



A Residential Resort Development
by Royal Palm Estates Ltd

Executive Summary July 2013

The Ridge at Castara, Tobago, West Indies

Overall Concept

The Ridge at Castara will be developed in phases by the Company under a major international lifestyle brand and managed by a luxury hotel operator.

Site Development



The Ridge at Castara

The distinctive feature of the development will be its closeness and integration into the natural land and rainforest. The site has four areas of differing character ranging from the high forest ridge through mid levels with differing views down to the atmosphere of the river cascades and pools into the land locked beach. The Main Ridge area has a central Club with cascading pools, spa, and dining and bar areas. The Beach River area has a smaller club, pool, cafe and bar areas with docking and offshore decks.

The ability to live naturally by planning for the cooler breezes from sea to ridge during the day, reversing at night, is a central feature. All landscaping will be indigenous and maintained by a permanent team.

Car parking is off site, drop-off only is allowed, and all site movement is by electric buggy to drop-offs close to each pavilion area. The site roads are integrated into the planting, often in bamboo tunnels, giving a different atmosphere. Raised walkways above the planting take guests to their own pavilions.

The living 'Pavilions' are made from a series of linking decks, covered and uncovered, most with plunge pools. Each are uniquely grouped to allow for site conditions and slopes.

There are approximately 180 individual pavilions in varying sizes, similar to a hotel. They range in size from a Club Room through Club Suite up to the Pavilions and Grand Pavilions. All the Pavilions on the main ridge site have sea and sunset views. The Beach River Pavilions have the rich atmosphere of the forest and rock pools leading to the beach.



The site is on elevated undeveloped land above Castara Village. The elevated site forms one of the last ridges emerging from the rainforest falling to Castara Bay. It is unique in this respect, combining the best of coast and mountains. The temperature is lower and more comfortable than at sea level with a cool breeze.

A topographical plan with land ownership boundaries of the site follows.

The site has a natural ridge running up the centre, this also falls towards the sea. The land falls away from this central spine, more steeply on the left side as seen from the sea. Views from the site are spectacular, almost unique on the island. Photographs of the site from the sea and outwards are on the following pages.

The existing mature trees will be retained and incorporated into the site and plot planning. Disturbance will be kept to a minimum.

