

Business Plan and Report for Las Olas Beach Community

A Project of 352 Single Family Home Building Lots, 9 Lots for 4 story Condo Buildings, 1 Lot for Hotel, and 66-Unit Timeshare Beach Condo/Hotel Pool-Club Complex. All Located in Esterillos Oeste, Costa Rica.



Las Olas Beach Sustainable Community
Esterillos Oeste, Costa Rica
www.lasolascr.com
www.youtube.com/jovancr
Facebook: Las Olas Beach Community, Esterillos Oeste
305-320-9107-US line
610-628-4594
506-2778-7035-CR Office
506-8-338-9315-CR Cell
Skype: fractionalsofcostarica

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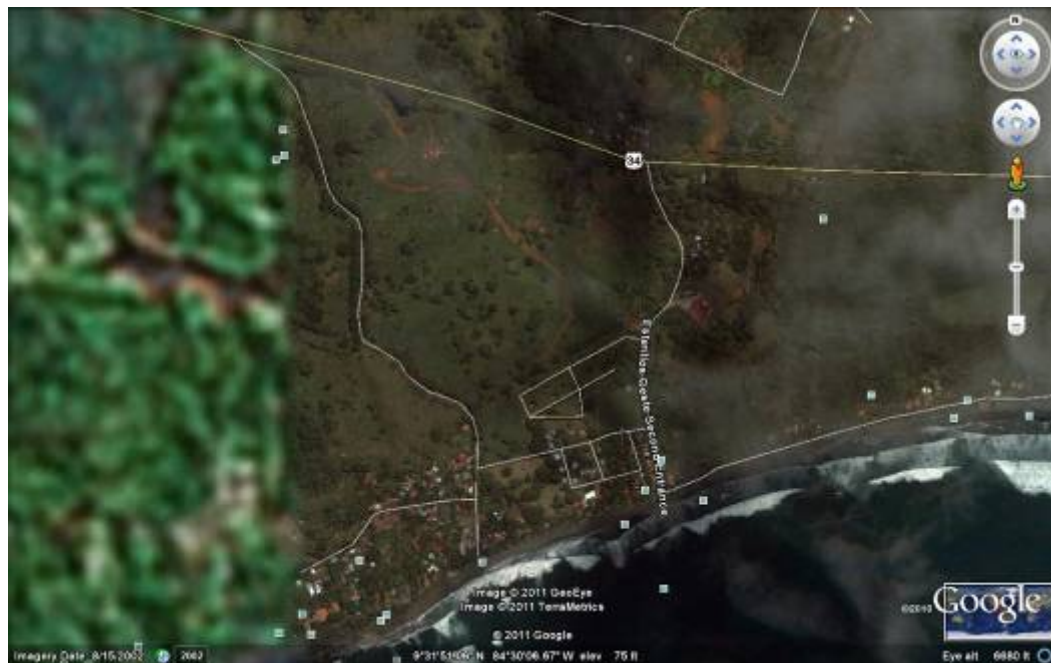
Executive Summary-General Overview

Las Olas Beach Community is a mix plan development in Esterillos Oeste, Costa Rica. The site sits on about 100 gently rolling acres all within 700 meters to the beach. The master plan consists of:

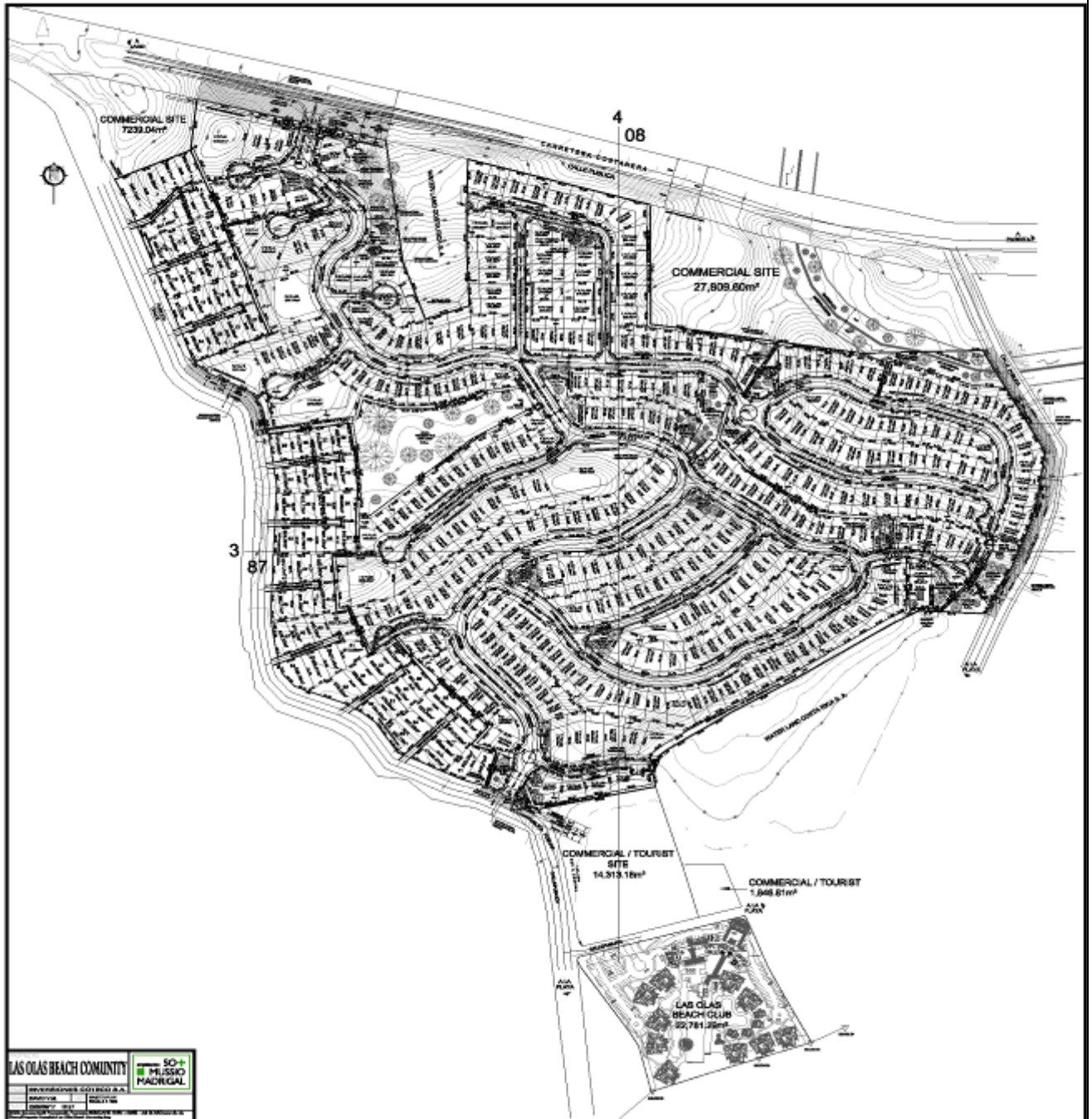
Approximately 352 finished single family home lots, 9 larger land parcels designated for small condo buildings, 1 lot designated for a hotel and a 5.5 acre parcel directly on the beach which has a master site plan for a 66 unit hotel/condo units for time share. All land tracts have already been purchased and are debt-free. The project has all approvals and also has all initial construction permits. Infrastructure construction is underway and the business model is being worked. To maximize ROI we intend to vertically integrate the project that will include the selling lots, building the homes, providing mortgages, doing time-shares for the condos/hotel units built on the beach and throughout the project and provide time-share financing for time share units.

The property is located on the Pacific Coast of Costa Rica, centrally located and only 15 minutes south of Jaco, 40 minutes north of Manuel Antonio Quepos, and 1 hour and 15 minutes from the international airport in San Jose. The Las Olas site is one of very few parcels between Playa Hermosa and Quepos, that has hills right next to the ocean.

Google Earth View of project site.



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***Sales are currently taking place and construction of infrastructure is underway.**

*** 26 of the home lots have already been sold for cash prices between \$50,000 and \$160,000. Some 12 sales have occurred in the last 12 months. In total some \$1,500,000 plus in sales has occurred with minimal advertising and marketing expense, and only one person doing sales and marketing. It is anticipated that as this will dramatically increase in 2011 as infrastructure construction continues and sales effort are ramped up.

