

**COMMONWEALTH OF PUERTO RICO  
AUTONOMOUS MUNICIPALITY OF SAN JUAN**

**LETTER OF INTENT  
NORMANDIE DEVELOPMENT**

This LETTER OF INTENT (the "LOI") is executed by and between the **AUTONOMOUS MUNICIPALITY OF SAN JUAN** (the "Municipality"), a governmental entity created and existing under Law No. 81 of August 30, 1991, as amended, the Puerto Rico Autonomous Municipalities Act ("Law No. 81"), represented in this act by the Municipality's Administrator, Andrés García Martínó, of legal age, [civil status], [profession], resident of San Juan, Puerto Rico, and **INTERRA-SKY NORMANDIE, LLC** (the "Developer"), represented herein by its Manager, Jacob S. Polatsek, of legal age, married, Real Estate Developer, resident of Houston, Texas, with the legal capacity to bind the Developer as set forth herein (both parties collectively referred to as the "Parties").

**RECITALS**

**WHEREAS**, Article 2.0021(e) of the Puerto Rico Autonomous Municipalities Act (the "AMA") enables the Municipality to possess and administer real property and chattels, and to lease them in pursuance of the provisions of Law No. 81;

**WHEREAS**, the Municipality owns in fee simple certain real estate property, namely, eight (8) parcels of land, located on the Luis Muñoz Rivera Avenue, within the jurisdiction of the Municipality of San Juan, with a combined surface area of 100,504.07 square meters, commonly known as Parque del Tercer Milenio (the "Property");

**WHEREAS**, the Developer has purchased certain real estate adjacent to the Property, where the Normandie Hotel (the "Hotel") is currently located;

**WHEREAS**, the Parties agree the Hotel lacks adequate parking facilities and other amenities required for the rehabilitation and reopening of the Hotel as a premium urban hotel;

**WHEREAS**, the Developer is committed to making a significant capital investment for the rehabilitation and reopening of the Hotel as a world class facility, creating new direct and indirect jobs, and providing new revenue sources for the Municipality in the form of different types of taxes;

**WHEREAS**, the rehabilitation and reopening of the Hotel shall require the construction of a new parking facility with sufficient capacity to accommodate guests and visitors of the Hotel, as well as the addition of a beach club and other hotel amenities;



**WHEREAS**, the Developer is willing to build new parking facilities designed to accommodate a minimum of three hundred (300) vehicles, the beach club and other hotel amenities on adequate sites within the Property, subject to the specific terms and conditions to be negotiated by the Parties, which shall be set out in the documents stated in 2.1 and 2.2 of this LOI;

**WHEREAS**, the Developer is willing to: a) construct an alternative facility for the Municipality, to substitute the one where currently a food stand and a scuba diving school are operated, the size and quality of which shall be no less than those of the existing facility; b) design and construct a public events plaza; c) construct a new access road to the proposed parking facilities; d) design and install a new water feature, the details of which will be prepared in agreement with the Municipality; and e) design and construct a walkway between the Hotel and the Beach Club, that provides pedestrian access for the public from the roadway adjacent to the Sixto Escobar Park to the waterfront boardwalk;

**WHEREAS**, the Parties agree that the Property is the best location for the construction of a new parking facility, the beach club and other amenities for several reasons, chief amongst them, its proximity to the Hotel and its physical characteristics;

**WHEREAS**, building upon the agreements set out in this LOI, the Parties shall continue good faith negotiations in order to attempt to reach final agreements for the lease of three (3) parcels of land within the Property to the Developer. These parcels of land would be developed as a new parking facility, beach club and other hotel amenities thereupon; and;

**WHEREAS**, the Developer understands and acknowledges that, pursuant to the AMA, no agreement shall be binding upon the Municipality until the Municipal Legislature reviews the terms and adopts an ordinance or resolution for the approval thereof.

