



**LAS OLAS LUXURY BEACH RESORT PROJECT**

**INVESTOR SUMMARY**

**ESTERILLOS OESTE, COSTA RICA**

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# Introduction

## 1. Project Description and Location

Las Olas is located on the Central Pacific Gold Coast in Esterillos Oeste, Costa Rica. It is one of the closest beach resorts from the capital city of San José, presently taking two-hours by car. However, a new highway is being built that will cut driving time in half when completed in two years. Once finished, it is estimated that property on the beach will double or even triple in value, since we all know access leads to growth.

The Las Olas site (see map below) is mid-point between two of the region's most important cities: Jacó Beach a former village that has quickly become an important tourism center, banking and shopping center is 15 minutes to the North and Quepos, home to Manuel Antonio National Park, the most popular tourist attraction in Costa Rica is 30 minutes South.



**1.1** The Las Olas Project Site is one of the nicest beach front location in all of Costa Rica and encompasses approximately 100 acres. (40.0 hectares including a 2.2 hectare parcel right on the beach) Las Olas is where Luxury and Nature meet the sea and there is an abundance of wildlife on and around the property. In fact, beautiful Macaws make their home in the trees at Las Olas. The property boasts 150 meters of beach front and more than seven hundred and fifty meters of highway frontage. Consider this, Only 1/5 of the land in Costa Rica is on a beautiful beach. Las Olas Beach Community is one of them.

## **Aerial View of Las Olas Beach Community Esterillos Oeste, Costa Rica**



## **INVESTORS DEVELOPMENT PLAN.**

The investor developers plan is for a complete and fully synergistic development that will utilize all the potential profit centers for the project. This will encompass establishing profit centers for lot sales, construction of homes, a mortgage company to finance home sales, real estate company to handle re-sales, beach club membership program, rental management company to handle rentals, time share sales of units built on the beach concession, finance company to provide loans for time share sales, HOA property management company, rentals of commercial space on beach club and in the hotel, and even beach rentals for jet skis and surf boards. The business plan is to capitalize on every type profit center possible to increase investors ROI.

**1.3** CNBC recently called Costa Rica the hottest real estate market in the world. More and more people are becoming aware of Costa Rica and the fact that it is one of the best places to invest in the world. In fact there was a recent article in the Polish newspaper advising people to invest in Costa Rica property.

**1.4** More and more people are becoming aware of the simple fact the one of the best places to invest is in beach front property in a popular resort country. This provides an excellent opportunity to build a home and have it paid for with the rental income. Currently rentals for beach front homes range from \$1200 to \$3000 per week, depending on the size of the house.

**1.5** Rental demand is high on the beach since that is where people want to be and there are not enough beach front hotels rooms to meet demand. In fact the Costa Rica tourist board, ICT, recently projected that by 2012 Costa Rica will need an additional 50,000 hotels rooms to meet the increasing demand. It is impossible to build that many rooms in 3 short years, but Las Olas is ready to build right now.

### **Beach at Esterillos Oeste Beach is one of the nicest in Costa Rica**



You can see many more pictures of our beach views, our ocean views and our beach club at [www.LasOlasCR.com](http://www.LasOlasCR.com).



## **Esterillos Oeste Beach, Costa Rica home of Las Olas Beach Community**



**1.6** Playa Esterillos Oeste is considered to be one of the nicest beaches in the region for its turquoise colored waters and light-colored sand. This pristine beach environment will give Las Olas Beach Community a competitive advantage over other major resort developments in the area that are mainly up in the hills.

**1.7.** You can walk on the beach for miles and see nothing but nature all around you as you feel the sand beneath your feet and breathe in the fresh salt air.

**1.8** Esterillos Oeste, the location of the Las Olas Project, is designated as a Blue Flagged beach and will never be over developed because much of the land around Esterillos Oeste is not developable and very hard to develop. So you will never have the high density developments like Guanacaste which has many problems with infrastructure and beach pollution.

