

Maravilla Resort

“The Enchantment” Executive Summary

*A Luxury Destination Golf Resort Development
128 Luxury Condominiums*



**Master Developer
Equity Directions, Inc.
(Desarrollos Todos Santos S. A. de C. V.)
Palm Desert California
760-360-8001**

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I. EXECUTIVE SUMMARY

The Resort at Maravilla is being developed by Desarrollos Todos Santos, S.A. de C.V. (“DTS”), a subsidiary of Equity Directions, Inc. (“Equity”) of Palm Desert California. DTS has acquired assembled and master planned 1,104 beachfront acres in the Todos Santos region of Baja California Sur to create a luxury destination resort. The Principals of DTS and Equity have developed \$200 million of real estate holdings with a collective 50-year history of successful development, management, construction and financing.



DTS was founded as a Mexican Corporation (Sociedad Anonima de Capital Variable) in La Paz Mexico on April 16, 1991. The Company is now well established in Baja California and has operated as a legal entity for the specific purpose of developing, leasing and selling resort and vacation properties in Mexico. In 1963 and 1966 the Abelardo Rodriguez family of Baja California acquired an estimated 452

acres from Carlos Dominguez under a Contract of Purchase Agreement. In 1988 DTS formed a development joint venture with Abelardo Rodriguez Montijo, Cristina Rodriguez Battaglia and Karen Rodriguez Schramn (individually and collectively) as Desarrolladora Todos Santos S.A. de C.V (“DDTS”). In 1994 DTS acquired two adjacent parcels of real property containing an estimated 652 acres from Ejido Todos Santos, a Mexican land cooperative. The parcels now comprise the 1,104 acres that have been master planned and are being developed by the venture with DTS serving as its managing partner and master developer.

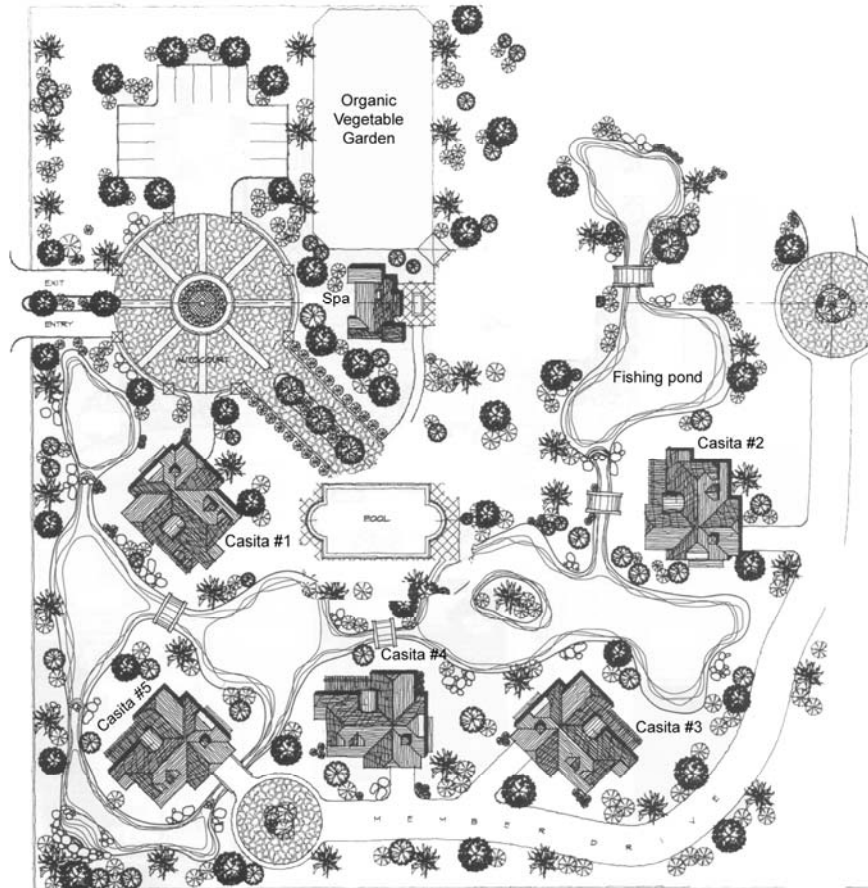
The Resort at Maravilla is destined to be Mexico's premier destination resort. The property is located 45 miles north of the tip of Cabo San Lucas and 45 miles south of the La Paz Airport at San Pedrito Beach...also known as Palm Tree Beach. Nestled on Baja's Pacific Coast, *Maravilla* lies in the fertile farming region of Todos Santos. This charming town with its colorful plaza, quaint theater and Spanish Colonial ambiance is reminiscent of Puerto Vallarta of the 1950's.

