

THE SUMMIT
AT SURF CITY
Surf City, El Salvador

PRELIMINARY DEVELOPMENT MEMORANDUM

El Sunzal / Surf City, Tamanique, La Libertad, El Salvador

10.67 ACRES | 61,806 VARAS² | OFFERED AT $2,450,000

Executive Investment Overview

The Summit at Surf City is an approximately 10.67-acre elevated land offering above the Pacific coast near El Sunzal and El Tunco. At the current $2,450,000 asking price, the property represents a gross land basis of approximately $39.64 per V², while preserving multiple potential paths to value creation: strategic land hold, subdivision and sale of finished homesites, or development and sale of residences.

10.67	61,806	$2.45M	$39.64
Gross acres	Total V²	Current asking price	Gross basis / V²

Why the opportunity merits further diligence

The investment case is driven by a combination of basis, scale, location and optionality. Using a deliberately conservative underwriting assumption that 25% of the parcel is allocated to roads, drainage, entrance and common/infrastructure areas, the effective land basis would be approximately $52.85 per potentially saleable V². Nearby finished-lot offerings in El Sunzal have been marketed at materially higher asking prices, providing a useful - but not directly comparable - indication of the potential value gap between raw acreage and completed residential homesites.

Potential strategy	Investment rationale
Strategic land hold	Retain a 10.67-acre position in the Surf City corridor while preserving future options to resell, subdivide, joint venture or develop.
Subdivide + sell lots	Two conceptual density bookends - 10 lots and 21 lots - test potential raw-land-to-finished-lot value creation without assuming full vertical construction risk.
Develop + sell homes	Potentially captures the greatest gross-revenue upside by combining land development with finished-home value, with correspondingly greater capital and execution requirements.

Location catalyst

The broader Surf City corridor is also receiving documented public investment in road capacity, bridges, drainage, sanitation, pedestrian/bicycle infrastructure and tourism-related improvements. This infrastructure thesis is relevant under all three strategies because it is external to the property and does not depend on The Summit being developed immediately.

Site Planning & Homesite Yield

The 21-lot scenario is mathematically plausible as a preliminary density study, but gross acreage should not be divided by 21 and treated as finished lot area because roads, entrance access, drainage, landscape buffers and other common infrastructure consume land. The 21-lot concept is illustrative and is not an approved subdivision.

Metric	Illustrative calculation
Gross site area	10.67 acres / approx. 43,180 m²
Gross area per 21 homesites	0.508 acre / approx. 2,056 m² per homesite
Illustrative roads/common allocation	25% of gross land (illustrative only)
Net residential land	Approx. 8.0 acres
Average net homesite at 21 lots	Approx. 0.38 acre / 1,542 m² / approx. 2,207 V²
Nearby Cerromar reference provided	Approx. 0.188-acre homesites

Planning interpretation

At an illustrative 25% allocation to roads and common infrastructure, a 21-lot concept would average roughly 0.38 net acre per homesite. Actual yield could be higher or lower depending on road geometry, slopes, drainage, retaining requirements, utility design, setbacks and the applicable approval process.

MARKETING ALIGNMENT

21 homesites matches the existing conceptual site plan used in the property's marketing.

Existing Parcel & Development Approval

The property is currently being offered as one parcel. A future purchaser pursuing a residential community would need to complete the applicable land-use, subdivision/segregation, planning, engineering and governmental approval process before individual homesites could be created or sold. No representation is made that 21 homesites, or any specific density, are presently approved.

A business-led development approval process should be assumed for underwriting purposes. Any informal or conceptual site planning should not replace survey, engineering, access, utility, environmental and legal diligence with qualified Salvadoran professionals and the relevant authorities.

CNR process context

El Salvador's Centro Nacional de Registros (CNR) identifies plan review and cadastral requirements for segregations, partitions and related boundary modifications. A formal development team should confirm the precise sequence, agency jurisdiction, studies and permits applicable to this Tamanique / La Libertad parcel.

KEY UNDERWRITING DISTINCTION

The 21-lot plan is a conceptual density study used to illustrate potential. The investment opportunity is the 10.67-acre parcel itself; subdivision yield must be established through buyer due diligence and approvals.

Surf City Location, Lifestyle & Infrastructure

The property's positioning is tied not only to its elevated ocean-and-mountain setting, but also to the continued build-out of the Surf City corridor. El Sunzal and El Tunco are minutes away, while El Zonte - internationally associated with Bitcoin Beach - extends the coastal lifestyle and investment narrative farther west.

