

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

FEDERAL TRADE COMMISSION)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 18-cv-3309-PJM
)	
ECOLOGICAL FOX, LLC, <i>et al</i>)	
)	
)	
Defendants.)	
_____)	

**SUPPLEMENTAL OWNERS' PROPOSAL FOR FUTURE OPERATIONS
AND DEVELOPMENT AT THE RESERVE**

**TO: THE HONORABLE PETER J. MESSITTE, UNITED STATES DISTRICT
JUDGE, TO THE PARTIES AND THEIR COUNSEL, AND OTHER PARTIES IN
INTEREST:**

As per the Court's March 28, 2019 Memorandum Order (DE 373) and its follow-up Paperless Notice (DE 439) entered on May 1, 2019, a group of lot purchasers and/or those who have constructed a residence upon their respective lot(s) at the Reserve provide the court with their Supplemental Owners' Proposal for Future Operations and Development at the Reserve. Attached as Exhibit "A" is a list of the individuals that comprise the owner group in support of this plan as of its filing. Attached as Exhibit "B" is the Supplemental Plan and, for ease of reference, attached as Exhibit "C" is a summary of the Supplemental Plan.

Dated: May 10, 2019.

Dated: May 10, 2019

Respectfully requested,

MUNSCH HARDT KOPF & HARR, P.C.

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**Attorneys for Ad Hoc Committee Appointed
to Represent the Interests of Certain Owners**

**Owners' Proposal for Future Operations
and Development at The Reserve**

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Introduction

Since the Federal Trade Commission (FTC) filed its action in early November 2018 against Ecological Fox LLC, the Sanctuary Belize Property Owners Association (SBPOA) and the two Belizean entities, Eco Futures Belize (EFB) and Sittee River Wild Reserve (SRWR), have been part of the Receivership Estate. The Estate is administered by Robb Evans & Associates, LLC (The Receiver), appointed by the Court as Temporary Receiver. As a result of the FTC's action, the SBPOA Frost Bank account, containing \$329,000 and the SBPOA account held by Belize Premier Accounting Services (BPAS) in Atlantic Bank containing approximately \$14,000 were frozen and the funds made part of the receivership estate.

As per the Court's orders, the Receiver took control of SBPOA and the Belizean entities. The Receiver used at least a portion of the frozen funds to pay for critical operations and maintenance activities. The Receiver requested and has allowed owners to operate the Beach Club restaurant and bar (the "Beach Club"). In January, the Receiver gave the owners a 90-day period to transition the day-to-day operations of the Beach Club to the owners with the requirement that owners fund its operation. The owners subsequently learned the liquid assets in the Receivership Estate would likely be expended by June 2019 and the estate may then be illiquid.

If local services are not funded, there is an extreme likelihood that residents, visiting owners and guests, marina boating customers, as well as our community reputation and personal and company assets of the development will be irreparably harmed. The community is at least a half hour from the nearest police station. The nearby communities have large populations of those that are monetarily far less well-off than the residents at the Reserve. The residents of the development, who are generally not armed, are perceived as wealthy expats. If there is no local security force, the residents are easy targets for armed home invasions and burglaries. Furthermore, the community runs the water system and that system depends on electricity. If the electricity bill is not paid, there is no water. The electricity bill is currently paid for by the Receiver. The water system back-up generators have gone without gas since the FTC action and have already caused water outages for as long as eight hours. This is unacceptable and endangers the public utility status that must meet Belize requirements (not to mention the obvious risks to the residents). It is imperative these operations continue to function without interruption.

Despite the FTC action, homebuilding in The Reserve continues. There are over 40 completed homes, 40 in various stages of construction, and more in the planning pipeline. Since November 9th, 2018, construction on four homes have begun, two families have made The Reserve their permanent home, and four new home plans have been approved for construction. The outcome of this case, and the plan for the development's future impacts many lives and financial commitments made in the US, Belize, Canada, United Kingdom, Mexico, Guatemala, Australia, China, and other countries.

Perspective

The value of The Reserve is maximized by developing the residential infrastructure and essential amenities. Every day that there is no development, the project loses value.

1. Money recovered from Pukke and other defendants;
2. the marina;
3. unsold lots;
4. SBPOA assessments (HOA Dues); and,
5. receivables from lot sales

Each of these assets comes with conditions.

Item 1 requires winning in court (or otherwise reaching settlement) and the amount is unknown

Item 2 cannot generate immediate revenue

Item 3 is currently unmarketable

Item 4 the value depends on owner confidence and initially will not cover operating expenses

Item 5 depends on owner confidence that the money is spent on development

The FTC's opt in / opt out is fundamentally unfair. Owners are forced to choose without knowing the value or timing of a settlement.

The Intangible of owner confidence is of paramount importance. Every element of the Owners' Plan is designed to create and reinforce owner confidence that the development will be completed in a timely fashion. Owners who participate in the plan will receive what they originally believed they were purchasing.

The chosen plan needs to minimize claims and maximize receivables. Using receivables to pay claims does just the opposite.

The Plan

The plan contained herein (the "Owners' Plan") allows for restructuring of operations and ongoing development of The Reserve. The goal of the restructuring is for owners to be responsible for all aspects of operations and development, with Receiver oversight as necessary. Owners are the best protectors of their investment and the best administrators of the plan going forward. Owners have shown they are willing to rise to the occasion during the receivership. They have funded critical activities such as security and electricity out of their own pockets to ensure continuity. They have operated the Beach Club with volunteer owners. They are diligently working on a transition plan for the remainder of the Beach Club operations.

The Owners' Plan will deliver on the promises of the past and finish The Reserve Development. We believe the fundamental promise was to provide the residential infrastructure for home sites including water, power, roads, bridges, culverts, and canals. Ultimately, owners want to build homes. Without the residential infrastructure they cannot.

The other essential element of the development is a marina, a commercial mixed-use development, and higher density lower maintenance homes (condominiums). The Owners' Plan will deliver on that promise as well.

As mentioned, the Receivership Estate is close to being illiquid. The Owners' Plan allows the owners to assume control of day-to-day operations and development activities, so the Receiver can focus on marshaling additional assets of the defendants and repatriating those funds to the consumers that are the victims of the alleged scheme set forth in the FTC's complaint. The owners that support this plan hope that the FTC, the Receiver, and the Court will agree that they should control their own destiny and not continue to suffer.

Background

The Sanctuary Belize (Reserve) Property Owners Association (SBPOA)

- The SBPOA was formed as a Texas nonprofit Corporation on January 9, 2016.
- The SBPOA is governed by the Restrictive Covenants, Conditions & Easements (RCC&E) of The Reserve, the POA by-laws, and Texas Property Law. The RCC&E was recorded on the property of SRWR at the Belize Lands Department. It was challenged in court in 2017 and was upheld and declared valid and enforceable.
- The SBPOA Board was comprised of five owner-elected members and two appointed SRWR members.
- The SBPOA maintained a checking account in the United States with Frost Bank, a Texas-chartered bank.
- There was a Belizean account maintained with Atlantic Bank (not AIB, the defendant in this case). The account was maintained through Belize Premier Accounting Services (BPAS). The reason the SBPOA engaged the services of BPAS is the extreme vetting process non-Belizeans go through when obtaining an account. It is not practical to shut the account down for up to six months while new directors are vetted with a Belizean Bank. The SBPOA Board of Directors elects new directors every year. The account would be frozen each year as new members were vetted.
- The main expenses the SBPOA pays in the US are banking fees, transaction fees, and portal-service fees. Generally, once per month, funds to cover Belizean expenses are wire transferred from the Frost Bank account to the Atlantic Bank account held by BPAS. Wire transfers are initiated by Claudina Arjona, the POA accountant. The transfer requires the pin approval of two of three designated SBPOA board members; otherwise the wire is cancelled.
- Per agreement (EIA/ECP's) with the Government of Belize, owners are required to pay for maintaining the reserve (SRWR). The SBPOA negotiated an agreement with Eco Futures Belize for security, trash pick-up, and shared expenses associated with the Beach Club, North Long Coco Caye (the owners' Island), the Equestrian Center, and the nature, conservation and common areas.
- The POA dues were \$100 per month, per lot.
- In the past three years, POA dues payment participation had climbed from 30% to 80%.
- The SBPOA balance sheet shows more than \$1M in delinquent owner POA dues caused by owner lack of confidence due to previous issues with the developer efforts to create an HOA.
- All SBPOA Books are, and always have been, open to members (all owners).
- Any money paid to EFB was for invoiced services in Belize.
- The SBPOA was named as a defendant in the FTC lawsuit along with all other defendants.

Sittee River Wildlife Reserve (SRWR)

- Established in 2003 as a nonprofit wildlife nature reserve, the land within Sanctuary Belize (The Reserve) is comprised of 14,000 acres.
- The land serves as a migratory path for wildlife from the 140,000-acre Cockscomb Basin Wildlife Preserve to the Caribbean Sea.
- The Environmental Compliance Plan (ECP) filed with the government of Belize specifies 10,000 acres of The Reserve will not be developed. The plan also ensures corridors remain in the development to preserve the wildlife migratory paths and other conservation management efforts.
- SRWR currently has a board of directors and a permanent membership. Membership in SRWR has been a contentious issue with owners in recent years.

- A contract exists between SRWR and EFB that assigns EFB to exclusively market and develop all of The Reserve.

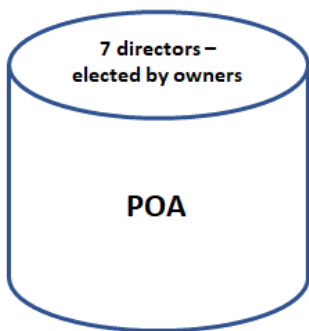
Elements of a successful Plan

We believe a successful plan, i.e. one that delivers on the original promises, contains the following:

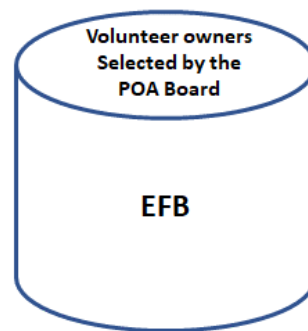
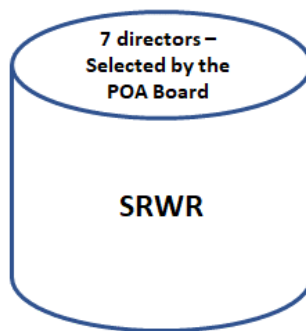
- Until the residential infrastructure is complete, lot payment receivables should only be used to pay expenses directly related to the development and operations of The Reserve including receiver expenses directly related to the development.
- The plan should complete the residential architecture as quickly, efficiently, and inexpensively as possible. The expectation is the receiver and FTC will work with the owners who opt in and treat them as partners.
- The owners who continue paying for or that own lots should have first claim for the use of lot payment receivables.
- Using lot payment receivables to pay claimants is literally taking money from the pockets of certain victims and giving it to others. In many circumstances this will equate to taking retirement funds from one owner to pay someone else whom the paying owner never injured.
- The choice to opt in or out should be informed. If an owner opts out, what can they expect, i.e. what compensation and when?
- The plan should maximize and incentivize opting in. That would complete the residential infrastructure faster.
- The plan should provide incentives to owners whose contracts were cancelled to have them opt in.
- People with contractual claims and genuine verified hardship should be paid from recovered funds. Others can wait or take smaller settlements from any remaining recovered funds.
- The books and records of the POA, EFB, and SRWR are as open as provided by law.
- No large-scale marketing of unsold lots until the residential infrastructure is complete. This provides a time frame to allow owners to re-sell lots.

The Structure

Outside Receivership Estate
Receiver Oversight



Part of Receivership Estate
Receiver Oversight



Organizing principles

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The Receiver and the owners work toward a common goal of completing the residential areas of The Reserve in an efficient and cost-effective manner. The owners will require assurances, protection, and, occasionally, assistance from the Receiver. The owners must supply accurate and timely information to the Receiver upon request.

It is imperative the POA and the receiver decide which artifacts, documents, photographs, and records will give the receiver confidence that the project is moving forward as planned. The Owners' plan divides the work into manageable deliverables for each operating and development area. The development plan should be dynamic and allow adjustment based on availability of contractors, material, manpower, and cost. Reporting should also be dynamic and focused on timeliness and specific information requirements.

