

BUSINESS PLAN
2020



EXOTIC CAYE INTERNATIONAL, LTD

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OPENING REMARKS

2020 ANNUAL REPORT LETTERS AND COVID – 19 UPDATE

COVID-19 - An update is included in this business plan and begins on page 12. In short, the shelter-in place and work from home orders have accelerated the timetable for many to move overseas, bringing younger consumers to the marketplace. The ability of workers and companies to function productively remotely/virtually is a paradigm shift in powerful ways. ECI is responding rapidly to shift marketing and product type to serve this younger demographic. A full analysis is provided in the COVID-19 update.



2019 ANNUAL REPORT LETTER FROM THE CEO AND CHAIRMAN, MICHAEL COBB

Shareholders,

I hope that everyone is staying safe and healthy. Please find attached ECI Development's 2019 full annual report including financials.

This communication covers the major developments in 2019 and offers a quick indication of what is ahead for 2020. This year's Annual Shareholder meeting was held by webinar on May 17, 2020. If any of you missed the meeting, a recording of the presentation can be provided.

A quick review of 2019 from the CEO's perspective begins with the news of setbacks in our expansion plans and continued tough times in Nicaragua. Facing challenges and developmental impediments in any one country is to be expected over the long term and is precisely why ECI has a broad diversification strategy. And while we intended to close on a new property in Argentina, the stars did not line up for a win-win scenario. As your CEO, making certain we expand wisely is critical to the success of ECI's diversification strategy. On the other hand, there is excellent news to share about Belize and a possible acquisition in the highlands of Panama.

Let's start with Nicaragua. Tourism and foreign investment in the country continue to suffer. GDP growth for Q4 2018, the last official date that data was produced, was -7.7%. Tourism numbers in 2018 were down 35.22% from 2017, the year before the civil unrest. Projections for 2019 are not available, but in Q1 2019 vs Q1 2018, the quarter before the civil unrest, tourism revenues were off by 58%.

The civil unrest largely ended in 2018, however, the hangover remains, as uncertainty for the political future causes travelers and investors to shy away. Many resorts in the country have closed, while others have simply failed and have gone out of business. ECI's Nicaraguan resort survived through prudent action and stewardship of the asset.

While only two sales of corporate inventory occurred in 2019 at Gran Pacifica, several resales transacted at steeply discounted prices. Gran Pacifica has held prices preserving property values and inventory for the future when positive signals in the marketplace allow sales to occur. The community does continue to grow

with one home completing in 2019 and several more starting in 2020.

But it wasn't all bad news at Gran Pacifica. The three bright stars for ECI are that the Las Perlas Two condominium building is nearly sold out and under construction, the last 11km of dirt road has been paved, and Gran Pacifica's rental business remains strong, serving the domestic Nicaraguan market largely from Managua. Major reasons for the rental income strength are the fact that we remained open while many resorts closed, increased domestic awareness, close proximity to the city, and the fact that the dirt road to Gran Pacifica is now paved the entire way.

Details about this are in the operational section of the attached report but a shout out is needed for Valeria Espinoza, Giovanni Rodriguez and our Corporate Social Responsibility team. These folks laid the groundwork and built and maintained important relationships with the government and community for 20+ years.

By working in the community and delivering a modern health clinic, hosting medical and dental missions, providing education equipment and services, and fostering a continuing program to serve real and immediate needs, when decisions about what roads in the region were to be paved, the road to Gran Pacifica was selected. On the last Sunday of March 2020, the final brick was placed in the road symbolically by our own Director of Public Relations, Giovanni Rodriguez.

As for Argentina, it is disappointing to report that our proposed joint venture did not materialize, even after a Letter of Intent (LOI) was in place and signed. The devil's in the details, and as those were put onto paper, the gap to agreement widened. Both parties agreed that it was better to drop the proposed plans rather than try to force a round peg into a square hole.

That said, ECI generated considerable interest from end user consumers, newsletter writers, and Realtors part of ECI's Realtor Referral Program for the vineyard ownership concept. We have opened talks to locate a new property. Several properties have been scouted by various contacts in Mendoza, Argentina and we will be evaluating potential sites of this property type in both Argentina and Chile later in 2020.

At the same time that the Argentina deal was dissolving, at the end of Q2 2019, I personally received an outreach from a property owner in the highlands of Panama who had begun a project several years ago. The group had built roads and installed some underground infrastructure. This property owner was looking for a partnership with a development company to assist in their relaunch.

During much of Q4 2019, ECI negotiated a Letter of Intent (LOI) to acquire this property in a largely cashless transaction. The LOI was completed and signed January 16, 2020. The acquisition of the property concluded in June 2020 adding 110 acres of highland property with nearly complete infrastructure to ECI's asset and consumer portfolio.

Just after signing the LOI in early February, Rachel Jensen, ECI's VP of Sales, and I visited this Panamanian site location. We both agreed the property met the "beauty" test only a site inspection can deliver. ECI's plan is to build on the previous concepts envisioned by the founder, creating a Village in the tropical highlands beginning with tiny homes and condominiums. This location offers a wonderful climate type that will attract a large number of expats and retirees who enjoy springtime weather all the time.

In Belize, the old Exotic Caye Beach Resort (ECBR) is nearly no more. With the exception of the restaurant and Crazy Canucks bar building, all other structures have been removed. Much of the building materials were repurposed into the community, making way for the Marriott Residences and Resort. The pier and structure to replace the bar is under construction. Once this is completed, the last ECBR building will be torn down and new construction will begin on the Marriott.

The Grand Baymen Gardens is looking better than ever before due to a great hire at the end of 2019. Lorena

Vasquez, a 15-year tourism and hotel management veteran, was hired as Property Manager. She has already made huge leaps in terms of landscape improvements, personnel training, and administrative systems.

ECI's COO, Patrick Hiebert, will share details of the phenomenal news about Grand Baymen Gardens being branded a Best Western later in this report. Pre-sales of the new Fleet Building in the Gardens are coming to a close, and construction will begin shortly.

Another exciting roll out for ECI in 2020 are the over-the-water tiny homes designed for the West Ambergris. The TES Community (Tiny, Eco-Friendly, Smart) homes) will be one of the sexiest product offerings on the island and even without formal promotion, reservations for all 20 of the first 20 have been secured and 17 reservations are in hand for a Phase Two.

From a financial standpoint, ECI posted an overall loss with an EBITDA of approximately \$1,255,876 in 2019, largely due to the pre-development expenses related to the Belize Marriott. Business unit by business unit financials show close to break even in Nicaragua, an excellent result given the political situation and no sales of corporate owned homesites in 2019. Some business units even eked out a small profit, such as the electric utility.

In Belize, the local companies continue to carry much of the operational overhead for the Belize Marriott and show losses. A separate analysis removing the direct Marriott pre-development expenses show that the Belize business units are profitable. Once the direct development costs are shifted to the Marriott development Special Purpose Vehicle, and as sales of Fleet and Tiny Homes come online, the profits in Belize will be apparent.

All in all, 2019 was a good year. We continue to financially tread water bolstering the Gran Pacifica business unit, cutting costs and driving operational efficiency, while increasing our rental business to nearly break-even status. Marriott pre-development expenses have now run to over \$2M and continue to remain high with architects, engineers, project managers, 3rd party legal, all demanding cash for the short term.

However, by using equity for the pre-development, ECI has saved significant interest expenses. When the funding package completes, those expenses will shift to a separate and allocated budget, freeing cash flow for the development of properties ready to bring to market.

We are planning an in-person shareholder event later in the year for Belize. Once we have travel opening details, more news will be forthcoming. I hope many of you will decide to join us for the fellowship missed this year and our Zoom shareholder meeting. Until then, stay tuned for more short updates as there's news to report and be well.

~Mike



2019 ANNUAL REPORT LETTER FROM THE COO, PATRICK HIEBERT

Dear Shareholders,

Well, 2019 has come and gone, and ECI Development has made significant improvements, putting us on track for where we want to be. That is, a lean, efficient corporation that is profitable for our shareholders while being mindful of the environment in our development projects.

While I write this, my wife and I are quarantined at the Grand Baymen Gardens. It clearly has been a challenging few months for everyone, but especially financially challenging for economic sectors like our hospitality divisions. Most importantly is that everyone is doing all they can to stay safe. But of course, need to be as careful as we can economically these days as well so we can come out as financially healthy as well as physically healthy on the other side of this pandemic.

Fortunately, since the day I joined the company, one of my core focuses has been to make the company as results oriented and efficient as possible. ECI has become a lean machine not carrying excess expenses or personnel. So as painful as it has been for all of us to deal with the COVID-19 situation, for ECI Development it could have been much worse. ECI is already seeing competitors, that did not proactively position themselves as an efficient entity, stumbling and having to sell off assets to survive. As unfortunate as this is for those companies, it is providing opportunities for us as we will undoubtedly be increasing ECI's property assets over the next months.

This was my second year as the COO of ECI and in addition to improving our efficiency as a company I also worked towards continuing to increase the quality of the players on our team! Having the proper foundation of procedures with the right people has been what I have found to be a winning formula for creating great companies. Those two top-line strategies were part of my "Results Oriented" theme when I first joined ECI and is what makes it possible for the company to grow and become a force in the industry.

Many areas of the company, from Operations to Marketing to Sales, have been heavily revamped, and a great number of new policies and procedures are now in place. Following new policies and procedures and discovering our inefficiencies has allowed us, for example, to bring our expenses down for properties such as Gran Pacifica to less than half of what they were in previous years! When it comes to being results-oriented, that is a notable result! And that efficiency was achieved without major changes to the operations of the property. Likewise, ECI secured other cost savings from becoming more efficient. In late 2019, the company began to make changes to our sales force with new recruitments, intensive training sessions, and expansion of our global affiliate program. ECI anticipates significant sales increases in 2020 due to these enhancements despite the virus situation we are facing.

ECI also has several new faces in the company. While 2019 was a year much like 2018 in terms of becoming a more efficient company and finding ways to save on the expense side of the ledger, it was also a year of putting the right people into the right roles. We have some great new staff at many levels of the organization from someone like Lorena Vasquez who is now managing the Baymen Gardens resort property and doing a great job. Lorena has great experience in the property and rental management for brand name properties such as the Hilton Curio (Mahogany Bay) on Ambergris Caye and the Best Western property in Belize City as well as a lot of other related experience.

Ivan Levy, our new Marketing Director, is quickly improving our marketing collateral and putting our marketing vision into practical reality. Bringing in top quality staff also allows our existing superheroes like

Rachel Jensen and Valeria Espinoza, our VP of Sales and VP of Operations, respectively, to do their jobs more effectively.

While the company created best practices and brought on new outstanding personnel, where ECI did not achieve the expected results was on project progress and sales. Unfortunately, several of our projects ran into delays. The bad news is these delays significantly impacted the 2019 financials. The good news is progress now will result in an increased number of project starts in 2020, assuming the COVID-19 lockdown does not persist for many more months, and we should see some amazing things happening this coming year.

Our biggest project, the Belize Marriott® Resort, has been delayed somewhat with environmental permitting, contracting of the construction company, and a number of other factors. When creating the country's largest single hotel building, that is not a complete surprise. But we did accomplish a great deal on the design of the new hotel, removal of the existing beachfront cabanas, and we are kicking off the construction of the resort, starting with the new pier and restaurant palapa that will be in front of the Marriott hotel. The construction crew for the Marriott pier and new Crazy Canucks restaurant have now been allowed to travel to Ambergris and construction has started!

One of the accomplishments I am very proud of, partly because it took a lot of effort by our team and partly because it is a true milestone for the company, is the branding of the Grand Baymen Gardens as the Best Western Grand Baymen Gardens Resort! This marks the first official branded ECI Development property in which guests can currently stay. There is of course a bit of work to do to upgrade rooms, install software systems, train staff on new procedures, install signage, etc. But that is work we are already embarking on and although the current quarantine situation has made an impact on our schedule we do plan to open as a Best Western product later this year. This is phenomenal news for the owners of our Gardens rental units as the occupancy and nightly rates are expected to rise considerably!

Another very exciting project that has been delayed due to waiting on the Belize government for the environmental permit is our TES community on West Ambergris. TES stands for Tiny, Eco- friendly, Smart Homes and is such a popular concept it is expected to sell out quickly. We had hoped to start this project in 2019 but despite the fact that these are eco-friendly homes, we have had some delays from the Department of the Environment. ECI recently received the Environmental Compliance Plan acceptance which only has a few minor items to modify before it is signed by all. Like the Marriott, this is a very exciting and unique project for ECI and is also profitable for our shareholders.

Additionally, some exciting things are happening at the Gran Pacifica property in Nicaragua. The road to Gran Pacifica has been completely paved and ECI expects an immediate jump in property values and rental returns as this will make Gran Pacifica not only the closest beachfront resort to the International airport in Managua but also have a brand new road all the way to the front gate!

So, despite all our internal accomplishments in improving efficiencies and getting the right people to join our great team, 2019 was a financially frustrating year with very limited sales due to project start delays. But ECI fully expects to see an explosion of activity on projects in 2020 and anticipate great things for the year!

Thank you for your continued support of the ECI Development Team, and I look forward to announcing many exciting things to you in the near future!

~Patrick

COVID – 19 UPDATE AND IMPACT AS OF JUNE 30, 2020

COVID-19 has changed the way we live and work in the short and long run. Fatalities are extremely substantial. The economies of the world have experienced negative growth, leading to a rise in factors such as high unemployment. For ECI to better position itself for success it is important to highlight the cultural effects of COVID-19 because culture not only plays a fundamental role in society, it impacts the economy significantly.

Over the last 40 years, the economies of developed countries have become largely postindustrial and with the rise of artificial intelligence and robotics, computers have increased productivity in the workplace. Robots are now capable of performing tasks that were once dominated by humans. Despite these advances technologically, it is also important to note that corporate cultures and education systems have operated in accordance to the Fredrick Winslow Taylor model of an efficiency assembly plant conceived over 100 years ago.

This very orderly and industrial way of doing things has neither been very effective nor efficient in a post-industrial environment because it creates drag on human potential and productivity. This tradition remained long after the discovery of more effective and efficient work cultures, possibly because there are those that see change and embrace it and there are those who fear and are uncertain of what it will bring.

This feeling of uncertainty has been pushed front and center to both workers and managers with the introduction of a forced remote work environment. Managers were concerned about workers not being as productive and workers were worried that they would be faced with many distractions. However, the inevitable hindrances that COVID-19 presented have allowed both parties of the employment transaction to realize that remote work is possible and viable.

Information age work can be done from home and productivity is on average the same, making one's location irrelevant. This new comprehension will change how many people act. Baby boomers no longer have to wait for their career to cease in order to remove themselves from a particular location and move to a place of their choice.

The desire to relocate has mainly been driven by the pursuit of better weather in a “retirement” location such as a warm Caribbean island. Another major contributor to wanting a life overseas is the lower cost of living. The anticipated long-term impacts from COVID-19 have made it more desirable to cut living expenses due to financial uncertainty especially for those who have not saved enough for retirement.

Not all workers will be able to participate in this “new” economy such as health care workers, farmers, tradesmen, and contractors since they are required to be in a specific location. However, people and companies now know that many employees are not tied to a physical place and can do well at home, or anywhere. The tools for information nowadays are tremendous and platforms such as Zoom and GoToMeeting have bridged the aspects of interpersonal communication and collaboration.

The awareness of location independence is a powerful understanding and it opens the door for someone to find a home based on the lifestyle they enjoy and costs they can afford. On average, Belize, Panama, and Costa Rica cost 25% less than the US. Colombia, Nicaragua, and Ecuador come in at half price. It is still possible to maintain a higher quality of life and cut costs. This will drive people to the region sooner and in greater numbers than previous estimates.

ECI will continue to actively monitor and manage as the realities of Covid-19 present to the marketplace. Fear and uncertainty drive consumers to choose the certainty of brands. ECI's relationships with Marriott and Best Western will prove valuable in serving this wary consumer set. Management is also focusing on resilient

systems, supplies, processes and procedures to internally compensate for future uncertainty. Costs will be continually aligned with revenues.

Expansion of ECI will proceed and it is likely that more and better opportunities will present in the marketplace as a result of the economic impacts of Covid-19, especially for developments focused on an upper middle-class buyer, holding debt, and lacking management experience. ECI's broad consumer appeal will cast the net wider and offer to serve a growing consumer set on a tighter budget, something we have successfully done for over 2 decades. As well as any, and better than most, ECI is positioned to not just survive, but thrive in these next few uncertain years.

ECI Executive Summary

{ FOR ACCREDITED INVESTORS ONLY }



CAPITALIZE ON THE OFFSHORE REAL ESTATE MOVEMENT SOUTH OF THE BORDER



www.ECIdevelopment.com



Why Invest in ECI Development

A Message from our Chairman and CEO

MICHAEL COBB

Chairman and CEO, ECI Development

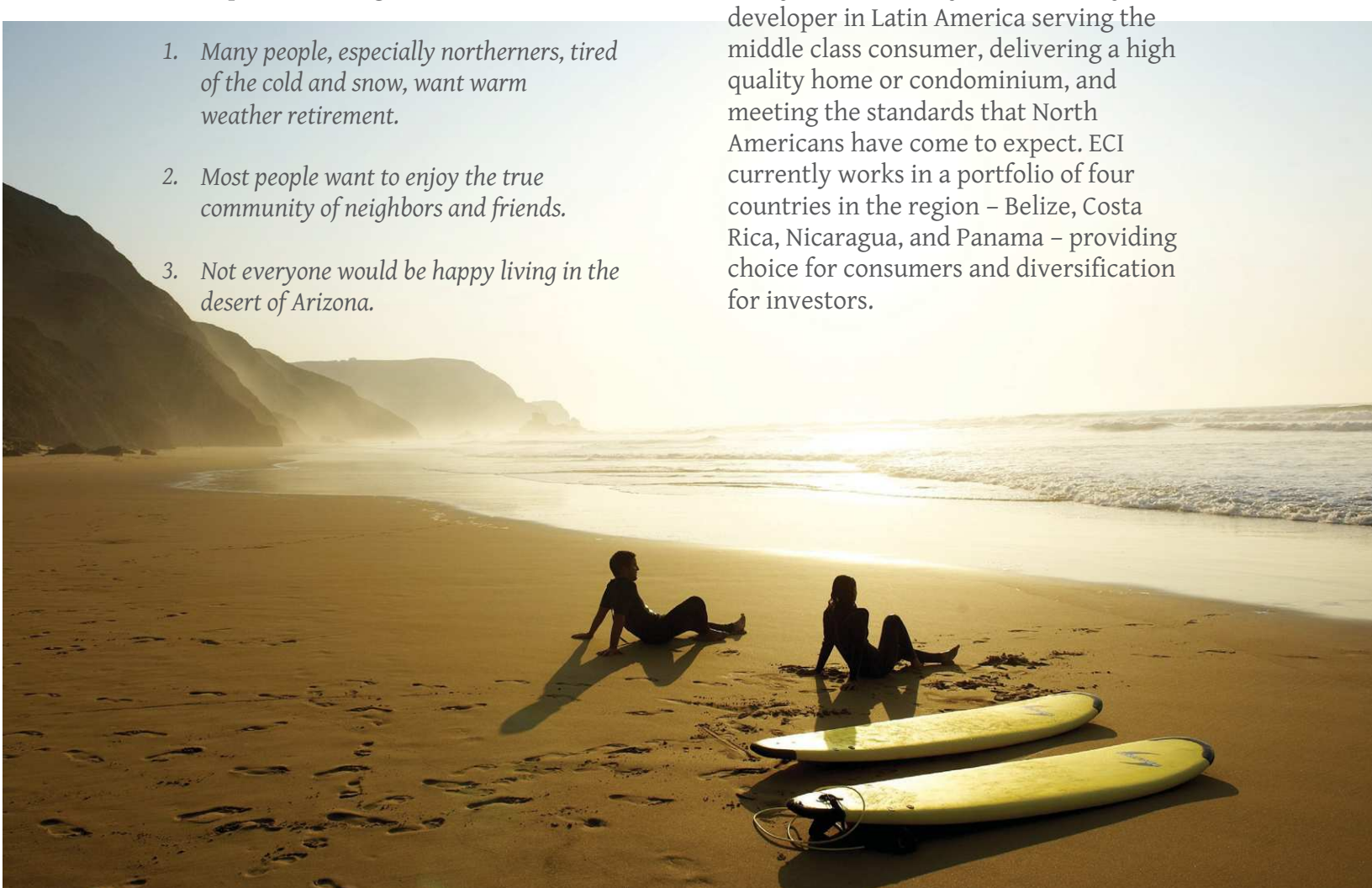
All great achievements started with a vision and a person willing to take the risk to lay it all on the line. In the world of real estate, there was Flagler who developed south Florida, Rausch who designed Columbia, Maryland, and Del Webb who began his Sun City brand in Arizona. With his expansion throughout the United States, Mr. Webb was perhaps the most successful such developer ever.

Del Webb saw the big picture possibilities and then worked tirelessly to deliver on three powerful insights.

1. *Many people, especially northerners, tired of the cold and snow, want warm weather retirement.*
2. *Most people want to enjoy the true community of neighbors and friends.*
3. *Not everyone would be happy living in the desert of Arizona.*

His success is unparalleled. Pulte purchased Del Webb for \$1.8 billion, proving that well executed genius is rewarded in the marketplace. South of the U.S. border there is only one strong, experienced company following this proven and successful model -- ECI Development.

Imagine what this means. Every day, 11,500 U.S. and Canadian Baby Boomers reach retirement age and will for the next 18 years. Many will opt to seek affordable, warm-weather retirement locations. Today, ECI is the only multi-country developer in Latin America serving the middle class consumer, delivering a high quality home or condominium, and meeting the standards that North Americans have come to expect. ECI currently works in a portfolio of four countries in the region – Belize, Costa Rica, Nicaragua, and Panama – providing choice for consumers and diversification for investors.





Pundits say, “If you want to impress your friends, buy a fancy Park Avenue restaurant in New York City. If you want to make a ton of money, buy some Chick-fil-A stores.” The middle class is the largest segment of North American society. Because of the vast size of this demographic, serving a high volume of middle class consumers is the best way to earn incredible profits and distribute dividends to shareholders. This market is vastly underserved in Latin America. The proof is the hundreds of clients already served by ECI and the more than \$5.6 million in dividends already paid to shareholders.

ECI is a successful business that has been serving consumers for nearly two decades. ECI recognizes the huge demographic wave, provides owners true community, and offers geographic choice. By focusing south of the U.S. border, we’ve just simply taken the Del Webb model one step further.

Right now, ECI is raising money to grow the business and acquire new assets using the same prudent, equity strategy that we have had from the very beginning. In the end, having a team of great people to execute a well-designed business plan is the bottom line in the success of any organization. ECI has assembled and retained a phenomenal group of development professionals to guide and deliver. You can join us and become an ECI shareholder. Read on to see if an investment into ECI is right for you.

Our Mission is Simple:

ECI delivers affordable luxury residence and resort communities in Central America, providing our clients with various premier lifestyle options. Everything from the Caribbean to the Pacific, from the cool tropical highlands, to dry valley vineyards. ECI delivers inspired residences for adventurous souls.

Our Goal is Powerful:

Take the company public for three important reasons: shareholders benefit from a successful exit strategy in a compressed time frame, the company benefits from the infusion of working capital allowing more construction to proceed sooner, and consumers benefit by the expansion of ECI’s ability to serve them sooner and faster, allowing them to reach their retirement dreams.

The goal supports the mission and the mission makes the goal possible.

If you’d like to own part of a successful development company, this is your opportunity. Determination, diversification and dividends are why you should invest in ECI. You’ll see each of these explained in greater detail throughout this document. ECI is a private offering only open to Accredited Investors. If you qualify, reach out and we’ll send the complete Private Placement Memorandum (PPM) and Subscription Agreement. Together we can serve the millions of North Americans coming to the region for a warm-weather, affordable lifestyle. When we help customers get what they want, we benefit too. We all win together.

About this Document

This is not a solicitation for the sale of stock. That can only be accomplished through a direct inquiry for a prospectus from our subscription administrator, Georgetown Trust, Ltd. The information contained in this document is believed to be current and reliable. It has not been formally reviewed or approved by any governmental agency. The project team welcomes feedback, which can be communicated via email to the project website. All prices quoted in this document are in U.S. dollars (unless otherwise noted) as of April 24, 2017.

WHO WE SERVE

ECI Development is a consumer-oriented company focused on serving retirees and second homeowners in Latin America. The bottom line for any business is the consumer. For investors, there are a couple factors that are critical to consider.

First, it is important to understand what kind of development is feasible. Challenges of climate and logistics must be considered.

Second and more importantly, one must consider what kind of development combines desirability with affordability. What kind of development will consumers want to own? The synthesis of these two key elements will ultimately prove to be most profitable.

ECI has positioned itself to serve the middle class consumer and does so better than anyone else in the region. While this document is ultimately about shareholder return, much of it focuses on who we serve, what they want in a retirement or second home, and why we are unique in the marketplace. The quality of life issues relevant to the emigration of retirees and expats are explored briefly in this document. Because they are precisely relevant to understanding why the ECI model makes sense in the marketplace, complete surveys and source data are provided in the ECI Development PPM.



THE 5 REASONS

You Should Consider Investing in ECI Development Right Now

1. ECI is a “scale up” of an existing, nearly two decade old, profitable business. Talking about a business concept is one thing, but carrying it out is entirely another. ECI survived the most challenging period (2008-2012) in real estate history since the Great Depression. The real bottom line for investors is in execution of the plan. ECI is already delivering product and dividends, and removing uncertainty, which is one of the largest concerns for investors.

2. ECI is a hard asset investment. Shareholders take part in owning over 5 miles of beach and 4,000 acres in four countries. The business is diversified geographically and by business type. Gran Pacifica in Nicaragua showcases 100+ residences, a hotel, and golf course. Grand Baymen in Belize currently features 13 oceanfront condos and 54 off-water condos creating a real neighborhood on Ambergris Caye. Gran Islotes in Panama is permitted, selling, and initial infrastructure is under construction. The Costa Rica business unit is passing through environmental permitting. Acquisitions in the tropical highlands, Ecuador, and Chile are being actively pursued.

Stock ownership in ECI also includes water, cable TV, internet, property management, and security companies.

3. A powerful A-Team is in place and has proven its skill over nearly two decades. The team includes a former Ambassador to the region, a former CENTEX and U.S. Homes President, the architect of three Marriott hotels, the land planning firm who was Walt Disney’s choice, a Fortune 100 Treasurer as CFO, and a cadre of influential Latin Americans.

4. ECI accelerates the sales pace by building communities that people want to enjoy. Retail prices are fair and affordable. There is no other company serving the middle class consumer as well or in as many countries as ECI Development.

5. Today’s share price is \$16.40 per share. As new assets are added, the share price will increase and new investors will pay more. ECI Development plans to take the company public in an IPO in the coming few years to realize the inherent value for all shareholders of the company.

Demographics

The Baby Boomers represent more than 84,000,000 individuals in the United States and 9,000,000 in Canada. Over the last 60 years, almost everything that was popular with the Baby Boomers became a huge commercial success. Their purchases have produced a disproportionate impact on the economy at each stage of their lives. Remember, the Boomers are a consumer-centric group and they are accustomed to having things their way. People and companies that placed themselves in the path of this “age wave” did very well. Industries that served them grew large and profitable. This wave of consumers is real, and it continues right now as they enter the age of retirement.

While these statistics remain true as percentages, the fact is that many Baby Boomers lost an incredible amount of their net worth in the market meltdowns of 2008. An Ernst and Young “State of Retirees” study points to a growing number of retirees facing serious shortages of cash for retirement and who may decide to explore alternatives heretofore not considered. In an extensive survey of 103,000 U.S. citizens, the Zogby Company identified that over 4,500,000 Americans are considering relocating or owning property in Latin America. While it is likely that only a percentage of those identified with an interest in emigration will actually do so, it is also likely that many



today who have no desire to relocate may choose to explore this option based on quality of life and cost of living issues.

In addition to the E&Y data, U.S. Commerce Department data shows that Baby Boomers are now saving almost nothing. Although the recent economic shocks are slowly changing that trend, for most Boomers, there is simply not enough time to accumulate what was not saved or lost in the markets. Even today, almost half of U.S. Boomer retirees (48%) expect to count on Social Security during retirement, and 15% expect to rely on it for most or all of their retirement needs. For many, the choices for a high quality retirement, the kind of their dreams, are simply not feasible in the United States on the limited funds and Social Security payments they possess.

Because of the size of this huge demographic and the changing state of retiree wealth, ECI Development is creating environments where people can enjoy retirement affordably, and also where they can age comfortably. This generation has witnessed the amazing power of technology to do just about anything. They know what is out there, and expect a high degree of sophistication to accompany them wherever their lives take them.

Just as mass outsourcing of call centers and manufacturing has occurred in recent years, the outsourcing of medical treatment is in its infancy. This trend is rapidly gaining traction, especially in the fee-based specialties of dental and medical surgeries. But as the systems of care in North America are overwhelmed by demand, service levels could drop while costs remain high or increase. People may choose to pay the small fee for private health care services outside North America, and, in fact, receive better care. Assisted living in Latin America with full-time, in-home nursing care, can be secured for less than \$300 per month. These quality of life issues will pull more people to the region than is currently expected.

Latin American countries continue to become increasingly popular destinations for North Americans' retirement. Located in the same time zones and only a short flight from the major North American cities and hubs, easy access is a major reason this will occur. The second major factor is lifestyle – amenities like golf and tennis. Natural advantages like spectacular beaches, warm tropical weather, cool mountain forests, and dry desert valleys are a huge draw. But perhaps the biggest reason people are flocking to the region is economics.

SOME BOOMER STATISTICS

- **93 Million** U.S. & Canadian citizens born between **1946 & 1964**
- Just under **1/3 of the population**
- Account for **3/4 of spending**
- **Own 80%** of all money in banks
- Control **70% of wealth**
- **Own 66%** of all money equity markets



CAPITALIZING ON A CRISIS OF SUPPLY

The Zogby survey of 103,000 U.S. citizens indicates that just over 4,500,000 people are considering translocation and property ownership in Latin America. When one considers the general supply of serviced, high quality home sites in the region, one quickly can imagine the impending shortage if even just a small number of these people decide to act on their intention to own or relocate. If one considers the amount of residential product, with world-class infrastructure and amenities, the shortage is magnified immensely.

Understanding why there is a shortage is critical to understanding why this investment opportunity makes so much sense.

A 2009 developer survey by Christopher Kelsey & David Norden clearly points to the growing consumer demand for products with high levels of infrastructure, amenities, and reality. Prior to the real estate and economic crisis in 2008, most consumers were willing to “bet on what’s to come,” and buy pre-construction and speculative product. Today their attitudes are very different. When surveyed, developers agree by an overwhelming 94% that, “Consumers’ expectations for clarity and commitment for the delivery of promised amenities will be greater. Ninety-two percent agree that, ‘Consumers will want to see the infrastructure and amenities complete before purchase.’ Eighty-five percent see an increased trend by consumers to purchase completed homes and condominiums rather than vacant lots and pre-sales opportunities.” This data in its entirety can be found in the ECI Development PPM.

There is a shortage of supply for today’s consumer because most developers in the region sell a speculative type of product called “cut and run.” This literally means that a developer buys a large tract of land, adds the minimum infrastructure such as

dirt roads and electric poles, cuts the property into lots, and then sells the lots to speculation buyers. Large expenses like water and sewage treatment are often offloaded onto the consumer, who, if they decide to build, must drill wells and build septic systems. In many cases, soils are heavy clay, which won’t percolate, also water tables are located deep underground. In addition to the obvious environmental issues lurking, this ends up costing buyers much more than their share of a centralized system.

These “cut and run” projects give little regard to amenities, how the property will be maintained, or if there will ever be any real community. Property owner fees are often set far below the actual cost to maintain infrastructure, because high HOA fees are a deterrent to sales. In many cases, the property owners inherit a set of systems that will cost much more to maintain than they anticipated, further adding to the cost of ownership. Another deterrent to fast sales is a build requirement. Without a requirement to build a home, however, no homes may ever be built. These “ghost towns” occupy by far the largest swaths of “developed” properties along the beaches of the region. They do not offer the vast majority of true consumers what they expect or desire in retirement.

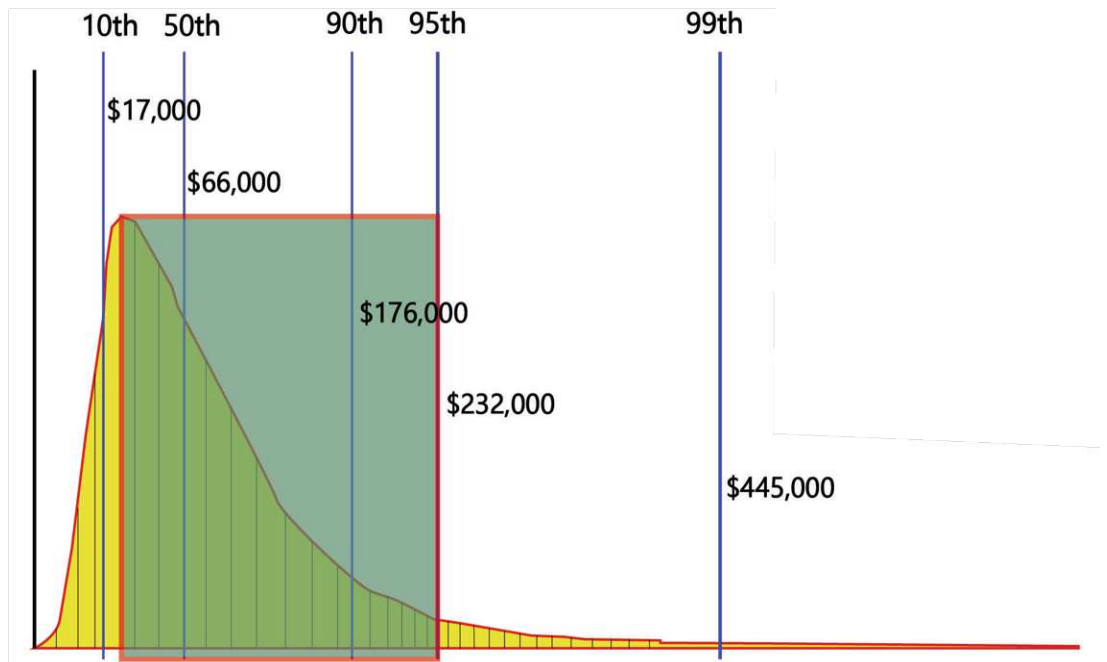
There are strong reasons why this type of product is developed. It is the cheapest and least risky way to be a developer. Very little capital is invested into the land prior to sale. There is also a market of speculative buyers who want a cheap price for a piece of property and hope to resell it at some point in the future for a profit. What this rarely produces, however, is community and lasting consumer value for residents. This is the principle reason that there is a crisis of shortage in the marketplace for high quality, affordable residential product for North Americans.



*Our ability to serve the
middle class retiree is
unparalleled in the region.*

ECI SERVES MIDDLE CLASS, The Largest Segment Of Consumers

ECI's primary mission is to serve middle class consumers with product that is high quality, familiar, and in a spectacular location that suits the client best. As shown below in the U.S. Census Department's chart, the middle class is by far the largest segment of the marketplace. It is also the least well served by developers in Latin America. These retirees that E&Y describes would have to settle for less in the U.S., but can enjoy a higher quality of life south of the border. For this demographic, ECI and its high quality communities are phenomenal choices. Our ability to serve the middle class retiree is unparalleled in the region.



Note: To adjust your income by family size relative to a 4-person family, use the following factors:

- ~ Single person, multiply income by 2.2
- ~ Married couple, multiply income by 1.5
- ~ Married couple with one child, multiply income by 1.4

ECI Development's Mission

ECI Development is an international real estate development company based in Central America with over 4,000 acres of property and 5 miles of beachfront throughout Nicaragua, Costa Rica, Belize and Panama. ECI has successfully been serving the marketplace with geographic choice, North American standards, and affordability for almost two decades.

Affordability is critical. ECI delivers homes and condos starting under \$140,000. The average 3-bedroom, 2-bath residence is offered between \$175,000 and \$350,000. Financing is also available for clients to further enhance affordability.

Peace of mind is provided by knowing that ECI has title insurance policies through First American and Stewart Title companies. These reasonably priced homes and residences are delivered in a climate chosen by the retiree, always with state-of-the-art infrastructure and amenity packages similar to or better than what is available in North America.

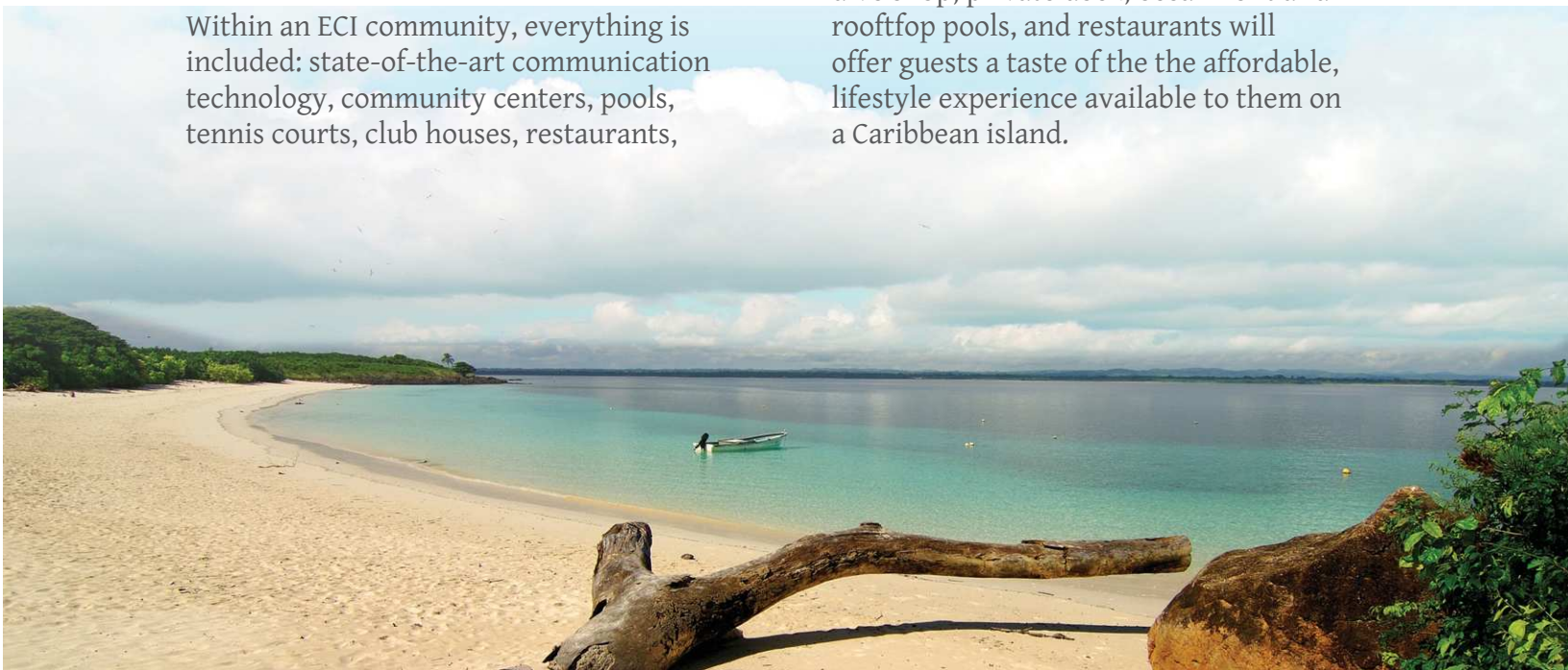
Within an ECI community, everything is included: state-of-the-art communication technology, community centers, pools, tennis courts, club houses, restaurants,

golf courses, etc. Proper zoning is implemented to ensure harmonious growth. ECI invests in the infrastructure and amenities up front, and requires construction of homes and condos within a set time period, ensuring that a real community takes shape.

Real business is always about serving others. ECI Development serves consumers with a product they want and need in a market seriously devoid of high quality, community-oriented residential product. Our focus is on listening to the client and helping them find a home in whichever climate or geography they prefer.

Our focus is on listening to the client and helping them find a home in whichever climate or geography they prefer.

Gran Pacifica has one of only four golf courses in Nicaragua, where customers can enjoy benefits of a real community firsthand at the clubhouse or oceanfront bar and restaurant. In Belize, the Marriott® Residences resort with a spacious conference center, beach bar, dive shop, private dock, oceanfront and rooftop pools, and restaurants will offer guests a taste of the the affordable, lifestyle experience available to them on a Caribbean island.



The Investment

An investment into ECI Development is an investment into a fast growing, diversified real estate holding and development company. Until the company goes public, the investment proposal is to distribute 90% of net real estate earnings annually, with the remaining 10% withheld for operations of the company. An investment in the ECI holding company is an investment into all of the assets of ECI Development. There are currently eight primary companies for the implementation of the projects and development of assets. Four of the companies hold the land assets, and four of the companies are service companies to meet the lifestyle needs of our residents and guests.

Return on Investment (ROI) projections in this Executive Summary are calculated from real estate sales only. Profits from the other ECI business units, some of which could be substantial, are not factored into the Executive Summary and will be above and beyond those listed in the ECI Development PPM. Additionally, all returns and dividends paid to date are only from one company, the Gran Pacifica Resort, in Nicaragua. Because real estate prices are significantly higher in Belize, Panama, Chile, Ecuador, and Costa Rica, as sales begin in these countries, the ROI to shareholders will likely increase, perhaps substantially.

As a private company, returns to investors are expected to exceed 10 times the invested amount over the life of the investment at the current share price of \$16.40. If the company goes public, it is anticipated that the market value for shares will be immediately 6 to 7 times the current share price. There exists only one class of share. All shareholders including founders, officers, and directors own the same type of shares and all returns are paid on an earnings per share basis. All shares are treated equally for dividends and voting rights.





THE BUSINESS MODEL

Demographic data points to a very large population of Baby Boomers in the U.S. who control unprecedented wealth. This group is just entering retirement and many will be relocating and building warm-weather, retirement, and second homes in Latin America. The 2008 crisis in the financial markets has undoubtedly forced additional Boomers to consider a retirement abroad for the simple economic realities of obtaining a quality retirement on what financial resources they have available. When you add the highest quality infrastructure, amenities, and a sense of family to their environment, all integral components of an ECI community, consumer draw is significantly enhanced.

Several recently produced surveys detail the nature of emigration attitudes in North America. The Zogby Company surveyed 103,000 Americans. This is a huge statistical sampling. What they discovered is that 18% of the respondents, representing more than 26,000,000 Americans, have a desire to move or own property outside the United States. The survey also asks respondents to list the region of the world they favor. Of the 26,000,000 considering relocation or property ownership overseas, 4,500,000 listed Latin America as their first choice. (The complete survey is contained in the ECI Development PPM.)

As noted in the Zogby survey, a large number of retirees are already considering retirement in Latin America. The harsh reality for many Baby Boomers is described in a report issued by Ernst & Young in 2008 just prior to that year's October meltdown. This may in fact expand the pool of

potential consumers even further. E&Y's report on the "State of Retirees" indicated that 3 out of 5 middle class retirees could expect to outlive their financial assets if they did not cut back on spending. The average spending reduction required was 24%. When coupled with the values lost in real estate equity, the implications are serious for retirees. (The complete report can be found in the ECI Development Private Placement Memorandum.)

ECI Development is a company dedicated to serving middle class retirees under pressure to discover new ways to enjoy a quality retirement on the limited funds they have saved for retirement. Product offerings are designed to fit the needs of middle class America.

Quality of life in Latin America is superb. In many ways, it exceeds what is possible in North America because of affordable labor rates and domestic help. A full-time maid costs less than \$250 per month in most countries of the region. Organic produce, meats, cheeses, and fresh seafood, readily available and affordable in Latin America, are incredibly healthy and nourishing. Baby Boomers will enjoy a far superior quality of life for far less. They will have effectively dodged the "cut back and suffer" bullet Ernst & Young defines in its report.

TD Waterhouse recently performed a survey to gauge the attitudes of the 9,000,000 Canadian Baby Boomers. What they found further verifies the absolute need for quality product in Latin America.

In the study, 45% of the respondents state that they plan to spend one month or more outside Canada in retirement. With 9.3 million Canadian Baby Boomers, this equates to over 4 million retirees who will be renting or owning property outside Canada in their golden years.

Historically, Mexico and Costa Rica have attracted a large percentage of expatriate retirees who relocated to the region. What followed in these countries was an incredible escalation of the real estate values.

Quality of life in Latin America is superb. In many ways, it exceeds what is possible in North America because of affordable labor rates and domestic help.

ECI is working at the very beginning of this trend in countries and sub-regions that are in the earliest stages of this growth phase. Shareholders could see significant appreciation of assets over this period. However, for the purpose of the business plan, all ROI figures are calculated using current, static sales prices derived from actual sales of ECI's Gran Pacifica real estate in Nicaragua, producing what should be a very conservative analysis.

The business model is simply to follow the examples of successful North American companies who served retirees, companies like Del Webb and their Sun City brand with over 50 communities in 21 states. These successful companies delivered a product choice that appealed to retiring consumers on many levels, but did so only in North America. ECI is building a similar model in Latin America to serve the subset of retirees who want the quality of life and affordability of a retirement south of the border.



Social Responsibilities and Activities

Typically, corporate social responsibility is an add-on for most developers in the region; for ECI, it is part and parcel of who and what we are. Our development model is economically sustainable and socially responsible. By simply having a build requirement, construction jobs start the process with maintenance and service positions close behind. When you have homes and condos, you have residents and guests who want and need services, creating whole new types of income streams. By building communities, ECI creates long-term employment and fosters the hand up, not just the hand out.

The roots of the service mindset go deep. The founders of ECI have been working in the region for two decades alongside Rotary International and other organizations to help create sustainable futures for people simply looking for a hand up. With the commencement of urban development work, some of these initiatives were formalized into a foundation to support the work already ongoing. ECI Development's system of sustainable tourism includes key players, where ECI provides the "in country" logistics so challenging for outside organizations. The synergy is powerful in delivering tangible results with an eye toward long-term sustainability.

But far more important is the integration of residents of the ECI communities into the broader communities of the region. In the end, it's always about people meeting





and helping each other. Success is what we generate for our company. Significance, through the development of a meaningful product, is what we create for others. Residents and visitors to ECI's communities have the opportunity to plug in and make meaningful contributions, enriching their lives and those of their neighbors around them. It can be as simple as teaching guitar, painting a classroom, building a pedestrian bridge, or reading to kids who have never heard a native English speaker in person. These are simple, free things that have the power to change lives for generations.

Whether it's our VP of Sales teaching guitar to some aspiring musicians, working with celebrities to fix up a school, or building the longest suspension bridge in Nicaragua to allow folks to pass over a fast moving river, ECI's stakeholders have a deep respect for the countries and communities in which ECI operates, and we are honored to play a significant role in the progress of these communities. Social responsibility is core to ECI. The synthesis of success and significance creates long-term value for shareholders, neighbors, residents, customers, employees and the community at large.



The Downside Cushion

One major consideration for all investors should be the downside of any investment. What assets does the company have to back up your investment? Because an investment in ECI is largely an investment into real estate, there are large, intrinsically valuable assets at the core.

One common way to price real estate in Latin America is by the running front foot along the ocean. For example, a 100 foot wide by 250 foot deep oceanfront lot would sell for \$100,000 if the value “per front foot” of beach was \$1,000. The following chart shows the valuations of the existing ECI land holdings by front foot.

The current market price per running front foot of beachfront land in Nicaragua with road, water, and electricity is between \$2,000 and \$3,000. ECI owns more than 19,800 front feet in Nicaragua. The price for Costa Rican and Panamanian real estate

is between \$3,000 and \$5,000 per front foot. ECI owns 9,900 front feet in Costa Rica and 3,000 feet in Panama. The front footage prices of property on Ambergris Caye are substantially higher, in some cases now exceeding \$12,000 per front foot. While this shows the tremendous potential value of ocean front property, we have left this top range out to simplify the analysis.

If only the beachfront is sold using today’s retail valuations, ECI could expect to receive more than \$100,000,000 for these assets. The market cap of ECI is \$103,320,000 as of May 21, 2018. The math is \$16.40 per share multiplied by 6,300,000, the number of shares issued. When you examine the figures of ECI’s actual profits per address of sales made to date, the full retail value of the ECI land assets is over \$900,000,000 – a ten times multiple of the market cap based on existing sales data.

	Price Per Front Foot	Front Footage Available	Total Retail Value
Belize	\$12,000	441	\$5,292,000
Costa Rica	\$3,000	9,900	\$29,700,000
Nicaragua	\$2,000	19,800	\$39,600,000
Panama	\$5,000	3,000	\$15,000,000

Total Retail Value of Belize, Costa Rica Nicaragua and Panama Front Footage = \$89,592,000



Pay Out Mechanism

Dividends from ECI Development commenced in Q1 2005 following the first lot sales at Gran Pacifica Resort in Q4 2004. The payout mechanism is very simple. ECI pays out 90% of the net proceeds of all residential lot sales in dividends. 10% of the proceeds are held in reserve for the operation of the company. The vast majority of the earnings of ECI Development in the short to midterm will be real estate sales, and correspondingly, those earnings will be paid out annually. Today's assets are anticipated to produce over \$160.00 per share in dividends in the lifetime of the investment. Dividends will be paid along the methodology described above until the company goes public.

In the long term, ECI Development will have additional revenue streams from our service businesses, and this capital will be distributed to all shareholders as dividends. Some of these revenue streams are similar to annuities. Property/rental management services, cable TV, internet, water, and sewerage services should produce profits well beyond the final lot sale. Recurring revenues are projected to produce nearly \$4.00 per year once all addresses are built out, and would continue as long as people lived in the ECI communities.

A complete description of the payout mechanism is found in the ECI Development Private Placement Memorandum.



Shareholder Yield

ECI utilizes a “per address” yield calculation for its financial models and projections. Details and the data tables are provided in the Financial Section of the ECI Development Private Placement Memorandum. Measurement using the “per address” method is a sophisticated model for valuation since the analysis works for varying product types, such as condos and single-family homes. What is important is the average density of addresses per acre and the yield to the company per address. For Gran Pacifica’s Phase I, that density is 8.8 per consumed acre with an actual gross sales price of \$48,599 per address. Cost of infrastructure per address is \$8,238, netting a per address gross profit of \$40,361 and a net profit per address of \$35,836.

The consumed acre is the key to the analysis. The complete breakdown and ratio analysis of green space/road surface to sellable acres are contained in the Financial Section of the ECI Development Private Placement Memorandum, but the ratio is roughly 55% sellable to 45% common area, service, or road. By factoring the usage ratio into yields we can extrapolate the ultimate yield based on owned and developable acres. The current combination of Nicaragua, Panama, Costa Rica, and Belize provide the basis for over 23,000 addresses. While this may seem a large number, already over 300,000 North Americans make their home in Latin America. The need for addresses will grow substantially as the

Baby Boomer demographic starts to add to this already large number.

While it is quite likely that we will see higher prices “per address” for our current inventory in Belize, Panama, and Costa Rica, for the purposes of projecting shareholder ROI, we are using only the actual Nicaraguan sales figures and yields for the calculations of Return on Investment. The present value of existing real estate holdings exceeds \$800 million. Using the December 31, 2017 capitalization structure of the company (\$16.40 per share times 6,300,000 shares outstanding) we arrive at an ECI Development core value of \$103,320,000.

The current inventory is 21,000 addresses in Belize, Nicaragua, and Costa Rica. Our current net profit per address is \$35,836. The total value of these addresses, at a static sales price using actual sales data from the Gran Pacifica community, produces a total land value of over \$800,000,000. Total capitalization is \$85,000,000. This assumes no growth in the value of the land assets over time.

Sales of real estate alone should produce a Return on Investment to the investor of over ten times (10x) their investment over the period of sales using existing sales numbers as the basis of projections. If ECI’s communities in Belize, Costa Rica, Panama,



Ecuador, and Chile produce a higher yield per address because of their relative popularity, returns to shareholders could be significantly higher.

Using only the sale of real estate, investors can expect a return of 10-12 times their investment over the life of the investment. An IPO will accelerate a return to the investor and it is anticipated that the public offering will be 6 to 7 times today's share price.

The following chart uses an investment at the current \$16.40 share price to analyze

the type of return one can expect to be paid out in dividends on an annual basis. A \$1,000,000 investment receives 67,114 shares and can expect to earn between \$286,000 and \$393,000 per year when all projects are selling.

Additionally, recurring revenues, once all projects are built out, will produce an additional, ongoing \$274,000 per year for as long as ECI serves the residents of its communities with the operational businesses.

Invest for Dividends

Lots of Base Hits

EPS Calculated May 21, 2018 on 6,300,000 shares issued Dividends paid for 10-15 years and longer

COMMUNITY	Annual Net Profits from Sales	Annual Net Profits from Sales	Annual EPS	Annual EPS
Gran Pacifica	\$ 2,000,000.00	\$ 3,000,000.00	\$ 0.32	\$ 0.48
Grand Baymen	\$ 2,500,000.00	\$ 3,000,000.00	\$ 0.40	\$ 0.48
Gran Caribbean	\$ 3,500,000.00	\$ 5,000,000.00	\$ 0.56	\$ 0.79
Ecuador	\$ 4,500,000.00	\$ 6,000,000.00	\$ 0.71	\$ 0.95
Tropical Highlands	\$ 3,500,000.00	\$ 5,000,000.00	\$ 0.56	\$ 0.79
Panama	\$ 4,500,000.00	\$ 6,000,000.00	\$ 0.71	\$ 0.95
Chile Vineyard	\$ 3,500,000.00	\$ 5,000,000.00	\$ 0.56	\$ 0.79
TOTAL INCOME	\$ 24,000,000.00	\$ 33,000,000.00	\$ 3.81	\$ 5.24

Not yet factored into the Return on Investment (ROI) projections are revenues from ECI's service businesses and joint ventures. These revenue streams from entities such as water utilities, cable TV, internet, construction, rental, and property management will grow as more real estate is developed and sold over time. Unlike the one-time sales of real estate, the service businesses are a recurring revenue stream to shareholders. ECI will update the business plan to include financial models and projections for these revenue streams in the future, but for investors today, the prospect of more than tenfold return on the sale of real estate alone should satisfy the desired investment return.



The Reality Right Now and the Trend of the Future

Boomers who are now retiring want the reality of a community right now, as the Norden survey and other research data suggest. Retirement overseas is already happening with more than 613,000 retirees receiving Social Security checks outside the United States. If the Ernst & Young “State of Retirees” report is accurate, then we will see this trend grow even faster as more people search for ways to lower their cost of living without giving up important, quality of life standards. Baby Boomer retirement will drive this market over the next 20 years and push this macro-trend through its infancy. As many more retirees look to the tropics for affordable, yet enhanced retirement lifestyles, phenomenal growth in these already large numbers is likely to be seen.

The market for traditional communities today is very real and very large, as evidenced by the success of St. Joe’s WaterColor and Walt Disney’s Celebration in Florida. People want to live in a community, enjoying the company of friends and neighbors. With the impending retirement of North America’s largest demographic segment, it is important to focus on what they want and need. The future beyond the Boomers looks bright also. These livable, resort communities also appeal to young professionals and early investors who are looking for high-quality, second homes in exotic and fascinating locations.

Within an ECI community, everything is included: state-of-the-art communication technology, community centers, pools, tennis courts, club houses, restaurants, golf courses, etc. Proper zoning is implemented to ensure harmonious growth. Home construction is required within a set period of time. By investing in the infrastructure and amenities up front and requiring construction of homes and condos, ECI ensures that a real community takes shape.

While this is an Executive Summary for you to consider an investment into the ECI Development Company itself, it is critical to always keep the horse in front of the cart. Real business is always about serving others. ECI Development serves Baby Boomer consumers with a product they want and need in a market seriously devoid of high-quality, community oriented, residential product. Our focus is on listening to the client and helping them find a home in whichever climate or geography they prefer.

Baby Boomer consumers can be confident that no matter whether they choose an ECI Development community in a semi-arid, Pacific coast golf community, a Caribbean marina community, an English-speaking island home, a vineyard estate in the “Napa Valley of South America,” or a tropical highlands, “eternal spring” climate, they will receive the creature comforts they expect. Even more importantly, they will experience the real sense of community that is the foundation of any home in an ECI Development community.



Sales, Marketing, and Public Relations

ECI's sales and marketing reach is massive, formidable, and differentiated from serious competitors and upstart challengers. Our process funnels the highest-qualified leads into ECI's sales system as quickly and efficiently as possible, and raises the profile of the company along with its portfolio. Tied in closely with several major newsletters, conference hosts, and internet portals, ECI's reach and penetration into North America is nearly unparalleled for a Latin American developer. When combined with the four unique geographies that ECI provides consumers today, ECI stands alone in telling its story.

ECI is represented at conferences by our highly talented and experienced team of sales professionals and usually joined by one of our executive leaders. The ECI team presents at 30 or more conferences focused on living overseas, and secures 4000+ leads in over a year period. Over the past six years, even in the depths of the global recession and real estate collapse, ECI made the strategic decision for its team to attend over 100 conferences to keep the company in the spotlight. In addition, content-specific webinars continually draw in and refresh existing leads after the face-to-face events.

ECI also generates leads from realtors and outside agents. While not the primary source of leads, these leads tend to have a high closing ratio, as filtering and prequalification have been performed in large measure by the agent. ECI's CEO, Michael Cobb, serves on the President's Advisory Group for the National Association of Realtors (NAR), and is expanding his already significant network of real estate agents both in North America and throughout Latin America.

The largest source of leads to the company is through the various websites for the communities and properties. In fact, ECI owns some 200 unique domain names, many of which re-direct to its primary sites. The web presence through the company's main pages (ECI Development, Gran Pacifica, Exotic Caye Beach Resort, and Grand Baymen) is enhanced through outsourcing web and search engine optimization (SEO).

Adapting websites and email newsletters to new mediums is a constant challenge. The marketplace in the virtual world shifts daily. Social blogging and bookmarking have become critical factors for information dissemination. Rebuilding and retrofitting websites and email newsletters to fit on phones and tablets is a constant priority. ECI monitors trends and technology in the consumer space to stay both relevant and technologically adept at content and format.

ECI also utilizes the existing resort infrastructure to deliver heads on beds to its sales locations. Gran Pacifica has one of only four golf courses in Nicaragua to attract and retain visitors on the property where they can enjoy benefits of a real community firsthand at the clubhouse, oceanfront bar, and restaurant. In Belize, the oceanfront resort with beach bar, dive shop, pier, gym, yoga facilities, swimming pools, and tennis courts offer guests a taste of an affordable lifestyle experience available to them on a Caribbean island.



From Green Field Site to Seaside Village In 3 Years

NICARAGUA

Proof of Concept

Gran Pacifica Resort is currently ECI Development's largest property with clear title to over 3.5 miles (5.8 km) of beach frontage on the Pacific Coast of Nicaragua. The property sits 42 miles west of the capital city of Managua, and just one hour from the international airport. The warm, semi-arid climate creates a Southern California feel and provides the perfect environment for year-round golf.

The Gran Pacifica property includes 2,512 acres of rangeland, and to date, over \$25 million has been invested in land, architectural designs, permits, civil engineering work, infrastructure, homes, condominiums, golf course, and amenities. Master planned as a Spanish Colonial style community, the design elements take the best of the architectural heritage found in Granada and Leon and blend it with the kind of urban planning expertise shown to produce true community.

Gran Pacifica acts as ECI's initial proof of concept, and is delivering a rich experience to owners and residents alike. In Phase I over 90% of the 200+ properties are sold with many new homes being completed this last year. The Casita Village, a carriage house concept, is selling well with over a third of the addresses sold. A new oceanfront, executive home phase, Santa Barbara, has been surveyed and engineering is complete with infrastructure and roads





having been initiated recently. Several of the oceanfront properties in this phase have already been sold. Gran Pacifica Beach and Golf Resort is one of the few properties in the country with an all-weather road, bridge at property's entrance, 14 mile, 3-phase power line to the property and underground power on the property, high speed internet on a fiber optic backbone, North American satellite television channels, a nursery with more than 45 species and 6,500 plants, tax exemptions approved by the Nicaraguan Institute of Tourism (INTUR), environmental approval by the Ministry of Natural Resources (MARENA), cobblestone streets and old Chicago-style brick sidewalks, underground utilities, treated water, sewer, storm drain systems, clubhouse, bar, and restaurant, as well as an 18-hole golf course with 9 holes open for play today.

Right now, over 60 homes are complete and numerous additional homes are under construction. The first 22 condos are finished, with 120 more going under construction soon. A beach club, bar, and fine-dining restaurant are now serving residents and guests alike. Complete lot and home packages start under \$150,000. Residences on the golf course begin as low as \$160,000. Oceanfront condos are available under \$149,000. At the other end of the spectrum, Gran Pacifica boasts several homes over 5,000 square feet with dramatic ocean views. With over 3.5 miles of coastline to work with, Gran Pacifica is home to many neighborhoods and diverse product selections.





BELIZE

Grand Baymen was formed in 2007 to create an upscale residential, condominium community on the Caribbean island of Ambergris Caye, Belize. Belize is the only English-speaking country in the region, and the ECI community there consists of two exceptional properties. The first is a dive resort with over 400 feet of direct ocean frontage overlooking the Belize Barrier Reef less than 800 yards offshore. It also owns a beach bar, yoga center, tennis court, and fitness club situated on 6.7 acres that is two blocks directly off the beach with the largest swimming pool in San Pedro Town.

The two properties together have a synergy that neither has alone. The development of residential product for the Belize market, specifically Ambergris Caye and the town of San Pedro, has been limited to date. The vast majority of what is available for part and full time residents have been condos designed for nightly rentals as hotel rooms. For many, the idea of constant renters and the beach party scene of vacationers in their front yard 365 days per year, is quite the opposite of their vision of a pleasant and relaxing retirement experience.

Grand Baymen serves this underserved, middle class, residential focused demographic with an off beach, health and fitness club setting. The price points off the ocean begin as low as \$158,000, opening up residential opportunities on a Caribbean island to a whole new range

of retiree buyers who may have always dreamed of a life in the islands, but who could never afford Key West, St Thomas, or the British Virgin Islands.

The current beachfront property, Exotic Caye Beach Resort, will be replaced with the Belize Marriott® Residences Ambergris Caye Resort. This construction will commence in 2018. ECI only plans to offer 54 of the total 175 condominiums for sale to the public. ECI will retain the remaining condos for the cash flow they will generate for the company over the long term. For resort property investors, the Belize Marriott® Residences Ambergris Caye Resort will deliver tropical Caribbean flavor for a fraction of the cost of other British Commonwealth nations. It also holds the potential to perform well as rental condos inside a branded hotel product.

San Pedro Town on Ambergris Caye was the first area of Belize to develop into a major tourism center. Other areas of the country such as Placencia, Corozal, and Hopkins are emerging, but the price points and pace of developments still lead in San Pedro. San Pedro receives 70% of the tourists to Belize and generates 80% of the hotel tax revenues. The following financial projections model current sales trends and pricing on the island.

Experience shows the ability to deliver a construction cost of \$200 per square foot



for luxury finishes. The lowest comparable retail sales price today is \$335 per square foot. This produces a profit of \$135 per square foot.

These numbers are conservative. Sales prices for the Belize Marriott® Residences Ambergris Caye Resort to date exceed these numbers. Even with the drop in prices in 2008, third and fourth story condominiums continue to sell for \$350 - \$500 per square foot. Using the conservative 2005 per square foot profit number, the total gross profit on this parcel is \$8,100,000 when selling 60,000 square feet. If we are successful in selling units in line with the current market price, it would push gross profit from real estate on the front parcel into the \$12-14 million dollar range.

ECI's off-ocean, 6.7-acre parcel provides a significant area for development. A sizable part of the property is developed with a clubhouse, acre of the property is developed with a clubhouse, workout facility, 2 lighted tennis courts, and the largest swimming pool in San Pedro Town proper. 4.5 acres of the remaining property is becoming a residential, garden condominium community with over 155,000 sellable square feet. 54 condominiums are already complete, sold, and occupied. An additional acre is currently under planning and could add another 30,000 sellable square feet.

Approximately one acre abuts the runway and could be used in the future as an access point for small private planes, or developed commercially.

Construction costs for the off-water garden community average \$200 per square foot with high-end finishes. Infrastructure overhead is limited because of the small parcel size and includes streets, sidewalks, a small park, and the associated underground utilities. Costs to develop this infrastructure add less than \$10,000 per address. ECI has achieved a sales price of over \$275 per square feet, generating a gross profit per square foot of \$75+. The number of sellable square feet will ultimately exceed 140,000 square feet, generating a profit of \$10,500,000.00.

By integrating both parcels, the synergy creates additional value. The off-beach property benefits by the relational and direct association links to the beach, while the beachfront parcel benefits from the enhanced amenities of the clubhouse, workout facilities, pool, and lighted tennis courts. The basic core philosophy of ECI is to deliver high-end services, infrastructure, amenities, and community. This union of properties provides a much needed high end, residential product offering to Ambergris Caye, Belize.

COSTA RICA

Project Concept

In early 2006, ECI purchased the Gran Caribbean property. The 1,100 acres are located 12 miles north of the city of Limón, the major port on the Caribbean coast of Costa Rica. The climate is similar to South Florida. In addition to the 3.1 miles of Caribbean beach front, a major attraction of this property is the 3.1 miles of riverfront and a deep-water canal dug by the United Fruit Company in the 1950's. This manmade canal allows for the development of marina and canal lots, which increases the value of the asset substantially.

Until now, the major real estate and tourism projects in Costa Rica have been located on the Pacific coast, specifically in the Guanacaste region. The opening of a Four Seasons Resort and J.W. Marriot evince the high level of progression in tourism and development of the region, but along with success comes high prices, driving the average middle class, Baby Boomer retiree out of the market.

The long ignored, Caribbean coast is receiving serious attention as the new growth area for development and tourism from developers and the Costa Rican government. Prices of wholesale real estate were relatively inexpensive in 2006, and ECI was able to purchase an oceanfront farm at the right time.

Limón Province, the location of Gran Caribbean, continues to receive a financial and political boost from investors and the Costa Rican government. The province has a great advantage in that it is very important for tourism, commercial purposes, agriculture, and foreign trade. The Moín area, just 10 miles south of Gran Caribbean, is particularly important for its tourism potential – it converges agriculture, the Moín Port (one of the most, if not the most, important international commercial ports in the country), and the region's unique biodiversity reflected in its flora and fauna.

The high-profile government backing to the Limón province is shown in the new \$800 million port concession just 10 miles south of the Gran Caribbean property. The World Bank is financing a project called "Proyecto Limón Ciudad Puerto," a \$78 million initiative to facilitate infrastructure investment to create a more attractive Limón for tourists. "Proyecto Limón Ciudad Puerto" has begun; the economic and physical transformation of Limón is significant.

As the Port of Limón expands, land prices in the area will continue to surge. Taking our time there makes sense as we let the general market trend and regional progress do some of the work for us. Planning and permitting are under way to



establish the baseline for best use of the space. A marina centric project is slated to capitalize on the canals and the close proximity to Miami. Another major plus for a marina community is the fact that we are strategically located outside the historic hurricane belt.

Specific revenue projections are, at this point, premature. However, for the Private Placement Memorandum, ECI uses the historic Nicaraguan sales data and the current Gran Pacifica yield per acre as the basis of ROI calculations. Considering that property in Costa Rica sells for considerably more than in Nicaragua today, the projections for Gran Caribbean Costa Rica should prove to be very conservative. In one example, at the Los Sueños project in Jaco Beach, Costa Rica, one condo presales event generated over \$50,000,000 in sales during a single weekend. Quarter acre lots are selling for between \$300,000 and \$500,000 – generating a per acre yield of between \$1M and \$2M. Based on comparable and the enhancement factors of the location, a \$500,000 per acre yield on our 1,100 acres in Costa Rica is conservative and would represent a return of more than two times what is projected in the business plan.





PANAMA *Project Concept*

In June of 2012, ECI Development acquired a stake in an existing project on the Western coast of the Azuero Peninsula in Panama called Los Islotes, branded by ECI as Gran Islotes. The rationale was threefold. First, an increasing number of ECI's clients desire a product selection in Panama, and being able to serve these clients specifically in Panama is important. Second, the choice of partners was excellent, since the principal owners and developers of the project are Lief Simon and Kathleen Peddicord. The principals of ECI have enjoyed a working relationship with Kathleen for over 20 years and with Lief for over 10. Their reputation in the industry and personal integrity are unquestioned. Lastly, and most importantly, Gran Islotes fits the profile of an ECI community with a focus on building infrastructure, amenities, and neighborhoods. The project is permitted and already selling. This compresses a 2 to 3 year time and resource commitment for entitlements into an immediate sales opportunity for ECI.

Why Panama? Panama has become the new leader in retiree recruitment in Central America. It offers retirees stability, excellent healthcare, and a retiree law with phenomenal benefits. There is no age limit to qualify for the Pensionado Visa Program and applicants only need to prove a monthly income of \$1,000, plus \$250 for each dependent. The program also grants retirees tax exemptions and discounts including the following: tax exemption to import a car every 2 years, import tax exemption for households up to \$10,000, 50% off entertainment, such as movies, theater, concerts, and sporting events, 30% off bus, boat, and train fares, 25% off airline

tickets, 30 to 50% off hotel stays, 15% off hospital bills, and numerous other discounts and benefits for being a retiree in Panama. Its long ties to the U.S., excellent pensionado legislation, modern medical care exemplified by a Johns Hopkins facility, and a strong free market economy have led to Panama's new popularity.