**NOW THEREFORE**, in consideration of the mutual covenants herein contained and accepted by the Parties, the Parties state and agree as stated in the following:

### **TERMS AND CONDITIONS**

1. **Intent.** The Municipality and the Developer desire to set out the undertakings and obligations that each Party intends to assume with respect to the matters described in this LOI, relating to the potential lease and development of the Property, as further defined herein.
2. **Potential Actions.** At the request of the Developer and subject to the agreements and undertakings described in this LOI and the required approval of the San Juan Municipal Legislature, the Municipality and the Developer have undertaken, may undertake or desire to move forward and attempt to reach an agreement as to some or all of the following identified matters (collectively, the "Undertakings"):

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- 2.1 Lease: The lease between the Developer and the Municipality of three (3) parcels of land --specific location to be later determined-- with an approximate size of 11,267.25, 2,740.00 and 940.20 square meters (the "Property"), respectively, within the Property (the "Lease Agreement") for the construction of the parking facility (the "Parking Building") and the beach club and other hotel amenities (the "Improvements"), and operation thereof, including the drafting, negotiation, execution and closing of a Lease Agreement between the Developer and the Municipality for a term of thirty (30) years from the date of commencement of operations of the Hotel. For purposes of the Lease Agreement, the date of commencement of operations of the Hotel shall be settled as eighteen (18) months from the date on which the permit for the construction of the Improvements and/or Parking Building is issued and shall be so incorporated in the Lease Agreement.

The Lease Agreement shall take effect provided that Developer is at all times in compliance with its terms and conditions, that the Property is used for the benefit of the Hotel, its guests and the general public, and that the same is deemed necessary for the effective and successful operation of the Hotel.

In addition to the lease right granted to Developer in the Lease Agreement, a right to build the Parking Building and the Improvements on the Property ("derecho de superficie") shall also be granted thereto. Said right to build shall create a right on real property that can be mortgaged and which shall expire on the date of the thirtieth (30) anniversary of the Lease Agreement, when fee simple title and all other appurtenant rights to the Parking Building and the Improvements shall immediately and unconditionally be vested in the Municipality.

Beyond the initial thirty (30) year term, Developer, Hotel's owners and/or franchise holders and the Municipality shall agree to a new twenty (20) year period Occupancy and /or Management Agreement (the "Agreement") for the sole purpose of granting Developer the right to administer, operate and maintain the Improvements on the Property. The Developer, Hotel's owners and/or franchise holders shall provide written notice to the Municipality of their willingness to enter into the Agreement at least one (1) year before the expiration of the initial thirty (30) year period of the Lease Agreement. The Agreement shall only be effective if: (i) Hotel's owners and/or franchise holder provide written notice to the Municipality as stated above; (ii) the Hotel continues to operate as such; (iii) said operation continues to be deemed by the Municipality as a profitable business enterprise, based upon relevant information to be furnished by the Hotel's owners and/or franchise holders; (iv) the Municipality and Developer satisfactorily agree on the economic terms of the Agreement for the above referenced twenty (20) year period; (v) the economic terms shall reflect, at a minimum, the prevailing fair market value of the Improvements and the Property; (vi) the economic terms are duly ratified by

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the Municipal Legislature; and (vii) execution by Developer and the Municipality of the Agreement.

Developer shall be responsible for making all necessary capital investments on the Improvements to keep them in good working condition throughout the period of time in which Developer holds possession and/or operating rights upon the Improvements and/or the Property.

It is hereby clarified for all pertinent legal purposes that the Municipality shall have the sole discretion to determine which entity or entities, if any other than the Municipality itself, shall operate the Parking Building after the expiration of the original thirty (30) year term of the Lease Agreement. Nevertheless, the Municipality hereby guarantees, for a term of up to twenty (20) years after the expiration of the initial thirty (30) year period of the Lease Agreement, to continue to provide the Hotel with the services of said Parking Building at market rates and conditions prevailing at such time, regardless of who may be operating said facilities. The foregoing is contingent upon whether: (i) the Hotel continues to operate as such; and (ii) said operation continues to be deemed by the Municipality as a profitable business enterprise, as determined by the Municipality based upon relevant information to be furnished by the Hotel's owners and/or franchise holders.

