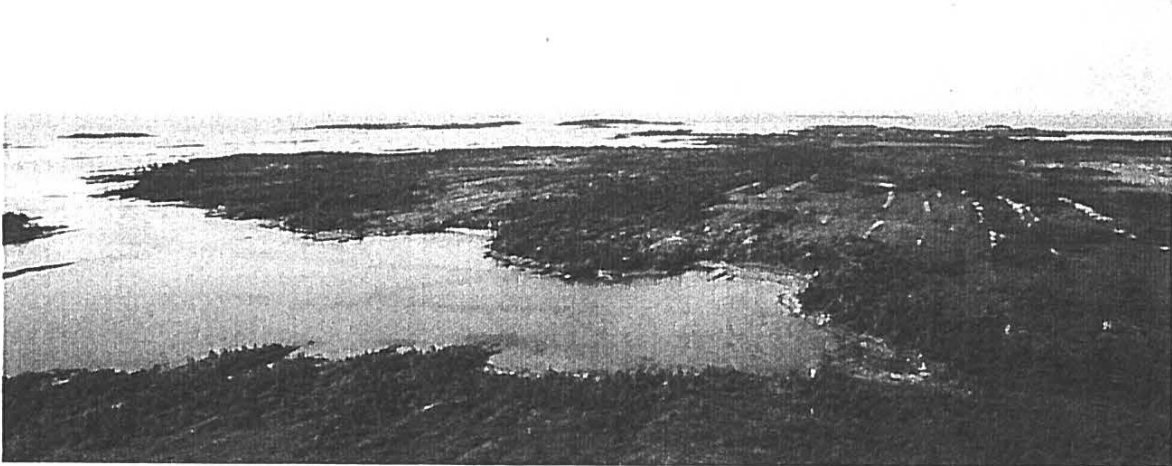


**LIGHTHOUSE LINKS**

**PROPOSAL FOR EXCHANGE OR PURCHASE OF LANDS  
IN LITTLE HARBOUR, HRM, NOVA SCOTIA**

**JULY 22, 2018**



**Prepared by  
Lighthouse Links Development Corporation**

**CONFIDENTIAL**

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## EXECUTIVE SUMMARY

Lighthouse Links Development Corporation (the “**Company**”) wishes to construct two or three world-class public 18-hole links golf courses in Little Harbour, HRM, Nova Scotia, comparable to Cabot Links and Cabot Cliffs. The unique terrain in Little Harbour would permit almost every hole to be either on the ocean or to have a spectacular ocean view.

The balance of the land would be used to develop a destination residential or resort community, with the intent of encouraging more tourists, visitors, and others to visit and live in the Eastern Shore.

In order to develop the project to its fullest potential, the Company is seeking to obtain title to approximately 740 acres of contiguous land from the Province of Nova Scotia and the Federal Crown.

In exchange for the conveyance of these Lands to the Company, the Company is prepared to: (i) provide a mixture of real estate and cash consideration to the Province; (ii) consider agreeing to re-convey the lands if agreed upon conditions are not met by the Company; and (iii) work with the Province and related stakeholders to ensure that the interests of Nova Scotians are considered throughout the development of the project.

## INTRODUCTION TO THE PROJECT

The Company wishes to construct two or three world-class public 18-hole links golf courses in Little Harbour, HRM, Nova Scotia, comparable to Cabot Links and Cabot Cliffs. The unique terrain in Little Harbour would permit almost every hole to be either on the ocean or to have a spectacular ocean view.

Parties affiliated with the Company currently own approximately 340 acres of oceanfront property in Little Harbour, NS.

