



KRAIN HAS ASSEMBLED THE STRONGEST COMMERCIAL REAL ESTATE TEAM IN GUANACASTE, COSTA RICA.



PETER BREITLANDER

*Peter Breitlander (Right)
and his Chicago Business
Partner John Federici (Left)*

SARAH BREITLANDER

*Sarah Breitlander (Below)
co-founder / owner of Krain*



Partnering with KRAIN

Choosing the proper real estate brokerage to market a commercial listing in Costa Rica is an important decision. Partnering with the right brokerage can add value to the property, bolster the property's marketing exposure, bring more qualified buyers, and ensure that owners receive top dollar in the sale of their property. In short, KRAIN has assembled the strongest commercial real estate team in Guanacaste. As a result, KRAIN has become the premier brokerage for marketing commercial property and large tracts of land in the area. What follows is the information you will need in deciding with whom to list your property, and at what price. We are always available to answer any and all questions you may have.

Meet the Founders

KRAIN Costa Rica was founded in 2014 by Peter and Sarah Breitlander. Peter Breitlander is a U.S. licensed real estate broker who has 16 years of expertise in residential and commercial real estate. He is also

the co-founder and owner KRAIN Chicago, a successful brokerage with 40 agents doing business in Chicago, Illinois, since 2006. Peter and his business partner John Federici founded Krain Chicago.

Sarah Breitlander is a United States commercial litigation attorney who practiced law at a large Chicago law firm for over a decade before co-founding KRAIN Costa Rica.

About KRAIN Costa Rica

Since its inception in 2014, KRAIN Costa Rica has become the premier real estate brokerage in the Guanacaste region of Costa Rica. KRAIN currently has three offices located in Flamingo, Potrero, and Ocotol, and the company has the leading market share in these areas.

In addition to having the leading market share, KRAIN is the only company in Costa Rica that requires its agents to be licensed in either the U.S. or Canada. Having a real estate license is not a requirement of the Costa Rican government because there is no national licensing law

governing real estate. However, it is a requirement that KRAIN imposes upon itself, and its agents, in order to meet its high standards of ethics and professionalism.

KRAIN Costa Rica believes in entering into meaningful affiliations to increase its global marketing reach in order to better serve its clients. It is an affiliate of NAI Global, Leading Real Estate Companies of the World, Luxury Portfolio, and Mayfair International. KRAIN employs 15 full-time staff members and 9 licensed real estate agents. Four of those licensed agents specialize in commercial real estate.



KRAIN Costa Rica is an affiliate of Leading Real Estate Companies of the World, Luxury Portfolio, Mayfair International, and NAI Global.

KRAIN Commercial | NAI Costa Rica

KRAIN is the exclusive NAI Global affiliate for all of Costa Rica. This is important to sellers of commercial property because **annually, NAI Global completes in excess of \$20 billion in commercial real estate transactions throughout the world.** KRAIN's recent affiliation with NAI Global has come together to capitalize on the potential of both brands and create a confident and powerful market presence in Costa Rica's commercial real estate landscape.

NAI Global offices are leaders in their local markets and work in unison to provide clients with exceptional solutions to their commercial real estate needs. NAI Global has more than 400 offices strategically located throughout North America, Latin America, Europe, Africa and Asia Pacific, with over 7,000 local market professionals, managing in excess of over 425 million square feet of property.

KRAIN's Commercial Team

KRAIN's Commercial Real Estate Team is strong because of its diverse professional backgrounds, multiple strengths, experience, and formal educations. KRAIN's clients benefit from this team approach because they receive the wealth of experience and knowledge—in its entirety—that our team offers. Our team is able to formulate highest and best use of property; calculate projected building costs and returns on investment; and devise a development/resale strategy to maximize profits. KRAIN has the transactional, legal, analytical, and sales experience to evaluate and structure deals so that our clients achieve success.



Managing Broker & Team Leader | Peter Breitlander

Peter Breitlander is the co-founder and co-owner of both KRAIN Costa Rica and KRAIN Chicago. He is a U.S. accredited real estate broker with 16 years of experience, and he recently completed his 1000th real estate transaction. Peter was the managing broker for the KRAIN Chicago office from its inception in 2006 to 2014, when he founded KRAIN Costa Rica.

Peter is currently the managing broker for the KRAIN Costa Rica offices and team leader of KRAIN's Commercial Division. As team leader, Peter is responsible for structuring deals and negotiating key terms and conditions. Peter's experience benefits his clients by helping them achieve their real estate goals while maximizing profit and minimizing risk.

Peter has been honored repeatedly by the Chicago Association of Realtors for being in the top 1% all of realtors for transactions and sales volume. Peter was fortunate enough to receive this prestigious award every year from 2009 to 2013.

Peter is a member of the National Association of Realtors (NAR), the Illinois Association of Realtors (IAR), the Chicago Association of Realtors (CAR), the Costa Rica Global Association of Realtors (CRGAR), and La Cámara de Corredores de Bienes Raíces (CCCBR). Peter has his GRI Certification from the Graduate of Real Estate Institute, has his Certified International Property Specialist (CIPS) designation, and is in process of obtaining his CCIM designation.



