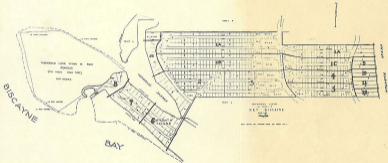


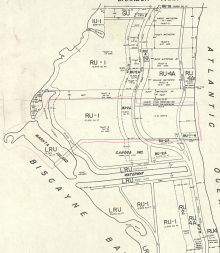


THE KEYES COMPANY
Builders



GRANDON PARK

ATLANTIC OCEAN



MAP NO. 7
 AS REVISED BY DADE COUNTY
 PLANNING BOARD
 SEPT 21 1949
 SOUTH BISCAYNE KEY
 PROPOSED MAIN THOROUGHFARES
 AND
 ZONING PLAN
 AS FURTHER REVISED BY DADE COUNTY
 PLANNING BOARD AND ADOPTED
 BY
 BOARD OF COUNTY COMMISSIONERS
 OCT. 4 1949

THIS IS THE LOCATION OF MAP NO. 7 AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS, DADE COUNTY, FLORIDA, OCTOBER 4, 1949.

AN ANALYSIS OF THE PROFIT POSSIBILITIES
IN THE 160-ACRE WOOD TRACT ON KEY BISCAYNE

1. THE SUCCESS OF OUR FIRST SYNDICATE.

For many years I have realized that another ocean front city would eventually come into being on Key Biscayne. Seven years ago (after the easeway to the island was assured) I formed a syndicate and we acquired the 160-acre Malcolm Matheson tract. He sold this tract to Cawaga, Inc., in the summer of 1948 for \$875,000 cash -- netting the members of our syndicate a handsome profit on their investments.

2. DEVELOPMENT OF KEY BISCAYNE NOW UNDER WAY.

The corporation which purchased our 160-acre tract also purchased the 400-acre bearing property at the south end of the Key for \$1,600,000 cash. Practically all of this bearing acreage except a narrow strip along the ocean front was in mangrove swamp. The corporation is reported to have let contracts totalling \$1,400,000 for filling, bulkheading and putting in other substantial improvements. They have already spent more than \$1,600,000 in bulkheading and filling.

Cawaga, Inc., which is owned and controlled by a group of Cubans, was headed by the late Jose M. Aleman. Shortly before his death, the corporation stopped work on these contracts and the property is being offered for sale at \$5,000,000.

We do not feel that this stopping of the work on the Cuban tract will affect in any important way the sales and profits to be made on the Wood tract which we now propose to purchase and develop. While it is always helpful to have other development activity going on in adjacent properties when one starts selling a tract of land, we feel that it will be most advantageous to have no competition from this tract during the early years of our development.

Mr. Finley Matheson recently created an attractive ocean-front Beach Club and Cabana Colony on his property lying between the Wood tract and Garden Park -- the first new construction of a private character on the Key.

3. OPPORTUNITY TO ACQUIRE THE WOOD TRACT.

Adjoining the two tracts at the south end of the Key, and extending approximately 1,600 ft. toward Garden Park is the 200-acre tract owned by a corporation controlled by Mr. Robert H. Wood. We have been working closely with Mr. Wood for a number of years and have now worked out a deal by which this property can be purchased in installments under a plan that should make it possible to develop the property out of the profit after the first cash payment has been made.

4. THE PRICE IS RIGHT.

Mr. Wood has agreed to sell the stock of his corporation which owns this 200-acre tract including the house and yacht berth on Moshie Island for \$800,000 or \$750,000 net to him, deducting the commission. I consider this a very reasonable price for the property for the following reasons:

- a. It is substantially less than our syndicate received for the 160-acre tract that we sold for all cash during the summer of 1928. We received \$5,177 per acre for our tract. At \$800,000 the Wood tract figures only \$4,000 per acre — at the net price of \$750,000 it is only \$3,750 per acre.
- b. The Wood Tract has 20% more acreage than our tract had, without considering the 60 acres of submerged land adjoining Moshie Island to which the Wood Tract would have first claim to purchase from the Internal Improvement Board.
- c. The Wood Tract has a retail value of at least \$1,000,000 more than the tract we sold.
- d. The large amount of money already spent for filling and bulkheading the two tracts adjoining this 200 acres on the south has certainly increased the value of the Wood Tract.
- e. The Wood Tract has a substantial home on Moshie Island which would convert into an excellent yacht club — something badly needed in our area.

