

Congratulations on getting involved in one of the most unique real estate opportunities on the Pacific Coast! Located on the pristine shores of Bahía de Banderas in Puerto Vallarta on Mexico's Gold Coast, Icon Vallarta is the most exciting modern beachfront luxury condominium project to land in Mexico to date. Made famous by the Hollywood affair of Elizabeth Taylor and Richard Burton, Puerto Vallarta has evolved from a quaint fishing village into a sophisticated oasis for jetsetters and adventure-seekers alike. Here are a few commonly asked questions about Icon Vallarta.

What is the project?

Icon Vallarta will consist of three 26-story high-rise luxury towers comprised of 343 condominiums with 7 spectacular ocean villas fronting the Pacific Ocean. Designed by the internationally acclaimed architectural firm, Arquitectonica (www.arquitectonica.com), and with interiors designed by the world-renown firm of YOO by Philippe Starck (www.yoohere.com), Icon Vallarta will be the ultimate in luxury condominium living in Puerto Vallarta.

The project is being developed by The Related Group and Grupo Chartwell.

The complex is right on Bahia Banderas offering expansive views to the West of the Pacific Ocean and to the East, the old City of Puerto Vallarta, its famed Malecon and the its fantastic mountain ridges.

The project will be enclosed by a hacienda-style wall transforming Icon Vallarta into a private oasis. The entryway to the towers will be through a lushly landscaped private drive and a porte-cochere in front of each tower. The lobbies will offer fantastic spaces furnished and imagined by YOO by Starck. They will be completely open to amazing lush gardens surrounding a contemporary, 500 foot long pool. Along the edge of the property, seven ocean view villas with private pool decks face the beach and the ocean.

Tell me more about Related

Established in 1979, The Related Group is the US's leading builder of luxury condominiums ranking first in 2005 in gross revenue as well as in number of units built. Founded by the visionary Chairman and CEO, Jorge M. Pérez, the Related Group has become an internationally recognized leader in the development industry, with projects currently being developed valued in excess of \$10 billion.

The vision of The Related Group is to create vibrant buildings that serve as catalysts for the development of dynamic cities and that celebrate forward-thinking architecture, interior design and urban planning. It is this passion for "what's new and what's next" that continues to fuel the company's success in its effort to build better communities.

To learn more about The Related Group, please visit: www.relatedgroup.com.

Tell me more about Grupo Chartwell

Founded by Carlos Ancira in 1994, Grupo Chartwell is a leading real estate developer company in Mexico. Grupo Chartwell has been active for more than 12 years in the development of business and luxury hotels, retail centers, high-end condominiums and master plan developments throughout Mexico.

Strong partnerships with other leading entities such as Strategic Hotels and Resorts, Credit Suisse, Goldman Sachs, Kimco Group, and Equity Group International have significantly contributed to Grupo Chartwell's success in its diverse businesses and projects. Grupo Chartwell's partnership momentum and real estate experience in Mexico triggered the undertaking of a new endeavor – ICON Vallarta, with a new partner –The Related Group.

Why is The Related Group entering Mexico?

The Mexican real estate market has evolved over the last several years making it a great place for international buyers, both in terms of price and legal framework of ownership. There is a constant flow of buyers looking for authentic Mexican flavor while desiring the comfort and finish levels of their own homes. Mexico is the natural extension for the second home owner and tourist from the U.S. and Canada. Mexico offers the perfect escape from the cold winters of the North and has incredible weather, beaches, and landscapes.

Why Puerto Vallarta?

The Related Group strongly believes in places and towns with character; places where people live, play and enjoy life. Puerto Vallarta is such a place. It is a delightful Mexican town with a beautiful "Malecon" and a

buzzing downtown. Beaches and views of the surrounding mountains are world-class. Its collection of art galleries and high-end cuisine make it a standout in Mexico. Puerto Vallarta is the natural playground for the affluent of Guadalajara and Mexico City in addition to Americans, Canadians, and a consistently growing number of European tourists.

Amidst the spectacular surroundings, Icon Vallarta will juxtapose a very modern architectural design with the whimsical and magical interiors by YOO.

