



GRAND LUCAYAN
BAHAMAS

**GRAND LUCAYAN
RESORT CASINO**

DG

Drabkin Group



EXECUTIVE SUMMARY

GRAND LUCAYAN RESORT CASINO | REDEVELOPMENT & REBRANDING |

Joseph Drabkin

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DRABKIN GROUP

Drabkin Group has earned its reputation as experts in the industry. Current projects include a 59-Story tower one block from Brickell City Centre; as well as over 600 multifamily units within Miami-Dade, an Integrated Hotel Resort Casino Residential Community Retail and Golf Club, located in Cartagena Colombia.

Drabkin Group has recently signed a contract with Heritage Hospitality Group to build 70-100 new Limited Service flagged hotels over the next 5 years. Drabkin Group has 12 projects approved and shovel-ready in the expansion pipeline.

Our collective experience totals over 6,000 multifamily units over two decades of ground-up development on the east coast. We are currently working on future multifamily projects in Miami-Dade totaling over 1,000 units that are in various stages of assemblage, entitlement and permitting.



DEVELOPMENT

Drabkin Group has an unwavering commitment and passion for developing high quality, uniquely designed commercial and residential buildings.

With decades of US and international experience, the leadership team has forged partnerships with top lenders, investors, leading architects, and joint venture partners.

ASSET MANAGEMENT

Drabkin Group assesses the performance of each individual property, as well as the overall portfolio to develop a wealth plan which include:

- Recommend the sale, exchange, or repositioning of real estate assets, and advise on capital improvements
- Assess the current debt and recognize opportunities for using credit to your advantage
- Manage portfolio risk, manage and supervise property managers and leasing agents
- Collaborate with your legal, accounting, and tax professionals





PROPERTY MANAGEMENT

Our team collaborates across a complete spectrum of integrated services to help you achieve optimal asset and portfolio management. We strategically position assets in the most diverse markets, through the most challenging market conditions.

We employ the highest industry standards in all of our processes to ensure regulatory compliance, consistency and service excellence.



ADVISORY & BROKERAGE

The real estate requirements of today's businesses are increasingly complex, and they increasingly impact a companies' strategic decisions and bottom line. We provide a complete spectrum of commercial real estate advisory and transaction services – including occupier and investor leasing, acquisition and sales, marketing and consulting – to owners, investors and occupiers of all property types.

Our approach is strategic, rather than merely transactional, in that we assess a client's entire real estate portfolio and requirements on a company-wide scale.



Joseph Drabkin
President & CEO

Joe Drabkin is President and co-founder of Drabkin Group, which offers triple net commercial real estate investments, asset and property management, brokerage and development projects in the U.S. Our clients range from international high net worth individuals, U.S. high net worth individuals and institutional investors as well as family offices and sovereign funds.

Mr. Drabkin has more than 30 years of industry experience in commercial real estate acquisition, development, strategic planning, management, sales, and leasing. Drabkin Group is comprised of four separate operating companies as follows:

- **Drabkin Development:** Ground-up commercial estate Development)
- **Drabkin Equity:** Equity investments in Commercial Real Estate, Resort, Casino's, Triple Net Properties, Hospitality and Multifamily.
- **Drabkin NNN:** Assemble, Acquire and Manage Triple Net Properties Nationally.
- **Drabkin Asset Management Group:** Acquire Commercial Real Estate prepare for Development, Hold and manage/Sell.

Prior to starting Drabkin Group, Mr. Drabkin was Vice President and Managing Director for the Stiles Corporation. He opened the Miami office and was responsible for the company's third-party brokerage services, ranging from leasing to syndication and executing development deals.

Before working with Stiles, Mr. Drabkin was Vice President & Managing Director at Adler Realty Services. He was responsible for developing new business and servicing nine million square feet of commercial property.



Tiago Sant'Ana

Executive VP

Tiago Sant'Ana is the Executive VP at the Drabkin Group, responsible for working with US and international real estate investors, family offices, funds, advisors and financial institution raising and structuring capital and debt as well as managing communications between the Drabkin Group and its investors.

Prior to joining the Drabkin Group Mr. Tiago worked with international business consulting, mergers and acquisitions, debt restructuring, turn-around, strategic business and financial planning, and in the coordination of transnational communication and engagement with legal and regulatory agencies. Working with risk assessment and risk mitigation, project management and liaising with stakeholders in order to coordinate and facilitate project execution.

Mr. Tiago is also experienced in planning and supervising the commissioning of large real estate infrastructure and IT systems for high availability and critical operations and has managed several RFP and bid processes.

LEGAL & COMPLIANCE



Daniel Milian is a Shareholder in the Commercial Litigation Practice Group. He practices commercial civil litigation, with a particular focus on general commercial litigation, real estate litigation, and condominium and homeowners association law (COA/HOA). Daniel has extensive experience in a broad spectrum of issues such as partnership disputes, breach of contract, landlord/tenant disputes, foreclosures (Plaintiff and Defendant), quiet title actions, and injunctions. This is supported by his background in preparing corporate documents, including: operating agreements, corporate filings, and the sales of businesses.



Fowler White Burnett is a full-service law firm providing client-focused, proven legal strategies and business solutions to domestic and international clients across a wide spectrum of industries. 75 years ago we built our firm on shared traditional values that remain at the core of our principles. Today, Fowler White Burnett distinguishes itself by its unique blend of traditional values and innovative thinking.

