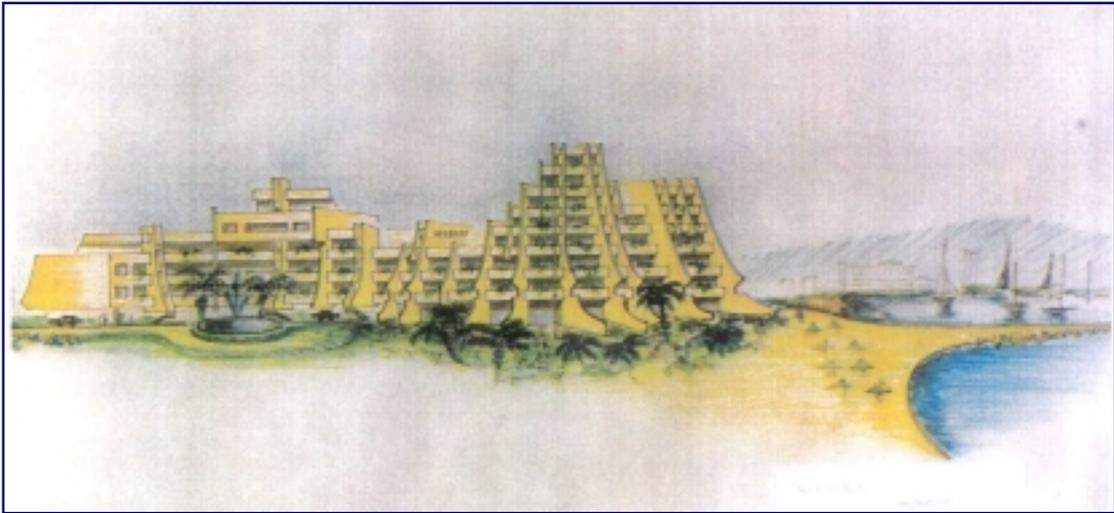


**BLUE BAY
HOTEL AND CASINO RESORT
CYPRUS**



BUSINESS PROPOSAL



Parsons Brinckerhoff

November 2002



BLUE BAY HOTEL AND CASINO RESORT BUSINESS PROPOSAL

14 November 2002

1. INTRODUCTION

Parsons Brinckerhoff (PB) is pleased to submit this Business Plan for the design, construction and operation of the proposed the Blue Bay Hotel and Casino Resort project near Kyrenia, Cyprus.

The purpose of this Business Plan is to enable potential investors and/or financiers to gain an overview of the nature and parameters of the Blue Bay project in order to begin the process of informed decision making. To this end, we have compiled a description of the existing site and related local permitting issues, as well as an overview of both the political/economic climate and the casino sector in the region. The latter section of the plan reviews the costings and timetable for design and construction of the resort, and finally the projected operational concept, financial projections, and base alternative for implementation.

2. PROJECT DESCRIPTION

2.1 The Site

The Blue Bay Hotel and Casino Resort Project site is on one of the Mediterranean Sea's most beautiful coastlines. The 25 acre (100 dunam) site is located on the northern shore of the island of Cyprus, 25 miles south of the coast of Turkey and 10 miles west of the bustling town of Keryneia, in a region which possesses some of the most comfortable dry beach climates in the Mediterranean. The project site is a rare and beautiful natural sandy bay with clean water and abundant sea life.



The land is on a solid rock site. The bay and sandy beach are enclosed on three sides by the site, affording an opportunity for the development of a marina. The site is one kilometer from the coastal highway, along which are several other hotels of varying quality. Infrastructure, including electricity, water, telecommunications and a road to the site will be provided by the government.

The Turkish Republic of Northern Cyprus (TRNC), has zoned this 100 dunam property for touristic development purposes.

In contrast to other lots around the capital of Nicosia, which were previously owned by Greek Cypriots and abandoned due to the partition of the island, these 100 dunams have always been Turkish land, thus no possible future claims could arise. The property is recognized by both the Greek and the Turkish governing bodies and land registries as having always been Turkish-owned property both before and after the Turkish occupation of Northern Cyprus.



The land is owned by L.F.C. Ltd., a British based company, and has been valued by land appraisers at approximately £3,000,000 BPS. The outstanding monies owed to own the land outright are in the order of £550,000 BPS.



2.2 Site Specifications and Property Permits

Site Size	101,000 square meters
Maximum Building Percentage	40% of the 101,000 square meters. Excellent likelihood of increasing the maximum building percentage by submission of a special request.
Approved and Suggested Building	4 story hotel and ancillary mechanical rooms, 250-450 rooms, stores, and casino.
Casino Licensing	The casino license for the property will be granted immediately upon presentation of valid architectural plans to the local building registry. It is preferable that the design be prepared by a local architect.
Sub-Structure	The Turkish government is obligated to supply the site with roads, water, electricity, telephone, and telecommunication infrastructure free of charge to owner or investors.
Access to the site	Current access to TRNC is via Istanbul by plane or by boat to one of North Cyprus's Turkish ports. You can reach the site for a short visit (1-2 days) through the Greek side of Nicosia.

2.3 The Project

The project is a fully integrated and comprehensive five star resort. It centers around a 450 room luxury five star hotel (approximately 12,000 sq.m.) and will include a 1,900 sq.m. casino, a conference hall with a capacity of 750 people, a discotheque, 2 bars, 3 restaurants, 2 cafeterias, an indoor swimming pool, a Turkish bath and sauna, beach front facilities, a beach bar, an outdoor swimming pool with a cafeteria, a wedding and reception area, 6 tennis courts, 9 hole minigolf, an 80 boat harbor and auxiliary buildings, parking facilities for 200 vehicles and full landscaping. Initial surveys and designs exist and form the basis of information for this Plan.

