



# THE PLACENCIA GROUP

*The Beauty of Belize™*

CONFIDENTIAL OFFERING MEMORANDUM

DISCLAIMER



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EXECUTIVE  
SUMMARY



THE PLACENCIA GROUP  
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**INVESTMENT HIGHLIGHTS****THE PLACENCIA GROUP.**

The Placencia Group ("Placencia Group") is a real estate and infrastructure development consortium responsible for the development of several real estate and infrastructure projects at various stages of completion in Placencia, Belize. Phase 1 includes an existing Hotel renovation, expansion of an existing Mega Yacht Marina, Condominium Hotel units already under construction, a residential lot sales program for improved lots, and completion of a Private Island (formerly owned by Beatles drummer, Ringo Starr),

**LOCATION.**

Belize is located in Central America and bordered on the North by Mexico, on the West and South by Guatemala and on the East, the Caribbean Sea. The unique location offers direct flights from major gateway cities both on the East and West Coast US including Miami and Los Angeles. The country is also highly accessible from Western Europe and Canada.

**AIRPORT AND ACCESS.**

The Belize City International Airport has direct flights from . Additionally, Phase 1 contemplates the completion of a partially completed airport within 5 miles of the resort. The runway is approximately 9,000 ft long which makes it capable of landing all large commercial aircrafts carrying international passengers.

**SIGNIFICANT INVESTMENT TO DATE.**

The Placencia Group has invested over \$170 million US in total as of January 2014, The assets were appraised at \$449.1 million US in value.

**FUTURE EXPANSION.**

The site benefits from a comprehensive master plan designed to attract strategic partners and service both second home and vacation home buyers. Phase 2 contemplates a high-density golf resort community for which much of the infrastructure has already gone in the ground.

**VERTICALLY INTEGRATED DEVELOPMENT COMPANY.**

The Placencia Group is a vertically integrated consortium of companies, The wholly owned subsidiary, Maya Rio Construction, is engaged to complete the construction of all the projects. The principals have extensive experience in real estate development as well as marketing and selling luxury vacation home properties. Company financials are audited by Deloitte and Touche.

**EXTRAORDINARY RISK / RETURN PROFILE.**

The assets of the Placencia Group have been internally valued by the current owner at a position that allows a new investor to capitalize on significant realized returns. Due to low carry costs and significant works to date, a new investor can execute on a timeline which fits their strategy and investment parameters rather than being forced to generate sales or operational revenue on day 1. This significantly reduces the risk profile of the transaction as new development can be demand driven.

EXECUTIVE SUMMARY



TRANSACTION SUMMARY

LOCATION

Placencia Peninsula, Belize

GENERAL DEVELOPMENT SUMMARY

Developer/Owner:	The Placencia Group
Property Type:	Mixed-Use Resort Development
Owned Developable Property Size (Acres):	2200 acres
Year Built:	2002
Development Costs Spent to Date:	\$170,000,000. Over \$170 million has been spent on development costs to date. This includes soft costs, overhead, and marketing to develop five completed subdivisions consisting of 826 lots, hotel, and condominium sites, the main entrance and the collector road approximately two miles long, front entry feature including security and communications center, a state of the art sewer and well water plant, 28 miles of new power poles and lines that are hurricane strength to ensure consistent power to the project. All lots have been filled and compacted to a +10.5' elevation, which is above the 100 year storm surge. Fiber-Optic cable for voice video and data is installed throughout the project.

Gaming License: Granted on February of 2011. The Gaming License allows for 200 slots & 30 tables, Management has prepared plans for a 28,000 sf, 2 story casino. The casino is not considered in the financial model.

	EXISTING	DEVELOPABLE
Hotel Keys (condo hotel)	90 Keys	253 Keys
Unsold Lots	100	1,239
Restaurant	1	2
Gaming / Hotel Pad	-	Yes
Marina Slips	30 slips	233 Slips
For Sale Real Estate Unsold	9 Units	700 Units
Golf Course	-	18 Holes
Retail	0 SF	50,000 SF
Infrastructure	Yes	
Utility Company	Yes	
Airstrip	Yes – On adjacent Site	

EXECUTIVE SUMMARY



INVESTMENT PARAMETERS / SOURCES & USES

PHASE 1 INVESTMENT PARAMETERS

Equity Required (Peak Equity)	\$54,000,000
Expected IRR	30%
Multiple of Capital	2.65x
Cumulative Cash Flow	\$140,744,000
Year 1 Equity Required	\$33,137,300
Uses of Funds	Phase 1 Development / Existing Debt Retirement / Interest Expense as Incurred
Proposed Joint Venture Structure	60% New Investor / 40% Existing Ownership

SOURCES		USES	
Equity	\$ 53,158	Existing Debt Paydown	\$ 6,799
Debt	66,729	Total Development Costs	190,419
Sales / Progress Payments	90,546	Project Carry Costs	-
Net Operating Income	2,592	Interest Expense	15,808
<b>Total Sources</b>	<b>\$ 213,026</b>	<b>Total Uses</b>	<b>\$ 213,026</b>





EXECUTIVE SUMMARY



DEVELOPMENT EXPENSES (in \$1,000 USD)

PROJECT COMPONENTS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year7	Year 8	Year 9	Year 10	Total
Copal Beach Resort Condominiums	24,500.0	24,990.0	25,489.8	-	-	-	-	-	-	-	74,979.8
Marina Village Condo Development (Beach)	-	-	3,361.9	3,567.7	-	-	-	-	-	-	6,929.6
Marina Village Condo Development (Lagoon)	-	13,219.2	13,753.3	-	-	-	-	-	-	-	26,972.5
Marina Village Residential Lofts	-	8,078.4	8,404.8	-	-	-	-	-	-	-	16,483.2
Marina Village (Placeholder TBD)	-	2,524.5	2,626.5	-	-	-	-	-	-	-	5,151.0
Placencia Residences Lots	250.0	255.0	-	-	-	-	-	-	-	-	505.0
Marina Village Lagoon Lots	-	-	1,104.1	1,195.1	1,319.5	1,337.4	-	-	-	-	4,956.0
Placencia Hotel	450.0	459.0	-	-	-	-	-	-	-	-	909.0
Marina Phase 1	1,700.0	1,862.0	-	-	-	-	-	-	-	-	3,562.0
Marina Phase 2	-	6,224.0	6,348.5	-	-	-	-	-	-	-	12,572.6
Rendezvous Island	17,400.0	17,748.0	-	-	-	-	-	-	-	-	35,148.0
Utility Company CapEx	-	2,250.0	-	-	-	-	-	-	-	-	2,250.0
<b>Total Development and CapEx Costs</b>	<b>44,300.0</b>	<b>77,610.1</b>	<b>61,088.8</b>	<b>4,762.8</b>	<b>1,319.5</b>	<b>1,337.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 190,418.6</b>

## TIMELINE

### 1998

Marco Caruso, a pilot from Texas, sees the opportunity in Placencia while on a fishing trip to the region. Within 2 years he fully commits to Belize by moving his family to Placencia.

