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Integra Realty Resources
Caribbean

Appraisal of Going Concern

IGY American Yacht Harbor Marina

Mixed Use Property
18A-1, 18-B1,18-B and 18-W Remainder Estate Smith Bay
East End Quarter, St. Thomas, Virgin Islands
Client Reference: 23559

Prepared For:

Banco Popular de Puerto Rico

Effective Date of the Appraisal:

November 25, 2015

Report Format:

Appraisal Report – Standard Format

IRR - Caribbean

File Number: 172-2015-0181





IGY American Yacht Harbor Marina
18A-1, 18-B1, 18-B and 18-W Remainder Estate Smith Bay
East End Quarter, St. Thomas, Virgin Islands



December 15, 2015

Roberto A. Soltero
Vice President
Banco Popular de Puerto Rico
PO Box 362708
San Juan, PR 00936-2708

SUBJECT: Market Value Appraisal
IGY American Yacht Harbor Marina
18A-1, 18-B1, 18-B and 18-W Remainder Estate Smith Bay
East End Quarter, St. Thomas, Virgin Islands
Client Reference: 23559
IRR - Caribbean File No. 172-2015-0181

Dear Mr. Soltero:

Integra Realty Resources – Caribbean is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value of the leased fee (going concern) interest in the property. The client for the assignment is Banco Popular de Puerto Rico, and the intended use is for Commercial credit administration.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers, the RICS Valuation Professional Standards, the International Valuation Standards, applicable jurisdictional appraisal regulations, and the appraisal guidelines of Banco Popular de Puerto Rico. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we

adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

The subject is an existing 250-slip marina with 5 commercial buildings containing a mixture of retail and office space types. The buildings contain 48,661 square feet of rentable area and were constructed in multiple stages; with the majority of the construction completed in 1993. The commercial space is 85% leased as of the effective appraisal date. The marina docks were constructed in multiple phases between 1991-1995 and are 52.8% occupied as of the effective appraisal date. The total site area is 2.76 acres or 120,226 square feet, which includes 0.64 acre or 27,878 square feet, that is re-claimed land. The property also includes 3.2 acres of seabed under the marina dock structures which is leased to the property owner from the Government of the Virgin Islands.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion*			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Leased Fee (Going Concern)	November 25, 2015	\$24,360,000

*Values expressed in United States Dollars

Allocation of Going Concern Value		
	Amount	% of Total
Tangible Property		
Land & Improvements	\$24,250,000	99.5%
Tangible Personal Property (FF&E)	\$110,000	0.5%
Total Tangible Property	\$24,360,000	100.0%
Intangible Assets	\$0	0.0%
Market Value*	\$24,360,000	100.0%

*Specifically excluded from the valuation are cash and equivalents and current liabilities.

The allocation of value components is based on the going-concern premise, which holds that the value of a business as a going-concern is equal to the sum of the values of the tangible and intangible assets. The allocation assumes continued operation of the marina business. Were the marina business to cease operations, the values of the individual components would likely be different from the allocated values of the going concern.



Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The subject property has a fueling dock and four fuel storage tanks located on site; including three diesel and one gasoline. There were no signs of contamination during our inspection and we have assumed that there is no adverse environmental impact in connection with the existing fuel equipment used on the subject property.
2. The parking garage at the subject slightly encroaches on the neighboring property to the immediate northwest. This land is owned by the Government of the Virgin Islands and we have assumed that no claim will arise from the encroachments.
3. For this analysis, we have valued the going concern interest in the subject property and have allocated the value of the personal property from the value of the real property. We were provided with financial statements from ownership that indicates the depreciated book value of these assets. It is beyond our scope to value these assets in use; therefore, we have assumed that the book values of the personal property items shown in the statements provided by ownership are reasonably accurate for the purpose of this allocation exercise.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. No hypothetical conditions were employed in this analysis.
-

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.



Roberto A. Soltero
Banco Popular de Puerto Rico
December 15, 2015
Page 4

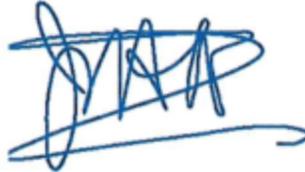
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Caribbean



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Table of Contents

Summary of Salient Facts and Conclusions	1	Income Capitalization Approach	57
General Information	3	Market Rent Analysis – General Retail Space	59
Identification of Subject	3	Market Rent Analysis – General Office Space	65
Sale History	3	Market Rent Analysis – Restaurant Space	71
Pending Transactions	3	Market Rent Analysis – Marina Slip Rentals	78
Purpose of the Appraisal	4	Reconciliation and Conclusion of Value	106
Basis of Value	4	Exposure Time	107
Definition of Property Rights Appraised	4	Marketing Period	107
Definition of Going-Concern Premise	4	Allocation of Going-Concern Value	108
Intended Use and User	5	Value of Furniture, Fixtures and Equipment (FF&E)	108
Applicable Requirements	5	Value of Intangible Assets	109
Prior Services	5	Allocation of Going-Concern Value	109
Competency	5	Insurable Replacement Cost	110
Independence	6	Certification	111
RICS Valuer Registration	6	Assumptions and Limiting Conditions	113
Currency	6	Addenda	
Scope of Work	6	A. Appraiser Qualifications	
Economic Analysis	8	B. Financials and Property Information	
Area Analysis	8	C. Comparable Data	
Surrounding Area Analysis	22	D. DCF Reports	
Marina Market Analysis	25	E. Engagement Letter	
Property Analysis	36		
Land Description and Analysis	36		
Improvements Description and Analysis	42		
Real Estate Taxes	52		
Highest and Best Use	54		
Valuation	56		
Valuation Methodology	56		

Summary of Salient Facts and Conclusions

Property Name	IGY American Yacht Harbor Marina
Address	18A-1, 18-B1,18-B and 18-W Remainder Estate Smith Bay East End Quarter, St. Thomas, Virgin Islands
Property Type	Mixed Use - Marina
Owner of Record	IGY-AYH ST. Thomas Holdings, LLC
Parcel ID	1-07702-0135-00, 1-07702-0134-00, 1-07702-0133-00, and 1-07702-0198-00
Legal Description	Parcel Nos. 18A-1 Remainder, 18B-1 Remainder, 18B Remainder Estate and 18-W Estate Smith Bay, Nos. 1, 2 and 3 East End Quarter, St. Thomas, U.S. Virgin Islands
Land Area	2.76 acres; 120,226 SF
Number of Units	105
Gross Building Area	72,808 SF
Rentable Area	48,652 SF
Percent Leased	85%
Year Built; Year Renovated	1992; N/A
Zoning Designation	W-1, Waterfront - Pleasure
Highest and Best Use - As if Vacant	Marina oriented commercial use
Highest and Best Use - As Improved	Continued marina and commercial use
Exposure Time; Marketing Period	12-24 months; 12-24 months
Effective Date of the Appraisal	November 25, 2015
Date of the Report	December 15, 2015
Property Interest Appraised	Leased Fee (Going Concern)
Market Value Indications	
Cost Approach	Not Used
Sales Comparison Approach	Not Used
Income Capitalization Approach	\$24,360,000
Market Value Conclusion*	\$24,360,000

*Values expressed in United States Dollars

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Banco Popular de Puerto Rico may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The subject property has a fueling dock and four fuel storage tanks located on site; including three diesel and one gasoline. There were no signs of contamination during our inspection and we have assumed that there is no adverse environmental impact in connection with the existing fuel equipment used on the subject property.
2. The parking garage at the subject slightly encroaches on the neighboring property to the immediate northwest. This land is owned by the Government of the Virgin Islands and we have assumed that no claim will arise from the encroachments.
3. For this analysis, we have valued the going concern interest in the subject property and have allocated the value of the personal property from the value of the real property. We were provided with financial statements from ownership that indicates the depreciated book value of these assets. It is beyond our scope to value these assets in use; therefore, we have assumed that the book values of the personal property items shown in the statements provided by ownership are reasonably accurate for the purpose of this allocation exercise.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. No hypothetical conditions were employed in this analysis.
-

General Information

Identification of Subject

The subject is an existing 250-slip marina with 5 commercial buildings containing a mixture of retail and office space types. The buildings contain 48,661 square feet of rentable area and were constructed in multiple stages; with the majority of the construction completed in 1993. The commercial space is 85% leased as of the effective appraisal date. The marina docks were constructed in multiple phases between 1991-1995 and are 52.8% occupied as of the effective appraisal date. The total site area is 2.76 acres or 120,226 square feet, which includes 0.64 acre or 27,878 square feet, that is re-claimed land. The property also includes 3.2 acres of seabed under the marina dock structures which is leased to the property owner from the Government of the Virgin Islands. The legal description of the property is shown below.

Property Identification	
Property Name	IGY American Yacht Harbor Marina
Address	18A-1, 18-B1,18-B and 18-W Remainder Estate Smith Bay East End Quarter, St. Thomas, Virgin Islands
Parcel ID	1-07702-0135-00, 1-07702-0134-00, 1-07702-0133-00, and 1-07702-0198-00
Owner of Record	IGY-AYH ST. Thomas Holdings, LLC
Legal Description	Parcel Nos. 18A-1 Remainder, 18B-1 Remainder, 18B Remainder Estate and 18-W Estate Smith Bay, Nos. 1, 2 and 3 East End Quarter, St. Thomas, U.S. Virgin Islands

Sale History

The most recent closed sale of the subject is summarized as follows:

Sale Date	January 19, 2007
Seller	MOF VI Limited Partnership
Buyer	IGY-AYH ST. Thomas Holdings, LLC
Sale Price	\$25,500,000
Recording Instrument Number	document number 2007000531
Expenditures Since Purchase	Unknown

The sale price is consistent with our market value conclusion considering the date of the transaction and the market fluctuation since that time. To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value of the leased fee (going concern) interest in the property as of the effective date of the appraisal, November 25, 2015. The date of the report is December 15, 2015. The appraisal is valid only as of the stated effective date or dates.

Basis of Value

Market value is defined as:

“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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Property Rights Appraised

Leased fee interest is defined as, “A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).”

Lease is defined as, “A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.”

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

Definition of Going-Concern Premise

Going-Concern Premise is defined as, “one of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely). Under the going-concern premise, the value of a business as a going concern is equal to the sum of the value of the tangible assets and the value of the intangible assets, which may

include the value of excess profit, where asset values are derived consistently with the going-concern premise.”

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

Intended Use and User

The intended use of the appraisal is for Commercial credit administration. The client and intended user is Banco Popular de Puerto Rico. The appraisal is not intended for any other use or user. No party or parties other than Banco Popular de Puerto Rico may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers
- The RICS Valuation Professional Standards;
- The International Valuation Standards of the IVSC;
- Applicable jurisdictional regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal guidelines of Banco Popular de Puerto Rico.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. The RICS Red Book also contains requirements for valuers to disclose previous involvement with the subject property within twelve months. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Competency

We hereby confirm that we possess adequate knowledge and skills to perform the assignment competently, including an understanding area/regional market conditions, and factors which pertain to the property type in question.

Independence

We hereby confirm that we have no conflicts of interest or material involvement in the property which is the subject of this valuation; and that we are acting as unbiased, independent, external valuers.

RICS Valuer Registration

We confirm that we are in compliance with the RICS Valuer Registration program, which is mandatory for RICS members in the Caribbean region.

Currency

Unless otherwise stated, all financial figures in this report are expressed in United States Dollars.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Not Applicable	Not Utilized
Income Capitalization Approach	Applicable	Utilized

The **income capitalization** approach is the most reliable valuation method for the subject due to the following:

- The probable buyer of the subject would base a purchase price decision primarily on the income generating potential of the property and an anticipated rate of return.
- Sufficient market data regarding income, expenses, and rates of return, is available for analysis.

The **sales comparison** approach is not applicable to the subject because:

- This approach does not reflect the primary analysis undertaken by a typical investor-purchaser.
- There are insufficient sales of comparable properties in this market from which to derive a credible value conclusion.

The **cost approach** is not applicable to the subject considering the following:

- The age of the property makes estimates of accrued depreciation very subjective.
- This approach is not typically used by market participants, except for new properties.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Mark J. Weathers conducted an interior and exterior inspection of the property on November 25, 2015. James V. Andrews, MAI, CRE, FRICS, ASA, CVA, also conducted an interior and exterior inspection on November 25, 2015.

Economic Analysis

Area Analysis

Location

The U.S. Virgin Islands are located in the Caribbean Sea and the Atlantic Ocean, about 90 miles (140 km) east of Puerto Rico and immediately west of the British Virgin Islands.



The territory consists of four main islands: Saint Thomas, Saint John, Saint Croix, and Water Island, as well as several dozen smaller islands. The combined land area of the islands is roughly twice the size of Washington, [REDACTED].



