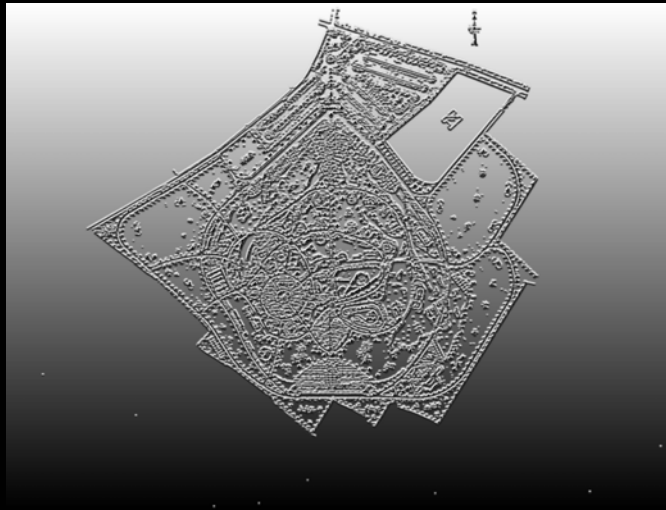


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ARCHITECTURE - FEASIBILITY STUDIES – KINETICS - PROJECT DEVELOPMENT  
MASTER PLANNING



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09/12/2006

This contractual obligation is drafted for the sole use of Randa Zaatari Kassem representing the interests of ECOHES s.a.r.l (registered company in Lebanon), Omar Solh of SDW LLC (registered company in the United States of America) and The Zaatari Family representing its interests in Zaatari Qanater Qasmieh, Southern Lebanon.

# Q a n a t e r H e a v e n s

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## **Executive Brief**

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The Zaatari Family (owners of Zaatari Qanater and shall be referred to as ZQ) and among other properties in Lebanon have unofficially requested a document (reflected upon as an exchange of ideas document and is not in any way or shape a binding document from either end) through ECHOES to express ideas leading to the possible overall assessment and development of the Zaatari Qanater site North of Qasmieh River with a total land area of 275.000 sqm. The project is located about an hour and 15 minutes south of Beirut and is easily accessible via the new highway (only 3.2 kilometers south of the Qasmieh exit).

The site is located between Saida and Tyre and should be strategically located for mountain areas in the south (Nabatieh and Marjioun) for access.

Echoes and through the assistance of Mr.Walid Kasem have visited the site during the summer of 2004 for which a total assessment of the site in the form of a visual presentation was carried out.

SDW presented a complete set of prints of the visuals and a set of CD ROMS for the purpose of promoting the site with possible buyers or investors.

ECHOES requested a business plan from SDW during a meeting at the Verdun Office in Beirut on the 5th of November of 2004. ECHOES signed on a Letter of Intent (Non Binding) to further investigate the project and the site.

SDW made a site trip to further explore the characteristics of the site on the 7th of November of 2004.

This report is a Non Binding document and is presented for the exclusive use of the Zaatari Family (Owners of Zaatari Qanater).

# Qanater Heavens

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## Overall Assessment

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It has been agreed upon the total value of the site should be in the range of **7.5 to 8.5 million US Dollars** with an average sales price of \$30 sqm.

For the purpose of this exercise, the price per square meter was evaluated at \$30 sqm. SDW has speculated that such property with its vast agricultural areas should be divided into Five (5) cost brackets:

- 2-A) Area A is allocated to all agricultural areas throughout ZQ and is estimated (speculation) at a total of 175.000 sqm.  
Value is speculated at a total of **\$ 3.5 million** with an overall price per meter at **\$20/sqm.**
- 2-B) Area B is allocated to all areas in and around the Qanater section of the project and located in the Middle of the property. This area as existing is estimated (speculation) at 25.000 sqm.  
Value is speculated at a total of **\$ 1.0million** with an overall price per meter at **\$40/sqm.**
- 2-C) South of Area B is the Qasmieh River as the southern boundary of the site. This area begins with the road (Saida-Tyre) on the East of ZQ and is extended to the western boundary (the coastal areas). The length of this section is estimated at 1.5 kilometers with a total width of approximately 20 meters. The anticipated area of this property stands at 30.000 sqm. Value is speculated at a total of **\$ 1.0 million** with an overall price per meter at **\$30/sqm.**
- 2-D)Area D is allocated along the Saida-Tyre road and is anticipated to have a total length of 1.5 kilometers. The total area is anticipated at 25.000 sqm.  
Value is speculated at a total of **\$ 1.0 million** with an overall price per meter at **\$40/sqm.**
- 2-E) Area D is allocated west of the site with Qasmieh south of the site and the coastal strip to the north. This area is the Beach section of the ZQ proposed development. The total area is estimated at 20.000 sqm.  
Value is speculated at a total of **\$ 1.0 million** with an overall price per meter at **\$50/sqm.**

