

PACIFICA GOLF ASSOCIATES, LLC

Business plan

**Managua, Nicaragua
2005**

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BUSINESS PLAN

1. Overview

1.1 About this Document

This is not a solicitation for the sale of stock. That can only be accomplished through a direct inquiry for a subscription agreement from our Subscription Administrator, Georgetown Trust, Ltd. (Georgetown@btl.net) after a potential investor is “qualified” as an accredited investor. The information contained in this document is believed to be current and reliable. It has not been formally reviewed or approved by any governmental agency. The project team welcomes feedback, which can be communicated via email. All prices quoted in the prospectus are in US dollars unless otherwise noted.

1.2 Introduction

Thank you for your interest in Pacifica Golf Associates, Ltd. (PGA), Central America’s premier Golf Course and Beach Community. Investors with a clear understanding of history and a pioneering vision of the future, often achieve superior returns. But arriving early is not enough. A sound strategy is needed to ensure success. The right tools provide the resources for effective growth. And finally, a diverse team is required to execute the plan. PGA has assembled a winning team, with superb tools, and is fortunate to be in the right place at the right time with the resources necessary to execute the plan.

Demographic data points to a very large population of “baby boomers” in the U.S. that control unprecedented wealth. This group is just entering retirement and many will be retiring and building warm-weather second homes in Latin America. The growing demand for affordable beach and golf property and diverse vacation spots will by itself ensure the success of this project. Historically, Mexico and Costa Rica have attracted a large percentage of expatriate retirees. Belize recently became the latest Central American hot spot. What followed in these countries was an incredible escalation of the real estate values. Nicaragua is in the early stages of this growth cycle.

Golf Front property grows more valuable over time, if only for the passage of time. However, the strategy of PGA is to drive the land values higher, to accelerate and boost the profit potential exponentially by the addition of world-class amenities including a 250-room world class hotel, bars, restaurants, convention center, casino, retail shops, residential real estate sales and marina. People pay significantly more for access to infrastructure and these types of amenities. PGA will leverage the planned infrastructure and amenities to obtain the highest retail prices for the condo and villa sales.

The tool that allows this strategy to be effectively implemented is the Nicaraguan Tourism Tax Incentives Law #306. This law allows Nicaraguans to invest up to 70% of their income tax into a certified tourism project. Additionally, a mechanism commonly used in the United States, a “TIF” (Tax Incremental Financing), by which future tax revenues from the project can be utilized to pay a bond offering, will provide the means to construct the hotel and associated amenities. The utilization of these mechanisms provides the possibility of returns of 1500% to the initial investors.

From the beginning, Pacifica Golf Associates and Gran Pacifica have teamed up with exceptional partners to ensure the success of the project. Ernst & Young prepared a feasibility study for Gran Pacifica that confirms the demand for a resort of this nature in Nicaragua. Gran Pacifica's, Ron Zürcher, has designed and built 2 Marriott hotels in Costa Rica and a Four Seasons as well. Urban Design Associates, was hired by Disney to create the 8000 home Celebration community and also by Pinehurst to create the new golf course town linking the #9 and #10 courses.

Nicaragua was chosen as the location of this golf and beach community development because the country is in the very early stages of a rapid escalation in real estate valuations. The recent success of other residential real estate projects in Nicaragua, also on the Pacific Coast, points out how Nicaragua's stability and tax incentives are beginning to attract the "baby boomer" market. Appendix I provides links to various news articles over the past year highlighting Nicaragua as a tourism and investment hot spot.

The Marriott Los Suenos Beach and Golf Resort in Jaco Beach Costa Rica is an excellent example of what happens when you combine tax incentives, a major hotel, golf course and real estate development. Land pricing there is off the charts and a set of data is provided at the end of this document under Section III. Real Estate Price Analysis.

Investors who participate in Pacifica Golf Associates can expect to see returns similar to those made by other developers who pioneered the resort communities of Mexico, Costa Rica and Belize. While there are no guarantees of success, PGA is following a proven model that has produced an incredible return for investors.

1.3 Pacifica Golf Associates (PGA)

Pacifica Golf Associates, Ltd. will be a joint venture project with the Gran Pacifica Resort (GPR) which is the master developer of the Gran Pacifica Project located at the mouth of the San Diego River, Villa el Carmen, Nicaragua. Under the proposed joint venture agreement Gran Pacifica Resort and Pacifica Golf Associates will enter into a 50 / 50 Joint Venture with respect to golf course real estate sales revenues. All other golf related revenues will belong solely to Pacifica Golf Associates.

Tommy Haugen, President of T L Haugen Design, Inc. is president of PGA. His firm has sculpted 18 holes of superb resort golf on which 4 out of 18 holes play to, on, or away from the ocean for unparalleled ocean play in the region. There will be four sets of tees (plus seniors) and dark volcanic sand bunkers throughout. Golfers will enjoy grand vistas and the golf will offer a tremendous amount of variety and excitement. Additional plans are in the works for as much as 45 total holes as part of the Gran Pacifica Master plan including 9 more resort course holes and an additional 18 holes of championship golf.

Initially a total of almost 10,000 sq. ft. of public facilities associated with the course will be built "including" a pro shop, restaurant, locker rooms, pool and grill/pub. An exceptional practice facility with actual greens that can play as a short course and serve as the centerpiece of a state of the art Learning Center will be added once the demand exists.

1.4 Gran Pacifica Resort (Master Developer)

Gran Pacifica Resort (GPR) is debt free and owns with clear title over 3.5 miles (6 km) of beach frontage on the Pacific Coast of Nicaragua, 42 miles (67 km) west of the capital city of Managua. The property includes **2,276 acres** of rangeland with an average depth of 1.1 miles (1,800 m). To date over \$9M have been invested in land, architectural designs, permits, civil engineering work and infrastructure. In addition to the contribution of approximately 270 acres of the land, GPR will lend technical and administrative expertise and resources to PGA in the start up phase and provide the sales platform for condo and villa sales in the future.

1.5 Gran Pacifica Beach and Golf Resort (Hotel and golf operations)

Gran Pacifica Beach and Golf Resort (GPBGR) is the development company for the 250 room hotel and 27 holes of planned golf occupying approximately 270 acres of Gran Pacifica resort's 2276 acres. Pacifica Golf Associates (PGA) will fund the construction of the initial 18 holes of golf for Gran Pacifica Beach and Golf Resort and will have the exclusive rights to all golf course community development within the golf area set aside (no less than 20 acres) for development by Gran Pacifica Resort as well as a Management and Operating agreement for the golf course and club house. PGA will operate all aspects of the golf course. Owners of PGA will derive profits from the operations of the golf course, but more importantly, in the revenues generated through the sales of condos and villas on the 20+ acres set aside for real estate development.

An investment into Pacifica Golf Associates (PGA) is an investment into a joint venture project between PGA as golf course developer and golf course community developer along with the Gran Pacifica Resort as the overall master developer. Funds raised through the sale of shares in the PGA will be used for the construction of the first 18 holes of golf at Gran Pacifica and will provide seed funding for the golf course condominium and villa construction in phase two. In the second phase upon golf course completion, PGA will have the right to build golf front condos and villas on approximately 20 acres inside and adjoining the current golf course layout and have options for future development in additional areas of golf course development upon the successful completion of the initial golf course. You will become part of the development team which will profit from the retail sales of condos and villas on the golf course, as well as from one time and recurring golf course revenues. Based on a fully diluted share issue, the returns should exceed 5 times the investment amount over 7 years at the current shares prices of \$10.

However, there is the likely possibility that the TIF law will pass and become implemented between the first and second years of construction and that the remaining funds for the course will be secured through a bond mechanism drastically reducing PGA's capital requirements from investors. What this will mean for year-1 investors is that instead of diluting the ownership by several additional rounds of funding, ownership will be limited to approximately two fifths of the maximum number of shares to be issued. If this scenario occurs as expected, investors could see returns in excess of 1500% over the same 7 year period.

1.6 The Pacifica Golf Associates Team

The following individuals comprise the members of PGA's team.

- Mr. Tom Haugen, President
- Mr. Joel Nagel, Gran Pacifica's CFO

- Dr. Richard White, Gran Pacifica's Chairman of the Board
- Mr. Raymond Steeb, Gran Pacifica's VP of Development
- Mel Henninger, Gran Pacifica's VP of Finance
- Michael Cobb, Project Advisor

- **Urban Design Associates (UDA)**, landscape firm (Disney Celebration, Pinehurst)
- **Llansa Ingenieros, S.A.**, Nicaraguan infrastructure company provider
- **Pacifica Construction, S.A.**, (Gran Pacifica builder)
- **TL Haugen Design, Inc.**, golf course design and construction company
- **Hydrologic Irrigation, Inc.**, golf course irrigation design and consulting
- **D Haugen Construction and Irrigation**, specialists in irrigation installation

1.7 Gran Pacifica Resort as Master Developer and joint venture partner

Investment to date: over \$9M.

- Feasibility Study and Addendum (Ernst & Young)
- Tax exemptions approval by the Nicaraguan Institute of Tourism (INTUR)
- \$10M in CCF's approved in INTUR contract
- Environmental approval by the Ministry of Natural Resources (MARENA)
- Master planning by UDA phase 1 and 2 complete
- Bridge crossing the river at property's entrance
- 2 kilometer Boulevard from bridge to hotel site constructed
- 11km public road upgraded to all weather access
- Phase 1 lot infrastructure under construction (Current update on web)
- Nursery with more than 45 species and 6,500 plants
- Landscaping for phase one lots in process
- 23 KM 3-phase power line to property complete
- Two 100+ gpm water wells on property
- 1-meter topography of 2276 acres
- Schematic 40% complete by Zürcher Architects
- Golf Course design and survey complete by Tom Haugen
- Civil engineering phase I complete (55 acres)
- 73 home site sold with construction requirement within two years
- Storm sewers and storm water management complete
- Sewer system and treatment (completion Nov 2005)
- Freshwater system and treatment system (completion Nov 2005)
- Fire hydrants (completion Nov 2005)
- Cobblestone street surfaces (completion Nov 2005)
- Clay brick sidewalks (completion Nov 2005)
- Streetlights (completion Dec 2005)
- Fiber Optic telecom and TV to homes (completion Dec 2005)

2. The Investment

2.1 Pacifica Golf Associates PGA

Pacifica Golf Associates (PGA) will be led by Tommy Haugen, Golf Course Architect, creator of such well known courses at Stonebrooke Golf Club, Siran Glen Golf Club, Pine Island and the Preserve at Stonebrooke. His firm, T.L. Haugen Design will take the responsibility to construct the first 18 of 27 holes designed and surveyed to date. The cost of construction, including a basic clubhouse, maintenance equipment, carts and everything needed to have a fully functioning 18 hole course is \$5,203,000 using today's cost for materials. The build out will occur over 3 years, but could happen in 18 months if funding timelines and the construction schedule exceed expectations.

