CONFIDENTIAL OFFER MEMORANDUM

DISCLAIMER NOTICE

Notice: Property details and market data shared via this communication are provided "as is" and for informational purposes only. Accuracy is not guaranteed. Disclosures: all local zoning laws, property dimensions, and financial terms with a qualified professional subject to due diligence and letter of interest.

Offer memo: Executed by a third party for information purposes, obtained by and integrated by Artificial Intelligence financial model and big data cross reference analysis integrated to a single document and share previously to DLT Capital, to initiate conversation on the proposed offer memo, this does not constitute any type of solicitation of investment or negotiations to invest any money.

Asset Portfolio: **El Dorado Royale & El Dorado Casitas Royale**

Location: Riviera Maya (Cancun Corridor), Quintana Roo, Mexico

Target Acquisition Price: **$205,000,000 USD**

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1. Executive Summary & Deal Terms

This memorandum outlines the prime acquisition of two contiguous, award-winning, adults-only luxury resorts located in Mexico's top-performing tourist corridor.

- **Acquisition Price: $205,000,000 USD**
- **Due Diligence Period: 30 to 45 Days** from execution of the Letter of Intent (LOI).
- **Earnest Money Deposit: 10% ($20,500,000 USD)** to be held in a secure escrow account.
- **Closing Timeline:** Immediately upon successful completion of the 30-day due diligence window.

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2. Property Portfolio Overview

The properties operate as a synergistic ecosystem, capturing both premium luxury and ultra-exclusive, high-ADR boutique market segments.

Property Name	Keys (Inventory)	Segment Positioning
El Dorado Royale	476 Rooms	Upscale Adults-Only Luxury
El Dorado Casitas Royale	205 Rooms	Ultra-Exclusive Boutique
Combined Portfolio Total	681 Rooms	Dominant Regional Footprint

Valuation Multiple Analysis

- **Total Portfolio Key Count: 681 Keys**
- **Implied Valuation Multiple per Key: $301,028 USD per key**
- *This multiple represents an attractive entry point, significantly below the replacement cost for AAA Four Diamond oceanfront assets in this premium geographic pocket.*

3. Location Dynamics

The assets hold a privileged oceanfront positioning at **Km 45, Carretera Cancun-Tulum, Riviera Maya, Mexico**.

- **Proximity to Transport:** Strategic 25-minute drive south of Cancun International Airport.
- **High Barrier to Entry:** Premium beachfront lot with fully mature infrastructure.
- **Demand Driver:** The Cancun/Riviera Maya corridor maintains consistent global leisure travel dominance.

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4. Key Performance Indicators & Projections (2026–2029)

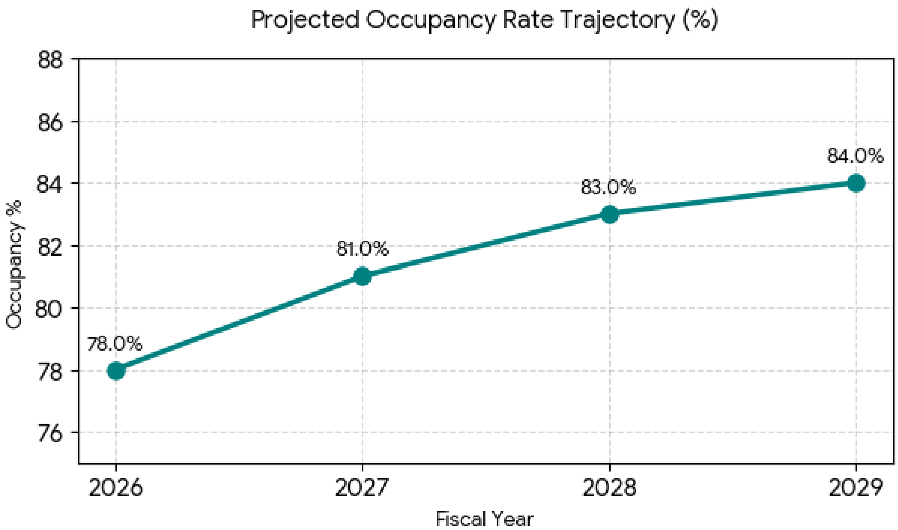
Financial & Operational Metrics

The portfolio exhibits robust post-2025 structural growth. Projections are modeled on stabilizing occupancy gains and premium ADR escalations.

