

Gran Pacifica Shareholders Report – Feb 24th , 2006

(January – February 2006)

Introduction

The year is off to a great start with the shareholder/property owner event in January and 130 folks in attendance. This event was paired up with the groundbreaking of the golf course. When you include press, guests and dignitaries, Gran Pacifica was host to close to 300 people for an afternoon of celebration and fun. These events provided important milestones for the project as we turned the corner from work that is invisible but necessary (the planning, paper, and underground work) to the visual and impressive, streets, homes, and golf course construction. For many, it's not real until they can see it with their own eyes. It is real now and the pace of development and sales continues to grow daily.

Recent activities of a disgruntled shareholder have not kept us from the tasks at hand as you'll plainly see from the current shareholder report. Below you'll find all the familiar sections of the shareholder report. Each section describes the main challenges and goals accomplished in the first two months of 2006.

Sections

1. **Administrative Issues**
2. **TIF Law, Elections and the Economy**
3. **Sales and Development Marketing**
4. **Pacifica Concierge Services**
5. **Condo Development**
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7. **Golf Course**
8. **Land Planning (Casita Village – New Phase)**
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1. **Administrative Issues**

Lot inventory Report (February 20, 2006)

Inventory	Lots
Total lots number (phase I)	204
Lots Sold *	94
Lots in process (Full payment)	14
Lots in process (loans)	6
Special Cases reserved	2
Lots Remaining for Sale in Phase I	88

Gross Retail Value of remaining Lot Inventory \$11,713,238.27

Gran Pacifica Pricing Table (February 21st, 2006)

Lot #	Pre TIF Law Price \$	POF Fee \$	Lot #	Pre TIF Law Price \$	POF Fee \$	Lot #	Pre TIF Law Price \$	POF Fee \$	Lot #	Pre TIF Law Price \$	POF Fee \$
A-001	52,000.00	1784.48	A-040	99,000.00	1998.54	A-093	99,000.00	1540.04	B-070	207,000.00	3,434.03
A-002	39,900.00	1784.48	A-041	99,000.00	1977.05	A-094	86,000.00	1723.44	B-071	207,000.00	2,444.46
A-007	46,000.00	1960.02	A-042	99,000.00	1954.00	A-138	104,000.00	1940.37	B-084	66,000.00	1,442.67
A-009	99,000.00	1975.74	A-043	39,900.00	1289.56	B-001	49,000.00	1454.36	B-086	54,900.00	1,393.32
A-013	104,000.00	3,285.98	A-044	43,000.00	1507.29	B-002	54,900.00	1454.36	B-088	100,685.00	1,472.70
A-014	49,000.00	1940.37	A-046	52,000.00	2,549.52	B-004	54,900.00	1,986.65	B-092	129,000.00	1,450.96
A-015	39,900.00	1,454.36	A-048	39,900.00	1,894.19	B-006	54,900.00	1,986.65	B-098	194,500.00	1,603.8
A-017	46,000.00	1,963.69	A-049	49,000.00	1,847.62	B-008	59,000.00	1,454.36	B-099	129,000.00	1,243.45
A-018	46,000.00	1,784.74	A-050	49,000.00	1,946.11	B-016	189,000.00	1,685.8	B-100	225,000.00	2,624.9
A-019	86,000.00	1,891.36	A-050 a	46,000.00	1,943.52	B-017	55,000.00	1,439.95	B-101	129,000.00	1,319.69
A-020	86,000.00	1,994.09	A-053	46,000.00	1,702.74	B-018	189,000.00	1,439.95	B-103	225,000.00	1,319.69
A-021	99,000.00	2,822.98	A-054	99,000.00	1,698.55	B-019	55,000.00	1,439.95	B-102	225,000.00	3,803.45
A-021 a	99,000.00	2,048.47	A-057	86,000.00	1,611.56	B-021	55,000.00	1,439.95	B-102a	225,000.00	3,803.45
A-022	99,000.00	2,662.29	A-059	49,000.00	1,165.33	B-022	79,000.00	1,439.95	B-103	225,000.00	2,927.33
A-022 a	99,000.00	3,103.39	A-062	49,000.00	1,571.54	B-023	53,900.00	1,439.95	B-104	216,000.00	5,621.73
A-023	104,000.00	4,238.37	A-064	43,900.00	1,482.66	B-024	53,900.00	1,439.95	B-105	207,000.00	2,785.53
A-026	46,000.00	1,472.44	A-066	43,900.00	1,429.21	B-052	53,900.00	1,439.95	B-107	230,000.00	1,984.28
A-029	52,000.00	1,947.45	A-067	46,000.00	1,742.82	B-053	49,000.00	1,685.8	B-109	200,000.00	1,481.09
A-030	39,900.00	1,514.11	A-068	54,900.00	1,684.66	B-057	99,000.00	2,226.74	B-112	207,000.00	6,297.17
A-031	39,900.00	1,542.39	A-070	86,000.00	1,702.48	B-059	129,000.00	2,626.55	B-114	207,000.00	5,956.31
A-032	49,000.00	1,800.20	A-074	99,000.00	1,581.03	B-061	135,000.00	2,714.32	B-116	260,000.00	5,314.67
A-033	43,000.00	1,609.47	A-075	99,000.00	1,507.55	B-063	169,000.00	2,875.8	B-120	300,000.00	5,344.81
A-034	39,900.00	1,772.17	A-076	99,000.00	1,702.48	B-064	85,000.00	1,614.97	B-122	169,000.00	2,631.53
A-036	39,900.00	1,832.17	A-077	39,900.00	1,501.26	B-065	189,000.00	3,042.34	B-123	169,000.00	1,967.88
A-037	54,900.00	2,080.28	A-088	52,000.00	2,112.4	B-067	260,000.00	3,692.89	B-124	169,000.00	2,142.11
A-038	49,000.00	1,411.66	A-090	99,000.00	1,903.46	B-068	310,000.00	5,890.28	B-125	169,000.00	1,685.8
A-039	49,000.00	1,317.34	A-091	99,000.00	1,541.08	B-069	280,000.00	1,860.99	B-126	169,000.00	1,453.31

Lots Available
88

Lots Reserved
22

2. TIF Law, National Elections and the Economy

The TIF Law

Our legal team continues to feel confident about the approval of TIF law. Gran Pacifica management prefers to have a conservative position but we continue pushing with every legal means to achieve the approval of the BIT law for the Nicaraguan Tourism Industry.