### Late 2000s – Early 2010s.

While development progresses, the Belize Government completes a \$25 million US infrastructure project, connecting Placencia to the rest of the country via a new highway.

1990

2000

2010

### Late 1990s – Early 2000s.

Mr. Caruso establishes a wholly-owned, 100% vertically integrated, construction company called

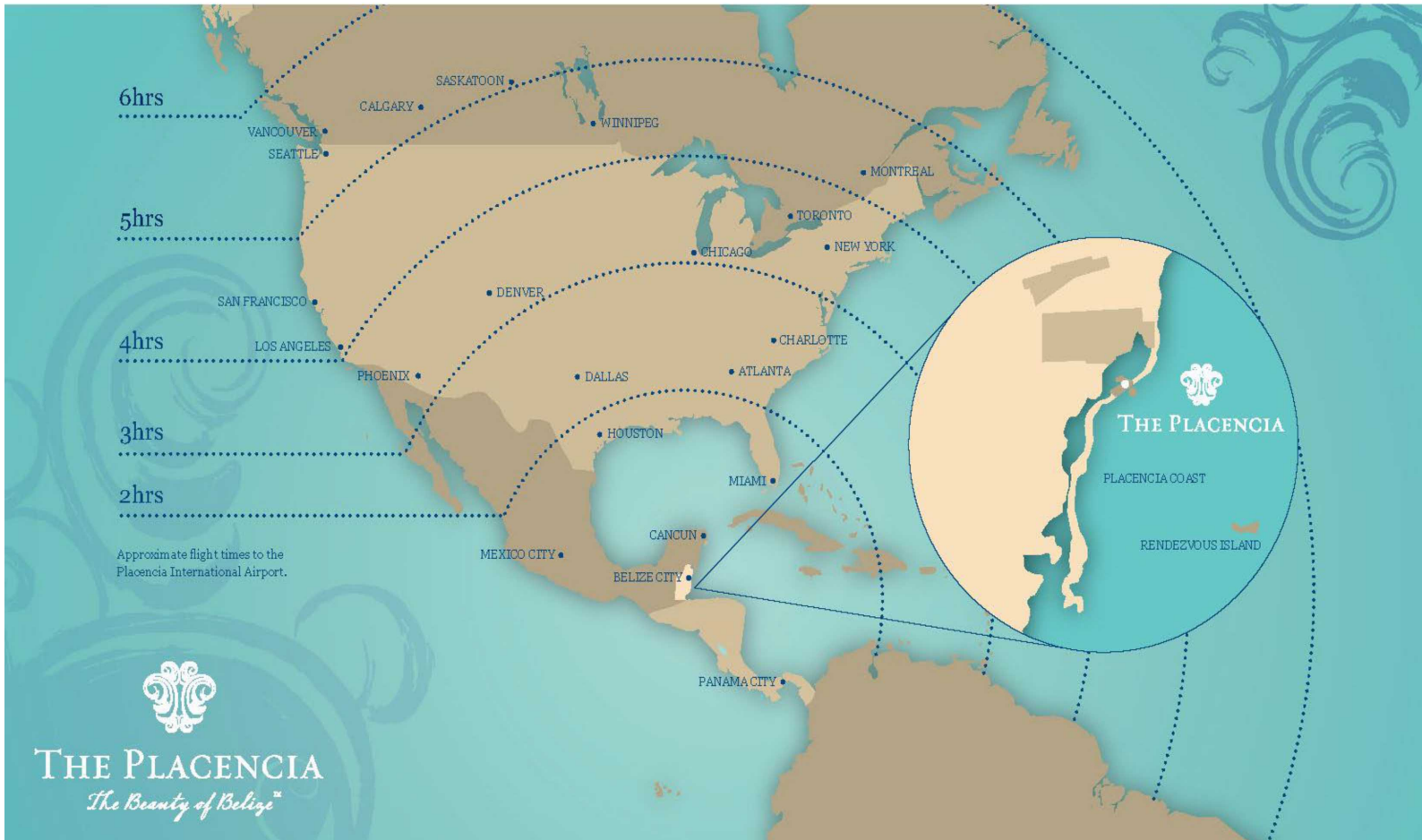
**Maya Rio Construction.** He constructs and develops The Placencia Hotel & Residences.

### 2011 – 2012.

Appraisals of all projects under development. Total appraised value of the projects is \$449.1 million US.

LOCATION

DISTANCE MAP



## EXECUTIVE SUMMARY

### PLACENCIA SNAPSHOT

- Placencia is a gateway to the longest sand beaches in Belize
- 16 miles of beachfront along the Caribbean and a backside lagoon where manatees are often seen
- Today, Placencia is a small fishing village with its lively bars, unique restaurants, local shops, grocery stores, and banks (Atlantic Bank, Belize Bank and Scotia Bank)
- Only one road running the length of the peninsula and is recorded in the Guinness Book of Records as the world's narrowest main street.
- Tarpon, grouper, cobia, barracuda, bonefish, rainbow runners, and triggerfish frequent the waters of the barrier reef and its outer atolls.
- The deeper waters beyond the reef sport sailfish, marlin, wahoo, mackerel, bonito, pompano, blue fin, black fin, and albacore tuna
- Waters plummet thousands of feet only 200-300 feet from the reef crest on all sides of the atolls
- The Barrier Reef's structure and formations makes it the perfect place for divers and snorkelers
- Snorkeling trips taken during the spring at full moon, provide the perfect opportunity to see whale sharks feeding on snapper eggs





