



# *The Utopian Islands*

## *Resort & Estates*

Feasibility Report



**The Utopian Islands, LLC  
Dba/  
“The Utopian Islands” or “Utopian Islands”  
Feasibility Report**

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# TABLE OF CONTENTS

<b>TABLE OF CONTENTS .....</b>	<b>4</b>
<b>FEASIBILITY REPORT'S AUTHORS .....</b>	<b>9</b>
<b>PART 1: EXECUTIVE SUMMARY .....</b>	<b>13</b>
The Project Overview.....	13
The Enormous Opportunities in the Sexy Ultra-Luxury Resort Industry.....	14
The Site and Location Overview .....	14
The Economic Feasibility Overview .....	16
The Market Feasibility Overview.....	18
The Operational Feasibility Overview .....	20
The Financials Feasibility and Capital Requirements .....	20
<b>PART II – OVERVIEW OF THE PROJECT .....</b>	<b>23</b>
The Utopian Islands – Broken Down into 9 Regions.....	24
The Utopian Islands' Great Hall Marina Village – The Utopian Islands' Centerpiece .....	25
The Utopian Islands' Signature Lazy River- 10 Miles of Topical Floating Paradise .....	26
Super-Yacht Marina and the General Public's Access to The Utopian Islands .....	26
Wellness Center, Sports Complex, Spa, Medical Treatment Center, Hospital & Amphitheater .....	26
The Utopian Islands' Staff and Executive Housing .....	27
The Utopian Islands' Private Bungalow Estates .....	28
Resort Amenities, Marina & Shopping Village .....	29
Restaurants, Bars & Entertainment .....	30
Specialty Services Available .....	30
Using the Condo/Hotel Model – Creating a Revenue Producing Asset .....	31
Contrasting Timeshare Products to Condo-Hotel Investments .....	31
The Utopian Islands' Investment Opportunity & Sales Pitch .....	32
The Complete Sales Package.....	32
Converting from Private Estate to Condo Hotel – How it Works .....	32
A Private Resort Versus Public Resort – Why the Utopian Islands does NOT have a traditional Hotel.....	32
7-Star Resort & Condo/Hotel - A Profit Center for Owners and The Utopian Islands .....	33
The Utopian Islands - An Eco-friendly Resort with Sustainable Energy.....	33
Creating- A Totally Zero Carbon Footprint Resort.....	34
Giving Back to the Bahamians and World of Entrepreneurs.....	34
Bungalow Estates will be Corporation for Tax Benefits to its Owners.....	34
The Utopian Islands' Credit Card – A Simple Solution that Makes Money.....	34
Waterproof Wristbands with GPS Tracking for Security and Ease .....	35
Security on The Utopian Islands' Islands.....	35
Dealing with the Threat of Hurricanes .....	35
The Utopian Islands' Revenue Centers .....	36
Stages of Development of the Resort and Estates .....	37
Overview of Stage #1 – Capitalize, Combine, Clear and Begin Pre-Sales.....	37
The Utopian Islands' Nine (9) Regions and Their Locations .....	38
Overview of Stage #2 - Begin Vertical - Construction and Sales Begin on Section #1 .....	38
Overview of Stage #3 (Year 3-6) – Construction Is Complete – Resort begins Operations.....	39
The Architectural Design of The Utopian Islands – Polynesian Style mixed with an Asian Influence ..	39
The Utopian Islands' Development Timeline.....	42
The Planning & Architecture Teams.....	42
Selecting the Best Contracting Teams for The Utopian Islands' Project and Construction Timeline .....	43
Green Technology .....	43
The Utopian Islands' Transportation Solution .....	44
The Utopian Islands' Staging and Warehousing Solution .....	45
The Utopian Islands' Housing Solution – Used Passenger Cruise Ship as a Hotel and to Transport Staff to Islands .....	45
The Utopian Islands' Insurance Coverages and Risk Controls .....	46
Insurance and Safety Overview .....	46
Hurricane & Storm Insurance.....	46
Executive Coverage - Management Liability Insurance – (“Key Man”) .....	46

Transportation Insurance .....	46
Construction and Engineering Insurance.....	47
Operational Liability Insurance.....	47
Consulting Teams.....	48
<b>PART 3: SITE AND LOCATION ANALYSIS.....</b>	<b>50</b>
Site and Location Overview - Why the Exumas and these Islands? .....	50
The Ultra-Luxury 2 <sup>nd</sup> Home Real Estate and Resort Industry’s Problems.....	50
Exuma: The Hamptons of Bahamas Real Estate.....	51
Wonderful Waters.....	52
High-End Development.....	53
Improving Infrastructure.....	53
Boutique Experience.....	54
Location Assessment and Accessibility of the Location.....	54
The Bahamas Offers Easy Access and a Great Value.....	54
The Five Islands and Castle.....	54
Island #1 - Big Darby Island and Darby Castle.....	55
Darby Castle Restoration.....	57
Island #2 - Little Darby Island and its Home and Airstrip.....	59
Island #3 – Lignum Vitae Cay and Islands #4 and #5.....	59
Videos of the Islands.....	59
Hurricane Threats in the Exuma Region.....	61
Advantages and Challenges of The Utopian Islands’ Islands and their Location.....	61
Getting to The Bahamas – Some Cities with Direct Air Flights.....	62
The Bahamas’s Strong Rule of Law.....	63
Bahamian Residency and Real Estate Investments.....	63
Annual Residence Permit.....	63
Permanent Residence Permit.....	64
Homeowner’s Card.....	65
Favorable Tax Climate.....	66
Banking System and Stability.....	66
A Slower Pace of Life in the Exumas.....	67
The Bahamas’ Weather.....	67
SWOT Analysis of the Project Site.....	68
Transportation and Industry Desires.....	69
Water Generating Systems – Revolutionizing Fresh Water Sourcing.....	70
<b>PART 4: ECONOMIC OVERVIEW.....</b>	<b>72</b>
Overview of The Bahamas Economy.....	72
Bahamas - Market Overview.....	73
Bahamas - Market Challenges.....	75
Bahamas - Market Opportunities.....	76
Bahamas - Market Entry Strategy.....	76
Bahamas Economic Freedom Score.....	77
About the Bahamas Economy.....	77
Quick Facts About the Bahamas.....	77
Monetary Unit.....	77
Location, Size and Extent.....	78
Background of Bahamian Political Scene.....	78
Rule of Law.....	78
Regulatory.....	78
Developments in Financial Markets Pre-Covid.....	80
Government Debt.....	81
Outlook for the Bahamian Economy.....	81
Prohibited and Restricted Imports.....	82
Trade Barriers.....	82
Imports Requirements and Documentation.....	82
Licensing Requirements for Professional Services.....	82
Environment.....	83
Population in 2025.....	83
Migration of Bahamians.....	83
Ethnic Groups.....	84
Languages.....	84

Religions .....	84
Transportation .....	84
History .....	84
Government .....	86
Political Parties .....	86
Local Government .....	86
Judicial System .....	86
Armed Forces .....	87
International Cooperation .....	87
Economy .....	87
Income .....	88
Labor .....	89
Agriculture .....	89
Animal Husbandry .....	89
Fishing .....	90
Forestry .....	90
Mining .....	90
Energy and Power .....	90
Industry .....	90
Science and Technology .....	91
Domestic Trade .....	91
Foreign Trade .....	91
Balance of Payments .....	91
Banking and Securities .....	92
Insurance .....	92
Public Finance .....	93
Taxation .....	93
Customs and Duties .....	93
Foreign Investment .....	93
Economic Development .....	94
Social Development .....	95
Health .....	95
Housing .....	96
Education .....	96
Media .....	96
Organizations .....	97
Tourism, Travel and Recreation .....	97
<b>PART 5: MARKET FEASIBILITY ASSESSMENT .....</b>	<b>100</b>
The Market - Supply, Demand and Projected Absorption .....	100
Statistics On Visitor Arrivals .....	100
Why Do Visitors Come to Exuma? .....	100
Market Breakdown .....	101
Do Visitors Use an Online Service to Book Their Reservations to Exuma? .....	105
Top Media Used by Visitors to the Exumas .....	106
How Did Visitors Rate Their Product Experiences? .....	108
How Did Visitors to Exuma Get There? .....	109
Where Did Visitors to Exuma Stay While There? .....	109
Which Visitors to Exuma Tended to Stay the Longest? .....	110
What Were the Busiest Months for Visitors to Exuma? .....	110
What Were the Slowest Months for Visitors to Exuma? .....	110
How Many Visitors Did Exuma Receive and Where Did They Come from (2015)? .....	110
Expenditures while in the Bahamas .....	111
Snapshot of the Local Economy and Expected Changes .....	112
Conclusion from 2017 CHICO's Meeting .....	115
Overview of Tourism in the Bahamas .....	115
Bahamas Market Summary .....	115
Road Map for Market Entry into the Bahamas .....	118
Entry Strategy .....	118
Market Structure .....	119
Hotels & Resorts in the Bahamas .....	120
Restaurants and Food Service in the Bahamas .....	121
Food and Beverage Suppliers .....	122
Best Product Prospects for Food and Beverage Sales .....	123

Property Analysis, ADR and Competitive Position of Project Site and Amenities ..... 124  
 Caribbean Hotel Rooms Under Construction Up 27.5% Rooms for October - November 2017..... 124  
 7 New Ultra-Luxury Resorts Being Built in the Caribbean ..... 125  
 Property Analysis of the Caribbean Resort Ultra-Luxury Real Estate Market..... 129  
 The Ultra-Luxury ADR of Villa or Estate Rental Market Compared to The Utopian Islands' Estates ..... 131  
 Competitive Analysis Summary Table..... 137

**PART 6: OPERATIONS ..... 140**

Resort Development and Operations..... 140  
 The Utopian Islands' Executive Team and Entrepreneurial Experts ..... 140  
 Staffing Issues ..... 140  
 Maintenance and Utility Issues ..... 141  
 Other Operational Issues ..... 141  
 Overview of the The Utopian Islands' Operations and Two Offices ..... 141  
     Overview of The Utopian Islands' Departments in the U.S. .... 141  
     The Utopian Islands' On-Site Departments at the Resort..... 141  
 Resort Reservation Software (for Condo/Hotels Model) ..... 142  
 Dealing with Construction Permits in The Bahamas ..... 143  
 Summary of Operational Feasibility ..... 144

**PART 7: FINANCIAL ANALYSIS..... 147**

Cost Elements of a Project ..... 147  
 Cost of Land ..... 147  
 Cost of Construction ..... 147  
 Real Estate Building in the Caribbean in the Future ..... 148  
     Construction Management Process ..... 157  
     Estate and Resort Furniture, Fixtures, and Equipment ..... 157  
     Resort Operating Equipment..... 157  
     Resort Inventories ..... 157  
     Pre-Opening Expenses..... 158  
 Pre-opening Expenses..... 158  
 Working Capital ..... 158  
     Condo-Hotel Fees ..... 158  
     Gaming Financial Analysis for the Bahamas ..... 158  
 Return on Investment (ROI)..... 160  
 Summary of the Financial Feasibility Analysis ..... 160

**APPENDICES & DIRECTORY ..... 162**

Department of Inland Revenue Business License Division ..... 165  
 Bibliograph..... 176



# QUALIFICATION OF THIS FEASIBILITY REPORT'S AUTHORS



*The Utopian Islands*  
Resort & Estates



# FEASIBILITY REPORT'S AUTHORS



## **Richard C. Loefgren**

### **CEO of Tiburon Management Consultants**

Richard C. Loefgren is a veteran real estate developer, corporate executive and visionary business owner, with over 40 years' experience raising capital, running corporations and initiating mergers and acquisitions. Richard's expertise is looking for niche opportunities and creating value.

Mr. Loefgren has been an investor and real estate expert for more than 30 years. He has been responsible for overseeing the finances and day-to-day operations of Wakaari Partners, a Bahamian Resort Development since 2010. He is also the founder and Chief Executive Officer for Mon Paradise, a \$2.3 billion (USD) mixed use luxury resort in Ambergris Cay in Belize, Central America. In 2009 Loefgren founded Tiburon

Management Consultants and has performed consulting activities for real estate projects including feasibility studies, business plans and other consulting services worldwide for more than 2 decades. Mr. Loefgren's career includes extensive executive level experience in both the real estate and the food industry. His entrepreneurial experience includes founding of The Baking Company in Boone Iowa, one of the primary suppliers of baked goods to Aldi's Food Store in the Midwest United States.

Mr. Loefgren's experience in the real estate and real estate development sector began with a 21-year career with Amroc, a national hardware manufacturer. Mr. Loefgren began with Amroc out of college where he was a sales representative to real estate developers and contractors throughout the western United States, culminating in his promotion to sales management of a 32-state region. Concurrently, Mr. Loefgren was a partner in Real Estate Partners, Ltd. in San Francisco and supervised investment activities for real estate developments in California, Colorado, Hawaii and Nevada. Mr. Loefgren currently lives in Treasure Island, Florida with his wife who is the Sr. Vice President of global operation for Sykes Enterprises, a leading call center provider.



## **Erica K. Drake**

### **Founder, President & CEO of The Utopian Islands, LLC & Founder and CEO of Maverick Entrepreneurs**

Veteran entrepreneur, business coach, ultra-luxury travel expert and author of the acclaimed textbook, ***Maverick Entrepreneurs' Complete Battle Guide to Raising Capital***, is a pragmatic leader with over 25 years of executive-level and entrepreneurial experience. Ms. Drake's executive level positions include National Sales Manager for the largest travel consortium in the United States where she managed over 2,300 travel agents' sales and marketing programs; Vice President of Sales and Marketing for a Worldwide Cruise Line; and then President and CEO of her own four different companies. Her executive corporate management experiences include sales, marketing and operations, and 20 years' experience in C-level positions, including chairman of the board and board member for 4 different companies.

**Entrepreneurial Background.** Ms. Drake's leadership career began in executive-level positions in sales and marketing in the ultra-luxury travel industry, where she is known as a maverick for her innovative ideas, personal passion and sales and marketing achievements. At the age of 29, Ms. Drake left the cruise lines to become an entrepreneur and founded, funded and was president of three different travel start-up companies where she raised millions of dollars for her companies' growth from both debt and equity investors. Ms. Drake went on to develop innovative sales and marketing business models that

revolutionized the travel/cruise industry. These companies include Cruise Vacations International (CVI), Dream Vacations International (DVI), and DVI Execgo. Ms. Drake's aggressive attitude, pioneering ideas and relentless zeal placed her companies as industry leaders in direct sales of ultra-luxury travel. Her accomplishments include: closing national deals with every major cruise line and resort/travel supplier, including Disney; and developing a national direct sales team, which closed \$22M+ in sales and built a sales pipeline in excess of \$175M+ within the first six months of operations; and, recruitment, training, motivating and supporting thousands of outside sales professionals (who paid \$500 for their training programs). It was with her first three companies that Ms. Drake successfully sold and trained thousands of sales professionals through sales seminars to teach them about creating new business opportunities.

**Overview of Experience.** Ms. Drake's talents include a variety of disciplines: Strategic Planning; Executive Coaching and Training; Business Modeling, Business Plan and Feasibility Study Development; Marketing; Advertising; Press and Media Relations; social media; Negotiating Corporate Investment Banking; Management of National Sales and Marketing Teams (Both B-B and B-C); Operational Management; Networking; Financial Modeling and Management; and Public Speaking.

She has negotiated multiple corporate sales, including selling her own three companies, and participated in numerous mergers and acquisitions, strategic alliances, joint ventures and strategic vendor contract negotiations. Ms. Drake's career also includes extensive executive business consultation in numerous different industries: insurance, real estate, technology, social networking and e-commerce, manufacturing, trucking, biopharmaceutical, medical and health care, outsourcing, travel, cruise, resort and hotels, as well as many others. She has written or helped to write more than 200+ business plans.

**Consulting with Entrepreneurs on their Capital-Raising Quest.** Ms. Drake learned the language of investors, developed a process of raising capital and how to network with and close a prospective investor with mutually acceptable terms while funding her own companies. It was during these initial financings that Ms. Drake developed her expertise in finding creative solutions to raising capital, networking, deal structuring and contract negotiations. Over the past 20+ years, Ms. Drake has worked with top corporate and SEC legal and financial advisors, expanding her knowledge of strategic deal negotiations and financial modeling techniques. Ms. Drake fully understands the funding process and what it takes to close an investment transaction in today's market. As a result, she has successfully closed many multi-million dollar deals with investors and spearheaded multiple funding negotiations for multi-million-dollar projects and initiated mergers and acquisitions for her clients. She is well respected by the investment community, and over the past two decades has developed an enviable worldwide network of highly respected investment contacts, including top executives and decision makers with institutional, private equity, VC, angel and hedge funds funding sources. To date, Ms. Drake has assisted her clients in bringing in terms sheets or closing more than \$400M.

Ms. Drake has been consulting with entrepreneurs to assist in their capital-raising quests. for the past 10+ years. Currently, she is the Managing Partner of Maverick Entrepreneurs LLC ("Maverick") an entrepreneurial training company where she assists and advises corporations of all sizes with the process of raising capital. Ms. Drake's entrepreneurial experience has taught her to see the macro-vision of the company's direction, while developing the micro-elements needed to make it successful. Ms. Drake has put Maverick's expansion on hold until The Utopian Islands is up and running and then she will relaunch Maverick with The Utopian Islands as its headquarters.

Ms. Drake is a graduate of the University of Paris – Sorbonne (Paris, France) and George Mason University, where she earned a Bachelor of Arts degree in French and speaks French fluently. She has traveled the world extensively and enjoys boating, sailboat racing, and international cultures. Ms. Drake lives in St. Petersburg, Florida area.





# PART 1: EXECUTIVE SUMMARY



*The Utopian Islands*  
Resort & Estates



# PART 1: EXECUTIVE SUMMARY

This Feasibility Study (the “Study”) is for The Utopian Islands Resort and Estates LLC (“The Utopian Islands”) by Tiburon Management Consultants (“TMC”), and is divided into the following 7 sections:

- 1. Executive Summary
- 2. The Project Overview
- 3. Site and Location Overview
- 4. Economic Feasibility Overview
- 5. Market Feasibility Overview
- 6. Operations Feasibility Overview
- 7. Financial Feasibility Overview
- 8. Appendices

## The Project Overview

The Utopian Islands is a private island ultra-luxury, Polynesian-style resort real estate development project with state-of-the-art sustainable green energy, on almost 900-acres in the breathtaking Exuma archipelago in the Bahamas known as “Billionaire’s Row.” The resort encompasses five entire private islands: (1) a 554-acre private island, (2) a 254-acre island, (3) a 75-acre island, and (4 & 5) two adjacent small islands (which are less than a few acres in size). With crystal clear waters, lush landscaping and powder white beaches, this paradise provides an irresistible condo//hotel investment opportunity and ultimate escape destination for the discerning tastes of the rich and famous.



## The Enormous Opportunities in the Sexy Ultra-Luxury Resort Industry

The ultra-luxury real estate industry caters to whims of wealthy clientele. Nothing says ultra-luxury and sexy more than private tropical islands with beachfront luxury bungalow estates typically only found on the remote islands of the South Pacific. The Utopian Islands brings this dream destination to five neighboring private islands in the Caribbean, just hours from any American city. The private islands will offer such inspired decadence as: (1) the longest natural lazy river in the world (10 miles of natural lazy river) that connects to private waterfall lagoons attached to each estate; (2) state-of-the-art totally sustainable green technology, and (3) all the resort amenities one could desire including a world-class spa and sports facility, private airport, medical treatment facility, casino, shopping village, 15 gourmet restaurants, water sports and a super-yacht marina.



The Utopian Islands will sell 300 private beach bungalow estates located on the water's edge of the island at a starting price of \$4.5M per estate up to \$8M+. These breathtaking 3,500 square foot and 6,000 square foot Polynesian-styled estates will offer owners the best of both worlds: (1) an ultimate escape property and (2) a revenue-making company. Each estate will be set up as a corporation. When owners are not using their estate, a 7-Star Hotel Management Company will rent out their estate just like a private villa or penthouse suite. This structure allows its estate owners

to pay-off their entire real estate investment in a matter of less than 10 years while virtually vacationing free and creating a legacy revenue-producing asset.

The Utopian Islands' executive team is ready to sign a binding LOI to purchase these breathtaking tropical islands upon having proof of funds to show the islands' sellers. The islands are named Darby Island, Little Darby Island and Lignum Vitae Cay, with the two smaller islands unnamed. The islands are in the Exuma region of the Bahamas also known as the "Hamptons of the Bahamas." They are just a short 30-minute boat ride from the Exuma Land and Sea Park, 90 miles from Nassau and 20 miles from Great Exuma.

### The Site and Location Overview

The Utopian Islands seem to be ideal for this type of ultra-luxury resort. The few concerns would be targeted toward the need for alternative energy sources. The Utopian Islands has severely mitigated this risk with focus on green, sustainable technologies. While an Environmental Impact Assessment (EIA) has yet to be done on the island (the current owner will not allow it until Proof of Funds to purchase the property has been shown to them - \$132M at least), TMC has limited to no concerns based upon the extremely positive conversations with the island owners, local real estate experts who know the islands and who sold neighboring island owners (Tim McGraw and Faith Hill) their islands. Moreover, TCM has spoken



Built in 1938, Darby Castle was owned and lived in by notorious aristocrat, Sir Guy Baxter in 1938, until he was found to be a Nazis sympathizer who secretly was provisioning U-boat submarines from Darby islands in WWII. Following the war, Sir Baxter mysteriously disappeared.

with the Bahamian Investment Authority (BIA) and they had no doubts that the islands would be well suited for a resort such as The Utopian Islands.

The Utopian Islands' five islands are located just 20 miles north of Great Exuma, the largest island in the region. These islands are a dreamer's paradise. The Utopian Islands' islands bring together the Bahamas's two greatest natural wonders: (1) its virtually untouched, lush islands with its wealth of natural exotic beauty, and (2) its breathtaking waters, sprinkled with the lure of world's greatest underwater treasures. These two resources create the ideal location to build a paradise that even the most discriminate tastes will think it is paradise.

The three main islands, Darby, Little Darby and LVC make up almost 900 acres of almost untouched tropical land. Unique to this area is the elevation of the islands. All of the islands have decent elevation, with Darby Island's highest point being 87', Little Darby's highest elevation being 72', and Lignum Vitae Cay highest elevation being 37'. Darby has a historic castle ("Darby Castle" - that will be beautiful when restored to its



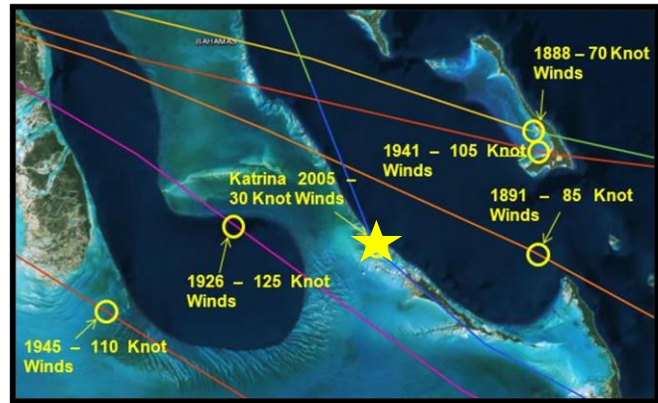
The Utopian Islands will use WGS – a revolutionary atmospheric Water Generating System to provide the islands with virtually unlimited fresh water pulled directly from the moisture in the atmosphere. Each unit will produce 700+ gallons of fresh drinking water a day.

former elegance) and wonderful natural limestone caves to explore (with entrance from both the water's edge and interior caves). Most of the islands' entire circumference have breathtaking beaches with pristine white sand and turquoise water. Little Darby has a few buildings on it with utilities (water, power, sewer, telephone and cable). The one residence is 6,300 square feet and has 4 bedrooms and 3 baths. There is an approved dirt airstrip and one other building and dock on the island. Lignum Vitae Cay has no utilities or any development whatsoever. Its eastern side (facing the Atlantic) is primarily rocky, while its western side is almost all breathtaking white sandy beaches. Just 400 yards from Darby's southern side is Goat Cay, owned by celebrity neighbors Faith Hill and Tim McGraw. However, other than Goat Cay, there are no other islands in relative proximity to The Utopian Islands' five islands. The islands are primarily composed of limestone and sand with small brush trees. A few goats were seen on the

island. The location of the large salt pond for the main marina looks to be ideal to be opened to form the entrance to the marina.

**Green Technology and Sustainable Energy:** As with almost all of the islands in the Exuma archipelago, all utilities must be pulled in from larger islands. Additionally, any water reserves found to be on the islands are likely to not produce the adequate volume needed for a resort development of this size. Access to submarine cables to bring in utilities will be pulled over from Little Darby's access point to all islands for back-up purposes. Solar, wind and specialized atmospheric Water Generation Systems (WGS), as well as many other state-of-the-art green technologies will be utilized throughout the entire resort – to the point of having a zero-carbon footprint. The Utopian Islands will be partnering with sustainable energy experts World of Walas, who are contracted by the United Nations for their expertise analysis of green and sustainable energy solutions.

**Natural Threats to the Islands:** Contrary to what most would expect, threats from natural disasters, such as the feared Caribbean hurricane season, are only a remote possibility for these islands (less than 1% based upon historical data provided by the National Oceanic Atmospheric Administration (NOAA)). Earthquakes are not known to affect the Bahamas. Moreover, historical data proves these five islands, and their surrounding regions, have a very low probability of being hit by a major storm or hurricane. In the past 150 years, no named hurricanes have hit these islands, with one small exception: In 2005 Katrina passed over Darby when it was only a tropical depression with sustained winds of less than 30 mph. The only storm that came close with any power came in 1926 - a no-named hurricane passed 75 miles away from the Exumas with sustained winds of 125M. Therefore, based upon this extensive review of the historical data of all storms and hurricanes in the region provided by NOAA, it seems most hurricanes tracks follow a more southern route when entering the Caribbean from the Atlantic, OR if they do track near the Exumas, they are not yet developed enough to be called hurricanes. Therefore, these storms may not be as serious an issue as one would think for this region.



**Only 1 Named Hurricane in over 150 years**, Katrina, which was only a tropical depression with 30 mph winds when it passed over Darby Island. Therefore, there is historic data to argue that statistically, there is a less than 1% chance of a hurricane hitting this region.

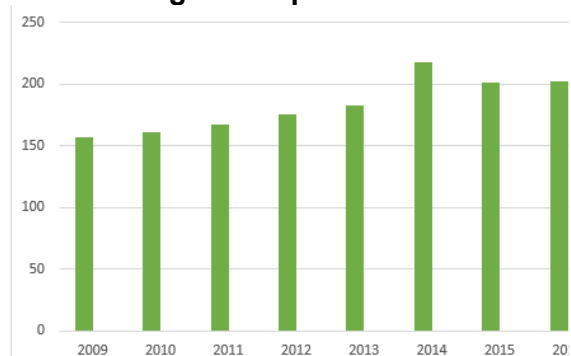
## ***The Economic Feasibility Overview***

The Utopian Islands will have a strong economic impact on the Bahamas. Furthermore, the economy seems to be well positioned for this level of growth within the ultra-luxury market. The Bahamas has a stable and growing economy based on tourism, business/financial services and trade. The islands' stable government and regulatory framework are conducive to tourism development. The outlook for tourism in Bahamas is promising with tourism flows from North America increasing. Local tourism outfits and the government have also made efforts to increase the island's groups and business conventions. The airlift to Bahamas is superior to most other Caribbean destinations, with numerous international and regional flights. Downside risks include rising fuel costs and worldwide economic uncertainty.

**Visitor Profile:** Like many islands in the Caribbean which rely on the US for the bulk of their visitation, The Bahamas receives most of its visitors from the US. The bulk of visitors to the island come for leisure, attracted by the nation's warm weather, beauty and activities. Because of this, visitation tends to be seasonal, though not as pronounced as other Caribbean destinations. The average stay in the Bahamas is approximately 8 days.

**Ultra-Luxury Resort and Real Estate Market in the Bahamas:** Much of the lodging products in Bahamas are older products, and while reinvestment and new builds are on the rise, the current products are uninspiring, offering the same colonial type of architecture seen throughout the Caribbean. The Average Daily Rates (ADR) for a hotel room in the Caribbean is on the rise but is only in the \$200 range. The Atlantis, arguably Bahamas' most well-known hotel, and the Four Seasons Ocean Club are two properties in the Bahama islands with the ultra-luxury positioning to compete with The Utopian Islands. The financial details of these properties are difficult to obtain, but their sales pricing and availability tell a different story - with pricing substantially more expensive than The Utopian Islands's comparable or better products.

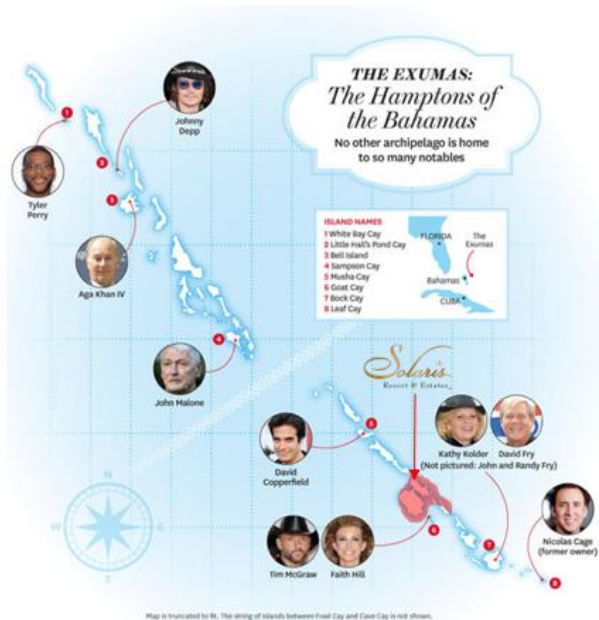
## **2016 Average Daily Rate of Hotel Rooms in the Caribbean remains Strong and Expects to Grow**



**Ultra-Luxury Market:** The Utopian Islands used a Smith Travel Research (“STR”) report to analyze Caribbean’s luxury hotel segment. We reviewed the top line performance of a sample of Caribbean luxury project (nine properties) thought to be competitors of The Utopian Islands’ projected ADR of \$6,000 per night for rental of a 3,500 sq. ft. private, beachfront estate. The findings were very favorable for The Utopian Islands and showed that its pricing was similarly priced either, with The Utopian Islands being a substantially better value with more amenities and privacy; OR The Utopian Islands beat the competitors’ pricing by more than 50% in some cases and still offering a better value. This comparison included both sales and rental villas or estates offered by flag hotels or private estates in the same category, size and amenities. No products directly compete with The Utopian Islands for its real estate and resort value. The Utopian Islands’ price tag of \$4.5M and \$8M for sale of its two sizes of bungalow estates, and rental rate of \$6,000/day for its Bungalow Estates are directly in line with or substantially beat any similar products offered for both the resort experience and real estate investment.

**Economic Impact:** To assess the economic impact of The Utopian Islands, TMC used multipliers for job creation and GDP contribution to ascertain the hotel’s direct, indirect and induced impact.

- **Caribbean Hotel Average Daily Rate (ADR):** \$201.86
- **Employment Opportunities:** The Utopian Islands expects to employ more than 600 people once the building is complete. During the building period there will be between 500-1,000 construction personnel working to build the resort. Using a job multiplier for Bahamas’ tourism of “2.00” – meaning that for every direct job created, 2.00 indirect and induced jobs are created. Therefore, the indirect and induced jobs created by The Utopian Islands is around 1,200 jobs, for a total **job contribution of 1,800 new jobs for the economy**. While many construction specialists and executive staff will be brought in from the US market, there will be enormous job creation for this region and all of the Bahamas.
- **GDP:** For direct GDP contributions to the Bahamian economy, The Utopian Islands will have a huge impact in many ways. The Utopian Islands will be selling these extremely wealthy new owners and visitors on spending their discretionary dollars in the Bahamas (on a regular basis), rather than other island destinations. The Utopian Islands, or its outsourced management teams, will employ over 1,800+ people who will directly contribute to the country’s GDP. Moreover, with the sales of Bungalow Estates incurring a 10% VAT tax on almost \$2 Billion in real estate sales and gross revenue of \$225M annually, the Bahamian governmental officials will be highly motivated to offer The Utopian Islands additional building and tax concessions. Moreover, The Utopian Islands will give birth to many new off-spring companies which create an additional tax revenue basis and more new jobs.



Map is illustrated by St. The string of islands between Pond City and Goat City is not shown.  
Celebrity Owning Exuma Real Estate

This area of the Exumas is known as the “Hamptons of the Bahamas” or “Billionaire Row” due to the enormous draw with celebrities and ultra-wealthy.

## The Market Feasibility Overview

The Utopian Islands is targeting two niche markets: (1) the uber-wealthy secondary-home real estate market, and (2) the ultra-luxury resort market. The Utopian Islands appeals to both markets. Based upon TMC’s market analysis, the trends show that The Utopian Islands will fit perfectly into this very niche market with three distinct advantages: (1) the ultra-wealthy seek both a tropical oasis and secondary home, (2) wealthy people seek strong investment opportunities that can also be revenue producing asset, and (3) the ultra-wealthy class desire sexy, secluded island destinations, away from the public that offer both extreme privacy and instant access to all the rich amenities and ambiance they might seek. Moreover, TMC sees the sustainable energy and green technology component of their business model extremely advantageous. This green technology will have a very positive draw for both estate sales and rental sales and global and governmental PR and media exposure.

The Bahamas and Exuma market are poised for growth. To quote the Conclusion from 2017 CHICO’s Meeting in Bermuda, “From both an investment and visitation standpoint, the Caribbean is open for business.” Moreover, with the Exuma region, where The Utopian Islands is located, they called it “The Hamptons of the Bahamas” or “Billionaire Row,” one can only expect an instant “buzz” about the place – including among other celebrity and wealthy individuals. Realistic investors and most of the wealthy class acknowledge the huge time investment and cost to buy, building and maintaining a single residence on a private island. Therefore, The Utopian Islands is targeting an even greater niche market. TMC found that while the local economy is still quite primitive, the market effect will be great to all the surrounding islands’ economy because of The Utopian Islands. Five islands, south of The Utopian Islands, the billionaire Bertarelli sister and brother investment group is building a small hotel with 12 luxury villas. Again, this product does not seem to be in the same class as The Utopian Islands, and based upon what little has been revealed, the cost and values is substantially less (the total investment in the project is only \$200M). The Utopian Islands purposely chose to NOT have a hotel to garner a higher appeal to the ultra-luxury market who seek seclusion from the masses.

The Utopian Islands intends to use world-renowned, ultra-luxury resort architect, Jean-Michel Gathy (See One and Only Resort – Maldives for an example of the overall look, or Richard Branson’s Island “Necker Island”) to create its Polynesian-styled paradise. This highly sought-after style of architecture, inspired by the islands of Bali, Tahiti and Bora Bora creates the dreamy tropical atmosphere rarely found anywhere other than in the islands of the South Pacific. Moreover, this sexy architecture and design will be coupled with private waterfalls pools, a plethora of palapas (tiki-hut like roofs) and a unique amenity: 10-miles of tropical lazy river to enjoy. The lazy river will be just a natural-looking saltwater pool that circumnavigates each island’s edges with a current added to the pool, thus allowing guests to enter directly from their bungalow estates. Owners and guests of the estates can float endlessly around the islands, stopping at swim-up bars and tropical waterfall lagoons.

The ultra-luxury real estate and resort market is a large, but niche market with unique desires. Likely their greatest desire is privacy. The Family Office Network, out of South Florida recently estimated that there are 211,000 high net worth families in the world who were wealthy enough to have their own family office. This market demands best-in-class architecture, design and service. Every detail matters. Ultra-luxury resort

market leaders like the Four Seasons, Park Hyatt, Ritz Carlton and The One and Only Resort have announced new-built resort products throughout the Caribbean to be opened in the next four years. None of these new or existing product lines seem to offer the total sexy appeal that The Utopian Islands' project exudes and their architecture is based upon the same Colonial or Contemporary design found throughout the Caribbean.

In summary, one can be sure that the ultra-wealthy class will always have secondary homes and extravagant vacations regardless of fluctuating global economies. Moreover, Price Waterhouse Cooper (PwC) concluded in their Real Estate 2020 Report that the current real estate markets will continue to be a very strong investment opportunity based upon the six main reasons stated below:

1. **“The global investable real estate universe will expand substantially, leading to a huge expansion in opportunity, especially in emerging economies.** World population growth and increasing GDP per capita will propel this expansion. By 2020, investable real estate will have grown by more than 55% compared to 2012, according to PwC forecasts, and then will expand by a similar proportion in the following decade.”
2. **“Fast-growing cities will present a wider range of risk and return opportunities.** Cities will present opportunities ranging from low risk/ low yield in advanced economy core real estate, to high risk/high reward in emerging economies. The greatest social migration of all time – chiefly in emerging economies – will drive the biggest ever construction surge.”



The Utopian Islands Unique Transportation and Housing Solution – Own their own Shipping Company by purchasing used but affordable ships that become corporate assets.

3. **“Technology innovation and sustainability will be key drivers for value.** All buildings will need to have ‘sustainability’ ratings, while new developments will need to be ‘sustainable’ in the broadest sense, providing their residents with pleasant places to live. Technology will disrupt real estate economics, making some types of real estate obsolete.”

4. **“Collaborating with governments will become more important.** Real estate managers, the investment community and developers will need to partner with government to mitigate risks of schemes that might otherwise be uneconomic. In many emerging economies, governments will take the lead in developing urban real estate and infrastructure.”

5. **“Competition for prime assets will intensify further.** New wealth from the emerging economies will intensify competition for prime assets; the investment community will need to think laterally to earn attractive returns. They might have to develop assets in fast-growing but higher risk emerging economies, or specialize in the fast-growing subsectors, such as agriculture, retirement, etc.”

6. **“A broader range of risks will emerge.** New risks will emerge. Climate change risk, accelerating behavioral change and political risk will be key. To prepare for these implications, the real estate investment organizations will need to make sure they have the right capabilities and qualities.”

## ***The Operational Feasibility Overview***

TMC has been given access to all of The Utopian Islands' comprehensive business plan (dated 2018) and all of its due diligence material. Upon review of The Utopian Islands' Executive Team and consulting teams, TMC finds this team to be extraordinary. TMC is confident in this team's ability to both construct and properly manage The Utopian Islands efficiently and effectively while maintaining a totally eco-friendly environment.

### **Strong Labor Pool for Labors, Middle Management and Executives**

With relatively high unemployment, the labor for more than 500+ new jobs will be warmly welcomed by the local Bahamians, as well as those willing to commute or move from New Providence (Nassau) where the majority of 400K population of this nation lives. Hospitality executives and middle management from the US and Abroad will consider this ultra-luxury resort experience a prime job. Moreover, construction workers for the 3-year building period will welcome the unique solution of using an old cruise ship as housing for all construction staff during building period.

### **Achievable Construction Timelines with Two Unconventional Transportation and Housing Solutions**

TMC reviewed the construction, operational and financial timelines of The Utopian Islands' Business Plan (see Part 2 - Overview of Project) with a particular focus on the 36-month construction timeline. The Utopian Islands will employ a unique transportation and housing solution for building and supporting the islands resort. The company will purchase multiple used ships (for less than a few million dollars total) and form a subsidiary shipping company to provide all of their transportation and housing needs. These ships will bring supplies, materials, and even staff to and from the US to support development of the islands.

This aggressive solution eliminates multiple huge logistics and transportation problems suffered by other island hotels or resorts that don't have their own shipping company. Almost always, one of the major challenges with building an island resort and business is that they must rely on third-party transportation and distributor companies to import everything. Everything must be transported to their islands, including all construction materials, machinery and vehicles, fuel, supplies and labor forces. By owning its own shipping company, The Utopian Islands can almost eliminate or manage shipping delays, limited product selections and inflated pricing. Very few, if any, resorts or hotels on islands have this enormous luxury. Additionally, the ships will be an asset to the company that can continue to support the islands after construction is complete, and be managed to make a profit, or the ships can be moved for an expansion project or sold. These ships will be properly insured to protect The Utopian Islands from any potential liabilities.

Secondly, The Utopian Islands will purchase and use a used cruise ship (vintage 1950's-70's) that is refurbished and fully running ship that is less than 10,000 tons in size. This ship will house and feed 500-1,000 people daily, for a price of only a few million dollars. The use of this cruise ship becomes an immediate and semi-permanent solution for housing and feeding 500-1,000 construction workers who need to be transported back and forth from Nassau and the US. The cruise ship will be docked at the islands for 4-6-day intervals and used daily as on-island housing for the workers and management. Additionally, this solution allows teams to alternate and work on 7-day a week rotation (if necessary) to meet timelines.

### **Most of The Utopian Islands' Services and Amenities Will Be Outsourced to Industry Experts**

The Utopian Islands will outsource its major amenities, such as resort management, casinos, marina operations and retail shops and subsidiary restaurants. All services or amenities will be outsourced to a third-party company to manage under The Utopian Islands brand or form a subsidiary company with a joint-venture structure with industry experts to provide the needed services or products.

## ***The Financials Feasibility and Capital Requirements***

The Utopian Islands is seeking total funding of **US\$3.2B** to purchase its five islands and complete the development of this amazing project.

Cost and Revenue projections are directly on par with or are considered conservative for similar style and level of elegance. The Utopian Islands has allocated \$600/square foot construction costs for all bungalow estates and most common buildings. Pre-fabrication and unique hurricane construction methods will be employed to maximize time and cost-effective methodologies. The 36-month construction timeline, while aggressive for such a large project, is right on par with similar luxury resorts new builds. Moreover, with





# PART 2: OVERVIEW OF THE PROJECT

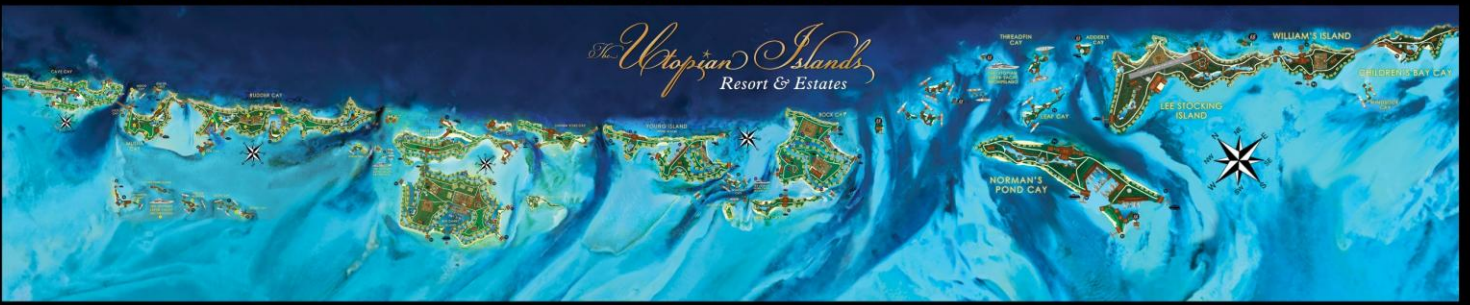


*The Utopian Islands*  
Resort & Estates





## THE UTOPIAN ISLAND'S DRAFT SITE PLAN AND FINANCIAL ASSUMPTIONS



GROUP #2—SAUDI ISLAND GROUP

GROUP #3—COPPERFIELD ISLANDS' GROUP

GROUP #1—THE DARBY ISLANDS' GROUP

GROUP #4—THE FRY ISLANDS' GROUP

GROUP #5—BERTERELLI ISLANDS' GROUP



ISLAND	ESTATES	ACREAGE	HECTARS	SALES PRICE
1	100	220	89	\$70,000,000
2	100	220	89	\$70,000,000
3	100	220	89	\$70,000,000
4	100	220	89	\$70,000,000
5	100	220	89	\$70,000,000
6	100	220	89	\$70,000,000
7	100	220	89	\$70,000,000
8	100	220	89	\$70,000,000
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100	100	220	89	\$70,000,000

ISLAND	ESTATES	ACREAGE	HECTARS	SALES PRICE
1	100	464	188	\$140,000,000
2	100	464	188	\$140,000,000
3	100	464	188	\$140,000,000
4	100	464	188	\$140,000,000
5	100	464	188	\$140,000,000
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90	100	464	188	\$140,000,000
91	100	464	188	\$140,000,000
92	100	464		

## ***The Utopian Islands – Broken Down into 9 Regions (Island Group #1)***

The Utopian Islands' five islands encompass almost 900 acres of breathtaking beauty where 300 private Bungalow Estates, 3,500 square feet and 6,000 square feet in size, will be constructed. The Utopian Islands has taken every measure to offer the best of three worlds to its estate owners: (1) ultra-privacy, (2) all the amenities anyone could desire in an ultra-luxury tropical resort vacation, and (3) a revenue making business. These nine regions are:

### **I. The Utopian Islands' Great Hall Marina Village which includes:**

- The Great Hall – A signature 3 story-high breeze-way entrance that opens to a 50-foot-high waterfall that goes into its signature lazy river
- Its condo/hotel resort's Front Desk and Lobby
- World-class Casino
- Main Pool & Tiki Bar and Restaurant
- Shopping Village – with designer shops and a full-service grocery store and pharmacy for the estates
- Entrance to our 10 miles of Lazy River
- Super-Yacht Marina and Restaurant
- High & Dry (Boat Storage) and Marina Service

### **II. The Utopian Islands' Wellness Center and Amphitheater which include:**

- The Utopian Islands' Royal Spa with its hair and nail salon
- Sports Complex with tennis, indoor/outdoor gym and yoga, basketball court, 4 tennis courts and martial arts Dojo
- Medical Treatment Center for state-of-the-art medical treatments (i.e., stem cell treatments, Botox, etc.)
- Private Plastic Surgery Hospital
- Island Medical Needs Hospital with helipad
- Kids Club – with babysitting service
- Restaurant and infinity pool (overlooking the highest point on the islands – 87 feet panoramic view)

### **III. The Utopian Islands' Employee Village**

- Private and secure housing village for more than 580 employees
- 300 dorm-style (2 per room) rooms with kitchen and laundry facilities
- 288 Studio apartments (2 per studio) with kitchenettes and baths
- Employee Restaurant and Bar
- Employee Grocery Store and Uniform Cleaning
- 3 Employee Pools
- Common Area for employee use
- Human Resources Department

### **IV. North-West Big Darby**

- Private Bungalow Estates
- 2 Waterfront Restaurants with docks
- 2-Lazy River Swim-up Bars
- Service Building for housekeeping and maintenance

### **V. North-East Big Darby**

- The Utopian Islands' Castle – Our famed Castle will be made into a gourmet restaurant called "Sir Baxter's" after its infamous prior owner
- Private Bungalow Estates
- 2 Waterfront Restaurants with docks
- Service Building

### **VI. South Big Darby**

- Private Bungalow Estates
- 2 Waterfront Restaurants with docks
- A Lazy River Swim-up Bar
- Service Building for housekeeping and maintenance

### **VII. North Little Darby**

- The Utopian Islands' Executive Airport – with Bahamian Customs and hanger for private jets
- Helicopter Pad for transport between islands (i.e., Nassau, Great Exuma, etc.)
- Private Bungalow Estates
- 2 Waterfront/Beachfront Restaurants with docks and one with special events space
- A Lazy River Swim-up Bar & Service Building

### **VIII. South Little Darby**

- Private Bungalow Estates
- 2 Waterfront Restaurants with docks
- Smaller Marina and Dock
- Service Building for housekeeping and maintenance
- Transport Dock from Little Darby to Lignum Vitae Cay

### **IX. Lignum Vitae Cay (LVC)**

- Private Bungalow Estates
- 2 Waterfront Restaurants with docks
- Smaller Marina and Dock
- Service Building for housekeeping and maintenance

### The Utopian Islands' Great Hall Marina Village – The Utopian Islands' Centerpiece

At the heart of The Utopian Islands Resort and Estates, is a major super-yacht marina with a shopping village boardwalk and its signature Great Hall region. This area will create an unbelievable “wow” factor and immediately seduce all of its owners and guests. Passing through the entrance from the water into the marina, islanders will see 2-story high statues that will guard the island’s entrance to its 150-slip marina and Great Hall area. The Utopian Islands’ marina will be able to accommodate the best and largest super-yachts and provide all the maintenance services and fuel they may need.

A quaint village boardwalk will become a focal point of the resort, with its shopping, restaurants and multitude of entertainment possibilities. The Great Hall Marina Village is the largest common area on the island providing the casino, main Tiki-hut bar and restaurant, guest services and many other amenities. A striking 50-foot-high waterfall will complement the background of the Great Hall and shower the lazy river enthusiasts below as they travel around the island in their floating rafts. Guest check-in to the resort will be managed in the Guest Services Lobby of the Great Hall and will provide the best-in-class services as owners and guests are welcomed to The Utopian Islands and shown to their spectacular estates.



Adjacent to the Great Hall are numerous pools, waterfalls, fountains and entrance to its lazy river. The Utopian Islands’ main pool will have a swim-up Tiki Hut restaurant/bar and dance club. This energetic bar atmosphere will create an amusing ambiance as vacationers lay out by the pool deck, sit at the swim-up bar and dance to tropical live island music. Security operations will manage processing all owners and guests onto the island and account for every individual always located at the resort. Unless the person is an estate owner, or guest of an estate (via the condo/hotel model) or staying at our marina, all others will be restricted to the marina area only. The Utopian Islands’ islands will NOT be open to the public! Unless they are staying at the resort, no one will be given access to the shopping boardwalk, Great Hall and other locations on the islands. Privacy and seclusion are of utmost importance, especially given the issues of paparazzi

and the security needs of its owners and special guests. Moreover, boaters will be restricted from peering into the estates from the water line or sky. Should any issues arise, The Utopian Islands' security will remove the issue immediately.

### **The Utopian Islands' Signature Lazy River- 10 Miles of Topical Floating Paradise**

One of the major attractions to The Utopian Islands will likely be its 10+ miles of Lazy River that will circumnavigate each island's edge and pass by each of our Bungalow Estates. The Lazy River will offer numerous float-up wet bars, restaurants and pass by the Great Hall, casino and all major commerce points. The Utopian Islands' Lazy River will be accessible by each estate owner's personal wading pool located on their estate. The total 2+-hour floating adventure through The Utopian Islands' lush and tropical landscaping will become one of The Utopian Islands' most sought-after activities. The river will offer its patrons many opportunities to exit and enjoy the other amenities of the island before re-entering and floating back to their estates' back door. Bathrooms and stopping points will be available throughout the river, and owners can always call for rides back to their estates at any time should they desire to shorten their total floating adventure.



The Utopian Islands' Lazy River will be salt water based and freshly cycled continuously with the ocean water while filtering out any small sea life. Pumps will produce the current while camera systems allow monitoring of these areas and a control system will limit the energy resources in the evenings. Tiki lamps and underwater lighting will make for a magical experience when floating at nighttime.

### **Super-Yacht Marina and the General Public's Access to The Utopian Islands**

As guests arrive at The Utopian Islands they will be directed to the resort's greeting and check-in area located in the Great Hall. The gated areas around the marina will require marina guests to enter through security and customs to the Great Hall and register their parties. This will include a passport review, guest photos and a review of pet inoculations. Guests arriving by plane or helicopter will be ushered to the Great Hall check-in desk before granting access to the estates. Preauthorization will be required to utilize the airport and helipads.

Colored resort bracelets will indicate the level of guest access and staff access and restrict movement outside the marina, casino and village areas. This simple method of using Smart-bracelets (with GPS tracking and that also double as their The Utopian Islands Credit Card) will allow The Utopian Islands to monitor the movement of all of its inhabitants and ensure the best-in-class service and security.

### **Wellness Center, Sports Complex, Spa, Medical Treatment Center, Hospital & Amphitheater**

Another major area of the resort is the Wellness Center and Sports Complex, which also includes a Royal Spa, medical treatment and hospital facility, the Maverick Entrepreneur Training facility and the Amphitheater. This location is situated at the highest elevation on Big Darby Island and includes tennis and basketball courts, an inside and outdoor gym, a kid's pool, hair and nail salon, private meeting and event spaces and a helipad.

The Amphitheater will draw opportunities for major musical and theatrical performances, award ceremonies and many other events with a covered stage and dinner seating for 300-500 guests. The seating is designed to have removable tabletops and a flip-up canopy to provide shade and shelter for its audiences. An adjacent chef's kitchen will provide gourmet food service during events and allow unique culinary entertainment and gourmet catering. Eight studio apartments will also be available for performers and entertaining guests on the island.



### The Utopian Islands' Staff and Executive Housing

The Utopian Islands will be outsourcing almost all of its revenue centers (i.e., a resort management company, outsourced casino, etc.). As part of these outsourced contracts, The Utopian Islands will need to provide housing for its entire staff while they are working on the islands. Staff needs are based upon a daily basis and using multiple shifts (i.e., rotating between Shift A – 4 Days on-island (10-hour days) and Shift B – 3 Days on island (12-hour days)).

Depending on the rank of their job responsibilities, The Utopian Islands staff will be assigned to a dorm-style room or studio apartment. All dorm-style accommodations will be “hot-bunks” – in other words, the staff member trades their bed with another staff member when they are off island. All uniforms will be laundered at the village, so that as staff members start their shifts, they pick up their uniforms and drop them off to be laundered again after their 3-day or 4-day shift is complete. All staff members will be assigned a GPS tracking bracelet that must be always worn while on the island. The Utopian Islands' security will be able to track and monitor (keeping a log of where the staff member is always). For security and management purposes, this tracking device will allow The Utopian Islands to manage every staff member efficiently and effectively.



# The Utopian Islands' Private Bungalow Estates

## SUMMARY OF OUR OFF-MARKET PRE-SALE OFFER

### OUR 'CORPORATE ESTATE' PRE-SALE OFFER

### OUR 'SPECIALTY ESTATES & VILLAS' PRE-SALE OFFER



*Utopian Medical & Estates*  
**THE UTOPIAN MEDICAL CENTER**  
 WITH 150 WATERFRONT MEDICAL ESTATES  
 PRICE: \$10.5M  
 3,500 S/F MEDICAL ESTATE (3-BEDROOMS / 3-BATHS)  
 DEPOSIT: \$1M



**OPTION A**  
 ONLY TEN (10) - 10% DISCOUNT  
**THE SUPERYACHT ESTATE or**  
**THE ROYAL ESTATE**

- 15,000 SQ. FT. BEACH WITH 1.5 ACRE LOT
- 4-6 BEDROOMS / 4-6 BATHS AND 4.5 ACRE LOT
- AMENITIES AS DESIRED
- OR A PRIVATE ISLAND WITH A GRAND ESTATE AND A DOCK FOR MEGA SUPERYACHT (200'+)

PRICE = \$33M  
 DEPOSIT REQUIRED: \$5.5M



*Utopian Marine*  
 SUPERYACHT SERVICE CENTER  
**UTOPIAN MARINE & SUPERYACHT SERVICE CENTER**  
 WITH 25 SUPERYACHT SLIPS  
 PRICE: 15M  
 SLIP FOR 250'+ SUPERYACHTS  
 DEPOSIT: \$1.5M



**OPTION B**  
 ONLY TWENTY (20)  
 10% DISCOUNT  
**THE GRAND ESTATE**

- 6,000+ S/F ESTATE
- 4.5 ACRE LOT
- 5-6 BEDROOMS / 5-6 BATHS
- AMENITIES AS DESIRED

PRICE = \$25M  
 DEPOSIT REQUIRED: \$2.5M



*Utopian Village*  
**THE UTOPIAN VILLAGE**  
 75 PRIVATE VILLAS  
 PRICE: \$5M  
 2,500 S/F VILLA (2-BEDROOMS / 2-BATHS)  
 DEPOSIT: \$500K



**OPTION C**  
 ONLY TWENTY (20)  
 33% DISCOUNT  
**THE BEACH ESTATE**

- 1,800 S/F ESTATE
- 4.5 ACRE LOT
- 3 BEDROOMS / 3 BATHS
- AMENITIES AS DESIRED

PRICE = \$5M  
 DEPOSIT REQUIRED: \$500K



*Utopian Polo Club*  
 EQUESTRIAN CENTER  
**THE UTOPIAN POLO CLUB & EQUESTRIAN CENTER**  
 40 PRIVATE POLO CLUB VILLAS  
 PRICE: \$5M  
 2,500 S/F VILLA (2-BEDROOMS / 2 BATHS)  
 DEPOSIT: \$500K

*Utopian Islands*  
**EXECUTING THE PRE-SALE PURCHASE OF OUR 'CORPORATE ESTATES' & OUR 'SPECIALTY ESTATES & VILLAS'**

- PROSPECTIVE BUYER REVIEWS A STANDARD SHATT LEGAL AGREEMENT FOR CONVERTING ORDINARY IN A REBUILT FORMED BAHAMIAN LIMITED LIABILITY COMPANY (LLC)
- BUYER SENDS DEPOSIT REQUIREMENTS INTO ESCROW
- ONCE DEPOSITS ARE IN ESCROW, THE FINAL CORPORATE DOCUMENTATION IS SENT TO BUYER FOR EXECUTION BY THE BUYER AND THE UTOPIAN ISLANDS
- AS THE ISLANDS PURCHASES ARE COMPLETED AND THE LOTS ARE DESIGNATED, BUYERS WILL MAKE THEIR FINAL DECISION TO EITHER CONVERT THE DEBT TO EQUITY (INTEREST BEARING THE ESTATE), THEN THE BUYER CAN SELECT THEIR DESIRED LOTS (FIRST BUYERS IN, RECEIVE FIRST CHOICE OF LOTS)
- BUYERS WILL THEN BEGIN WORKING WITH THEIR ASSIGNED ARCHITECTS AND INTERIOR DESIGNERS TO CUSTOM DESIGN THEIR ULTRA LUXURY TROPICAL BAHAMIAN ESTATES

Our Beachfront Bungalow Estates come in two sizes and multiple layout options that can be sold as one unit: (1) a 3,500 square foot estate with 3 bedrooms, 3 full baths (with luxury master bathroom), 2 half baths, and (2) a 6,000 square foot estate with 5 bedrooms and 5 full baths and 2 half baths.