Who is Philippe Starck?

Widely acknowledged as the world's preeminent contemporary designer, Philippe Starck has set the standard for excellence in all facets of design from products to interiors to residential developments. His work, both collaborative and solo, has appeared in numerous exhibitions around the world at celebrated museums such as the Brooklyn Museum of Art in New York, The Musée des Arts Décoratifs in Paris and The Design Museum in London. Learn more at www.philippe-starck.com.

Tell me about Yoo by Starck?

In 1999, Starck joined John Hitchcox, who is considered one of Europe's most innovative property developers, to launch YOO, a design-focused development company. Grounded in the belief that design, marketing and branding add value to commercial and residential developments, YOO works in collaboration with development partners around the globe. Over the last seven years, YOO and its international partners have contributed to a variety of landmark buildings and residential projects in major cities throughout Asia, Australia, Europe, North and South Americas and the Middle East.

What is the Icon brand and what does it mean?

The Icon brand is known for raising the bar on condominium living with highly stylized amenities and world-class design. This combination creates uniquely appealing and livable spaces. Please visit www.iconsouthbeach.com and www.iconbrickell.com to view two of the most astonishing Icon projects being developed in Miami.

Can foreigners own property in Mexico?

Yes. Foreigners can own real estate (whether lots, land, houses or condos) in fee simple, just like a Mexican, except in the area known as the restricted zone, which is located along the borders (within 100 kilometers of the borders) and the coastline (within 50 kilometers of the coastline). Usually foreigners acquire real estate in the restricted zone through a trust agreement known in Mexico as a *Fideicomiso* (pronounced "FEE-DAY-E-CO-ME-SO"), whereby a Mexican Bank is appointed as Trustee, and the foreign buyer is appointed as Trust Beneficiary. The Trust Beneficiary has the right to use and enjoy the real estate as well as the right to instruct the Trustee to sell or transfer the real estate. The term of the Trust Agreement is for 50 years and such term is renewable.

Is Title Insurance available?

Yes, Stewart Title Guaranty de Mexico is authorized to issue title insurance policies in Mexico. Additionally, First American Title Insurance Company, has reached an agreement with *Grupo Nacional Provincial, S.A.* (a Mexican Insurance Company) in order for *Grupo Nacional Provincial, S.A.* to issue title insurance policies for real estate properties located in Mexico.

Is financing available?

Yes. More and more US lenders are active in Mexico and the Puerto Vallarta real estate market. Terms and rates are competitive with "second home" rates in the US, and are getting even better as more underwriters come into the market. Loans are now available to Canadian buyers as well.

Can I will the property to my children?

There is no better estate planning tool than owning property in a Mexican Trust Agreement (Fideicomiso). When the Trust Agreement is executed, you may have the ability to appoint future beneficiaries or even appoint heirs (sub-beneficiaries) of the property.

Do I have to get "permission" to sell the property?

No. You may sell the property at any time to anyone you want, as long as the prospective purchaser has the ability to acquire the real estate. Again, as a practical matter, it is essentially as if you owned the property in fee simple, the only difference here is that you have to instruct the

Trustee to transfer either the real estate to the prospective buyer or assign the rights of the existing Trust Agreement to the prospective buyer.

Will I have to pay property taxes?

Yes, but they are stunningly low. Property taxes are determined by each State or Municipality, and they usually have very low rates, but they may be subject to adjustments on an annually basis. You must pay these very low taxes, because you have the same *rights* as any owner in Mexico and, it follows, the same *obligations* as any owner in Mexico.

What happens to my property if the trustee bank closes or gets into financial trouble?

Nothing. Your property is not part of the capital asset base of the bank. It is known as "segregated assets" and cannot be attached no matter what happens to the bank. Your Trust would simply be moved to another institution. (Note that many Mexican banks are now internationally owned such as HSBC, CitiBank, Scotia, etc.).

Can my corporation or LLC buy the property?