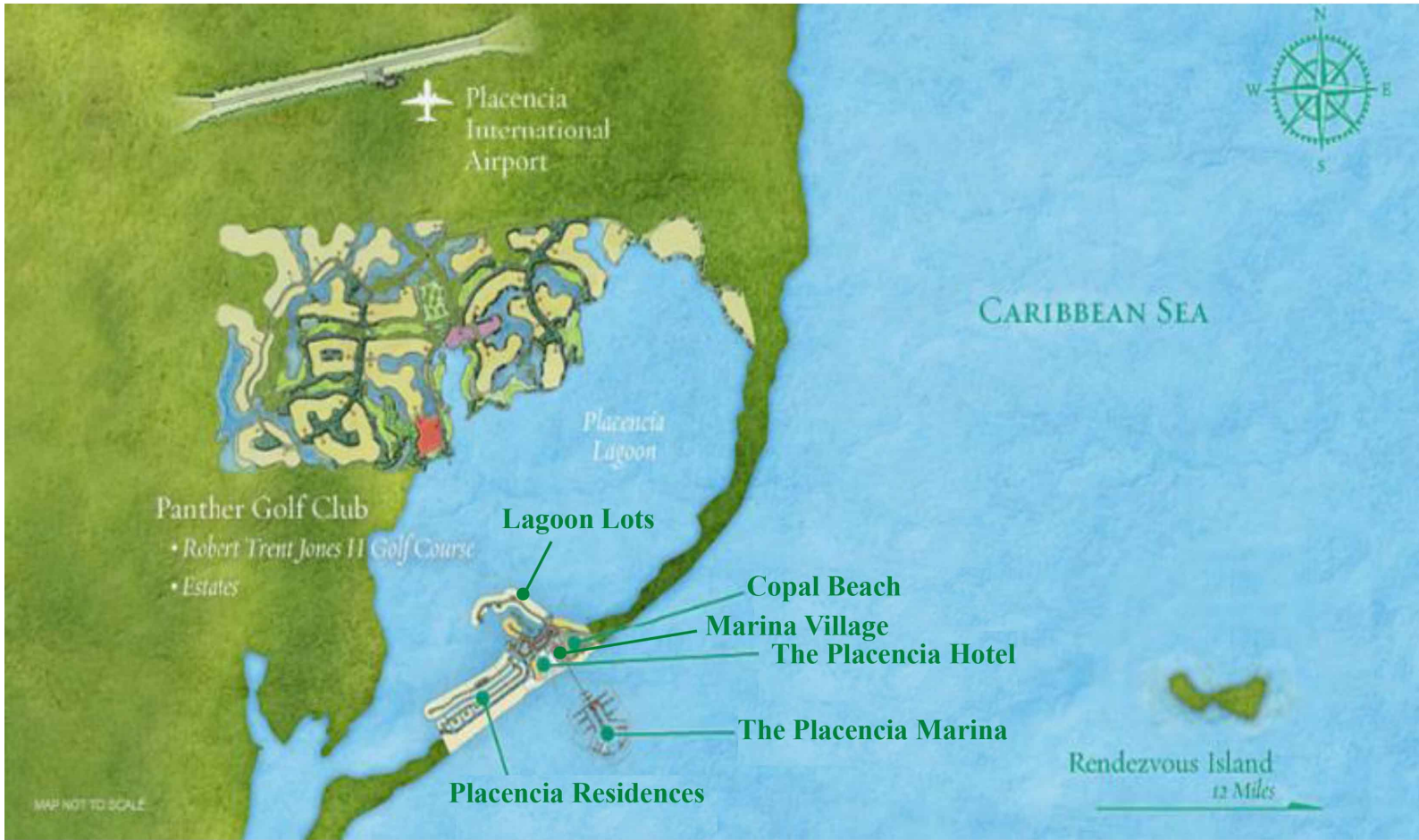


REAL ESTATE  
PROJECTS



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Placencia Residences

The Placencia Hotel

Placencia Marina

Lagoon Lots

Marina Village

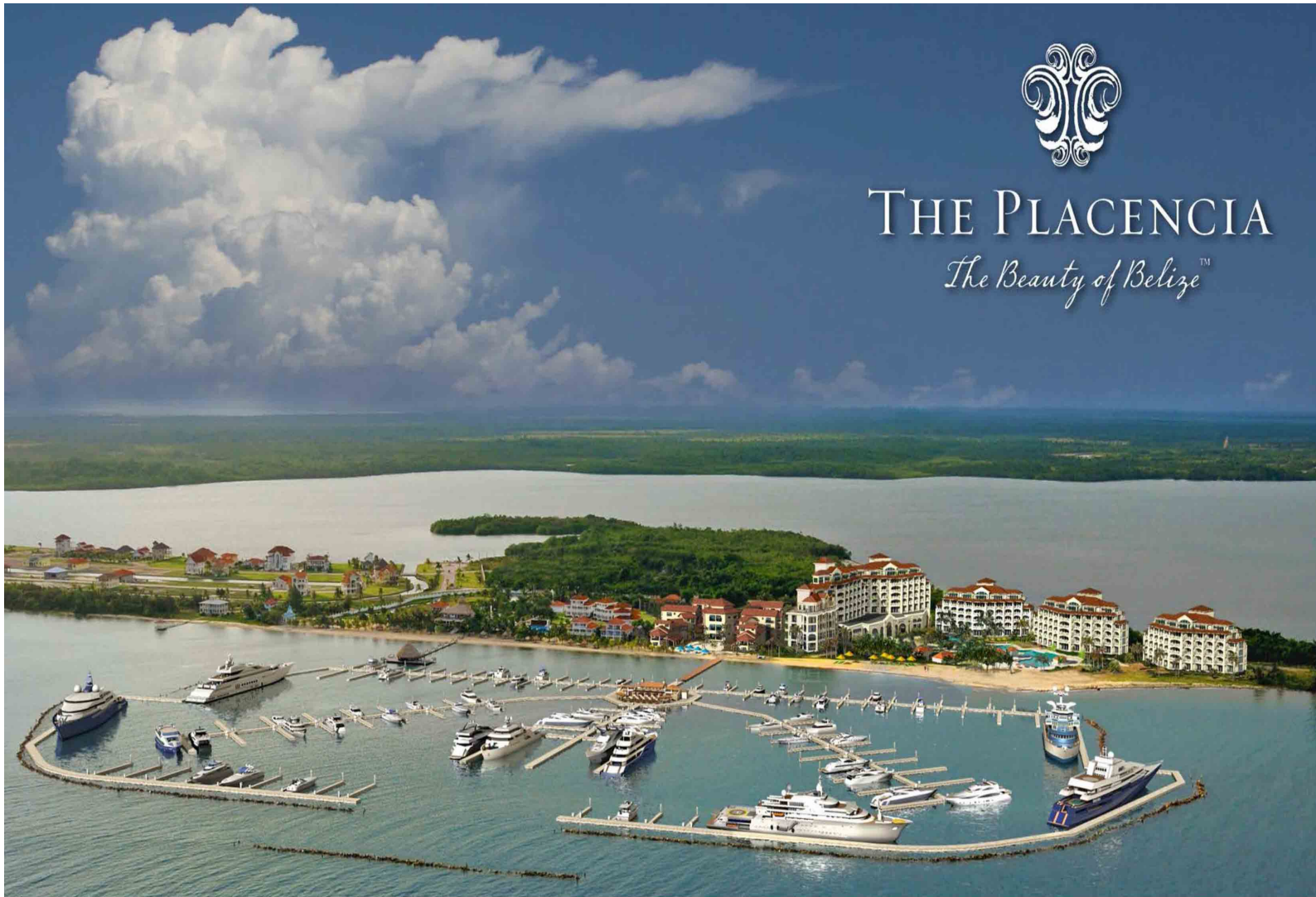
Copal Beach Resort

Phase 2 /  
Panther Golf  
& Residences  
Site



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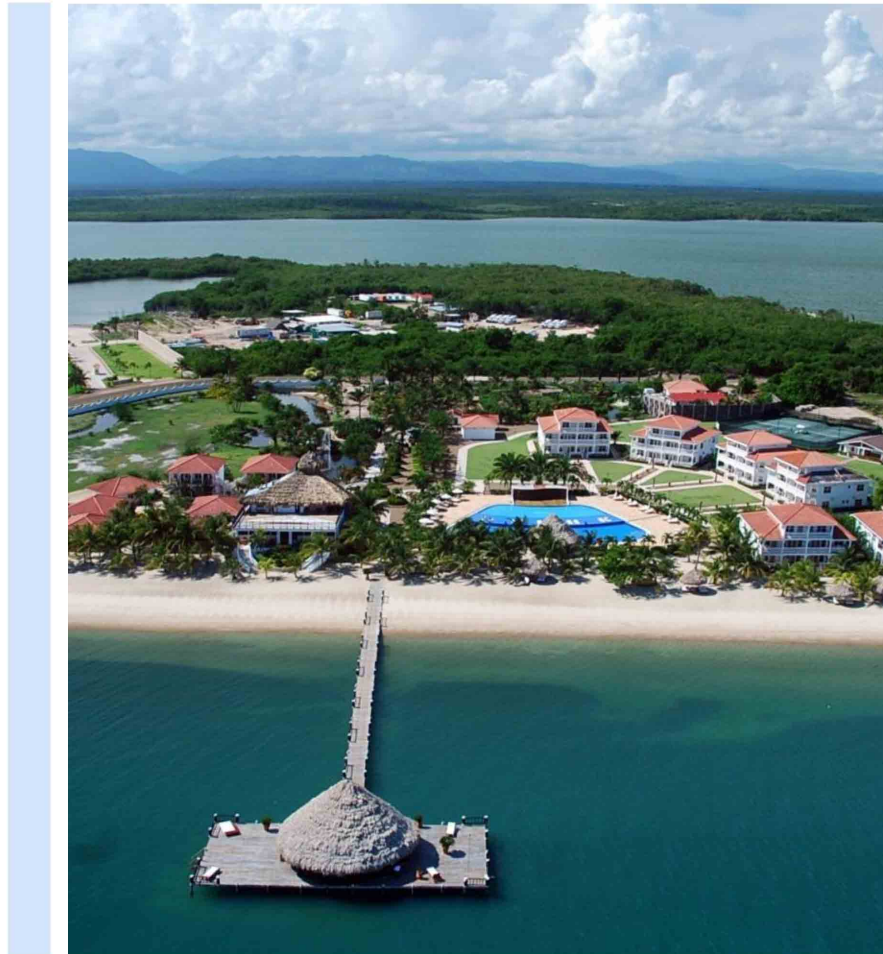


## THE PLACENCIA HOTEL

- Ninety (90) existing rooms
- Located in thirteen (13) single and three story buildings
- Parcel of land for future expansion
- Condominiums sold on a whole ownership basis and added to hotel rental program
- Feature destination of Sunwing, a tour operator located in Toronto, Canada