A total of 500,001 shares will be authorized. Gran Pacifica Resort, S.A., will not be a shareholder in PGA but under a separate joint venture agreement will be entitled to 50% of the net profit from all real estate sales within PGA's project. Additionally, Gran Pacifica will have no interest in the operating income of the golf course. Pacifica Golf Associates, LLC will serve as developer and project manager of the overall golf course development under a thirty year lease and operating agreement and will be contractually enabled to deliver fee simple title to purchasers of the golf course villas and condos. PGA will be entitled to a minimum of 100,001 shares of stock (20%) plus a pro rata stake with all investors in any unissued shares in the company that are authorized by the company but not sold. PGA's interest in the equity of the golf course development, therefore will range between 20% and 100% (most likely 33 to 51%) subject only to Gran Pacifica's equitable interest in the net real estate sales.

The first 100,000 shares will be offered to investors at an initial price of \$10.00 per share. They will be offered until January when dirt work will commence. A maximum of 100,000 shares will be offered at this price.

After ground breaking, the price will move to \$15.00 per share. The balance of any remaining shares in the initial 100,000 shares plus a maximum of 100,000 additional shares will be sold at \$15.00 per share until they are either sold out, or until the rough land work and ponding is complete.

At that point, the next 100,000 shares will be sold at \$20 per share until sold out or irrigation and stage II work is complete. Once irrigation is complete and "grow-in" begins, the share price will be \$25 per share.

Up to 100,000 shares will be sold for \$25 per share through completion of the greens and tees, clubhouse and equipment build out. Although up to 400,000 shares will be issued for sale, Pacifica Golf Associates reserves the right to authorize and issue additional shares to complete any fundraising needs, should it become necessary. Existing shareholders will be entitled to first rights of refusal on any additionally authorized shares over and above 500,001 as an anti-dilution prevention mechanism.

Pacifica Golf Associates will receive no less than 20 acres out of the existing 270 acres surveyed for golf. Areas along the driving range and around the clubhouse will be made available to PGA for the construction of up to 580 golf condos and villas.

T.L. Haugen Design will begin construction of the golf course in the dry season of 2006 with gross dirt moving and construction of a dam on the San Diego River for a water reservoir. 2007 dry season will be dedicated to irrigation and final dirt work. Final work will commence in 2008

with final grading and grassing of greens, tees, fairways, and roughs, along with the construction of a clubhouse and purchasing required carts and maintenance equipment.

2.2 Sales and return projections

Urban Design Associates (UDA) has specified a condo density of up to 29 units per acre in most parts of Gran Pacifica. The golf course areas are currently part of this density definition. One limiting factor for density in most areas is the need for green/open space, but being integrated into golf course will provide the green space needed for an open and park like setting with possibly an even greater densities of units. It is therefore possible to build 580 golf course condos inside the already defined golf course property, possibly more, with a variance from the existing density definitions.

Gran Pacifica Resorts (GPR) has specified certain minimum standards associated with all construction at Gran Pacifica. In addition Urban Design Associates has mandated a minimum set of architectural elements that are required. The UDA master plan and Architectural guidelines can be downloaded from the www.granpacificacom website. When both are taken into account, the bottom line construction cost at Gran Pacifica Resort is between \$65 and \$70 per foot at today's construction costs.

For example purposes, a 1300 sq ft two bedroom produces a construction cost of \$91,000. If we observe the current market in Nicaragua see Section III Real Estate Price Analysis. A sales price of \$195,000 is below market. The gross profit in this transaction is \$85,000 after payment of commissions and sales costs. Given the nature of the Gran Pacifica's infrastructure and close proximity to Managua, it is a reasonable expectation that prices will exceed that of the current market, but for example purposes we will use numbers that are lower than current market prices and the 1300 sq ft example as an average of all units to be built.

If we assume a profit of \$85,000 per condo, a very conservative number, we have a gross profit potential of \$49,300,000 for the sale of the golf condos and villas and a net of approximately \$37,000,000. Half of this net profit would accrue to Gran Pacifica under the joint venture agreement for the golf course land as well as the developable land. Approximately \$18,500,000 or \$37 per share at full dilution.

At full dilution of 500,001 shares, the Earnings Per Share (EPS) is \$37 per share or 3.7 times the initial investment of \$10.00 per share. In addition to the real estate projections, we project the following other sources of one time revenues as well as on-going revenues:

- a) non equity memberships in the golf course will be sold at various levels ranging from individual memberships, family memberships and corporate memberships. PGA projects that there will be a total of 400 memberships at an average price of \$15,000 (ranging from initial individual memberships of \$10,000, family memberships up to \$15,000 up to corporate memberships of \$100,000. Estimated one time revenues \$6,000,000
- b) all lot, villa and condo owners will pay a one time fee of \$2500 as a real estate surcharge which will go to reimburse PGA for the construction expenses of the golf course and clubhouse amenities. In phases one, two and three the total number of all units subject to this amount is approximately 1200 units (excluding PGA units). Estimated one time revenue \$3,000,000.

- c) All lot, villa and condo owners which have direct golf course frontage will pay an additional one time fee of \$7,500 to reimburse PGA for the cost of golf course construction and club house amenities. In phases one, two and three the total number of all units subject to this fee will be approximately three hundred units. Estimated one time revenue \$2,250,000.
- d) All lot, villa and condo owners in phases one, two and three will pay a monthly fee to support the club house facilities of \$20 per month as part of their condo owner or association owner dues. Amounts will eventually exceed \$24,000 per month and are estimated to begin in January 2006 at \$2,000 per month. Overall, the initial funds received prior to the opening of the golf course and club house are estimated to be approximately \$200,000 which will be used largely for staff training and salaries which are incurred prior to the commencement of operations.

If we exclude item (d) from the equation as largely a source of operational income to make the club house break even or earn a small profit, we are left with a total \$11,250,000 in one time revenues or more than double the costs of the course.

These revenues will accrue solely to the shareholders in PGA and will not be subject to the profit sharing formulae that the real estate sales are subject to with regard to Gran Pacifica. On a fully diluted bases, this equates to approximately \$23 per share. When coupled with the real estate sales this combined revenue equals \$60 per share which is six times the initial investors' investment, more than four times the average investors' investment and more than twice the last investors' investment on a per share bases.

However, there is a scenario in which year one investors could see up to 1500% return on their investment. If PGA in conjunction with **Gran Pacifica Beach & Golf Resort (GPBGR)** is able to secure financing for the golf course through the tax mechanisms described later in this document, the total number of shares outstanding will be reduced substantially, thereby producing an even greater return for early investors.

For example, if Gran Pacifica Beach and Golf Resort is successful in obtaining the funding through the TIF mechanism after the second year and 200,000 are issued at that point, then the Earnings Per Share are approximately \$150.00 per share (up to fifteen times return for the earliest shareholders). If TIF passes and funding is complete after two years when 300,000 shares have been issued, the EPS would be approximately \$100.00 per share (or seven to ten times return depending on the price of entry).

Additional project qualities supporting rapid sales and revenue projections:

- a. Title insurance is available in Nicaragua from U.S. based First American Title.
- b. Gran Pacifica Resort will offer financing for buyers, thereby broadening the pool of qualified prospects for lot ownership. Unique in Central America
- c. Inexpensive home construction costs make a home affordable to many.

2.3 Comparables and existing sales data

In order to establish the value (sales price) of real estate, appraisers rely heavily on recent sales of comparable properties (“comps”). In order to be valid, a comp must be a similar property in the same marketing area and have been sold recently, generally within one year of the appraisal. Various adjustments are made to the comp property sales price, to account for significant characteristic differences, in order to arrive at the appraised value of the subject property. This document presents a similar approach as the best available method of projecting Gran Pacifica Resort’s residential real estate revenues.

An excellent comparable is a very successful golf condo project in the southern part of Nicaragua. It was developed during 2003 – 2004 and they expect to have 7 of the first 9 holes playable by January 2006. It is on the Nicaraguan Pacific Coast near Rivas, less than 80 miles south of the Gran Pacifica Resorts (GPR) project site. The initial build out contains 30 condos, 14 of which are sold as of September 2005. These condos overlook the golf course and are approx ½ mile from the ocean and offer no direct views. PGA’s condo and villa site will be slightly closer to the ocean, but will not offer any guaranteed views. Presales of the condos have been strong selling out of one building almost immediately at prices of \$159,000 for a 2 bedroom unit. This equates to a square foot price of \$150 per foot.

Depending on the types of finishes, the construction cost for common wall condos is between \$65 and \$70 per foot. A sales price of \$150 per foot is already established in the market and with the addition of a hotel and the residential community, it is not unreasonable to expect sales prices in the \$170 - \$190 per foot range.

There is no guarantee that any or all condos and villas will be sold within any given time period, but management anticipates that sales will be brisk. The target market for the units is very broad, including North Americans and Europeans, who have been increasingly investing in other Central American countries, Managuan business commuters, and the Salvadorans, Guatemalans and Panamanians who are currently active in Nicaragua.