One of the reasons Panama is so popular has to do with the strength of its economy. Panama has consistently maintained one of Central America's highest per capita Gross Domestic Products. GDP growth since 2000 has outpaced all other countries in Central America and topped 10% in 2012. The U.S. is still the largest user of the Canal and Panama's foremost trading partner. Because the U.S. dollar is the official currency in Panama, the U.S. is ultimately its central banker, and remains influential regarding its monetary policy.

To encourage long-term foreign investment, Panama does not require special permits, authorization, or registration to qualify investors. The 1998 Investment Stability Law protects foreign investors for ten years following the registration of an investment, shielding them from changes in tax, customs duties, municipal, and labor laws. Over 80 banks have full service branches here including HSBC, Scotiabank, and Citi. Panama is a growing international financial center with excellent communication infrastructure and first world amenities.

Why this team? The founders and principal shareholders of any organization set the standard for all to follow. Lief Simon and Kathleen Peddicord's involvement with the

Islotes project was instrumental in ECI's decision to acquire a stake in their business. Lief's decade-plus successful expertise in international real estate development is core to the success of the on-the-ground team in Panama. He has recruited an excellent team of development professionals to execute a solid business plan.

Kathleen's comprehension of the marketplace and ability to touch potential clients is the best in the business. She has, for over 25 years, been the authoritative voice talking to and about the retiree community overseas. She is the "go-to" source when the major news organizations and associations require analysis and data. The combination of Lief and Kathleen creates a powerful mechanism to drive the project to completion, and attract the retirees and property owners to create a world class community at Gran Islotes.

Why Gran Islotes? The Gran Islotes project is perfect for the retiree demographic. The westward orientation of the property provides for scenic sunsets over the blue Pacific Ocean. A series of small islands are featured in the foreground and the outline of the largest island in Central America and fishing mecca, Coiba Island, can be seen in the distance. The master plan calls for everything North Americans expect. Gran Islotes is a top-of-the-line, private beachfront community. Guests will enjoy a clubhouse, three swimming pools, stables, riding trails, tennis courts, and a fitness center. All of the basics: underground electricity, a well-fed community water system, central wastewater treatment, fiber optic cable for internet access, and 24/7 security are already in place.

Plans are for neighborhood streets to flow down the hillside to the beach club, where you can enjoy swimming, sunbathing, tennis,

basketball, or petanque (a form of boules, similar to bocce). Without leaving the property, you can pamper yourself and your guests with a day of spa treatments, or spend an afternoon lounging by the pool at the beachfront, boutique hotel and spa. Also, you can meet friends for a seaside lunch or a special dinner in the hotel's restaurant. Gran Islotes is designed for active outdoor living, with trails for hiking through the lush landscaping of the property, riding horseback from our stables into the surrounding hills, or mountain biking to nearby Cerro Hoya National Park.

Gran Islotes embraces a wetland preserve, as well as an estuary visited by monkeys and other wildlife. Behind the community lies a range of lush and rugged mountains, including Cerro Hoya, the highest peak on the Azuero Peninsula. Right out front, 0.6 miles of beach that continues for another 5 miles beyond Gran Islotes is yours to explore. Some days, you may be the only person walking this stretch of shore. From your terrace, you might see migrating whales or splashing dolphins, depending

on the season. Complete with clay tile roofs, wooden beamed ceilings, and arched colonnades in the town plaza, the architecture of Gran Islotes is true to the history and culture of Panama's Azuero Peninsula. Home choices are many, built to suit life as you want to live it with luxury, turnkey homes or spectacular ocean view home sites that are waiting for your custom-designed dream. You can also choose the cozy casitas for vacations and part-time residence that lets you lock up and leave without a care – condos, lofts, and studio apartments to suit your lifestyle. Gran Islotes delivers all that's best in an ECI community for consumers who want a home in Panama.

*Panama
does not require
special permits,
authorization or
registration to
qualify
investors.*





Other ECI Development Companies

San Diego Telecom, S.A. is a wholly owned subsidiary of Gran Pacifica that provides the cable TV and internet services to property owners inside the Gran Pacifica development. This was a logical extension of our company since we own, install, and are required to provide the fiber and head-end infrastructure to owners. The head-end system also has the capability to provide remote access control for other projects both inside and outside of the Gran Pacifica community. It is likely that San Diego Telecom will become the central provider for telecom services to many of the ECI business units throughout the region, except where precluded by country regulations. Initially, the revenues from this company will be minimal. However, as we add customers, it will become an ongoing cash engine and continue to exist once all lots are sold. The business is currently leased to a sub-developer on property who operates the business for Gran Pacifica. No profits from this entity are included in the Return on Investment analysis contained in the ECI Development Private Placement Memorandum.

San Diego Water Services, S.A. is a wholly owned subsidiary of Gran Pacifica that is

supplying water and sewerage services to the residents and tenants of Gran Pacifica. It is a licensed utility, and as with the telecom services, revenues will be minimal until several hundred addresses are present on site. At that point, it will be like a long-term annuity generating cash flow indefinitely. The business is currently leased to a sub-developer on property who operates the business for Gran Pacifica. No profits from this entity are included in the Return on Investment analysis contained in the ECI Development Private Placement Memorandum.

Caye Technologies Ltd. is a joint venture with Michael Hanyecz and Andras Tassy-Becz, security and home entertainment specialists. Services include home security and monitoring services for owners, as well as medical and fire alerts when requested by clients. Additionally, home theater systems and complete entertainment packages are present in all Gran Pacifica homes and condos to meet the ever growing demand for these amenities. No profits from this entity are included in the Return on Investment analysis contained in the ECI Development Private Placement Memorandum.

Other Opportunities and Joint Ventures

ECI is committed to developing ongoing revenue sources for the company and shareholders. ECI is uniquely qualified and positioned to do so because we know the consumer demographic. ECI understands what they want and we have the team, resources, and infrastructure in place to deliver it. The importance for the company is that it produces recurring revenues for the company long after the last property is sold and built out.

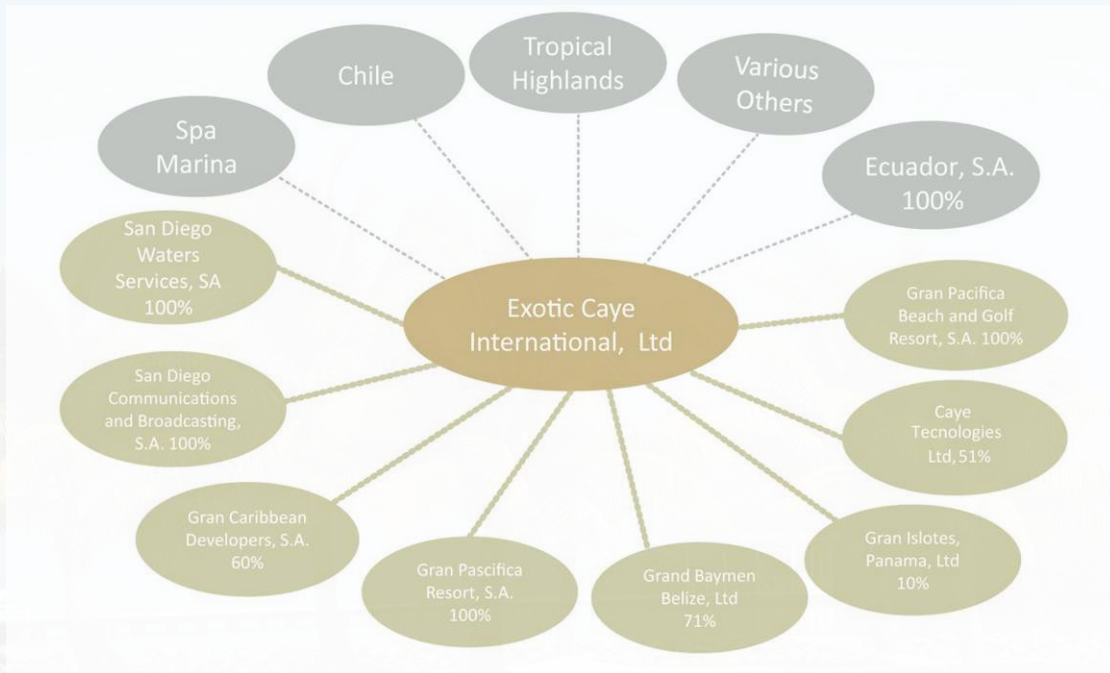
Please note, ECI Development is committed to growing the company by joint ventures wherever possible, thereby leveraging the talents and efforts of our joint venture partners to provide a greater return to our shareholders. Already, the golf development and both condominium projects at Gran Pacifica are joint ventures. In addition, plans for the opening of an international hotel chain are underway both in Belize and in Nicaragua. In Belize, the operating brand has already been selected. Having a reputable worldwide partner in a joint venture can only increase the value of the property surrounding it.

Additionally, business units operating within the existing companies include a home construction company, created to serve clients of Gran Pacifica, and a rental and property management company, created to serve property owners and rental clients at the Gran Pacifica and Grand Baymen communities. As we identify additional opportunities which add value to the existing company framework, ECI will establish additional joint ventures and increase shareholder return. Joint venture or wholly owned additional businesses to include: spa, marina, equestrian center, medical tourism, assisted living, energy generation, retail space, office space, agriculture, and aquaculture.



The Company

Exotic Caye International, Ltd.



Company Structure at a Glance

The company owns 100% of Gran Pacifica Resort, S.A., the Nicaraguan land development company with over 2,500 acres; 100% of Gran Pacifica Beach and Golf Resort, S.A., a Nicaraguan hotel and golf course development and management company; 60% of Gran Caribbean Development, S.A., the Costa Rican land development company with 1,100 acres; 71% of The Grand Baymen Beach Club, Ltd., two properties located in the heart of San Pedro totaling over 7 prime developable acres; 10% of Los Islotes, a 217 acre project located on the Pacific coast of Panama, 100% of San Diego Telecom, S.A. the internet and cable TV provider for property owners at Gran Pacifica; 100% of San Diego Water Services, S.A., to provide water and sewer systems at Gran Pacifica, and 51% of Caye Technologies Ltd., to provide home security and theatre systems to ECI clients. Additionally, business units operating within the existing companies include a home construction company, created to serve clients of Gran Pacifica, and a rental and property management company, created to serve property owners and rental clients at the Gran Pacifica and Grand Baymen communities.



The Region

Latin America, as a region, is growing by leaps and bounds. Proactive policies on the part of the countries themselves have become instrumental in attracting foreigners, and hence their capital. Over 613,000 U.S. retirees already live overseas, and many receive their Social Security checks at embassies and consulates outside of the United States. More than 200,000 North Americans reside in Mexico part or full time, 40,000 Americans have homes in Costa Rica, and 10,000 call Panama home part of or all of the year. Each country in the region has its own attractions and incentives that draw tourists and permanent residents alike, and they are all competing to provide excellent retirement packages.

Property sales and tourism data also point to rapid growth in the region. This data and a series of surveys and studies referenced earlier, and cited in the ECI Development Private Placement Memorandum pinpoint its nature. Latin America is an emerging market that holds a prime location in relation to North America, and offers ease of access as one of many attractive benefits and motivations for retirement demand.

There is an environment of growing optimism and progress that makes the

area very attractive to investors both local and foreign. This movement along the “development road” ensures long-term stability. Latin America is in the middle of a successful transformation, and while poverty reduction and economic development still pose challenges, the future is vibrant and promising indeed.

Latin America is host to world-class tourism and diverse retirement destinations due to a variety of cultures, histories, and geographic characteristics. Climates in the region range from the semi-arid Pacific, to a warm, moist Caribbean coastline, to dry, high deserts that provide a “Napa Valley” experience, to an eternal spring climate of 75-80 degrees every day in the tropical mountain highlands. The richness of the area is further enhanced by wonderful, warm, welcoming people and exceptional incentive laws for retirement, investment, and residency. Growth in conjunction with improving economies and regional stability drives the improvement of infrastructure, economic situation, and position in the global marketplace. These in turn make the region viable economically, while at the same time improving the quality of life, safety, and appeal of the countries.



The Product - Building Traditional

ECI focuses on neighborhood building through a design methodology that creates the highly intangible, but very real feeling of community. Through the sophisticated implementation of covenants such as mandating front porches and building physical infrastructure, like sidewalks on both sides of the street, it is possible to break down social barriers and allow people to begin communicating naturally and organically. Measuring something real but unseen, like community, may seem difficult. The marketplace, however, does a great job of valuing an intangible. If people are willing to pay more for a physically similar product, then there must be an intangible reason why they would choose to do so. Property prices are driven by desirability.

Desirability can be measured by price. The higher the demand, the higher

the price. The data has been well documented – studies show 3-5 times greater resale values for properties inside a traditional neighborhood (the type of community layout ECI creates) than for a property located just a few miles down the road with comparable statistics in terms of size, location, and proximity to the ocean. Complete case studies of this important price lift factor are contained in the ECI Development Private Placement Memorandum. They clearly show that the intangible sense of community is highly desirable, and people are proven to pay more for it.

ECI is one of the few companies in Latin America designing and building handicap accessible and age-in-place facilities.

Traditional Architecture and the Nostalgia Element

Traditional communities in North America are seeing a strong resurgence. It is in large part a reaction to the suburban sprawl and the isolation one can feel while living right next to other houses full of people, but not necessarily neighbors. A new type of urban planning is a blending of modern amenities, technology, and infrastructure with the feeling of a community in which people have relationships, communicate, and interact with one another on a regular basis. ECI Development's philosophy combines the desire for a traditional neighborhood with the need for modern amenities and facilities.

The blending of old and new is the basis for the term "neotraditional," a word that is used in this sense to reflect a throwback to the nostalgia of the past, while including important, modern elements that enhance our living experience. ECI's master planning and design takes cues from the best 1930's neighborhoods, where houses and apartment buildings face the street, and a place where wide, shaded sidewalks provide a pleasant pedestrian environment. The messy necessities, such as parking, garbage, and utilities, are hidden from view behind the homes in alleys.

The Baby Boomer consumer wants what they remember having as children, walkable, human-scale communities where they see neighbors regularly and enjoy pleasant conversations out on their front porch. However, they don't want to give up today's modern conveniences. ECI understands these needs and delivers this nostalgic experience with all the conveniences of North America. The unique difference is that ECI builds these

communities in a part of the world that offers a wide variety of lifestyle, climate and amenity choices. Most importantly, it does so affordably for the vast majority of retiring, middle class Baby Boomers.

ECI Development borrows from traditional planning and local architecture in its host countries. For example, the Gran Pacifica development has combined the Spanish Colonial architecture from the nearly 500-year-old cities of Leon and Granada, with modern amenities: golf courses, fiber optics, and underground electricity; and

traditional concepts such as narrow, pedestrian-friendly streets with sidewalks.

Buildings use traditional materials, and are designed to emulate and blend with the regional vernacular. In Belize, ECI implements a British Colonial styling with Caribbean flavor.

In Chile's wine growing regions, we anticipate building a small Tuscan Village amidst the rolling

hills and vineyards. By drawing on what is resident culturally, ECI delivers an authentic, yet extremely Colonial experience for the retirement consumer.

Property within an ECI community ensures a higher value at the outset, as well as the potential to retain and increase in value substantially over time. Case studies abound showing this huge valuation difference between a collection of properties in a project, and homes within a true community. In the U.S., values can be up to six times greater for a traditional neighborhood property. Values within an ECI community start higher and continue to increase as they develop and grow into real neighborhoods. The benefits to property owners and shareholders are significant.

*ECI Communities:
The blending
of old and new.*



ECI Development - A Powerful Vision

The most successful retirement community brand in North America began as a powerful vision. The developer provided high quality homes and condominiums to active senior adults, and let them decide what part of the United States made the most sense for their retirement. This is the Sun City brand created by Del Webb. They developed communities in the deserts of Arizona, the piedmonts of the east, and along the coasts of Florida and California. Del Webb built the services and amenities that everyone wanted and then offered clients the option to choose what type of climate they wanted. Their success has been unparalleled in the industry and Pulte purchased them for \$1.8B.

ECI Development is advancing this powerful vision one step further by creating a menu of attractive lifestyle choices to serve the millions of Baby Boomers now searching for retirement options in Latin America. An already large market, it is growing quickly. The economic downturn and loss of wealth in retirement accounts is further pushing retirees to explore ways of lowering their cost of living without reducing their quality of life. In fact, living south-of-the-border can provide an enhanced quality of life for less, perhaps doubling one's spending power. As long as the developer delivers the critical standards, consumer satisfaction is ensured. This is ECI's market advantage.

ECI'S STRATEGIC EXPANSION

ECI is capitalizing on its rapid growth in the region. A new round of funding is in place to secure \$16,400,000 for additional property acquisitions in Chile's wine growing region, Ecuador, and the tropical highlands of Costa Rica. Funds beyond acquisition costs will be utilized to construct the necessary connecting road and power infrastructure. Additional funds will be used to build the first phase of residential development including streets, water, sewer, internet, and TV. The basic amenities of a clubhouse, pool, tennis courts, and model homes in the acquired property will be built as well. The target properties are briefly described below along with images of the geography for each.



ECI'S UNIQUE SELLING PROPOSITION (USP)

North American consumers largely take for granted the basic comforts of reliable electricity, excellent water pressure, high-speed bandwidth for internet, access to top notch medical care, and quality construction. In Latin America, many developers fail to provide even these basic services.

Additionally, the vast majority of projects in the region are one country, one location. They are often little more than a collection of empty lots with limited infrastructure. Most have few or no homes in place. These are “ghost towns” and they are likely to remain just that. Boomer retirees want activities, neighbors, and community, something that the majority of these projects, sadly, cannot offer.

As profiled in Forbes' Annual Retirement Guide, ECI is unique because it delivers the excellent infrastructure needed for a high quality of life experience that North Americans have come to expect. Significant resources are invested upfront

for amenities like golf, tennis, and health club facilities.

The Boomers are a discerning crowd, and they demand resort communities that serve their comfort and lifestyle needs. ECI delivers a high level of amenities and infrastructure, provides product choice, and is setting new standards in the region serving these retiring Baby Boomers.

Just like Del Webb, ECI understands that one geography doesn't fit all clients looking for a retirement home south-of-the-border. Some people prefer a coastal boating community, others desire the dry, grape-growing climates, some like the mountains and eternal spring, some the beach, some like to golf, and others enjoy tennis. ECI provides real choice where it matters, in location selection. This is accomplished by developing properties in the various geographies of the region. Clients can choose from a home along the Pacific or Caribbean coasts, in the cool tropical mountains, or in the arid, high deserts of South America.



1. *ECI accelerates the sales pace, retail price, and Return on Investment (ROI) to shareholders by building resort communities with the infrastructure and amenities expected by the North American consumer. ECI and its partners have invested over \$26 million to date in acquisitions, infrastructure, construction, amenities, and services. ECI showcases tangible examples and finished products. The differential between hard cost and actual sales prices of land with infrastructure is significant, thus providing a strong ROI to shareholders.*
2. *ECI is a diversified investment, both geographically and by business type. Gran Pacifica showcases 56 completed residences with many more under construction. Current facilities include: golf course, clubhouse, condominiums, bar, restaurant, and swimming pool. Existing facilities in Belize include a beachfront resort with 20 condominiums, beach bar, two restaurants, dive shop, health club, tennis court, and swimming pools. The Baymen Gardens includes 54 completed condos, and many more under construction. Gran Islotes Panama is selling and initial infrastructure is complete. The Costa Rica business unit is passing through environmental permitting. Acquisitions of assets in the tropical highlands, Ecuador, and Chile are being actively pursued. Ownership includes a telecommunication and cable TV provider, water, sewerage, rental management, and security companies.*
3. *A powerful A-Team is in place and has proven its skill over the last nearly two decades by dealing effectively with the many challenges facing projects of this scale. ECI's CEO, President, and COO are development professionals with a combined experience of over 70 years in the industry. In addition to specific development talent, the ECI team includes a former White House policy advisor and Ambassador to the region, the architect of three Marriott hotels and the Four Seasons in Costa Rica, the land planning firm who was Walt Disney's choice for master planning when looking to build a town, and a cadre of influential Latin Americans.*
4. *Desirability drives demand, and demand drives price. ECI builds traditional neighborhoods like the community built by Walt Disney, Celebration, outside Orlando, FL and communities like WaterColor, Kentlands, and Rosemary Beach. Master planning along these principles produces yields three to five times higher than traditional planning concepts while delivering the charm of a village setting to consumers. Boomers want services, infrastructure, amenities, and community. ECI is one of a select few companies delivering this in Latin America. By differentiating ourselves as a leader in quality community layout, we have created a final product that is highly desirable and attractive to the vast Baby Boomer market.*
5. *ECI's market is large and growing. Currently, 613,000 U.S. retirees live overseas. Many more North Americans are considering living or owning property in Latin America, a number that today exceeds 4,500,000. Baby Boomer retirement will largely drive this market over the next 20 years, and the trend is only in its infancy. Bank financing for clients buying in ECI communities is available. This is rare in the region. Right now an average of 11,500 Baby Boomers retire each day. As more retirees look to the tropics for an affordable, enhanced retirement lifestyles, phenomenal growth in these already large numbers is likely to occur.*

Future Assets of ECI Development



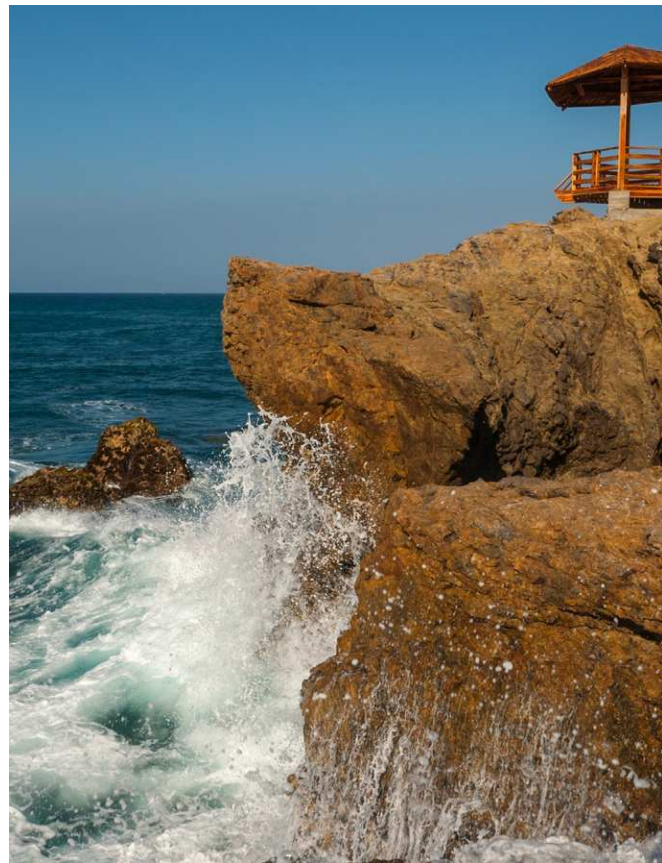
CHILE'S NAPA VALLEY

A project in Chile's wine growing region will capitalize on the strong desire of many North Americans to live on a vineyard estate, but who cannot afford the multi-million dollar price tag of California's Napa Valley. Located in the foothills of the Andes, this high desert climate is a proven wine region with world-class production and brand recognition. Here, an ECI community will evoke a Tuscan hill town theme, with residential vineyard estates surrounding the center of the property. Property buyers at this location can expect to pay far, far less than a comparable California property.



TROPICAL HIGHLANDS

A tropical highlands property, most likely in the Central Valley of Costa Rica or the highlands of Western Panama, provides geography unlike any other in the region. Typically known for abundant coffee production, properties located at an altitude of 3,800-4,500 feet above sea level offer residents a consistent springtime climate year round. Nighttime temps are 65-70°F and daytime highs are 80-85°F every day of the year. The community to be developed here would likely have a coffee plantation as a core, and homes would have an alpine theme like those first built by German immigrants to the region in the late 1800's.



ECUADOR

Ecuador has developed a positive image perception in the minds of many U.S. citizens. It has garnered the top ranking as the #1 destination for U.S. retirees several years in a row. ECI's principle focus is always the consumer, and Ecuador is in demand. The primary driver of this demand is the affordable price of living. Fuel is subsidized, therefore most items are less expensive since transportation costs drive up retail price. Low labor rates also contribute to a low-cost, high-quality lifestyle. Ecuador has three very different geographies: Pacific coastal, Highland Andes, and Amazonian lowlands. Cuenca is a UNESCO World Heritage city in the highlands, and ECI is exploring properties near this hub of expat emigration.



The Team

Chairman and Chief Executive Officer Michael K. Cobb, Co-Founder
Co-Founder & Chief Legal Officer Joel M. Nagel, Co-Founder, Attorney at Law
Ambassador John Maisto: Director, U.S. State Dept. Ret.
President Eddie Littlefield, Residential and Commercial Developer
Chief Operations Officer Patrick Hiebert
VP of Legal & Systems Adiak Barahona Pérez
VP of Operations Valeria Espinoza
VP of Sales & Marketing Rachel Jensen
Director of Public Relations Giovanni Rodriguez
Director of Affiliate Program & IT Fredman Valenzuela
Director of Marketing Lisa Harrell
**Director of Pre-Sales and
Post-Sales Customer Relations** Betsy Rosenlund
Grand Baymen Chairman Michael K. Cobb
Gran Caribbean Chairman George Kingston
Gran Islotes Chairman Lief Simon

ASSOCIATES AND PARTNERS

Urban Design Associates (UDA), Architecture Firm
(Disney Celebration Community)
Zürcher Arquitectos S.A. Architect (Costa Rica Marriott hotels)
Larry Dewhurst Las Perlas Condominiums, Joint Venture Partner



ECI's focus is on the client – listening to and working with them to determine which climate or geography they prefer.

Return on Investment

An investment in ECI seizes the advantage of being the dominant player for middle-class retirement communities in Latin America as the 20-year macro demographic trend unfolds. ECI is growing quickly and delivers specific products and standards shown to be critically important for the Baby Boomer consumer. Demand for this product is proven by the 252 home sites and condominiums already sold, the 122 completed residences, and the 76 currently under construction. Participate as an equity partner in serving these clients, and reap the rewards of providing a solution to the low-cost, high-quality lifestyle Baby Boomers will seek in retirement. A solid team of well-seasoned professionals

is assembled on the ground to execute the plan. ECI Development has a winning team, superb tools, and is fortunate to be in the right place at the right time. Shareholders can expect to receive ten times (10x) their investment paid back in dividends over the life of the project. An IPO will accelerate a return to shareholders and provide additional working capital to the company. Accredited and qualified investors are welcome to become part of a company with a clear understanding of historical successes and a pioneering vision of the future. Investors will partner with the developer and reap the profits associated with serving Boomer retirees in Latin America.

The Sun City of Latin America

Serving the consumer is the core mission of ECI Development. Just as Sun City did for retirees in the United States, ECI is creating a set of standards and building real communities in Latin America. ECI delivers the bottom line results that most North Americans take for granted; things like excellent water pressure and high speed internet. Other items often overlooked; like basic zoning, covenants and restrictions, or even the simple maintenance of streets and sidewalks, are all part and parcel of the ECI brand. The greatest piece of the puzzle, however, is community. Implementation of ECI's master planning and design philosophies allows and fosters real community, delivering the ultimate quality of life experience.

ECI's focus is on the client, listening to and working with them to determine which climate or geography they would prefer. The retiring Baby Boomer consumer can be confident that no matter whether they choose a semi-arid Pacific coast golf

community, a Caribbean marina community, an English speaking island home, dramatic views of the Pacific Ocean from breezy ridges, a vineyard estate in the "Napa Valley of South America," or a tropical highlands "eternal spring" climate; they will receive the creature comforts they expect. Even more critical is that they will experience the important, real sense of community that is the foundation of any home in an ECI Development community. The Baby Boomers are about to enter their next stage of life. They are used to getting what they want, but now must do so with less money in many cases. Latin America offers exceptional value, diverse climates, and a high quality of life at an affordable price. ECI is marrying these factors to create a unique product already selling in the market place.

As the demographic wave continues to grow, ECI will expand its position to serve these Baby Boomer consumers and produce even greater returns to its investors.



Why Invest Now?

The current round of funding for ECI Development is for the acquisition of additional real estate assets in the tropical highlands, most likely the Central Valley of Costa Rica, a property in Ecuador, and a vineyard property in Chile. Right now is the best time in the past 20 years for purchasing real estate in Latin America. The opportunities are excellent. There are an abundance of properties and potential partners who are a good fit for our business model.

Your investment will be utilized for this asset expansion during these exceptionally opportune times. As additional properties are acquired, the share price new investors pay will be higher due to the additional asset value of the company divided by the number of shares. The current share price is \$16.40.

Following an acquisition, the share price of ECI will move higher to reflect the additional assets of the company. This could place an additional \$4.00 to \$5.00 per share of value in the company books and push the share price towards \$20 per share. If you invest now, you also own all future assets of the company at today's valuation of \$16.40 per share.

As a proof of concept, Gran Pacifica and Grand Baymen are excellent examples of

success. Demand for this product is proven by the 252 home sites and condominiums already sold, the 122 residences complete, and the 76 under construction. Even more importantly, customers have been willing to pay a premium over competing projects for outstanding infrastructure, amenities, and total overall value. ECI has figured out how to deliver that value.

Sales and new construction in Belize establish a second dividend stream for investors. Panama will be next into sales and development, and Costa Rica, when released, will be the Central American crown jewel with miles of beach, canal, and river frontage to offer to the marine-oriented market. New acquisitions in Chile, Ecuador, and the Tropical Highlands will round out the portfolio. As new communities are developed and offered for sale, ECI will serve the Baby Boomer retiree with virtually every major climate and geography present in the region.

If you are an accredited investor, your next step is to request the full PPM and business plan. You may do so by emailing ECI Development's CEO, Michael Cobb, at mcobb@ecidevelopment.com, or by calling the number below.

Contact us at

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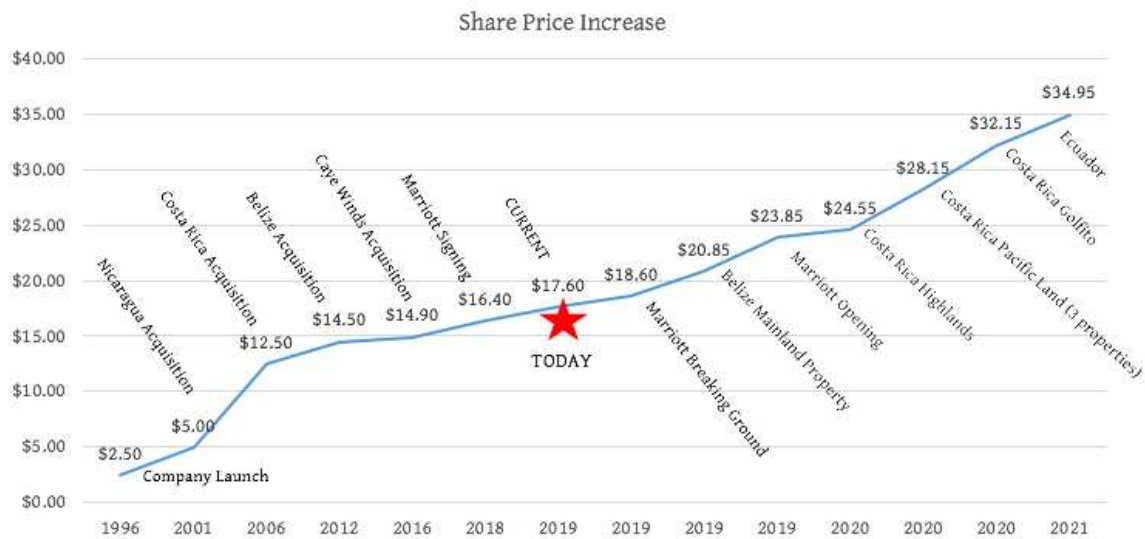
www.ECIdevelopment.com

OUR SISTER RESORTS
Belize | Nicaragua | Costa Rica | Panama

WHY INVEST RIGHT NOW?

Exotic Caye International, Ltd. (“ECI Development”, “ECI”, or “The Company”) is a well-established, asset rich, high-growth development company offering an investment opportunity prior to an anticipated rapid corporate asset expansion and a planned Initial Public Offering (IPO). The current balance sheet is over \$55.44M in Total Assets and \$38.87M in Shareholder Equity.

Over the next 3 years, ECI expects to grow the asset base and shareholder equity by 50% or more, through Joint Venture (JV) or cash acquisitions in several strategic markets in the region. With the addition of assets and dividend pipeline, ECI expects the share price to double prior to the IPO.



Sales of property to date exceed 282 homesites, 61 homes, and 88 condominiums, 20 tiny homes, and 49 agricultural Teak plantation parcels for a total of 472 properties over 15 years. Existing inventory allows for over twenty thousand homes and condominiums as well as commercial and agricultural areas to be developed on the current assets of the company.

Proof of concept for ECI’s business model has been fully established. The Company serves North American clients who are looking to enjoy various climates, affordable properties, and a luxurious lifestyle which are all available in the Latin America regions where ECI develops. Expansion of assets is now possible into new markets becoming popular with the expat and 2nd home buyer. As such, ECI is currently raising cash to acquire new properties in Argentina, Ecuador and Chile, as well as adding new properties in Belize, Panama, and Costa Rica.

ECI is following the same prudent equity strategy used since the founding, and subsequent growth, of the company: acquire assets, build product the market wants and needs, recruit a talented team and present a strong sales history and track record of success to consumers. This basis is the strong foundation for a Public Offering. The funds raised in the Initial Public Offering (IPO) will accelerate an expansion of the Company in order that ECI may serve a broader range of clients with diverse products in new locations demanded by the consumer.

ECI Development is headquartered in San Pedro, Belize on the lovely Island of Ambergris Caye, and has operational offices in Managua, Nicaragua; San Jose, Costa Rica; and Panama City, Panama. ECI Development is a company on the move. Not only is the company growing expeditiously, the market ECI serves is expanding rapidly as millions of Baby Boomers reach retirement age each year.

Numerous factors are driving this expansion of the market. Necessity is the largest of them, and necessity as they say, is the mother of invention. Ernst & Young and Wells Fargo have both documented the painful state of the current US retiree. Nearly one-third plan to work until 80 and another third do not plan to stop working at all. Over 50% have less than \$25K saved for retirement with the average savings at \$152K. With these realities, it's no wonder that more and more people are looking for high-quality, affordable retirement alternatives south of the U.S. border.

OUR MISSION

ECI Development delivers affordable luxury residence and resort communities in Latin America, providing our clients with various premier lifestyle options. Everything from the Caribbean to the Pacific, from the cool tropical highlands, to dry valley vineyards.

ECI delivers inspired residences for adventurous souls.

The countries of Latin America hold great promise for people looking for a dream retirement on what they can now afford. For many, it is solely a social security check of perhaps \$1,000-\$1,500 per month. The question these retirees are asking themselves is, "Where in the U.S. can I enjoy a luxury lifestyle for \$1,500 per month?" This is almost impossible to find in North America. However, in Latin America you can employ a maid, eat organic cuisine, and enjoy activities made affordable by the low cost of labor on just the funds provided by Social Security or a small pension.

The growth of the expat retirement demographic is hard to track with absolute numbers. In most countries of this region there is no MLS system or centralized reporting system to collect the expat home sales data. Official government statistics of foreign residents are not produced. Estimates vary, but the one common denominator found in all the estimates is that the number of retirees and expats south of the border is growing rapidly. The number of retirees collecting Social Security abroad doubled in the last decade, it is now reported to be over 670,000.

Currently, ECI Development owns over 4,000 acres and 5 linear miles of beachfront property in four Central American countries: Belize, Costa Rica, Nicaragua, and Panama. Existing communities created by ECI include homes, condominiums, clubhouses, pools, tennis courts, and golf course. Resort and residential infrastructure exist today representing an initial investment of more than \$35 million to date. ECI currently serves this demographic with over 450 sales, 130 residences, and numerous full-time residents, snowbird retirees, and resort guests living and visiting ECI resort communities.

ECI also acquired in Q2 2020, a tropical highlands property in Panama near the popular expat haven of Boquete. This “springtime all the time” climate type is in large demand by retirees and second homeowners as seen by the volume of expats settling in zones like Medellin, Colombia; Boquete, Panama; and the Central Valley of Costa Rica. This area also offers a significantly lower cost of living North American retirees and second home buyers are seeking. This new highland property is the first off-beach for ECI leading the way for additional acquisitions in Andes foothills of South America for a vineyard community as well.

EXPANSION

ECI is currently negotiating a property acquisition that will require little to no cash up front. This property is a mainland Belize property with an existing resort and another 980 acres adjacent which can be acquired in exchange for shares of ECI stock. These two combined properties feature homes, condos, food and beverage outlets and over a mile of beachfront property. New capital will be infused to develop the existing resources at this resort which will in turn expand ECI’s offerings to the marketplace.

ECI is in negotiations for additional properties in both Panama and Costa Rica owned by our current JV Partner in ECI’s Gran Caribbean project in Limon, Costa Rica. Subject properties in Costa Rica include: 2000 acres in the Guanacaste region, a development parcel in Manuel Antonio, a marina property, and a property in the Central Valley. The two properties in Panama are located in the Puerto Armuelles region and are ocean front with sweeping views of the Pacific Ocean. Any or all of these properties, should the negotiations be successful, will provide ECI with additional assets and inventory for the long term with little or no cash acquisition cost up front.

In addition to the locations currently under negotiation, ECI is raising equity capital for a cash acquisition to expand its consumer offering to include one other unique geography, not on the beach, but one in the foothills of the Andes in either Argentina or Chile. The subject property will be at an elevation of 4,000-6,000 feet above sea level and offer a lifestyle built around vineyards and orchards. The client for these properties is someone who desires a Napa or Okanogan Valley home but can't write a check for millions of dollars. ECI anticipates delivering homes in this vineyard community to the consumer starting under \$200,000 giving access to this lifestyle to many more buyers.

ECI'S INITIAL PUBLIC OFFERING

IPO 2022 - 2023

- The Company benefits from an infusion of development capital, to drive an acceleration of amenity, infrastructure and residential construction providing even greater, long-term dividend flow for shareholders who chose to retain shares after an IPO.
- Consumers benefit from the expansion of ECI's ability to serve them sooner, in more locations, allowing customers to achieve their retirement dreams in less times.
- Shareholders benefit from a successful exit opportunity in a compressed timeframe.
- 4-6 X ROI based on a \$17.60 share price in 2-3 years.

Given the added diversity of real estate offerings, ECI expects their current offering share price of \$17.60 will climb quickly. In addition, the share appreciation due to new real estate assets being added to the balance sheet, the share price is expected to significantly appreciate once the Marriott® branded hotel in Belize is completed. Profits distributed as dividends, described in the "Payout Mechanism" section of this business plan will create long term, double-digit percentage cash flow yields for investors.

An IPO based on dividend yield could produce an ROI of 4 - 6 times your initial investment in a short period of time with an equivalent opening share price of between \$80 - \$100 per share. Post IPO and deployment of capital raised in the offering, ECI expects dividend flow to jump substantially.

WHO ECI SERVES

ECI Development is a consumer-facing company focused on serving North American retirees and second homeowners in Latin America. The lifeblood for this business is the consumer. Someone must want to own the product, otherwise there is no business, and no shareholder return. Therefore, for the business to be successful, there must be demand for the product offered.

However, for investors, there are several additional factors other than demand for the product, which are critical to consider. The track record and longevity of the company are critical, as are the team assembled to deliver on the business plan. It is important to understand what kind of development is feasible. Challenges of climate and logistics must be considered. More importantly, one must consider what product is highly desirable, and what consumers want to own. The combination of these factors produces a development product that is practically feasible, deliverable, and highly desirable. This is ultimately what will prove to be most profitable.

A case study from Florida, "New Urbanism Case Study," is presented in Appendix A of this document. It

shows that property prices inside a new urbanism community start higher and remain higher in resale. ECI utilizes this proven new urbanism master planning methodology. While the concept of “community” is highly subjective, the marketplace objectifies this subjective reality in the form of higher pricing. Desirability drives demand and demand drives pricing.

The community of Watercolor in the Panhandle of Florida creates a high market value for its homes and home sites due to town center, walkability, and communicative environment. It is precisely these factors that justify the price tags they command. Sample homes in 2019 were on the market for between \$1,500,000 and \$5,500,000 and many one-eighth acre home sites are priced at over \$1,000,000.

However, it is interesting to observe that only a few miles away, just outside the Watercolor community, prices drop substantially. It is possible to find a variety of homes nearby that are well under \$500,000 and larger home sites for under \$200,000. The distance between these two properties is a few miles but present a price variation of as much as 1160%.

For all practical purposes, the weather is the same, the beach just as close with restaurants, retail, and services as immediately convenient. This comparison exemplifies why location within a new urbanism community has a huge impact on the value of property. New urbanism communities have something important and highly desirable to offer the consumer giving lift to price and velocity to sales. (Appendix A)

This Business Plan is principally focused on how ECI delivers shareholder return, with supporting data on who The Company serves, what they want in a retirement or second home, and why ECI is unique in the marketplace. The example of community and the master planning methodology, while consumer focused, highlight one of the key unique selling propositions (USP’s) for ECI: Community.

The quality of life issues relevant to the emigration south of retirees and expats are explored briefly in this document, and then detailed in the various Appendices. As the drivers of demand, they are relevant to understanding why ECI’s model makes sense in the marketplace. Again, a product that is in demand by consumers gives foundation to a business that serves them, generates profits, and produces ROI to shareholders.

THE BUSINESS MODEL

Demographic data points to a very large population of Baby Boomers in North America who control substantial wealth, including more than two-thirds of all the money in the banks and equities held by investors. This group is just entering retirement, and many will relocate and build warm-weather retirement and second homes in Latin America.

The 2008 crisis in the financial markets forced additional Baby Boomers to consider a retirement abroad for the simple economic realities of obtaining a quality retirement on what financial resources they had available. Even today, 12 years later, the average Baby Boomer only has \$152,000 saved for retirement according to 19th Annual Retirement Survey of Workers. Now living into the their late 80’s, many boomers can expect a major shortfall between their financial needs and their supply of cash, which is mostly limited to needing to Social Security payments alone. The need for a cost-effective retirement solution is in the forefront of these Baby Boomers’ minds.

Financial need is certainly driving many Boomer retirees overseas, but they are also looking for a lifestyle enhancement. A maid means no chores. And if one wants to eat organic, non-GMO, and free-range foods, on a budget, in many parts of Latin America these types of amenities are affordable. When one adds the integral components of an ECI community like high quality infrastructure, amenities, and a sense of familiarity to the environment, consumer draw is significantly enhanced.

A 2019 Gallup Poll confirms the data in a Zogby Company surveyed of 120,000 Americans between 2005 and 2011. As a statistical sampling of U.S. residents, this is huge. They discovered that 18% of the respondent households had a desire to move or own property outside the United States. If this statistical percentage were applied to the current U.S. households, it would mean that more than 26,000,000 Americans have a desire to move or own property outside the United States.

The survey also asks respondents to choose the region of the world they favor. Over 17% of the projected 26,000,000 people who were considering relocation or property ownership overseas would favor Latin America as their first choice. This is over 4,000,000 U.S. Residents who are considering relocating or owning property in Latin America. The complete survey is contained in Appendix B.

The 2019 Gallup survey, "Record Numbers of Americans Want to Leave the U.S" indicates that the numbers may be increasing. While the Zogby Survey asked if people had "seriously considered" owning property overseas, the Gallup Poll asks, "would you like to move permanently" outside the United States. 16% of those surveyed said they would like to permanently move to another country. According to their polling this is an increase from 10% of Americans in 2009. The poll indicated that 19% of Americans in the 30-49 age group would like to move abroad, while the under 30 age group was 30%. 30% of the poorest fifth of Americans would also move permanently outside the US, however their means may not permit this move. The need for migration is strong and grows stronger when the economy weakens.

As noted in the Zogby survey, a large number of retirees are already considering a retirement in Latin America. The uncertain financial realities for many Baby Boomers are described in reports issued by Ernst and Young (E&Y) in 2008 and again by AIG in 2012. Savings and investment data from 2017 – 2019 confirms these realities and will likely expand the pool of potential consumers even further.

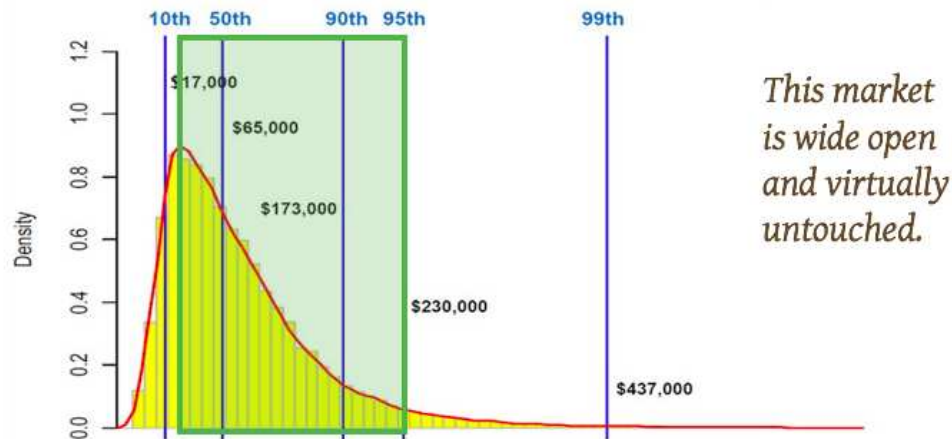
E&Y's report on the "State of Retirees" indicates that 3 out of 5 middle class retirees could expect to outlive their financial assets if they did not cut back on spending. The average spending reduction needed was 24%. A 2017 Transamerica Retirement Survey reported in U.S. News states that more than half, 55% of boomers, cite outliving their savings their greatest retirement fear.

Even with the rebound of the stock markets and some appreciation of home prices regionally, net worth is now just getting back to the starting point identified by E&Y in 2008. The shock then of seeing one's net worth drop by half or more has impacted this segment of "close to the margin" retirees. Still more than half live in fear of not enough money saved for retirement. Finding cost effective solutions for retirement for the long term will be a key factor in their decision-making process. These complete reports can be found in Appendix C.

ECI Development is a company dedicated to serving middle class retirees under pressure to discover new ways to enjoy a quality life overseas on the limited funds they have saved for retirement. Many developers in the region choose to only serve the small percent of clients in the top 5% of the income bracket, leaving ECI nearly alone in the space serving middle class retirees.

ECI product offerings are designed to fit the price point and lifestyle expectations of middle America. This segment is the 20th to 95th percentile of family income distribution (Between \$25,000 and \$230,000 USD) and represents the large segment of buyers in this demographic. The chart below shows the huge number of U.S. citizens who fit the profile of the middle to upper middle class who will need affordable options.

DISTRIBUTION OF FAMILY SIZE-ADJUSTED INCOME



Affordability is critical for the middle-class consumer. ECI's response is relevant.

- Homes at the company's current Gran Pacifica resort in Nicaragua start under \$100,000. The average 3-bedroom, 2-bath residence is offered between \$175,000 and \$250,000.
- Condominiums on Ambergris Caye, Belize at the Grand Baymen Gardens community start under \$100,000, and 2-bedroom, 2-bath condos range from the low \$200's.
- Ocean view homes in Panama at Gran Islotes start in the low \$300's and estate properties at \$500K.
- Tiny homes in Panama's tropical highlands will start under \$100K.
- In Ecuador, and future ECI communities, pricing of entry level product is expected to start under \$80K giving access and affordability to the largest segment of North American buyers.
- Financing is available for clients which further enhances affordability to clients.

Owners receive products that deliver North American standards of construction, amenities and infrastructure at a price they can afford. Peace of mind is offered by title insurance purchased by ECI for its Gran Caribbean, Gran Pacifica, and Grand Baymen properties through First American and Stewart Title companies.

The long-range goal of ECI Development is to deliver reasonably priced homes and residences in a climate type chosen by the retiree. This is could be a beach, vineyard, or mountain environment, and always with state-of-the-art infrastructure and an amenity package similar to or better than what is available in North America.

Not only is the cost of acquisition affordable, the cost of living in Latin America is far less as well. Quality of life is superb, and in many ways, exceeds what is possible in North America because of affordable labor rates and domestic help. A full-time maid is less than \$200 per month in most countries of Latin America. Retirees who transition to the region will enjoy a far superior quality of life for far less.

A full set of offerings and budgets for a Gran Pacifica resident can be obtained by request. The summary budget numbers are contained in Appendix E. This summary budget shows it is possible for a couple to live comfortably on less than \$1,500 per month. While Belize generally, and Ambergris Caye specifically, is more expensive than other Latin American countries, a retired couple can still enjoy a comfortable lifestyle in San Pedro, Ambergris Caye, Belize for less than \$2,000 per month. When compared to a similar lifestyle in South Florida, the Keys, or many Caribbean islands, the affordability of the region is striking.

Additionally, it is not just retirees from the United States who plan to emigrate to Latin America. TD Waterhouse recently performed a survey of Canadian Baby Boomers. Forty-five percent (45%) of the respondents plan to spend one month or more outside of Canada in retirement. With 9.3 million Canadian Baby Boomers, this equates to over 4 million retirees who will be renting or owning property outside Canada in their golden years. A strong Canadian demand further verifies the absolute need for quality residential products in Latin America.

ECI's business model follows the examples of successful North American companies who serve retirees; companies like Del Webb with their Sun City brand. Del Webb served retiring consumers with a product choice that appealed at many levels, but only provided communities in the U.S. and Canada. ECI is building similar models in Latin America to serve the subset of retirees who want the quality of life and affordability of a retirement south of the U.S. border.

Historically, Mexico and Costa Rica have attracted a large percentage of expatriate retirees who immigrated to the region. What followed in these countries was an incredible escalation of the real estate values. ECI is working at the very beginning of this trend in the countries and regions of countries that are in the earliest stages of this growth phase. Belize, Nicaragua, Costa Rica, Panama, Argentina, and Ecuador are prime hot spots for retirees today and will likely continue to be in the future. As general demand for property in the region grows, ECI Shareholders should expect to see significant appreciation of The Company's assets over the next several years.

ECI DEVELOPMENT RIGHT NOW

1. ECI is raising funds to “scale up” the existing, 24-year-old expanding business. Critically important for new investors is that proof of concept is firmly established. Describing a business concept is one thing. Executing that plan is entirely another. The real bottom line for investors is in execution of the business plan in both good times and bad. ECI survived the 1999-2000 market crash, as well as the most challenging period in real estate history since the Great Depression, 2008–2012, and now again with during and post COVID. ECI and its key management team have experience managing and operating in all parts of the natural business cycle. ECI is well established and has a proven track record for delivering quality products, factors which remove uncertainty, both of which are critical for investors.
2. ECI is a geographically diverse, hard asset investment, owning outright over 5 miles of beachfront property and over 4,000 acres in four countries right now. Grand Baymen in Belize currently features a Marriott® branded oceanfront resort in development, and 54 completed off-water condos. The Gran Pacifica business unit in Nicaragua showcases 70+ residences, a hotel, and a golf course. Gran Islotes in Panama has initial infrastructure and Founder’s Lodge complete along with a few homes. The Freedom Village community in the highlands of Panama is complete with roads and basic infrastructure and sales of tiny home and condo product will commence in Q4 2020, The Costa Rica business has passed through initial environmental permitting and plans are to develop the property after ECI’s Initial Public Offering.
3. Today’s share price is \$17.60 per share. Acquisitions on the mainland of Belize, additional assets in Panama and Costa Rica are being actively pursued right now. A vineyard community in either Argentina or Chile, and a highlands property in Ecuador, are core to ECI’s expansion. Funds from this offering will be used to acquire these new properties for ECI’s expansion. As new assets are acquired, the share price of the stock is adjusted to reflect the value of the added assets.
4. Stock ownership in ECI also includes ownership of other businesses established to serve our property owners, such as: water, cable TV, internet, rental management, property management, and security companies, thereby delivering business-type diversification in addition to geographic diversification within the ECI investment.
5. ECI’s established management has proven its skills over the last 24 years. The team includes a former ambassador to the region, U.S. development professionals, the architect of several Marriott® hotels, the land planning firm who was Walt Disney’s choice for Celebration, and a cadre of influential Latin Americans.
6. ECI accelerates the sales pace, retail price, by delivering products to market that consumers both desire and can afford. The differential between hard cost and actual sales prices for homesites can be in excess of 1000%. Profit margins on built product exceeds 20%. This formula provides a strong basis for a dividend stream and ROI of many times your initial investment.
7. An IPO in 2022/2023 provides a large inflow of cash to the company for rapid expansion and an exit strategy for shareholders who wish to liquidate. ECI anticipates between 400% and 600% gain in share price from today’s \$17.60 share price at the IPO. The basis of this calculation is contained below.

IPO AND DIVIDENDS TO SHAREHOLDERS

As ECI adds property assets and brings additional communities onboard, cash flow from each will add to the dividend yield. The cumulative effect of each ECI community will add a small, but meaningful profit when aggregated. The result is an outstanding return for shareholders either after going public and liquidation of shares, or by holding shares and receiving the dividends stream over the longer term.

The chart below shows the return an investor can expect to earn on each share purchased, given projected net annual profits of \$24 million and \$33 million when seven planned communities are operating, selling properties, and serving clients.

	Projection Low		Projection High	
	Annual Net Profits from Sales	Annual EPS*	Annual Net Profits from Sales	Annual EPS*
Gran Pacifica	\$2,000,000	\$0.31	\$3,000,000	\$0.47
Grand Baymen	\$2,500,000	\$0.39	\$3,000,000	\$0.47
Gran Caribbean	\$3,500,000	\$0.55	\$5,000,000	\$0.79
Ecuador	\$4,500,000	\$0.71	\$6,000,000	\$0.94
Tropical Highlands	\$3,500,000	\$0.55	\$5,000,000	\$0.79
Vineyard	\$4,500,000	\$0.71	\$6,000,000	\$0.94
Total Income	\$24,000,000	\$3.77	\$33,000,000	\$5.18

*EPS - Earnings Per Share

The next chart estimates a possible IPO price for the shares. The assumption is investors will seek a 3% to 5% dividend yield in the marketplace. Because ECI's investment proposal is to distribute, when feasible, up to 90% of net real estate earnings, a dividend yield of between \$3.50 and \$4.75 would result from the earnings shown above. Using 4% as the middle point of the 3% - 5% dividend yield model, this produces an IPO share price of between \$87 and \$118 in the marketplace for a publicly traded stock of this nature.

	Annual Net Profits from Sales	Annual Dividend	Annual Net Profits from Sales	Annual Dividend
Total Income	\$24,000,000	\$3.50	\$33,000,000	\$4.75
Projected IPO Share Price Based on a 4% Dividend Yield		\$87.50		\$118.75

For shareholders who own shares of ECI for \$17.60 per share, an IPO in 2023 and a price of between \$87 - \$118 per share would result in a 400% to 600% gain over a 3-year period. Shareholders who retain shares post IPO should see a strong dividend flow initially, in the \$4.00 per share per year range, growing higher over time.

Mid to long term, ROI to shareholders will be even greater as the share price rises in response to an increasing dividend. The higher dividend flow will be the result of ECI's reinvestment of treasury funds from the IPO to expand product offerings to the marketplace. While an excellent liquidity and return on investment moment for shareholders of ECI, the IPO is also a powerful tool for ECI to expand in the marketplace.

The company plans to place 1,000,000 treasury shares into the IPO to raise \$80M-\$100M for reinvestment and growth of the company. Funds will be allocated based on maximum impact to future cashflows, dividends, and asset growth. One project anticipated for development post IPO is the development of a large boat marina on the Costa Rican property which ECI already owns.

Development of the initial marina facilities and infrastructure is projected at \$70M. ECI anticipates an allocation of \$30M-\$35M, roughly 1/3 of the IPO funds, into the development of this marina complex. As a public company, ECI will have the ability to leverage equity assets with inexpensive debt, as well as identify a marina development and operational partner. A marina developed as the anchor tenant on 1100 acres and 3km of Caribbean coast line will significantly enhance the value of the ECI land asset in Costa Rica as well as accelerate sales velocity. The blue sky profits the marina brings to this large land holding will be significant.

ECI will deploy the remaining 70% of funds from the IPO into value enhancements within other existing projects and asset expansion. By offering more amenities, varied product types, and more value to the consumer within existing ECI communities, values and sales volumes will be higher. ECI will also acquire strategic growth assets in new locations demanded by the consumer, for instance developing a residential condo community in a modern urban location like Medellin, Colombia, and/or Santiago, Chile. The additional profits from value and asset expansion will flow back to ECI and enhance the dividend flow pushing the share price higher.

WHY INVEST NOW?

The expansion opportunities available for ECI going forward are many. Now is the time to invest and stay ahead of the curve, as more and more North Americans are setting their sights on Latin America. An investment into ECI Development is fundamentally a geographically diverse, hard asset investment with an operational element to convert those assets into cash flow.

The investment proposal is to distribute, when feasible, up to 90% of net real estate earnings, with the remaining 10% withheld for prudent reserves. An investment in the holding company is an investment into all the holdings of ECI Development including the land assets and operating businesses.

The diversity of geographies and products developed, along with backing from both industry and regional experts, makes ECI Development a strong investment. ECI's time-tested, enduring model speaks for itself. There are currently six primary companies for the implementation of the projects and development of assets described in this document.

Investing in shares of ECI is a private offering only open to Accredited Investors. If you qualify, the Private Placement Memorandum (PPM) and subscription agreement will be sent to you. The offering in the United States is limited to Accredited Investors, as defined in Rule 502 under Regulation D as promulgated by the U.S. Securities and Exchange Commission. The Subscription Agreement is attached to the PPM and contains

a series of questions to determine if a U.S. investor qualifies as an accredited investor. The Subscription Agreement also contains other requirements. Please read the Subscription Agreement carefully

Serving the consumer is the core mission of ECI Development. Just like Sun City does for retirees in the United States, ECI sets a standard and builds real communities in Latin America. ECI delivers bottom-line results to shareholders because it delivers creature comforts to retail consumers that most North Americans take for granted, in affordable Latin American destinations.

Other items often overlooked by a North American buyer are factors ECI delivers. Things like excellent water pressure, high-speed internet, basic zoning, covenants and restrictions, or even the simple maintenance of streets and sidewalks. Addressing these critical areas is all part and parcel of the ECI brand. The greatest piece of the puzzle, however, is community. Implementation of ECI's sophisticated master planning and design philosophies allows and significantly fosters real community, delivering the ultimate quality of life experience for buyers.

ECI's primary focus is on the client, listening to and working with them to determine which climate or geography they prefer. Having a varied selection of products in 4 countries is a powerfully unique selling position. The retiring Baby Boomer consumers can be confident that no matter whether they choose a semi-arid Pacific coast golf community, a Caribbean marina community, an English-speaking island home, dramatic views of the Pacific Ocean from breezy ridges, a vineyard estate in the "Napa Valley of South America", or a tropical highland "eternal spring" climate, they will receive the North American standards and comforts they expect. Even more critical is they will experience the important, real sense of community that is the foundation of any home in an ECI Development neighborhood.

Bank financing for clients buying in ECI communities is available. This is rare in the region, but essential for middle-class North Americans who do not have excessive retirement savings. The demographics are aligned with ECI's experience and mission statement. Baby Boomer retirement will be a major driver of ECI's market over the next 20 years, and this trend is only in its infancy. Right now, an average of 11,500 North American Baby Boomers retire each day. Post COVID, a new segment of early buyers, even millennials, are looking overseas for an affordable, enhanced lifestyle. With over 9 million expats already outside the US and Canada these already large numbers are likely to grow.

USE OF PROCEEDS FROM THE CURRENT OFFERING

The Company plans to use the proceeds of the current offering to procure additional real property assets in one or all of the following countries: Panama, Costa Rica, Belize, Argentina, Ecuador, Chile and/or Colombia. Funds will also be used to pay operating expenses and reduce payables and pay down a line of credit. Additional uses of funds are for the construction of infrastructure, homes, condominiums, planning, permitting, engineering, architectural work, amenities, and marketing.

ECI'S JOINT VENTURE ACQUISITION STRATEGY

One of ECI's core strategies in asset expansion has been through Joint Ventures and a use of ECI's shares as capital in the acquisition process. The Belize property was purchased in a transaction where 93% of the value was paid for by ECI shares. A cash payment was made for \$350,000 on an asset acquisition of over \$5M.

In Panama, ECI acquitted the 110-acre tropical highlands property, now branded Freedom Village, in a 100% ECI shares for the new asset transaction. Taxes, legal fees, and other miscellaneous transactional costs were the only cash outlays for ECI representing less than 2% of the total transaction value.

Currently, ECI also has pending LOI's for three coastal properties, one in Panama, one in Costa Rica, and one in Belize. These opportunities are Joint Ventures and the exact terms vary, but generally ECI will have the rights to develop and sell homesites, homes, condominiums, and other retain product and pay for the land allocations on a "per unit sold" basis. In each case, the basic infrastructure of road and electric is at the property border reducing development costs for a first phase of retail units for sale.

In the cases above, the asset expansion does not consume significant cash from this offering. Resources can be allocated to the development of retail product, marketing and sales. These models serve to leverage ECI's resources significantly. This is only possible because of a 24-year track record of delivery and success paired with the relationships and experience in the region. This combination is a powerful and unique attribute for ECI and its shareholders.

THE COMPANY

The Company, Exotic Caye International, Ltd., (DBA - ECI and/or ECI Development) was formed as a Bahamas company on October 2, 1996 and reincorporated as a Belize company on November 21, 2002 and has been in continuous operation for 24 years. As of December 31, 2019, The Company had issued 6,542,235, Shares from a total of 10,000,002 authorized.

The Company is in the business of developing and selling residential home sites, homes, and condominiums to property buyers from around the world, with a focus on clients from North America seeking vacation, retirement and investment property in Latin America. ECI has ownership and active interests currently in 5 properties in Latin America. ECI is currently negotiating for additional properties in Costa Rica, Panama and on the mainland of Belize. One or more are expected to close by the end of 2020 which will significantly increase the assets of the company.

Gran Pacifica is a 2,500-acre development on the Pacific Coast of Nicaragua with 3.5 miles of beachfront property and 5 distinct neighborhoods. Purchased as a greenfield site, ECI installed 16 miles of 3-phase electric lines to the power the property, improved public access roads, and built all onsite infrastructure including streets, sidewalks, water, sewer, storm drains, and telecommunications technology. A 9-hole golf course was built with expansion to 18 holes planned. Clubhouse, restaurant, bar, homes, condominiums, carriage houses, and tiny homes now create the nucleus of a village by the sea.

ECI is developing three separate but synergistic projects in Belize. Grand Baymen Gardens is a 6-acre development on Ambergris Caye off the Caribbean coast of Belize branded as a Best Western. The Company is developing a Marriott® branded hotel resort with residences for sale on the old Exotic Caye Beach Resort site and adjacent properties acquired by ECI for the development of the Marriott. The Company plans to retain 60% of the Marriott residences for operational cash flow in the long term. The third project in Belize, is a tiny home project across a small bay on the west side of Ambergris Caye. These properties are unique in that they are overwater and integrate a smart, eco, solar component.

In Costa Rica, the Company owns 1,100 acres of undeveloped property with 1.8 miles of oceanfront and over 4 miles of canal and river frontage called Gran Caribbean. ECI envisions this property's highest and best use as a large boat marina servicing the western Caribbean. With Costa Rica's principle commercial port located just 12 miles south of the Gran Caribbean property, the synergies for talent, equipment, and services are significant.

In Panama, the Company is involved in two projects, one with 100% ownership and a second where ECI owns a 10% stake. Los Islotes (BVI), Inc., is a Panamanian project where ECI has acquired a small position in a project started and run by Kathleen Peddicord and Lief Simon. Los Islotes includes 215 acres including 1/10 of a mile of beachfront, and 0.12 miles of estuary frontage on the Pacific coast of Panama on the Azuero Peninsula. Initial infrastructure, a clubhouse, and the first 3 homes are complete. The second property, Freedom Village, is located in Western Panama near the town of Boquette. The property sits at elevation and delivers the tropical highlands climate of springtime all the time. Roads and the underground utilities of electric and water are 90% complete. Additional permitting is ongoing with plans to launch product sales Q4 2020.

COMPANY HISTORY AND ORGANIZATION

The material events in the development of the Company can be summarized as follows:

- ECI Development was formed in 1996 to hold real estate assets initially in Belize. As opportunities outside Belize became of interest, the company was expanded to include assets in Nicaragua, Costa Rica, Panama, and additional assets in Belize. Funding for the company initially came from a small group of investors and has expanded as the company's capital needs grew.
- ECI Development purchased 2,305 acres of vacant land along the Pacific coast of Nicaragua in the year 2000 and acquired an additional 207 adjacent acres of vacant land in 2007. The total ocean frontage on the Pacific Ocean is 3.52 miles.
- The Company began construction of the infrastructure for its Gran Pacifica resort in Nicaragua in 2005 and started the sale of houses and condominiums in that same year.
- ECI Development purchased 1,100 acres of vacant land in Costa Rica in 2006. The total ocean frontage on the Caribbean seas is 1.86 miles.
- Construction of the Gran Pacifica 9-hole golf course began in 2006 and completed in 2009.
- ECI Development acquired 2 properties in Belize in 2007. The ocean front parcel, previously referred to as Exotic Caye Beach Resort, a 0.8-acre dive resort, was merged with the San Pedro Fitness Club and 6 acres of property, a fitness club, 2 tennis courts, and the largest swimming pool on the island of Ambergris Caye, creating the Belize business unit, Grand Baymen.
- Phase I of the infrastructure of Gran Pacifica was completed in 2008.
- The sale of condominiums of off-water Grand Baymen Gardens community in Belize began in 2010.
- A 10% ownership interest in the Los Islotes Resort Community in Panama was completed in July 2012. Principal partners are Lief Simon and Kathleen Peddicord.
- Completion of the first 12 condos occurred at Grand Baymen in March of 2013. As of December 31, 2019, a total of 54 condos have been built and delivered to clients.
- The Company is selling its existing corporate inventory of home sites in Nicaragua. As of December 31, 2019, 398 properties were sold at Gran Pacifica.
- The Company is completed a new phase for single-family home sites at Gran Pacifica called Santa Barbara in 2019.
- The Company is currently constructing a new phase of condominiums at Gran Pacifica adjacent to the existing Las Perlas Village.
- The Company holds 20 reservations selling out phase 1 of the Tiny Homes Neighborhood in Belize on West Ambergris Caye on a 4-acre property acquired by ECI in 2012. Phase 2 planning is underway.
- A tiny home neighborhood located near a popular surf break at Gran Pacifica is in planning stages with sales to launch Q3 2020.
- ECI demolished the Exotic Caye Beach Resort and began construction on the Belize Marriott® Residences dive/dock/bar/complex in Q2 2020. Vertical construction is expected in Q4 2020. ECI holds deposits of \$4.3M as of December 31, 2019.
- In Q2 2020, ECI acquired 110 acres of tropical highland property in Panama with road, water and electrical infrastructure 90% complete. This acquisition was a stock transaction where the seller received shares of ECI as payment for the property.
- As of December 2019, a Letter of Intent (LOI) is pending for a joint venture with a Panamanian developer who possesses a 3-acre waterfront development opening the way for ECI to offer tiny homes in a waterfront community in Panama.
- For a complete legal description of ECI and each of its subsidiaries, consult details starting on page 104.

PRINCIPAL OFFICERS OF THE COMPANY

Chief Executive Officer:	Mr. Michael Cobb
Chief Legal Officer:	Mr. Joel Nagel
ECI President:	Mr. Eddie Littlefield
Chief Operations Officer:	Mr. Patrick Hiebert

For additional biographical information of the directors, officers, and additional members of the management of the company, see details starting on page 32.

ECI'S CURRENT CORPORATE STRUCTURE



From this chart, one can see graphically that ECI Shareholders own significant additional assets beyond the five main property assets. These operational assets, while small today, will generate significant revenues as the number of clients and communities expand. New service businesses to serve the needs of ECI's customers will be developed as needed and ECI Shareholders will benefit from the addition of these businesses to the ownership matrix.

As ECI grows and adds assets, whether property or operational, the business units will be owned in whole or in part by ECI. Whenever possible, ECI expects to retain at least 51% ownership of new assets so they have a meaningful impact on the planned IPO. Where ECI lacks the expertise, ECI will partner with professionals and organizations that have the needed skills and experience. The next graph, showing additional property assets and operating businesses, is the anticipated organizational chart for ECI at the time of an IPO. Today's shareholders will grow with The Company and have the benefit of owning all future assets at their acquisition share price of today.

