Development Approach.

Valuation Summary Chart						
Definition of the Problem						
Identification of Client / Intended Users	Intended Use of the Appraisal	Purpose of Appraisal (Inc. definition of value)	Date of Opinion of Value	Identification of Characteristics of Property (Inc. location & property rights to be valued)	Extraordinary Assumptions	Hypothetical Conditions
Scope of Work						
Data Collection & Description						
Market Area Data General characteristics of region, city and market area		Subject Property Data Specific characteristics of land and improvements, personal property, business assets, etc.			Comparable Property Data Sales, listings, offerings, vacancies, cost and depreciation, income, expenses, capitalization rates, etc.	
Data Analysis						
Market Analysis Demand studies Supply studies Marketability studies				Highest and Best Use Analysis Site as though vacant Ideal improvement Property as improved		
Land Value Opinion						
Application of Approaches to Value						
		Subdivision Development Approach				
Report of Defined Value						

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation

If land has utility for a specific use and there is demand for that use, the land has value to a particular category of users. There are many principles and factors that must be considered for land valuation and the valuation of land requires careful analysis of a complex variety of factors.

Anticipation, change, supply and demand, substitution and balance are appraisal principles that influence land value. Anticipation means that value is created by the expectation of benefits to be derived in the future.

The supply and demand for land in a particular location tends toward equilibrium. If supply declines and demand remains stable or increases, prices rise. Conversely, if the supply of sites for a particular use increases and demand remains stable or declines, prices fall.

Land value is substantially affected by the interplay of supply and demand, but it is the economic use of land that determines its value in a particular market.

The appraisal of land focuses on valuing the property rights attached to the land. These include the rights to develop the land within certain limits, to lease it to others, to alter its topography, to subdivide it and to assemble it. Because the supply of land cannot keep pace with the demand for it, governments regulate how land can be used and developed.

The physical characteristics of land, the available utilities, and site improvements affect land use and value. The physical characteristics of a parcel of land that are considered are size and shape, frontage, topography, location and view.

The availability of utilities such as water, sewers, electricity, natural gas and telephone service also influences the use and development potential of a parcel of land. Utilities may be provided by off-site facilities such as public water mains, sewers, and power lines or by on-site facilities such as public water mains, sewers, and power lines or by on-site facilities such as spring basins, drilled domestic wells, and septic tanks.

Land Valuation Techniques

The six internationally accepted procedures / techniques used to value land are:

1. Sales Comparison Approach
2. Allocation
3. Extraction
4. Subdivision Development
5. Land Residual
6. Ground Rent Capitalization

All six procedures are derived from the three basic approaches to value. Sales comparison and income capitalization (i.e. ground rent capitalization) can be directly applied to land valuation. Allocation and extraction procedures reflect the influence of the sales comparison and cost approaches. Subdivision development draws on elements of all three approaches. All of these procedures/techniques were considered, for the purpose of this analysis, the Subdivision Development Approach will be utilized.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Subdivision Development Approach

The Subdivision Development Approach is designed to simulate the behavior of typical market participants, who are keenly interested in the timing of cash receipts and disbursements and in quantifying the risks associated with a subdivision development.

The Subdivision Development Approach is a method of estimating land value when subdivision and development are the highest and best use, such as for the “Inn on the Blue Horizon Resort Hotel & Residences”. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the finished units. The resultant net sales proceeds are then discounted to present value at a market derived rate over the development and absorption period to indicate the value of the land “AS IS”.

A subdivision is much more than a group of physical components. It is composed of a variety of tangible and intangible elements, which contribute to the project's ultimate value and utility. A subdivision's economic components include land, labor, capital and entrepreneurial rewards.

Land

Land is one of the most fundamental components of a subdivision property. The key contribution of the land is its relationship to the surrounding competitive market. The importance of location to the success of a subdivision cannot be overstated. A subdivision's ability to compete with other properties in the marketplace depends on its location attributes. The subject property has an excellent location on the Island of Vieques in the Spanish Virgin Islands, Puerto Rico.

Labor

In subdivision properties, the labor component is reflected in site improvements, development plans, marketing efforts, legal fees and project overhead. The labor expended on the development is one of the most significant factors of production. In assessing labor costs, it is important to identify specific expenditures that are anticipated and also their timing. Expenditures include all hard and soft costs associated with completing the development plans.

Capital

The roll of capital is a primary agent of production. Capital, in combination with land and labor, is a necessary ingredient of a productive good or service. Capital is an important agent of production since it serves as a bridge between expenditures for land and labor and capital subsequent receipt of income, once a product is sold. In most subdivision developments, capital is derived from two (2) sources, borrowed capital and equity capital.

Development Plan

The subject property is briefly described as “The Blue Horizon Resort & Spa” a Five Star Master Planned Resort Community. The resort has a diversified mix of 95-Villas, Suites and Penthouses containing a total of 227-keys. The Villas are furnished with top-of-the-line furniture, fixtures and equipment and feature infinity pools, jacuzzi, and private gardens. The Lotus Spa Suites are a one of a kind design with elevators, private massage rooms, Jacuzzis and turkish baths. Each Spa Suite will be shaped like a lotus flower with transparent petals-unfolding in tiers - offering owners and guests a place to “sleep under the stars”. The Penthouses have a roof top garden and jacuzzi.

Resort Commercial Space includes “The Tamarindo Spa” (13,500SF), “Tamarindo Restaurant” (1,350SF) “Oceanfront Restaurant” (6,000SF), “Le Petite Village Shops” (40,000SF) and “Park Pavilion Restaurant” (2,000SF).

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Resort amenities include a Beach Club; Tennis Club and Equestrian Club. The resort is being developed on approximately 55-acres of oceanfront land featuring one kilometer of beach, located South of kilometer 4.3 on State Road 996, Puerto Real Ward, Vieques Island, Puerto Rico.

Development Approach

The first step in estimating land value using the Development Approach is to prepare a complete cash flow forecast of the income expected to be received and the cost/expenses to be paid by the owner of the land, during both the construction phase and the sellout period of the subdivision. The income forecast represents the proceeds from the sale of units over the anticipated sellout period. The cost/expense of development includes infrastructure costs; building costs; general and administrative; marketing; real estate commission and entrepreneurial profit.

“ARV AS COMPLETED”

AGGREGATE OF RETAIL VALUES refers to the sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs.

In order to estimate the “ARV AS COMPLETED” of the planned units, Global Valuation has gathered, verified and analyzed 1,540 individual unit sales and active listings in four (4) Comparable Master Planned Resort Communities in Puerto Rico and the Bahamas, namely:

1. Bahia Beach Resort & Golf Club, Puerto Rico
2. Trump International Golf and Club and Residences, Puerto Rico
3. The Abaco Club at Winding Bay, Great Abaco, Bahamas
4. One & Only Ocean Club, Paradise Island, Bahamas

All have similar resort components including Resort Hotels and Residences; Luxury Homes, Condominiums and Villas; Marinas; Golf Courses; Beach Clubs; Spas and Retail Villages with Restaurants and shops.

Details of each comparable Master Planned Resort Community's is presented in Part Five of this appraisal report as Exhibit B. A location map and a summary of the four (4) resort communities follows:

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Location of Comparable Master-Planned Resort Communities



PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Comparable Five Star Resort Communities Summary Chart (Unadjusted)				
Resort	Subdivisions	Type	No. Units	Avg. Sale Price/SF
1) Bahia Beach, Puerto Rico	St. Regis Hotel	Hotel Condo	98	\$1,000
	Las Olas	Townhomes	10	\$1,092
			108	
			High	\$1,092
			Low	\$1,000
			Mean	\$1,046
2) Trump Intl. Golf Club, Puerto Rico	Beach Villas	Villas	109	\$725
	Estate Homes	SFR	9	\$1,000
			118	
			High	\$1,000
			Low	\$725
			Mean	\$863
3) The Abaco Club, Bahamas	Cottage Phase-I	Cottages	72	
	Cliff Cottage			\$1,297
	Plantation Cottage			\$1,259
	Regatta Cottage			\$1,208
	Hope Town Cottages			\$1,106
	Ocean Town Cottages			\$1,099
			72	
			High	\$1,297
			Low	\$1,106
			Mean	\$1,194
4) One & Only Ocean Club, Bahamas	Ocean Club Estates	SFR	121	\$1,286
	Ocean Club Residences	Condo	88	\$1,042
			209	
			High	\$1,286
			Low	\$1,042
			Mean	\$1,164

Based upon all of this market data and analysis we have estimated the market value of the subject units at \$850/SF to \$2,500/SF as follows:

Oceanfront Hotel Villas

The resort has 7-Oceanfront Hotel Villas. Based on the comparable resort community market data Global Valuation has estimated the value of these units at \$1,200/SF. (Furnished)

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Hillside Hotel Villas

There are 5-Hillside Hotel Villas which have elevations up to 70 feet above sea level. Global Valuation has estimated the value of these units at \$1,000/SF. (Furnished)

Water Villas

There are 8 Water Villas. Global Valuation has estimated the value of these units at \$1,000/SF. (Furnished)

Lotus Spa Suites

These units are a unique patented design featuring private spa, sauna, Turkish bath, massage room, and a 1-bedroom suite with a hydraulic roof which can be opened or closed by owners and guests. Global Valuation has valued these units at 2,500/SF. (Furnished)

Tamarindo Suites

These units are in the Tamarindo Building which consists of the Spa, Restaurant and 7-Spa Suites. Global Valuation has estimated the value of these units at \$1,000/SF. (Furnished)

La Petit Penthouses

These units are on top of the 2-story retail village and have distant ocean views. The roof of each Penthouse is developed with a private garden, terrace and jacuzzi. Global Valuation has valued these units at 850/SF. (Furnished)

Plantations Villas

The Plantation Villas consist of 32 Four-Bedroom Units with 128 keys. There are 11-Oceanfront Villas which we have valued at \$1,200/SF and 21-Hillside Villas at \$1,000/SF. (Furnished)

Hotel Rental Pool

The Blue Horizon Resort & Spa will be branded with a World-Class Five Star Management Company. All of the Hotel Villas, Suites and Penthouse owners will have the option of placing their units in the hotel rental pool.

Commercial Space

Commercial Space consists of the "Tamarindo Spa" (13,500SF), "Tamarindo Restaurant" (1,350SF) "Oceanfront Restaurant" (6,000SF), "Le Petite Village Shops" (40,000SF) and "Park Pavilion Restaurant" (2,000SF). For the purpose of this valuation we have estimated the value of the commercial space at developers cost. It is more than reasonable to assume that the commercial space could be sold or leased by the Hotel Management Company. Therefore, this valuation scenario is conservative.

It is important to note that three (3) comparable Five Star Resort Communities are being developed in Puerto Rico including the Trump International, Bahia Beach (Mandarin) and "W" on Vieques Island. This new emerging trend has a positive effect on the market value and marketability of the Five Star Blue Horizon Resort & Spa.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

“ARV AS COMPLETED”

The Blue Horizon Resort & Spa ARV is estimated at \$286,741,800 (uninflated) as follows:

Blue Horizon Resort & Spa					
Unit Type	# Units	Interior Floor Area (SF)	Market Value/SF Furnished	Market Value/Unit Furnished	ARV
Phase I					
Hotel Villas 4BR (2-story) Oceanfront	3	5,056	\$1,200	\$6,067,200	\$18,201,600
Hotel Villas 2BR (1-story) Oceanfront	4	1,932	\$1,000	\$2,318,400	\$9,273,600
Hotel Villas 2BR (1-story) Hillside	4	1,932	\$1,000	\$1,932,000	\$7,728,000
Hotel Villas 4BR (2-story) Hillside	1	5,156	\$1,000	\$5,156,000	\$5,156,000
Subtotal Hotel Villas	12				\$40,359,200
Water Villas 3BR (2-story)	8	3,056	\$1,000	\$3,056,000	\$24,448,000
Lotus Spa Suites 1BR (2-story)	15	1,503	\$2,500	\$3,757,500	\$56,362,500
Tamarindo Suites	7	595	\$1,000	\$595,000	\$4,165,000
Total Phase I	42				\$125,334,700
Phase II					
Le Petite Village PH	21	1,286	\$850	\$1,093,100	\$22,995,100
Phase III					
Plantation Villas-I Oceanfront	11	3,660	\$1,200	\$4,392,000	\$48,312,000
Plantation Villas-I Hillside	5	3,660	\$1,000	\$3,660,000	\$18,300,000
Plantation Villas-II Hillside	16	4,490	\$1,000	\$4,490,000	\$71,840,000
Total Phase III	32				\$138,452,000
Total ARV	95				\$286,781,800

Absorption Analysis

Demand for Five Star Luxury Units in Puerto Rico is good. We have estimated an absorption period of five (5) years or an average of only 19 units per year as follows.

	Year	Phase	No. Sales	No. Closings	Revenue (ARV)
1.	2011	I	14	0	\$0
2.	2012	I	14	0	\$0
3.	2013	I	14	42	\$125,334,700
4.	2014	II	21	21	\$22,955,100
5.	2015	III	32	32	\$138,452,000
				95	\$286,741,800

It is important to note that Phase-I has existing horizontal development in place. The existing Hotel and Tamarindo buildings will be completely renovated, therefore it is reasonable to assume that Phase-I can be developed and sold in the first three (3) development years.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Demand for luxury units in beachfront destinations resort communities in the Caribbean Basin is good from Europe and North America. Examples of absorption rates in the Comparable Resorts is as follows:

	Resort	Absorption Rate	
1.	Ritz Carlton, Abaco, Bahamas	78 Units/Year	Actual
2.	One & Only Ocean Club, Paradise Island, Bahamas	105 Units/Year	Actual
3.	Trump International, Puerto Rico	167 Units/Year	Estimate
4.	Bahia Beach Resort, Puerto Rico.	41 Units/Year	Estimate

Sales & Marketing is key to the absorption of resort units in Puerto Rico. We have estimated Sales & Marketing expenses at 6% of gross sales or in this case a budget of \$18.0 Million. A worldwide marketing campaign can easily be launched for \$18.0 Million, and 95-Five Star units can be sold in five (5) years.

Inflation Rate

Due to the overall global economy we have estimated inflation at ZERO for years 1-2 and 3% for years 3-5.

Development Costs

A detailed Development Cost Breakdown is presented in PART FIVE as Exhibit-C of this report. Global Valuation has adjusted for land acquisition commercial space cost and development (profit) fee. In this case, the estimated Discount Rate (IRR) includes developers profit. Global Valuation has analyzed the development costs categorically including the Total Horizontal Development Costs, Vertical Construction Costs, Soft Construction Costs and Sales & Marketing by Phase as shown on the next page.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Blue Horizon Resort & Spa Development Costs							
	Phase-I				Phase-II	Phase-III	Totals
	Hotel Villas	Water Villas	Lotus Spa Suites	Tamarindo Spa Suites	Le Petite Penthouses	Plantation Villas	
Hard Costs							
Horizontal & Vertical							
Construction Costs	\$17,632,088	\$11,977,000		\$1,557,146	\$9,446,859	\$64,928,287	\$105,541,380
FF&E	\$2,275,000	\$1,600,000		\$243,197	\$1,000,000	\$7,500,000	\$12,618,197
Total Hard Costs	\$19,907,088	\$13,577,000	\$29,700,000	\$1,800,343	\$10,446,859	\$72,428,287	\$147,859,577
Soft Costs							
Design and Engineering	\$1,800,586	\$665,000		\$135,954	\$1,000,000	\$1,227,000	\$4,828,540
Permits, Licenses & Fees	\$330,793	\$267,862		\$108,745	\$500,000	\$3,923,343	\$5,130,743
Pre-Opening Expenses	\$75,000	\$100,000		\$22,431	\$75,000	\$250,000	\$522,431
Financial & Legal	\$2,506,326	\$1,050,333		\$294,703	\$697,234	\$4,587,641	\$9,136,237
Project Wide Contingency	\$971,634	\$632,100	\$1,653,882	\$84,675	\$500,000	\$1,635,882	\$5,478,173
Total Soft Costs	\$5,684,339	\$2,715,295	\$6,600,000	\$634,508	\$2,772,234	\$11,623,886	\$30,030,262
Total Development Costs	\$25,591,427	\$16,292,295	\$36,300,000	\$2,434,851	\$13,219,093	\$84,052,173	\$177,889,839
# Units	12	8	15	7	21	32	95
# Keys	32	24	15	7	21	128	227
# SF	38,772	28,400	27,555	4,550	27,006	168,000	294,283
\$/unit	\$2,132,619	\$2,036,537	\$2,420,000	\$347,836	\$629,481	\$2,626,630	\$1,872,525
\$/keys	\$799,732	\$678,846	\$2,420,000	\$347,836	\$629,481	\$656,658	\$783,656
\$/SF	\$660.05	\$573.67	\$1,317.37	\$537.77	\$489.49	\$500.31	\$604.49

Total Development Costs are estimated at \$177,889,839 or \$1,872,525/unit and \$604.49/SF. Global Valuation has appraised several proposed Master Planned Resort Communities in the Caribbean Region. Three examples of published development costs are as follows:

Resort	Brand	Total Development Cost	Cost/Unit
Trump International Puerto Rico	Trump Five Star	\$600,000,000 / 500	\$1,200,000
Bahia Beach Puerto Rico	St. Regis Five Star	\$172,000,000 / 139	\$1,237,410
The Abaco Club Bahamas	Ritz-Carlton Five Star	\$567,000,000 / 370	\$1,532,432
Blue Horizon Resort & Spa	Five Star	\$177,889,819	\$1,872,525

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Discounted Cash Flow Analysis

The concept of discounted cash flow analysis, or yield capitalization, serves as the most comprehensive form of real estate analysis and valuation, which is available in the industry. The methods associated with this concept have been used for years in the capital budgeting function of financial management. The accounting profession and others have also used discounted cash flow methods of evaluating investments and for performing cost-benefit analyses. Moreover, professional real estate appraisers and analysts are using the concept in their practices as a result of market demands for more sophisticated valuation work.

The discounted cash flow analysis is essentially a process of evaluating the return on invested cash equity. The income to be processed in the application of the discounted cash flow methods is therefore the annual amounts of cash flow, which are expected to be generated by the investment during the income projection period, or investment-holding period.

In summary, this concept is exceptionally fundamental in its application and, moreover, it most reflects the time-value relationship of money. Incomes and expenditures are not always received or incurred in equal amounts.

Revenue patterns of income properties are the best illustration of this circumstance, even on a pre-tax basis. Thus, when net receivables from the operation of real estate have a variable or fluctuating pattern, it is necessary to employ a method of evaluating such investments, which recognizes these periodic changes. Only this method can properly accomplish this task.

Inherent in the utilization of this technique is the selection of a proper and appropriate discount rate; a rate equivalent to a yield commanded on alternative investments.

The main criteria in the selection of discount rates are based on comparison of real estate with other forms of investments. The basic parameter is a comparison with the equivalent yield for long-term bonds. Secondly, a comparison with mortgage interest rates is important, being another alternative avenue of investment.

An important parameter for institutions, other than pension funds, is a comparison of internal rates of return on an after tax basis with after tax income from other investments. Again, such comparisons take account of many of the advantages from a tax point of view of real estate investments such as depreciation of fixed capital assets, capital cost allowance and, in some cases, investment tax credits.



PriceWaterhouse Coopers Korpacz Real Estate Investor Survey

Global Valuation subscribes to the Real Estate Investor Survey™ published by *PriceWaterhouseCoopers*, a quarterly publication of market information on equity investment in institutional-grade real estate. In 20 separate market reports, the survey includes up-to-date cap rates and discount rates and cash flow forecast assumptions of active market participants in retail, office, industrial, multi-family, development land and hotel markets.

Survey Process: Survey participants represent a cross section of major institutional equity real estate investors who invest primarily in institutional-grade property. As such, the information presented is not generally applicable to noninstitutional-grade investments. In addition, the information represents investors' investment expectations and does not reflect actual property performances.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Initially, participants are interviewed regarding their assumptions used in analyzing the U.S. investments. Subsequently, surveys are completed by mail with telephone follow-ups. Although we do not represent that the survey is statistically accurate, its results provide important insight into the thinking of a significant portion of the equity real estate marketplace.

Based on this survey and the quantity, quality and durability of the subject's income stream, we have estimated a discount rate including developer's profit of 19.67% for this analysis. The survey indicates a IRR range from 12.00% to 30.00% with an average IRR of 19.67%. These rates assume that entitlements are in place and include developers profit. The Blue Horizon Resort & Spa is far above average, however, after considering the global economy, we have used the average Yield Rate for this valuation.

The Investor Survey for Development Land is as follows.

NATIONAL DEVELOPMENT LAND MARKET-INVESTOR SURVEY RESPONSES

Fourth Quarter 2009

PROPERTY TYPE	ACQUISITION CRITERIA	CHANGE RATE	DISCOUNT RATE	MARKET TO REVENUE RATIO	MARKET TO REVENUE RATIO	MARKET TO REVENUE RATIO
	THRESHOLD	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT
DEVELOPER/REDEVELOPER Primary method of pricing is comparable sales, analysis is prepared subject to financing, project size ranges from 1 to 100 acres, value of land currently under development is \$10 million, development is concentrated in Midwest and Southeast.	1 to 100 acres	0.0%	Based on a % of specific line item	11.00%	0.0%	0.0%
PRIVATE INVESTMENT COMPANY Primary method of pricing is DCF, analysis is prepared free and clear of financing, project size ranges from 400 to 2,000 acres, value of land currently under development is \$100 million, project, Chicago and Florida markets, Midwest and Southeast.	400 to 2,000 acres	0.0%	0.0%	20.00%	0.0%	0.0%
DEVELOPER Primary method of pricing is comparable sales, analysis is prepared free and clear of financing, project size ranges from 10 to 200 acres, value of land currently under development is \$10 million, project, Chicago and Florida markets, development is concentrated in the Midwest and Southeast regions of the United States.	Over 20 acres	0.0%	0.0%	11.00%	0.0%	0.0%
DEVELOPER Primary method of pricing is DCF, analysis is prepared free and clear of financing, project size ranges from 10 to 100 acres, development is concentrated in Arizona, California and Washington.	1 to 100 acres	0.0%	0.0%	11.00%	0.0%	0.0%
DEVELOPER Primary method of pricing is comparable sales, analysis is prepared subject to financing, value of land currently under development is between \$10.0 and \$100.0 million, development is concentrated in Arizona and California.	1 to 100 acres	0.0%	0.0%	20.00%	0.0%	0.0%
DEVELOPER Primary method of pricing is DCF, analysis is prepared subject to financing, project size ranges from 100 to 1,000 acres, development is concentrated in California, Hawaii, and Alaska.	100 to 1,000 acres	0.0%	0.0%	20.00%	0.0%	0.0%

Source: National survey conducted by PriceWaterhouseCoopers LLP during October 2009.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Discount Rates (IRRS) ^a		
Fourth Quarter 2009		
	Current Quarter	Second Quarter 2009
Free & Clear		
Range	12.00% - 30.00%	12.00% - 30.00%
Average	19.67%	20.08%
Change		-41
a. Rate on unleveraged, all-cash transactions; including developer's profit		

Yield Comparisons October 1, 2009

	2004 Average	2005 Average	2006 Average	2007 Average	2008 Average	2009 January	2009 April	2009 July	2009 October
Korpacz Yield Indicator (KYI) ^a	10.28%	9.43%	8.81%	8.41%	8.47%	8.96%	9.46%	9.74%	9.78%
Long-Term Mortgages ^b	6.08%	5.57%	6.45%	6.84%	6.50%	7.98%	7.73%	7.87%	7.45%
10-Year Treasuries ^c	4.21%	4.29%	4.76%	4.72%	3.82%	2.46%	2.68%	4.01%	3.21%
Consumer Price Index Change ^d	3.16%	4.30%	1.32%	3.50%	3.65%	(10.03%)	3.97%	3.96%	1.53%
SPREAD TO KYI (Basis Points)									
Long-Term Mortgages	420	386	236	157	197	98	173	187	233
10-Year Treasuries	607	514	405	369	465	650	678	573	657
Consumer Price Index Change	712	513	749	491	482	1,899	549	578	825

a. A composite IRR average of the markets surveyed.

b. Fixed-rate mortgages; immediate funding. Source: Crittenden Publishing, Inc.; Following April 2005, source is CB Richard Ellis/L.J. Melody Capital Markets; reflects conventional funding for ten-year, 75% LTV commercial loans; starting in October 2009 Survey results assuming 40.0% to 80.0% LTV (averaging 60.0% LTV).

c. Source: Federal Reserve; the annual average change is the mean of the four corresponding quarters.

d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.

Dividend Comparisons October 1, 2009

	2004 Average	2005 Average	2006 Average	2007 Average	2008 Average	2009 January	2009 April	2009 July	2009 October
Korpacz Dividend Indicator (KDI) ^a	8.62%	7.94%	7.42%	7.01%	6.99%	7.49%	8.01%	8.36%	8.49%
Equity REITs ^b	5.27%	4.75%	4.19%	3.93%	5.07%	7.56%	9.02%	5.86%	4.02%
S&P 500 ^c	1.63%	1.71%	1.80%	1.76%	2.19%	3.14%	3.42%	2.78%	2.26%
SPREAD TO KDI (Basis Points)									
Equity REITs	335	319	323	308	192	(7)	(101)	250	447
S&P 500	699	623	562	525	480	435	459	558	623

a. A composite OAR (initial rate of return in an all-cash transaction) average of the markets surveyed.

b. Source: National Association of Real Estate Investment Trusts; average annualized dividend yield calculated by PricewaterhouseCoopers LLP; dividend yields are as of the last day of the prior quarter.

c. Source: Standard & Poors; average annual dividend yield calculated by PricewaterhouseCoopers LLP; dividend yields are quarterly yields as of the last day of the prior quarter.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

We have developed the Income Capitalization Approach using Yield Capitalization or Discounted Cash Flow Analysis. This analysis takes into consideration income and expenses forecast over a five-year investment period. Global Valuation has developed a schedule of Prospective Cash Flow; Prospective Present Value estimate and property summary report using ARGUS Financial Software, the most sophisticated appraisal software available in the industry.

Argus Assumptions

Gross Revenue	
Oceanfront Hotel Villas	\$1,200/SF
Hillside Hotel Villas	\$1,000/SF
Lotus Spa Suites	\$2,500/SF
Le Petite Penthouses	\$850/SF
Inflation	Zero Years 1-2, 3% years 3-5
Absorption	5-years / Average 19 units/year
Development Costs	\$783,655/Key of 604.49/SF
Sales & Marketing	6% Gross Revenue
Yield Rate (IRR)	19.67%

A Yield Capitalization technique or Discounted Cash Flow Analysis begin on the next page.

