BRICK COVE MARINA

North Fork, Long Island

1760 Sage Blvd., Southold, NY 11944

Prepared By Laura Fallaha LF2640

EXECUTIVE SUMMARY

Fallion Capital Group "Fallion" is pleased to present the opportunity to invest in an exciting waterfront development project at Brick Cove Marina in the heart of North Fork, Long Island, New York. The proposed hospitality development will combine a 50,000 sqft upscale boutique hotel with 90 keys along with 33,000 sqft of premium health and wellness amenities and a 7500 sqft aquaponic facility serving an increasing ecotourism market.

Brick Cove Marina is a 12.49-acre property located on 1760 Sage Boulevard in North Fork, Long Island with 8.29 acres (361,112.4 sqft) upland, 4.2 acres (182,952 sqft) underwater and 1,800 ft of water frontage. Originally a brickyard built in 1887, Brick Cove Marina currently operates as a fully functioning marina equipped with 138 existing in-water boat slips at 98% occupancy, boatlifts, maintenance workshops, an in-ground pool and an office generating an in place $1.2 MM in revenues. The property is currently owned by the Leverich Family, who has operated the marina, dry dock and repair businesses for over 30 years.
Perfectly situated to attract local families and tourists with just around a 2-hour drive from New York City, Brick Cove Marina is a perfect weekend getaway from the hustle of the City. The Property has a wide array of advantages. With its in place income from the marina, its prime waterfront position on the Peconic Bay and its relatively easy access to and from the City, Brick Cove Marina will transform the North Fork area and will serve as a health and wellness retreat as well as an educational and ecotourism venue.

Fallion is currently under contract to purchase the site for $8.8 million. The project is expected to be delivered in May 2023, with a total development budget of $57.1 million. The project will be funded with a $37.1 million construction loan.
Fallion is seeking an LP equity investment of **$18.0 million** for a **90% Limited Partner Equity position** in the development of Brick Cove Marina with 2 exit plans A and B.

Sources			PSF
Debt	$37,133,854.29		$349.39
Equity	$19,995,152.31		$188.13
General Partner	$1,999,515.23	10%	$18.81
Limited Partner	$17,995,637.08	90%	$169.32
Total Sources	**$57,129,006.60**		**$537.52**

Plan A - Holding Period 6 years

	IRR	Multiple
Project Level		
Unlevered	13.3%	1.7x
Levered	16.1%	2.2x
LP Equity	14.8%	2.1x

Plan B - Holding Period 16 years

	IRR	Multiple
Project Level		
Unlevered	13.5%	3.7x
Levered	18.5%	5.6x
LP Equity	16.7%	4.3x

INVESTMENT HIGHLIGHTS

Opportunity to acquire a fully functioning Marina site with a large footprint and unique waterfront position that provides breathtaking views to Shelter Island and the Peconic Bay.

Existing in place income of $1.2 million from the Marina alleviates some of the costs during the development and construction phase.

Strategic position within a wide variety of attractions: Brick Cove Marina is surrounded by vineyards, farms, golf courses and a rising art scene, making it a very sought for destination for tourists and local residents. The increasing trend of "Farm to Table", "agritainement", ecotourism and sports events secures a strong demand for our target users.

Easy access and location: With just around 2-hour drive from New York City, 7 min drive to Greenport and a 5 min boat ride to Shelter Island, the site is well positioned near main transportation routes and easily accessible for tourists and residents.

Proposed amenities in line or above comparable properties: this helps us achieve strong occupancy with competitive prices in the market.

Attractive Risk-Adjusted Returns: The proposed development project provides an attractive risk-adjusted return. The expected project-level levered return, with modest leverage of 65%, is **16.1%** for Plan A and **18.5%** for Plan B. The return to LP investors is projected to be **14.8%** for Plan A and **16.7%** for Plan B.

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PROJECT OVERVIEW

DEVELOPMENT CONCEPT

The development concept and programming from Brick Cove Marina aims to capitalize on the North Fork's strong touristic market demand as well as its burgeoning position as the "Un-Hamptons" of Long Island by providing a waterfront hospitality development.

The vision for Brick Cove is to develop a two story, 50,350 sqft boutique hotel on the South East corner of the site with 90 rooms taking advantage of the private beach on the Peconic River, the scenic views of Shelter Island and the marina, along with the proximity to Greenport. The hotel will feature an events space on the ground floor to host weddings and venues as well as a "Farm to Table" restaurant that promotes local farming practice. The first floor of the hotel will include the rooms: half overlooking the Peconic River and Shelter Island and the other half overlooking the Marina.

The F&B component will be served by the 7500 sqft Aquaponic facility for Oyster farming located on the South West corner of the site, and by the organic farms and vineyards in the Suffolk and extended Long Island neighborhoods. This partnership with local businesses will promote employment growth as well as extended benefits and returns to both the Marina and the locals. In fact, the aquaponics facility will cater for the rising business trend of oyster farming and ecotourism of the Long Island community. It will also feature a meeting space to cater for educational purposes and conference events.

On another hand, the 138 boat slips will be preserved and the Northern side of the site land will be allocated for dry storage during the winter. As such, boat owners could benefit from the space to store their boats during the winter season and the Marina would have a fully functioning maintenance system provided to boat owners. The Marina will also provide ferryboat services to and from Shelter Island to offer visitors attractions during day trips and golfing practice.

Additionally, 38,770 sqft of wellness and health amenities will be provided at the center of the site to serve a growing community of health conscious and athletic people. The center will feature a gym, a relaxation and yoga area, a half Olympic size pool, 2 tennis courts and a 20,000 feet perimeter running trail. The new pool will benefit from the initial in ground structure of the old pool with upgraded systems and materials and the old tennis courts will be renovated. The sports and wellness center will serve clients of the hotel on one hand, and a rising community of athletes in Long Island training for the LI Marathon, LI duathlons and LI triathlons on the other hand, as well as parents and children willing to spend a healthy and active day followed by a pleasant dinner by the water.

SITE PLAN

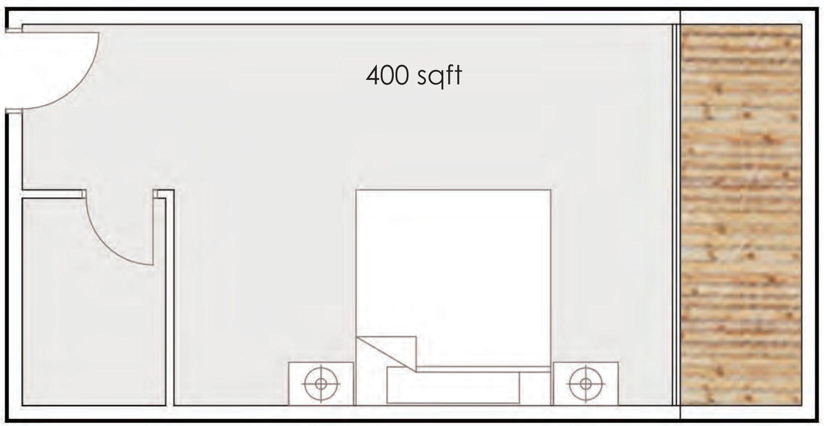
Boat ramp to storage and repair facility
Access points to the different uses on site
Boat Land Storage
Health and Fitness Center
Parking
Aqua ponic
Hotel
N

PROGRAMMING

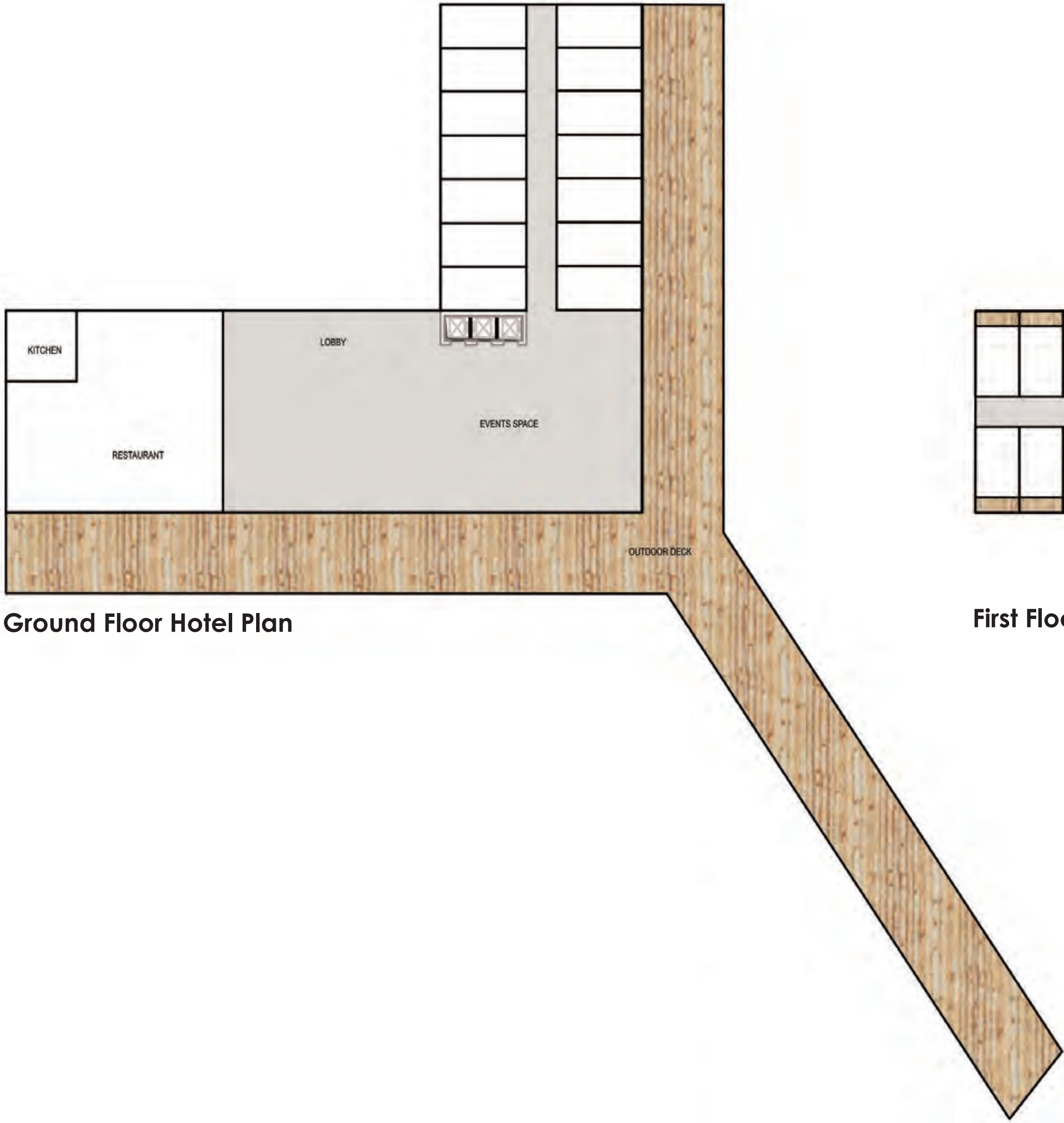
Boutique Hotel

Location: South East Corner
Area: 50,350 sqft
Keys: 90
Floors: GF + 2
Ground Floor: Destination worthy Farm to Table restaurant
Events Space with outdoor deck to host weddings and venues
Private Beach with boat access to Shelter Island
First Floor: Spacious 400 sqft rooms - half overlooking the Peconic River and Shelter Island and the other half overlooking the Marina.
Second Floor + Roof: Rooms + Bar and Lounge
Design: Biophilic Design promoting an inviting and invigorating atmosphere of well-being through sustainable and efficient materials and natural light, wood, greenery and organic space layout.