ECI ASSETS ANTICIPATED AT IPO



ECI DEVELOPMENT'S COMPETITIVE ADVANTAGE

The most successful retirement community brand in North America began as a powerful vision. The developer provided high quality homes and condominiums to active senior adults in 21 different states. The client chose where they wanted to enjoy their retirement. This is the Sun City brand created by Del Webb. To serve the widest variety of clients, they developed communities in the deserts of Arizona, the piedmonts of the east, and along the coasts of Florida and California. Del Webb built the services and amenities that everyone desired, and then offered clients the option to choose what type of climate they wanted. Their success has been unparalleled in the industry with a sale of the Del Webb Corporation to Pulte Homes for \$1.8B in 2001.

ECI Development is advancing this powerful development vision one step further by creating a menu of attractive lifestyle choices to serve the millions of Baby Boomers now searching for lifestyle and retirement options in Latin America. An already large market, it is growing quickly. The number of total US and Canadian citizens living outside North America is estimated at over 9,000,000. On average over 11,500 North American Baby Boomer retire every day and will for the next 16 years. The number of US retirees alone collecting Social Security while living overseas more than doubled in the past 12 years to 672,000 December 2018.

The economic downturn and loss of wealth in retirement accounts is further pushing consumers to explore ways of lowering their cost of living without reducing their quality of life. In fact, living south of the U.S. border can provide an enhanced quality of life for less, significantly expanding one's spending power. When the developer delivers the critical standards, consumer satisfaction is ensured. Few projects in Latin America deliver what is promised, but ECI's communities differentiate themselves in this critical way. This is ECI's powerful market advantage.

Baby Boomers are those persons born in the U.S. or Canada between the year 1946 and 1964. The majority of Baby Boomers are right now entering their next stage of life. They are used to getting what they want, but now must do so with less money in many cases. As the realities of the COVID pandemic are considered, more will choose to live overseas prior to retiring because they can work remotely and enjoy the lifestyle they planned for later in life.

Latin America offers exceptional value, diverse climates, and a high quality of life at an affordable price. ECI is marrying these factors to create a unique product already selling in the marketplace. As the demographic wave continues to grow, ECI will expand its position to serve these Baby Boomer consumers and produce even greater returns to its investors.

ECI builds real communities. Urban planning and development methodologies like New Urbanism and Neo Traditional Communities are now commonplace in North America. Rather than reinvent the wheel, it makes sense to transfer the existing and proven "technology" to Latin America, a region where millions of North Americans already live and many more plan to buy property, most of whom will be searching for a familiar environment. The comfort of knowing that they will be surrounded by like-minded individuals in a real community, where interpersonal relationships are treasured, will be the dealmaker in a decision to buy a home abroad.

ECI's product is all of this and more, the essence of community in a place where no one has yet ventured and built with a similar concept. By creating a stimulating and inspiring environment, set in all the stunning natural beauty that Latin America has to offer, sales at ECI outpace the majority of developers in the region. The highest velocity of sales at market prices is a powerful indicator that ECI's development philosophy is right on the money. As this model is taken to Panama, Costa Rica, Ecuador, and Argentina, customer acceptance of the destination, combined with higher competitive price points will accelerate ROI even faster for shareholders.

CAPITALIZING ON LIMITED SUPPLY

The Zogby survey projects that just over 4.5 million Americans are seriously considering property ownership in Latin America. Extrapolating the 2019 Gallup Poll numbers, more than 6 million US citizens would now be considering property ownership in Latin America.

Examining the general supply of high-quality, homesites, homes, and condominiums in the region, one quickly sees the impending shortage if even just a small number of these people decide to act on their intention to own or relocate. If one considers the amount of residential product, affordable to the middle-class, with world-class infrastructure and amenities, the shortage is magnified. Understanding why there is a shortage is critical to understanding why this investment opportunity makes so much sense for investors today.

In contrast to ECI's consumer friendly development philosophy, most developers in the region sell a speculative type of product. It has also been called "cut and run." This literally means that a developer buys a large tract of land, adds the minimum infrastructure like dirt roads and electric poles, cuts the property into lots, sells the lots to speculation buyers, and then runs back home.

Large expenses, such as access, water, and waste treatment are often offloaded onto the consumer. When the consumer decides to build, they must improve roads, drill wells and build septic systems. In many cases soils are heavy clay which won't perk, and water tables are located deep underground or non-existent. In addition to the obvious environmental issues, "each to his own" ends up costing buyers much more than their share of a centralized system.

Many times there is also little regard to amenities, how the property will be maintained, or if there will ever be any real community. Property owner fees are often set far below the actual cost because high HOA fees are a deterrent to sales. In many cases the property owners inherit a set of systems and physical infrastructure that will cost much more than they anticipated repairing and maintaining, further adding to the long-term cost of ownership.

Another facet of cut and run is no building requirements, and, without one, few if any homes may ever be built. These subsequent "ghost towns" by far occupy the largest swaths of "developed" properties along the beaches of the region. They do not offer what the vast majority of true consumers expect or desire in retirement.

There are strong reasons why this type of product is developed. It is the cheapest way to be a developer and the least risky. Very little capital is invested into the land prior to sale. There is also a market of speculative buyers who want a cheap price for a piece of land and expect to resell it at some point in the future for a profit. What this rarely produces is community and lasting consumer value.

The 2008-2012 downturn in both general economic activity as well as the specific downturn in the home building and sales industry in the U.S. had a significant impact on sales and construction in Latin America as well, most notably, the shift in the type of buyer. During the period of 2000-2007, a large number of property buyers labeled themselves “investors.” The vast majority of buyers today, regard themselves as consumers. They see themselves as actual users of the product now or in the future.

The 2009 developer survey on resort real estate by Christopher Kelsey & David Norden, clearly points to the growing consumer demand for products with high levels of infrastructure, amenities, and “reality.” Prior to the real estate and economic crisis in 2008, most consumers were willing to “bet on the come” and buy pre-construction and speculative product. Today attitudes are very different. (Appendix D)

When surveyed in 2011, developers agreed by an overwhelming 94% that consumers’ expectations for clarity and commitment for the delivery of promised amenities will be greater post-recession. Ninety-two percent (92%) agree that consumers will want to see the infrastructure and amenities complete before purchase. Eighty-five percent (85%) see an increased trend by consumers to purchase completed homes and condominiums rather than vacant lots and pre-sales opportunities.

A follow up 2014 survey shows that today’s consumers are looking for the experience driven purchase. People want a sense of "wellbeing," a broadened sense of happiness that can be created with a genuine experience that delivers on the promises of abroad life. This unique and extraordinary experience is best met with diverse amenities, services, and instant gratification. Instant gratification often comes in the form of ready to move in properties as consumers have little patience for lengthy construction projects. Consumers who plan to live in their new property want activities, amenities, and a quality of life only present with friends and neighbors. This is a powerful differentiator for ECI and its communities.

THE PRODUCT - BUILDING TRADITIONAL COMMUNITIES

ECI focuses on neighborhood building through a design philosophy called New Urbanism. The implementation of this methodology creates the subjective and intangible, but very real, feeling of “community.” Through the sophisticated design of physical infrastructure, such as mandating front porches, their precise placement in relationship to sidewalks among other elements, it is possible to break down social barriers and let people communicate naturally and organically.

Measuring something real but unseen, like community, may seem difficult, but the marketplace does a great job of valuing this intangible. Appendix A details studies showing the many times greater resale values for property inside a traditional neighborhood than a piece of property located just a few miles down the road. This intangible called “community” is highly desired, and people are willing to pay more for it.

TRADITIONAL ARCHITECTURE AND THE NOSTALGIA ELEMENT

Traditional communities in North America are seeing a strong resurgence. It is in large part a reaction to the suburban sprawl and the isolation one can feel while living right next to other houses full of people, but not necessarily neighbors. A new type of urban planning is a blending of modern amenities, technology, and infrastructure with the feeling of a community in which people have relationships, communicate, and

interact with one another on a regular basis. ECI's Development philosophy combines the desire for a traditional neighborhood with the need for modern amenities and facilities.

The blending of old and new is the basis for the term "neo-traditional," a word that is used in this sense to reflect a throwback to the nostalgia of the past, while including modern elements that enhance our living experience. ECI's master planning and design takes cues from the best 1930's neighborhoods, where houses and apartment buildings face the street, and where wide, shaded sidewalks provided a pleasant pedestrian environment. The messy necessities, such as parking, garbage, and utilities are hidden from view behind the homes in alleys. The Baby Boomer consumer wants what they remember having as children; walkable, human-scale communities where they see neighbors regularly and enjoy pleasant conversations out on their front porch. However, they don't want to give up today's modern conveniences. ECI understands these needs and delivers this nostalgic experience with all the conveniences of North America. The unique difference is that ECI builds these communities in a part of the world offering a wide variety of lifestyle, climate, and amenity choices. Most importantly, it does so affordably for the vast majority of retiring, middle-class Baby Boomers.

ECI Development borrows much from traditional planning and local architecture in its host countries. For example, the Gran Pacifica development has combined the Spanish Colonial architecture from the 480-year-old cities of Leon and Granada, with modern amenities: golf courses, fiber optics, underground electricity, and traditional concepts, such as narrow, pedestrian-friendly streets with sidewalks. Buildings use traditional materials and are designed to emulate and blend with the regional vernacular.

In Belize, ECI implements a both a British Victorian styling with Caribbean flavor for its Marriott Resort and Residences property and a local style popular on the Yucatan Peninsula for its Baymen Gardens and TES Tiny Home Village on West Ambergris. Panama's Freedom Village will utilize the rich hardwoods of the region including plantation Teak to create an alpine feeling in the highlands where it is springtime every day. In the wine growing regions of South America, the company anticipates building a small Tuscan village amidst the rolling hills and vineyards. By drawing on what is resident culturally, ECI delivers an authentic, yet extremely attractive experience for the retirement consumer.

Property within an ECI community commands a premium at the outset, for a variety of factors, as well as the potential to retain, and increase in value substantially over time. Case studies abound showing this huge valuation difference between a collection of properties in a project, and homes within a true community. In the U.S., values can be up to eleven times greater for a traditional neighborhood property. Values within an ECI community start higher and continue to increase as they develop and grow into real neighborhoods. The benefits to both property owners and shareholders are significant. (Appendix A)

MARKETING AND PUBLIC RELATIONS

The sales and marketing reach of ECI is massive, formidable, and well differentiated from existing competitors and upstart challengers. The marketing process funnels the highest qualified leads into ECI's sales system quickly and efficiently. The "drip" system then raises the profile of The Company along with its portfolio of resort communities over the long term. Unlike a domestic property purchase timeline that is frequently 90 days or less, the 2nd property / retirement home / vacation property is typically a 2-5 year time line for completion.

Tied in closely with several major newsletters, the National Association of Realtors (NAR), prominent conference hosts, radio and podcast personalities, and various internet portals, ECI's reach and penetration into North America is nearly unparalleled for a Latin American developer. When combined with the multiple unique geographies, price points, and neighborhoods that ECI provides consumers today, ECI stands alone in telling its story.

ECI attacks the market with a multi-pronged approach. The best leads and prospects come from conferences, face-to-face seminars, and referrals from its affiliate network. Attendees have invested the largest amount of time and money to learn the information necessary and are the most serious of the lead sources. Recruiting affiliates in person is also key.

ECI is principally represented in the sales channel by the experienced sales team of Mr. Cobb, Chief Executive Officer, and Ms. Rachel Jensen, Vice President of Sales. The ECI team presents at 30 or more conferences annually focused on international living and investing to secure thousands of in person leads during each over the next several years. Since March of 2020, and the COVID lockdowns and travel restrictions, ECI's sales team pivoted to hosting and participating in numerous virtual conferences. In addition, content-specific webinars draw in and refresh existing leads from the face-to-face events at minimal ongoing cost.

ECI'S INTERNATIONAL REFERRAL REAL ESTATE PROGRAM

Helping Your Clients Go Global

{ For ECI Affiliates Only }



GLOBAL REAL ESTATE AFFILIATE TEAM

Serve your clients with high-quality, familiar products in Latin America, offer them a choice of country, geography, and climate, and see them experience and enjoy true community.


ECI
DEVELOPMENT
www.ECIdevelopment.com

ECI's International Referral Real Estate Program was established to provide a formal framework for Realtors, agents, and referral sources to sell ECI property. The program was created and modified over several years to reflect the realities of the marketplace and to identify the best practices then implemented by affiliates. A hard launch of the program was initiated in September of 2018 with a formal roll out to all agents, affiliates and Realtors in our system. The results have been better than expected.

Since the September 2018 launch of the program, over 51,000 total new names have been entered into ECI's marketing system and Hubspot software platform from all types of Referral partners. In addition, as of Q2 2020, there are 391 Realtor agents affiliated with the Referral

Program, which have generated over 910 new retail leads and 11 sales directly attributable to the program and Realtor Network in 2020 alone.

As clients see repeated messaging, whether through social media like Facebook, Twitter and LinkedIn, or through specific contact in newsletters and direct e-mail, the end user lead results are growing faster than the number of new affiliates. Engagement of existing affiliates and repetition to the end user prospect is driving the increase of retail leads as ECI's affiliates refine these methodologies.

In preparation for the creation of ECI's International Referral Real Estate Program Mr. Cobb worked alongside the National Association of Realtors and its staff for more than 13 years to help build an outbound global channel for U.S. Realtors whose clients wish to own property overseas. More formal participation came as Mr. Cobb sat on the Board of Directors for the National Association of Realtors (NAR) in the 2016-2017 period and served on NAR's Global Business and Alliances Committee in 2018.

A full-time program director for ECI's International Referral Real Estate Program is on board to complete the programming and manage the business unit. A description of the affiliate manual is here to highlight the opportunity for Realtors to serve their clients in the Global Outbound Marketplace. The complete ECI International Referral Real Estate Program Manual is contained in Appendix E.

At its core, ECI's International Real Estate Referral Program helps sales agents and Realtors develop an outbound international business by serving their existing clients locating and acquiring property overseas. Realtors register leads with ECI because they feel comfortable their clients will receive excellent service, and they are working with a 24 year old company showing a solid track record, and the reality of product and amenities ready to be enjoyed today.

ECI's International Referral Real Estate Program Description:

- Demonstrates to Real Estate Brokers/Agents how they can identify clients exploring global property options and earn referral fees from clients within their existing databases.
- Guides Realtors to harvest new business from previous clients and referrals using a value-add approach to increase both domestic and global sales.
- Prepares Realtors to add value to the global transaction by advising and protecting their clients buying property overseas with critical due diligence tools like the Consumer Resource Guide and "The 15 Massive Mistakes People Make When Buying Property Overseas and the 3 Simple Steps to Avoid Them."
- Provides follow up resources to Realtors in the form of links to informative materials, due diligence documents, comprehensive surveys, and country research papers to maintain contact and serve clients who may have limited access to professional global information.
- Positions Realtors to earn new fees for adding substantial value to outbound global business transactions for their clients.
- Develops and maintains thousands of new contacts from previous clients and referrals using the global focus and when they become owners, pay the Realtors referral fees for their participation.

Registering leads from Realtors is just the first step in a generally elongated process, far longer than typical North American home-buying sales cycles. It is rare for North Americans to make a second home, vacation home buying decision on the spot. In fact, the vast majority of buyers looking overseas are usually shopping multiple countries for up to several years before they make decisions about which location is right for them.

But Realtors register and “deposit” prospects with ECI for the long-term drip campaign proven successful in the industry. This lets ECI’s team do the work going forward but locks in referral fees for the Agent in the future with little, or no more additional work. The bottom line is the process and maintaining “front of the mind” presence with the end consumer of the product.

Leads are passed from all sources to the internal bilingual sales team where they are nurtured and given the kinds of content-rich follow up required in today’s marketplace. All leads are entered into the ECI database and exposed to a follow up system via emails, hard copy information, and targeted phone calls. Historically the buying cycle for real estate is 2-5 years after initial research begins.

The goal of the International Referral Real Estate Program for ECI is to recruit and establish a formal relationship with 5,000 realtors initially by 2023 ahead of the IPO. Of the 1.2M Realtors in the U.S., the Certified International Property Specialist (CIPS) is a secondary designation held by over 4,000 Realtors currently across the U.S. is the low hanging fruit to prospect. This number continues to swell with hundreds of agents taking classes each month around the U.S. These globally aware and active agents are a logical first point of entry for the International Referral Real Estate Program.

Professional Realtors with a client base of 200-300 clients will have on average (11.6% according to Zogby) a global prospect pool of 20-30 people per agent who are prospective clients for ECI Products. Because the buying cycle is 2-5 years for a second/retirement property, lead conversion is expected to average one piece of business per year, per Realtor after the 3rd year in the program. By adding 10,000 to 15,000 prospects to the database in the initial 5 years, then tens of thousands more each year thereafter, ECI will build a long term, highly diversified lead flow for our products.

ECI’S TRADITIONAL MARKET CHANNELS

While the International Referral Real Estate Program ramps up, ECI continues to focus on what is today the largest source of leads to the company, the various websites for the communities and properties. In fact, ECI owns 200 unique domain names, many of which redirect to its primary sites. The web presence through The Company’s main pages (ECI Development, Gran Pacifica, and Grand Baymen) has been enhanced through onboarding internal team members with extensive background in marketing. Through SEO and blogging work, rankings and conversions have improved year after year as seen in the charts and data.

Adapting websites and email newsletters to new mediums is a constant challenge. The marketplace in the virtual world shifts daily. Social blogging and bookmarking have become critical factors for information dissemination. Rebuilding and retrofitting websites and email newsletters to fit on the phone or tablet was a priority in 2012-2013. ECI continues to monitor trends and technology in the consumer space to stay both relevant, and technologically adept at content and format considerations.

ECI not only invests heavily in the technology, but also recognizes and invests in the man-hours necessary to become and stay relevant in the marketplace today. ECI maintains a permanent staff of professional writers to create new content daily. Additionally, ECI outsources content creation on an “as needed” basis for selective content specialties.

Blogging and content production are key for SEO rankings, and ECI’s external and internal sales teams produce significant content weekly, everything from videos, photos, and short blogs to full length articles. Each business unit also produces a monthly newsletter, which is content driven, but features advertising

in the margins via links and banner ads. These repeated exposures to the client, serving them with information about the country, region, lifestyle, and local news, keeps ECI on their mind as they refine their buying decisions, and make a final property selection.

In addition, ECI produces proprietary, content-rich and valuable “white papers,” country handbooks, a consumer resource guide, cost of living budgets, and a variety of targeted articles on relevant topics like the cost of ownership overseas. ECI’s team also contributes to outside forums as a way to help consumers get answers to specific questions, and to build credibility in the general marketplace.

ECI also utilizes the existing resort infrastructure to deliver “heads on beds” to its sales locations. Gran Pacifica has one of only four golf courses in Nicaragua to attract and retain visitors on the property where they can enjoy benefits of a real community firsthand at the clubhouse or the oceanfront bar and restaurant. In Belize, the oceanfront resort with beach bar, gym, yoga facilities, swimming pools, and tennis courts offer guests a taste of an affordable, lifestyle experience on a Caribbean island.

ECI AND ESCAPE ARTIST WEBSITE / NEWSLETTER

ECI has partnered with Escape Artist, one of the oldest websites for offshore living, investing, and information in existence today. Founded nearly 20 years ago, Escape Artist holds high rankings for content and credibility with Google and other search engines. The site is content rich and continues to publish significant content to maintain and grow its ranking and reputation status.

The website also developed and offered country and topic “Portals” for companies to lease and ECI has leased both the Nicaragua and Belize Portals at the Escape Artist website. New content and offers are published several times per week on each portal where inbound traffic from the main page is directed for country specific interest.

Additionally, Mr. Cobb, Mr. Nagel, and Ms. Jensen have a regular column that is published to the Escape Artist file and then posted to the main page link for columnists. These link active articles drive additional leads to the ECI business units where the sales teams pick up the process.

ECI MEDIA AND PUBLIC RELATIONS

1. ECI makes news and is in the news. The Company has been featured, and its executive team quoted or mentioned in such international publications as Forbes’ Annual Retirement Guide, Business Week, and BBC Television, National media such as Canada’s Globe and Mail and The Washington Post in the U.S., as well as featured in regional U.S. news outlets, such as the Atlanta Journal Constitution and Pittsburgh Business Times. In Nicaragua, ECI’s story has been shared in all of the nation’s newsprint and broadcast outlets including La Prensa, El Nuevo Diario and many others. In Belize, The Company often is named in the San Pedro Sun and in Destination Belize magazine.
2. ECI’s executives are widely sought-after for their unique Latin America resort development and asset protection expertise, regularly presenting speaking at 30 or more international financial and retirement conferences each year, and over 300 in the past ten years.
3. Mike Cobb was selected to sit on the Presidents’ Advisory Group (PAG) for the National Association of Realtors (NAR) in July 2014, then spoke at the 2014 annual convention in New Orleans and was a featured speaker at the 2015 NAR convention in San Diego and the 2018 NAR convention in Boston

on the topic of internationalizing the NAR for outbound sales of their members. Mr. Cobb was nominated for the Board of Directors for the NAR and assumed office in November 2016 for a 1-year term. For the 2017/2018 year, Mr. Cobb sat on NAR's Global Business and Alliances Committee. Most recently, Mr. Cobb was selected to speak alongside the President of NAR and the Women's Council of Realtors President in Belgrade, Serbia helping that country build its professional association of real estate.

4. ECI is a sales-driven organization. It has a powerful proprietary marketing portfolio of blogs, e-newsletters, social media outlets, websites, and a database of subscribers, which allows the Company to regularly and purposefully reach hundreds of thousands of qualified and interested prospects with its unique differentiating messages.
5. ECI regularly conducts deep-dive strategic planning with its principals to gather forward-looking input, develops execution plans, and monitors progress.

From a public and media relations standpoint, Mr. Cobb is sought out as an expert in the region and is invited to speak and lecture on community building and serving the U.S. Baby Boomer market in Latin America. In 2013 Mr. Cobb was invited to speak at the prestigious Latin American Infrastructure and Property Development Summit alongside various government ministers and top industry execs from Latin America. He was also a panelist at the Hotel Opportunities in Latin America and a guest faculty member on Semester at Sea in 2012.

In both 2014 and 2018, Mr. Cobb was invited to speak at the annual Global Business and Alliance meeting for the National Association of Realtors (NAR). This was a high-level meeting attended by 600 International Leaders from the United States, Canada and all around the world. These prominent individuals are globally minded with the desire to grow the international real estate business, both inbound and outbound. Continuing through 2015, 2016, 2017, 2018 and 2019, Mr. Cobb has been invited to speak at NAR events including Certified International Property Specialist (CIPS) classes, state board meetings and their annual conference hosting over 30,000 people.

Mr. Cobb is sought out by newspapers, magazines and other news organizations such as Forbes, Business Week, the BBC, The London Telegraph, Globe and Mail, Washington Post, Pittsburgh Business Times, Pittsburgh Tribune-Review, and many others for his input and expertise.

Also, in the United States, other ECI representatives have authored guest columns, been quoted in major newspapers and college alumni magazines, and appeared on influential television talk shows singing the praises of the region as safe, attractive, and open for business.

SALES GROWTH FOR ECI

Over the years, ECI has focused on growth of leads from conferences and from the ECI websites. While we have historically seen an increase of web traffic, the conversion of these leads to sales did not parallel the web traffic growth. It is understood the sales cycle for second home property overseas can take years, so while these leads were entered in the sales funnel, in 2019 it was decided to focus our marketing on three specific areas to best position ourselves for sales growth:

1. Continue to Expand the International Referral Real Estate Program- Expanding our reach to target more qualified buyers is always key to be successful in sales and marketing. In 2019, we focused on building relationships with influential Realtors worldwide, established a clear process for

onboarding Realtors to the program, and hosted events to connect with our affiliates. At this point, we have over 400 partners, 391 of them Realtors in the program. Total new leads into ECI's database number over 50,000 since program inception in 2018. It is important to note that 910 of the new leads were generated by Realtors. The Realtor network is key for closing sales quicker because it offers a human-to-human handover introduction, which is not possible from a web inquiry.

2. Crafting New Communities to Serve Growing Demographic - A tremendous amount of time was spent researching the viability of new communities in the marketplace. We understand that the demographic of our buyers is growing from baby boomers looking to relocate overseas, to include a younger, investor crowd. By offering real estate opportunities that were more geared toward the rental market and offering more favorable financing, we knew we'd be able to capture this growing demographic.
3. As a result, projects such as Belize Surf & Turf, the Belize Tiny, Eco-Friendly Smart (TES) Village Bungalows, and the Best Western Fleet Studios were launched in 2020.
4. TES Belize, 20 unique tiny homes, sold out in less than a month and the Fleet Building, 12 condos, sold out in three months. Phase II of TES and the next building at Grand Baymen are in discussions and will begin sales soon. Likewise, a recently launched project of tiny, eco-friendly, smart homes is being launched at our Gran Pacifica property in Nicaragua and receiving excellent response.
5. Continue Re-Branding ECI as One Collective Company - In 2019, a complete overhaul to the ECI website was completed. With more imagery and an easier client navigation experience, it provides a much more comprehensive overview as to who ECI is. ECI is currently in the process of adding an "MLS" feature to make it even easier to showcase the different properties that ECI offers.

Over the next couple of years, we expect sales growth to continue in light of the data produced by the RCLCO Real Estate Advisors Group and Americawave data. Surveys of the general U.S. population show that the number of people's response to the question is, "Yes, I plan to relocate overseas" (not job or military related) has gone from 1.4% in 2007 to 2.5% in 2011 to over 11% in 2017. Given recent issues in the US we expect this trend to increase dramatically.

At the upper end of the market, the prospect pool for overseas property ownership is even higher. A study at by the RCLCO Real Estate Advisors Group shows that 25% of households with income over \$800,000 expressed a desire to own a home outside the U.S. The study also shows that a similar percentage of households with annual income of greater than \$1.5M per year also share this desire. Not only do they have the desire, it is logical to assume that most also have the means. A more detailed explanation of the relevant surveys and citations to surveys is attached as an Appendix B.

ECI has seen significant growth of visitors to The Company's website in the period of 2014 through 2019. The two predominant websites geared toward the selling of product have received the focus our efforts and have all increased significantly from 2014; the Gran Pacifica site up from 46,528 to 104,177 from 2014 and the Grand Baymen site up over 200% from 2014.

The continued growth of leads, both from conferences and the ECI websites, combined with greater website traffic and general interests, result in increased sales activity for The Company. The Company retained a website and search engine optimization company in 2011 to increase traffic and conversion to sales leads.

The number of prospects coming to the company's websites has increased, as have conversions to leads, as shown in the following charts.

WEBSITE STATISTICS

Website traffic for Gran Pacifica over the past two calendar years has been down, as to be expected with the negative socio-political attention that the country has received. However, by mid-2020, there has been a strong uptick as interest in home ownership in Nicaragua as the country slowly starts to regain traction. Furthermore, this year there will be an added SEO focus on the Gran Pacifica website.

There was a slight decrease in visits and conversions on the Grand Baymen website over the past couple of years which could be due to a couple of factors including no new real estate opportunities for sale in 2019, and a slower growth in the 2019 tourism numbers for the country of Belize. The current focus is to keep the webpage relevant by adding the new Fleet & Galleon details, writing blogs that are relevant to the marketplace, and including more information about rentals. Despite the smaller number of leads the recent sales increase would suggest that, as a result of our marketing, the leads are better qualified and producing more sales.

DAILY FEES AND OVERNIGHT STAYS

Daily visitors to Gran Pacifica are required to sign in and pay an admission fee for a pass. Overnight Guests are tracked separately by the rental management group. The number of daily visitors has steadily increased dramatically since 2013. 2018 saw a decrease from 2017 but slightly higher than 2016 due to the political protests in the country.

The Company intends to expand its marketing efforts to target a larger number of these prospects identified in the RCLCO and Americawave surveys. Several new mediums and methodologies are now identified, including radio and TV infomercials in addition to newsletters, conferences, and conventions. ECI helped to establish a developer's consortium to broadly market and distribute those marketing costs with other developers in the region. ECI will continue its current participation in trade shows, conferences, expos, and advertising in traditional print media.

In order for ECI to hit projected sales goals, The Company will also utilize the network of real estate agents in the United States and Canada. There are over 4,000 Certified International Property Specialists (CIPS) in the U.S. alone. These individuals are a consumer's best and most trusted source for navigating the international real estate market. ECI projects to be collaborating with 5,000 realtors and CIPSs by 2021 and finds it reasonable to project that each of these individuals will sell on average 1-2 properties a year.

By employing several different avenues of selling property, ECI will be able to hit aggressive sales goals. By enacting a franchising program to increase visibility in North America, and collaborating with an existing strong network of realtors, ECI will show exponential sales growth over the next 5 years and beyond. These factors are embedded into our projected sales charts.

ECI SHAREHOLDER ADVANTAGE

ECI is driven by a powerful A-team who have proven their skill over the last 24 years, dealing effectively with the many challenges facing projects of this scale. ECI's Executive Management Team are development professionals with a combined experience of over 70 years in the industry. In addition to specific development talent, the ECI team includes a former White House policy advisor, an ambassador to the region, the architect of three Marriott® hotels and the Four Seasons in Costa Rica, the land planning firm who was Walt Disney's choice for master planning when looking to build a town, and a cadre of influential Latin Americans.

EXECUTIVE TEAM

Co-Founder and Chief Executive Officer:	Mr. Michael K. Cobb
Co-Founder and Chief Legal Officer:	Mr. Joel M. Nagel
Gran Caribbean Chairman:	Mr. George Kingston
Grand Baymen Chairman:	Mr. Michael K. Cobb
Gran Islotes Chairman:	Mr. Lief Simon
ECI President:	Mr. Eddie Littlefield
Chief Operations Officer:	Mr. Patrick Hiebert
Vice President of Operations:	Ms. Valeria Espinoza
Vice President of Sales & Marketing:	Ms. Rachel Jensen
Outside Director:	Ambassador (Ret.) John Maisto

ASSOCIATES AND PARTNERS

Urban Design Associates: (UDA), Architecture Firm (Disney Celebration Community)

EDSA: planning, landscape architecture and urban design firm

RAD Architecture Inc., Rafael Amuchastegui, AIA, Belize Marriott Oceanside Hotel

Trust Hospitality, Michael Register, Belize Oceanside Hotel Operator

Zürcher Arquitectos, S.A.: Architect (Costa Rica Marriott® hotels)

MANAGEMENT OF ECI

OFFICERS

MICHAEL COBB



Name: Mr. Michael K. Cobb
Age: 56
Title: Chairman and CEO

Address (Office): Gran Pacifica Resort, Ofiplaza El Retiro,
“Modulos Comerciales” Building, 2nd Floor,
Suite CC-7,
Managua, Nicaragua

Cellphone: +505.2254.7600
Telephone: +1.786.259.6422
Education: Allegheny College, BA Political Science, 1986

At the height of a successful career in the computer industry, Mr. Cobb left to pursue more pioneering opportunities in the emerging real estate markets of Central America. In 1996, he and his business partner formed a company, Exotic Caye International, to provide loans to North Americans purchasing properties in Belize, Honduras, Costa Rica, and throughout the region. As the need for capital outstripped the supply, the mortgage company was converted to an international bank under the jurisdiction of Belize. As Caye International Bank, it continues to provide mortgage services, but has expanded its services to encompass the full realm of financial products.

With a strong focus on consumer need, Mr. Cobb accurately predicted the growing need for high quality, residential product for North American Baby Boomer retirees in the region. He led the group into real estate development and created a holding company called ECI Development for several properties, including a resort on Ambergris Caye, Belize.

ECI is now a multi-country developer with projects in 4 countries of Latin America: Belize, Costa Rica, Nicaragua, and Panama. Communities are planned in Ecuador and Chile as well. The model pursued is based on the Del Webb Sun City active senior communities in the U.S. with a focus on serving these consumers in multiple countries and geographies in the region.

Mike Cobb speaks at dozens of international conferences annually about offshore real estate finance, development, and ownership. He was consultant to The Oxford Club, hosted a weekly radio program, contributes regularly to overseas publications, sits on the board of several international companies, gives counsel to various real estate projects throughout Central America, and serves on the Board of Directors and the President’s Advisory Group for the National Association of Realtors, NAR. From 2002 until 2017, Mike, his wife Carol and two daughters, Amanda and Emily, made their home in Central America.

JOHN LITTLEFIELD

Name: Mr. John Edward Littlefield
Age: 52
Title: President since August 2010
Address (Office): Caye Financial Centre, Coconut Dr. Ambergris Caye, Belize
Telephone: +505.2254.7600
Education: BA, Montreat Anderson College, 1991



Mr. Littlefield brings deep real estate development experience to ECI from his role as President and CEO of the David Drye Company, LLC of Concord, N.C., owner of the Carolina Speed of the American Indoor Football Association, and owner/founder of Carolina Auto Sports. During his 21-year tenure with DDC, Littlefield has managed more than 8,500 multi-family units and eight hotels with more than 550 employees. During his position as a construction manager for The Company, he was responsible for the construction, and timely completion within budget of more than 64 projects exceeding \$472 million. He has placed \$550 million in permanent multi-family and hotel financing and negotiated and closed construction loans for another 52 in-house projects. He is also a Director of The Company and commits about half of his working time in performing duties for The Company.

The David Drye Company, LLC is an \$800 million developer of multi-family and hotel properties throughout the Carolinas. It is a privately owned and operated company that has specialized in the development, construction, and management of real estate projects since 1970. The Company's construction department has completed more than 50 major construction projects for various industries including single-family, multi-family, hospitality, mini-storage, and entertainment. Projects range in value from \$310,000 to \$15 million. In addition to the Drye Company's multi-family, hotel, and construction divisions, Littlefield has also taken part in other projects to include student housing, an education facility, Dunkin Donuts/Baskin Robbins stores, a 5-acre Family Adventures Fun Park and a casual dining restaurant.

PATRICK HIEBERT

Name: Mr. Patrick Hiebert
Age: 53
Title: Chief Operations Officer (COO)

Address (Office): Caye Financial Centre, Coconut Dr. Ambergris Caye,
Belize

Office Phone: +505.2254.7600
Telephone: +1.786.738.6038
Education: Bachelor of Science degree



Mr. Hiebert graduated with a degree in Computer Science from the University of Winnipeg in Canada. After working as a consulting specialist on emerging technologies for several years Patrick co-founded an Energy Management Software firm, TransEnergy Management, which quickly grew from the founders to over 300 employees with offices and clients in the US, Canada, Central and South America, Europe, and Australia. After the company was acquired Patrick founded a second software company, Epikos Solutions, which was also later privately acquired.

Finding himself with more time on his hands, Patrick took the opportunity to travel with his family. One of these travel adventures took him to Nicaragua.

Looking for a change and to make a difference in people's lives, Patrick found Nicaragua to be the perfect blend of the safest country in Central America, friendly people, beautiful landscape and the perfect climate. Patrick is now in his 13th year working, volunteering and now living in Central America.

Applying his business experience and knowledge to Gran Pacifica Beach and Golf Resort as owner of the hotel, tour, and restaurant businesses, Patrick grew these businesses substantially in a few short years. Patrick has joined the ECI Development group (parent corporation of Gran Pacifica, Grand Baymen, and other Central American resorts) as Chief Operating Officer overseeing ECI Development's current locations and its expansion into other countries.

As the founder of the Help Them Help Themselves charitable foundation, Patrick is also very committed to improving the lives of the local people through leading many projects that focus on healthcare, education, and shelter.

VALERIA ESPINOZA

Name: Mrs. Valeria Espinoza Aguilar
Age: 35
Title: Vice President of Operations

Address (Office): Gran Pacifica Resort, Ofiplaza El Retiro, “Modulos Comerciales” Building, 2nd Floor, Suite CC-7, Managua, Nicaragua

Telephone: +505.8707.7222
Office Phone: +505.2254.7600
Telephone: +1.786.259.6440
Education: Universidad Centroamericana (UCA) 2004



While completing her Business Administration major with Marketing Degree in 2004, Mrs. Espinoza started working with a small family non-profit that was executing social projects in the city of Managua. Working first as an administrative assistant and accounting auxiliary, after one year she was promoted and moved to the northern border of Nicaragua to work as supervisor of a housing project for the poorest families of the county.

It was a very complicated and sensitive position, as it required her to work, supervise, and control the activities of men at their construction jobs. This is a role usually assigned to men. After a month, she earned their respect. Simultaneously, she was teaching English to students at the American School during the weekends. Having both positions was a great experience, both totally different, but also rewarding, due to the positive impact in the lives of the people she worked with.

After 5 months, Mrs. Espinoza was called for an interview to Gran Pacifica to perform the job of assistant to the CEO. She took the job and her life changed. Her passion and dedication to The Company led her to grow within the organization with different roles through the years. Her journey started on September 19, 2005. Mrs. Espinoza held many different responsibilities and duties, from executive assistant, to sales administrator, to marketing coordinator.

In February 2017, she was promoted to the Vice President of Operations. Mrs. Espinoza is leading the team and challenging them to improve.

RACHEL JENSEN

Name: Ms. Rachel Lee Jensen
Age: 29
Title: VP of Sales
Address (Office): Caye Financial Centre, Coconut Dr., Ambergris Caye, Belize.
Cellphone: +1.914.364.1126
Office Phone: +501.226.4771
Education: BA, Allegheny College, 2012



With a background in Biology and Spanish, and an original intent of continuing onto Medical School, Rachel Jensen's life took a 180 degree turn after her first medical mission trip to Nicaragua.

Ms. Jensen joined the ECI Development team in 2012, starting as the organization's marketing intern at the administrative offices in Managua, Nicaragua. At the end of her 3-month internship period, she had to make a decision between accepting a full-time position with ECI, or chasing her dreams in Panama with the U.S. Peace Corps. She ultimately chose ECI Development. Originally from the suburbs of New York, Ms. Jensen now calls San Pedro, Belize home.

Today, Ms. Jensen is the Vice President of Sales for ECI Development, a regional development company based throughout Latin America in Costa Rica, Belize, Panama and Nicaragua. From the ground up, she has built and grown the sales and marketing department at the Grand Baymen community. Due to her strong passion of connecting folks with international real estate that meets their goals, she was awarded Salesperson of the Year for 2014, 2015 and 2016. In addition, Ms. Jensen structured the Teak for Residency Program in both Panama and Nicaragua to assist those looking to pair up a residency with alternative options outside of their home countries.

Ms. Jensen is a resident of Panama and thoroughly enjoys the Latin American lifestyle. She is often on the road educating folks at international events about the markets and opportunities abroad.

In 2017, Ms. Jensen was invited to be a founding member of the Rotaract Club of Ambergris Caye and was recently elected for the club's Director of Professional Development. Furthermore, Ms. Jensen is the co-founder of a bi-annual women's retreat, "5 Days to Freedom," helping guide women towards financial, spiritual and international freedom.

DIRECTORS OF THE COMPANY

The Company has a total of four directors. They are elected every two years. The Board of Directors meets once annually. Minutes are available upon request.

Two of the directors, Mr. Cobb and Mr. Littlefield, are also officers of the company. The other two directors are Mr. Nagel and Mr. Maisto. Their biographical information is below.

JOEL NAGEL

Name: Mr. Joel M. Nagel
Age: 55

Address (Office): 409 Broad Street, Suite 204
Sewickley, PA 1514.

Office Phone: +1.412.749.0500

Education: Fulbright Scholar (1987-88) Rheinische-Friedrich
Wilhelms University, Bonn, Germany The Hague
Academy of International Law Georgetown University
Law Center (LL.M., With Distinction, 1990)
West Virginia University (J.D., 1989) Allegheny College
(B.A., 1986) Principle Nagel and Associates 1992 to present



Mr. Nagel is the project's Director and legal counsel. He practices in the area of international tax and estate planning, joint ventures, and international finance. As a Fulbright Scholar, he studied at the University of Bonn, and at The Hague Academy of International Law. He is a member of the International Law and Practice Division of the ABA, and has considerable experience in international business and investments including: finance and tax planning, corporate formation for banks, insurance companies and mutual funds planning, negotiating and structuring international agency, distribution and joint venture agreements, acquisition and financing of foreign properties, and creation of structures in low-tax countries for individuals for asset protection and tax advantage.

Mr. Nagel is past president of the Pittsburgh Rotary Club and District Governor of Rotary International District 7300 and has been actively involved in Nicaragua since 1994. He is secretary of the Chamorro Foundation, which promotes democracy and education in Nicaragua, and is past Chairman of the Nicaraguan Development Corporation, the Nicaraguan equivalent of the United Way. Mr. Nagel completed his LLM at Georgetown University, and has offices in Washington, D.C. and Pittsburgh, Pennsylvania.

www.nagellaw.com

JOHN MAISTO

Name: Mr. John Maisto
Age: 76
Address: 4821 46th Street, N.W. Washington, D.C. 20016
Education: Bachelor of Science in Foreign Service (BSFS)
Georgetown University, Washington, D.C. (1961)
Master's Degree in Latin American History
Smith-Mundt Grant Fulbright Scholar
San Carlos University, Guatemala (1962)



Ambassador John F. Maisto led U.S. diplomacy at the Organization of American States (OAS) as U.S. Permanent Representative from July 2003 to December 2006. In 2003, he was also named by President George W. Bush to be the U.S. Coordinator for the Summit of the Americas, and he coordinated the President's participation in Summits in Monterrey, Mexico, 2004, and Mar del Plata, Argentina, 2005.

At the OAS he ensured funding and OAS focus on strengthening democracy, human rights, anti- terrorism, counter narcotics, election observation, and, a first, providing each Haitian a voter identification document. He supervised the 2005 Ft. Lauderdale OAS General Assembly, the first hosted by the U.S. in 31 years, attended by the President, Secretary of State, and 33 hemispheric ministers.

Ambassador Maisto served as Special Assistant to President Bush and as Senior Director for Western Hemisphere Affairs at the National Security Council for Dr. Condoleezza Rice from January 2001, to April 2003. He organized the President's 2001 Quebec Summit participation and his visits to Mexico, Peru, and El Salvador. He managed country policy reviews, including for the \$1.6 billion Plan Colombia. He coordinated policy with U.S. negotiators on trade agreements, and with Treasury Department leadership on support for key hemispheric countries at the IMF, World Bank, and Inter-American Development Bank.

He was Foreign Policy Adviser at the U.S. Southern Command, 2000-2001. As Ambassador to Venezuela, 1997-2000, he led energy diplomacy with the U.S.'s 4th largest oil-provider, established working relations with newly-elected Hugo Chavez, and directed a U.S. \$11 million flood mudslide disaster relief effort.

As Ambassador to strife-torn Nicaragua, 1993-1996, he directed \$100 million in new U.S. aid to consolidate democracy, address education and health needs, and stimulate growth, and he oversaw the ongoing U.S. aid package of \$900 million. As Deputy Assistant Secretary of State for Central America, 1992-1993, he worked with Congress to ensure post-conflict funding, supervised U.S. cooperation with two United Nations-mandated human rights commissions in El Salvador, resulting in hundreds of military dismissals, and directed the first-ever U.S. contact with Guatemalan rebels to advance stalled peace negotiations. At the OAS as Deputy U.S. Permanent Representative, 1990 to 1992, he spearheaded the OAS taking the lead, with U.S. funding, for resettlement in former conflict areas, human rights monitoring, and de-mining.

In Panama as Deputy Chief of Mission and Charge d'Affaires, 1986-1989, he led Embassy efforts to engage the democratic opposition throughout transition from narco-military dictatorship to elected government. As head of the State Department's Philippine Affairs Office, 1984-1986, he directed the review,

analysis, strategic planning, and development of U.S. policy toward the Marcos dictatorship and the transition to democracy, including public diplomacy and media outreach. He advised, assisted, and accompanied President Reagan's Special Envoy, Philip Habib, in two trouble shooting missions that were instrumental in the transition.

His previous experience included U.S. embassies in the Philippines, Costa Rica, and Bolivia, and country desk and staff positions at the State Department and the Pentagon. He worked with U.S. Information Agency binational centers in Argentina and Bolivia. He joined the Foreign Service in 1968.

Ambassador Maisto has spoken and written extensively on U.S. policy in the Americas, U.S.-Philippine relations, democratic transition, hemispheric security, democracy, human rights, competitiveness, trade, economic development, and education. He is fluent in Spanish and conversant in Portuguese and Italian.

Ambassador Maisto is a Director of the Miami-based U.S. Education Finance Group (USEFG) and a Board member of the Washington-based International Student Exchange Program (ISEP). He is a member of the Board of Advisers of the Inter-American Dialogue in Washington, D.C.

A native of Braddock, Pennsylvania, he is married to Maria Consuelo Gaston Maisto. They have a son and two daughters. Ambassador Maisto is frequently called upon by ECI for consulting regarding international expertise in specific regions of Latin America.

EMPLOYEES

Effective DECEMBER 31, 2019

TOTAL DIRECT ECI: 84

The Company's present employees by location and type of employee (i.e., clerical, operations, administrative, etc.) are as follows:

ECI DEVELOPMENT EXECUTIVE OFFICERS: 4

Mr. Michael Cobb, 24 years, Chairman and CEO
Mr. Joel Nagel, 24 years, Chief Legal Counsel
Mr. Eddie Littlefield, 10 years, President
Mr. Patrick Hiebert, 3 years, Chief Operations Officer

ECI KEY OPERATIONS AND SALES OFFICERS: 6

Ms. Valeria Espinoza, 15 years, Vice President of Operations
Ms. Rachel Jensen, 8 years, Vice President of Sales
Mr. Giovanni Rodriguez, 8 Years, Director of Public Relations
Mr. Ivan Levy, 1 Year, Director of Marketing
Ms. Ruth Vado Escobar, 11 years, Project Manager
Ms. Giovanna Velasquez Gutierrez, 13 years, Property Manager

GRAND BAYMEN, AMBERGRIS CAYE, BELIZE - 9

1 - Office Manager	1 - Admin Assistant
2 - Marketing Staff	1 - Property Manager
5 - Sales Agents	3 - Grounds and Maintenance
1 - Referral Program Manager	2 - Housekeeping
1 - Database Manager	1 - Front Desk

EMPLOYEES AT GRAN PACIFICA, NICARAGUA - 72

5 - Property Supervisors - General Property, Golf, Rental Management, GP Master Association, Construction	1 - Drivers
9 - Security Guards	2 - Accountants
18 - Maintenance and grounds workers	2 - Sales
5 - Housekeeping and gardeners	1 - Legal
2 - Front Desk	14 - Construction

EMPLOYEES AT GRAN CARIBBEAN, COSTA RICA - 7

Mr. Christian Roberts, Project Manager since 2007
6 - Security and property maintenance personnel

LABOR RELATIONS

The Company anticipates that it will have approximately the same number of employees within the next 12 months as it does now and approximately the same types of employees.

Country-to-country regulations vary, but to date, all of the ECI companies have maintained good labor relations.

FINANCIAL DATA

STOCK OPTIONS

The Company provides the following incentive arrangements to its employees. Such incentive arrangements are exclusively in the form of individual stock ownership arrangements as follows:

- Non-Officer employees have a combined stock option pool of 11,200 shares per year if fully exercised. There is a reserve for 25,000 annually.
- Mr. Maisto receives a stock bonus of 4,965 stock options per year. He is consultant, and not an employee. The annual stock bonus is worth approximately \$74,000 based on the current share price. Stock options are issued as a performance incentive that can be executed for \$.01 per share.
- Mr. Littlefield received a bonus of 100,000 stock options in 2011 plus expenses. This bonus is worth approximately \$1,450,000 based on the current share price if fully exercised. Stock options are issued as a performance incentive that can be executed for \$.01 per share.

Mr. Cobb, Mr. Nagel, Mr. Maisto, and Mr. Littlefield, all officers of The Company, accepted stock in lieu of cash for unpaid salaries accumulated during the 2009-2014 time period. All past due compensations in 2016 and 2017 were paid in cash and are up to date as of December 31st, 2019.

RELATED PARTY TRANSACTION

The Exotic Caye Beach Resort was acquired by ECI in 2006 as part of the acquisition of the Baymen Gardens property in Belize. Because both Mr. Cobb and Mr. Nagel were shareholders in the Exotic Caye Beach Resort, a set of parameters established by the board was followed. Messrs. Cobb and Nagel took no cash compensation for the acquisition. Mr. Cobb received ECI Shares for his compensation and Mr. Nagel retained Shares in the Belize Company, Grand Baymen.

STOCK SPLITS, DIVIDENDS, AND REORGANIZATIONS

All amounts set forth below have been adjusted to reflect stock splits. Financial information is unaudited but submitted to auditors pending approval. From 2004 to 2009, Gran Pacifica Resort paid cash dividends to ECI shareholders. Beginning in 2010, ECI ceased cash dividend payments and initiated a dividend reinvestment program to ensure liquidity and future growth. Dividend calculations on real estate sales continued and all shareholders will receive Shares in lieu of cash for the dividend reinvestment program.

The Company's Class D stock split in 2006 when the stock price was \$25. This 2-for-1 split resulted in a 2006 price change from \$25.00 per share to \$12.50 per Share. The number of

outstanding Shares increased from 2,332,088 to 4,664,176 as a result of the stock split. Authorized Shares increased from 5,000,001 to 10,000,002.

Dividends were first paid for the 4th quarter of 2004. As of December 31, 2018, dividends have been paid or recorded as accrued in the 56 quarters where property has been sold. See the chart below for the amount of annual dividend payments made by the Company from 2004 through 2018. In Q4 2019, the company instituted a dividend reinvestment plan that allowed the retention of all net real estate earnings inside the company.

ECI Class A Shares were issued to Mr. Cobb (999 Shares) and Mr. Michael Hanyecz (1 share) as fiduciaries for the Class D common stock issued to all shareholders of ECI Development. Class A Shares permit the efficient operations of the company only.

There is no difference in the voting rights or the financial terms of Class A or Class D common stock. However, Class D Shares may not be sold or transferred without permission of the Company while Class A Shares are fully transferrable. Resale restrictions will terminate if and when the Company makes its initial public offering.

All shareholders, including founders, officers, and directors own Class D Shares, and all returns are paid on an earnings per share basis. There is no preferred status for any payouts. All Class D Shares are treated equally for dividends and voting rights.

According to our current dividend policy, 90% of the net revenues of the sale of real estate must be paid or accrued in the form of a dividend or stock reinvestment when prudent. These additional Shares along with previously accrued Shares from 2009 to the current year will be issued upon the resumption of a cash dividend payment to all shareholders.

DIVIDENDS PAID IN CASH

Year	Total Amount Paid in Cash	Dividend per Share
2004	\$198,135.00	\$0.0908
2005	\$1,336,830.72	\$0.5605
2006	\$2,528,179.05	\$0.4967
2007	\$629,310.18	\$0.1196
2008	\$603,599.30	\$0.1070
Total	\$5,296,054.25	\$1.3746

DIVIDENDS ACCRUED AND CONVERTED TO SHARES

Year	Cash Converted to Shares	Shares	Dividend per Share
2009	\$172,923.16	11,925.74	\$0.0300
2010	\$83,637.92	5,768.13	\$0.0144
2011	\$189,013.05	13,035.38	\$0.0312
2012	\$56,701.66	3,910.46	\$0.0102
2013	\$195,341.55	13,471.83	\$0.0352
2014	\$798,148.04	55,044.69	\$0.1376
2015	\$344,540.00	23,123,491	\$0.0671
2016	\$307,096.89	20,610.53	\$0.0507
2017	\$711,520.95	47,753.08	\$0.1132
2018	\$597,019.00	133,518.27	\$0.0930
2019	\$138,626.85	7,876.53	\$0.0212
Total	\$3,455,942.22	328,161.60	\$0.6000

As shown in the above charts, the Gran Pacifica business unit had successfully achieved in 2005 and 2006 the level of profit contribution needed to meet the projections for investor dividend yield going forward. Dividends to shareholders were \$0.56 and \$0.49 per share in the years 2005 and 2006 respectively. The slowdown from 2008 to 2012 and The Company's focus on growth from 2013 to the present, favored a dividend reinvestment plan. The Company expects to resume cash dividend payments concurrent with an IPO.

ECI DEVELOPMENT, LTD. PROPERTIES

EXOTIC CAYE INTERNATIONAL, LTD.

Exotic Caye International, Ltd. (“ECI Development”, “ECI”, or “The Company”), was incorporated under the laws of Bahamas, June 22, 1996. It was subsequently registered under the laws of Belize, registered 21st November 2002. The registered office is Caye Financial Center, 601 Coconut Drive, San Pedro Town, Ambergris Caye, Belize. ECI Development has ownership participation in the following entities and or projects.

The Company owns 100% of Gran Pacifica Resort, S.A., the Nicaraguan land development company with over 2,500 acres; 100% of Gran Pacifica Beach and Golf Resort, S.A., a Nicaraguan hotel and golf course development and management company; 60% of Gran Caribbean Development, S.A., the Costa Rican land development company with 1,100 acres; 71% of The Grand Baymen Beach Club, Ltd., two properties located in the heart of San Pedro totaling over 7 prime developable acres; 100% of Inversiones Roca Milagro, S.A., the owner of 110 acres in Panama’s tropical highlands; 10% of Los Islotes, a 217 acre project located on the Pacific coast of Panama, 100% of San Diego Telecom, S.A., the internet and cable TV provider for property owners at Gran Pacifica; 100% of San Diego Water Services, S.A., to provide water and sewer systems at Gran Pacifica, and 51% of Caye Technologies Ltd., to provide home security and theatre systems to ECI clients. Additionally, business units operating within the existing companies include a home construction company created to serve clients of Gran Pacifica, and a rental and property management company created to serve property owners, and rental clients at the Gran Pacifica and Grand Baymen communities.

GRAN PACIFICA RESORT, S.A.

Gran Pacifica Resort, S.A. (GPR) was incorporated under the laws of Nicaragua, April 26, 2000. The office is located at Ofiplaza El Retiro, De la Rotonda El Periodista 150 mts al Sur, “Modulos Comerciales” Building, 2nd Floor, Suite CC-7, Managua, Nicaragua. It is owned 100% by ECI Development. The main business scope of GPR is to operate as an urban master developer. The Company sells urbanized and undeveloped lots, and parcels of land at its coastal property 42 miles west of Managua. The Company owns over 2,500 acres with 3.5 miles of Pacific Coast. In 2006, it purchased a portion of an adjacent farm adding 207.5 acres on the east boundary for future development. GPR property is 1-hour drive from the Capital City of Managua and its international airport.

GRAN PACIFICA BEACH AND GOLF RESORT, S.A.

Gran Pacifica Beach and Golf Resort, S.A. (GPBGR), was incorporated under the laws of Nicaragua, September 25, 2002. The office is located at Ofiplaza El Retiro, De la Rotonda El Periodista 150 mts. al Sur, “Modulos Comerciales” Building, 2nd Floor, Suite CC-7, Managua, Nicaragua. GPBGR is owned 100% by ECI Development. GPBGR’s main business scope is to operate as a hotel and golf course development company. The Company built the general infrastructure at the GPR site for a future international hotel. GPBGR also developed and opened

the first 9 holes of a golf course on the GPR property. The golf course plays along the ocean and around the first urban phase of Gran Pacifica Resort SA. GPBGR plans an additional 9 holes.

SAN DIEGO WATER SERVICES, S.A.

San Diego Water Services, S.A. (SDW), was incorporated under the laws of Nicaragua, October 10, 2006. The office is located at Ofiplaza El Retiro, De la Rotonda El Periodista 150 mts. al Sur, “Modulos Comerciales” Building, 2nd Floor, Suite CC-7, Managua, Nicaragua. It is owned 100% by ECI Development. SDW’s main business is to sell water and sewage services to residents or users at Gran Pacifica Resort.

SAN DIEGO COMMUNICATIONS & BROADCASTING, S.A.

San Diego Communications & Broadcasting, S.A. (SDC), was incorporated under the laws of Nicaragua, October 24, 2006. The office is located at Ofiplaza El Retiro, De la Rotonda El Periodista 150 mts. al Sur, “Modulos Comerciales” Building, 2nd Floor, Suite CC-7, Managua, Nicaragua. It is owned 100% by ECI Development. SDC’s main business is to sell TV and internet services to residents and users at Gran Pacifica Resort.

GRAND BAYMEN BELIZE, LTD.

Grand Baymen Belize, Ltd. (Grand Baymen) was incorporated under the laws of Belize, December 19th, 2007. The registered office is Caye Financial Center, 601 Coconut Drive, San Pedro Town, Ambergris Caye, Belize. It is owned 71% by ECI Development. Grand Baymen owns three business units.

EXOTIC CAYE BEACH RESORT, LTD.

Exotic Caye Beach Resort, Ltd., was a 26-room condo-unit dive resort, located on an oceanfront parcel at San Pedro Island, Ambergris Caye, Belize. This oceanfront parcel has 39,652 ft² with 252 feet of beach and has been paired with another parcel to the north purchased in February 2015. The additional assets comprise 32,869.30 sqft and 189.73 linear feet of beach front property. Together these parcels are the property for the Marriott® Resort and Residence project. Exotic Caye Beach Resort, Ltd., was incorporated under the laws of Belize, registered September 15, 1998. The registered office is Caye Financial Centre, 601 Coconut Dr., San Pedro Town, Ambergris Caye, Belize.

SAN PEDRO FITNESS CLUB, LTD.

San Pedro Fitness Club, Ltd, is a fitness club with pool, workout room and lighted tennis courts. The San Pedro Fitness Center is located 250 yards off the ocean with 1.2 acres for the tennis court, pool and fitness center. The fitness center “San Pedro Club, Ltd.” was incorporated under the laws of Belize, June 3, 2004. The registered office is Caye Financial Centre, 601 Coconut Dr., San Pedro Town, Ambergris Caye, Belize.

GRAND BAYMEN LTD.

Grand Baymen Ltd's, (Baymen Garden Condominiums) first building is complete and comprises 12 condos on 3 floors. Eleven units are sold. The second building is 16 condos and was completed in February 2014. All 16 condos are sold. A third building of 16 condos was completed in March 2015. All condos have been sold. The fourth building of 10 units is sold and completed in April 2017. Grand Baymen Garden Condominiums "Grand Baymen, Ltd." was incorporated under the laws of Belize on April 16, 2010. The registered office is Caye Financial Centre, 601 Coconut Dr., San Pedro Town, Ambergris Caye, Belize.

GRAN CARIBBEAN DEVELOPMENTS, S.A.

Gran Caribbean Developments, S.A. (Gran Caribbean), was incorporated under the laws of Costa Rica, February 17, 2006. The registered address is San Jose, Canton San Pedro, Distrito San Pedro, 200 sur, 50 Este de la Suban en San Pedro-Bufete, Robles Ore a Mundo, Ave. 10, Calle, 41-43. Gran Caribbean is owned 60% by ECI Development. The Company owns 1,110 acres with 1.8 miles of beach, 3 miles of deep-water canal and 1.2 miles of river frontage, at Limon, Costa Rican Caribbean coast. Currently the project is under permitting and master planning.

INVERSIONES ROCA MILAGRO, S.A.

Inversiones Roca Milagro, S.A., was incorporated under the laws of Panama, August 15, 2007. The registered address is: Centro de Commercial, HP+ Quinto Piso, David, Chiriqui Province, Panama with identification number Ficha 411337 Doc 309854, is the rightful Owner of approximately 44.8 hectares, located in Rovira, District of Dolega, Province of Chiriquí, Republic of Panamá. The project has roads, water pipes and electrical conduit installed and is undergoing re-zoning to accommodate condominiums and a tiny home village.

LOS ISLOTES (BVI) INC.

Los Islotes (BVI) Inc. (Gran Islotes) was incorporated under the laws of the Territory of the British Virgin Islands, November 15, 2007. The registered address is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands. It owns 215 acres with 0.9 miles of beach and another 0.12 miles of estuary frontage on the western side of the Azuero Peninsula on the Pacific coast of Panama. It also has options right of first refusal on another 495 acres that includes another 0.46 miles of beachfront. Gran Islotes is a joint venture owned 10% by ECI Development and 90% by the partnership of Lief Simon and Kathleen Peddicord and their obligors.

CAYE TECHNOLOGIES, LTD.

Caye Technologies, Ltd. was incorporated under the laws of Belize, May 31, 2007. The registered office is Caye Financial Centre, 601 Coconut Dr., San Pedro Town, Ambergris Caye, Belize. Caye Technologies was established in partnership with Michael Hanyecz of Nicaragua (51% to ECI, 49% between Michael Hanyecz and Andras Tassy-Bec) to provide alarm installation and monitoring services to residents of ECI Development communities. The Company is currently inactive pending sufficient homes for economy of scale.

CAYE WINDS PROPERTIES, LTD.

Caye Winds Properties, Ltd. consists of 18 lots on West Ambergris, across the lagoon from San Pedro, Ambergris Caye, Belize. In January 2015, ECI purchased these estate lots with the plan of developing and offering to residents the additional option of larger villa style homes and detached single family homes. The first phase of 20 tiny homes is sold out and construction will commence Q3 2020. Phase two planning is underway.

LOT KM 49 VILLA EL CARMEN, NICARAGUA.

Lot KM 49 Villa el Carmen, Nicaragua. The Company is also in the process of acquiring a small parcel to be added to Gran Pacifica, named Lot KM49. KM 49 is a 2-acre property located at the turn-off of the main road to Gran Pacifica. Gran Pacifica has paid \$5,000 of a total contract price of \$10,000 to the owners pending completed titling of the Lot KM49.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL AND OPERATIONAL INFORMATION FOR 2019

OPERATING PROFIT AND LOSS

All financial data leading up until December 31, 2013 is unaudited. All data reflecting the dates between January 1, 2014 and December 31, 2019 is either audited or submitted to the auditors (Baker Tilly Hulse and/or Grant Thornton) for audit depending on the business unit. Data from January 1, 2013 and onward is recorded using accrual accounting under IFRS and IAS standards.

For the year ending December 31, 2019, ECI had a net loss of \$1,233,349, or a loss of \$0.19 per Share. ECI Development's active stock outstanding as of December 31, 2019 was 6,542,235.97 Shares.

With small operational losses, ECI remains a company with over \$55M million in assets yet only \$16M million in liabilities. Financial prudence is a core value for The Company's founders and management. ECI continues to make large payments on its line of credit and has reduced it from a high of \$2,800,000 in 2013, to \$185,000 on December 31, 2019.

Prudent action has served ECI well over the years and a return to a no debt stance is of paramount importance. With a focus on corporate growth going forward ECI is positioned to capitalize on both demographics and market trends in the region.

While operational costs and marketing expenses have created small losses, ECI has made strategic decisions to retain the depth of The Company's operational staff including CEO, COO, President, and three Vice Presidents at the executive level. Retention of key staff at all levels, many whom have been employed for more than 10 years, provides deep institutional knowledge. The experience in the team is a large corporate asset as The Company springs forward in to capture the lead and sales growth in the expanding consumer pipeline.

This current round of funding will drive this new growth providing cash for the acquisition of new properties and development of infrastructure in future strategic assets. Current target properties are a vineyard/agricultural property in Argentina or Chile, a tropical highlands property likely in Ecuador or Panama, and additional assets on the mainland of Belize. These next properties allow ECI to serve additional consumers who desire a cool weather highlands property, a vineyard estate, and single-family homes along the Caribbean.

An IPO is planned once the acquisition of these property occurs and the Belize Marriott Residences Ambergris Caye Resort opens in San Pedro, Belize. Funds from the IPO will be deployed, in part, to fund the construction of infrastructure, amenities, and seed products for those new communities. These investments could significantly increase profits and thereby dividends to shareholders post IPO.