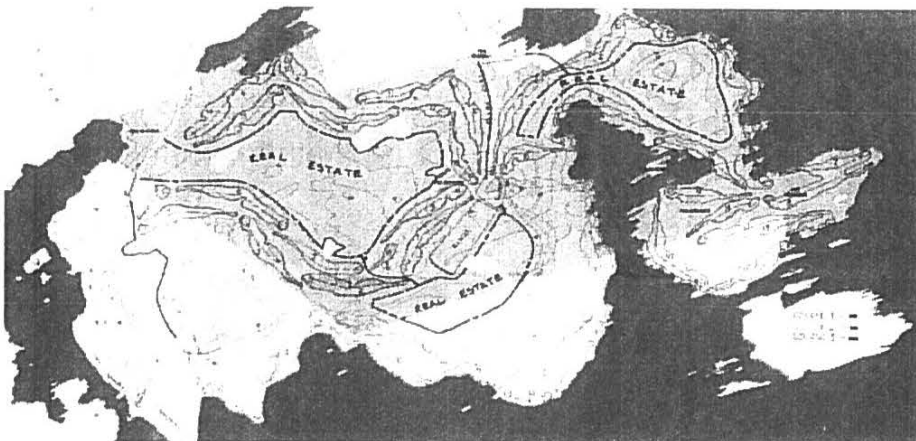
In order to develop the project to its fullest potential, the Company is seeking to obtain title to approximately 740 acres of contiguous land from the Province of Nova Scotia and the Federal Crown. The combined property would have over 12 kilometers of oceanfront land and would be approximately 50/75 minutes from Dartmouth, Halifax, and Stanfield Airport.

The balance of the land would be used to develop a destination residential or resort community, with the intent of encouraging more tourists, visitors, and others to visit and live in the Eastern Shore.

The Company has engaged Gil Hanse, a well-known golf course architect, who has designed or renovated a number of world-class courses around the globe, including the Olympic Golf Club in Rio, the Boston Golf Club, Streamsong in Florida, the Los Angeles Country Club, and the Vineyard Club, among others. Gil was recommended by Mike Keiser, one of the driving forces, along with Ben Cowan-Dewar, behind Cabot Links. Mike is also a principal owner of Cabot.

A preliminary plan developed by Gil Hanse for three courses is shown in Exhibits A1, A-2, and A-3, and on the next page.

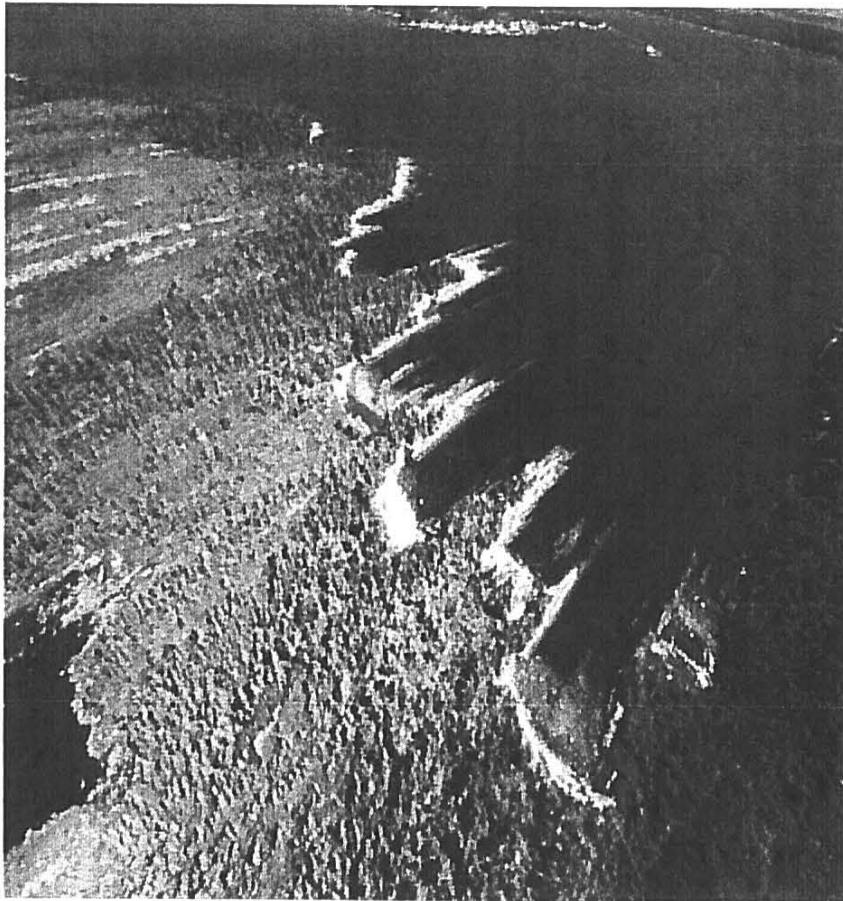
Land shown in green is owned by either the Province or the Federal Crown. Land shown in white is owned by the proponent. The remaining part of Cuckold Island (on the lower right in the proposed course plan below) is to the East/right of proponent's land, is owned privately, and is also shown in white.