The Nicaraguan Tourism Institute and its new president and directors continue to support the law. Additionally, our legal team has met with the new President of National Assembly and a good sign is that the board of directors of the National Assembly understand the benefits of the law. We continue to be optimistic that the law will be passed in this session.

Nicaraguan Elections and the Growing Economy

In the Atlantic provinces of Nicaragua, the regional election will be held on March 5th, 2006. National Presidential elections will occur on November of this year. It will be the 4th democratic electoral process since 1990 for Nicaragua. There is concern about what would happen if the Sandinista socialist Party wins the presidency after so many years of free-market oriented governments, like in Brazil or Bolivia. The answer is that the Sandinista Party has continued to hold considerable political power since 1990. The party consistently wins a good percentage of the assembly and holds half of the court seats in the judicial system. This situation has existed since 1990 and the economy has continued to grow.

Traditionally, the rivals for the elections have been the PLC (Liberales) and the Sandinista Party. This year the traditional parties are divided and have originated two additional forces that will make the political arena more diverse. We expect that democracy and the politics will continue its normal process regardless of which party wins the executive power. The reality of today's world would make either the left or the right act according to the international standards if they expect the flow of foreign aid and investment to continue. Additionally, the tourism industry has become a key economic force for any

ideology and Gran Pacifica will continue to play by the rules with any elected government. Also, a new phenomenon is developing in Nicaragua, which is the detachment of economic growth from the daily political debate.

The central bank of Nicaragua considers this year the country will experience a healthy economic growth of 3.7% despite of the Presidential Election and increasing oil prices (See below some interesting facts*). Yes the political debate will be heated with a lot of rhetoric but at the end, we have observed that Nicaraguans find a solution via their own institutions.

Economic Article of La Prensa Newspaper

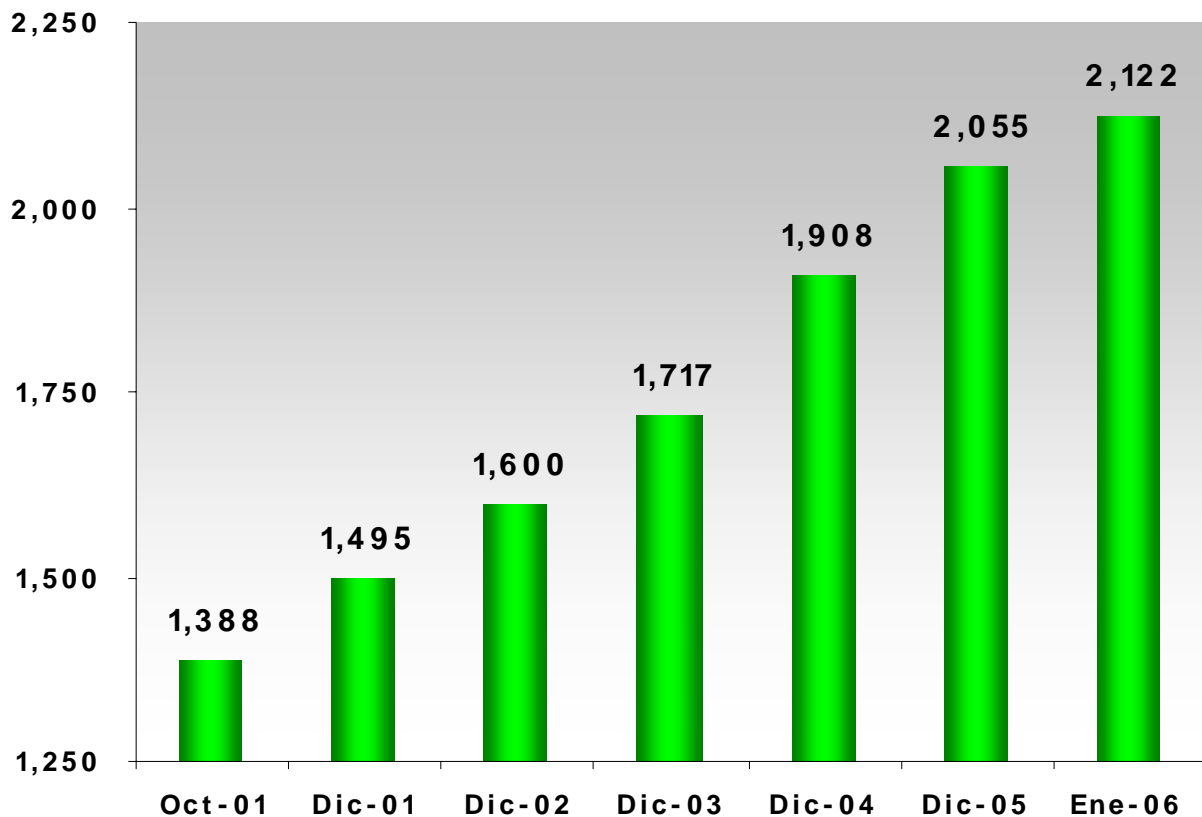
2005 GDP (Gross Domestic Product): 4% growth rate (US \$4,700 Million)

2005 Inflation Rate: up to 10.5%

2006 Inflation Rate Projection: 7.3% (Source: Central Bank of Nicaragua)

*Source: www.ni.laprensa.com.ni/archivo/2006/enero/04/economia/economia-20060104-06.html

**Increasing Deposits in the Nicaragua Financial System
(Million US Dollar)**



Observation: It is important to note that there is no capital flight from the country. On the contrary, the banks are swimming in deposits and they are starting to offer more competitive loans into the economy. This data comes from the Central Bank of Nicaragua, which has signed very strict economic agreements with the International Monetary Fund (IMF) to enter debt release programs.