Additionally, having a major international hotel chain as the anchor of the project does much more than give a “Good Housekeeping” seal of approval. It ensures the constant flow of 200-500 new prospects per week for residential lot sales. Residential sales around major international hotel anchors have been brisk throughout Central America. It is likely that this trend will continue.

Beach front property in Costa Rica, Belize, Mexico and the Caribbean islands off Honduras and Panama all command higher sales prices than the projected in the PGA business plan. Additionally, title insurance is available in Nicaragua from U.S. based First American Title. Giving buyers another level of comfort in making their purchase. Financing will be offered through local banks and other financial institutions in the region. In general, foreigners purchasing real estate in Central America are unable to obtain financing from local sources. Gran Pacifica Resorts will be able to offer affordable financing options for buyers, thereby broadening the pool of qualified prospects for lot ownership.

2.4 Enhancement data New Urbanism

New Urbanism is a philosophy of land planning that has taken root in the US over the last 20 years. Its concepts are simple. Build communities that are human scale, pedestrian friendly, and

create a sense of community by design. The most famous of these is Seaside near Destin Florida. It was started in 1980 and has exceeded any possible imagined success. A home in Seaside and neighboring Watercolors routinely resale for 5-8 times the home price of properties just a few miles down the road with comparable access and view attributes.

Gran Pacifica hired Urban Design Associates (UDA) to be the master planner of the resort community because their design produces high desirability and consumer value. Add the golf frontage and the returns are spectacular. The client list of UDA is second to none. Walt Disney hired UDA to lay out their award winning neighborhood, Celebration, just outside Orlando Florida. Pinehurst brought them in them to create the new town that links the #9 and #10 courses. At Watercolors, in the panhandle of Florida, home sites far off the ocean command incredible premiums because of the nature of the community that their design delivers. One would be lucky to be on a golf course by the sea in Florida for under \$400,000

While it is impossible to predict the future, using data of land sales currently at developments in Nicaragua, one can see that the expected returns are within reason. Add the known quantity of Urban Design Associates, and you further enhance the return potential. The addition of a major hotel and associated amenities, makes predicting real estate valuations enjoyably difficult.

2.5 Payout Mechanism

Payouts from Pacifica Golf Associates will commence once sufficient units are constructed and sold as to support the ongoing building process. We expect strong presales of units, especially with the golf course under construction. When completed, presales will fund all construction as it is at other projects throughout the region

The payout mechanism is very simple. PGA expects to pay out 70% of its net profits, retaining 30% for any contingencies. The balance of the remaining profits will be paid once the build out of the development is complete.

Interested parties should visit any of the numerous real estate websites for Nicaraguan properties. The returns are based in constant dollars and take no account of the projected increase in value of the real estate as the Nicaraguan market gains favor in the international arena.

2.6 Funding mechanisms

Nicaragua's Tourism Tax Incentives Law #306 is the reason this Gran Pacifica's project is viable and holds the key to why PGA shareholders can expect an exceptional return. In an effort to stimulate the development of tourist infrastructure, Nicaragua is encouraging citizens and business to invest up to 70% of their annual income tax liability into a certified tourism project in lieu of paying those taxes. This approach is similar to one implemented by Costa Rica with outstanding success.

In most cases a developer must fund the construction of infrastructure and amenities himself to develop and sell his land. In the case of Gran Pacifica Resorts (GPR), a proposed funding mechanism from the Law #306 and TIF could be used to complete the construction of the hotel, golf, and infrastructure through a separate company, Gran Pacifica Beach and Golf Resort. PGA is coming under the umbrella of Gran Pacifica Beach and Golf Resort and at the moment any

outstanding balances of the cost of construction of the golf course can be taken over by GPBGR using the tax incentives, it will. This accomplishes or will accomplish two goals. First speeding up the development process, and reducing the number of outstanding shares on PGA creating a higher EPS for investors. If the TIF and Law #306 financing are used after the first year, only 200,000 shares of PGA will be issued and the resulting Earnings Per Share on a \$10 investment could exceed \$150.00

Gran Pacifica Beach and Golf Resort (GPBGR) will make a \$30,000,000 Bond offering on the Nicaraguan stock exchange that will utilize the TIF mechanism and the Nicaraguan Tourism Tax Incentive Law #306 to fund the initial development of the hotel, golf course and associated infrastructure. Approximately, five million dollars from this bond offering is designated to the golf course construction costs. An additional \$10 million will be raised through continued private placements including those from the largest Nicaraguan taxpayers utilizing the Law #306. GPBGR will obtain the last \$7 million by utilizing low interest and subsidized loans for the project through IDB (International Development Bank) and CABEI (Central American Bank for Economic Integration) or through additional equity placements.

The project will be built in phases, creating initial recognition through the 250 room, 5-star resort, casino and 27 holes of golf. PGA is committing to build at least 18 of the 27 holes until other financing mechanisms become available. Additional infrastructure, including a marina, will commence in a later phase. By first putting in place the resort and basic infrastructure, the ability of PGA to develop and sell golf condos and villas is enhanced.

3. PGA Golf Site Location and Characteristics

3.1 The course

The Pacifica Golf Associates site is largely composed of flat terrain. Much of it is low bush and former pastureland. The absence of stands of high, dense jungle or swampy lowlands create lower cost of development than would be required in many areas of Central America. There are magnificent bays and coastal flats for exceptional golf play. Fully 4 out of 18 holes will play to, on or away from the ocean, making Gran Pacifica's golf course one of the most memorable in all of Central America.

Each of the 2 nine-hole layouts will be very different. The Emerald 9 plays through smaller trees and along waterways and ponds before proceeding to spectacular ocean vistas and a green formed from the beach. It then travels along the coast before embarking on a route through large stands of trees flanked by water and then returning to the clubhouse.

The Ruby 9 winds its way through mature trees and open areas going away from the ocean for the first few holes. It then travels along the San Diego River for some spectacular holes and allowing for golf decisions to be made on some very interesting holes. The clubhouse bound holes then add a little water to the excitement. This could be the most demanding 9 holes due to the length, shot making requirements, and variety.

This is real golf for real golfers. All of these courses will require you to play your appropriate set of tees. The courses will be fitted with salt tolerant grasses where needed and maintained at upper end country club levels. T L Haugen Design believes maintenance is as vital as good

design. Solid, well maintained golf holes with great variety and views will make the resort course at Gran Pacifica fun and exciting. If you love golf you'll want to play these courses over and over!

<> Card of PLAY Emerald - 9

Hole	Par	Tees - Yards	Diablo	Maestro	Hombre	Rosa
1	4		425	395	365	250
2	4		460	425	405	355
3	5		565	515	475	415
4	3		235	250	170	120
5	4		435	415	385	260
6	4		420	410	385	310
7	3		205	190	175	140
8	5		580	540	505	420
9	4		380	360	330	276
	36		3705	3455	3205	2540

<> Card of PLAY Ruby – 9

Hole	Par	Tees - Yards	Diablo	Maestro	Hombre	Rosa
1	4		430	390	360	315
2	3		240	205	170	105
3	5		555	535	495	410
4	4		420	400	335	265
5	3		200	190	180	120
6	5		585	555	505	420
7	3		210	180	160	100
8	4		445	410	315	300
9	4		465	440	405	330
	35		3550	3305	2980	2365

3.2 Club house

At the cornerstone of these world-class amenities will be an exquisite clubhouse, practice facility, a fitness spa and pool complex, and tennis facility. The idea is to capture the essence of the country club of yesteryears- a gathering place, a place to recreate with friends, a place to stop off and stop by used by the residents and their guests. The initial clubhouse will be to service the golfer. Other amenities are planned and will be added as population and visitors increase.

The clubhouse at Gran Pacifica will probably be accomplished in two phases. The first phase will consist of two separate buildings each of approximately 3000 to 3600 square (330 square meters). One of these building will house an eating facility catering to the golfer with golfer type fare, such as cold sandwiches, hot breakfast and grilled short order items – burgers, chicken, steak sandwich, etc. It will have a kitchen for this type of fare and inside air conditioned eating for 50 people. There will also be a deck and veranda outside with seating for 75 – 100. Also in this building is a full service bar with liquor and beer, and a small amount of seating at the bar. The remainder of this area is used for the women’s locker room, men’s and women’s restrooms, and a storage area.

The second building will supply space for mainly the pro shop and the men’s locker room. The pro shop will be full service with resort wear and golf wear for men and women, shoes, clubs, balls, gloves and accessories. Tee times will be scheduled from here, with guest fees, club rental, golf cart rental, and most operations originating from the pro shop. There will be a small office in this area as well as storage and room for utilities.

The building will be constructed of concrete or concrete block with stucco on the outside. The construction will be of sufficient strength to add another story nearly covering both buildings and the area between the two in Phase II. At this time however, they will be attractively landscaped, painted and trimmed; and should be very pleasing to the surroundings as well as functional.

3.3 Membership and Fees

Golf (Full) Membership includes membership to all facilities, pool, tennis courts, social. This is an initiation fee, initially only single memberships will be sold totaling 400. The first 100 memberships will be \$10,000 each before ground breaking of golf course and/or Board action. The second 100 memberships will be \$15,000 each before completion of Phase I construction and / or Board action. The third 100 memberships will be \$20,000 before completion of Phase II construction and/or Board action. The fourth 100 memberships will be \$30,000 before completion of the golf course and/or Board action. These memberships are non equity memberships.

There will be a total of 300,000 shares offered for Investment Membership. The first offer is \$15,000 and includes full membership for 1 person at 50% off plus \$10,000 stock equity investment in the golf course condo development, reflecting a \$10 per share price. The second offer is a stock equity investment of up to 100,000 shares at a \$20 per share price. The third offer is a stock equity investment of up to 100,000 shares at a \$30 per share price. Additional shares may be offered at the discretion of the Board.

Projected Green Fees for Guests or non-members for usage are based on two separate seasons.

