



# CUMBUCO INTERNACIONAL

*A Luxury Resort Destination*

Ceará, Brazil

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Executive Summary | January 2, 2014



Investment opportunities in Cumbuco Internacional are offered by Americas Bridge International, LLC, through participation in Americas Bridge International Fund I. Investment information, including descriptions of risks, projected returns and details of participation are included in the Project Summary and Confidential Offering Memorandum. This Executive Summary is for initial informational purposes only, and is not an invitation or solicitation to invest in Cumbuco Internacional or in Americas Bridge International Fund I. The Investment Offering is made solely through the Confidential Offering Memorandum. For more information, please contact Americas Bridge International, LLC.

## **Cumbuco Internacional**

### **Executive Summary**

Cumbuco Internacional (the “Project”) is a luxury resort private residence and condominium hotel development near the capital city of Fortaleza, in the northeast State of Ceará, Brazil.

The Project is to be developed by Americas Bridge International LLC, (ABI) a Delaware limited liability company. The principals of ABI have extensive experience in resort, hotel, condominium and multi-family development, construction, marketing, sales and operations management. ABI Principals and other members of the senior management team will relocate to northeast Brazil to oversee the development of the Project and to coordinate its marketing, sales, compliance and operations.

ABI has been researching opportunities in Brazil for more than four years and its team has visited and researched more than forty possible development projects in the region. ABI believes Brazil presents a safe and exciting opportunity for real estate investment, development and management due to its current economic growth (7<sup>th</sup> largest economy in the world), stable government, growing middle class and emerging presence as a cultural and economic powerhouse on the world stage. ABI has targeted the northeast region in particular due to the availability of exceptional development sites, its emergence from the development “frontier” status to a center for domestic and international tourism and commercial investment and growth. Pecem – a commercial port 40 km north of Fortaleza is now poised to become a world-class integrated manufacturing hub. Brazil has become an attractive destination for significant global events including the 2013 World Cup and 2016 Summer Olympics.

Cumbuco Internacional is a planned luxury destination situated in a two water front plot, 30km (about 16 miles) from the Fortaleza International Airport, with ocean and lake fronts at the world-renowned Cumbuco Beach. The project features high quality design and construction combined with a low - density concept, aiming for a high quality standard of living. The project was conceived with the premise of creating something new, environmentally friendly, which is not seen as a product, but as a leisure destination that will revolutionize the market. Our goal is to provide low population density, offering our residents different niche markets with unique experiences; tailored to their individual interests and aspirations, all in the same destination. Cumbuco Internacional is a destination that will enchant and delight people from around the globe. Our vision is an environment that suits families, children of all ages, sports enthusiasts, athletes, and individuals that maintain a desire for the jet-set lifestyle, to those seeking a more peaceful and tranquil setting.

ABI has extensive legal, development and family relationships in Brazil, and will partner with international legal and tax representation along with key local individuals and companies to ensure efficient permitting, development, operations and compliance. ABI intends to establish Brazilian development and management companies to serve the Cumbuco project, as well as future commercial, residential and lodging projects it has planned in the region. Through their years of research and relationship-building, ABI principals have determined that the northeast Brazilian region thirsts for the building and design, hospitality management and human resource development techniques in which the ABI team excels, and which gives it a strong competitive advantage in the target marketplace.

ABI is currently raising capital for Americas Bridge Fund 1, LLC, a Delaware LLC (the “Fund”). The Fund has been created to develop phase one of the project, which includes beachfront parcels of land consisting of 34 Private Residences and a 296-unit Resort Condominium Hotel (the “Property”). ABI’s target equity capitalization is US \$14 Million, which is the capital required to complete the purchase of the land and fund construction costs. If you are a Accredited US resident investor (as defined by the SEC rules) or a qualified international investor and would like to learn more about the investment opportunity, please contact ABI to request a copy of the Project Summary and Confidential Offering Memorandum.

## Americas Bridge Fund I Highlights

Americas Bridge International LLC (ABI) is a real estate investment and development company formed to manage investments in real estate projects in Brazil.

### *Investment Fund*

ABI is currently raising capital for Americas Bridge Fund I, LLC, a Delaware LLC.

