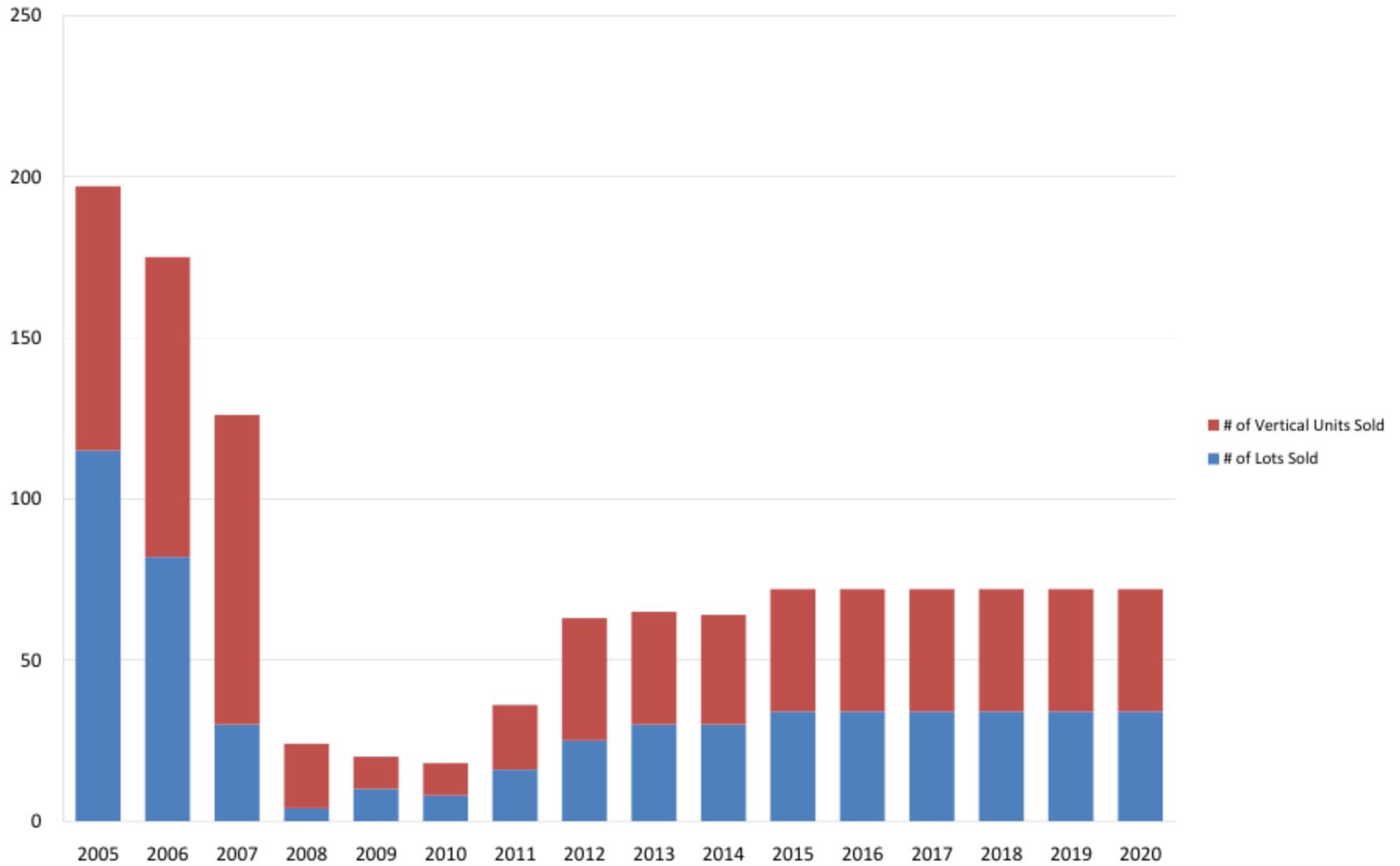