The following describes the proposed rules of engagement:

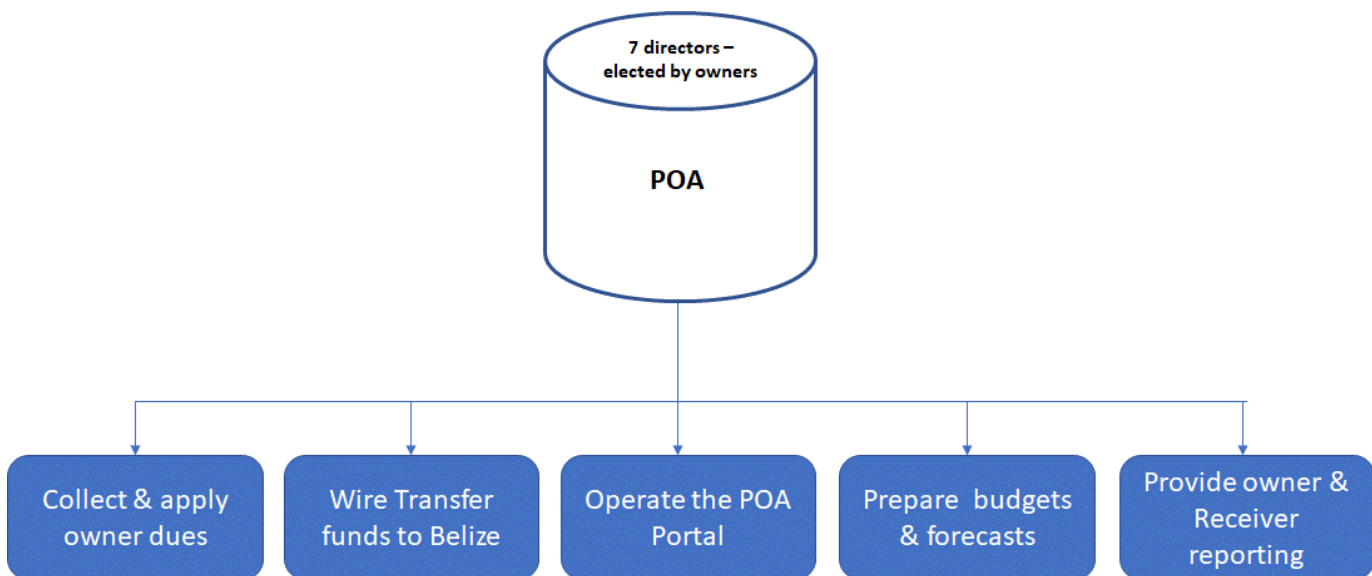
- Owners and Receiver agree on direction and reporting requirements
- Owners manage and execute within the agreement
- Owners report plans and results
- Receiver reviews
- Owners and Receiver tune the process with continuous improvements and accountability

The rules describe how control is exercised and the POA's freedom to operate autonomously within the rules.

The SBPOA

- There is no evidence of wrongdoing by the SBPOA. We request that the FTC and the Receiver support the SBPOA being dismissed from the Complaint and removed from the Receivership Estate. If the SBPOA is not released and removed the FTC and the Receiver have said they support the creation of an alternate POA with all rights and responsibilities assigned from SBPOA to the new POA.
- The SBPOA or the new POA agrees to cooperate with the receivership.
- Negotiate additional reporting requirements for the POA. The reporting requirements for the POA already imposed by the Texas Property Code (TPC) are extensive, starting with open records.
- Set Election for all seven board seats as soon as possible after agreement is reached.
 - Two seats formerly appointed by SRWR would be required to be residents for 60% of year. This would require an amendment of the POA bylaws by vote in a general meeting.
 - Vote via POA portal.
 - POA notifies Receiver of results
- Current Board Members resign upon certifying election.
- All owners are eligible to run for a board position and vote in an election.
- An owner is defined as the title holder of a lot and/or holder of a current valid contract for purchase of real estate in Sanctuary Belize (The Reserve).
- Candidates declare a desire to run and present qualifications.
- Create Belizean Company with Belize Directors for bank accounts in Belize.
- Portion of \$340,000 of frozen SBPOA funds that were not used by Receiver for maintenance and other Reserve expenses would be returned to the POA.
- Immediately reinstitute owner -maintenance dues of \$100/month per lot.
- Collect funds in Frost Bank in San Antonio, TX.
 - Wire transfer funds to Belize Bank as needed
 - Requires approval of 2 directors to transfer funds
- Is responsible for assessing and creating maintenance & operating budgets and forecasts.

- Appoint seven Board Members for SRWR.
 - POA reports appointed to the Receiver
 - Confirmed by vote of POA members
- The Reserve operating areas.
 - POA proposes reporting requirements for each area.
 - Receiver requests any additional reporting.
 - POA appoints owner volunteers to oversee operational areas.
 - POA reports to the Receiver as agreed.
- Operate & maintain the POA owners' portal and facilitate election processes.
- Provide operational & financial reports monthly and ad-hoc to the owner community, the FTC, the Receiver & to the Court as needed.
- Provide the Central Accounting service, keeping track of all payments; both assessments and contract payments.
- The POA has an excellent banking relationship with Frost Bank in Texas and agreements for various payment facilities to allow credit cards, ACH Funds transfers, checks, etc.
- We propose the POA open one or more separate accounts to receive lot payments using the same banking facilities. The receiver would have full access to and control of the account(s). Development funds and maintenance assessments will be collected in the US. Lot payments must be made in Belize. We ask the receiver to support a request to the Belize Central Bank that the initial lot payment collection be in the US with transfer of the funds in bulk to Belize within 21 days. The Receiver's support would carry great weight.

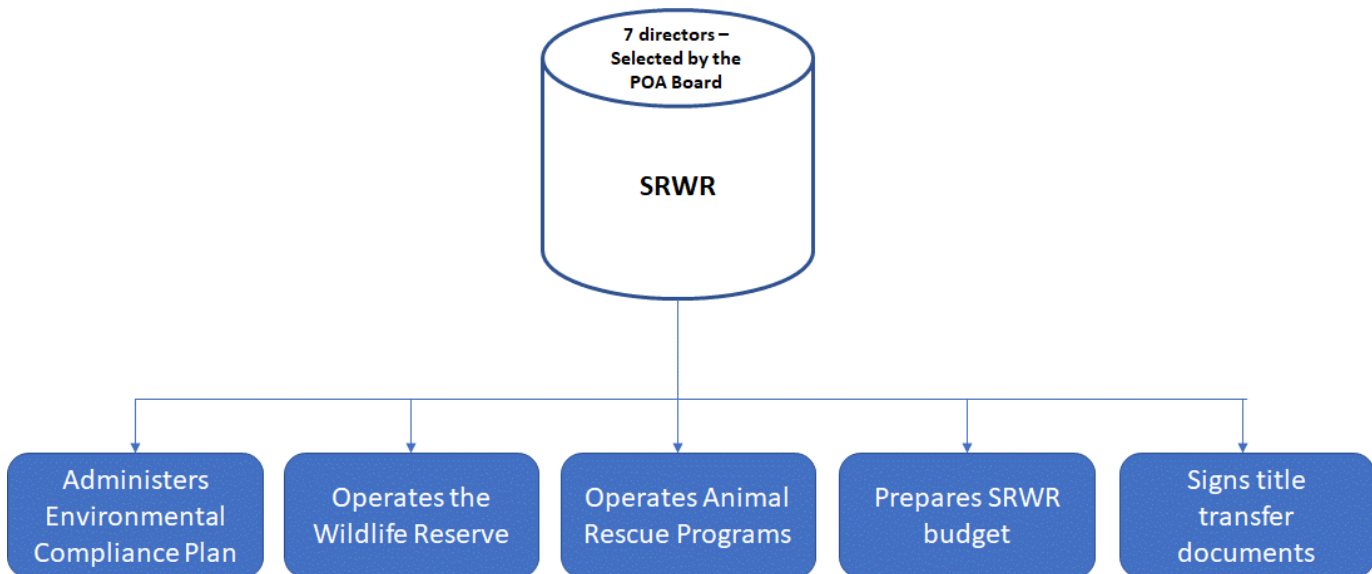


Sittee River Wildlife Reserve - SRWR

- The RCC&E strictly limits the authority and responsibility of SRWR.
- If SRWR remains in the Receivership Estate, we suggest the following operational aspects be agreed to with the SRWR permanent members. Ultimately these changes should be codified in an amendment to the Articles of Association, under Belize law, amending the Articles of Association. We suggest we obtain permission to operate this way first and negotiate incrementally so owners control SRWR.
- Reduce Board to seven qualified Directors appointed by the POA Board & reviewed by the Receiver.
- After Receiver review, appointments are confirmed by vote of POA members.
- Emphasize the original charter of Wildlife Reserve which includes
 - environmental compliance;

- conservation management;
- protection of flora, fauna,
- an animal rescue, rehab, and release in designated areas for Belizean species; and,
- study, training, research, and education programs

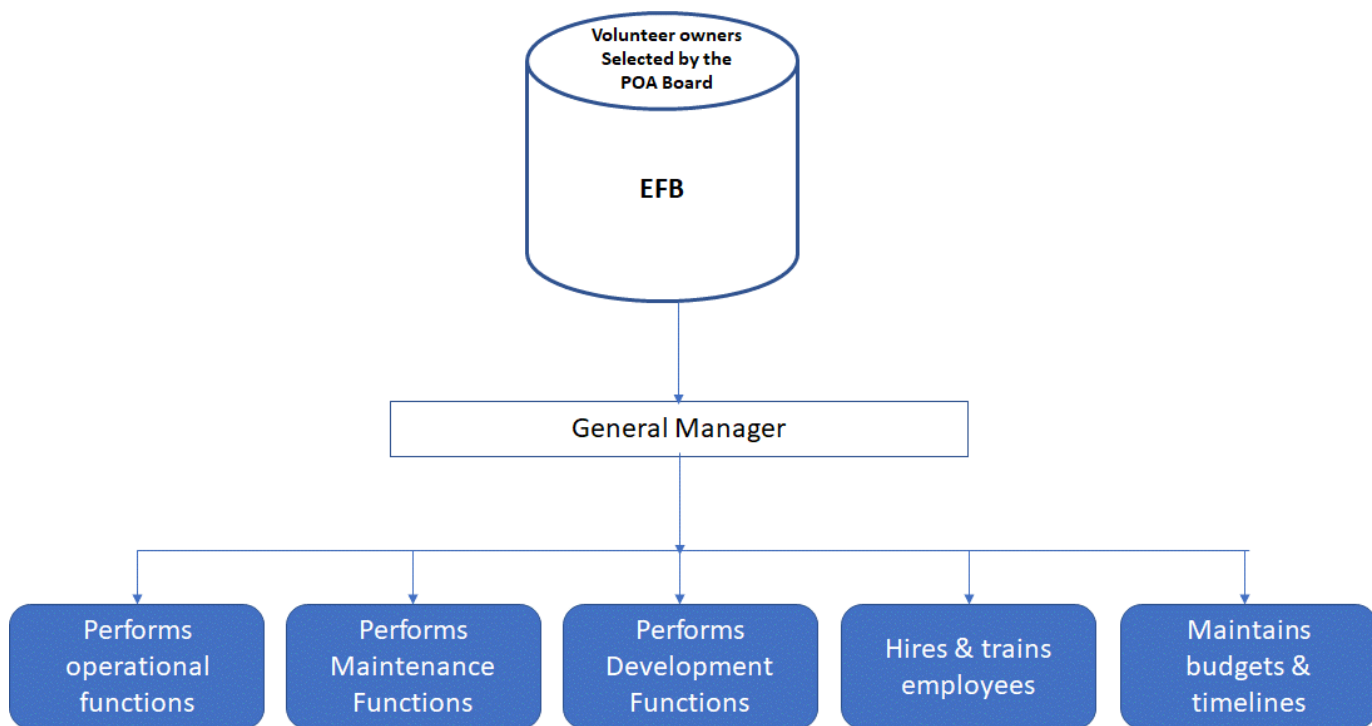
- Administers/Adheres to the Environmental Compliance Plan
- Prepares the SRWR budget & submits to the POA
- Prepares no objection letters to allow CBA to issue permits.
- Signs off on owner title transfer documents.
- Amends SRWR Articles of Association and faithfully adheres to them.



Eco Futures Belize - EFB

- Remains in the Receivership Estate.
- EFB must have a board comprised of owners. The Receiver determines rules and the owner board operates within those rules.
- Performs all development functions.
 - Maintains up-to-date timelines with scheduled completion dates and costs.
- Separates the areas of responsibilities and staffs with volunteer owners, qualified EFB employees, and third-party vendors.
 - Appointed by the POA Board & reviewed by the Receiver.
 - Oversight, each with budgetary responsibilities.
- Most Reserve employees are employed by Eco Futures Belize.
- Qualified General Manager is hired or appointed to oversee the day-to-day operations and to participate in assessments of areas of responsibility cost centers.
- Other professionals are hired as needed to execute maintenance, operations, security, construction, and development.
- Completely transparent operations. All books and contracts available to POA Board and POA members. Certain information may not be made open when it deals with personnel or other privileged information.
- Funding is from receivables with POA contributions.
- Makes monthly payments and maintains accounting of employees, operational, maintenance, and development projects.

