

APPRAISAL REPORT

VILLAGE CARAIBE TENNIS GOLF BEACH RESORT  
(HOTEL FUN TROPICALE)

LOCATED IN THE PUERTO PLATA MUNICIPALITY

REQUESTED BY:

OPERADORA HOTELERA GRANDCLASS, S. A.

**REGROSS, S. A.**  
**(Engineers, surveyors and appraisers)**

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## **REGROSS, S. A.**

**Ingenieros, Agrimensores y Tasadores  
(Engineers, Surveyors, and Appraisers)**

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June 8, 2008

Mrs.:

Ada R. de Más

President

Operadora Hotelera Grandclass, S. A.

Ave. Núñez de Cáceres, esq. Gustavo Mejía Ricart

Edificio Plaza Saint Michell, local No. D-01, Suite No. 4

Santo Domingo

Dear Mrs. R. de Más:

In compliance with your request for an opinion on the present real value of the Condominium Turístico Village Caraíbe Tennis Golf Beach Resort, (Hotel Fun Tropicale), made by Compañía Operadora Hotelera Grandclass, S. A., which consists of 184 rooms, distributed in twenty-one (21) buildings or modules of two levels each; as well as a club house, which counts with reception area, lobby, administrative offices, two restaurants, two bars, one swimming pool, tennis courts, football, basketball, archery, mini-golf, areas for games, theater, children's club with swimming pool and other facilities of this type.

The Tourist Condominium Village Caraíbe Tennis Golf Beach Resort, (Hotel Fun Tropicale), is developed, in a superficial extension of 39,805.00 square meters, within the ambit of the parcel No. 26-A-ref. - 28, of the Cadastral District. No. 9, of the Puerto Plata Municipality, where I visited the mentioned property, and proceeded to observe and to take notes, regarding the characteristics of the sector, such as; characteristic of the zone, public services, condition of the streets, vicinity, preservation and quality of the sector, etc., as well as the characteristics of the edification, fences, quality, performance and annexes.

Also, we practiced an examination of the data we have in our files, which was obtained from investigations made for appraisals of other nearby properties, arriving at the conclusions stated in the annex.

Hoping to have satisfied your request we remain,

Yours truly

Ing. Rafael Ernesto Rodriguez Gross  
Member ITADO No. 101

(OFICIAL SEAL OF  
REGROSS, S. A.  
Santo Domingo, D. R.)  
Member ITADO no. 101

## **EVALUATION CERTIFICATION**

**The undersigned** certifies that he does not have, nor expects to have any personal interest, in the immovable property refereed to hereinafter, and declares that the opinions and data supplied are truthful and correct to the best of his knowledge and understanding, and that he has procured not to ignores any information that may affect in any manner the final estimated value.

**HE CERTIFIES:** That upon studying, analyzing and verifying the data related to parcel No. 26-TO-RE-28 of the cadastral district No. 9 of the Puerto Plata Municipality and improvements, its present value has been estimated in the amount of **US\$17,380,041.00 (Seventeen Millions Three hundred eighty Thousand Forty-One Dollars of the United States of America and 00/100).**

In Santo Domingo, National District, Capital District of the Dominican Republic, on the eight (8th) days of the month of June 4, of the year two thousand eight (2008).

Engineer Rafael Ernesto Rodriguez Gross

Member of the Institute of Appraisers of the Dominican Republic, Inc. No. 101  
Member of the Dominican School of Engineers, Architects and Surveyors, CODIA No. 5264  
Enrolled in the Registries of Appraisers of the Supervision of Banks  
And the Supervision of Insurance of the Dominican Republic

CONSTITUTIVE OPERATIVE NORMS AND REGULATIONS OF THE  
TOURIST CONDOMINIUM

DEPOSITED IN THE TITLE DEEP RESTRAR OF PUERTO PLATA ON THE  
TWENTY THIRD (23<sup>RD</sup>) DAY OF JUANUARY OF THE YEAR 1986.

PROPERTY OF:

**CONDOTEL DORADA, S. A.**

**VILLAGE CARAIBE**

Inventory of documents deposited in the Office Of the Title Deep Registrar of the Department of Puerto Plata, by the CONDOMINIO TURISTICO VILLAGEGE CARAIBE on the 23<sup>RD</sup>, day of January of the year 1986.