- 2.2 Development by Developer: The development of the new parking facility with a green roof, access road, public plaza, facility for concessions stands to be administered by the Municipality, a beach club and other hotel amenities within the Property (the "Development") by the Developer shall be pursuant to and in compliance with the Municipality's and Commonwealth's laws, regulations, ordinances and procedures potentially including, without limitation, the drafting, negotiation and execution of a Development Agreement (the "Development Agreement") or agreements, which may be part of the Lease Agreement or may be separate agreements, as agreed upon by the Parties. A Drawing of the Development prepared by EDSA (the "Master Plan"), agreed upon by the Parties, is attached hereto as Exhibit A, and is made an integral part hereof. To the extent permitted by applicable laws and regulations and engineering requirements, the Development shall be substantially similar to the buildings depicted in the Master Plan in terms of location, proportion and areas. Due to the Development's location, the Developer understands the importance of the architectural aspects thereof. Hence, the Developer shall give active participation to the Municipality's consultants in the design process of the public plaza and water feature, provided that the development costs of these items do not exceed the preliminary budget amount set forth in Schedule 2.2 attached hereto [not otherwise defined]. The Developer will build the access road to the new parking facility as shown in the Master Plan and shall thereafter immediately transfer the road to the Municipality and will also coordinate the relocation of the pumping station with the P.R. Aqueduct and Sewer Authority to the site identified in the Master Plan. The Developer understands and

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acknowledges that the Development shall in no way limit pedestrian access to the beach in the eastern side of the Property nor overall visibility to beach.

- 2.3 Consideration. The Developer estimates its investment will be considerable, both in areas and facilities to be designated for public use, including the parking building, and some hotel amenities. Parties will consider the projected investment amount for the purpose of establishing the terms of the Lease to be executed between the Parties, subject to the approval of the Municipal Legislature. The preliminary costs for the development of such areas and facilities is attached hereto as Schedule 2.2, which is made an integral part hereof. The Developer's actual incurred cost in said investment will be an essential consideration to be taken into account by the Municipality when deliberating and making a determination as to whether it will require the payment of a reasonable lease, if any, for the duration of the Lease Agreement.
- 2.4 Undertakings and Development by Municipality: The Municipality agrees to request the relocation of the concession stands that at present are occupied by a scuba diving school operated by Scuba Dogs and the nearby food stand to new facilities to be located in the space identified in the attached Master Plan. At this time, the Developer represents and warrants that it has met with the appropriate representatives of Scuba Dogs, who have given their preliminary approval to the proposed relocation. The Municipality will maintain and operate at its own cost the access road and lighting, park and event lawn, public plaza as well as the interactive water feature identified in the Master Plan once Developer has duly completed said works, has formally transferred title thereof to the Municipality, and the latter has accepted the same.
- 2.5 Costs: The Developer shall be responsible for all costs, including, without limitation, costs for the recordation of rights of the Lease Agreement, segregation of the three (3) parcels to be leased to Developer, engineering, financial, planning, attorneys, and other services (collectively, the "Developer Costs") related to the Lease, the Development and Ancillary Matters, including all costs related to new infrastructure, structures, equipment and other property, at the Property and its surroundings, that may be needed as a result of the Development. The Municipality shall only be responsible for the recordation rights of the Property, out-of-pocket costs for its own attorneys, its architects and engineers, and other Municipality consultants who shall draft, review, evaluate, coordinate, negotiate or perform any other task necessary to carry out the Municipality's undertakings and obligations under this LOI.
- 2.6 Authorizations and Permits: The Municipality agrees to promptly request the necessary authorization from the U.S. National Parks Service (through the Puerto Rico National Parks Company as its representative), and any other agency of the government of the Commonwealth of Puerto Rico or the United States for the Development, as required by law to complete the proposed

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access road, and realize the use of land within the Property and the Lease described in this LOI.