Nearby destination / infrastructure	Relevance to the site
Playa El Sunzal	World-class surf break and established coastal destination; Club Salvadoreño maintains its El Sunzal beach-club presence.
El Tunco	One of Surf City's best-known beach, dining, nightlife and visitor destinations, minutes from the property.
El Zonte / Bitcoin Beach	El Zonte is identified by El Salvador's official Bitcoin Country platform as Bitcoin Beach and is home to Puro Surf.
Club Salvadoreño - El Sunzal	Private-member coastal club presence at El Sunzal, reinforcing the area's established recreational and social amenities.
El Encanto Golf	Surf City tourism materials identify the 18-hole Perry Dye-designed El Encanto golf course as approximately 20 minutes from El Sunzal.
CA-02W / Surf City road program	Surf City Phase II includes widening 8.2 km of CA-02W from two to four lanes between Xanadú and El Zonte, with bicycle and pedestrian infrastructure, bridge work and related improvements.
Public infrastructure investment	Official sources cite $113.9M for Surf City Phase I and up to $135M of identified Phase II financing ($65M CABEI + up to $70M OPEC Fund).

The Phase II road program is especially relevant to the broader coastal corridor: CABEI describes an 8.2-kilometer expansion from two to four lanes between Xanadú and El Zonte, intended to improve tourist, urban and logistical connectivity. Separate official reporting also identifies wastewater, bridge and drainage improvements within the Surf City program.

Sources: CABEI, El Salvador Legislative Assembly, Club Salvadoreño, Surf City El Salvador, Bitcoin Country and Puro Surf. Infrastructure scope, schedules and final delivery remain subject to the responsible public agencies.

Construction Cost Framework

A local builder currently building in Cerromar the residential community next to the land, provided preliminary build-cost guidance of approximately $88 per ft² for a mid-standard build and approximately $92 per ft² as a starting point for higher-end/luxury finishes. El Salvador and the broader region generally budget construction by square meter, so the equivalent figures are:

Finish assumption	US$/ft²	Equivalent US$/m²
Mid-standard	$88	$947/m²
Higher-end / luxury starting point	$92	$990/m²

Conversion: 1 m² = 10.7639 ft². Therefore $88/ft² x 10.7639 = approximately $947/m²; $92/ft² x 10.7639 = approximately $990/m².

Underwriting treatment

These figures should be treated as preliminary local builder guidance, not as a guaranteed turnkey construction bid. Hillside grading, retaining walls, foundations, drainage, roads, utilities, pools, landscaping, imported finishes, professional fees, permits, financing, sales/marketing and contingency should be modeled separately unless a contractor's written proposal expressly includes them.



Build & Sell: 10-Home vs. 15-Home Economics

Build & Sell: 10-Home vs. 15-Home Economics

The vertical-development analysis uses a 4,000 ft² (approximately 372 m²) residence. The 10-home concept uses an $850,000 mid-standard sale-price assumption because of its larger homesites, while the 15-home benchmark uses $750,000. Luxury-finish columns apply an illustrative 5% pricing premium to the corresponding mid-standard sale price; this is an underwriting sensitivity, not a market-value conclusion.

Metric	10 homes - mid	10 homes - luxury	15 homes - mid	15 homes - luxury
Avg. sale price	$850K	$892.5K	$750K	$787.5K
Gross sellout	$8.50M	$8.925M	$11.25M	$11.813M
Vertical build	$3.520M	$3.680M	$5.280M	$5.520M
Land acquisition	$2.450M	$2.450M	$2.450M	$2.450M
Land + vertical	$5.970M	$6.130M	$7.730M	$7.970M
Residual before other costs	$2.530M	$2.795M	$3.520M	$3.843M
Residual % of sellout	29.8%	31.3%	31.3%	32.5%

What would make the 10-home case outperform?

At the mid-standard build level, the 10-home program needs an average sale price of roughly $945,000 per home to produce approximately the same gross residual as the 15-home program at $750,000 per home. Luxury-finish cases are modeled separately with the illustrative 5% sale-price premium.

