



Windstar Master Association Keewaydin Purchase Opportunity



Windstar Master Association has been approached by the owner of the adjacent lot to the South of our current Keewaydin property. The current owner would like to sell the lot and is offering us right of first refusal. The rough terms are \$1,500,000 with closing TBD. The lot has a usable dock, water, septic, solar array and an 866 square foot raised cottage.

The Master Association has calculated the cost to each homeowner would be \$500 initial assessment for down payment and less than \$290 per year for up to 10 years. This is the most conservative, “worst case” financing options. We expect to have more favorable in terms.

Your Master Association Board of Directors believes that the purchase of this tract is in the best interest of our community for the following reasons -

- Protect our investment/key asset
- Control the environment around sole recreational amenity.
- Additional Dock
- Potential to expand services – cottage, water, septic, solar
- Missed real estate opportunities – Arboretum property, shoulda, woulda, coulda...
- Once in a lifetime opportunity! Keewaydin lots rarely on the market
- Most recent comparables sold for \$1.55M and \$2.1M, respectively
- Harrington Sound partners example – protect the view, beach & sound buffer
- Over 5,000 Windstar visitors to the island each year!
- Investment in the future, not a cost today. Prices are trending up.
- No more waterfront being made – Isn't this why we are in Naples!

We encourage you to vote “YES” to the special assessment allowing Windstar to become even a better place to be!



**Windstar on Naples Bay Master Association
Keewaydin Opportunity
Frequently Asked Questions
March 2024**

If you have not already done so, please reference our presentation prior to looking to these FAQs. The presentation should answer many questions.

Reasons

Valuable Asset

Has things we need – Septic, Solar, Dock

Own an extremely limited and valuable lot

Gives us more control if either side were to be developed

What might we do with the lot if we keep it?

The Board will depend on its Committee process to determine the future potential. As with anything, all options would have to be vetted for liability, financial and safety concerns.

We are seeking input from all owners. Bring us your ideas!

- Renovate the cottage and allow for use
- Allow for private parties
- Increase bathroom availability
- Overnight use
- Community events
- Food service – may require additional permitting
- Leave as is and assure safety
- Raze the building and return to wild land

Why not assess a one-time assessment to purchase the lot? This would save interest expense.

We have secured attractive interest rates to purchase the land over a 10-year period which would be more affordable for many residents than a one-time assessment. Additionally, financing expands the burden to future residents/users.

What did we pay for the original land?

The two lots were originally purchased by the developer of Windstar. In 1991, the developer transferred the lots to Windstar Master Association at a recorded value of \$630,000.

What is its market value today?

Based on recent private transactions over the last 4 years, two lots have sold at \$2.1 and \$1.5M. If we do not activate our right of first refusal, the current owner has stated he will list the lot on the open market for \$1.8M.

Is there a market for it today and how long do we estimate it would take to sell?

A lot so unique and exceptional would get the attention of potential buyers. While impossible to predict the market, the opportunity to add to our current property is a priceless enhancement to what we already own.

Is the market appreciation likely to match historical appreciation or is likely to be lower due to rising sea levels and bigger and more powerful storms going forward?

We believe the appreciation would be like any beachfront property in the SW Florida area.

Is the new land purchase expected to be a long- or short-term hold?

This parcel makes the three lots together more valuable.

Have we approached the seller to discuss having him add deed restrictions/covenants to protect our boundary for a fee?

The seller wants to sell the lot "as-is".

What is the expected annual maintenance costs for the new lot?

The initial estimate is \$5,000.

What about additional costs beyond buying the lot?

Our current overall Keewaydin maintenance costs are currently \$20,000. We project an additional \$5,000 per year for additional maintenance and a one-time \$5,000 dock resurfacing charge.

Would we have an increased liability risk with a building and dock?

Our insurer will inspect the lot and we will comply with any recommendations to avoid potential liability.

What is the concept of 'an undesirable element' buying this lot instead of us. Would it not stand to reason, under that rationale, that you would then want to buy the next one, and the next one, and on and on so you don't get 'an undesirable element'?

We currently own an undeveloped lot to the north which enhances our privacy, the acquisition of the south lot would serve as a buffer in that direction. This is truly a 'once

in a lifetime' opportunity to preserve the serenity of this exceptional, unique amenity to Windstar.

