



CHRISTOPHE HARBOUR
ST. KITTS

PURCHASING REAL ESTATE AT CHRISTOPHE HARBOUR
FREQUENTLY ASKED QUESTIONS*

January 20, 2011

REAL ESTATE DETAILS

1. What type of real estate is offered at Christophe Harbour? What are the typical sizes of the various homesites?

Christophe Harbour is currently offering homes and homesites (ranging from approximately one-third of an acre to almost one acre) at Sandy Bank Bay. All zoning approvals have been completed by way of a Development Agreement we have entered with the St. Kitts Government.

All home designs conform to the Sandy Bank Bay Design Guidelines (“Design Guidelines”), and certain homesites have pre-approved schematics that are suitable for their respective terrains (i.e. Cardinal Point, Harbourside, Hillside).

Buyers may choose to use these schematics (with the firms who created the designs, such as Hart Howerton or Merrill, Pastor & Colgan, or other architects to complete the plans) **or** design their own residences consistent with the general direction and island styles suggested in the Design Guidelines and approved by the Design Review Board.

2. Is financing available?

Yes. Christophe Harbour is working closely with several well respected lenders to secure available financing options for homesite purchasers. More definitive financing details are available on request.

3. What property taxes will need to be paid after the closing?

Property owners in Christophe Harbour pay low annual property taxes equal to approximately 0.2% of the assessed value of the property.

(*Updated and expanded 1-20-11. All prior FAQs, Answers, and written or oral representations on these topics are superseded and are to be disregarded.)

Obtain the Property Report required by Federal law and read it before signing anything. No Federal agency has judged the merits or value, if any, of this property. This is not intended to be a solicitation or offer for purchase in states and/or jurisdictions where registration is required. Prices, plans, products and availability are subject to change without notice. Improvements, facilities, and programs are in formative stages and subject to change. Therefore, they cannot be guaranteed at this time. Use of recreational facilities and amenities will require separate club membership. PPAB 1568999v68

4. How will I select a builder to construct my home?

You will be free to select the builder of your choice to construct your home, subject only to approval of your plans by the Design Review Board and compliance with the Design Guidelines for each area, such as Hillside or Cardinal Point, and the Development Standards.

If requested, Christophe Harbour can provide you with a list of Preferred Builders along with the Design Guidelines and the relevant portions of the Development Standards, including the applicable building code. We will also be available to assist you through the building process. Preferred builders will be familiar with the Design Guidelines and other local requirements for constructing homes in Christophe Harbour and will be able to explain the design and construction process to you.

In future phases, villas and homes may be built by a contractor recommended or engaged by the developer and sold as a home-lot “package.”

5. Should I expect any restrictions on the construction of my home or use of my property?

Yes. All properties in Christophe Harbour will be subject to the Declaration of Covenants, Conditions and Restrictions for Christophe Harbour, which provide for carefully planned architectural and landscaping guidelines, construction standards, sharing of common area maintenance costs, appropriate easements, and other provisions regarding Christophe Harbour land usage. Copies of these Covenants and the Design Guidelines are available from the Christophe Harbour sales and marketing office.

6. Will the Christophe Harbour sales and marketing team be available to resell my home or homesite?

Yes. Christophe Harbour Real Estate Company Limited will provide all resale services to Christophe Harbour homeowners.

7. How many homes will be constructed in Christophe Harbour?

Christophe Harbour has been granted development approval for 2,000 residential dwelling units. However, it is anticipated that the actual number of homesites, homes and villas will likely be *less* than allowable to assure privacy and exclusivity. A number of neighborhoods will be gated for added privacy and security from the more active areas of Christophe Harbour.

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8. Will services be available at Christophe Harbour for maintenance and repair of my home?

Yes. Property Management services will be available to property owners for a monthly service fee.

9. Under the Covenants, may I rent out my home?

Yes. Home rental will be permitted in most neighborhoods. In addition to the optional property management services, a full-scale rental services company will provide reliable services to Christophe Harbour homeowners.

10. How may I visit Christophe Harbour?

Please contact the Christophe Harbour sales and marketing office if you would like to tour Christophe Harbour. It will be our pleasure to assist you with your reservations for travel and lodging, meet you at the airport or your port of entry, give you a personal tour of Christophe Harbour, and provide other concierge services that will help you make the most of your time in St. Kitts. Accommodations may be arranged in one of our beachfront Bungalows during your visit, subject to availability.