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The owners have already begun construction on the infrastructure according to the master site plan and will continue. It is estimated that the infrastructure will be completed in by the end of 2012. As the infrastructure continues this will add value to project sales and will increase the value of the project. At the same time we are increasing our sales and marketing efforts and arranging the project financing. This will include re-investing profits back into the project.

It is conservatively estimated that the sale of the residential lots alone could total 40 million. In addition there are profits that will be realized on homes and condo sales and from the mortgage finance operation associated with homes and condo sales, and from time share sales, which will add greatly to the investor ROI.

The proposed 66-unit resort hotel/condo complex building located on the beach already has unit commitments from buyers. The complex will consist of eighteen (18) 1,600 square foot (two-story) units, forty-eight (48) 650 square foot units, 2 pools, and a 10,000 SF clubhouse. The beach condo building will be sold as time shares. It is estimated that the 1,600 square foot units can sell minimally for \$249,000 (\$156/square foot) and that the 650 square foot units will sell from \$150,000 to \$200,000 as whole units. These units will then be sold as time-shares or fractional ownerships, where each unit is sold in 1-2 week ownership interests for approximately \$39,000 per week. At 66 units, times 52 weeks each, equals 3432 time share sales units, multiplied by \$39,000 per unit, equals \$134,628,000 in total sales. Adding time sharing financing will add greatly to investor ROI. Typically time share properties are sold with higher rate financing ranging from 14 to 24%. Time-share units are very popular since they can be purchased much like a car, taking a credit card deposit and paid off in 5 years.

It is expected that Costa Rican property will see an appreciation in value during the next 10 years; primarily due to the consistent attraction and perception that Costa Rica is a top tourist destination and also a place to move to. With continuing problems world-wide Costa Rica is perceived as a safe place with a democratic country by the US, Canada and Europe. Low taxes, excellent health care, lower cost of living, temperate climate all year long permitting continual growing of organic fruits and vegetables, all add to this attraction. The friendly culture, and stable democratic government, plus a higher quality of nature oriented lifestyle are all contributing factors to demand which is growing. As well the fact that there are no hurricanes, tornadoes, flooding, wild fires no nuclear power plants, no offshore oil rigs, 95 percent of the power needs for Costa Rica is generated by hydro power.

The Las Olas project is uniquely positioned to offer exceptional product value with total lot and home costs on average at an adjusted **\$150,000 to \$259,000 price range**. This is a very attractive price point for quality beach property in such a prime location and is also in the reach of upscale Costa Ricans. There is very limited number of desirable, and buildable resort beach front project sites availability along this stretch of coastline. In fact, it is estimated that there is less than one percent of the land in Costa Rica that is on a buildable beach. Studies have shown the beach is where people want to be and live, therefore project on the beach are more in demand and more valuable. Las Olas Beach Community is one of the very few developments in Costa Rica that is on a blue flagged beach and is ideally located with the great price point for lot, home and condo sales.

It is estimated that it will take 3 to 5 years for the build out and 6 to 8 years to sell all of the home lots, condo units, and time share units with an aggressive marketing plan. The huge ROI for the Las Olas Project makes this an attractive investment opportunity for both the investors and the lenders.

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Company Objectives and Keys to Success

Las Olas Beach Community strives to provide a superior, highly attractive opportunity for buyers of home lots or beach-side condos in Costa Rica, offering an attractive ROI in a beautiful safe sustainable residential environment, and hedge investment strategy against a falling dollar.

1. Offer the best priced, highest value oriented beach real estate on the Central Pacific coast of Costa Rica.
2. To achieve 100% customer satisfaction, measured through customer referrals and attractive customer survey results from both lot buyers and condo buyers.
3. To diligently manage the cash flow of the firm, monitoring the prudent use of major cash outflows and streamlining any other operating expenses.
4. To closely monitor the quality of the infrastructure and building construction process, ensuring the utmost of quality construction with attractive amenities.
5. Build a diversified network of customer referrals sources through online advertising and website traffic, promotions at the properties, and through media advertising in local magazines.
6. Vertically integrate the project to maximize investor ROI

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Project Description

Las Olas Beach Community (the "Project") is a residential beachfront development project located in Playa Esterillos, Puntarenas, Costa Rica. **This is the cleanest, blue flagged beach that has world class surfing and is the one of the closest beaches to San Jose and the international airport.** This beach has been given a "Blue Flag" rating by the government. This is the highest official government cleanliness and ecological rating that a beach can attain here.

The Project is close to the new super highway from San Jose to the Central Pacific coast which was recently opened that cut driving time in half. Growth along this corridor has been strong.



Esterillos Oeste is in the center of the most traffic, and growth tourism area of the country.



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Esterillos beach is named after its numerous estuaries (Esterillos is Spanish for "little estuaries"). Because of its 7 kilometer length, it is divided into three areas: Esterillos Este (east), Esterillos Centro (center) and Esterillos Oeste (west). All three sections of beach are ideal for enjoying the ocean and the waves are strong and constant making it an ideal surfing beach. Many world class surf champions come here to surf. There is something else that is very special about Esterillos Oeste, it's one of the few areas from Jaco Beach to Quepos that has gently rolling hills right next to the beach. Most of the other terrain between Jaco Beach and Quepos is flat and use to grow rice. The hills in Esterillos Oeste provide dramatic views of the ocean and mountains.

The property (100 acres) includes two property types:

- (i) 2.27 hectares or 5.7 acres are under the maritime zone that has a concession granted by the Municipality of Parrita,
- (ii) the remaining 37.8 hectares, or @ 94.3 acres owned fee simple with clear title.

On this total area of the project, there are approximately:

352 single family home residential building lots, 9 larger lots designated for 4 story condo buildings, 1 lot for hotel, and;

66 unit beach club condo resort property



N Highway Corner 260m of Frontage

S Highway Corner 360m of Frontage

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Town Corners 290m of road front



Beach Club Property

Las Olas Beach Community is a fully approved and permitted project, having the SETENA permit and the construction permits. Currently infrastructure construction is underway.



The proposed 66-unit condo building is on the beach and some of the units already have verbal commitments from buyers. The complex will consist of:

Eighteen (18) 1,600 square foot (two-story) units,

Forty-Eight (48) 650 square foot units,

2 pools, and a 10,000 SF clubhouse

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The 66 condo/hotel unit pictured above will include a bar and grill, meeting room, restaurants, snack shop, gym, spa and some commercial space. The beach club will offer a professionally managed rental pool program to generate optional income while the owners are away. This will add another profit center and generally the split is 60/40, with 40 percent going to the rental management company. The beach front will hold the 66 unit hotel/condo units. It is estimated that the 1,600 square foot units will sell for a minimum \$249,000 (\$156/square foot) as whole units, and that the 650 square foot units will sell as whole units minimally for \$129,000 (\$198/square foot). However, we will be selling these units in time shares and returns will be significantly higher. For instance, if the (48) 650 square foot units are sold in 1 week time shares, and 50 timeshares are sold per unit, that is $48 \times 50 = 2400$ time share ownerships of the smaller units. Calculating same for (18) larger 1600 square foot units, that's $18 \times 50 = 900$ time share ownerships. Estimated gross profits on sales of these timeshares are:

$$\begin{aligned} 2400 \times \$39,000 &= \$93,000,000 \\ 900 \times \$49,000 &= \$44,000,000 \end{aligned}$$

The 14,000 sq meter piece across from the beach will be designated as the place to build a 100 plus room hotel.



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The management has a project analysis that included the following:

- Topography and slope;
- Hydrology – major and minor drainage and water source features and resources;
- Geology – surface and subsurface conditions;
- Vegetation – major vegetative covers and tree inventory;
- Other ecological and environmental factors – views and special conditions;
- Utilities – power, water, sewage and communication services;
- Permitting process and legal restrictions – zoning, building codes, easements.

The required environmental impact studies were completed the SETENA Environmental permit and construction permit have been issued. Construction is scheduled to begin in the first or second quarter of 2011.

The Project will Focus on Six Primary Goals:

- 1) High Quality- Establish and implement high quality design standards to promote a harmonious resort community which will help position Las Olas as the premier residential development in the area.
- 2) Security- Create a secure private resort with the emphasis on a secure living environment. Implement features such as guard stations, gates, walls, etc., to provide the desired security.