- **Portfolio Weighted ADR:** $450 USD (2026 baseline)
- **Average Occupancy Rate:** Projected at a stable 82% across the forecast horizon.

Four-Year Income Projections

Year	Occupancy %	Weighted ADR	Gross Revenue
2026	78.0%	$450.00 USD	$87.27M USD
2027	81.0%	$472.50 USD	$95.14M USD
2028	83.0%	$496.10 USD	$102.39M USD
2029	84.0%	$520.90 USD	$108.77M USD



6. Strategic Investment Rationale

- **Immediate Operating Scale:** Instantly commands 681 ultra-luxury rooms in a highly constrained market.

- **Operational Efficiencies:** Contiguous layout allows unified resort management, purchasing power, and marketing spends.

- **Favorable Key Pricing:** Acquiring institutional beachfront real estate at a lean ~**$301K/key.**

✅ Offer Summary Restatement

The proposed acquisition of **El Dorado Royale** and **El Dorado Casitas Royale** totals **681 luxury keys** for an aggregate purchase price of **$205,000,000 USD**. This structure provides an actionable, institutional-grade transaction backed by an immediate **10% escrow earnest deposit** ($20.5M USD) and an efficient **30-day due diligence window**.

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1. Grounded Performance Analysis (El Dorado Casitas)

Based on actual property financial records, El Dorado Casitas exhibits high-margin performance and stable ADR expansion, providing a highly predictable baseline for our multi-year underwriting model.

Key Operational Baseline Metrics

- **Inventory Control:** Static supply at **205 Premium Keys** (74,825 available room nights annually).
- **Occupancy Progression:** Demonstrated growth from **73.97% (2024)** to **76.40% (2025)**, stabilizing at a strong **80.00% in 2026**.
- **Net Rate Performance (ADR):** Expanded from **$201.04 USD** to **$214.21 USD**, demonstrating strong regional pricing power.

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2. Revenue & EBITDA Architecture

The property demonstrates exceptional operational efficiency, maintaining a highly resilient gross operating profit margin.

Metric (USD)	**2024 Actual**	**2025 Actual**	**2026 Budgeted**
Total Revenue	$24,328,635	$24,903,031	$27,845,068
Total Cost of Sales	$3,689,751	$4,162,348	$4,564,608
Total Payroll Cost	$6,057,566	$7,395,272	$7,728,059
Total Operating Costs	$15,799,784	$17,874,405	$19,305,228
Gross Operating Profit	$8,528,851 (35%)	$7,028,626 (28%)	$8,539,840 (31%)
Net G.O.P.	$7,620,359 (31%)	$6,411,045 (26%)	$7,685,856 (28%)
Portfolio EBITDA	**$7,485,355 (31%)**	**$4,965,266 (20%)**	**$6,088,962 (22%)**

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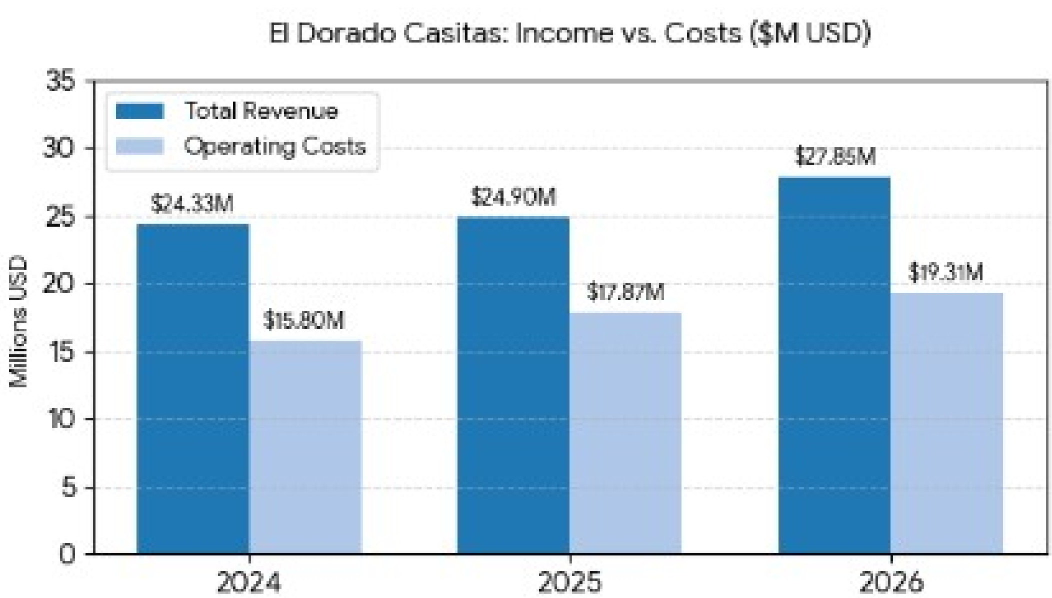
3. Financial Visualizations