COMPLETION GUARANTEE

Willis Towers Watson is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets.



CAPITAL ADVISORS AND DEBT STRUCTURE



CARLTON GROUP OVERVIEW

The Carlton Group is an international commercial real estate banking firm based in Manhattan. In business since 1991, Carlton Group has completed nearly \$200 billion in commercial and residential real estate transactions. Carlton Group specializes in accessing capital for projects via sophisticated and highly structured debt and equity solutions. Over the last three decades, Carlton has amassed relationships with both traditional and off the radar investors. Carlton Group often raises 90-95 percent of the equity needed for a particular project, along with organizing the best possible debt structure.

Carlton also has a growing merchant banking division and owns and manages in excess of three million square feet of commercial, residential and retail space. Carlton frequently co-invests with clients either by participating in investing deposit money or co-investing in the sponsor General Partner position. Carlton also executes an aggressive international advisory platform which is currently executing well over five billion dollars of equity, debt and investment sale advisory business throughout Europe.



GRAND LUCAYAN

— GRAND BAHAMA ISLAND —

**GRAND LUCAYAN RESORT CASINO
REDEVELOPMENT & REBRANDING**

DG

Drabkin Group



GRAND LUCAYAN RESORT CASINO

The Grand Lucayan Resort occupies ±216-acres of site area in Freeport, Grand Bahama Island, The Bahamas. The Resort's four accommodation complexes total 1,271 keys situated on ±56 acres and are centrally located with direct access to the Property's large 1.25 miles private beach in addition to the ±40,000 SF convention center, ±35,000 SF casino building, ±25,000 SF full-service spa and extensive complement of swimming pools, restaurants, retail shops as well as other recreational amenities typical of a full-service resort.

The Property also features The Reef Course, an 18-hole Championship Golf Course covering the remaining ±160 acres, designed in 2000 by Robert Trent Jones Jr.

- Casino (onsite) 300 Slots / 25 tables with room for approx. 50+ more tables. **(to be doubled)**
- 18-Hole Championship Golf Course
- 5,200 feet of Beach Front Plus Canals to the North and East
- Space for 15-20 Mega Yacht Slips – **to be built immediately**

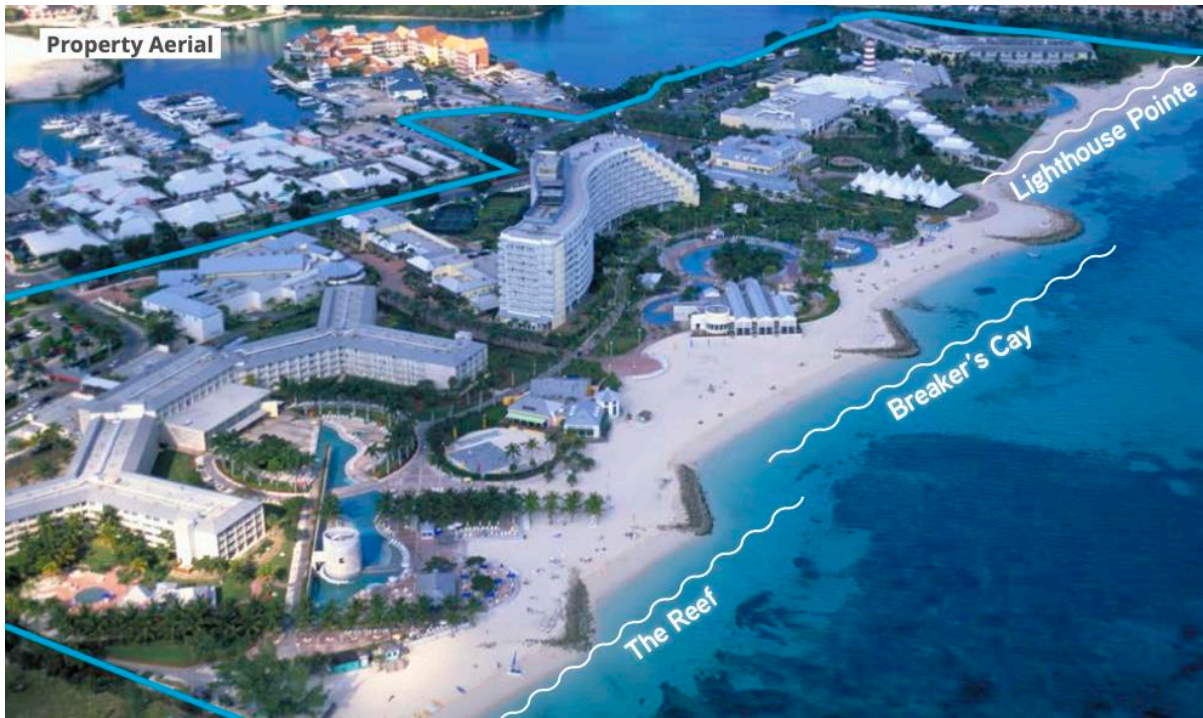


GUEST ROOM SUMMARY

Lighthouse Pointe	Keys: 198	Built: 1965	Operational
Lanai Suites	Keys: 24	Built: 1965	<i>Structures intact and largely in good condition but require capital to re-open</i>
Breakers Cay	Keys: 535	Built: 2000	
The Reef	Keys: 514	Built: 1963	
TOTAL	1,271 KEYS		







PROJECT OVERVIEW

Purchase, rebrand and redevelop the Grand Lucayan Bahamas Resort located in Freeport, Grand Bahama Island, The Bahamas. The property is being purchased from the Bahamian government below market value.