# Qanater Heavens

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## • Site Characteristics

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### • **A) Agricultural Areas**

- 3-A-1) Agricultural areas include all roads leading to the site and circulation within.
- 3-A-2) Citrus products and Bananas are the primary produce.
- 3-A-3) The site is divided into zones and can be easily accessed by vehicles.
- 3-A-4) The main gate for the site is based on the main Saida-Tyre road.
- 

### • **B) Qanater Section**

• The elements are summarized as such:

- 3-B-1) Qanater arches with limestone as main material for construction. The total length of the shaded (covered) Qanater is estimated at 30 meters long and 3 meters wide.
- 3-B-2) Pool with decorative columns along its sided and total dimensions by 20 meters. The Pool (man made lake) is not for swimming purposes or at least so it seems.
- 3-B-3) Guest House on the northern part of Qanater Area.
- 3-B-4) Swimming Pool with total a total dimension of 20 by 5 meters and runs adjacent to main lake / pool.
- 3-B-5) High trees along the sides of the Pool and surrounding the Qanater Gardens and road leading to Qanater Area with a series of trees adjacent to the road on the eastern section described area surrounding a smaller pool.
- 3-B-6) All the garden areas are located in the back of the Qanater arches and between the guesthouse and the swimming pool.

### • **C) Qasmieh River**

- 3-C-1) Begins along the property on its eastern borderline along the Saida-Tyre road.
- 3-C-2) Ends along the coastal line with a total length of 1.5 kilometers (estimated)
- 3-C-3) Location is around 500 meters south of the Qanater Area.
- 3-C-4) Has excellent views to the opposite southern bank of the Qamieh river.
- 3-C-5) Has views to the coastal line (western direction).

# Qanater Heavens

- **D) Saida-Tyre Road**
- 3-D-1) (northern bank). Begins along the main gate to the site and ends before the Qasmieh river
- 3-D-2) Area is exactly 3.2 Kilometers from the new highway (under construction).
- **E) Beach Section**
- 3-E-1) Begins along the western bank of Qasmieh river and ends by the secondary boundary road.
- 3-E-2) Has a block wall approximately 100 meters and adjacent to the shoreline.
- 3-E-3) Within a five-minute walk from the Qanater section.
- 3-E-4) Sand and gravel are the primary naturally present materials on site.

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## Program

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- **A) Agricultural Areas**
- 4-A-1) To be left at it's existing condition with minor construction. It is imperative the client understand the area is to left as is in order to allow for an ecologically meaningful escape and the purpose of the agricultural areas is to add more feel to the proposed development.
- 4-A-2) Fencing and partial asphaltting should be considered as part of the construction improvements for the designated area.
- 4-A-3) Partial lighting should also be integrated into the main road leading to the Qanater section.
- 4-A-4) Improving or adding to the existing width is highly recommended only in case the same road leading into the project will be used as means of egress (exit).
- 4-A-5) SDW highly recommends an additional road as means of egress leading to the main road along the Qasmieh river northern bank.
- 4-A-6) The concept is to improve on the existing roads within and inside the site but not to alter the natural habitat and the agricultural areas surrounding and supporting the site.
- 4-A-7) Improve the entry to the site via the main gate.
- 4-A-8) Provide additional parking space along the Qanater section.
- 4-A-9) It is estimated that all the roads and parking areas should amount to a total of 10.000 sqm.