Each bungalow estate features a gourmet kitchen, outdoor dining room, an outdoor waterfall shower, sunken tubs, private lagoon pool with waterfall, infinity pool with waterfall into a beachfront Jacuzzi, outdoor kitchen, barbecue and bar, tree-top bar and lounge and executive office with elevator. Most of our Beachfront Bungalow Estates link directly to our 10 miles of lazy river and have approximately 1/2 acre of waterfront property with total privacy from any neighbors and a locked entrance and private driveway.

**Smart Estates:** Additionally, each bungalow estate will be a smart home and have access to all the resorts amenities from anywhere in their estate. This disruptive technology will allow guests to order anything they want delivered to their estate immediately, including groceries, private chefs, etc.

## Resort Amenities, Marina & Shopping Village



### Superyacht Marina & Shops

Purchase supplies for boating and water activities along with fitness friendly apparel.



### Dive Shop

Whether you are a novice at snorkeling or an experienced scuba diver, purchase your supplies and book excursions at our dive shop.



### World-Class Casino

The Utopian Islands' casino will cater the desires of "Whales" - like something you'd see in a James Bond movie.



### Marine High & Dry and Service Center

Water and dry dock storage is available for residents and visitors at our full-service marina.



### Royal Spa

Our spa provides the best treatments and services to pamper even the most discriminating clients.



### The Utopian Boat Club

Participate in social events and regattas at our exclusive boat club.



### Gym & Health

Enjoy yourself with cardio, weights and yoga classes including tennis, basketball and martial arts Dojo.



### Shuttle to Islands

Explore the outer islands through chartered hourly and day trips.



### 10-Miles of Lazy River

The Utopian Islands will offer the longest lazy river in the world that provides access to resort amenities and unlimited relaxation.



### Water sports, Pools & Beach

Lazy river pools, swim-up patios and a sandy beach with volleyball are just a few of the ways to have fun.



### The Utopian Islands' Marina Village

All dining, marina, shopping and real estate services are centrally located.



### Running/Bike Trails

Our 10+ miles of trail around the islands will offer a variety of terrain.



### Gift/Clothing Designer Shops

Common British and U.S. goods, along with locally produced goods, can be purchased.



### Groceries and Household Products

U.S. and British food and household products will be available when you want all the comforts of home.

## Restaurants, Bars & Entertainment



**Island Seafood & Gourmet Restaurants**  
Guests and owners will have their choice of numerous gourmet restaurants.



**Beachfront Tiki Bar and Restaurants**  
Take full advantage to the million-dollar views with our waterfront dining.



**The Bahamas Cuisine Café**  
Enjoy the local cuisine and delicacies, using fresh caught seafood and island receipts.



**Beach Bar & Live Entertainment**  
Listen to live musicians performing with the Caribbean Sea as your backdrop.



**Japanese Restaurant and Sushi Bar**  
Experience fresh sushi like you've never had before.



**The Utopian Islands' Swim-up and Hut Bars on our Signature Lazy River**  
Relax by the pool and enjoy a refreshing drink.

## Specialty Services Available



**Airport/Helipad**  
Aviation services will access the islands via the airport and helipad to shuttle passengers and belongings.



**Real Estate Sales Office**  
The Utopian Islands will have an office dedicated to the sale of its estates. This office will also help residents manage their estates.



**Resort Hospital & Pharmacy & Vet**  
U.S. trained staff will provide excellent care. Elective surgery, such as plastic surgery, will be offered to guests by world-renowned surgeons.



**Electric ATV, Scooter & Dune Buggy Rental**  
Enhance your fun by renting a vehicle to explore the island or recreation vehicles for adventure.



**Outsourced,  
White-Labeled  
Private Bank**

**Our Private Banking**  
A local bank will be conveniently located. International banks will be selected to begin operations.




**Estate Concierge Services**  
A concierge will be available to book dinner reservations, tours and arrange other private services including catering.

## Using the Condo/Hotel Model – Creating a Revenue Producing Asset

### Contrasting Timeshare Products to Condo-Hotel Investments


The Utopian Islands is NOT using a Timeshare Model! Selling and buying **Condo-Hotels investment opportunities are very different from a Timeshare product**. Condo-hotel products are in fact a bona fide real estate investment opportunity, while timeshare products are not. With a timeshare product, the consumer is persuaded to purchase 1-2 weeks' ownership in a property. They only own that week but can trade with others within the same timeshare program. However, timeshares are purchased not as an "investment" but rather a means to buy a discounted vacation (or pre-budget annual vacation).

Contrasting the timeshare business model, with the condo-hotel model the consumer owns the entire real estate property (the condo or estate) and is making an annual income from the rented days when the owner is not utilizing the property. When the owner is not using the property a resort management company rents out the estate just like it is a normal hotel or resort room. The renter does not know that someone other than The Utopian Islands owns the estate. Therefore, condo/hotel products are far more desirable and will quickly pay for themselves.

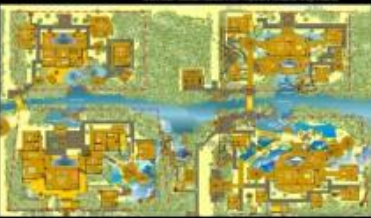


**Estate Sales' Value Proposition**

- The math (value) sells the deal
- Addresses the ultra-wealthy target market's need for:
  - Exclusivity, and
  - Privacy
- Condo-Hotel Option makes the estate revenue-producing asset to the owner
- Benefits of real estate ownership in the Bahamas
  - Tax benefits
  - Residency options




The Utopian Islands' Bungalow Estates & Their Sizes, Styles (with Add-on's) and Prices



## THE ULTIMATE VALUE PROPOSITION (THE MATH SELLS THE DEAL)

THE ULTIMATE REVENUE-PRODUCING REAL ESTATE ASSET WITH ENORMOUS BENEFITS

EXAMPLE OF OUR GRAND ESTATE CORPORATION

**OUR GRAND ESTATE**  
CUSTOM-DESIGNED ULTRA-LUXURY ESTATE

COST TO BUILD	6,000 S/F X \$750/S/F	\$4,500,000
OUR RETAIL COST OF ESTATE		\$13,500,000

**ANNUAL INCOME TO ESTATE OWNER**

IF ESTATE IS RENTED OUT 300 NIGHTS A YEAR (2 MONTHS A YEAR USED BY OWNER)	300
RENTAL OCCUPANCY LEVEL OF ONLY 60% (VERY LOW)	180
RENTAL RATE OF \$10K PER NIGHT (VERY LOW)	\$1,800,000
GROSS OWNER'S REVENUE = 60% OF RENTAL RATE	\$1,080,000    \$1,080,000

**ANNUAL EXPENSES TO ESTATE OWNER**

ESTATE'S MONTHLY RESORT FEE (\$12K/MONTH)	\$144,000
PRIVATE ESTATE MANAGERS & SERVICE STAFF	
ESTATE MANAGING COUPLE (2 PEOPLE WHO LIVE TOGETHER)	\$80,000
TWO HOUSE-KEEPING STAFF	\$50,000
GARDENER/POOL STAFF	\$30,000
Note: The Staffing costs represent half of the cost (as these staff members will service two estates)	\$304,000    \$304,000

**ANNUAL NET INCOME TO ESTATE OWNERS EXPENSES**    \$776,000  
YEARS TO REPLACE COST OF ESTATE FROM ITS ANNUAL INCOME    17 years

NOTE: EXAMPLE DOES NOT SHOW INSURANCE OR ANNUAL TAXES ON ESTATE

## ***The Utopian Islands' Investment Opportunity & Sales Pitch***

The main **Selling Points** for The Utopian Islands' Bungalow Estates using a Condo-Hotel Model are:

- (1) **Pay off their mortgage (if applicable)** in 9-14 years or less with revenue generated from the rental income
- (2) **Create an annual revenue stream for the owners** if they choose not to pay their mortgage or can buy the property outright without financing.
- (3) **Allow the owners to effectively take vacation for free**
- (4) **Provides tax deductions and benefits**

### **The Complete Sales Package**

The opportunity for selling The Utopian Islands' estates will be simplified by its totally prepared real estate packages that cover everything from (1) pre-negotiated mortgages, (2) insurance for their estates, and (3) set-up and management of the Bahamian corporations for the estate owners. The Utopian Islands' Bungalow Estate packages will include all real estate closing documents, banking and insurance relationships predefined and pooled into a comprehensive estate solution. The Utopian Islands will collaborate with a major bank to issue the mortgages and streamline the process significantly. As insurance requirements are defined for estate owners and the levels of coverage and protection for the assets are determined, The Utopian Islands' Risk Controls team will prepackage the coverages and assign the value to the asset.

The result will be a simplified and comprehensive sales package incorporating all the required materials and legal documentation to establish clientele at The Utopian Islands Resort and Estates.

### **Converting from Private Estate to Condo Hotel – How it Works**

As guests arrive at The Utopian Islands they will be directed to the resort's greeting and check-in area located in the Great Hall. The gated areas around the marina will require marina guests to enter the Great Hall and register their parties with security. This will include a passport review, guest photos and a review of pet inoculations. Guests arriving by plane or helicopter will be ushered to the Great Hall check-in desk before granting access to the estates. Preauthorization will be required to utilize the airport and helipads.

As a private island resort, access to the islands will be restricted to estate owners or guests, staff and those staying at our marina. Boaters will be prohibited from beaching their vessels for security reasons and will be required to use the marinas for all access to and from the islands. The exception to this rule is estate owners who own docks provided by The Utopian Islands.

Colored resort bracelets will indicate the level of guest access and restrict movement outside the marina, casino and village areas. Guests without reservations will be welcomed to enjoy the marina, casino and village areas but will not have access to other areas of the resort.

### **A Private Resort Versus Public Resort – Why the Utopian Islands does NOT have a traditional Hotel**

The Utopian Islands has strategically positioned itself to benefit from the privacy and exclusivity of a private resort for numerous reasons, which will greatly appeal to ultra-wealthy clientele. As the ultra-wealthy seek seclusion from the masses and prefer to socialize with individuals in similar wealth brackets, The Utopian Islands will attract a strong owner and guest list of individuals sharing many commonalities of wealth, status and power. Celebrity guests will also prefer not to have paparazzi concerns but rather the peace of mind to move freely and not concern themselves with their privacy being invaded.

All estates will be similarly priced at approximately \$6,000 per night. Discount room, or a general hotel with less expensive accommodation will not be offered. Adding a hotel would create competition for the rental of the bungalow estates and could result in the economic level of guests declining. If guests are given the option to experience The Utopian Islands' resorts at a less expensive price, some will take the cheaper

option. A traditional hotel would introduce these characteristics and possibly diminish the total appeal to The Utopian Islands' high-end customer.

Statistically, the gated luxury communities afford the privilege of additional levels of market stability over public resorts. Economic fluctuations affect wealth less dramatically. Adding a hotel to The Utopian Islands would create a totally different set of issues including occupancy levels and density levels. These characteristics go against everything The Utopian Islands seeks to obtain in privacy for its owners and guests.

### **7-Star Resort & Condo/Hotel - A Profit Center for Owners and The Utopian Islands**

A 7-Star resort management firm will manage all buildings and all estates on the resort property on a day-to-day basis. This highly experienced resort management team set new standards for ultra-luxury resorts. This resort management will provide a big revenue center (the Condo/Hotel model). This resort management team may be a team hired from such well-known flagged hotels as One and Only or Four Seasons – but marketed totally under The Utopian Islands' own brand. The presence of the resort and the flow of new consumers will create a market for all of the ancillary business units such as retail shopping, spa services and marina and other water services.

The structure of the condo/hotel will be divided into a revenue split scenario with 60% to the rental income going to the owner and 40% to The Utopian Islands (of which 20% will go to the resort management company). All estates will be put into a pool for rental when they are not used by the owners. This pool of inventory will be priced based on location and size. Maintenance of the estates, housekeeping and other costs will be charged back to the estate owner and taken out of their portion of the 60% income.

### ***The Utopian Islands - An Eco-friendly Resort with Sustainable Energy***

The building process will be environmentally responsible and resource-efficient throughout the entire project's life cycle of design, construction and maintenance. Advances in technology have improved the efficiency of solar power systems, wind turbines, water catchment and reverse osmosis systems. Characteristics of the island will include the following to ensure a reduced impact to the environment:

- Solar and wind generated power will be used throughout the resort
- Each estate will be self-sufficient with water, power and sewer
- All vehicles will be powered electrically on the island
- Hydroponic farming
- Efficiently using energy, water, and other resources
- Protecting occupant health and improving employee productivity
- Reducing waste, pollution and environmental degradation through responsible activities and active recycling.

Key relationships and collaboration is underway to develop the infrastructure for the resort. Green technology experts at World of Walas are extremely excited by the opportunity to create a flagship resort based on the most innovative technologies available and highlight designs to create an Earth-friendly solution that can be showcased to some of the world's most elite and powerful.

World of Walas is composed of leading experts in their field and are highly sought by major corporations to include the United Nations in their



development and implementation of infrastructure and sustainable technologies. While engaging in all aspects of urban development, they are committed to the values and principles defined in the Earth Charter and Earth Charter Cities Manifesto.

### **Creating- An Almost Totally Zero Carbon Footprint Resort**

The following 17 goals for Sustainable Development listed below are The Utopian Islands' guiding principles and contribution of our resort to this global initiative.

- No Poverty
- Zero Hunger
- Good Health and Well-being
- Quality Education
- Gender Equality
- Clean Water and Sanitation
- Affordable and Clean Energy
- Decent Work and Economic Growth
- Industry, Innovation and Infrastructure
- Reduced Inequality
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life Below Water
- Life on Land
- Peace and Justice Strong Institutions
- Partnerships to achieve the Goal

Clean energy, responsible consumption and sustainable communities are the foundations of The Utopian Islands. Innovative technology will be utilized throughout the resort. Smart homes and control systems will be incorporated to monitor and control consumption while also providing management opportunities to identify any problematic equipment immediately so repairs can be made while maintaining the satisfaction of our guests. The Utopian Islands' lush landscaping and a tropical environment will provide rich and abundant ecosystems for plant and animal life on its islands.

### **Giving Back to the Bahamians and World of Entrepreneurs**

Health, wealth and positive economic growth are key components of employment and support for the families and locals employed through The Utopian Islands. Additionally, education, business development and business opportunities will be available to staff and guests of The Utopian Islands through the coaching and training of Maverick Entrepreneurs. (See <https://www.MaverickEntrepreneurs.com>).

Maverick Entrepreneurs is a training company for entrepreneurs seeking funding for their deals. The Utopian Islands will provide best in class training to entrepreneurs around the world to visit and promote their deals to The Utopian Islands guests and owners (as desired). All The Utopian Islands' staff will be offered this training as a benefit of their employment.

### ***Bungalow Estates will be Corporation for Tax Benefits to its Owners***

The Utopian Islands' Bungalow Estates become a revenue-producing asset that can pay itself off in as few as nine years (with just 10% down), and The Utopian Islands set each Bungalow up as a Bahamian corporation and assists in managing it for its owners to make their visits a tax-deductible event.

### **The Utopian Islands' Credit Card – A Simple Solution that Makes Money**

The Utopian Islands will provide estate owners and guests with a Signature Utopian Islands Credit Card for spending, access and marketing analytics. The use of the card will reduce the barriers to transactions while also simplifying the management of currency on the island.

The Utopian Islands' estates will be structured as corporations whereby allowing the credit card to act as a profit and loss statement for its estate owners. All rental income and expenses will be applied to the estate owner's account and will greatly simplify reporting and accounting with everything in one place. A significant benefit of The Utopian Islands card will be to capture an additional percentage point from every transaction on every card and returning a profit to The Utopian Islands. This could result in a significant ancillary revenue stream in addition to what is currently in The Utopian Islands' financials.



Moreover, no cash will be used on the islands. The Utopian Islands will set up each estate with its own private The Utopian Islands Debit/Visa Card. To make accounting easy for estate owners, whenever they are on the island, all purchases and credits (from the condo/hotel rental income) will be charged or credited to this credit card - creating an easy accounting system and Profit & Loss Statement for each estate owner's corporation.

### **Waterproof Wristbands with GPS Tracking for Security and Ease**

A The Utopian Islands waterproof wristband will be issued to all guests and will authorize purchases to their accounts, access through turnstiles and the ability to identify the locations of all guests within the resort. Resort staff will have similar bands for compiling resort analytics and performance metrics, which will allow improvements in resource management, faster response times and the overall efficiency of the resort.

This feature also adds a level of security as movements and times can be forensically analyzed to resolve complaints, thefts, break-ins or any other event requiring investigation.

Moreover, The Utopian Islands will be able to track where all owner/guest traffic and staff traffic is always. If management sees that an area has a high customer traffic concentration, staff can be repositioned immediately to accommodate this traffic. This will add to the level of service provided to the island owners and guests. Analytics of this traffic will be used by The Utopian Islands management to provide the best-in-class service to all of its guests.

### **Security on The Utopian Islands' Islands**

With VIP owners and guests regularly visiting and living on our islands, The Utopian Islands will have extensive security needs to deal with any issue that may arise. Owners and guests on the islands will know that every measure has been addressed to deal with their ultimate safety and security.

The Utopian Islands will bring in the best-of-the best to handle these needs. Erica Drake's cousin is retired Navy SEAL Commander, world renowned motivational trainer, author and actor, Rorke Denver. Including commanding SEAL teams for more than ten years, Denver was the former commanding officer at Coronado, California's SEAL training facility and oversaw the training of all SEAL. He was the star of the movie, "Act of Valor" and wrote two NY Times Bestselling Books. Denver will be overseeing the design and implementation of all of The Utopian Islands' security and safety needs.

Commander Denver will assess the security needs of The Utopian Islands' islands and bring in a team of retired Navy SEALs to implement and manage all The Utopian Islands' security and safety. These security measures will include state-of-the-art surveillance technology, an armory, boats and security teams to protect The Utopian Islands' islands. With VIP's regularly on the island, every measure of security and safety will be addressed and managed.

While The Utopian Islands' islands are private islands, the "Police Force" of these remote islands will be its own responsibility to manage and maintain. Bahamian authorities will be brought in only in the case of extenuating circumstances.

### **Dealing with the Threat of Hurricanes**


There is no question that hurricanes will threaten The Utopian Islands' islands. The safety and security of The Utopian Islands' owners, guests and staff will be the utmost importance. However, The Utopian Islands has taken protective measures to deal with four major issues: (1) safety of its guests; (2) provisions for storms; (3) wind threats, and (4) water surge threats. To combat these issues, The Utopian Islands will have an extensive hurricane preparation plan, including evacuation from the islands, the safety of those that stay on the island during storms and the preparations to protect the assets of the company and its bungalow estate owners and guests.

All construction on the islands will address both wind and water surge levels. All bungalow estates and common buildings will be built on stilts (as needed), with an elevation of at least 25 feet above sea level or more (depending on the location and recommendation of hurricane experts). Moreover, all construction will be built to withstand winds of over 250 miles an hour (Miami Dade standards or better) and address water surge issues. A comprehensive preparation plan will ensure that The Utopian Islands' islands will be totally prepared for any emergency. Moreover, every estate and building will be properly insured through Lloyds' of London.

## 7-Star Hotel/Resort Management Services

Estate Rented	Average Nightly Price	60% for Owner/ 40% Management Revenue = Gross Revenue @ 180 room night//Year	Gross Revenue 60% Occupancy	Less 50% Management & Flag Fee =	
	Charged to Consumer	Total Revenue to Owner per Year/Unit	Profit to Owner per Year/Unit	The Utopian Islands' Profits 60% occupancy	Gross Margin to The Utopian Islands of:
<b>Average</b>	<b>\$6000</b>	<b>\$648,000</b>	<b>\$288,000</b>	<b>\$432,000</b>	<b>\$216,000</b>

### The Utopian Islands' Revenue Centers

		<b>ASSUMPTIONS: PRICING ASSUMPTIONS (REVENUE CENTERS ASSUMPTIONS) - PAGE 1</b>			
	REVENUE CENTER BY UNIT ASSUMPTION	REVENUE PER UNIT COST	COGS PER UNIT COST	GROSS MARGIN PER UNIT COST	ASSUMPTION DESCRIPTION
1	PRIVATE CUSTOM-DESIGNED ESTATE—BEACH ESTATE	\$9M	33%	\$6M	The unit price for each Bungalow Estate will be priced based on location on the islands and its views. The smaller estates will have a starting price of \$5M, with an average price point expected to be much higher. Construction costs are based upon - Cost x a Multiple of 3.
2	PRIVATE CUSTOM-DESIGNED ESTATE—GRAND ESTATE	\$15M	33%	\$10M	The unit price for each Bungalow Estate will be priced based on location on the islands and its views. The larger estates—Grand Estates will have a starting price of \$9.0M. Construction costs are based upon Cost x a multiple of 3.
3	PRIVATE ESTATE ADD-ON'S (50% OF ESTATES)	\$8M	25%	\$6M	Using our unique modular designs, our Add-on's include such things as: (1) additional bedrooms, (2) grilla bar, (3) elevators, etc. We have estimated that 1/2 of the estates (or 250 of the 500 estates) will elect to purchase add-on's at an average price of \$7M. Construction costs are based upon Cost x multiple of 4.
4	SUPER-YACHT MARINA	\$50,625	10%	\$45,563	Assumption is based on the Marina having 150 slips at a minimum of \$45/ft. with an average boat length estimated to be 50 feet in length, times 30 days/month at an average occupancy rate of 75%.
5	MONTHLY RESORT FEES TO ESTATE OWNERS	\$10,000	10%	\$9,000	This revenue center is based on all estates being assessed a \$10K/month UI Resort Fee over our 500 estates. This fee will pay for Landscaping of the Resort, Security, Emergency Services, Inter-Island transport ferries, Support Services and other ancillary services provided to the estate owners at an additional cost to the Estate Owner.
6	CONDO-HOTEL RENTAL INCOME	\$54,000	10%	\$48,600	Rental royalties are calculated based on an average per night rate of \$7.5K/night with 500 Rentals bungalows times 300 rental days a year, at 60% occupancy with a 40% royalty paid to Utopian Islands for its sales and services efforts, and then divided the amount by 12 months in a year.
7	FOOD & BEVERAGE OUTLETS	\$750	10%	\$625	Based on 500 couples spending \$250/day x 30 days in a month, while expecting a 25% profit margin to the restaurant or bar, whereby UI receives 20% of the royalty or profits from the restaurant or bars.

## ***Stages of Development of the Resort and Estates***

### **Overview of Stage #1 – Capitalize, Combine, Clear and Begin Pre-Sales**

Stage #1 of The Utopian Islands' business plan involves the following steps:

- (1) Capitalize The Utopian Islands**
- (2) Conduct full EIA report and Master Development Plan**
- (3) Secure all the Bahamian government approvals for resort, marina and casino development**
- (4) Hire resort planners, engineers and architects**
- (5) Establish partnership with real estate development company**
- (6) Begin Horizontal Construction: engineering of roads, lazy river and clearing of land, as well as the layout of all Estate lots**
- (7) Lease/Buy a Superyacht for use during pre-sales**
- (8) Lease/Buy a private jet and private helicopter**
- (9) Contract with a Luxury Marketing and Public Relations firm**
- (10) Lease/Buy Logistics Center in South Florida**
- (11) Lease ships initially, while forming shipping company**
- (12) Begin pre-sales of bungalows in the US and at Marina**
- (13) Establish partnership with resort management company for reservation system**
- (14) Establish partnership with marina management company**
- (15) Establish partnership with casino management company**
- (16) Establish partnership with major restaurateurs**
- (17) Begin construction of the Marina**
- (18) Begin construction of employee village using prefabricated housing**

## The Utopian Islands' Nine (9) Regions and Their Locations



### Overview of Stage #2 - Begin Vertical - Construction and Sales Begin on Section #1

- (1) **Begin Bungalow Construction/Condo-Hotel**
- (2) **Begin dredging operations**
- (3) **Begin construction on Lazy River**
- (4) **Contract with Resort Management Team**
- (5) **Begin Great Hall Marina Village** will be composed of locally owned stores, shops and restaurants that offer the residence of The Utopian Islands the comforts of home, with the taste of The Bahamas.
- (6) **Marina & High and Dry** – The Utopian Islands will have a 150-slip super-yacht marina, complete with wet and dry slips, marina store, dive shops, and service station.
- (7) **Begin Wellness Center and Amphitheater construction**
- (8) **Local Employee Village** (Employee Housing)
- (9) **Executive Helipads** – The Utopian Islands will use the international airport in Great Exuma and will construct a private hanger with an elegant main building. The hanger will allow owners and guests total privacy for arrivals and departures in their private jets and to clear Bahamian customs. The helipads with helicopters will take owners and guests to the island resorts or they will have the option of using our beautiful superyacht to tour them up to our private archipelago, complete with all the amenities and ultra-service..

### **Overview of Stage #3 (Year 4-6) – Construction Is Complete – Resort begins Operations**

The Utopian Islands will be courting interested investment strategies throughout its entire development process (the five years). However, by the time the development is fully constructed The Utopian Islands will actively review and analyze all exit strategies, including and most likely, from international investment firms looking to purchase or expand a profitable and sexy company like The Utopian Islands.

### ***The Architectural Design of The Utopian Islands – Polynesian Style mixed with an Asian Influence***

Erica Drake, one of The Utopian Islands’ co-founders, has worked in the ultra-luxury travel industry for more than 20 years. In her extensive experience five things always sell: **waterfalls, palapas (tiki-hut style thatched roof buildings), lazy rivers, tiki lamp (fire lighting), and lots of lush tropical landscaping**

With that said, The Utopian Islands will seek to hire renowned ultra-luxury architect Jean-Michel Gathy, known for designing such breathtaking resorts as the One & Only Maldives resort, as well as their new China resort and many of astonishing Aman resorts around the world.

The look and design of The Utopian Islands’ architecture will be predominantly a Polynesian style of architecture with a touch of Asian influence. All designs and color schemes will be neutral colors (whites, dark wood, thatched roofs and ceramic tile and marble).

“Simple Elegance” with lush landscaping, waterfalls and fire as accents to the design of each building. All buildings on The Utopian Islands’ archipelago will conform to this design. Every detail will be addressed – including vaulted ceilings, open breezeways and sand roads. Owners and guest will feel like they have just arrived on an upscale version of “Fantasy Island”.



**Renowned Ultra-Luxury Resort  
Architect and Designer  
Jean-Michel Gathy**



Elevations of The Utopian Islands' Islands – Highest point is on Big Darby – 87'

## The Utopian Islands’ Architectural Design and Overall “Look”



Polynesian Styled Island elegance with an Asian influence - Waterfalls, palapas, natural limestone caves, elegant tiki lamps and lush tropical landscaping are just the beginning of this dreamy paradise.

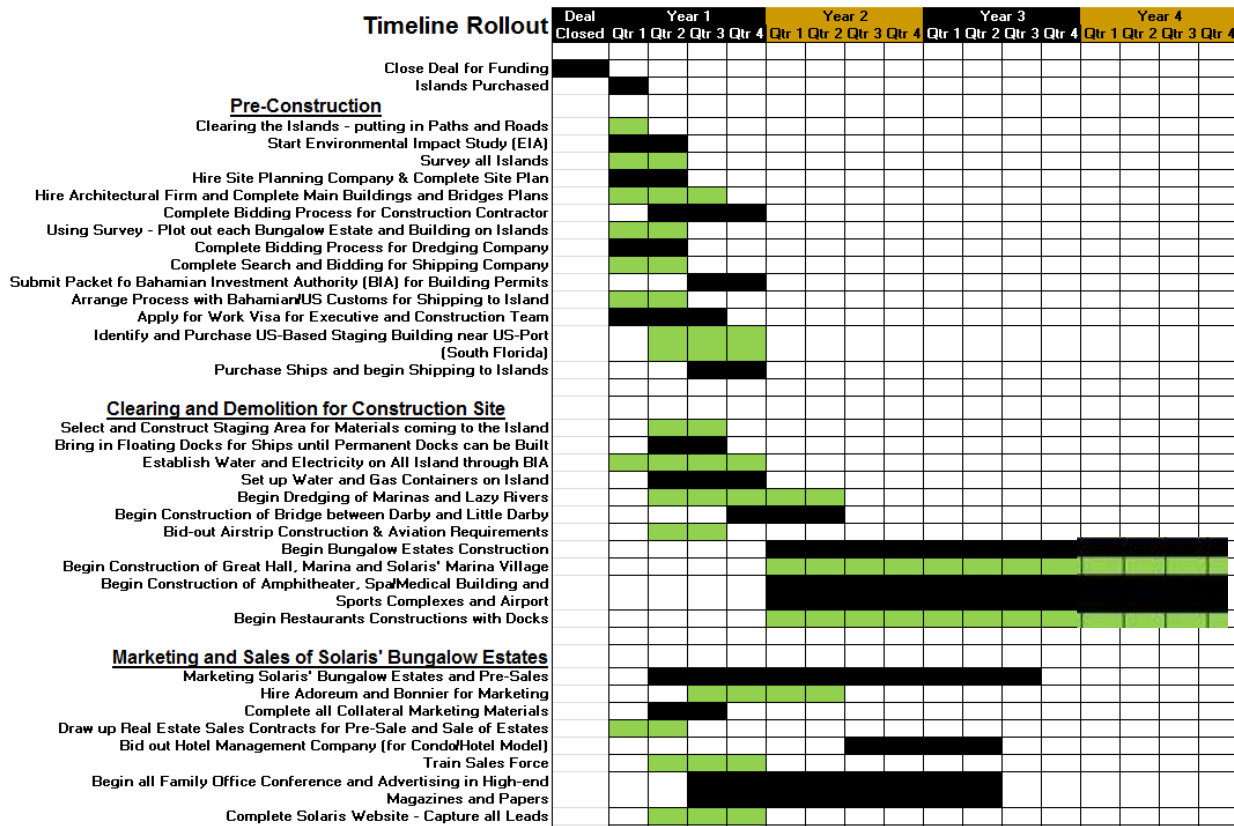


Simple Tropical Elegance – Inspired Decadence



Each Bungalow Estates will be approximately 50 yards apart on the beaches – offering its estate owners enormous privacy.

## The Utopian Islands' Development Timeline



### The Planning & Architecture Teams

The Utopian Islands' executive management team will contract with the best in the business (see list below) to do extensive research studies, all architectural planning and development. The following studies and soft-cost items will be completed in Stage #1 of The Utopian Islands' Development:

- Environmental Impact Assessment (EIA)
- Market Research into each element (Revenue Center) – site inspections of top resorts worldwide
- Site Planning and Architectural design of bungalow estates, all buildings, marina, airport, utilities and all resort planning in conjunction with Green Technology team
- Governmental regulations and entitlements – obtain building permits
- Hire Adorem and Bonnier – ultra-luxury marketing experts
- Development of Branding and Marketing
- Development of all Sales materials
- Hire and train all sales personnel
- Set-up of local office and personnel
- Contract with super-yacht to use as sales office on the island

## Selecting the Best Contracting Teams for The Utopian Islands' Project and Construction Timeline

With the development of the islands, the dependence on the construction teams' craftsmanship, efficiency and the ability to meet and exceed timelines will be areas of major consideration and scrutiny. With a group of engineers on The Utopian Islands' Executive team, thorough consideration will be given to the construction companies that will be bidding and performing contracting tasks. As Requests for Proposals (RFP's) will be issued to at least 10 different contractors (primarily from the Bahamas and US) The Utopian Islands will perform an internal vetting process to identify significant work performance history, financial health, areas of expertise, the size of the labor force, pending contractual commitments, transportation and mobility and insurance coverages and ability to come in on time.

Ideally, several companies will be assigned to regions of the islands to perform construction activities and to make major progress simultaneously within narrow windows of time. Experts in areas of concrete, excavation, framing, plumbing, electrical, dredging, marina construction, woodcarving, pools, landscaping, green technology, smart home design and installation, and many more will all participate in phases to accomplish the resort development.

The logistics of materials and construction supplies will support their timeframes and abilities to execute. Additional laborers will be on hand to support and aid the operations of the contracting companies while prepping and staging upcoming construction areas beforehand.

## Green Technology

Breakthroughs in green technology offer higher levels of efficiency and energy production and when used in conjunction with various other methods, environmentally responsible and earth conscious solutions can be adapted.



Solar power and wind power systems will be engineered for estates and will provide the total power requirement for the estate with backup generator power available in emergencies.

Water Generating Systems extract moisture from the atmosphere and create clean drinking water. Rainwater catchment systems, reverse osmosis systems and others will support a stable water supply.

Smart homes and electronic control systems will interface with the internet of things and support optimal energy consumption targets. Programmed control systems allow simplified interfaces for customer engagement and resource management.

Vertical farming and aquaponics systems are key elements of food production. Farm to table times will be eliminated, a more nutritious product will be produced, and freshness will be unmatched.

Some key areas to utilize green technologies are listed below:

1. Solar Power via offshore floating rigs (buy old oil rig and turn into a floating Solar Power Station)
2. Battery Bank and Control Systems— i.e., Tesla Power Wall or better

3. Wave Energy
4. Smart Home Systems
5. Lighting Control
6. Water Generating Systems – (Ideal environment for high efficiency production of drinking water)
7. Water Catchment Systems
8. Water currents operational control system
9. Electric Vehicles and Bikes
10. Vertical Farming Systems and Aquaponics
11. Environmentally friendly recycling

### ***The Utopian Islands' Transportation Solution***



**Average Costs for used ships \$750K-\$4M. Not including a Captain and Crew, fuel costs are estimated to be approximately \$7,500 each way from SE Florida to The Utopian Islands' Islands (325 miles)**

passengers (outside of the captain and crew). These ship cabins will be refurbished and a few of these cabins will be elegantly furnished, in case The Utopian Islands has a guest that needs to travel via ship for some reason.

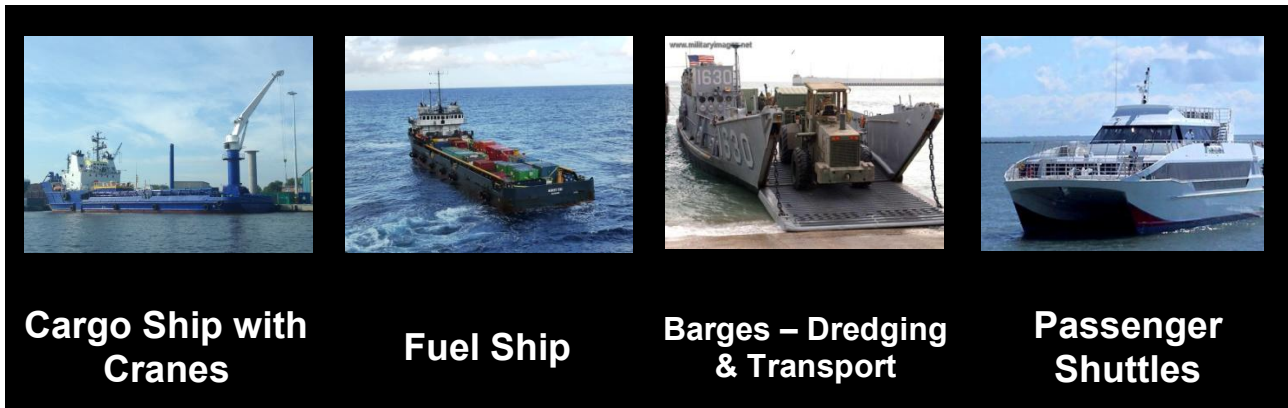
Once The Utopian Islands has completed its construction, this subsidiary Shipping Company will either be sold or managed at a profit.

The Utopian Islands will manage and conduct their own shipping and supply channels through the purchase of a small shipping company or through the purchase of two 200 ft. supply vessels, two semi-tractor trailers and a few 20-40 ft. shipping containers and other equipment to be identified.

This ownership will greatly benefit The Utopian Islands' development goals while allowing timelines to be met or exceeded. These assets will ensure dependable delivery dates, proper loading of items and placement, added flexibility and ongoing support for The Utopian Islands Resort and Estates during operation.

Moreover, these ships will allow The Utopian Islands to have its staff travel back and forth to the US from the island extremely cost-effectively. Most ships that The Utopian Islands have seen have guest cabins that sleep up to 16-20

## Basic Overview of Shipping Needs for The Utopian Islands



**Cargo Ship with  
Cranes**

**Fuel Ship**

**Barges – Dredging  
& Transport**

**Passenger  
Shuttles**

### ***The Utopian Islands' Staging and Warehousing Solution***

A warehouse will be leased in the US to support the staging and delivery operations of construction materials and supplies. A space of roughly 25,000 square feet, located in Southeast, Florida (Port Canaveral area) will allow construction materials to be received, sorted and assigned. Shipping manifests will be developed and containers filled and staged for delivery to port.

The embarkation port located between Port Canaveral and West Palm Beach area of Florida will be used to transfer materials onto the shipping supply vessels. The distance is roughly 325 miles to Exuma and estimates indicate that traveling at 10 knots, the ship will take nearly 30 hours to arrive. The fuel estimates indicate that roughly 90 gallons of diesel will be consumed per hour for 30 hours totaling 2,700 gallons of fuel per trip each way. Currently diesel costs are about \$2.80/gallon so a round-trip expedition would cost roughly \$15,000 to deliver major amounts of construction equipment, materials and supplies. The Utopian Islands will hire its own shipping crew through marine sourcing company.

### ***The Utopian Islands' Housing Solution – Used Passenger Cruise Ship as a Hotel and to Transport Staff to Islands***

The Utopian Islands will purchase a used cruise ship to act as a hotel during the 3+ years of construction. This ship will transport workers to and from Nassau and SE Florida to the islands. While docked off of the islands, the ship will act as hotel for all the construction works and teams. There will be two alternating teams (A & B). For example: Team A of workers will be on-island working 10 hours a day, 6 days a week for 4 weeks, then they return home and have 4 weeks off). Team B will then be brought in for the next four-week rotation. Once Construction is complete, The Utopian Islands can

**Cruise Ship to be Used as Hotel & Transport for  
Construction Crew during Building Period – Cost ≈ \$25M**





sell the ship at a slightly discounted price or utilize this asset as needed for a second island resort (depending on expansion plans).

## ***The Utopian Islands' Insurance Coverages and Risk Controls*** **Insurance and Safety Overview**

The Utopian Islands will face unique risks from a safety and insurance perspective. The goal of the Executive Team, including their full-time Risk Manager and internal and external legal counsels will first and foremost, is the safety of its estate owners, guests and staff. The Utopian Islands will have dedicated response teams to ensure the health, safety and security of everyone. In addition to safety, the team will focus on the unique risks of a tropical island resort. The laws and insurance regulations of the Bahamas are very different from the United States, so The Utopian Islands' team will be using a local Insurance Broker with a global network of experienced insurance specialists to be tailored to the laws and regulations of the Bahamian government.

### **Hurricane & Storm Insurance**

The greatest exposure will be from hurricanes and tropical storms, including flooding from storm surge. The Executive Team and Risk Manager will work to create a large, structured property coverage program. This will ensure these exposures/costs are mitigated by insurance, cover costs while the island is being repaired after a storm and make sure the island will be operational after a natural disaster. The funding for the insurance will be assessed from each bungalow owner's resort fees, and most likely each bungalow owner will have a wind/hail or hurricane deductible. We will not know the cost of the insurance or the size of any deductible until we go out to market and see what the excess and surplus market is offering. However, we can infer that purchasing coverage for catastrophic events will be expensive for such a large project.

The Executive Team is dedicated to using state-of-the-art technology to ensure the safety of visitors from hurricanes/tropical storms in regard to all the buildings, bungalows and a fallout shelter on the island. This technology used in construction will exceed or meet all the Bahamian government laws and building regulations.

### **Executive Coverage - Management Liability Insurance – (“Key Man”)**

In the beginning, the first insurance The Utopian Islands will purchase, and continue to maintain, is coverage for The Utopian Islands as an Entity and its Executive Team. These coverages will protect the entity and each executive from governance, finance, benefits, and management lawsuits or claims made against them based on their decisions while working for The Utopian Islands. These coverages will include Directors and Officers (D&O) Liability, Employment Practices Liability (EPL), Fiduciary Liability, Crime, Kidnap & Ransom and Key Personnel Insurance.

### **Transportation Insurance**

The goal of this coverage is to protect The Utopian Islands, its Executive Team and employees before construction begins once funded. This will ensure the company and its employees are provided with coverage (benefits) if injured while traveling to the island. This coverage will also be expanded and change when the island opens to the public to provide coverage for included but not limited to visitors while using

transportation provided by The Utopian Islands, Seaman/Longshoreman, recreational vessels or vehicles rented or owned by The Utopian Islands including aircraft, coverage for materials/goods and freight.

### Construction and Engineering Insurance

A variety of coverages will be needed to protect The Utopian Islands' employees, materials and themselves from any liabilities while the island is being constructed. These will include, but not be limited to: coverage for injuries to construction workers/employees based on the Bahamian [Health and Safety Work Act](#), General Liability, Umbrella Coverage, Business Interruption, Construction Defects, Crime, Fire, Storm Damage, Pollution, Inland Marine, Personal Effects Floater, etc...

### Operational Liability Insurance

This largest and most complex insurance need will be needed to cover The Utopian Islands for its day-to-day operations and exposure. The island/resort will have Bars/Liquor Liability, Restaurants, Shops, Fitness center, Spa, Marinas, Casino, Rental Services, Crime/Theft, Aviation and Professional/Errors & Omissions (E&O) Insurance. The Executive Team will also have response team for things like Medical Services, Doctor/Paramedics, Fire Fighters and a form of Law Enforcement as the island is remote. The policies needed to cover these exposures will have to be tailored to the specific and unique risks of the island to cover things like Bodily Injury, Property Damage, Advertising and Personal Injury (PI) Protection.

## CONSULTANT TEAM: LEADING INTERNATIONAL LANDSCAPE ARCHITECT



## ***Consulting Teams***

The project consultant list is shown below. Certain firms may be subject to change.

- Architect – Jean Michel Gathy
- Landscaping Architect – EDSA (Fort Lauderdale, FL)
- Interior Design – EOA (Coral Gables, FL)
- General Contractor – TBD
- Project Management – Hill International Corporation (Orlando, FL)
- Geotechnical Engineer – PSI (Orlando, FL)
- Marina Consultant – Seaview Consultant (Edmunds, WA)
- Structural Engineer – Uzun & Case Consulting (Atlanta, GA)
- Civil Engineer – East Bay Group (North Palm Beach, FL)
- Local Civil Engineer – Brisbane & Associates (Basseterre, SKN)
- Attorney – Skarzynski Black (New York, NY) and GSO (Nassau, Bahamas)
- Shipping – Tropical (Miami, FL)
- Marina Works – Techno Marine Construction (North Palm Beach, FL)
- Water & Sewage Treatment –TBA



# PART 3: SITE AND LOCATION ANALYSIS



*The Utopian Islands*  
Resort & Estates



## PART 3: SITE AND LOCATION ANALYSIS

### **Site and Location Overview - Why the Exumas and these Islands?**

The Bahamas is one of the ultra-rich's favorite places to vacation and own second homes – why? The first reason is likely to be the beauty of the region – The Bahamas has some of the world's most beautiful beaches, turquoise clear water and tropical weather. Then, add the benefit of the close proximity to the US, Canada, France and the UK and you are already top on the list. Add to these two benefits the opportunity to establish residency in the Bahamas (which has a favorable strong Parliamentary government that has recently had a cleansing of the government corruption), and you have the ideal place to seek your second home.

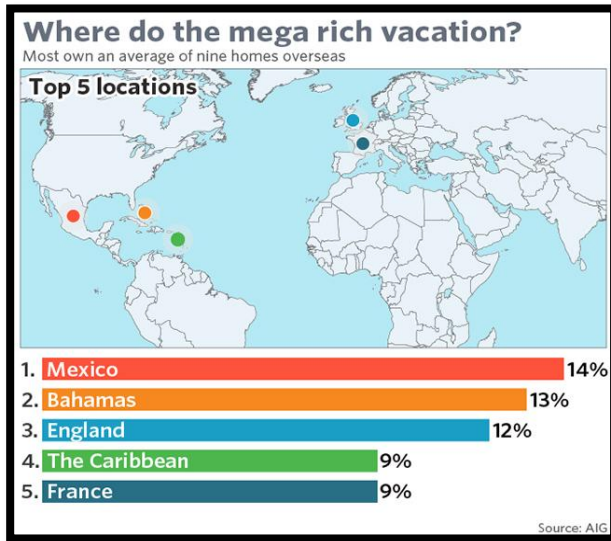


### **The Ultra-Luxury 2<sup>nd</sup> Home Real Estate and Resort Industry's Problems**

- 1) Ultra and Luxury real estate buyers want the flexibility of multiple homes ownership but with all the economic benefits and amenity choices offered at a resort – the options to find both options together are very limited
- 2) Total Concierge Services is a must for the ultra-wealthy client. But Private Estates or single private islands do not normally offer these benefits – at least not at a reasonable cost
- 3) Unique Design of Properties – “Tropical Simple Elegance meets Green Chic” – traditional architectural designs in The Bahamas offer limited choices (the common architecture style is a colonial look and feel)
- 4) Without the condo/hotel model built into the resort or community, the private owners of an estate can't rent out their unused days unless they hire a real estate agent (at a high price) or open up their property to the public using such mass market options as Airbnb. This is highly undesirable for many wealthy clients and is almost never done by any celebrities.
- 5) Most ultra-luxury resort properties offer only limited Green Technology

## Exuma: The Hamptons of Bahamas Real Estate

By Luxury-Homes-Bahamas.com



“The Bahamas has grown into private islands most in demand market and Exuma is the Hamptons of Bahamas real estate as there is no other island chain in the world that is called home by so many celebrities.

While we have written about celebrities owning property in Exuma in our article “Island for Sale- Get Your Private Island in Exuma” it was particularly interesting to note how Daniel Miller’s article “Hollywood’s Private Islands: Which Stars Own a Slice of Paradise?” published in the Huffington Post described Exumas popularity –

While Belize, Fiji, Greece and the northwestern and northeastern U.S. are home to their share of islands, the Bahamas – a collection of more than 3,000 islands – is the epicenter of the private-island world. And it’s the country’s 360-cay Exumas archipelago, which has exploded in

popularity as flights to Exuma International Airport have increased, that has become a veritable Hamptons of the Bahamas.”

Investors, second-home owners, tourists and developers have all fallen under Exuma’s spell in recent years, as the island chain is fast becoming one of the most popular in the archipelago.

The Exumas are a cluster of over 360 cays and islands 35 miles southeast of Nassau. The 120-mile-long chain is typically divided into three areas: Great Exuma, Little Exuma and the Exuma Cays. The capital is George Town, a sleepy fishing village on Great Exuma’s north shore, which sees a steady stream of visitors throughout the year eager to take advantage of the Family Island’s calm, clear waters or simply soak up the small-town feel.

According to the Ministry of Tourism, Exuma’s appeal is growing. In 2014, just over 42,000 tourists visited the destination. A year later, this figure rose to more than 48,500.

Tamika Rolle, acting manager at the Ministry of Tourism’s Exuma office, confirms this upward trend saying: “Exuma is booming; there has been an increase in our arrivals. Tourism is our main industry, and it has been growing since the recession.”



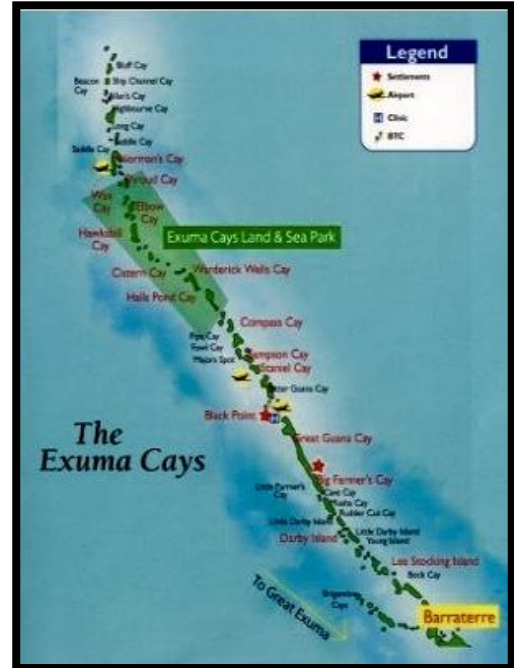
## Wonderful Waters

Rolle says a large part of Exuma’s appeal is its natural attractions, in particular its “magnificent waters.” The destination has long been a favorite with boaters and yachters due to its calm and clear seas, known as some of the best in The Bahamas.

Fishing, sportfishing and sailing are all popular pursuits here and a lot of the island’s tourism trade comes from the sea as yachters wind their way through the Bahamian archipelago. These travelers can make use of six full-service marinas dotted around the Exumas offering short-term or long-term dockage. Beginner boaters favor Great Exuma’s north shore as it is sheltered from the open sea by Stocking Island. George Town comes alive with regattas several times a year, which attract both locals and visitors to see the spectacle.

Water sports enthusiasts are also frequent visitors to Exuma, as it is one of the best places in the world to try your hand at kitesurfing, kayaking, snorkeling, paddle boarding, diving or snorkeling.

In 1958, the Bahamas National Trust established the 176 sq. miles Exuma Cays Land and Sea Park—the first park of its kind in the world—to preserve and protect the flourishing and diverse marine life in the area. Thanks to these conservation efforts, the waters around Exuma are a nature-lover’s paradise. Dazzling coral reefs, seabird breeding habitats and intricate cave systems and blue holes make the park a must-see for visitors. The area is home to several rare and endangered species including sea turtles, Bahamian iguanas, several shark species and stromatolite reefs, which are some of the oldest and rarest organisms on earth.



**THE UTOPIAN ISLANDS—OUR PRIVATE RESORT ISLANDS**

#	DESCRIPTION OF ISLANDS	# OF ACRES
1	THE UTOPIAN MEDICAL CENTER WITH 150 MEDICAL ESTATES	900
2	GROUP #1 GARRY ISLANDS	780
3	GROUP #2 COPPERFIELD ISLANDS	230
4	GROUP #3 JOHN PATE ISLANDS	750
5	GROUP #4 DONNA BERTHELLE ISLANDS	1,500
6	UTOPIAN MEDICAL CENTER & UTOPIAN MARINE & SUPERYACHT CENTER	150
7	THE UTOPIAN VILLAS RESORT'S PRIVATE ENTRANCE & HOTEL WITH LOBBY	22

#	DESCRIPTION OF ISLANDS	# OF ACRES
1	STRATEGIC PARTNERSHIPS & SUPPORT SERVICES	243
2	THE UNIVERSITY OF AMERICA'S & THE MAVERICK COLLEGE	4
3	SUPPORT STAFF HOUSING (RESORT WITH 61 UNITS & BAR)	200
4	THE UTOPIAN POLO CLUB & EQUESTRIAN CENTER	78
5	UTOPIAN SECURITY VILLAGE	200
6	UTOPIAN SPECIAL FORCES ACADEMY	10
7	SECURITY HEADQUARTERS FOR SPECIAL FORCES ACADEMY	10

**Utopian Medical & Estates**  
**Utopian Marine**  
 SUPERYACHT SERVICE CENTER  
**Utopian Village**  
 OUR PRIVATE RESORT SECURITY ENTRANCE  
**Utopian Polo Club**  
 EQUESTRIAN CENTER

**THE UTOPIAN MEDICAL CENTER WITH 150 MEDICAL ESTATES**  
**UTOPIAN MARINE & SUPERYACHT SERVICE CENTER WITH 25 SUPERYACHT SLIPS**  
**THE UTOPIAN VILLAGE 75 PRIVATE VILLAS AT THE ENTRANCE TO RESORT**  
**THE UTOPIAN POLO CLUB & EQUESTRIAN CENTRE 40 PRIVATE POLO CLUB VILLAS**

## High-End Development

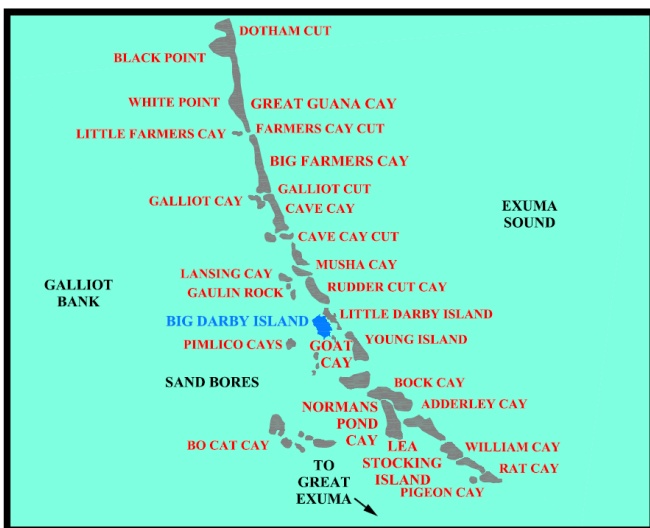
With a wealth of attractions drawing visitors to Exuma, several high-end resorts have sprung up to meet demand. Sandals Emerald Bay on Great Exuma is the stalwart of the market, taking over the former Four Seasons resort in 2009 to create a 249-room luxury complex, with an 18-hole golf course, spa and 150-slip deep-water marina. In addition, the resort recently made a multimillion-dollar investment into opening three new restaurants. Since it opened, Sandals has invested over \$137 million directly into the local economy.

Rolle, a native of Exuma, says Sandals, and the Four Seasons before it, helped transform the destination. “These employers bring a lot of jobs and a lot of visitors. We had Bahamians coming back to the islands and it was a domino effect where people came back, opened other businesses because of the influx of visitors and the economy grew.”

Pedro Rolle, head of the Exuma Chamber of Commerce, agrees, saying: “Foreign investment developments bring a myriad of entrepreneurial opportunities for local people and for Bahamians generally. As a result of collaboration with the Chamber of Commerce, foreign investors and government, the entrepreneurial spirit of Exumians should flourish through vertical linkages with these resort projects.”

## Improving Infrastructure

With tourism growing, the infrastructure in Exuma is undergoing a necessary upgrade. The new Exuma International Airport is set to break ground this year and will provide a new terminal building with expanded customs and immigration facilities. The completed terminal is expected to be fully operational by the end of 2018. Pedro Rolle says the project is crucial to Exuma’s progress. “Reliable air service is the basis upon which incremental business is delivered. Jet service is a fundamental pillar of our economic prosperity, and it allows us to compete effectively on a global scale.”



Aside from Sandals, another long-standing fixture of the Exuma economy is February Point. This exclusive community overlooks picturesque Elizabeth Harbour and offers real estate investment opportunities alongside vacation rentals. It is currently undergoing a \$40-million expansion with plans for a five-star boutique hotel, condo units, restaurants and an expanded marina. In summer 2016, the resort broke ground on its Overwater Penthouses—four-bedroom homes starting at \$5.7 million.

Five-star luxury isn’t hard to find in the Exumas, and another new entrant to the market is set to invest millions in the local economy in the next few years. In 2016, The Bahamas government signed an agreement with CB Commander Ltd and CH Admiral Ltd to create a \$200 million eco-friendly, high-end resort spanning two

islands in the Exuma chain, Children’s Bay Cay and William’s Cay. The cays are situated 15 minutes from Barratterre at the northern end of Great Exuma. Under the agreement, Children’s Bay Cay will be transformed into a five-star resort including a 50-room hotel with five over-the-water pavilions, a clubhouse, a beach club, spa, marina village, small cinema complex and a 20-slip marina to accommodate vessels up to 120 ft.

On neighboring William’s Cay there will be an 18-hole golf course, 15-20 luxury villas, seaplane and helipad break ground this year.