**1.9** What makes this site so valuable is the fact that properties like this are very hard to find in Costa Rica. It's hard to find 100 acres on a beautiful beach where you go from a main highway and travel 800 meters to the beach. What is note worthy is that Ninety Nine percent of the development taking place in Costa Rica is up in the hills with distant views of the ocean, with only 1/5 of a percent of land being on a nice beach. However, the beach is where people really want to be, so rental demand will be very high for good beach front properties and the same will be true for beach front property sales.

**1.10** The Las Olas Beach Club will be built on the 5 acres that sits directly on the beach and will have pools, restaurant and bar and boutique hotel/condo units. It was designed by the famed architect Ronald Zucher Architects. Memberships will be sold, but a free membership will go with the sale of each lot. However, a monthly membership fee will be charged for maintenance.

### **Las Olas Beach Community Beach Club**



**Permits have been obtained for this project. (See Exhibit A)**

## **2. Phase One**

This will consist of 71 lots with a minimum size of 500 sq meters. These lots are being developed along the public road going into Esterillos Oeste and will all be titled lots. All lots are within minutes of walking distance from the beach. Infrastructure for these lots will include paved access roads, electric and water to the lots and a new paved main road with sidewalks going into the beach. The lead architect for the lot program is MUSSIO MADRIGAL ARQ. ASOC. S.A.,

### **2.1 Phase Two**

Second phase will be set up under a condominium plan that will consist of approximately 300 lots for individual home sites, 4 commercial areas for various shops and 4 areas set aside for future condominium towers. The approval process for this phase is underway It is anticipated that all approvals for second phase will be in about six months. All lots in phases I and II will be fully deeded.

### **2.2 Phase Three**

Phase three will be to develop a hotel on the 18,000 sq meter lot that is right across from the concession.

### **2.3. Phase 4.**

**Development of commercial lots on the main highway.**

**Phase 5.**

**Building of Small Condo Buildings on the 4 Larger Parcels in Project Site.**

**There are 4 larger parcels of lots in Project Master Site Plan. Developers have set aside those larger parcels for future construction of small condo towers. Height restrictions for said project is 5 stories so building will be designed to accommodate small condo building on these large parcels.**

**Infrastructure**

**Infrastructure will consist of the following:**

- The main entrance and landscaping along highway frontage.
- Main road through project, finished in paver's with adjacent golf cart paths.
- Sales office and model unit.
- Beach Club complex and entry.
- Three sewage treatment plants to service the beach front complex and the second phase lot program which will be built under the condominium lot program.
- The existing electrical supply to the project site is more than adequate for development.
- The local water company has guaranteed that the existing potable water supply will meet the resort's needs throughout development.
- The local phone company has committed to providing 400+ telephone lines to the project.
- Excellent cellular phone reception already exists at the project site.
- Cable TV services are available in Esterillos Oeste.
- E-1 high speed Internet lines will service the project site, and both wireless and
- Developers engaged the services of EDSA site planners and Norton Consulting to to conduct market studies of the project property.
- **2.4** The market study done by EDSA and Norton consulting 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;
- Resort comparables around project property.
- Permitting process and legal restrictions – zoning, building codes, easements.

**2.5** In 2007 developers engaged the services of MUSSIO MADRIGAL, an architectural and engineering firm, to develop the master site plan and take it through the permitting process. The first step in the permitting process is to acquire the environment permit from SETENA. That is essential before the project can advance any further. That process is in the works and we expect an approval in the next few months. Once that permit is issued then the master site plan can be submitted to the National Registry and registered as a subdivision. Once that happens then the College of Architects will review it and also has to approve it. After that happens, then the developers can obtain the construction permits for the infrastructure from the Municipality. It is anticipated that the cost to get it through the permitting process up through the construction permits will cost about 1 million dollars.

**2.6** Leading professionals are being engaged to provide the very best advice on all matters related to the Project and funding is being arranged to provide financing for the various phases. t.

