

Samaná Valley Development

Investment Opportunity



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TABLE *of* CONTENTS

1. Property location and description
2. Property Photos
3. Topographical Map
4. Architectural proposal from GRAFT
5. Architectural proposal from Mimar Emirates
6. Architectural proposal from Foster + Partners
7. Investment Opportunity
8. Appendix – Samaná Valley Project Report Summary

Samaná, Dominican Republic





The project site is located in the Samaná province, on the northeastern quadrant of the Dominican Republic. The site is in the El Valle area, on the northern coast of the peninsula. The site is approximately 55 kilometers east of the El Catey International Airport and approximately 150 kilometers east of Santiago. Access to the Samaná peninsula is provided by Highway 5, the primary road on the peninsula. There are also new highway improvements underway in the area.



Property Location



The proposed “El Valle” (the Valley) site is a beachfront parcel of approximately 204,000 square meters (20 hectares). The site has approximately 500 linear meters of direct beachfront, with good quality sand in a unique setting: the natural topography creates an amphitheater-like locale. The combination of the ocean frontage and topography are key aspects of the site and must be utilized to maximize its impact to the overall development.

The El Valle parcel has significant topography running through much of the property, ranging from sea level up to approximately 160 meters. The highest portions of the site are found on the eastern and southeastern section. There is mature vegetation throughout the site, ranging from palm trees along the beachfront to palms and other trees on the hillsides. The flatter central portions of the site are comprised primarily of palm trees and perhaps these can be salvaged and re-used elsewhere on the site.

The most unique characteristic of the El Valle site is the beachfront cave that is on the eastern side of the site. If viable, consideration should be given to utilizing the cave in the development of the project. This could include as a spa, a nature tour and/or some other low-density commercial use.

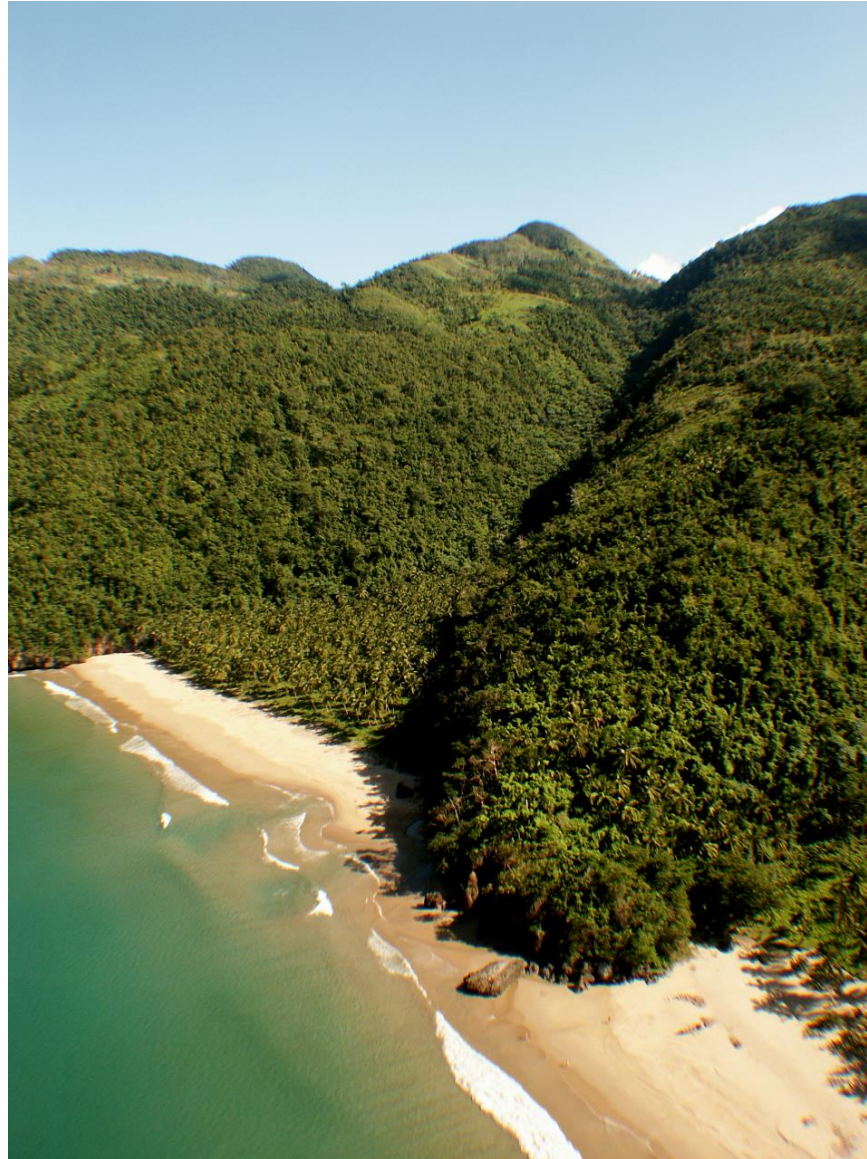
Site Assets

- Moderate amount of good quality beachfront
- Most of the Atlantic Ocean swimming conditions tend to be quite challenging, but the El Valle beach area is somewhat protected and calmer
- Direct open ocean views and views of the mountains/hills to the east side
- Mature vegetation and tree cover on the site
- The beachfront cave
- The significant site topography that will provide excellent views from numerous areas on the property







