

CORE FACILITIES:

There are three separate businesses within the project:

- Harbor Terrace Campground
- San Luis Bay Restaurants
- Harbor Seal Gift Shop

HARBOR TERRACE CAMPGROUND AND OVERNIGHT ACCOMMODATIONS

The build out of the campground follows the EIR outline dated September 2014. All campsites will include a picnic table and fire pit. In addition, at least one of each unit type and our bathroom facilities will be ADA compliant.

It includes the following facilities:

- 80 Full Hookup Sites - W/S/E, 50 amp, 30 amp, and a 20 amp receptacle with accent lighting.
- 15 RV/Cabin sites - A mix of Safari Tents and RV Lap sided full service cabins that include bathroom/shower, small kitchen with refrigerator, and A/C and heat.
- 31 Motel Units – 400 sq. ft. RVIA certified cottages with lofts, a full bathroom with shower, separate bedroom, full kitchen and living space, and an outdoor deck/terrace with BBQ. All have A/C.
- 35 Car Tent Sites – Limited utility, possibly a 110 V 20 amp pedestal at each site with a common water spigot for each 7 sites.
- 21 Primitive Bike and Walking Sites. Site delineation will include natural and indigenous shrubbery.

Restroom and Laundry - There are 4 buildings that include bathroom and shower facilities. 3 of the 4 buildings will have a public laundry facility for campers that includes coin and electronic card operated machines built into the design. The 4th bathroom will have a commercial washer and dryer for housekeeping use.

Swimming Pool Complex - The project includes a swimming pool with an infinity effect that appears to flow into the bay. This pool will be available at no additional charge to camping guests. It may have a daily fee for “day use” guests depending on availability.

Picnic Grounds - The picnic amenities will be available for day guests and currently have no fee attached.

Revenue Stream - The revenue stream from each of the different types is defined in the pro-forma with assumptions made on a separate sheet and in the individual cells. In general, the projected rates allow for an increase over the current amount the guest currently pays. This takes into consideration the projected opening date in 2017 and the added cost of marketing the project and a level of service that is not present today.

Rates - In spite of the new rates, we’ve been able to keep the product costs within the reach of the targeted audience. These rates are in line with what HWV currently collects in a very competitive market in the Buellton/Solvang/Santa Barbara area. Lake Cachuma, in Santa Barbara County, currently charges \$52.50 for a two night stay in a tent site. Our projected day rate 2 years from now (opening year) is \$35.00 per night.

Accommodations - The cabin and Yurts at Lake Cachuma are bare bones accommodations. The only cooking allowed is on a hotplate in the single cabin. They do not allow cooking in any of the yurts. Cooking will be allowed in each of our rental accommodations with the exception of the Safari tent. It will have a bathroom with shower and a small kitchenette with sink, coffee service, microwave and refrigerator.

Occupancy - Current occupancy as stated by the Harbor manager is between 70% and 75%. We project occupancy in the RV and Cabin sites at 85% based upon the robust marketing program dovetailing on our current programs for HWV. These projections reflect what we currently experience at our Flying Flags RV Resort in Buellton, CA.

Public Parking Lot:

48,000 sq. ft. public parking lot with landscaping per the September 2014 EIR. This lot has a 160 car capacity with rates reflective of a similar public lot in Avila Beach. Their rate is \$5.00 per day. Our projections are at \$5.00 per half day and \$7.50 for a full day.

Harbor Use Area:

- 70 spaces for trailer boat storage projected at 80% occupancy (same as current run rate stated in 2008 EIR). Current rate is \$52 per month (stated in 2008 EIR) with a projected increase to \$100 per month.
- 25 space laydown yard (1.05 acre) projected at 80% occupancy, same as current run rate stated in 2008 EIR. Current rate is \$40 per month (stated in 2008 EIR) with a projected increase to \$50 per month.
- 20 Marine gear storage units projected at 80% occupancy (same as current run rate stated in 2008 EIR). 2008 EIR states an average of \$160 per unit. Our projections are at \$200 per unit at opening, 9 years after the original projections in 2008.
- 3000 sq. ft. building with cement building pad and utilities stubbed to it for harbor use. The pad is designed for a 2 story 6000 sq. ft. building.
- 10,000 sq. ft. expansion area with no improvements other than compaction and leveling with drainage.