- Receives funds for agreed-upon expenses (landscaping, pool maintenance, security, etc.) from POA, collected monthly dues, and lot payments.



Proposed Operational Areas

The following section of the plan describes a breakdown of the various operating areas of the Reserve. This breakdown will allow owners and EFB employees to better manage the costs and potential revenues of the specific areas. This proposal pertains only to operations and maintenance; not development.

Security Services - The Chief of Security reports to the general manager. An owner with police & security background will provide oversight and be the liaison between the security force and the owners to enhance security services. Security personnel will remain as EFB employees and will be paid via the EFB payroll process.

Water Works – This function will be evaluated by the general manager and the owner volunteer to determine how best to administer. The requirements include approving the electric bills for the well pumps, purchasing and applying chemicals, performing the required water quality testing and maintaining and fueling the pump generators.

Internet Services - The local internet service is maintained by the Receiver. The service is excellent. The equipment and towers are owned by EFB. An owner volunteer, in conjunction with the general manager will examine the service, provide oversight and determine if any changes are needed.

Grounds Maintenance – This is a very wide-ranging function and is subject to interpretation. The proposal is to form a committee to perform an informal audit of these functions and determine exactly what is being done and the proper amount of maintenance needed. The committee will determine if the workers should be staff or contract. There are opportunities to reduce cost. The key will be to perform adequate service at the lowest cost until there is more substantial funding.

Equestrian Center – A new limited liability Company should be formed to operate the center to limit liability. There are owner volunteers with many years of experience with the care and feeding of horses. There may be a need to charge for horse rides to offset the expenses.

Beach Resort Operations - The restaurant and bar have been managed by the owners. The required licenses are temporarily held in the name of a friendly business until more permanent arrangements can be determined. Over the course of the year, a separate company should be formed to operate the Beach Resort and hold the permits at the next renewal cycle. In the interim, the owners will attempt to expand the operations to generate more income and to reduce the expense by ensuring that electricity is properly metered and charged to the correct entity. We would also like to open the beach club tent accommodations to generate more income as we are currently licensed to operate the resort, restaurant, bar, marina bar, and Sanctuary Caye (Long Coco Caye) island bar. May need to consider subsidizing expenses in the interim, until further clarification of expenses and responsible entities can be determined.

Emergency Services and Firefighting - The POA owns a well-stocked Ambulance which is parked and unused. There is firefighting equipment in the US which is partially paid for and awaiting shipment to Belize. This committee will plan for the deployment of the equipment. They will attempt to find creative solutions in the face of inadequate funding.

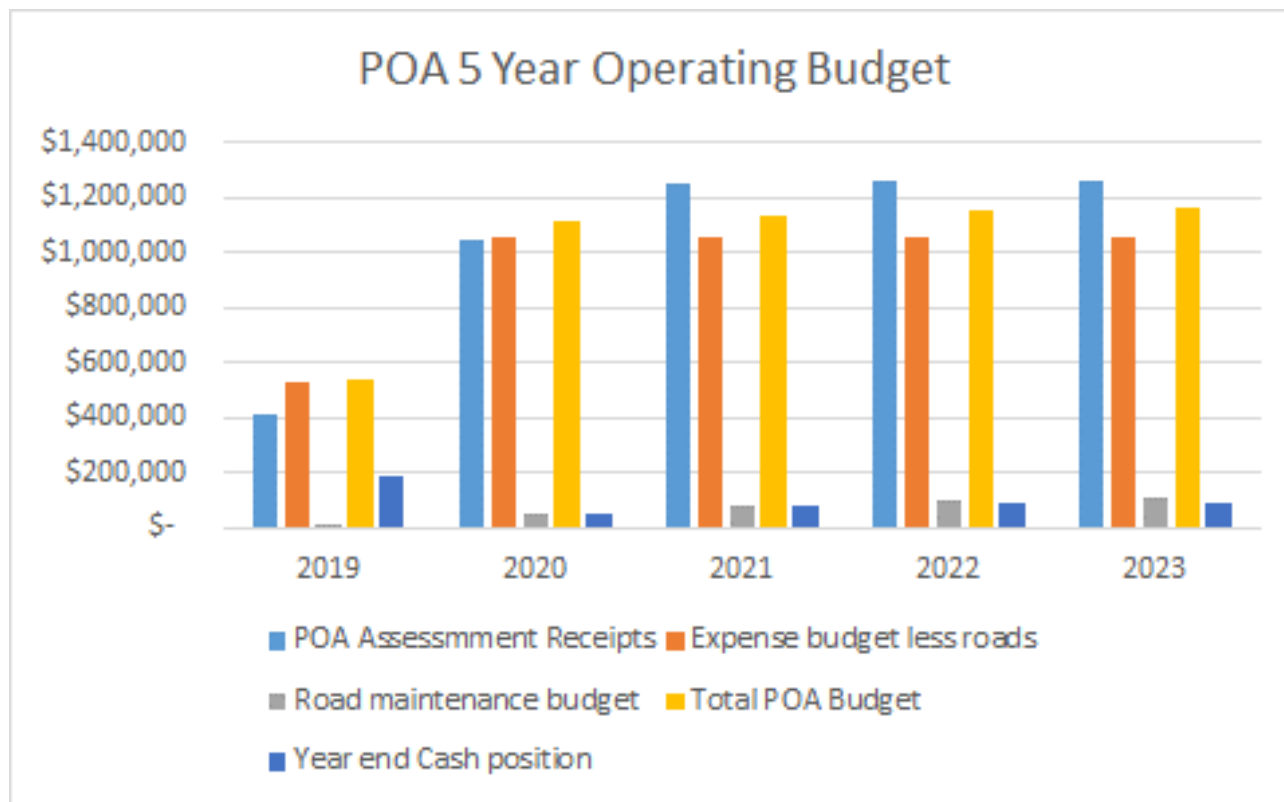
Organic Garden – There are many owner volunteers who are anxious to help and oversee this function. These owners can submit a plan to the POA and the Receiver to determine if there is a business case for subsidies.

Marina Operations – There are many owner volunteers with vast experience in Marina operations. They will provide oversight, process improvement recommendations, and assistance where needed to a Marina Manager who reports to the General Manager. To many, the marina is the face of the development. An examination will determine how to provide excellent service at the lowest cost. Marina Operations will process arriving boats and collect slip and other fees. They will work with the fuel dock to efficiently process fueling operations.

Asset management - Identify, protect and deploy EFB and SRWR assets. This will start as a committee of volunteer owners who will evaluate options for identifying, tagging and recording the assets. The goal is to prevent the disappearance of equipment such as vehicles, materials and equipment. This committee will determine if vehicles are being properly maintained and deployed.

Solid Household Waste Removal – The Environmental Compliance Plan (ECP) puts stringent requirements on solid waste removal from the property. Currently, marina, restaurant, offices, and household waste pickup occur twice a week as it is easier to manage disposal when done twice a week. The collected waste must be and is transported to a licensed sanitary landfill.

USD



Development & Development Plan

The POA will identify contractors, engineering firms, and construction companies to complete The Reserve development in a timely manner and within budget. The first step is to itemize the projects and amenities that will be completed in the initial phase of development with budgets, project plans, and timelines that are reported to the Receiver, the FTC, the Court, owners, and other interested parties.

We would like the opportunity to determine what those perceived promised amenities are and what we are willing to accept as a future reality and then develop a plan with those priorities in mind. We believe we can do that through questionnaires, surveys, group webinar discussions, committee appointments, resource volunteerism, and outside business experience.

Residential Area Development

Lot owners purchased their lots in the various subdivisions in The Reserve based largely on the characteristics, ecosystem, and promised utilities and amenities for their neighborhood and specifically for their lot. As an example, buyers in Northridge, Sapodilla Ridge, Water Way Village, and Laguna Palms purchased their lots based on the promise that islands would be built. They were further promised that canals, adequate for boat navigation, would be dug and connected to other canals, lagoons, and the Caribbean Sea. Buyers in Equestrian Estates bought their lots based on the promise of a world-class equestrian center. Some of these lots are larger, up to 10 acres, and some have provisions that would allow owners to maintain livestock.

The subdivision and individual lot amenities, along with the basics of road, power, and water would form the basis for the development for the residential areas. Power is provided by Belize Electricity Limited (BEL). It does not subcontract power installation. Thus, the development often must wait on BEL for installation. Roads generally are made of road base sourced from local granite quarries. The government of Belize publishes standards for

There are other significant projects on the current EFB plans.

- Owners' Beach Club
- Sanctuary Caye improvements
- All Pines Road improvements
- SRWR Projects
- Haney Bridge
- Beach Restoration
- Water system upgrades.
- Horse Pasture, tack equipment, and Stable upgrades
- Cell Tower

More projects will certainly be added. Some may be modified or eliminated.

Given, these factors, and the latest cost projections for the completion of the residential infrastructure to a standard as promised, the Owners estimate the completion costs to be between \$20MM to \$25MM.

Note: Specific development projects, costs, and timelines are discussed in further detail in Appendix B

Marina and Marina Village Development

Owners were promised a world-class marina with 250 boat slips and a marina village bustling with restaurants, bars, boutiques, shops, open air markets, and entertainment. Currently there are 57 powered boat slips, a bar, fueling station, supply store, marina office, and crews' quarters with showers and laundry facilities. There is no marina village.

A 250-slip marina does not start with 250 slips. The plan is for a smaller footprint, one that will grow appropriately based on traffic and boat types. It will build on its success and adapt to meet its market.

The Marina at The Reserve has the potential to be one of the premiere marinas in Central America. It should have an equally appealing village. This should include paved streets and walkways, parking areas, underground utilities, sewer, street lights, shops, restaurants, hotel accommodations, services, etc. The plan for the marina village will initially provide the required slips for the marina and additional capacity for boat fueling, provide a comprehensive waste water treatment solution for the entire area, and a comprehensive build-out of the marina village amenities including condominiums and residential homes. To realize the full potential of the marina area (the potential is substantial) will require additional investment that some owners are willing to make. If this owner plan is accepted, additional owner investment will be made with a comprehensive plan that will truly make the marina, marina village, and the surrounding areas, world class.

There has been a continuous "chicken or egg" argument regarding the promises for the marina village. There must be enough economic activity to support the proposed amenities.

As this development is costly, significant additional funding is necessary as the forecasted cash flow will not support the simultaneous development of the residential areas and the marina village in a satisfactory time frame. Therefore, every committed Reserve property owner will be given first right of refusal to fund and be an owner of the development of the Marina Village. A new Company, the Marina Development Company (MDC), will be created to establish and direct the fundraising effort and to oversee the operations and development of the marina and marina village. The MDC will have a Board of Directors that will be responsible for oversight

Note: A prospectus will be issued by Marina Development Company which will discuss the plan in terms of ROI on the shares, specific ownership rights, and other plan provisions for the investors.

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Given these factors and the latest cost projections for the completion of the marina and marina village to a standard as promised, the Owners estimate the completion costs to be \$20MM with additional funding provided when population and economic activity dictate.

Note: Specific development projects, costs, and timelines are discussed in further detail in Appendix C

Works in Progress

Owner research reveals that several negotiations were near fruition, including a new model for working with BEL to install electric service. There was also work on a partnership with a local airline to build and manage the landing strip. An agreement between interested parties, including the government of Belize, to replace the Haney bridge on All Pines Road. All Pines Road is the entrance into The Reserve from the Southern Highway. The POA and others must work to ensure the momentum of these negotiations and that other initiatives are not lost.