There are two potential sites for the first course to be built, one on either side of Long Cove which is partially between the two sides of the Provincial land. Both would ultimately become courses, but it's not clear which course should be built first.

This development should encourage more native Nova Scotians, along with tourists, visitors, and others, to come to the Eastern Shore, in expectation of creating a bedroom community for families working in the Halifax/Dartmouth area, could attract industry, and provide additional jobs for up to 150-200 people for the golf courses alone on an ongoing basis. Spin-off businesses should provide other economic benefits to the Eastern Shore. This project would tie in well to the current housing and tourism boom being experienced in and around Halifax and elsewhere in Nova Scotia.

Additional jobs would be created to construct the residential and commercial buildings. We estimate that it would take approximately three (3) years from breaking ground to complete the first course. The photo below shows some of the spectacular rock and sandy peninsulas which will become unique, sequential over-water holes, shown in Gil Hanse's preliminary course layout.



## ENVIRONMENTAL PROTECTION AND CREATING RECREATIONAL FACILITIES FOR PUBLIC ENJOYMENT

In addition to the public golf courses, the property has three major environmental/recreational features that could be protected and made available to the public:

- 18 acres of a spectacular ocean island, Cuckold Island, with panoramic views, plus potential hiking and climbing opportunities, which could be transferred by the Lighthouse Links owners to either the Province, or to not-for-profit organizations like the Nature Trust, or 100 Wild Islands, or other similar groups, as part of the land acquisition.
- A 79 acre bog which could potentially be transferred to the Province.
- Murphy's Lake, a deep lake close to Little Harbour Road, could be developed for boating and fishing. It is currently owned by the Province, but is rarely used because access is currently difficult. The Development could provide easy access and appropriate facilities.
- The coastline has many unique natural resources, including beautiful beaches and wonderful kayaking, which are now difficult to access because of the lack of public facilities. Similarly, the push to conserve the islands lining the coast is hampered by little practical access.



## COST ESTIMATES

We have obtained cost estimates for the development of the lands from KemperSports, the golf course management company responsible for a number of notable golf courses, including those at Bandon Dunes. Mike Keiser is also a principal owner of Bandon Dunes on the Oregon coast - four the five courses at Bandon are listed in the top 100 courses in North America by Golf Digest.

According to Mike Keiser, this project will only be viable if at least two world-class golf courses can be constructed. KemperSports' preliminary estimate of the cost to construct the first course—without having visited the site, but after consulting with our golf course architect, Gil Hanse, who has visited it—is \$12.6 million. This number excludes the cost of building the infrastructure—the club house, lodging, a maintenance shed, parking, etc.

The above costs are much higher than the typical course because it would have to be built on ledge and sand is not easily available. The largest component consists of \$5,000,000 for earth moving/ledge removal and covering the area with sand, which must be trucked onto the site. We believe that significant savings, not accounted for in KemperSports' estimate, can be achieved by building a sand plant to convert the ledge that is removed during golf course construction to sand.

Refining our cost estimates requires an onsite evaluation of the terrain over which the courses would be built - which currently can't be accessed by construction equipment because there are no roads. We anticipate finding additional savings as well after an onsite evaluation.

In order to refine the cost estimates, two roads capable of handling construction vehicles from the existing road in Southwest Cove, would be required, one on either side of Long Cove. We estimate that about 2.5 miles of roads will be needed at a cost of approximately \$370,000.

A successful real estate development program is expected to be necessary to help offset the high costs of the golf course construction. We are currently evaluating whether the land used for the proposed third course would be better utilized for residential construction.

We intend to find a partner, or partners, experienced in golf course construction and management, as well as real estate development, who can participate in the project after the onsite evaluation described above is completed. We also intend to pursue such other funding opportunities as may present themselves over the course of the development.

## REQUIRED LANDS

The Company is interested in a combination of purchasing and/or undertaking a land exchange for the Subject Lands, to complement to the 340 acres, shown in yellow, owned by the proponents, as shown below.

