

Safe Harbor Marinas Follow-up Questions

“Can you provide a schedule of your proposed rates and increases for each year during construction and then once stabilized?”

QUESTION #1 - RATES

Our proposal did not reflect any specific rate per foot metrics for the initial 5-year period. We assumed that we would inherit the existing/in place rate structures at the outset of the initial term/construction period and depending on demand and considering any construction periods, we might adjust rates 3-5% but beyond that, there was no material rate growth assumed. The pro-forma growth (or regression as the case may be) during the initial 5-year term in our submission, was more a reflection of a presumed fluctuation/loss of occupancy/slip inventory directly related to the removal of slips as re-construction got under way.

“Your 5-year revenue structure is substantially below the City’s current proceeds and needs. Does your model allow for this amount to be increased?”

QUESTION #2 – RENT STRUCTURE

We are more than willing to discuss and entertain modifications to our City revenue structure from our initial submission. We can certainly tolerate a reasonable adjustment to help the City meet its needs, but obviously there are limits to this tolerance. We’d be happy to better understand the City’s needs and review any proposal for adjustment from the City.