Other Significant Possible Amenities

- **World Class Hospital** – This was a significant and important amenity to many owners due to health care concerns. A group of doctors proposed such a hospital. It was based on medical tourism, trauma services, and community healthcare plans. The group of doctors who proposed such a facility stopped pursuing funding. We should revisit this when we can confidently tell the doctors that we have a stable functioning development. The Owners' Plan recommends that land be donated for a medical center and incentives (undefined) be made available to attract private investment, doctors, and nurses to create such a facility.
- **International Airport** – This appears to have been a public/private partnership on the Peninsula road about 25 minutes South of the development. The project is in limbo and is not expected to be completed in the near future. The Reserve is not and never has been a party to the airport project. It would be very useful and desirable and should be supported in any way feasible. The Reserve is not the owner or developer of the partially completed International airport.
- **Casino** – There is a casino in Placencia that is struggling financially. A casino in the development makes no sense at this time and, according to a recent survey, a casino was not listed as a desired amenity.
- **Golf course** – This was an amenity proposed in the earlier years - 2009 to 2014 – of the development. The area proposed for the golf course comprises what is now the residential area of Laguna Palms. Given, the environmental challenges and cost of building a golf course, it is not included in this proposal as a contemplated amenity
- **Hotel** - Since development funds are limited, this amenity would need to be done by a 3rd party

Overall, initial development budget (USD):

Residential Areas	\$25M
*Marina & Marina Village	\$20M
Contingency	<u>\$10M</u>
Total	\$55M

* Supplemented by additional investment

The Case Against Selling the Development to an Outside Developer

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An outside developer will be profit-motivated and may not be transparent. If owners opt out, there will be less funds to fuel developer profits. Owner receivables form the basis of the promise for development and profit for a 3rd party developer. Because of bad behavior from the current developer and the marketer in California, the value of the receivables is in jeopardy. The lack of credit checks for potential buyers at the time of purchase and the differences in the terms and interest rates of the receivables also degrade the value of the receivables. These factors all play a role in the market and lessen the likelihood that a competent developer with a proven track record would be interested. The result will be that less money will go to actual development. Furthermore, the Receiver's job becomes more complicated because he will be attempting to identify the appropriate developer in Belize from 2000 miles away. Additionally, the Receiver's choice may not match the desires and values of the owners. The development is in a wildlife reserve with strict compliance rules. There is no way to know if a new developer is paying more than lip service to the compliance plans.

The 10,000 acres of the wildlife preserve is worthless to a developer as it is not buildable. SRWR owns all the land in the reserve that is not titled to an owner or EFB. SRWR can develop a portion of their land because of a Belize Government concession. SRWR can exist as a wildlife reserve within an embedded development because they made promises to the Government. Those promises are embodied in the Environmental Impact Assessment (EIA) and Environmental Compliance Plan (ECP). The government set aside a significant amount of land as a wildlife reserve. This bolsters Belize's image as being environmentally responsible. By allowing SRWR to develop a relatively small part of the land and agreeing to have the owners of the developed property pay SRWR's expenses, the concession became a win-win proposition. The Environmental Impact Assessment (EIA) and Environmental Compliance Plan (ECP) belong to SRWR and are not transferrable. The Reserve has regularly been a top contributor to Belize's coffers.

SRWR exercised its right to develop part of the reserve by signing a development agreement with EFB. EFB paid SRWR \$3 million in 2010 for the exclusive right to develop the part of the property as allowed by the EIA and ECP. It would be very difficult for anyone to take the SRWR land. As a Belize not for profit, no one owns SRWR without the consent of the voting members, i.e. the full members. Winding up SRWR would result in the loss of the EIA and ECPs. No development could occur until a new EIA and ECPs could be negotiated. The first EIA negotiation cost SRWR a million dollars and lasted more than a year.

Third Party Developer	Owners
A development company's priority is shareholders not owners.	Owners' group priority is lot owners who have already been abused by a developer.
Developers have a history of just good enough until we leave attitude.	Owners' group as the developer we will never leave. Quality is everything as this is our home.
Developer as a short-term investor doesn't need to worry about misdeeds with local labor force and local suppliers, leaving bad feelings with local Community.	Owners' group are lifelong members of the community and will have the needs of the local labor force and suppliers in mind.
Developer will need to start selling lots Immediately to satisfy shareholders	Owners' group will satisfy owners by having a 3-year moratorium on new lot sales to help those harmed by EFB. The owners' group will assist lot sales by transferring the current receivable to the new lot owner.
Developer will want to add additional phases or annex additional property to build additional neighborhoods to create more sales.	Owners' group will not create any additional neighborhoods, protecting the long-term Investor that's been harmed by EFB.

There are 880 owners, many of whom own successful businesses; men and women who have spent careers making tough, accurate, and timely decisions. They are ready and able to take on the duties described in this document. The three-year moratorium on new lot sales will give this group time plan for an effective and honest marketing plan for future lot sales to fund additional development.

Other Logistics and Operational Support Entities

Lot Accounting and Payment Support

A mechanism will be created that provides support for taking title when lot contracts are paid. A major task of this function will be to repair the relationship with the Belize Government and especially the Central Bank. This entity will demonstrate transparency to the Belize Government and a commitment to follow the laws for property ownership. The entity will establish relationships with local attorneys to create Belize Corporations to hold titles for lots.

Owner Communication

A significant problem with the developer was communication. It will be important to communicate with owners about what is happening and what is planned. In addition to outbound communication, this department will answer phone calls and emails; it will respond to questions and record complaints and suggestions.

Real Estate Management Services

The POA, with Receiver approval, will appoint a Real Estate Committee. This committee will have intimate knowledge of the residential areas and understand comparable real estate values. Their job will be to create price lists and evaluate the comparable lot values for those lots and ownership subject to the different situations described below:

1. Current Owners and competing claimants must declare within 60 days if they wish to opt out.

2. Competing claims on specific lots will be awarded to the owner with the current contract unless they opt out. **Case 1:18-cv-03309-PJM Document 447-2 Filed 05/10/19 Page 18 of 38**
3. In a competing claim situation, if the current owner opts out then the competing claimant will be awarded the lot at their original contract price. Monthly lot payments and remaining loan balances will pick up where it was left off without interest or penalty.
4. In a competing claim situation if the current owner opts in, then a comparable lot will be made available to the competing claimant. Monthly lot payments and remaining loan balances will pick up where left off without interest or penalty.
5. If a terminated owner wishes to opt in, they will be awarded their original lot (if available and not subject to competing claims). If opt in creates competing claims, then the claimant with the most recent real estate contract will be awarded the lot and a comparable lot will be found for the other claimant. For both claimants, the monthly payments and loan balances will pick up where left off with no interest or penalties.
6. If an owner in an undeveloped area wishes to change lots, then the committee will evaluate the comparable values. If the owner wishes to upgrade or downgrade, then the committee will determine the comparable values and the difference will either be added to or subtracted from the owners' outstanding receivable balance by either extending or reducing the loan term or increasing or decreasing the monthly payment.
7. Owners of multiple lots with outstanding loan balances will be given the opportunity to consolidate their equity position into one lot.
8. Owners with "credit" from the developer will have the option to opt in on a lot in available inventory at a value determined by the committee.

A real estate office will open in the development to help in the sale of owner lots. This office will foster working relationships with the local realtor community with the goal to provide the best and most effective avenues for marketing the property of owners who wish to sell.

No tours or sales and marketing other than to facilitate owner resale of lots will occur for at least 3 years.

The Receiver will appoint 3 members of the SRWR board who can sign the land transfer documents which will allow owners to begin the title process.

Institutional financing for home building

The Owner Support Group has had discussions with international law firms, international banks with offices in Belize, and regional banks in the US to develop a means to provide institutional financing for home building in The Reserve. We believe the approach we are developing for bank financing is workable; however, we will need to identify further variables before specific plans and commitments can be made. The most significant unknown is the outcome of this case, the number of lot owners who opt out, the length of time it will take to repair the damage to the brand name of The Reserve, and the time delay in development because of the length of the case.

There are unhappy owners, former owners, and other consumers who will need to be compensated for the alleged fraud and deception by the defendants. The claimants fall into four broad categories.

1. Former owners whose contracts were cancelled;
2. Consumers who may have made deposits or paid funds with specific contract performance provisions and were not reimbursed or were only partially reimbursed;
3. Current owners who opt out; and,
4. Current owners who opt in but still wish to make a claim.

The funds that should be used to compensate claimants are the funds recovered from the defendants in the case. The Receiver is continually identifying assets; however, the value of the assets available to reimburse claimants is not known at this time.

Owners who are making lot payments are doing so with the expectation that the money they pay is for development. There would be serious resistance to a plan that required them to pay former owners and those who choose to opt-out.

The authors of this plan firmly believe that opting-in is the best option. The most compelling argument is the actual commitment to developing the residential, marina, and marina village infrastructure. The owners know what needs to be done. They are qualified. They know how to get things done in Belize. Perhaps the most convincing argument is this plan will preserve and potentially increase property values. Every owner who opts-in increases the funds that will be used for development. This will shorten the time to complete the residential infrastructure. This plan is written with the goal of maintaining owner receivables and, by increasing the number of claimants that opt-in, minimizing the number of claimants and the amount of the claims.

We do realize there are compelling reasons for some owners and those with terminated contracts to opt-out. However, at the time this plan is written there is no way to determine the amount of funds recovered from the defendants that will be available to pay restitution to owners opting out, former owners whose contracts had been terminated, and those who have made unreimbursed deposits or payments. The owner support group is dedicated to working with the Receiver and the FTC to ensure claimants are compensated in a reasonable manner for their loss.

Risk Analysis & Mitigation

The following attempts to identify significant risks to the project and suggests potential impacts and remedies.

Risk	Impact and possible remedy
Participation in the plan on the part of opt-in owners is significantly below the 2/3 that is budgeted.	The schedule will be affected and potentially re-prioritized. Aggressive resales may bring in additional revenues.
There is a significant delay in restarting lot payments by opt-in owners.	There will be an overall schedule slip depending on the length of the delay.
Resumption of POA dues payments is delayed or runs at a lower rate than planned.	Some services may be reduced. Some lot payments may need to be diverted to fund operations.
There are delays in contracting for various services such as roads, water, power and canals or availability of resources or extended inclement weather	There will be an overall schedule slip depending on the length of the delay.
The development experiences a catastrophic force majeure event such as a major tropical storm or major hurricane	Based on the severity of the event and the damage sustained, the schedule and budget will need to be redone and adjusted accordingly
Budgets are inadequate.	The schedule will be affected and potentially re-

Case 1:18-cv-03309-PJM Document 47-2 Filed 05/10/19 Page 20 of 38	prioritized. Aggressive resales may bring in additional revenue.
The frozen POA funds that were not used to maintain the development are not returned.	There will be a budget shortfall initially. Some services may be reduced. Some lot payments may need to be diverted to fund operations.

Summary

The owners are the victims in this action. Owners are weary of delays, excuses, false promises, and owner lot payments being siphoned off for personal use and unrelated marketing activities. It's time to give owners control of their own money and destiny.

The plan presented in this document provides a logical and systematic way to perform the required daily operational and maintenance activities at The Reserve without interruption. It also provides a go-forward plan to restart development with the requirement that the proceeds from lot owner payments will go directly into development.

The key to success is the preservation of the owner receivables to the extent possible.

The Owners' Plan attempts to preserve the value of the owner receivables by raising necessary operating and contracted maintenance funds from voluntary owner assessments. This strategy was successful up until the FTC action in early November 2018. The plan allows owner lot payments to go directly into the construction of the residential, marina, and marina village areas. The priority will be to use funds for the residential infrastructure. Support services will also be established to aid in owner communication and help facilitate owner real estate support and sales. This plan is also beneficial to unhappy and former owners who are claimants in this action as it produces far fewer claimants and provides a source for claimant compensation. Finally, this proposal will decrease the Receiver's role in the daily operations of The Reserve - and the consequent costs - but will preserve the oversight role. This will allow the Receiver to focus on the task of recovering the misappropriated funds from the various Sanctuary Belize entities and the defendants in this case. That will benefit everyone.

A plan that guarantees the development of the residential infrastructure along with generous bonuses could entice former owners who stopped paying to apply the money they have already paid to a lot from the inventory of unsold lots. This would have the effect of reducing claims and increasing receivables.

Assumptions:

1. The Sanctuary Belize Property Owners Association is released from the preliminary injunction and the Receiver Estate so the billing and collection of the maintenance dues of \$100 per month per lot can be resumed.
2. If the SBPOA is not released, then an alternate POA is established
3. The Receiver assigns the rights and responsibilities of the SBPOA to the new POA
4. The Receiver continues to fund the operations expenses attributable to EFB.
5. For a period of time, owner lot payments may need to subsidize the POA operations expenses.
6. There is a total of 1,086 lots registered as sold to owners. All lots are subject to the POA assessments irrespective of a prior agreement with the Developer.
7. Based on historical data, assumed owner participation in assessments will start at 60%, increasing month over month to 90%.

