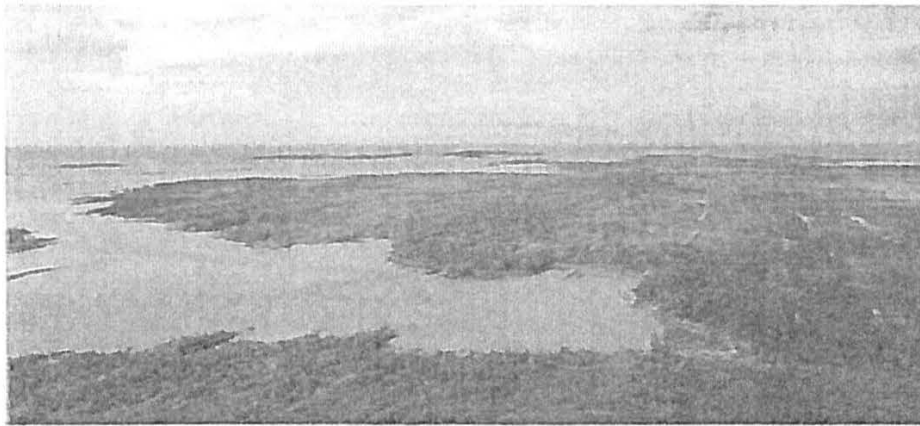


**Schedule "B"**

**LIGHTHOUSE LINKS**

**UPDATED DRAFT PROPOSAL FOR PURCHASE OF LANDS  
IN LITTLE HARBOUR, HRM, NOVA SCOTIA**

**OCTOBER 29, 2019**



**Prepared by  
Lighthouse Links Development Corporation**

**CONFIDENTIAL**



## EXECUTIVE SUMMARY

Lighthouse Links Development Corporation (the "Company") wishes to construct Lighthouse Links, two or three world-class public 18-hole links golf courses in Little Harbour, HRM, Nova Scotia, comparable to Cabot Links and Cabot Cliffs, by combining approximately 745 acres of land which it proposes to buy from the Province and the Federal Crown with 340 acres of oceanfront land owned by affiliates of the Company, who have owned property in Little Harbour for over 16 years. The combined property would have over 12 kilometers of oceanfront land which 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 on the Eastern Shore.

Since Lighthouse Links would be only about 75 minutes from downtown Halifax and Stanfield airport, and less than an hour from Dartmouth, we plan to create a "bedroom"/residential community in the Little Harbour/Owls Head area, appealing to year-round and seasonal homeowners who commute to Halifax and Dartmouth and would see the area as providing either

their principal or seasonal residences and are attracted to the area by the proximity to world-class golf courses, the ocean, and its beaches including Clam Harbour Beach, plus access to watersports, as well as boating, fishing, and kayaking.

Following the Cabot model, additional benefits would come from visitors from other provinces and outside Canada interested in playing golf on the new courses, adding significant revenue and employment to the Eastern Shore, Halifax, and Nova Scotia.

An overall objective is to make Nova Scotia a premier tourism destination for golfers interested in playing multiple world-class golf courses, including the new Lighthouse Links courses, those at Cabot, and others elsewhere in the Province. The proximity of Lighthouse Links to Stanfield Airport should be an added incentive to visiting golfers and should provide further economic benefits to the Province.

A definitive, detailed construction, financial, and business plan will have to be prepared, it is expected that the project will provide on-going employment for at least 150-200 people for the construction and operation of the golf courses and residential housing, some of which would be seasonal.

Lighthouse Links presents a rare opportunity to enjoy and showcase some of the most scenic coastline in the Province with its pristine, rugged natural beauty, while creating jobs, improving the lives of many in this region of high unemployment, and building the economy of Nova Scotia in a way consistent with the recommendations of the Ivory Commission.

This project will make friendly use of the relatively undiscovered topography, vistas, and terrain which is fortunately little more than an hour from Halifax and presents a wonderful opportunity to encourage economically important tourism.

Every effort will be made to enhance the site's natural beauty and we look forward to working with environmentally friendly groups to ensure that objective. The golf industry has a history of being an environmentally friendly business, often enabling remote, often largely unseen, and untouched areas to be exposed sensitively to more people who will enjoy them, treat them respectfully, and work to maintain their natural beauty.

