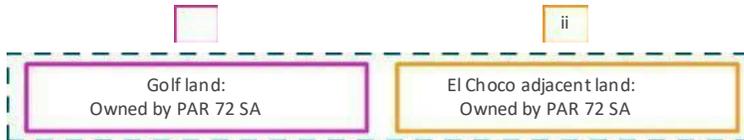




*PAR 72 Golf For Sale Only | JV's will not be considered*



*The property secured for the PAR72 golf course and associated (residential or other) development represents an irreplicable collection of top-quality land parcels on the North Coast*



- Favorable zoning regulations have been secured and the property is approved suitable for a multi-purpose commercial / residential development
- The project is expected to qualify for tax incentive
  - ◦ 2001 which grants the project up to 10 years tax exemption
- Ocean view positioning creates a prestigious and sought-after setting for a golf resort and residential villas
- Sizeable parcel of land adjacent to golf course provides platform for future growth
- Scotiabank, Banco Popular and BHD Leon have expressed interest in financing the project's clients



# *Unique parcel of land provides the only opportunity available for a residential golf course development in the Cabarete Sosua area*

- Located in front of Sea Horse Ranch
- 1,708,429.28 m<sup>2</sup>
- Price: \$25,626,439.20  
(\$15.00 per square meter)
- Only parcel of land of sufficient size available in the area to develop a golf course
- Favorable zoning regulations have been secured and the property is approved for use as a golf course
- Golf course blueprint by renowned golf designer Michael Poellot:



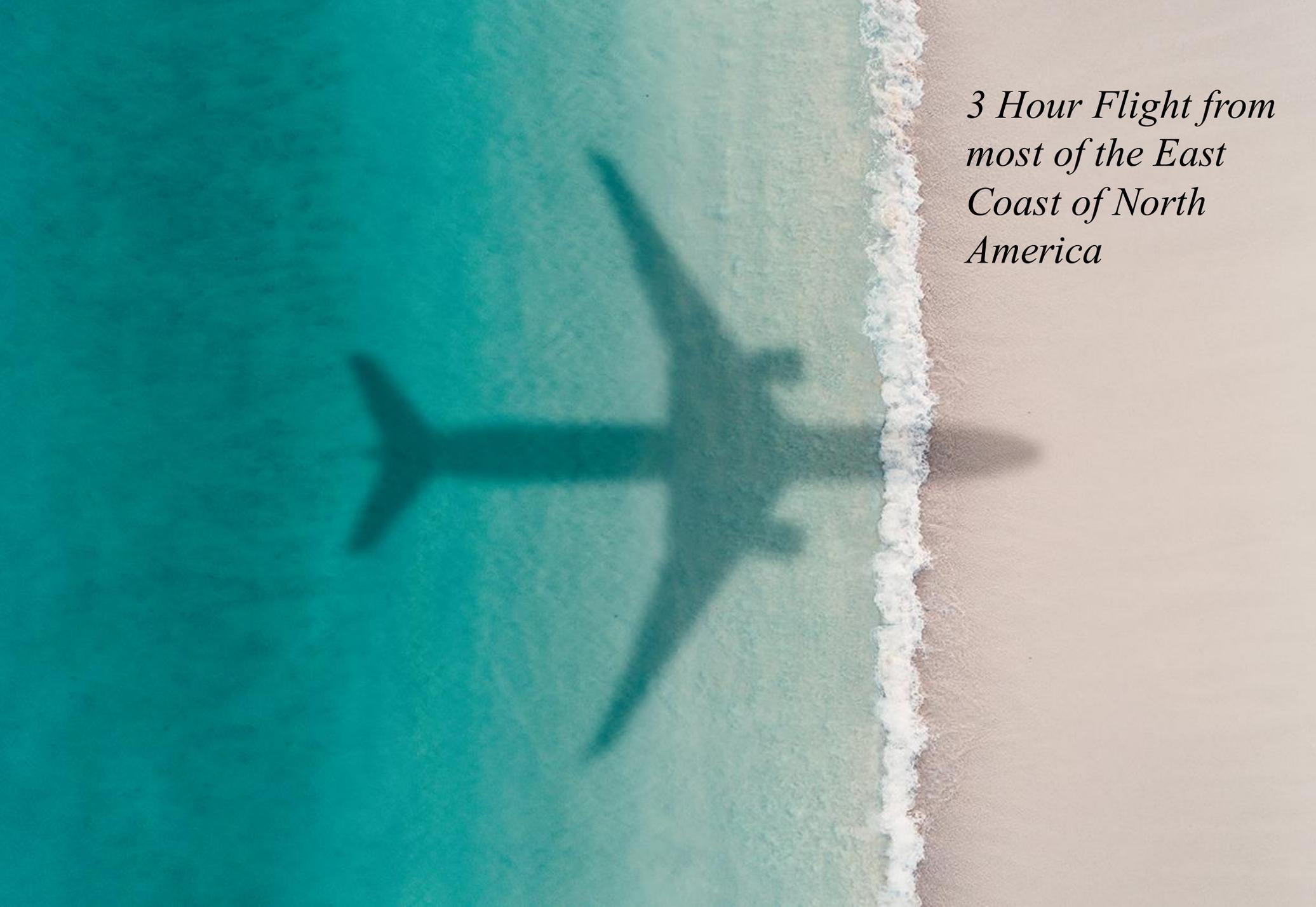
## *A sizeable plot of land on El Choco road adjacent to the golf property provides the Opportunity for increased Profitability through Residences or 2<sup>nd</sup> Golf Course*