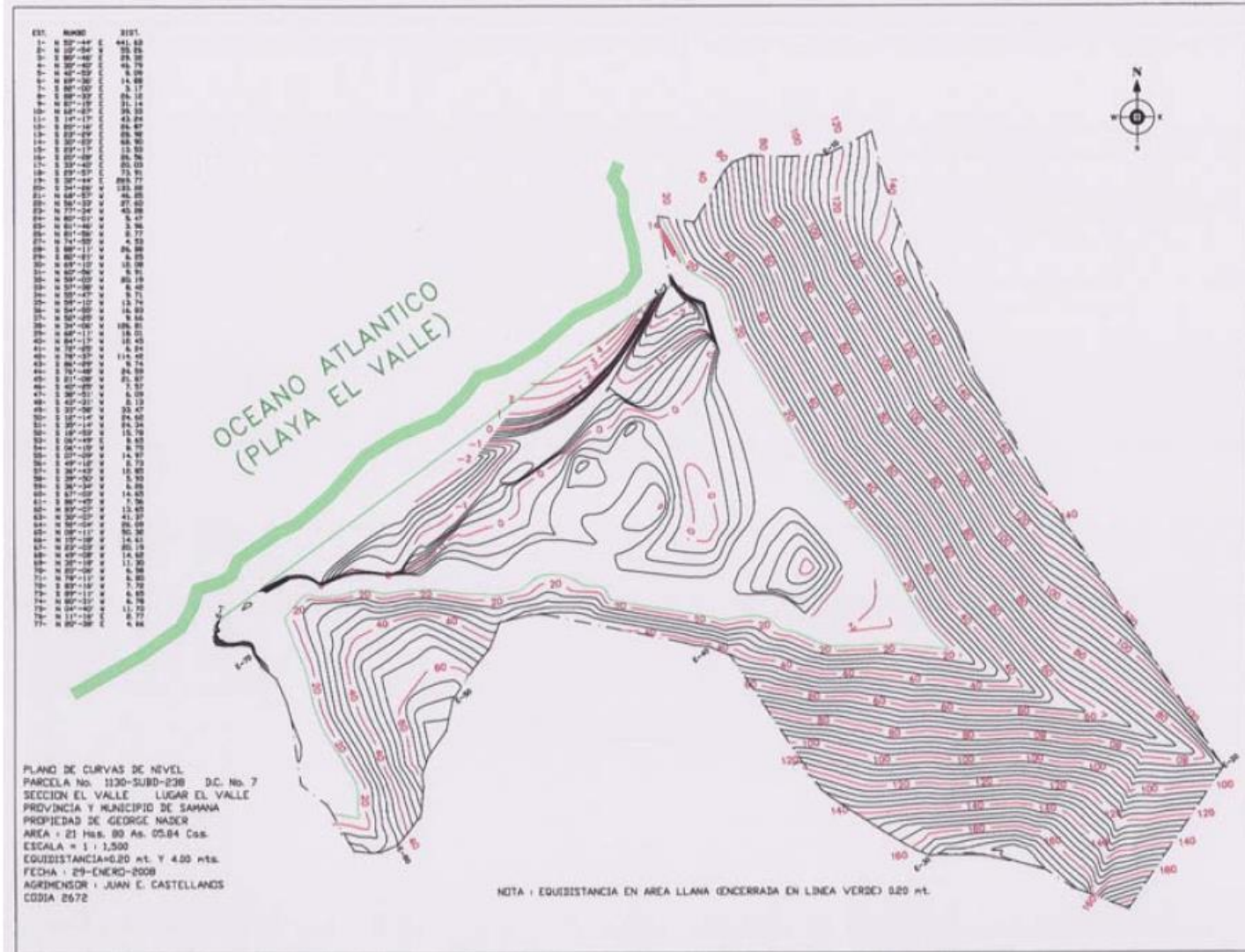






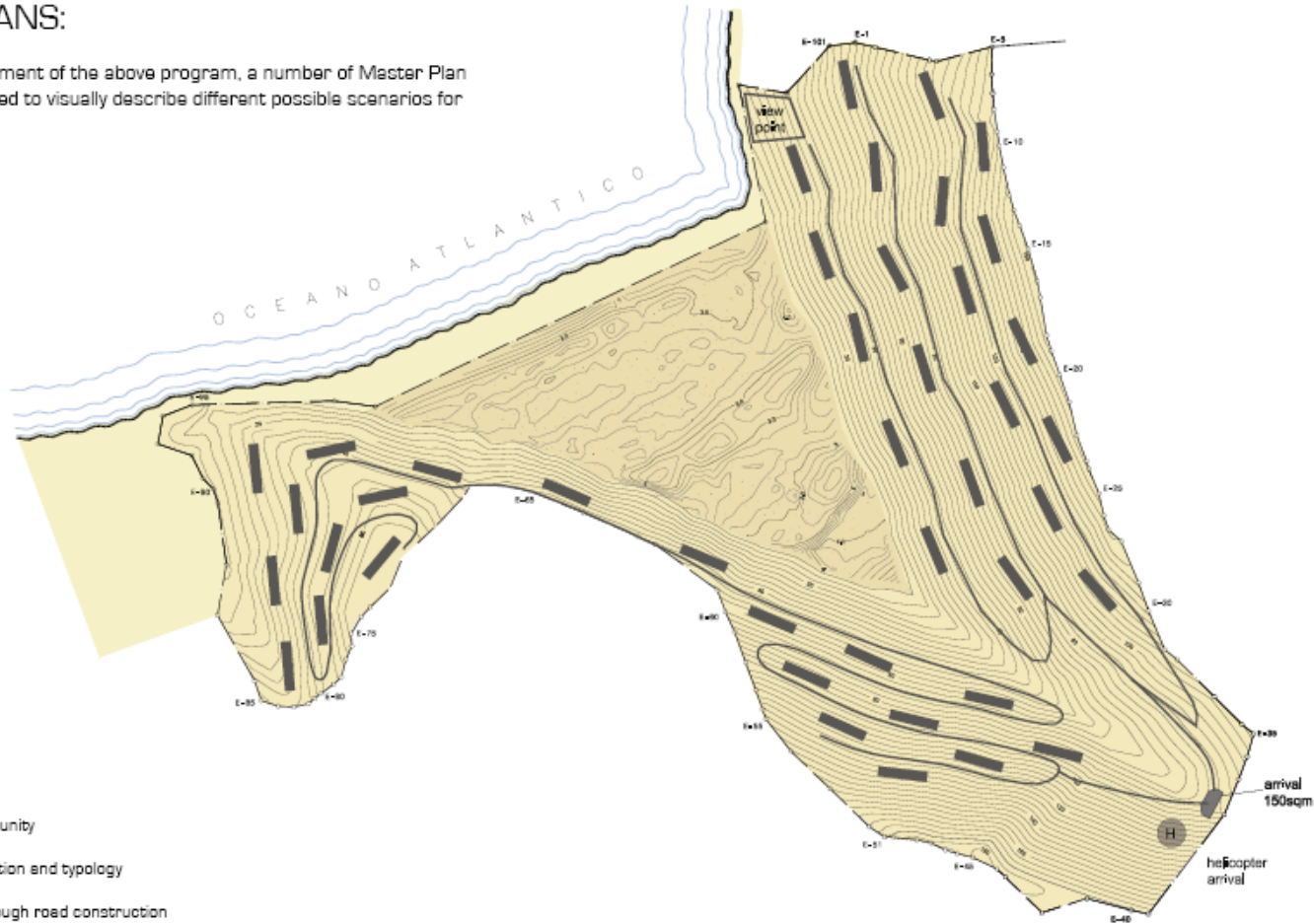


Topographical Map



MASTER PLANS:

Based on the development of the above program, a number of Master Plan Options were developed to visually describe different possible scenarios for the site development