### **3. Legal structure**

The legal structure of the project is set up using Costa Rica Corporations with the US Investors owning the shares. Various corporations will own individual section of the project to that the development of the project can be phased in based upon developers time table.

### **4 Legal Structure for Beach Club and Hotel/Condos on the Concession**

According to Costa Rica law the 2.2 hectares on the beach is land that is owned by the Costa Rica Government. The Government then in turn leases concession land to developers for development. According to Costa Rica law, 51 percent of the concession must be owned by a Costa Rican. Therefore, it was necessary for Developers to find a trustworthy Costa Rican who would hold the 51 percent of the concession in trust for the US Developers. Generally a local attorney is used for that purpose.

### **5. Las Olas Project Profits Centers**

#### **a. Rental Management Company**

A substantial ongoing income stream will come from the rental program that will be



administered by the developers. The developers will in essence will be running a hotel operation with over 500 rooms once all the phases get built out. A rental management company will be formed to manage the rental program for the owners and will earn 40 percent of the rental income. This is very attractive for owners who can earn income from their unit when they are not using it. So the income stream from a rental program could be huge.

#### **b. Real Estate Company for Re-Sales**

There will be of course re-sales, so Developers plan to form a rental company to handle re-sales of project properties as well as other properties surrounding project. This could provide a nice additional profit stream for developers.

#### **b. Mortgage Company**

Developers plan to form a mortgage company to make loans available to people who buy lots and build homes. Developers will borrow at prevailing rate and loan at prevailing rates and will act much like a bank. Developers will also explore the possibility of selling bonds to raise the necessary capital to fund the mortgage company as well as other sources of funding. This could provide a huge profit stream for developers and it will be a secure place to invest their money from accrued profits in said project.

#### **c. Time Share Sales**

Rather than just renting out or selling units built on the Beach Concession, developers plan to form a time share company that will sell time shares in the hotel/condo units that are built in the concession. This will provide a much bigger ROI for developers than just renting out the units.

#### **d. Financing Time Share Sales**

Developers plan to also finance the time share sales. Developer want to take full advantage of all financial services that project buyers will be needing. In this way develops can maximize the ROI for their investment. Being able to offer time share financing to buyers will add another huge profit center for developers.

#### **e. HOA Management and Maintenance Company**

The Las Olas project will be in constant need for upkeep and maintenance; Developers also plan to form a company to provide that service to the project.

#### **f. Beach Club Membership.**

Developers also plan to offer Beach Club Memberships to people who buy lots and build homes in the Las Olas Resort. Beach club membership will be limited to owners of homes and condo units in project site. This should add another nice income stream for developers.

#### **g. Building of small condo towers on larger parcels in project Las Olas.**

Developers have established 4 larger parcels in project site for futue development of small condo towers. This will be a nice compliment to the homes in the project and will add another income

stream for developers.

#### **h. Establishing a Solar Power Company**

There is a demand for solar power units to operated hot water heaters as well as lighting, Developer plan to form a solar power company to meet that need and further add to the profitability for the project,

#### **i Rental of commercial spaces in Project Site**

Developers will create commercial space within the project buildings and project site offer those spaces out for rent. This will add to the income stream for developers.

#### **j. Other possible income streams.**

Developers will endeavor to take advantage of every possible income stream in said development and attempt to capitalize on every possible income stream to add to developers ROI,

### **6. Raising of Capital for Development Project.**

Developers have private sources to raise capital to fund all of the above described initiatives. Investors are eager to invest in areas where they can have a more direct control over their investments, We have seen too many investors lose money when the companies with whom they invested their money went bankrupt. Developers plan to continue to re-invest profits from Las Olas Beach project back into project profit centers. Developers will have to do something with their profits and putting it back into a businesses they control and manager, they believe, will be both prudent and profitable.

## **7 Development Team**

**Samuel Aven** of Pearl River, New York, is a successful businessman working with his brother David Aven on the Project. Mr. Aven has extensive business contacts and is working on pre-sales in the New York region.