- Estimated PIP cost of \$909k US

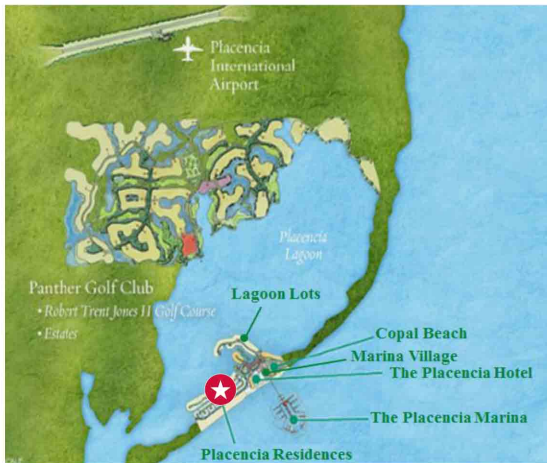
### Amenities include:

- Large salt-water pool
- Tennis courts
- Gym
- Al a carte and buffet restaurants
- Three (3) bars
- Casino



## PLACENCIA RESIDENCES

- Fifty (50) acre development on a private lagoon peninsula consisting of
- One hundred (100) residential lots, each with its own boat slip.
- Sixty (60) lots have been sold and homes are being constructed
- Seawall was constructed protecting the lagoon peninsula in 2006
- Maya Rio Construction, Placencia Group's sister company, completes construction of the owner's home after lot purchase
- Minimal additional costs related to the completion of Placencia Residences.