A mild tropical climate, scenic beauty, and status as a U.S. territory make Virgin Islands appealing for vacationers from United States and Europe. The islands host over 2.5 million visitors per year, most of whom arrive by cruise ship, and tourism is the dominant economic engine of the islands, accounting for roughly 70 percent of the total gross territorial product.

Each district has its own distinct landscape, mix and intensity of land uses, cultural identity, and prospects for future development. St Thomas is home to the capital and the territory's largest city, Charlotte Amalie, which has an estimated population of roughly 19,000 persons. St Thomas is the primary center for resort tourism, government, finance, trade, and commerce, but its rugged landscape limits the land available for agriculture and other types of land-intensive development. Charlotte Amalie is also home to a major deepwater harbor that is along major shipping routes to the Panama Canal, and it is just east of the Cyril E King International Airport – one of the busiest airports in Caribbean. St. Thomas has two cruise ship docks, and is the most frequented cruise ship port in the Caribbean.

The island of St John is just under 3 miles to the east of St Thomas. Cruz Bay is located on the western coast of the island and serves as its primary port and link to St Thomas. Nearly two thirds of St John is owned by the National Park Service and is off-limits to commercial development.

St Croix is largest of the three islands, in both land area and population. It is roughly 45 miles to the south of St Thomas. Its primary towns are Christiansted and Frederiksted. Overall the island is flatter and has more land available for additional agricultural, commercial and residential development than St Thomas. St Croix is also the primary manufacturing center for the Virgin Islands, with rum distilleries, a major watch-assembly plant, and; until February 2012, one of the world's largest petroleum refineries (which recently ceased refining operations).

History

The Virgin Islands were originally settled by the Ciboney, Carib, and Arawaks. The islands were named by Christopher Columbus on his second voyage in 1493 for Saint Ursula and her virgin followers. Over the next three hundred years, the islands were held by many European powers, including Spain, England, the Netherlands, France, and Denmark-Norway. The Danes developed the islands with plantation estates, and the estates boundaries are still used in legal descriptions for land to this day.

The U.S. took possession of the islands on March 31, 1917 and the territory was renamed the Virgin Islands of the United States. U.S. citizenship was granted to the inhabitants of the islands in 1927.

Government

The U.S. Virgin Islands are an organized, unincorporated United States territory. Even though they are U.S. citizens, Virgin Islands residents cannot vote in presidential elections. Virgin Islands residents, however, are able to vote in presidential primary elections for delegates to the Democratic National Convention and the Republican National Convention.

The main political parties in the U.S. Virgin Islands are the Democratic Party of the Virgin Islands, the Independent Citizens Movement, and the Republican Party of the Virgin Islands. Additional candidates run as independents.

At the national level, the U.S. Virgin Islands elects a delegate to Congress from its at-large congressional district. However, the elected delegate, while able to vote in committee, cannot participate in floor votes.

At the territorial level, 15 senators—seven from the district of Saint Croix, seven from the district of Saint Thomas and Saint John, and one senator at-large who must be a resident of Saint John—are elected for two-year terms to the unicameral Virgin Islands Legislature. The U.S. Virgin Islands has elected a territorial governor every four years since 1970. Previous governors were appointed by the President of the United States.

Population and Employment

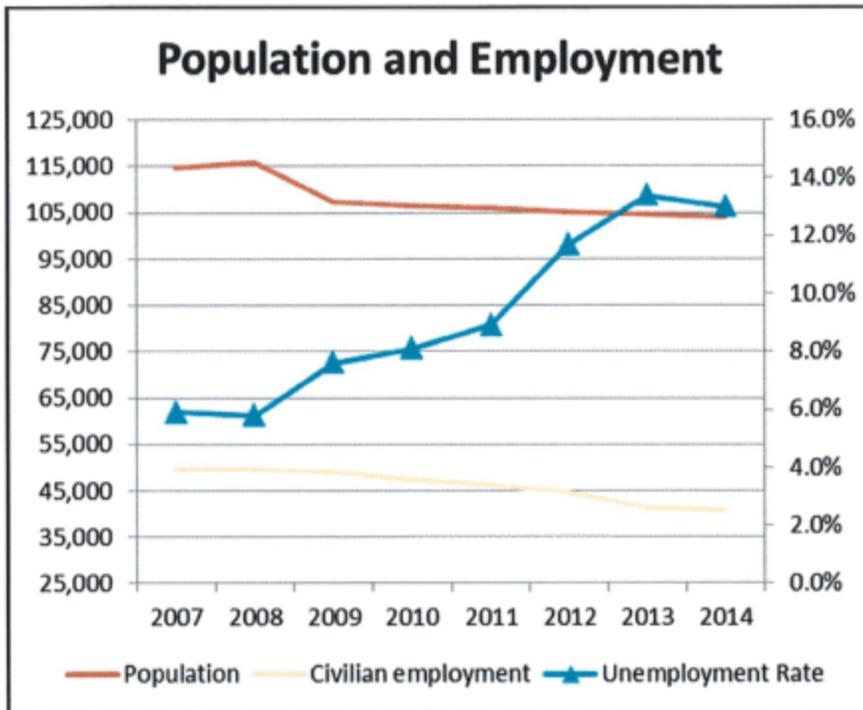
In 2008, the residential population of the Virgin Islands peaked at an estimated 115,852 persons. This follows five years of slow but steady growth of 1.0%, slightly slower than the U.S. annual average of 1.15%. Since 2008, population levels have fallen each year, to the 2014 estimated population of 103,961 persons.

Among the three islands, St Croix and St Thomas are nearly equally populous with St John having less than 4 percent of the total population of the Virgin Islands.

USVI Economic Indicators											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	5 Yr Ann Growth
Population	111,470	113,689	114,743	115,852	107,343	106,405	105,784	105,169	104,563	103,961	-0.6%
St. Croix	54,635	55,722	56,239	56,783	52,612	50,601	50,247	50,005	49,938	49,656	-1.1%
St. Thomas	52,528	53,574	54,070	54,592	50,583	51,634	51,266	51,051	50,610	50,316	-0.1%
St. John	4,307	4,393	4,434	4,477	4,148	4,170	4,134	4,113	4,015	3,989	-0.8%
Civilian labor force	51,159	51,159	52,670	52,630	52,861	51,424	50,729	50,577	47,558	46,784	-2.3%
Civilian employment	47,301	48,640	49,547	49,589	48,863	47,272	46,121	44,659	41,207	40,687	-3.3%
Unemployment rate (percent)	7.1%	6.2%	5.9%	5.8%	7.6%	8.1%	8.9%	11.7%	13.4%	13.0%	14.2%
Gross Territorial Product (GTP, Millions)	\$4,457	\$4,635	\$4,836	\$4,851	\$4,583	\$4,660	\$4,351	\$3,778	\$3,792		-4.4%
GTP Per Capita	\$39,984	\$40,769	\$42,146	\$41,872	\$42,695	\$43,795	\$41,131	\$35,923	\$36,265		-2.7%
Personal income (PI)	\$2,723	\$2,777	\$2,964	\$2,606	\$2,602	\$2,704	\$2,661	\$2,586	\$2,233		-2.9%
Per capita personal income (\$)	\$20,620	\$21,711	\$22,658	\$22,847	\$23,931	\$25,603	\$25,084	\$23,388	\$21,353		-1.3%
Total Exports (Millions of \$)	\$10,476	\$11,627	\$12,962	\$17,249	\$9,728	\$11,930	\$13,314	\$2,263	\$1,285	\$1,671	-16.6%
Refined petroleum	\$9,376	\$10,463	\$11,242	\$13,592	\$8,327	\$9,759	\$10,486	\$932	\$32	\$7	-20.0%
Value of construction permits (Millions \$)	\$390.20	\$442.70	\$266.10	\$273.30	\$261.80	\$187.20	\$179.10	\$141.40	\$156.60	\$201.40	-4.6%
St. Thomas/St. John	\$274.30	\$217.70	\$172.90	\$183.80	\$79.00	\$80.60	\$87.90	\$85.10	\$114.80	\$142.20	16.0%
St. Croix	\$115.90	\$225.00	\$93.20	\$89.50	\$175.90	\$106.50	\$91.10	\$56.20	\$41.80	\$59.20	-13.3%

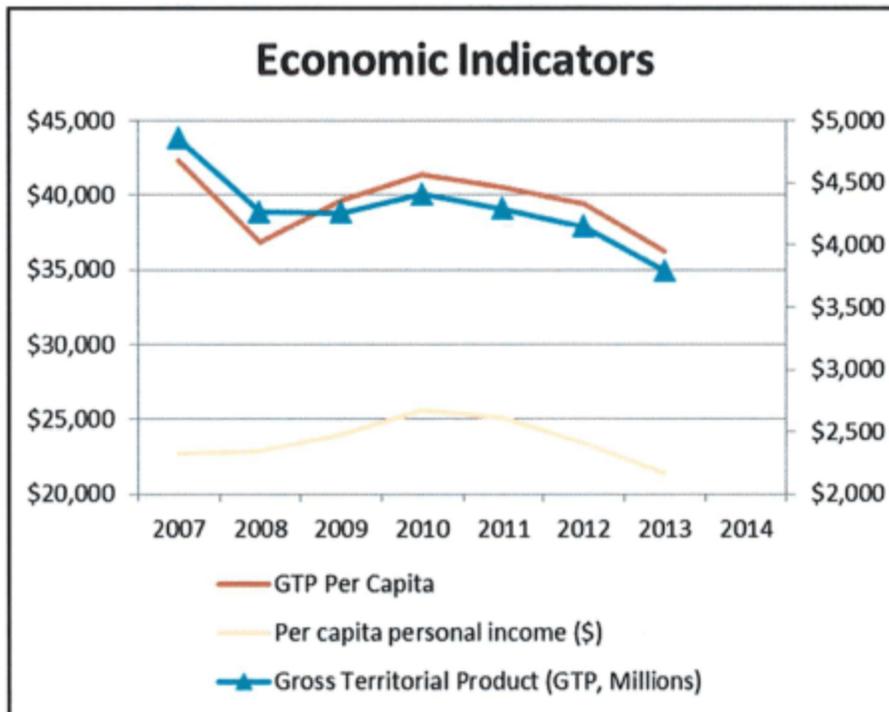
Source: VI Bureau of Economic Research

The territory's Labor Force has also declined slightly, and there has been a steady increase in the unemployment rate; which was further affected by the closure of the Hovensa oil and gas refinery in 2012. Note that there was a slight dip in unemployment in 2014.



Industry

The territory relies heavily on tourism for economic stability. Additional industries include the production and export of rum; and until early 2012, the production of refined petroleum products (the Hovensa Refinery in St. Croix closed in early 2012). The Gross Domestic Product peaked in 2007 at \$4.85 million, and declined to \$4.14 million in 2012, and further declined to \$3.79 million for 2013. Personal income per capita is also in decline from over \$25,000 in 2010 and 2011 to just over \$21,000 in 2013.

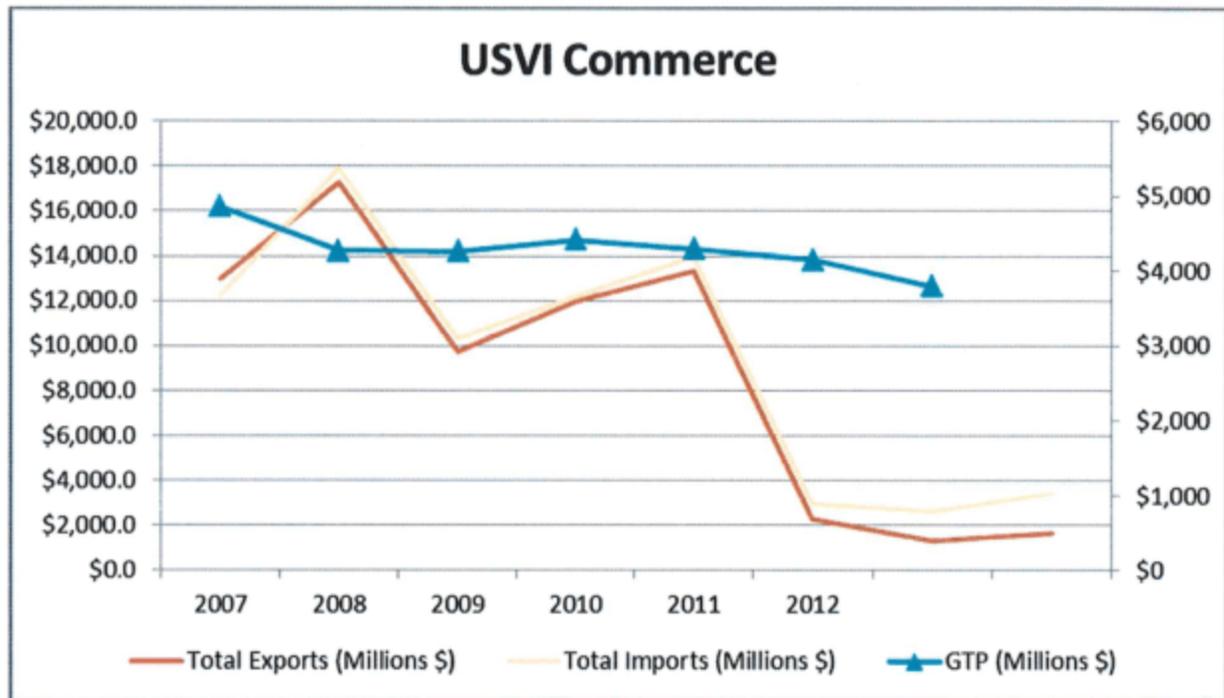


The closure of the Hovensa refinery, which was one of the territory’s largest employers, also had a significant impact on exports which were previously dominated by petroleum products. Otherwise, the territory predominantly relies on the tourism industry to support the economy.