**Capitalization:** \$14 million

**Min. Investment:** \$200,000

**Max Investment:** \$5 million

*Membership interests will only be offered to accredited investors pursuant to Regulation D of the Securities Act of 1933.*

### *Purpose of Fund*

The Fund has been created to develop beachfront parcels of land consisting of 34 Private Residences and a 296-unit Resort Condominium Hotel collectively called "Cumbuco Internacional" (the "Property").

The Fund will focus on three key investment criteria:

1. Management Team
2. Market Opportunity
3. Growth potential for above average returns.

### *Projected Returns on Investment*

Targets 15% annual rate of return with likely case ROI of 18% +

### *ABI Principals*

ABI Principals have 110 years of relevant experience in real estate development, investment and project management.

### *Brazilian Partners*

The Fund Managers have local partners with award-winning experience designing and developing real estate projects throughout Brazil.

## The Macroeconomic Case for Brazil

Brazil boasts favorable macroeconomic conditions, which have contributed to the country becoming the second largest destination for foreign direct investment (FDI) in emerging markets, including:

- **Market Size & Location:** Brazil is the largest country in South America, the world's fifth-most populous nation and shares borders with every other South American nation except Chile and Ecuador.
- **Resource-Rich and Diversified Economy:** Brazil's economy is characterized by well-developed agriculture, mining, manufacturing and service sectors.
- **Consistent GDP Growth:** Brazil has well-developed diverse economic sectors and the economy is larger than all the other South American countries combined. The IMF has projected an annual growth rate of 2.50% for Brazil in 2014. Brazil has more than US \$ 364 B in reserves, 7<sup>th</sup> largest in the world. Brazil is the 7th largest economy in the world in terms of GDP.
- **Sound Government Policies:** Pro-market reforms in the last decade have led to historically high international reserves, a stable currency and steadily declining inflation rates.

Two major international events in the country – the 2014 Soccer World Cup and the 2016 Olympics – are helping to encourage even more foreign direct investment.

In 2012, more than \$65 billion of FDI flowed into Brazil, an increase of over 44% from 2011. (UNCTAD)

### The Opportunity in Brazilian Real Estate

Over the last five years, property investment has come to the forefront of FDI, a situation that is expected to continue for the next decade due to two key market fundamentals:

- **Rapidly Expanding Middle Class:** A steadily increasing domestic economy has led to rapid expansion in the Brazilian middle class by approximately 34 million in the last five years. The middle class expansion is driving demand for modern consumer goods including; cars, furniture, mobile phones, computers and particularly, housing.
- **Favorable Financial Environment:** Low prices, solid yields, credit rating upgrades, controlled inflation, a healthy banking system and mature real estate and banking regulatory environments are making real estate ownership and investment opportunities readily available.

The number of prolific global business leaders looking to expand throughout the country, including Sam Zell of Equity International and Warren Buffett of Berkshire Hathaway, underscore the attractiveness and timeliness of the opportunity in Brazilian real estate. For more information please contact:

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### PROPERTY FEATURES: ROOM AMENITIES

There are 34 private residences and a 296 unit condo hotel resort featuring magnificent views of; a natural reserve, majestic sand dunes, scenic mountains, beach, lake and ocean.

- 1-4 Bedrooms
- Four Furniture Packages Available
- Floor-to-Ceiling Windows
- Euro-Style Cabinetry\*
- Granite Countertops
- Travertine/Stone Tiled Floors

- Fully-Equipped Kitchens\*
- Modern-Day Appliance Package\*
- Designer Fixtures & Accessories
- Mirrored Wardrobe Doors
- Central Air Conditioning
- Cable TV & High Speed Internet Access
- Nanny Quarters available on select units
- Spacious Patios & Balconies
- Spectacular Ocean Views

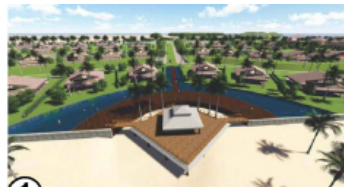
*\*available in private residences*



**PROPERTY FEATURES:  
RESORT AMENITIES**

- World Class Restaurants & Bars
- 24 Hour Reception Lobby
- Valet Parking
- Concierge Services
- Resort Style Sparkling Pools
- Private Poolside Cabanas
- Poolside Bar with Food & Beverage Service
- Newport Gift & News Shop
- 24 Hour On-Site/Off-Site Security
- Club Room (available for private parties)
- Room Service
- Laundry Service
- Lush Landscaping
- Children's Playground
- Business Center
- Multi Media Conference Room
- Kids Club & Playroom
- Billiards & Game Room