“It will give the economy a boost, create jobs and attract even more people to Exuma,” says Tamika Rolle. She believes that foreign investors and developers, such as the team behind Children’s Bay Cay, are drawn to the Exuma cays because they recognize their suitability for smaller, more exclusive offerings. “Developers see that Exuma has the potential for success and the economy here is stable. The whole destination is

attractive. What makes it special is that when these developments come, they are not megaresorts or properties that take away from the island feel. People are drawn to that quiet type of vacation.”

### **Boutique Experience**

Tamika Rolle predicts that boutique-type hotels will continue to dominate the market in Exuma, providing an alternative to mass-market mega-resorts found elsewhere. One of Exuma’s newest resorts is a case in point. Lumina Point, a boutique luxury eco-resort on Stocking Island, officially opened in February and prides itself on providing a bespoke experience for each traveler. The exclusive boutique hotel has 12 rooms, a gym, spa and restaurant. Assistant operations manager Danielle Scott says that business at the property is solid, with over 50 per cent occupancy since it opened.

Most visitors are coming from Canada and the US and, according to Scott, the size of the resort and its location are a large part of the appeal for these tourists. “We are not on the mainland, so that gives customers the feel of a getaway. It is a private island more than a hotel. You do not have the hustle and bustle here; people can catch up on some rest and relaxation.

Scott confirms that the popularity of boutique resorts such as Lumina Point is on the rise, especially at the higher end of the market where wealthier travelers are prepared to pay more for the personal touch. “People want to enjoy their vacation and want more of a family-feel rather than the corporate- feel. They want people to remember their names.”

Furthermore, Lumina Point is tapping into another important industry trend—ecotourism. The resort is powered entirely by solar panels, runs a reverse osmosis water system and includes farm-to-table options on its restaurant menus. Scott summarizes the resort’s ethos as “promoting healthy living” and says it is proud of its environmental efforts.

Despite Exuma’s popularity, Tamika Rolle says the market is far from crowded and, so far, development has been mindful of the environment. “There has not been over-development, and we hope that it will stay that way,” she says. “Exuma is made up of 365 cays and islands, so there is always room for growth.”

## ***Location Assessment and Accessibility of the Location***

### **The Bahamas Offers Easy Access and a Great Value**

The Bahamas’ central location makes it a great place to buy a second home or retirement home. The Utopian Islands is in the Exuma Island chain and is roughly 100 miles south of Nassau. Travel to our islands is an easy 3-6-hour flight from the east or west coasts of the United States with numerous flight options and it is relatively convenient to Western Europe clientele.

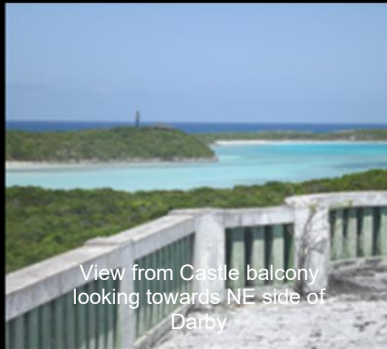
### **The Five Islands and Castle**

The Darby Islands are privately owned and managed. They total five separate islands: Little Darby, Big Darby, Lignum Vitae Cay, Sand Island and a small no-named island of less than an acre. Big Darby, a former plantation built by Sir Baxter in 1938, encompasses 554 acres. Big Darby was a working plantation with goat, cotton, palm oil and fruit as its products. The castle sits atop a 60-foot bluff with a spectacular 360-degree ocean view. This unique house was designed to collect and store rainwater. Hidden beneath the foundation are three freshwater cisterns with a capacity of storing 125,000 gallons of water. The house supports both wind and solar electrical generation interphase through a state-of-the-art inverter system. Diesel generators supply all backup power if needed.

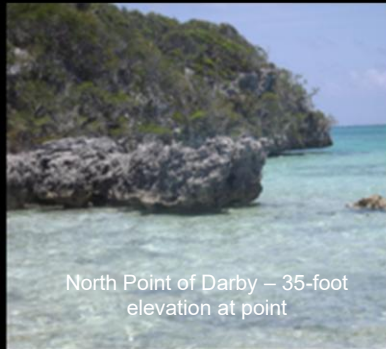
### Island #1 - Big Darby Island and Darby Castle

Few islands can compare to the characteristics of size, shape, surrounding areas and the opportunities that Darby Island offers. Elevations of 87 feet, roughly 3.7 miles of ocean frontage, 14 beaches, several lakes and caves and a location that attracts the wealthiest celebrities including neighbors Tim McGraw and Faith Hill and David Copperfield. A 7,000 sq. ft. castle is the only development aside from a few smaller structures and sheds. It is a neglected concrete structure that needs renovation, but the views and positioning make it incredible.

#### Darby Island Castle Photos, Caves and Views



View from Castle balcony  
looking towards NE side of  
Darby



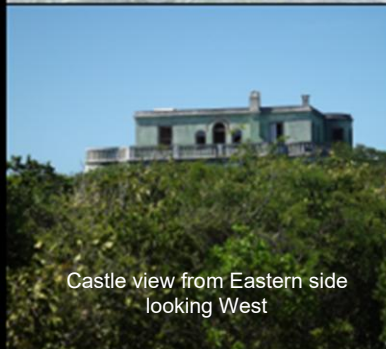
North Point of Darby - 35-foot  
elevation at point



View of Residence on Little  
Darby from NE side of Darby



Beach on North Side of Darby



Castle view from Eastern side  
looking West



Erica Drake shown in Castle



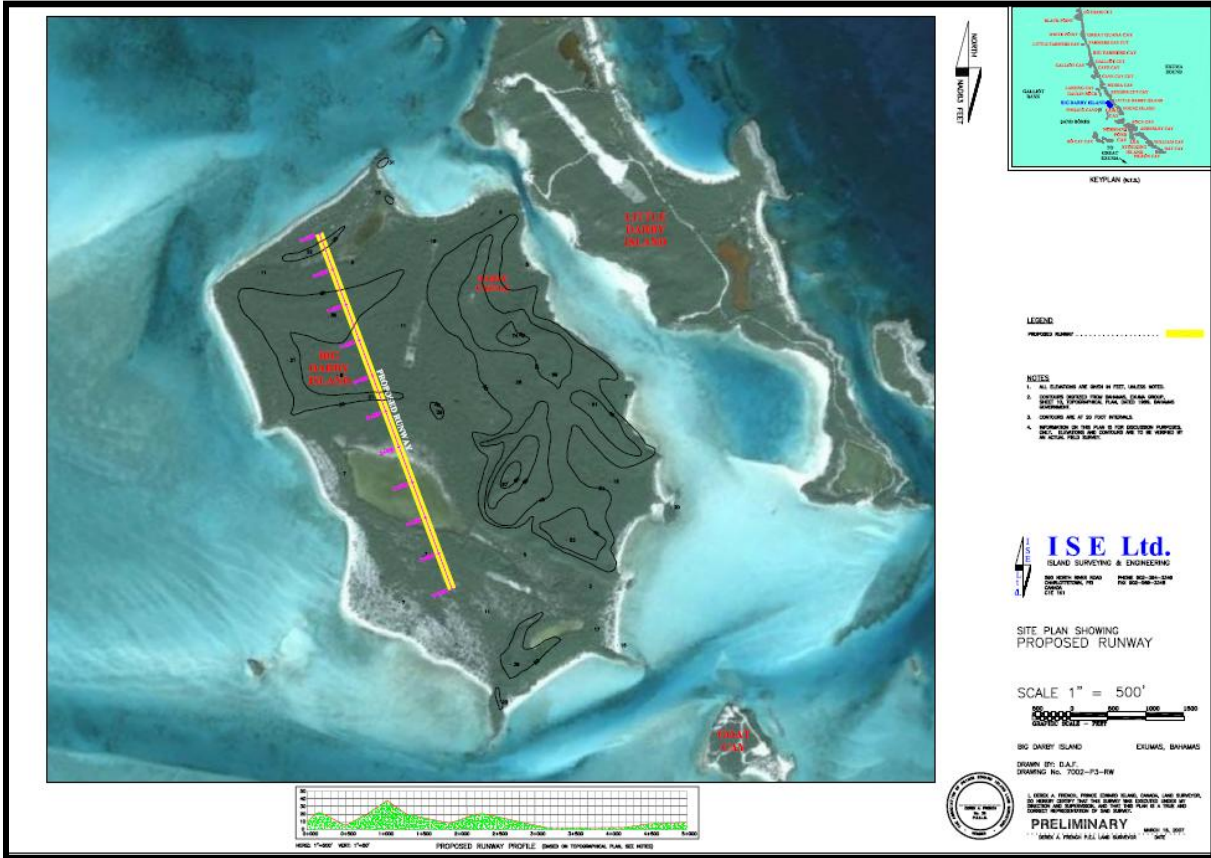
One of many natural caves on  
the island



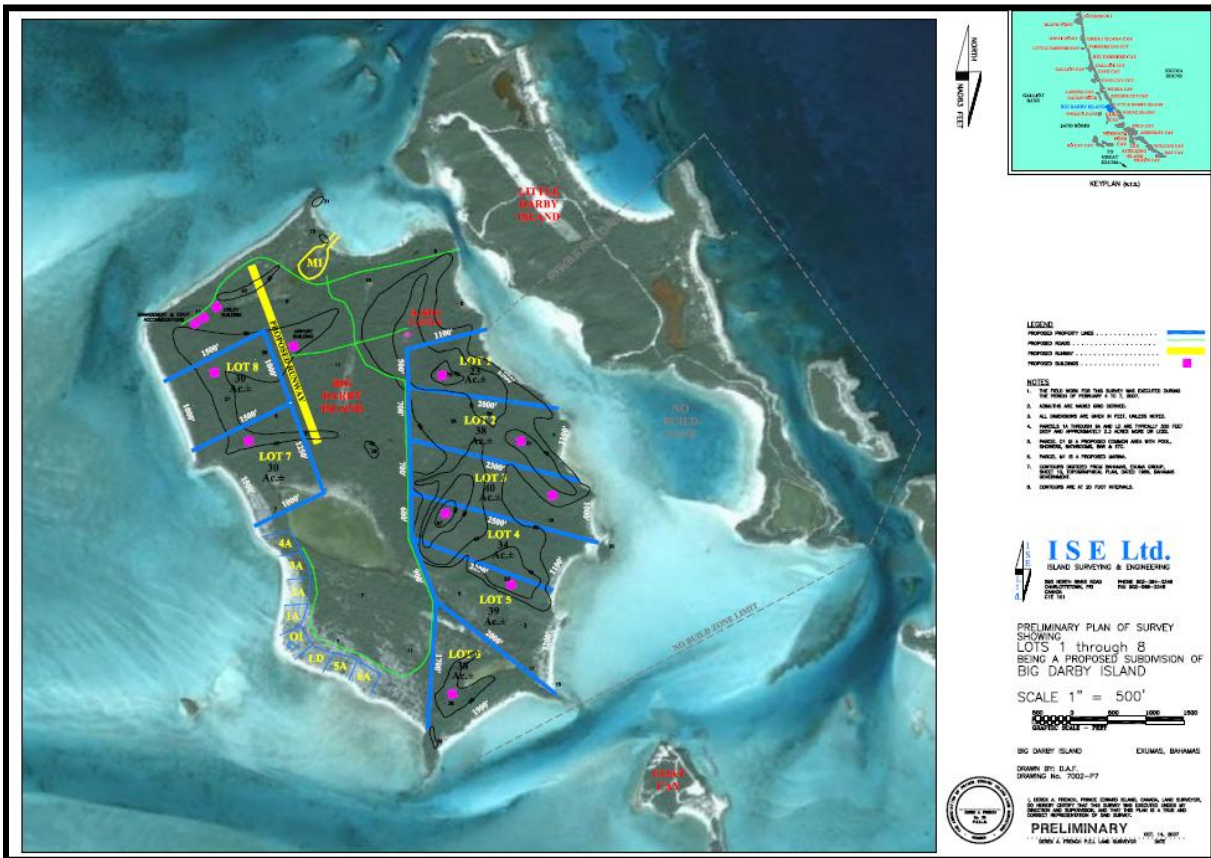
Castle looking from large  
balcony SE across the  
entire island



Front Balcony of Castle



Surveys and Old Site Plans done for Big Darby in 2007



## Darby Castle Restoration

English aristocrat, Sir Guy Baxter received from King Charles of England the five surrounding islands (The Utopian Islands' islands) and Goat Cay (Tim McGraw and Faith Hill's Island) in the form of a 'Kings Charter' and built the castle in 1938.'

Full renovations will be made to restore the castle and bring out its character. Minor expansion to the castle grounds will be conducted to extend the structures and services able to be provided. The renovation costs of the castle are estimated at roughly \$4M.



Darby Castle – Big Darby Island

# Darby Castle

**Darby Castle Notes:**

Ceiling on First Floor ranges around 11' 11"

**Windows**  
 Combined Sash: 35" x 70" x 1 1/4" (6+11 new reqd.)  
 Screens: 34 5/8" x 70 3/4"  
 Shutters: 2 pcs 18 x 70 3/4"  
 Glass: 2 pcs 30 15/16" x 32" (11+30 reqd.)

Combined Sash:  
 Glass: 2 - 24 3/4" x 39 1/4"

Terrace Door: 35 3/4" x 85 1/4" glass paneled

Upstairs doors: 3 - 30" x 80 1/4" x 1 5/8"  
 Downstairs doors: 1 - 30" x 80 1/4" x 1 5/8"  
 2 - 36" x 1 3/4" glass panel  
 1 - 5" stile for 36" door

**Radio House**  
 13' 9" LD. x 23' 11" LD. w/ 8" walls  
 8 - windows, combined sash dim. 36" x 48"  
 May want to install 2 batten doors over a SGD and leave east side open, possible generator building

**Dock**  
 29" shore to edge by 35' along water

**Boat House**  
 Two piers approx width 2' extend to a rough edge of 18"

**Dock House**  
 13' 8" LD. x 23' 8" LD.

**Carport/Cottage**  
 15' 7" O.D. x 25' 10" O.D. w/ 1 1/8" walls  
 First floor ceiling height 10' 8"  
 Second floor ceiling height 9' 11"  
 8" slab of concrete between floors  
 14 windows, 2 doors & staircase on outside

**Design Ideas**

- \* Use coral stone on outside terrace and cistern deck
- \* Pool may be added alongside the cistern, use salt water in pool and use a watermaker to fill cistern during drought (using excess energy not stored)
- \* Use solar panels on the high roof
- \* Install solar hot water heaters on roof
- \* Install custom flat water tank on roof below parapet tank needs to be covered so as not to develop algae
- \* Generator should be soundproofed and at least 500' from Castle
- \* Storage tank needs to be away from water (leak)
- \* Outside Heat Pumps are to be located behind service bldg.
- \* Signs discouraging trespassing need to be posted

**Temporary Window and Door Covers (MDO) (see below)**  
 Windows: 46 - 45" x 77 MDO panels  
 1 - 42" x 90" terrace door  
 2 - 24 3/4" x 39 1/4" flanking windows

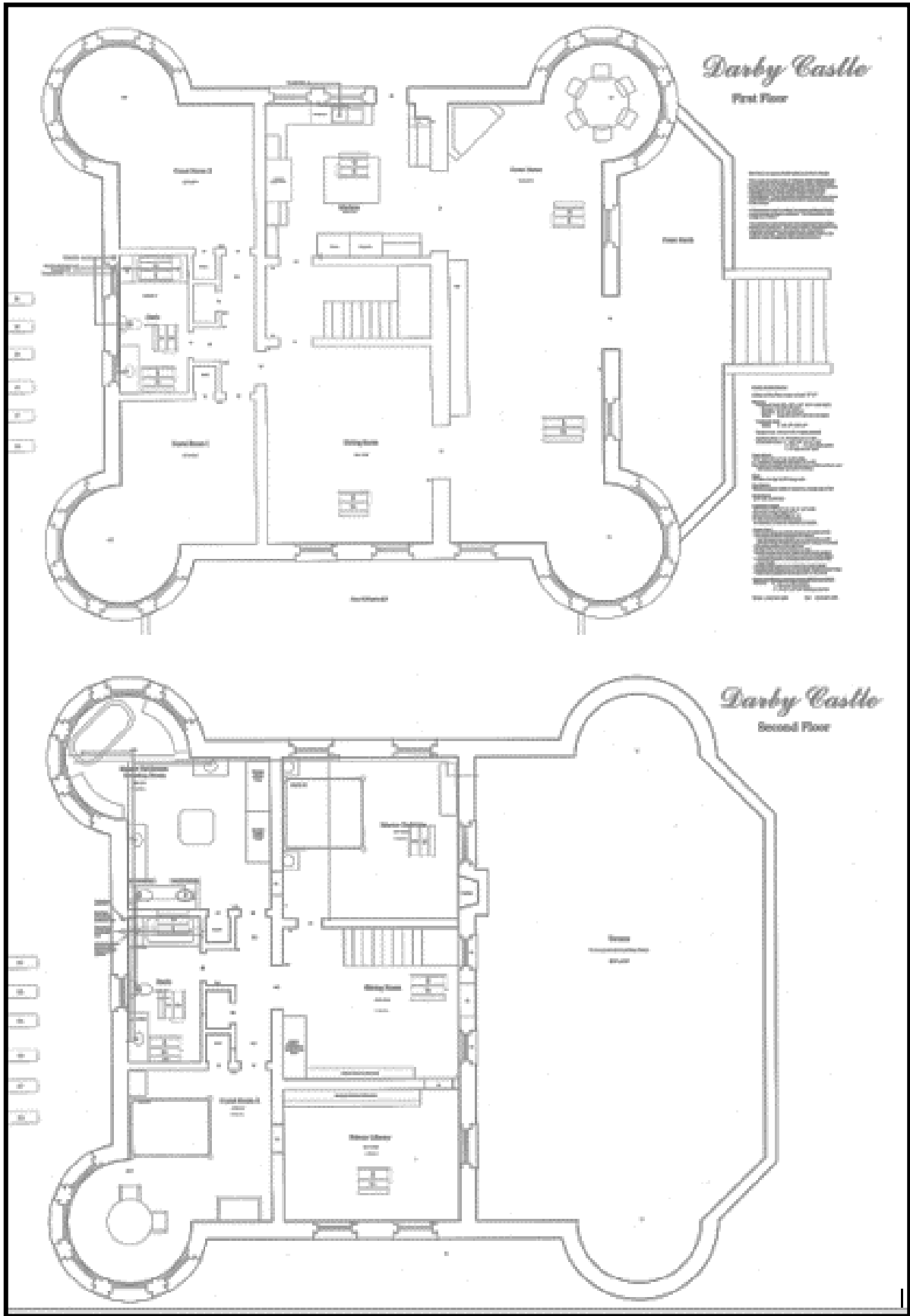
The Cistern is approx 25,000 gallons at 6 feet of depth.

Two pumps located in the "U" shaped utility building shall pressurize the two fiberglass pressure tanks which supply potable water to the Castle and potable water outlets located throughout the property, including the Radio House, Carporters House, Dock House, Garden House and Outbuildings. A leak detection (continuous open run) device and software shall provide protection to prevent emptying of the cistern.

A Watermaker may be utilized to provide additional water supply during drought conditions. The Watermaker shall supply the Cistern.

The greywater tank shall store the wastewater from sinks, showers and bathtubs. This water shall be distributed to the vegetation throughout the property via alternating irrigation pumps. These pumps shall supply water to the various types of irrigation disbursement devices.

Window (242) 443-2655      Rad (242) 524-1289



### Island #2 - Little Darby Island and its Home and Airstrip

Directly adjacent to Darby Island is Little Darby, which is roughly half the size but has perfect beaches and a large 6,300 sq. ft. home with 4 bedrooms and ensuite baths. It has an approved airport; a research station and all utilities provided to the area by an underwater supply line system. Elevations reach over 70 ft. and there is boating access with a dock and loading area.

### Island #3 – Lignum Vitae Cay and Islands #4 and #5

On the southern side of Darby and Little Darby Island lies Lignum Vitae Cay. It is an undeveloped island and has fantastic views and breathtaking sunsets. Utilities will be provided to the island and elevations of over 40ft. provide nice opportunities to create The Utopian Islands Resort and Estates.

The additional two islands are very small and worth mentioning but not intended to be developed at this time. Sand Island is a few acres and the other is roughly an acre.



Little Darby Island – North side looking southeast



Breathtaking beach on Easter side of Little Darby



North side of Little Darby look southwest at Darby Island

### Videos of the Islands

The Utopian Islands is in the process of making their own video of the islands for sales purposes. However, until this video is complete, one can view videos of the islands in the below links:

- 1) <http://www.youtube.com/watch?v=UA15t4XBpnA> – Tim McGraw's Video that was filmed on Darby Island and in its castle (That's Why God Created Mexico)
- 2) <http://www.youtube.com/watch?v=-7q4mzMBT80&feature=youtu.be> – Video of Darby Island & Little Darby Island
- 3) [http://www.youtube.com/watch?v=MGwk\\_Mb35-I](http://www.youtube.com/watch?v=MGwk_Mb35-I) – Dive Exuma

### House on Little Darby 6,300 square feet – 4 Bedrooms with 3.5 Baths



### Hurricane Threats in the Exuma Region

Mistakenly many people assume that hurricanes are a serious problem in the Bahamas. However, the truth is they couldn't be more wrong – more hurricanes hit Southern Florida than the Bahamas. The very few that ever developing into a threat for the region, typically don't materialize into a hurricane until later, after they leave the Bahamas region.

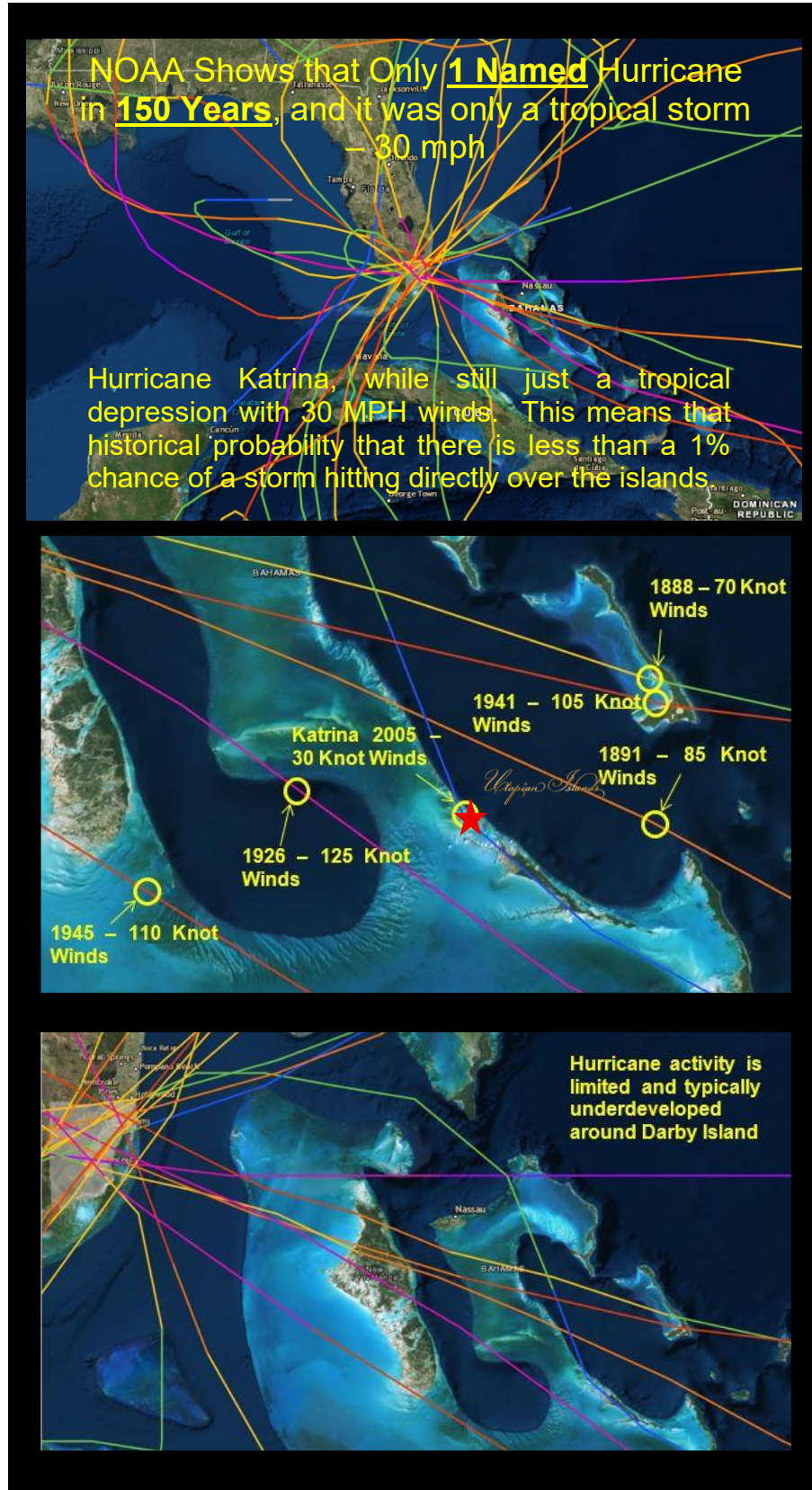
The National Oceanic and Atmospheric Administration has an account of the last 172 years of data on everything from tropical depressions to extreme hurricanes that have hit this hemisphere. The studies indicate that many storms are beginning to develop as they pass from deep, cold-water regions into the warmer waters of the Caribbean and Gulf areas.

Darby Island is positioned in this pivotal region where the few that pass near the islands are not yet mature storms. The storms begin to step up in intensity as they approach the US mainland. Storms originating off the coast of west Africa can develop into major category hurricanes, but they have had little impact on this area of the Exuma chain of islands throughout history.

### Advantages and Challenges of The Utopian Islands' Location

The Exuma archipelago is a very appealing destination with numerous significant benefits and opportunities to consider.

Several advantages include the proximity to the US for importing goods and services, government programs to reduce development costs and taxes and the commonalities between the US and the Bahamas' customs,



language and governance. The grouping of the islands is a very favorable characteristic as they are near one another allowing for efficient operations, control of the environment and estates to be spread among the three islands. With roughly 900 acres in total, these islands offer a unique opportunity to develop on a sizable area and allow guests to feel the seclusion and privacy they seek. Development plans show favorable designs due to the large acreage and placement opportunities of resort amenities while development percentages are estimated at roughly 8-12% on each island.

With green technologies and nature in mind, The Utopian Islands are creating a lush environment for natural ecosystems and supporting existing species during development. Access to water, electricity and waste solutions are additional challenges when considering remote islands but the Exumas have an underwater utility supply line that runs along the edge of the islands and will branch the services over to the islands

As the islands are remote destinations, there will be challenges in delivering food, goods and materials on time and without spoilage. Shipping supply vessels will need to be acquired to mitigate the issues and support proper operation of The Utopian Islands. Transportation to and from the islands will be conducted with passenger boats to bring in workers from Nassau and Exuma islands.

### Getting to The Bahamas – Some Cities with Direct Air Flights



#### Options to Getting to The Utopian Islands' Islands

- Commercial Air to Great Exuma or Nassau – then The Utopian Islands' Private Shuttle or Helicopter (daily boat and helicopter shuttle from Great Exuma's or Nassau's international airports)
- Private Jet into our Islands on Executive Airport
- Ship transfer from Ft. Lauderdale – on our own Ships

## The Bahamas's Strong Rule of Law

The Bahamas is a member of the British Commonwealth.

<b>Legal System</b>	Follows English law; navigating the real estate purchase process and negotiating contracts are relatively familiar to Americans and Europeans
<b>Government</b>	Parliamentary democracy
<b>Head of State</b>	Queen Elizabeth II is the head of state
<b>Safety</b>	High personal and property safety
<b>Language</b>	English
<b>Education</b>	Literacy rate is 96%. The British system of education is followed with students attending primary, secondary (high school) and tertiary schools (US junior college)
<b>Post-Secondary</b>	The University of the Bahamas has campuses around the country and offers 4-year degree programs.

The Bahamas has very strong private property ownership rights and foreign buyer's ability to purchase real estate in the Bahamas is unrestricted, which means they have the same rights to own freehold property titles as in the US.

### ***Bahamian Residency and Real Estate Investments***

The Government of the Bahamas has established a host of financial incentives and strongly encourages foreign investment. The first is the Residency Requirement. Any foreigner seeking "Residency Status" can obtain expedited consideration (approximately 3 months) once they have invested at least \$1.5M in real estate purchases. This could offer tremendous tax benefits (as much as a 50% discount for some) in tax savings to estate owners.

This form of residency can be accomplished in various forms including an annual residence permit; permanent residence permits or a homeowner's card. This does not imply citizenship or entitle an applicant to a Bahamian Passport.

Citizenship holds a different set of parameters and entails a more rigorous process with a lengthy amount of time spent in the Bahamas.

A non-Bahamian may enter The Bahamas as a visitor for an initial period of up to two months. It is during this time that the visitor may apply for residency. There are three levels of residency available:

- Annual Residence Permit
- Permanent Residence Permit; and
- A Homeowner's Card

Generally, applicants must be of good character and at least eighteen (18) years of age. However, it should be noted that the success of any application is subject to the discretion of the Board of Immigration (the "Board") and in the case of Homeowner's Cards, the Director of Immigration.

### **Annual Residence Permit**

This permit is for non-Bahamians wishing to reside in The Bahamas on an annual basis. The Bahamas Government is responsive to applicants for annual residence, and although it is not a requirement for the applicant to indicate a commitment to the leasing or purchase of a "second home", it is our feeling that such a position is helpful to a successful outcome. The Government Fee for this permit is one-thousand Bahamian

Dollars (B\$1,000) for the head of the household and twenty-five Bahamian Dollars (B\$25) for each dependent. The following documents are required:

- Immigration Form completed and notarized with a ten dollar (B\$10.00) Bahamian postage stamp affixed thereon
- Two (2) passport-size photographs with signature on reverse of prints; Police certificate covering five (5) years' residence dated not older than 6 months before the submission of application
- Original Fingerprint Card Medical certificate dated not earlier than thirty (30) days before this application
- Two (2) testimonials of good character
- Copy of lease or deed (if available)
- Financial reference from a reputable bank verifying economic worth, i.e., citing a figure range; Confirmation of whether the applicant owns a home or property in The Bahamas, and if yes, the address
- A statement of net worth stating a figure range and how it is comprised (asset classes);
- Source of income including whether derived from employment, pension, investments, trust funds, etc.
- Amount of time to be spent in The Bahamas
- Civic or charitable affiliations
- Reasons for seeking residence in The Bahamas
- Ticket evidencing intended departure (if applicable); and
- Processing Fee of one hundred Bahamian dollars (B\$100).



Separate application forms must be submitted on behalf of the applicant's spouse and child (children, if more than one). The application must be accompanied by a marriage certificate in the case of a spouse and a birth certificate or any other certificate evidencing the dependence of the subject of the application in the case of a dependent.

### **Permanent Residence Permit**

The following people are among the category of people who may apply for permanent residence:

- Spouse of a Bahamian after 5 years of marriage; the marriage must be subsisting; and the couple must also be cohabiting as husband and wife
- Persons born legitimately outside of The Bahamas to a married woman, who is a citizen of The Bahamas, and whose husband is not a citizen of The Bahamas
- Financially independent individuals or investors who are legitimate owners of a residence in The Bahamas (please note that persons purchasing a residence for B\$1.5 million or more will get speedy consideration)
- Doctors / Medical professionals after having been employed for a minimum of 20 years
- Persons who have held legal status (work or resident permit) for more than 20 consecutive years

Applicants must be at least 18 years of age and of good character and must state in the application that he or she intends to reside permanently in The Bahamas.

Permanent Residence has become very popular and accelerated consideration of application is given to major international investors and owners of residences valued at one million, five hundred thousand Bahamian dollars (B\$1.5 million) or more. To qualify for economic permanent residence a person must invest a minimum of five hundred thousand Bahamian dollars (B\$500,000) in The Bahamas. The grant of permanent residency is to the absolute discretion of the Board. In addition to paying the one hundred Bahamian dollar (B\$100) processing fee the following documents are required:

- Immigration Form completed and notarized with a ten dollar (B\$10.00) Bahamian postage stamp affixed thereon
- A copy of the bio-data page of the applicant's passport
- Two (2) passport-sized identical color photographs of the applicant, with the applicant's name printed on the reverse side (photographs must not be more than 6 months old)
- Police certificate covering five (5) years' residences dated not older than 6 months before the submission of application
- Original Fingerprint Card Original birth certificate (In the case of certificates that are written in languages other than English, an English translation should be submitted, sealed by the appropriate Consular Office where applicable, with a ten Bahamian dollar (B\$10) postage stamp affixed to it
- An original medical certificate dated not more than 30 days prior to the submission of the application
- Two (2) original character references, written by Bahamian citizens known to the applicant for at least 5 years
- Parents' birth certificate
- Parents' marriage certificate
- Certified and apostilled copy of marriage certificate (married persons)
- Spouse's death certificate (widowed persons)
- Divorce decree (divorcees); and financial statements from applicant's financial institution citing a figure range and verifying economic worth.

The government fee for the permanent residence permit is a one-time fee of ten thousand Bahamian dollars (B\$10,000). A person holding a certificate of permanent residence who wishes to include his wife, or dependent child under the age of eighteen (18) and ordinarily resident in his household, may have them endorsed on the certificate at the time of his original application or at a subsequent date, subject to such conditions as might be laid down by the Board. The government fee for the endorsement is twenty-five Bahamian dollars (B\$25) each for an applicant's spouse and dependent minors. Separate application forms must be submitted on behalf of the applicant's spouse and child (children, if more than one).

### Homeowner's Card

Non-Bahamians who own homes in The Bahamas may apply to the Director of Immigration for an annual homeowner's resident card (the "Homeowner's Card") that bears the holder's picture. This card entitles the owner, spouse and any minor endorsed on the owner's card, to enter The Bahamas and reside here for as long as the validity of the card. The government fee for this is two hundred and fifty Bahamian dollars (B\$250) per annum. The Homeowner's Card entitles the holder to stay up to one year. The following documents are required:

- Immigration Form duly completed and notarized with ten dollars (B\$10.00)
- Bahamian postage stamp affixed thereon
- Two (2) passport size photographs with signature on reverse of prints
- Police certificate covering five (5) years' residences dated not older than 6 months before the submission of application
- Original Fingerprint Card Certificate from The Bahamas Investment Authority; Copy of valid passport
- Proof of ownership of property and/or investment in The Bahamas in the form of copies of conveyances, deeds or contracts; and
- Processing fee of one hundred Bahamian dollars (B\$100).

Although the form does not have to be completed and submitted until after the applicant's arrival, please note that there are documents to be submitted with the application which would be appropriate to obtain or request prior to the applicant's departure for The Bahamas.



### Favorable Tax Climate

Close ties between the US and Bahamian economies have promoted incentives to attract US investment and create major opportunities for tax-free investment. One consideration as people approach retirement age is maximizing their earnings. One way to do this is to minimize the amount of incomes taxes that are paid. By working outside of the United States, including high tax areas such as New York City and California, income can be sheltered. An advantage to owning a second home is that the interest paid on mortgages is deductible based upon the laws of the owners' nationality.



In addition, the Bahamian government has created an incentive for foreign investment by waiving the value added tax (VAT) tax for all building materials imported into the area for a period of 20 years. This could represent a saving of more than \$50M of tax-free imports for The Utopian Islands.

The Bahamas also offers a lower cost of living with amenities that are both better and more affordable. The cost of entertainment, meals and social activities are less than they would be in other high-cost retirement areas.

### Banking System and Stability

Many wealthy individuals seek favorable banking systems to protect investments and reduce tax liability while maintaining investment services and opportunities. The Dodd-Frank regulations have created complications for numerous foreign banks as the regulations dictate a level of implied accountability for foreign banks accepting US customers. This form of information sharing with the IRS has led to a decline in banking opportunities for US customers abroad as heavy fines may be imposed on foreign banks who fail in compliance with US Banking laws. The reality of frozen assets and the challenges inherent in petitioning the release of funds has affected foreign markets but the opportunities in the Bahamas still represent a favorable climate in compliance with US regulations. These two economies are very closely related and foster an advantageous climate for development opportunities.

Banking with Privacy Protection - The Bahamian dollar (BSD Dollars) exchange rate is \$1 Bahamian Dollar = \$1 US and is the official exchange peg. The exchange rate is stable.

### ***A Slower Pace of Life in the Exumas***

A slower pace of life is one of the prime benefits of residing in the Bahamas. While the Bahamas is developed, it is not overly developed in contrast to southern Florida or Hilton Head, SC. The Bahamas offers the ability to get away and “disconnect” if one chooses to do so periodically. The slower lifestyle comes in part from living close to nature at The Utopian Islands and offers the ability to interact more with the environment and eat locally grown and caught food, such as fresh seafood. Part of the relaxed atmosphere comes from the general amicability of the Bahamian people. Bahamians are some of the nicest and most welcoming people to foreigners.

### **The Bahamas' Weather**

The Bahamas' mild weather means that residence or guests are comfortable year-round. The trade winds that blow almost continually throughout the Islands of the Bahamas give the islands a warm, agreeable climate, which hardly varies all year round. This is weather that one can quickly get used to with January lows averaging a comfortable 72 degrees Fahrenheit and summer highs at around 80–90 degrees Fahrenheit, with a gentle dip at night of just 10-12 degrees. The result: A climate where you can have fun anytime of

the day, and in any season. The climate in The Bahamas consists of just two seasons. Summer is from May through October when rainfall is higher. The summer months are ideal for a vacation too. The ocean is warm and most of the time it is calm. It is an ideal time for snorkeling and swimming.

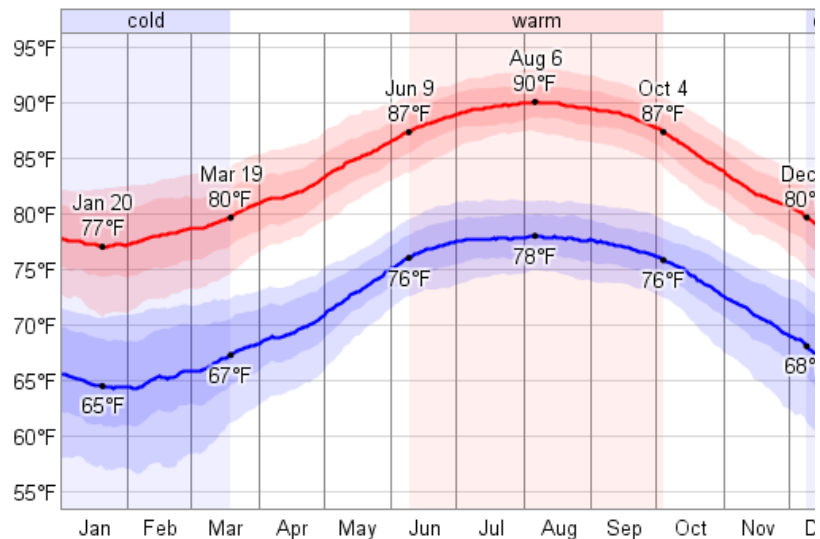


Winter is from November through April and is pleasantly warm. Cold fronts sometimes bring strong winds from the north, a bit of rain, and lower temperatures and humidity, particularly from mid-January through February.

Rain mainly comes in short-lived, intense showers accompanied by strong winds, which are then followed by clear skies. Even paradise needs to cool off with a little rain now and then. May and June are the months with the most rain. During wetter months, the weather forecasts consistently say there is a 30% chance of rain almost every day, but do not be alarmed as squalls and thundershowers pass through quickly, so the rain never has to ruin a traveler's day in the Bahamas.

The official hurricane season runs from June to November. However, the probability of hurricanes striking the Bahamas in June, July and August is relatively low. The Utopian Islands have gone through all hurricanes from 1997 to 2010. They occurred in September/October, with one in early November. While hurricanes are valid fear, The Utopian Islands will simply design and address in its construction buildings that can withstand winds of 250+ miles an hour and water surge levels. The Utopian Islands recognizes that hurricanes threats exist and will plan for them versus fear them. The bottom line to the weather in the

**Average Temperatures per Month in the Bahamas**



Bahamas is that the sun shines about 340 days out of 365. One cannot expect the Bahamas climate to get any better than that!

The warm season in the Bahamas lasts from April 23 to October 3 with an average daily high temperature above 88°F. The hottest day of the year is September 6, with an average high of 89°F and low of 78°F. However, light ocean breezes moderate those temperatures and make it seem much more modest than the numbers would suggest. The cold season lasts from December 5 to February 10 with an average daily high temperature below 83°F. The coldest day of the year is January 14, with an average low of 69°F and high of 81°F.

Amenity	The Bahamas	Other Caribbean Islands	Mexico
English Legal System	✓	✓	
Democracy	✓	✓	✓
Safety	✓		
English Language Is Primary Literacy	✓		
Strong Banking System	✓	✓	✓
Stable Currency	✓	✓	
Favorable Tax Climate	✓		
Quality Health Care	✓		
Diverse Landscape	✓	✓	
Environmental Protections	✓	✓	

### SWOT Analysis of the Project Site

<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Very Strong Business Model and Business Plan</li> <li>• Green Technology &amp; Socioeconomic Impact – Job Creation</li> <li>• Highly Experienced Team</li> <li>• Strong Partnerships</li> <li>• Competitively Priced with Greater Value</li> <li>• Perfect Location for Market</li> <li>• Polynesian Estates, Waterfalls, Lazy River, Casino, Super Yacht Marina</li> <li>• Low Density – Privacy and Security for Owners</li> </ul>	<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Complexity of The Project</li> <li>• Requires Shipping Lines to Islands</li> <li>• Limited Ultra-Luxury Guests</li> <li>• Higher Prices Exclude Many Guests</li> <li>• Self-Sustainability Challenges</li> <li>• Challenges to Access Islands</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Fresh, New Product Introduction</li> <li>• New Solaris Branding</li> <li>• Differentiate Solaris from Competition</li> <li>• Farm to Table Dining</li> <li>• Entertainment, Leisure, Adventure, Relaxation and Excitement at Solaris</li> <li>• Condo/Hotel Model Benefits</li> <li>• Plastic Surgery, Stem Cell Facility</li> <li>• Investing in The Bahamas</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Timely Construction Permits</li> <li>• Timely Construction Inspections</li> <li>• Importing Labor and Customs</li> <li>• Approving Work Visas</li> <li>• Environmental Impact Assessment</li> <li>• Natural Disasters in The Area</li> <li>• Construction Material Shipping Delays</li> </ul>

## Transportation and Industry Desires

- **Selling out the Bungalow Estates:** The Utopian Islands has a very strong sales and marketing plan to sell out the bungalow estates. The Utopian Islands estates are equal or less than any ultra-luxury comparable square foot villa/home rented or purchased. However, overall, with all the added benefits, most of all the condo-hotel model that turns the real estate investment into a revenue-producing asset.
- **Renting out the Bungalow Estates:** With celebrities visiting and owning bungalows at The Utopian Islands, there will already be a “buzz” about the product. Moreover, the pricing and total value beats anything in its class, especially the privacy! The Utopian Islands offers its estate owners and their renters (via the condo/hotel model) the unheard-of luxury of almost 100 yards of beachfront, tropical ocean view, with 50 yards of tropical vegetation separating each of the bungalows from their nearest neighbors.
- **Weather or Hurricanes:** Southeast Florida is hit far more by hurricanes than the Bahamas. No hurricanes have hit The Utopian Islands’ islands at hurricane level status in 150 years. Regardless, though The Utopian Islands’ construction plans include hurricane resistant estates and buildings, able to withstand Cat 5 and above winds and storm surge. The Utopian Islands will have a full hurricane contingency plan that is rehearsed with all their staff on a regular basis.
- **Water and Power Issues:** All islands will have water, power and sewer pulled by a submarine cable from Nassau and the US. However, these utilities will only be used as backup systems to The Utopian Islands’ green technology. The Utopian Islands’ Sustainable Technology consultants, World of Walas (WoW), are some of the best minds in green and sustainable energy. WoW is contracted by the United Nations to present options for green and sustainable energy solutions.
- **Can the Project be Built in five Years?** Using The Utopian Islands’ transportation and housing solution, building a shipping transport company and buying a used ship to use as a hotel for the construction workers during the 5-year build period is the greatest solution to the biggest risk. Without adequate labor on the island, the likelihood of completion in 5 years would be in question. However, with these two solutions for transportation and housing, there should be no reason that with the strong and experienced team that The Utopian Islands has, they can complete the total buildout in 5 years.



## Water Generating Systems – Revolutionizing Fresh Water Sourcing

Requiring only electricity (generator, grid, solar) to operate successfully, the WGS-900 has a simplified user interface allowing the unit to be operated by users with any level of mechanical know-how. It's easy to install, easy to use and easy to maintain, and it's also the most efficient unit of its kind on the market.



The WGS-900 Water Harvester provides fresh, completely safe drinking water where it might not otherwise be available. Utilizing proven refrigeration technology and multistage cleaning treatments to condense water vapor from the air, the WGS-900 provides up to **217 gallons per day (823 L/day)** of pure, potable water\*. It does so at an efficient **0.82 Gal/kWh (3.10 L/kWh)** – the best energy factor of all similar products currently on the market.

\*At ambient temperature of 80°F (26.7°C) & 65% relative humidity.



WGS-900-Front View



WGS-900-Rear View

### Product Data

#### WGS-900 Atmospheric Water Harvester

##### Thorough Three-Stage Water Treatment

- First, a sediment filter removes sand, dirt, silt, rust, and scale particles from the water.
- Second, a powder-activated carbon filter removes turbidity, particulates, colloidal suspensions, trace toxic organics and endocrine disruptors.
- Third and finally, an ultraviolet (UV) tube eliminates remaining pathogens, viruses and molds, resulting in fresh drinking water ready for immediate consumption.

##### Simple Controls for Simple Operation

One switch turns on the unit; another switch turns on the water dispensing system. Two hourly use meters and a UV light indicator tell you when the unit needs maintenance.

##### Easy Installation

All that is needed for a basic installation is to simply connect the electrical power, level the unit, and hook up a water line to the built-in hose bibb for fresh, potable water.

##### Split Condensers for Higher Efficiency

By utilizing a primary and secondary condenser with a common fan, the unit maintains low condensing temperatures, resulting in greater efficiency with fewer components.

##### Passive Heat Recovery Uses Less Energy

A pre-cooling section on the evaporator inlet and a re-heat section on the outlet increases the water produced without using additional energy.

##### Variable Speed Drive for Changes in Weather

A variable-speed drive on the scroll compressor improves reactions to changes in ambient temperatures, saving significant amounts of energy at low temperatures.

##### ECBlue Motor Beats Other AC Motors

The exhaust fan's ECBlue Motor Technology means greater efficiency versus typical AC motors.

##### Electrical Components Protected From Heat

To prevent overheating, the unit naturally cools the electronics with a thermostat-actuated ventilation fan and conditioned air.

##### Durable Construction for All Environments

The enclosure's zinc-coated steel and powder coat finish is specifically engineered for use in harsh outdoor conditions.

##### Easy Servicing and Maintenance

Four large access doors can be easily removed for improved serviceability and access.

### Performance Data

120	396	454	510	564	616	666	714	761	805	848	889	927	964	999	1032	500+
115	342	397	451	502	552	599	645	689	731	771	809	845	879	912	942	400-500
110	291	343	394	443	490	535	578	619	658	696	731	765	796	826	854	300-400
105	241	291	339	386	430	472	513	551	588	623	656	687	716	743	768	200-300
100	195	242	287	331	373	412	450	486	520	553	583	611	638	662	685	100-200
95	150	195	238	279	318	355	390	424	455	485	512	538	562	584	604	0-100
90	108	150	190	229	265	300	332	363	392	419	444	467	489	508	526	
85	68	108	145	181	215	247	277	305	332	356	379	399	418	435	450	
80	31	68	103	136	167	197	224	250	273	295	315	333	349	363	376	
75	-	30	63	93	122	149	174	197	218	237	254	270	283	295	304	
70	-	-	25	53	79	103	125	146	164	181	195	208	219	228	235	
65	-	-	-	15	38	60	79	97	113	127	139	149	158	164	169	
60	-	-	-	-	19	36	51	64	76	85	93	99	102	104		
55	-	-	-	-	-	-	-	7	18	27	34	39	42	43	42	
50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		30	35	40	45	50	55	60	65	70	75	80	85	90	95	100

Production in Gallons per Day

**PART 4:  
ECONOMIC  
OVERVIEW OF  
THE PROJECT**

*The Utopian Islands*  
Resort & Estates



## PART 4: ECONOMIC OVERVIEW

### **Overview of The Bahamas Economy**

It should be no surprise that the leading sector of the Bahamian economy is based on the tropical beauty of the area. As visiting travelers' adventure through this paradise, their contributions to tourism account for roughly 45% of the GDP.

With few natural resources and little industry, the key economic opportunities lie in the service and banking industries. Financial services account for roughly 17% of the GDP and continue to be sought for financial flexibility. There is a heavy dependence on imports such as food and manufactured goods, and they are primarily sourced from US markets.

With so many amazing destinations

to choose from in the Bahamas, one could never truly explore the full offerings of the islands and the oceans and marine life. With champion sport fishing and spear fishing, it is an angler's paradise and scuba diving enthusiasts will appreciate diving into crystal clear waters with many underwater sites to explore.

John Christies (The Utopian Islands' realtor), founder and owner of H.G. Christies Ltd, the largest Real Estate firm in the Bahamas (having more listings than all other realtors in the Bahamas combined by 60%) points out three major factors why 2017 was a banner year in sales and why the Bahamas is a "Seller's Market" now.

- Market continuing to Grow – Banner Year 2017 (HG Christies)
- Permanent Residency – tax residency through real estate purchase
- Commercial Enterprises Bill being Launched in the Bahamas making it easier for foreign investors to obtain Work Permits much, much easier (within 14 days).

In the article by Arinthia Komolafe., "What is in Commercial Enterprises Bill for Bahamian business?" published in the November 23, 2017, issue of The Nassau Guardian, Komolafe outlines some of the benefits made for foreign investments into the Bahamas by the recently passed billed in Parliament.

Deputy Leader of the Democratic National Alliance (DNA) Arinthia Komolafe said the Commercial Enterprises Bill (CEB) appears to place emphasis on the creation of commercial zones for foreign direct investors over Bahamians.

Under the bill, a commercial enterprises facilitation unit is expected to be established to enhance the work permit application process for persons coming into The Bahamas and by extension, help to improve the country's ease of doing business.

"The DNA supports government initiatives aimed at improving the ease of doing business in The Bahamas and making The Bahamas' business environment more investor friendly," said Komolafe.



[www.HGChristie.com](http://www.HGChristie.com)  
**Fall/End of Year Newsletter**  
**A Seller's Market**

**The Utopian Islands' Realtor - Largest Realtor in the Bahamas**

“However, we find it curious that this legislation is being pushed ahead of other pressing matters confronting the Bahamian masses.”

Komolafe also pointed out that the bill grants the minister responsible for immigration unilateral authority to determine which industries can be granted fast track work permits.

“The minister also has the unilateral authority to designate specified commercial enterprise zones and in consultation with the minister of finance, economic incentives for foreign businesses,” she said.

“It is noteworthy that this administration has prioritized the tabling of a bill which seems to place more emphasis on the creation of commercial zones for foreign direct investors over Bahamians, even though the Minnis administration campaigned on providing economic zones and tax relief for the over-the-hill areas.” The bill also notes that work permits applied for and not granted by the director of immigration within 14 days are deemed granted.

However, Komolafe argued that the timeline is “unrealistic and unreasonable in the absence of reforms at the Department of Immigration”.

“Rather than focus on reforming the Department of Immigration to be more efficient and effective, the current administration has chosen to take a shortcut by concentrating significant powers in a super minister without checks and balances.”

Komolafe continued, “The DNA would like to know what is in this bill for Bahamian business. The prime minister had announced the establishment of an Ease of Doing Business Committee (EDBC), which would make recommendations aimed at making it easier for local and foreign enterprises to do business in The Bahamas.”

“The Bahamian people deserve to know whether the EDBC has produced a report and whether this report will be released to the public.”

“Are we putting the proverbial cart before the horse? How can we implement the CEB without first addressing the inherent inefficiencies, ineffectiveness, duplications across government agencies, lack of automation and red tape which plague businesses in The Bahamas?”

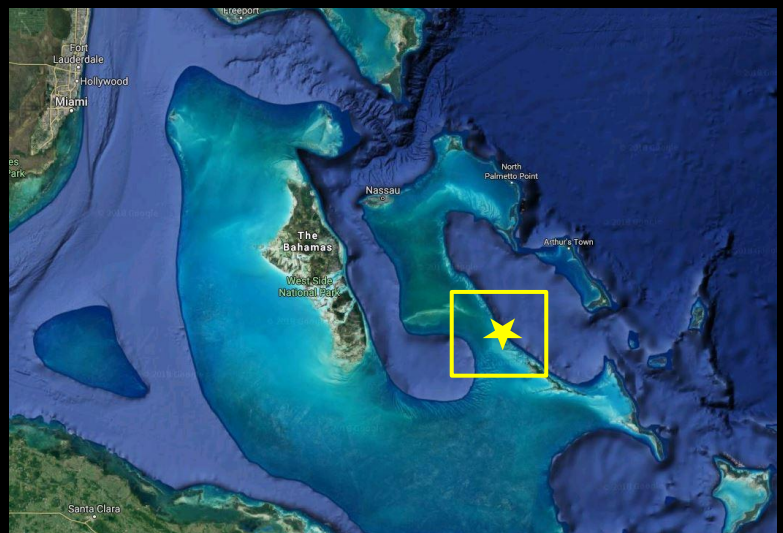
## ***Bahamas - Market Overview***

- **Stable Democratic Government:** The Bahamas maintains a stable environment for investment and offers potential investors a peaceful and stable democratic environment with a strong commitment to the rule of law.
- **Tax Relief:** The country offers relief from taxes on personal income, inheritance, capital gains, corporate income and other taxes related to dividends and interest.
- **Tourism and Financial Services Are Economic Drivers.** The tourism industry, which makes up between 75% and 80% of the economy is expected to grow marginally in 2016-2017, due primarily to the stronger U.S. economy and new FDI in the sector. Financial services constitute the second most important sector of the economy, accounting for up to 15-20% of GDP. The sector includes 250 bank and trust companies with a combined balance sheet of more than \$300M and \$1 trillion in assets under management.

The country also exports niche commodities such as polystyrene, chemicals, aragonite, pharmaceuticals, and industrial salt. Economic growth in 2015 was reported in several industries including wholesale and retail, real estate and related services. Consumer inflation was pegged at 1.9 per cent. Real GDP growth is expected to be 0.5 percent in 2016 and strengthen to 1.0 percent in 2017.

- **Close Ties to the United States:** The Bahamas is an English-speaking country of approximately 400,000 inhabitants with over 700 islands and cays, and extensive air and communication links to the United States. U.S. Customs and Border Protection operate pre-clearance facilities in Nassau and

# The Commonwealth of the Bahamas



Freeport, offering ease of travel for the 6.2 M mostly American tourists each year. Bilateral relations between The Bahamas and the United States are good.

- **High Unemployment Rate:** The Bahamas per capita income is \$22,700. Many students complete tertiary education in the United States, United Kingdom or Canada. Despite having a highly trained industry specific professional labor force, in November 2015 the overall unemployment rate stood at 14.8 per cent with the unemployment rate for those aged 15 to 24 at 30 per cent.
- **Enjoys Trade Preferences:** The country is a member of the Caribbean Community (CARICOM) and a beneficiary under the Caribbean Basin Initiative (CBI) – Caribbean Basin Economic Recovery Act (CBERA), Canada's CARIBCAN Program, and party to the Economic Partnership Agreement (EPA) between the European Union and the countries of the Caribbean Forum of the ACP (CARIFORUM). These agreements provide preferential access for goods produced in The Bahamas to most major markets. This market access has been attractive to American investment.
- **Strong U.S. Market Share:** The United States remains The Bahamas main trade partner and has a significant trade surplus with approximately 85% of products imported coming from the United States. Most Bahamians are familiar with American products from frequent travel to the United States and exposure to U.S. cable TV. U.S. exports (trade in goods) to The Bahamas exceeded \$2,388.8 million while imports into the United States from The Bahamas were \$452.8 million. (Source www.census.gov) Other trading partners include Canada, China and the United Kingdom. The Bahamas is the third largest importer of fossil fuel in the English-Speaking Caribbean.