To schedule your Christophe Harbour visit, please contact Nathaniel Brownsdon at 843-768-5222, 800-881-7180 or Nathaniel_Brownsdon@ChristopheHarbour.com

CLOSING MATTERS

11. What is the closing process for my purchase of a homesite in Christophe Harbour?

The process is simple and straightforward. Christophe Harbour will assign you a closing concierge who will walk you through every step of the process, provide you detailed information on all aspects of your purchase, and assist with all paperwork and questions.

12. How will Christophe Harbour property be deeded to me or my company?

Following the review and approval of title by a St. Kitts attorney, title to your homesite will be conveyed to you (or your purchasing entity) by registered title pursuant to the St. Kitts Title by Registration Act (similar to fee simple title in the US). Title may be held in joint tenancy with survivorship or in tenancy in common in equal or unequal shares.

13. Do you have a closing agent? Is title insurance available?

As a buyer, your closing costs will include standard items such as: title examination fees, survey preparation, attorney's fees, stamp taxes, and title insurance premiums. Title Insurance is available.

The developer has a designated closing agent to provide administrative and closing coordination services for all sales in Christophe Harbour. You may also elect to engage this designated closing agent to provide your closing attorney and/or title insurance, or you may obtain the services of another attorney or title company to provide such services.

14. How are stamp taxes assessed for homesites in Christophe Harbour?

Stamp taxes in St. Kitts are assessed on all conveyances of real property. The initial lot sales in Christophe Harbour enjoy reduced stamp tax rates granted by the Government to Christophe Harbour. The buyer's share of stamp taxes for homesites with purchase prices up to \$2 million will be equal to 6% of the purchase price.

15. Is homeowners insurance available?

Yes. Homeowners insurance is available and will be *required* for all improved properties in Christophe Harbour. A list of insurers working with potential purchasers in Christophe Harbour will be available from your closing concierge and the Christophe Harbour sales and marketing office. Annual homeowners insurance premiums are estimated to be in the range of 1% of the value of the house depending on proximity to the ocean and the method and materials used in construction.

16. Will I need to employ a local attorney for the homesite closing?

Yes. A St. Kitts attorney is needed to assist you with the closing of your homesite purchase. As noted above, however, you may elect to use the closing agent selected by the developer. Or, of course, you may engage other local counsel of your choice. We will be happy to provide you with a list of St. Kitts attorneys upon request.

17. What are the anticipated property owners' association dues and assessments for each home?

Property owners' association dues will vary by lot type and size and are subject to change, but are anticipated to be approximately US\$2,550 per year for unimproved homesites in Sandy Bank Bay and US\$5,100 per year for improved homesites in Sandy Bank Bay. These estimates are based on the additional services to be provided to homes and homesites in the Sandy Bank Bay community in Christophe Harbour, which include *security* for the Sandy Bank Bay subdivision.

At closing, all homesite purchasers will be assessed a one-time Community Enhancement Assessment of 0.5% of their homesite purchase price to be paid to the property owners' association and a one-time contribution to the Christophe Harbour Foundation equal to 0.5% of their homesite purchase price. The Christophe Harbour Foundation is a non-profit organization and will operate to protect and enhance the cultural and recreational opportunities, ecology, educational opportunities, historical preservation, and economics of the St. Kitts community.

18. Will the materials to construct my home be subject to import duties or other government charges?

The St. Kitts-Nevis Government has agreed with the developer to *waive all import duties* on construction materials and furniture and furnishings for homes in Christophe Harbour – a significant savings. These materials will, however, be subject to a 6% customs service charge and possibly other charges (but currently capped at 8% in total).

19. Can I apply to obtain economic citizenship in St. Kitts?

Yes. Christophe Harbour is an approved project under the real estate option of the St. Kitts and Nevis Citizenship by Investment Program. With a qualified purchase, buyers are eligible to apply for the citizenship program. For more information, please visit <http://www.ciu.gov.kn/>

CLUB TOPICS

20. What is the vision for The Christophe Harbour Club?

The Christophe Harbour Club will have multiple venues where members, their families, and guests may relax, play, and socialize while enjoying golf by master designer Tom Fazio, yachting, tennis, distinctive cuisine, and other recreational and health facilities and services.

