

TRUMAN WATERFRONT

MEISEL & SPOTTSWOOD MARINA
MANAGEMENT COMPANY, LLC

MARINA & UPLAND DEVELOPMENT OPPORTUNITY

RFP #08-011



CITY OF KEY WEST, FLORIDA

TRUMAN WATERFRONT

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1. EXECUTIVE SUMMARY

MEISEL & SPOTTSWOOD



Mega Yacht.
Photo courtesy of odysseysailing.gr

Partnership Announced!

Meisel Capital Partners, LLC and the Spottswood Companies, Inc. are pleased to announce a partnership that will provide the City of Key West with an exciting and creative response to the City's Request for Proposal #08-11 (Marina and Upland Development Opportunity for the Truman Waterfront, referred to hereafter as ("Truman Waterfront"). Please note that this proposal does not include land already allocated for the assisted living and workforce housing facilities. Our newly formed partnership, Meisel & Spottswood Marina Management Company, LLC (referred to hereafter as "MSM"), combines generations of local experience in both real estate and marina development.

The Truman Waterfront Proposal

Our proposal not only addresses the City of Key West's need to develop Truman Marina and the surrounding Waterfront Park, but incorporates into its plan the immediate adjacent property to blend beautifully with the Truman Waterfront. Our design and development proposal will fully support and harmonize the City of Key West's vision for the Truman Waterfront by combining maritime use with a dynamic leisure and pedestrian waterfront environment and integrating a Naval historical perspective.

The proposed Truman Waterfront will transform the existing area into a world-class park and marina, provide new jobs for local residents, and create passive and active recreational opportunities for residents and tourists, while re-connecting the adjacent neighborhoods with this historic waterfront. Our project is about sustaining the tourist economy for Key West and improving the quality of life for its citizens. Additionally, it will open the City of Key West to the currently untapped market of the mega-yacht owners, a very lucrative and fast-growing segment of the boating industry.

Key West is the last deep water port south of Miami for vessels transiting to Jamaica, Grand Caymans and the Yucatan Peninsula. In the event Cuba opens as a cruising location, vessels that previously could not travel the distance to these locations will now be able to enjoy all that Cuba and the other southwest destinations have to offer. This opens up so many more opportunities as an alternative to traditional travel through the Bahamas and the eastern Caribbean.

MSM proposes to:

MEISEL & SPOTTSWOOD



Image 2: Mallory Square, Key West.
Photo courtesy of Gonzalez Architects.



Image 2: Cruise Ship docking near Admiral's Cut.
Photo courtesy of Gonzalez Architects.

A. Design and develop a state-of-the-art marina to be enjoyed by a broad range of boats and pleasure craft varying in size from 60 feet to over 250 feet for both power and sail. Our development will follow the best marina management practices supporting Clean Marina operations, as well as sustainable principles in design and construction of the docks and buildings including the utilization and renovation of the existing 14,000 square foot Navy building. The building will include various amenities for the mega-yacht owners and crews (showers, laundry, and leisure room) as well as an adjoining pool with a casual eatery; and

B. Create a community park that will be a setting utilizing vibrant indigenous vegetation with a layout that will invite visitors young and old to sit, relax and enjoy the beauty and tranquility that this area of Key West has to offer. We would suggest that the Park be named after Harry S. Truman, the thirty-third President of the United States who enjoyed all that Key West had to offer and claimed the City as his winter getaway. Only a short walk from the excitement and traffic of Duval Street and downtown Key West, the Harry S. Truman Park will serve as a place for parents to bring their children, for adults to enjoy watching beautiful sunsets, and provide families a place to ride or jog along the Esplanade. It would be advantageous for the City to provide access across Admiral's Cut. This would allow locals and visitors to flow unobstructed from Mallory Square's sunset pier all the way to Fort Zachary Taylor. Imagine how many local families could enjoy a sunset away from the activities at Mallory Square on Harry S. Truman Park's "sunset lawn."

2. VISION, GOALS & OBJECTIVE

THE VISION: GRAND PORT



The Promenade Walk at Mallory Square. An example of the proposed promenade along the Truman Waterfront where the public can view all of the boats involved in the City's various fishing tournaments, high-performance boat races, and cruise ship docking. Photo courtesy of Gonzalez Architects.

World-Class Marina

MSM's vision is to create a world-class marine park similar to Grant Park in Chicago, Bayfront Park in Miami, City of Sarasota Island Park, and Embarcadero Marina Park in San Diego where the park becomes a destination for a majestic waterfront walk, a lazy day in the park, a look at the impressive mega-yachts, a bite to eat or a destination for a community fair. This development will provide a world-class marina facility that will blend the marina design and development with the City's goals and plans for a surrounding community park and recreational area.

We envision the Truman Waterfront complementing and expanding on the many events and festivals that attract tourists to Key West as well as local events that bring the community together. For example, the outer promenade walkway will be an outstanding location for the public to view all of the boats involved in the City's various fishing tournaments, high-performance boat races, sail boat races, etc. The Truman Waterfront has been a staging area for the dry-pits for the off-shore power boat races for many years and the ability to stage race boats at the same location will be a great attraction for the power boat races as well as for all other racing events. In addition, we envision new events to compliment the Key West festivals such as outdoor concerts for the Song Writers Festival, Junkanoo Dance Demonstrations during the Goombay Festival, a Lobster Cook-Off during Mini-Season and a beautiful setting for the Taste of Key West.

We see a natural flow of people around the entire area that eventually will allow for

THE VISION CONTINUED

freedom of movement from Fort Zachary Taylor to Mallory Square; and with a few short blocks inland, you will be able to venture down Duval Street or continue onto the Bight and its waterfront esplanade. This will allow great access for the Key West residents as well as for the tourists to have open spans to walk. We envision the open seawall area that will not be utilized by the marina to accommodate vessels of historical significance such as USS Mohawk. Other historical attractions would be a great adjunct to the whole Truman Waterfront project. The U.S. military footprint in Key West is significant and historic and it should be incorporated throughout the development including the décor in the main building (14,000 square foot building), the restaurant and throughout the park highlighting historical events like the sinking of the USS Maine and the story behind the USS Key West. We believe that a local historical group would assist us to make a collage of the old and the new merging together. Finally, we see the food and beverage outlet as a casual gathering place to provide support for the events and festivities that will occur in the Truman Waterfront.

In addition to this, the proposed marina will open up Key West to a new sector of tourism, the mega-yacht market. Mega-yacht business is desirable not only for this development, but for Key West in general. With the implementation of the Truman Marina, Key West will be perfectly positioned to benefit from the money mega-yacht owners and their crews spend at each of their destinations. Additionally, the presence of mega-yachts heightens the profile of any destination. Each mega-yacht will provide an economic impact of an estimated \$2,000.00 per day for food, entertainment, transportation, clothing purchases, gifts, etc. While there are a few slips in the City that can accommodate vessels of this size, there is no marina that caters to the level of service that these owners and crews

demand and receive at other mega-yacht marinas. They are looking for locations that not only provide dining, entertainment and local attractions, but also locations that can provide first-class concierge service, transportation, airport connections, and large variety of shopping, area recreations and attractions. The development, coupled with the attractions that the City of Key West has to offer will more than satisfy their demands. Another important factor is the depth of water available in the Truman Marina Basin. The Marina will be able to accommodate vessels with up to 20 to 25 feet in depth requirements.

Renewing relations with Cuba would dramatically change the landscape of Key West and significantly increase the value of this particular piece of property. We see Key West as a vital gateway to Cuba; and our proposed world-class marina would be a strategic staging location for yachts venturing to and from Cuba. If demand were to require it, additional high-speed ferry service could be provided from this location.

DESTINATION PORT

MSM's goals are to:

1. Reconnect the adjacent neighborhoods to the waterfront allowing for recreational use as well as provide employment opportunities for local residents for the various marine-related activities and upland activities.
2. Provide a state-of-the-art marina accommodating vessels ranging from 60 feet to more than 250 feet in length for both power and sail.
3. Provide a wave attenuation wall/walkway to aid in wave protection for boats docked in the marina. The walkway will also provide daytime boaters a means for securing their boats during power and sail boat races, fishing tournaments, special events and annual festivals.
4. Renovate and revitalize the existing 14,000 square foot building to incorporate offices for a Dockmaster, concierge service, marina security as well as modern bathrooms and showers, ship's chandlery and a crew and boater's leisure facility.
5. Provide a swimming pool and food and beverage service adjacent to the existing 14,000 square foot building.
6. Provide extensive landscaping to enhance the marina's attractiveness and to integrate the landscape throughout the Harry S. Truman Park and esplanades.
7. Initiate, implement and maintain the best marina management practices for the Clean Marina program for the State of Florida.

8. Work with the City for allowance to incorporate the long-standing Key West naval history to include a bulkhead location adjacent to the marina for the historical USS Mohawk and other important decommissioned vessels.

9. Enhance the gateway to the City from the cruise ship berth at the Navy Mole Pier.

10. Provide dockage for charter boats allowing quick access to open water in downtown Key West.

MSM's main objectives are to:

1. Generate substantial stabilized long term income for the city, at the same time creating a world class waterfront park for its residents and tourists alike. The income generated as a result of slip rentals will not only be sufficient enough to maintain the entire project in a first class manner, but will provide a steady income to the city for other projects (i.e. affordable housing)
2. Reconnect Bahama Village to the waterfront and provide an opportunity for jobs related to marina operations, food and beverage service, as well as park and recreational facilities.
3. Create and maintain the parklands for public use under the ownership of the City.
4. Provide a venue for major events to take place.
5. Create a world-class marina.

3. COMMUNITY BENEFITS

COMMUNITY ACCESS

The famous Sloppy Joe's Bar located on Duval Street in Historic Key West. A tourist favorite when visiting Key West. Photo courtesy of Gonzalez Architects.



Community Benefits

6

Truman RFP

Waterfront Access Point

Our plan will provide new public access points and improve the waterfront experience. This proposal will be a part of the greater City plan to provide street and bicycle greenway for pedestrians and vehicles. It would be advantageous for the City to provide an easement over Admiral's Cut thereby connecting the Truman Waterfront to the pathways that continue through the condominiums, the Hyatt Timeshare, and the Westin Properties to complete its integration with Mallory Square.

Establishing park and waterfront access is critical to provide the flow of people from the cruise ship terminals as well as providing the easiest, most direct way for the public to access

the marina and ensure the entire waterfront is directly linked to both neighborhood and adjacent local businesses. This access will provide new employment opportunities as well as increasing demand for existing businesses. As requested by the RFP, we see the extension of Southard and Petronia Streets into the marina location. This extension will establish a critical park and waterfront access for the residents of Key West. The proposed community park setting will be a great location for a 'sunset lawn' facing west overlooking the Gulf of Mexico. The location of this Marina will be ideal for fishing tournaments, land-based activities associated with the off-shore boat races.

4. PROJECT PLAN

NARRATIVE DESCRIPTION



Iconic Key West establishment.
Photo Courtesy of Gonzalez Architects.

The Site design takes into account the Navy property acquired by the City of Key West, less the areas that have been set aside for the Assisted Care Living Facilities (ACLF) envisioned by the City, and the area set aside for the Bahama Village Community. The balance of the site totaling approximately 23.9 acres is what is developed under the concept presented in this RFP.

Key to the development, is the Marina component, which is the heart of the concept. The approach to the Marina from both the sea and the land was considered to create inviting vistas. On the sea side yachtsmen and boaters enter the protected harbor on the northwest side and can immediately see the promenade and parks.

The entrance to the Truman Waterfront from Southard Street is the primary land access to the site. This approach is also used to enter the adjoining complexes of the ACLF, Bahama Village, The Navy Base, The Navy outer mole dock, NOAA, and the Fort Zachary Taylor State Park. Access to these areas will be discussed further in this narrative. It is envisioned that car, bike and pedestrian access from the City and through the Truman Annex housing complex will enter heading westbound and will first encounter a centerpiece Waterfront Family Park immediately as one enters the area.

NARRATIVE DESCRIPTION

The proposed Waterfront Family Park would be a location where families can come and picnic as well as enjoy the waterfront. The center of this park would have a large interactive fountain where during the summer kids can play and enjoy a refreshing cooling off. This area will have a drop-off drive area where the elderly or the handicapped can access the waterfront promenade. From this park location, visitors to the area can stroll along the waterfront and enjoy the views of the boats docked and stroll further northward along the promenade along the marina and beyond to the waterside park between the marina and the Admiral's Cut area.

A new mega-yacht and variable boat size marina is envisioned immediately to the right of the waterfront park as one enters the Truman Waterfront property. Taking up approximately 800 feet of frontage; new state of the art slips with all utility conveniences will be constructed. The docks themselves will be secure behind an attractive fence constructed along the promenade to ensure security of the vessels, while allowing the public to walk along the water and enjoy viewing the boats in port.

Within the Marina area the site will have separate parking to support the docks as well as the support building for the Marina. This building will contain check-in facilities, concierge, staff lounge and locker areas, guest lounge and locker areas, public restrooms with outside access, a chandlery and marine supply store, as well as an in-

door/outdoor restaurant and bar for the guests and the public. This building could also potentially serve as a Ferry Terminal for future service between Cuba and other cities.

Alongside the Marina support building will be a guest pool and limited public facility tied in with the restaurant. The concept is to provide resort facility amenities for the boat owners while docked. The pool area and its adjoining spaces will be the equivalent of those found in typical five star resorts, the only difference being that the guests stay on their vessels. The public will be invited to enjoy the restaurant like other resorts in which facilities cater to the public at large.

North of the Marina facility the waterfront will continue with a promenade which is bordered by the water to the west and a new public park in the tradition of large city parks. This promenade will normally have the USS Mohawk tied up along it for public enjoyment and the docks there remain for NAVY use during state of emergencies. In addition to the Mohawk this dock will be used during various year round special events such as the Powerboat Races and the Key West Sailboat Regattas for example. The Harry S. Truman Park along the waterfront promenade, will be a beautifully landscaped venue with meandering walks, climbing walls and delightful fountains. This park will be filled with native vegetation such

NARRATIVE DESCRIPTION

as Royal Poincianas to make a world-class park. This park also will act as the waterfront foreground to the residences beyond the property located on Truman Annex.

At the very north end of the promenade a connecting bridge across Admiral's Cut is envisioned. This bridge would provide pedestrian access along the waterfront connecting along all the way to Mallory Square. The public would thus be able to enjoy an uninterrupted stroll along the waterfront, enjoying the views and the merchants along the way.

Immediately beyond the central waterfront park when one enters to the left; the entrance drive continues in a new configuration. This new layout eliminates the current Fort Zachary Taylor access and creates a new access road to serve the NOAA facility, access to the park and the Navy outer mole area. By reconfiguring the road the design allows an area to the south for parking. This parking would be public parking for the waterfront and can act as staging area for special events, with the large boat ramp immediately to the north to support these functions.

As the newly configured road approaches the new park entrance an area to the north is designed to create a large events grounds and playing field. This elliptical shaped park area is surrounded by trees and is designed with an outer perimeter hard surface walk, for strollers and bikes, and an inner perimeter shell walk for joggers and casual strolls. The inner grounds area would

allow casual weekend football or soccer and Frisbee games as well as serve as a parade grounds site for special events.

The entire development of the Truman Waterfront is envisioned as a water-related park like environment where the City can enjoy revenue from the Marina component while providing a world-class waterfront for the citizens of Key West. The design maximizes interaction between the public and the water in the creation of access and unfettered views of the water. The vehicular and pedestrian links to the rest of the Historic downtown are clearly defined to encourage use and primarily to leave a site that is a beautiful legacy for the people.

SITE PLAN



Aerial map delineating the location of Truman Waterfront and its relationship to the prominent tourist and community points of interest in the City of Key West, Florida.



PROPOSED PROJECT PLAN



Proposed site plan for the entire Waterfront Development. The plan highlights the marina and the major support areas, such as:

- The Ellipse Event Grounds
- The Family Waterfront Park
- Harry S. Truman Waterfront Park
- Waterfront Promenade
- Marina Restaurant
- Waterfront Pool and Relaxation Center

PROPOSED PROJECT PLAN



Site rendering depicting the proposed public parking and The Ellipse Event Grounds.

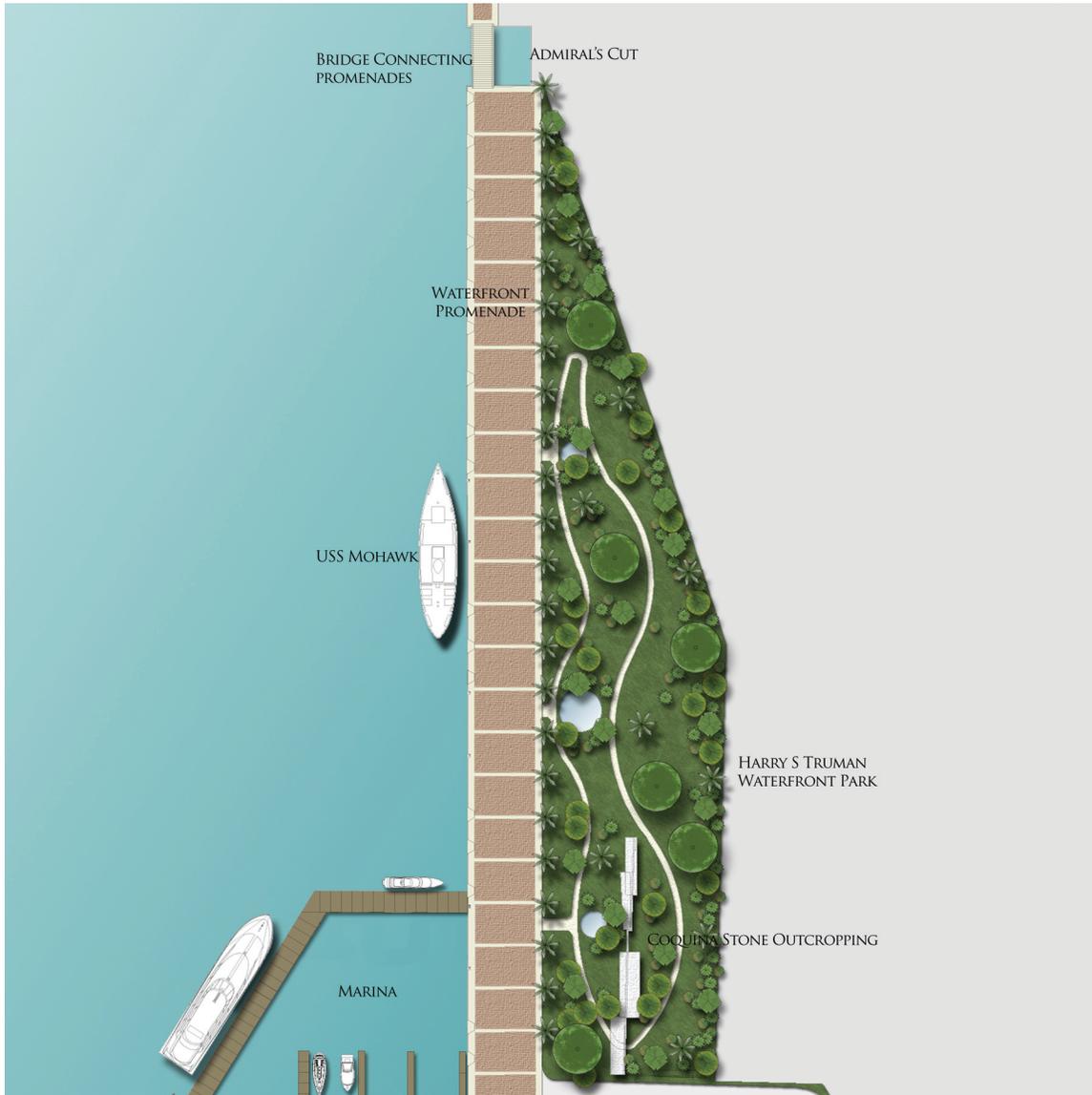


PROPOSED PROJECT PLAN



Site rendering depicting the proposed marina and the support facilities.

PROPOSED PROJECT PLAN



Site rendering depicting the promenade from the proposed marina to Admiral's Cut.

(Left) Brickwork used at the Mallory Square promenade.



RENDERING HARBOR SIDE



View of Truman Waterfront Marina Resort pool and deck area looking towards building with outdoor restaurant and guest lounging areas.

RENDERING TRUMAN ANNEX



View of Truman Waterfront as seen from over the Truman Annex area looking towards the southwest. This view shows a portion of the Harry S. Truman Park with its lush native tree vegetation to the right along with the waterfront promenade. The Marina Building with its pool and deck, the marina docks are in the center of the view. Beyond the Marina building is the Waterfront Family Park with the boat ramp behind, and further beyond is the Ellipse Event Grounds on the upper left with parking south of the NOAA buildings. The only vertical structure on the site is the Marina Building and the park pavilions. Landscaping and unfettered views of the water are the main goals of the design.

RENDERING



View of Truman Waterfront as seen from over the Ellipse Event Grounds, with the NOAA buildings west of the Ellipse and public parking to the south. Beyond the Boat Ramp is the Waterfront Family Park with the Marina and the Marina Building adjacent to the docks. Further north the waterfront promenade continues with the Harry S. Truman Park running along the promenade and ending at the Admiral's Cut Bridge. As shown in this image the waterfront and its walkway connect all the areas allowing the public to enjoy all the park venues and views. The entrance to the waterfront via Southard Street can be seen leading into the site.

5. MANAGEMENT

AGREEMENT

Management Agreement

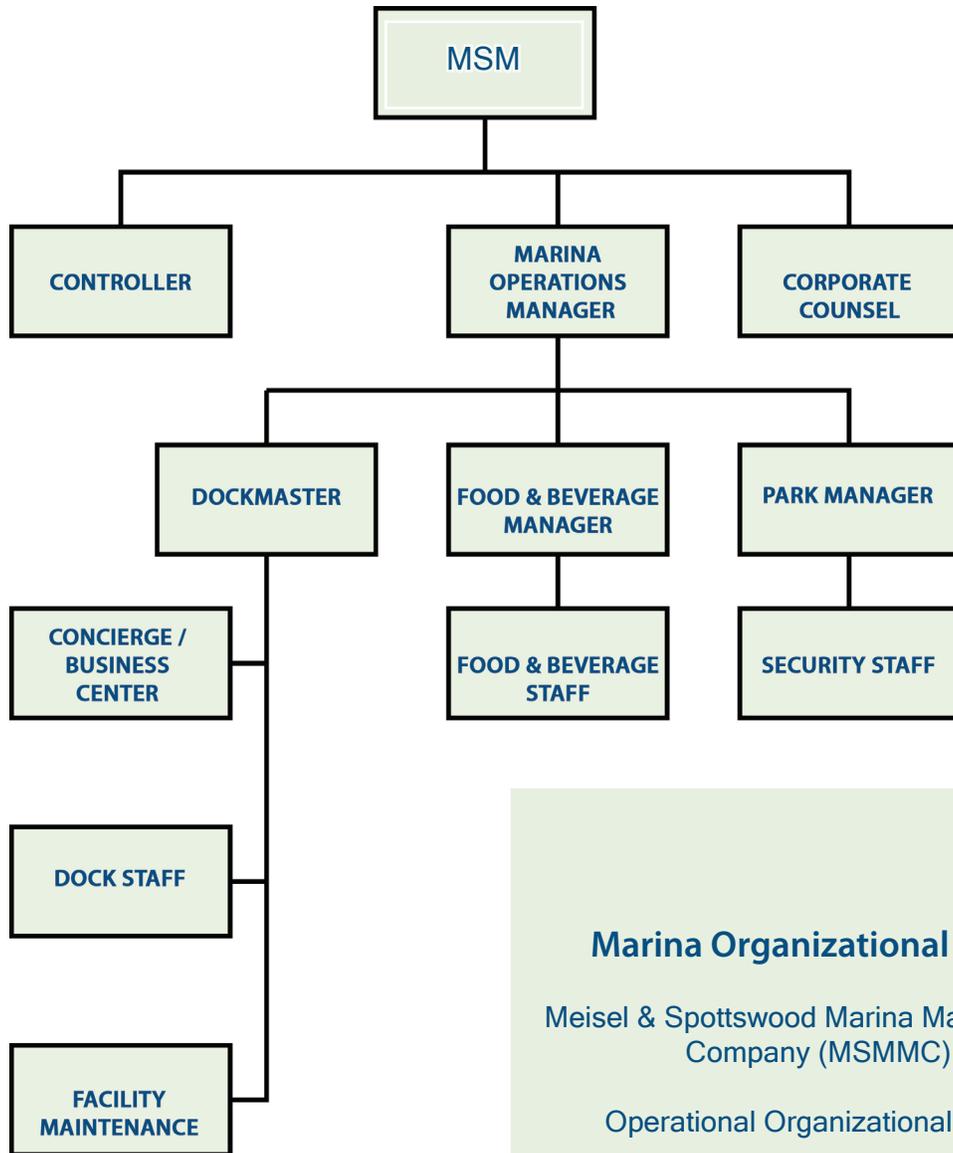
MSM has the perfect combination of local knowledge and marina experience to manage the Truman Marina. Attached is a form of the Management Agreement (**Schedule A**) to be further discussed and negotiated.

MISSION STATEMENT

We intend to operate and maintain a first-class marina facility and waterfront recreation area and provide exceptional customer service. Our Marina will be managed by Certified Marina Managers (CMM) that are professionally experienced marina operators. We will place heavy emphasis on operating a “Certified Clean Marina”. Our Team brings over 30 years of experience in operating full-service resort marina facilities to include hotels, hospitality and recreational amenities, i.e. swimming pools, golf course, yacht clubs, and food and beverage outlets with live entertainment. Our exemplary service will also include concierge service/business center and luxury transportation service. The goodwill we plan to build as an organization within the Key West community and surrounding area is not only based upon our reputation for high quality, honesty, fair practices, and superior service, but also on the promptness, courtesy, and consideration which is demonstrated in our daily operations. Therefore, we believe that it is important that each of us continue to build this goodwill through prompt, efficient, and courteous attention to visitors, boaters, public, fellow employees and correspondence we have with others.

6. MANAGEMENT

OPERATING PLAN



Marina Organizational Chart
Meisel & Spottswood Marina Management Company (MSMMC)
Operational Organizational Chart



OPERATING PARAMETERS

Operating Procedures

MSM will establish and maintain a reputation for high quality service, sincerity, and ethical conduct through its employees and in its business activities. The Marina Operations Manager will be in charge of the entire operation. This key person is responsible for setting overall management of policies, management, regulations, budgets, operations, labor relations, training, maintenance, expansion, short and long range planning, reports to owners, marketing, and other administrative/supervisory direction of all activities at the Marina and related facilities. Key management positions include Controller, Office Manager/Administrative Assistant, Dockmaster, Store Manager, Food and Beverage Manager, Maintenance Manager, Park Manager. (Individual job descriptions can be provided as needed). From our 30 years of experience, we have developed an Operations Manual that provides detailed guidelines for human resource management, individual employee job descriptions, responsibilities, as well as training requirements, emergency preparedness and response. (The Operations Manual will be made available upon request.)

Businesses Operated by Development Team

We fully intend to operate all parts of the business to include marina operations as well as food, beverage and entertainment. At some time in the future we may desire to lease the food and beverage service.

Businesses Intended to be Subleased

None at this time, but reserve the right to sub-lease.

Operating Schedule

The facility would operate seven days a week with full staffing hours of operation to be determined. A Dockmaster or Assistant Dockmaster would be on staff at all times to assist with docking, fueling, pump-out service and any other service as necessary to accommodate vessels. Food and beverage hours of operation will be determined by market feasibility.

Maintenance Program

An on-going major maintenance program will be established to include:

- Monthly inspection by MSM to ensure safe operating conditions of all mechanical systems. Inspection of all buildings and grounds and provide maintenance as required.
- Annual inspection of all piers by dock manufacturer representative and provide maintenance as required.
- Marina will be divided into five zones and each zone will be a part of a five-year schedule for repairs, major maintenance and/or capital improvements. (This schedule is to ensure that every part of the facility will be inspected and upgraded once every five years.)

7. MARKETING PLAN

THE MARINA MARKETS

A. Primary and Secondary Markets:

The development relies on the media and tourist maps to disseminate information about the project and the park. Plus events will draw individuals to the site. The office, food and beverage service and pier signage will have local advertising and events to attract tourists and locals.

The marina, as the main driver of income, requires a more in-depth marketing plan. There are two main target clients: 1. charter boat captains, and 2. Mega-yacht owners and their crews. For charter boats, whether fishing, diving or harbor tours, the Truman Marina will have the benefit of being a new facility, within easy walking distance to Duval Street and minutes from open water. These commercial operators will be provided discounted monthly slip rent. We do not anticipate any problem in filling the smaller slips.

The mega-yacht sector requires a complete marketing plan since they currently are not in the Key West region mainly because Key West has historically been known for its lack of deep water dockage to accommodate very large yachts and mega-yacht owners. It is our goal to create awareness among these owners (both power and sail) of the availability of a new marina facility with a 30 foot depth of water in Key West for multiple yachts. We will promote the new Marina and Key West through Print Media, Web Site and Boat Show participation. We intend to market the facility as a "World-Class Facility" in order to reach boaters not only on the state level but on a national level as well. In conjunction with the Monroe County Tourist Development Council, we will be able to attract journalists to write articles in major national and international publications about what's new in Key West.

1. Print Advertisement: We will be advertising in publications that are best suited to reach the high end, unique wealth boating demographic. We define our market as large yacht owners (both power and sail); mega-yacht owners; captains and crews. Initial publications chosen are:

- Southern Boating (large power boat and trawler market): Especially targets the vacationing Florida resident cruiser. Distributed internationally and popular among boaters that travel among Florida waters.
- Yachting Magazine (large yacht power and sail): A long established and trusted publication that is read by every level of yachting enthusiast. An industry standard. Great exposure to everyone from the 40 foot to 200 foot range.
- Showboats International (large to mega-yacht owners): In this publication from the Robb Report family, the Marina will benefit from the cross exposure readership. This will also expose Key West to the international boating community.
- Stratos: Ultra exclusive in-flight magazine supplied on private and corporate jets. Incredible exposure directly to the exact niche market that owns yachts and mega-yachts.
- Coastal Yachting: An upscale publication covering the East Coast yachting community. New and well received magazine; good exposure from Maine to Florida.
- Dock Walk Newspaper: A publication specifically for the captain and crews working in the charter yacht industry in South Florida.

2. Website: We will develop a website with the proper search engines to target the high end, unique wealth boating demographic. Viewers will have the ability to make online reservations and have direct links to the City of Key

THE MARINA MARKETS

West and all businesses that are important to the yachting customer. Our website will show how unique the location is.

3. Boat Shows: The first 3 to 5 years should involve participation in the Miami, Ft. Lauderdale and Tampa Boat Shows. We would also cross advertise with our 3 marinas located in Maryland which participate in the Atlantic City, Baltimore, and Washington Boat Shows.

B. Strategies

- Build recognition as an industry leader through superior customer service, product and an always evolving improvement program.
- Assure that all services provided to guests are convenient, seamless, and delivered with world-class hospitality.
- Create an elite environment that will attract customers.

C. Objectives and Plans

- Marina operated by experienced “Certified Marina Managers”
- Create an advertising campaign to establish Truman Marina as a World-Class Luxury Marina while growing the customer base.
- Implement a centralized reservation system software package that provides recognition of repeat customers and allows staff to quickly ascertain a captain’s requirements.
- Provide all support necessary to large yachts transiting through the area. Meet specialized needs and provisioning. Provide a point of contact to promote all that Key West has to offer.

- Create marina web sites that enhance the Marina and serve as a true sales tool to generate business.
- Create a concierge business center to provide guest experience utilizing the best of all businesses in Key West.

D. Customer Service

- Upon arrival, present boaters with a “welcome” informational package to include professionally designed marina property and area maps, a list of property amenities available to the boater, sample menus from area restaurants, specials at food and beverage outlet, daily events page, etc.
- Offer a “Welcome Gift” with property logo and welcome card from General Manager or Concierge.
- Create a Concierge business center for owners, captains, and crew to include internet access, computers and printing capabilities, chart plotting, and weather.
- Identify crew-friendly environments in the Key West area such as internet café, food and beverage outlets with reasonably priced menu, fitness center, lounge, and business center.