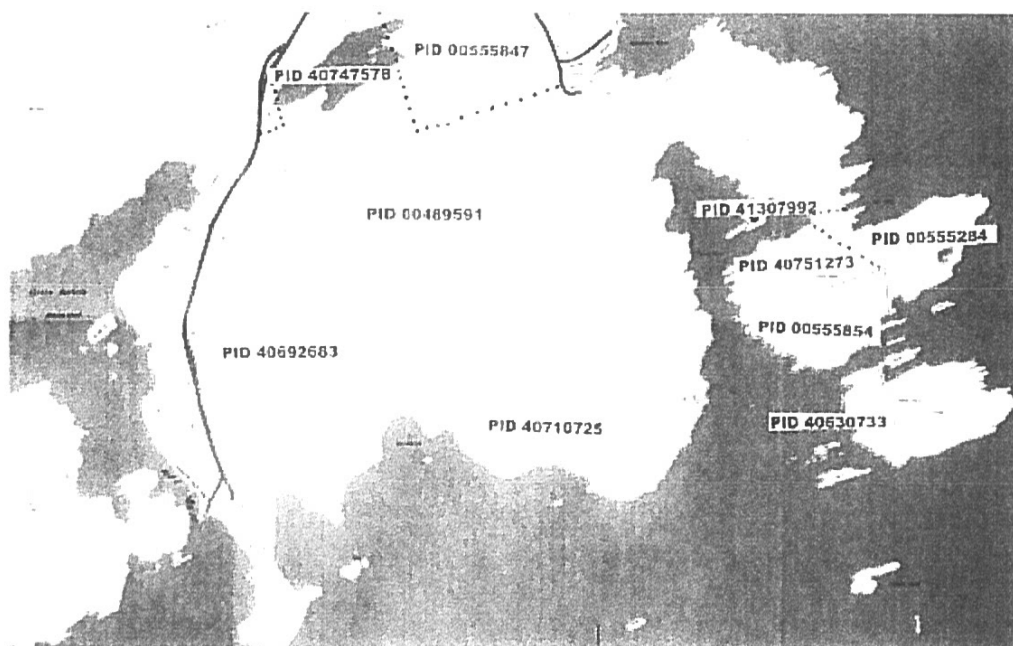
### Subject Lands

The Subject Lands are composed of Forty (40) acres owned by Crown Transport Canada and approximately Seven Hundred (700) acres owned by the Province of Nova Scotia.

The 740 acres are more particularly set out as follows:

- Forty (40) acres owned by Crown Transport Canada including the Owl's Head automated lighthouse—PID # 00555284, which is in the process of being deaccessioned by the Federal Crown.
- 700 acres owned by the Province in four (4) parcels
  - 650 acres on both sides of Long Cove, on Southwest Cove, and on the Western shore of Ship Harbour – PID # 00489591
  - 20 acres including Murphy's Lake – PID # 40747578
  - 32 acres on the Eastern shore of Long Cove – PID # 40751273
  - 2 acres – a small island in Long Cove – PID # 41307992

Attached as Exhibit B and below is a map showing the location of these properties. Properties owned by the Company or related parties are in yellow. The Federal and Provincial properties are in white. The eastern portion of Cuckold Island is owned privately and also shown in white.





## OFFER TO PURCHASE OR EXCHANGE

In furtherance of its goal, the Company proposes the following:

1. The Company obtains an appraisal from a certified appraiser satisfactory to the Province, for the Subject Lands, at its expense.
2. In order to refine cost estimates and to facilitate the analysis by the Company of the terrain, ledge conditions, availability of sand, and potential course layouts, the Company and the Province enter into an agreement providing for the transfer of the Subject Lands to the Company, or an affiliated party. As consideration for the transfer, the Company is willing to agree to a combination of cash and land consideration. Land consideration could include all or a portion of its lands not necessary for the Project, such as the 18 acre portion of Cuckold Island and the 79 acre bog currently under control of the Company and its principals, and/or additional wood or other lots located throughout the Province of Nova Scotia, previously identified as properties of interest by Natural Resources, which could be made available by the Company as part of an exchange.
3. In exchange for obtaining title to the Subject Lands, the Company will commit to the following:
  - (a) Contributing a minimum of \$500,000 towards building roads, testing and clearing the Subject Lands, as required to complete its analysis;
  - (b) Providing access to the Owl's Head lighthouse, which is currently only accessible by helicopter;
  - (c) Would also agree to re-convey the Subject Lands to the Province and get back any consideration received by the Province from the Company, if a minimum of \$500,000 as described in 3 (a) above is not spent by the Company.
  - (d) Such other conditions as may be agreed upon among the parties.
4. In the alternative, the Company is willing to conduct feasibility studies on a smaller portion of the Subject Lands, being the 40-acre Lighthouse property from the Federal Crown, about 150 acres from the Province on the East side of Long Cove, and about 200 acres on the West side of the cove. The Company would have a contractual right to acquire the remaining approximately 350 acres from the Province at a agreed-upon price, if the conditions in Section 3 above are met.
5. In order to proceed without additional delay, it would be important to get a substantial amount of this work done this year, before roads are closed to heavy equipment.