5. BASIS FOR ACQUIRING THE WOOD TRACT.

Mr. Wood will sell the stock in his corporation for \$750,000 net to him and will accept \$150,000 cash and a note for \$600,000 secured by a first mortgage on Areas 18, 19, 1P and 2 to 12 of the property (see map). This mortgage would bear interest at 4% for the first four years and 5% thereafter. It would provide for principal payments as follows:

\$ 50,000. each year for first 3 years

60,000. each year for last 7 years

If the purchaser will agree to deposit 20% of the net amount of cash received from sales (as the lot payments are made) in a sinking fund, and apply the amounts accumulated in this fund each quarter to the reduction of the mortgage, Mr. Wood will agree to waive the first two annual principal payments with the understanding that the difference, if any, between the \$600,000 that he would have received from these two payments and the amount he actually receives from the sinking fund, will be divided in five equal annual installments and added to the required principal payments during the last five years.

The mortgage held by Mr. Wood would provide for the release of additional tracts upon payment of the following amounts:

Tract 13	\$70,000.	Tract 6	\$60,000.
" 10	50,000.	" 7	60,000.
" 12	30,000.	" 8	60,000.
" 2	80,000.	" 9	50,000.
" 3	60,000.	" 10	30,000.
" 4	50,000.	" 11	30,000.
" 5	50,000.	" 12	30,000.

The compulsory principal payments under the mortgage can be applied to the release of any of the above tracts. When the full amount of the mortgage has been paid, the tracts that have not been released prior to that time will then be completely released.

6. \$300,000. CAPITAL REQUIRED.

In addition to the \$150,000 to be paid for Tract 1A, we estimate that an additional \$250,000 will adequately finance the development of the property, so a total of \$500,000 will be required.

This \$150,000 for development costs will more than cover the cost of the streets, sidewalks, utilities and other improvements in Tract 1A. Our development cost estimates have been checked and approved by the well known engineering firm of Maurice H. Conwell and Associates.

It is contemplated that lot sales will start just as soon as the streets are laid out and the funds derived from the sale of the lots should provide all the working capital that will be needed to develop the remaining tracts after Tract 1A has been sold.

7. WE WILL TAKE AN INTEREST IN THE SYNDICATE FOR OUR SERVICES.

In the last three years we have spent thousands of dollars worth of time and additional thousands in travelling expenses developing this deal with Mr. Wood, visiting successful subdivisions and conferring with experts in this field. Our commission on the outright sale of the property for \$500,000 would be \$50,000. We are willing to show our confidence in the project by accepting an interest in the profits of the corporation instead of a commission.

8. LARGE AREA AVAILABLE FOR IMMEDIATE DEVELOPMENT.

After making the \$150,000 cash payment to Mr. Wood, Area No. 1A will be owned free and clear by the purchasers. It will contain approximately:

100	75 x 100 single family residential lots
8	75 x 100 duplex sites
41	75 x 125 apartment and hotel sites
300	ft. ocean frontage -- 600 ft. deep
500	ft. business frontage -- 500 ft. deep

This area would be developed and placed on sale this fall and winter. It will probably be the first subdivision to be opened on Key Biscayne and we confidently believe that it will be completely sold out within a few months. We estimate that the net profit from Area 1A before Federal Income Taxes will be \$120,000.

9. PLAN FOR DEVELOPMENT.

There are two plans under which this property can, in our opinion, be successfully developed and it will be up to the purchasers to decide which plan shall be adopted.

Plan 1. We would dedicate 300 ft. of ocean frontage -- 400 ft. deep -- as a private beach park for the permanent use of the owners of lots in the subdivision. This would be an excellent selling feature for at Miami Beach practically all of the ocean frontage is privately owned and not available for use of the residents of Miami Beach.

Plan 2. We would dedicate 300 ft. of ocean frontage -- 400 ft. deep -- to a non-profit organization to be known as Key Biscayne Club. Each prospective lot purchaser would be approved for membership in the club before being allowed to purchase a lot and would be required to purchase a membership in the Club at a price of, say, \$500 at the same time he purchases his lot.

When 100 memberships have been sold, Key Biscayne Club would start construction on the first \$50,000 unit of its club development. When approximately 400 lots in the tract, Key Biscayne Club should ultimately have \$250,000 to \$275,000 for improvements.