Legal Consultant | Sarah Breitlander

Sarah Breitlander is a United States attorney and founding partner of KRAIN Costa Rica. As a U.S. licensed attorney, Sarah brings her wealth of experience to KRAIN's commercial clients. Sarah works with local counsel to advise as to the specific processes, and best practices, by which investors can acquire, subdivide, and develop large tracts of land. She also drafts leases and Purchase and Sale Agreements tailored to best meet her clients' needs. Acting as a liaison with legal counsel, financial analysts, and engineering firms throughout Costa Rica, Sarah assists her commercial clients in acquiring water rights sufficient for the proposed development, obtaining building and environmental permits, and formulating a development and resale plan.

Sarah practiced law for over a decade in the United States before moving to Costa Rica. Specifically, she practiced at a large Chicago law firm, where she counseled and represented clients in various commercial disputes.

In 2012, Sarah was named among Chicago's top "40 Under 40" Illinois attorneys to watch. For five consecutive years beginning in 2009, Sarah was named an Illinois "Rising Star" in Super Lawyers Magazine, a distinction reserved for the top 2.5% of Illinois lawyers who are under 40. She also served for over 10 years on the board of the Women's Bar Association of Illinois (WBAI), and was voted President-Elect of the WBAI before her departure to Costa Rica. Sarah was also 2011-12 Chair of the Chicago Bar Association's Commercial Litigation Committee, and was the youngest attorney to ever chair that committee.

Sarah has also worked for various highly distinguished judges. She served as law clerk to the Honorable Anne M. Burke of the Illinois Supreme Court. In addition, she served as judicial extern to the late James H. Alesia and the Honorable Robert W. Gettleman, both federal judges in the Northern District of Illinois.

Sarah received her Juris Doctor Degree from the John Marshall Law School in 2003. In law school, Sarah received numerous scholarships for her academic achievements, and was also a member of the John Marshall Law Review.



Financial Analyst & Development Consultant | Chad Turner

Chad Turner contributes to the KRAIN team by helping with the key financial aspects of the commercial practice. He provides clients with highest and best use of property, maximum build density, projected build costs, and pro formas setting forth projected profits. His work product is instrumental to KRAIN's clients, allowing them to choose opportunities that maximize their financial objectives while minimizing risk.

Chad moved to Costa Rica in 2014 to serve as the Chief Financial Officer for the Cabo Vida Group, an integrated group of Costa Rican enterprises engaged in real estate sales, home and community development, and condo and home construction. He has also served as a consultant and later VP of Finance for the Discovery Costa Rica/Sun Ranch project since 2014, leading the development of the project's financial forecast and assisting with corporate development.

Prior to 2014, Chad was the Director of Financial Planning and Analysis for a premier health information management company as well as an accounting manager at a \$1.2B publicly traded international retail goods company in the U.S.

Chad also worked for five years at McGladrey, a public accounting firm in Massachusetts, where he earned his CPA certificate. Chad attended Boston College, earning both his undergraduate degree and a Master's Degree in Accounting.



Transaction Management & Client Relations | Jeff Goode

Jeff Goode is a seasoned real estate broker with broad real estate experience nationally in the states of Alabama, Chicago, and New York and internationally in the country of Costa Rica. Jeff is one of KRAIN's leading sales representatives, and he brings more than 10 years of sales, transaction management, and information technology expertise to the commercial team. Jeff is in charge of client relations, often acting as their first point of contact, and ensures that our clients' expectations are met. Jeff is detail orientated and makes sure that the process—from contracting to closing—moves seamlessly. He is a key member in helping structure deals, meeting deadlines, and overall transaction management.

Jeff is a member of National Association of Realtors (NAR), the Real Estate Board of New York (REBNY), and the Costa Rica Global Association of Realtors (CRGAR), which is affiliated with the International Consortium of Real Estate Association (ICREA). Jeff has also obtained his Certified International Property Specialist (CIPS) designation. Jeff is a veteran of Desert Storm with the U.S. Army and double Purple Heart recipient.

KRAIN IS THE PREMIER LISTING BROKERAGE FOR MIXED-USE DEVELOPMENTS AND HOTELS. HERE IS WHY:

Value Proposition: Valuation with Justification

KRAIN is one of the few brokerages that has the ability to assist in establishing a realistic list price based on justifiable data and projections. For our sellers raw land, on the front end of a commercial listing, KRAIN is able to advise on the highest and best use of a property, project build and infrastructure costs, and develop pro formas for potential investors based on market needs and trends. Once these projections are established, KRAIN can then provide their sellers with a market value and clear objectives moving forward with the marketing of their commercial property. With solid and justified pro formas, KRAIN can then begin to market the property to potential investors. As such, KRAIN has a deeper understanding of the property and the value it holds, allowing it to market the property in the best way possible.

For potential hotel sites, and similar to its valuation model for the mixed-use resort development, KRAIN can analyze a site and create a pro forma based on site potential, key count and demand. KRAIN can even adjust the build cost based on certain hotel brands' quality criteria. With this evaluation, KRAIN can market a hotel site within a planned development and attract the right hotel brand for that specific development.

For existing hotels, KRAIN can give an evaluation based on the value of existing real estate in today's market, the value of existing structures or their replacement costs, the potential for growth and/or expansion, the review of profit and loss statements, the business's good faith value, and the value of fixtures, furniture, and inventory. KRAIN creates custom pro formas and marketing pieces for each hotel that it markets.