10-home scenario	Mid price / home	Gross sellout	Mid residual*	Luxury residual*
Downside	$750K	$7.50M	$1.53M	$1.745M
Conservative Base	$850K	$8.50M	$2.53M	$2.795M
Higher Case	$950K	$9.50M	$3.53M	$3.845M
Upside Sensitivity	$1.05M	$10.50M	$4.53M	$4.895M

*Residual is before horizontal development, soft costs, financing, sales costs, taxes and contingency; it is not developer profit. Vertical build assumes $88/ft² mid-standard and $92/ft² higher-end/luxury starting guidance. Luxury-finish sale prices are modeled at a 5% premium to the corresponding mid-standard case.

Surf City Infrastructure: A Core Investment Thesis

The Summit's location thesis extends beyond ocean views and proximity to El Sunzal and El Tunco. The property sits within a coastal corridor that has been the focus of a multi-year public infrastructure and tourism-development program. That external investment is relevant whether a purchaser builds residences, subdivides and sells lots, or simply holds the land.

Documented Phase II investment

In May 2025, the Central American Bank for Economic Integration (CABEI/BCIE) approved $65 million in financing for Surf City Program - Phase II. CABEI states that the program will expand 8.2 kilometers of CA-02W from two lanes to four lanes between the Xanadú residential area and El Zonte Beach, with the objective of improving urban, tourism and logistical connectivity and reducing travel time and transportation costs.

The scope goes beyond additional vehicle lanes. CABEI identifies a two-way bicycle lane, wider sidewalks and public spaces, intelligent transportation systems, a new four-lane bridge over the Huiza River, and two wastewater treatment plants serving El Majahual, San Blas, El Cocal, Conchalío, San Diego and Cangrejera.

$65M

CABEI Phase II financing

8.2 KM

CA-02W planned 2-to-4 lane expansion

69,000+

People CABEI says will benefit

Additional Phase II financing

In November 2025, El Salvador's Legislative Assembly reported favorable action on two international loans for Surf City Phase II: up to $70 million from the OPEC Fund for International Development and $65 million from CABEI. Together, those identified financing components total up to $135 million for road, bridge, sanitation, drainage and related coastal infrastructure. This should be presented as Phase II financing rather than added to other historical program figures that may overlap in scope.

+$70M

OPEC Fund identified financing

UP TO $135M

Combined identified Phase II financing

A broader four-lane coastal-road program

The four-lane concept is not limited to the 8.2-kilometer Phase II segment. In 2022, the Government of El Salvador announced a broader coastal-highway program of approximately $203 million. Government statements described roughly 21 kilometers - and a later Ministry of Public Works description cited 22.73 kilometers - to be widened from two to four lanes in the Surf City / La Libertad corridor, with bridges, drainage, bicycle facilities, pedestrian crossings, overlooks and other improvements. The El Obispo-to-El Zonte corridor was specifically identified in official reporting.

Why the Infrastructure Matters to Every Exit Strategy

The strategic importance of the infrastructure program is that its potential location benefit does not depend on The Summit following any one development plan. The public works are external to the property and may improve the broader accessibility, utility, visitor capacity and investment profile of the Surf City corridor over time. No appreciation, development approval or future value is guaranteed.

BUILD & SELL HOMES

Improved regional access can support resident, second-home, visitor, contractor and service-provider movement. A more mature transportation and sanitation network may strengthen the location proposition for a finished residential community.

SUBDIVIDE & SELL LOTS

A lot-sale strategy can benefit from the same corridor improvements without requiring the developer to assume full vertical-construction risk. Buyers of individual homesites would be evaluating land within a corridor receiving substantial transportation and tourism infrastructure investment.

PURCHASE & HOLD

A land-hold strategy preserves optionality while the surrounding corridor evolves. The owner can defer the choice among bulk resale, subdivision, joint venture or vertical development while retaining a 10.67-acre position near the infrastructure program.

Longer-term corridor commitment

The infrastructure story is also supported by earlier public investment. In 2022, the Salvadoran government stated that approximately $400 million had been invested in Surf City 1 and related La Libertad tourism initiatives, including the 6.5-kilometer Camino a Surf City, wastewater treatment in El Tunco and El Zonte, tourism facilities and other projects. The same government announcement said the coastal road would continue to be expanded to four lanes. These historical figures are useful evidence of sustained public-sector focus on the corridor, but they should not be added arithmetically to newer financing amounts because project scopes and phases can overlap.

INFRASTRUCTURE INVESTMENT + DEVELOPMENT OPTIONALITY

Build Homes | Subdivide & Sell Lots | Strategic Land Hold

The corridor investment thesis exists independently of which strategy a buyer selects.