With a view to paying off the mortgage as speedily as possible and providing ample capital for the future development of the remaining property, it is recommended that the first lots be offered at a price as attractively low that it will practically insure their prompt sale. This first group is designated on the plat as Area 1A. The single family residence lots -- 75 x 108 -- at \$2,500 and the 75 x 125 hotel and apartment sites at \$5,250 would be lower in price than comparable lots in Miami that have not the ocean front accessibility.

When most of the lots in Area 1A are sold, we would plan to raise the unit lot price and offer the lots in Area 1B.

The various areas would not be improved with streets, utilities, etc., until they are offered for sale. This has a two-fold advantage: (1) the purchasers' development capital would only be expended as our sales progress and (2) the undeveloped areas would retain their acreage status and keep our real estate taxes reasonably low until we can begin to convert them into cash.

10. THE BUSINESS MORTGAGE.

In our opinion the 1,250 ft. fronting on the main right-of-way road through this tract could eventually be worth more than we are paying for the entire 200 acres. In 1905 Lincoln Road was a mangrove swamp.

Today it is almost solidly developed with substantial business buildings which command rentals as high as \$500 per front foot and Lincoln Road frontage only 125 ft. Deep has sold in recent years for as high as \$2,000 per front foot.

In the main there are three courses which the purchaser could pursue in connection with this business frontage:

1. Sell such lots as will be required from time to time for commercial buildings to house the stores and offices that will be needed to serve the complex of homes, apartments and hotels on the tract, holding back as much of the frontage as possible to be sold at much higher prices when the Key is more fully developed.
2. Lease the lots on long-term net leases, again holding back as much of the frontage as possible for higher rentals later on.
3. Retain the business frontage and utilize some of the net profits from the development to finance and build such stores as may be needed from time to time and hold the improved property for permanent income or future sale at a profit.

Since the final decision of the purchaser on this matter will depend upon many factors, no attempt has been made in this study to predetermine the course which will be followed. No estimates of the profits to be made from the business frontage have been included in our figures and this entire area of potentially valuable business property has been treated as a plus factor.

11. THE 66 ACRES OF SUBMERGED LAND.

The purchaser of the Wood tract will also acquire the riparian rights to the 66 acres of submerged land adjoining the west end of Manatee Island. Title to this land is now vested in the Internal Improvement Board of the State of Florida.

It is believed that we will be able to acquire this submerged land from the I. I. Board at a nominal price. Title to a small 1-acre island off the east end of the island was purchased by our first syndicate about 5 years ago for \$100 per acre, but the price would undoubtedly be higher than this for the 66 acres today.

As soon as funds can be spared for this purpose, the purchaser should take steps to try to acquire this land.

No estimate of the potential profit to be made from the development and sale of this land is included in this study.

12. PROBABLE REVISION OF PLAN.

The tentative subdivision plan included herewith was intended as a preliminary plan only for the purpose of breaking down the tract into

Individual lots, estimating the retail price which the sale of the property would produce and the development cost required to sell the property.

The firm of Hare & Hare, well-known land planners of Kansas City (who have been employed as consultants for such well-known developments as Country Club Estates in Kansas City and River Oaks at Houston) have been employed to prepare subdivision plan studies and their work will undoubtedly result in some changes in street lines, lot sizes, etc., but will not materially alter either the estimated amounts which should be realized from the sale of the property or the development cost of the tract.

The final plan developed by Hare & Hare and concurred in by us will require some changes in the areas into which we have tentatively broken up the property for our development studies and will result in changes in the release prices of the various areas — raising some and lowering others — but the overall profit estimates will remain substantially unchanged by the final plan.

13. It is proposed that The Hayes Company will act as Exclusive Sales Agents for the development under either one of two plans to be determined by the purchasers.

Plan 1. The purchasers would pay all advertising and promotion costs, including all newspaper, direct mail or other advertising, beach parties or barbecues for architects, contractors and realtors and other promotional events, and any other costs or expenses incurred in connection with the advertising and public relations program. They would share on a fair basis the cost of operating a ground floor office if such an office is deemed necessary for advertising and promoting the property. We have estimated this cost to be 2% of the sales price.