- . Located adjacent to the golf property on El Choco road
- . 1,801,270 m<sup>2</sup>
- . Price: \$7,916,153
  
- . The property offers spectacular ocean views as well as views to the mountains
- . Provides a platform for further growth of PAR 72 golf course with a number of potential uses including as a:
  - Residential development
  - Second golf course (either public or private)
  - Alternate use site
- . The land parcel is expected to increase significantly in value following the development of the surrounding properties

### Additional Properties

- . Located adjacent to PAR 72
- . 375,558 m<sup>2</sup>
- . Price: \$5,853,420



An aerial photograph of a beach. The top half of the image shows a sandy beach, and the bottom half shows clear, turquoise water. A dark shadow of a commercial airplane is cast across the water and onto the sand. The shadow is oriented vertically, with the tail of the plane at the top and the wings and fuselage extending downwards. The shadow is most prominent on the sand, where it appears as a dark, elongated shape. The water is a vibrant blue-green color, and the sand is a light tan color. The overall scene is bright and clear, suggesting a sunny day.

*3 Hour Flight from  
most of the East  
Coast of North  
America*



*Property Specifications*



*Golf land total parcel: 2,083,987.28 m<sup>2</sup> of land located in front of Sea Horse Ranch for \$31,479,859*



*El Choco land parcel: stunning property with both ocean and mountain views*

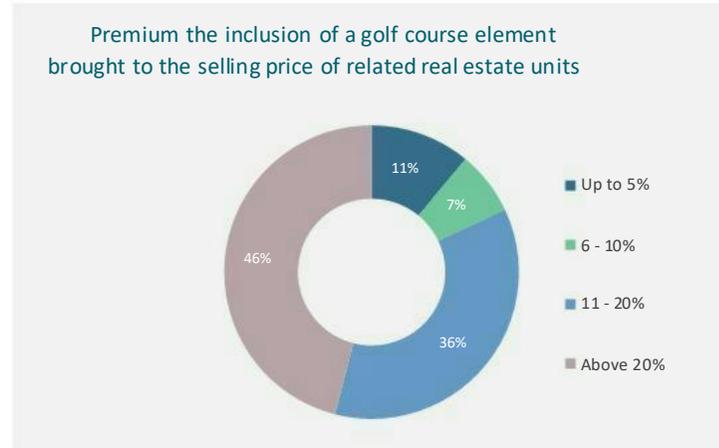




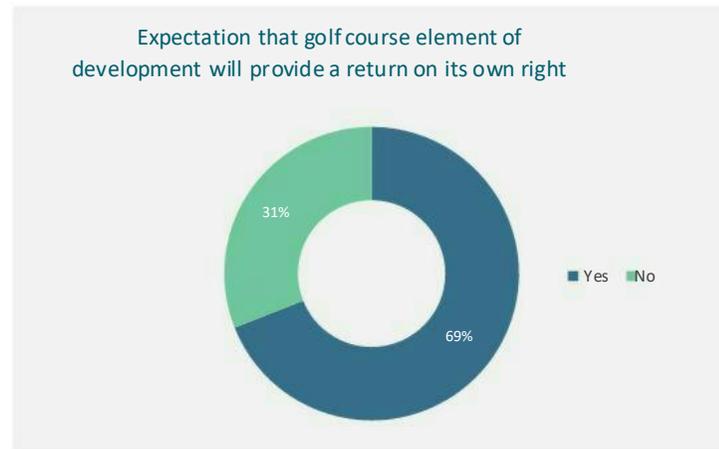
