

# ONYX Capital Investments Group, LLC

ONYX Capital Investments Group Belize, Ltd.  
Belize Investment & Tourism, Ltd.

BLUE ONYX ISLAND RESORT  
ONYX ISLAND RESORT  
BLACKBIRD CAYE, BELIZE

## Executive Summary



Version 1.96

## ONYX Capital Investments Group, LLC

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# Legal Page

## Confidentiality Agreement

The undersigned reader acknowledges that the information provided by ONYX Capital Investments Group, LLC in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of ONYX Capital Investments Group, LLC.

By signing below, it is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means, and that any disclosure or use of same by the reader may cause serious harm or damage to ONYX Capital Investments Group, LLC.

By signing below, it is agreed that, upon request, the reader will return this document immediately to ONYX Capital Investments Group, LLC.

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**ONYX Capital Investments Group, LLC**  
**ONYX Capital Investments Group Belize, Ltd.**  
**BlackBird Caye ONYX Development Project [“BBC ONYX”]**  
**BLACKBIRD CAYE, BELIZE**

**Executive Summary**

This BlackBird Caye ONYX Development Project (“**BBC ONYX**”) Business Plan seeks to raise a total of \$350,000,000 through pre-sales of units (\$105 MM), U.S. government low interest debt (\$195 MM), and private debt (\$50 MM) to purchase and fully develop its Phase I plan on a pristine 4,800 acre island, transforming it into an internationally renowned complete and self-sustaining planned luxury community.

The project location, BlackBird Caye, Belize, located on the southeastern margin of Turneffe Atoll, just off Belize’s mainland’s east coast in the Western Caribbean, is part of the only English-speaking country in Central America. Only 4 hours from Los Angeles, Belize lies just below Mexico and east of Guatemala. With its British colonial heritage, and as a member of both the British Commonwealth and CARICOM, Belize enjoys an English common law democratic system. Its peace-loving attitude, stable economy, and business and tax-friendly environment primes Belize for high-end resort development.

BBC ONYX will be developed in 4 phases.

To initiate Phase I, the developer, ONYX Capital Investments Group Belize, Ltd., a Belizean limited liability company, (the “**Company**”), a subsidiary of ONYX Capital Investments Group, LLC, a California limited liability company, by this Business Plan, seeks to raise \$50 MM to complete the purchase of the island, finalize plans, secure initial permits, execute initial large equipment purchases, create a worker village, and perform aspects of infrastructure engineering. The Company will work together with another Belizean subsidiary, Belize Investment & Tourism, Ltd., to focus marketing efforts on a niche market: luxury to mid-range guest, including medical tourists, casino-gaming tourists, and “economic citizenship investment” consumers.

Phase I infrastructure and development includes development of an international airport with customs, a luxurious marina with facilities for yachting, sailing, and all other marine activities, an elegant full-gaming casino, a high-end medical center, wellness center and spas, high-end retail shopping, theatres, sports and other recreation centers, nearby-yet-separate children’s areas for supervised and unsupervised recreation, reception and banquet lodges including private communication rooms and state-of-the-art business centers, and fine dining and boutique specialty dining establishments.

Phase I will feature development, also, of a 160 suite 5-star branded luxury resort, (**Blue ONYX**), a 240 suite 4-star branded luxury resort, (**ONYX**), an additional 40 luxury villas, 160 executive timeshare units, 140 luxury “chalet” (condominium-style) units, 100 standard timeshare units, and all necessary executive, administrative, operational, and employee facilities to operate the total 840 “keys” Phase I development.

The hotel operations will be managed by the most affluent 5-star and 4-star brands in the world:

- Phase I’s planned 5-star resort, “Blue ONYX,” will be operated by Kempinski Hotels SA. Hoteliers since 1897, and famous for meeting every guest’s need while controlling costs, maintaining maximum occupancy, and driving year-over-year premium returns, Kempinski’s world-wide fame and European heritage allow Kempinski uniquely to market Blue ONYX to the most affluent guests from Europe, Asia, Asia Pacific, Africa, and the Middle East. Blue ONYX will provide a unique, adventurous, yet tranquil overwater resort experience never before available in the Western Hemisphere.
- Phase I’s planned 4-star resort, “ONYX,” will be managed by Portfolio, a U.S. company that brings over 90 years of combined expertise in both branded and independently owned unique, boutique-style destination resorts and significant urban hotels in the U.S., and in international markets, too. Further, with an extensive and successful executive fractional ownership program in place, ONYX will provide resort and investment potential.