- 2.7 Term of Negotiation: The Municipality agrees to submit the Lease Agreement for the consideration of the Municipal Legislature within ninety (90) days from the date of execution of this LOI, granted all necessary authorizations have been settled upon in accordance to the provisions set forth at paragraph 2.6 of this LOI. The Parties agree to finalize their negotiation of the Lease Agreement within sixty (60) days from the date of the Municipal Legislature's approval thereof. If the Parties do not reach an agreement within the allotted time period, the Municipality may, at its sole discretion, terminate this LOI. Likewise, the Municipality may terminate this LOI for cause if the Developer fails to comply with any of the material terms set forth herein or if the Municipality concludes that any of the material representations and warranties set forth in this LOI are false in whole or in part. The Developer may terminate this LOI for cause should adequate financing not be obtained for the Development within ninety (90) days from execution of the Lease notwithstanding the Developer's efforts to secure the same, or if the permits or approvals from the pertinent government agencies are not obtained.
- 2.8 No Restriction of Public Access: The Developer represents and warrants that the construction of the aforementioned beach club and other hotel amenities will not limit public access to the beach, which the Parties agree shall always be considered public, pursuant to local laws and regulations.
- 2.9 Default. The eventual Lease Agreement will contain default and termination provisions as required by the laws and regulations of the government of Puerto Rico and the United States.
3. **Agreements.** In consideration of the Developer's potential lease of the three (3) parcels of land within the Property described in Section 2.1 hereof and development of the parking facility, beach club and other hotel amenities by the Developer, the Municipality's entering into negotiations with the Developer with respect to the Undertakings and processes described above including, without limitation, the Lease, Lease Agreement, Development, Development Agreement, and the Ancillary Matters, and the Municipality's involvement of time and expense in addressing issues relating to such Undertakings, the Developer, and the Municipality hereby agree as follows:
- 3.1 By the Municipality: The Municipality agrees to negotiate in good faith with the Developer with respect to the Undertakings, including, without limitation the Lease, Lease Agreement, Development, Development Agreement, and the Ancillary Matters and to authorize the Municipality's staff to participate in such Undertakings provided, however, that nothing in this LOI shall be deemed to be a promise by the Municipality that any one or more of the Undertakings shall be successfully completed and further provided that all such Undertakings shall be



conducted in accordance with the customary practices and procedures developed and followed by the Municipality with respect to such matters. The Municipality further agrees to commence the efforts for the recordation of the Property within thirty (30) days after approval of this LOI by the Municipal Legislature.

3.2 By the Developer: The Developer, for itself and for its successors and assignees, agrees to allow the Municipality to move forward with the Undertakings as determined to be appropriate by the Municipality and to follow all of the Municipality's ordinances, rules and procedures and other state and local laws, rules, regulations and procedures with respect to the Undertakings and to promptly and completely respond to all reasonable requests of the Municipality with respect to such matters.


4. **Miscellaneous.** The following miscellaneous provisions are hereby made an integral part of this LOI:

4.1 Non-Binding: The Parties understand and agree that the terms of this LOI are the expression of their intent, in good faith, to attempt to reach the agreements expressly set forth stated in this LOI. Should the deal collapse prior to the execution of the agreement(s), neither the Parties nor any of their respective successors and/or assignees, affiliates, subsidiaries, partners, shareholders, directors, officers, agents, employees, subcontractors, or representatives of any of them, shall have any liability whatsoever with respect to or arising from, and each Party hereby waives, releases and agrees not to sue for any action based on contract or tort, or otherwise, any loss or damage.

4.2 Governing Law; Choice of Forum: This LOI shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. The parties expressly agree that any legal action in relation to or arising from this LOI shall be brought before the Puerto Rico Court of First Instance, Superior Court, San Juan Part.

IN WITNESS WHEREOF, the Parties have executed this LOI in San Juan, Puerto Rico, on the 10<sup>th</sup> day of December, 2014.