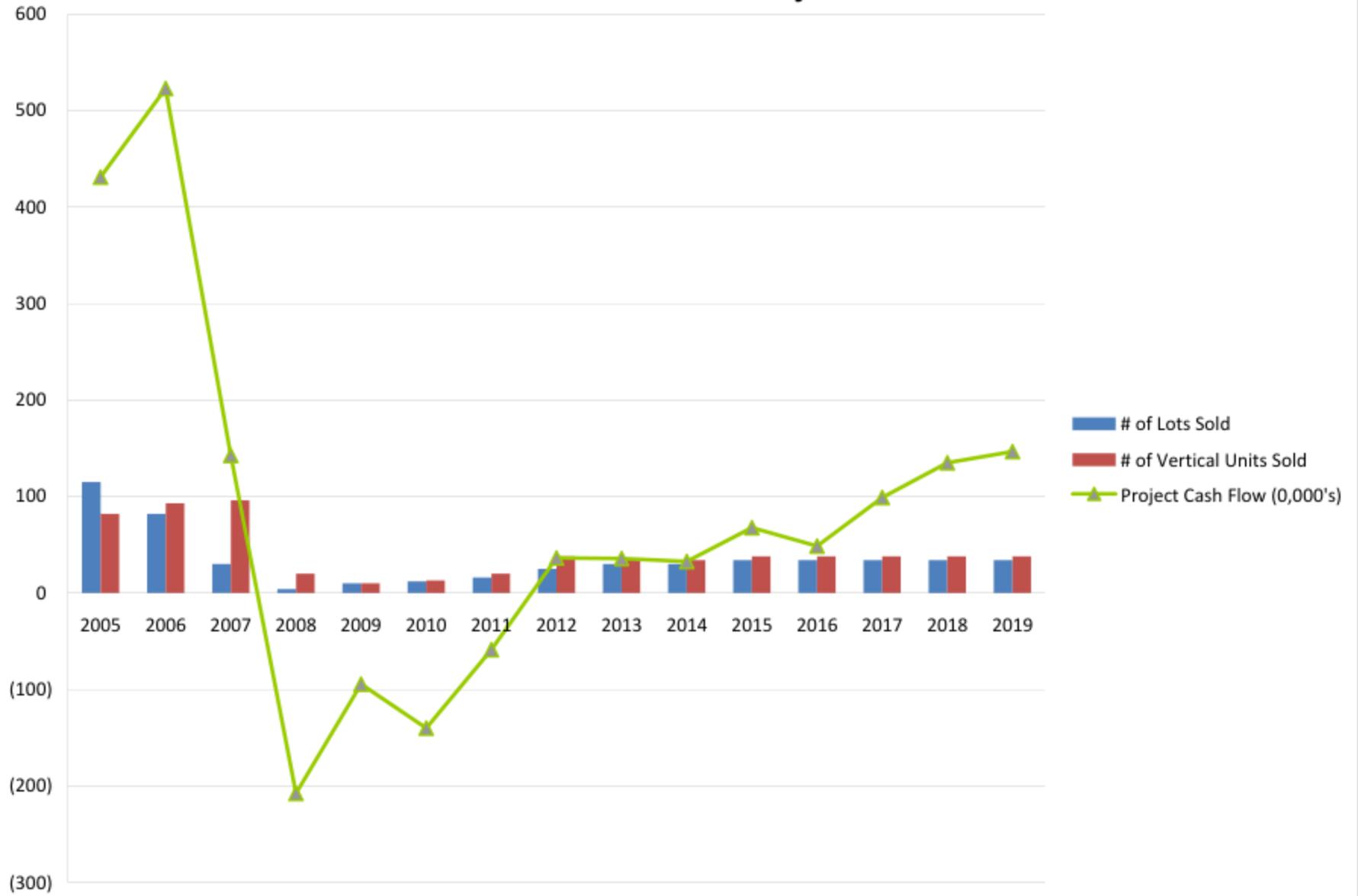