1. Act of Special Assembly Meeting celebrated on January 8, of the year 1986.
2. Copy of Notice for the Special Assembly Meeting of December 16 of the year 1985.
3. Two (2) copies of the Constitutive corrected Regulation or Bylaws approved by the Special Assembly Meeting of the Condominium on January 8 of the year 1986.

SIGNED

(Illegible signature)

Surveyor MI. Alfonso Garcia Debus

(OFFICIAL SEAL OF THE  
TITLE DEEP REGISTRAR)

CONSTITUTIVE REGULATION OR BYLAWS AND OPERATIVE NORMS  
OF THE CONDOMINIO TURISTICO VILLAGE CARAIBE

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CONSTITUTIVE REGULATIN OR BYLAWS AND OPERATIVE HORMS OF  
CONDOMINIO TURISTITICO VILLAGE CARAIBE.

**INTRODUCTION**

CONDOTEL DORADA, S. A., a company organized in conformity with the laws of the Dominican Republic, with its domicile and company address locate at house number 2251 of Independencia avenue of this city, duly represented by its President, Surveyor MANUEL ALFONSO GARCIA DUBUS, Dominican, of legal age, married, Surveyor, domiciled and residing in the city of Santo Domingo, Dominican Republic, bearer of personal identification card No. 14432 serial 37, currently stamped, in compliance with the provisions of Law 5038 of November 21, 1958, which institutes a special system to regulate the use of ownership of properties by floors or apartments, and Law 404 of October 5, 1972, ruling constructions of one floor which are of common property divided by walls or partitions, has drawn the present act by which the property describe herein below is constituted under the established regime the mentioned Law, for which reason this regulation is subscribed which shall be the Constitutive Regulation or Bylaw of the Condominium, as contemplated hereinafter and to which all individual owner of the Condominium shall be subjected.

CHAPTER I.

Declared Constitution of the Condominium

Article 1.-Declaration of Constitution.- CONDOTEL DORADA, S. A., declares to be the sole owner of parcel No. 26-A Reformed-28 (Twenty-six-Reformed-Twenty Eight of The Cadastral District No. 9 (nine) of the Puerto Plata Municipality, with an area of 39,805 (Thirty Nine Thousand Eight Hundred and Five) square meters supported by Deep Certificate of Title No. 46 issued on December 31, 1982, by the Title Registrar of Puerto Plata, and

constructed improvements, in the process of construction and to be constructed on said property, as explained hereinafter and has decided to declare it constituted into a Condominium in accordance with the provisions of Laws No. 5038 of November 21, 1958 and 404 of October of The Year 1972.

Article 2.- Name of Condominium.-The name of the Condominium has been constituted in this act as “Codominio Turístico Village Caribe”

Article 3.-Juridical Nature of The Condominium.- Condonimio Village Caribe will have a juridical personality in accordance with the stipulations of Law 5038 of November 21, 1958, and by itself it may conduct its own businesses and activities trough its Government bodies, according to what is established in the present Regulation.

CONDOTEL DORADA, S. A., in its capacity of Proprietor of the immovable property described in Article I of this Regulation declares that it counts with twenty for (24) building of two (2) stories each in accordance with the following divisions and details:

- |                |               |
|----------------|---------------|
| 1. Building A  | -8 apartments |
| 2. Building B  | -8 apartments |
| 3. Building C  | -8 apartments |
| 4. Building D  | -6 apartments |
| 5. Building E  | -6 apartments |
| 6. Building F  | -6 apartments |
| 7. Building G  | -8 apartments |
| 8. Building H  | -8 apartments |
| 9. Building I  | -8 apartments |
| 10. Building J | -8 apartments |
| 11. Building K | -8 apartments |

12. Building L	-6 apartments
13. Building M	-6 apartments
14. Building N	-8 apartments
15. Building O	-8 apartments
16. Building P	-8 apartments
17. Building Q	-6 apartments
18. Building R	-6 apartments
19. Building S	-6 apartments
20. Building T	-8 apartments
21. Building W	-8 apartments
22. Building X	-8 apartments
23. Building Y	-8 apartments
24. Building Z	-8 apartments

Which are individualized in accordance with the detail given hereinafter, and which are susceptible of being owned by different physical or moral persons, which according to Law 5038 of November 21, 1958 will have the right to use and enjoy common things in said Condominium.