Acquisition

- Acquisition Price: \$100,000,000

Branding and Management

The resort will have a three brand/flag concept to cater to different guests their needs and profiles and will be managed by an experienced market operator.

- Pininfarina
- Crown Plaza
- Wyndham Resorts

Property Summary

1 Seahorse Lane, Freeport, Grand Bahama Island

SITE SIZE	±216 acres
GFA	Approximately 950,000 SF
# OF KEYS	1,271 keys (of which 198 are operational at Lighthouse Pointe)
MEETING SPACE	±40,000 SF of indoor space, plus extensive outdoor venues
SUPPORTING AMENITIES	<ul style="list-style-type: none"> ▪ 18-hole The Reef Golf Course ▪ 32 F&B outlets ▪ ±35,000 SF casino building - to be enlarged ▪ ±25,000 SF spa and gym ▪ Six swimming pools ▪ Retail shops ▪ Tennis courts

Redevelopment

Complete estate-of-the-art renovation of resort to comply with new branding, architectural and design standards.

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Hotel exterior and common areas ▪ 1185 keys ▪ Casino – renovation and expansion ▪ 20 Luxury Villas ▪ Golf course ▪ Restaurants | <ul style="list-style-type: none"> ▪ Pools ▪ World Class Spa ▪ Beach Renovations ▪ Retail Space ▪ Helipad ▪ Marina/Pier |
|---|---|

NEW BRANDING

- Lighthouse Pointe → Pininfarina ultra-luxury with a Michelin star restaurant
- Lanai Suites → Pininfarina ultra-luxury Suits
- Breakers Cay → Crowne Plaza with Casino, Restaurants and Retail on ground floor
- The Reef → Wyndham Resorts



GUEST ROOM SUMMARY

Pininfarina ultra-luxury	Keys: 180 (+/-)
Pininfarina ultra-luxury Suits	Keys: 20 (+/-)
Crowne Plaza	Keys: 505 (+/-)
Wyndham Resorts	Keys: 500 (+/-)

TOTAL	Keys: 1,185 (+/-)
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BRAND AND ARCHITECTURE

The uniqueness and strongly identifiable character of our Brand is visible in the new paradigms we use in designing spaces and their content, in public and residential projects.

Their power lies in the research and they are constantly revealed in an equation where the combination of beauty and technology produces an impact.

An impact for which Pininfarina is recognized as a top player in the Branded Real Estate industry and is set to be a leader for cultural and creative excellence in the pursuit of new concepts of living



ARCHITECTURE - FURNITURE AND HOME PRODUCTS

2016

PININFARINA HOME DESIGN



ARCHITECTURE

2014

PASQUALOTTO YACHTHOUSE



ARCHITECTURE

2015

HINES PROXIMO



ARCHITECTURE

2015

ISTANBUL GRAND AIRPORT



ARCHITECTURE

2017

HIGOLD HEADQUARTERS



ARCHITECTURE

2011

JUVENTUS STADIUM

Pininfarina Hotel

- Keys: 180 (+/-)
- ADR: \$1,000

Pininfarina Luxury Villa

- Keys: 20 (+/-)
- ADR: \$2,000

Pininfarina Designed Areas



- A. Hotel Resort
- B. Restaurant & Nightclub
- C. Luxury Villas
- D. Yacht Club
- E. Yacht Club Restaurant



19 hotel brands. 6,000+ destinations.

Allow us to open up your world with True Hospitality for Good. Our diverse set of global destinations exists to broaden your choices, invite you to save or splurge, and encourage you with welcoming experiences at every arrival.

Crowne Plaza – European Style

- Keys: 505 (+/)
- ADR: \$325
- Casino, Restaurants & Retail



Your Wyndham Is Waiting



24 brands. 95 countries. 9,000+ hotels.

Wyndham Hotels & Resorts makes travel possible for all. From big cities and small towns to beachfront resorts and highway hotels, our 24 iconic brands bring a diverse perspective to the travel experience. With friendly service, thoughtful amenities, and a range of options for the everyday traveler, Wyndham will be there to welcome you wherever you go.