E. Marina-Related Special Events

Initiate events that will add revenue, not only in short-term dockage, but also in food and beverage sales, e.g., poker runs, boat manufacturer rendezvous, boat races, yacht club events and fishing tournaments. Promote the City of Key West by involvement with vendor participation and promotions.

8. ECONOMIC FEASIBILITY

MARKET ANALYSIS

A. Market Analysis

Key West with its warm climates and Caribbean waters make it a very desirable destination for fisherman and boaters. This coupled with the small land mass creates a very strong demand and therefore high occupancy rates and elevated pricing. Generally the boating market is divided into three classes, defined by boat type as follows:

1. Vessels 20 to 40 foot in length typically belonging to persons that reside locally or live seasonally in the area;
2. Large yachts 40 to 80 feet in length that travel regionally, including to the Bahamas and the East and West coasts of Florida; and
3. Mega-yachts 80 to over 250 feet in length that typically follow established cruising routes throughout the Caribbean and worldwide.

Current growth in the marina industry indicates a strong market in the 60 foot plus range even with the downturn of the current economy. In the Key West area many marinas have converted to condominium sale of boat slips, therefore, the availability for transient slips in the 60 foot plus length are in short supply. Key West transient rates remain among the highest in Florida comparable with Ft. Lauderdale and Miami.

The current shortage of mega-yacht slip availability in South Florida has caused the market area to expand as owners look for slips. Marina operators in South Florida have reported turning away many customers due to lack of space to accommodate them.

Key West will support a first-class marina

giving world-class service with up to 20% of the wet slips sized to accommodate mega-yachts. The new marina would provide approximately 37 slips plus 2,360 linear feet of side dockage for mega-yachts (which could accommodate 18 mega-yachts or approximately 45 vessels up to 50 feet in length). Mega-yacht dockage can also be used to accommodate multiple smaller vessels.

We anticipate an average annual occupancy rate of 70%. A 90% daily occupancy is achievable during the months of November through April due to the desirable winter climate. The remainder of the year should peak at 50% due to hurricane season. 100% occupancy is anticipated during holidays and special events.

Existing marinas tend to provide standard amenity requirements such as electric, water, pump-out, and bathroom facilities. We intend to provide a “first-class” facility with the following services considered:

- Swimming pool
- Food and beverage outlets
- Personalized customer service
- Limousine service
- Premium rental car transportation
- On-Site provisions and/or coordinating delivery from existing services available in Key West
- Electrical service requirements of up to 600 amps 3-phase
- In-slip high speed fueling and pump-out service
- Amenities catering to yacht crew members

Market survey indicates that daily rental

rates for wet slips average approximately \$3.00 to \$3.50 per foot per day on a daily basis and \$50.00 to \$60.00 per foot on a monthly basis. We project an average daily rental of \$4.00 per foot per day or \$60.00 to \$80.00 per foot per month based on a premium location and time frame for marina being available for occupancy.

A higher daily rate would be charged for mega-yachts. In addition electrical usage will be charged by meter. Dockage discounts would be given for long term dockage of charter boats.

B. Projected Development Phase Schedule

The time frame for conducting water quality, sea grasses, endangered species, bathometric, soil studies and final permitting will take approximately 24 months. In regards to pier construction, design and engineering of structural pilings, docks, utilities, etc. will take approximately three months. Physical construction of the docks at the factory location will take approximately three months. Marina installation will take approximately five months. In month 18 of environmental studies and permitting, subject to confidence in the permitting process, the pier design and engineering portion of the project could begin. The time frame from beginning to completion of the marina portion is approximately two and half to three years. [See Schedule B.](#)

The proposed land based design will require the following schedule for implementation. Initial Design Development and planning review will take approximately eight (8) months. This being a major development the project will go through a variety of City of Key West Planning Department reviews followed by public meetings of the Development Review Committee and public hearings before the Planning Commission. Subsequently the plans will be formally reviewed and adopted

by the City Commission before final design and permitting.

Concurrent with planning review - initial survey, environmental review, and geotechnical testing will be performed. This work and its output will coincide with development review so that data is available upon planning approval to proceed with final documents and specifications.

Final Design documents will require another three (3) months. Permitting for the project at the State level will be started concurrent with City planning approval. Final reviews and permits issuance would be concurrent with final design and local permitting. We project another three (3) months for final issuance of relevant permits. Agencies of jurisdiction such as the State of Florida Department of Environmental Protection, the Department of Community Affairs, Fish and Wildlife, and the South Florida Water Management District will review during the total time frame for final design and permitting.

Bidding and negotiation with key construction contracts can be done after documents are completed and while final permits are being issued.

Based on the above and the overlap of tasks we project the project will require fourteen (14) months for design and permitting and then will require another eighteen (18) months for construction of major elements ready for use. This projects a total time frame for implementation of, a minimum of thirty-two (32) months. [See Schedule B.](#)

C. Project Revenue Analysis



Financial Projections for Marina - See [Schedule C](#).

The primary source of income from this project is slip revenue. Our assumptions are based all slips rented on a transient basis at an initial price of \$4.00 per lineal foot. The price of \$4.00 is conservative based on the fact that it is the current rate as of 2009, and upon completion in approximately 2 years it will be the newest and best located marina in Key West. Additionally, the slips over 80 feet usually command a premium price. The \$1.5 million of fuel income is based on the number of slips, the size of the slips and the occupancy. Because fuel sales are a low margin business (90% COGS) fuel only contributes \$150,000 in net revenue. While we anticipate that MSM will manage the restaurant, we forecasted it as a lease to simplify the projections. The lease price was based on other City leases (7.5%) for restaurants that had \$2,000,000 in sales.

D. Development Cost Estimates

Considerable capital costs are involved in creating the proposed marina and its land side operations and other uses. Cost estimates are based upon preliminary designs and comparable projects are outlined in the following pages for the marina, the marina docks, retail and restaurant. These construction estimates include both direct costs (labor and materials) and indirect costs (engineering, architecture, permits, etc.). This proposal assumes that the entire project is done at the same time; however, if the City would prefer to split the project into two phases, it is possible as can be seen on the upland budget. Phase I would encompass all of the features that would be necessary to run the marina and the parklands border the marina. As the marina is operated and the City is satisfied with its perfor-

mance, the City can then undertake Phase II. Development Cost Estimates - See [Schedule D](#).

9. FINANCIAL PLAN

FUNDING

Financial & Social Benefits

MSM will be responsible for structuring and/or obtaining financing on behalf of the City of Key West to complete this project. Due to the current challenges in obtaining conventional financing for this project, we are proposing two alternatives for financing. First alternative is the City's issuance of a long term (20 year) revenue bond that would be supported by the income produced by the marina and any ancillary project revenue derived from the parks and the restaurant. We believe that this revenue bond should be supported by, and would request that, the County and the Tourist Development Council (and such other governmental agencies that may be required to do so) pledge one-half (½) cent from the recently implemented one cent bed tax increase as additional security for the repayment of the bond. Provided that project revenues were sufficient to support the repayment of the bond, the City would be free to continue to utilize the one-half (½) cent increase for separate purposes or to prepay the loan. We anticipate that sufficient project revenues would be available to support bond payments after year three (after which time we project that no portion of the bed tax would be required to support the project). Based on our projections, the loan for Phase I and Phase II could be paid in full within 10 years if the one-half (½) cent tax was directed toward prepayment. Upon repayment, the City would then receive all profits from the marina and the formerly pledged one-half (½) cent bed tax could be released for other purposes. The second alternative financing mechanism would be to secure a

more traditional bank loan (20 years) that would benefit from the cash flows and enhancements described above.

We explored numerous options for the Developer to obtain financing and remain responsible for the repayment of the debt, but the return to a private Developer is simply not there. This is largely due to size restrictions, the upland development restrictions and the high cost of private debt. For demonstrations purposes, we have outlined these rejected options in [Schedule E](#).

10. FINANCIAL FEASIBILITY

THE PROJECTIONS

The conservative projections (see [Schedule C](#)) prepared within, along with the strong dependable enhancement provided by the pledge of the bed tax and the general ‘flight to credit’ in the market, we believe that there is substantial appetite for this debt both in the public bond market as well as the private bank market.

11. FINANCIAL RETURN TO THE CITY

ECONOMIC BENEFITS

As a result of the City taking on the responsibility of the debt on the project, the financial benefit of the project will entirely inure to the City of Key West. To assist in credit enhancing the loan, the City will need to utilize a portion of the new bed tax dollars to fund this project. The City will begin to receive cashflow from the project in the first year of operation or the City might choose to accelerate the payment of principal so the loan can be paid-off at an accelerated rate. Of course, if the City decides to do the project in phases, revenue could be realized earlier but the parkland would not be fully developed.

12. DEVELOPMENT ENTITY

1. TABLE OF ORGANIZATION

A. Organization for Development Entity:

1. Organization Members:

Spottswood Hotels, Inc. ("SHI"), a Florida corporation

SHI is a qualified S corporation subsidiary of SCI. SHI through a series of subsidiaries owns interests in the Holiday Inn, Key West, Florida, Days Inn, Key West, Florida, Radisson, Key West, Florida, Comfort Inn, Key West, Florida, the Holiday Inn & Marina, Marathon, Florida, Faro Blanco Marine Resort, Marathon, Florida, Boot Key Marina, Marathon, Florida.

President:
Robert A. Spottswood

Vice President and Treasurer:
William B. Spottswood

Vice President and Secretary:
John M. Spottswood, Jr.

Assistant Secretary:
Robert J. Webb, Esq.

Directors:
Robert A. Spottswood,
John M. Spottswood, and
William B. Spottswood

Meisel Capital Partners LLC (MCP)

MCP is a Maryland LLC. Through its subsidiaries, MCP owns interest in multiple properties. Please see [Schedule G](#) for a list of MCP properties.

President
Joel S. Meisel

Executive Vice President:
Martin J. Saturn

Chief Operations Officer:
Robert D. H. Wilson

Vice President, Construction:
Stephen H. Wilson

2. RESUMES

Robert A. Spottswood

President/Director - Spottswood Companies, Inc.

Robert A. Spottswood was born in Key West, Florida in 1957. Mr. Spottswood graduated from Key West High School in 1975, the University of Florida in 1979 and the University of Miami, School of Law in 1982. Mr. Spottswood was a partner in the Miami law firm of Taylor, Brion, Buker & Greene until 1992 specializing in corporate law. Mr. Spottswood is President of Spottswood Companies, Inc., Vice Chairman of Hyatt Vacation Ownership, Inc., Director of First State Bank, Principal of JL Woode Ltd., of counsel to the law firm of Spottswood, Spottswood & Spottswood, and has served on many civic, community and charitable boards including the Key West Bight Board, Greater Miami and Florida Keys Chapter of the American Red Cross, Police Athletic League, Community Foundation of the Florida Keys and Key West Art & Historical Society.

After practicing law in Miami for ten years, Mr. Spottswood returned home to Key West to create Spottswood Companies, Inc., which has grown to become one of the leading real estate development, property management and hospitality businesses in the Florida Keys. Since 1992 Spottswood Companies has been responsible for the development of the Hyatt Vacation Club, Hyatt Sunset Harbor Resort, Hyatt Beach House Resort, Hyatt Windward Pointe Resort, Beachside Resort & Conference Center, Faro Blanco Resort & Yacht Club, The Islander, Holiday Inn Florida Keys, Days Inn Key West, Holiday Inn Key West, Comfort Inn Key West and the Radisson Hotel Key West.

Today, Spottswood Companies manages in excess of 1,000 hotel rooms in the Florida Keys and is one of the Keys' largest private employers. Mr. Spottswood is an attorney, certified public accountant and licensed real estate broker.

John M. Spottswood, Jr.

Vice President/Director - Spottswood Companies, Inc.

Senior Partner of Spottswood, Spottswood and Spottswood

Mr. Spottswood graduated from Tulane University in 1972 and from Florida State University Law School in 1975. He is senior partner at the law firm Spottswood, Spottswood & Spottswood; Chairman of the Board of Directors, First State Bank.

William B. Spottswood

Vice President/Director - Spottswood Companies, Inc.

President of Keystar, Inc.

Partner of Spottswood, Spottswood and Spottswood

Mr. Spottswood graduated from the University of Florida with a degree in accounting in 1979 and from the Florida State University Law School in 1982. He is president of Keystar, Inc., a partner in the law firm Spottswood, Spottswood & Spottswood, and a Director of First State Bank of the Florida Keys.

2. RESUMES

Douglas B. Wright

Senior Vice President - Spottswood Management, Inc.

Mr. Wright was educated in modern philosophy at The American University, Bard College, and Temple University. In 1978, he joined The Stouffer Corporation and held several food and beverage management positions in both their restaurant and hotel divisions. He joined Durbin Companies, Inc. (now Crestline Hotels and Resorts, Inc.) in 1988 and held various management positions over the next 13 years, including managing director and general manager. Mr. Wright is a Certified Hotel Administrator.

Peter H. Batty

President SBX Commercial Real Estate, LLC

Mr. Batty is a Florida Licensed Real Estate Broker and Mortgage Broker and has lived in the Florida Keys since 1989. On November 18, 2000, he was ordained as a Permanent Deacon to the Archdiocese of Miami. Mr. Batty received his Bachelor of Science degree from Eastern Michigan University and his Masters degree from St. Thomas University. Mr. Batty is a member of the Florida Keys Community College Education Foundation Board and former Vice President of the Wesley House Board of Directors. Mr. Batty has served on the Keys Energy Services Utility Board since 2005. He was born in Salisbury, England, and immigrated to the United States in 1955. He and his wife Ellen have raised four children in the Florida Keys.

Larry Bleil

Vice President - Keystar, Inc.

Mr. Bleil is a certified general contractor. He graduated from Pepperdine University with a degree in construction management in 1983, and is also a graduate of the AGC Construction Management and Critical Path Program. He was project manager for Mow Associates, which built schools, hospitals and multi-story buildings. His projects include Stock Island shops, the Coconut Beach rebuild, as well as renovations of Days Inn, Key West and Holiday Inn, Marathon.

Christine Dalton Godlewski

Vice President of Finance- Spottswood Management, Inc.

Ms. Godlewski joined Spottswood Management in January 2007. In her prior life, Chris held various investment banking positions in New York, specializing in Structured Finance. In 2006, Ms. Godlewski left her post as a Director of Asset-Backed Originations at HSBC Securities USA. She is a 1993 graduate of the University of Virginia's McIntire School of Commerce and completed Chase Manhattan Bank's formal credit training program.

2. RESUMES

Mr. Joel S Meisel

General Partner, Meisel Capital Partners LLC

Mr. Joel S Meisel graduated in 1962 from the City College of New York with a Bachelors Degree in Economics. He began his real estate career in 1963. He initially operated a residential construction company, American Home Builders, and subsequently, the Meisel Construction Company. In 1975, Mr. Meisel formed a commercial real estate investment and management firm. He has been involved in virtually every aspect of commercial real estate investment, management and finance with an emphasis on real estate acquisition, construction and development. His portfolio includes office buildings, retail centers, marinas, resort hotel properties, industrial and R&D centers as well as residential and commercial condominium developments.

Additionally, Mr. Meisel has been intimately involved in the Maryland banking industry, as a founding member of Maryland Financial Bank and First Continental Bank. He was also involved with the formation of the American Mobile Satellite Corporation which was ultimately purchased by XM Radio Satellite.

Mr. Meisel has overseen marina design, planning, budgeting, construction and management. His marina properties, all certified as "Clean Marinas" by the State of Maryland, are comprehensively equipped, esteemed by their communities and used almost to capacity year-round. Their consistent willingness to meet and work with community groups, local government and

address their concerns has contributed to the success and popularity of their developments.

Robert D.H. Wilson

Director of Marina Operations, Meisel Capital Partners

Mr. Wilson joined Meisel Properties in 1981 and is the Director of Marina Operations for the Meisel-managed marina properties. He is responsible for the overall management of marina policies, management, regulations, budgets, operations, training, maintenance, expansion, short and long range planning, marketing and other administrative/supervisory direction of activities of the marina and related facilities. Related facilities include all wet dockage, dry land storage, fuel dock and ancillary services, Ship's Store, recreational facilities, commercial tenant leasing and promotions.

He is also responsible for the oversight of all marina operations to include yacht maintenance and sales, the supervision of management personnel, the establishment and enforcement of standards of performance and conduct of employees, the award of service contracts, vendor payment authorizations, annual budget reviews and allocations and routine inspections of the marina properties.

Mr. Wilson manages and operates food, beverage, hotel and golf course operations associated with the marinas. These resort marinas have been recog-

2. RESUMES

nized and honored in the Chesapeake Bay Magazine as “Best of the Bay” for over 12 years. The popular waterfront bars of “Redeye’s Dock Bar and Jellyfish Joel’s” have been recognized in the Chesapeake Bay Magazine as “best waterfront bars”. Power Boat Magazine, a national publication, has recognized “Redeye’s Dock Bar” as one of the ten “best watering holes in the U.S”.

Mr. Wilson holds a current U.S. Coast Guard 100-Ton Masters License. In addition, he is a Certified Marina Manager by the Association of Marina Industries and the International Marina Institute (IMI). He has taught training modules of the intermediate and advance marina management courses for the IMI. He is currently Vice President of the Marine Trades Association of Maryland and the Chairman of the Kent Narrows Development Commission for Queen Anne’s County, Maryland.

Mr. Wilson served in the Maryland Army National Guard for six years and achieved the rank of Staff Sergeant. Additionally, he served his community as a professional fire fighter-emergency medical technician in Anne Arundel County, MD for nine years.

Martin J. Saturn

Executive Vice President, Meisel Capital Partners

Mr. Saturn has worked for Mr. Meisel and his affiliated companies for more than 25 years. His responsibilities include coordinating all aspects of real estate finance and

acquisitions. Mr. Saturn is experienced in every type of real estate and has been extensively involved in over \$500,000,000 worth of real estate transactions covering office buildings, marinas, shopping centers, hotels, mobile home parks, warehouses, and golf courses. His experience in the Key West market includes transactional work on the Casa Marina Hotel, Reach Resort, Atlantic Shores Motel, the Santa Maria Resort and the Copa Nightclub.

Mr. Saturn currently serves as a Director of Maryland Financial Bank and is a former Director of Maryland Permanent Bank. He is a graduate of the University of Miami.

Stephen H. Wilson

Director of Development and Construction

Mr. Wilson joined Meisel Properties in 1985 and is the Director of Development and Construction. He is President of Meico Construction Company, Inc. - the general contracting affiliate of Meisel Properties. In his capacity as Director, Mr. Wilson is in charge of the development of new commercial and residential projects as well as major renovations. He is involved in the formation of concepts for major projects and is responsible for all aspects of general contracting from bidding/estimating to general and subcontract negotiation and job planning. He is responsible for consultant selection and

2. RESUMES

his duties include review and execution of consultant contracts including geotechnical, environmental, civil, architecture, structural, mechanical disciplines. Budget development, cost tracking, scheduling and overall project management are under his purview within Meisel Properties. He is involved in the continuing risk management, code compliance and management of many of the company owned properties.

With over thirty years in the business of real estate development, Mr. Wilson has amassed an uncommon record of experience with commercial, industrial, hotel, retail, marina, high-end residential and multi-family projects. He has managed both private and public sector development projects of various sizes and complexities. Mr. Wilson's experience spans the development of award winning exclusive high-end residential communities to the planning and construction of commercial office, industrial and retail parks. Within the Key West community, Mr. Wilson managed the development of the Santa Maria Condominium Resort property and major renovations to the Casa Marina and Reach Hotels during their ownership tenure by Meisel Properties.

Bradley Wilson

Marina Manager, Meisel Capital Partners

Mr. Brad Wilson joined Meisel Capital Partners in 1995, as a Marina Manager at Great Oak Landing in Chestertown, Maryland. His responsibilities cover all marina operations including slip rentals, service yard and travel lift operations, on-site tenants, marketing, yearly budgets, and capital improvements. He also oversees Jellyfish

Joel's Dock Bar which is a tropical beach bar at Great Oak Landing on the Northern Chesapeake Bay. Jellyfish Joel's has been voted #2 to Red Eyes Dock Bar (Mears Point Marina) in Chesapeake Bay Magazine, and is a very popular destination in the region.

A member of International Marina Institute (IMI) since 2003, Mr. Wilson is also involved with Clean Marina programs, and the Marine Trades Association in Maryland. Additionally, he served as a Sergeant in the Maryland Army National Guard for eight years and was called to active duty for two years after September 11, 2001.

Penny K. Shanks

Financial Analyst, Meisel Capital Partners

Ms. Shanks has been with Meisel Capital Partners since 1984 and serves as financial analyst for all aspects of marina property management and operation. Specializing in budgeting, forecasting, income expense and analysis, she provides the General Partners with information they need to make decisions in the best interest of the company.

Ms. Shanks is also involved in the financial management of the company's Ship's Store, Inc., Mears Point Marina, Kent Narrows Yacht Club, Great Oak Yacht Sales and Mears Point Yacht Sales. Ms. Shanks provides title processing and settlement services for all yacht sales.

3. REFERENCES

Business References for Meisel Capital Partners:

DL Porter Construction
Gary Loer, President
6574 Palmer Park Circle
Sarasota, FL 34238
(941) 929-9400

Kascon
Jeff Kassman, President
6325 Woodside Court, Suite 300
Columbis, MD 21046
(410) 740-7479

Marine Trades Association of MD
Susan Zellars, Executive Director
7076 Bembe Beach Road
Annapolis, MD 21403
(410) 269-0742

Kann Partners
Jonathan McGowan, Principal
33 South Gay Street, Suite 400
Baltimore, MD 21202
(410) 234-0900

Meyer Consulting Engineers Corp.
Edwin Kelly
451 Hungerford Drive, Suite 600
Rockville, MD 20850
(301) 738-5690

Queen Anne's County Government (MD)
Centerville, MD 21617
Steve Cahoon,
Director of Planning & Zoning
(410) 758-1255

Faith Elliot Rossing
Director Economic Development &
Tourism
(410) 758 -4418

Business References for Spottswood Hotels:

Cheney Brothers Inc.
One Cheney Way
Riviera Beach, FL 33404-7000
(561) 845-4700

Manley DeBoer
1109 Eaton Street
Key West, FL 33040
(305) 294-5900

Tropical Technologies
28566 Arica Road
Summerland Key, FL 33042-5512
(305) 872-0452

Key West Chemical & Paper
909 Simontown Street
Key West, FL 33040
(305) 292-5903

4. LICENSES & REGISTRATIONS

Gonzalez Architects

Mr. José Andrew Gonzalez, AIA, NCARB, is principal of Gonzalez Architects. After graduating from the University of Florida with High Honors, Mr. Gonzalez spent several years designing in Washington D.C. before establishing his firm in Key West in 1982. Due to the success of Gonzalez Architects Mr. Gonzalez now has offices in Savannah, Georgia and New York City. Gonzalez Architects has been a diverse and prolific architectural design firm in the south and the Caribbean for the past twenty-seven (27) years. It is currently expanding its designs nationally and internationally. The firm's experience in public and private facilities located in tourism areas has been instrumental in its growth. Gonzalez Architects has been involved in a variety of City and County capital projects and numerous waterfront developments, for both marina and supporting facilities. Mr. Gonzalez has recently worked with Mr. Meisel in the recent design concepts for the Bahia Mar Marina in Ft. Lauderdale as well as having recently completed the Santa Maria Resort in Key West for Mr. Meisel's company.

Gonzalez Architects and Mr. Gonzalez have been the Architect of Record on several waterside projects of note in the Key West area. His designs have included: Mallory Square, Conch Harbor, the architectural component of the master plan for the Key West Bight, and the redesign of the Oceanside Marina Complex in Stock Island.

In addition to the above, Gonzalez Architects's expertise in Key West is reflected in the recently completed multi-million dollar renovations and additions for the Casa Mari-

na Resort, The Reach Resort and the Pier House Resort.

During his time in the Key West community, Mr. Gonzalez served on numerous boards and organizations such as President of the Greater Key West Chamber of Commerce, Chairman of the Key West Military Affairs Committee, Chairman of the Historic Architectural Review Commission (then known as the OIRC), and Chairman of the Monroe County Land Authority Advisory Board for ten years.

The Gonzalez Architects team of professionals is committed to providing a community sensitive, as well as historically and environmentally responsive, design for this landmark project on the Truman Waterfront.

Licenses and Registration

American Institute of Architects, Member
NCARB, Certificate Holder

Florida No. 8134 (1979)
Georgia No. 09834 (1999)
Maryland No. 5098 (1980)
Colorado No. 304841 (1996)
Massachusetts No. 10414 (1999)
Connecticut No. 0011489 (2008)
Alabama No. 6011 (2005)



5. EXPERIENCE & CAPABILITY

Spottswood Companies, Inc. (SCI) is a real estate development, management and hospitality organization with investments in timesharing, hotels, marinas and commercial retail properties. We have the resources in house to handle transactions from site identification, feasibility and financial analysis through planning, construction and management, thus ensuring the efficient delivery of the finished product. SCI has developed dozens of properties in the Florida Keys with more than 1,000 residential and transient units, and 300,000 square feet of commercial space; and today, SCI has over 1,000 hotel rooms under management.

Founded in 1992, SCI is in its second decade of active property development. However, the Spottswood family has been deeply involved in the Florida Keys real estate, politics, and society for over 150 years. Colonel Walter C. Maloney, Sr., thrice the great grandfather of today's generation, first arrived in the Florida Keys in the 1820's. In 1838, Maloney, Sr. married Mary Elizabeth Rigby, a young woman born in the Bahamas of English ancestry. He went on to serve his community in many capacities, including Clerk of the Court, Mayor, State Legislator, Judge Advocate of the U.S. Naval Courts in Key West, U.S. Marshall, and U.S. Postmaster. In 1876, he wrote the earliest historical account of Key West, "A Sketch of Key West."

Walter C. Maloney, Jr. was born in Key West in 1839. He became an attorney like his father and followed in his father's footsteps, becoming Mayor and City Attorney. Through the middle and later portions of

the 19th century, Walter Jr. published and Walter Sr. edited the local newspaper, The Key West Dispatch. In 1885, Walter, Jr. and several others organized the first street railway system in Key West.

In 1903, the grandson of Walter Sr., Dr. John B. Maloney, founded Key West Drug Company and, in 1908, established the Louise Maloney Hospital, the first private hospital in Key West. In the early 1900's, the great granddaughter of Walter Sr., Florence Maloney, married Colonel Robert F. Spottswood, a direct descendant of Governor Alexander Spottswood, the first Colonial Governor of Virginia. In 1917, Miss Florence, as she was known around town, founded the Key West Chapter of the American Red Cross. Through the mid-1900's Colonel Bob and Miss Florence ran Key West Drug Company, providing medical help and medicines to the people of Key West through some of the island's toughest years.

In 1944, John Maloney Spottswood, Florence's son and the great-great grandson of Walter Sr., founded Key West's first radio station, WKWF, which has been honored frequently over the years for its community service. In 1949, John married Mary Myrtle Sellers. John and Mary were active in business and in local, state, and national politics. In 1955, John established Cable-Vision, Inc., one of the first cable television systems in the country. John served his community as Sheriff for four terms, and State Senator for four terms, and was one of a handful of people

5. EXPERIENCE & CAPABILITY

who envisioned and established the Florida Sheriff's Youth Ranch.

In the 1960's, John purchased the Casa Marina Hotel and the La Concha Hotel, which initiated the family's involvement in the hotel business. Following John's death, the current Spottswood generation spear-headed the restoration and redevelopment of these two historic properties.

Today, Jack, Bill, Fawni and Robert Spottswood carry on the family's traditions of community service coupled with the responsible development of properties that are in the best interests of all who live, work and visit the Florida Keys.

EXPERIENCE AND CAPABILITY

SCI and its principals have developed, managed, marketed and sold real estate products for many nationally recognized brands such as Marriott, Hyatt, Radisson, Holiday Inn, Choice Hotels, Banana Republic, Bath & Body, Crazy Shirts and Express and have restored several of the most historic buildings in the Keys, including the Casa Marina and La Concha Hotels.

SCI currently owns, operates and/or manages the following properties:

Property	Rooms
Holiday Inn Florida Keys	134
Days Inn	133
Holiday Inn Key West	141
Radisson	145
Comfort Inn	100
Marriott Beachside Hotel	222
Faro Blanco Resort & Yacht Club	91
Coconut Beach Resort	<u>62</u>
Total Keys Under Management	<u>1028</u>

Property	Slips
Faro Blanco Resort & YC*	73
Boot Key Marina*	257
Holiday Inn Marathon	<u>10</u>
Total Slips Under Management	<u>340</u>

*under development

In addition to the slips under management, SCI opened and ran (until its recent sale), the Florida Keys Boat Center ("FKBC"), a retail and repair operation in Key West with a Maverick and Yamaha franchise. FKBC was the only Yamaha dealership to get the designation of a "Key" dealership in the Keys.

Additionally, the management team of SCI has extensive experience with various marinas and marine related businesses that include: legal councilor for marina transactions, Commodore of the Key West Yacht Club, President of Conch Republic Off-shore Powerboat Racing Association and an operator of a marine business in New York for over 10 years.

Meisel Capital Partners LLC (MCP) is recognized as one of the pre-eminent marina operators on the Chesapeake Bay, controlling three of the largest marinas in Maryland, containing more than 1,100 slips. The principals of MCP have been involved in the design, construction and management of operating marinas inclusive of repair facilities and the amenities such as ship stores, ship chandleries, as well as operated restaurants and hotel fa-

5. EXPERIENCE & CAPABILITY

cilities on the properties since 1974.

The Principal – Mr. Joel S. Meisel

Mr. Joel S. Meisel has overseen marina design, planning, budgeting, construction and management. His marina properties, all certified as “Clean Marinas” by the State of Maryland, are comprehensively equipped, esteemed by their communities and used almost to capacity year-round. Their consistent willingness to meet and work with community groups, local government and address their concerns has contributed to the success and popularity of their developments. MCP has been involved in virtually every aspect of commercial real estate investment, management and finance with an emphasis on real estate acquisition, construction and development. MCP’s portfolio includes office buildings, retail centers, marinas, resort hotel properties, industrial and R&D centers as well as residential and commercial condominium developments.

The marinas owned and operated by MCP have been recognized and honored year to year as “Best of the Bay” and “Best Marina Destinations” in Chesapeake Bay Magazine. Located at Mears Point Marina, the popular waterfront bar, Redeye’s Dock Bar, also been voted as “Best Waterfront Bar” in Chesapeake Bay Magazine and in the national publication, Power Boat Magazine, as one of the ten “Best Watering Holes in the U.S.”.

1. Mears Marina, Annapolis MD, 232 Slips. Mears Marina was purchased in 1976 and is situated on 4.3 acres in the historic neighborhood of Eastport in Annapolis, Maryland.

At the time of purchase, the marina consisted of 312 slips. Over the years, the total number of slips has decreased as piers have been replaced and larger slips sizes were built to accommodate larger vessels. Today, the marina offers 232 slips, accommodating vessels from 20 feet up to 120 feet. Electrical systems were upgraded to meet today’s requirements. Mears Marina offers all amenities of a waterfront country club to include 5 championship tennis courts and an Olympic size swimming pool. The amenities are enjoyed by a very large community membership. As with our other marinas, Mears Marina maintains a 5-year rotating schedule for renovations. Web site: www.mearsannapolis.com.

2. Mears Point Marina, Grasonville, MD, 560 Slips. Mears Point Marina was purchased in 1981 as a 296 slip marina situated on approximately 65 acres of land. The original purchase included a boat showroom building, administration offices, and various buildings which included a restaurant and store as well as a fuel dock. The existing marina was dredged to increase the depth of water from -4.5 feet to the existing -8 feet MLW. Uplands were excavated to expand the marina basin to allow for an additional 281 slips. Expansion of the marina included complete renovation of existing facilities as well as additional parking, swimming pool, yacht club facility, bath house and laundry facilities. After completion, Mears Point continued with an on-going capital improvement program which consisted

5. EXPERIENCE & CAPABILITY

of replacing the original piers every two years as well as building additional food and beverage outlets. Mears Point Marina is divided into 5 zones with each zone addressed for renovations once every five years to keep every aspect of the marina updated in its appearance and condition. Web site: www.mearspoint.com .