Commerce and Trade (Millions of \$ Unless Otherwise Noted)

	2007	2008	2009	2010	2011	2012	2013	2014	5-Yr Annual Growth
Total exports	\$12,961.8	\$17,249.4	\$9,728.3	\$11,929.5	\$13,313.5	\$2,263.2	\$1,284.8	\$1,671.4	-16.6%
To U.S.	\$12,182.2	\$14,496.3	\$8,495.3	\$9,992.5	\$10,994.8	\$1,377.7	\$265.4	\$225.8	-19.5%
Refined petroleum	\$11,242.1	\$13,591.9	\$8,327.3	\$9,759.4	\$10,486.1	\$932.4	\$61.6	\$6.5	-20.0%
Other	\$940.1	\$904.4	\$168.0	\$233.1	\$508.7	\$445.3	\$233.8	\$219.3	6.1%
To foreign	\$779.6	\$2,753.1	\$1,233.0	\$1,937.0	\$2,318.7	\$885.5	\$1,019.4	\$1,445.6	3.4%
Total imports	\$12,251.0	\$17,861.3	\$10,289.9	\$12,153.9	\$13,972.7	\$2,966.7	\$2,590.1	\$3,391.8	-13.4%
From U.S.	\$1,261.0	\$1,214.6	\$1,139.3	\$1,548.9	\$1,767.6	\$1,719.4	\$2,119.2	\$2,144.5	17.6%
Crude petroleum	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Other	\$1,261.0	\$1,214.6	\$1,139.3	\$1,548.9	\$1,767.6	\$1,719.4	\$2,119.2	\$2,144.5	17.6%
From foreign	\$10,990.0	\$16,646.7	\$9,150.6	\$10,605.0	\$12,205.1	\$1,247.3	\$470.9	\$1,247.3	-17.3%
Crude petroleum	\$8,204.7	\$12,045.8	\$7,085.9	\$7,721.7	\$10,340.9	\$660.3	\$0.0	\$660.3	-18.1%
Other	\$2,785.3	\$4,600.9	\$2,064.7	\$2,883.3	\$1,864.2	\$587.0	\$470.9	\$1,247.3	-7.9%
Rum exports to U.S. (thous. of \$)	\$28,725.1	\$31,478.7	\$38,445.3	\$40,045.1	\$35,801.2	\$62,570.0	\$68,335.4	\$59,418.5	10.9%
Watch exports to U.S. (thousands)	\$251.4	\$183.6	\$75.0	\$52.0	\$52.7	\$55.6	\$60.0	\$76.8	0.5%
Ocean freight imports (thousands of tons)	1,092.0	1,080.0	1,065.0	1,091.0	1,157.0	1,975.0	931.0	866.0	-3.7%
To St. Thomas/St. John	851.0	774.0	685.0	612.0	720.0	1,199.0	564.0	558.0	-3.7%
To St. Croix (excluding petroleum)	241.0	306.0	380.0	479.0	436.0	776.0	367.0	308.0	-3.8%

Source: VI Bureau of Economic Research



Over ninety percent of non-farm jobs are in the service providing industries, with the remaining jobs being in goods producing industries. Government, trade, transportation and utilities, and leisure and hospitality remain the industries with the largest number of jobs.

These three sectors account for 69 percent of all jobs. Professional and business services, construction and financial activities account for approximately 9 percent, 4 percent and 6 percent respectively. Manufacturing and information sectors account for about 2 percent each, while educational and health services account for 6 percent. Other services account for the remainder of jobs.

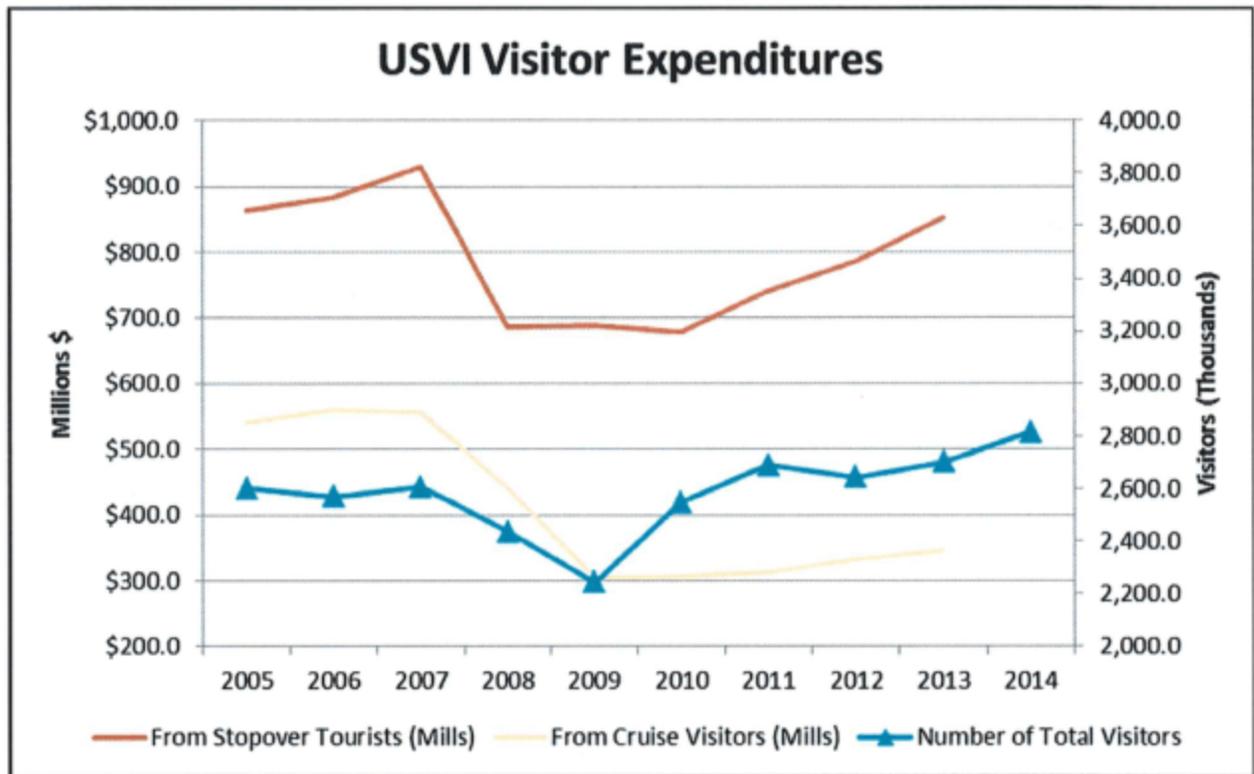
Tourism

The total number of visitor arrivals to the territory reached over 2.8 million in 2014, including both air and cruise ship arrivals. This represents 4.2% growth over the prior year. Total visitor expenditures are also growing, with annual growth in excess of 6% each of the last three years.

USVI Visitor Expenditures										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Visitors (Thousands)	2,601.9	2,570.7	2,606.2	2,435.2	2,245.0	2,548.7	2,687.9	2,642.1	2,701.5	2,814.2
Growth		-1.2%	1.4%	-6.6%	-7.8%	13.5%	5.5%	-1.7%	2.2%	4.2%
Total Visitor Expenditures	\$1,431.6	\$1,467.6	\$1,512.6	\$1,157.1	\$1,021.3	\$1,012.5	\$1,085.3	\$1,152.8	\$1,232.2	
Growth		2.5%	3.1%	-23.5%	-11.7%	-0.9%	7.2%	6.2%	6.9%	
From Stopover Tourists	\$863.8	\$883.2	\$929.8	\$686.4	\$687.4	\$678.2	\$740.6	\$784.7	\$851.0	
Day Trip Excursionists	\$27.2	\$25.6	\$27.7	\$29.7	\$28.6	\$28.0	\$35.4	\$35.4	\$36.1	
From Cruise Ship Passengers	\$540.6	\$558.8	\$555.2	\$441.0	\$305.3	\$306.3	\$311.8	\$332.7	\$345.1	