# Qanater Heavens

- **B) Qanater Section**
- **Hotel and Restaurant**
- 4-B-1) Three Star Boutique Hotel with an average of 30 keys.
- 4-B-2) Restaurant with a seating capacity of 200 people at the rate to 200 sqm for both indoors and outdoors use with a possible incorporation of a giant size tent. The restaurant is a weekend and holiday activity allowing for outdoor cookouts on weekends as well as open buffets. The restaurant should have a 60 percent capacity on weekends for both lunch and dinner throughout the year.
- 4-B-3) A banqueting hall (outdoor and indoor) to be incorporated into the restaurant area and to be utilized in wedding and major social functions. This element will allow weddings to take place without interfering with the hotel residents or the villa owners. It should be and noted the settings around the pool areas are ideal for weddings evening functions.
- 4-B-4) Reception area and club house (bar and coffee shop with light snacks and to be located close to the swimming area and Qanater section.
- 4-B-5) Retail outlets to be rented by the management of the hotel and may include three kiosks.
- **Villas**
- 4-B-6) 100 weekend and seasonal villas (secondary home users) for sale villas @ 150sqm/villa (approximate) @ two floors per villa and to be sold to original shareholders and with the lot.  
Land absorption estimated at: 7.500 sqm  
Each villa shall have:  
Two bedrooms  
Two bathrooms  
One Kitchen  
One Dining Room  
One Large Living and Family Room  
Storage  
Split Airconditioning  
Shared backyards with neighbors  
Parking Facilities close to Villas
- 4-B-7) 50 furnished and fully services villas for rent @ 150sqm/villa (approximate) @ two floors:  
Each villa shall have:  
Two bedrooms  
Two bathrooms  
One Kitchen  
One Dining Room  
One Large Living and Family Room  
Split Air-conditioning  
Separate backyards  
Parking facilities away from villas

# Qanater Heavens

- **Health Club**

- 4-B-8) To be incorporated between the hotel and the proposed villas. The health club shall include permanent exercise facilities, steam room, sauna and possibly a covered swimming pool. Male and female members would be able to share to pool area along the exercise facilities.
- The outdoor facilities shall include 2 tennis courts as well as basketball.
- The health Cost for all facilities and construction of the health club should not exceed \$1.0 million and to be recovered in seven (7) years from opening.
- The Health Club to be reflected upon as a capital improvement.
- All residents (primary and secondary) will be required to pay a total amount of \$5000.00 per family for a life time access to all the sport, pool and beach facilities. The health club should be self-financing.

- **C) Qasmieh River Luxury Villas**

- 4-C-1) 20 luxury villas for primary end users with separate entrance to and from the site.
- 4-C-2) Each villa should be around 300 sqm and shall be located along the northern bank of river.
- 4-C-3) Each villa shall have its own backyard.
- 4-C-4) Each villa shall have its own parking spaces (two cars)
- 4-C-5) Each villa shall have:
  - Three bedrooms
  - Three bathrooms
  - One Guest Room
  - One Kitchen
  - One Dining Room
  - One Living Room
  - One Family Room
  - Central Air-conditioning
  - Maid's Room
  - Storage Room

- **D) Saida-Tyre Road**

- 4-D-1) 30 retail shops located adjacent and parallel to the Saida-Tyre Road.
- 4-D-2) Areas ranging from 50sqm to 500 sqm per shop.
- 4-D-3) Possible location for a super market.

- **E) Beach Section**

- 4-E-1) Seasonal Activity
- 4-E-2) Mainly for use of Villa owners, Luxury Villas owners, Hotel guests and Villa Guests.
- 4-E-3) Management will allow visitors as long as they sponsored by members (Villa Owners).





# Qanater Heavens

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## Revenue Model

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### 7-B-1)

Hotel: 40% occupancy @ \$50 / night @ 30 keys @ 365 days = \$ 219.000

### 7-B-2)

Restaurant: Per weekday 7 meals @200@ 30% occupancy =420 guests  
Per weekend 4 meals @200@ 60% occupancy =480 guests  
Annual for weekdays 52 weekdays@420 =2184  
Annual for weekends 52weekends@480 =24960  
Annual revenues 46440@\$10 / guest = \$ 464.400

### 7-B-3)

Banqueting Hall: 20 Weddings per annum  
Average 150 guests per Wedding  
Average \$30 / guest = \$ 90.000  
20 Special Evening Functions per annum  
Average 250 guests per Function  
Average \$30 / guest = \$ 150.000

### 7-B-4)

Bar and Coffee: Average = \$ 70.000

### 7-B-5)

Retail Rent: Average 3 Kiosks @ \$500 @ 12 = \$ 18.000

= \$ 1.011.400

## P/A

### 7-B-6)

Land Absorption: 50% per floor  
Suggested price for lot per sqm @ \$80 at 75 sqm @ 100 = \$ 600.000