Underwriting interpretation

For investment analysis, the infrastructure program should be treated as a location catalyst and risk-context factor - not as a guaranteed source of appreciation. The most defensible conclusion is that The Summit is positioned near a corridor receiving documented public investment in road capacity, bridges, drainage, sanitation, pedestrian/bicycle infrastructure and tourism facilities. A purchaser should independently confirm current construction status, schedules, final alignments and project delivery with the responsible Salvadoran agencies.

Primary public references used for this section: CABEI/BCIE (May 27, 2025); Legislative Assembly of El Salvador (Nov. 10, 2025); Presidency of El Salvador / Ministry of Public Works announcements (2022). Historical and current program figures are shown separately to avoid double-counting.

Investment Optionality: Three Paths to Value Creation

The Summit can be evaluated through three distinct investment paths: hold the 10.67-acre parcel, subdivide and sell finished homesites, or develop and sell residences. The subdivision analysis uses 10-lot and 21-lot conceptual bookends. The vertical-development analysis uses a 4,000 ft² home and conservative finished-home pricing sensitivities.

Path	Illustrative framework	Capital profile	Potential value driver
Strategic land hold	Preserve full 10.67-acre parcel	Lower	Corridor growth + retained optionality
Subdivide + sell lots	10-lot and 21-lot conceptual bookends	Moderate	Raw-land-to-finished-lot value creation
Develop + sell homes	4,000 ft² home underwriting	Highest	Finished-home margin + product positioning

How to read the three key numbers

10 LOTS

Low-density subdivision

4,000 FT² HOMES

Vertical benchmark

21 LOTS

Existing conceptual plan

Luxury-finish build sensitivities elsewhere in this memorandum apply an illustrative 5% sale-price premium to the corresponding mid-standard case.

21-Lot Subdivide & Sell Pro Forma

Because the 21-lot concept is the density already illustrated in the property's conceptual marketing, this page isolates its economics as a subdivide-and-sell-lots strategy. The 10-lot estate concept is retained as a lower-density comparison. Neither yield is approved, and the analysis does not assume that gross spread equals developer profit.

Metric	10-lot estate concept	21-lot conceptual plan
Illustrative net saleable land	~46,355 V² / ~8.0 acres	~46,355 V² / ~8.0 acres
Average net homesite	~4,636 V² / 3,239 m² / 0.80 acre	~2,207 V² / 1,542 m² / 0.38 acre
Raw-land acquisition	$2.45M	$2.45M
Effective raw-land basis	~$52.85 / saleable V²	~$52.85 / saleable V²

21-lot revenue and land-spread sensitivity

Finished-lot value / V²	Avg. price / 21-lot homesite	21-lot gross sellout	Less land	Spread before all other costs*
$125	$276K	$5.79M	$2.45M	$3.34M
$150	$331K	$6.95M	$2.45M	$4.50M
$175	$386K	$8.11M	$2.45M	$5.66M
$200	$441K	$9.27M	$2.45M	$6.82M
$225	$497K	$10.43M	$2.45M	$7.98M

*Spread is before horizontal development, soft costs, financing, sales costs, taxes and contingency; it is not developer profit.

10-lot comparison at the same land value

At the same finished-lot $/V², total gross sellout is mathematically similar because the same illustrative net saleable area is being monetized. The strategic difference is product positioning: 10 lots imply approximately 0.80-acre net estate homesites and substantially higher price per lot, while 21 lots imply approximately 0.38-acre net homesites and lower price per lot. Achievable $/V², infrastructure cost, absorption and buyer depth may therefore differ materially.

ILLUSTRATIVE $150/V² CASE

21 lots: ~$331K average lot | ~$6.95M gross sellout | ~$4.50M spread over land before all other costs.

Cerromar & Market Context

Cerromar is a nearby established residential community that provides useful context for construction and product positioning. The red-circled area in the image below identifies a portion of the neighboring Cerromar community; it is not part of The Summit property.



The red-circled area is part of the neighboring Cerromar community and is shown for location/context only. The red property outline and conceptual layout are illustrative and not a survey.