High Season		Low Season	
December 1 – April 15		April 16 – November 30	
Prime time w/cart	\$120	Prime time w/cart	\$75
Off prime w/cart	\$90	Off prime w/cart	\$75
Guest of member	\$75	Guest of member	\$50
Twilight play	\$75		

Member carts are \$15 per rider

Trail Fees are ½ of total cart fee

Additional fees may be charged for lockers, club cleaning and storage, health club fees, etc. as determined by the Board of Directors.

3.4 Climate and access

The site is located on the Pacific lowlands, the driest part of the country. There is a low incidence of mosquitoes and other insects compared with the Caribbean tropics. The climate consists of two seasons. A relatively dry, warmer summer extending from December through May is followed by a slightly cooler, cloudier winter season from June to about November. Typically the only period of long, heavy rains is from mid September to mid November. When the temperatures in the United States rise to the 90s and 100s during the day in the summer, the temperature at the project site will typically be in the 80s and low 90's. The generally favorable weather and constant warm water contribute to a possible year-round tourist season.

Foreign travelers will access the site via Managua's recently upgraded airport, Aeropuerto Internacional (MGA). From the United States nonstop flights on American and Continental exist from Miami and Houston; there is convenient service from San Francisco and Los Angeles on TACA through El Salvador. The project site is an average drive of about one hour from Managua's airport via resort shuttle once the last 6 miles of the access road from the main road to the hotel site on the beach are paved. A 5000 foot private, jet-capable airstrip exists about 12 miles from the site. Management is working on access to this airstrip by Gran Pacifica patrons.

4. Project Capitalization

There are 2 possible components and scenarios to the capitalization requirements. Pacifica Golf Associates (PGA) as a condo and villa development company will fund the construction of 18 holes of the Gran Pacifica Beach and Golf Resort golf course. In return it will receive 270 acres of which approximately 20 will be available for non golf course real estate development. This document functions as the business plan for the PGA portion of the project only. The explanation below is cited to provide an understanding of how the Nicaraguan Tax Law #306 and TIF will provide the mechanism to fund the development of the hotel building, roads, power, communications and water treatment infrastructure. This funding will occur outside the PGA company and PGA shareholders will not be diluted and may actually benefit from this alternate financing source as described above.

Gran Pacifica Beach and Golf Resort (GPBGR) will raise \$45,000,000 to complete the construction of the hotel and associated infrastructure. If the mechanism is in place in time to complete the funding of the golf course, the dilution of PGA shares issued to third parties will be reduced producing a greater return per share for investors and for GPBGR. An explanation of the Nicaraguan Tax law as the mechanism is therefore included here.

Gran Pacifica Beach and Golf Resort (GPBGR) received its Law #306 certification April 2, 2003 allowing it to begin raising money through the tax credit mechanism (CCF's). Funding inside the Law #306 mechanism for the construction of the hotel, golf course and associated infrastructure will come from Nicaraguan business and citizens. This Nicaraguan capital source

has materialized from a law passed in April 2000 with implementing regulations in early 2001. The law supports tourism development through the use of tax credits. As a result of the law, Nicaraguan business taxpayers can now receive credits for dollars invested in approved tourist projects to offset up to 70% of their business tax liability, dollar for dollar. Gran Pacifica is permitted to raise \$10M over the construction period by the use of CCF's.

A key part of the project's overall capitalization strategy is to be the first major resort out of the gates and convince strategic Nicaraguan partners that Gran Pacifica Beach and Golf Resort (GPBGR) is the best project to invest their tax credits. Nicaraguan business enterprises will take an active minority position in the ownership of the resort rather than pay additional tax dollars. By attracting a number of strategic Nicaraguan partners such as financial institutions, suppliers, and physical infrastructure businesses, an attitude whereby GPBGR is "their" resort will be fostered. Through aggressively courting these relationships, GPBGR will become the favored vehicle for tourism project tax credit investments and the barriers to entry for other projects trying to duplicate this effort will be extremely high.

Once they have made a "tax investment" of any size into the project, Nicaraguan businessmen will have a vested interest in the financial success of GPBGR. Their interest and commitment towards the Grand Pacifica Beach and Golf Resort should become a self-fulfilling prophecy as their use of the resort ultimately drives the non-tourist revenue model.

5. Tax Incremental Financing (TIF)

The Tax Incremental Financing (TIF) is very similar to those used in the United States for stadium and redevelopment authorities needing to raise money now for a project that will create new and "incremental" taxes in the future. That tax stream is what is used to pay a bond created in the present to fund the construction of the project.

Tax increment financing is an attractive mechanism to fund Tourist Development Projects because it utilizes the increased tax revenue derived from the operations of a specific project to fund the creation of the project itself, that is, the very same project that will generate the increased taxes. The Central Government of Nicaragua understands the significant secondary and tertiary benefits that Nicaragua will enjoy thanks to new tourist developments. Furthermore, government officials and policy makers understand that these tax revenues will not exist except by the fact of these new projects. As a result, temporarily foregoing revenues generated by these projects is a logical and desirous initiative. This type of funding will make it possible to go forward with new tourist developments, highly beneficial projects for our country that otherwise would not be built.

New tourist development projects are in the public interest because they will:

1. Result in increased employment
2. Result in the enhancement of the tax base
3. Create an economically charged region with associated development benefits

Tax increment financing captures the increase in tax revenue from General Ad-Valorem Tax (IVA), Income Tax, and Property Transfer Tax created by developing a new tourist development project and then uses that increase to assist in paying for the development project itself.

Projected increases in General Ad-Valorem Tax (IVA) and Income Tax are to be used to assist in paying for the development cost of the new tourist development. A brief description of each of these taxes follows:

5.1 The General Ad-Valorem Tax (IVA):

The General Ad-Valorem Tax (IVA) is a national tax administered by the DGI (the equivalent to the US Internal Revenue Office). This tax is applied in the following cases:

1. Imports
2. Transfer of goods (e.g., raw materials, finished or partly finished merchandise, sales or donations).
3. Services (such as construction, utilities, professional and personal services).
4. Rented goods or assets.

5.1.1 Taxpayers

Individuals or corporations that perform any of the above are subject to IVA taxes.

5.1.2 Tax Rate

The tax rate is 15%.

5.2 Principal Exemptions:

1. Non-processed agricultural products (fruits, vegetables, and grains) produced in Nicaragua.
2. Certain services (public schools, transportation of passengers, medical and laboratory services).
3. Produce, live animals, and non-processed raw meat.
4. Transfer of real estate property and stocks.
5. Financial institutions and other institutions that provide financial instruments such as credit card services, life insurance and insurance covering agricultural risks.

5.3 Income Tax:

5.3.1 Returns

All individuals and companies whose annual gross income exceeds C\$50,000 (\$3,000) must file tax returns.

5.3.2 Payment of Tax

Salaries are subject to income tax withholdings according to the applicable tax rate.

5.3.3 Tax Rates and Computation

The tax rates are graduated, ranging from 10% to 25%.

5.4 The Mechanism behind Tax Increment Financing

Tax increment financing is possible because the tourist development project will create a new tax base. Taxes collected from this new tax basis will be deposited in a special fund—a fund managed by a company acting in trust for the benefit of the bondholders (from now on to be

referred as the “The Bond Issuer”—in order to pay off the financing bonds that will be sold in the market.

Importantly, revenues from the sale of the bonds will fund part or all of the costs of the tourist development for which those bonds are issued, whereas all tax increments derived from the operations of a new project will be used exclusively to pay off the bonds issued to finance that project in particular, until they are paid off.

5.6 Issuing Tax Increment Financing Bonds or Notes

There are substantial up-front development costs related to a new tourist development and the bond issuer will need to issue tax increment financing bonds or notes in order to help finance the project. The obligations will provide money up front to pay for part or all of the project’s costs. The obligations will then be paid back by the tax increment over a period of up to twenty (20) years.

Tax increment financing bonds and notes are considered tax-exempt by the Government of Nicaragua. Tax increment financing bonds and notes will not be secured by the full faith and credit of the Government of Nicaragua and will be payable solely from the tax increment generated by the new tourist development.

The increment will be used to make payments to holders of the TIF bonds issued by bond issuer for the tourist development project. Any excess increment will be used to pay off bond principle. The bond issued should be structure as a supersinker bond which allows for prepayment which can be paid down in advance as revenues are available and thereby reduces overall interest payments. After all TIF bond principle and interest obligations are met, all tax revenues will revert back to the levying bodies.

The following steps must be taken for a Tax Increment Financing System to Operate:

The Bond Issuer will be responsible for issuing TIF style bonds, overseeing the disbursements to the tourist development project, collecting TIF revenues from the project and making principle and interest payments to the TIF bondholders.

The Bond Issuer will create a tax increment-financing fund as a separate fund into which all tax increment revenues and any other revenues derived from the project shall be deposited. It must be reiterated that the tax increment shall only be used for repayment of bonds issued for the tourist development project to which the funds relate and that at no time it can be used for other purposes.

The Bond Issuer will have to implement a process that defines how any excess increment that accrues in the TIF fund to reduce bond principle is allocated.

GPBGR and the Government of Nicaragua are working together to create a mechanism that will both issue the bonds and then receive the tax revenues for distribution to the bondholders. Bonds will be issued for sale in Nicaragua, but also throughout the Central American region.

6. Project Tax Advantages

The project is also exempt from the US Internal Revenue Service's Controlled Foreign Corporation rules. As such, it affords the U.S. investors some potential tax advantages related to tax deferral on investment returns. For more details consult your tax adviser.

7. Hotel

Even though Nicaragua is one of the poorest countries in the western hemisphere as measured by GNP per person, the better hotels in Managua are able to sustain a relatively high room rate charge. International travelers and a fast emerging middle class in Central America support this level of revenue. More than 70 percent of Nicaragua's population, and the majority of its major tourist destinations, are located within a 2-hour drive of the project site.

Ernst and Young was retained to complete an economic feasibility study to examine the prospects for a 5 star hotel and golf resort on the property. The report verifies the demand for the rooms and projects a 55% occupancy in the first year. Details of this report are available upon request with the signing of a confidentiality agreement.