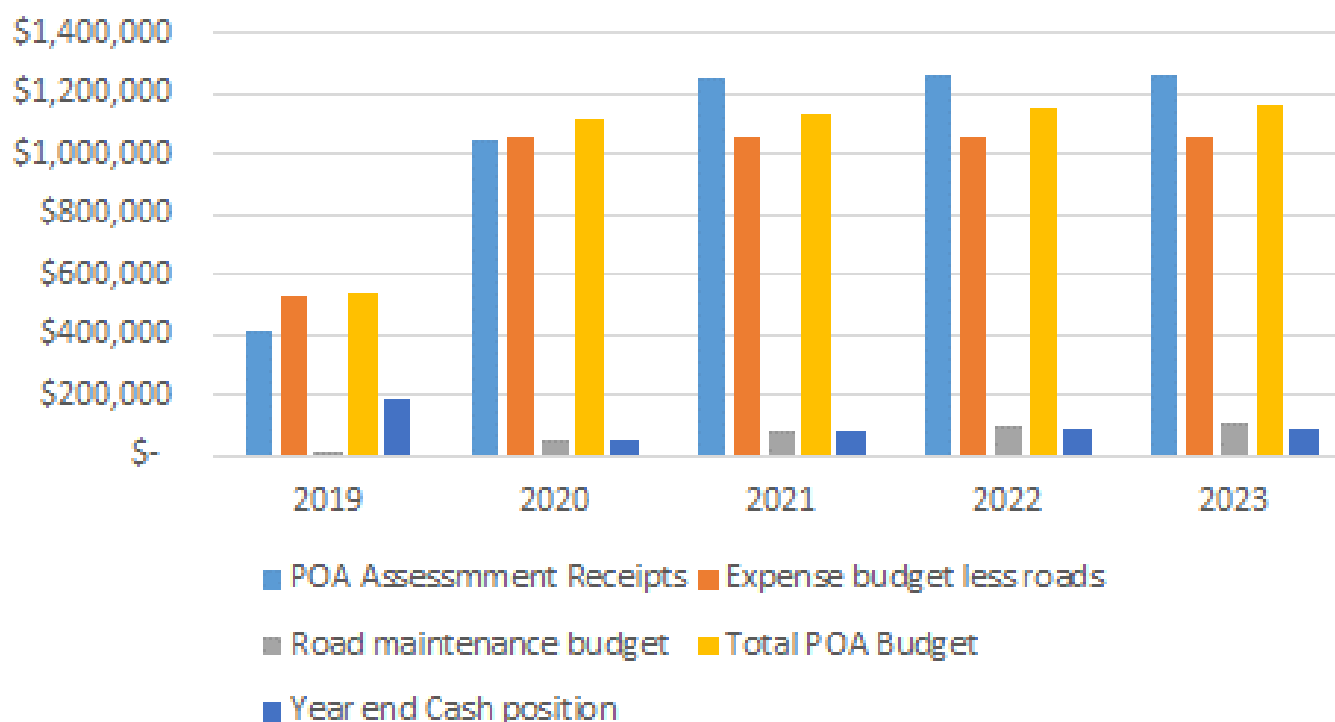
USD

The Reserve POA Monthly Operations

Description	Monthly	Annual	Basis & Assumptions
Security Payroll & taxes	\$ 22,000	\$ 264,000	September 2018 Invoices, prorated with EFB, owner share 67%
Security Equipment, fuel, supplies	\$ 8,000	\$ 96,000	September 2018 Invoices, prorated with EFB, owner share 67%
Solid waste disposal, domestic	\$ -	\$ -	Charge usage to homeowners
Solid waste disposal, construction areas	\$ -	\$ -	Charge usage to contractors
Common area maintenance	\$ 24,000	\$ 288,000	September 2018 Invoices, will increase as more neighborhoods completed
Equestrian Center	\$ 3,500	\$ 42,000	September 2018 Invoices
Caye maintenance	\$ 6,000	\$ 72,000	September 2018 Invoices
Beach Club	\$ 12,000	\$ 144,000	September 2018 Invoices, excludes Bar, Kitchen, Beach
Well & water expense	\$ -	\$ -	Charge usage to homeowners
Road expense, All Pines	\$ 1,500	\$ 18,000	\$250/mile, 6 miles
Road expense, interior roads	\$ 750	\$ 9,000	\$250/mile, 3 miles currently finished, increases with road buildout
Organic Garden & Farm			Operate as community garden coop with Beach Club Kitchen
POA Office payroll & taxes	\$ 410	\$ 4,920	September payroll
POA Office utilities & misc	\$ 200	\$ 2,400	Actuals
POA fees & online expense	\$ 3,500	\$ 42,000	\$3380 monthly avg 2018 ytd
D&O insurance	\$ 1,041.67	\$ 12,500	Based on prior coverage
Land taxes	\$ 1,000	\$ 12,000	SRWR expense, 2018 invoices, both tracts
SRWR Management	\$ 3,000	\$ 36,000	
SRWR expenses	\$ 1,000	\$ 12,000	
SRWR Monitoring	\$ 83.33	\$ 1,000	Unknown, guestimate
SRWR Annual Fees	\$ 166.67	\$ 2,000	Unknown, guestimate
Totals	\$ 88,152	\$ 1,057,820	

Description	Monthly	Annual	Basis & Assumptions
Security Payroll & taxes	\$ 11,000	\$ 132,000	September 2018 Invoices, prorated with EFB share 33%
Security Equipment, fuel, supplies	\$ 2,667	\$ 32,000	September 2018 Invoices, prorated with EFB share 33%
General Manager	\$ 5,000	\$ 60,000	
Assistant General Manager	\$ 2,450	\$ 29,400	Joe Espinosa 4900 bzd/mo
Engineering	\$ 1,500	\$ 18,000	2 @ 1500 bzd
IT	\$ 1,200	\$ 14,400	
Procurement	\$ 1,200	\$ 14,400	
Accounting	\$ 1,250	\$ 15,000	2 @ \$1250 bzd/mo actual
Mechanical Shop, personnel	\$ 3,300	\$ 39,600	4 @ \$75 bzd/day
Mechanical Shop, supplies & expenses	\$ 2,000	\$ 24,000	
Housekeeping	\$ 1,320	\$ 15,840	2 @ \$60 bzd/day
General maintenance	\$ 1,000	\$ 12,000	
Vehicle maintenance	\$ 2,000	\$ 24,000	
Fuel	\$ 12,000	\$ 144,000	
Insurance	\$ 5,000	\$ 60,000	
Power	\$ 6,000	\$ 72,000	
Phone & internet	\$ 2,000	\$ 24,000	
Supplies	\$ 1,000	\$ 12,000	
Contingency @20%	\$ 12,377	\$ 148,528	
Total Budget	\$ 74,264	\$ 891,168	

POA 5 Year Operating Budget



Appendix B - The Reserve Residential Area Development Plan

Assumptions:

1. Based on a survey conducted by an independent owner group, 65% of respondents want to keep their property. Prior to FTC intervention, approximately \$600,000 US per month was being collected on property payments. Based on the survey results, we assume lot payments of \$400,000 per month.
2. The development plan and costs utilized are those compiled by Eco Futures where available.
3. Some costs utilized may be greater than actual eventual costs, as some projects appear to be partially completed (e.g. cost of canals in North Ridge is probably less because project is partially completed). Likewise, some areas have been partially electrified.
4. To increase cash flow in the first three years, incentives will be offered to lot owners to accelerate their payments. These could be lower interest rates or discounts on their balances.
5. It is necessary that all vendors and contractors be paid for work previously performed on The Reserve as soon as possible as we need to establish credibility. It is also right and just that the sales people who were unpaid by Eco-Futures be reimbursed for their work. Those payments should come from the funds recovered from the defendants in the case.

Residential infrastructure projects required for development, but not budgeted by Eco Futures:

1. The plans call for a canal from Waterway Village to Anderson Lagoon and North Ridge. There are also plans for Caribbean access from North Ridge through Anderson Lagoon. There is severe shoaling (less than 2 ½ feet depth) at the mouth of Anderson Lagoon preventing access of deep draft boats through the inlet without construction of Rock or Concrete jetties on each side (approximately 100 yards long) and dredging as well as continuous maintenance. As the plans also call for access through the Marina, it is the assumption of this plan, that efforts should be directed toward the draw bridge and channel maintenance for the deeper draft boats but allow shallow draft boats access through Anderson Lagoon.
2. There is erosion of the properties in Sapodilla Ridge on the water with severe shoaling of the canals there, as well as between the Marina and North Ridge due to runoff erosion and boat traffic. No budget provisions have been made for dredging and canal wall erosion control. Some owners have built sea walls and rip rap erosion control barriers, but many of the properties along the canals are vacant and continue to pose a problem. We estimate cost of dredging at approx. \$100,000 US but did not put it into cash flow plan. Also, we need to formulate a plan to Rip Rap critical areas along canals for un-occupied properties.
3. There were some "Special Projects" noted in Eco Future's budget. They are part of the plan but not time lined and detailed as the most critical need was to address the residential infra-structure, so property owners could build homes as soon as possible.

TIMING OF PLAN BASED ON CASH FLOW (All values are stated in USD):

MONTH ONE

1. Interview and choose qualified project manager
2. Begin billing and collections of property payments
3. Determine all unpaid bills of Eco Futures
4. Inventory equipment and vehicles

MONTH TWO

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1. Pay off all vendor creditors

- ABM - \$250K
- Westend - \$90K
- Caribbean Tires - \$30k
- Belize Customs for spare parts - \$10k
- **Total Funds Required - \$380K**

2. Interview and hire contractors for infrastructure development:

- Roads, culverts, canals, electricity, bridges and water lines.

Total cost of month two - \$380K

MONTH THREE to MONTH EIGHT

1. Completion of North Ridge Phase 3

- Roads - \$527K
- Electricity - \$308K
- Canals - \$957K
- Culverts - \$66K
- **Total Funds Required - \$1,857K**

2. Completion of Estate Lots - 19 lots

- Roads - \$29k
- **Total Funds Required - \$29K**

3. Completion of Jabiru Island

- Roads - \$14K
- **Total Funds Required - \$14K**

4. Completion of Sapodilla Phase 1

- Roads, \$112K
- Electricity, \$6k
- Pond, \$18k
- Wells/reservoir, \$38k
- **Total Funds Required - \$173K**

5. Completion of Equestrian Estates Phase 1

- Roads - \$135K
- Culverts - \$7k
- Wells/Reservoir, \$125K
- **Total Funds Required - \$267K**

Total cost of month three to month eight - \$2,340K

MONTH NINE TO MONTH FOURTEEN

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1. **Completion of Estate Lots - 100 lots**
 - Roads - \$134K
 - Electricity - \$75K
 - **Total Funds Required - \$209K**
2. **Completion of Sapodilla Ridge Phase 2**
 - Roads = \$157K
 - **Total Funds Required - \$157K**
3. **Completion of Northridge Phase 1**
 - Roads - \$395K
 - Culverts - \$36K
 - Wells/Reservoir - \$175K
 - **Total Funds Required - \$606K**
4. **Completion of Sapodilla Ridge Phase 3**
 - Roads - \$180K
 - Electricity - \$115K
 - Culverts - \$12K
 - Wells/Reservoir - \$100K
 - **Total Funds Required - \$407K**
5. **Completion of Equestrian Phase 2**
 - Roads - \$692K
 - Electricity - \$154K
 - Culverts - \$20K
 - **Total Funds Required - \$866K**

Total cost of month nine to month fourteen - \$2,245K

MONTH FIFTEEN TO MONTH TWENTY-ONE

1. **Survey of Marina Village, Laguna Palms Phases 1-4 and Hangar Estates**
 - **Total Funds Required - \$232K**
2. **Completion of North Ridge Phase 2**
 - Roads - \$395K
 - Electricity - \$510K
 - Culverts - \$18K
 - **Total Funds Required - \$923K**
3. **Bridge Building**
 - First priority: Drawbridge or swing bridge to open North Ridge to Marina and Caribbean access - \$750K
 - **Total Funds Required - \$750K**
4. **Completion of Waterway Village Phase 1**
 - Roads - \$126K
 - Electricity - \$15K
 - Wells/reservoir - \$75K
 - **Total Funds Required - \$216K**

5. **Completion of Waterway Village Phase 2**

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- Roads, \$50K
- Electricity, \$20K
- Canals, \$330K
- **Total Funds Required - \$404K**

Total cost of month fifteen to month twenty-one - \$2,525K

MONTH TWENTY-TWO TO MONTH TWENTY-NINE

1. **Laguna Palms Phase 1**

- Roads - \$211K
- Electricity - \$313K
- Water - \$138K
- Culverts - \$30K
- **Total Funds Required - \$692K**

