

m.chanaan

 LARUN
GOLF AND YACHT RESORT

Important information about the project



Poreč,
August 15th 2018

PROJECT COORDINATOR

M. CHANAAN is a limited liability company from Poreč, with experience on various projects and already engaged by foreign investors on the preparation and coordination of such projects like the Larun and Špin golf projects, the projects of the City of Poreč and similar. We have a long experience on the management of projects involving local community and national ministries, so all our projects are supported by them.

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OUR PROFESSIONAL TEAM

Our company's team of highly experienced professionals comprises:

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IBF - Istria Business Forum, Daniel Ferić, e-mail: info@ibfconsulting.eu

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OLAZABAL Design s.l., Pagola 51 Bajo A 20018 San Sebastián, Spain,

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NEW PROFESSIONAL TEAM - Urbanistica Ltd. + Toga-inženjering Ltd., Gospodska

102B, 10090 Zagreb, Croatia; e-mail: togaing@togaing.hr.

PROJECT OWNER

The Company Histria Fecunda d.o.o. was established in 2012, with the aim of developing the leading high-class boutique golf resort project of the Adriatic - Larun Golf Project in the municipality Tar-Vabriga on the peninsula of Istria, Republic of Croatia.

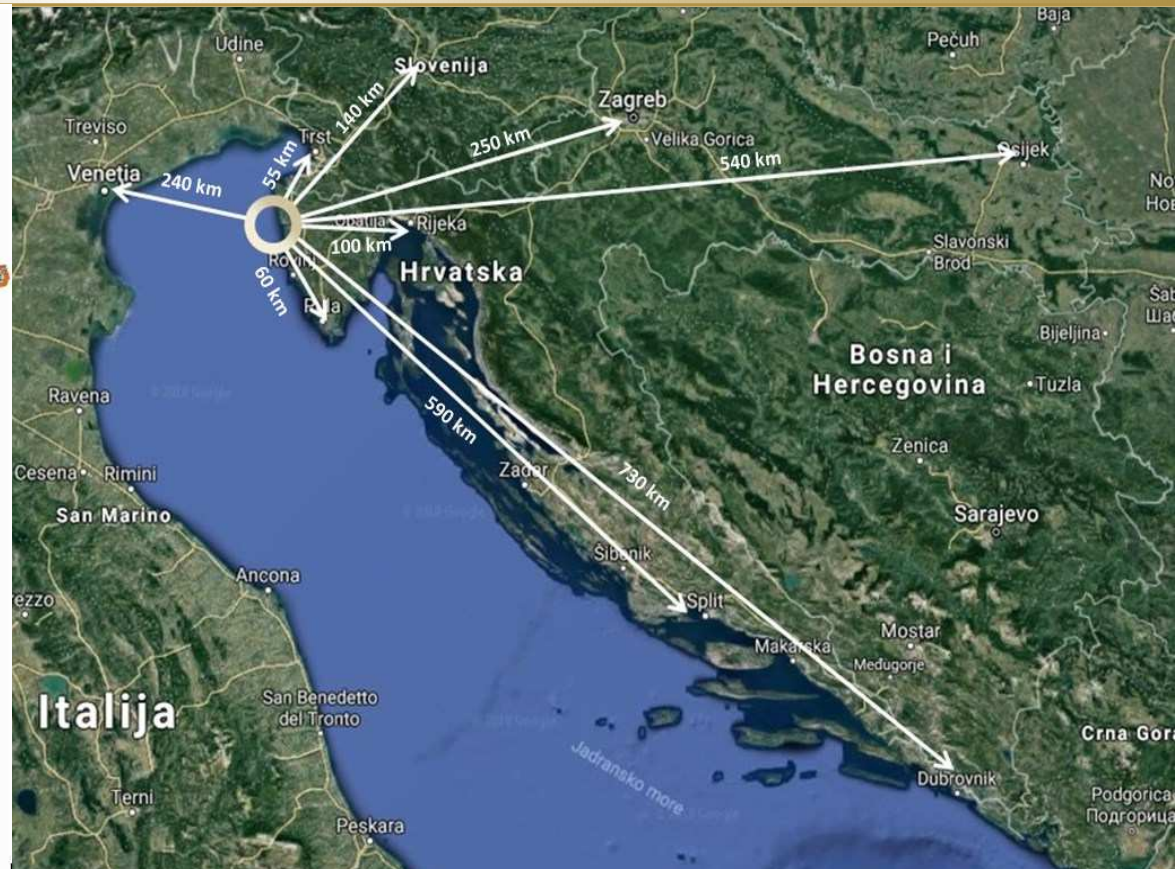


PROJECT LOCATION

As the westernmost County of the Republic of Croatia, Istria borders Slovenia and has a maritime border with Italy. The peninsula is considered the largest green oasis of the Northern Adriatic, one of the most popular destinations for foreign visitors to Croatia and one of the most attractive Mediterranean destinations in terms of number of visits.

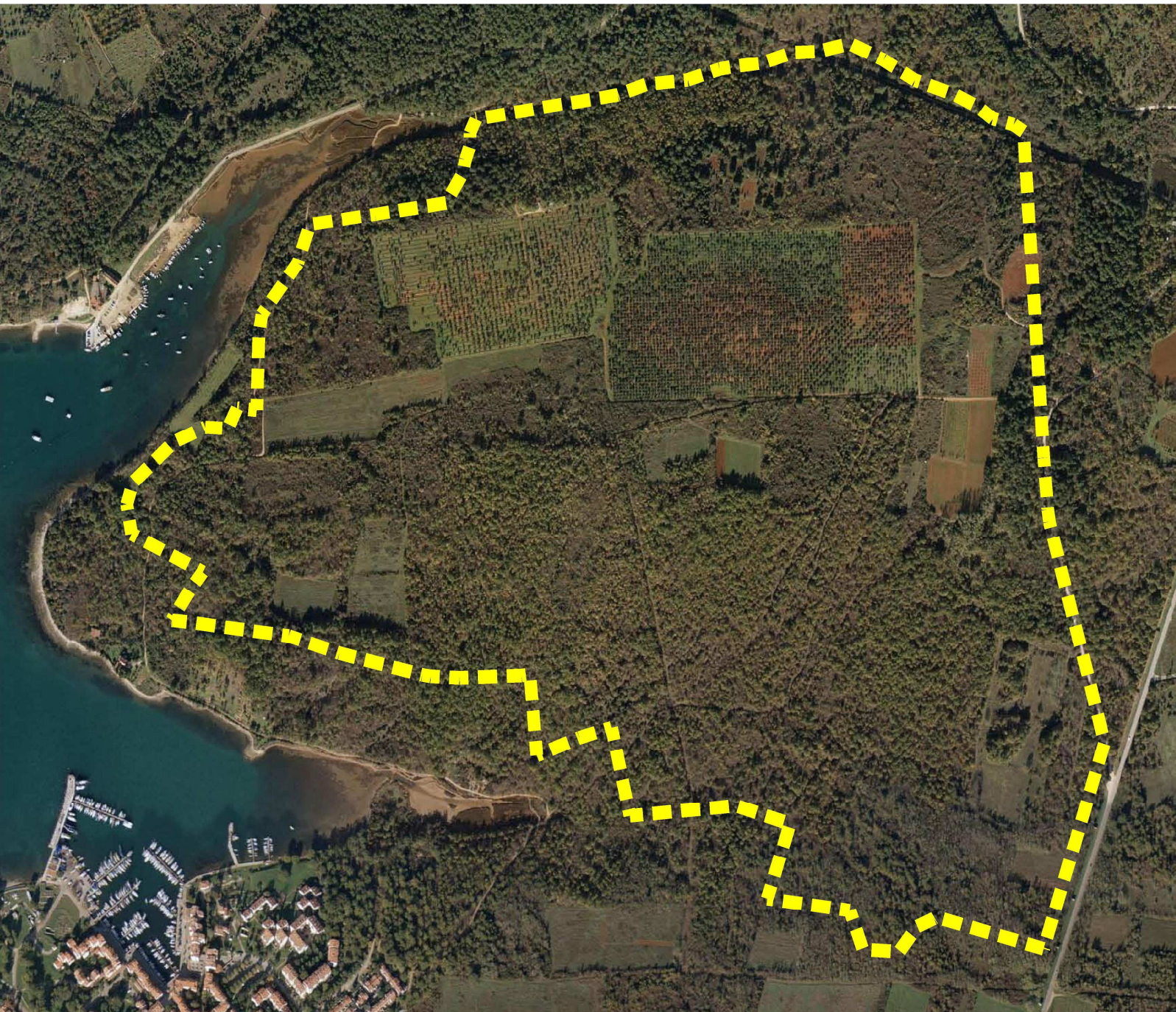
It should be noted that near Umag, about 30 km from our project, Kempinski hotel complex with villas and golf resort was built, whose profitability greatly proves that the projects of this kind in this area are profitable.