## MANAGEMENT

**G. S. Beckwith (“Beck”) Gilbert.** Beck is the controlling shareholder of Lighthouse Links Development Corporation. He and his wife, Kitty, have a home in Little Harbour with approximately 340 acres of land, which they have owned for about ten years, and previously had a home in Glen Haven. He enjoys spending time in Nova Scotia. They also have a residence in Greenwich, Connecticut.

Beck has been chairman of the board of PASSUR Aerospace, a business intelligence company serving the aviation industry, since 1997. In addition, he is president and chief executive officer of Field Point Capital Management Company, a private equity firm, a position he has held since 1988.

He is the former chairman of the executive committee of Dianon Systems as well as the former chairman, CEO, and majority shareholder of QO Chemicals. He was also the chairman and majority shareholder of Unitcast Canada, Inc. in Sherbrooke, Quebec. Previously, he was the chief financial officer of American Standard’s world-wide Plumbing and Heating Group and the general operations manager of its Plastic Division.

Beck is chairman emeritus and a member of the Board of Fellows of Harvard Medical School, a director of HMS MEDscience, a director of the Yale Cancer Center, and a member of the Council on Foreign Relations.

He has also served as a trustee of Rockefeller University, treasurer and a director of the Lasker Foundation, a director of the Cancer Research Institute, founding chairman of the American Lyme Disease Foundation, and former chairman of the Lyme Disease Advisory Board at New York Medical College.

Beck graduated magna cum laude from Princeton’s Woodrow Wilson School of Public and International Affairs in 1963. He received a MBA from New York University’s evening program in 1967 and received a MS in Immunology, with a focus on cancer, from The Rockefeller University in 2006. Beck is an Honorary Member of the Graduating Class of 2004 at Weill Cornell Medical College.

**Katharine (Kitty) Stoddert Gilbert.** Kitty is Beck’s wife, and a magna cum laude graduate of Bryn Mawr College with a major in Art History, and spent her entire working career at the Metropolitan Museum of Art as the Editor of the Bulletin and the Editor of the catalogue of the Tutankhamun exhibition.