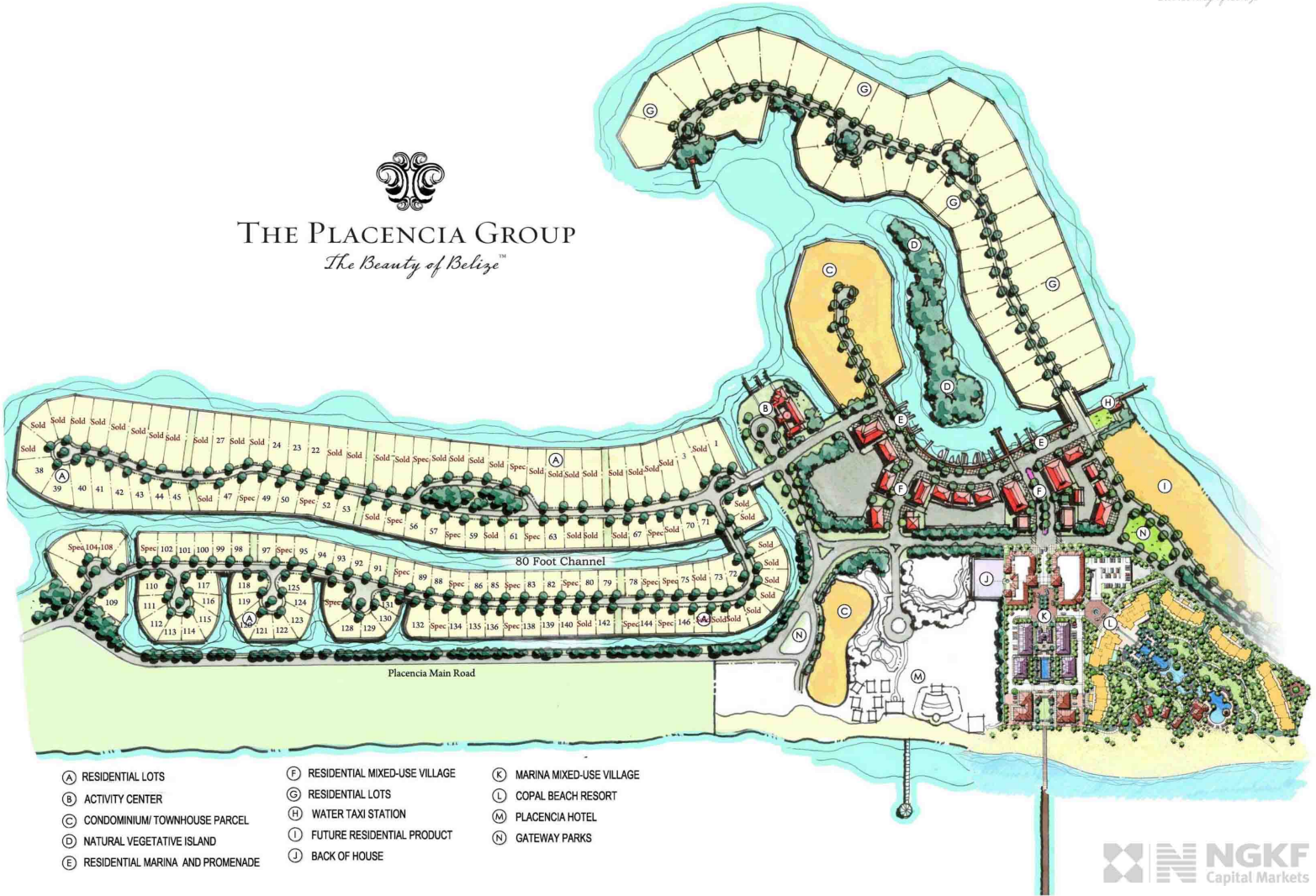


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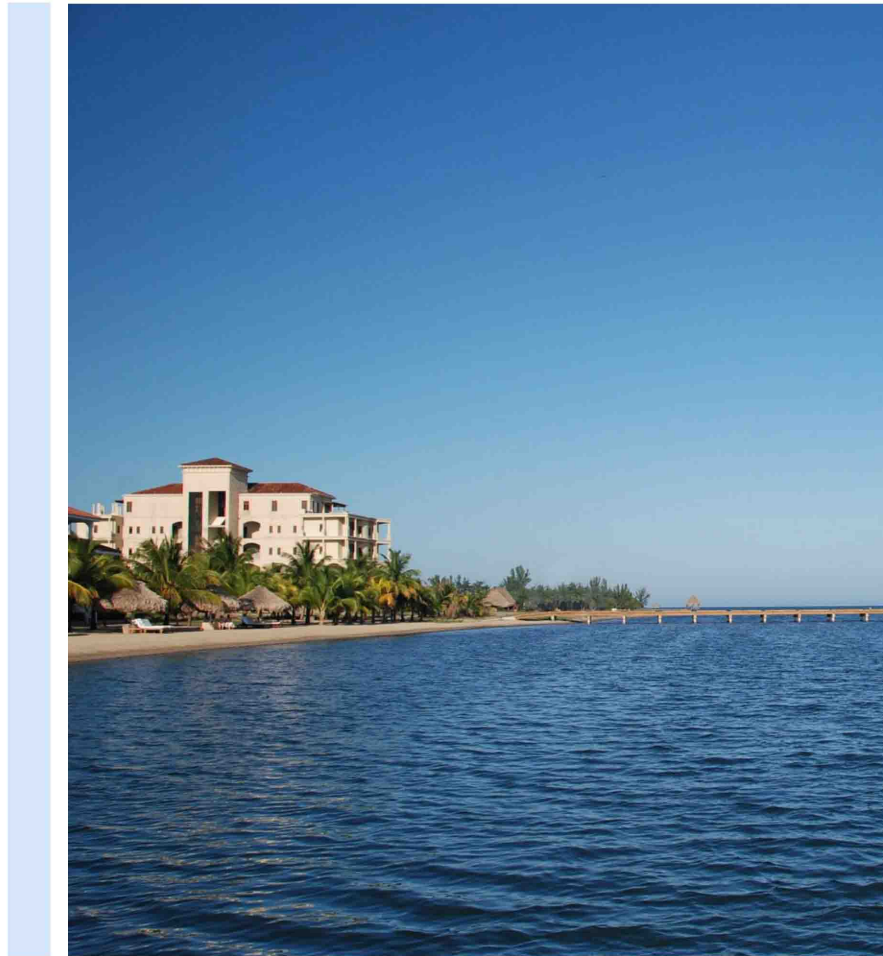
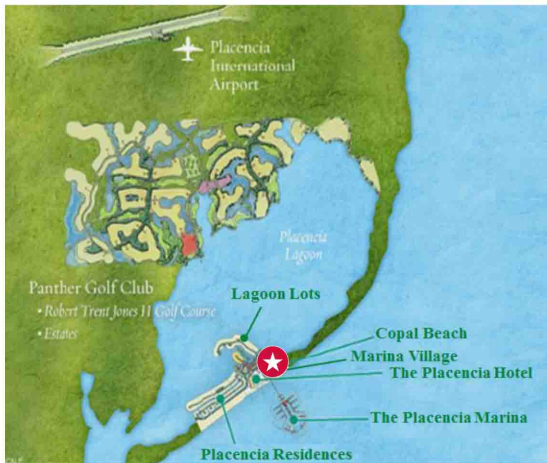


