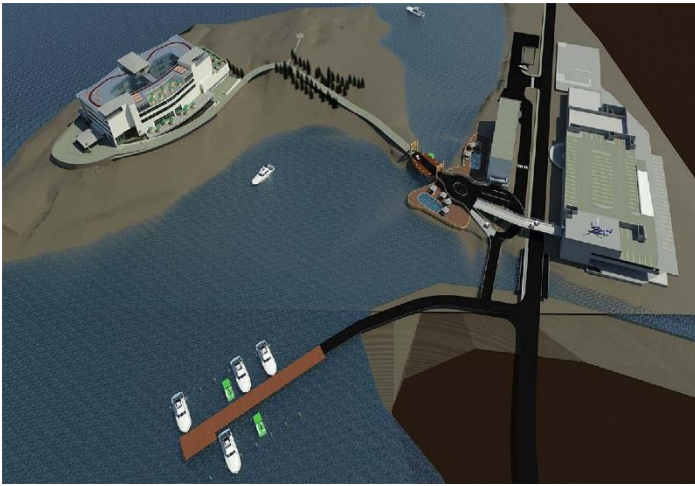


Hotel Isla de Roque Barceloneta, Puerto Rico

\$6.2M Sr. Debt Request – 30% LTV

October 2018



REQUESTED:

\$6.2M IN DEBT FOR \$18.9M PROJECT (33% LTV)

Interested parties please contact:



CBO FINANCIAL

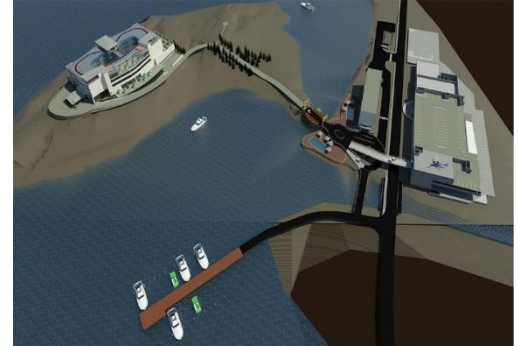
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Executive Summary

GOALS: 1) To secure \$6.2M in senior debt for the Hotel Isla de Roque project in Barceloneta, Puerto Rico that will be part of a capital stack that is expected to include New Markets Tax Credits and Puerto Rico Tourism Tax Credits, and; 2) to secure a project developer and/or hotel operator; a third-party feasibility study will be commissioned in the near future.

PROJECT: An 80-room hotel, 10 villas and a restaurant are planned on a small island known as “Isla de Roque” or Island of Rock.

SPONSOR: The project sponsor to date is Hollow Core Slabs of Puerto Rico (HCSPR), which provides the full spectrum of planning, design, development, construction and construction management services to clients throughout Puerto Rico including major retail, office, parking structures, hotels, residential, commercial and governmental. As self-performing contractor / developer, HCSPR is a “one stop shop” with the ability to take any real estate development project from concept all the way throughout completion by providing the full spectrum of planning, design, development, construction and construction management services. Its President, C.E.O. and stockholder is Mr. Ruben Ortiz Galarza, PE, who has had a leadership role in construction of over 4,000 structures on the island. HCSPR desires to be the contractor to construct the facilities and is flexible thereafter with respect to a development and/or operations partnership or outright sale.



SITE: Isla de Roque, Barceloneta, Puerto Rico; latitude/longitude: 18.48967735, -66.56160521, Census Tract #72017590100, with a 40 % poverty and a 15.9% unemployment rate.

BENEFITS: Expanding tourism has been identified by the Puerto Rican government as a top priority for stimulating storm recovery and economic growth. It is estimated the project will create 191 construction jobs and 104 permanent, full time jobs for operations.

STATUS: Site control is in place in the form of fee simple ownership of properties on the “mainland” and a 90-year lease from the Municipality of Barceloneta for Isla de Roque at \$1 per year and an area on the mainland for parking for \$18K annually. An independent market study is in process.

SOURCES & USES OF FUNDS:

Hotel Isla de Roque Sources & Uses of Funds		
Sources		
New Debt (conventional, PACE)	28.9%	\$ 6,161,042
Sponsor Equity	15.0%	3,200,000
PR Tourism Tax Credit - Act 74	22.1%	4,728,125
NMTC Equity	34.0%	7,258,056
Total sources	100.0%	21,347,222
Uses		
Project Budget - Hotel Isla de Roque	88.6%	18,912,500
Legal & accounting	1.4%	300,000
NMTC fees	10.0%	2,134,722
Total Uses	100.0%	21,347,222

For additional information, please contact: James Badgley, CBO Financial
jbadgley@cbofinancial.com | (562) 343-7637

A full financing request packet is available at: <https://1drv.ms/b/s!AsVSUXkA6d83huliU27j97gHtZQLGw>