Source: VI Bureau of Economic Research

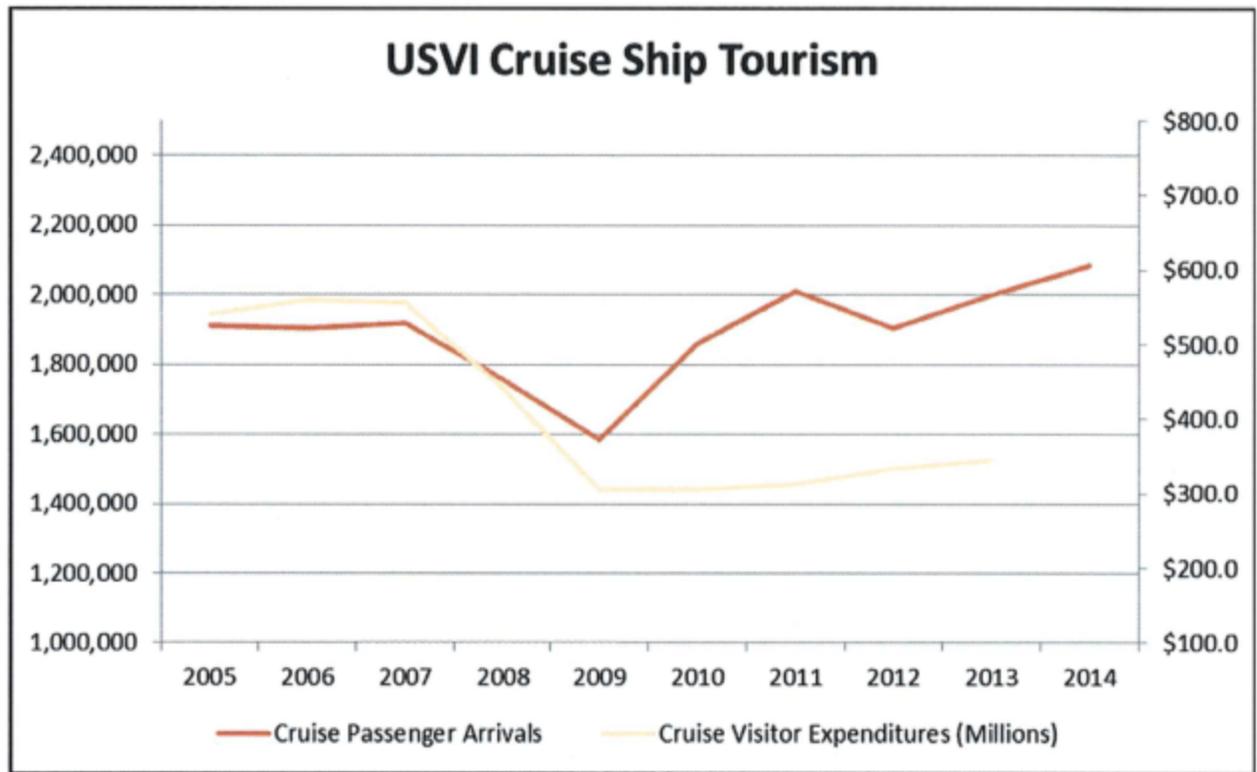




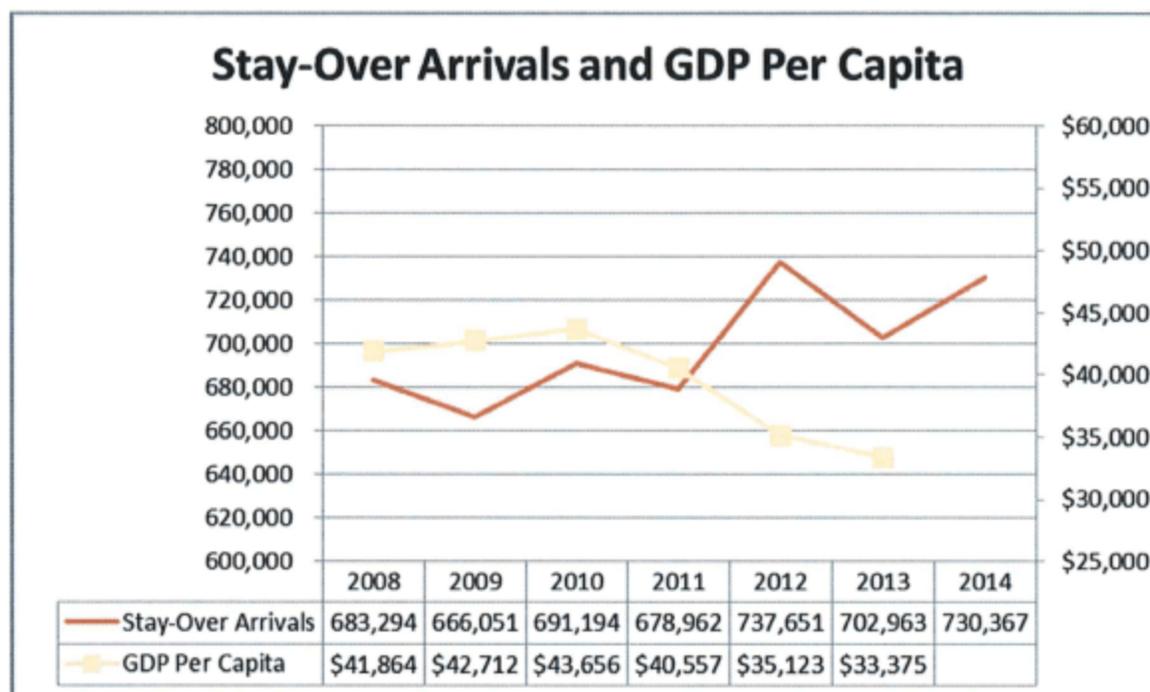
It is apparent, however, that the amount of visitor expenditures from cruise ship passengers has not increased linearly with arrivals since 2009; whereby the ratio was more linear in prior years. Cruise passenger arrivals grew 4.94% to over 2.08 million in 2014 following growth of 5.37% in the prior year. Total expenditures from cruise ship visitors grew 3.73% to over \$345 million in 2013, following growth of 6.7% in 2012.

Cruise Ship Passenger Arrivals										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
St. Thomas / St. John	1,909,984	1,901,275	1,917,371	1,754,557	1,507,623	1,751,328	1,887,096	1,790,550	1,886,647	1,979,926
Growth		-0.46%	0.85%	-8.49%	-14.07%	16.16%	7.75%	-5.12%	5.37%	4.94%
St. Croix	54,502	35,191	7,146	2,510	105,093	149,418	158,186	117,165	116,436	138,055
Growth		-35.43%	-79.69%	-64.88%	4086.97%	42.18%	5.87%	-25.93%	-0.62%	18.57%
Total	1,912,539	1,903,533	1,917,878	1,757,067	1,582,264	1,858,946	2,008,991	1,904,468	1,998,579	2,083,890
Growth		-0.47%	0.75%	-8.38%	-9.95%	17.49%	8.07%	-5.20%	4.94%	4.27%
Cruise Visitor Expenditures (Millions)	\$540.6	\$558.8	\$555.2	\$441.0	\$305.3	\$306.3	\$311.8	\$332.7	\$345.1	
		3.37%	-0.64%	-20.57%	-30.77%	0.33%	1.80%	6.70%	3.73%	

Source: VI Bureau of Economic Research
 Totals for each island include 1st and 2nd ports of call; totals for USVI include only 1st port of call



In terms of stopover tourists, the U.S. Virgin Islands ranks 7th in the list of the top tourism markets in the Caribbean, with 2014 stay-over arrivals of about 730,000. The year 2014 indicated modest growth in arrivals, with 3.90% growth over the prior period. The chart below illustrates the relationship between arrivals and GDP. We note that the continuing downturn in GDP is likely due to negative influences outside the tourism sector, such as the 2012 closure of the Hovensa oil refinery in St. Croix.



Source: Virgin Islands Bureau of Economic Research, WorldBank, Integra Realty Resources

Hotel Performance

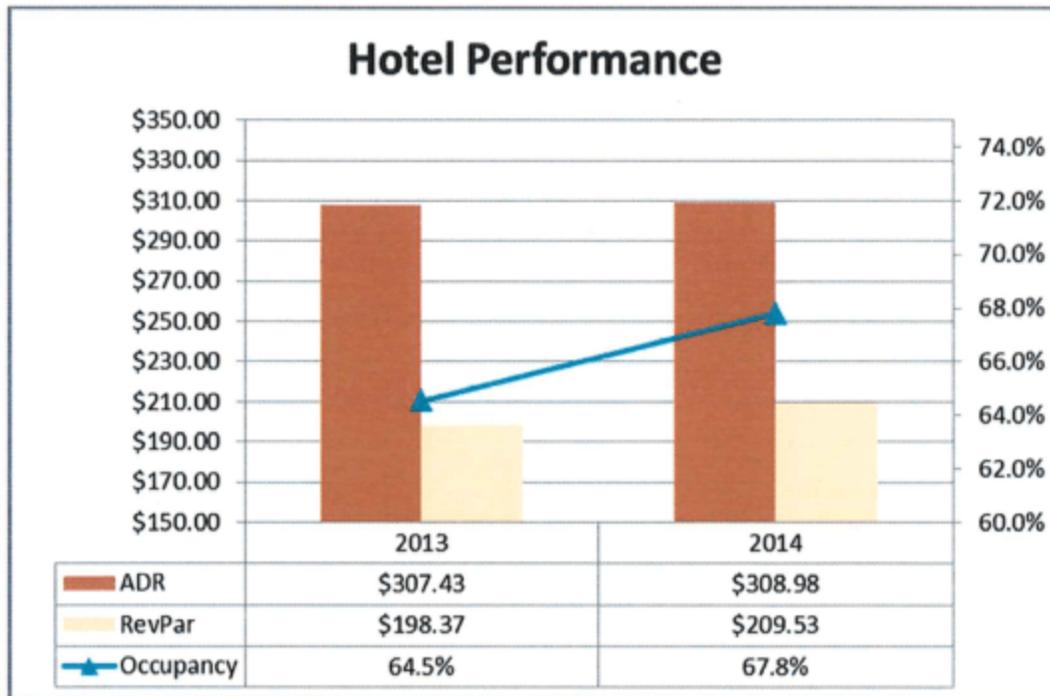
Data from Smith Travel Research indicates 2014 occupancy for reporting hotels of 67.8%, up 3.29% over the prior year. The reported average daily rate (ADR) was \$308.98 (up 0.51%), leading to Revenue Per Available Room Night (RevPar) of \$209.53 (up 5.63%).

Hotel Performance by Country - USVI

	2013	2014	Growth
Sample Size (Rooms)		1,504	
Room Nights Available (Supply)	\$1,775,819	\$1,750,284	-1.44%
Room Nights Sold (Demand)	\$1,145,860	\$1,186,924	3.58%
Occupancy	64.5%	67.8%	3.29%
Room Revenues	\$352,268,119	\$366,739,620	4.11%
ADR	\$307.43	\$308.98	0.51%
RevPar	\$198.37	\$209.53	5.63%
Rooms in Active Pipeline 12/31	0	453	

Note: Values in United States Dollars

Source: Smith Travel Research: Note: Sample Size reflects the number of rooms within the STR participating hotels



Source: Smith Travel Research (STR Inc.)

According to STR, there are 453 rooms in the active pipeline, which would add 8.6% to the existing room stock of 4,818 rooms. These projects include the 153-room, proposed Embassy Suites in the mahogany Run area, and the 300-room, proposed Hyatt Regency in Mandal Bay. In addition, a hotel project was recently announced on Water Island; however, the developers have not yet announced a brand or number of proposed rooms.

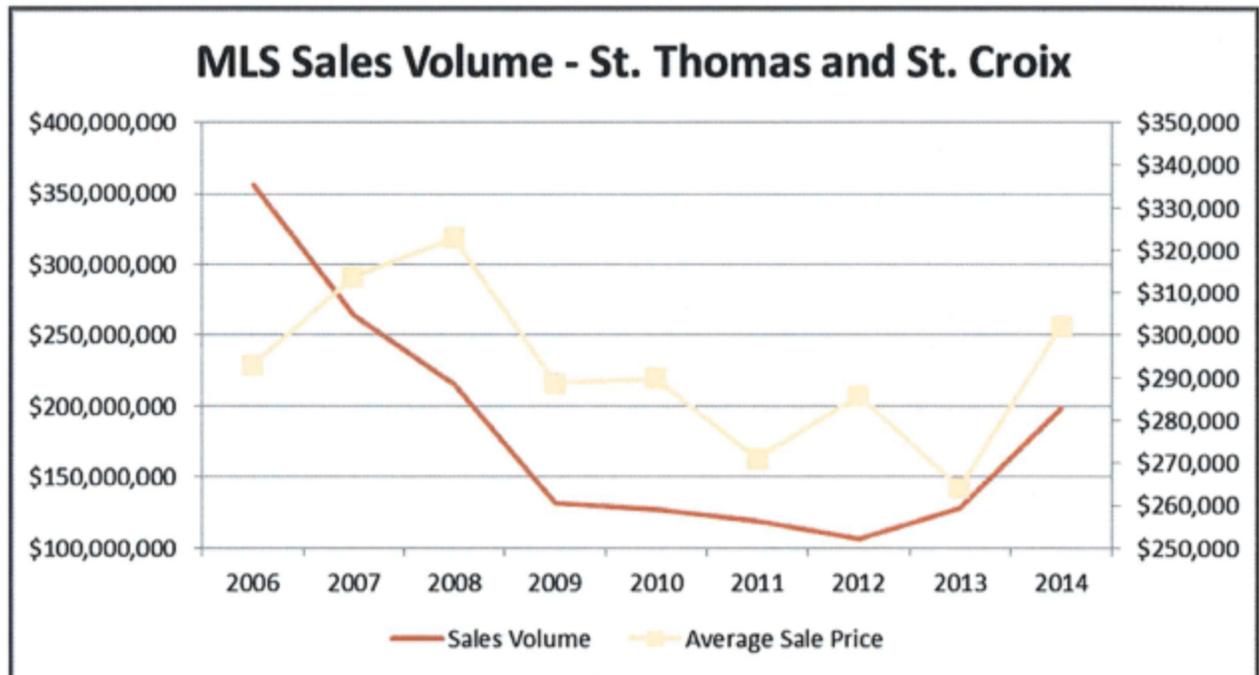
Housing / Property

As the supply of housing has increased in the last two decades, homeownership rates have also increased, although only slightly. Rates increased 1.9 percentage points between 2000 and 2010, and increased an additional 3.8 percentage points from 2010 to 2012. Average home prices dropped by 11.8 percent in 2008, but then increased in 2009 and 2010 by 4 percent and 12.3 percent, respectively. In 2012, average home prices fell 17.4% and then rebounded in 2013 with an increase of 22.1%. The average sales price in 2013 was \$538,369. Presumably, much of the increased supply of new homes and condominiums has gone to non-residents and vacationers. Over the past decade, housing costs have accelerated at a far greater pace than resident incomes, putting home ownership beyond the reach of all but a few relatively wealthy islanders.

In 2013, St. Thomas and St. John had an average home sale price of \$713,183, while the average home sale price in St. Croix was \$306,083. While prices have not caught up with what they were in 2007, St. Thomas and St. John have seen some recovery in the overall housing market. St. Croix, however, continues to suffer from the closing of the Hovensa refinery. In 2014, the average single family home sales price in St. Croix was \$334,167, while in St. Thomas it was \$909,839. 2015 year to date averages are show an increase in average single family home price in St. Croix and a decrease in St. Thomas and St. John, with averages of \$414,178 and \$759,811 respectively.

The current situation is that the recovering housing market and general economic conditions on the US mainland is slowly having a positive impact in the US Virgin Islands’ real estate market in terms of overall average home prices as well as the number of homes sold. Home sales in the territory, while still lower than 2007 figures, have increased annually since 2012.

According to statistical data provided by the Multiple Listing Service, the value of real estate sales in the St. Thomas-St. Croix MLS grew by 54% in 2014 to nearly \$200 million on 883 transactions; volume seen since 2008 and sales pace not seen since 2007. This growth follows 20% growth in 2013 which came after six years of declines. The average sales price surpassed \$300,000, a level also not seen since 2008.