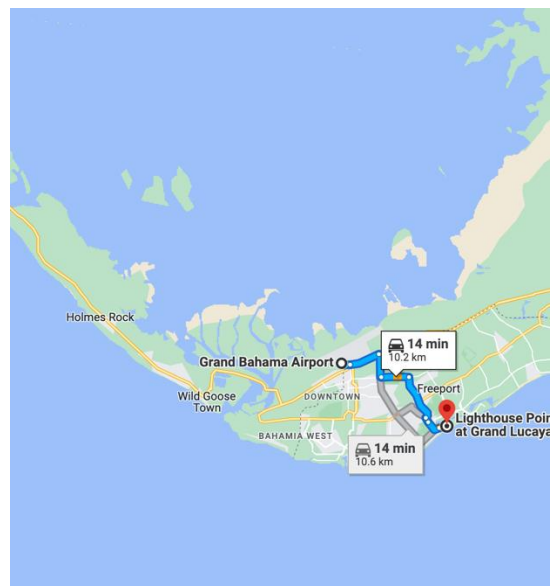
Wyndham Hotel – All Inclusive

- Keys: 500(+/-)
- ADR: \$285



LOCATION & ACCESS

- Approximately 30 minutes by plane from the Country’s capital – Nassau and a short plane ride from Miami and Fort Lauderdale. .
- Grand Bahama is the closest major island to the United States being 55 miles to Florida’s coast.
- The Grand Lucayan Bahamas benefits from relatively easy access by air and sea. Frequent flights are offered via the Grand Bahama International Airport, which is a 10-minute drive to the Resort, with frequent connections available via Nassau, Miami, Fort Lauderdale, Orlando and Charlotte, among others.
- Ferry and cruise options are available between Grand Bahama and West Palm Beach and Fort Lauderdale, Florida.



KEY INVESTMENT HIGHLIGHTS

- The ultimate sponsor of the Vendor, the Government of The Bahamas, is seeking a purchaser that will restore operations with renewed investment.
- The Property is unencumbered by brand and management, permitting a wide range of options for a new investor to explore.
- The Resort holds a coveted casino license, and this operation previously generated significant net income for the Property.
- It is possible to restore the resort in phases.
- There is an opportunity to lease out various components of the Resort, whether an accommodation complex (e.g. The Reef), casino, spa or restaurants.
- Certain redevelopment and ROI projects can also be explored throughout the Property.
- The Resort’s location is the hub of Grand Bahama and is strategically located across the street from Port Lucaya Marketplace, which offers numerous shops, restaurants and entertainment, as well as marina slips



DYNAMIC ECONOMY

- World-class hospitality and relatively short distance to North America and Europe.
- Favorable tax environment with no capital gains, corporate earnings, personal income or sales taxes for individuals and business entities.
- The Bahamian Dollar is tied 1:1 to the US dollar.
- Stable political and legal framework that has fostered a solid off-shore banking industry and strong real estate market.
- Robust investment environment with billions in private/public infrastructure projects occurring throughout the chain of Islands, which together with the Country's international tourism and marketing campaigns provide a great platform for further brand awareness and increased visitation.



FULL SUPPORT FROM THE BAHAMAS GOVERNMENT

The Resort is one of the largest employers on Grand Bahama Island and greatly contributes to the economic footprint of The Bahamas. The Government of The Bahamas is willing to extend special assistance for reopening the Resort and renewing investment at the Grand Lucayan.

FULL RENOVATION OF THE GRAND BAHAMAS AIRPORT - \$200 M INVESTMENT

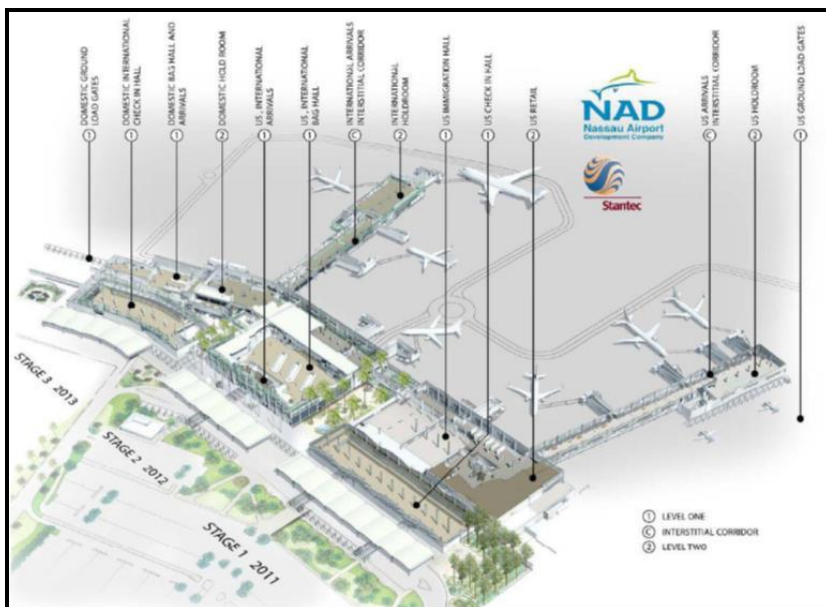
GB Airport’s redevelopment to be accelerated with \$200 million funding

Prime Minister the Hon. Philip Davis announced recently that the Government of The Bahamas has secured \$200M in funding for the redevelopment of the Grand Bahama International Airport, with an additional \$200M earmarked for other airport infrastructure throughout the country.

[https://www.bahamaslocal.com/newsitem/294985/GB Airports redevelopment to be accelerated with 200 million funding.html](https://www.bahamaslocal.com/newsitem/294985/GB_Airports_redevelopment_to_be_accelerated_with_200_million_funding.html)

NASSAU’S LYNDEN PINDLING INTERNATIONAL AIRPORT

Nassau’s Lynden Pindling International Airport underwent an extensive \$400+ million expansion that was completed in 2014 and provides critical infrastructure into the chain of Islands.





Press Release

GB Airport's redevelopment to be accelerated with \$200 million funding

Authored by: Bahamas Information Services

Source: Bahamas information Services

Date: May 10, 2023

NASSAU, The Bahamas -- Prime Minister the Hon. Philip Davis announced recently that the Government of The Bahamas has secured \$200M in funding for the redevelopment of the Grand Bahama International Airport, with an additional \$200M earmarked for other airport infrastructure throughout the country.

