

AYH: Financial Projections

ATTACHMENT H



# Acquisition Terms - American Yacht Harbor

Acquisition Budget	
<b>Due Diligence</b>	
<b>Fees</b>	
IGY Acquisition Fee	1.00% 255,000
Lender Fee	1.00% 90,000
Subtotal	345,000
<b>Legal</b>	
Casner	25,000
Greenburg Traurig	75,000
Deed - Filing Fee	-
Title Insurance - Endorsements	-
Subtotal	100,000
<b>Physical Studies</b>	
ATM - Phase I	25,000
ATM - Testing	10,000
Subtotal	35,000
<b>Other</b>	
Appraisal	20,000
Closing Prorations	-
Lender Due Diligence	-
Survey	-
Travel	-
Valuation Letter	-
Working Capital	-
Credit to Seller	(187,500)
Subtotal	(167,500)
Conveyance Tax <sup>(1)</sup>	108,271
<b>Total IGY Acquisition Expenses</b>	<b>420,771</b>

Acquisition Terms	
AYH	<b>\$25,500,000</b>
<b>Total Purchase Price</b>	<b>\$25,500,000</b>
<b>Debt</b>	
Lender Financing	\$9,000,000
Less: Total Debt	\$9,000,000
<b>Net Equity Purchase Price (100% ownership)</b>	<b>\$16,500,000</b>
Add: IGY Acquisition Expense	420,771
<b>Total Acquisition Cost</b>	<b>\$16,920,771</b>

(1) Buyer and Seller agree to split 50%. Based on 3.5% of building value of \$5,193,128 and land value of \$993,811.

# American Yacht Harbor - St. Thomas, USVI

Slip Assumptions	
Small (20'-55')	100
Large (56'-)	24
Non-revenue bearing	4
<b>Total LF</b>	<b>1,540</b>
	<b>3,971</b>
	<b>135</b>

Valuation	(25,500,000)
Purchase Price	6.3%
Cap Rate (Going in)	8.5%
Cap Rate (Out)	3.0%
Sales Costs @ Year	10%
Terminal Sale	8.5%
Levered IRR	8.5%