Source: St. Thomas/St. Croix MLS

Real Estate Ownership and Taxation

Ownership is “fee simple”, under the U.S. flag. There are no restrictions against purchasing solely for investment, and no laws dictating when, if ever, you must build on undeveloped land. It should be noted that for 2006 there was a reassessment, and the tax rate changed to \$3.77 per \$1,000 based on 100% of assessed value (for residential property); however, there was an ongoing court challenge to the reassessment, and a federal injunction blocked tax bills until the issue could be resolved. As of December, 2013, the 2006, 2007, 2008, 2009, 2010, 2011 and 2012 tax bills have all been issued under the old 1999 assessed values and tax rates. This federal court injunction regarding the tax reassessment of VI property values had previously prevented the government from collecting property tax for at least four years, resulting in the government losing US\$25 million a month. New assessed values as well as amended tax rates were released in conjunction with the 2013 tax bills in August, 2014. Subsequent tax bills were issued at a rate of two per year until August 2015 when the 2015 bill were released and the Virgin Islands became current with respect to its property taxes.



All real estate transactions also require a Government Transfer Tax (stamp tax), which can be paid by the buyer or seller.

2% for property valued up to \$350,000

2.5% for property valued from \$350,001 to \$1,000,000

3% for property valued from \$1,000,001 to \$5,000,000

3.5% for property valued over \$5,000,001

Notable News and Developments

- On January 18, 2012, it was announced that the Hovensa refinery would be permanently shut down. This has had a major impact causing an economic downturn on the island, leaving 1,158 former Hovensa workers unemployed and many more employed by the company's contractors according to the United States Department of Labor. Recently, an auction of Hovensa's assets was conducted in New York City with multiple qualified bidders, and the assets were awarded to Limetree Bay Holdings, a subsidiary of ArLight Capital Partners. Pending approval by the Virgin Islands legislature, ArLight's operation of the oil storage facility will create a minimum of 80 jobs, with the possibility of more in the future. ArLight indicated there could be a possibility of a limited restart of some refinery units at some point in the future.
- Both the Senate and the US House of Representatives passed the Coast Guard Reauthorization Act, and President Obama signed the act into legislation in the fiscal year 2015 which should help level the charter yacht industry playing field. Prior to 1993 and the imposition of a six-passenger limitation on US uninspected vessels, the charter yacht industry in the US Virgin Islands was thriving, contributing over \$100 million in annual revenue and hundreds of jobs to the local economy. A large chunk of the industry moved to the British Virgin Islands after the six-passenger rule limitation was initiated by the US Government. The bill has recently been enacted into law, and the ability of the USVI to compete in this industry should be significantly improved.
- After an extensive search and vetting process, the USVI Government has selected a group of local and regional investors to develop a hotel resort on Water Island, just off of St. Thomas. There are apparently eight hotel brands in discussions with the developers for branding the property.
- A Texas-based EB-5 Regional Center has announced an EB-5 funded commercial project known as the Port of Mandahl Caribbean Conference Resort. When completed, the development is reportedly planned to include two full-service hotels, a golf course, a state of the art conference center, retail and commercial space, and high-end residential units. EB-5 is a type of economic citizenship program whereby the United States grants citizenship to investors of certain approved projects in areas where the economic boost is needed. Regional Centers are tasked with selling the investments such as limited partnerships to international buyers.
- The Margaritaville (Wyndham) Vacation Club is under construction in Water Bay on the East End of the island of St. Thomas. The project is a renovation of the 290-room Renaissance

Grand Beach Resort into 262 timeshare oriented condominium units. The first phase on this project was completed in September 2015 and is open, while the second phase is currently under construction.

- The University of the Virgin Islands has announced plans to develop a medical school on St. Thomas, which will be operated in collaboration between the hospitals on St. Thomas and St. Croix.

Conclusions

Economic conditions in the U.S. Virgin Islands appear to be slower to recover than many areas of the region, particularly in St. Croix, where industrial development had previously been more of a focus than tourism. The closure of the Hovensa refinery and the failure to facilitate a sale to a buyer who can re-open the facility as a refinery will continue to plague St. Croix until other new developments occur that can create new jobs. The assets of the refinery were recently sold at auction, but operating agreement with the USVI Government only states the buyers will use the oil storage portion in addition to constructing an asphalt plant on the property, which projects to only 80 jobs created in the immediate future. There appears to be ongoing resurgence in tourism for St. Thomas and St. John, and real estate activity appears to be improving; however, many businesses – even those catering to cruise ship passengers – continue to struggle. Our forecast is for continued improvement in arrivals and hotel statistics, but only gradual economic improvement for the overall territory.

Area Map



Surrounding Area Analysis

Location

The subject is located in the town of Red Hook in the East End area of the Island known as Estate Smith Bay. Red Hook is one of the three primary business districts on the island.

Access and Linkages

Primary access to the area is provided by Route 32 (Smith Bay Road), a major arterial that crosses the east end of the island in a generally east-west direction. This is the primary route through the town of Red Hook, one of the three major commercial centers of the island; with the others being the city of Charlotte Amalie and the Tutu area. Overall, vehicular access is good.

Public transportation is provided by Safari Taxi and provides access to all relevant areas. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Red Hook Ferry Terminal offers passenger ferries and car barges on regular schedules to and from St. John. Passenger ferry service to the British Virgin Islands is also available.

The Cyril E. King International Airport is located about 8.4 miles from the property; travel time is about 25 minutes, depending on traffic conditions. The Charlotte Amalie CBD, the economic and cultural center of the island, is approximately 7.0 miles from the property.

Demand Generators

The demand for commercial space in the area of the subject is fueled by the popularity of the Red Hook business district. Red Hook is a centralized area serving the east end of St. Thomas, and features marinas, restaurants, bars, retail shops, and office space.

The demand for office space in the area has been down due to overall economic conditions. As the economy continues its recovery, the demand for well-located office space will increase as well. Retail space; however, has seen an increase in demand in this area over the past 12-24 months as shown by the low vacancy in the 3 major retail properties Red Hook; American Yacht Harbor (subject), Red Hook Plaza and Galleria Shopping Center.

Compared to the territory area as a whole, the local area has higher income levels. Population trends are similar except that the local area is growing at a faster rate than the territory.

Land Use

The area is suburban in character and approximately 65% developed.

Predominant land uses are retail and office uses, with some residential users nearby. Marina use is also prevalent in this area. The area contains several neighborhood retail/office centers within a few blocks of the subject along Smith Bay Road. These include East End Plaza which is three stories and contains mostly office space, the aforementioned Galleria Shopping center which will be anchored by a newly opened gourmet grocery store, and the aforementioned Red Hook Plaza which is a two story

building with a mixture of office and retail. There are other small retail commercial buildings both along the waterfront and the inland side of the road; such as restaurants, bars and a convenience store/gas outlet.

In addition to the drawing power of these retail users, the Ivanna Eudora Kean High School is located approximately 1,500 feet west of the subject property.

During the last several years, development has been predominantly of retail/office uses. The largest recent development in this area has been East End Plaza, which was constructed in 2008. However, the completion of this commercial building coincided with the downturn in the overall economy in the territory, and the property has struggled to reach stabilization. There is also a newly constructed, small commercial strip center in close proximity to the subject called Crosswinds Center that opened approximately two years ago. Ace Hardware is the anchor tenant in this building, while the majority of the other commercial bays remain vacant.

There have also been two notable bar/restaurant openings within the past two years, both at the subject property. Near the subject, a Senor Frogs restaurant opened in November 2013 featuring a dining and nightclub atmosphere. Additionally, a tavern/restaurant called Tap & Still has opened approximately 450 feet southwest of the subject. A new Thai/Sushi restaurant is under construction within Red Hook Plaza, just west of the subject. These new establishments are indicative of the improving retail/commercial climate of the Red Hook area.

Outlook and Conclusions

The area is in the slow growth stage of its life cycle. There have been signs of increased demand as existing commercial space has been leasing up more rapidly over the past six months, showing the upside of the subject's area. We anticipate that property values will slightly increase in the near future.

Surrounding Area Map



Marina Market Analysis

Marinas are not at all homogenous, and the various combinations of business and physical components result in significantly different results for the owners and operators. The two major types of marinas are coastal (usually found in saltwater inland waterways that lead to an ocean port), and freshwater (found on lakes). Saltwater marinas tend to attract larger vessels and require a completely different level of maintenance. Freshwater marinas typically cater more toward day-sailors and day-boaters who do not have personal space with which to keep their boats.

Typical marinas in both coastal and freshwater locations can include any combination of the following components:

- Wet Slips (covered and uncovered)
- Dry Storage (land)
- Dry Storage (stack)
- Maintenance and Repair Yard and Services
- Marine Dealerships (boat sales)
- Merchandise Sales (fishing, boating, sundries)
- Fuel Sales (gas and diesel)
- Equipment Rental

With regard to slip rentals (wet and dry), these spaces can be either rented (the traditional route), or sold as “dockominiums” and “rackaminiums.” The sellout component became very popular in the last decade, and many marinas were converted to all or part sellout type enterprises. Part of the reason is that developers in recent times prefer to develop real estate for sale (condominiums or homesites) that surround the marina, and in turn could sell the boat spaces and then move on to another investment. The market for dockominiums (wet and dry) somewhat dried up during the recent recession, and many of the unsold units were subsequently rented instead of sold.

Another trend of development prior to the 2008 recession was for marinas within luxury resort communities that also have a residential component. These include 4 and 5-star resorts in the subtropical USA as well as the Caribbean. Typical luxury resort developments planned in the last decade would include a hotel (which the developer would license to a “branded” operator), condominiums and villas for sale, home sites for sale, and recreational components such as a golf course and marina. The sellout types of dock spaces fit well into the business model of the developer, as they sell other components and license the hotel operation to a separate entity.

Marinas also vary in size from small “mom and pop” or “lifestyle” businesses with less than 50 slips to large enterprises that attract institutional purchasers. Across the board, marinas are affected by economic downturns due to the leisure component of the boating hobby. During the last two recessions (2000-2003 and 2008-2009), many marinas went into foreclosure. This created difficulty for marinas to obtain financing.

Coastal marinas along the eastern seaboard were fairly successful until the recent recession, with many documenting 100% occupancy or waiting lists. This may be partly due to increased environmental regulation limiting dredging new bodies of water or deepening existing ones. As marinas are typically close to inlets leading to the sea or inland waterways, they are typically in areas that are rich with aquatic life.

National Boating Trends

Because of the age, size, design, tenancy, quality, and location of the subject, it is likely to appeal to investors primarily on a national or regional basis. While national factors may or may not be indicative of the subject's market area, the national trends exhibited are generally indicative of movement in all submarkets. Real estate is typically analyzed on a market-by-market basis. Published secondary data and market studies for the marina industry on a local or regional level are scarce. Nationwide, the most comprehensive statistical reference guide for the marina industry is the Recreational Boating Statistical Abstract, published annually by the National Marine Manufacturers Association (NMMA). The most recent publication reports 2014 data.

According to NMMA, the boating industry generated \$35.4 billion in sales and services in 2013, a 3.5% decline from 2012. This represented the first year of decline after three consecutive years of growth following the low point in 2010, of \$30.4 billion, from the "great recession." The peak occurred in 2006 at \$39.5 billion.

Of the 242.5 million adults living in the United States in 2014, 35.7%, or 87.3 million people, participated in recreational boating; a 1.8% decline from 2013. This is within the range of participation over the past four years which varies from 34.8% to 37.8% of the population.

New boat sales peaked at 912,130 in 2006, but have declined since that date with 2014 sales at 534,500 units, an increase of 0.44% from 2013. Before the recession in 2007, fuel prices increased, followed by increased unemployment and tightening credit. Luxury and leisure goods such as boats are typically the first things to be put on the back burner as people become more discretionary with their income. As a result, pre-owned power boat represented 64% of all boat sales during 2014, and new boat dealers have had to compete.

While boating participation declined recently, boat registrations have fallen. Boat registrations were up 0.08% to 12 million in 2014 versus 11.99 million in 2013. Florida led all states in boat registrations for 2014 followed by California, Minnesota, Michigan, and Wisconsin, in that order.

The demographic of boat owners is largely middle class. In 2014, 95% of registered mechanically propelled boats were 26 feet or less, indicating more affordable, entry-level, trailerable boats. The majority (71.5%) of boat owners earn an average household income under \$100,000. Over 60% of boating participants were between the age of 31 and 64 which signifies that the increase in boating population is younger.

National Marina Industry

Every December/January, Marina Dock Age magazine publishes an issue dedicated to trends in the marina industry. An article from the most recent issue in December 2014 indicates that the majority of

marinas and boatyards continue to improve net profits, overall revenues, and occupancy rates, with 82% expecting stable or increasing occupancy rates.

The table that follows details marina occupancy rates for 2014.