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- 3) Beach Community Character –The project theme will be geared to beach side living with home design that reflects that lifestyle. Therefore, the lots will be between 500 and 700 square meters, 5000 to 7000 square feet, and the homes will be one and two stories.
- 4) Resort Atmosphere –Implement design features to enhance the resort atmosphere and create a leisure environment.
- 5) Sustainability –Incorporating solar, wind, green, and permaculture design technologies in the development.
- 6) Value Oriented Product – Offer exceptional beach property investment value to its buyers by being the best priced beach real estate product on the market.

Property's Characteristics:

- 1) The main access road into Playa Esterillos Oeste, the Costenera highway, is paved and in good condition.
- 2) The site's natural topography facilitates ocean views, thus enhancing property values.
- 3) A significant amount of native vegetation exists on the site.
- 4) All hotel guests and residents will have direct beach access.
- 5) The beach is of world-class surfing quality and boasts the lightest colored sand and one of the cleanest environments on the Central Pacific Coast. It has been awarded the highest cleanliness rating available by the Costa Rican government— a "Blue Flag" rated beach.

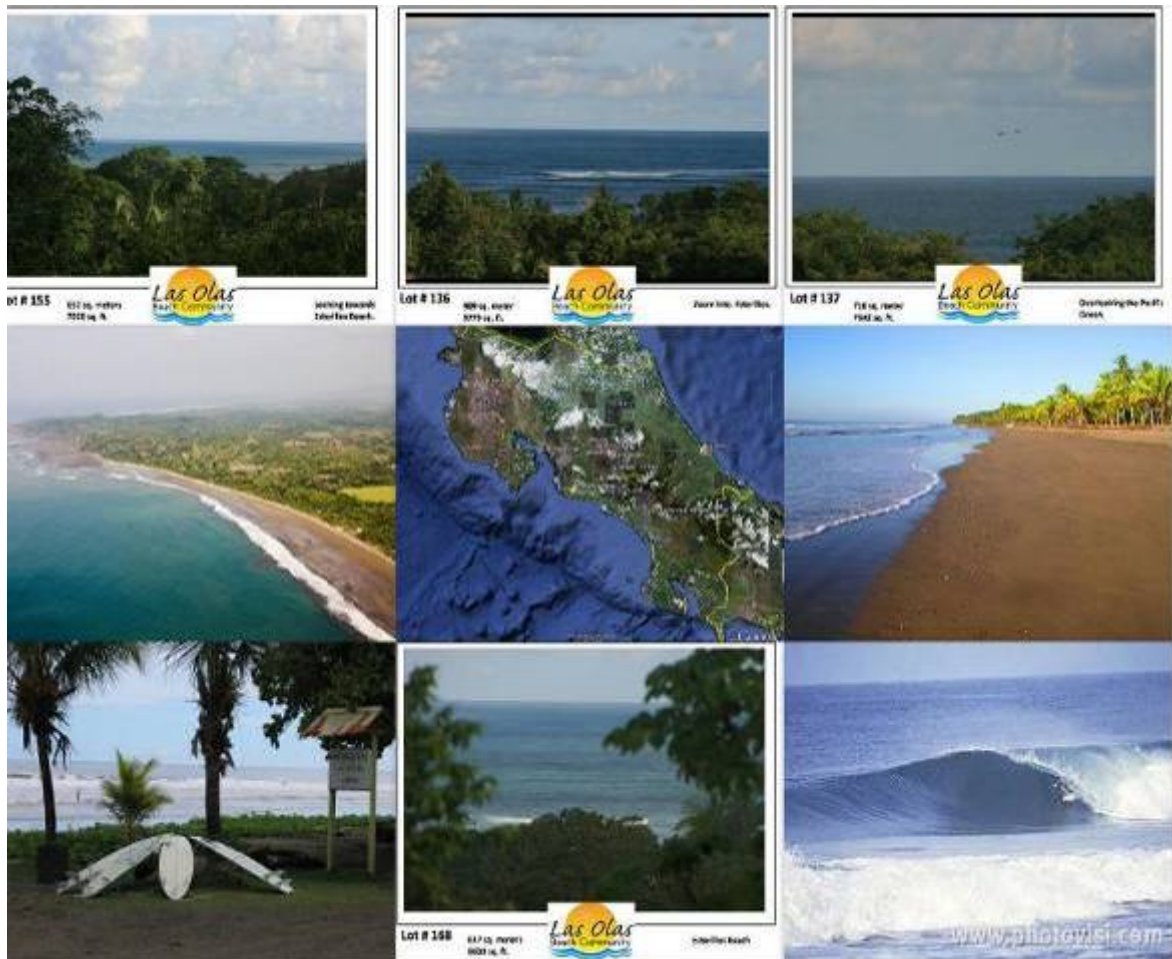
Property's Infrastructure and Amenities:

- 1) The existing electrical supply to the project site is more than adequate for development.
- 2) The local water company has guaranteed that the existing potable water supply will meet the resort's needs throughout development.
- 3) The local phone company has committed to providing 400+ telephone lines to the project.
- 4) Excellent cellular phone reception already exists at the project site.
- 5) Cable TV by Cable Tica is now available in Esterillos Oeste as well as high speed internet service.
- 6) All utilities will be housed underground.
- 7) Sewage treatment plants will be constructed to service both the hotel and the residential areas.
- 8) 24-hour guard gated security and monitored alarm systems.
- 9) Full-service tour desk and business center.
- 10) Professionally managed homeowner associations for residential communities.

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- 11) Wireless and hard-wired Internet access throughout the resort.
- 12) Hotel to offer facility membership program (fitness facility, games room and pool areas), room service and catering to residents as optional, fee-based services.
- 13) Property Management Company to offer maid service and rental management services to property owners.
- 14) Commercial center to house essential services for residents and guests.

The following photos show views from the vacant lots amid the 100 acre tract.



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Design Renders of Proposed Model Homes

Model #1: Casa Riviera, 1,280 living square feet, 2,090 total square feet



Model #2: Casa Del Sol, 1,190 living square feet, 1,771 total square feet



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Model #3: Casa Hermosa, 1,190 living square feet, 1,771 total square feet



Casa Hermosa



**Phase #1
Esterillos Beach**

Model #4: Casa Toledo, 1,406 living square feet, 2,009 total square feet



Casa Toledo



**Phase #1
Esterillos Beach**

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Design Renders of Proposed Condominium Towers on 9 Lots and Unit Floor plans



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Condo Floorplan 1



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Condo Floor plan 2



Condo Floor plan 3



4.0 Market Analysis Summary

Real Estate Market/Economic Factors in Costa Rica/Industry Trends

One of the most sought after place to have a home or condo is on a popular beach resort because that is where people want to be. That location will demand higher value and will be in bigger demand when put on the market for re-sale.

- The down turn in the real estate market in the US has not affected the real estate market in Costa Rica as much as it affected the real estate market in the US. The banks did not get into the sub-prime mortgage or toxic investment vehicle programs. Therefore, Costa Rica and foreign investors in Costa Rica fared much better than investors in the US. Today in Costa Rica building has again picked up and there is a lot of development going on right now. While foreclosures on homes are at unprecedented numbers in the US, there are very few foreclosures in Costa Rica and home values have retained their value here.
- Today's buyer is more discerning of value, location, price and quality. People are looking for real value deals and are looking for value and they get that when they invest in beach front property. Beach front investing provides a greater opportunity for value appreciation as well as greater opportunity for quicker sales when put on the market.
- More people will be looking for a place to retire that will be less expensive than the US and with the current trends in the US of higher taxes and fees in an effort to narrow the huge budget deficits, due to wars, terrorist threats, and the erosion of civil liberties, Costa Rica is an attractive option for a more peaceful way of life as well as an appealing place to retire.
- The most desirable property to own is on the beach or steps from the beach. There are no more beach front lots available in California or on the east coast of the US at affordable prices. In comparison Costa Rica beach side lots are selling at 1960 California prices. Good beach front property in Costa Rica is still cheap compared to the US. Please note however that even in Costa Rica good beach front property is hard to find. Las Olas Beach Community is one of a very few properties that are located on one of the nicest beaches on the Central Pacific Gold Coast, 90 minutes from San Jose, and the international airport.
- Conditions are right for the astute investor to take advantage of the opportunity to build a home or condo in Las Olas Beach Community and then put it into a rental pool. There is a shortage of quality beach front hotel rooms in the immediate area. So rental demand will be high for homes and condos on a nice beach. Rental prices are currently ranging from \$600 to \$2500 per week and are sure to rise in the future.
- ICT is predicting that by 2012 Costa Rica will need an additional 50,000 hotel rooms to meet tourist demand. Therefore this is an opportunity for both the large and small investor to take advantage of a special and unique investment opportunity.
- Las Olas Beach Community is located in Esterillos Oeste, on one of the nicest beaches in Costa Rica. Most of the development in Costa Rica today is high in the hills with distant views of the ocean. There are just not a lot of beach front developments because there is not a lot of good beach front that is located in desirable and accessible areas. Las Olas Beach Community is located in one of the only areas on the Central Pacific Coast where there are rolling hills right next to the ocean. Most of the terrain on the Central Pacific Coast is flat right next to the beach. Furthermore, Esterillos Oeste's beach is the less than 1KM from the coastal highway making it the closest beach to the highway in a 45 mile stretch. So the location of Las Olas Beach Community is unique and irreplaceable. It costs

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the same to build a house in the hills, far from the beach, as it does to build on the beach.