Speaking to media from London on Thursday, May 4th, Prime Minister Davis' announcement would provide an economic uptick for Grand Bahama as a whole.

The \$200M is a part of an overall \$1B investment made possible through a partnership between the Bahamas Government and UK Exim Bank, with Prime Minister Davis noting that it is his administration's intent to negotiate in a way that will not immediately increase the country's debt.

Initially, it was announced that the Grand Bahama Island airport redevelopment project would get \$400 million, but the Prime Minister explained the total amount that was drawn down and the amount designated to the GB airport: "It is really \$200 million that will go towards the Grand Bahama International Airport redevelopment, with another \$200 million going towards the redevelopment of other airports throughout The Bahamas, as well as to other investments," stated the Prime Minister. "For all intents and purposes, the bank has indicated to us that they do have a billion dollars available to us for infrastructure development. We have to identify those projects to decide what we will draw down and where those funds will go."

Per the partnership agreement, any project for which the funds will be used must be ones which the UK EXIM Bank can embrace and which they feel has an internal rate of return that will benefit The Bahamas and the Bahamian people.

Deputy Prime Minister and Minister of Tourism, Investments and Aviation, the Hon. Chester Cooper in March of this year told Grand Bahama's business movers and shakers during the Grand Bahama Business Outlook that work on the airport's redevelopment would begin before the end of the year's second quarter.

With the funds available, Grand Bahamians will see work on the redevelopment of the International Airport into a state-of-the-art facility moving at a steady pace. Phase one of the two-phased carbon neutral, climate resilient, commercially viable, world-class airport is expected to be completed by April of 2025.

The Deputy Prime Minister said the Government of The Bahamas has entered into an agreement with Aerodrome Limited, a Bahamian company; Manchester Airport Group Limited, an airport management company based in Manchester in the United Kingdom; and BHM Construction International, a company based in London to bring about this vision.

These three companies represent a joint venture consortium that successfully bid to design, build, finance, operate, maintain and redevelop the Grand Bahama International Airport and to generate traffic to grow revenue and to further enhance Grand Bahama International Airport.

According to Deputy Prime Minister Cooper, a new, world-class international airport can only mean bigger and better things for Grand Bahama's tourism economy, and he noted that Grand Bahama has seen a dramatic improvement since the devastation of Hurricane Dorian in 2019, followed by the lockdowns from the Covid-19 Pandemic in 2020.

New deal for GB airport

Deputy Prime Minister Chester Cooper yesterday announced the conclusion of a deal with a consortium to undertake a \$200 million redevelopment of Grand Bahama International Airport (GBIA) with Phase I scheduled for completion no later than the first quarter of 2025.

Addressing Grand Bahama Business Outlook at Grand Lucayan Convention Centre, Cooper, who is also the minister of tourism, investments and aviation, said the government of The Bahamas last month entered into an agreement with Aerodrome Limited, a Bahamian company; Manchester Airport Group Limited, an airport management company based in Manchester in the United Kingdom; and BHM Construction International, a company based in London.

<https://thenassaeguardian.com/new-deal-for-gb-airport/>

'Air cargo hub' ambition for GB's \$200m airport

- Winning bidder aims to serve Latin America
- Freight plans to generate up to 500 positions
- DPM: 1,200 construction jobs over build-out

The deputy prime minister yesterday unveiled a \$200m Grand Bahama International Airport redevelopment that aims to ultimately transform the facility into an international "air cargo hub" for the Caribbean and Latin America.

Chester Cooper, also minister of tourism, investments and aviation, in confirming the long-anticipated deal at the Grand Bahama Business Outlook also disclosed that the mixed Bahamian and UK joint venture consortium that won the bid plans to "consistently generate 1,200 construction jobs" over the project's five-year build-out.

Signalling that the group's ambitions extend beyond re-establishing a tourism gateway, and the return of US pre-clearance, he said their plans to establish an air freight hub for the region were designed to create an extra 500 jobs over a 10-year period.

<http://www.tribune242.com/news/2023/mar/17/air-cargo-hub-ambition-gbs-200m-airport/>