pros: one private community
max. revenue
homogenous function and typology

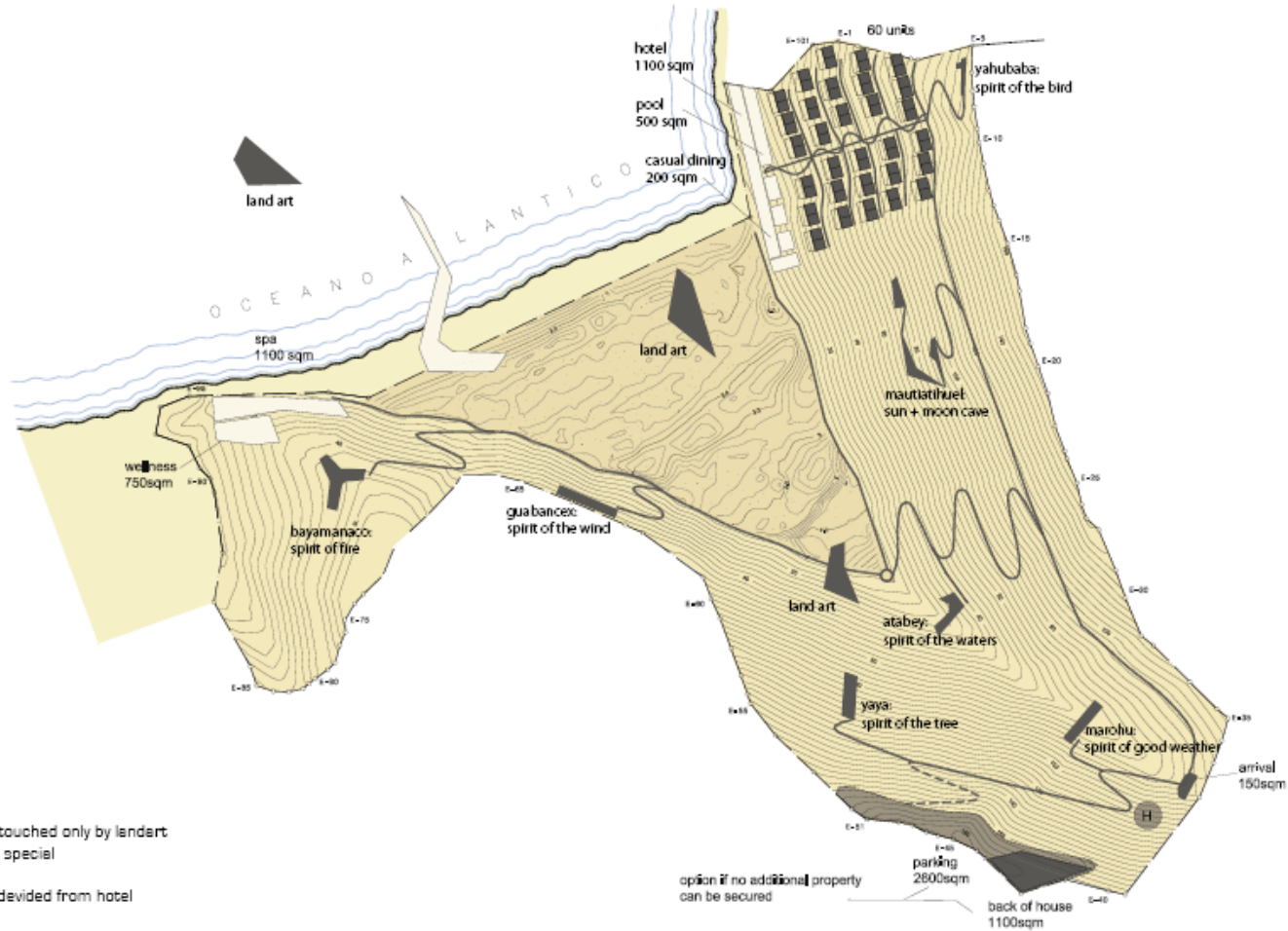
cons: cost increase through road construction
property loses its natural beauty
no specific draw
no amenities