Cerromar Market Reference

Identified current Cerromar asking examples reviewed for this analysis cluster around approximately $975,000-$1.0 million for several finished homes, with some larger or newer product marketed higher. These are asking prices, not verified closed sales. Because Cerromar benefits from different positioning and beach access, The Summit underwriting does not assume comparable pricing. The build-and-sell analysis uses 4,000 ft² residences, with an $850,000 Conservative Base for the lower-density 10-home case and a $750,000 benchmark for the 15-home case.

Preliminary construction pricing used in the memorandum comes from a local builder active in Cerromar and remains subject to project-specific design, site conditions and contractor bids for The Summit.

Illustrative Product Vision

The renderings below communicate a possible mid-to-high-end coastal architectural direction: contemporary tropical design, hillside siting, indoor/outdoor living, private pools and ocean-oriented terraces. They are visual concepts only and do not depict approved architecture, guaranteed views, final grading, or actual building envelopes.









Investment, Registration & Transaction Considerations

El Salvador actively promotes investment in tourism and infrastructure, including villas, condominiums and other tourism-related development. However, incentive eligibility is program-specific. The presence of a national investment incentive does not mean this residential concept automatically qualifies. A buyer should obtain written tax and legal advice before underwriting any exemption or incentive.

For real-estate transfers, the Ministry of Finance law provides a 3% transfer tax on the amount exceeding $28,571.43. CNR also publishes registration charges for property transfers of $0.63 per $100 or fraction, subject to its tariff rules and maximums. Allocation of particular closing expenses between buyer and seller should be established by contract and confirmed by Salvadoran counsel/notary.

Illustrative resale at $750,000	Approximate statutory amount
Transfer tax formula: 3% x ($750,000 - $28,571.43)	$21,642.86
CNR transfer registration at $0.63 per $100 (before applicable cap/rules)	$4,725 nominal calculation

Important: this is not a representation that the developer/seller necessarily bears these costs on each home sale. Tax incidence, exemptions, entity structure, VAT/income-tax consequences, notarial fees and transaction allocations require project-specific advice from Salvadoran legal and tax professionals.



Recommended Developer Due Diligence

Land / title

Confirm title, legal description, cadastral records, easements, access rights, encumbrances and the precise area being conveyed.

Planning / subdivision

Obtain written confirmation of permitted use, density, subdivision/segregation process, road standards, setbacks, environmental requirements and all municipal/national approvals.

Site engineering

Complete boundary/topographic survey, geotechnical investigation, slope/stability review, stormwater and drainage design, retaining-wall strategy and preliminary earthwork quantities.

Utilities

Verify electrical capacity, potable water strategy, wastewater/septic solution, telecom and the cost/timing of extensions.

Cost validation

Obtain at least two local contractor budgets using the same architectural program and a clear schedule of inclusions/exclusions.

Market validation

Confirm Cerromar and other Surf City comparable sales using closed transaction evidence where available; test price premiums by elevation/view.

Tax / structure

Engage Salvadoran tax and legal counsel regarding acquisition entity, development taxation, incentive eligibility, home-sale taxation, transfer costs and repatriation of proceeds.

Selected reference points

- Centro Nacional de Registros (CNR): cadastral and property-registration procedures.
- Ministerio de Hacienda: Real Estate Transfer Tax law.
- CABEI and El Salvador Legislative Assembly: Surf City Phase I and II infrastructure financing and road/sanitation scope.
- Club Salvadoreño: El Sunzal club location and amenities.
- Surf City El Salvador: El Encanto golf proximity reference.
- Bitcoin Country / Bitcoin Beach: El Zonte's Bitcoin Beach identity and visitor ecosystem.
- Puro Surf: El Zonte hotel, surf academy and coastal destination context.
- Technical appraisal supplied for the broader Caserío El Ranchón / Cantón El Sunzal property context (June 2024).

Disclaimer

This memorandum is provided solely for marketing and preliminary feasibility discussion. It is not an appraisal, survey, engineering report, construction bid, legal or tax opinion, securities or investment offering, or representation of governmental approval. Measurements, boundaries, development yields, homesite counts, infrastructure allocations, construction costs, sale prices, financial projections, renderings, views and other development concepts are approximate, illustrative or assumption-based unless expressly stated otherwise. No subdivision, density, development approval, future value, profitability or investment return is represented or guaranteed. Renderings and conceptual plans may differ materially from what can ultimately be constructed, approved or viewed from any location. Prospective purchasers should independently verify all information and conduct their own legal, tax, title, survey, engineering, environmental, market, construction and financial due diligence with qualified professionals in El Salvador.