2. **Laguna Palms Phase 2**

- Roads - \$211K
- Electricity - \$313K
- Water - \$150K
- Culverts - \$24K
- Ponds - \$1,050K
- **Total Funds Required - \$1,747K**

Total cost of month twenty-two to month twenty-nine - \$2,439K

MONTH THIRTY TO MONTH THIRY-SIX

1. **Construct Bridges in Sapodilla Ridge**

- Phase 1 - \$500k
- Phase 2 - \$138K
- Phase 3 - \$380K
- **Total Funds Required - \$1,018K**

2. **Construct Bridges in North Ridge**

- Four Bridges, 40 ft single span @ \$95K = \$360K
- **Total Funds Required - \$360K**

3. **Laguna Palms Phase 3**

- Roads - \$211K
- Electricity - \$312K
- Water - \$100K
- Culverts - \$24K
- **Total Funds Required - \$647K**

4. **Laguna Palms Phase 4**

- Roads - \$212K
- Electricity - \$312K
- Water - \$100K
- Culverts - \$8K.
- **Total Funds Required - \$632K**

5. **Landscaping**

- Equestrian Phase 1 - \$35K

- Sapodilla Phase 1 - \$4K
- Sapodilla Phase 2 - \$8K
- Sapodilla Phase 3 - \$3K
- **Total Funds Required - \$48K**

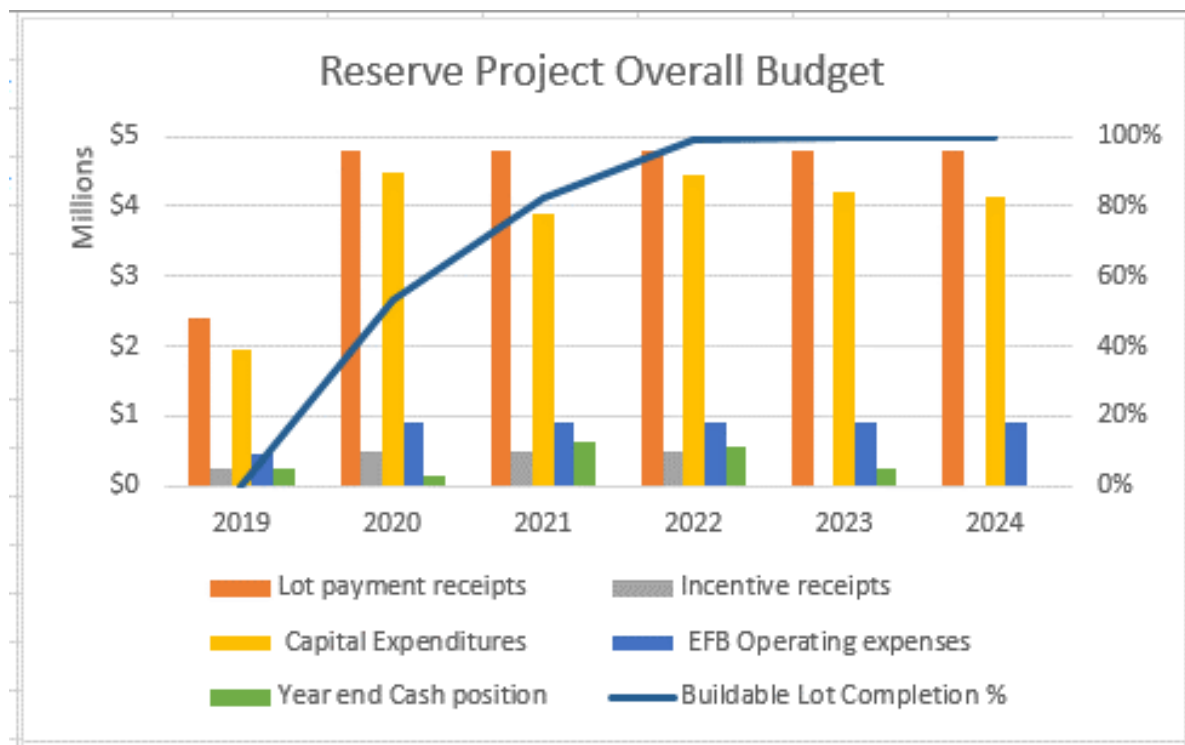
Total cost of month thirty to month thirty-six - \$2,705K

MONTH THIRTY-SEVEN TO MONTH FORTY-TWO

1. Hangar Estates

- Roads, \$200K
- Electricity, \$875K
- Water, \$150K
- Airstrip, \$1,250K
- Generators, \$30K
- **Total Funds Required - \$2,505K**

Total cost of month thirty-seven to month forty-two - \$2,505K



Variables**Lot Receivables variables**

\$ 400,000 Base receivables monthly
 10% Incentive increase in receivables

POA Assessment variables

60% Starting percentage of assesment participation
 1,080 Lots available for assessment

2% Month over month growth in participation
 90% Cap on percentage of assessment participation
 \$ 88,000 Monthly POA budget less roads

EFB Operating Budget

\$ 75,000 Monthly

Summary of Basic Residential Development Timeline and Cost to Complete

MONTH	COST (USD THOUSANDS)
MONTH TWO	\$380
MONTHS THREE TO EIGHT	\$2,340
MONTHS NINE TO FOURTEEN	\$2,245
MONTHS FIFTEEN TO TWENTY-ONE	\$2,525
MONTHS TWENTY-TWO TO TWENTY-NINE	\$2,439
MONTHS THIRTY TO THIRTY-SIX	\$2,705
MONTHS THIRTY-SIX TO FORTY-TWO	\$2,505
GRAND TOTAL	\$15,139

Other Significant Projects once Basic Residential Infrastructure is Complete

Project	Cost (USD thousands)
Sanctuary Caye Improvements	\$250
Owner Beach Club	\$3,500
Common Area Improvements	\$150
SRWR Projects	\$100
Pave All Pines Road	\$3,300
Replace Haney Bridge	\$350
Beach remediation	\$250
Water System Improvements	\$100
Grand Total	\$8,000

5 Year Budget Summary (thousands of USD)

Budget Item	2019	2020	2021	2022	2023	2024	6 Year Totals
Lot payment receipts	\$ 2,400	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 26,400
Incentive receipts	\$ 240	\$ 480	\$ 480	\$ 480	\$ -	\$ -	\$ 1,680
Capital Expenditures	\$ 1,940	\$ 4,468	\$ 3,908	\$ 4,466	\$ 4,208	\$ 4,150	\$ 23,139
EFB Operating expenses	\$ 450	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	
Year end Cash position	\$ 250	\$ 162	\$ 635	\$ 549	\$ 241	\$ (9)	
Buildable Lot Completion %	0%	53%	83%	99%	100%	100%	1,811
POA Assessment Receipts	\$ 409	\$ 1,050	\$ 1,249	\$ 1,264	\$ 1,264	\$ 1,264	
Expense budget less roads	\$ 528	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	
Miles of road maintained	9.0	24.0	30.5	33.5	35.5	35.5	
Road maintenance per mile/month	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	
Road maintenance budget	\$ 14	\$ 55	\$ 82	\$ 98	\$ 105	\$ 105	
Total POA Budget	\$ 542	\$ 1,111	\$ 1,138	\$ 1,154	\$ 1,161	\$ 1,161	
Year end Cash position	\$ 189	\$ 56	\$ 76	\$ 88	\$ 93	\$ 93	

2019 budget

Budget Item	Starting bal	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	2019 Totals
Lot payment receipts		\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,400,000
Incentive receipts		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 240,000
Capital Expenditures		\$ -	\$380,000	\$389,983	\$389,983	\$389,983	\$389,983	\$1,939,933
EFB Operating expenses		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 450,000
Cash position	\$ -	\$365,000	\$350,000	\$325,017	\$300,033	\$275,050	\$250,067	\$ 250,067
Completed lots	0							-
POA Assessment Receipts		\$ 64,800	\$ 66,096	\$ 67,418	\$ 68,766	\$ 70,142	\$ 71,544	\$ 408,766
Monthly budget less roads		\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 528,000
Miles of road maintained		9	9	9	9	9	9	9.0
Road maintenance per mile		\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	
Road maintenance budget		\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 13,500
Total POA Budget		\$ 90,250	\$ 90,250	\$ 90,250	\$ 90,250	\$ 90,250	\$ 90,250	\$ 541,500
Cash position	\$ 322,000	\$296,550	\$272,396	\$249,564	\$228,080	\$207,972	\$189,266	\$ 189,266
Month Number		1	2	3	4	5	6	

2020 budget

Budget Item	Starting bal	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020 Totals
Incentive receipts	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 480,000
Capital Expenditures	\$ 389,983	\$ 389,983	\$ 374,167	\$ 374,167	\$ 374,167	\$ 374,167	\$ 374,167	\$ 374,167	\$ 374,167	\$ 360,714	\$ 360,714	\$ 360,714	\$ 360,714	\$ 4,467,824
EFB Operating expenses	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 900,000
Cash position	\$ 250,067	\$ 225,083	\$ 200,100	\$ 190,933	\$ 181,767	\$ 172,600	\$ 163,433	\$ 154,267	\$ 145,100	\$ 149,386	\$ 153,671	\$ 157,957	\$ 162,243	\$ 162,243
Completed lots	-			363					598					961
POA Assessment Receipts	\$ 71,544	\$ 72,975	\$ 74,435	\$ 75,924	\$ 77,442	\$ 78,991	\$ 80,571	\$ 82,182	\$ 83,826	\$ 85,502	\$ 87,212	\$ 88,957	\$ 90,736	\$ 1,050,296
Monthly budget less roads	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 1,056,000
Miles of road maintained	9.0	9.0	15.5	15.5	15.5	15.5	15.5	15.5	24	24	24	24	24	24
Road maintenance per mile	\$ 250	\$ 250	\$ 250	\$ 250	\$ 251	\$ 252	\$ 253	\$ 254	\$ 255	\$ 256	\$ 257	\$ 258	\$ 258	
Road maintenance budget	\$ 2,250	\$ 2,250	\$ 3,875	\$ 3,875	\$ 3,891	\$ 3,906	\$ 3,922	\$ 6,096	\$ 6,120	\$ 6,144	\$ 6,168	\$ 6,192	\$ 6,192	\$ 54,688
Total POA Budget	\$ 90,250	\$ 90,250	\$ 91,875	\$ 91,875	\$ 91,891	\$ 91,906	\$ 91,922	\$ 94,096	\$ 94,120	\$ 94,144	\$ 94,168	\$ 94,192	\$ 94,192	\$ 1,110,688
Cash position	\$ 189,266	\$ 170,561	\$ 154,746	\$ 138,794	\$ 124,361	\$ 111,461	\$ 100,126	\$ 90,387	\$ 80,116	\$ 71,499	\$ 64,567	\$ 59,355	\$ 55,899	\$ 55,899
Month Number		7	8	9	10	11	12	13	14	15	16	17	18	

2021 budget

Budget Item	Starting bal	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021 Totals
Lot payment receipts	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 4,800,000
Incentive receipts		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 480,000
Capital Expenditures		\$ 360,714	\$ 360,714	\$ 360,714	\$ 304,875	\$ 304,875	\$ 304,875	\$ 304,875	\$ 304,875	\$ 304,875	\$ 304,875	\$ 304,875	\$ 386,429	\$ 3,907,571
EFB Operating expenses		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 900,000
Cash position	\$ 162,243	\$ 166,529	\$ 170,814	\$ 175,100	\$ 235,225	\$ 295,350	\$ 355,475	\$ 415,600	\$ 475,725	\$ 535,850	\$ 595,975	\$ 656,100	\$ 634,671	\$ 634,671
Completed lots	961			235								300		1,496
POA Assessment Receipts	\$ 90,736	\$ 92,550	\$ 94,401	\$ 96,289	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 1,248,777
Monthly budget less roads		\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 1,056,000
Miles of road maintained		24.0	24.0	27.0	27	27	27	27	27	27	27	30.5	30.5	
Road maintenance per mile		\$ 250	\$ 250	\$ 250	\$ 250	\$ 251	\$ 252	\$ 253	\$ 254	\$ 255	\$ 256	\$ 257	\$ 258	
Road maintenance budget		\$ 6,000	\$ 6,000	\$ 6,750	\$ 6,750	\$ 6,777	\$ 6,804	\$ 6,831	\$ 6,858	\$ 6,885	\$ 6,912	\$ 7,839	\$ 7,869	\$ 82,275
Total POA Budget		\$ 94,000	\$ 94,000	\$ 94,750	\$ 94,750	\$ 94,777	\$ 94,804	\$ 94,831	\$ 94,858	\$ 94,885	\$ 94,912	\$ 95,839	\$ 95,869	\$ 1,138,275
Cash position	\$ 55,899	\$ 54,449	\$ 54,851	\$ 56,390	\$ 58,840	\$ 61,263	\$ 63,659	\$ 66,028	\$ 68,370	\$ 70,685	\$ 72,973	\$ 74,335	\$ 75,666	\$ 75,666
Month Number		19	20	21	22	23	24	25	26	27	28	29	30	