Our current plan is to finance the development by a combination of private equity, and debt. We are looking for 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.

In light of the proposed purchase of federal and provincial Crown lands, Lighthouse Links will work with the Office of Aboriginal Affairs and the Department of Lands & Forestry to ensure that consultation is undertaken with the neighboring First Nation communities and their representative organizations.

## BACKGROUND

This report will update the proposal furnished to the Province on July 22, 2013 and provide additional information on our current plans for the 705 acres we are proposing to buy from the Province, as well as the approximately 40 acres of Federally owned Crown lands we also hope to acquire.

Parties associated with the Company have owned property in Little Harbour since 2003, over sixteen (16) years ago, and currently own approximately 20 parcels of land, aggregating about 340 acres of contiguous oceanfront property.

The 340 acres of land and the 705 acres we hope to acquire from the Province should be more than adequate to include three public golf courses. A typical golf course covers approximately 160 acres. The combined properties, aggregating over 1000 acres, would have about 12 kilometers of ocean frontage, enabling a high percentage of the holes to be on the ocean, or with ocean views.

While many of the activities are seasonal, we are considering other year-round activities including partially enclosed computerized golf teaching sheds which are becoming increasingly common in the US.

Parts of the property include high granite outcroppings which are not ideal for golf, but would be great for residential construction, including condominiums and single-family homes. The views from these high outcroppings are spectacular.

Our current preliminary plan prepared by Gil Hanse, a highly regarded golf course architect introduced to us by Mike Keiser, has identified a site for a golf clubhouse with access to all three proposed 18-hole links golf courses. The clubhouse would include a pro shop, restaurant, and lodging which could be an inn and/or adjacent condominiums.

Subject to the prior approval of the Province in respect of any use of submerged Crown lands, we plan to provide water access for kayaks and could possibly build a marina off some of the land owned by affiliates of the Company on the Little Harbour waterfront. Murphy's Lake, a large deep, freshwater lake, is included in the Provincial land and is close to Little Harbour Road. It could be developed for other water sports, including boating and fishing.

The coastline has many unique natural features, including beautiful beaches and wonderful kayaking, which are now difficult to access because of the lack of public access/facilities which we propose to provide.

Affiliates of the Company currently own 4 houses in the area. Three are in the town of Little Harbour, are furnished, and set up as guest houses for the use of visitors, including people working on the project. There is also a motel at Webber's, about 15 minutes away, on Highway 7. The fourth house is the Gilberts' home near Long Cove and the southern facing ocean beaches, accessed by a long driveway off of Little Harbour Road. Beck Gilbert is an affiliate of

the Company and he and his wife, Kitty, own over 30 acres of land in the town of Little Harbour which would be suitable for the construction of additional houses.

A definitive, detailed construction, financial, and business plan will have to be prepared, but it is expected that the project will provide on-going employment for at least 150-200 people for the construction and operation of the golf courses and residential housing, some of which would be seasonal.

It's our hope that the project would encourage spin-off and other businesses which would provide additional jobs and benefits to the Eastern Shore and Nova Scotia. We estimate that it would take approximately three (3) years from breaking ground to complete the first course.

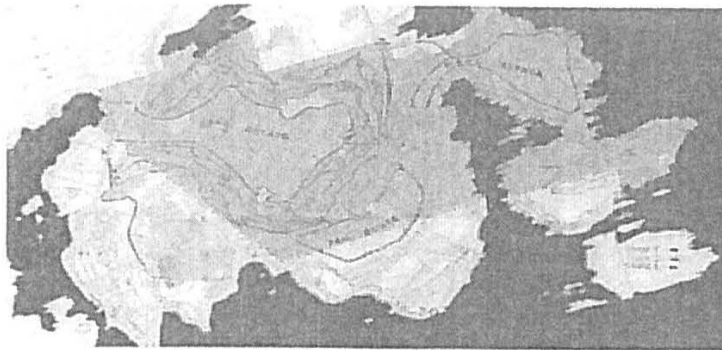
## THE GOLF COURSES

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 with over twelve (12) kilometers of oceanfront would permit almost every hole to be either on the ocean or to have a spectacular ocean view.

The Company is working with 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 Black 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 A-1, 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.