	Rooms	sqft/room	sqft
Rooms	90	400	36000
Lobby			1250
Event Space			8500
Restaurant + Kitchen			4600
Total			**50,350**



Typical Room Plan



Ground Floor Hotel Plan

First Floor Hotel Plan








PROGRAMMING

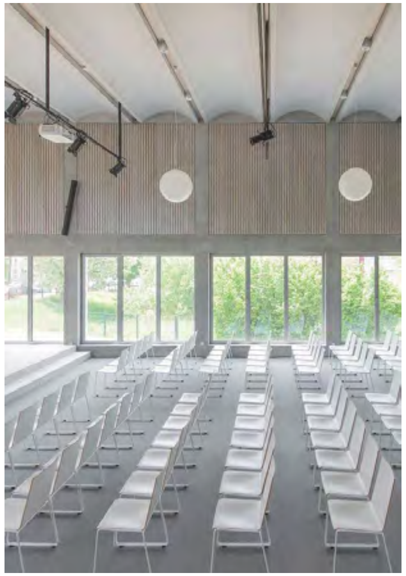
Amenities

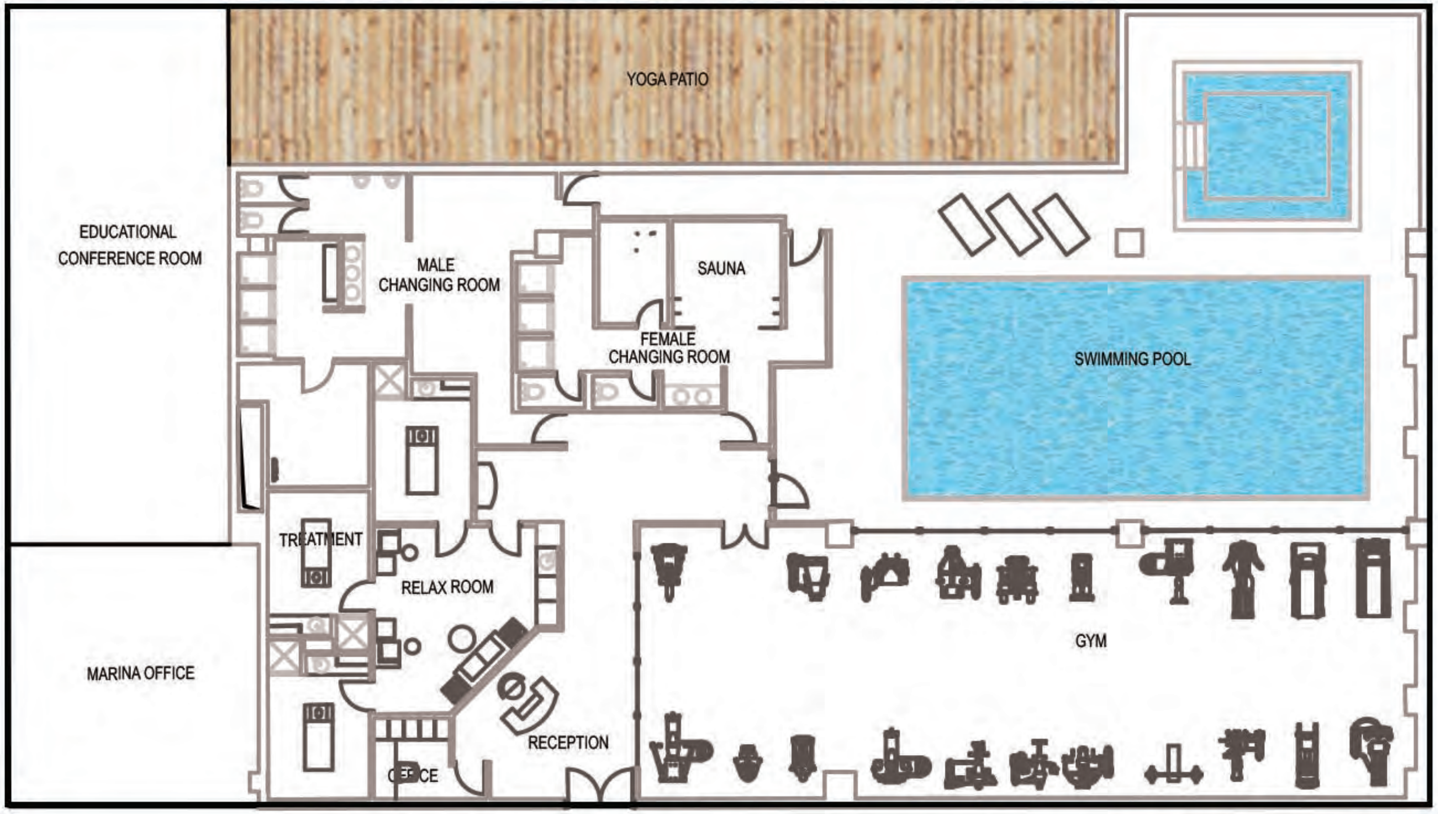
Location: Center
Area: 38,770 sqft
Floors: GF
Amenities:

- Gym
- Pool
- Tennis Courts
- Outdoor Running Trail
- Meeting and Conference Space

Design: Biophilic Design promoting an inviting and invigorating atmosphere of well-being through sustainable and efficient materials and natural light, wood, greenery and organic space layout.

Gym and Health Amenities	33000	sqft
Office and Conference	5770	sqft
Total	**38,770 sqft**	



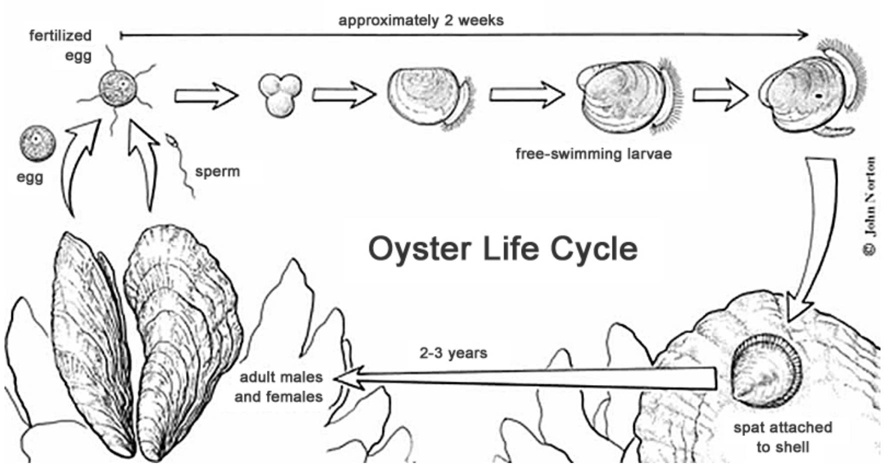


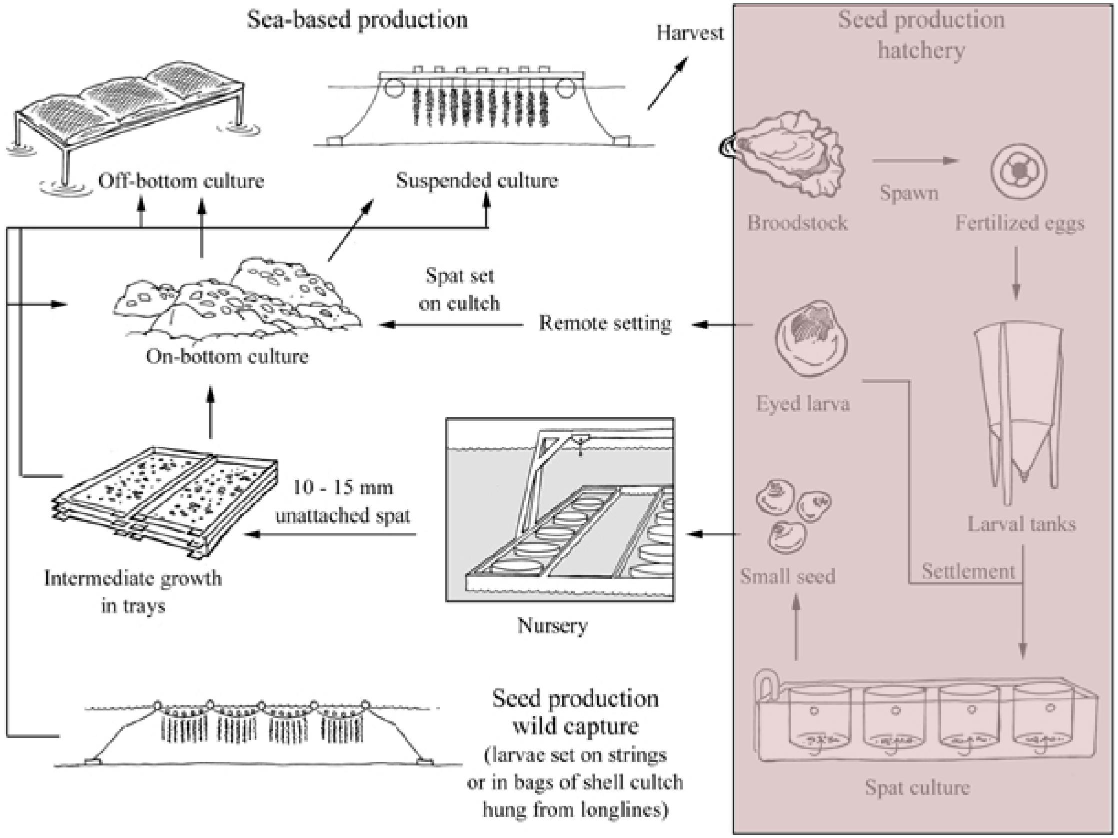
Sports and Wellness Facility

Aquaponics Facility

Location: South West of the site
Area: 7,500 sqft
Floors: GF
Program: Oyster production / hatchery
Oyster sea culture has been a rising practice on the East Coast and the Brick Cove Marina site has been raising oyster nurseries in water and exporting the in-land production.
The development aims to capitalize that trend and propose an in-house oyster production facility in order to cultivate the shells straight from the bay, process them and either sell them to restaurants or serve them fresh to the table. According to the East Coast Shellfish Grower's Association, 18 oysters can be produced per sqft giving us a total of 135,000 oysters yearly.

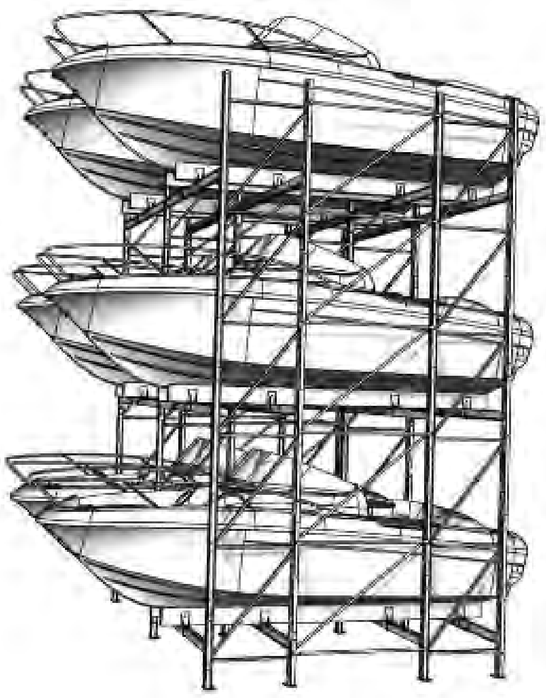
Total SF	7500
Number of Oysters PSF	18
Total	**135,000 oysters**

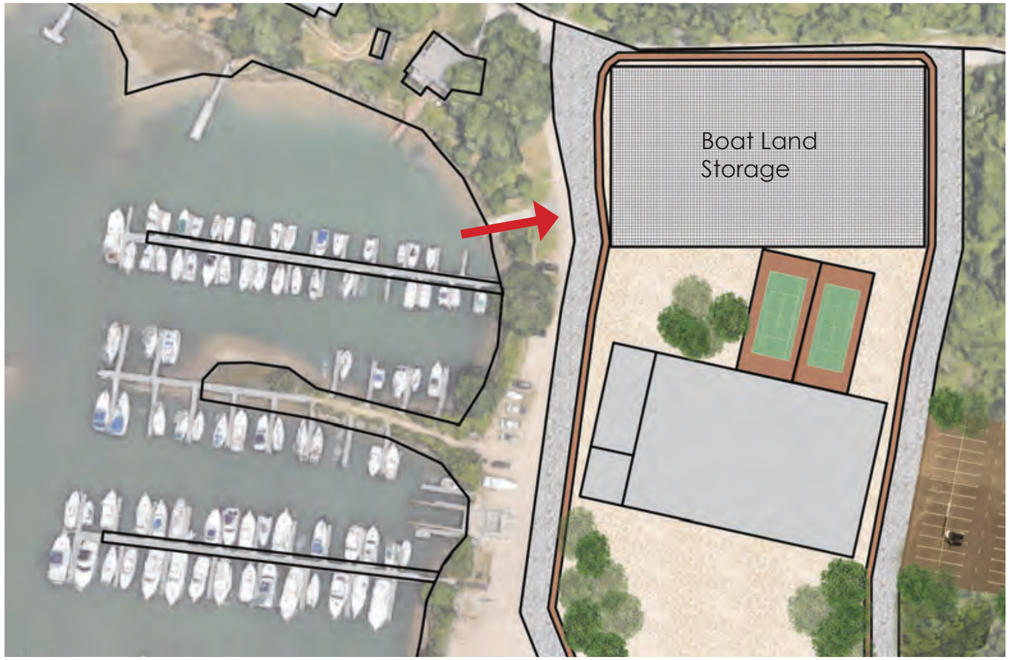




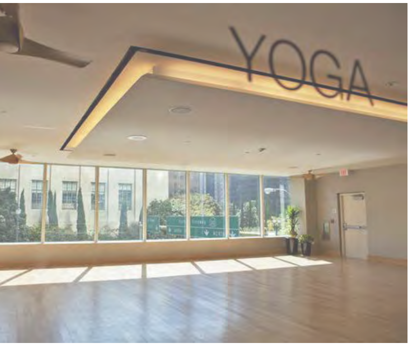
The Marina

Location: West and North of the site
Landscaped Area: 45,000 sqft
Use: The Marina as it currently sits, houses 138 boat slips in water during the summer season. The in-water slips will be preserved and the proposed developement allocates a landscaped area space at the rear side of the site for easy access from the ramp in order to organize the boats in dry storage racks during the winter. As such, boat owners could benefit from the space to store their boats during the winter season and the Marina would retain its fully functioning maintenance system provided to boat owners.