The Hayes Company would pay all commissions to its own salesmen and to cooperating brokers, would share with the purchasers on a fair basis the cost of operating a ground floor office, if such an office is deemed necessary for advertising and promoting the property, would pay the salaries of employees engaged in selling and any other costs or expenses incurred in connection with selling the property. For this The Hayes Company would be paid 10% of the retail selling price, payable when the sale is closed.

Plan 2. The Hayes Company would pay all advertising and promotion costs and all commissions and selling costs for 10% of the retail selling price.

Under either plan the purchasers would be expected to construct at the proper time and at their own expense an office on the property for the use of its General Manager and operating staff and to provide the necessary space in this office for the sales activities that would be conducted on the property.

24. SINKING FUND, DEVELOPMENT COSTS, ESTIMATED PROFITS.

To be conservative, we have estimated that the development program will cover a period of 8 years. We believe that it can be done in much less than that time. Analyses Nos. 1 to 6 in the back of this brief show the areas to be released and sold, the development cost of each and the net profit expected after mortgage interest, real estate taxes and general overhead, before Federal Income Taxes.

The unit cost figures on development costs have been furnished by competent engineers and to these figures we have added what we consider a very liberal allowance for contingencies.

Analysis No. 1 indicates what we expect to accomplish during the first year's operation.

Analysis No. 2 - the second year, and so on to Analysis No. 6 which covers the 6th, 7th and 8th years.

We believe that our estimates are conservative ones and can be obtained unless we enter a period of serious depression or war within the next 4 or 5 years.

25. SUMMARY OF ESTIMATED PROFITS.

The year-by-year summary of our profit estimates before Federal Income Taxes is as follows:

	<u>Total Sales</u>	<u>Profit Before Taxes</u>
First Year	\$ 524,000.	\$ 124,000.
Second Year	513,000.	168,000.
Third Year	593,000.	171,000.
Fourth Year	663,000.	199,000.
Fifth Year	525,000.	300,000.
Sixth-Eighth Years	625,000.	166,000.
	<u>\$3,453,000.</u>	<u>\$1,330,000.</u>

The estimated net profit of \$1,330,000 is before Federal Income Taxes.

It does not include any profit from the sale or leasing of the 1,260 ft. of valuable business property on the main thoroughfare of Bay Microcap; nor does it include any profit from the development of the 60 acres of submerged land adjoining our Waikiki Island holdings.

It is my firm conviction that the development of this 280-acre tract on Bay Microcap offers greater profit possibilities than any other property that we have offered our clients in 24 years in the real estate business in Hawaii.

5/22/58



R. S. Hayes
President
THE HAWAII CO., REALTOR

Development of Area 1A of Wood Street
FIRST YEAR OF OPERATION

1. For the initial cash payment of \$150,000 the purchaser will own free and clear Area 1A.
2. The sale of the lots in Area 1A (not including the 600 ft. of business frontage and the 300 ft. of ocean frontage) should produce the following minimum amount:

120	75 x 300 Single Family Residence	@ \$2,500.	\$300,000.
8	75 x 300 duplex sites	@ 3,000.	24,000.
41	75 x 125 Hotel and Apartment Sites	@ 5,000.	205,000.
			<u>\$529,000.</u>
	Sales Expense 10%	\$52,900.	
	Advertising & Promotion 5%	<u>26,450.</u>	
	NET INCOME FROM SALES		<u>\$450,650.</u>

3. The development costs for this Area 1A would be approximately:

5,000 ft. of 27" road @ \$3	\$ 15,000.
3,000 ft. of 18" road @ \$2	6,000.
8,000 ft. of sidewalk @ \$1	8,000.
4,000 ft. 18" water main @ \$4.25	17,000.
2,000 ft. of 8" water main @ \$3	6,000.
6,000 ft. of 6" water main @ \$2.50	15,000.
? fire hydrants @ \$100	1,600.
Landscaping & Fertilizer	20,000.
Miscellaneous	20,000.
	<u>\$138,600.</u>
Engineering Fees 5%	6,930.
DEVELOPMENT COST	<u>\$145,530.</u>

It is anticipated that approximately \$7,500 of the Miscellaneous item may be required as an advance to the Florida Power & Light Co. for electric service, to be repaid out of their income from electricity.