42 VILLAS

S A M A N A
d o m i n i c a n r e p u b l i c

GRAFT inc

Architectural Proposal from Graft



pros: enchanted village touched only by landart
every residence is special

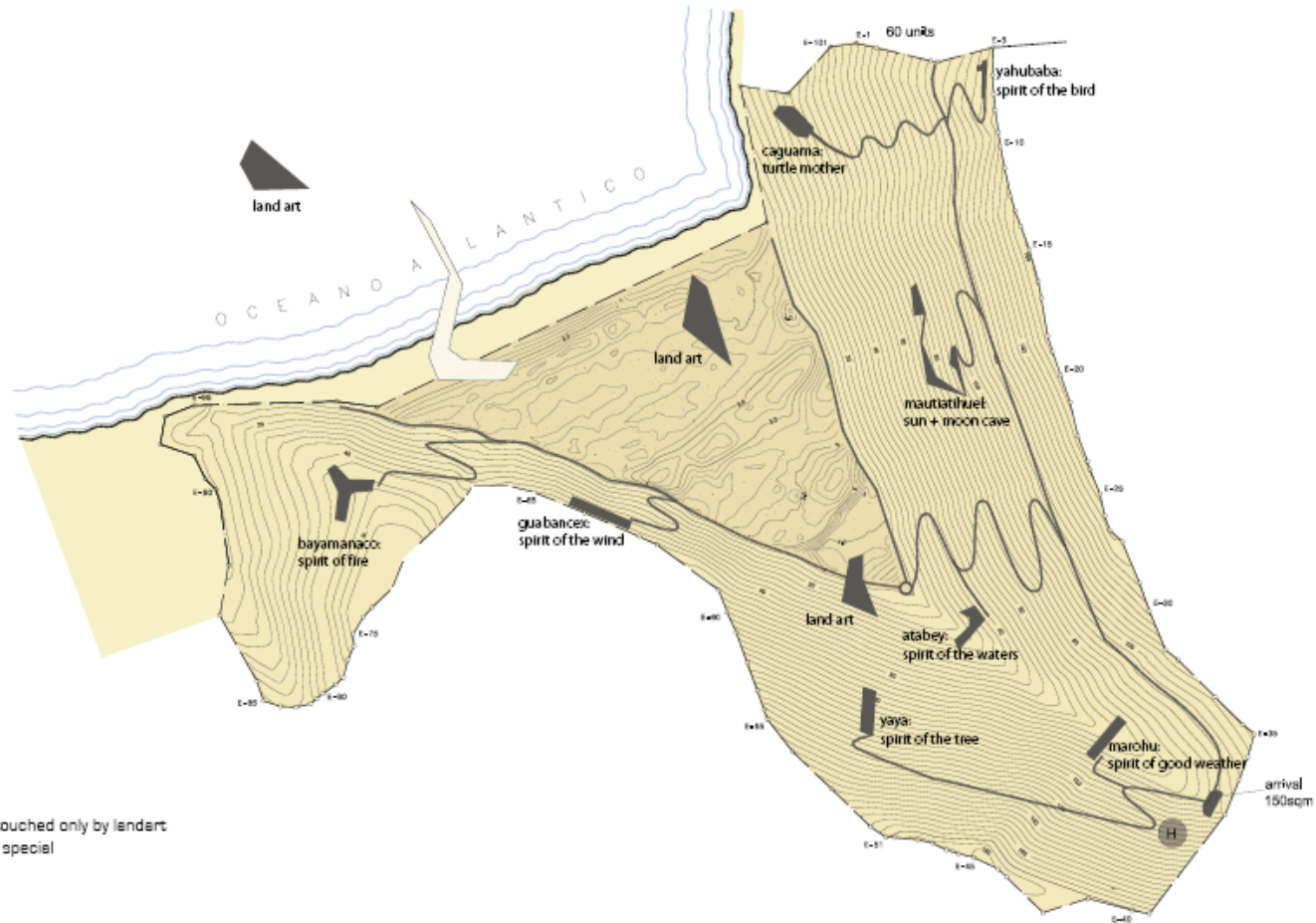
cons: spa and wellness divided from hotel

LANDART
7 villas + italian village

S A M A N Á
d o m i n i c a n r e p u b l i c

GRAFT inc

Architectural Proposal from Graft



pros: enchanted valley touched only by landart
each residence is special
landart as draw

cons: no amenities

8 VILLAS
landart

S A M A N A
d o m i n i c a n r e p u b l i c

GRAFT inc

LAND - ART:

Land art is a means of activating the valley. Visible from all points of the site the proposed land-art pieces intend to reveal to the user natural phenomenon prevalent on the site, aiding through visualization in hopes of inspiring ...

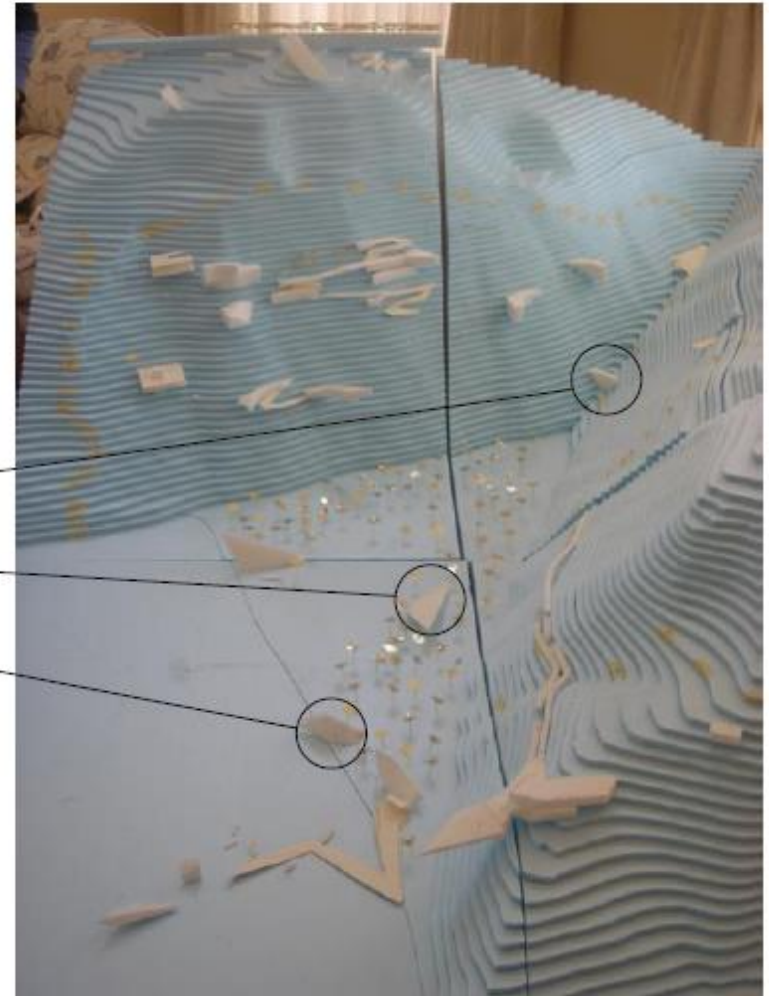
All three points of inspiration have deep seeded spiritual roots in Taino culture.