Value Proposition: Marketing

KRAIN is the only company in Costa Rica that has global real estate marketing affiliations that encompass commercial, residential, and luxury real estate. Our combined network of agents is unsurpassed; KRAIN's marketing reach extends to 132 countries and 18 languages. We market our commercial listings to our entire affiliate network, as well as through direct marketing campaigns to all agents in Costa Rica, and to top U.S. agents in specific markets that consistently invest in Costa Rica. Furthermore, the KRAIN Chicago office, which has been in operation for over a decade, is a well known and trusted brand in the midwest region and serves as a substantial lead source. KRAIN's recent partnership with NAI Global has only further strengthened KRAIN's marketing network, and has secured KRAIN's dominance as the marketing leader of commercial property throughout Costa Rica.

Value Proposition: Investors

KRAIN attracts the largest share of investors seeking commercial property in Guanacaste. This is true for a variety of reasons. First and foremost, KRAIN's marketing reach for commercial property is unsurpassed. Second, KRAIN's Chicago office gives stability and confidence to clients that are already familiar with the brand. Third, investors rely on KRAIN's professional work product when conducting their preliminary search for commercial property. From KRAIN's initial feasibility and market analysis, to its ability to act as a liaison to the best legal, engineering, and architectural firms throughout Costa Rica, KRAIN is the brokerage that investors rely upon to compare investment and development opportunities.

Finally, investors prefer working with KRAIN because it is the only company in Guanacaste with a large and highly trained sales force in place to handle all residential resale and commercial leasing needs of a project once developed. Investors feel comfortable working with KRAIN because they know that KRAIN will be there every step of the way—from the purchase of a project, to the resale of individual homes, to management of commercial and residential leases. KRAIN's focused resale strategy and ability to market residential resales to 132 countries gives our investors the confidence that they will achieve the highest and best return on their investment.

Chicago Office

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Chicago, IL 60622
(312) 804- 3901
www.KrainRealEstate.com

Flamingo Office

Centro Comercial La Plaza
Local B-3, 180 and North
Ridge Road, Provincia de
Guanacaste, Playa Flamingo
(506) 2654-4010

Potrero Office

Comercial Centro Pacifico
Local 3, Provincia de
Guanacaste, Playa Potrero
(506) 2654-4010

Ocotal Office

Vista Ocotal Welcome
Center on 151, Provincia de
Guanacaste, Playa Ocotal
(506) 2654-4010

KRAIN
COMMERCIAL REAL ESTATE
NAI Costa Rica



NAI GLOBAL NETWORK



5th Largest Commercial Brokerage in the World.
KRAIN is the Exclusive NAI Affiliate for All of Costa Rica.



LEADING RE GLOBAL NETWORK

Leading
REAL ESTATE COMPANIES
OF THE WORLD

LUXURY PORTFOLIO
INTERNATIONAL®

WE'RE LOCAL
WE'RE GLOBAL™

KRAIN is the Exclusive Guanacaste Affiliate
for Leading RE.

565
FIRMS

130,000
SALES ASSOCIATES



ENCOMPASSING
4,100
OFFICES

65
COUNTRIES

MAYFAIR INTERNATIONAL NETWORK



A growing worldwide network

A London based firm with a network of over 100 brokers with more than 450 offices spread across the UK, North America, Latin America and Europe, Mayfair International Realty members are able to provide their sellers with real international coverage for their properties.

Mayfair International Realty last year achieved over \$6 million worth of editorial space in the UK national press. KRAIN's listings appear regularly in these UK publications.

KRAIN is the Exclusive Mayfair Affiliate for All of Costa Rica.

SUMMARY REPORT FOR MOJAGUA BOWL

Mojagua Bowl Features, Assessed Value, and KRAIN's Goal

Key Features

The KRAIN commercial team members have visited and analyzed the subject site, and we believe the property has great value for the right developer. With over 300 acres of land in a well-situated bowl, this project should provide years of development opportunities and the potential for considerable profit.

The “pros” for the Mojagua Bowl include its proximity to the Daniel Oduber Quiros International Airport (45 minutes), to the bustle and nightlife of Playas del Coco (30 minutes), to the popular Diamante Eco Adventure Park and Animal Sanctuary (5 minutes), and to the future Flamingo Marina featuring 211 boat slips (30 minutes). Notwithstanding its nearness to these modern conveniences and desirable tourist destinations, the Mojagua Bowl (amazingly) provides the feeling that one is away from it all. The unique position of Mojagua Bowl becomes obvious when one stands along the ridge and looks down at the property—there is nothing else in sight but tranquil ocean views, lush nature, and a beautiful beach. As a result, the Mojagua Bowl provides an ideal location for a luxury development nestled away from hubbub of successful nearby developments.

Ease of access is another key feature that sets the Mojagua Bowl apart from the rest. Forty-five minutes from the international airport to an easy-to-find location along a paved road is attractive to investors. In addition, the 30-plus ocean-view pads along the Mojagua Bowl's ridge are naturally easy to access.

The ability to develop in the near future is another key selling point for the property. The Mojagua Bowl has water available on the property with multiple permitted wells that are believed to produce more than sufficient liters per second to support the proposed development. In addition, the owners are in possession of prior master plans, and they are currently applying for permitting so that condominium law may be applied to the property. In contrast, most other large parcels competing in today's market do not have these benefits, which makes the Mojagua Bowl unique and more desirable. KRAIN understands the value of water availability, as well as the permitting process to move a large project along. We will work with potential investors to help them understand the value of the work that has already been invested in the site.