## South Padre Island Golf Club Unit Sales per Year



### South Padre Unit Sales and Project Cash Flow



**South Padre Island  
Summary of Cash Flow**

	2005	2006	Actual 2007	2008	2009	Estimate 2010	2011	2012	2013	2014	Projected		2017	2018	2019	2020	2011-2020 Total
<b>Cash Flow after Debt</b>																	
Cash Flow from Real Estate							(289,352)	650,473	624,598	547,066	840,961	586,114	1,057,051	1,353,796	1,401,373	1,449,807	8,221,888
Cash Flow from Golf							(297,965)	(287,040)	(268,062)	(219,887)	(163,527)	(100,118)	(68,401)	(4,193)	63,929	136,142	(1,209,124)
<b>Total project cash flow</b>	<b>4,309,000</b>	<b>5,229,000</b>	<b>1,426,000</b>	<b>(2,077,190)</b>	<b>(944,126)</b>	<b>(1,400,000)</b>	<b>(587,317)</b>	<b>363,433</b>	<b>356,536</b>	<b>327,178</b>	<b>677,434</b>	<b>485,996</b>	<b>988,650</b>	<b>1,349,603</b>	<b>1,465,302</b>	<b>1,585,949</b>	<b>7,012,765</b>
Cumulative																	
<b># of Lots Sold</b>	115	82	30	4	10	8	16	25	30	30	34	34	34	34	34	34	313
<b># of Vertical Units Sold</b>	82	93	96	20	10	10	20	38	35	34	38	38	38	38	38	38	365
<b>Total # of Units Sold</b>	197	175	126	24	20	18	36	63	65	64	72	72	72	72	72	72	678
Cumulative # of units sold	397	594	769	895	919	939	957	993	1,056	1,121	1,185	1,257	1,329	1,401	1,473	1,545	1,617
<b>South Padre Fee</b>							84,214	319,544	302,198	348,231	410,457	440,095	426,583	423,931	436,649	449,748	3,641,650
Construction							120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,200,000
Project Management							141,181	145,416	65,920	154,272	158,900	163,667	168,577	173,635	178,844	184,209	1,534,623
Golf Management	997,332	1,482,335	1,065,624	546,721	307,469	270,000	345,395	584,961	488,118	622,503	689,357	723,763	715,161	717,566	735,493	753,957	6,376,273
<b>Cash From South Padre</b>	<b>5,306,332</b>	<b>6,711,335</b>	<b>2,491,624</b>	<b>(1,530,469)</b>	<b>(636,657)</b>	<b>(1,130,000)</b>	<b>(241,922)</b>	<b>948,393</b>	<b>844,654</b>	<b>949,681</b>	<b>1,366,791</b>	<b>1,209,759</b>	<b>1,703,811</b>	<b>2,067,169</b>	<b>2,200,795</b>	<b>2,339,906</b>	<b>13,389,038</b>
Cumulative	5,306,332	12,017,667	14,509,291	12,978,822	12,342,165	11,212,165	10,970,243	11,918,636	12,763,291	13,712,972	15,079,763	16,289,522	17,993,333	20,060,502	22,261,297	24,601,203	

1) At the end of 2020, South Padre has approximately 850 developable acre remaining .