YOGA




AREA BREAKDOWN

Built		Rooms	sqft/room				
Boutique Hotel (GF+2)	Rooms	90	400	36000	50350	sqft	47.4%
	Lobby			1250			
	Event Space			8500			
	Restaurant + Kitchen			4600			
Gym and Health Amenities	(1 Floor)				33000	sqft	31.0%
Office and Conference	(1 Floor)				5770	sqft	5.4%
Aquaponic Facility	(1 Floor)				7500	sqft	7.1%
10% Gross Up		10%			9662	sqft	9.1%
Total Built (GSF)					**106282**	**sqft**	100%

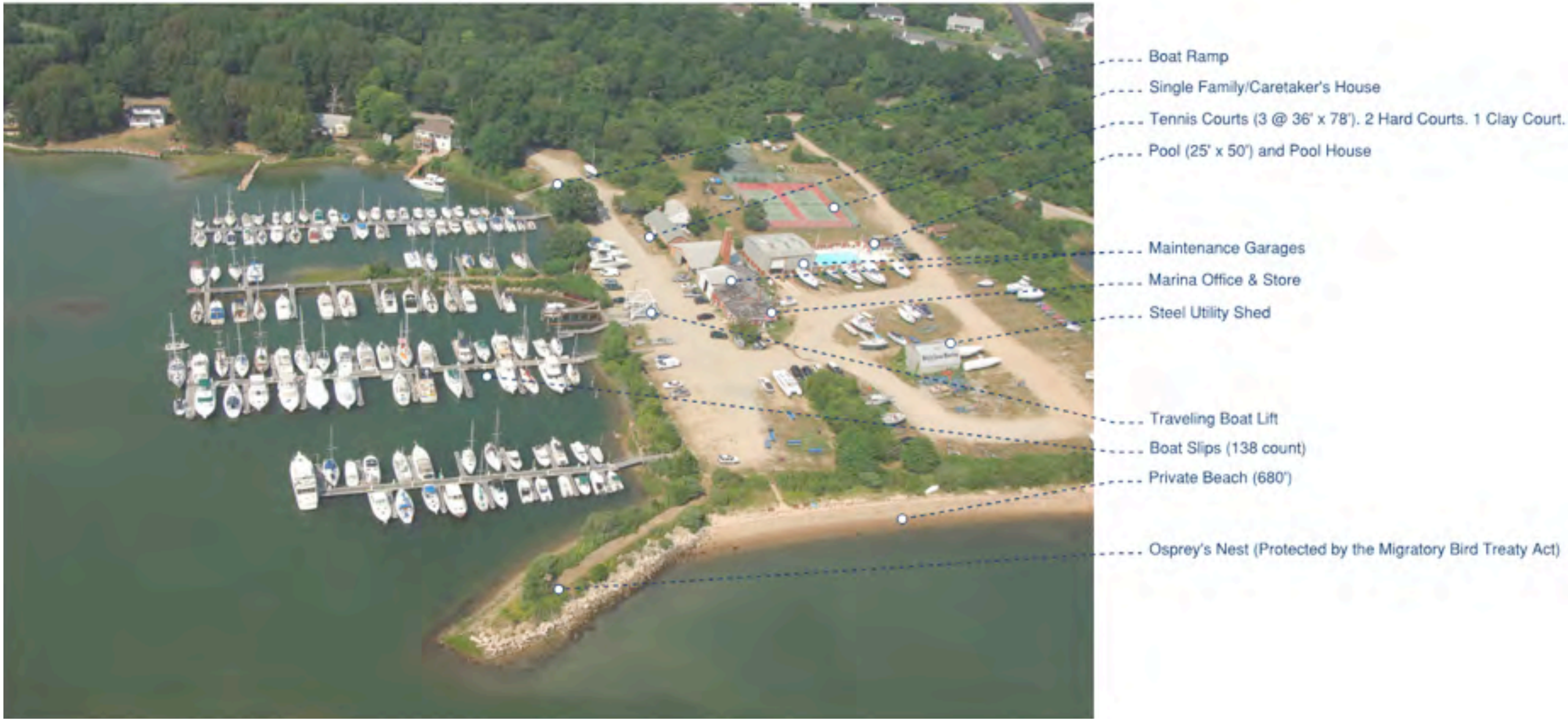
Landscaped			
Boat land storage	45000	sqft	42.3%
Parking	11000		10.3%
Running Trail	1100	sqft	1.0%
Driveways	3300		3.1%
Tennis Courts	11800	sqft	11.1%
Total Landscaped	**72200**	**sqft**	100%

ZONING ANALYSIS

THE SITE

As built Conditions

The Property as it currently sits is equipped with 138 boat slips served by a boat ramp at the North East side of the site, along with a traveling boat lift, maintenance garages and a utility shed. The site also features 3 tennis courts (2 hard courts and 1 clay court) as well as a 25' x 50' pool, a pool house and a marina office. With its 680' of private beach overlooking Shelter Island and the Osprey's Nest protected by the Migratory Bird Treaty Act, the site setup is strategic for a large development potential.



THE SITE

Location and Access

With just around 2 hour (96 miles) drive from New York City, 7 min drive (2.9 miles) to Greenport, 5 min drive (2.6 miles) to Southhold and 5 min boat ride (0.53 miles) to Shelter Island, the site is well positioned near main transportation routes and off the flood plain.
As for public transportation, the Long Island Rail Road is located and the Hampton Jitney Bus are the most accessible, However, the majority of the residents travel by car.

Site Pictures

Marina Dock for Boat slips

Existing Pool and Pool House

Current dry land boat storage on site

Panoramic view of the Private Beach overlooking Shelter Island

ZONING ANALYSIS

M-II Zoning

The purpose of the Marine II District is to provide a waterfront location for a wide range of water-dependent and water-related uses such as marinas, beach clubs, boat yards and aquaculture operations.
Special exceptions are subject to site plan approval by the Board of Appeals such as transient hotels, buildings greater than 3 acres, fish processing plants, restaurants and waterfront boutique hotels with restaurant and recreational amenities on site.
The approval for special exception made from the Board of Appeals is solely based on the proposed detailed development of Brick Cove Marina.

Zoning Requirements

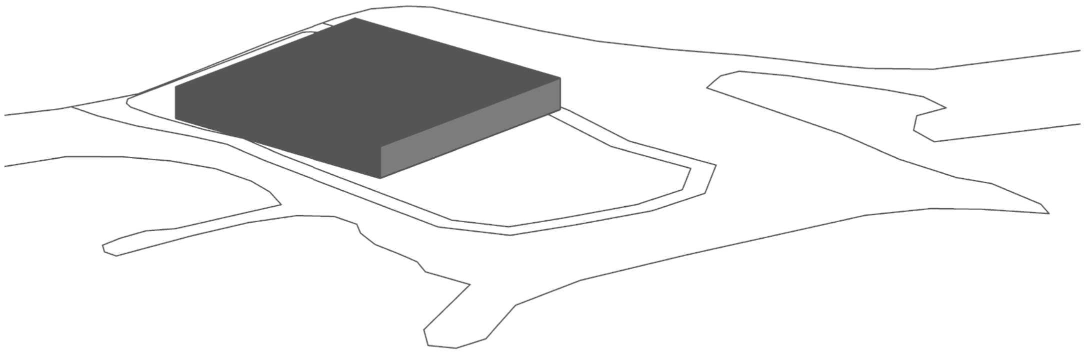
Lot SF		544,064
Upland		361,112
Underwater		182,952
Zoning		Marine II
Buildable Lot coverage (ZFA)	30%	108,334
Landscape coverage	20%	72,222
Maxmimum Height		35 ft
Maximum number of keys (1 per 4000 sqft)	4000	91
Maximum buildable footprint		80,000

MASSING DIAGRAM

Massing Analysis

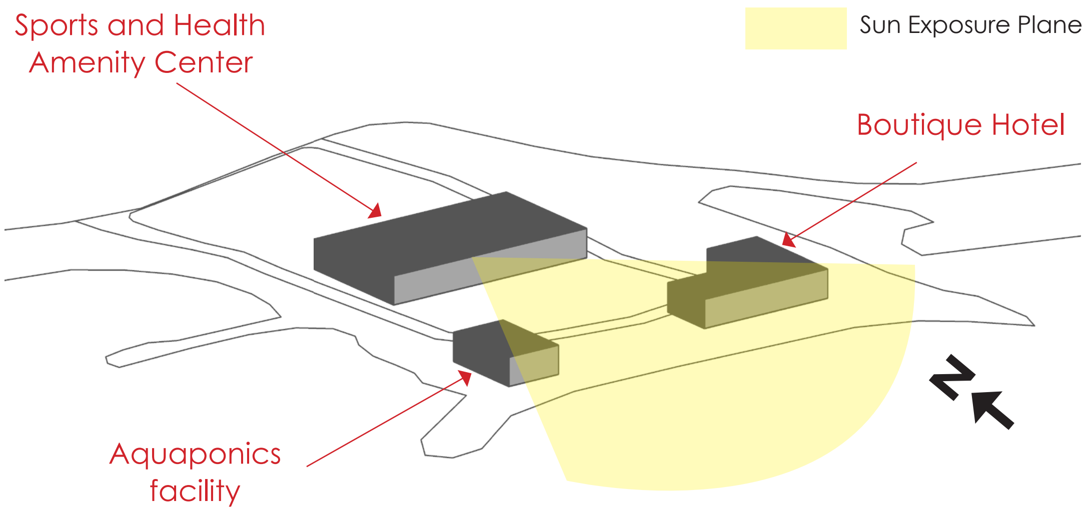
The proposed massing utilizes the allowable building bloc and splits the uses to articulate a smooth flow within the site and allow for a wider range of sun exposure and natural light in order to maximize the biophilic aspect of the design.

Zoning Massing



Land Area: **8.29 acres = 361,112 sqft**
Allowable Building Footprint: **361,112 x 30% = 108,333 sqft**
Building Height: **35 feet**
Maximum number of hotel keys: 1 unit per 4000 sqft of land
= 361,112 / 4000 = 91 keys

Proposed Massing



Proposed Massing: Scattered development allowing different uses and an easy flow around the site
Boutique Hotel: **90 keys, 50,350 sqft, GF + 2, 35 feet**
Sports and Health Amenity Center: **38,770 sqft, 1 story, 35 feet**
Aquaponics facility: **7500 sqft, 1 story, 35 feet**