- The really big news is that after 30 years in the planning, in March 2010, Costa Rica opened the new freeway going to the Coast. This has cut driving time in half to Esterillos Oeste from San Jose. Presently it takes about 90 minutes of normal driving time. This highway is a huge improvement for the country, and has dramatically affected the values of land on the Central Pacific Coast, and this will continue. The Central Pacific Coast is a choice area for North Americans to relocate.
- So with its growth Costa Rica has a better opportunity, with its emerging economy, to outperform other economies that are struggling today. This has been augmented by the huge number of companies that are relocating to Costa Rica from all over the world, but primarily from the US and Canada.

Tourism in Costa Rica (Green & Medical)/U.S. Demographics

- Costa Rica is recognized as an Eco-Tourism "gem" of a country, with 6% of all of the world's biodiversity located here. There is near perfect weather, beautiful long Caribbean and Pacific beach coasts, world class surfing and sport fishing, mountains, valleys, rain forests, lush mangroves, and volcanic hot springs. The reason for the strength of the tourism in Costa Rica and the real estate market is not hard to understand given the world situation. There are many wars going on against terrorism and therefore Americans are not traveling as much to Europe and Asia as they perceive they will be far less safe than Costa Rica. Furthermore, the decline of the dollar means that travel to Europe is much more expensive than it was a few years ago. Due to the above factors, and the fact that there is a stable democracy here and friendly people, Costa Rica is faring very well is an easy to get to, where Americans and Canadians feel welcomed, comfortable and safe.
- There is an estimated 2,100,000 foreign visitors who currently visit Costa Rica on an annual basis. Many are also seeking medical or dental procedures. Deloitte & Touche project that this market will grow to 300,000-400,000 in the next few years.
- 10,000 people in the USA will turn 65 everyday beginning in 2011.
- The baby boomers born between 1946 and 1964 are the largest U.S. generation to ever require health care.
- The Healthcare Reform Act and the rising cost of health insurance has caused large U.S. employers to look for ways to decrease their employees' medical expenses providing appropriate health coverage concurrently. Medical tourism, when well supported, provides high quality health care at lower costs. Applying that concept to the health care reform law issues would benefit the employers and the employees.
- With the first US Baby Boomers retiring in the United States, coupled with the fact that the cost of living in Costa Rica is about one third less than it is in the US, the number of Americans retiring to Costa Rica is increasing. More and more Americans are immigrating out of the US to cheaper places to live and Costa Rica is one of the major beneficiaries of this trend.
- Real estate taxes are much lower here than in North America, and there is no capital gains tax in Costa Rica.

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Market Attractiveness Conclusions

Although market conditions are difficult all over, all of the above has created good conditions for Costa Rica to weather the storm and come out of the recession in much better shape. Las Olas Beach Community is well positioned to continue to expand the development and sales, being well located in the heart of the Central Pacific Gold Coast, on one of the nicest beaches here. Las Olas offers superior real estate product **at 50 to 70% below prices of its competitors**. Demand is high for lots, homes and condos here, and many cash sales have taken place in 2010 and that trend is forecast increase in 2011 as the sales efforts are ramped up now that construction of the is underway..

Country Snapshot: Costa Rica (Heritage Foundation)

Population: 4.6 million

GDP (PPP): -1.1% growth, 4.5% 5-year compound annual growth, \$10,579 per capita

Unemployment: 7.8%

Inflation (CPI): 7.8%

Following the recent years of economic contraction, Costa Rica's economic rebound has gained some momentum and become more broad-based. The trade regime is more open, and management of public finances is sound. Costa Rica has taken measures to improve financial-sector freedom by consolidating private banks, easing procedures for the operations of foreign banks, and introducing a new development bank structure.

Costa Rica has a strong democratic tradition and has managed to avoid the political violence that has afflicted Central America during the past half-century. Former President Oscar Arias (1986–1990) won a second term in 2006 on a pledge to break up state monopolies, especially in telecommunications and insurance. Insurance has been deregulated. The state still has a telecommunications monopoly, but the sector is expected to be opened by September 2011.

Laura Chinchilla was elected president in February 2010 and promised to improve infrastructure, reform the tax code, and expand the number of "green" jobs. An important producer of bananas, pineapples, and coffee, Costa Rica has benefited from industrialization in electronics and health care, and per capita income is high by regional standards. The Central America–Dominican Republic–United States Free Trade Agreement, narrowly approved in October 2007, entered into force on January 1, 2009 and is now responsible for multi billions of dollars in exports to the US and that number is increasing every year.

More and more companies are moving to Costa Rica to set up operations and Costa Rica is benefiting from being able to offer a more cost effective operations coupled with a highly educated work force. Intel and HP are two of the biggest US companies that have operations in Costa Rica and they are expanding their operations here.

So we feel the future is very bright for Costa Rica and is also very bright for the Las Olas Beach development.

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Target Market

The Las Olas land use program will be consistent with the preferences and values of the Experience Seeker segment of the North American Travel market.

Destination features that Experience Seekers are looking for:

- Authenticity and smaller scale charm are the most desired - not high rises and commercial centers (they could be anywhere)
- Natural locations over highly fabricated locations - environmental conservation
- Indigenous culture - hiking trails –opportunities to explore both guided and non guided
- Accommodation low density as opposed to conventional hotels

Destination experiences that Experience Seekers are looking for:

- Nature (69%)
- Personal and spiritual growth opportunities (65%)
- Exotic locations (61%) - Active body sports (48%)

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The Las Olas target market will be middle to upper middle class foreign and local real estate buyers seeking a quality beachfront lifestyle experience.

Characteristics of the target market:

- 90% of Las Olas buyers are North American, (with heavy representation from the states of Florida, Texas, California, New Jersey, New York, Oregon and Georgia, and in Canada from places like Calgary, Alberta, Vancouver, Victoria, Toronto, Montreal).
- Most are middle aged semi retired couples. Also we have many affluent couples with teenage children buying here now, attracted to the resort for its proximity to local attractions (particularly surfing and adventure travel activities).
- Given the price points, most buyers are successful and educated entrepreneurs or highly-paid professionals that recognize the value here.
- The majority of our buyers are highly active individuals who love the outdoors, surfing and fishing, and appreciate Costa Rica's unique natural environment and opportunities for adventure travel.

Marketing Strategy

Thus far, because of the project's debt free status, and higher project profit margins through vertical integration, the owner's main marketing strategy has simply been to offer superior product at substantially lower pricing than the competitions. Having the project located on a blue flagged beach a little over an hour from San Jose, make this one of the most attractive and profitable developments in Costa Rica

The marketing involves establishing a good repoire with buyer's and establishing their needs, then educating buyers to the local real estate market so that they recognize the value incentive of Las Olas development, and then a call to action to put in a reservation to buy a lot by making a refundable lot reservation deposit and then giving them 45 to 60 days to come and examine property. We are also offering to pay their expenses down to Costa Rica if they buy a lot.

