



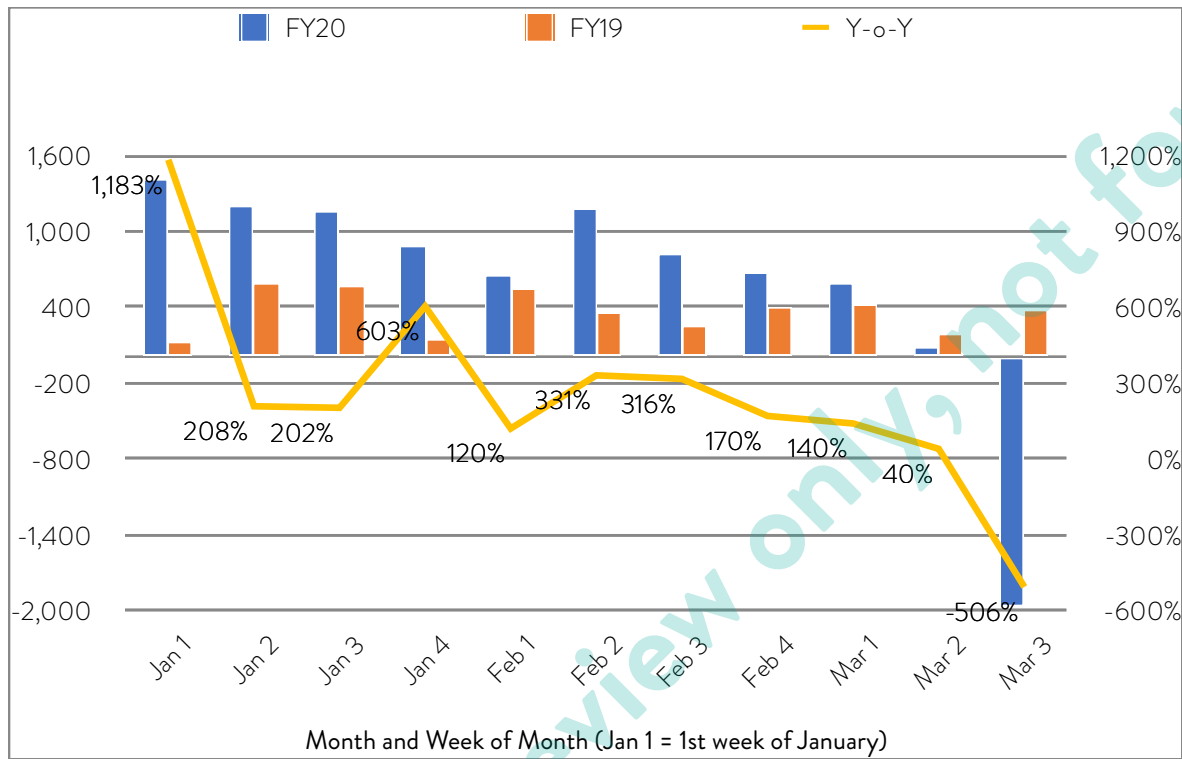
MAHOGANY BAY
VILLAGE

OWNER'S REPORT
1st Quarter 2020

Welcome to the Q1 2020 Owner's Report.

In the highest revenue quarter of the year MBR's revenue grew 116% year over year (Y-o-Y) while Belize tourism fell 21% due to the COVID19 virus; Net Profit was \$492,774 for Q1. 2020 was the year to grow from the foundation of the previous year and continue to grow our market share and overall profitability through prudent management and an aggressive sales and marketing approach.

At the start of the quarter, MBR had 7,038 room nights On The Books (OTB) for 20Q1 and by the end of February this had grown to 10,532 (breaking 10k room nights in a quarter) and over \$2.1m in room revenue (breaking \$2m in a quarter). Our pick up on weekly room night reservations averaged 1,164 in January and 835 in



February — >400% over the prior period — the Sales formula was working perfectly and MBR was on its way to a \$7.4m Room Revenue, ~38,000 room nights and projected net profits of \$1.994m for 2020. And then the 3rd week in March happened. In one week we lost 1,960 room nights and have lost more than ~5,700 room nights for the entire 2020 calendar year.

Even with the profound cancellations (1,992 room nights) for the quarter and operations prepared for record breaking results for this and future quarters (Easter week was fully booked), the property was able to return significant profit to our Owners.

Here's what we know, we have the product and sales formula to make MBR the leading property in Belize for the foreseeable future AND we have the team and infrastructure to deliver a product that drives 4.8 ratings and Owner profits. Once the airport is opened again, we

together will bring these results in the future.

Thank you all for your continued support of the property and please make a reservation for the coming year to enjoy MBR...

Beth Clifford, CEO

CONTENTS

This report is for all Unit Owners situated at Mahogany Bay Village and encompasses the revenue and expenses for the Development during the period January 1, 2020 to March 31, 2020. This report is broken down into two sections:

Financial Performance

Highlights the Revenue and Expense activities for the period and year to date, including the RMA Maintenance & Utility Expenses and the PMA Maintenance & Utility Expenses.

Profit & Loss Report

The methodology used in previous audited quarters has been 100% adhered to in this report period. The fiscal year will be audited by the independent third party auditing firm, Moore Stephens upon the completion of the year and be part of the 20Q4 report.

Statistics

Quantitative information regarding the market, sales and other metrics for the period, including a narrative describing the statistical information. You might consider having the narrative available while reviewing the graphic information. The narrative from 19Q2 is valid for this reporting period and will only be updated when a significant change in the reporting statistics is done.

Financial Performance

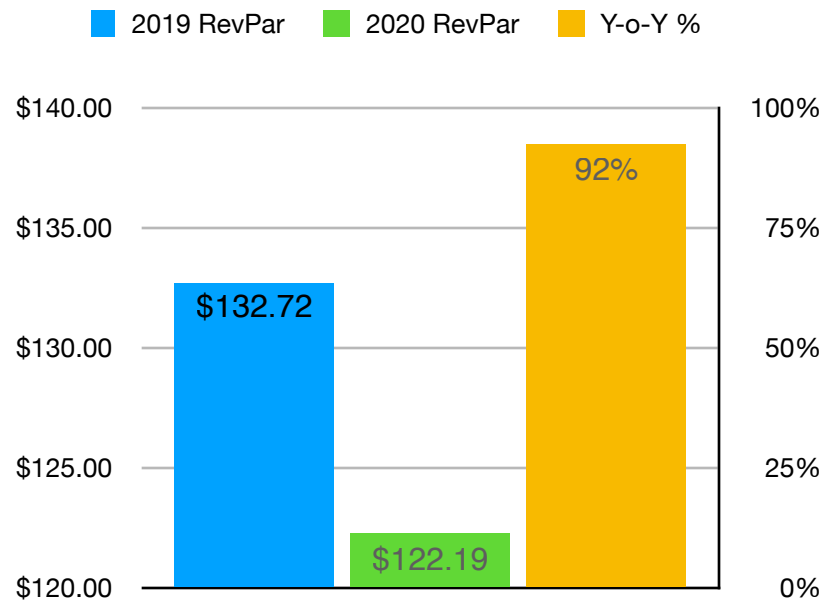
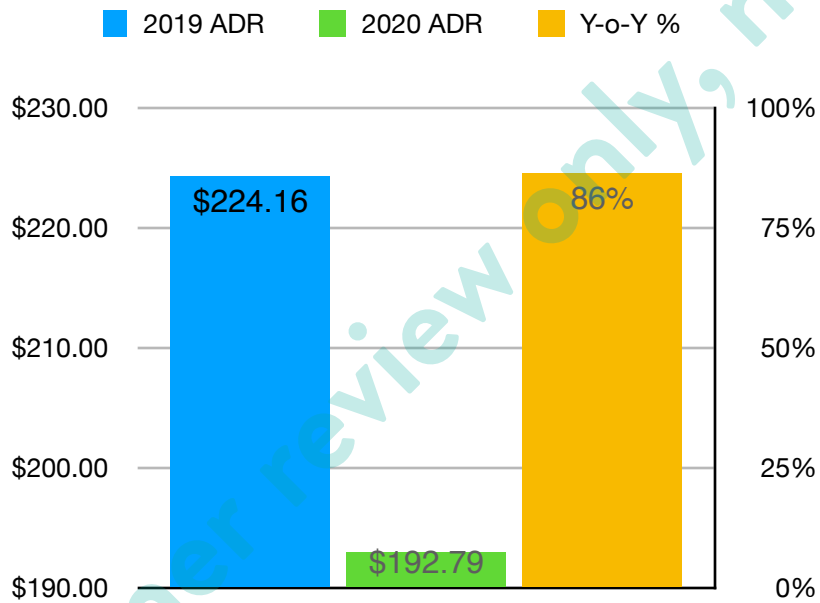
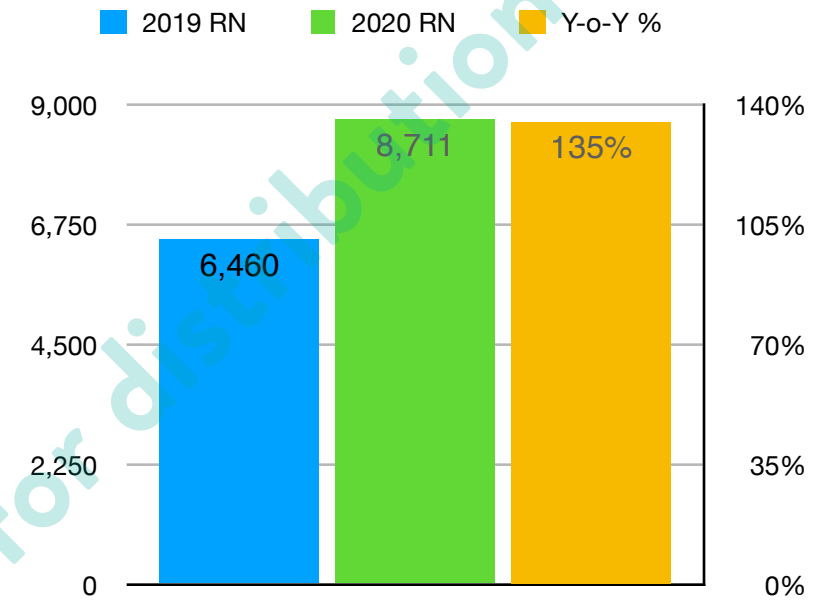
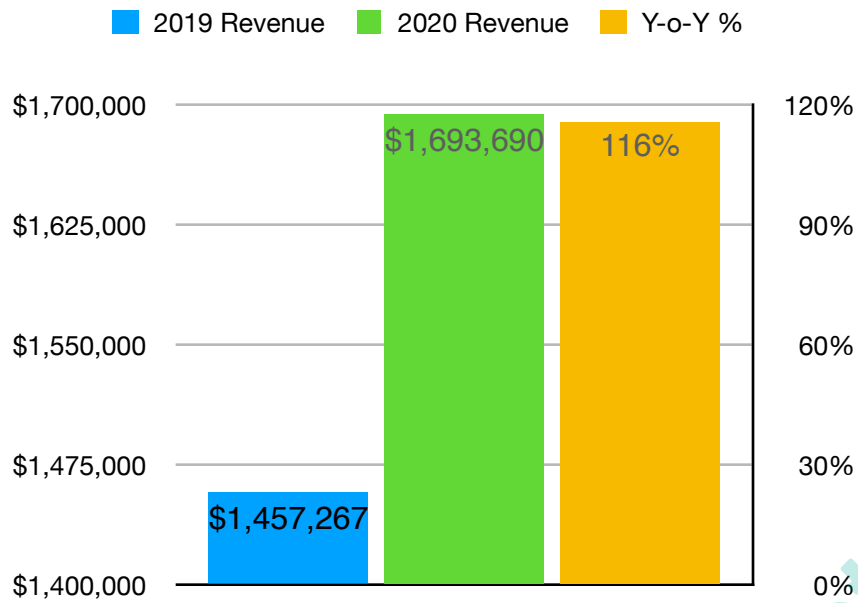
I'd like to share some insights on the quarter in a SWOT format.