MARKET ANALYSIS

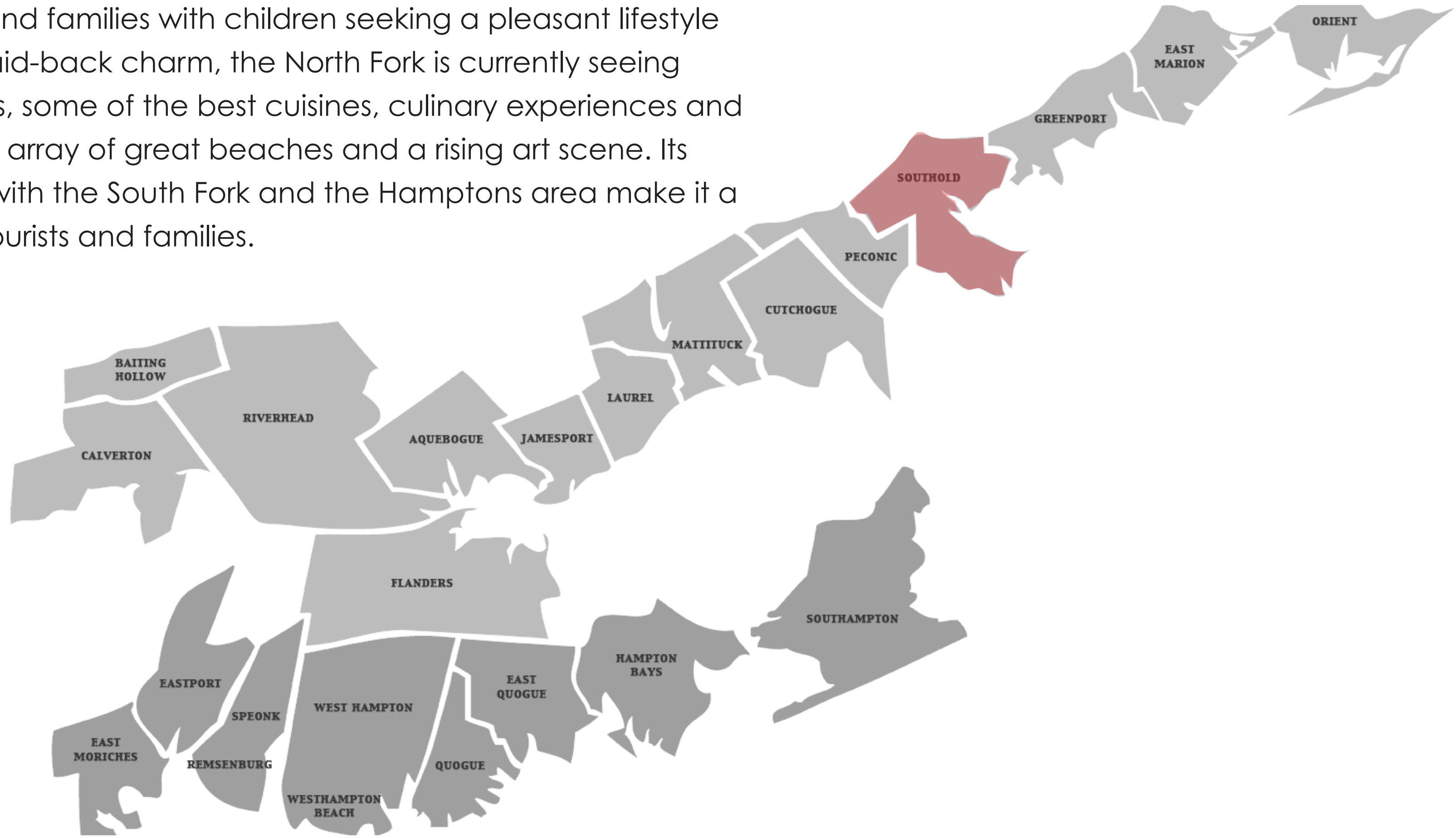
NORTHFORK OVERVIEW

The North Fork is a 30-mile-long peninsula in the northeast part of Suffolk County on the East End of Long Island. Located about 80 miles east of Manhattan, The North Fork is easily accessible via roadways from the west such as New York State Route 25 and the Long Island Rail Road. Separated from the South Fork by the Peconic Bay and several islands the North Fork has an easy ferry access to Shelter Island.

The area is rich in agricultural industries and is currently home to more than 30 vineyards and multi-generational family farms many of which organize wine tasting and fall harvests for the public forming a very strong part of North Fork's economy. The first of the area's vineyards, Hargrave, was founded in 1974, and today continues as Castello De Borghese, a very sought for destination.

With a median age of 52, 25% of families with children under the age of 18 and home ownership rates of 83.8%, the area is characterized by a community with a median household income of $81,221 and low unemployment rates of 3.2%.

As such, comfortable individuals and families with children seeking a pleasant lifestyle dominate it. With its beauty and laid-back charm, the North Fork is currently seeing growing farm-to-table movements, some of the best cuisines, culinary experiences and restaurants on Long Island, a wide array of great beaches and a rising art scene. Its reasonable prices in comparison with the South Fork and the Hamptons area make it a very sought-after destination for tourists and families.

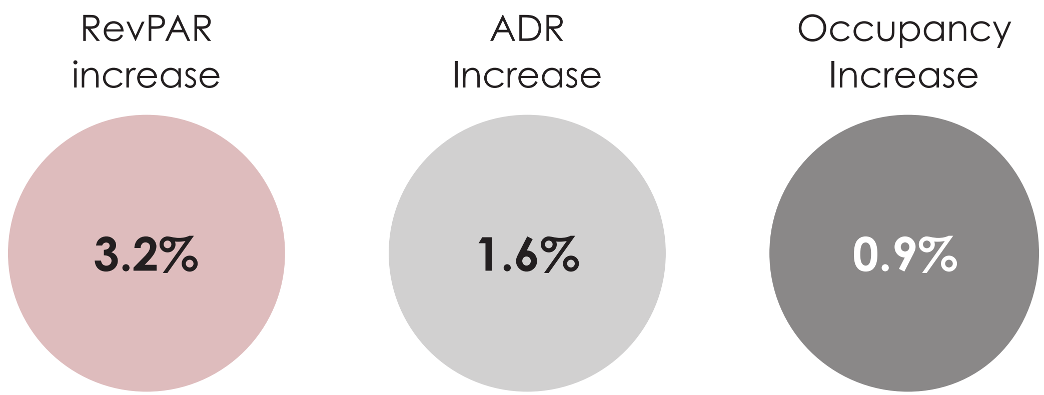


MARKET OVERVIEW

The current conditions of the real estate market in the Northfork area show that the residential market has already peaked its cycle and the commercial market has seen large vacancies and short demand. The investment has therefore been programmed, underwritten, and structured to account for an unmet demand, filling in the missing gap in the market and encouraging the development of hospitality facilities.

Despite the existing demand for industrial and large-scale logistics developments in the metro area, the industrial market has seen that major distribution hubs in New Jersey have captured more demand than Long Island. In fact vacancy rates rose from 2.7% in 2018 to 3.5% in 2019 and net absorption went down from +129,058 in 2018 -316,337 in 2020. With rental rates declining from $13.34 PSF in 2019 to $9.93 PSF in 2020, the Long Island industrial market is not the most dynamic. *(1)*
Concerning the office market, the majority of office properties are located along the Long Island Railroad and Expressway to provide easy access to the City, implying that locations further away from public transport won't serve the market purpose. Attracting consistent local demand with minimum new supply, the office market rent growth trails the national average at $25 psf, ranking as one of the slowest rent growth in the metro area due to a lack of new construction limiting the potential for rental appreciation. While annual gains are still achieved, the growth rate has decelerated significantly since 2015. Rents have grown by barely 1% since the start of 2018, impacting selling prices, which have lost a considerable amount of ground on the national median with cap rates rising from 6.5% to 7.2%. *(2)*
As for the retail market, it is driven by high household median incomes that fuel local consumer demand. With some retail projects having secured a pre-leased anchor tenant, developers are skeptical of retail projects due to the high costs associated with new development and the general decline of retail with the rise of e-commerce. In fact, top transactions are only limited to low vacancy assets with secured tenants, as investors are seeking yield from stabilized properties. *(3)*
With regards to the residential market, it remains sturdy with a strong 12 mo. net absorption of 439 SF, and continued performance with low vacancies of 2.9%. With demand exceeding supply for the past 6 years, 4,000 market-rate units were under construction as of Q2 2019. However the metro has seen steep barriers to entry including high construction costs and frequent local opposition redirecting residential developers to more prominent emerging areas such as Brooklyn and Queens. Although urban revitalization projects concentrated near LIRR stations have added some supply, deliveries have been relatively quiet compared to most major metros. *(4)*

As for the hospitality market, hotels on Long Island saw an increase in occupancy and revenue this year. According to CBRE Hotel Horizons report, a 3.2 % annual increase in revenue per available room (RevPAR) on Long Island exceeded last year's RevPAR by 3 percentage points. The growth is based on increased average daily rates in the Long Island market, which are increasing by 1.6% yearly after declining slowly since 2015. With a 73.4 % occupancy rate on Long Island in 2019, a 0.6 percent increase from the previous year, demand will outpace supply by 0.9 % as Long Island continues to evolve as a business and entertainment hub. The high demand on hotels and leisure speaks about the strength of the sector in this region turning into a top vacation destination even for locals looking to escape the city for a few days. *(5)*



(1) Coldwell Banker Commercial, Industrial Market report for Nassau and Suffolk counties, Long Island

NAI Long Island 2019 Overview and CoStar Group

JLL Industrial Insight Q1, 2020

(2) NAI Long Island 2019 Overview and CoStar Group

(3) NAI Long Island 2019 Overview and CoStar Group

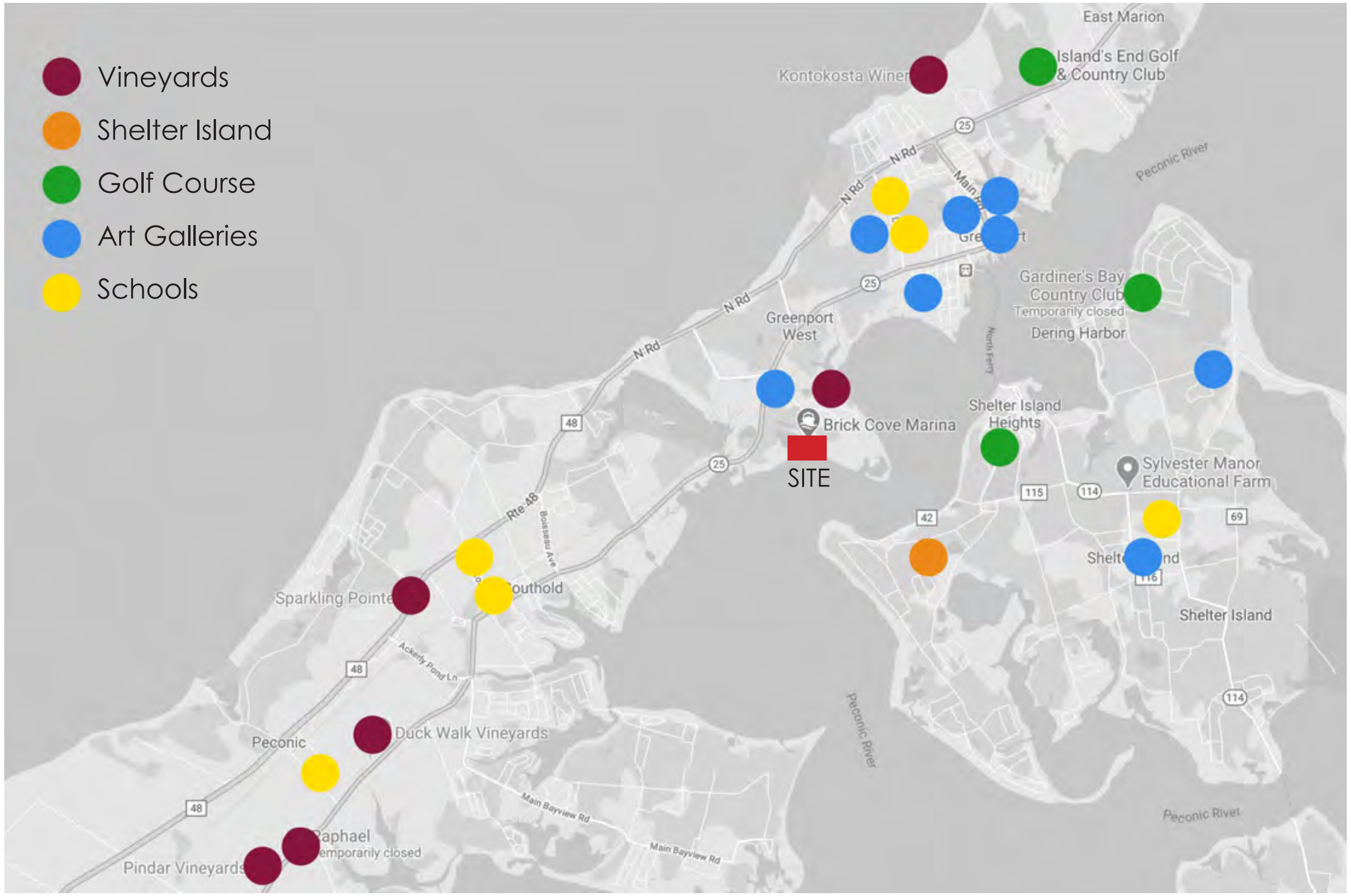
(4) NAI Long Island 2019 Overview and CoStar Group

(5) CBRE Hotel Horizons Report 2019

ATTRACTIONS

With multiple attractions surrounding the area, the site is an appealing location for both tourists and locals.
First, multiple nearby schools with over 2000 students such as the Southold Elementary/Middle School, Southold Junior-Senior High School are available to families with children. In addition, several colleges are located nearby highlighting the development of the area: Connecticut College, Gateway Community College, Yale University, University of New Haven, Southern Connecticut State University, Quinnipiac University and Three Rivers Community College. On the other hand, the flourishing Greenport art communities are gaining popularity, transforming the area in an emerging Brooklyn of Long Island.

In addition, the abundance of vineyards and farms in the area with the large potential for exploring fertile lands could bring exciting farm to table dining experiences for tourists as well as locals. In fact, the oyster farming industry is also escalating, therefore creating a strong prospective ecotourism system. Furthermore, a wide array of activities users could benefit from surround the property and generate additional revenues. As such, water and boating activities could take place in the cove. In fact, ferry services to Shelter Island and back would be arranged from the property accommodating day trips to the island that also serves as a golfing destination.



SUFFOLK COUNTY
Long Island
2019
MARATHON
HALF MARATHON
10K • 5K & Freedom Fest
To Support Our Veterans

MARKET GAP - HOTELS

Based on the market dynamics and the increasing growth of the tourism sector in the North Fork, a clear market gap is identified stating that the highest and best use for the project is a Boutique Hotel development featuring health, wellness and leisure amenities.