## COPAL BEACH RESORT

- Ninety-eight (98) fully furnished condominium hotel units
  - 46 two-bedroom/two-bathroom units
  - 41 three-bedroom/three-bathroom units
  - 11 penthouse units.
- The condominiums are conveyed with full title to the units
- A hotel rental program
- \$25.6 million US has been invested
- Cost to complete construction estimated at \$75 million US.

### The Copal Beach Resort offers:

- Upscale shopping center
- Gourmet restaurants and stylish bars
- Deluxe spa
- Fully staffed ultra-modern gym
- Fully-equipped convention center.



## MARINA VILLAGE

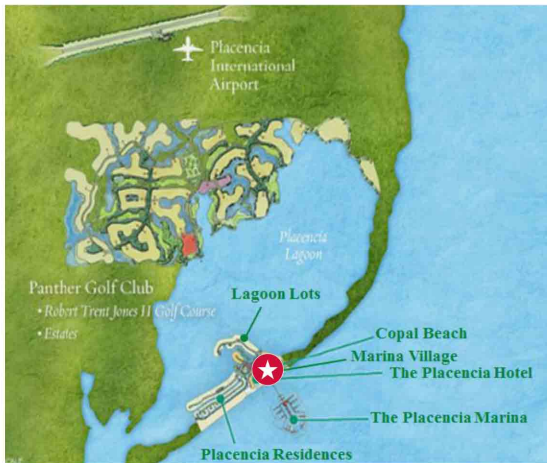
- Both Caribbean and lagoon developments.
- As of January 2013, approximately \$14 million US was invested in the Marina Village by the principals.
- Management has estimated the cost to complete construction of Marina Village at \$55.5 million US.

### Caribbean Side:

- Twenty-four (24) hotel condominium units

### Lagoon Side:

- Ninety (90) hotel condominium units
- Seventy-two (72) residential lofts
- Twenty (20) TBD
- Thirty-nine (39) lots on the lagoon side.



## PLACENCIA MARINA

- Second Caribbean-side marina and only super yacht marina in Belize
- Phase 1 provides one hundred and fifty (150) slips
- Phase 2 provides one hundred and thirteen (113) slips
- All slips ranging from thirty (30) feet to two hundred and twenty (220) feet in length.
- Full marina facilities (refueling stations, water, sewage and management services)
- Slips sold in a Marina Club membership structure
  - Rental agreement to rent unused periods of time
- Already completed protective breakwater
- Development of a main pier and floating dock system is soon to commence
  - Floating dock system to be added in sections allowing the marina to be operational
- Designed and constructed as a "zero emissions" marina to ensure the protection of the environment
- Total of \$12 million US was invested in the Marina, \$4.3 million US by a bank loan and the balance financed by the principals

### Cost to complete:

- Phase 1 – \$3.5 million US
- Phase 2 – \$12.6 million US





## RENDEZVOUS ISLAND

- Twelve (12) miles off the coast of the Placencia Peninsula
- Twenty (20) fully furnished villa
- Boutique hotel with nine (9) suites
- Horizontal construction commenced in the second quarter of 2008
- Located on the barrier reef and is home to an abundance of sea life.
- Purchased by Rendezvous Island Ltd. from the Beatles drummer, Ringo Starr
- \$12 million US has been invested in Rendezvous Island, all financed by the principals.
- Management has estimated the cost to complete the construction of Rendezvous Island at \$35.1 million US.

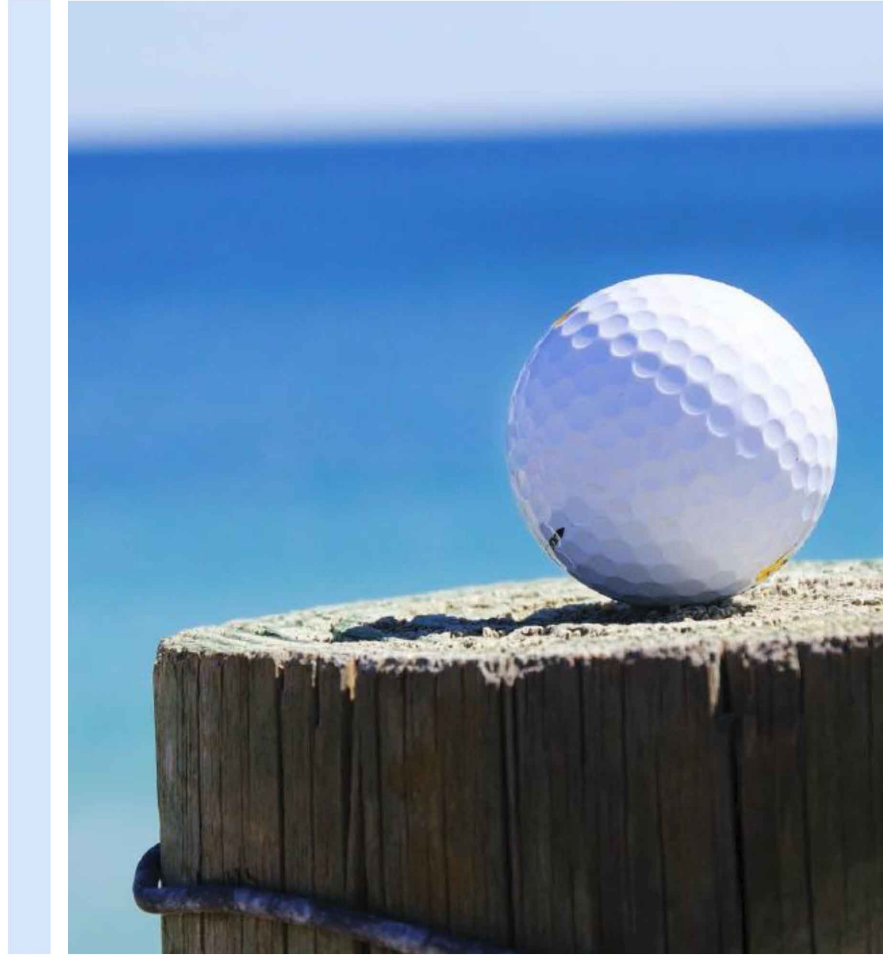
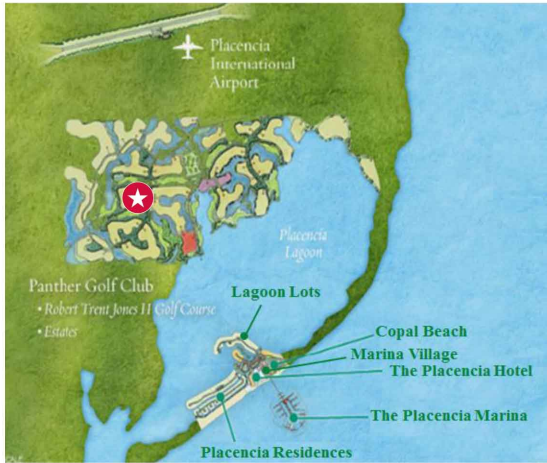