Suggested construction cost per sqm @ \$300

Suggested sale per sqm with land absorption @ \$550 per sqm

Total sale of each villa @ \$550 @ 150 sqm = \$ 82.500

Total sale of all villas @ 82.500 @ 100 villas

= \$ 8.250.000

## Final

### 7-B-7)

Suggested rental per villa per month @ \$1500

Occupancy estimated at 5 months per annum

Total rentals per annum for all villas

= \$ 375.000 P/A

# Q a n a t e r H e a v e n s

- **7-B-8)**  
Capital expenditure for Health Club and Sports Facilities (self financing)
  - **7-C-1)**  
Qasmieh Villas:  
20 villas estimated @ 200.000 per villa **=\$4.000.000 Final**
  - **7-D-1)**  
Saida-Tyre Retail Outlets:  
Estimated final sales to be around **=\$2.500.000 Final**
  - **7-E-1)**  
Beach Section:  
Entry Price per visitor per day @ \$10.00  
@ 500 visitors on a weekend @ 2000 a week  
@21 summer weeks **=\$ 420.000 P/A**  
**=\$ 1.806.400 P/A**  
**=\$14.750.000**
- Final**

# Qanater Heavens

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•	<b><u>Construction Estimation</u></b>	
•	<b>A) Agricultural Areas</b>	
	Capital Improvements 10.000 sqm @ \$20/sqm	= \$ 200.000
•	<b>B) Qanater Section</b>	
	Hotel and Restaurant	= \$ 4.000.000
	Villas	= \$ 6.750.000
	Health Club	= \$ 1.000.000
	<b>C) Qasmieh River Luxury Villas</b>	
	Villas	= \$ 2.000.000
•	<b>D) Saida-Tyre Road</b>	
	Retail	= \$ 1.500.000
	<b>E) Beach Section</b>	
	Beach Facilities	= \$ 200.000
•	<b>Total Construction Cost Estimated at</b>	<b><u>= \$14.750.000</u></b>

# Qanater Heavens

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- **Proposed Return On Investment ((PROI)**

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- **A) Agricultural Areas**

As per client's assessment

- **B) Qanater Section**

Hotel and Restaurant      **Per Annum**

Villas                              **35%**

Health Club                      **Self Financing**

- **C) Qasmieh River Luxury Villas**

Villas                              **35%**

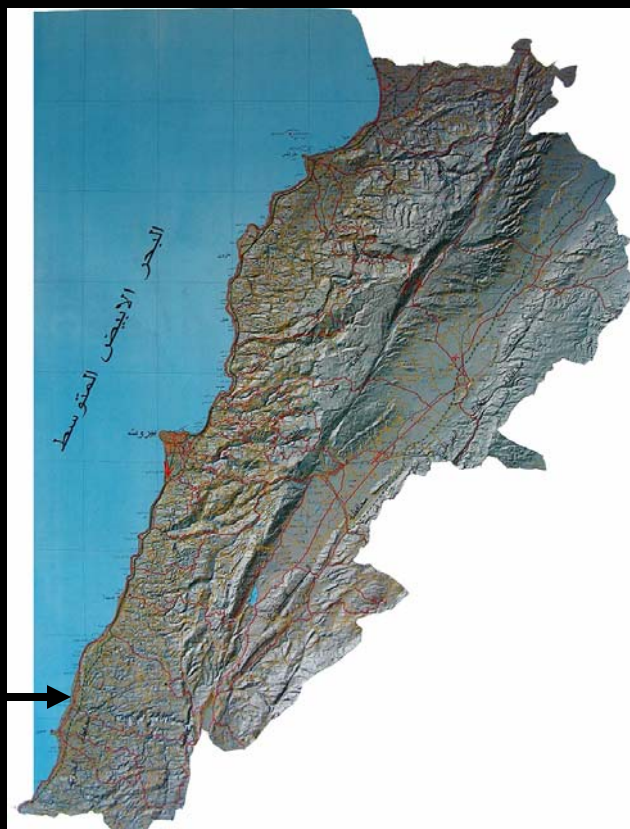
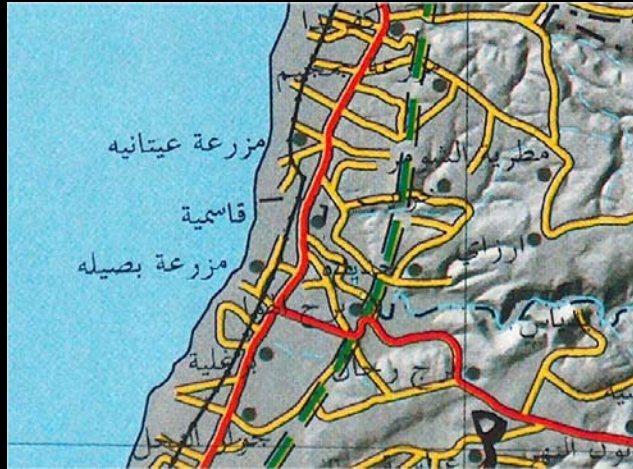
- **D) Saida-Tyre Road**