The major objective of the venture is to develop, market, own and sell income producing property that includes hotels, vacation resort condominiums, golf courses, spa, recreational and residential elements for sale or rent within the community. The Principals of DTS and DDTS plan to create an internationally acclaimed resort with a provision to venture with other qualified parties to bring forth a financially viable and rewarding destination.



Once a prosperous sugar cane plantation, this secluded tropical setting has been master planned as a “*Private*” resort community. Its initial development (Phase one) will include infrastructure on the North Hillside Residential and a 40 Room Boutique Spa Hotel, a 30 Slip Marina and Beach Club. Additional Phases include, a guest reception pavilion, two signature championship golf courses, golf clubhouse, a secluded luxury lagoon resort with suites and garden villas, fractional vacation club villas, and custom estates homesites. Two sites for companion resort hotels have been master planned and are currently under negotiation.

Eventually, the diverse collection of residential components will offer a wide selection of products including pre-designed villas; golf oriented home sites, one to 3 acre estates compounds and pueblo style villa clusters with community clubs and boutique pools.



The dramatic setting of *Maravilla*, with the finest microclimate in North America, experiences year-round temperatures averaging a pleasant 75-85 degrees. The palm-laden site offers an incomparable 900-yard crescent-shaped white-sand beach. Its abundant tropical landscaping, fresh water lagoons and natural pristine beauty promises to make *The Resort at Maravilla* the Peninsula's year round golf resort of choice for the discriminating world traveler. Its ideal weather and the natural beauty at *Maravilla* are unequaled.



Of primary consideration in the creation of *Maravilla* is the environmental balance essential to the preservation of the site's natural character. This is achieved through the use of local materials, sensitive design and professional management. In virtually all instances structures at *Maravilla* are low-rise, Mexican Colonial architecture, unobtrusive and in harmony with their natural surroundings. This tropical beachfront "oasis" will create a desire for guests and residents to devote their quality time to the "*Maravilla experience*".

Audubon International, has been brought on board in adopting the *Audubon Signature Program* to promote a stronger environmental awareness for sustainable golf and resort communities. The Signature Program will provide an incredible natural golf experience while preserving the areas and resources that gives *Maravilla* its special designation. A consortium of leading golf and environmental organizations have jointly developed a set of "environmental principles" that will produce eco-friendly excellence in *Maravilla's* planning, design and operations.

The Resort at Maravilla with its sensitive master planned development and created value offers exceptional profit potential. The developers and their team of professionals to bring the most desirable yield without sacrificing the natural beauty of this dramatic setting have carefully analyzed the composition of each of its segments and elements. Low density... one to five acre custom estate lots...strict architectural guidelines and traditional architecture assures preservation of the ambiance and character of the Todos Santos village environment. This sensitivity to planned luxury development will attract international clientele who enjoy Mexico as well as the unspoiled character of the quaint village of Todos Santos.

The Maravilla Community is designed to offer a selective "private" quality environment. Its spectacular ocean views, naturally indigenous landscaping, charming Colonial architecture, exquisite spacious suites and exceptional service provide the guests and members with an unforgettable and relaxed experience.



Golf, spa treatments, fishing, snorkeling, equestrian activity and native shopping...all combine to assure a relaxed, tranquil and memorable experience offering “*maximum livability...*”



II. LOCATION

Todos Santos meaning "All Saints" is a small sub-tropical town overlooking the Pacific Ocean approximately 45 miles along the coast north of Cabo San Lucas on the Baja Peninsula. With a population nearing 8,500 inhabitants and bordering the Tropic of Cancer, this lush environment fifty years ago was dependent on the sugar cane industry. Today, Todos Santos is a quaint art colony and sleepy village deriving most of its income from the rich soils and oyster beds on the coastline.