STRENGTHS	WEAKNESSES
Moderate revenue growth 116% for the quarter	Too many guest complaints to Hilton
Excellent GS&A expense control (FY20 < FY19 on both absolute and relative measurement)	
Strong growth for Coastal Living bookings	
Market domination in market share	
OPPORTUNITIES	THREATS
Continue to drive M&U expenses down	COVID19 shut down of all Belize borders

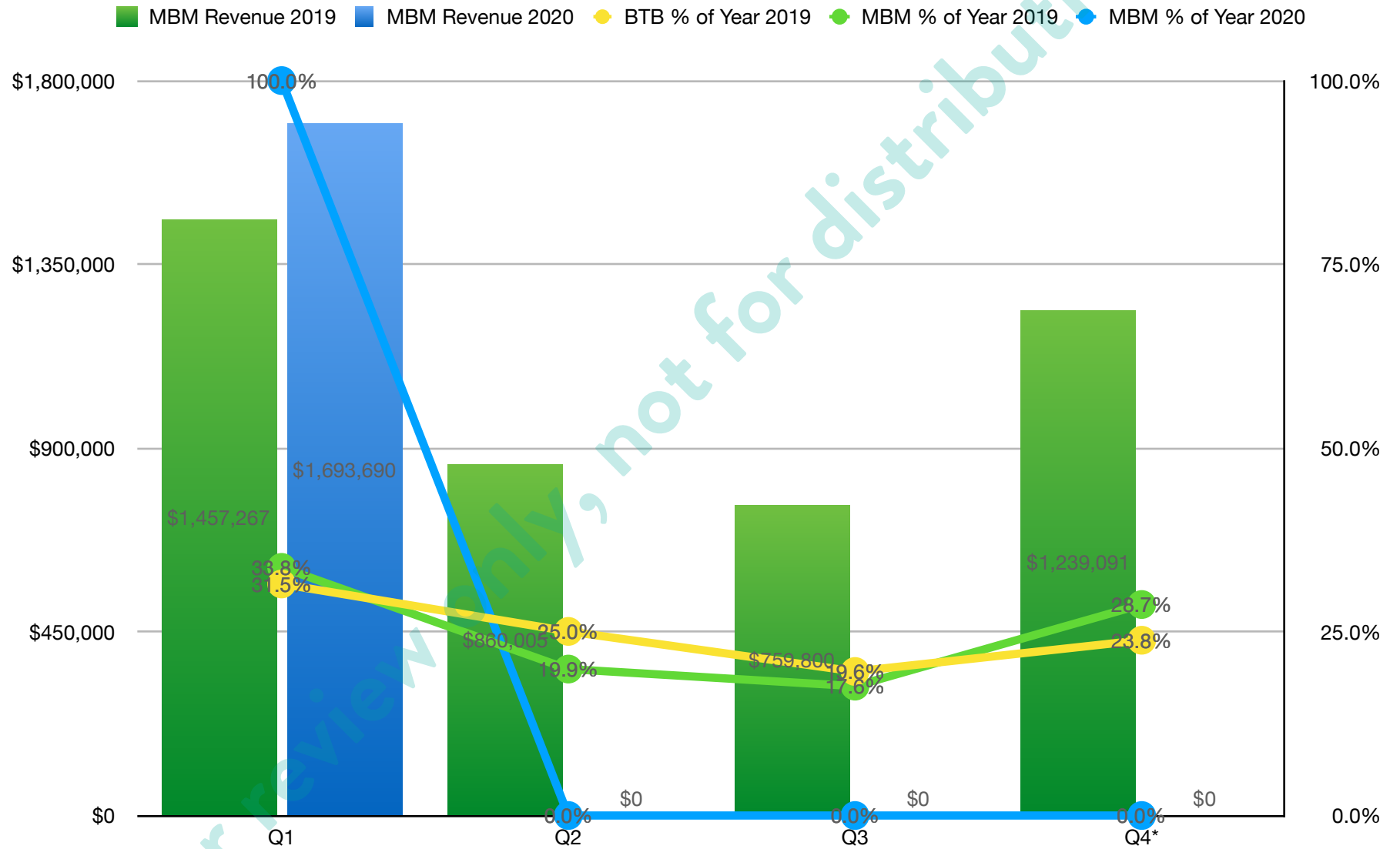
In each quadrant I highlight in red the 'top' items that most highly impacts performance.

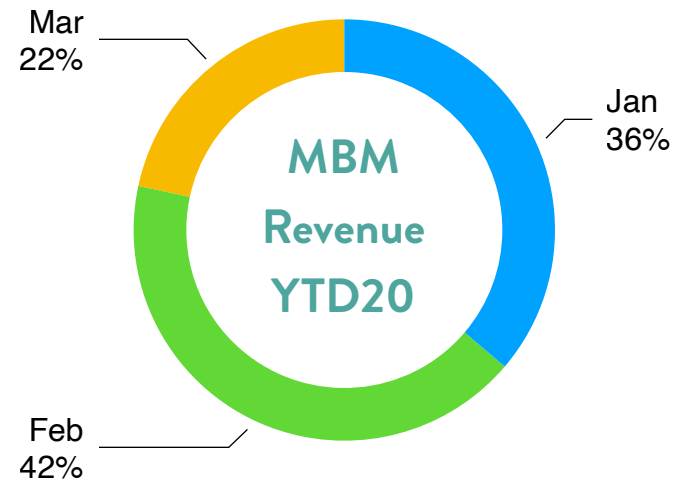
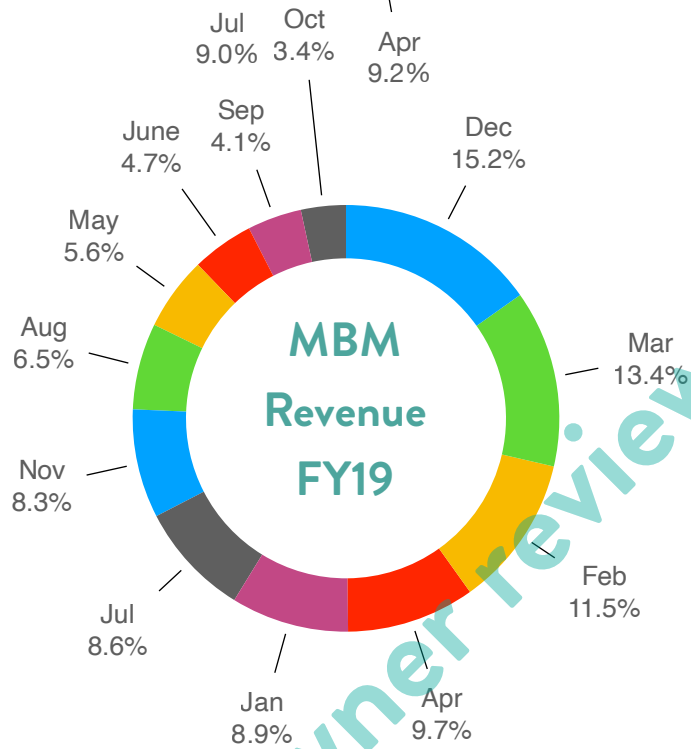
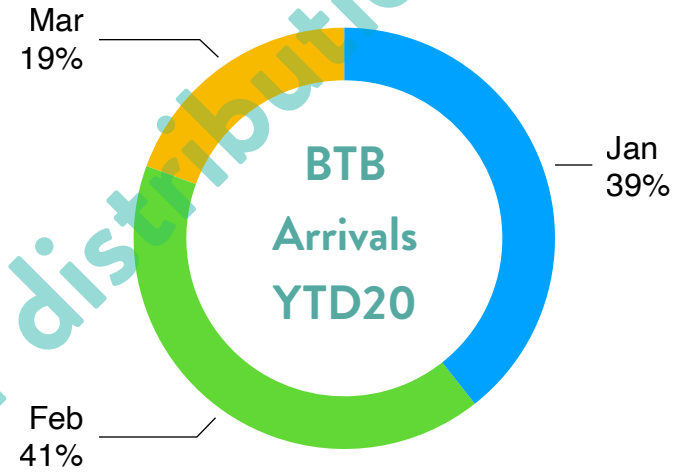
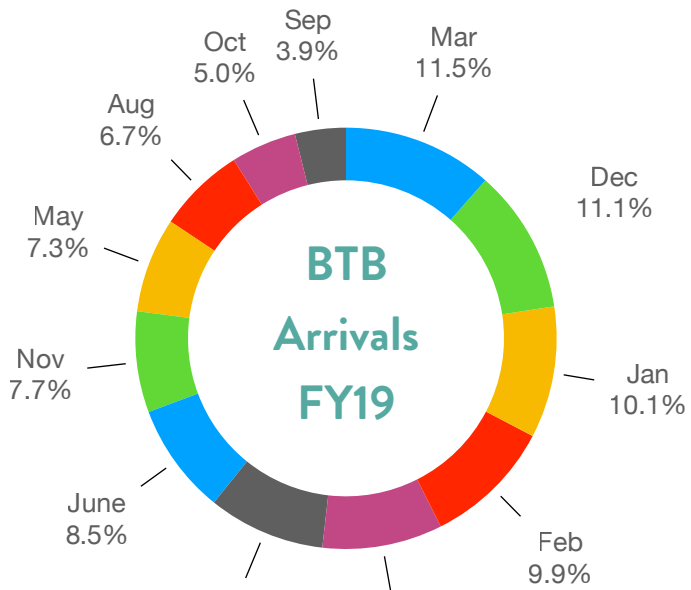
Once in the weakness category, MBR is finding the groove for sales of all unit types, including the Coastal Living product. Expansion of marketing into AirBnB and OTA platforms has broadened our global potential market and driven new revenue channels. With the consistent ranking of #1 hotel in Belize on a monthly basis, measured by revenue by the BTB, competitors are now VERY aware of MBR and we see some positioning and digital strategies to counteract our pricing and marketing strategies. Our dynamic pricing engine and diligent oversight of bookings by our Hilton Revenue Management team is priceless in driving revenue growth and is a competitive advantage for MBR.

The team on the ground continues to excel at finding cheaper and better ways to deliver a consistently higher quality of service each month. Internally, profitability metrics are reviewed on a bi-weekly basis and now with two full years of data in place, all departments harvest data to measure key performance indicators (KPIs) on a daily basis regarding revenue penetration for each revenue center while guests are on the property. Not only does this increase the overall revenue of MBR, but also yields opportunities to introduce more experiences for our guests to enhance their stay at MBR.



Quarterly Patterns - BTB Arrivals and MBM Revenue





Profit & Loss - Summary

1st Quarter

	19Q1	19Q1	20Q1	20Q1	Y-o-Y%
Revenue					
Room Revenue	\$1,441,872		\$1,646,680		114%
Hilton Redemption/Points	\$15,395	1.1%	\$47,010	2.9%	305%
Total Revenue	\$1,457,267	100%	\$1,693,690	100%	116%
Department Expenses					
Rooms	\$208,674	14.3%	\$244,221	14.4%	117%
OTA Commissions	\$47,368	3.3%	\$41,109	2.5%	87%
Franchise Fees	\$111,340	7.6%	\$179,206	10.6%	161%
Total Department Expense	\$367,382	25.2%	\$464,536	27.4%	126%
Gross Profit	\$1,089,885	74.8%	\$1,229,154	72.6%	112.8%
Other Operating Expenses					
General	\$73,477	5.0%	\$91,247	5.4%	124%
Sales	\$89,589	6.1%	\$53,575	3.2%	60%
Administrative	\$150,842	10.4%	\$132,471	7.8%	88%
Total SG&A Expenses	\$313,908	21.5%	\$277,293	16.4%	88%
RMA Maintenance & Utility Expense	\$121,626	8.3%	\$182,875	10.8%	150%
PMA Maintenance & Utility Expense	\$61,061	4.2%	\$78,026	4.6%	128%
Total Maintenance & Utility Expenses	\$182,687	12.5%	\$260,901	15.4%	143%
Gross Operating Profit	\$593,290	40.7%	\$690,960	40.8%	
MBM Management Fee	\$291,453	20.0%	\$169,369	10.0%	58%
Corporate Tax	\$25,014	1.7%	\$28,817	1.7%	115%
Net Profit	\$276,823	19.0%	\$492,774	29.1%	

Profit & Loss - Detail

1st Quarter

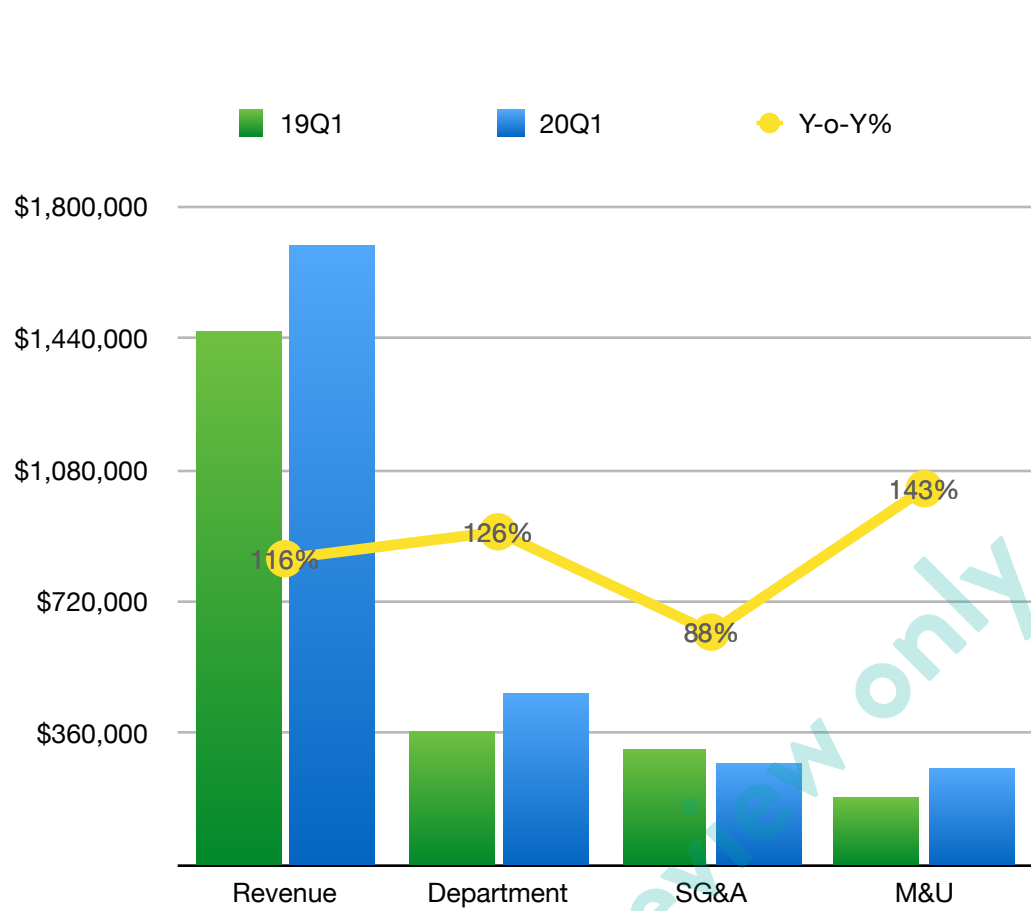
Mahogany Bay Management, Ltd		
RMA Owners Report		
January to March 2020	20Q1 Total	
Revenue		
40001 Hilton Room Revenue	\$ 1,646,680.35	
Hilton Honors Points	\$ 47,009.92	
Total Revenue	\$ 1,693,690.27	100.0%
Department Expenses		
Rooms		
50301.1 Housekeeping Labor	\$ 69,516.69	
50301.3 Front Desk labor	\$ 29,653.45	
50301.2 Reservation labor	\$ 11,517.62	
50301.4 Boat Captains Labor	\$ 7,161.13	
Total 50301 Labor	\$ 117,848.88	
50302 Housekeeping Supplies	\$ 18,574.26	
50303-1 Laundry Supplies	\$ 8,168.10	
50303-2 Laundry Butane	\$ 14,457.46	
50307 In room Amenities	\$ 21,758.85	
50308 Room Compensation	\$ 13,970.70	
50309 Front Desk Supplies	\$ 10,245.44	
50311 Front Desk Valet Expense	\$ 10,527.78	
50313-1 Boat Fuel	\$ 26,219.04	
50313-2 Boat Rental	\$ 2,450.00	
Total Rooms	\$ 244,220.50	14.42%
50304-1 OTA Fees	\$ 31,813.23	
50304-3 GDS Fees	\$ 9,295.99	
50304-2 Hilton Franchise Fees	\$ 179,206.41	10.58%
Total Department Expenses	\$ 464,536.13	27.4%
Gross Profit	\$ 1,229,154.15	72.6%