Existing Supply

According to CBRE Hotels' Americas Research, demand continues to exceed supply in 2019 and the gap is forecasted to increase in 2020. In fact supply peaked at the long-run average of 1.9% and is expected to stabilize at the long run for the next two years. Therefore the number of projects entering all phases of the development pipeline is declining compared to the measurable demand increase resulting from the surrounding attractions, the proximity to New York City and the area's major airports. We have looked at the existing comparable hotels within the area as presented on the chart on page 32 : Two boutique luxury hotels, two upper upscale hotels, one upscale bed and breakfast and two luxury resorts. They presented high ADR's of $487 during the peak season and low ADR's of $217 in the off season. Occupancy rates reached 90% in August and 30% in January. According to CBRE's Hotel Horizon report, the area continues to show strong fundamentals resulting in Revenue Per Available Room (RevPAR) increases of 5.6% from 2018 to 2019. In addition the average daily rate (ADR) increased by 3.2% and is forecasted to grow at 2.5% in 2019.

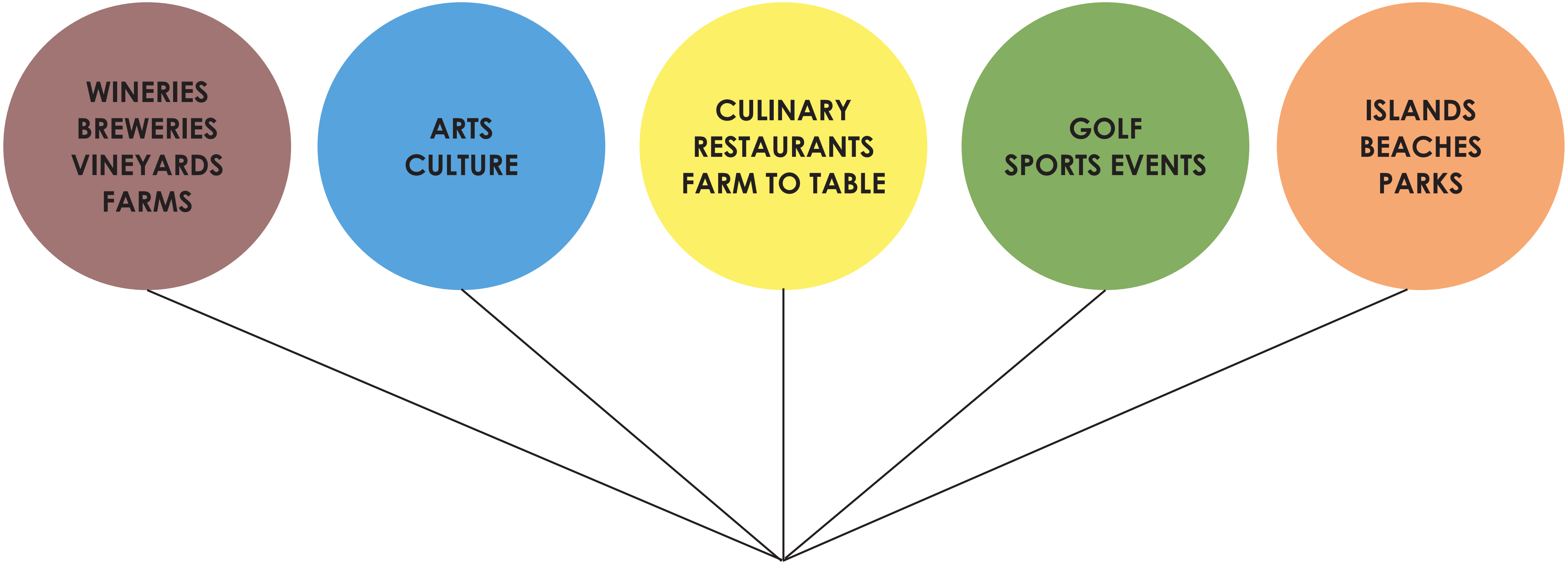
Existing Demand:

Long Island's demand is fuelled by 5 main sectors:

- The Islands, Beaches and Parks
- The Wineries, Breweries, Vineyards and Farms
- The Arts and Culture scene and tours
- The Restaurants
- The Sporting Events

The $5.9 billion industry is fueled by day-trippers, weekend visitors and summertime vacationers. 64% of visitors come from New York State and nearby Northeast states. A 9 million people visit the Island annually, their spending supporting nearly 100,000 jobs directly and indirectly, according to Kristen Jarnagin, CEO of Discover Long Island. Hiring in the leisure and hospitality industry during the peak hiring season, April to June, rose to 24,500 jobs in 2018, surpassing the historical average of 18,000, according to New York State Department of Labor statistics. The tourism sector generates $722 million in tax revenues and there is a large potential for growth in order to become more than a summer or weekend vacation. According to the Business Traveller, the top limitations to achieving that growth and preventing the area from tapping into key demographics are the lack of hotel and meeting spaces inventory to host conferences, associations and events.

DEMAND DRIVERS AND TARGET USERS



Families with Children
Tourists - Group travellers
Day / Weekend Vacationers
Students Ecotourism
Conferences, Events, Weddings
Artists / Art Admirers
Sports Enthusiasts
Sommelier / Wine appreciators
Harvest seasonals

COMPARABLES

	Hotel	Type	No. Keys	Location from Site	Amenities	ADR		Occupancy	
						Low Season	High Season	Low Season	High Season
	**Sound View Hotel**	Upper Upscale	55	2 miles	Waterfront deck with private beach Pool Restaurant Parking	$169.00	$405.00	28%	85%
	**Harborfront Inn Hotel**	Upper Upscale	35	2.7 miles	Outdoor heated pool Fitness Center Parking	$140.00	$519.00	30%	87%
	**The Menhaden**	Boutique Luxury	11	2.6 miles	Roofdeck Bikes Restaurant Parking	$229.00	$597.00	32%	85%
	**American Beech Hotel**	Boutique Luxury	11	2.9 miles	Bar Boutique Restaurant Parking	$149.00	$359.00	35%	80%
	**Shorecrest Bed and Breakfast**	Upscale Bed and Breakfast	5	2.9 miles	Garden	$266.00	$475.00	24%	80%
	**Saybrook Point Resort and Marina**	Luxury Resort and Marina	82	49 miles	Health Club Spa Restaurant Bar	$299.00	$678.00	30%	90%
	**Baron's Cove Sag Harbor**	Luxury Resort	67	12.1 miles	Health Club Spa Restaurant Bar	$222.00	$382.00	30%	85%
						$210.57	**$487.86**	**30%**	**85%**

FINANCIAL ANALYSIS

KEY ASSUMPTIONS

Purchase Price:	\$8.8 million as advertised by real estate brokerage channels. Cost in line with comparable properties.
Total Development Budget:	Total development budget of \$57.1 million. Preliminary hard cost budget is based on per sqft estimates according to RS Means data.
Debt Financing:	Construction financing of \$37.1 million at a conservative 65% LTC including \$2 million of interest reserves.
Equity Capitalization:	Total equity capitalization of \$20.0 million Fallion to contribute \$2.0 million (10%) LP equity partner to contribute \$18.0 million (90%)
Distribution Waterfall:	All partners to receive distributions pari-passu up to a preferred return of 10.0% Fallion receives 20% promote over the preferred return Fallion receives 40% promote over 14.0% return hurdle
Schedule:	12 months of predevelopment followed by a 24 months construction period. Hotel stabilization period of 36 months post construction Sale at stabilization (Plan A) or refinance after construction and hold for 10 years (Plan B)
Reversionary Cap Rate:	Exit cap rate of 10.0% - taken as a conservative rate with regards to sale comp and CBRE's 4Q2019 suburban rates for the NY-NJ metro (Exhibit A)

DEVELOPMENT BUDGET

The development budget for Brick Cove Marina has been conservatively estimated at approximately $57.1 million which equates $538 per sqft for the whole development and $535,000 per key for the hotel and amenities. 65% of this cost will be funded with debt financing estimated to have an interest rate of 7.0%

The land price has been advertised by real estate brokerage channels at a cost inline with comparable properties.

The hard costs have been estimated by RSMeans which includes the restaurant/bar/café build out, elevators, amenities and MEP equipment.

Summary Total Cost of Development	Cost psf	Total	Budget %
Land Acquisition	$16.17	$8,800,000.00	15.4%
Construction Costs			
Hard Costs	$340.78	$36,218,405.10	63.4%
Soft Costs	$85.37	$9,072,906.47	15.9%
Financing Costs	$6.99	$742,677.09	1.3%
Interest Reserve	$21.59	$2,295,017.94	4.0%
Total Cost of Development	**$537.52**	**$57,129,006.60**	**100%**

Detailed Construction Breakdown	Cost psf	Sqft	Total	Budget %
ACQUISITION	$16.17		$8,800,000.00	16.27%
SOFT COSTS				
Pre Development Costs	$7.00		$3,808,448.00	7.04%
Architecture and Engineering Fees (5% of HC)	$17.04		$1,810,920.26	3.35%
Utility Fees	$2.00		$1,088,128.00	2.01%
Insurance Fees	$0.09		$50,000.00	0.09%
City Plan Review and Permits	$0.50		$272,032.00	0.50%
Environmental Fees	$2.00		$1,088,128.00	
Closing Costs	$0.10		$54,091.31	0.10%
Legal Fees (borrower + lender)	$0.10		$54,406.40	0.10%
Municipal Fees	$0.10		$52,000.00	0.10%
Property Taxes	$1.00		$544,064.00	1.01%
Soft Cost Contingency 5%	$2.36		$250,688.50	0.46%
Total Soft Costs	$85.37		$9,072,906.47	16.77%
HARD COSTS				
Boutique Hotel	$401.16	50350	$20,198,406.00	
Gym and Health amenities	$323.28	33000	$10,668,240.00	
Office and Conference	$265.91	5770	$1,534,300.70	
Oyster Farming facility	$220.00	7500	$1,650,000.00	
LANDSCAPING COSTS				
Boat land storage	$2.00	45000	$90,000.00	
Parking resurfacing	$1.00	11000	$11,000.00	
Running Trail	$0.50	1100	$550.00	
Driveways	$0.50	3300	$1,650.00	
Tennis Courts	$1.20	11800	$14,160.00	
Total Construction Hard Costs			**$34,168,306.70**	**63.17%**
Project Management and overhead 1%			$341,683.07	0.63%
Hard Cost Contingency 5%	$16.07		$1,708,415.34	3.16%
Total Hard Costs	$340.78		$36,218,405.10	66.96%
Total Development Budget before Interest Reserve	**$508.94**		**$54,091,311.57**	100.00%

OPERATING ASSUMPTIONS

The following assumptions have been applied to the projected operating cash flows for Brick Cove. The underwritten ADR's and Occupancy rates reflect a conservative approach to the current comparable property rates during the different seasons of the year ndespite Brick Cove's superior quality and amenities.
The growth rate reflects the current 5-year, forward inflation expectation rate, as reported by the Consumer's Index Report dated March 2020.
The F&B revenues and expenses reflect the percentages highlighted in CBRE Hotels' Americas Research.
The Oyster facility assumptions are estimated according to the East Coast Shellfish Growers Association.

Oyster Farming Facility	
Total SF	7500
Hard Construction Cost PSF	$220
Number of Oysters PSF	18
Mortality Rate	25%
Direct Sale per oyster	$0.45

Marina Activities	
Boat Slips existing annual Income	$1,200,000.00
Dry storage per boat per month	$500.00
Boats available	138

Boutique Hotel	
Total Building SF	50,350
Efficiency	90%
Hotel NSF	45,315
Hotel Key Count	90
Hard Cost	$401.16
Soft Cost (% HC)	25%
High Season Metrics	May - August
Months	4
Occupancy	90%
ADR	$450.00
Mid Season Metrics	April, September, October
Months	3
Occupancy	75%
ADR	$320.00
Low Season Metrics	November - March
Months	5
Occupancy	30%
ADR	$160.00
Hotel Operating Expenses	30%
F&B Revenue	25%
F&B Expenses	52%
Hotel and Restaurants Inflation Rate	2.80%
Stabilized Occupancy	85.00%

Gym and Health Amenities	
Total Building SF	33,000
Efficiency	90%
Gym NSF	29,700
Hard Construction Cost PSF	$323.28
Gym Monthly Membership	$80.00
Sqft per member	10
Maximum number of members	2970
Daily Passes	$20.00
Max daily passes	30
Classes - Capacity 10 people	$100.00
Personal Training per hour	$50.00
Max classes and trainings per day	10
Utilities and Supplies per month	$400.00
Insurance per month	$400.00
Equipment one time fee	$12,000.00
Maintenance	$2,500.00
Licenses and Permits one time fee	$800.00
Staff	$50,000.00
Marketing	$300.00
Educational Center daily rate	$500.00

DEBT ASSUMPTIONS

Construction Loan

The maximum construction loan has been constrained by a conservative 65% Loan to Cost ratio and by the permanent loan assumptions at an estimated interest rate of 7.0%

Construction Loan Sizing		
Loan Term (months)		2 Years
Interest Rate		7.0%
Monthly Rate		0.58%
LTC		65.0%
Construction loan amount based on LTC	$	37,133,854
Construction period (months)		24
Loan Origination Fee	$	742,677
Max Construction Loan	**$**	**37,133,854**
Loan Fees	$	742,677
Net Construction Loan Proceeds	**$**	**36,391,177**

Permanent Loan

The anticipated value of the property at stabilization dictates the anticipated ability to obtain a permanent loan to pay-off the construction loan. As such, the following permanent loan financing assumptions have been applied.