In the first phase, depending on the final financial and operational forecast, the hotel may be built with as few as 200 rooms, with a phase by phase plan prepared for the expansion of the complex over time.

2.4 The Local Licensing and Planning Framework

The TRNC has been ceaselessly encouraging the development of the entire northern coast. It offers exemptions from building permit fees and a 10-year income tax exemption from the initial operation date of the facility. Further, the TRNC provides exemption from all customs and duties for all building materials, equipment, vehicles, and furnishings, and an exemption from the cost of a casino license (valued at up to \$2 million USD).

3. THE NORTHERN CYPRUS CASINO SECTOR

Northern Cyprus's casino sector is thriving. Twenty casinos have recently opened and another 20 applications are pending in a territory with an area of 3,355 sq.km. (1,295 sq.mi.) and with a permanent population of approximately 250,000.

The Turkish Republic of Northern Cyprus (TRNC) can be considered the quintessential peripheral location for casino operations. Recognized politically and diplomatically only by Turkey, this northern third of the island of Cyprus has been literally cut off from the rest of the world since its partition in 1974. Boycotts put into place by the United Nations ensure that all post and telecommunications to northern Cyprus must be routed through Turkey, and there are no direct international flights to the north.



These problems of accessibility and negative image render the north artificially remote from the mass tourism markets of northern Europe, the mainstay of the Greek Cypriot tourism industry in the south. They make Cyprus triply dependent on mainland Turkey, which is their gateway to the rest of the world, the main source of aid and investment in the north, and the main tourist market. The primary attractions of northern Cyprus for Turkish tourists are sun, sea, sand, shopping, and the opportunity for casino gambling.

During the spring of 1999, twenty casinos were operating in northern Cyprus. All were attached to, or located within, hotels, holiday villages or other tourist accommodations. Eight were located in Central Business District locations, the majority of these in the main tourist resort town of Kyrenia (Girne). The largest casino by far currently in operation is the Emperyal Casino, which has 22 gaming tables and 377 slot machines as compared to an average of 10 tables and 70 slot machines per casino. The smallest casino has only seven tables and 18 machines (Ministry of Tourism, 1998).



The primary games played are slot machines, American and French roulette, Las Vegas craps, Black Jack, poker, chemin-de-fer, punto banco, baccarat and keno. A number of other games are also permitted on casino premises, including chug-a-lug, wheel of fortune, rummy, backgammon, and betting on horse and dog races and football matches. Casino opening hours are subject to government regulation. Operation is currently permitted from early afternoon to early morning, with a seasonal adjustment from winter to summer. Alcoholic drinks are available free of charge and may be consumed at the gaming tables. At the time of writing, citizens of northern Cyprus and students, regardless of nationality, are not permitted to gamble on casino premises (nor, technically, in any other location).

From 1994 onward, casino licenses were granted only to hotel premises with a minimum four-star rating and 200 to 250 beds. After 1996, this was raised to five-star premises with a minimum of 500 beds, which improved the level and quality of hotel stock in the north.

There is no doubt that large flows of money have accompanied the establishment of casinos in northern Cyprus. The casino investors and operators' own association estimates their annual contribution to the local economy to be in the region of \$65 million USD.

Certainly, the issuing of casino licenses is proving less lucrative for the government than it is for the license-holders, who may sell their (supposedly non-transferable) casino licenses to third parties for much larger amounts. These amounts can reach as much as \$2 million USD. The TRNC generally grants two-year licenses for an annual fee of \$100,000 USD.

4. POLITICAL/ECONOMIC CLIMATE

This Business Plan has taken into consideration the following economic and political factors:

4.1. Current peace initiatives / understandings between the northern and southern areas of Cyprus and expected future developments

Expansion of the European Union is expected to act as a catalyst for regional political and economic advancement, including in Cyprus. On December 10, 1999 EU Commissioner Verheugen said, "The acceptance of Cyprus' candidacy had from the beginning corresponded to the hope that the accession negotiations could contribute positively to a solution of the conflict between the two communities." Given that Cyprus will accede to the EU as a single state, it is greatly to be preferred that the Cyprus problem is solved so that the whole of Cyprus can enjoy the undisputed political, security, social and economic benefits accruing from EU membership.

At its December 11-12, 1999 Council meeting in Helsinki, the European Union reached two important decisions regarding the Cyprus problem:

1. EU accession talks with Cyprus will continue, and Cyprus' accession will not be contingent on a settlement of the Cyprus problem;
2. The EU will open accession negotiations with a number of applicant countries, including Turkey. Before opening such talks with Turkey, however, the EU established a pre-condition that a Cyprus settlement be reached.

The effect of these decisions is to make the search for a Cyprus settlement an integral part of EU policy.

The benefits of a settlement would be significant, especially for the Turkish Cypriot community who at present are out of the international mainstream. By facilitating island-wide development and by allowing the occupied areas to participate in the global economy, the Turkish Cypriot community, whose present per capita income is only a quarter of that of the Greek Cypriots, would be among the principal beneficiaries of a settlement. Opinion polls conducted by the Cyprus Public Opinion and Market Research Company (COMAR) have regularly shown that an overwhelming majority (89.6%) of Turkish Cypriots favor joining the EU in the expectation that this will confer tangible benefits in such areas as education, employment, health, security and in allowing Turkish Cypriots to close the economic gap with Greek Cypriots.