4. The net profit on the development of this first area should therefore be:

Net Income from Sales		\$ 450,650.
Cost of Land	\$150,000.	
Development Costs	145,530.	
Real Estate Taxes	15,000.	
Interest on \$275,000. mortgage	22,000.	
Initial Expenses	7,500.	
General Overhead & Miscellaneous	<u>20,000.</u>	
ESTIMATED NET PROFIT		<u>\$110,620.</u>

5. It should be kept in mind that several months of this first year will be spent in preparation and the net profit picture will naturally be lower than in ensuing years devoted entirely to selling.

Developers of Areas 1B and 1C of Wood Crest
SECOND YEAR OF OPERATION

1. When most of the lots in Area 1B have been sold, Area 1B would be refinanced for \$20,000 and opened up with an increase in prices and should produce the following minimum security:

90 75 x 100 Single Family Residences	\$ 3,000.	\$ 270,000.
6 75 x 100 duplex sites	3,000.	21,000.
		\$ 291,000.

Sales Expense 10%	\$ 29,100.	
Advertising & Promotion 5%	<u>14,550.</u>	<u>43,650.</u>

+ NET INCOME FROM SALES \$ 247,350.

+ Not including the 100 % of business fringing

2. The development costs for this Area No. 1B would be approximately:

1,000 ft. 27' road @ \$12	\$ 12,000.
3,000 ft. 11' curb @ \$2	6,000.
3,000 ft. 11' sidewalks @ \$2	6,000.
400 ft. 12" water mains @ \$4.50	1,800.
6,200 ft. 8" water mains @ \$2.20	13,720.
6 fire hydrants @ \$100.	600.
Landscaping & Plant	10,000.
Miscellaneous	2,000.
	\$ 55,020.

Engineering Fees 5%	2,751.
DEVELOPMENT COST	\$ 57,771.

3. It is believed that Area No. 1C could also be sold in this second year of operation. It can be released from the mortgage upon payment of \$50,000, and the sale of the lots should produce the following minimum security:

62 75 x 125 hotel & apartment sites @	\$ 6,000.	\$ 372,000.
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Sales Expense 10%	\$ 37,200.	
Advertising & Promotion 5%	<u>18,600.</u>	<u>37,800.</u>

NET INCOME FROM SALES \$ 334,200.

4. The development cost of Area No. 10 would be approximately:

1,000 Ft. 27" road @ \$3	\$ 3,000.
1,000 Ft. Sidewalk @ \$1	1,000.
2,000 Ft. 36" water main @ \$1	2,000.
3 fire hydrants @ \$180	540.
Landscaping & Fill	5,000.
Miscellaneous	5,000.
	\$ 16,540.
Engineering Fees 5%	827.
Development Cost	\$ 17,367.

5. The net profit on the development of these two areas should therefore be:

Net Income from Sales - Area 1B	\$ 247,000.
Net Income from Sales - Area 1C	74,000.
	\$ 321,000.
Cost of Land - Area 1B	\$ 70,000.
Cost of Land - Area 1C	50,000.
Development Cost - Area 1B	60,375.
Development Cost - Area 1C	30,771.
Real Estate Taxes	20,000.
Interest on Mortgage	18,000. *
General Overhead & Miscellaneous	25,000.
	\$ 274,046.
ESTIMATED NET PROFIT	\$ 106,504.

* It is estimated the \$70,000. will be paid for the release of Area 1B at the beginning of this year and that \$50,000. will be paid for the release of Area 1C after 6 months of this 2nd year have elapsed.

Development of Areas Nos. 1B, 2 and 3 of Wood Tract
THIRD YEAR OF OPERATION

1. Area No. 1B can be released from the mortgage upon payment of \$30,000. It is probable that this area and Area 2 (release price \$80,000) would be developed at the same time. The sale of the lots in these two areas should produce the following minimum amounts:

21	100 x 200 Harrison Harbor Lots	@ \$2,000.	\$42,000.
67	75 x 100 Residential Lots	@ 3,000.	201,000.
			<u>\$243,000.</u>
	Sales Expense 10%	\$24,300.	
	Advertising & Promotion 5%	<u>12,150.</u>	
			<u>\$206,550.</u>
	NET INCOME FROM SALES		\$133,550.

2. The development cost of Areas 1B and 2 would be approximately:

2,250	ft. 27' road @ \$3.	\$ 6,750.
2,250	ft. 12' road @ \$2.	4,500.
2,000	ft. sidewalk @ \$1.	2,000.
4,500	ft. 6" water main @ \$1.20	5,400.
	1/2 fire hydrants @ \$180.	750.
1,500	ft. ballast road @ \$15.	22,500.
	Landscaping & Fill	3,000.
	Miscellaneous	5,000.
		<u>\$37,850.</u>
	Engineering Fees 5%	<u>1,892.</u>
	DEVELOPMENT COST	\$39,742.