Assessed Value

We believe the key to selling this property is helping buyers recognize the value that we see in the land. To that end, KRAIN has developed a financial model and forecast as an example for infrastructure costs, future development, and potential profit in resales. This forecast is used to help KRAIN arrive at a reasonable sale price that we believe in. This is important because KRAIN is usually asked to provide resale services once the development is completed.

We have arrived at a value of **\$16M USD**, a justifiable figure that we can present to potential buyers.

KRAIN's Goal

With our forecasts, our extensive marketing, and our professional support services, our goal is to lay the ground work and preliminary justification so that investors will come to Costa Rica, enter into a contract to purchase the property, and start the due diligence process with their own extensive team of qualified professionals.

Proposed Forecast Supporting List Price

KRAIN's detailed proposed financial forecast (of which only the summary page is set forth below) reflects the highest and best use for the property based on the experience and knowledge of our team members. The mix of product was determined based on information given to us by Mr. Rembert, the needs in the area, and our first-hand experience in the market place. The forecast includes a 5-star, 80-room boutique hotel, a 30-key glamping site, a commercial space, and various residential offerings (including single family lots and two condominium developments). Infrastructure for the project and common area amenities—including a beach club at a cost of \$1.095M and an equestrian center at a cost of \$760K—are also factored in. Currently, the build out and resale of residential homes on the single-family lots is not factored into the forecast and ROI; only lot preparation and sale are factored in. However, the option to build spec homes on the lots is always an option we present to our investors to increase the potential profit of the development.

Re-sale prices for the lots and condominiums were determined using various comparable properties sold along the gold coast of Guanacaste. In a country like Costa Rica, where there is extremely limited market data, and where bank and other appraisals are often excessive and do not reflect true market value, KRAIN is extremely well positioned to give highly accurate pricing. Given KRAIN's substantial experience in the residential market, no one is better positioned to provide information on realistic sales prices and as to what future residential buyers are seeking in the homes they purchase.

Hotel and commercial projections were based on industry standards, feasibility reports for similar properties, and input from operating hotels in the area. Similarly, the costs for development were created using industry reports, in-country experience, and cost basis for the infrastructure from one of the largest engineering firms in Costa Rica. Total buildout is projected to be completed over eight years and provide a return of 26% over ten years, assuming an exit from the hotel in 2030.

While we recognize the plan has many details to be determined, and that there are many decisions to be made by future ownership, the proposed plan and forecast is useful to investors as a starting point to see the value in the Mojagua Bowl. This will be enough to convince investors to visit the property, and place an offer to purchase the property (over other tracts of land in the area) so that they can bring in their own team of professionals to plan and develop the property.

Sample of Materials Sent to Our Investors

Finally, on page 11, we have set forth a sample of the type of materials we send to our investors. Our efforts are to assist them in understanding the growth in the area, and to show the potential for purchasing commercial property here. We share this with you so that you can see an example of the way we interact with our investors.