Debt	9,000,000
Balance	35%
LTV	9.25%
Rate	15
Term	15
Amort.	15

Upland Assumptions	SF
Rec'd	47,000
Parking Spaces	135

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Deck Revenue											
Ships	24%	1,438,493	1,510,417	1,585,938	1,665,235	1,748,497	1,835,922	1,927,718	2,024,104	2,124,309	2,231,574
Fuel	42%	2,579,907	2,708,903	2,844,348	2,986,565	3,135,893	3,292,688	3,457,322	3,630,189	3,811,698	4,002,283
Water/Cable/Electr	8%	503,472	528,646	555,078	582,832	611,974	642,573	674,701	708,436	743,858	781,051
Rentals											
Upload											
Lease	23%	1,409,883	1,489,450	1,616,964	1,707,965	1,805,847	2,001,209	2,112,791	2,220,010	2,336,761	2,450,946
Storage	3%	101,400	104,112	107,236	110,453	113,766	117,179	120,695	124,315	128,045	131,886
Service	1%	67,800	69,870	72,030	74,282	76,625	79,056	81,574	84,179	86,871	89,650
Other	2%	96,928	99,820	102,831	105,960	109,216	112,603	116,120	119,767	123,545	127,456
Insurance	0%	17,924	18,462	19,016	19,586	20,174	20,780	21,404	22,046	22,706	23,381
Gross Receipts Tax	-2%	(107,073)	(112,850)	(118,669)	(124,523)	(130,413)	(136,339)	(142,299)	(148,291)	(154,316)	(160,374)
<b>Total Revenue</b>		<b>6,076,285</b>	<b>6,384,836</b>	<b>6,782,004</b>	<b>7,094,088</b>	<b>7,456,289</b>	<b>7,928,562</b>	<b>8,330,754</b>	<b>8,782,941</b>	<b>9,179,731</b>	<b>9,628,772</b>
Cost of Goods Sold	46%	2,862,265	2,943,404	3,102,947	3,259,275	3,423,981	3,620,950	3,803,398	3,992,336	4,191,756	4,398,911
<b>Total Gross Revenue</b>		<b>3,214,020</b>	<b>3,441,432</b>	<b>3,679,056</b>	<b>3,835,213</b>	<b>4,032,308</b>	<b>4,307,612</b>	<b>4,527,356</b>	<b>4,790,605</b>	<b>4,987,975</b>	<b>5,230,861</b>
Expenses	% of										
Preval	22%	322,711	338,446	355,789	373,578	392,257	411,870	432,463	454,087	476,791	500,630
Admin	12%	164,517	169,517	174,517	179,517	184,517	189,517	194,517	199,517	204,517	209,517
Marketing	6%	49,821	51,221	52,621	54,021	55,421	56,821	58,221	59,621	61,021	62,421
Utilities	10%	127,211	131,021	134,831	138,641	142,451	146,261	150,071	153,881	157,691	161,501
Other	7%	89,937	93,747	97,557	101,367	105,177	108,987	112,797	116,607	120,417	124,227
CAM Reimbursement	-5%	(199,645)	(199,645)	(205,437)	(211,229)	(217,021)	(222,813)	(228,605)	(234,397)	(240,189)	(245,981)
P-Deck Lease	9%	119,591	123,179	126,767	130,355	133,943	137,531	141,119	144,707	148,295	151,883
Land Lease	5%	63,421	65,324	67,227	69,130	71,033	72,936	74,839	76,742	78,645	80,548
Other	1%	16,022	16,502	16,982	17,462	17,942	18,422	18,902	19,382	19,862	20,342
Insurance	36%	469,292	483,371	497,450	512,808	528,192	544,038	560,359	577,170	594,485	612,319
RE Taxes (EOC benefits-100% exemption)											
Donations	2%	28,916	29,784	30,677	31,598	32,545	33,522	34,527	35,563	36,630	37,729
Depreciation	4%	52,260	53,828	55,443	57,106	58,819	60,584	62,401	64,273	66,202	68,188
Capital Expenditures											
<b>Total Expenses</b>		<b>1,907,103</b>	<b>1,985,953</b>	<b>2,069,133</b>	<b>2,156,621</b>	<b>2,248,146</b>	<b>2,344,134</b>	<b>2,444,581</b>	<b>2,549,534</b>	<b>2,659,001</b>	<b>2,773,096</b>
Cap Rate											
<b>NOI (before Fees)</b>		<b>1,765,917</b>	<b>1,911,029</b>	<b>2,138,923</b>	<b>2,374,591</b>	<b>2,518,142</b>	<b>2,756,668</b>	<b>2,998,378</b>	<b>3,061,071</b>	<b>3,236,674</b>	<b>3,414,866</b>
Mgmt Fee											
Adjusted NOI											
Cap Rate											
GP Mgmt Fee											
Exit Value											
<b>Cash Flow Before DS</b>											
Debt Service											
DSIC											
<b>Cash Flow After DS</b>											
Debt Pay Down											
<b>Net Cash Flow</b>											
Debt Capital											
Structural Capital											
Equipment Capital											
<b>Net Cash Flow</b>											
IBR											
<b>Return on Equity</b>											
Ownership	100%										
Purchase Price											
Acquisition & Due Diligence Costs											
Acquisition Fee (1% of Acq. Equity)											
IGY Mgmt Fees											
IGY Cash Flow											
<b>Net Cash Flow</b>											
IGY IBR											
<b>Return on Equity</b>											

## IGY Level Returns

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt											
Balance											
LTV											
Rate											
Term											
Amort.											
<b>IGY Level Returns</b>											
Year 0	8.5%	-0.2%	1.1%	0.7%	3.4%	5.3%	6.8%	7.6%	8.4%	9.3%	
Year 1		2.0%	3.4%	3.2%	6.0%	8.0%	9.8%	10.7%	11.7%	12.8%	
Year 2			3.4%	3.2%	6.0%	8.0%	9.8%	10.7%	11.7%	12.8%	
Year 3				3.2%	6.0%	8.0%	9.8%	10.7%	11.7%	12.8%	
Year 4					6.0%	8.0%	9.8%	10.7%	11.7%	12.8%	
Year 5						8.0%	9.8%	10.7%	11.7%	12.8%	
Year 6							9.8%	10.7%	11.7%	12.8%	
Year 7								10.7%	11.7%	12.8%	
Year 8									11.7%	12.8%	
Year 9										12.8%	
Year 10											12.8%