GRAND LUCAYAN
BAHAMAS

Financial Summary

DG

Drabkin Group

FINANCIAL OVERVIEW

Number of Rooms	1185	
HOTEL COSTS	ITEM COST	COST/ROOM
Resort Acquisition	\$100,000,000	\$84,388
Pre-development	\$33,061,250	\$27,900
Hotel and Rooms	\$190,000,000	\$160,338
Luxury Villas	\$8,000,000	\$6,751
Helipad	\$1,250,000	\$1,055
Restaurants	\$10,000,000	\$8,439
Back of House/Service Space	\$5,000,000	\$4,219
Restaurant FF&E	\$5,750,000	\$4,852
Pools	\$6,000,000	\$5,063
Mechanicals	\$13,358,237	\$11,273
Beach Renovations	\$1,000,000	\$844
Laundry Facility - Equipment And Machines	\$6,000,000	\$5,063
TOTAL HOTEL COSTS	\$379,419,487	\$320,185
OTHER FACILITIES	ITEM COST	COST/ROOM
Casino Bank	\$6,000,000	\$5,063
Casino FF&E	\$8,000,000	\$6,751
Golf Course & Club House	\$6,000,000	\$5,063
Retail Space	\$1,500,000	\$1,266
World Class Spa	\$2,500,000	\$2,110
Marina/Pier	\$10,000,000	\$8,439
Marina FF&E	\$500,000	\$422
TOTAL OTHER FACILITIES	\$34,500,000	\$29,114
BANK FEES /WORKING CAPITAL	ITEM COST	COST/ROOM
Working Capital	\$5,000,000	\$4,219
Feasibility Study	\$100,000	\$84
Interest Reserve (Equity)	\$8,000,000	\$6,751
Appraisal	\$50,000	\$42
Development Fee (\$10m paid in pre-development)	\$29,800,000	\$25,148
Legal & Closing	\$500,000	\$422
TOTAL	\$35,650,000	\$30,084.39
TOTAL PROJECT COST	\$449,569,487	\$379,384

ACQUISITION AND PRE-DEVELOPMENT

RESORT PURCHASE	ITEM COST	COST/ROOM
Grand Lucayan Hotel Resort	\$100,000,000	\$84,388
PRE-DEVELOPMENT COSTS	ITEM COST	COST/ROOM
Architectural & Engineering	\$3,845,000	\$3,245
Builders Risk & General Insurance	\$1,656,250	\$1,398
Consultants/Appraisals	\$480,000	\$405
Contingency	\$1,340,000	\$1,131
Development Fee	\$7,800,000	\$6,582
Financing Fees	\$5,000,000	\$4,219
General & Administrative	\$430,000	\$363
Branding & Pre-Opening	\$2,000,000	\$1,688
Legal/Closing/Accounting Fees	\$1,300,000	\$1,097
Political Risk Insurance	\$260,000	\$219
Marketing/Feasibility Study	\$600,000	\$506
Licensing Fees & Permits	\$350,000	\$295
Interest Reserve	\$8,000,000	\$6,751
TOTAL PRE-DEVELOPMENT COSTS	\$33,061,250	\$27,900
TOTAL	\$133,061,250	\$112,288

DRAW SCHEDULE

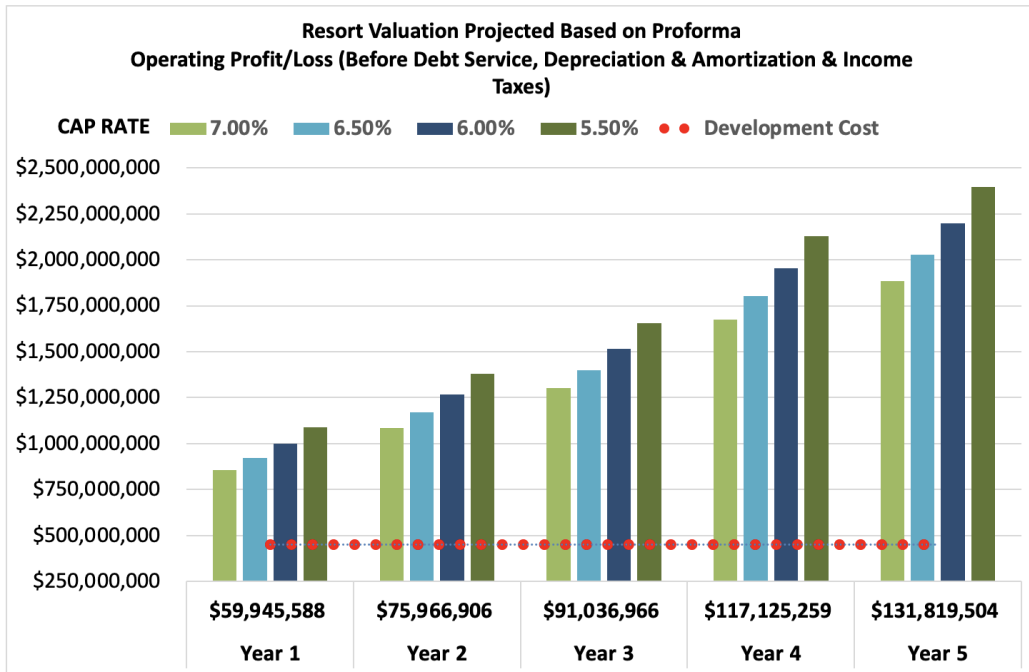
DATE	DESCRIPTION	AMOUNT
Acquisition & Predevelopment		
Now	Initial deposit to be placed in escrow. Predevelopment/Due Diligence funding Legal/Accounting Retainers	\$33,061,250
At Closing	Property Acquisition	\$100,000,000
	TOTAL	\$133,061,250
Construction		
Month 1	Hotel, Flag, & Branding Fees	\$5,000,000
Month 5	First Construction Draw	\$36,000,000
Month 6	Construction Draw	\$18,152,705
Month 7	Construction Draw	\$18,152,705
Month 7	Deposit for FF&E	\$7,000,000
Month 8	Construction Draw	\$18,152,705
Month 9	Construction Draw	\$18,152,705
Month 10	Construction Draw	\$18,152,705
Month 11	Construction Draw	\$18,152,705
Month 12	Construction Draw	\$18,152,705
Month 13	Construction Draw	\$18,152,705
Month 14	Construction Draw	\$18,152,705
Month 15	Construction Draw	\$18,152,705
Month 16	Construction Draw	\$18,152,705
Month 17	Delivery and Final FF&E	\$21,523,077
Month 18	Construction Draw	\$18,152,705
Month 18	Casino Bank	\$6,000,000
Month 18	Working Capital	\$5,000,000
Month 18	Final Draw	\$18,152,705
	TOTAL	\$316,508,237
	TOTAL PROJECT DRAW	\$449,569,487