The project site is located on the Larun peninsula, on a small hilltop with a great view to the sea, between the cities Rovinj and Umag, in the immediate vicinity of Poreč and in the catchment area of four international airports (Pula about 60 km, Venice about 240 km, Ljubljana about 170 km and Zagreb about 250 km).



PROJECT MICROLOCATION





Project scope area

PROJECT FEATURES

Key features and advantages of the project are: an 18-hole golf course, high-class five-star hotel and approx. 70 luxury villas with swimming pools and 18 apartment buildings planned for construction on an area of 112 ha, with total of 1,200 beds. The integral part of the project plan also involves constructing a golf house, golf academy, service shop, service zone, a large number of bars & restaurants, commercial facilities and a golf training course. The scope of the project will also cover an archaeological park of 16.2 ha and an olive grove of 16.5 ha, which represent the added value of the project.

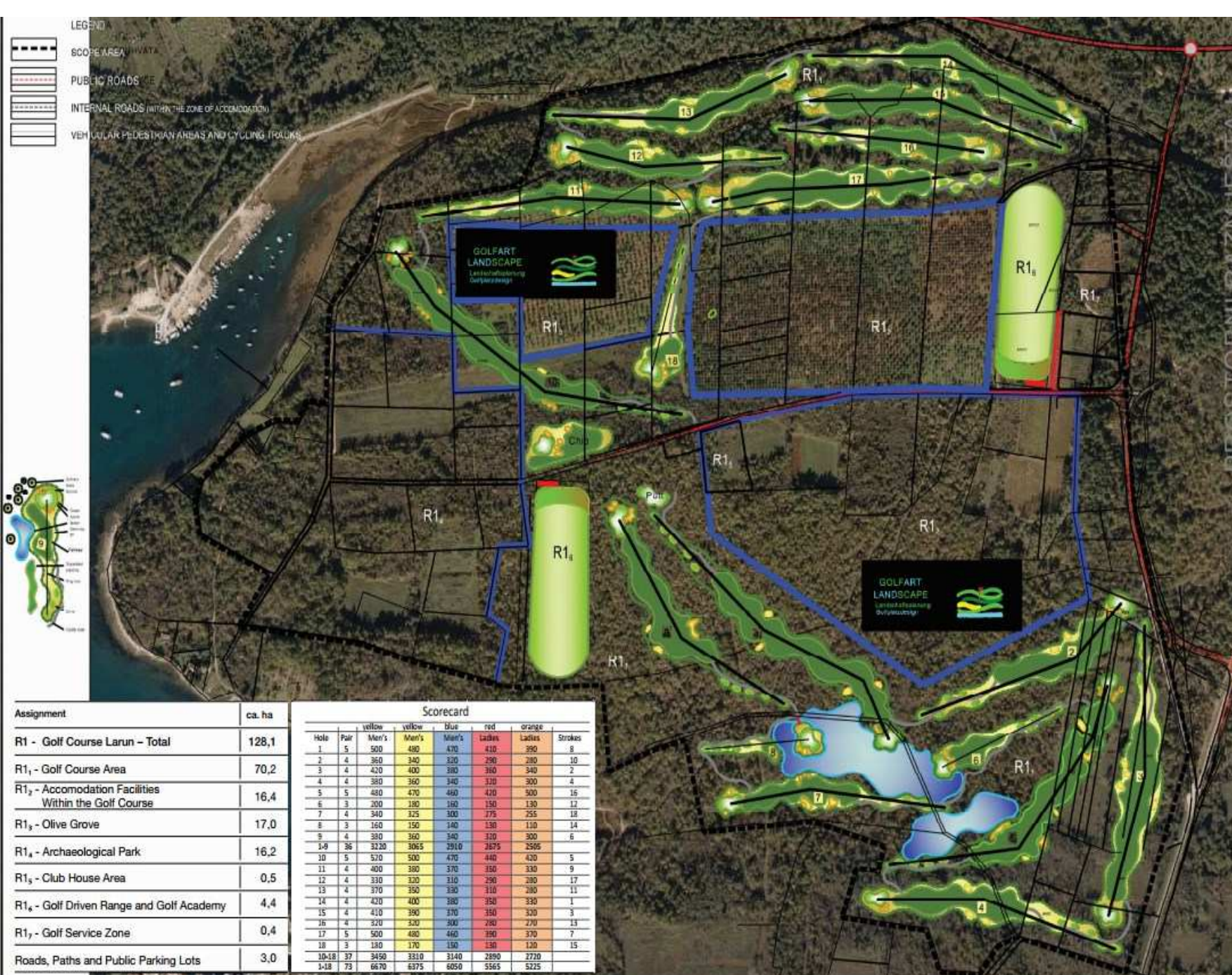


The Loron archaeological park is essentially a unique commercial and residential complex, one of the centers of the production of Roman bricks and amphorae on the eastern Adriatic, with the remains of the villa of the Roman emperor Domitian and one of the first water tanks from that period. Within the project, on the land owned by company Histria Fecunda and located approx. 800 m away, a heliport is planned for which exists the approval of the County. Moreover, next to the project area a construction of luxury nautical port with approx. 250 berths is planned.



3D PROJECT CONCEPT





PROSTORNI RAZMJESTAJ

Assignment	ca. ha
R1 - Golf Course Larun - Total	128,1
R1 ₁ - Golf Course Area	70,2
R1 ₂ - Accommodation Facilities Within the Golf Course	16,4
R1 ₃ - Olive Grove	17,0
R1 ₄ - Archaeological Park	16,2
R1 ₅ - Club House Area	0,5
R1 ₆ - Golf Driven Range and Golf Academy	4,4
R1 ₇ - Golf Service Zone	0,4
Roads, Paths and Public Parking Lots	3,0