## ***Bahamas - Market Challenges***

- **Infrastructure Challenges:** Expensive and unreliable electricity, high unemployment and the lack of a diversified pool of skilled labor. Given the geography of the country's expensive infrastructure must be duplicated on all the major islands, this process has not happened uniformly, and several islands are still challenged with the lack of basic infrastructure.
- **High Shipping Costs:** The Bahamas is an archipelago of 700 islands, 29 of which are inhabited and ten considered major islands. There is access to major ports but given the sometime lower volumes of trade, the cost of shipping may be exponentially higher. However, many of these islands benefit from incentives and legislation that waives government taxes on business inputs.
- **Cumbersome Approval Process for FDI:** Decision making is highly centralized and the approval process for procurement and foreign direct investment is opaque and provides opportunity for political interference. American companies have cited delays in receiving approvals for foreign direct investment.
- **Court System Delays:** The nation's court system lacks resources and is challenged to address a significant backlog of cases. The government has launched several initiatives to address the situation and recently completed a sizable investment in new infrastructure. Businesses that seek redress from the courts can expect relatively high costs and long delays. According to World Bank's 'Doing Business Report, civil disputes can take as long as five years to resolve.
- **Crime Rate:** Crime remains a concern for investors in The Bahamas. The homicide rate for The Bahamas for 2015 was 40 per 100,000. This compares with a rate of around 4.5 per 100,000 in the United States. Murders rarely involve visitors to the country, but U.S. Embassy Nassau has issued security messages in recent years to American visitors given the growing concern about safety in Nassau and surrounding areas on New Providence Island.



- **Non-tariff Barriers:** The Government employs non-tariff barriers to trade ranging from reserving investment in certain sectors to Bahamian investors and seasonal prohibitions on import of certain items. Currently, the government reserves nine sectors for Bahamian nationals, which include the retail and wholesale sectors, small-scale construction projects, fisheries and many small business activities. The Bahamas is not a member of the World Trade Organization (WTO).
- **Relatively High Customs Tariffs:** The average customs duty rate is 19 percent with tariffs on selected consumer goods running as high as 65%. The country has made progress towards simplifying its tariff structure and market entry requirements for goods.

## ***Bahamas - Market Opportunities***

There are multiple areas where the Bahamian Market has substantial opportunities:

- **Energy Technology:** The national utility plans to expand and modernize electricity generation over the next five years and to incorporate liquefied natural gas into its fuel mix. The government has announced plans to solarize several islands and has committed \$50 million for new investments in renewable energy. In 2017-18, the national utility is expected to begin issuing permits for grid-tied residential solar. Energy efficiency also remains an underserved market given new customs concessions and perennially high electricity prices. We anticipate strong demand in this sector.



Atlantis Resort – Paradise Island, The Bahamas

- **Smart technology:** New Providence Island (home of the capital, Nassau) was designated in 2016 by the UN International Telecommunication Union (ITU) as the first “smart island in the world.” Grand Bahama Island has attracted international call centers and has the infrastructural capacity to host data centers and security services including cyber security.
- **Hotel, Restaurant and Tourism Related Services:** The tourism sector is the largest contributor to the Bahamian economy. As of May 2016, growth in the tourism sector remains static while the \$3.6 billion Baha Mar development in Nassau, the largest tourism investment in the Caribbean, remains in receivership. U.S. firms provided the bulk of the construction materials and fixtures for the resort and additional opportunities are expected when the three hotels in the resort become operational. In addition, the approval of four new hotel projects ranging from \$250 million to \$1 billion on the island of Great Exuma is expected to create a host of direct and ancillary benefits.
- **Consumer Products:** All consumer products in The Bahamas are imported. Bahamians are very brand conscious and prefer American brands that they are familiar with through frequent buying trips to the United States or from U.S. cable programming.
- **Agricultural Products:** The Bahamas imports almost 90% of its food products, most of which come from the United States. Bahamian consumers are familiar with and have high regard for the quality of American products.

## ***Bahamas - Market Entry Strategy***

- **Relationship – Based Business:** Relationships are critical in The Bahamas and will factor in most aspects of business. Many Americans are familiar with The Bahamas and most trade between the two countries is supported by longstanding business relationships. Major retailers and wholesalers in The Bahamas in some instances have family and business relationships that spans decades. For new entrants a market visit is recommended to fully assess the market, its potential and to interview

prospective agents or distributors. Investors are advised to use the Embassy and other resources to vet potential local partners.

- **Bahamas Investment Authority – a “One Stop Shop”:** The Bahamas Investment Authority (BIA) is the first point of contact for all investors in The Bahamas and administers all applications to the National Economic Council (NEC) and the Investments Board. Both the BIA and NEC are comprised of members of the Cabinet and meet on a weekly basis to approve investment proposals of varying sizes.
- **Real Estate Investments:** Investors are required to apply for approval from the National Economic Council for investments in commercial real estate and will be expected to include both environmental and economic impact assessments with their application. Investors buying undeveloped property with two or more adjoining acres are also required to apply for permission from BIA. Investors are advised to seek the services of a local attorney in the preparation of their application and to secure title insurance for any purchase of real estate.
- **Stress Job-Creation Projects:** Proposals for direct foreign investment that commit to creating economic opportunities and the transfer of skills and technology are more favorably viewed during the approvals process.



OVERALL SCORE **63.3**

a more dynamic and sustainable private sector has been held back by weak rule of law, lingering protectionism, heavy subsidies to state-owned enterprises, and a bloated and slow-moving bureaucracy. Nevertheless, the overall regulatory system is conducive to entrepreneurial activity, and there are no individual or corporate income taxes.



## About the Bahamas Economy

### Quick Facts About the Bahamas

POPULATION: approximately 389,000  
 GDP (PPP): \$9.0 billion; 0.5% growth; 0.2% 5-year compound annual growth; \$24,555 per capita  
 UNEMPLOYMENT: 15.3%  
 INFLATION (CPI): 0.4%  
 FDI INFLOW: \$521.9 million

### Monetary Unit

The Bahamas dollar (b\$) of 100 cents has been in use since May 1966. As of June 1972, the Bahamas dollar ceased to be part of the sterling area and was set on a par with the US dollar. There are coins of 1,

5, 10, 15, 25, and 50 cents, and 1, 2, and 5 dollars, and notes of 50 cents and 1, 3, 5, 10, 20, 50, and 100 dollars. b\$1.00000 (or US\$1=b\$1; as of 2018).

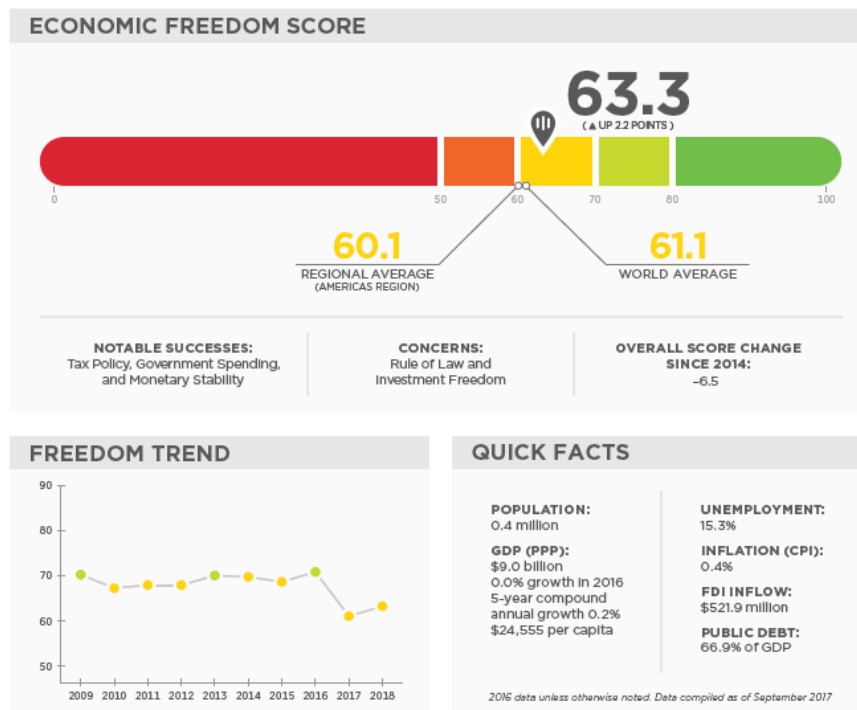
## Location, Size and Extent

The Commonwealth of the Bahamas occupies a 13,940 sq. km (5,382 sq. mi) archipelago which extends 950 km (590 mi) SE-NW and 298 km (185 mi) NE–SW between southeast Florida and northern Hispaniola. Comparatively, the area occupied by the Bahamas is slightly smaller than the state of Connecticut. There are nearly 700 islands, of which about 30 are inhabited. New Providence, 207 sq. km (80 sq. mi), although not the largest, is by far the most populous and most densely populated island. The total coastline of the Bahamas is 3,542 km (2,201 mi).

The Bahamas occupy a strategic location adjacent to the United States and Cuba. The Bahamas' capital city, Nassau, is located on New Providence Island in the center of the island group.

## Background of Bahamian Political Scene

The Free National Movement defeated the long-dominant center-left Progressive Liberal Party in May 2017. New Prime Minister Hubert Minnis faces soft economic growth, double-digit unemployment, high household indebtedness, and \$600 million in damages from an October 2016 hurricane. Tourism accounts for more than 60 percent of GDP. International banking, investment management, and financial services are also important. The Bahamas is the only Western Hemisphere country that is not a member of the World Trade Organization; politicians and the private sector remain at loggerheads about how to replace the tariff revenues that WTO membership would cost. Proximity to the U.S. makes the Bahamas a transshipment point for illegal drugs and human trafficking.



## Rule of Law

Property disputes can be challenging; cases sometimes drag on for several years. Property registration is difficult and time-consuming, but new civil procedure rules introduced by the government have made contract enforcement easier. The independent legal system is based on British common law, but judicial inefficiency causes trial delays. The new government has pledged to fight corruption that has been a problem at all levels of government.

The government imposes national insurance, property, and stamp taxes but no income, corporate income, capital gains, or wealth

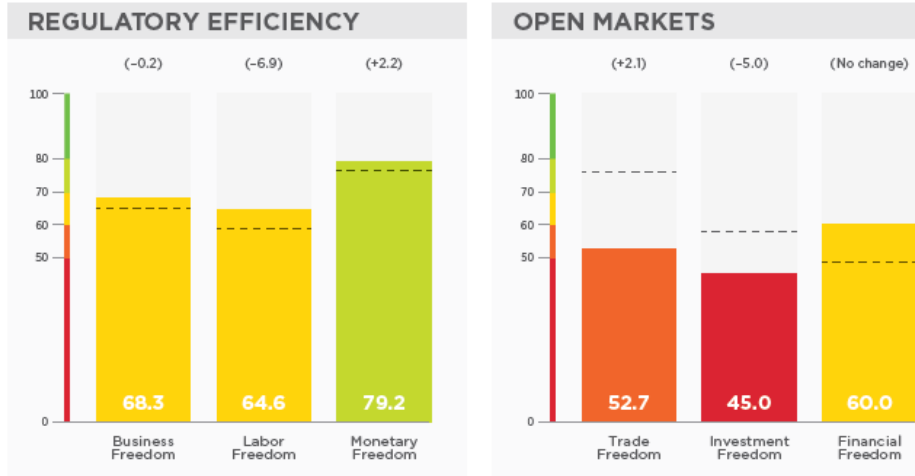
taxes. The overall tax burden equals 18.8 percent of total domestic income. Over the past three years, government spending has amounted to 23.8 percent of total output (GDP), and budget deficits have averaged 4.5 percent of GDP. Public debt is equivalent to 66.9 percent of GDP.

## Regulatory

Increased fees and registration costs have made starting a business more difficult, and the recently implemented value-added tax has complicated the payment of taxes for businesses. The labor market is

relatively flexible, but enforcement of the labor codes is not uniform. The government may privatize some state-owned enterprises or quasi-government corporations to retire debt and reduce the drag of subsidies on government finances.

Trade is significant for the economy of the Bahamas; the combined value of exports and imports equals 84 percent of GDP. The average applied tariff rate is 18.7 percent. Nontariff barriers impede some trade. Government openness to foreign investment is below average. The diversified banking sector remains stable, but the number of nonperforming loans has increased.

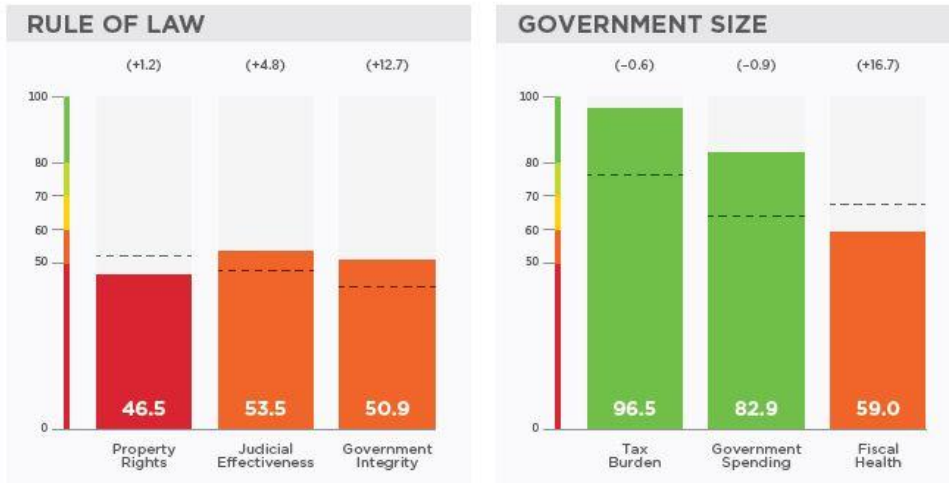


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The Heritage Foundation | [heritage.org/Index](https://heritage.org/Index)

## 12 ECONOMIC FREEDOMS | THE BAHAMAS



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Production, prices, and employment revised data from the Bahamas Department of Statistics suggest that real GDP increased marginally by 0.2% in 2016 after declining each year between 2013 and 2015. Data up to August 2017 indicate that the lingering effects of Hurricane Matthew continue to curtail growth in tourism and contribute to stronger construction output in the Bahamas. Total tourist arrivals declined 2.8% y/y through the first eight months of 2017. Air arrivals declined 6.3% y/y as a 13.3% y/y expansion in arrivals to the Family Islands could not offset declines in arrivals to New Providence and other out-islands.

Air arrivals to New Providence declined 5.7% y/y despite the opening of the Baha Mar resort earlier in the year, while arrivals to Grand Bahama (down 48.1% y/y) continued to suffer from lost hotel capacity due to damage from Hurricane Matthew. Similarly, arrivals by sea declined 1.6% y/y across the Bahamas. Since then, the passage of Hurricane Irma and the resulting closure of ports of entry further reduced tourism activity during September 2017.

Construction indicators continue to suggest stronger real value-added during the first half of 2017. The value of construction starts surged 57.9% y/y as a 53.9% y/y rise in commercial and industrial starts and US\$28.7 million in public sector starts compared to none during the same period last year eclipsed a 5.5% y/y fall in residential construction starts. Similarly, the number and value of construction completions increased 5.1% y/y and 8.9% y/y, but a 32.3% y/y decline in the value of construction permits issued suggests a potential slowdown in construction growth over the near- to medium-term. Consumer prices advanced 0.6% y/y as of August 2017, compared to a 0.5% y/y fall one year earlier.

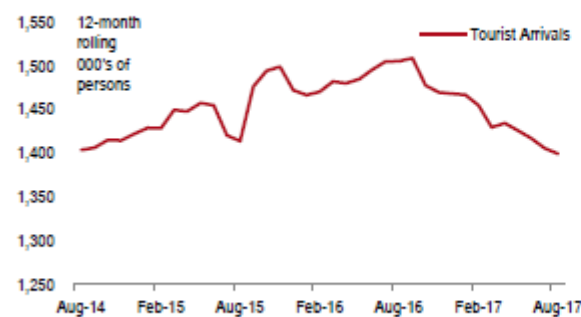
### Developments in Financial Markets Pre-Covid

Over the twelve months ended June 2017, loan growth remained weak and weighted average interest rates declined. A 3.9% y/y rise in corporate loans just offset a 1.1% y/y decline in retail loans to push total loans 0.1% y/y higher in June 2017. Lending to consumers and the public sector increased 2.6% y/y and 12.2% y/y, while mortgages and business loans fell 3.9% y/y and 1.6% y/y.

Total deposits fell 2.8% y/y. Resident retail and corporate deposits expanded by 5.6% y/y and 4.4% y/y, but nonresident balances contracted 11.5% y/y. The weighted average loan and deposit rates declined by 57 bps y/y and 22 bps y/y to 12.22% and 0.93% by June 2017. Since then, latest central bank data suggest that the average loan and deposit rates fell further by 126 bps q/q and 1 basis point q/q to 10.96% and 0.92% by September 2017. The commercial bank private sector NPL ratio trended downward and fell from 12.3% in Q2 2017 to 10.3% in Q3 2017. Commercial banks' excess liquid assets increased 19.2% y/y to US\$1.71 billion by the end of Q3 2017.

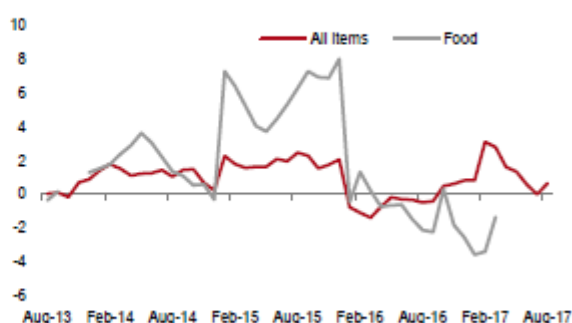
The Bahamas International Securities Exchange All Share Index expanded 7.0% year-to-date by the end of October 2017.

Chart 1  
Growth in Tourist Arrivals



Source: Caribbean Tourism Organization and CIBC FirstCaribbean

Chart 2  
Inflation (y/y; %)



Source: Central Bank of the Bahamas and CIBC FirstCaribbean

The central bank reports that the proceeds from external government borrowing contributed to an 18.5% y/y rise in its stock of external reserves to US\$1.06 billion (about 11.5 weeks of imports) by Q3 2017. Central

bank net foreign currency purchases from the public sector increased to US\$58.4 million compared to net sales of US\$72.4 million one-year prior, but net purchases from banks fell US\$81.7 million y/y to US\$84.6 million, somewhat reflective of weaker tourism activity.

### **Government Debt**

The IMF estimates that the effects of Hurricane Matthew and the lead up to general elections increased government's fiscal deficit from 3.5% of GDP in 2015/16 to an estimated 5.7% of GDP during 2016/17 (or from about 2.8% of GDP to about 4.5% of GDP using revised GDP estimates). Since then, a combination of lower expenditure and higher revenues produced an overall surplus of US\$9.1 million during July 2017 compared to a deficit of US\$15.8 million one year earlier.

IMF estimates suggest that during 2016/17, disruptions in revenues collections and temporary tax relief after Hurricane Matthew reduced total revenue to 21.8% of GDP from 22.0% of GDP one year earlier. Since then, in July 2017, total revenue improved US\$6.8 million y/y to US\$168.6 million. Tax revenue increased US\$7.6 million y/y to US\$156.4 million as greater collections of VAT (up US\$7.9 million y/y), business and professional fees (up US\$4.4 million y/y) and taxes on international trade (up US\$1.5 million y/y) overshadowed a US\$6.3 million y/y decline in other taxes. In contrast, non-tax revenue fell US\$0.8 million y/y to US\$12.2 million.

The IMF estimates that greater spending on reconstruction and a higher wage bill pushed total spending from 25.5% of GDP in 2015/16 to 27.5% of GDP one year later. However, in July 2017, total spending declined US\$18.0 million y/y to US\$159.5 million. Current spending declined US\$4.0 million y/y to US\$159.5 million as lower transfer payments (down US\$20.8 million y/y) more than offset higher spending on goods and services (up US\$12.7 million y/y) and wages and salaries (up US\$4.2 million y/y). Government spent virtually nothing on capital expenditure compared to US\$14.0 million one year earlier.

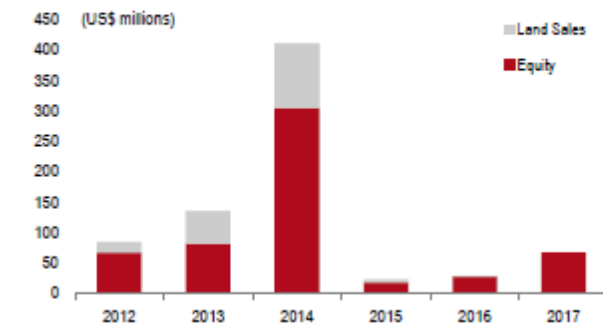
Using revised GDP numbers, total public sector debt excluding long-term central government securities held by public corporations accounted for 66.6% of GDP by June 2017. Further, latest data suggest that total government direct debt expanded 8.5% y/y to US\$6.55 billion during August 2017 and accounts for approximately 58.2% of revised nominal GDP.

On August 25<sup>th</sup> 2017, despite deterioration in the fiscal deficit during 2016/17, citing ongoing fiscal consolidation commenced by the new government, Moody's maintained the Bahamas' Baa3 rating, but assigned a negative outlook.

### **Outlook for the Bahamian Economy**

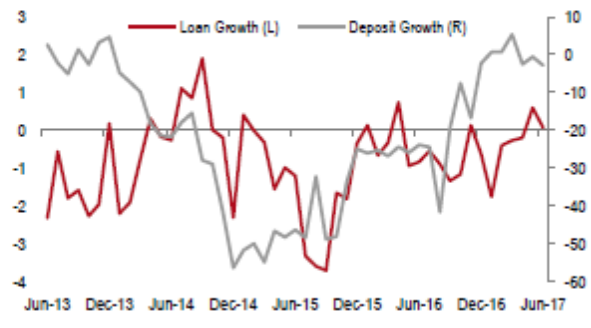
Despite weak economic growth over the last four years, the IMF now expects that growth in tourist arrivals, continued investment associated with Baha Mar, construction activity associated with ongoing reconstruction, and anticipated foreign direct investment should lift economic activity to 1.75% in 2017 and 2.5% in 2018. Further, the IMF anticipates that the government's fiscal deficit will reach 3.7% of GDP during 2017/18, slightly higher than the government's budgeted 3.4% of GDP (or 3.1% of GDP compared to a budgeted 2.9% of GDP using revised 2016 GDP). The government expects that less spending on reconstruction post-Hurricane Matthew combined with other revenue and expenditure measures will put the fiscal deficit on a downward trajectory. As such, the IMF expects that central government debt will stabilize by 2018/19.

**Chart 3**  
Foreign Direct Investment (January–March)



Source: Central Bank of the Bahamas and CIBC FirstCaribbean

**Chart 4**  
Growth in Key Balances (%)



Source: Central Bank of the Bahamas and CIBC FirstCaribbean

### Prohibited and Restricted Imports

The following items are prohibited from being exported to the country or are otherwise restricted. Any meat, provisions, fruits and vegetables, and any articles intended for human food, which are unfit for human consumption are prohibited from being imported into the Bahamas. Additionally, indecent or obscene prints, paintings, photographs, books, cards, lithographic or other engravings, or any other indecent or obscene article are not allowed. Moreover, underwater gun being any manufacture or device other than the device known as a Hawaiian Slings whereby a missile may be discharged under water. It must be understood that any article which bears a design in the imitation of any currency or bank note or coin in current use in The Bahamas or elsewhere. Finally, copies of works in respect of which the owner has given notice to the Comptroller under Section 22 of The Copyright Act.

### Trade Barriers

High tariff rates are among the most challenging barriers to trade in The Bahamas. The country has not made any immediate commitments to reducing tariffs but is currently negotiating accession to the World Trade Organization and implementing the provisions of the Economic Partnership with the European Union. The commitments to Europe and the Caribbean will require substantial liberalization of the economy and reduction of rates within the next decade. The Bahamas employs several non-tariff barriers to trade including reserving some sectors of the economy for Bahamian investors only and imposing an opaque licensing regime for selected imports.



### Imports Requirements and Documentation

Entry forms are required by Bahamian Customs for goods coming by sea, air or post. An invoice (original) is required. Goods may be cleared up through Customs without a proper invoice if the importer leaves a deposit (usually double the estimated duty) and agrees to present an invoice later.

### Licensing Requirements for Professional Services

Includes license requirements for key professional services that are open to U.S. service providers, there are license requirements for professional service providers in The Bahamas specific to each field from insurance and securities brokers to medical doctors and real estate agents. For example, the Securities and Financial Services laws of The Bahamas, the Securities Industry Act, 1999, the Investment Funds Act, 2003, and the Financial and Corporate Service Providers Act, 2000 require all market participants operating in or from The Bahamas and products offered to the public to be licensed by or registered with the Securities Commission. Further information is available on the website of the Securities Commission of the Bahamas.



National Park is a Ramsar international wetland site.

According to a 2006 report issued by the International Union for Conservation of Nature and Natural Resources (IUCN), the number of threatened species included 5 types of mammals, 10 species of birds, 6 types of reptiles, 15 species of fish, and 5 species of plants. Endangered species included Kirtland's warbler, Bachman's warbler, the green sea turtle, hawksbill turtle, Allen Cays rock iguana, and Watling Island ground iguana. The Caribbean monk seal and American crocodile are extinct.

### Population in 2025

The population of Bahamas in 2025 was estimated by the United Nations (UN) at 418,000. In 2018, the median age was 35.3. The population density was 40 people per sq. km (60 per sq. mi).

Only 30 to 40 of the islands are inhabited, and some two-thirds of the population reside on the island of New Providence, the site of Nassau, the capital and largest city with a population of 322,617 in 2025. The UN estimated that 89% of the population lived in urban areas, and that urban areas were growing at an annual rate of 1.17%. The first census was conducted in 1838, and in 1980 a law was passed requiring one to be conducted every ten years.



### Migration of Bahamians

Emigration to the United Kingdom, considerable in the past, has fallen off since the mid-1960s. Some Bahamians migrate to the United States in search of employment. There is also inter-island migration, chiefly to New Providence and Grand Bahama islands.

Located between the United States and other Caribbean islands, the country's position has made it a transit point for migrants, including asylum seekers, trying to reach the United States. An estimated 100 Cuban nationals seek asylum in the Bahamas each month. The estimated net migration rate of the Bahamas was -2.18 migrants per 1,000 populations in 2005. As of 2000 there were 30,000 migrants living in the Bahamas, including 100 refugees. There has also been an increasing number of asylum seekers from Europe, Asia, and Africa.

### Environment

Among the government's priorities in environmental protection are monitoring industrial operations, providing potable water and regular garbage collection throughout the country, maintenance and beautification of public parks and beaches, and the removal of abandoned vehicles. Other significant environmental issues are the impact of tourism on the environment, coral reef decay, waste disposal, and water pollution. The principal environmental agency is the Department of Environmental Health Services. A rookery on Great Inagua affords protection to some 30,000 flamingos as well as to the roseate spoonbill. Land clearing for agricultural purposes is a significant environmental problem because it threatens the habitats of the nation's wildlife. Inagua



In 2004, the government spent US\$521,000 repatriating 3,034 illegal immigrants, including 2,500 Haitians. An estimated US\$678,000 was spent on repatriation in 2003. Besides Haitians, there are increasing numbers of other nationalities—such as Cubans, Jamaicans, and Chinese—illegally landing in the Bahamas.

### Ethnic Groups

About 85% of the population are descendants of slaves brought to the Western Hemisphere from Africa. About 12% of the total is white, largely of British origin, and 3% is Asian and Hispanic.

### Languages

English is the official language of the Bahamas. Haitian immigrants speak French or a Creole patois.

### Religions

As of 2000, at least 90% of the population claimed religious affiliation, and most accounts indicated that these were generally active participants. The population was overwhelmingly Christian, with Baptists comprising about 35%. About 15% of the population were Anglicans and about 24% belonged to other Protestants groups such as Pentecostals (8%), the Church of God (5%), the Methodists (4%), the Presbyterians, Seventh-Day Adventists, and members of the Salvation Army. About 13.5% of the population were Roman Catholics. There is also a strong Greek Orthodox community. Smaller groups include Jews, Baha'is, Muslims, Hindus, and Rastafarians.

The constitution provides for freedom of religion, and this right is generally respected in practice. Religion, with a focus on Christianity, is considered an academic subject in government schools. Although students may freely choose not to participate in religious instruction or observance outside of their own faith, the topic is included in mandatory standardized tests.

### Transportation

The larger islands have modern road networks. In 2002 there were about 2,693 km (1,673 mi) of highways, of which 1,546 km (961 mi) were paved. There were 83,500 passenger cars and 27,000 commercial vehicles in 2003. About 60% of all vehicles are on New Providence. There are no railways.

The Bahamas established a shipping register in 1976. In 2005, this archipelago nation had a merchant fleet of 1,119 ships of 1,000 GRT or over. Nassau is a major port of call for cruise ships, which visit Freeport as well. Airports in 2004 totaled an estimated 63. Of that number in 2005, a total of 30 had paved runways and there was also a single heliport. There are international airports at Nassau and Freeport, with frequent connections to the United States, Canada, and the United Kingdom. In 2001, a total of 1,625,700 passengers were carried on scheduled domestic and international airline flights. Bahamas Air, a state-owned enterprise, is the national airline.



### History

Christopher Columbus is believed to have made his first landfall on the island now called San Salvador (formerly Watlings Island) on 12 October 1492, but the Spanish made no permanent settlement there. Spanish traders captured the native Lucayan Indians and sold them as slaves. The Eleutherian Adventurers, a group of religious refugees, established the first permanent European settlement in 1647. They and

subsequent settlers imported blacks as slaves during the 17th century. The islands were also used as bases for pirates, including the notorious Blackbeard.



The British established a crown colony to govern the islands in 1717. The first royal governor, Captain Woodes Rogers, himself an ex-pirate, drove away the privateers, leaving the slave trade as the main economic enterprise on the islands.

After the end of slavery in 1838, the Bahamas served only as a source of sponges and occasionally as a strategic location. During the US Civil War, Confederate blockade runners operated from the islands. After World War I, prohibition rum-runners used the islands as a base. During World War II, the United States used the islands for naval bases.

Like other former British colonies, the Bahamas achieved independence in stages. After self-government was established in 1964, full independence was granted on 10 July 1973. The country's first prime minister was Lynden O. Pindling, leader of the Progressive Liberal Party. Pindling ruled for nearly 20 years, during which the Bahamas benefited from tourism and foreign investment. By the early 1980s, the islands had also become a major center for the drug trade, with 90% of all the cocaine entering the United States reportedly passing through the Bahamas. Diplomatic relations were established with Cuba in 1974. A decade later, as increased Cuban immigration to the islands strained the Bahamas' resources, Cuba refused to sign a letter of repatriation.

In August 1992, the Bahamas had its first transfer of political power, when Hubert Ingraham became prime minister. Ingraham was reelected in March 1997 for another four-year term. The principal focus of his administration was economic development and job creation. Under Ingraham's watch, several government enterprises were privatized. In September 1999, Hurricane Floyd did extensive damage in the Abacos and Eleuthra, causing a significant dip in tourism revenues. Tourism operations in other parts of the Bahamas were able to resume normal operations days after the Category-4 storm. Also, during Ingraham's administration, a stock exchange, Bahamas International Securities Exchange, officially opened (15 December 1999); trading in local companies was initiated in May 2000 and in mutual funds in April 2001.

In the May 2002 election, the PLP came back to power, and its leader Perry Christie became the new prime minister. Christie promised to bring about more economic development to the tourism-dependent economy. He also vowed to further develop the country's fast-growing financial industry. Christie actively broadened the Bahamian political sphere by establishing diplomatic relations with Singapore (December 2004), Pakistan (February 2005), Sri Lanka (July 2005), and the Czech Republic (July 2005), as well as, opening the door for Sino-Bahamas bilateral ties with a visit to China. On 4 February 2005, the Bahamas signed the Comprehensive Nuclear Test Ban Treaty (CTBT) banning any nuclear weapon test explosion in any environment. The total number of signatories was then 175 worldwide, with 28 in the Latin America and the Caribbean Region.

In September 2004, Hurricane Frances swept through the Bahamas, leaving widespread damage in its wake. Just three weeks later, Hurricane Jeanne flattened the islands. Jeanne uprooted trees, blew out windows, and sent seawater flooding through neighborhoods on the islands of Abaco and Grand Bahama. Receding floodwaters left boats tossed on roads and homes battered.



On 3 May 2005 Christie suffered a stroke. Although rest was indicated, within weeks he returned to a reduced schedule of official duties. General elections were scheduled for no later than 2 May 2007, but in September 2005 Christie hinted that the next elections were "not too far down the 'political highway'."

## Government

Under the constitution of 10 July 1973, the Bahamas adheres to a republican form of government, formally headed by the British sovereign, who is represented by a governor-general. In 2001, at age 71, Dame Ivy Dumont became the Bahama's first woman governor-general. Executive authority is vested in a prime minister and a cabinet. The bicameral legislature consists of a 16-member Senate, appointed by the governor-general (9 on the advice of the prime minister, 4 on the advice of the opposition leader, and 3 at the governor's discretion), and an elected 40-member House of Assembly. The prime minister is the leader of the majority party in the House. The normal span of the elected legislature is five years, but, as in the United Kingdom, elections can be called at any time. Suffrage is universal at age 18.

## Political Parties

The Progressive Liberal Party (PLP), a leader in the pro-independence movement, emerged as the Bahamas' majority party in the early 1970s. The Free Progressive Liberal Party, a splinter group formed in 1970, merged with another opposition group, the United Bahamian Party, to form the Free National Movement (FNM). After years of loyal opposition, FNM took power in 1992, winning 32 seats to 17 for the PLP. In the 1997 elections, the FNM increased its majority to 34 seats, and another seat was added in a by-election later the same year. Meanwhile PLP representation in the House dwindled to six seats and Lynden Pindling resigned as party leader. In 2002, under the leadership of Perry Christie, the PLP won 50.8% of the vote and 29 seats in the 40-member legislature, enough to command majority control.



Prime Minister, Philip "Brave" Davis, and Deputy Prime Minister, Chester Cooper

## Local Government

There are 21 administrative districts, consisting of various islands and groups of islands. A commissioner responsible to the national minister of local government heads each district.

## Judicial System

British common law forms the basis of the Bahamas' judicial system. The highest court is the Court of Appeal, consisting of three judges. The Supreme Court is composed of a chief justice, two senior justices, and six justices. The governor-general makes High Court appointments. Ultimate appeals go to the Privy Council of the United Kingdom. In 2003 the Bahamas was not among the eight Caribbean nations that ratified a treaty to establish the Caribbean Court of Justice to handle some cases formerly heard by the Privy Council. Lower courts include three magistrates' courts on New Providence and one on Freeport. For other islands, commissioners decide minor criminal and civil cases.

The judiciary is independent. The executive branch, with the advice of the Judicial and Legal Services Commission, appoints judges.

Long pretrial detentions are not uncommon in cases involving narcotics. In 1993, new magistrate courts were established to work toward a reduction of backlogs requiring long pretrial detentions. A new Supreme Court was established in Freeport in addition to the Supreme Court in Nassau.

The lowest level courts are magistrate's courts, which handle crimes with a maximum sentence of five years. The Supreme Court handles most major cases like the trial court. Jury trial is only available for the Supreme Court cases.

Criminal defendants have the right to an attorney, but government appointed counsel is provided only in capital cases. There is also a right to be brought before a magistrate within 48 hours, a right to bail, a presumption of innocence, and a right to appeal.

The constitution prohibits torture and other cruel punishments. However, in 1991, corporal punishment was reinstated after having been abolished for seven years. Capital punishment is still used despite protests from the United Kingdom, which has requested its former colonies to eliminate the death penalty.



### Armed Forces

The Royal Bahamas Defense Force (RBDF) is the navy of The Bahamas. Since The Bahamas does not have an army or an air force, its navy composes the entirety of its armed forces. Under The Defense Act, the Royal Bahamas Defense Force has been mandated to defend The Bahamas, protect its territorial integrity, patrol its waters, provide assistance in times of disaster, maintain order in conjunction with the law enforcement agencies of The Bahamas, and carry out any such duties as determined by the National Security Council. The Defense Force is also a member of CARICOM's Regional Security Task Force. The task force has seen action in the United Nations mandate in Haiti 1994.



the Bahamas are part of the Basel Convention, the Convention on Biological Diversity, Ramsar, CITES, the Kyoto Protocol, the Montréal Protocol, MARPOL, the Nuclear Test Ban Treaty, and the UN Conventions on the Law of the Sea, Climate Change, and Desertification.

### Economy

Tourism and financial services drive the Bahamas economy. Tourism, the mainstay of the economy, directly or indirectly involves about half of the population and accounts for about 40% of GDP, with an additional

### International Cooperation

The Bahamas joined the UN on 18 September 1973 and belongs to ECLAC and several non-regional specialized agencies. The Bahamas is an observer in the WTO (2001). The Bahamas is a member of the Commonwealth of Nations, the ACP Group, CARICOM, G-77, LAES, and OAS. It is also a part of the Alliance of Small Island States (AOSIS), the Association of Caribbean States (ACS), and the Inter-American Development Bank. The Bahamas is a member the Nonaligned Movement and of the Agency for the Prohibition of nuclear weapons in Latin American and the Caribbean (OPANAL). The country is a signatory of the 1947 Río Treaty. In environmental cooperation,



10% coming from tourism-related construction. More than five million tourists visited the Bahamas in 2004, 87% from the United States.

The reliance on tourism, particularly from the United States, makes the Bahamas vulnerable not only to worldwide economic shocks such as the decline in travel that followed the 11 September 2001 attacks on the United States but also to cyclical slowdowns that occur in the US economy.

The absence of direct taxation makes the Bahamas a financial haven for banking and trust companies, mutual funds, investment firms, and offshore sales and insurance

companies. The financial services sector made up about 15% of GDP in 2004, constituting the second most important activity in the Bahamas economy. According to the US State Department, the Bahamas government had 262 banks and trust companies as of 2005. However, legislative measures passed since 2000 to better regulate money laundering have led to the closure of some offshore banks and international business companies since 2002. The government is considering new legislation that would keep the financial sector competitive while continuing to comply with international standards.

Besides tourism, tourism-related construction, and financial services, other contributors to GDP include government spending (20%), manufacturing (8%), and agriculture and fisheries (3%). Local companies produce a small array of exports, including salt, aragonite, cement, timber, pharmaceuticals, petroleum products, and rum. Agricultural and fisheries products—which include fruits, vegetables, lobster and fish—are produced mainly for domestic consumption.

After a decade of slow growth, the economy began to pick up in the mid-1990s due to increased private investment in tourism, shipping, construction and the expansion of financial services. Renewed economic buoyancy followed privatization of major hotels in 1994 and completion of major renovations by the new owners since, as well as increased marketing and an improved foreign investment regime. Real GDP growth, at 3–3.5% in 1997 and 1998, increased to 6% and 5% in 1999 and 2000. The global economic slowdown in 2001 and particularly, in tourism, after the 11 September 2001 terrorist attacks on the United States, reduced growth to 3.5% in 2001. However, since 2002, the government has attempted to stabilize its tourism services base through the encouragement of large-scale private sector investments. Still, GDP growth has not kept up with its 1999 pace and was reported at 3% in 2004 and 2005. The US State Department predicted that plans to develop tourism on the Family Islands, expand ship-repair facilities, and encourage film production would help stabilize the Bahamas economy for the long-term.

Steady economic growth has brought a steady decline in unemployment: from 11.5% in 1996 to an estimated 6.9% in 2001. Unemployment has climbed in recent years, however, and was 10.2% in 2004. Inflation remained low, averaging 1.27% from 1996 to 2001. Inflation was 1.2% as of September 2004.

### Income

The US Central Intelligence Agency (CIA) reports that in 2005 The Bahamas' gross domestic product (GDP) was estimated at \$5.7 billion. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed



on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange based on current dollars. The per capita GDP was estimated at \$18,800. The annual growth rate of GDP was estimated at 3%. The average inflation rate in 2004 was 1.2%. It was estimated that agriculture accounted for 3% of GDP, industry 7%, and services 90%. Approximately 32% of household consumption was spent on food, 5% on fuel, 3% on health care, and 8% on education.

## Labor

The total number of workers was put at 156,000 in 1999 (the latest year for which data was available). Of that total in that same year, an estimated 50% were employed in tourism-related activities, with another 40% in other service industries. The remaining 10% of workers were equally distributed between industrial and agricultural employment. In 2004, the unemployment rate in the Bahamas was estimated at 10.2%.

Labor unions operate with constitutional protection, and approximately 25% of the workforce belongs to a union. In the important hotel industry, 80% of the workers are union members. The three leading union federations are the Trade Union Congress, the National Workers Council of Trade Unions and Associations, and the National Congress of Trade Unions. Members of the police force, defense force, fire brigade, and prison guards are not permitted to unionize. All labor unions have the right to affiliate with international trade organizations.



In 2000 (the latest year for which data was available), the government set a minimum wage for all hourly and temporary workers in the public sector at US\$4.45 per hour, and in 2002 (the latest year for which data was available), a minimum wage for private sector employees was set at US\$4.00 per hour. The law limits the regular workweek to 40 hours, requires time-and-a-half overtime pay over that limit, and a standard rest period. The Ministry of Labor promulgates minimum health and safety standards. It enforces these standards with routine inspections, and the standards are generally respected by employers. Children under the age of 14 are not permitted to work in industry or during school hours. Children under the age of 16 are not permitted to work at night.

## Agriculture

Agriculture is carried out on small plots throughout most of the islands. Only about 1% of the land area is cultivated. The nature of the terrain limits the scope of farming, which is mainly a household industry. The main crops are vegetables: onions, okra, and tomatoes, the last two raised mainly for export. Inadequate production has necessitated the import of some 80% of the islands' food supply. Among steps the government has taken to expand and improve agriculture is the reserve of 182,000 hectares (450,000 acres) exclusively for farming, 8,000 hectares (20,000 acres) of which were converted to fruit farming. Export-oriented orange, grapefruit, and cucumber production occurs on Abaco. Agricultural products in 2004 included 55,500 tons of sugar cane, 13,000 tons of grapefruit, 8,700 tons of lemons and limes, 5,000 tons of tomatoes, and 880 tons of sweet potatoes.

## Animal Husbandry

Except for poultry and egg production, the livestock industry is relatively insignificant. In 2004, the livestock population included 750 heads of cattle, 6,500 sheep, 14,500 goats, 15,000 hogs, and 3,000,000 poultry. About 700 tons of cow milk, 1,050 tons of goat milk, and 900 tons of eggs were produced in 2004. Poultry production in 2004 (8,050 tons) accounted for almost all domestic meat production. In December 1991, the government banned foreign chicken, to protect local poultry producers from cheaper imports, mainly from the United States.

## Fishing

The 2003 catch amounted to 12,736 tons, over 81% of which was spiny lobsters (crayfish). Crayfish and conch exports are commercially important. There is excellent sport fishing for wahoo, dolphin fish, and tuna in Bahamian waters. In 2003, fisheries exports totaled \$93.8 million. Since the Bahamas imports 80% of its food, the government is interested in expanding the role of domestic commercial fishing. Aquaculture and mariculture development are planned to grow into a \$150 million annual business by the government, with the anticipation of 15,000 new jobs created. In 2003, fishery exports accounted for 25% of agricultural exports.



## Forestry

Caribbean pine and cascarilla bark are the major forestry products, but there is no commercial forestry industry. About 32% of the total land area consists of forests and woodlands. Roundwood production in 2003 totaled 17,000 cu m (600,000 cu ft.). That year, the Bahamas imported \$21.3 million in wood and forest products.

## Mining

The mineral sector played a minor role in the economy of the Bahamas. Salt and aragonite stone, a component in glass manufacturing, were the two most commercially important mineral products. Estimated 2003 production had figures of 900,000 metric tons for salt and 1.2 million metric tons for aragonite, figures which have remained unchanged since 1999. The major salt producer on the Islands was Morton Bahamas Salt Company, the only major industry and the largest employer on the island of Inagua, where the second-largest solar saline operation in North America was located. Limestone sand was produced by Freeport Aggregate Ltd. for the local construction industry.

## Energy and Power

Most electricity is produced at thermal plants owned by the Bahamas Electricity Corp. Production totaled 1.716 billion kWh in 2002 with capacity for that year at 401,000 kW. Fossil fuel accounts for all power production. Electricity consumption in 2002 was 1.596 billion kWh. In 1991, a 28,000-kW upgrade was initiated at the Clifton Power Plant on the west end of New Providence Island. Gas turbines were added to the Blue Hill Power Station and were operational in late 2002 and early 2003.



## Industry

A few Bahamas-owned industrial companies dominate this sector: the BORCO oil facility, based in Freeport; the Commonwealth Brewery in Nassau, which produces Heineken, Guinness, and Kalik beers; and Bacardi Corp., which distills rum in Nassau for shipment to US and European markets. In addition, a formerly US-owned pharmaceuticals company now operates in Freeport as PFC Bahamas and is owned by the Swiss pharmaceutical company Roche. In addition to these companies, sun-dried sea salt and aragonite (a form of limestone) are produced. Cruise ship repairs are carried out at a wet dock facility in Freeport.

Large-scale oil refining began in 1967 with the installation of a large refinery on Grand Bahama with a daily capacity of 500,000 barrels, but by 2000 no oil was being refined. The BORCO facility now services primarily as a resource for regional oil transshipments.

A duty-free zone and nearby industrial park in Freeport have been established to encourage foreign industrial investment. Through these efforts, Hong Kong-based Hutchison Whampoa opened a container port. The Bahamian Parliament approved legislation in 1993 that extended most Freeport tax and duty exemptions through 2054.



### Science and Technology

Agricultural research facilities include the Bahamas Agricultural Research Center, Central Agricultural Station, and the Food Technology Complex.

### Domestic Trade

Lack of a strong production infrastructure means that most of what residents of the Bahamas consume comes from outside the country, mainly from the United States. Shopping hours are from 9 am to 5 pm, except Sunday. Banks are open from 9:30 am to 3 pm, Monday–Thursday, and from 9:30 am to 5 pm on Friday.

### Foreign Trade

The United States is the Bahamas' major trading partner and takes 77.5% of its exports. Other trading partners include EU (17.6%), Canada (1.6%) and Mexico (0.4%). Trade agreements that the Bahamas participates in are the Caribbean Basin Initiative (CBI), the Caribbean-Canada Agreement (CAIBCAN), and the Lomé Convention. Exports include pharmaceuticals, cement, rum, crawfish, and aragonite.

Foods, manufactured goods, hotels, restaurants, and medical supplies; and computers and electronics are all imported. In 2004, 83.3% of the imports came from the United States, with small amounts coming from Venezuela (5.5%), the Netherlands Antilles (2.6%), the EU (2.1%) and Japan (1.2%). Nassau is the principal distribution and import center.

### Balance of Payments

The US Central Intelligence Agency (CIA) reported that in 2005 the GDP of the Bahamas was \$5.685 billion. Exports totaled \$1.507 billion in 2004, while imports totaled \$5.804 billion, resulting in a significant trade deficit. Although the Bahamas remains an import-oriented economy, income from tourism and financial services is a vital offsetting factor in the country's balance-of-payments position. The CIA described the Bahamas economy as "stable" and "developing."

An International Monetary Fund (IMF) statement on the Bahamas in 2005 reported an increase in the country's net international reserves, which strengthened the Bahamas' position on balance of payments. Net international reserves rose through early 2005, which also helped increase the size of excess bank reserves.

## Banking and Securities

Banking started in the Bahamas in 1837, when the first commercial bank opened in New Providence. The Central Bank of the Bahamas, established in 1973, is the central issuing and regulatory body. Low taxation and lenient regulations have encouraged the establishment of about 420 financial institutions in the country in 2000, half of which operate offshore banks, dealing exclusively with nonresidents. The banking sector accounts for more than 20% of GDP. Many of the loans of domestic banks are denominated in foreign currency. Major Bahamian banking institutions include Bank of the Bahamas Limited, Barclay's Bank, British American Bank, Canadian Imperial Bank of Commerce (CIBC), Citibank, Commonwealth Bank, and the Royal Bank of Canada. Anti-money laundering acts have provided for the security of the banking sector.



The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to \$767.0 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was \$3.6 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 5.75%.

The Bahamas International Securities Exchange (BISX) opened in 2000. It opened in two phases: domestic stocks (from about 20 companies listing an estimated \$30 billion in shares) followed by international offerings. In April 2001 the BISX launched a mutual fund listing facility. In 2003 there were 17 public companies listed on the exchange.



largest portion at \$223 million. Royal & Sun Alliance was the country's top nonlife insurer with gross nonlife written premiums totaling \$84.8 million.

## Insurance

The establishment of many insurance firms in the Bahamas has been encouraged by a 1970 law that permits companies to conduct part or all of their business out of the country while still benefiting from local tax advantages. The government is encouraging the formation of "captive" insurance companies created to insure or reinsure the risks of offshore companies. In 1997, there were approximately 30 captive insurers in the Bahamas. Supervisory jurisdiction is provided by the Ministry of Finance, Registrar of Insurance Companies. In 2003, the value of direct premiums written totaled \$405 million, with life accounting for the

## Public Finance

The Bahamian government budget receives revenues primarily from import duties (65%), but Hemispheric Free Trade scheduled for 2005 was expected to greatly reduce revenues. The government has looked for other sources of funds, including a restructuring of the banking system. Tourism remains about 60% of GDP.

The US Central Intelligence Agency (CIA) estimated that in FY03/04 the Bahamas's central government took in revenues of approximately US\$1 billion and had expenditures of US\$1 billion. Total external debt was US\$308.5 million.



The International Monetary Fund (IMF) reported that in 2003, the most recent year for which it had data, budgetary central government revenues were B\$901.1 million and expenditures were B\$1,067.7 million. The value of revenues in US dollars was US\$736 million, and expenditures US\$872 million, based on a principal exchange rate for 2003 of US\$1 = B\$1.2250 as reported by the IMF.

## Taxation

The absence of direct taxation has enabled the Bahamas to attract a substantial number of financial enterprises in search of tax-shelter advantages. The country has no income taxes, capital gains taxes, or profit taxes, and residents are free from succession, inheritance, gift, or estate taxes. The only indirect taxation is a real property tax, ranging from 1–2% based on appraised value, owner's nationality, location and development status.

## Customs and Duties

Import duties make up approximately 60% of government revenues. As of 2005, import levies range from 1–260% and average 35%, but are subject to change quite frequently. Most duties are applied ad valorem. Preferential rates apply to imports from Commonwealth countries. Exemptions are available for many basic commodities. Luxury goods are taxed at separate tariff rates, for example: cigarettes are taxed at 210% with a stamp tax of 7%, pool tables at 100%, bottled water at 70%, automobiles from 45–75%, and air conditioners at 35%.

## Foreign Investment

The absence of corporate and personal income taxes, as well as any form of sales, estate or inheritance taxes, acts as a direct inducement to foreign capital. In addition, specific investment incentives are included through the following: the Industries Encouragement Act, providing total exception from import duties and taxes for development of approved industries; the Hawksbill Act, which provides for tax-free development of the Freeport area; the newer Bahamas Free Trade Zone Act; the Export Manufacturing Industries Encouragement Act; the Spirits and Beer Manufacturing Act, which allows duty-free importation of construction materials and raw material; the Hotels Encouragement Act, which, as amended, exempts large new hotels from all taxes for up to 20 years with reductions for the next 10 years; the Agricultural Manufacturers Act, which allows machinery and raw materials for an agricultural factory to be imported duty-free; and recent amendments to the Tariffs Act, which allow duty exemptions for construction on some of the outer "Family Islands." Investment proposals are processed by the Bahamas Investment Authority, established under the Foreign Investment Law in 1993 to be a one-stop shop.

In 2000, in response to multilateral organizations' concerns, the government enacted stronger measures to regulate the financial sector and prevent money laundering in the country's banking sector. The measures included establishment of a Financial Intelligence Unit and enforcement of "know-your-customer" rules. By 2004, all banks without a meaningful presence in the country were to be shut down. These rules had the effect of reducing the number of offshore banks registered in the Bahamas (50) and prompted half of the international business companies to close shop. Though painful, the IMF has praised the effort as increasing the efficiency of the financial services sector and reducing the number of nonperforming loans.

Net international reserves have climbed from \$484 million in 2003 to \$668 million in 2004 and were projected to end 2005 at \$642 million.

The government actively seeks foreign investment in every sector of the economy, but reserves many businesses exclusively for Bahamians, including wholesale and retail operations, commission agencies in import/export trade; real estate; domestic newspaper and magazine publication; domestic advertising; local night clubs and restaurants; security services; construction; beauty parlors and barber shops; shallow water scale fish, crustacean, mollusk, and sponge fishing operations; auto and appliance service; and public transportation.



The Bahamas has the world's third-largest registry of ships, administered by the Bahamas Maritime Authority (BMA) headquartered in London. The registry has been famous for cruise ships, but with the development of the Freeport deep-water container facility and transshipment, larger vessels can be accommodated.

Foreign investment remains mainly in the tourism-related sector and the banking and related services sector. Since the enactment of a revised

foreign landholding act in 1993, investment in the second-home sector has been growing. The United Nations Conference on Trade and Development estimates the inflow of foreign direct investment (FDI) for 2004 at \$206 million, compared with \$147 million in 2003. FDI stocks accounted for \$2.20 billion in 2004, or about 39.9% of the Bahamas GDP. Despite the declines in FDI in 2001 and 2002 that resulted from a global economic slowdown and worldwide declines in foreign investment and tourism after the 11 September 2001 terrorist attacks on the US World Trade Center, FDI continued to remain a significant source of revenue for the Bahamas.

The Bahamas' only stock exchange is the Bahamas International Stock Exchange (BISX) started as a private venture with a \$5 million investment in 2000. It has not developed into an efficient channel for foreign portfolio investment. By 2003, the BISX had lost an estimated \$2 to \$3 million and was being sustained by government subsidies of \$50,000 a month. In March 2003, 14 companies were listed with a market capitalization value of \$1.4 billion. In 2001, US investors held \$1.16 billion in equity in Bahamian companies.

## Economic Development

The promotion of tourism and financial activity by foreign firms continued as a basic tenet of the Bahamas government. Since the late 1960s, increased emphasis has been focused on development of local industry, with the liberal tax structure remaining the key incentive. In 1976, the government began a series of measures to foster greater participation by Bahamians in the economy. The new ruling included increased work-permit fees for foreigners and sharp rises in property-transfer taxes and business licensing for non-Bahamians. Since late 1979, government permission has been required for the sale of land to non-Bahamians. The Bahamas Development Bank helps provide financing for non-Bahamian entrepreneurs. In 1996, the government implemented an income tax on foreign workers. The government is attempting to diversify the economy and attract new industry, as well as to conserve and develop the country's 324,000 hectares (800,000 acres) of forest.

Economic challenges facing the Bahamas included meeting continued employment demands, encouraging privatization and keeping a rising level of government debt in check. Bahamas's residents do not pay income or sales taxes. Most government revenue comes from tariffs and imports fees. This situation may change

when the Free Trade Area of the Americas incorporates the Bahamas. Because trade barriers will be reduced, the country is likely to require some form of taxation.

Other future hopes for economic growth lie in continued tourism investment. Two major hotel projects were in the works in late 2004: The Atlantis Resort and Casino on Paradise Island and a \$1.2 billion hotel resort development project in the Cable Beach area of Nassau. In addition, the Baha Mar Company was to purchase three major hotels and a development site, including the last assets of the state-owned Hotel Corporation. As part of the deal, the government was to expand Nassau International Airport. In 2004 and 2005, the government also began to expand its outreach to foreign investors, making trips to Asia, Europe, Latin America, and Canada to promote the islands. Special attention was paid to China, with the Bahamas government making multiple trips there to encourage tourism and investment.

## Social Development

Old age, disability, and survivorship benefits are available to all employees, self-employed individuals, and those who are voluntarily insured. Contributions are shared between employers and employees, but there are no governmental contributions. There is a maternity grant for each live birth, and a 13-week maternity benefit of 60% of the average weekly earnings. Funeral benefits are provided in a lump sum.



Bahamian women are well represented in business, the professions, and government. However, the constitution and the law have continued to discriminate against women. For example, inheritance laws mandate that in the absence of a will, a deceased person's estate be passed on to the oldest son or nearest male relative. Violence against women increased in 2004. The government was taking measures to combat the widespread problem of domestic abuse. Economic difficulties prevent the government from improving standards for child welfare. Child labor laws are in effect.

Human rights are generally respected by the government, although there are occasional reports of arbitrary arrest and detention. Illegal immigrants, mainly Haitians and Cubans, are detained until arrangements are made to either leave the country or remain legally.

## Health

The government operates the 436-bed Princess Margaret Hospital in Nassau and two other hospitals, the Sandilands Rehabilitation Center and the 82-bed Rand Memorial Hospital. In addition, 57 clinics and 54 satellite clinics are maintained throughout the islands, with emergency air links to Nassau. Health expenditures totaled US\$132,492,992, or 14.8% of the national budget.