# Integration of a golf course in real estate developments can enhance the overall value proposition & Luxury Residences

- Within the Dom. Rep., there is a strong bias to integrated golf resorts vs. stand alone courses, likely an indicator of the more attractive return prospects of this concept
- Placement of residential units alongside golf courses can help developers to increase sales velocity as well as sales premiums
- Golf courses come second only to waterfronts as the most desirable location for a housing community
- Presence of a golf course has been shown to add a significant premium in comparison to selling price of a similar unit in the area without the golf connection
- Majority of developers also expect the golf course to provide a positive return on investment in its own right
- Courses by well-known designers experienced additional premiums on the sales price of the residential real estate

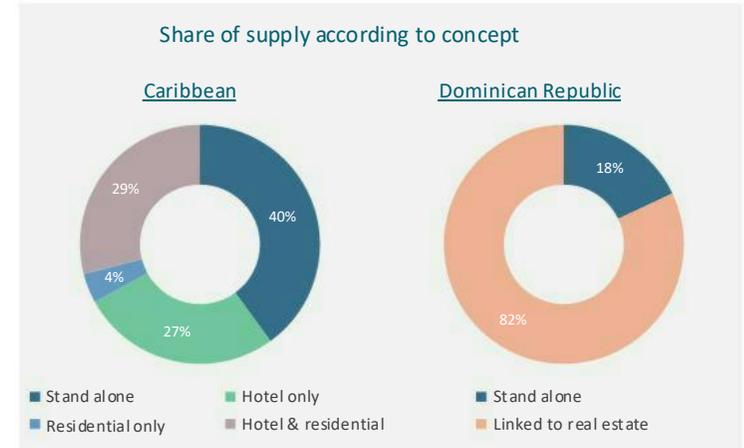
## Golf courses provide boost to surrounding real estate



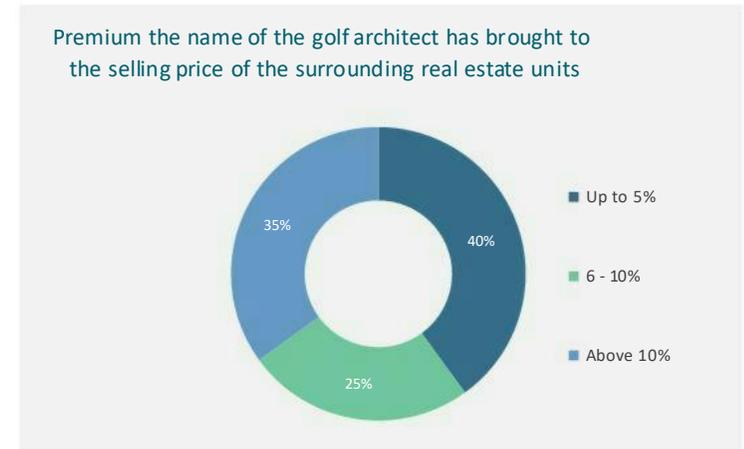
## High profitability prospects even on standalone basis



## Trend to integrate golf with real estate developments



## Courses by known designers generate extra premium





(Appendix  
x)

# *Detail on Foreign Investment Incentives*

# ANALYSIS OF THE LEGAL FRAME – TOURIST PROJECTS AND TAX INCENTIVES: LAW 158-01

## 1. WHICH TOURIST PROJECTS ARE ELIGIBLE?

The Law 158-01 provides tax incentives for tourism development within the territory of the Dominican Republic. Said law was enacted in the year 2001 and amended in several occasions. Its purpose is to promote the investment in the following areas, activities and or facilities:

- (a) Hotel facilities, resorts and / or hotels complexes;
- (b) Construction of facilities for conventions, fairs, international congresses, festivals, shows and concerts;
- (c) Corporations dedicated to the promotion of cruise activities that establish in any of the ports described in this law, as origin and final destination ports.
- (d) Construction and operation of amusement parks and / or ecological parks and / or thematic parks;
- (e) Construction and / or operation of ports and marine infrastructures to service tourism, such as sport and marine ports;
- (f) Construction and / or operation of tourism infrastructures, such as aquariums, restaurants, golf courses, sport facilities and any other that can be considered as an establishment belonging to tourism activities;
- (g) Small and medium companies whose market is fundamentally sustained by tourism (craft, ornamental plants, tropical fish, breeding farms for small endemic reptiles and others of a similar nature);
- (h) Companies providing basic services, utilities for the tourist industry, such as aqueducts, treatment plants, environmental reparation, collection of garbage and solid waste.

The exemptions for the activities described in items 2, 3, 4, 5, 6, of the present article will also apply to tourist lodgings or other complementary facilities or activities, such as villages, lots, apartments, moorings etc., destined either for operation by the promoters or developers or for sale to third parties, as long as they are part of an approved project. (Added by Law 184-02).

## 2. EXEMPTION PERIOD

In relation to the tax exemption period, the law states that such period will be of 15 years as and from the date construction work and equipment of the Tourism Project is finished.

In addition, the same article states that a period of no longer than 3 years will be granted “to initiate the approved project in a sustainable and uninterrupted manner and failure to do so in the given time automatically entails the loss of the right to said exemption”.

According to the previous paragraph, failure to start the construction of Macao Project within the 3-year period from the approval of the “Definitive Classification” will automatically result in the withdrawal of all tax exemptions previously granted in virtue of said classification.

### 3. TAX BENEFITS

According to article 4 of Incentive Law 158-01, the following tax exemptions are contemplated for tourism projects in the Dominican Republic: ... exemption of a hundred percent (100%) in the payment of the following taxes:

a) Income tax

b) National and regional taxes for the incorporation of companies, on increase in capital of companies already incorporated, national and regional taxes for the transfer of property rights, on sales, exchanges, contributions in kind and any other form of transfer of property rights; property tax; duties and contributions regarding architectonic plans, studies, consultations and supervision, construction of the works to be carried out in the tourism project, the latter being applicable to the contractors in charge of carrying out the tasks.

c) Import taxes and others such as rates, duties, surcharges, including Transfer Tax on Industrialized Goods and Services (ITBIS or VAT) that may be applicable to the machinery, equipment, materials and goods necessary for the construction and for the initial equipping and operation of the tourism installation. (Mod. according to Law 184-02)

Additionally:

- Corporations benefiting from the incentives shall not pay any tax, withholding or duties on national and / or international financing or loans. (Mod. according to Law 184-02).

- Persons or entities may deduct the amount of their investment in tourism projects approved by this law from their net taxable income. Said deduction apply up to twenty percent (20%) of the annual net taxable income and is applicable for a period no longer than 5 years. (Mod. according to Law 184-02).

- At the moment of installation, the machinery and equipment necessary to reach a high standard in quality (ovens, incubators, treatment plants for production control and laboratories, among others) are completely exempt from tax.

- The exemptions established by this law shall be granted to persons or entities that invest directly, once or more, with the promoters or developers in any of the activities described in Article three (3) located in the tourist destinations, provinces and municipalities described in article 1. Subsequent transfers to third party buyers shall not include the transfer of the tax benefits. (Law 184-02).

### 4. STRATEGY FOR CLASSIFICATION TO THE TAX EXEMPTION.

In order to benefit from the tax exemptions, a company should comply with all requirements established by law.

CONFOTUR (Tourism Promotion Council or Consejo de Fomento Turístico) is the institution responsible for evaluating and approving the projects. This is carried out in 2 steps in case the project to be developed has not yet received all permits from the different institutions.

(a) Provisional Classification

(b) Definitive Classification

We hope this memo serves you as a guideline for decision making in this matter, and remain at your disposition to clarify any doubt you may have after reading it.



# Cabarete Beach







# *Important notice*

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