MASTER PLAN FORECAST - MOJAGUA BOWL

Majagua at Diamante Master Plan Forecast

<u>Boutique 5 Star Hotel @ Mojagua</u>	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue	\$ -	\$ -	\$ -	\$ 13,154.58	\$ 17,784.99	\$ 19,919.18	\$ 21,307.84	\$ 22,160.15	\$ 23,046.56	\$ 23,968.42	\$ 24,927.15	\$ 25,924.24
OPEX	\$ -	\$ -	\$ 604.29	\$ 12,118.65	\$ 15,073.67	\$ 16,148.48	\$ 16,489.07	\$ 16,332.03	\$ 16,985.31	\$ 17,664.72	\$ 18,371.31	\$ 19,106.17
Net	\$ -	\$ -	\$ (604.29)	\$ 1,035.92	\$ 2,711.32	\$ 3,770.70	\$ 4,818.77	\$ 5,828.12	\$ 6,061.24	\$ 6,303.69	\$ 6,555.84	\$ 6,818.08
CAPEX	\$ -	\$ 9,606.18	\$ 13,889.56	\$ 526.18	\$ 711.40	\$ 796.77	\$ 852.31	\$ 886.41	\$ 921.86	\$ 958.74	\$ 997.09	\$ 1,036.97
Terminal Value	8.0%											\$ 85,225.94
Cash Flow	\$ -	\$ (9,606.18)	\$ (14,493.85)	\$ 509.74	\$ 1,999.92	\$ 2,973.93	\$ 3,966.45	\$ 4,941.71	\$ 5,139.38	\$ 5,344.96	\$ 5,558.76	\$ 91,007.05
IRR	22%											
<u>Glamping by the Beach @ Mojagua</u>	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue	\$ -	\$ -	\$ -	\$ 997.93	\$ 1,297.31	\$ 1,619.04	\$ 1,964.43	\$ 2,043.01	\$ 2,124.73	\$ 2,209.72	\$ 2,298.11	\$ 2,390.04
OPEX	\$ 1.24	\$ 1.29	\$ 61.95	\$ 929.36	\$ 1,111.31	\$ 1,205.96	\$ 1,462.99	\$ 1,521.51	\$ 1,582.37	\$ 1,645.66	\$ 1,711.49	\$ 1,779.95
Net	\$ (1.24)	\$ (1.29)	\$ (61.95)	\$ 68.57	\$ 185.99	\$ 413.08	\$ 501.45	\$ 521.51	\$ 542.37	\$ 564.06	\$ 586.62	\$ 610.09
CAPEX	\$ -	\$ 596.75	\$ -	\$ 49.90	\$ 64.87	\$ 80.95	\$ 98.22	\$ 102.15	\$ 106.24	\$ 110.49	\$ 114.91	\$ 119.50
Terminal Value	10.0%											\$ 6,100.88
Cash Flow	\$ (1.24)	\$ (598.04)	\$ (61.95)	\$ 18.67	\$ 121.13	\$ 332.13	\$ 403.23	\$ 419.35	\$ 436.13	\$ 453.57	\$ 471.72	\$ 6,591.46
IRR	38%											
<u>Commercial Space</u>	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Lease Revenue	\$ -	\$ -	\$ -	\$ 721.23	\$ 1,000.11	\$ 1,040.11	\$ 1,081.72	\$ 888.15	\$ 1,169.99	\$ 1,216.78	\$ 1,265.46	\$ 1,316.07
Expenses	\$ -	\$ -	\$ -	\$ 144.25	\$ 250.03	\$ 260.03	\$ 270.43	\$ 222.04	\$ 292.50	\$ 304.20	\$ 316.36	\$ 329.02
Net	\$ -	\$ -	\$ -	\$ 576.99	\$ 750.08	\$ 780.08	\$ 811.29	\$ 666.11	\$ 877.49	\$ 912.59	\$ 949.09	\$ 987.06
Capex	\$ -	\$ -	\$ 180.00	\$ 3,818.00	\$ 1,302.77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Terminal Value	8%											\$ 12,338.19
Cash Flow	\$ -	\$ -	\$ (180.00)	\$ (3,241.01)	\$ (552.69)	\$ 780.08	\$ 811.29	\$ 666.11	\$ 877.49	\$ 912.59	\$ 949.09	\$ 13,325.25
IRR	26%											
<u>Prime Lot Sites</u>	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Sales	\$ -	\$ -	\$ -	\$ 3,069.41	\$ 6,384.37	\$ 6,639.75	\$ 6,905.34	\$ 7,181.55	\$ 7,468.82	\$ -	\$ -	\$ -
Development Costs	\$ -	\$ -	\$ 352.28	\$ 732.73	\$ 762.04	\$ 792.33	\$ 824.23	\$ 857.20	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ -	\$ -	\$ (352.28)	\$ 2,336.68	\$ 5,622.33	\$ 5,847.22	\$ 6,081.11	\$ 6,324.36	\$ 7,468.82	\$ -	\$ -	\$ -
<u>Nature Lot Sites</u>	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Sales	\$ -	\$ -	\$ -	\$ 1,556.09	\$ 3,236.67	\$ 3,366.13	\$ 5,951.32	\$ 4,733.05	\$ 4,922.37	\$ 3,937.90	\$ 4,095.41	\$ -
Development Costs	\$ -	\$ -	\$ 218.56	\$ 454.59	\$ 472.78	\$ 835.87	\$ 664.76	\$ 691.35	\$ 553.08	\$ 575.21	\$ -	\$ -
Cash Flow	\$ -	\$ -	\$ (218.56)	\$ 1,101.49	\$ 2,763.89	\$ 2,530.26	\$ 5,286.56	\$ 4,041.70	\$ 4,369.29	\$ 3,362.69	\$ 4,095.41	\$ -
<u>Beach Condos</u>	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Sales	\$ -	\$ -	\$ -	\$ -	\$ 12,573.73	\$ 13,076.68	\$ 13,599.74	\$ 14,143.73	\$ -	\$ -	\$ -	\$ -
Development Costs	\$ -	\$ -	\$ -	\$ 6,395.60	\$ 3,845.86	\$ 3,999.69	\$ 4,159.68	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ -	\$ -	\$ -	\$ (6,395.60)	\$ 8,727.87	\$ 9,076.99	\$ 9,440.07	\$ 14,143.73	\$ -	\$ -	\$ -	\$ -
<u>Townhouses - View</u>	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Sales	\$ -	\$ -	\$ -	\$ -	\$ 7,846.01	\$ 8,159.85	\$ 8,486.24	\$ 8,825.69	\$ -	\$ -	\$ -	\$ -
Development Costs	\$ -	\$ -	\$ -	\$ 7,079.71	\$ 4,557.33	\$ 4,739.63	\$ 4,929.21	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow	\$ -	\$ -	\$ -	\$ (7,079.71)	\$ 3,288.67	\$ 3,420.22	\$ 3,557.03	\$ 8,825.69	\$ -	\$ -	\$ -	\$ -
Land Cost	\$ (16,000.00)											
Common Infrastructure	\$ (1,632.72)	\$ (2,170.67)	\$ (2,097.00)	\$ (1,247.07)	\$ (759.19)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (17,633.95)	\$ (12,374.88)	\$ (17,403.63)	\$ (13,996.81)	\$ 21,211.93	\$ 24,960.84	\$ 29,545.73	\$ 39,362.66	\$ 18,291.10	\$ 10,073.81	\$ 11,074.98	\$ 110,923.76
IRR	26%											

KRAIN
COMMERCIAL REAL ESTATE
NAL Costa Rica



KRAIN | COSTA COMMERCIAL REAL ESTATE RICA

GUANACASTE HAS ARRIVED!

