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Note: Names, Places, and Numbers have been changed.

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I. Executive Summary

Tierra del Rey — The “Land of the King”

Tierra del Rey literally means “land of the king,” and it is our goal to create modern, luxurious living spaces where residents can feel that they are no less than royalty themselves. Composed of 45 units and approximately 80,000 square feet of living space, three environmentally-friendly buildings are planned for the Tierra del Rey condominiums project. The development is located on the Tuxpan peninsula near Veracruz, Mexico—an idyllic town situated conveniently near major ports, on the Gulf coast of Mexico.

In total, the majestic complex comprises 54,323 square feet (5,047 m²) to be constructed in the style of a Mexican villa. It will boast resort amenities, including: an infinity pool overlooking the Gulf of Mexico, a poolside bar & grill, as well as a fitness center and spa. The top level of the main building will house a fine dining restaurant offering the best in seafood, American, and local Mexican cuisine.

The condominiums have been designed to maximize functionality and aesthetics with 3 distinct floor plans, which vary in size between 700 and 2,600 square feet. All the 1BR/1BA, 2BR/2BA and 3BR/3BA condominiums will come fully furnished and with a guaranteed ocean view. Each floor plan features spacious rooms with open kitchens, tiled floors and terraces, and a thoughtfully designed layout—ideal for relaxation and entertaining guests.

Marketing Plan

The target market for the Tierra del Rey condominiums includes retirees looking to invest in a vacation retreat, as well as “baby-boomers” who frequently vacation south of the border, have disposable income, and would be interested in having a second home. We anticipate 65% of the buyers to come from the United States, 20% domestically from Mexico, and 15% from other countries.

We intend to release the units for sale in two distinct phases. First, 15 units will be offered in early March for whole ownership at prices ranging from \$180,000 to \$450,000. Once sold, the remaining 30 units will be released as fractionals. The fractionals work very simply, and increase the overall profit of the project because we can charge a significant premium over the normal condo rate. Each of the 30 units will be broken into 4 shares. The cost of each share will range from \$75,000 to \$150,000 for an average price point of \$100,000. Each fractional share allows the buyer to use the premises for 3 months of the year. It is expected that all or most of the shares will be pre-sold before breaking ground in June 2007.

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I. Executive Summary

Paraiso Condominiums

New Condominiums

The Paraiso development is to take place in Veracruz, Mexico on the Tuxpa peninsula on lots 4, 5, 6, and 7 for a total of 5,047 square meters.

Paraiso Condominiums will be composed of three (3) separate buildings with a total of 45 units, and contain approximately 80,000 square feet of living space. It will also include the best infinity pool in town overlooking the Gulf Coast, as well as a poolside bar/grill and a fine dining restaurant on the top level of the main building. A working gym and spa will also be on the premises.

The condominiums will feature 3 floor plans, which will vary from 700 to 2600 square feet each. They will range from 1 BR/1 BA to 3 BR/3 BA condominiums. The floor plans are spacious with open kitchens that utilize stainless steel appliances and offer a layout conducive to gracious entertaining. They will have tiled floors and a terrace with a guaranteed ocean view. The architect is currently working on the construction documents.

Marketing Plan

The targeted market for these condominiums is made up of retirees who are looking to invest in a vacation retreat or a second home.

We intend to release the first 15 units as whole ownership at prices ranging from \$180,000 to \$450,000 in early March. Once those are sold, the remaining 30 units will be released as fractionals.

The remaining 30 units will be broken into 4 fractional shares, each share will range from \$75,000 to \$150,000 for an average price of \$100,000 each. Each fractional share will give the buyer the right to use the premises for 3 months of the year. A premium of up to 25% can be charged over the normal condo rate, which increases the overall value of the project. The fractional shares will be put up for sale, once the architect has completed his construction documents. It is expected that all or most of the shares will be pre-sold before breaking ground.