The Club will provide excellent service, privacy, and an enjoyable retreat for residents of Christophe Harbour. The experienced Kiawah Island team will be the guiding force for *all* aspects of the Club design, amenities, cuisine, operations, and services. The Club will offer both Christophe (*i.e.*, social) memberships and Golf Memberships.

21. What Club amenities and other activities are planned within Christophe Harbour?

The plans for Christophe Harbour include a mega-yacht harbour, an 18-hole championship golf course designed by Tom Fazio, a golf clubhouse and practice range facilities, and beach clubs. In addition, the developer anticipates making plans for a waterside marina village with restaurants, shopping, a yacht club, tennis facilities, fitness facilities, and a spa.

22. What recreational and social facilities will be available to members of the Club?

The Beach Club at Sandy Bank Bay, opening in 2011, will offer casual dining, pools, a fitness facility, and direct beach access. A network of trails will meander throughout the property affording various levels of activity and numerous breathtaking vantage points. With dramatic topography up to 500' above beach level, the golf course, under construction atop Priddies Plateau, will offer continuous views of both the Atlantic Ocean and the Caribbean Sea. The Club will also include superb golf practice facilities and a clubhouse at Priddies Plateau with dining and social facilities. Additional amenities will include spa and wellness, tennis courts, and a yacht club. SCUBA diving, fishing, and sailing excursions can be arranged.

23. Who is eligible to acquire a Club Membership?

Club Memberships will be available to all owners of property in Christophe Harbour and a limited number of non-property owners who are approved for membership. Each property in Christophe Harbour must have at least one, but no more than three, Club Membership(s) "attached" to the Property. Any Club Memberships not attached to a specific property will be recallable by the Club.

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24. Who owns the Club and the Club facilities?

Christophe Harbour Club Properties Limited, an affiliate of the developer, will own and operate the Club facilities. Kiawah Partners, Inc., as primary partner in the Christophe Harbour venture, will bring its decades of reliable developer expertise to this endeavor to ensure exceptional facilities and services.

25. What are the privileges of a Christophe Membership?

Each person who acquires a Christophe Membership will be entitled to use the social and other non-golf amenities of the Club as provided in the Membership Plan. A Christophe Member will be entitled to play golf at a much reduced rate (less than accompanied guest rates) per the Membership Plan. Extended family members of a Christophe Member will also be entitled to utilize the Club facilities. The Club reserves the right to limit extended family use during peak periods. Please see the Membership Plan for more specific details regarding membership privileges.

26. Who is eligible to acquire a Golf Membership?

Golf Memberships will be offered to owners of property in Christophe Harbour who are approved for membership and may, in the Club's discretion, be offered to non-property owners.

27. What are the anticipated costs for a Christophe Membership?

Christophe Members will each pay a membership deposit of \$20,000 and initial annual membership dues of \$2,500, per the Membership Plan.

28. What are the anticipated costs for a Golf Membership?

Golf Members will pay a membership deposit of \$35,000 and initial annual membership dues of \$8,250 (inclusive of the Christophe Membership dues), per the Membership Plan.

29. What are the privileges of a Golf Membership?

Golf Members will have full golf and all social privileges. Golf Members will pay no greens fees. They will, of course, enjoy advance priority sign-up privileges to reserve tee times. In addition to member-only locker rooms, the Club will sponsor various member tournaments and other events.

30. Are paid membership deposits refundable upon resignation?

Yes. The deposit paid by the initial purchaser of each Club membership will be 100% refundable. Resale purchasers of a membership (i.e., persons who acquire a resigned membership that is reissued by the Club) will receive a refund of 80% of the deposit paid upon resignation. If not earlier resigned, all initial members will be entitled to a 100% refund, without interest, of the membership deposit paid by the member 30 years after the date of their admission to the Club. Club members may choose to continue membership privileges at the end of the 30 year term by leaving the membership deposit with the Club, in which case refunds will be calculated as described above.

31. May I arrange for the transfer of my Club membership?

Generally, memberships are transferable only by resignation and relinquishment to the Club. In most instances, however, a member may “transfer” his or her membership interest to the member’s spouse or adult child either during the member’s lifetime or upon his or her death. The spouse or adult child will not pay any additional membership deposit for the membership, but a nominal administrative fee may be charged for the transfer. The transferee must submit a signed Membership Agreement and be approved by the Club for membership. If a transferee is not a property owner within Christophe Harbour, then the membership may be recallable per the Membership Plan. A membership transferred to a permitted transferee may not be subsequently transferred.