- Marketing urges buyers to check with realtors, and investigate other offerings first.
- Buyers are given names and contact info on all other competitor projects in a 1 to 20 mile radius. Las Olas value comparisons are made.
- Buyers are offered a \$2000 fee if they can find a comparatively equal or better property deal in our market. So far no one has shown developers one.
- Constant communication with buyer prospects, phone calls, video calls, emails, with photos and info. Establish good humor and repoire with each prospect.

This strategy worked well in 2010 and with over \$1,000,000 in sales during this time period. We expect it to only increase in 2011 as we continue the infrastructure construction.

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- These sales took place with minimal marketing expense. **Only \$15,000 has been spent on marketing and advertising during this time period.**
- *Many of the firm's competitors are spending substantially more money on marketing, and obtaining much lesser results.
- These sales were overseen by David Aven who was at the same time managing infrastructure construction, legal matters, administration, and property maintenance. Roger Raguso is planning to move down to Costa Rica the first part of 2011 to assume the role of construction and project manager.

*** It stands to reason that additional marketing investment, well trained sales people, infrastructure, or the presence of significant infrastructure construction in process, will greatly increase sales volume and also lot prices. It is estimated that by putting in the infrastructure it could increase the current lot values anywhere from 25 to 75 percent overtime. As infrastructure is continued to be put in, will increase lot values, increases buyer confidence and will also increase sales volume. Therefore, there is three-fold benefit that comes with the continued infrastructure work. We have calculated that additional sales revenue that comes from the infrastructure construction would make the sales of the lots and homes much more vibrant and also provide the base for a graduated increase in price.**

The development group will market and advertise through the following methods:

- 1) Mining for customer referrals from the existing purchasers by offering rewards for referrals
- 2) Email campaigns and purchasing qualified target market of potential real estate buyers.
- 3) Online advertising at websites that attract Costa Rican real estate buyers
- 4) Using google.com, yahoo.com, and bing.com search optimization programs
- 5) Firm websites and social networking sites (used to gather emails and contact information of current and potential clients)
- 6) Have brochures available at the sales office, through direct mails, email, and at the location of real estate agents' offices that market Caribbean and Central American properties
- 7) Regular mass email marketing to firms that are growing Costa Rica real estate buyer databases
- 8) Regular programming of internet sales "splash pages" to attract buyers contact info.
- 9) The property will also advertise in vacation and retirement property sections of the local neighborhood newspapers as well as the Miami Herald, New York Times, and Los Angeles Times, Calgary Herald, Calgary Sun, Toronto Globe and Mail
- 10) Through network of local and North American real estate brokers
- 11) Platform sales presentations at international real estate expos, and other events in Canada, the US, and Costa Rica.
- 12) Affordable Local Cable TV advertising in prime markets of North America.

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The owners believe that the most important marketing program is customer referrals. For that to happen it is necessary to create a good customer experience and to make customer satisfaction absolutely paramount. Therefore, the company must maintain the highest level of customer satisfaction and that starts from simply doing what we say we are going to do. It is the developer's simple motto, to just do what we say we are going to do. Of course if things happen outside our control, like an act of God or war, then failing to do what we say we were going to do is then excusable and we have that caveat in our sales purchase agreement. **Many sales in 2010 have occurred through customer referrals and we expect now that we have started the infrastructure work that will only continue into 2011.**

Examples of Online Promotions (Website, Face Book) that Market the Residential Lots:

Ease of Purchase/Low-Risk Transaction

We guarantee the best deals on beach properties in Costa Rica. Build your house yourself, or contract with our certified US/European construction standard builders at \$75 a square foot. Our home sites are moving quickly here at Las Olas Beach Sustainable Community. So ACT NOW while prices are low. THINGS ARE ON AN UPSWING HERE! With \$2000 refundable reservation deposit take a position on a beach lot now. Free airport pickup and \$300 a week beach side accommodations, and airport return.

Rarity of Available Beach-Side Land in Costa Rica

Only 1/5 of one percent of the land in Costa Rica is available, and located on a beautiful beach that you can build on, and Las Olas Beach Sustainable Community is located on one of those beaches.

Low-Cost Transaction/Low-Cost Life-Style/Potential for Debt-Free Living

We are encouraging our clients to adopt the philosophy of living debt free and enjoying the true freedom and the feeling of owning your place in paradise-free and clear. Don't have debt on your home at Las Olas. You can acquire a home at Las Olas Beach Sustainable Community starting at \$119,000 right now. So do whatever you can to own your home free and clear of debt.

Green Lifestyle

Las Olas Beach Sustainable Community is working with our partners to be self sustaining. What does that mean? It means that eventually we will be able to live off the grid and to be able to produce our own electric, our own food and own our homes free and clear. Living by the sea means there is an abundance of sustainable daily food we can easily harvest...

Liberty

What most of us really want is to live a happy and enjoyable life in FREEDOM. The dream of actually accomplishing this in North America has become more and more difficult for quite some time now. In Costa Rica however, the dream lives on, at an average, sunny 80 degrees all year. We have ideal weather, low taxes, (no capital gains taxes!), affordable healthcare, and insurances, an abundance of natural food resources, in the oldest, democratic society in Central America. Many people say that they feel that Costa Rica is like America was 50 years ago, friendly, free, and emerging, and that they have forgotten what it was like to live in real freedom, until they lived in Costa Rica for awhile

Below are examples of Online Banner Ads and Flyers, and emails that Las Olas Currently Utilizes:



Beach Home, Lots
Imagine Living Here!

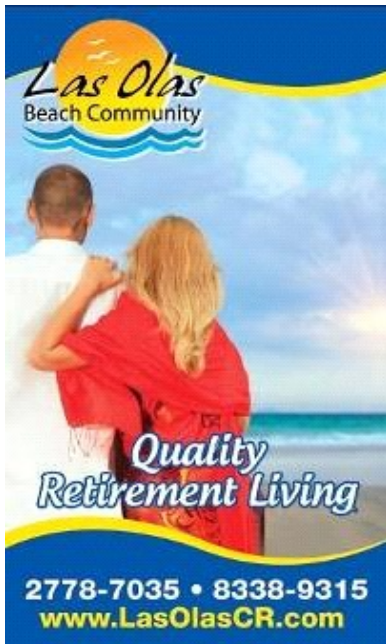
Esterillos Oeste Beach

Starting at:
\$49,000
Titled

Selling Fast
Act Now!

Las Olas Beach Community

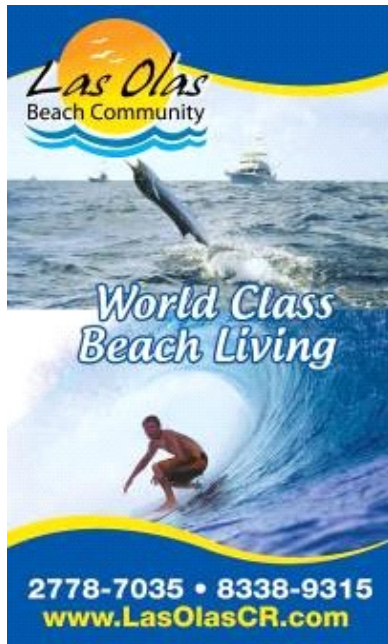
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Las Olas
Beach Community

*Quality
Retirement Living*

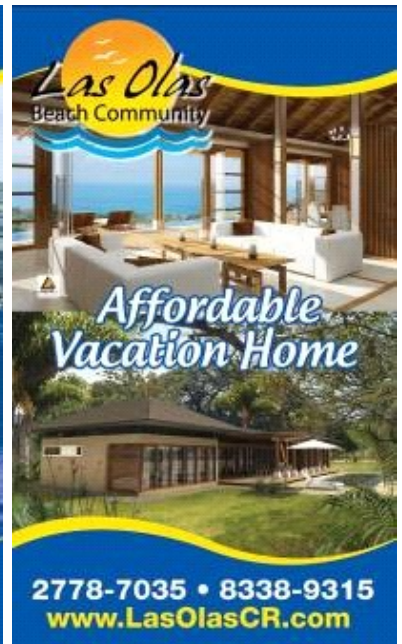
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Las Olas Beach Community Business Plan

Costa Rica: Surfer Paradise Central America

1000's OF BEACH BREAKS

Costa Rica, sometimes called "The Hawaii of Latin American Surfing" is the world renown, top surfing destination with some of the more challenging waves found on the planet.