ECI SUMMARY PROFIT & LOSS

Gran Pacifica	2014	2015	2016	2017	2018	2019
Total Income	\$647,486.00	\$258,435.00	\$1,150,380.00	\$1,282,049.00	\$1,195,818.10	\$303,404.71
Cost of Goods Sold	\$0.00	\$116,875.00	\$481,049.00	\$172,233.00	\$75,784.79	\$46,644.99
<i>Gross Profit</i>	<i>\$647,486.00</i>	<i>\$141,560.00</i>	<i>\$669,331.00</i>	<i>\$1,109,816.00</i>	<i>\$1,120,033.30</i>	<i>\$256,759.73</i>
Total Expenses	\$557,580.00	\$790,781.00	\$1,079,136.00	\$1,041,685.00	\$755,592.34	\$459,079.51
Net Profit/Loss	\$89,906.00	(\$649,221.00)	(\$409,805.00)	\$68,131.00	\$364,440.96	(\$202,319.78)
GP Property Management	2014	2015	2016	2017	2018	2019
Total Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$131,112.23
Cost of Goods Sold	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,187.57
<i>Gross Profit</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$115,924.66</i>
Total Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$83,888.88
Net Profit/Loss	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,035.78
Grand Baymen	2014	2015	2016	2017	2018	2019
Total Income	\$1,192,076.00	\$506,322.00	\$1,283,537.00	\$553,344.00	\$299,095.00	\$151,387.00
Cost of Goods Sold	\$0.00	\$0.00	\$537,380.00	\$392,845.00	\$1,409.00	\$0.00
<i>Gross Profit</i>	<i>\$1,192,076.00</i>	<i>\$506,322.00</i>	<i>\$746,157.00</i>	<i>\$160,499.00</i>	<i>\$297,686.00</i>	<i>\$151,387.00</i>
Total Expenses	\$305,245.00	\$435,566.00	\$840,232.00	\$840,344.00	\$441,438.00	\$293,307.00
Net Profit/Loss	\$886,831.00	\$70,756.00	(\$94,075.00)	(\$679,845.00)	(\$143,752.00)	(\$141,920.00)
Exotic Caye Beach Resort	2014	2015	2016	2017	2018	2019
Total Income	\$364,251.00	\$489,317.00	\$257,977.00	\$252,333.00	\$164,366.77	\$108,403.05
Cost of Goods Sold		\$85,491.00	\$24,057.00	\$7,974.00	\$3,734.56	\$0.00
<i>Gross Profit</i>	<i>\$364,251.00</i>	<i>\$403,826.00</i>	<i>\$233,920.00</i>	<i>\$244,359.00</i>	<i>\$160,632.21</i>	<i>\$108,403.05</i>
Total Expenses	\$283,611.00	\$299,595.00	\$211,927.00	\$197,228.00	\$88,817.50	\$86,028.51
Net Profit/Loss	\$80,640.00	\$104,231.00	\$21,993.00	\$47,131.00	\$71,814.71	\$22,374.54
San Pedro Fitness Club	2014	2015	2016	2017	2018	2019
Total Income	\$22,259.00	\$31,909.00	\$57,783.00	\$53,991.00	\$55,942.50	\$48,934.42
Cost of Goods Sold	\$12,456.00	\$31.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Gross Profit</i>	<i>\$9,803.00</i>	<i>\$31,877.00</i>	<i>\$57,783.00</i>	<i>\$53,991.00</i>	<i>\$55,942.50</i>	<i>\$48,934.42</i>
Total Expenses	\$12,456.00	\$38,972.00	\$42,739.00	\$45,863.00	\$64,038.73	\$55,835.87
Net Profit/Loss	(\$2,653.00)	(\$7,095.00)	\$15,044.00	\$8,128.00	(\$8,096.23)	(\$6,901.45)
Gran Caribbean	2014	2015	2016	2017	2018	2019
Total Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cost of Goods Sold	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Gross Profit</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
Total Expenses	\$51,040.00	\$48,233.00	\$50,374.00	\$50,438.00	\$58,312.29	\$76,982.92
Net Profit/Loss	(\$51,040.00)	(\$48,233.00)	(\$50,374.00)	(\$50,438.00)	(\$58,312.29)	(\$76,982.92)

ECI Parent	2014	2015	2016	2017	2018	2019
Total Income	\$0.00	\$140.00	\$45,015.00	\$9,207.00	\$19,710.68	\$0.00
Cost of Goods Sold	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Gross Profit</i>	<i>\$0.00</i>	<i>\$140.00</i>	<i>\$45,015.00</i>	<i>\$9,207.00</i>	<i>\$19,710.68</i>	<i>\$0.00</i>
Total Expenses	\$187,336.00	\$700,039.00	\$862,278.00	\$838,752.00	\$754,998.42	\$882,161.62
Net Profit/Loss	(\$187,336.00)	(\$699,899.00)	(\$817,263.00)	(\$829,545.00)	(\$735,287.74)	(\$882,161.62)
ECI Consolidated	2014	2015	2016	2017	2018	2019
Total Income	\$2,226,072.00	\$1,286,123.00	\$2,794,692.00	\$2,150,924.00	\$1,734,933.36	\$743,241.40
Cost of Goods Sold	\$12,456.00	\$202,397.00	\$1,042,486.00	\$573,052.00	\$80,928.44	\$61,832.56
<i>Gross Profit</i>	<i>\$2,213,616.00</i>	<i>\$1,083,726.00</i>	<i>\$1,752,206.00</i>	<i>\$1,577,872.00</i>	<i>\$1,654,004.91</i>	<i>\$681,408.85</i>
Total Expenses	\$1,397,268.00	\$2,313,186.00	\$3,086,686.00	\$3,014,310.00	\$2,163,197.28	\$1,937,284.31
Net Profit/Loss	\$816,348.00	(\$1,229,460.00)	(\$1,334,480.00)	(\$1,436,438.00)	(\$509,192.36)	(\$1,255,875.46)

ASSETS AND PROPERTIES

ECI Consolidated Balance Sheet (Based on ECI Share%)

ASSETS	2016	2017	2018	2019
Current Assets				
Checking/Savings	\$ 261,062.00	\$ 464,123.00	\$ 200,102.00	\$ 118,429.11
Accounts Receivable	\$ 1,971,893.00	\$ 2,231,050.00	\$ 2,321,296.00	\$ 3,360,444.65
Other Current Assets	\$ 29,205,932.00	\$ 30,396,771.00	\$ 30,519,860.00	\$ 31,491,672.53
Total Current Assets	\$ 31,438,887.00	\$ 33,091,944.00	\$ 33,041,258.00	\$ 34,970,546.29
Fixed Assets	\$ 7,120,557.00	\$ 19,551,909.00	\$ 19,746,476.00	\$ 19,254,080.00
Other Assets	\$ 1,391,216.00	\$ 1,359,382.00	\$ 1,348,825.00	\$ 1,214,158.50
Total Non-Current Assets	\$ 8,511,773.00	\$ 20,911,291.00	\$ 21,095,301.00	\$ 20,468,238.50
TOTAL ASSETS	\$39,950,660.00	\$54,003,235.00	\$54,136,559.00	\$55,438,784.78
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 284,731.00	\$ 223,125.00	\$ 670,776.00	\$ 667,484.23
Other Current Liabilities	\$ 6,493,604.00	\$ 9,487,239.00	\$ 8,739,660.00	\$ 9,528,126.22
Total Current Liabilities	\$ 6,778,335.00	\$ 9,710,364.00	\$ 9,410,436.00	\$ 10,195,610.45
Long Term Liabilities	\$ 4,527,682.00	\$ 4,389,986.00	\$ 3,954,478.00	\$ 6,363,582.89
Total Liabilities	\$ 11,306,017.00	\$ 14,100,350.00	\$ 13,364,914.00	\$ 16,559,193.34
Equity				
Opening Balances	\$ 392,786.00	\$ 571,229.00	\$ 306,174.00	\$ 303,812.36
Additional Paid-in Capital	\$ 36,456,241.00	\$ 37,020,814.00	\$ 38,292,465.00	\$ 34,032,914.74
Retained Earnings	\$ (9,763,729.00)	\$ (11,092,318.00)	\$ (12,001,905.00)	\$ (9,672,477.33)
Share Capital	\$ 2,198,749.00	\$ 2,198,740.00	\$ 2,198,725.00	\$ 2,946,698.82
Surplus for revaluation	\$ 12,452,163.00	\$ 12,452,163.00	\$ 12,452,163.00	\$ 12,452,163.00
Net Income	\$ (1,322,543.00)	\$ (1,247,744.00)	\$ (475,977.00)	\$ (1,183,520.14)
Total Equity	\$ 40,413,667.00	\$ 39,902,884.00	\$ 40,771,645.00	\$ 38,879,591.44
TOTAL LIABILITIES & EQUITY	\$51,719,684.00	\$54,003,234.00	\$54,136,559.00	\$55,438,784.78
RATIOS				
Current Ratio	4.6	3.4	3.5	3.4
Long Term Debt % of Assets	11%	8%	7%	11%

ECI SUMMARY BALANCE SHEET (BASED ON ECI OWNERSHIP LEVEL)

Gran Pacifica	2014	2015	2016	2017	2018	2019
Assets	\$3,183,999.00	\$3,604,163.00	\$3,397,390.00	\$16,116,149.00	\$17,095,202.21	\$17,081,662.33
Liabilities	\$1,257,189.00	\$3,499,661.00	\$3,699,426.00	\$3,891,732.00	\$4,508,314.46	\$5,970,795.79
Equity	\$1,926,810.00	\$104,502.00	(\$302,056.00)	\$12,224,417.00	\$12,586,887.76	\$11,110,866.53
ECI Ownership 100%						
GP Property Management	2014	2015	2016	2017	2018	2019
Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$74,386.50
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$42,055.19
Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$32,331.30
ECI Ownership 100%						
Grand Baymen	2014	2015	2016	2017	2018	2019
Assets	\$1,400,419.00	\$1,731,884.00	\$1,557,986.00	\$2,663,716.00	\$1,648,877.64	\$1,648,521.33
Liabilities	\$636,944.00	\$555,412.00	\$715,602.00	\$2,325,531.00	\$1,200,696.29	\$1,284,954.46
Equity	\$763,478.00	\$1,176,472.00	\$842,384.00	\$338,184.00	\$448,181.34	\$363,566.87
ECI Ownership 70.1%						
Exotic Caye Beach Resort	2014	2015	2016	2017	2018	2019
Assets	\$2,920,898.00	\$3,011,355.00	\$3,045,385.00	\$3,073,569.00	\$3,160,667.34	\$3,167,436.51
Liabilities	(\$38,027.00)	\$17,626.00	\$36,069.00	\$40,090.00	\$66,487.11	\$59,761.21
Equity	\$2,882,871.00	\$2,993,726.00	\$3,009,316.00	\$3,033,479.00	\$3,094,180.23	\$3,107,675.30
ECI Ownership 70.1%						
San Pedro Fitness Club	2014	2015	2016	2017	2018	2019
Assets	\$962,615.00	\$957,548.00	\$993,716.00	\$1,012,424.00	\$1,049,773.47	\$1,087,617.21
Liabilities	\$370,664.00	\$374,341.00	\$399,847.00	\$416,598.00	\$464,080.14	\$506,814.93
Equity	\$591,981.00	\$583,207.00	\$593,868.00	\$595,827.00	\$585,693.33	\$580,802.28
ECI Ownership 70.1%						
Gran Caribbean	2014	2015	2016	2017	2018	2019
Assets	\$2,100,000.00	\$2,291,019.00	\$2,212,178.00	\$2,208,997.00	\$2,219,735.98	\$2,211,237.02
Liabilities	\$0.00	\$172,287.00	\$222,681.00	\$245,222.00	\$295,469.54	\$333,160.34
Equity	\$2,100,000.00	\$2,118,732.00	\$1,989,516.00	\$1,963,775.00	\$1,924,266.43	\$1,878,076.68
ECI Ownership 60%						
ECI Parent	2014	2015	2016	2017	2018	2019
Assets	\$24,599,242.00	\$27,773,855.00	\$27,873,121.00	\$27,913,415.00	\$28,047,625.02	\$29,259,775.36
Liabilities	\$2,674,210.00	\$6,314,010.00	\$6,147,973.00	\$6,226,569.00	\$6,005,093.26	\$7,532,170.51
Equity	\$21,925,032.00	\$21,459,845.00	\$21,725,148.00	\$21,686,846.00	\$22,042,531.77	\$21,727,604.85
ECI Ownership 100%						
Los Islotes	2014	2015	2016	2017	2018	2019
Assets	\$764,930.00	\$791,323.00	\$870,905.00	\$890,989.00	\$914,677.60	\$912,099.59
Liabilities	\$616,728.00	\$660,767.00	\$767,578.00	\$837,693.00	\$824,773.89	\$829,480.91
Equity	\$148,202.00	\$130,556.00	\$103,327.00	\$53,295.00	\$89,903.71	\$82,618.67
ECI Ownership 10%						
ECI Consolidated	2014	2015	2016	2017	2018	2019
Assets	\$35,932,103.00	\$40,161,148.00	\$39,950,660.00	\$53,879,258.00	\$54,136,559.25	\$55,442,735.83
Liabilities	\$5,517,708.00	\$11,594,104.00	\$11,989,156.00	\$13,983,435.00	\$13,364,914.69	\$16,559,193.34
Equity	\$30,338,644.00	\$28,567,044.00	\$27,961,504.00	\$39,895,823.00	\$40,771,644.56	\$38,883,542.49

The liabilities on the balance sheet of The Company are somewhat misleading. Of the \$13.64 million in liabilities, \$4,656,364 of that is borrowed intercompany. The Company is not overburdened with debt with the ratio of Debt to Assets of 8.6% as of December 2018. For 2018, the ratio of equity to total assets was 75%, which indicates that The Company has been financing its activities in large part through private shareholder capital investments. This financing strategy is a large factor in The Company's success, allowing it to survive the recent challenging economic period.

In planning for these Belize Marriott® related investments, management anticipated sales and profits from our Gran Pacifica business unit would be sufficient to cover the necessary Marriott® start-up project investments. However, the political situation in Nicaragua, which began in April of 2018, resulted in fewer sales of Gran Pacifica property in 2018 and 2019 than originally projected.

However, because Gran Pacifica stayed open for business, the rental, leasing, and property business units were able to remain active and viable. By cutting costs and making the best use of resources, Gran Pacifica as a business unit was in the black for 2018 but posted a small loss of \$131,058 in 2019.

The political crisis in Nicaragua continues as of this report. Although the country's civil unrest situation has settled down over the past year it is possible that the shadow for investment from this event could last until the next scheduled election in 2021. Until the situation is fully resolved, management expects the Gran Pacifica business unit to perform at a minimal level serving renters, overnight guests and day visitors. With the road now completely paved from Managua, the one bright spot will be the domestic market and Nicaraguan buyers and may help induce some property sales.

For the past 20 years, ECI has worked in Nicaragua. For 14 of those years it was home to ECI's CEO, Mike Cobb and is the current home to ECI's COO, Patrick Hiebert. ECI has enjoyed great success in this country by transforming a large ranch on the ocean into a village by the sea. To date, Gran Pacifica has served tens of thousands of vacationers and hundreds of property owners. It has employed hundreds of locals and remains the largest non-government employer in the area. While many resorts throughout Nicaragua, including neighboring resorts around Gran Pacifica, have closed their doors, ECI has committed to remain open.

Maintaining and building a community for residents remains the resort's top priority. Gran Pacifica continues to provide uninterrupted top-quality service to ECI's valued property owners, residents and guests during this crisis. While staff levels needed to be scaled back, maintaining institutional knowledge and preserving training dollars spent were closely monitored. This commitment continues while negotiations for a settlement of Nicaragua's political challenge unfolds. Gran Pacifica's team on the ground and our executive management monitors the situation continually.

Management is positioning ECI Development for an Initial Public Offering (IPO). A revamped Operations department with a results-oriented, product rather than location specific focus has been fine tuned. ECI develops resort products, and although they are located in different countries, there are many similarities and overlap in operations. Creating a synergistic product management model allowed ECI to combine the many operational procedures and create over a

hundred policies and procedures that span the corporation across countries. The Company has been strengthened, made more efficient, allowing new valuable properties to be acquired and plugged into an operational template rather than reinventing the wheel each time. These improvements operationally allowed cost cutting during 2018 and 2019 creating an environment where we will continue to be very profitable operationally into the future.

In addition to streamlining the operations of the company, ECI has begun to advance its focus on core competency. ECI Development is a community development company with excellent Marketing and Operations teams who develop amazing properties and bring them to market. In 2018 ECI began the transition out of operating areas that were not our core competency so we could focus on areas that are. By 2019, these efforts produced results with the signing of a Best Western Franchise agreement for the Baymen Gardens. ECI continues to work towards bringing in world-class operators for our property's amenities to provide our property residents with the best services while allowing ECI to laser focus on our core competency, the profitability of expanding our existing properties and acquiring and developing new ones.

From a purely financial perspective, ECI made dramatic improvements to lowering costs in most of our business units and in the consolidated corporate numbers. Despite the political issues in Nicaragua, some of ECI's greatest improvements were generated at the Gran Pacifica Beach and Golf Resort community. In spite of initiating major improvements in Operations in late Q1, expenses were dramatically lowered to result in this improvement on year over year basis.

ECI's Grand Baymen Resort operations in Belize showed similar improvements. Without buildable inventory in 2019, income slipped. However, Operations lowered expenses by 41% in 2019, resulting in improvements to the bottom line. In 2019 the Grand Baymen bottom line improved 8% from -\$126,562 to -\$116,438. With inventory to sell we expect to be in a position to be very profitable at Grand Baymen in the upcoming years.

Although still posting a corporate consolidated loss overall for ECI Development during 2019, the improvement in the expense side numbers were significant. With inventory available to sell the revenue side is expected to improve dramatically and having positioned the company efficiently on the expense side, will result in a return to profitability. Although the loss in 2019 was greater than the loss in 2018, the expense side was improved, and the loss was simply due to less sales inventory as well as investment in our future through the Marriott® Resort and Residences project. Once project specific funds are released in 2020 and inventory is available to sell, we expect to see the company return to profitability for 2021.

LIQUIDITY AND CAPITAL RESOURCES

Total cash on hand as of December 31, 2019 was \$118,429.11. The Company intends to pay its remaining internal payables by applying the proceeds of this offering as well as applying the profits from the sale of real estate and construction of homes and condominiums.

The proceeds from the stock offering and the available funds from increased sales should satisfy The Company's cash requirements for the 12-month period. Excess cash will be applied to reducing payables and expanding the Company.

SELECTED FINANCIAL INFORMATION

All amounts set forth below have been adjusted to reflect stock splits. Financial information is unaudited but submitted to auditors pending approval.

It is key to observe that ECI Development is a holding company, which owns different real estate, tourism and urban service firms located in Belize, Nicaragua, Costa Rica, and Panama. Each entity that belongs to ECI operates as an independent business unit. ECI business entities are a set of companies, which are emerging from the global recession, slowing losses and seeing increases in sales.

From 2004 to 2009, Gran Pacifica Resort paid cash dividends to ECI shareholders. During the recession ECI ceased cash dividend payments and initiated a dividend reinvestment program to ensure liquidity and future growth. Dividend calculations on real estate sales continued and all shareholders will receive Shares in lieu of cash for the dividend reinvestment program.

ECI will continue selling and building condominiums at Grand Baymen Gardens with the groundbreaking on a 202-suite Marriott® Resort/conference hotel on its oceanfront parcel of property on Ambergris Caye, Belize slated for mid-2020. Currently, ECI is pre-selling condominiums in a new residential building at Grand Baymen and is taking reservations on tiny homes on ECI's West Ambergris property.

While slow because of the political situation in Nicaragua, there is limited movement in the existing corporate inventory of home sites in Nicaragua. ECI has designed a new phase for single-family home sites, Santa Barbara, with 4 sold and buyers ready to build homes. The Las Perlas II condominiums are adjacent to the existing Las Perlas Village with the first 12 units under construction and expected to complete in late 2020.

Financial results for ECI Development are reflected in the consolidated financial statements effective as of December 31, 2019.

ECI LOANS AND LINES OF CREDIT

Currently ECI has five outstanding loans totaling \$4,656,364 at the end December of 2019.

The HFC Credit Line loan is a longtime outstanding loan since 2012 taken to provide working capital through the real estate downturn. The original credit line was for \$3 million. This loan has been paid off with equity sales equivalent to 1/3rd of all equity purchases going towards paying down the principal balance. In 2016, \$566,556 was paid with the principal balance at the end of 2016 at just over \$1 million. From January to December 2019 the Company paid \$167,882. The balance of this loan as of December 31, 2019 was \$185,076.

At the end of January 2015, ECI borrowed \$1.6 million for the business unit, Grand Baymen Villas, to purchase the Richard Davis property consisting of 5 lots adjacent to the Exotic Caye Beach Resort for the future home of the Belize Marriott® Residences. No principal payments were made from January to December 2019 and interest in the amount of \$155,560 accrued. The balance of this loan December 31, 2019 was \$2,159,368. It is expected to be retired fully with commencement of construction of the Marriott® branded oceanside residences in late 2019

At the end of 2014, ECI purchased 18 foreclosed lots on West Ambergris with an interest only loan from Caye International Bank for \$799,679. This site is to be the future home of Grand Baymen Estates, with villas and single detached homes. The principle amount remained unchanged at \$741,003 between 2015, 2016, 2017, 2018 and from January to December 2019.

Gran Pacifica, S.A., and ECI have borrowed \$1,558,591 from Teak Hardwoods, a related company to fund the development of the Marriott Resort and Residences pre-development costs, including architects, engineering, design, permits, fees, legal, and other associated expenses. Upon the close of institutional funding for the hotel, these funds will be repaid.

DECEMBER 31, 2019

LOAN BALANCE					
Loans	Interest Rate	2018	2019	Change \$	Change %
HFC Credit Line Loan	7.50%	\$352,961	\$185,079	(\$167,882)	(48%)
HFC (Davis Property)	7.50%	\$2,003,808	\$2,159,368	\$155,560	8%
CIBL Loan (West Amber)	2.00%	\$741,003	\$741,003	\$0	0%
Teak Hardwoods Loan (Gran Pacifica)	7.00%	\$461,695	\$523,916	\$62,220	13%
Teak Hardwoods Loan (ECI Ltd.)	7.00%	\$342,341	\$1,034,675	\$692,333	202%
Total Loans		\$4,129,105	\$4,656,364	(\$527,258)	(13%)

SHARE CAPITAL

Number of Common	Number of Shares
Shares authorized:	10,000,002 Shares
Shares Outstanding:	6,542,235.97 Shares (Dec 31, 2019)
Book value per share:	\$6.40
Number of Shares reserved to meet conversion requirements or for issuance upon the exercise of options or warrants:	1,500,000 Shares

The average price per share of past investor offerings was \$9.26 per share prior to the date of this offering, compared to this offering's price per share of \$17.60 per Share.

DILUTION

The price of the Shares in this offering has been arbitrarily determined. ECI calculates book value based on the acquisition cost for all assets, less all liabilities. The share price is 2.75x Book Value and does not include any appreciated value for infrastructure and amenities on unsold property. For example, ECI carries the undeveloped Gran Pacifica property at its original acquisition price in the year 2000 of just \$2.5M as new assets are added, the share price will increase, and new investors will pay more reducing dilution to existing shareholders.

The net tangible book value per Share before offering is:

FOR THE MINIMUM OFFERING	
The net tangible book value per share after the minimum offering will be:	\$6.41
The amount of increase in net tangible book value per share as a result of receipt of cash from purchasers in this offering will be:	\$0.01
The dilution per share to purchasers will be:	\$6.40

FOR THE MAXIMUM OFFERING	
The net tangible book value per share after the maximum offering will be:	\$7.92
The amount of increase in net tangible book value per share as a result of receipt of cash from purchasers in this offering will be:	\$1.52
The dilution per share to purchasers will be:	\$5.53

For each Share purchased in this offering a purchaser will pay \$17.60 but will receive a Share representing only \$6.41 in current net tangible book value if the minimum offering is achieved*, or \$7.92 if the maximum offering is achieved.

The difference between the amount a purchaser pays for a Share and the amount of net tangible book value that Shares represent is the dilution to the purchaser.

The table below compares the existing stockholders' percentage ownership in the Company and the consideration paid for that ownership with that of purchasers in this offering.

Shares Purchased	Number	Total Consideration Percent	Average Value Per Share
Existing Holders (December 2019)	6,542,235.97	100%	\$6.40
New Purchasers:			
Minimum Offering	4,600	0.07%	\$17.60
Maximum Offering	1,000,000	13.57%	\$17.60

*As of January 1, 2019, the minimum offering has been achieved. The offering is active.

Using the offering price of these securities, the value of the Company that the Company's management is attributing to the entire Company as of Dec 31, 2019 is \$116,961,249.

USE OF PROCEEDS

The Company intends to use the proceeds of this offering as follows:

	If Minimum Sold*		If Maximum Sold*	
	Amount	%	Amount	%
Total Proceeds	\$80,960	100%	\$17,600,000	100%
Less: Offering Expenses				
Commissions and Finders Fees	\$4,526	5.59%	\$984,000	5.59%
Legal & Accounting	\$25,000	30.88%	\$ 25,000	0.14%
Copying & Related	\$1,000	1.24%	\$500,000	2.84%
Other (Specify):	-		-	
Net Proceeds from Offering	\$50,434.00	62.29%	\$16,091,000	91.43%

Net Proceeds				
	If Minimum Sold*		If Maximum Sold*	
	Amount	%	Amount	%
Repay Existing Payables	\$50,434	100%	\$250,000	1.6%
Repay Existing Line of Credit	\$ 0	0%	\$725,299	4.8%
Operation Reserve for 24 months	\$ 0	0%	\$1,000,000	6.7%
Property Acquisition/Development	\$ 0	0%	\$2,915,701	6.7%
Total Use of Net Proceeds	\$50,434	100%	\$16,091,000	100%

* As of January 1, 2019, the minimum share offering was met. This offering is now active.

The amounts estimated for commissions and finder's fees were calculated by assuming that every sale of Shares was initiated by one of the two employees of the Company who are paid commission for sales of Shares. This may not be the case. In addition, the Company may pay finders and or broker dealers to help sell Shares but has no present plans to do so.

The funds raised from this offering will be used for the purposes described above. After payment of liabilities and funding a reserve to cover 24 months of the Company's operating expenses, the funds will be used for the purchase of new properties for the Company. If sufficient funds are not raised, nor alternative means negotiated, no additional property purchases will be made.

The Company has a loan of \$2.159 million for the purchase of property related to the Oceanside Belize Marriott® branded hotel project. None of the funds raised in this offering will be used to pay this loan.

ESTIMATES OF VALUES AND DEVELOPMENT COSTS

ECI utilizes a “per address” yield calculation for its financial models and projections. Details and the data tables are provided. This is a sophisticated model for valuation that works well when you have varying product types like condos, casita lots, and traditional single-family home sites. What is important is the average density of addresses per consumed acre and the profit to The Company per address.

It is extremely critical to understand that for the return on investment projections to be sound, the consumed acre is the key to the analysis. It is not the acres sold that matter, but the total acreage consumed to sell an acre that determines the total number of units possible.

The gross profit calculations in this document are based on the consumed acre, not the sold acre. The complete breakdown and ratio analysis of green space road surface to sellable acres are set forth precisely in the next section, but roughly the ratio is 55% sellable to 45% open or roads. By factoring the usage ratio into yields The Company can extrapolate the ultimate yield based on common area, amenities, and developable acres.

GRAN PACIFICA PROFITS AND PROJECTIONS

NOTE: The gross profits per address used below are not projections. They are actual gross profits generated from sales in Nicaragua at the Gran Pacifica Beach and Golf Resort.

The properties sold to date represent a large cross section of property types. Of the 184 home sites sold in San Diego Viejo Neighborhood located in Phase 1 (out a total of 260 home sites sold in all of Gran Pacifica), only 7 are direct oceanfront in this phase. Casita Village, located within Phase 1, is 500 meters off the ocean where 30 properties have been sold. The Ruby Village Golf Lots (H-I Lots), are also located in Phase 1, and are 1,000 meters from the ocean. In addition, these actual sales figures include significant discounting for lots sold initially without infrastructure complete and also properties sold during the recent downturn in the real estate market when the prices were generally lower.

Calculating costs: Because Phase I of Gran Pacifica is not completely sold out, there are two ways to factor costs. The first is the actual cost of infrastructure amortized over sold inventory only. The second is the cost of infrastructure amortized over the total land area that the infrastructure will support. The cost of infrastructure amortized over only the sold inventory is \$8,238 per lot. The cost of infrastructure per address in the Casita Village is \$7,590 per address. The land cost allocation per address is \$113.63.

As new condominium phases tap into and utilize the existing infrastructure, the average cost per address will be less. For the purposes of this business plan and projections of profit per address, The Company uses the higher, more conservative infrastructure cost of \$8,238 per address for profit calculations for Phase 1 and \$7,590 for Casita Village. When all units in Gran

Pacifica Phase 1 have accessed existing infrastructure, the fully amortized infrastructure cost per address will be \$7,061.

For Gran Pacifica's San Diego Viejo, the current average gross sales price of \$52,238.63 per address. Cost per address is \$8,238, netting a per address gross profit of \$44,000.24. This is the actual average gross profit per address for all properties sold to date in Gran Pacifica Phase 1.

For Gran Pacifica's Casita Village, the current average gross sales price of \$45,290.58 per address. Cost per address is \$7,590, netting a per address gross profit of \$37,700. This is the actual average gross profit per address for all properties sold to date inside the Casita Village Phase.

For Gran Pacifica's Golf Lots H section, the current average gross sales price of \$33,771 per address. Cost per address is \$8,238, netting a per address gross profit of \$25,532. This is the actual average gross profit per address for all properties sold to date inside this Golf lots section.

For Gran Pacifica's Golf lots, I section, the current average gross sales price of \$33,840 per address. Cost per address is \$8,238 netting a per address gross profit of \$25,601. This is the actual average gross profit per address for all properties sold to date inside this Golf lots section.

For Gran Pacifica's Las Perlas Building One the current average gross sales profit is \$39,127 per address. Cost per address is \$8,238, netting a per address gross profit of \$30,888. This is the actual average gross profit per address for all units sold to date inside Las Perlas Building One (22 units). Gran Pacifica receives 20% of the gross sales price as payment for contribution of land to the Las Perlas JV partnership. The 20% amount is the "gross sales profit" used in calculating the net profits above.

During 2018, Infrastructure for Santa Barbara, a new Oceanfront phase started. A total of 48 lots are in its inventory and out of these 3 homesites have been sold. The current Average gross sales price as of now is \$261,333, with a cost per address of \$30,000, netting a per address gross profit of \$231,333.

Since 2004, when The Company first began selling its improved real estate, Gran Pacifica has earned a cumulative gross profit of \$15,020,338, and during that time 304 addresses were sold, yielding a net profit of \$226,807 per consumed acre sold during that period with an average net profit per address of \$41,019.36.

On an annual basis, the average gross profit from Q4 2004 until Q4 2019 is \$1,001,355.91 per year. If sales continue at the same average number of addresses per year in the future, Gran Pacifica could expect the same amount of annual gross profit, adjusted for inflation. If as trends would suggest, the number of prospects desiring a home overseas increases, sales should be higher, and profits greater as existing infrastructure is utilized for development of new home lots and condominium inventory.

The details of the revenues and costs per address in Gran Pacifica are set forth in the charts below.

San Diego Viejo	
Home Sites Sold	184
Average Price per Home Site	\$52,238.63
Average Cost per Home Site	\$8,238.39
Average Profit per Address	\$43,999.74
Gross Profit of Home Sites	\$9,611,907.26
Cumulative Cost of Home Sites Sold	\$1,515,955.76
Net Profit	\$8,095,951.50
Total Acres in San Diego Viejo	60.93
Total Sellable Acres	37.40
Total Acres Consumed	52.12
Total Sold Acres	33.66
Profit per Consumed Acre	\$155,332.91

Casita Village	
Home Sites Sold	30
Average Price per Home Site	\$45,290.58
Average Cost per Home Site	\$7,590.44
Average Profit per Address	\$37,700.14
Gross Profit of Home Sites	\$1,358,717.51
Cumulative Cost of Home Sites Sold	\$227,713.20
Net Profit	\$1,131,004.31
Total Acres in Casita Village	15.27
Total Sellable Acres	7.53
Total Acres Consumed	3.09
Total Sold Acres	2.16
Profit per Consumed Acre	\$366,020.81

Las Perlas Condos	
Home sites Sold	22
Average Price per Home site	\$39,127.45
Average Cost per Home site	\$8,238.89
Average Profit per Address	\$30,888.56
Gross Profit of Home sites	\$860,803.90
Cumulative Cost of Home Sites Sold	\$181,255.58
Net Profit	\$679,548.32
Total Acres Las Perlas Condo	1.35
Total Sellable Acres	0.57
Total Acres Consumed	1.35
Total Sold Acres	0.57
Profit per Consumed Acre	\$503,369.16

Milagro Verde Lots Rendered For Shares*	
Home sites Sold	10
Average Price per Home Site	\$54,500.00
Average Cost per Home Site	\$8,238.89
Average Profit per Address	\$46,261.11
Gross Profit of Home Sites	\$545,000.00
Cumulative Cost of Home Sites Sold	\$82,388.90
Net Profit	\$462,611.10
Total Acres in This Area	1.37
Total Sellable Acres	1.37
Total Acres Consumed	1.37
Total Sold Acres	1.37
Profit per Consumed Acre	\$337,672.34

Golf Lots H	
Home Sites Sold	14
Average Price per Home site	\$33,771.64
Average Cost per Home site	\$8,238.89
Average Profit per Address	\$25,532.75
Gross Profit of Home Sites	\$472,803.00
Cumulative Cost of Home Sites Sold	\$115,344.46
Net Profit	\$357,458.54
Total Acres in Golf Lots H	4.12
Total Sellable Acres	4.12
Total Acres Consumed	3.66
Total Sold Acres	3.66
Profit per Consumed Acre	\$97,760.44

Golf Lots I	
Home Sites Sold	13
Average Price per Home Site	\$33,840.00
Average Cost per Home Site	\$8,238.89
Average Profit per Address	\$25,601.11
Gross Profit of Home Sites	\$439,920.00
Cumulative Cost of Home Sites Sold	\$107,105.57
Net Profit	\$332,814.43
Total Acres in Golf Lots I	4.12
Total Sellable Acres	4.12
Total Acres Consumed	3.35
Total Sold Acres	3.35
Profit per Consumed Acre	\$99,487.10

*Golf Lots G	
Home Sites Sold	28
Average Price per Home Site	\$33,828.11
Average Cost per Home Site	\$8,238.89
Average Profit per Address	\$25,589.22
Gross Profit of Home Sites	\$947,187.00
Cumulative Cost of Home Sites Sold	\$230,688.92
Net Profit	\$716,498.08
Total Acres in Golf Lots G	8.09
Total Sellable Acres	8.09
Total Acres Consumed	6.9
Total Sold Acres	6.9
Profit per Consumed Acre	\$103,840.30

*G Lots sold by golf course to fund golf course construction are not included in any calculation

Santa Barbara	
Home Sites Sold	3
Average Price per Home Site	\$261,333.33
Average Cost per Home Site	\$30,000.00
Average Profit per Address	\$231,333.33
Gross Profit of Home Sites	\$784,000.00
Cumulative Cost of Home Sites Sold	\$90,000.00
Net Profit	\$694,000.00
Total Acres in Santa Barbara	61.28
Total Sellable Acres	43.84
Total Acres Consumed	4.62
Total Sold Acres	3.31
Profit per Consumed Acre	\$150,224.16

Summary of Gran Pacifica Address and Profit Analysis

Gross Profit as of June 2020	\$15,020,338.71
Net Profit as of June 2020	\$12,469,886.32
Acres Consumed	76.46
Profit per Consumed Acre	\$163,090.33
Home sites / Condos Sold	304
Net Profit per Home Site Sold	\$41,019.36

The following projections related to Gran Pacifica are based on the above calculations of acres, units and gross profits.

Gran Pacifica Addresses Per Acre (Phase 1)

Area	Description	Acres	Home sites
San Diego Viejo	Single Homes	61.28	204
Casita Village	Single Homes	13.82	94
Las Perlas	Condos	5.37	122
El Coral	Condos	2.52	100
Town Center	Condos	4.6	238
Golf Lots H & I	Single Homes	8.24	30
Milagro Verde	Single Homes	1.37	10
Santa Barbara*	Single Homes	61.28	48
Totals		158.48	844
Addresses per Acre			5.33

* Note: Only the single-family home sites in the Santa Barbara Phase have been calculated into this table. High density condo, villa and town home pad sites have not been allocated into the projections and will significantly increase the addresses per acre and could exceed the historical 8.8 addresses per acre yield prior to Santa Barbara single family home site release.

BELIZE PROPERTIES

Gross profits from a condominium project can only be calculated upon completion of construction and all units sold. Grand Baymen Gardens, the off-water property in Belize, has currently four condo buildings completed, buildings A, C, D & E. Below, The Company presents construction cost and sales detail for these completed projects. Please note that the cost per square foot reflects high quality finishes. Infrastructure overhead is limited because of the small parcel size and includes streets, sidewalks, a small park, and the associated underground utilities. Costs to develop this infrastructure add less than \$10,000 per address. To view additional details on the Return of Investment on these properties please reference the Belize projections in this document. Indirect infrastructure costs are excluded from the following analysis:

<u>Building</u>	<u>Building A Actual</u>	<u>Building C Actual</u>	<u>Building D Actual</u>	<u>Building E Actual</u>	<u>Building B Estimated</u>	<u>Total</u>
Constructed Sq. Ft.	12,990	8,111	8,111	6,682	15,800	51,696.32
Sold Sq. Ft.	11,510	6,592	6,592	4,528	13,550	42,772.94
Total Sales Revenue	\$2,118,375	\$1,918,400	\$1,964,900.00	\$1,241,203.15	\$2,818,800	\$10,051,778
Average Sales Price per Sold Sq. Ft.	\$184.03	\$289.52	\$298.07	\$274.12	\$208.03	\$235.00
Average Sales Price per Constructed Sq. Ft.	\$163.07	\$235.28	\$242.23	\$185.75	\$178.41	\$194.44
Direct Construction Cost	\$1,333,500	\$814,433	\$923,079	\$679,796	\$1,600,000	\$5,350,808
Direct Cost per Sq. Ft.	\$102.65	\$100.40	\$113.80	\$101.73	\$101.27	\$103.50
Gross Profit per Constructed Sq. Ft.	\$60.42	\$134.87	\$128.43	\$84.02	\$77.14	\$90.93
<u>Building</u>	<u>Building A</u>	<u>Building C</u>	<u>Building D</u>	<u>Building E</u>	<u>Building B</u>	<u>Total</u>
Average Profit per Condo	\$65,406.25	\$68,379.19	\$65,113.81	\$56,140.72	\$101,566.67	\$71,226.82
Number of Condominiums	12	16	16	10	12	66

The initial business plan projected sales of over \$200 per square foot and gross profit of \$80 per square foot. Actual result for the combined projects yielded a gross profit of \$90.93 per square foot and exceeded projections in the business plan.

COSTA RICA AND FUTURE GREEN FIELD SITE DEVELOPMENT PROJECTIONS

Based on ECI's historical record, management of The Company estimates that the continued ratio of sellable area to common areas will be roughly 55% sellable to 45% common area, service, or roads. By factoring the usage ratio into yields The Company extrapolates the ultimate yield based on owned and developable acres.

The current owned inventory of property in Nicaragua, Costa Rica, and Belize provide the basis for over 21,000 addresses in the next 18 years. While this may seem a large number, already over 4,000,000 North Americans make their home in Latin America. The need for addresses will grow substantially as the Baby Boomer demographic start to add to this already large number.

The current inventory is 21,000 addresses in Belize, Nicaragua, Panama, and Costa Rica. ECI's current gross profit per address is \$43,646.65. If all such addresses are sold at the current and actual gross profit per address, the total value of these addresses at a static sales price using actual sales data from the Gran Pacifica community plus the projected profits from Belize and Costa Rica could produce a potential aggregate gross profit of about \$916,579,650.

While it is quite likely that The Company will see higher prices "per address" for current inventory in Belize, Panama, and Costa Rica, for the purposes of projecting gross profit, The Company is using only the actual Nicaraguan sales prices and yield averages to date to calculate densities and per address profits in the future.

Land Development Total Net Profit Projection

Projected Addresses**	21,000
Net Profit Per Address	\$43,646.65
Net Profit Projection	\$916,579,650

**Note: Projected addresses based on existing inventory of ECI owned assets. No allocation or projection for high density development, or price appreciation is factored into this table.

GRAN PACIFICA - A NEW BEACH COMMUNITY IN NICARAGUA



Gran Pacifica's Pedestrian And Kid-Friendly Neighborhoods

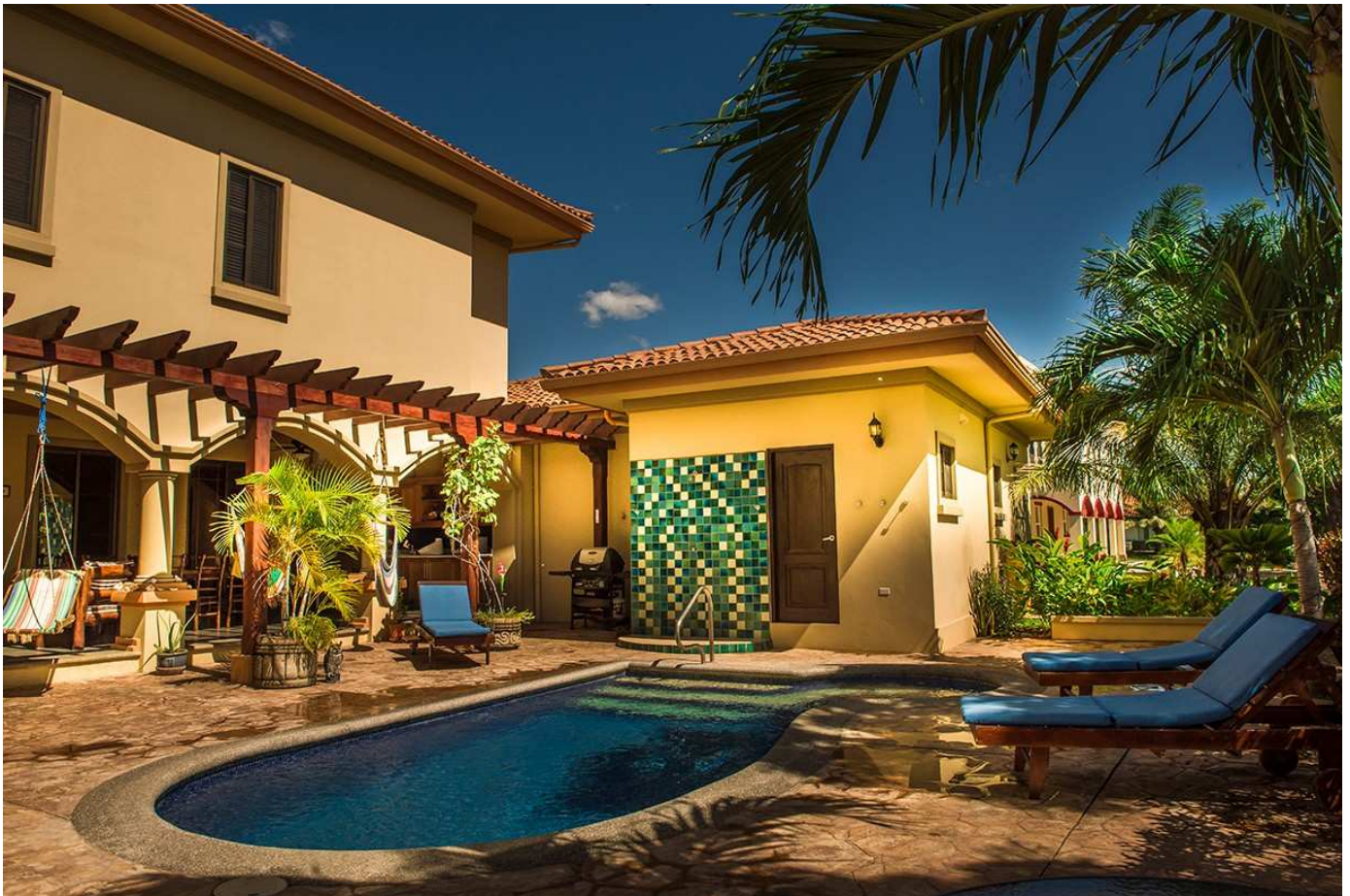
The character of the landscape along the Pacific coast is remarkable for the diversity of plant life and the rugged volcanic topography. This setting creates a context for the new village that is carefully managed and designed to take full advantage of the native plant species and influence of the coastal ecology, climate, and seasonal variations. The village was designed on a framework of parks and open spaces that will establish common landscape elements. These spaces are now developed as a diverse sequence of both formal and natural plant environments using the resources of the Gran Pacifica nursery established to grow and restore local plant species for the new village.

The architectural character of towns and villages in Nicaragua is a blend of local stylistic elements and construction techniques that have evolved over time, as well as more formal public building types that were introduced during the Spanish occupation. This mix of types, materials, and styles creates an interesting vocabulary that is uniquely Nicaraguan. Different regions have variations on the basic types and techniques depending on local resources. Beautiful, handmade barrel roof tiles are fired in open hearths north of Managua. Stucco masonry walls are common throughout the country. Houses in town centers have a different form than houses in the country. Houses in town tend to be austere in detail, pulled up to the edge of the sidewalk with second floor balconies, French doors and accent detailing around windows and doors. These houses feature courtyards on the private side of the house. In the country, houses tend to be more open to the surrounding lot and are set some distance away from the road. Houses in Gran Pacifica blend these two patterns. Formal front gardens create a shared address along the street and private courtyard spaces provide a quiet refuge for individual families.

Nicaraguan towns and villages have a distinct character and quality shaped by layers of cultural influence, geography, and landscape. There is a regional adaptation of architectural styles and vocabularies in Nicaragua that respond to the climate, availability of local materials, and craftsmanship. Each region has slightly different patterns depending on these characteristics.

Gran Pacifica builds on these influences to create a new coastal village on this remarkable site possessing a uniquely regional character. The various elements of the landscape, the design of the golf course, the framework of the civic spaces, and residential neighborhoods are woven together to produce a rich pattern of special addresses, expansive views, intimate streets, and parks. The neighborhoods are designed for walking and enjoying the relaxed, natural setting along the Pacific coast. Trails and walkways serve each house connecting the neighborhoods to the golf course, which is treated as a large central park providing incredible views of the ocean and the surrounding landscape. Streets are designed as shared public gardens and are lined with houses and villas that together create a sense of neighborhood and shared amenities.

Gran Pacifica homes create the backdrop for each neighborhood. The homes define the character of the space and reflect the individual composition of the private realm behind the porch or front door. In these traditional neighborhoods, the front portion of the house is the most public and is responsive to the character of the neighborhood and the adjacent houses. The landscaping of the front yard, the setbacks from the street, the size and placement of the house on the lot, and the front porch are all shared elements that form the public realm.



Gran Pacifica's Spanish Colonial Charm And Tropical Climate Create Lush Outdoor Living Spaces.

NEIGHBORHOOD DESCRIPTIONS

Gran Pacifica’s neighborhood character is a blend of the selected architectural styles built into the various neighborhoods. The design of each neighborhood takes advantage of spectacular views, and relationships to amenities such as parks, the golf course, the town square, or the ocean. Streets and parks in Gran Pacifica are designed to feature native plants and materials. A network of pedestrian paths allows residents to access the water from all the neighborhoods. Each neighborhood features a different palette of landscape materials creating distinctive places within the village.

The golf front and golf view lots at Gran Pacifica enjoy direct access onto the spectacular golf course, and for many, ocean views beyond the course. Golf front houses without street frontage are typically accessed from a parking court off a rear lane and are oriented towards the golf to maximize the private space for pools and gardens on the lot. Deep verandahs for houses on these lots create intimate outdoor rooms and take advantage of the course views. Golf view lots are located across the street from golf and enjoy similar long views.



Hole #4 Of The Gran Pacifica Golf Course

A series of beautiful neighborhood parks are located throughout San Diego Viejo, Gran Pacifica’s Phase One neighborhood. These park spaces create shared amenities for residents with each park having a distinct character and palette of indigenous flowering plants and trees. Re-introduction of endangered and rare species are a hallmark of the park designs in the village. These addresses include two types; lots attached to a green and lots that are across the street from a pa

GRAN PACIFICA PHASE 1 INFRASTRUCTURE



Gran Pacifica's Hole #3 And Hole #4 Play Right On The Majestic Pacific Ocean

Gran Pacifica Phase I infrastructure is complete. Gran Pacifica works include major upgrades to the 11-kilometer public road, all weather bridge crossing the river at property's entrance, 23 kilometer 3-phase power line to property, 2 kilometer boulevard from bridge to Phase I, cobblestone streets and "Old Chicago" style brick sidewalks, underground utilities: electric, water, sewer, storm drain system, fiber optic telecommunications to the home, 18-hole golf course (9 currently open for play), nursery with more than 45 species and 6,500 plants, tax exemptions approval by the Nicaraguan Institute of Tourism (INTUR), and environmental approval by the Ministry of Natural Resources (MARENA). Over 70 homes are complete, with a dozen more under construction at any given time. In addition, there are several speculative homes being prepared for sale and additional custom homes in the design stages. A beach club, bar, and restaurant are now serving residents and guests.

MILAGRO VERDE



Milagro Verde Home

Milagro Verde and Casita Village are the two-other Phase 1 communities, and each has its own distinctive personality. Milagro Verde is Gran Pacifica's eco-friendly community featuring entirely solar-powered homes. Casita Village is a "lock-it and leave-it" neighborhood, designed for vacation rentals. Due to the casitas' comfortable designs, several residents have made Casita Village their permanent home.

SAN DIEGO VIEJO



Gran Pacifica's San Diego Viejo Phase One

San Diego Viejo is the original Phase 1 community, offering single-family homes and oceanfront condominiums. The residential neighborhoods that radiate out from the plaza are developed as distinct villages with varying character, eventually to evolve into a seaside town.

This is a truly distinctive community with over 70 homes complete and several others under construction today. In addition, there are speculative homes being prepared for sale and custom homes in the design stages. The first twenty-two condominiums are finished with the next 120 units in ten buildings being initiated in Q3 of 2018. A beach club, bar and fine dining restaurant are now serving residents and guests.



The Oceanfront, SeaSalt Restaurant, Delivers Spectacular Sunset Dinners 365 Days A Year.

Residents enjoy many of the activities located in San Diego Viejo, including horseback riding, golf, an infinity swimming pool, ocean side spa, yoga platform, The Las Perlas Oceanfront Village clubhouse,

poolside bar, SeaSalt Restaurant, the Meatgrinders Surf Lounge, and more. These opportunities to enjoy Gran Pacifica's beautiful coast really bring people together.



Casita Village Homes Front To A Park Or The Gran Pacifica Golf Course.

Casita Village offers the perfect second home or rental property. This charming neighborhood is designed around the carriage house concept where instead of a zero-lot line, home sites have a small yard. The casitas range in size from 800-2,000 ft² and can be customized in a variety of ways to suit client needs.

LAS PERLAS OCEANFRONT VILLAGE CONDOMINIUMS



22 Oceanfront Condos Are The First of 120 Planned For The Las Perlas Oceanfront Village.

Las Perlas de Gran Pacifica is an oceanfront condominium resort property located within the Gran Pacifica Beach & Golf Resort. The first 22 units are complete and condominium owners and visitors are now able to enjoy gorgeous Pacific sunsets or gaze over the more than three miles of Gran Pacifica coastline as it stretches towards Honduras to the north and Costa Rica to the south.

Las Perlas' Miami-based architects created living spaces that provide amenities comparable to the best condominium developments in the world and maintain the architectural flavor of Spanish Colonial Nicaragua. There are green areas with native trees and flowers on the grounds that enhance the natural beauty of the coastal setting. The condominiums sit on a bluff overlooking a wide sandy beach below. A later phase will border the #3 fairway of the golf course. From the balcony of these fairway condominiums owners will be able to view the golf course and the Pacific in one breathtaking panorama.

Guests now relax in the warm waters of a crescent shaped infinity pool that overlooks the Pacific. They also enjoy meals, snacks, and drinks at the oceanfront restaurant located next to the pool. A small convenience store is situated next to the restaurant where guests can buy those forgotten items. There is also a location for a farmer's market.

Las Perlas features one and two-bedroom condominiums with a third bedroom lockout option available with selected units. One-bedroom units range in size from the 506 square foot Rivas Suite to the 958 square-foot Estelí. Two-bedroom units range from the 1,237 square-foot San Juan to 1,743 square foot Granada. A combined Granada and Rivas Suite delivers a very spacious 2,249 square foot three-bedroom three-bath penthouse with wrap-around balcony.

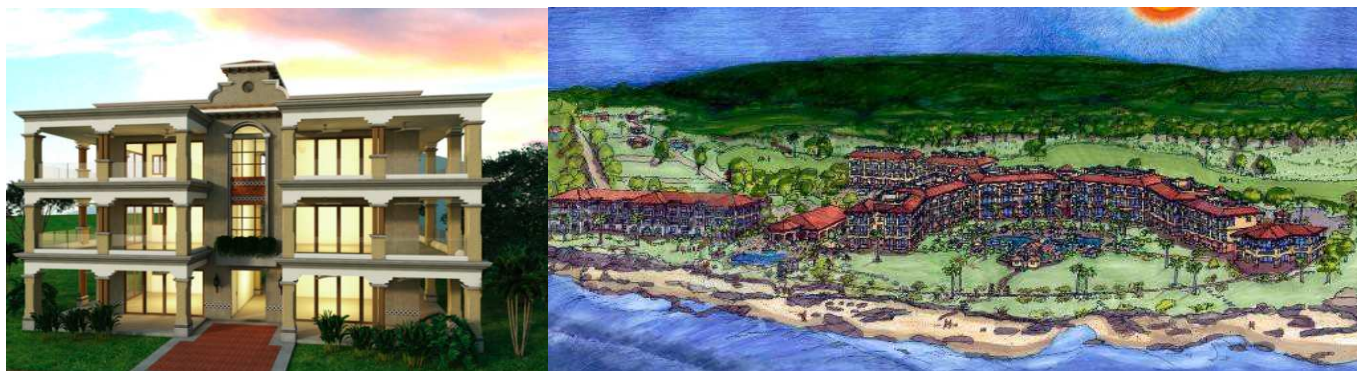
Many condominiums are part of a rental pool, so owners offset some of their costs to maintain their condominium. A homeowner's association oversees the maintenance of the common areas. Las Perlas is the only coastal resort development in Nicaragua with elevators for easy access to the second and third floors. Selected future units will be ADA accessible.



Pool Clubhouse Restaurant And Beach Bar Play Host To Residents And Guests Alike.

Shareholders are excited about the continuation of the Las Perlas Resort at Gran Pacifica. While it is difficult to describe the essence of community generally, the idea of the “campfire” certainly captures the spirit of community present at Las Perlas Oceanfront Village, with its infinity pool, bar, and restaurant delivering up incredible ocean side drinks and cuisine. People naturally flock to the location to watch the sunset and meet their neighbors for a roundup of the day's events. Maybe they are gathering for the 19th hole after a round of golf, or perhaps they are meeting to discuss tomorrow's activities, everything from reading English to kids at a nearby school to helping with the onsite turtle sanctuary.

People also come to Las Perlas to enjoy activities like a tranquil massage by the sea or to enjoy watching a movie while lounging in the swimming pool. Vacationers enjoy the Meatgrinders Lounge in the daytime just 150 feet from the crashing surf. The lounge also doubles as a shaded oceanfront yoga and art studio. In the evenings, it becomes a casual hang out with hammocks, drinks, live pick up bands, and a great place to kick back and watch the lights of the fishing boats out at sea.



Las Perlas Expansion Plans

Building on the success of the first 22 Las Perlas resort condos, Gran Pacifica is now offering the next set of oceanfront condominiums. Ten new buildings of twelve ideally located condominiums offer owners exceptional views of the ocean and the world-famous surf break as featured on the cover of Surf Journal, “Meatgrinders.”



The first building of 12 condominiums is under construction with completion expected Q4 2020.

The 120 Las Perlas condos are top-of-the-line with an elevator to ease luggage to the third floor and provide magnificent views. Owners will enjoy granite counter tops, a galley kitchen, and large balconies from which to enjoy the sights, sounds, and refreshing sea air. Large windows will frame the deep blue Pacific Ocean and provide spectacular, colorful sunsets across the water. Furniture packages will include pull out sofa beds to increase sleeping capacity for families. Surfboard and golf bag storage will be allocated on the ground floor of the building so that owners may lock up and store toys for their visits.

Based on the 10-year historical occupancy numbers from the original Las Perlas condos, it is expected that these one-bedroom condos will rent well. This should provide satisfying rental income for owners choosing to place their condo into the rental program. A full-service restaurant, bar, and swimming pool are in place right now to serve you or your guests with a fabulous resort experience. Prices start at \$139,900 which make them an attractive, low price point vacation property and rental investment. The first building of 12 condominiums is sold out and under construction.

SANTA BARBARA- PHASE II



Santa Barbara, Phase II, ocean view addresses are designed to preserve views for the properties along the Pacific Ocean. These are typically the largest and most desirable lots and are accessed only from a rear lane. Given their depth, buildable zones are established to ensure view corridors are maintained. These lots include an auto court adjacent to the rear lane and then a buildable area for the house oriented to take advantage of the view. In front of the house there may be a front yard and pool area, and then a continuous natural landscape buffer that leads to the water. This address will be characterized by larger homes with gracious porches facing the water, more formal gardens in the rear of the house, and a deep front landscape zone that result in a continuous open space that terminates at the water.

Santa Barbara is an exclusive neighborhood with breath-taking, oceanfront views, featuring advantages of the natural landscapes of rocky bays and long sandy beaches. Oceanfront and ocean view home sites start at \$106,000, and lot sizes range from 18,000 - 67,000 ft². Santa Barbara will be an oceanfront community, complete with event center, outdoor performing arts stage, boutique hotel, stunning beachfront homes, luxury condominiums

PLAYA PACIFICA

Playa Pacifica Resort (The Resort) is located on 6.0 acres within the 2,500 acre master planned development of Gran Pacifica Golf and Beach Resort (“Master Developer”) located along 5.5 kilometers of beachfront on

Nicaragua’s majestic Gold Coast less than an hour’s drive from the west side of Managua. The Resort has received its environmental approvals through the Master Developer from the Ministry of the Environment and Natural Resources (“MARENA”).

The Resort’s centerpiece will be a two-phase sustainable resort, access to delightful recreational amenities including golf, surfing, boogie boarding, horseback riding, swimming, bird watching, bicycling and sport fishing. Restaurants and lounges at the Resort will include a casually elegant ocean side restaurant. The Resort’s key mix consists of 62 villa units with lock-off capability.

At Playa Pacifica Resort guests find attentive service, relaxing surroundings and thoughtful touches you’d expect from a Central America ocean side resort — on a grand scale. Villa units are comfortable and refined with beautiful ocean views, dining experiences are crafted by master chefs and artfully appointed lounges and public areas invite you to linger. For social and business functions, flexible meeting spaces and presentation capabilities ensure a memorable and successful event.



GRAN PACIFICA - GOLF

18 holes of golf are anticipated with the first 9 holes open for play. Rolling rangeland by the sea was transformed into a spectacular golf course with 4 holes out of the first 9 playing to, along, or away from the ocean. Views and direct ocean play at Gran Pacifica’s golf course are unparalleled in Nicaragua and rival many of the best courses in the region for challenge and beauty.

The Gran Pacifica golf site is largely composed of flat terrain. Much of it is low bush and former pastureland. The absence of stands of high, dense jungle or swampy lowlands create lower cost of development than would be required in many areas of Central America. There are magnificent bays and coastal flats for exceptional golf play. 4 out of 18 holes will play to, on, or away from the ocean, making Gran Pacifica’s golf course one of the most memorable in all Central America.



Teeing Off Hole #4 Toward The Pacific Ocean.

The Emerald 9 plays through smaller trees, and along waterways and ponds before proceeding to spectacular ocean vistas and a green formed from the beach. It then travels along the coast before embarking on a route through large stands of trees flanked by water and then returning to the clubhouse.

The future Ruby 9 winds its way through mature trees and open areas going away from the ocean for the first few holes. It then travels along the San Diego River for some spectacular holes and allowing for golf decisions to be made on some very interesting holes. The clubhouse bound holes then add a little water to the excitement. This could be the most demanding 9 holes due to the length, complexity, and variety.

This is real golf for real golfers. All these courses will require you to play your appropriate set of tees. The courses will be fitted with salt tolerant grasses where needed and maintained at upper end country club levels.

At the cornerstone of these world-class amenities will be an exquisite clubhouse, practice facility, a fitness spa and pool complex, and tennis facility. The idea is to capture the essence of the country club of yesteryears - a gathering place, a place to recreate with friends, a place to stop by used by the residents and their guests. The initial clubhouse will be to service the golfer. Other amenities are planned and will be added as population and visitors increase.

The golf clubhouse at Gran Pacifica consists of two separate buildings; the first completed in 2010 is 1,600 square feet and houses an eating facility catering to the golfer with choices, such as cold sandwiches, pizza, hot breakfast, and grilled short order items like burgers, chicken, steak and more. A deck and veranda outside has seating for 75 - 100. There is also a full-service bar serving liquor and beer that has a small amount of seating.

The second building to be built will house a main clubhouse for golf, tennis, locker rooms, and social space. It will be built alongside the 2nd nine and will also contain the Pro Shop. The Pro Shop will be full service with resort wear and golf wear for men and women: shoes, clubs, balls, gloves and accessories. Tee times will be scheduled from here, with guest fees, club rental, golf cart rental, and most operations originating from the Pro Shop. There will be a small office in this area as well as storage and room for utilities.

One of the key benefits of the golf course in addition to the amenity aspect is that drives value to property off the ocean and creates a desirable address. There are many ways to do this, from equestrian centers to commercial areas, or to parks and golf courses. Gran Pacifica will utilize these and others over time, but short-term, golf is the prime method of driving value off-ocean and creating a prized amenity for residents and visitors alike.



PROPERTIES IN BELIZE

ECI Development owns three exceptional properties in San Pedro, the main tourism town on both the island and in Belize. The first property was originally a dive resort on just under one acre with 265 feet of direct ocean frontage overlooking the Belize Barrier Reef less than 800 yards offshore. This property currently has ECI's Belize Marriott and Residences Resort under construction. The second condo-complex property, located just 2 blocks directly off the beach, features the largest swimming pool in San Pedro Town, as well as a tennis and fitness club all situated on 6.5 acres. The third property lies across a small bay in West Ambergris. These 4 acres have been slated for Tiny Homes, and single family residences.

Approximately 6 acres of land are owned at ECI's Grand Baymen resort in Belize, of which 4.5 acres remain undeveloped. The following improvements have been constructed on such real estate: 1 hotel, 2 restaurants, bar, swimming pools, tennis courts, and gymnasium. Exotic Caye Beach Resort was part of the Grand Baymen Company and included 14 condo hotel rooms, beach bar, restaurant, dock, dive shop, swimming pool, and service areas. It has been recently disassembled for the construction of the Marriott® Branded Residences. The San Pedro Fitness Club is part of the Grand Baymen company and includes gymnasium, swimming pool, tennis courts, restaurant, and service areas. Grand Baymen Gardens is part of the Grand Baymen Company and includes 54 condominiums. These three resort facilities have been constructed on the cumulative Grand Baymen's 6-acre parcel.

With a December 2014 purchase, ECI now also owns 4+ acres on West Ambergris Caye comprising of 18 single-family home sites. The acquisition of these 18 single-family home sites is strategically important for the Grand Baymen sales operation. As the development of the oceanfront parcel proceeds and marketing produce leads for luxury product, the ECI sales team will encounter prospects who do not want a condominium but prefer a single-family address in Belize. ECI wants to be able serve these prospective single-family home buyers at the high end and now has 18 properties to offer as home sites, or quite possibly as lot and home packages built to order upon payment by the client. A portion of this property, 1.3 acres, has been allocated and developed as the TES Tiny Home Village.



Marriott® Branded Residences - Ambergris Caye, Belize Perspective

BEST WESTERN GRAND BAYMEN GARDENS

Project Concept - Grand Baymen Garden was formed in 2007 to create an affordable residential condominium community on Ambergris Caye, Belize.



Best Western Grand Baymen Garden Residences Complete With Pool, Tennis Courts, And Fitness Center.

The development of residential product for the Belize market, specifically Ambergris Caye and the town of San Pedro has been limited to date. The vast majority of what is available for part and full-time residents has been beachfront condos designed as condo hotels. For many retirees, the idea of constant nightly renters and the continuous beach party scene of vacationers in their front yard 365 days per year is quite opposite of their vision of a vacation and retirement home. For retirees looking for quality off-water properties to call home, the choices are slim.

Grand Baymen serves this underserved demographic with beautiful off-beach condos, with a health and fitness club setting. The price points off the ocean units began as low as \$98,600 in the Fleet Building for Grand Baymen Gardens which is sold out. Construction start is Q3 2020 and completion May 2021. Presales of the Galleon Building are now underway.

Current entry price points are opening up this geographic location to a whole new range of retiree buyers who may have always dreamed of a life in the islands, but who could never afford Key West, St. Thomas, the Cayman Islands or the British Virgin Islands. Oceanfront residences will be priced to market, but smaller units will be offered below \$350,000.

San Pedro Town on Ambergris Caye was the first area of Belize to develop into a major tourism center. Other areas of the country such as Placencia, Corozal, and Hopkins are emerging, but the price points and pace of developments still lead in San Pedro. 70% of all visitors to Belize end up in San Pedro on their trip. The following projections model current sales trends and pricing on the island.

BELIZE MARRIOTT® RESIDENCES



Future Site Of The Oceanside Branded Residences.

Once a quaint dive resort and part of the original Grand Baymen project, with the January 2015 purchase of an adjacent property, this ECI oceanfront parcel in San Pedro now contains 441 feet of direct ocean frontage and is rapidly transforming into a most exciting undertaking. In April 2018, ECI Development announced plans to introduce the Marriott® Hotels' namesake brand to Belize with a project designed for customers seeking a relaxed Caribbean lifestyle at this beachfront site.

Until recently, only three stories were permitted on the island, but the height restriction is now set at 44 feet, which allows a fourth and fifth story with a variance and increases the yield potential of the property significantly. As a 71% owner of this development, ECI could realize a gross profit of over \$14,000,000 which is anticipated to be reinvested into the equity portion of the financing of the hotel. Cash flow models suggest an annual net return on this investment of over \$2.7M per year to The Company.

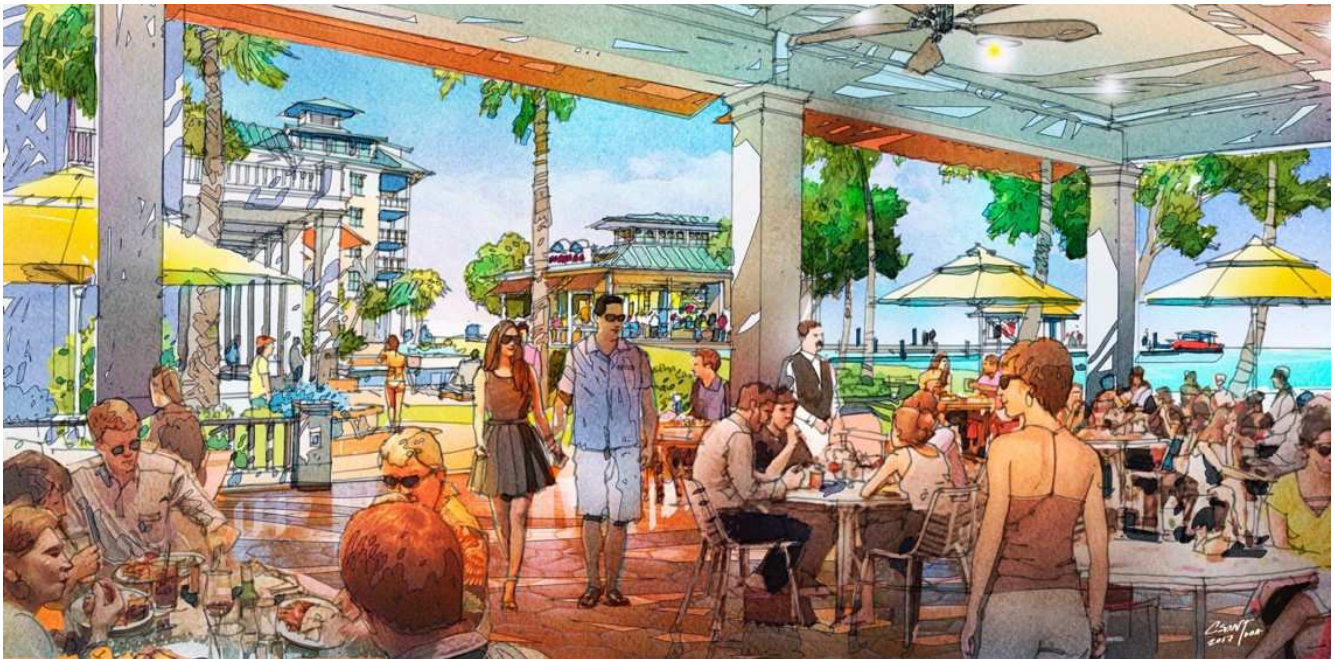
[Video of ECI's Vision for the Marriott](#)

BELIZE MARRIOTT® RESIDENCES



The Southward View - Branded Residences Perspective

By integrating both parcels of Grand Baymen and the Marriott®, this synergy creates additional value. The off-beach property benefits by the relational and direct association links to the beach, while the beachfront parcel benefits from the enhanced amenities of the clubhouse, work out facilities, pool, and lighted tennis courts. The basic core philosophy of ECI is to deliver high-end services, infrastructure, amenities, and community. This union of properties provides a much-needed, high-end, residential product suite to Ambergris Caye, Belize.



Northeast View Of Public Spaces In Branded Residences

TINY HOMES (TES VILLAGE)

This past year was spent finalizing the site plan, renderings, and construction documents for the Tiny Homes on the bayside of Ambergris Caye. Applications for permits were sent approval is pending for construction start. ECI pre-sold and received “first-right-of-refusal” deposits for 20 of the 20 homes in phase one. 17 pre-orders for Phase Two are already in hand.

TES Village

TINY | ECO-FRIENDLY | SMART

Nestled away from the crowds on West Ambergris, an exclusive area of Ambergris Caye across the bay, you'll be introduced to a new over-the-water tiny-home community. By blending sustainability with practicality, eco-friendly home ownership in the Caribbean has never been easier, more affordable, or more self-sufficient.

Adopting a variety of green practices to ensure the conservation of the precious Belize Barrier Reef, your home will be built to the highest standards to ensure sustainability and longevity.

Amenities are located nearby for your convenience, but here you can truly escape the everyday craziness of “in-town” living.



OTHER PARTNERS IN GRAND BAYMEN

ECI owns 71% of the Grand Baymen project. The rest of the project is owned by Hotel Finance Corporation, Ltd., and Karlsburg Insurance (FBO the Nagel Family Irrevocable Trust.) Both entities were minority owners of the Exotic Caye Beach Resort and maintained their minority positions collectively of 29% of Grand Baymen after controlling interest in the Exotic Caye Beach Resort passed to ECI Development in 2008.

In the case of Hotel Finance Corporation, Ltd., (HFC), they originally provided an unsecured credit line to ECI in the amount of \$3,000,000, with a drawn outstanding balance of 725,299 as of December 31, 2019. ECI successfully negotiated to reduce the interest rate on this line in exchange for an actual mortgage (secured loan) position with specific parcels of land in Belize, Nicaragua, and/or Costa Rica.



COSTA RICA – GRAN CARIBBEAN

Project Concept: In early 2006, ECI purchased the Gran Caribbean property. The 1,100 acres are located 11 miles north of Limon, the major port on the Caribbean coast. In addition to the 3 kilometers of Caribbean beachfront, a major attraction of this property is the 5 kilometers of deep-water canal dug by the United Fruit Company in the 1950's that parallels the ocean and additional river frontage. This canal, which is manmade, allows for development of marina and canal lots, increasing the value of the asset substantially.

Development of the initial marina facilities and infrastructure is projected at \$70M. To fund this development, ECI anticipates an allocation of \$30M-\$35M, roughly 1/3 of the IPO funds, into the development of this marina complex. As a public company, ECI will have the ability to leverage equity assets with inexpensive debt, as well as identify a marina development and operational partner. A marina developed as the anchor tenant on 1100 acres and 3km of Caribbean coast line will significantly enhance the value of the ECI land asset in Costa Rica as well as accelerate sales velocity. The blue sky profits the marina brings to this large land holding will be significant.

Unique Features of Gran Caribbean

Some of the features of Gran Caribbean are:

- 3 kilometers (1.8 miles) Caribbean shoreline
- 5 kilometers (3.1 miles) deep water canal
- 2 kilometers (1.2 miles) river frontage

Until now, the major real estate and tourism projects in Costa Rica have located on the Pacific coast, and more specifically in the Guanacaste region. The opening of a Four Seasons Resort and J.W. Marriott mark the highest progression in the tourism and development process. But along with success have come high prices, driving the average middle-class Baby Boomer retiree out of this market.

The Caribbean coast, long ignored, is now receiving serious attention, both from developers and from the Costa Rican Government, as the new growth area for development and tourism. Prices of wholesale real estate were relatively inexpensive in 2006, and ECI was able to purchase an oceanfront farm just north of the main Caribbean city of Limón at the right time.

The Limón Province, where the Gran Caribbean site is located, continues to receive financial and political boost from investors and the Costa Rican government. The province has a great advantage in that it is very important for tourism, commercial development, and other general matters of great importance to the Costa Rican economy, such as agriculture and foreign trade. The Limón area that is just 10 miles south of Gran Caribbean is particularly important because it converges agriculture (one of the most, if not the most, important international commercial port in the country), and the region's unique biodiversity reflected in its flora and fauna and tourism potential.

The growing government backing to the province is reflected in the initial stages of the new Moin Port construction that is in place to fund a U.S. \$800 million investment just 20 kilometers from Gran Caribbean. With the World Bank financing a project called "Proyecto Limón Ciudad Puerto," a U.S. \$80 million infrastructure investment for Limón, the "Proyecto Limón Ciudad Puerto" has already been initiated, and the economic and physical transformation of Limón is already palpable.



Port of Limon, Costa Rica

Construction of the new Moin terminal is about a third of the way complete and is has its first berth operational since September 2017, and the second is to open soon. When those first two berths are operational, there will still be two more stages remaining in the project but upon completion, the new docks will be able to receive ships more than three times bigger than the current docks are capable of. Active construction of the new container terminal in the major port of Costa Rica will give a major boost to the economy of Costa Rica.

Eighty percent of Costa Rica's exports pass through Limón ports, according to the Foreign Trade Ministry. The new port will generate growth in cargo and cruise arrivals to Limón and will lead to a bright future for Limón Province and Gran Caribbean.