4.2 The 2004 Olympics

The Olympics will provide a boom in tourism and therefore development opportunities across the region in the coming two years.

4.4 Section Summary

As a result of the aforementioned factors, the advisable course of action for the Blue Bay project would be self financing at this time, with work towards investor participation at a later date. With the possibility of improvement or status quo with regard to the political climate on Cyprus, the positive factor of the Olympics, and the potential for a higher Turkish local investment interest, this project will shortly become even more attractive to investors. Added to these factors is the marketing power of the designed and built product, as opposed to a plan which exists only "on paper".



5. TIMETABLE

The breakdown of project phases will be as follows:

Design Phase	6–9 months
Bid Phase	1–2 months
Construction Phase	24 months
Project Closeout	1–2 months

In some circumstances, these phases may overlap. The intention is to achieve as much work in parallel as possible. The Cash Flow presented in Section 7 below illustrates an integrated timeframe with assumptions of overlap in certain areas. Local architectural and engineering firms will be used to ensure speedy statutory approval by the local authorities, which will occur during the Design and Bid phases.

6. ESTIMATED COSTS OF CONSTRUCTION, DESIGN AND MANAGEMENT SERVICES

Construction costs for the entire complex are estimated at approximately \$600,000 for the infrastructure and \$19 million USD for the building works, including all built components of the resort complex, landscaping and parking facilities. The cost per built square meter used for this estimate is \$1,000, which is appropriate for a high quality resort at the 5 star level and above. With a contingency factor of 5% brought into the estimate, the total construction costs are estimated in the order of \$20 million USD.

Depending on the Design, Management and Construction approach selected, as well as the conditions and scope that agreed upon, design and management services will be:

- Design services (Architectural and Engineering) : 5-7% of construction costs
- Management Services (Design and Construction): 2.5-3% of construction costs

These figures are rough and provide an initial framework only for understanding the breadth of scope possible. Final figures will be dependant on the precise services and terms agreed.

At this stage, taking the higher bracket fees for a conservative estimate, the fees will run in the order of \$2 million USD.

In total, the cost of construction bringing the project to point of handover to operations is estimated at \$22 million USD. This scenario assumes completion of all works before the start of operations. As mentioned earlier, other possibilities will be considered at detailed design and projection stage, such as phase by phase building, with operations beginning with as few as 200 beds in the hotel, bungalows postponed till a later point, and revenue from initial operations returned to provide for further construction costs.

Estimated Construction Costs

7.

Infrastructure	
Roads	\$300,000
Water, electrical, telephone	\$160,000
On site roads + mains + electrical transformer	\$160,000
Total Infrastructure	\$620,000
Buildings	
Hotel	\$12,000,000
Casino	\$4,850,000
Marina	\$1,750,000
Beach	\$400,000
Pool, cafeteria, bars, surroundings	\$1,000,000
Tennis court and ammenities	\$500,000
Golf course and ammenities	\$400,000
Landscaping and car park	\$500,000
Total Buildings	\$21,400,000
Contingency	\$1,070,000
Sub total	\$22,470,000
Design Fee 7%	\$1,572,900
Project Management Fee 3%	\$674,100
Total	\$24,717,000



7. CONSTRUCTION CASH FLOW

The figures provided in the previous section represent the total estimated expenditure for the construction of the Blue Bay project. This expenditure will occur over a 33 month period, as described in the project timetable. In this section we detail the project's monthly estimated cash flow. This cash flow takes into account the initial design and investigation costs, site preparation prior to building construction, and projected monthly costs during the construction phase, including expected peaks in expenditure at points of mobilization, large equipment purchases (mechanical systems, furniture etc.), and punchout and demobilization.