Permanent Loan Sizing	*yearly*	*monthly*
Proforma NOI stabilized	$6,683,326.62	$556,943.88
Cap Rate	10.0%	
Value of property - stabilized	$97,211,770.01	
Term	20 Years	
Interest Rate	5.0%	0.42%
Amortization	30 Years	360
LTV	70%	
Debt Yield	11%	
DCR	1.2	
Debt based on LTV		$ 68,048,239.01
Debt based on Debt Yield		$60,757,514.71
Debt based on DCR		$86,457,006.23
Max Perm. Loan		**$ 60,757,514.71**
PMT yearly		$ (3,913,913.72)
FV @ sale year		$ (49,421,416.80)
Loan Origination Fee		$ 607,575
Mortgage Recording Tax		$ 1,731,589
Total Permanent Loan Fees		$ 2,339,164
Net Permanent Loan Proceeds		**$ 58,418,350.39**

CAPITALIZATION STRUCTURE

Sources and Uses

Sources			PSF	Uses		PSF
Debt	$37,133,854.29		$349.39	Land Cost	$8,800,000	$82.80
Equity	$19,995,152.31		$188.13	Hard Costs	$36,218,405	$340.78
General Partner	$1,999,515.23	10%	$18.81	Soft Costs	$9,072,906	$85.37
Limited Partner	$17,995,637.08	90%	$169.32	Interest reserves	$2,295,018	$21.59
				Loan Origination Fee	$742,677	$6.99
Total Sources	**$57,129,006.60**		**$537.52**	**Total Uses**	**$57,129,007**	**$537.52**

JV Waterfall Structure

JV Waterfall Structure					
Ownership					
GP		10%			
LP		90%			
	Hurdle	**GP**	**LP**	**GP Promote**	**Promote %**
Tier I (up to hurdle 1)	10.0%	10.0%	90.0%	0.0%	0.0%
Tier II (from hurdle 1 to 2)	14.0%	10.0%	72.0%	18.00%	20.0%
Tier III (above hurdle 2)		10.0%	54.0%	36.00%	40.0%

SEASONALITY BASE CASE

A seasonality base case scenario has been conducted in order to assess the ADR and Occupancy per month based on the comparable properties in the area.

Month	**January**	**February**	**March**	**April**	**May**
	Low Season	*Low Season*	*Low Season*	*Mid Season*	*High Season*
Daily Available Rooms	90	90	90	90	90
Total Available Rooms / month	2790	2520	2790	2700	2790
Occupied Rooms	837	756	837	2025	2511
Occupancy	30%	30%	30%	75%	90%
ADR	$160.00	$160.00	$160.00	$320.00	$450.00
RevPAR	$48.00	$48.00	$48.00	$240.00	$405.00
Revenues					
Hotel Revenues	$133,920.00	$120,960.00	$133,920.00	$648,000.00	$1,129,950.00

June	**July**	**August**	**September**	**October**	**November**	**December**
High Season	*High Season*	*High Season*	*Mid Season*	*Mid Season*	*Low Season*	*Low Season*
90	90	90	90	90	90	90
2700	2790	2790	2700	2790	2700	2790
2430	2511	2511	2025	2093	810	837
90%	90%	90%	75%	75%	30%	30%
$450.00	$450.00	$450.00	$320.00	$320.00	$160.00	$160.00
$405.00	$405.00	$405.00	$240.00	$240.00	$48.00	$48.00
$1,093,500.00	$1,129,950.00	$1,129,950.00	$648,000.00	$669,760.00	$129,600.00	$133,920.00

Yearly Revenue	**$7,101,430.00**

EXIT STRATEGY

Plan A

Plan A to exit the investment in Brick Cove Marina is to pay off the construction loan with the sale of the asset should a buyer presents itself. Such a buyer may include, but is not limited to, a competitor looking to expand into the subject market, a high net worth individual or local family looking to obtain a valuable waterfront asset, or a private equity fund looking to diversify its portfolio.
The following assumptions have been specifically applied to Plan A. See Exhibit B for detailed proforma.

Exit Plan A - Sale at Stabilization	
Cost of Sale	3.00%
Exit Cap Rate	10.0%
Total Holding Period	6

Plan B

Plan B to exit the investment in Brick Cove Marina is to refinance the construction loan with a permanent loan upon stabilization at year 6 and hold the asset for an additional 10 years.
Retaining the property past stabilization would allow for a mititgation of the seasonality with predictable and stabilized cash flows.
The following assumptions have been specifically applied to Plan B. See Exhibit C for detailed proforma.

Exit Plan B - Refinance at Stabilization + 10 year hold	
Cost of Sale	3.00%
Discount Rate	8%
Valuation 10y stabilized	$97,211,770.01
Exit Cap Rate	10.0%
Total Holding Period	16

RETURNS SUMMARY

Plan A

Build and Sell at Stabilization

Holding Period (Years)	6			
	IRR	Multiple	Development Yield	Profit
Project Level				
Unlevered	13.3%	1.7x	12.4%	$38,321,231
Levered	16.1%	2.2x		$24,549,666
LP Equity	14.8%	2.1x		$19,572,737

Plan B

Build, Refinance and Hold

Holding Period (Years)	16				
	IRR	Multiple	Development Yield	Cash on Cash	Profit
Project Level					
Unlevered	13.5%	3.7x	12.4%		$146,742,531
Levered	18.5%	5.6x		19.4%	$91,627,558
LP Equity	16.7%	4.3x			$58,822,612

SENSITIVITY ANALYSIS

Plan A

Build and Sell at Stabilization

High Season ADR	Cap Rate (Exit) 9.50%	9.75%	10.00%	10.25%	10.50%
$430	IRR=17.1% / EM=2.3X	IRR=16.3% / EM=2.2X	IRR=15.5% / EM=2.2X	IRR=14.7% / EM=2.1X	IRR=13.9% / EM=2.0X
$440	IRR=17.4% / EM=2.4X	IRR=16.6% / EM=2.3X	IRR=15.8% / EM=2.2X	IRR=15.0% / EM=2.1X	IRR=14.3% / EM=2.0X
$450	IRR=17.7% / EM=2.4X	IRR=16.9% / EM=2.3X	IRR=16.1% / EM=2.2X	IRR=15.3% / EM=2.1X	IRR=14.6% / EM=2.1X
$460	IRR=18.0% / EM=2.4X	IRR=17.2% / EM=2.3X	IRR=16.4% / EM=2.3X	IRR=15.7% / EM=2.2X	IRR=14.9% / EM=2.1X
$470	IRR=18.3% / EM=2.5X	IRR=17.5% / EM=2.4X	IRR=16.7% / EM=2.3X	IRR=16.0% / EM=2.2X	IRR=15.2% / EM=2.1X

High Season ADR	Stabilized Occupancy 75.0%	80.0%	85.0%	90.0%	95.0%
$430	IRR=10.6% / EM=1.7X	IRR=13.2% / EM=1.9X	IRR=15.5% / EM=2.2X	IRR=17.7% / EM=2.4X	IRR=19.7% / EM=2.6X
$440	IRR=10.9% / EM=1.8X	IRR=13.5% / EM=2.0X	IRR=15.8% / EM=2.2X	IRR=18.0% / EM=2.4X	IRR=20.0% / EM=2.6X
$450	IRR=11.2% / EM=1.8X	IRR=13.8% / EM=2.0X	IRR=16.1% / EM=2.2X	IRR=18.3% / EM=2.5X	IRR=20.4% / EM=2.7X
$460	IRR=11.5% / EM=1.8X	IRR=14.1% / EM=2.0X	IRR=16.4% / EM=2.3X	IRR=18.6% / EM=2.5X	IRR=20.7% / EM=2.7X
$470	IRR=11.8% / EM=1.8X	IRR=14.4% / EM=2.1X	IRR=16.7% / EM=2.3X	IRR=18.9% / EM=2.5X	IRR=21.0% / EM=2.8X

Stabilized Occupancy	Interest Rates 6.00%	6.50%	7.00%	7.50%	8.00%
75.0%	IRR=12.6% / EM=1.9X	IRR=11.9% / EM=1.8X	IRR=11.2% / EM=1.8X	IRR=10.5% / EM=1.7X	IRR=9.8% / EM=1.7X
80.0%	IRR=15.1% / EM=2.1X	IRR=14.4% / EM=2.1X	IRR=13.8% / EM=2.0X	IRR=13.1% / EM=1.9X	IRR=12.5% / EM=1.9X
85.0%	IRR=17.3% / EM=2.3X	IRR=16.7% / EM=2.3X	IRR=16.1% / EM=2.2X	IRR=15.5% / EM=2.2X	IRR=14.9% / EM=2.1X
90.0%	IRR=19.5% / EM=2.6X	IRR=18.9% / EM=2.5X	IRR=18.3% / EM=2.5X	IRR=17.7% / EM=2.4X	IRR=17.1% / EM=2.3X
95.0%	IRR=21.5% / EM=2.8X	IRR=20.9% / EM=2.7X	IRR=20.4% / EM=2.7X	IRR=19.8% / EM=2.6X	IRR=19.2% / EM=2.6X

Plan B

Build, Refinance and Hold

High Season ADR	Cap Rate (Exit) 9.50%	9.75%	10.00%	10.25%	10.50%
$430	IRR=18.3% / EM=5.7X	IRR=18.2% / EM=5.6X	IRR=18.0% / EM=5.5X	IRR=17.9% / EM=5.4X	IRR=17.8% / EM=5.2X
$440	IRR=18.5% / EM=5.8X	IRR=18.4% / EM=5.6X	IRR=18.2% / EM=5.5X	IRR=18.1% / EM=5.4X	IRR=18.0% / EM=5.3X
$450	IRR=18.7% / EM=5.8X	IRR=18.6% / EM=5.7X	IRR=18.5% / EM=5.6X	IRR=18.3% / EM=5.5X	IRR=18.2% / EM=5.4X
$460	IRR=18.9% / EM=5.9X	IRR=18.8% / EM=5.8X	IRR=18.7% / EM=5.6X	IRR=18.6% / EM=5.5X	IRR=18.4% / EM=5.4X
$470	IRR=19.1% / EM=5.9X	IRR=19.0% / EM=5.8X	IRR=18.9% / EM=5.7X	IRR=18.8% / EM=5.6X	IRR=18.7% / EM=5.5X

Sale Year	Cap Rate (Exit) 9.50%	9.75%	10.00%	10.25%	10.50%
Year 12	IRR=18.0% / EM=3.9X	IRR=17.7% / EM=3.8X	IRR=17.5% / EM=3.7X	IRR=17.2% / EM=3.6X	IRR=17.0% / EM=3.5X
Year 13	IRR=18.3% / EM=4.4X	IRR=18.1% / EM=4.2X	IRR=17.9% / EM=4.1X	IRR=17.7% / EM=4.0X	IRR=17.5% / EM=3.9X
Year 14	IRR=18.5% / EM=4.8X	IRR=18.3% / EM=4.7X	IRR=18.1% / EM=4.6X	IRR=18.0% / EM=4.5X	IRR=17.8% / EM=4.4X
Year 15	IRR=18.6% / EM=5.3X	IRR=18.5% / EM=5.2X	IRR=18.3% / EM=5.1X	IRR=18.2% / EM=5.0X	IRR=18.0% / EM=4.9X
Year 16	IRR=18.7% / EM=5.8X	IRR=18.6% / EM=5.7X	IRR=18.5% / EM=5.6X	IRR=18.3% / EM=5.5X	IRR=18.2% / EM=5.4X