As the Port of Moin plans move forward, land prices should increase. Taking time with our Gran Caribbean project makes sense as it allows the general market trend and regional progress do some of the work. Planning and permitting are underway to establish the base line of best use. A marina centric project is slated to capitalize on the canal frontage and the close proximity to Miami. The region is already a maritime hub with support equipment, services, and a trained workforce to service large boats. Another major plus for a marina community there is the fact that Gran Caribbean is strategically located outside the historic hurricane belt.

Approximately 1,100 acres of land at its Gran Caribbean resort, of which 1,100 acres remain undeveloped. The following improvements have been constructed on such real estate: security gate and perimeter fencing.

PANAMA

FREEDOM VILLAGE

The community is just about set to launch with roads and other infrastructure already in place. The property features a large orange grove, two streams traversing the land, a pristine rain forest, bordering the beautiful Rio David. Situated on 110 acres, the town of Boquete is 30 minutes in one direction and the city of David 30 minutes the other. The location is ideal. Final plans and permitting will be in place later this year.

Own a vacation home, or something more, in a beautiful, quiet, private natural setting with like-minded freedom-loving individuals and families. Enjoy springtime all the time in the highlands of Panama. Tiny Homes and Studio Condominiums start under \$100,000.



The highlands of Panama in the fertile province of Chiriquí are a huge draw for North American expats. English is commonly spoken. Flowers of all colors adorn the hills and surrounding mountains. The stunning Volcán Barú centers this region and provides the perfect rich soil and shaded landscape for some of the best coffee in the world. Due to the elevation, daytime temperatures are generally in the 70s F and 80s F, with cooler nights. The spring-like weather makes the highlands of Chiriquí ideal for full-time residents and snow-birders alike.

A four-lane highway connects Boquete and David, the two principle cities in the region. David has the principle airport, shops, restaurants, a new mall, and all the key services such as government offices, hospitals, and medical providers. Several beaches are only about an hour away and beckon those seeking fun in the sun and sand.

This is a natural paradise, a region of Panama that boasts some of the best deep-sea fishing in the world, plus surfing, snorkeling, and scuba diving. Around Coiba National Park lies one of the largest coral reefs on the Pacific side of the Americas.

On these 425 acres, project managers Lief Simon and Kathleen Peddicord have worked with top-tier talent from the United States, Costa Rica, Panama, and beyond to plan a private, gated, residential community that will include a small Spanish, Colonial style town with cobblestoned courtyards and shaded plazas, secret gardens, and fountains, all this plus restaurants, shops, townhouses, and apartments.

Up and down the hillsides behind the ocean and alongside the town, custom houses will be positioned to take advantage of the ocean views and to showcase the best of classic Mediterranean design. From above, the community will be a sea of red clay-tiled roofs; a testament to the skill of the local craftsmen.

Attention to detail is paramount; featuring gates of thick wood carved by hand, ornate iron railings, windows with deep sills and shutters, and oversized wooden doors adorned with heavy iron hardware.

Interior design will highlight high ceilings and elaborate molding, pocket doors and caned archways, polished stone countertops, and colorful hand-painted tiles laid out in traditional pattern. Outside views will face white stone terraces that will surround infinity pools that seem to flow into that beautiful ocean just beyond.

Some areas of the property will be given over to individual homes, others to low-rise condos and townhouses. Planned community amenities include a gatehouse, a beach club, three pools, an equestrian center, tennis courts that will double as basketball courts, a fitness center, parks, hiking trails, riding trails, and even an area for petanque.

The plan calls for underground utilities, central wastewater treatment, high-speed internet, and all the other amenities important to top-tier 21st-century living. Los Islotes will be the preeminent private residential community, not only on this coast, but in all of Panama. Nothing else in the country compares.



View From Islotas Clubhouse Looking West

For Lief Simon and Kathleen Peddicord, Los Islotes is a family legacy project. The couple has identified one of the world's most beautiful stretches of coastline, the best that Mother Nature serves up anywhere. Over these rolling hills, they're creating a community for themselves, their family, their friends, and other like-minded folks who appreciate what this special corner of Panama has to offer. The vision for Los Islotes is not simply development, but a private community that will carry on for generations to come.

THE AZUERO SUNSET COAST CONSUMER ADVANTAGE



Los Islotes - One Of The Few Beach Locations In Panama With Sunsets

Los Islotes is a private, gated, residential community on the west coast of the Azuero Peninsula in Panama's Veraguas Province, the Azuero Sunset Coast. It is one of the most dramatically beautiful stretches of coastline anywhere on earth.

The Azuero Sunset Coast runs from Mariato to the southern tip of the peninsula. Here, the oceanfront land is unique in all of Panama. The gently sloping hills offer ocean views at every turn, including, in some spots, 240-degree views of the Pacific Ocean. This is also the only easily accessible coastline in Panama that is western facing, meaning direct views of the spectacular sunsets.

This beautiful region is also notable for its wildlife. Los Islotes is visited by howler monkeys and populated with rabbits, iguanas, and armadillos. In the beach area are small crabs and snails; on the beach, directly in front of the property, are turtle nesting sites. Pelicans are common offshore, as are whales and dolphins.

ISLA COIBA NATIONAL PARK

Nearby Isla Coiba, a national park that was named a UNESCO World Heritage Site in 2005, is a 500- square kilometer island surrounded by one of the largest coral reefs on the Pacific coast of the Americas, with a globally unique ecosystem comparable to that of the Galapagos.

Coiba previously housed an abandoned penal colony. As a result, most of the islands' natural resources have survived untouched over the centuries. Now, Coiba is one of the few places in Panama where jaguars and ocelots roam free, as well as one of the last places in Central America where the scarlet macaw can be found

in the wild. It's also home to endemic subspecies like the Coiba Island howler monkey, the Coiba agouti, and the Coiba spine tail.

Coiba Island is about 75% forested with a large percentage standing as ancient forest. Certain rare plant species can only be found here, alongside tree species that have long disappeared from the mainland due to deforestation.

The maritime park surrounding the islands is also of international repute. The Indo-Pacific current through the Gulf of Chiriqui provides a unique dive environment, and the warm current brings with it humpback whales, sharks, whale sharks, and orcas.

CERRO HOYA NATIONAL PARK

At the south end of the Veraguas side of the Azuero Peninsula, less than 30 minutes from Los Islotes, is the which varies significantly as the topography drops from 1,559 meters to sea level. The park is a world-class destination for horseback riding, hiking, and bird watching. It also is home to some 30 unique plant species and the sources of the Tonosi, the Portobelo, and the Pavo, three rivers that create spectacular seasonal waterfalls.

More than 95 species of birds have been recorded at Cerro Hoya, including the threatened scarlet macaw, great green macaws, king vultures, keel-billed toucans, ospreys, and mangrove black hawks. Hiking Cerro Hoya, you're also likely to see white-tailed deer, white-face monkeys, howler monkeys, pacas, agoutis, ocelots, and jaguars.

ISLA CAÑAS NATIONAL PARK AND RESERVE

A thin island running parallel to the southernmost edge of the Azuero peninsula, Isla Cañas is a gorgeous golden beach that serves as sea-turtle nesting grounds in September and October. Thousands of sea turtles arrive each year to lay eggs on this island wildlife reserve. Four of the eight known turtle species in Panama nest here.

LEGENDARY FISHING

The waters around Coiba Island and nearby Hannibal Bank are legendary for their fishing. The large populations and tremendous variety of fish, including cubera snapper, rooster fish, black marlin, and yellow fin tuna, make fishing these reefs and banks a year-round delight. Within sight of Isla Coiba, skilled fishermen regularly land marlin, tuna, sailfish, and wahoo. The nearby mangroves and surrounding smooth waters also make for world-class fly fishing for large snapper, snook, and jacks.

Just a few miles farther west, the cliff soars from thousands of feet below the ocean surface to plateau within 120 feet to create the famed Hannibal Bank. This area offers one of the most productive oceanic fish habitats in the world. Marlin exceeding 1,000 pounds and clouds of 300-pound tuna are found here regularly. Just around the corner of the peninsula from Los Islotes is the very aptly named Tuna Coast, where similar catches can be made.

WORLD CLASS SURFING

Panama boasts some of the world's best surf breaks, and two of this country's best surfing locations are close to Los Islotes. Across the bay is Santa Catalina, which has hosted the World Master Championship of the International Surfing Association, and around the corner is Playa Venao, which regularly hosts international competitions. Just up the coast from Los Islotes is Morrillo Beach, an emerging favorite among surfers, and the break off Los Islotes' own beach is rapidly gaining recognition among the world's top surfers.

SHARKS, DOLPHINS, AND WHALES

The scuba diving around Coiba ranks among the best in the world, with shark encounters a huge incentive to get into the water. Hammerheads and tiger sharks may be sighted with relative frequency, but the real star is the massive whale shark. Weighing in at up to 21 tons and measuring as long as 30 feet, the whale shark is the largest fish in the ocean, and swimming with one is a real possibility in the waters offshore Coiba National Park.

The waters of the national maritime park also feature a multitude of tropical fish, swimming alongside dolphins, whales, turtles, and rays. The coral is healthy and colorful, and the water offers superior visibility in order to view all the natural wonders. For those who prefer to keep their feet on dry land while enjoying the marine life, whale and dolphin watching is very popular within the bay directly in front of Los Islotes.

BIRD LOVERS' WONDERLAND

Bird watching is another of the popular activities luring visitors to the Azuero Sunset Coast. In addition to the unique opportunities offered by Coiba and Cerro Hoya, the mountains of Veraguas, including those within the Los Islotes community, are visited by a wide variety of migrating birds. Visitors may encounter parakeets, parrots, toucans, doves, and a range of small, colorful tropical birds.

PANAMA'S SAFE HAVEN

Los Islotes enjoys a uniquely and dramatically beautiful situation on Panama's Azuero Sunset Coast. Moreover, Los Islotes is in Panama, one of the safest havens imaginable in today's world. This is a peaceful, stable, welcoming country that is prospering and growing, tumult and uncertainty in the rest of the world notwithstanding. With its pro-business, pro-investor focus, Panama continues to make significant investment in infrastructure and real progress in pursuit of developing its world status.

With its many different visa options, including one of the world's premier retiree visa programs and also one of the world's only residency programs that can lead to a work permit, Panama is a destination of choice among North Americans and Europeans of all ages looking for second homes, retirement, reinvention, and safe haven for themselves, their families, and their financial futures.

The developers selected the Veraguas region of Panama after an extensive search because they recognized it as the next area of promise in the country. Over the past 15 years, certain regions of Panama have enjoyed a surge in interest and opportunity. The developers have tracked these trends and have targeted the Azuero Sunset Coast as the next hot spot.

PANAMA BY THE NUMBERS

Panama is a small, strategically positioned country. Its location has allowed it to develop as an international business and logistics hub. The Panama Canal witnessed the transit of over 10,000 ships in 2017, amounting to nearly US \$2 billion in fees. The Colon Free Zone is the second largest duty-free zone in the world, with an average of \$26,626 USD billion in goods transactions over the last five years. The banking industry boasts more than 70 banks, including 27 banks with international licenses.

While Panama is mostly a services-based economy, it also exports more than \$9.9 USD billion in goods each year. Inflation has been historically low in Panama; the rate averaged 4.10% from 2008 to 2016.

A vibrant and stable local economy is important to anyone considering a property investment. Panama has shown itself to be one of the most stable countries, both economically and politically, in Latin America.

LOS ISLOTES - THE PROJECT OVERVIEW

OUR PLACE IN THE COMMUNITY

Los Islotes understands that the community we are building is part of a larger community, and our presence in this rural region of Panama is, in fact, reinventing the existing local community in important ways.

Los Islotes is the largest development undertaking along the Azuero Sunset Coast and is committed to following through on our vision in a socially and environmentally responsible manner.

Los Islotes' objective is to enhance what exists here already, never to detract from it. Los Islotes is currently the largest employer in the region, creating hundreds of jobs in an area where employment opportunities are otherwise limited.

We are also working hard to be good neighbors in order to give back to the local community that has welcomed us so warmly. To this end, Los Islotes has partnered with a local Panamanian landowner to undertake the development of a student center. We are building a centrally located facility that will serve as a place where students in the area can meet after school each afternoon for tutoring, English- language lessons, and computer training. Los Islotes is staffing the center, which features a library and a computer lab, with trained teachers from the United States, while providing materials and supplies for the students. As Los Islotes grows, so will our student center. Our long-term goal is a fully-fledged school.

PHASES OF DEVELOPMENT

Los Islotes is a fully master-planned beachfront community being developed over a series of “village” areas. Each village area has its own look and feel while conforming to the style and vision of Los Islotes as a whole. In some cases, village areas have local amenities in addition to the central amenities made available to all owners.

The look and feel of each village is subtly distinct from each of the others, whether in the textures and colors of the paving, the landscaping, or the lighting. Some villages have squares and parks, gardens and monuments, cobblestoned courtyards and shaded plazas, all designed to accentuate the natural beauty of each setting while also contributing to the “Old World” feel and genteel elegance of the community overall.

MANGO VILLAGE

Mango Village is a village area situated among towering 100-year-old mango trees that lend shade as well as their name to the community. This charming Los Islotes neighborhood is traversed by a creek and flanked by nature on three sides. Mango Village owners will have a clubhouse and pool as part of their private neighborhood, plus a central park area defined by the massive mango trees, and direct access to the estuary where you can launch kayaks and small boats.

Mango Village offers very affordable lots for owners who opt to construct their own homes. Currently under construction in Mango Village are low-rise condos and two models of turnkey two-bedroom, two-bath "casas." These Mango Village casas and condos, like everything on the property, reflect the overall Los Islotes vision. They've been designed in the Spanish Colonial style and feature archways, clay barrel-tiled roofs, and small courtyards.

The Mango Village Casas and condos are ideal for full-time living or part-time second homes and also make great rentals.

TOUCAN FOREST

The Toucan Forest village area is perfect for anyone seeking privacy within a gated community at a very affordable cost. Most of the lots in Toucan Forest are heavily wooded, lending the area a jungle atmosphere, but are only steps away from a full range of amenities, and just a few minutes from the beach. The Toucan Forest village area boasts a wide variety of fruit trees, including cashew and passion fruit. These attract an abundance of exotic wildlife, including howler monkeys and toucans.

Toucan Forest is an ideal Los Islotes opportunity for buyers on a limited budget who still want to be part of a fully master-planned beachfront community with extensive amenities, services, and private beach access.

TIBURONES ESTATES

Tiburones Estates is one of the most exclusive areas in all Los Islotes. This private enclave enjoys privileged ocean views from many vantage points. Lots in Tiburones Estates are ideal for private custom homes of value.

TURNKEY OCEAN VIEW CASAS

Turnkey Casas are available on select ocean view lots. If you're interested in owning an ocean view property at Los Islotes, but not up for building your own custom home, a turnkey casa can be the ideal option.

OCEAN VIEW CONDOS

Los Islotes will launch its first ocean view condos in the next couple of years.

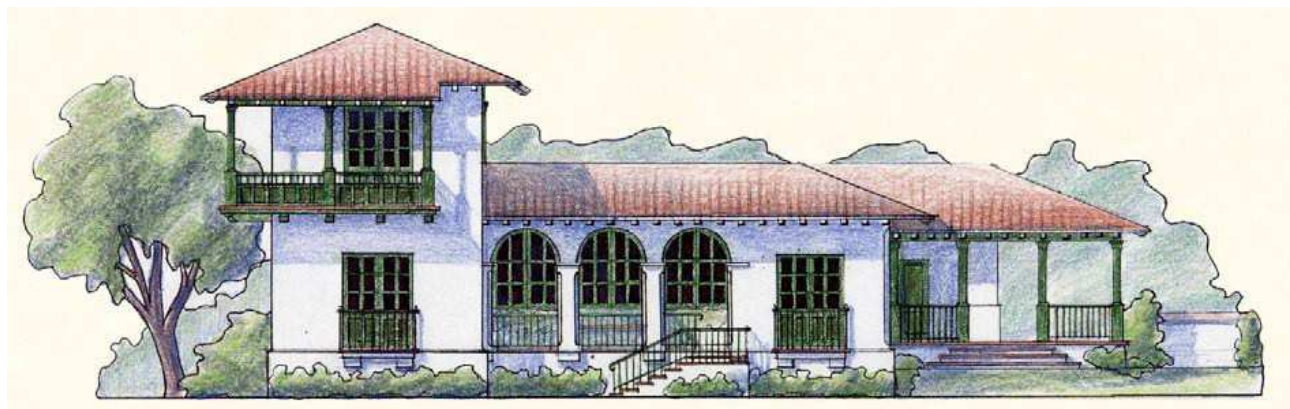
TOWN CENTRE APARTMENTS, LOFTS, AND TOWNHOUSES

The Los Islotes community features a Town Centre that combines public spaces, shops, and residences. The setting is reminiscent of the “Old World”, a place where residents can meet and linger, walk, shop, dine, and enjoy each other’s company.

Town Centre residences will include apartments, lofts, and townhouses. Private villas will encircle the perimeter of the Town Centre. Los Islotes will begin offering Town Centre residences starting in the next couple of years.

COMMERCIAL LOTS

Select lots along Avenida Los Islotes are available for investment in commercial undertakings. This is a great opportunity to start a small business to support the growing Los Islotes community, from a restaurant or café to a tienda or water sports equipment rental shop.



Spanish Colonial Designs As Part Of The CC&R's

POTENTIAL RETURN ON INVESTMENT

Panama's Azuero Sunset Coast is attracting increased attention, including from Panama's President Juan Carlos Varela, his Minister of Tourism, and his administration in general. The result is a focused investment of government funds and resources in improving infrastructure and developing tourism in the area.

For the past 15 years, the path of progress along Panama's Pacific coast has drawn tourists, retirees, second homeowners, and investors steadily westward. Now, with the full support of the Panamanian government, all these folks are discovering the western coast of the country's Azuero Peninsula.

This is very good news for our Los Islotes community. We are benefitting in practical ways, e.g. improved property access, and in the form of appreciating property values.

Ocean-view condos along the Pacific coast in the City Beaches area outside Panama City have appreciated in value 4% to 5% per year on average since 2010. Ocean-view condos in private communities along the eastern coast of the Azuero Peninsula (in Pedasi, for example) have enjoyed appreciation rates of as much as 2% to 3% per year during that same period. The Azuero Sunset Coast where Los Islotes is located can also be compared with the northern Pacific coast of Costa Rica, where prices can be four times greater.

Furthermore, compare Los Islotes with private communities along California's Pacific coast, where prices are many times greater, as are property taxes and all other associated costs of ownership.

RENTAL CASH FLOW

The demand for quality rentals is expanding rapidly on the Azuero Sunset Coast, especially in the targeted region around Los Islotes. A home or condo in the Los Islotes community would make an ideal and a sought-after rental property.

Rentals yields in Panama average 5% to 9% net on average.

THE DEVELOPMENT TEAM

Los Islotes is the vision of Lief Simon and Kathleen Peddicord.

Lief Simon has been living and investing overseas for more than 20 years. Kathleen Peddicord, the founder and publisher of the Live and Invest Overseas group, has more than three decades of experience scouting and investing in property markets around the world. The couple has been doing business in Panama since 2000, and they and their family have lived in Panama City for over a decade.

Lief and Kathleen know Panama well, and they also know international real estate. The couple has bought, sold, managed, developed, and profited from property investments in 24 countries. ECI Chairman and CEO, Michael Cobb, sits on the Board of Directors for Los Islotes as representative for ECI's 10% interest in the business.

MASTER PLANNING – LANDDESIGN, CHARLOTTE, NORTH CAROLINA

The land-planning professionals at LandDesign are driven by a simple question: Why just make something when you can create something that matters?

From national landmarks to decades-long master plans and community playgrounds, the pros at LandDesign create places that bring people together; places where people work, live, and play; places that people love.

Founded in 1978, LandDesign is a collaborative group of landscape architects, civil engineers, planners, and urban designers who approach projects with unique expertise and diverse perspectives, but with the shared goal of making places that matter. This is the context that LandDesign brings to Los Islotes.

Our partners at LandDesign are passionate about every aspect and every detail of their work, from grading and drainage to locally manufactured tiles and native plants.

ENVIRONMENTAL IMPACT CONSULTING - INGEMAR, PANAMA CITY, PANAMA

Since 1994, Ingemar has been recognized as a top environmental planning and impact consultant in Panama and has worked with some of the biggest and most respected development projects in the country.

ARCHITECTURAL PLANNING AND DESIGN - AROSEMENA & SOUNDY, CASCO VIEJO, PANAMA

Arosemena & Soundy is a Casco Viejo-based architectural design firm of passionate professionals with a broad array of experience from New York, Chicago, and London to Guatemala, Brazil, Costa Rica, and Panama.

The architectural design professionals at Arosemena & Soundy believe that good architecture is timeless, not a passing fashion. Their work is driven by a commitment to beauty, propriety, and permanence.

The group is bringing this perspective to Los Islotes, using locally available materials to create buildings that will exist harmoniously, naturally, and enduringly with their extraordinarily beautiful, natural surroundings.

The aim is an entire community conceived in the classic Spanish Colonial style that will live on for generations.

CONSTRUCTION - ALFA COMPANY, GUANACASTE, COSTA RICA

Alfa Company is a full-service construction, design, and development group with a decade of experience building custom homes of value on the northern Pacific coast of Costa Rica.

The professionals at Alfa Company understand the importance of attention to detail in creating the caliber of homes, townhomes, and condos called for at Los Islotes.

ENGINEERING - F.G. GUARDIA, PANAMA CITY, PANAMA

F.G. Guardia is an engineering and architectural design company with more than three decades of experience designing integrated engineering solutions for projects across Panama.

LANDSCAPE DESIGN - CARSON-MAGNESS LANDSCAPING, PASADENA, CALIFORNIA

Carson-Magness Landscapes is an award-winning California-based landscape design group that blends artistry and ecology to bring art and elegance to every project they undertake. This is a full-service landscape design, installation, and maintenance group with more than 20 years of experience in bringing their passion for art and the environment to transform communities and private homes into Eden's of delight, serenity, and escape.

OTHER ECI DEVELOPMENT COMPANIES

San Diego Telecom, S.A. is a wholly owned subsidiary of Gran Pacifica that provides the cable TV and internet services to property owners inside the Gran Pacifica development. This was a logical extension of The Company since it installed and owns the fiber and head end infrastructure and is required to provide these services to owners.

The head-end system also has the capability to provide remote access control for other projects both inside and outside of the Gran Pacifica community. It is likely that San Diego Telecom will become the central provider for telecom services to many of the ECI business units throughout the region except where precluded by country regulations.

San Diego Water Services, S.A., is a wholly owned subsidiary of Gran Pacifica that is supplying water and sewer services to the residents and tenants of Gran Pacifica. It is a licensed utility.

Caye Technologies Ltd. was established in partnership with Michael Hanyecz (51% to ECI 49% to Michael Hanyecz) to provide alarm systems, 24/7 monitoring, CCTV, flat screen TVs, audio/video, home entertainment, home theaters, and other services to be determined by property owners at Gran Pacifica. Gran Pacifica receives 51% of profits from this JV relationship.

Most alarm systems in the U.S. are called hard-wired systems. This means that during construction (or perhaps after) there will be a small wire running from every door and window, from every digital keypad, motion detector, smoke detector, and siren to a central location which has the alarm control panel. In brick and concrete construction, which is the standard construction form in Nicaragua, this would be extremely expensive, though it could be done during construction if a client specifically wants to do it this way.

To save unnecessary expenses, the standard alarm system offered by Gran Pacifica is a wireless alarm system. This means that one digital keypad, and the internal and the external siren will be hardwired into the alarm control panel, and every door and window will have a small electronic, battery operated radio transmitter connected to a sensor, so when the door or window is opened while the alarm is ON the transmitter will send a signal to the alarm control panel. The alarm control panel will then send a signal to the Gran Pacifica Alarm Central Station where the operator, that is on duty 24/7, will act upon the signal in the most appropriate manner. In addition to the door window transmitter there are wireless smoke detectors, passive infrared motion detectors (PIR), glass break detectors, carbon dioxide detectors, and a

host of other detectors available upon request. In addition, there are wireless keypads, temperature sensors, flood detectors, small remote controls, and medical emergency buttons available.

The manufacturers' latest offering is a wireless emergency response system. The system is designed to let loved ones live how they want with a high level of safety and security. The system also offers inactivity monitoring, fall detection, smoke and carbon monoxide detection, flood detection, medication reminders, two-way hands-free communication, and speed dialing. It is ready for future advancement when telemedicine remote will give vital statistics monitoring, and may, in the future, be used for home automation for lights and appliances.

OTHER OPPORTUNITIES AND JOINT VENTURES

It is important to note that ECI Development is committed to growing The Company by joint ventures wherever possible, thereby leveraging the talents and efforts of our joint venture partners to provide a greater return to ECI shareholders.

As The Company identifies more opportunities that create more value to the existing company framework, The Company will establish additional joint ventures with an eye toward increasing shareholder return. Joint venture or wholly owned additional businesses and services anticipated are: spa, marina, equestrian center, medical tourism, assisted living, energy generation, retail space, office space, agriculture, and aquaculture. All existing joint ventures are with third parties that are not affiliated with The Company, except that Michael Hanyecz a director of Gran Pacifica and one of the owners of the Caye Technologies, Ltd., Gran Pacifica's joint venture partner for security and systems integration.

ECI Ltd. is pursuing a Joint Venture partnership to develop a 13,000 square foot supported living housing complex (Casa Emma) for adults with Autism, Down Syndrome and Cerebral Palsy. The complex will be placed on two adjacent lots at Gran Pacifica. The business plan for Casa Emma is attached as Appendix L.

STRATEGIC VENDORS

URBAN DESIGN ASSOCIATES, LLC (UDA)

UDA is an internationally recognized leader for the creation of successful waterfront communities and golf resorts. UDA is responsible for orchestrating Disney's Celebration Community, a new Pinehurst community linking golf courses #9 and #10 and has completed projects for the Homestead in Virginia, Dafuskie Island, Georgia, and the Legends of Tennessee. UDA's designs are conceived as three-dimensional environments through the use of perspective drawing and modeling techniques in the early stages of conceptual design. The character and quality of building designs and landscape elements become part of the planning process when the most important decisions are made. The design process becomes a kind of "bandwagon" that gains support for the program as it engages people to create the vision.

In the course of UDA's 39-year history, The Company has completed over 1,400 projects for clients, which include private development companies, large landholders, public agencies, institutions, and community groups. UDA is currently working on projects in 32 cities in 22 states as well as in Europe. UDA's work is focused on urban projects in four categories: resort communities, new towns, neighborhoods, and downtowns. UDA provides three types of services: urban design, landscape design, and architectural design through design development, in addition to design guidelines or pattern books to communicate the concepts of a plan to those who build it.

UDA has received over 70 awards for its work in urban design and architecture. These have included a Presidential Award for the transformation of a public housing project, two Progressive Architecture Awards for neighborhoods, four National AIA Honor Awards, and several national HUD Awards for downtown works as well as neighborhood efforts. UDA's work is published regularly in various journals, and Norton Books has recently published The Urban Design Handbook by Urban Design Associates.

ECI Development contracts master urban planning services to UDA on an as needed basis. UDA created the urban plan for Gran Pacifica including coordination with architects and engineers for infrastructure and site planning. UDA also created the Gran Pacifica pattern book, which acts as the primary guideline for home design standards and placement on lots within Gran Pacifica. UDA also provided Gran Pacifica with marketing concepts, renderings, and promotional copy for a new urbanism style of community plan. UDA provided Grand Baymen in Belize with concept drawings and master site planning.

UDA Pattern Book available as a download at the following link:

http://www.ecidevelopment.com/hubfs/UDA-Pattern-Book/UDA_Pattern_Book.pdf

EDSA INC.

EDSA, Inc. is a planning, landscape architecture, and urban design firm that has been creating sustainable places to live, work, learn, and play for the past 50 years. The EDSA team is well known in the industry for creating distinctive and inspiring environments. This history of excellence is best evinced in their record of having received over 250 awards honoring the innovation of the team.

ECI and EDSA worked together to plan a grand vision for the property, translating a vision into a development strategy. EDSA was able to provide a framework of implementation in which alternative options were evaluated, feasibility was tested, and a course of action was set. All of this was done with a single goal in mind, creating a community space for ECI clients to create memories.

EDSA is known for designing spaces that invite an abundance of programmed activities and lively street scenes, combining development and open spaces. This collaboration between ECI and EDSA was strategically implemented to build upon neighborhood at the property. Through careful planning and analysis, the collaboration brought about strong benefits to the structural design, as well as the intangible sense of “community” on the site. EDSA developed the illustrative master plan, land use plan, and guideline design of a new phase called “San Barbara Beach Community”, where The Company plans to build Mediterranean style housing. The design consists of the following: one bed and breakfast building, beach club, community center, golf course, park, amphitheater, a multifamily housing development, townhouses, and condo hotel.

Over the years, EDSA has worked in nearly 100 countries across the globe, and have strong experience capturing the uniqueness of each specific destination.

As they note on their website, “It is our goal to evoke a contemplative experience, aesthetic appreciation, and spiritual connection to the land in order to create a sense of place that adds genuine context to development projects.” This synthesis of place and creative design is apparent in the collaborative work of ECI and EDSA.

EDSA Pattern Book available as a download at the following link:

http://info.ecidevelopment.com/hubfs/EDSA-Pattern-Book/EDSA_Pattern_Book.pdf

LLANSA INGENIEROS, S.A.

LLANSA INGENIEROS, S.A., a Nicaraguan construction company, began its activities in 1969. Since then it has been in the construction business continuously, performing a wide range of construction projects. It has affiliated companies that it works with in foreign countries.

The incorporation of advanced technology, an advanced organization system, and large production capacity has been the reasons for LLANSA's reputation of within schedule performance. They have performed jobs in all fields of construction, including roads, bridges of advanced technology, industrial complexes, hospitals and health centers, hydro sanitary work, storage tanks, sports centers, hotels, houses, offices, rehabilitation and restoration of buildings, tunnels, dams, and hydraulic work.

LLANSA's edge is that it employs a competent group of professionals with the ability to carry out any type of construction work. They are continuously sending technical staff to updated courses in the different aspects of construction. They also possess a large fleet of heavy equipment necessary to do the job. The Company is currently bonded in an amount that exceeds C\$100,000,000.00 (one hundred million Córdoba).

ECI utilities LLANSA Ingenieros, S.A. on an as needed basis for design and construction of principal infrastructure at Gran Pacifica. The principals of LLANSA have also provided consulting and oversight when design and construction of another infrastructure at Gran Pacifica.

ZÜRCHER ARQUITECTOS, S.A.

Founded in 1978, Zürcher Arquitectos, S.A. now employs more than 50 highly capable and creative architects, engineers, technicians, and staff. Designs are produced utilizing state-of-the-art computer hardware and software, allowing the firm to make clarifications and cost savings throughout the constructive process of the various projects undertaken by The Company.

Architect Ronald Zürcher convenes and directs periodic meetings with his team of architects to evaluate and monitor all projects, regardless of the construction stage of the work. By doing so, Zürcher's concepts and ideas are reinforced and fulfilled thoroughly.

Samples of Zürcher's work include the Costa Rica Marriott® Hotel and Costa Rica Courtyard Marriott® (both built by the construction management firm Gálvez & Volio). These are among Zürcher's best-known tourist projects. The splendid and exquisite designs of these hotels have strengthened Zürcher's reputation as a world class architect. Moreover, Zürcher's vast knowledge of the quality and strict standards demanded by Marriott® Hotel International, coupled with his recognized expertise in Central America's history and architectural traditions, make him the right choice for the design of the Gran Pacifica hotel.

ECI's Gran Pacifica business unit hired Zürcher to create the design for an anchor hotel on the Gran Pacifica property in 2003. While funding for the construction of the hotel did not materialize as anticipated, the hotel development under the Gran Pacifica Beach and Golf Resort business unit remains a priority if and when funding can be secured. Ronald Zürcher remains the architect of choice for the completion of design and architectural administration.

Selected hotel projects by ZURCHER ARQUITECTOS, S.A.

- Hotel Costa Rica Marriott®
- Hotel Marriott® Los Sueños, Costa Rica
- Four Seasons Resort Community, Costa Rica

A complete listing can be found at: www.zurcherarquitectos.com

RAD ARCHITECTURE, INC

RAD Architecture Inc. is a boutique design firm dedicated to providing a full range of architectural services and building excellence at every stage of the development process. Our practice, although broad, focuses on Hospitality with an emphasis in destination resorts and Luxury Residential Projects. The boutique firm offers clients a wide range of design services with personalized attention to detail.

RAD is dedicated to providing innovative design solutions while respecting its clients economic, marketing and aesthetic goals. Every project undertaken by the firm is treated individually, and benefits from the years of hospitality, residential and commercial design experience RAD principals and associates bring to their work. The unique design created by RAD reflects the culture and atmosphere of their locations, and at times the themes requested by our clients.

Rafael's work combines the result of his vast experience in architecture and interior design with his skills to deeply understand the client's needs and translate them into successful buildings.

Initially licensed as an architect in Argentina in 1985, Rafael moved to Texas in 1986. There, he broadened his architectural abilities and in 1991 became a licensed architect and interior designer. He expanded upon his experience through being a part of many renowned design firms, including Wilson & Associates and NBS.

In 2002, he took advantage of a ripe market to pursue his particular vision for architecture and design by founding RAD Architecture Inc. with his colleague and former classmate, Daniel Hernandez. He currently runs the company's Miami office.

Rafael Amuchástegui
AIA, NCARB, President

TRUST HOSPITALITY

For over 25 years the team at Trust Hospitality has been operating branded and independent hotels. Trust's holistic approach to optimizing hotel assets using brands or developing unique boutique & luxury hotels and resorts has consistently resulted in superior returns for clients.

Trust Hospitality offers a complete and comprehensive hotel management package tailored to the specific management needs of the property. The "Quality Six Management" team consists of dedicated hotel professionals with a proven track record in the areas of operations, finance, sales and marketing and human resources and offers comprehensive hotel management services tailored to the specific management requirements of each property.

Trust Hospitality's operational philosophy is based upon the consistent delivery of services through the use of standard operating procedures (SOPs) supported by a rigorous internal audit system and the customized daily training of associates. That translates into an operating platform to seamlessly open or takeover properties, regardless of brand affiliation and hotel segment. The keys to success in operations include:

- General Managers who think and act like owners.
- Incentive programs based on cash flow improvement.
- A real focus on process improvement, innovation and creativity.
- Sophisticated reporting designed for daily use and simplicity.
- Realistic budgets.
- Quality improvement programs specific to the hotel industry.
- An inspired operating team with a track record in revenue enhancement and profitability.
- Award-winning guest service

The backbone of Trust Hotels operational standards is a robust system of financial accountability designed to increase transparency, maximize oversight, and improve margins. The keys to success in accounting include:

- Standard Accounting Operating Procedures in place to ensure a sound internal control environment.
- Focus on maximizing bottom-line results.

- Detailed forecasting models providing management with the information needed to react quickly to changes in business activity.
- Comprehensive, daily on-property reports to that allow for informed business decisions.
- Ongoing statement reviews and cash flow analysis to maximize profitability and provide proactive cash position management.
- Regular internal audits to ensure compliance with Standard Operating Procedures and minimize risks.
- Ad hoc analysis and comparison reports as dictated by the business needs.
- Centralized accounting for select full-service and all limited-service hotels.
- Consolidation reporting and analysis by hotel, brand, and ownership group.

Trust Hospitality excels at developing and executing an effective and integrated marketing plan. The keys to success in marketing include:

- Establishing marketing accountability and brand awareness through a cooperative effort between the reservations/marketing rep firm, ad agency, public relations firm, corporate office and the hotel to highlight the unique character of the hotel and attract its target demographic.
- E-commerce efforts based upon industry-leading best practices that produce some of the highest ratios of direct versus indirect web bookings in the industry for independent hotels (40:60) through partnering with some of the best technology providers in the industry and proprietary cutting-edge Internet marketing strategies/processes (SEO, SMO, PPC, CGM).
- Preferred relationships with online travel agencies such as Expedia, Travelocity, Hotels.com and Orbitz.
- Maximizing the direct sales effort by utilizing sales staff at the hotels to cross-sell and market products in major feeder markets. Sales offices across the US, Latin America, Europe and Asia provide a strong direct sales channel to travel agencies for our independent hotels, such as Virtuoso and Amex Fine Hotels & Resorts, as well as Fortune 500 companies.

If the key to success for a hotel is the guest experience, then the hotel associates are the most valuable asset the property possesses. The keys to success in human resources include:

- Training associates to interact with real people instead of a machine. Warmth, loyalty, recognition, integrity and lots of fun are key concepts. The result? One of the lowest turnover rates in the industry and improved efficiencies and profits.
- Conducting associate opinion surveys twice per year and the results show associate satisfaction levels well over industry averages.
- Investing significantly in associate training at all levels resulting in Guest Satisfaction scores higher than industry averages and safety programs that result in unusually low loss-run histories and rates.
- Utilizing progressive hiring and orientation techniques, strengths-based hiring practices and behavioral-based interviewing and screening to hire the best talent.

FIRST AMERICAN TITLE INSURANCE

In addition to a comprehensive presence across the United States, First American Title has pioneered operations in nearly 70 countries. In 1988, First American approached Canadian officials with a request

to open title insurance offices in Canada. Since that time, The Company has revolutionized the way title insurance is used and viewed by Canadian consumers and lenders.

With the success of its endeavors in Canada, First American used a similar business model to develop international operations around the world. First American was the first title insurance provider in Mexico, Korea, and Hong Kong and has the leading market share in Australia and England. Today, First American continues to explore new international opportunities as well as work with government officials and community leaders of developing nations to create legislature that protects landowner rights and secures a stronger local economy.

ECI's business units Gran Pacifica and Grand Baymen hold policies for the 2,500 acres in Nicaragua with First American Title Insurance. First American successfully defended a property claim at Gran Pacifica described in the legal section in the Private Placement Memorandum.

HERDOCIA & GARCIA

Herdocia & García, Abogados is a leading law firm in Nicaragua with a tradition of experience advising foreign and local clients. The lawyers have in-depth experience in a broad range of industries and practice areas. The firm is committed to providing the highest quality legal services in a timely, cost efficient manner.

They offer their clients clearly differentiated, integral service for the development of investment projects. They also count on the knowledge of accounting experts that allows them to give the highest quality legal and financial services.

Herdocia & García, Abogados has been at the forefront of highly successful investment projects, having developed a highly specialized practice in foreign investments mainly in the areas of free trade zones, tourism, real estate, and telecommunications. They commit to being a long-term partner with their clients on a day-to-day basis. Through their premier legal practices and related services, their attorneys and associates have the resources to not only meet clients' needs efficiently and effectively, but also exceed their expectations. They also offer foreign investors a specialized service that allows clients to make appointments in advance, visit projects, obtain information from Nicaragua, and count on translations of the highest quality (English-Spanish).

Languages: Spanish, English, French

ECI's Gran Pacifica business unit utilizes Herdocia and Garcia for tax consulting and general business.

BARROW & WILLIAMS

Barrow & Williams, founded in 1989 by Dean O. Barrow and Rodwell Williams, is located in the heart of Belize City. Close to the Belize City Courts and major commercial enterprises, the firm has become one of Belize's leading commercial law firms. Barrow & Williams has an excellent reputation in the area and offers a broad range of quality legal services. In addition to a history of success, the firm is a good fit for ECI since it is well suited to represent local and international clients and corporations. Barrow & Williams attests that their success has been achieved largely through competent representation, high ethical standards, and cordial relations with the legal community.

GRANT THORNTON

Grant Thornton is well known as one of the world's leading independent tax consultants and auditing firms. Grant Thornton aims to assist dynamic organizations in unlocking their growth potential, accomplished by providing far-sighted, in-depth advice. The level of analysis Grant Thornton is known to provide stems from their extensive experience and instinct to understand complex issues. The in-depth analysis Grant Thornton was able to provide allowed ECI to bring about channels in which to improve the organization. Grant Thornton's main focus is on conducting audits and preparing reports for financial purposes for both public and private companies. With experience in over 100 countries, ECI Development found a solid partner in Grant Thornton.

BAKER TILLY HULSE

Baker Tilly Hulse, established in 1983, prides itself on being one of the leading accountancy firms in Belize. Baker Tilly International is the world's 8th largest accountancy and business advisory network, represented by 147 firms in 114 countries. Baker Tilly Hulse is an independent member of Baker Tilly International. The firm has a strong reputation for competence and reliability throughout Belize. Baker Tilly Hulse provides a range of services including auditing and assurance, business services and accounting, corporate advisory and consulting, investigative and forensic audits, tax advice and offshore company formation, and services.

SOCIAL RESPONSIBILITIES AND ACTIVITIES

ECI Development has created a system of sustainable tourism and residential development with the key players, including international non-profit organizations and local NGOs. For instance, by working with the Rotary Foundation, ECI offers a charitable mechanism for donations to Nicaragua's Social Program and the Queen's Square School Feeding Program in Belize City that are tax deductible for U.S. taxpayers. ECI partners with Rotary and other NGOs to provide the "in country" logistics so challenging for outside organizations. The synergy is powerful in delivering tangible results with an eye toward long term sustainability.

ECI Development provides the unique opportunity of showing how a private sector investment can and does impact the local community with the help of its partners and shareholders. ECI's stakeholders have a deep respect for the countries and communities in which ECI operates and are honored to play a significant role in the progress of those destinations. Social responsibility is core to who ECI is as people and investors, and also because it is essential to The Company's business model. This synthesis creates long term value to shareholders, employees and neighboring communities.

A systematic approach to Corporate Social Responsibility (CSR) is key for effectiveness and long-term sustainability. Set forth next is a summary of the progress of ECI's sustainability and socio-economic benefits according to the World Tourism Organization (WTO) ST-EP Model for poverty reduction via tourism. (ST-EP stands for Sustainable Tourism - Eliminating Poverty).

SOCIALLY RESPONSIBLE DEVELOPMENT

GRAN PACIFICA SOCIAL RESPONSIBILITY STATEMENT



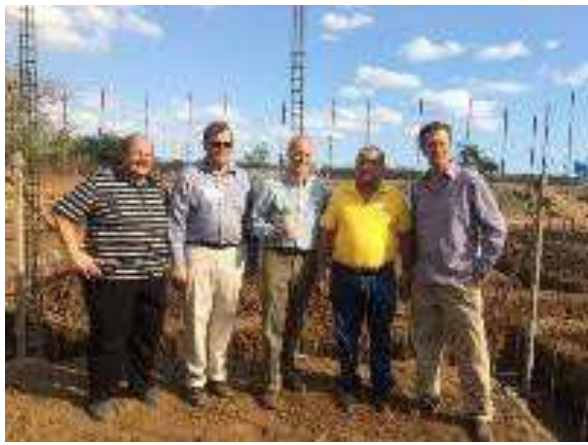
The Gran Pacifica business model is by itself, a socially responsible and sustainable form of development. Our founders, many of whom worked in Nicaragua since the early 1990's in a strictly humanitarian nature, believe that the helping hand is more powerful than the hand out. Sustainability and transformation are the keys to long term community impact and success.

Typical "development" in the region involves little more than a land buyer chopping up a piece of property and selling off the lots. The result is usually an empty field with some roads and power, but very few, if any, houses or structures. There is little to no employment created in this process, few taxes are collected for the local municipality, and worse, because there are no "addresses," tourists have no place to rent or stay. This model lacks the ability to provide real social transformation.

The Gran Pacifica model is radically different. First and foremost is the long-term approach. By focusing on the long term, Gran Pacifica becomes a member of the community. Second is the creation of serious employment. From the outset, infrastructure, home construction and condominium projects simultaneously employed nearly 1,400 people over the last 18 years. Third is the creation of tourism infrastructure by building homes and condominiums for tourists to use. This has the added benefits of creating sustainability of employment and ongoing tax revenues into the communities surrounding the Gran Pacifica project.

Not only are we creating sustainable change through the project itself, Gran Pacifica acts to enhance the social fabric of the communities who are most likely to feel the impact of the employment.

In October 2015, Gran Pacifica donated 608 m² of land for the construction of a medical clinic that will benefit the local community of Villa El Carmen. This community clinic will be administered privately addressing the health needs of neighboring communities to the Gran Pacifica Resort. This includes specific needs such as: child respiratory illnesses, kidney disease, and orthopedic problems.



Construction Of The Clinic Began In 2016.

In June 2017, construction of the clinic was completed. Doctors have started to bring groups to the center to offer health services for the locals.

From inception in the year 2000, Gran Pacifica has provided donations of ambulances, medical equipment, school supplies, teacher training, and participated in projects to reclaim parks, deforested riverbanks, and repair numerous schools. Alongside our contractors, we have created training programs for workers so the people in the local community can take advantage of the employment opportunities.



Construction Training Program



Construction Of The Clinic Completed In 2017

ENVIRONMENTAL RESPONSIBILITY STATEMENT

Gran Pacifica Resort is proud of the measures and investments made to limit impact on the environment as well as initiatives to rebuild the surrounding ecosystems. While real estate development in developed nations may be viewed as harmful to the environment, in a developing country, socially responsible development is critical for environmental health and recovery.



Baby Sea Turtle Release Celebration



Gran Pacifica Sea Turtle Sanctuary

Typically, outside the major cities in the developing world, unemployment is high and subsistence agriculture is the primary way of life. Subsistence agriculture exerts extreme pressure on the environment. Due to limited funds for fertilizer and farming equipment, slash and burn agricultural methods are employed. Additionally, the needs for protein and cash also impart a devastating impact on the environment.

In the Pacific Lowlands of Nicaragua, where the Gran Pacifica project is located, fields are burned every dry season to clear them of weeds and brush. This also provides some ash as fertilizer. However, when the rainy season arrives in May, there is nothing to stop the top layers of soil from washing into the rivers. The rivers become orange-red with the clay silt.

Additionally, deer, iguanas, rabbits, and other wildlife are hunted to near extinction for the much-needed protein they provide. Turtle eggs are removed from nests for the pennies they bring at the market or a meal for hungry children. Deforestation occurs as trees are cut for fuel, and the small cash income they can provide when sold as lumber or charcoal.

Sustainable employment is the most important factor when it comes to reversing the environmental devastation associated with poverty and subsistence agriculture. By relieving the urgency of providing food at any cost, and by otherwise occupying the efforts of workers, the environment is spared some of the ravages associated with poverty. Then, and only then, can educational programs become effective in the community.

Furthermore, Gran Pacifica has started a reforestation program both on and off the Gran Pacifica property. Several thousand trees have already been grown and transplanted to replace the deforestation that occurred prior to the current ownership of the property. Gran Pacifica is making trees available to the

larger community and is providing labor to replant the river banks and public park spaces off-property as a way to educate and simultaneously enhance the living space of our neighbors.

In the future, Gran Pacifica envisions wind power as a major source of renewable energy on the property. Future phases will require water retention and conservation measures on the part of homeowners. Soft surfaces have already been implemented when feasible to increase the absorbed portion of rainfall. Gran Pacifica will continue to implement the best green technologies and minimize impact on the project site. That said, perhaps Gran Pacifica's main impact will be even greater off-site by creating sustainable employment and reducing the proximate poverty. Through utilization of a sustainable development model, and the right use of technologies, Gran Pacifica and its neighbors not only reduce our impact on the environment, we are dramatically improving its long-term future as well.

GREEN PACIFIC RESORT

DEVELOPING NOT DESTROYING

The development of a long-term community project cannot ride roughshod over the local communities or the local environment without creating problems for the future. In fact, real estate development is critical for the environmental and social stability of the region.

Outside the major cities in the developing world, unemployment is generally high and subsistence agriculture is the primary way of life. Subsistence agriculture exerts pressure on the environment, because with limited funds for fertilizer and farming equipment, slash and burn agricultural methods are employed. The needs for protein and cash have a devastating impact.

SUSTAINABLE EMPLOYMENT FROM SUSTAINABLE DEVELOPMENT

Sustainable employment is the most important factor when it comes to reversing the environmental devastation associated with poverty and subsistence agriculture. By relieving the urgency of providing food, the environment is spared some of the ravages associated with abject poverty.

Creating sustainable employment in a region to tackle poverty means that people do not need to scour nature to survive. This is green capitalism at its best.



PACT

Increasing Employment



Reforestation Programs

Developing Gran Pacifica with as little impact on the natural environment as possible with an upfront, long-term commitment to both the community and the environment.

Gran Pacifica invested millions, burying storm drains under every street to collect and manage storm water. 40% of this water is directed to infiltration pits where it is absorbed into the earth. The remaining balance is sent to the golf course where it is utilized for ponding and irrigation. Where possible, Gran Pacifica utilized soft surfaces for natural replenishment of the aquifer. A full sewage system is in place to collect, pump, and treat "black water," which upon treatment, will be used for golf course irrigation. These are three extremely significant mechanisms not commonly found in the region are being used to protect the environment.

REBUILDING NATURE

Additional measures, including reforestation, are underway both on and off the Gran Pacifica property. Several thousand trees have already been grown from seed and transplanted to replace the deforestation that occurred prior to our ownership of the property.

Gran Pacifica is making trees available and is providing labor to replant the river banks and public park spaces off-property to educate, and simultaneously enhance the living space of our neighbors. This reconstruction of nature will enable local animals and plants to re-establish themselves in the area.

USING TECHNOLOGY TO SAVE RESOURCES

Wind power will be a major source of renewable energy on the property in the future, and the next phases of development will require water retention and conservation measures on the part of homeowners. Gran Pacifica will continue to implement the best green technologies to minimize impact on the project site. By using a sustainable development model and smart technologies, Gran Pacifica and its neighbors can not only reduce our impact on the environment, we can dramatically improve the long-term future of the region as well.



This Stadium Was Constructed After Reforestation Of A Former Trash Field In El Carmen Town.

NICARAGUA CSR AND HUMANITARIAN WORK

The execution of the Social Responsibility Agreement between Gran Pacifica, INTUR and Villa El Carmen Municipality is being implemented according to the UNWTO ST-EP Model.

1. Creation of Jobs at all Levels
 - 1,750 accumulated jobs (construction consultants)
 - 99 fixed jobs (Gran Pacifica and Vida Del Mar staff)
2. Permanent Infrastructure and Environmental Protection
 - Construction of 23 km of electricity line in rural areas
 - Ongoing maintenance of 11 km of public road (agreement with local government)
 - Improvement of Villa El Carmen Park (resulting from tax dollars generated by Gran Pacifica)
 - Nursery of 10,000 trees for reforestation.
 - Storm water and drainage system to reduce soil erosion
 - Wastewater treatment system to avoid ocean and aquifer pollution
 - 120m pedestrian bridge constructed in neighboring Villa El Carmen
3. Local Social Programs
 - CHESS 2006-2009 (Children Health Support Services)
 - Amount: \$300,000
 - Beneficiaries: 6,000 students, 12 schools, 3 rural health centers
 - Alliance: Pittsburgh Rotary Club, USAID, Gran Pacifica
 - Job Skills Training Program 2006
 - Training of 15 individuals in skilled construction
 - Training of 30 females in tourism trades
 - Alliance: IDR, Gran Pacifica, National Tourism Hotel School, Villa El Carmen
4. Construction of Pedestrian Bridge San Diego 2012
 - Amount \$30,000
 - Beneficiaries: 2,000 residents of the California Community, who in heavy rains, could be separated from family and children stuck on the other side of the river overnight.
 - Alliance: Warwick Rotary Club, Managua Tiscapa Rotary Club, Notre Dame University Team, Bridges to Prosperity, Gran Pacifica Resort, UNI University, ProNicaragua Aftercare, Villa El Carmen Municipality and local community.
 - Hosted NGO Love, Light and Melody's humanitarian rock concert at Gran Pacifica for 200 attendees. The organization's mission is to identify immediate physical needs, raise awareness through the arts, and fight social injustice for communities in need.
 - Ocean Conservancy's International Coastal Cleanup (ICC) Event - more than 60 volunteers (resort employees, homeowners and local high school students) participated in a daylong event to clean debris and litter (1,350 lbs.) from the beach.

- Hope & Development Foundation - 10 apple desktops and 2 laptops donated to the Technical Agro Ecotourism Program at Abraham Sequeira School and a computer training program initiated at the school.
- Hope & Development Foundation - ongoing successful English Language Program for local elementary students in Villa El Carmen.



Pedestrian Bridge Construction

5. Generation of Taxes & Donations (2004-2018):

- Donations: over \$220,000 (Ambulances, police vehicles, education, and 515 wheelchairs - \$95k)
- CHES and associated programs combined donations: \$330,000
- Taxes: \$1,426,435 (Central Gov't. Social Security, Local Gov't.)



Ambulance and Medical Equipment Donations

6. Development of Local Supply Chain (Indirect and Induced Impacts)
 - Mid-size business volume generated: \$7 million. (2004-2012)
 - Areas: Engineering design, financial services, environmental services, drainage systems, electricity infrastructure, streets, sidewalks, fiber optics
 - Small size local firms: business volume generated: \$260,000 (2004-2012)
 - Areas: signage, fencing, mechanics, food, horse rental, farmers, beach huts, construction
7. Commercialization of Local Products Services
 - 4,000+ packages of Nicaraguan coffee gifted to clients
 - 9,000 of handmade bricks, thousands of handmade roof tiles
 - Tourism promotion in Managua, Granada, and Masaya through the annual shareholder event. (1,500+ visitors from 2003-2008 - benefitting restaurants, taxi services, car rental agencies, hotels, and tour operators)
8. Support to Small Businesses & Training
 - \$10,000 donation to www.vianica.com (online tourism portal), Technoserve Business Competition. (2006)
 - Memorandum of Understanding with SNV (Netherlands Cooperation Service) to create business inclusivity system in the local community
 - Business Inclusivity Study (Design of training program in job skills for local people) Cost: \$21,750 (SNV, Gran Pacifica, UNIRSE)



Recognition Of Gran Pacifica's Sustainability Model By The Government Of Nicaragua.

9. Promotion of Nicaragua as Tourism Destination
 - Established 9-year old Elkin Fonseca as the Goodwill Ambassador of INTUR in Pittsburgh, Pennsylvania, USA
 - Systematic sponsorships of international conferences to promote Nicaragua. (USA, Canada, Latin America)
 - PR Services and Journalist Networking for Nicaragua and Gran Pacifica distributed the Nicaragua Newsletter to a 20,000-reader database
 - Sponsorship of investment conferences organized by PRO Nicaragua. (official investment agency of the Central Government)

- Two Home & Garden TV programs about moving to Gran Pacifica in Nicaragua
- Meeting with Nicaraguan President Daniel Ortega to coordinate support efforts for tourism promotion and the Gran Pacifica project
- 2008 Presentation of Gran Pacifica Sustainability Model at the Inter-American Development Bank BID-FOMIN Conference, Asuncion, Paraguay
- 2009-12: Sponsorship of the website design and hosting for the local Managua Tiscapa Rotary Club
- 3 blogs per week about living and investing in Nicaragua
- Online radio show promoting Nicaragua as a tourism destination: Mike's Gringo Life in Nicaragua: overseasradio.com/mike-cobb
- Agreements to promote Nicaragua with John Maisto (former U.S. Ambassador to Nicaragua) and Franco Harris. (Pittsburgh Steelers American. Football Hall of Fame running back)
- Sponsorship of the Managua Tiscapa Rotary Club - rotarymgatiscapa.org
- Presented Gran Pacifica's sustainable tourism model to the Inter-American Development Bank conference in Asuncion, Paraguay
- BBC 25 minute television documentary about the Sustainable Tourism Model of Gran Pacifica. (Series: The Other America)
- Country presentation in Washington before the American Association of Retired Persons. (Organizers: INTUR, PRO Nicaragua)

OTHER INITIATIVES

Support of a 5-year lobbying effort resulting in a new law protecting acquired private property rights, coastal communities' rights, and the environment along Nicaragua's coastline.

SPAY & NEUTER CLINICS

Gran Pacifica residents and staff assisted in two dog and cat sterilization clinics in 2018. In total, 75 animals were sterilized which will help to reduce the overpopulation of dogs and cats in the local communities. These clinics were provided by Julie Burke, Fundación ADAN, Orprovet, and volunteer assistance from Gran Pacifica staff and residents.

PACK FOR A PURPOSE

In 2018, Gran Pacifica partnered with international organization, Pack for a Purpose. Pack for a Purpose (Raleigh, NC, USA) encourages travelers to donate and bring much needed supplies for community projects with them on their travels. Gran Pacifica has three projects featured on the Pack for a Purpose website: Roberto Clemente III Clinic, Villa El Carmen Schools, and the Turtle Sanctuary. Gran Pacifica is proud to be one of only five participants in all of Nicaragua.

TEACHING ENGLISH IN LOCAL SCHOOLS

Holly Wilson and Helio Alfaro continued to visit local schools to teach English to students. Helio has taught classes at the local village of California's school, and in July 2018, Holly was invited to teach English to 5th and 6th grade students at the village San Diego School. Both villages are near the Gran Pacifica Resort.

ENVIRONMENTAL CONSERVATION

Throughout 2018, several beach clean ups were held by residents and guests at Gran Pacifica to keep garbage off the beaches and out of the oceans. The Gran Pacifica Property Owners Association in conjunction with the Social Responsibility Committee hosted a “Rock Art: Beach, Art, and Turtle Conservation” event for local children. Peace Corp. Volunteer, Rebekkah Schechter, along with local teachers explained the importance of conservation to students to encourage proper garbage disposal and recycling.

BELIZE CSR AND HUMANITARIAN WORK

1. Local Social Programs

- Donation of 30 or more weeks (worth \$1,050 USD week) of free stay at the resort annually to benefit charitable organizations like the cancer and heart societies for their fundraising efforts.
- Support of raffles as well as food silent auctions fundraisers to benefit the SAGA Humane Society for Animal Welfare in order to provide critical veterinary care for street animals and pets of low-income households
- Monthly Beach Clean ups
- Part of Pack for a Purpose program
- For the second year, both Exotic Caye Beach Resort and Grand Baymen partnered with the Rotaract Club of Ambergris Caye Belize for their 2nd annual Merry Boxes campaign, which collects non-perishable food items and hygiene items to distribute to families in need at the San Pedro Food Bank. Boxes of food and hygiene items were distributed to over 50 families on December 23rd during the Christmas dinner.
- Hosted the Belize Community Conservation and Caribbean
- S.E.A (Student Environmental Alliance) organizers who collaborated for a week long “Kids 4 Clean Water” day camp focused on both hygiene and environmental conservation mainly affecting the San Mateo Area
- Contribution 50% of the resort’s room rate bookings (or \$2,000) for 2 weeks to support hands-on environmental education programs, with proceeds benefitting the Canadian NGO Direct Abundance and U.S. Charity Caribbean S.E.A. to empower and improve the community of San Mateo. Charity and NGO organizers were offered 100% complimentary stays at the resort
- Donations for the San Pedro Smile Center at Holy Cross Anglican School, which supports free child dental care and oral hygiene educational initiatives
- Ongoing support for Ambergris Caye Schools through distribution of school supplies, cash donations for meal programs, and sponsorship of whiteboards for classrooms
- Purchased supplies in support of charitable painting of Living World Church
- Donors from Grand Baymen and ECI Development, in conjunction with Caye International Bank, Georgetown Trust, Escape Artist, and Nagel & Associates, contributed \$17,327 USD to the Living Word Church’s annual Holiday Toy Drive where gifts are given to over 1,200 needy children on Ambergris Caye during the week of Christmas.



Tourism Support



Reef Support

- Developed promotional packages for and hosted recording artists Kelly McGuire and ‘Mexico Mark’ Mulligan at ECBR to help raise money for Ambergris Caye charities
- Hosted television production crews for Wild Productions Ltd. while filming an episode of the “Wildlife SOS” show for the Discovery Channel’s popular Animal Planet Europe channel. Wildlife SOS is a long-running television documentary series focusing on the rescue, nurture and return of injured wildlife back to nature. Wild Productions’ team used Exotic Caye Beach Resort as their base for filming local crocodile conservation efforts in Belize by research biologist Cherie Chenot-Rose and Vincent Rose, owners of American Crocodile Education Sanctuary in Belize
- Hosted a fundraiser fashion show with proceeds benefitting Mama Vilma’s House for Domestically Abused Women & Children at San Pedro Fitness Club
- Provided support to the Belize Red Cross in response to the 7.0 earthquake that struck Haiti

2. Support to Small Businesses & Training

- Offered support and training by hosting a Belize Emergency Response Training Session to certify general staff and another hotel staff in CPR & BSL. Attendees’ hotel stays were compensated as well.



Supporting Dental And Medical Missions With Accommodations.

GOVERNMENTAL REGULATION

The Company's products, services, and properties continue to be subject to material regulation by national and local governmental agencies. The nature and extent of applicable regulation and its effect or potential effect upon The Company is as follows:

- Gran Pacifica, Grand Baymen, and Gran Islotes have environmental permits for development of their respective master plans.
- The Company is required to have a license or permit to conduct business in each country and has obtained the required license or permit from Nicaragua, Belize, Costa Rica, and Panama respectively.

LATIN AMERICA AS A REGION

LATIN AMERICA ON THE DEVELOPMENT ROAD

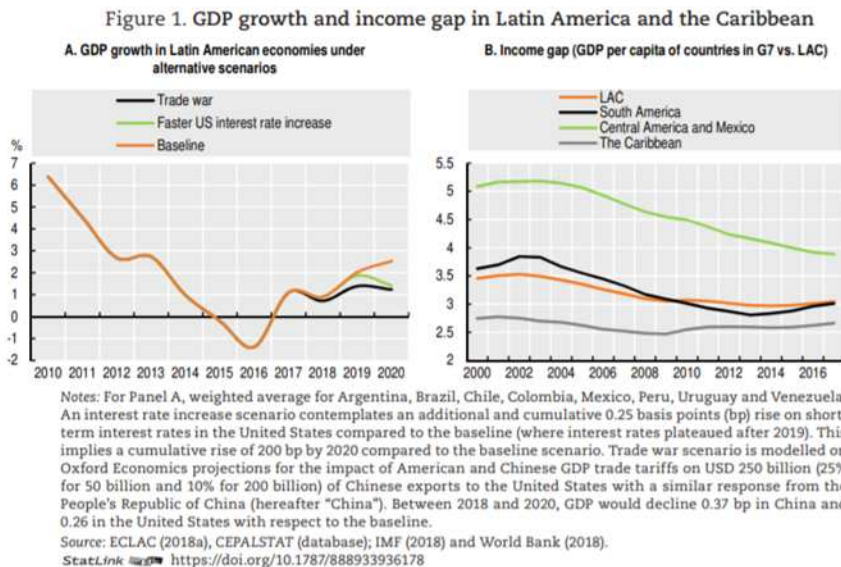
The following sections outline the historical record and possible growth scenarios for Latin America. The region contains many diverse nations with their own unique histories and obstacles. This information is a brief overview of those trends. Latin America is on the path to development and, as such, faces challenges to economic growth, including wide income disparities, challenges to democracy and good governance policies, cultural impediments to economic growth, and external economic factors like weak economies in North America, Europe, and China, who are major trading partners. Each of these challenges poses some degree of risk to an investment in ECI.

Despite robust global economic growth estimated at 3.1 percent in 2015 and projected at 3.4 and 3.6 percent in 2016 and 2017, respectively, the aggregate GDP in Latin America (i.e. Central and South America) and the Caribbean is still recovering from the recent recession in Brazil and similar economic distresses in neighboring nations. However, growth within many individual regions will contribute to the projected 1.6% growth of the Latin America and the Caribbean's emerging market and developing economy in 2017 (IMF WEO 2016). Central America and the Caribbean in particular continue to demonstrate impressive economic growth, with 2.9% expansion in the past year ("Economic Snapshot," 2016). With conditions in the global economy expected to improve in 2016 and beyond, the regional economic outlook is positive, with projected growth of 3.0% and stable GDP prospects for 7 of 12 countries, including a 5.9% growth rate in 2017 for Panama.

Intra-regional trade has grown as Latin America fulfills more of its own demand for traded goods more than ever before. Statistics from the United Nations Development Program demonstrate the extent to which the region has progressed in reducing poverty and income inequality, with a decrease from 41.7% of the population to 25.3% in the period from 2000-2012 (UNDP, 2016). The World Bank predicted that the GDP of Latin America will increase by 1.8% in 2020.

Multidimensional poverty in Latin America has decreased from 39% in 2005 to 28% in 2015. 2% of the population of Latin America (10 million people) experienced severe acute multidimensional poverty in 2019. Enrollment in secondary education, particularly for girls, has improved, reflecting Central America's positive response to the United Nations' Millennium goals to increase education and provide equal opportunities for women in education. In this same vein, according to a report published by the UN in

January 2015, this reduction in gender inequality reduced poverty levels by 12% in both Nicaragua and El Salvador (“Poverty and Indigence Reduction”, 2015).



Source: “Latin American Economic Outlook 2019: Development in Transition: En.” OECD, OECD, Sept. 27AD, 2019, www.oecd.org/dev/latin-american-economic-outlook-20725140.htm.

Yet the significance of countries' investing in people extends beyond economic performance, as there is a clear relationship between economic growth and the environment for democratic institutions. Since 2002, measures of political rights and civil liberties have improved overall in Latin America and the Caribbean. In the 2012 edition of the LAC (Latin American Countries) Databook, published by the United Nations, indicators of state fragility show that nations become more stable alongside these economic advances. Such examples of governments' improved effectiveness in delivering economic and democratic progress appear to have attracted foreign investment.

The countries of Latin America and the Caribbean (LAC) have continued to attract growing flows of foreign direct investment since 2009. Latin America and the Caribbean saw foreign direct investment increase 5% from the previous year to a record U.S. \$184.92 billion in 2013, and although the LAC region has since experienced a decrease in FDI flow, investment in the region remains at a relatively stable 3.5% of the GDP as a long-run average (ECLAC, 2016). Foreign Direct Investment to Latin America and the Caribbean fell by 6% in 2018, valuing in at \$147 billion.



Source: “Foreign Direct Investment, Net Inflows (% of GDP) - Latin America & Caribbean, Colombia, Chile, Mexico, Peru.” Data, data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?locations=ZJ-CO-CL-MX-PE.

Economic growth in the region and the high prices of natural resources have undoubtedly contributed to sustaining the growth level of foreign investment in the region. Despite the world economic crisis, Latin American countries have taken several initiatives to ensure continued economic growth. These nations are implementing a variety of countercyclical measures including raising subsidies, lowering taxes, and increasing public spending, particularly in infrastructure. At first, most policy initiatives were intended to assure liquidity in the local financial markets, but the focus gradually has shifted to fiscal policy, and is generating employment. The crisis has proven to be an opportunity for the region to implement reforms necessary for a rapid recovery and a better post-crisis economy. Critical reforms in education standards, logistics, and infrastructure are making the region more competitive globally.

<https://www.imf.org/en/Publications/REO/WH/Issues/2018/10/11/wreo1018>

CENTRAL AMERICA ON THE DEVELOPMENT ROAD

Central America has joined the club of 21st century emerging markets, creating an environment filled with optimism and progress for local and foreign investors. Although there are still important challenges that need to be addressed by both the public and private sectors, not the least of which are economic development and poverty reduction, it is indeed a new and vibrant Central America we are looking at today.

A REGION OF OPPORTUNITY

According to the most recent estimates in 2016, with a collective population of over 44.5 million and a combined GDP of over U.S. \$227 billion, Central America has become a dynamic and attractive business and investment destination. Global players are arriving daily to take advantage of its premier geographic position just hours from the world's largest marketplace, and its own main commercial partner, the United States. Central America is a rising star in the highly competitive global marketplace.

Since 1990, Central America has experienced a reactivation of its regional economy due to the progress of peace and free market economic policies in most of the countries. GDP growth in Central America has remained stable over the last few years, ranging up to 3.0% in Panama, according to 2019 figures from the World Bank.

MAIN FACTORS OF CENTRAL AMERICA'S GROWTH

Several factors explain this turnaround in Central America's economies. A key contributor has been the reopening of regional trade, which provided an important stimulus for the resuscitation of the manufacturing industry, virtually stagnant since the break-up of the Central American Common Market at the end of the 1970's. The value of intra-regionally marketed exports doubled in the past five years and already represents a fifth of total exports for the countries of the region.

Not only have exports to the regional market increased, but nontraditional exports to the rest of the world have also grown. These have been generated by the rapid expansion of free trade zone enterprises by Taiwanese, South Korean and other foreign investors. These investors were drawn to Central America by its low labor costs and the proximity to the U.S. market, as well as by the attractive concessions the region's governments offered. Exports generated by industries in the free trade market already represent one-quarter of Central America's total exports. The inflation rate has also eased within the region, with estimations for 1.3% in 2018.

Costa Rica, El Salvador, and other Central American nations are upgrading the standards of their technology and trade industry salaries and benefits to attract local employees. In 2006, Danish firm T-26 hired 500 bilingual Nicaraguans with salaries 300% to 500% higher than the average in the local market. The Panama Canal expansion project, completed in 2016, doubled the capacity of the canal by adding a new lane of traffic, as well as increasing

the depth and width of existing lanes, allowing for more and larger ships to pass through. Costa Rica has experienced continued success in attracting FDI in high technology and light manufacturing. In 2019 alone, the country became host to 40 new investment projects which generated 16,718 high quality jobs in the sectors of services, life sciences, and advanced and light manufacturing.