The site from Castara Beach

The Site



Sea views of the site

Site Planning



Aerial site plan



View from the sea



Approach to the Club



Entrance walkway to the Ridge Club



View from the Club over the bay



View over Castara Bay from the Ridge Club



The Beach Club



The Beach Club



Pavilions entrance/Buggy shade



Pavilion overview



Plunge pool and deck



Typical Pavilions grouping

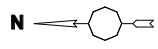


Typical bedroom

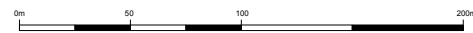


Bathing room

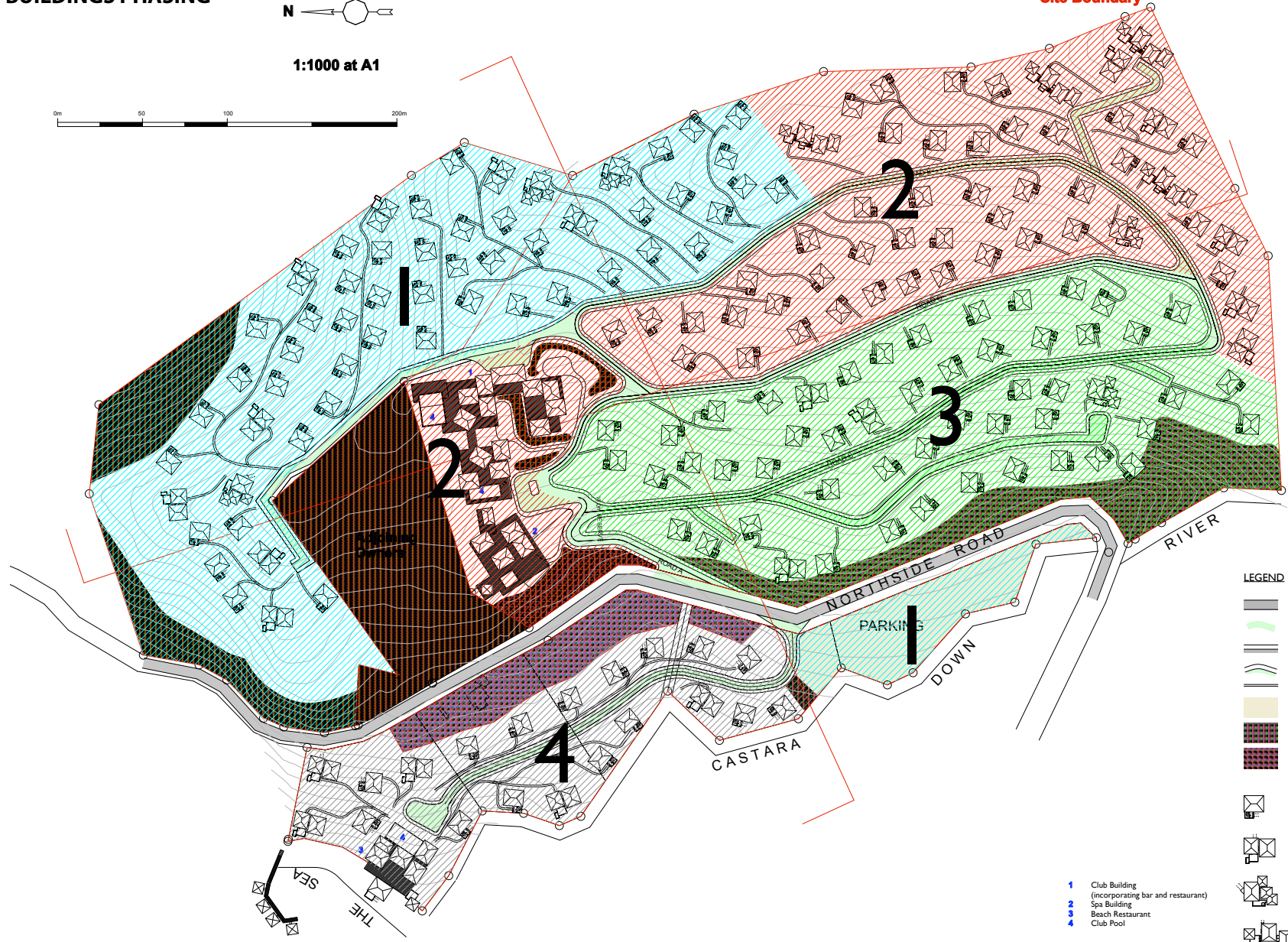
BUILDINGS PHASING



1:1000 at A1



Site Boundary



LEGEND

- Main Road
- Buggy Path (grasscrete or similar)
- Verge on edge of main road
- Verge on edge of buggy path
- Footpath
- Parking
- Heavy Vegetation
- Adjoining Owners

- Club Room Pavilion
Total: 151
- Club Suite Pavilion
Total: 20
- Pavilion
Total: 5
- Grand Pavilion
Total: 4

- 1 Club Building (incorporating bar and restaurant)
- 2 Spa Building
- 3 Beach Restaurant
- 4 Club Pool