## South Padre Island - Residential Cash Flow

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2020 Total
<b>Units sold</b>											
Lots	18	25	30	30	34	34	34	34	34	34	307
Houses /Villas/Condos	20	38	35	34	38	38	38	38	38	38	355
<b>Total</b>	<b>38</b>	<b>63</b>	<b>65</b>	<b>64</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>662</b>
<b>Revenue</b>											
Lots	874,000	1,364,750	1,692,290	1,793,827	2,082,807	2,118,210	2,154,676	2,192,235	2,230,921	2,270,768	18,774,484
Houses /Villas/Condos	4,291,857	7,560,494	7,054,215	7,117,775	8,036,648	8,277,747	8,526,079	8,781,862	9,045,318	9,316,677	78,008,673
Bulk Land Sales		198,919	204,886	211,033	217,364	223,885	230,601	237,519	244,645	251,984	2,020,837
<b>Total</b>	<b>5,165,857</b>	<b>9,124,163</b>	<b>8,951,392</b>	<b>9,122,635</b>	<b>10,336,819</b>	<b>10,619,842</b>	<b>10,911,357</b>	<b>11,211,616</b>	<b>11,520,884</b>	<b>11,839,429</b>	<b>98,803,994</b>
Less Commissions & Closing Costs -4.5%	(232,464)	(410,587)	(402,813)	(410,519)	(465,157)	(477,893)	(491,011)	(504,523)	(518,440)	(532,774)	(4,446,180)
Misc revenue-rental units & HOA fees, etc.	138,000	99,000	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	770,540
<b>Revenue after Closing Costs</b>	<b>5,071,394</b>	<b>8,812,576</b>	<b>8,608,579</b>	<b>8,773,917</b>	<b>9,935,316</b>	<b>10,207,513</b>	<b>10,487,876</b>	<b>10,776,650</b>	<b>11,074,087</b>	<b>11,380,447</b>	<b>95,128,354</b>
<b>Development Costs</b>											
Master Site Improvements, incl land											-
Holly Beach Road						300,000					300,000
Additional Golf Course ( 9 Holes)			125,000	375,000	375,000	375,000	250,000				1,500,000
Office/ Club											-
<b>Subtotal</b>			<b>125,000</b>	<b>375,000</b>	<b>375,000</b>	<b>675,000</b>	<b>250,000</b>				<b>1,800,000</b>
Lot Construction Costs		238,162	436,348	561,989	659,920	679,717	700,109	721,112	742,745	765,028	5,505,130
Vertical Construction Costs, incl pads	1,403,563	5,087,574	4,475,292	4,866,854	5,806,026	5,980,207	6,159,613	6,344,402	6,534,734	6,730,776	53,389,040
<b>Total Development Costs</b>	<b>1,403,563</b>	<b>5,325,736</b>	<b>5,036,640</b>	<b>5,803,843</b>	<b>6,840,946</b>	<b>7,334,924</b>	<b>7,109,722</b>	<b>7,065,514</b>	<b>7,277,479</b>	<b>7,495,803</b>	<b>60,694,170</b>
<b>Operating Expenses</b>											
General & Administrative, incl cons't dept (1)	871,154	802,289	826,357	851,148	876,682	902,983	930,072	957,975	986,714	1,016,315	9,021,689
Sales & Marketing, incl SPI Realty net	507,690	522,921	538,608	554,767	571,410	588,552	606,208	624,395	643,127	662,420	5,820,097