32. Who else may use the Club facilities?

Generally, a member’s immediate family, including a member’s spouse or designated “significant other,” and their unmarried children under the age of 25 who are living at home, attending school on a full time basis, or serving in the military, will be entitled to use the Club facilities with the same privileges as the member.

Extended family members, including a member's parents, adult children, and grandchildren, will also be entitled to use the Club facilities, as provided more fully in the Membership Plan. If these extended family members wish to play golf, they may play at the reduced rate for Christophe Members.

Members may have accompanied guests use the Club facilities upon payment of applicable fees in the Club rules. Any guest privileges allowed by the Club will be in accordance with the privileges of the sponsoring member. The Club may also permit members to sponsor unaccompanied guests from time to time.

Lessees of residences owned by Club members for longer than 90 days will be allowed to use the Club facilities if the lessor member registers the lessee with the Club, agrees that such member will not use the Club facilities during the term of the lease, and that the member will be responsible for all of the lessee's unpaid fees and charges at the Club. (The length and terms of the lease must also comply with any requirements in the Covenants.)

In addition, guests staying at the hotels planned for Christophe Harbour (and other non-members) may be permitted to use the Club facilities for a daily fee, on a space available only basis. A separate, weekly amenities access fee may also be charged.

33. If an entity becomes a member of the Club, who is entitled to use the membership?

If a Club membership is issued in the name of an entity, the entity must designate one person as the "Designated User" of the membership. The Designated User shall have all of the use privileges of individual members, including immediate family and extended family privileges, and guest privileges. The entity may change the Designated User not more often than once per calendar year upon payment of an administrative fee.

LIFESTYLE

34. What, generally, are the annual weather conditions in St. Kitts?

St. Kitts maintains a moderate tropical climate with an average air temperature of about 84 degrees, with water at the surrounding beaches just a few degrees cooler. Sea breezes keep the island relatively cool throughout the year, especially at night.

35. Are boat slips available in Christophe Harbour for sale or rental?

Yes. The plans for Christophe Harbour's Marina call for, at build out, 250-300 or more boat slips, including several designed to accommodate vessels greater than 250 feet. Limited boat slips are available for purchase at discounted pricing for our Founders. The current plan is for the remaining slips to be leased.

36. What taxes and duties will yacht owners be subject to?

By special arrangement with the Government of St. Kitts and Nevis, Christophe Harbour yacht owners will be 100% exempt from import duties, consumption taxes, and customs duties with respect to vessels docking at the marina, a significant savings. The government has agreed to maintain these exemptions for at least 20 years.

If you would like to explore either purchasing or leasing a marina slip and receive additional information on the planned Christophe Harbour marina, please contact Christophe Harbour Real Estate at (843) 768-5222, (800) 881-7180 or info@ChristopheHarbour.com.

37. How far is the nearest hospital to Christophe Harbour? Will there be medical facilities at Christophe Harbour?

JNF General Hospital is approximately 20 minutes from Christophe Harbour by automobile. The hospital's facilities offer 265 beds and a fleet of seven ambulances. Also, air ambulance services are in place to San Juan and Miami.

38. What utilities will be available at Christophe Harbour?

Homeowners in Christophe Harbour will have access to customary utilities, including electricity, water, telephone, satellite television, internet service, and access to individual or public waste water systems depending on your location within Christophe Harbour. No arrangements for natural gas have been made as of yet.

39. What services are available on island (shopping, etc.)?

Basseterre, the capital of St. Kitts, and other areas around St. Kitts offer many small shops and malls carrying a wide assortment of art, Kittitian delights, and handicrafts. Duty free shops line the Circus at Basseterre, offering crystal, china, porcelain, gold and silver jewelry, tobacco, liquor, watches, leather goods, and more. St. Kitts has excellent cell phone, data transfer, and internet

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services and a wide variety of recreation services, including boating, snorkeling and many other activities.

40. Will Christophe Harbour have private security services?

Yes. Christophe Harbour will have a Homeowners' Association managed security program and team on the resort property.