Other Operating Expenses		
60002 Hilton Revenue Management	\$ 12,110.32	
60051 Advertising Expense	\$ 11,927.67	
60052 Signage Expense	\$ 897.75	
60054 Outbound Advertising	\$ 28,639.32	
Total Advertising & Promotion	\$ 41,464.74	
Total 60000 Sales Department Expenses	\$ 53,575.06	3.16%
61101 Executive Salaries	\$ 35,697.98	
61102 Finance Dept. Salaries	\$ 14,632.33	
61103 Human Resource Salaries	\$ 3,407.15	
61104 IT Labour Exp	\$ 9,474.44	
61105 Owner Relations Salaries	\$ 6,737.50	
Total 61100 salaries	\$ 69,949.39	
61202 Training Expense	\$ 548.18	
61203 Staff Meals	\$ 23,946.39	
61204 Uniform	\$ 25,704.70	
61206 Staff Recognition	\$ 589.46	
Total 61200 HR & Staff Cost	\$ 50,788.73	
61303 Audit fees	\$ 2,910.00	
61400 Telecommunication -Managers	\$ 2,757.64	
61600 Travelling Expenses	\$ 6,065.16	
Total 61000 Administrative Expense	\$ 132,470.92	7.82%
62002 IT Equipment Expenses	\$ 767.82	
62003 Public Liability Insurance	\$ 847.09	
62005 Postage Expense	\$ 165.38	
62009 Entertainment Expense	\$ 267.27	
62010 Donation Expense	\$ 6,771.53	
62011 Decoration Expense	\$ 228.48	
62016 Rent Expense - SP Downtown Office	\$ 2,894.07	
62021 Credit Card Fees	\$ 57,633.81	
62020 Bank Service Charge	\$ 375.50	
62023 Stationery/Printing Supplies	\$ 3,261.48	
62024 Software Expenses	\$ 13,042.95	
62025 Corporate Governance	\$ 4,991.70	
Total 62000 General Expense	\$ 91,247.08	5.39%
Total Other Operating Expenses	\$ 277,293.06	16.37%
Total Resort Expenses	\$ 741,829.18	43.800%
RMA M&U Expenses	\$ 182,875.18	10.80%
PMA M&U Expenses	\$ 78,025.67	4.61%
Gross Operating profit	\$ 690,960.23	40.8%
Rental Management Fee	\$ 169,369.03	10.0%
64001 Business Tax	\$ 28,816.91	
Net Profit & Loss	\$ 492,774.30	29.1%

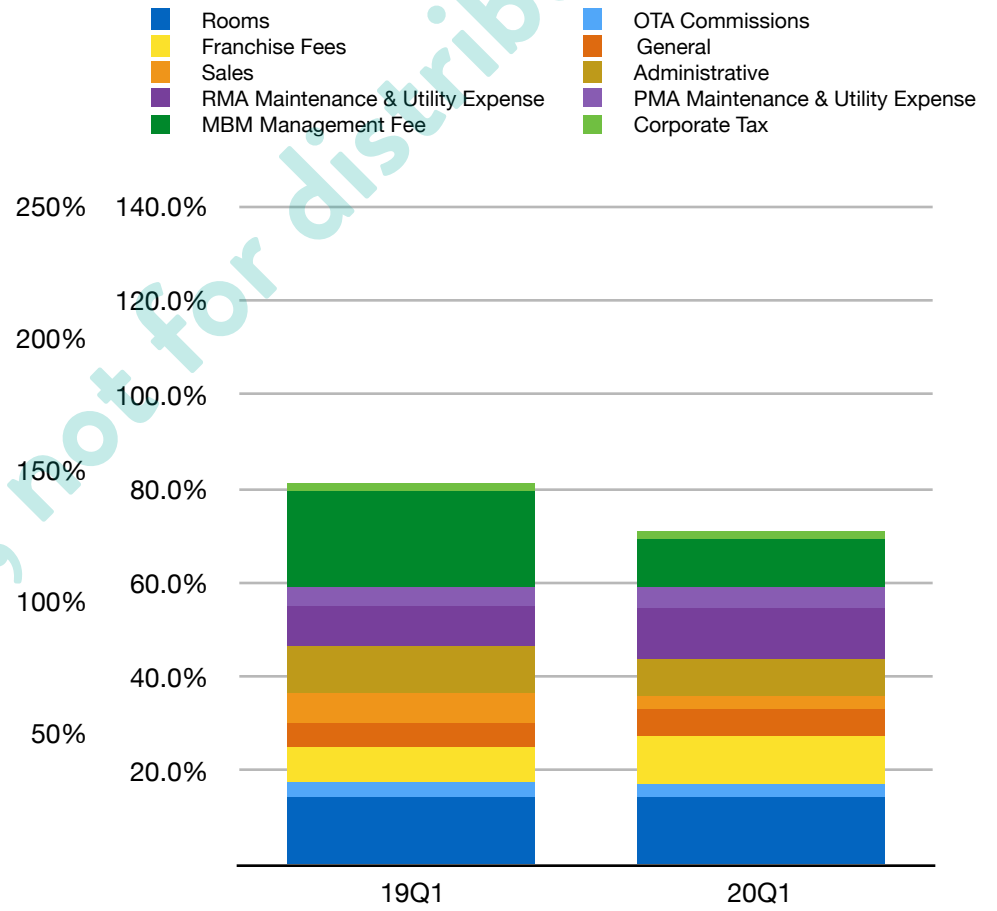
70300 RMA M&U Qtrly					66.36%	19.47%	14.17%		
	USD		Internal	Owner Portion	RMA Hilton \$	RMA CL \$	Street 2		Total
FF&E	\$89,602.15	80%	\$17,920.43	\$71,681.72	\$47,567.04	\$13,954.22	\$10,160.45		\$71,681.72
BEL	\$59,954.89			\$59,954.89	\$39,785.27	\$11,671.37	\$8,498.24		\$59,954.88
BWS	\$33,741.04			\$33,741.04	\$22,390.11	\$6,568.34	\$4,782.59		\$33,741.04
Internet	\$429.34	80%	\$85.87	\$343.47	\$227.92	\$66.86	\$48.69		\$343.47
Sanitation	\$0.00	80%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Telco	\$6,857.70	80%	\$1,371.54	\$5,486.16	\$3,640.54	\$1,067.99	\$777.63		\$5,486.16
A/V	\$7,128.83	100%	\$0.00	\$7,128.83	\$4,730.60	\$1,387.76	\$1,010.47		\$7,128.83
Beach Club Generator	\$5,156.86	80%	\$1,031.37	\$4,125.48	\$2,737.62	\$803.10	\$584.76		\$4,125.48
Great House Generator	\$517.00	80%	\$103.40	\$413.60	\$274.46	\$80.52	\$58.63		\$413.60
	\$203,387.79		\$20,512.61	\$182,875.18	\$121,353.56	\$35,600.17	\$25,921.45		\$182,875.18
70200 PMA M&U Qtrly	USD		Internal	Owner's Portion	PMA Hilton \$	PMA CL \$	Street 2	Street 4	Total
					51.88%	23.76%	17.02%	7.35%	
BEL	\$37,589.92	80%	\$7,517.98	\$30,071.94	\$15,600.14	\$7,145.07	\$5,116.96	\$2,209.76	\$30,071.94
BWS	\$34,172.58	80%	\$6,834.52	\$27,338.06	\$14,181.92	\$6,495.50	\$4,651.77	\$2,008.87	\$27,338.06
Buildings R&M	\$23,104.30	80%	\$4,620.86	\$18,483.44	\$9,588.48	\$4,391.65	\$3,145.09	\$1,358.21	\$18,483.44
Equipment R&M	\$11,232.16	80%	\$2,246.43	\$8,985.72	\$4,661.44	\$2,135.00	\$1,528.99	\$660.29	\$8,985.72
Pool	\$3,571.52	100%	\$0.00	\$3,571.52	\$1,852.76	\$848.59	\$607.72	\$262.44	\$3,571.52
Elevator	\$0.00	100%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
R&M Beach Club	\$337.39	80%	\$67.48	\$269.91	\$140.02	\$64.13	\$45.93	\$19.83	\$269.91
Pest Control	\$0.00	80%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Landscaping Tools	\$271.54	80%	\$54.31	\$217.23	\$112.69	\$51.61	\$36.96	\$15.96	\$217.23
Landscape Materials	\$12,478.96	80%	\$2,495.79	\$9,983.17	\$5,178.88	\$2,371.99	\$1,698.71	\$733.59	\$9,983.17
Equipment Rental	\$0.00	80%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Beach Club Water/Sewer	\$0.00	50%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Repair & Maintenance Boat	\$4,238.44	100%	\$0.00	\$4,238.44	\$2,198.74	\$1,007.05	\$721.20	\$311.45	\$4,238.44
	\$126,996.79		\$23,837.37	\$103,159.42	\$53,515.08	\$24,510.60	\$17,553.34	\$7,580.41	\$103,159.42