FOREIGN DIRECT INVESTMENT

Foreign direct investment is also a key factor in the growth of Central America. In 2008, foreign direct investment (FDI) inflows to Central America surpassed \$167 billion USD (FDI Inflows reduced by 6% to \$147 million in 2018) as reported by the United Nations Latin American and Caribbean Databook 2016. Although yearly FDI has since diminished in the LAC region, existing FDI stock is substantial enough to produce

income outflows that are nonetheless significant. In 2015, the United States alone was responsible for 25.9% of investments with a clearly defined national origin.

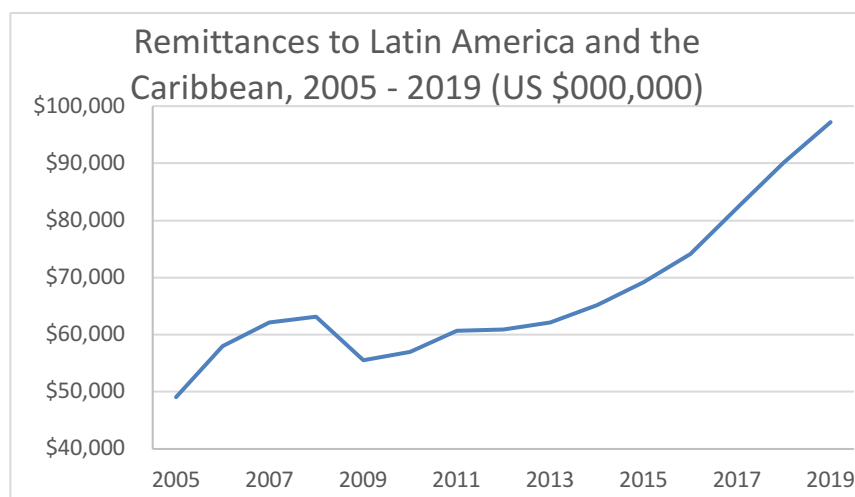
The figures indicate a hopeful situation in the region in terms of investment influx, following the marked decline at the start of the current millennium. This situation reflects, in large part, good macroeconomic performance and high commodity prices, factors that attract direct foreign investment. Also significant is a greater diversity among the countries of origin of this investment, and the decrease in investments from Spain, one of the main investors of recent years.

FAMILY REMITTANCES

Another important factor has been the increase in family remittances sent by the hundred thousand of Central Americans who immigrated to the United States in the 1980's. In 1992 El Salvador, Guatemala, Honduras, and Nicaragua together received a total of more than U.S. \$1 billion in remittances. In 2019, this figure exceeded U.S. \$23 billion for the region with the number of remittances growing at a steady rate of 10-12% per year from 2016 to 2019. Family remittances to Latin America and the Caribbean surpassed U.S. \$97 billion in 2019. The income received from remittances represents foreign exchange income equal to that obtained from the export of coffee, the region's most important export product for many decades. The Central American governments together with specialized NGO's are trying to foster the use of the remittances not only in local consumption, but also into small business creation and investments.

There has also been a modest repatriation of the capital that emigrated due to the acute conflicts of the 1980's. This has been stimulated by the high interest rates offered by the Central American banking system, higher than those currently offered in the United States and Europe.

Increased flow of private capital toward Central America has been accompanied by the resumption of multilateral bank loans to the region's governments. The governments have accepted and complied with the conditions established regarding the implementation of stabilization and structural adjustment programs. In addition, El Salvador and Nicaragua have received an exceptional influx of foreign aid to support the peace and democratization processes taking place in both countries.



<https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?end=2019&locations=ZJ&start=2001>

THE CENTRAL AMERICAN INTEGRATION PROCESS

The poverty levels of the region are possibly the greatest challenge to overcome; however, the Central American people are committed to improving their standard of living via free trade and integration. The global competition of today's world economy has created awareness in the region that Central American integration is critical in order to better cope with the challenges of the global economy. Political integration is still far away, but important steps have been taken in commercial and custom integration.

Modern Central American integration dates back to 1951 when the Organization of Central American States (ODECA) was founded. This was followed by the creation of the Central American Common Market (MCCA), the Central American Bank for Economic Integration (BCIE), and the Secretariat for Central American Economic Integration (SIECA) in 1960. In 1973, ODECA was suspended and progress in regional integration came to a standstill. Some 20 years later, in 1993, a new integration framework, the Central American Integration System (SICA), came into existence. SICA is made up of three Community Organs, the Central American Court of Justice (CCJ), the Central American Parliament (PARLACEN) and the Secretariat General of the Central American Integration System (SG-SICA).

The process of Central American integration has overcome prolonged internal conflict, natural disasters, and commodity market fluctuations, and has recently gained momentum despite these hurdles. Significant progress has been made in economic integration, namely the proposal to establish a customs union, initially between Guatemala and El Salvador, subsequently incorporating Honduras and Nicaragua, and with Costa Rica agreeing to join in 2002. In March 2002, the Central American Presidents approved an ambitious Plan of Action for Central American Economic Integration, including the progressive implementation of the necessary normative arrangements, tariff harmonization, removal of obstacles to trade, common customs administration, and external trade policy in order to achieve a customs union.

The process of regional economic integration represents both a formidable challenge and an essential requirement for the sustainable development of the region. While the economic integration and a Customs Union has yet to be implemented in full, the region and international organizations continue to forge ahead and make progress on the lofty goal.

COMMERCE AND COOPERATION AGREEMENT WITH EUROPEAN COMMUNITY

The European Union and the six countries that make up the Central American isthmus, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, enjoy a comprehensive relationship that encompasses political dialogue, cooperation, and a favorable trade regime.

At the 2002 European Union-Latin America and Caribbean Summit in Madrid, the European Union agreed to negotiate new Political Dialogue and Cooperation Agreement with Central America, which was signed in Rome in December 2003, and broadens existing political dialogue and cooperation. At the 2004 Guadalajara Summit, the European Union agreed to move towards the negotiation of an Association Agreement with Central America commencing with a joint assessment of Central American regional integration.

At the 2006 Vienna Summit, Heads of State decided to launch negotiations for an Association Agreement, including the establishment of a Free Trade Area between the European Union and Central America. The EU and the Central American region have since concluded a new Association Agreement, signed on June 29, 2012. Since this time, outcomes of the agreement include the elimination of most import tariffs, saving EU exporters an average of €87 million annually from 2012-2016 in lower customs duties, and improved access to government procurement, services, and investment markets.

RECENT ECONOMIC RELATIONS WITH THE EUROPEAN UNION

The European Union (EU) is the second most important trade (15% of total trade as of 2020) and investment partner for the Central American sub region after the United States (46% of total trade). Both exports and imports between the sub region and the EU represent some 0.4 % of total EU external trade, with exports from Latin America being mainly agricultural goods and imports from the EU predominantly industrialized goods. EU direct foreign investment in the Latin America in its entirety has also grown substantially over the last twenty years. The EU remains the leading foreign investor in the region, accounting for €385 billion of Foreign Direct Investment (FDI) stock in 2010, or 43% of the region's total FDI. Total FDI stocks grew to €505.7 billion in 2013, making EU FDI in Latin America and the Caribbean more than EU FDI in Russia, China and India combined.

Commercial relations between the EU and the Central American sub-region is dominated by the Generalized System of Preferences (GSP) in a special arrangement aiming to support the sub-region's efforts to combat drug production and trafficking. It provides duty free access to EU markets for all industrial products as well as duty free access for some agricultural products from Central America. A new GSP Plus regime came into effect in 2005.

Trade with EU has remained relatively stable over the last decade. The period from 2008 to 2012 has shown the strongest growth rate in decades averaging, around 15% per year. Trade in goods between the EU and CELAC countries amounted to nearly €230. billion in 2016, with €10.7 billion in 2016 alone.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52017DC0160>

THE DOMINICAN REPUBLIC - CENTRAL AMERICAN FREE TRADE AGREEMENT (DR-CAFTA) WITH THE UNITED STATES

DR-CAFTA is an initiative that followed the example of the North American Free Trade Agreement between Mexico, Canada, and the United States (NAFTA). In 2004, most of the CA countries including the Dominican Republic started to negotiate the free trade Agreement with the United States. The main goal of the agreement is to increase exports and imports between Central America and the United States. After many debates and analyses, the congress of Guatemala, El Salvador, Nicaragua, Panama, Dominican Republic, and the United States approved the agreement in the period from 2005-2006.

The main benefits for the United States are the lowering of tariffs to Central America for industrial and agricultural products, and the protection of intellectual properties. The main benefits for Central America are that it offers greater access to agricultural export products and allows special benefits for Central American countries to improve their competitiveness in crops, providing technical catch-up time with the industrialized competition from the United States.

Most economists agree that DR-CAFTA will improve Central America potential for economic growth, and streamline attraction of direct foreign investment, turning the region into a platform where foreign investors from all over the world will be able to access the U.S. market from Central America while enjoying lower production and trading costs. So far, the common factor is that most Central American countries have increased their export production to the U.S. consumption market. The countries of CAFTA-DR represent the United States 16th largest goods trading partner, with U.S. \$53 billion in total (two way) goods trade during 2015. Exports totaled US \$29 billion and imports were at U.S. \$24 billion. U.S. goods exports to CAFTA-DR also supported an estimated 134 thousand jobs in 2014, according to the Department of Commerce.

<https://ustr.gov/trade-agreements/free-trade-agreements/cafta-dr-dominican-republic-central-america-fta#:~:text=Combined%2C%20the%20countries%20in%20the,was%20%247%20billion%20in%202018.>

COMPETITION

The Company's principal competitors to its Gran Pacifica development in Nicaragua are as follows:

- Rancho Santana (located approximately 51 miles from Gran Pacifica along the Pacific coast) having approximately 2,700 acres with 22 lots for sale, 66 existing homes, and 32 condominiums
- Guacalito (located approximately 57 miles from Gran Pacifica along the Pacific coast) with 1,670 acres, 46 lots for sale, 35 villas, golf course, and boutique hotel

The Company's principal competitors to its Grand Baymen resort in Belize are as follows:

- Pelican Reef Villas, Ambergris Caye Belize. 1 acre of beachfront land 2.5 miles south of San Pedro Town. Consists of 2 and 3-bedroom condominiums all oceanfront. Pelican Reef is located about 2 miles from The Company's Grand Baymen resort
- Las Terrazas, Ambergris Caye, 4.8 acres, 38 existing townhomes, and 40 more planned. Las Terrazas is located about 6 miles from the Grand Baymen resort
- Grand Caribe, Ambergris Caye, 3 acres, 8 buildings, 72 condominiums. Grand Caribe is located about 3 miles from the Grand Baymen resort

The Company differentiates itself from its competition in three major ways:

1. ECI Development is a company dedicated to serving middle class retirees under pressure to discover new ways to enjoy a quality retirement on the limited funds they have saved for retirement. Product offerings are designed to fit the needs of middle America. Homes and condos start at under \$100,000 in Nicaragua and under \$150,000 in Belize. The average 3-bedroom, 2-bath residence is offered between \$175,000 and \$250,000. A Grand Baymen 2-bedroom condominium residence on Ambergris Caye starts around \$350,000. These reasonably priced homes and residences are delivered in a climate type chosen by the retiree, perhaps a beach or mountain environment and always with state-of-the-art infrastructure, and an amenity package similar to or better than what is available in North America.
2. Serving the consumer is the core philosophy of ECI Development. Just as Sun City did for retirees in the United States, ECI is creating a set of standards and building real community in Latin America. ECI delivers the things that most North Americans take for granted, like excellent water pressure, quality construction, and high-speed internet. Other things often taken for granted like basic zoning, covenants, and restrictions, or even the simple maintenance of streets, are part and parcel of the ECI brand.
3. The “secret sauce” however, is community. Implementation of ECI’s master planning and design philosophies allows and fosters real community to emerge for the ultimate quality of life experience. The retiring baby boomer consumer can be confident that no matter whether they choose a semi-arid Pacific coast golf community, a Caribbean marina community, an English- speaking island home, a vineyard estate in the “Napa Valley of South America, or a tropical highland “eternal spring” climate, they will receive the creature comforts and the important real sense of community that is the foundation of any home or residence in an ECI Development community.

ADDITIONAL DEMOGRAPHICS

As of 2016, the U.S. Department of State estimates that the number of civilian, i.e. non-military or government-affiliated, U.S. citizens living abroad totals approximately 9 million (CA by The Numbers); however, the Federal Voting Assistance Program offers a more conservative estimate of 5.7 million Americans living overseas.

Due to the U.S. Census bureau’s policy of not recording citizens’ country of residence and the State Department’s refusal to release further details on overseas citizens due to security concerns, any figure claiming to represent all U.S. citizens living abroad is necessarily an educated guess rather than an exact statistic.

According to the State Department, around one million American citizens are considered full time residents of Mexico. Information from the Migration Policy Institute offers the following snapshot of United States citizens now residents in various Central and South American nations:

Belize	3,000
Chile	12,000
Costa Rica	130,000
Ecuador	12,000
Nicaragua	2,000
Panama	25,000

The number of retirees living overseas is difficult to determine. Sources have published a broad range of estimates; however, as of 2018, the Social Security Administration estimates that 672,000 of all Americans abroad are retirees. Of those overseas retirees, 81% report “general satisfaction” with their chosen living situation.

Latin America in particular is growing rapidly as a desirable retirement destination, due to proactive policies instituted by those nations to attract foreign migrants. According to a 2006 Migration Policy Institute report, economic considerations like lower cost of living were a major factor in American retirees’ decision to expatriate to Mexico or Panama (both found in the top 10 most desirable expat destinations in 2017), as well as the simplicity of local visa, tax, and property laws.

2006 Migration Policy Institute Report:

http://www.migrationpolicy.org/sites/default/files/publications/americas_emigrants.pdf

2015 InterNations Expat Insider Survey:

<https://www.internations.org/expat-insider/2015/us-americans-abroad>

2016 U.S. Department of State CA (Consular Affairs) By the Numbers:

<https://travel.state.gov/content/dam/travel/CA%20by%20the%20Numbers-%20May%202015.pdf>

FVAP U.S. Overseas Voters:

<https://www.fvap.gov/uploads/FVAP/Reports/FVAP-OCPASummarybrief.pdf>

Migration Policy Institute Immigrant/Emigrant Data:

<http://www.migrationpolicy.org/programs/data-hub/charts/immigrant-and-emigrant-populations-country-origin-and-destination>

The Baby Boomers represent more than estimated 73,000,000 individuals in the United States, and 9,000,000 in Canada. Over the last 60 years, almost everything that was popular with the Baby Boomers became a huge commercial success. Their purchases have produced a disproportionate impact on the economy at each stage of their lives. The Boomers are a consumer-centric group, and they are accustomed to having things their way. People and companies that placed themselves in the path of this “age wave” did very well. Industries that served them grew large and profitable. This wave of consumers is real, and it continues right now as they enter the age of retirement.

Detailed Boomer Statistics:

- 93 million U.S. and Canadian citizens born between 1946 and 1964
- 1/3 of the population
- Account for 3/4 of spending
- Control 71.9% of wealth in 2020
- Own 80% of all money in banks
- Own 66% of all money in equity markets

While these statistics remain true as percentages, the fact is that many Baby Boomers lost an incredible amount of their net worth in the market meltdowns of 2008. In an extensive survey of 103,000 U.S. Citizens, the Zogby Company identified that over 4,500,000 Americans are considering relocating or owning property in Latin America. While only a percentage of those identified with an interest in emigration will actually do so, it is also likely that many Boomers today who have no desire to relocate overseas may choose

to explore this option based on quality of life and cost of living issues. An Ernst & Young “State of Retirees” study points to a growing number of retirees who may decide to explore alternatives heretofore not considered. (Appendix C).

In addition to the E&Y data, U.S. Commerce Department data shows that Baby Boomers are now saving almost nothing. For most Boomers, there is simply not enough time to accumulate what was not saved. Even today, almost half of U.S. Boomer retirees (48%) expect to count on Social Security during retirement, and 15% expect to rely on it for most or all of their retirement needs. For many, the choices for a high-quality retirement, the kind of their dreams, are simply not feasible in the United States on the limited funds and Social Security payments they possess.

Because of the size of this huge demographic and the changing state of retiree wealth, ECI Development is creating environments where people can enjoy retirement affordably, but also where they can age comfortably. This generation has witnessed the amazing power of technology to do just about anything. Baby Boomers know what is out there and expect a high degree of sophistication to accompany them throughout life.

Latin American countries continue to become increasingly popular destinations for North Americans’ retirement. Located in the same time zones and only a short flight from the major North American cities and hubs, easy access is a major reason this will occur.

The second major factor is lifestyle amenities, such as golf and tennis. Natural advantages like spectacular beaches, warm tropical weather, cool mountain forests, and dry desert valleys are a huge draw, but perhaps the biggest reason people are flocking to the region is economics. Many of the more than 93 million North American Baby Boomers approaching retirement age don’t have enough money saved for a comfortable retirement. They can, however, move south-of-the-border and live very, very well.

The countries of Latin America are now proactively marketing the benefits of their countries at venues like the AARP convention and similar events around the U.S. and Canada. Mexico was one of the first in the region to do so, and it is estimated that nearly 1,000,000 North Americans spend some part of the year there in a retirement mode.

The other countries of the region are following suit, with Costa Rica in second place, and Panama a strong third. Most of the countries in the region now promote attractive retiree laws that offer tax incentives, duty exemptions, and in some cases, special discounts on everything from airfares, movies tickets, health care, and dining out. The competition to recruit retirees is gaining momentum, and as each of the countries do more, the combined effect will promote an affordable, enjoyable overseas lifestyle. ECI, with a multi-country strategy, benefits from this general trend especially well.

Just as mass outsourcing of call centers and manufacturing has occurred in recent years, the outsourcing of medical treatment is in its infancy. This trend is rapidly gaining traction, especially in the fee-based specialties of dental and plastic surgery, but as the systems of care in North America are overwhelmed by demand, service levels could drop while costs remain high or increase. People may choose to pay the small fee for private health care services outside North America, and, in fact, receive better care in Latin America with full time, in-home nursing care for less than \$450 per month. These quality-of-life issues will pull more people to the region than is currently expected.

Latin America offers a lower cost of living and, paradoxically, offers a generally higher quality of life on the limited monetary resources many Boomers will have in retirement. As more and more people look to the region, and as the region itself promotes programs to attract retirees, the number of people who will consider Latin America will grow, further expanding the pool of clients for residential units.

Property sales and tourism data also point to rapid growth in the region. This data and a series of surveys and studies referenced elsewhere in this summary pinpoint its nature. Latin America is an emerging market that touts its prime location in relation to North America and ease of access as attractive benefits and motivation for retirement consumer demand.

There is an environment of growing optimism and progress that makes the area very attractive to investors both local and foreign, and this movement along the “development road” ensures stability where there used to be significant political conflict and economic strife. Latin America is in the middle of a successful transformation, and while poverty reduction and economic development still pose challenges, the future is vibrant and promising.

Growth in conjunction with improving economies and regional stability drives the improvement of infrastructure, economic situation, and position in the global marketplace. These, in turn, make the region more economically viable, while at the same time improving quality of life, safety, and marketability of the countries therein.

DESCRIPTION OF SECURITIES OFFERED

The shares have restrictions on transfer until The Company completes an initial public offering. The shares cannot be transferred without the written consent of The Company. Each investor agrees to this clause in the Subscription Agreement. Each shareholder is entitled to one vote per share. The shares do not include any cumulative voting rights, special voting rights, preemptive rights, or anti-dilution rights. The shares have no preferences as to dividends or liquidation preferences.

The Company has no preferred shares outstanding.

How These Securities Will Be Offered and Sold

Company Salespersons. - The Company intends that Mr. Cobb, its Chairman and CEO, will be The Company's primary agent for effecting the offer and sale of the Shares. Mr. Cobb's contact information is:

Address: Ofiplaza El Retiro, "Modulos Comerciales" Building, 2nd Floor, Suite CC-7
De la Rotonda El Periodista 150 mts al Sur
Managua, Nicaragua

Telephone Number: +505-2254-7600
+505-2254-7667

Company's Share Administrator is Georgetown Trust, Ltd. Georgetown Trust, Ltd.'s offices are located at:
Caye Financial Centre, 3rd Floor
San Pedro Town, Ambergris Caye, Belize

Mailing address: Georgetown Trust Ltd.
PO Box 11
San Pedro Town, Ambergris Caye, Belize

Phone number: 011-505-226-3569

Email: Mr. Luis Ek (luis@georgetowntrust.com)

The Company may also use registered broker/dealers to help it offer shares into the U.S. and may pay such broker/dealers a commission for such sales. The Company has not yet contacted such broker/dealers and has not determined an appropriate commission rate.

Also, in certain instances, The Company may use finders to provide it with the names of prospects and may compensate such finders for such names, provided that The Company shall only enter into arrangements with such finders if The Company is satisfied that such arrangements are in accordance with applicable law.

The offering in the United States is limited to Accredited Investors, as that term is defined in Rule 502 under Regulation D as promulgated by the U.S. Securities and Exchange Commission. The form of Subscription Agreement attached to the Private Placement Memorandum, contains a series of questions to determine if a U.S. investor qualifies as an accredited investor. The Subscription Agreement also contains other requirements. Please read the Subscription Agreement carefully.

APPENDIX Resources

APPENDIX A - NEW URBANISM CASE STUDY - WATERCOLOR COMMUNITY

Desirability drives demand, and demand drives price. ECI builds traditional, new urbanism neighborhoods like the community built by Walt Disney outside Orlando, FL called Celebration and communities like Watercolor, Kentlands, and Rosemary Beach. Master planning along these principles produces yields three to five times higher than traditional planning concepts while delivering the charm of a village setting to consumers. Boomers demand services, infrastructure, amenities, and community. ECI is one of only a very few companies delivering this in Latin America right now. By differentiating ourselves in this way, we have created a final product that is highly desirable and attractive to the vast Baby Boomer market.

Below you will find several properties currently on the market. The first two plots of land are located in Watercolor, a new urbanism community located in Walton County, Florida. The third plot is located just four miles away in an unplanned community. Plots of land in Watercolor command significantly higher prices than nearby subdivisions that are carelessly hacked into lots, with little or no attention paid to the new urbanism design principles that make real estate so desirable.

Santa Rosa Beach, Walton County, Florida



Property A - Watercolor Community
Asking Price: \$5.795 M

MLS# 726010

Location: Santa Rosa Beach | Property Type: Home

[Save Listing](#) | [View Saved](#)
[View Printable Version](#)

\$5,795,000 | [Mortgage Calculator](#)

Listed: | On Market: 0 days
Area: 30A East
Subdivision: WATERCOLOR
[Google](#) [Click to view map](#)



Details:

- › Year Built: 2014
- › Beds: 9
- › Half Baths: 1
- › Acreage: 0
- › Baths: 10
- › SqFt: 7,526

Property B - Watercolor Community
Asking Price: \$2.85 M

MLS# 721890

Location: Santa Rosa Beach | Property Type: Home

[Save Listing](#) | [View Saved](#)
[View Printable Version](#)

\$2,850,000 | [Mortgage Calculator](#)

Listed: | On Market: 0 days
Area: 30A East
Subdivision: WATERCOLOR
[Google](#) [Click to view map](#)



Details:

- › Year Built: 2004
- › Beds: 5
- › Half Baths: 1
- › Acreage: 0
- › Baths: 5
- › SqFt: 4,710

Property C - Santa Rosa Beach
Asking Price: \$199,990

MLS# 711182

Location: Santa Rosa Beach | Property Type: Home

[Save Listing](#) | [View Saved](#)

[View Printable Version](#)

\$199,990 | [Mortgage Calculator](#)

Listed: | On Market: 0 days

Area: North Santa Rosa Beach

Subdivision: PISCES COVE 2ND ADDN

[Google](#) [Click to view map](#)



Details:

- Year Built: 2001
- Beds: 5
- Half Baths: 0
- Acreage: 0.48
- Baths: 3
- SqFt: 2,813

APPENDIX B - AMERICAWAVE ZOGBY SURVEY AND ANALYSIS

FIRST & FOREMOST

This brief note at the launch of America Wave is to explain that only a portion of survey data has been posted. As one example, the data on purchase of a property outside the U.S., but without immediate relocation, is not yet included. Additional data, analysis, and commentaries will be posted and the best way to keep up-to-date with changes is to subscribe using the sign-up form on the right-hand side of each page.

THE QUESTION & THE ANSWERS

Each of our nine surveys, whether short or long, begins with a single “gateway” question. The survey is made of a statistically valid sample of the American adult population. The great majority of Americans are not thinking of relocation or property purchase outside the U.S., so we first must identify those who are interested.

Since our first survey in 2005, this question has been changed, primarily by being expanded. In the beginning, we focused on re-locators only. Later, we began adding responses for people who were interested in property purchases, but not yet relocation. As we gained experience, we settled on the question below, have used it, and will continue to use it.

“Are you planning to relocate to another nation for more than two years for reasons other than the requirements of the military, the government, or your job?”

- Yes, I plan to relocate outside the U.S.
- Yes, I am seriously considering it and am likely to do it.
- Yes, I am somewhat seriously considering it and may do it.
- No, but I plan to purchase a vacation or investment property outside the U.S.
- No, but I am seriously considering purchasing property outside the U.S. and am likely to do it.
- No, but I am somewhat seriously considering purchasing property outside the U.S. and may do it.
- No, I am not interested in relocating or buying a property outside the U.S.
- Not sure.

There are two important aspects of this question. The first is “for more than two years” as we did not want to attract people who were planning extensive travel for a year or who were “studying abroad” for a semester and so forth.

The second, “for reasons other than the requirements of the military, the government, or your job” is the most critical and the most frequently forgotten by many people reading our survey results. We did this on purpose as we are only interested in people who are voluntarily relocating or purchasing property. If our intention was to get the highest numbers possible, we would have left those words out of our question. The numbers would have been much more impressive, but that was not our interest.

That point allows us to say that the Americans we have found who are interested in relocating or purchasing outside the U.S. are doing so voluntarily, not because someone else is requiring them to do so. This helps support our argument that overseas relocation is not the result of a “movement” or any other outside pressure, but the result of millions of individual households making individual decisions. This

makes the “wave” of relocation all that much more impressive, and it also explains why so few people in the U.S. are aware of it. That definitely includes most journalists in all media. That explains why the majority of articles in the general U.S. media focus on retirees seeking warmer climates, despite the simple fact this group, while certainly present, represents a small minority of the total of Americans relocating.

WHY WERE THESE SURVEYS DONE?

It starts with one man, Bob Adams. Bob was CEO and President of New Global Initiatives (NGI) in Maryland in the U.S., a firm providing humanitarian assistance to nations in need. He had more than four decades of professional experience in economic development in some four of the less developed nations of the world. He was also approaching his 60th birthday. He knew from those decades of experience that life in many nations was cheaper than in the U.S., with warmer weather than Maryland, and more fun. With that in mind, he went looking for a nation where he could enjoy these benefits in the future, should he ever find the time to retire.

He found his new home in Panama. Discovering that nearly all the “Panama websites” during that time were purely commercial and incorrectly represented the nation, he set up RetirementWave.com as a non-profit, informational website about Panama. Without any advertising or promotion, his “membership” climbed into the thousands. As he answers all his emails himself, and meets with members visiting Panama, he became increasingly familiar with the different kinds of Americans who were relocating. In the process, he realized he had misnamed his site, as many of his members were not retirees, but rather younger people or older people intending to set up a business, or otherwise continue to work.

He set out to learn more about Americans relocating anywhere in the world, and quickly found there were no statistics, other than guesswork available. Through NGI, he contracted with the Migration Policy Institute in Washington DC, a research group focused on migration globally, to do a “desk-study”, a review of existing research on American relocation. There was none. So, he further contracted with them to do a more in-depth study, including focus groups in Mexico and Panama.

All these efforts yielded very little information that could be considered valid for the total population of re-locators. It is simply impossible to find every American living in another nation and then draw a valid sample. So, Bob turned his attention to Americans who had not yet relocated, but who were potentially headed in that direction, and the first survey of the U.S. population was professionally undertaken on behalf of NGI by Zogby

International, a U.S.-based opinion survey firm, in 2005. All the other surveys, including those referred to here, stem from that beginning from here on, it’s a long story, but we have continued to follow this topic in surveys. Although NGI is now closing down in the U.S., Bob and his associates are now active in Latin America. Bob has set up America Wave, Inc. as a corporation and a home to all the surveys.

Our surveys are a bit different than others. Most surveys you read in the news include 800 to 1,200 respondents. Once in a while, they cover 1,500 to 2,000, but that is uncommon as these lower numbers provide reasonable accuracy and margins of error. Our surveys have included from 2,000 to nearly 25,000 respondents to provided higher levels of accuracy, and also allow us to look more closely at sub- groups of the total population, something other surveys do as well, but with much smaller numbers, less detail, and less accuracy.

We have also done very detailed surveys of where people want to go, why they want to relocate, what they expect to find, and a long list of other factors. We did not do that with the ninth survey, as that is expensive, and frankly, we did not expect to find the dramatic changes that we indeed found. If there is sufficient interest from people like yourself, we may do additional surveys to provide the details that interest many people and help fill out the “profile” of re-locators.

WHY DO YOU USE “RE-LOCATOR” AND “RELOCATION” INSTEAD OF “MIGRANT” AND “MIGRATION”?

From the beginning, we have had to innovate. We were doing something that had not been done before. We were looking at a topic from the viewpoint of the 21st century, not the 16th, 18th, or 20th. There are many definitions of “migrant”, but traditionally it referred to someone who was moving to another nation to seek citizenship. After all, if you were going to spend weeks on a leaky wooden ship to start a new life elsewhere, you probably assumed it was for the rest of your life.

Today, it is very common for people from the U.S. and elsewhere to move to other nations, but with no intention of giving up their citizenship. Although they may move for an indefinite period of time, and that period may be the rest of their lives, they are not traditional migrants. They are Americans who have “relocated” to another nation, but they remain Americans.

They have always existed, but never before has it been so comparatively cheap, fast, and easy to relocate as it has become in the last couple decades. As we often point out, it’s not simply a matter of the “communication revolution” (the web, email, etc.) making it very easy for folks to remain in contact with their families and friends back home, it is also a matter of the “transportation revolution”. It’s not that we move faster these days than we did ten, twenty, or thirty years ago, but rather now we can move almost anywhere we like. The end of the Soviet Union and its “empire” and the changes in China, post-Mao, have opened the entire planet to re-locators and that has had a huge impact as well, although it is rarely noted.

HAVE THERE BEEN ANY OTHER POLLS RELATED TO THIS TOPIC AT ALL?

Although we have been the only group to survey Americans on the subject of relocation, there are other polls conducted by the Gallup firm that are indirectly related, but relevant. They approach it from a different angle. Here is their equivalent of our “gateway” question; Ideally, if you had the opportunity, would you like to move permanently [our emphasis] to another country, or would you prefer to continue living in this country?

By using the word “permanently”, this is really a question concerning migration, not relocation. In addition, it offers no choice for those planning such a permanent move or at different levels of interest. Finally, it uses the word “ideally”, thus removing all constraints and separating it from the reality faced by the respondents. It is a perfectly legitimate question, but quite radically different from ours. However, the results are of great interest and even supportive of our findings, even if indirectly.

Gallup asked this question in 135 nations for one series of polls and 146 nations in another series implemented from 2007 through 2010, so this is not a survey of Americans only. They divide their results into eight global regions. One of those regions is Northern America (Canada and the U.S.).

Of the eight global regions, in six of them the percentage answering that they would want to migrate had fallen. Only two regions had remained the same over time: Europe and Northern America. Indeed, in two other regions, South Asia and Southeast Asia, the percentage had fallen lower than the Northern America percentage.

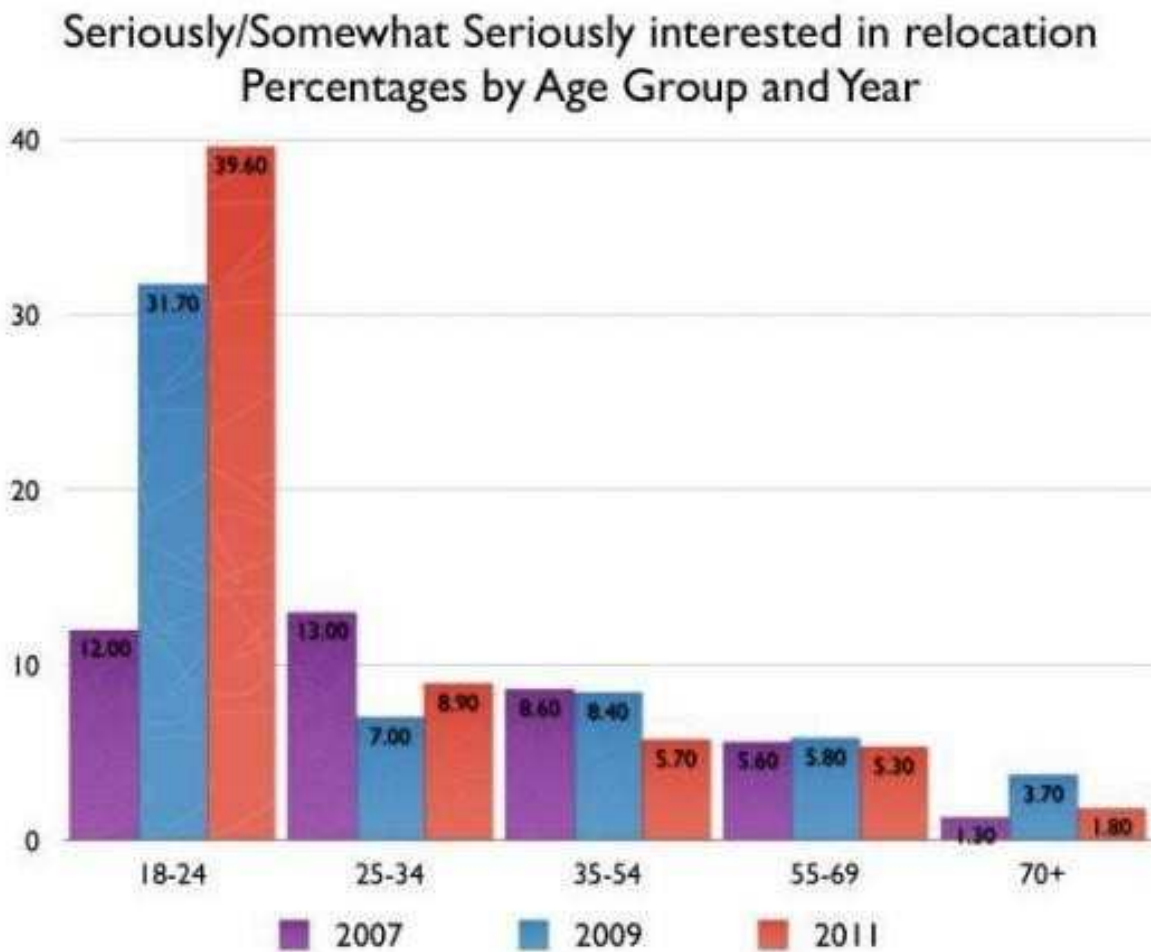
In Northern America, 10% of respondents answered that they would like to move permanently. When we asked the folks at Gallup if there was a difference in the responses of Canadians and Americans, they said, no, they were both 10%.

WHAT IS YOUR PLAN FOR THE FUTURE?

When Bob first wrote of the findings from the last 2007 survey in Barron's, the highly regarded U.S. financial publication, and, as a result, was interviewed by Erin Burnett on CNBC, there was a flurry of interest. Oddly enough, it was not from media in the U.S., but almost entirely from Asia, Singapore, and primarily India. It seemed to be of passing interest to the American media and business world, but nothing more. We accepted that of course, and went about our business, unrelated to these surveys.

We now have a huge mountain of data from these nine surveys of a total of more than 120,000 Americans over a period of years. It is the only database of its kind. Someday, when relocation becomes of greater interest, we want at least some of this information to be available as it is the only "historical record" on this topic.

Should America Wave and the information it provides create greater interest, we will consider additional surveys in far greater detail as we have done in the past.



We will look at those who chose two other answers to the question, "Are you planning to relocate to another nation for more than two years for reasons other than the requirements of the military, the government, or your job?" by responding either with, "Yes, I am seriously considering it and am likely to do it" or "Yes, I am somewhat seriously considering it and may do it", also by age group.

While the 25-34 age group is the most striking in the “planning” category, it is another group that jumps out at us in this graph, the 18-24 age group. In 2009, despite the sharp drop-off in those planning to relocate in the two younger age groups, the rise in interest of Americans in the 18-24 age group was dramatic. In 2011, they surpassed their old record and set a new one, almost reaching 40%.

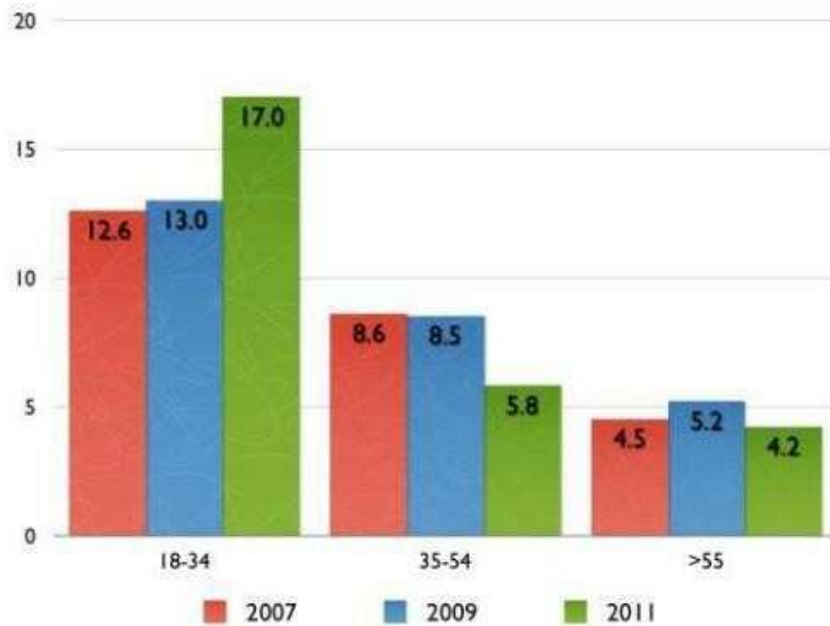
If you are my age (I am 66), you may find this almost unbelievable. Although I was surprised to see interest rise to a new high, I find it very believable. By the time they were 15 years old, every one of them was living in the 21st century. The internet has always been an intimate part of their lives. Famous names like Mao, Khrushchev, Nixon, Kennedy, Reagan, and others are just names they have memorized in history class at some point, but not much more than that for most of them. They see things differently than my age group, experience them differently, and relate to them differently. The world is far smaller to them than it was to me at their age.

The number actually planning to relocate may have collapsed, as seen in the other post mentioned earlier, but the interest is definitely there. I suspect that the lack of jobs and fears for the future are major elements in depressing their numbers now. And it is very possible that parents who might once have been able to help financially are no longer in a position to do so. Those ages 18-24 have to keep their focus on getting by in difficult times, but that doesn’t mean they have to give up their dreams. They have to be patient.

In years to come, when relocation is financially feasible for many of those interested today, we may find that the 25-34 age group which is so prominent among those planning to relocate today may just set a new record or two when these young adults mature.

There are reasons for dividing up the total respondents into the age groups shown in the graph above. They roughly represent different “stages” of life in the American context. However, two of them are especially small: those 18-24 and those 70 and older. Due to their comparatively small size, let’s combine each of them with their “neighbor” age group. Then we have 18-34, 35-54, and 55 and older.

Seriously/Somewhat Seriously Interested in Relocation by Revised Age Groups

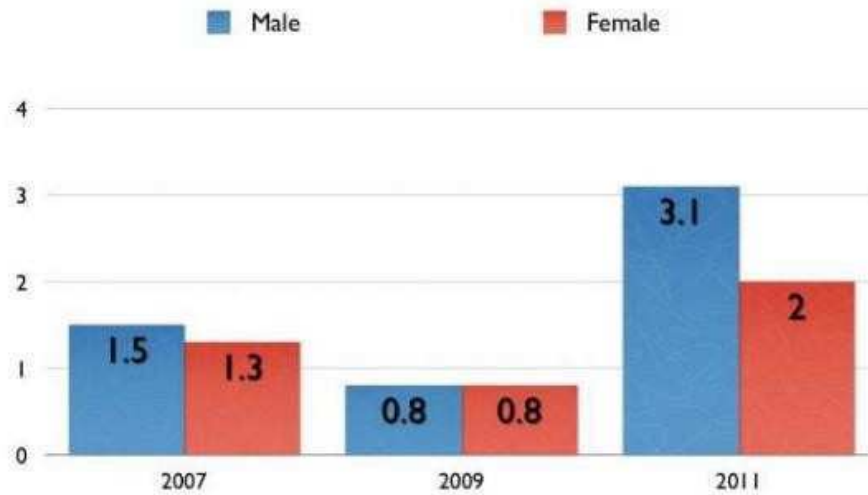


Seen from this perspective, the differences separating the age groups are not quite so dramatic, but it also underlines that the greatest interest in relocation is clearly among younger adults. Among the middle-aged and older adult communities, the interest is still there, but has yet to recover to earlier levels.

This can be a little misleading. Those older age groups also have demonstrated a substantial increase in the number now actually planning their relocation compared to earlier years, so some of the apparent decline results simply from “interested” people moving to the planning stage.

It also can be expected that these age groups are more likely to be married and more likely to have children, thus more likely to face financial difficulties, and less likely to be considering anything other than getting through this crisis successfully. It may take some time for the other adults in these groups, currently not interested in relocation and not represented in these graphs, to become interested.

Yes, Plan to Relocate by Gender



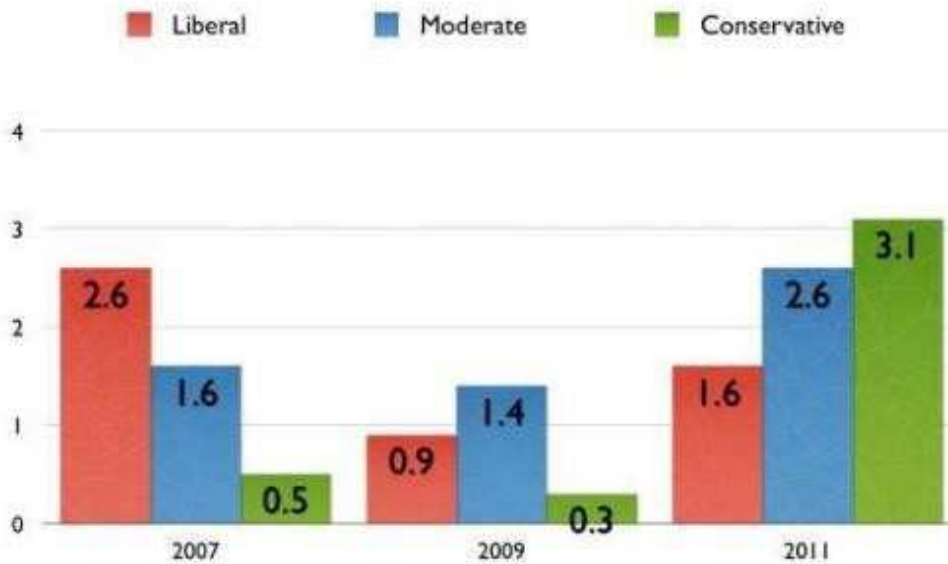
Throughout our surveys, the difference by gender in those planning relocation, has been minimal. We have simply assumed that this reflected the majority of those relocating weren't single but were households of two or more where both genders were represented. In 2011, a major gap is obvious. As I will discuss later with the stats based on status (married, single, etc.), this likely reflects a big jump in the number of single people, assuming the great majority are male.

There are two other potential contributing factors. Of those actually planning to relocate, the number of people in civil unions has increased as well, if not as dramatically as for single people. If the majority of these are gay male couples (a question we did not include in the survey), then that would also impact these figures. However, civil unions are a very small portion of the total and very unlikely to be responsible for this gender shift.

There has also been an increase in those in the "divorced, widowed or separated" category. This is a much larger sub-category than civil unions and it is possible that it makes a major contribution to the sharper increase in males rather than females.

In any case, this unexpected shift is notable and deserves attention in future surveys. There is a story or stories here that may reflect other trends in U.S. society.

Planning relocation by Ideology (self-identified)



Beyond the obvious potential for controversy, this variable is different than any of the others included in all three polls (some earlier polls provided greater detail). Political ideology is something determined by the individual, unlike race, gender, income and so forth. It is also determined by the individual alone, unlike marriage, divorce, and so forth. Finally, it is something individuals can change at any time, entirely of their own volition, and instantly if they so choose. In effect, it is “private” in a way most variables are not.

With that in mind, the shift from 2007 to 2011 is very obvious. In an earlier, more comprehensive 2007 survey, 49% of re-locators chose, “I think the U.S. is moving too far to the right” as one of their reasons for relocating, surpassed only by 49.6% who chose, “I want to live in a less stressful environment”. They were allowed to choose as many of the twenty varied reasons as they liked. The next two most popular responses were, “I want change, adventure, new challenges” (47.9%), and, “I want to live in a country with affordable health care” (42%). When asked for the one reason most significant to them, 26.5% chose, “I think the U.S. is moving too far to the right”, and 20.9% chose, “I want change, adventure, new challenges”. None of the others reached double digits. The 2009 and 2011 surveys did not include this question and many others, as they were substantially more limited in scope.

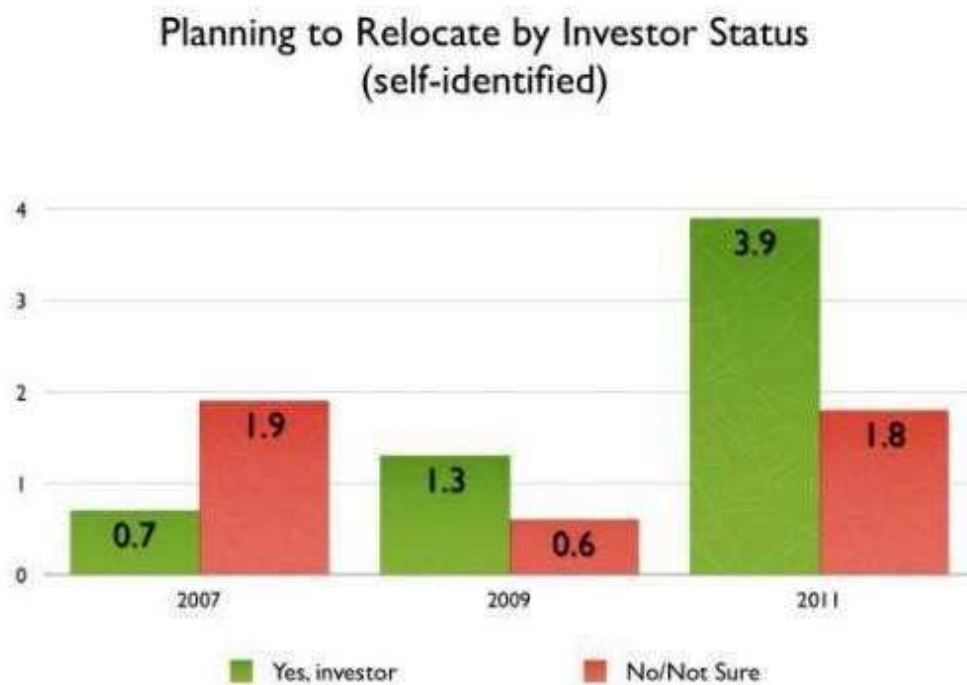
Administrations have changed and responses have changed. In 2007, the largest group was liberals, far larger than those choosing to call themselves conservatives. By 2009, liberals had dropped dramatically, and the small conservative minority remained very small. Although moderates fell, they were the most stable and became the most likely group to actively plan relocation. In 2011, all three groups have grown, but self-identified liberals have raised the least. Moderates have set a new high, and conservatives have dramatically increased in number.

Two things should be kept in mind when considering these results. For some decades, when Americans were asked to choose one of these three terms to represent their political ideology, the distribution has been 40-40-20, give or take a few points from one year to another. That is roughly 40% choose “conservative”, 40% choose “moderate”, and 20% choose “liberal”. This simply means that the conservative segment of those planning to relocate is even larger in sheer numbers than the liberal segment.

However, a conservative in Alabama and a conservative in Oregon, or a liberal in Massachusetts, and a liberal in New Mexico, may define “conservative” and “liberal” quite differently. Of course, “moderate” can mean many different things to different people. This should be a reminder to the reader that his or her personal definition of any of these terms does not necessarily correspond to the definitions of the people who chose the terms.

But for the moment, it is clear that a more conservative segment of American society has replaced a more liberal segment as the primary ideological group that has reached the stage of actively planning their relocation.

This is one graph that speaks for itself, very simply, and very clearly. The shift from self-identified, non-investors to investors could not be clearer.



In one sense, it is not especially surprising during this time of financial crisis in the U.S. It might be expected that Americans who identify themselves as “investors” have more substantial financial resources available for relocation than non-investors. Although you certainly do not have to be rich to relocate to another nation, it is still cheaper and easier just to pack your bags and travel to another part of the U.S.

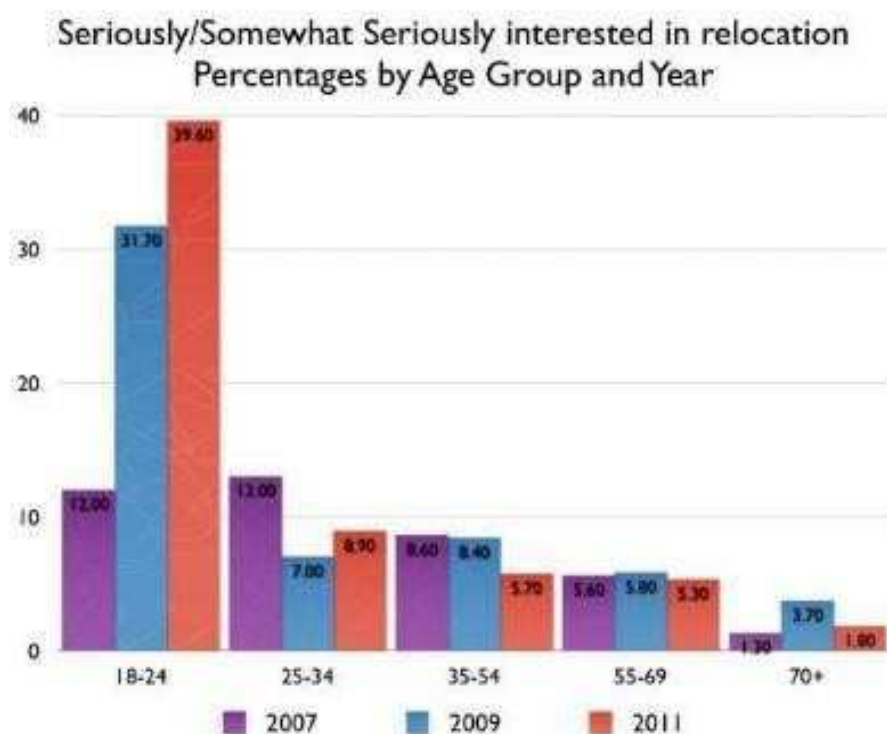
Those Americans who have never thought of relocating outside the U.S. are obviously not candidates for relocation. Perhaps investors, who more and more frequently purchase stocks, bonds, commodities, and other financial instruments that are global or non-U.S. in nature, are more likely to think in “global” terms when it comes their own residency than those who do no such investing. Investors may be “following their investments”.

And of course, some may argue that this means “the wealthy are fleeing the country” in rejection of economic policies in the U.S. Well, perhaps some are, but the wealthy are not so large in number that they

could explain a shift as great as this one, and as our income group statistics make clear, relocation is not at all limited to wealthy people.

Middle-class Americans have become very active in investment and speculation over the last few decades. By definition, they are not wealthy. Their parents might have referred to their primary investment in the past as their “nest egg” and not considered themselves to be investors, per se. With the widespread adoption of online trading and the huge increase in various investment possibilities in recent years, their adult children today may now see fit to call themselves investors with investments, leaving behind “nest egg” as an out-of-date term.

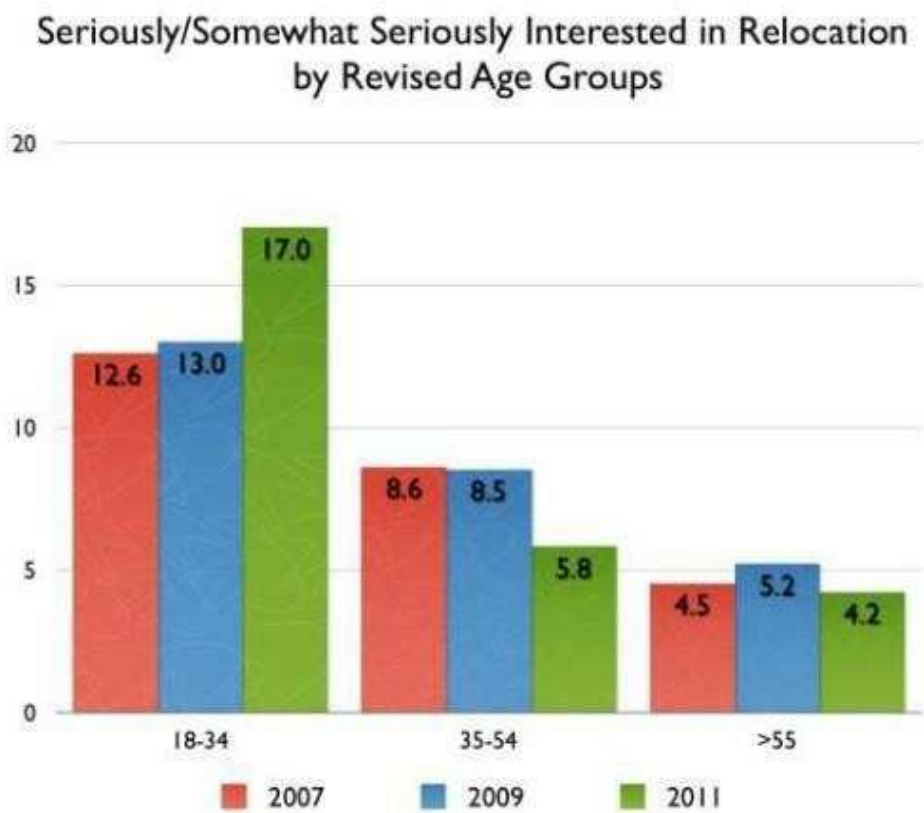
In all cases, not just this one, it is important to take all the various variables into consideration (marital status, income, education, etc.), and not assume that one variable alone can describe a re-locator. However, given that non-investors have only returned to their 2007 level while investors have tripled, there is no doubt that this variable is one of those making a significant contribution to 2011’s higher relocation totals.



In another post, I discuss those planning to relocate to another nation by age group. In this post, we will look at those who chose two other answers to the question, “Are you planning to relocate to another nation for more than two years for reasons other than the requirements of the military, the government, or your job?” by responding either with, “Yes, I am seriously considering it and am likely to do it”, or, “Yes, I am somewhat seriously considering it and may do it”, also by age group.

While the 25-34 age group is the most striking in the “planning” category, it is another group that jumps out at us in this graph, the 18-24 age group.

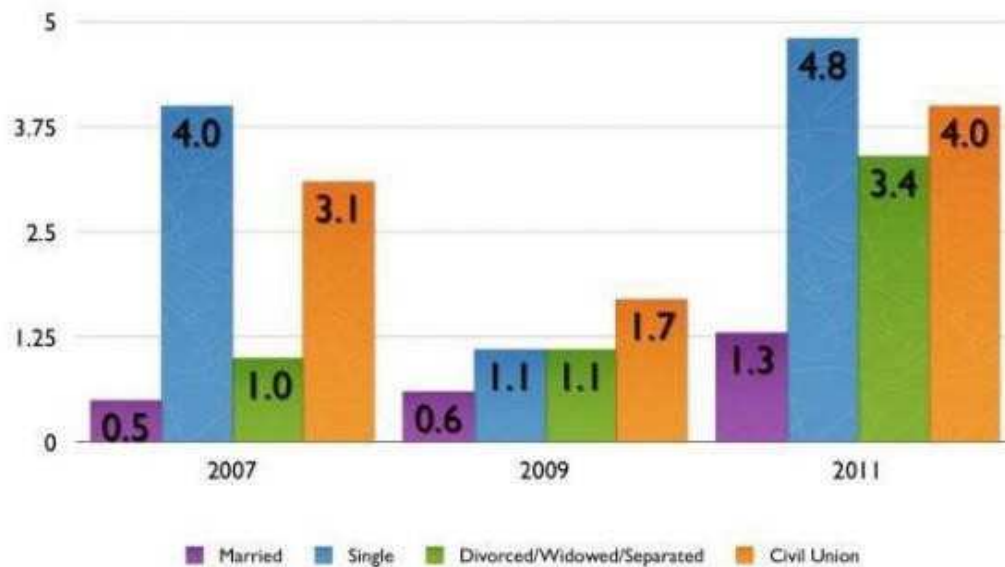
In 2009, despite the sharp drop-off in those planning to relocate in the two younger age groups, the rise in interest of Americans 18-24 in relocation was dramatic. In 2011, they surpassed their old record and set a new one, almost reaching 40%.



Seen from this perspective, the differences separating the age groups are not quite so dramatic. But it also underlines that the greatest interest in relocation is clearly among younger adults. Among the middle-aged and older adult communities, the interest is still there, but has yet to recover to earlier levels.

This can be a little misleading. Those older age groups also have demonstrated a substantial increase in the number now actually planning their relocation compared to earlier years, so some of the apparent decline results simply from “interested” people moving to the planning stage.

Planning to Relocate



The numbers above represent those giving the most positive relocation answer that, yes, they were planning to relocate.

Of the four groups shown above, the “married” category is the largest and the “civil union” category is by far the smallest. The other two are large but are substantially less than those married.

Despite the drop in 2009 overall, two groups grew steadily: those married and those divorced, widowed, or separated albeit very slowly from 2007 to 2009. The other two fell back in 2009 but recovered and rose sharply in 2011.

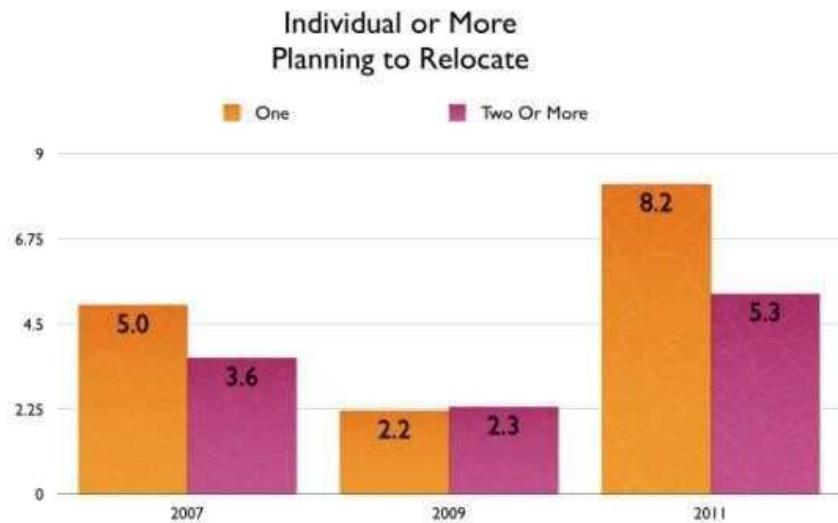
In my eye, it is the increase in single people that leaps out as especially significant. It makes perfect sense, given the dramatic increase in this response from the 25-34 age group, but there is more to this story, although it may not be clear from the statistics.

It is a reasonable comment that single people (and those divorced, widowed, or separated) are freer to move simply because only one person has to make the decision, while those married or in civil unions require a couple’s agreement to relocate.

I understand that, but at the same time, this could have been the case in every one of our surveys, but the single category sank in 2009 and the divorced, widowed, or separated category was hardly remarkable.

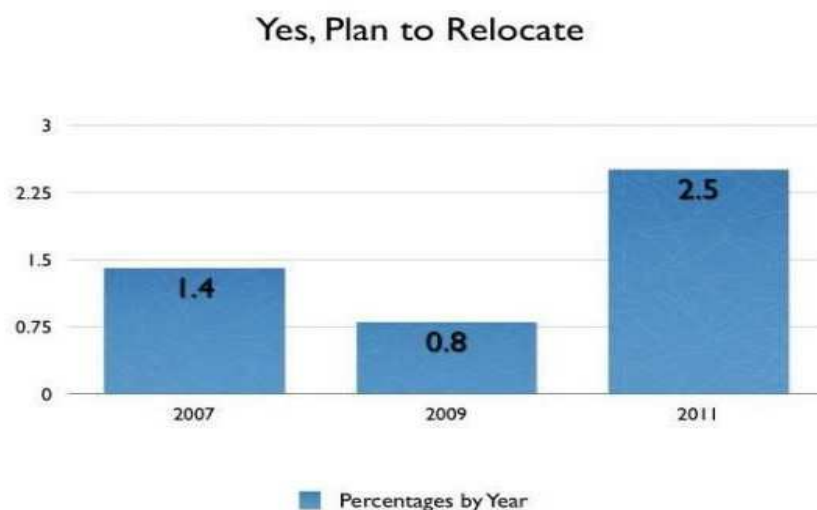
Another explanation could be that many single people unemployed today still had jobs in 2009 and were holding onto them tightly, thus affecting their decision to relocate. That may be true, or not. If we choose to survey again, we now have reason to look into this. Speculation is reasonable, but it requires more research to determine its validity. However, there is another way to look at this. The single and divorced, widowed, or separated households are primarily made up of one person (one adult may have a child in some instances). The married and civil union households will have two or more people. So, if we combine

the four categories into two categories; households of one person and households of two or more, what do we see?



Now we see that the “single-person household” has returned to its dominant position in respect to multi-person households. Whatever factors intervened in 2009 to bring this relationship to near-equality are clearly no longer having an impact.

From either perspective, the numbers carry a message. The single-person household is again spearheading the group who has passed beyond the two “interested” categories and is now actively planning their relocation. Single people are its leading element, but those divorced, widowed, or separated have more than tripled in number, and are now a much larger element.



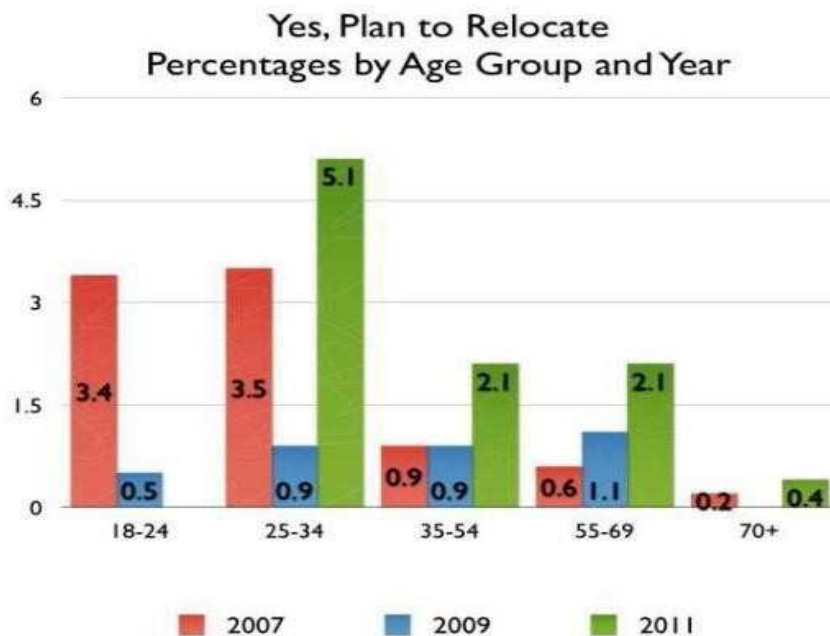
These are the people in our surveys who answered the question, “Are you planning to relocate to another nation for more than two years for reasons other than the requirements of the military, the government, or your job?” by responding, “Yes, I plan to relocate outside the U.S.”

They had six answers to choose from that involved overseas activity, either relocation or purchase of a property, and they chose the most positive one for their answer. The full six answers are found at The Question, the Answers, and the Reasons Why..., the introductory essay at this site.

1.4%, the figure shown for this response in 2007, was the average for this response of all seven of our surveys from 2005 to 2007. When we found that it had fallen sharply to a record low of .8% in March of 2009, we were not surprised. The gravity of the financial crisis was well understood by then, and just to add to the anguish of the time, the Dow Jones Industrial average fell below 6,700. Americans saw both their homes and their stocks drop in value like the proverbial rock.

When I first received the results of the March 2011 survey and saw the 2.5% result, it took a moment for it to sink in. This was triple the 2009 result and far higher than any earlier result. It translates into nearly 3,000,000 households, more than 6,000,000 Americans. It was a complete surprise, but that is the reason we do polls. If you want to present a statistic, it has to be drawn from a valid survey, not from the back of your mind.

Surprise or not, it is this survey's message, one that led to this website and to the other commentaries here as we look into the details beyond the reality.



Of those who are in the planning stages for relocation, the statistics show two dramatic shifts when divided by age group.

The first is that all age groups, except those 18-24, whose numbers collapsed and were too small to appear in this sample as had been the case with those over 70 years old in 2009, have jumped above the comparable results in 2007 and 2009.

The second, even more obvious, is that the age group 25-34 have risen to an astonishing level of 5.1%, roughly one in 20. That is an unprecedented upward shift from all our surveys for all age groups.

This is the first of two points I think need emphasis in this post. The 25-34 age group's primacy is, in my mind, both bad news in the short term for the U.S., but potentially good news in the long term. Whether that potential is realized cannot be known now, but it cannot be ignored.

This age group is made up of adults and that must never be forgotten by those, like myself, who are much older. But these adults are better educated than their parents and grandparents, more widely experienced in many respects, and far more mobile. They include many who will be the successful entrepreneurs who create new products, services, and businesses of the future.

I would suggest that those who are willingly to pack their bags and leave their home nation are also those who are the "risk takers" and include many of the most creative people in U.S. society.

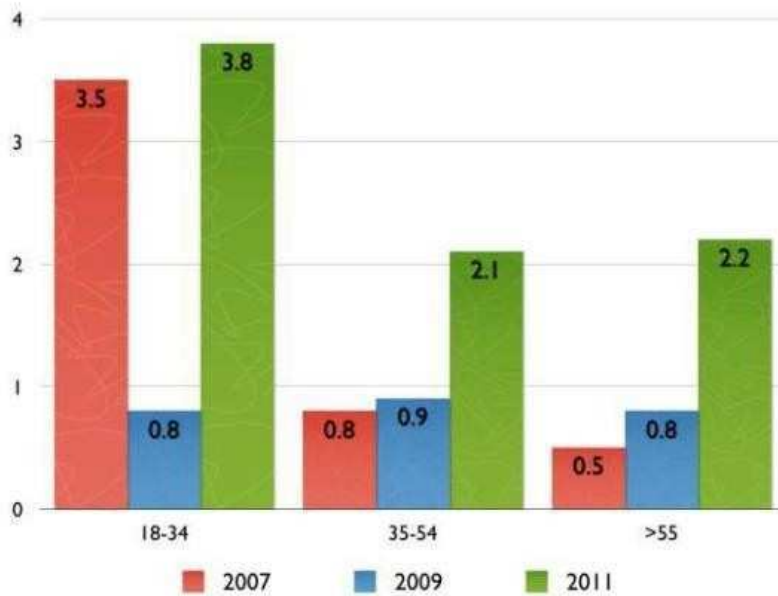
They may only be 5.1% of their age group, but their percentage of those in their age group with this sort of motivation and outlook is likely to be much, much higher. No nation is well-served if these are the people who choose to leave. They are among the most energetic and productive segments of any society, anywhere.

However, this age group is also one of the most "globalized". For them the global perspective comes much more naturally than it does for older age groups, many of whom are still struggling to understand the changes in the global environment, if they are truly trying at all. This age group has lived those changes and knows them as normal, it's just part of life. They do not sit and reminisce about the "good old days". They are looking and working to create their own "good new days", and that requires dealing with today's reality and trends.

They also represent great potential for the U.S. in years and decades to come. By virtue of their overseas experience, they will know global markets better than their peers at home. They will pick up new skills, new understandings, and new ideas as they work in other nations. They will create businesses overseas that may well be supplied by American firms. They will work for American firms in other nations and benefit the U.S. in that manner. Many will eventually return to the U.S., bringing their talents and experience gained elsewhere back to benefit their home nation.

There are reasons for dividing up the total respondents into the age groups shown in the graph above. They roughly represent different "stages" of life in the American context. However, two of them are especially small: those 18-24 and those 70 and older. Due to their comparatively small size, let's combine each of them with their "neighbor" age group. Then we have 18-34, 35-54, and over 55.