The Central Pacific region is:

- Most accessible & visited coast in Costa Rica
- Off the new Super Highway from San José
- Sandy Beaches
- Epic Ocean View Cliffs
- Jungle Rainforest Landscape
- Protected Wildlife Biodiversity
- Highest Growth and Appreciation Region of the country

Esteroillos Oeste: In the Heart of It.

- Cleanest, most accessible long beach
- 90 minutes from airport, and capital city of San José
- Beach Break with Lava Reef Fingers
- Wave Magnet Phenomenal Swell 5W to 3, 3 to 12 feet
- Best Mid tides
- Big Long Waves That Peel and Reform
- Between Jaco/Hermosa and Manuel Antonio
- 40 minutes to Quepos and Suenos Maradura Marinas and Golf



Las Olas Beach Community

BEST SURFING, SPORT FISHING, AND ECO TOURISM AREA ON THE PLANET

Affordable World Class Surf Beach Homes

COSTA RICA: SURFER PARADISE CENTRAL AMERICA

Reserve Now



850 square foot 2BR Model: \$119,000

On 5500sf filled lot

350 meters to the beach

SURFING/ECO TOURISM \$ MONEY \$ MAKER RENTAL PROPERTY

ONSITE RENTAL MANAGER YEAR ROUND SURFING \$700 to \$1500 WEEKLY RENTAL

Own a Surf Resort Rental Beach Home in an Appreciating Real estate Market

WEAR KELLY SLATER'S PLACE TOBI!

Surf Shops get 5% discount + referral fees
Call Jovan now at #1's below. PUKA YIBAI

Prices could easily double in 3 to 6 years

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Facebook: Las Olas Beach Community Esterillos Oeste, Costa Rica
Youtube: JovanCR

Las Olas Beach Community

Sales office town center corner

Examples of Road Signs, and Sales Office in Place:



Las Olas Beach Community Business Plan

Competitive Strategy

The firm's competitive strategy:



- 1) Las Olas lots and condos are offered at reasonable prices, substantially lower than any of the competition's prices in the area. This is achieved due to project's lack of debt, and higher profit margins.
- 2) The property is beach-side, located in an attractive area of the Costa Rican coast. Most of our competitors developments are not close to a desirable beach that is close to the airport and San Jose, or they are on the other side of the highway and far from the beach.
- 3) Therefore Las Olas properties are shown to be at the most competitively priced and in a most desired location.

Competitive Analysis

Below are examples of competitor's lot offerings. It should be noted that:

- 90% of the offerings are lots located on the other side of the coastal highway, much further from the beach and 10 to 25 minute drive to the beach on rocky unimproved roads.
- Many are located on inferior beaches where there is more pollution from rivers nearby that bring trash and sewage from San Jose.
- Many are in lower lying wet areas where there are more mosquitoes, and stronger, more dangerous ocean currents.
- Many are not in gated communities.
- Some of the larger sized lots have lot areas which is unbuildable either because of wet areas, or because of exceedingly steep slope area.
- Some are not titled "fee simple" properties. Rather, they are "derecho ownership" type properties, which means owners receive shares of a corporation that owns the whole project.

Las Olas Beach Community Business Plan

	Esterillos Centro	Esterillos Paradise Lots	\$49,000	15,000 sq. ft."1500 meters, other sizes available"	Single Story "\$40 a square meter"	Further down coast another 10 minutes, and on the other side of the highway-NOT BEACHSIDE, and 10 minutes drive to the beach, not 3 minute walk. No oceanview.
	Esterillos Oeste	Beach Lot In Esterillos Oeste	\$50,000	8,000 sq. ft."758 Meters 65\$ a meter"	Single Story	Other side of highway. Further down coast. Not beachside. 5 minute drive to beach not 3 min walk. No ocean view. Not fully gated community.
	Esterillos Oeste	Central Pacific Home Lots	\$50,000	15,000 sq. ft."Big Building Pad 1400 Meters"	Single Story	Further down coast another 10 minutes, and on the other side of the highway-NOT BEACHSIDE, and 10 minutes drive to the beach, not 3 minute walk. No ocean view
	Esterillos Centro	Santana Lots	\$60,000	10,000 sq. ft."1000 meters"	Lot / Land	Further down coast. Other side of highway. 5 minute drive to beach not 3 min walk. No oceanview MUST USE THEIR BUILDER
	Playa Hermosa	M and M lots	\$60,000	45,000 sq. ft.	Lot / Land	Other side of highway. Not beachside. 25 minute drive to beach on rocky road. Not gated Community. No oceanview
	Quebrada Ganado	Country Living Near the Beach	\$75,000	45,000 sq. ft.	Lot / Land	Far from the beach. Other side of highway. Rocky access road. Closer to a low lying area beach. Not a destination beach. 10-15 minute drive to Jaco beach. Water quality not as good.
	Esterillos Oeste	Esterillos Lots	\$75,000	1,400 sq. ft."starting at 1400 square feet"	Lot / Land	Lot not titled fee simple. Lot part of a corporation buyer gets shares in. Lesser quality title. Further from the beach. Close to highway, and noise. Development uncompleted, without electric. Roads unfinished. Only smaller portion of lot buildable. Original developer bankrupt and has left problems and additional costs for owners.
	Esterillos Centro	D Vine Lots	\$75,000	1,083 sq. m."11,653 square feet"	Lot / Land "\$69 dollars a square meter"	Other side of highway. Further south. Not beachside. 5-10 minute drive to beach not 3 min walk. No oceanview

Las Olas Beach Community Business Plan

	Bijagual	MONTECIELOS OCEANVIEW LOTS	\$75,000	1,000 sq. m.	Lot / Land	Other side of highway. Not beachside. Up rocky mountain road 20-25 minute drive to beach lesser water quality beach. Closer to non destination beach. Not gated.
	Hermosa Beach	Hermosa Flower Lot	\$85,000	7,521 sq. ft."699m2"	Lot / Land	Other side of highway. Not beachside. 5-10 minute drive to beach not 3 min walk. No oceanview. Not in gated community.
	Bijagual	Cielo Gardens UNBEATABLE LOT	\$89,900	25,800 sq. ft."2400 m2"	Lot / Land	Other side of highway. Not beachside. 15-20 minute drive to beach. Lesser water quality beach. No oceanview. Buyer required to use designated exclusive builder which charges higher construction prices
	Esterillos Oeste	Lot in Esterillos Beach Area	\$90,000	21,627 sq. ft."half an acre (2010 square meters)"	Single Story	Other side of highway. Not beachside. 10 minute drive to beach not 3 min walk. Most of the lot unbuildable. Buyer required to use designated exclusive builder which charges higher construction prices
	Playa Hermosa	Hermosa Orchard Lot	\$90,000	54,876 sq. ft."5100m2"	Lot / Land	Other side of highway. Not beachside. 5-10 minute drive to beach not 3 min walk. No oceanview. Not gated.
	Esterillos Este	Ready to Build Beach Lots	\$99,000	1000m2	Single Story	Further south on highway. Further from the beach. Non gated. Flatter wetter topography area.
	Esterillos Oeste	Ocean View Lot Gated Community COSTA ESTERILLOS	\$99,000	23,000 sq. ft."more that half an acre"	Single Story	Other side of highway. Not beachside. 5-10 minute drive to beach. Much of lot unbuildable- steep slopes. Buyer required to use designated exclusive builder which charges higher construction prices.
	Playa Hermosa	Garden Lot	\$99,000	15,160 sq. ft."1409 m2"	Lot / Land	Other side of highway. Not beachside. 10-15 minute drive to beach not 3 min walk. Not gated community. No oceanview
	Jaco Beach	Ventana OCEAN MOUNTAIN Lots	\$109,000	3,066 sq. m."\$35 m2"	Lot / Land	Other side of highway. Not in gated community. 10 minute drive to beach that is not as clean as Esterillos Oeste. More pollution.