## **Analysis and Conclusions**

### **a) Legal Description of the Land**

This appraisal has the purpose to estimate the present market value, of a one portion of land and improvements thereof located at the San Marcos section, of the Municipality and Province of Puerto Plata, which pertains to parcel No. 26-A-REVISED. - 28 of the CADASTRAL DISTRICT. No. 9, of the Municipality and Province of Puerto Plata.

This property has a registered area, of 39,805.00 square meters, where the Club House is located and the twenty-one buildings or modules of two levels each, of the Condominium Turístico Village Caraíbe Beach Resort, (Fun Tropicale), consistent of 184 dwelling units, which bear individual titles registered under the names of the Proprietors of each particular unit, forming part of the pool of rooms pertaining to the project.

### **b) Data of the vicinity**

The property object of the present valuation pertains Condominium Turístico Village Caraíbe Beach Resort (Fun Tropicale), a hotel project which has a total of 184 rooms and it is classified by the Minister of Tourism as a four (4) stars hotel. This condominium is located in one of the main tourist pole of the Dominican Republic, as is Playa Dorada, which is the product of a tourist development master plan of the Province of Puerto Plata. This program was promoted by the World Bank with the auspice of the Central Bank of the Dominican Republic. This plan established the norms and regulations that govern all the Hotels and tourist facilities and services of the zone.

The Condominium Turístico Village Caraíbe Tennis Golf Beach Resort (Fun Tropicale), is located at about three (3) kilometers. from the City of Puerto Plata, to 10 minutes away from Aeropuerto Internacional de la Unión, in the same province, in the Playa Dorada Project, at approximately 270 kilometers distance from the Dominican capital.

The Playa Dorada Project, has all the basic services, such as electric energy, aqueducts, telephones, cable TV, sidewalks, curbs, asphalted streets, pluvial drainage, and in nearby we may find schools, commercial centers, hospitals, restaurants and Hotels, which provides to the zone one of the most important tourist attractions of The Dominican Republic.

The north zone of the country where the city of Puerto Plata is located enjoys one of the main tourist destinies of the Caribbean, Cabarete, which is internationally popular for its beautiful beaches, where surfing is practiced at a professional level.

In the proximities we find different complex hotel, like they are:

1. IBERO STAR BEACH RESORT.
2. HOTEL CORAL MARIEN BY HILTON.
3. HACIENDA RESORT.
4. GRAN VENTANA HOTEL.
5. CLUB ON THE GREEN.
6. DORADO CLUB.
7. FLAMENCO BEACH & RESORT.
8. JACK TAR VILLAGES.
9. PARADISE BEACH CLUB.
10. PUERTO PLATA VILLAGES.
11. PUNTA GOLETA.
12. PLAYA DORADA HOTEL.
13. PLAYA NACO.
14. VILLAS DORADAS.
15. VILLAS VICTORIA.
16. CASA MARINA REEF.
17. VIVA TANGERINE.
18. VIVA WYNDHAM PLAYA D.
19. LUPERON BEACH RESORT.

20. CASA MARINA HOTEL

21. EMI RESORT

c) Estimated value of land:

A study of the of purchase-sale of lands in the sector and, the necessary adjustment for the localization, its form, operation time taken as samples and the investigations made The and National Bank “Banco Nacional de la Vivienda and Saving and Loans Associations”, in which have investigated values for loans purposes, has allowed us to estimate the present market value of square meters for the parcels in question, in the amount of US \$225.00 ( Two Hundred Twenty-Five North American Dollars and 00/100).

From where:

39,805.00 m2 to US\$225.00 = US\$8,956,125.00

(Eight Millions Nine hundred Fifty-Six Thousand One hundred Twenty-Five North American Dollars and 00/100).

#### **d) Description of the improvements**

The construction object of the present appraisal is strong structure of blocks and concrete, with concrete roofing and ceramic clay floor and ceramic in parts, wooden doors, sliding in glass with access to the balcony, formed by Twenty-one (21) buildings of two levels each and a Club House with all the facilities for a project of this type.