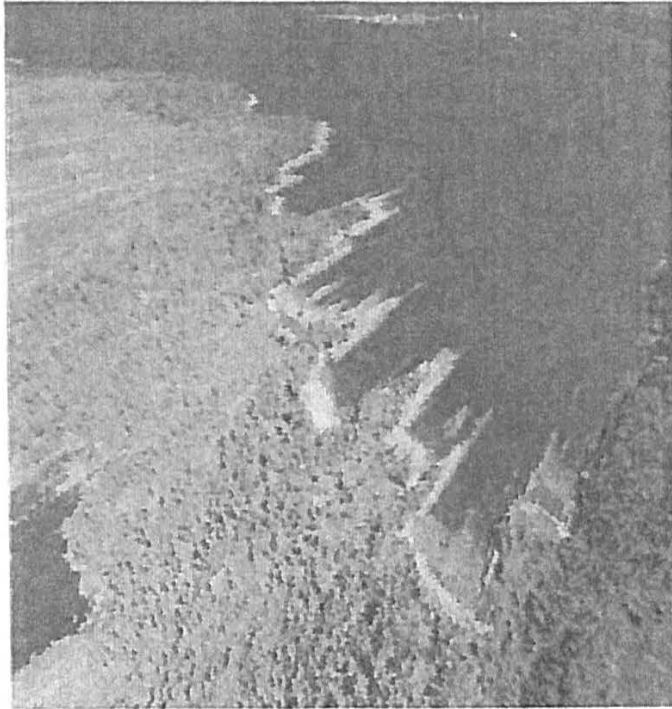


There are two potential sites for the first course to be built, one on either side of Long Cove which is partially between the two sides of the Provincial land. Both would ultimately become courses, but it's not clear which course should be built first.

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.



## 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 of 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 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.

Our current plan is to finance the development by a combination of private equity, and debt. We are looking for 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

### Subject Lands

The Subject Lands are composed of Forty (40) acres owned by Crown Transport Canada and approximately Seven Hundred and Five (705) acres owned by the Province of Nova Scotia.

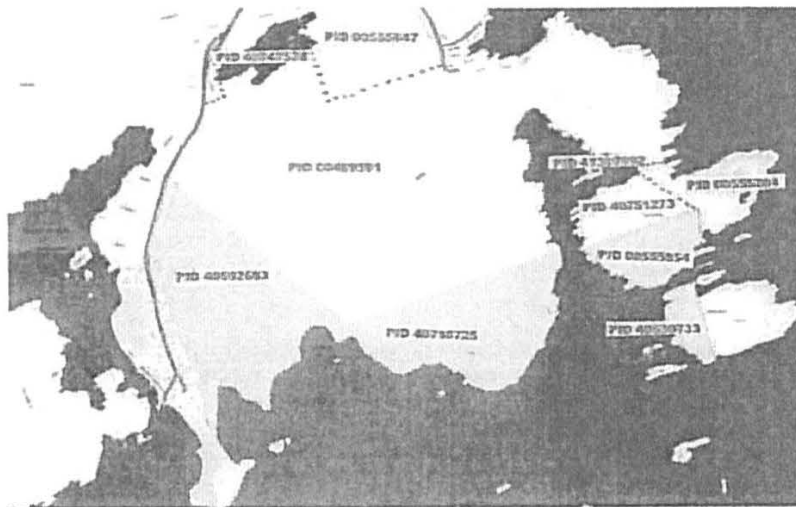
The 745 acres are more particularly set out as follows:

- Forty (40) acres owned by Crown Transport—portion of PID # 00555284.
- 705 acres owned by the Province in seven (7) parcels
  - 650 acres on both sides of Long Cove, on Southwest Cove, and on the Western shore of Ship Harbour – PID # 00489591, on both sides of Little Harbour Road
  - 20 acres including Murphy's Lake – PID # 40747578, on both sides of Little Harbour Road
  - 32 acres on the Eastern shore of Long Cove – PID # 40751273
  - 2 acres – a small island in Long Cove – PID # 41307992
  - A small island in Long Cove – PID # 41308016
  - A small island in Long Cove – PID # 41308008
  - A small island in Murphy's Lake – PID # 40747586

Attached as Exhibit A is a map furnished by the Province showing the location of the seven (7) properties owned by the Province



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 (on the lower right of the map) is owned privately and is also shown in white.