Blue Horizon Resort & Spa
Puerto Real Ward
Vieques Island, Puerto Rico, USA

Schedule of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 3/1/2010

For the Years Ending	Year 1 Feb-2011	Year 2 Feb-2012	Year 3 Feb-2013	Year 4 Feb-2014	Year 5 Feb-2015	\$ Total	\$/Unit	\$/Key
Gross Revenue								
12- Hotel Villas			\$40,359,200			\$40,359,200	\$424,834	\$177,794
8- Water Villas			\$24,448,000			\$24,448,000	\$257,347	\$107,700
15- Lotus Spa Suites			\$56,362,500			\$56,362,500	\$593,289	\$248,293
7- Tamarindo Spa Suites			\$4,165,000			\$4,165,000	\$43,842	\$18,348
21- La Petite Penthouses				\$24,353,066		\$24,353,066	\$256,348	\$107,282
32- Plantation Villas					\$151,290,239	\$151,290,239	\$1,592,529	\$666,477
Total Gross Revenue			\$125,334,700	\$24,353,066	\$151,290,239	\$300,978,005	\$3,168,190	\$1,325,894
Development Costs								
Hard/Construction Costs								
Horizontal & Vertical	\$21,661,362	\$21,661,362	\$21,661,362	\$10,446,856	\$72,428,287	\$147,859,229	\$1,556,413	\$651,362
Total Hard/Construction Costs	\$21,661,362	\$21,661,362	\$21,661,362	\$10,446,856	\$72,428,287	\$147,859,229	\$1,556,413	\$651,362
Soft/Development Costs								
Soft Construction Costs	\$5,211,380	\$5,211,380	\$5,211,380	\$2,772,234	\$11,623,866	\$30,030,240	\$316,108	\$132,292
Sales & Marketing			\$7,520,082	\$1,461,184	\$9,077,414	\$18,058,680	\$190,091	\$79,554
Total Soft/Development Costs	\$5,211,380	\$5,211,380	\$12,731,462	\$4,233,418	\$20,701,280	\$48,088,920	\$506,199	\$211,845
Total Development Costs	\$26,872,742	\$26,872,742	\$34,392,824	\$14,680,274	\$93,129,567	\$195,948,149	\$2,062,612	\$863,208
Cash Flow Before Debt Service & Taxes	(\$26,872,742)	(\$26,872,742)	\$90,941,876	\$9,672,792	\$58,160,672	\$105,029,856	\$1,105,577	\$462,687

Software: ARGUS Ver. 13.2 (Build 13000-H)
 File: Blue Horizon Resort & Spa
 Portfolio: Global Valuation

**Blue Horizon Resort & Spa
 Puerto Real Ward
 Vieques Island, Puerto Rico, USA**

**Prospective Present Value
 Cash Flow Before Debt plus Property Resale
 Discounted Annually (Endpoint on Cash Flow & Resale) over a 5-Year Period**

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 19.67%
Year 1	Feb-2011	(\$26,872,742)	(\$22,455,705)
Year 2	Feb-2012	(\$26,872,742)	(\$18,764,690)
Year 3	Feb-2013	\$90,941,876	\$53,064,984
Year 4	Feb-2014	\$9,672,792	\$4,716,400
Year 5	Feb-2015	\$58,160,672	\$23,697,524
Total Cash Flow		\$105,029,856	\$40,258,513
Total Property Present Value			\$40,258,513
Rounded to Thousands			\$40,000,000

Property Summary Report

Timing & Inflation	
Reporting Period:	March 1, 2010 to February 28, 2015; 5 years
Inflation Month:	Analysis Start
General Inflation Rate:	Zero Years 1-2, 3% years 3-5
Property Size & Occupancy	
Property Size:	55-Acres Oceanfront Land 95-Units 227-Keys
Present Value Discounting	
Discount Method:	Annually (Endpoint on Cash Flow & Resale)
Unleveraged Discount Rate:	19.67%
Unleveraged Present Value:	\$40,258,513 at 19.67%
Rounded	\$40,000,000

**Forty Million Dollars
 \$40,000,000**

@ 55-acres	=	\$727,272/acre
@ 95-units	=	\$421,052/unit
@ 227-keys	=	\$176,211/key

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Final Value Conclusion

Careful consideration has been given to the strength and weaknesses of the Subdivision Development Approach to value discussed above, a considerable quantity of market data was gathered, verified and analyzed for the purpose of this valuation.

“ARV AS COMPLETED”

The “ARV AS COMPLETED” valuation scenario is based upon the Aggregate of Retail Values (ARV) of the 95-Resort Units. The “ARV AS COMPLETED” is estimated at \$301,000,000 as of February 2015.

Three Hundred One Million Dollars
\$301,000,000

“AS IS”

The “AS IS” valuation is predicated upon the Subdivision Development Approach. The “AS IS” value of the subject property is estimated at \$40,000,000 as of March 1, 2010.

Forty Million Dollars
\$40,000,000

“LIQUIDATION VALUE”

Liquidation value is defined as the most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale will occur within a severely limited future marketing period specified by the client.
2. The actual market conditions currently prevailing are those to which the appraise property interest is subject.
3. The buyer is acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. The buyer is acting in what he or she considered his or her best interest.
7. A limited marketing effort and time will be allowed for the completion of the sale.
8. Payment will be made in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

Liquidation value presumes that the seller dictates the exposure time and to some extent, the type of sales effort. In this case, we are assuming an exposure time of 180 days. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. We have estimated normal exposure time for the subject property at 365 days.

Motivation to Liquidate

The market value concept-presumes that a willing seller wishes to obtain the maximum price for the property from the market. This desire involves exposure on the market appropriate to the type of property offered for sale. For one reason or another, maximum profit may not be the dominant motivation. Circumstances of ownership may force or make desirable a departure from normal price maximization by the seller.

- Court-ordered liquidation by absolute auction is the most obvious evidence of liquidation. In some instances, the court will provide for auction by sealed bid, minimum price, or court acceptance. For example, in some cases in Louisiana, the court requires that the bid in foreclosure sales be at least two-thirds (66%) of appraised value on the first auction and sale by absolute auction thereafter.

Liquidation price does not always result from a court-ordered sale. Clearly, court-ordered liquidation is a forced sale. But other liquidations may be semi-forced in the sense of liquidation except for full exposure of the property for a reasonable time. The obtainable price at forced and semi-forced liquidation is typically below the market value of the property, often by a significant amount. The many reasons for semi-forced liquidation may invalidate many sales and cast doubt that the sales comparison approach is always the preferred indicator of value.

Most definitions of market value require that “a reasonable time is allowed for exposure in the open market” or that “marketing efforts were adequate and a reasonable time was allowed for exposure in the open market.” Absence of these requirements of market value usually results in a liquidation value.

Not all auctions are because of liquidation. This is particularly true of high demand properties and properties of a particular type.

Identification of the Property and Highest and Best Use

A property’s type, use and potential purchasers impact the effective demand and the price obtainable from a liquidation sale. When estimating the probable liquidation price, the appraiser needs to identify the property in terms of its highest and best use and the buyers for this type of property.

Residential, small commercial, and light industrial land and their improvements in high demand areas with good demand may bring a relatively high liquidation price. Some individuals owning such properties actually choose the auction method of sale in hopes that a purchasers’ bid competition might force the price above market value. In this class of use properties, there is a limit. Very expensive residential, commercial, and industrial facilities and land may be exceptions to this tendency because of the limitation of buyers in the price range.

Investment properties can also bring a high liquidation price provided they are relatively safe risks and require limited management skill.

Relative Demand and Existing Market Conditions

Relative demand influences subjects’ liquidation price. Both real estate activity and economic conditions affect relative supply and demand, the most pertinent influence for the property. Oversupply will depress liquidation price, which frequently happens in smaller areas impacted by the loss of a major employer source.

PART FOUR — Analysis of Data and Conclusions

III. Land Valuation (continued)

While the general real estate market and overall economic conditions are important, the most significant aspect of relative demand is the demand for the subject's specific property type. If a commercial lot in a high-demand area is liquidated, it is less significant that the region has a depressed economy. Properties in high demand will command relatively high liquidation prices regardless of other economy factors. Properties in low demand will have relatively low liquidation prices even in booming economy.

The relative demand for the specific type of property influences the financing availability. Use properties and profitable investment properties in good demand are considerably easier to finance. This, in turn, affects the liquidation price.

Conclusion

Liquidation of real estate resulting in a forced sale may be by court-ordered auction or from a number of other seller, semi-forced causes. Liquidation price results from insufficient exposure time on the market and inadequate sales efforts. The lower price obtainable from liquidation also results from buyer knowledge of seller's anxiety.

While the liquidation price and relate to the market value of a normal sale, this ratio is less significant than the factors which influence the price obtainable from liquidation. No uniform ratio exists and what limited market evidence exists is complicated by numerous variables. Specific disposal evidence does not always directly apply to the estimation of the liquidation price of a different property.

Different types of property subject to different uses will have different relative liquidation prices depending upon the exposure time and sale efforts. Other significant aspects in estimating liquidation price is the relative demand for the property under existing market conditions and the ability to obtain financing. Consideration of the factors go hand-in-hand with the intended exposure time and sale methodology. The longer the exposure time, usually the better the liquidation price. Regardless of the demand, the type of buyer attracted to buy given a short time for liquidation is an important factor. Real estate brokers and salespeople knowledgeable of the market and the potential buyers in the market can be significant sources of market information in the unusual sale circumstances of property liquidation.

The highest and best use of the subject property is to develop a master-planned resort community similar to the one proposed. Demand for Five Star Resort Units in Puerto Rico is good. The subject property has all governmental approvals, entitlements and permits to develop the Blue Horizon Resort & Spa. The property has an excellent location on one of the best islands in the Caribbean and it is a USA territory. The property has existing buildings which are generating Net Income.

Based upon all of this market data and analysis it is our opinion that an appropriate and supportable liquidation discount is -12.5%. Accordingly, the "LIQUIDATION VALUE" is $(\$40,000,000 \times .875)$ \$35,000,000.

Thirty Five Million Dollars
\$35,000,000

PART FOUR — Analysis of Data and Conclusions

IV. Parameters of Value Conclusions

An appraisal of real estate is an opinion of value.

Due to the many influences that affect supply and demand and the imperfections that exist in the market, an appraisal remains an inexact science.

The client must recognize that at any given moment in time before or after the effective date of value, the property value may be different from what the appraiser has estimated. Property investment has a high degree of risk and performance and success is dependent upon management, market liquidity, and all sorts of outside influences. Remember that if for any reason subsequent events (after the effective date) worldwide, national, regional, local or neighborhood occur, the value of the property will change.

The developer, the lender, and subsequent property owners must each analyze and measure the risk as they see it, at any moment in time. The appraisal, therefore, is a judgment tool offering a supported opinion of the present worth of anticipated benefits subject to the investment risks, measured mainly by such market data as are available as of the effective date of appraisal.

In conclusion, however, while an appraisal cannot be guaranteed or absolutely proven, if the opinion of value, as expressed and demonstrated, is not influenced by sentiment, sympathy, bias, personal interest, or lack of understanding, and is, in fact, a sincere effort by a competent impartial valuator, then the conclusions so developed may properly be considered as a basis of negotiation between owner and prospective purchaser, or between lender and borrower or between condemnor and condemnee.

V. Marketing Time

Normal marketing period is the amount of time necessary to expose a property to the open market in order to achieve a sale. Implicit in this definition are the following characteristics:

1. The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties.
2. The property will be offered at a price reflecting the most probable mark-up over Market Value used by sellers of similar type properties.
3. A sale will be consummated under the terms and conditions of the definition of Market Value cited herein.

In analyzing and estimating a reasonable marketing period in light of the property's characteristics, we have examined the actual marketing time of the more recent sales used in direct comparison in the belief that these historical events tend to index future market conditions since supply and demand relationships are not expected to differ greatly over those of the recent past. Toward this end we have analyzed the market for competing properties currently available and have interviewed real estate brokers active in this market to gain insight on current market conditions. Based on this analysis, our conclusion is that a marketing period of approximately 12-24 months is likely for the "Subject Property".

PART FOUR — Analysis of Data and Conclusions

VI. Exposure Time

Exposure time is the time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. We have estimated exposure time for the subject property at 12-24 months.

PART FIVE — Addenda

- I. Exhibit A – Appraiser’s Qualifications**
- II. Exhibit B – Comparable Master Planned Resort Communities**
- III. Exhibit C – Development Cost Breakdown**

PART FIVE — Addenda

I. Exhibit A - Appraiser's Qualifications

Qualifications of

THOMAS G. SPEARS, ASA

President & CEO

Global Valuation

9106 Champions Way, PGA Village Resort,
Port St. Lucie, Florida – 34986

Phone: (772) 467-1360 - Fax: (772) 465-4512

e-mail: tgs@globalvaluation.com

Professional Experience

Thomas G. Spears, ASA, is a professional appraiser with 40 years experience in the industry. He specializes in the appraisal of large, complex tangible and intangible properties and businesses including master-planned resort communities; hotels; vacation homes; golf courses; marinas; international airports; Las Vegas-style megaresorts and casinos; islands; theme parks; monuments, mines and quarries; oil, gas and water rights and pipelines, and major businesses.

Mr. Spears' work has taken him across the globe, from North, South and Central America and the Caribbean to Eastern and Western Europe, Africa and Asia. He has completed real estate appraisals, business valuations, due diligence, market studies, and consulting and feasibility reports in the following countries, territories and commonwealths:

United States of America

Canada

Mexico

Turkey

Hungary

Russia

Ukraine

Estonia

Latvia

Uzbekistan

Africa

China

U.S. Virgin Islands

British Virgin Islands

Puerto Rico

Dominican Republic

Haiti

Commonwealth of the Bahamas

Jamaica

Antigua and Barbados

Trinidad and Tobago

Panama

Guatemala

Costa Rica

Belize

Venezuela

Brazil

Ecuador

Mr. Spears began his career in the real estate industry as a New York State-licensed real estate salesman in 1968. From 1970-1972, Mr. Spears worked as a real estate appraiser for Chase Federal Savings and Loan in Miami Beach, Florida, appraising oceanfront mansions, Intracoastal homes and island residences. In 1973, Mr. Spears was hired by Southeast Banking Corporation (now Bank of America) as an appraiser responsible for appraising residential and commercial property across the state of Florida.

After nine years of local experience in Florida, Mr. Spears was hired by Joseph J. Blake and Associates, a national appraising company, to appraise properties across the Southeast U.S. including Florida, Georgia, North Carolina, South Carolina, Mississippi, Alabama and Tennessee. After just two years in the field, Mr. Spears was named Southeast Regional Manager. In 1985, Mr. Spears founded Thomas G. Spears and Associates, Inc., a real estate appraisal services company doing business in the U.S.

PART FIVE — Addenda

I. Exhibit A - Appraiser's Qualifications (continued)

In 1988, Mr. Spears was hired by Appraisal Group, Inc. as an international appraiser. Four years later, he was named President of Appraisal Group, responsible for the firm's operations in the U.S. and Hungary. In Hungary, he worked for the Hungarian State Department completing appraisals on a wide variety of property being privatized including the Hungarian Telephone Switching Co., mining operations; trains and train stations; cereal manufacturing plants; textile companies, and paper companies making Hungarian currency, magazines and books.

In 1997, leveraging his years of experience in real estate and appraisals, Mr. Spears founded Global Valuation, a worldwide asset valuation company. Since its founding, Global Valuation has become a world leader in real estate appraisal services.

Professional Affiliations

Member, American Society of Appraisers, ASA# 007583
 The Appraisal Foundation – Florida State-Certified General Appraiser, # RZ1243
 Member, National Association of Realtors
 Member, Florida Association of Realtors
 Florida Licensed Real Estate Broker, # BKO143326



American Society of Appraisers – The Valuation Expertise You Need

Mr. Spears is an accredited Senior Appraiser holding the coveted ASA designation from the American Society of Appraisers, a professional society dedicated to fostering excellence in its membership through education, accreditation, publication and other services.

ASA, founded in 1936 and incorporated in 1952, is the oldest and only major appraisal organization representing all of the disciplines of appraisal specialists. It is one of eight major appraisal societies that in 1987 founded The Appraisal Foundation, a national nonprofit organization created to establish uniform criteria for professional appraisers. Since 1989, The Appraisal Foundation has been recognized by the U.S. Congress as the source for the development and promulgation of appraisal standards and qualifications.

ASA's meticulous accreditation process ensures that ASA-accredited appraisers are accurate, impartial, and credible. They are educated and experienced in their fields and are respected members of their communities. They can deliver independent valuations that assure your property is appraised at its fair market value.

When you hire an ASA-accredited appraiser, you are assured the best valuation expertise on the market, because ASA-accredited appraisers bring knowledge of the market and profession, experience, and solid reputation to the job.



The Appraisal Foundation – Authorized by Congress as the Source for Development and Promulgation of Appraisal Standards and Qualifications



PART FIVE — Addenda

I. Exhibit A - Appraiser's Qualifications (continued)

Mr. Spears is a State-Certified General Appraiser # RZ1243 governed by The Appraisal Foundation.

The Appraisal Foundation, a not-for-profit educational organization dedicated to the advancement of professional valuation, was established by the appraisal profession in the United States in 1987. Since its inception, the Foundation has worked to foster professionalism in appraising. It is recognized by the U.S. Congress as the source for the development and promulgation of appraisal standards and qualifications.

The Uniform Standards of Professional Appraisal Practice (USPAP) are the generally accepted standards for professional appraisal practice in North America. USPAP contains standards for all types of appraisal services including real estate, personal property, business and mass appraisal.



The National Association of Realtors - The Voice for Real Estate

Mr. Spears is a member of The National Association of Realtors and a Florida Licensed Real Estate Broker #BK0143326.

The National Association of Realtors strives to be the collective force influencing and shaping the real estate industry. It seeks to be the leading advocate of the right to own, use, and transfer real property; the acknowledged leader in developing standards for efficient, effective, and ethical real estate business practices; and valued by highly skilled real estate professionals and viewed by them as crucial to their success.

Working on behalf of America's property owners, the National Association of Realtors provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system, and the right to own, use, and transfer real property.



Florida Association of Realtors

Mr. Spears is a member of the Florida Association of Realtors. FAR is the largest trade association in the state, with more than 170,000 members representing more than 17,000 firms. The Association's mission is to advance Florida's real estate industry by shaping public policy on real property issues; encouraging, promoting and teaching consistent standards for ethical practice and professionalism; and building on the efforts of local Boards/Associations to provide the information and tools members need to succeed.

Appraisal Services

Mr. Spears has all the necessary capabilities to complete appraisals on any type of property anywhere in the world, including real property (real estate); tangible personal property (furniture, fixtures and equipment) and Intangible personal property (business valuations).

PART FIVE — Addenda

I. Exhibit A - Appraiser's Qualifications (continued)

He has completed appraisals of all types of property including:

- Master-Planned Resort Communities
- Resort Hotels
- Marinas
- Golf Courses
- Country Clubs
- Las Vegas-Style Megaresorts & Casinos
- Islands
- Gold Mines
- Silver Mines
- Iron Mines
- Bauxite Mines
- Limestone Deposits
- Vitrolite Deposits
- Peat Deposits
- Sand and Gravel
- Aggregate Rock
- Rip Rap
- Theme Parks
- Vacation Homes
- Mixed Use Subdivisions
- Regional Malls
- Shopping Centers
- Industrial Parks
- Condo Hotels
- Alpine Ski Resorts
- Amusement Parks
- Family Entertainment Centers
- Business Hotels
- Manufacturing Plants
- Cruise Ships and Cruise Ship Terminals
- International Airports and Space Ports
- Monuments and Statues

Intangible Personal Property (Business Value)

- Cemeteries
- Burial Rights
- Burial Services
- Gravesites
- Columbarium Niches
- Distribution Companies
- Jewelry Companies
- Museums
- Theme Parks

PART FIVE — Addenda

I. Exhibit A - Appraiser's Qualifications (continued)

Market Value of the Total Assets of the Business (MVTAB)

These include a combination of real property (real estate), tangible personal property (FF&E) and intangible personal property (business value). Examples of these complex appraisal assignments include:

- Theme Parks
- Resort Hotels
- Casino and Hotels
- Ski Resorts

Market & Feasibility Studies

- Market Studies
- Feasibility Studies
- Due Diligence
- Expert Witness Testimony

Mining Operations

- Gold Mines
- Silver Mines
- Bauxite Mines
- Coal Mines
- Vitrolite/Raeolite
- Limestone
- Peat
- Sand and Gravel
- Aggregate Rock

Natural Resources

- Oil
- Gas
- Water Rights
- Pipelines

Utilities

- Electric Lines
- Power Plants
- Solar Energy

Business Valuations

- Cement Plants
- Cement Distribution Centers
- Burial Rights and Funeral Rights
- Columbarium Niches
- Grave Sites and Cemeteries
- Power Plants
- Retail Facilities
- Beverage Distribution Plants

PART FIVE — Addenda

I. Exhibit A - Appraiser's Qualifications (continued)

Qualifications of RICHARD C. SINGERLE Ph.D., MAI

Professional Experience

Richard C. Singerle, MAI, is a professional Real Estate Appraiser with more than 30 years experience in the industry. Specializing in both residential and commercial properties, Mr. Singerle has appraised a wide variety of properties including:

Automobile Dealerships	Forest Land
Churches	Lake Frontage
Motels, Hotels & Resorts	Timeshare Resorts
Office Complexes	Residential Land
Retail Stores	Commercial Land
Farm, Country Estates	Industrial Land
Neighborhood Shopping Centers	Greenhouses
Supermarkets	Single-family Residences
Restaurants	Leased Fee Interests
Horse Breeding Ranch	Light Industrial Buildings
Special Purpose Properties	Heavy Industrial Buildings
Theaters	Mobile Home Parks
Apartments	Mini Storages
Condominiums	Warehouses
Schools	Nursing Homes
Medical Offices	Senior Communities
Certiorari-Tax Review	Golf Courses
Marinas	Subdivisions
Camping Facilities	Railroads
Condominium Projects	Toxic Influence

Mr. Singerle is a licensed real estate appraisal instructor, accredited fee appraiser, and qualified expert witness in the State of New York.

Professional Affiliations

Member, Chapter 30, Appraisal Institute, MAI
 Certified, Licensed General Real Estate Appraiser
 (U.S.V.I. #3-2016530; State of New York #46000003563)
 Member, National Association of Realtors
 Member and Senior Certified Valuer (SVC), International Real Estate Institute
 Member, FIABCI, The International Real Estate Federation

PART FIVE — Addenda

I. Exhibit A - Appraiser's Qualifications (continued)



Appraisal Institute – Professionals Providing Real Estate Solutions

Mr. Singerle is a member of the Appraisal Institute and holds the coveted MAI designation, bestowed on members with special experience in the valuation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions. Members who hold the MAI designation have met rigorous requirements relating to education, experience and demonstration of knowledge, understanding and ability.



The Appraisal Foundation – Authorized by Congress as the Source for Development and Promulgation of Appraisal Standards and Qualifications

Mr. Singerle is a State-Certified General Appraiser in the U.S. Virgin Islands #3-2016530; and the State of New York #46000003563) and governed by The Appraisal Foundation.

The Appraisal Foundation, a not-for-profit educational organization dedicated to the advancement of professional valuation, was established by the appraisal profession in the United States in 1987. Since its inception, the Foundation has worked to foster professionalism in appraising. It is recognized by the U.S. Congress as the source for the development and promulgation of appraisal standards and qualifications.

The Uniform Standards of Professional Appraisal Practice (USPAP) are the generally accepted standards for professional appraisal practice in North America. USPAP contains standards for all types of appraisal services including real estate, personal property, business and mass appraisal.



The National Association of Realtors - The Voice for Real Estate

Mr. Singerle is a member of The National Association of Realtors.

The National Association of Realtors strives to be the collective force influencing and shaping the real estate industry. It seeks to be the leading advocate of the right to own, use, and transfer real property; the acknowledged leader in developing standards for efficient, effective, and ethical real estate business practices; and valued by highly skilled real estate professionals and viewed by them as crucial to their success.

Working on behalf of America's property owners, the National Association of Realtors provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system, and the right to own, use, and transfer real property.

PART FIVE — Addenda

I. Exhibit A - Appraiser's Qualifications (continued)



FIABCI – The International Real Estate Federation

Mr. Singerle is a member of the International Real Estate Federation and holds a Senior Certified Valuer designation (SCV).

FIABCI is represented by chapters in 48 countries. It has five official languages: English French German Japanese and Spanish.

FIABCI is a non-political entity whose objective is to help its members add an international dimension to their businesses. FIABCI helps members acquire knowledge, develop networks and optimize business opportunities all over the world.



**GLOBAL
VALUATION**

INTERNATIONAL APPRAISAL SERVICES

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities

Comparable Master Planned Resort Community No. 1
Bahia Beach Resort & Golf Club
Rio Grande, Puerto Rico
www.bahiabeachpuertorico.com

Comparable Master Planned Resort Community No. 2
Trump International Golf Club & Residences
Rio Grande, Puerto Rico
www.trumppuertoricoresidences.com

Comparable Master Planned Resort Community No. 3
The Abaco Club on Winding Bay
Marsh Harbour, Great Abaco Island
Commonwealth of the Bahamas
www.ritzcarltonrealestate.com

Comparable Master Planned Resort Community No. 4
One & Only Ocean Club Resort
Paradise Island Nassau, Bahamas
www.oneandonlyresorts.com

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities

Comparable Master Planned Resort Community No. 1
Bahia Beach Resort & Golf Club
Rio Grande, Puerto Rico
www.bahiabeachpuertorico.com

Resort Overview

Bahia Beach Resort and Golf Club is under construction on 483-acres of oceanfront land featuring two miles of white sand beach. The resort is adjacent to the mountainous El Yunque Rainforest just 16 miles from San Juan International Airport,

Phase-I consists of a St. Regis Resort Hotel with 41-traditional hotel suites and 98-condo hotel suites for a total of 139-junior; one bedroom and two bedroom suites. The hotel development is reported at \$172,000,000. St. Regis Residences; Las Estancias consists of 26-Estate Homes designed in a tropical plantation architectural style and are available in six different models. Phase I also consists of 114-villas, 10-oceanfront townhomes.

The total development cost for Phase-I is \$360,000,000 including St. Regis Hotel, an 18-hole championship golf-course and clubhouse, Las Verandas Villas, Las Olas Townhomes and the already existing St. Regis Residences (Las Estancias). There are a total of 289-units in Phase I or a development cost of \$1,245,674/unit.

There are five oceanfront parcels, three interior resort parcels and 60-single family lots for future single and multi-family developments.

Resort amenities include an 18-hole championship golf-course designed by Robert Trent Jones, Jr. and a world-class clubhouse; tennis club; beach club and a 10,000SF Remede spa.





PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Condo Hotel Suites

There are 98-condo hotel suites within the 139-unit St. Regis Hotel. The property consists of a 25-acre oceanfront parcel. There are junior suites, one bedroom suites and two bedroom suites. The hotel is scheduled for completion in 2010.

St. Regis Residences



Las Estancias - Estate Homes

Located in an exclusive private island within the property and surrounded by over 70 acres of interconnected lakes, these 26 majestic St. Regis branded Estate Homes are already introducing an unrivaled dimension of luxury and bespoke hospitality to Puerto Rico. Designed in a tropical plantation architectural style on spacious lots of up to 1 ½ acres overlooking incredible views of the ocean, lakes, golf course, and the towering El Yunque Rainforest. In keeping with the personal touch, owners choose from six plantation style designs created by Puerto Rico's top architects with sizes ranging from 6,000 to over 9,000 square feet. The homes showcase large verandas, three-car garages, high ceilings, separate maid quarters, infinity edge pools and top of the line finishes and appliances. Residents of Las Estancias will enjoy full access to the St. Regis Resort amenities and services.

There are six (6) closed sales and 20-Estate homes available as of the date of this appraisal.