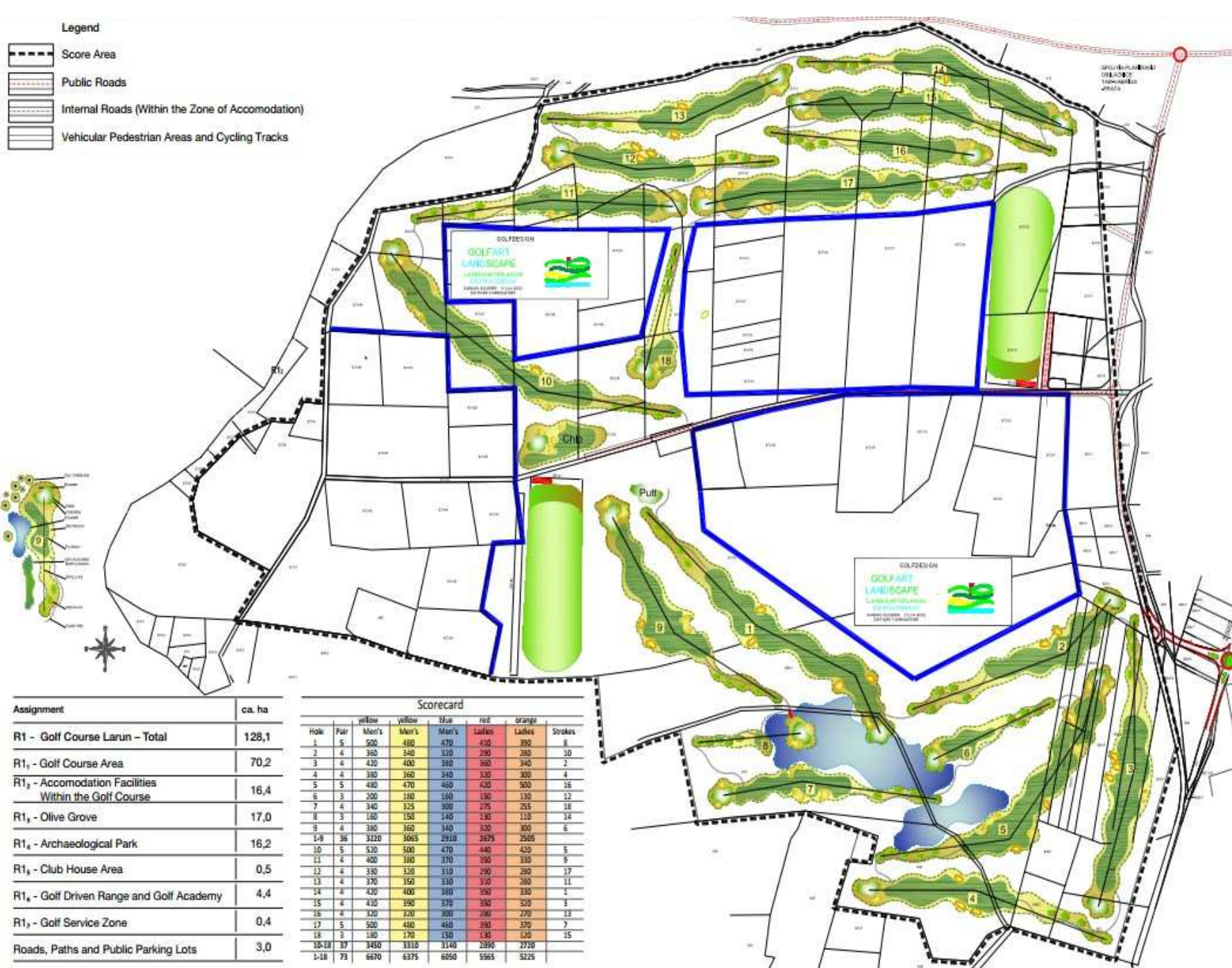
		Scorecard						
Hole	Par	yellow	yellow	blue	red	orange	Strokes	
		Men's	Men's	Men's	Ladies	Ladies		
1	5	500	480	470	410	390	8	
2	4	360	340	320	290	280	10	
3	4	420	400	380	360	340	2	
4	4	380	360	340	310	300	4	
5	5	480	470	460	420	500	16	
6	3	200	180	160	150	130	12	
7	4	340	325	300	275	255	18	
8	3	160	150	140	130	110	14	
9	4	380	360	340	310	300	6	
1-9	36	3220	3065	2910	2675	2505		
10	5	570	500	470	440	420	5	
11	4	400	380	370	350	330	9	
12	4	330	320	310	290	280	17	
13	4	370	350	330	310	280	11	
14	4	420	400	380	350	330	1	
15	4	410	390	370	350	320	3	
16	4	520	520	500	290	270	13	
17	5	500	480	460	390	370	7	
18	3	180	170	150	130	120	15	
10-18	37	3458	3210	3140	2890	2710		
1-18	73	6670	6375	6050	5565	5225		

Dipl. Ing.
Diethard
Fahrenleitner
Golf design

Masterplan of
the
project before
the location
permit

Legend

-  Score Area
-  Public Roads
-  Internal Roads (Within the Zone of Accomodation)
-  Vehicular Pedestrian Areas and Cycling Tracks



Dipl. Ing.
Diethard
Fahrenleitner
Golf design

Masterplan of
the
project before
the location
permit

LARUN GOLF

POREČ - CROATIA



Jose Maria Olazabal
Golf design

Masterplan of the
project before the
location permit

OLAZABAL DESIGN

Location

Area overview

Wind direction

Design: Jose Maria Olazabal
Golf Architects: Antoni Oriñen
Concept: Matthias Nemes
Illustrations: Renee Fischer
Client: Hittas Pecuda d.o.o.
Isarskog ravnara 7
52440 Poreč, Croatia

project: Larun Golf
drawing title: Illustrative Golf Masterplan - Alternative
scale 1:2000 date 13-Oct-17 drawn TO checked MN
design phase CD drawing no. CD-08 rev. 00

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championship course												Scorecard				
HOLES	PAR	BLACK	WHITE	YELLOW	RED	ORANGE	GREEN	BLUE	BLACK	RED	ORANGE	GREEN	BLACK	RED	ORANGE	GREEN
1	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
2	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
3	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
4	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
5	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
6	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
7	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
8	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
9	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
10	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
11	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
12	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
13	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
14	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
15	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
16	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
17	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
18	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
19	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
20	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
21	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
22	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
23	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
24	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
25	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
26	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
27	4	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000
Total	72	0:00	0:20	0:40	1:00	1:20	1:40	2:00	2:20	2:40	3:00	3:20	3:40	4:00	4:20	4:40

Legend

- bunker
- retaining rock wall
- rough
- fairway
- tee
- green
- building
- liturgical shelf
- cart/maintenance path
- protect limits
- landscape
- forest

PROJECT DEVELOPMENT

The project is fully supported by the local government and Croatian ministries and elaborated in cooperation with our team of reputable professionals and experts (urban planners, architects, archaeologists-conservators, land surveyors and environment experts), followed by one of the strongest domestic legal teams that monitored the project from the very beginning, so that in this regard we offer complete security to our partners and investors. The procedure of declaration of the Project as a strategic project of the Republic of Croatia is underway, because we have been listed as one of the twelve potential Strategic Projects of the Republic of Croatia and one of the two projects within those twelve that are eligible for the Concession and Purchase of State land.

This Project is of strategic importance for the development of Golf Tourism in Croatia.

The Larun Golf Project is being at an advanced planning development stage and the elaboration of the final architectural solution will be offered to the best European architects through a tender.

POTENTIAL HOTEL OPERATORS

We have a letter of intent from the prominent hotel operator **Rezidor Hotel Group** whose portfolio features 430 hotels in operation and under development with 95,000 rooms in 69 countries. Rezidor operates and develops Quorvus Collection, Radisson Blu, Radisson Red and Park Inn by Radisson in Europe, the Middle East and Africa.

Besides the Rezidor Hotel Group, another interested party is the **Hilton Worldwide** hotel group with whom we carry on negotiations that are at an advanced stage. We have signed very serious Letter of Intent with Hilton Worldwide Group and agreed the terms of cooperation in accordance with the requirements of the Group.