Source: Nicaraguan Central Bank Economic Indicators (February 2006)

www.bcn.gob.ni/publicaciones/prensa/Nicaragua%20Situaci3n%20Macro%20-%20Feb%202006.pps

3. Sales and Development Marketing

Gran Pacifica continues to push ahead with a sales and marketing plan that includes conferences, shows and direct visits. Our website receives strong hits and the data is pasted below. The direct visits have increased dramatically and we have 11 pre-scheduled in February, plus the walk ins that are now an every day occurrence. Increasingly we are seeing more Nicaraguans and have a high percentage of Nicaraguan ownership, over 10% at this point.

Adiak is preparing a marketing survey and roll out plan for 2006 – 2007 right now and you'll be able see it in the next shareholder report. We are actively discussing with a potential candidate the position of VP Sales to head up the full time sales efforts of Gran Pacifica. This process has been ongoing since last August and many of you had the opportunity to meet the potential candidate at the shareholder meeting in January.

New Marketing Strategy in the USA. "Tipping Points"

Several folks at the shareholder meeting wondered why after we took the group photo, we also took a Pittsburgh shot. The answer is very simple. We have a marketing plan that utilizes a very powerful methodology and Pittsburgh is the roll out city. Let me explain.

Gran Pacifica has an incredible asset. You. Believe it or not, most developers are one man shows and the fact that we have over 200 investors makes us very unique in the marketplace. This is an incredible strength and we'd be foolish to not take advantage of it. The new strategy is based around a concept made famous by Malcomb Gladwell. He wrote a book called the Tipping Point and it describes a phenomenon called "viral marketing."

Mark Miner, our PR guy has been tasked with implementation of this program and Pittsburgh is the role out city. Why Pittsburgh? You've heard of 6 degrees of separation before I'm sure. In Pittsburgh, we have 3 degrees at most, and probably in more cases than not 2. What this means is that if a person reads about Gran Pacifica or hears about it, he probably knows someone, who knows someone who is involved in the project. Personal reference is the strongest form of sales there is. Viral marketing takes advantage of this phenomenon. Mark's job is to get us over the top, past the tipping point as they say.

Mark has outlined the basics of the Tipping point strategy. Feel free to comment with any ideas that you think will be helpful. Our goal is to roll this program out to Pittsburgh first, and then other cities where we are building critical mass. Any help you can provide will be appreciated.

THE TIPPING POINT: How Nicaragua's Turnaround Story Can Become Contagious

Malcolm Gladwell's #1 national best-seller, *The Tipping Point*, focuses on how good ideas become epidemics under the right conditions. As shareholders and lot owners of Gran Pacifica, we need to understand how the story of Gran Pacifica, framed against the backdrop of Nicaragua's turnaround, can become contagious and reach "tipping point" status to spread throughout the United States.

One of the core principles of the "tipping point" is the *Law of the Few* – that 20% of any group does 80% of the work. For Gran Pacifica, this means we do not need to reach everybody with our message, but rather to those VIPs who will spread the word with influence. The 20% group typically includes three categories of special people – connectors, mavens and salesmen.

- *Connectors* – are linked to a lot of people and have a knack for making friends and acquaintances, including casual social connections which are shown to be powerful in "word of mouth" transmission. We need to arm all of our shareholders and friends with the tools they can use in social settings to educate others. A verbal "script" would be a good start. Dick White's

guest column in the Pittsburgh Post-Gazette is an excellent summary, and we should distribute our color reprints to our shareholders. We likewise are taking steps to reprint the December 2005 *Pittsburgh Tribune-Review* article and send reprints to our shareholders to be forwarded to others.

- *Mavens* – are those who gather and disseminate new information – journalists, researchers, financial planners, corporate strategy planners and analysts, and special event planners. We need to get our message to people who influence decision-making within corporations and also high net worth individuals, through direct mailings and also speaking at events, conferences and seminars. This would take the form of mailings of Gran Pacifica literature and news article reprints to carefully selected groups to encourage dialogue about how best to tell our story within their group.
- *Salesmen* – have the great ability to persuade. What separates the best salesmen is the quantity and quality of their responses to the objections commonly raised by potential clients. They also have a knack for getting people to nod their heads in affirmation, a strong self-persuasion technique. We need to identify all the potential objections people might raise, and then prepare a script our shareholders can use in conversations with others.

Another major contributor to tipping point success is the “Stickiness Factor.” We need to frame the story of Nicaragua and Gran Pacifica so it is memorable and has an impact, cutting through the clutter of hundreds of commercial messages we receive every day.

- We all need to stay on message about why Nicaragua is attractive. What we have been telling our audiences, including the media, is that Nicaragua is easily accessible, safe, attractive and inexpensive, and there is a short window of opportunity to invest.
- We must continually test how our message is received. Word of mouth and news media coverage seem to be most persuasive. Word of mouth allows the message to be explained in the self interest of the listener.
- Certain acts by “permission givers” can give a signal that it’s OK to try something new, i.e. trusted celebrity or authority figure or someone “cool.” We might try to recruit a highly visible, widely known VIP to become involved with Gran Pacifica and whose action would be instantly credible to a very wide group of high net worth individuals.