DEVELOPER

  
\_\_\_\_\_  
Jacob S. Polatsek  
Manager

MUNICIPALITY

  
\_\_\_\_\_  
Andrés García Martínó  
Municipal Administrator

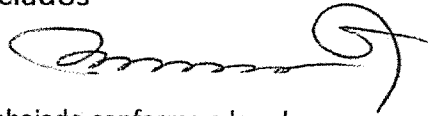
**DESGLOSE COSTO CONSTRUCCION  
EDIFICIO ESTACIONAMIENTO & SITE**

| DESCRIPCION DE ETAPAS                           |              | COSTO CONSTRUCCION |
|---|--------------|--------------------|
| Edificio estacionamientos y Facilidades Pasivas | Anejo A      | 2793000            |
| Beach Club Facilities & Concessions             | Anejo B      | 1000000            |
| Boardwalk & Landscaping                         | Anejo C      | 818000             |
| Const Scuba Shop & Cafeteria , Baños & Duchas   | Anejo D      | 266,000            |
| Plaza Pública Y Water Fountain                  | Anejo E      | 515000             |
| Estación Bomba Sanitaria y Pedestales AEE       | Anejo F      | 650000             |
| Calle Acceso Municipal, Aceras & Encintados     | Anejo G      | 388000             |
|   | <b>TOTAL</b> | <b>\$6,430,000</b> |

Preparado Por : Juan E. mayol & Asociados

Certifico Correcto: Juan E. Mayol

8 de septiembre de 2014



Nota: El estimado de costo que se aneja fué trabajado conforme a los planos esquemáticos que EDSA suministró. Dichos costos son aproximados y los mismos fueron evaluados a tarifas y cotizaciones recientes a septiembre de 2014.





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COSTOS CONSTRUCCION  
CONSTRUCCION DE ESTACIONAMIENTO Y PARQUE PASIVO NIVEL SUPERIOR  
HOTEL NORMANDIE  
8 DE SEPT 2014  
ANEJO A

|                    |           |
|--------------------|-----------|
| HARD COST          |           |
| Site               | 450,000   |
| Construcción       | 1500000   |
| Remoción Escombros | 90000     |
| Sub Total          | 2,040,000 |

|                            |           |
|----------------------------|-----------|
| Soft Cost                  |           |
| Diseño Planos              | 150,000   |
| Estudios y Permisos        | 50000     |
| Inspectores y Consultores  | 45000     |
| Aportaciones Agencias      | 15000     |
| Arbitrios y Patente        | 155000    |
| Reserva Contingencia 10%   | 200000    |
| Oficina Provisional Constr | 20000     |
| Seguridad                  | 48000     |
| Estudio de Suelo           | 15000     |
| Gastos de Mercadeo         | 10000     |
| Seguros Payment & Bond     | 50000     |
| Gastos Legales             | 15,000    |
| Sub-Total Soft Cost        | \$753,000 |

|                     |           |
|---------------------|-----------|
| COSTO TOTAL CONSTR. | 753,000   |
| NOTA:               | 2,793,000 |

Estos costos están basados en planos esquemáticos. Por tanto los mismos pueden variar.

Preparado por Juan E. Mayol  
Juan E. Mayol & Asociados  
8 DE SEPT DE 2014



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COSTOS CONSTRUCCION  
CONSTRUCCION HOTEL BEACH CLUB FACILITIES & CONCESSIONS  
HOTEL NORMANDIE  
8 DE SEPT 2014  
ANEJO B

|                            |           |
|----------------------------|-----------|
| HARD COST                  |           |
| Site                       | 225,000   |
| Construcción               | 400000    |
| Mobiliario                 | 150000    |
| Sub Total                  | 775,000   |
| Soft Cost                  |           |
| Diseño Planos              | 50,000    |
| Estudios y Permisos        | 15000     |
| Inspectores y Consultores  | 10000     |
| Aportaciones Agencias      | 15000     |
| Arbitrios y Patente        | 25000     |
| Reserva Contingencia 10%   | 78000     |
| Oficina Provisional Constr | 0         |
| Seguridad                  | 0         |
| Inspecciones Suelo         | 10000     |
| Gastos de Mercadeo         | 5000      |
| Seguros Payment & Bond     | 10000     |
| Gastos Legales             | 5,000     |
| Sub-Total Soft Cost        | \$225,000 |

COSTO TOTAL CONSTR. 1,000,000

NOTA:

Estos costos están basados en planos esquemáticos. Por tanto los mismos pueden variar.