ROADS/INFRASTRUCTURE STAGES

1:1000 at A1



Site Boundary

MAIN RIDGE SITE

BEACH RIVER SITE

STAGE A

STAGE B

STAGE C

NORTHSIDE ROAD

PARKING
DOWN

CASTARA

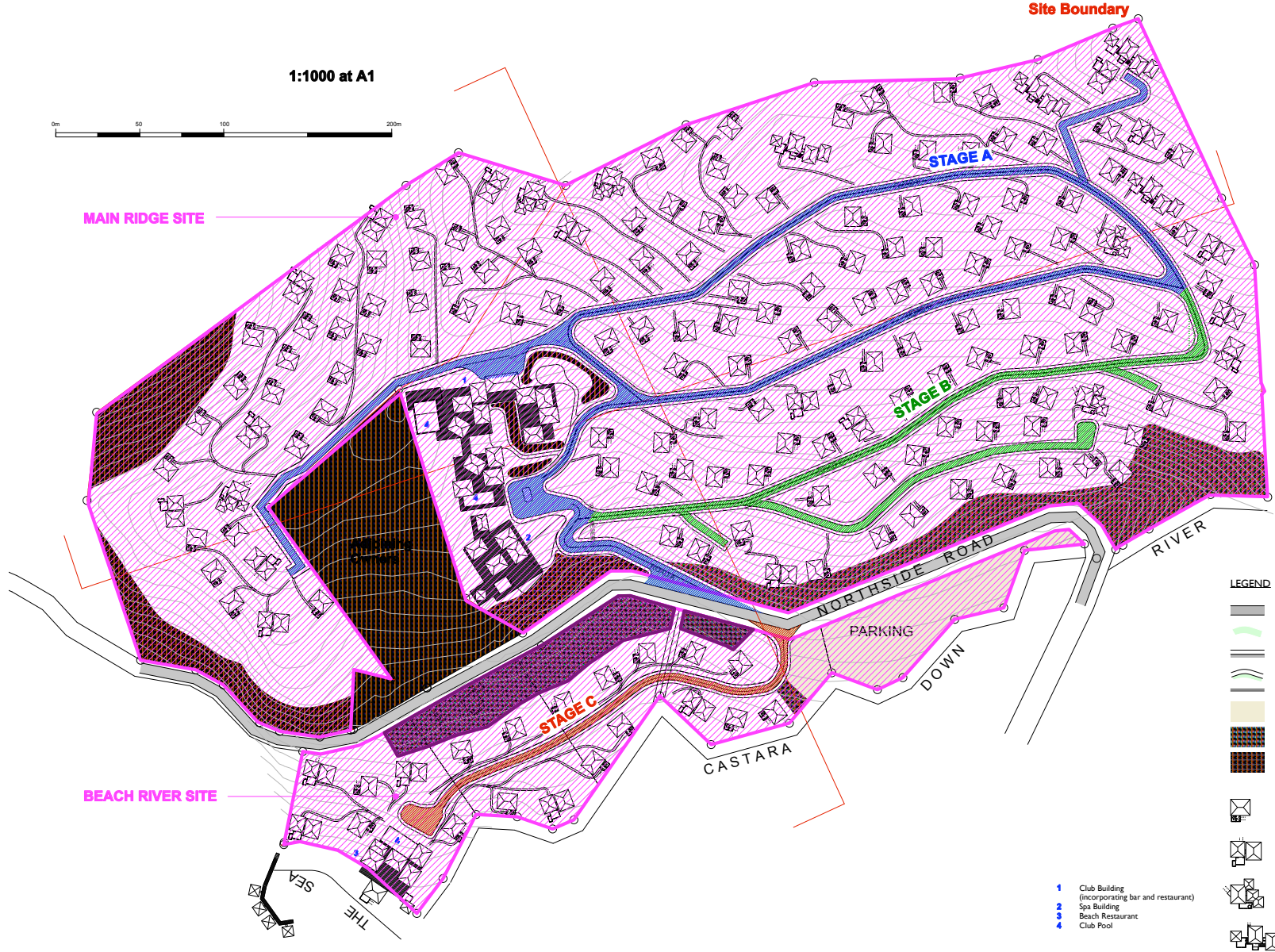
RIVER

SEA
THE

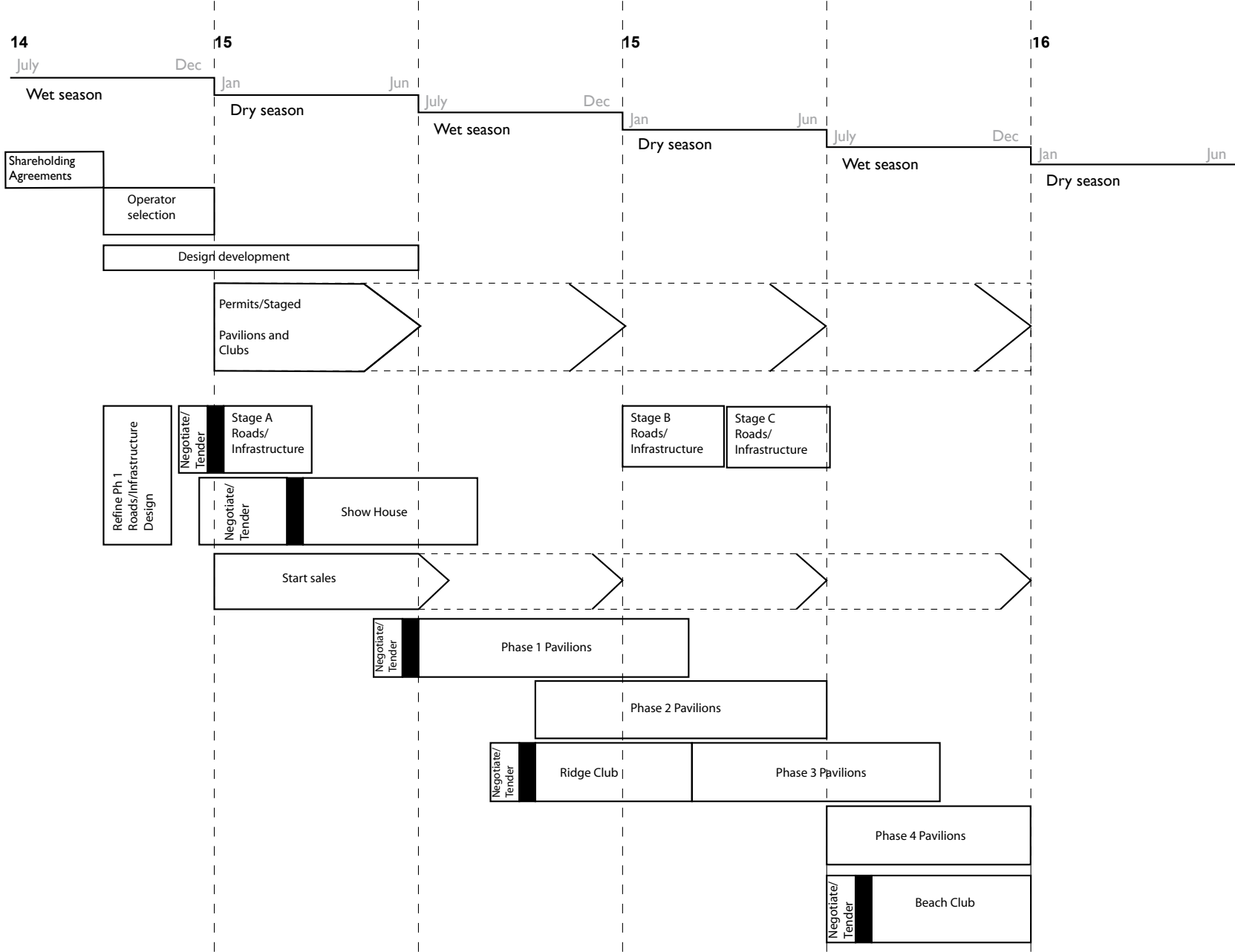
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OVERALL PROGRAMME



DETAIL PROGRAMME 2
Outline 12 month Programme

	Activity Name	Start Date	Finish Date	Duration (Work Days)	2007						2008						2009									
					J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A
30	PROCUREMENT																									
31	Agree procurement strategy	3/9/13	21/9/13	15.00			◁	▷																		
32	INFRASTRUCTURE tender	15/10/13	23/11/13	30.00				◁	▷																	
33	INFRASTRUCTURE assess/negotiate	26/11/13	21/12/13	20.00					◁	▷																
34	INFRASTRUCTURE appointment	31/12/13								◆																
35	PAVILIONS tender	7/1/14	15/2/14	30.00						◁	▷															
36	PAVILIONS assess/negotiate	25/2/14	21/3/14	20.00							◁	▷														
37	PAVILIONS appointment	31/3/14										◆														
38	INTERIORS/ FF+E tender	9/6/14	22/8/14	55.00										◁	▷											
39	INTERIORS / FF+E assess/negotiate	25/8/14	19/9/14	20.00															◁	▷						
40	INTERIORS/FF+E appoinment	29/9/14																		◆						
41																										
42	CONSTRUCTION																									
43	Mobilisation	7/1/14	1/2/14	20.00							◁	▷														
44	INFRASTRUCTURE (Ph 1,2,3)	11/2/14	27/3/15	295.00																						
45	PAVILIONS off site manuf	7/4/14	26/9/14	125.00									◁	▷												
46	PAVILIONS on site construct	8/9/14	27/3/15	145.00																◁	▷					
47	Test/ Commission	30/3/15	24/4/15	20.00																					◁	▷
48	PHASE 1 Handover	24/4/15																								◆
				1,490.00	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A