Patio Repairs	100,000										100,000
<b>Total Operating Expenses</b>	<b>1,478,844</b>	<b>1,325,209</b>	<b>1,364,966</b>	<b>1,405,915</b>	<b>1,448,092</b>	<b>1,491,535</b>	<b>1,536,281</b>	<b>1,582,369</b>	<b>1,629,840</b>	<b>1,678,736</b>	<b>14,941,786</b>
<b>Total Expenses</b>	<b>2,882,407</b>	<b>6,650,945</b>	<b>6,401,606</b>	<b>7,209,758</b>	<b>8,289,038</b>	<b>8,826,459</b>	<b>8,646,003</b>	<b>8,647,883</b>	<b>8,907,319</b>	<b>9,174,539</b>	<b>75,635,956</b>
<b>Net Cash Flow before Debt</b>	<b>2,188,987</b>	<b>2,161,631</b>	<b>2,206,973</b>	<b>1,564,159</b>	<b>1,646,278</b>	<b>1,381,054</b>	<b>1,841,873</b>	<b>2,128,767</b>	<b>2,166,768</b>	<b>2,205,908</b>	<b>19,492,398</b>
<b>Cumulative</b>	<b>2,188,987</b>	<b>4,350,617</b>	<b>6,557,591</b>	<b>8,121,750</b>	<b>9,768,028</b>	<b>11,149,082</b>	<b>12,990,955</b>	<b>15,119,722</b>	<b>17,286,490</b>	<b>19,492,398</b>	
<b>Land Debt</b>											
Beginning Balance	4,347,308	4,216,952	3,992,154	3,755,481	3,514,558	3,243,000	2,971,443	2,699,885	2,428,327	2,156,770	
Additions to Principal											-
Interest -6.0 +1%	304,312	295,187	279,451	262,884	246,019	227,010	208,001	188,992	169,983	150,974	2,332,811
Repayment of Principal ( \$10,000 per acre)	130,356	224,798	236,673	240,923	271,558	271,558	271,558	271,558	271,558	271,558	2,462,096
<b>Ending Balance</b>	<b>4,216,952</b>	<b>3,992,154</b>	<b>3,755,481</b>	<b>3,514,558</b>	<b>3,243,000</b>	<b>2,971,443</b>	<b>2,699,885</b>	<b>2,428,327</b>	<b>2,156,770</b>	<b>1,885,212</b>	
<b>Development Debt</b>											
Beginning Balance	5,965,347	3,821,676	2,830,503	1,764,252	1,250,965	963,225	666,853	361,589	47,168	(276,686)	
Additions to Principal	1,403,563	5,325,736	4,911,640	5,428,843	6,465,946	6,659,924	6,859,722	7,065,514	7,277,479	7,495,803	58,894,170
Interest included in Development Costs	100,000										100,000
Repayment of Principal 96.00%	3,547,234	6,316,909	5,977,891	5,942,130	6,753,686	6,956,296	7,164,985	7,379,935	7,601,333	7,829,373	65,469,773
<b>Ending Balance</b>	<b>3,821,676</b>	<b>2,830,503</b>	<b>1,764,252</b>	<b>1,250,965</b>	<b>963,225</b>	<b>666,853</b>	<b>361,589</b>	<b>47,168</b>	<b>(276,686)</b>	<b>(610,255)</b>	
<b>Cash Flow after Debt</b>	<b>(289,352)</b>	<b>650,473</b>	<b>624,598</b>	<b>547,066</b>	<b>840,961</b>	<b>586,114</b>	<b>1,057,051</b>	<b>1,353,796</b>	<b>1,401,373</b>	<b>1,449,807</b>	<b>8,221,888</b>
<b>Cumulative</b>	<b>(289,352)</b>	<b>361,121</b>	<b>985,719</b>	<b>1,532,785</b>	<b>2,373,746</b>	<b>2,959,860</b>	<b>4,016,912</b>	<b>5,370,708</b>	<b>6,772,081</b>	<b>8,221,888</b>	