The last major tipping point factor is the “Power of Context.” When people are in groups, the responsibility for making decisions and acting is diffused and skewed, but individually, people provide more honest responses. We need to focus on specific people and “ask for the order.”

4. Pacifica Concierge Services

Pacifica Concierge Service is up and running. Already they have been contracted to keep track of the home construction and report back to state side home owners with our “Peace of mind inspection service”. Rental and property management is in place. PCS will be working closely with the village of Villa el Carman to help insure that we will have a trained work force when needed. The first order of business along that line is to secure an English teacher for the school.

As you may know, Gran Pacifica is the only development in Nicaragua to offer this total service. The goal of Pacifica Concierge Service is to safeguard your home and continue to increase the value of your investment.

5. Condominium Development

Las Perlas de Gran Pacifica

Presales are in full swing right now with over half the units sold or reserved. Construction documents are nearing completion and Larry is ready to start construction immediately. For more information, please visit the Las Perlas website www.lasperlasdegranpacificacom

**Las Perlas de Gran Pacifica
Condominiums at Gran Pacifica
Villa El Carmen, Nicaragua**

Availability in Building One as of January 16, 2006

Unit Number	Unit Name	Inter. Sq. Ft.	Balcony Sq. Ft.	Bedrooms	Baths	Available	Price*
First Floor							
111	Granada-S	1,316.8	423.0*	2	2	Reserved	
112	Rivas-S	509.6		1	1	Reserved	
113	Leon-S	767.7	77.7*	1	1	Reserved	
114	Esteli-S	898.8	98.8*	1	1	Reserved	
115	Esteli-N	898.8	98.8*	1	1	Reserved	
116	Leon-N	767.7	77.7*	1	1	Reserved	
117	Rivas-N	509.6		1	1	Reserved	
118	Granada-N	1,316.8	423.0*	2	2	Reserved	
* On the first floor these are patios							
Second Floor							
121	Granada-S	1,316.8	432.7	2	2	Yes	\$329,999.00
122	Rivas-S	509.6	6.4	1	1	Yes	\$139,999.00
123	San Juan-S San	1,072.5	83.3	2	2	Yes	\$239,999.00
124	Marcos San Juan- N	1,184.4	199.5	2	2	Reserved	
125	N	1,072.5	83.3	2	2	Yes	\$239,999.00
126	Leon-N	509.6	6.4	1	1	Yes	\$139,999.00
127	Granada-N	1,316.8	432.7	2	2	Yes	\$329,999.00
Third Floor							
131	Granada-S	1,316.8	455.3	2	2	Sold	
132	Rivas-S	509.6	10.7	1	1	Sold	
133	San Juan-S San	1,072.5	88.4	2	2	Reserved	
134	Marcos San Juan- N	1,184.4	199.5	2	2	Reserved	
135	N	1,072.5	88.4	2	2	Yes	\$249,999.00
136	Rivas-N	509.6	10.7	1	1	Sold	
137	Granada-N	1,316.8	455.3	2	2	Sold	

6. Pacifica Construction

Standards book for home design and construction

On the building side of things, we have several things underway that should make all our lives simpler. First off, we are in the process of putting together a "standards book." This book is currently 70 pages long and well into development. The standards book will assist builders, designers and lot owners all, by helping to define what is included in the base price estimates for houses. It eliminates the need to re-design projects because budget problems and will cut a considerable amount of time off the design process and eliminate one of our bigger bottlenecks to getting houses built. Below is an example of what is in the standards book includes.

The book will be broken down into two categories, construction standards and design standards. Construction standards are descriptions of how items are to be designed and constructed that have little or no change possibility. Design standards are areas that a customer will have the ability to change and upgrade to taste. Prices will be established for each of the upgrades over the next several weeks.

Construction Standards

A single story house is standard A 2 story home will be a premium over the base cost in a single story home.

- The exterior will be stucco with a "wavy" finish.
- All roofing will be clay tile with a sheet metal or similar sub roof.
- Exterior terraces will have tile floors and solid wood or exposed tile soffits.
- Upper level decks will slope away from the house and have drainage openings.
- Window sills will slope away from the interior for water drainage.
- Windows will be installed using silicon caulk/ adhesive.
- Windows will be built with solid, dried wood with single pane glass.
- Exterior doors will be solid dried wood-raised panel or plank.
- Exterior doors and windows will have ¼ round for trim.
- An outside hose bib will be provided on the front and backside of the house.
- A GFCI protected electrical outlet will be provided on the front and backside of the house.
- Hot and cold water is available to all plumbing fixtures except the toilets.
- Main electrical panels will be of the circuit breaker style with 1 main shut off and appropriately sized breakers for all branch circuits.
- Shower bases are recessed into the floor and do not have a raised curb that extends above the floor line.

Design Standards

- Interior walls will be block with a lightly textured stucco finish.
- Interior doors will be solid wood with raised or flat panels.
- Closet doors will be solid wood with fixed louvers.
- Cabinetry is solid wood with metal drawer glides.
- Showers are to be set up for curtains. Shower doors will be an upgrade.
- Standard inside trim around doors and windows is ¼ round molding. Decorative trim is available as an upgrade.
- Tile is the standard floor covering inside the house. Other surfaces, wood, stone, etc, are available as an upgrade.
- There will be a tile baseboard installed at all wall to floor junctions. Other finishes are available as an upgrade.
- The standard ceilings in the house will be gypsum. Upgrades to wood or cane are available.
- Air conditioning is provided in bedrooms only. A split system will be used. Whole house air conditioning is available as an upgrade.