Yes, Plan to Relocate
by Revised Age Groups



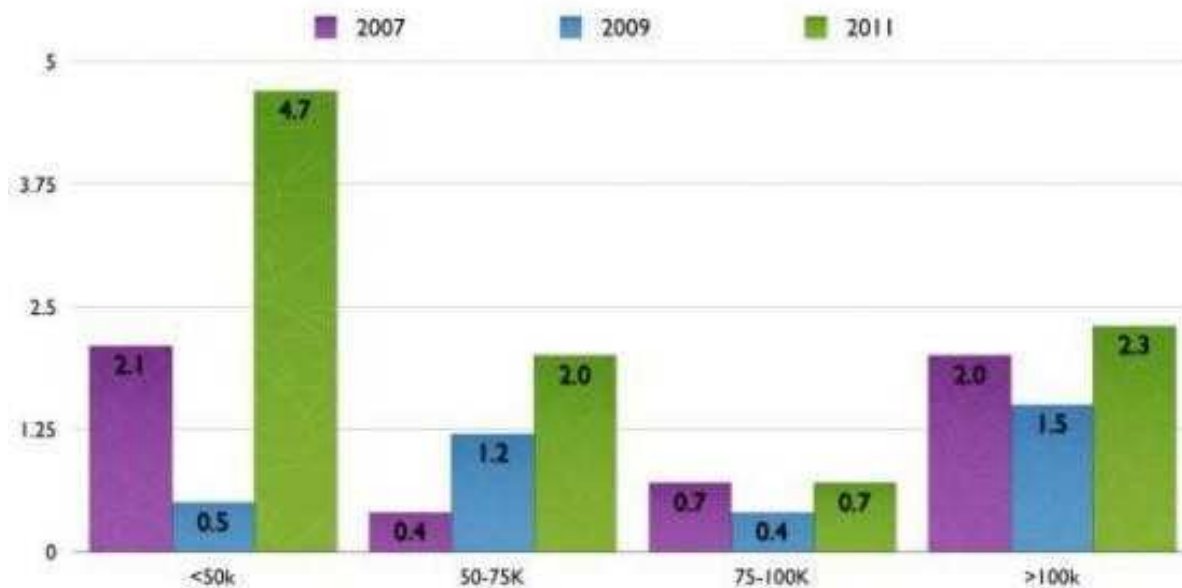
These three groups are not equal in size (35-54 is the largest at an average 41%, followed by 55 and older at an average 33%, followed by 18-34 at an average 26%). They don't change the "story" of the first graph, but they do represent a more "balanced" view by replacing the visual impact of the two small groups at either end, but still including them in the totals.

The most noticeable effect is to emphasize the relative "youth" of those most likely to be at the planning stage in both 2007 and 2011, but also the fact that 2009 was a bad year. Our survey was done in March of that year when not only was the housing crisis well-known, but the stock market hit lows; the Dow Jones Industrial Average fell below 6,700 for example. The mood was dark, and all three age groups were equally depressed. The crisis continues, the mood has certainly not lightened much, if at all, but now more and more people are looking for opportunity where they can find it, and for a growing number, that is outside the U.S.

And if you think the 18-24 age group is now completely out of the picture, I suggest you take a look at their interest level.

Younger adults have come roaring back in 2011, but you can also see that the middle-aged and older adults have dramatically increased as well. In the final analysis, although age is a factor, this is a phenomenon that goes beyond mere age. It is a generalized social trend at all age levels. But its impact is especially notable among those Americans most critical to America's future.

Planning to Relocate by Income Group



Another of the enduring assumptions made by many of the nature of re-locators is that they must be wealthy, especially those at the planning stage. Surely, many people with modest resources are interested (sometimes, you can almost hear them say “daydreamers”), but they wouldn’t actually relocate, right?

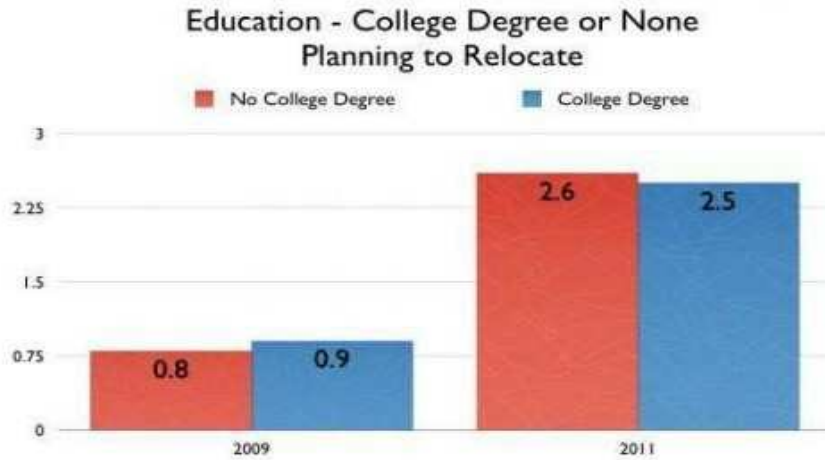
Well, the stats above suggest otherwise. Unless we define “upper class” as households with annual incomes from all sources of \$50,000 or more, we have to understand that the reality is quite different.

Yes, having more money is helpful for many things, relocation among them, but it is not the determining factor.

One shift to note is that the over-100K group did not drop as dramatically in 2009 as other income groups, and they rose in 2011, but the under-50K group blew right past them.

As noted elsewhere (the education post, for example), the last decade or two of internet use has opened the world to the great majority of Americans in a way unknown in earlier decades. It is hardly logical to assume that this has had little or no effect on the middle class. They can now “visit” potential relocation nations, write for information, “chat” with others on online forums, and otherwise get a good idea of what would be required if they were to relocate. With that information available, the idea of relocation shifts from a “daydream” to a potential reality, and then should they so choose, to reality.

In order to fully understand American relocation in the 21st century, it is necessary to put old assumptions based on the past to one side and look at the facts. That was the foundation for our decision to contract these surveys. We had heard plenty of opinions based on assumptions. Armed with those facts, new thoughts and questions arise, and new potential future scenarios are created.

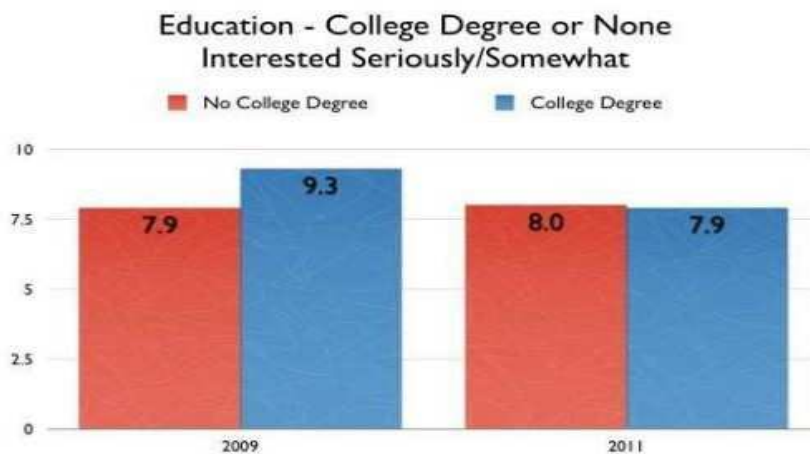


One of the most common assumptions about the background of re-locators is that they are likely to be better educated than Americans who do not choose to relocate. The assumption seems based on a belief that college educated people are more likely to be aware of relocation opportunities, more open to relocation psychologically, and have the money to relocate.

This ignores the impact of the internet of the last decade or two, as well as the many Americans of all backgrounds who visit Mexico, Central America, Panama, and the Caribbean for relatively inexpensive vacations, and in the process, develop a very different attitude about foreign nations and the possibilities of living in one.

Whatever the reason for the assumption, the chart above clearly shows that there is no statistically significant difference at all between the two groups in planning to relocate. Data is not shown for 2007, as is true elsewhere, because this question was not included in the 2007 survey.

Let's take a look at this variable among those "interested", seriously or somewhat seriously, in relocation.



Here we see that college graduates were more likely to be interested in relocation in 2009, but that difference has disappeared in 2011. This is one of the variables that indicate the growing impact of the middle class on relocation. Perhaps the upper and upper-middle classes dominated relocation in the 20th century (although we have no valid data from that century), but if so, it is no longer the case.

APPENDIX C - RETIREMENT VULNERABILITY OF NEW RETIREES: THE LIKELIHOOD OF OUTLIVING THEIR ASSETS

ERNST & YOUNG LLP FOR AMERICANS FOR SECURE RETIREMENT JULY 2008

Executive Summary

Many of the 77 million Baby Boomers retiring over the next few years will face unprecedented challenges in maintaining their standard of living in retirement. Middle-income Americans are most at risk as longer life spans, the decline of guaranteed sources of retirement income, and the fact that nearly half of older Americans lack employer-based retirement plans, contribute to increased retirement risks.

Given the difficult environment facing future American retirees, Americans for Secure Retirement asked Ernst & Young LLP to analyze the likelihood that middle-income Americans would outlive their financial assets in retirement. Many studies have focused on the inadequacy of American families' savings. Other studies have documented other risks that could result in households outliving their assets: longevity, volatile investment returns, and high inflation. This report is the first to combine all of these factors to determine the likelihood of middle-income Americans including those who are near retirement and those who have recently retired outliving their financial assets.

The analysis finds that almost three out of five middle class, new retirees can expect to outlive their financial assets if they attempt to maintain their current pre-retirement standard of living. To avoid outliving their financial assets, middle class retirees will have to reduce their standard of living on average by 24 percent.

Key findings of the analysis include:

Guaranteed income is projected to cover a decreasing share of retirement income, leaving households with increased responsibility for their retirement and at increasing risk of retirement vulnerability. Social Security is the main source of guaranteed retirement income of individuals aged 65 and older (40 percent of retirement income), followed by pensions and annuities (20 percent). Non-guaranteed sources of income include wages and salaries (25 percent) and income from assets (14 percent).

Americans' increased reliance on defined contribution pension plans and personal savings and the trend away from defined benefit pension plans and other guaranteed sources of retirement income raises serious sustainability challenges. The study finds that those with guaranteed retirement income beyond Social Security, such as defined benefit plans and annuities, are much better prepared in retirement than those without. While married couples with guaranteed retirement income beyond Social Security making \$75,000 at retirement have a 31 percent chance of outliving their assets if they retain their pre-retirement standard of living, those with Social Security as their only guaranteed income have a 90 percent chance of outliving their assets during retirement.

Many Americans will have to reduce their standard of living significantly due to fluctuating investment returns and the probability of spending more years in retirement. Many Americans envision a leisurely lifestyle in retirement, but the lifestyle reductions that will be necessary to make savings last will likely hinder that expectation. Middle income Americans entering retirement without a guaranteed source of income beyond Social Security will, on average, have to reduce their standard of living by 32 percent to minimize the likelihood of outliving their assets. This reduction will be necessary even when assuming that retirees can maintain the same standard of living with income equal to 59 to 71 percent of their pre-retirement wages.

The next wave of retirees (5-10 years from now) will have a higher risk of outliving their financial assets than those currently at retirement age. Unless workers aged 55 to 59 increase their saving substantially or work beyond age 65, they will be unable to maintain their current standard of living and will have to reduce their standard of living significantly more than today's retirees to minimize the risk of exhausting their financial assets.

Tax laws provide powerful incentives for retirement savings through employer provided defined benefit plans, traditional and Roth Individual Retirement Accounts, 401(k) defined contribution plans, and Keogh retirement plans. These retirement savings vehicles address one side of the risk equation that affects Americans' ability to maintain their standard of living during retirement.

Yet savings is just one aspect affecting retirement readiness. A less recognized, but equally critical retirement vulnerability is the risk of outliving one's financial assets due to people living longer in retirement, and market fluctuations affecting retirement asset values. Social Security is an important source of guaranteed lifetime income, but it provides, on average, just 40 percent of retirement income. With the decline of employer provided defined benefit pension coverage, however, many new retirees will not have another source of guaranteed lifetime income unless they purchase a lifetime guarantee using their private savings.

As this study shows, households approaching retirement face many uncertainties that increase the risk of outliving their assets. The very real possibility of living to age 90 or 100 combined with the volatility of inflation, and investment returns, means that the risk of outliving one's assets is quite high. Without additional guaranteed lifetime income streams, such as income provided by an annuity, middle income Americans are at high risk of outliving their financial assets and living their final years in poverty. A greater focus on increasing retirement savings and vehicles that provide a guaranteed lifetime income stream will play a significant role in reducing the retirement vulnerability of retirees in the future.

INTRODUCTION

Many of the nation's 77 million Baby Boomers will face two unprecedented challenges when they reach retirement; the increased risk of not being able to keep the same standards of living as during their working life and outliving their financial wealth. Longevity risks, the weakening of guaranteed sources of retirement income, and the fact that nearly half of older Americans lack employer-based retirement plans are major contributors to these increased retirement risks.

Retirement security risks are greater for middle income working households which are more likely to have high standards of living compared to the availability of financial resources required to maintain such standards. Given the challenging environment facing future American retirees, Ernst & Young LLP was asked by Americans for Secure Retirement to analyze the likelihood that middle-income Americans would outlive their financial assets in retirement. The analysis examines typical middle-income households nearing retirement or on the brink of retirement and calculates the range of retirement outcomes depending on how long they live and the volatility of investment returns.

This study presents national estimates of the potential retirement vulnerability of middle-income, near and recent retirees, outliving their financial assets. A number of studies have focused on the inadequacy of American savings. Other studies have documented at least three other risks that could result in households

outliving their assets: longevity, volatile investment returns, and high inflation. Outliving one's financial assets would mean a significant reduction in one's standard of living later in life.

These vulnerabilities are related. Without adequate personal savings upon retirement, it is unlikely that a retiree will maintain his or her standard of living even if they earn expected investment returns, if inflation is not too high, and they live to the average life expectancy. The same retiree may not outlive his or her financial assets if death comes prematurely. On the other hand, a retiree with a relatively large amount of personal savings might still outlive his or her financial assets due to low investment returns, high inflation, or living to age 100.

The study accounts for all of these risks, and summarizes a household's retirement vulnerability in two measures:

1. The probability of outliving one's financial assets.
2. The necessary reduction in consumption, beginning at retirement, to reduce the probability of outliving one's financial assets.

The analysis is based on the Retirement Analytics™ model, developed by Ernst & Young. This retirement measurement tool uses advanced modeling techniques to reflect the volatility of investment returns, inflation, and mortality possibilities for individual households. The model captures the risks of different life spans, volatile investment returns, and volatile inflation during retirement with 2,000 possible outcomes. The probability of outliving one's financial assets can be determined as the percentage of the possible outcomes where one's pre-retirement standard of living cannot be sustained.

The study evaluates retirement vulnerability for 36 different types of typical middle-class households at three income levels, \$50,000, \$75,000 and \$100,000 of pre-retirement income; for married couples, single males, and single females; by employer-provided defined benefit pension coverage status; and by age (near and new retiree). The near retiree is age 58 and planning to retire at age 65. The recent retiree is age 65 and has just entered retirement. Based on publicly available data from the government, the study estimates the key financial and income information for these 36 household types. Based on the relative weights of the different household examples, the study estimates the national overall retirement vulnerability of middle class, near and new retirees.

MEASURES OF RETIREMENT VULNERABILITY

Near and recent retirees face many retirement risks. The sizes of these risks depend on individual characteristics (e.g., age, gender, marital status, health) and economic characteristics (e.g., income, total savings, and type of investments).

The vulnerability of American retirees is well known by policy makers. Various studies have cited major retirement risks: replacement rate risk, longevity, investment risk, and inflation risk. Two of these risks are related. The replacement rate risk deals with the possibility that retiree income will not be enough to cover their needs, which could happen because of insufficient guaranteed income, insufficient asset real rates of returns, and longevity without guaranteed income. Retirement vulnerability risks can be summarized in two ways: risk of insufficient savings to keep the same standard of living as during their working life, and the risk of outliving their assets due to the uncertainty of longevity, inflation, and investment uncertainties.

Social Security is the main source of guaranteed retirement income for individuals age 65 and older (40 percent of retirement income), followed by pensions and annuities (19 percent of retirement income). Non-guaranteed sources are essentially wages and salaries (25 percent of retirement income), and income from assets (14 percent of retirement income). Guaranteed income is projected to cover a decreasing share of retirement income sources, leaving households with increased responsibility for their retirement and at increasing risk of retirement vulnerability.

TWO MAIN RETIREMENT INCOME RISKS

The first risk is the inability to keep the same standard of living before and after retirement, due to insufficient retirement savings. Americans have been warned that adequate retirement planning includes not only Social Security and an employer pension plan, but also their own personal savings. It is much easier to build adequate savings by investing regularly throughout one's work life due to the power of compound investment returns. Making up for low personal savings when nearing retirement may be possible but requires much larger annual savings in the years leading up to retirement.

Insufficient retirement savings can also be a result of low investment returns. Retirement savings with longer time horizons can grow faster with a balanced composition of equity and bond investments which can weather ups and downs of the bond and stock markets.

An undiversified retirement portfolio, however, can have very large swings that could reduce savings just before retirement. Most financial advisors recommend diversified portfolios with a higher proportion of equities for investors with longer retirement horizons, and a higher proportion of fixed income assets, such as bonds, as people near retirement. Very conservative investments, such as short-term money market funds, are unlikely to grow much faster than inflation.

With the increasing use of defined contribution (DC) plans, including 401K's, to provide for their retirement coverage, employees are increasingly taking responsibility, and the inherent risk of saving enough, investing properly for their retirement, and converting these accounts into retirement income.

The second major retirement income risk is longevity risk without guaranteed lifetime payments. This risk has become increasingly important in the last decade because of the decline of employer-provided defined benefit pension coverage. From 1992 to 2005, the percentage of private industry workers participating in an employer provided defined benefit plan declined from 32 percent to 21 percent.

Social Security is a government provided defined benefit retirement plan. It provides guaranteed income for life, plus Social Security payments are indexed for inflation. Unlike most employer

provided defined benefit pension payments, which are not indexed for inflation, and thus buy fewer goods and services each year due to inflation, Social Security provides a base of inflation protected guaranteed income. However, due to the progressive nature of the Social Security benefit payments, Social Security covers a smaller portion of the retirement needs as income rises. We use two summary measures to evaluate Americans' retirement vulnerability to the above risks; the probability of outliving one's financial assets, and the reduction in consumption necessary to achieve a low probability of not outliving one's financial assets.

PROBABILITY OF OUTLIVING ONE'S FINANCIAL ASSETS

To measure the risk of outliving one's financial assets, it's necessary to specify the future level and path of consumption spending. This study sets the retirement consumption target equal, in inflation adjusted dollars, to the standard of living during pre-retirement years.

Pre-retirement standard of living (or pre-retirement consumption) is equal to wages and salaries less payroll and income taxes, savings, and work-related expenses, such as transportation, parking, and work apparel. Maintaining a pre-retirement standard of living is estimated to require 59 to 71 percent of wages and salaries (after paying for income taxes in retirement). This range is consistent with conventional wisdom's rule of thumb that 65 to 75 percent of the last year's pre-tax wages and salaries (sometimes called the replacement ratio) are necessary to maintain an individual's standard of living in retirement. A married couple's target consumption is assumed to fall by 25 percent upon the death of the spouse.

The probability of outliving one's financial assets is calculated as the percentage of the 2,000 scenarios in which a household is unable to achieve its desired consumption goal in any retirement year.

If a household in a particular scenario does not have sufficient financial assets to meet the consumption target in any single year, then that scenario is counted as failing, and thus outliving their assets. The model does not include the option of borrowing to maintain the consumption level in anticipation of higher income at a future date.

PERCENT REDUCTION IN PRE-RETIREMENT STANDARD OF LIVING NECESSARY TO REDUCE THE FAILURE RATE TO FIVE PERCENT

The probability of outliving one's financial assets identifies situations where a retiree would run out of financial assets and is subsequently forced to cut back consumption to the amount of Social Security payments and or employer provided pension payments. This reduction will likely result in a sharp and immediate drop in the retiree's standard of living.

Another possibility is that retirees could anticipate the prospect of outliving their assets and decide to reduce their consumption at the beginning of retirement to minimize the likelihood of outliving their assets. The retiree's standard of living would be below his or her pre-retirement standard of living, but there would be a steady consumption level throughout retirement, adjusted for inflation, thus avoiding a sharp, immediate drop in living standards.

This report presents an alternative measure of retirement vulnerability; the percent reduction in target consumption necessary to reduce the probability of outliving one's assets is only five percent. Households can reduce the probability of outliving their assets by reducing their consumption at the beginning of retirement below 100 percent of their pre-retirement standard of living. This measure shows the extent to which the standard of living would have to be reduced to minimize the probability of outliving one's assets to only five percent.

REPRESENTATIVE EXAMPLES OF MIDDLE CLASS NEAR & RECENT RETIREES

This study evaluates the retirement vulnerability of 36 representative middle-class households, defined by three income levels, \$50,000, \$75,000, and \$100,000; married couples, single males and single females; employer provided defined benefit pension coverage status, and near and new retirees. Near retirees are age 58 and planning on retiring at age 65. New retirees are age 65 and have just entered retirement.

The income and wealth characteristics of the 36 household models are developed from analysis of the Federal Reserve Board of Governors' 2004 Survey of Consumer Finances (SCF), a nationally representative survey of American households. The SCF analysis looked at the distribution of income of Americans aged 55 to 64, with significant wage income. An approximate set of incomes quarterlies for workers' pre-retirement income resulted in the choice of \$50,000, \$75,000, and \$100,000 for pre-retirement income.

KEY FINANCIAL INFORMATION ABOUT THE HOUSEHOLDS

The 2004 SCF includes detailed information on the wealth and composition of the wealth of American households. To have a sufficient number of households for reliable estimates, households with \$40,000 to \$60,000 were combined to represent a \$50,000 household; \$65,000 to \$85,000 for a \$75,000 household, and \$90,000 to \$110,000 for a \$100,000 household.

Although there is great variation among households in their income and financial assets, this study tries to capture the key relationships affecting retirement vulnerability. By presenting results for households with three different income levels, with and without an employer defined benefit plan, and different marital and gender status, the 36 sample groups represent the major socioeconomic characteristics of older households in America. All other variables are held constant across the 36 groups to permit comparisons. Sensitivity analysis can be conducted around any of the major variables.

The analysis of the SCF data did not find significant, systematic differences in average financial assets between couples and singles, and for those with employer provided benefit plans and those without, for working households ages 55 to 65. Thus, the amount of financial assets was permitted to vary only by pre-retirement income. The analysis calculated the value of the average financial assets for workers age 55 to 59 for the near retiree, age 58, and the value of the average financial assets for workers age 60 to 64 for the new retiree, age 65. The financial assets for the three different income levels are shown below. Using the lower average financial values, rather than the median value, makes the estimates of retirement vulnerability lower (more conservative).

Table 1: Average value of financial assets at different income levels for near and new retirees

Income	Near retiree	New retiree
\$50,000	\$105,000	\$175,000
\$75,000	\$175,000	\$315,000
\$100,000	\$280,000	\$585,000

The 2004 SCF data allowed the composition of financial assets to be determined. Again, significant differences across most of this age group were not evident, except for those covered under employer provided defined benefit plans and those without a defined benefit pension plan. Households without a

defined benefit pension plan were more likely to have a greater percentage of their financial assets in tax favored retirement vehicles, such as tax deductible Individual Retirement Accounts, Keogh plans and 401K plans.

Some of the other key financial parameters include:

- Wages and salaries represent, on average, 91.5 percent of income.
- Near retirement working households contribute five percent of wages and salaries in defined contribution accounts (e.g., 401Ks, traditional IRAs, Keoghs) and about four percent of wages and salaries in other savings.
- Defined benefit pension payments, on average, represent about one third of pre-retirement wages and salaries.
- The amounts of Social Security income at retirement reflect the formula provided by the Social Security Administration.
- Network related expenses (transportation, apparel and services) represent, on average, two percent of pretax wages and salaries. Appendix Table A-1 shows the key financial and income variables for each of the 36 representative households.

COMPOSITION OF NEAR AND RECENT RETIREES

The summary measure of retirement vulnerability of near and recent retirees for middle income households is based on 18 underlying household types as determined by the 2000 Census of Population and Housing. The proportion of middle-income Americans covered by defined benefit plans is based on the 2001 Survey of Income and Program Participation.

Appendix Table A-2 shows the national distribution of the 18 representative working households ages 55 to 64, in the three representative middle-income groups (\$50,000, \$75,000, and \$100,000). The same weights are applied to the 18 representative households for both near retirees and new retirees.

About 35 percent of near retirement households with middle income (i.e., in the three representative income groups spanning \$40,000 to \$110,000 of income) are covered under an employer defined benefit pension plan. About 36 percent of households in the lower income group (\$50,000) are covered under a defined benefit pension, compared to 38 percent in the middle-income group (\$75,000), and 26 percent in the higher income group (\$100,000).

Most near retirement households with middle-income are married (76 percent), with 13 percent of households composed of single women and 11 percent single men. Among the three marital status gender groups considered, single women are the most likely to be covered with employer defined benefit pension (44 percent), and single men are the least likely to be covered under a defined benefit pension (28 percent), compared to 35 percent of married couples covered under such plans.

MODELING RETIREMENT VULNERABILITY MODELING UNCERTAIN OUTCOMES

Retirement Analytics™ uses advanced modeling techniques to incorporate the uncertainty and volatility of investment return, inflation, and mortality. Retirement planning increasingly is using Monte Carlo simulation analysis to capture the possible multiple outcomes that individuals face during their future retirement.

The Retirement Analytics™ model generates 2,000 scenarios for each household. Investment returns and inflation rates are developed using current economic scenario generation methods. Monte Carlo simulation (i.e., the use of random numbers to simulate a sequence of events) is used to reflect the timing of death. The combination of these techniques allows Retirement Analytics™ to model the key risks that a household's retirement will be exposed to over the lifespan of the individual or couple.

The EY Retirement Analytics™ model is described more fully in Appendix B. A number of additional assumptions are necessary to specify the model. For instance, the asset allocation between bonds, different types of stocks, and cash investments must be specified. The model uses target maturity fund portfolio allocations from the four largest providers of these types of funds (Fidelity, Vanguard, T. Rowe Price, and Principal Financial Group), and changes the portfolio allocation every five years, with portfolio riskiness decreasing with age.

The model has the capability of simulating occurrences of major medical expenses. Catastrophic medical costs were not included as part of this study since it would add an additional layer of complexity to the analysis. If catastrophic medical costs had been included, the estimates of the probability of outliving one's assets would be higher.

ABILITY TO DO SENSITIVITY ANALYSIS

A major benefit of having an explicit model is the ability to do sensitivity analysis of different data parameters and assumptions. Given the complexity of modeling retirement outcomes with varying uncertainties, the specific results of the model are subject to many parameters and assumptions.

Showing the full distribution of possible outcomes can provide some sensitivity analysis to a particular result and indicate the robustness of the general finding.

Figure B-1 in Appendix B gives an example of the sensitivity analysis possible with the Retirement Analytics™ model.

RETIREMENT VULNERABILITY OF MIDDLE CLASS NEAR AND RECENT RETIREES

Table 2 summarizes the two measures of retirement vulnerability for each of the 36 representative household types. The probabilities of outliving one's assets are shown in the first column for near retirees and the third column for new retirees.

Table 2: Retirement vulnerability of 36 representative households (unweighted)							
Employer pension (defined benefit)	Marital status/gender	Income group	Near retiree		At retirement		
			Probability of outliving their assets	% reduction in pre- retirement standard of living necessary to reduce failure rate to only 5%	Probability of outliving their assets	% reduction in pre- retirement standard of living necessary to reduce failure rate to only 5%	
			(1)	(2)	(3)	(4)	
Covered (with DB)	Married	\$50,000	53%	-23%	22%	-10%	
		\$75,000	57%	-26%	31%	-14%	
		\$100,000	51%	-25%	13%	-8%	
	Single male	\$50,000	20%	-10%	2%	0%	
		\$75,000	20%	-11%	4%	0%	
		\$100,000	21%	-13%	3%	0%	
	Single female	\$50,000	27%	-13%	4%	0%	
		\$75,000	27%	-14%	7%	-2%	
		\$100,000	28%	-17%	5%	0%	
Uncovered (without DB)	Married	\$50,000	94%	-46%	91%	-34%	
		\$75,000	93%	-49%	90%	-38%	
		\$100,000	90%	-49%	71%	-33%	
	Single male	\$50,000	73%	-37%	61%	-24%	
		\$75,000	69%	-38%	58%	-27%	
		\$100,000	66%	-40%	35%	-23%	
	Single female	\$50,000	78%	-38%	66%	-25%	
		\$75,000	75%	-40%	63%	-29%	
		\$100,000	72%	-42%	43%	-25%	

Source: Ernst & Young calculations.

A near retiree at age 58 would need to significantly increase his or her savings to achieve the same retirement preparedness as a new retiree at age 65. For example, a married couple near retirement with \$75,000 of income, and covered with defined benefit pension would need to increase savings from 9 percent to 30 percent for the next seven years to reduce their probability of outliving assets to the same level as the retired couple. Half of these necessary additional savings are due to the first retirement risk (insufficient savings), and the other half is due to the second retirement risk (financial market volatility).

The second retirement vulnerability measure is the percentage reduction in the target consumption level necessary to reduce the probability of outliving one's assets to only five percent. These measures are shown in column two for near retirees and column four for new retirees. Single individuals newly retired with defined benefit pensions have very low probabilities of outliving their assets and would not need to reduce their standard of living upon retirement. However, new retirees without defined benefit pensions have

fairly high probabilities of outliving their assets. This occurs because withdrawals from private savings in combination with only Social Security payments are not enough to sustain pre-retirement standards of living throughout retirement. These new retirees may need to reduce their standard of living by one quarter to one third upon retirement to minimize the likelihood of a precipitous drop in their consumption once their financial assets are exhausted.

Table 3 summarizes the retirement vulnerability metrics of American middle class near retirees and new retirees for 36 different household types.

Table 3 shows the probability of outliving one's assets for American middle-class near retirees in column 1 and new retirees in column 3.

Table 3: Retirement vulnerability of near retirees and new retirees				
	Near retirement		At retirement	
	Probability of outliving their assets (1)	% reduction in pre-retirement standard of living necessary to reduce failure rate to only 5% (2)	Probability of outliving their assets (3)	% reduction in pre-retirement standard of living necessary to reduce failure rate to only 5% (4)
Marital status/gender				
Married	79%	-39%	65%	-26%
Single male	57%	-30%	42%	-16%
Single female	55%	-28%	38%	-14%
Employer pension coverage				
Covered	47%	-21%	18%	-8%
Uncovered	89%	-45%	81%	-32%
Income				
\$50,000	74%	-36%	60%	-23%
\$75,000	74%	-37%	61%	-27%
\$100,000	75%	-41%	51%	-25%
Total	74%	-37%	59%	-24%

Source: Ernst & Young calculations. Group weights shown in Appendix Table A-2.

Six out of ten middle class new retirees can expect to outlive their financial assets if they attempt to maintain their current pre-retirement standard of living.

Almost three quarters of middle-income households that are seven years from retirement can expect to outlive their financial assets if they attempt to maintain their standard of living. Households without an employer pension plan to supplement Social Security and other savings, are much more likely to outlive their assets than those that have a pension.

Married couples are more likely to outlive their financial assets, due to their longer joint life spans, than single households. Despite longer life expectancies, females on average are slightly less likely to outlive their assets than single males, because working single females are more likely to have employer pension coverage.

For households at retirement age, those with \$100,000 of pre-retirement income are less likely than those with lower income to outlive their assets.

REDUCTION IN STANDARD OF LIVING NECESSARY TO ACHIEVE A LOW PROBABILITY OF OUTLIVING ONE'S ASSETS

Table 3 shows the reduction in standard of living necessary to achieve a low probability of failure of American middle class near retirees (column 2) and new retirees (column 4).

Near retirees would have to reduce their standard of living by 37 percent to reduce the likelihood of outliving their assets to only a five percent failure rate. This reduction would be less severe for single women (28 percent) and single males (30 percent) than for married couples (39 percent).

New retirees would have to reduce their standard of living by 24 percent to reduce the likelihood of outliving their assets to only a five percent failure rate. This reduction would be less severe for single women (14 percent) and single males (16 percent) than for married couples (26 percent).

To reduce the likelihood of outliving their assets to a five percent failure rate, households with an employer pension would have to reduce their standard of living by a smaller percentage than households without an employer pension.

Among near retirees, the necessary reduction in standard of living to reduce the failure rate to 5 percent is similar across income groups. Among new retirees, this reduction would be less severe for households with pre-retirement income of \$50,000 compared to households with \$75,000 or \$100,000 of pre-retirement income.

RETIREMENT VULNERABILITY BY STATE

The degree of retirement vulnerability varies across the 50 states due to differences in employer pension plan coverage, income distributions, and demographics. While almost 60 percent of middle-class new retirees can expect to outlive their financial assets if they attempt to maintain their current pre-retirement standard of living, the probability of outliving one's assets ranges from 39 percent in the District of Columbia to 72 percent in Montana. Similarly, the reduction in standard of living necessary to reduce the likelihood of outliving their financial assets to only a 5 percent failure rate ranges from 7 percent in the District of Columbia to 35 percent in Montana.

Table 4 summarizes the probability of outliving their financial assets and the percent change in standard of living necessary to reduce the failure rate to 5 percent for near and new retirees, and for all 50 states and the District of Columbia. Near and new retirees in the District of Columbia are less vulnerable to retirement risks than their peers in other states, since a high percentage of DC residents are covered by a government pension plan.

TABLE 4: STATE SUMMARY RETIREMENT VULNERABILITY

Probability of outliving their financial assets % reduction in pre-retirement standard of living necessary to reduce failure rate to only 5%

Table 4: State summary of retirement vulnerability				
State	Probability of outliving their financial assets		% reduction in pre-retirement standard of living necessary to reduce failure rate to only 5%	
	Near retirees	New retirees	Near retirees	New retirees
United States	74%	59%	-37%	-24%
Alabama	74%	60%	-37%	-24%
Alaska	73%	58%	-36%	-33%
Arizona	76%	64%	-41%	-29%
Arkansas	78%	67%	-42%	-30%
California	73%	59%	-37%	-25%
Colorado	77%	66%	-43%	-30%
Connecticut	77%	65%	-42%	-30%
Delaware	72%	58%	-36%	-23%
District of Columbia	60%	39%	-21%	-7%
Florida	75%	61%	-39%	-26%
Georgia	76%	64%	-41%	-28%
Hawaii	73%	59%	-37%	-25%
Idaho	73%	58%	-34%	-21%
Illinois	74%	59%	-36%	-24%
Indiana	77%	66%	-41%	-29%
Iowa	77%	66%	-42%	-30%
Kansas	75%	61%	-38%	-25%
Kentucky	74%	60%	-37%	-24%
Louisiana	73%	57%	-35%	-22%
Maine	76%	64%	-40%	-27%
Maryland	72%	55%	-33%	-20%
Massachusetts	73%	57%	-35%	-22%
Michigan	73%	57%	-35%	-22%
Minnesota	75%	62%	-39%	-27%
Mississippi	77%	66%	-40%	-28%

Table 4: State summary of retirement vulnerability

State	Probability of outliving their financial assets		% reduction in pre-retirement standard of living necessary to reduce failure rate to only 5%	
	Near retirees	New retirees	Near retirees	New retirees
Missouri	74%	59%	-36%	-23%
Montana	80%	72%	-47%	-35%
Nebraska	74%	58%	-34%	-21%
Nevada	77%	69%	-45%	-34%
New Hampshire	76%	65%	-41%	-29%
New Jersey	75%	62%	-40%	-27%
New Mexico	72%	54%	-32%	-19%
New York	70%	52%	-31%	-17%
North Carolina	73%	57%	-33%	-20%
North Dakota	74%	56%	-33%	-20%
Ohio	72%	55%	-32%	-19%
Oklahoma	77%	64%	-40%	-28%
Oregon	71%	54%	-32%	-19%
Pennsylvania	74%	59%	-36%	-23%
Rhode Island	71%	54%	-32%	-19%
South Carolina	74%	59%	-36%	-23%
South Dakota	79%	72%	-46%	-35%
Tennessee	75%	62%	-38%	-26%
Texas	74%	58%	-36%	-23%
Utah	71%	51%	-28%	-14%
Vermont	76%	64%	-40%	-27%
Virginia	74%	59%	-37%	-24%
Washington	74%	59%	-36%	-24%
West Virginia	78%	67%	-42%	-30%
Wisconsin	76%	62%	-39%	-26%
Wyoming	80%	72%	-46%	-35%

Source: Ernst & Young calculations.

CONCLUSION

Many Americans approaching retirement have heard the warnings of inadequate saving for retirement. Existing tax laws provide powerful incentives for individuals to save for their retirement through employer provided defined benefit plans, traditional and Roth Individual Retirement Accounts, 401K defined contribution plans, and Keogh retirement plans. These incentives help to address one of the two key risks to Americans in retirement, maintaining their standard of living after retirement.

A much less recognized retirement vulnerability is the risk of outliving one's financial assets due to longevity and fluctuating asset values during retirement. Social Security is an important source of guaranteed lifetime income. With the decline of employer provided defined benefit coverage, many near and new retirees will not have another source of guaranteed lifetime income unless they purchase a lifetime guarantee with their private savings.

This study shows that typical middle-income new retirees and near retirees have high probabilities of outliving their financial assets at some point during their retirement. If the typical middle-income household without a defined benefit pension wants to reduce the risk of outliving their assets, they would have to reduce their post-retirement standard of living significantly below their pre-retirement standard of living.

Households approaching retirement face an environment where the possibility of living to age 90 or 100, and the volatility of inflation and investment returns put them at high risk of outliving their assets. This study shows that the presence of a significant guaranteed lifetime income stream beyond Social Security can help. Increased focus on both increased retirement savings and the importance of a guaranteed lifetime income stream will reduce the retirement vulnerability of retirees in the future.

APPENDIX D - KELSEY & NORDEN SURVEY FALL 2011

Kelsey & Norden Resort Real Estate Survey
Interim Update

Fall 2011 - Resort Real Estate Professionals Survey

December 2, 2011



**Kelsey & Norden
Interim Update - Fall 2011 Resort Real Estate Professional Survey**

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Introduction

Impetus for the survey

Our decision to launch this interim update survey was based on the observation that professionals in the industry are suddenly busy. Phone calls to our peers are now slow to be returned with apologies. Agendas for ULI Recreation Development Council meetings are now easily filled with compelling ideas and stories to tell of current efforts. Our phones ring with more inquiries and updates on projects in the pipeline. These are major shifts relative to only a year ago when the common denominator was mutual frustration and confusion. So we wondered what was occupying our peers and if their outlook had changed as a result of this newfound engagement. This report is an interim update rather than the comprehensive studies of our past efforts; it’s our way of checking in with our peers and sustaining a dialogue within the industry.

Please note that we at Kelsey & Norden are neither statisticians nor analysts – we’re curious members of the development community. Our data gathering always extends beyond the questions asked in our survey and is a product of our expansive relationships within the industry. We use our own development and planning work in addition to discussions with colleagues to enhance our findings. We frequently plow our findings back into our professional services.

The Authors

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Christopher Kelsey is a partner of Steepchase Development Advisors, a provider of project management as well as work-out and project repositioning services to a number of lenders and equity investors. He is also the President of Long Cove Development for whom he is overseeing the development of a new community on Cedar Creek Lake, outside of Dallas. Chris lives and works in Whitefish, Montana and has focused the majority of his career in mountain resort environments. He has management experience in entitlements, general development, sales & marketing, operational assets and green design. Among other leadership assignments, he served as a Senior Vice President for Lowe Enterprises’ \$18+ Suncadia and Project Manager for Hines Interests’ \$90M River Valley Ranch.

David Norden

David Norden is founder of Owls Head Partners, LLC, a development advisor serving as owner’s representative for resort real estate developers and land owners worldwide. His most recent assignment is an engagement as Executive Advisor for La Estancia de Cafayate, a 1500-acre sporting estate community located in the emerging wine region of northwest Argentina. Prior to this, David served as Vice President of Development for Stowe Mountain Resort’s \$500M Spruce Peak at Stowe in Vermont and Hines Interests’ \$280M Aspen Highlands Village in Colorado. Having successfully delivered several projects from inception to operations, his expertise encompasses all aspects of the development process, including concept development, financial feasibility, sales and marketing, construction management, and asset conveyance. David

resides in Stowe, Vermont, where many of the trends cited here currently unfold.

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Claire Humber is the Director of Resort Planning with SE Group, a multidisciplinary consulting firm specializing in the planning, design and development of mountains, resorts, and communities. Claire has been a part of the SE Group team for over 20 years, and has led mountain resort development projects throughout Canada and the United States, Scandinavia, Iceland, Korea and Japan.

Lindsay Kennedy

Lindsay Kennedy is a marketing consultant specializing in resort project branding and product launches. Lindsay branded and launched Stowe Mountain Resort's Spruce Peak at Stowe and La Estancia de Cafayate, a community in the northwest of Argentina in addition to working with developments in the U.S. Rockies and Central America. Most recently, Lindsay managed a health and development project in rural Colombia.

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Disclaimer

Any decisions corresponding to the investment in and the development of projects are the sole responsibility of the entities in control of those projects. The authors of this study assume no liability related to any decisions made based on any use or interpretation of the findings within this study and do not recommend its use for such.

Methodology & Participants

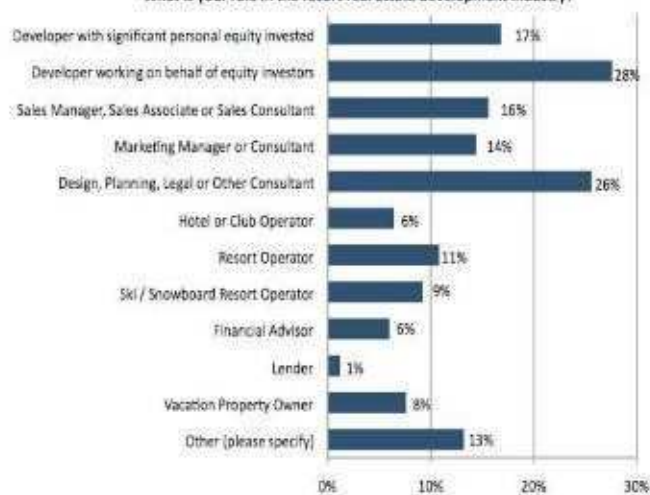
Methodology & Participants

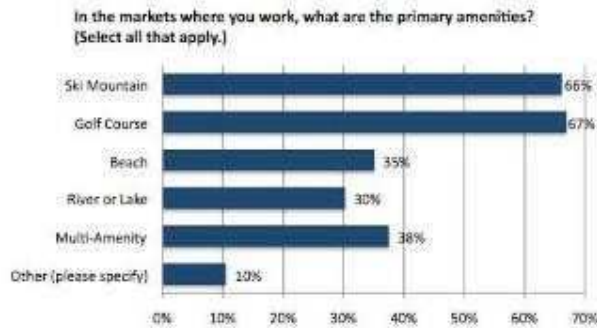
We implemented the Interim Update Fall 2011 - Resort Real Estate Professionals Survey using SurveyMonkey.com, a web-based user-friendly tool that we have used for the past four Kelsey & Norden surveys.

The survey consisted of a core set of 20 multiple choice questions to all participants with two potential follow-up questions triggered by certain answers to preceding questions and three open ended write-in questions. The survey also included a dedicated section for participants who identified themselves as an Architect, Landscape Architect, Planner or Engineer.

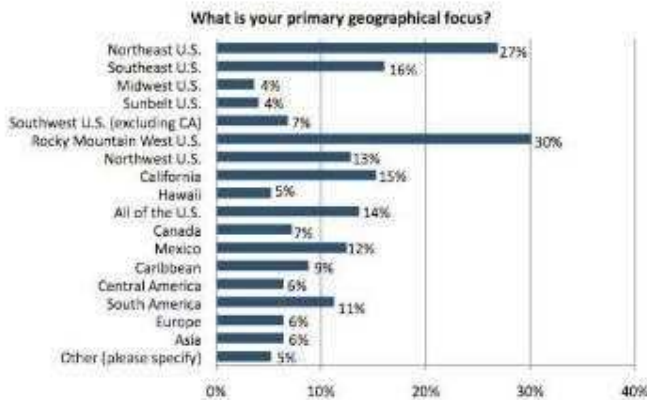
As a result of our industry tenure our invitation list totals approximately 1,300 names including hundreds throughout the mountain resort industry, representatives from projects around the world, and the majority of the members of the Urban Land Institute's Recreation Development Council. Reflective of our professional portfolios, the invitation list skews toward mountain resort developments in U.S. Northeast and Rockies.

What is your role in the resort real estate development industry?





Invitees were contacted by email with hyperlinks to the Survey Monkey site. The survey was open for 14 days, September 17 to 30, 2011. 256 or approximately 20% of those invited participated. More than 200 emails were returned marked obsolete as many professionals are more mobile than in the past, some leaving the industry for the proverbial greener pasture. We also posted survey invitation links to select LinkedIn Groups with limited success.



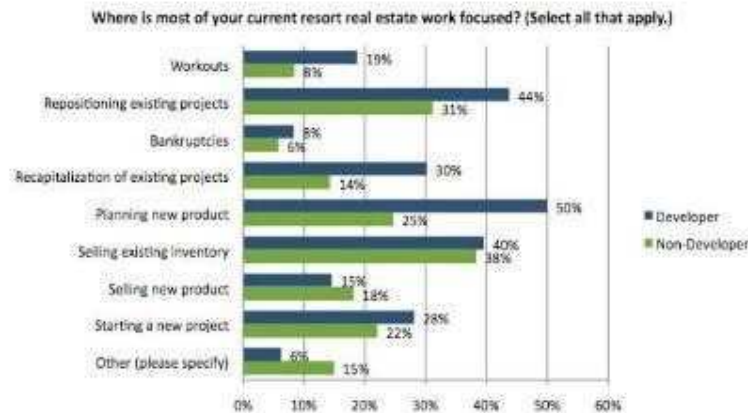
New Beginnings – Activity Emerging from Chaos

New Beginnings – Activity Emerging from Chaos

New Energy & Focus: Resort Real Estate Professionals Getting Busy

In general, the industry is projecting that sales prices and velocities will continue to lag for the next few years, governed by a belief that the economy will continue to languish until after the 2012 elections. It's clear that some in the industry can't see past the pain and frustration of current conditions.

On the other hand, many industry leaders are planning and preparing for a re-start that, on average, is projected to begin between 2013 and 2014. Statistically speaking, more developer respondents are starting new projects (28%), planning new products (50%) and repositioning projects (44%) than those focused on either bankruptcies (8%), work-outs (19%) or recapitalizing projects (30%). One of our favorite respondent quotes refreshed a common saying of the Savings & Loan crisis: "Stay alive 'til '95" with "Lean and mean 'til '13." We think this captures the spirit of the investors and professionals who are committing capital and effort to designing the projects and products of the future.



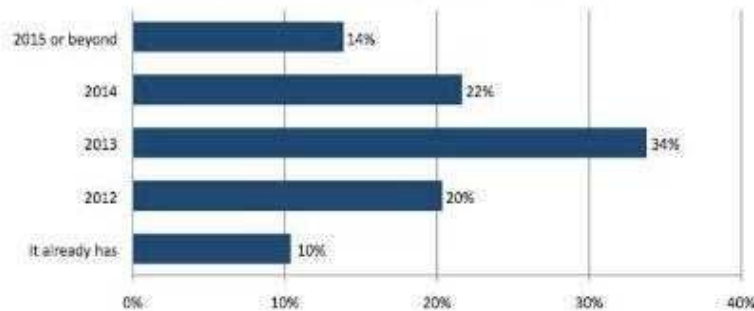
“Consumers want the best value package. Secondly, they want a new U.S. president so that we can have a more favorable economic environment. This is true in every market.”
 -Development & Marketing Consultant, Southeast, Southwest, Sunbelt, California & Hawaii.

Projecting the Next Cycle

In our first survey of Spring 2009, industry professionals predicted the beginning of an economic recovery somewhere between Spring 2010 and the year 2011 - about 12 to 18 months from the time of being surveyed. A year later, in the Spring 2010 survey, the same group simply adjusted its prediction by the same length of time, indicating a belief that recovery would begin in 12 to 18 months, or sometime between 2011 and 2012.

Now that we are in late 2011 and recovery remains elusive, our respondent group continues to push out its prediction. This time, however, the group seems to be a bit more realistic as they are looking out two to three years to 2013 or 2014 as the date when the “next sales cycle” begins. There appears to be consensus that economic recovery in second home markets will not begin meaningfully until after the next election cycle as well as the absorption of a predicted second wave of foreclosures.

When do you expect the next sales growth cycle to commence?



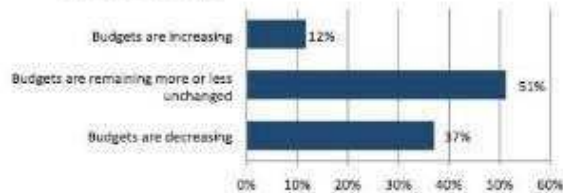
No New Marketing Push & Excess Inventory

Additionally, respondents indicate that there is no new investment into marketing programs in the foreseeable future; in fact, many indicate they will be spending less in marketing in the coming year. Given how little is being spent in marketing in general, this finding is significant because it indicates the depth of belief that the market won't improve in the immediate future.

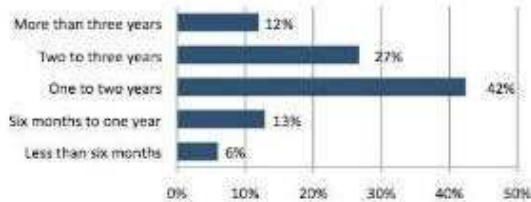
When asked about the volume of available inventory, respondents on average indicated two years worth of listed inventory and another one to two years in the form of “shadow” or unlisted inventory waiting for market conditions to improve. When combined, this means that there is on average three or more years worth of inventory in domestic markets.

Together, all of these factors indicate a general belief that resort real estate markets will continue to “bump along the bottom” for the near-term as uncertain conditions continue, excess inventories are slowly absorbed and additional foreclosures continue to suppress prices.

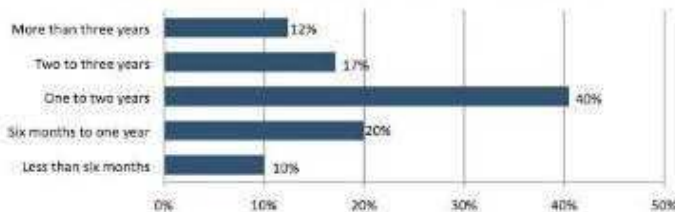
At your primary projects, how are marketing budgets changing relative to a year ago?



What is the supply of available inventory in your market?



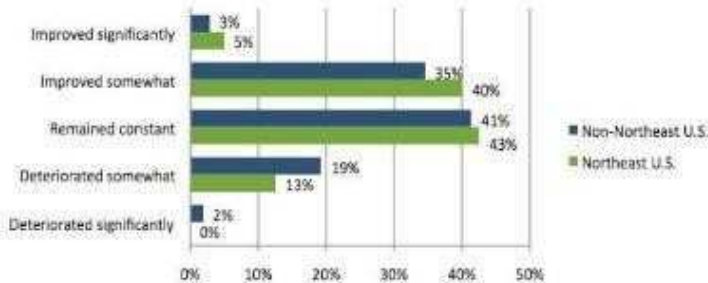
In addition to available inventory, what is the extent of shadow inventory?



Slightly Bullish Outlook

When asked about how their outlook on the industry has changed in the past year, a small margin of respondents indicated that they perceive improving conditions relative to those who perceived continued deterioration. This appears to reflect the difference between those who are focusing on the next sales cycle versus those who are still caught managing the fallout of the recession.

In the past 12 months, your general outlook for the resort real estate industry in your market has:



When you look at these indicators together, the combination suggest that the short-term outlook for market conditions is gloomy at best. But the long-term outlook - while still uncertain - is more positive as investors are committing real money and professionals their effort and energy into the design of new projects and products with an eye towards the beginning of a new cycle in two to three years.

New Beginnings – Activity Emerging from Chaos

Some Bright Spots with Increased Sales Activity

It appears that the dust is beginning to settle as a large number of projects and resorts have either traded hands or have been recapitalized and the work required to reposition them has begun. In certain bright spots, there are isolated examples of sales success where the key factors of quality, developer stability and appropriate pricing adjustment have come together.

In the Northeast, where prices and inventories never grew to excesses like they did in the West, there are more examples of market “bright spots” than other regions. But there are pockets of increased sales activity all over the country. In some markets, individual projects that have experienced an ownership change and new capital investment are enjoying robust sales (albeit at reduced price points) while adjacent projects not yet stabilized continue to struggle to attract buyers. Furthermore, there are instances of new projects being initiated in the unique existing resort locations where there is sufficient demand and relative scarcity of comparable product, primarily because new development did not take place during the past decade or two.

The Table Has Been Re-Set

With much of the process of ownership changes and re-capitalization of projects already completed, new sales activity underway and a large percentage of our respondents reporting that they are working on new projects, we believe that the “table has been re-set.” Although the “table” is smaller than it was during the roaring 2000’s, there is opportunity on the horizon for those with a seat at the table, fueled by new owners often with new capital structures and the creativity to take advantage of new conditions.

Redefining Our Consumer

Permanent Changes in Consumer Interests

At the recent ULI Fall 2011 Conference we learned from Peter Yesawich of YPartnership and Brooke Warrick of American LIVES that their research confirms a major shift in Boomer consumers' attitudes from a pre-recession propensity for consumerism to a new focus on investing in personal relationships.¹ More importantly, Yesawich and Warrick report that this is a permanent change, unlike changes subsequent to 9/11 that proved short lived. They believe that this time the psychological impact of the financial crisis, resulting loss in wealth and massive uncertainty have resulted in long-lasting changes to what attracts our customers to our products. Additionally, Boomers are proving to be uninterested in traditional retirement and plan to either work longer professionally or to find new entrepreneurial or volunteer endeavors that provide ongoing personal fulfillment and meaningful connections.

These findings are entirely consistent with the results of our previous consumer survey report published in October of 2010. When we queried second home customers – including both owners and prospective customers – we found the following:

- Increased emphasis on having a place for quality time with family and friends;
- Desire to reduce both upfront and ongoing costs;
- Corresponding willingness to have smaller, lower cost homes;
- Willingness to eliminate some amenities and reduce service levels;
- Increased desire to be connected and contribute to their second home community;
- Reduced interest in private clubs and exclusivity in general.

¹ Brooke Warrick and Peter Yesawich, Presentation to Urban Land Institute Recreation Development Council, 26 October 2011.

Redefining Our Consumer

A Changed Boomer & Generation X on the Rise

The industry has begun to recognize that we're exiting the economic crisis with a new and different customer and we'll need a refashioned game plan to address this buyer. In 2015 the last Baby Boomer will turn 52, which means that we've finally reached the end of the bell-shaped curve that has fed our industry's traditional projects for the last few decades. Most Boomers are now talking about pre-retirement as they finish moving their parents through a similar transition. Importantly, changes in the Boomer profile do not necessarily denote an exit from the resort real estate market. Outside research like that of Messrs. Yasawich and Warrick indicates that Boomers are working longer and wanting to extend their longevity, to be fulfilled if not through formal professional pursuits but through volunteer or entrepreneurial roles and wanting to be connected to and engaged in their community. This lifestyle and philosophical shift could very well indicate that for projects with the right conditions, the Boomer second home window will be extended, perhaps through the 20⁰teens.

The Boomer still has a place in the market but has evolved and correspondingly, Gen X has advanced. Across the board, an emphasis on family oriented environments reflects the understanding that our predominant and future customer set is in their 40's and early 50's, placing Gen X, whose leading edge is now approaching 50, on center stage.

Developments better positioned to serve the Gen X buyer set ought to consider some of the Gen X qualities Kelsey & Norden identified in our Fall 2010 Consumer Survey: X'ers say they plan to retire earlier, are more likely than their predecessors to participate in organized community events and more willing to accept public access to common facilities.

Projects thinking traditional Boomer should tread carefully. With the right set of factors including climate, life-long learning and access to quality health care that accommodate buyers thinking retirement then the Boomer is still an option, albeit with a new set of priorities. In a more traditional active resort, particularly at higher elevations and in colder climates, it's time to move beyond the Boomer and get to know Gen X.

"Product has to be family oriented and affordable with reasonable carrying costs especially with the shift to the Gen X'ers from baby boomers in the market."

-Developer, Northwest, Canada & International

"Designing more active adult / senior housing communities for the retiring baby boomers."

- Real Estate & Club Development Advisor, Throughout the U.S.

Women: Core Decision Makers with Enhanced Priorities

At the ULI Fall 2011 Conference, Marti Barletta of TrendSight reminded us of the evident but oft-forgotten truth that women are key family decision-making partners in real estate purchases and frequently take the lead in creating the initial list of alternatives to be considered by the family.² As Ms. Barletta made clear, a community or resort must make it onto the woman’s short-list to become a viable option for the second home-hunting couple.

As a result, we at Kelsey & Norden realized that we had committed a significant omission in our previous report by neglecting to filter the consumer data we had gathered by gender. To correct for our oversight, we revisited the data gathered in the Fall 2010 Consumer Survey and analyzed the survey participants who indicated they planned to purchase a resort property within two years, comparing male to female respondents.

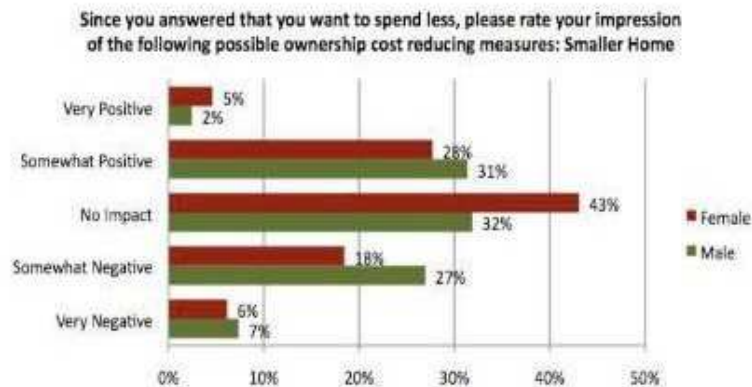
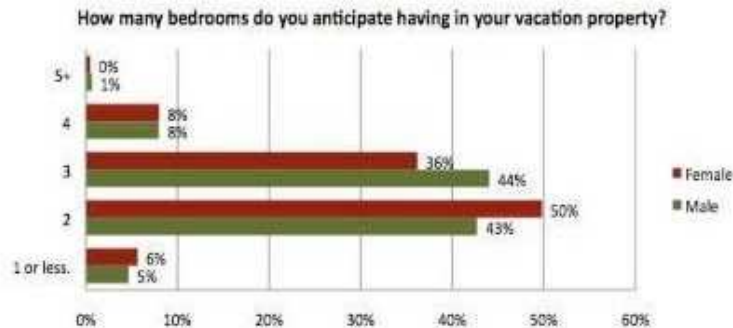
Although a year old, we believe the data from our consumer survey is still relevant as there is little evidence of change in consumer thinking over the past year. Additionally, the comparison of male and female prospects provides a complement to our findings from the Interim Update Fall 2011 - Resort Real Estate Professionals Survey that are the focus of this report. Of the 1,200 plus consumers who indicated they planned to buy within two years, approximately 25% were women and 75% men.

On most topics, male and female responses were indistinguishable. They were aligned on questions regarding product type, ownership structure and financing options. However, we identified several intriguing points at which female respondents regularly deviate from their male counterparts, which should prove useful to marketing and sales professionals and developers seeking information to support the design of new products.

Redefining Our Consumer

Women Indicate Preference for Smaller Homes

Women consistently indicate that their ideal residence has less square footage (51% say under 1500 sq. ft.) and fewer bedrooms (50% say two.) than their male counterparts. Women also say that they are more willing to compromise residence size and bedroom quantity when considering cost-cutting measures.



Women Express Greater Interest in Affordability

Female respondents are more interested than males in lower priced residences and lower long-term carrying costs. Additionally, a greater number of women cite cost or lack of available funds as the primary reason for why they have not yet purchased a resort residence.

Remarkably, men and women were aligned in their level of interest in golf as an amenity and in joining a club. However, men and women who are not particularly interested in joining a club vary in their reasons: women who are not interested are more likely to cite cost (“initial costs to join are too high” & “ongoing assessments are too high”) as their grounds for not wanting to join. Men, on the other hand, base their lack of interest on the feeling that they would not get sufficient use out of a club (“not interested in its amenities and services” or “I do not plan to use it enough”). From a statistical perspective, 67% of women cite cost as their reason for not joining a club vs. 55% of men. So it makes sense that 75% of women vs. 71% of men say they would reconsider a club if fees and assessments were reduced.

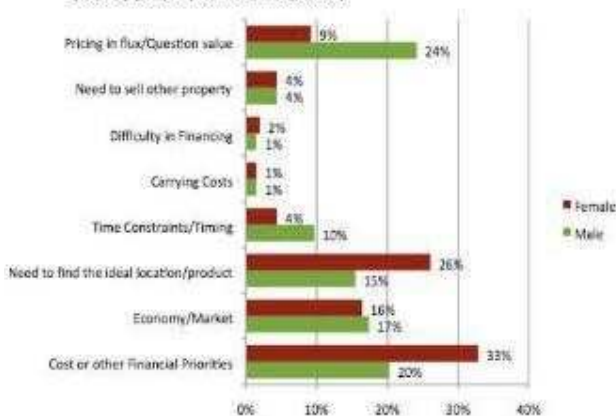
When we shared these findings with Ms. Barletta, she offered a strong caution that we not overreact to them. In her experience, women’s expressed desire for less expensive and more efficient solutions may ultimately be trumped by an emotional response to a home that they simply fall in love with, particularly if it meets their vision for how their family will benefit from it.

Redefining Our Consumer

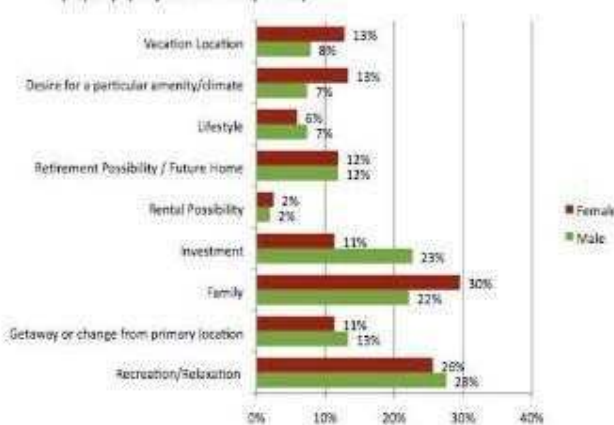
Women Value Lifestyle Over Financial Benefits

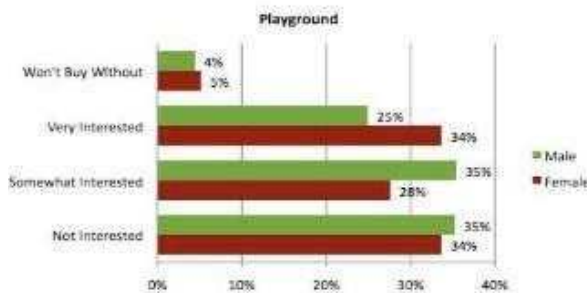
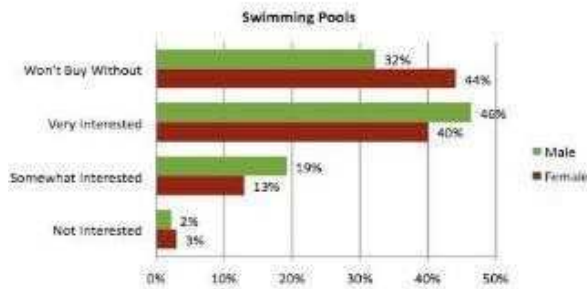
Women are less likely to consider their purchase an investment or financial play and are also much less concerned with the notion of getting a good value or purchasing at the market’s bottom. This jives with our finding that women are less inclined to view rental income potential as a positive means of lowering ownership costs.

Please describe your most important reason for not purchasing a vacation property yet. (Tally of write-in responses.)



Please describe your most important reason for wanting to purchase a vacation property. (Tally of write-in responses.)





Women Are More Family-Focused

Female respondents place a greater emphasis on kid-friendly amenities and programming and more regularly cite family as their primary reason for wanting to purchase a second home or vacation property.

Less dramatic but rather intriguing findings include:

- Women spend much more time on Facebook: 45% of women use Facebook weekly or daily vs. 36% of men and just 17% of women have never used Facebook whereas a hefty 51% of men have never signed up;
- Women tend more toward inclusivity and authentic communities: Women are 6 points more likely to be "not interested" in ownership in a gated or master planned community. They also are 7 points more likely than men to like converting clubs to semi-private as a cost savings measure.

Benefiting from Understanding Divergent Priorities

What are the benefits in understanding the differences between female and male consumers? We think that the opportunities are significant – especially for marketing and sales professionals who want to ensure their community makes a woman's short list. Refining websites and preliminary collateral pieces to address women's interests in a female-friendly manner will prove important. Further, sales managers should consider developing female-specific training for their teams to highlight product attributes of particular interest to female prospects and to remember to directly address both the husband and wife in the sales and referral processes.

Redefining Our Consumer

Market Uncertainty Makes Consumers Unwilling to Purchase

78% of our respondents cited market uncertainty as an impediment to product sales. This figure supports Kelsey & Norden's belief that the majority of the resort real estate market has not disappeared; it's just not participating. Unlike pockets of the middle class, our buyers still have their jobs and wealth. In spite of that, they don't see the economic conditions that will free them to un-park their wealth and make a long-term commitment.

"Rationalizing the investment in resort real estate in the context of a most uncertain economic climate and defining credible exit strategies (e.g. if I want to sell in five years: what is the darn thing going to be worth?)"
 -Developer, California

What are the biggest impediments to sales? (Select all that apply.)



"At our property ... stock market is key driver; any market uncertainty is felt immediately. When market became unstable in August 2011, two buyers backed out. Once market somewhat stabilized, four weeks later, two new buyers came in."
 -Investor & Head of sales, Northeast

"Buyers' expectations regarding quality have increased, and everyone's looking for the deal of the century. It's really all about location, proximity to amenities."
 -Developer, Rocky Mountain West

"Commuting convenience – due to high gas prices and consumer need to justify expenditure. Consumer needs to believe it will be used and add value to their life."
 -Mortgage Broker, Northwest

"In the high end markets, folks are interested in a quality product in a great location."
 -Appraiser / Analyst, Northeast

"Project location i.e., slope side access, views, etc."
 -Resort Operator, Northeast

"Convenience of travel to location."
 -Developer, Central America

Lifestyle...not just a vacation spot...but a place to build a (or part of a) life. Vacation spots with a real, vibrant community."
 -Vacation Property Owner, South America

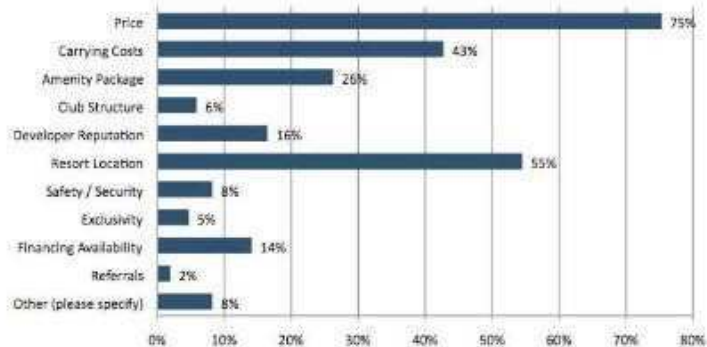
Ideal Properties for New Market Conditions

The New "Location" - Loyalty, Loyalty, Loyalty

55% of respondents tell us that "location" is one of the factors that matter most to today's consumer. However, our peers vary in their interpretation of the term.

In this market, the most important reading of "location" is a place to which people are loyal. Buyers don't just select the resort that is closest to their primary residence or the one that offers several more degrees of views – they choose a place with which they identify and have an established connection. And then they refer their friends. It's in this type of loyalist location that Kelsey & Norden have seen pockets of development success despite today's market conditions. Resorts with strong identities in valued locations that know and communicate with their loyalists have sales traction, whereas new projects in untested sites face an uphill battle to create new markets and draw in habitués. Resorts contemplating future real estate offerings should work to hone their identities and strengthen their loyalist connections.

What matters most to today's consumer? (Select all that apply.)

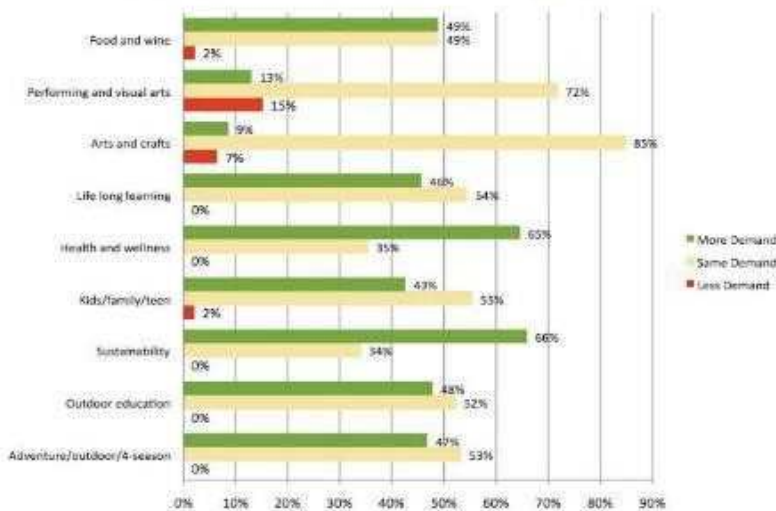


Ideal Products for New Market Conditions

Social Infrastructure is the New Club Director

Consumers are seeking authentic opportunities to interact with their family, friends and community. As we discovered in our 2010 consumer survey, buyers are now looking for a second home rather than a vacation home, and want to belong to and engage with a community rather than visit a resort to simply recreate and then relax.