41. May I bring pets to and from St. Kitts?

Yes. St. Kitts is a pet-friendly island and has protocols in place to facilitate those who would like to travel with their cats and dogs. Copies of the form that must be completed to bring your cat or dog with you are available from the Christophe Harbour Development Company office.

GENERAL

42. How many beaches are at Christophe Harbour?

Christophe Harbour enjoys 13 miles of coastline, including seven beaches.

43. What is the current status of planning and construction at Christophe Harbour?

Infrastructure is complete within Sandy Bank Bay, and the Sandy Bank Bay Beach is under construction and due to open in 2011. Intensive planning and engineering studies are ongoing, and the first phases of construction are underway for the Tom Fazio golf course and the mega-yacht harbour. Several homes have been completed, with more under construction and under review by the Design Review Board.

44. Who are the development team members for Christophe Harbour?

The development team of Christophe Harbor is led by Kiawah Partners, Inc. of Kiawah Island, South Carolina ("KP"). For over two decades, KP has won accolades and acclaim for its successful development of the luxurious Kiawah Island resort and residential community on the South Carolina coast which has the five-star, five-diamond Sanctuary hotel and seven championship golf courses, including Pete Dye's Ocean Course, host of the 1991 Ryder Cup Matches, the 2007 Senior PGA, and future host of the 2012 PGA Championship. KP also operates the private Kiawah Island Club with an array of amenities including golf by Tom Fazio

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and Tom Watson, clubhouse amenities by Robert A.M. Stern and Bernard Wharton, Sasanqua Spa by Clodagh, and The Sports Pavilion by John Denton Haley.

Over the last decade, KP has applied its vision and development expertise to creating the five-star Lodge at Doonbeg in County Clare, Ireland. The Lodge includes spectacular amenities, such as a Greg Norman-designed links course (named in 2002 by *Golf Digest* “Best New International Course”) and White Horses Spa (named to *Condé Nast Traveler’s* “Hot Spa List 2007”). The Lodge at Doonbeg has won numerous accolades since opening 2 years ago, including: Inaugural winner in 2007 of the Irish Golf Tour Operators Association award for “Best Resort of the Year;” Hospitality Ireland 2007 named The Lodge “Best Resort Hotel” in Ireland; and *Cigar Aficionado* in 2007 named it the “Best New International Golf Resort.”

KP has been assisted at Christophe Harbour by Levy Family Partners, Fazio Golf Course Designers, and a host of leading environmental, legal, engineering, construction, landscaping, planning, banking, and architectural firms, including Hart Howerton, architects and planners; Permar; Design Works; Sutherland; Parker Poe Adams & Bernstein LLP; Kelsick, Wilkin & Ferdinand; Thomas & Hutton Engineers; Applied Technology and Management; and Dwight Francis.

45. Who is providing the project financing?

Christophe Harbour is currently funded by developer equity and financing from Bank of America, N.A.

46. What form of government exists in St. Kitts?

The Federation of St. Kitts and Nevis is a sovereign democratic federal state with membership in the British Commonwealth. Queen Elizabeth II is the symbolic head of State and is represented in the Federation by a Governor-General. The legal system is based upon English Common Law with local statutes. The Federation has a bicameral legislature comprised of an 11-member senate appointed by the Governor-General and an 11-member popularly elected House of Representatives. The Prime Minister, the Honorable Dr. Denzil L. Douglas, is the leader of the majority party of the House of Representatives, and, along with the Cabinet, conducts affairs of state.

47. How do I get to St. Kitts? How long is the airport runway?

The Robert L. Bradshaw International Airport (SKB) on St. Kitts is acclaimed to be the best mid-size airport in the Caribbean. A major renovation was completed in 2006, which included

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complete resurfacing of the 8,000-foot runway and construction of a new taxi-way. Direct flights are available from New York, London, Miami, Charlotte, Atlanta and San Juan.

Private aircraft may take advantage of expedited customs and immigration services. The developer has received the commitment of the Government of St. Kitts and Nevis for the establishment of a general aviation fixed base operation (FBO), as well as a separate lounge and immigration office for the convenience of guests arriving by private aircraft.

Currently, Port Zante in St. Kitts, a deepwater cruise-ship and cargo port located in downtown Basseterre, also has a marina to accommodate yachts and other small craft arriving in St. Kitts.

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