20Q1 Statistics

Revenue & Expenses - Current Quarter

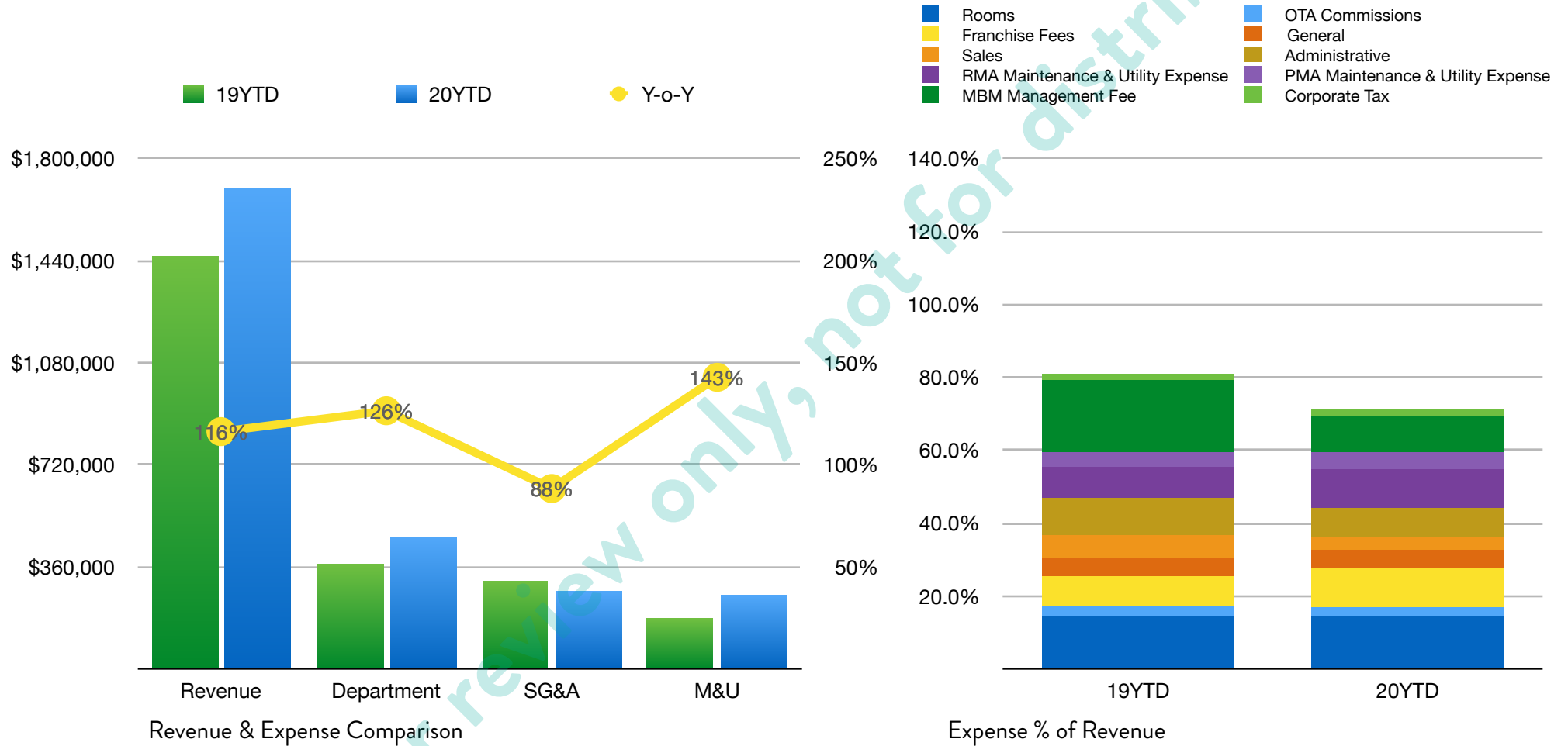


Revenue & Expense Comparison

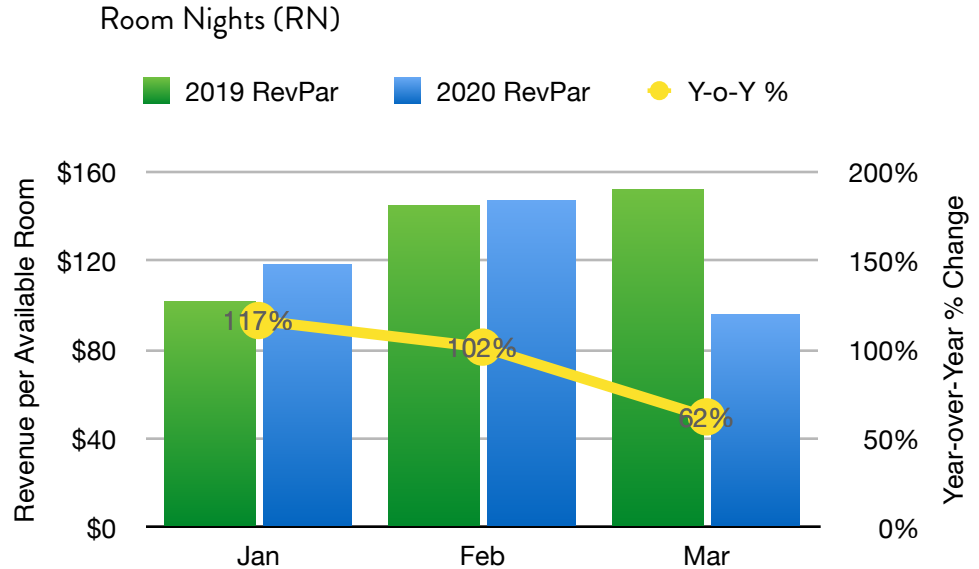
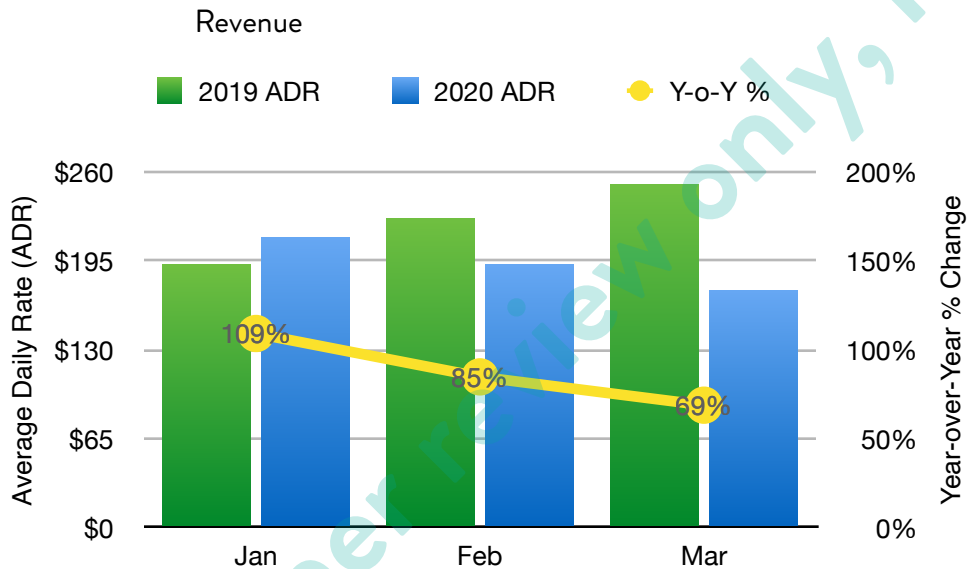
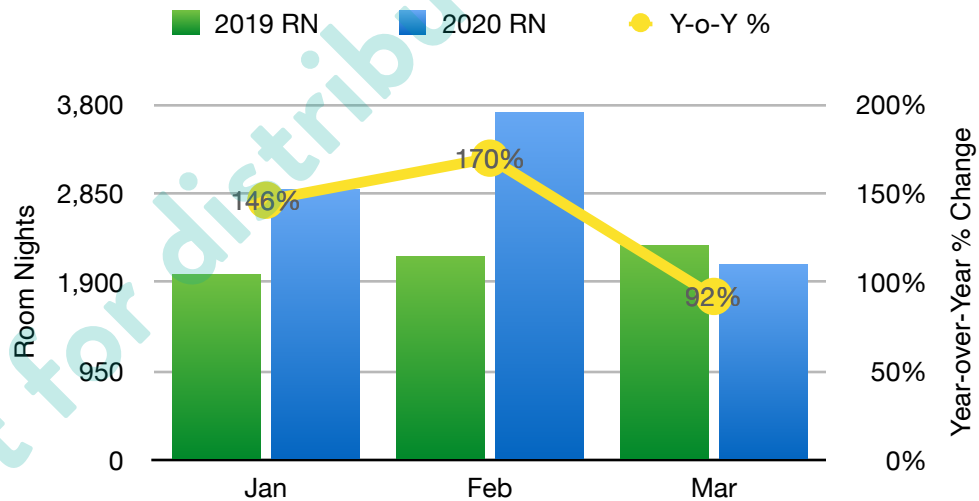
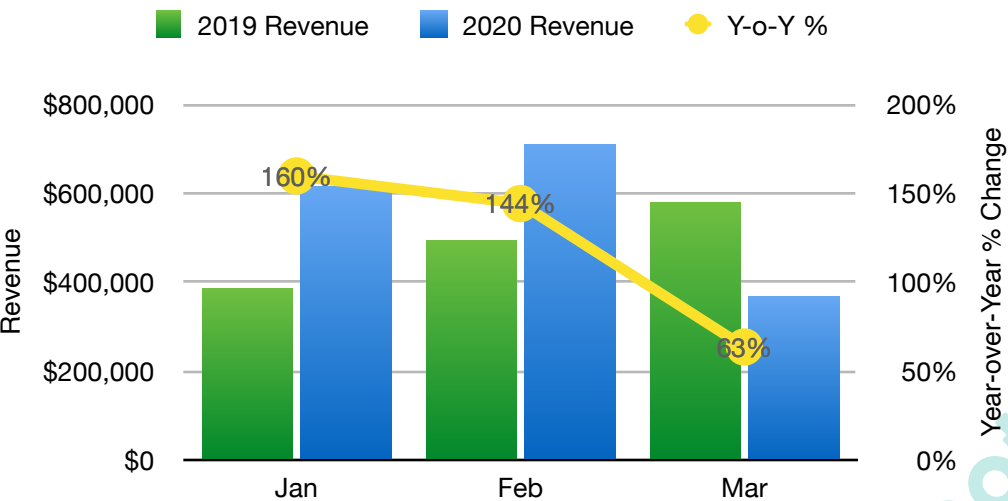