These unique "island-pair" Phase I resorts – Blue ONYX and ONYX -- will boast a total of 840 keys: a combination of premium private overwater villas sporting private dock decks, remote overland bungalows with sandy beach frontages and ocean views, and beautifully appointed chalet-style condominiums, all gracefully spaced throughout the 1,100 acres making up Phase I. Each guest or owner will be provided tropical paradise seclusion, yet within moments may also experience fine dining, big entertainment, and the best shopping, all only a short walk, golf cart, or water-taxi ride away.

\$350 MM is the anticipated cost to complete all work to complete BBC ONYX's Phase I.

Phase II will add a Cancun-style hotel corridor along 600 acres of prime white sandy beaches. It will feature a five mile long corridor of 5 and 4-star branded resorts, additional timeshare units, and their necessary corresponding marinas, spas, and entertainment facilities. Phase III will include a large residential waterfront community with marina and accompanying facilities; Phase IV will continue to expand on the Phase I-III developments.

All financial projections for Phase I are attached to this Plan in a series of comprehensive exhibits.

### **The Team**

BBC ONYX springs from the vision of a team of dedicated professionals sharing their individual expertise, synergistically applying their collective business, legal, development, planning, engineering, marketing, operational, and management skills. Pierre Yenokian, Dee Yarnall, Shahan Dermugerdichian, Michael Feinstein, Howard Kern, Paul Hohne, Emil Razaieh, and David Razaieh bring well over 200 collective years of valuable development acumen to comprise the founding and management team. Biographies are provided in [section 6.2 of the business plan](#).

### **The Products**

BBC ONYX's goal is to create the Caribbean's premier luxury island community for owners and a destination for affluent guests seeking relaxation, solitude, and entertainment in a beautifully planned series of village arrangements over its 10-mile long span. Regal private villas, charming tropical overwater and overland bungalows, elegant condominiums, and the finest sophisticated and creative entertainment and recreational opportunities will blend together; modern elegance flavoured with indigenous charm and cutting edge service and amenities. The one-island model provides owners and guests with the full panoply of every feature they may desire; yet provides investors with complete control over all development.

The one-island model, further, creates several recurring sources of extraordinary revenues from Phase I's 840 keys, (including hotels, villas, and timeshare units,) the casino, the international airport, the medical tourism facilities, large yacht and multi-hundred small slip marinas, outstanding snorkeling, scuba diving, and other marine and sports activities, theatres, shopping, day spas, restaurants, bars, banquet rooms, trip boats, touring yachts, airplanes and helicopters, and the outside excursions and sightseeing packages that will be available will provide ongoing revenues that enhance the return on investment.

### **The Plan**

The Company's mission is to become the leading destination for those who can afford to go anywhere in the world, but who choose BBC ONYX for all that it offers, in a safe, secure, and most importantly, private environment for relaxation or business. This project creates the first overwater resort community in the entire tropical Western Hemisphere. BBC ONYX intends to develop a global presence and an enviable standard of resort development excellence, while simultaneously maintaining the very highest regard for and protection of the stunningly beautiful Belizean reef and the ecosystem it supports. BBC ONYX intends to become a welcomed partner to the developing Belizean economy.

### **The Investigative and Planning Development History**

For approximately 10 years, the team has researched, investigated, performed studies, collected information, organized, planned and designed, and interviewed and developed relationships with necessary governmental entities, departments, and persons, as well as engineering and architectural firms, designers, developers, suppliers, and various management and partnership associations. After the initial years spent to identify and control the best possible location to accommodate and enhance this development, and after distilling voluminous information and building comprehensive coalitions, the team then spent countless man-hours to shape its solidly detailed development and business plan. The result: a cohesive four phase plan to create this hemisphere's most elegant and environmentally friendly complete resort township.

### **The Offer and Summary of Sales Forecasts**

The Company plans to raise a total of \$350 MM USD in debt and/or equity financing to complete Phase I of the development. The initial \$50 MM will secure the island, finalize the phased plans, secure initial permits, purchase large equipment, build the worker village, and perform initial critical engineering. An additional \$105 MM will come through pre-sales of villas and fractional ownership units, both with and without an "economic citizenship investment" component, via Portfolio's and Kempinski's well-established marketing programs. The remaining \$195

MM will come in the form of low-interest U.S. debt provided by OPIC, a government loan program designed to assist Americans to invest in developing nations.