Preparado por Juan E. Mayol

Juan E. Mayol & Asociados

8 DE SEPT DE 2014



2

COSTOS CONSTRUCCION  
CONSTRUCCION " BOARDWALK & LANDSCAPING"  
HOTEL NORMANDIE  
8 DE SEPT 2014  
ANEJO C

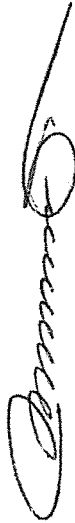
|                            |           |
|----------------------------|-----------|
| HARD COST                  |           |
| Site                       | 90,000    |
| Construcción               | 195000    |
| Landscaping L.S.           | 375000    |
| Sub Total                  | 660,000   |
| Soft Cost                  |           |
| Diseño Planos              | 45,000    |
| Estudios y Permisos        | 10000     |
| Inspectores y Consultores  | 0         |
| Aportaciones Agencias      | 5000      |
| Arbitrios y Patente        | 30000     |
| Reserva Contingencia 10%   | 50000     |
| Oficina Provisional Constr | 0         |
| Seguridad                  | 0         |
| Inspecciones Suelo         | 5000      |
| Gastos de Mercadeo         | 3000      |
| Seguros Payment & Bond     | 10000     |
| Gastos Legales             | 0         |
| Sub-Total Soft Cost        | \$158,000 |

COSTO TOTAL CONSTR. 818,000

NOTA:

Estos costos están basados en planos esquemáticos. Por tanto los mismos pueden variar.

Preparado por Juan E. Mayol  
Juan E. Mayol & Asociados  
8 DE SEPT DE 2014



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**COSTOS CONSTRUCCION**  
**CONSTRUCCION "SCUBA SHOP & FOOD CONCESSION, BAÑOS & DUCHAS**  
**HOTEL NORMANDIE**  
**8 DE SEPT 2014**  
**ANEJO D**

|                            |                 |
|----------------------------|-----------------|
| <b>HARD COST</b>           |                 |
| Site                       | 45,000          |
| Construcción               | 150000          |
| <b>Sub Total</b>           | <b>195,000</b>  |
| <b>Soft Cost</b>           |                 |
| Diseño Planos              | 10,000          |
| Estudios y Permisos        | 0               |
| Inspectores y Consultores  | 0               |
| Aportaciones Agencias      | 1000            |
| Arbitrios y Patente        | 0               |
| Reserva Contingencia 10%   | 50000           |
| Oficina Provisional Constr | 0               |
| Seguridad                  | 0               |
| Inspecciones Suelo         | 5000            |
| Gastos de Mercadeo         | 0               |
| Seguros Payment & Bond     | 5000            |
| Gastos Legales             | 0               |
| <b>Sub-Total Soft Cost</b> | <b>\$71,000</b> |
| <b>COSTO TOTAL CONSTR.</b> | <b>266,000</b>  |

**NOTA:**

Estos costos están basados en planos esquemáticos. Por tanto los mismos pueden variar.

Preparado por Juan E. Mayol  
 Juan E. Mayol & Asociados  
 8 DE SEPT DE 2014



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COSTOS CONSTRUCCION  
CONSTRUCCION PLAZA PUBLICA Y WATER FOUNTAIN  
HOTEL NORMANDIE  
8 DE SEPT 2014  
ANEJO E

|                            |           |
|----------------------------|-----------|
| HARD COST                  |           |
| Site                       | 90,000    |
| Construcción               | 175000    |
| maquinaria Bombas          | 75000     |
| Sub Total                  | 340,000   |
| Soft Cost                  |           |
| Diseño Planos              | 35,000    |
| Estudios y Permisos        | 15000     |
| Inspectores y Consultores  | 10000     |
| Aportaciones Agencias      | 25000     |
| Arbitrios y Patente        | 10000     |
| Reserva Contingencia 10%   | 50000     |
| Oficina Provisional Constr | 0         |
| Seguridad                  | 0         |
| Inspecciones Suelo         | 5000      |
| Gastos de Mercadeo         | 5000      |
| Seguros Payment & Bond     | 15000     |
| Gastos Legales             | 5,000     |
| Sub-Total Soft Cost        | \$175,000 |