*\$10 MILLION
AIRPORT
EXPANSION:
POISED FOR
STEADY GROWTH*

FOUR SEASONS | PAPAGAYO

\$100-Million Renovation

W HOTEL - RESERVA CONCHAL

151-Key Hotel Designed by Zurcher

FLAMINGO MARINA

\$50-Million Investment into Flamingo

LAS CATALINAS

\$14.9 Million in Sales in 2017

COCA COLA PLANT

\$50-Million High Tech Plant

Guanacaste: Poised For Steady Growth

Liberia ... a \$100M makeover of Peninsula Papagayo ... a new W Hotel at Reserva Conchal ... a \$10M airport expansion ... new luxury condos on Flamingo's highest hill ... just above the world-class Flamingo Marina everyone is waiting for ... Las Catalinas reports huge success and shows demand ... and Coca Cola places one of its largest and most technologically advanced plants in Liberia. Guanacaste has arrived!

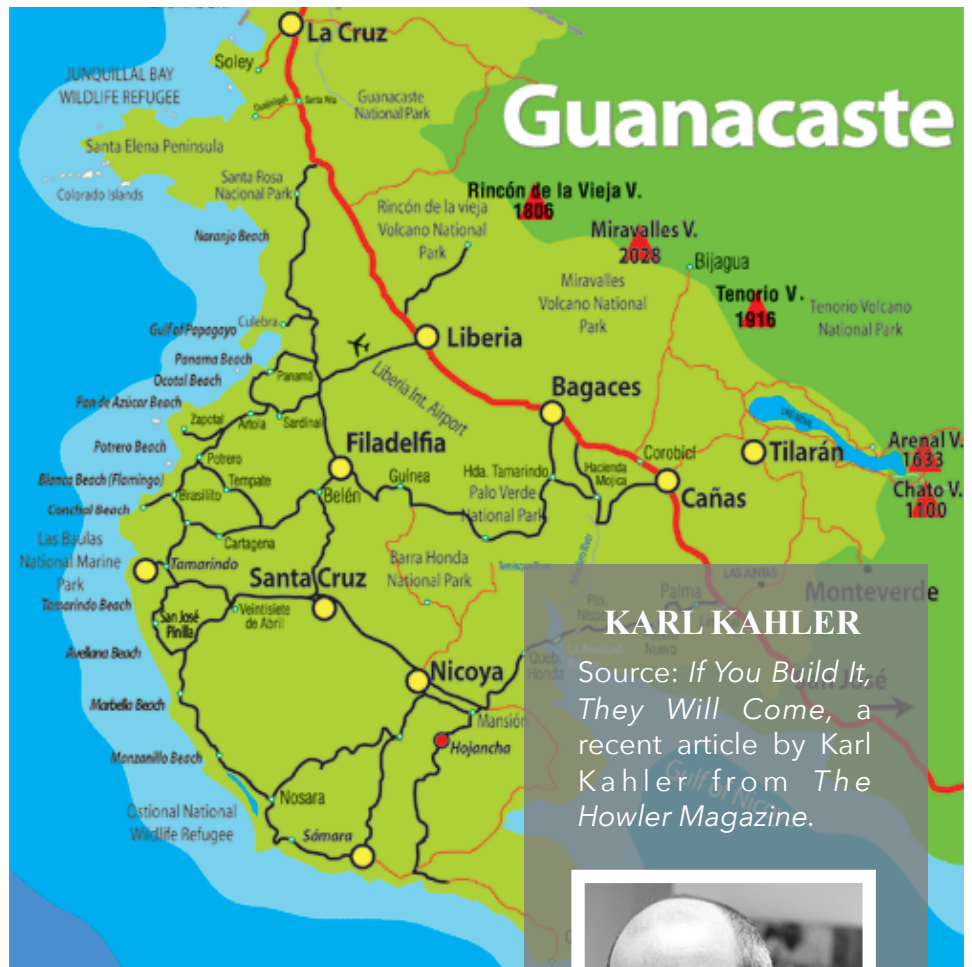
Substantial, sustainable, and steady growth comes to Guanacaste, Costa Rica.

Real estate agents have reported within the first half of '17 they did more sales than they did in all of '16. And it kept getting better – '16 was better than '15 and so on and so on.

Construction is happening all over Guanacaste, fueling confidence that we are transitioning to a seller's market. Inventory is extremely low. There is a need for large scale developers to build and replenish the inventory. The small developers are way too busy and cannot scale their businesses to meet the market demand.

Some experts quibble with the word "boom," recalling the real estate bubble of the mid-2000s that led to the catastrophic collapse of 2008. But everyone seems to agree that the real estate, hospitality and retail markets are more robust and more consistent than they have been in a long time.

The market is healthy because of the stable growth seen over the last four years, primarily due to the fact that these transactions / investments were all done in cash. In contrast, during the "boom" every major bank was lending and providing mortgages in



Costa Rica. Investors do expect to see some opportunities to lend here in the future. The private equity firms are already talking about structuring future loan products accommodate a growing demand.