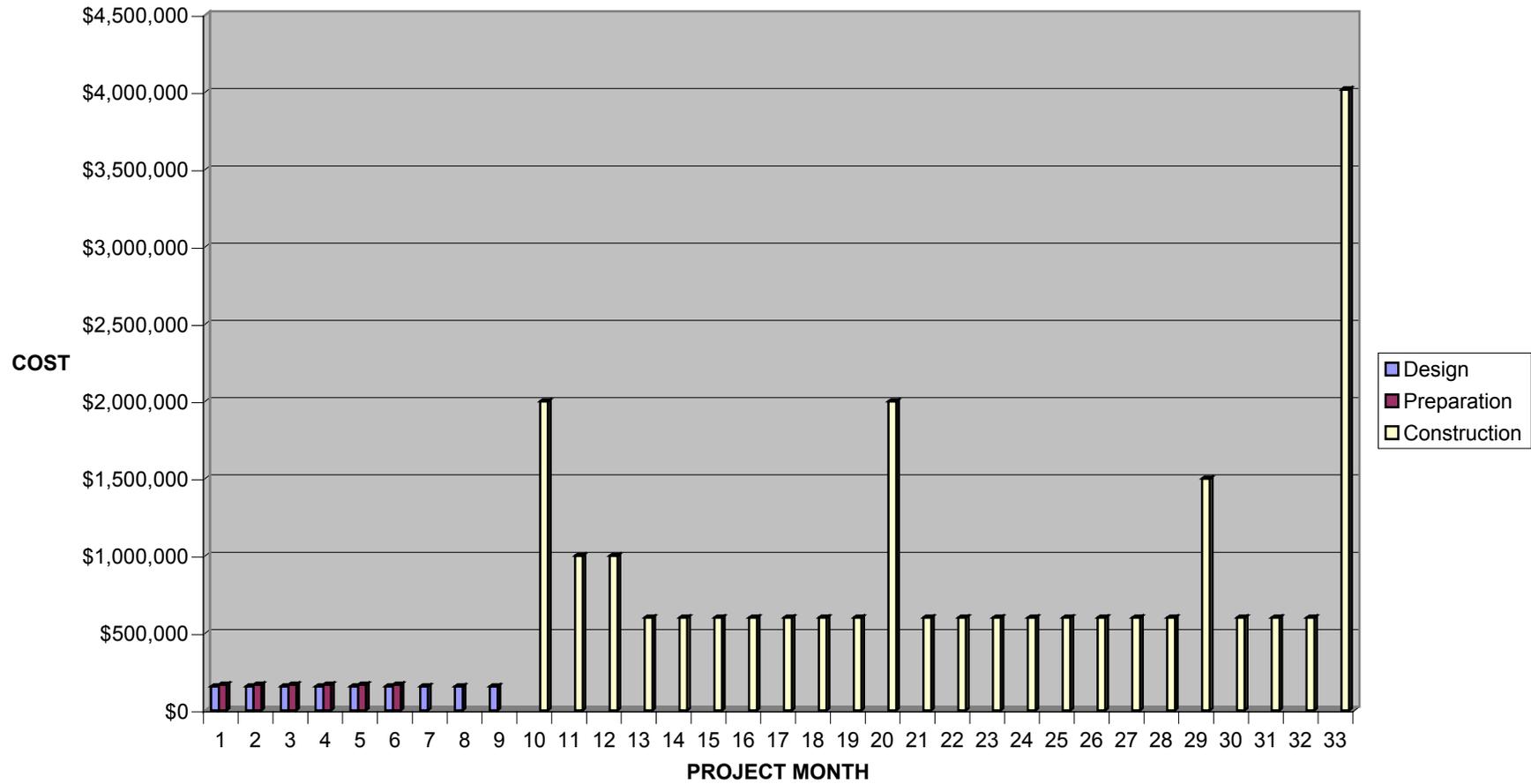
This table again assumes completion of all works before the start of operations.

Cash Flow

Month	Design	Preparation	Construction
1	\$155,556	\$166,667	
2	\$155,556	\$166,667	
3	\$155,556	\$166,667	
4	\$155,556	\$166,667	
5	\$155,556	\$166,667	
6	\$155,556	\$166,667	
7	\$155,556		
8	\$155,556		
9	\$155,556		
10			\$2,000,000
11			\$1,000,000
12			\$1,000,000
13			\$600,000
14			\$600,000
15			\$600,000
16			\$600,000
17			\$600,000
18			\$600,000
19			\$600,000
20			\$2,000,000
21			\$600,000
22			\$600,000
23			\$600,000
24			\$600,000
25			\$600,000
26			\$600,000
27			\$600,000
28			\$600,000
29			\$1,500,000
30			\$600,000
31			\$2,950,000
32			\$600,000
33			\$1,667,000
Total	\$1,400,000	\$1,000,000	\$24,717,000



CASH FLOW





8. ANNUAL OPERATIONAL PROJECTIONS

Section 8 of our Business Proposal presents an operational outline for the Blue Bay Hotel and Casino Project.

The preliminary feasibility figures below show projected returns over a ten year period, with a lump sum loan repayment at the end of Year 10.

The driving force of this project based on the current trends in tourism is the Hotel and its facilities, with gambling-junkets providing the mainstay of casino profits. In the near future (most likely by the time that the hotel is operational), the major component will become the casino, with a high-roller attraction factor, using the hotel as a secondary function. The projections below rely on the current state of affairs and show the necessary profits for making this an attractive project with a solid return. Future expansion of the casino revenue will make profitability significantly more impressive. In order to provide a conservative projection, only the current state of affairs is reflected.

Project Name	Blue Bay Hotel and Casino Resort
Site	101,000 square meters of beachfront property located near Nicosia/Girne in TRNC
Capacity	300-room hotel and casino, and an 80-berth marina
Project Time Schedule	Approximately 36 months
Total Project Cost	Approximately 22 million USD
Funding	22 million USD loan for 10 years with minor annual interest and ten years grace. Full loan is to be paid in one instalment at the end of the grace period.
Product Profile	The Blue Bay project will include 300 deluxe rooms and suites in the main building; 50-80 chalets/villas/bungalows within the complex site; an 80-berth marina; and the largest casino in TRNC The product is a deluxe casino-hotel-villa-marina complex which will be positioned as the market leader in the TRNC tourism product. It is an amalgamation of various needs with a deluxe standard. The pricing policy, excluding the first year of operations, will therefore be one of a market leader with features such as first to announce, the highest for each market, product differentiations, market segmentations, etc. Primary market segments are: bare boat yachters, yacht-tours, business and corporate business, congress-conferences-meetings (CCM), back-to-back tour operations, weddings, product launch organisations, individual casino segment, gambling-junket-tours, senior citizen long stays, and time-share unit guests.