PROFORMA - CASINO HOTEL RESORT & SPA

	Year 1		Year 2		Year 3		Year 4		Year 5		5 YEAR TOTAL	
AVERAGE DAILY RATE	365.00		385.00		425.00		525.00		565.00		453.00	
OCCUPANCY	62.0%		70.0%		76.0%		84.0%		88.0%		76.0%	
NUMBER OF ROOMS	1185		1185		1185		1185		1185		5,925	
ROOMS OCCUPIED	268,166		302,768		328,719		363,321		380,622		1,643,595	
ROOMS AVAILABLE	432,525		432,525		432,525		432,525		432,525		2,162,625	
Marina Profit Margin	65%											
Casino PM	40%											
REVENUE												
ROOMS	97,880,408	46.6%	116,565,488	46.2%	139,705,575	48.6%	190,743,525	53.8%	215,051,430	54.7%	759,946,425	50.0%
FOOD & BEVERAGE	26,946,107	12.8%	27,538,921	10.9%	28,144,777	9.8%	28,763,962	8.1%	29,396,769	7.5%	140,790,536	9.8%
SPA	2,994,011	1.4%	3,293,412	1.3%	3,586,422	1.2%	3,785,906	1.1%	4,185,000	1.1%	17,844,751	1.2%
TELEPHONE	9,000	0.0%	9,900	0.0%	10,500	0.0%	11,200	0.0%	11,600	0.0%	52,200	0.0%
MEGA YACHT MARINA	8,000,000	3.8%	8,400,000	3.3%	8,820,000	3.1%	9,261,000	2.6%	9,724,050	2.5%	44,205,050	3.1%
Retail Rent	2,500,000	1.2%	2,822,581	1.1%	3,064,516	1.1%	3,064,516	0.9%	3,064,516	0.8%	14,516,129	1.0%
CASINO	67,125,655	32.0%	88,562,000	35.1%	98,915,337	34.4%	113,448,651	32.0%	125,781,572	32.0%	493,833,215	33.1%
OTHER	4,491,017	2.1%	4,895,000	1.9%	5,387,948	1.9%	5,750,000	1.6%	6,187,000	1.6%	26,710,965	1.8%
GROSS OPERATING REVENUE	209,946,197	100.0%	252,087,301	100.0%	287,635,075	100.0%	354,828,760	100.0%	393,401,937	100.0%	1,497,899,271	100.0%
DEPARTMENTAL PROFITS												
ROOMS	68,516,285	70.0%	87,424,116	75.0%	108,970,349	78.0%	148,779,950	78.0%	167,740,115	78.0%	581,430,814	75.8%
FOOD & BEVERAGE	4,041,916	15.0%	4,130,838	15.0%	4,221,717	15.0%	4,314,594	15.0%	4,409,515	15.0%	21,118,580	15.0%
SPA	748,503	25.0%	823,353	25.0%	896,606	25.0%	946,477	25.0%	1,046,250	25.0%	4,461,188	25.0%
TELEPHONE	900	10.0%	990	10.0%	1,050	10.0%	1,120	10.0%	1,160	10.0%	5,220	10.0%
MEGA YACHT/SHOWROOM MARINA	5,200,000	65.0%	5,460,000	65.0%	5,733,000	65.0%	6,019,650	65.0%	6,320,633	65.0%	28,733,283	65.0%
Retail Rent	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
CASINO	26,850,262	40.0%	35,424,800	40.0%	39,566,135	40.0%	45,379,461	40.0%	50,312,629	40.0%	197,533,286	40.0%
OTHER	2,245,509	50.0%	2,447,500	50.0%	2,693,974	50.0%	2,875,000	50.0%	3,093,500	50.0%	13,355,483	50.0%
TOTAL DEPARTMENTAL PROFITS	107,603,375	51.3%	135,711,597	53.8%	162,082,829	56.4%	208,316,251	58.7%	232,923,802	59.2%	846,637,853	55.9%
DEDUCTIONS FROM INCOME												
ADMINISTRATIVE & GENERAL	10,497,310	5.0%	12,604,365	5.0%	14,381,754	5.0%	17,741,438	5.0%	19,670,097	5.0%	74,894,964	5.0%
SALES & MARKETING	14,696,234	7.0%	17,646,111	7.0%	20,134,455	7.0%	24,838,013	7.0%	27,538,136	7.0%	104,852,949	7.0%
MAINTENANCE & GROUNDS	7,348,117	3.5%	8,823,056	3.5%	10,067,228	3.5%	12,419,007	3.5%	13,769,068	3.5%	52,426,474	3.5%
ENERGY COSTS	2,099,462	1.0%	2,520,873	1.0%	2,876,351	1.0%	3,548,288	1.0%	3,934,019	1.0%	14,978,993	1.0%
TOTAL FIXED DEDUCTIONS/COSTS	34,641,123	16.5%	41,594,405	16.5%	47,459,787	16.5%	58,546,745	16.5%	64,911,320	16.5%	247,153,380	16.5%
GROSS OPERATING PROFIT	72,962,252	34.8%	94,117,192	37.3%	114,623,042	39.9%	149,769,505	42.2%	168,012,482	42.7%	599,484,474	39.4%
FIXED CHARGES												
PROPERTY TAXES	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
INSURANCE	2,519,354	1.2%	3,025,048	1.2%	3,451,621	1.2%	4,257,945	1.2%	4,720,823	1.2%	17,974,791	1.2%
TOTAL	2,519,354	1.2%	3,025,048	1.2%	3,451,621	1.2%	4,257,945	1.2%	4,720,823	1.2%	17,974,791	1.2%
FEES												
BASE MANAGEMENT FEE	6,298,386	3.0%	7,562,619	3.0%	8,629,052	3.0%	10,644,863	3.0%	11,802,058	3.0%	44,936,978	3.0%
INCENTIVE FEE	2,099,462	1.0%	2,520,873	1.0%	2,876,351	1.0%	3,548,288	1.0%	3,934,019	1.0%	14,978,993	1.0%
TOTAL FEES	8,397,848	4.0%	10,083,492	4.0%	11,505,403	4.0%	14,193,150	4.0%	15,736,077	4.0%	59,915,971	4.0%
FF&E RESERVE	2,099,462	1.0%	5,041,746	2.0%	8,629,052	3.0%	14,193,150	4.0%	15,736,077	4.0%	45,699,488	2.8%
TOTAL FIXED CHARGES/FEES/FF&E RESERVE	13,016,664	10.0%	18,150,286	10.0%	23,586,076	10.0%	32,644,246	10.0%	36,192,978	10.0%	123,590,250	10.0%
OPERATING PROFIT/(LOSS) BEFORE DEBT SERVICE, DEPRECIATION & AMORTIZATION & INCOME TAXES	59,945,588	29%	75,966,906	30.1%	91,036,966	31.7%	117,125,259	33.0%	131,819,504	33.5%	475,894,223	31.4%