The Resort at Maravilla, approximately two miles south of Todos Santos, is destined to be the premier luxury golf destination on the Pacific coast of the southern Baja Peninsula. Once a sugar plantation, the property enjoys a spectacular 900-yard pristine beach, thousands of native palm trees and a 25-acre fresh-water lagoon creating a natural sanctuary for hundreds of birds. *Maravilla* is flanked by two sheltering hillsides...creating a natural cove with a year round microclimate of 75 to 85 degrees. Its rich topsoil, underground water source, beach, lagoon and unique seclusion provide the ultimate resort setting.

The Los Cabos International Airport is seven miles north of San Jose del Cabo and 45 minutes from Cabo San Lucas. There is a private jet terminal; and two commercial terminals serve Alaska, America West, American, Continental, Delta, Frontier, Northwest, United, Aeromexico, and Mexicana airlines. Direct flights are available from Dallas, Denver, Houston, Los Angeles, Las Vegas, New York, Mexico City, Phoenix, San Diego, San Francisco, Seattle, and other gateways. Flight times to Los Cabos are one and a half hours from San Diego and Mexico City; two hours from Phoenix; two and a half hours from Los Angeles and Dallas; three hours from San Francisco; four hours from Atlanta and Seattle; and five hours from New York, Chicago, and Vancouver, Canada.

The International Airport of La Paz has national flights from Mexico City, Guadalajara, Hermosillo, Culiacán, Los Mochis, Mazatlán, Durango and Tijuana and international flights from Los Angeles, CA. Via a connecting flight, you can access La Paz from just about any airport in Mexico. And, thru the International Airport of San Jose del Cabo, a 2-hour drive to La Paz, there are connections from San Diego, Seattle, Portland, Las Vegas, Denver, Dallas, Houston, Minneapolis, Chicago, Toronto, Vancouver and Edmonton.



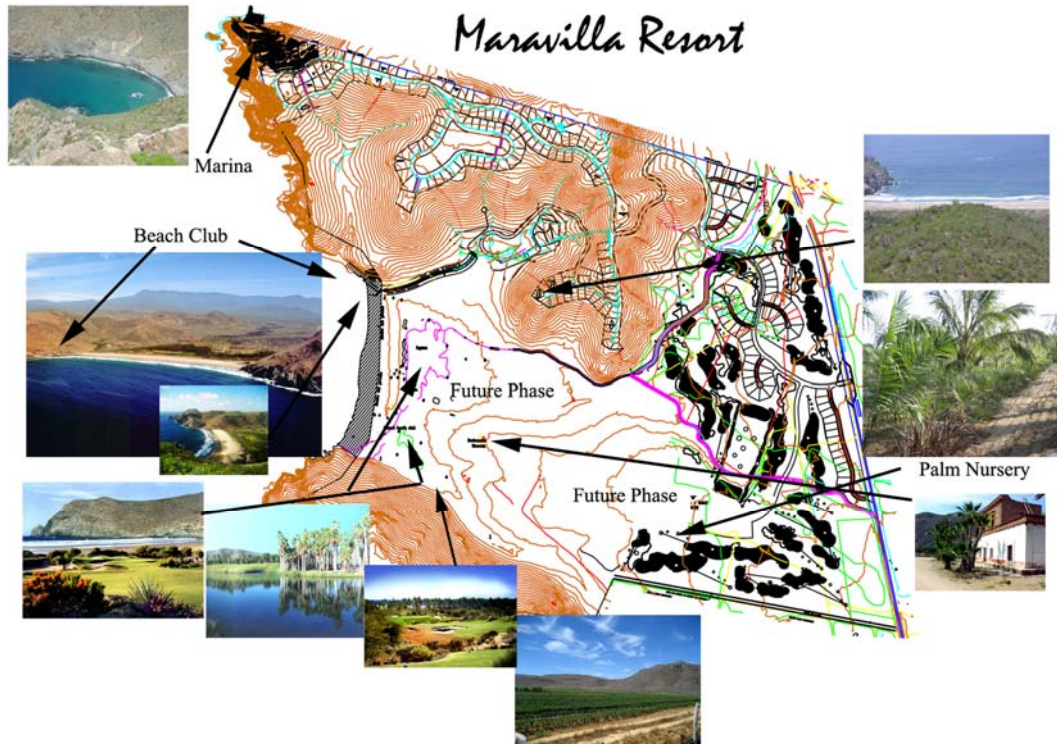
From La Paz, *Maravilla* is an easy drive south on the newly expanded four lane paved Highway 19 offering a safe and enjoyable experience with beautiful desert scenery. Work has already commenced in widening the road from Cabo San Lucas to Todos Santos and then to La Paz.