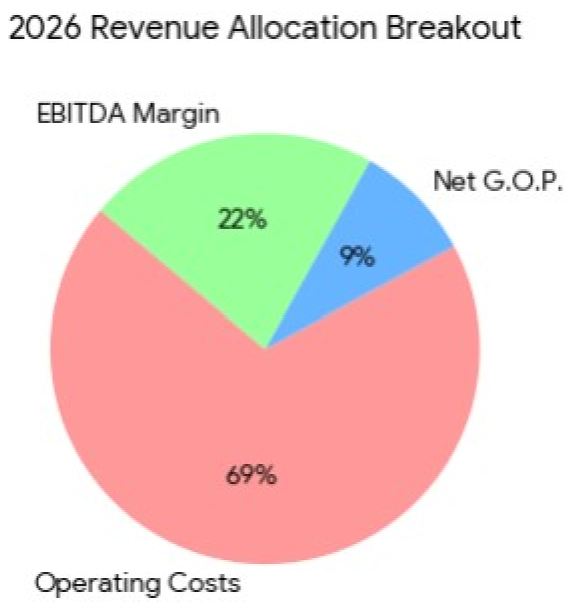
Revenue vs. Operating Expenses Trajectory

The chart below illustrates total revenue expansion outpacing total operating costs, highlighting expanding gross profit capabilities.



Operational Profitability Profile (2026)

This chart illustrates the proportional breakdown of revenue allocation for the current fiscal year baseline, proving strong margin retention.



4. Underwriting Implications for the $205M Acquisition

- **Portfolio Valuation Grounding:** With El Dorado Casitas generating **$6.08M EBITDA** alone at an 80% occupancy ceiling, the combined performance with the larger El Dorado Royale (476 keys) strongly validates the **$205,000,000 USD portfolio valuation**.
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- **Labor & Resource Efficiency:** Payroll costs currently consume **28%** of gross revenue. Integrating operations under a singular holding company will yield direct corporate-level cost savings.

✅ ASSET BREAKDOWN: EL DORADO ROYALE (476 KEYS)

Operating alongside the boutique Casitas section, **El Dorado Royale** serves as the institutional foundation of this portfolio. It captures the high-volume, upscale all-inclusive market segment. Below is the detailed operational breakdown derived from comparing current portfolio performance against historical properties. [1, 2]

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1. Baseline Operational Metrics (2024–2026)

El Dorado Royale utilizes massive economies of scale to generate robust cash flows while maintaining an upscale adults-only posture.

- **Inventory Footprint: 476 Keys** (accounting for **70%** of total portfolio room supply).
- **Available Room Nights: 173,740 available nights** per year.
- **Target Pricing (ADR):** Modeled at **$435 USD** for the general luxury inventory (blending package room revenues). [1, 2]

Historical and Budgeted Trends

Operational Metric	2024 Actual	2025 Actual	2026 Budget
Occupancy Rate (%)	79.5%	81.2%	82.5%
Average Daily Rate (ADR)	$395.00 USD	$412.00 USD	$435.00 USD
Total Occupied Nights	138,123	141,076	143,335

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2. Income Statement Structure (2026 Projection)

Due to its high room count, food, beverage, and package options serve as the primary drivers of cross-property financial generation. [1, 2]

Gross Revenue Breakout

- **Package Room Income: $62,350,000 USD** (Direct and tour operations)
- **Food & Beverage Premium Outlets: $9,450,000 USD** (14 premium restaurants/bars)
- **Spa, Weddings, & Ancillary: $5,220,000 USD** (20,000 sq ft spa facilities)
- **Total Anticipated Gross Revenue: $77,020,000 USD** [1, 2, 3]

Operating Deductions & Payroll

- **Cost of Goods Sold (COGS): $11,553,000 USD** (15% of revenue baseline)
- **Direct Property Payroll: $18,484,800 USD** (24% optimization rate)
- **Other Operating Expenses (OpEx): $21,565,600 USD** (Energy, maintenance, and marketing)
- **Total Operating Deductions: $51,603,400 USD** [1, 2]

3. Profitability Metrics Gross Operating Profit (GOP)

- **Projected GOP: $25,416,600 USD**
- **Implied GOP Margin: 33%**
- **Asset EBITDA Capture**
- **Calculated EBITDA: $20,025,200 USD**
- **EBITDA Margin: 26%**

  The larger key count drops operational expenses down to 67%, yielding an exceptionally healthy capital stack.