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Monserrate

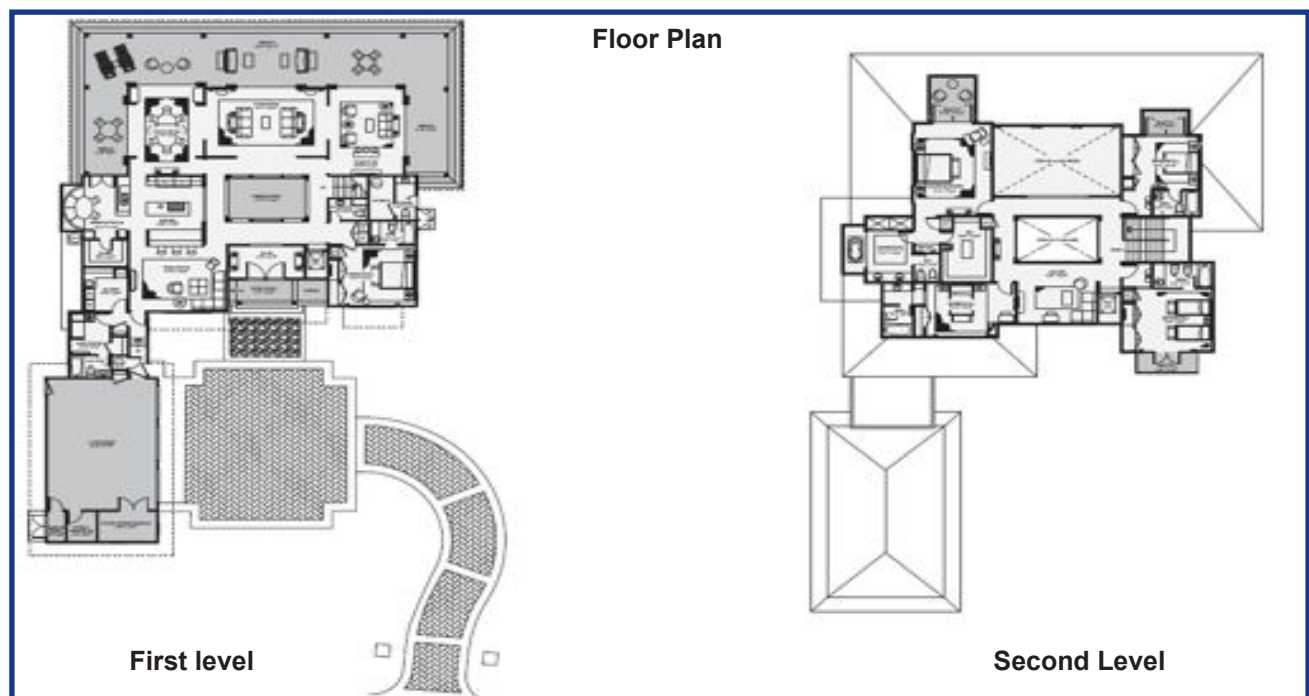
Residential features:

First Level

- Private driveway
- Private patio
- Interior courtyard with skylight
- Three-car garage
- Spacious terraces
- Basic nine-foot ceilings
- Spacious rooms
- Living room with double-height vaulted ceiling
- Dining room
- Family room
- Game room
- Fully equipped European-style kitchen with breakfast nook
- Maid's room with private bath
- Laundry room
- Guest room with private bath
- One powder room
- Elevator shaft provided for future installation of an elevator

Second Level

- Master bedroom with private balcony, wet bar and vaulted ceiling
- Master bathrooms with double vanity, oversized shower room, elegant bathtub, wardrobe and dressing area
- Three bedrooms with private bath and generous closet space
- Family room



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Camelia

Residential features:

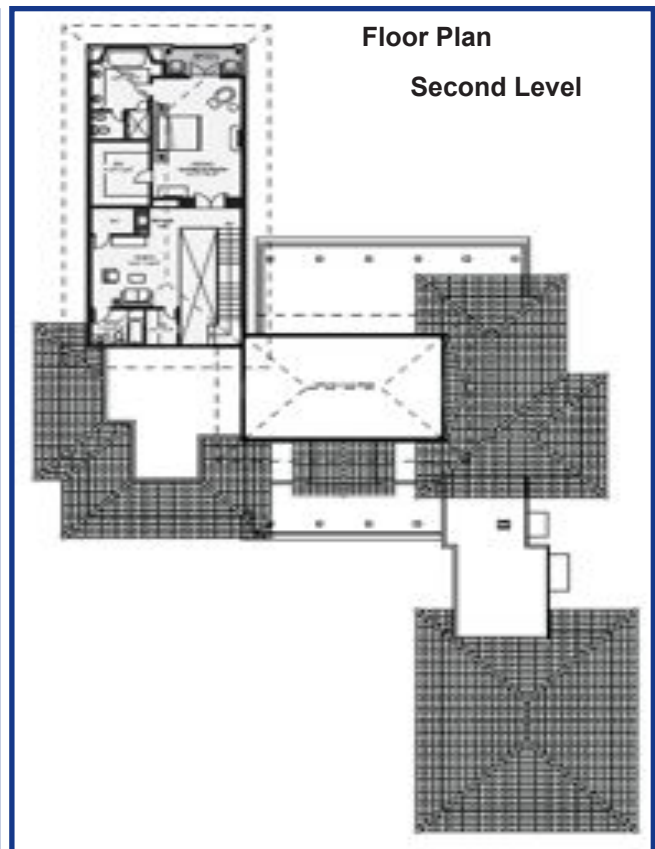
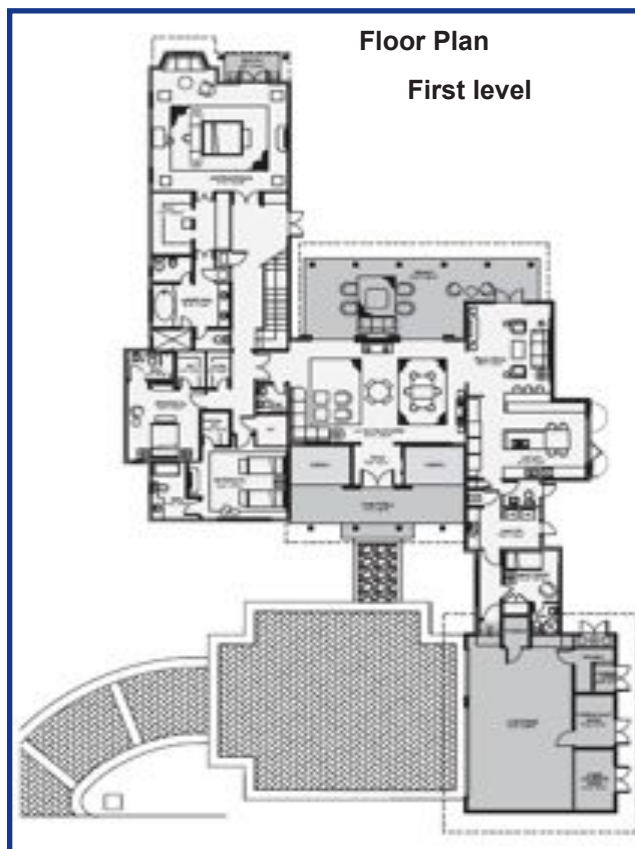
First Level

- Private driveway
- Private patio
- Three-car garage
- Spacious terraces
- Basic ten-foot high ceilings
- Spacious rooms
- Family room
- Living room and dining room with vaulted ceiling and clerestories
- Fully equipped European-style kitchen with exterior breakfast area
- Maids room with private bathroom
- Laundry room
- Two powder rooms
- Master bedroom with private balcony
- Master bathroom with wardrobe & dressing area, double vanity, oversized shower room, elegant bathtub, his-and-hers water closet
- Two bedrooms with private bath and wardrobe area



Second Level

- Second master bedroom with private balcony
- Studio with private bath and wet bar



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

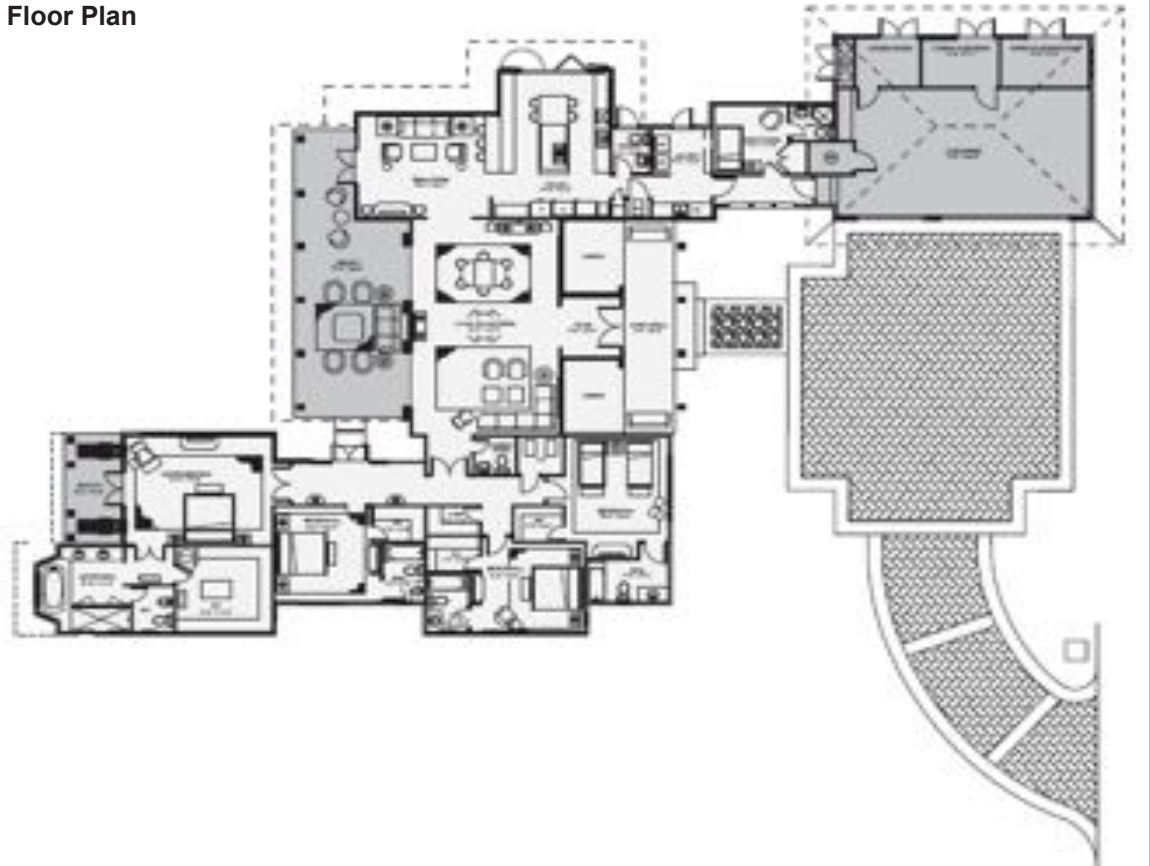
Carmen

Residential features:

- Private driveway
- Private patio
- Three-car garage
- Spacious terraces
- Basic nine-foot ceilings
- Spacious rooms
- Living and dining room with high vaulted ceiling and clerestories
- Family room
- Fully equipped European-style kitchen with exterior breakfast area
- Master bedroom with private balcony
- Master bath with double vanity, oversized shower area, elegant bathtub with wardrobe and dressing area
- Three bedrooms with private bath and wardrobe area
- Linen closet
- Two powder rooms
- Maid's room with private bath
- Laundry room



Floor Plan



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Mercedita

Residential features:

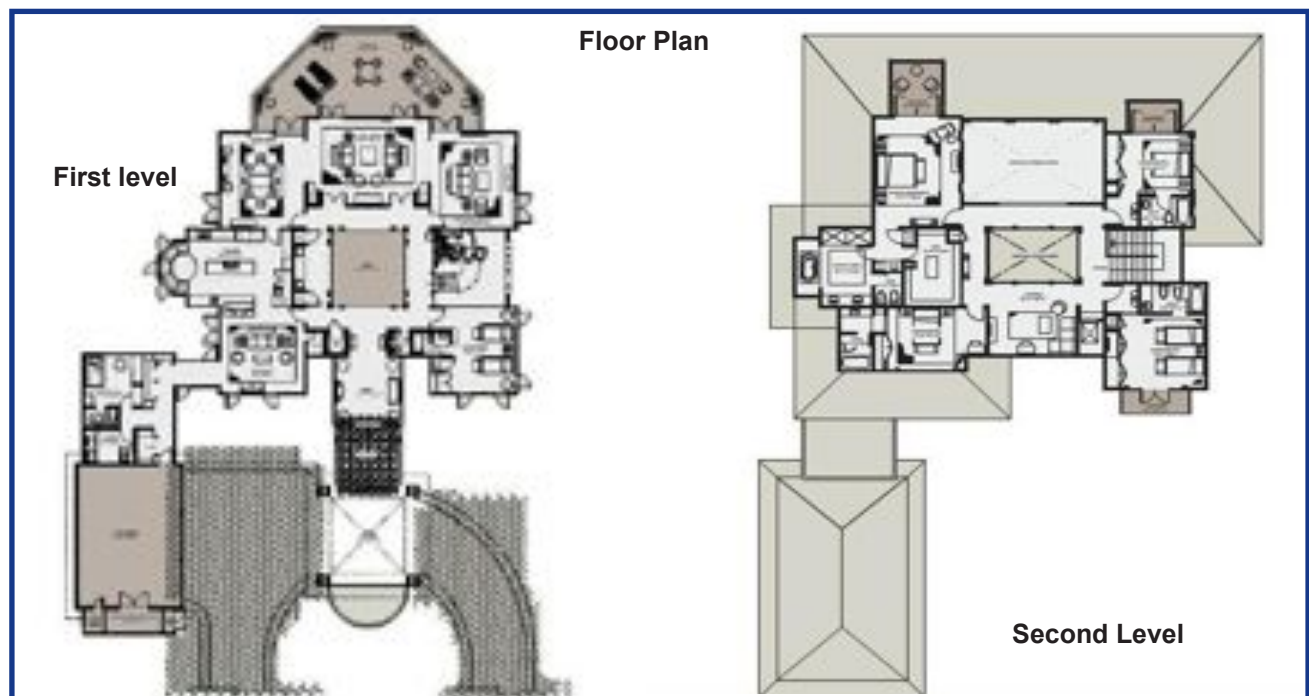
First Level

- Private driveway with covered Porte cochere
- Private patio
- Interior courtyard with skylight
- Spacious terraces
- Living room with double-height vaulted ceiling
- Dining room
- Music / Family room
- Play room
- Fully equipped European-style kitchen with breakfast nook
- Studio/guest room with private bath
- Linen closet
- Maid's room with private bath
- Laundry room
- Powder room
- Elevator shaft provided for future installation of an elevator
- Grand stair patio



Second Level

- Grand stair patio
- Master bedroom with private balcony and vaulted ceiling
- Master bath with his-and-hers vanity and wardrobe shower room and elegant bathtub
- Three bedrooms with private bath, wardrobe area and vaulted ceiling
- Studio / Gym



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

María Isabel

Residential features:

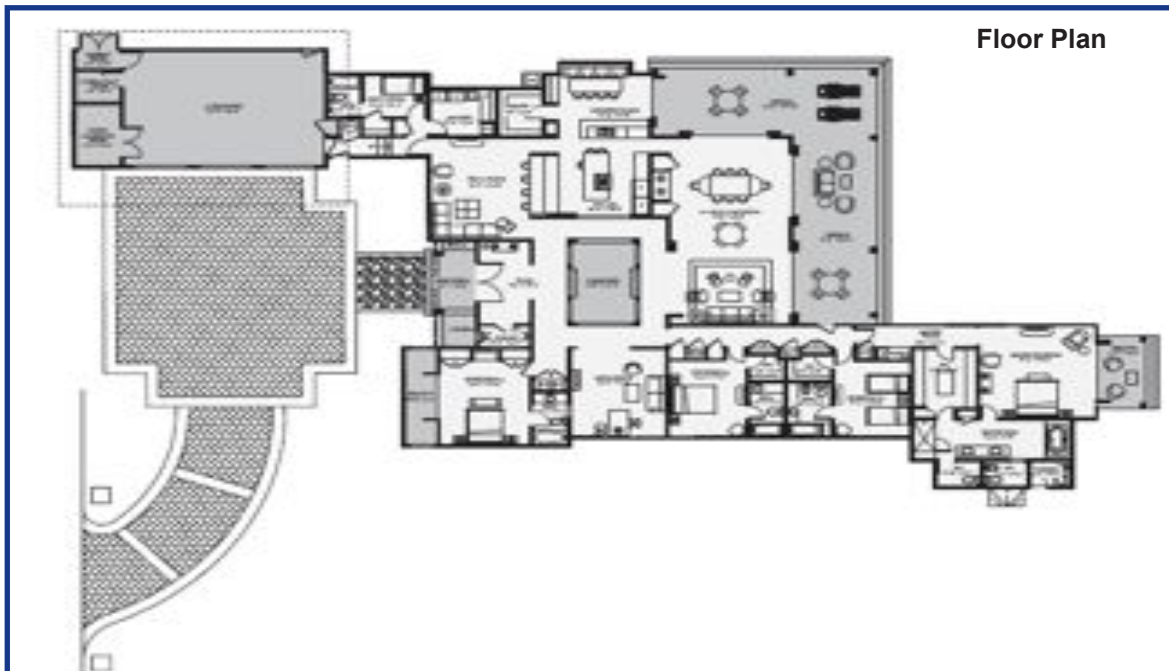
First Level

- Private driveway
- Private patio
- Interior courtyard with skylight
- Three-car garage
- Spacious terraces
- Basic nine-foot ceilings
- Spacious rooms
- Living room with double-height vaulted ceiling
- Dining room
- Family room
- Game room
- Fully equipped European-style kitchen with breakfast nook
- Maid's room with private bath
- Laundry room
- Guest room with private bath
- One powder room
- Elevator shaft provided for future installation of an



Second Level

- Master bedroom with private balcony, wet bar and vaulted ceiling
- Master bathrooms with double vanity, oversized shower room, elegant bathtub, wardrobe and dressing area
- Three bedrooms with private bath and generous closet space
- Family room



Floor Plan

PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

Alejandra



Floor Plan

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Las Verandas

A collection of 90 exclusive residential villas designed by SB Architects of Miami. The gorgeous tropical plantation architecture and exquisite design are perfect complements to the breathtaking views of El Yunque Rainforest, the Robert Trent Jones, Jr. golf course and the calm waters of our lakes. The villas are available in one, two or three bedrooms models from 1,500SF to 3,500SF for the spacious Penthouse unit. (Herrera Building and Espíritu Santo Building)

All buildings share a centrally located recreational area featuring an impressive lawn for outdoor activities, and a geometrically styled swimming pool surrounded by well appointed gazebos with BBQ's and kitchenette facilities

Approximate price range from \$722,250's to \$1,926,000 or from \$481/SF to \$550/SF.



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Herrera Building



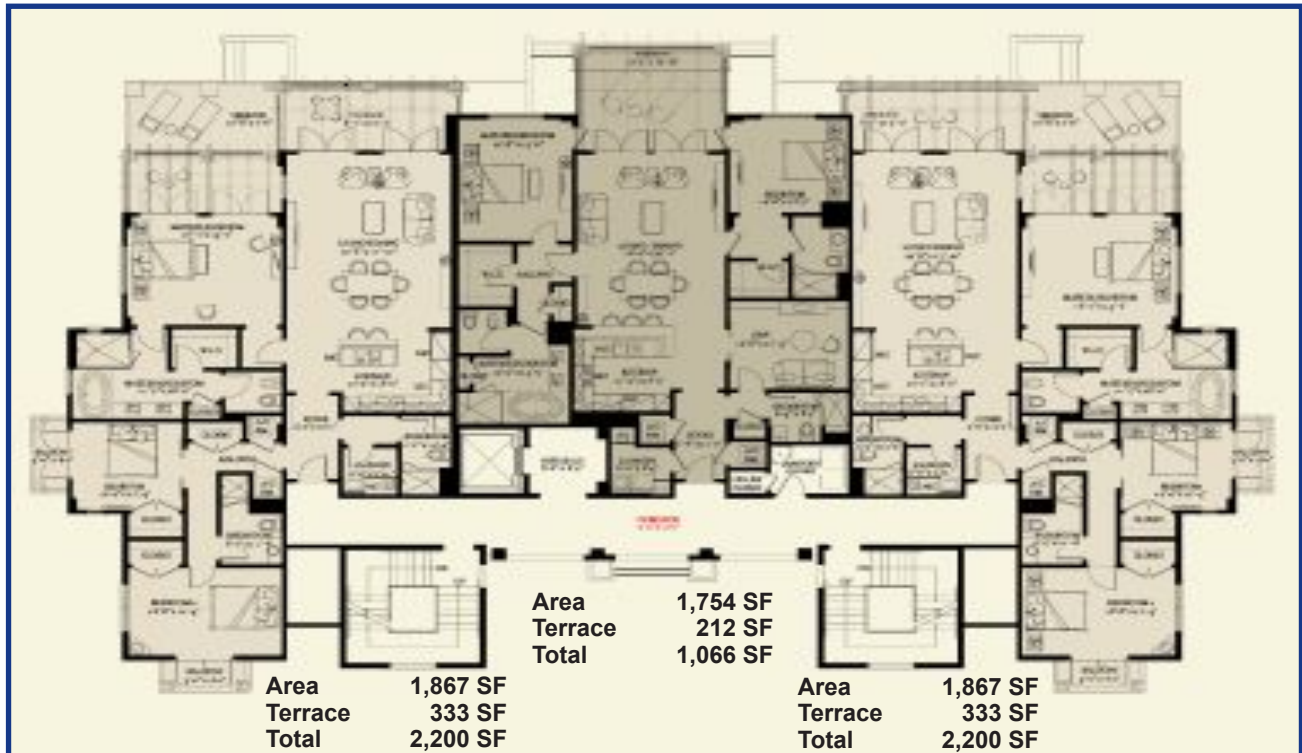
Herrera Building, Penthouse Floor Plan



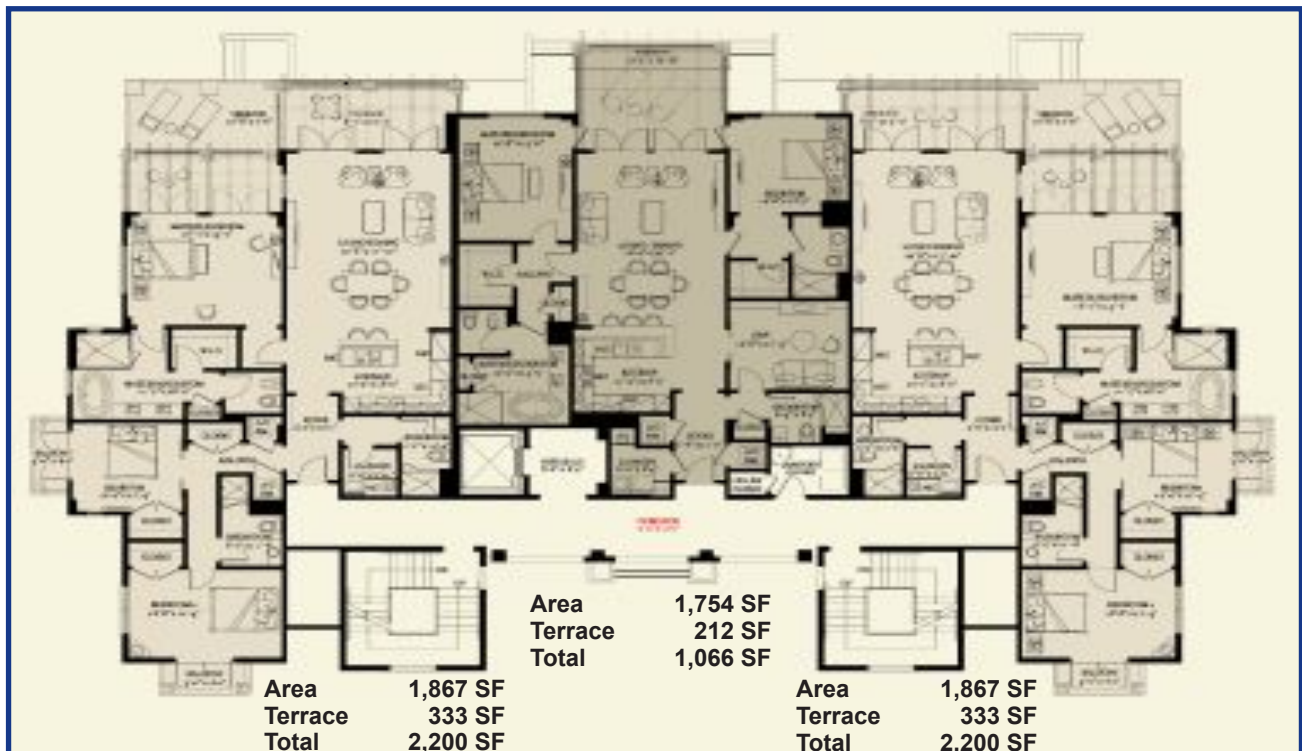
PART FIVE — Addenda

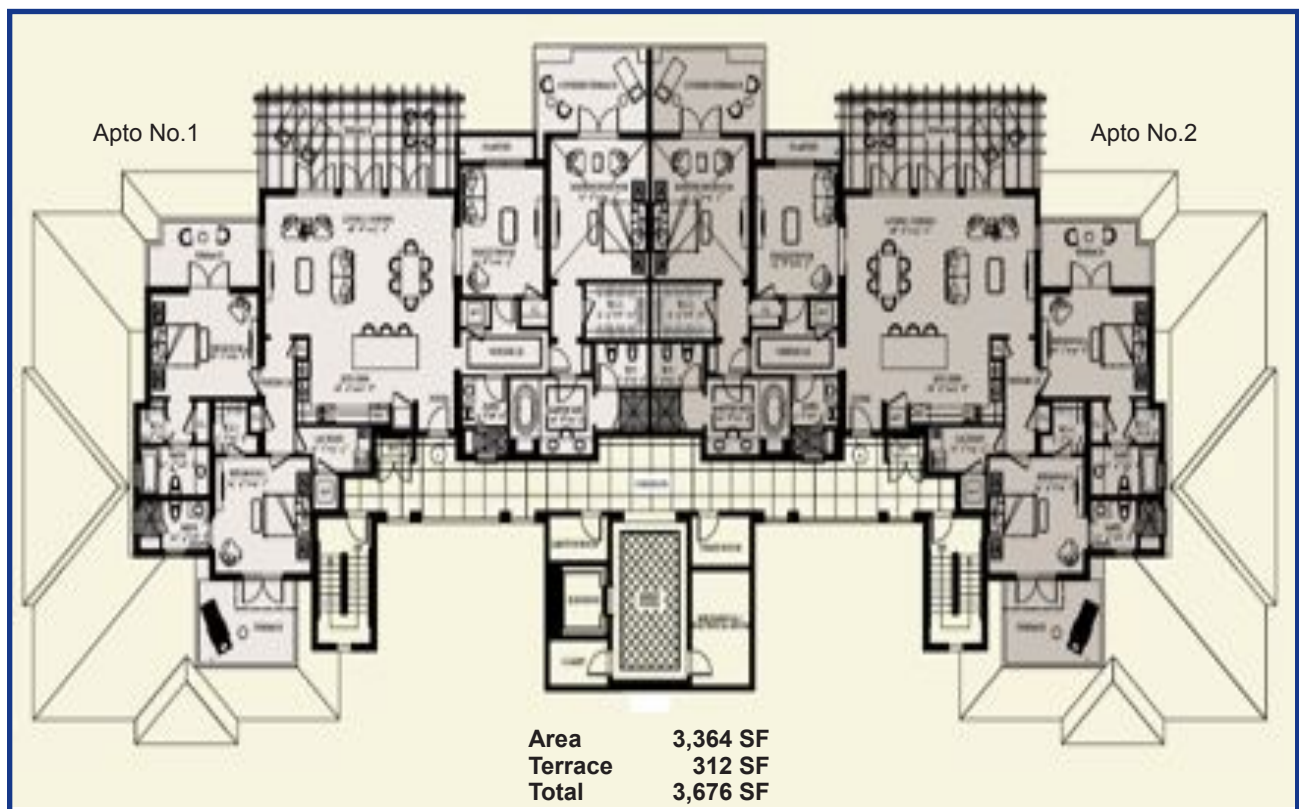
II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Herrera Building, Terrace Level, 2nd Floor, Floor Plans