Expense % of Revenue

Revenue & Expenses - YTD



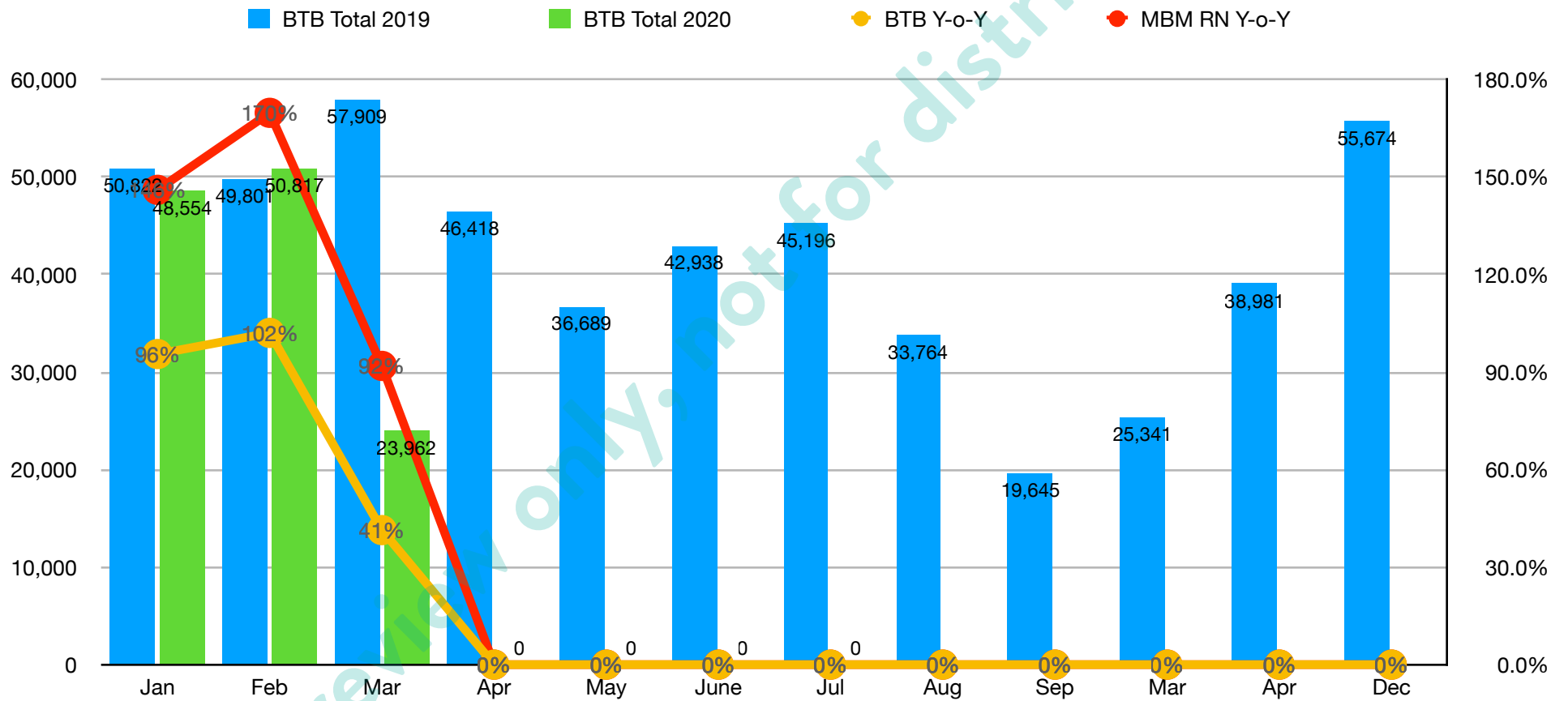
Performance



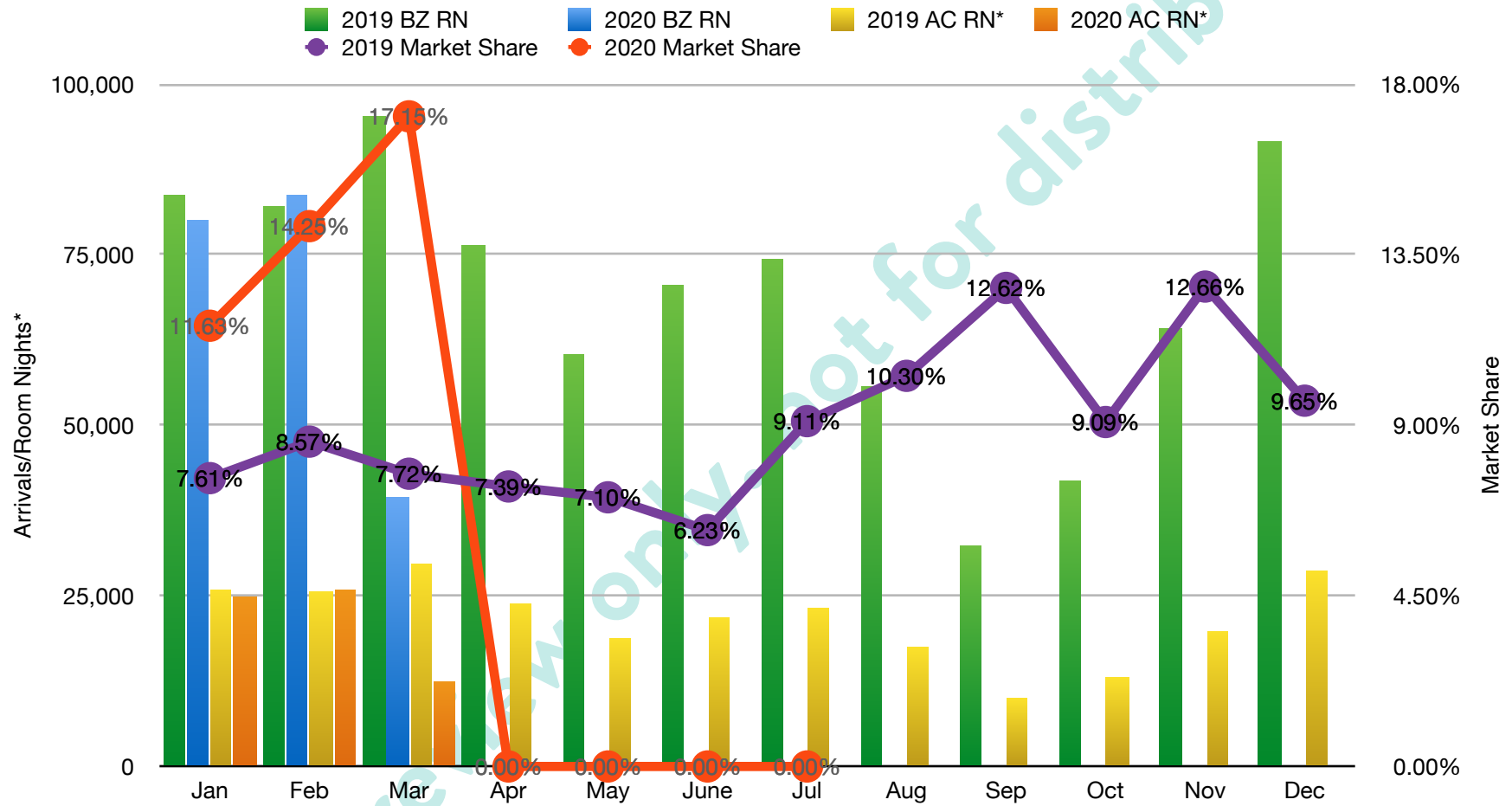
Average Daily Rate (ADR)

Revenue per Available Room (RevPar)

Belize Tourism Board Arrivals with MBM Year-over-Year Growth



Market Share (estimate)

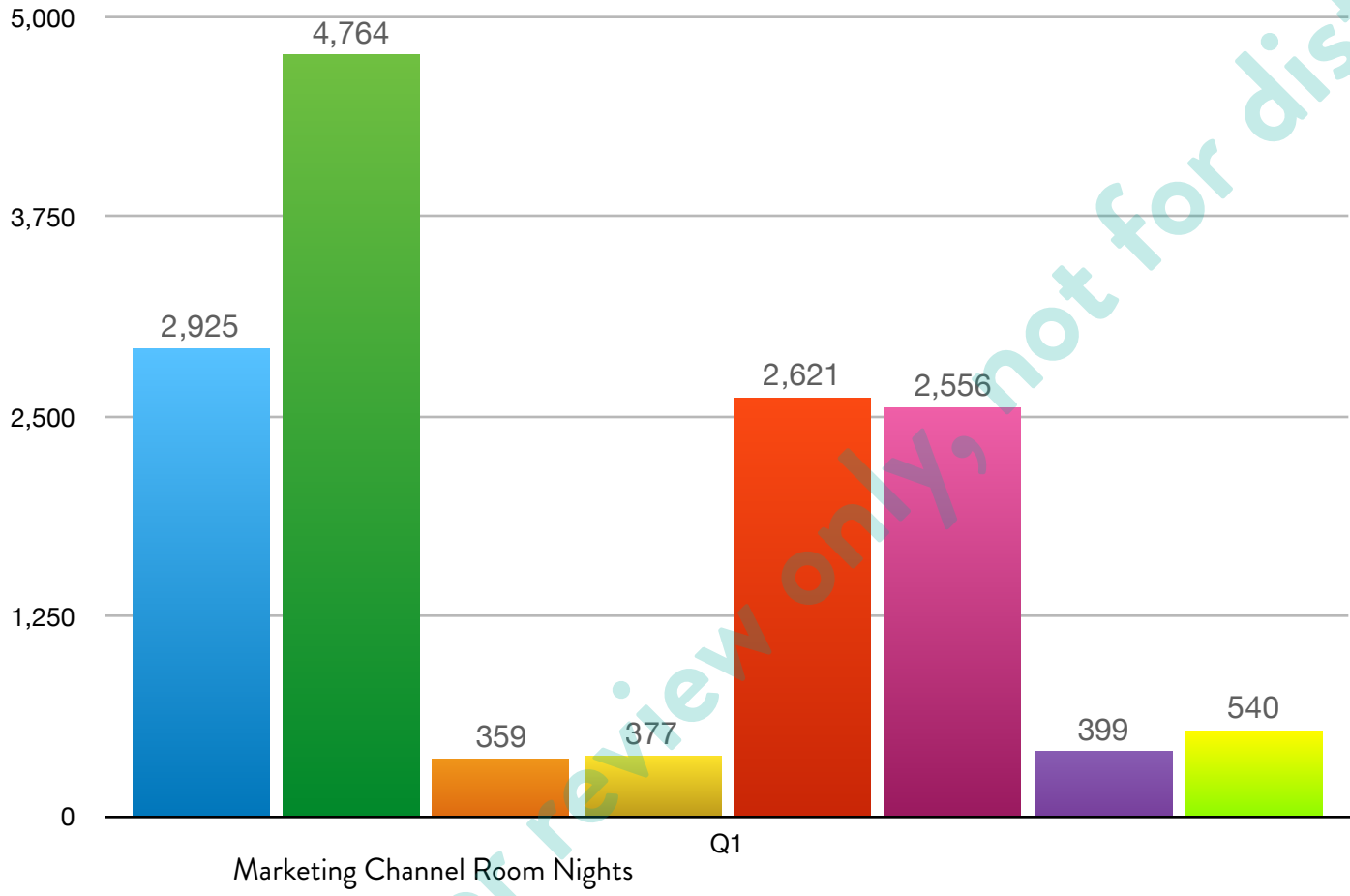


MBR Estimated Market Share of Ambergris Caye Estimated Room Nights

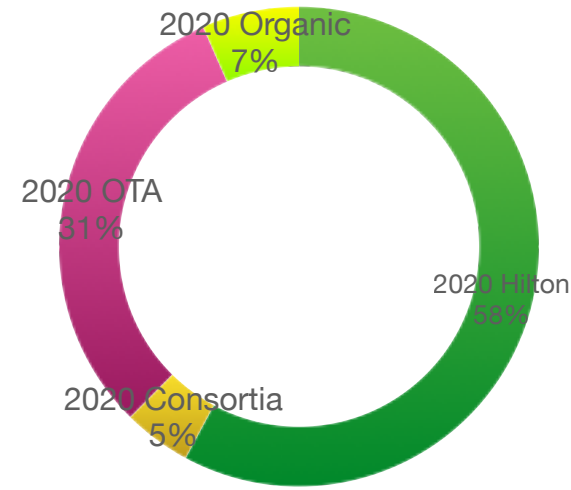
* Estimate Ambergris Caye (AC) Room Nights (RN): 50% of BZ RN*(AC Length of Stay (LOS)/BZ LOS)

Channels - Current Quarter

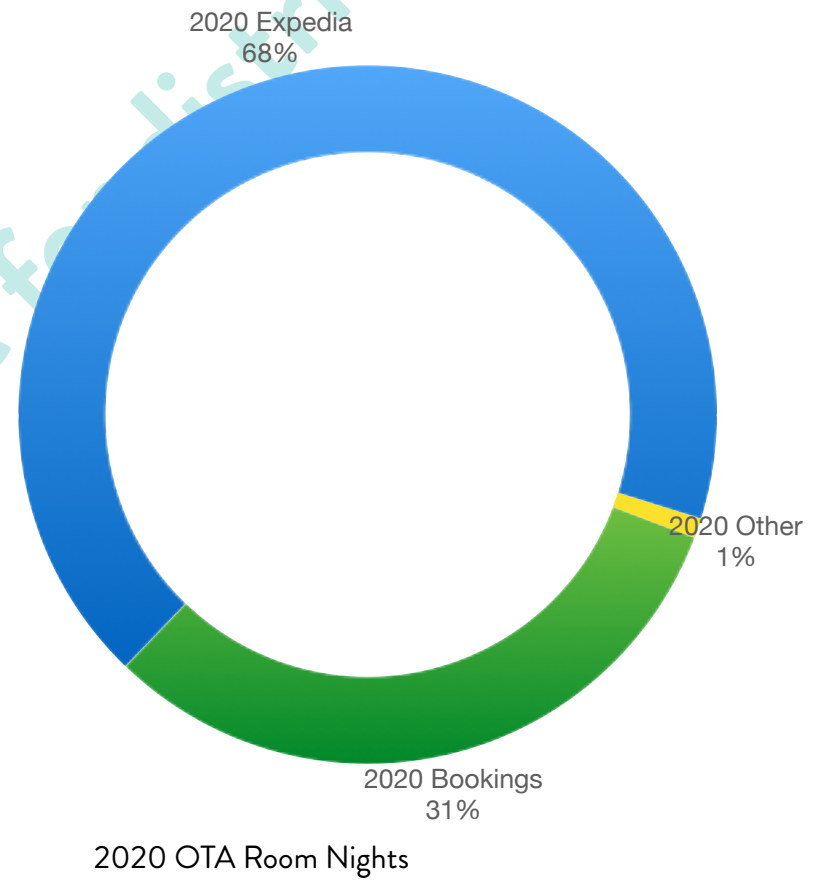
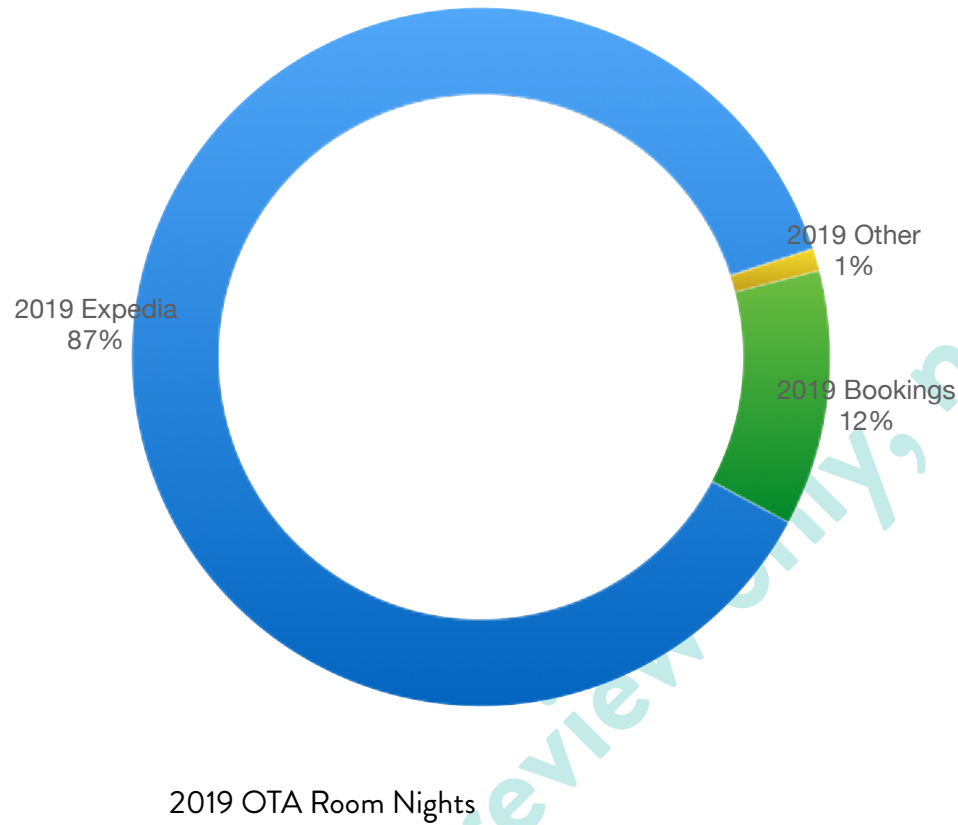
■ 2019 Hilton ■ 2020 Hilton ■ 2019 Consortia ■ 2020 Consortia ■ 2018 OTA* ■ 2019 OTA*
■ 2019 Organic ■ 2020 Organic