Upon reaching Todos Santos this rustic terrain is transformed into lush palm trees and mango orchards.

Todos Santos Airport- Under the radar are plans to privatize an 8,000 foot runway on Ejido land approximately 2 miles northeast of town. Individuals close to the transaction indicate the master plan will include ancillary buildings such as private jet hangers, some retail components and support facilities that will enhance the convenience of the discriminating traveler.



III. DEVELOPMENT MASTER PLAN CONCEPT



The Resort at Maravilla's defining features include privacy, security, and low-density residential and spectacular views. Its master plan is environmentally sensitive to the dramatic palm grove, fresh water lagoon, pristine beach and mountain setting. Club members, residents and their guests will enter *The Resort* along a picturesque drive through natural desert landscaping with mountain vistas and brief glimpses of the golf courses, beach and lagoon leading to its guest reception building which will immediately set the Resort's understated tone.

The *Maravilla* development plan, as presently envisioned, upon completion will include... an ultra-luxury resort with private villas...a 27-hole championship golf course & clubhouse...a complete practice and driving range with a putting course, tennis garden, croquet, pool and exercise facility...panoramic hillside, ocean and fairway residential homes, estates and villas...golf and beach resort hotels.

As it evolves, every aspect of development will highlight and enhance the site's natural beauty and seclusion through complementary landscaping and architectural design standards consistent with the finest in resort living.

Reception Pavilion

The development will commence with the enlargement and enhancement of the restored historic original native adobe brick structure, which was built and used as the headquarters for the sugarcane operations. This structure will serve as the centerpiece for *Maravilla's* marketing programs and will include six informal guest accommodations and services. Also included will be a historic museum of the pioneers of Baja California commemorating the colorful history of Todos Santos and its Pueblo Magico designation.



This building will also initially be a welcome center and Sales Pavilion in the Marketing of Maravilla.

Ultra-Luxury Hotel and Villas

This elegant hideaway in the Palm Grove boasts full-service amenities including restaurants with the finest international cuisine and personal service, shops, croquet, pools, tennis, golf and a health spa and nearly every amenity. These luxurious guest accommodations, public areas and villas are located on approximately acres.

From the moment of arrival the feeling of sub-tropical serenity is experienced. Positioned in the lush palm grove by the fresh-water lagoon, the Palm Grove hotel with its private villas has been thoughtfully designed and selectively positioned, to include 40 ultra-luxury suites and 30 individually owned villas. This secluded resort with its low garden density assures a relaxed, unhurried experience offering its fortunate guests an experience in “*maximum livability*”.

The reception foyer is positioned to afford dramatic beach and palm grove views. The design permits only pedestrian traffic through the complex with paths and pools leading to its private beach, gardens and terrace restaurant.

The Palm Grove Villas are located adjacent to and an integral part of the Hotel. These 30 detached luxury villas range in size from 3,000 to 5,000 square feet. The Villas will consist of four bedrooms...each articulated around their individual swimming pools. The Villas will be individually owned and will be managed and serviced by the Hotel.



Signature Golf

A preliminary master plan for the tropical desert themed 27-hole championship golf course at *Maravilla* has been designed to expand on the site's natural beauty. The initial development will include construction of The 18-hole North Course with its coastal views, utilizes the natural terrain with minimal grading. It will wind through the property, traversing rock outcroppings and 25-foot cactus at the base of two spectacular mountains. Lakes and water features consistent with the environment will be added.

Golf Clubhouse

In its natural tropical setting the golf clubhouse will be designed as a historical Mexican hacienda situated with a mountain backdrop and views of the Pacific Ocean. It will feature a dining room, grill, men's and ladies' locker rooms, pro shop and starter facility.