- CAVE: sacred introspective voyage framing views to the exterior and to the stars

- LAND: responds to the wind, much like long blades of grass in the wind exposing the breeze

- WATER: plays with the water, generating a break in the pattern of the waves

Additionally, bird and whale watching points as well as orchid gardens are proposed as sculptural figures to engage the user with the extraordinary nature of the site.



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GRAFT inc.

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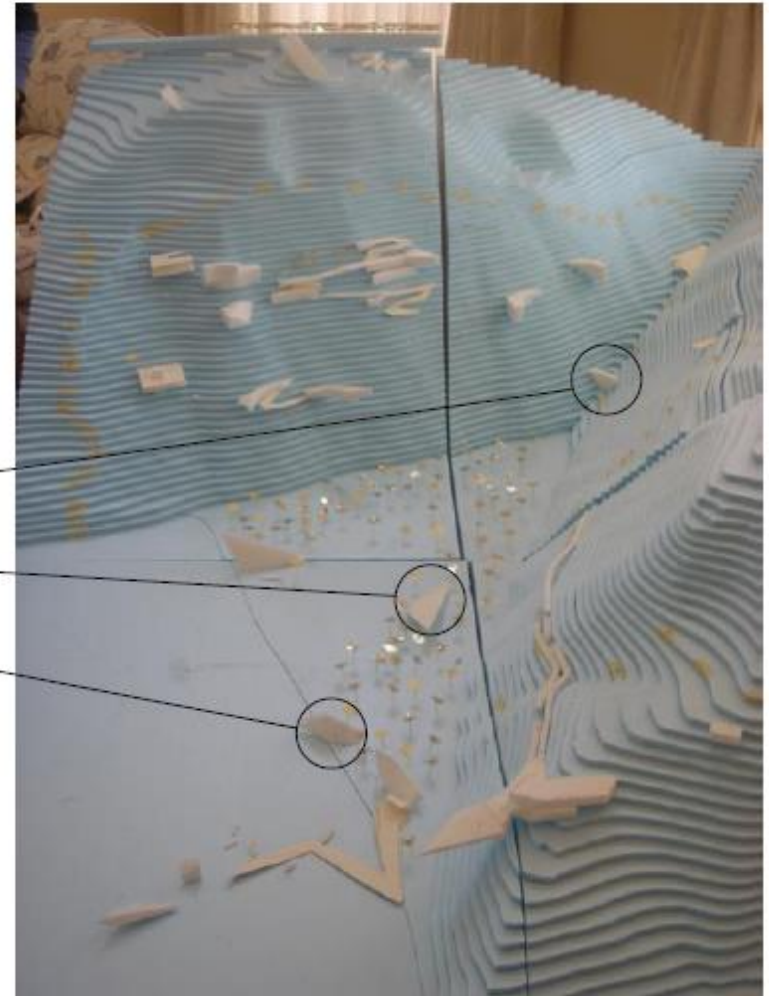
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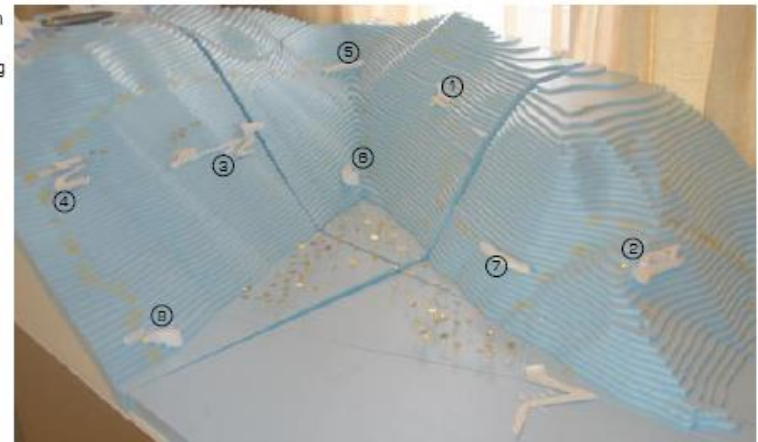
VILLAS:

All eight villa concepts blossom from Taino mythology, taking as a point of departure a specific cemi (god) from their polytheistic folklore. This inspiration when coupled with unique contextual conditions generate powerful and innovative villas, each of which accentuate a distinguishing natural phenomena, experientially incorporating it into daily living.

1. meutiatihuel: sun + moon
2. caguama: turtle mother
3. yaya: spirit of the tree
4. bayamanaco: spirit of fire
5. yahubaba: spirit of the bird
6. merohu: spirit of good weather
7. atabey: spirit of the waters
8. guabancex: spirit of the wind

The two typologies that will be taken into further development will be:

1. meutiatihuel: sun + moon
2. caguama: turtle mother



HOTEL ON THE NORTH EAST POINT:

One option for the location of the hotel is to situate it on the "cliff". This exceptional location provides unequalled perspectives towards the sunsets in the west.

The expression of the Hotel on the Cliff responds to horizontal banding, each band transforming itself, growing and turning to look over the sea. It's typology is reminiscent of Amalfi and Portofino in its terraced nature, though its formal expression has been reinterpreted.