Marina Occupancy Rates - 2014						
Ownership Type/ Size	Occupancy Rate Range					
	Less than 50%	50% - 74%	75 - 84%	85% - 94%	95% - 99%	100%
	% of Respondents					
Government Owner	4.4%	22.2%	17.8%	17.8%	22.2%	13.3%
Corporate Owner	4.0%	32.0%	18.0%	14.0%	25.0%	7.0%
Private Owner	2.0%	16.0%	19.0%	31.0%	14.0%	13.0%
Small (1 - 99 Slips)	5.0%	13.0%	11.0%	23.0%	15.0%	32.0%
Medium (100 - 249 slips)	5.0%	17.0%	21.0%	26.0%	21.0%	10.0%
Large (250 - 749 slips)	0.0%	19.0%	21.0%	30.0%	17.0%	13.0%
Very Large (Over 750 slips)	0.0%	27.8%	16.6%	27.8%	27.8%	0.0%
Overall	3.0%	17.0%	18.0%	26.0%	18.0%	15.0%

Marina Dock Age publishes statistical information based on the percentage of overall respondents. The subject is under private ownership and has 98 boat slips which are expected to be increased to 108 slips. The largest majority (31%) of private owner marinas reported 85% to 94% occupancy rates. Overall, 58% of private owners reported occupancy rates of 85% to 100%. The largest majority (32%) of small marinas reported occupancy rates of 100%, with 70% of small marinas reporting occupancy of 85% to 100%. The largest majority of medium marinas (26%) reported occupancy rates of 85% to 94%, with 57% of medium marinas reporting occupancy of 85% to 100%.

The table that follows details boat slip and service rate changes in 2014 over 2013.

Slip/Service Rate Changes - 2014 Over 2013			
Marina Size	Decreased	Stayed Same	Increased
	% of Respondents		
Small (1 - 99 Slips)	1.9%	56.6%	41.5%
Medium (100 - 249 slips)	1.0%	62.0%	37.0%
Large (250 - 749 slips)	1.3%	53.2%	45.5%
Very Large (Over 750 slips)	0.0%	28.0%	72.0%
Overall	1.0%	55.0%	44.0%

The majority of marinas kept rates the same between 2013 and 2014.

The table that follows details rate changes by service type.

Product/Service Revenues - 2014 Over 2013			
	Decreased	Stayed Same	Increased
Service	% of Respondents		
Sailing/ Training School	4.0%	48.0%	48.0%
Cabin/Campground/RV	0.0%	35.0%	65.0%
Event Services/Venue	8.0%	40.0%	52.0%
Tour Boat/Charter Fishing/Water Taxi	9.0%	45.5%	45.5%
Water Toy Rental	12.0%	18.0%	70.0%
Boat Rental	12.3%	16.3%	61.4%
Boat Club	13.0%	48.0%	39.0%
Pumpout	8.0%	65.0%	27.0%
Used Boat Sales/Brokerage	21.0%	32.0%	47.0%
New Boat Sales/Brokerage	18.0%	27.0%	55.0%
Self-Service Repair	7.3%	76.4%	16.3%
Haul-Out/Winterization Services	17.8%	54.6%	27.6%
Boat Maintenance/Repair	27.0%	30.0%	43.0%
Ship/Convenience Store	21.5%	36.7%	41.8%
Commercial/Retail Lease Space	4.4%	54.4%	41.2%
Restaurant	11.0%	28.0%	61.0%
Fuel	26.5%	18.0%	55.5%
Launch Ramp	8.7%	57.6%	33.7%
Moorings	11.0%	36.0%	53.0%
Dry Storage	15.0%	37.0%	48.0%
Transient Slips	17.0%	35.0%	48.0%
Leased Slips	16.0%	28.0%	56.0%

The subject has campground/RV pad sites and will also include cabins with 65% of respondents indicating increases in their revenues for this department. The subject has dry (land) storage with 48% of respondents indicating increases in this department. The subject has leased slips with 56% of respondents indicating increases in this department.

The table that follows summarizes marina expenses by age of the marina.

Marina Expenses - 2014 Over 2013			
	Decreased	Stayed Same	Increased
Facility Age	% of Respondents		
New (Less than 7 Years)	15.0%	40.0%	43.0%
Medium (8 - 35 Years)	8.0%	27.0%	65.0%
Old (36+ Years)	6.0%	22.0%	72.0%
Overall	8.0%	25.0%	67.0%

The subject is 21-25 years old. The majority (72%) of marinas over 36 years of age indicated increases in operating expenses.

The table that follows details whether or not marinas will post a gross profit for 2014, based on marina size.

Marina Gross Profit - Will Report a Gross Profit			
	No	Do Not Know	Yes
Marina Size	% of Respondents		
Small (1 - 99 Slips)	19.0%	17.0%	64.0%
Medium (100 - 249 slips)	16.0%	14.0%	70.0%
Large (250 - 749 slips)	9.2%	14.5%	76.3%
Very Large (Over 750 slips)	11.0%	11.0%	78.0%
Overall	14.5%	14.5%	71.0%

The majority of small marinas (64%) reported that they would report a gross profit in 2014. The majority of medium marinas (70%) reported that they would report a gross profit in 2014.

The table that follows details changes in gross profit in 2014 over 2013.

Marina Gross Profit - 2014 Over 2013			
	Decreased	Stayed Same	Increased
Ownership Type/ Size/ Age	% of Respondents		
Government Owner	9.0%	34.0%	57.0%
Corporate Owner	17.8%	28.6%	53.6%
Private Owner	22.4%	24.5%	53.1%
Overall	19.2%	28.8%	52.0%
New (Less than 7 Years)	53.8%	50.0%	68.0%
Medium (8 - 35 Years)	21.5%	20.0%	0.0%
Old (36+ Years)	24.7%	30.0%	32.0%

The majority (53.1%) of private owner reported that gross profit increased in 2014. The majority (32%) of marinas over 36 years old reported that gross profit increased in 2014.

Conclusion

The majority of respondents indicated stable to increasing occupancy rates in 2014 over 2013. Most respondents had an occupancy rate above 85%. Most respondents also indicated increased revenues. These are all positive indications for the marina industry.

An article in Marina Dock Trends states that the market is improving for marina properties. The article reports that pre-recession, marina capitalization rates were around 5% to 6%. Post-recession through May 2014, capitalization rates were around 10%. Since May 2014, capitalization rates for marinas began decreasing.

Though the boating industry experienced a decline in revenue and participation during the recession, demand for slips far exceeds the current supply. Many industry experts as well as local brokers in

marina sales have indicated that now is a good time to invest in a marina, despite the previous recession and limited financing.

Competitive Marinas

The most significant supply and demand indicators for the subject are rental and occupancy rates experienced by directly competing properties. The operation of a pleasure craft marina provides revenue sources which include a mix of various rental, sales and services for the pleasure craft operators. Principle revenue stream for pleasure craft marinas includes in-water slips, fuel sales, and building rent.

The subject's asking and average contract rates are shown in the table that follows. The current operator is leasing the marina slips by linear feet of vessel length. We have then converted this rental income into a rental rate per linear foot of dock space. The subject offers slip rental on a daily, weekly, monthly, seasonal and annual basis. The contracted rental rates represent a blend of these rates, from daily tenants to long term tenants on annual leases. According to management, approximately 60% of the occupants at any given time are seasonal or annual tenants.

Marina Rent Roll							
Year	# of Slips	Average LF per Slip	Total Annual LF Available	Total LF Occupied	Annual Occupancy Rate	Total Rental Revenue	Average Monthly Rental Rate/LF
2010	105	53.29	2,042,170	1,379,235	67.5%	\$1,551,721	\$34.22
2011	105	53.18	2,038,110	1,298,157	63.7%	\$1,490,744	\$34.93
2012	105	54.24	2,078,880	1,155,377	55.6%	\$1,290,526	\$33.97
2013	105	54.10	2,073,200	1,206,388	58.2%	\$1,362,951	\$34.36
2014	105	54.10	2,073,200	1,233,672	59.5%	\$1,513,100	\$37.31
2015 (Annualized)	105	54.10	2,073,200	1,172,976	56.6%	\$1,438,110	\$37.29
Average	105	54	2,063,127	1,240,968	60.1%	\$1,441,192	\$35.35

We weren't provided with a current rent roll for the marina slips but we were provided with monthly historical occupancy and rental rate data. With the transient nature of marina tenants, a historical rent and occupancy figures are a more accurate indication of the income properties of the marina. Rental rates at the subject, and in this market, are based on a rate per linear foot of vessel length. As discussed earlier, the subject contains 105 wet slips with a total of 5,680 linear feet of rentable dock space, which indicates a total of 2,073,200 rentable linear feet per year.

As of the effective valuation date, the subject marina has experienced an overall occupancy rate of 56.3% for the year to date 2015. We have looked at occupancy rates on an average, annual basis due to the seasonal characteristics of this property type in this market. Again, due to the transient nature of the tenants in this property type and the short term nature of the leases which can range from daily to annually, the overall occupancy rate will be lower than other commercial property types such as lodging, multifamily, retail and office. The subject's current occupancy rate is slightly lower than historical rates, but the property is considered to be at stabilized occupancy.

The weighted average contract rate is \$37.29 per linear foot per month for the year to date 2015, which equates to an average contract rate of \$447.50 per linear foot per year.

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Competitive Marinas

The competitive marina rates are shown on the page that follows. It is our opinion that the subject's rates are at market levels; based on its age, location, and condition.

Competitive Marinas - St. Thomas

Marina	# of Wet Slips	Length	Avg. Monthly Wet Slip Rental/LF	Avg. Annual Wet Slip Rental/LF	Services/Amenities
Sapphire Beach Resort and Marina 6720 Estate Smith Bay St. Thomas, VI	67	50'	\$18.00	\$216.00	Marina is located in a beachfront resort property. Amenities include 24/7 security, dock power/AC hookup, WIFI, fresh water hookup, showers and hotel resort amenities. Some of these docks are privately owned, but rental rates are typical throughout. This is an unprotected marina.
Compass Point Marina 41-6-1 & 41-7 Estate Frydenhoj St. Thomas, VI	38 59 46 10	<30' 31'-40' 41'-50' >50'	\$18.30 \$16.61 \$16.89 \$17.67	\$219.60 \$199.32 \$202.68 \$212.04	This marina is also located in Benner Bay and includes a combination of apartments, retail and office space containing 25,552 square feet of rentable area. Amenities include, fresh water and electricity and finger piers.
Yacht Haven Grande Long Bay Rd, Charlotte Amalie St. Thomas, VI	46	<80' 80'-175' >175"	\$84.25 \$129.12 \$164.40	\$1,011.05 \$1,549.43 \$1,972.83	This marina is located in Long Bay near Charlotte Amalie in St. Thomas. This is considered the premier luxury marina in the U.S. Virgin Islands and has the ability to berth megayachts up to 450 feet in length. There is 80,000 sf of high-end retail space at the property. Marina amenities include electricity and fresh water, shower facilities, swimming pool and spa, business services, fueling, waste management services, 24/7 security, laundry service and provisioning options. The rental rate displayed is an average of summer and winter rates, and does not include utilities or service amenities.
Crown Bay Marina 8167 Sub Base St. Thomas, VI	99	<55' 56'-75' 76'-130' 131'-200'	\$82.13 \$109.50 \$126.23 \$142.96	\$985.50 \$1,314.00 \$1,514.75 \$1,715.50	Full-service marina able to berth vessels up to 200 feet in length and located less than 2.0 miles from the Cyril E. King International Airport. This property also contains a significant amount of retail/commercial building space with various shops, restaurants and office space. Amenities include electricity, fresh water, fueling, full-service concierge desk, free wifi, satellite TV, 24/7 security and showers.
Oasis Cove Marina 135 Estate Frydenhoj St. Thomas, VI	26	<30' 30' - 60'	\$26.67 \$24.44	\$320.00 \$293.33	Located in Benner Bay, this marina was recently renovated within the past two years. Amenities include 24/7 security, fresh water hookups, electricity, WIFI, and good overall construction. The marina requires a one-year contract for wet slip rentals.
American Yacht Harbor 18A-1, 18-B1,18-B and 18-W Remainder Estate Smith Bay St. Thomas, VI	98 7	<49' 50' - 79' >80' T-Heads	\$43.50 \$50.80 \$102.81 \$102.81	\$521.95 \$609.55 \$1,233.70 \$1,233.70	Subject marina that is part of a full scale, mixed use property that contains various retail and office components. There are a total of 9 restaurants on this property and many more shops and stores throughout. Marina amenities include electricity, fresh water, 24/7 security, WIFI and on-site fuel.