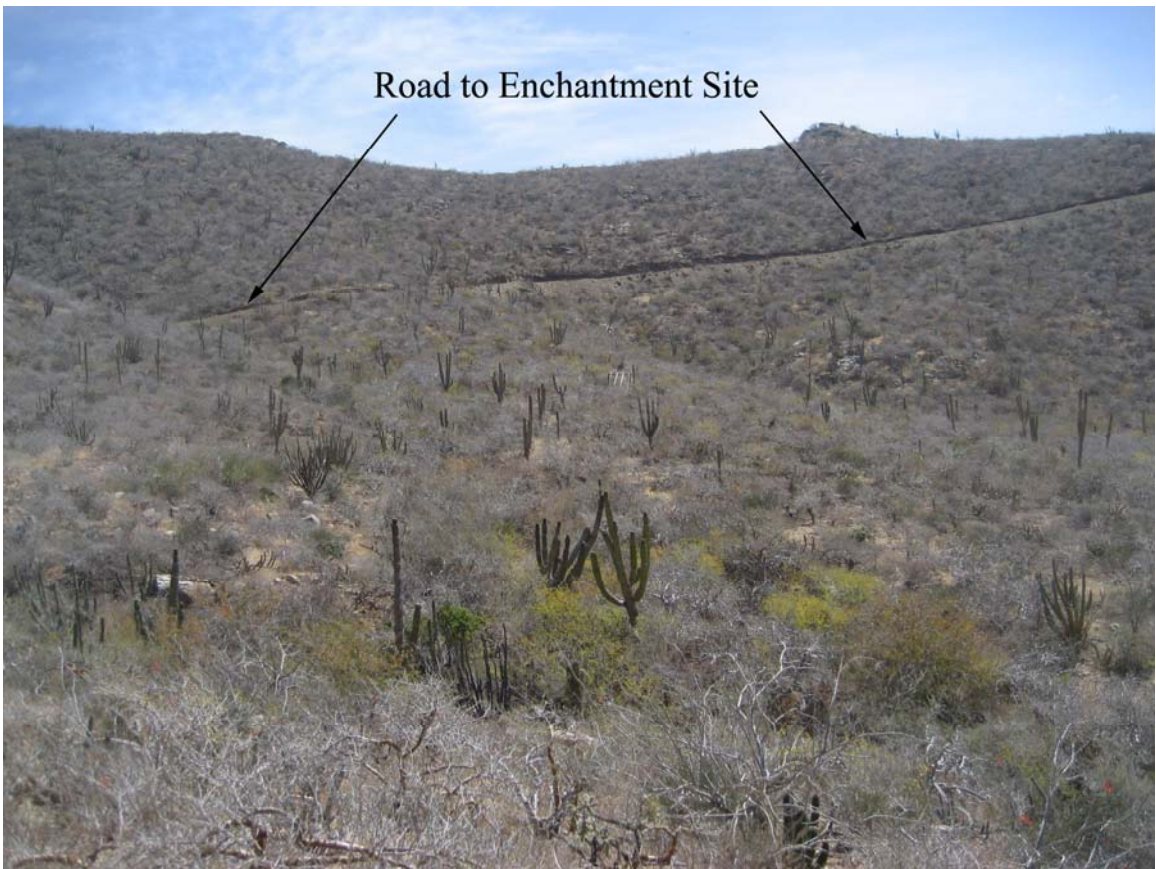
Beach Clubs Tennis Garden, Pool and Spa

The Beach Clubs will contain 6,000 square feet each and designed to serve resident families of the development, guests and as a halfway refreshment stop for golfers. A tennis garden, pool and spa is planned to be located among the medium density residential and will offer six tennis courts, a lap pool, spa and fitness facility.