3. Mears Great Oak Landing, Chestertown, MD, 360 Slips. Mears Great Oak Landing was purchased in 1987. It was a 190 slip marina situated on 70 acres and included a restaurant, hotel, golf course, store and swimming pool located on Fairlee Creek. After purchase, new piers were constructed allowing for an additional 170 slips as well as electrical upgrades to the existing marina. All upland facilities were renovated to include service department with a 50-ton haul out facility, yacht sales office, additional waterfront food and beverage, as well as expanding outdoor dining areas, and additional parking. Great Oak Landing has a continuing capital improvement program which is addressed in the same fashion as the other marinas on a five-year renovate/replacement model.

Web site: www.mearsgreatoaklanding.com .

ADDITIONAL PROJECTS

Principals of Meisel Capital Partners Key West Operations were personally involved in the ownership of two resort hotel facilities in the Florida Keys, the Casa Marina and Reach Resorts, totaling over 450 guest rooms. The involvement in these projects included construction, development of budgets and room renova-

tions. Other Key West projects included the ownership of the Copa Nightclub and the demolition and development phases of the Atlantic Shores Resort. Meisel Capital Partners recently completed construction of the Santa Maria Resort, a 35-unit residential condominium project in Key West.

13. FINANCIAL CAPACITY

FINANCIAL REFERENCES

A. Following are financial references. The company has a long history with each of these financial institutions which include development financing as well as operational and mortgage financing:

Meisel Capital Partners (MCP)

United Bank
Mr. Luke Lawal
Two Bethesda Metro Center
Suite 1500
Bethesda, MD 20814
(301) 961-1600

TIB Bank of the Keys
Mr. Paul Rothaus
330 Whitehead Street
Key West, FL 33040
(301) 294-6330

Branch Banking & Trust (BB&T)
Mr, Charles Gebbert
7220 Wisconsin Avenue
4th Floor
Bethesda, MD 20814-4812
(301) 961-6066

Spottswood Companies Inc. (SCI)

Bank of America
Clarke Cronin
135 South LaSalle Street
Suite 1240
Chicago, IL 60603
(312)904-8440

Branch Banking & Trust Company (BB&T)
Dale Bittner
1010 Kennedy Drive
Suite 100
Key West, FL 33040
(305) 292-3842

SIMILAR PROJECTS

B. Portfolio: Please see **Schedule G** for SCI and MCP portfolios.

C. Financing History: Please see **Schedule H** for SCI and MCP Financing History.

D. Current Projects:

SPOTTSWOOD COMPANIES, INC. (SCI)

Faro Blanco Resort & Yacht Club, 1996 Overseas Highway, Marathon, Florida. A 28-acre parcel (13 upland, 15 submerged) to be developed into a 159-slip marina, 91-units resort with 159 dry slips, retail and food and beverage and a yacht club component. BB&T holds the current mortgage and we are in the process of finalizing our development plans.

Holiday Inn Express. 13201 Overseas Highway, Marathon, Florida. A 5-acre parcel with a 12-slip marina current operating as a 134-unit Holiday Inn. The development plan is to demolish the existing buildings and build a new 134-unit Holiday Inn Express. A financing commitment has been obtained by BB&T and we anticipate breaking ground in the Second Quarter of 2009.

MEISEL CAPITAL PARTNERS (MCP)

MCP 3145 LLC, 3145 Solomon's Island Road, Edgewater, Maryland 21037. 5-acre parcel, permits have been issued and secured by bonds for a \$12 million development. The improvements on the site will consist of 42,000 square foot retail shopping center. Cardinal Bank of Virginia has committed to fund 100% of construction costs.

MCP 1514 LLC, 1514 Reisterstown Road, Reisterstown, Maryland. 4,000 square foot free-standing retail building, February 2009 expected completion date, Peoples

LEGAL HISTORY

Bank of Pennsylvania provided \$1.5 million in construction financing.

Cofeld LLC. 2.5-acre parcel of land across the street from the Washington Nationals Ball Park (1st and M Street SE). The zoning allows for office, residential and hotel use. The total build out will be approximately 750,000 square feet. We are currently developing plans for phase one which will be a 320,000 square foot office building. Phases two and three will be either the residential component (250,000 square feet) or the hotel component (200 rooms). It is too preliminary to commit to one direction or another for phase two or three as of this writing. We have currently responded to a General Services Administration (GSA) RFP for the office component. The RFP was for the Department of Agriculture and will be for the entire building. GSA has indicated they will let the respondents know something by the spring of 2009. There is currently no debt on the property and financing for all construction costs will be provided by BB&T.

Jemicy School - pro-bono work performed on behalf of the Jemicy School in Baltimore, Maryland. Our responsibilities were the Developer/Contractor for the construction of a 180 student middle school including playing fields and the annex building which houses the Science Department. This project was completed in December of 2008.

E. Financial Relationships:

Please see [Schedule H](#) (Financing History) for SCI and MCP Financial Relationships same as used in Section XIII.C.

F. Legal History:

Spottswood Companies, Inc. (the parent company of Spottswood Hotels) Litigation:

Except for minor litigation matters associated with the day to day operations of a hotel and hospitality company (such as slip and fall claims made at hotels and other properties) and the matters discussed in this paragraph, SCI has not been involved in any litigation regarding a real estate venture during the past five (5) years. SH3, Ltd., an affiliate of SCI, is the owner of the property commonly known as the Faro Blanco and Boot Key Marinas in Marathon, Florida. SH3 and Marina Funding Group, Inc., the seller of the property, have been involved in litigation over the property dating back to before the closing of the sale of the property to SH3. The litigation remains in the discovery phase and no trial date has been set. Additionally, SH3 is involved in a separate lawsuit regarding a certain third party's claim to hold certain easement and use rights across a small portion of the Faro Blanco property. This litigation remains in the discovery phase and no trial date has been set.

Meisel Capital Affiliated Litigation:

On or about March 28, 2007, SILVIO GARCIA, JOHN DEVIDDIO, JR., GLENNON PATAKY, DAN SCHONECK, JOANNA SCHONECK, ROBERT MONTANARI, and JOHN DUNLEAVY ("Garcia Plaintiffs") commenced an action against Santa Maria and other Defendants in the

LEGAL HISTORY & FINANCIAL

United States District Court, Southern District of Florida, Miami Division, Case No. 4:07-CV-10017-JLK (the “Garcia Litigation”). Santa Maria timely moved to dismiss Garcia Plaintiff’s Amended Complaint. The Southern District granted Santa Maria’s motion (by means of an order that was cited as precedent in a number of subsequent cases of a similar nature) and dismissed Garcia Plaintiffs’ Amended Complaint with prejudice. The Southern District also denied Garcia Plaintiffs’ Motion for Rehearing/Reconsideration and Motion for Leave to File a Second Amended Complaint. Garcia Plaintiffs thereafter filed an appeal with the United States Court of Appeals for the Eleventh Circuit, Case No. 07-15072-H, against Santa Maria (hereinafter the “Appeal”), and also appealing the Southern District’s denial of Garcia Plaintiffs’ Motion for Rehearing/Reconsideration and Motion for Leave to File a Second Amended Complaint. Santa Maria made all required responsive pleadings with the Eleventh Circuit. While awaiting the Eleventh Circuit’s ruling, further settlement discussions commenced between the parties. While Santa Maria believed that it would ultimately prevail on all counts, Santa Maria desired to amicably resolve the litigation to avoid further litigation costs and remove any doubt relative to the return of the agreed sums. Ultimately, by means of a Settlement Agreement dated August 27, 2008, the parties reached an amicable settlement which led to the disbursement of all remaining escrowed funds to Santa Maria and Garcia Plaintiffs and the dismissal of the Garcia Litigation.

Additionally, on or about December 10, 2007, Joseph and Melanie LaVache (“LaVache”) commenced an action against

Santa Maria in the Circuit Court of the Sixteenth Judicial Circuit in and for Monroe County, Florida, Civil Division, Case No. 2007-CA-1648-K (hereinafter the “LaVache Litigation”). Santa Maria denied all allegations and filed appropriate motions to dismiss the action. Prior to any substantive court rulings, settlement negotiations commenced. Santa Maria desired to amicably resolve the litigation to avoid the ongoing litigation costs, which were anticipated to increase significantly as the court involvement in the case picked up. Ultimately, by means of a Settlement Agreement dated August 12, 2008, the parties reached an amicable settlement which led to the disbursement of all remaining escrowed funds to Santa Maria and LaVache and the dismissal of the LaVache Litigation.

G. Equity Commitment:

As MSM will be developing and managing the property on behalf of the City of Key West, the Developer will not be providing any equity to this project; however, MSM has agreed to subordinate a portion of their management fee.

H. Financial Certification:

Please see **Schedule I** for financial certifications/statements for MCP.

I. Financial Statements (optional):

See **Schedule I** for SCI financial.

14. DEVELOPMENT SCHEDULE

TIME FRAME FOR DEVELOPMENT

The timeframe for conducting water quality, sea grasses, endangered species, bathometric, soil studies and final permitting will take approximately 24 months.

In regards to pier construction, design and engineering of structural pilings, docks, utilities, etc. will take approximately three months. Physical construction of the docks at the factory location will take approximately three months. Marina installation will take approximately five months.

In month 18 of environmental studies and permitting, subject to confidence in the permitting process, the pier design and engineering portion of the project could begin. The approximate timeframe from beginning to completion is two and half to three years. (See [Schedule B](#)).

The proposed land based design will require the following schedule for implementation. Initial Design Development and planning review will take approximately eight (8) months. This being a major development the project will go through a variety of City of Key West Planning Department reviews followed by public meetings of the Development Review Committee and public hearings before the Planning Commission. Subsequently the plans will be formally reviewed and adopted by the City Commission before final design and permitting.

Concurrent with planning review - initial survey, environmental review, and geotechnical testing will be performed. This work and its output will coincide with development review so that data is available upon planning approval to proceed with final docu-

ments and specifications.

Final Design documents will require another three (3) months. Permitting for the project at the State level will be started concurrent with City planning approval. Final reviews and permits issuance would be concurrent with final design and local permitting. We project another three (3) months for final issuance of relevant permits. Agencies of jurisdiction such as the State of Florida Department of Environmental Protection, the Department of Community Affairs, Fish and Wildlife, and the South Florida Water Management District will review during the total time frame for final design and permitting.

Bidding and negotiation with key construction contracts can be done after documents are completed and while final permits are being issued.

Based on the above and the overlap of tasks we project the project will require fourteen (14) months for design and permitting and then will require another eighteen (18) months for construction of major elements ready for use. This projects a total time frame for implementation of, a minimum of thirty-two (32) months. (See [Schedule B](#)).

15. REQUIRED RFP FORMS

Please see [Schedule J](#) for required forms from SCI and MCP.

16. ATTACHMENTS

LIST OF SCHEDULES

Schedule A: Management Agreement

Schedule B: Development Phase (refers to Section VIII.B. and XIV)

Schedule C: Revenue Analysis

Schedule D: Development Costs

Schedule E: Alternative Marina Designs

Schedule F: Professional Licenses

Schedule G: Portfolios for Spottswood Companies, Inc. and Meisel Capital Partners

Schedule H: Financing History for Spottswood Companies, Inc. and Meisel Capital Partners

Schedule I: Financial Certification and Financial Statements

1. Spottswood Companies, Inc.
2. Meisel Capital Partners

Schedule J: Required Forms

1. Public Entities Crimes Statement
2. Anti-Kickback Affidavit

MANAGEMENT AGREEMENT

PROPERTY MANAGEMENT AGREEMENT (_____ PROPERTY)

This Property Management Agreement (this “Agreement”) is made this ____ day of _____, 200____, by and between [MEISEL & SPOTTSWOOD MARINA MANAGEMENT COMPANY, llc], a limited liability company organized and existing under the laws of Florida (“Manager”), and The City of Key West (“Owner”).

RECITALS

A. Owner is the owner of the property commonly known as Truman Waterfront located at _____ in _____, Florida, which consists of real and personal property more fully described on Exhibit “A” (collectively referred to as the “Property”).

B. Owner desires to engage Manager and Manager desires to provide certain management services with respect to the Property upon and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. INTERPRETATION

1.1 The foregoing Recitals and the attached Exhibits are hereby incorporated in and made a part of this Agreement.

1.2 Manager and Owner are sometimes referred to collectively in this Agreement as the “Parties” and individually as a “Party.”

1.3 Unless the language specifies or the context implies that a term of this Agreement is a condition, all of the terms of this Agreement shall be deemed and construed to be covenants to be performed by the designated Party.

1.4 The use of the terms “including,” “include,” and “includes” followed by one or more examples is intended to be illustrative and shall not be deemed or construed to limit the scope of the classification or category to the examples listed.

1.5 In this Agreement, any reference to a Section or an Article is a reference to a Section or Article of this Agreement.

1.6 Unless expressly stated otherwise in this Agreement, whenever a matter is submitted to a Party for approval or consent in accordance with the terms of this Agreement, that Party has a duty to act reasonably and timely in rendering a decision on the matter.

1.7 DEFINITIONS

As used throughout this Agreement and the attached Exhibits, the following terms shall have the respective meanings set forth below:

Affiliate

- with respect to Manager and Owner, any other Person directly or indirectly controlling, controlled by,

or under common control with Manager or Owner, as the case may be.

1.9 Approvals

- licenses, approvals, permits, authorizations, registrations, and the like required by any governmental or regulatory authority having jurisdiction over Owner or the Property.

1.10 Business Interruption Insurance

- insurance coverage against "Business Interruption and Extra Expense" (as that phrase is used within the United States insurance industry for application to transient lodging facilities)

1.11 Capital Improvement

- an item of any nature incorporated into the Property that, according to Generally Accepted Accounting Principles, is not properly deducted as a current expense on the books of the Property, but rather should be capitalized.

1.12 Casualty Restoration

- the activity of repairing, restoring, replacing, or rebuilding the Property as a result of a casualty as required by Article 23.

1.13 Certified Financial Statements

- financial statements with respect to the operations of the Property which contain the information and the certificate described in Section 7.

1.14 Date of Taking

- the earlier of the date on which the relevant governmental authority is entitled to possession or takes possession as the result of a Taking.

1.15 Dispute

- any dispute, claim or issue arising under this Agreement, except claims (i) relating to preserving or protecting Manager's proprietary rights, or (ii) for extraordinary or equitable relief such as injunction or eviction.

1.16 Effective Date

- the date of execution of this Agreement.

1.17 Event of Default

- any of the events so defined in Section 17.

1.18 FF&E

- items of furniture, fixtures, and equipment used in the ordinary course of operating the Property that, under Generally Accepted Accounting Principles, properly must be capitalized on the books of the Property.

1.19 Generally Accepted Accounting Principles

- those conventions, rules, procedures, and practices, consistently applied, affecting all aspects of recording and reporting financial transactions which are generally accepted by major independent ac-



counting firms in the United States. If Owner and Manager cannot agree on what constitutes Generally Accepted Accounting Principles, then the accounting firm then or most recently engaged to prepare the Certified Financial Statements for the Property in accordance with Section 7 shall make the determination on the request of either Party. Any financial or accounting terms not otherwise defined herein shall be construed and applied according to Generally Accepted Accounting Principles.

1.19 Gross Operating Profit

- with respect to any Operating Year, the amount by which Gross Operating Revenue for such Operating Year exceeds Operating Expenses for such Operating Year.

1.20 Gross Operating Revenue

- shall mean and refer to the total of all rents, revenues, income, and receipts (less any refunds or rebates) of every kind derived directly or indirectly from the operation of the Property and all departments and parts thereof which are properly attributable to the Operating Year under consideration, including, without limitation, income (from both cash and credit transactions and before commissions) from the rental of marina facilities and related operations, boat slips, restaurant, banquet or other facilities, stores, offices, or exhibit or sales space of every kind; license, lease, and concession fees and rentals (including, specifically, any rent or lease fees paid by licensees, lessees, and concessionaires, pursuant to any food and beverage facilities lease agreements, but not including gross receipts of licensees, lessees, and concessionaires); receipts from vending and game machines; health, and private club membership fees; food and beverage sales (but not including sales made by licensees, lessees, and concessionaires); wholesale and retail sales of merchandise; service charges; interest earned on the operating accounts and any reserve or escrow account, telephone usage charges; recoveries (by settlement or judgment) in any lawsuit which represent compensation for lost items of Gross Operating Revenue, any condemnation award for a temporary taking of all or any portion of the Property; and proceeds, if any, from business interruption or other loss of income insurance but of no other insurance, determined in accordance with Generally Accepted Accounting Principles and the past practices of the Property, except that the following shall not be included in determining Gross Operating Revenue:

- (a) applicable excise, sales, occupancy and use taxes, or similar government taxes, duties, levies or charges collected directly from patrons or guests, or as a part of the sales price of any goods, services, or displays, such as gross receipts, admission, cabaret, or similar or equivalent taxes; receipts from the financing, sale or other disposition of capital assets and other items not in the ordinary course of the Property's operations and income derived from securities and other property acquired and held for investment;
- (b) receipts from awards or sales in connection with any Taking, from other transfers in lieu of and under the threat of any Taking, and other receipts in connection with any Taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Property;
- (c) proceeds of any insurance, excluding the proceeds of any Business Interruption Insurance; and
- (d) rebates, discounts, or credits of a similar nature (not including charge or credit card discounts, which shall not constitute a deduction from revenues in determining Gross Operating Revenue.

1.22 Incentive Fee - the fee for Manager's management services to be paid to owner in accordance with this agreement (there is no incentive fee calculated on the bed tax income).

1.23 Legal Requirements

- all laws, statutes, ordinances, rules, regulations, permits, licenses, authorizations, directions, and requirements of all governments or regulatory authorities, that now or hereafter may be applicable to the Property and the operation thereof, including those relating to employees, zoning, building, health, safety and environmental matters, and accessibility of public facilities.

1.24 Management Fee

- the fee for Manager's management services to be paid by Owner to Manager in accordance with this Agreement.

1.25 Mortgage

- any real estate, leasehold, chattel mortgage, security agreement, or similar document or instrument encumbering the Property or any part thereof, together with all promissory notes, loan agreements or other documents relating thereto.

1.26 Operating Account(s)

- the bank account or accounts established for the Property in accordance with Section 15.

1.27 Operating Expenses

- all those ordinary and necessary expenses, including Reimbursable Expenses, incurred in the operation of the Property as contemplated by the applicable Operating Budget, including salaries, wages, and employee benefits of Property Personnel, the cost of maintenance and utilities, administrative expenses, the costs of advertising, marketing, and business promotion, and any amounts payable to Manager as set forth in this Agreement, all as determined in accordance with Generally Accepted Accounting Principles.

1.28 Operating Plan and Budget

- the annual marketing plan, operating expense budget and capital budget for the Property prepared in accordance with the terms of Section 5.

1.29 Operating Year

- each calendar year during the term of this Agreement, except that the first Operating Year shall be a partial year beginning on the Opening Date and ending on the following December 31, and if this Agreement is terminated effective on a date other than December 31 in any year, then the last Operating Year shall also be a partial year commencing on January 1 of the year in which such termination occurs and ending on the effective date of termination.

1.30 Out-of-Pocket Expenses

- the out-of-pocket costs incurred by Manager in performing its services under this Agreement, including ground transportation, meals, taxis, gratuities, document reproduction, printing, stationery, postage, long-distance telephone calls, and facsimiles.



1.31 Person

- an individual, corporation, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

1.32 Property Personnel

- all individuals performing services in the name of the Property, or at the Property, whether such individuals are employed by Manager, Owner, an Affiliate of either Manager or Owner or some other entity.

1.33 Property Personnel Costs

- any and all costs associated with the employment, management or termination of Property Personnel, including recruitment and relocation expenses, compensation, benefits, employment taxes, required post-employment payments, training, severance payments and other personnel costs.

1.34 Reimbursable Expenses

- any and all direct or indirect costs and expenses incurred by Manager for Owner's account in the ordinary course of providing services in accordance with this Agreement, whether or not such costs or expenses are specifically so denominated in this Agreement, including, without limitation, an allocatable share of salaries and other personnel costs of Manager's personnel, including Senior Executive Personnel, who are not Property Personnel, but who are performing services for the benefit of the Property and an allocatable share of Manager's corporate overhead.

1.35 Senior Executive Personnel

- the executive level employees employed from time to time by Manager to provide services to the Property under the direction of the Manager, such as management, administrative, operations, human resources and accounting personnel, that may not be working at the Property on a full time basis.

1.36 Taking

- a taking as a result of compulsory purchase or acquisition of all or part of the Property, any taking by any governmental authority (or any authority or entity acting on behalf of or purporting to act on behalf of any governmental authority) for any purpose whatsoever or a conveyance by Owner in lieu thereof.

1.37 Taxes

- all taxes, including ad valorem taxes on real property, personal property taxes, and business and occupation taxes, relating to or assessed in connection with the ownership or operation of the Property.

2. GENERAL MANAGEMENT SERVICES

Subject to the provisions of this Agreement, Owner hereby engages Manager, and Manager hereby agrees to be engaged and does undertake to supervise, direct, and control the management, operation, and promotion of all aspects of the Property during the term of this Agreement. During the term of this Agreement, Manager may engage in other business activities, including, without limitation, the management of other marina properties, restaurant properties, and hotel or resort properties.

3. AUTHORITY AND DUTY OF MANAGER



3.1 Subject to the provisions of this Agreement, Manager shall direct, supervise, manage, and operate the Property on a day-to-day basis in an efficient and economical manner and shall use commercially reasonable efforts to operate the Property consistent with the standards established by Owner, the Operating Plan and Budget, and this Agreement. Manager's primary performance objectives will be to: (i) protect and preserve the assets that comprise the Property; (ii) maximize the financial return to Owner from the operation of the Property; and (iii) control Operating Expenses. Without limiting the generality of the foregoing, Manager shall have the authority and duty, as necessary or advisable for the proper operation and maintenance of the Property in accordance with its obligations under this Agreement, to:

(a) establish employment policies and practices applicable to Property Personnel, including: (i) policies and practices relating to terms and conditions of employment, screening, selection, training, supervision, compensation, bonuses, employee benefits, discipline, dismissal, and replacement; (ii) policies and practices relating to the exercise by any Property Personnel of rights under the National Labor Relations Act or any applicable labor laws in relation to the Property (including union organization, recognition and withdrawal of recognition, union elections, Agreement negotiation on a single-employer or multi-employer basis, grievances, unfair labor practice charges, strikes and lockouts);

(b) recruit, hire, relocate, pay, supervise, and dismiss all Property Personnel (who shall be employees of Manager) and Senior Executive Personnel;

(c) establish all prices, price schedules, rates, and rate schedules, and all rents, lease charges, and concession charges for all areas of the Property consistent with the Operating Plan and Budget, and supervise, direct, and control collection of income of any nature from the Property's operations and the giving of receipts in connection therewith;

(d) supervise and maintain complete books and records consistent with the Uniform System of Accounts and Generally Accepted Accounting Principles, including the books of accounts and the accounting procedures of the Property;

(e) negotiate and administer, in the name and on behalf of Owner, leases, licenses, and concession agreements for all public space at the Property, including all stores, office space, and lobby space;

(f) keep the Property and the FF&E in good operating order, repair, and condition, including making necessary replacements, improvements, additions, and substitutions thereto;

(g) manage the design, construction and installation of any renovations, improvements, repairs, or replacements of FF&E, building systems, or other physical components of the Property that may be undertaken;

(h) negotiate, enter into, and administer, in the name and on behalf of Owner, service agreements and licenses for Property operations, including Agreements and licenses for health and safety systems maintenance, electricity, gas, telephone, cleaning, elevator and boiler maintenance, air conditioning maintenance, laundry and dry cleaning, master television service, use of copyrighted materials (such as music and videos), entertainment, and other services Manager deems advisable;

negotiate, enter into, and administer, in the name and on behalf of Owner, Agreements for the use of banquet and meeting facilities and guest rooms by groups and individuals supervise and purchase, or arrange for the purchase of, all inventories, provisions, consumable supplies, and operating supplies that are necessary and proper to maintain and operate the Property, and to use the same in the management and operation of the Property;

(i) prepare and submit to Owner the proposed Operating Plan and Budget in accordance with Section 5;

(j) cooperate with Owner and any prospective purchaser, lessee, Mortgagee, or other lender in connection with any proposed sale, lease, or financing of or relating to the Property; provided, however, that, unless directed to do so by Owner, Manager shall not be required to release to any Person any financial projections prepared by Manager in connection with the Property (including the Operating Plan and Budget); and provided furthermore that Owner shall reimburse Manager for any Out-of-Pocket Expenses incurred in connection with such cooperation when such expense is not otherwise paid or reimbursed under this Agreement;

(k) institute in its own name or in the name of Owner or the Property, and at Owner's expense, any and all legal actions or proceedings to collect charges, rent, or other income derived from the Property's operations or to oust or dispossess guests, tenants, or other persons in possession therefrom, or to cancel or terminate any lease, license, or concession agreement for the breach thereof or default thereunder by the tenant, licensee, or concessionaire; at the direction and expense of Owner, Manager shall take appropriate steps to challenge, protest, appeal, and/or litigate to final decision in any appropriate court or forum any Legal Requirements affecting the Property or any alleged violation of any law. Manager shall have the authority to settle legal proceedings in the amount up to \$25,000 per claim.

(l) do or cause to be done all such acts and things in or about the Property as Manager, in good faith and exercising prudent commercial judgment, shall reasonably believe to be necessary to comply with Legal Requirements and Approvals and the terms of all insurance policies, and, as directed by Owner, to discharge any lien, encumbrance, or charge on or with respect to the Property and the operation thereof;

(m) collect on behalf of Owner and account for and remit to governmental authorities all applicable payroll taxes, excise, sales, occupancy, and use taxes or similar governmental charges collected by the Property directly from patrons or guests, or as part of the sales price of any goods, services, or displays, such as gross receipts, admission, or similar or equivalent taxes duties, levies or charges;

(n) keep Owner informed and advised of all material financial and other matters concerning the Property and the operation thereof;

(o) collect all charges, rent, and other amounts due from guests, lessees, and concessionaires of the Property and use those funds, as well as funds from other sources as may be available to the Property, first to pay all Operating Expenses, and then any other financial obligations of the Property as Owner may direct, or as may be otherwise set forth in this Agreement; and

(p) perform such other tasks requested by Owner as are customary and usual in the operation of Property of a class and standing consistent with the Property's facilities.

4. OPERATING PLAN AND BUDGET

4.1 4.1 On or before November 1 of each Operating Year, Manager shall prepare or cause to be prepared and deliver to Owner, for its review and approval, a proposed Operating Plan and Budget for the next ensuing Operating Year, with annualized projections of Gross Operating Revenue, Operating Expenses, and Gross Operating Profit for the ensuing Operating Year. The proposed Operating Plan and Budget shall contain the following items, which shall be set forth for each month: (i) estimated results of operations (including estimated Gross Operating Revenue and Gross Operating Profit); (ii) itemized estimated expenditures for necessary and advisable Capital Improvements; and (iii) a statement of cash flow, including a schedule of any anticipated requirements for funding by Owner.

4.2 The Parties acknowledge that the planning and budgeting process is an important factor in the successful operation of the Property and is a key communication link between the Parties. Any proposed Operating Plan and Budget submitted to Owner shall be deemed to have been disapproved if Owner does not provide Manager with objections or approval within forty five (45) days after receiving the Operating Plan and Budget. If Owner provides Manager with objections, Owner and Manager shall discuss any objections provided by Owner, and Manager shall then submit written revisions to the proposed Operating Plan and Budget following such discussion. Upon approval by Owner of such revisions, the proposed Operating Plan and Budget (modified to reflect such revisions) shall become the Operating Plan and Budget for the next Operating Year. Owner shall act reasonably and exercise prudent business judgment in approving or disapproving all or any portion of the Operating Plan and Budget, and Owner must at all times act in a manner that shall permit compliance by Manager with the provisions of this Agreement and the Operating Plan and Budget.

4.3 If Owner fails to notify Manager within forty five (45) days after receiving the Operating Plan and Budget that it has approved the Operating Plan and Budget, or if Owner and Manager are unable after Owner provides Manager with objections to reach final agreement on the Operating Plan and Budget for an Operating Year by January 1 of that Operating Year, Manager shall operate the Property using the prior Year's Operating Plan and Budget increased by the percentage increase in the Consumer Price Index, until such time as a final Operating Plan and Budget is adopted. Until a decision is issued on the matter(s) submitted, the proposed Operating Plan and Budget shall govern the areas of operations in dispute.

4.4 Once the Operating Plan and Budget are approved by Owner for an Operating Year, Manager shall use commercially reasonable efforts to achieve the results projected therein, and adhere to limitations on expenditures contained in, the Operating Plan and Budget. The Parties acknowledge and agree that the Operating Plan and Budget is a reasonable estimate of income and expenditure only and Manager does not give any guarantee, warranty or representation whatsoever in connection with any Operating Plan and Budget. A failure of the Property to achieve any Operating Plan and Budget for any Operating Year shall not entitle Owner to claim a breach or default by Manager or to terminate this Agreement.

4.5 From the Effective Date of this Agreement, Manager will operate under the Operating Plan and

Budget attached hereto as Exhibit “B”.

5. CAPITAL IMPROVEMENTS

5.1 From and after the Effective Date of this Agreement, the following provisions shall apply as to the maintenance, repair, and improvement of the Property:

(a) The Property shall be maintained, managed, and promoted in a manner consistent with the standards established by Owner, the Operating Plan and Budget, and this Agreement. The Property (including the Property’s building, adjacent grounds, FF&E, and equipment and operating supplies) shall be maintained, repaired, and improved by Manager, at Owner’s expense, as contemplated in the Operating Plan and Budget in effect from time to time.

(b) In furtherance of the covenants of Section 6.1(a), Manager shall arrange for and supervise the completion of all approved Capital Improvements. To facilitate annual funding of Capital Improvements, amounts equal to the percentages of actual monthly Gross Operating Revenue listed in the Operating Plan and Budget as capital reserves shall be set aside by Manager from cash from operations on a monthly basis (in arrears) as may be required by the Operating Plan and Budget.

5.2 The amounts set aside for capital reserves in accordance with this Section or otherwise expended on Capital Improvements shall not be deducted in determining Gross Operating Revenue.

6. BOOKS AND RECORDS; FINANCIAL STATEMENTS

6.1 From and after the Effective Date of this Agreement, in accordance with Owner’s policies and standards, Manager shall supervise and oversee Property Personnel who keep books of account and other records relating to or reflecting the results of the operation of the Property to assure that they are kept in accordance with Generally Accepted Accounting Principles and past practices of the Property. All books of account and other financial records shall be available to Owner or any partner of Owner at all reasonable times for examination, audit, inspection, and copying. All of the financial books and records pertaining to the Property, including books of account, front office records, and guest information, shall be the property of Owner. Upon termination of this Agreement, all of such books of account and financial records shall be turned over forthwith to Owner so as to ensure the orderly continuance of the operation of the Property, but all of such information shall be retained by Owner and made available to Manager at the Property, at all reasonable times, for inspection, audit, examination, and copying (at Manager’s expense) for at least five (5) years subsequent to the date of termination.

6.2 Manager shall cause to be prepared and delivered to Owner reasonably detailed monthly operating reports, based on information available to Manager, that reflect operational results for each month of the Operating Year. Manager shall deliver the first (1st) operating report to Owner on or before the twenty-fifth (25th) day of the month following the month in which the Effective Date occurs and thereafter on or before the twenty-fifth (25th) day of each month of the Operating Year. The first operating report will reflect the results from the Effective Date of this Agreement to the end of the month in which the Effective Date occurs. At a minimum, monthly operating reports shall include: (i) a balance sheet; (ii) an income and expense statement; (iii) a statement of net cash flow from operations; (iv) a statement of the amount of the Management Fees and any other amounts payable or expenses reimburs-

able to Manager; and (v) a Capital Improvement and FF&E improvement schedule showing, in reasonable detail, items budgeted, actual to date and projected for completion.