GPR has since signed agreements with a major international hotel corporation to operate the hotel once construction is completed. The resort will include a 250 room, 5 star hotel, 18,000 square foot convention center, casino, pools, tennis courts, spa facilities, retail and food concessions, and 27 hole golf course and clubhouse.

Management expects Grand Pacifica to compete very well in this environment, because the Grand Pacifica guest will be able to:

- Be shuttled to the resort's serene beach location from the Managua airport in 1 hour.
- Avail himself of the highest quality and selection of recreational facilities in the region, including the finest golf course between Mexico and Panama.
- Lodge and dine at a high level of service.
- Commute 45 min. 1 way to Managua for business or shopping via frequent resort shuttle
- Take day trips to practically all of Nicaragua's many tourist destinations via resort sponsored tours.
- Rent a car at the resort and drive to Costa Rica and back in one day via the Pan American Highway.

8. Risk Factors

The major risk factors of the project:

- The relative uniqueness of the project employs an untested (in Central America) business model.

- Threats to cash flow posed by natural disasters, a world-wide recession, work stoppages, or other factors that would effect the success of a similar project in any location
- Future unforeseen political or social instability that reduces the attractiveness of Nicaragua as a tourist destination
- Future competition
- There is currently no active market for the securities issued by this offering; the equity investor should be prepared to hold the investment and receive a return through dividend payments.

There is no opportunity for the investor to bring any legal proceedings against the company, except through binding arbitration proceedings in Belize; the choice of law and arbitration is specifically agreed to by the subscriber upon executing the Subscription Agreement.

Caribbean hurricanes are rare in Nicaragua. Pacific hurricanes are born farther north off the coast of Mexico and generally travel to the west and north, away from Nicaragua. Hurricane Mitch, a Caribbean hurricane, blew through Nicaragua in November of 1998, killing thousands of people and destroying homes and infrastructure in the northern and central regions of the country. The damage resulted largely from flooding and mudslides. If the Gran Pacifica Resorts project had been completed prior to the hurricane, no major damage would likely have occurred to any of the structures, assuming adequate drainage facilities were in place.

Occasional earthquakes threaten Nicaragua, however modern construction techniques greatly reduce the damage and injury threat that they pose. Additionally, The Gran Pacifica Resorts project is not on a fault line.

Management intends to mitigate and insure against risks to the extent possible, but there will always be some exposure to natural, economic and political risks.

9. Forward-looking Return Projections

The project is seeking to raise \$5,203,000 over the next 3 years to complete the 1st 18 of 27 holes of golf for Gran Pacifica Beach and Golf Resort. The share price is set by the Board of Directors to limit dilution as additional risk reducing milestones are achieved. Those investors who enter during the start up phase will own at \$10 per share while those waiting until the final year will pay as much as \$30. Investors who enter at higher stock price levels will have lower rates of return, of course, for each dollar increase in the stock price. The completion of the funding through the TIF mechanism will reduce the number of shares sold and produce a higher earning per share for existing shareholders. The initial investment phase ends as soon as we have completed fundraising for the initial 18 holes by sale of shares or through the TIF or Law #306 mechanism.

In addition to TIF, there are lot “surtaxes” and membership fees as outlined in Section 2.

10. Summary

This is your opportunity to get involved at the front end. Of course there are risks in every investment. But by limiting the downside and offering the potential for an incredible upside, Pacifica Golf Associates is offering something unique in today's investment scenario. Team members like a large international hotel chain, Ernst and Young, Ron Zurcher, Tommy Haugen, and a cadre of influential Nicaraguans create a powerful team adept at dealing with the many challenges that face a project of this scale.

Investors that participate in the Pacifica Golf Associates development project are joining the development team. While predicting returns is impossible, understanding history shows the incredible returns made by developers selling golf condos in other Central American countries.

Time, as we know, will escalate the price of good real estate. But to produce the greatest returns, the master developer, Gran Pacifica, will utilize the Nicaraguan Tax Incentives act to drive the valuations higher, faster through the addition of a major international hotel chain. This tool provides the amenities and infrastructure that add incredible value to the condos and villas on the golf course. The cost to build this hotel and possibly some or most of the golf course is carried by the tax credits, reducing the number of shares sold and increasing the return to investors.

Additionally, an international hotel anchor provides 2 important pieces of the puzzle. It provides the "good housekeeping seal of approval" to counter the "Nicaraguan perception factor," and it ensures an ongoing supply of 200-500 new prospects per week for the sale of condos and villas. These two factors combined with an extremely low cost of developed real estate establish the incredible profit potential of this project.

Pacifica Golf Associates is indeed a bold effort by creative and innovative businessmen with a clear understanding of history and a pioneering vision of the future. Simply put, by arriving early in this market we expect to achieve superior returns. A sound strategy is in place to ensure success. Good tools provide the resources for effective growth. And finally, a team of experts is assembled to execute the plan. PGA has a winning team, superb tools, and is fortunate to be in the right place at the right time with the resources necessary to execute the plan.

You too can join the team. You can be the developer and reap the windfall profits associated with this project. This is your invitation to say yes to something that will create a more prosperous future for you, your children and your grandchildren.

For more information on how to invest in the project or to receive information about scheduled investor tours send an e-mail now to Georgetown Trust at Georgetown@btl.net

11. Partners Information

Partner information and Management biographies listed below.

- **Mr. Tom Haugen, President (Course Architect and Designer)**
- **Mr. Joel Nagel, (Gran Pacifica's CFO and Co-founder and Attorney at Law)**
- **Dr. Richard White, (Gran Pacifica's Chairman of the Board)**
- **Mr. Raymond Steeb, (Gran Pacifica's VP Development)**
- **Mel Henninger, (Gran Pacifica's VP Finance)**
- **Michael Cobb, Project Advisor (Gran Pacifica's President)**
- **Urban Design Associates - UDA www.urbandesignassociates.com**
- **Llansa Ingenieros, S.A., Nicaraguan infrastructure company provider**
- **Pacifica Construction, S.A., (Gran Pacifica builder)**

12. Board of Directors – Biographic Information

Mr. Tom Haugen

Mr Tommy Haugen Mr. Haugen is a professional landscape architect and President of T L Haugen Design Inc. a golf course design, construction, and consulting company. Designing over a dozen courses and building many of them, he has the experience in all aspects of the business of golf. Not only as an architect and builder but he has also been a golf course superintendent, an owner and a general manager of several courses. Some of these courses include: Stonebrooke Golf Club (www.stonebrooke.com) a top 10 course in Minnesota and voted a top 10 women's course in the U.S.; Pine Island Golf Club also in Minnesota an upper end golf course; Siren Glen Golf Club in Wisconsin (www.sirenglen.com) a championship caliber course rapidly gaining notoriety; and Bear Creek Golf Course in Iowa, a very unique challenge in golf. Also T L Haugen Design did the design and construction of the Water's Edge, a state-of-the-art water practice facility surrounded by a challenging 3-hole kids course and a 9-hole short course. Some of his past and present associations include the Golf Course Superintendents Association, the Midwest Golf Course Owners Association, the National Golf Foundation, plus many state and local golf associations and advisory boards

Mr. Joel Nagel JD, LLM

Mr. Nagel is the Gran Pacifica's legal counsel and Chief Financial Officer. He practices in the area of international tax and estate planning, joint ventures and international finance. As a Fulbright Scholar, he studied at the University of Bonn and at The Hague Academy of International Law. He is a member of the International Law and Practice Division of the ABA and has considerable experience in international business and investments, including: finance and tax planning, corporate formation for banks, insurance companies and mutual funds planning, negotiating and structuring international agency, distribution and joint venture agreements, acquisition and financing of foreign properties, creation of structures in low-tax countries for individuals for asset protection and tax advantage

Mr. Nagel completed his LLM at Georgetown University and has offices in Washington, D.C. and Pittsburgh. www.nagellaw.com

Mr. Nagel is past president of the Pittsburgh Rotary Club and has been actively involved in Nicaragua since 1994. He is secretary of the Chamorro Foundation, which promotes democracy and education in Nicaragua.

Dr. Richard White

Richard L. White, Ph.D. is a retired executive of Bayer Corporation. Dr. White was employed for 35 years with Bayer where he served in various senior executive positions. In the last eight years from 1991-1999, he was the Chairman, President and Chief Executive Officer (CEO) of Bayer's largest international subsidiary which was involved in the synthetic rubber market. During this same time period, Dr. White was also President of Bayer's North American business efforts in the Rubber, Chemical, and Polymer markets.

Dr. White currently serves on the Board and Executive Committee of the Pittsburgh Convention and Visitor's Bureau and is involved in the final stages of the construction of a \$400 million Convention Center, which will be considered USA's most modern Convention and Visitors Center and able to attract top quality national and international visiting groups. Dr. White was Chairman of the Board of Trustees at Duquesne University, Pgh. from 1988 through 1999. He currently serves on the Board of Westminster College, New Wilmington, PA.

Mr. Melvin G. Henninger

Mr. Henninger served for over 40 years at Bayer Corporation and held many senior management positions in finance and accounting. The last 10 years he was responsible for all taxes and insurance for the \$10B international business unit, and was the senior financial participant on the corporate acquisitions and divestitures team. Mr. Henninger holds a B.A in Finance from the University of Pittsburgh, an M.S in Finance and an M.S in Taxes from Duquesne University. Mr. Henninger is also a CPA.