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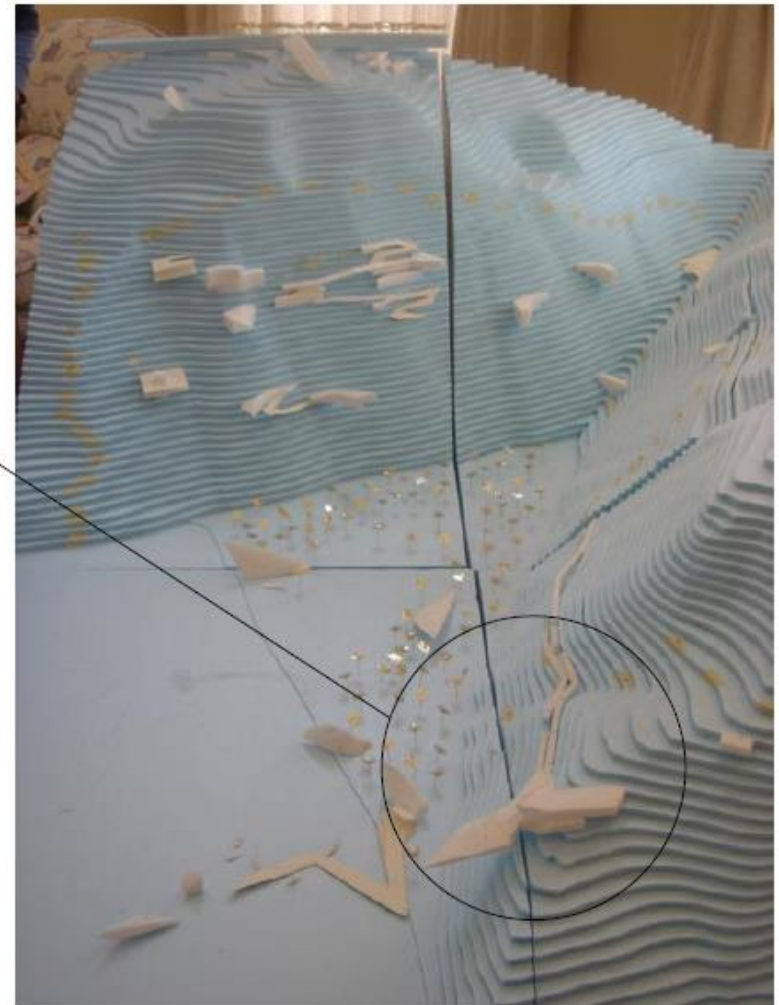
GRAFT LLC

HOTEL ON THE NORTH WEST POINT:

A second option for the location of the hotel is to situate it high on the "point". Its privileged location allows for generous visibility towards the east and west.

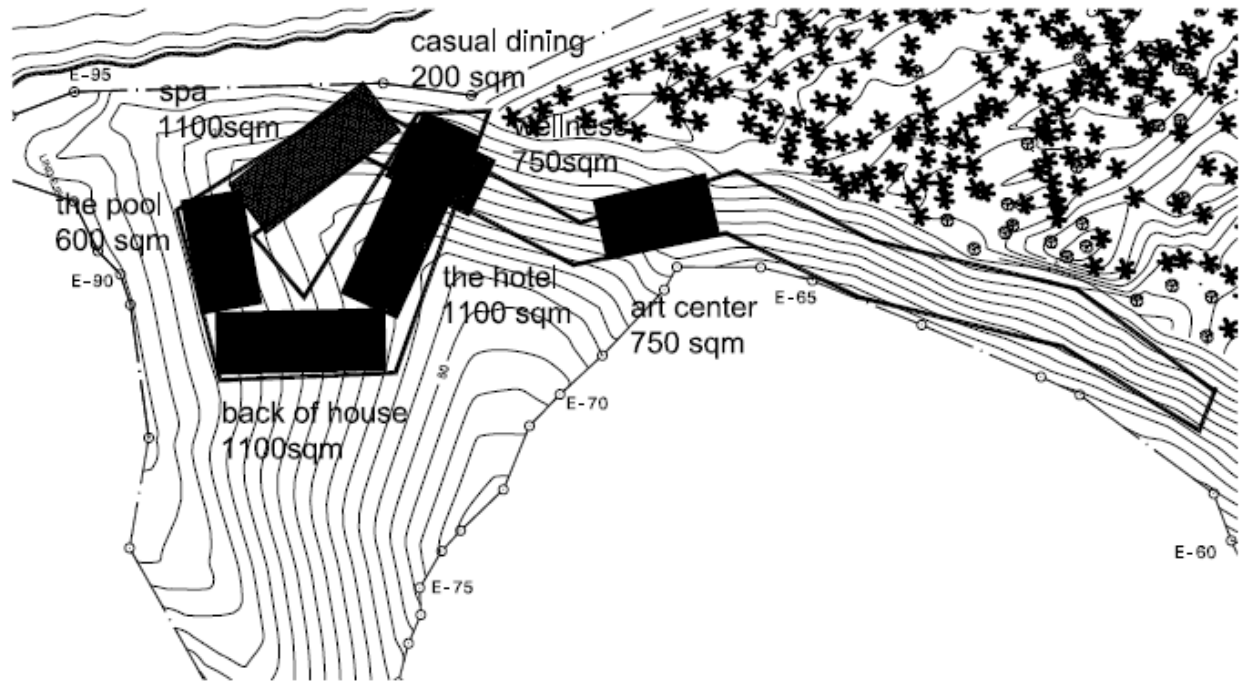
The expression of the Hotel on the point takes it's momentum from the site, builds velocity and culminates in a strong formal expression hanging over the point.

Its conceptual inspiration is also rooted in Taino mythology, referencing the Serpent Goddess



S A M A N A
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GRAFT.i.c

EXISTING SITUATION
EXISTING SITUATION
EXISTING SITUATION



SITE LOCATION



APPROACH TO SITE



SITE LOCATION



FEELING THE SPIRIT



BEACH SIDE



EXISTING CAVE

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& SITE ANALYSIS CONCEPT & SITE ANALYSIS

The Arabian Nights Resort is set on a small, secluded valley overlooking the Caribbean. Steep hillsides enclose the valley floor covered by a grove of palm trees. The floor slopes gently to a private beach. The beach is bound by slopes to the east and a shallow cave and rock outcroppings to the west. The access to the site will be via a road from Samana that will enter the site at the edge of the adjacent beach. After passing the entry gates, the road climbs through the jungle to a ridge just above the beachside cave. At this point, a side road leaves the main road climbs to Shakira's Compound on the west facing slopes of the first range of hills. The compound will provide a private site with spectacular views to the sea to the west and north and close proximity to all the amenities of the resort. Just after the turn-off to Shakira's Compound, the jungle will open up to expose a glimpse to the sea before descending down the slope to the Clubhouse in the valley.