The most interested hotel group is the **Cachet Hospitality Group** (www.cachethotelgroup.com) with whom we have signed a letter of intent and a consulting agreement. We have been included in their catalogue of future partners. The vision and the philosophy of the Cachet Hospitality Group (www.cachethotelgroup.com) suits us best, so the negotiations with them went the farthest.

Amongst the other Hotel operators, great interest has shown the **Marriott Hotel Group** that we are currently negotiating with and we'll sign a Letter of intent with them as well. They have got acquainted with our project, visited the project site and shown interest for collaboration.



INVESTMENT IN THE PROJECT

Our company has so far invested several million Euros in the development of the project and the current value of the project amounts to about 25 million € which is confirmed by the assessment of the renowned Austrian company PKF hotelexperts GmbH, which was made after the issuance of the Location permit. We are in the process of obtaining the first building permit for the access road, which is a precondition to obtain all the other building permits foreseen by the location permit, so the current value of the project is significantly higher. It is planned that the total investment, with our previous investments included, amount in a range of **150 - 200 million €**.

Many others foreign companies have recognized Istria and Croatia as interesting and safe opportunities for investment (e.g. Goldman Sachs recently acquired Istrian hotel operator Arenaturist and the American private equity fund Advent International bough a branch of a large bank).

The central Istria is very well known and popular as the "little Tuscany", where is very popular buying / investing in old abandoned villages and villas with pools in the authentic style, where among investors are Anthony Hopkins, Michael Schumacher, aristocratic family from the UK, various statesmen and politicians, as well as many other prominent figures from abroad. It is important to emphasize that in the very heart of Istria there is a small town on the hill called Motovun where each year is held an international film festival organized by Mr. Rajko Grlić, well known Croatian film director and full professor at Ohio University, Athens, USA.

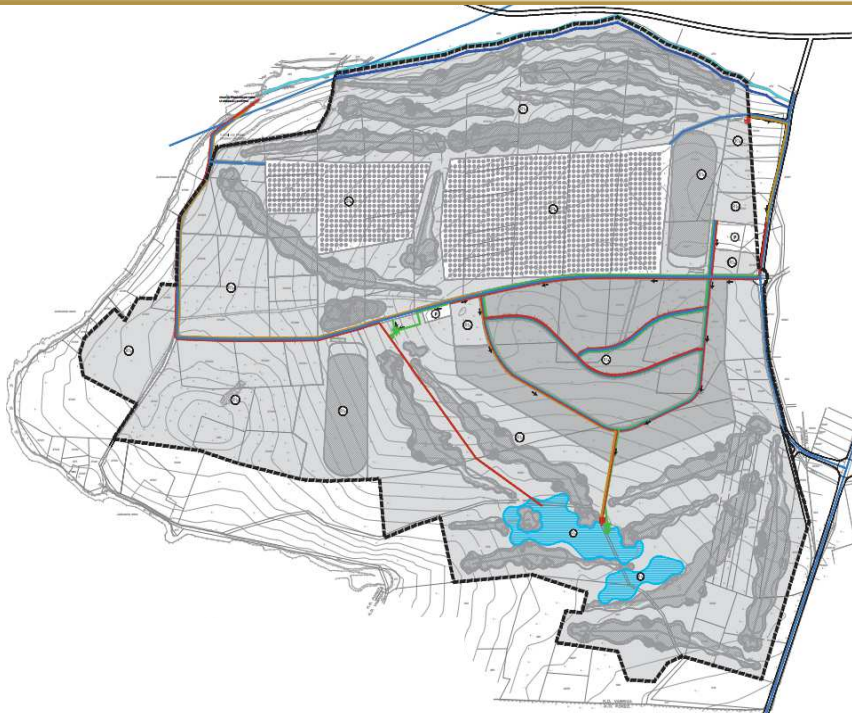


PROJECT ADVANTAGES

- Istria is famous tourist destination and one of the last of eco-zones in Europe,
- the length of the tourist season in Istria runs from early April to late October,
- the possibility of playing golf for 12 months of the year,
- the climate is mild and without snowfall,
- the area is known for its culinary specialties, agro-tourism, the cultivation of grape wines and olives, and is one of the few regions where truffles grow,
- highly developed sports and congress tourism,
- in the immediate vicinity of Venice,
- right at the golf course, there is the famous archaeological site with the remains of the villa of the Roman emperor,
- possible construction of a Heliport.

PROJECT ADVANTAGES - CONNECTION TO THE WATER PURIFIER

It is important to point out that the contracts that we've closed so far allow us permission for connection to the water purifier funded by the European Union that is currently being built in the area. Therefore, by using water from that purifier we have provided less expensive irrigation of golf course which can save us a great amount of money.



Water supply and drainage - Map from Urban Development Plan

PROFIT REALIZATION

The profit expected from the project will be realized through the sale and rental of villas, golf memberships and daily free games (it should be noted that the much weaker golf-course Kempinski sold about 30,000 green fees per year), the rental or sale of the hotel and through a well-planned target groups.

The project was accepted with great interest by the local community and local people in general, since it is expected to raise the quality of guests, to increase sales of local products, to encourage the employment of a large number of employees (according to current plan, a few hundred new job openings) and to stimulate the development of local companies.

PREPARATORY ACTIVITIES

The main scope of the **preparatory activities** was to analyze all the entry values and parameters, important to begin with the realization of the project. The preparatory activities phase has been completely finished, and it comprised the following activities:

A) ANALYSIS:

- Exhaustive Analysis of the natural peculiarities of the area,
- Analysis of the Ownership Relations,
- Determination of the project extension limits, within the planning documentation of the wider area.

This phase had great importance since, according to all the analysis and researches made so far, it has set the basis of the future project. Particular attention was dedicated to the Analysis of the Ownership Relations, since just a clear and favorable ownership situation, especially in an advanced project phase, is the main precondition for its realization. With regards to the Ownership Relations, we can stress the fact that the Golf resort comprises as much as 220,000 m² of privately owned land, which average value ranges from 50-120 Euros per square meter.

B) THE REALIZATION OF SPECIAL SUPPORTS:

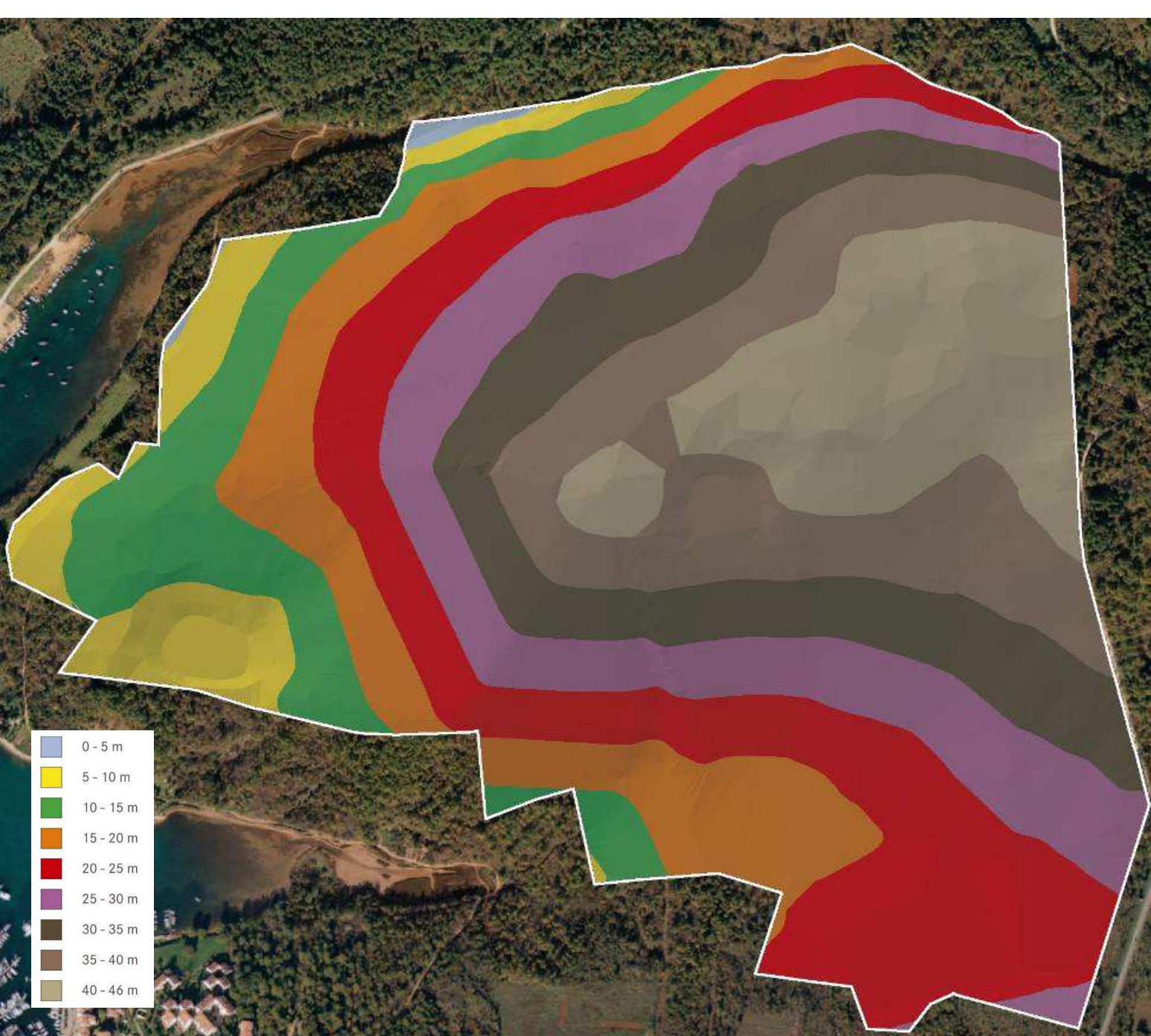
- the realization of a Special Geodetic Support for all the project extension area,
- the Valorization of the Landscape,
- the Archaeological Field Survey Report (an analysis of the state of conservation),
- the Masterplan.

A **Special Geodetic Support** at a scale of 1:2000 has been realized for the whole area foreseen for the positioning of the golf course, of the lodging and complementary facilities, which extends over a total area of 120 hectares.

The Valorization of the Landscape aimed at optimizing the distribution of the golf resort main facilities, reducing the potential negative impacts at lowest possible level. A detailed analysis of the existing environment and the vegetal coverage has been made with this special support, assessing therefore the potentialities of the area.

The Valorization of the Landscape has a cognitive function about the environmental and landscaping values of the area foreseen for the Larun golf course , and it will be a valid indicator for the organization and the optimization of the area within the realization of the golf resort planning documents.

The basic scope of the Valorization of the Landscape is to optimize the selection and the spatial distribution of the golf resort, as well as the arrangement of the environment, both with regards to the aspect of development potentialities and the environmental valorization systems, valorizing meanwhile the quality of the chosen planning solution.

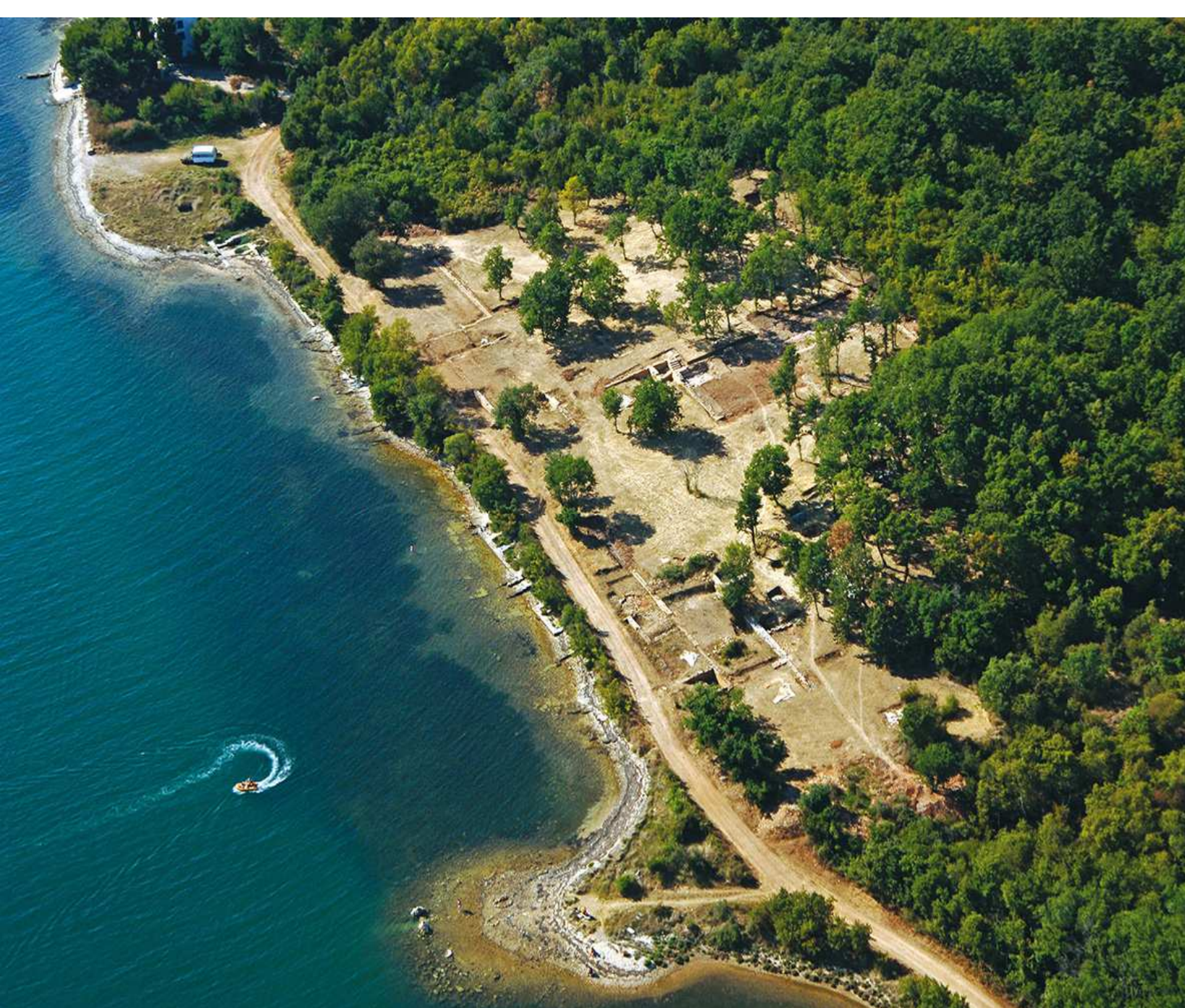


Valorization of the
landscape - the altitudes

The Archaeological Field Survey Report has been realized in the period between April and May 2012 and adopted by the competent Department of Conservation in Pula.