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FINANCIAL FEASIBILITY MODEL

Estate Master for Excel Licensed to: Royal Palm Estates Ltd

CASTARA RIDGE

Castara Ridge, Tobago

Financial Analysis

Royal Palm Estates Ltd

Initial Development Stage with Full Planning

<i>Type:</i>	Miscellaneous
<i>Status:</i>	Under review
<i>Prepared by :</i>	Robert Paterson YOO
<i>Prepared for:</i>	Group Ltd Royal Palm
<i>Developer:</i>	Estates Ltd 180 villas
<i>Project size: Site</i>	49.23 acres
<i>area Address:</i>	Tobago

Disclaimer:

This project plan was prepared by Royal Palm Estates Ltd. Profit calculations are based on estimated development costs and sales revenues which could be higher or lower, depending on market conditions.

SUMMARY OF PROJECT RETURNS (1)

Costs & Revenues

COSTS & REVENUES				\$USD Total	\$USD Per Villa	\$USD Per Site Area Acre
REVENUE						
	Quantity	SqKm	\$USD/SqKm	\$USD		
Total Sales Revenue	180	-	-	154,123,135	856,240	3,130,675
Club Room	149	-	-	109,191,680		
Club Suite	21	-	-	18,381,217		
Pavillion	5	-	-	5,181,858		
Grand Pavillion	4	-	-	11,368,380		
Not Classified	1	-	-	10,000,000		
Less Selling Costs				(11,829,851)	65,721	240,298
Less Purchasers Costs				-	-	-
NET SALE PROCEEDS				142,293,285	790,518	2,890,378
Interest Received				1,767,147	9,817	35,896
TOTAL REVENUE (before VAT paid)				144,060,431	800,336	2,926,273
Less VAT paid				(1,304,348)	7,246	26,495
TOTAL REVENUE (after VAT paid)				142,756,083	793,089	2,899,778
COSTS						
Land Purchase Cost				30,000,000	166,667	609,385
Construction (inc. Construct. Contingency)				56,418,125	313,434	1,146,011
Professional Fees				13,650,594	75,837	277,282
Statutory Fees				50,000	278	1,016
Interest Expense				30,767	171	625
Miscellaneous Costs 1				2,112,091	11,734	42,903
TOTAL COSTS (before VAT reclaimed)				102,261,577	568,120	2,077,221
Less VAT reclaimed				(1,172,380)	6,513	23,814
TOTAL COSTS (after VAT reclaimed)				101,089,197	561,607	2,053,406

SUMMARY OF PROJECT RETURNS (2)

Performance indicators

PERFORMANCE INDICATORS

Net Development Profit ¹	41,666,887
Residual Land Value (Target Margin) ⁴	35,801,306 (at 30% target development margin)
Net Present Value ⁵	28,966,552 (at 30% per ann. discount rate, nominal)
Residual Land Value (based on NPV) ⁸	60,432,984
Breakeven Date for Cumulative Cash Flow ⁹	Jan 2015 (Month 9)

Footnotes:

1. Development Profit: is total revenue less total cost including interest paid and received
2. Note: No redistribution of Developer's Gross Profit
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
5. Net Present Value: is the project's cash flow stream discounted to present value.
The cash flow stream includes financing costs except interest
8. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
9. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).