Competitive Marinas - British Virgin Islands

Marina	# of Wet Slips	Length	Avg. Monthly Wet Slip Rental/LF	Avg. Annual Wet Slip Rental/LF	Services/Amenities
Soper's Hole Marina West End Tortola, BVI	45	<80' >80'	\$38.02 \$57.03	\$456.25 \$684.38	Mixed-use marina property that contains shops, restaurants, offices and water-sports rentals in addition to 20 protected moorings and 45 wet slips. Amenities include electricity, fresh water, fueling, showers, waste management, and free wifi in addition to haul-out and repair and maintenance services.
Nany Cay Tortola, BVI	180	35'-49' 50'-100' <100' T-Head	\$43.95 \$51.86 \$78.32 \$71.78	\$527.43 \$622.33 \$939.88 \$861.40	This is a protected marina located on the southern coast of Tortola, between Road Town and West End. The property contains retail, office and hotel uses on site. Amenities include electricity, fresh water, showers, waste disposal and haul and repairs and maintenance services. This marina also includes dry slips which are not included in this analysis.
Virgin Gorda Yacht Harbor St Thomas Bay Virgin Gorda, BVI	120	<55' 56'-79' <80'	\$34.98 \$76.04 \$83.65	\$419.75 \$912.50 \$1,003.75	This marina is located in Spanish Town on the island of Virgin Gorda. Both wet and dry slips are offered but the dry slip rates have not been considered in this analysis. There are some retail and office components at the property. Marina amenities include electricity, fresh water, showers, garbage disposal, laundry, provisioning and fueling.

Maps of Competitive Marinas

St. Thomas



British Virgin Islands



Of the comparable marinas in St. Thomas, Yacht Haven Grande is the most superior in terms of location, quality and amenities. This marina is typically geared to extremely large vessels such as mega-yachts. Crown Bay Marina is slightly inferior to Yacht Haven Grande, but is still superior to the subject in quality and amenities. Sapphire Beach Resort, Compass Point and Oasis Cove are all considered to be inferior marinas to the subject based on location, quality and amenities offered. These marinas mostly cater to live-aboards and smaller vessels.

The most comparable properties are located in the British Virgin Islands (BVI). Nany Cay and Virgin Gorda Yacht Harbor are slightly superior to Soper's Hole, but they are all similar in quality and amenities as the subject property. The location of the subject in St. Thomas, and its specific location within St. Thomas, is considered superior based on convenience.

The majority of the subject's wet slips (98 out of 105) allow for vessels less than 80'. In this size range, the comparable marinas in St. Thomas range from \$199.32 - \$1,314 with an average of \$578.38 per linear foot. The comparable marinas in the BVI range from \$419.75 - \$912.50 with an average of \$587.65 per linear foot in this size range. The subject's asking rates for this size vessel averages approximately \$565.75, which is slightly below average but reasonable.

Property Analysis

Land Description and Analysis

Land Area Summary

Parcel ID	Address	SF	Acres
1-07702-0135-00	18A-1 Remainder Smith Bay	9,583	0.22
1-07702-0134-00	18B-1 Remainder Smith Bay	20,909	0.48
1-07702-0133-00	18B Remainder Smith Bay	61,855	1.42
1-07702-0198-00	18-W (filled land)	27,878	0.64
Total		120,226	2.76

Source: Land survey by Brian Moseley dated 12/10/2010

Note that Parcel No 18-W was originally submerged seabed in Vessup Bay; however, this area was reclaimed (filled) at an unknown date and subsequently improved upon. The subject property also includes a leasehold interest in 3.2 acres of submerged seabed under the dock structures that is owned by the Government of the Virgin Islands.

Land Description

Land Area	2.76 acres; 120,226 SF
Source of Land Area	Land survey by Brian Moseley dated 12/10/2010
Primary Street Frontage	Smith Bay Road - 765 feet
Shape	Irregular
Corner	No
Water Frontage	Yes
Topography	Genetly sloping east and towards the water
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	780000029G
Date	April 16, 2007
Zone	AE
Description	Within 100-year floodplain
Insurance Required?	Yes

Zoning; Other Regulations

Zoning Jurisdiction	U.S. Virgin Islands Department of Planning and Natural Resources
Zoning Designation	W-1
Description	Waterfront - Pleasure
Legally Conforming?	Appears to be legally nonconforming
Zoning Change Likely?	No
Permitted Uses	Variety of commercial uses, oriented towards water recreation and hospitality uses
Minimum Lot Area	10,000 s.f.
Minimum Street Frontage (Feet)	None
Minimum Lot Width (Feet)	100'
Minimum Front Setback (Feet)	25'
Minimum Side Yard (Feet)	10'
Maximum Building Height	3 stories
Maximum Site Coverage	0.4
Maximum Density	Maximum of 2 dwelling units per lot or 8.35 dwelling units per acre
Rent Control	No
Other Land Use Regulations	None that we are aware

Utilities

Service	Provider
Water	Reverse Osmosis/WAPA available
Sewer	WAPA
Electricity	WAPA
Natural Gas	N/A
Local Phone	Various providers

It appears based the land survey provided that a portion of the building improvements does not meet the setback requirements by zoning and that the subject is a legal, nonconforming use. However, we

are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

The subject is located within a 100-year floodplain related to coastal flooding, which would require additional insurance at the expense of the owner.

The subject site has 765 linear feet of frontage along Smith Bay Road. In addition, the subject has 846 linear feet of water frontage along Vessup Bay. There is no beach along the waterfront portion; with the coastline being that of existing and former mangroves. It is assumed that dredging occurred at some point in time which enabled dockage in close proximity to the water line.

Easements, Encroachments and Restrictions

Based upon a review of the deed and property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. According to the property survey provided, the subject parking garage encroaches the neighboring parcel to the north in two separate areas: an 82 square foot area encroaches onto Parcel 18N-1-A A, and a 105 square foot area encroaches onto Parcel 18B-2 A. These areas are small in size and the parcels being encroached upon are uneconomic remnants of land owned by the Government of the Virgin Islands. As a result, these encroachments do not have an adverse effect on the overall value of the subject. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Land Analysis

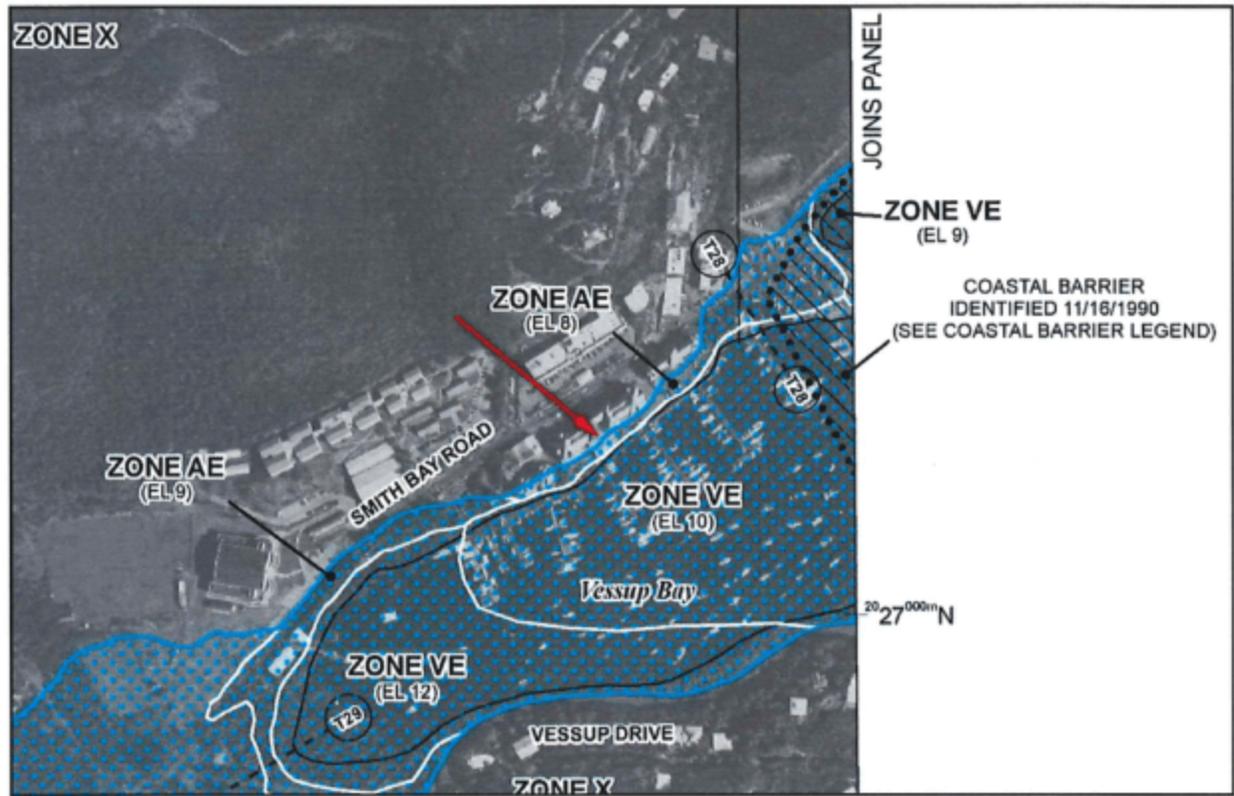
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. The subject's location along Smith Bay Road in the heart of Red Hook, along with its extensive water frontage on Vessup Bay, are major drivers of demand and value for marina and commercial use on the site. We are not aware of any other particular restrictions on development.

Cadastral Map

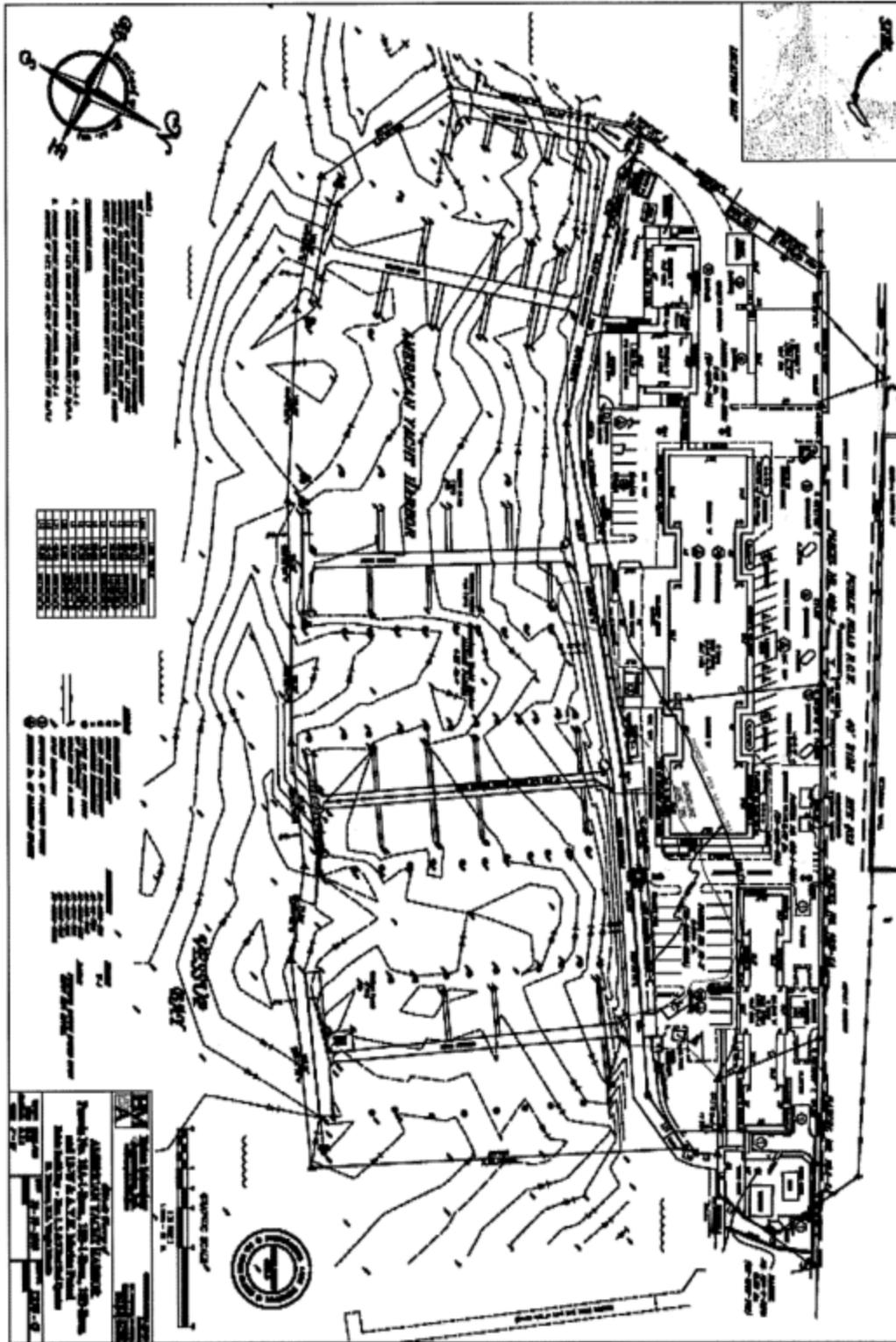


Note that the area outlined in yellow above only includes the (upland) land area of the subject property and not seabed beneath the marina.