3. Area No. 3 can be released from the mortgage upon payment of \$60,000. The sale of the lots in this area (net including the 300 ft. of business frontage) should produce the following minimum amounts:

56	75 x 100 Residential Lots	@ \$3,000.	\$168,000.
10	75 x 100 duplex sites	@ 3,000.	30,000.
			<u>\$198,000.</u>
	Sales Expense 10%	\$19,800.	
	Advertising & Promotion 5%	<u>9,900.</u>	
			<u>\$168,300.</u>
	NET INCOME FROM SALES		\$178,550.

4. Development cost of Area No. 3 would be approximately:

750 Ft. 27' road @ \$3	\$ 2,250.
1,500 Ft. 15' road @ \$2	3,000.
750 Ft. 12" water main @ \$4.20	3,150.
2,500 Ft. 8" water main @ \$2.20	5,500.
3 fire hydrants @ \$150.	450.
Landscaping & Fill	5,000.
Miscellaneous	1,000.
	<u>\$28,350.</u>
Engineering Fees 8%	<u>2,268.</u>
DEVELOPMENT COST	\$30,618.

5. The net profit from the development and sale of these three areas should therefore be:

Net Income from Sales - Area 1D & 2	\$171,000.
Net Income from Sales - Area 3	<u>375,500.</u>
	<u>\$546,500.</u>
Cost of Land - Area 1D	\$90,000.
Cost of Land - Area 2	80,000.
Cost of Land - Area 3	60,000.
Development Cost - Area 1D & 2	72,625.
Development Cost - Area 3	28,218.
Real Estate Taxes	25,000.
Interest on Mortgage	12,500. *
General Overhead & Miscellaneous	<u>25,000.</u>
	<u>313,343.</u>
ESTIMATED NET PROFIT	\$171,000.

* It is estimated that \$100,000 will be paid to release Area 1D and 2 at the beginning of this year, and that \$25,000 will be paid to release Area No. 3 after 8 months of the year have elapsed.

Development of Areas Nos. 4, 7 & 8 of Wood Tract
FOURTH YEAR OF OPERATION

1. Area No. 4 can be released upon payment of \$60,000. The sale of the lots in this area should produce the following minimum amount:

8	100 x 150 Hurricane Harbor Estate Sites	@ \$9,000	\$ 72,000.
9	100 x 150 Bayfront Estate Sites	@ 10,000.	90,000.
16	100 x 100 Inside Residential Lots	@ 5,000.	80,000.
			<u>\$242,000.</u>

Sales Expense 10%	\$24,200.	
Advertising & Promotion 5%	<u>12,100.</u>	<u>36,300.</u>

NET INCOME FROM SALES \$205,700.

2. Development cost of Area No. 4 should be approximately:

1,000 ft. 27' road @ \$3.	3,000.
1,700 ft. 18' road @ \$2.	3,400.
1,000 ft. sidewalk @ \$1.	1,000.
2,700 ft. 6" water main @ \$2.20	5,940.
" fire hydrants @ \$100.	720.
1,700 ft. bulkheading @ \$25.	42,500.
Landscaping & Fill	5,000.
Design	5,000.
Miscellaneous	2,000.
	<u>57,300.</u>
Engineering Fees 5%	<u>2,865.</u>

DEVELOPMENT COST \$59,165.

3. Area No. 7 will be released upon payment of \$60,000. The sale of the lots in this area should produce the following minimum amount:

9	100 x 150 Hurricane Harbor Estate Sites	@ 9,000.	\$ 81,000.
10	100 x 150 Bayfront Estate Sites	@ 10,000.	100,000.
15	100 x 100 Inside Residential Lots	@ 5,000.	75,000.
			<u>\$256,000.</u>

Sales Expense 10%	\$ 25,600.	
Advertising & Promotion 5%	<u>12,800.</u>	<u>38,400.</u>

NET INCOME FROM SALES \$217,600.