Enchantment Hotel & Villas- Offered Exclusively for Sale

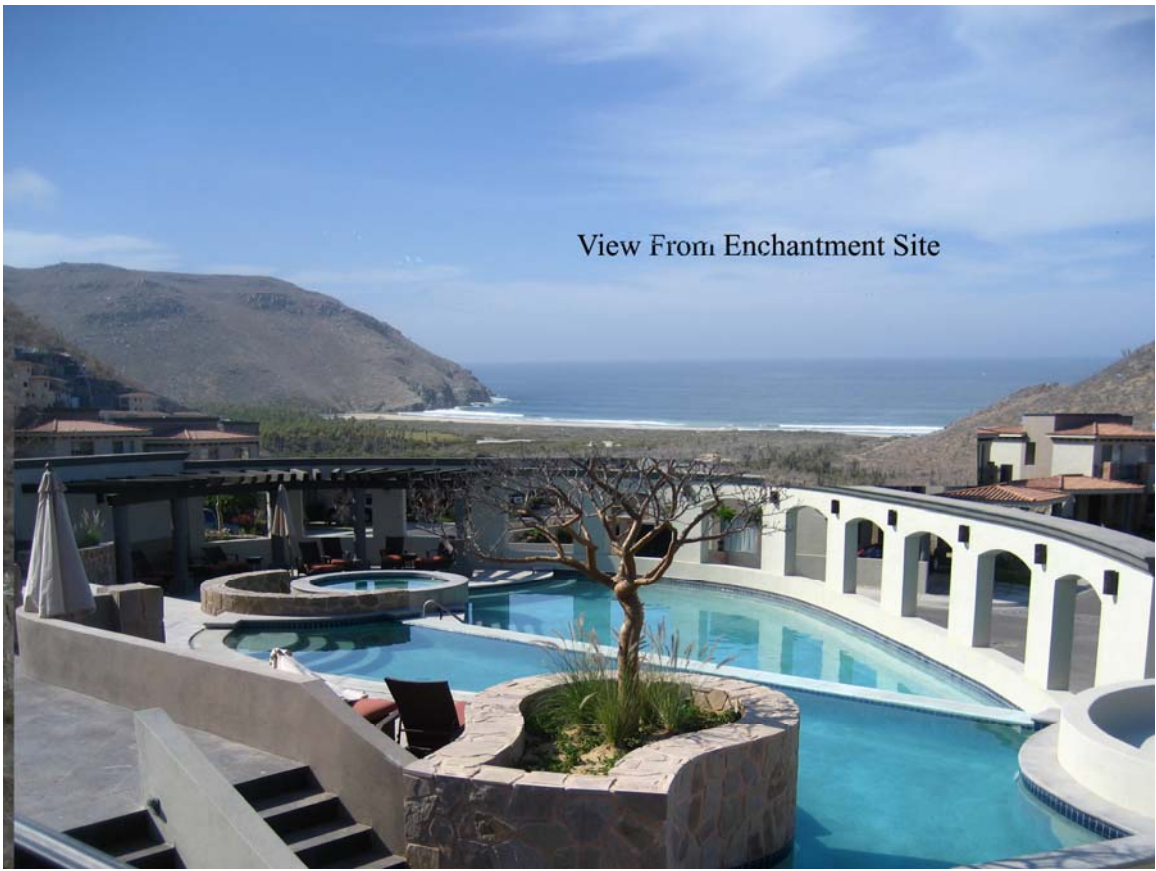
The Enchantment hotel will be situated near the bottom of the north hill facing southwest and elevated to embrace an open sunset sea view as well as the championship golf course. The nearby Club House will offer public dining and reception areas for the Resort guests. Adjacent to the hotel bordering the golf fairways will be golf villas, which will consist of various pavilions integrated with a tile surfaced deck and lawn area. The architecture will complement and blend with the Mexican Colonial hotel theme.







View From Enchantment Site



View From Enchantment Site

IV. DEVELOPMENT PROGRAM SUMMARY

Phase One

- **Founders Club Membership**
- **Enchantment & resort 128 rooms (18.7 Acres)
Branding by November 2008**
- **Beach Club Facility and Restaurant**
- **Residential For Sale Lot Program**
 - **Manzana “F” 22 Oceanview Lots**
 - **Palapa Sales Center**

Phase Two-

- **Restored 4,500 square foot adobe brick reception pavilion**
 - **Historic Museum & Sales Office**
- **Championship 18-hole golf course- Clive Clark Design**
 - **Recro Sports Concepts, S.A. de C.V.**
- **The Spa at Maravilla & Marina**
 - **Construct 8 Villas, Hotel, Spa**
 - **8 Units- One Bedroom**
 - **Sold as 1/8 Fractional Suites**
 - **12 Units- Two Bedroom**
 - **Sold as whole ownership**
- **278 lots (average 1/2 Acre lots)**
- **22 golf condominiums on 4.54 acres**
- **63 golf villas (20.06 Acres)**

Phase Three

- **90 room hotel at promontory point**
 - **85 For Sale Hotel Villas**
- **40 room boutique hotel in palm grove**
 - **30 Palm Grove Villas**
- **Corporate Compound Hacienda's**
- **Phase II 9-hole golf course**
- **55 clustered golf condominiums**
- **Sunset beach club & restaurant**
- **Village retail and art gallery**



V. DEVELOPER AND DEVELOPMENT PROFESSIONALS

The Developer

Desarrollos Todos Santos S.A. de C.V. (“DTS”)

(A wholly owned subsidiary of Equity Directions, Inc. Palm Desert California)

Dennis D. French - Chairman

Richard R. Jacobs – President

Equity Directions, Inc. Web Page: <http://www.equitydirections.com>

Maravilla Web Page: <http://www.maravillabaja.com>

Maravilla Web Blog: http://maravilla.typepad.com/maravilla_times/

For the past several decades the Principals of DTS and its parent company, Palm Desert-based Equity Directions, Inc., have provided leadership and a sound management approach to virtually every real estate development dimension. A portfolio includes a successful history of developing, managing and marketing over \$250 million in real estate.

