



CONFIDENTIAL OFFERING MEMORANDUM

November 24, 2008

DISCLAIMER:

The information contained in this Confidential Offering Memorandum was provided by the owner of Palmas Pacifica and is believed to be accurate but is not guaranteed by Coldwell Banker Vesta Group Manuel Antonio.



Proposed Transaction

The Developer of Palmas Pacifica, an eco-friendly gated community, in Quepos, Costa Rica is offering for sale 28 hectares for \$2.3 million (\$8.12 per m2):

- Strategically located 2 miles outside of Quepos in a fast growing area due to its proximity to Quepos and the new 300 slip Pez Vela Marina, the airport and the hospital;
- The project is owned by one legal corporations with one legal representative;
- 50 Premium lots have been master planned including a sport and recreation center (852 m2 construction) with environmental study approved by the Ministerio Del Ambiente y Energia;
- Two building permits (approved and paid) for 250 m2 of construction each;
- Owner will grant an easement for the entrance off the main road.
- **POTENTIAL PROFIT OF APPROXIMATELY \$10,000,000.**
- **The Developer is also offering two other parcels for sale:**
 1. **Housing Parcel – Contains 3 houses and a 7 unit apartment building for \$750,000.**
 2. **Shopping Center Parcel – 291 m2 frontage with SETENA approval for 850 m2 construction for \$500,000.**

FOR MORE INFORMATION, CONTACT:

WILLIAM GRAY, BROKER
COLDWELL BANKER VESTA GROUP
MANUEL ANTONIO, COSTA RICA
Office (506) 2777-0890
USA Toll Free 1-800-969-7346
Cell (506) 8305-3182



Experience Life at its Peak. There's Costa Rica living - and then there's life on the mountaintop. At Palmas Pacifica you'll see the difference everywhere you look. Located on the Central Pacific Coast, Palmas Pacifica Building Lots is a private new project that let's you and your family enjoy the majestic beauty of the blue ocean and the lush rainforest while you experience an active, natural lifestyle.

Las Palmas Pacifica lots offer the uniquely breathtaking fusion of scenic mountain beauty and an active lifestyle. From championship surf tournaments, hiking, rafting/kayaking, canyoning, and golfing, bird watching or sport fishing, Quepos and Manuel Antonio offers something for everyone.



- 28 hectares planned for 30 homes, 80 condos with community pool, gym and tennis courts.
- Centrally located 2 miles from Quepos and the new Pez Vela 300 slip marina
- Close to the airport and the hospital.
- Over 23% of the development will remain green. Currently 46% green.







Richard Lemire
www.palmapacific.com
1-800-346 9724
richard@manuelantonioestates.com

ASSETS TO BE INCLUDED IN SALE AND PRICING

PURCHASE OF RESIDENTIAL AREA ONLY

<u>Property</u>	<u>Type</u>	<u>m2</u>	<u>Cost per m2</u>	<u>Current Price</u>	<u>Effective Basis in Lots</u>
Lot 3	Land	5,000	\$39.00	\$ 195,000	91,056
Lot 5 w/ Bldg permit 250 m2	Land	5,132	\$38.00	\$ 195,000	91,056
Lot 6	Land	5,194	\$35.62	\$ 185,000	86,386
Lot 8	Land	5,076	\$34.47	\$ 175,000	81,717
Lot 9	Land	5,006	\$34.96	\$ 175,000	81,717
Lot 10	Land	5,005	\$36.96	\$ 185,000	86,386
Lot 12 w/ Bldg permit 250 m2	Land	5,000	\$39.00	\$ 195,000	91,056
Lot 14	Land	6,492	\$30.04	\$ 195,000	91,056
Lot 15	Land	5,360	\$32.65	\$ 175,000	81,717
Lot 16	Land	6,133	\$28.54	\$ 175,000	81,717
Lot 17	Land	5,017	\$36.87	\$ 185,000	86,386
Lot 1 a	Land	5,000	\$45.00	\$ 225,000	105,065
Lot 2 a	Land	6,872	\$32.74	\$ 225,000	105,065
Lot 3 a	Land	5,178	\$43.45	\$ 225,000	105,065
Lot 4 a	Land	7,109	\$31.65	\$ 225,000	105,065
Lot 5 a	Land	5,073	\$48.29	\$ 245,000	114,404
Lot 6 a - Ocean view	Land	7,253	\$37.92	\$ 275,000	128,412
Lot 7 a - Ocean view	Land	10,766	\$26.47	\$ 285,000	133,082
Lot 8 a	Land	5,030	\$48.71	\$ 245,000	114,404
Lot 9 a	Land	5,005	\$34.97	\$ 175,000	81,717
Phase 2 and Sports Center with SETENA approval (850 m2)	Condos	25,000	\$40.00	\$1,000,000	466,954
Phase 3	Condos	25,000	\$32.00	\$800,000	373,563
Additional Development of Green area		50,000	\$20.00	\$1,000,000	466,954
Green Area and Roads	23.87%	67,643		\$0	
Total Retail Value		283,345		\$ 6,960,000	\$ 3,250,000
Infrastructure Cost Remaining				-\$ 1,000,000	
Discount				-\$ 3,710,000	53.30%
PRICE				\$ 2,300,000	
PRICE PER m2				\$8.12	

NOTE: The Effective Basis in the lots is the price of \$2,300,000 plus \$1,000,000 to complete the infrastructure (roads and underground utilities).

