

From: Richard Kahn <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

Subject: Fwd: Q2 2017 Reporting - American Yacht Harbor""

Date: Tue, 01 Aug 2017 15:00:34 +0000

Attachments: AYH_Q2_2017_Lender_Report.pdf

numbers look great - a few highlights as of june 30 2017

cash in bank	3,739,189
net cash flow for 6 months	573,796
capital improvements for 6 months	200,074
Net operating income for 6 months	1,459,030

RK estimate of valuation:

annualize NOI 1,459,030 x 2 = 2,918,060

assume buyer wants 10-11% cap rate (due to deferred maintenance) then value of property is somewhere between
26,527,818 to 29,180,060

assume 27,000,000 sales price
less bank debt 12,033,435

net value approx before balance sheet cleanup 14,966,565
cash / prepaids less liabilities is approx another 3,035,000 of value

total value per RK 18,000,000

jee share	9,000,000
jee basis in investment (see below)	<u>4,675,354</u>
net profit on investment	4,324,646

jee basis summary

5/29/2007 investment	12,976,978
8/29/2007 bank refinancing distribution	(7,508,969)
11/09/2011 distribution	(250,000)
5/16/2014 distribution	(292,655)
4/8/2016 distribution	(50,000)
5/3/2016 distribution	<u>(200,000)</u>

jee basis ** 4,675,354

** note this number does not take into consideration tax implications of k-1 passthroughs (which in your case has been suspended passive losses)

not sure about your thoughts on long term holding other than benefits we receive from slips, parking, etc but valuation in my opinion is finally higher than acquisition (10 years ago) and

now may be a good time to consider liquidating to Farkas or another buyer as my quick calculation would yield you approximately 9,000,000 in cash proceeds.... as long as your benefits are kept in tact..

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022

Begin forwarded message:

From: "Lande, Mark" <[REDACTED]>
Subject: Q2 2017 Reporting - American Yacht Harbor""
Date: August 1, 2017 at 10:08:44 AM EDT
To: "Lande, Mark" <[REDACTED]>, 'Richard Kahn' <[REDACTED]>
Cc: 'Jeanne Brennan' <[REDACTED]>, "Greene, Jennifer" <[REDACTED]>, "Brown, Luke" <[REDACTED]>, ""Darren Indyke"" <[REDACTED]>, "Lande, Mark ([REDACTED])" <[REDACTED]>, "Conforti, Lorraine" <[REDACTED]>

Dear Richard,

Please find attached the Q2 f/s for American Yacht Harbor,

If you have any questions, please do not hesitate to contact me.

Yours,
Mark Lande

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