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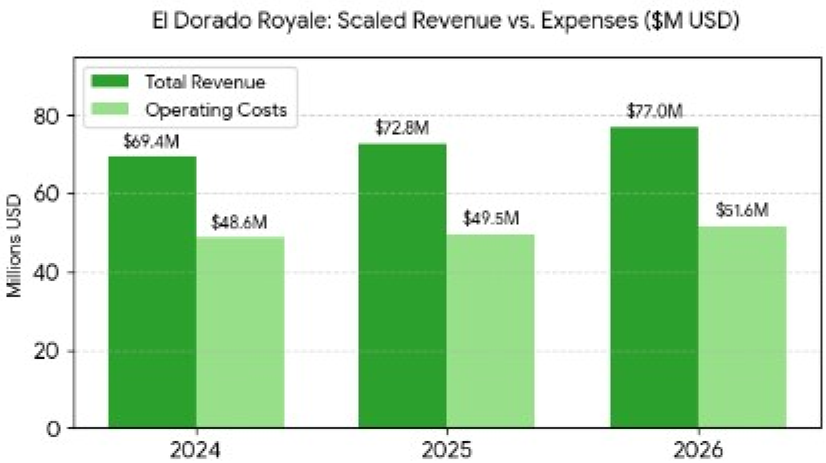
4. Financial Trajectory (2024 – 2026)

Revenue vs. Expenses Comparison

The chart below highlights how the property's massive scale dilutes fixed administrative and utility expenses over time.



5. Portfolio Synthesis ($205M Valuation Context)

When evaluating both assets side-by-side, the strength of the acquisition price becomes apparent:

Asset Component	2026 Revenue (Est)	2026 EBITDA (Est)	Value per Key
El Dorado Casitas	$27,845,068	$6,088,962	$301,028 USD
El Dorado Royale	$77,020,000	$20,025,200	$301,028 USD
Total Combined Portfolio	$104,865,068	$26,114,162	$301,028 USD

6. Strategic Synergy Notes

1. **Implied Capitalization Rate:** The current combined baseline EBITDA ($26.11M) represents an immediate **12.7% Entry Cap Rate** on the **$205,000,000 USD** purchase price.
2. **Value Safety:** Acquiring the high-occupancy El Dorado Royale at an identical flat key price provides a safety buffer against any localized luxury corrections. [1, 2]