**EXHIBIT A-1**  
**Course Overview**

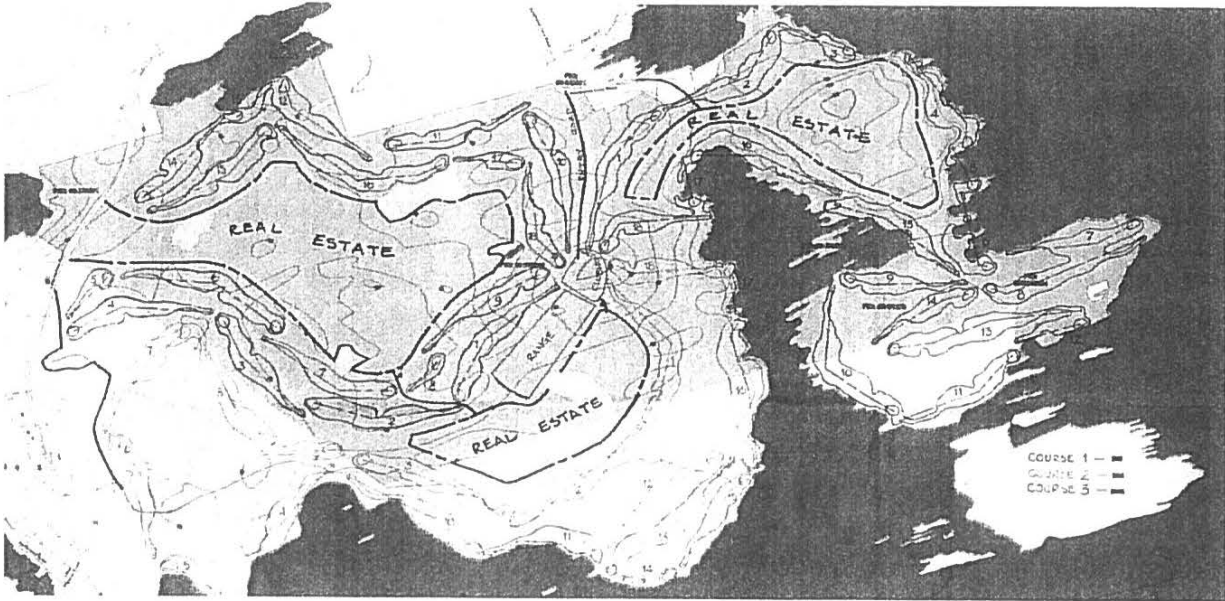


EXHIBIT A-2  
Left Inset of Development Overview