4. Development cost of Area No. 7 should be approximately:

1,800 ft. 18" road @ \$2.	\$3,600.
1,800 ft. 6" water main @ \$2.20	3,960.
1,900 ft. sidewalk @ \$15.	28,500.
2 fire hydrants @ \$180.	360.
Landscaping & Fill	5,000.
Miscellaneous	1,000.
	<u>25,820.</u>
Engineering Fees 2%	<u>1,191.</u>
DEVELOPMENT COST	\$27,011.

5. Area No. 8 would be released from the mortgage upon payment of \$60,000. This area includes the large house that with some repair and redecorating could be converted into an excellent yacht club. It also includes the access to the 60 acres of submerged land upon which our corporation will have riparian rights.

The title to this submerged land is vested in the Internal Improvement Board of the State of Florida. It is believed that this land can be purchased from the Board at a very reasonable price and our corporation should take steps to acquire it as soon as it is financially in position to do so.

In estimating the selling price of this area, however, we have ignored completely the acquisition and development of this submerged land.

The sale of the house and lots should produce the following minimum amount:

House & Yacht Harbor		\$ 75,000.
5 large Estate Sites	@ \$15,000.	75,000.
		<u>\$150,000.</u>
Sales Expense 10%	\$15,000.	
Advertising & Promotion 2%	<u>1,000.</u>	
		<u>22,000.</u>
NET INCOME FROM SALES		\$127,000.

6. Development cost of Area No. 9 should be approximately:

500 ft. 18" road @ \$2.	\$ 1,000.
500 ft. 6" water main @ \$2.20	1,100.
1,500 ft. sidewalk @ \$15.	22,500.
2 fire hydrants @ \$180.	360.
Landscaping & Fill	1,000.
Miscellaneous	2,000.
	<u>27,960.</u>
Engineering Fees 2%	<u>1,117.</u>
DEVELOPMENT COST	\$29,077.

7. The net profit from the development and sale of these three areas (not including what may be obtained from the development and sale of the sub-merged land) should therefore be:

Net Income from Sale - Area 6		\$200,000.
Net Income from Sale - Area 7		200,000.
Net Income from Sale - Area 8		100,000.
		<u>\$500,000.</u>
Cost of Land - Area 6	\$40,000.	
Cost of Land - Area 7	60,000.	
Cost of Land - Area 8	60,000.	
Development Cost - Area 6	50,000.	
Development Cost - Area 7	50,000.	
Development Cost - Area 8	20,000.	
Real Estate Taxes	20,000.	
Interest on Notes	- - -	
General Overhead & Miscellaneous	<u>25,000.</u>	<u>200,000.</u>
ESTIMATED NET PROFIT		\$199,000.

It is anticipated that \$120,000 will be paid on the mortgage for the release of Areas 6 and 7 at the beginning of the year and that \$60,000 will be paid 6 months later for the release of Area 8.

Development of Areas 4 and 5 of Wood Trust
FIFTH YEAR

1. Area No. 4 can be released from the mortgage upon payment of \$50,000. The sale of the lots in this area should produce the following minimum amount:

39 75 x 125 Hotel and Apartment Sites	@ \$1,000.	\$39,000.
Sales Expense 10%	\$27,300.	
Advertising & Promotion 5%	<u>13,650.</u>	<u>48,950.</u>
NET INCOME FROM SALES		\$232,050.

2. The development costs for this Area No. 4 should be approximately:

2,300 Ft. 27' road @ \$3.	\$6,900.	
3,500 Ft. sidewalk @ \$1.	3,500.	
1,750 Ft. 8" water main @ \$3.	5,250.	
2 fire hydrants @ \$100.	200.	
Landscaping & Fill	30,000.	
Miscellaneous	3,000.	
	<u>49,750.</u>	
Engineering Fees 5%	<u>2,477.</u>	
DEVELOPMENT COST		\$52,227.

3. Area No. 5 can be released from the mortgage upon payment of \$50,000. These lots should produce the following minimum amount:

36 75 x 125 Hotel and Apartment Sites	@ \$1,000.	\$36,000.
Sales Expense 10%	\$25,300.	
Advertising & Promotion 5%	<u>12,650.</u>	<u>31,650.</u>
NET INCOME FROM SALES		\$318,300.