The Condominium Turístico Village Caraíbe Tennis Golf Beach Resort (Fun Tropicale), is composed of the following:

1. Club House with all its dependencies.
2. Twenty-one (21) buildings of two levels each. A total of 184 rooms.
3. Two restaurants duly equipped.
4. Two swimming pools.

#### **CLUB HOUSE:**

This two storey construction is made of blocks in concrete and wood, with ceramic floors, finished clay, polished cement, on parts, where also the following dependences found:

1. Reception area or lobby
2. Administrative Offices
3. Areas for tours operators
4. Areas of stores and supermarkets
5. Living room and sauna
6. Medical dispensary
7. Banking exchange office boxes
8. Areas of tables games
9. Sport courts (basketball, tennis, archery, football, ping pong, billiards, gymnasium, etc.
10. Theater
11. two bars
12. Maintenance area
13. Laundry room
14. Restroom for customers and employees
15. Area for bicycles, nursery garden and other facilities



### **RESTAURANT MIRANDA:**

Constructed in concrete column, with asbestos roof and decorations in plaster and wood (mahogany) and mosaic floors, wooden roofing and chingle with capacity for sixty (60) people. This restaurant is the principal of the two restaurants of the two restaurants found in this property.

Annex to these restaurants, there is another construction made of blocks, roof concrete roofing, wooden doors, glass windows ceramic floors and cement polished in parts, where the kitchen operate fully, equipped.

### **POPEYES PIZZAS RESTAURANT:**

Constructed in concrete column, with asbestos roof and decorations in plaster and wood (mahogany) and clay finished floors, with a capacity for fifty (50) people.

### **THEATER:**

This is a constructed in a circular shape, in concrete columns and wooden and chingle with capacity for three hundred (300) people, with floors made of polished ceramic clay, with workshop area, practice area, two (2) dressers, dressing rooms, rest rooms, and platform.

### **SPORT BAR & BANANA:**

Constructed in blocks and cements with ceramic floors and two rest rooms.

### **MAIN SWIMMING POOL AREA:**

Concrete Gazebos, animation area, two (2) rest rooms, garden area, cascades, main swimming pool, bar Popeye, inside the pool, Sun Tan Bar, in the area of the main pool, with finished clay floors.

### **GYM AND SPA:**

Constructed in blocks and native cane “cana” floors of finished cay, doors made of glass and wood, two (2) rest rooms, dressing rooms, gymnasium, reception and beauty parlor.

The installation of the Codominio Turístico Tropicana Caribbean, also count with a play area and swimming pool for children, tennis courts, courts for basketball, archery, parking area, waters fountains in the gardens, mini golf, and volley ball area, treatment plant, pedestrian areas of polished cement with to the various installations mentioned above.

### **BUILDING CONSTRUCTIONS OR VILLAS:**

The Twenty-one buildings are compound for 184 rooms, have the following:

Sitting Room  
Dining room  
Kitchen  
Terrace or balcony  
Dormitory  
Closet  
Complete bathroom  
Garden area  
Sliding windows

Rooms numbers 2711 and 2712, in addition to the above dependencies, offer a small patio, and a Jacuzzi.

All the rooms have airs conditioning individually controlled, telephone services, security box, cables and beautiful views facing the project gardens.

### **e) The best and most productive use**

Taking into account the qualities of the terrain in question, such as its easy access from the city of Santiago, through the highway leading to the Navarrete Municipality, its isolation from the contamination factors of large cities, its topography, the quality of its soil and its vicinity, which includes a magnificent golf course, thirteen (13) hotels within the Playa Dorada Complex and the most important the integration of combined operations with the Condominium Tropicana Caribe (Fun Royale), where mutually they take advantage of their facilities to offer clients a complete Complex, with all the necessary facilities to satisfy modern demands.

The Tourist Condominium Village Caraíbe Tennis Golf Beach Resort (Fun Tropicale), takes advantage of the following facilities of the Condominium Tropicana Caribe:

1. Bufete Calipso Restaurant
2. Restaurant Mediterraneo
3. Fully equipped kitchens
4. Cold rooms, bakeries, pastries, freezers, etc

5. Storage areas and discharges areas
6. Halls of events and conventions
7. Administration Offices
8. Swimming pools and swimming pools
9. Parking lots
10. Discotheque
11. Employees cafeteria
12. Laundry room

All this undoubtedly discovers the best and more productive use in the way of enjoyment, counting with additional services of electricity, telephone, maintenance, security, water treatment plant, etc.