Herrera Building, Garden Level, 1st Floor, Floor Plans

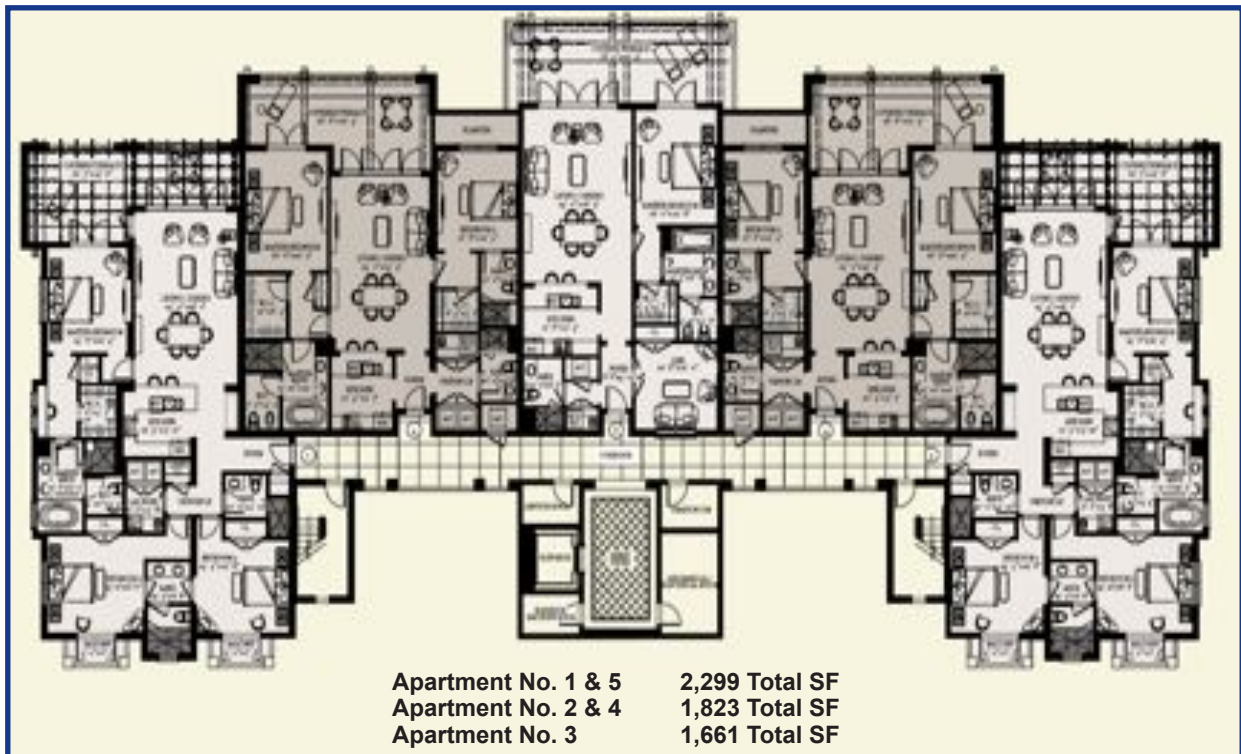


PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)****Espíritu Santo Building****Espíritu Santo, Penthouse Floor Plan**

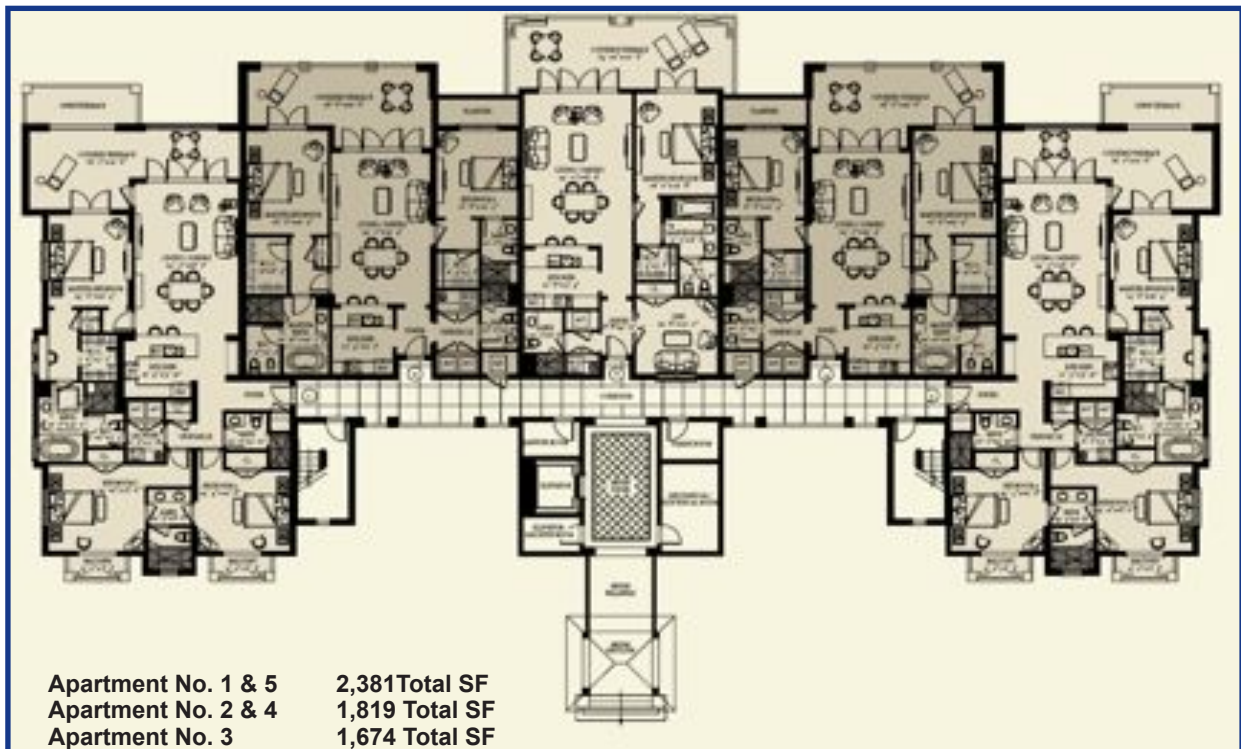
PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Espíritu Santo, Terrace Level, 2nd Floor, Floor Plans



Espíritu Santo, Garden Level, 1st Floor, Floor Plans



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Las Olas

Las Olas consists of 10 luxurious two-story beachfront town homes designed by SB Architects of Miami. These spectacular residences will be built directly along the beach with stunning views of the ocean and just a short stroll from the Golf Clubhouse and the Bahía Village.

Las Olas beachfront town homes designed by SB Architects of Miami. These spectacular residences are sited directly along the beach with stunning views of the ocean and are just a short stroll from the Bahia Beach Golf Clubhouse and Bahia Village. Town homes units have 4,232SF total floor area and 2,930SF of interior A/C area. The units will feature three bedrooms plus a guest room, a private plunge pool, two-car enclosed garage and top of the line finishes and appliances.

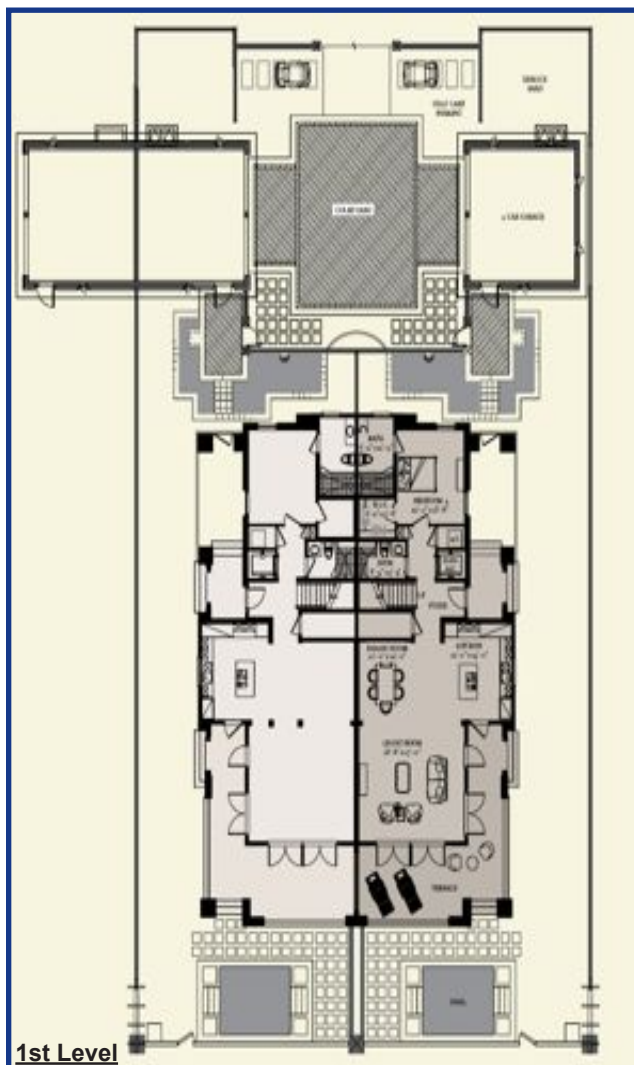
As of the date of this appraisal four (4) town homes are built and 2 have closed.

Priced at approximately \$3,200,000 or \$840/SF (total SF), \$1,092/SF (interior SF).



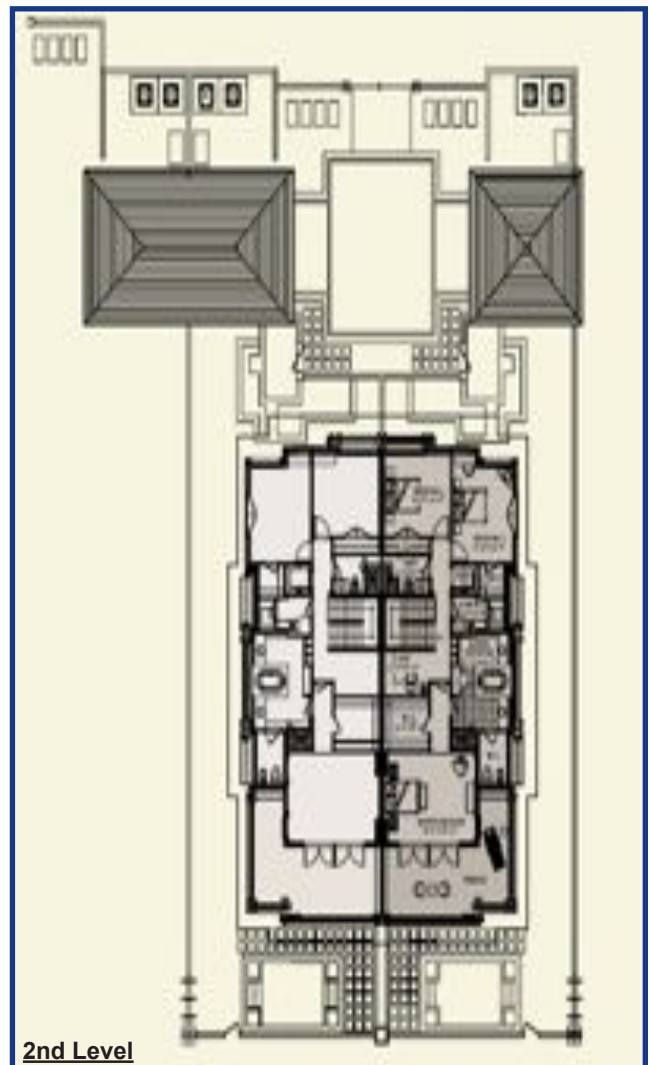
PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



1st Level

A/C Area	1,390 SF	Total living area
Garage	434 SF	
Terrace Area	508 SF	4,232SF
Total	2,332 SF	



2nd Level

A/C Area	1,540 SF
Terrace	360 SF
Total	1,900 SF

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Las Ventanas

Within easy walking distance of the beach, the Bahía Village and the Golf Clubhouse, 24 charming Las Ventanas Villas ranging in size from 1,669SF for one bedroom with den to 3,370SF for ocean view penthouses. All villas feature elegant stone, tile and hardwood design elements throughout. The two buildings feature a gorgeous tropical plantation style of architecture and were designed by SB Architects.

The two buildings have gorgeous tropical plantation architecture and exquisite design by SB Architects of Miami.

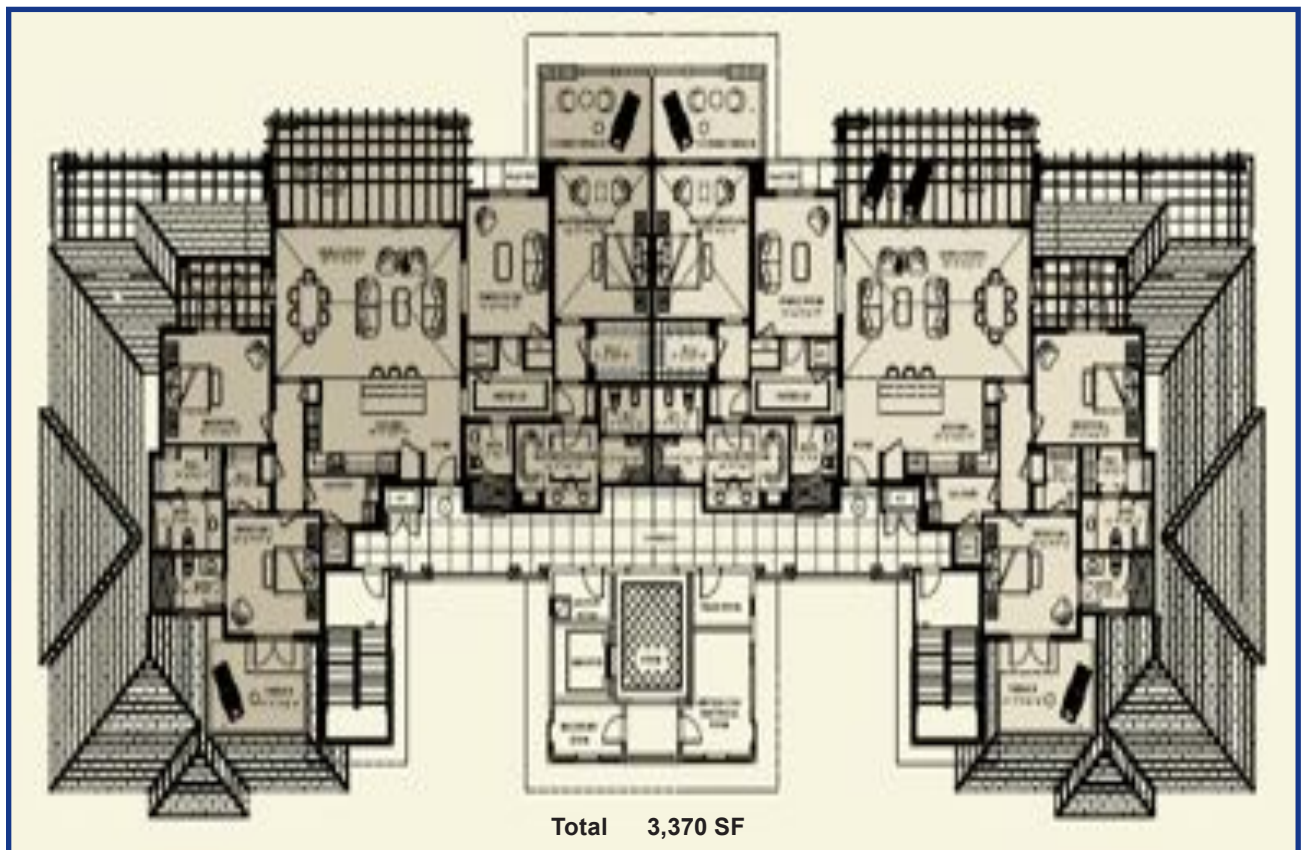
As of the date of this appraisal there are 12-units under construction.

Approximate price range from \$1,177,000 to \$2,924,000 and averaging \$705/SF to \$868/SF.



PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

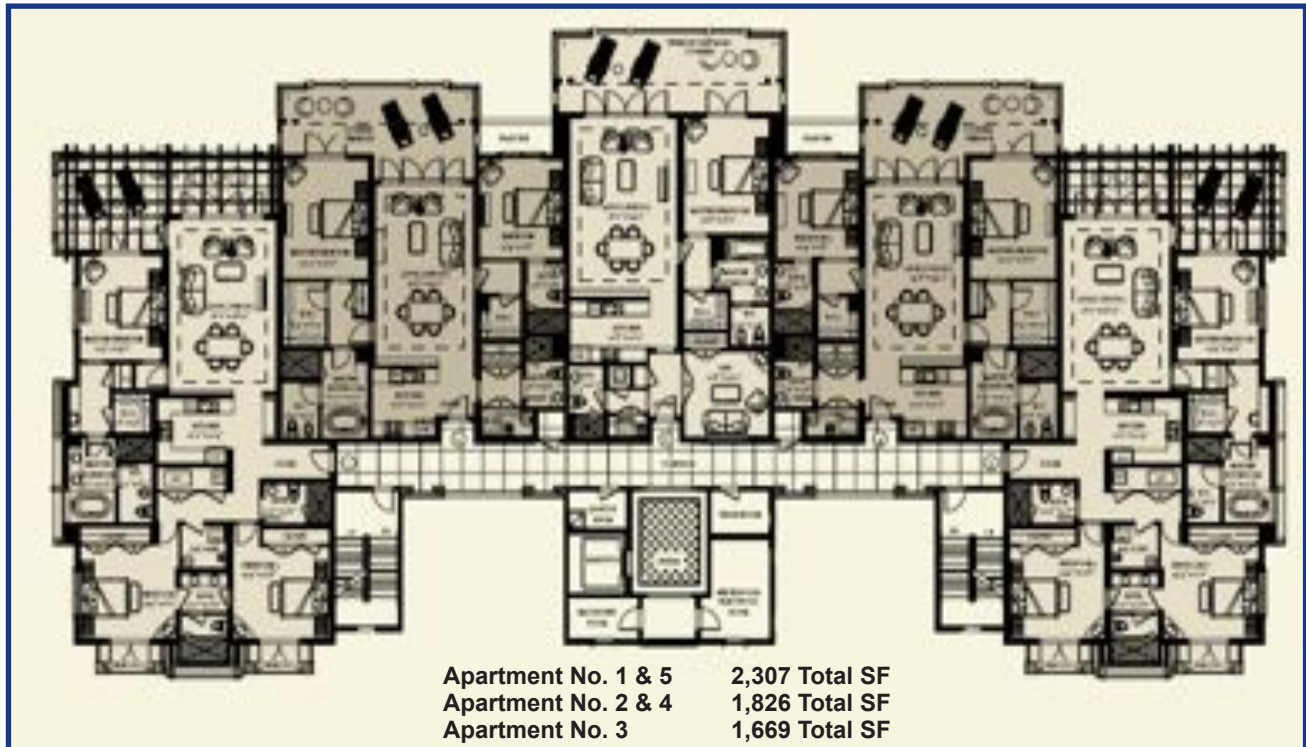
Las Ventanas Penthouse Floor Plan



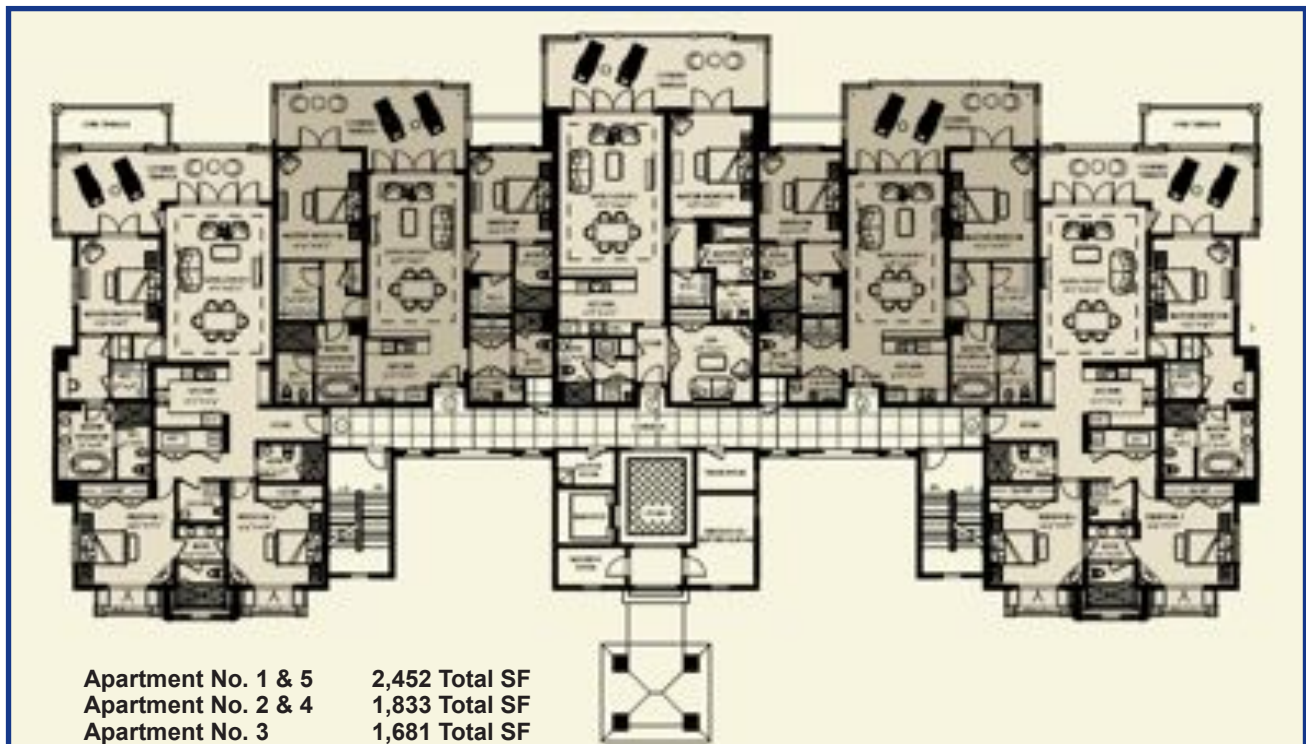
PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Las Ventanas Terrace Level, 2nd Floor, Floor Plan



Las Ventanas Garden Level, 1st Floor, Floor Plan



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Comparable Master Planned Resort Community No. 2
Trump International Golf Club & Residences
Rio Grande, Puerto Rico
www.trumppuertoricoresidences.com

Resort Overview

Trump International Golf Club & Residences, Puerto Rico will be a \$600 million development. It will be situated on a 1,000-acre enclave of waterfront located in the city of Rio Grande, just 15 miles (30 minutes) from San Juan and 10 miles (20 minutes) from the airport.

The resort will have 500 residences centered on a spectacular 36-hole golf course designed by former U.S. Open Champion Tom Kite.

Phase-I will include 56 breath-taking ‘founder’ residences which will come with a starting price of \$1,110,900. Owners of these initial units will be given membership into the Founders Club – an exclusive resident community offering perks like preferred tee times and access to a private jet, helicopter and limo services.

Later phases in the property will include breathtaking houses with negative-edge pools, 10-foot ceilings, five-fixture bathrooms and plenty of other amenities that you’d expect from the Trump organization. Outside the residences, owners will have views of the El Yunque Rainforest and the crystal blue waters of the Caribbean.

Trump International Golf Club & Residences, Puerto Rico will also feature a wide variety of residences including condos and estate homes starting at \$776,900 and going up to \$7 million.

The next release will be 109 beach villas in a nine-building low-rise complex.



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)****Trump International Golf Club House****Fairway View of El Yunque National Raiforest**

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Trump International Golf Club

The Trump International Golf Club boasts Puerto Rico's first course of legendary proportions, designed by PGA Professional Tom Kite. Comprised of two 18-hole championship courses, the Championship and the international, the meticulously crafted fairways boast stellar scenery, with an 46,000SF clubhouse.