Las Olas Beach Community Business Plan

	Playa Hermosa	La Pavona Farm	\$109,000	145,000 sq. ft."13500 m2"	Lot / Land	Other side of highway. Beach is not as clean. Not in gated community. 10 minute drive to beach that is not as clean as Esterillos Oeste.
	Playa Hermosa	BEACHFRONT TITLED LOTS	\$120,000	5,500 sq. ft."500 to 530 square meters"	Single Story "Flat, Lots, Ready to Build"	More than 2X the price, 240 dollars a square met.
	Playa Hermosa	Hermosa Paloma Oceanview Lots	\$150,000	5,000 sq. m."Starting size 1.25 acre lots"	Lot / Land	Other side of highway. Not in gated community. 10 minute drive to beach.
	Esterillos Oeste	Ocean view lots 2 miles to beach!	\$150,000	3,175 sq. m."2 other smaller adjoining lots for sale"	Single Story	Other side of highway-not beachside. 10 minute drive to beach. Not in gated community.
	Playa Hermosa	Coconut Lots	\$150,000	3,500 sq. ft."bigger lots also available"	Lot / Land	3X the price, smaller lots. Higher construction costs.
	Punta Leona	Oceana Cercana Lot I	\$153,650	2,195 sq. m."23,618 square feet "	Lot / Land "\$70 a square meter (\$6.50 a square foot)"	Beach located near river bringing trash and sewage from San Jose. 10 minute drive to beach. 2X as expensive.
	Esterillos Este	Esterillos Country Beach Lot	\$159,000	4,201 sq. m."One Acre with flat areas for home"	Single Story	Flatter wetlands area, lesser quality beach. 3x the price.
	Jaco Beach	North Beach Lot	\$189,000	5,078 sq. ft."472 square meters"	Single Story	Almost 4x the price. Dirtier beach. Higher crime area

Management

DAVID JANNEY, LAND DEVELOPMENT, HOME BUILDER, MARKETING

David Janney resides in Orlando, Florida and has many years of experience in real estate development. Currently he is working on a number of large real estate developments in the Orlando area and is working with major national home builders such as Cambridge Homes, K Hovnanian Homes, Centex Homes, Maronda Homes and Pulte Homes in projects up to 400 home developments. He also has experience in time-share sales, land sales, vacation and resort sales and resort management. He has been working extensively with David Aven on the mix-plan Las Olas Development and has made many trips to Costa Rica related to project development.

DAVID AVEN, PROJECT MANAGER IN CHARGE OF DAY TO DAY OPERATION

David Aven is in charge of the day to day operations of the development including the infrastructure construction that is presently underway. David is working closely with Costa Rican professionals who were instrumental in acquiring all the necessary development permits for the project development including the environmental permit and the construction permits. He lives in Costa Rica and is a resident and is acting as in country investor representative. He is working closely with David Janney on implementing the vertical integration mix plan project development.

Las Olas Beach Community Business Plan

JOVAN DAMJANAC, SITE MANAGER/DIRECTOR OF SALES AND MARKETING

Jovan brings valuable sales, marketing & development experience to Las Olas Beach Community. Jovan has a BA in Economics from Temple University, and over 25 years experience in residential, commercial, and resort real estate appraisal, development, and sales. He has sold time share properties for Blue Green Corporation and originated mortgages at Premium Capital Funding in Scottsdale Arizona, and at S.D. Catalano Inc. and is a project finance specialist. Jovan also has worked for one of the oldest residential and vacation property development companies in New Jersey, S.D. Walker Inc., and developed projects such as Bacons Run, Chesterfield NJ and Meadowview Estates, Mansfield NJ. He was commercial real estate manager for REMCO in Philadelphia and was also an acquisitions specialist for Patten Corp., NYSE, and closed many transactions as a business broker, and real estate agent with Continental Assets Corp., Ambler PA. He brings a lot of experience to the Las Olas vertical integration mix plan project development.

ROGER F. RAGUSO, PARTNER, CONSTRUCTION MANAGER, BUILDER AND DEVELOPER.

Roger has over 20 years experience as a builder, developer and project construction manager for very large building projects in Florida, Texas and New York. He will be overseeing the development and build out of the mix plan development. He will be in charge of overseeing and controlling total construction for the project that will be built to US specifications and standards. Roger is a certified Building Contractor and registered roofing contractor and worked as a construction project manager for many very large projects such as:

KM DEVELOPMENT CORPORATION/Milwaukee, Wisconsin
OMI, INCORPORATED, Key West, Florida
RESIDENTIAL CARPENTRY CORPORATION, Rockville, Maryland

Roger's Key Responsibilities were:

Control of daily field construction activities.

Day-to-day scheduling of work activities, materials and labor forces.

Trouble shooting construction conflicts between design disciplines and/or subcontractors.

Monitor/control subcontractor activities to comply with AHCA requirements, project specifications, quality control standards, and local building codes.

Insure compliance with OSHA and Corporate Safety Control programs.

Negotiating and administrating subcontractor change order work.

Inspecting and approving subcontractor monthly invoices and pay requests.

Maintaining documentation on all construction activities.

Initiating and maintaining liaison with construction personnel and on-site nursing home administration and staff.

Estimated labor and materials

Estimating and bidding sub-contracted work items.

Supervised carpentry crews (rough and finish).

Procured equipment necessary for completion of above project

Legal Ownership of Land

La Canicula, S.A., a Costa Rican corporation with identification number 3-101-095056, has the above referred concession over part of the subject land located in the maritime zone of Playa Esterillos. This concession will expire on February 18, 2022. The concession was granted hotel/cabins purposes only. The remainder of the subject land is owned by Inversiones Cotsco C & T, S.A., a Costa Rican corporation with identification number 3-101-289111, the remainder of the subject land (37.8 hectares) recorded at the Public Registry under property number 6142646-000 of the Province of Puntarenas. This property is clear-titled, consequently the owner of the property is allowed to freely transfer, mortgage, encumber and/or contract the ownership interest.

Las Olas Beach Community Business Plan

The estimated cost to finish the improvements/infrastructure for the 352 home lots is found below. *Substantial improvements have already been done, and it's estimated that the cost to finish the infrastructure will be \$5,731,578. Following is cost break down.

IMPROVEMENT COSTS LAS OLAS PHASE 1 & 2

EXCAVATION	AMOUNT	UNITS	P PER UNIT	P. TOTAL
Cut and fill house pads	22,500.00	m3	\$5.20	\$117,000.00
Cut and fill house streets	26,738.40	m3	\$5.20	\$139,039.68
Gravel Road Base	14,714.50	m3	\$30.00	\$441,435.00
Brick Pavers	29,429.00	m2	\$32.00	\$941,728.00

\$1,639,202.68

CONCRETE WORK	CANTIDAD	UNIDAD	P. UNITARIO	P. TOTAL
Curbing & Handicap Ramps	7,751.00	ml	\$33.00	\$255,069.00
Sidewalks 1.5 meter wide	3,324.00	m2	\$45.00	\$149,580.00
Sidewalks 1 meter wide	6,601.00	m2	\$30.00	\$198,030.00

\$602,679.00

DRAINAGE NETWORKS	CANTIDAD	UNIDAD	P. UNITARIO	P. TOTAL
Excavation and trenching	10,905.00	m3	\$5.20	\$56,706.00
Storm Wells	96.00	un	\$1,800.00	\$172,800.00
Double Culverts	100.00	un	\$1,500.00	\$150,000.00
Culvert Tubes 300mm	933.00	ml	\$84.00	\$78,372.00
Tubes 400mm	1,329.00	ml	\$106.00	\$140,874.00
Tubes 450mm	295.00	ml	\$112.00	\$33,040.00
Tubes 550mm	62.00	ml	\$134.00	\$8,308.00
Tubes 600mm	745.00	ml	\$156.00	\$116,220.00
Tubes 700mm	286.00	ml	\$160.00	\$45,760.00
Tubes 800mm	566.00	ml	\$186.00	\$105,276.00
Tubes 900mm	146.00	ml	\$230.00	\$33,580.00
Discharge Outlets	3.00	un	\$2,500.00	\$7,500.00

\$948,436.00

RED SANITARIA	CANTIDAD	UNIDAD	P. UNITARIO	P. TOTAL
Excavation and trenching	14,595.00	ml	\$5.20	\$75,894.00
Sanitary Wells h=2,40mts	167.00	un	\$1,700.00	\$283,900.00
Home Connections L=4,30ml	315.00	un	\$324.00	\$102,060.00
Treatment Plant	2.00	un	\$80,000.00	\$160,000.00
Tubes 150mm Ø SDR-26	988.00	ml	\$62.00	\$61,256.00
Tubes 200mm Ø	4,848.00	ml	\$76.00	\$368,448.00
Backwater Discharge Outlets	2.00	un	\$1,000.00	\$2,000.00