Retail                              **50%**

- **E) Beach Section**

Beach Facilities                **Per Annum**

# Qanater Heavens Site



# Qanater Heavens Site





**Qanater Heavens  
Ariel Site**



# Qanater Heavens Qanater Section





# Qanater Heavens



# Qanater Heavens





# Qanater Heavens



# Qanater Heavens





# Qanater Heavens



**Qanater Heavens  
Beach Area**





# Qanater Heavens



# Qanater Heavens

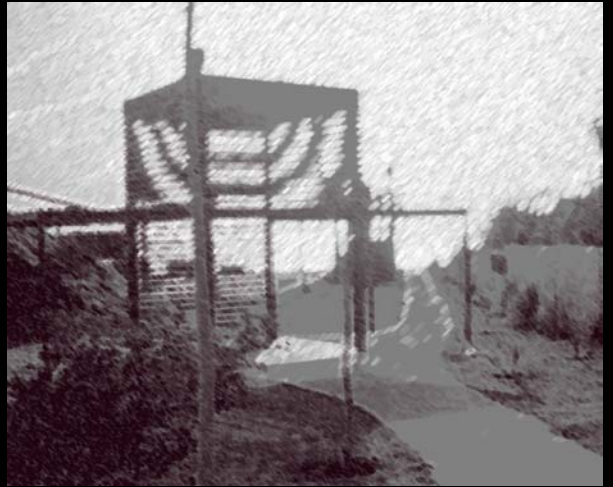




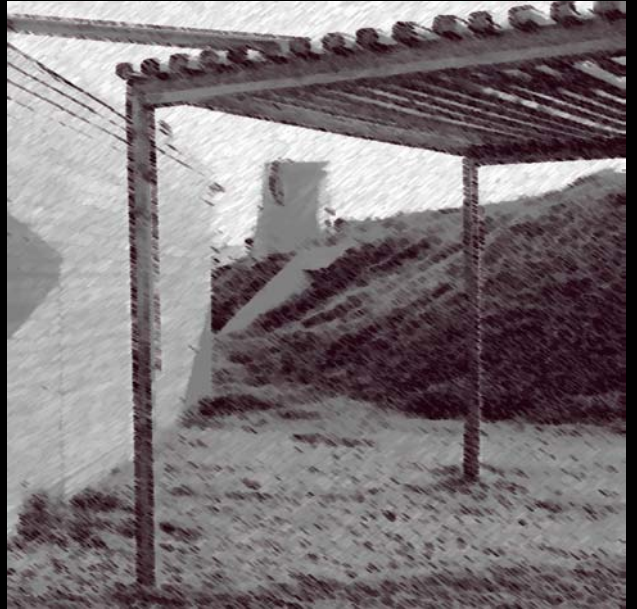
# Qanater Heavens



# Qanater Heavens



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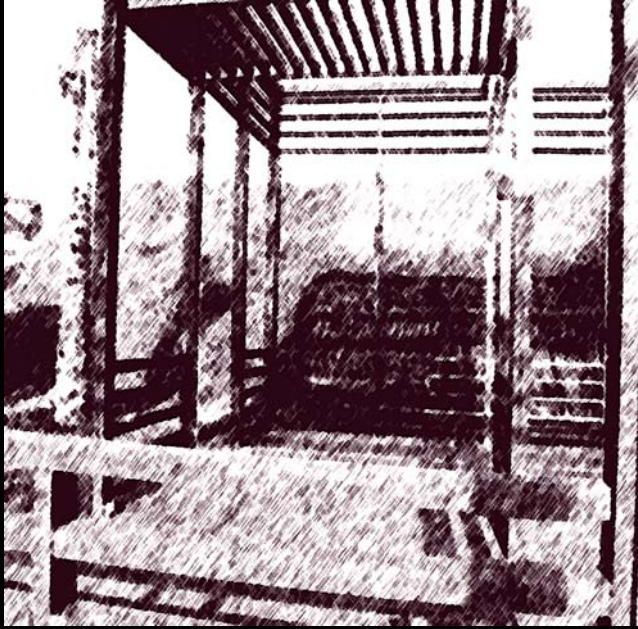




# Qanater Heavens



# Qanater Heavens



# Qanater Heavens





# Qanater Heavens



**Qanater Heavens  
Site Boundaries**





# Qanater Heavens

Hotel and Banqueting Hall



Beach and Pool Area



Retail and Complex Entrance



Parking and Services

# Qanater Heavens Residential Layout



**Qanater Heavens  
Hotel and Residential**





# Qanater Heavens Circulation and Beach Area Layout