## 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, and have owned property in Little Harbour for over sixteen (16) years. They previously had a home in Glen Haven. He enjoys spending time in Nova Scotia and kayaking in Long Cove. 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 Pentech Corporation and CEO of its wholly owned subsidiary, 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 of the Board of Fellows of Harvard Medical School, a director of the Yale Cancer Center, and a member of the Council on Foreign Relations.

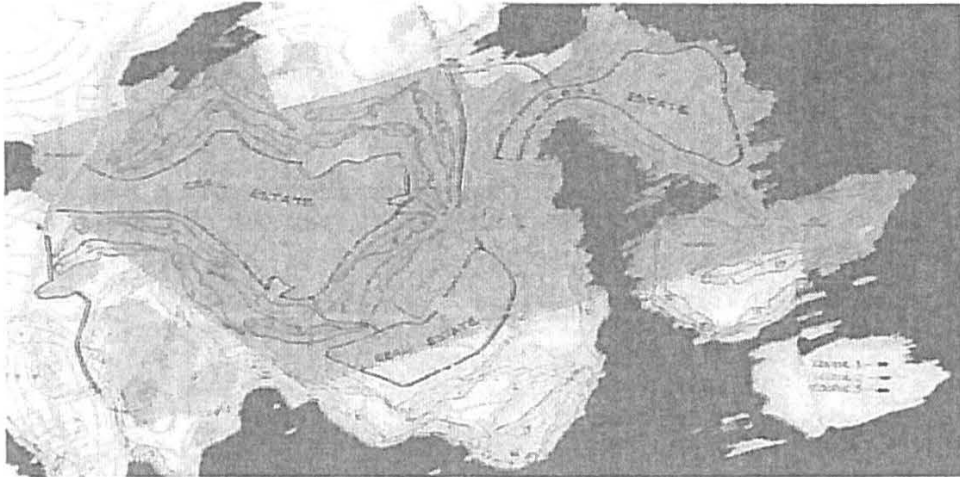
He has also served as a trustee of The Rockefeller University, treasurer and a director of the Lasker Foundation, a director of the Cancer Research Institute, founding chairman of the American Lyme Disease Foundation, and former chairman of the Lyme Disease Advisory Board at New York Medical College.

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.

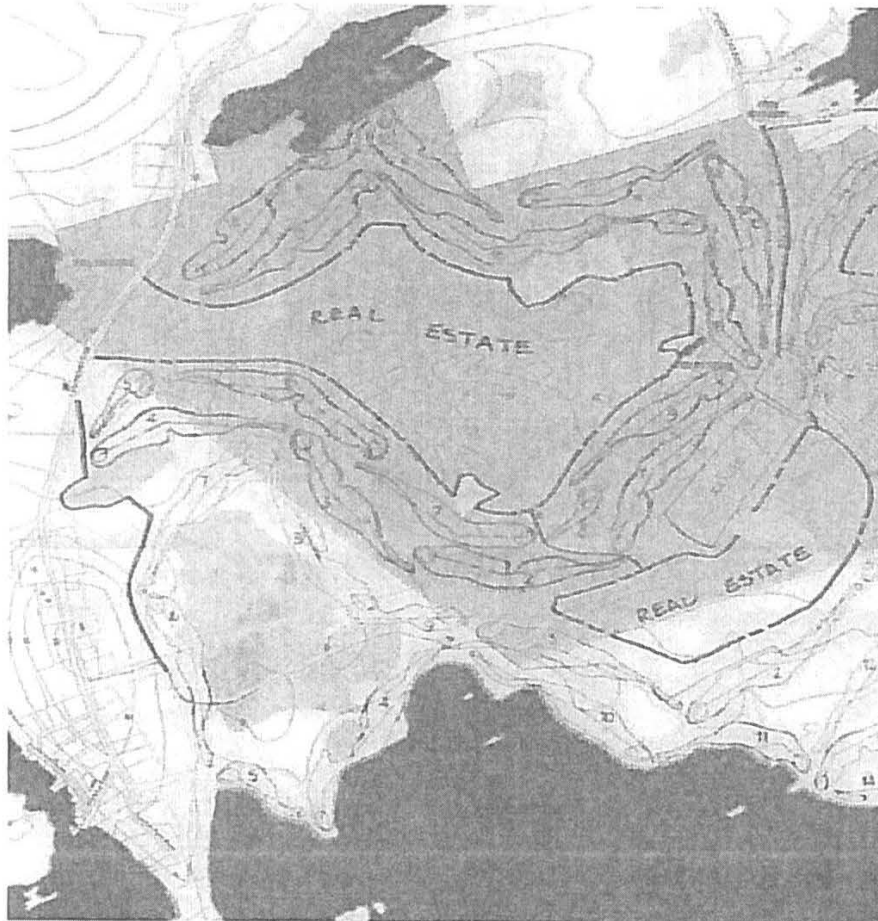
**Katharine (Kitty) Stoddert Gilbert.** Kitty is Beck's wife, and a magna cum laude graduate of Bryn Mawr College with a major in Art History, and spent her entire working career at The Metropolitan Museum of Art as the Editor of the Bulletin and the Editor of the catalogue of the Tutankhamun exhibition.