① THE RESIDENCES CONDO RESORT



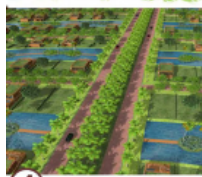
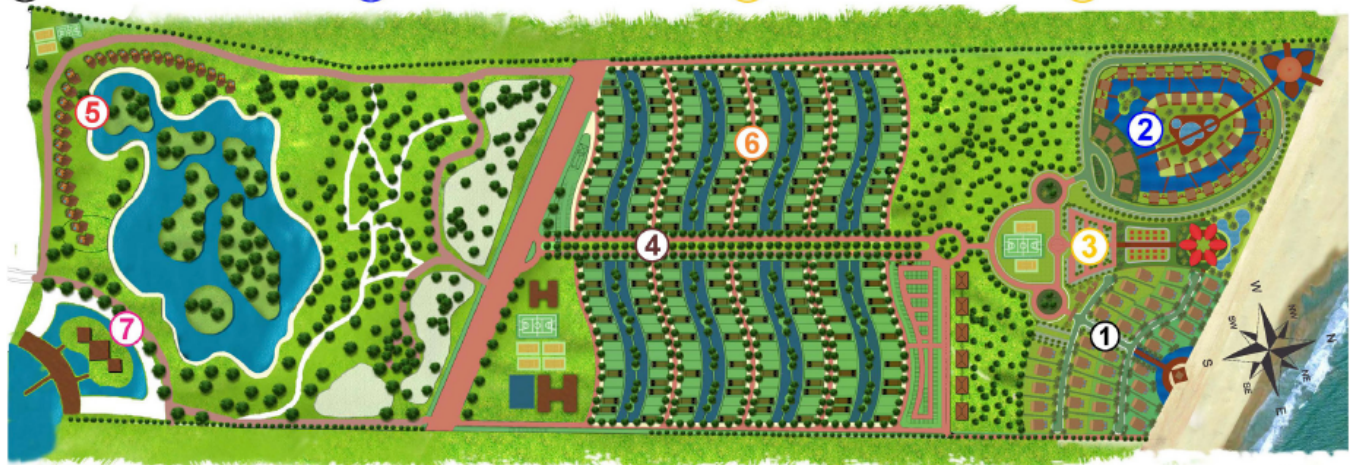
② BUNGALOWS HOTEL & CONDO RESORT



③ VILA DA PRAIA



③ VILA DA PRAIA



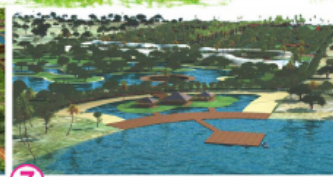
④ MAIN ACCESS



⑤ VILA DO LAGO



⑥ VILA DA MARÉS



⑦ WATER CLUB & ECOLOGICAL PARK



## THE COMMUNITY

- Open Mall Shopping/Lifestyle Center; featuring:
  - > Shops, Restaurants, Tourism-Travel Agency, Car and Real Estate Rentals, Pharmacy, Hair Salon & Beauty Center.
- Sports Facilities:
  - > Multi Sport Courts (Basketball, Volleyball, Football)
  - > Tennis Courts
  - > Jogging/Cycling Track
  - > Beach Nautical Center (Windsurfing, Kite-surfing, Surf, Body-boarding)
  - > Lake Nautical Center (Sailing, Jet Skiing, Water Skiing, Water Pedaling)

- Day Spa with Health and Medical Center
- Convention Center
- World's #1 Surf Pool
- Ecological Park in a 77.000 m2 Natural Reserve