In 2004, there were 105 physicians, 447 nurses, and 7 dentists per 100,000 people. In 2005, the infant mortality rate was 25.21 per 1,000 live births. In 2000, low birth weight babies accounted for an estimated 10.4% of all births. In 1999, the birth rate was 20 per 1,000 people, and the general mortality rate was 5.4 per 1,000. Average life expectancy in 2005 was 65.54 years. Approximately 28% of all deaths were attributable to diseases of the circulatory system, 20% to communicable diseases, 14% to cancer, and the remainder to other causes.

Approximately 88% of one-year-old children were immunized against measles and 91% were immunized against diphtheria. The HIV/AIDS prevalence was 3.00 per 100 adults in 2003. As of 2004, there were approximately 5,600 people living with HIV/AIDS in the country. There were an estimated 200 deaths from AIDS in 2003.

## Housing

Frequent severe hurricanes in the past decade have caused damage and destruction to thousands of homes. Overcrowding is a problem in some areas and adequate low-cost housing is in short supply. An estimated 70% of housing units were detached houses, nearly 15% were apartments, and more than 10% were single attached dwellings. Over 50% of all homes were stone, concrete and/or brick, and over 30% were wood. The Bahamas Housing Authority was established by the government in 1983, with a mandate to develop housing for low-income people.

To encourage construction of new homes in remote areas the government has waived customs duties on building materials to less developed islands. As of 2001, the government had also launched a "new birth" program to renovate dwellings in traditional communities and to create new housing in urban centers, particularly for low or middle-class residents. Churches, businesses, and other organizations have been called on to find ways to provide shelter for low-income families, women, and children. The government has also sponsored housing projects for senior citizens and the disabled.

## Education

Primary education begins at age five and lasts for six years. Secondary education lasts for five years and is divided into a three-year junior high school course and a two-year senior high school course. Education is compulsory for children between the ages of 5 and 16.

In 2001, about 30% of all children between ages three and five attended some form of preschool program. Primary school enrollment in 2003 was estimated at about 86% of age-eligible students; 85% for boys and 88% for girls. The same year, secondary school enrollment was about 76%; 74% for boys and 77% for girls. The student-to-teacher ratio for primary school was at about 17:1 in 2003; the ratio for secondary school was about 15:1.



Postsecondary training is provided by the government primarily through the College of the Bahamas. The College of Bahamas (founded in 1974) provides a two-year/three-year program that leads to an associate degree. It also offers a Bachelor of Arts degree in education. Other schools of continuing education offering academic and vocational courses include the Bahamas Hotel Training College, the Catholic Continuing Education College of St. Benedicts, and the Industrial Training College. In addition, the Bahamas has been affiliated with the University of the West Indies since 1960.

Education is under the jurisdiction of the Ministry of Education and Culture and is free in all government-maintained schools. English is the official language. As of 2003, public expenditure on education was estimated at 3.7% of GDP. An IDB-funded program for the Improvement of Primary and Secondary Education is under way. The adult literacy rate in 2003 was estimated at about 95.6%; 94.7% for men and 96.5% for women.

## Media

All telephone, telegraph, and teletype service is provided by the Bahamas Telecommunications Corp. In 2003, 131,700 mainline telephones were in service, with automatic equipment in use on the major islands. A submarine cable connects New Providence with Florida, and direct dialing to the United States has been available since 1971. In 2002, there were about 121,800 mobile phones in use.

In 2004, there was one government-run radio station (ZNS Bahamas) and five privately owned radio broadcasters. The country has two television stations, one operated by the state-owned Broadcasting Corporation of the Bahamas, and a privately owned station. In 1997 there were 215,000 radios and 67,000 television sets in use nationwide. In 2003, there were about 84,000 Internet users.

Three daily newspapers are published in the country. The *Nassau Daily Tribune* had a circulation of 12,000 in 2002 while *The Nassau Guardian* had a circulation of 14,100. The daily *Freeport News* has a circulation of 4,000. All three papers are privately owned. There are also several weekly papers. The government is said to respect the constitution's provisions for freedom of speech and press.

## Organizations

Commercial associations include the Bahamas Chamber of Commerce (with locations on Nassau and Grand Bahama) and the Bahamas Agricultural and Industrial Corporation (BAIC). Employers' groups include the Bahamas Employers' Confederation and the Bahamas Union of Teachers.

International amateur sports activities are coordinated by the Bahamas Olympic Association and the Bahamas Amateur Athletic Association (BAAA).

There is a Bahamas Historical Society promoting education and preservation of native culture. The Medical Association of the Bahamas promotes high standards of medical care and serves as an alliance for specialized medical professional associations.



There are about 15 prominent youth organizations throughout the country, including some which are affiliated with political parties. Other groups include the Girl Guides and the Scout Association of the Bahamas, Progressive Young Liberals, Torchbearers Youth Association, and the YMCA and YWCA. Sports associations represent a few pastimes and include the Bahamas Association of Athletic Associations (track and field), the Bahamas Baseball Federation, Bahamas Lawn Tennis Association, and the Bahamas Olympic Association.

There are branches of the Red Cross, the Red Cross Youth Society, and Amnesty International. Other service groups include Kiwanis International, Rotary, and Lions Clubs.

## Tourism, Travel and Recreation

Tourism in the Bahamas makes up almost 40% of the economy. Visitors are attracted to the excellent climate, beaches, flora, fauna, and recreational and resort facilities. Water sports (including excellent deep-sea fishing) are the favorite pastimes. Gambling is legal for non-Bahamians. Major hotels are being renovated and built to accommodate for the growing tourism industry in the Bahamas.

Passports are not required for tourists from the United States and Canada for stays of less than three weeks. Passports but not visas are required of most visitors from Western Europe, Commonwealth countries, and Latin America. All visitors who enter the Bahamas must possess proof of funds to support the visit and either a return or onward ticket. In 2003, approximately 1,500,000 tourists visited the islands, spending a total of US\$1.8 billion. There were 15,393 hotel rooms and 30,786 beds with a 59% occupancy rate. The average length of stay was 4.5 nights.

According to 2004 US Department of State estimates, the cost of staying in the Bahamas varied between seasons and location. Averages were as low as US\$25 per day for a stay on Andros Island to US\$350 per day on Nassau (from November to June).





# PART 5: MARKET ASSESSMENT



*The Utopian Islands*  
Resort & Estates



# PART 5: MARKET FEASIBILITY ASSESSMENT

## ***The Market - Supply, Demand and Projected Absorption***

Below is an outline of the Market Feasibility Assessment:

- Statistics On Visitor Arrivals
- Why do Visitors come to the Exumas?
- Market Breakdown and Analysis
- Overview of Tourism in the Bahamas
- Property Analysis
- Average Daily Rate (ADR) Analysis
- Competitive Position of Project Site
- Amenities Analysis
- Overall Property Evaluation

### ***Statistics On Visitor Arrivals***

The Exumas is not just one island, but rather an archipelago of over 360 breathtaking, tropical islands and cays with sandbars, flats, pristine beaches, aquamarine water, and land and sea parks. The islands of Exuma are a 120-mile-long chain of unmatched beauty. Exuma is also called the Exumas because of its many islands and cays. The Exumas boasts some of the most beautiful beaches in the world.

The beaches in Exuma are so renowned for their beauty that the filmmakers of the movie Pirates of the Caribbean chose the destination to film parts of the very popular movie sequels there. Some of the best beaches in the world are on Stocking Island. The Exumas are known for the shifting sandbars that have been featured in Ministry of Tourism Advertising as well as in movies.

Exuma is also home to the Thunderball Grotto which is a spectacular underwater cave system located on Staniel Cay that was featured in the James Bond Movies "Thunderball" and "Never Say Never" and Ron Howard's movie "Splash."

Exuma is home to the Exuma Cays Land and Sea Park. It is also home to the native iguanas which look like very big dragon lizards. The Exumas are known to be great for snorkeling, boating/sailing and kayaking. Visitors to the island also can go golfing, bone-fishing, diving and deep-sea fishing.

### ***Why Do Visitors Come to Exuma?***

- Visitors primarily came to the Exuma Islands to vacation or to enjoy their honeymoon.
- Approximately seven in ten (70%) stopover visitors came to Exuma for a vacation and approximately

Tourism Survey Regarding Exumas

<b>LIKELY RETURN IN 1-5 YEARS</b>	91%
<b>LIKELY RECOMMEND TO FRIENDS/REL</b>	97%
<b>USED ONLINE SERVICE</b>	58%
<b>USED TRAVEL AGENT</b>	46%
<b>AGE*</b>	
25 - 54 years old	57%
55 years old or older	28%
<b>SEX*</b>	
Male	50%
Female	48%
<b>RACE</b>	
White	85%
Black	3%
Hispanic	2%
Mixed Race/Mixed Heritage	4%
Asian/Pacific Islander	2%
American Indian/Alaska Native	0%
Other	1%

- one in seven (14%) stopovers came to Exuma to enjoy their honeymoon.
- Four percent (4%) of stopovers came to attend a wedding, 3% of them came to visit friends or relatives, 2% of them came to get married, and 2% of them came on a business trip.

### Market Breakdown

The five top influences that helped visitors to choose the Exumas were the beaches, the climate, the perceived rest and relaxation to be had on the island and the hotel facilities there.

1. Approximately eight in every ten (78%) stopovers to Exuma were influenced to visit The Bahamas because of the beaches and approximately six in ten (58%) were influenced to visit because of the climate
2. Approximately half (53%) of them were influenced to visit by the rest and relaxation they expected to enjoy on the island and approximately one in every three (34%) were influenced to visit by the hotel facilities in Exuma
3. Approximately three in ten stopover visitors to Exuma were influenced to visit by the friendly people (31%) and the perceived safety (28%) of the Exumas
4. Approximately one in every four stopovers to Exuma was influenced to visit by the fact that they had never been there before (27%), it was easy to get to (26%), and the perception that the Exuma islands were exotic (24%)
5. Approximately one in every six (14%) stopovers to Exuma was influenced to visit because of the good package deals offered
6. Roughly, one in ten stopover visitors were influenced to visit the island because: of a travel agent/tour operator (13%), a friend had recommended it (12%) or the sporting activities (12%) available on the island had attracted them.

	Exuma	All Bah.
<b>MAIN PURPOSE OF VISIT</b>		
Vacation	70%	74%
Honeymoon	14%	6%
To attend Wedding	4%	2%
Visiting friends and relatives	3%	5%
To Get Married	2%	1%
Business	2%	4%
<b>DECISION TO VISIT INFLUENCED BY:</b>		
Beaches	78%	69%
Climate	58%	53%
Rest and Relaxation	53%	45%
Hotel Facilities	34%	24%
Friendly People	31%	28%
Never Been Here Before	27%	24%
Safety of the Island	28%	19%
Ease of Getting to Island	26%	22%
Exotic Islands	23%	14%
<b>ACTIVIIES VISITORS INTENDED TO DO</b>		
Enjoy Beaches	93%	84%
Rest and Relax	79%	71%
Go Snorkeling	50%	36%
Go on an Island Tour	40%	16%
Go Golfing	28%	6%
Go Shopping	15%	28%
Go Sailing	13%	7%
Go Diving	12%	9%
Go Bonefishing	7%	4%

## TOP INFLUENCES FOR DECIDING TO VISIT THE BAHAMAS

	Bahamas	Nassau/P.I.	Grand Bahama	Out Islands	<i>Exuma</i>
Beaches	69%	69%	69%	69%	78%
Climate	53%	56%	53%	46%	58%
Rest and Relaxation	45%	45%	46%	44%	53%
Hotel Facilities	24%	30%	16%	14%	34%
Friendly People	28%	28%	28%	30%	31%
Safety of Islands	19%	17%	21%	21%	28%
Never Been Here Before	24%	24%	31%	17%	27%
Easy to Get to	22%	23%	22%	17%	26%
Exotic Islands	14%	13%	12%	19%	23%
Good Package Deals	18%	17%	39%	7%	14%
Travel Agent/TO	5%	5%	6%	5%	13%
Friend recommended Bah.	11%	11%	9%	12%	12%
Sports	9%	6%	10%	18%	12%
Heard a lot about Bahamas	10%	11%	10%	8%	9%
Best Value for Money	11%	9%	24%	5%	7%
Wanted to Experience Culture	6%	6%	6%	5%	6%
Had Friends in Bah.	8%	8%	8%	10%	5%
Saw Ad on TV	3%	4%	1%	1%	2%
Bahamas Website	2%	2%	3%	5%	2%
Shopping	4%	4%	5%	3%	1%
Nightlife	4%	5%	3%	2%	1%
Saw Ad in Magazine	0%	1%	0%	0%	1%
Junkanoo/Other Bah. Festival	1%	1%	1%	1%	1%
Casinos	9%	13%	5%	1%	0%
Other	10%	9%	7%	12%	6%
Non Response	5%	4%	7%	4%	3%

Source: Tour Operator and Media Exit Survey 2015, Research and Statistics Dept., Bahamas Ministry of Tourism

**ACTIVITIES VISITORS INTENDED TO DO ON THIS VISIT TO THE BAHAMAS  
ISLANDS OF THE BAHAMAS**

	Bahamas	Nassau/P.I.	Grand Bahama	Out Islands	<i>Exuma</i>
Enjoy Beaches	84%	83%	89%	84%	93%
Rest and Relax	71%	73%	76%	63%	79%
Go Snorkeling	36%	32%	34%	49%	50%
Go on Island Tour	16%	13%	23%	22%	40%
Go Golfing	6%	5%	6%	10%	28%
Shop	28%	29%	39%	16%	15%
Go Sailing	7%	6%	7%	12%	13%
Go Diving	9%	7%	8%	16%	12%
Go Bonefishing	4%	2%	3%	12%	7%
Go Deep Sea Fishing	5%	4%	5%	11%	6%
Go to Junkanoo/Oth.	4%	4%	4%	3%	5%
Go Birdwatching	3%	3%	3%	4%	3%
Go to Casinos	16%	20%	19%	2%	1%
Other Activities	7%	7%	7%	5%	7%
Non Response	5%	4%	7%	4%	4%

Source – Tour Operator and Media Exit Survey, Research and Statistics Dept., Bahamas Ministry of Tourism

- Most of the visitors to Exuma intended to enjoy the beaches (93%) and rest and relax (79%) while they were on the island
- Some stopover visitors to the island also wanted to enjoy some sporting activities
- Half (50%) of them wanted to go snorkeling and approximately three in ten (28%) intended to go golfing while on the island
- Approximately one in every ten stopovers to Exuma intended to go diving (12%) or sailing (13%)
- Approximately one in every twenty stopovers to Exuma intended to go bone-fishing (7%) or go deep sea fishing (6%) while on the island
- Approximately four in ten (40%) stopovers to Exuma intended to go on an island tour once they arrived on the island and approximately one in every seven (15%) stopovers intended to go shopping.

**REPEAT VISITOR VS. FIRST TIME VISITOR  
ISLANDS OF THE BAHAMAS**

Repeat Visitors																			
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Nassau/ P.I.	50.3%	48.6%	49.1%	51.5%	51.5%	53.8%	52.6%	53.6%	51.5%	51.8%	55.0%	56.5%	59.2%	59.5%	57.8%	53.5%	56.4%	57.9%	53.9%
Grand Bahama	48.9%	50.7%	52.9%	49.7%	51.4%	52.0%	50.7%	51.8%	52.7%	54.6%	53.8%	56.9%	59.4%	51.8%	53.9%	53.8%	57.2%	51.4%	47.3%
Out Islands	64.1%	63.6%	55.9%	64.4%	68.6%	69.0%	67.4%	64.4%	65.4%	65.7%	67.4%	68.9%	67.5%	64.8%	61.0%	63.6%	65.4%	65.6%	70.4%
All Bahamas	52.0%	51.4%	51.8%	53.2%	54.1%	55.6%	54.3%	55.0%	54.5%	55.0%	57.5%	58.8%	60.7%	59.1%	57.9%	55.4%	58.3%	58.6%	56.2%

First Time Visitors																			
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Nassau/ P.I.	49.3%	51.2%	50.3%	48.2%	48.2%	45.9%	46.9%	46.0%	48.0%	47.8%	44.8%	43.0%	40.5%	39.7%	41.5%	46.1%	43.0%	40.9%	44.8%
Grand Bahama	50.0%	48.4%	46.5%	50.0%	48.3%	47.6%	48.4%	47.7%	47.0%	44.9%	45.9%	42.7%	40.6%	47.3%	45.0%	45.3%	41.9%	48.1%	51.3%
Out Islands	35.4%	35.7%	43.1%	35.0%	31.0%	30.5%	32.0%	35.0%	33.7%	33.7%	32.1%	30.3%	32.1%	33.9%	36.1%	35.1%	33.3%	33.2%	28.5%
All Bahamas	47.4%	48.0%	47.5%	46.4%	45.6%	44.0%	45.0%	44.5%	45.0%	44.5%	42.2%	40.6%	39.0%	39.9%	40.9%	44.0%	40.9%	40.4%	42.5%

**STOPOVER VISITORS  
BY COUNTRY & BY MONTH  
ISLANDS OF THE BAHAMAS  
PRELIMINARY**

Month	USA			Canada			Europe			Caribbean			Latin America			ROW		
	2016	2015	% Chg	2016	2015	% Chg	2016	2015	% Chg	2016	2015	% Chg	2016	2015	% Chg	2016	2015	% Chg
Jan	68,432	66,660	2.7%	15,001	17,567	-14.6%	7,629	7,748	-1.5%	1,220	1,072	13.8%	3,093	3,781	-18.1%	4,208	3,914	7.5%
Feb	90,726	85,891	5.6%	17,534	20,595	-14.9%	7,350	7,843	-6.3%	1,341	1,234	8.7%	2,170	2,551	-14.9%	3,539	4,032	-12.2%
Mar	144,850	129,942	11.5%	18,061	21,119	-14.5%	9,903	8,465	17.0%	1,312	1,346	-2.5%	2,424	2,482	-2.3%	4,761	4,813	-1.1%
Apr	111,387	111,078	0.3%	13,456	17,156	-21.6%	8,748	9,476	-7.7%	1,474	1,565	-5.8%	2,295	2,363	-2.9%	4,348	4,979	-12.7%
May	112,045	105,356	6.3%	9,995	10,481	-4.6%	7,637	6,862	11.3%	1,843	1,562	18.0%	2,153	2,139	0.7%	4,447	4,161	6.9%
Jun	133,030	122,698	8.4%	5,427	6,114	-11.2%	5,714	4,982	14.7%	1,834	1,317	39.3%	2,562	2,105	21.7%	3,802	3,907	-2.7%
Jul	143,128	135,835	5.4%	8,696	8,639	0.7%	9,381	8,608	9.0%	2,173	1,759	23.3%	4,943	4,698	5.2%	5,457	5,163	5.7%
Aug	96,767	100,163	-3.4%	8,014	9,135	-12.3%	11,426	9,357	22.1%	1,631	1,462	11.6%	2,360	2,157	9.4%	4,608	4,613	-0.1%
Sep	59,257	58,804	0.8%	5,111	5,445	-6.1%	4,440	3,820	16.2%	1,281	1,386	-7.6%	2,861	1,714	66.9%	3,183	3,267	-2.6%
Oct	36,441	61,643	-40.9%	4,882	8,374	-41.7%	5,321	5,742	-7.3%	1,011	1,412	-28.4%	3,226	2,066	56.1%	3,292	3,809	-13.6%
Nov	68,619	70,311	-2.4%	9,411	11,655	-19.3%	6,458	6,384	1.2%	1,283	1,324	-3.1%	1,704	1,623	5.0%	3,569	3,731	-4.3%
Dec	94,577	98,027	-3.5%	12,005	15,459	-22.3%	8,990	8,358	7.6%	1,565	1,415	10.6%	3,739	2,533	47.6%	5,269	4,816	9.4%
<b>Total</b>	<b>1,159,259</b>	<b>1,146,408</b>	<b>1.1%</b>	<b>127,593</b>	<b>151,739</b>	<b>-15.9%</b>	<b>92,997</b>	<b>87,645</b>	<b>6.1%</b>	<b>17,968</b>	<b>16,854</b>	<b>6.6%</b>	<b>33,532</b>	<b>30,212</b>	<b>11.0%</b>	<b>50,483</b>	<b>51,205</b>	<b>-1.4%</b>

All numbers are subject to revision as Immigration cards come in. Stopover Visitors in this table are based on place of stay and not port of entry.  
Source: Immigration Card and Research & Statistics Dept. Ministry of Tourism

**STOPOVER VISITORS  
BY COUNTRY & BY MONTH  
ISLANDS OF THE BAHAMAS  
PRELIMINARY**

Month	USA			Canada			Europe			Caribbean			Latin America			ROW		
	2015	2014	% Chg	2015	2014	% Chg	2015	2014	% Chg	2015	2014	% Chg	2015	2014	% Chg	2015	2014	% Chg
Jan	66,660	61,713	8.0%	17,567	14,135	24.3%	7,748	7,569	2.4%	1,072	931	15.1%	3,781	3,549	6.5%	3,914	3,979	-1.6%
Feb	85,891	80,543	6.6%	20,595	18,447	11.6%	7,843	7,181	9.2%	1,234	1,317	-6.3%	2,551	2,276	12.1%	4,032	4,431	-17.5%
Mar	129,942	124,534	4.3%	21,119	20,104	5.0%	8,465	6,947	21.9%	1,346	1,152	16.8%	2,482	1,982	25.2%	4,813	3,945	22.0%
Apr	111,078	108,298	2.6%	17,156	13,708	25.2%	9,476	10,058	-5.8%	1,565	1,333	17.4%	2,363	2,966	-20.3%	4,979	4,547	9.5%
May	105,356	106,794	-1.3%	10,481	9,760	7.4%	6,862	5,995	14.5%	1,562	1,661	-6.0%	2,139	2,155	-0.7%	4,161	3,819	9.0%
Jun	122,698	126,314	-2.9%	6,114	6,697	-8.7%	4,982	4,494	10.9%	1,317	1,672	-21.2%	2,105	2,403	-12.4%	3,907	3,524	10.9%
Jul	135,835	128,858	5.4%	8,639	8,700	-0.7%	8,608	7,419	16.0%	1,759	1,975	-10.9%	4,698	4,772	-1.6%	5,163	4,354	18.6%
Aug	100,163	103,734	-3.4%	9,135	9,557	-4.4%	9,357	8,784	6.5%	1,462	1,611	-9.2%	2,157	2,179	-1.0%	4,613	3,844	20.0%
Sep	58,804	45,386	29.6%	5,445	4,773	14.1%	3,820	3,746	2.0%	1,386	1,193	16.2%	1,714	1,845	-7.1%	3,267	2,519	29.7%
Oct	61,643	61,280	0.6%	8,374	8,293	1.0%	5,742	5,551	3.4%	1,412	1,301	8.5%	2,066	1,883	9.7%	3,809	3,150	20.9%
Nov	70,311	68,711	2.3%	11,655	12,767	-8.7%	6,384	6,742	-5.3%	1,324	1,043	26.9%	1,623	2,088	-22.3%	3,731	3,165	17.9%
Dec	98,027	91,163	7.5%	15,459	17,200	-10.1%	8,358	8,288	0.8%	1,415	1,314	6.1%	2,533	3,421	-26.0%	4,816	4,504	6.9%
<b>Total</b>	<b>1,146,408</b>	<b>1,107,228</b>	<b>3.5%</b>	<b>151,739</b>	<b>144,141</b>	<b>5.3%</b>	<b>87,645</b>	<b>82,774</b>	<b>5.9%</b>	<b>16,854</b>	<b>16,523</b>	<b>2.0%</b>	<b>30,212</b>	<b>31,519</b>	<b>-4.1%</b>	<b>51,205</b>	<b>44,781</b>	<b>14.3%</b>

All numbers are subject to revision as Immigration cards come in. Stopover Visitors in this table are based on place of stay and not port of entry.  
Source: Immigration Card and Research & Statistics Dept. Ministry of Tourism

### WHEN DID YOU MAKE YOUR RESERVATIONS STOPOVER VISITORS

	All Bah.	Nassau/P.I.	Grand Bah.	Out Isl.	<i>Exuma</i>
Same Week of Travel	5%	5%	4%	6%	3%
Same Month of Travel	15%	16%	14%	13%	7%
1 to 3 Months Before Travel	44%	47%	47%	36%	39%
4 to 7 Months Before Travel	26%	24%	28%	29%	36%
8 to 12 Months Before Travel	6%	6%	5%	10%	13%
More than 12 months Before Travel	1%	1%	1%	3%	1%
Non-Response	2%	2%	1%	5%	1%

Source – Tour Operator and Media Exit Survey, Research and Statistics Dept., Bahamas Ministry of Tourism

Visitors to Exuma primarily booked their reservations anywhere from the same month of travel to seven months in advance of travel. Approximately one in ten (7%) stopovers booked their reservations the same month of travel and approximately four in ten (39%) booked their reservations one to three months before travel. Approximately one in every three (36%) stopovers booked their reservations four to seven months in advance of travel.

### Do Visitors Use an Online Service to Book Their Reservations to Exuma?

Approximately six in ten (58%) visitors to Exuma used an online service to book some or all their reservations.

### MOST POPULAR ONLINE BOOKING SERVICES USED EXUMA

Sandals.com	Redtag.ca	Rbctravelmanagement.com
Watermakersair.com	Selloffvacations.com	Travelonly.com
Expedia.com	United.com	Tpica
Aircanada.com	Navtours.com	Onetravel.com
Aa.com	Hotels.com	Atlantis.com
Delta.com/deltavacations.com	Cruiseplanners.com	Aeroplan.com
Vrbo.com	Bahamasair.com	Ba.com
Orbitz.com	Tui.com	Vacationstogo.com
Homeaway.com	FlightHub.com	Cheaptickets.com
Booking.com	Marcotravel.com	Flightnetwork.com
Travelocity.com	Usairwaysvacations.com	Interturnet.com.br
Grandisleresort.com	Bookit.com	Edreams.com
Carlsonwagonlit.com	Vision2000.ca	Platinumtvl.com
Priceline.com	Classicvacations.com	Meritvacations.com
Maritimetravel.ca	Beachbumvacation.com	Workdtvl.com
Itravel2000.com	Dertour.de	Bahamas.com
Cheapoair.com	Pleasantoholidays.com	Islandoutpost.com
Aircanadavacations.com	Silverairways.com	Tripadvisors.com
Kayak.com	Oktravagency.com	
Tripcentral.ca	Totaltravelmarine.com	
Jetblue.com	Westjet.com	

Source – Tour Operator and Media Exit Survey, Research and Statistics Dept., Bahamas Ministry of Tourism

**ISLANDS OF THE BAHAMAS  
USE OF TRAVEL AGENT**

	All Bahamas		Nassau/P.I.		Grand Bahama		Out Islands		Exuma	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Used Travel Agent	30%	31%	27%	32%	37%	34%	32%	26%	46%	49%
Did Not Use Travel Agent	69%	68%	72%	67%	62%	65%	65%	73%	52%	50%

Source – Tour Operator and Media Exit Survey, Research and Statistics Dept., Bahamas Ministry of Tourism

Roughly, half (46%) the visitors to Exuma used a travel agent or tour operator to book some or all of their reservations to the destination. Some stopovers to Exuma were obviously using a combination of online and travel agent booking services to make their reservations. Some visitors to Exuma who used tour operators/travel agents used the following: Sandals/Sandals Unique Vacations, Unique Vacations, AAA Travel/Triple AAA Travel, Air Canada Vacations, Flight Centre, Carlson Wagonlit Travel, Liberty Travel, American Express Travel, Marlin Travel Leaders, Travel Impressions, Uniglobe Travel, GoGo Tours, CAA Travel, Viaggi Del Ventaglio, Funjet Vacations, Provident Travel and VIP Travel, etc.

- Approximately nine in ten (88%) stopover visitors used the Internet as the electronic media most frequently used when planning their vacation
- Approximately one in ten (9%) stopovers used Network television when planning their vacations
- Approximately one in every twenty of them used Specialty Cable Channels (7%) or Specialty News Channels (5%) the most when planning their vacations.

### **Top Media Used by Visitors to the Exumas**

One in every four (25%) visitors to Exuma watched ESPN. Approximately two in ten stopovers watched NBC (18%) or ABC (17%).

Visitors to Exuma were most likely to watch television between the hours of 7:00 am to 8:59 am and 6 pm to 10:59 pm at night. The hour of 8:00 pm to 8:59 pm was the most popular; four in ten (42%) stopovers to Exuma watched television during that time.

Approximately two in ten (19%) to Exuma used print media when they were planning their vacations. Of the visitors to Exuma who used print media to plan their vacations approximately four in ten (38%) stopovers used newspapers and approximately seven in ten (73%) used magazines. Some stopover visitors obviously used both.

Although only 19% of visitors to Exuma used print media when planning their vacations, roughly half (45%) of the stopovers read newspapers for their personal enjoyment and edification. Some of these newspapers would have been online and not just in print form. Approximately two in ten visitors to Exuma read the Globe and Mail (21%), New York Times (21%), USA Today (20%), Toronto Star (19%) and the Wall Street Journal (17%).

**TOP 20 FAVORITE TELEVISION NETWORKS/STATIONS  
ISLANDS OF THE BAHAMAS**

Bahamas		% Informants	Exuma		% Informants
1	ESPN	21%	ESPN		25%
2	ABC	20%	NBC		18%
3	NBC	19%	ABC		17%
4	CNN	16%	HGTV (Home & Garden Network)		17%
5	HBO	14%	CNN		16%
6	CBS	14%	CBS		13%
7	HGTV (Home & Garden Network)	13%	CBC (Canada)		9%
8	FOX	10%	FOX		9%
9	TNT	7%	HBO		9%
10	FOOD (Food Network)	7%	DISC (Discovery Channel)		8%
11	DISC (Discovery Channel)	7%	FOOD (Food Network)		7%
12	FOXN	6%	FOXN		6%
13	BRAVO	5%	TNT		6%
14	USA	5%	Other Sports Networks		6%
15	TLC (The Learning Channel)	5%	BRAVO		5%
16	E! (E! Entertainment)	4%	TLC (The Learning Channel)		5%
17	HIST(History Channel)	4%	AMC (American Movie Classics)		4%
18	SHW (Showtime)	4%	TSN		4%
19	LIFE (Lifetime)	3%	TBS		3%
20	TBS	3%	Travel Channel		3%

**TOP 20 FAVORITE NEWSPAPERS READ BY VISITORS  
ISLANDS OF THE BAHAMAS**

Bahamas		% Informants	Exuma		% Informants
1	New York Times	25%	Globe & Mail		21%
2	USA Today	25%	New York Times		21%
3	Wall Street Journal	16%	USA Today		20%
4	Other	9%	Toronto Star		19%
5	Washington Post	8%	Wall Street Journal		17%
6	New York Post	7%	Washington Post		5%
7	Daily News	6%	Daily News		3%
8	Toronto Star	6%	Atlanta Journal Constitution		3%
9	Globe & Mail	5%	Sun/The Sun News		2%
10	Boston Globe	4%	National Post		2%
11	Times	4%	New York Post		2%
12	Post	3%	Boston Globe		2%
13	Miami Herald	2%	Chronicle Herald		2%
14	Atlanta Journal Constitution	2%	Times		2%
15	Newsday	2%	Chicago Tribune		1%
16	Chicago Tribune	2%	Dallas Morning News		1%
17	New York Daily News	2%	Sun Sentinel		1%
18	Dallas Morning News	2%	Houston Chronicle		1%
19	Sun/The Sun News	1%	Miami Herald		1%
20	Orlando Sentinel	1%	Newsday		1%

**TOURIST COMMENTS**  
**POSITIVE VS. NEGATIVE COMMENTS**  
**EXUMA**

	TOP 6 COMPLIMENTS		TOP 6 COMPLAINTS		
	2015	2014		2015	2014
General	30%	31%	Litter (neg)	15%	7%
People	25%	25%	Hotel (neg)	10%	10%
Scenery/Sightseeing	11%	9%	Prices (neg)	9%	11%
Beaches	9%	10%	People (neg)	8%	7%
Sea/Water	5%	5%	Service (neg)	7%	7%
Tour/Excursions	3%	1%	General Comm. (neg.)	6%	6%
<b>No. of Comments</b>	<b>406</b>	<b>350</b>	<b>No. of Comments</b>	<b>108</b>	<b>72</b>

Source – Tour Operator and Media Exit Survey, Research and Statistics Dept., Bahamas Ministry of Tourism

In 2015, the top six complaints that visitors made about Exuma were about litter on the island, the hotel, high prices, poor attitudes of some of the people and poor service on the island. Hotel complaints and service complaints were often intertwined with each other. Approximately one in every seven complaints received from visitors was about the litter (15%) on the island. Visitors who complained about litter mentioned: litter all over the island, garbage on the side of the roads, etc.

One in ten complaints received about Exuma were about the hotel (10% e.g. hotel service not good, food quality not good, etc.), the high prices (9%, e.g. food expensive, everything expensive, etc.), the poor attitudes of the people (8%, e.g. unfriendly people) and the service (7%, e.g. slow service, service not good) in the island.

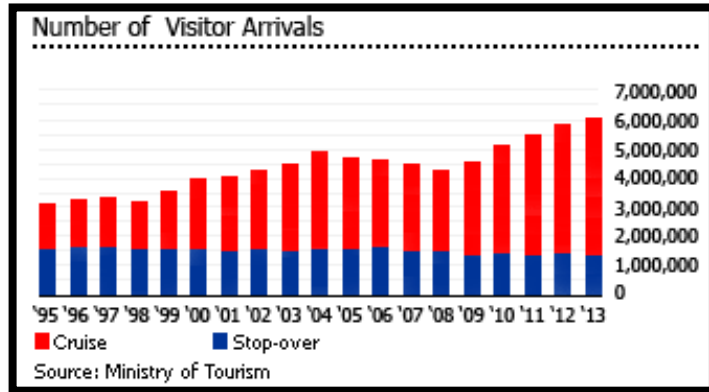
### How Did Visitors Rate Their Product Experiences?

**PRODUCT SATISFACTION RATINGS**  
**EXUMA**

Exuma	Excellent	Good	OK	Not So Good	Awful	DK	Categories Combined	
							Excellent or Good	Not So Good or Awful
Beaches	71%	19%	6%	1%	0%	1%	90%	1%
Climate	56%	27%	13%	2%	0%	1%	82%	2%
Attitude of People	57%	24%	11%	3%	1%	0%	81%	5%
Easy to Get to	38%	29%	22%	3%	0%	2%	67%	4%
Hotel Rooms	35%	29%	18%	2%	0%	10%	65%	2%
Hotel Service	35%	25%	16%	6%	2%	11%	60%	8%
Food in Restaurants	26%	31%	22%	5%	1%	10%	57%	6%
Restaurant Service	29%	28%	20%	6%	2%	10%	57%	9%
Food in Hotels	25%	29%	21%	8%	1%	11%	53%	8%
Overall Value for Money	22%	30%	32%	6%	2%	1%	52%	9%
Value for Money in Hotels	19%	28%	28%	7%	2%	10%	46%	9%
<b>Exuma</b>	<b>49%</b>	<b>32%</b>	<b>14%</b>	<b>1%</b>	<b>0%</b>	<b>1%</b>	<b>81%</b>	<b>2%</b>

Source: Tour Operator and Media Exit Survey 2015, Research and Statistics Dept., Bahamas Ministry of Tourism

The beaches and the climate were the two most highly rated product experiences in Exuma. Nine in ten (90%) stopovers thought that the beaches were excellent or good and eight in ten (82%) thought that the climate was excellent or good. Approximately eight in ten (81%) stopovers thought that the attitude of the people was excellent or good.



Visitors to Exuma also rated the destination higher than visitors to the Bahamas Overall. Approximately eight in ten (81%) stopover visitors to Exuma thought that the destination was excellent or good compared to three in four (76%) stopovers to the Bahamas Overall who thought this way. Only 2% of the stopovers to Exuma thought that it was not so good or awful.

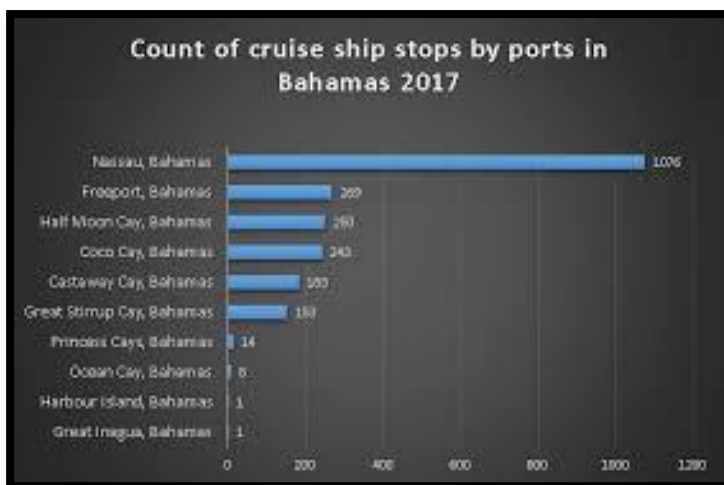
Stopovers to Exuma rated the hotel rooms more highly than stopovers to the Bahamas Overall. Approximately two in three (65%) stopovers to Exuma thought that the hotel rooms were excellent or good compared to approximately half (52%) of those to the Bahamas Overall. Only 2% of the stopovers to Exuma thought that the rooms were not so good or awful.

Six in ten (60%) of visitors to Exuma thought that the hotel service was excellent or good. However, 8% thought that the hotel service was not so good or awful.

Approximately one in ten stopover visitors to Exuma thought that the restaurant service (9%), overall value for money (9%), the hotel value for money (9%) and the food in the hotels (8%) were not so good or awful. Approximately one in twenty (6%) stopovers thought that the food in the restaurants was not so good or awful.

### How Did Visitors to Exuma Get There?

- The majority (88%) of visitors to Exuma travelled to Exuma via a commercial airline.
- Approximately one in ten (8% travelled to the island destination via a private plane and 2% by a yacht/private boat.



### Where Did Visitors to Exuma Stay While There?

Approximately half (52%) of the stopovers to Exuma stayed in a hotel and one in four (25%) stayed in an apt/villa. Thirteen percent (13%) of stopovers stayed on a private boat/yacht, 3% with friends or relatives, and 3% in their own property.

It is obvious that some visitors who are staying on a boat/yacht are not coming in on their boats but are flying into Exuma.

## Which Visitors to Exuma Tended to Stay the Longest?

- Visitors from the Caribbean stayed an average of 10.8 nights.
- Visitors from Europe stayed on average 10.5 nights and those from Canada stayed an average of 9.8 nights.
- Stopovers from the United States stayed an average of 7.4 nights and those from Latin America an average of 8.2 nights.
- The average length of stay in Exuma overall was 8.0 nights.

## What Were the Busiest Months for Visitors to Exuma?

Although visitors visit Exuma all year round, February to July are normally the busiest months. March is normally the busiest month for stopovers to visit the island in any given year.



## What Were the Slowest Months for Visitors to Exuma?

The slowest months for stopover visitors to visit Exuma are normally during the months of September and October and it is not unusual for some hotel properties to close during these months.

## How Many Visitors Did Exuma Receive and Where Did They Come from (2015)?

In total, Exuma received 53,066 stopover visitors in 2015.

- **United States:** Approximately three in every four (76% or 40,365 stopovers) stopover visitors to Exuma came from the United States. Stopovers to Exuma from the United States primarily came from the states of Florida (17%), Texas (8%), New York (6%), California (5%), Georgia (5%), Virginia (4%), North Carolina (4%), and Tennessee (3%).
- **Canada:** One in every seven (14% or 7,283 stopovers) stopover visitors to Exuma came from Canada. Stopovers to Exuma from Canada primarily came from the Canadian Provinces of Ontario (57% of them), Quebec (16%), Alberta (5%), British Columbia (4%), and Nova Scotia (4%).
- **Europe:** 7% (3,485) of the stopovers came from Europe. Stopovers to Exuma from Europe primarily came from the UK (25% of them), Italy (21%), Germany (17%), France (17%), Switzerland (6%), Austria (2%), and Spain (2%).
- **Latin America:** 1% (519) of the stopover visitors came from Latin America. Stopover Visitors to Exuma from Latin America primarily came from Brazil (21%), Argentina (18%), Venezuela (16%), Peru (14%), Mexico (10%), Uruguay (7%), Columbia (5%), Panama (3%), and Chile (3%).

## Expenditures while in the Bahamas

## 2016/2015 EXPENDITURE COMPARISONS PRELIMINARY

	STOPOVER			CRUISE			DAY			ALL VISITORS		
	2016	2015	% CHG. 2016/2015	2016	2015	% CHG. 2016/2015	2016	2015	% CHG. 2016/2015	2016	2015	% CHG. 2016/2015
<b>FIRST QUARTER</b>												
Nassau/Paradise	\$457,276,549	\$439,395,035	4.1%	\$72,431,207	\$59,246,156	22.3%	\$543,060	\$361,980	50.0%	\$530,250,816	\$499,003,171	6.3%
Grand Bahama	\$57,554,184	\$56,069,822	2.6%	\$12,896,228	\$11,161,685	15.5%	\$399,960	\$355,860	12.4%	\$70,850,372	\$67,587,366	4.8%
Out Islands	\$150,684,668	\$124,140,751	21.4%	\$5,221,368	\$5,353,866	-2.5%	\$221,880	\$245,100	-9.5%	\$156,127,916	\$129,739,717	20.3%
All Bahamas	\$665,515,401.3	\$619,605,607.3	7.4%	\$90,548,803	\$75,761,707	19.5%	\$1,164,900	\$962,940	21.0%	\$757,229,104	\$696,330,254	8.7%
<b>SECOND QUARTER</b>												
Nassau/Paradise	\$409,999,968	\$402,045,884	2.0%	\$63,331,736	\$60,305,713	5.0%	\$498,000	\$382,080	30.3%	\$473,829,704	\$462,733,676	2.4%
Grand Bahama	\$62,469,703	\$58,221,782	7.3%	\$10,481,640	\$10,950,299	-4.3%	\$403,560	\$331,560	21.7%	\$73,354,902	\$69,503,641	5.5%
Out Islands	\$186,632,045	\$158,903,856	17.4%	\$5,805,397	\$6,101,605	-4.9%	\$356,280	\$332,640	7.1%	\$192,793,722	\$165,338,101	16.6%
All Bahamas	\$659,101,716	\$619,171,522	6.4%	\$79,618,772	\$77,357,617	2.9%	\$1,257,840	\$1,046,280	20.2%	\$739,978,328	\$697,575,419	6.1%
<b>THIRD QUARTER</b>												
Nassau/Paradise	\$355,045,681	\$367,823,278	-3.5%	\$56,697,061	\$59,982,922	-5.5%	\$435,600	\$343,500	26.8%	\$412,178,342	\$428,149,700	-3.7%
Grand Bahama	\$46,307,463	\$49,621,165	-6.7%	\$9,273,310	\$11,617,113	-20.2%	\$153,720	\$211,020	-27.2%	\$55,734,493	\$61,449,298	-9.3%
Out Islands	\$145,959,577	\$99,556,108	46.6%	\$3,171,799	\$3,135,853	1.1%	\$236,340	\$271,380	-12.9%	\$149,367,716	\$102,963,341	45.1%
All Bahamas	\$547,312,722	\$517,000,550	5.9%	\$69,142,170	\$74,735,888	-7.5%	\$825,660	\$825,900	0.0%	\$617,280,551	\$592,562,339	4.2%
<b>FOURTH QUARTER</b>												
Nassau/Paradise	\$337,248,297	\$323,048,002	4.4%	\$42,626,919	\$62,922,273	-32.3%	\$318,660	\$470,100	-32.2%	\$380,193,875	\$386,440,375	-1.6%
Grand Bahama	\$20,342,907	\$36,156,026	-43.7%	\$6,530,266	\$12,735,222	-48.7%	\$139,500	\$320,160	-56.4%	\$27,012,672	\$49,211,408	-45.1%
Out Islands	\$82,669,766	\$109,307,000	-24.4%	\$5,537,497	\$5,913,607	-6.4%	\$194,520	\$192,720	0.9%	\$88,401,783	\$115,413,327	-23.4%
All Bahamas	\$440,260,970	\$468,511,028	-6.0%	\$54,694,681	\$81,571,102	-32.9%	\$652,680	\$982,980	-33.6%	\$495,608,331	\$551,065,110	-10.1%
<b>FULL YEAR TOTAL</b>												
Nassau/Paradise	\$1,559,570,495	\$1,532,312,198	1.8%	\$235,086,922	\$242,457,065	-3.0%	\$1,795,320	\$1,557,660	15.3%	\$1,796,452,738	\$1,776,326,923	1.1%
Grand Bahama	\$186,674,256	\$200,068,794	-6.7%	\$39,181,443	\$46,464,319	-15.7%	\$1,096,740	\$1,218,600	-10.0%	\$226,952,439	\$247,751,713	-8.4%
Out Islands	\$565,946,057	\$491,907,715	15.1%	\$19,736,061	\$20,504,931	-3.7%	\$1,009,020	\$1,041,840	-3.2%	\$586,691,137	\$513,454,486	14.3%
All Bahamas	\$2,312,190,808	\$2,224,288,707	4.0%	\$294,004,426	\$309,426,314	-5.0%	\$3,901,080	\$3,818,100	2.2%	\$2,610,096,314	\$2,537,533,121	2.9%

All numbers are subject to revision. Hurricane Matthew passed through the Islands of the Bahamas October 5th through October 8th 2016 (4th Qtr). This Hurricane caused major devastation in Grand Bahama and some of the Out Islands.

HOTEL ROOMS AVAILABLE IN THE BAHAMAS  
1999 - 2016

ISLAND	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NASSAU/P.I.	8,319	8,384	8,690	8,751	8,738	8,523	8,662	8,638	9,706	9,319	8,972	8,970	9,073	8,869	8,961	8,956	7,869	8,006
GRAND BAH. ISL.	3,172	3,781	3,617	3,944	3,816	3,829	2,994	3,011	3,113	3,121	2,641	2,603	1,936	1,782	1,603	2,037	2,294	2,307
THE OUT ISLDS.	2,662	2,536	2,888	2,450	2,839	3,156	3,144	3,280	3,516	3,857	3,663	3,663	4,144	4,042	4,272	4,307	4,564	4,491
Abaco	628	621	835	774	893	854	720	721	861	872	763	763	1,072	967	921	1,019	1,071	1,195
Acklins	5	29	29	29	30	37	35	35	34	34	38	38	40	41	47	52	51	51
Andros	237	303	341	334	340	377	397	384	386	393	409	409	366	300	393	329	290	298
Berry Islands	53	53	91	90	67	63	17	17	24	24	24	24	21	40	34	29	25	25
Bimini	181	210	229	222	176	181	323	407	398	599	698	698	846	830	810	714	883	728
Cat Island	110	110	132	128	150	162	171	142	149	137	137	137	146	165	181	180	191	183
Crooked Is.	18	29	29	29	26	41	41	46	39	39	39	39	38	33	33	33	39	39
Eleuthera (Mainland)	612	336	341	231	222	270	247	244	289	337	321	321	275	202	309	368	353	340
Exuma	150	158	189	214	232	434	438	526	531	648	446	446	573	696	755	808	839	814
Harbour Is.	166	174	177	190	191	218	219	220	276	279	279	279	267	254	254	253	253	253
Inagua	27	27	17	17	11	21	21	26	21	21	15	15	18	15	27	24	35	35
Long Island	93	112	106	106	133	144	147	144	145	134	168	168	164	197	201	190	203	192
Mayaguana	33	30	25	25	21	29	21	21	16	16	16	16	16	16	13	13	13	13
Rum Cay	0	0	0	0	0	0	0	0	0	0	0	0	6	0	6	0	0	0
San Salvador	328	328	328	42	328	306	328	328	328	306	292	292	296	286	278	278	290	290
Spanish Wells	21	16	19	19	19	19	19	19	19	18	18	18	0	0	5	12	12	19
Ragged Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	5	16	16
THE BAHAMAS	14,153	14,701	15,195	15,145	15,393	15,508	14,800	14,929	16,335	16,297	15,276	15,236	15,153	14,693	14,836	15,300	14,727	14,804

Prepared by the Research Dept. Ministry of Tourism

Source: Hotel Licensing Unit- These are licensed properties only

All numbers are subject to revision.

\*2012 hotel rooms is as of December 2012, \*\*2013 hotel rooms is as of July 2013

\*\* 2014 room counts are as of June 2014, 2015 room counts are as of June 2015

\*2016 data is based on Hotel licensing Report June 2016

## Snapshot of the Local Economy and Expected Changes

Excerpts from HVS Key Takeaways: CHICOS 2017 - November 27, 2017 11:50am  
By Kristina M. D'Amico and Kristin Rinaudo

“With U.S. and global attention focused on the Caribbean region following two record-breaking hurricanes that hurled through the region in September, the timing of CHICOS (Caribbean Hotel Investment Conference & Operations Summit) less than two months later opened the door to educated conversations within our industry. Interestingly, the dialog was hardly identifiable with the sensationalist news headlines and misrepresentations in the media that the Caribbean is somehow pulverized, as the 2017 Atlantic hurricane season winds down. Rather, attendees agreed that there is a need to educate the public on the geography of the region, and conversations delved into other directions including lender reactions, new design and code regulations, the effect on investor behaviors and holding periods, operational expenses, and capital improvement opportunities, among others.

While last year’s CHICOS experienced a similar “buzz” because of its November date, just one day after the U.S. presidential elections results were announced, the hot topics of last year regarding the impact of the election and, more notably, the impact of the Zika virus, were virtually unmentioned just one year later. Less predictable than its neighboring U.S. hotel market, the Caribbean hotel market is ever changing and keeping hoteliers on their toes. The 2016 CHICOS was neutral to slightly positive in tone; however, the 2017 CHICOS sentiment was markedly more positive despite the new challenges that have developed. Seemingly unbothered, industry leaders agreed that to be able to stomach events like Zika and hurricanes, investors must be in it for the long haul; not for the faint-of-heart, where some stakeholders wane in the face of uncertainty associated with a dynamic market such as the Caribbean, but the risk/reward stakes are raised for those with patient money. A few key takeaways from this year’s conference are presented below.

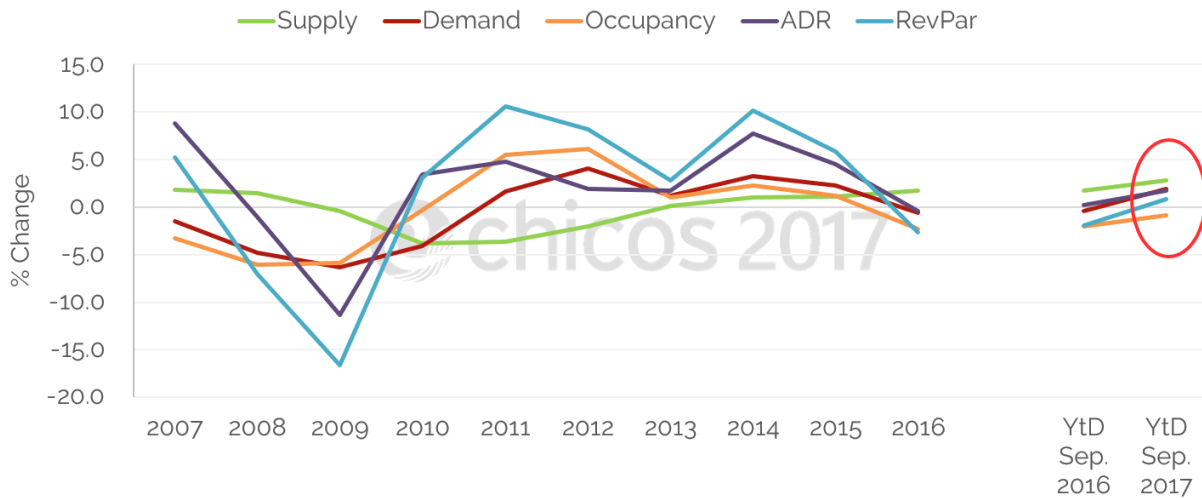


***Despite the intense hurricane season, hotel owners and operators have a positive outlook on the future of the Caribbean region given its resilience.***

While the impact and conversation surrounding the mosquito-borne Zika virus continued to decline through 2017, the Caribbean was fraught with a new challenge: the record-breaking 2017 Atlantic hurricane season. While both Hurricane Irma and Maria devastated certain islands and many iconic resorts in the region, speakers wanted to get the message out to both visitors and investors that the Caribbean is open for business. Of 32 island nations, just seven were

significantly affected (three quite severely). Leaders emphasized the importance of educating the public on the geography of the region and that each island is unique and should be marketed individually. The notion that the entire Caribbean region was devastated is incorrect, as more than 75% of the region was unaffected by the hurricanes but by the immediate wave of cancellations and bookings, leaving hotel rooms unoccupied and inbound revenue absent.

However, on the positive side for the affected resorts, insurance funds will provide hotel owners the opportunity to carry out capital expenditures, modernize, and renovate while they are closed. Given the pipeline of new projects in the Caribbean, these resorts will reopen in better condition and be more market competitive than previously. Despite the challenges primarily associated with Zika perceptions in 2016, RevPAR increased in every month for six months leading up to September. Increases were registered across most metrics, including overall visitor arrivals, total revenue, demand, supply, occupancy, ADR, and RevPAR.



Source: STR



Pictured left to right: Gary Brough, Managing Director - KPMG | Andro Nodarse-León, Managing Partner - Leon, Mayer & Co. | Ross Brennan, Managing Director - Sterling Financial | Nicholas Hecker, Senior Principal - Och Ziff Real Estate | Adam Rosenberg, Global Head of Gaming & Leisure - Fortress Investment Group - Credit Funds

**Increased visitor arrivals and the robust development pipeline have notably shifted focus to the all-inclusive product.**

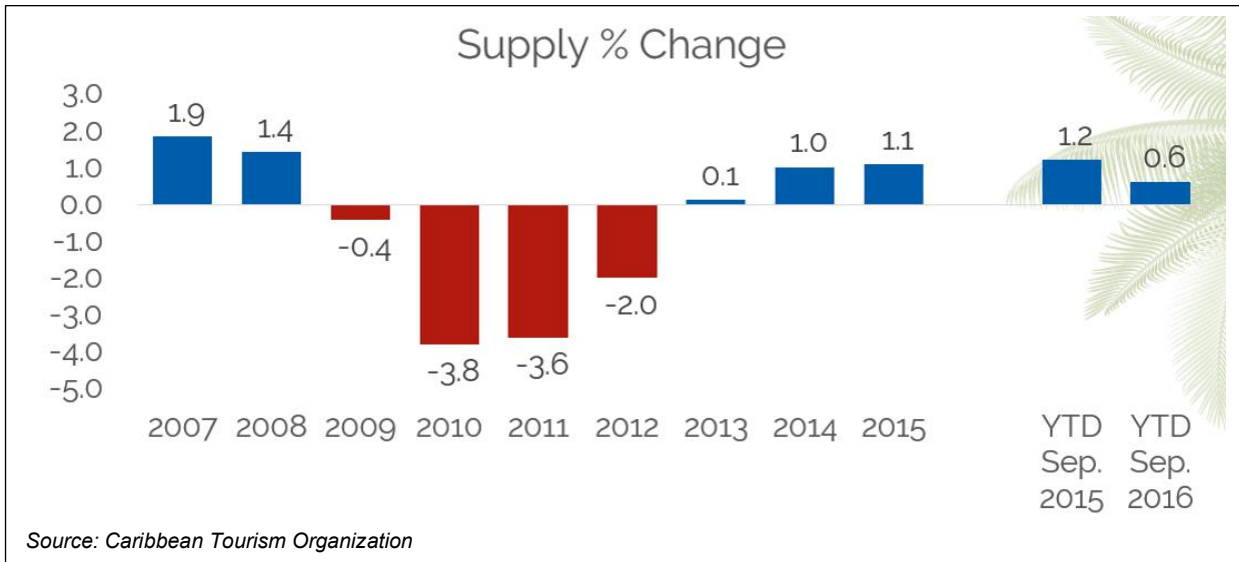
Continued increases in airlift and demand have provided developers with opportunities for new projects in the islands. Construction takes place in almost every major island, and, per STR, construction is up 25% from 2016, with 43% of this new inventory in the luxury tier. Not surprisingly, some of the region’s most populous island nations, the Dominican Republic and Jamaica, dominate the 2017 development pipeline with all-inclusive resort development given the value proposition associated with these resorts. The all-

inclusive inventory continues to grow with the recent openings of a 454-room Riu in Montego Bay, a 457-room Secrets in Cap Cana, and a 150-room Breathless in Montego Bay, as well as the recent announcements from Karisma Hotels on the development of 500 rooms in Cap Cana, from Playa Hotels regarding the development of 750 rooms in Cap Cana, and from AM Resorts on the development of 600 rooms in Punta Cana. However, despite the continued boom in the all-inclusive segment, many industry leaders also see an opportunity to build in the select-service and midscale space given recent consumer preferences trending to the select-service segment and the lack of this inventory on many of the islands. Furthermore, the increasing presence of low-cost airlines opens Caribbean travel to a wider customer base.