The Resort at Maravilla is being developed by DTS and Equity Directions who will be responsible conceiving and creating a viable resort subdivision, including but not limited to its land acquisition, planning, financing, marketing and construction. Certain operational management functions may be contracted to one or more third-party firms. Such responsibilities may include the operation of the resort’s hotels, membership clubs, golf course, clubhouse, tennis garden, beach club and spa.

The Development Professionals

The *Maravilla* development team is comprised of qualified professionals in real estate development, finance, construction, and marketing --- all of who share an enduring commitment to quality and service. To assist in the development of *Maravilla*, the following professionals have been instrumental in the creation of one of the world's landmark resorts:

- Western Ventures
 - Watkins/Baile
 - L'ARCH Design Group
 - Plaza Engineering
 - Audubon International
 - Clive Clark
 - Recro Sports Concepts, S.A. de C.V.
 - Pacific Advanced Civil Engineering
 - Shepardson Engineering
 - Mainero & Smith Asso.
 - Alvarado, Smith, Villa & Sanchez
 - Cuesta Campos
 - Gossler, S.C.
 - Contractor
 - Marketing and Sales
- Director & Development Advisor
 - Master Planning & Architecture
 - The Spa at Maravilla/ Boutique
 - Civil Engineering
 - Environmental Reclamation
 - Golf Course Design
 - Golf Management
 - Water Features and Systems
 - Geo-Tech & Soils Engineering
 - Civil Engineering
 - Legal Counsel - United States
 - Legal Counsel - Mexico
 - Accounting. - La Paz
 - Constructora y Urbanizadora Mileno,
S.A. de C.V.
 - IMI (under consideration)

VI. SITE DESCRIPTION AND OWNERSHIP

The property consists of an assemblage of three parcels totaling approximately 1104 acres in size.

Desarrollos Todos Santos, S.A. de C.V. was incorporated for the specific development of resort properties in Mexico. In August of 1989 a joint venture was signed between Mr. Abelardo L. Rodriguez Montijo, a prominent family in Mexico, whose father was a former President of Mexico. Mr. Rodriguez has developed and operated several Mexican resorts on the Baja Peninsula, which include the Palmilla Resort and the Hacienda Hotel in Cabo San Lucas.

452 acres of beachfront is by far the most spectacular real estate holding in all of Baja. The joint venture participation has been signed with Mr. Abelardo Rodriguez in which the 452 acres has been contributed to the DTS venture.

The remaining 652 acres consists of two adjoining 422 acre and 230 acres parcels. Acquired by DTS, as a result of favorable changes in foreign investment laws, which encouraged foreign capital into Mexico. Investors can now own 100% of the stock of a Mexican corporation and are guaranteed the same rights and protection.



VIII. LAWS AFFECTING MEXICAN INVESTMENT

As of December 1993, important changes favoring foreign investment include the right to purchase land outright even in the restricted zones. Until now investors have been reluctant to invest in areas where the real estate could not be used as direct security for their investments. The right to purchase without a “fideicomiso” (Trust) does not include residential property for individual homes. Under the new law a foreign investor could legally purchase, in his own name, a tract of land to be developed as a residential subdivision.

The individual lots, however, would require the use of a “fideicomiso” if purchased by foreigners. If, for instance, the foreign developer wished to retain one of the lots in his subdivision for himself for the construction of his own residence, then he too would require a “fideicomiso” for that tract of property.

Other major changes designed to attract foreign capital include the right for profits from foreign investment to be withdrawn from Mexico and sent to the country of origin of the foreign investor.

Also, foreign investors are guaranteed the same rights and restrictions as similar businesses owned or operated by nationals. Property and businesses owned by foreigners will be protected from expropriation under extensive legislation allowing expropriation only for reason of public domain and may not be enacted in a discriminatory manner.