**Anthony Turner.** Anthony, a well-known businessman on the Eastern Shore, runs Gerald Turner & Son Trucking in Moser River, is a community leader in Sheet Harbour, and has managed our properties as well as providing road building services and other construction services since we bought our first property in Little Harbour over 16 years ago. He is very involved in the project.

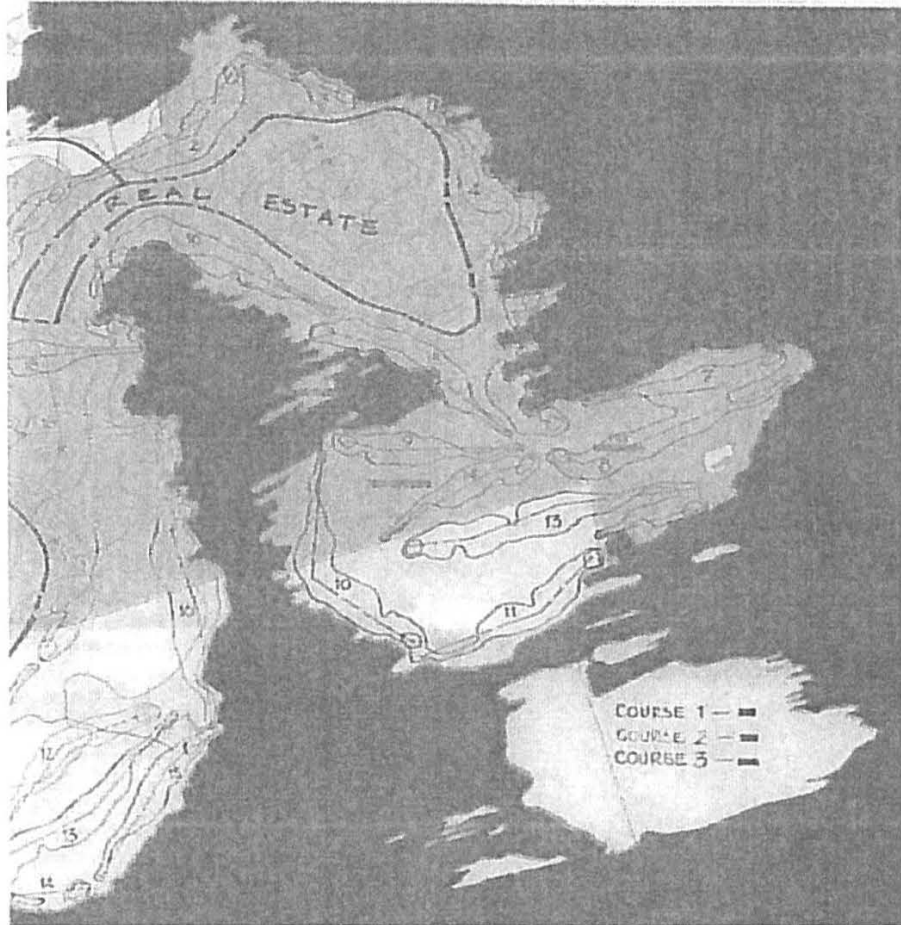
**EXHIBIT A-1**  
**Course Overview**



**EXHIBIT A-2**  
**Left Inset of Development Overview**



**EXHIBIT A-3**  
**Right Inset of Development Overview**



**EXHIBIT B**  
**Subject Lands**