There are several ways to acquire Mexican coastal real estate. Most common is for a couple to buy as individuals or jointly owned, with a fifty-fifty undivided interest. You can use your US or Canadian corporation or LLC to purchase the property, but there are ramifications regarding capital gains when you sell. Buying as a Mexican corporation also is not advisable in most cases, as the law states clearly that Mexican corporations can buy in fee simple only if the property is *commercial*, not residential. Both of these options should be discussed in some depth with your Mexican real estate professional before deciding how to acquire the property. (In 90% of cases, acquiring as individuals is best.)

As an owner of Icon Vallarta, do I own the real estate?

Yes. Purchasers receive a public deed for the individual condo unit they purchase. Under Mexican law, the property is technically acquired by a Mexican Bank as Trustee for the Fideicomiso for the benefit of the beneficiary of the trust, therefore, you will have the exclusive right to use, sell, transfer or will your property as you see fit. A Mexican Fideicomiso is not a lease; it is a form of ownership in which real property is transferred into a trust for the benefit of the owner or beneficiary.

What are the terms of the down payment?

They are extremely competitive compared to the local market and similar to the earnest money structure found in the US for pre construction real estate. One of The Related Group's strengths is their solid financial credentials. Over 70,000 units built assert The Related Group's position as the #1 multifamily development company in the US. Accordingly, The Related Group will be able to offer incredible financial terms to assist you in your purchase of your property in Mexico.

Is title insurance offered on the land and property held in Fideicomiso?

Yes. DESARROLLOS INMOBILIARIOS HERRADURA, S. de R.L. de C.V., the developer, has a multi-million dollar policy on the land parcel planned for Icon Vallarta.

Can my unit be placed in a rental program?

Yes, this is full ownership condominium, and owners have the option of choosing any rental management company to assist them with the process.

What types of units will be offered?

Icon Vallarta will feature one, two and three bedroom units, four bedroom penthouses, and seven ocean view villas.

Can I finance the purchase at closing?

Yes! Financing is available in Mexico, and our sales team will make it easy for you to inquire into the various sources of financing.

What is a Preferred Purchaser Program?

Over the years, we have learned that smart clients want to buy in a project early. The Preferred Purchaser Program identifies the most interested clients, and rewards them with the privilege of receiving information first – before the general public. This also allows us to focus all of our efforts on the clients – to help you make the right buying decision. Only those with a reservation agreement will receive detailed information about the project and the opportunity. This is also our way of showing our commitment to those most interested in Icon Vallarta.

Is the reservation deposit refundable if I choose not to buy?

Absolutely!

Is it easy to get to the property?

Just minutes away from the Puerto Vallarta International Airport – a city with easy hub access from such places as LA, Mexico City, Guadalajara, Chicago, Phoenix, Dallas, Monterrey MX, Toronto, Calgary and Vancouver!

How may I learn more about Icon Vallarta and the ownership opportunities?

Please contact one of our Icon Vallarta sales specialists at:

Toll free at 877-295-ICON (4266) from the US and Canada

Toll free at 01-800-900-4266 from within Mexico

Contact Ron Barnes, Director of Sales, at 303-590-8310

Email : rbarnes@iconvallarta.com

Or visit www.iconvallarta.com.

The information contained in this document is for information purposes only and it shall not be considered as a formal offer from Desarrollos Inmobiliarios Herradura, S. de R.L. de C.V. as Developer. Additionally, the information contained herein was prepared by and for the use of Desarrollos Inmobiliarios Herradura, S. de R.L. de C.V., and therefore for any prospective buyer as deemed convenient by Desarrollos Inmobiliarios Herradura, S. de R.L. de C.V. as Developer, however the information may not be construed as formal statement of Desarrollos Inmobiliarios Herradura, S. de R.L. de C.V. as Developer or any affiliate or parent company thereto. Prior to any investment made by a prospective purchaser, Desarrollos Inmobiliarios Herradura, S. de R.L. de C.V. would advise you to seek for a legal counsel to explain you specific details in order to invest in Mexico. The content and material contained herein is exclusive property of Desarrollos Inmobiliarios Herradura, S. de R.L. de C.V. as Developer and it could not be used or reproduced without the express written consent of Desarrollos Inmobiliarios Herradura, S. de R.L. de C.V. as Developer.