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Time Line

All parties involved are extremely pleased to have retained Juan Luis Miró as chief architect. An internationally recognized and prize-winning architect, his designs have changed the face of international resort architecture. The first draft of his conceptual drawings and floor plans have already been completed, and we expect the full construction documents to be ready in early to mid-March 2007. The rendering will be converted into a scale model and used for our marketing materials. During this phase, we will already begin selling the condos and processing the necessary permits.

We expect to commence construction of Tierra del Rey by June 2007. This allows time to have all the permits ready and for the first 15 whole-ownership condos to be sold. José Martínez and John Doe will supervise construction with a reputable contractor hired to develop the project. From the time we break ground, we should have the first 15 units completed in 9 months (March 2008), while the final 30 units will be open in June 2008.

Construction Funds

Construction will be funded through developer financing, which distributes the cost burden in an economical and practical way. Investors will bring together approximately \$7 million to fund the initial effort in exchange for corresponding shares in the project's profit. Additionally, the marketing team will pre-sell the units and use the initial customer deposits to help fund the construction costs. Those purchasing a condominium will be required to pay a 25% upfront deposit. The final 75% must be paid before move-in.

Projected Sales and Profits

I encourage you to look at the attached spreadsheet, which has been created to guide you through the preliminary financial projections. The bottom line is that—based on sales of 45 units at an average selling price of \$300,000—sales will total more than \$13.5 million. The initial investment is just half that, or \$7 million, leaving an outstanding \$6.5 million in profit to be divided as per each investor's share.

Investment Structure

Sra. Inés Rodríguez Esquivel, an influential real estate owner in the Veracruz area, will contribute lots 4, 5, 6, and 7 located on the Tuxpan peninsula. In the past, she has turned down numerous offers to develop the land because she was determined to work only with a successful partner and capable architect, both sensitive to the aesthetics of the landscape and the land's Mexican culture. The total area of 5,047 square meters priced at \$198.50/m² will give Sra. Inés Rodríguez Esquivel a total investment of \$1 million, and an +85% return on her investment, netting \$1.85 million.

Investors will fund the initial costs covering the architect and legal fees of the project, as well as the preliminary marketing costs. Once the first deposits from condominium purchasers have been collected, the project will be able to fund itself.

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Time Line

Juan Luis Miró has been retained as our architect. He will come up with a rendering of the property, which can then be modified if desired. This rendering will be ready in March. Once the design is finalized, he will convert that into full construction documents. The rendering will be converted into a scale model and marketing materials. The condos will begin to be sold while the construction documents are being developed and the permits are being processed. Once the whole ownership condos are sold, construction will then commence, assuming the permits are ready. John Doe and José Martínez will supervise construction. A reputable contractor will be hired to develop the project.

Estimated construction time – 7 to 12 months. The expected Construction completion date is on or around June, 2008.

Construction Funds

Developer financing will be used to pay for construction. This is where the developer and the marketing team pre-sells the units and then uses the initial deposits that they make to pay for construction. A 25% up front deposit will be required, and then a further 25% half-way through construction to finish. After it is finished, the final 50% will be paid before move-in.

Projected Sales and Profits

A spreadsheet has been attached with rough numbers. The bottom line is that, based on 45 condo sales at an average price of \$300,000 per unit, sales will total more than \$13.5 million. Once we take out our initial investments of \$7 million, which leaves \$6.5 million in profit which are to be divided as per the shares.

Investment Structure

The minimum amount needed from investors must total \$100,000. This can be divided between several investors. That amount will pay for the initial architect and legal fees of the project, plus initial marketing costs. Once the first deposits have been collected, the project will then pay for itself out of those deposits. \$100,000 is worth 10% of the total project.

Inés Rodríguez will contribute lots 4, 5, 6, and 7 located on the Tuxpan peninsula, for a total area of 5,047 square meters at a price of \$198.50 per square meter for a total price of \$1 million. The percentages will be adjusted based on the final construction costs.