Kempinski Hotels SA. brings more than a century of experience and research to studied success at high-end resort operations throughout Europe, the Middle East, Africa, Asia, and Asia Pacific. Apart from its funding contributions through fractional ownership pre-sales, Kempinski's average pricing and analysis of peak and off peak resort occupancy rates allows BBC ONYX confidently to project an 86% year-over-year occupancy rate for MIRO by Year 5 of operation. Kempinski forecasts an average room pricing at \$935 per day, with projected annual income of more than \$67 MM on the 5-star resort's 160 keys. Income growth is projected at 25% occupancy beginning in Year 1 of operation, (for \$23 MM annual income), 40% occupancy in Year 2, (for \$31 MM annual income), 50% occupancy in Year 3, (for \$39 MM annual income), 65% occupancy in Year 4, (for \$50 MM annual income), and 86% occupancy in Year 5, (for \$67 MM annual income.)

The research conducted by Portfolio, BBC ONYX's renowned 4-star resort operator, projects annual income numbers of roughly the same amounts, given the larger 240-key count, but smaller Average Daily Rate, ("ADR.") Build out costs are approximately 75% of the cost to build the 5-star resort.

Portfolio's Meritage Hospitality Group, further, has pioneered a fractional ownership approach that combines hotel and resort ownership and operation with shared vacation ownership development and operation in a unique and profitable way. This approach significantly accelerates and enhances project cash flow, and dramatically improves IRR on capital initially invested, which produces near term cash flow and investment recovery with longer term value creation, resulting in substantially higher investment returns. Such programs have been successfully implemented by Hilton, Marriott, Starwood, Hyatt, and Wyndham, among others, and research shows that an additional benefit is a high occupancy and higher "out-of-room spending" by such shared ownership owners. BBC ONYX has dedicated 400 units to this type of program, and expects it to generate a minimum of about \$100 MM annual in collective pre-sales. This number represents fractional ownership sales from villas, chalets, executive timeshare units, and standard timeshare units, either with or without a residency/citizenship investment component.

To test Kempinski's and Portfolio's figures, the Company has performed its own market analysis and sales forecast by analyzing 10 comparable operating overwater facilities in locales similar to Belize, including the Maldives, Bora Bora, Moorea and Fiji. The Company's refined sales forecast, triangulating Kempinski's and Portfolio's research with its own, supports the Company's pro forma Forecast Income-Expenses Distribution. See Exhibits "A" through "C."

The Company's market analysis also includes conservative revenue streams for casino operations, marina operations, spa facilities, retail shopping revenues, medical tourism revenues, and other out-of-room expenditures unique to BBC ONYX.

The Company's analysis shows a cost of raised capital (\$50 MM) at 15% debt, with another \$195 MM raised as debt financing at 2% through OPIC (a United States government program). The balance of the funding is expected to be raised through the various pre-sales programs.

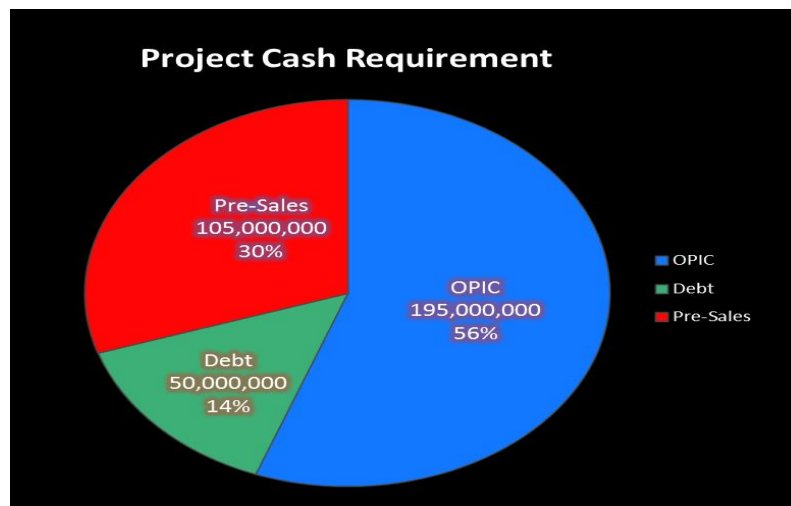


Figure 1

Construction of Phase I is expected to be completed in 36 months. With pre-sales, however, cash flow projections are positive beginning in Year 1:

- Year 1 projects that expenses will exceed income by approximately \$26 MM, but with approximately \$49 MM positive cash flow with combined net profit and debt financing of \$75 MM in the form of debt and equity;
- Year 2 projects that expenses will exceed income by approximately \$71 MM, but with an accumulated positive cash flow of approximately \$77 MM, due to additional debt financing of \$100 MM;
- Year 3 projects that expenses will exceed income by approximately \$44 MM, but with an accumulated positive cash flow of about \$80 MM, even after retirement of \$15 MM towards the initial \$50 MM private debt, and after payment of \$22 MM in accumulated interest on that debt. The positive cash flow also includes additional debt financing of \$80 MM in Year 3.