6.3 By March 31 of each Operating Year (beginning with the second (2nd) Operating Year), Manager shall make a good faith effort to cause to be prepared and delivered to Owner, Certified Financial Statements for the preceding Operating Year; provided, however, such Certified Financial Statements shall be delivered to Owner no later than May 31 of each Operating Year. The Certified Financial Statements shall consist of a balance sheet, a statement of earnings and retained earnings, and a statement of cash flows. The Certified Financial Statements shall contain a certificate of a firm of independent certified public accountants selected by Manager and satisfactory to Owner, to the effect that, subject to any qualifications contained therein, the financial statements fairly present, in conformity with Generally Accepted Accounting Principles, the financial position, results of operations, and cash flows of the Property for the Operating Year then ended.

7. MARKETING, SALES, AND RESERVATIONS

Manager shall manage and supervise all marketing, sales, and reservation services as to ensure the promotion of the Property in a manner consistent with Manager's responsibilities under this Agreement.

8. COMPUTER SERVICES

Owner shall provide Manager with reasonable computer equipment, software, technical support and all other reasonable means necessary for Manager to perform its obligations under this Agreement.

9. PROPERTY PARKING

Manager shall supervise the Property's parking using Property Personnel.

10. ENVIRONMENTAL, CONSTRUCTION, AND OTHER PROBLEMS

If any environmental, construction, personnel, real property-related, or other problems arise at the Property subsequent to the Effective Date of the Agreement that relate to the operation of the Property, or activities undertaken at the Property or on the real property on which the Property is situated, Manager's management services under this Agreement do not extend to management of any abatement or other correction of such problems, and Owner shall retain full managerial and financial responsibility for and control over abating or correcting such problems; provided, however, that with respect to any such problem that impairs or has the capacity to impair operations at the Property (including any problem which might result in negative publicity or lower occupancy rates), Owner shall diligently pursue solutions to such problem in consultation with Manager, and Manager may elect, at its option, to assume management of any such problem (except any which may be related to environmental or construction deficiencies at the Property or the real property on which it is located) and provide such services as part of its management duties under this Agreement for no additional compensation from Owner.

11. MANAGEMENT FEE



11.1 For the services Manager provides in accordance with this Agreement, Owner shall pay Manager, a monthly Management Fee equal to 5 percent (5%) of the total monthly Gross Operating Revenue collected by the Property plus an Incentive Fee of twenty percent (20%) of the difference of the Gross Operating Profit and debt service of associated financing, for the previous month ("Management Fee").

11.2 Manager may pay itself the Management Fee out of the Operating Account(s) on or after the fifth (5th) day of the month following the month in which the Management Fee was earned.

12. REIMBURSABLE EXPENSES

12.1 All reasonable expenses incurred as a result of Manager exercising its rights, duties or obligations under this Agreement, whether or not otherwise expressly provided for in this Agreement, shall be considered a Reimbursable Expense. Owner shall reimburse Manager or its Affiliates at the time and in the manner described below for all Reimbursable Expenses. The annual Operating Plan and Budget shall include a reasonably detailed estimate of those Reimbursable Expenses that are susceptible to estimation. Reimbursable Expenses include, without limitation, the following:

- (a) reasonable Out-of-Pocket Expenses incurred by Manager directly in connection with its management of the Property;
- (b) payments made by Manager or its Affiliates, or their employees to third parties for goods and services in the ordinary course of business in the operation of the Property, in accordance with the Operating Plan and Budget or as otherwise approved by Owner; and
- (c) an allocatable share of Manager's personnel cost, (including Senior Executive Personnel costs) and Manager's corporate overhead expenses.

12.2 Reimbursable Expenses shall be paid by Owner to Manager within thirty (30) days after delivery of the invoice to Owner, or at Manager's option, Manager may pay itself Reimbursable Expenses out of the Operating Account

13. PLACE AND MEANS OF PAYMENT

13.1 All amounts payable to Manager or its Affiliates under this Agreement shall be paid to Manager in United States Dollars, in immediately available funds, without reduction for any withholding tax, value added tax and any other assessment, tax, duty, levy or charge required under the applicable laws of any applicable jurisdiction.

13.2 All payments made to Manager or its Affiliates by Owner under this Agreement shall be made to Manager at the place for the giving of notice to Manager set forth in this Agreement, or to such other place as Manager shall designate to Owner.

13.3 At Manager's option, payments due Manager or its Affiliates from Owner under this Agreement shall be made by Manager electronically out of the appropriate Operating Account(s), in accordance with Manager's applicable accounting policies in effect from time to time.

13.4 Any and all amounts that may become due Manager from Owner under this Agreement shall bear interest from and after the respective due dates thereof until the date on which the amount is received in the bank account designated by Manager, at the prime rate of interest published in The Wall Street Journal plus three percent (3%).

14. OPERATING ACCOUNTS AND WORKING CAPITAL

14.1 Manager shall open, maintain, and be a signatory on all accounts utilized by the Property.

14.2 Manager's designees shall be the only persons authorized to draw from the Operating Account(s), and Manager shall be entitled to make deposits in all of such accounts, in accordance with the terms of this Agreement and Manager's standard accounting policies and practices. Manager shall establish controls to ensure accurate reporting of all transactions involving such accounts. All Operating Expenses and, at Manager's option, Manager's Management Fee and Reimbursable Expenses, shall be paid timely by Manager out of the Operating Account(s).

14.3 Owner shall permit the Property to be operated in accordance with the provision of this Agreement. If Gross Operating Revenues are insufficient and Owner is unwilling or unable to provide the necessary working capital and resources necessary to manage and operate the Property in accordance with the Operating Plan and Budget, Manager shall manage and operate the Property to the extent that there are sufficient funds and shall be excused from performance of its obligations under this Agreement to the extent funds available are insufficient to enable Manager to meet such obligations.

14.4 Unless the Parties agree otherwise, on or about the last day of each calendar quarter, Manager shall disburse to Owner, as directed by Owner, any funds remaining in the Operating Account(s) after retention by Manager of an amount that will (together with anticipated future revenue) enable timely payment of the Property's financial obligations reasonably anticipated for the ensuing calendar quarter. Any amounts remaining in any of the Operating Account(s) on the termination of this Agreement shall be disbursed to Owner; provided, however, that Manager may deduct and retain prior to such disbursement any and all amounts owed by Owner to Manager under this Agreement.

15. TERM OF AGREEMENT

15.1 Except as provided in Section 16.2, this Agreement will be for a twenty (20) year term commencing on the Effective Date. Thereafter, the term of this Agreement shall renew automatically for successive five (5) year periods unless either Party notifies the other of its desire to terminate this Agreement, which notice must be given not less than nine (9) months prior to the expiration of the then current term.

16. EVENTS OF DEFAULT

16.1 Subject to the other provisions of this Agreement dealing with termination, if at any time during the term of this Agreement any of the events set forth below (each an "Event of Default") occurs and continues beyond the applicable grace period, the non-defaulting Party may, at its option, terminate this Agreement by giving notice to the other Party specifying a date, not earlier than five (5) days after the giving of such notice, when the Agreement shall terminate. In addition to its right of termination,

the non-defaulting Party shall be entitled to pursue all other remedies available to it under applicable law as a result of such Event of Default. Events of Default are as follows:

- (a) Any default in the performance of any monetary obligation under this Agreement that can be cured by the payment of money, that is not cured within ten (10) days following notice thereof by the non-defaulting Party;
- (b) A material breach of any term of this Agreement, or a default in the performance of any obligation under this Agreement that cannot be cured by the payment of money and that is not cured within thirty (30) days following notice thereof from the non-defaulting Party; an Event of Default shall not exist, however, if curing the breach or default is not possible within the thirty (30) day period and the defaulting Party commences to cure the breach or default within the thirty (30) day period and thereafter proceeds diligently and in good faith to complete the cure and does, in fact, cure the breach or default within ninety (90) days;
- (c) Any action by a Party toward dissolution of its operations; a general assignment for the benefit of creditors; an arrangement or composition with its creditors by a Party; a judgment of insolvency against a Party; a voluntary petition or involuntary petition (not dismissed within sixty (60) days) for relief under applicable bankruptcy, insolvency, or similar debtor relief laws or regulations; the appointment (or petition or application for appointment) of a receiver, custodian, trustee, conservator, or liquidator to oversee all or any substantial part of a Party's assets or the conduct of its business; an order for relief against a Party under applicable bankruptcy, insolvency, or similar debtor relief laws or regulations; a Party's failure generally to pay its debts as such debts become due; or notice to any governmental body of insolvency or pending insolvency or suspension of operations; or any other similar or analogous proceedings in any relevant jurisdiction;
- (d) The issuance of a levy, attachment or foreclosure sale against all or any portion of the Property resulting from a final judgment for which all appeal periods have expired, shall be an Event of Default by Owner.

17. ACTIONS TO BE TAKEN ON TERMINATION

Upon termination of this Agreement for any reason, the following shall be applicable (in addition to the rights of the non-defaulting Party to pursue all other remedies available to it under applicable law):

17.1 Any and all expenses arising as a result of such termination or as a result of the cessation of Property operations shall be for the sole account of Owner, and Owner shall reimburse Manager immediately on receipt of any invoice or invoices from Manager, for any expenses, including those arising from or in connection with the severing of Property Personnel, but excluding Manager's legal fees and other expenses relating to the termination, except to the extent that Manager is entitled to reimbursement pursuant to Section 28.7.

17.2 Within fifteen (15) days after termination, Owner shall pay Manager all Management Fees, Reimbursable Expenses and other payments due Manager under the terms of this Agreement due and owing as of the date of such termination. This obligation is unconditional, and Owner shall not have or exercise any rights of setoff.

17.3 Manager shall peacefully vacate and surrender the Property to Owner.

17.4 Manager shall assign and transfer to Owner:

(a) all of Owner's books and records respecting the Property and all Agreements, leases, and other documents respecting the Property that are not Manager's proprietary information and are in the custody and control of Manager; and

(b) Owner shall honor all business confirmed for the Property with reservation dates after the termination.

18. CONSEQUENCES OF A DEFAULT BY OWNER

The Parties acknowledge and agree that, if a default by Owner under this Agreement results in a termination of this Agreement by Manager, shall, in addition to any other damages or remedies available at law or in equity, be entitled to recover from Owner, the Management Fees due and owing as of the date of cessation of Manager's management of the Property and the Reimbursable Expenses, including those arising after the date of cessation. Such amount shall be due and payable by Owner within thirty (30) days following the date of cessation of Manager's management of the Property.

19. INSURANCE

19.1 All insurance policies affecting the Property, whether obtained by Owner or Manager shall be reasonably acceptable to Owner and Manager. Unless otherwise agreed to by the Parties, Manager shall obtain and cause to be maintained, as an Operating Expense, all appropriate liability, casualty, workers compensation, automobile, flood, windstorm, and other insurance policies Manager reasonably deems appropriate for the protection of the interests of Manager and Owner in the Property and its operation. Manager shall be a named insured on all applicable policies.

19.2 As soon as practicable prior to the effective date of the applicable coverages, Owner shall provide Manager with binders evidencing that the applicable insurance and, as soon as practicable thereafter, shall provide certified copies of policies for such insurance or certificates of insurance. As soon as practicable prior to the expiration date of each such policy, the Owner shall provide Manager with binders evidencing renewal of existing or acquisition of new coverages. Certified copies of renewed or new policies or certificates of insurance shall be provided by Owner to Manager as soon as practicable after renewed or new coverages become effective.

19.3 Manager shall promptly:

(a) cause to be investigated all accidents and claims for damage relating to the operation and maintenance of the Property, as they become known to Manager, and shall report to Owner any such incident that is material;

(b) cause to be investigated all damage to or destruction of the Property, as it becomes known to Manager, and shall report to Owner any such incident that is material, together with the estimated

cost of repair thereof;

- (c) prepare any and all reports required by any insurance company as the result of an incident mentioned in this Section, acting as the sole agent for all other named insureds, additional insureds, mortgagees, and loss payees; and
- (d) retain on behalf of Owner all consultants and experts, including architects, engineers, contractors, accountants, and attorneys, as needed, and at Owner's expense, to assist in analyzing any loss or damage, determining the nature and cost of repair, and preparing and presenting any Proofs of Loss or claims to any insurers.

20. AUTHORIZATION TO MORTGAGE PROPERTY

20.1 Owner shall have the right to encumber all of the assets that comprise the Property, any part thereof, or any interest therein, including the real estate on which the Property is to be constructed, the Property building and all improvements thereto, and all FF&E and Property's equipment and operating supplies placed in or used in connection with the operation of the Property as contemplated in any Mortgage that is entered into by Owner, and to assign to any Mortgagee as collateral security for any loan secured by the Mortgage, all of Owner's right, title, and interest in and to this Agreement.

20.2 On reasonable advance notice from a Mortgagee, Manager shall accord to such person or entity and its agents the right to enter on any part of the Property at any reasonable time for the purposes of examining, inspecting, or making extracts from the books of account and financial records of the Property; provided, however, that any expenses incurred in the Property's name in connection with such activities shall be Operating Expenses of the Property.

21. ESTOPPEL CERTIFICATES

On request at any time and from time to time during the term of this Agreement, Manager shall execute, acknowledge, and deliver to Owner or any Mortgagee, within ten (10) business days following Manager's receipt of written request therefor, a certificate: (i) certifying that this Agreement has not been modified and is in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and specifying the modifications); (ii) stating whether, to the best knowledge of the signatory of such certificate, any default exists, including any Event of Default, and if so, specifying each default of which the signatory may have knowledge; and (iii) providing any additional information reasonably requested by Owner or a Mortgagee; provided, however, that in no event shall Manager be required to agree to any modifications or waivers with respect to this Agreement or other agreements in effect between the Parties. On similar notice, Manager shall be entitled to a similar certificate from Owner, any Mortgagee (with respect to any Mortgage), or any ground lessor (with respect to any ground lease) or submerged lands lessor (with respect to any submerged lands lease), to the extent that Owner is entitled to receive such a certificate.

22. SUBSTANTIAL CASUALTY - OPTION TO TERMINATE OR RESTORE

If the whole or any part of the Property is damaged or destroyed by any peril or event for which insurance proceeds are not paid or are not made available to Owner, and the cost of the Casualty Restoration with respect thereto exceeds twenty percent seventy-five percent (75%) of the replacement value

of the Property as of the date of the casualty, as determined by an independent licensed architect selected by the Parties, then Owner or Manager may terminate this Agreement by giving notice to the other Party within thirty (30) days after the report is delivered by such independent licensed architect. Any such termination notice shall be effective seventy-five (75) days after its delivery. If neither party exercises its right to terminate this Agreement, Owner shall complete a Casualty Restoration as determined appropriate by Owner.

23. PERMANENT TAKING

23.1 Upon a Taking of either the fee interest in, or a perpetual easement on, all or a part of the Property, if the part not so taken may not be repaired, restored, replaced, or rebuilt so as the remaining Property do not constitute a first-class facility as contemplated by this Agreement, then this Agreement shall terminate as of the date that is seventy-five (75) days after the Date of Taking.

23.2 On a Taking of either the fee interest in, or a perpetual easement on, less than all of the Property, and if this Agreement has not been terminated in accordance with Section 24.1 above, this Agreement shall remain in full force and effect with respect to the remainder of the Property, and the awards or other proceeds on account of the Taking (including any interest included or paid with respect to such awards or proceeds), other than any portion of such awards or proceeds specifically identified as compensation for alterations or physical damage to the real or personal property used in the operation of the Property, shall be included in Gross Operating Revenue for the Operating Year or Years in which received. Owner shall repair, restore, replace, or rebuild the remainder of the Property as nearly as possible to its value, condition, and character immediately prior to the Taking. Owner shall commence the work promptly after the Date of Taking and shall complete the same with diligence.

24. TAKING FOR TEMPORARY USE

On a Taking of all or part of the Property for temporary use, this Agreement shall remain in full force and effect, and the awards or other proceeds on account of the Taking (including any interest included or paid with respect to such awards or proceeds), other than any portion of such awards or proceeds specifically identified as compensation for alterations or physical damage to the real or personal property used in the operation of the Property, shall be included in Gross Operating Revenue for the Operating Year or Years in which received.

25. BUSINESS INTERRUPTION

25.1 If the Property suffers damage or loss that results in an interruption in the operations of the Property, Owner shall nevertheless be obligated to pay to Manager all amounts that would be due to Manager under this Agreement, including the Management Fee and all Reimbursable Expenses, for the period of the business interruption. In the event of such a business interruption, the Management Fee shall be calculated based on (i) the Gross Operating Revenue for the portion of the Property, if any, not subject to the damage or loss and (ii) a proportionate amount of any Business Interruption Insurance received with respect to the damaged portion of the Property related to the Management Fee.

25.2 Owner shall, immediately on receipt, deposit any and all proceeds of Business Interruption Insurance received by Owner in the Operating Account(s).

26. RESTRICTIONS ON ASSIGNMENT

26.1 Except as expressly provided otherwise herein, neither Party may assign, pledge, encumber, or otherwise transfer in any manner its interest in this Agreement, or any of its rights or obligations under this Agreement (any such event being referred to as an “Assignment”) without the prior written consent of the other Party. Any Assignment by a Party in violation of the terms of this Section shall be void and of no force to the other Party and shall constitute a material breach of this Agreement. For purposes of this Section, the following shall apply:

(a) The term “Assignment” includes (in addition to any of the transfers described above) (a) any transfer of an aggregate of more than fifty percent (50%) (measured by fair market value or voting power) of the legal and/or beneficial interest (whether partnership interest, corporate stock, shares, membership interests or otherwise) during any consecutive twelve-month period; (b) any transfer of an aggregate of more than fifty percent (50%) (measured by fair market value or voting power) of the legal and/or beneficial interest (whether partnership interest, corporate stock, shares, membership interests or otherwise), by an investor or investors of any owner of a Party during any consecutive twelve-month period; and (c) any change in the actual or effective voting control of a Party or an owner of such Party.

(b) The term “owner” means (a) the holder of fifty percent (50%) or more (measured by fair market value or voting power) of the legal and/or beneficial interest (whether partnership interests, corporate stock, shares, or otherwise) of an entity; and (b) the owner, as defined in clause (a), of an owner, as defined in clause (a).

26.2 Neither any transfer of publicly traded stock nor any public offering of equity ownership interests (whether partnership interest, corporate stock, shares, or otherwise) in either Party or by a parent company or other owner of either Party shall be deemed to be an “Assignment.”

26.3 So long as no Event of Default attributable to Manager has occurred and remains uncured, Manager shall have the right, without Owner’s consent, to effect an Assignment of all or a portion of its interest in this Agreement to any Affiliate or Affiliates of Manager or any successor of Manager that may result from any merger, consolidation, or reorganization. The assignee must assume and agree to be bound by all of the terms and provisions of this Agreement, in the event of an Assignment of all of Manager’s interest in this Agreement, or by the applicable terms and provisions of this Agreement, in the event of an Assignment of less than all of Manager’s interest. Manager shall deliver to Owner an executed counterpart of the instrument effecting any Assignment by Manager.

26.4 So long as no Event of Default attributable to Owner has occurred and remains uncured, Owner shall have the right to effect an Assignment of its entire interest in this Agreement, together with (but not independent of) the direct or indirect transfer of all or substantially all of its ownership interest in the Property to an assignee/transferee that has been consented to by Manager and has assumed and agreed to be bound by all of the terms of this Agreement.

26.5 A consent to any particular Assignment shall not be deemed to be a consent to any other Assignment or a waiver of the requirement that consent be obtained in the case of any other Assignment. On any such permitted Assignment by Owner or Manager, the assigning Party shall be relieved of

all liabilities and obligations under this Agreement accruing after the effective date of such assignment. No such assignment shall relieve the assigning Party from its liabilities or obligations under this Agreement accruing prior to the effective date of the Assignment, and in the event of an Assignment by Owner, the assignee shall succeed to and assume responsibility for all obligations and liabilities of Owner.

27. ALTERNATIVE DISPUTE RESOLUTION REQUIRED

27.1 The Parties shall resolve any Dispute through a two-step dispute resolution process administered by J.A.M.S./Endispute, Inc. or its successors (“JAMS”). If, at the time a Dispute arises, JAMS does not exist or is unable to administer the resolution of the Dispute in accordance with the terms of this Section, then the dispute resolution process will be administered, in accordance with the terms of this Section, by United States Arbitration and Mediation or its successors (“USA&M”). If USA&M is similarly unavailable or unable to administer the dispute resolution process and the Parties cannot agree on the identity of a substitute service provider, then the complaining Party must petition to the Circuit Court in Monroe County, to identify a substitute service provider, and the service provider identified by such Court will administer the dispute resolution process in accordance with the terms of this Agreement.

27.2 The Parties shall first attempt to settle the Dispute by participating in at least ten (10) hours of mediation at the offices of JAMS. The complaining Party must notify the other Party that a Dispute exists and then contact JAMS to schedule the mediation conference. The mediator will then be selected in accordance with the rules of JAMS, but the mediator must have experience in the hospitality industry and must not have any conflict of interest. The mediation will be a nonbinding conference between the Parties conducted in accordance with the applicable rules and procedures of JAMS. Neither Party may initiate arbitration proceedings until the mediation is complete. Any mediation will be considered complete: (i) if the Parties enter into an agreement to resolve the Dispute; (ii) with respect to the Party submitting the Dispute to mediation, if the other Party fails to appear at or participate in a reasonably scheduled mediation conference; or (iii) if the Dispute is not resolved within five (5) days after the mediation is completed.

27.3 If any Dispute remains between the Parties after the mediation is complete, the Parties shall submit the Dispute to final and binding arbitration (without appeal or review) in Monroe County under its then-current rules. The arbitrator must have experience in the hospitality industry and must not have any conflict of interest.

27.4 Arbitration must be initiated within one (1) year from the date on which the Dispute giving rise to the arbitration arose, and any Party who fails to commence an arbitration within such one-year period shall be deemed to have waived any of its affirmative rights and claims in connection with the Dispute and shall be barred from asserting such rights and claims at any time thereafter. An arbitration shall be deemed commenced by a Party when the Party sends a notice to JAMS, with a copy of the notice to the other Party, identifying the Dispute and requesting arbitration.

27.5 Subject to the right of the prevailing Party to seek reimbursement from the other Party pursuant to this Section, the Parties agree to share equally the costs, including fees, of any mediator or arbitrator (a “neutral”) selected or appointed under this Agreement. As soon as practicable after selection of the neutral, the neutral or the neutral’s designated representative shall determine a reasonable esti-

mate of the neutral's anticipated fees and costs, and send a statement to each Party setting forth that Party's equal share of the fees and costs. Each Party shall, within ten (10) days after receipt of the statement, deposit the required sum with the neutral.

27.6 The venue of any mediation, arbitration or judicial proceedings shall be in Monroe County, Florida, unless otherwise mutually agreed by the Parties. Each Party irrevocably submits to the exclusive jurisdiction of the federal and state courts located in Pinellas County, Florida, unless otherwise mutually agreed by the Parties. Each Party waives to the fullest extent permitted by law, trial by jury of all Disputes arising out of or relating to this Agreement.

27.7 The prevailing Party in any arbitration, suit or other action arising out of or related to this Agreement shall be entitled to recover its reasonable fees, costs, and expenses relating to the action or the Dispute, including reasonable judicial and extra-judicial attorneys' fees, expenses, and disbursements, and fees, costs, and expenses relating to any mediation or appeal.

27.8 The provisions of this Section shall survive the termination of this Agreement for any reason, regardless of whether a Dispute arises before or after termination of this Agreement, and regardless of whether the related arbitration proceedings occur before or after termination of this Agreement. If any part of this Section is held to be unenforceable, it shall be severed and shall not affect either the duties to mediate or arbitrate or any other part of this Section.

28. USE OF OWNER TRADEMARKS

As part of the management services to be provided under the terms of this Agreement, Manager may use the Owner trademarks, trade names and brand names as it deems reasonably appropriate and advisable in operating the Property in a manner consistent with past practices for the Property. Owner shall not use, display or operate under any trademarks, trade names or brand names of Manager, without Manager's prior written consent and subject to any restrictions and limitations imposed by Manager. Upon termination of this Agreement, Owner shall cease any and all use of Manager's trademarks, trade names or brand names.

29. LIMITATION ON SCOPE OF MANAGER'S SERVICES

29.1 Any and all financial projections and budgets prepared by Manager under this Agreement, including the annual Operating Plan and Budget, are intended to assist Owner in operating the Property, but are not to be relied on by Owner or any third party as to the accuracy of the information contained therein or the results predicted. Manager does not guarantee the accuracy of the information contained in such projections and budgets, nor does it guarantee the results such projections and budgets predict, and Owner acknowledges that Manager shall not be held responsible by Owner or any third party for any divergence between such projections and budgets and actual operating results achieved.

29.2 Owner hereby unconditionally releases Manager, its affiliates, and their officers, directors, employees, agents, and assigns from any and all claims, liabilities, and obligations, whether now existing or hereafter arising, and whether known, unknown, fixed, contingent, or otherwise, arising from or related to the matters specified in this Section, namely: (i) the adequacy of insurance coverages with respect to the Property; and (ii) the accuracy or achievement of projections and budgets with respect to

the Property.

30. OWNER'S COMPLIANCE WITH LEGAL REQUIREMENTS AND LOAN DOCUMENTS.

30.1 Owner and Manager shall, as an Operating Expense, jointly endeavor to ensure that the business being conducted at the Property is in full compliance with all Legal Requirements. Without limiting the generality of the foregoing, Owner shall provide adequate funds to enable Manager to take the actions necessary to comply with the Legal Requirements.

30.2 Manager shall endeavor to ensure that the business being conducted at the Property is in full compliance with any existing or subsequent loans between a lender ("Lender") and Owner relating to the Property.

31. GOVERNING LAW

This Agreement and all disputes relating to the performance or interpretation of any term of this Agreement shall be construed under and governed by the laws of the State of Florida applicable to Agreements to be performed entirely within that jurisdiction. Venue shall be established in the applicable court in Monroe County, Florida.

32. WAIVERS, MODIFICATIONS, REMEDIES

No failure or delay by a Party to insist on the strict performance of any term of this Agreement, or to exercise any right or remedy consequent on a breach thereof, shall constitute a waiver of any breach or any subsequent breach of such term. Neither this Agreement nor any of its terms may be changed, waived, discharged, or terminated except by an instrument in writing signed by the Party against whom the enforcement of the change, waiver, discharge, or termination is sought. No waiver of any breach shall affect or alter this Agreement, but each and every term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. The remedies provided in this Agreement are cumulative and not exclusive of the remedies provided by law or in equity.

33. SEVERABILITY OF PROVISIONS

If a court of competent jurisdiction or an arbitrator determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

34. NOTICES

All notices, consents, determinations, requests, approvals, demands, reports, objections, directions, and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given and to be effective on the date on which such communications are delivered by personal delivery, by facsimile transmission (with telephonic confirmation of receipt), DHL, Federal Express, or other similar courier service or by the United States Postal Service or its successor after being deposited with the United States Postal Service as Express Mail or as registered

or certified matter, postage prepaid, return receipt requested, addressed as follows:

If to Manager:

Spottswood Management, Inc.
506 Fleming Street
Key West, FL 33040
Attn: Robert A. Spottswood

If to Owner:

or at such other address as the Party to whom the notice is sent has designated in accordance with this Section.

35. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and shall be binding on the successors and assigns of the Parties, and the terms “Owner” and “Manager” as used in this Agreement shall include all permitted successors and assigns of the original Parties.

36. INDEMNIFICATION

36.1 Owner shall indemnify, defend, and hold Manager and its Affiliates and their respective officers, directors, shareholders, employees, agents, and assigns harmless from and against any and all claims, demands, actions (including enforcement proceedings initiated by any government agency), penalties, suits, and liabilities (including the cost of defense, settlement, appeal, and reasonable attorneys’ fees and costs, but excluding consequential damages), which they or any of them may have alleged against them, incur, become responsible for, or pay out for any reason related to: (i) ownership or operation of the Property, including the employment and discharge of Property Personnel and matters pertaining to the accessibility of the Property to persons with disabilities; (ii) an Event of Default by Owner with respect to any provision of this Agreement; (iii) contamination of or any adverse effects on the environment with respect to the Property; (iv) any violation of any Legal Requirements, or (v) acts or omissions (whether negligent or otherwise) of Manager or its directors, employees, or agents, in the performance of services under this Agreement, or in connection with winding up such services on termination of this Agreement; provided, however, that in no event shall Owner’s indemnification obligations under this Section 37.1 extend to any negligence, willful misconduct or fraud committed by Manager, its employees, its Affiliates, or any of the Senior Executive Personnel in the performance of Manager’s duties under this Agreement, or for breach of this Agreement.

36.2 Manager shall indemnify defend and hold Owner and its Affiliates and their respective partners, officers, directors, shareholders, employees, agents, and assigns harmless from and against any and all claims, demands, actions (including enforcement proceedings initiated by any government agency),

penalties, suits, and liabilities (including the cost of defense, settlement, appeal, and reasonable attorneys' fees and costs, but excluding consequential damages), which they or any of them may have alleged against them, incur, become responsible for, or pay out for any reason, to the extent such matters are caused by Manager's negligence, willful misconduct or fraud, or breach of this Agreement. The obligations set forth in this Section shall survive any termination of this Agreement. In no event shall the settlement by either Party in good faith of any claim brought by a third party (including Property Personnel) in connection with the ownership or operation of the Property be deemed to create any presumption of the validity of the claim; nor shall any such settlement be deemed to create any presumption that the acts or omissions giving rise to such claim constituted fraud, gross negligence, or willful misconduct on the part of Manager or its Affiliates or any of their respective directors, employees, or agents.

37. LIMITATION ON PLEDGING OWNER'S CREDIT

Except as is necessary or advisable for the purchase of goods and services in the ordinary course of business in the operation and management of the Property within the scope of this Agreement and the Operating Plan and Budget, Manager shall not borrow any money or execute any credit obligation in the name and on behalf of Owner or pledge the credit of Owner.

38. ATTORNEYS FEES

In the event either party institutes legal proceedings to enforce its rights hereunder, the prevailing party in such litigation shall be paid all reasonable expenses of the litigation by the losing party, including its attorneys' fees.

39. ENTIRE AGREEMENT

This Agreement and the Exhibits attached hereto, constitute the entire Agreement between the Parties and supersede all prior Agreements and understandings, written or oral. No representation, undertaking or promise shall be taken to have been given or be implied from anything said or written in negotiations between the Parties and Manager respectively prior to the execution of this Agreement except as expressly stated in this Agreement. Neither Party shall have any remedy in respect of any untrue statement made by the other Party on which that Party relied in entering into this Agreement (unless such untrue statement was made fraudulently) and that Party's only remedy shall be for breach of Agreement as provided in this Agreement.

40. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

41. CAPTIONS

The Table of Contents and captions to the Articles and Sections of this Agreement are for convenience of reference only and in no way define, limit, describe, or affect the scope or intent of any part of this Agreement.



42. RELATIONSHIP OF THE PARTIES

Manager and Owner are not joint venturers, partners, or joint owners with respect to the Property, and nothing contained in this Agreement shall be construed as creating a partnership, joint venture, or similar relationship between the Parties. In operating the Property, entering into Agreements, accepting reservations, and conducting financial transactions for the Property, Manager acts on behalf of Owner and assumes no independent contractual liability nor shall Manager be obligated to extend its own credit with respect to any obligation incurred in operating the Property and performing its obligations under this Agreement.

43. CONFIDENTIALITY

The Parties agree that the matters set forth in this Agreement are strictly confidential. In addition, the Parties agree to keep strictly confidential all information of a proprietary or confidential nature about or belonging to a Party to which the other Party gains or has access by virtue of the relationship between the Parties. Except as disclosure may be required to obtain the advice of professionals or consultants, or financing for the Property from an institutional lender, or in furtherance of a permitted assignment of this Agreement, or as may be required by law or by the order of any government, regulatory authority, or tribunal, each Party shall make every effort to ensure that such information is not disclosed to the press or to any other third person or entity without the prior consent of the other Party. The obligations set forth in this Section shall survive any termination of this Agreement. The Parties shall cooperate with one another on all public statements, whether written or oral and no matter how disseminated, regarding their contractual relationship as set forth in this Agreement or the performance of their respective obligations under this Agreement.