COSTO TOTAL CONSTR. 515,000

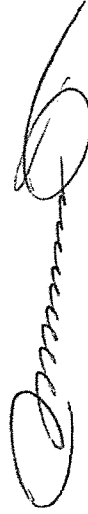
NOTA:

Estos costos están basados en planos esquemáticos. Por tanto los mismos pueden variar.

Preparado por Juan E. Mayol

Juan E. Mayol & Asociados

8 DE SEPT DE 2014



2

COSTOS CONSTRUCCION  
RELOCALIZACION ESTACION DE BOMBAS Y PEDESTALES AEE  
HOTEL NORMANDIE  
8 DE SEPT 2014  
ANEJO F

|                               |           |
|-------------------------------|-----------|
| HARD COST                     |           |
| Site                          | 25,000    |
| Const Est de Bombas           | 375000    |
| relocalizacion pedestales AEE | 75000     |
| Sub Total                     | 475,000   |
| Soft Cost                     |           |
| Diseño Planos                 | 35,000    |
| Estudios y Permisos           | 15000     |
| Inspectores y Consultores     | 10000     |
| Aportaciones Agencias         | 25000     |
| Arbitrios y Patente           | 10000     |
| Reserva Contingencia 10%      | 50000     |
| Oficina Provisional Constr    | 0         |
| Seguridad                     | 0         |
| Inspecciones Suelo            | 5000      |
| Gastos de Mercadeo            | 5000      |
| Seguros Payment & Bond        | 15000     |
| Gastos Legales                | 5,000     |
| Sub-Total Soft Cost           | \$175,000 |

COSTO TOTAL CONSTR. 650,000

NOTA:

Estos costos están basados en planos esquemáticos. Por tanto los mismos pueden variar.

Preparado por Juan E. Mayol  
Juan E. Mayol & Asociados  
8 DE SEPT DE 2014



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COSTOS CONSTRUCCION  
CALLE DE ACCESO MUNICIPAL Y CONSTRUCCION ACERAS Y ENCINTADOS  
HOTEL NORMANDIE  
8 DE SEPT 2014  
ANEJO G