Isn't there already a home on this lot?

Yes, it includes a dock, solar panel, a septic tank and a well which will enhance our future utilization of the lot.

Why would we invest in speculative real estate?

This is not speculative. It enhances the value of our existing Keewaydin property.

If homeowners invest in this lot, why would we not own a share of it rather than the master?

The lot as stated above is a buffer and protects our existing experience. Buying this as a community protects everyone's best interests, not just a few.

We know the club and master are separate entities, however each additional assessment comes out of the same pocket for the homeowner/member. Simply put, we are being asked to invest so much more money these past couple of years than we were before.

Yes, the Club and Master are separate entities and the Club's fees and policies are beyond the Master's control. The Master Association maintains everything but the Clubhouse, Golf Course and Marina and will continue to strive to be as cost-effective as possible.

Will we need to buy an additional boat to ferry beachgoers if we add an additional lot?

Not at this time, however future utilization and amenities will determine our need.

Keewaydin Island Opportunity



History

- Windstar Master Association has owned 2 lots on Keewaydin Island since 1983.
- Of the 2 lots, the primary access and utilization has been on our Southern lot. The Northern lot has remained relatively undeveloped.
- Regularly utilized through Keewaydin Queen shuttle and member boats

Keewaydin Island

Changing Times

Over time, lots on Keewaydin Island have slowly been developed and/or changed in use.

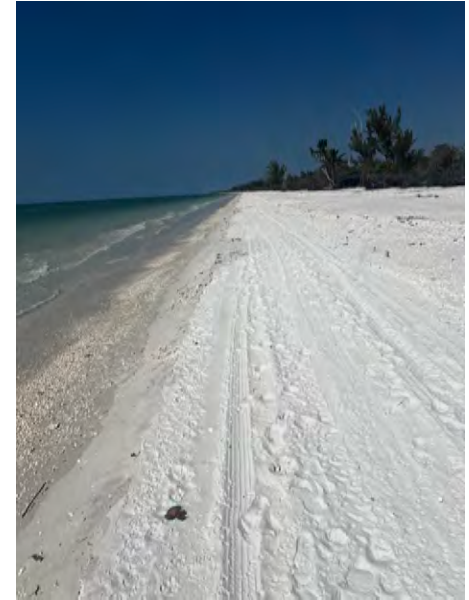
Approximately 4 years ago, a property to the south of the Windstar Master property was improved by a local boating club.

Since then, there has been a noticeable change in the number of people, boats, noise and activity near our property.

Properties rarely transfer ownership.

“They aren’t making any more beach front”