- Two 18-Hole Championship Courses
- Among Puerto Rico's Most Challenging Courses
- PGA Professional Tom Kite design
- 1,000 Acres of Atlantic Ocean Waterfront
- Caribbean National Rainforest of El Yunque Views
- Lush Groves, Waterways and Lakes
- Tropical Landscaping
- Host of the 2008 Puerto Rico Open, an Official PGA Tour Event
- On-Course Food and Beverage Services
- 46,000SF Clubhouse
 - Meeting Facilities (Indoors and Out)
 - Restaurant
 - Greens Lounge
 - Men's and Women's Locker and Lounge Facilities
 - Massage
 - Sauna and Jacuzzi
- Pro Shop
- PGA Professional Instruction and Tournament Organization
- 2 Putting Greens
- Chipping Area and Driving Range



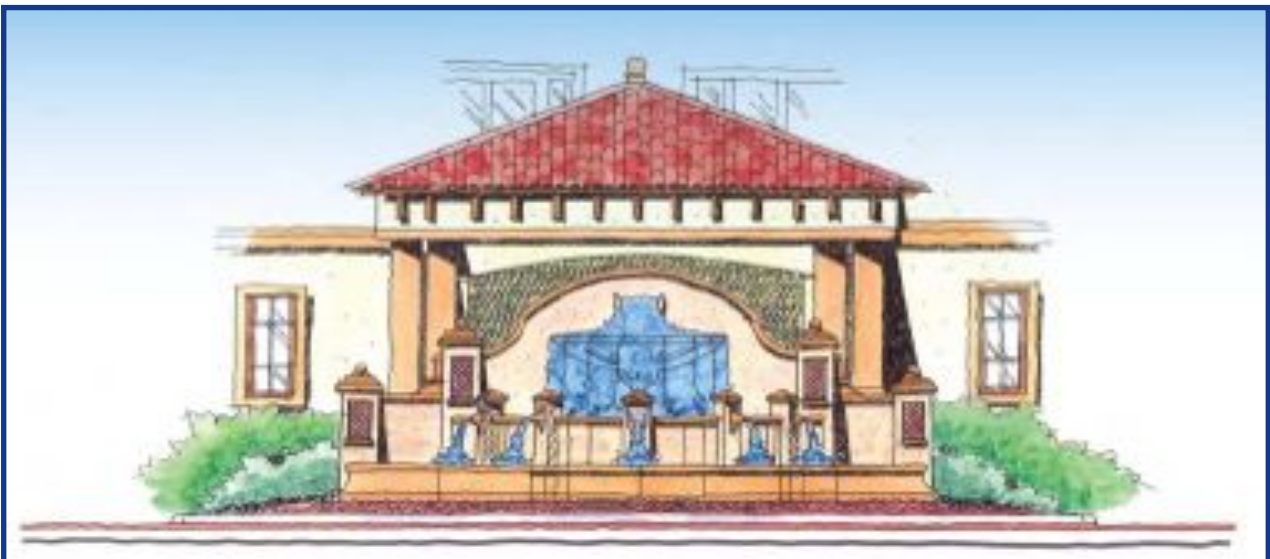
PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Trump Beach Club

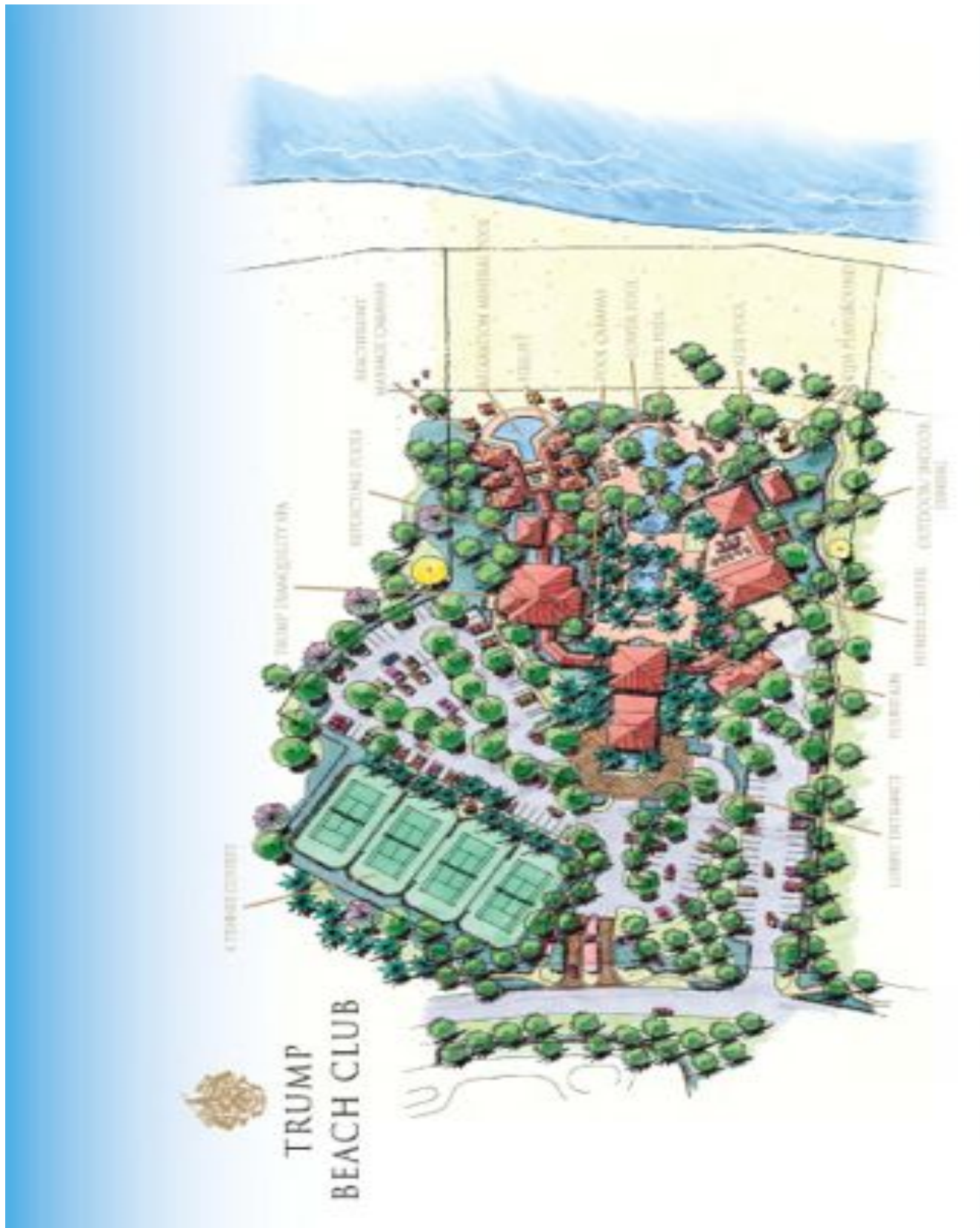
Once completed, The Beach Club will provide far more than a five star resort demands. Linger in a private cabana beside the sparkling outdoor pool area, with beverage service and gourmet snacks delivered to the shaded lounge chair.

- Over 2,000 feet of beach
- 3 pools (mineral pool, upper/lower pool and kids pool)
- Poolside Cabanas
- Trump Tranquility Spa
- Beachfront massage cabanas
- State-of-the-art fitness center with personal trainers
- Yoga and pilates classes
- Invigorating workout classes
- 4 Tennis court
- Indoor/Outdoor restaurant with full-service menu
- Watersports facilities
- Kids and Juniors Trump Club
- Nursery



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Trump Tranquility Spa

Experience elevated luxury at Trump Tranquility Spa, coming soon to the Trump International Golf Club Puerto Rico. From an indulgent menu of facials, massages, body wraps and salon services, each treatment individually tailored for each personal needs.

- Facial
- Body Wraps
- Massage
- Baths
- Salon Services
- Reflection Pools
- Relaxation Mineral Pools



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Amenities

- International Trump Community
- Over 1,000-acres of lush natural beauty, surrounded by mountains and ocean
- Two 18-Hole Championship Golf Courses
- Trump Championship Course is home of the PGA Puerto Rico Open
- Courses designed by PGA professional Tom Kite
- 46,000SF Trump Golf Club House features:
 - Gourmet Restaurant
 - Lounge/Bar
 - Elegant locker facilities (male/female)
 - Jacuzzi, sauna and steam room, relaxation room, shower and massage areas
 - Two multi-functional banquet rooms with a capacity for up to 250 persons
 - Roundtable conference room
- Trump Beach Club



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Trump Founders Residence



Features

- All units enjoy 3 sides of spectacular vistas of mountains, golf course and beaches
- Private elevator corridors
- Private enclosed parking spaces
- Large storage spaces in parking garage
- Oversized terraces with panoramic views of El Yunque rainforest, the ocean and golf course (e.g. Hole 14 and Hole 18)
- Limestone flooring throughout residence
- Ceiling molding throughout residence
- Ceiling fans in bedrooms, study and family rooms
- Built-in custom closets in bedrooms and study
- Efficient cooling system

Bathroom

- Marble Floors
- Marble counter tops
- Recessed under counter sinks
- His and hers sinks in master bath
- Fully built out closets
- Whirlpool tubs

Kitchen

- Sub-zero stainless steel appliance package
- Granite counter tops throughout
- European-style custom made cabinetry
- Dual-temperature wine storage and cooler unit

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Included in Trump Founders Residences Package

- Exclusive gold membership to Trump International Golf Club Puerto Rico
- Membership to Trump Beach Club and Tranquility Spa
- Trump Founders Club Golf Carts included with purchase (suitable for 4 passengers)
- Trump Championship Course is home of the PGA Puerto Rico Open
- Reserved Locker with bronze plaque in the Clubhouse Locker Room and the Beach Club Locker Room*
- During PGA tournament, exclusive access to Hospitality Tent of Empresas Diaz
- Concierge Service*
 - Trump Founders Club Social Director will assist in all services Bar
 - I.e. Food delivery, limousine, transportation, yacht connections, helicopter connections, Etc.
- **Substantial discounts for future development offerings within Trump International Golf Club Puerto Rico**



PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda

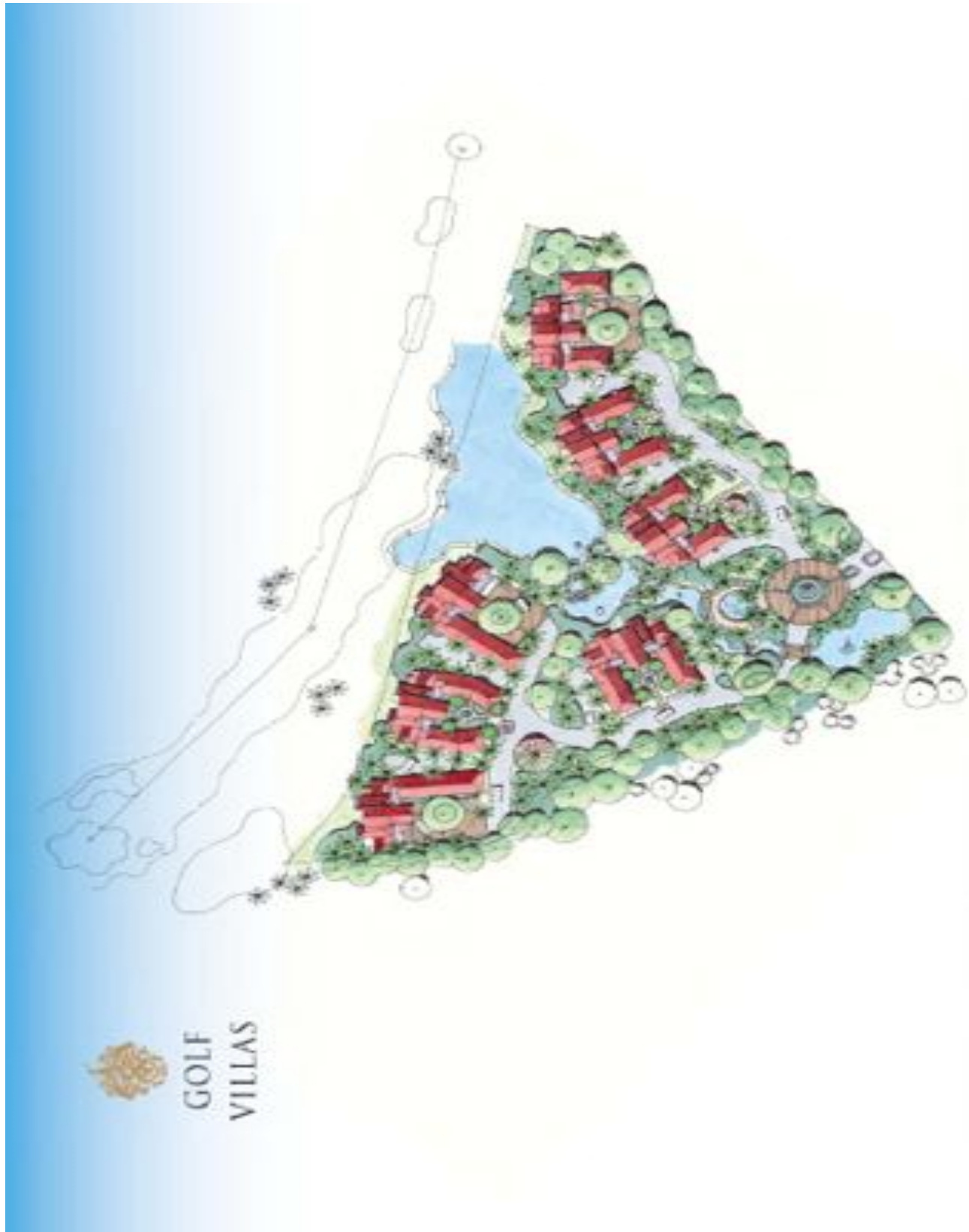
II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Comparable Master Planned Resort Community No. 3
The Abaco Club on Winding Bay
Marsh Harbour, Great Abaco Island
Commonwealth of the Bahamas
www.ritzcarltonrealestate.com

Resort Overview

Just 170 miles east of the Florida mainland, The Abaco Club on Winding Bay is one of those rare spots. The Club is secluded within a dramatic cove, stretching out across 534 acres along 2.3 miles of private powder-soft white sand beach. Built into a lush peninsula, the development is rimmed by the spectacular 18-hole links style golf course along the north and the arching beach on the south.

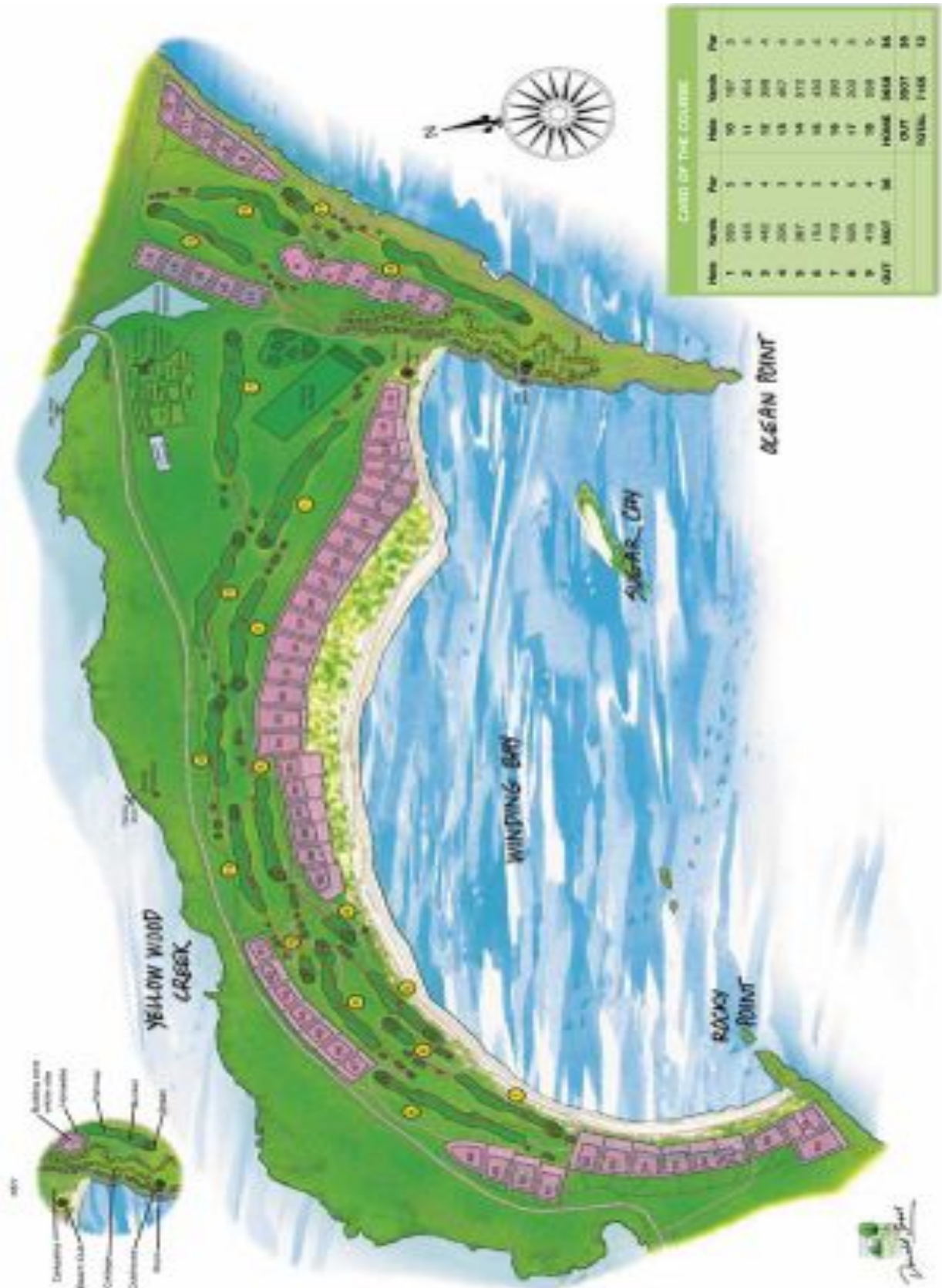
Great Abaco Island is the second largest in the Bahamas, with Marsh Harbour – the third largest Bahamian town – located on it just 25 minutes north of the Club. The Club has its own terminal at the Marsh Harbour International airport, which provides daily direct commercial service. Residents here enjoy the convenience of our proximity to a safe, friendly and modern town with extensive cultural, entertainment and medical facilities. At the same time, living at the Abaco Club easily gives one the feeling of being a million miles away from it all.



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Site Plan



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

The Abaco Club on Winding Bay, Bahamas, a golf, sporting and family retreat created by British entrepreneur Peter de Savary, is opening its doors to clients who want the ultimate vacation in paradise. The European ambiance of the Abaco Club is one of quite sophistication, a casual and informal atmosphere to relax and enjoy the peace and tranquility of this wonderful location, or take full advantage of the Club's many sporting and leisure activities which will engage and provide fun for families of all ages. The Club opened in 2004 with the world's first 18-hole championship Scottish tropical links course in the Caribbean, and 2.3 miles of pristine, double crescent-shaped, powder soft sand beach. The Clubhouse is situated 65 feet above sea level and offers a tropical dining experience with spectacular views of Winding Bay, the ocean and the 18th green. The Beach Bar and Grill serves cool drinks and delicious lunches.



Nestled in a cove on beautiful Winding Bay, Phase-I of the Abaco Club will include 72 cottages, 60 estate lots and 20 hotel cabana suites. The world's premier hotel company and the creator of the de Savary Collection of luxury resorts are delighted to present The Abaco Club on Winding Bay, a Ritz Carlton-managed property.

The beauty of the scenic, 534-acre peninsula on the island of Great Abaco in The Bahamas is beyond imagination. Here, under the guidance of Peter de Savary, the founder and chairman, The Abaco Club on Winding Bay was formed. Now, The Ritz-Carlton Hotel Company, L.L.C., and Peter de Savary have formed a partnership by which the renowned hotelier assumes management of the Club. Phase-II will be a 120-unit Ritz Carlton Boutique Hotel and Residences; 60-cottages; 26-tennis condo units and 12-golf condo units.

The Abaco Club on Winding Bay features an octagonal clubhouse overlooking a powder-soft, white-sand beach that stretches for more than two miles and boasts its own dock and mooring facilities. The club also has the world's first Scottish-style links golf course in the tropics. For those who prefer a well-deserved pampering, the newly renovated spa offers restorative treatments. Other on-site amenities include tennis courts, a state-of-the-art fitness center overlooking the bay, and an equestrian center offering beach horseback riding.

Winding Bay is sheltered from the open ocean by a beautiful coral reef, which makes snorkeling and scuba diving perfect water activities. And whether you choose fly or spin casting, the crystal clear waters allow for exceptional bone fishing, as well. "All of these activities are only a part of the magnificence of this club," says Rob Flaherty, regional director of marketing. "It is the perfect place to escape from civilization." De Savary, the

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

visionary British entrepreneur who created this unique property, has built some of the world's finest private clubs, including Skibo Castle, The London Outpost, Bovey Castle, Cherokee Plantation and The Carnegie Abbey Club.

Phase I consists of 60-estate lots, 72-Turn-key Bahamian Cottages and 20-Inn style hotel suites. Phase I development costs are estimated at \$250 million or \$1,644,736/unit.

Phase II consists of a 120-unit Ritz Carlton Boutique Hotel and Residences; 60-Turn-key Bahamian Cottages; 26-Tennis Condominiums and 12-Golf Condominiums. Phase II development costs are estimated at \$317 million or \$1,454,128/unit.

Overall, The Abaco Club on Winding Bay Phase I and II consists of 370-Units with a development cost of \$567 million or \$1,532,432/unit.

As of the date of this appraisal 45 of the 60 lots have been sold and 13 homes built. 33 of the 72 cottages have been sold and 29 of them built.

Spa Fitness Center

Soothe the day's tension in an oasis of rejuvenation, exclusively at The Club's exclusive spa. The sumptuous European-style spa features a comprehensive collection of signature products and treatments, incorporating a range of active therapeutic plant abstracts and the finest essential oils. Both men and women can indulge in an invigorating array of aromatherapy remedies, including a Japanese Facila, Strawberry Herbal Back Cleanse, Lime and Ginger Salt Glow and Aroma Ocean Wrap. A visit to the state-of-the-art fitness studio, with awe-inspiring views of the beach and Winding Bay, is also the perfect way to top off an indulgent day.

Golf

The architect, Scotland's Donald Steel, is the world's leading links architect, having built or redesigned over 100 courses around the world, many of them being seaside venues. Emphasis on top quality, based on technical and academic knowledge and attention to detail, combined with his philosophy of minimizing earth movement and blending a course layout into its natural surroundings are the hallmarks of his work.

The par 72 championship layout plays to a length of 7,183 yards. The finishing holes of our 'tropical links' course rest comfortably high atop a ridge overlooking the ocean. The 18th hole, a 553 yard par 5, plays alongside the ocean at elevations of 60 feet. It is destined to rank among the great finishing holes in golf.

Experience one of the most exciting and challenging golf experiences at The Abaco Club's exclusive golf course. Learn swing, stance, grip and technique at the family-friendly golf school or fine tune your personal game with a private lesson from one of our professional instructors. Clinics and mini competitions are also available for all skill levels, which are all taught and tailored to your particular needs.

Tennis

The Abaco Club on Winding Bay offers an array of ways to relish in your escape. All-weather tennis courts are available to members and guests, where beginners, intermediates and advanced tennis players can benefit from professional instruction, whether learning the basics or simply polishing your game. Challenge a friend or family members to a singles or doubles match after private lessons or enjoy tennis lessons together as a group. Junior participants of the program will be invited to participate in scheduled tennis tournaments and social games can be arranged with advanced notice.

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Beach Club

Revel in your Abaco Club vacation with an abundance of recreational activities to suit every whim. The Beach Club presents the embrace of true Caribbean elegance offering everything from the tranquil to the adventuresome. Spend the day relaxing pool side or on our secluded private beach along the shimmering Atlantic Ocean. Watch your kids learn to build a sand castle or play a game of paddle ball on the beach. Challenge yourself to a new sport by learning to windsurf or how to sail a Hobie Cat and launch it from sand into the sea. Enjoy a leisurely paddle in a canoe or glass bottom kayak, where a colorful display of sea life will provide new discoveries throughout the day. At the Beach Club, once in a lifetime experiences and endless forms of pleasure await.

Membership

The Abaco Club on Winding Bay in the Bahamas was created to inspire members and guests with the finest the world has to offer. Members will enjoy the exclusivity of an International Private Golfing and Sporting Club, with the personalized services and refined amenities that are emblems of The Ritz-Carlton tradition.

Resident Members

In order to purchase real estate in the Club (either estate lots or Cottages) one must become a member of The Abaco Club on Winding Bay. Prospective members are invited to apply for membership by completing a "Membership Proposal" and if accepted, will have access to the Club's facilities after payment of the Initiation Deposit and Annual Dues. A member's immediate family (spouse and unmarried children under the age of 23) will be entitled to use the Club.

Non-Resident Members

Individuals who do not own real estate in the Club may still apply for Membership. Prospective non-resident Members are invited to apply for Membership by completing a "Membership Proposal" and if accepted, will have access to the Club's facilities after payment of the Initiation Deposit and Annual Dues. A member's immediate family (spouse and unmarried children under the age of 23) will be entitled to use the Club. Non-resident Members who wish to stay on the premises will have the option of renting one of our privately owned estate homes, cottages or one of our 20 Inn Style suites located adjacent to the 1st fairway, in the close proximity to The Beach Bar and Grill, Pro Shop and 1st Tee.

Equestrian

Enjoy an unparalleled day of explorations while becoming a confident equestrian atop one of our highly trained, gentle Texas Quarter horses. Walk, trot or gallop over five miles of trails for an exhilarating new way to enjoy paradise and diverse island beauty. Ride through palm fringed trails or beside the dazzling seashore. Take a break from the ride for a rejuvenating swim or snack on the beach. Whether it's action-packed or superbly relaxed, The Abaco Club presents leisure at its very best.

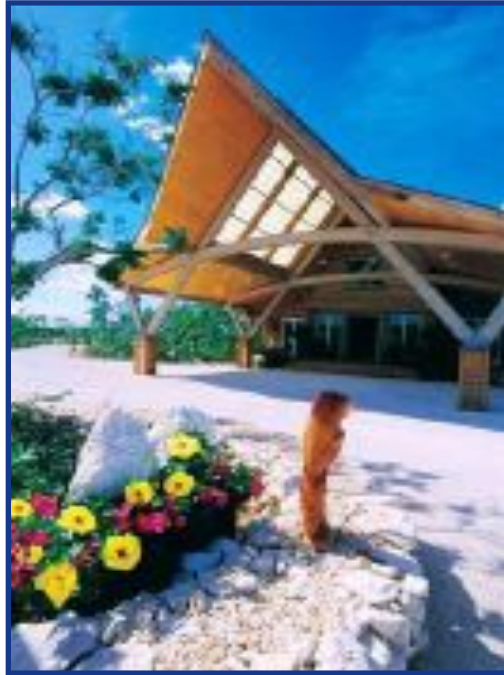
PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

The Abaco Club on Winding Bay Photographs



PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

The Abaco Club on Winding Bay Photographs



PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)**

The Abaco Club on Winding Bay Photographs



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Cliff Cottage

A three-story, three bedroom property built right into a bluff. French Doors off the master bedroom open onto a deck that juts out over a sea of tranquil turquoise. 2,400SF enclosed floor area with 900SF of decking.

Approximately \$2,400,000.



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Plantation Cottage

A three-bedroom, three-bathroom, single-story Cottage with views from every room. A kitchen opening into the living area makes for great entertaining and family gatherings. 2,000SF enclosed floor area with more than 1,000SF of decking.

Approximately \$2,500,000.



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Regatta Cottage

A two-story Cottage with three-bedrooms and three-bathrooms comes complete with two master suites, generous decking overlooking of the tranquil turquoise waters of Winding Bay and a second story sundeck, overlooking the cobalt blue of the ocean. 2,100SF enclosed floor area with more than 1,000SF of decking.

Approximately \$2,500,000.



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Hope Town Cottages

No matter which way you look, there's water all around this spacious, well-appointed cottage. We offer a three bedroom, 3.5 bath with more than 1,000SF of covered decking, as well as a four-bedroom version with 4.5 baths, 2,729SF enclosed floor area and more than 1,000SF of decking.

Three-bedroom: Approximately \$2,700,000

Four-bedroom: Approximately \$3,000,000

3 Bedroom, 3.5 Bathrooms



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Hope Town Cottages

Four-bedroom: Approximately \$3,000,000

4 Bedroom, 4.5 Baths



GROUND FLOOR PLAN
(approx. 1,663 Sq. Ft.)



SECOND FLOOR PLAN
(approx. 1,066 Sq. Ft.)



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Ocean Town Cottage

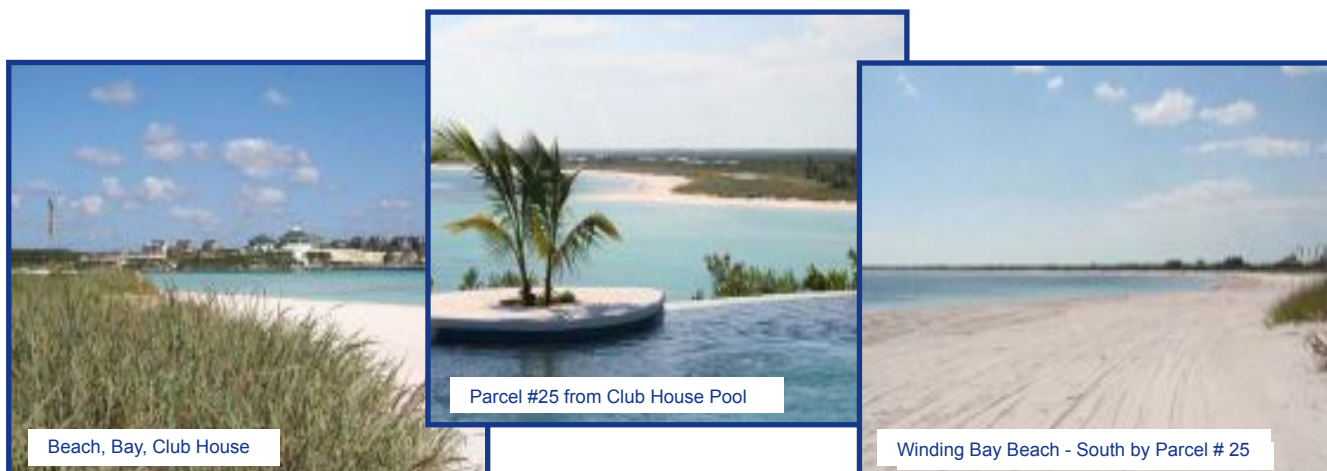
A three-bedroom, four-bathroom cottage with two master suites. The second floor comprises one entire master suite with claw foot tub located in the bedroom and his and her baths. 2,500SF of enclosed floor area with more than 1,150SF of decking.