44. FURTHER ASSURANCE

The Parties shall do and procure to be done all such acts, matters and things and shall execute and deliver all such documents and instruments as shall be required to enable the Parties to perform their respective obligations under, and to give effect to the transactions contemplated by, this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

“Manager”

[MEISEL & SPOTTSWOOD MARINA
MANAGEMENT COMPANY, LLC]

By: _____

Name:
Title: President



“Owner”

By:

Name: _____

Title: _____



EXHIBIT "A"

The Property

Schedule A

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Truman RFP



EXHIBIT "B"

Operating Plan and Budget



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DEVELOPMENT PHASE

TRUMAN WATERFRONT LAND DEVELOPMENT SCHEDULE

The proposed land based design will require the following schedule for implementation. Initial Design Development and planning review will take approximately eight (8) months. This being a major development the project will go through a variety of City of Key West Planning Department reviews followed by public meetings of the Development Review Committee and public hearings before the Planning Commission. Subsequently the plans will be formally reviewed and adopted by the City Commission before final design and permitting.

Concurrent with planning review - initial survey, environmental review, and geotechnical testing will be performed. This work and its output will coincide with development review so that data is available upon planning approval to proceed with final documents and specifications.

Final Design documents will require another three (3) months. Permitting for the project at the State level will be started concurrent with City planning approval. Final reviews and permits issuance would be concurrent with final design and local permitting. We project another three (3) months for final issuance of relevant permits. Agencies of jurisdiction such as the State of Florida Department of Environmental Protection, the Department of Community Affairs, Fish and Wildlife, and the South Florida Water Management District will review during the total time frame for final design and permitting.

Bidding and negotiation with key construction contracts can be done after documents are completed and while final permits are being issued.

Based on the above and the overlap of tasks we project the project will require fourteen (14) months for design and permitting and then will require another eighteen (18) months for construction of major elements ready for use. This projects a total time frame for implementation of, a minimum of thirty-two (32) months.



INCOME PROJECTIONS

TRUMAN WATERFRONT

Total Linear Footage 4480 Feet	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
INCOME PROJECTIONS:											
Slip Revenue	3,066,000.00	3,756,928.00	4,243,456.00	4,680,984.00	4,853,296.00	5,138,784.00	5,138,784.00	5,424,272.00	5,424,272.00	5,709,760.00	5,881,052.80
Fuel Sales	1,500,000.00	1,575,000.00	1,653,750.00	1,736,437.50	1,823,259.38	1,914,422.34	2,010,143.46	2,110,650.63	2,216,183.17	2,326,992.32	2,443,341.94
Cost of Fuel Sold	(1,350,000.00)	(1,417,500.00)	(1,488,375.00)	(1,562,793.75)	(1,640,933.44)	(1,722,980.11)	(1,809,129.11)	(1,899,585.57)	(1,994,564.85)	(2,094,233.09)	(2,199,007.75)
Restaurant Rental	150,000.00	157,500.00	165,375.00	173,643.75	182,325.94	191,442.23	201,014.35	211,065.06	221,618.32	232,699.23	244,334.19
Gross Operating Revenue	100%	\$3,366,000	\$4,071,928	\$4,574,206	\$5,028,272	\$5,217,948	\$5,521,668	\$5,540,813	\$5,846,402	\$5,867,509	\$6,175,158
Management Fees (5%)		\$168,300	\$203,596	\$228,710	\$251,414	\$260,897	\$276,083	\$277,041	\$292,320	\$293,375	\$308,758
Income Before Operating Expenses		\$3,197,700	\$3,868,332	\$4,345,496	\$4,776,858	\$4,957,050	\$5,245,585	\$5,263,772	\$5,554,082	\$5,574,133	\$5,866,401
OPERATING EXPENSES:											
Payroll & Related	\$500,000	\$525,000	\$551,250	\$578,813	\$607,753	\$638,141	\$670,048	\$703,550	\$738,728	\$775,664	\$814,447
Utilities	\$100,000	\$105,000	\$110,250	\$115,765	\$121,550	\$127,628	\$134,009	\$140,709	\$147,745	\$155,132	\$162,889
Insurance	\$500,000	\$525,000	\$550,000	\$575,000	\$600,000	\$630,000	\$661,500	\$694,575	\$729,304	\$765,769	\$804,057
Marketing	\$175,000	\$150,000	\$100,000	\$100,000	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	\$127,628	\$134,010
Repairs & Maintenance	\$300,000	\$315,000	\$330,750	\$347,288	\$364,652	\$382,884	\$402,029	\$422,130	\$443,237	\$465,398	\$488,668
Supplies and Equipment	\$50,000	\$52,500	\$55,125	\$57,881	\$60,700	\$63,735	\$66,922	\$70,268	\$73,781	\$77,470	\$81,344
Landscaping and grounds	\$200,000	\$210,000	\$220,500	\$231,525	\$243,101	\$255,256	\$268,019	\$281,420	\$295,491	\$310,266	\$325,779
Misc. Expense	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	\$127,628	\$134,010	\$140,710	\$147,746	\$155,133	\$162,889
Total Expenses		\$1,925,000	\$1,987,500	\$2,028,125	\$2,122,034	\$2,219,307	\$2,330,272	\$2,446,786	\$2,569,125	\$2,697,581	\$2,832,460
Gross Operating Profit (NOI)		\$1,272,700	\$1,880,832	\$2,317,371	\$2,654,824	\$2,737,744	\$2,915,313	\$2,816,986	\$2,984,957	\$2,876,552	\$3,033,940
Projected Bed Tax Income	\$ 2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
Total Funds Available		\$3,972,700	\$4,580,832	\$5,017,371	\$5,354,824	\$5,437,744	\$5,615,313	\$5,516,986	\$5,684,957	\$5,576,552	\$5,733,940
Debt Service Reserve	4.50%	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209
Adjusted N.O.I. after debt service and reserves		\$1,391,491	\$1,999,622	\$2,266,423	\$2,586,376	\$2,662,402	\$2,828,552	\$2,730,225	\$2,886,777	\$2,778,371	\$2,924,340
Incentive Management Fee	20%	\$0	\$0	\$0	\$14,723	\$31,307	\$66,821	\$47,155	\$80,749	\$59,068	\$90,546
Net Cash Flow to City		\$1,391,491	\$1,999,622	\$2,266,423	\$2,571,653	\$2,631,095	\$2,761,731	\$2,683,070	\$2,806,027	\$2,719,303	\$2,833,794
Principal Loan - beginning		\$34,000,000	\$32,926,836	\$31,804,371	\$30,630,340	\$29,402,375	\$28,117,997	\$26,774,615	\$25,369,518	\$23,899,871	\$22,362,709
Principal Payment		\$1,073,164	\$1,122,465	\$1,174,031	\$1,227,966	\$1,284,378	\$1,343,362	\$1,405,097	\$1,469,647	\$1,537,162	\$1,607,779
Principal Loan - end		\$32,926,836	\$31,804,371	\$30,630,340	\$29,402,375	\$28,117,997	\$26,774,615	\$25,369,518	\$23,899,871	\$22,362,709	\$20,754,930
Accumulated Net Cash Flow to the City		\$1,391,491	\$3,391,113	\$5,657,536	\$8,229,188	\$10,860,284	\$13,622,015	\$16,305,085	\$19,111,112	\$21,830,415	\$24,664,209
Accumulated Net Cash Flow Excluding Bed Tax			\$691,113	\$2,957,536	\$5,529,188	\$8,160,284	\$10,922,015	\$13,605,085	\$16,411,112	\$19,130,415	\$21,964,209

Schedule C

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Truman RFP

TRUMAN WATERFRONT

Total Linear Footage 4480 Feet	2023	2024	2025	2026	2027	2028	2029	2030	2031
INCOME PROJECTIONS:									
Slip Revenue	6,057,484.38	6,239,208.92	6,426,385.18	6,619,176.74	6,817,752.04	7,022,284.60	7,232,953.14	7,449,941.73	7,673,439.99
Fuel Sales	2,565,509.04	2,693,784.49	2,829,473.71	2,969,897.40	3,118,392.27	3,274,311.88	3,438,027.48	3,609,928.85	3,790,425.29
Cost of Fuel Sold	(2,308,958.13)	(2,424,406.04)	(2,545,826.34)	(2,672,907.86)	(2,806,553.04)	(2,946,880.69)	(3,094,224.73)	(3,248,935.97)	(3,411,382.76)
Restaurant Rental	256,550.90	269,378.45	282,847.37	296,989.74	311,939.23	327,431.19	343,802.75	360,992.89	379,042.53
Gross Operating Revenue	\$6,570,586	\$6,777,966	\$6,992,080	\$7,213,156	\$7,441,430	\$7,677,147	\$7,920,559	\$8,171,928	\$8,431,525
Management Fees (5%)	\$328,529	\$338,898	\$349,604	\$360,658	\$372,072	\$383,857	\$396,028	\$408,596	\$421,576
Income Before Operating Expenses	\$6,242,057	\$6,439,068	\$6,642,476	\$6,852,498	\$7,069,359	\$7,293,290	\$7,524,531	\$7,763,331	\$8,009,949
OPERATING EXPENSES:									
Payroll & Related	\$855,170	\$897,928	\$942,825	\$989,966	\$1,039,464	\$1,091,437	\$1,146,009	\$1,203,310	\$1,263,475
Utilities	\$171,033	\$179,585	\$188,564	\$197,992	\$207,892	\$218,286	\$229,201	\$240,661	\$252,694
Insurance	\$844,260	\$866,473	\$890,797	\$917,337	\$946,204	\$977,514	\$1,011,369	\$1,049,959	\$1,092,357
Marketing	\$140,710	\$147,746	\$155,133	\$162,889	\$171,004	\$179,586	\$188,565	\$197,993	\$207,893
Repairs & Maintenance	\$513,102	\$538,757	\$565,695	\$593,979	\$623,678	\$654,862	\$687,605	\$721,986	\$758,085
Supplies and Equipment	\$85,411	\$89,682	\$94,166	\$98,874	\$103,818	\$109,008	\$114,459	\$120,182	\$126,191
Landscaping and grounds	\$342,068	\$359,171	\$377,130	\$395,986	\$415,786	\$436,575	\$458,404	\$481,324	\$505,390
Misc. Expense	\$171,034	\$179,586	\$188,565	\$197,993	\$207,893	\$218,287	\$229,202	\$240,662	\$252,695
Total Expenses	\$3,122,788	\$3,278,927	\$3,442,873	\$3,615,017	\$3,795,768	\$3,985,556	\$4,184,834	\$4,394,076	\$4,613,780
Gross Operating Profit (NOI)	\$3,119,269	\$3,160,140	\$3,199,603	\$3,237,481	\$3,273,591	\$3,307,733	\$3,339,697	\$3,369,255	\$3,396,169
Projected Bed Tax Income	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
Total Funds Available	\$5,819,269	\$5,860,140	\$5,899,603	\$5,937,481	\$5,973,591	\$6,007,733	\$6,039,697	\$6,069,255	\$6,096,169
Debt Service Reserve	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209	\$2,581,209
Adjusted N.O.I. after debt service and reserves	\$3,009,669	\$3,050,541	\$3,090,003	\$3,127,882	\$3,163,991	\$3,198,133	\$3,230,097	\$3,259,655	\$3,286,569
Incentive Management Fee	\$107,612	\$115,786	\$123,679	\$131,254	\$138,476	\$145,305	\$151,697	\$157,609	\$162,992
Net Cash Flow to City	\$2,902,057	\$2,934,754	\$2,966,324	\$2,996,627	\$3,025,515	\$3,052,829	\$3,078,399	\$3,102,046	\$3,123,577
Principal Loan - beginning	\$19,073,289	\$17,314,395	\$15,474,697	\$13,550,484	\$11,537,873	\$9,432,803	\$7,231,026	\$4,928,100	\$2,519,378
Principal Payment	\$1,758,894	\$1,839,698	\$1,924,213	\$2,012,611	\$2,105,070	\$2,201,777	\$2,302,926	\$2,408,722	\$2,519,378
Principal Loan - end	\$17,314,395	\$15,474,697	\$13,550,484	\$11,537,873	\$9,432,803	\$7,231,026	\$4,928,100	\$2,519,378	\$0
Accumulated Net Cash Flow to the City	\$30,434,630	\$33,369,385	\$36,335,709	\$39,332,336	\$42,357,851	\$45,410,679	\$48,489,079	\$51,591,125	\$54,714,702
Accumulated Net Cash Flow Excluding Bed Tax	\$27,734,630	\$30,669,385	\$33,635,709	\$36,632,336	\$39,657,851	\$42,710,679	\$45,789,079	\$48,891,125	\$52,014,702

AMORTIZATION SCHEDULE

	loan	pmt	prin	int	balance
1	\$34,000,000	\$215,101	\$87,601	\$127,500	\$33,912,399
2	\$33,912,399	\$215,101	\$87,929	\$127,171	\$33,824,470
3	\$33,824,470	\$215,101	\$88,259	\$126,842	\$33,736,211
4	\$33,736,211	\$215,101	\$88,590	\$126,511	\$33,647,621
5	\$33,647,621	\$215,101	\$88,922	\$126,179	\$33,558,699
6	\$33,558,699	\$215,101	\$89,256	\$125,845	\$33,469,443
7	\$33,469,443	\$215,101	\$89,590	\$125,510	\$33,379,853
8	\$33,379,853	\$215,101	\$89,926	\$125,174	\$33,289,926
9	\$33,289,926	\$215,101	\$90,264	\$124,837	\$33,199,663
10	\$33,199,663	\$215,101	\$90,602	\$124,499	\$33,109,061
11	\$33,109,061	\$215,101	\$90,942	\$124,159	\$33,018,119
12	\$33,018,119	\$215,101	\$91,283	\$123,818	\$32,926,836
13	\$32,926,836	\$215,101	\$91,625	\$123,476	\$32,835,211
14	\$32,835,211	\$215,101	\$91,969	\$123,132	\$32,743,242
15	\$32,743,242	\$215,101	\$92,314	\$122,787	\$32,650,929
16	\$32,650,929	\$215,101	\$92,660	\$122,441	\$32,558,269
17	\$32,558,269	\$215,101	\$93,007	\$122,094	\$32,465,261
18	\$32,465,261	\$215,101	\$93,356	\$121,745	\$32,371,905
19	\$32,371,905	\$215,101	\$93,706	\$121,395	\$32,278,199
20	\$32,278,199	\$215,101	\$94,058	\$121,043	\$32,184,142
21	\$32,184,142	\$215,101	\$94,410	\$120,691	\$32,089,731
22	\$32,089,731	\$215,101	\$94,764	\$120,336	\$31,994,967
23	\$31,994,967	\$215,101	\$95,120	\$119,981	\$31,899,847
24	\$31,899,847	\$215,101	\$95,476	\$119,624	\$31,804,371
25	\$31,804,371	\$215,101	\$95,834	\$119,266	\$31,708,537
26	\$31,708,537	\$215,101	\$96,194	\$118,907	\$31,612,343
27	\$31,612,343	\$215,101	\$96,555	\$118,546	\$31,515,788
28	\$31,515,788	\$215,101	\$96,917	\$118,184	\$31,418,872
29	\$31,418,872	\$215,101	\$97,280	\$117,821	\$31,321,592
30	\$31,321,592	\$215,101	\$97,645	\$117,456	\$31,223,947
31	\$31,223,947	\$215,101	\$98,011	\$117,090	\$31,125,936
32	\$31,125,936	\$215,101	\$98,379	\$116,722	\$31,027,557
33	\$31,027,557	\$215,101	\$98,747	\$116,353	\$30,928,810
34	\$30,928,810	\$215,101	\$99,118	\$115,983	\$30,829,692
35	\$30,829,692	\$215,101	\$99,489	\$115,611	\$30,730,203
36	\$30,730,203	\$215,101	\$99,863	\$115,238	\$30,630,340
37	\$30,630,340	\$215,101	\$100,237	\$114,864	\$30,530,103
38	\$30,530,103	\$215,101	\$100,613	\$114,488	\$30,429,490
39	\$30,429,490	\$215,101	\$100,990	\$114,111	\$30,328,500
40	\$30,328,500	\$215,101	\$101,369	\$113,732	\$30,227,131
41	\$30,227,131	\$215,101	\$101,749	\$113,352	\$30,125,382
42	\$30,125,382	\$215,101	\$102,131	\$112,970	\$30,023,252
43	\$30,023,252	\$215,101	\$102,514	\$112,587	\$29,920,738
44	\$29,920,738	\$215,101	\$102,898	\$112,203	\$29,817,840
45	\$29,817,840	\$215,101	\$103,284	\$111,817	\$29,714,556
46	\$29,714,556	\$215,101	\$103,671	\$111,430	\$29,610,885
47	\$29,610,885	\$215,101	\$104,060	\$111,041	\$29,506,825
48	\$29,506,825	\$215,101	\$104,450	\$110,651	\$29,402,375

	loan	pmt	prin	int	balance
49	\$29,402,375	\$215,101	\$104,842	\$110,259	\$29,297,533
50	\$29,297,533	\$215,101	\$105,235	\$109,866	\$29,192,298
51	\$29,192,298	\$215,101	\$105,630	\$109,471	\$29,086,668
52	\$29,086,668	\$215,101	\$106,026	\$109,075	\$28,980,642
53	\$28,980,642	\$215,101	\$106,423	\$108,677	\$28,874,219
54	\$28,874,219	\$215,101	\$106,822	\$108,278	\$28,767,397
55	\$28,767,397	\$215,101	\$107,223	\$107,878	\$28,660,174
56	\$28,660,174	\$215,101	\$107,625	\$107,476	\$28,552,548
57	\$28,552,548	\$215,101	\$108,029	\$107,072	\$28,444,520
58	\$28,444,520	\$215,101	\$108,434	\$106,667	\$28,336,086
59	\$28,336,086	\$215,101	\$108,840	\$106,260	\$28,227,245
60	\$28,227,245	\$215,101	\$109,249	\$105,852	\$28,117,997
61	\$28,117,997	\$215,101	\$109,658	\$105,442	\$28,008,338
62	\$28,008,338	\$215,101	\$110,070	\$105,031	\$27,898,269
63	\$27,898,269	\$215,101	\$110,482	\$104,619	\$27,787,787
64	\$27,787,787	\$215,101	\$110,897	\$104,204	\$27,676,890
65	\$27,676,890	\$215,101	\$111,312	\$103,788	\$27,565,578
66	\$27,565,578	\$215,101	\$111,730	\$103,371	\$27,453,848
67	\$27,453,848	\$215,101	\$112,149	\$102,952	\$27,341,699
68	\$27,341,699	\$215,101	\$112,569	\$102,531	\$27,229,129
69	\$27,229,129	\$215,101	\$112,992	\$102,109	\$27,116,138
70	\$27,116,138	\$215,101	\$113,415	\$101,686	\$27,002,723
71	\$27,002,723	\$215,101	\$113,841	\$101,260	\$26,888,882
72	\$26,888,882	\$215,101	\$114,267	\$100,833	\$26,774,615
73	\$26,774,615	\$215,101	\$114,696	\$100,405	\$26,659,919
74	\$26,659,919	\$215,101	\$115,126	\$99,975	\$26,544,792
75	\$26,544,792	\$215,101	\$115,558	\$99,543	\$26,429,235
76	\$26,429,235	\$215,101	\$115,991	\$99,110	\$26,313,244
77	\$26,313,244	\$215,101	\$116,426	\$98,675	\$26,196,817
78	\$26,196,817	\$215,101	\$116,863	\$98,238	\$26,079,955
79	\$26,079,955	\$215,101	\$117,301	\$97,800	\$25,962,654
80	\$25,962,654	\$215,101	\$117,741	\$97,360	\$25,844,913
81	\$25,844,913	\$215,101	\$118,182	\$96,918	\$25,726,731
82	\$25,726,731	\$215,101	\$118,626	\$96,475	\$25,608,105
83	\$25,608,105	\$215,101	\$119,070	\$96,030	\$25,489,035
84	\$25,489,035	\$215,101	\$119,517	\$95,584	\$25,369,518
85	\$25,369,518	\$215,101	\$119,965	\$95,136	\$25,249,553
86	\$25,249,553	\$215,101	\$120,415	\$94,686	\$25,129,138
87	\$25,129,138	\$215,101	\$120,867	\$94,234	\$25,008,271
88	\$25,008,271	\$215,101	\$121,320	\$93,781	\$24,886,951
89	\$24,886,951	\$215,101	\$121,775	\$93,326	\$24,765,177
90	\$24,765,177	\$215,101	\$122,231	\$92,869	\$24,642,945
91	\$24,642,945	\$215,101	\$122,690	\$92,411	\$24,520,255
92	\$24,520,255	\$215,101	\$123,150	\$91,951	\$24,397,106
93	\$24,397,106	\$215,101	\$123,612	\$91,489	\$24,273,494
94	\$24,273,494	\$215,101	\$124,075	\$91,026	\$24,149,419
95	\$24,149,419	\$215,101	\$124,540	\$90,560	\$24,024,878
96	\$24,024,878	\$215,101	\$125,007	\$90,093	\$23,899,871

	loan	pmt	prin	int	balance
97	\$23,899,871	\$215,101	\$125,476	\$89,625	\$23,774,395
98	\$23,774,395	\$215,101	\$125,947	\$89,154	\$23,648,448
99	\$23,648,448	\$215,101	\$126,419	\$88,682	\$23,522,029
100	\$23,522,029	\$215,101	\$126,893	\$88,208	\$23,395,135
101	\$23,395,135	\$215,101	\$127,369	\$87,732	\$23,267,766
102	\$23,267,766	\$215,101	\$127,847	\$87,254	\$23,139,920
103	\$23,139,920	\$215,101	\$128,326	\$86,775	\$23,011,594
104	\$23,011,594	\$215,101	\$128,807	\$86,293	\$22,882,786
105	\$22,882,786	\$215,101	\$129,290	\$85,810	\$22,753,496
106	\$22,753,496	\$215,101	\$129,775	\$85,326	\$22,623,721
107	\$22,623,721	\$215,101	\$130,262	\$84,839	\$22,493,459
108	\$22,493,459	\$215,101	\$130,750	\$84,350	\$22,362,709
109	\$22,362,709	\$215,101	\$131,241	\$83,860	\$22,231,468
110	\$22,231,468	\$215,101	\$131,733	\$83,368	\$22,099,735
111	\$22,099,735	\$215,101	\$132,227	\$82,874	\$21,967,509
112	\$21,967,509	\$215,101	\$132,723	\$82,378	\$21,834,786
113	\$21,834,786	\$215,101	\$133,220	\$81,880	\$21,701,566
114	\$21,701,566	\$215,101	\$133,720	\$81,381	\$21,567,846
115	\$21,567,846	\$215,101	\$134,221	\$80,879	\$21,433,624
116	\$21,433,624	\$215,101	\$134,725	\$80,376	\$21,298,900
117	\$21,298,900	\$215,101	\$135,230	\$79,871	\$21,163,670
118	\$21,163,670	\$215,101	\$135,737	\$79,364	\$21,027,933
119	\$21,027,933	\$215,101	\$136,246	\$78,855	\$20,891,687
120	\$20,891,687	\$215,101	\$136,757	\$78,344	\$20,754,930
121	\$20,754,930	\$215,101	\$137,270	\$77,831	\$20,617,660
122	\$20,617,660	\$215,101	\$137,785	\$77,316	\$20,479,875
123	\$20,479,875	\$215,101	\$138,301	\$76,800	\$20,341,574
124	\$20,341,574	\$215,101	\$138,820	\$76,281	\$20,202,754
125	\$20,202,754	\$215,101	\$139,340	\$75,760	\$20,063,414
126	\$20,063,414	\$215,101	\$139,863	\$75,238	\$19,923,551
127	\$19,923,551	\$215,101	\$140,387	\$74,713	\$19,783,163
128	\$19,783,163	\$215,101	\$140,914	\$74,187	\$19,642,249
129	\$19,642,249	\$215,101	\$141,442	\$73,658	\$19,500,807
130	\$19,500,807	\$215,101	\$141,973	\$73,128	\$19,358,834
131	\$19,358,834	\$215,101	\$142,505	\$72,596	\$19,216,329
132	\$19,216,329	\$215,101	\$143,040	\$72,061	\$19,073,289
133	\$19,073,289	\$215,101	\$143,576	\$71,525	\$18,929,713
134	\$18,929,713	\$215,101	\$144,114	\$70,986	\$18,785,599
135	\$18,785,599	\$215,101	\$144,655	\$70,446	\$18,640,944
136	\$18,640,944	\$215,101	\$145,197	\$69,904	\$18,495,747
137	\$18,495,747	\$215,101	\$145,742	\$69,359	\$18,350,005
138	\$18,350,005	\$215,101	\$146,288	\$68,813	\$18,203,717
139	\$18,203,717	\$215,101	\$146,837	\$68,264	\$18,056,880
140	\$18,056,880	\$215,101	\$147,387	\$67,713	\$17,909,493
141	\$17,909,493	\$215,101	\$147,940	\$67,161	\$17,761,553
142	\$17,761,553	\$215,101	\$148,495	\$66,606	\$17,613,058
143	\$17,613,058	\$215,101	\$149,052	\$66,049	\$17,464,006
144	\$17,464,006	\$215,101	\$149,611	\$65,490	\$17,314,395

	loan	pmt	prin	int	balance
145	\$17,314,395	\$215,101	\$150,172	\$64,929	\$17,164,223
146	\$17,164,223	\$215,101	\$150,735	\$64,366	\$17,013,488
147	\$17,013,488	\$215,101	\$151,300	\$63,801	\$16,862,188
148	\$16,862,188	\$215,101	\$151,868	\$63,233	\$16,710,320
149	\$16,710,320	\$215,101	\$152,437	\$62,664	\$16,557,883
150	\$16,557,883	\$215,101	\$153,009	\$62,092	\$16,404,875
151	\$16,404,875	\$215,101	\$153,583	\$61,518	\$16,251,292
152	\$16,251,292	\$215,101	\$154,158	\$60,942	\$16,097,134
153	\$16,097,134	\$215,101	\$154,737	\$60,364	\$15,942,397
154	\$15,942,397	\$215,101	\$155,317	\$59,784	\$15,787,080
155	\$15,787,080	\$215,101	\$155,899	\$59,202	\$15,631,181
156	\$15,631,181	\$215,101	\$156,484	\$58,617	\$15,474,697
157	\$15,474,697	\$215,101	\$157,071	\$58,030	\$15,317,627
158	\$15,317,627	\$215,101	\$157,660	\$57,441	\$15,159,967
159	\$15,159,967	\$215,101	\$158,251	\$56,850	\$15,001,716
160	\$15,001,716	\$215,101	\$158,844	\$56,256	\$14,842,872
161	\$14,842,872	\$215,101	\$159,440	\$55,661	\$14,683,432
162	\$14,683,432	\$215,101	\$160,038	\$55,063	\$14,523,394
163	\$14,523,394	\$215,101	\$160,638	\$54,463	\$14,362,756
164	\$14,362,756	\$215,101	\$161,240	\$53,860	\$14,201,515
165	\$14,201,515	\$215,101	\$161,845	\$53,256	\$14,039,670
166	\$14,039,670	\$215,101	\$162,452	\$52,649	\$13,877,218
167	\$13,877,218	\$215,101	\$163,061	\$52,040	\$13,714,157
168	\$13,714,157	\$215,101	\$163,673	\$51,428	\$13,550,484
169	\$13,550,484	\$215,101	\$164,286	\$50,814	\$13,386,198
170	\$13,386,198	\$215,101	\$164,903	\$50,198	\$13,221,295
171	\$13,221,295	\$215,101	\$165,521	\$49,580	\$13,055,774
172	\$13,055,774	\$215,101	\$166,142	\$48,959	\$12,889,633
173	\$12,889,633	\$215,101	\$166,765	\$48,336	\$12,722,868
174	\$12,722,868	\$215,101	\$167,390	\$47,711	\$12,555,478
175	\$12,555,478	\$215,101	\$168,018	\$47,083	\$12,387,460
176	\$12,387,460	\$215,101	\$168,648	\$46,453	\$12,218,812
177	\$12,218,812	\$215,101	\$169,280	\$45,821	\$12,049,532
178	\$12,049,532	\$215,101	\$169,915	\$45,186	\$11,879,617
179	\$11,879,617	\$215,101	\$170,552	\$44,549	\$11,709,065
180	\$11,709,065	\$215,101	\$171,192	\$43,909	\$11,537,873
181	\$11,537,873	\$215,101	\$171,834	\$43,267	\$11,366,039
182	\$11,366,039	\$215,101	\$172,478	\$42,623	\$11,193,561
183	\$11,193,561	\$215,101	\$173,125	\$41,976	\$11,020,436
184	\$11,020,436	\$215,101	\$173,774	\$41,327	\$10,846,662
185	\$10,846,662	\$215,101	\$174,426	\$40,675	\$10,672,236
186	\$10,672,236	\$215,101	\$175,080	\$40,021	\$10,497,156
187	\$10,497,156	\$215,101	\$175,736	\$39,364	\$10,321,420
188	\$10,321,420	\$215,101	\$176,395	\$38,705	\$10,145,024
189	\$10,145,024	\$215,101	\$177,057	\$38,044	\$9,967,967
190	\$9,967,967	\$215,101	\$177,721	\$37,380	\$9,790,247
191	\$9,790,247	\$215,101	\$178,387	\$36,713	\$9,611,859
192	\$9,611,859	\$215,101	\$179,056	\$36,044	\$9,432,803

	loan	pmt	prin	int	balance
193	\$9,432,803	\$215,101	\$179,728	\$35,373	\$9,253,075
194	\$9,253,075	\$215,101	\$180,402	\$34,699	\$9,072,673
195	\$9,072,673	\$215,101	\$181,078	\$34,023	\$8,891,595
196	\$8,891,595	\$215,101	\$181,757	\$33,343	\$8,709,838
197	\$8,709,838	\$215,101	\$182,439	\$32,662	\$8,527,399
198	\$8,527,399	\$215,101	\$183,123	\$31,978	\$8,344,276
199	\$8,344,276	\$215,101	\$183,810	\$31,291	\$8,160,466
200	\$8,160,466	\$215,101	\$184,499	\$30,602	\$7,975,967
201	\$7,975,967	\$215,101	\$185,191	\$29,910	\$7,790,776
202	\$7,790,776	\$215,101	\$185,885	\$29,215	\$7,604,891
203	\$7,604,891	\$215,101	\$186,582	\$28,518	\$7,418,308
204	\$7,418,308	\$215,101	\$187,282	\$27,819	\$7,231,026
205	\$7,231,026	\$215,101	\$187,984	\$27,116	\$7,043,042
206	\$7,043,042	\$215,101	\$188,689	\$26,411	\$6,854,352
207	\$6,854,352	\$215,101	\$189,397	\$25,704	\$6,664,955
208	\$6,664,955	\$215,101	\$190,107	\$24,994	\$6,474,848
209	\$6,474,848	\$215,101	\$190,820	\$24,281	\$6,284,028
210	\$6,284,028	\$215,101	\$191,536	\$23,565	\$6,092,492
211	\$6,092,492	\$215,101	\$192,254	\$22,847	\$5,900,238
212	\$5,900,238	\$215,101	\$192,975	\$22,126	\$5,707,264
213	\$5,707,264	\$215,101	\$193,699	\$21,402	\$5,513,565
214	\$5,513,565	\$215,101	\$194,425	\$20,676	\$5,319,140
215	\$5,319,140	\$215,101	\$195,154	\$19,947	\$5,123,986
216	\$5,123,986	\$215,101	\$195,886	\$19,215	\$4,928,100
217	\$4,928,100	\$215,101	\$196,620	\$18,480	\$4,731,480
218	\$4,731,480	\$215,101	\$197,358	\$17,743	\$4,534,122
219	\$4,534,122	\$215,101	\$198,098	\$17,003	\$4,336,024
220	\$4,336,024	\$215,101	\$198,841	\$16,260	\$4,137,184
221	\$4,137,184	\$215,101	\$199,586	\$15,514	\$3,937,597
222	\$3,937,597	\$215,101	\$200,335	\$14,766	\$3,737,262
223	\$3,737,262	\$215,101	\$201,086	\$14,015	\$3,536,176
224	\$3,536,176	\$215,101	\$201,840	\$13,261	\$3,334,336
225	\$3,334,336	\$215,101	\$202,597	\$12,504	\$3,131,739
226	\$3,131,739	\$215,101	\$203,357	\$11,744	\$2,928,382
227	\$2,928,382	\$215,101	\$204,119	\$10,981	\$2,724,263
228	\$2,724,263	\$215,101	\$204,885	\$10,216	\$2,519,378
229	\$2,519,378	\$215,101	\$205,653	\$9,448	\$2,313,725
230	\$2,313,725	\$215,101	\$206,424	\$8,676	\$2,107,301
231	\$2,107,301	\$215,101	\$207,198	\$7,902	\$1,900,102
232	\$1,900,102	\$215,101	\$207,975	\$7,125	\$1,692,127
233	\$1,692,127	\$215,101	\$208,755	\$6,345	\$1,483,372
234	\$1,483,372	\$215,101	\$209,538	\$5,563	\$1,273,834
235	\$1,273,834	\$215,101	\$210,324	\$4,777	\$1,063,510
236	\$1,063,510	\$215,101	\$211,113	\$3,988	\$852,397
237	\$852,397	\$215,101	\$211,904	\$3,196	\$640,493
238	\$640,493	\$215,101	\$212,699	\$2,402	\$427,794
239	\$427,794	\$215,101	\$213,497	\$1,604	\$214,297
240	\$214,297	\$215,101	\$214,297	\$804	\$0

