

## Executive Summary – Introduction

The purpose of this package is to act as an introduction to the development project in the Dominicus Americanus, Dominican Republic. The Property is located 90 minutes from Santo Domingo, the capital and largest city in the Dominican Republic, and 20 minutes from Casa de Campo. The land is located along the Caribbean Sea and consists of approximately 2100 acres of available land. The property features excellent topography with beautiful bluffs and 70-foot drop from north to south towards the beach allowing for scenic views. The site is also close to a national park attracting thousands of tourists daily and is located fifteen minutes from the La Romana Casa de Compo International Airport.

The current site plan uses approximately 1700 acres for development and contracts are in place for approximately 400 acres being sold to third parties for development. As shown by the site plan, the project



includes the development of additional resorts, golf courses, residential sites, condominiums, apartments, commercial acreage, marina, and helipad.

Currently there are five resorts located in Dominicus Americanus, including Iberostar Hacienda (496 rooms), Viva Wyndham Dominicus Beach Resort (530 rooms), Viva Wyndham Dominicus Palace (330 rooms), Catalonia Gran Dominicus (404 rooms), and Hilton Coral Canoa (512 rooms). These resorts consistently experience an annual occupancy rate of 82%, resulting in over 6,000 visitors per week.

A major key to this development is infrastructure in place at the Dominicus Americanus. The site currently has sewer and water, satellite television, communications of telephone and cell phone service, water treatment and waste disposal. There are limited areas in the Dominican Republic with these infrastructures in place for development. Additional services in the area include health care provided in the hotels, street maintenance, banks, churches, mail service, shopping, and dining. While the area currently has a marina, the project will also see the creation of a new marina to accommodate the larger yachts traveling to the Dominican Republic.

The Dominicus Americanus has established itself as a destination for tourist to visit from Europe, South America, and North America. The Dominican Republic possesses everything required for a vacation destination, including great weather, spectacular ocean views, white sand beaches, dark blue warm ocean water and a stable government. For many years, the Dominican Republic has been a favorite destination for European vacationers, resulting in over 3,500,000 tourists per year. Today, this Caribbean island remains as popular as ever with the Europeans, furthermore the last several years have seen the United States vacationers discover this under utilized market. The large numbers of tourists has



resulted in a great demand for long-term residences and permanent vacation homes, thereby creating a tremendous need for the type of residential and resort offerings that will be part of this development.

#### Purchase Details

The purchase price for the property is \$450M USD. The current owner has contracts with Iberostar Resorts for the purchase of approximately 345 acres of inland land for \$56M USD and 2.5 acres of beachfront land for \$2.5M USD. Contracts are also in place with BAP Development for the purchase of 34.5 acres of beachfront/resort land for \$59.5M USD. These contracts will remain in place with the acquisition of the property by Bachaus Developments, LLC. Discussions are currently underway with a resort developer for the purchase of beachfront/resort acreage for \$32M USD. It is anticipated that closing on these parcels of land will occur within the 60 days or by December 15, 2007. A down payment of \$150M USD is required by the seller for the purchase of the property and the balance payable in five equal payments of \$60M USD plus interest of \$3M USD per year. The development is projected over a 20-year period and will be constructed in phases beginning with the development of the 18-hole golf course and infrastructure for the residential component.

#### Development Land Usage Breakdown:

- 200 acres for infrastructure
- 300 acres for the golf courses
- 600 acres for single family residential lots (integrated and surrounding the golf courses)
- 180 acres for condominiums and commercial use
- 100 acres for marina (includes residential and retail space)
- 300 acres for resorts (beachfront property)
- Total Acreage = 1680 acres

#### Proposed Development Components

##### - Golf Course(s):

The development includes (3) 18-hole championship golf courses to be constructed. These courses could be developed in association with a high profile international golf course architect (TBD). The golf courses are currently designed in the site plan and will be constructed with the minor adjustments to the current terrain to achieve aesthetic beauty and playability. The golf courses will encompass approximately 300 acres. The golf courses and residential community interweave each other. Separate entrances for the clubhouse and residential areas will be utilized to increase the clubhouse visibility and reduce traffic into the residential community. There is a lack of competition in the surrounding area with only two (2) golf courses within a 40-minute drive of the property. The courses will not only be an amenity to the residents but also a draw from other areas on the island from tourists.

##### - Single Family Residential Lots – Golf Course:

Dominicus Americanus will develop approximately 1,450 premium lots for homes on the property. These lots provide pristine views and superior locations within various parts of the development with golf course. These lots are located on the interior of the residential property integrated into the golf course. Lot sizes average approximately 0.5 acre for the development of upscale single-family homes. The residential lots associated with the golf course will encompass approximately 600 acres. Lots are projected to sell at an average price of \$500,000 USD for a total of \$725,000,000 USD in the first 10-years of the development.

- Condominium / Commercial:

The project will also develop approximately 180 acres to be utilized for condominiums and commercial use. For the basis of this package, we have assumed all the acreage will be used for condominium development but it is likely that the first floors or separate buildings will be utilized as commercial use. It is projected that there will be approximately 5800 units available ranging in size from 1200 square feet to 2400 square feet. The average sales price is projected at \$400,000 USD for a total potential value of \$2,320,000,000 USD. It is projected that the sell out period for the condominiums will be over a 20-year period.

- Beachfront Resort Parcels:

The Resort areas are comprised of land designated for sale to developers that will be available for sale upon completion of the infrastructure. The average resort size is estimated at 30 acres. The resort acreage will encompass approximately 300 acres. It is anticipated that one resort parcel will sell per year over a 10-year period at \$1,652,000 per acre / \$49,560,000 per parcel / \$495,600,000 USD total value.

- Marina:

The marina will accommodate yachts in length up to 30 meters with additional landing stages outside of the port if desired. The land within the marina will encompass approximately 100 acres of the development and will include approximately 50 acres of residential villa property (110 lots), 25 acres for condominiums (800 units), and 25 acres for apartments and retail space (800 units). It is anticipated that the marina components will sell out within the first 10-years of the development.

Component Value Overview:

- Single Family Residential Golf Course: 1450 Lots / \$500,000 per lot / \$725,000,000
- Condominium / Commercial Golf Course: 5800 Units / \$400,000 per unit / \$2,320,000,000
- Beachfront Resort Land: \$495,600,000
- Single Family Residential Marina: 110 Lots / \$500,000 per lot / \$55,000,000
- Condominium Marina: 800 Units / \$400,000 per unit / \$320,000,000
- Apartment / Retail Marina: \$320,000,000
- Total Potential Value: \$4,235,600,000
- Estimated Length of Project: 20 Years

Costs for Development (if all components developed):

- Purchase Price: \$450,000,000 (\$150,000,000 down payment required with balance paid equally over a 5-year period plus interest)
- Residential Infrastructure: 1560 Lots / \$10,000 per lot / \$15,600,000
- Condominium Construction: 6400 units / 1800 sq. ft average size / \$80.00 sq. ft / \$921,600,000
- Apartment / Retail Construction: 800 units / 1800 sq. ft average size / \$80.00 sq. ft / \$115,200,000
- Golf Courses & Beach Club: \$25,000,000
- Total Cost for Development: \$1,527,400,000

Total Project Profit Potential: \$2,708,200,000