Mr. Raymond H. Steeb

Raymond H. Steeb, III is founder of Steeb Services, LLC, a program management consulting firm in the construction industry. The firm is based in the Pittsburgh area. Prior to launching his own company in 2002, Mr. Steeb was an executive for two decades, including four years as vice president and general manager, of Turner Construction Company, a \$120 million general construction and construction management business. He has been involved in some of the most high-profile building and renovation projects impacting Pittsburgh's skyline in recent years, including the David Lawrence Convention Center, Alcoa corporate headquarters, O'Reilly Theatre, Mellon Arena and One Mellon Bank Center, as well as Magee Womens Hospital, UPMC Shadyside, Carnegie Mellon University, Penn State University, Medrad Inc. and many others. While with Turner, he helped increase the company's net profits, reduce overdue receivables, improve regional market share and enhance safety initiatives, as well as develop business, establish strategy for project targets, negotiate contracts and implement long range marketing plans. A registered professional engineer, Mr. Steeb holds an MBA from the University of Pittsburgh (1990) and a bachelor of science in civil engineering from Pennsylvania State University (1980).

Mr. Michael Cobb

During a successful career in the computer industry, Mr. Cobb decided to leave and pursue more pioneering opportunities in the emerging real estate markets of Central America. He and his business partner formed a company, Exotic Caye International, to provide loans to North Americans purchasing properties in Belize, Honduras and throughout the region.

As the need for capital outstripped the supply, the mortgage company was converted to an international bank under the jurisdiction of Belize. It continues to provide mortgage services, but has expanded its services to encompass the full realm of financial products. Exotic Caye is now a holding company for several other ventures. A Belize resort property and a teak plantation in Panama make up 2 of the companies holdings.

Most recently, Exotic Caye expanded its goals and set it's sites on Nicaragua. They purchased 3.5 miles of Pacific Beachfront property due west of Managua. Unlike the traditional Central American development models, the Gran Pacifica business unit is building a world-class 250-room resort hotel, 27 holes of golf, and associated amenities before selling the real estate, thereby supercharging returns to investors.

Additionally, Mike Cobb has spoken at numerous international conferences about real estate financing and development. He has acted as a consultant to the Oxford Club and gives counsel to various real estate projects throughout Central America. He, his wife Carol and their 3-year-old daughter Amanda and baby daughter Emily make their home in Managua Nicaragua. He can be reached at mcobb@granpacificacom.

III. REAL ESTATE PRICE ANALYSIS

Iguana Beach Resort

www.Iguanagolfcondos.com

Phase one SOLD OUT

Phase two

Condo	Type	Floor	Sq feet	Price USD
A1	3 bedroom, 2 bath	1st floor	1,539	179,000 available
A2	3 bedroom, 2 bath	2nd floor	1,539	179,000 available
A3	3 bedroom, 2 bath	3rd floor	1,539	189,000 RESERVED
A3	3 bedroom, 2 bath	3rd floor	1,797	204,000 sold
B1	2 bedroom, 2 bath	1st floor	1,076	159,000 sold
B2	2 bedroom, 2 bath	2nd floor	1,076	159,000 available
B3	2 bedroom, 2 bath	3rd floor	1,076	169,000 available
C1	2 bedroom, 2 bath	1st floor	1,270	164,000 sold
C2	2 bedroom, 2 bath	2nd floor	1,270	164,000 available
D 1	1 bedroom, 1 bath	1st floor	1,054	129,000 sold

Phase three

Condo	Type	Floor	Sq feet	Price USD
A1	3 bedroom, 2 bath	1st floor	1,539	179,000 not released
A2	3 bedroom, 2 bath	2nd floor	1,539	179,000 not released
A3	3 bedroom, 2 bath	3rd floor	1,539	189,000 not released
A3	3 bedroom, 2 bath	3rd floor	1,797	204,000 not released
B1	2 bedroom, 2 bath	1st floor	1,076	159,000 not released
B2	2 bedroom, 2 bath	2nd floor	1,076	159,000 not released
B3	2 bedroom, 2 bath	3rd floor	1,076	169,000 not released
C1	2 bedroom, 2 bath	1st floor	1,270	164,000 not released
C2	2 bedroom, 2 bath	2nd floor	1,270	164,000 not released
D 1	1 bedroom, 1 bath	1st floor	1,054	129,000 not released

1. Residential Real Estate Sales

Included here is a listing of properties for sale June 2003 in Nicaragua and Costa Rica. No formal Multiple Listing Service exists so a comprehensive comparison is difficult. However, the analysis below is based on the range of prices of real estate currently for sale in Nicaragua and Costa Rica. The analysis uses these property prices to establish a base line for a value of the land.

The difficulty is that there is no comparable project and the real estate currently for sale does not have the proximity to a 5 star hotel, 27 holes of golf and all the associated amenities. The data from Nicaragua shows a minimal value for the land. We then use sales numbers from properties near the Los Suenos Marriott project in Costa Rica to give an example of the potential land sales prices at Gran Pacifica.

You are encouraged to perform your own rough calculations of real estate values at Gran Pacifica.

Sample of real estate prices taken from websites June 2003

Conversion chart for real estate values

Manzanas to Acres -Multiply No. of manzanas by 1.72
(e.g. 1 manzana (mz.) = 1.72 acres)

Square Varas to Square Feet - Multiply No. of Sq. Varras by 7.56
(e.g. 1 sq. Varra = 7.56 sq. ft.)

Square Meters to Square Feet - Multiply No. of Sq. Meters by 10.76
(e.g. 1 sq. Meter = 10.76 sq. ft)

1 acre = 43,560 square feet

1 acre = 4046.8 square meters

1 hectare = 10,000 meters

1 hectare = 2.47 acres

POPOYO LAS SALINAS
PACIFIC COAST PARADISE
NICARAGUA, CENTRAL AMERICA

Situated less than a ½ mile from Popoyo beach in Las Salinas, this 24.5-acre property looks out across a lagoon and onto the ocean. The property is perfectly located for easy accessibility along the new Pacific highway. The capital city of Managua is only 55 minutes away, with Granada, Rivas, Masaya, and San Juan del Sur all within close proximity. This location is where the national tourist office told us could be the next popular resort/vacation hot spot. Already the signs of development are here with a restaurant to the south, a surf camp on the west side of the highway, the planning of a medical facility, many new homes along the front being built by Nicaraguan politicians. Lots are 1/2 acre in size and offer ocean and hillside views perfect for residential use.

This is a great buy and hold opportunity for strong future appreciation.
Limited Number of Pre-Improvement one half-acre lots at \$29,900.00
Nicaragua Paradise Developments
For further information, call: 888-999-5222

Discover Real Estate Table

	Acres	Square Meters	Location	Description	Facilities	Price US\$
New property BL113 Available	-	-	Plaza de Quizalá.	Beautiful lot of 3,000 and 4,000 ² vrs., located in Playa Quizala.	-	\$336,000.00
New property BL110 Available	0.80	3,000.00	La Boquita.	Lot in Km 1 La Boquita-Casares	Water, phone and electricity available.	\$34,040.00
New property BL109 Click to see detail Available	0.14	566.78	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$29,995.00
New property BL108 Available	0.20	816.70	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$29,995.00
New property BL107 Available	0.23	949.69	Santa Fe Beach Resort. Balneria	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$29,995.00
New property BL106 Available	0.23	946.23	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$29,995.00
New property BL098 Available	0.32	1,309.38	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$34,995.00
New property BL091 Available	0.11	461.59	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$34,995.00
New property BL090 Available	0.11	481.87	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$34,995.00
New property BL075 Available	0.34	1,416.20	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$24,995.00
New property BL074 Available	0.40	1,628.52	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$24,995.00
New property BL073 Available	0.30	1,237.67	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$24,995.00

New property BL072 Available	0.23	964.40	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$24,995.00
New property BL071 Available	0.19	799.06	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$24,995.00
New property BL070 Click to see photos Available	0.30	1,210.93	Santa Fe Beach Resort. Balneario.	Lot in beautiful Transito Beach with views to the beach	Water and electricity available.	\$24,995.00
New property BL049 Available	-	-	San Juan del Sur.	Big lot located in beautiful San Juan del Sur with beautiful views to the bay. Lot N-4.	Water and electricity available.	\$130,032.00
New property BL046 Available	0.11	451.73	San Juan del Sur.	Development of lots in nice area.	-	\$16,036.75

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e-mail: info@discovernica.com

DISCOVER REAL ESTATE

Frente al Club de Villa Fontana

Apartado Postal #2186

Key Code of Lot Categories (LOT, LOV, LOF)