The ceilings will be flat from the top of the wall in the bedroom areas and follow the roof framing lines in the dining and common areas. Different ceiling designs are available as upgrades. Kitchen and bathroom countertops will be Corian brand or similar. The edge detail is rounded. Granite and other surfaces are available as upgrades. The interior of the house can be painted up to 4 different colors.

The above is just an example of what is included in the Standards Book subject to change. The standards book is illustrated with pictures and expanded definitions from the above comments. A copy of the Standards Book should be online in 1 week.

Time lines for a custom home

Ray Steeb has a timeline of 24 weeks to break ground on a custom home after the owner completes the customer requirements. It takes 6 weeks to break ground on one of our pre designs. Ray set up a system to track each customer's progress. It is very important that Pacifica Construction meet each and every one of its date deadlines. Ray estimated that early on most of the homes being constructed will be of the custom design nature and as we move from town center, more people will opt for the pre designed models. If you have not chosen your home model, click here and start selecting your Gran Pacifica design: <http://www.granpacificacom/homedesigns.htm>

Steps to design and build a Gran Pacifica home (System put in place in 2005)

1. A client can pick a Gran Pacifica Design or create a customized design
Note: The client can hire an external architect and builder, but they must comply with UDA pattern book and the builder must pay a fee of \$5.00 per ft² to be able to build in Gran Pacifica
2. Gran Pacifica sends you a design proposal with its cost
3. The client accepts the design and final cost in a turn key deal
4. Two transactions (This transaction can be separated or it can be into one single title with 2 sellers)
 - a. Gran Pacifica sells the **immovable asset** (lot) to client
 - b. Pacifica Construction sells the **immovable asset** (home) to client

Note: Internally there is an agreement between Gran Pacifica and Pacifica Construction, in which the developer allows Pacifica Construction to make the improvements (home), so that the client can purchase 2 immovable assets (lot and home). According to our legal advisors, this system will generate a saving up to 15% for the home to the lot owner.

5. Pacifica Construction creates the home chronogram and payments schedule

Required payments to build a home (from Total Price):

- 20%** Upon signature of construction agreement (2 months of works) foundations and walls
 - 50%** Advance payment (2 months of works) roof and systems (water, electricity, other)
 - 30%** Advance payment after (2 months of works) finishes and basic landscape
- Note: Payments can be made to a US International Bank Account with no cost to client
6. The client receives the finished home after 6 to 8 months of construction

Note: Clients can hire Pacifica Concierge Services to supervise the home construction. See at the end of this document a sample of the new home purchase paperwork.

7. Golf Course (Pacifica Golf Associates Ltd.)

Construction of the first 18 holes of golf at the Gran Pacifica Beach and Golf Resort is underway. Surveying is complete, brush clearing is underway, and the staking of fairways, greens and tree is being done just head of major earthwork. Many of the tees and green sites are being built as you are reading

this update. At least four sets of tees for every hole are being constructed and an occasional seniors tee where necessary. It is especially exciting to see # 3 par 5, # 4 par 3, # 5 par 4 on the Emerald course. These play to the ocean and along the ocean with great views and some very interesting golf. # 3 a par 5 of 600 yd length from the back tees may be reachable by better players with a strong prevailing breeze blowing from land to ocean. This hole will have water to cross at a point of the golfers choosing making for some exciting decision, shot making golf.

The next hole a par 3 going toward the ocean also will be the logo hole. Playing out to where the surf spray could affect your shot with a change of breeze, this 110yd to 180yd from the back tees par 3 will always be a fun wager hole. The par 4 5th holes again plays along the ocean and the green is situated among some large trees that look like they were planted just for the occasion.

It's then along the river where again the stands of trees were used to create exciting holes and enhance the pleasure of playing the course. The holes returning to the clubhouse are receiving the water treatment – a large pond is being created on # 8, the excavated earth being used for greens and tee development.

Enough explanation hole by hole about the course, we'll talk about the other 9's in future updates. It is just plain exciting to get construction underway and you can now see the golf holes taking shape. On your future tours and visits to Nicaragua and the site you should include a "Nickel" tour of the golf holes.

8. Land Planning

Ray Steeb Visit to Project Site – Casita Village

Casita village infrastructure is under construction. Home plans for the Casita Village are in process and will be ready in about 10 days. We'll be announcing them to shareholders a week prior to a grand launch. Keep an eye out for more information in the very near future about this exciting new phase.

9. Phase I Infrastructure

Infrastructure items to be contracted in 2006

- Head end for the telecom system
- Freshwater treatment system and pumping and piping to Phase I connection point.
- Sewage treatment plant and pumping and piping from collection point in Phase I
- Underground 3-phase line from bridge to Phase I connection point

January 2006 Construction Supervision Executive Report (Monthly Progress Phase I)

INTRODUCTION

At the beginning of December, 2005 2 more contractors arrived to the site witch are the following Acabados rusticos for to build the sidewalks of bricks in blocks A and B and Pacifica Construcciones S.A to build the houses.

In the third week of December 2005 Gran Pacifica had awarded the construction of the water supply system to an independent contractor Engineer Gilberto Gonzalez Novoa(GGN).

The contract was signed the 29 of December 2005 and the construction works will start at the beginning of January 2006 and the execution time period is 5 calendar months therefore the completion date will be in May 2006.

The main components of the water system are:

- Pumping equipment
- Water treatment plant
- Hydro-pneumatic equipment
- Concrete water tank of 40,000 gallons
- Main line pipe conduction to the water net
- Building for the treatment plant and hydro pneumatic equipment

In December 2005 and January 2006 Gran Pacifica made the bidding of the phase 1 –B of the urban beach development witch consists in the construction of 94 houses more and the corresponding infrastructural works of streets, water net and sewage system and underground electrical and telecommunication cables and several national contractors were invited.