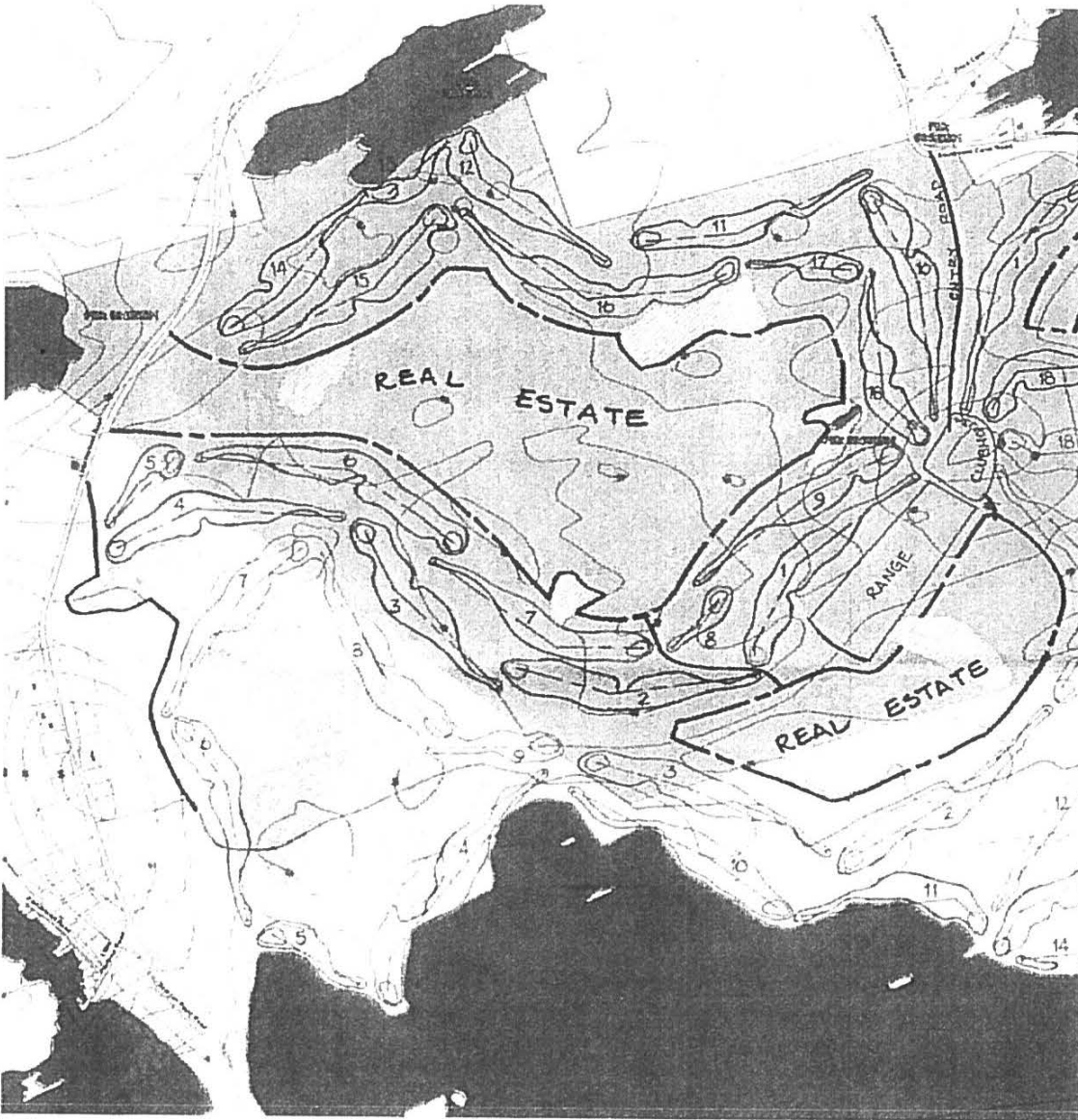
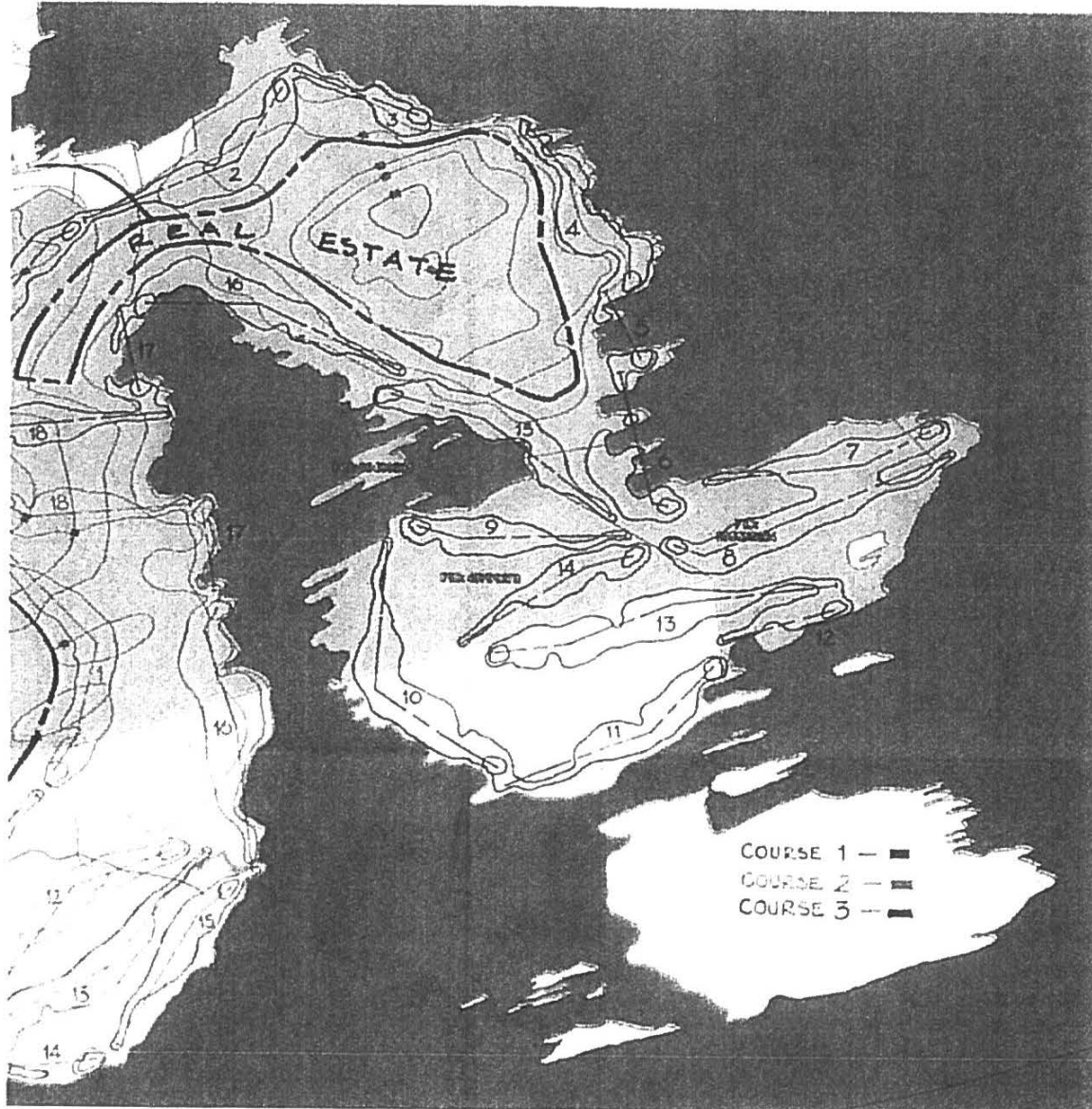


EXHIBIT A-3  
Right Inset of Development Overview



## EXHIBIT B

### Subject Lands