**Notes:**

(1) 80% of the Construction Department is moved to the cost of units in 2011 and 2012.

## South Padre Island - Assumptions

<b>Bulk Sales</b>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
# of acres sold		0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	7
price per acre	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693	\$326,193	\$335,979	
<b>Lots</b>											
<u>Lakewood Lots</u>											
# of lots sold		2									
Average Sales Price	\$32,000										
# of lots developed											
Average Development Cost											
Release price	13,750										
Inventory 12/31	3	1									
Density	3.2	0.6									
# of acres sold		0.6									
Cumulative											
<u>Small Lots - 65 x 125</u>											
# of lots sold	5	15	20	20	22	22	22	22	22	22	192
Average Sales Price	\$45,000	\$46,350	\$49,131	\$52,079	\$53,641	\$55,250	\$56,908	\$58,615	\$60,374	\$62,185	
# of lots developed		15	20	20	22	22	22	22	22	22	187
Average Development Cost	\$15,415	\$15,877	\$16,354	\$16,844	\$17,350	\$17,870	\$18,406	\$18,959	\$19,527	\$20,113	
Release price (1 Free Lot)	17,363	17,884	18,420	18,973	19,542	20,128	20,732	21,354	21,995	22,655	
Inventory 12/31	9	4	4	4	4	4	4	4	4	4	
Density	3.2										
# of acres sold		1.6	4.7	6.3	6.3	6.9	6.9	6.9	6.9	6.9	
Cumulative		1.6	6.3	12.5	18.8	25.6	32.5	39.4	46.3	53.1	60.0
<u>Big Lots 80 x 150</u>											
# of lots sold	9	10	10	10	12	12	12	12	12	12	111
Average Sales Price	\$65,000	\$66,950	\$70,967	\$75,225	75,225	75,225	75,225	75,225	75,225	75,225	
# of lots developed			5	10	12	12	12	12	12	12	87
Average Development Cost	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878	
Release price	32,600	33,578	34,585	35,623	36,692	37,792	38,926	40,094	41,297	42,536	
Inventory 12/31	33	24	14	9	9	9	9	9	9	9	
Density	1.3										
# of acres sold		6.9	7.7	7.7	7.7	9.2	9.2	9.2	9.2	9.2	85
Cumulative		6.9	14.6	22.3	30.0	39.2	48.5	57.7	66.9	76.2	85.4
# of lots sold		16	25	30	30	34	34	34	34	34	305
Cumulative		16	41	71	101	135	169	203	237	271	305
# of acres sold in lots		8	12	14	14	16	16	16	16	16	145
Cumulative		8	21	35	49	65	81	97	113	129	145
Average Lot Price	54,625	54,590	56,410	59,794	61,259	62,300	63,373	64,477	65,615	66,787	

**South Padre Island - Assumptions**

Vertical	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
<b>Casitas ( 5 units, 14 pads)</b>											
# of units sold	3	12	12	12	14	14	14	14	14	14	123
Average Sales Price	\$113,000	\$116,390	\$123,373	\$130,776	\$134,699	\$138,740	\$142,902	\$147,189	\$151,605	\$156,153	