## PANTHER GOLF CLUB (PHASE 2)

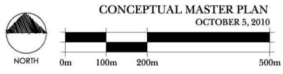
- Acquired 1700 acres
- Entire development accessible by car, boat, helicopter and plane.
- \$7.9 million US was invested in Panther Golf Club, all financed by the principals
- Cost to complete construction estimated at \$164.4 million US during Phase 2
- The project will commence during Phase 2 and include:
  - 18-hole signature champion golf course
  - Twelve hundred (1200) lots
  - Boutique twelve (12) suite hotel
  - Three hundred and eighty-five (385) villas

### Club Includes:

- Private marina
- Restaurants and Bars
- Spa
- Workout facilities
- Tennis courts
- Dive center



PANTHER GOLF MASTER PLAN (PHASE 2)



- GOLF CLUB
- HOTEL SITE
- CREATED WATER
- EXISTING WATER
- GOLF COURSE
- EXISTING FOREST COVER
- EXISTING MANGROVE
- EXISTING SAVANNAH
- EXISTING PALMETTO

NOTE: THIS IMAGE IS ILLUSTRATIVE IN NATURE AND SUBJECT TO CHANGE. REFER TO PLAT MAP FOR FINAL LAYOUT.

PANTHER GOLF CLUB  
*at The Placencia*

- Corner
- Estate
- Standard
- Premier Lots
- Cul-De-Sac
- Corner Deluxe

\*\*All Panther Lots are Waterfront\*\*





# INFRASTRUCTURE PROJECTS



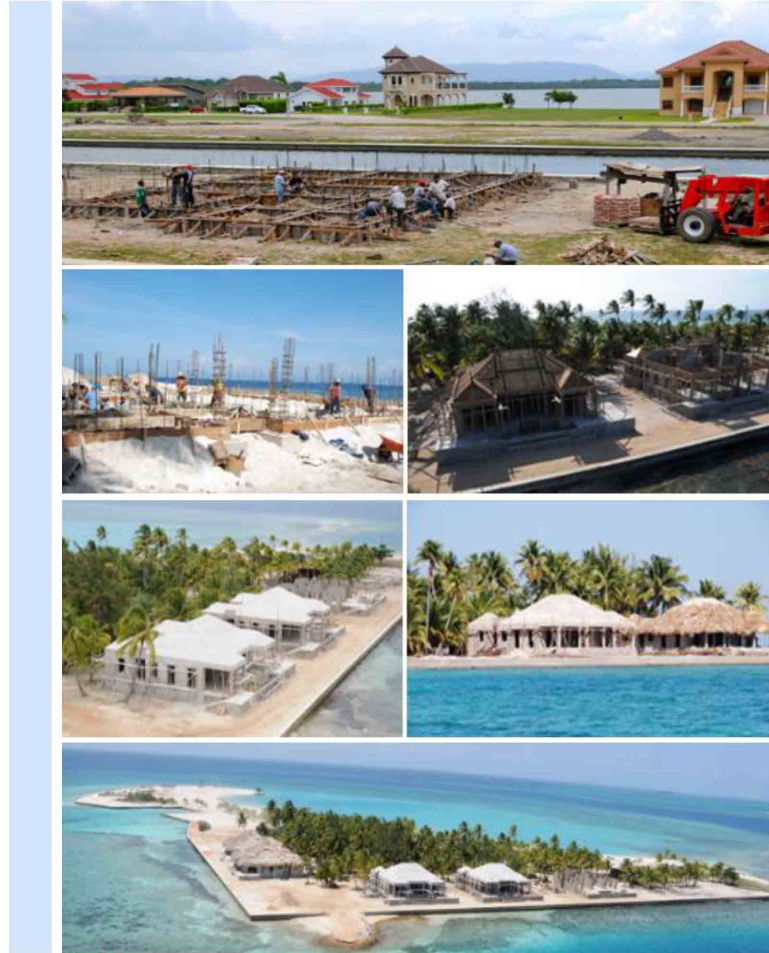
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## MAYA RIO CONSTRUCTION

- Vertically integrated construction company
- Engaged to complete the construction of all projects undertaken by Placencia Group
- Maya Rio owns all of its construction machinery and employs its own skilled workers
- Maya Rio own two (2) onsite concrete-ready mixers, the required fleet of cement trucks to complete development and a concrete pump truck
- At capacity, Maya Rio employs up to 1,800 full time employees, placing them as the third largest employer in Belize
- The ownership of Maya Rio allows Placencia Group to operate at a competitive advantage:
  - Management understands the construction process, time to completion and importance of controlling costs;
  - Placencia Group creates economies of scale
- Entire management team has built homes at Placencia Residences and are committed to the development of the projects