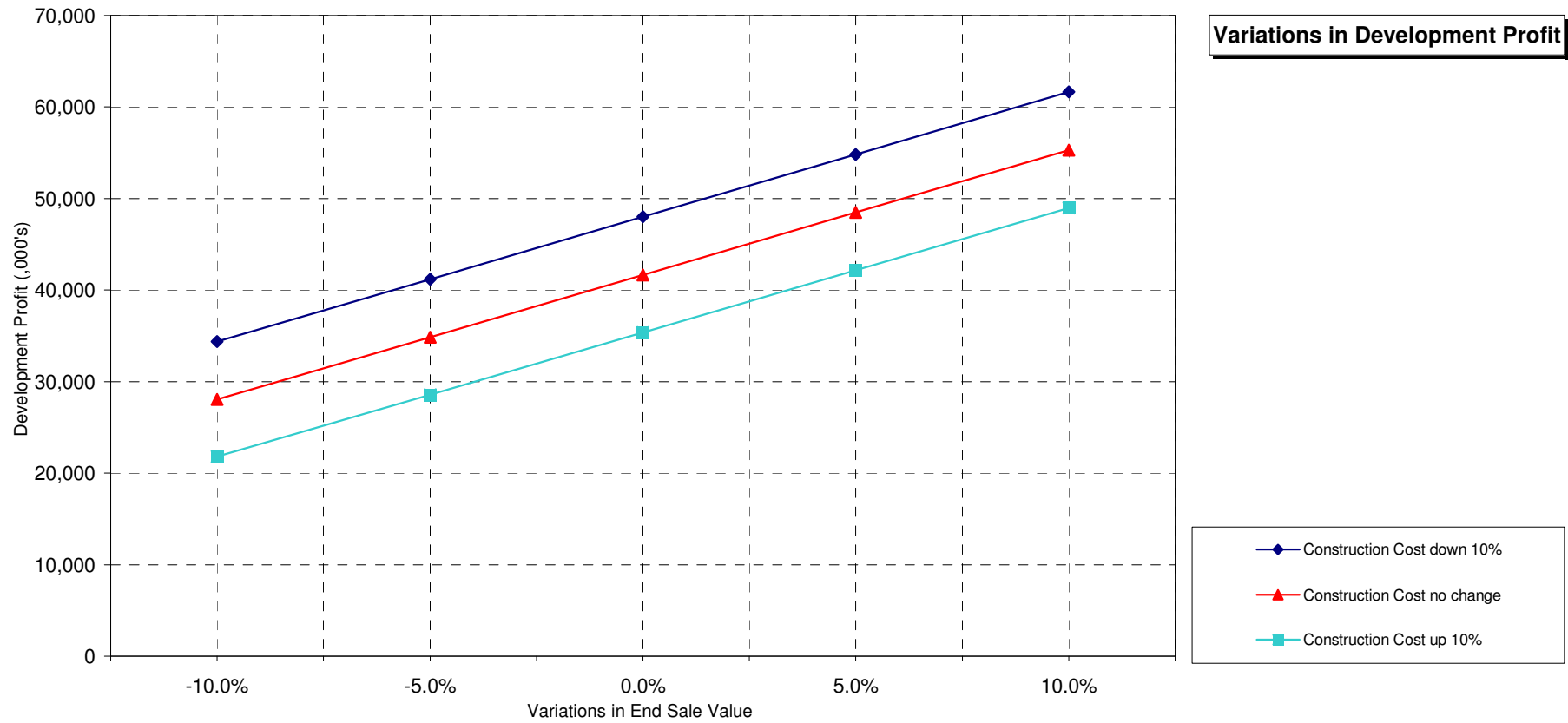
SENSITIVITY ANALYSIS (1)

	Change %	Net Dev. Profit	NPV	Dev. Margin	Project IRR	Equity IRR
Base Case (No Variation)	0.0%	41,666,887	28,966,552	36.90%	171.76%	108.85%
Construction Costs	-10.0%	47,995,528	33,049,357	45.13%	176.63%	119.34%
	10.0%	35,366,804	24,883,747	29.60%	166.47%	96.36%
Construction Period *	-20.0%	37,780,013	26,555,999	33.57%	185.59%	115.95%
	20.0%	45,283,461	28,543,286	39.95%	133.42%	92.61%
Variation to End Sale Values	-10.0%	28,065,833	19,008,560	25.20%	143.33%	79.34%
	10.0%	55,296,378	38,924,544	48.31%	195.48%	132.87%
Sales Span **	-10.0%	41,666,887	28,966,552	36.90%	171.76%	108.85%
	10.0%	41,482,706	28,135,411	36.74%	163.41%	107.00%
Debt Interest Rates	-3.0%	41,676,177	28,966,552	36.91%	171.76%	108.88%
	3.0%	41,657,543	28,966,552	36.89%	171.76%	108.82%