Papagayo Reimagined

In 2017, a \$35 million renovation was made to the Four Seasons in Papagayo, the finest resort in Central America. New furniture and artwork was installed in all of its 181 units (which were pretty nice before), plus new plunge pools at its 15 “Canopy Suites.” The lobby has also be redesigned, the restaurants remodeled, and a new bar and library lounge added.

Last year the Miami-based Gencom, led by real estate tycoon Karim Alibhai bought most of Peninsula Papagayo for \$450 million. The original deal included the Four Seasons, the Arnold Palmer-designed golf course, the Papagayo Marina and assorted other properties. Gencom recently acquired the Andaz Peninsula Papagayo Resort as well.

The \$35 million renovation of the Four Seasons is said to be just the spearhead of a \$100 million investment in capital improvements all over Peninsula Papagayo – adding eight miles of nature trails, improving the golf course, upgrading the 180-slip marina and creating a macaw sanctuary.

Just east of the marina, the former Allegro Hotel is scheduled to reopen as a Hard Rock Hotel in 2018. Just to the southeast, the Spanish-run Sirenis Hotels and Resorts is now building a beach club and has plans to build a brand-new hotel.

South of there, the Casa Conde Beach Front Hotel just underwent a big renovation, and the neighboring El Mangroove is said to be planning a major expansion.

In Playas del Coco, the popular Coconutz Sports Bar & Grill was recently acquired by Pete Wenzel, who employs roughly 300 people at his bar-code and automatic ID businesses in the U.S. He says he has invested about \$5 million in Guanacaste and is spending hundreds of thousands on Coconutz alone. “The long and short of it is, there are bargains to be had in Costa Rica, where a lot of places, especially in the U.S., there are not,” he said. “I believe there is a boom going on, and I’m trying to get on the front end of it before all the bargains get snapped up.

W Hotel | Reserva Conchal

Not to be outdone by rivals to the north, owners of the super-exclusive Reserva Conchal near Brasilito are building a new W Hotel to supplement the Westin Golf Resort & Spa, as if its 406 rooms weren't enough. The W Costa Rica, due to open in 2019, will have 151 rooms, restaurants, bars, an infinity pool, a spa and a convention center.

The 936-hectare Reserva Conchal is

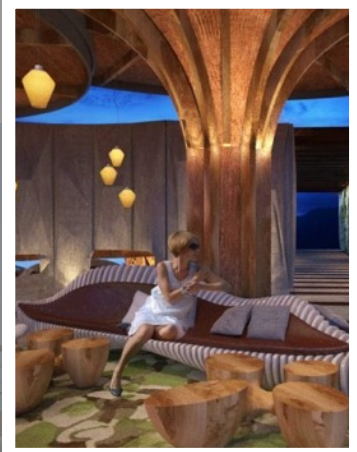
also a major housing development, currently boasting 204 units, a mix of condos (starting in the \$300,000s) and stand-alone homes (starting in the \$800,000s). Gabriel Araya, head of sales for Sotheby's at Reserva Conchal, said six new condos are in preconstruction and three new townhomes are being built.

When asked if he's seen recent growth in construction and sales,

Araya said: "The past three years have been very consistent in terms of activity. This year, there is probably more construction, and sales-wise, we've done very well in numbers, and we've had very constant activity for the past three

151-KEY W HOTEL

Designed by Zurcher



\$10M USD Liberia Airport Expansion

The international airport in Liberia, which breaks its own passenger records every year, is currently undergoing a \$10 million expansion.

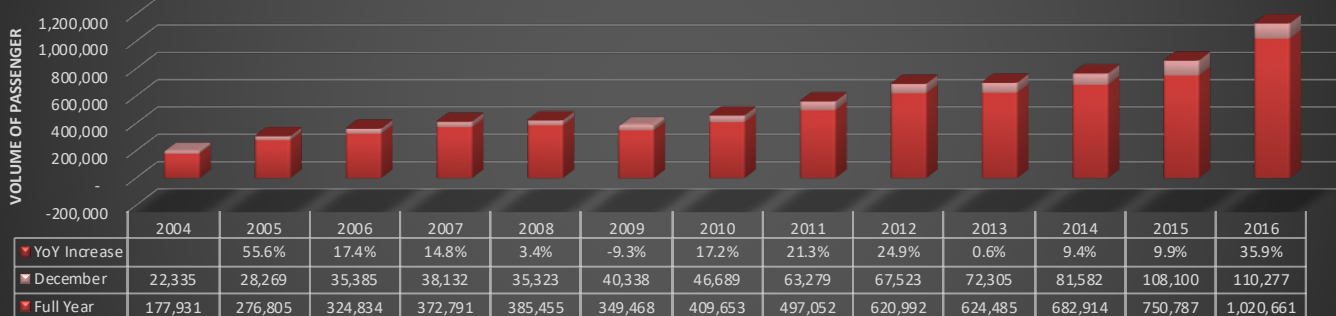
The Daniel Oduber International Airport expansion involves 4,118 square meters (44,326 square feet) and is expected to be concluded in November of 2018.

The work being done should increase the capacity of the Liberia Airport enabling the ability of at least

300,000 more passengers to visit Guanacaste, going from a total 1.1 million passengers (entering and leaving) in average yearly, to 1.4 million.