10. Community involvement

Pittsburgh Rotarians traveled to Nicaragua January 11-15 to deliver an ambulance, clothing, medical, and school supplies to its “adopted” community of Villa El Carmen, a poor rural municipality of over 30,000 people located about 25 miles west of the capital city of Managua.

Rotary District 7300, which includes 52 clubs in the Pittsburgh region, has spearheaded an effort to bring a range of humanitarian projects to this area, focusing on healthcare, education, job training, clean water, and infrastructure. Joel Nagel, a Pittsburgh-based lawyer and the current Rotary District Governor, launched this initiative with the idea that several projects in the same community could reinforce each other and establish a foundation for sustainable development.

The Rotary Club of Pittsburgh already has built two clinics in Nicaragua over the past eight years, named after Roberto Clemente, who died in a plane crash enroute to Nicaragua after the devastating 1972 earthquakes there.

The ambulance—funded by the Pittsburgh Club—is the first tangible result of this new initiative. According to Sky Foerster, president of the World Affairs Council of Pittsburgh and the World Community Service coordinator for the Rotary District, the community had no functioning ambulance. The club decided to procure a four-wheel drive vehicle in Nicaragua that could be easily maintained there and could travel on the area’s dirt and gravel roads. A Rotary club in Managua will assume responsibility for the ambulance’s ongoing maintenance.

Now Rotary’s priorities are English-language training for the community and in the schools and projects that bring clean water to the area.

English-language training is critical because Villa El Carmen is next door to a major resort project called Gran Pacifica, which is building a world class hotel and golf course community on Nicaragua’s Pacific coast. The company is Rotary’s principal on-the-ground partner with the community and is already employing 200-300 people in the area. Several Pittsburgh Rotarians are involved in Granpacifica, including Nagel, Foerster, Mark Miner, Karl Ohrman, Ray Steeb, and Dr. Richard White, a retired senior executive of the Bayer Corporation and Pittsburgh’s honorary consul for Nicaragua. They and others connected to the project are committed to ensuring that Villa El Carmen benefits from the development that will accompany the explosive growth of tourism in Nicaragua, including access to jobs that require bilingual staff.

During the trip, there was a fundraiser to support a Nicaraguan student attending graduate school in Pittsburgh.

Clean water will also address the community’s most prevalent health problems. Through a partnership with Pure Water 4 All and Slippery Rock University, a Pittsburgh-based group called Access Port is

working to establish a microenterprise in Nicaragua that could produce simple in-home water filters, improve skill training, and create local jobs at the same time.

Rotary is also partnering with a number of area hospitals and organizations such as Brothers Brother Foundation and Global Links to secure a steady flow of surplus medical supplies and equipment for the new ambulance and a new health center being built by the European Union.

11. Public Relations

Articles about Gran Pacifica and Nicaragua (January 2006)



FIRST TOURISM CITY STARTS

Source: <http://www-ni.laprensa.com.ni/archivo/2006/enero/14/economia/>

Translation

- It implies a total of \$52 million Dollar and 100 direct jobs
- They go after resident tourists who generate up to \$500 Dollar per day.

by Amparo Aguilera

economia@laprensa.com.ni.

The Gran Pacifica Group of American, European, and Central American Capital, already took the first step to become the most complete Resort of the country.

The group initiated the construction of first stage of the golf course yesterday, in the municipality of Villa the Carmen, located to 67 kilometers of Managua. The first golf course will have 18 holes located within an extension of 73.8 Acres.

Michael Cobb, Executive President of the group, indicated that this stage will involve an investment of \$5.3 million Dollar, including the House Club, restaurants, Social areas, and centers of entertainment of the complex that will generate at least 100 direct jobs in the zone. So, this is an event to celebrate, we are happy, he said.

Thomas Haugen, designer of the project, emphasized that the golf course in the long term will have 45 holes for international championships, which will represent an added value to the golfing experience.

We will offer golf programs for children and young people; as well as schools, he finished indicating that the course will be ready in one or two years.

WHAT FOLLOWS

Adiak Barahona, Operations Manager of Gran Pacifica, advanced that next March they are going to complete the first stage of 200 lots which will be inside the tourism city of the complex.

"In addition, we plan to have at least between 10 and 20 homes under construction for this year", he specified.

Barahona explained that the guests will be resident tourists. In others words people with the desire to be in Nicaragua about six months of the year, and with a spending capacity per day of about \$200 and \$500.

Besides the properties will have a value between \$40,000 and \$300,000 Dollars.

In that sense the mayor of Villa the Carmen, Néstor Jose Gutierrez, commented that with Gran Pacifica they hope to receive, per year, more than 500 thousand dollars in taxes.

"Although, the most important it will be the collateral benefits, because the project is going to allow the creation of small companies that will supply to the Marriot (prestigious global hotel chain), that will administer part of the infrastructure of the complex", said the Liberal mayor.

The Gran Pacifica project will totalize an investment of \$52 million Dollar. It has an extension of 2,276 Acres, with a tourism city of more than 200 residences, a commercial plaza, and a five-star hotel with 250 rooms, and a golf course.

In addition, Gran Pacifica has 6Km (3.5 Miles) of beach, where the project has invested so far about \$9.3 Million Dollar.

IMAGE WILL IMPROVE

The General Secretary of the Nicaraguan Institute of Tourism (Intur), Ian Coronel, said that the big investment of Gran Pacifica in the country will create confidence to others investors whom would love to come to the country.

Gran Pacifica is a positive impact factor in the tourist industry, because it is a serious group endorsed by a hotel of the profile of Marriot: To our criterion it is going to give us better image abroad, commented.

The ex-minister of Tourism, Lucia Salazar, agreed with Coronel. "The project is going to help to Nicaragua to be known around the world, because we must be conscious that the country has very bad reputation", aimed.