At the Clubhouse, residents and guests will park their cars in the underground garage and transfer to golf-carts or ATV's to circulate around the rest of the site. The Clubhouse will also be the portal for guests and residents arriving by boat via the Resort's Marine or by helicopter via the Heliport. The pier connects the Marine and the Heliport to the Clubhouse. The Clubhouse will be the center of the activity for the Resort. It will be the location for checking in and out, for the health club, restaurants, and other guest services. The Club House will have the image of the traditional architecture of the Middle East which will be brought up to the Caribbean which will be something unique.

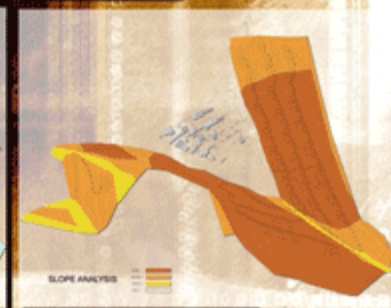
The floor of the valley is developed in a series of gardens that start at the Clubhouse and work east toward the steep slopes of the valley walls. These gardens are organized around a network of pathways that connect the clubhouse and gardens to the Villas and Hotel on the valley hillsides. The arc of the pier extends across the site and connects to the Hillside Villas via a series of elevators or lifts and walkways. The arching paths that cut across the pier extension and garden connect stairways down the slopes from the Hillside Villas and the Hotel to the amenities of the gardens. The gardens incorporate several pools for swimming, wading and reflection. Shade structures and pavilions, terraces, tennis courts, and specialty areas for outside play and relaxation as well as lush plantings under a canopy of palm trees. The gardens terraces step down from the southern hillside to the beach and the sea beyond. The subtle terracing allows for stairs and overlooks that enrich the space and create a variety of uses in a relatively small area. There is a service building located in the upper reaches of the valley floor that will house the golf-carts ATV's as well as provide a base of operations for the Resort staff.

The eastern edge of the valley includes a romantic landscape of native species that contrast with the gardens as well as accommodate the rainwater that will flow off the mountains in the rainy season. Between the gardens and the native landscape is a water feature that snakes its way through the landscape from the base of the slopes to the beach. This water feature will flow continuously through the year in a tunnel at the bottom of the wall that divides the garden and the native landscape. During the rainy season, the excess rainwater will flood the water feature and create pools inside the bends of the walls temporarily changing the character of this area. Where the feature terminates on the beach, there will be a Cantine that will be available to guests and residents for restaurants, snacks and drinks as well as beach chairs and umbrellas.

After guests and residents check in at the Clubhouse, they will proceed on to the Villas or Hotel on the valley hillsides via golf-carts or ATV's on an extension of the entry road. This road extension climbs the southern slope to an intersection 30 meters above the valley floor. There is a security station at this point that will help separate the Villas residents from the Hotel guests and Recording Studio users. The Hotel guests and Recording Studio users will continue up a switchback road on the southern slope to the Hotel and the Studio beyond. The Hotel and Studio are over 60 meters above the valley floor and will have breathtaking views of the site to the north. They will have the similar Arabic Architecture of the other building proposed on site.

The Villa owners and guests will continue up to one of three access roads that are hatched into the eastern hillside 35, 75 and 125 meters above the valley floor. The Villas will be perched on the hillsides with spectacular views to the Caribbean and the opposite valley slope that will remain predominantly wooded. The gardens and Clubhouse will be shielded from view by the canopy of palm trees. Individual lots will be created with easements for the roadway and pedestrian paths from the valley floor. The Villas will be designed to maximize the views to the north and west, while minimizing doors and windows on the south and east. The Villas should have the same image of the Arabic architecture proposed in the project. The minimal openings on the south and east as well as the preservation of the native vegetation along the road and between Villas will assure privacy for all the Villas while they enjoy the stunning views of the ocean.

The Arabian Nights Resort will be unique with its architecture and its function in the Caribbean and in the world.....