– Southpointe Marina owner



Keewaydin Island

Changing Times

The South end of the island has had building activity recently

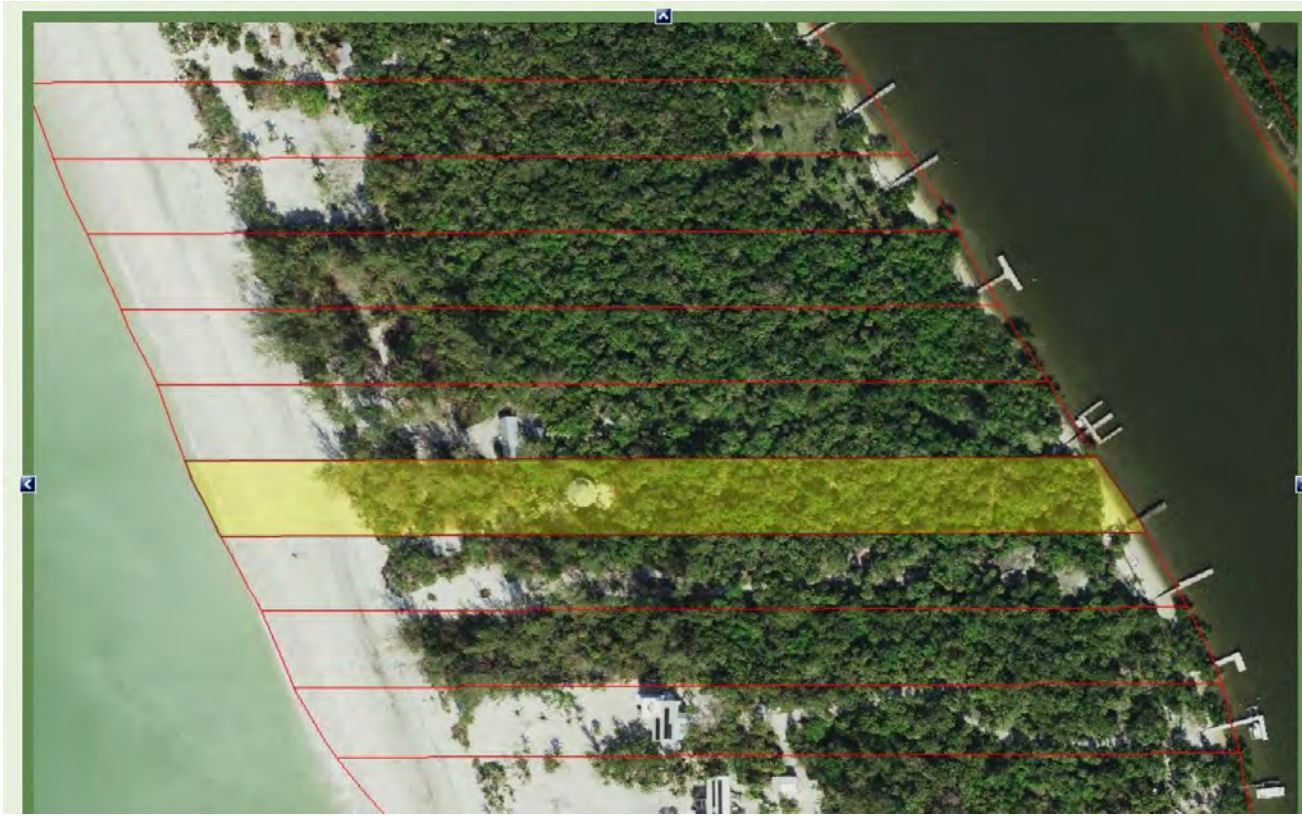




Opportunity



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Opportunity

The property has a usable dock, water, septic, solar array and an 866 square foot raised cottage. The home has been damaged by various storms. The current owner has had contractors evaluate the structure and believe it to be “salvageable.”



Keewaydin Island Real Estate

Approximately 50 lots

Not all are "buildable"