How has consumer desire for the following types of programming changed in the last 12 months? (Select all that apply. Asked of Architects, Landscape Architects, Planners and Engineers.)



"Those that have very little carrying/operating costs...allow families to participate together...have health benefits...are educational and/or environmentally sensitive."
 -Developer, Mexico

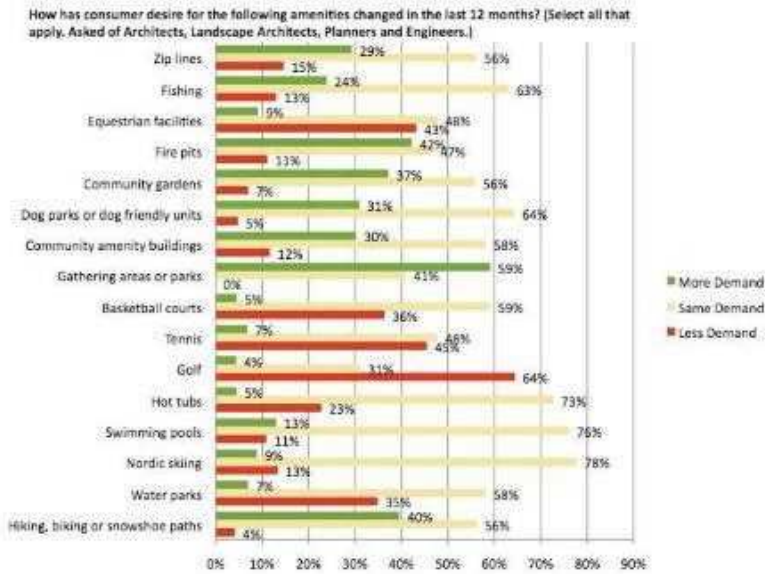
"Amenities and programming that help families connect but don't inflate costs of ownership (e.g. golf is very problematic on both the aspirational and economic fronts)."
 -Developer, California

"Many of our purchasers are now looking for ways to entertain grand children in a year-round, scenic and wholesome environment while finding activities and/or amenities to fit their pre-retirement needs."
 -Sales Agent and Supervisor of Real Estate operations at a Resort/Real Estate Development, Midwest

"The total activities throughout the day are a key driver at the resort, family participation is key as opposed to dad playing golf and the kids sitting at the pool, families are more active together."
 -Sales Manager, Sales Associate or Sales Consultant, Southwest, Rockies & California

"For Gen X - smaller, more intimate amenities."
 -Sales & Marketing Manager, Associate or Consultant, Southeast & Sunbelt

Ideal Products for New Market Conditions



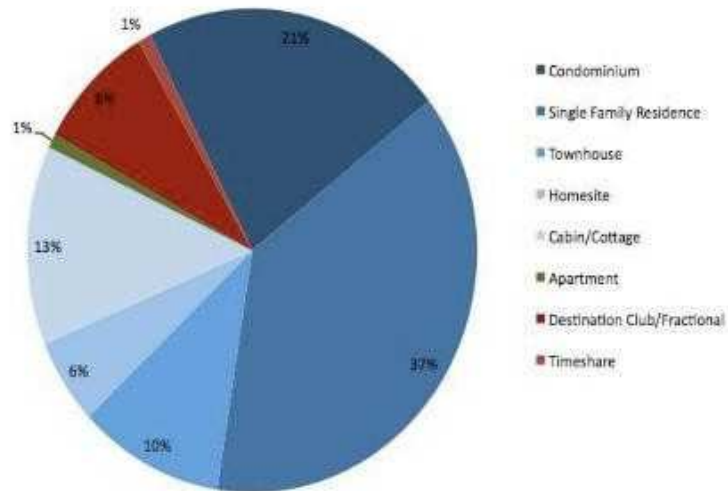
Consumer desire for family, community and environmental engagement combined with a strong movement to limit owner-carrying costs has hastened the demise of many traditional clubs. Our professionals have confirmed that exclusivity and security are no longer top buyer priorities and these professionals are beginning to recognize this trend when planning new amenities and programming. Programming is increasingly oriented toward family participation and traditional fun such as gatherings around fire pits, croquet courts and nature parks while new amenities are more likely to be trails, parks and gathering spaces rather than golf and private clubs.

Ideal Products for New Market Conditions

Ideal Products for New Market Conditions

As we visit markets around the world, one of our favorite questions is the hypothetical "If you could create your dream product, what would it be?" This helps us to best understand what consumers are looking for in specific markets. Accordingly, in this recent survey, we asked participants for the parameters of their ideal product. The results were quite broad, with the most aggressive outlooks suggesting that \$10M+ product is working in some markets. We applied several filters to analyze region, resort type, and professional background to better understand the topic. Although the results were somewhat inconclusive, several general trends took shape.

Regardless of what is actually available for sale, what is today's ideal real estate product and price point in your market? (Tally of write-in responses.)



"The dinosaurs look to be the 6k sf custom homes."

-Developer, Rocky Mountain West, Northwest & California

"Lots are so over-supplied that they are selling now for \$1.00, just pay the taxes and HOA fees."

-Developer & Marketing Manager or Consultant, Southeast, Sunbelt, Southwest, California & Hawaii

"Smaller spaces, quality finishes."

-Hotel or Club Operator & Financial Advisor, Sunbelt

"Near amenities without cost of carrying "exclusive" amenities..."

-Developer & Marketing Manager or Consultant, Northwest

"More inventive designs that are conducive to fun and family - NOT typical primary home design."

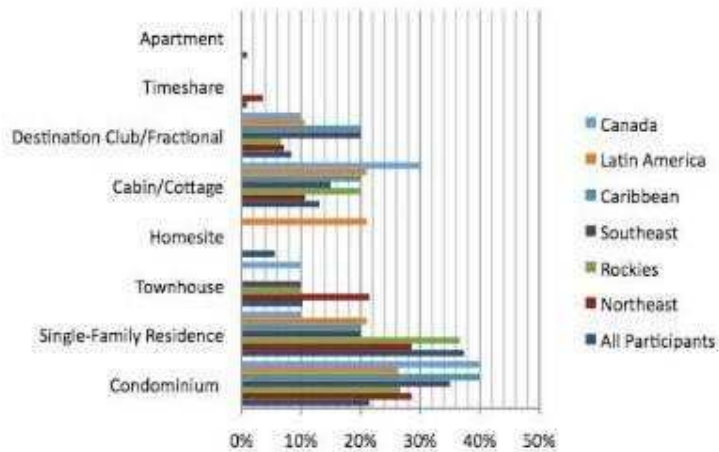
-Sales Manager, Associate or Consultant & Vacation Property Owner, Northwest

"Much of existing inventory is too dated, and the cost to cure is too high."

-Sales Manager, Associate or Consultant, Northeast

Anecdotal market data suggests that in times of reduced spending capacity, fractional and timeshare products would emerge as favorites given their attractive price point. This does not appear to be the case. The most apparent trend is the desire to have whole-ownership product in the inventory, while timeshare and fractional products gained very little support (about 9% total). We surmise that the simplicity of the whole-ownership transaction is the driving force behind this trend. The due diligence process undertaken by consumers has lengthened, and the complexity of a fractional purchase lends itself to additional questions and heightened uncertainty. Furthermore, consumers appear inclined to align themselves with products that ensure their independence as trust for the developer has been lost. Even among whole-ownership products, the single-family residence is most often the product of choice, confirming that transactional simplicity is important.

Ideal Product Type (Tally of write-in responses.)

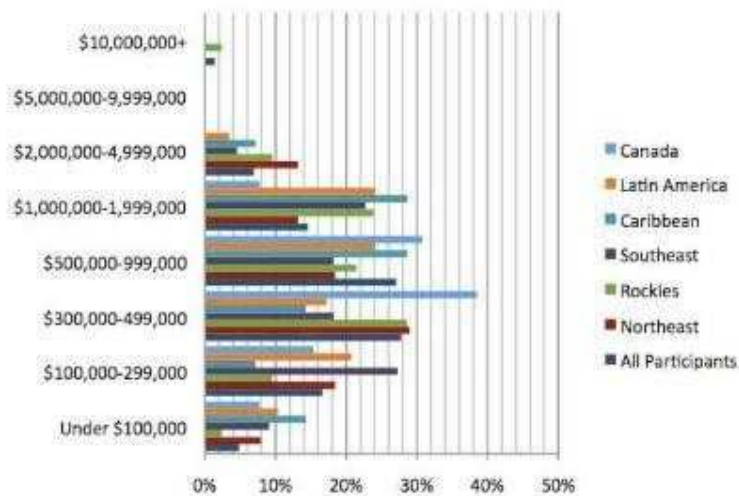


Ideal Products for New Market Conditions

We were surprised at the interest in homesites as a product offering, but after further investigation found that this outlier was due to the number of homesite sales in emerging markets outside of the United States and Canada, where the development cycle favors homesite sales in early phases of development. Turning to price, the desired range is between \$300k and \$500k (28%) and between \$500k and \$1M (27%). It is our sense that the \$300k to \$500k price point correlates with an increase in the popularity of cabins or cottages in large master planned communities and discounted condominium product in beachfront locations.

Additional regional preferences become apparent as we look at desired product type. The Caribbean and Southeast skew considerably higher in their desire for destination club or fractional products (20% for each compared to less than 10% in other North American locations) and condominiums (40% and 35%, respectively, compared to below 30% in other North American locations). Although product type desires are similar in these two markets, price points are not. The Caribbean has the largest percentage of respondents comfortable with \$1M+ product (28%), while Southeast respondents has the largest percentage of respondents favoring the \$100k to \$300k range (27%).

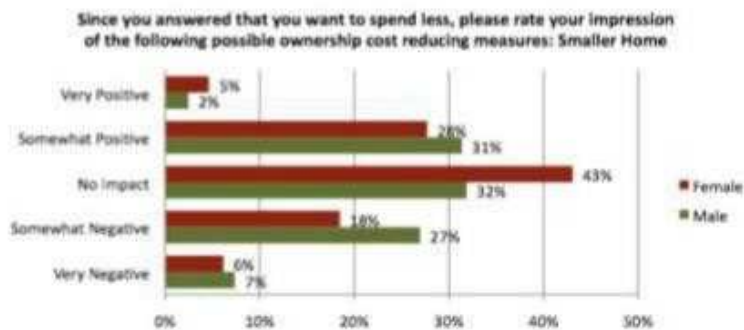
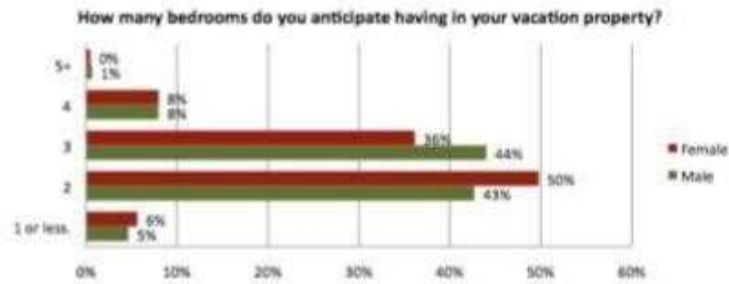
Ideal Price Point (Tally of write-in responses.)



Redefining Our Consumer

Women Indicate Preference for Smaller Homes

Women consistently indicate that their ideal residence has less square footage (51% say under 1500 sq. ft.) and fewer bedrooms (50% say two.) than their male counterparts. Women also say that they are more willing to compromise residence size and bedroom quantity when considering cost-cutting measures.



Ideal Products for New Market Conditions

In the Rockies, the desire is for single-family residences (37%) while in the Northeast there is an acceptance of a range of whole-ownership product (townhomes 22%, single-family residences 28%, and condominiums 28%). This reveals a predilection for products that are easier to maintain and operate in the Southeast and Caribbean and a trend toward products that favor more independent living in the Rockies and the Northeast.

The Canadian market differentiates itself clearly with a desire for condominiums and cabins/ cottages as strong favorites at 40% and 30%, respectively, with price points in the \$300k to \$500k range (38%) and \$500k to \$1M range (32%).

Developers' desire for products between \$300k and \$2M were greater than non-developer professionals, while non-developer professionals showed a desire for \$100k to \$300k product at twice the frequency of the developer. Here, the developer is probably more in tune with the actual costs required to deliver product to the market than the non-developer.

Parting Words: Opportunity for Innovation

At the surface level, the results of this survey of real estate professionals appears inconclusive at best, chaotic at worst. For nearly every hint of optimism, there is at least one or more counter indications that suggests extended tough times ahead.

Upon our first pass through the data, we were admittedly depressed by the apparent lack of a coherent view of the future. But further examination – and intense filtering – revealed a much brighter conclusion.

No doubt, resort real estate markets are bumping along a rough bottom with no immediate relief in site. Yet, it is our view that the first indications of the next cycle are apparent.

Short-Term Gloom - Long-Term Opportunity

Respondents to this survey have made it abundantly clear that the short-term outlook for resort real estate sales activity is gloomy. Four or more year's worth of inventory and declining marketing budgets suggest that we will see little sales volume for the foreseeable future.

At the same time, however, it is also evident that many see a new sales cycle on the horizon. Accordingly, the industry has begun to respond with new products and projects to be ready when it comes. While it's clear that the overall market will not produce the volume of demand seen in the mid-2000s, a smaller – but nonetheless significant – table is being re-set with new opportunities for both the repositioning of existing projects and the development of new ones.

Boomers and Gen X Converge

Meanwhile, there are two significant new consumer dynamics in the market. First, Boomer consumer attitudes have been permanently changed with a shift away from overt consumerism to an emphasis on quality time with family and friends and personal fulfillment through continued professional or volunteer endeavors. Second, the next generation, Generation X, is just arriving at the historically ideal age for second home purchase. This new generation brings with it tendencies for greater inclusivity, community involvement and focus on quality time with their families.

When these new market dynamics are considered together, an important realization emerges. The fundamental shifts in Boomer attitudes swing them strongly towards the traditional values of Gen X. This apparent nexus between the two generations is critically important as together the two groups comprise our buyer set for the near to mid-term periods. If, in fact, their motivations are aligned in desires to spend quality time with family and friends and to connect to their communities through personally fulfilling activities, then finding and designing marketable environments and products becomes easier.

There will, of course, be distinct differences between the two groups; Boomers will increasingly require access to quality health care along and homes that allow a transition from their working to retirement lives while supporting the familial obligations common to their generation (children in college and responsibility for aging parents). Concurrently, Gen X'ers will likely need lower priced homes that can still accommodate their family's needs and their desires to host their friends. But

the core qualities and components of second home communities will not need to be fundamentally different to attract the two generations.

New Requirements – New Products

These changes mean, however, that the second and vacation home communities of the future will need to have new types of residential products and new combinations of amenities and services to be attractive to this combined consumer group. Successful communities will also have to be located in environments with an existing community to which their customers can connect; or they will have to stretch beyond historical practice to quickly generate a robust community and loyalist experience internally.

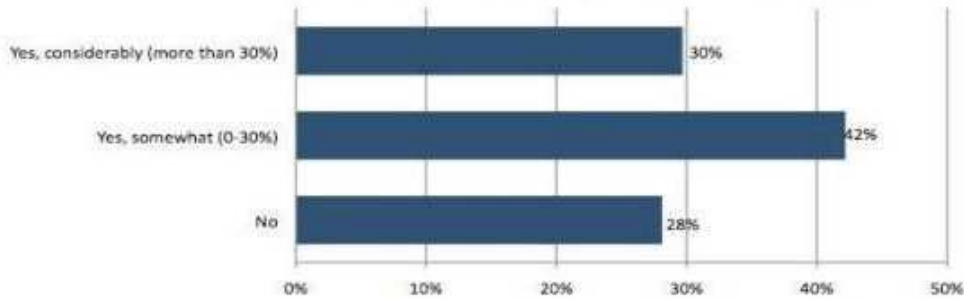
Accordingly, there is significant opportunity for those who are able to identify and offer innovations appropriate for individual markets. We believe that this work is just beginning.

Whatever your path may be, we thank you for your interest in this interim update and look forward to connecting with you again soon.

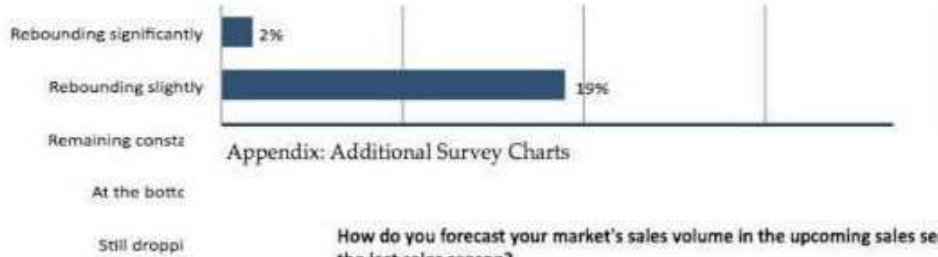
*Chris, David & Claire
Kelsey & Norden
December, 2011*

Appendix: Additional Survey Charts

Since the market crash in 2008, have you diversified your work from resort real estate into other areas? (Asked of Architects, Landscape Architects, Planners and Engineers.)

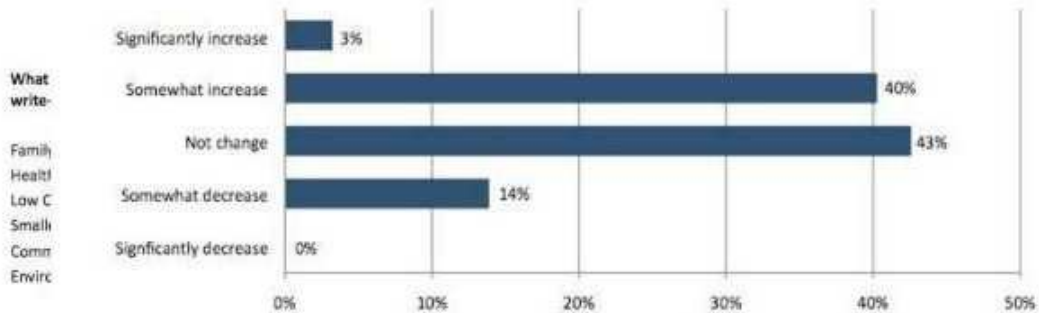


In the past 12 months, property values have been:



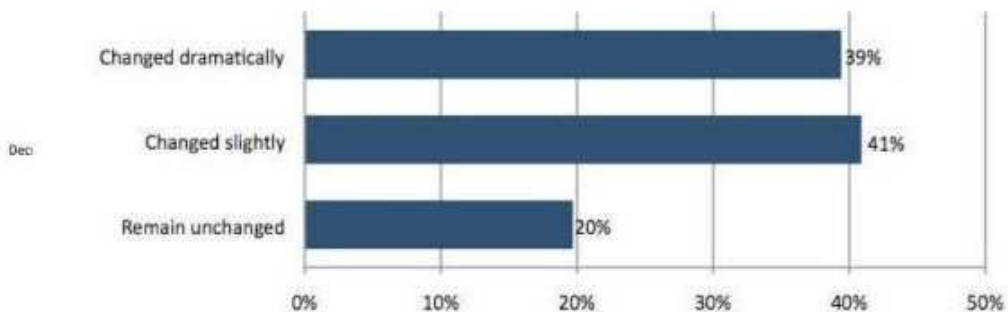
Appendix: Additional Survey Charts

How do you forecast your market's sales volume in the upcoming sales season relative to the last sales season?



Inc

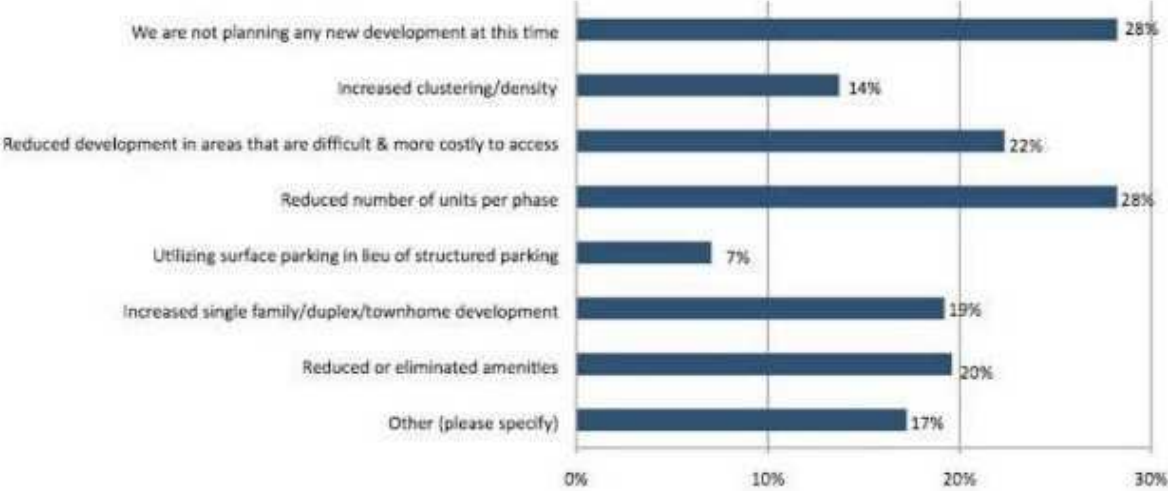
Since the financial crisis, to what degree have private club structures and services changed?



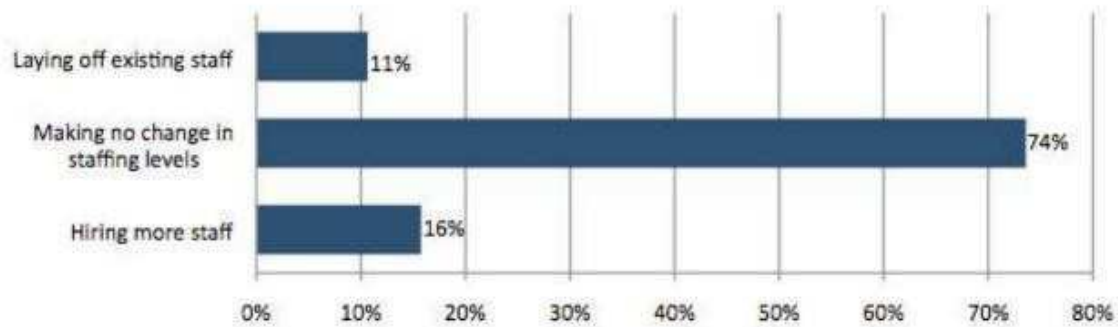
How would you characterize the changes you have seen in club structures and services? (Tally of write-in responses.)

Reduced & flexible or a la carte pricing & exits	36	17.73%
Members' perception of value differs from club's cost of services	22	10.84%
Simplification & reduction in services, amenities & hours	16	7.88%
Public & resort guest access	15	7.39%

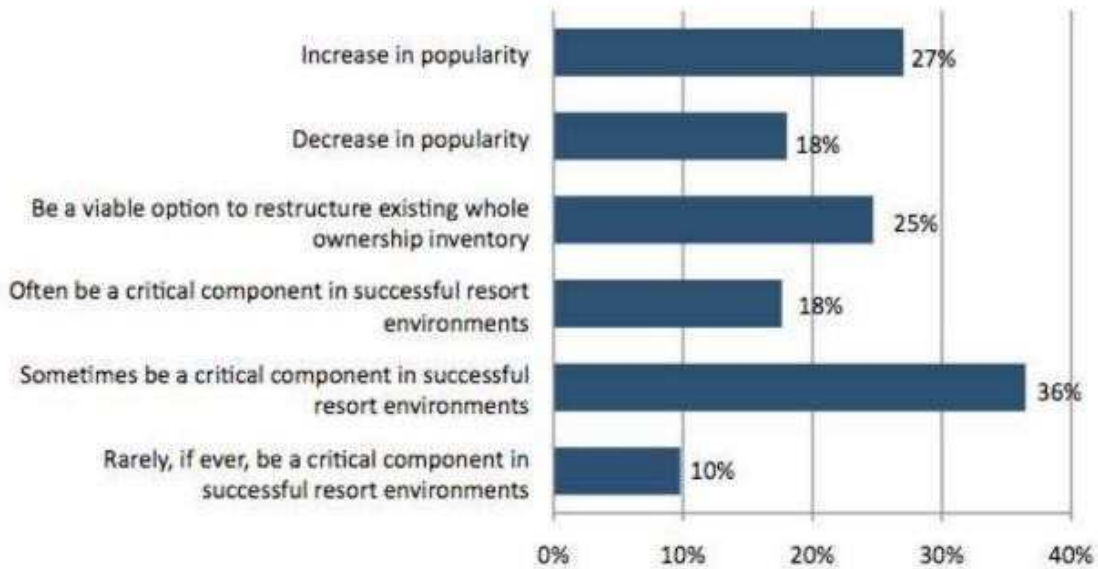
Since 2008, how has your planning and design for new development changed? (Select all that apply.)



At the organization where you work, are you currently:



**What is your opinion on the future role of shared ownership products?
Shared ownership will... (Select all that apply.)**



APPENDIX E - MONTHLY LIVING EXPENSE BUDGET SUMMARIES

GRAN PACIFICA BUDGET SUMMARY

Estimated Monthly Living Expenses for a couple, with a Casita owned

Taxes	\$	83.25	
Hazard Insurance	\$	72.00	
Home Owners Association	\$	199.00	
Electricity	\$	85.00	
Water	\$	15.00	
Food for 2 persons, 30 days, 3 meals per day	\$	446.65	
Incidentals, paper, cleaning	\$	30.00	
Wine/ beverages \$8/bottle	\$	34.40	
Cable/Internet	\$	79.35	
Transportation, weekly bus	\$	20.00	
Golf with caddy (assume member)	\$	43.00	
Maid for 1/2 day, weekdays	\$	64.50	
Health insurance, Club Salud, over 55 yrs.	\$	100.00	
	\$	1,272.15	\$ 41.04

Estimated Monthly Living Expenses for a couple, with a condo owned

Taxes	\$	83.25	
Hazard Insurance	\$	72.00	
Home Owners Association	\$	199.00	
Electricity	\$	125.00	
Water	\$	40.00	
Food for 2 persons, 30 days, 3 meals per day	\$	600.00	each person 3 meals per day @ \$20/ly
Incidentals, paper, cleaning	\$	35.00	
Wine/ beverages \$8/bottle	\$	34.40	
CableTV	\$	22.00	
Internet	\$	90.00	mid-speed
Transportation, weekly bus	\$	20.00	
Golf with caddy (assume member)	\$	43.00	
Maid once per week, monthly	\$	100.00	
Health insurance, Club Salud, over 55 yrs.	\$	100.00	
Monthly in USD	\$	1,563.65	\$ 50.44

GRAND BAYMEN BUDGET SUMMARY

APPENDIX L - CASA EMMA

AT GRAN PACIFICA

A LETTER FROM LEE ROSENBAUM

As parents, the universal dream is for our children to live joyful, fulfilling lives, with the expectation that they will someday be on their own. However, when your young child becomes your adult child the entire dynamics of life are turned upside down. The majority of parents who have raised special needs children deal daily with specific concerns unique to their situation.



Finding suitable housing for your child with special needs is extremely difficult. Parents caring for adult children with special needs are acutely aware of the problems which are pervasive in many of the facilities run by state agencies. Private care facilities are extremely expensive keeping this option out of reach for most families. Acceptable day programs can be found but often the waiting list for entry is several years. The bottom line for many of us is that we, the parents, continue in the role as the primary care giver. This gives us a great understanding and appreciation of parenting.

Our adult child requires the same care as she did when she was younger, however, we as her parents no longer have the energy to provide for her needs. Depending on your season of life the entire family is affected. The enormous amount of time it takes to care for our child has impacted my relationship with my wife, children & grandchildren. Reliable, safe respite can be difficult to find as well as expensive.

Of course, the most overwhelming concern for our daughter is what will happen when we are no longer able to care for her? Every family in our situation has thought about this problem. We certainly don't want the state to dictate what will happen to Emma if we become disabled, die, or just become too old to be her care givers.

We have investigated numerous possibilities but only recently have been able to find a suitable option for a residence that addresses all our concerns. This is an exciting new project that will be a life- changing breakthrough for both parents of special needs children as well as the children who will be living at the residence. Parents will have the option to live in the same community. Casa Emma and the larger Gran Pacific Beach and Golf Resort encompass 2500 acres with over 3 miles of beach on the Pacific Ocean. The infrastructure is in place, amenities are in, and homes and condominiums have created a quaint seaside neighborhood. Casa Emma is now ready to go up. This is a wonderful opportunity to provide for our children while taking back control of our own lives. If your family is struggling with the same issues as mine, let's build this dream together.

APPENDIX M – REFERRAL PARTNER PROGRAM



GLOBAL AFFILIATE PROGRAM
HELPING YOUR CLIENTS GO GLOBAL



OUR AFFILIATE TEAM

Serve your clients with high-quality, familiar products in Latin America, offer them a choice of country, geography, and climate, and see them experience and enjoy true community.

ECIAFFILIATE.COM

11.6%
OF NORTH
AMERICANS
WANT TO OWN
INTERNATIONAL
REAL ESTATE.

HOW
ARE YOU
HELPING
THEM?

INTERNATIONAL IS IMPORTANT

- 1** Right now, there are huge referral fees paid to real estate professionals for property sold in Latin America.
- 2** Discover the international business opportunities hidden inside your local contact base.
- 3** Through an ECI Affiliation, access the tools to locate, and then serve your globally-interested clients.

HERE'S THE REASON YOU
SHOULD REALLY CARE



WHY U.S. RESIDENTS SEARCH FOR RESIDENTIAL PROPERTY ABROAD

VACATION HOME &
RESIDENTIAL INVESTMENT

46%

RESIDENTIAL
INVESTMENT

13%

DON'T
KNOW

3%

VACATION HOME

28%

PRIMARY RESIDENCE

9%

OTHER

1%

GUIDE OBJECTIVES

- Show the magnitude of this mega-trend happening before us right now.
- Provide you with a comprehensive resource tool set to identify international business opportunities in your existing network.
- Deliver the simple services you need to build your business, serve these clients & earn referral fees.



YOUR MISSION SHOULD YOU CHOOSE TO ACCEPT IT

We have a duty to serve our clients. This is why we earn a fee for service. This guide is the means for you to earn more by offering new services to your existing clients.

Sadly, your clients considering property overseas probably don't know what they don't know. Most people don't. They are at risk for making costly mistakes. You can help them make smarter decisions. Provide your client with expert advice they need to avoid the common pitfalls when buying property overseas.

This is why your role as an ECI Affiliate is important.

EVERYONE WINS

WHEN YOUR CLIENTS ENJOY AN EXCITING
& REWARDING PROPERTY OWNERSHIP
EXPERIENCE OVERSEAS.

THE 2 LEVELS

HOW INVOLVED DO YOU WANT TO BE?

THERE ARE 2 TIERS OF AFFILIATES DEPENDING ON HOW INVOLVED YOU'D LIKE TO BE.

CASUAL REFERRAL AGENT

EARN REFERRAL FEES AT THEIR OWN PACE

- Interested in sharing the ECI story with others (information provider)
- Shares international realty content and stays up-to-date with country-specific news
- Earns referral fees at their own pace

BUSINESS BUILDER

GENERATES A HEALTHY BUSINESS INCOME

- Actively promotes ECI properties and generates qualified prospects
- Devotes time to training, country webinars, and education
- Generates a healthy business income



ECI'S GLOBAL AFFILIATE PROGRAM

YOUR GUIDE TO GLOBAL REAL ESTATE

7

YOUR BUSINESS EDGE WITH ECI

12

LIVING & OWNING ABROAD

13

THE INTERNATIONAL TREND

15

HOW TO GET ON BOARD

16

ABOUT ECI DEVELOPMENT, LTD

17

GO GLOBAL - ECI COMMUNITIES



**MICHAEL
K. COBB**
CHAIRMAN & CEO
ECI DEVELOPMENT

A MESSAGE FROM OUR CHAIRMAN & CEO

Your clients and prospects are looking to own real estate globally. In fact, it's about one in ten. Through an affiliation with ECI, you'll become an international expert and earn fees while helping your clients who want to own property overseas.

The reality is that today many of your clients are already buying overseas without your help. They would be far better served if you were there to guide them. Helping them and earning fees is the purpose of the Affiliate Program. You, the Affiliate, are well equipped to provide critically important information to this rapidly growing client segment. Join the forward thinking real estate professionals already serving their clients globally and benefiting from this demographic wave.

Become an ECI Affiliate and introduce the incredible opportunities of owning overseas to people who may be interested in international home ownership, but may not have the information they need to make wise and prudent decisions. As you'll read, the Living and Owning Abroad section of this guide shows that the macro-trend of international relocation and home ownership is only in its infancy. Prospecting now means business for decades.

Sales is always about serving others. ECI works with Affiliates to serve clients by providing them a product they want and need in a market seriously devoid of high-quality, community-oriented residential products. An ECI community includes everything: community centers, swimming pools, tennis courts, clubhouses, restaurants, golf, and spa facilities. Proper planning is implemented to ensure harmonious growth. By investing in the infrastructure and amenities up front, ECI ensures that strong community takes shape.

Your clients can be confident that no matter whether they choose to own in a semi-arid Pacific coast golf community, a Caribbean marina community, an English-speaking island home, the tropical highlands with cool, springtime weather year-round, or a vineyard estate in the Napa Valley of South America, they will receive the luxurious experience they expect. Even more importantly, they will enjoy the sense of community that is the foundation of any home in an ECI Development neighborhood.

Read on to see if an ECI Affiliation may be the right way for you to expand your career horizons overseas. If you'd like to become the newest member of our ECI Affiliate family, reach out to me directly at Affiliate@ecidevelopment.com and we can discuss the opportunity for you at hand today.

Here's to your exciting new journey,

MICHAEL K. COBB
CEO & Chairman
ECI Development



YOUR BUSINESS EDGE WITH ECI

The ECI Affiliate Program is centered on a simple concept: sharing impactful information with clients who need to know it. This simple act will help you build additional rapport within your contact base, brand yourself as a Global Real Estate Expert, tap into your huge market of internationally interested homebuyers, and open the door for them to learn about property ownership abroad.

Many Affiliates recognize the huge potential for profit by broadening their gaze to global opportunities, but don't know how to identify or connect with the market. With the swing in the real estate industry toward online information, clients need an expert who knows what's happening in the global market and who can effectively relay that knowledge. This is the main way an ECI Affiliation separates you from the crowd.

Here's your business edge with an ECI Affiliation; we'll provide you with fresh, relevant blog posts about the international real estate market, host training webinars, and provide pointers on how to quickly and easily identify the international interest that exists in your local market. Then every month, we'll send you country newsletters and other valuable resources you can share with your internationally curious clients.

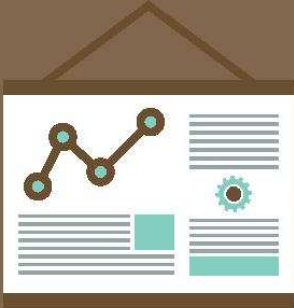
One example of a powerful ECI Affiliate resource tool is "The Investment Return Curve" analyzer. Matching the right type of property investment to the goals of your prospects and clients is critical to helping them obtain the property of their dreams. This tool helps you to help your client identify which country or region best aligns with their real estate interest – be it a mature market with higher rental return, an emerging market with high value appreciation, or something in between for some of both.

IN BUSINESS
FOR YOURSELF
BUT NOT
BY YOURSELF

Our concise monthly country newsletters and Latin American guide books keep you up to date on events, trends, and data in the global market, and give you the expert edge you need to keep growing your global business.

And the best part? There is only a one-time small enrollment fee of US\$49. Would you prefer that it's free? Ask us how!

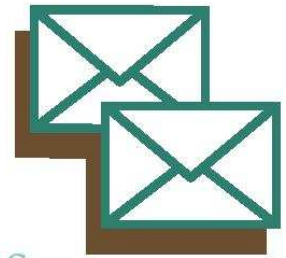
Join the ECI Global Affiliate Program and stay up-to-date with listings and news across Latin America. You won't miss a thing.



MONTHLY LATIN AMERICAN UPDATES

MONTHLY UPDATES PROVIDE YOU A SYNOPSIS OF LATIN AMERICAN REAL ESTATE TRENDS, ARTICLES, AND OPPORTUNITIES.

These professional updates relay what's happening in the market and what's most important for your clients to consider when buying or selling a home overseas.



MONTHLY COUNTRY NEWSLETTERS

THE COUNTRY NEWSLETTERS ARE SPECIFICALLY DESIGNED TO ARM YOU WITH INFORMATION AND CURRENT UPDATES ON COUNTRIES OF INTEREST THROUGHOUT THE REGION.

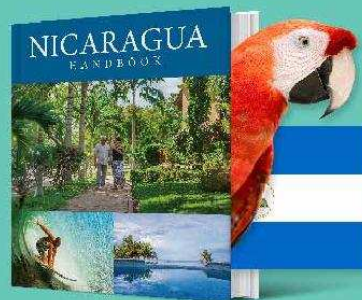
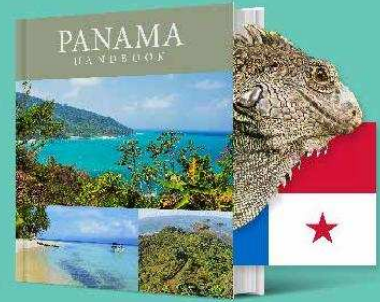
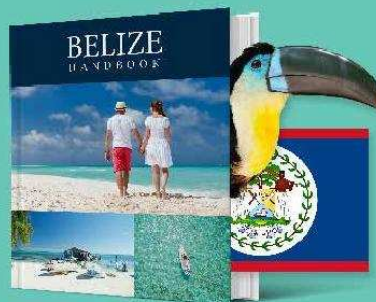
We'll do the work of researching and writing articles. You easily share relevant facts and interesting tidbits with your clients by forwarding, re-tweeting, and posting to your social media sites.

If you publish a paper newsletter, we'll provide reformatted versions.

COUNTRY HANDBOOKS

WITH THESE ROBUST HANDBOOKS, YOU CAN BE THE INDUSTRY EXPERT PROVIDING A WINDOW FOR YOUR CLIENTS TO BETTER UNDERSTAND AND PLAN FOR INTERNATIONAL HOME OWNERSHIP.

These resources detail information on an array of topics - from cost of living, to top restaurants, to popular tourism attractions and destinations, and much more.





MARKETING & RESOURCE MATERIALS

RECEIVE RESOURCES LIKE THE INVESTMENT RETURN CURVE ANALYZER AND THE 15 CRITICAL QUESTIONS WHEN LOOKING AT INTERNATIONAL REAL ESTATE.

Even professionally designed marketing materials that help your clients find their dream home in paradise.

These insightful guides and attractive materials make it easy to be a liaison for international properties.

BLOG CONTENT FOR YOUR WEBSITE

CONSISTENTLY RECEIVE FRESH ARTICLES ON OVERSEAS PROPERTY INVESTMENT, MAKING IT EASY FOR YOU TO SHARE IMPACTFUL INFORMATION AND BUILD RAPPORT WITHIN YOUR CONTACT BASE.

By adding this content to your site, blog, or in monthly e-newsletters, open the door for clients to find their perfect home and brand yourself as a Global Market Expert.

Add a button or banner to your webpage, and any client who inquires directly is automatically registered under your name. When they choose to purchase an ECI property, you are compensated. . . even if that happens 15 years down the road!



HOW TO SERVE CLIENTS & CREATE ADDITIONAL WEALTH

1

IDENTIFY

TASK Use a simple, pre-written email to filter your prospect files and database for the 1 out of 10 seriously considering owning property overseas.

TOOL Offer them the ECI “Global Property Resource Kit” as the reason for them to reply.

RESULT A list of prospects and clients who want to own property overseas.

**During Step 1, only you are in communication with your client. You decide when and how to register your client with ECI.*

2

REGISTER

TASK Register your client with ECI.

TOOL Send a quick email to register@ecidevelopment.com with their name, email, general interest, and any additional comments you’d like to share.

RESULT Earn referral fees for this client for life.

3

QUALIFY

TASK Use more direct surveys (or let us) to identify regions of the world and specific countries of interest to them.

TOOL Send the ECI “Likes and Preferences” Survey and help them narrow their country focus. Discover their budgets and timelines for purchase.

Provide additional information including: Resource Guides, Country Handbooks, Community Newsletters, Webinars, Invitations to Property Tours or Weekend Visits.

RESULT A segmented and qualified list of prospects actively engaging with information about property overseas. We will do the work for you, or you can. Earn between 2-5%. Find out how.

ATTENTION

REGISTRATION OF YOUR CLIENT MEANS YOU ARE PROTECTING YOUR REFERRAL FEE!

YOU CAN EASILY REGISTER YOUR CLIENT BY EMAILING REGISTER@ECIDEVELOPMENT.COM

Be sure to include the following information for proper registration input:

- 1 Client name, email, and phone number
- 2 Client interests (if you know them)
- 3 Communication preference - Do you want us to reach out to the client directly? Or are you planning to handle the sale?

IT'S SIMPLE. We provide the expertise in the local market allowing you to focus on your network and earn referral fees. All the while, your clients are being treated to real lifestyle choice, diverse country options, and product affordability that they can enjoy today.

GENERATING REVENUE

THERE ARE 2 LEVELS OF AFFILIATION Depending on what works best for you. You can decide at what level you'd like to participate. Whichever avenue you take, you will be well equipped to inform clients of international real estate opportunities at hand.

CASUAL REFERRAL AGENT

EARNS REFERRAL FEES AT THEIR OWN PACE

- Interested in sharing the ECI story with others (information provider)
- Shares international realty content and stays up-to-date with country-specific news
- Earns referral fees at their own pace

PROPERTY VALUE	COMPENSATION
\$100K	\$2K
\$200K	\$4K
\$300K	\$6K
\$400K	\$8K
\$500K	\$10K
\$1M	\$20K

EARN 2%

THERE IS A ONE TIME ENROLLMENT FEE OF ONLY \$49.00. ASK US HOW YOU CAN ENROLL FOR FREE.



BUSINESS BUILDER

GENERATES A HEALTHY BUSINESS INCOME

- Actively promotes ECI properties and generates qualified prospects
- Devotes time to training, country webinars, and education
- Generates a healthy business income

PROPERTY VALUE	COMPENSATION
\$100K	\$5K
\$200K	\$10K
\$300K	\$15K
\$400K	\$20K
\$500K	\$25K
\$1M	\$50K

EARN 5%

THERE IS A ONE TIME ENROLLMENT FEE OF ONLY \$49.00. ASK US HOW YOU CAN ENROLL FOR FREE.



LIVING & OWNING ABROAD

THE REALITY RIGHT NOW & THE TREND OF THE FUTURE

YOUR CLIENTS CAN PROFIT FROM THE HUGE TREND OF GLOBAL RELOCATION AND INTERNATIONAL HOME OWNERSHIP. REAL ESTATE OVERSEAS APPEALS TO YOUNG PROFESSIONALS, EARLY INVESTORS, AND INDIVIDUALS LOOKING FOR:

A HIGH-QUALITY VACATION

RETIREMENT

A SECOND HOME ACROSS THE GLOBE

An investment in international real estate is a wise and prudent decision for various reasons. The top 3 advantages reveal an important pattern and revolve around a simple truth. Global real estate means greater opportunity. Opportunity to expand lifestyle options, opportunity to increase asset protection, and opportunity to obtain a more diversified investment portfolio.

1 EXPAND LIFESTYLE OPTIONS

- Own a part-time residence, second home, or vacation property in paradise.
- Retire abroad and experience a high-quality lifestyle at a lower cost.
- Enjoy a new culture, language, and cuisine.
- Get your foot in the door for a second residency.

2 INCREASE ASSET PROTECTION

- Enjoy the security of international hard assets.
- Own your wealth privately and safe guard your net worth.
- Stay in the driver's seat by selling, renting, or developing at your leisure. Control a large asset with a small investment.
- Utilize real estate as an inflation hedge. Real estate retains an intrinsic value independent of any paper currency's fluctuations.



3 GEOGRAPHIC PORTFOLIO DIVERSIFICATION

- Structure your portfolio globally with true investment diversity in mind.
- Achieve and benefit from diverse currencies in your portfolio – especially appreciating currencies.
- Take advantage of international asset protection. Create and maintain generational wealth stewardship planning.
- ROI can take the form of capital appreciation and/or rental return.

Today there are huge opportunities in the international real estate market from up-and-coming, high-growth investment properties in emerging markets to high cash flow opportunities in more developed, mature markets. Both options represent a strong return on investment, especially for finite beachfront property.

Historically, Mexico and Costa Rica have attracted a large percentage of expatriates who immigrated to the region. What followed in these countries was an incredible escalation of the real estate values. ECI is working at the very beginning of this trend in the countries and sub-regions that are in the earliest stages of this growth phase.

The opportunities are dramatic and timely. We don't often get the chance to spot the next big trend this early with the means in place to ride the wave. Now, more than ever, is the right time to become an Affiliate and include an international component to your real estate listing selection.

International real estate is a powerful long-term trend. So, go ahead, join the forward-thinking real estate professionals consistently creating additional wealth by helping their clients go global. You'll be glad you did.

THE INTERNATIONAL TREND

NORTH AMERICA HAS A LONG HISTORY OF IMMIGRATION.

103,645
RESPONDENTS

11.6%

REPRESENTING
MORE THAN

26.680K
INDIVIDUALS

HAVE A DESIRE TO
MOVE OR OWN
PROPERTY
OUTSIDE OF THE
UNITED STATES.

ZOGBY COMPANY SURVEY

The United States alone is home to around one-fifth of all international migrants. The NAR Research Group reported that last year over \$153 billion of property sales in the United States were to foreigners. However, we don't often stop to consider the opposite, outward flow of individuals seeking property outside of North America.

There is a cyclical nature to this pattern, with a strong, under-researched trend of North Americans emigrating, living and owning homes in captivating locations across the globe. This alternative perspective on migration, the movement from wealthier countries to emerging markets, is the focus of the Zogby Company survey, The Flip Side of the Migration Coin.

The Zogby study, composed of data from a huge statistical sampling of 103,645 respondents, illuminates the previously uncharted waters of how Americans view international relocation and home ownership abroad.

What the Zogby Company discovered is that 11.6% of the respondents, representing more than 26,680,000 individuals, have a desire to move or own property outside of the United States. The survey also asks respondents to list the region of the world they favor. Of the 26,680,000 considering relocation or property ownership overseas, 4,588,960 listed Latin America as their first choice. It's important to note that similar

migration and relocation trends are seen from wealthier nations across the globe.

A strong dollar is one factor helping to accelerate the international trend, making buying a home abroad more affordable than it used to be. Quoted in the Wall Street Journal, leading real estate companies of the world detailed a report based on data from their network of over 500 real estate brokerage firms stating the number of U.S. buyers searching for homes abroad has risen close to 30% in recent years.

While the U.S. government does not formally keep track of how many Americans own property or live outside of the United States, there are still ways to estimate the number. The Federal Voting Assistance Program, tasked with assisting overseas Americans with voting, estimates there are between 4.5 million to 6.5 million Americans residing overseas. The State Department estimates that the figure stands closer to 6.8 million, ever increasing as time progresses.

THERE ARE
AN ESTIMATED
4.5 - 6.5
MILLION
AMERICANS
RESIDING OVERSEAS

FEDERAL VOTING ASSISTANCE PROGRAM



WITH THE INTERNET, GREATER EASE OF TRANSIT & NEW METHODS TO REMAIN IN CONTACT, **RELOCATION NO LONGER MEANS SEPARATION FROM OUR SUPPORT NETWORKS.**

THE FLIP SIDE OF THE MIGRATION COIN

THERE ARE SURELY MANY FACTORS THAT TIE INTO ONE'S DECISION TO RELOCATE ABROAD. THE ZOGBY SURVEY FOUND THAT AMONGST THOSE RESPONDENTS THAT HAD PREVIOUSLY RELOCATED, THREE KEY GROUPS EMERGED:

- 1 Individuals in search of adventure
- 2 Individuals motivated to relocate based on their political views
- 3 Individuals in search of a change from their current circumstances - such as a less stressful environment or a more affordable cost of living

In another study of factors associated with relocation, the Migration Policy Institute found that economic factors were a main trigger for Americans to move south of the U.S. border.

Regardless of the specific reasoning, overseas real estate is a unique investment in that it provides the opportunity to achieve a high quality of life - not just quantitatively through economic advantages, but also qualitatively through lifestyle advantages.

While only an estimate given a lack of historical statistics, The Zogby Company notes,

“THE ANECDOTAL EVIDENCE DEMONSTRATING AN INCREASE IN INDIVIDUALS RELOCATING INTERNATIONALLY IS OVERWHELMING.”

Why? According to The Flip Side of the Migration Coin, the answer is simple; because they can. Our more globalized world makes it easier to move in many ways, including the fact that we need not cut ties in our local communities. With the internet, greater ease of transit, and new methods to remain in contact, relocation no longer means separation from our support networks.

“FUTURE GENERATIONS MAY LOOK BACK ON THE FIRST DECADES OF THE 21ST CENTURY AS THE AGE OF MIGRATION.”

THE FLIP SIDE OF THE MIGRATION COIN.



HOW TO GET ON BOARD

THE ECI AFFILIATE PROGRAM IS A HIGH TOUCH, HIGH FEEL APPROACH TO LET YOU HELP YOUR CLIENTS WHO SEEK INFORMATION ON AFFORDABLE AND ALTERNATIVE LIFESTYLES ABROAD. MOST IMPORTANTLY, IT'S SIMPLE AND EASY.

THE IDEA IS SIMPLE

Communicate with existing contacts and share relevant, intriguing information on home ownership abroad about early real estate opportunities that exist throughout Central America.

THE PROGRAM IS EASY

Register clients and allow ECI Development to do the heavy lifting of content creation, tour planning, and contract fulfillment.

THE TOOLS ARE POWERFUL

By utilizing soft marketing materials and offering interested parties the chance to utilize a Global Property Resource Kit, Affiliates will connect contacts to their envisioned lifestyle in a whole new, meaningful way. Already, Affiliates, realtors, and travel agents across the country have assisted interested tropical dreamers to come down to join the ECI team on-site, taking catamaran rides at sunset, visiting Monkey Island, zip lining in

the cloud forest, touring coffee plantations, and snorkeling beside sea turtles in the vibrant coral reefs.

Guests who don't know the remarkable changes that have taken place throughout Central America in just the past 5 years end up amazed at the positive difference

between their perception and the reality today.

These tropical dreamers soon become tropical doers, building or purchasing their envisioned paradise.

The ECI Affiliation Program is designed to help you efficiently and effectively create constant leads, cause them to self-qualify, so that only the most interested

rise to the top of the list, and then provide you with the opportunity to begin a meaningful discussion.

Our tools develop the critical path for clients, allowing them to make informed decisions about international home ownership, - an opportunity that offers them a higher quality of life for less cost, a climate of their choice, and a community of their peers.

THE REWARD IS FOREVER.

A small investment of US\$49 now means an annuity for life. Build your real estate empire as an affiliate with ECI Development.

**SIMPLE
EASY
POWERFUL**

ABOUT ECI DEVELOPMENT

Incorporated in 1996, Exotic Caye International, Ltd. dba ECI Development, Ltd. is an international real estate and resort community developer that seeks to connect North Americans with their envisioned home and lifestyle abroad. ECI recognizes the huge trend of relocation and international home ownership, and provides resort communities that appeal to young professionals, early investors, and retirees looking for high-quality second homes in exotic and fascinating locations.

ECI utilizes sophisticated urban planning and development methodologies like New Urbanism and Neo Traditional

Communities that are now foundational in North America. These methodologies bring the essence of community to a place where no one has yet built using a similar concept. By creating a stimulating and inspiring environment, set in the stunning natural beauty of Latin America, sales at Grand Baymen in Belize and Gran Pacifica in Nicaragua outpace competitors. The highest velocity of sales at market prices is a powerful indicator that ECI's development philosophy is right on the money. ECI is now in the process of taking this model to Panama, Costa Rica, Ecuador, and Argentina as well.



MEET OUR CEO, MICHAEL K. COBB

At the height of a successful career in the computer industry, Michael left to pursue more pioneering opportunities in the emerging real estate markets of Central America. He and his business partner formed a mortgage company to provide loans to North Americans purchasing property throughout the region. The company was converted into an international bank as the need for capital outstripped the supply. Always with a strong focus on consumer need, Michael accurately predicted the growing need for high-quality, residential product for North Americans in the region. He led the group into real estate development, incorporating ECI Development, Ltd. in 1996.

Michael K. Cobb speaks at dozens of international conferences annually about offshore real estate finance, development, and ownership. He was consultant to The Oxford Club, produced a weekly radio program, contributes regularly to overseas publications, sits on the board of several international companies, gives counsel to various real estate projects throughout Central America, and serves on the Board of Directors for the National Association of Realtors.

Michael and his wife, Carol, and daughters Amanda and Emily, made their home in Central America from 2002 through 2017.



ECIAFFILIATE.COM

INVEST IN YOUR FUTURE IN LATIN AMERICA



AFFILIATE@ECIDEVELOPMENT.COM
ECI +505.2254.7600 | USA/CANADA 1.800.290.3028

ECIDEVELOPMENT.COM





TOP CHOICE COUNTRIES



BELIZE



NICARAGUA



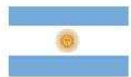
COSTA RICA



PANAMA



ECUADOR



ARGENTINA

GO GLOBAL
WITH ECI COMMUNITIES
SPECIALIZING IN LATIN AMERICAN REALTY

GRAND BAYMEN

Your Caye to Paradise
— B E L I Z E —



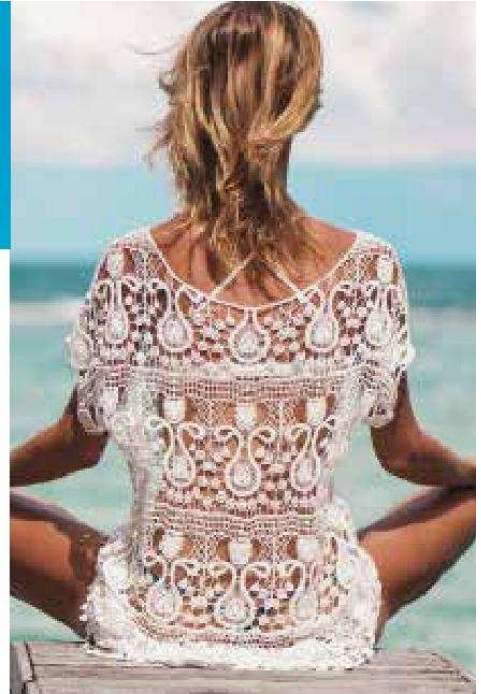
BELIZE

Belize's most popular destination, Ambergris Caye, has been declared the world's best island by many top publications for both vacationing and living. Palm tree lined beaches, azure waters, a charming, laid-back beach town... whether your clients are looking for a second home or vacation property to escape from reality for a few days, a few months or a few years, Ambergris Caye has become the preferred haven for many North Americans. There is a refreshing aura in the air that is unlike any other place on the earth.

Real estate investors should take note, too. Right now, Ambergris Caye is on the sweet spot of the real estate popularity curve - real estate is still affordable and the tourism market is thriving. Savvy investors who get in now will see both appreciation and cash flow. If Belize wasn't on your radar before, it should be now.

Your clients may be looking for an investment property, second home, or a place to relocate with North American quality at an affordable price. If so, the suites at Grand Baymen Gardens and the Marriott® Residences delivers just that. A short walk from the island's top restaurants, shopping, and nightlife, this is an opportunity that your clients will want to know about.





BELIZE MARRIOTT RESIDENCES & RESORT

Experience sophisticated living with the new Marriott® Residences & Resort. Offering studios, 1BR, 2BR, and 3BR condominium beach homes, this modern British Colonial resort graces a stunning white-sand beach and the turquoise-blue Caribbean waters on Belize’s Ambergris Caye. Just a leisurely stroll from the vibrant town of San Pedro, The Residences strike the perfect balance between private resort living and a charming small-town community. The old-world colonial-style design echoes the country’s rich British heritage, featuring local Belizean hardwoods throughout and San Pedrano family heirlooms in the main lobby space. The premium homes offer beautiful ocean views, exceptional service, and full access to the resort’s on-site amenities, including:

SPACIOUS CONFERENCE CENTER

ROOFTOP SUNSET LOUNGE

RETAIL SHOPS

OCEANFRONT POOLS

OCEANFRONT RESTAURANTS

SPA

STUNNING OUTDOOR EVENT SPACE & WEDDING GAZEBOS

WATER SPORTS & DIVE SHOP
PRIVATE RESORT DOCK

GYM WITH CARIBBEAN VIEWS



22

GRAND BAYMEN GARDENS

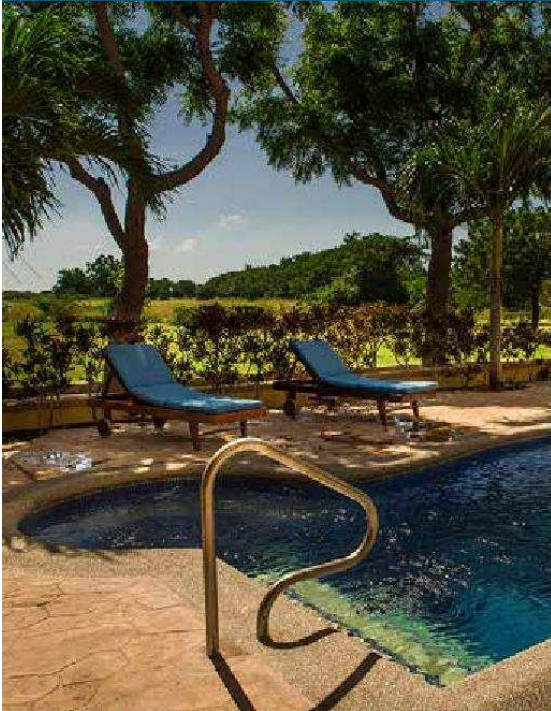
Located just a few minutes south of the heart of the island’s primary town, San Pedro, Grand Baymen is a vibrant and friendly community close to the town’s nightlife, bars, restaurants, and shops.

The Grand Baymen community offers a private, barefoot luxury experience with the perfect selection of on-site amenities with adventurous excursions available. Surrounded by a lush tropical landscape, this island community truly is paradise that allows residents and guests to tune into their perfect blend of activity and relaxation. Condominiums at Grand Baymen Gardens range from investment-sized 1 bedroom condos, larger, residential 1 bedroom condos, to 2 bedroom apartment-style condo suites. They are all fully equipped with a smart combination of traditional and modern elements.

Guests and residents have the resort’s fitness center, tennis courts, and pool with a swim-up bar at their disposal. This is the perfect, private place to kick back and relax under the palm trees. Spaces and activities are designed to evoke a strong sense of community.

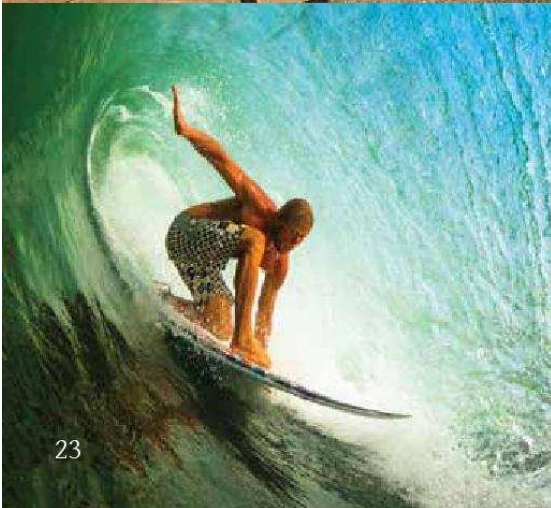


NICARAGUA



For those in search of an investment, retirement, or second home in an exotic and undiscovered Pacific coast paradise, Gran Pacifica is the tranquil escape of your client's dreams. Preserving individual privacy and serenity with planned nature trails and parks interspersed throughout the neighborhoods, residents enjoy the calm connection to local flora and fauna in this tropical retreat.

This unique Spanish Colonial beach community features 3.5 miles of stunning Pacific oceanfront just 45 minutes from Managua, the nation's capital. The design elements take the best of the architectural heritage found in the 500-year-old Spanish Colonial Nicaraguan cities of Granada and León, and blend it with the kind of urban planning expertise shown to produce true community. Gran Pacifica delivers a rich experience to residents and guests alike with the distinctive charm and character of its various neighborhoods.



OCEANFRONT CONDOS

Las Perlas and Playa Pacifica are luxury condominium options with a laid-back, beachfront vibe overlooking the sparkling blue Pacific Ocean. Both communities are perfect for clients interested in a low-maintenance vacation home with a strong rental return. Condo owners and guests enjoy a front-row seat to the most breathtaking ocean views in the country, as well as instant access to Gran Pacifica's oceanside restaurant, surf shop, spa, and infinity pool.



SAN DIEGO VIEJO

Nestled in above the Pacific Ocean, surrounded by the lush Nicaraguan landscape and common spaces, the San Diego Viejo neighborhood offers buyers a colorful, comfortable beach community experience. Start the day admiring the sunrise or ride a bike around the various pathways and nature trails before you set sail for a day adventure on the deep blue waters of the Pacific. Greet neighbors who sit out on their front porch and connect in this quaint Spanish Colonial community. Homes in this neighborhood are generally 3 bedrooms, 2.5 bathrooms, with a large front porch, laundry room, tropical hardwood kitchen cabinetry, and authentic clay tile roofs. Homes in San Diego Viejo start in the low \$200's.

CASITA VILLAGE

The perfect second home or rental property, casitas are a variation of the carriage house concept sweeping North America right now. These adaptable homes range in size and offer a park setting or a golf front address nestled in a cozy enclave. Individuals interested in effortless coastal comfort will find a relaxed lifestyle at the beach with immediate access to amenities. Starting at \$139,000, casitas are generally 2 bedrooms and 2 bathrooms, with kitchen, breakfast bar, granite countertops, tropical hardwood kitchen cabinetry, authentic clay tile roofs, and furnished with local décor.



SANTA BARBARA

These luxury ¾+ acre oceanfront properties deliver dramatic ocean views along a 2-mile stretch of the most desirable beach in the region. Gracious front porches face the Pacific Ocean and feature formal gardens with a continuous natural landscape in order to showcase the majesty of sunsets over the horizon. A future events center and outdoor performing stage anchoring the promontory will provide the heart of the Santa Barbara neighborhood. The introductory price for oceanfront home sites in this exclusive neighborhood is \$322,600.

Whether your clients are looking for coastal comfort at a fraction of the cost, a high-appreciation investment opportunity, an adventurous escape, or the perfect home for a high-quality retirement lifestyle, the 80 degree warm waters of the Pacific coast are calling.

Besides an infinity pool and private beaches, Gran Pacifica's residents and guests enjoy massages at Sea Mist Spa, horseback rides through the surf, dive trips and local excursions, golf on a beachfront course, and top-rated SeaSalt Restaurante, where a casual mix of seafood and international cuisine are served with uninterrupted ocean views. Gran Pacifica is a community where nature, activities, and tranquility abound.



GRAN ISLOTES

Panamá

PANAMA



Los Islotes is a private, gated, residential community on the dramatic west coast of Panama situated in the Azuero Peninsula of Veraguas Province. The property is 750 acres, including a half mile of beachfront and two separate beaches; one protected and perfect for swimming, the other great for surfing.

A westward orientation provides scenic sunsets over the Pacific Ocean. A series of small islands are featured in the foreground. The outline of one of fishing's all-time meccas, Coiba Island, can be seen in the distance. Los Islotes is a top-of-the-line, private beachfront community.

The vision behind Los Islotes is not only new homes and all the services and amenities to support them, but new lives and new futures for residents as well. Neighborhood streets flow down the hillside to the beach club, where residents and guests can enjoy swimming, sunbathing, tennis, basketball, or petanque. Without leaving the property, residents and guests can enjoy a day of spa treatments, or an afternoon lounging by the pool at the beachfront boutique hotel for a seaside lunch or a special dinner in the hotel's restaurant. Los Islotes is designed for active outdoor living, with trails for hiking through the lush landscape of the property, horseback riding into the surrounding hills,

or mountain biking to nearby Cerro Hoya National Park. Behind the community lies a range of lush and rugged mountains, including the highest peak on the Azuero Peninsula.

OCEAN VIEW

These home sites showcase the rolling topography unique to this Pacific coastline, and have all been laid out to take advantage of the long-range ocean vistas and sea breezes. Properties range in price from \$80,000-\$195,000.

TOUCAN FOREST

These lots are perfect for the person looking for privacy in a gated community. Most building lots in Toucan Forest are heavily wooded, creating a sense of being surrounded by tropical rainforest. A unique experience only steps away from a full range of amenities and just a few minutes from the beach.

MANGO VILLAGE

This is a neighborhood of smaller lots. With prices starting as low as \$29,000 and most lots priced below \$40,000, this neighborhood is ideal for a client looking for an opportunity to have a low-cost residence close to the beach.





GRAN CARIBBEAN
Costa Rica



COSTA RICA

FLAMINGO TOWERS

Pristine sandy beaches lined with palm trees, vibrant green jungles, and some of the most diverse eco-systems in the world make life in Costa Rica unprecedented. Tens of thousands of expatriates already call Costa Rica home, and many more are currently discovering this paradise. Right now, Costa Rica's "Gold Coast" is experiencing its second real estate boom. As someone with an interest in the region, you really ought to know about this recently discovered opportunity.

It is here, nestled on a ridge overlooking the Gold Coast and the Pacific Ocean, that you will find an opportunity to connect clients with a luxury condominium community in the heart of the Guanacaste region. Flamingo Towers is a beautiful condominium complex set on a hillside overlooking Brasilito Beach. Flamingo Towers delivers a high-end living experience with spectacular views. All residences have an elevated view of the coast, looking directly at the horizon toward each day's sunset spectacle. Prices range from \$215,000 - \$250,000 for 2 and 3 bedroom units with 2.5 baths.

Underground parking, 2 resort pools, world-class golf and dining just minutes away,

the most beautiful white sand on the Gold Coast, and a short drive from Liberia Airport, all explain why a real estate investment in Flamingo Towers is too good to keep a secret.

GRAND CARIBBEAN

Considered "The Jewel of Central America," Costa Rica offers diverse landscapes and adventures. In a budding region 10 miles north of the city of Limón, the major port on the Caribbean coast of Costa Rica, Grand Caribbean converges the region's unique biodiversity with an undiscovered coastal city. In addition to the nearly 2 miles of Caribbean beachfront, other major attractions of this property include 3 miles of riverfront, and a deep-water canal. A marina-centric project is slated to capitalize on the canals, pleasant climate, and easy proximity to Miami. With fishing, surfing, biking, hiking, kayaking, and beachcombing, this area is truly one of the most beautiful and developing parts of the country.

Planning and permitting for Grand Caribbean are underway. As part of the ECI Affiliate Program, we will be sure to inform you when pre-sales for Grand Caribbean officially open.



FUTURE COMMUNITIES



TROPICAL HIGHLANDS

A TROPICAL HIGHLANDS PROPERTY PROVIDES GEOGRAPHY UNLIKE ANY OTHER IN THE REGION.

Typically known for abundant coffee production, properties located at an altitude of 3,800 – 4,500 feet above sea level offer residents a consistent springtime climate year-round. Nighttime temperatures are 65 – 70°F, and daytime highs are 80 – 85 every day of the year.

The community to be developed here would likely have a coffee plantation as the core, and homes would network out from the village center and coffee mill.



ECUADOR

ECUADOR HAS DEVELOPED A POSITIVE IMAGE IN THE MINDS OF MANY U.S. CITIZENS.

It has garnered the #1 ranking among destinations for U.S. retirees several years in a row. ECI's principle focus is always the consumer, and Ecuador is in demand.

The primary drivers of this demand are price and affordable cost of living. Fuel is subsidized, and therefore most items are less expensive because transportation is a large factor in retail price. Labor rates also contribute to a low-cost, high quality of life. Ecuador has three very different geographies: Pacific coastal, Highland Andes, and Amazonian lowlands. Cuenca is a UNESCO World Heritage city in the highlands, and ECI is exploring properties near this hub of expatriate emigration.

YOUR MISSION IS SIMPLE

Serve your clients with high-quality, familiar products in Latin America, offer them a choice of country, geography & climate & see them experience & enjoy true community.

“AS AN ECI AFFILIATE, I’M ABLE TO DO SOMETHING VERY SPECIAL FOR MY CLIENTS WHO GENUINELY WANT TO LIVE IN PARADISE – I’M ABLE TO TURN THOSE DREAMS INTO NEW REALITIES.”



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OUR SISTER RESORTS

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