

South Padre Island
Summary of Cash Flow and Profit or Loss

Break Even

EXHIBIT 1

	2009	2010	2011	2012	2013	2014	2015	Total
Cash Flow								
Cash Flow from Real Estate	(1,001,103)	(914,820)	(501,828)	480,482	79,226	(140,609)	110,033	(887,516)
Cash Flow from Golf Payables	(406,497)	(398,002)	(353,698)	(276,480)	(239,679)	(159,213)	(68,737)	(1,495,807)
Total project cash flow	(1,407,600)	(1,312,822)	(855,525)	204,002	(160,452)	(299,822)	41,296	(2,383,323)
Cumulative		(1,312,822)	(2,168,347)	(1,964,346)	(2,124,798)	(2,424,620)	(2,383,323)	
Payables								
Beginning Balance		500,000	250,000					
Repayment of Balance		(250,000)	(250,000)					
Ending Balance		250,000	0					
Cash Flow		(1,562,822)	(1,105,525)	204,002	(160,452)	(299,822)	41,296	(2,883,323)
Cumulative		(1,562,822)	(1,105,525)	204,002	(160,452)	(299,822)	41,296	
# of Units Sold	20	31	43	62	67	65	65	
Cumulative # of units sold	900	951	994	1,056	1,123	1,188	1,253	
South Padre Fee								
Construction	114,681	0	220,972	268,627	339,293	382,802	348,284	1,674,658
Project Management	120,000	120,000	120,000	120,000	120,000	120,000	120,000	840,000
Golf Management	127,590	139,612	143,800	150,000	150,000	150,000	150,000	1,011,002
	362,271	259,612	484,773	538,627	609,293	652,802	618,284	3,525,661
Cash From South Padre		(1,303,210)	(620,753)	742,629	448,840	352,980	659,580	280,066
Cumulative		(1,303,210)	(1,923,963)	(1,181,334)	(732,493)	(379,513)	280,066	

Summary of Sales Activity: Year 2010

	<u>Conveyed/Under Contract/Advancing to Contact</u>		<u>Additional Projected Sales Activity</u>		<u>Total</u>	
<u>Product:</u>	<u>#</u>	<u>US\$</u>	<u>#</u>	<u>US\$</u>	<u>#</u>	<u>US\$</u>
Lots	11	8,222,000	7	3,500,000	18	11,722,000
Villas	4	8,014,000	2	3,500,000	6	11,514,000
Beach	1	16,500,000			1	16,500,000
	<u>16</u>	<u>32,736,000</u>	<u>9</u>	<u>7,000,000</u>	<u>25</u>	<u>39,736,000</u>
<i>Less</i>						
Direct Cost of Sales	7%	(2,291,520)		(490,000)		(2,781,520)
Proceeds		30,444,480		6,510,000		36,954,480
<u>Bank Loan:</u>						
Bank Balance 12/31/09		44,256,818				
Projected Capitalized Interest 2010		2,011,110				
Payment to Bank		31,053,352		(50% of H-5, 67% of Net proceeds other than beach, \$15M on beach site)		
Projected Bank Balance 12/31/10		15,214,576				
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Inventory Held for Sale		75,000,000		(does not include sales in 2010)		
Held for Development		150,000,000		(Villas, C, F, V)		

**The Apes Hill Club - Phase II -
Summary of Cash Flow Projection
470 Acres - LML**

US Dollars

EXHIBIT 3

	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Project Net Cash Flow										
Residential	(4,169,766)	1,091,021	34,519,323	1,080,121	18,819,175	19,026,140	55,332,264	75,688,045	30,143,154	231,529,477
Club Operations	0				(1,916,086)	(1,946,025)	(683,448)	515,269	14,098,688	10,068,398
Land and Community Improvements	(26,587,452)	(17,872,763)	(14,509,819)	(11,338,081)	(195,000)	(955,041)	(21,058,646)	(2,042,051)		(94,558,851)
Beach Residential Development		(15,872,229)	(1,136,063)	(1,080,000)	16,500,000					
Repayment of receivables										
Total	(30,757,218)	(32,653,971)	18,873,441	(11,337,960)	33,208,089	16,125,074	33,590,170	74,161,264	44,241,842	147,039,024
Cumulative	(30,757,218)	(63,411,189)	(44,537,748)	(55,875,707)	(22,667,618)	(6,542,544)	27,047,626	101,208,890	145,450,732	
NPV @10% 2006-2019	51,806,556									
Master Debt Schedule										
Beginning Principal Balance		20,907,371	54,323,113	44,508,000	44,256,818	15,214,576				
Additions to Principal incl. cap interest	20,907,371	33,415,742	13,012,000	3,350,000	2,011,110					72,696,223
Interest Paid 7.5%						570,547				570,547
Reduction of Principal			22,827,113	3,601,182	31,053,352	15,214,576				72,696,223
Ending Principal Balance	20,907,371	54,323,113	44,508,000	44,256,818	15,214,576					
Acres Sold										
Acre Release Price										
Cash Flow After Debt	(9,849,847)	761,771	9,058,328	(11,589,142)	2,154,737	339,951	33,590,170	74,161,264	44,241,842	142,869,075
Cumulative	(9,849,847)	(9,088,076)	(29,748)	(11,618,889)	(9,464,152)	(9,124,201)	24,465,969	98,627,233	142,869,075	
NPV @10%	62,691,794									
NPV @10%- 2010+	105,600,440									
NPV @20%- 2010+	75,014,750									
IRR 2006-2014	52%									
Equity Contribution/(Distribution)	12,000,000									12,000,000
Cash Flow After Debt and Equity (1)	2,150,153	761,771	9,058,328	(11,589,142)	2,154,737	339,951	33,590,170	74,161,264	44,241,842	154,869,075
Cumulative	2,150,153	2,911,924	11,970,252	381,111	2,535,848	2,875,799	36,465,969	110,627,233	154,869,075	
Cash Flow after Debt and Equity					0	2,875,799	33,590,170	74,161,264	44,241,842	154,869,075
Cumulative					0	2,875,799	36,465,969	110,627,233	154,869,075	
Reserve						(2,875,799)			2,875,799	
Cash Flow after Reserve						(0)	33,590,170	74,161,264	47,117,641	154,869,075
Landmark Dividend				30.00%		(0)	10,077,051	22,248,379	14,135,292	46,460,723
Net Present Value at 10%					31,543,885					
Net Present Value at 15%					26,374,146					
Net Present Value at 20%					22,241,633					