**American Yacht Harbor  
2006-2010 Capital Projections**

	Sun Resorts (5 yr Plan)						Notes	Sun Resorts and ATM (5yr Plan)					
	2006	2007	2008	2009	2010	Total		2006	2007	2008	2009	2010	Total
F-Building Storage/Column & stair repair	50,000					50,000	No storage added just deck and stair repair -ATM estimate	17,500					
Pilings D09ID13			2,000			2,000	Replace hardware on D dock- ATM estimate			4,000			
Mapping contour/Dredging			150,000			150,000	ATM noted in write up- Sun estimate			#####			
30' Finger Piers A5-7, A9-11, A13-15, A17-19			50,000			50,000	Delete-See ATM estimates below for A Dock						
Facia Boards	75,000					75,000	Delete-See ATM estimates below for docks						
Parking Gate Lower Garage	7,000					7,000	Sun estimate	7,000					
Drain Auger		4,500				4,500	Sun estimate		4,500				
Street Squeegee/Vacuum	30,000					30,000	Sun estimate	30,000					
Gutters A-Bldg		5,000				5,000	Delete-See ATM estimates below for A Bldg						
B-Dock Remote Fuel		80,000				80,000	ATM estimate includes: decking, walers, rim joists, piles, pile caps, mooring piles						
Replace all Roofing screws		20,000				20,000	Delete-See ATM Bldg estimates						
F-Building Renovation/Roofing etc					200,000	200,000	ATM estimate						97,000
Termite treatment for all buildings			10,500				Sun estimate			10,500			
CCTV upgrade, 4 cameras Digital Recorder	10,000						Sun estimate	10,000					
Frame and Canopy over marlin deck		50,000					Sun estimate		50,000				
P-Dock Remote Fuel/Reconfigure				200,000			ATM estimate				84,980		
Satellite TV/Docks	24,000						Sun estimate	24,000					
Life Safety-ATM							<b>ATM ESTIMATES</b>						
Dock A-Repair Concrete Piles and Pile Caps									31,500				
Light Fixtures on Perimeter walkway									300				
Decking along Dingy Dock /Perimeter walkway									86,500				
Building A-PSL Rafters and Floor Beams									138,500				
Building A-Railings									11,500				
Building B & C-Railings									40,000				
Building D & E-Railings									13,500				
Replace (2) 500 kva transformers									40,000				
Dock A													
Replace wood decking, walers, rim joists										39,000			
Replace damaged concrete mooring piles										21,000			
Replace corroded dock hardware										7,650			
Upgrade utility pedestals										42,000			
Dock C													
Replace Wood decking, walers, and rim joists													25,000
Replace concrete piles and pile caps													18,000
Replace mooring piles													13,000
Replace corroded dock hardware													4,662
Dock E													
Replace Wood decking, walers, and rim joists													18,000
Replace concrete Piles & pile caps													14,000
Replace corroded Dock hardware													3,322
Replace Wood Hose Holder													200
Upgrade/add utility pedestals													13,500
Perimeter Walkway													
Replace wood decking & Rim joists													82,000
Replace concrete piles & pile caps													70,000
replace corroded dock hardware													13,036
Rehabilitate Storm Drains													30,000
Remove roof-mounted generator													5,000
Building A													
Replace roof, exterior trim and stairs													70,000
Repair steel beams & columns													500
repair interior walls													4,000
Building B & C													
Repair concrete walls, exterior trim and stairs													53,000
Replace/repair ceiling & roof													#####
Replace light fixtures													5,000
Building D & E													
Replace Roof													27,000
Replace carpet													28,000
Replace Stairs													20,000
Fuel Dock Building													
Replace roof													3,000
Replace exterior trim													3,000
Replace hardware													760
<b>Total</b>	<b>196,000</b>	<b>159,500</b>	<b>212,500</b>	<b>200,000</b>	<b>200,000</b>	<b>968,000</b>		<b>88,500</b>	<b>765,962</b>	<b>#####</b>	<b>209,002</b>	<b>199,422</b>	<b>1,940,036</b>
Capital Improvements by Category													
Dock Capital									228,126	#####	134,002		60,662
Structural Capital									533,036	#####	75,000		103,760
Equipment Capital									4,800	10,500	-		35,000
Total Capex for Revised IC Memo									765,962	#####	209,002		