**David Aven** of Fort Lauderdale, Florida, who found the project site and arranged for the purchase. Mr Aven is acting as the owner representative and recently moved to Costa Rica to personally oversee the development of the project.

**Roger Raguso** of Santa Fe, New Mexico. Project Manager and General Contractor. Fifteen years experience as project manager for large building projects in Florida, Texas, New York, Costa Rica. Project management from site development, oversight of architects, engineers and contractors. Owner representation with the objective of controlling building cost of total project and ensuring that project is built to specifications. Mr. Raguso will be overseeing all construction for said project and will head up the construction company that developers will form to build out the Las Olas project.

**David Janney of Orlando Florida.** Mr Janney is a successful developer in the Orlando

area and has a number of projects under development there. Mr. Janney was there from the very beginning and worked with David Aven on this project at the early stages.

**Carol and Eric Park.** Carol Park is the sister of Sam and David Aven.

**Jack Bucemi is a Cousin of the Aven and has invested in said project.**

**Jeff Shioleno from Tampa, Florida has provided marketing services for said project from Tampa and owns lots in project site,**

## **8. General Counsel**

**8.1** Gavridge Pérez Porras, Project Attorney with a specialty in Real Estate and Commercial law. Fluent Spanish and English. Contact information for Gavridge Perez:  
Email:gavridge@lexperts.net, Phone:(506) 2291-4951

**8.2** Mr. Perez is a Costa Rica Citizen and has extensive experience and expertise in real estate, business and maritime zone law. He is also a seasoned trial attorney. Mr. Perez is handling all the legal work and closing for Las Olas Beach Community and is interfacing with the other professionals to ensure all the lots are properly surveyed and registered properly. Here is a brief overview of his firm's service.

**8.3 Real Estate Services:** In this area LEXPERTS relies on their long experience advising not only national investor but also international investors both large and small. Whether it's buying a home or developing large projects we can handle the legal requirements for all our clients both national and international. We can negotiate and draft contracts, option and purchase agreement and can handle all legal matters regarding the purchase or sale properties.

**8.4 Banking:** Whether is a simple banking contracts, complex Mortgages and mercantile loans or Real Estate Trusts, we can provide experience service to our clients in these areas as well. Concessions in the Maritime Zone: Since most of the resort Project are in maritime zones this service represents an important area of our work for our clients involved in resort development in these areas. In most cases the first 150 meters is in the maritime zone and the property behind the 150 meters is titled property. We have a complete understanding of all laws covering both situations.

**8.5 Civil Litigations:** Our firm has extensive experience in civil litigation. Although we completely believe in alternative dispute resolution and make our best efforts to resolve disputes in this arena, in some cases it is necessary to go to court to assert our clients rights. In these situations we have an effective record in prevailing on our client's behalf.