# of units developed		12	12	12	14	14	14	14	14	14	120
Average Development Cost	\$88,679	\$91,339	\$94,080	\$96,902	\$99,809	\$102,803	\$105,887	\$109,064	\$112,336	\$115,706	
Release price	96,293	99,182	102,157	105,222	108,379	111,630	114,979	118,428	121,981	125,641	
Inventory 12/31	5	2	2	2	2	2	2	2	2	2	
<b>Density</b>											
# of acres sold	5	0.6	2.4	2.4	2.4	2.8	2.8	2.8	2.8	2.8	25
Cumulative		0.6	3.0	5.4	7.8	10.6	13.4	16.2	19.0	21.8	24.6
<b>Villas (5 units, 44 pads)</b>											
# of units sold	8	12	12	12	14	14	14	14	14	14	128
Average Sales Price	\$182,857	\$188,343	\$199,643	\$211,622	\$217,971	\$224,510	\$231,245	\$238,182	\$245,328	\$252,688	
# of units developed	4	12	12	12	14	14	14	14	14	14	124
Average Development Cost	\$124,686	\$128,427	\$132,279	\$136,248	\$162,684	\$167,564	\$172,591	\$177,769	\$183,102	\$188,595	
Release price	\$135,080	\$139,132	\$143,306	\$147,606	\$152,034	\$156,595	\$161,293	\$166,131	\$171,115	\$176,249	
Inventory 12/31	5	1	1	1	1	1	1	1	1	1	
<b>Density</b>											
# of acres sold	4	2.0	3.0	3.0	3.0	3.5	3.5	3.5	3.5	3.5	32
Cumulative		2.0	5.0	8.0	11.0	14.5	18.0	21.5	25.0	28.5	32.0
<b>Hacienda - (3 units, 24 pads)</b>											
# of units sold	3	8	8	10	10	10	10	10	10	10	89
Average Sales Price	\$260,000	\$267,800	\$283,868	\$300,900	\$309,927	\$319,225	\$328,802	\$338,666	\$348,826	\$359,290	
# of units developed	1	8	8	10	10	10	10	10	10	10	87
Average Development Cost	\$162,189	\$167,055	\$172,066	\$206,906	\$213,113	\$219,506	\$226,091	\$232,874	\$239,860	\$247,056	
Release price	\$200,000	\$206,000	\$212,180	\$217,251	\$223,769	\$230,482	\$237,396	\$244,518	\$251,853	\$259,409	
Inventory 12/31	3	1	1	1	1	1	1	1	1	1	
<b>Density</b>											
# of acres sold	2.5	1.2	3.2	3.2	4.0	4.0	4.0	4.0	4.0	4.0	36
Cumulative		1.2	4.4	7.6	11.6	15.6	19.6	23.6	27.6	31.6	35.6
<b>Harbor - COS %</b>											
# of units sold	6	6	3								15
Average Sales Price	\$285,000	\$293,550	\$302,357	\$311,427							
# of units developed	4	6	2								12
Average Development Cost	\$185,658	\$185,658	\$191,227	\$196,964							
Release price	\$195,000	\$200,850	\$206,876	\$213,082							
Inventory 12/31	3	1	1								
<b>Density</b>											
# of acres sold	8	0.8	0.8	0.4							2
Cumulative		0.8	1.5	1.9	1.9	1.9	1.9	1.9	1.9	1.9	
# of vertical units sold		20	38	35	34	38	38	38	38	38	355
Cumulative		20	58	93	127	165	203	241	279	317	355
# of acres sold in vertical		5	9	9	9	10	10	10	10	10	94
Cumulative		5	14	23	32	43	53	63	73	84	94
Average Unit Price		214,593	198,960	201,549	209,346	211,491	217,835	224,371	231,102	238,035	245,176

