CONFIDENTIAL — INVESTMENT OPPORTUNITY

Azuero Development Project 3 S.A.

Ten ocean-view spec homes with private pools on fully serviced 1,300+ m^2 lots — a compact, de-risked development on the Azuero Peninsula, Panama

$5.25M
PROJECTED REVENUE

$544K
PROJECTED PROFIT

$1.79M
PEAK CAPITAL REQUIRED

4 Homes
BREAK-EVEN POINT

A Strategic Entry into Panamanian Real Estate

Panama offers international investors a rare combination: a fully **dollarized economy**, a territorial tax system, strong property rights with titled fee-simple ownership for foreigners, and residency programs (Pensionado, Qualified Investor) that actively recruit the buyers this project serves. Within Panama, the **Azuero Peninsula** is the country's emerging lifestyle frontier — Pacific beaches, surf towns, and an established and growing expatriate community, still priced far below Panama City and comparable Costa Rican coastal markets.

Azuero Development Project 3 is the third offering in the series, and deliberately compact: **ten homes, one product, fully serviced land.** Electricity, water distribution, and the community drinking-water well are already in place — investors skip the infrastructure phase entirely and enter directly at vertical construction, where the timeline is shortest and the risks are best understood. The result is a small, fast, fully modeled project with a defined capital requirement and a break-even at just four closings.

Proven Operator, On the Ground in Panama

The project is led by **Ken Norton, Director of Panama Capital Partners S.A.**, who lives and works on the ground in Panama, based between Pedasí and Panama City — not managing remotely from abroad. Ken operates a **licensed Panamanian real estate brokerage** serving English-speaking foreign buyers across the country's principal expat markets: the Azuero Peninsula, Boquete, Panama City, and Bocas del Toro, supported by a bilingual sales team serving Spanish-speaking buyers.

The platform runs a continuous, production-grade marketing operation — professional listing packages, bilingual property marketing, buyer webinars on the Panama purchase process, and a qualified international buyer pipeline — and manages the **Azuero Development Project series**, structured around a 12% preferred return. Project 3 applies the same team, systems, and buyer funnel to the product that pipeline requests most: an ocean-view home with a pool, on a large private lot, at a turnkey price.

Why it matters: in Panama's interior, execution risk is local — titling, permitting, contractors, and utilities all run on relationships and physical presence. This operator is already transacting in this market, in both languages, every week.

Two Synergistic Businesses, One Platform

Brokerage — The Demand Engine

- Qualified pipeline of foreign buyers actively shopping the Azuero
- Live market intelligence: real comps, real absorption, real pricing power
- Bilingual sales team and established digital marketing reach
- Buyer education funnel (webinars, guides) that pre-sells the Panama process

Development — The Supply Engine

- Serviced-land acquisition — no entitlement or infrastructure phase
- Turnkey 160 m^2 ocean-view homes with private pools
- Construction in managed 2-home tranches
- Exclusive inventory the resale market cannot source

Each side compounds the other. The brokerage's comps validated the $525,000 price point against real ocean-view demand; its buyer pipeline shortens absorption and reduces the single largest risk in any development — sales velocity. In turn, the development gives the brokerage ten units of exclusive, new-construction ocean-view product. One platform captures margin on both sides of every closing.

Market Opportunity — Demand Is Rising Faster Than Supply

Demand: North American retirees and remote workers continue to relocate to Panama, and the request at the top of nearly every Azuero buyer's list is the same: **an ocean view, a pool, privacy, and a home that is finished** — not a two-year self-build project on raw land.

Supply: that product barely exists. Ocean-view listings in the region are overwhelmingly raw lots without utilities, or aging one-off homes of uneven quality. New-construction, turnkey ocean-view homes with pools on large titled lots — with water and power already at the property — are structurally scarce at the $500K price point. Ten of them, delivered in sequence by one operator, is a supply position the local market cannot quickly answer.

At $525,000 for 160 m^2 plus pool on a 1,334 m^2 view lot, the product is priced above the self-build path most buyers won't attempt and well below custom ocean-view builds — the same positioning logic proven across the project series.