\$1,053,558.00

WATER NETWORK	CANTIDAD	UNIDAD	P. UNITARIO	P. TOTAL
Excavation and Trenching=0,80mts	3,151.20	ml	\$5.20	\$16,386.24
Home Connections L=4,30ml	315.00	un	\$60.00	\$18,900.00
Tubes 100mm Ø SDR-26	3,260.00	ml	\$30.24	\$98,582.40
Tubes 75mm Ø SDR-26	679.00	ml	\$28.00	\$19,012.00
Valves 100mm Ø	15.00	un	\$650.00	\$9,750.00
Hydrants 100mm Ø	1.00	un	\$1,800.00	\$1,800.00
Connections to Existing Network 100mm	2.00	un	\$300.00	\$600.00

\$165,030.64

Subtotal Development Work	\$4,408,906.32
Indirect Costs	\$661,335.95
Administration (15%)	\$661,335.95

TOTAL IMPROVEMENT COSTS \$5,731,578.22

ESTIMATED CONSTRUCTION COSTS OF BEACH CLUB IS BELOW

Las Olas Beach Community Business Plan

BUILDING CONSTRUCTION ASSUMPTIONS	M2
24 pool units 65m2 each on ground floor	1,560.00
24 pool units 65m2 each on second floor	1,560.00
18 two story beach front units of 164m2 each	2,952.00
Aisles	762.00
	6,834.00
Ground floor Clubhouse	450.00
Second level Clubhouse	550.00
	1,000.00
Parking areas	4,983.00
Pools	487.00
Terrazzo's	367.00
Landscaping and gardens	9,745.00
ESTIMATED CONSTRUCTION COST PER SQUARE METER	
Cost of construction of cabins and apartments	504.27
Cost of construction of clubhouse	882.48
Cost of aisles	352.99
Cost of parking	38.83
Cost pools	554.70
Cost of terraces	63.03
Cost of landscaping	7.06
SUMMARY OF CONSTRUCTION COST	
Construction of pool units and front beach units	\$3,061,954.53
Construction of clubhouse	\$882,480.31
Aisles	\$268,980.00
Parking areas	\$193,485.57
Swimming pools	\$270,139.83
Terrazzo's	\$23,133.59
Landscaping	\$68,798.16
	\$4,768,971.99

The profit and return on investment projection is found below.

Assumptions:

- 1) 352 lots are sold at an average price of \$60,000 in year 1, with prices increasing by 3% annually, generating \$21 million in sales
- 2) (9) 4 story condo building lots are used to construct 22 condo buildings with 8 units each- 176 total condo units. Each unit to sell for an average \$229,000 each, with prices increasing each year by 3% = \$42,065,000 in gross sales.
- 3) Each lot's improvements and infrastructure costs \$14,300, with costs increasing 3% annually, or \$5,731,578 total
- 4) 66 condos are sold in 1 week time shares (3300 total timeshares) at an average price of \$41,000, with prices increasing by 3% annually, generating \$144,000,000 million in sales
- 5) Each beach condo's construction (hard and soft) cost is an average \$68,100, or \$4,768,972 total *THIS TOTAL ALSO INCLUDES 2 POOL COMPLEX AND 10,000SF CLUBHOUSE COMMERCIAL CENTER. This translates into roughly \$1362 in construction costs per 1 week fractional ownership interest.
- 6) A breakout projection is shown where the 352 lots are developed with homes that are sold at average net profit of \$35,000 per home.

Las Olas Beach Community Business Plan

Sales Forecast

- 7) The management team estimates that it will take 2-3 years to complete the improvements
- 8) The management team estimates that it will take 3-5 years to sell out of the properties
- 9) Gross Net Profit figure below does not factor operating, maintenance and payroll costs into the equation. We estimate these costs to be no more than 10% of total gross net profits over the 5 year period.

Scenario #1: Sales Projection (Simple calculations included on profits of financing time share product and hotel construction and sale.)

Sales Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5
Unit Sales					
Residential Lot Sales (\$60,000 price)	55	75	80	100	42
Residential Condo Sales (\$229,000 price)	16	30	36	40	54
Beachclub Timeshares	500	600	700	1200	300
House Sales	55	75	80	100	42
Total Unit Sales	0	0	141	141	144
Unit Prices	Year 1	Year 2	Year 3	Year 4	Year 5
Residential Lot Sales (\$60,000 price)	\$60,000.00	\$61,800.00	\$63,654.00	\$65,563.00	\$67,530.00
Residential Condo Sales (\$229,000 price)	\$229,000.00	\$235,870.00	\$242,945.00	\$250,233.00	\$257,740.00
Beach Club Timeshares	\$41,000.00	\$42,230.00	\$43,500.00	\$44,800.00	\$46,145.00
House Sales Avg \$35,000 in Profit per Unit	\$35,000.00	\$36,050.00	\$38,213.00	\$40,505.00	\$41,720.00
Sales					
Residential Lot Sales (\$60,000 price)	\$3,300,000	\$4,635,000	\$5,092,320	\$6,556,300	\$2,836,260
Residential Condo Sales (\$229,000 price)	\$3,664,000	\$7,076,100	\$8,746,020	\$10,009,320	\$13,917,960
Beach Club Time Share Sales	\$20,500,000	\$25,338,000	\$30,450,000	\$53,760,000	\$13,843,500
House Sales Avg. Net Profit Per Unit	\$1,925,000	\$2,703,750	\$3,057,040	\$4,050,500	\$1,752,240
Total Sales	\$29,389,000	\$39,752,850	\$47,345,380	\$74,376,120	\$32,349,960
Total Cumulative Sales	\$223,213,310				
Direct Unit Costs	Year 1	Year 2	Year 3	Year 4	Year 5
Residential Lot Sales (\$60,000 price)	\$14,300.00	\$14,729.00	\$15,170.00	\$15,625.00	\$16,094.00
Residential Condo Sales (\$229,000 price)	\$150,000.00	\$154,500.00	\$159,135.00	\$163,909.00	\$168,826.00
Beach Club Timeshares	\$1,362.00	\$1,402.00	\$1,444.00	\$1,488.00	\$1,532.00

Las Olas Beach Community Business Plan

Direct Cost of Sales					
Residential Lot Sales (\$60,000 price)	\$786,500	\$1,104,675	\$1,213,600	\$1,562,500	\$675,948
Residential Condo Sales (\$229,000 price)	\$2,400,000	\$4,635,000	\$5,728,860	\$6,556,360	\$9,116,604
Beach Club Time Shares (\$41,000 price)	\$681,000	\$841,200	\$1,010,800	\$1,785,600	\$459,600
Sales Commissions Lots 6%	\$198,000	\$278,100	\$305,539	\$393,378	\$170,176
Sales Commissions Condos 6%	\$219,840	\$424,566	\$524,761	\$600,559	\$835,078
Sales Commissions Timeshares 10%	\$2,050,000	\$2,533,800	\$3,045,000	\$5,376,000	\$1,384,350
Subtotal Direct Cost of Sales	\$6,335,340	\$9,817,341	\$11,828,560	\$16,274,397	\$12,641,755

Total Cumulative Costs **\$56,897,394**

Gross Net Profit on Sales **\$166,315,916**

Additional Revenues

Hotel	Cost to Build	Sale of Hotel	Gross Net Profit on Hotel
114 Room Hotel with Spa-Conference Center, Restaurant Bar, Pool Complex (Approx. 110000sf of construction)	\$11,000,000	\$18,000,000	\$8,000,000

Timeshare Financing

Year	1	2	3	4	5
Beach Club Time Share Sales	\$20,500,000.00	\$25,338,000	\$30,450,000.00	\$53,760,000.00	\$13,843,500.00
90% financed at 18% interest for 15 years	\$18,450,000.00	\$22,804,200.00	\$27,405,000.00	\$48,384,000.00	\$12,459,150.00
Total Interest Earned Over 15 Years	\$35,032,280.00	\$43,299,650.00	\$52,035,459.00	\$91,869,500.00	\$23,656,909.00
Total Cumulative 15 year Interest Earned On Time Share Sales	\$245,893,798.00				

Disclosure The above pro-forma numbers were generated on the most recently available assumptions on market prices and interest rates. As the project continues to be developed those those assumptions will be updated to reflect current market conditions.