**South Padre Island**  
Championship Course  
Base Case

	Budgeted										2020-2011 Total
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Public Rounds	22,095	22,595	22,795	22,995	23,195	23,395	23,000	23,000	23,000	23,000	
Member Rounds	10,400	9,160	9,640	10,936	12,376	13,912	15,544	17,272	19,000	20,728	
Total Paid Rounds	32,495	31,755	32,435	33,931	35,571	37,307	38,544	40,272	42,000	43,728	
Average Rate	\$37.08	\$39.93	\$40.91	\$41.47	\$42.03	\$42.59	\$43.00	\$43.53	\$44.12	\$44.77	
<b>Revenue</b>											
Greens Fees	1,009,690	1,063,515	1,105,117	1,148,257	1,192,991	1,239,376	1,255,004	1,292,654	1,331,434	1,371,377	12,009,417
Annual Membership Income	195,080	204,505	221,678	259,024	301,925	349,579	402,306	460,440	521,701	586,223	3,502,461
Trail and Cart Fees	63,198	63,612	66,923	72,110	77,863	84,113	89,509	96,328	103,475	110,964	828,094
Other Income	110,087	113,390	116,791	120,295	123,904	127,621	131,450	135,393	139,455	143,639	1,262,024
Total Course Income	1,378,055	1,445,021	1,510,508	1,599,686	1,696,684	1,800,690	1,878,269	1,984,816	2,096,065	2,212,202	17,601,995
Pro Shop Sales	244,315	245,914	258,715	278,767	301,008	325,170	346,030	372,389	400,019	428,971	3,201,299
Pro Shop Cost of Sales	(168,221)	(169,322)	(178,136)	(191,943)	(207,257)	(223,893)	(238,256)	(256,406)	(275,430)	(295,365)	(2,204,227)
Pro Shop Other Expenses	(130,137)	(134,041)	(138,062)	(142,204)	(146,470)	(150,864)	(155,390)	(160,052)	(164,854)	(169,799)	(1,491,875)
Net Pro Shop	(54,043)	(57,449)	(57,483)	(55,380)	(52,719)	(49,588)	(47,616)	(44,068)	(40,264)	(36,192)	(494,803)
Food & Beverage Sales	298,661	300,615	316,264	340,777	367,965	397,501	423,002	455,225	489,000	524,393	3,913,404
Food & Bev. Cost of Sales	(129,177)	(130,022)	(136,791)	(147,393)	(159,153)	(171,927)	(182,957)	(196,894)	(211,503)	(226,811)	(1,692,627)
Food & Bev. Other Exp.	(193,016)	(198,806)	(204,771)	(210,914)	(217,241)	(223,758)	(230,471)	(237,385)	(244,507)	(251,842)	(2,212,712)
Net Food & Beverage	(23,532)	(28,213)	(25,297)	(17,530)	(8,428)	1,815	9,574	20,945	32,991	45,740	8,064
Adjusted Gross Revenue	1,300,480	1,359,358	1,427,728	1,526,777	1,635,537	1,752,918	1,840,226	1,961,693	2,088,791	2,221,750	17,115,257
<b>Expenses</b>											
Golf Maintenance/ Additional Grow-In	662,967	682,856	703,342	724,442	746,175	768,560	791,617	815,366	839,827	865,022	7,600,174
Clubhouse Operations	69,340	71,420	73,563	75,770	78,043	80,384	82,796	85,279	87,838	90,473	794,905
Carts/Range/Bag Room	190,604	196,322	202,212	208,278	214,526	220,962	227,591	234,419	241,451	248,695	2,185,061
G & A	472,217	486,384	500,975	516,004	531,484	547,429	563,852	580,767	598,190	616,136	5,413,439
Marketing	62,136	64,000	65,920	67,898	69,935	72,033	74,194	76,419	78,712	81,073	712,320
Management Fee	141,181	145,416	149,779	154,272	158,900	163,667	168,577	173,635	178,844	184,209	1,618,482
Taxes & Insurance (incl in G&A)											
Project Level Allocation											
Total Expenses	1,598,445	1,646,398	1,695,790	1,746,664	1,799,064	1,853,036	1,908,627	1,965,886	2,024,862	2,085,608	18,324,381
<b>Operating Net Cash Flow</b>	<b>(297,965)</b>	<b>(287,040)</b>	<b>(268,062)</b>	<b>(219,887)</b>	<b>(163,527)</b>	<b>(100,118)</b>	<b>(68,401)</b>	<b>(4,193)</b>	<b>63,929</b>	<b>136,142</b>	<b>(1,209,124)</b>
Depreciation	(140,184)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(1,265,184)
<b>Projected profit or (Loss)</b>	<b>(438,149)</b>	<b>(412,040)</b>	<b>(393,062)</b>	<b>(344,887)</b>	<b>(288,527)</b>	<b>(225,118)</b>	<b>(193,401)</b>	<b>(129,193)</b>	<b>(61,071)</b>	<b>11,142</b>	<b>(2,474,308)</b>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
<b>Assumptions:</b>											
Outside Average Rate	\$45.70	\$47.07	\$48.48	\$49.94	\$51.43	\$52.98	\$54.57	\$56.20	\$57.89	\$59.63	
Cart and Trail Fees per Round	\$1.94	\$2.00	\$2.06	\$2.13	\$2.19	\$2.25	\$2.32	\$2.39	\$2.46	\$2.54	
Card Member - Assumes 30% of new purchasers join											
# of Card Members Average	112.5	114.5	120.5	136.7	154.7	173.9	194.3	215.9	237.5	259.1	
Price of Memberships Average	\$1,734.04	\$1,786.07	\$1,839.65	\$1,894.84	\$1,951.68	\$2,010.23	\$2,070.54	\$2,132.66	\$2,196.64	\$2,262.53	
Round per Member Average	92.4	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	
Pro Shop Sales per Round	\$7.52	\$7.74	\$7.98	\$8.22	\$8.46	\$8.72	\$8.98	\$9.25	\$9.52	\$9.81	
Pro Shop Cost of Sales	69%	69%	69%	69%	69%	69%	69%	69%	69%	69%	
Food & Bev. Sales Per Round	\$9.19	\$9.47	\$9.75	\$10.04	\$10.34	\$10.65	\$10.97	\$11.30	\$11.64	\$11.99	
F & B Cost of Sales	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	
General Inflation	3.00%										
Inflation on Membership	3.00%										