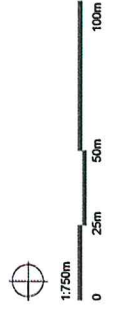
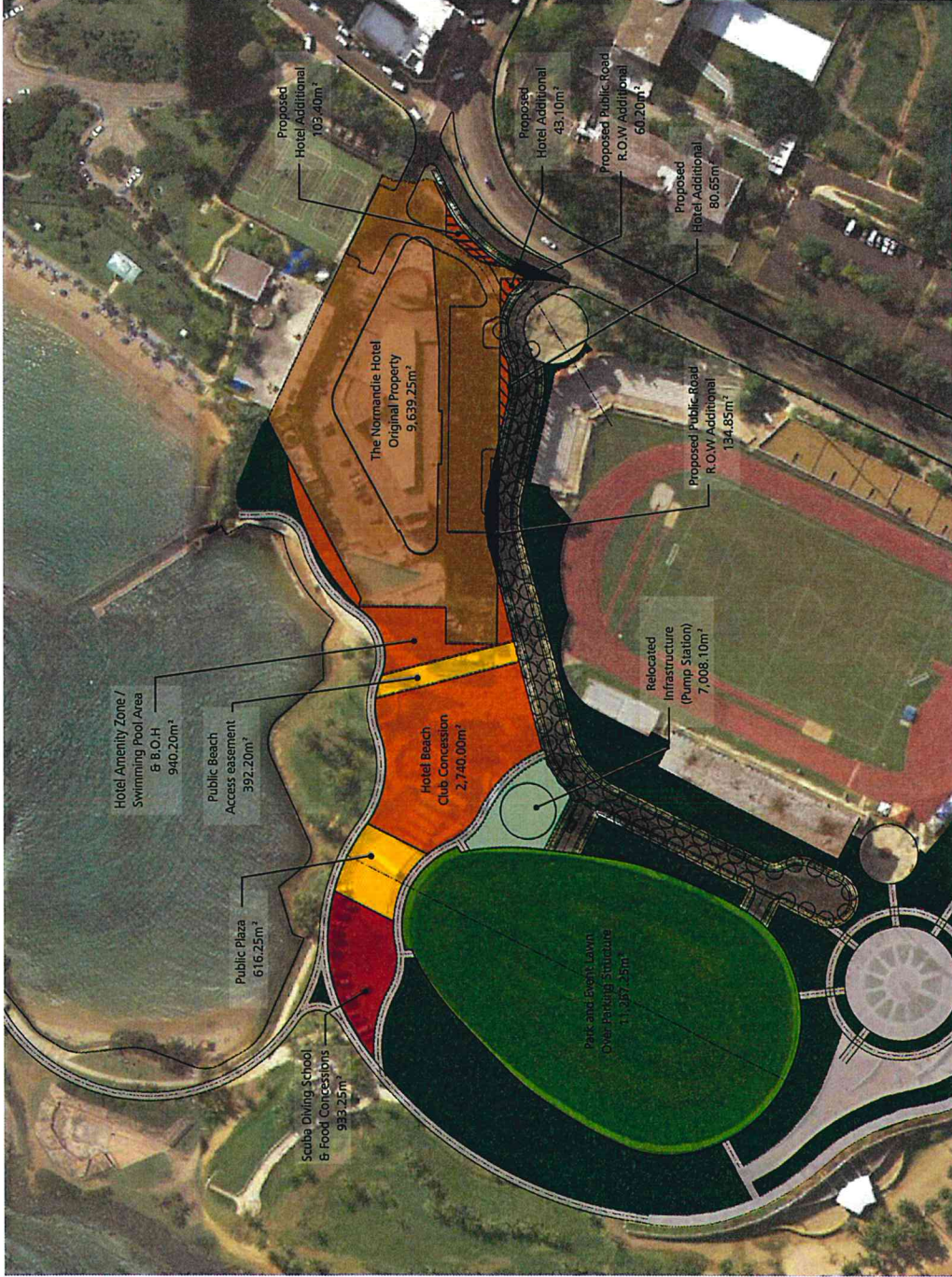
|                            |           |
|----------------------------|-----------|
| HARD COST                  |           |
| Site                       | 85,000    |
| Construcción               | 50000     |
| Demolición                 | 15000     |
| Sub Total                  | 150,000   |
| Soft Cost                  |           |
| Diseño Planos              | 40,000    |
| Estudios y Permisos        | 20000     |
| Inspectores y Consultores  | 45000     |
| Aportaciones Agencias      | 15000     |
| Arbitrios y Patente        | 10000     |
| Reserva Contingencia 10%   | 40000     |
| Oficina Provisional Constr | 20000     |
| Seguridad                  | 15000     |
| Estudio de Suelo           | 8000      |
| Gastos de Mercadeo         | 5000      |
| Seguros Payment & Bond     | 15000     |
| Gastos Legales             | 5,000     |
| Sub-Total Soft Cost        | \$238,000 |
| COSTO TOTAL CONSTR.        | 388,000   |

NOTA:

Estos costos están basados en planos esquemáticos. Por tanto los mismos pueden variar.

Preparado por Juan E. Mayol  
Juan E. Mayol & Asociados  
8 DE SEPT DE 2014





**NORMANDIE HOTEL** Land Lease Agreement Exhibit

San Juan, Puerto Rico  
August 13, 2014



*Handwritten signature or mark*