2022 budget

Budget Item	Starting bal	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	2022 Totals
Lot payment receipts	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 4,800,000
Incentive receipts		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 480,000
Capital Expenditures		\$ 386,429	\$ 386,429	\$ 386,429	\$ 386,429	\$ 386,429	\$ 386,429	\$ 357,857	\$ 357,857	\$ 357,857	\$ 357,857	\$ 357,857	\$ 357,857	\$ 4,465,714
EFB Operating expenses		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 900,000
Cash position	\$ 634,671	\$ 613,243	\$ 591,814	\$ 570,386	\$ 548,957	\$ 527,529	\$ 506,100	\$ 513,243	\$ 520,386	\$ 527,529	\$ 534,671	\$ 541,814	\$ 548,957	\$ 548,957
Completed lots	1,496						295							1,791
POA Assessment Receipts	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 1,263,600
Monthly budget less roads		\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 1,056,000
Miles of road maintained		30.5	30.5	30.5	30.5	30.5	33.5	33.5	33.5	33.5	33.5	33.5	33.5	
Road maintenance per mile		\$ 250	\$ 250	\$ 250	\$ 250	\$ 251	\$ 252	\$ 253	\$ 254	\$ 255	\$ 256	\$ 257	\$ 258	
Road maintenance budget		\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,656	\$ 8,442	\$ 8,476	\$ 8,509	\$ 8,543	\$ 8,576	\$ 8,610	\$ 8,643	\$ 97,953
Total POA Budget		\$ 95,625	\$ 95,625	\$ 95,625	\$ 95,625	\$ 95,656	\$ 96,442	\$ 96,476	\$ 96,509	\$ 96,543	\$ 96,576	\$ 96,610	\$ 96,643	\$ 1,153,953
Cash position	\$ 75,666	\$ 77,241	\$ 78,816	\$ 80,391	\$ 81,966	\$ 83,510	\$ 84,268	\$ 84,993	\$ 85,684	\$ 86,341	\$ 86,965	\$ 87,556	\$ 88,113	\$ 88,113
Month Number		31	32	33	34	35	36	37	38	39	40	41	42	

2023 budget

Budget Item	Starting bal	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	2023 Totals
Lot payment receipts	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 4,800,000
Incentive receipts														\$ -
Capital Expenditures		\$ 357,857	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 4,207,857
EFB Operating expenses		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 900,000
Cash position	\$ 548,957	\$ 516,100	\$ 491,100	\$ 466,100	\$ 441,100	\$ 416,100	\$ 391,100	\$ 366,100	\$ 341,100	\$ 316,100	\$ 291,100	\$ 266,100	\$ 241,100	\$ 241,100
Completed lots	1,791						20							1,811
POA Assessment Receipts	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 1,263,600
Monthly budget less roads		\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 1,056,000
Miles of road maintained		33.5	33.5	33.5	33.5	33.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	
Road maintenance per mile		\$ 250	\$ 250	\$ 250	\$ 250	\$ 251	\$ 252	\$ 253	\$ 254	\$ 255	\$ 256	\$ 257	\$ 258	
Road maintenance budget		\$ 8,375	\$ 8,375	\$ 8,375	\$ 8,375	\$ 8,409	\$ 8,946	\$ 8,982	\$ 9,017	\$ 9,053	\$ 9,088	\$ 9,124	\$ 9,159	\$ 105,276
Total POA Budget		\$ 96,375	\$ 96,375	\$ 96,375	\$ 96,375	\$ 96,409	\$ 96,946	\$ 97,017	\$ 97,053	\$ 97,088	\$ 97,124	\$ 97,159	\$ 97,195	\$ 1,161,276
Cash position	\$ 88,113	\$ 88,938	\$ 89,763	\$ 90,588	\$ 91,413	\$ 92,204	\$ 92,458	\$ 92,677	\$ 92,860	\$ 93,007	\$ 93,119	\$ 93,196	\$ 93,237	\$ 93,237
Month Number		43	44	45	46	47	48	49	50	51	52	53	54	

2024 budget

Budget Item	Starting bal	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	2023 Totals
Lot payment receipts	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 4,800,000
Incentive receipts														\$ -
Capital Expenditures		\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 345,833	\$ 4,150,000
EFB Operating expenses		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 900,000
Cash position	\$ 241,100	\$ 220,267	\$ 199,433	\$ 178,600	\$ 157,767	\$ 136,933	\$ 116,100	\$ 95,267	\$ 74,433	\$ 53,600	\$ 32,767	\$ 11,933	\$ (8,900)	\$ (8,900)
Completed lots	1,811													1,811
POA Assessment Receipts	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 97,200	\$ 1,263,600
Monthly budget less roads		\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 1,056,000
Miles of road maintained		33.5	33.5	33.5	33.5	33.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	
Road maintenance per mile		\$ 250	\$ 250	\$ 250	\$ 250	\$ 251	\$ 252	\$ 253	\$ 254	\$ 255	\$ 256	\$ 257	\$ 258	
Road maintenance budget		\$ 8,375	\$ 8,375	\$ 8,375	\$ 8,375	\$ 8,409	\$ 8,946	\$ 8,982	\$ 9,017	\$ 9,053	\$ 9,088	\$ 9,124	\$ 9,159	\$ 105,276
Total POA Budget		\$ 96,375	\$ 96,375	\$ 96,375	\$ 96,375	\$ 96,409	\$ 96,946	\$ 96,982	\$ 97,017	\$ 97,053	\$ 97,088	\$ 97,124	\$ 97,159	\$ 1,161,276
Cash position	\$ 88,113	\$ 88,938	\$ 89,763	\$ 90,588	\$ 91,413	\$ 92,204	\$ 92,458	\$ 92,677	\$ 92,860	\$ 93,007	\$ 93,119	\$ 93,196	\$ 93,237	\$ 93,237
Month Number		55	56	57	58	59	60	61	62	63	64	65	66	

Appendix C - The Reserve Marina and Marina Village Development Plan

DEFINING THE MARINA VILLAGE

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The Marina Village includes the area between Kiskadee Road and the Marina extending from Sapodilla Ridge on the South and the Estates on the north. The area includes the three mounds built from the excavation of the Marina.

MASTER PLAN HIGHLIGHTS

- Marina slips will be built out based on the anticipated marina traffic and on the boat types and sizes our marina is expected to attract
- Boat fueling capacity will be increased to enable fueling of larger vessels
- Paved roads, underground utilities and water will be delivered to the entirety of the marina village including the residential areas.
- Condominiums will be built between Kiskadee Road and Euphonia Road and along the waterfront of the Marina and the canal immediately below the mound leading toward the Beach Club.
- A restaurant will be built adjacent to the dining palapa at the Marina.
- Retail space along the waterfront toward the mound to the north (first waterfront condominium will be around the corner).
- Community pool on the Marina promontory extending toward Sapodilla lagoon with a day bar.
- Yacht club on the rectangular promontory extending into the basin toward Sapodilla Ridge.
- Community center on the mound closest to the fuel station with retail on the road to the top of the mound.
- Hotel on the mound to the north when the infra-structure can support

There are private residential lots between Euphonia Road and the Marina and on the mound closest to Kiskadee.

Currently, 24 of the 75 individual lots have been sold and several Marina Village lot owners are ready to build

INVESTMENT

- As this development is costly, significant additional funding is necessary as the forecasted cash flow will not support the simultaneous development of the residential areas and the marina village in a satisfactory time frame.
- It is understood that the property owners of the Reserve Development wish no outside developer investment involved. Therefore, every committed property owner will be given first right of refusal to fund and be an owner of the development of the Marina Village.
- The proposal is to extend an initial offering to fund \$20,000,000 USD offered to each Reserve lot owner based upon a formula of the lot purchase price (not any improvements).

Purchase Price of Lot / Total Purchase Price of all Sold Lots X \$20,000,000 USD

Note: The purchase price of all sold lots would only include the price of those lots whose owners wish to remain in the development (i.e. if an owner opts out they are not eligible to participate).

- If the \$20,000,000 is not fully funded, a second offering will be made to those purchasers proportional to their original investment.
- If not fully funded by the second offering, the balance will be open to investment by property owners of the Reserve without limitation of investment amount.

Below is an example with two Reserve lot owners. Lot owner #1 has a contract price of \$150,000 and owner #2 has a contract price of \$250,000

The assumption for this example is the total contract price for all lots is \$140,000,000

Owner	Lot Contract Price	First Round Investment
#1	\$150,000	\$21,430
#2	\$250,000	\$35,715

During the first round \$12,000,000 is raised. These owners now have the option to participate in proportion to their original investment. Both owners elect to participate

Owner	First Round Investment	Second Round Investment
#1	\$21,430	\$14,287
#2	\$35,715	\$23,810

During the second round an additional \$5,000,000 is raised.

For the third round, owners now can participate as much as they want until \$20,000,000 is raised. Owner # 1 declines to participate. Owner #2 decides to invest an additional \$10,000

Owner	First Round Investment	Second Round Investment	Third Round Investment	Total Investment
#1	\$21,430	\$14,287	0	\$35,717
#2	\$35,715	\$23,810	\$10,000	\$69,525

- Voting rights for purposes of electing a board of directors will be based on each owners' investment shares.
- It is understood that Eco Futures secured a \$4,600,000 loan with a portion of the property. Generally, this is in the area of the mound considered for the hotel. It is understood that the owner of this note, Mr. Gordon Barienbrock, is supportive of this development by the owners and will cooperate with this investment initiative.
- This initial Development Plan does not incorporate further advanced development projects such as the Yacht Club, hotel development and Community Center/ additional shops and expansion of the number of slips. It is anticipated that significant additional funds will be necessary once the initial phase is complete. What the development plan does include are detailed in this appendix.

1. Slips

- There are 55 slips completed (power and water). There are additional docks requiring power and water pedestals and/ or docking cleats. These will be completed rapidly giving us a total of 96 slips available for a mix of boat sizes and styles. When this is completed, we will be able to accommodate the following boat sizes and types:
 - Six 100 ft boats
 - Fourteen 60-foot range monohulled boats
 - Twenty-eight 45 to 50-foot boats
 - Eleven 30-foot boats.
- There are dual purpose slips which can accommodate 14 catamarans of the size commonly found in Belize waters or 28 smaller (45-50 ft) monohulled boats.
- Although we do not have the 250 boat slips that were advertised by Eco-Futures in their marketing campaign, we have adequate slips available for our needs, once the power and water pedestals are installed.
- As the need arises, we can then construct appropriate size slips to accommodate the sizes and boat designs determined by our marina experience. There is adequate room to reach the targeted 250 number of slips, if necessary.

2. Services

- A pump out station is necessary and integral to the plan for a sewage disposal system. The current sewage system is at maximum usage without the boat waste.
- A 10,000 gal. diesel storage tank, which will accommodate filling of six 60-foot sport fisherman boats. When necessary, additional storage capacity will be added, but not included in current development costs.

WASTEWATER TREATMENT

In addition to getting the Marina up and running efficiently, our primary developmental plan will be directed toward the infra-structure; finishing the restaurant and shops, beginning condominium construction and residential roads and utilities. Because of the proximity of the properties to each other and the proximity to the Marina, a central waste treatment is necessary. This is expensive with a total cost of \$3,500,000. The funding and construction can be accomplished in two or more phases, with the initial cost of \$2,000,000. Finishing this infra-structure will allow existing property owners to begin building which in addition to populating the condos, will provide a source of customers to the Marina Bar, restaurant and shops.