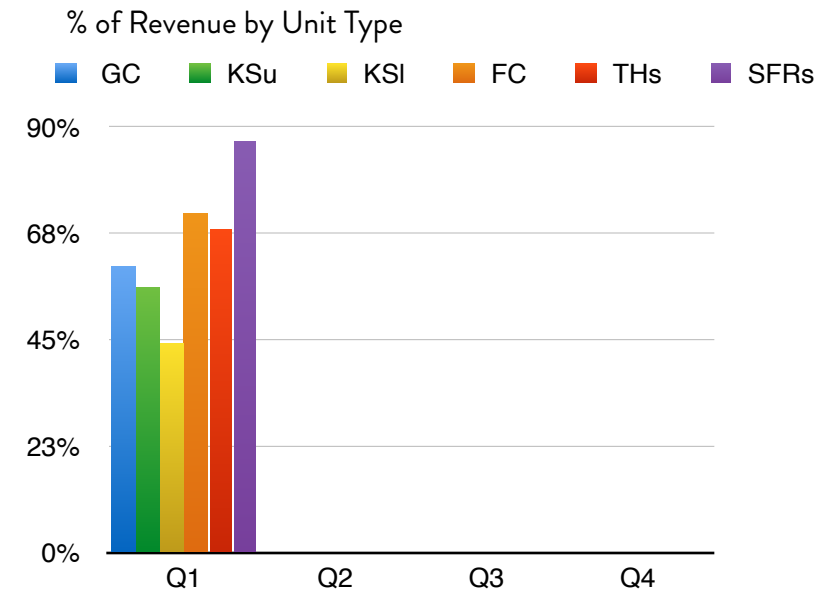
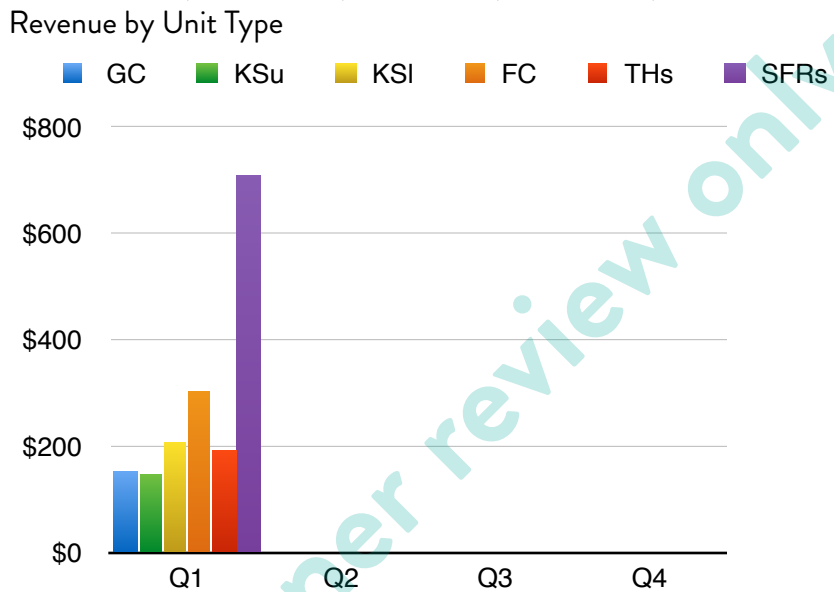
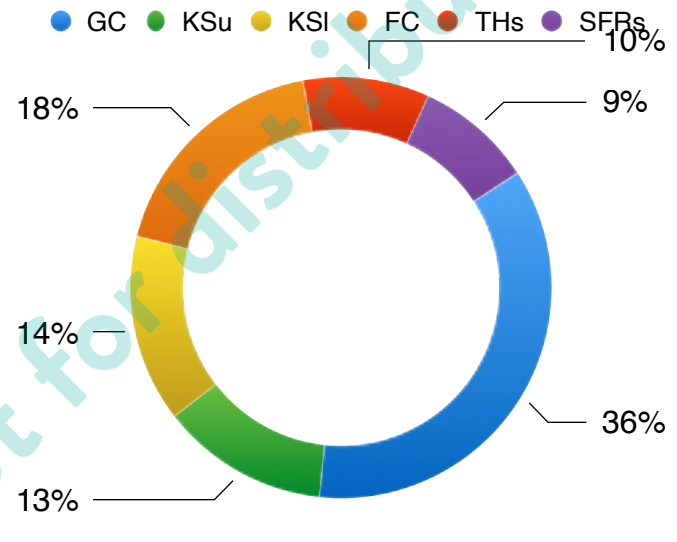
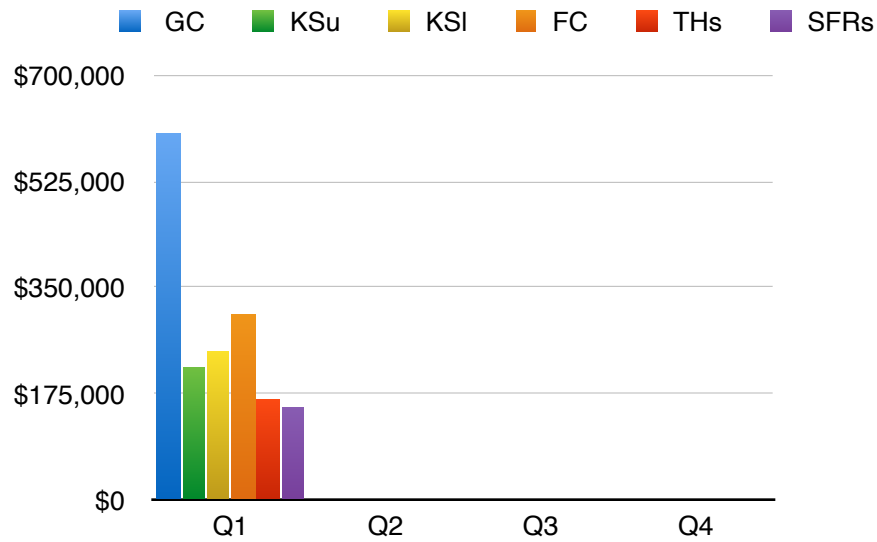
* On-line Travel Agent (OTA)



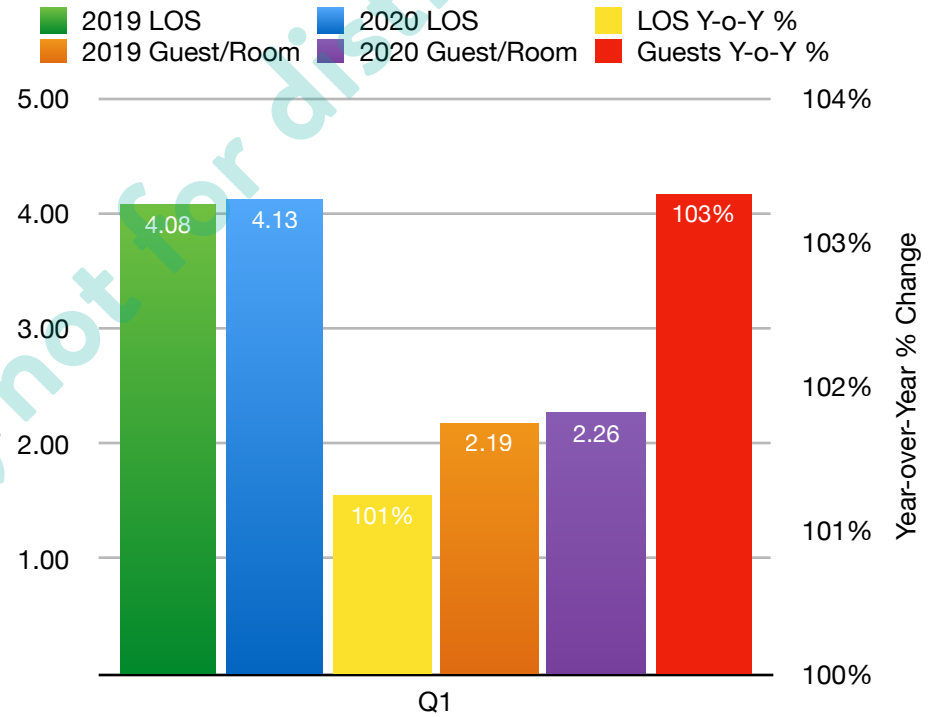
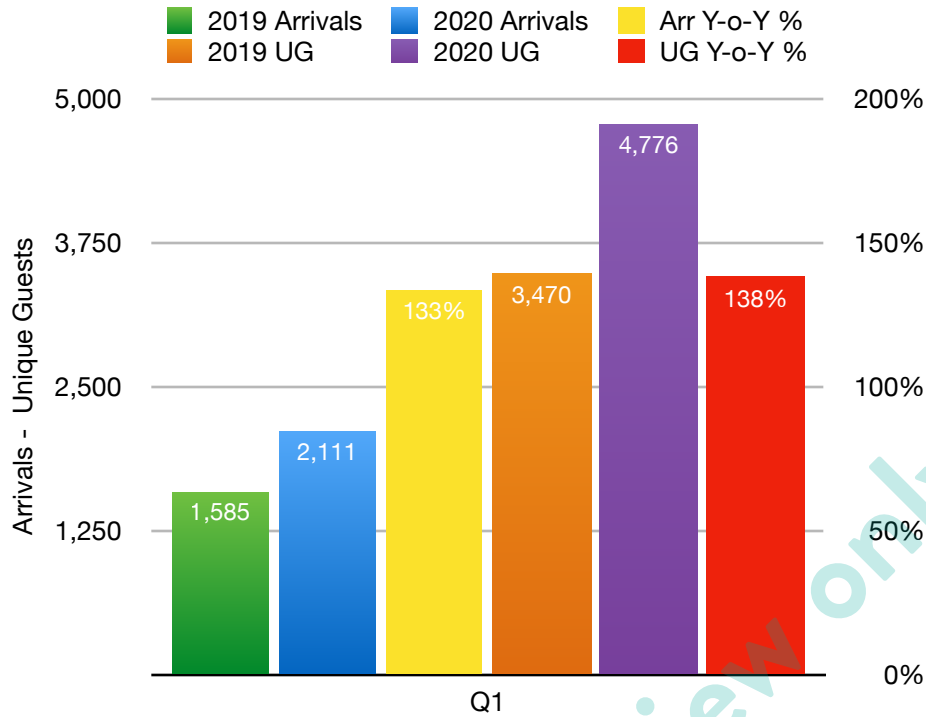
On-line Travel Agent (OTA) - Current Quarter



Room Sales



Guests – Quarterly Analysis

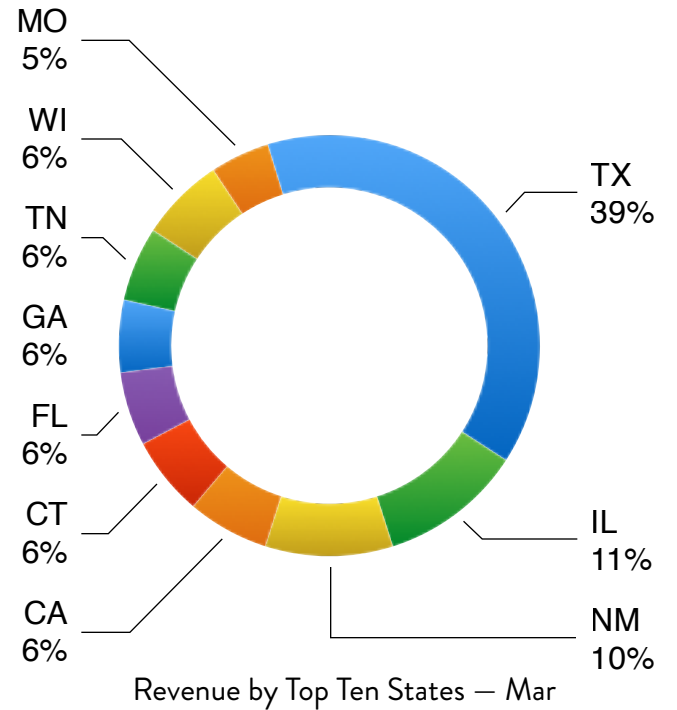
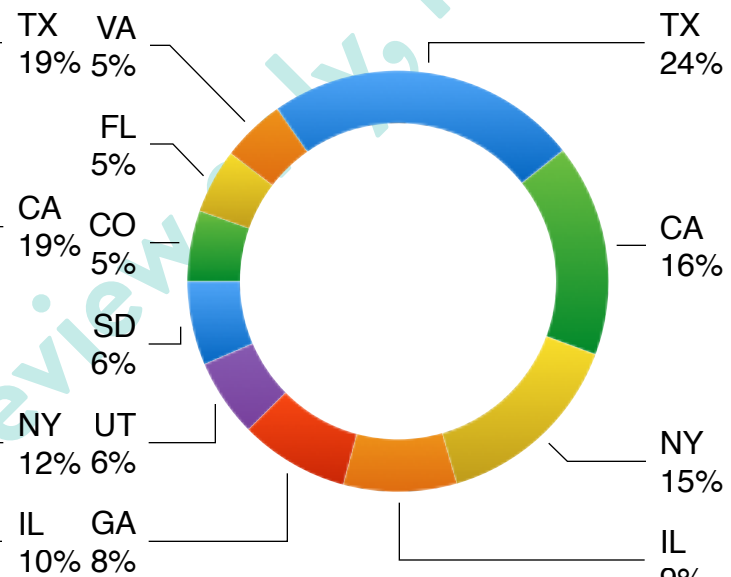
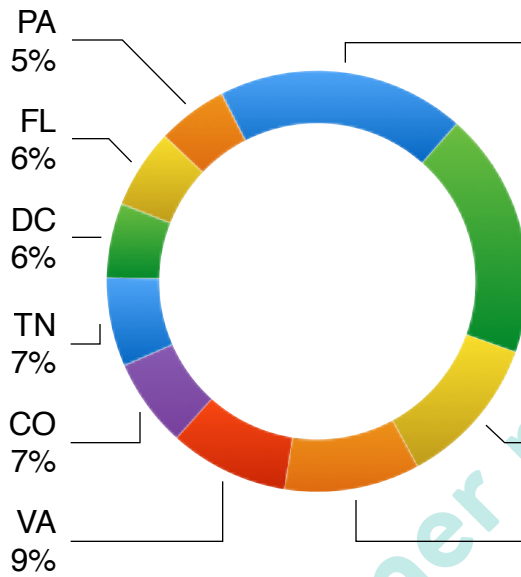
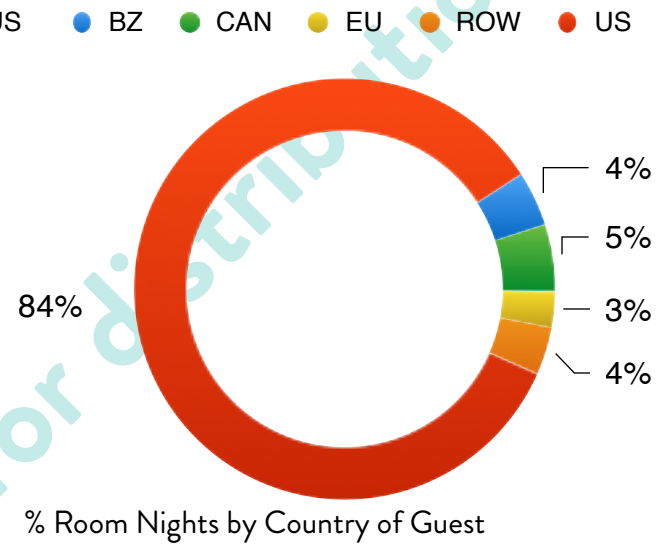
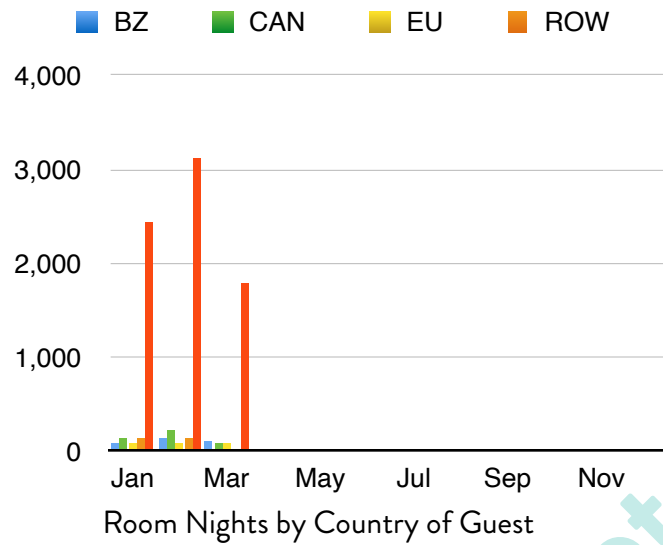