Visitor Serving Commercial Uses:

The September 2014 EIR asks for 16,000 sq. ft. of commercial common space for the visiting guests with space for picnic areas, a pool, an administrative check in/front desk, meeting rooms, restrooms, a gift shop, a manager's apartment, and restaurant.

The plan as presented by RTA reflects that square footage and is broken down as follows:

• Check-In office	1000 sq. ft.
• Harbor Seal Gift shop	1000 sq. ft.
• 4 Concept Restaurants	7000 sq. ft.
• Meeting Room	800 sq. ft.
• Picnic area (at pool area)	1500 sq. ft.
• Pool Complex	<u>4000 sq. ft.</u>
Total Sq. Ft.	16,000

The Check-In office will be where arriving guests check in to their campsite or rental accommodation. Each guest will be required to pay for their entire stay at check-in. The space will be common to the Harbor Seal gift shop with definition provided by a glass wall or other type of retractable separation. Combined the common space will be 2000 sq. ft. and also have restrooms. Both are fully ADA compliant.

SAN LUIS BAY RESTAURANTS

The Restaurants will be a tremendous amenity to Harbor Terrace and the surrounding area. We envision having four concept restaurants for the campers and day use guests. The reasoning behind this approach is to ensure that a family camping can eat at any one of the restaurants during their stay and be provided with

numerous convenient dining options on-site. Three of the restaurants will have a walkup counter and a front line for food preparation per order. All will share a common kitchen facility in the back for preparation and storage purposes. Seating will be provided in front of the restaurants with 80 seats per concept (240 total).

Hours & Pricing - Each restaurant will be open from 11:00 am until 9:00 pm. Prices will range from \$6.95 for children's meals to \$14.95 for entrees with the exception of sushi which will be market priced. Menu items can be ordered a la carte or as a meal.

Concept Restaurants - It is anticipated that we can rotate other concepts into the space seasonally. Initially, the three concepts restaurants are:

- A fish bar serving fish and chips, chowders, slaw, Crab Louie and soft serve ice cream.
- A Mexican restaurant with Baja fresh salsa bar, fish, beef and pork tacos, burritos and frijoles.
- A Sushi bar with nigiri, fresh rolls, and sashimi.

Additional Concepts - The rotation of other concept restaurants can include wood-fired pizza, a sandwich/wraps shop, a burger bar, and a standalone hand dipped ice cream shop.

Restaurant Operations - All restaurants will utilize a POS system designed for this purpose. Inventory control, portion sizing and item selection/market share will make management constantly aware of item popularity (sales mix) and help keep food costs easily managed. We currently use an Aloha POS system in other operations. Food costs are anticipated to be in the 28% range for these concept restaurants.

Full Service Restaurant - The 4th restaurant of the group will be a full service sit down restaurant with seating for 120. It will serve breakfast, lunch, and dinner with beer and wine offerings. The menu will feature fresh local seafood purchased from the fish shop on the pier and select beef items. In addition, it will serve the same

chowder as the fish bar and offer some of the same items from the concept restaurants. The average per person ticket price is expected to be in the \$30 per person range.

Cost Assumptions - Overall for the three concepts, the combined food and liquor costs are expected to be 30%. Labor costs for the group is also projected at 30% which includes employee benefits at 25% of the gross labor dollar. The rest of the operating costs are comparable to the industry standard and in line with our experience.

HARBOR SEAL GIFT SHOP

The Harbor Seal Gift Shop will display and sell kitsch from both area and local artisans. In addition the store will provide RV supplies as well as consumables for campers. This should help in limiting traffic to local stores for items left behind. Sales are projected at \$600 per sq. ft. which means items are well within reach of the campground guests. Retail sales in gift shops nationally range as high as \$1300 per sq. ft. The gift shop will also sell beer and wine.