PRELIMINARY FEASIBILITY FIGURES

Assumptions:

- All occupancy rates and pricing levels meet industry standards, and would only be improved by changes of circumstance as outlined in Section 4 above.
- Our baseline estimate of sixty (60) dollars USD per room night is a conservative estimate of the market price given the market leader niche of the resort as outlined in the Product Profile above.
- The operational forecasts developed are based on:
 - 50 rooms are allocated to the Casino through out the year with a 30.- USD/room/BB/DBL-SNGL price basis. This is conservative and below industry standard (see comparison table below)
 - 250 rooms are reserved for wholesale and retail marketing at 60.- USD / Room / BB. This equates to 30.- USD / pp / dbl / HB, well below the 40.- USD/pp/dbl/HB average of other hotels, and therefore a conservative estimate based on industry standards.
 - 60 percent all year round occupancy is aimed.
 - 70 percent of 250-room-capacity is aimed to be marketed on HB/room basis through distribution channels (travel agencies and tour operators), and 30 percent of 250-room-capacity is aimed to be sold directly on BB/room basis.
 - Marketing will also gear towards the corporate sector at a rate of 45.- USD / Room / BB. This also is conservative and below industry standard (see comparison table below)
 - Operation cost (including F&B) is aimed to be 35 percent of revenues.
 - Hotel Management agreement is based on 3 percent turnover/revenues and 10 percent GOP.
 - Refurbishment reserve fund is 3 percent of the turnover/revenues and every 5 years 10 percent of total investment is to be spent. Building materials will be chosen according to climatic conditions to ensure minimal refurbishment needs.
 - Initial Casino Investment as appears in estimated costs (Section 6): 4,850,000.-
 - Construction/Furnishing Fittings & Equipment/Interior/Uniforms, etc., 2,000,000.- USD
 - Casino Equipment: **350 slots & 25 table games & 1 large game** (horse race) 2,400,000.- USD
 - Camera System: 150,000.- USD
 - Limos & Cars & Midibus 300,000.- USD
 - The following items are not included in these projections and will be estimated at detailed program development stage:
 - Marina operation costs and revenues
 - Food and Beverage (F&B) revenues
 - Congress-Conferences-Meetings (CCM) costs and revenues
 - Time-share sales costs and revenues

Current figures for similar Casino/hotels operating in the area:

Casino	Casino (sq.m.)	Rooms	Rates (*)USD HB/dbl/pp	Occupancy (%)	Casino/T (%) (**)
Jasmine Court	2500	160	40-45	65	50/50
Salamis Bay	800	380	35-40	55	20/80
Palm Beach	350	105	35-40	65	20/80
Dedeman	400	105	20-25	65	70/30
Merit Cristal Cove	900	250	35-40	60	25/75
Rocks	850	160 (60+100new)	Unavailable at this time	80	90/10

(*) Rates are based on half board per person on double occupancy in a room in USD.

(**) Total Business received from casino operation vs tourism operations.



Financial Data – Hotel functions

(1) Casino Guests:

a) Revenue

$$50 \text{ rooms} \times 365 \text{ days} \times 100\% \text{ occupancy} = 18,250 \text{ room-nights}$$

$$\times \$30 \text{ US}$$

$$\text{Revenue} = \mathbf{\$547,500 \text{ US}}$$

b) GOP

$$= \text{Revenue} - \text{Room costs (Room costs = 10\% Revenue)}$$

$$= \$547,500 \text{ US} - \$54,750 \text{ US} = \mathbf{\$492,750 \text{ US}}$$

(2) Hotel Guests:

$$250 \text{ rooms} \times 365 \text{ days} \times 60\% \text{ occupancy} = 54,750 \text{ room-nights}$$

a) Revenue from 70% allotment for travel agencies & tour operators HB guests

$$70\% \times 54,750 \text{ room-nights} = 38,325 \text{ room-nights}$$

$$\times \$60 \text{ US}$$

$$\text{Revenue} = \mathbf{\$2,299,500 \text{ US}}$$

b) Revenue from 30% allotment for rooms sold directly to BB guests

$$30\% \times 54,750 \text{ room-nights} = 16,425 \text{ room-nights}$$

$$\times \$45 \text{ US}$$

$$\text{Revenue} = \mathbf{\$739,125 \text{ US}}$$

c) Total Revenue from Hotel guests

$$\begin{array}{r} \$2,299,500 \text{ US} \\ + \quad \$739,125 \text{ US} \\ \hline \text{Total Hotel Guests Revenue} = \mathbf{\$3,038,625 \text{ US}} \end{array}$$

d) Operating Costs = 35% Revenue

$$= 35\% \times \$3,038,625 \text{ US} = \mathbf{\$1,063,518 \text{ US}}$$

(3) Total GOP from All (Casino & Hotel) Guests:

a) Casino GOP (50 rooms) = \$492,750 US

b) Hotel GOP (250 rooms)

$$= \text{Hotel Revenue} - \text{Operating Costs}$$

$$= \$3,038,625 \text{ US} - \$1,063,518 \text{ US} = \mathbf{\$1,975,107 \text{ US}}$$

Total GOP = \$2,467,857 US



(4) Turnover = Total Revenue from All Guests:

a) Casino Guest Revenue (50 rooms)	=	\$547,500 US
b) Hotel Revenue (250 rooms)	=	<u>\$3,038,625 US</u>
Total Turnover	=	\$3,586,125 US

(5) Hotel Management Fees = 3% Turnover + 10% GOP

=	3%	x	\$3,586,125 US	=	\$107,580 US
+	10%	x	\$2,467,857 US	=	<u>\$246,700 US</u>

Hotel Management Fees = \$354,280 US

(6) Adjusted GOP #1 (GOP less Management Fees)

=	GOP	-	Management Fees	=	
=	\$2,467,857 US	-	\$354,280 US	=	\$2,113,577 US

(7) Adjusted GOP #2 (Adjusted GOP#1 less refurbishment costs)

=	Adjusted GOP #1	-	Refurbishment (Refurbishment = 3% Turnover)	=	
=	\$2,113,577 US	-	\$107,580 US	=	\$2,005,997 US

Adjusted GOP #2 is taken to be \$2,000,000 US per year.