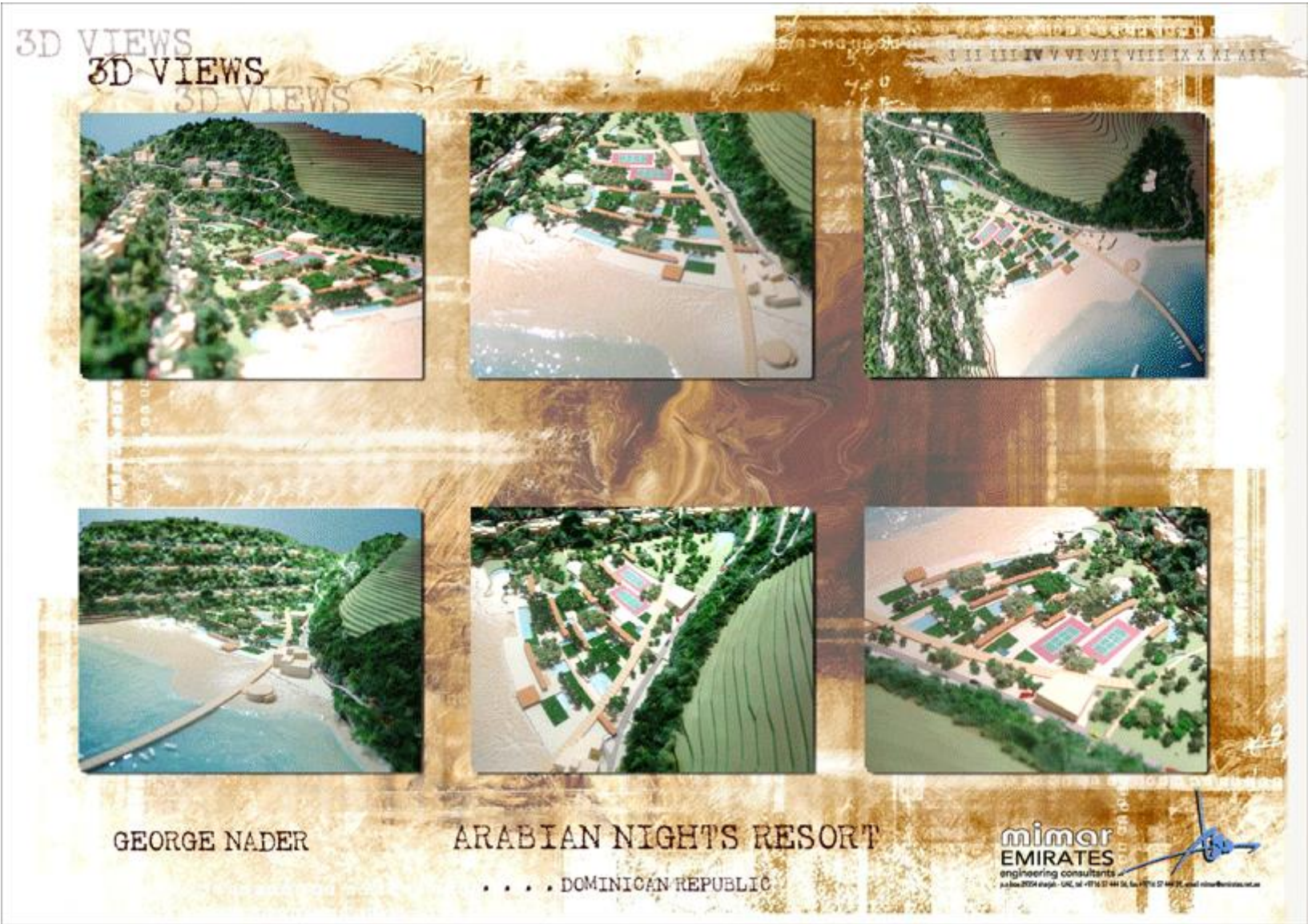
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Architectural Proposal from Mimar Emirates



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Architectural Proposal from Mimar Emirates



Architectural Proposal from Foster + Partners



A proposal from Foster + Partners has already been received and they have shown strong interest in becoming part of the Development Team for Samaná Valley.



Banyan Tree Corniche Bay - Project designed by Foster + Partners in Mauritius, Africa.

Investment Opportunity

- Value of raw land: US \$70/mt².
- Total area: 222,067 mt² x \$70 = \$15,400,000.
- Equity participation being offered: 45% = \$12,600,000.
- 100% of the cash proceeds will be re-invested in the project and used solely for qualified predevelopment and permitting expenses and initial infrastructure.
- With total Equity of \$28,000,000, the Development Team will start construction once all permitting is completed, all tax incentives are approved, budgets are approved, the boutique hotel has been sold or leased and at least 40% of total all apartments and lots are under contract. Estimated time: 3 – 4 years.
- The capital contributions will be called at the beginning of each quarter based on investment needs during the next two years.
- An international audit firm will be hired to report to management and investors every quarter before the next capital call.
- Most likely deal structure will be under the new Trust law in Dominican Republic.
- Total density allowed is 550 rooms. The proposed project consists of developing 450 rooms. 100 hotel rooms, 100 two-bed room apartments and 25 lots form single family homes with an average of 6 rooms in 3,000 mt².

Sales Details						
Description	Rooms	Total Units	Rooms	MT2 of Land	Avg. Selling Price	Total Sales
Lots	6	25	150	75,000	\$1,500,000	\$37,500,000
Apartments	2	100	200	40,000	\$360,000	\$36,000,000
Boutique Hotel	1	100	100	40,000	\$245,000	\$24,500,000
		225	450	155,000		\$98,000,000

Hard and Soft Costs Estimates						
Description	Rooms	Total Units	Rooms	MT2 of Land	Avg. Cost per Unit	Total Costs
Lots	6	25	150	75,000	\$750,000	\$18,750,000
Apartments	2	100	200	40,000	\$192,000	\$19,200,000
Boutique Hotel	1	100	100	40,000	\$154,000	\$15,400,000
		225	450	155,000		\$53,350,000
					10% Contingency:	\$5,335,000.0
					Total:	\$58,685,000.0

Sources and Uses of Funds

Sources		
Equity:	\$27,980,442.0	35.32%
40% of Sales:	\$29,400,000.0	37.11%
Debt:	\$21,849,248.0	27.58%
Total:	\$79,229,690.0	100.00%

Uses		
Hard Costs:	\$45,347,500.0	57.24%
Contingency:	\$4,534,750.0	5.72%
Soft Costs:	\$8,002,500.0	10.10%
Contingency:	\$800,250.0	1.01%
Interest expenses and others:	\$5,000,000.0	6.31%
Land:	\$15,544,690.0	19.62%
Total Costs:	\$79,229,690.0	100.00%

Total Sales:	\$98,000,000.0
Total Profit:	\$18,770,310.0
Equity Partners (45%):	\$8,446,639.5
Land Owners/Developer (55%):	\$10,323,670.5

Total Cash Out:	\$46,915,310.0
Equity Partners (45%):	\$21,046,639.5
Land Owners/Developer (55%):	\$25,868,670.5

Tentative Capital Call Schedule

1Q	2Q	3Q	4Q	Total 2015
(\$2,520,000.0)	(\$1,260,000.0)	(\$1,260,000.0)	(\$2,520,000.0)	(\$7,560,000.0)

1Q	2Q	3Q	4Q	Total 2016
(\$1,260,000.0)	(\$1,260,000.0)	(\$1,260,000.0)	(\$1,260,000.0)	(\$5,040,000.0)

IRR Calculation

2015	2016	2107	2018	IRR
(\$7,560,000.0)	(\$5,040,000.0)	\$0	\$21,046,639.5	21.60%

The Development Team will work to minimize the cash outflow from the Equity Partner while maintaining a strong balance sheet and moving the project forward on all fronts. The money will be called upon only if it is required.