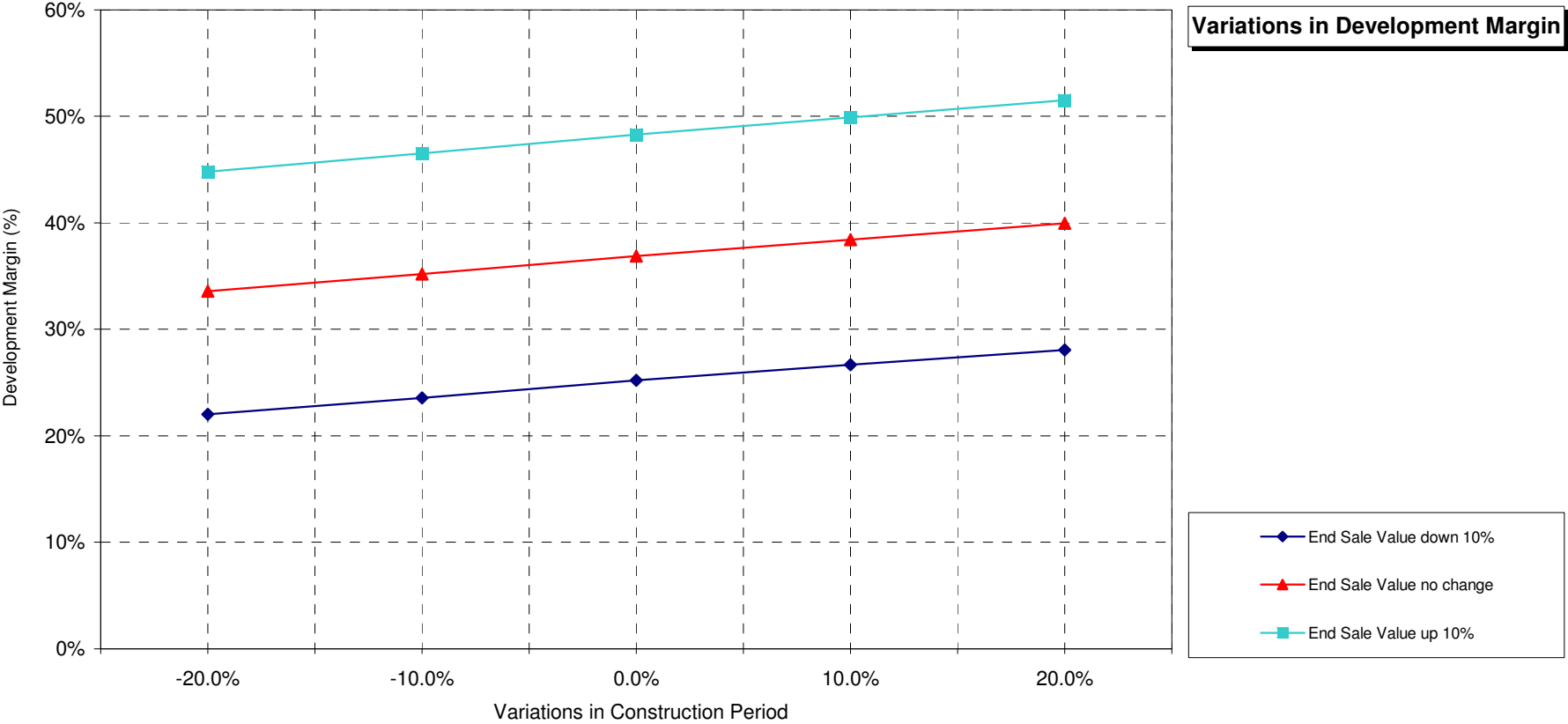
* Variation to construction period in sensitivity table delays start and span dates for construction, professional fees, statutory contributions and misc. costs.
 Delays start but not span date for sales and rental income. Delays the span for land holding costs. Has no effect on land purchase or finance costs (except interest).

**Does not effect pre-sales. Varies span date for post construction sales but not commencement dates.

SENSITIVITY ANALYSIS (2)



SENSITIVITY ANALYSIS (3)



Company Details

The Company is registered in
Trinidad & Tobago as

ROYAL PALM ESTATES LIMITED

The Company Registration No is
T4212(95) Computer ID 1150425