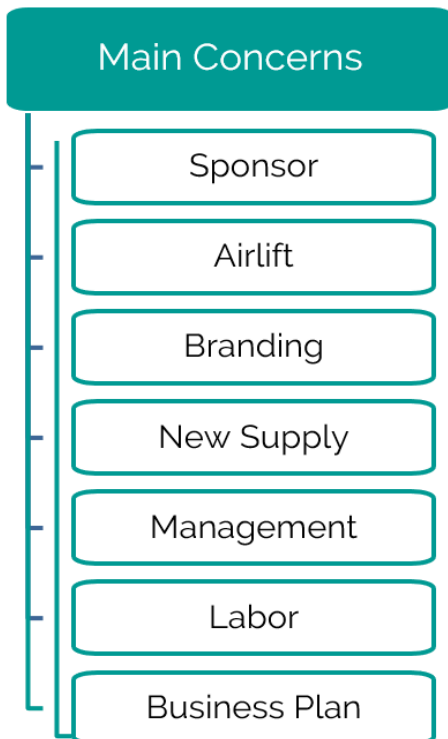



Recently Opened/Topping Out:	Planning Stages:
<ul style="list-style-type: none"> <li>• 454-room Riu in Montego Bay, Jamaica</li> <li>• 457-room Secrets in Cap Cana, Dominican Republic</li> <li>• 150-room Breathless in Montego Bay, Jamaica</li> <li>• 222-room Sandals in Barbados</li> </ul>	<ul style="list-style-type: none"> <li>• 500-room resorts in Cap Cana, DR (Karisma Hotels)</li> <li>• 750-room resort in Cap Cana, DR (Playa Hotels &amp; Resorts)</li> <li>• 600-room resort in Punta Cana, DR (AMResorts)</li> </ul>

Source: HVS



Additionally, continuing with the theme of new supply and changing consumer preferences, one of the most notable panels included representatives from Airbnb and Expedia, and although hoteliers may oftentimes see them as the enemy, they are options that customers chose as part of their overall travel experience. Despite that Airbnb is competition, per Shawn Sullivan, Public Policy, Caribbean and Latin America Airbnb, Airbnb recently included boutique hotels in their booking platform, providing this option to boutique hoteliers to sell their inventory. And per Hari Nair, Global Senior Vice President Expedia Media Solutions, Expedia sees itself as a technology company that provides consumers with a hotel marketplace and access to customer reviews. But what was clear from this panel is that both companies are focusing their efforts on taking care of the consumer’s entire experience, making memories for the customers, and using technology to do so in a way that customers can choose the booking mechanism that works best for their travel needs.



**The Caribbean hotel financing landscape is maturing, and capital is available through creative financing for sponsors if key criteria are met.**

While conventional lending from regional banks continues to be limited, the region experienced significant increases in lending activity and capital infusion from alternative sources in 2017, particularly from institutional equity sources for power-play deals, such as KSL and KKR’s acquisition of Apple Leisure Group/AM Resorts and the Playa Hotels & Resorts merger. High-net-worth individuals and increasing interest from foreign investment from Asia and the Middle East are also factors at play. Our Financiers’ Outlook panel, consisting of capital providers active in the region, noted higher confidence levels this year over last year, despite recent events coupled with the late stage of the real estate cycle. The Caribbean hotel financing landscape continues to mature, evidenced by several factors. In addition to unprecedented levels of institutional equity capital for major projects in 2017, the Caribbean is experiencing a robust pipeline and healthy levels of transactions (i.e., increased liquidity), as well as improved market performance fueled by the growth of feeder markets, and capital markets continue to remain rational, with sponsors bringing significant equity to the table when seeking debt. Because of the risks inherent to Caribbean

hotel investment, financiers advise that investors must ensure that several important criteria are met to succeed in acquiring financing. Strong sponsorship, location, and airlift capacity are key, and branded hotels are more apt to receive funding than independent ones. Other considerations include the impact of new supply, competency of property management, availability of labor, and a strong overall business plan.

### Conclusion from 2017 CHICO's Meeting

The resilience of the Caribbean hotel market has been demonstrated particularly well over the last few years. The negative impact of Zika is largely over, as market hotel performance metrics exhibited consistent improvement, beginning in the first quarter of 2017. While the region has more recently been challenged by an atypically hyperactive Atlantic hurricane season, affected hoteliers expect to come out of it better off, as aging products are forced to undergo renovations. Meanwhile, the pipeline is robust (particularly in the all-inclusive segment), transaction activity is healthy, and the lending environment has been more active and consistent in 2017 than in years past. From both an investment and visitation standpoint, the Caribbean is open for business.



Pictured left to right: Matt Norton, Partner - K&L Gates LLP | Mathieu Sauvestre, Director of Development, North America & Caribbean - Club Med | Mark Duriat, CEO & Principal - Grace Bay Resorts | Roland Mouly, VP Development, Latin America, Mexico & Caribbean - Carlson Rezidor Hotel Group | Javier Coll, Executive Vice President & Chief Strategy Officer - Apple Leisure Group | Alessandro Colantonio, Senior VP Acquisitions & Development - Gencor

The strengthening of Bahama's tourism sector bodes good news for U.S. food exports to The Bahamas. With nearly 80 percent of tourists to The Bahamas originating from the United States and with a location within the U.S. telecommunications umbrella, Bahamian food service outlets and consumers readily identify with U.S. branded products. In U.S. fiscal year (FY) 2017 (Oct-Sep), the United States exported a record US\$228 million in consumer-oriented foods to The Bahamas, making it the number one market for U.S. consumer-oriented foods in the CBATO region."

### Overview of Tourism in the Bahamas

With a well-developed tourism infrastructure, proximity to the United States (with direct flights from multiple U.S. metropolitan areas), incredible natural beauty, and a friendly English-speaking population, The Bahamas is the perfect Caribbean playground for U.S. tourists. Nearly 1.5 million stop-over tourists (with nearly 80 percent coming from the United States) and over 4.5 million cruise passengers visit The Bahamas annually. For U.S. food service suppliers, this translates into excellent opportunities in the HRI food service sector, especially since The Bahamas has very little domestic food production of its own. Recent large-scale hotel and resort investments are adding over 2,000 rooms and other attractions to The Bahamas, promising to continue to fuel the growth in the HRI food service sector, which is valued at an estimated \$196 million in 2017. U.S. exports of consumer-oriented agricultural products to The Bahamas reached a record high \$228.1 million in FY 2017.

### Bahamas Market Summary

The Bahamas is an archipelago of over 700 islands located off the southeast coast of Florida. Although only about thirty of the islands are populated, approximately 330,000 people permanently reside in The Bahamas. Most of the population lives on the island of New Providence where Nassau, the capital, is located or on Grand Bahama Island. The Bahamian gross domestic product (GDP) per capita of \$24,500 is among the highest in the Caribbean (CIA World Factbook). The more lucrative market in the Bahamas is the tourism sector, as the average visitor to the islands has an annual income of over \$70,000.

Tourism, which constitutes between 75-80 percent of GDP, is a main driver of the food service market in The Bahamas. The Bahamas' proximity to the United States, and other Caribbean islands, offers tourists a bargain in air/sea fare and provides a very popular sportfishing ground for Florida boaters. While the high season of most Caribbean islands is from Thanksgiving to Easter, the popularity of the resorts and

sportfishing in the Bahamas extends the tourist season from Thanksgiving to the end of August. This report focuses mainly on stopover visitors (air arrivals). While sea arrivals (cruise lines and private craft) bring triple the number of visitors to the islands, stopover visitors are much more important to the islands' economy as they spend five times as much as other types of tourists.

Bahamian tourism was hard hit by the recession in 2008-2009. Stopover visitors fell from 1.6 million in 2006 to 1.3 million in 2009, a drop of 17 percent. This, combined with the loss of global tourism market share for the Caribbean as a whole, reflected a struggling sector. However, tourism numbers are recovering slowly from their nadir in 2009 to a respectable 1.48 million in 2016. Furthermore, there has been a significant investment in increasing the hotel stock on the island of New Providence, which will boost the nation's hotels room total to over 17,000 rooms in 2018. Clearly, the Bahamians are betting on the recovery to continue and for the number of stopover visitors to continue its steady climb.

The spike in hotel room inventory is largely due to the Baha Mar project, a \$4.2 billion tourism development with over 2,285 new rooms on the island of New Providence. Marred by construction delays and bankruptcy over the last few years, the three-luxury hotel brand (Grand Hyatt, SLS and Rosewood) development finally began to open in stages in 2017 and is expected to be fully operational by April 2018. The development includes a Jack Nicklaus-designed 18-hole golf course, the only ESPA (a line of Natural Skincare & Luxury Beauty Products) branded luxury spa in the Caribbean, the region's largest casino, a 200,00 sq. ft. performing arts center and convention center, and over 20 restaurants and bars. Several other new hotel projects and refurbishments on New Providence, and on the islands of Grand Bahama, Bimini, and San Salvador, are nearing completion. These investments in the tourism infrastructure, along with an excellent international airport, maintain the Bahamas' position as tourist friendly destination. The country's economy and its continued growth are largely dependent on the tourism sector regaining its strength.



Development of the Out Islands has fueled part of the recent growth in stopover visitors. These islands have grown in popularity over the years, leveraging their remoteness to attract upscale, exclusive resorts with their pristine, deserted beaches. While the smaller, outer islands of the Bahamas, known as the "Out Islands" or "Family Islands," show tremendous promise for resorts and yachts, until transportation and logistic support to these islands improves, they will not be able to support large numbers of tourists.

Tourists from the United States accounted for 78 percent of the 1.48 million stopover visitors in 2016. Because meals are a necessity for stopover tourists (as opposed to cruise ship passengers who eat their meals on the ship), they account for a large share of the dollars spent by tourists. Food and beverages represent the fastest growing sector in tourism.

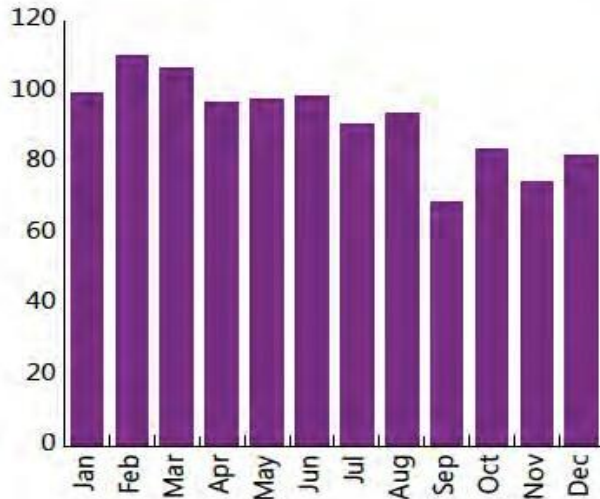
The lack of arable land for farming to support the food consumption of the local population and tourists has led to the importation of over 80 percent of the Bahamas' agricultural needs. In FY2017, the United States exported a record \$255 million in agricultural products to The Bahamas. Of the total amount of consumer-oriented food products imported into The Bahamas, approximately half is directed toward the hotel, restaurant, and institutional (HRI) food service sector, while the remaining half is channeled toward the retail sector.

The hotel sub-sector makes up roughly 65 percent of the total HRI market, followed by the restaurant sub-sector at 32 percent, and the institutional sub-sector at 3 percent. There are 315 hotels, and approximately 17,000 hotel rooms in the Bahamas. Moreover, there is a wide array of restaurants located on the larger islands, such as New Providence and Grand Bahama, which have more than 430 restaurants. In addition,

over 20 companies provide institutional catering services in the Bahamas. While there is no data available on the value and growth of the individual HRI subs-sectors, according to Euromonitor International, The Bahamas' total consumer food service sector is valued at \$196.3 million dollars in 2017, 4.9 percent higher than in 2016. Chained establishments contributed approximately 63 percent of the total value of sales, while independent food service establishments accounted for the remaining 37 percent.

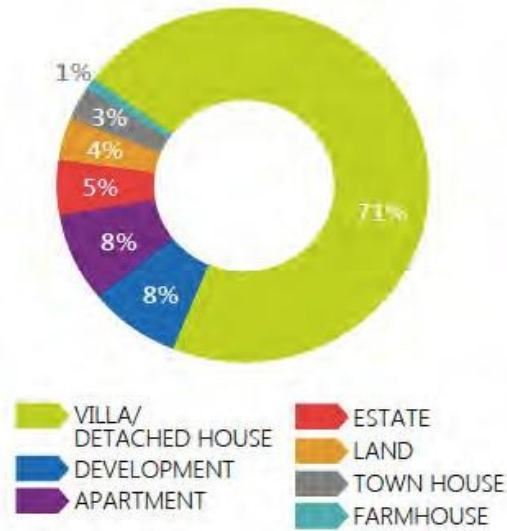
**Caribbean property searches: when is it best to market your property?**

Indexed, 100 = Jan

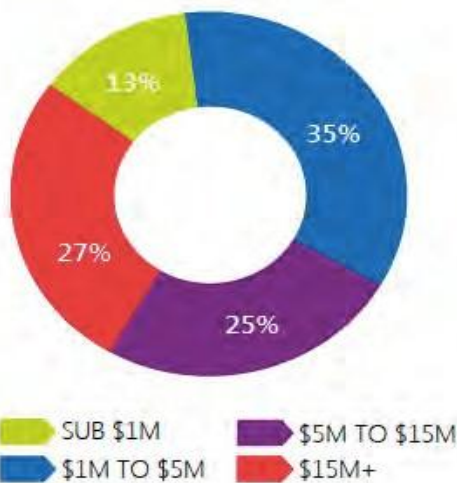


**Caribbean searches by property type**

(%) 2000-2013

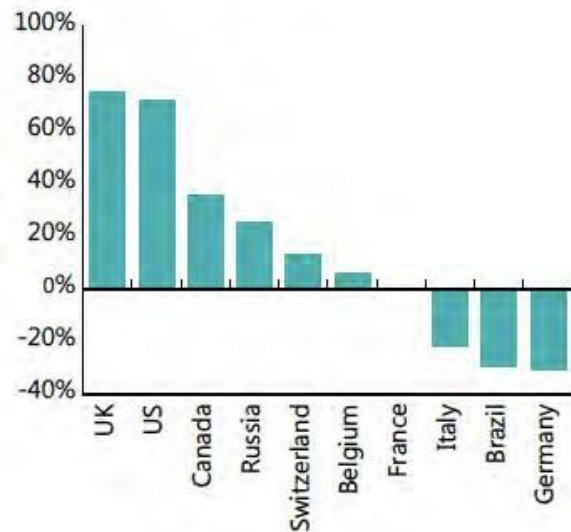


**Which price bracket has attracted the most property searches since 2010?** 2010-2013



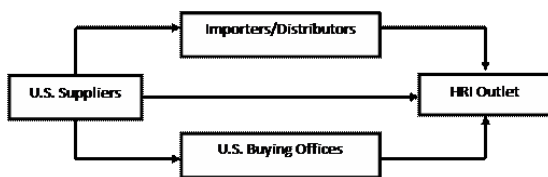
**Which nationalities are increasingly searching for a Caribbean property?**

2012 v 2013\* (% change)



## Road Map for Market Entry into the Bahamas

Advantages	Challenges
<p>The United States supplies over 90 percent of food products imported for the sector. Approximately 78 percent of tourists are from the United States.</p>	<p>In effort to promote use of local agricultural and food products, the Bahamian government uses a licensing system on the import of goods, such as whole poultry and fresh produce and may stop issuing licenses during harvest. Importers already carry many major U.S. brands, and the market is already saturated with goods.</p>
<p>Locals are exposed to television from the United States and the commercials for American products.</p>	<p>Although the United States has a dominant market share, Canada, Europe, and Brazil offer competitive prices for similar quality products.</p>
<p>A wide range of restaurants and menus, to meet demands of tourists, requires a wide variety of products.</p>	<p>Large resorts and restaurant chains typically go through their corporate headquarters (the majority of which are in the United States) to import products, making it difficult for new suppliers to penetrate the market.</p>



### Entry Strategy

U.S. exporters interested in entering the HRI food service market in the Bahamas should begin by contacting local importers (which also typically serve as wholesalers/distributors). Local importers have wide market access for imported products, have relatively large warehouse facilities which are computerized and mechanized, and possess their

own fleets of trucks and vans for distribution. Most importers carry a full line of fresh, frozen, and dry products, while a few of the importers specialize in providing fresh produce, seafood, and alcoholic beverages.

The Bahamas' food and beverage importers are primarily located on the islands of New Providence and Grand Bahama. While there are approximately 30 importers of food and beverage products on these two islands, a handful of major importers dominate the distribution chain in the Bahamas' HRI sector.

Due to the geographic proximity of the United States, U.S. food products represent the majority of the foreign food products imported into the Bahamas. Bahamian importers have considerable experience working with U.S. companies and have extensive knowledge of the U.S. food export system. Importers hold U.S. products in high regard with respect to quality, price, and packaging.

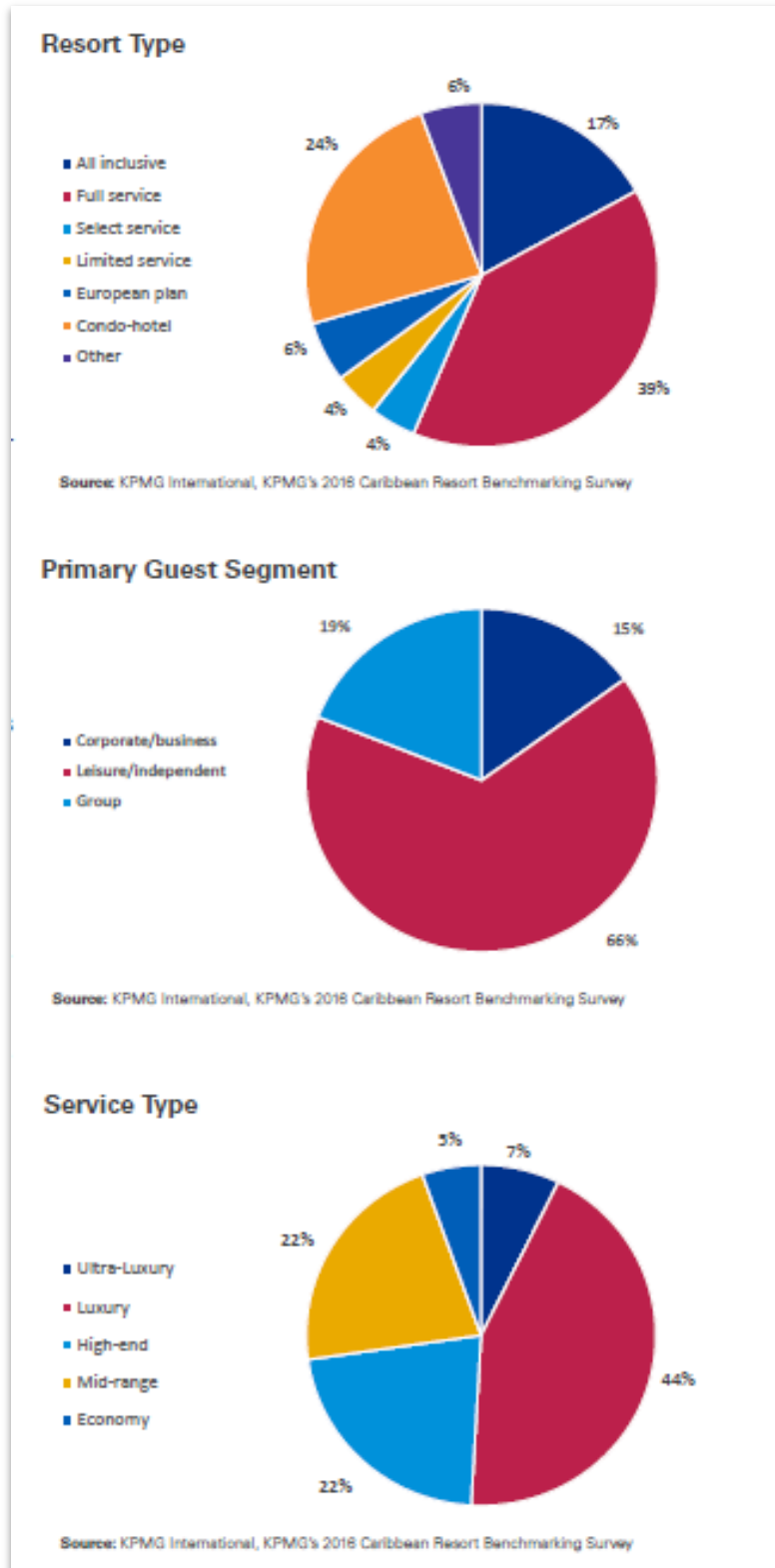
The main method of preferred contact is through e-mail. If the importer is interested in your product, they will usually schedule an in-office appointment to talk in person. Another preferred method is through various trade shows that are well attended by Bahamian importers, as well as by restaurant and hotel management. Among the most frequented shows are the Americas Food and Beverage Show (AFB) in Miami and the National Restaurant Association Show (NRA) in Chicago. Chefs also attend some of these shows, presenting another opportunity to enter the market. Commonly, larger hotels will import directly, as well as purchase from a distributor, due to the specific request of a head chef. In some cases, the head chef will refer a potential U.S. supplier to their local importer. Negotiations can be made with either the importer or the purchasing manager depending on the circumstances. An important deciding factor for the food service industry is quality of product and reliability of supply.

## Market Structure

The distribution network in the Hotel and Restaurant Industry (HRI) sector of the Bahamas is comprised of the local importer and direct purchasing from the island or purchasing organization established in the United States. Smaller restaurants and hotels rely heavily on local importers for almost all of their supply. Through local importers, these establishments can source smaller quantities of a variety of items. Most often, importers in the Bahamas will use suppliers located in south Florida to consolidate shipments that amount to less than a container load of products.

The larger hotels and resorts purchase roughly 40 percent of their food and beverage needs through local importers, while 60 percent is purchased directly from U.S. suppliers. Some hotels have even positioned offices in south Florida to facilitate shipment to the seaports of the Bahamas. Moreover, the chained food service establishments located in the Bahamas typically import directly from U.S. buying offices. The restaurants and hotels located on the Out Islands struggle to procure food products at a decent price and on a timely basis. Products are typically shipped from New Providence Island to the outer islands by means of “mail boats,” or government operated barges that run from New Providence to the islands once or twice a week.

Overall, every hotel or restaurant in the Bahamas operates differently. For example, a licensed pilot who owns a hotel in the Bahamas flies weekly to Fort Lauderdale to pick up his supplies. Another hotel in Nassau, which uses local importers for the bulk of their supplies, makes monthly buying trips to south Florida and shops in the local supermarkets for specialty items. Another small all-inclusive hotel features local seafood; however, they must supply the boat and fuel to local anglers and then pay them market price for their catch. Smaller local restaurants tend to buy from local retailers, who give them a discount.



## Hotels & Resorts in the Bahamas

Selected major Hotels and Resorts in the Bahamas:

Name	Location	Number of Rooms	Purchasing Agent
Atlantis Resort	Paradise Island	4,000	Direct Import/ Local Importers
Grand Hyatt at Baha Mar	Cable Beach	1,800	U.S. Buying Office/ Local Importers
SLS at Baha Mar	Cable Beach	300	U.S. Buying Office/
British Colonial Hilton	Nassau	291	U.S. Buying Office/ Local Importers
Four Seasons	Exuma	350	Local Importers
Our Lucaya Beach and Golf Resort	Freeport	1,271	U.S. Buying Office/ Local Importers
Sheraton Cable Beach	Cable Beach	700	Direct Import/Local Importers
RIU	Paradise Island	400	Local Importers
Sandals Royal Bahamian Resort	Cable Beach	405	U.S. Buying Office/Local Importers
SuperClubs Breezes	Cable Beach	400	Local Importers
Wyndham Resort and Crystal Palace Casino	Cable Beach	743	U.S. Buying Office/Local Importers

## Number of Resort and Hotel Rooms in the Bahamas: 2016

Island	No. of Hotels	No. of Hotel Rooms
Nassau, New Providence	38	3,162
Paradise Island	15	4,844
Grand Bahama	25	2,307
All other Out Islands	235	4,491
<b>Total</b>	<b>313</b>	<b>14,804</b>

Source: Ministry of Tourism

Note: The Grand Hyatt at Baha Mar added 1,800 rooms and the SLS at Baha Mar added 300 rooms in 2017. The Rosewood at Baha Mar, opening in 2018, will add 185 rooms to the national inventory.



The Grand Hyatt at Baha Mar.

There are currently 315 hotels and nearly 17,000 rooms in The Bahamas. From mega-resorts such as Atlantis and Baha Mar to small hotels, any style of vacation can easily be accommodated. The popularity of large resorts has risen in recent years, spurring the construction of new properties and the renovation and expansion of older properties. In addition, there

has been a trend for several large resorts offering optional all-inclusive packages. Despite the great buying power of the larger establishments, local importers, which also serve as wholesalers/distributors, remain an important supplier due to both the ever-changing needs and limited storage space for dry and refrigerated goods of these establishments. Moreover, by using local importers for perishable products such as fresh produce, these establishments do not need to worry as much about spoilage as they would by importing directly from the United States.

Atlantis, a Kerzner International resort located on Paradise Island, is the largest hotel in the Bahamas. The resort's billion-dollar, third phase of expansion was completed in 2007. Included in the third phase expansion project are a 21-story hotel with 600 suites and a 21-story condominium/hotel tower with nearly 500 units (which are almost sold out and are offered at a much higher package price than The Utopian Islands). Atlantis now has a room inventory of approximately 4,000 rooms and over 50 food outlets on its property. Atlantis also recently expanded its warehouse storage to 50,000 square feet, of which 45 percent is refrigerated storage and the remaining is dry storage.

In addition to these projects on Paradise Island and New Providence Island, there are two large-scale development projects taking place on Grand Bahama Island, and another half dozen development projects (with 200 rooms or less) in the works in the outer islands of the Bahamas.

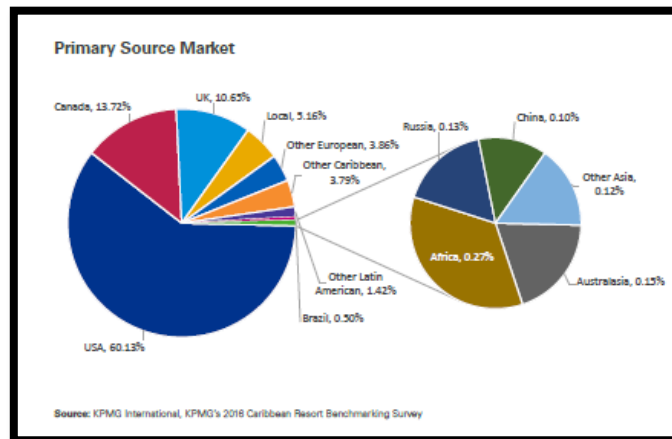
## Restaurants and Food Service in the Bahamas

Selected Restaurants in The Bahamas:

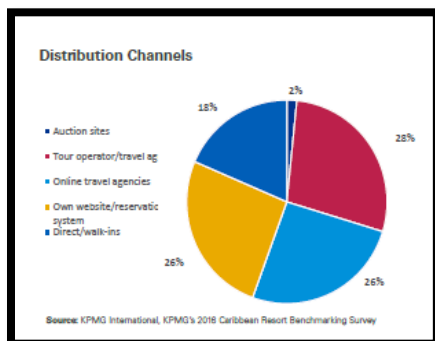
Name	Location	Type Of Cuisine	Purchasing Agent
Cally's Restaurant	Port Lucaya	Greek	Local Importer
Capriccio	Cable Beach	Italian	Local Importer
Cricket Club	Nassau	Bahamian/English	Local Importer
Europe Restaurant	Nassau	German	Local Importer
Flying Fish Restaurant	Port Lucaya	Contemporary Bahamian	Local Importer
Gaylord's	Nassau	Indian	Local Importer
Graycliff Hotel and Rest.	Nassau	French	Local Importer
Harbour Lobster & Fish Co.	Port Lucaya	Caribbean	Local Importer
House of Wong	Nassau	Chinese	Local Importer
Ruby Swiss	Freeport	Seafood/ Bahamian	Local Importer
The Poop Deck	Nassau	American/Bahamian	Local Importer

Most restaurants turn to local importers, which also serve as wholesalers/distributors, to source their imported food and beverage supply, while most of the seafood, bottled beverages, and seasonal fruits and vegetables tend to be bought directly from vendors on the island. For the most part, customers do not inquire about the brands used in their dishes; nevertheless, they expect the quality of products to be on the same level as those offered in U.S. restaurants.

Nassau and Freeport offer a wide variety of restaurants, ranging from upscale to fast food, and cuisine that reflects American, Bahamian, and international cultures. Local chains of restaurants mainly consist of Chinese and Bahamian cuisine and seafood. The independent restaurants in Nassau, which are located outside hotels, do not experience much decline in clientele in the low season (which lasts from April to August) because local residents also frequent these establishments. Even centrally located restaurants have only around 60 percent tourist clientele. The increase in per capita GDP and employment of women in the workforce has facilitated the spread of fast-food eateries across urbanized areas. Kentucky Fried Chicken, McDonald's, Burger King, Wendy's Domino's Pizza, Carl's Jr., Dunkin Donuts, and Subway, typically import directly from U.S. buying offices. Shopping center developments near resorts like Atlantis and Our Lucaya also provide prime locations for independently owned restaurants. These restaurants have about 70 percent tourist clientele and rely heavily on local importers to provide their food and beverage supplies.



In 2017 fast food restaurants accounted for the largest percentage of consumer food service sales in the Bahamas with 56 percent of the market, followed by full-service restaurants with 30 percent, cafes and bars with 7 percent, home delivery/takeaway with 4 percent, and street stalls/kiosks with 3 percent of the market. (Source: Euromonitor International).



### Food and Beverage Suppliers

Concerning local competition, there are approximately 20 food and beverage processors of notable size located in the Bahamas. Approximately 50 percent of these processors are manufacturers of soft drinks and producers of mineral water. The remaining 10 processors specialize in the production of fish and fish products, poultry, fruit and vegetable products, dairy products, and sugar products. No beef or pork is produced locally, and only one major poultry producer remains. Two local seafood companies meet most of the demand for some types of seafood like grouper, lobster, and shrimp. Regarding the supply of local produce, the fruit and vegetable crops are seasonal and inconsistent in quality and quantity. However, to promote the use

of local agricultural and food products, specifically produce and poultry, the Bahamian government uses a licensing system on the import of such goods. While the quantities of local food and agricultural production are low, any influence due to local competition is minimal. Yet, it is important to point out those producers of local water and soft drinks in Nassau and Grand Bahama account for most of the supply for their respective markets.

Although the United States has traditionally been the main supplier of food and beverage products to The Bahamas, the competition with other nations varies between product categories. It is also worth noting that many products from other countries are transshipped through the United States, meaning the market share of other countries may be understated. The close proximity of the United States to The Bahamas allows for quicker and less expensive means of transport of U.S., as well as other foreign products. Nevertheless, it is assumed that the United States dominates in all major food categories.

In FY2017, the United States exported \$255.7 million worth of agricultural products to The Bahamas. Of this amount, consumer-oriented agricultural products comprised 89 percent (a record high \$228.1 million), bulk products 3 percent, and intermediate agricultural products 8 percent. U.S. trade statistics also indicate that

the United States exported \$5.8 million worth of edible fish and seafood products to The Bahamas in FY2017.

<b>Overview of the Competitive Situation Facing U.S. Products in the Bahamas</b>			
<b>Product Category</b>	<b>Import Value (\$ Millions) (2016)</b>	<b>U.S. Market Share (Percent) (2016)</b>	<b>Other Exporters</b>
Red Meats (fresh, chilled, and frozen)	43.9	81.1	Australia, Brazil, Denmark, U.K.
Fish and Seafood Products	11.7	58.3	Thailand, China, Philippines, Taiwan
Poultry Meat	35.9	59.2	Brazil, Panama, Finland, China
Dairy Products	23.4	67.3	Peru, Ireland, Germany, Canada
Fresh Vegetables	8.1	95.8	Netherlands, India, U.K., Canada
Fresh Fruit	7.5	98.1	Greece, Chile, Netherlands, Norway
Processed Fruit & Vegetables	19.8	59.2	Canada, Ghana, Belgium, Ecuador
Snack Foods	9.2	66.3	U.K., Malaysia, Netherlands, Canada
Wine and Beer	20.2	67.8	France, Italy, Chile, Argentina
Eggs and Products	3.8	99.0	Greece, Ukraine

Source: Global Trade Atlas. Based on reporting countries export statistics.

### **Best Product Prospects for Food and Beverage Sales**

<b>Product Category</b>	<b>Export Value (\$ Millions) (FY2017)</b>	<b>5-yr. avg. ANNUAL export growth (Percent)</b>
Poultry Meat & Prod. (except eggs)	31.4	2
Beef & Beef Products	21.5	1
Fresh Fruit	8.8	4
Condiments & Sauces	10.2	5
Prepared Food	16.3	4
Wine and Beer	14.8	11
Non-Alcoholic Beverages	9.1	10
Eggs & Products	3.9	8
Other Consumer-Oriented Products	10.4	7

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

1. Products do not present in significant quantities, but which have good sales potential:
2. The Bahamas has a wide variety of products available. However, importers and consumers are always interested in new food and beverage alternatives
3. Products are not present because they face significant barriers
4. To promote the use of local agricultural and food products, the Bahamian government uses a licensing system on the import of goods such as whole poultry and fresh produce. However, there is sufficient demand to allow certain quantities to remain in the market.

## Property Analysis, ADR and Competitive Position of Project Site and Amenities

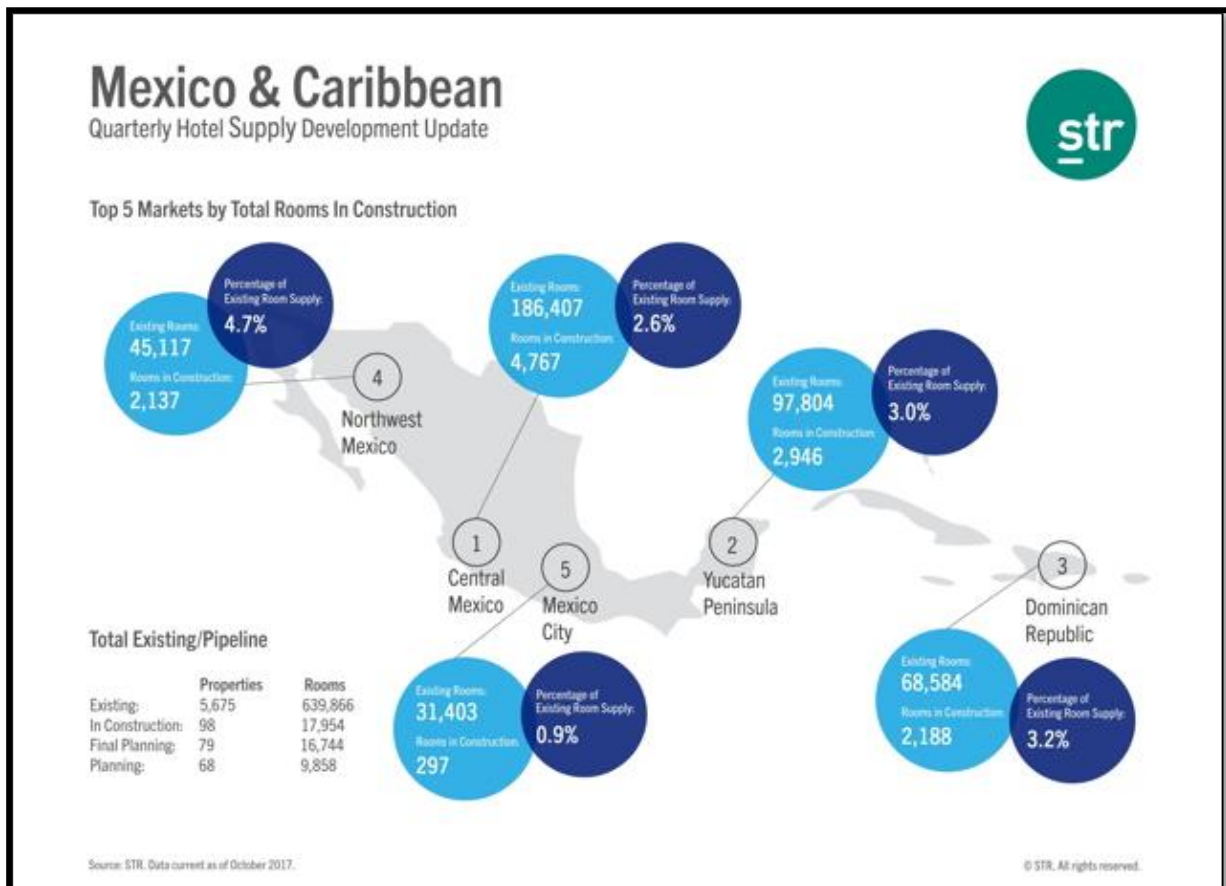
TMC has done extensive research to the proposed property analysis, ADR and competitive analysis of this resort and its estates to two different markets: (1) the ultra-luxury resort market, and (2) the ultra-luxury island estate (real estate) market. The feasibility study found that The Utopian Islands is very competitively priced for the size, scope of services and amenities offered and desires of this unique niche market. Based upon TMC’s findings, this resort is poised to become a major player in the ultra-luxury market and appeal to its direct target market’s every desire and whim.

## Caribbean Hotel Rooms Under Construction Up 27.5% Rooms for October - November 2017

“The Caribbean/Mexico region reported a 27.5% year-over-year increase in the number of hotel rooms in construction during October. STR’s October 2017 Pipeline Report shows 44,556 rooms in 245 hotel projects Under Contract in the Caribbean/Mexico region. The total represents a 39.0% increase in rooms Under Contract compared with October 2016.

Under Contract data includes projects in the in Construction, Final Planning and Planning stages but does not include projects in the Unconfirmed stage.

The Caribbean/Mexico region reported 17,954 rooms in 98 projects in Construction for the month. Based on number of rooms, that is a 27.5% increase in year-over-year comparisons.



Four of the key STR-defined markets in the region reported more than 1,000 rooms in Construction:

- Central Mexico (4,767 rooms in 36 projects)
- Yucatan Peninsula (2,946 rooms in nine projects)
- Dominican Republic (2,188 rooms in seven projects)
- Northwest Mexico (2,137 rooms in 13 projects)

STR provides clients from multiple market sectors with premium, global data benchmarking, analytics and marketplace insights. Founded in 1985, STR maintains a presence in 10 countries around the world with a corporate North American headquarters in Hendersonville, Tennessee, and an international headquarters in London, England.”

## 7 New Ultra-Luxury Resorts Being Built in the Caribbean



### Resort #1: Quintessence Hotel Opens in Anguilla - December 20 2017

“After 10 years building Anguilla’s first ultra-luxury boutique hotel, Owner Geoffrey Fieger announced that Quintessence Hotel - a Tropical Grand Mansion will be first to open in Anguilla since Hurricane Irma. Grand opening of the hotel is set for January 1, 2018. The hotel’s restaurant, Julians, opened on Tuesday, December 5, 2017.

Overlooking the white sand beaches of Long Bay, Quintessence offers an experience unparalleled throughout the Caribbean, with nine lavish suites and villas, a five-star restaurant, spa, bars, an infinity pool, fitness center, yoga pavilion, boutique, and state-of-the-art business suite. Around-the-clock butler and concierge service caters to a guests’ every need.

“My wife, Keenie, and I have lived on Anguilla for more than 30 years, and we have built The Q to make guests feel as if they are being hosted in our grand tropical home,” Mr. Fieger says. “We are eager to show visitors that Anguilla is as strong and beautiful as ever.”

The Q Hotel was designed to exacting standards, with handcrafted fixtures and custom artwork throughout, including a priceless collection of Haitian paintings and sculpture collected over decades by Mr. Fieger. On the grounds, a tennis court, life-size chess board, yoga pavilion and outdoor massage pagoda are tucked into the lush foliage, offering a focus on health and wellness, including a strict non-smoking policy throughout. Aidan Spa has a full menu of manicures, pedicures, facials and massages using the finest skin care products. For your sleeping comfort, you will find Hästens Beds—handcrafted all-natural exquisite Swedish mattresses with the finest of linens. Our premium Turkish marble bathrooms include Roman soaking tubs, oversize walk-in showers, and amenities by Gilchrist & Soames.

Julians, a Tropical French Bistro, headed by Executive Chef Dominique Thevenet, offers a menu that blends locally sourced tropical dishes with traditional French cuisine into a style Mr. Fieger call “island soul food.” A full complement of hand-selected liquor and cocktails, along with the Caribbean’s finest wine cellar, complement the menu.

For discerning travelers, The Q Hotel features an en suite business villa that accommodates up to nine people, equipped with video conference capabilities, and free Wi-Fi throughout the property and on the beach.

Geoffrey Fieger is a nationally known attorney based in Michigan. He was inspired to build Quintessence by the original Malliouhana Hotel, built and operated by the late Leon Roydon on Meads Bay.

“Like Mr. Roydon and his Malliouhana, I too share a passion for perfection, collecting antiques, Haitian art, beautiful architecture and interior design,” Mr. Fieger says. “It’s taken 10 years to perfect my vision. We are proud to now offer Quintessence Hotel as an unparalleled destination for discerning guests who desire unrivaled luxury, privacy and personalized pampering. It is for these special guests that Quintessence was created.”

## Resort #2: Ritz-Carlton Resort in St. Kitts Announced for 2021 - February 14 2018

"The Ritz-Carlton Hotel Company, L.L.C. has signed a management agreement with The Liamuiga Corporation to open a Ritz-Carlton resort in St. Kitts expected in 2021, bringing the luxury brand to this Eastern Caribbean Island for the first time.

The natural beauty of St. Kitts attracts travelers from every corner of the world. Steeped in history, this destination, which is part of the Leeward Island chain of the Lesser Antilles, is treasured for its breathtaking mountainous terrain, rain forests and expansive beaches.



Ritz-Carlton Resort in St. Kitts Announced for 2021

"We are excited to bring The Ritz-Carlton brand to the stunning island of St. Kitts and are happy to have found the right opportunity to do so," said Lisa Holladay, Global Brand Leader for The Ritz-Carlton. "This collaboration will help meet the increased demand for luxury travel offerings on St. Kitts and we look forward to welcoming guests to experience The Ritz-Carlton's legendary service set against such a breathtaking backdrop."

The Ritz-Carlton resort, which will include 125 suites plus 25 branded villas and residences, will be located on the picturesque Southeast Peninsula of the island facing the Caribbean Sea. From this location there is easy access to Robert L. Bradshaw International Airport, the UNESCO World Heritage Site of Brimstone Hill, downtown Basseterre and the local beaches of both leeward and windward sides of the Caribbean Sea. The resort will offer a wide range of amenities including a luxury spa, several swimming pools set within the lush tropical landscape, and spectacular indoor and outdoor dining facilities and meeting spaces.

"We are delighted to see this first step in what a major project on the Southeast Peninsula of the island will be," said The Honorable Lindsay Fitz-Patrick Grant, minister of Tourism, International Trade, Industry and Commerce for St. Kitts. "We have maintained our focus on enhancing our tourism offerings and we are committed to ensuring sustainable investment and employment in St. Kitts. I am elated that we have such an eminent group working together on this project in what is surely going to be one of the best resorts in the Caribbean.

The Ritz-Carlton resort will be the anchor of a larger development project led by The Liamuiga Corporation in association with Jim Wrightsman, Principal of the development management firm The JSW| Group. The exciting multi-phased project is situated on a stunningly picturesque 254-acre site fronting two sides of the Caribbean Sea. The project design team includes talented local professionals and consultants and an award-winning collaboration of the Coleman Partners Architects, Three Architecture Inc. and Marzipan Interior Design.

The Ritz-Carlton resort is estimated to create 300 jobs on the island during construction, with a further expected 250 jobs once the resort is operational. "We are delighted to be working with the government of St. Kitts, and we are excited to help bring the iconic Ritz-Carlton brand to this exclusive destination," said William Anderson, Managing Director of The Liamuiga Corporation."



## Resort #3: Four Seasons Resort Nevis Announces Multi-Phase Enhancement Project - February 6 2018

"Four Seasons Resort Nevis will embark on a multi-million-dollar enhancement project this year. The multi-phase renovation to the 350-acre (140 hectare) property will kick off in April 2018 with a thoughtful redesign of all 196 guest rooms and suites.

"The renovation of Four Seasons Resort Nevis underscores our commitment to a continued investment in the island of Nevis and its people," says Gonzalo Güelman Ros, the Resort's General Manager. "With a partnership more than 25 years in the making, this project supports our common goal of being a destination of preference for Caribbean travelers."

Preserving the architectural and design integrity of the original building exteriors, the room renovations will be featuring lighter, cleaner and fresher décor, creating interest and drama through the use of scale, texture, pattern and color. Light-drenched spaces will give off a sense of comfort and the ultimate feeling of being completely relaxed.

Design details will reference a chic, fashionable and stylized voice of the Caribbean spirit and soul: the new wall covers reference the British botanical patterns favored by the rich fabrics of 19th century England, but rendered in a fashionably contemporary pale sea-foam green that recalls the island's frothy shoreline; the multi-colored geometric carpet is inspired by the legacy of Caribbean stained glass windows; and the desk chairs are inspired by the flora and fauna of Nevis, with particular affection for the mischievous yet lovable green velvet monkeys that are iconic ambassadors of the island.

"Built on a former sugar and coconut plantation dating to the late 1790s, we wanted to maintain Nevis' quaint and intimate reputation as an untouched Caribbean destination," says Todd-Avery Lenahan, Founder of TAL Design Studios. "The refreshed interior design is not meant to be a complete overhaul, but rather the realization of a new vision for the Resort that speaks to the modern Four Seasons traveler, while painstakingly preserving the humble charm of the Resort's small island home."

Following the start of the room renovations, the Resort will also begin a reimagining of its Great House and lobby areas, as well as its food and beverage outlets. All guest rooms and suites are expected to be completed by November 2018.



#### **Resort #4: Grand Hyatt Grand Cayman Hotel & Residences (Cayman Islands) Announced for Q4 2020 February, 1 2018**

“Hyatt Hotels Corporation (NYSE: H) announced today that a Hyatt affiliate has entered into a franchise and related agreements with Pageant Beach Hotel Ltd. for the 351-room Grand Hyatt Grand Cayman Hotel & Residences. The hotel will be managed by an affiliate of Aimbridge Hospitality, one of the largest independent hotel investment and management firms in North America and the Caribbean.

“We are delighted that the Grand Hyatt brand is expanding in the Caribbean, and especially in Grand Cayman where the hospitality and tourism sector is primarily aimed at the luxury market,” said David Tarr, senior vice president of development for Hyatt. “The opening of this hotel will be a great addition to this popular

destination and marks the welcome return of the Hyatt brand to the Cayman Islands. Guests will experience welcoming luxury and best-in-class restaurants at Grand Hyatt Grand Cayman Hotel & Residences, while also creating memorable experiences in this breathtaking destination.”

Grand Hyatt Grand Cayman Hotel & Residences will be located on a premium 7.1-acre site on Seven Mile Beach, an award-winning destination that is recognized as the focal point for tourists and local community activities. Situated along the southern end of West Bay Road, the hotel and residences will be located less than one mile away from George Town’s city center and only 10 minutes from Owen Roberts International Airport.

“Pageant Beach Hotel Ltd. is excited to be developing what we know will be a sought-after vacation and meeting destination, with the Grand Hyatt brand’s signature grandeur, authentic dining experiences and memorable moments of more,” said Howard Sitzer, chairman of Pageant Beach Hotel Ltd. “Grand Hyatt Grand Cayman Hotel & Residences will represent a unique concept in the Cayman Islands for international leisure travelers and groups looking for the ideal combination of luxury, comfort and function in their resort experience.

Grand Hyatt Grand Cayman Hotel & Residences will offer 351 guestrooms, studio suites, and, one, two, and three-bedroom layouts along a seafront eco-walk that will celebrate the diverse ecology of Grand Cayman. Additional amenities include six distinct food and beverage venues, a 9,000 square foot destination spa and fitness center, three swimming pools, retail shops, kids club, and a state-of-the-art screening room. The resort is planned to have 25,000 square feet of indoor meeting and event space, which will make it the largest function space in the Cayman Islands. An affiliate of Pageant Beach Hotel Ltd. will offer a rental program for the residences that will allow participating owners, when not occupying their residences, to have Grand Hyatt Grand Cayman rent their residences to hotel guests.

Aimbridge Hospitality is honored to collaborate with Hyatt on this incredible Grand Hyatt Grand Cayman resort to enhance the guest experience and boost revenue,” said President and Chief Executive Officer Dave Johnson, Aimbridge Hospitality. “We are proud to expand our Caribbean resort portfolio, and our team looks forward to providing the ultimate vacation experience for our guests.”

Grand Hyatt Grand Cayman Hotel & Residences will mark the return of the Hyatt brand to Grand Cayman, an island with a number of natural attractions including the blow holes in the East End district, the Mastic Trail that runs north to south through the center of the island, the Hell limestone formations in the West Bay, and the Queen Elizabeth II Botanic Park. Watersports, such as scuba diving and snorkeling, are popular activities on Grand Cayman as the island is known for its coral reefs and underwater sea walls along with a number of world-class shipwreck dive sites.”

#### **Resort #5: Margaritaville Resorts Announces \$250M Destination Resort in Nassau, Bahamas - January 22, 2018**

“Margaritaville at The Pointe Development is Underway; Will Feature Margaritaville Beach Resort, Luxury Oceanfront Residences, Marina, Water Park, Spa & More

Margaritaville Holdings today announced the brand is bringing its authentic lifestyle experience to the Bahamas’ capital city with Margaritaville at The Pointe, a \$250 million, six-acre development. Already under construction and expected to begin a phased opening in mid-2019, the development will feature a new 150-room Margaritaville Beach Resort, 150 luxury oceanfront residences – 100 of which will be branded One Particular Harbour at The Pointe – a marina, water park, spa, entertainment center, signature Margaritaville food and beverage concepts, retail shops, a kid’s club and more.



“The Bahamas – one of the most beautiful places in the world – is an absolutely perfect location for a Margaritaville lifestyle destination,” said John Cohan, chief executive officer of Margaritaville. “We’re excited to combine our casual-luxe brand with the local Bahamian culture, known for its warmth and hospitality, to create a one-of-a-kind paradise to vacation, visit, live or just kick back and relax. Nassau is an ideal destination for our lifestyle brand as we continue to expand our global hospitality footprint.”

#### **Margaritaville Beach Resort & Marina Bringing New Retail, Entertainment and Dining Venues**

The Margaritaville Beach Resort at The Pointe will include an open-air shopping concourse, a movie theater, bowling alley, outdoor performance stage for live entertainment, cascading water pool, St. Somewhere Spa, retail huts, a kid’s club and a private beach with cabanas and chaise lounges. Resort guests will get a taste for the good life with several signature Margaritaville food and beverage concepts.

The resort will include opportunities for lively Caribbean adventure experiences with the LandShark water park and fun, family-friendly activities including a cave aquarium, blue hole diving pool, water slide tower, infinity pool, private hot tub, surf simulator, beach entry pool, children’s splash play area and tropical island overlooking a lazy river.

Strategically positioned as the prime departure point for exploring the Bahamas’ world-renowned fishing, the 45-slip Marina will offer luxurious, modern floating berths for up to 150-foot yachts, including dockside Wi-Fi. A public-access boardwalk will be lined by tiki hut-style marina shops for authentic local crafts, with a pier restaurant and yacht club facility. The pier will also serve as a launch pad for pirate ship excursions and a water taxi transporting tourists around the various points of interest in and around Nassau.

#### **One Particular Harbour at The Pointe to Feature Breathtaking Residences Inspired by the Margaritaville Lifestyle**

Designed to meet all the needs of discerning vacationers, boaters and homeowners, One Particular Harbour at The Pointe will feature the most luxurious residences in downtown Nassau. With an unparalleled location at the water’s edge and exceptional personalized service, each residence will offer an unobstructed ocean view and a private eight-foot-wide glass balcony, overlooking the turquoise waters of the Caribbean. Floor plans include one, two and three-bedroom layouts, each featuring contemporary fixtures, stainless steel appliances, granite counter tops, generous closets and wood-look porcelain tile throughout the living, dining and bedroom spaces.

The Pointe Residence Club membership will give owners and renters exclusive privileges, including a concierge service for booking restaurant reservations, spa appointments, sightseeing excursions, preferred berthing rights and more. Amenities will also include an infinity pool, hot tub, outdoor fire pit area and kitchen, children’s playground, fitness center, library and sand beach entrance. These luxury residences are the second One Particular Harbour development within Margaritaville’s growing lodging portfolio.”



#### **Resort #6: Park Hyatt St. Kitts Christophe Harbour Hotel Opens – November 1, 2017**

“Hyatt Hotels Corporation (NYSE: H) announced today the opening of the first Park Hyatt hotel in the Caribbean, Park Hyatt St. Kitts Christophe Harbour. Set within Christophe Harbour, the 126-room luxury resort spans the secluded beach of Banana Bay at the foot of St. Kitts’ lush rolling hills and offers unobstructed views of the Caribbean Sea and neighboring Nevis. Offering a wellness sanctuary for restorative peace, the resort is also unveiling the first Miraval Life in Balance Spa in the Caribbean.

“We are excited to debut the Park Hyatt brand experience on this incredible island that is brimming with rich culture, storied history, untapped adventure and pristine beaches,” said Myles McGourty, senior vice president, Latin America and Caribbean, Hyatt. “Our discerning global guests will be welcomed with personalized service and contemporary elegance surrounded by sophisticated

design, world-class artwork, the finest culinary expressions and Miraval’s deep-rooted expertise in wellness.

Home to three signature restaurants, indoor and outdoor event spaces, two pools, and other distinct amenities, Park Hyatt St. Kitts Christophe Harbour offers guests a journey of rare and intimate experiences. All 78 rooms and 48 suites are sustainably and thoughtfully designed by Range Developments, incorporating local materials and seamlessly intertwining contemporary architecture with colonial design. Each room’s chic, Kittitian-inspired décor showcases views of the Caribbean Sea and the islands beyond, with luxurious touches of peerless quality such as private balconies and terraces, rain-showers and deep soaking tubs. For the ultimate indulgence, the three-bedroom Presidential Villa is equipped with a private infinity pool, wellness area, personal butler and private chef.

Dining experiences offer exceptional local and international cuisine. Fisherman’s Village serves ocean-to-table lunch and dinner overlooking the water. For a more intimate dining experience, guests can indulge in The Stone Barn adults-only restaurant. The Great House, reflective of a grand colonial home, offers all-day dining, a Rum Bar, herb garden, chef’s table and a conservatory serving afternoon tea plantation.

Park Hyatt St. Kitts Christophe Harbour features both indoor and outdoor private event spaces, suitable for incentive groups, weddings and social functions. The two lush private event lawns enjoy uninterrupted views of Banana Bay and the neighboring island of Nevis. Events were traditionally held in residences on the island and the resort’s Reception Hall houses seven chic indoor event spaces. Multiple locations allow the resort’s event specialists to create diverse functions and give event planners peace of mind with dedicated spaces. The idyllic resort location offers a romantic setting for wedding ceremonies and functions. The Beachfront Lawn or the private Terraces are beautiful locations for ceremonies and receptions. There are numerous locations for photography, including the golden sandy beach and rolling hills behind the resort, both providing stunning backdrops.

Miraval Life in Balance Spa at Park Hyatt St. Kitts Christophe Harbour brings Miraval's award-winning spa services to the luxury resort. With therapies that honor nature and the mind-body-spirit connection, guests can cleanse, heal and nourish their bodies and minds in this 37,752-square-foot state-of-the-art oasis. The spa entrance and reception area provide a view of Mount Nevis and also overlook the Rampart Pool and The Narrows – the majestic straight separating St. Kitts from its sister island Nevis. The spa's design features natural stone walls with nine treatment rooms, including three couples' treatment rooms complete with heated private plunge pools and outdoor showers. Guests can take advantage of the 24-hour, 1,750 square-foot fitness center at The Sugar Mill, which is also home to yoga and meditation experiences. After a day filled with relaxing spa treatments and dynamic wellness activities, guests are welcome to enjoy the Miraval signature tea, made with a fusion of rejuvenating local herbs such as lemongrass, basil and thyme.