HOM-000 = House

HOV-000 = House ocean View

HOF-000 = House ocean Front

LOT-000 = Lot

LOV-000 = Lot Ocean View

LOF-000 = Lot Ocean Front

ACR-000 = Acreages









AOV-000 = Acreages ocean View




AOF-000 = Acreages ocean Front

COM-000 = Commercial

COV-000 = Commercial Ocean View

Lots Table

LOTS				
LOT-006	Condominium lotification	Condominium lotification, approx. 5,500 sq. ft . each, located at La Talanguera, 20 lots, price per lot approx.	\$18,000	
LOT-013	approx. 5,000 sq. ft	Club Remanzo -A number of lots, just minutes walking distance to Playa Remanzo, NO ocean views on these lots, take advantage of the proximity to a great surfing beach.	Average price \$ 16,000	
LOT-014	90 Lots	3 km from San Juan del Sur, 300 meters from Playa Marsella , includes access to common beach front recreational lot. Enjoy the beach with access from excellent priced lots. Prices from \$ 4. Per sq. Varra. Lot prices start at approx.	\$20,000	
LOT-015	La Talanguera , 90 lots	La Talanguera , 90 lots , some with oceanviews, approx. 1000 sq. meters each, \$ 10 per sq. varra , lots average price	\$12,000.	
LOF-017	Ocean Front	Beach Front. The Playa Majagual Resort is FOR SALE . This is an extremely rare opportunity. Beachfront property like this , that comes with an operating business doesn't come along very often. This little resort is located right on the sand, offers overnight accomodation facilities for 15 people per night, and has a newly re-built beach bar, kitchen-restaurant. This is a very popular "surfer 's hangout" and is located on one of the prettiest beaches in Nicaragua, and only minutes away from Madera Beach, a very good surfing beach... We get many requests for this type of property, we finally have the best one to offer. The price is excellent...	\$ 475,000	
LOF-019	3,000 sq. ft	Small oceanfront lot - Located at Ostional, this oceanfront lot is a rare find. Located right on the beach, which is mostly gravel, some sand, the views and location are outstanding.	\$ 35,000	
LOV-020	14 ocean view lots	Phase 4 Pacific Marlin, excellent secluded spacious lots averaging 0.25 acre, included is clubhouse / pool use, interlocking brick roads, water and power, excellent buys.	\$ 29,000 - \$ 49,000	
LOV-021	Ocean view Lots	Los Miradores -Brand development of 27 lots overlooking the ocean at Playa Nacascolo, just minutes walking distance from San Juan del Sur. Sizes vary from acre to 1 acre. Our primary recommendation!	\$ 32,000 - \$59,000	
LOF-022	46,872 sq. ft. (1.07 acre)	Ocean front lot on Playa Marsella, 94 ft. of beach frontage.	\$ 89,000	
LOF-023	El Astillero	Small 3,500 sq. ft. lots , some ocean views, near Rio Nagualpa, near Surf Camp and Playa Popoyo , one of Nicaragua's best surfing beaches...	SOLD	
LOV-024	approx. 5,000 sq. ft	Club Remanzo -A number of lots , right above Playa Remanzo, all with gorgeous views of the beach , low bank , enjoy all the amenities of this wonderful development	\$16,000- \$ 25,000	
LOF-025				
LOV-026	1.76 Mz. (2.9 acres)	Oceanview lot at Talanguerra, municipal water, electricity, borders main road. Next to very nice subdivision. This property is ideal to subdivide into approx. 6 good lots.	\$155,000	
LOV-027	Ocean Front Lots	Over 40 lots , new subdivision Southwest Properties, located 30 KM south of San Juan del Sur. Spectacular ocean views , ocean front lots, views of Quanaacaste, Costa Rica. Prices from	\$20,000	
LOV-028	2 Mz. (3.3 acres)	This is a very nice hill property with a view (long distance ocean) , just above the entrance road to Playa Marsella. Access by right-of-way Electricity nearby	\$18,000	
LOV-029		Pacific Marlin Large ocean view lots next to the bay of San Juan del Sur.	\$ 59,000	
LOF-030	Lot 32	Pacific Marlin – Arena Blanca, spectacular lot looking west over the Pacific Ocean and a secluded bay.	\$ 65,000	

LOV-031	Majagual Beach	2 lots, approx. 35,000 sq. ft. each, Great Ocean views , also views of the Iguana Rock, Water and power nearby. Priced at \$ 35,000 each		
LOV-032	Madera Beach	70 meters from the beach. Lot # 4 , corner lot, 554 sq. meters (5961 sq. ft.) , quick access to beach, water and power	\$ 35,000	
LOV-033 NEW	5,472 sq. meters (1.35 acres)	Spectacular Ocean view and Valley View lot , on top of San Juan Del Sur center of town hill. Very large – Miranda Loma. This is a rare quality lot...the best in town. All services.	\$ 145,000	
LOV-034	1389 sq. meters	Lot with oceanview at Playa Marsella , overlooking pristine development, near the new Resort Marsella. Water and electricity available. Lot # A-2.	\$26,000	
LOV-035	1261 sq. meters	Lot with oceanview at Playa Marsella , pristine new development and new Resort Marsella. Utilities available, roads in place. Purchase for excellent price. Lot # A-3	\$24,000	
LOV-036	1594 sq. meters	Large double lot in pristine new subdivision, spectacular views overlooking San Juan bay. Surrounded by brand new construction, commom clubhouse with pool. All utilities supplied, paved road.	\$69,000	

<http://www.realestatenicaragua.com/mlistings.html>

Rancho Santana for sale by owner

\$59,900

Located at the top of the Playa Rosada hill, lot A17 has a commanding beach view of Playa Rosada and ocean view of the Pacific Ocean as well as of the valley and mountains behind them. Being on top of the hill, it also always has a cooling breeze blowing through it at all times. The lot is 0.247 acre.

\$125,000

Waterfront Beachfront Lot

Located in the middle of the Playa Rosada so named because the sand is slightly pink in color. B-3 is 0.239 acre in size. There is a house on lot B-2 which is owned by a Nicaraguan lady who lives in Florida. The Playa Rosada Clubhouse is located on the beach approximately 40 meters south of lot B-3. If you want to be “on the sand” and hear the waves pounding on the beach and on the rocks 24 hours a day, this is definitely the lots for you. There are no other lots for sale besides B3 and B4 in Rancho Santana that abut the sand.

\$59,900

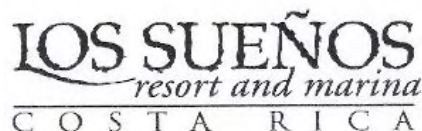
Lot B-8 is directly behind and across the road from the B-4 lot. B-8 is 0.188 acre. There is a house on lot B-13 and another on Lot B-19. You can hear the sound of the ocean on this lot but it is not as loud as from B-3 & B-4.

\$59,900

Lot B-15 is directly behind and across the road from the B-4 lot. B-8 is 0.216 acre. There is a

house on lot B-13 and another on Lot B-19. You can hear the sound of the ocean on this lot but it is not as loud as from B-3 & B-4.

2. Los Sueños Marriott Resort, Costa Rica



CUSTOM HOMESITES

Inventory Lots as of August 4, 2003

<i>VISTA TRES BAHIAS LOTS (resales)</i>						
Lot	Lot Area (ft²)	Lot Area (m²)	Pad Area (ft²)	Pad Area (m²)	Price	Comments
12	8,654	804	5,597	520	\$385,000.00	Ocean View
16	23,099	2,146	9,816	912	\$450,000.00	Ocean View
18	25,737	2,391	10,290	956	\$520,000.00	Ocean View
29	14,068	1,307	7,330	681	\$485,000.00	Ocean View
<i>ECO-GOLF LOTS, PHASE II</i>						
Lot	Lot Area (ft²)	Lot Area (m²)	Pad Area (ft²)	Pad Area (m²)	Price	Comments
4	27,771	2,580	9,149	850	\$190,000.00	Forest and fairway views
7	15,683	1,457	5,995	557	\$180,000.00	Forest and fairway views
10	14,552	1,360	10,165	950	\$190,000.00	Forest and fairway views
11	17,013	1,590	10,486	980	\$170,000.00	Forest and fairway views
14	20,344	1,890	10,549	980	\$200,000.00	Forest and fairway views
15	20,344	1,890	10,764	1,000	\$230,000.00	Forest and fairway views
<i>ECO-GOLF LOTS, PHASE I (resales)</i>						
Lot	Lot Area (ft²)	Lot Area (m²)	Pad Area (ft²)	Pad Area (m²)	Price	Comments
7	29,789	2,784	TBD	TBD	\$245,000.00	Forest and fairway views
Note: Maximum heights of improvements and certain setback requirements apply.						

LOS SUEÑOS RESORT AND MARINA, HERRADURA, COSTA RICA

Ph: (506) 643-3886 Fax: (506) 643-2548

E-mail: info@lossuenosresort.com

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(All prices, terms and offerings subject to change without prior notice.)

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 COSTA RICA

COLINA Condominiums
 Resale Units as of August 4, 2003

Unit	Bedroom/Bath	Size	Level	Price	Comments
1E	2 bd, 2 ba	2,234	GARDEN	\$350,000.00	Fabulous view of 10 th Fairway
4A	3 bd, 2 ba	2,071	UPPER	\$429,000.00	Fairway and Partial Ocean views
6C	3 bd, 2 ba	1,759	MIDDLE	\$385,000.00	Furnished - Owner occupied only Bay, Fairway and Mountain views
8A	3 bd, 3 ba, loft	2,071	UPPER	\$469,000.00	Gorgeous End Unit - Partial Ocean view
9A	3 bd, 2 ba	2,071	UPPER	\$420,000.00	Fairway and Marina views
10B	3 bd, 2 ba	2,071	UPPER	\$399,000.00	Furnished- Fairway and Mountain views
10E	2 bd, 2 ba	2,234	GARDEN	\$375,000.00	Furnished- Fairway and Marina views
10F	2 bd, 2 ba	2,234	GARDEN	\$375,000.00	Furnished- Fairway and Marina views
14F	2 bd, 2 ba	2,234	GARDEN	\$350,000.00	Includes appliances and window coverings- Fairway view
15A	3 bd, 2 ba	2,071	UPPER	\$439,000.00	Furnished - Fairway and Mountain views
15B	3bd, 2ba	2,071	UPPER	\$430,000.00	Furnished - Beautiful Fairway and Mountain Views, Electrical Appliances

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BELLA VISTA Condominiums

Resale Units as of August 4, 2003

Unit	Bedroom/Bath	Size	Level	Price	Comments
1C	3 bd, 3 ½ ba	3,040	MIDDLE	\$765,000.00	Ocean and Marina views

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E-mail: info@lossuenosresort.com

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LOS SUEÑOS

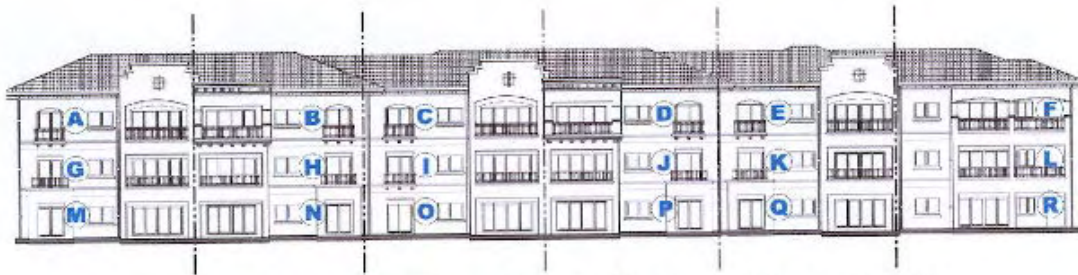
resort and marina

C O S T A R I C A

DEL MAR Condominiums

Inventory Units as of August 5, 2003

Unit	Floor Plan	Price
2F	LAS BRISAS	\$435,000.00
3N	LAS PALMAS	\$354,750.00
4I	LAS PALMAS	\$340,450.00
4N	LAS PALMAS	\$354,750.00
4O	LAS PALMAS	\$354,750.00
4P	LAS PALMAS	\$354,750.00