"So the people who already is looking for safe destinations will be able to come to Nicaragua, in other words it will help the promotion abroad", emphasized.

DGI (Nicaraguan IRS) WITH EXPECTATIONS

The Director of (DGI), Róger Arteaga, said, to the press that when complex of Gran Pacifica starts operations, it will probably contribute "few" income taxes to the state. "Nevertheless in a short term, in other words in 5 or 10 years, the project is going to contribute at least \$27 million of Cordobas to the country, it means that it will be one of the companies that generate higher tax income", aimed.

MiamiHerald.com 

Posted on Sun, Jan. 29, 2006

NICARAGUA

Nicaragua latest retirement haven

American retirees and investors are moving to Nicaragua to take advantage of the low cost of living and business opportunities.

BY TIM ROGERS

Special to The Miami Herald

<http://www.miami.com/mld/miamiherald/13736404.htm>

GRANADA, Nicaragua - Florida native Jimmy Lewis had lived in neighboring Costa Rica for two years before he came to Nicaragua in 2001 to investigate an intriguing tale.

"I had a buddy in Granada who had been bugging me to visit for years, telling me you could order a whole fried bass and a bottle of rum for only \$6," Lewis recalled. "I thought, what the heck kind of a jungle is he living in?"

Not only was Lewis surprised to discover that his buddy wasn't living in the jungle, but he soon joined the stream of American and European citizens who are moving here and turning Nicaragua into the latest retirement and investment hot spot in Central America.

Most foreigners living here do so on tourist visas, so there is no accurate number of how many American expatriates now call Nicaragua home. Current estimates stand at around 2,000 -- a far cry from the 70,000 or so U.S. citizens lured to Costa Rica by its weather and political stability -- but the number is growing fast.

In the heart of colonial-era Granada, filled with colorfully painted adobe homes, red-tile roofs, horse-drawn carts and old churches, mostly Americans have bought more than 150 homes -- or close to 10 percent of the town's center -- in the past five years, according to the mayor's office. Subsequently, real-estate prices have appreciated by 200-300 percent in the same period, and a downtown home that cost about \$30,000 in 2002 is now selling for \$100,000-plus.

GROWTH SPURT

Granada, a candidate to be named an UNESCO world heritage site, in fact is experiencing a tremendous growth spurt at age 481. So too is Nicaragua's Pacific coast, where more than 20 real-estate development projects have popped up since the late '90s, most of them aimed at foreigners.

Many of those projects have already sold most or all of their lots in the pre-construction stage, with little more than a web page, a land title and a promise. And many investors say they came to Nicaragua for the first time to "look around" but wound up purchasing land.

During a recent investors' field trip led by Baltimore-based Stansberry & Associates Investment Research, 11 of the 12 initially nervous participants ended up purchasing Pacific coast property during their first week in the country, according to group members.

Participants Bryan and Liza Harlan, a Dallas couple who hired a bodyguard to accompany them for their first 72 hours in Managua, said they felt comfortable enough by day five of their trip to dole out \$157,500 for a prime beachfront lot at Los Perros development, where they hope to start building soon.

Slightly to the north is the massive Gran Pacifica development, which at \$55 million is the largest investment project in Nicaragua.

The project, which hopes to eventually house a five-star hotel and luxury residential community of 2,000 homes, broke ground recently on what will be an 18-hole golf course.

MISSED OUT EARLIER

Terry and Angelica Martin, of Newport Beach, Calif., recently bought a lot at Gran Pacífica, saying they had missed a window of opportunity in Costa Rica 15 years ago. Costa Rica has since become a stable and prized retirement and investment site, although prices there have risen in recent years.

Their new friends and future neighbors at Gran Pacífica, Kent and Denise Payne from Oklahoma City, bought a lot on their fourth day in the country. They started construction on Jan. 13.

"It's cheaper for us to build here than . . . Oklahoma," said Kent Payne. "And this isn't Oklahoma; this is paradise," added his wife, while taking in the sun on the beach.

Not everyone moving to Nicaragua is of retirement age or living off previous investments or pensions. Tyler Tibbs, 27, moved here in 2003 from Oregon and purchased a lot near the town of San Juan del Sur -- about 80 miles south of the Nicaraguan capital city of Managua -- where he hopes to start an art community.

"In the modern world, it's hard to imagine being an explorer or pioneer, but in Nicaragua you can find the rougher edges of life. It's liberating," Tibbs said.

Rougher edges doesn't necessarily mean dangerous. One of the biggest misconceptions about Nicaragua is that it is unsafe. Statistically it's one of the safest countries in Latin America, with a lower homicide rate than neighboring Costa Rica or El Salvador or Honduras.

SAFEST CITY

Managua ranks as the safest capital city in Latin America, with 2.3 intentional homicides for every 100,000 people, according to statistics collected by INCAE, Harvard's Business School affiliate in Central America.

While Nicaragua still doesn't have the name recognition of Costa Rica among retirees and investors, some who come to visit are discovering that this is what they had in mind.

"I came up to visit and never looked back," said Lewis, who now runs a rib restaurant in town and moonlights as a rock musician on weekends.

THE U.S. OVERSEAS PRIVATE INVESTMENT CORPORATION

Washington, D.C.

January 6, 2006

Overseas Private Investment Corporation Agreement Boosts OPIC Support For U.S. Investment In Nicaragua

WASHINGTON, D.C. -- Strengthening its support for U.S. investment in Central America, the Overseas Private Investment Corporation (OPIC) and a Nicaraguan investment promotion agency today concluded an agreement to inform U.S. small businesses of OPIC programs in the country.