"We are excited by the opening of the Miraval Life in Balance Spa at Park Hyatt St. Kitts Christophe Harbour, the first Miraval Life in Balance Spa to open within the Hyatt portfolio since Miraval joined Hyatt. Wellness and mindfulness are becoming increasingly important to our guests, and the opening of the Miraval Life in Balance Spa in St. Kitts is yet another way we demonstrate care for our guests," said Marc Ellin, global head of Miraval Group. "This spa integrates the essence of Miraval – an industry leader in the destination spa wellness resort category – into a breathtaking West Indian setting for an unforgettable luxury experience.

To encourage guests' island immersion, Park Hyatt St. Kitts Christophe Harbour offers a series of enriching "journeys" that have been carefully curated to introduce guests to the history, culture and people of the Federation, which until 2005 had sugar production as its dominant industry. True to the Park Hyatt brand's commitment to bring rare and intimate experiences to travelers, the itinerary for each immersive journey features local activities and interactions with interesting personalities. From walks with an island historian and rainforest excursions, to visiting the UNESCO Brimstone Hill Fortress that was elemental in Caribbean history. For the resort's youngest guests, The Island Fort by Camp Hyatt offers educational activities and an introduction to the culture of St. Kitts and Nevis.

"From employing more than 800 Kittitian staff in the opening phases to working with local purveyors for restaurant ingredients, Park Hyatt St. Kitts Christophe Harbour brings forward the island's warm hospitality throughout guests' entire experience," said Flor van de Vaart, general manager of Park Hyatt St. Kitts Christophe Harbour. "We are confident guests will enjoy highly personalized service amidst our luxurious and sophisticated environment."



### Resort #7: Elegant Hotels Group Opens Seventh Barbados Property - December 20, 2017

"Elegant Hotels Group welcomed its first guests at Treasure Beach on December 17, 2017, following a \$10.5 million renovation. Situated on the sparkling west coast of the island, Treasure Beach joins existing elegant properties, including Tamarind and The House, as well as award-winning Italian restaurant Daphne's in the St. James Parish.

The adult-only beachfront property consists of 35 renovated one-bedroom suites, set in lush, tropical gardens that feature stunning views of the Caribbean Sea. The newly redesigned suites, which include impeccable details such as coral stone walls, all boast private balconies with garden, pool or ocean views, complete with vaulted ceilings and private plunge pools.

An artistic and culinary haven designed for discerning travelers; Treasure Beach will feature contemporary artwork by local and global artists. Tapestry, the on-property restaurant, offers globally inspired dining and an open-kitchen concept where guests can watch their dishes being brought to life. The restaurant's versatile dinner menu and theme nights will vary, allowing guests to indulge in the award-winning chef's latest creations.

Guests are invited to enjoy quality wines and mixology events in the intimate Wine Cellar or relax al-fresco with a selection of cocktails at the stylish Batik Bar, which will include a complimentary drink at sunset.

As with all Elegant Hotels properties, complimentary water sports and beach and pool ambassador service are included in each stay. Guests at Treasure Beach can experience a range of locally inspired activities and excursions, from afternoon tea sampling to hands-on pastry making classes. Aspiring artists are invited to meet with a local artisan or embark on the Treasure Art Crawl where they can explore creative hubs, such as the Caribbean Gallery of Art and the Pelican Craft Village."

## Property Analysis of the Caribbean Resort Ultra-Luxury Real Estate Market

SOURCE: KNIGHT FRANK 2014 CARIBBEAN MARKET REPORT

The market remains resilient with the following highlights:

- Key source markets are US, Canada and UK/Europe
- Detached homes or villas account for over 70% of online property searches in the Caribbean
- The Caribbean generates a significant proportion of property searches above \$15M
- Properties priced below \$1M account for only 13% of online Caribbean searches.

- The \$1m-\$5m bracket is the largest, generating around 35% of online searches.
- The remaining two price bands, \$5-15M and \$15M+ together account for the remaining 51%.



Albany Resort, New Providence, The Bahamas

the three buildings, Gwathmey Siegel West, HKS West, and Adjmi West were all sold out in November of 2014. Albany's "The Lantern" a new apartment consisting of 6 units with one residential unit per floor has achieved pre-sales prior to construction with only two units remaining. [www.albanybahamas.com](http://www.albanybahamas.com)."

#### **Albany Resort, New Providence, The Bahamas**

"Albany is a luxury beach resort set on 600 acres located 25 minutes from Nassau airport. The property was developed by Joe Lewis and private investment organization Tavistock Group, along with Tiger Woods and Ernie Els. Albany offers a range of resort villas for sale from 3 to 6-bedroom residences, from 3,800 to 6,000 square feet, and priced from \$4M to \$20M per unit. Albany's 3,500 linear feet of beachfront includes 14 beachfront plots ranging from 27,000 to 41,000 square feet priced from \$5M to \$10.5M.

Most of all re-sale inventory is sold out. New product in



Amanyaara Resort, Turks and Caicos

highest performing resort in the Aman group with occupancies exceeding 70% and room rates ranging from \$1,800 per night for suites to \$9,000 per night for villas. Current villa sales approximately \$11.0 million for resort homes. [www.amanresorts.com/amanyaara/home.aspx](http://www.amanresorts.com/amanyaara/home.aspx)"

#### **Amanyaara Resort, Turks and Caicos**

"Set on the beautiful island of Providenciales in the Turks and Caicos Islands, Amanyaara is a secluded haven embracing the untrammled elements of the Caribbean. Bordering the pristine reefs of Northwest Point Marine National Park, acclaimed for some of the world's best wall and reef diving, the resort draws its name from the Sanskrit-derived word for 'peace' and 'yara', the word for 'place' in the language of the Arawak Amerindians. Offering 40 timber-shingled Guest Pavilions tucked along the coast and a number of Aman Villas, the resort enjoys a contemporary layout and design, open to the sights and sounds of the turquoise sea. Amanyaara is the



Bakers Bay Golf and Ocean Club, Abacos, The Bahamas







#### **Bakers Bay Golf and Ocean Club, Abacos, The Bahamas**

Source: [www.BakersBayClub.com](http://www.BakersBayClub.com)

"Nestled between the Sea of Abaco and the Atlantic Ocean, Baker's Bay Golf & Ocean Club is the Bahamas' most exclusive, members-only club community. The 585-acre property features a Tom Fazio-designed golf course; 6-1/2 miles of white-sand beach; a family beach club, three restaurants; a world-class spa and wellness center; and luxurious residences that blend in with the rich cultural heritage of the Abaco Islands."

"In keeping with the relaxed, unburdened nature of life on the islands, Discovery Land Company makes the prospect of owning property and building a home at Baker's Bay an enjoyable and easy experience. Residential options include a wide selection of golf course, marina village, and beachfront turnkey residences and homesites." They offer Golf, Beach Club, Marina, and private residence options.

## Baker's Bay Estates Prices

 <p><b>SEA OF ABACO #64</b></p> <p>10,274 sq. ft   6 br   6.5 ba   1.39 acres</p> <p>\$29,995,000</p>	 <p><b>JOYCE</b></p> <p>Sea of Abaco</p> <p>3,430 sq. ft   4 br   4.1 ba   .43 acres</p> <p>\$11,500,000</p>	 <p><b>KREISSMAN</b></p> <p>Whale's Tail</p> <p>6,695 sq. ft   6 br   6 full, 3 half ba   1.023 acres</p> <p>\$21,000,000</p>
 <p><b>CARL'S CORNER</b></p> <p>Marina Village</p> <p>3,755 sq. ft   4 br   4.5 ba</p> <p>\$7,250,000</p>	 <p><b>CONCH HOUSE</b></p> <p>Atlantic Ocean</p> <p>5,164 sq. ft   6 br   6.5 ba   .79 acres</p> <p>\$10,500,000</p>	 <p><b>MARINA ISLAND BOATHOUSE #27</b></p> <p>Marina Island</p> <p>3,989 sq. ft   4 br   4.5 ba</p> <p>\$7,250,000</p>

### The Ultra-Luxury ADR of Villa or Estate Rental Market Compared to The Utopian Islands' Estates

Often contemporary and colonial styled architectures are found throughout the Caribbean, but The Utopian Islands will be building with a Polynesian style mixed with a little Asian flare.

The Utopian Islands' bungalow estates can be compared to the existing products on the market in several ways. Considering most rental villas are substantially smaller in size at roughly 1,200 sq. ft., The Utopian Islands is offering a 3,500 sq. ft. and a 6,000 sq. ft. estate option with appliances and finishes to complement the ultra-luxury market expectations. Large sliding glass walls will open up to your own private beach and ocean access while bringing in the tropical feel of lushly landscaped estates into the home.

Villas are typically developed with little to no privacy or seclusion as they are squeezed into small plots and developed to be very dense. The Utopian Islands' estates provide roughly a football field per estate or just over an acre per estate. Tropical landscaping and fauna will separate the estates and provide the levels of seclusion and privacy they desire.

The Utopian Islands' estates will be built around the oceans edge of the islands, so estate owners have access to beaches and the oceanfront access directly outside their front doors, whereas the typical villas being offered are not located directly on the beaches edge. The Utopian Islands' beaches are common areas for all estate owners and guests to utilize as typical walks around the islands and beaches will be able to be enjoyed by all.

With The Utopian Islands' Condo/Hotel Model, the rental income opportunities of villas are typically limited to the resort owners but at The Utopian Islands, the estate owners are able to take advantage of the revenue generated by their estates. This allows the owners to pay off their estates early or use the proceeds of the rentals to supplement their incomes.

Contrary to the villa resort model, the rental of Estates has their own challenges. As is often the situation with remote islands, the rental homes available to the public tend to leave them to fend for themselves with no access to food stores, amenities or entertainment. The Utopian Islands caters to every expectation of guests as grocery services are available as well as numerous activities for entertainment and leisure and all the amenities they could desire.



[www.PwC.com/RealEstate](http://www.PwC.com/RealEstate)

## **Real Estate 2020** **Building the Future**



















### ***“Six predictions for 2020 and beyond – in brief:***

The changing real estate landscape will have substantial implications for the real estate investment community, which we highlight below and describe in more detail in Part three: Implications for real estate strategies.

- 1. The global investable real estate universe will expand substantially, leading to a huge expansion in opportunity, especially in emerging economies.** World population growth and increasing GDP per capita will propel this expansion. By 2020, investable real estate will have grown by more than 55% compared to 2012, according to PwC forecasts, and then will expand by a similar proportion in the following decade.
- 2. Fast-growing cities will present a wider range of risk and return opportunities.** Cities will present opportunities ranging from low risk/ low yield in advanced economy core real estate, to high risk/high reward in emerging economies. The greatest social migration of all time – chiefly in emerging economies – will drive the biggest ever construction surge.
- 3. Technology innovation and sustainability will be key drivers for value.** All buildings will need to have ‘sustainability’ ratings, while new developments will need to be ‘sustainable’ in the broadest sense, providing their residents with pleasant places to live. Technology will disrupt real estate economics, making some types of real estate obsolete.
- 4. Collaborating with governments will become more important.** Real estate managers, the investment community and developers will need to partner with government to mitigate risks of schemes that might otherwise be uneconomic. In many emerging economies, governments will take the lead in developing urban real estate and infrastructure.
- 5. Competition for prime assets will intensify further.** New wealth from the emerging economies will intensify competition for prime assets; the investment community will need to think laterally to earn attractive returns. They might have to develop assets in fast-growing but higher risk emerging economies, or specialize in the fast-growing subsectors, such as agriculture, retirement, etc.
- 6. A broader range of risks will emerge.** New risks will emerge. Climate change risk, accelerating behavioral change and political risk will be key. To prepare for these implications, the real estate investment organizations will need to make sure they have the right capabilities and qualities.”

Source: Price Waterhouse Cooper (PwC)

Caribbean Luxury Villa Rentals – www.LuxuryRetreats.com – March 2018

 <p><b>Over Yonder Cay</b> PRIVATE ISLAND, BAHAMAS - THE EXUMAS</p> <p>FROM \$44,000 /NT</p>	 <p><b>Musha Cay at Copperfield Bay</b> MUSHA CAY, BAHAMAS - THE EXUMAS</p> <p>FROM \$39,000 /NT</p>	 <p><b>The Sanctuary Estate at COMO Parrot Cay</b> PARROT CAY, TURKS AND CAICOS</p> <p>FROM \$36,000 /NT</p>
 <p><b>Residence Estate at COMO Parrot Cay</b> PARROT CAY, TURKS AND CAICOS</p> <p>FROM \$25,000 /NT</p>	<p>LAST MINUTE OFFER</p>  <p><b>Pearls of Long Bay Estate</b> LONG BAY BEACH, TURKS AND CAICOS</p> <p>FROM \$21,000 /NT</p>	 <p><b>Amanyara Beach Villa - 6 Bedroom</b> WESTERN SHORE OF PROVIDENCIALES, TURKS AND C...</p> <p>FROM \$20,000 /NT</p>
 <p><b>Pembroke House</b> PARADISE ISLAND, BAHAMAS - NASSAU AND PARADIS...</p> <p>FROM \$18,750 /NT</p>	 <p><b>Little Harbour Estate</b> LITTLE HARBOR, ANGUILLA</p> <p>FROM \$16,220 /NT</p>	 <p><b>Fowl Cay Island</b> FOWL CAY, BAHAMAS - THE EXUMAS</p> <p>FROM \$15,270 /NT</p>
<p>NEW ADDITION</p>  <p><b>Santosa</b> GRACE BAY, TURKS AND CAICOS</p> <p>FROM \$15,000 /NT</p>	 <p><b>Cove Spring House</b> THE GARDEN, BARBADOS</p> <p>FROM \$15,000 /NT</p>	 <p><b>Little Whale Cay</b> LITTLE WHALE CAY, BAHAMAS - THE BERRY ISLANDS</p> <p>FROM \$14,760 /NT</p>
 <p><b>Amanyara Artist Villa - 5 Bedroom Ocean</b> WESTERN SHORE OF PROVIDENCIALES, TURKS AND C...</p> <p>FROM \$14,500 /NT</p>	 <p><b>Carulean Villa and Private Spa</b> BARNES BAY, ANGUILLA</p> <p>FROM \$14,286 /NT</p>	 <p><b>The Sanctuary Main House at COMO Parrot Cay</b> PARROT CAY, TURKS AND CAICOS</p> <p>\$14,000 /NT</p>
 <p><b>Residence Main House at COMO Parrot Cay</b> PARROT CAY, TURKS AND CAICOS</p> <p>\$14,000 /NT</p>	 <p><b>Casa Favorita</b> CASA DE CAMPO, DOMINICAN REPUBLIC</p> <p>\$13,750 /NT</p>	 <p><b>Amanyara Beach Villa - 5 Bedroom</b> WESTERN SHORE OF PROVIDENCIALES, TURKS AND C...</p> <p>FROM \$13,500 /NT</p>

Caribbean Luxury Villa Rentals – www.LuxuryRetreats.com - March 2018



**Kairos**  
JUMBY BAY, ANTIGUA

FROM \$13,250 /NT



**The Sanctuary Guest Villa with Pavilion at CO...**  
PARROT CAY, TURKS AND CAICOS

FROM \$12,500 /NT



**Rossite Bahamas**  
HARBOUR ISLAND, BAHAMAS - ELEUTHERA AND HAR...

FROM \$12,500 /NT



**Lazy Lizard**  
JUMBY BAY, ANTIGUA

FROM \$12,500 /NT



**La Casa**  
JUMBY BAY, ANTIGUA

FROM \$12,500 /NT



**Oleander**  
JUMBY BAY, ANTIGUA

FROM \$12,500 /NT



**Turtle Crossing**  
JUMBY BAY, ANTIGUA

FROM \$11,950 /NT



**Sandpiper Beach House**  
JUMBY BAY, ANTIGUA

FROM \$11,950 /NT



**Hawkbill Estate**  
GRACE BAY, TURKS AND CAICOS

FROM \$11,800 /NT



**Il Faro**  
ANSE DES CAYES, ST. BARTS

FROM \$11,699 /NT



**Amanyra Beach Side Villa**  
WESTERN SHORE OF PROVIDENCIALES, TURKS AND C...

FROM \$11,520 /NT



**Turtle Reef**  
JUMBY BAY, ANTIGUA

FROM \$11,250 /NT



**Blue Pelican**  
JUMBY BAY, ANTIGUA

FROM \$11,250 /NT



**Kishti on Meads**  
MEADS BAY, ANGUILLA

FROM \$11,200 /NT



**Senzaru**  
SANDY LANE, BARBADOS

FROM \$11,000 /NT



**The Sanctuary Guest Villa at COMO Parrot ...**  
PARROT CAY, TURKS AND CAICOS

\$11,000 /NT



**Love Pumpkin at COMO Parrot Cay**  
PARROT CAY, TURKS AND CAICOS



















FROM \$11,000 /NT



**Amanyra Beach Villa - 4 Bedroom**  
WESTERN SHORE OF PROVIDENCIALES, TURKS AND C...

FROM \$11,000 /NT

Caribbean Luxury Villa Rentals – www.LuxuryRetreats.com

 <p><b>The Beech House</b> MEADS BAY, ANGUILLA</p> <p>FROM \$10,714 /NT</p>	 <p><b>Morning Glory</b> JUMBY BAY, ANTIGUA</p> <p>FROM \$10,500 /NT</p>	 <p><b>Les Palmier</b> JUMBY BAY, ANTIGUA</p> <p>FROM \$10,250 /NT</p>
 <p><b>Nandana</b> WEST END, BAHAMAS - GRAND BAHAMA ISLAND</p> <p>FROM \$10,000 /NT</p>	 <p><b>Point House at COMO Parrot Cay</b> PARROT CAY, TURKS AND CAICOS</p> <p>FROM \$9,500 /NT</p>	 <p><b>The Venetian</b> NASSAU, BAHAMAS - NASSAU AND PARADISE ISLAND</p> <p>FROM \$9,000 /NT</p>
 <p><b>Calivigny Island</b> CALIVIGNY, GRENADA</p> <p>FROM \$9,000 /NT</p>	 <p><b>Bom</b> SAINT JEAN, ST. BARTS</p> <p>FROM \$8,999 /NT</p>	 <p><b>Crystal Springs</b> THE GARDEN, BARBADOS</p> <p>FROM \$8,950 /NT</p>
 <p><b>Casa de Luz</b> CASA DE CAMPO, DOMINICAN REPUBLIC</p> <p>FROM \$8,750 /NT</p>	 <p><b>Greenleaves</b> GIBBS BEACH, BARBADOS</p> <p>FROM \$8,700 /NT</p>	 <p><b>Le Bleu</b> LITTLE Harbor, ANGUILLA</p> <p>FROM \$8,600 /NT</p>
 <p><b>Ani Villa Estate - Private Resort</b> LITTLE BAY, ANGUILLA</p> <p>FROM \$8,600 /NT</p>	 <p><b>Grace Bay Club Estate Panthouse Residence</b> GRACE BAY, TURKS AND CAICOS</p> <p>FROM \$8,600 /NT</p>	 <p><b>Villa Sul Mero</b> PARADISE ISLAND, BAHAMAS - NASSAU AND PARADISE ISLAND</p> <p>FROM \$8,500 /NT</p>
 <p><b>Amenysa Ocean Villa - 4 Bedroom</b> WESTERN SHORE OF PROVIDENCIALES, TURKS AND CAICOS</p> <p>FROM \$8,500 /NT</p>	 <p><b>Villa Kayanta</b> CAP CANA, DOMINICAN REPUBLIC</p> <p>FROM \$8,438 /NT</p>	 <p><b>Rio Chico</b> OCHO RIOS, JAMAICA</p> <p>FROM \$8,250 /NT</p>

Caribbean Luxury Villa Rentals – www.LuxuryRetreats.com



**Serendip Cove**  
LYFORD CAY, BAHAMAS - NASSAU AND PARADISE ISL...

🏠 2B 🛏 4 🚗 1 🌟 (4) FROM \$8,000 /NT



**Villa Toscana**  
CAP CANA, DOMINICAN REPUBLIC

🏠 2B 🛏 9 🚗 1 FROM \$7,850 /NT



**Bohemian Chic**  
CASA DE CAMPO, DOMINICAN REPUBLIC

🏠 2B 🛏 5 🚗 1 FROM \$7,800 /NT



**Indigo**  
LITTLE HARBOR, ANGUILLA

🏠 2B 🛏 10 🚗 2 🌟 (2) FROM \$7,620 /NT



**Amanyara Beach Path Tranquility Villa - 4 Be...**  
WESTERN SHORE OF PROVIDENCIALES, TURKS AND C...

🏠 2B 🛏 4 🚗 4 FROM \$7,250 /NT



**Dunes**  
SALINE, ST. BARTS

🏠 2B 🛏 3 🚗 3 FROM \$7,143 /NT



**La Petite Seraine**  
POINTE MILOU, ST. BARTS

🏠 2B 🛏 5 🚗 3.5 FROM \$7,143 /NT



**Viewfort Estate**  
CROCUS BAY, ANGUILLA

🏠 2B 🛏 4 🚗 3.5 FROM \$7,000 /NT



**Amanyara Tranquility Villa - 4 Bedroom**  
WESTERN SHORE OF PROVIDENCIALES, TURKS AND C...

🏠 2B 🛏 4 🚗 4 FROM \$7,000 /NT



**Villa Noor**  
PARADISE ISLAND, BAHAMAS - NASSAU AND PARADIS...

🏠 2B 🛏 4 🚗 4.5 🌟 (1) FROM \$7,000 /NT



**Hawkbill**  
GRACE BAY, TURKS AND CAICOS

🏠 2B 🛏 6 🚗 3.5 🌟 (3) FROM \$6,800 /NT



**Casa del Mar**  
PETIT CUL DE SAC, ST. BARTS

🏠 2B 🛏 6 🚗 6 FROM \$6,714 /NT



**Triton Villa**  
LONG BAY BEACH, TURKS AND CAICOS

🏠 2B 🛏 7 🚗 3.5 🌟 (1) FROM \$6,500 /NT



**Cecique 2**  
CASA DE CAMPO, DOMINICAN REPUBLIC

🏠 2B 🛏 6 🚗 3.5 FROM \$6,500 /NT



**Ani Villa South - Private Resort**  
LITTLE BAY, ANGUILLA

🏠 2B 🛏 4 🚗 6 🌟 (7) FROM \$6,400 /NT



**The Great House**  
TURTLE BEACH, BARBADOS

🏠 2B 🛏 8 🚗 8 🌟 (10) FROM \$6,223 /NT



**Silver Rainbow**  
PETIT CUL DE SAC, ST. BARTS

🏠 2B 🛏 5 🚗 4 FROM \$6,143 /NT



**Le Reve**  
TERRES BASSES - BAYE ROUGE, ST. MARTIN

🏠 2B 🛏 6 🚗 4.5 🌟 (10) FROM \$6,143 /NT

## Competitive Analysis Summary Table

### The Utopian Islands Resort and Estates Compared to 5 New-Build Ultra-Luxury Caribbean Resorts and 3 Existing Ultra-Luxury Resorts

	The Utopian Islands Resort	New Resort #1	New Resort #2	New Resort #3	New Resort #4	New Resort #5	Active Resort #1	Active Resort #2	Active Resort #3
<b>Name/Brand</b>	The Utopian Islands Resort & Estates	Ritz-Carlton	Four Seasons	Grand Hyatt	Margarita ville Resort	Park Hyatt	Albany Resort	Amanyara Resort (Aman Resorts)	Bakers Bay Golf/Ocean Club Resort
<b>Location</b>	Exuma, Bahamas	St. Kitts and in St. Lucia	Nevis, BVI	Cayman	Nassau, Bahamas	St. Kitts, BVI	New Providence Bahamas	Turks and Caicos	Abacos, The Bahamas
<b>Status: Year Open</b>	2028	2021-20	Open	2020	2020	2017	2010	2010	2006
<b>Category</b>	Resort with ONLY Estates and 150-slot marina	Resort w/Villas	Resort w/Villas	Hotel	Hotel	Hotel	Resort with Golf with Estates and 71-slip Marina	Hotel with Golf, Villas and Residence, 200-slip Marina	Resort with Estates & Villas and Marina
<b>Condo/Hotel Model</b>	Yes	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
<b>Rooms or Estates</b>	410	SK = 125 suits with 25 villas & residences  SL = 180 suites	179 rooms with 80 villas & residences	351 Rooms	150 Rooms and Suites	126 Rooms and Suites	Hotel and 325 Residences	Unknown	385 Homes
<b>Total Acreage of Resort/Hotel</b>	2,500 acres	254 Acres	350 acres	7.1 acres	6 acres	Unknown	600 acres	1,800 acres	585 acres
<b>Villa/Estate Size and Number of Bedrooms</b>	3 and 5 BR 3,500 sq. ft. to 6,000 sq. ft.	Unknown	3 and 5 bedrooms 5,758 sq. ft. to 9,500 sq. ft.	Unknown	Unknown	Unknown	3 to 6 BR, or residences, from 3,800 to 6,000 square feet	3-to-5-bedroom residences	3-to-5-bedroom residences
<b>ADR / Price</b>	\$7,000/night or \$4.5 to \$8M	Unknown	Unknown	Unknown	Unknown	Unknown	\$4M to \$20M per unit	\$9,000 to \$25,000	\$7M to \$30M per unit

Based upon the table above as well as extensive research into both the ultra-luxury secondary home real estate market and the ultra-luxury resort market, The Utopian Islands' business model and plan seem to be extremely competitively priced, and a substantial value. Moreover, with the enormous increase in new-builds within the ultra-luxury market, industry trends show this to be a very favorable market to enter given:

- Totally Private islands with the Ultimate Security Provided to Owners and Guests (no public access)
- Location of the islands in the Exuma and access to the Exumas
- Size of the islands and limited density
- Unique amenities offered such as the lazy river and amphitheater
- Enormous value of the estates especially with the privacy of each bungalow having at least 50 yards of beachfront property
- Unique architectural plan with the Polynesian style that is highly desirable
- Eco-Friendly and Sustainable Energy
- Super Yacht-Marina and Casino





# PART 6: OPERATIONS



## *The Utopian Islands* Resort & Estates



# PART 6: OPERATIONS

## Resort Development and Operations

The proposed project is a large development with numerous complex tasks requiring a highly skilled team to manage the challenges and requirements for successful execution of the project. The company seems to be composed of an exceptionally strong group of professionals with many strengths to ensure the success of the project. Areas of general contracting, engineering, project management, IT, legal, project analysis, marketing, sales, accounting, training, property management, and many others are all strong areas of skills and experience that The Utopian Islands team possesses. The ability to develop creative solutions to complex problems and marry numerous opportunities together while creating The Utopian Islands' business model exemplifies the team's thorough understanding of the industry and opportunities.

## The Utopian Islands' Executive Team and Entrepreneurial Experts

The Utopian Islands has an exceptional executive team and tremendous experience in the ultra-luxury resort industry, real estate development and overall operations and sales and marketing.

**OUR EXECUTIVE TEAM**

 Doug XXXX CEO & COO Board Member	 Kim Keller Chief Design Officer & Board Member	 Howard Harkin Strategic Advisor & Board Member	 Judy Adamski CMO & Board Member	 Erica Drake Founder, CEO & President and Chairman of the Board of	 Drew XXXX Strategic Advisor & Board Member	 Tara Aron, CFA CIO & Board Member	 John Lumley Strategic Advisor & Board Member	 John Douglas Strategic Advisor & Board Member					
 Bill Aguilera—CEO	 Charles Rosenblyum VP of Development	 John Blanton VP of Project & Planning	 Benjamin Corcoran Director of Real Estate	 Lindsay Coleman Director of Human Resources	 Dr. Martin L. Cooper Chief Medical Officer	 Tamera Mendelsohn COO	 Owen Widdon VP of Resort	 Robert Jones VP of Infrastructure	 Jennifer Johnson VP of Marketing Services	 Martin Booth Construction Consultant— Bahamas Division	 Richard Aronson VP of Construction	 Corry Aronson VP of Construction	 David Lee Strategic Advisor

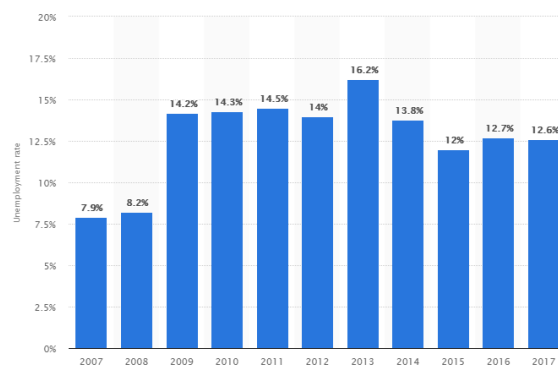
## Staffing Issues

Organizing a labor force for a resort will have its challenges but The Utopian Islands will be offering good wages, good benefits, flexibility, job growth opportunities and great work conditions. Staff will be sourced from the surrounding areas, the US and overseas to support the operations of the resort.

Construction labor will also be sourced from the surrounding areas and brought in from the US and other locations. Incentives will be added to work contracts for overtime pay, bonuses, awards, recognition, advancement and increased quality of life while on supporting The Utopian Islands.

The Bahamas has a high unemployment rate and jobs are a challenge to find. The Utopian Islands will

The Bahamas: Unemployment rate from 2007 to 2017



Data visualized by + a b l e a u

© Statista 2018

be providing hundreds of jobs to the area in a variety of industries with the intent to spur economic development and raise the standard of living.

### ***Maintenance and Utility Issues***

Maintenance and utility issues are areas that will require foresight and planning to be able to properly respond to issues. The Utopian Islands' staffing of technicians, mechanics and support personnel will allow repairs to be performed onsite while maintaining a healthy inventory of appliances, repair parts, vehicle parts, green technology parts and many others. Periodic maintenance will extend the life span of commodities and support maintaining proper operation of devices.

Utilities will be provided from the mainland as underwater utility feed runs through the Exuma chain of islands and will provide power, water, TV and internet to each island. This resource will supplement the infrastructure design for the islands where every estate will develop with independent solar and wind power systems, battery bank and controller, water catchment system, septic, backup power generator and water generating systems.

### ***Other Operational Issues***

Other operational issues may include transportation malfunctions, emergency medical situations, security and safety issues, food contamination, weather or storm related issues, or other unforeseen problems. These are manageable challenges and the resources available on the island will assist in the resolutions. Emergency medical situations are the most concerning areas and will be supported by using The Utopian Islands fleet of helicopters to transport critical patients to emergency services in Nassau. The other issues are minor in comparison and unique responses will ensure the issues are addressed correctly and guests are not impacted in unfavorable ways.

### ***Overview of the The Utopian Islands' Operations and Two Offices***

The Utopian Islands will have two offices: (1) the offices on-island and (2) a warehouse located in Southern Florida to handle the logistics of shipping all materials, supplies and staffing to the Bahamian islands.

### ***Overview of The Utopian Islands' Departments in the U.S.***

All executive officers of The Utopian Islands will be housed on the islands. Executive teams will travel back and forth to their US/Canada/England homes as needed. US operations will be based on a 25,000 square foot warehouse office in Southeast Florida that will source and ship all The Utopian Islands' needed supplies and labor. Each department will utilize outsourced niche companies as their teams (i.e., The Utopian Islands' Casino, Super-Yacht Marina, etc.).

### ***The Utopian Islands' On-Site Departments at the Resort***

Staffing for The Utopian Islands' offices will come from the local Bahamian pool of candidates and additional staffing will be sourced from the United States or abroad when needed (i.e., the real estate sales team). Staff will be offered housing at the Resort in the Employee Village area or Executive Village as part of their compensation package.

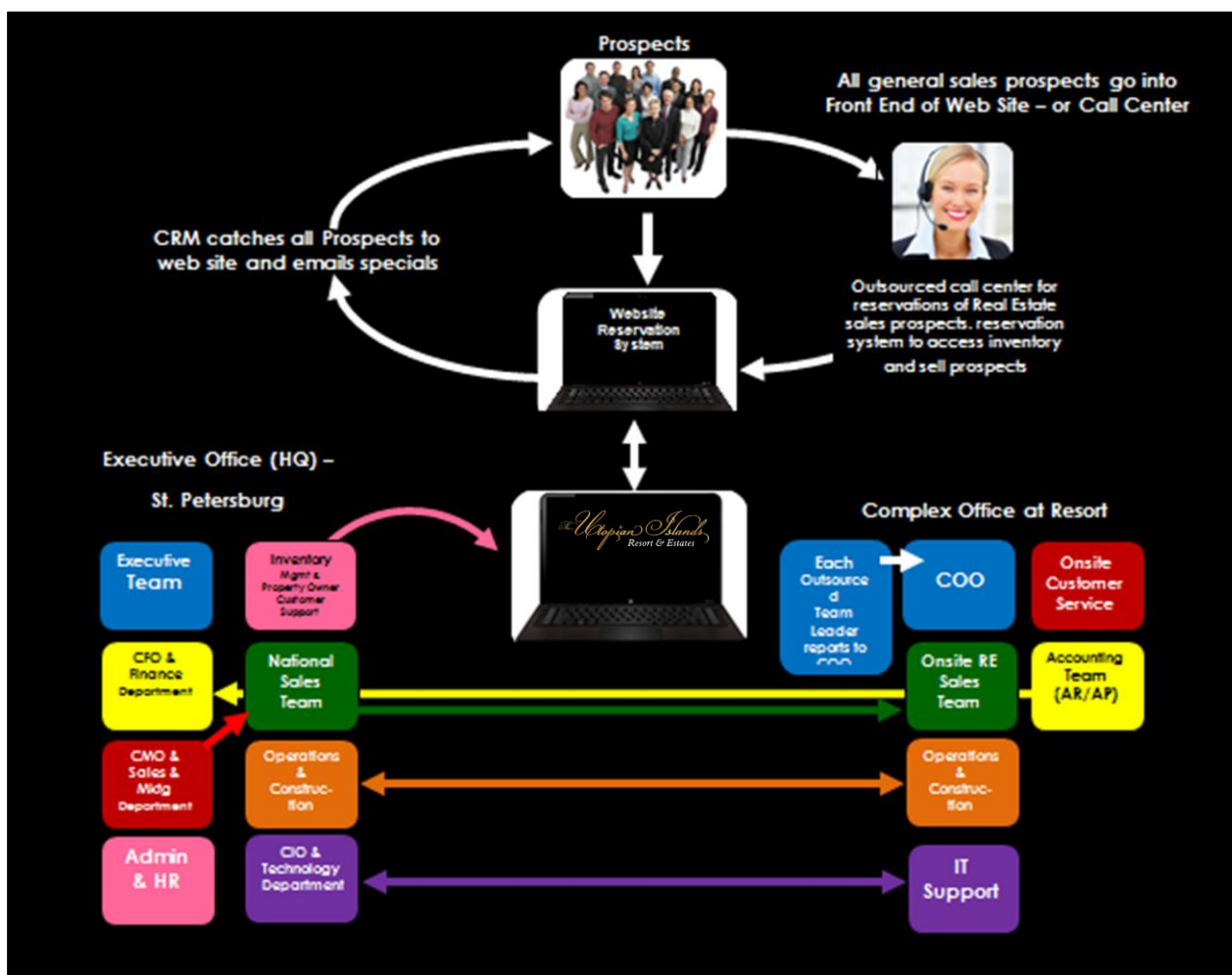
1. **Administrative and Local H/R**
2. **Executive Offices for visiting U.S. Executive Team**
3. **Executive Offices for COO – Operations**

- All outsourced Construction/Resort Teams will directly report to The Utopian Islands' President and COO
  - Green Technology Team
  - Hurricane and Excavation Consultant
  - Resort Planning Consultant
  - Civil Engineering
  - Marine Ops and Dredging
  - Contractor/Builder for the Estates
  - Contractor/Builder for the Marina & Marine Center
  - Contractor/Builder for The Great Hall, Shopping Village, Wellness Center and Spa/Sports Complexes and Amphitheater, as well as other buildings, such as the Employee Village and support buildings
  - Contractor/Builder for Airport and Helipads

- Pools and Lazy River Contractors
  - Outsourced Resort Management Team
  - Outsourced Marina, Marine Center & Boat Club Management Team
  - Outsourced Restaurant Management Teams
  - Outsourced Airport and Helipad Management Team
  - Outsourced Individual Business Management (i.e., Marina Village Shops, Dive Shops, and all ancillary businesses)
4. **On-site Sales Team (report to CMO) – Real Estate Sales Team (see The Utopian Islands' Sales and Marketing Plan)**
  5. **Accounting Team (AR/AP) – (report to CFO in U.S. and on-island)**
  6. **On-site Technology Support Team (report to CIO in U.S. and on-island)**

### ***Resort Reservation Software (for Condo/Hotels Model)***

The Utopian Islands' customer relationship management system will capture all prospects through its website and email specials. The prospects will be routed through its website or given the option of contacting the call center directly. The outsourced call center will handle reservations of sales prospects using the hotels reservation system on The Utopian Islands' back-end website to access inventory and sell the prospects.



## Dealing with Construction Permits in The Bahamas

Below is a detailed summary of the procedures, time and costs to build a warehouse in Bahamas, this includes obtaining necessary licenses and permits, completing required notifications and inspections and obtaining utility connections. The Utopian Islands will work with the BIA to ensure its building permit process is handled efficiently and effectively by negotiating this provision into their concessions provided by the government for projects of this size.

No.	Procedure	Time to Complete	Associated Costs
1	Request and obtain "approval in principle" (planning permission) with the Town Planning Committee <i>Agency:</i> Town Planning Committee This approval is not a prerequisite for the building permit, but most constructors would still want to obtain it in advance to make sure that their project is viable/acceptable in terms of town planning. Only the plot and location plan need to be submitted. to be attached. No proof of ownership is needed at this point. The Committee that examines the proposal meets only every other week. The Committee members represent the different interest groups that are interested in building process. The Committee agenda is prepared by the Department of Physical Planning. The Committee also hears complaints and addresses grievances.	30 days	no charge
2	Request and obtain building permit at the Building Control Unit of the Ministry of Works <i>Agency:</i> Ministry of Works BuildCo will submit the request for the building permit to the Building Control Department and pay 10% as a deposit. The file will be inserted in a cardboard jacket and submitted to various departments, one after the other. a. The application and supporting documents are sent to the following departments for processing: b. Civil Design Section, where checks are made for drainage and road access. c. Department of Physical Planning, which grants zoning approval. d. Department of Environmental Health/BEST Commission, to assess the environmental impact and ensure compliance with Environmental Health codes. e. Control Division of the Ministry of Works & Urban Development, where they complete mechanical, electrical, structural and other checks as necessary. f. The Building Permit is then prepared for issue. Drawings are stamped as approved and the final fee is assessed and calculated. g. Applicants are notified via telephone that the Building Permit has been approved and can be collected upon payment of the building permit fee. The applicant must then make final payment and collect the Building Permit at the Buildings Control Division of the Ministry of Works & Urban Development. Buildings Regulation Art. 4. (1) "Subject to the provisions of this Act, no person shall commence or carry on or cause or procure to be commenced or carried on, any building operation saves under and in accordance with the conditions of a valid building permit and in accordance with the provisions of this Act and any rules and the Building Code." The status of the application can be checked online.	120 days	BSD 4,900
3	Request and receive plumbing permit <i>Agency:</i> Ministry of Works. A request for plumbing inspection must be requested by the licensed plumber.	1 day	BSD 3,500
4	Receive "rough-in" plumbing inspection <i>Agency:</i> Ministry of Works	1 day	no charge
5	Receive standpipe inspection by the Fire Branch of the Royal Bahamas Police Force <i>Agency:</i> Fire Branch of the Royal Bahamas Police Force. The Fire Department will proceed with an inspection of the standpipes and sprinkler system during the construction phase.	1 day	no charge
6	Receive inspection of floors <i>Agency:</i> Ministry of Works	1 day	no charge
7	Receive inspection of walls <i>Agency:</i> Ministry of Works	1 day	no charge
8	Receive inspection of roofing <i>Agency:</i> Ministry of Works	1 day	no charge
9	File notice of completion of the plumbing works <i>Agency:</i> Building Control Division The certified plumber must file a notice of completion of all plumbing works so that the final inspection can take place.	1 day	no charge
No.	Procedure	Time to Complete	Associated Costs
10	Receive final inspection <i>Agency:</i> Ministry of Works		no charge
11	Obtain final plumbing inspection <i>Agency:</i> Ministry of Works. After the plumbing has been approved, the plumber can obtain a copy of the approval at the Ministry of Works.		no charge

12	<p>Receive fire safety inspection  <i>Agency:</i> Fire Branch of the Royal Bahamas Police Force          After the final inspection performed by the Ministry of Works, it is often determined that a fire inspection is also required. Some contractors even have the fire inspection conducted before the final inspection from the Ministry of Works, to ensure that the final inspection goes smoothly.</p>		no charge
13	<p>Obtain occupancy permit  <i>Agency:</i> Ministry of Works          BuildCo must apply for the occupancy permit, which can only be obtained after the final inspection for the electrical, plumbing and fire protection final inspections are carried out.</p>		no charge
14	<p>Request water and sewage connection  <i>Agency:</i> Bahamas Water and Sewerage Corporation. The request for water and sewage connection is done online at <a href="http://www.wsc.com.bs/NewConnectionsForm.aspx">http://www.wsc.com.bs/NewConnectionsForm.aspx</a>          The following document has to be submitted: A copy of the property title In case of Limited Company, the application must be signed by two or more directors of the Company accompanied by a copy of the resolution authorizing these directors to sign on behalf of the company. An article of association and certificate of good standing must also be attached.</p>		no charge
15	<p>Receive water and sewage inspection  <i>Agency:</i> Bahamas Water and Sewerage Corporation Technician will visit the property to establish the work to be done and the cost as well. This is usually done within 5-7 working days.</p>		no charge
16	<p>Obtain water and sewage service  <i>Agency:</i> Bahamas Water and Sewerage Corporation Bahamas Water and Sewerage Corporation will conduct the works to connect the meter to the main. BuildCo must hire a licensed plumber to connect from the meter to the building. Cost includes labor, connection fee and meter. It will take about 15 working days for the work and connection to be completed.</p>		BSD 2,784

### ***Summary of Operational Feasibility***

To summarize the operational feasibility of The Utopian Islands project, all considerations are factored in developing an understanding of the strengths and weaknesses of The Utopian Islands team, the scope of operations, development challenges and the overall effectiveness and ability to execute the project.

The foresight of The Utopian Islands team has identified many of the challenges with staffing, labor, shipping and importing, utility requirements, transportation, permits, reservations and have developed solutions to mitigate several risks and map a pathway to successful completion.

Every project has a unique set of variables and challenges, and The Utopian Islands has applied a deep understanding of the industry, processes, ultra-luxury standards and the clientele and built a strong solution for excelling with the challenges at hand.





# PART 7: FINANCIAL ANALYSIS



*The Utopian Islands*  
Resort & Estates



# PART 7: FINANCIAL ANALYSIS

## ***Cost Elements of a Project***

- Land
- Construction
- Interest During Construction
- Furniture, Fixtures and Equipment
- Operating Equipment
- Inventories
- Pre-Opening Expenses
- Working Capital

## ***Cost of Land***

The cost of land is inclusive of Darby Island, Little Darby Island, Lignum Vitae Cay and two other smaller islands. The two primary islands are Darby Island and Little Darby which are owned by one entity, and they have placed a value of them together at \$100M Net. The Utopian Islands' management believes a starting price of roughly \$80M will begin negotiations and our final sales price will be somewhere between \$80-100M.

Additionally, the neighboring island of Lignum Vitae Cay is priced at \$10.5M and may be acquired closer to \$9.5M. These five islands, total roughly 880 acres in total have a budgeted sale price of \$132M Net with expectations of negotiating the final sales price to be significantly lower. Negotiations are closed until proof of funds can be presented to purchase the islands.



The Utopian Islands' 5 Islands, ≈ 900 Acres in the Exumas, Bahamas (Note: Smallest island shown in this diagram is really two islands)

## ***Cost of Construction***

The cost of construction is detailed in The Utopian Islands' financial projections and is segmented into developmental regions of the project.

The cost of construction for the 300 Bungalow Estates is \$840M with all common areas adding another \$651M. Soft costs and support areas account for an additional \$300M. The Utopian Islands' assumptions are based on market data and similar projects, and The Utopian Islands has allocated \$750/sq. ft. to include material shipping costs for the estates and high-end areas. The lower-end common areas are using a sliding scale to estimate construction costs and levels of finish. The shops, service buildings, and employee housing are estimated to be between \$500-\$750/sq. ft. but in some cases will go up to \$1,000/sq. ft..

## Real Estate Building in the Caribbean in the Future

### COMPARABLE CARIBBEAN LUXURY REAL ESTATE DEVELOPMENTS AND SALES PRICING

Project	Estate Name	Type	New	Number of Furnished Units	Total # of BR	Total # of Bath	Sellable Sq/ft	Price per Unit	Price per Sq/ft	Furnished
	Beach Bungalow Estates	Bungalow - Villa	New	160	3	4	3,500	\$ 4,500,000	\$ 1,285	Yes
	Grand Bungalow Estate	Bungalow- Villa	New	140	5	6	6,000	\$ 8,000,000	\$ 1,333	Yes
Four Seasons Nevis	The Villas at Pinneys Beach	Villa	New		4	5	3,596	\$ 4,580,400	\$ 1,274	Yes
Mandarin Oriental Resort St Kitts Villas	Mandarin 4BR Resort	Villa	New		4	5	3,229	\$ 3,900,000	\$ 1,208	Yes
Christophe Harbour St Kitts	Morning Rise	Villa	Resale		4	5	3,948	\$ 3,695,000	\$ 936	Yes
Albany Resort, The Bahamas	Marina Honeycomb (7A)	Apartment	New		7	7.5	5,693	\$ 12,500,000	\$ 2,196	No
	Marina Honeycomb (8A)	Apartment	New		5	5.5	4,848	\$ 10,000,000	\$ 2,063	No
Lyford Cay, The Bahamas	Beachfront Estate	Villa	New		7	7	13,000	\$ 36,000,000	\$ 2,769	No
	Cliffon Bay Beachfront	Villa	New		3	3.5	2,780	\$ 18,000,000	\$ 6,475	No
Paradise Island	Casa Sophia	Villa	Resale		6	8	12,000	\$ 30,000,000	\$ 2,500	No
	Orchid House	Villa	Resale		5	5	7,600	\$ 16,950,000	\$ 2,230	No
Platinum Bay, Barbados	Platinum Bay	Villa	Resale		6	6	14,940	\$ 25,000,000	\$ 1,673	No
Turtle Tail, Turks and Caicos	Serenity	Villa	Resale		4	5	8,645	\$ 19,500,000	\$ 2,256	No
Parrot Cay, Turks and Caicos	Turtle Tail Estate	Villa	Resale		7	12	15,000	\$ 25,000,000	\$ 1,667	No

## Total Land and Construction Costs with Revenue Projections from Bungalow Estate Sales

### Property Development Revenue

#### Profits (Revenue)

Residential Sales	\$ per sq. ft.	# of Units	AC sq. ft.	Total AC sq. ft.	Total Sales	Price/Unit
Darby Bungalows - 70 x 3500sq ft.	\$1,286	70	3,500	245,000	\$315,000,000	\$4,500,000
Darby Bungalows - 70 x 6000 sq. ft.	\$1,333	70	6,000	420,000	\$560,000,000	\$8,000,000
Little Darby Bungalows - 60 x 3500sq ft.	\$1,286	60	3,500	210,000	\$270,000,000	\$4,500,000
Little Darby Bungalows -40 x 6000 sq. ft.	\$1,333	40	6,000	240,000	\$320,000,000	\$8,000,000
LVC Bungalows - 30 x 3500sq. ft.	\$1,286	30	3,500	105,000	\$135,000,000	\$4,500,000
LVC Bungalows -30 x 6000 sq. ft.	\$1,333	30	6,000	180,000	\$240,000,000	\$8,000,000

**Gross Sales 1,400,000 \$1,840,000,000**

### Land Expenses

#### Acquisition Costs

	Costs
Land Acquisition Darby Island	\$60,000,000
Land Acquisition Little Darby Island	\$60,000,000
Land Acquisition LVC Island	\$12,000,000

**Total Land Acquisition \$132,000,000**

### Construction Costs

	# of Buildings	Building sq. ft.	Total sq. ft.	Construction Costs per sq. ft.	Total Construction Cost	Gross Revenue % attributable to AC	Employees Needed Daily for Region
<b>Bungalow Estates Construction Costs</b>							
Total AC Construction Costs for Bungalows	300	1,400,000	1,400,000	\$600	\$840,000,000	45.65%	
Estate Furnishings	300			\$100,000	\$30,000,000		
Resort Furnishings and Artwork	300				\$15,000,000		
<b>Sub-Total</b>					<b>\$885,000,000</b>		

### Common Area Construction Costs

	For Details - See Regional Development Details Worksheet	Total sq. ft.	Total Construction Cost	Employees Needed Daily for Region
<b>Region #1</b> Great Hall - Marina and High & Dry		439,811	\$164,943,240	175
<b>Region #2</b> Wellness Center - Royal Spa - Medical Center & Amphitheater		510,840	\$219,877,240	81
<b>Region #3</b> Employee Village		278,106	\$55,426,360	35
<b>Region #4</b> North West - Big Darby		40,700	\$19,470,000	37
<b>Region #5</b> North East Big Darby		47,300	\$19,030,000	37
<b>Region #6</b> South Big Darby		37,400	\$17,490,000	37
<b>Region #7</b> North Little Darby		99,000	\$44,550,000	34
<b>Region #8</b> South Little Darby		37,400	\$16,830,000	37
<b>Region #9</b> Lignum Vitae Caye		37,400	\$16,830,000	37
<b>Pools</b> Big Darby Pools & Waterfalls	281		\$30,000	\$8,430,000
Little Darby Pools & Waterfalls	200		\$30,000	\$6,000,000
LVC Pools & Waterfalls	120		\$30,000	\$3,600,000
<b>Lazy River</b> Big Darby Lazy River	5.6 miles	30,000	\$1,000	\$30,000,000
Little Darby Lazy River	2.6 miles	14,000	\$1,000	\$14,000,000
LVC Lazy River	1.8 miles	10,000	\$1,000	\$10,000,000
<b>Bridges</b> Draw Bridge between Darby & Little Darby (100 ft)		100 feet		\$3,000,000
Bridges over Lazy River	150		\$10,000	\$1,500,000
<b>Sub-Total</b>			<b>1,581,958 \$650,976,840 510</b>	

Continued with totals on the following page

## Soft Construction Costs

### Soft Construction Costs

Contingency		\$84,000,000
Demolition		\$2,000,000
Road/Site Works		\$3,000,000
Other Construction - Dredging		\$40,000,000
Landscaping	Roughly \$50K/acre- 875 acres	\$45,000,000
Miscellaneous Shipping <sup>1</sup>		\$3,000,000
Environmental Impact Assessment (EA) - All islands		\$700,000
Construction Equipment		\$12,000,000
Builder's Risk		\$1,000,000
Building Permits		\$5,000,000
Impact and Utilities Fees		\$500,000
Engineering	2.00%	\$36,800,000
Quantity Surveyor	0.40%	\$7,360,000
Architect	2.00%	\$36,800,000
Legal	0.50%	\$9,200,000
Sales Agent Fee	1.50%	\$27,600,000
<b>Sub-Total</b>		<b>\$313,960,000</b>

**Total Construction & Development Costs** **\$1,849,936,840**

**Total Construction Costs including Islands Purchased** **\$1,981,936,840**

**Total Revenue less Construction Costs** **(\$141,936,840)**

**Gross Profit Margin on Construction** **-7.71%**

<sup>1</sup> Shipping of Building Materials is included in the cost per square foot building (i.e., \$600/sq ft includes shipping the building materials to the islands that are substantial reduced because Solaris will have its own Shipping Company)

## Region #1: Great Hall Marina Village Region

Construction Costs by Region		Total # of Acres	Total Area with Common Area (Square Feet)	Building Costs per Square Foot	Total Building Costs	Est. # of Staff Needed Daily
<b>I Great Hall &amp; Marina Region</b>			<b>315,952</b>	Before 50% Contingency		
<b>1 Main Great Hall Building</b>						
A	Breezeway Entrance to Great Hall (open to ceiling of Great Hall) - including janitorial, gardening and other maintenance personnel		6,900	\$600	\$4,140,000	10
B	Bathrooms - Floor 1		1,040	\$600	\$624,000	0
C	Solaris Corporate Offices - Floor 1		1,040	\$600	\$624,000	3
D	Elevators		608	\$600	\$364,800	0
E	Casino - Floor 1		3,680	\$600	\$2,208,000	20
F	Casino - Floor 2		2,760	\$600	\$1,656,000	0
G	Condo-Hotel Lobby - Floor 1		3,680	\$600	\$2,208,000	3
H	Entrance - Drive Through Breezeway		2,400	\$600	\$1,440,000	2
I	2nd Floor Corporate Offices		4,784	\$600	\$2,870,400	4
J	3rd Floor - Restaurant/Bar/Events Space		8,464	\$600	\$5,078,400	10
K	Bellman Storage Room		64	\$600	\$38,400	2
Sub-Total			35,420		\$21,252,000	
<b>1 Plus 10% Design Changes - Contingency</b>			<b>38,962</b>		<b>\$23,377,200</b>	<b>54</b>
<b>2 Solaris Shopping Village</b>						
2A	Shop A		560	\$600	\$336,000	2
2B	Shop B		400	\$600	\$240,000	2
2C	Shop C		400	\$600	\$240,000	3
2D	Shop D		400	\$600	\$240,000	2
2E	Shop E		400	\$600	\$240,000	2
2F	Shop F		400	\$600	\$240,000	2
2G	Shop G		400	\$600	\$240,000	3
2H	Shop H		400	\$600	\$240,000	2
2I	Shop I		400	\$600	\$240,000	2
2J	Shop J		1,400	\$600	\$840,000	6
2K	Shop K		2,400	\$600	\$1,440,000	12
2L	Shop L		2,352	\$600	\$1,411,200	13
2M	Shop M		800	\$600	\$480,000	12
2N	Shop N		4,320	\$600	\$2,592,000	6
2O	Shop O		2,024	\$600	\$1,214,400	10
Total Shopping Village Building Area			17,056		\$10,233,600	
<b>2 Plus 10% Design Changes - Contingency</b>			<b>18,762</b>		<b>\$11,256,960</b>	<b>79</b>
<b>3 Marina High &amp; Dry</b>			<b>24,960</b>	<b>\$600</b>	<b>\$14,976,000</b>	<b>6</b>
<b>4 Mail Pool Tiki Bar &amp; Restaurant</b>			<b>3,600</b>	<b>\$600</b>	<b>\$2,160,000</b>	<b>10</b>
<b>5 Entrance Pavillion &amp; Bar</b>			<b>7,680</b>	<b>\$600</b>	<b>\$4,608,000</b>	<b>8</b>
<b>6 Security &amp; Customs</b>			<b>880</b>	<b>\$600</b>	<b>\$528,000</b>	<b>8</b>
<b>7 Marina Bar &amp; Restaurant</b>			<b>3,600</b>	<b>\$600</b>	<b>\$2,160,000</b>	<b>10</b>
Sub-Total Area			40,720		\$24,432,000	
<b>3 thru 7 Plus 10% Design Changes - Contingency</b>			<b>44,792</b>		<b>\$26,875,200</b>	<b>42</b>
Total Building Area of Great Hall and Marina Region			102,516	\$600	\$61,509,360	175
Total Area less above Areas = Common Area			213,436	\$300	\$64,030,800	
<b>Plus 10% Design Changes - Contingency</b>			<b>234,780</b>		<b>\$70,433,880</b>	
Super-Yacht Marina (Docks, 150 Slips and Gas Area)			\$200,000/Slip	150	\$30,000,000	
<b>Plus 10% Design Changes - Contingency</b>				n/a	<b>\$33,000,000</b>	
<b>Estimated Total Cost of Region</b>		<b>10.10</b>	<b>439,811</b>		<b>\$164,943,240</b>	<b>175</b>