Approximately 1/3 of lots
are owned by the State

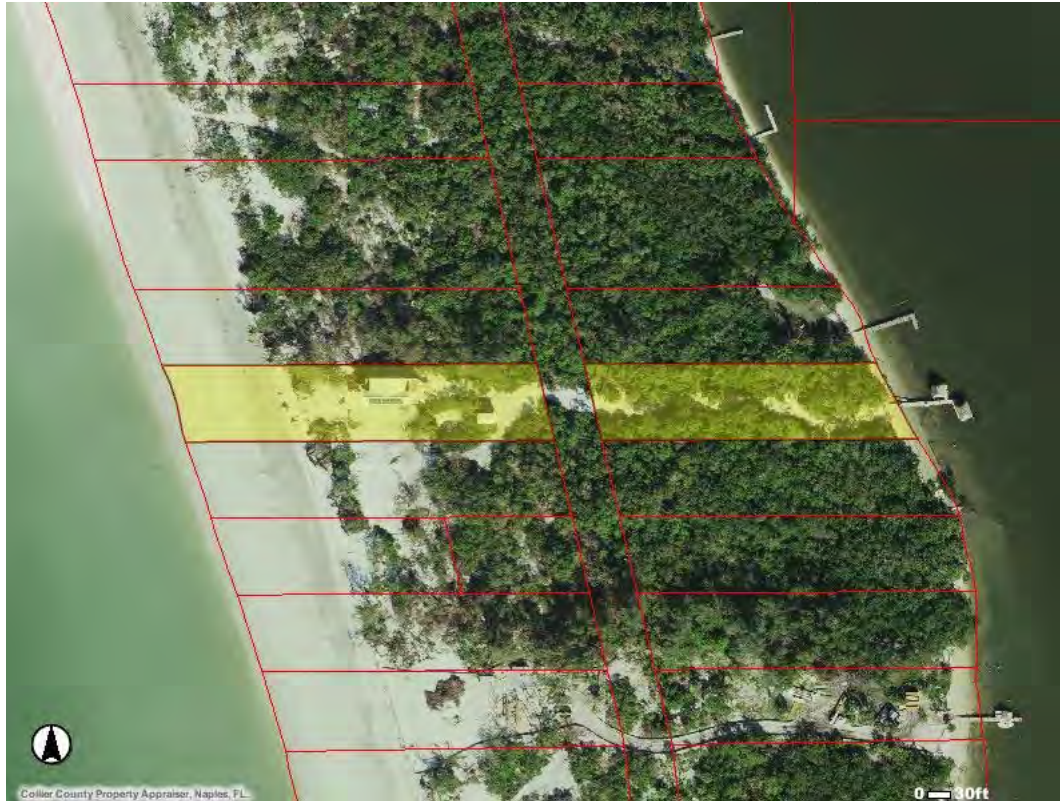


10169 Keewaydin Island



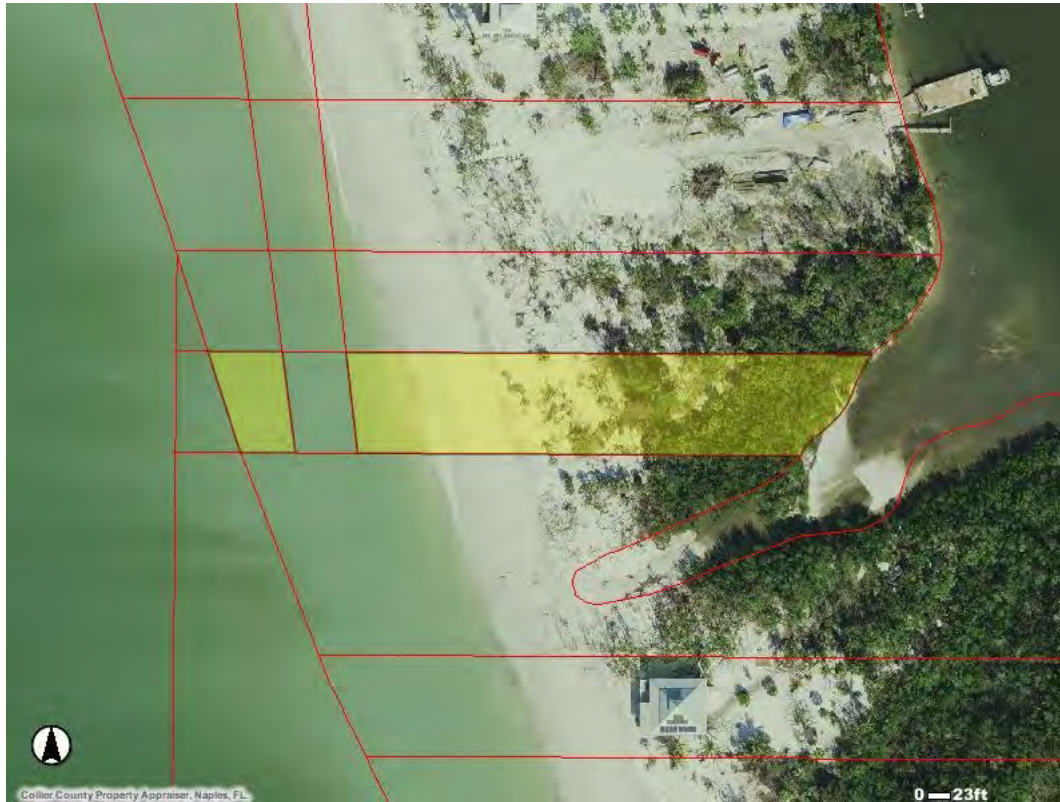
2.25 Acres, Sold August 2022, \$2,135,000