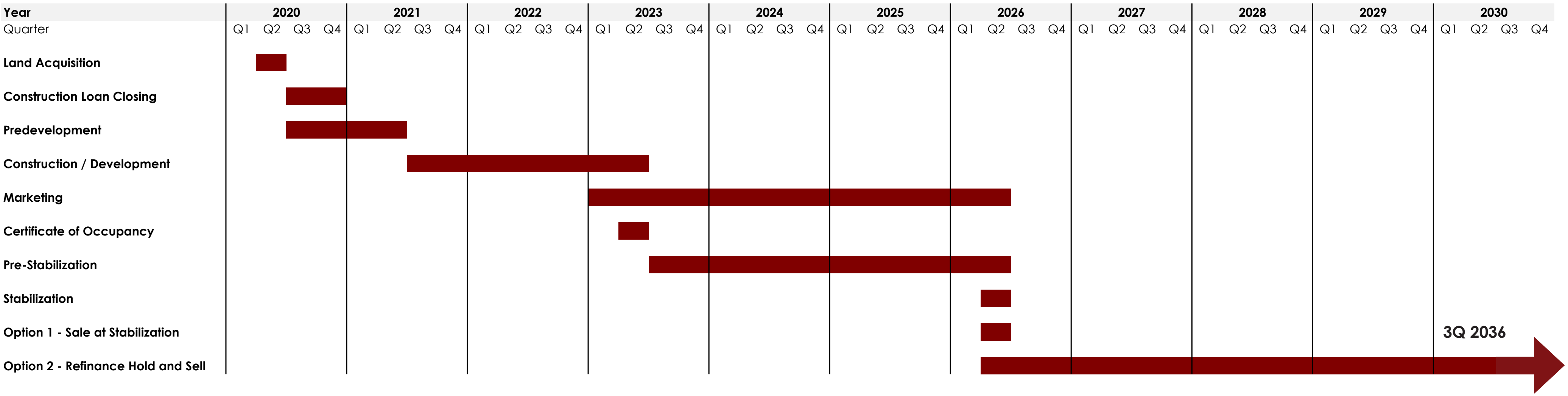
Stabilized Occupancy	Interest Rates 6.00%	6.50%	7.00%	7.50%	8.00%
75.0%	IRR=16.6% / EM=5.0X	IRR=16.0% / EM=4.9X	IRR=15.4% / EM=4.8X	IRR=14.8% / EM=4.7X	IRR=14.2% / EM=4.6X
80.0%	IRR=18.2% / EM=5.4X	IRR=17.6% / EM=5.3X	IRR=16.9% / EM=5.2X	IRR=16.3% / EM=5.1X	IRR=15.7% / EM=5.0X
85.0%	IRR=19.7% / EM=5.8X	IRR=19.1% / EM=5.7X	IRR=18.5% / EM=5.6X	IRR=17.8% / EM=5.5X	IRR=17.2% / EM=5.4X
90.0%	IRR=21.2% / EM=6.2X	IRR=20.6% / EM=6.1X	IRR=20.0% / EM=6.0X	IRR=19.3% / EM=5.9X	IRR=18.7% / EM=5.7X
95.0%	IRR=22.7% / EM=6.6X	IRR=22.1% / EM=6.5X	IRR=21.4% / EM=6.4X	IRR=20.8% / EM=6.3X	IRR=20.1% / EM=6.1X

DELIVERY AND EXECUTION

PROJECT SCHEDULE

We are currently in contract to close on the site by May 31, 2020. We estimate 12 months of pre-construction after which we estimate 24 months of construction. The project is expected to be delivered by May 31, 2023 at the start of the summer season by Memorial Weekend.
We expect to achieve stabilization by Q2 2026, at which time we would look to sell it off, paying off our construction loan and returning capital to our investors, or refinancing it and holding it till Q3 2036.

Acquisition Date	5/31/20
Construction Start	5/31/21
Construction Completion	5/31/23
Stabilization	5/31/26
Exit	
Plan A - Sale at Stabilization	5/31/26
Plan B - Refinance Hold and Sell	5/31/36



MARKETING STRATEGY

The diversity of Brick Cove's programming will facilitate a diversity of target users. It will appeal to families with children, to groups of friends, young and old, as well as couples looking to getaway for a weekend. As such, the marketing strategy will benefit from the wide variety of attractions, touristic venues and festivals in order to pitch Brick Cove to potential guests.
Given its independence, Brick Cove Marina will not benefit from the recognition of flagship. As such, a significant amount of marketing will need to be done especially during the stabilization phase of the investment in order to achieve stabilized occupancy and repay the debt investor in a timely manner. Therefore the marketing plan will revolve around 5 main strategies:

1- Building local partnerships with tourism platforms such as Discover Long Island and LIHA (Long Island Hospitality Association) in order promote a vibrant hospitality industry and provide a platform for local events. The marketing emphasis should not purely be on the hotel itself but an emphasis on the target location as a sought for destination.

2- Expanding the marketing emphasis to the city by partnering with NYC & Co. Tourism and with boutique hotel marketing companies such as Spherical and Tambourine in order to achieve a citywide exposure to target a growing number of domestic travellers.

3- Easy online search and availability on booking channels while ensuring that the website is simple, breathtaking and easy to navigate.

4- Build a strong customer service before, during and after, as well as a customer loyalty program to make sure that the guests will have an exceptional experience, are willing to go back and spread the word.

5- Target marketing and sponsorships before and during festivals such as the food festival, the fall and spring festivals, the oyster festival, the beer and wine festivals as well as Memorial, Labor Day weekends and sports events.

RISKS AND MITIGANTS

RISKS AND MITIGANTS

Stabilized Occupancy and RevPAR could vary due to seasonality

Mitigant: Food, beverage, events and facilities open for locals all year round which would also attract visitors during fall harvest seasons. Another mitigate is generated from dry boat storage revenue during the winter season

Interest Rates volatility

Interest rates could change over the course of the investment period, which could impact the returns to the equity. Additionally, increased rates could cause market cap rates to expand thus decreasing the value of the property.

Mitigant: Our valuation assumes an exit cap rate of 10.0%, which is 50-75 bps wider than where comparable properties have recently traded and wider than the market.

Stabilized Occupancy	Interest Rates: 6.00%	6.50%	7.00%	7.50%	8.00%
75.0%	IRR=16.6% / EM=5.0X	IRR=16.0% / EM=4.9X	IRR=15.4% / EM=4.8X	IRR=14.8% / EM=4.7X	IRR=14.2% / EM=4.6X
80.0%	IRR=18.2% / EM=5.4X	IRR=17.6% / EM=5.3X	IRR=16.9% / EM=5.2X	IRR=16.3% / EM=5.1X	IRR=15.7% / EM=5.0X
85.0%	IRR=19.7% / EM=5.8X	IRR=19.1% / EM=5.7X	IRR=18.5% / EM=5.6X	IRR=17.8% / EM=5.5X	IRR=17.2% / EM=5.4X
90.0%	IRR=21.2% / EM=6.2X	IRR=20.6% / EM=6.1X	IRR=20.0% / EM=6.0X	IRR=19.3% / EM=5.9X	IRR=18.7% / EM=5.7X
95.0%	IRR=22.7% / EM=6.6X	IRR=22.1% / EM=6.5X	IRR=21.4% / EM=6.4X	IRR=20.8% / EM=6.3X	IRR=20.1% / EM=6.1X

Natural Disasters / Acts of God

Mitigant: The site is not located in the flood plain map, however a significant insurance budget has been allocated in order to account for any unforseen condition.

Unforeseen Construction Costs

Mitigant: Conservative construction contingency reserves (5% of total hard costs)

Increased maintenance and expenses associated with waterfront properties and salt water damage

Mitigant: Extensive environmental assessment to be done as part of the due diligence phase, conservative approach to asset management and appropriate allocation of funds to the budget to account for unforeseen expenses, upkeep, and maintenance.

APPENDIX

EXHIBIT A

Sale Comparable and Reversionary Cap Rate

Hotel Sale Comparable

Hotel	Type	No. Keys	Location from Site	Amenities	Sale Price	SQFT	Price / key	Cap Rate
Harborfront Inn Hotel	Upper Upscale	35	2.7 miles	Outdoor heated pool Fitness Center Parking	$9,500,000.00	26000.00	$365.38	9.7%

Cap Rate Analysis

ADR	150	Room Revenues	$1,533,000.00		**Cap Rate**	**9.7%**
Occupancy	80%	Additional Income	$306,600.00	20%		
RevPAR	120	Less Opex	$919,800.00	50%		
		NOI	$919,800.00			

Cap Rates Market

NY - NJ Suburban Metro

Hotel Type	Cap Rate Range
Luxury	7.00% - 7.75%
Full Service	7.5% - 9.00%

Source - CBRE Research, Q4 2019.

EXHIBIT B

DCF - Plan A

		Pre Development	Construction					
		May-2020	May-2021	May-2022	May-2023	May-2024	May-2025	May-2026
Year		**0**	**1**	**2**	**3**	**4**	**5**	**6**
	Total							
Hotel NOI	$10,173,242				$1,514,094.58	$2,176,082.05	$2,873,932.00	$3,609,133.31
Gym NOI	$6,060,074				$1,396,680.00	$1,479,168.00	$1,553,217.78	$1,631,008.55
Oyster Facility NOI	$117,937				$26,812.50	$28,528.13	$30,340.78	$32,255.66
Marina NOI	$9,001,899	$1,200,000.00	$1,200,000.00	$1,200,000.00	$1,291,200.00	$1,329,936.00	$1,369,834.08	$1,410,929.10
Total NOI Development	**$25,353,153**	**$1,200,000.00**	**$1,200,000.00**	**$1,200,000.00**	**$4,228,787.08**	**$5,013,714.17**	**$5,827,324.64**	**$6,683,326.62**
Total Sale		-	-	-	-	-	-	69,133,392
Sale Cost		-	-	-	-	-	-	(2,074,002)
Net Sale Proceeds	**$67,059,390**	**-**	**-**	**-**	**-**	**-**	**-**	**$67,059,390.46**
Acquisition Cost	($8,800,000)	($8,800,000)						
Hard Costs	($36,218,405)		($18,109,203)	($18,109,203)				
Soft Costs	($9,072,906)	($4,536,453)	($2,268,227)	($2,268,227)				
Total Cost	**($54,091,312)**	**($13,336,453)**	**($20,377,429)**	**($20,377,429)**	**-**	**-**	**-**	**-**
Unlevered Cash Flow	**$38,321,231**	**($12,136,453)**	**($19,177,429)**	**($19,177,429)**	**$4,228,787**	**$5,013,714**	**$5,827,325**	**$73,742,717**
Multiple	**1.71x**							
IRR	**13.26%**							
Equity Available		$19,995,152	$7,858,699	-	-	-	-	-
Equity Drawn	$19,995,152	$12,136,453	$7,858,699	-	-	-	-	-
Equity Remaining		$7,858,699	-	-	-	-	-	-
Cash Flow after Equity draws		-	($11,318,730)	($19,177,429)	$4,228,787	$5,013,714	$5,827,325	$73,742,717
Construction Loan								
Beginning Balance		-	-	11,696,224	32,791,177	32,791,177	32,791,177	32,791,177
Loan Draws	$30,496,159	-	$11,318,730	$19,177,429	-	-	-	-
Origination Fee	($742,677)	(742,677)	-	-	-	-	-	-
Interest Cost on Construction Loan	($11,476,548)	-	(377,494)	(1,917,524)	(2,295,382)	(2,295,382)	(2,295,382)	(2,295,382)
Ending Balance		-	11,696,224	32,791,177	32,791,177	32,791,177	32,791,177	35,086,560
Acrrued Interest		-	(377,494)	(2,295,018)	(4,590,400)	(6,885,783)	(9,181,165)	(11,476,548)
Loan Repayment (P+I)	($35,086,560)	-	-	-	-	-	-	(35,086,560)
Cash Flow after Construction Loan		-	-	-	1,933,769	422,949	3,531,942	38,656,157
Levered Cash Flow	**$24,549,666**	**($12,136,453)**	**($7,858,699)**	**-**	**$1,933,769**	**$422,949**	**$3,531,942**	**$38,656,157**
Multiple	**2.23x**							
IRR	**16.13%**							