Arrivals* & Unique Guests (UG)

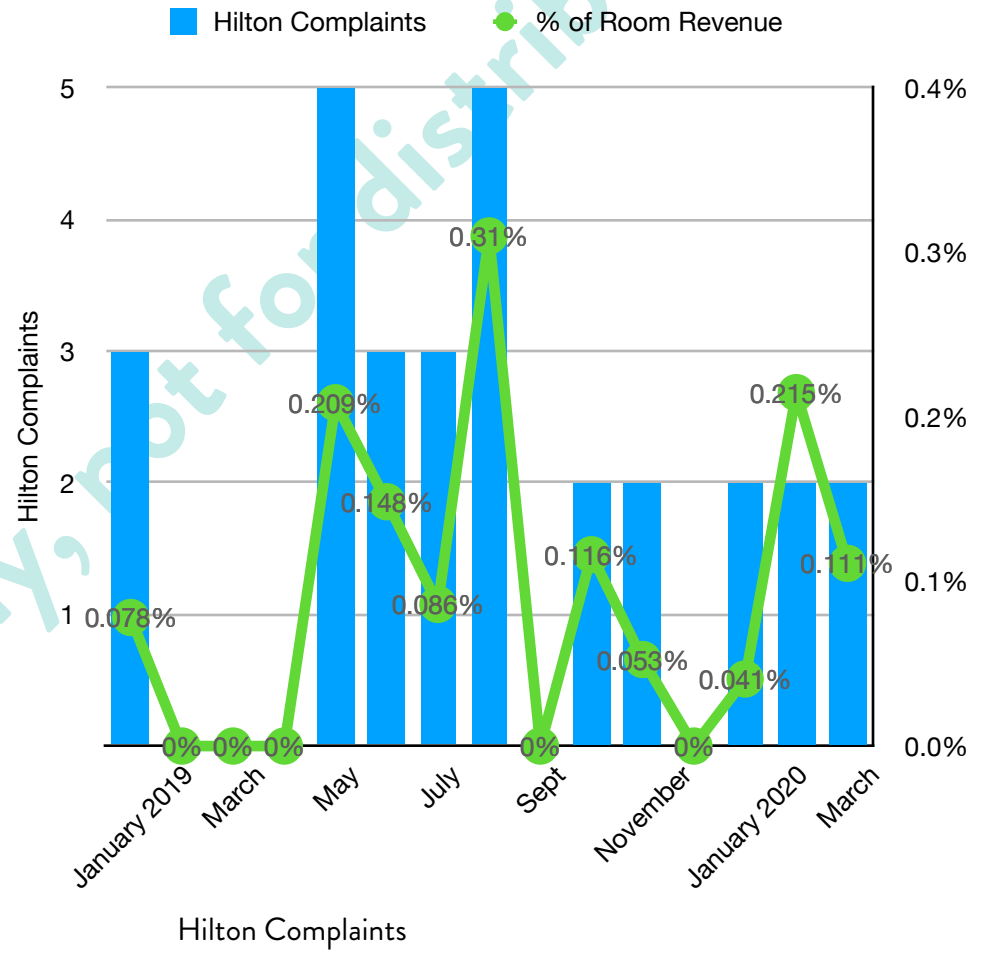
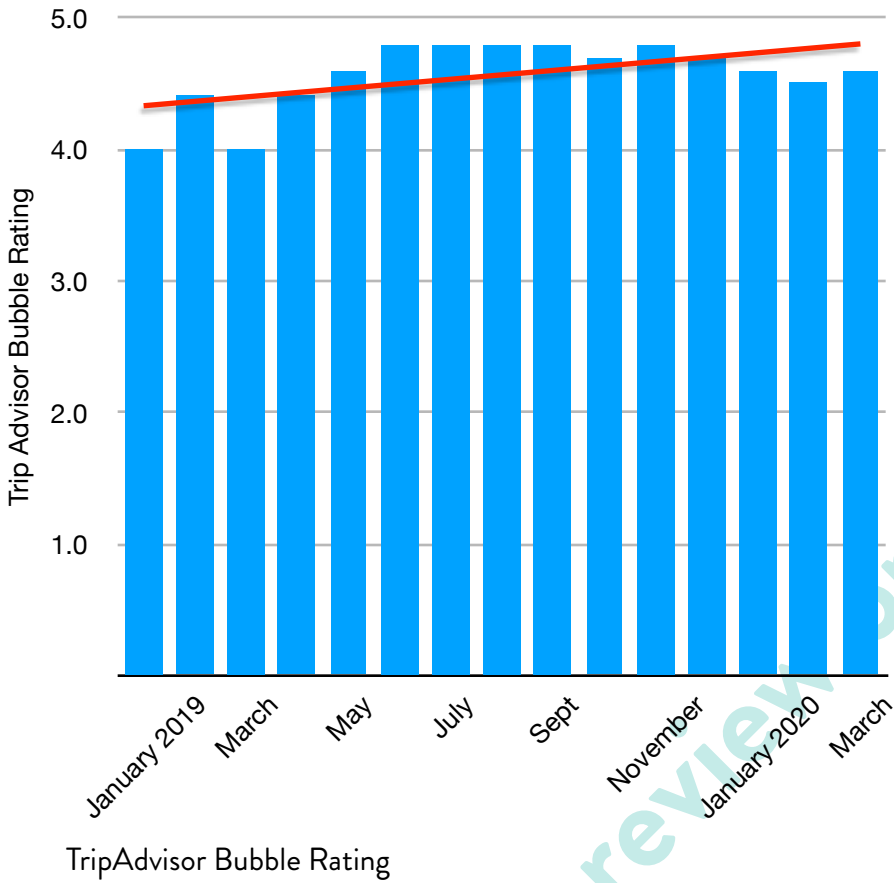
* Arrivals is synonymous with Reservations

Length of Stay (LOS) & Guests per Room

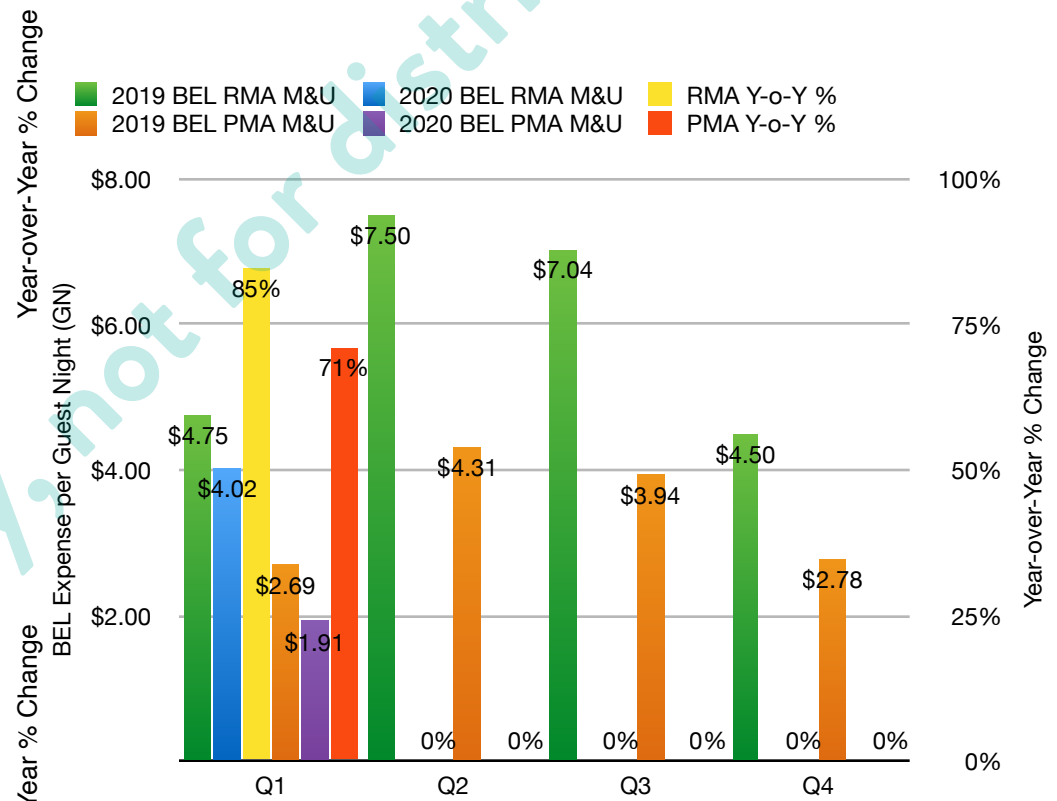
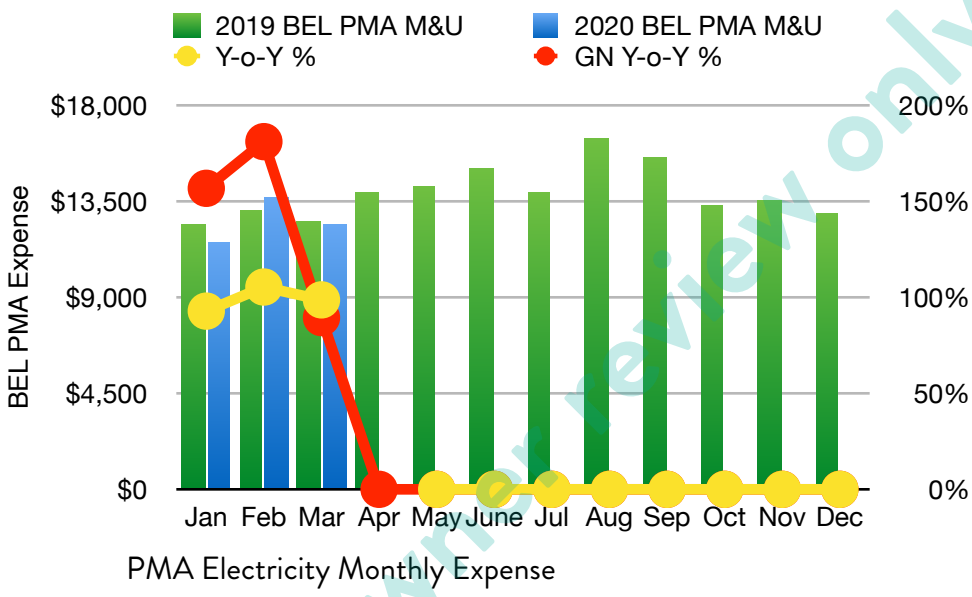
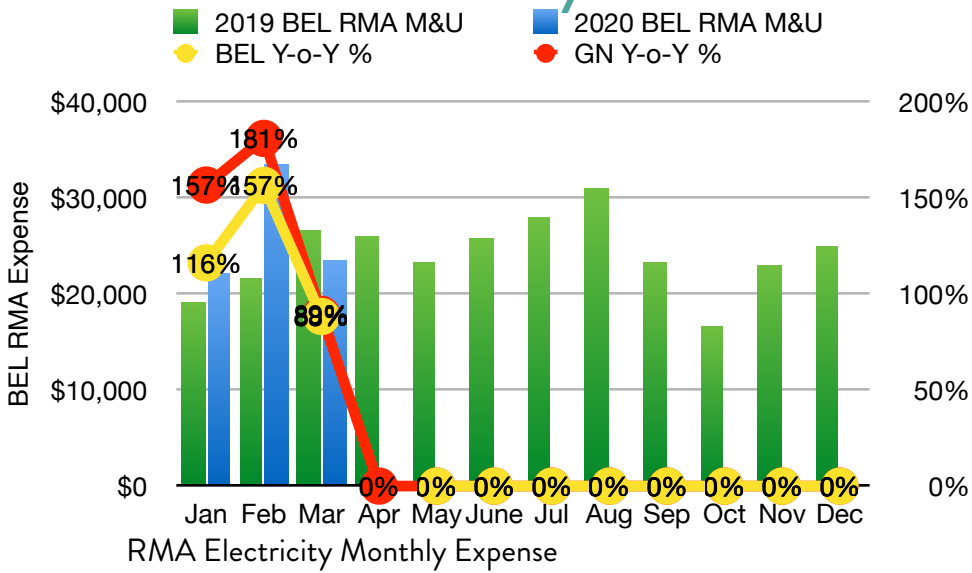
Guest Profile