4. Development costs of Area No. 5 should be approximately:

1,500 Ft. 27' road @ \$3.	\$4,500.	
3,000 Ft. sidewalk @ \$1.	3,000.	
1,500 Ft. 8" water main @ \$3.	4,500.	
2 fire hydrants @ \$100.	200.	
Landscaping & Fill	30,000.	
Miscellaneous	3,000.	
	<u>45,200.</u>	
Engineering Fees 5%	<u>2,260.</u>	
DEVELOPMENT COST		\$51,960.

5. The net profit from the development and sale of Areas 4 and 5 should therefore be:

Net Income from Sales - Area 4		\$212,000.	
Net Income from Sales - Area 5		<u>201,000.</u>	
			\$413,000.
Cost of Land - Area 4		\$50,000.	
Cost of Land - Area 5		50,000.	
Development Cost - Area 4		57,687.	
Development Cost - Area 5		51,500.	
Real Estate Taxes		30,000.	
Interest on Mortgage		- -	
General Overhead & Miscellaneous		<u>30,000.</u>	<u>\$45,587.</u>
ESTIMATED NET PROFIT			\$367,413.

Development of Areas 9, 10, 11, 12 of Wood Tract
SIXTH YEAR

1. Areas Nos. 9, 10, 11, 12 comprise all the ocean frontage of the Wood Tract except the 300 ft. included in Area No. 1. It is very difficult to estimate how rapidly the demand for this frontage will produce a price at which we would consider it advisable to sell. Essentially this ocean frontage is, with our business frontage, the most valuable property in our development. It should eventually have a value comparable with the \$1,500 to \$2,000 per front foot values at Miami Beach.

These lots will be released in blocks of 2 or 3 lots upon payment of \$25,000 for the 2-lot blocks and \$34,000 for the 3-lot blocks.

To be extremely conservative, we are estimating that we will decide to sell 3 of these 12 lots during the 6th year for \$500 per front foot and that we will sell the remaining 9 lots during the 6th year at \$750 per front foot. This will produce the following:

3 150 x 500 ocean front lots	@ \$50,000.	\$150,000.
9 150 x 500 ocean front lots	@ 75,000.	675,000.
		<u>\$825,000.</u>
Sales Expense 1%	\$82,500.	
Advertising & Promotion 3%	<u>24,750.</u>	<u>93,750.</u>
NET INCOME FROM SALES		\$731,250.

2. The cost of developing this ocean frontage will be almost nothing. Roads and water mains will have been provided in developing the adjoining tracts. No fill will be required as this is the highest land in the entire tract. We are, however, budgeting development cost of \$20,000 for these areas.
3. The net profit on the development and sale of these four areas should therefore be:

Net Income from Sales		\$731,250.
Cost of Land - (Already paid for)	- - -	
Development Cost	\$20,000.	
Real Estate Taxes - 3 years	25,000.	
Interest on Mortgage Sales	- - -	
General Overhead & Miscellaneous - 3 yrs.	<u>31,000.</u>	<u>85,000.</u>
ESTIMATED NET PROFIT		\$646,250.

SUMMARY OF SALES AND ESTIMATED PROFITS BEFORE TAXES

	<u>Total Sales</u>	<u>Profit Before Income Taxes</u>
First Year	\$ 544,893.	\$ 128,500.
Second Year	543,000.	188,500.
Third Year	593,000.	171,000.
Fourth Year	663,000.	199,000.
Fifth Year	525,000.	200,658.
Sixth-Eighth Years	<u>625,000.</u>	<u>146,350.</u>
	\$1,493,350.	\$1,533,900.

In addition to these profits, the purchaser would own free and clear the 1,200 feet of business frontage — 100 ft. deep — on the main right-of-way road. It is not inconceivable that this frontage could in 5 or 10 years be worth \$500 to \$750 per front foot which would give it a value of \$600,000 to \$900,000.

For have we taken into consideration the tremendous potential profit that might be earned in developing the 66 acres of submerged land adjoining Mania Island.



There is no finer bathing beach in the Greater Miami area than this stretch
of ocean front on Key Biscayne.



This photo taken in August 1968 shows the vast improvement program under way on the Casaga property which joins the Wood tract on the south.



Looking across the bay to the skyline of downtown Miami from the yacht basin on Biscayne Island.



One of the superb views along the right-of-way road which leads to
Granton Park and the Rickenbacker Causeway.



This 2-story home on the point, could be converted into
an excellent Yacht Club.



Some of the finest waterfront home sites in Greater Miami are available here on the banks of Barron's Harbor.