RESORT VALUATION – PROJECTION

Projected* Resort Valuation Based on Proforma Operating Profit/Loss Before Debt Service, Depreciation & Amortization & Income Taxes/Cap Rate.



*All projections and estimates are subject to changes based on performance, market conditions and unforeseen events.

This memorandum contains statements, estimates and projections that are forward-looking (collectively, "forward-looking statements"). When used in this report, the words "anticipate," "assume," "become", "believe", "contemplate", "continue", "could", "designed", "estimate", "expect", "going forward", "future", "hopeful", "intend", "look forward", "may", "might", "opportunity", "pending", "plan", "potential", "project", "scheduled", "shall", "should", "target", "think", "to be", "upcoming", "well positioned", "will", "wish", "would", other variations on such words and similar terminology, if and to the extent used, are intended to identify such forward-looking statements. All forward-looking statements are based on the current expectations and beliefs of the management of the general partner, Drabkin Group, LLC (the "General Partner"), concerning future events that are subject to substantial risks and uncertainties which may cause the actual results, performance or achievements of the Fund and/or its investments to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause or contribute to those potential differences include, but are not limited to, the following: national and local economic conditions; the terms of governmental laws, rules and regulations (including tax regulations) that affect the Fund and/or its investments and interpretations of those laws, rules and regulations; financing risks, including the inability of the Fund to obtain financing on favorable terms and the risk that cash flows from operations may be insufficient to meet required payments of principal and interest; changes in the rate of inflation and interest rates; real estate risks, including variations of real estate values and the general economic climate in local markets; competition for tenants, imposition of rent controls, unfavorable enactments of zoning and other governmental laws, possible environmental liabilities, the prohibitive cost of casualty, windstorm, flood and other insurance, the occurrence of natural disasters, possible vandalism and competition; the Fund's ability or inability to acquire investments on the terms or at the costs currently contemplated and the timing of such investments; as well as other risks and uncertainties, some of which may not currently be foreseeable.

The financial projections in this memorandum were prepared by the General Partner's management based on a number of estimates and assumptions which are described in this memorandum. The financial projections in this memorandum represent no more than an orderly presentation of results that might be achieved if all of the estimates and assumptions on which they are based were correct and fully achieved. Although such estimates and assumptions are considered reasonable by the General Partner, they are inherently subject to significant business, economic, real estate, financing, competitive, regulatory and other conditions, uncertainties, risks, contingencies and unforeseen changes, many of which are beyond the general partner's control. In addition, many of such estimates and assumptions relate to future business decisions that are subject to change. As a result, there can be no assurance that any of such financial projections, or the estimates or assumptions on which they are based, can or will be achieved or that they are accurate. The projections must be reviewed with this general understanding and with careful attention paid to the estimates and assumptions described in this memorandum.

The General Partner and the Fund do not in any way represent, warrant or guarantee that the projections, or the estimates or assumptions on which they are based, will be achieved (in whole or in part).

All information in this memorandum speaks only as of the date of this memorandum. Neither the Fund nor the General Partner has any obligation to update any forward-looking statements to conform to actual results, performance or achievements or changes in the expectations or beliefs of the management of the Fund or the General Partner. ^[P]_[SEP]

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