Approximately \$ 2,800,000



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



Parcel # 25 - Spectacular Beachfront Estate at the Abaco Club - A Ritz-Carlton Property.

Live the dream of tranquil powder sand beaches and turquoise crystal clear waters right at your doorstep on this absolutely stunning prime beachfront estate lot at The Abaco Club on Winding Bay. This unique offering boasts 200 feet of gorgeous pink sand beachfront in a secluded and protected bay, superbly located in the center of the beach and close to the Club's amenities. A generous 1.73 acres of property, currently the largest lot available on the beach, guarantees the owner the ultimate in seclusion and privacy with the five-star resources of The Abaco Club just minutes away.

The Abaco Club's amenities include: a spectacular cliff side clubhouse with restaurant, bar, infinity pool with Jacuzzi, European Elemis spa and fitness center, clay tennis courts, and horseback riding. The club's world-renowned, tropical links 18-hole golf course, the first of its kind, has breathtaking ocean views from every hole. Many luxury homes of 5,000 sq. ft. and more have already been built or are under construction to enjoy this remarkable setting, and The Abaco Club has already attracted many discerning members from around the world to set up their dream vacation residences.

Come experience serene and luxurious living at the most prestigious and luxurious resort in the Bahamas, The Ritz-Carlton Abaco Club on Winding Bay.

MORE ABOUT THE ABACO CLUB

Just 170 miles east of Palm Beach, FL, The Abaco Club on Winding Bay, Abaco, Bahamas is an exclusive 520 acre members golf club and sporting retreat that features the worlds first Scottish style tropical links championship golf course, whose 18th hole par 5 along "Ocean Ridge", paralleling the ocean with dramatic elevations, is destined to rank among the great finishing holes in golf. Other amenities include: clubhouse with infinity pool, deep sea and bone fishing, horse riding along lush trails and stunningly beautiful beaches, European spa, tennis, children's programs, and numerous water sports and play on a 2 1/2 mile powder soft sand beach. The club's luxurious plane and private air terminal with Customs and Immigration, as well as the clubs sport and leisure boats are available to members and guests.

The Abaco Club on Winding Bay recently entered into a 50/50 partnership with The Ritz-Carlton Hotel Company, L.L.C., and Ritz-Carlton now has daily responsibility for all operational areas in Abaco including the golf course, food and beverage, housekeeping, marketing, and sales. This joint venture brings together the legendary services of The Ritz-Carlton and the unique, entrepreneurial spirit of founder Peter de Savary. The membership can look forward to enhanced and unwavering luxury standards at The Ritz-Carlton Abaco Club on Winding Bay.

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Traveling To The Abaco Club:

Traveling to the Abaco Club could not be easier. Abaco's largest airport, Marsh Harbour International, has numerous non-stop daily flights from Florida and Nassau and caters to all private jet traffic. The club's own luxurious 12 passenger plane is available for charter for members and guests. Once on ground you will enter the club's own private terminal complete with immigration and transportation services.

About Abaco:

While the club's privacy and seclusion will comfort members and guests, the club is as accessible as it is picturesque. Marsh Harbour, just 20 minutes from the club, is the third largest city in the Bahamas and has a year round population of 8,000 residents. Marsh Harbour is a safe, clean and lovely town that features a host of charming shops, delightful restaurants, large modern grocery stores, full service marinas, and excellent medical facilities. Abaco is protected by over 90 miles of colorful individual cays and it is known as the fishing and boating capital of the Bahamas.

Reference Number: AES 632 Offered for sale at: \$3,500,000 - exclusive of 1/2 Bahamian Stamp tax and purchaser's legal fees.

1.73-acre = \$2,023,121/acre

Bahamian Cottages Mix

Cottage Name	Interior Floor Area (SF)	Exterior Floor Area (SF)	Total Floor Area (SF)	Bed/ Bath	Sale Price	Sale Price/ Total Floor Area	Sale Price/ Interior Floor Area
Cliff	1,851	885	2,736	3/3	\$2,400,000	\$877	\$1,297
Plantation	1,985	396	3,181	3/3	\$2,500,000	\$786	\$1,259
Regatta	2,070	1,132	3,202	3/3	\$2,500,000	\$781	\$1,208
Hope Town 3BR/3.5BA	2,441	1,251	3,692	3/3.5	\$2,700,000	\$731	\$1,106
Hope Town 4BR/4.5BA	2,729	1,042	3,771	4/4.5	\$3,000,000	\$796	\$1,099
Ocean Point	2,474	1,140	3,614	3/4	\$2,800,000	\$775	\$1,132

Estate Lots

For those who wish to design a home of their own 60-exclusive Estate Lots are also available, featuring over 200 feet of beach, ocean and golf course frontage. As of the date of this appraisal, 45 of the 60-lots have been sold and 13-homes casting over \$5 Million have been built.

Estate lots are selling for \$1,000,000 to \$3,500,000.

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Comparable Master Planned Resort Community No. 4
One & Only Ocean Club Resort
Paradise Island Nassau, Bahamas
www.oneandonlyresorts.com

The One & Only Ocean Club Resort consists of a 5 Star Hotel and Spa with 112 Rooms and Suites; Ocean Club Estates with 121 estate homes; and The Ocean Club Residences & Marina with 88 condominiums units and 51 wet-boat-slips. Resort amenities include an 18-hole championship golf course and club designed by Tom Weiskopf, and a Beach Club. The One & Only Ocean Club resort is developed on a 300-acre peninsula on the east end of Paradise Island, Nassau Bahamas. The overall density is (327/300) 1.09 units per acre. The One & Only Ocean Club Resort is adjacent to the Atlantis Megaresort, the most successful resort in the Bahamas. Atlantis consists of over 4,000 units developed on a 826 acre parcel of Oceanfront/Harbourfront land. Ocean Club owners and guests can enjoy the Atlantis amenities which include a 50,000SF Casino, Marina and Marina Village with 25 plus restaurants and shops and Marine Habitat.

Real Estate sales were brisk, the 266-units, condos, estate homes and marina slips were sold out in approximately two years or an overall absorption rate of 133-units per year.



PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)****Site Plan**

PART FIVE — Addenda**II. Exhibit B – Comparable Master Planned Resort Communities (continued)****One & Only Ocean Club Map**

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

One & Only Ocean Club Resort Map



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

The Atlantis

Atlantis offers a resort experience of legendary proportion. Amid a marine habitat second only to Mother Nature, Atlantis boasts 11 exhibit lagoons teeming with over 50,000 marine animals, including Dolphin Cay where guests have the ability to interact with playful dolphins. Explore the ruins of the lost city in The Dig. Challenge the daring descents of the Mayan Temple's water slides, or enjoy one of 11 pools and miles of pristine beach. Discover excitement in the Atlantis Casino. Other diversions include a spa, sports centre, world-class marina, haute couture shopping, and the Atlantis Kids Club. And for easy access to the facilities at Atlantis, guests of One & Only Ocean Club receive complimentary transportation to and from the resort.

The Atlantis Casino offers a variety of gaming entertainment for guests 18 years and older. There are over 850 slot machines that can be played 24-hours a day. Table games include blackjack, roulette, Caribbean stud poker, baccarat, Let it Ride and craps. Dress is resort casual during the day and smart casual in the evening.

Tennis

One & Only Ocean Club has six Har-Tru tennis courts, with four floodlit for night play. Equipment is available at the Fitness Centre, and the resident tennis professionals organize special clinics, games and round-robin tournaments.

Golf

Masterfully conceived and stunningly beautiful, the Tom Weiskopf-designed Ocean Club Golf Course offers guests of the resort every element for the perfect game. This 18-hole, par-72 course stretches over 7,100 yards on Paradise Island's peninsula, where crosswinds challenge even the most experienced of players.

Clubhouse

Overlooking the 9th and 18th holes of the Ocean Club Golf Course, with views of the ocean beyond, the Clubhouse is an inviting, casual dining venue. Enjoy an easy breakfast or a light lunch, either indoors or on the scenic patio. A full service bar prepares favorite libations as guests relax after a game or catch up on the latest sports news.

Spa and Fitness

The extraordinary spa at One & Only Ocean Club is undeniably one of the finest, most luxurious spas in The Bahamas and Caribbean. Featuring eight Balinese-style private treatment villas with open-air gardens, the spa offers a sensual and rejuvenating experience.

In One & Only Ocean Club's Fitness Centre, individually-tailored exercise programs and group classes are available. Complimentary one-hour yoga classes are offered daily on the beach deck, and private sessions for physical and spiritual wellbeing are offered for a fee.

A discreet sanctuary of calm and wellness, the spa provides the ultimate rejuvenating experience with an enriching selection of treatments blending ancient techniques with contemporary practise. Traditional spa therapies and the natural spices, fruits and minerals indigenous to The Bahamas are melded together to provide the pampering rituals and specific treatments.

Guests enjoy the tranquillity and privacy of one of eight Balinese-style treatment villas, all furnished with teak massage tables, a waterfall shower, day bed and jetted tub in a private open air garden. Following each treatment, guests savor herbal teas and fresh fruit presented in a Japanese Tea Ceremony, a beautiful ritual practiced as a reminder of the spiritual world within.

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

From rituals of touch and ceremonies of the face to celebrations of the Bahamian sun and unique treatments for mothers-to-be, the spa offers a therapy to suit every mood and lifestyle.

Beauty

Salon services perfectly complement any treatment. Professional styling for ladies and gentlemen include permanent waves, color, highlights, weaves, and up styles or braids. Services are offered in two private suites available for individual use, or they may both be reserved for private bridal parties.

Pampering services for the hands and feet include manicures, pedicures, acrylic overlays, tips, as well as indulgent therapies. Waxing services and make-up application are also available.

Fitness

The Fitness Centre features the latest in Cybex cardiovascular equipment with individual TV monitors, weight training equipment, spinning bikes, and free weights. The facility also features dedicated rooms for stretching and Pilates, cardiovascular workouts, circuit training, and a uniquely designed outdoor free-weight training platform.

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)



Beach Club

The beach club draws on the appealing ocean beauty of Cabbage Beach and a level of service like you would expect at One & Only Ocean Club. Here residents find the welcoming hospitality of a fully appointed beach club, with an infinity-edge pool and an outside bar overlooking the mellow surf. A pair of championship Har-Tru tennis courts sits astride the boardwalk, which leads to the white sand beyond. This unmatched escape is reserved for the residents of Ocean Club Estates and Ocean Club Residences & Marina. You can also reserve the beach club to host a gourmet barbecue for family and friends.



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Ocean Club Estates

Ocean Club Estates consists of 121-estate lots developed in an exclusive, private 24/7 gated community. The centerpiece is the Tom Weiskopf Golf Course and Club and there are three specific types of lots (views) including Oceanfront, Bay front, and Golf. All 121-lots were sold in less than one year (2002-2003). Vacant lots are selling for \$1,900,000 to \$7,000,000. Estate homes developed on the lots are selling for \$3,500,000 to \$23,000,000.



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Examples of Vacant Lots and Estate Home sales are as follows:

Vacant Lots

Lot #	View	Sale Price	Lot Size (SF)	Sale Price/SF
110	Ocean	\$6,900,000	40,946	\$169
83	Ocean	\$6,900,000	40,075	\$172
82	Ocean	\$6,900,000	42,124	\$164
46	Ocean	\$4,995,000	25,565	\$195
78	Canal	\$4,700,000	28,750	\$163
68	Canal	\$4,000,000	22,099	\$181

High	\$195
Low	\$163
Mean	\$174

Estate Homes

Location/View	Sale Price	Size (SF)	Sale Price/SF
Beach Front	\$17,500,000	11,680	\$1,498
	\$6,500,000	10,500	\$619
Harbour	\$15,200,000	6,500	\$2,338
	\$14,000,000	7,000	\$2,000
Golf Course	\$6,700,000	9,330	\$718
	\$4,000,000	5,579	\$717
Ocean Club	\$3,500,000	2,900	\$1,207
Residences	\$4,600,000	2,900	\$1,586
Condos	\$2,750,000	3,100	\$887

High	\$2,338
Low	\$619
Mean	\$1,286

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Ocean Club Residences and Marina



Every element of Ocean Club Residences & Marina has been carefully designed to ensure undisturbed relaxation. The Residences provide access to a private beach club, situated on one of the most beautiful beaches in the world, and an on-site marina. Family and adults-only swimming pools, a fitness center and storage lockers add to your recreation pleasure, while 24-hour security with reserved underground and surface parking enhance privacy.

Homeowners enjoy full access to gourmet dining and spa facilities at the exclusive One & Only Ocean Club and One & Only Spa. Residents may also acquire a membership to the Ocean Club's championship golf course designed by Tom Weiskopf. And the nearby Atlantis resort welcomes residents to its complete array of dining, haute couture shopping and entertainment.

The four six-story buildings are arranged to take full advantage of prevailing breezes and striking views. Each of the 88 spacious homes has abundant natural light, high ceilings, comfortable balconies and exceptional interior finishes and appointments - everything you would expect in a premier island residence. Choose one of the 80 three-bedroom / three-and-a-half-bath homes or one of the 8 four- or five-bedroom / four-and-a-half-bath penthouses. Home sizes are generous, ranging from 2,985 square feet to 6,568 square feet.

Each home at the Ocean Club Residences & Marina is designed and built to the highest standards of quality. You can tailor your residence by selecting among traditional, colonial, or contemporary styles each featuring limestone flooring with mosaic insets, polished granite-slab or marble counter tops and other standard options. Create a space for vibrant parties, or design a tranquil tropical retreat. Whether you prefer the timeless look of colonial elegance or the clean lines of modern living, your whims will find their perfect reflection in a home singular to you.

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Ocean Club Marina

A large balcony at each residence overlooks the deepwater marina that is the centerpiece of the development. The dramatic backdrop of Nassau Harbour frames this hub of social activity and offshore adventure. The slips accommodate a variety of sport and pleasure craft, including seagoing vessels up to 120 feet. The immaculate marina is fully illuminated at night and offers electric and water connections. It lies sheltered behind a sturdily constructed jetty leading to the harbor and sea beyond.

The 51-wet slip marina accommodating yachts 45' - 120' has been sold out in 5 months for prices ranging \$264,000 to \$792,000 per slip.

\$ 264,000/45' = \$8,089/LF

\$792,000/120' = \$6,600/LF

Sold-out
Re-sales \$2,700,000

Ocean Club Residences and Marina



Unit Mix of Residences

Floor #	Plan #	# of Units	Interior Floor SF	Balcony SF	Total Floor Area SF
1	1	16	2,393	922	3,315
2	2	16	2,651	524	3,175
3	3	16	2,465	641	3,106
4	4	16	2,848	524	3,371
5	5	16	2,465	520	2,985
PH 6	6	8	4,969	599	6,568
Total		88			

Sold-out
Re-sales \$2,700,000

PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Residence Plan 1 West

3 Bedrooms, 3.5 Baths
2,392SF Under Air, 3,490SF Total



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Residence Floor Plan 2 West

3 Bedrooms, 3.5 Baths
2,650SF Under Air, 3,339SF Total



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Residence Floor Plan 3 West

3 Bedrooms, 3.5 Baths
2,464SF Under Air, 3,277SF Total



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Residence Floor Plan 4 West

3 Bedrooms, 3.5 Baths
2,847SF Under Air, 3,568SF Total



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Residence Penthouse Floor Plan West

3 Bedrooms, 3.5 Baths
4,969SF Under Air, 6,861SF Total



PART FIVE — Addenda

II. Exhibit B – Comparable Master Planned Resort Communities (continued)

Ocean Club Estates Condo



Examples of Condominiums for sale are as follows:

Ref. #	Interior SF	Total SF	Price	Total \$/SF	\$/SF Interior
D5.3	2,465	3,106	\$3,975,000	\$1,280	\$1,613
D5.4	2,848	3,371	\$3,925,000	\$1,164	\$1,378
C3.1	2,393	3,315	\$2,950,000	\$890	\$1,232
C4.4	2,848	3,371	\$2,968,000	\$880	\$1,042

High	\$1,613
Mean	\$1,316
Low	\$1,042

Sold-out
Re-sales \$2,700,000

PART FIVE — Addenda

III. Exhibit C – Development Cost Breakdown

Inn on the Blue Horizon - SUMMARY by Phase						
Development Budget - 5 Year Plan			Vision GreenWave, Inc.			
			HOSPITALITY • DESIGN • DEVELOP • BUILD			
Date of Latest Revision:		1/28/2008				
Location:		Vieques, PR				
Enclosed Building Area: Sq. Ft.		0				
Exterior Elevated Structured Area: Sq.Ft.		0				
Total Area Sq.Ft.		0				
Number of Spa Floors:		0				
Number of Parking Garage Floors:		0				
Construction Period: Start to Opening		60 mos				
Description	Qty.	Unit \$	\$Amount	\$Total	% of Total	
LAND						
Phase 1a - Ocean Hotel Villas			\$3,900,000			
Phase 1b - Water Villas			\$3,300,000			
Phase 1c - Spa Villas			\$1,500,000			
Phase 1d - Chopra Wellness Center & Spa			\$5,400,000			
Phase 1e - Le Petite Village Support Structure			\$840,000			
Phase 2 - Le Petite Village			\$0			
Phase 3 - Resident Villas			\$9,960,000			
TOTAL - LAND				\$24,900,000	9.67%	
DESIGN AND ENGINEERING						
Phase 1a - Ocean Hotel Villas			\$1,800,586			
Phase 1b - Water Villas			\$665,000			
Phase 1c - Spa Villas			\$1,165,000			
Phase 1d - Chopra Wellness Center & Spa			\$908,500			
Phase 1e - Le Petite Village Support Structure			\$637,500			
Phase 2 - Le Petite Village			\$3,000,000			
Phase 3 - Resident Villas			\$1,227,000			
TOTAL - DESIGN AND ENGINEERING		6.01%	of Construction	\$9,403,586	3.65%	of Total De
PERMITS, LICENSES & FEES						
Phase 1a - Ocean Hotel Villas			\$330,793			
Phase 1b - Water Villas			\$267,862			
Phase 1c - Spa Villas			\$345,992			
Phase 1d - Chopra Wellness Center & Spa			\$726,591			
Phase 1e - Le Petite Village Support Structure			\$435,649			
Phase 2 - Le Petite Village			\$1,147,580			
Phase 3 - Resident Villas			\$3,923,343			
TOTAL - PERMITS, LICENSES & FEES				\$7,177,809	2.79%	
CONSTRUCTION						
Phase 1a - Ocean Hotel Villas			\$17,632,088			
Phase 1b - Water Villas			\$11,977,000			
Phase 1c - Spa Villas			\$24,998,689			
Phase 1d - Chopra Wellness Center & Spa			\$10,403,750			
Phase 1e - Le Petite Village Support Structure			\$7,561,750			
Phase 2 - Le Petite Village			\$18,893,718			
Phase 3 - Resident Villas			\$64,928,287			
TOTAL CONSTRUCTION				\$156,395,281	60.76%	
FURNITURE, FIXTURES & EQUIPMENT						
Phase 1a - Ocean Hotel Villas			\$2,275,000			
Phase 1b - Water Villas			\$1,600,000			
Phase 1c - Spa Villas			\$2,880,750			
Phase 1d - Chopra Wellness Center & Spa			\$1,625,000			
Phase 1e - Le Petite Village Support Structure			\$0			
Phase 2 - Le Petite Village			\$2,000,000			
Phase 3 - Resident Villas			\$7,500,000			
TOTAL - FURNITURE, FIXTURES & EQUIPMENT				\$17,880,750	6.95%	

Description	Qty.	Unit \$	\$Amount	\$Total	% of Total	
PRE-OPENING EXPENSES - NIC						
Phase 1a - Ocean Hotel Villas			\$75,000			
Phase 1b - Water Villas			\$100,000			
Phase 1c - Spa Villas			\$250,000			
Phase 1d - Chopra Wellness Center & Spa			\$150,000			
Phase 1e - Le Petite Village Support Structure			\$0			
Phase 2 - Le Petite Village			\$150,000			
Phase 3 - Resident Villas			\$250,000			
TOTAL - PRE-OPENING EXPENSES				\$975,000	0.38%	
NOTE: Need to review training & other cost not included presently						
WORKING CAPITAL & OPERATING DEFICIT RESERVE - NIC				\$0	0.00%	
FINANCIAL & LEGAL						
Phase 1a - Ocean Hotel Villas			\$2,506,326			
Phase 1b - Water Villas			\$1,050,333			
Phase 1c - Spa Villas			\$1,115,441			
Phase 1d - Chopra Wellness Center & Spa			\$1,969,050			
Phase 1e - Le Petite Village Support Structure			\$549,517			
Phase 2 - Le Petite Village			\$1,394,469			
Phase 3 - Resident Villas			\$4,587,641			
TOTAL - FINANCIAL & LEGAL				\$13,172,778	5.12%	
PAYMENT & PERFORMANCE BONDS - NIC				\$0	0.00%	
NOTE: Need to review needs						
PROJECT WIDE CONTINGENCY						
Phase 1a - Ocean Hotel Villas			\$971,634			
Phase 1b - Water Villas			\$632,100			
Phase 1c - Spa Villas			\$1,308,184			
Phase 1d - Chopra Wellness Center & Spa			\$565,613			
Phase 1e - Le Petite Village Support Structure			\$409,963			
Phase 2 - Le Petite Village			\$1,094,686			
Phase 3 - Resident Villas			\$3,307,764			
TOTAL - PROJECT WIDE CONTINGENCY				\$8,289,943	3.22%	
PROJECT SUBTOTAL				\$238,195,148		
DEVELOPMENT MANAGEMENT (includes CM)						
Phase 1a - Ocean Hotel Villas	PM	\$730,755	\$2,266,241			
	DevF	\$1,535,486				
Phase 1b - Water Villas	PM	\$497,319	\$1,474,856			
	DevF	\$977,538				
Phase 1c - Spa Villas	PM	\$1,021,567	\$2,945,410			
	DevF	\$1,923,843				
Phase 1d - Chopra Wellness Center & Spa	PM	\$440,803	\$1,421,713			
	DevF	\$980,910				
Phase 1e - Le Petite Village Support Structure	PM	\$279,010	\$854,673			
	DevF	\$1,660,827				
Phase 2 - Le Petite Village	PM	\$769,594	\$2,430,421			
	DevF	\$1,660,827				
Phase 3 - Resident Villas	PM	\$2,650,762	\$7,794,204			
	DevF	\$5,143,442				
TOTAL - DEVELOPMENT MANAGEMENT	PM	\$5,368,242		\$19,187,518	7.45%	Total Deve
	DevF	\$11,959,030				
TOTAL PROJECT BUDGET				\$257,382,666	100.00%	
SELL OUT (DOES NOT INCLUDE HOTEL REVENUE, COMM. SPACE LEASE REVENUE, or INCREASE LAND and RESORT \$)						
Phase 1a - Ocean Hotel Villas			\$0			
Phase 1b - Water Villas			\$38,400,000			

Description	Qty.	Unit \$	\$Amount	\$Total	% of Total	
Phase 1c - Spa Villas			\$0			
Phase 1d - Chopra Wellness Center & Spa			\$0			
Phase 1e - Le Petite Village Support Structure			\$0			
Phase 2 - Le Petite Village			\$27,720,000			
Phase 3 - Resident Villas			\$ 197,120,000			
TOTAL - SELL OUT				\$263,240,000		

Inn on the Blue Horizon - SUMMARY

SOURCES AND USES OF FUNDS

PHASE I

Summary

<i>Total Investment for Development</i>	<i>Amount</i>	<i>100%</i>	<i>Owner Equity</i>
<i>Use of Funds</i>			
<i>Original Land Cost</i>	\$ 6,450,000	5%	2,000,000
<i>Land Cost & New Land</i>	5,400,000	4%	200,000
<i>Hard Construction</i>	85,946,793	62%	
<i>FF & E</i>	9,700,750	7%	
<i>Design/Eng/Permit & Others</i>	10,020,876	7%	688,500
<i>Pre-Opening and Marketing</i>	1,500,000	1%	
<i>Construction Management</i>	2,717,480	2%	
<i>Adm/Development Fees & Exp</i>	6,815,588	5%	
<i>Financing Cost</i>	9,835,136	7%	
	138,386,624	100%	2,888,500
			2%
<i>Sources of Funds</i>			
<i>Partner Equity</i>	2,888,500	2%	
<i>Raising cash equity (PS)</i>	10,203,897	7%	
<i>Tax Credit</i>	8,500,000	6%	
<i>HDC</i>	10,500,000	8%	
<i>Interim Loan</i>	106,294,227	77%	
<i>Permanent Loan and/or Bond</i>			
	138,386,624	100%	

Development Cost Breakdown

Existing Debt of Land & Hotel	\$ 6,450,000.00	5%
Acquisition of Land & Building	5,400,000.00	4%
	11,850,000.00	9%
Hard Construction	81,336,806.98	59%
Contingency	4,609,985.82	3%
Construction Cost	85,946,792.80	62%

FF & E	9,700,750.00	7%
<i>Design/Eng/Permit & Others</i>	10,020,876.09	7%
<i>Pre-Opening and Marketing</i>	1,500,000.00	1%
<i>Construction Management</i>	2,717,480.49	2%
<i>Adm/Development Fees & Exp</i>	6,815,587.73	5%
<i>FF & E and Dev Cost</i>	30,754,694.31	22%
Financing cost interim construction	8,585,136.50	6%
Interim Const Fees		0%
Financing Cost Int Reserved 1 yr	1,250,000.00	1%
Permanent Loan Fees		0%
TDF - Fees 1.5%		0%
Closing Fees		0%
Financing Cost	9,835,136.50	7%
Total Development Cost Phase I	\$ 138,386,623.61	100%

<i>Equity</i>	<i>Deferred Cost</i>	<i>Loan</i>
		4,450,000
		5,200,000
27,500,000		58,446,793
		9,700,750
		9,332,376
		1,500,000
		2,717,480
	1,703,897	5,111,691
		9,835,136
27,500,000	1,703,897	106,294,227
20%	1%	77%
		-