A third boarding room was included in the first floor. The commercial area will add six new stores. The main lobby will add 417 square meters which will allow the installation of six new counters, offering in total 42 stations for airlines. A VIP room is also in the plans. A third baggage carousel will be added and this area will have an additional 500 square meters.

**Total Passengers per Year at Daniel Oduber International Airport
December 2016**



Flourishing in Flamingo!

Ed Podolak, a former pro football player for the Kansas City Chiefs (and a friend of singer-songwriter Jimmy Buffett), says his high-end 360 Splendor del Pacifico condo development on top of Flamingo's North Ridge issue to bring the right crowd. Prices range from \$295,000 for a 1-bedroom to \$2.5 million for a penthouse. Podolak reports that two-thirds of the 36 units are already sold.

"It's interesting because there's been no development since 2008, -09, -10, -11, when the economic crisis hit the U.S. and other places," Podolak said. "Then as the economy turned around and the airport opened and now the

marina is coming, yeah, there's a boom."

Speaking of Jimmy Buffett, it's no accident that the Flamingo Beach Resort is being rebranded a "Margaritaville," one of a chain of resorts inspired by the laid-back tropical tastes of the legendary man.

The long-awaited Flamingo Marina appears to be closer to reality than ever. SETENA, the

National Environmental Technical Secretariat, approved the marina as of March 2018. The Concession has also been awarded to the development group. The group is now in the engineering and architecture phase, developing real plans from their conceptual drawings that have been approved by the government. The group plans on breaking ground in early 2019.

FLAMINGO MARINA

Proposed Mixed-Use Marina with 211 Boat Slips



360 SPLENDOR DEL PACIFICO

Upscale Hotel Condos Located on the North Ridge of Flamingo





29 SALES WORTH \$14.9M IN 2017 ALONE!

A 45-room hotel and 54 more flats and houses are expected by the end of 2018.



Las Catalinas, Population 325 and Growing!

Las Catalinas is a new community on the quiet Guanacaste Coast that offers a sophisticated way to live the national ideal of pura vida in a beautifully imagined seaside resort town inspired by New Urbanism. With two beaches on one side and nearly 1,000 acres of protected tropical dry forest on the other, the car-free community has set a tone of staying quietly connected to the region's natural gifts. And the red-tile rooflines look just perfect against that cerulean sea.

Charles Brewer, the founder of the internet service provider Mindspring Enterprises, to build his own seaside Shangri-La. Not a resort, exactly, but a resort town where tourists could check into a boutique hotel, rent an airy villa or pull up stakes altogether and buy one of the homes to live in year round.

Mr. Brewer says his vision was based on principles of new urbanism: green, dense, sustainable, with a sense of place. Las Catalinas would have no gate, no cars and no hard barrier between the local community and the expats and second-home buyers who would eventually bring it to life. "We set out to create a lively walkable gem of a

town, surrounded by beautiful nature on land and at sea," said Mr. Brewer, the managing partner of Las Catalinas. The master plan involved developing 200 acres, modeled after pedestrian hill towns in Europe.

He had his dream, yet "building a town is not so easy," he said. There were some major hiccups (like the recession) but by 2011, the first houses were built. Today, 5,000 trees have been planted, 62 residences completed (a handful permanently occupied; most rentable), two restaurants opened and a tradition or two established (an annual triathlon is held every February).

They Cannot Build Fast Enough

A 45-room hotel and 54 more flats and houses are expected by the end of 2018. The scale of building here is impressive. The are truly having a hard time keeping up with demand. The success of this development and the sales numbers shows the demand for the second home luxury market in Guanacaste.

Source: *A Costa Rican Paradise, Made to Order for Travelers* By Christian L. Wright from the *Wall Street Journal* on Feb 14, 2018.

Coca Cola: New \$50M Plant in Liberia

The Coca Cola Company officially announced the establishment of one of its largest and most technologically advanced plants in the city of Liberia, Guanacaste.

The new plan represents an initial investment of approximately \$50 million and will be located across the Daniel Oduber International Airport in the Solarium Free Trade Zone; the plant of 34,000 square meters (365,973 square feet or 8.4 acres) is located in a property of 103,000 square meters

(25.42 acres) and will replace the previous operation that was located at La Uruca, San José. It will be built in 18 months and would start operating on January 1st, 2020.

Coca Cola estimates that it will create an additional 130 jobs by 2020.

"We celebrate for Costa Rica and, especially for Guanacaste, the announcement of the choice of Liberia as the venue of one of the three most modern Coca Cola plants to produce concentrates. It confirms that the country is an investment destination that is based on

the quality of its people, our stability and competitiveness; it reinforces us to continue redoubling efforts in which these investments are made in our provinces, to continue strengthening territorial development with generation of employment, welfare and opportunities. In this case, they are linked to local projects such as the Chorotega Regional Market, the expansion of the Daniel Oduber Airport and those that are executed in production, water, education and health," said President Solís Rivera.

Author: Laura Alvarado from *The Costa Rica Star* on March 8, 2018

COCA COLA

At this time, Coca Cola is the leading exporter in the food sector and the third largest exporter of goods in Costa Rica, according to data from the Foreign Trade Promoter (Procomer). In 2017, Costa Rica exported \$ 10,665 million of goods, 7% more than in 2016. The contribution of Coca Cola is accounted in this important data.