11231 Keewaydin Island



1.93 Acres, Sold March 2022, \$1,550,000

Parcel ID 74081120003



1.25 Acres, Sold May 2022, \$575,000, On Market now, \$850,000



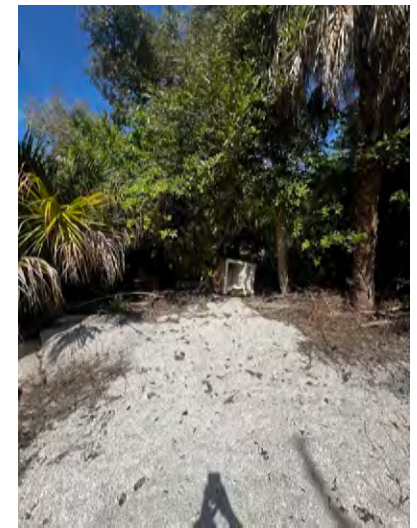
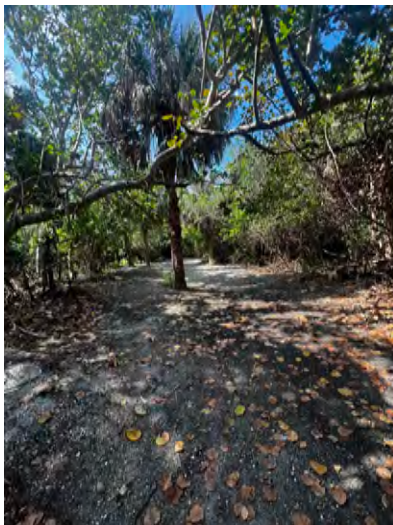
Potential



Potential Options:

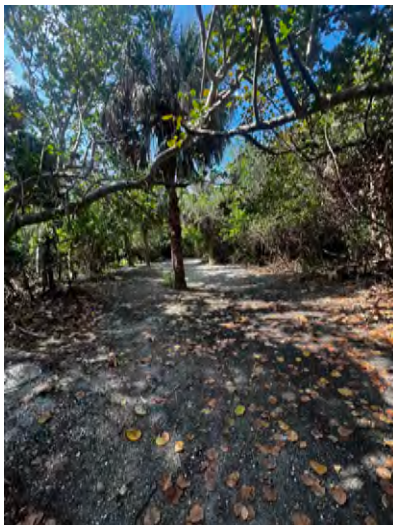
- Purchase and hold the property
- Purchase and improve the property
- Purchase and hold for resale with strict covenants on future development.
- Other Windstar entity purchases (Club, Marina, neighborhood, group, individual)
- Allow sale on the open market and hope for good neighbors

A purchase would require a majority affirmative vote of all homeowners.



Potential Costs

- Current Annual Maintenance - \$15,000
 - Projected increase – \$5,000
- Invasive Removal, if needed - \$20,000
- Dock Renovation - \$10,000 estimate
- Cottage Renovation - \$100,000, or \$60,000 to demolish
- Awaiting engineering and contractor reports- @\$1,000





Opportunity



Preliminary Financial Outlook

Purchase Price - \$1,500,000
Down Payment - \$300,000
Commercial Mortgage Loan - \$1,200,000
Loan Term – 7 years
Loan Rate – 8% estimated for reference
Loan Payment (monthly) - \$18,703
Loan Payment (yearly) - \$224,441

One Time Down Payment Resident Assessment* - \$500
Yearly Resident Assessment for Mortgage* - \$340

There may be additional legal and transfer fees. Property taxes would be waived once the HOA registers the property. This would require a vote of the owners to proceed. A majority (50%+1) of all owners would have to approve.

*Actual numbers may vary based on number of residents and actual charges.



Discussion

Pro

Protect our investment/key asset
Control the environment around sole amenity.

Additional Dock

Potential to expand services – building, water, septic

Missed real estate opportunities – Arboretum property, shoulda, woulda, coulda...

Harrington Sound partners example – protect the view & sound buffer

Yacht Harbor Cove example – owner purchased dock to avoid loud neighbors

Utilization data - TBD

Investment in the future, not a cost today

No more waterfront being made – Why we are in Naples

Con

Cost – Is \$500 down, \$340 a year a good investment?

*This purchase would have no effect on future maintenance projects or budget planning

Insurance? None unless we obtain a mortgage.

Maintenance? See previous estimates.

Improvement – This transaction offers the HOA time to determine the future.



Discussion

Assessments

Fiber Optic Internet and Entertainment

Current Homeowner Average Monthly Bill = \$155

Projected New Average Monthly Bill = \$85

Monthly Savings = \$70

Yearly Savings = \$840

Yearly Additional Assessment for Keewaydin purchase = **\$340**

Average Homeowner will still be saving money while building equity in our community!