Existing debt WB

Hotel Tamarindo & Land

-

Inn on the Blue Horizon Vieques, Puerto Rico		Phase Ia - Ocean Hotel Villas						Phase Ib - Water Villas						Phase Ic - Lotus Spa Villas						Phase Id - Chopra Wellness Spa						Phase Ie - Village Support Structure						Phase II - Le Petite Village						Phase III - Resident Villas						TOTAL DEVELOPMENT COSTS					
Development Costs by Phases	Description	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot	\$	\$/sf	% of Tot												
		LAND																																															
	TOTAL - LAND	\$3,900,000	\$81.25	12.28%	\$3,300,000	\$91.67	15.66%	\$1,500,000	\$59.88	4.11%	\$5,400,000	\$177.63	23.31%	\$840,000	\$10.24	7.44%	\$0	\$0.00	0.00%	\$9,960,000	\$51.88	9.63%	\$24,900,000		9.67%																								
	DESIGN AND ENGINEERING	\$1,800,586	\$37.51	5.67%	\$665,000	\$18.47	3.16%	\$1,165,000	\$46.51	3.19%	\$908,500	\$29.88	3.92%	\$637,500	\$7.77	5.65%	\$3,000,000	\$39.42	9.96%	\$1,227,000	\$6.39	1.19%	\$9,403,586		3.65%																								
	PERMITS, LICENSES & FEES	\$330,793	\$6.89	1.04%	\$267,862	\$7.44	1.27%	\$345,992	\$13.81	0.95%	\$726,591	\$23.90	3.14%	\$435,649	\$5.31	3.86%	\$1,147,580	\$15.08	3.81%	\$3,923,343	\$20.43	3.79%	\$7,177,809		2.79%																								
	TOTAL - PERMITS, LICENSES & FEES																																																
	CONSTRUCTION	\$17,632,088	\$367.34	55.52%	\$11,977,000	\$332.69	56.85%	\$249,986	\$997.95	68.47%	\$10,403,750	\$342.23	44.90%	\$7,561,750	\$92.22	66.98%	\$18,893,718	\$248.27	62.75%	\$64,928,287	\$338.17	62.75%	\$156,395,281		60.76%																								
	TOTAL CONSTRUCTION																																																
	FURNITURE, FIXTURES & EQUIPMENT	\$2,275,000	\$47.40	7.16%	\$1,600,000	\$44.44	7.59%	\$2,880,750	\$115.00	7.89%	\$1,625,000	\$53.45	7.01%	\$0	\$0.00	0.00%	\$2,000,000	\$26.28	6.64%	\$7,500,000	\$39.06	7.25%	\$17,880,750		6.95%																								
	TOTAL - FURNITURE, FIXTURES & EQUIPMENT																																																
	PRE-OPENING EXPENSES - NIC	\$75,000	\$1.56	0.24%	\$100,000	\$2.78	0.47%	\$250,000	\$9.98	0.68%	\$150,000	\$4.93	0.65%	\$0	\$0.00	0.00%	\$150,000	\$1.97	0.50%	\$250,000	\$1.30	0.24%	\$975,000		0.38%																								
	TOTAL - PRE-OPENING EXPENSES																																																
	WORKING CAPITAL & OPERATING DEFICIT RESERVE - NIC	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%																								
	TOTAL - WORKING CAPITAL & OPERATING DEFICIT RESERVE																																																
	FINANCIAL & LEGAL	\$2,506,326	\$52.22	7.89%	\$1,050,333	\$29.18	4.99%	\$1,115,441	\$44.53	3.06%	\$1,969,050	\$64.77	8.50%	\$549,517	\$6.70	4.87%	\$1,394,469	\$18.32	4.63%	\$4,587,641	\$23.89	4.43%	\$13,172,778		5.12%																								
	TOTAL - FINANCIAL & LEGAL																																																
	PAYMENT & PERFORMANCE BONDS - NIC	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%																								
	TOTAL - PAYMENT & PERFORMANCE BONDS - NIC																																																
	PROJECT WIDE CONTINGENCY	\$971,634	\$20.24	3.06%	\$632,100	\$17.56	3.00%	\$1,308,184	\$52.22	3.58%	\$565,613	\$18.61	2.44%	\$409,963	\$10.39	3.63%	\$1,094,686	\$14.38	3.64%	\$3,307,764	\$17.23	3.20%	\$8,289,943		3.22%																								
	TOTAL - PROJECT WIDE CONTINGENCY																																																
	DEVELOPMENT MANAGEMENT (includes CM)	\$2,266,241	\$47.21	7.14%	\$1,474,856	\$40.97	7.00%	\$2,945,410	\$117.58	8.07%	\$1,421,713	\$46.77	6.14%	\$854,673	\$10.42	7.57%	\$2,430,421	\$31.94	8.07%	\$7,794,204	\$40.59	7.53%	\$19,187,518		7.45%																								
	TOTAL - DEVELOPMENT MANAGEMENT																																																
	TOTAL PROJECT BUDGET	\$31,757,668	\$661.62	100.00%	\$21,067,151	\$585.20	100.00%	\$36,509,467	\$1,457.46	100.00%	\$762,181	\$23.17	100.00%	\$11,289,051	\$137.67	100.00%	\$30,110,873	\$395.68	100.00%	\$103,478,240	\$538.95	100.00%	\$257,382,666		100.00%																								

Inn on the Blue Horizon - Phase 1a (Ocean Villas) / (Hillside Villas)								
Development Budget - Detail								
Date of Latest Revision:				1/28/2008				
Location:			Vieques, PR					
Enclosed Building Area: Sq. Ft.				48,000				
Exterior Elevated Structured Area: Sq.Ft.				0				
Total Area Sq.Ft.				48,000				
Number of Spa Floors:				0				
Number of Parking Garage Floors:				0				
Construction Period: Sart to Opening				0				
Description			Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
LAND								
Land Lease					\$0			
Land Purchase					\$3,900,000			
Land Carry Cost								
TOTAL - LAND						\$3,900,000	\$81.25	12.28%
DESIGN AND ENGINEERING								
Architectural (including plans & permits)					\$1,140,586			
Jose Ramos Architects (Paid to Date)					\$300,000			
Jose Ramos Architects (to be paid - NEED RECONCILIATION					\$300,000			
Structural					\$0			
Project Specifications					\$0			
Hardware Specifications					\$0			
Code Review - included in architectural fee					\$0			
Life Safety Planning					\$0			
ADA Consulting					\$0			
Mechanical, Electrical & Plumbing					\$0			
Coastal Consultant- not applicable					\$0			
Civil Engineering					\$0			
Landscape Architectural					\$0			
Parking Garage and Quipment - not applicable					\$0			
Exterior Lighting Design					\$0			
Exterior Graphics					\$0			
Surveying					\$30,000			
Geotechnical					\$30,000			
Environmental - not applicable					\$0			
Archeological & Historical - not applicable					\$0			
Traffic Study - not applicable					\$0			
Kitchen - Food Service Equipment					\$0			
Laundry - not applicable					\$0			
Sound & Audio Visual - included in low voltage design					\$0			
Interior Design					\$0			
Decorative Lighting Design				,	\$0			
Interior Graphics					\$0			
Interior Landscaping & Plants - included in interior design fee					\$0			
Art Program - consultant paid thru purchase of art					\$0			
Threshold Inspection					\$0			
Material Testing & Inspection					\$0			
Low Voltage Systems Design					\$0			
Lead Certification Advisor - not applicable					\$0			
Spa Consultant					\$0			
Water Feature Consultant					\$0			
Swimming Pool Design - not applicable					\$0			
Curtainwall Consultant - not applicable					\$0			
Window Cleaning - not applicable					\$0			
Waterproofing Consultant					\$0			
Moisture and Mildew - not applicable					\$0			
Elevator Consultant					\$0			
Acoustical Consultant					\$0			
Window Washing - not applicable					\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Sun and Shadow - not applicable			\$0			
Wind Study - not applicable			\$0			
HVAC Test and Balance			\$0			
Scheduling Consultant			\$0			
Permit Expeditor			\$0			
Special Inspections			\$0			
Punch and Turn-over			\$0			
Marketing Consultant - not applicable			\$0			
Model Making - not applicable			\$0			
Renderings - not applicable			\$0			
Miscellaneous			\$0			
Reimbursable Allowance			\$0			
TOTAL - DESIGN AND ENGINEERING				\$1,800,586	\$37.51	5.67%
PERMITS, LICENSES & FEES (included above)						
Sub-Total Impact Fees			\$225,000			
Building Permit Fee: Comprobante: \$5.00 / \$1000 Construction		88,160	\$88,160			
Sellos: \$1/ \$1000 Construction		17,632	\$17,632			
Sign Permit Fees		0	\$0			
Miscellaneous		0	\$0	No Arbitrios Municipales		
Subtotal Permit Fees			\$330,793			
Business Licenses			\$0			
TOTAL - PERMITS, LICENSES & FEES				\$330,793	\$6.89	1.04%
CONSTRUCTION						
020000 Site Work			\$3,555,651			
030000 Concrete			\$0			
040000 Masonry			\$0			
050000 Metals			\$0			
060000 Carpentry			\$0			
070000 Moisture Protection			\$0			
080000 Doors and Windows			\$0			
090000 Finishes			\$0			
130000 Special Construction			\$0			
140000 Conveying Systems			\$0			
150000 Mechanical			\$0			
160000 Electrical			\$0			
Misc Landscaping			\$1,000,000			
General Construction (48,000 sf @ 250/sf)			\$12,005,864			
Renovating Existing Facilities			\$330,000			
Existing Pool Renovation			\$180,000			
New Infinity Pool			\$300,000			
Miscellaneous LEED Allowance			\$260,573			
General Conditions, Insurance and Fee			\$0			
TOTAL CONSTRUCTION				\$17,632,088	\$367.34	55.52%
FURNITURE, FIXTURES & EQUIPMENT						
PUBLIC AREAS						
Carpet			\$0			
Wallcovering			\$0			
Casegoods			\$0			
Upholstery			\$0			
Lighting			\$0			
Draperies			\$0			
Art and Accessories (ABA)			\$0			
Art Program (Joan)			\$0			
Miscellaneous			\$2,275,000			
SUBTOTAL: PUBLIC AREAS				\$2,275,000	\$47.40	
EQUIPMENT AND SYSTEMS						
Food Service Equipment			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Laundry			\$0			
Telephone System			\$0			
Wireless System			\$0			
Internal Communication: Paging & Radios			\$0			
Television System			\$0			
Hotel and Spa Management System & Computers			\$0			
Point of Sale			\$0			
Time Clock System			\$0			
Security System			\$0			
Sound System and Audio Visual			\$0			
Low Voltage Cabling			\$0			
Electronic Locks			\$0			
Miscellaneous			\$0			
SUBTOTAL: EQUIPMENT AND SYSTEMS				\$0	\$0.00	
OPERATION EQUIPMENT AND SYSTEMS						
Spa Rooms			\$0			
Barber, Hair & Nail Salon			\$0			
Spa Retail Shop			\$0			
Locker Rooms			\$0			
Back of House - Offices			\$0			
Back of House - Technology			\$0			
General Areas			\$0			
Fitness Center			\$0			
Miscellaneous			\$0			
SUBTOTAL: OPERATION EQUIPMENT				\$0	\$0.00	
EXTERIOR SIGNAGE			\$0			
SUBTOTAL: EXTERIOR SIGNS				\$0	\$0.00	
SUBTOTAL: FURNITURE, FIXTURES & EQUIPMENT				\$2,275,000	\$47.40	
FEES, TAX & FREIGHT						
Purchasing Fee 4.00%			\$0			
Purchasing Reimbursables			\$0			
FF&E Warehousing Allowance			\$0			
FF&E Installation Allowance			\$0			
FF&E Final Clean			\$0			
Security			\$0			
Freight			\$0			
Sales & Use Tax			\$0			
SUBTOTAL: FEES, TAX & FREIGHT				\$0	\$0.00	
TOTAL - FURNITURE, FIXTURES & EQUIPMENT				\$2,275,000	\$47.40	7.16%
PRE-OPENING EXPENSES - NIC						
Salaries & Wages			\$0			
Payroll Taxes & Employee Relations			\$0			
Office Rental & Expense			\$0			
Advertising & Promotional Expense			\$75,000			
Training / Travel			\$0			
Inventories			\$0			
Misc. Pre-Opening Expense and Utilities			\$0			
TOTAL - PRE-OPENING EXPENSES				\$75,000	\$1.56	0.24%
WORKING CAPITAL & OPERATING DEFICIT RESERVE - NIC				\$0	\$0.00	0.00%
FINANCIAL & LEGAL						
Feasibility & Appraisals			\$12,000			
Franchise Application Fee			\$0			
Loan Fees - Permanent			\$85,000			
Loan Fees - Construction			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Financial Advisory - Fee (Bank Engineers)			\$15,000			
Financial Advisory - Reimbursables			\$0			
Construction Period Interest			\$2,043,166			
Lender Loan Administration			\$0			
Development & Organizational Legal & Reimbursables			\$125,000			
Builder's Risk Insurance @ 0.5 % of Construction \$			\$88,160			
Miscellaneous (Insurance)			\$138,000			
TOTAL - FINANCIAL & LEGAL				\$2,506,326	\$52.22	7.89%
PAYMENT & PERFORMANCE BONDS - NIC				\$0	\$0.00	0.00%
PROJECT WIDE CONTINGENCY (5% of Sum of Dsn & Constr)				\$971,634	\$20.24	3.06%
PROJECT SUBTOTAL				\$29,491,427	\$614.40	
DEVELOPMENT MANAGEMENT (includes CM)						
Project Management (3.5% Construction/FF&E/Conting)	3.50%		\$730,755	32.25%		
Project Management Reimbursables			\$0			
Development Fee (6% of Project Subtotal - Land Costs)	6.00%		\$1,535,486	67.75%		
Development Reimbursables			\$0			
TOTAL - DEVELOPMENT MANAGEMENT				\$2,266,241	\$47.21	7.14%
TOTAL PROJECT BUDGET				\$31,757,668	\$661.62	100.00%

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
HVAC Test and Balance			\$0			
Scheduling Consultant			\$0			
Permit Expeditor			\$0			
Special Inspections			\$0			
Punch and Turn-over			\$0			
Marketing Consultant - not applicable			\$0			
Model Making - not applicable			\$0			
Renderings - not applicable			\$0			
Miscellaneous			\$0			
Reimbursable Allowance			\$0			
TOTAL - DESIGN AND ENGINEERING				\$665,000	\$18.47	3.16%
PERMITS, LICENSES & FEES (included above)						
Sub-Total Impact Fees			\$196,000			
Building Permit Fee: Comprobante: \$5.00 / \$1000 Construction		59,885	\$59,885			
Sellos: \$1/ \$1000 Construction		11,977	\$11,977			
Sign Permit Fees		0	\$0			
Miscellaneous		0	\$0	No Arbitrios Municipales		
Subtotal Permit Fees			\$267,862			
Business Licenses			\$0			
TOTAL - PERMITS, LICENSES & FEES				\$267,862	\$7.44	1.27%
CONSTRUCTION						
020000 Site Work			\$800,000			
030000 Concrete			\$0			
040000 Masonry			\$0			
050000 Metals			\$0			
060000 Carpentry			\$0			
070000 Moisture Protection			\$0			
080000 Doors and Windows			\$0			
090000 Finishes			\$0			
130000 Special Construction			\$0			
140000 Conveying Systems			\$0			
150000 Mechanical			\$0			
160000 Electrical			\$0			
Misc Landscaping			\$1,000,000			
General Construction			\$9,000,000			
New Water Feature and Pool System			\$1,000,000			
Misc LEED Allowance			\$177,000			
General Conditions, Insurance and Fee			\$0			
TOTAL CONSTRUCTION				\$11,977,000	\$332.69	56.85%
FURNITURE, FIXTURES & EQUIPMENT						
PUBLIC AREAS						
Carpet			\$0			
Wallcovering			\$0			
Casegoods			\$0			
Upholstery			\$0			
Lighting			\$0			
Drapery			\$0			
Art and Accessories (ABA)			\$0			
Art Program (Joan)			\$0			
Miscellaneous			\$0			
SUBTOTAL: PUBLIC AREAS				\$0	\$0.00	
EQUIPMENT AND SYSTEMS						
Food Service Equipment			\$0			
Laundry			\$0			
Telephone System			\$0			
Wireless System			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Internal Communication: Paging & Radios			\$0			
Television System			\$0			
Hotel and Spa Management System & Computers			\$0			
Point of Sale			\$0			
Time Clock System			\$0			
Security System			\$0			
Sound System and Audio Visual			\$0			
Low Voltage Cabling			\$0			
Electronic Locks			\$0			
Miscellaneous			\$1,600,000			
SUBTOTAL: EQUIPMENT AND SYSTEMS				\$1,600,000	\$44.44	
OPERATION EQUIPMENT AND SYSTEMS						
Spa Rooms			\$0			
Barber, Hair & Nail Salon			\$0			
Spa Retail Shop			\$0			
Locker Rooms			\$0			
Back of House - Offices			\$0			
Back of House - Technology			\$0			
General Areas			\$0			
Fitness Center			\$0			
Miscellaneous			\$0			
SUBTOTAL: OPERATION EQUIPMENT				\$0	\$0.00	
EXTERIOR SIGNAGE						
			\$0			
SUBTOTAL: EXTERIOR SIGNS				\$0	\$0.00	
SUBTOTAL: FURNITURE, FIXTURES & EQUIPMENT						
				\$1,600,000	\$44.44	
FEES, TAX & FREIGHT						
Purchasing Fee 4.00%			\$0			
Purchasing Reimbursables			\$0			
FF&E Warehousing Allowance			\$0			
FF&E Installation Allowance			\$0			
FF&E Final Clean			\$0			
Security			\$0			
Freight			\$0			
Sales & Use Tax			\$0			
SUBTOTAL: FEES, TAX & FREIGHT				\$0	\$0.00	
TOTAL - FURNITURE, FIXTURES & EQUIPMENT						
				\$1,600,000	\$44.44	7.59%
PRE-OPENING EXPENSES - NIC						
Salaries & Wages			\$0			
Payroll Taxes & Employee Relations			\$0			
Office Rental & Expense			\$0			
Advertising & Promotional Expense			\$100,000			
Training / Travel			\$0			
Inventories			\$0			
Misc. Pre-Opening Expense and Utilities			\$0			
TOTAL - PRE-OPENING EXPENSES				\$100,000	\$2.78	0.47%
WORKING CAPITAL & OPERATING DEFICIT RESERVE - NIC						
				\$0	\$0.00	0.00%
FINANCIAL & LEGAL						
Feasibility & Appraisals			\$15,000			
Franchise Application Fee			\$0			
Loan Fees - Permanent			\$60,000			
Loan Fees - Construction			\$18,000			
Financial Advisory - Fee (Bank Engineers)			\$15,000			
Financial Advisory - Reimbursables			\$0			
Construction Period Interest			\$753,948			
Lender Loan Administration			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Development & Organizational Legal & Reimbursables			\$125,000			
Builder's Risk Insurance @ 0.5 % of Construction \$			\$59,885			
Miscellaneous (Insurance)			\$3,500			
TOTAL - FINANCIAL & LEGAL				\$1,050,333	\$29.18	4.99%
PAYMENT & PERFORMANCE BONDS - NIC				\$0	\$0.00	0.00%
PROJECT WIDE CONTINGENCY (5% of Sum of Dsn & Constr)				\$632,100	\$17.56	3.00%
PROJECT SUBTOTAL				\$19,592,295	\$544.23	
DEVELOPMENT MANAGEMENT (includes CM)						
Project Management (3.5% Construction/FF&E/Conting)	3.50%		\$497,319			
Project Management Reimbursables			\$0			
Development Fee (6% of Project Subtotal - Land Costs)	6.00%		\$977,538			
Development Reimbursables			\$0			
TOTAL - DEVELOPMENT MANAGEMENT				\$1,474,856	\$40.97	7.00%
TOTAL PROJECT BUDGET				\$21,067,151	\$585.20	100.00%

Inn on the Blue Horizon - Phase 1d (Chopra Wellness Center & Spa)						
Development Budget - Detail						
Date of Latest Revision:		1/28/2008				
Location:		Vieques, PR				
Enclosed Building Area: Sq. Ft.		30,400				
Exterior Elevated Structured Area: Sq.Ft.		0				
Total Area Sq.Ft.		30,400				
Number of Spa Floors:		0				
Number of Parking Garage Floors:		0				
Construction Period: Start to Opening		0				
Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% to Total
LAND						
Land Lease			\$0			
Land Purchase			\$5,400,000			
Land Carry Cost			\$0			
TOTAL - LAND				\$5,400,000	\$177.63	23.31%
DESIGN AND ENGINEERING						
Architectural (including plans & permits)			\$900,000			
Structural			\$0			
Project Specifications			\$0			
Hardware Specifications			\$0			
Code Review - included in architectural fee			\$0			
Life Safety Planning			\$0			
ADA Consulting			\$0			
Mechanical, Electrical & Plumbing			\$0			
Coastal Consultant- not applicable			\$0			
Civil Engineering			\$0			
Landscape Architectural			\$0			
Parking Garage and Equipment - not applicable			\$0			
Exterior Lighting Design			\$0			
Exterior Graphics			\$0			
Surveying			\$5,000			
Geotechnical			\$3,500			
Environmental - not applicable			\$0			
Archeological & Historical - not applicable			\$0			
Traffic Study - not applicable			\$0			
Kitchen - Food Service Equipment			\$0			
Laundry - not applicable			\$0			
Sound & Audio Visual - included in low voltage design			\$0			
Interior Design			\$0			
Decorative Lighting Design			\$0			
Interior Graphics			\$0			
Interior Landscaping & Plants - included in interior design fee			\$0			
Art Program - consultant paid thru purchase of art			\$0			
Threshold Inspection			\$0			
Material Testing & Inspection			\$0			
Low Voltage Systems Design			\$0			
Lead Certification Advisor - not applicable			\$0			
Spa Consultant			\$0			
Water Feature Consultant			\$0			
Swimming Pool Design - not applicable			\$0			
Curtainwall Consultant - not applicable			\$0			
Window Cleaning - not applicable			\$0			
Waterproofing Consultant			\$0			
Moisture and Mildew - not applicable			\$0			
Elevator Consultant			\$0			
Acoustical Consultant			\$0			
Window Washing - not applicable			\$0			
Sun and Shadow - not applicable			\$0			
Wind Study - not applicable			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% to Total
HVAC Test and Balance			\$0			
Scheduling Consultant			\$0			
Permit Expeditor			\$0			
Special Inspections			\$0			
Punch and Turn-over			\$0			
Marketing Consultant - not applicable			\$0			
Model Making - not applicable			\$0			
Renderings - not applicable			\$0			
Miscellaneous			\$0			
Reimbursable Allowance			\$0			
TOTAL - DESIGN AND ENGINEERING				\$908,500	\$29.88	3.92%
PERMITS, LICENSES & FEES (included above)						
Sub-Total Impact Fees			\$196,000			
Building Permit Fee: Comprobante: \$5.00 / \$1000 Construction		52,019	\$52,019			
Sellos: \$1/ \$1000 Construction		10,404	\$10,404			
Sign Permit Fees		0	\$0			
Miscellaneous		468,169	\$468,169	Arbitrios Municipales @ 4.5%		
Subtotal Permit Fees			\$726,591			
Business Licenses			\$0			
TOTAL - PERMITS, LICENSES & FEES				\$726,591	\$23.90	3.14%
CONSTRUCTION						
020000 Site Work/Demolition			\$240,000			
030000 Concrete			\$0			
040000 Masonry			\$0			
050000 Metals			\$0			
060000 Carpentry			\$0			
070000 Moisture Protection			\$0			
080000 Doors and Windows			\$0			
090000 Finishes			\$0			
130000 Special Construction			\$0			
140000 Conveying Systems			\$0			
150000 Mechanical			\$0			
160000 Electrical			\$0			
Misc Landscaping			\$1,000,000			
Spa General Construction			\$5,250,000			
General Construction - Restaurant & Fitness			\$2,000,000			
General Construction - Health Juice Lounge			\$300,000			
General Construction - Spa Shop			\$500,000			
Tamarindo Renovation & Improvement (7 rms @ \$137k/rm)			\$960,000			
Misc LEED Allowance			\$153,750			
General Conditions, Insurance and Fee			\$0			
TOTAL CONSTRUCTION				\$10,403,750	\$342.23	44.90%
FURNITURE, FIXTURES & EQUIPMENT						
PUBLIC AREAS						
Carpet			\$0			
Wallcovering			\$0			
Caseloads			\$0			
Upholstery			\$0			
Lighting			\$0			
Draperies			\$0			
Art and Accessories (ABA)			\$0			
Art Program (Joan)			\$0			
Miscellaneous			\$0			
SUBTOTAL: PUBLIC AREAS				\$0	\$0.00	
EQUIPMENT AND SYSTEMS						
Food Service Equipment			\$0			
Laundry			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% to Total
Telephone System			\$0			
Wireless System			\$0			
Internal Communication: Paging & Radios			\$0			
Television System			\$0			
Hotel and Spa Management System & Computers			\$0			
Point of Sale			\$0			
Time Clock System			\$0			
Security System			\$0			
Sound System and Audio Visual			\$0			
Low Voltage Cabling			\$0			
Electronic Locks			\$0			
Miscellaneous - Spa			\$1,125,000			
Miscellaneous - Restaurant			\$500,000			
SUBTOTAL: EQUIPMENT AND SYSTEMS				\$1,625,000	\$53.45	
OPERATION EQUIPMENT AND SYSTEMS						
Spa Rooms			\$0			
Barber, Hair & Nail Salon			\$0			
Spa Retail Shop			\$0			
Locker Rooms			\$0			
Back of House - Offices			\$0			
Back of House - Technology			\$0			
General Areas			\$0			
Fitness Center			\$0			
Miscellaneous			\$0			
SUBTOTAL: OPERATION EQUIPMENT				\$0	\$0.00	
EXTERIOR SIGNAGE						
			\$0			
SUBTOTAL: EXTERIOR SIGNS				\$0	\$0.00	
SUBTOTAL: FURNITURE, FIXTURES & EQUIPMENT						
				\$1,625,000	\$53.45	
FEES, TAX & FREIGHT						
Purchasing Fee 4.00%			\$0			
Purchasing Reimbursables			\$0			
FF&E Warehousing Allowance			\$0			
FF&E Installation Allowance			\$0			
FF&E Final Clean			\$0			
Security			\$0			
Freight			\$0			
Sales & Use Tax			\$0			
SUBTOTAL: FEES, TAX & FREIGHT				\$0	\$0.00	
TOTAL - FURNITURE, FIXTURES & EQUIPMENT						
				\$1,625,000	\$53.45	7.01%
PRE-OPENING EXPENSES - NIC						
Salaries & Wages			\$0			
Payroll Taxes & Employee Relations			\$0			
Office Rental & Expense			\$0			
Advertising & Promotional Expense			\$150,000			
Training / Travel			\$0			
Inventories			\$0			
Misc. Pre-Opening Expense and Utilities			\$0			
TOTAL - PRE-OPENING EXPENSES				\$150,000	\$4.93	0.65%
WORKING CAPITAL & OPERATING DEFICIT RESERVE - NIC						
				\$0	\$0.00	0.00%
FINANCIAL & LEGAL						
Feasibility & Appraisals			\$25,000			
Franchise Application Fee			\$0			
Loan Fees - Permanent			\$62,500			
Loan Fees - Construction			\$18,000			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% to Total
Financial Advisory - Fee (Bank Engineers)			\$15,000			
Financial Advisory - Reimbursables			\$0			
Construction Period Interest			\$1,625,531			
Lender Loan Administration			\$0			
Development & Organizational Legal & Reimbursables			\$150,000			
Agencies Requirements			\$16,000			
Builder's Risk Insurance @ 0.5 % of Construction \$			\$52,019			
Miscellaneous (Insurance)			\$5,000			
TOTAL - FINANCIAL & LEGAL				\$1,969,050	\$64.77	8.50%
PAYMENT & PERFORMANCE BONDS - NIC				\$0	\$0.00	0.00%
PROJECT WIDE CONTINGENCY (5% of Sum of Dsn & Constr)				\$565,613	\$18.61	2.44%
PROJECT SUBTOTAL				\$21,748,504	\$715.41	
DEVELOPMENT MANAGEMENT (includes CM)						
Project Management (3.5% Construction/FF&E/Conting)	3.50%		\$440,803			
Project Management Reimbursables			\$0			
Development Fee (6% of Project Subtotal - Land Costs)	6.00%		\$980,910			
Development Reimbursables			\$0			
TOTAL - DEVELOPMENT MANAGEMENT				\$1,421,713	\$46.77	6.14%
TOTAL PROJECT BUDGET				\$23,170,217	\$762.18	100.00%