Such Report is the basis for the realization of the Analysis on the state of conservation of the area, necessary for the territorial planning documentation, so a detailed site inspection of the interested area (the site inspection, the analysis of textbooks, of historical cadastres, as well as of the fundamental cadastral plans and of the orthophoto images) has been performed within its realization.

An overview of the area has been given through conservation files containing basic information like the description, the spatial disposition of the finds and the Protection Measures to be adopted with regards to the detected archaeological sites, single finds and ethnological buildings.



The archaeological
site in the coastal
area

The Masterplan of the area of the Larun Golf Course aims at analyzing the chosen location and to set out the parameters for the dimensioning and the spatial organization of the facilities within the Golf Course, to be used as a basis for the realization of the Urban Development Plan (UPU) and of the Environmental Impact Assessment Study (SUO / EIA).

Actually, the main reason for the realization of the Masterplan is to analyze the potentialities and the physical limitations of the chosen location, as well as to define the directives related to the Physical Planning, those related to the facilities and their shaping, to be used to develop an optimal physical positioning of the future golf course with complementary facilities.

The intended purpose of the area derives from the concept of spatial organization, according to the need to preserve the actual, highest environmental values of the area and to promote new facilities of higher quality. The extension area comprises the 18 holes golf course construction area (with the distribution of the holes, of the driving range, of the club house, of the service area etc.), the lodging area (a 5 stars hotel and approx. 70 villas with possibility to build 18 apartment buildings, with a total accommodation capacity of 1,200 beds), valorizing the existing olive grove and defining the protective area of the archaeological finds.

URBAN PLANNING AND REALIZATION OF THE STUDIES

This phase is completed and comprises two segments:

- the realization of the Urban Development Plan (UPU)
- the realization of the Environmental Impact Assessment Study (EIA / SUO)



The realization and the approval of the **Urban Development Plan** aims at creating the preconditions for the construction of a high quality golf resort. The main scope is to create the preconditions for the construction of a high level sports-touristic center, maintaining and preserving the environmental peculiarities and adopting the appropriate protection measures.

The Urban Development Plan will define the terms and the conditions of construction within the area foreseen for the golf course, starting from the directives contained in the Masterplan, concerning the spatial distribution of the facilities. Furthermore, the Urban Development Plan sets preliminary solutions of the communal infrastructure and the viability, with particular attention to the irrigation systems and sewage water treatment. The Urban Development Plan is adopted by the Municipal Council, which is a precondition to proceed with the realization of the project documentation.

The adoption of the Urban Development Plan of the Larun golf course construction area (hereinafter referred to as: UDP) has been published in the Official Bulletin of Tar-Vabriga Municipality number 13/2014 from September 25th 2014. **The UPU came into force on October 3rd 2014.**

The Environmental Impact Assessment Study estimates the suitability of the intervention for the environment. As a final result, the Environmental Impact Assessment Study must assess the impact of the intervention to the environment, based upon factors which, depending on the types of intervention and the characteristics of the environment, determine the diffusion, the intensity and the duration of the impacts like, for instance, Meteorological, Climatic, Hydrologic, Hydrogeological, Geological, Geotechnical, Seismic, Pedological, Bioecological, Landscaping, Sanitary, Social, Rural, Traffic and other ones.

The following studies were realized within the Environmental Impact Assessment Study: the Study on the Water Supply and Sewage Treatment Systems, the Hydrogeological Report, the Pedological Report, the Report on Flora and Fauna and the Ornithological Report.

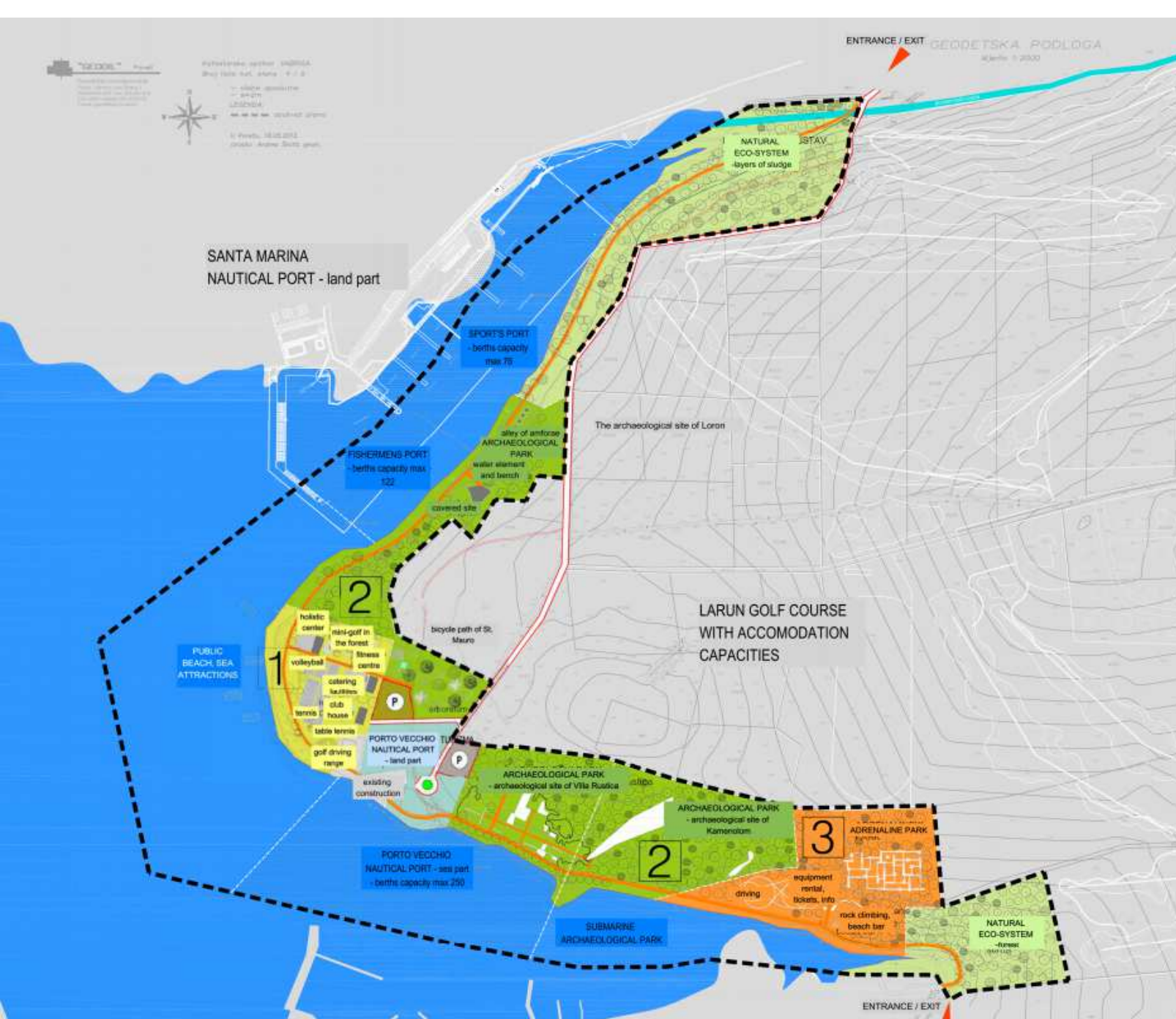
The Environmental Impact Assessment Study was accepted on February 11th 2015. The Resolution on environmental acceptability for the intended operation - the construction of Larun golf course (with the application of environmental measures and the environment monitoring programs), was adopted by the Ministry of Environmental and Nature Protection.