OTHER CONSIDERATIONS

- The Marina Village includes three hills created by the Marina excavation. These hills are subject to erosion which will be magnified when homes are built. The water with mud washes into the Marina slowly filling up the basin. Erosion from the hills is very noticeable on the main channel leading toward North Ridge. Therefore, a comprehensive water control system is required. This will need to be designed and constructed. A rough estimate for this system is \$500,000.
- The master plan of the Reserve called for an exercise facility which was to be located at the Marina in a Cabana type tent / wood structure. The cost for building the structure is \$75,000. Consideration for sharing the cost and operating expenses with The Reserve Development is appropriate.
- After the initial phase of populating the Marina Village necessary for success of the later development, attention will be directed toward maximizing access to North Long Coco Caye. A regularly scheduled ferry boat to service the island and provide economical transportation is a consideration.
- Once the initial phase is complete the yacht club and hotel will be developed.
- Currently, Eco-Futures owns several boats. There are two launches necessary for servicing the Marina and North Long Coco Caye. A ferry boat to service North Long Coco Caye and provide economical

- There are six electric Duffy boats. All but one is in disrepair. They were purchased primarily for sales purposes, but continued use is not practical. The recommendation is they be sold. They could be stored for future use. The batteries will need to be replaced if and when the development could justify their use as a water taxi service.
- There is an aging dive boat named Kanantik. The boat's engines require major work or replacement. The boat was purchased for sales tours and would be better off sold.
- The Marina needs a patrol / fire boat that can be used to control boat traffic, put out fires on boats and nearby structures and rescue sinking boats.
- Although separate properties, the property owners of The Reserve and The Marina Village share many things in common.
 - The owners in the Marina Village are members of Sittee River Wildlife Reserve.
 - Both developments use the same gates and roads for ingress and egress.
 - Although security is being budgeted through the Marina Development plan for the Marina Development, security also applies to the waterways which will be patrolled by a Marina boat.
 - The Reserve residential canals flow into the Marina.
 - If the exercise gym facility is built on the Marina property as initially promised, it should be open to all members of the greater Reserve.
 - Public lighting and safe roads are necessary for the safety of all members of the greater Reserve. Consideration should be given for a common POA including both the Reserve and residents of The Marina Village.

INCOME

Slip Rental

Many owners were given contracts allowing rental of boat slips at \$8.00 per foot per month plus power and water. Currently the average size boat is being charged \$7.00 per foot per month. It is anticipated the \$8.00 per foot per month will become standard when the Marina is more complete. Eventually, the transient fee may increase, but for planning purposes, the \$8.00 fee will be used. When the current slips are 50% rented at \$8.00 per foot per month with an average boat length of 40 feet, \$15,360 per month will be generated, totaling \$184,320 per year. Additionally, the cost of power and water paid for their boat slip usage will offset some of our operating expenses.

Marina Bar and Restaurant

It is anticipated that the Marina Bar will be opened as soon as this plan is initiated. An operating loss is anticipated for the first year, but it is considered that returning traffic to the Marina is essential for further development of the Marina Village. The Marina Restaurant requires building of the kitchen facility on the shore and refurbishing of the dining facility to include flooring and rails as well as roof thatch repairs. It should not be considered operational until one-year post initiation of this plan. Profit from the bar and restaurant is not considered at this time. The value of the Bar and Restaurant is to become a focal point for the Marina Development. Eventually, the desire is for an independent operator to sign a triple net lease.

Shop Rental

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In addition to the shops being built adjacent to the restaurant, the building on the dock lends itself to a dive shop on the back side and a boaters' convenience store / tackle shop. Tours can be operated out of the Marina office by contracting with tour operators (waterfalls, cave tubing, Mayan ruins, snorkeling, diving, etc.) for a fee. The shops near the restaurant could house a resale office for the Reserve, a spa (hair, nails, facials, etc.) and other appropriate businesses. It is anticipated that these businesses would be leased on a triple net lease basis.

Grocery Store / Fuel Station

The details of the grocery store / fuel station arrangement are unknown, but they need to be renegotiated with the current operator or with a new operator. As many owners know, fuel is not always available, and the grocery selection is poor. Requirements for fuel availability and grocery selection must be imposed as a requirement of a triple net lease. Expansion of the grocery building will be necessary in the future.

Marina Services

All providers of services to the Marina must be vetted for quality of work and honesty. Prices for work will be determined by the Marina and the Marina will take a portion of the fee for all work performed; probably 10% of gross. This will ensure quality work as well as a published fee for work to be performed. It will be the responsibility of the Marina manager to ensure the work is being properly and fairly done. These services would include bottom cleaning, bright work (varnishing and polishing), boat repair, mechanical work, etc. Since we are a sensitive ecological preserve, this will prevent improper disposal of waste material and contaminants. A small profit will be realized from these services.

Land Sales

There are 75 single family building sites in the Marina Village, 24 of which are sold. The receivables for the sold lots must be released to The Marina Village Development Company. Marketing of The Marina Village must start as soon as construction begins so that a tangible reality can be appreciated. The selling price of the remaining lots average approximately \$500,000 for a potential income of approximately \$25,000,000 before marketing costs. Some income will be derived from down payments and some from term financing.

Condominium Sales

There are 116 condominium planned; forty at the waterfront and seventy-six between Kiskadee and Euphonia Roads. These will cost approximately \$52,500,000 to build and generate approximately \$88,740,000 in sales with an average selling price of \$765,000/unit. Marketing may cost as much as 20%. There may be an opportunity for investor provided financing to help spur condominium sales.

Hotel

This stage of development will be later as it is necessary to have a vibrant Village scene with shops, restaurant, bar. Charters and tours available. It is anticipated that this will be a build to suit development with a triple net lease.

Charters and Tours

The tours will initially be available through the Marina office and sub contracted for a small fee. In the longer term, it is anticipated that regular ferry service to North Long Coco Caye will be initiated to service the island and provide reasonably priced transportation. A roro ferry (a ferry on which an ATV with trailer and supplies could drive on and off) with a safe docking place on the island is envisioned. The ferry would have a passenger seating area and could have a bar. It would also be used to bring food and drink to the island for the day's enjoyment.

OPERATING PLAN AND BUDGET (Stated in USD)

MAINTENANCE AND STAFFING	Cost/Year
Open bar immediately, anticipate loss first year, \$100/day	\$ 36,500
Power and Water one year	\$ 120,000
Boat maintenance, two launches and fire / patrol boat, one year	\$ 30,000
Boat fuel including to service island	\$ 50,000
Security for Marina Village, six officers	\$ 64,800
Marina manager	\$ 21,600
Dock man	\$ 6,600
Boat Captain	\$ 21,600
Landscaping person	\$ 6,600
Cleaning person	\$ 6,000
GST (12.5%)	\$ 15,900
Social Security (5.625%)	\$ 7,155
TOTAL YEARLY OPERATING COST	\$ 386,755

CONSTRUCTION AND DEVELOPMENT PLAN

Month One

ACTIVITY	COST (USD)	COMPLETION TIME
SURVEY	\$56,250	3 months
BEGIN SEWAGE TREATMENT PLANT CONSTRUCTION	\$2,000,000	3 months
COMPLETE WATER TO VILLAGE AND CONDOS	\$200,000	3 months
BEGIN WATER DRAINAGE SYSTEM	\$500,000	6 months
ELECTRICITY FOR VILLAGE AND CONDOS	\$750,000	9 months
RESTAURANT BUILD	\$700,000	10 months
VILLAGE SHOPS BUILD	\$450,000	10 months
COMPLETE PEDESTAL INSTALLATION ON DOCKS	\$52,000	2 months
RE DO CURRENT BATHING FACILITIES	\$30,000	2 months
NUMBERING FOR DOCKS	\$20,000	1 months
FISH CLEANING STATION WITH FREEZER	\$20,000	2 months
FIRE / PUMP/ PATROL BOAT APPROX. 25 FEET	\$40,000	3 months
BEGIN FIRST WATERFRONT CONDO (8 UNITS)	\$3,500,000	10 months
TOTAL COST	\$8,318,250	

MONTH FOUR

ACTIVITY	COST	COMPLETION TIME
SEWAGE PUMP OUT STATION FOR BOATS	\$50,000	2 months
TOTAL COST	\$50,000	

MONTH SEVEN

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ACTIVITY	COST	COMPLETION TIME
RESTAURANT FLOORING AND RAILS	\$300,000	3 months
RE THATCH RESTAURANT	\$40,000	1 month
GENERATORS	\$50,000	2 months
TOTAL COST	\$390,000	

MONTH EIGHT

ACTIVITY	COST	COMPLETION TIME
DINGY DOCK	\$10,000	2 months
TOTAL COST	\$10,000	

MONTH TEN

ACTIVITY	COST	COMPLETION TIME
PARKING LOTS	\$30,000	2 months
PAVE ROADS	\$2,000,000	4 months
FUEL STATION RENOVATION	\$300,000	4 months
SUNDRY RENOVATION	\$35,000	3 months
BATH FACILITIES FOR A&B DOCKS	\$150,000	4 months
BUILD OUT TWO REMAINING YERTS	\$150,000	3 months
TOTAL COST	\$2,665,000	

MONTH ELEVEN

ACTIVITY	COST	COMPLETION TIME
BEGIN 2ND WATERFRONT CONDO - 6 UNITS	\$2,600,000	8 months
BEGIN 1ST PHASE OF KISKEDEE CONDO - 3 BLGS	\$5,250,000	12 months
TOTAL COST	\$7,850,000	

MONTH TWENTY

ACTIVITY	COST	COMPLETION TIME
COMMUNITY POOL	\$450,000	2 months
COMMUNITY POOL DAY BAR	\$100,000	4 months
LANDSCAPING	\$175,000	4 months
TOTAL COST	\$725,000	

WHEN DEMAND FOR ADDITIONAL SHOPS AND DEVELOPMENT IS DETERMINED

ACTIVITY	COST	COMPLETION TIME
BUILD OUT CONDO/SHOP BLG NEAR YACHT CLUB	\$1,800,000	8 months
COMPLETE SEWAGE MANAGEMENT SYSTEM	\$1,500,000	6 months
TOTAL COST	\$3,300,000	

TOTAL START UP COSTS PLUS FIRST YEAR OPERATING EXPENSES \$20,395,005 USD

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This plan calls for an initial funding of \$20,000,000 allowing for approximately 7.5% of funding to cover unexpected needs. Additional funding may be needed; however, as sales return, future costs should be covered by this means. Additionally, there should be some income from the previously sold properties if the receivables are turned over to this development.

The Reserve Owner Support Group

Owners' Proposal for Future Operations and Development at The Reserve

Executive Summary

Plan Fundamentals

- The Owners' Plan allows for restructuring of operations and development of The Reserve.
- The restructuring goal is for owners to be responsible for all aspects of operations and development, with Receiver oversight as necessary.
- The plan will be administered and overseen by an independent, owner elected Property Owners' Association Board (POA) which will continually seek input from its owner constituents.
- Eco-Futures Belize (EFB) and Sittee River Wildlife Reserve (SRWR) will remain in the Receiver Estate. EFB will continue the role as the developer and SRWR as the conservator.
- A skilled general manager will be hired to administer the day to day activities of the plan and report regularly to the POA.
- Operating procedures and financial statements for the POA, EFB & SRWR will always be transparent and open for review by the Receiver, the FTC the US District Court and lot owners.
- For residential area development, the plan depends on the monthly cash flow from collection of lot owner receivables, which at the time of the FTC action was \$78M and generated monthly cash flow of \$600k
- The Marina and Marina Village development will depend on funds provided by owner investors.
- The Owners' Plan will deliver on the promises of the past and finish The Reserve Development.

Operations, Security and Maintenance

- These functions will be paid for by the resumption of POA maintenance fees
- EFB portion of expenses will be funded by the Receiver from funds available in the Receiver Estate.
- The functions will be broken down into specific operating areas each with their own budgetary responsibility

Residential Area Development

- Lot owners who opt-in will begin to make their lot payment immediately.
- The plan will complete the residential architecture as quickly, efficiently, and cost effectively as possible.
- The plan contains a logical timeline for completing the development of the residential areas in 3 ½ years based on forecasted cash flow from the payment of lot owner receivables.
- Planned development of additional promised amenities will occur after the basic residential infrastructure is completed.
- Owner support functions such as lot accounting, owner communication and real estate management services will be deployed.

Marina and Marina Village Development

- The Marina and marina village have substantial value that is not currently being realized.
- The monthly forecasted cash flow from lot owner payments does not support the simultaneous development of the residential areas and the marina and marina village.
- Owners will have an opportunity to become investors in the marina and village with an initial offering targeted at \$20M.
- The marina will be developed based on historic and anticipated economic patterns and boat traffic based on the marina geography.
- The marina village will be built out to a world class standard with shopping, dining and residential areas.

This plan, if accepted by the court, provides the most effective way forward for current owners, former owners with terminated contracts and others who paid funds with specific contract performance provisions and were not reimbursed. The plan provides for a consistent and logical model for developing the residential areas and the marina and marina village. The plan provides incentive for all owners, both current and former to opt-in. This plan is the most effective for maximizing owner receivables, minimizing both the number of claimants and the value of the claims.