Inn on the Blue Horizon - Phase 1e (Le Petite Village Support Structure)						
Development Budget - Detail						
Date of Latest Revision:		1/28/2008				
Location:		Vieques, PR				
Enclosed Building Area: Sq. Ft.		82,000				
Exterior Elevated Structured Area: Sq.Ft.		0				
Total Area Sq.Ft.		82,000				
Number of Spa Floors:		0				
Number of Parking Garage Floors:		0				
Construction Period: Sart to Opening		0				
Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
LAND						
Land Lease			\$0			
Land Purchase (Allocated Land Cost to Village from Phase III)			\$840,000			
Land Carry Cost			\$0			
TOTAL - LAND				\$840,000	\$10.24	7.44%
DESIGN AND ENGINEERING						
Architectural (including plans & permits)			\$630,000			
Structural			\$0			
Project Specifications			\$0			
Hardware Specifications			\$0			
Code Review - included in architectural fee			\$0			
Life Safety Planning			\$0			
ADA Consulting			\$0			
Mechanical, Electrical & Plumbing			\$0			
Coastal Consultant- not applicable			\$0			
Civil Engineering			\$0			
Landscape Architectural			\$0			
Parking Garage and Quipment - not applicable			\$0			
Exterior Lighting Design			\$0			
Exterior Graphics			\$0			
Surveying			\$4,000			
Geotechnical			\$3,500			
Environmental - not applicable			\$0			
Archeological & Historical - not applicable			\$0			
Traffic Study - not applicable			\$0			
Kitchen - Food Service Equipment			\$0			
Laundry - not applicable			\$0			
Sound & Audio Visual - included in low voltage design			\$0			
Interior Design			\$0			
Decorative Lighting Design			\$0			
Interior Graphics			\$0			
Interior Landscaping & Plants - included in interior design fee			\$0			
Art Program - consultant paid thru purchase of art			\$0			
Threshold Inspection			\$0			
Material Testing & Inspection			\$0			
Low Voltage Systems Design			\$0			
Lead Certification Advisor - not applicable			\$0			
Spa Consultant			\$0			
Water Feature Consultant			\$0			
Swimming Pool Design - not applicable			\$0			
Curtainwall Consultant - not applicable			\$0			
Window Cleaning - not applicable			\$0			
Waterproofing Consultant			\$0			
Moisture and Mildew - not applicable			\$0			
Elevator Consultant			\$0			
Acoustical Consultant			\$0			
Window Washing - not applicable			\$0			
Sun and Shadow - not applicable			\$0			
Wind Study - not applicable			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
HVAC Test and Balance			\$0			
Scheduling Consultant			\$0			
Permit Expeditor			\$0			
Special Inspections			\$0			
Punch and Turn-over			\$0			
Marketing Consultant - not applicable			\$0			
Model Making - not applicable			\$0			
Renderings - not applicable			\$0			
Miscellaneous			\$0			
Reimbursable Allowance			\$0			
TOTAL - DESIGN AND ENGINEERING				\$637,500	\$7.77	5.65%
PERMITS, LICENSES & FEES (included above)						
Sub-Total Impact Fees			\$50,000			
Building Permit Fee: Comprobante: \$5.00 / \$1000 Construction		37,809	\$37,809			
Sellos: \$1/ \$1000 Construction		7,562	\$7,562			
Sign Permit Fees		0	\$0			
Miscellaneous		340,279	\$340,279	Arbitrios Municipales @ 4.5%		
Subtotal Permit Fees			\$435,649			
Business Licenses			\$0			
TOTAL - PERMITS, LICENSES & FEES				\$435,649	\$5.31	3.86%
CONSTRUCTION						
020000 Site Work/Demolition			\$0			
030000 Concrete			\$0			
040000 Masonry			\$0			
050000 Metals			\$0			
060000 Carpentry			\$0			
070000 Moisture Protection			\$0			
080000 Doors and Windows			\$0			
090000 Finishes			\$0			
130000 Special Construction			\$0			
140000 Conveying Systems			\$0			
150000 Mechanical			\$0			
160000 Electrical			\$0			
Manor House / Reception			\$1,500,000			
Inside Parking (9350 sf @ \$110/sf)			\$2,250,000			
Storage Area/Technical Area (23,375sf @ \$100/sf)			\$2,337,500			
Suppliers Area (7,000sf @ \$135/sf)			\$1,362,500			
Misc LEED Allowance			\$111,750			
General Conditions, Insurance and Fee			\$0			
TOTAL CONSTRUCTION				\$7,561,750	\$92.22	66.98%
FURNITURE, FIXTURES & EQUIPMENT						
PUBLIC AREAS						
Carpet			\$0			
Wallcovering			\$0			
Casegoods			\$0			
Upholstery			\$0			
Lighting			\$0			
Drapery			\$0			
Art and Accessories (ABA)			\$0			
Art Program (Joan)			\$0			
Miscellaneous			\$0			
SUBTOTAL: PUBLIC AREAS				\$0	\$0.00	
EQUIPMENT AND SYSTEMS						
Food Service Equipment			\$0			
Laundry			\$0			
Telephone System			\$0			
Wireless System			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Internal Communication: Paging & Radios			\$0			
Television System			\$0			
Hotel and Spa Management System & Computers			\$0			
Point of Sale			\$0			
Time Clock System			\$0			
Security System			\$0			
Sound System and Audio Visual			\$0			
Low Voltage Cabling			\$0			
Electronic Locks			\$0			
Miscellaneous - Spa Suite (16 rms @ \$75k/rm)			\$0			
Miscellaneous - Restaurant			\$0			
SUBTOTAL: EQUIPMENT AND SYSTEMS				\$0	\$0.00	
OPERATION EQUIPMENT AND SYSTEMS						
Spa Rooms			\$0			
Barber, Hair & Nail Salon			\$0			
Spa Retail Shop			\$0			
Locker Rooms			\$0			
Back of House - Offices			\$0			
Back of House - Technology			\$0			
General Areas			\$0			
Fitness Center			\$0			
Miscellaneous			\$0			
SUBTOTAL: OPERATION EQUIPMENT				\$0	\$0.00	
EXTERIOR SIGNAGE						
SUBTOTAL: EXTERIOR SIGNS				\$0	\$0.00	
SUBTOTAL: FURNITURE, FIXTURES & EQUIPMENT						
				\$0	\$0.00	
FEES, TAX & FREIGHT						
Purchasing Fee 4.00%			\$0			
Purchasing Reimbursables			\$0			
FF&E Warehousing Allowance			\$0			
FF&E Installation Allowance			\$0			
FF&E Final Clean			\$0			
Security			\$0			
Freight			\$0			
Sales & Use Tax			\$0			
SUBTOTAL: FEES, TAX & FREIGHT				\$0	\$0.00	
TOTAL - FURNITURE, FIXTURES & EQUIPMENT						
				\$0	\$0.00	0.00%
PRE-OPENING EXPENSES - NIC						
Salaries & Wages			\$0			
Payroll Taxes & Employee Relations			\$0			
Office Rental & Expense			\$0			
Advertising & Promotional Expense			\$0			
Training / Travel			\$0			
Inventories			\$0			
Misc. Pre-Opening Expense and Utilities			\$0			
TOTAL - PRE-OPENING EXPENSES				\$0	\$0.00	0.00%
WORKING CAPITAL & OPERATING DEFICIT RESERVE - NIC						
				\$0	\$0.00	0.00%
FINANCIAL & LEGAL						
Feasibility & Appraisals			\$15,000			
Franchise Application Fee			\$0			
Loan Fees - Permanent			\$32,500			
Loan Fees - Construction			\$0			
Financial Advisory - Fee (Bank Engineers)			\$4,500			
Financial Advisory - Reimbursables			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Construction Period Interest			\$397,517			
Lender Loan Administration			\$0			
Development & Organizational Legal & Reimbursables			\$50,000			
Agencies Requirements			\$50,000			
Builder's Risk Insurance @ 0.5 % of Construction \$				Not included due to structure		
Miscellaneous (Insurance)			\$0			
TOTAL - FINANCIAL & LEGAL				\$549,517	\$6.70	4.87%
PAYMENT & PERFORMANCE BONDS - NIC				\$0	\$0.00	0.00%
PROJECT WIDE CONTINGENCY (5% of Sum of Dsn & Constr)				\$409,963	\$10.39	3.63%
PROJECT SUBTOTAL				\$10,434,379	\$127.25	
DEVELOPMENT MANAGEMENT (includes CM)						
Project Management (3.5% Construction/FF&E/Conting)	3.50%		\$279,010			
Project Management Reimbursables			\$0			
Development Fee (6% of Project Subtotal - Land Costs)	6.00%		\$575,663			
Development Reimbursables			\$0			
TOTAL - DEVELOPMENT MANAGEMENT				\$854,673	\$10.42	7.57%
TOTAL PROJECT BUDGET				\$11,289,051	\$137.67	100.00%

Inn on the Blue Horizon - Phase 2 (Le Petite Village)									
Development Budget - Detail									
Date of Latest Revision:					1/28/2008				
Location:				Vieques, PR					
Enclosed Building Area: Sq. Ft.					53,000				
Exterior Elevated Structured Area: Sq.Ft.					23,100				
Total Area Sq.Ft.					76,100				
Number of Spa Floors:					0				
Number of Parking Garage Floors:					0				
Construction Period: Sart to Opening					0				
Description				Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
LAND									
Land Lease						\$0			
Land Purchase						\$0			
Land Carry Cost						\$0			
TOTAL - LAND							\$0	\$0.00	0.00%
DESIGN AND ENGINEERING									
Architectural (including plans & permits)						\$3,000,000			
Structural						\$0			
Project Specifications						\$0			
Hardware Specifications						\$0			
Code Review - included in architectural fee						\$0			
Life Safety Planning						\$0			
ADA Consulting						\$0			
Mechanical, Electrical & Plumbing						\$0			
Coastal Consultant- not applicable						\$0			
Civil Engineering						\$0			
Landscape Architectural						\$0			
Parking Garage and Quipment - not applicable						\$0			
Exterior Lighting Design						\$0			
Exterior Graphics						\$0			
Surveying						\$0			
Geotechnical						\$0			
Environmental - not applicable						\$0			
Archeological & Historical - not applicable						\$0			
Traffic Study - not applicable						\$0			
Kitchen - Food Service Equipment						\$0			
Laundry - not applicable						\$0			
Sound & Audio Visual - included in low voltage design						\$0			
Interior Design						\$0			
Decorative Lighting Design					,	\$0			
Interior Graphics						\$0			
Interior Landscaping & Plants - included in interior design fee						\$0			
Art Program - consultant paid thru purchase of art						\$0			
Threshold Inspection						\$0			
Material Testing & Inspection						\$0			
Low Voltage Systems Design						\$0			
Lead Certification Advisor - not applicable						\$0			
Spa Consultant						\$0			
Water Feature Consultant						\$0			
Swimming Pool Design - not applicable						\$0			
Curtainwall Consultant - not applicable						\$0			
Window Cleaning - not applicable						\$0			
Waterproofing Consultant						\$0			
Moisture and Mildew - not applicable						\$0			
Elevator Consultant						\$0			
Acoustical Consultant						\$0			
Window Washing - not applicable						\$0			
Sun and Shadow - not applicable						\$0			
Wind Study - not applicable						\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
HVAC Test and Balance			\$0			
Scheduling Consultant			\$0			
Permit Expeditor			\$0			
Special Inspections			\$0			
Punch and Turn-over			\$0			
Marketing Consultant - not applicable			\$0			
Model Making - not applicable			\$0			
Renderings - not applicable			\$0			
Miscellaneous			\$0			
Reimbursable Allowance			\$0			
TOTAL - DESIGN AND ENGINEERING				\$3,000,000	\$39.42	9.96%
PERMITS, LICENSES & FEES (included above)						
Sub-Total Impact Fees			\$184,000			
Building Permit Fee: Comprobante: \$5.00 / \$1000 Construction		94,469	\$94,469			
Sellos: \$1/ \$1000 Construction		18,894	\$18,894			
Sign Permit Fees		0	\$0			
Miscellaneous		850,217	\$850,217	Arbitrios Municipales @ 4.5%		
Subtotal Permit Fees			\$1,147,580			
Business Licenses			\$0			
TOTAL - PERMITS, LICENSES & FEES				\$1,147,580	\$15.08	3.81%
CONSTRUCTION						
020000 Site Work/Demolition			\$0			
030000 Concrete			\$0			
040000 Masonry			\$0			
050000 Metals			\$0			
060000 Carpentry			\$0			
070000 Moisture Protection			\$0			
080000 Doors and Windows			\$0			
090000 Finishes			\$0			
130000 Special Construction			\$0			
140000 Conveying Systems			\$0			
150000 Mechanical			\$0			
160000 Electrical			\$0			
Misc Landscaping			\$1,000,000			
Sugar Cane Tower			\$500,000			
Maintenance Building			\$750,000			
Employers Building			\$250,000			
Nursery			\$250,000			
Ampitheatre			\$1,500,000			
Bridge			\$500,000			
Shopping Center @ 50,300sf			\$7,994,500			
Village Studios & Terrace VIP @ 27,100 sf			\$5,870,000			
Misc LEED Allowance			\$279,218			
General Conditions, Insurance and Fee			\$0			
TOTAL CONSTRUCTION				\$18,893,718	\$248.27	62.75%
FURNITURE, FIXTURES & EQUIPMENT						
PUBLIC AREAS						
Carpet			\$0			
Wallcovering			\$0			
Casegoods			\$0			
Upholstery			\$0			
Lighting			\$0			
Drapery			\$0			
Art and Accessories (ABA)			\$0			
Art Program (Joan)			\$0			
Miscellaneous			\$0			
SUBTOTAL: PUBLIC AREAS				\$0	\$0.00	

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
EQUIPMENT AND SYSTEMS						
Food Service Equipment			\$0			
Laundry			\$0			
Telephone System			\$0			
Wireless System			\$0			
Golf Carts			\$500,000			
Internal Communication: Paging & Radios			\$0			
Television System			\$0			
Hotel and Spa Management System & Computers			\$0			
Point of Sale			\$0			
Time Clock System			\$0			
Security System			\$0			
Sound System and Audio Visual			\$0			
Low Voltage Cabling			\$0			
Electronic Locks			\$0			
Miscellaneous - FF&E			\$1,500,000			
SUBTOTAL: EQUIPMENT AND SYSTEMS				\$2,000,000	\$26.28	
OPERATION EQUIPMENT AND SYSTEMS						
Spa Rooms			\$0			
Barber, Hair & Nail Salon			\$0			
Spa Retail Shop			\$0			
Locker Rooms			\$0			
Back of House - Offices			\$0			
Back of House - Technology			\$0			
General Areas			\$0			
Fitness Center			\$0			
Miscellaneous			\$0			
SUBTOTAL: OPERATION EQUIPMENT				\$0	\$0.00	
EXTERIOR SIGNAGE						
			\$0			
SUBTOTAL: EXTERIOR SIGNS				\$0	\$0.00	
SUBTOTAL: FURNITURE, FIXTURES & EQUIPMENT						
				\$2,000,000	\$26.28	
FEES, TAX & FREIGHT						
Purchasing Fee 4.00%			\$0			
Purchasing Reimbursables			\$0			
FF&E Warehousing Allowance			\$0			
FF&E Installation Allowance			\$0			
FF&E Final Clean			\$0			
Security			\$0			
Freight			\$0			
Sales & Use Tax			\$0			
SUBTOTAL: FEES, TAX & FREIGHT				\$0	\$0.00	
TOTAL - FURNITURE, FIXTURES & EQUIPMENT						
				\$2,000,000	\$26.28	6.64%
PRE-OPENING EXPENSES - NIC						
Salaries & Wages			\$0			
Payroll Taxes & Employee Relations			\$0			
Office Rental & Expense			\$0			
Advertising & Promotional Expense			\$150,000			
Training / Travel			\$0			
Inventories			\$0			
Misc. Pre-Opening Expense and Utilities			\$0			
TOTAL - PRE-OPENING EXPENSES				\$150,000	\$1.97	0.50%
WORKING CAPITAL & OPERATING DEFICIT RESERVE - NIC						
				\$0	\$0.00	0.00%
FINANCIAL & LEGAL						
Feasibility & Appraisals			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Franchise Application Fee			\$0			
Loan Fees - Permanent			\$92,500			
Loan Fees - Construction			\$0			
Financial Advisory - Fee (Bank Engineers)			\$7,500			
Financial Advisory - Reimbursables			\$0			
Construction Period Interest			\$1,200,000			
Lender Loan Administration			\$0			
Development & Organizational Legal & Reimbursables			\$0			
Agencies Requirements			\$0			
Builder's Risk Insurance @ 0.5 of Construction \$			\$94,469			
Miscellaneous (Insurance)			\$0			
TOTAL - FINANCIAL & LEGAL				\$1,394,469	\$18.32	4.63%
PAYMENT & PERFORMANCE BONDS - NIC				\$0	\$0.00	0.00%
PROJECT WIDE CONTINGENCY (5% of Sum of Dsn & Constr)				\$1,094,686	\$14.38	3.64%
PROJECT SUBTOTAL				\$27,680,452	\$363.74	
DEVELOPMENT MANAGEMENT (includes CM)						
Project Management (3.5% Construction/FF&E/Conting)	3.50%		\$769,594			
Project Management Reimbursables			\$0			
Development Fee (6% of Project Subtotal - Land Costs)	6.00%		\$1,660,827			
Development Reimbursables			\$0			
TOTAL - DEVELOPMENT MANAGEMENT				\$2,430,421	\$31.94	8.07%
TOTAL PROJECT BUDGET				\$30,110,873	\$395.68	100.00%

Inn on the Blue Horizon - Phase 3 (Resident Villas)							
Development Budget - Detail							
Date of Latest Revision:				1/28/2008			
Location:				Vieques, PR			
Enclosed Building Area: Sq. Ft.				192,000			
Exterior Elevated Structured Area: Sq.Ft.				0			
Total Area Sq.Ft.				192,000			
Number of Spa Floors:				0			
Number of Parking Garage Floors:				0			
Construction Period: Start to Opening				0			
Description				Qty.	Unit \$	\$Amount	Sq Ft Bldg % of Total
LAND							
Land Lease						\$0	
Land Purchase						\$9,960,000	
Land Carry Cost						\$0	
TOTAL - LAND							\$9,960,000 \$51.88 9.63%
DESIGN AND ENGINEERING							
Architectural (including plans & permits)						\$1,200,000	
Structural						\$0	
Project Specifications						\$0	
Hardware Specifications						\$0	
Code Review - included in architectural fee						\$0	
Life Safety Planning						\$0	
ADA Consulting						\$0	
Mechanical, Electrical & Plumbing						\$0	
Coastal Consultant- not applicable						\$0	
Civil Engineering						\$0	
Landscape Architectural						\$0	
Parking Garage and Quipment - not applicable						\$0	
Exterior Lighting Design						\$0	
Exterior Graphics						\$0	
Surveying						\$15,000	
Geotechnical						\$12,000	
Environmental - not applicable						\$0	
Archeological & Historical - not applicable						\$0	
Traffic Study - not applicable						\$0	
Kitchen - Food Service Equipment						\$0	
Laundry - not applicable						\$0	
Sound & Audio Visual - included in low voltage design						\$0	
Interior Design						\$0	
Decorative Lighting Design						\$0	
Interior Graphics						\$0	
Interior Landscaping & Plants - included in interior design fee						\$0	
Art Program - consultant paid thru purchase of art						\$0	
Threshold Inspection						\$0	
Material Testing & Inspection						\$0	
Low Voltage Systems Design						\$0	
Lead Certification Advisor - not applicable						\$0	
Spa Consultant						\$0	
Water Feature Consultant						\$0	
Swimming Pool Design - not applicable						\$0	
Curtainwall Consultant - not applicable						\$0	
Window Cleaning - not applicable						\$0	
Waterproofing Consultant						\$0	
Moisture and Mildew - not applicable						\$0	
Elevator Consultant						\$0	
Acoustical Consultant						\$0	
Window Washing - not applicable						\$0	
Sun and Shadow - not applicable						\$0	
Wind Study - not applicable						\$0	

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
HVAC Test and Balance			\$0			
Scheduling Consultant			\$0			
Permit Expeditor			\$0			
Special Inspections			\$0			
Punch and Turn-over			\$0			
Marketing Consultant - not applicable			\$0			
Model Making - not applicable			\$0			
Renderings - not applicable			\$0			
Miscellaneous			\$0			
Reimbursable Allowance			\$0			
TOTAL - DESIGN AND ENGINEERING				\$1,227,000	\$6.39	1.19%
PERMITS, LICENSES & FEES (included above)						
Sub-Total Impact Fees			\$612,000			
Building Permit Fee: Comprobante: \$5.00 / \$1000 Construction		324,641	\$324,641			
Sellos: \$1/ \$1000 Construction		64,928	\$64,928			
Sign Permit Fees		0	\$0			
Miscellaneous		2,921,773	\$2,921,773	Arbitrios Municipales @ 4.5%		
Subtotal Permit Fees			\$3,923,343			
Business Licenses			\$0			
TOTAL - PERMITS, LICENSES & FEES				\$3,923,343	\$20.43	3.79%
CONSTRUCTION						
020000 Site Work/Demolition			\$6,845,756			
030000 Concrete			\$0			
040000 Masonry			\$0			
050000 Metals			\$0			
060000 Carpentry			\$0			
070000 Moisture Protection			\$0			
080000 Doors and Windows			\$0			
090000 Finishes			\$0			
130000 Special Construction			\$0			
140000 Conveying Systems			\$0			
150000 Mechanical			\$0			
160000 Electrical			\$0			
Misc Landscaping			\$1,000,000			
General Construction (32 villas @ 6000sf @ \$264.06/sf)			\$50,700,000			
Restaurant/Spa Center/Beach Restaurant/Chapel			\$4,250,000			
Parking Lots/Fencing			\$500,000			
Landscaping/Signage			\$673,000			
Misc LEED Allowance			\$959,531			
General Conditions, Insurance and Fee			\$0			
TOTAL CONSTRUCTION				\$64,928,287	\$338.17	62.75%
FURNITURE, FIXTURES & EQUIPMENT						
PUBLIC AREAS						
Carpet			\$0			
Wallcovering			\$0			
Casegoods			\$0			
Upholstery			\$0			
Lighting			\$0			
Drapery			\$0			
Art and Accessories (ABA)			\$0			
Art Program (Joan)			\$0			
Miscellaneous			\$0			
SUBTOTAL: PUBLIC AREAS				\$0	\$0.00	
EQUIPMENT AND SYSTEMS						
Food Service Equipment			\$0			
Laundry			\$0			
Telephone System			\$0			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Wireless System			\$0			
Internal Communication: Paging & Radios			\$0			
Television System			\$0			
Hotel and Spa Management System & Computers			\$0			
Point of Sale			\$0			
Time Clock System			\$0			
Security System			\$0			
Sound System and Audio Visual			\$0			
Low Voltage Cabling			\$0			
Electronic Locks			\$0			
Miscellaneous - FF&E			\$7,500,000			
SUBTOTAL: EQUIPMENT AND SYSTEMS				\$7,500,000	\$39.06	
OPERATION EQUIPMENT AND SYSTEMS						
Spa Rooms			\$0			
Barber, Hair & Nail Salon			\$0			
Spa Retail Shop			\$0			
Locker Rooms			\$0			
Back of House - Offices			\$0			
Back of House - Technology			\$0			
General Areas			\$0			
Fitness Center			\$0			
Miscellaneous			\$0			
SUBTOTAL: OPERATION EQUIPMENT				\$0	\$0.00	
EXTERIOR SIGNAGE						
SUBTOTAL: EXTERIOR SIGNS				\$0	\$0.00	
SUBTOTAL: FURNITURE, FIXTURES & EQUIPMENT				\$7,500,000	\$39.06	
FEES, TAX & FREIGHT						
Purchasing Fee 4.00%			\$0			
Purchasing Reimbursables			\$0			
FF&E Warehousing Allowance			\$0			
FF&E Installation Allowance			\$0			
FF&E Final Clean			\$0			
Security			\$0			
Freight			\$0			
Sales & Use Tax			\$0			
SUBTOTAL: FEES, TAX & FREIGHT				\$0	\$0.00	
TOTAL - FURNITURE, FIXTURES & EQUIPMENT				\$7,500,000	\$39.06	7.25%
PRE-OPENING EXPENSES - NIC						
Salaries & Wages			\$0			
Payroll Taxes & Employee Relations			\$0			
Office Rental & Expense			\$0			
Advertising & Promotional Expense			\$250,000			
Training / Travel			\$0			
Inventories			\$0			
Misc. Pre-Opening Expense and Utilities			\$0			
TOTAL - PRE-OPENING EXPENSES				\$250,000	\$1.30	0.24%
WORKING CAPITAL & OPERATING DEFICIT RESERVE - NIC						
				\$0	\$0.00	0.00%
FINANCIAL & LEGAL						
Feasibility & Appraisals			\$125,000			
Franchise Application Fee			\$0			
Loan Fees - Permanent			\$200,000			
Loan Fees - Construction			\$240,000			
Financial Advisory - Fee (Bank Engineers)			\$12,000			

Description	Qty.	Unit \$	\$Amount	\$Total	Sq Ft Bldg	% of Total
Financial Advisory - Reimbursables			\$0			
Construction Period Interest			\$3,000,000			
Lender Loan Administration			\$36,000			
Development & Organizational Legal & Reimbursables			\$250,000			
Agencies Requirements			\$150,000			
Builder's Risk Insurance (@ 0.5 % of Construction \$)			\$324,641			
Miscellaneous (Insurance)			\$250,000			
TOTAL - FINANCIAL & LEGAL				\$4,587,641	\$23.89	4.43%
PAYMENT & PERFORMANCE BONDS - NIC				\$0	\$0.00	0.00%
PROJECT WIDE CONTINGENCY (5% of Sum of Dsn & Constr)				\$3,307,764	\$17.23	3.20%
PROJECT SUBTOTAL				\$95,684,036	\$498.35	
DEVELOPMENT MANAGEMENT (includes CM)						
Project Management (3.5% Construction/FF&E/Conting)	3.50%		\$2,650,762			
Project Management Reimbursables			\$0			
Development Fee (6% of Project Subtotal - Land Costs)	6.00%		\$5,143,442			
Development Reimbursables			\$0			
TOTAL - DEVELOPMENT MANAGEMENT				\$7,794,204	\$40.59	7.53%
TOTAL PROJECT BUDGET				\$103,478,240	\$538.95	100.00%