SLIP REVENUE

Option "B-1" Slip Revenue

Total Available Linear Ft					2012			2012			2012
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
KEY WEST											
Wet Slips											
50	50 foot slip	5	50	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
60	60 foot slip	5	60	\$3.75	\$1,125.00	50%	\$101,813	\$1,125.00	50%	\$103,500	\$205,313
70	70 foot slip	9	70	\$3.75	\$2,362.50	50%	\$213,806	\$2,362.50	50%	\$217,350	\$431,156
80	80 foot slip	20	80	\$3.75	\$6,000.00	50%	\$543,000	\$6,000.00	50%	\$552,000	\$1,095,000
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$3.75	\$6,375.00	50%	\$576,938	\$6,375.00	50%	\$586,500	\$1,163,438
TOTALS		39			\$16,800.00		\$1,520,400	\$16,800.00		\$1,545,600	\$3,066,000

Option "B-1" Slip Revenue

Total Available Linear Ft					2013			2013			2013
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 2	Year 2	Year 2	Year 2	Year 2	Year 2	Year 2
KEY WEST											
Wet Slips											
50	50 foot slip	5	50	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
60	60 foot slip	5	60	\$4.00	\$1,200.00	65%	\$141,180	\$1,200.00	50%	\$110,400	\$251,580
70	70 foot slip	9	70	\$4.00	\$2,520.00	65%	\$296,478	\$2,520.00	50%	\$231,840	\$528,318
80	80 foot slip	20	80	\$4.00	\$6,400.00	65%	\$752,960	\$6,400.00	50%	\$588,800	\$1,341,760
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$4.00	\$6,800.00	65%	\$800,020	\$6,800.00	50%	\$625,600	\$1,425,620
TOTALS		39			\$17,920.00		\$2,108,288	\$17,920.00		\$1,648,640	\$3,756,928

Option "B-1" Slip Revenue

Total Available Linear Ft					2014			2014			2014
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 3	Year 3	Year 3	Year 3	Year 3	Year 3	Year 3
KEY WEST											
Wet Slips											
50	50 foot slip	5	50	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
60	60 foot slip	5	60	\$4.00	\$1,200.00	80%	\$173,760	\$1,200.00	50%	\$110,400	\$284,160
70	70 foot slip	9	70	\$4.00	\$2,520.00	80%	\$364,896	\$2,520.00	50%	\$231,840	\$596,736
80	80 foot slip	20	80	\$4.00	\$6,400.00	80%	\$926,720	\$6,400.00	50%	\$588,800	\$1,515,520
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$4.00	\$6,800.00	80%	\$984,640	\$6,800.00	50%	\$625,600	\$1,610,240
TOTALS		39			\$17,920.00		\$2,594,816	\$17,920.00		\$1,648,640	\$4,243,456

Option "B-1" Slip Revenue

Total Available Linear Ft					2015			2015			2015
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 4	Year 4	Year 4	Year 4	Year 4	Year 4	Year 4
Wet Slips											
50	50 foot slip	5	50	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
60	60 foot slip	5	60	\$4.25	\$1,275.00	85%	\$196,159	\$1,275.00	50%	\$117,300	\$313,459
70	70 foot slip	9	70	\$4.25	\$2,677.50	85%	\$411,933	\$2,677.50	50%	\$246,330	\$658,263
80	80 foot slip	20	80	\$4.25	\$6,800.00	85%	\$1,046,180	\$6,800.00	50%	\$625,600	\$1,671,780
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$4.25	\$7,225.00	85%	\$1,111,566	\$7,225.00	50%	\$664,700	\$1,776,266
TOTALS		39			\$19,040.00		\$2,929,304	\$19,040.00		\$1,751,680	\$4,680,984

Option "B-1" Slip Revenue

Total Available Linear Ft					2016			2016			2016
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 5	Year 5	Year 5	Year 5	Year 5	Year 5	Year 5
Wet Slips											
50	50 foot slip	5	50	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
60	60 foot slip	5	60	\$4.25	\$1,275.00	90%	\$207,698	\$1,275.00	50%	\$117,300	\$324,997.50
70	70 foot slip	9	70	\$4.25	\$2,677.50	90%	\$436,165	\$2,677.50	50%	\$246,330	\$682,494.75
80	80 foot slip	20	80	\$4.25	\$6,800.00	90%	\$1,107,720	\$6,800.00	50%	\$625,600	\$1,733,320.00
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$4.25	\$7,225.00	90%	\$1,176,953	\$7,225.00	50%	\$664,700	\$1,841,652.50
TOTALS		39			\$19,040.00		\$3,101,616	\$19,040.00		\$1,751,680	\$4,853,296.00

Option "B-1" Slip Revenue

Total Available Linear Ft					2017			2017			2017
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 6	Year 6	Year 6	Year 6	Year 6	Year 6	Year 6
Wet Slips											
50	50 foot slip	5	50	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
60	60 foot slip	5	60	\$4.50	\$1,350.00	90%	\$219,915	\$1,350.00	50%	\$124,200	\$344,115
70	70 foot slip	9	70	\$4.50	\$2,835.00	90%	\$461,822	\$2,835.00	50%	\$260,820	\$722,642
80	80 foot slip	20	80	\$4.50	\$7,200.00	90%	\$1,172,880	\$7,200.00	50%	\$662,400	\$1,835,280
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$4.50	\$7,650.00	90%	\$1,246,185	\$7,650.00	50%	\$703,800	\$1,949,985
TOTALS		39			\$20,160.00		\$3,284,064	\$20,160.00		\$2,411,136	\$5,138,784

Option "B-1" Slip Revenue

Total Available Linear Ft					2018			2018			2018
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 7	Year 7	Year 7	Year 7	Year 7	Year 7	Year 7
Wet Slips											
50	50 foot slip	5	50	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
60	60 foot slip	5	60	\$4.50	\$1,350.00	90%	\$219,915	\$1,350.00	50%	\$124,200	\$344,115
70	70 foot slip	9	70	\$4.50	\$2,835.00	90%	\$461,822	\$2,835.00	50%	\$260,820	\$722,642
80	80 foot slip	20	80	\$4.50	\$7,200.00	90%	\$1,172,880	\$7,200.00	50%	\$662,400	\$1,835,280
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$4.50	\$7,650.00	90%	\$1,246,185	\$7,650.00	50%	\$703,800	\$1,949,985
TOTALS		39			\$20,160.00		\$3,284,064	\$20,160.00		\$1,854,720	\$5,138,784

Option "B-1" Slip Revenue

Total Available Linear Ft					2019			2019			2019
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 8	Year 8	Year 8	Year 8	Year 8	Year 8	Year 8
Wet Slips											
50	50 foot slip	5	50	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
60	60 foot slip	5	60	\$4.75	\$1,425.00	90%	\$232,133	\$1,425.00	50%	\$131,100	\$363,233
70	70 foot slip	9	70	\$4.75	\$2,992.50	90%	\$487,478	\$2,992.50	50%	\$275,310	\$762,788
80	80 foot slip	20	80	\$4.75	\$7,600.00	90%	\$1,238,040	\$7,600.00	50%	\$699,200	\$1,937,240
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$4.75	\$8,075.00	90%	\$1,315,418	\$8,075.00	50%	\$742,900	\$2,058,318
TOTALS		39			\$21,280.00		\$3,466,512	\$21,280.00		\$1,957,760	\$5,424,272

Option "B-1" Slip Revenue

Total Available Linear Ft					2020			2020			2020
4480					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 9	Year 9	Year 9	Year 9	Year 9	Year 9	Year 9
Wet Slips											
50	50 foot slip	5	50	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
60	60 foot slip	5	60	\$4.75	\$1,425.00	90%	\$232,133	\$1,425.00	50%	\$131,100	\$363,233
70	70 foot slip	9	70	\$4.75	\$2,992.50	90%	\$487,478	\$2,992.50	50%	\$275,310	\$762,788
80	80 foot slip	20	80	\$4.75	\$7,600.00	90%	\$1,238,040	\$7,600.00	50%	\$699,200	\$1,937,240
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$4.75	\$8,075.00	90%	\$1,315,418	\$8,075.00	50%	\$742,900	\$2,058,318
TOTALS		39			\$21,280.00		\$3,466,512	\$21,280.00		\$1,957,760	\$5,424,272



Option "B-1" Slip Revenue

Total Available Linear Ft					2021			2021			2021
				4480	In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Linear Ft Per Slip	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 10	Year 10	Year 10	Year 10	Year 10	Year 10	Year 10
Wet Slips											
50	50 foot slip	5	50	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
60	60 foot slip	5	60	\$5.00	\$1,500.00	90%	\$244,350	\$1,500.00	50%	\$138,000	\$382,350
70	70 foot slip	9	70	\$5.00	\$3,150.00	90%	\$513,135	\$3,150.00	50%	\$289,800	\$802,935
80	80 foot slip	20	80	\$5.00	\$8,000.00	90%	\$1,303,200	\$8,000.00	50%	\$736,000	\$2,039,200
T-HEADS	AVAILABLE LINEAR FT	0	1700	\$5.00	\$8,500.00	90%	\$1,384,650	\$8,500.00	50%	\$782,000	\$2,166,650
TOTALS		39			\$22,400.00		\$3,648,960	\$22,400.00		\$2,060,800	\$5,709,760

MARINA COSTS

Truman Waterfront Property Projected Construction Expenses Option "B-1"

Key West Proposed Marina Building Costs

Name of Dock	A	B	C	D Dock Wave Att	Totals
Number of Slips	11	18	10	0	39
Length of Main Pier	262	213	109	920	
Length of Slips	80 ft and side ties	80ft and 70 ft	60 ft and 50 ft	side ties	
Beam of Slips (in feet)	24 ft	24, and 22	21 and 20	NA	
Width of Main Walkway (in feet)	20	10	10	20	
Width of T Head (in feet)	12	10	10	NA	
Width of Finger Piers (in feet)	6	6	6	NA	
Main Dock Sq. Ft	5240	2130	1090	18400	26860
Finger piers Sq. Ft	3360	5100	2420	0	10880
Total Sq Footage of Dock	8600	7230	3510	18400	37740

Costs	A Dock	B Dock	C Dock	D Dock	Totals
Cost At 200 per Sq Ft for main walkway	1,048,000.00	426,000.00	218,000.00	NA	1,692,000.00
Cost at 300 per sq ft for Wave attenuation wall	NA	NA	NA	5,520,000.00	5,520,000.00
Cost at 90,000 per slip for (finger piers etc)	990,000.00	1,620,000.00	900,000.00	0.00	3,510,000.00
Gangways per dock @ 25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	100,000.00
Water utilities per 100ft @ 5,000.00	N/A	N/A	N/A	N/A	0.00
for grey and black water pumpouts	15,000.00	10,000.00	5,000.00	40,000.00	70,000.00
Environmental and construction permitting	N/A	N/A	N/A	N/A	250,000.00
Development Fee					557,100.00
Floating Dock Construction					11,699,100.00

LAND COSTS

Truman Waterfront Project / Landward Improvement Estimate

PHASE I

ITEM DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL	SUB TOTAL
TRUMAN HISTORIC PARK					
PROMENADE	52465	SF	\$10.00	\$524,650.00	
SITE CLEARING AND GRADING	102115	SF	\$2.00	\$204,230.00	
SITE UTILITIES	102115	SF	\$2.50	\$255,287.50	
HARDSCAPE WALKS	1539	LF	\$50.00	\$76,950.00	
RUBBLE CLIMBING WALL	222	LF	\$500.00	\$111,000.00	
FOUNTAINS	3	EA	\$40,000.00	\$120,000.00	
LANDSCAPING AND IRRIGATION	102115	SF	\$2.00	\$204,230.00	
SIGNAGE	1	LMP SUM	\$25,000.00	\$25,000.00	
					\$1,521,347.50
WATERFRONT ACCESS ROAD					
RESURFACE	14546	SF	\$5.00	\$72,730.00	\$72,730.00
				\$-	
				\$-	
MARINA DEVELOPMENT					
PROMENADE	71707	SF	\$10.00	\$717,070.00	
SECURITY FENCING	900	LF	\$100.00	\$90,000.00	
SITE CLEARING AND GRADING	55437	SF	\$2.00	\$110,874.00	
SITE AND DOCK UTILITIES /W FUEL TANKS	55437	SF	\$19.00	\$1,053,303.00	
PARKING	30052	SF	\$20.00	\$601,040.00	
POOL DECK	21460	SF	\$20.00	\$429,200.00	
POOL	1	LMP SUM	\$750,000.00	\$750,000.00	
SUPPORT /RESTAURANT BLDG REUSE	14000	SF	\$400.00	\$5,600,000.00	
LANDSCAPING AND IRRIGATION	55437	SF	\$2.00	\$110,874.00	
SIGNAGE	1	LMP SUM	\$30,000.00	\$30,000.00	
					\$9,492,361.00
PHASE I SUBTOTAL					\$11,086,438.50
SITE SURVEY AND ENGINEERING FEES			3.0%	\$332,593.16	
PLANNING AND LEGAL FEES			3.0%	\$332,593.16	
ARCHITECTURAL AND ENGINEERING FEES			9.0%	\$997,779.47	
PROJECT MANAGEMENT FEES			5.0%	\$554,321.93	

PHASE I TOTAL

\$13,303,726.20

PHASE II

ITEM DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL	
ADMIRAL'S CUT BRIDGE					
	1	LMP SUM	\$750,000.00	\$750,000.00	\$750,000.00
WATERFRONT PARK					
RAMP	8000	SF	\$10.00	\$80,000.00	
CLEARING AND GRADING	48286	SF	\$10.00	\$482,860.00	
SITE UTILITIES	48286	SF	\$2.50	\$120,715.00	
WALKS	920	SF	\$50.00	\$46,000.00	
FOUNTAIN	1	LMP SUM	\$100,000.00	\$100,000.00	
PAVILIONS	16	EA	\$25,000.00	\$400,000.00	
LANDSCAPING AND IRRIGATION	48286	SF	\$2.00	\$96,572.00	
SIGNAGE	1	LMP SUM	\$20,000.00	\$20,000.00	
					\$1,346,147.00
ENTRY DRIVE AND ROAD ACCESS					
GRADING AND PAVING	57743	SF	\$10.00	\$577,430.00	
SITE UTILITIES	57743	SF	\$2.00	\$115,486.00	
LANDSCAPING AND IRRIGATION	57743	SF	\$0.75	\$43,307.25	
SIGNAGE	1	LMP SUM	\$50,000.00	\$50,000.00	
					\$786,223.25
PUBLIC PARKING					
CLEARING AND GRADING	92529	SF	\$2.00	\$185,058.00	
SITE UTILITIES	92529	SF	\$2.50	\$231,322.50	
PAVING	54795	SF	\$8.00	\$438,360.00	
LANDSCAPING AND IRRIGATION	54795	SF	\$1.25	\$68,493.75	
SIGNAGE	1	LMP SUM	\$20,000.00	\$20,000.00	
					\$943,234.25

NOAA AREA WALKWAY						
PROMENADE	40286	SF	\$10.00	\$402,860.00		
SITE UTILITIES	40286	SF	\$2.00	\$80,572.00		
FENCING	753	LF	\$100.00	\$75,300.00		
						\$558,732.00
ELLIPSE EVENT GROUNDS						
CLEARING AND GRADING	73554	SF	\$10.00	\$735,540.00		
SITE UTILITIES	73554	SF	\$2.00	\$147,108.00		
WALKWAY PAVERS	29531	SF	\$10.00	\$295,310.00		
CRUSHED GRAVEL JOGGING PATH	1121	LF	\$25.00	\$28,025.00		
FENCING	897	LF	\$100.00	\$89,700.00		
LANDSCAPING AND IRRIGATION	73554	SF	\$2.00	\$147,108.00		
SIGNAGE	1	LMP SUM	\$20,000.00	\$20,000.00		
						\$1,462,791.00
PHASE I SUBTOTAL						\$5,847,127.50
SITE SURVEY AND ENGINEERING FEES			3.0%	\$175,413.83		
PLANNING AND LEGAL FEES			3.0%	\$175,413.83		
ARCHITECTURAL AND ENGINEERING FEES			9.0%	\$526,241.48		
PROJECT MANAGEMENT FEES			5.0%	\$292,356.38		
PHASE II TOTAL						\$7,016,553.00
TOTAL PHASE I & II						\$20,320,279.20



DEVELOPMENT COSTS

Truman Waterfront Project / Landward Improvement Estimate

NO	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL	RUNNING TOTAL
FIRST PHASE						
HARRY F TRUMAN WATERFRONT PARK						
1	PROMENADE	52465	SF	\$ 10.00	\$ 524,650.00	\$ 524,650.00
2	SITE CLEARING AND GRADING	102115	SF	\$ 2.00	\$ 204,230.00	\$ 728,880.00
3	SITE UTILITIES	102115	SF	\$ 2.50	\$ 255,287.50	\$ 984,167.50
4	HARDSCAPE WALKS	1539	LF	\$ 50.00	\$ 76,950.00	\$ 1,061,117.50
5	RUBBLE CLIMBING WALL	222	LF	\$ 500.00	\$ 111,000.00	\$ 1,172,117.50
6	FOUNTAINS	3	EA	\$ 40,000.00	\$ 120,000.00	\$ 1,292,117.50
7	LANDSCAPING AND IRRIGATION	102115	SF	\$ 2.00	\$ 204,230.00	\$ 1,496,347.50
8	SIGNAGE	1	LMP SUM	\$ 25,000.00	\$ 25,000.00	\$ 1,521,347.50
					\$ -	\$ 1,521,347.50
MARINA DEVELOPMENT						
					\$ -	\$ 1,521,347.50
9	PROMENADE	71707	SF	\$ 10.00	\$ 717,070.00	\$ 2,238,417.50
10	SECURITY FENCING	900	LF	\$ 100.00	\$ 90,000.00	\$ 2,328,417.50
11	SITE CLEARING AND GRADING	55437	SF	\$ 2.00	\$ 110,874.00	\$ 2,439,291.50
12	SITE AND DOCK UTILITIES /W FUEL TANKS	55437	SF	\$ 19.00	\$ 1,053,303.00	\$ 3,492,594.50
13	PARKING	30052	SF	\$ 20.00	\$ 601,040.00	\$ 4,093,634.50
14	POOL DECK	21460	SF	\$ 20.00	\$ 429,200.00	\$ 4,522,834.50
15	POOL	1	LMP SUM	\$ 750,000.00	\$ 750,000.00	\$ 5,272,834.50
16	SUPPORT /RESTAURANT BLDG REUSE	14000	SF	\$ 400.00	\$ 5,600,000.00	\$ 10,872,834.50
17	LANDSCAPING AND IRRIGATION	55437	SF	\$ 2.00	\$ 110,874.00	\$ 10,983,708.50
18	SIGNAGE	1	LMP SUM	\$ 30,000.00	\$ 30,000.00	\$ 11,013,708.50
19	SUBTOTAL				\$ -	\$ 11,013,708.50

DEVELOPMENT COSTS

20	SITE SURVEY AND ENGINEERING FEES	\$ 11,013,708.50	%		3	\$ 330,411.26	\$ 11,344,119.76
21	PLANNING AND LEGAL FEES	\$ 11,013,708.50	%		3	\$ 330,411.26	\$ 11,674,531.01
22	ARCHITECTURAL AND ENGINEERING FEES	\$ 11,013,708.50	%		9	\$ 991,233.77	\$ 12,665,764.78
23	PROJECT MANAGEMENT FEES	\$ 11,013,708.50	%		5	\$ 550,685.43	\$ 13,216,450.20
24	TOTAL THIS PHASE						\$ 13,216,450.20
	SUBSEQUENT PHASES						
	WATERFRONT ACCESS ROAD						
25	RESURFACE	14546	SF	\$ 5.00		\$ 72,730.00	\$ 72,730.00
							\$ 72,730.00
	WATERFRONT FAMILY PARK						\$ 72,730.00
26	RAMP	8000	SF	\$ 10.00		\$ 80,000.00	\$ 152,730.00
27	CLEARING AND GRADING	48286	SF	\$ 10.00		\$ 482,860.00	\$ 635,590.00
28	SITE UTILITIES	48286	SF	\$ 2.50		\$ 120,715.00	\$ 756,305.00
29	WALKS	920	SF	\$ 50.00		\$ 46,000.00	\$ 802,305.00
30	FOUNTAIN	1	LMP SUM	\$ 100,000.00		\$ 100,000.00	\$ 902,305.00
31	PAVILIONS	16	EA	\$ 25,000.00		\$ 400,000.00	\$ 1,302,305.00
32	LANDSCAPING AND IRRIGATION	48286	SF	\$ 2.00		\$ 96,572.00	\$ 1,398,877.00
33	SIGNAGE	1	LMP SUM	\$ 20,000.00		\$ 20,000.00	\$ 1,418,877.00
						\$ -	\$ 1,418,877.00
	ENTRY DRIVE AND ROAD ACCESS					\$ -	\$ 1,418,877.00
34	GRADING AND PAVING	57743	SF	\$ 10.00		\$ 577,430.00	\$ 1,996,307.00
35	SITE UTILITIES	57743	SF	\$ 2.00		\$ 115,486.00	\$ 2,111,793.00
36	LANDSCAPING AND IRRIGATION	57743	SF	\$ 0.75		\$ 43,307.25	\$ 2,155,100.25
37	SIGNAGE	1	LMP SUM	\$ 50,000.00		\$ 50,000.00	\$ 2,205,100.25
						\$ -	\$ 2,205,100.25
	PUBLIC PARKING					\$ -	\$ 2,205,100.25
38	CLEARING AND GRADING	92529	SF	\$ 2.00		\$ 185,058.00	\$ 2,390,158.25
39	SITE UTILITIES	92529	SF	\$ 2.50		\$ 231,322.50	\$ 2,621,480.75
40	PAVING	54795	SF	\$ 8.00		\$ 438,360.00	\$ 3,059,840.75
41	LANDSCAPING AND IRRIGATION	54795	SF	\$ 1.25		\$ 68,493.75	\$ 3,128,334.50
42	SIGNAGE	1	LMP SUM	\$ 20,000.00		\$ 20,000.00	\$ 3,148,334.50
						\$ -	\$ 3,148,334.50
	NOAA AREA WALKWAY					\$ -	\$ 3,148,334.50
43	PROMENADE	40286	SF	\$ 10.00		\$ 402,860.00	\$ 3,551,194.50
44	SITE UTILITIES	40286	SF	\$ 2.00		\$ 80,572.00	\$ 3,631,766.50
45	FENCING	753	LF	\$ 100.00		\$ 75,300.00	\$ 3,707,066.50
						\$ -	\$ 3,707,066.50
	ELLIPSE EVENT GROUNDS					\$ -	\$ 3,707,066.50
46	CLEARING AND GRADING	73554	SF	\$ 10.00		\$ 735,540.00	\$ 4,442,606.50
47	SITE UTILITIES	73554	SF	\$ 2.00		\$ 147,108.00	\$ 4,589,714.50
48	WALKWAY PAVERS	29531	SF	\$ 10.00		\$ 295,310.00	\$ 4,885,024.50
49	CRUSHED GRAVEL JOGGING PATH	1121	LF	\$ 25.00		\$ 28,025.00	\$ 4,913,049.50
50	FENCING	897	LF	\$ 100.00		\$ 89,700.00	\$ 5,002,749.50
51	LANDSCAPING AND IRRIGATION	73554	SF	\$ 2.00		\$ 147,108.00	\$ 5,149,857.50
52	SIGNAGE	1	LMP SUM	\$ 20,000.00		\$ 20,000.00	\$ 5,169,857.50
	SUBTOTAL					\$ -	\$ 5,169,857.50
45	SITE SURVEY AND ENGINEERING FEES	\$ 5,169,857.50	%		3	\$ 155,095.73	\$ 5,324,953.23
46	PLANNING AND LEGAL FEES	\$ 5,169,857.50	%		3	\$ 155,095.73	\$ 5,480,048.95
47	ARCHITECTURAL AND ENGINEERING FEES	\$ 5,169,857.50	%		9	\$ 465,287.18	\$ 5,945,336.13
48	PROJECT MANAGEMENT FEES	\$ 5,169,857.50	%		5	\$ 258,492.88	\$ 6,203,829.00
							\$ 6,203,829.00
	TOTAL						\$ 6,203,829.00

ALTERNATIVE MARINA DESIGN

As part of our process in analyzing this project, we looked at all possible design configurations for the pier layout. We recognized that the marina has a size constraint due to the security zone and needs wave attenuation; however, wave attenuation adds over \$5 Million to construction costs. Alternative designs that did not allow for wave attenuation were reviewed for feasibility:

Illustration 1 - “Mediterranean style” using mooring balls with anchors, no finger piers and utilities provided on the existing seawall. This design would be the least desirable and the least expensive. Most U.S. based vessels do not have “passerelles” or gangways to gain access to the seawall. This design would also produce the least amount of projected income due its difficulty to use and the restriction on the length of vessel that could be tied in this manner;

Illustration 2 - “Mediterranean-style” with 30 foot finger piers. This design would stabilize the stern of the vessel and provide access from the vessel to land as well as provide a location for utilities. This design would still require a mooring ball with anchor to secure the bow of the vessel in place. This increased cost of construction has no increase in income. This design is still not a desirable layout. Cost vs. income is not practical; and

Illustration 3 - Full length piers ranging in length from 180 to 350 feet. This design would have a wide enough fairway between vessels to allow multiple vessels to be tied alongside and still have ingress/egress. This design is the only viable option that is usable; however, the cost of construction vs. income does not justify this type of design, does not include any parkland development, and does not provide any wave attenuation which would make the marina less than desirable. We have included forecasted revenues and cost of construction to illustrate.



ILLUSTRATION 1

TRUMAN WATERFRONT PROPERTY

"Illustration 1 - Mediterranean Style Without Finger Piers"

Total Linear Footage 1750 Feet

Linear Footage Calculated at 125ft per slip @ 14 slips projected

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
INCOME PROJECTIONS:										
Slip Revenue	1,197,656.25	1,467,550.00	1,657,600.00	1,828,509.38	1,895,818.75	2,007,337.50	2,007,337.50	2,118,856.25	2,118,856.25	2,230,375.00
Restaurant Rental	150,000.00	157,500.00	165,375.00	173,643.75	182,325.94	191,442.23	201,014.35	211,065.06	221,618.32	232,699.23
Gross Operating Revenue	100% \$1,347,656	\$1,625,050	\$1,822,975	\$2,002,153	\$2,078,145	\$2,198,780	\$2,208,352	\$2,329,921	\$2,340,475	\$2,463,074
Management Fees (5%)	\$67,383	\$81,253	\$91,149	\$100,108	\$103,907	\$109,939	\$110,418	\$116,496	\$117,024	\$123,154
Income Before Operating Expenses	\$1,280,273	\$1,543,798	\$1,731,826	\$1,902,045	\$1,974,237	\$2,088,841	\$2,097,934	\$2,213,425	\$2,223,451	\$2,339,921
OPERATING EXPENSES:										
Payroll & Related	\$400,000	\$420,000	\$441,000	\$463,050	\$486,203	\$510,513	\$536,038	\$562,840	\$590,982	\$620,531
Utilities	\$100,000	\$105,000	\$110,250	\$115,765	\$121,550	\$127,628	\$134,009	\$140,709	\$147,745	\$155,132
Insurance	\$500,000	\$525,000	\$550,000	\$575,000	\$600,000	\$630,000	\$661,500	\$694,575	\$729,304	\$765,769
Marketing	\$175,000	\$150,000	\$100,000	\$100,000	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	\$127,628
Repairs & Maintenance	\$300,000	\$315,000	\$330,750	\$347,288	\$364,652	\$382,884	\$402,029	\$422,130	\$443,237	\$465,398
Supplies and Equipment	\$50,000	\$52,500	\$55,125	\$57,881	\$60,700	\$63,735	\$66,922	\$70,268	\$73,781	\$77,470
Misc. Expense	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	\$127,628	\$134,010	\$140,710	\$147,746	\$155,133
Total Expenses	\$1,625,000	\$1,672,500	\$1,697,375	\$1,774,746	\$1,854,655	\$1,947,388	\$2,044,757	\$2,146,995	\$2,254,345	\$2,367,062
Gross Operating Profit (NOI)	-\$344,727	-\$128,703	\$34,451	\$127,299	\$119,582	\$141,453	\$53,177	\$66,430	-\$30,894	-\$27,141
Debt Service	4.50%	\$613,472	\$613,472	\$613,472	\$613,472	\$613,472	\$613,472	\$613,472	\$613,472	\$613,472
Reserve		\$0	\$0	\$66,304	\$73,140	\$75,833	\$80,294	\$84,754	\$84,754	\$89,215
Remaining funds for Lease Payment and Developer Return	-\$958,198	-\$742,174	-\$645,324	-\$559,313	-\$569,722	-\$552,312	-\$640,588	-\$631,796	-\$729,120	-\$729,828
Principal Loan - beginning	\$7,980,000	\$7,725,628	\$7,459,810	\$7,182,030	\$6,891,750	\$6,588,407	\$6,271,413	\$5,940,155	\$5,593,991	\$5,232,249
Principal Loan - end	\$7,725,628	\$7,459,810	\$7,182,030	\$6,891,750	\$6,588,407	\$6,271,413	\$5,940,155	\$5,593,991	\$5,232,249	\$4,854,228

Illustration 2
Mediterranean Style with 30 Foot Finger Piers

					2012			2012			2012
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST											
Wet Slips											
					Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
A	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
B	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
C	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
D	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
E	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
F	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
G	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
TOTALS					6,563		593,906	6,563		603,750	1,197,656

Illustration 2
Mediterranean Style with 30 Foot Finger Pie

					2013			2013			2013
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST											
Wet Slips											
					Year 2	Year 2	Year 2	Year 2	Year 2	Year 2	Year 2
A	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
B	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
C	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
D	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
E	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
F	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
G	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
TOTALS					7,000		823,550	7,000		644,000	1,467,550

Illustration 2
Mediterranean Style with 30 Foot Finger Pie

					2014			2014			2014
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST											
Wet Slips											
					Year 3	Year 3	Year 3	Year 3	Year 3	Year 3	Year 3
A	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
B	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
C	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
D	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
E	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
F	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
G	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
TOTALS					7,000		1,013,600	7,000		644,000	1,657,600

**Illustration 2
Mediterranean Style with 30 Foot Finger Pie**

					2015			2015			2015
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 4	Year 4	Year 4	Year 4	Year 4	Year 4	Year 4
Wet Slips											
A	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
B	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
C	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
D	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
E	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
F	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
G	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
TOTALS		14	1,750		7,438		1,144,259	7,438		684,250	1,828,509