## Region #2: Wellness Center, Sports Complex, Spa and Medical Center and Amphitheater

Construction Costs by Region		Total # of Acres	Total Area with Common Area (Square Feet)	Building Costs per Square Foot	Total Building Costs	Est. # of Staff Needed Daily
<b>II</b>	<b>Wellness Center Region (Royal Spa, Medical Treatment Center &amp; Hospital, Sports Complex and Amphitheater)</b>		<b>464,400</b>	<b>Before 50% Contingency</b>		
	1 Royal Spa		4,880	\$600	\$2,928,000	10
	2 Hair and Nail Salon		1,920	\$600	\$1,152,000	6
	3 Medical Treatment Center		5,136	\$600	\$3,081,600	10
	4 Medical Center (Hospital)		11,776	\$600	\$7,065,600	10
	5 Martial Arts Dojo		2,400	\$600	\$1,440,000	2
	6 Ladies/Men's Locker Rooms & Saunas		3,120	\$600	\$1,872,000	2
	7 Gym and Yogo Studio		6,160	\$600	\$3,696,000	4
	8 Tennis and Basket Ball		15,432	\$600	\$9,259,200	2
	9 Kids Club		1,440	\$600	\$864,000	6
	10 Wellness Center Restaurant, Bar and Infinity Pool		5,000	\$600	\$3,000,000	10
	11 Maverick Entrepreneurs Training Facility		6,720	\$600	\$4,032,000	4
	12 Wellness Center Entrance & Lobby of Spa/Med Facility		2,600	\$600	\$1,560,000	2
	13 Garden #1		27,520	\$400	\$11,008,000	1
	14 Garden #2		16,280	\$400	\$6,512,000	1
	15 Garden #3		24,700	\$400	\$9,880,000	1
	16 Garden #4		35,760	\$400	\$14,304,000	1
	17 Amphitheater Chef Kitchen		3,360	\$600	\$2,016,000	3
	18 Amphitheater - Stage Building		34,320	\$600	\$20,592,000	3
	19 Amphitheater - Bathrooms		2,200	\$600	\$1,320,000	1
	20 Amphitheaters - Seating Area		54,000	\$600	\$32,400,000	1
	21 Amphitheater's Crew Quarters		4,800	\$400	\$1,920,000	1
	22 Breezeways		15,232	\$400	\$6,092,800	0
	<b>Sub-Total</b>		<b>284,756</b>		<b>\$145,995,200</b>	<b>81</b>
	<b>Plus 10% Design Changes - Contingency</b>		<b>313,232</b>		<b>\$160,594,720</b>	<b>81</b>
	<b>Total Area less above Areas = Common Area</b>		<b>179,644</b>	<b>\$300</b>	<b>\$53,893,200</b>	
	<b>Plus 10% Design Changes - Contingency</b>		<b>197,608</b>		<b>\$59,282,520</b>	
	<b>Estimated Total Cost of Region</b>	<b>11.73</b>	<b>510,840</b>		<b>\$219,877,240</b>	<b>81</b>

## Region #3: Employee Village and Regions #4-6

II Wellness Center Region (Royal Spa, Medical Treatment Center & Hospital, Sports Complex and Amphitheater)		464,400	Before 50% Contingency		
1 Royal Spa	4,880	\$600	\$2,928,000	10	
2 Hair and Nail Salon	1,920	\$600	\$1,152,000	6	
3 Medical Treatment Center	5,136	\$600	\$3,081,600	10	
4 Medical Center (Hospital)	11,776	\$600	\$7,065,600	10	
5 Martial Arts Dojo	2,400	\$600	\$1,440,000	2	
6 Ladies/Men's Locker Rooms & Saunas	3,120	\$600	\$1,872,000	2	
7 Gym and Yogo Studio	6,160	\$600	\$3,696,000	4	
8 Tennis and Basket Ball	15,432	\$600	\$9,259,200	2	
9 Kids Club	1,440	\$600	\$864,000	6	
10 Wellness Center Restaurant, Bar and Infinity Pool	5,000	\$600	\$3,000,000	10	
11 Maverick Entrepreneurs Training Facility	6,720	\$600	\$4,032,000	4	
12 Wellness Center Entrance & Lobby of Spa/Med Facility	2,600	\$600	\$1,560,000	2	
13 Garden #1	27,520	\$400	\$11,008,000	1	
14 Garden #2	16,280	\$400	\$6,512,000	1	
15 Garden #3	24,700	\$400	\$9,880,000	1	
16 Garden #4	35,760	\$400	\$14,304,000	1	
17 Amphitheater Chef Kitchen	3,360	\$600	\$2,016,000	3	
18 Amphitheater - Stage Building	34,320	\$600	\$20,592,000	3	
19 Amphitheater - Bathrooms	2,200	\$600	\$1,320,000	1	
20 Amphitheaters - Seating Area	54,000	\$600	\$32,400,000	1	
21 Amphitheater's Crew Quarters	4,800	\$400	\$1,920,000	1	
22 Breezeways	15,232	\$400	\$6,092,800	0	
Sub-Total	284,756		\$145,995,200	81	
Plus 10% Design Changes - Contingency	313,232		\$160,594,720	81	
Total Area less above Areas = Common Area	179,644	\$300	\$53,893,200		
Plus 10% Design Changes - Contingency	197,608		\$59,282,520		
<b>Estimated Total Cost of Region</b>	<b>11.73</b>	<b>510,840</b>	<b>\$219,877,240</b>	<b>81</b>	

III Employee Village Region		# of Beds	252,824	Before 50% Contingency	
Employee Dorm Building (3 Floors - 50 rooms-2 per room) - including Employee Restaurant					
1 (Cafeteria Style)	300	56,160	\$250	\$14,040,000	15
2 Studio Apartments (18 x 8 Apt. x 2 People) =	288	57,600	\$250	\$14,400,000	2
3 Management Building		1,040	\$250	\$260,000	3
4 Employee Bar		2,128	\$250	\$532,000	3
5 Grocery Store and Uniform Laundry Facility		4,800	\$250	\$1,200,000	10
6 Laundry/Pool Buildings #1		1,456	\$250	\$364,000	1
7 Laundry/Pool Buildings #2		1,456	\$250	\$364,000	1
Sub-Total		124,640		\$31,160,000	35
Plus 10% Design Changes - Contingency		137,104		\$34,276,000	35
Total Area less above Areas = Common Area		128,184	\$150	\$19,227,600	
Plus 10% Design Changes - Contingency		141,002		\$21,150,360	
<b>Estimated Total Cost of Region</b>	<b>6.38</b>	<b>278,106</b>		<b>\$55,426,360</b>	<b>35</b>

IV North West Big Darby Region			Before 50% Contingency		
1 Restaurant #1 with Dock	8,000	\$600	\$4,800,000	10	
2 Restaurant #2 with Dock	8,000	\$600	\$4,800,000	10	
3 Service Building - Housekeeping/Laundry & Maintenance	10,000	\$250	\$2,500,000	12	
4 2 Swim-up Island Bar - Lazy River	6,000	\$600	\$3,600,000	3	
5 Utility Building and Dock	5,000	\$400	\$2,000,000	2	
Sub-Total		37,000		\$17,700,000	37
Plus 10% Design Changes - Contingency		40,700		\$19,470,000	37
<b>Estimated Total Cost of Region</b>		<b>40,700</b>		<b>\$19,470,000</b>	<b>37</b>

V North East Big Darby Region			Before 50% Contingency		
1 Castle Restoration and Restaurant #1	10,000	\$600	\$6,000,000	10	
2 Restaurant #2 with Dock	8,000	\$600	\$4,800,000	10	
3 Service Building - Housekeeping/Laundry & Maintenance	10,000	\$250	\$2,500,000	12	
4 Hydroponics Farm and Orchard	10,000	\$200	\$2,000,000	3	
5 Utility Building and Dock	5,000	\$400	\$2,000,000	2	
Sub-Total		43,000		\$17,300,000	37
Plus 10% Design Changes - Contingency		47,300		\$19,030,000	37
<b>Estimated Total Cost of Region</b>		<b>47,300</b>		<b>\$19,030,000</b>	<b>37</b>

VI South Big Darby Region			Before 50% Contingency		
1 Restaurant #1 with Dock	8,000	\$600	\$4,800,000	10	
2 Restaurant #2 with Dock	8,000	\$600	\$4,800,000	10	
3 Service Building - Housekeeping/Laundry & Maintenance	10,000	\$250	\$2,500,000	12	
4 Swim-up Island Bar - Lazy River	3,000	\$600	\$1,800,000	3	
5 Utility Building and Dock	5,000	\$400	\$2,000,000	2	
Sub-Total		34,000		\$15,900,000	37
Plus 10% Design Changes - Contingency		37,400		\$17,490,000	37

Wellness Center Region (Royal Spa, Medical Treatment Center & Hospital, Sports Complex and Amphitheater)		464,400	Before 50% Contingency		
1	Royal Spa	4,880	\$600	\$2,928,000	10
2	Hair and Nail Salon	1,920	\$600	\$1,152,000	6
3	Medical Treatment Center	5,136	\$600	\$3,081,600	10
4	Medical Center (Hospital)	11,776	\$600	\$7,065,600	10
5	Martial Arts Dojo	2,400	\$600	\$1,440,000	2
6	Ladies/Men's Locker Rooms & Saunas	3,120	\$600	\$1,872,000	2
7	Gym and Yogo Studio	6,160	\$600	\$3,696,000	4
8	Tennis and Basket Ball	15,432	\$600	\$9,259,200	2
9	Kids Club	1,440	\$600	\$864,000	6
10	Wellness Center Restaurant, Bar and Infinity Pool	5,000	\$600	\$3,000,000	10
11	Maverick Entrepreneurs Training Facility	6,720	\$600	\$4,032,000	4
12	Wellness Center Entrance & Lobby of Spa/Med Facility	2,600	\$600	\$1,560,000	2
13	Garden #1	27,520	\$400	\$11,008,000	1
14	Garden #2	16,280	\$400	\$6,512,000	1
15	Garden #3	24,700	\$400	\$9,880,000	1
16	Garden #4	35,760	\$400	\$14,304,000	1
17	Amphitheater Chef Kitchen	3,360	\$600	\$2,016,000	3
18	Amphitheater - Stage Building	34,320	\$600	\$20,592,000	3
19	Amphitheater - Bathrooms	2,200	\$600	\$1,320,000	1
20	Amphitheaters - Seating Area	54,000	\$600	\$32,400,000	1
21	Amphitheater's Crew Quarters	4,800	\$400	\$1,920,000	1
22	Breezeways	15,232	\$400	\$6,092,800	0
Sub-Total		284,756		\$145,995,200	81
Plus 10% Design Changes - Contingency		313,232		\$160,594,720	81
Total Area less above Areas = Common Area		179,644	\$300	\$53,893,200	
Plus 10% Design Changes - Contingency		197,608		\$59,282,520	
Estimated Total Cost of Region		11.73	510,840	\$219,877,240	81

VII North Little Darby Region			Before 50% Contingency		
1	Restaurant #1 with Dock	8,000	\$600	\$4,800,000	10
2	Restaurant #2 with Dock with Special Events Pavillion	12,000	\$600	\$7,200,000	10
3	Service Building - Housekeeping/Laundry & Maintenance	10,000	\$250	\$2,500,000	12
4	Utility Building and Shipping Dock	5,000	\$400	\$2,000,000	2
5	Airport and Runway & Helo Pad	10,000	\$600	\$6,000,000	
6	Executive Village (32 units of 1 Bedroom Villas (1,000 sq/ft) and Central Building	45,000	\$400	\$18,000,000	
Sub-Total		90,000		\$40,500,000	34
Plus 10% Design Changes - Contingency		99,000		\$44,550,000	34
Estimated Total Cost of Region		99,000		\$44,550,000	34

VIII South Little Darby Region			Before 50% Contingency		
1	Restaurant #1 with Dock	8,000	\$600	\$4,800,000	10
2	Restaurant #2 with Dock	8,000	\$600	\$4,800,000	10
3	Service Building - Housekeeping/Laundry & Maintenance	10,000	\$250	\$2,500,000	12
4	Marina Building and Docks	3,000	\$400	\$1,200,000	3
5	Utility Building and Shipping Dock	5,000	\$400	\$2,000,000	2
Sub-Total		34,000		\$15,300,000	37
Plus 10% Design Changes - Contingency		37,400		\$16,830,000	37
Estimated Total Cost of Region		37,400		\$16,830,000	37

IX Lignum Vitae Caye			Before 50% Contingency		
1	Restaurant #1 with Dock	8,000	\$600	\$4,800,000	10
2	Restaurant #2 with Dock	8,000	\$600	\$4,800,000	10
3	Service Building - Housekeeping/Laundry & Maintenance	10,000	\$250	\$2,500,000	12
4	Marina Building and Docks	3,000	\$400	\$1,200,000	3
5	Utility Building and Dock	5,000	\$400	\$2,000,000	2
Sub-Total		34,000		\$15,300,000	37
Plus 10% Design Changes - Contingency		37,400		\$16,830,000	37
Estimated Total Cost of Region		37,400		\$16,830,000	37

**Dredging Calculations**

Darby Island	Marina	(2,000ft length *1000ft width*25ft depth)/27=1,851,851*8ft³=\$14.8M
	North end	(1200*300*15)/27=200k*8=\$1.6M
	South End	(1200*200*15)/27=133k*8=\$1.06M
	Access Channel	(3000*100*25)/27=278k*8=\$2.2M
		Total Dredging Costs = \$19.66M
Little Darby	South End	(600*800*15)/27=266k*8= \$2.13m
	Middle Pond	(1000*300*6.5)/27=72k*8= \$580K
	South End Large Pond	(750*300*15)/27=125k*8=\$1.1M
	North Small Pond	(200*100*15)/27=11k*8= \$90K
		Total Dredging Costs = \$3.9M
LVC	None	
		Total Combined Costs = \$27.46M

## Summary of Island Building Costs

Construction Costs by Region	Total # of Acres	Total Area with Common Area (Square Feet)	Building Costs per Square Foot	Total Building Costs	Est. # of Staff Needed Daily
<b>Big Darby Island</b>					
	<b># of Acres</b>			<b>Total Square Footage Developed</b>	
1 Acre = 43,560 sq. ft.					
Big Darby Acreage	554.00			24,132,240.00	
Bungalow Estate Development				665,000	
Common Area Regional Development				1,354,158	
Lazy River				600,000	
<b>Total Developed Space on Darby</b>				<b>2,619,158</b>	
Divided by Total Island sqft				10.85%	
<b>Little Darby Island</b>					
	<b># of Acres</b>			<b>Total Square Footage Developed</b>	
1 Acre = 43,560 sq. ft.					
Little Darby Acreage	254.00			11,064,240.00	
Bungalow Estate Development				450,000	
Common Area Regional Development				136,400	
Lazy River				450,000	
<b>Total Developed Space on Darby</b>				<b>1,036,400</b>	
Divided by Total Island sqft				9.37%	
<b>Lignum Vitae Cay</b>					
	<b># of Acres</b>			<b>Total Square Footage Developed</b>	
1 Acre = 43,560 sq. ft.					
Lignum Vitae Acreage	75.00			3,267,000.00	
Bungalow Estate Development				285,000	
Common Area Regional Development				37,400	
Lazy River				75,000	
<b>Total Developed Space on Darby</b>				<b>397,400</b>	
Divided by Total Island sqft				12.16%	

## Estimated Building Costs per Islands

LOCATION	OFFICES				RETAIL				HOTELS				RESIDENTIAL MULTI-STOREY				
	PREMIUM		GRADE A		SHOPPING CENTRE		STRIP SHOPPING		5 STAR		3 STAR		INVESTMENT		OWNER OCCUPIED		
	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	
<b>(US\$)</b>																	
ANGUILLA	163	271	136	217	131	244	109	217	271	434	195	271	163	271	271	325	
ANTIGUA & BARBUDA	202	318	172	288	146	263	136	253	283	515	227	288	172	319	283	323	
BAHAMAS	232	414	217	304	152	263	141	222	253	657	142	454	131	253	218	424	
BARBADOS	211	352	191	302	162	251	141	221	241	402	161	251	281	352	352	402	
BERMUDA	329	438	307	416	274	350	242	318	329	438	274	329	284	329	329	438	
BRITISH VIRGIN ISLANDS	271	281	236	347	196	326	163	217	434	597	271	380	196	275	218	304	
CAYMAN ISLANDS	261	382	241	352	251	342	221	302	271	352	231	322	206	271	231	331	
CUBA	289	403	259	374	289	404	207	276	259	404	207	289	N/A	N/A	N/A	N/A	
DOMINICA	172	184	137	194	172	172	139	172	228	297	183	228	172	228	183	239	
DOMINICAN REPUBLIC	115	184	92	150	92	139	80	127	173	346	115	231	75	139	104	174	
ST KITTS & NEVIS	230	330	191	253	165	231	176	232	308	463	232	287	220	319	253	386	
ST LUCIA	207	316	152	218	131	196	153	196	305	382	207	263	196	273	218	273	
ST VINCENT & THE GRENADINES	171	182	137	193	114	171	137	171	227	295	182	227	137	182	159	238	
TRINIDAD & TOBAGO	219	384	197	307	164	274	110	165	274	384	164	242	132	219	219	274	
TURKS AND CAICOS ISLANDS	273	436	196	382	164	382	164	218	245	327	164	240	245	382	196	305	
US VIRGIN ISLANDS	265	386	243	352	209	308	154	220	496	606	331	413	198	275	220	308	

## Construction Management Process

The Resort will be constructed in a staged manner by effectively building a series of individual stand-alone structures rather than a traditional large-scale hotel and with each Bungalow Estate independently constructed for sale. Construction of the Great Hall and Wellness Center is similarly managed by design as a series of independent buildings that are equally efficient to build and low density.

All sub trades are rotated across construction phases. This allows quality systems to be stringently controlled. Each construction phase can be completed in a 12-48-month time period and staggered such that phases are completed on a complimentary basis.

This system allows the entire inventory of villas together with the hotel to be completed within a 30-month time frame depending on sale absorption on the Bungalow Estate sales. The staggered nature of the construction allows noteworthy PR events to be undertaken and showcased through the construction period building momentum and notoriety through to opening.



## Estate and Resort Furniture, Fixtures, and Equipment

The finishing touches to each estate have been budgeted at \$100,000 on average per estate. This includes all indoor and outdoor furniture, beds, light fixtures, art and other high-end finishes to be defined. The common areas have been allocated a \$15M budget to create the high-end, ultra-luxury atmosphere and comforts that The Utopian Islands' clientele will desire.

## Resort Operating Equipment

Operating equipment at The Utopian Islands will be considered from the servicing and support perspectives. Servicing operating equipment will range from point-of-sale systems, hospitality management software, food services and equipment, cleaning equipment, landscaping equipment, marina operations equipment, boat forklifts, etc.

Support equipment includes two shipping supply vessels (~220ft.), shuttle boats, fueling containers, a dredging system, a crane, tractor trailer etc.



## Resort Inventories

The Utopian Islands will have extensive inventories of:

- Food and beverage supplies
- Estate replacement appliances
- Green technology solutions – solar/wind
- Furniture indoor/outdoor
- Cleaning supplies
- Landscaping and decorative plants
- Shops and wares
- Marine service parts
- Fuel
- Pharmacy stocking
- Medical facility supplies
- Vet supplies
- Plane and helicopter servicing parts
- Plumbing, electrical and AC parts

## Pre-Opening Expenses

Some of the main pre-opening expenses The Utopian Islands will incur are:

- Marketing and advertising
- Presales of the estates and travel
- Systems training
- Construction Development and dredging

## Pre-opening Expenses

Working capital can be segmented into two generalized areas. One area being the SG&A of The Utopian Islands and the expenses related to running the company. The second area of working capital is a function of servicing the resort and will be the responsibility of a flagship brand of hotel management to manage the scheduling, guests, cleaning and arrangement of the estates, services and several other areas.

A licensing arrangement will allow a hospitality company to receive a portion of the condo/hotel models percentage of the profits. Owners will receive a 60/40 split of the revenue generated by the estates. The 40% will be split evenly between the hospitality company and The Utopian Islands.

A monthly resort fee of \$10K/estate provides additional working capital for a total of 8 revenue centers listed below:

1. Bungalow Estate Sales (\$9M-\$30M)
2. The Utopian Islands Resort monthly resort fees (\$10K/month)
3. Hotel management royalties (60/40 split) – 20% of the ADR of \$6K
4. Marina and water sports – See Assumptions
5. Casino – See Assumptions in Financial Projections Found in Business Plan
6. Leisure and entertainment
7. Food and beverages
8. Major retail

## Working Capital

- SGA – Year 1 Shown with Years 2-6 growing at 5%, compounding annually
- Average working capital per Key (estate) is approximately = \$28,333

## Condo-Hotel Fees

The Utopian Islands Resort and Estates project is being executed by a team of project owners. The ability to operate as developers and manage all aspects of the project will allow a significant advantage in execution, timelines and identifying solutions more expediently than with typical divisions of labor and assignment. Additionally, a The Utopian Islands resort fee will be assessed to estate owners every month in the amount of \$10K. These funds will be utilized to manage the upkeep of the resort, support the services being provided, keep the shipping supply lines running, pay insurance coverages for the resort and several other areas where the Board of Directors will manage allocations and expenditures.

## Gaming Financial Analysis for the Bahamas

Prepared by the Ministry of Tourism. Source: Gaming Board of the Bahamas

Casino Drop is the amount of money that the casino collected from the drop boxes located at each of the gaming tables. Casino Win/AGR is the amount of money that the Casino has left after expenses (e.g., expenses include winnings of the patrons) of the table. Casino Write is the money that patrons put up to bet on sporting activities. The win when associated with the Casino Write refers to the amount of money retained by the casino after the sports games as well as the betting have concluded. A (\$1000.00) for example, means that the casino loses money. The casino(s) in the Out Islands did not operate a sports book until 2013. The casino(s) in the Out Islands also did not operate Racebook over the years.

Gaming Financial Analysis for The Bahamas (1990-2016)

Nassau/Paradise Island											
YEAR	Tables/Slots			Sportsbook			Racetrack				
	DROP	WIN/AGR	%WIN/AGR	WRITE	WIN/AGR	%WIN/AGR	WRITE	WIN/AGR	%WIN/AGR		
1990	\$569,098,733.70	\$129,110,873.80	22.70%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1991	\$552,631,125.90	\$127,191,486.70	23.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1992	\$522,714,797.80	\$125,993,575.90	24.10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1993	\$541,175,412.80	\$119,211,260.70	22.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1994	\$487,472,884.30	\$119,347,128.40	24.50%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1995	\$526,279,330.60	\$124,196,435.20	23.60%	\$2,509,696.00	\$198,583.00	7.90%	N/A	N/A	N/A	N/A	
1996	\$592,184,149.30	\$127,897,577.00	21.60%	\$12,677,277.00	\$771,056.00	6.10%	N/A	N/A	N/A	N/A	
1997	\$599,626,818.00	\$132,781,781.00	22.10%	\$11,339,853.00	\$718,539.00	6.30%	N/A	N/A	N/A	N/A	
1998	\$609,824,576.00	\$130,484,965.00	21.40%	\$9,648,331.00	\$523,619.00	5.40%	N/A	N/A	N/A	N/A	
1999	\$828,299,079.32	\$172,526,574.42	20.80%	\$9,668,337.00	\$687,079.00	7.10%	N/A	N/A	N/A	N/A	
2000	\$921,911,887.63	\$174,039,167.18	18.90%	\$8,932,410.00	\$477,499.00	5.30%	N/A	N/A	N/A	N/A	
2001	\$857,210,791.22	\$155,301,199.12	18.10%	\$6,974,537.00	\$413,710.00	5.90%	N/A	N/A	N/A	N/A	
2002	\$834,460,397.62	\$165,502,384.93	19.80%	\$6,961,907.00	\$388,869.00	5.60%	\$170,704.00	\$36,406.82	21.30%		
2003	\$908,734,941.70	\$172,875,151.55	19.00%	\$12,274,438.00	\$784,540.00	6.40%	\$4,211,264.00	\$822,776.00	19.50%		
2004	\$930,077,131.67	\$165,966,564.79	17.80%	\$17,788,897.00	\$713,441.00	4.00%	\$6,896,055.00	\$1,324,029.00	19.20%		
2005	\$1,044,562,571.09	\$182,002,106.18	17.40%	\$20,832,422.10	\$1,104,469.60	5.30%	\$6,443,463.20	\$1,229,029.65	19.10%		
2006	\$1,254,501,321.04	\$189,047,766.71	15.10%	\$22,187,698.60	\$1,308,954.10	5.90%	\$5,368,014.10	\$936,777.91	17.50%		
2007	\$1,238,177,758.27	\$200,684,381.14	16.20%	\$21,252,954.80	\$721,833.50	3.40%	\$4,540,049.60	\$857,141.76	18.90%		
2008	\$1,196,941,454.47	\$191,773,528.18	16.00%	\$17,749,867.70	\$586,807.70	3.30%	\$3,428,071.00	\$641,265.12	18.70%		
2009	\$1,006,108,243.32	\$160,198,670.34	15.90%	\$15,018,964.60	\$808,072.10	5.40%	\$2,451,796.30	\$464,908.10	19.00%		
2010	\$926,648,636.69	\$143,682,815.62	15.50%	\$15,414,649.60	\$532,775.30	3.50%	\$1,975,806.80	\$366,695.24	18.60%		
2011	\$996,017,942.78	\$142,797,442.92	14.30%	\$15,210,955.50	\$220,157.20	1.40%	\$2,268,477.49	\$417,791.07	18.40%		
2012	\$943,960,044.11	\$155,125,485.58	16.40%	\$14,954,628.70	\$843,983.85	5.60%	\$2,661,829.70	\$440,390.77	16.50%		
2013	\$965,269,721.58	\$139,514,456.94	14.50%	\$16,330,908.20	\$1,141,122.03	7.00%	\$14,768,023.90	\$2,432,345.65	16.50%		
2014	\$940,544,466.88	\$135,161,195.38	14.40%	\$17,793,635.00	\$770,711.80	4.30%	\$2,499,250.75	\$456,787.18	18.30%		
2015	\$909,377,657.47	\$151,226,048.51	16.60%	\$18,610,951.90	\$552,058.28	3.00%	\$2,293,700.10	\$424,584.58	18.50%		
2016	\$913,517,479.74	\$138,579,246.29	15.20%	\$20,491,488.90	\$714,563.68	3.50%	\$1,683,766.60	\$318,807.01	18.90%		

Grand Bahamas Islands											
YEAR	Tables/Slots			Sportsbook			Racetrack				
	DROP	WIN/AGR	%WIN/AGR	WRITE	WIN/AGR	%WIN/AGR	WRITE	WIN/AGR	%WIN/AGR		
1991	\$153,987,311.10	\$38,963,949.20	25.30%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1992	\$153,350,853.00	\$40,085,170.90	26.10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1993	\$167,817,287.00	\$46,218,451.20	27.50%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1994	\$169,155,284.00	\$49,456,533.00	29.20%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1995	\$159,676,103.00	\$45,080,463.30	28.20%	\$1,574,678.45	\$209,632.50	13.30%	N/A	N/A	N/A	N/A	
1996	\$155,928,988.00	\$44,032,097.50	28.20%	\$6,072,754.35	\$454,759.05	7.50%	N/A	N/A	N/A	N/A	
1997	\$168,468,353.00	\$47,550,282.00	28.20%	\$5,788,435.40	\$320,966.30	5.50%	N/A	N/A	N/A	N/A	
1998	\$138,408,985.00	\$40,641,644.00	29.40%	\$4,731,651.00	\$362,810.00	7.70%	N/A	N/A	N/A	N/A	
1999	\$128,878,343.00	\$35,794,310.00	27.80%	\$6,470,694.05	\$434,196.40	6.70%	N/A	N/A	N/A	N/A	
2000	\$130,521,233.50	\$33,834,057.90	25.90%	\$4,966,938.00	\$213,597.00	4.30%	N/A	N/A	N/A	N/A	
2001	\$124,437,643.45	\$30,723,039.61	24.70%	\$4,547,786.00	\$336,210.00	7.40%	N/A	N/A	N/A	N/A	
2002	\$131,401,199.25	\$29,998,730.55	22.80%	\$3,411,920.00	\$235,496.00	6.90%	N/A	N/A	N/A	N/A	
2003	\$115,884,612.06	\$26,864,330.64	23.20%	\$3,760,517.00	\$104,302.00	2.80%	N/A	N/A	N/A	N/A	
2004	\$153,934,012.04	\$31,054,225.35	20.20%	\$2,721,437.00	(\$40,386.00)	-1.50%	\$52,608.00	\$10,957.30	20.80%		
2005	\$119,650,414.74	\$23,435,407.83	19.60%	\$1,746,865.35	\$113,341.90	6.50%	\$1,047,682.00	\$210,073.65	20.10%		
2006	\$75,058,175.70	\$14,620,815.74	19.50%	\$799,725.85	\$87,571.05	11.00%	\$356,542.00	\$70,219.64	19.70%		
2007	\$66,609,164.65	\$15,491,858.97	23.30%	\$ -	(\$610.00)	0.00%	N/A	N/A	0.00%		
2008	\$55,367,884.72	\$12,936,055.02	23.40%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2009	\$29,695,957.68	\$6,873,137.65	23.10%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2010	\$32,486,703.21	\$6,134,627.31	18.90%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2011	\$31,771,609.94	\$5,605,871.60	17.60%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2012	\$29,272,586.28	\$4,867,658.13	16.60%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2013	\$24,498,987.30	\$4,458,211.60	18.20%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2014	\$26,905,051.03	\$4,960,857.35	18.40%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2015	\$31,492,044.97	\$5,438,536.51	17.30%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2016	\$22,155,412.05	\$3,659,877.31	16.50%	N/A	N/A	0.00%	N/A	N/A	0.00%		

BAHAMAS - OUT ISLANDS											
YEAR	Tables/Slots			Sportsbook			Racetrack				
	DROP	WIN/AGR	%WIN/AGR	WRITE	WIN/AGR	%WIN/AGR	WRITE	WIN/AGR	%WIN/AGR		
2006	\$6,704,021.80	\$853,830.21	12.70%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2007	\$10,441,720.38	\$1,787,433.76	17.10%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2008	\$7,666,244.13	\$845,789.27	11.00%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2009	\$140.00	(\$59.00)	-42.10%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2010	N/A	N/A	0.00%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2011	N/A	N/A	0.00%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2012	N/A	N/A	0.00%	N/A	N/A	0.00%	N/A	N/A	0.00%		
2013	\$24,690,624.63	\$4,623,923.94	18.70%	\$218,722.40	\$60,152.50	27.50%	N/A	N/A	0.00%		
2014	\$119,396,098.46	\$13,986,830.25	11.70%	\$2,280,395.90	(\$32,574.30)	-1.40%	N/A	N/A	0.00%		
2015	\$162,050,167.53	\$25,284,245.16	15.60%	\$1,824,700.00	\$55,734.30	3.10%	N/A	N/A	0.00%		
2016	\$188,726,910.07	\$27,981,990.96	14.80%	\$4,498,617.30	\$96,689.60	2.10%	N/A	N/A	0.00%		
TOTAL 2016	\$1,124,399,801.86	\$170,221,114.56	15.50%	\$24,990,106.20	\$811,253.28	2.80%	\$1,683,766.60	\$318,807.01	18.90%		
				Total Write		Total WIN/AGR		%Total WIN/AGR			
				\$1,151,073,674.66		\$171,351,174.85		14.89%			

### ***Return on Investment (ROI)***

The Utopian Islands has three very interesting funding sources to fund for the full amount of the project at \$2.1B (net of closing costs). The sources of financing are derived from a North American investment funds and one overseas fund. All sources are looking at making an equity investment for the total amount. The general terms have been outlined with all sources, but no binding details have been agreed to as of the date of this Feasibility Report. Based upon the financials projections, the Return on Investment to the investor/lender will be substantial. Below is an example of ROI based upon the below terms:

### ***Summary of the Financial Feasibility Analysis***

The summary of analysis concludes that The Utopian Islands Resort and Estates is a strong and viable project. The construction costs have been analyzed and show they fall within tolerance levels with other comparable developments. Innovation procedures and methods will benefit The Utopian Islands with reducing costs, managing developments, laborers and timelines. Annual operating revenues are strong and based on conservative estimates so actual realized revenues may post significantly higher returns.

Selling the estates is an area with numerous motivating sales strategies to offer potential owners the best of ownership benefits and a revenue generating asset. The marketing strategies will support the sales of the estates and rental opportunities while press releases and publications will spread the word of this paradise called "The Utopian Islands" and create a buzz or draw to seek out more information.

#### **Net Operating Income**

The Utopian Islands' NOI will be equivalent to the EBITDA shown in the 10-Year Income Statement Summary, as the Bahamas does not have a corporate tax.



# PART 8: APPENDICES



## *The Utopian Islands* Resort & Estates



# APPENDICES & DIRECTORY

<p><b>Caribbean Basin Agricultural Trade Office United States</b>  <b>Department of Agriculture 909 SE 1st Ave, suite 720</b>  <b>Miami, Florida 33131</b>  <b>Phone: (305) 536-5300</b>  <b>Fax: (305) 536-7577</b>  <b>Email:</b>  <b><a href="mailto:atocaribbeanbasin@fas.usda.gov">atocaribbeanbasin@fas.usda.gov</a></b></p>	<p><b>Staff Contacts:</b>  <b>Richard A. Battaglia, Director</b>  <b>Omar González, International Trade Specialist</b>  <b>Isabel Dávila, Agricultural Marketing Specialist</b>  <b>Graciela Juelle, Agricultural Marketing Assistant</b></p>	<p><b>Department of Commerce</b>  <b>U.S. Commercial Service</b>  <b>Information on marketing U.S. products and services is in the Country Commercial Guide for the Bahamas</b>  <b>Website: <a href="http://www.export.gov">http://www.export.gov</a></b></p>
<p>U.S. Embassy in The Bahamas  Economic/Commercial Section  P.O. Box N-8197 Nassau, Bahamas  Phone: (242) 322-1181  Fax: (242) 328-3495  Website:  <a href="https://bs.usembassy.gov/embassy/">https://bs.usembassy.gov/embassy/</a></p>	<p>Bahamas Department of Statistics  Clarence A. Bain Building  P.O. Box N-3904 Nassau, Bahamas  Phone: (242) 325-5606  Fax: (242) 325-5149  Website:  <a href="http://www.bahamas.gov.bs/statistics">http://www.bahamas.gov.bs/statistics</a></p>	<p>Bahamas Hotel and Tourism Association  SG Hambros Bldg.  Goodman's Bay  P.O. Box N- 7799 Nassau, Bahamas  Email: <a href="mailto:bha@bahamashotels.org">bha@bahamashotels.org</a>  Phone: (242) 322-8381/2  Fax: (242) 502-4220  Website: <a href="http://www.bhahotels.com">www.bhahotels.com</a></p>
<p>Bahamas Ministry of Tourism  P.O. Box N-3701 Nassau, Bahamas  Phone: (242) 302-2000  Fax: (242) 302-2098  E-mail: <a href="mailto:tourism@bahamas.com">tourism@bahamas.com</a>  Website:  <a href="http://www.tourismtoday.com/bahamas-ministry-tourism">http://www.tourismtoday.com/bahamas-ministry-tourism</a></p>	<p>Bahamas Customs Department  Comptroller of Customs  Thompson Boulevard  P.O. Box N-155 Nassau, Bahamas  Phone: (242) 325-6550  Fax: (242) 322-6223  E-mail: <a href="mailto:johnrolle@bahamas.gov.bs">johnrolle@bahamas.gov.bs</a>  Website:  <a href="http://www.bahamas.gov.bs/customs/">www.bahamas.gov.bs/customs/</a></p>	<p>Bahamas Chamber of Commerce  P.O. Box N-665  #2 Shirley Street and Collins Avenue  Nassau, Bahamas  Phone: (242) 322-2145  Fax: (242) 322-4649  Website:  <a href="http://www.thebahamaschamber.com/divisions">http://www.thebahamaschamber.com/divisions</a></p>
<p><b>BAHAMAS INVESTMENT AUTHORITY</b>  Office of the Prime Minister  Cecil V. Wallace-Whitfield Centre  Cable Beach  P.O. Box CB-10980  Nassau, The Bahamas  Tel.: (242) 327-5826/9  Fax: (242) 327-5806/327-5639  Web Site: <a href="http://www.bahamas.gov.bs/bia">www.bahamas.gov.bs/bia</a></p>	<p><b>CENTRAL BANK OF THE BAHAMAS</b>  Frederick Street  P.O. Box N-4868  Nassau, The Bahamas  Tel.: (242) 302-2600 / (242) 322-2193/6  Fax: (242) 356-4307  E-mail:  <a href="mailto:centralbankbah@mail.batelnet.bs">centralbankbah@mail.batelnet.bs</a></p>	<p><b>BAHAMAS CHAMBER OF COMMERCE</b>  Shirley Street  P.O. Box-665  Nassau, The Bahamas  Tel.: (242) 322-2145/ (242) 322-3320  Fax: (242) 322-2649</p>
<p><b>INSURANCE COMMISSION OF THE BAHAMAS</b>  Charlotte House, 3rd floor  Frederick Street  P.O. Box N-7770  Nassau, The Bahamas  Tel.: (242) 328-1068  Fax: (242) 328-1070</p>	<p><b>OFFICE OF THE REGISTRAR GENERAL</b>  50 Shirley Street  P.O. Box N-532 - Nassau, The Bahamas  Tel.: (242) 323-0594/6  Fax: (242) 322-5553</p>	<p><b>SECURITIES COMMISSION OF THE BAHAMAS</b>  Charlotte House, Charlotte Street  P.O. Box N-8347  Nassau, The Bahamas  Tel.: (242) 356-6291  Fax: (242) 356-7530  E-mail: <a href="mailto:secbd@batelnet.bs">secbd@batelnet.bs</a></p>
<p><b>BAHAMAS REAL ESTATE ASSOCIATION</b>  Shirley Street &amp; Collins Avenue  P.O. Box N-8860  Nassau, The Bahamas  Tel.: (242) 325-4942  Fax: (242) 322-4649</p>	<p><b>GOVERNMENT PUBLICATIONS OFFICE</b>  Lighthouse Building, Bay Street  P.O. Box N-7147  Nassau, The Bahamas  Tel.: 322-2410  Fax: (242) 328-8294</p>	<p><b>GRAND BAHAMA PORT AUTHORITY</b>  East Mall Drive &amp; Pioneer's Way  P.O. Box F-42666  Freeport, Grand Bahama, The Bahamas  Tel.: (242) 352-6711  Fax: (242) 352-8310</p>

<p>BAHAMAS FINANCIAL SERVICES BOARD P.O. Box N-1764 – Nassau, The Bahamas Tel.: (242) 326-7001 Fax: (242) 326-7007 Website: <a href="http://www.bfsb/bahamas.com">www.bfsb/bahamas.com</a> E-mail: <a href="mailto:bfsb@bahamas.net.bs">bfsb@bahamas.net.bs</a></p>	<p>ASSOCIATION of INTERNATIONAL BANKS &amp; TRUST COMPANIES Royal Palm Mall, Mackey Street P.O. Box N-7880 Nassau, The Bahamas Tel.: (242) 394-6755 Fax: (242) 394-3503</p>	<p>BAHAMAS MARITIME AUTHORITY Campbell Maritime Centre Third Floor P. O. Box N-4679, Nassau, The Bahamas Tel.: (242) 356-2037 Fax (242) 356-5889</p>
<p>ATLANTA Consul General Bahamas Consulate General 2970 Clairmont Road, Suite 690 Atlanta, GA 30329, U.S.A. Tel.: (404) 214-0492 - Fax:(404) 214-0497 Email:<a href="mailto:bahamasconsulatega_bahconga.com">bahamasconsulatega_bahconga.com</a></p>	<p>CANADA Bahamas High Commissioner Bahamas High Commission Metropolitan Life Centre 50 O'Connor Street, Suite 1313 Ottawa, Ontario K1P 6L2, Canada Tel.: (613) 232-1724 Fax: (613) 232-0097 E-Mail: <a href="mailto:Ottawa.mission@bahighco.com">Ottawa.mission@bahighco.com</a></p>	<p>CHINA Ambassador Embassy of The Bahamas 4th Floor, Tayuan Diplomatic Office Building 14 Liangmahe Nan Lu, Chaoyang District Beijing, 100600, People's Republic of China Tel: 011-86-10-6532-2922 Fax: 011-86-10-6532-2304 <a href="mailto:nickevaeveinfo@bahamasembassy.cn">nickevaeveinfo@bahamasembassy.cn</a></p>
<p>HAITI Ambassador Embassy of The Bahamas 12 Rue Goulard Place Boyer, Petion-Ville, Haiti Tel.: (509) 578-782 Fax: (001) 509-578-782</p>	<p>LONDON Bahamas High Commissioner Bahamas High Commission No. 10 Chesterfield Street London W1J 5JL, England Tel.: + 44-207-408-4488 Fax: + 44-207-499-9937 E-mail: <a href="mailto:info@bahamashclondon.net">info@bahamashclondon.net</a></p>	<p>MIAMI Consul General Bahamas Consulate General 25 S.E. 2nd Avenue Ingraham Building, Suite 818 Miami, FL 33131, U.S.A. Tel.: (305) 373-6295 Fax: (305) 373-6312 Telex: 203-807-849</p>
<p>NEW YORK Consul General Bahamas Consulate General Bahamas House 231 East 46th Street New York, NY 10017, U.S.A. Tel.: (212) 421-6420 Fax: (212) 688-5926</p>	<p>WASHINGTON Ambassador / Permanent Representative Embassy of The Bahamas 2220 Massachusetts Avenue, N.W. Washington, D.C. 2008 Tel:(202) 319-2660/7; Fax: (202) 319-2668</p>	<p>CANADA Bahamas Tourist Office 6725 Airport Road Ste. 202 Mississauga, Ontario L4V 1V2 Canada Tel: (905) 672-9017 - Fax: (905) 672-2092</p>
<p>ENGLAND Bahamas House 10 Chesterfield Street London W1J 5JL England Tel: 011-4420-7355-0800 Fax: 011-4420-7491-9459</p>	<p>FRANCE Bahamas Tourism Centre 113-115 Rue Du Cherche Midi 75006 Paris, France Tel: 011-33-1-4526-6262 Fax: 011-33-1-4874-0605</p>	<p>ITALY Bahamas Tourism Centre Corso Magenta 54 20123 Milan, Italy Tel: 011-39-02-4819-4390 Fax: 011-39-02-4693-2480</p>
<p>UNITED STATES OF AMERICA Philadelphia Bahamas Tourist Office 1500 Market Street 12th Floor, East Tower Philadelphia, PA. 19102 Tel: (215) 246-3402 – Fax: (610) 722-5792</p>	<p>MIAMI Bahamas Tourist Office 1200 South Pine Island Road Suite 750 Plantation, FL. 33324 Tel: (954) 236-9292 - Fax: (954) 236-9282</p>	<p>LOS ANGELES Bahamas Tourist Office 11400 West Olympic Blvd., #200 Los Angeles, CA. 90064 Tel: (310) 312-9544 - Fax: (310) 312-9545</p>

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 Tel. (242) 302-9511  
 Fax. (242) 302-9765  
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 John F Kennedy Drive  
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 Phone: (242)322-4546  
 Fax: (242)326-3509

## Department of Inland Revenue Business License Division



### Guide for Requirements for Business License

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact +1 (242)	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Accountants (certified professionals)	Bahamas Institute of Chartered Accountants	326-6619	Certification/License to Practice	Annual
Accounting Services	*Requirements For A Regular Business			Upon Application
Aircraft Maintenance Services	Dept. Civil Aviation - Flight Standard Inspectorate	326-0339	License	Annual
Air Charter	Department of Civil Aviation	326-0339	Charter Permit	Annual
Airlines	Department of Civil Aviation	326-0339	Letter of Approval	Annual
			Schedule Air License	Annual
Arawak Cay (Down Home Fish Fry) Vendors	Department of Lands and Surveys	502-1200	Lease Agreement/ Payment Confirmation	Annual
	Ministry of Agriculture & Marine Resources	397-7400	Permit	Annual
Architects	Professional Architects Board	326-3114	License	Annual
Automobile Rentals – Cars/ Golf Carts/ Trucks/ Scooters	Road Traffic Department	302-3850	Franchise Fee Payment	Annual
Automobile Repairs – Body/ Electrical/ Engine	Ministry of Public Works/ Building Control	322-4831	Garage License	Annual
	Department of Environmental Health Services	322-8037	Letter of Approval	Annual
Bakery	*Requirements For A Regular Business			Upon Application
	Department of Environmental Health Services	322-8037	Certificate of Sanitation	Annual

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Bank & Trust Companies	Registrar General's Department	322-3316	Cert. of Incorporation/ Registration Fee	Upon Application/ Annual
	Central Bank of The Bahamas	302-2600	Bank License/ Bank & Trust Fee	Upon Application/ Annual
Barbershop	*Requirements For A Regular Business			Upon Application
Beach Vendor	Ministry of Tourism	302-2000	Letter Approval	Annual
	Property Owner		Letter Approval	Annual
Beauty Salon	*Requirements For A Regular Business/ Qualifications		Certificate/ Diploma/ Degree	Upon Application
Bed and Breakfast ( <i>Except Hotels</i> )	Ministry of Tourism	302-2000	Letter of Approval/ License	Annual
Boat Rentals	Port Authority	326-7354	Boat Registration/Certificate	Annual
Bookkeeping	*Requirements For A Regular Business			
Bus Services – <i>Jitneys/ Omni/ Private Schedule</i>	Road Traffic Department	325-3323	Letter of Approval/ Franchise Fee	Upon Application/ Annual
Catering	*Requirements For A Regular Business			
Collection (Debt) Agencies	Securities Commission	397-9100	License / Fee Payment Confirmation	Upon Application/ Annual
Computer Systems - Web Page Design/ Repairs/ Systems Technology	*Requirements For A Regular Business			
Corporate Service Providers	Securities Commission	397-4100	License / Fee Payment Confirmation	Upon Application/ Annual
Couriers and Express Delivery Services	Ministry of Transport/ Post Office Department	322-3025	Letter of Approval	Upon Application

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Customs Brokers	Customs Department	326-4401	Brokerage License	Annual
Disc Jockey (DJ)	*Requirements For A Regular Business		References	Upon Application
Dry Cleaners/Laundromats	*Requirements For A Regular Business			Upon Application
Electrical Contractors	Bahamas Electricity Corporation	302-1000	Electrical License	Annual
Engineers (All Areas)	Professional Engineers Board	328-3574	License	
Events Planning	*Requirements For A Regular Business			
Farmer's Market (Golden Gates/ Blue Hill Road)	Ministry of Agriculture & Marine Resources	325-7502	Approval Letter	Annual
Farming	Ministry of Agriculture & Marine Resources	325-7502	Permit	Annual
Financial Services Providers	Securities Commission	397-9100	License / Fee Payment Confirmation	Upon Application / Annual
Fireworks/ Fireworks Display	Ministry of Public Works	322-4830	Permit	Annual
	Ministry of National Security	356-6792	Permit	Annual
Fishing - Commercial (Boats 20ft and over)	Ministry of Agriculture & Marine Resources	397-7400	Fishing Permit	Annual
(Boats under 20ft. no permit required)	Port Authority	326-7354	Boat Registration/ License	Annual
Florist	*Requirements For A Regular Business			

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Food Vendor	Department of Environmental Health Services	322-8048	Certificate of Sanitation	Annual
	Royal Bahamas Police Force/ licensing Section	322-1647	Vendors Permit	Annual
Foreign Businesses	The Bahamas Investment Authority	327-5826 - 8	Letter of Approval	Upon Application
	Ministry of Finance	327-1530 – 7	Letter of Approval	Upon Application
Funeral Homes	*Requirements For A Regular Business			Upon Application
Game Room Operations – Arcade Games/ Pool	Ministry of Tourism	302-2000	Approval	Upon Application
Gaming Operations – Lotteries, Web Shops	Gaming Board	397-9200	License	Annual
Garbage Collections Services	Department of Environment Health Services	322-8048	Certificate of Approval	Annual
Gas Station	Ministry of Public Works/ Building Control	322-4831	Inspection - Explosive and Volatile Substance	Annual
	Royal Bahamas Police Force- Operation & Uniform		Fuel Storage Permit	Annual
Guard Dog Operation	Ministry of Agriculture & Marine Resources	325-7505	Approval/ Inspection - Veterinary	Annual
	Ministry of National Security	356-6793	License	Annual

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Guest Houses	Ministry of Tourism	302-2000	Letter of Approval/ License	Annual
Heavy Equipment Operator	Ministry of Public Works	322-4831	Letter of Approval	Annual
Home Based – “BY TELEPHONE ORDER ONLY” “POINT OF CONTACT ONLY”	*Requirement For A Regular Business			
Hotels	Ministry of Tourism	302-2000	Hotel License	Annual
Insurance Brokers/Agents	Insurance Commission	328-1068	License	Annual
Insurance Companies - Insurers	Insurance Commission	328-1068	License	Annual
	Insurance Commission	328-1068	3% Gross Premium Fee Payment for Four Quarters of Prior Financial Year	Annual
Investment Funds - Dealers/Administrators	Securities Commission	356-6291	License / Fee Payment Confirmation	Upon Application / Annual
Janitorial	Department of Environmental Health Services	322-8048	Certificate of Sanitation / Approval	Annual
Jet Ski Operators	Port Authority	326-7354	License	Annual
Jewelry Stores	*Requirements For A Regular Business			
Justice Of the Peace	Attorney General Office	502-0400	License to practice	Upon Application
	Attorney General Office	502-0400	Notary Public License	Annual
Landscaping Companies	*Requirements For A Regular Business			
Land Surveyors	Department of Lands & Surveys	322-2328	License	Annual

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Lawyers	Chief Justice	322-7624	Law Bar Certificate	Upon Application
	Bahamas Bar Association/ Bar Council	393-3222/ 3	Certificate Good Standing	Annual
	Attorney General Office	502-0400	Notary Public License	Annual
Limousine Services	Road Traffic Department	325-3323	Franchise Letter of Approval/ Payment	Upon Application / Annual
Liquefied Petroleum Gas (L P Gas)	Ministry of Works/ Building Control	302-9511	License - Explosive & Volatile Substance	Annual
	Royal Bahamas Police Force/ Operation & Uniform Office		Fuel Storage Permit (volatile substance)	Annual
Liquor Stores – Retail/Wholesale	*Requirements For A Regular Business			
	Royal Bahamas Police Force/ licensing Section	322-1647	Letter of Approval	Annual
	Department of Environmental Health Services	322-8048	Certification of Sanitation	Annual
Livery Car Service	Road Traffic Department	325-3323	Franchise Letter of Approval	Upon Application
Mail Boats	Port Authority	326-7354	Boat Registration	Annual
	Ministry of Transport	322-4830	Letter of Approval	Annual
	Dept. of Environmental Health Services	322-8048	Certificate of Sanitation	Annual
Manufacturer of Bottled Water	*Requirements For Regular Business			
	Dept. of Environmental Health Services	322-8048	Certificate of Sanitation	Annual

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Manufacturing Business	*Requirements For Regular Business			Upon Application
Marinas	Department of Lands & Survey	502-1200	Lease Agreement	Upon Application / Annual
	Port Department	322-8832/ 322-1596	Marina License	Annual
Massage Parlor	*Requirements For A Regular Business			
Medical Professionals	Hospital & Health Care Facilities Licensing Board	326-0536	License or payment receipt	Annual
	Ministry of Health/Health	502-4700	License to practice	Annual
Nail Salon	*Requirements For A Regular Business			
Montague Beach Vendors	Ministry of Agriculture & Marine Resources	325-7502	Approval Letter	Annual
Movies/ Motion Picture Theatres	Ministry of National Security	356-6792	Approval/ License	Annual
Non-Profit Entities- ecclesiastical, charitable,	Registrar General's Department	322-3316	Certificate of Incorporation	Upon Application
Cultural Institutions and Organizations	Registrar General's Department	322-3316	Certificate of Good Standing	Annual
	Attorney General/ Minister of Legal Affairs	502-0400	License Certificate	Upon Application
Non-Resident Companies	The Central Bank of The Bahamas	302-2600	Exchange Control Letter "Designation	Upon Application

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Nursery - Day Care Facilities/ Pre-Schools	Ministry of Education/ Dept. of Education	322-8140	Letter of Approval	Annual
	Department of Environmental Health Services	322-8048	Certificate of Sanitation	Annual
Nursery - Plants	Ministry of Agriculture & Marine Resources	325-7502	Approval / Permit	Annual
Nursing	Nursing Council	326-6566	Registration/ Letter Of Good Standing	Upon Application/ Annual
Occasional License	Ministry of Public Works/ Property Owner	322-4831	Letter of Approval – event/ location	Upon Application
	Royal Bahamas Police Force	322-1647	Approval - sale of alcoholic drinks/ music & dance	Upon Application
	Department of Environmental Health Services	322-8048	Approval – sale of food items	Upon Application
Party Supplies Rental	*Requirements For Regular Business			
Pawnbrokers (Second-Hand Dealers)	Royal Bahamas Police Force (Commissioner of Police)	325-7601	Letter of Approval	
Pest Control	Department of Environmental Health Services	322-8048	Letter of Approval	Annual
Pharmacy	Bahamas Medical Council	502-4700/ 326-0566	Pharmaceutical License	Annual
	Bahamas Pharmacy Council	326 – 0566	Registration Certificate	Annual
	Department of Environmental Health Services	322-8048	Certificate of Sanitation	Annual
Plays (Theatrical)	Ministry of National Security	356-6792	Approval/ License	Upon Application

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Photographic Services	*Requirements For Regular Business			
Porter's Cay Dock Vendors	Ministry of Agriculture & Marine Resources	325-7502	Letter of Approval/ Lease	Annual
Postal Service	Ministry of Transport – Post Office Department	322-4830	Letter of Approval	Annual
	Department of Civil Aviation	377-7281	Letter of Approval/Schedule Air License	Annual
Plumbers	Ministry of Public Works	322-4831	Plumbers License / Journeyman's License	Upon Application
Real Estate Activities – Appraiser, Broker, Developer, Salesman	Bahamas Real Estate Association	325-4942	License	Annual
Real Property Rentals	*Requirements For Regular Business			
Restaurants	*Requirements For Regular Business			
	Department of Environmental Health Services	322-8048	Certificate of Sanitation	Annual
	Royal Bahamas Police Force/ Licensing Section		Letter of Approval	Annual
Restaurant And Bar	*Requirements For Regular Business			
	Department of Environmental Health Services	322-8048	Certificate of Sanitation	Annual
	Royal Bahamas Police Force/ Licensing Section	322-1647	Letter of Approval	Annual

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Residential Care Establishments (Homes for the elderly)	Ministry of Labor & Social Development	323-7815	Registration Certificate	Bi-Annual
			License Certificate	Bi-Annual
Road Builders	Ministry of Public Works	322-4831	Letter of Permit	Upon Application
Scrap Metal Dealers	Royal Bahamas Police Force (Commissioner of Police)	325-7601	Letter of Approval	Annual
	Ministry of Environment	322-6005	Letter of Approval	Annual
Seafood Vendors	Ministry of Agriculture & Marine Resources	325-7502	Letter of Approval	Annual
	Royal Bahamas Police Force	322-1647	Vendor's Permit	Annual
Security (Guards/ Investigators) Services	Ministry of National Security	356-6792	License	Annual
Septic Tank Collection Services	Department of Environmental Health Services	322-8048	Letter of Approval	Annual
Spa Health	*Requirements For A Regular Business			
Stevedore Services	Port Department	323-3230	Approval	
Straw Vendors	Straw Market Authority		Letter of Approval/Stall	Annual
Tattoo Parlor	*Requirements For A Regular Business			
Taxi Service	Road Traffic Department	325-3323	Franchise Approval Letter	Upon Application
Telecommunications Services/ Providers	Utilities Regulations & Competition Authority	322-4437	Approval/License	Annual

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Telecommunication Resellers	BTC, Cable Bah., etc.....		Franchise Payment/ Agreement	Annual/ Upon Application
Timeshare Properties @Developers	Investment Board/Office of The Prime Minister	356-5956	Letter of Approval	Upon Application
@Marketing			Letter of Approval	Upon Application
@Management			Letter of Approval	Annual
Tire Repair Shop	*Requirements For A Regular Business			
Tours- Buses/ Cars / Company/	Road Traffic Department	325-3323	Letter of Approval/ Franchise Payment	Upon Application/ Annual
Travel Agencies	International Association Travel Agents		Letter of Approval	Annual
Trucking Services	Ministry of Public Works	322-4831	Permit	Annual
Veterinarian / Services	Ministry of Agriculture & Marine Resources	325-7502	Approval	Annual
Vendors (General) - Private Property	Property Owner		Letter of Approval	Upon Application
	Royal Bahamas Police Force	322-1647	Vendors Permit	Annual
	Department of Environmental Health Services	322-8048	Letter of Approval	Annual
Vendors (General) - Public Property	Ministry of Public Works	322-4831	Letter of Approval	Annual
	Royal Bahamas Police Force	322-1647	Vendors Permit	Annual
	Department of Environmental Health Services	322-8048	Letter of Approval	Annual

Nature of Business	Government Ministry/ Department or Other Regulatory Agency Requirement	Phone Contact	Type of Approval, Permit, license, Certificate or Letter of Approval	Frequency of Prior Approval Renewal
Water Sports- Boating, Banana Boat, Jet Ski, Parasailing (Motorized/ Non-Motorized)	Port Authority	326-7354	Registration	Annual
Welders	Ministry of Public Works	322-4831	Letter of Approval	Annual
Zoo	Bahamas National Trust	393-1317	Approval	Annual
	Ministry of Agriculture & Marine Resources	325-7502	Approval. Animals/Marine Life	Annual
	Department of Environmental Health Services	322-8048	Certificate of Sanitation	Annual

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