Flood Map



Site Plan



Improvements Description and Analysis

The subject is an existing 250-slip marina with 5 commercial buildings containing a mixture of retail and office space types. The buildings contain 48,661 square feet of rentable area and were constructed in multiple stages; with the majority of the construction completed in 1993. The commercial space is 85% leased as of the effective appraisal date. The marina docks were constructed in multiple phases between 1991-1995 and are 52.8% occupied as of the effective appraisal date. The total site area is 2.76 acres or 120,226 square feet, which includes 0.64 acre or 27,878 square feet, that is re-claimed land. The property also includes 3.2 acres of seabed under the marina dock structures which is leased to the property owner from the Government of the Virgin Islands.

Improvements Description

Name of Property	IGY American Yacht Harbor Marina
General Property Type	Mixed Use
Property Sub Type	Marina
Competitive Property Class	B
Occupancy Type	Multi-Tenant
Percent Leased	85%
Number of Tenants	36
Tenant Size Range (SF)	292 - 6,000
Number of Buildings	5
Stories	3
Construction Class	A
Construction Type	Steel frame
Construction Quality	Good
Condition	Good
Units per Acre (Density)	38.0
Gross Building Area (SF)	72,808
Rentable Area (SF)	48,652
Land Area (SF)	120,226
Floor Area Ratio (RA/Land SF)	0.40
Floor Area Ratio (GBA/Land SF)	0.61
Building Area Source	Rent roll and land survey by Brian Moseley dated 12/10/2010
Year Built	1992
Year Renovated	N/A
Actual Age (Yrs.)	23
Estimated Effective Age (Yrs.)	15
Estimated Economic Life (Yrs.)	55
Remaining Economic Life (Yrs.)	40
Number of Parking Spaces	167
Source of Parking Count	Inspection
Parking Type	89 surface; 78 covered, underground
Parking Spaces/1,000 SF RA	3.43

Construction Details

Foundation	Reinforced concrete footings
Structural Frame	Steel frame
Corridor	Exterior breezeways
Exterior Walls	Painted masonry on the lower levels, wood-siding on the upper levels
Windows	Fixed commercial glass with wooden hurricane shutters
Roof	Pitched with standing seam metal roof
Interior Finishes	The subject property contains a total GBA of 72,808 and a rentable area of 48,652. The large difference in area totals is due to a significant amount of exterior common areas as well as a 1,406 SF management office. The improvements are contained within five total buildings varying from one story to three stories. Each building contains a mixutre of retail and office space, with the retail spaces generally on the ground levels and the office spaces generally on the upper levels. The interior upfits of the spaces vary in use, quality and condition but generally are considered to be of good quality and condition. Based on the rent roll there are a total of 39 rentable spaces of which 10 are upfit as bar/restaurants (3 which share a kitchen), 17 are considered general retail spaces, 11 are considered general office spaces and one is considered a storage space.
Floors	Combination of carpet, ceramic or porcelain tile, hardwood, and exposed brick.
Walls	Combination of rendered and painted masonry and painted sheetrock.
Ceilings	Combination of suspended grid accoustic panels, painted sheetrock, and tongue and groove or bead board.
Lighting	Combination of incandescent and fluoresent lighting with fixtures ranging from average to good quality.
Electrical	Assumed typical installation to code
Plumbing	Assumed typical installation to code
Heating	None
Air Conditioning	Central
Utility Meters - Tenants	Individually metered for water and electricity
Elevators	One
Rest Rooms	Common area bathroom are adequate. There are four full bathrooms of good quality that are available to tenants of the marina.
Sprinklers	None
Other Fire Safety	Steel structural beams are fire coated with concrete
Security	The subject is gated along the waterfront and interior/exterior security cameras are installed throughout the property.
<hr/>	
Site Improvements	
Landscaping	Average
No. of Customer Parking Spaces	167
Gates/Fencing	Over 6' aluminum gate along the subject's waterfrontage
Paving	Combination of concrete and brick pavers

Improvements Analysis – Building Improvements

Quality and Condition

The quality and condition of the subject is considered to be superior to that of competing properties. The interior and exterior building improvements are considered to be of good quality and in good condition based on our inspection.

Functional Utility

The improvements appear to be adequately suited to their current use, and there do not appear to be any significant items of functional obsolescence.

Deferred Maintenance

A few items of deferred maintenance were identified during our inspection and based on discussions with management. These include repairs and replacement to the parking garage ceiling, replacing the wooden deck on the upper level Building A, and re-facing various portions of the marina jettys. Note that a detailed description of the marina improvements will be discussed in the following section of this report. To estimate the cost to cure deferred maintenance, we rely on construction estimates from management as shown below.

Deferred Maintenance	
Item	Estimated Cost
Parking garage ceiling	\$40,000
Wooden deck repair/replacement	\$25,000
Marina decking and fendering repair/replace	\$96,000
Total	\$161,000

*Values expressed in United States Dollars

Planned Capital Expenditures

From 2013 to 2015, a total of \$771,460.93 has been spent on various capital expenditures. The major improvements over the past three years were \$84,088 for exterior column replacement, \$62,172 for security cameras, \$62,013 for marina bathrooms, and \$281,950 for hand rail replacement. Upcoming expenditures for various capital items considered to be necessary are identified in the following table. To estimate the amounts of these expenditures, we rely on discussions with management. Estimated capital expenditures are as follows.

Capital Expenditures

Item	Year 1
Transformer	\$10,000
Exterior stairwell repairs	\$30,000
Total	\$40,000
Percent Applied	100%
Net Total	\$40,000

*Values expressed in United States Dollars

ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. There are three 10,000 gallon diesel storage tanks and one 10,000 gallon gasoline storage tank located unground at the subject site. In addition, there is a marine fueling dock located on the marina. We have assumed there is no environment damage to the subject property as the result of these fuel stations and unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings

Visibility/Exposure	Above Average
Design and Appearance	Above Average
Age/Condition	Above Average
Adaptability of Space to other Retail Users	Above Average
Bathrooms	Average
Parking Ratios	Below Average
Distance of Parking to Building Access	Average
Landscaping	Average

Overall, the quality, condition, and functional utility of the improvements are above average for their age and location. The subject benefits from good access and visibility from both the waterfront and the main thoroughfare of Smith Bay Road. In addition, the overall quality and condition of the subject is above average for this market. Due to the small site size and large number of commercial tenants, there is insufficient parking at the subject based on market standards.

Improvement Analysis – Marina

The marina currently contains 105 wet slips, although that number can vary somewhat depending on the size (width) of the occupying vessels. Each designated slip is supplied with its own electrical outlet and fresh water supply, as well as access to a refueling line. The individual slip sizes can vary based on boater needs, but they can accommodate a variety of vessels, typically within the range from 30 to 79 linear feet for the standard slips, and 79 to 110 linear feet for the T-head slips. In addition, some slips have an attached finger for easier access, which is considered more desirable.

Generally the jetties and slips are constructed of PVC pilings bored and filled with concrete and steel; and wood plank surfacing. Many of the smaller slips are horizontally separated by wooden columns used to tie up vessels rather than there being jetties between each slip.

The physical docks were constructed over several years, from 1991-1995, and are considered to be in average condition. Ongoing renovations have been made to the docks throughout the years, with upcoming expenditures included a complete resurfacing as well as re-facing the wooden skirts on most concrete pilings. The docks consist of mostly concrete pilings and cross braces with some wood, along with wooden skirts and wood decking surface. There have been no major renovations to slip structure within the past five years.

The subject marina benefits greatly from its location in Vessup Bay, which is well protected and positioned in a convenient area at the heart of Red Hook. In addition, this bay has a direct route to St. John and the British Virgin Islands and has a depth that will accommodate vessels with a maximum draft of 10 feet and a maximum vessel length of 110 feet. The subject is one of the closest commercial marinas to both St. John and the BVI, and this convenient location is a major demand generator for commercial charters as well as vessels based in St. John and the BVI which are often in need of a fueling station. The quality and condition of the docks is considered to be average; however, the services and amenities offered at this marina are considered to be above average.



Front exterior of commercial building
(Photo Taken on November 25, 2015)



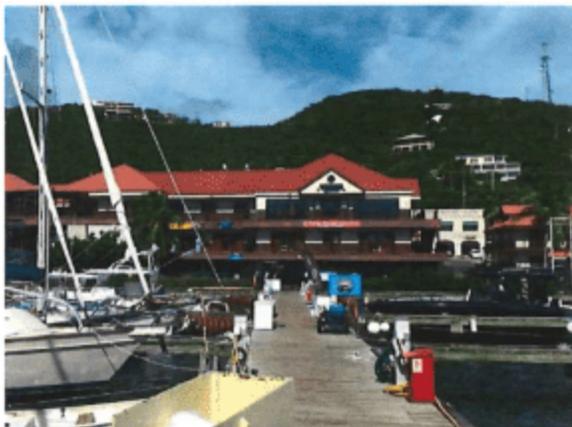
Front and side exterior of commercial building
(Photo Taken on November 25, 2015)



Side exterior of commercial building
(Photo Taken on November 25, 2015)



Rear and side exterior of commercial building
(Photo Taken on November 25, 2015)



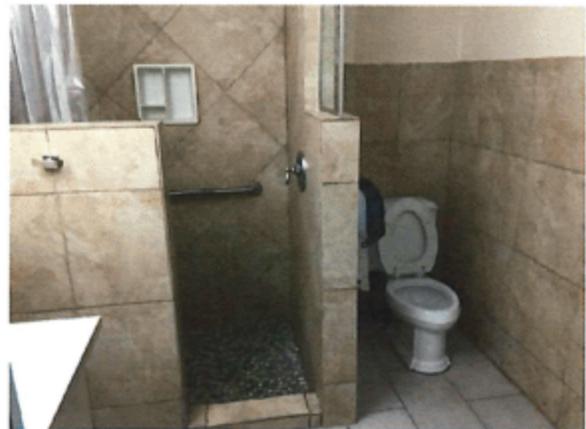
Rear exterior of commercial building from marina dock
(Photo Taken on November 25, 2015)



Rear exterior of commercial building
(Photo Taken on November 25, 2015)



Interior of management office
(Photo Taken on November 25, 2015)



Bathrooms for marina tenants
(Photo Taken on November 25, 2015)



Interior of restaurant space
(Photo Taken on November 25, 2015)



Interior of general retail space
(Photo Taken on November 25, 2015)



Interior of general retail space
(Photo Taken on November 25, 2015)



Interior of general retail space
(Photo Taken on November 25, 2015)



Interior of restaurant space
(Photo Taken on November 25, 2015)



Interior of restaurant space
(Photo Taken on November 25, 2015)



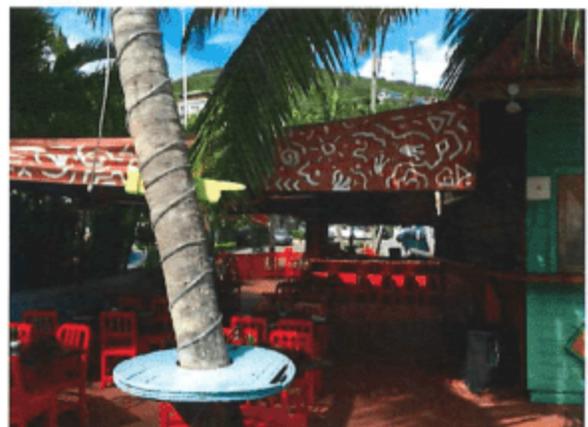
Interior of vacant office space
(Photo Taken on November 25, 2015)



Interior of occupied office space
(Photo Taken on November 25, 2015)



Interior of restaurant space
(Photo Taken on November 25, 2015)



Interior of restaurant space
(Photo Taken on November 25, 2015)



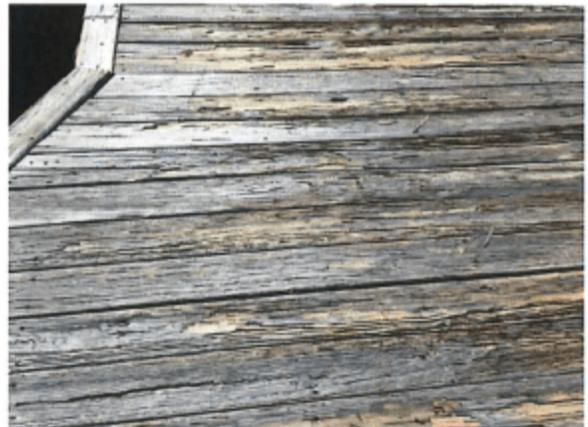
Typical marina dock
(Photo Taken on November 25, 2015)



Marina dock looking back to main commercial building
(Photo Taken on November 25, 2015)



Fuel dock
(Photo Taken on November 25, 2015)



Close-up of dock surface
(Photo Taken on November 25, 2015)



Overview of marina dock
(Photo Taken on November 25, 2015)



Street view of Smith Bay Road looking northeast
(Photo Taken on November 25, 2015)