**Illustration 2
Mediterranean Style with 30 Foot Finger Pie**

					2016			2016			2016
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 5	Year 5	Year 5	Year 5	Year 5	Year 5	Year 5
Wet Slips											
A	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
B	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
C	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
D	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
E	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
F	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
G	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
TOTALS		14	1,750		7,438		1,211,569	7,438		684,250	1,895,819

**Illustration 2
Mediterranean Style with 30 Foot Finger Pie**

					2017			2017			2017
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 6	Year 6	Year 6	Year 6	Year 6	Year 6	Year 6
Wet Slips											
A	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
B	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
C	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
D	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
E	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
F	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
G	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
TOTALS		14	1,750		7,875		1,282,838	7,875		724,500	2,007,338

Illustration 2
Mediterranean Style with 30 Foot Finger Pie

					2018			2018			2018
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 7	Year 7	Year 7	Year 7	Year 7	Year 7	Year 7
Wet Slips											
A	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
B	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
C	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
D	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
E	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
F	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
G	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
TOTALS		14	1,750		7,875		1,282,838	7,875		724,500	2,007,338

Illustration 2
Mediterranean Style with 30 Foot Finger Pie

					2019			2019			2019
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 8	Year 8	Year 8	Year 8	Year 8	Year 8	Year 8
Wet Slips											
A	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
B	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
C	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
D	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
E	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
F	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
G	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
TOTALS		14	1,750		8,313		1,354,106	8,313		764,750	2,118,856

Illustration 2
Mediterranean Style with 30 Foot Finger Pie

					2020			2020			2020
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
KEY WEST					Year 9	Year 9	Year 9	Year 9	Year 9	Year 9	Year 9
Wet Slips											
A	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
B	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
C	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
D	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
E	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
F	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
G	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
TOTALS		14	1,750		8,313		1,354,106	8,313		764,750	2,118,856

Illustration 2
Mediterranean Style with 30 Foot Finger Pie

					2021			2021			2021
Total Linear Footage 1750ft					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 10	Year 10	Year 10	Year 10	Year 10	Year 10	Year 10
KEY WEST											
Wet Slips											
A	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
B	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
C	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
D	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
E	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
F	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
G	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
TOTALS					8,750		1,425,375	8,750		805,000	2,230,375

Truman Waterfront Property Projected Construction Expenses

"Illustration 1 - Mediterranean Style Without Finger Piers"

Name of Dock	Key West Proposed Marina Building Costs							Totals
	A	B	C	D	E	F	G	
Number of Slips	2	2	2	2	2	2	2	14
Beam of Slips (in feet)	NA	NA	NA	NA	NA	NA	NA	

Costs	A Dock	B Dock	C Dock	D Dock	E Dock	F Dock	G Dock	Totals
50,000 per slip for electric, etc	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	700,000.00
Water utilities per 100ft @ 5,000.00	N/A	0.00						
for grey and black water pumpouts	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	30,000.00
Environmental and construction permitting	N/A	250,000.00						
Dock Construction								980,000.00

ILLUSTRATION 2

TRUMAN WATERFRONT PROPERTY

Illustration 2 - Mediterranean Style With 30 Foot Finger Piers
Projected linear footage at 1750ft
linear footage calculated at 125ft per slip @ 14 slips

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
INCOME PROJECTIONS:										
Slip Revenue	1,197,656.25	1,467,550.00	1,657,600.00	1,828,509.38	1,895,818.75	2,007,337.50	2,007,337.50	2,118,856.25	2,118,856.25	2,230,375.00
Restaurant Rental	150,000.00	157,500.00	165,375.00	173,643.75	182,325.94	191,442.23	201,014.35	211,065.06	221,618.32	232,699.23
Gross Operating Revenue	100% \$1,347,656	\$1,625,050	\$1,822,975	\$2,002,153	\$2,078,145	\$2,198,780	\$2,208,352	\$2,329,921	\$2,340,475	\$2,463,074
Management Fees (5%)	\$67,383	\$81,253	\$91,149	\$100,108	\$103,907	\$109,939	\$110,418	\$116,496	\$117,024	\$123,154
Income Before Operating Expenses	\$1,280,273	\$1,543,798	\$1,731,826	\$1,902,045	\$1,974,237	\$2,088,841	\$2,097,934	\$2,213,425	\$2,223,451	\$2,339,921
OPERATING EXPENSES:										
Payroll & Related	\$400,000	\$420,000	\$441,000	\$463,050	\$486,203	\$510,513	\$536,038	\$562,840	\$590,982	\$620,531
Utilities	\$100,000	\$105,000	\$110,250	\$115,765	\$121,550	\$127,628	\$134,009	\$140,709	\$147,745	\$155,132
Insurance	\$500,000	\$525,000	\$550,000	\$575,000	\$600,000	\$630,000	\$661,500	\$694,575	\$729,304	\$765,769
Marketing	\$175,000	\$150,000	\$100,000	\$100,000	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	\$127,628
Repairs & Maintenance	\$300,000	\$315,000	\$330,750	\$347,288	\$364,652	\$382,884	\$402,029	\$422,130	\$443,237	\$465,398
Supplies and Equipment	\$50,000	\$52,500	\$55,125	\$57,881	\$60,700	\$63,735	\$66,922	\$70,268	\$73,781	\$77,470
Misc. Expense	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	\$127,628	\$134,010	\$140,710	\$147,746	\$155,133
Total Expenses	\$1,625,000	\$1,672,500	\$1,697,375	\$1,774,746	\$1,854,655	\$1,947,388	\$2,044,757	\$2,146,995	\$2,254,345	\$2,367,062
Gross Operating Profit (NOI)	-\$344,727	-\$128,703	\$34,451	\$127,299	\$119,582	\$141,453	\$53,177	\$66,430	-\$30,894	-\$27,141
Debt Service	4.50%	\$683,121	\$683,121	\$683,121	\$683,121	\$683,121	\$683,121	\$683,121	\$683,121	\$683,121
Reserve		\$0	\$0	\$66,304	\$73,140	\$75,833	\$80,294	\$80,294	\$84,754	\$89,215
Remaining funds for Lease Payment and Developer Return	-\$1,027,848	-\$811,824	-\$714,974	-\$628,962	-\$639,372	-\$621,962	-\$710,238	-\$701,445	-\$798,770	-\$799,478
Principal Loan - beginning	\$8,886,000	\$8,602,749	\$8,306,751	\$7,997,433	\$7,674,196	\$7,336,414	\$6,983,431	\$6,614,564	\$6,229,098	\$5,826,286
Principal Loan - end	\$8,602,749	\$8,306,751	\$7,997,433	\$7,674,196	\$7,336,414	\$6,983,431	\$6,614,564	\$6,229,098	\$5,826,286	\$5,405,347

Illustration 2
Mediterranean Style with 30 Foot Finger Piers

					2012			2012			2012
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
KEY WEST											
Wet Slips											
A	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
B	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
C	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
D	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
E	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
F	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
G	30	2	125	\$3.75	\$937.50	50%	\$84,844	\$937.50	50%	\$86,250	\$171,094
TOTALS		14	1,750		6,563		593,906	6,563		603,750	1,197,656

Illustration 2
Mediterranean Style with 30 Foot Finger Pie

					2013			2013			2013
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 2	Year 2	Year 2	Year 2	Year 2	Year 2	Year 2
KEY WEST											
Wet Slips											
A	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
B	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
C	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
D	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
E	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
F	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
G	30	2	125	\$4.00	\$1,000.00	65%	\$117,650	\$1,000.00	50%	\$92,000	\$209,650
TOTALS		14	1,750		7,000		823,550	7,000		644,000	1,467,550

Illustration 2
Mediterranean Style with 30 Foot Finger Pie

					2014			2014			2014
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 3	Year 3	Year 3	Year 3	Year 3	Year 3	Year 3
KEY WEST											
Wet Slips											
A	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
B	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
C	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
D	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
E	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
F	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
G	30	2	125	\$4.00	\$1,000.00	80%	\$144,800	\$1,000.00	50%	\$92,000	\$236,800
TOTALS		14	1,750		7,000		1,013,600	7,000		644,000	1,657,600

Illustration 2
Mediterranean Style with 30 Foot Finger Pic

					2015			2015			2015
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 4	Year 4	Year 4	Year 4	Year 4	Year 4	Year 4
KEY WEST											
Wet Slips											
A	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
B	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
C	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
D	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
E	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
F	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
G	30	2	125	\$4.25	\$1,062.50	85%	\$163,466	\$1,062.50	50%	\$97,750	\$261,216
TOTALS		14	1,750		7,438		1,144,259	7,438		684,250	1,828,509

Illustration 2
Mediterranean Style with 30 Foot Finger Pic

					2016			2016			2016
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 5	Year 5	Year 5	Year 5	Year 5	Year 5	Year 5
KEY WEST											
Wet Slips											
A	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
B	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
C	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
D	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
E	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
F	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
G	30	2	125	\$4.25	\$1,062.50	90%	\$173,081	\$1,062.50	50%	\$97,750	\$270,831.25
TOTALS		14	1,750		7,438		1,211,569	7,438		684,250	1,895,819

Illustration 2
Mediterranean Style with 30 Foot Finger Pic

					2017			2017			2017
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 6	Year 6	Year 6	Year 6	Year 6	Year 6	Year 6
KEY WEST											
Wet Slips											
A	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
B	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
C	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
D	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
E	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
F	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
G	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
TOTALS		14	1,750		7,875		1,282,838	7,875		724,500	2,007,338

Illustration 2
Mediterranean Style with 30 Foot Finger Pic

					2018			2018			2018
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 7	Year 7	Year 7	Year 7	Year 7	Year 7	Year 7
KEY WEST											
Wet Slips											
A	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
B	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
C	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
D	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
E	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
F	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
G	30	2	125	\$4.50	\$1,125.00	90%	\$183,263	\$1,125.00	50%	\$103,500	\$286,763
TOTALS		14	1,750		7,875		1,282,838	7,875		724,500	2,007,338

Illustration 2
Mediterranean Style with 30 Foot Finger Pic

					2019			2019			2019
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 8	Year 8	Year 8	Year 8	Year 8	Year 8	Year 8
KEY WEST											
Wet Slips											
A	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
B	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
C	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
D	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
E	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
F	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
G	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
TOTALS		14	1,750		8,313		1,354,106	8,313		764,750	2,118,856

Illustration 2
Mediterranean Style with 30 Foot Finger Pic

					2020			2020			2020
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per. Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 9	Year 9	Year 9	Year 9	Year 9	Year 9	Year 9
KEY WEST											
Wet Slips											
A	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
B	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
C	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
D	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
E	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
F	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
G	30	2	125	\$4.75	\$1,187.50	90%	\$193,444	\$1,187.50	50%	\$109,250	\$302,694
TOTALS		14	1,750		8,313		1,354,106	8,313		764,750	2,118,856

**Illustration 2
Mediterranean Style with 30 Foot Finger Pie**

					2021			2021			2021
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 10	Year 10	Year 10	Year 10	Year 10	Year 10	Year 10
KEY WEST											
Wet Slips											
A	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
B	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
C	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
D	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
E	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
F	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
G	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
TOTALS											
		14	1,750		8,750		1,425,375	8,750		805,000	2,230,375

**Illustration 2
Mediterranean Style with 30 Foot Finger Pie**

					2021			2021			2021
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Total Linear Footage 1750ft											
Unit Types	Length of Dock	# of Units	Projected linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 10	Year 10	Year 10	Year 10	Year 10	Year 10	Year 10
KEY WEST											
Wet Slips											
A	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
B	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
C	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
D	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
E	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
F	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
G	30	2	125	\$5.00	\$1,250.00	90%	\$203,625	\$1,250.00	50%	\$115,000	\$318,625
TOTALS											
		14	1,750		8,750		1,425,375	8,750		805,000	2,230,375

Truman Waterfront Property Projected Construction Expenses
Illustration 2 - Mediterranean Style With 30 Foot Finger Piers

Name of Dock	Key West Proposed Marina Building Costs							Totals
	A	B	C	D	E	F	G	
Number of Slips	2	2	2	2	2	2	2	14
Length of Slip	30	30	30	30	30	30	30	210
Beam of Slips (in feet)	NA	NA	NA	NA	NA	NA	NA	
Width of Main Walkway (in feet)	18	18	18	18	18	18	18	
Width of Finger Piers (in feet)	NA	NA	NA	NA	NA	NA	NA	
Total Floating Dock Sq. Ft	540	540	540	540	540	540	540	3780

Costs	A Dock	B Dock	C Dock	D Dock	E Dock	F Dock	G Dock	Totals
Cost At 200.00 per Square Foot of Main Walkway	108,000.00	108,000.00	108,000.00	108,000.00	108,000.00	108,000.00	108,000.00	756,000.00
50,000 per Slip for electric, etc	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	700,000.00
Gangways per dock @ 25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	150,000.00
Water utilities per 100ft @ 5,000.00 for grey and black water pumpouts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00
Environmental and construction permitting	N/A	N/A	N/A	N/A	N/A	N/A	N/A	250,000.00
	Dock Construction							1,886,000.00



ILLUSTRATION 3

TRUMAN WATERFRONT PROPERTY

"Illustration 3 - Full Length Finger Piers"

Total Linear Footage 3660 feet

Linear Feet Calculated by length of both slips of each dock

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
INCOME PROJECTIONS:										
Slip Revenue	2,504,813	3,069,276	3,466,752	3,824,197	3,964,970	4,198,203	4,198,203	4,431,437	4,431,437	4,664,670
Restaurant Rental	100,000	105,000	110,250	115,763	121,551	127,628	134,010	140,710	147,746	155,133
Gross Operating Revenue	2,604,813	3,174,276	3,577,002	3,939,959	4,086,520	4,325,831	4,332,213	4,572,147	4,579,182	4,819,803
Management Fees (5%)	\$130,241	\$158,714	\$178,850	\$196,998	\$204,326	\$216,292	\$216,611	\$228,607	\$228,959	\$240,990
Income Before Operating Expenses	\$2,474,572	\$3,015,562	\$3,398,152	\$3,742,961	\$3,882,194	\$4,109,540	\$4,115,602	\$4,343,539	\$4,350,223	\$4,578,813
OPERATING EXPENSES:										
Payroll & Related	\$500,000	\$525,000	\$551,250	\$578,813	\$607,753	\$638,141	\$670,048	\$703,550	\$738,728	\$775,664
Utilities	\$100,000	\$105,000	\$110,250	\$115,765	\$121,550	\$127,628	\$134,009	\$140,709	\$147,745	\$155,132
Insurance	\$500,000	\$525,000	\$550,000	\$575,000	\$600,000	\$630,000	\$661,500	\$694,575	\$729,304	\$765,769
Marketing	\$175,000	\$150,000	\$100,000	\$100,000	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	\$127,628
Repairs & Maintenance	\$300,000	\$315,000	\$330,750	\$347,288	\$364,652	\$382,884	\$402,029	\$422,130	\$443,237	\$465,398
Supplies and Equipment	\$50,000	\$52,500	\$55,125	\$57,881	\$60,700	\$63,735	\$66,922	\$70,268	\$73,781	\$77,470
Misc. Expense	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	\$127,628	\$134,010	\$140,710	\$147,746	\$155,133
Total Expenses	\$1,725,000	\$1,777,500	\$1,807,625	\$1,890,509	\$1,976,206	\$2,075,016	\$2,178,767	\$2,287,705	\$2,402,090	\$2,522,195
Gross Operating Profit (NOI)	\$749,572	\$1,238,062	\$1,590,527	\$1,852,453	\$1,905,988	\$2,034,524	\$1,936,835	\$2,055,834	\$1,948,133	\$2,056,618
Debt Service Reserve	4.50% \$1,080,879	\$1,080,879	\$1,080,879	\$1,080,879	\$1,080,879	\$1,080,879	\$1,080,879	\$1,080,879	\$1,080,879	\$1,080,879
	\$0	\$0	\$138,670	\$152,968	\$158,599	\$167,928	\$167,928	\$177,257	\$177,257	\$186,587
Remaining funds for Lease Payment and Developer Return	-\$331,307	\$157,184	\$370,978	\$618,606	\$666,511	\$785,717	\$688,029	\$797,698	\$689,997	\$789,152
Principal Loan - beginning	\$14,060,000	\$13,611,821	\$13,143,475	\$12,654,053	\$12,142,606	\$11,608,145	\$11,049,633	\$10,465,988	\$9,856,079	\$9,218,724
Principal Loan - end	\$13,611,821	\$13,143,475	\$12,654,053	\$12,142,606	\$11,608,145	\$11,049,633	\$10,465,988	\$9,856,079	\$9,218,724	\$8,552,688

Since project is based on linear footage we can estimate approximately \$73,000 additional income per linear feet of dockage

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock 3,660					2012			2012			2012
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
KEY WEST											
Wet Slips											
A	370	1	740	\$3.75	\$2,775.00	50%	\$251,138	\$2,775.00	50%	\$255,300	\$506,438
B	370	1	740	\$3.75	\$2,775.00	50%	\$251,138	\$2,775.00	50%	\$255,300	\$506,438
C	370	1	740	\$3.75	\$2,775.00	50%	\$251,138	\$2,775.00	50%	\$255,300	\$506,438
D	330	1	660	\$3.75	\$2,475.00	50%	\$223,988	\$2,475.00	50%	\$227,700	\$451,688
E	240	1	480	\$3.75	\$1,800.00	50%	\$162,900	\$1,800.00	50%	\$165,600	\$328,500
F	150	1	300	\$3.75	\$1,125.00	50%	\$101,813	\$1,125.00	50%	\$103,500	\$205,313
TOTALS		6	3,660		\$13,725.00		\$1,242,113	\$13,725.00		\$1,262,700	\$2,504,813

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock 3,660					2013			2013			2013
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 2	Year 2	Year 2	Year 2	Year 2	Year 2	Year 2
KEY WEST											
Wet Slips											
A	370	1	740	\$4.00	\$2,960.00	65%	\$348,244	\$2,960.00	50%	\$272,320	\$620,564
B	370	1	740	\$4.00	\$2,960.00	65%	\$348,244	\$2,960.00	50%	\$272,320	\$620,564
C	370	1	740	\$4.00	\$2,960.00	65%	\$348,244	\$2,960.00	50%	\$272,320	\$620,564
D	330	1	660	\$4.00	\$2,640.00	65%	\$310,596	\$2,640.00	50%	\$242,880	\$553,476
E	240	1	480	\$4.00	\$1,920.00	65%	\$225,888	\$1,920.00	50%	\$176,640	\$402,528
F	150	1	300	\$4.00	\$1,200.00	65%	\$141,180	\$1,200.00	50%	\$110,400	\$251,580
TOTALS		6	3,660		\$14,640.00		\$1,722,396	\$14,640.00		\$1,346,880	\$3,069,276

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock 3,660					2014			2014			2014
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 3	Year 3	Year 3	Year 3	Year 3	Year 3	Year 3
KEY WEST											
Wet Slips											
A	370	1	740	\$4.00	\$2,960.00	80%	\$428,608	\$2,960.00	50%	\$272,320	\$700,928
B	370	1	740	\$4.00	\$2,960.00	80%	\$428,608	\$2,960.00	50%	\$272,320	\$700,928
C	370	1	740	\$4.00	\$2,960.00	80%	\$428,608	\$2,960.00	50%	\$272,320	\$700,928
D	330	1	660	\$4.00	\$2,640.00	80%	\$382,272	\$2,640.00	50%	\$242,880	\$625,152
E	240	1	480	\$4.00	\$1,920.00	80%	\$278,016	\$1,920.00	50%	\$176,640	\$454,656
F	150	1	300	\$4.00	\$1,200.00	80%	\$173,760	\$1,200.00	50%	\$110,400	\$284,160
TOTALS		6	3,660		\$14,640.00		\$2,119,872	\$14,640.00		\$1,346,880	\$3,466,752

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock					2015			2015			2015
3,660					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 4	Year 4	Year 4	Year 4	Year 4	Year 4	Year 4
KEY WEST											
Wet Slips											
A	370	1	740	\$4.25	\$3,145.00	85%	\$483,858	\$3,145.00	50%	\$289,340	\$773,198
B	370	1	740	\$4.25	\$3,145.00	85%	\$483,858	\$3,145.00	50%	\$289,340	\$773,198
C	370	1	740	\$4.25	\$3,145.00	85%	\$483,858	\$3,145.00	50%	\$289,340	\$773,198
D	330	1	660	\$4.25	\$2,805.00	85%	\$431,549	\$2,805.00	50%	\$258,060	\$689,609
E	240	1	480	\$4.25	\$2,040.00	85%	\$313,854	\$2,040.00	50%	\$187,680	\$501,534
F	150	1	300	\$4.25	\$1,275.00	85%	\$196,159	\$1,275.00	50%	\$117,300	\$313,459
TOTALS		6	3,660		\$15,555.00		\$2,393,137	\$15,555.00		\$1,431,060	\$3,824,197

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock					2016			2016			2016
3,660					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 5	Year 5	Year 5	Year 5	Year 5	Year 5	Year 5
KEY WEST											
Wet Slips											
A	370	1	740	\$4.25	\$3,145.00	90%	\$512,321	\$3,145.00	50%	\$289,340	\$801,660.50
B	370	1	740	\$4.25	\$3,145.00	90%	\$512,321	\$3,145.00	50%	\$289,340	\$801,660.50
C	370	1	740	\$4.25	\$3,145.00	90%	\$512,321	\$3,145.00	50%	\$289,340	\$801,660.50
D	330	1	660	\$4.25	\$2,805.00	90%	\$456,935	\$2,805.00	50%	\$258,060	\$714,994.50
E	240	1	480	\$4.25	\$2,040.00	90%	\$332,316	\$2,040.00	50%	\$187,680	\$519,996.00
F	150	1	300	\$4.25	\$1,275.00	90%	\$207,698	\$1,275.00	50%	\$117,300	\$324,997.50
TOTALS		6	3,660		\$15,555.00		\$2,533,910	\$15,555.00		\$1,431,060	\$3,964,969.50

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock					2017			2017			2017
3,660					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 6	Year 6	Year 6	Year 6	Year 6	Year 6	Year 6
KEY WEST											
Wet Slips											
A	370	1	740	\$4.50	\$3,330.00	90%	\$542,457	\$3,330.00	50%	\$306,360	\$848,817
B	370	1	740	\$4.50	\$3,330.00	90%	\$542,457	\$3,330.00	50%	\$306,360	\$848,817
C	370	1	740	\$4.50	\$3,330.00	90%	\$542,457	\$3,330.00	50%	\$306,360	\$848,817
D	330	1	660	\$4.50	\$2,970.00	90%	\$483,813	\$2,970.00	50%	\$273,240	\$757,053
E	240	1	480	\$4.50	\$2,160.00	90%	\$351,864	\$2,160.00	50%	\$198,720	\$550,584
F	150	1	300	\$4.50	\$1,350.00	90%	\$219,915	\$1,350.00	50%	\$124,200	\$344,115
TOTALS		6	3,660		\$16,470.00		\$2,682,963	\$16,470.00		\$1,515,240	\$4,198,203

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock 3,660					2018			2018			2018
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 7	Year 7	Year 7	Year 7	Year 7	Year 7	Year 7
KEY WEST											
Wet Slips											
A	370	1	740	\$4.50	\$3,330.00	90%	\$542,457	\$3,330.00	50%	\$306,360	\$848,817
B	370	1	740	\$4.50	\$3,330.00	90%	\$542,457	\$3,330.00	50%	\$306,360	\$848,817
C	370	1	740	\$4.50	\$3,330.00	90%	\$542,457	\$3,330.00	50%	\$306,360	\$848,817
D	330	1	660	\$4.50	\$2,970.00	90%	\$483,813	\$2,970.00	50%	\$273,240	\$757,053
E	240	1	480	\$4.50	\$2,160.00	90%	\$351,864	\$2,160.00	50%	\$198,720	\$550,584
F	150	1	300	\$4.50	\$1,350.00	90%	\$219,915	\$1,350.00	50%	\$124,200	\$344,115
TOTALS		6	3,660		\$16,470.00		\$2,682,963	\$16,470.00		\$1,515,240	\$4,198,203

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock 3,660					2019			2019			2019
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 8	Year 8	Year 8	Year 8	Year 8	Year 8	Year 8
KEY WEST											
Wet Slips											
A	370	1	740	\$4.75	\$3,515.00	90%	\$572,594	\$3,515.00	50%	\$323,380	\$895,974
B	370	1	740	\$4.75	\$3,515.00	90%	\$572,594	\$3,515.00	50%	\$323,380	\$895,974
C	370	1	740	\$4.75	\$3,515.00	90%	\$572,594	\$3,515.00	50%	\$323,380	\$895,974
D	330	1	660	\$4.75	\$3,135.00	90%	\$510,692	\$3,135.00	50%	\$288,420	\$799,112
E	240	1	480	\$4.75	\$2,280.00	90%	\$371,412	\$2,280.00	50%	\$209,760	\$581,172
F	150	1	300	\$4.75	\$1,425.00	90%	\$232,133	\$1,425.00	50%	\$131,100	\$363,233
TOTALS		6	3,660		\$17,385.00		\$2,832,017	\$17,385.00		\$1,599,420	\$4,431,437

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock 3,660					2020			2020			2020
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 9	Year 9	Year 9	Year 9	Year 9	Year 9	Year 9
KEY WEST											
Wet Slips											
A	370	1	740	\$4.75	\$3,515.00	90%	\$572,594	\$3,515.00	50%	\$323,380	\$895,974
B	370	1	740	\$4.75	\$3,515.00	90%	\$572,594	\$3,515.00	50%	\$323,380	\$895,974
C	370	1	740	\$4.75	\$3,515.00	90%	\$572,594	\$3,515.00	50%	\$323,380	\$895,974
D	330	1	660	\$4.75	\$3,135.00	90%	\$510,692	\$3,135.00	50%	\$288,420	\$799,112
E	240	1	480	\$4.75	\$2,280.00	90%	\$371,412	\$2,280.00	50%	\$209,760	\$581,172
F	150	1	300	\$4.75	\$1,425.00	90%	\$232,133	\$1,425.00	50%	\$131,100	\$363,233
TOTALS		6	3,660		\$17,385.00		\$2,832,017	\$17,385.00		\$1,599,420	\$4,431,437

**"Illustration 3"
Full Length Finger Piers**

Total Linear Ft of Dock 3,660					2021			2021			2021
					In Season November 1 to April 30 181 Days			Out of Season May 1 to October 31 184 Days			
Unit Types	Length of Floating Dock	# of Units	Available linear feet	Price Per Linear Foot	Daily Price	Occupancy	Income	Daily Price	Occupancy	Income	Total for Year
					Year 10	Year 10	Year 10	Year 10	Year 10	Year 10	Year 10
KEY WEST											
Wet Slips											
A	370	1	740	\$5.00	\$3,700.00	90%	\$602,730	\$3,700.00	50%	\$340,400	\$943,130
B	370	1	740	\$5.00	\$3,700.00	90%	\$602,730	\$3,700.00	50%	\$340,400	\$943,130
C	370	1	740	\$5.00	\$3,700.00	90%	\$602,730	\$3,700.00	50%	\$340,400	\$943,130
D	330	1	660	\$5.00	\$3,300.00	90%	\$537,570	\$3,300.00	50%	\$303,600	\$841,170
E	240	1	480	\$5.00	\$2,400.00	90%	\$390,960	\$2,400.00	50%	\$220,800	\$611,760
F	150	1	300	\$5.00	\$1,500.00	90%	\$244,350	\$1,500.00	50%	\$138,000	\$382,350
TOTALS		6	3,660		\$18,300.00		\$2,981,070	\$18,300.00		\$1,683,600	\$4,664,670

"Illustration-3 Full Length Finger Piers"

Name of Dock	Key West Proposed Marina Building Costs						Totals
	A	B	C	D	E	F	
Number of Slips	1	1	1	1	1	1	6
Length of Slip	370	370	370	330	230	180	1850
Beam of Slips (in feet)	40	40	40	40	40	40	
Width of Main Walkway (in feet)	18	18	18	18	18	18	
Width of Finger Piers (in feet)	na	na	na	na	na	na	
Total Floating Dock Sq. Ft	6660	6660	6660	5940	4140	3240	33300

Costs	A Dock	B Dock	C Dock	D Dock	E Dock	F Dock	Totals
Cost At 200.00 per Square Foot	1,332,000.00	1,332,000.00	1,332,000.00	1,188,000.00	828,000.00	648,000.00	6,660,000.00
* Square Footage Price includes: fire, water, sewage, (black and grey water), low voltage, high voltage, life rings, ladders, cleats, etc.							
Gangways per dock @ 25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	150,000.00
Environmental and construction permitting	N/A	N/A	N/A	N/A	N/A	N/A	250,000.00
** Final Price Subject to recommendations fo engineering studies							
Floating Dock Construction							7,060,000.00



PROFESSIONAL LICENSES

Gonzalez Architects
32 East Bay Street
Savannah, Georgia 31401

Licenses and Registration:

American Institute of Architects, Member
NCARB, Certificate Holder

Florida No. 8134 (1979)
Georgia No. 09834 (1999)
Maryland No. 5098 (1980)
Colorado No. 304841 (1996)
Massachusetts No. 10414 (1999)
Connecticut No. 0011489 (2008)
Alabama No. 6011 (2005)
California (pending)



PORTFOLIO

Property Name	Location	Square Footage	Type
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Meisel Capital Partners

Marinas

Great Oak Landing LP*	Kent County, MD	73.68 acres	Marina
Mears Point Associates*	Kent Narrows, MD	92 acres	Marina
Mears Marina*	Annapolis, MD	4.3 acres	Marina

Office/Retail

1722 Eye Street Associates*	Washington, DC	225,000	Office/Retail/Parking
1025 St. Paul Street LLC*	Baltimore, MD 11,000	11,000	Office
CoFeld *	Washington, DC	320,000 office/retail	Office/Retail
		250,000 residential/hotel	currently in planning phase
Enfield Associates LP	New Britan, CT	170,000	Shopping Center
Pennsylvania Building Associates*	Washington, DC	237,000	Office/Retail/Parking
Shrewsbury LP*	Shrewsbury, PA	75,500	Shopping Center
Vanguard Associates*	Washington, DC	152,000	Office/Parking
MCG Associates LP*	Rockville, MD	48,000	Retail/Industrial
Meisel Capital Partners 1514 LLC*	Baltimore, MD	4,000	Retail
Park Center Condominium LLC*	Owings Mills, MD	1,762	Office (Meisel Capital Partners Satellite Office)
Meisel Capital Partners 3145 LLC*	Anne Arundel County, MD	42,000	Shopping Center in planning phase

Warehouse

6500 Chillum Place Assoc. LP*	Washington, DC	156,000	Warehouse
Annuity Associats Inc.*	Baltimore, MD	258,000	Warehouse
Feldeo Porperties*	Washington, DC	20,000	Warehouse
Franklintown Road Associates*	Baltimore, MD	80,000	Warehouse
Hanna Street Partnership*	Beltsville, MD	20,000	Warehouse
Industrial City Warehouse Assoc*	Montgomery & Prince George Counties, MD	216,530	Warehouse
Meisel & Cohen Properties*	Baltimore & Laurel, MD	212,000	Warehouse/Retail
Moravia LP*	Baltimore, MD	277,000	Warehouse/Office
North Beltsville Assoc*	Prince George's County, MD	60,300	Warehouse

Hotel

Casa Marina Ltd.	Key West, FL	314 Rooms	Hotel
Meisel Capital Cross Keys LLC*	Baltimore, MD	147 Rooms	Hotel
Reach Resort Investment Corp.	Key West, FL	150 Rooms	Hotel
Santa Maria Resort, Inc.*	Key West, FL	35 Units	Condominium Hotel
Southernmost Resorts	Key West, FL		Hotel

Land

Barbados 70	Barbados	70 acres	Land
Benson Associates LP*	Baltimore, MD 11,000	2.04 acres	Land
Chester Street*	Washington, DC	7,000	Land
Maryland Corporate Center*	Greenbelt, MD	23 acres	Land
Pikesville Condominium LLC*	Baltimore, MD	1 acre	Land planning phase
Wilgus-Montrose Associates*	Rockville, MD	13.53 Acres	Land

Other Entities

			Domestic and international parking management
			Ownership and operation of parking meters in Washington, DC, Seoul, South Korea, Warsaw, Poland and Mexico City, Mexico
WorldWide Parking*	Rockville, MD		Financial processing software and hardware development
Pay-Ease LLC*	Rockville, MD		company that specializes in self-service bill payment solutions. Hardware installations in locations in Florida; Nashville, TN, Chicago, IL, Milwaukee, WI, and Somerville, MA.
Centennial-Aspen II LP	Aspen, CO		Sale & rental of 240 units of middle to lower income housing
MCPC LLC			Management of investment real estate fund
M&R Associates Ltd			Holder of 18,074 operating partnership units convertible on a one-for-one basis into common stock of Federal Realty Investment Trust

Spottswood Hotels, Inc.