Profit Potential - From construction of 90 condos and sale of lots

	#	Per m2 \$	Meters	Value	Avg Per Condo
Condos					
Retail Sales					
75 m2 units	4	\$2,000	75	\$600,000	\$150,000
150 m2 units	4	\$2,000	150	\$1,200,000	\$300,000
300 m2 penthouse	1	\$2,200	300	<u>\$660,000</u>	\$660,000
Total Per Building				\$2,460,000	
Number of Buildings				<u>10</u>	
Total Retail Sales				\$24,600,000	
Retail Sales					
75 m2 units	4	\$1,200	75	\$360,000	\$90,000
150 m2 units	4	\$1,200	150	\$720,000	\$180,000
300 m2 penthouse	1	\$1,400	300	<u>\$420,000</u>	\$420,000
Total Per Building				\$1,500,000	
Number of Buildings				<u>10</u>	
Total Retail Sales				\$15,000,000	
Profit	90			\$9,600,000	\$106,667
Marketing and Selling expenses				-2,500,000	
Cost of Infrastructure				-1,000,000	
Discount on Property				\$ 3,710,000	
Total Profit Potential				\$9,810,000	

ASSUMPTIONS:

1. The condo units planned are 10 buildings that would have 4-75 m2 studios, 4-2 bd/ ba units at 150 m2 and a 300 m2 penthouse for a total of nine (9) condos per building. It is assumed that the construction would begin in Phase 2 of the site plan adjacent to the sports complex. Phase 3 would have condos at higher elevations and would like use Lots 6a and 9a.
2. The construction cost for the condos is assumed to be \$1,200 per m2 or \$111 per sf.
3. The sports center (pool, gym with equipment and tennis courts) are estimated to cost \$300,000.
4. The marketing and selling costs are approximately 10% of the retail selling price. Typically, local brokers are offered 3-4 % commission on this type of product.
5. The developer estimates that it will cost \$1million to complete the roads with concrete and provide underground utilities.

Green Area to Total Area

Residential	P-2017242-20 05	314,701
TOTAL LAND SIZE		314,701
Lot 1		5,040
Lot 2		5,121
Lot 3		5,000
Lot 4		5,000
Lot 5		5,132
Lot 6		5,194
Lot 7		5,004
Lot 8		5,076
Lot 9		5,006
Lot 10		5,005
Lot 11		5,050
Lot 12		5,000
Lot 14		6,492
Lot 15		5,360
Lot 16		6,133
Lot 17		5,017
Lot 18		6,133
Lot 1 a		5,000
Lot 2 a		6,872
Lot 3 a		5,178
Lot 4 a		7,109
Lot 5 a		5,073
Lot 6 a		7,253
Lot 7 a		10,766
Lot 8 a		5,030
TOTAL SINGLE FAMILY HOUSING		142,046
Phase 2 Condos / Sports center	Estimate	25,000
Phase 3 Condos	Estimate	25,000
Additional Green area development		50,000
TOTAL PLANNED DEVELOPMENT		242,046
ESTIMATED GREEN & ROAD AREA		72,655
ESTIMATED GREEN AND ROAD AREA %		23%



4 bd / 2 ba house, 2 bd / 2 ba house, 3 bd / 2 ba and 7 unit apartment building for \$750,000
Commercial land for shopping center, road frontage 291 m2 - \$500,000.



Large Property Overview



Home Under Construction (NOT INCLUDED IN SALE)



Building Lots

CONDO ARCHITECTURAL DESIGNS









COMPARABLES

LAND – Gated Communities Only. There are very few developments in the Quepos and Manuel Antonio area.

1. **Manuel Antonio Estates** – gated community in Manuel Antonio with several ocean view lots with the balance of the lots with mountain and valley views. High class area with quality lots, under ground utilities planned, roads have been cut and there is easy access for viewing. Lots are generally 5,000+ m2 and range in price from \$199,000 to \$299,000. There are approximately 19 lots for sale.
2. **Joya Pacifica** – gated community approximately 15 to 20 minutes outside of Quepos. Mostly Mountain View lots with a few ocean view lots. Prices range from \$82,500 to \$234,500 with the average lot in the low \$100,000. Lot sizes are generally 5,000+ m2. There are approximately 107 lots for sale based on the October 2008 inventory listing provided by Joya Pacifica.
3. **El Salto** – gated community in Manuel Antonio with mostly mountain and valley views. High class area with quality lots, above ground utilities, roads have been cut in and there is easy access. Lots are generally 5,000+ m2 and have asking prices (for resales, the project is sold out) in the \$300,000 range.

CONDOS – New Projects Only. There are very few condos in Manuel Antonio.

1. **Hacienda Pacifica** – This is a relatively small development outside of Quepos on the same road as Palmas Pacifica. There are 20 condos planned and 20 single family homes. The project is approximately 50% sold and construction is substantially completed. The single family homes have 2,100 sf and are priced starting at \$225,000, furnished (\$107 per sf). The condos have 1,600 sf and are priced starting at \$189,000, furnished (\$118 per sf). There is a small community pool planned and a retail shopping and office complex.
2. **Titi Condos** – This is a very small project in Manuel Antonio, not gated. The units have 550 sf and are priced at \$145,000 furnished (\$263 sf). There are three units for sale.
3. **Jade Windham Hotel** – This is a 200 unit hotel/condo which is has ocean and jungle views and is located on one of the highest points in Manuel Antonio. The units are hotel rooms, fully furnished and the project plans a restaurant, spa, large pool and a beach club. The unit prices start at \$200,000 for a 742 sf room (\$269 per sf).