**8.6 Notary Services:** We offer full notary services for all types of transactions.

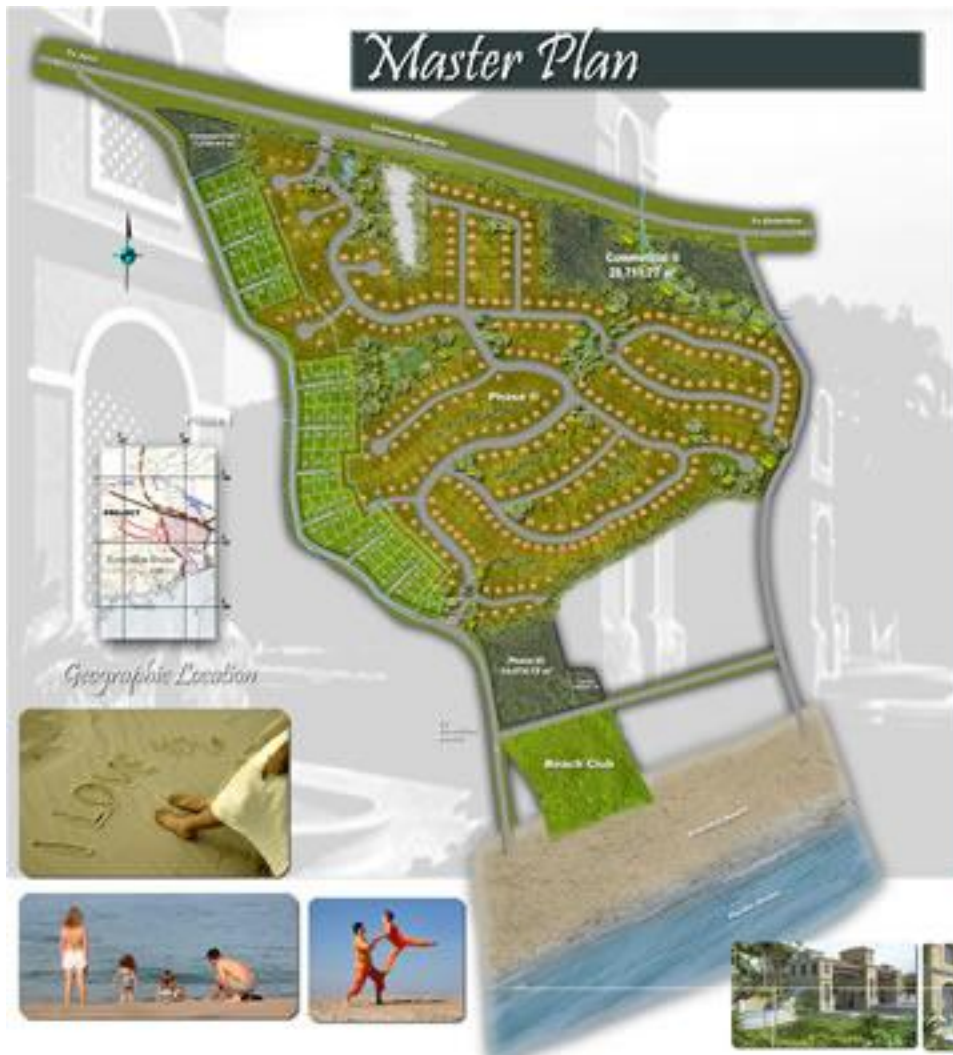
## **9. Las Olas Beach Club, designed by Ronald Zurcher Architects.**



**9.1** This firm of Ronald Zurcher Architects was selected to do the site planning work for the Beach Club and boutique hotel/condo units. The zurcher has vast experience in Resort developments, having more than 30 years of experience in architectural design, master planning and interior architecture. The firm is primarily a consulting architectural firm specialized in hospitality and tourism and has worked with top international hotel brands such as the Four Seasons, Starwood, Regent, St. Regis, Luxury Collection, JW Marriot and else. We have Our main office is located in San Jose and we also have an office in Liberia Guanacaste (Costa Rica).

## **10.1 Las Olas Beach Community Master Site Plan**

**The site plan below was created by Mussio Madrigal, with input from EDSA and Norton consulting**



## 11. Marketing Strategy

### 11.1. Characteristics of the target market:

- 90% will be North American, with heavy representation from the states of Florida, Texas, California, New Jersey, New York and Georgia.
- Most will be semi-retired couple, baby boomer's and investors looking to build and income producing property and having a place for their vacations.
- Given the price points, most buyers will be successful entrepreneurs or highly-paid professionals.
- The majority will be highly active individuals who love the outdoors and appreciate Costa Rica's unique natural environment and opportunities for adventure travel.
- There will also be a number of investors who understand that owning a property in a



popular tourist area is a great investment and will buy one or multiple lots and then put them in a rental pool. Rentals are going from \$1200 to \$2500 per week depending on the size of the home. In a number of years the investor will have a paid off asset worth hundreds of thousands of dollars.