Holiday Inn Florida Keys*	Marathon	55,397	Hotel
Holiday Inn Key Wester*	Key West	12,000	Hotel
Project KW (Days Inn, Comfort Inn, & Radisson)*	Key West	53,658	Hotel
Beachside Resort & CC*	Key West	176,778	Hotel
Faro Blanco*	Marathon	28 acres	Hotel

* Indicates General Partnership Interest

FINANCING HISTORY

Meisel Capital Partners Financing History(24 months)

Date	New Financial Institution	Original Lender	Project Name	Type	Amount
2007	Sandy Spring Bank	Wachovia	Great Oak Landing LP	Mortgage Refinancing	\$4,000,000
2007	Sandy Spring Bank	Sandy Spring Bank	Mears Point Associates	Mortgage Refinancing	\$12,000,000
2007	RiverSource Life	RiverSource Life	Industrial City Warehouse Associates	Mortgage Refinancing	\$3,300,000
2008	RiverSource Life	NorthMarq Capital	MCG Associates LP	Mortgage Refinancing	\$2,400,000
2008	BB&T	BB&T	Mears Marina	Mortgage Refinancing	\$4,200,000
2008	BB&T	BB&T	Moravia LP	Mortgage Refinancing	\$3,850,000
2008	BB&T	BB&T	Shrewsbury LP	Mortgage Refinancing	\$3,450,000
2008	BB&T	BB&T	6500 Chillum Place Assoc. LP	Mortgage Refinancing	\$1,500,000

Spottswood Hotels, Inc. Financing History (24 months)

Date	New Financial Institution	Original Lender	Project Name	Type	Amount
2009	Bank of America	Bank of America	Holiday Inn Key West	Mortgage Refinancing	\$16,500,000
2008	Bank of America	Bank of America	Marriott Beachside Hotel	Mortgage Refinancing	\$106,000,000
2008	BB&T	BB&T	Faro Blanco	Loan Renewal	\$6,000,000
2008	BB&T	BB&T	Faro Blanco	W/C Loan	\$1,400,000

FINANCIAL CERTIFICATION



6500 ROCK SPRING DRIVE • SUITE 200 • BETHESDA, MARYLAND 20817
(301) 571-1900 • FAX (301) 571-1932 • www.grossberg.com

Schedule I

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Truman RFP

February 9, 2009

Mr. Joel S. Meisel
Meisel Capital Partners
6000 Executive Blvd, Suite 700
Rockville, Maryland 20852

RE: Financial Certification

Dear Mr. Meisel:

It is our understanding that you are in the process of responding to a Request for Proposal ("RFP") to the City of Key West for a Marina and Upland Development Opportunity. You have informed us that the projected cost of this project is approximately thirty-four million dollars (\$34,000,000) and that you plan to develop your portion of this project with your fifty percent (50%) joint venture partner, Spottswood Management.

As part of the RFP you are required to have a certified public accountant represent that you have sufficient cash, stocks, bonds, securities and other forms of cash/credit facilities ("Liquid Assets") to complete this project without the need for additional financing.

Grossberg Company LLP, Certified Public Accountants, has prepared your respective individual and business entity tax returns for several decades and is familiar with your financial situation. Based upon our knowledge of the costs to develop the project, as your income tax preparer, we can confirm that your Liquid Assets as of December 31, 2008 are in excess of such cost.

If you need any further information, please call.

Very truly yours,

Paul H. Wilner, CPA
Partner

FINANCIAL CERTIFICATION

Spottswood Hotels, Inc.

Holiday Inn Florida Keys*	Marathon	55,397	Hotel
Holiday Inn Key Wester*	Key West	12,000	Hotel
Project KW (Days Inn, Comfort Inn, & Radisson)*	Key West	53,658	Hotel
Beachside Resort & CC*	Key West	176,778	Hotel
Faro Blanco*	Marathon	28 acres	Hotel

* Indicates General Partnership Interest

Spottswood Companies, Inc.

Consolidated Financial Statements
Years Ended December 31, 2007 and 2006

Spottswood Companies, Inc.

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Independent Auditors' Report

To the Stockholders
Spottswood Companies, Inc.

We have audited the accompanying consolidated balance sheets of Spottswood Companies, Inc. as of December 31, 2007 and 2006, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Spottswood Companies, Inc. at December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Cross, Fernandez & Riley, LLP
Certified Public Accountants

July 30, 2008

<i>December 31,</i>	2007	2006
Assets		
Cash and cash equivalents	\$ 3,979,594	\$ 7,445,943
Restricted cash	5,438,935	14,339,794
Accounts receivable, trade (net of allowance of \$2,558 and \$8,879)	122,266	59,606
Accounts receivable, other	59,249	62,609
Note receivable	254,600	-
Prepaid expenses	241,647	90,942
Due from affiliates (Note 6)	1,934,236	1,388,582
Inventory – boats and boat engines (Note 4)	252,859	573,011
Inventory – food and beverage, fuel, other	143,353	17,461
Inventory – condominium units	29,950,652	-
Property and equipment, net (Notes 2 and 5)	53,493,947	7,491,208
Land and development costs	9,441,249	83,274,177
Investments in partnerships (Note 3)	4,673,409	4,947,088
Other assets, net of accumulated amortization of \$291,757 and \$200,190	181,072	154,089
Deposits	149,480	176,217
	\$ 110,316,548	\$ 120,020,727

Spottswood Companies, Inc.

Consolidated Balance Sheets

<i>December 31,</i>	2007	2006
Liabilities and Stockholders' Equity		
Lines of credit (Note 4)	\$ 651,000	\$ 243,307
Accounts payable and accrued expenses	1,633,417	6,871,357
Due to affiliates (Note 6)	1,227,857	89,412
Advance deposits – hotel	95,222	15,047
Deposits for condominium units	9,743,118	20,019,994
Deferred gain on sale of assets (Note 1)	3,633,149	3,719,167
Long-term debt (Note 5)	70,813,879	69,834,920
Notes payable to stockholders (Note 6)	500,000	500,000
Total liabilities	88,297,642	101,293,204
Minority interest	13,197,975	11,227,140
Commitments and contingencies (Notes 6, 7, 9 and 11)	–	–
Stockholders' equity:		
Common stock, \$.01 par – 1,000 shares authorized; 300 issued	3	3
Additional paid-in capital	5,146,964	4,328,651
Retained earnings	3,673,964	3,171,729
Total stockholders' equity	8,820,931	7,500,383
	\$ 110,316,548	\$ 120,020,727

See accompanying notes to consolidated financial statements.

Spottswood Companies, Inc.

Consolidated Statements of Income

<i>Year ended December 31,</i>	2007	2006
Revenue:		
Sales of condominiums	\$ 49,879,694	\$ —
Resort operations	4,279,951	7,451,027
Management and administrative services (Note 6)	2,322,141	1,553,604
Commissions	364,727	816,270
Boat dealership revenue	472,232	808,097
Other	206,509	—
Total revenues	57,525,254	10,628,998
Expenses:		
Cost of condominium unit sales	36,754,773	—
Selling, general and administrative costs	3,465,085	1,230,634
Resort expenses	4,962,284	3,917,992
Boat dealership expenses	547,559	877,911
Depreciation and amortization	944,734	738,021
Salaries and wages	8,803,644	6,907,012
Reimbursed operating expenses (Note 6)	(4,349,100)	(2,683,860)
Total expenses	51,128,979	10,987,710
Income (loss) from operations	6,396,275	(358,712)
Non-operating income (expense):		
Equity in earnings on investments in partnerships (Note 3)	(54,974)	192,373
Loss on sale of assets	—	(76,111)
Gain on sale of assets	86,018	12,810,464
Interest income	242,426	191,672
Interest expense	(3,254,466)	(1,010,874)
Total non-operating income (expense), net	(2,980,996)	12,107,524
Net income before minority interest and gain from insurance proceeds	3,415,279	11,748,812
Gain from insurance proceeds (Note 7)	142,324	3,565,017
Minority interest in net income of consolidated subsidiaries	(1,125,366)	(14,129,081)
Net income	\$ 2,432,237	\$ 1,184,748

See accompanying notes to consolidated financial statements.

Spottswood Companies, Inc.

Consolidated Statements of Stockholders' Equity

	<i>Common Stock</i>		<i>Additional Paid-in Capital</i>	<i>Retained Earnings</i>	<i>Total</i>
	<i>Shares</i>	<i>Amount</i>			
Balance, December 31, 2005	300	\$ 3	\$ 4,128,651	\$ 3,486,981	\$ 7,615,635
Dividend distributions	—	—	—	(1,500,000)	(1,500,000)
Capital contributions	—	—	200,000	—	200,000
Net income	—	—	—	1,184,748	1,184,748
Balance, December 31, 2006	300	3	4,328,651	3,171,729	7,500,383
Dividend distributions	—	—	—	(1,930,002)	(1,930,002)
Capital contributions	—	—	818,313	—	818,313
Net income	—	—	—	2,432,237	2,432,237
Balance, December 31, 2007	300	\$ 3	\$ 5,146,964	\$ 3,673,964	\$ 8,820,931

See accompanying notes to consolidated financial statements.

Spottswood Companies, Inc.

Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2007	2006
Cash flows from operating activities:		
Net income	\$ 2,432,237	\$ 1,184,748
Adjustments to reconcile net income to net cash used for operating activities:		
Depreciation and amortization	941,262	738,021
Loss on sale of assets	2,490	76,111
Gain on sale of assets	(86,018)	(12,810,463)
Minority interest in net income of consolidated subsidiaries	1,125,366	14,129,081
Equity in (earnings) losses from investments in partnerships	54,974	(192,373)
Cash provided by (used for):		
Restricted cash	8,900,859	2,376,439
Accounts receivable, trade	(62,660)	341,082
Accounts receivable, other	3,360	(14,147)
Note receivable	(254,600)	-
Prepaid expenses	(150,705)	173,092
Inventory	194,260	116,137
Inventory – condominium units	36,754,773	-
Land and development costs	(37,763,838)	(45,994,080)
Deposits	26,737	325,178
Accounts payable and accrued expenses	(5,237,940)	5,337,352
Due to/from affiliates, net	592,791	(492,157)
Advance deposits – hotel	80,175	(70,085)
Deposits for condominium units	(10,276,876)	3,303,761
Deferred insurance proceeds	-	(210,000)
Net cash used for operating activities	(2,723,353)	(31,682,303)
Cash flows from investing activities:		
Purchase of property and equipment	(1,974,200)	(949,890)
Payments on note receivable	-	1,000,000
Investment in partnerships	-	(4,018,627)
Distribution from investments in partnerships	218,705	287,756
Net proceeds from sale of assets	12,000	24,509,650
Net cash (used for) provided by investing activities	(1,743,495)	20,828,889

Spottswood Companies, Inc.

Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2007	2006
Cash flows from financing activities:		
Proceeds from long-term debt	34,900,898	35,687,779
Net change in lines of credit	407,693	(436,759)
Payment of long-term debt	(34,041,872)	(7,147,708)
Capital contribution	818,313	200,000
Capital contribution from minority interest	2,626,938	—
Dividend distributions to minority interest	(1,781,469)	(13,166,502)
Dividend distributions	(1,930,002)	(1,500,000)
Net cash provided by financing activities	1,000,499	13,636,810
Net (decrease) increase in cash and cash equivalents	(3,466,349)	2,783,396
Cash and cash equivalents, beginning of year	7,445,943	4,662,547
Cash and cash equivalents, end of year	\$ 3,979,594	\$ 7,445,943

See accompanying notes to consolidated financial statements.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Spottswood Companies, Inc. and its wholly-owned subsidiaries, Key West Vacation Company (“KWVC”); KWVC-Bottling Court, Inc.; KWVC-Beach House, Inc.; KWVC-Key Wester, Inc.; Keystar, Inc.; Spottswood Management, Inc.; Spottswood Hotels, Inc.; Florida Keys Boat Center, Inc.; SH Key West, Inc.; SH Marathon, Inc.; SH 3, Inc.; SH5, Inc.; SH6, Inc.; SH7, Inc.; and SH8, LLC (collectively the “Company”) are primarily in the real estate development, property management and the hospitality business.

Prior to June 2005, SH5, Inc. operated a Holiday Inn hotel in Monroe County. Effective June 15, 2005, hotel operations ceased, and the hotel was subsequently demolished. The net book value of the hotel of \$18,462,047 was reclassified as land and development costs on the accompanying balance sheet. During 2005, SH5, Inc. commenced the development of 129 residential condominium units, a convention center, parking garage and retail and commercial space. During 2007, construction on the Beachside resort and conference center (the “Beachside Resort”) was completed. The Beachside Resort consists of 129 residential condominium units and 2 commercial units. The commercial units include a parking garage, fine dining restaurant, pool bar and conference center space. Sales of the condominium units began in 2007. During 2007, 38 condominium units were sold. SH5, Inc. also operates a rental program at the Beachside Resort, which includes the rental of units owned by purchasers and unsold units.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

During 2007, SH5, Inc. formed SH/NVA 1, LLC (“SH/NVA”) to own and operate the food and beverage services at the Beachside Resort. SH/NVA, which is owned 51% by SH5, Inc., operates a fine dining restaurant, a pool bar and grill and provides food and beverage services to the conference center and leases one of the commercial units from SH5, Inc. The remaining 49% interest was owned by the operator of the food and beverage services. Under SH/NVA’s operating agreement, all profits and losses were allocated to SH5, Inc. Subsequent to year end, SH5, Inc. acquired the remaining 49% ownership interest in SH/NVA.

Prior to July 2006, SH 3, Inc. operated a resort in Monroe County, Florida. During 2006, SH 3, Inc. began finalizing its plans to construct a certain number of residential condominiums units, a marina and other undetermined improvements to the property. Effective July 2006, resort operations ceased and the building and improvements were subsequently demolished. Property and equipment of \$186,735, net of accumulated depreciation of \$113,056 was abandoned, resulting in a loss on abandonment of \$73,679. The remaining cost of the land, building and improvements of \$8,135,212, net of accumulated depreciation of \$988,057 was reclassified as land and development costs on the accompanying balance sheet. During 2007, SH 3, Inc. had minimal operations, which consisted primarily of rental activities from a commercial tenant. SH 3, Inc. has continued to incur demolition and project planning and approval related costs to further the development of the property. SH 3, Inc.’s primary focus in 2007 was to finalize the ultimate development of the property.

During June 2006, SH Marathon, Inc., the owner and operator of a Holiday Inn hotel located in Marathon, Florida, removed 40 rooms from service due to structural issues. As of December 31, 2007, the future use of these buildings has not been determined. The cost of these rooms is not being depreciated.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

On November 8, 2006, SH Key West, Inc., the owner and operator of a Days Inn hotel located in Key West, Florida, sold the hotel to an entity in which the Company owns a 22.5% ownership interest (see Note 3). The total gain on the sale was \$16,565,630, of which \$3,719,167, representing the Company's 22.5% portion of the gain on the sale of the hotel to the related party, has been deferred as of December 31, 2006 and will be recognized upon the sale to an unrelated third party, or upon the depreciation of the asset by the buyer. The Company recognized \$86,018 of gain during the year ended December 31, 2007.

The Company provides various types of services, primarily management and administrative services, to entities related by common control located in Key West, Florida. Revenue is recognized as the services are performed. The Company's resort operations are generated from the hotels in which the Company owns a controlling interest through limited partnerships. Florida Keys Boat Center, Inc. owns 100% of Florida Keys Boat Center, LLC, which operates a retail recreational boat and outboard marine engine sales and service business.

In addition, the Company has an ownership interest in the following entities:

KWVC-Beach House, Inc. owns a 50% general partnership interest in the Beach House Development Partnership, the owner of Hyatt Beach House Resort, a time-share development, located in Key West, Florida.

KWVC-Bottling Court, Inc. owns a 50% general partnership interest in Bottling Court Partners, which owns commercial real estate located in Key West, Florida.

KWVC-Key Wester, Inc. owns a 50% limited partnership interest in Key Wester Limited, the owner of Hyatt Key Wester Resort, a time-share development, located in Key West, Florida.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

KWVC owns a 10% carried interest in Hyatt Vacation Ownership, Inc., the owner of the Hyatt Vacation Club.

SH6, Inc. owns a 14.87% interest in an unincorporated joint venture that owns the Holiday Inn Key West, a hotel located in Key West, Florida.

SH7, Inc. owns a 22.5% interest in JLW KW1, LLC, the owner of two hotels and two commercial properties located in Key West, Florida.

SH8, LLC owns a 32.6% interest in an unincorporated joint venture that owns the Comfort Inn, a hotel located in Key West, Florida.

Principles of Consolidation

The consolidated financial statements of Spottswood Companies, Inc. include the accounts of all of its wholly-owned subsidiaries and entities in which the Company holds a controlling interest. The equity method of accounting is applied in the accompanying financial statements with respect to those investments in joint ventures in which Spottswood Companies, Inc. has less than a controlling interest. All significant intercompany accounts and transactions have been eliminated in consolidation. The investments by outside investors have been reflected as a minority interest.

Revenue Recognition

Management and administrative service revenues are recognized as the services are performed in accordance with the terms of the contracts. Commissions revenue is recognized as earned. Revenues from resort operations are recognized as guests complete their stay. Boat dealership revenues are recognized at time of sale. Revenue from the sale of the residential condominium units is recognized at the time of closing under the completed contract method. The related profit will be recognized when collectibility of the sales

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

price is reasonably assured and the earnings process is substantially complete. Revenues generated from the rental of condominiums are recognized over the period of rental.

Nonclassified Balance Sheet

The Company's operating cycle exceeds one year and therefore the Company does not classify assets and liabilities as current and noncurrent within the balance sheet.

Restricted Cash

Restricted cash is comprised primarily of customer deposits which one of the partnerships is holding in escrow which consists of deposits held from the purchasers of condominium units.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over their estimated useful lives.

Land and Development Costs

Land and development costs consist of land, the net book value of the former hotel buildings and development costs incurred on the condominium units, commercial space and other projects that are under construction, including capitalized interest and property taxes, and is carried at the lower of cost or fair value less cost to sell. Whenever events or circumstances indicate that the carrying value of the land under development may not be recoverable, impairment losses are recorded and the related assets are adjusted to their estimated fair value. No impairment was recorded during the year ended December 31, 2007.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

Inventory

Inventory consists primarily of recreational boats, marine engines and food and beverages at the Company's hotels. Inventory is stated at the lower of cost or market. Boat and engine cost is determined by specific identification. Food and beverage cost is determined by the first-in, first-out method.

Inventory – Condominium Units and Cost of Condominium Unit Sales

Common development costs are apportioned to each condominium unit under the relative sales value method.

Inventory – condominium units is carried at the lower of cost or fair value less cost to sell. Whenever events or circumstances indicate that the carrying value of the condominiums may not be recoverable, impairment losses are recorded and the related assets are adjusted to their estimated fair value. No impairment was recorded during the year ended December 31, 2007.

Income Taxes

The absence of a provision for income taxes is due to the election by the Company, and consent by its stockholders, to include the taxable income of the Company in their tax returns. As a result, no federal income tax is imposed on the Company.

Concentration of Credit Risk

Periodically during the year, the Company maintains cash in financial institutions in excess of the amounts insured by the federal government. The Company has not experienced any losses on such accounts.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Impairments

Long-lived assets are evaluated for impairment when events change or changes indicate that the carrying amounts of the assets may not be recoverable. When any such impairment exists, the related assets will be written down to fair value.

Other Assets

Other assets include franchise fees, liquor licenses and loan costs. Amortization is computed using the straight-line method over the life of the franchise agreements and the life of the related debt.

Reclassification

Certain items have been reclassified in the 2006 financial statements to conform to the 2007 presentation.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

2. Property and Equipment

Property and equipment is comprised of the following:

<i>December 31,</i>	<i>Useful Lives</i>	2007	2006
Land and entitlements	–	\$ 8,120,171	\$ 999,728
Building and improvements	40 years	39,054,793	7,214,887
Furniture, fixtures and equipment	5-10 years	10,134,257	2,265,427
Vehicles	3 years	268,654	249,854
		57,577,875	10,729,896
Less accumulated depreciation		(4,083,928)	(3,238,688)
		\$ 53,493,947	\$ 7,491,208

3. Investments in Partnerships

On January 1, 1995, the Company entered into a general partnership agreement with an unrelated party and received a 50% interest in Bottling Court Partners (“BCP”). The partnership was formed to own and operate a commercial retail center in Key West, Florida.

On May 1, 1996, the Company entered into a joint venture agreement with an unrelated party and received a 50% interest in Beach House Development Partnership (“BHDP”). The joint venture was formed for the purpose of acquiring, developing and operating the Hyatt Beach House time-share resort, in Key West, Florida.

On October 3, 1997, the Company entered into a joint venture agreement with an unrelated party and received a 50% interest in Key Wester Limited (“KWL”). The joint venture was formed for the purpose of acquiring, developing and operating the Hyatt Windward Point time-share resort in Key West, Florida.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

On April 28, 2005, the Company entered into a joint venture agreement with an unrelated party and received a 14.87% interest in the Holiday Inn Key West (“HKW”). The joint venture was formed for the purpose of acquiring, renovating and operating the Holiday Inn Key West in Key West, Florida.

On November 8, 2006, the Company entered into a joint venture agreement with an unrelated party and received a 32.6% interest in the Comfort Inn Key West (“CIKW”). The joint venture was formed for the purpose of acquiring, renovating and operating the Comfort Inn Key West in Key West, Florida.

On November 8, 2006, the Company entered into a joint venture agreement with an unrelated party and received a 22.5% interest in JLW KW1, LLC (“JLW”). The joint venture was formed for the purpose of acquiring and operating two hotels, including the hotel formerly owned by SH Key West, Inc. (see Note 1), and two commercial properties in Key West, Florida.

Summarized financial information for BCP, BHDP, KWL, HKW, CIKW and JLW is as follows:

<i>December 31,</i>	2007	2006
Balance Sheet Data:		
Assets	\$ 151,888,657	\$ 154,466,869
Liabilities	98,220,445	98,642,772
Partners' equity	53,668,212	55,824,097
Statement of Income Data:		
Revenues	\$ 36,146,067	\$ 22,931,779
Net income	493,721	2,089,153

The investments in partnerships are accounted for under the equity method, and profits and losses are allocated in accordance with the partnership agreements.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

4. Lines of Credit

Lines of credit consist of the following:

<i>December 31,</i>	2007	2006
Line of credit with a bank for the maximum amount of \$1,000,000, interest only is due monthly at the lower of prime less .32% or LIBOR plus 2% (6.93% at December 31, 2007). This note is unsecured, guaranteed by the Company's stockholders and matures January 31, 2009.	\$ 651,000	\$ 1,000
Inventory lines of credit for the combined maximum amount of \$1,000,000. Interest-only payments due monthly at various rates ranging from prime plus 2.25% to 3.50%, collateralized by substantially all the inventory of boats and engines of Florida Keys Boat Center, LLC. The remaining unpaid principal and interest was paid in 2007.	-	242,307
	\$ 651,000	\$ 243,307

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

5. Long-Term Debt

Long-term debt consists of the following:

<u>December 31,</u>	<u>2007</u>	<u>2006</u>
<p>Promissory note payable for the maximum amount of \$7,275,000. Interest at 7% and monthly principal and interest payments of \$51,992 were payable until August 2004. Effective August 2004, the interest rate changed to 5.72% until August 16, 2009, at which time the remaining outstanding principal balance plus interest is due. The note is collateralized by substantially all real and personal property of SH Marathon, Ltd and a personal guarantee by the shareholders of its general partner.</p>	\$ 6,006,461	\$ 6,273,538
<p>On December 15, 2005, the Company amended its \$16,135,000 promissory note and entered into a \$99,533,000 construction loan agreement. Interest-only payments at 6.6% are payable monthly on this \$16,135,000 until June 15, 2008. For each subsequent construction draw, the Company can select interest to accrue at either the base rate or the labor rate, as defined. Interest-only payments at the labor rate (libor + 2.25% - 7.12% at December 31, 2007) are payable monthly. In addition, the Company is obligated for the payment of minimum release prices, as defined, from the sale of the units. All remaining unpaid principal plus interest is due September 15, 2008. The Company is in the process of refinancing the note and anticipates finalizing the refinance during 2008. The note is collateralized by substantially all real and personal property of SH5, Ltd. and a personal guarantee by stockholders of its partners up to the maximum amount of \$49,766,500.</p>	53,198,729	57,562,340

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

<i>December 31,</i>	2007	2006
Promissory note payable for the maximum amount of \$5,700,000. The Company can select interest to accrue at either the base rate or the libor rate, as defined. Interest-only payments at the libor rate (libor + 2.00% – 7.25% at December 31, 2007) are payable monthly. In addition, the Company is obligated for the payment of minimum release prices, as defined, from the sale of the units. All remaining unpaid principal plus interest is due September 15, 2008. The Company is in the process of refinancing the note and anticipates finalizing the refinance during 2008. The note is collateralized by substantially all real and personal property of SH5, Ltd., and the stockholders of its partners have also jointly and severally guaranteed the loan.	5,609,647	–
Promissory note payable for the amount of \$6,000,000; interest-only payments at prime (7.25% at December 31, 2007) subject to a floor of 4% are due monthly through February 23, 2009, at which time all principal plus interest is due. The note is collateralized by substantially all real and personal property of SH 3, Ltd. and a personal guarantee by the shareholders of its general partner.	5,999,042	5,999,042
	70,813,879	69,834,920
Less current maturities	(59,097,176)	(6,271,823)
Total long-term debt	\$ 11,716,703	\$ 63,563,097

Long-term debt maturities are as follows:

<i>Year ending December 31,</i>	
2008	\$ 59,097,176
2009	11,716,703
	\$ 70,813,879

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

During the years ended December 31, 2007 and 2006, the Company capitalized \$3,241,598 and \$2,862,039 of interest as Land and Development Costs related to the construction of the Beachside Resort by SH5, Inc. and the development of a condominium project by SH 3, Ltd.

6. Related Party Transactions

Franchise Agreements

Three of the Company's Resorts had entered into franchise agreements with Holiday Inn and Days Inn of America, Inc. The Resorts are obligated to pay royalty fees and reservations fees based on various percentages of gross revenues, as defined. The agreements expire at various dates beginning August 13, 2009 through August 13, 2014. Fees under the agreements for the years ended December 31, 2007 and 2006 were approximately \$260,000 and \$494,000 and are included in Resort expenses in the accompanying statement of operations. In connection with its plans to develop condominium units on the hotel property, SH5, Inc. terminated its franchise agreement with Holiday Inn in 2005 and was required to pay a termination fee of approximately \$1,708,000, which is capitalized as part of land and development costs on the accompanying balance sheet. The franchise agreement with Days Inn of America was assumed by the purchaser of the hotel. As of December 31, 2007, the Company was obligated under one remaining franchise agreement with Holiday Inn.

Management and Administrative Services

Spottswood Companies, Inc. and subsidiaries, pursuant to various written and verbal agreements, provides time-share and property management and administrative services to various entities which are related by common control. Under these agreements, the Company is responsible for overseeing development and providing property management, construction and other general and administrative duties. The agreements expire at various dates through 2009. Some of the agreements contain renewal options,

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

and the Company expects them to renew in the ordinary course of business. The contracts can also be terminated upon certain conditions as defined in the agreements. In addition, the agreements also provide for the reimbursement of certain operating expenses. All intercompany management fee income and expense has been eliminated in the consolidated financial statements. For the years ended December 31, 2007 and 2006, fees earned from related parties were \$2,243,561 and \$1,984,551.

Due From (To) Affiliates

Amounts due from (to) affiliates are unsecured non-interest bearing cash advances arising out of the normal course of business with no stipulated terms for repayment.

Due from affiliates also includes a note receivable to SH6, Inc. from a partner in the Hotel Key West joint venture for \$607,800. The note was given to SH6, Inc. in exchange for an interest in the joint venture. The note is unsecured and has no stipulated terms for repayment.

Notes Payable to Stockholders

On April 27, 2005, the Company borrowed \$500,000 from two of the Company's stockholders. The notes to the stockholders bear interest at 10% with no stipulated terms for repayment.

Development Agreements

Two of the partnerships have entered into a verbal development agreement with Spottswood Hotels, Inc. in connection with the planned development of the property. Fees payable pursuant to the agreement are based upon 5% of certain planned development costs, as defined. Total fees under the agreements are estimated to be approximately \$7,200,000, of which \$4,554,962 were paid as of December 31, 2007.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

Condominium Sale

During 2007, SH5, Inc. sold a condominium unit to Spottswood Hotels, Inc. and sold a condominium unit to an owner of one of its partners. The units were sold for approximately \$3,100,000. The sales prices were at comparable market rates and no discounts were provided.

7. Involuntary Conversion

Three of the Company's Resorts experienced damage as a result of Hurricane Wilma in October 2005 resulting in damages to certain property. During 2007 and 2006, the Company received insurance proceeds for property damage claims of \$142,324 and \$3,565,017. As of December 31, 2007, the Company has finalized all of its claims for property damages.

As of December 31, 2007, the Company is still in the process of negotiating an insurance claim for business interruption. The amount of the claim has not been determined and will be recorded when and if a settlement is reached with the insurance company.

8. Supplemental Cash Flow Information

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash paid for interest during 2007 and 2006, net of amounts capitalized, was \$3,268,429 and \$1,028,977.

During 2007, \$66,705,425 and \$44,891,341 of land and development costs were transferred to inventory – condominium units and property and equipment, respectively.

9. Litigation

The Company is involved in certain litigation in the normal course of business. Management cannot predict the outcome of this litigation or estimate the amount of any loss that may result. Management believes that losses resulting from this matter, if any, would not have a material effect on the financial position of the Company.

Spottswood Companies, Inc.

Notes to Consolidated Financial Statements

10. Defined Contribution Plan

Effective October 1, 2000, the Company established a defined contribution plan to encourage employees to develop a regular and systematic savings program through payroll deductions and to reward long-term employees through matching employer contributions. The plan is qualified under Internal Revenue Code Section 401(k).

Employees are eligible to participate after completing 12 months and 1,000 hours of service and attaining age 18. Employees, individually, may contribute up to 15 percent of their annual compensation, not to exceed statutory amounts. The Company may make discretionary matching contributions to the plan in an amount equal to 50% of the employees' contribution. The Company made matching contributions to the plan during the years ended December 31, 2007 and 2006 of approximately \$59,000 and \$35,000, respectively.

11. Commitments

Associations

SH5, Inc. is responsible for funding condominium association operating deficits related to the Beachside Resort through December 31, 2008. For the year ended December 31, 2007, costs to fund association deficits were approximately \$200,000 and are included in the development costs of the Beachside Resort. The Company does not currently believe this continued obligation will have any material adverse effect on its financial position or results of operations and cash flows.

12. Subsequent Events

On June 24, 2008, SH 3, Ltd. entered into a promissory note payable in the amount of \$1,400,000 with a financial institution. Interest-only payments at prime are due monthly until February 23, 2009, at which time all unpaid principal and interest is due.

As discussed in Note 5, the Company's \$99,533,000 construction loan matures September 15, 2008. The Company is in the process of refinancing the note and anticipates finalizing the refinance during 2008.

ANTI-KICKBACK AFFIDAVIT

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PUBLIC ENTITIES CRIMES STATEMENT

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