As viewed from ocean/fairway/river looking toward front of building

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www.lossuenosresort.com

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Appendix I

Composite of positive news articles

Summary of Major, Positive News Media Articles About Nicaragua

New York Times – *The Sophisticated Traveler Magazine* – May 2, 2004 – “Granada, Nicaragua: Its Fall and Rise” – by David Allen Cates – “I love Nicaragua. I love the poetry of its pace, ox carts slowing traffic, shoeless boys playing baseball in vacant lots, men riding their lovers double on bicycles and the silhouettes of women reposed in doorways. I love its rum and cigars, rice and beans and green volcanoes towering over red-tile roofs and blue lakes.” - <http://travel2.nytimes.com/mem/travel/article-page.html?res=9F07E1D7113AF931A35756C0A9629C8B63>

New York Times – Jan. 9, 2005 – “A Crowded Field of Contenders Vying to Be ‘The Next Costa Rica’” – By Stuart Emmrich – “After years of political turbulence, Nicaragua is beginning to emerge as a popular eco-tourist destination, as word gets out about its pristine beaches, six active volcanoes and what has been called the largest area of primary-growth rain forest north of the Amazon.” – <http://travel2.nytimes.com/mem/travel/article-page.html?res=9A06E1DB1239F93AA35752C0A9639C8B63>

New York Times – May 15, 2005 - “In Nicaragua, Chasing the Unsurfed Wave.” – by Mark Sundeen – “Perhaps the most influential person in the development of Popoyo is J.J. Yemma, a 28-year-old entrepreneur from Florida with the copper-streaked hair and languid movements of a longtime surfer. J.J. arrived here in 1996 and operates Popoyo Surf Lodge, one of several all-inclusive surf camps that have sprung up in Nicaragua in recent years.” – <http://travel2.nytimes.com/mem/travel/article-page.html?res=9A0CE1DB1230F936A25756C0A9639C8B63>

The Wall Street Journal – June 9, 2004 – “Retirement Havens For the Intrepid: Nicaragua, Honduras, Panama Vie to Be the Next Florida; Bring Your Own Horseradish.” – by Andrea Petersen – “As legions of baby boomers prepare to retire and relocate to warmer climates, a widening range of Central American countries are vying to be their new home. While places like Costa Rica, Mexico and Belize have long lured U.S. retirees with pristine beaches and cheap living, prices in those countries have risen sharply during recent years. As a result, a new breed of intrepid retirees is branching out to countries including Panama, Honduras and Nicaragua.” <http://www.wsj.com>

USA Today - "Almost 10,000 Americans have already discovered Nicaragua and call it their home." [No date.]

Chicago Tribune/Tribune Media Services – May 16, 2004 – “Latin America new investment destination.” – by Andrew Leckey – “A beautiful and peaceful place now courting tourism...” <http://pqasb.pqarchiver.com/chicagotribune/index.html?ts=1121434671>

Outside Traveler – Summer 2004 – “Viva Nicaragua.” – by Kent Black – “From secret surf stashes on the Pacific to untouched Caribbean isles – plus all the volcanoes and colonial plazas in between – Nicaragua has the makings of a sporting paradise. Come discover Central America’s red-hot center.” http://outside.away.com/outside/outside_traveler_2004/nicaragua_1.html

Money Magazine – May 2005 – “Voyages of Rediscovery” – by Donna Rosato – “Yes, Nicaragua shares Costa Rica’s natural beauty, from volcanoes to cloud forests, but it’s less crowded than its trendy neighbor.” - http://money.cnn.com/2005/04/22/pf/rediscovery_0505/index.htm

Christian Science Monitor – April 28, 2004 – US Seniors Go South - *Way South: The Cost of Living in the US Has Retirees Heading to Former Cold War Hot Spots.*” – by Sara B. Miller – “This Central American nation is emerging as a US retirement haven. Inexpensive colonial mansions line Granada's streets. Cheap land surrounds picturesque crater lakes and active volcanoes. And the cost of living is a fraction of what it is in the United States.” <http://www.csmonitor.com/2004/0428/p01s04-woam.html>

Marlin Magazine – May 2004 – “San Juan del Sur.” “Nicaragua ... is changing for the better. Rated by International Living as the eighth best place in the world to retire, Nicaragua ranks high in such categories as safety, cost of living and real estate investment.” – www.marlinmag.com

Elle (Italian Edition) – February 2004 – “Orizzonti di Pace” - “Horizons of Peace.” – fashion photo spread with Spanish colonial architecture as a backdrop. – <http://www.elle.com>

Washington Post – May 27, 2005 – “My Nicaragua” – by Sandy M. Fernandez – “Investment started coming back, as did some of those who had fled. In 1994, the summer I made my first trip back home since the war, one of the cool teen hangouts was a new, enormous highway-side gas station, brightly lit and alien as a spaceship. Another was a bar started by two twentysomethings just back from Miami.” - <http://pqasb.pqarchiver.com/washingtonpost/846564381.html?did=846564381&FMT=ABS&FMTS=FT&date=May+29%2C+2005&author=Sandy+M.+Fernandez&pub=The+Washington+Post&desc=My+Nicaragua%3B+As+the+world+begins+to+discover+her+home+country%2C+she+returns+to+discover+a+few+things%2C+too.>

Conde Nast Traveler – Feb. 2002 – “Nicaragua’s New Wave” – by Jason Wilson - “a world-class lake, twenty-five volcanoes, miles of empty beaches. . . . And Americans, it seems, are buying up the place...” - www.concierge.com/cntraveler/articles/Editorial/Article/data/cntraveler/2002/02feb/NicaraguasNewWave.xml/ -

Conde Nast Traveler – March 2005 - Nicaragua: Where Ondine Cohane gets sporty” – by Ondine Cohane – “Surf the breaks with the bold...Swing the treetops with monkeys... Climb the volcano with hot hands...Walk to the waterfall with butterflies...Dive the reef with green parrot fish. You're in the new Action Central...” - www.concierge.com/cntraveler/articles/Editorial/Article/data/cntraveler/2005/03mar/nicaragua.xml/ -

The Globalist - Nicaragua, CAFTA and the “Invisible Hand” - May 4, 2005 – by David C. Wyld – “Since 1990, there has in fact been a massive return of Nicaraguans who had left the country during the Sandinista era of the 1980s.” - www.theglobalist.com/DBWeb/storyid.aspx?StoryId=4523

U.S. News & World Report – 2001 - "Nicaragua is a hot new travel destination and expatriate haven" -- *U.S. News & World Report*, 2001

Travel World News - April 2004 – “Nicaragua is experiencing a hotel growth spurt. New hotels are opening, older ones are being refurbished and anchoring the new commercial area south of the original downtown ... is the 5-star Real Inter-Continental Metrocentro.” – <http://www.travelworldnews.com/>

Scotland on Sunday – May 9, 2004 – US Pensioners Pick Nicaragua for Retirement .” – by Sara Miller – “Going south is nothing new for American senior citizens. There are large expatriate communities in Mexico, the Dominican Republic and Costa Rica. But as the cost of living rises in these areas, Nicaragua is becoming the new favorite.” – <http://scotlandonsunday.scotsman.com/international.cfm?id=528592004>

Pittsburgh Post-Gazette – “The Private Sector: New Nicaragua - Pittsburghers find once war-ravaged country is a good place to invest.” – Aug. 24, 2005 – by Richard L. White – “Nicaragua, an incredibly beautiful nation of gentle, peace-loving people, has shaken away the ghosts of a civil war that ended 15 years ago, and is now beckoning to the world as a "go-to" destination of strategic importance. The past nine months have been a "tipping point" of global recognition of these changes.” - www.post-gazette.com/pg/04237/366377.stm

Pittsburgh Business Times – “Local Investors Back Nicaragua Resort.” - Feb. 18, 2005 – by Timothy Schooley – “Pittsburghers may best know the central American country of Nicaragua as the place where Pittsburgh Pirates great Roberto Clemente died in a plane crash 30 years ago. Yet today, a Pittsburgh investment group known as ***Gran Pacifica*** is working closely with the Nicaraguan government to develop a four-mile stretch of Pacific coastline into a major resort.” <http://pittsburgh.bizjournals.com/pittsburgh/stories/2005/02/21/story5.html>

Appendix II

Master Concept Plan – Golf Clubhouse Area

Clubhouse	Phase I	2 approximate 60 x 60 3600 square foot buildings totaling 7200 square feet with men's and women's locker rooms, small kitchen, bar, seating for approximately 50 (additional seating on patio), pro shop, small office facilities, and some storage.
	Phase II	Upper story with Gran Ballroom seating 300 plus dividable, with separate rest room facilities, large kitchen, bar, storage, and approximately 2400 square foot deck overlooking the golf course and ocean. Phase II will have a separate entrance with carport.
Pool / Tennis Clubhouse		Will house concessions, changing rooms, rest rooms, showers and a health club. The building will be approximately 80 x 40 or 3200 square foot.
Pools		The main pool will be freeform approximately 130 foot long and 65 foot at its widest part, also a toddler pool approximately 20 foot in diameter.
Tennis Courts		Initially 2 tennis courts built to U.S. specifications, with room for at least 6 more including some stadium seating.
Other Features		Include a 1 st class golf practice facility with over a ½ acre of practice tees, and separate putting / short shot green and croquet court. A putting green will also be located by the main golf clubhouse. Golf carts will be housed and staged in 2 separate buildings, one with capacity for approximately 36 carts positioned toward the Emerald 9 holes; 30 foot x 80 foot housing approximately 72 carts and staged toward the Ruby and Sapphire 9's. these will be partially open air and have the club house architecture. Parking lot for 150 autos.