The Project — Ten Ocean-View Homes

ELEMENT	SPECIFICATION
Land	13,342.7 m^2 across 10 titled ocean-view lots — average 1,334.3 m^2 (~14,360 sq ft) each
Servicing	**Already complete:** electricity and water to every lot; community drinking-water well in place ($20/mo homeowner fee); individual septic per home included in build cost
Product	160 m^2 (~1,722 sq ft) turnkey home + 20 m^2 private pool on every lot
Price	$525,000 average, house + pool + lot ($3,281/$m^2$ of home)
Sales model	**Build first, sell finished.** Every home is completed and sold as a turnkey product — no presales, no deposits against renderings. Buyers walk through the actual home they are purchasing

Per-Home Economics

LINE	PER HOME
Sale price (house + pool + lot)	$525,000
Serviced land: 1,334.3 m^2 @ $95/$m^2$	($126,756)
Construction 160 m^2 @ $1,350/$m^2$ + pool, incl. 5% contingency	($253,050)
Permitting	($6,000)
Commission 5% + transfer tax 5% + lawyer $1,000	($53,500)
Fund management fee 5%	($26,250)
Overhead & marketing	($5,000)
Profit per home — 10.4% margin	**$54,444**

> **Serviced land is the de-risking:** no roads to build, no wells to drill, no grid extension to negotiate. Capital goes into vertical construction on day one, and the first closings can occur while a typical raw-land project would still be moving dirt. **And because homes are sold only when finished,** buyers face no construction risk — completed ocean-view product commands stronger pricing and closes faster than contracts sold off-plan.

Project Financials

PROJECT P&L — 10 HOMES	TOTAL
Revenue — 10 homes @ $525,000	$5,250,000
Serviced land — 13,342.7 m^2 @ $95/m^2	($1,267,556)
Construction + pools (incl. 5% contingency)	($2,530,500)
Permitting	($60,000)
Commissions, transfer tax & legal	($535,000)
Fund management fee	($262,500)
Overhead & marketing	($50,000)
Projected pre-tax profit — 10.4% margin	**$544,444**

Stress-tested: sale prices –5% still returns $321K; construction +10% returns $291K; and the combined adverse case — prices down 5% and construction up 10% — remains positive at $68K. The project absorbs a bad surprise without going underwater.

Capital Requirement, Break-Even & Use of Funds

$1.79M
PEAK CAPITAL

4 homes
BREAK-EVEN POINT

2-home
CONSTRUCTION TRANCHES

$445K
NET CASH PER CLOSING

Use of Funds — $1.79M Peak

DEPLOYMENT	AMOUNT	%
Serviced land — 10 ocean-view lots	$1,267,556	71%
Construction pipeline — first 2-home tranche + permits	$518,100	29%
Indicative peak capital	**$1,785,656**	**100%**

From Ground Break to Closing

STAGE	WHAT HAPPENS
Months 0–3	Land closes; permits filed; first 2-home tranche breaks ground immediately — no infrastructure phase
Months 3–18	Tranches of two homes run continuously; each completed home is listed and sold turnkey through the in-house brokerage; each closing returns ~$445K net
Break-even — 4th closing	Cumulative cash turns positive at the fourth home; remaining six closings are profit and capital return
Sell-out	Projected cumulative pre-tax profit of $544K distributed as final homes close

> **Capital note:** the model assumes no presales — construction is fully capital-funded and homes are sold only on completion, so the $1.79M peak is not dependent on deposit inflows. Seller terms on the land are the principal lever to reduce it further.

Investment Structure

The issuer is **Azuero Development Project 3 S.A.**, a Panamanian sociedad anónima formed for this project, managed by Panama Capital Partners S.A. Based on current projections and the platform's market expertise, there is an **estimated 10.4% return**, with final terms, minimums, and distribution mechanics set out in the subscription documents.

At ten homes and a $1.79M peak requirement, Project 3 is the most compact offering in the series — a shorter capital cycle, an earlier break-even, and a single proven product, positioned between the individual spec homes of Project 1 and the 317-home master plan of Project 2.

Key Risks & Mitigants

RISK	MITIGANT
Sale price below $525K	Stress case at −5% pricing still profitable; ocean-view comps validated through the in-house brokerage before launch
Construction cost inflation	5% contingency carried; fixed-price builder contracts per 2-home tranche; septic included in contracted rate
Absorption slower than planned	Tranche construction throttles to sales — exposure limited to two finished homes at any time; turnkey inventory can also be rented for income while listed, and break-even is driven by closings, not calendar
Permitting delays	Utilities already in place removes the largest approval workstream; ~$6,000/home budgeted for construction permits and inspections
Water supply reliability	Established community well already serving the development; individual septic removes wastewater-plant dependency

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