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## PLACENCIA INTERNATIONAL AIRPORT

- Only one (1) international airport, located close to Belize City, servicing all of Belize
- Only way to travel to Placencia from Belize City is by commuter plane or mountain road passing through difficult terrain
- The Belize Government granted approval for the construction of the International Airport in 2008 and construction commenced first quarter of 2009
- 9,200 foot runway
- Currently under contract with Sunwing Tours, first tour company
- As of December 31, 2012, M.E.L. had invested \$24 million US in the project
- Construction segmented into two (2) phases
  - Phase one (1) allows the service of domestic, regional, charter and private aircraft
  - Phase two (2) allows service of regular scheduled commercial carriers
- Four (4) to six (6) months to complete phase one improvements and additional six (6) required for phase two (2)
- The total cost to complete both phases of construction is estimated at \$37.45 million US





PLACENCIA INTERNATIONAL AIRPORT

Construction at Placencia International Airport – 9200 foot runway



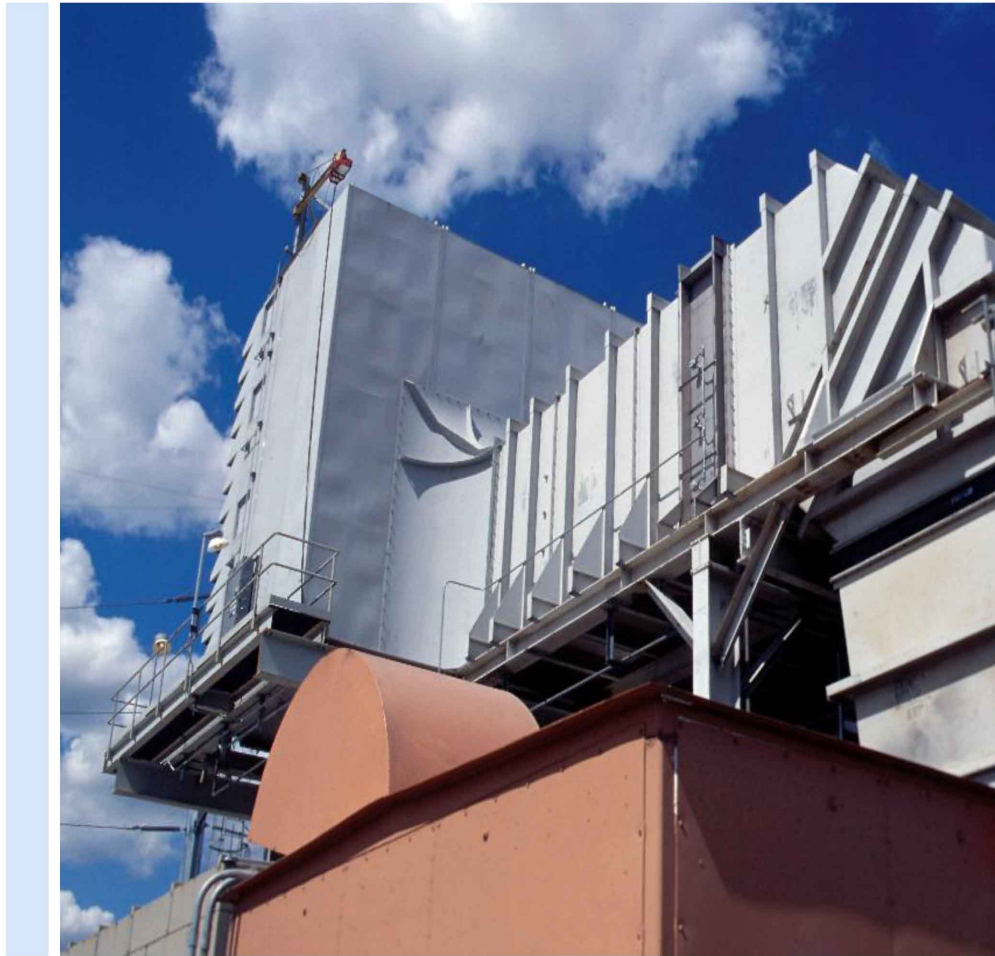
PLACENCIA INTERNATIONAL AIRPORT  
CONCEPTUAL PLAN

Construction at Placencia International Airport – 9200 foot runway



- |  |  |
|--|--|
| (A) 3500' SEAPLANE LANDING STRIP               | (I) 120,000 SF HOSPITAL                    |
| (B) 9200' RUNWAY                               | (J) 100,000 SF MEDICAL OFFICE BUILDING     |
| (C) TERMINAL/CUSTOMS/IMMIGRATION               | (K) 150,000 SF COMMERCIAL/INDUSTRIAL BLDG. |
| (D) HANGAR                                     | (L) 50,000 SF COMMERCIAL/INDUSTRIAL BLDG.  |
| (E) FIRE STATION                               | (M) POWER PLANT                            |
| (F) 10,000 SF PRIVATE HANGAR W/ 1,100 SF CONDO | (N) PARKING                                |
| (G) 7,500 SF PRIVATE HANGAR W/ 1,100 SF CONDO  | (O) PLACENCIA HIGHWAY                      |
| (H) 5,000 SF PRIVATE HANGAR                    |  |

- Placencia Group has an opportunity to acquire an existing power generation facility located adjacent to the Airport
- The power generation facility is currently a heavy fuel oil, twenty-four (24) megawatt facility
- Plans to modernize and increase the capacity of facility to sixty (60) megawatts, provide a direct supply of electrical power to Placencia Group projects, which will only need thirty (30) megawatts upon completion, and sell excess capacity to the electrical grid
- Belizean Government has a mandate to become energy independent from outside Governments and supports the initiative





## PLACENCIA WATER AND SEWER

- Potable water is scarce on the Placencia Peninsula due to limited natural fresh water
- Artesian well discovered on the Panther Golf Club property
  - Located approximately seven (7) miles from the Placencia Peninsula, across the lagoon
- Plantation Water, Ltd. has been incorporated and constructed an underground pipeline across the lagoon to transport potable water
- Water treatment facility was erected for chlorination and testing
- Also provides potable water to paying customers on the Placencia Peninsula
- Has been asked by the Belizean Government to expand the artesian well to supply additional homes in area
- Placencia Group intends to develop its own sewage facility on its premises