TERRITORIAL - PROGRAMMATIC SOLUTION OF THE COASTAL AREA

Moreover, it is completed the realization of a **Territorial - programmatic solution of the coastal area**, aiming at analyzing the possible solutions for the areas in direct contact with the future Larun golf resort, in order to be able to obtain such a physical solution enabling the interconnection of all the foreseen facilities (in the wider and narrower area) in a unique territorial and functional system.

Besides the estimation of the reception capacity in the coastal area of the extension, the Program will allow a more stratified overview of the territory through the individuation of existing and potential activities in that area, with the result of having a proposal for the future intended purpose, arrangement, use and a potential attractions network.

Subsequent to its approval by the Municipality of Tar-Vabriga, the Physical Solution will become the basis for the realization of the preliminary solutions, namely project documentation, for each facility.



The basic concept of the possible solution for the coastal area

PROCUREMENT OF CONSTRUCTION PERMITS

Upon the adoption of the Urban Development Plan and the Environmental Impact Assessment Study, the drawing up of the project documentation, which is a prerequisite for obtaining appropriate building approvals, was initiated.

According to current regulations (153/2013, 012/2014 and 022/2014), the first step upon drawing up the UDP and obtaining the decision on environmental acceptability of the project is the drawing up of the **Preliminary Design** for spatial intervention Larun Golf Course, referring to the golf course with all accompanying amenities, buildings within the zone of accommodation facilities, surrounding area and roads and all the necessary infrastructure. The Preliminary Design shows the location of one or more buildings on the building plot and/or within the scope of the spatial intervention, providing design, functional and technical solutions for the spatial intervention and determining stages and phases of construction, and must contain all information necessary for the issuance of the location permit, and is drawn up in accordance with the physical planning documents and related laws and regulations. Based on the preliminary design within the procedure for obtaining the location permit, special requirements from public authorities are obtained as well, while the preliminary design is an integral part of the location permit. **Preliminary Design Larun Golf Course No. 001_16_ID was drawn up by company Coin Ltd. Pula in January 2016 and submitted for the purpose of obtaining the Location Permit.**

The Location Permit determines the shape and size of one or more building plots within the scope of the spatial intervention (defined by a geodetic survey as a separate project within the preliminary design), methods and conditions of connection (in compliance with the requirements of public authorities) to roads and infrastructure (electricity supply, sewerage system, water, gas, telecommunication network...), environmental protection measures (EIA), stages and phases of construction, etc.

The Location Permit was issued on June 14th 2016 by the Ministry of Construction and Physical Planning. The location permit is valid for two years from the date of finality (**July 26th 2016**) and may be extended upon request for two more years, i.e. four (2+2) years. **From January 21st 2017, the location permit was placed in idle state.** We are in the process of obtaining the Building Permit for the Access Road, which is a precondition for obtaining all the other Building Permits foreseen by the Location Permit. The issuance of the first Building Permit represents the utilization of the Location Permit.

We are ready for the inclusion in the list of Strategic Projects as one of the twelve potential Strategic Projects of the Republic of Croatia and one of the two projects within those twelve that are eligible for the Concession and Purchase of State land.

Since the location permit defines **6 stages with a total of 46 phases of construction**, in a way that for each phase it is possible to obtain a separate building permit or one building permit for more phases, after obtaining the location permit, one or more main designs may be drawn up (depending on the number of phases they cover), and based on which the building permit or permits will be obtained. In addition, the Location Permit defines the conditions for the issuance of the building permits relating to the order of construction, as well as the interventions that are critical to the realization of the project but are not the subject of this location permit, nor are they within its scope.

The above mentioned interventions are as follows:

- Use permit for Urban Development Plan Lanterna which we connect to (requirement for all Stages except Stage 2)
- Use permit for new water storage facility Perci with pipeline (requirement for all Stages except Stage 2 and a part of Stage 1 without accommodation)

The Main Design is a set of coordinated projects (construction, architectural, electrical and mechanical ones), and studies (landscape, soil mechanics, fire protection, safety at work, conservation, traffic, etc.), which provide technical and technological solutions and proves that basic requirements for buildings have been met as well as other prescribed and determined requirements, and is prepared in accordance with the conditions set by the location permit. The Main Design is an integral part of the building permit.

In the process of obtaining the building permit, the main design approvals are to be obtained as well, confirming that the main design is drawn up in accordance with the special requirements. The main design approvals are issued by all public authorities that issued the special requirements in the process of obtaining the location permit.

The building permit expires three years from the date of finality of the permit, if during this period the investor does not initiate the construction and officially reports the commencement of the construction in accordance with the Building Act.

Upon obtaining the building permits and their becoming final, the construction may start.

The Detailed Design develops the technical solution given by the main design and has to comply with the main design. The detailed design, pursuant to the Building Act (153/2013), is drawn up for the buildings from Group 1 - buildings planned by the National Spatial Development Plan and in the case when the investor and the project designer agreed upon it in a contract.

After the construction, the **Use Permits** for individual stages/phases will be obtained in accordance with the Location Permit or Building Permits.



The Plan of the
Construction Design
according to the valid
location permit



The Plan of the Larun
Golf Course with
accompanying
facilities

according to the
valid location permit



Building positioning
plan within the Larun
Golf Course

according to the valid
location permit



REPUBLIC OF CROATIA

LARUN GOLF RESORT, Tar-Vabriga

LOCATION

The Larun location is situated on the north-west coast on the Istria Peninsula, between tourist cities of Poreč and Novigrad, in one of the most attractive parts of Tar-Vabriga municipality and very close to the sea.

The location is very well-connected through a network of local and county roads, and the highway known as "Istrian Y" with Western Europe and the continental part of Croatia.

Also, several international airports: Croatian airports Pula (68 km) and Rijeka (120 km), Italian airport in Trieste (108 km) and Slovenian airports Ljubljana (169 km) and Portorož (29 km), equipped for the air traffic of small and medium size airplanes, are in the close vicinity of the project location. Additionally, the airport for sports airplanes in a small place Vrsar is only 20 km away from the Larun site, as well as nautical Marina Červar (7.7 km).

Due to its very attractive position along the sea, the location is suitable for the development of tourist capacities, especially for the development of golf projects as the mild Mediterranean climate allows golf activities almost all year long. Istria County has already been recognized as a top destination for golf in Croatia. Two of four existing golf courses in Croatia are located in Istria (in the City of Umag and on the famous Brijuni Islands) while the third one, golf project Marlera, is in the progress.



Excerpt from the document of the Croatian Agency for Investments and Competitiveness

PROJECT DESCRIPTION

Total land area of this green-field project is 112.83 hectares. The majority of the project land is owned by the Republic of Croatia (71.69 ha or 63.54%) and the Municipality of Tar-Vabriga (21.54 hectares or 19.09%) while the rest of 19.6 hectares (or 17.37%) is owned by private persons.

In compliance with the Physical Plan of Municipality of Tar-Vabriga and Urban Development Plan of Larun Golf Project, the project location is envisaged for construction of sports and recreational facilities which include a golf course (R1) with supporting facilities: driving range, club house, golf academy, golf services, commercial capacities, archaeological park, accommodation facilities and olive grove. Also, part of the project land is planned for the construction of necessary infrastructure, such as public parking and public roads.

Within the project area there is an archaeological site Loron, protected as cultural heritage and listed in the Register of Cultural Property of the Republic of Croatia. In order to evaluate the cultural heritage as a tourist attraction, the archaeological site Loron is planned to be integrated in the Project.