Construction is complete and operations begin in Year 4, where cash flow projections continue to be positive:

- Year 4 projects net income of \$97 MM, even after retirement of an additional \$35 MM in payment against the initial \$50 MM of private debt, and a payment of approximately \$2 MM in debt interest. Therefore, Year 4 accumulated positive cash flow is projected to exceed \$175 MM;
- Year 5 projects net income of \$216 MM. Therefore, Year 5 accumulated positive cash flow is projected to exceed \$392 MM;
- Year 6 projects net income of \$233 MM. Therefore, Year 5 accumulated positive cash flow is projected to exceed \$626 MM;
- Year 7 projects net income of \$233 MM. Therefore, Year 6 accumulated positive cash flow is projected to exceed \$860 MM.

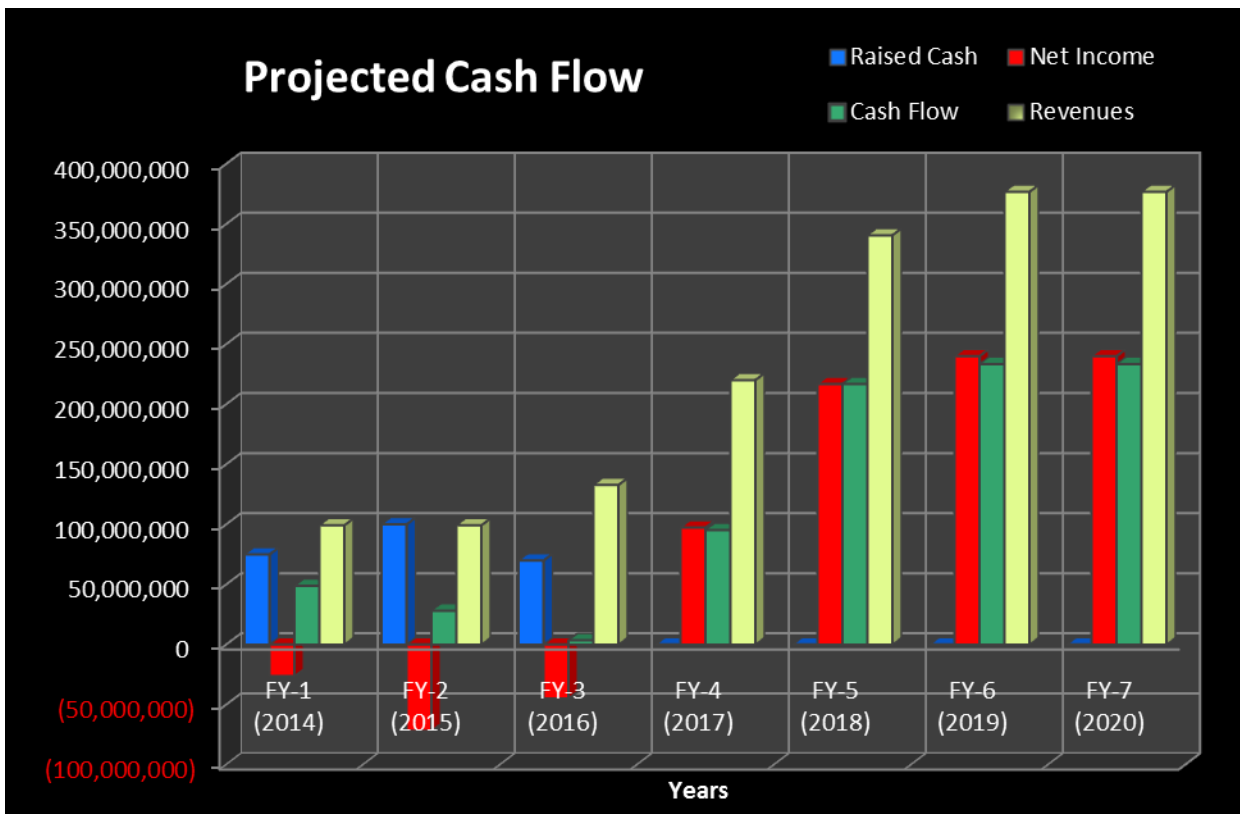


Figure 2