Financial Data – Casino functions

(8) Casino GOP: 3,600,000.-USD

a) Turnover	\$18,000,000 USD
b) Costs	\$14,400,000 USD
Personnel	\$1,800,000 USD
Marketing	\$9,000,000 USD
Other	\$3,600,000 USD
Turnover	\$18,000,000 USD
Costs	<u>\$14,400,000 USD</u>
GOP	\$3,600,000 USD

(9) Adjusted Casino GOP: 1,800,000.- USD

Turnover Management Fee (5%)	\$900,000 USD
GOP Management Fee (30%)	<u>\$900,000 USD</u>
Total Management Fee	\$1,800,000 USD
GOP	\$3,600,000 USD
Total MF	<u>\$1,800,000 USD</u>
Adjusted GOP	\$1,800,000 USD

RETURN ON INVESTMENT

1. Year	2. GOP Hotel (Adjusted#2)	3. GOP Casino (Adjusted)	4. GOP interest / added funds	5. Total (2,3,4)	6. Accumulated Funds (+5%)
	(in 000's USD)	(in 000's USD)	(in 000's USD)	(in 000's USD)	(in 000's USD)
1	2,000	1,800	0	3,800	3,990
2	2,000	1,800	3,990	7,790	8,180
3	2,000	1,800	8,180	11,980	12,578
4	2,000	1,800	12,578	16,378	17,197
5	2,000	1,800	17,197	20,997	22,047
6	2,000	1,800	22,047	25,847	27,140
7	2,000	1,800	27,140	30,940	32,487
8	2,000	1,800	32,487	36,287	38,101
9	2,000	1,800	38,101	41,901	43,996
10	2,000	1,800	43,996	47,796	50,186

NOTE:

- *GOP of the Hotel operation (Adjusted #2) receives 5 percent interest annually throughout ten years and is taken flat at \$2,000,000 USD per year.*
- *GOP of the casino operation (Adjusted) receives 5 percent interest annually throughout ten years and is taken flat at \$1,800,000 USD per year. Return on the casino investment alone will be achieved in approximately 3 years under the existing market conditions with approx. 20 percent GOP and 10 percent Adjusted GOP.*
- *With the UN sanctions lifted, competition will be relaxed and market slice will be extended. In this instance Casino GOP is expected to be as high as around 40 percent (\$7,200,000/annum).*
- ***Return is on \$24,717,000 finance for hotel construction (including \$4,850,000 Initial Casino Investment), and £550,000 BPS finance for remaining land purchase.***
- ***Total loan approx. \$25,600,000.***
- ***Loan return possible by 6th to 7th year within the conservative assumptions listed above, dependent on loan structure and conditions.***

This return on investment is based upon conservative assumptions and contains built-in safeguards. The above figures taken on their own show a return on the 10 year loan, although the loan may be returned within the abovementioned 7 year period. In addition to this the items not included in the projections (marina, food & beverage, CCM, casino and timeshare revenues) will provide further real profit above and beyond the loan repayment.



9. Project Team

Parsons Brinckerhoff

This Business Plan has been developed by Parsons Brinckerhoff International, Inc., a world leader in the development, design, and management of facilities and infrastructure projects worldwide.

Parsons Brinckerhoff (PB) provides comprehensive services for facilities and infrastructure projects worldwide. Founded in 1885, PB is one of the oldest continually operating consulting engineering firms in the United States. With more than 9,000 employees in more than 250 offices worldwide, we provide a full range of engineering, architecture, planning, program management and construction management services for clients in the public and private sectors. Our projects range in size and scope from simple studies and assessments to complex multibillion-dollar multidisciplinary efforts. Since its founding, PB has completed thousands of infrastructure projects involving the full range of project phases – from initial feasibility studies, through preliminary and detailed design, to overall project and construction management. We have consistently been in the top 5 percent of the Engineering News-Record's listing of the 500 leading architect/engineering firms in the U.S.

PB brings to the Blue Bay Hotel and Casino Project our international experience in the design and successful operation of hotels, sports facilities and entertainment centers. On each of our projects we work in close collaboration with clients and developers. Our achievements in the field range from small leisure centers to large, multi-use resorts and stadiums.

PB's multidisciplinary project approach produces solutions that are technically feasible, easily implementable, and cost-effective. The ability to visualize a project from beginning to end, to anticipate the potential for beneficial or detrimental impacts, and to recognize the right choice for each situation is our hallmark. Our projects have pushed forward the state of the art and won awards for engineering excellence.

Large multi-disciplinary projects are filled with unique challenges. To guide these multitask, multiphase projects from concept to completion and overcome the inevitable obstacles along the way, clients worldwide call on PB. As a world leader in managing facilities and infrastructure projects, PB has the tools, skills, resources and experience needed to deliver projects successfully. In addition to our expertise in project leadership, planning, design, procurement, construction services, and operations and maintenance, we have specialists in such diverse areas as financial services, project controls, permits management, and risk management, to name a few. PB works under virtually any kind of project delivery system, and customizes our services to specifically meet each client's needs.

S. Selçuk NAZİLLİ

PB is proud to be associated for the Blue Bay project with Mr. S. Selçuk NAZİLLİ, a leading Turkish tourism operator. Mr. Nazilli brings to this project over twenty years of experience in developing, marketing and operating hotels, casinos, and travel product in both Turkey and the TRNC. For additional details on Mr. Nazilli's experience please see his curriculum vitae on the following page.