The Project has been enlisted as a potential strategic project in accordance with the Act on Strategic Investment Projects of the Republic of Croatia.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



Excerpt from the document of the Croatian Agency for Investments and Competitiveness

CURRENT STATUS

For the development of this project the Republic of Croatia will announce a public tender, in order to choose the best investor.

Project holders: **Ministry of Tourism**
Address: **10 000 Zagreb, Prisavlje 14**
Website: **www.mint.hr**

Ministry of State Property
10 000 Zagreb, Dežmanova 10
<https://imovina.gov.hr>



Excerpt from the document of the Croatian Agency for Investments and Competitiveness

Population (2011): **208,055**

GDP per capita (2014): **12,724 EUR**

Unemployment rate (2016): **8.4%**

Average gross monthly salary: **1,026 EUR**

Average gross salary in the sector (tourism): **1,167 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km² and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula). Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (total of 23.1 million of overnights, or 29.6% of all overnight stays in 2016) and trade sector.

In recent years, great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia". There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands

were strongly developed). In the past decade, intensive investments in a construction of new and reconstruction of existing primarily high-class hotel facilities were made, resulting in a significant increase of five-star hotels (total of 5) and four-stars hotels (total of 42).

According to the Istria Tourist Board, in the structure of accommodation, from a total of 272,645 units, camps are the most represented (43%), followed by private accommodation (31%) and hotels (18%). Main markets in terms of overnight stays are Germany (29.9%), Slovenia (12.8%), Austria (12.6%) and Italy (8.9%). Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Park Plaza, Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre - Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

Excerpt from the document of the Croatian Agency for Investments and Competitiveness

CONTACTS

Ministry of State Property, <https://imovina.gov.hr>, e-mail: info@midim.hr

Ministry of Tourism, www.mint.hr, email: razvoj@mint.hr

Agency for Investments and Competitiveness, www.aik-invest.hr, e-mail: info@aik-invest.hr

Agency for Investments and Competitiveness, Prilaz Gjure Deželića 7, 10 000 Zagreb, Croatia

DISCLAIMER: Information contained in this document has been provided by the Agency for Investments and Competitiveness of the Republic of Croatia. Purpose of this document is to give short information about companies and /or possibilities to potential investors. The profile is for information purposes only. No responsibility or liability is accepted for the information in this document.

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Excerpt from the
document of
the Croatian
Agency for
Investments and
Competitiveness

THE BENEFITS GAINED BY THE INVESTOR

A.

- throughout analysis of the area,
- detailed analysis of the Ownership Relations,
- development Masterplan of the area,
- Analysis of the state of conservation (the Archaeological Field Survey Report),
- Valorization of the landscape,
- Environmental Impact Assessment Study with all the complementary reports,
- UPU - Urban Development Plan,
- Location permit
- realization of the Geodetic Support for all the project extension area,
- the Physical Planning Solution of the coastal area between the Santa Marina and the Vallelunga bays,

- 220,000 m² of Private Land,
- an Estate of 15,000 m² (an Olive Grove of about 13,000 m² and a Building of 200 m² ground plan),
- an old Olive Grove of 24,000 m²,
- 1,200 Beds,
- an 18 holes Golf Course,
- two Driving Ranges,
- a Club House,
- a 5 Stars Hotel,
- construction of approx. 70 Villas,
- construction of 18 Apartment Buildings
- connection to the Water Purifier for the irrigation of the Golf Course
- permit for a direct connection to drinking water
- possibility of building a heliodrome

B.

- the project has been included amongst the priority projects of the Republic of Croatia (strategical projects of Republic of Croatia)
- the project has been included amongst the priority projects of the Croatian Ministry of Tourism.
- collaboration with the competent Ministries and public governmental Agencies, main precondition for a real-time solution of all open questions related to the administrative procedures and the realization of the necessary documentation,
- possibility to apply for structural and other European funds (for the archaeology, the olive oil roads, directly for golf, to finance the project documentation and sim.)
- possible negotiations with the municipality about communal contributions and taxes.

C.

- positioning of the project on the sea, with a favorable geographical position,
- positioning of the project in the heart of the Mediterranean and good connections with the bordering countries like Italy, Switzerland, Slovenia, Austria, Germany, Bosnia, Serbia, Hungary,
- mild Mediterranean climate,
- possibility to play 12 months a year,
- Republic of Croatia is a member of European Union.



The view of Poreč - a well known tourist center is only a few kilometers away

D.

- vicinity of the marina Červar,
- inclusion in the Olive Oil Roads
- Porto Vecchio (nautical port with approx. 250 Berths).



View of the Santa
Marina bay
next to the project
area

- E.
- It must be stressed the fact that the potential investor who buys the Project, buys the company Histria Fecunda, which is the owner of the Project and of the Private Land within the extension. The purchase of Histria fecunda ltd is made by purchasing the company shares from private owners, for which all documents are ready. The purchase of company shares is not subject to the payment of any tax.



Logo of the company Histria Fecunda ltd (d.o.o.)

F.

Recommendation and possible collaboration with high level professionals, complete Consulting and Project Management, until the procurement of the Location Permit:

- **M. CHANAAN Ltd. in collaboration with:
URBANISTICA Ltd.; ATTORNEYS-AT-LAW OFFICE GORAN VELJOVIĆ; AAVA Ltd.; GEOTECHNICAL FACULTY FROM VARAŽDIN; GEODIL Ltd.; A.B.C.D. Ltd.; STUDIO TIČIĆ Ltd.; TOGA-Inženjering Ltd.;IBF - ISTRIA BUSINESS FORUM; OLAZABAL s.l. and GOLFART LANDSCAPE Dipl. Ing. Diethard Fahrenleitner)**

PART OF THE INVESTMENTS DURING THE DEVELOPMENT OF THE LARUN GOLF PROJECT, UNTIL THE ISSUANCE OF THE LOCATION PERMIT

TYPE OF INVESTMENT	VALUE
Throughout Analysis of the Area	15.000 EUR
Detailed analysis of the Ownership Relations	10.000 EUR
Development Masterplan of the Area	20.000 EUR
Analysis of the State of Conservation (the Archaeological Field Survey Report)	28.000 EUR
Valorization of the Landscape	15.000 EUR
Environmental Impact Assessment Study with all the Complementary Reports	185.000 EUR
UPU – Urban Development Plan	105.000 EUR
Location Permit	900.000 EUR
Proclamation of the Project as the Strategic Project of Republic of Croatia	25.000 EUR
Golf Project (Masterplan)	15.000 EUR
Realization of the Geodetic Support for all the Project Extension Area	60.000 EUR
The Territorial - Programmatic Solution of the Coastal Area between the Santa Marina and the Vallelunga bays	22.000 EUR
Approx. 220,000 m ² of Private Land (average price approx. 70 EUR /m ²)	15.400.000 EUR
An Estate of approx. 15,000 m ² within 220,000 m ² (an Olive Grove of about approx. 13,000 m ² and a Building of 200 m ² ground plan)	510.000 EUR
Within 220,000 m ² an old Olive Grove of approx. 24,000 m ²	900.000 EUR
Consulting and Project Coordination	150.000 EUR
Legal services	180.000 EUR
Bookkeeping	30.000 EUR
Translations and other services	50.000 EUR
Taxes	800.000 EUR
TOTAL:	19.420.000 EUR

NOTE: the values shown in the table are partly based on actual costs for performed works and partly formed according to real prices on the market, pursuant to Croatian Laws and Regulations. Namely, the value of investment is higher than shown, considering the preparatory works, the accompanying documentation that are not shown, and the time needed to make the necessary coordination at municipal, regional and national level in each project development phase. The issuance of the first building permit is expected soon.



Golf Larun - Important information about the project



Thank you for your attention.