## **12. Project Appeal and Uniqueness for the Astute Investor:**

**12.1** One of the best places to invest for maximum security and return on investment is buying property on a beautiful beach in a popular resort destination. That is exactly what the developers are offering at Las Olas Beach Community. Only 1/5 of one percent of the property for sale in Costa Rica is on a nice beach. Most of the development taking place in Costa Rica right now is up in the hills with distant views of the beach. In fact for miles on either side of Las Olas Beach Community the terrain is flat. Esterillos Oeste is the only place between Playa Hermosa and Quepos, a distance of 40 miles that has hills next to the ocean. Here are a number of reasons why knowledgeable investors are investing in Costa Rica and in Las Olas Beach Community and why this is one of the best projects for investment opportunities.

## **13. Investor Appeal**

**13.1 Tourism:** According to the Costa Rican tourist board, tourism has increased 15 percent in 2007 over 2006. The tourist board, ICT, also predicted that by the year 2012 Costa Rica will need an additional 50,000 hotel rooms and with what is in the pipeline this demand WILL NOT be met. Because of the current situation in the world with the dollar decline and instability in many parts of the world North, Americans and also Europeans are making Costa Rica the country of choice for both vacationing and retirement. The dollar still goes a long way in Costa Rica and the country has had a stable democracy since 1948 when they abolished the military. The climate is one of the best in the world, with no hurricanes, tornadoes or raging fires and the cost of living is about ¼ of what it is in the US. The Costa Ricans are a gentle people and they like foreigners. For all of the above reasons tourism in Costa Rica is predicted to keep increasing in the future.

**13.2 Beach front Lots:** Most of the property being sold right now in Costa Rica is up in the hills with distant views of the ocean. Why? Because there is just not a lot of good beach front property that is available for development in Costa Rica. People want to be on the beach so rental demand is strong and they are not making any more.

**13.3 Location:** Located on a pristine blue flagged beach in Esterillos Oeste, Las Olas Beach Community has the three most important elements to consider when buying property, LOCATION, LOCATION, LOCATION. The location is one of the best on the entire Central Pacific Gold Coast, being the only place from Playa Hermosa to Quepos that has hills next to the ocean. It's also one of the few locations that has access to the beach with all utilities already in place. In fact from Playa Hermosa to Quepos, Las Olas Beach Community is one of the few beach front locations along the entire 40 miles stretch where you can build a beach side project.

**13.4 New Highway:** Presently it takes about two hours to get to the project site from the Capital San Jose. However, there is a new road being built that will cut the driving time in half. The road will be completed in less than two years and at that time it is estimated the beach front property could easily double or even triple in value.

**13.5 High Rental Demand:** Homes built on a beautiful beach have a high rental demand with beach front rentals ranging anywhere from \$1000 to \$2500 per week during high season. This provides an excellent opportunity to have your investment paid off with rental income and in a number of years having a paid off asset worth hundreds of thousands.

**13.6 Resale Value:** There is an old saying in real estate that we all should keep in mind, “Before you buy a property you should think about selling it”. If some time in the future you want to sell your property will the property have a low, medium or high demand? How sell-able will your property be? It’s just a well known fact that properties located in a beach side community has the highest buyer demand because that is where people really want to be.

**13.7 Long Term Democracy:** Costa Rica has one of the longest stable democratic governments in both Central and South America that was established in 1948. In that same year the government disbanded their military.

**13.8 Dollar Still a Value:** Although the US dollar has been highly devalued against the EURO, the dollar still goes a long way in Costa Rica compared to the high prices in Europe. A cup of coffee can cost \$10.00 at some places in Europe. Further housing costs, taxes and health care are much lower in Costa Rica.

**13.9 A safe place close to the US:** Compared to other places in the world, Costa Rica is a safe place that is close to the US. The people are gentle and love Americans and there is none of the violence that plagues many other parts of the world. There are no hurricanes, tornadoes, raging fire storms or water shortage in Costa Rica. With an average temperature of 76 degrees per year you will enjoy fresh organic fruit and vegetables that are grown 365 days years.