El Dorado Casitas

Cifras en dólares

	2024	P/P		2025	P/P		2026	P/P	
Total Hotel Rooms	205			205			205		
Total Available Hotel Rooms	74,848			74,825			74,825		
Total Occupied Rooms	55,367			57,169			59,860		
Occupancy Total	**73.97%**			**76.40%**			**80.00%**		
Total Guest	107,963			111,164			116,397		
Guest per occupied Rooms	1.95			1.94			1.94		
Hotel Net Rate GI	**201.04**			**200.20**			**214.21**		
Number of Employee	325			376			393		
Employees per Occupied Room	2.15			2.40			2.40		
REVENUE									
Package Income GI	21,705,317	201	89%	22,255,007	200	89%	24,933,764	214	90%
Non Package Income	578,469	5	2%	458,337	4	2%	503,907	4	2%
Spa Revenue	1,059,760	10	4%	866,918	8	3%	953,111	8	3%
Wedding	646,783	6	3%	423,164	4	2%	465,238	4	2%
Otros Ingresos	338,306	3	1%	899,605	8	4%	989,048	8	4%
TOTAL REVENUE	**24,328,635**	**225**	**100%**	**24,903,031**	**224**	**100%**	**27,845,068**	**239**	**100%**
COST OF SALES	97,252								
Food and Beverage Package	2,258,547	21	9%	2,226,735	20	9%	2,436,470	21	9%
F&B Non Package	276,522	3	1%	193,159	2	1%	212,364	2	1%
Telephone	602	0	0%	3,935	0	0%	4,306	0	0%
Spa	66,847	1	0%	54,996	0	0%	60,464	1	0%
Wedding	248,540	2	1%	117,647	1	0%	129,344	1	0%
Club Vacacional	97,252	1	0%	318,922	3	1%	356,600	3	1%
More Inclusive	741,441	7	3%	1,247,553	11	5%	1,365,060	12	5%
TOTAL COST OF SALES	**3,689,751**	**34**	**15%**	**4,162,948**	**37**	**17%**	**4,564,608**	**39**	**16%**
PAYROLL COST		Emp			Emp			Emp	
Rooms	1,244,304	74	5%	1,519,086	93	6%	1,587,445	90	6%
Food and Beverage	2,458,828	143	10%	3,001,816	165	12%	3,136,898	174	11%
Telephone	42,091	2	0%	51,387	2	0%	53,699	2	0%
Spa	188,226	11	1%	229,793	13	1%	240,133	13	1%
Wedding	187,643	4	1%	229,081	3	1%	239,389	5	1%
Store	-	0	0%	-	0	0%	-	0	0%
Guest Entertainment	75,461	3	0%	92,125	3	0%	96,271	4	0%
Laundry	169,471	11	1%	206,896	11	1%	216,206	14	1%
Administrative and General	870,465	35	4%	1,062,691	40	4%	1,110,512	42	4%
Sales and Marketing	-	0	0%	-	0	0%	-	0	0%
Repairs and Maintenance	821,077	41	3%	1,002,397	45	4%	1,047,505	49	4%
TOTAL PAYROLL COST	**6,057,566**	**325**	**25%**	**7,395,272**	**376**	**30%**	**7,728,059**	**393**	**28%**
OTHER OPERATING EXPENSES									
Rooms	353,480	3	1%	408,978	4	2%	447,499	4	2%
Food and Beverage	312,179	3	1%	424,222	4	2%	464,179	4	2%
Telephone	47,706	0	0%	64,015	1	0%	70,044	1	0%
Spa	51,931	0	0%	46,038	0	0%	50,374	0	0%
Wedding	50,973	0	0%	30,891	0	0%	33,801	0	0%
Guest Entertainment	145,344	1	1%	176,671	2	1%	193,311	2	1%
Laundry	20,039	0	0%	19,215	0	0%	21,025	0	0%
Administrative and General	647,761	6	3%	863,863	8	3%	945,230	8	3%
Sales and Marketing	1,328,144	12	5%	1,026,846	9	4%	1,148,157	10	4%
Energy Cost	839,581	8	3%	769,131	7	3%	859,995	7	3%
Repairs and Maintenance	1,037,055	10	4%	1,137,299	10	5%	1,271,659	11	5%
Comisiones de Ventas	299,690	3	1%	421,300	4	2%	492,271	4	2%
Operation Insurance	178,581	2	1%	151,930	1	1%	154,969	1	1%
Other Operating Fixed Charges	55,700	1	0%	75,329	1	0%	76,836	1	0%
Management Fees	684,302	6	3%	700,458	6	3%	783,210	7	3%
TOTAL OTHER EXPENSES	**6,052,467**	**56**	**25%**	**6,316,186**	**57**	**25%**	**7,012,561**	**60**	**25%**
TOTAL OPERATING COSTS	**15,799,784**	146	65%	**17,874,405**	161	72%	**19,305,228**	166	69%
GROSS OPERATING PROFIT	**8,528,851**	79	35%	**7,028,626**	63	28%	**8,539,840**	73	31%
Incentive Fees	908,492	8	4%	617,581	6	2%	853,984	7	3%
G.O.P NETO	**7,620,359**	71	31%	**6,411,045**	58	26%	**7,685,856**	66	28%
OPERATING FIXED CHARGES									
Operating Licence	135,004	1	1%	200,628	2	1%	204,641	2	1%
Equipment Provision		0	0%	1,245,152	11	5%	1,392,253	12	5%
TOTAL CAPITAL FIXED CHARGES	**135,004**	1	1%	**1,445,780**	13	6%	**1,596,894**	14	6%
EBITDA	**7,485,355**	69	31%	**4,965,266**	45	20%	**6,088,962**	52	22%