Curriculum Vitae

S. Selçuk NAZİLLİ, M.Sc. (Tourism)

Education

1977	B.A. (Marketing), Aegean Univ., İzmir, Turkey
1981	M.Sc. (Tourism), Univ. of Strathclyde, Glasgow, U.K.

Professional Experience

1982	Expert, Foreign Investment Dept., Ministry of Tourism of Turkey
1983-1990	Tourism Coordinator, Member of Board, CEO, Partner of KAVALA Group Companies: <ul style="list-style-type: none">• BodrumTour, Travel Agent & Tour Operator• Best Yachting, Bareboat Yacht Chartering• TUR European Airlines, Charter Airline• LET's Rent-a-Car, Rent-a-Car• TURSER Tourism Investment Co., Ex-owner of Sheraton Hotel, Ankara
1983-1991	Consultant, Member of Board, Partner, ÖRSA Holding <ul style="list-style-type: none">• ÖRSA Holding owned Steigenberger Falez Hotel & Casino, Antalya, Turkey
1983-1992	General Manager, AHSEL Holding <ul style="list-style-type: none">• AHSEL Holding owns Turkiz Hotel, Antalya Turkey and Ankara Hotel, AlmaAty, Kazhakistan.
1990-to date	CEO, partner of ÖNSEL Representation and Tourism Consulting, Ankara, Turkey
1997-to date	CEO, partner of ÖNSEK, Famagusta, TRNC
2002-to date	CEO, parter of UNIVERSATLAS, Famagusta, TRNC

Teaching Experience

1984-1989	Hospitality Marketing Course (Fourth Year), Dept. of Tourism, Univ. of Bosphorous, İstanbul, Turkey
1991-1998	Tourism Marketing/Creative Marketing/Senior Classes Research Advisor, Dept. of Tourism and Hotel Services & School of Tourism and Hotel Management, Bilkent Univ., Ankara, Turkey

Memberships & Social Activities

2001-2002	President of Ankara ULUS Rotary Club
1992-to date	Member and Member of the Board of Ankara ULUS Rotary Club
1986-to date	Member and Member of the Board of SKAL International Ankara (*)
1999-2000	President of SKAL International Ankara



1998-2000 Secretary General of the National Committee of SKAL International Turkey
1973-78 AIESEC, International Association of Business & Administration School Students

() SKAL Clubs are International Clubs for tourism and travel executives and owners*

Awards

1978 Second Prize, "Tourism & International Promotion of Turkey" by İŞ BANK, Turkey
1979 Rotary International Presidential Citation
2001-2002 Rotary World President's Distinguished Club President Award



PARSONS BRINCKERHOFF

HOTEL & RESORT EXPERIENCE

HOTEL AND RESORT FACILITIES EXPERIENCE

International luxury hotels offer the businessperson comprehensive facilities, including communications and business centres, conference venues with simultaneous interpretation systems, audiovisual technology, and extensive recreational facilities. Resort hotels provide patrons with seclusion and recreational opportunities within the confines of a facility secured by central surveillance and control systems.

Working in close collaboration with hotel owners, developers, architects, and specialist consultants throughout Southeast Asia, PB provides the hotel industry with comprehensive design, engineering, project management and construction management services. In addition to our experience in general building services, PB has proven experience in mechanical and electrical engineering, acoustics and vibration, energy management, advanced communications, special services for helicopter landing pads, and other specialty services to the hotel and resort industry.

REPRESENTATIVE PROJECTS

Hong Kong Convention and Exhibition Centre Complex

Hong Kong

To attract international conventioners, this mixed-use complex features an integrated venue of show floor space, business facilities, hotels, and amenities. PB was responsible for providing designs for all mechanical and electrical services for the Hong Kong Convention and Exhibition Centre, including the material handling and vertical transportation system – two 45-ton container and freight lifts; and a centralized utilities system for the exhibition booths comprising electrical power for equipment and lighting, telephone and telecommunications services, water and compressed air supply, and drainage provisions. Facilities in the 46,000-square-meter exhibition centre include a conference hall, auditorium and meeting room, restaurants, and cargo handling facilities.



New World Centre

Tsim Sha Tsui, Hong Kong

PB conducted an energy management study of the Regent Hotel, part of this integrated



complex, to develop a detailed program of staged energy conservation measures. Based on the success of this program, the study was widened to include the rest of the complex which comprises a multi-story office block, a major retail shopping centre, restaurants, the New World Hotel, and a block of luxury apartments. This study evaluated the complex's energy history and energy use pattern, estimated savings resulting from improved efficiency and/or use of

alternative energy sources, and identified required capital investment and associated cost recovery. The complex includes a 42,000-kW (12,000 TR) central refrigeration plant and a solar energy installation.

Suntec City

Singapore

Situated on a 10.9-hectare site in Marina Centre, Suntec City is being developed to become Singapore's major commercial, entertainment, and tourist node. This complex, designed around a landmark civic area, includes the world-class Singapore International Convention and Exhibition

Centre, with 60,000 square meters for exhibitions, trade marts, and conventions; a 600-room, five-star hotel; four 45-story office towers; a four-level retail podium; and a 3,000-space underground carpark. PB is responsible for the overall electrical and mechanical services for the complex, including state-of-the-art intelligent systems for building



management, security and life safety, computerized communications/information, and energy efficiency. The convention center's design includes a thermal energy heat recovery system, a heat pump system for domestic hot water heating, a chiller optimization system, and variable air volume and water central distribution systems. The complex features a 76,000-kW (21,600 TR) central refrigeration plant – with a central cooling tower plant that has been acoustically and integrally designed with the building complex, a 66/22-kV transformer room, and a high-tension 22-kV power supply system to serve the complex and the chiller plant.