**13.10 An ideal Place to retire:** For many reasons Costa Rica is a favorite retirement location for the baby boomer's. Cost of living here about one fourth the price in the US. Taxes are a fraction of what they are in the US, health care costs is about one tenth, fresh fruits and vegetables are one fifth the cost, there are not hurricanes or tornadoes so insurance is inexpensive and with an average temperature of 76 degrees year round, many people do not need either air conditions or heating. Most importantly the people are warm and friendly and love the Americans. Many have called Costa Rica the last paradise on earth.

**13.11 No capital gains tax or bad lending practices in Costa Rica:** Costa Rica has no capital gains taxes on sales of property, stocks, bonds or interest income. There are no shady lending practices at the banks in Costa Rica like the ones that were responsible for the present problems in the US housing markets. The banks in Costa Rica do business like the banks in the US did years ago when they made homes loans and actually serviced those loans.

**13.12 Costa Rica’s real estate market is on the rise:** Because of all the above Costa Rica real estate market is on the rise. Second quarter results are in and tourism is up nearly 20 percent in 2008 from 2007. The King of Brunei recently announced plans to build a billion dollar resort on the West Coast of Costa Rica and nearly all the major resort chains are either currently building projects in Costa Rica or planning projects in the near future. People are flocking in from the US, Canada and Europe to buy property on the West Coast of Costa Rica to either live in or to put in a rental program or both.

**13.13 Astute investors realize that it just make good sense to invest in a country that has good**

fiscal and good management policies in place? A country has no capital gains taxes that will not tax your savings, dividends, or profits on the sale of stocks, bonds and real estate. A country where the banks with good lending practices keeping your money in either Dollars or Euro's.

## **14.0. Marketing Plan**

- **Web-based advertising:** We are employing a number of different web based techniques to drive traffic to our site, including high keyword rankings, search engine optimization and pay per click ads.
- **Print-based advertising:** Advertising campaigns will be launched in publications targeting the vacation home buyers, such as Robb Report Vacation Homes and Unique Homes magazines. All advertising will direct the audience to visit the Las Olas website or call a US-based toll-free number for further info.
- **Outdoor advertising:** Las Olas has the advantage of owning over a half-mile of highway frontage on one of the most heavily traveled tourist routes in the country. An effective signage directs “drive by” customers to the Las Olas sales office located at the project site, where they will be greeted by a professional sales staff.
- **Broker cooperation:** We have developed an attractive referral commission for local real estate brokers to actively participate in the Las Olas sale program.
- **Email Campaign:** However, the most effective way to market the project is by aggressively soliciting prospective buyers via direct contact. Towards that end we have installed our own call center. We have also implemented our own Email campaign to determine initial interest in buying property in Costa Rica. Once we receive an email back showing interest, our sales representatives then call them and presents the project to them. Currently we are selling about 5 lots per month from these efforts.

## **18. The Opportunity:**

**18.1** Normally it takes from one and a half to two years to get all of the final approvals from the various agencies. Initially you have to get a site plan prepared, get impact and environmental studies and a myriad of other things before you can even submit the application. The developer have done all of that and expect the environmental approval from SETENA within a few months, according to our environmental representative,

The property is paid for and there is no debt on the project. The hard up front work has been done on this project and is now being launched. Developers have put together a sales team headed up by Johnny Podesto, who has extensive experience and contacts, having working for Costa Developers for a number of years. Everything is in place for this project to take off and initial sales look very good.

**18.2** Costa Rica is where California was in the 1960's. There is not a site like Las Olas Beach Community anywhere in the US and there are very few sites like this in Costa Rica and none like it on the Central Pacific Gold Coast. Costa Rica is a country that is on the

rise and one of the best places for investments in the world, in fact the King of Brunei was here last year and is planning a billion dollar resort on the pacific coast.

**18.3 Baby boomers and others have an opportunity to buy lots at a low prices in a quality project and have their investment appreciate as the project is developed. The developers are committed to ensuring that Las Olas becomes one of the premier resort project in all of Costa Rica. Come join us in this great opportunity and an adventure.**

**Las Olas Beach Community is the place where people really want to live.**