**VILLAGE CARAIBE TENNIS GOLF BEACH RESORT (FUN TROPICALE)**, offers a marvelous opportunity for the guests to enjoy their stay in a resort where the facilities and the services are complemented in ample and natural spaces, always preserving the privacy of our customers in a superficial extension of 39,805.00 square meters.

The installation of Codominio Turístico Village Caraíbe Tennis Golf Beach Resort, in addition counts with beach area, a club house, children play area with swimming pool, courts for tennis, basketball, parking area, waters fountains in the gardens, area for mini golf, volley ball, treatment plant, area for pedestrians made of polished clay, ruffed, with access to the different installation mentioned above.

The land parcel where Hotel Fun Tropicale is locate, is about 375 lineal meters from the beach, forming a part of various kilometers of beach pertaining to the entire Northern zone of the Dominican Republic.

**f) Estimated value of improvements**

Upon analyzing the information collected regarding the terrain a those obtained from the engineers who participated in the construction, we have parted from the parameters establish by the Banco Nacional de La Vivienda. Following is a detail the current value pertaining to the improvements of the project:

The construction area of these improvements is as follows:

<u>DESCRIPTIONS</u>	<u>AREA</u>	<u>VALUE</u>
Building 10	376.72 m2	US \$155,885.00
Building 11	376.72 m2	155,885.00
Building 12	376.72 m2	155,885.00
Building 16	376.72 m2	155,885.00
Building 17	376.72 m2	155,885.00
Building 18	376.72 m2	155,885.00
Building 19	376.72 m2	155,885.00
Building 20	376.72 m2	155,885.00
Building 21	606.90 m2	251,131.00
Building 22	606.90 m2	251,131.00
Building 23	376.72 m2	155,885.00
Building 24	376.72 m2	155,885.00
Building 25	376.72 m2	155,885.00

Building 26	606.90 m2	251,131.00
Building 27	606.90 m2	251,131.00
Building 28	376.72 m2	155,885.00
Building 29	376.72 m2	155,885.00
Building 30	376.72 m2	155,885.00
Building 31	376.72 m2	155,885.00
Building 32	376.72 m2	155,885.00
Building 33	376.72 m2	155,885.00
Club House	1,541.60 m2	1,044,221.00
Restaurant Mirandas	450.00 m2	151,293.00
Automatic Laundry	32.00 m2	10,000.00
Children's Club	110.00 m2	36,982.00
Tennis Courts	1,369.00 m2	17,000.00
Children Kiosco and play area	135.89 m2	37,899.00
Parking area	2,108.77 m2	240,804.00
Mirandas pool and pool area		700,000.00
Principal pool and poor area		900,000.00
Gardens and decorations		375,000.00
Beach Club		200,000.00

## **REGROSS, S. A.**

**Ingenieros, Agrimensores y Tasadores  
(Engineers, Surveyors, and Appraisers)**

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809-252-9387**

Theater	425,000.00
Gymnasium and spa	240,000.00
Pizzas, Popeye Restaurant and others	191,148.00
Tour desk and public restroom	<u>200,000.00</u>
<b>IMPROVEMENTS' TOTAL</b>	<b>US\$ <u>8,423,916.00</u></b>

For the improvement value we have parted from the parameters establish by the Banco Nacional de La Vivienda, taking into account their age of effectiveness, arriving at a current value of **US\$8,423,916.00 (Eight Millions Four hundred Twenty-three Thousand Nine hundred and Sixteen Dollars of the United States of America an 00/100).**

### **g) Total value of the property estimated to this date**

Value of the terrain	<b>US\$ 8,956,125.00</b>
Improvements value	<u>8,423,916.00</u>
<b>T O T A L</b>	<b>US\$ <u>17,380,041.00</u></b>

Ing. Rafael Ernesto Rodriguez Gross  
Member ITADO No. 101

Note: The exchange rate used of conversion used from pesos to dollars is RD\$34.00 per each American Dollar.

(Official Regross, S. A., Seal)