OPIC President and CEO Robert Mosbacher, Jr., and Juan Carlos Pereira, executive president of PRONicaragua, an independent Nicaraguan government agency, signed a memorandum of understanding establishing an outreach program to be implemented by a joint working group drawn from the two agencies.

Specifically, OPIC staff members will train PRONicaragua personnel to inform prospective U.S. small-business investors of OPIC programs and services, screen potential investors and projects, and disseminate information on OPIC support for projects in the franchising, housing and agribusiness sectors.

Central America is a priority region for OPIC in 2006: in his first overseas trip as OPIC president and CEO last October, Mosbacher joined U.S. Secretary of Commerce Carlos Gutierrez on a five-day trip to El Salvador, Guatemala and Honduras -- the first U.S. business development mission to the region since the Central American Free Trade Agreement was enacted in August 2005.

"Nicaragua, and Central America generally, are dynamic emerging markets that U.S. small businesses should consider in their expansion plans. As the region's investment climate continues to improve, lucrative opportunities await American companies that invest now," Mosbacher said.

"OPIC's partnership with PRONicaragua will inform far greater numbers of U.S. small businesses about our programs than OPIC could reach alone, so we expect a significant number of projects to result from today's initiative," Mosbacher added.

Pereira said, "PRONicaragua has developed a sizable portfolio of potential projects ready for presentation to potential U.S. investors, all of whom will benefit from a knowledge of OPIC support. We look forward with enthusiasm to implementing our partnership with OPIC."

OPIC was established as an agency of the U.S. government in 1971. It helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers.

OPIC's political risk insurance and financing help U.S. businesses of all sizes invest in more than 150 emerging markets and developing nations worldwide. Over the agency's 33-year history, OPIC has supported \$164 billion worth of investments that have helped developing countries to generate more than 732,000 host-country jobs and \$13 billion in host-government revenues. OPIC projects have also generated \$69 billion in U.S. exports and supported more than 264,000 American jobs.

Incluye campo de golf en Villa El Carmen
Se levanta ciudadela turística frente al mar

*** Gran Pacífica colocará a Nicaragua en el mapa del turismo mundial, dicen jubilosos Inversionistas**

Haydée Brenes



Moisés López/ END.- Juntar negocios con placer fue lo que hicieron los inversionistas de Gran Pacífica durante la inauguración de la construcción de los primeros 18 hoyos del campo de golf.

Insertos, Kurt y Peggy Long, manifestaron estar enamorados de Nicaragua y de su gente. Ellos son inversionistas.

El penetrante olor dulce del bloqueador, la ropa de verano, los sombreros, gorras y lentes para sol, fueron el común denominador para los ciento cincuenta inversionistas del complejo turístico Gran Pacífica, que inauguraron el pasado viernes la primera etapa de construcción del campo de golf.

Este campo, aseguró el diseñador Thomas Haugen, será un valor agregado para la que será la primera ciudadela turística del país, porque con él se atraerá a Nicaragua a turistas de calidad que tienen un mayor poder adquisitivo.

“Estoy muy entusiasmado con este proyecto que brinda protección al medio ambiente, los árboles y los manglares que lo harán único en el mundo”, dijo Haugen, quien desde noviembre del año pasado se trasladó a nuestro país con su familia.

Según Michael Cobb, el complejo “Gran Pacífica” es una de las mayores inversiones que se realiza en Nicaragua, de 52 millones de dólares, de los cuales hasta la fecha se han desembolsado 9.3 millones.

“Este proyecto es real y es una demostración de nuestra confianza en Nicaragua y en sus habitantes, que desde el principio creyeron en nuestro proyecto”, destacó Cobb.

Agradecidos

Ian Coronel, Secretario General del Instituto Nicaragüense de Turismo (Intur), agradeció a los inversionistas la confianza depositada en Nicaragua.

“Reafirmamos nuestro compromiso con la empresa privada y con todos aquellos que deseen invertir en el país en turismo, porque sabemos que con servicios de nivel como este proyecto estamos haciendo de Nicaragua un lugar competitivo. Me alegra sobremanera que se abran nuevas plazas de trabajo, pues cada vez que esto ocurre estamos evitando que un nicaragüense más abandone su país, su hogar y su familia”, destacó Coronel.

El alcalde de Villa El Carmen, señor Néstor Gutiérrez, expresó que gracias al proyecto, este municipio y la belleza de sus playas están siendo reconocidos no sólo por extranjeros, sino por muchos nicaragüenses.

“Esta inversión está siendo recibida con los brazos abiertos, pues el municipio es sumamente pobre, pero tenemos la esperanza de que gracias a este complejo saldremos adelante y nos volveremos un sitio próspero”, dijo el alcalde.

"Aventura de inversión"

Cuando los norteamericanos Kurt y Peggy Long decidieron que querían un cambio en sus vidas, vendieron la empresa familiar, y con el "dinero en mano" viajaron a Belice. Allí conocieron de cerca la oportunidad de inversión que tenían en Nicaragua a través del proyecto Gran Pacífica.

Nos entusiasmó la idea --señaló la pareja--, compramos un lote en el complejo e hicimos la propuesta de ofrecer nuestros servicios como auditores de construcción, y en el futuro ofrecer servicios integrales para los residentes del complejo, que van desde el manejo de su residencia hasta tours por el país.

"Vivimos en Nicaragua desde entonces, y podemos decir que nos enamoramos del país y de su gente. Después de ésta nos embarcaremos en una nueva aventura de inversión", comentaron.

* Gran Pacífica colocará a Nicaragua en el mapa del turismo mundial. El plan maestro señala que se espera construir una ciudadela turística de estilo colonial frente al mar, que contará en su primera fase con más de 200 residencias, una plaza comercial, un hotel cinco estrellas con 250 habitaciones y un campo de golf con 27 hoyos.