EXHIBIT C

DCF - Plan B

		Pre Development	Construction								
		May-2020	May-2021	May-2022	May-2023	May-2024	May-2025	May-2026	May-2034	May-2035	May-2036
Year		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**14**	**15**	**16**
	Total										
Hotel NOI	$52,500,074				$1,514,094.58	$2,176,082.05	$2,873,932.00	$3,609,133.31	$4,528,667.43	$4,658,852.10	$4,792,749.57
Gym NOI	$27,619,243				$1,396,680.00	$1,479,168.00	$1,553,217.78	$1,631,008.55	$2,412,702.25	$2,533,869.97	$2,661,147.79
Oyster Facility NOI	$572,594				$26,812.50	$28,528.13	$30,340.78	$32,255.66	$51,972.95	$55,090.69	$58,379.88
Marina NOI	$25,661,862	$1,200,000.00	$1,200,000.00	$1,200,000.00	$1,291,200.00	$1,329,936.00	$1,369,834.08	$1,410,929.10	$1,787,322.77	$1,840,942.46	$1,896,170.73
Total NOI Development	**$106,353,773**	**$1,200,000.00**	**$1,200,000.00**	**$1,200,000.00**	**$4,228,787.08**	**$5,013,714.17**	**$5,827,324.64**	**$6,683,326.62**	**$8,780,665.41**	**$9,088,755.21**	**$9,408,447.97**
Total Sale	$97,402,134	-	-	-	-	-	-	-	-	-	97,402,134
Sale Cost	($2,922,064)	-	-	-	-	-	-	-	-	-	(2,922,064)
Net Sale Proceeds	**$94,480,070**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**$94,480,069.53**
Acquisition Cost	($8,800,000)	($8,800,000)									
Hard Costs	($36,218,405)		($18,109,203)	($18,109,203)							
Soft Costs	($9,072,906)	($4,536,453)	($2,268,227)	($2,268,227)							
Total Cost	**($54,091,312)**	**($13,336,453)**	**($20,377,429)**	**($20,377,429)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unlevered Cash Flow	**$146,742,531**	**($12,136,453)**	**($19,177,429)**	**($19,177,429)**	**$4,228,787**	**$5,013,714**	**$5,827,325**	**$6,683,327**	**$8,780,665**	**$9,088,755**	**$103,888,518**
Multiple	**3.71x**										
IRR	**13.54%**										
Equity Available		$19,995,152	$7,858,699	-	-	-	-	-	-	-	-
Equity Drawn	$19,995,152	$12,136,453	$7,858,699	-	-	-	-	-	-	-	-
Equity Remaining		$7,858,699	-	-	-	-	-	-	-	-	-
Cash Flow after Equity draws		-	($11,318,730)	($19,177,429)	$4,228,787	$5,013,714	$5,827,325	$6,683,327	$8,780,665	$9,088,755	$103,888,518
Construction Loan											
Beginning Balance		-	-	11,696,224	32,791,177	35,086,560	37,542,619	40,170,602	-	-	-
Loan Draws	$30,496,159	-	$11,318,730	$19,177,429	-	-	-	-	-	-	-
Origination Fee	($742,677)	(742,677)	-	-	-	-	-	-	-	-	-
Interest Cost on Construction Loan	($12,486,385)	-	(377,494)	(1,917,524)	(2,295,382)	(2,456,059)	(2,627,983)	(2,811,942)	-	-	-
Ending Balance		-	11,696,224	32,791,177	35,086,560	37,542,619	40,170,602	42,982,544			
Acrrued Interest		-	(377,494)	(2,295,018)	(4,590,400)	(7,046,460)	(9,674,443)	(12,486,385)	-	-	-
Loan Repayment (P+I)	($45,794,486)	-	-	-	-	-	-	(45,794,486)	-	-	-
Cash Flow after Construction Loan		-	-	-	1,933,769	262,273	3,199,341	(39,111,160)	8,780,665	9,088,755	103,888,518
Permanent Loan											
Loan Proceeds	$60,757,515	-	-	-	-	-	-	60,757,515	-	-	-
Loan Fees	($2,339,164)	-	-	-	-	-	-	(2,339,164)	-	-	-
Payments	($39,139,137)	-	-	-	-	-	-	-	($3,913,914)	($3,913,914)	($3,913,914)
Loan Paydown	($49,421,417)	-	-	-	-	-	-	-	-	-	(49,421,417)
Levered Cash Flow	**$91,627,558**	**($12,136,453)**	**($7,858,699)**	**-**	**$1,933,769**	**$262,273**	**$3,199,341**	**$19,307,191**	**$4,866,752**	**$5,174,841**	**$50,553,187**
Multiple	**5.58x**										
IRR	**18.5%**										

EXHIBIT D

Waterfall - Plan A

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	IRR							
Cashflow	16.1%	(12,136,453)	(7,858,699)	-	1,933,769	422,949	3,531,942	38,656,157
Capital Contributions	%							
LP	90.0%	($10,922,808)	($7,072,829)					
GP	10.0%	($1,213,645)	($785,870)					
Tier I								
LP								
Beginning Balance	Hurdle	$0	$10,922,808	$19,087,918	$20,996,710	$21,355,988	$23,110,933	$22,243,278
Preferred Return Due	10.0%	$0	$1,092,281	$1,908,792	$2,099,671	$2,135,599	$2,311,093	$2,224,328
Capital Contribution		$10,922,808	$7,072,829	-	-	-	-	-
Tier I Distributions		$0	-	-	($1,740,392)	($380,654)	($3,178,748)	($24,467,606)
Ending Balance		$10,922,808	$19,087,918	$20,996,710	$21,355,988	$23,110,933	$22,243,278	-
	Check							
LP Cashflow	10.0%	($10,922,808)	($7,072,829)	-	$1,740,392	$380,654	$3,178,748	$24,467,606
GP								
Capital Contributions		($1,213,645)	($785,870)	-	-	-	-	-
Tier I Distributions		-	-	-	$193,377	$42,295	$353,194	$2,718,623
	Check							
GP Cashflow	10.0%	($1,213,645)	($785,870)	-	$193,377	$42,295	$353,194	$2,718,623
Total								
Total Tier I Distributions			($7,858,699)	-	$1,933,769	$422,949	$3,531,942	$27,186,229
Cashflow after Tier 1 Distributions			-	-	-	-	-	$11,469,929
Tier II								
LP								
Beginning Balance	Hurdle	-	$10,922,808	$19,524,830	$22,258,306	$23,634,077	$26,562,193	$27,102,153
Preferred Return Due	14.0%	-	$1,529,193	$2,733,476	$3,116,163	$3,308,771	$3,718,707	$3,794,301
Capital Contribution		$10,922,808	$7,072,829	-	-	-	-	-
Tier I Distributions		-	-	-	($1,740,392)	($380,654)	($3,178,748)	($24,467,606)
Tier Ii Distributions		-	-	-	-	-	-	($6,428,848)
Ending Balance		$10,922,808	$19,524,830	$22,258,306	$23,634,077	$26,562,193	$27,102,153	-
	Check							
LP Cashflow	14.0%	($10,922,808)	($7,072,829)	-	$1,740,392	$380,654	$3,178,748	$30,896,454
GP								
Tier II Distributions		-	-	-	-	-	-	$892,896
Tier II Promote		-	-	-	-	-	-	$1,607,212
	IRR							
GP Cashflow	21.8%	($1,213,645)	($785,870)	-	$193,377	$42,295	$353,194	$5,218,730
Total								
Total Tier II Distributions + promote		-	-	-	-	-	-	$8,928,956
Cashflow After Tier II Distributions		-	-	-	-	-	-	$2,540,973
Tier III								
LP Distributions	54.0%	-	-	-	-	-	-	$1,372,126
GP Distributions	10.0%	-	-	-	-	-	-	$254,097
GP Promote Distributions	36.0%	-	-	-	-	-	-	$914,750
Total Tier III Distributions		-	-	-	-	-	-	$2,540,973
	IRR							
LP Cashflow	**14.8%**	**($10,922,808)**	**($7,072,829)**	**-**	**$1,740,392**	**$380,654**	**$3,178,748**	**$32,268,579**
Total Cashflows	**16.1%**	**($12,136,453)**	**($7,858,699)**	**-**	**$1,933,769**	**$422,949**	**$3,531,942**	**$38,656,157**

EXHIBIT E

Waterfall - Plan B

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
	IRR																	
Cashflow	18.5%	(12,136,453)	(7,858,699)	-	1,933,769	262,273	3,199,341	19,307,191	2,999,426	3,237,916	3,485,221	3,741,691	4,007,689	4,283,598	4,569,815	4,866,752	5,174,841	50,553,187
Capital Contributions	%																	
LP	90.0%	($10,922,808)	($7,072,829)															
GP	10.0%	($1,213,645)	($785,870)															
Tier I																		
LP																		
Beginning Balance	Hurdle	$0	$10,922,808	$19,087,918	$20,996,710	$21,355,988	$23,255,542	$22,701,689	$7,595,386	$5,655,442	$3,306,861	$500,848	-	-	-	-	-	-
Preferred Return Due	10.0%	$0	$1,092,281	$1,908,792	$2,099,671	$2,135,599	$2,325,554	$2,270,169	$759,539	$565,544	$330,686	$50,085	-	-	-	-	-	-
Capital Contribution		$10,922,808	$7,072,829	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier I Distributions		$0	-	-	($1,740,392)	($236,045)	($2,879,407)	($17,376,472)	($2,699,483)	($2,914,125)	($3,136,699)	($550,933)	-	-	-	-	-	-
Ending Balance		$10,922,808	$19,087,918	$20,996,710	$21,355,988	$23,255,542	$22,701,689	$7,595,386	$5,655,442	$3,306,861	$500,848	$0	-	-	-	-	-	-
	Check																	
LP Cashflow	10.0%	($10,922,808)	($7,072,829)	-	$1,740,392	$236,045	$2,879,407	$17,376,472	$2,699,483	$2,914,125	$3,136,699	$550,933	-	-	-	-	-	-
GP																		
Capital Contributions		($1,213,645)	($785,870)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier I Distributions		-	-	-	$193,377	$26,227	$319,934	$1,930,719	$299,943	$323,792	$348,522	$61,215	-	-	-	-	-	-
	Check																	
GP Cashflow	10.0%	($1,213,645)	($785,870)	-	$193,377	$26,227	$319,934	$1,930,719	$299,943	$323,792	$348,522	$61,215	-	-	-	-	-	-
Total																		
Total Tier I Distributions			($7,858,699)	-	$1,933,769	$262,273	$3,199,341	$19,307,191	$2,999,426	$3,237,916	$3,485,221	$612,148	-	-	-	-	-	-
Cashflow after Tier 1 Distributions			-	-	-	-	-	-	-	-	-	$3,129,543	$4,007,689	$4,283,598	$4,569,815	$4,866,752	$5,174,841	$50,553,187
Tier II																		
LP																		
Beginning Balance	Hurdle	-	$10,922,808	$19,524,830	$22,258,306	$23,634,077	$26,706,803	$27,566,348	$14,049,165	$13,316,565	$12,266,759	$10,847,406	$9,561,839	$8,014,961	$6,052,864	$3,609,999	$611,337	-
Preferred Return Due	14.0%	-	$1,529,193	$2,733,476	$3,116,163	$3,308,771	$3,738,952	$3,859,289	$1,966,883	$1,864,319	$1,717,346	$1,518,637	$1,338,658	$1,122,094	$847,401	$505,400	$85,587	-
Capital Contribution		$10,922,808	$7,072,829	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier I Distributions		-	-	-	($1,740,392)	($236,045)	($2,879,407)	($17,376,472)	($2,699,483)	($2,914,125)	($3,136,699)	($550,933)	-	-	-	-	-	-
Tier Ii Distributions		-	-	-	-	-	-	-	-	-	-	($2,253,271)	($2,885,536)	($3,084,191)	($3,290,267)	($3,504,061)	($696,924)	-
Ending Balance		$10,922,808	$19,524,830	$22,258,306	$23,634,077	$26,706,803	$27,566,348	$14,049,165	$13,316,565	$12,266,759	$10,847,406	$9,561,839	$8,014,961	$6,052,864	$3,609,999	$611,337	-	-
	Check																	
LP Cashflow	14.0%	($10,922,808)	($7,072,829)	-	$1,740,392	$236,045	$2,879,407	$17,376,472	$2,699,483	$2,914,125	$3,136,699	$2,804,204	$2,885,536	$3,084,191	$3,290,267	$3,504,061	$696,924	-
GP																		
Tier II Distributions		-	-	-	-	-	-	-	-	-	-	$312,954	$400,769	$428,360	$456,981	$486,675	$96,795	-
Tier II Promote		-	-	-	-	-	-	-	-	-	-	$563,318	$721,384	$771,048	$822,567	$876,015	$174,231	-
	IRR																	
GP Cashflow	19.5%	($1,213,645)	($785,870)	-	$193,377	$26,227	$319,934	$1,930,719	$299,943	$323,792	$348,522	$937,487	$1,122,153	$1,199,408	$1,279,548	$1,362,690	$271,026	-
Total																		
Total Tier II Distributions + promote		-	-	-	-	-	-	-	-	-	-	$3,129,543	$4,007,689	$4,283,598	$4,569,815	$4,866,752	$967,951	-
Cashflow After Tier II Distributions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$4,206,891	$50,553,187
Tier III																		
LP Distributions	54.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$2,271,721	$27,298,721
GP Distributions	10.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$420,689	$5,055,319
GP Promote Distributions	36.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$1,514,481	$18,199,147
Total Tier III Distributions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$4,206,891	$50,553,187
	IRR																	
LP Cashflow	**16.7%**	**($10,922,808)**	**($7,072,829)**	**-**	**$1,740,392**	**$236,045**	**$2,879,407**	**$17,376,472**	**$2,699,483**	**$2,914,125**	**$3,136,699**	**$2,804,204**	**$2,885,536**	**$3,084,191**	**$3,290,267**	**$3,504,061**	**$2,968,646**	**$27,298,721**
Total Cashflows	**18.5%**	**($12,136,453)**	**($7,858,699)**	**-**	**$1,933,769**	**$262,273**	**$3,199,341**	**$19,307,191**	**$2,999,426**	**$3,237,916**	**$3,485,221**	**$3,741,691**	**$4,007,689**	**$4,283,598**	**$4,569,815**	**$4,866,752**	**$5,174,841**	**$50,553,187**

THANK YOU