## Cumbuco Financials

Cumbuco Internacional		Assumptions, R\$	\$US	Total, R\$	Yr 1	Yr 2	Yr 3
<b>PROJECT COSTS</b>							
<b>Land Value</b>							
Sq. Meters	91,003						
R\$/m2	440						
Land, R\$	40,041,320		17,033,786				
Land cost, Subtotal			17,033,786				
<b>Legal, Licenses, Permits &amp; Design</b>							
Lawyer/Accountant		182,924	430,000	250,000	120,000	60,000	
Architect, Civil, Structural		744,459	1,750,000	1,750,000			
Landscape, Interior Design		255,243	600,000	450,000	150,000		
Semace/Permits/Licenses		85,506	201,000	201,000			
ABI US Legal, Tax & Administration		455,184	1,070,000	785,000	210,000	75,000	
Legal, Licenses, Permits & Design, Subtotal		1,723,316	4,051,000	3,436,000	480,000	135,000	
<b>Construction</b>							
Construction		27,264,827	64,091,430	20,050,000	30,441,430	13,600,000	
Common area, Gym & Restaurant		2,269,537	5,335,000	1,325,000	2,400,000	1,610,000	
Site Work Infrastructure (pools, walks)		7,253,159	17,050,000	12,250,000	1,600,000	3,200,000	
Construction costs subtotal		36,787,523	86,476,430	33,625,000	34,441,430	18,410,000	
General Cond. / Soft Costs		927,349	2,179,920	1,360,000	519,920	300,000	
Management		2,484,366	5,840,000	2,690,000	2,300,000	850,000	
Construction, Subtotal		40,199,238	94,496,350	37,675,000	37,261,350	19,560,000	
<b>Total Costs, \$US</b>		<b>41,922,554</b>		<b>17,488,833</b>	<b>16,055,366</b>	<b>8,378,355</b>	
<b>Total Costs, R\$</b>			<b>98,547,350</b>	<b>41,111,000</b>	<b>37,741,350</b>	<b>19,695,000</b>	
<b>PROJECT REVENUES</b>							
Beginning Inventory, m2	18,640			18,640	5,320		
Sales, m2	18,640			13,320	5,320		
Ending Inventory, m2				5,320			
Percent of inventory sold	100.00%			71.46%	100.00%	100.00%	
<b>Sales Revenues</b>							
Pricing, \$US/s.f & R\$/m2	Average	352.48	8,914				
Sale Revenues, Subtotal		70,685,328	166,160,000	114,260,000	51,900,000		
<b>Marketing &amp; Sales Expense</b>							
Pre-marketing, materials		467,946	1,100,000	900,000	200,000		
Sales commissions	5%	3,534,266	8,308,000	5,713,000	2,595,000		
Marketing & Sales Expense, Subtotal		4,002,212	9,408,000	6,613,000	2,795,000		
Net Sales Revenues		66,683,116	156,752,000	107,647,000	49,105,000		
<b>Total Revenues, \$US</b>		<b>66,683,115</b>		<b>45,793,593</b>	<b>20,889,522</b>		
<b>Total Revenues, R\$</b>			<b>156,752,000</b>	<b>107,647,000</b>	<b>49,105,000</b>		
<b>NET REVENUES BEFORE TAXES</b>		<b>24,760,561</b>	<b>58,204,650</b>	<b>66,536,000</b>	<b>11,363,650</b>	<b>(19,695,000)</b>	
Project Pre-tax profit margin ROI, Gross:		53.92%					
<b>PROJECT CASH FLOWS</b>							
Deposits		13,440,252	31,594,000	21,214,000	10,380,000		
Deferred sales		57,245,076	134,566,000	93,046,000	41,520,000		
Deferred Sales, beginning balance					93,844,093	72,609,175	
Interest Payments		12,997,066	30,552,204	7,407,601	13,776,849	9,367,754	
Deferred payments, ending balance				82,796,093	72,609,175		
Balance of loan due		41,511,643	97,581,420		34,340,000	63,241,420	
Balloon payments		2,736,366	6,432,375		1,426,162	5,006,213	
Cash In		70,685,328	166,160,000	28,621,601	59,923,011	77,615,388	
Cash Out		(45,924,771)	(107,955,360)	(47,724,000)	(40,536,360)	(19,695,000)	
Cash Flows, Period		24,760,561	58,204,650	(19,102,399)	19,386,661	57,920,388	
Cash Flows, Cumulative, R\$			58,204,650	(19,102,399)	284,262	58,204,650	
Cash Flows, Cumulative, \$US			24,760,561	(8,126,260)	120,927	24,760,561	
<b>PROJECT INVESTMENT RETURNS</b>							
		\$US	R\$				
Investor Capital In, \$US		14,000,000	32,909,800	14,000,000			
Return of Principal		14,000,000	32,909,800			14,000,000	
Distributions to Investors		7,706,551	18,115,789			7,706,551	
Distributions to Principals		7,706,550	18,115,787			7,706,550	
Distributions to JV Partners(includes land costs)		9,347,460	21,973,074			9,347,460	
Annualized Investor ROI	18.35%						