Guest Satisfaction



Utilities - Electricity*

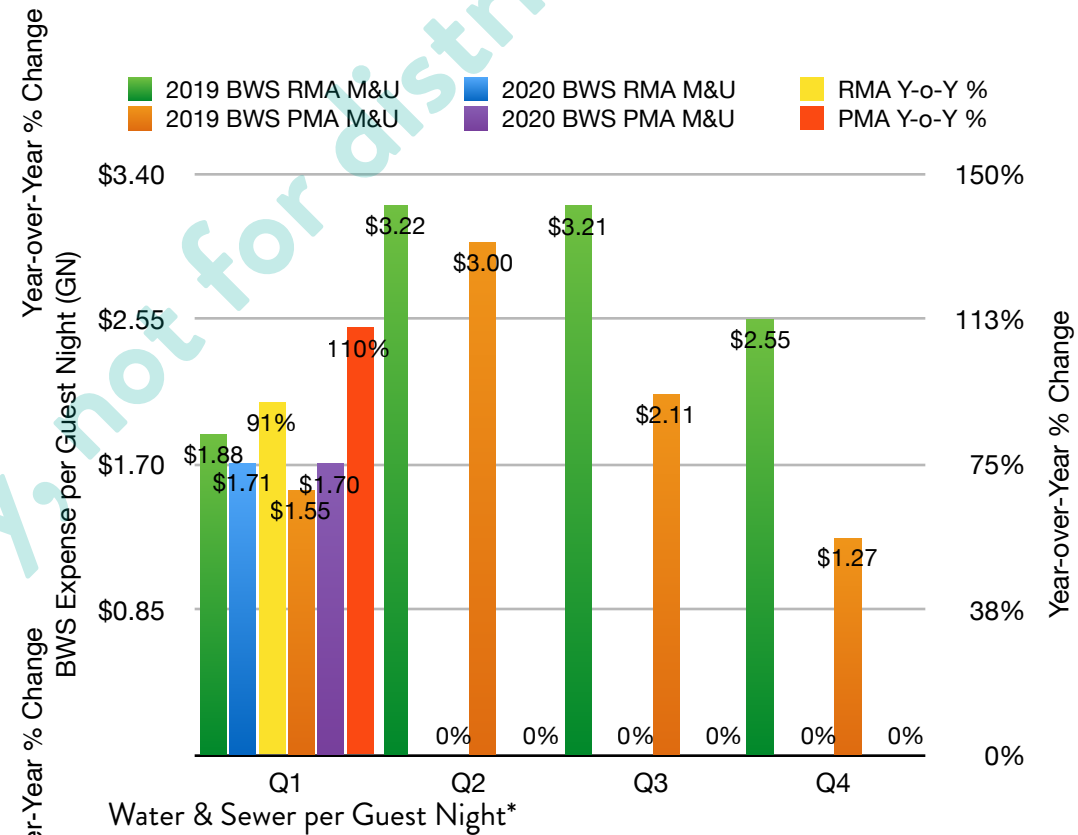
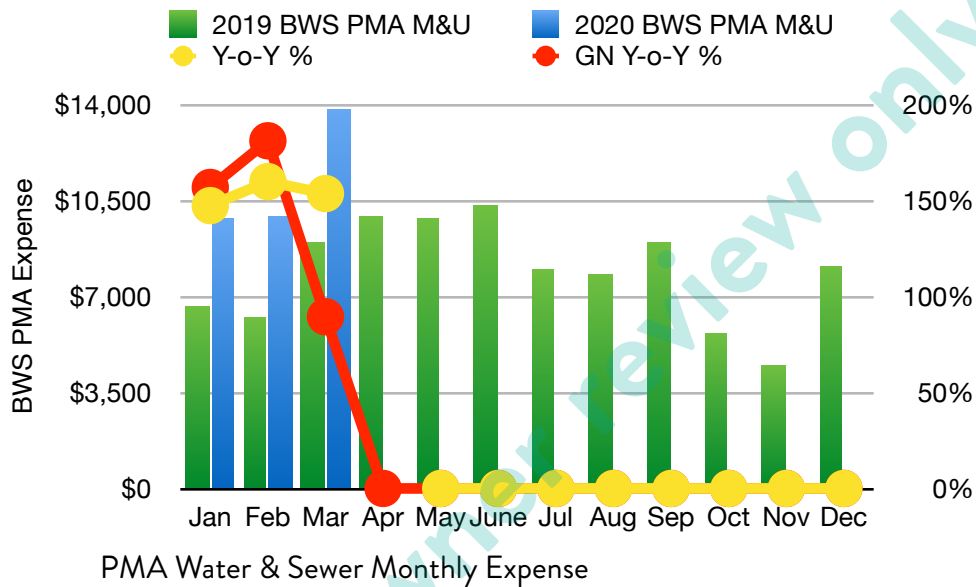
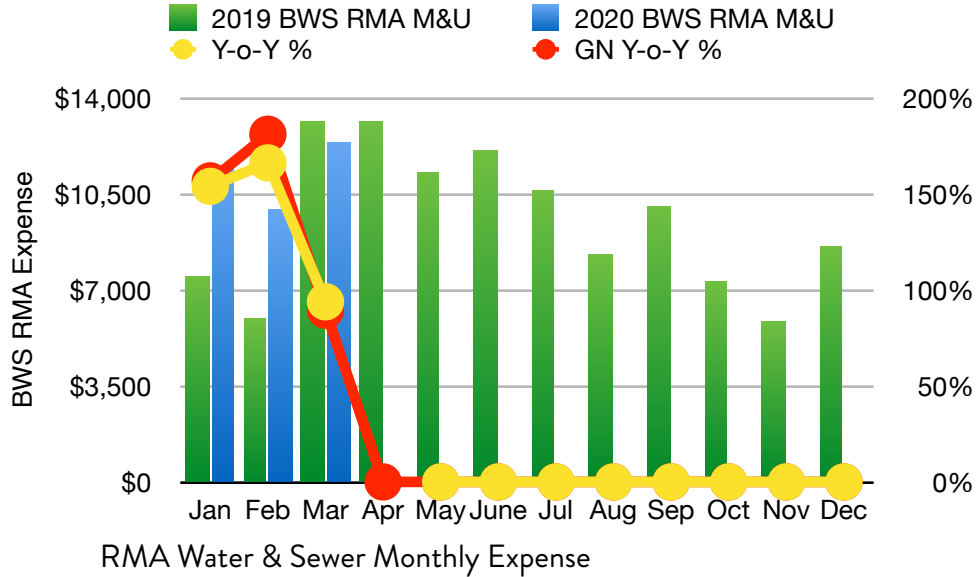


Electricity per Guest Night*

* Guest Night: Room Nights*Guests per Room

- * BEL rate increased 10.4%: 2018-.18495/kWh 2019-.1931/kWh
- * BEL has requested future 7.15% increase to \$.2069/kWh

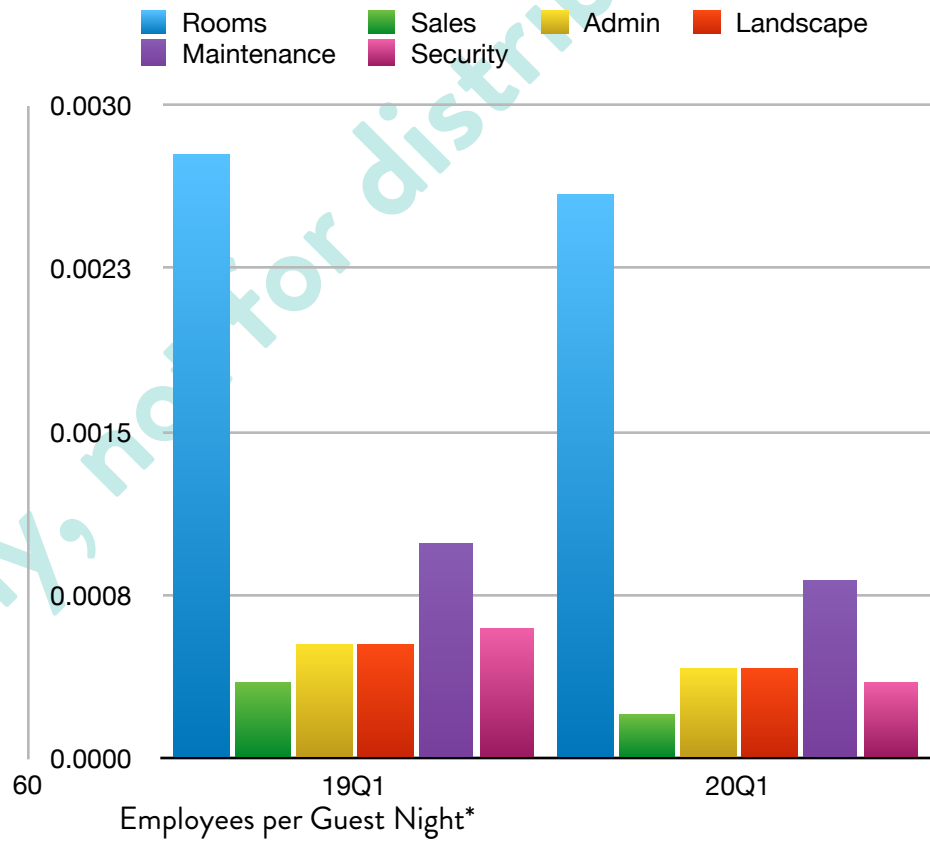
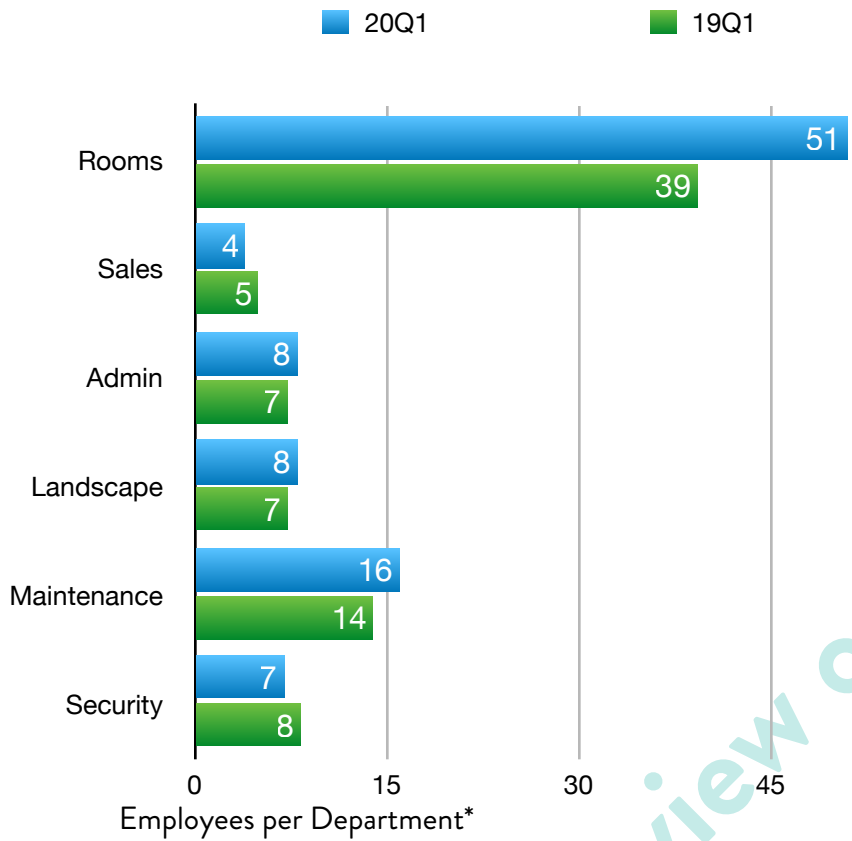
Utilities - Water & Sewer



* Guest Night: Room Night*Guests per Room

PMA Expense includes the Great House and Back of House meters, so expense will increase with Guest Nights

Employees



* Landscape, Maintenance and Security department expenses are part of the Annual PMA Fee, inclusion in this report is for information purposes only.

* Guest Night: Room Night*Guests per Room