Shun Tak Centre

Hong Kong

This massive development on the north shore of Hong Kong is one of the most extensive complexes in the territory. It includes an eight-story commercial podium, a 41-story office tower, the deluxe Victoria Hotel, and a marine section housing the Macau Ferry Terminal. PB's responsibilities included design, tendering, and supervision of all electrical and mechanical engineering systems, preparation of combined builder's work and combined services drawings, and full site supervision to monitor the installation program. These systems were designed to economically cater to the large diversity of tenant requirements and the special security needs of this integrated development.



Tin Hau Development

Hong Kong

PB provided electrical and mechanical engineering services during the development of this twin tower commercial complex located on the site of the Causeway Bay Magistracy. One 40-story tower houses government magistracy and office uses and incorporated special engineering system designs to suit the various functional and security requirements. The adjacent 60-story tower includes offices, a shopping arcade, and a multi-level carpark.

Coloane Island Resort Village

Macau

Situated on a 100-hectare site along the Coloane beachfront, this mixed-use resort village comprises a major hotel/casino, country club, golf club, recreation club, marina, and a number of group residential units. PB provided all building design services for these facilities and conducted an in-depth study and design of site infrastructure, including sewerage, water, and electrical distribution systems, and a waste treatment plant. Various alternative electrical and water distribution systems and associated phased implementation programmes were analyzed to determine the most cost-effective and energy-efficient installation. The analysis of water distribution systems evaluated the combined use of municipal water, treated wastewater, and stormwater runoff to meet the heavy demand placed on the system for air conditioning, sanitary systems, and golf course irrigation.

Song Be Golf Resort

Vietnam

Located on a 104-hectare site 30 minutes from Ho Chi Minh City, the Song Be Golf Resort will complement Vietnam's rapid development by providing world-class recreational facilities and, more significantly, linking this developing region with the international golfing and business communities. PB is providing mechanical and electrical design consulting services for development of the resort's villas, apartments, condominiums, hotel and convention center, and shopping areas. Facilities include a power substation with standby generators to supplement municipally supplied electricity; telecommunications and cable television services; water supply system comprising six 90-meter-deep wells and simple treatment facilities providing water for domestic use and golf course irrigation; and a sewerage treatment system.

Bintan Lagoon Golf and Beach Resort

Indonesia

Situated on 300 hectares on Pasir Panjang Beach on the north shore of Bintan Island, this golf and beach resort is located 45 minutes by ferry from Singapore in the Riau Archipelago of



Indonesia. Amenities include a 416-room luxury resort hotel, more than 100 villas with facilities for land and sea activities, three 54-hole championship golf courses, and four swimming pools with extensive landscaping and a cascading waterfall garden built on reclaimed land. PB is providing mechanical and electrical and general building consulting services for installation of the resort's infrastructure systems, some of which extend to other areas on the island.

The mechanical and electrical systems were designed for energy efficient operation, with special consideration also given to noise, vibration, environmental, and aesthetic issues. Facilities involved in this project include:

- A new ferry terminal
- Roads
- Separate air conditioning systems for villas and hotel
- Fan-aided natural ventilation
- Kitchen exhaust system
- Heat and hot water
- Communications and security
- Electricity distribution
- Water and sewage treatment

Lisboa Hotel

Macau

PB provided mechanical and electrical consulting services for expansion of the Lisboa Hotel and Casino, which included an additional 600 rooms, public facilities, shops, restaurants, and additional casino space. One of the main challenges of this project was to integrate the new engineering systems into the existing systems, some of which date back to over 20 years ago. Existing systems were also renovated to provide an efficient plant to provide services throughout the complex from physically separated locations.

Guilin China Hotel

People's Republic of China

The ancient city of Guilin is situated in an area of spectacular natural beauty on the banks of the Li River in the northeast corner of the Guangxi Zhuang Autonomous Region. The Guilin China Hotel is part of the Kwei Shan Tourist Centre, which encompasses a riverside site and an adjacent island. PB was retained as the building services engineering consultant for the hotel, which comprises three towers with a total of 600 rooms and a three-level podium containing restaurants, shops, and a health spa. An eight-story "drum house," a symbolic structure found in the local villages, was also fitted with guest suites to reflect the culture of this area of southwest China.

Regent Hotel Energy Management

Tsim Sha Tsui, Kowloon

PB conducted the design review and supervised the installation of all engineering systems for the Regent Hotel. The hotel, rated one of the world's ten best, overlooks Victoria Harbour and is conveniently located next to the New World Centre commercial/shopping complex. Facilities include 600 guest rooms, restaurants, shopping arcades, a health spa and swimming pool,



and Hong Kong's largest ballroom. On-site supervision was provided by a team of engineers to accelerate construction, which was completed within 15 months, while maintaining high quality standards. Coordinated service drawings were also prepared to assist the on-site team and services consultants. PB also conducted a comprehensive study of the hotel's energy history and usage patterns and the performance of the

hotel's heating, ventilation, air conditioning, lighting, and domestic hot water systems. Based on this evaluation, PB recommended implementation of several energy conservation measures, which have resulted in substantial energy cost savings with minimal capital investment.