

Suntex

CONFIDENTIAL



Investment Opportunity

Deutsche Bank 

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INVESTMENT OPPORTUNITY

INVESTMENT

Suntex Ventures LLC ("Suntex" or the "Sponsor") is forming a new company ("Suntex NewCo") for the purpose of acquiring and managing institutional quality marinas. The Sponsor intends to create an investment vehicle that will aggregate high quality marinas with the goal of listing in the public markets as an internally managed pure play REIT in a three year timeframe. An investment in Suntex NewCo is intended to provide investors with highly predictable and durable current income with the potential for significant capital growth.

OFFERING SUMMARY

Format:	Reg D	Use of proceeds:	To acquire, own and operate institutional quality marinas in top locations in the U.S.
Offering size:	\$200 - \$300mm of equity	Target leverage:	50 – 55%
Sponsor:	Suntex Ventures, LLC.	Target current yield:	8%

LEADING MARINA INDUSTRY SPONSOR

CEO Johnny Powers, Scott McMullin, Bryan Redmond and the Suntex team have been operating marinas since 1995. Today, Suntex is one of the largest and most reputable marina companies in the United States. The Company owns and/or operates 22 institutional-quality marinas across the U.S. Headquartered in Dallas, TX, Suntex employs 24 people at its home office and nearly 400 people on site at the marinas. The Company has a national geographic footprint and operating infrastructure which provide it with vast market knowledge, invaluable industry relationships, and access to investment opportunities in the most desirable marina markets.

PROVEN TRACK RECORD

Suntex's principals and management team have over 100 years of aggregate experience managing and investing in marinas. As a result of the Sponsor's focus on acquiring high quality assets with strong cash flow generation, Suntex has consistently been able to provide investors with attractive returns. Suntex's realized investments have produced an average IRR of 35.8% and a 4.32x multiple on equity. Suntex's investors draw from high net worth, private equity, hedge funds, and, most notably, its own principals and employees.

ACTIONABLE PIPELINE

Suntex NewCo will take advantage of fragmentation in the marina industry to acquire marquis assets at highly attractive initial yields. The Company is currently underwriting a pipeline exceeding \$1.5 billion of current opportunities, with \$200 million of marinas currently in the acquisition and closing process.



Marinas are an attractive asset class to real estate investors characterized by strong free cash flow, attractive initial yields and significant upside potential

THE OPPORTUNITY

Over the last two decades, the principals of Suntex have acquired, managed and/or sold more than 40 marinas. The Company's marina experience spans geographic markets and economic cycles. The Company believes that the conditions it is observing in today's market are uniquely advantageous for acquiring high quality marina assets.

CURRENT SUNTEX PROPERTIES^(a)



Bay Pointe – Quincy, MA



Liberty Landing – Jersey City, NJ



Snook Bight – Fort Myers, FL



Chandler's Landing – Rockwall, TX



Tidewater – Portsmouth, VA

(a) Properties shown are representative of assets Suntex NewCo will seek to acquire.

The Company's investment thesis is driven by a number of factors:

HIGH BARRIERS TO ENTRY

- The marina sector has steep barriers to entry with continually tightening environmental and zoning regulation
- As a result, Suntex can exert strong leverage in certain gateway markets where demand outstrips supply, and new development is prohibitively expensive

FRAGMENTED OWNERSHIP

- Greater than 90% of marinas are owned by non-institutional / individual owners
- Suntex has a scaleable operating infrastructure, a national geographic footprint and relationship with marina owners throughout the country

HIGHLY ATTRACTIVE CAP RATES

- Trophy marinas can be acquired at highly attractive initial yields
- Given the illiquidity in the sector, Suntex can acquire irreplaceable assets for cap rates in the 8 - 10% range

PATHWAY TO THE PUBLIC MARKETS

- A private letter ruling from the IRS paves the way for marina eligibility in a REIT structure
- The ruling creates a tax-advantaged stock or unit-based "currency" for Suntex to offer sellers to facilitate the acquisition or contribution of assets

FIRST MOVER ADVANTAGE

- Suntex has a burgeoning, in-place pipeline including several world renowned marina properties
- The opportunity to spearhead the roll-up of a highly fragmented and inefficient industry is today

Suntex is uniquely positioned to capitalize on today's market opportunity, and be the standard bearer for the institutionalization of the marina real estate sector

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