



FREQUENTLY ASKED QUESTIONS

1. ***I've heard that buying beachfront property in Costa Rica can be risky and complicated. Is this the case at Los Sueños?***

No, because while most beachfront property in the country is held in concession by the government, all of the residential properties at Los Sueños are conveyed in fee-simple ownership. All Los Sueños condominiums, villas and home sites lie outside of the 50-meter setback from the high tide mark on land that was “grandfathered” in with fee simple title when the Maritime Law was enacted in 1977.

As further protection for our buyers, all Los Sueños properties undergo a thorough search by a reputable law firm well-versed in real estate law at the Public Registry. The registry search assures fee simple title to your property free and clear of third party rights of possession.

2. ***Are there any restrictions on foreigners owning properties in Costa Rica?***

Foreigners have the same rights as Costa Rican nationals when it comes to owning properties. This is not the case in other Latin American countries.

Regardless of your nationality, we always recommend that you consult your attorney or tax adviser regarding purchases in any country outside of your country of origin. Should you require the assistance of a local attorney versed in Costa Rican law, we suggest you contact BLP Legal, a well-known law firm with an office in the Los Sueños Marina Village. (Lic. Diana Pinchanski, Tel: 011-506-2637-7215, dpinchanski@blplegal.com.)

3. ***Are there any time-shares available at Los Sueños?***

No. At this time, all properties at Los Sueños are dedicated to whole ownership.

4. ***What is the rate of appreciation of the properties at Los Sueños?***

While international laws prevent us from representing or guaranteeing a rate of appreciation, suffice to say that our buyers have enjoyed tremendous returns on their properties, making Los Sueños the most successful real estate development in all of Central America. Our sales representatives would be happy to provide you with some examples.

5. ***Am I able to rent my condominium?***

The Los Sueños Master Deed and By-laws and the Master Deed and By-laws for each residential project give owners the right to rent their properties. While some owners handle rental administration themselves, the vast majority contract a local rental agency. There are several available in the area. Our sales representatives would be happy to provide you with more information.

6. ***What sort of taxes can I expect to pay on my property?***

At the time of sale, you will be responsible for land transfer taxes and registry stamps totaling approximately 3.32% of the purchase price of the property, as most buyers elect to take title to their properties in either a Costa Rican S.A. or Limitada.

Property taxes in Costa Rica are significantly lower than in North America. They are currently set at 0.25% of the registered property value and are payable on a quarterly or annual basis, at the election of the property owner. Paid annually in advance the local municipality applies a 5% discount on the property tax. Aside from property tax, there is a Solidarity Tax on properties valued at over 100 million Costa Rican Colones (approximately US\$200,000 based on the current exchange rate). More information and advice on this tax can be requested from the tax specialists at BLP Legal law firm. www.blplegal.com.

7. ***What are the monthly maintenance fees?***

Each project at Los Sueños has an independent homeowners association that establishes an annual budget with the participation of its members (homeowners). The monthly fees are determined by the density and amenities of the individual communities. A percentage of all monthly fees are paid to the Master Homeowners Association, which is responsible for maintaining all of the resort's common areas lying outside the individual residential communities. We are happy to provide you with the current budget estimates for the communities that are of interest to you.

8. ***Is financing available?***

There are several local banks that offer financing to qualified Los Sueños buyers. Our sales representatives would be happy to provide you with further information about the options available. Please keep in mind that interest rates in Costa Rica are generally two to four points higher than in Canada and the United States.

9. ***Are pets allowed?***

Pets are allowed as long as they are always on a leash outside of their residence and pose no threat or nuisance to other residents. Many Los Sueños residents have cats and small dogs in their condominiums. It is a relatively easy process to bring a pet into Costa Rica. For further information, contact your nearest Costa Rican embassy or consulate.

10. ***Are there any restrictions on the resale of properties? If so, what is the standard commission?***

To maintain the highest resale values and provide our owners with the best brokerage services, we encourage all buyers to list their property with the Los Sueños Sales Office for resale. It is important to note that the Los Sueños Sales Office receives the highest quality and most qualified leads for these properties. Los Sueños charges a 3.75% marketing fee and a 2.25% commission, which is on par with the regional and national averages.

11. ***What is the population of the resort?***

We estimate that at full build-out, our resort will have 5,000 residents, including hotel guests and marina users. Currently, our population varies from approximately 1,000 during low season (May through November) to over 2,500 in high season (December through April).

12. ***Are most Los Sueños owners Americans?***

Our latest demographic studies show that U.S. citizens comprise 66% of our owners; Costa Rican citizens 32%, and Canadians and Europeans represent the remaining 2%.

13. ***Does the fact that I own property at Los Sueños automatically qualify me for Costa Rican residency?***

No. If you are interested in obtaining official residency, we advise you to contact a reputable law firm such as BLP Legal (Tel: 011-506-2637-7215). It is not necessary for you to obtain residency if your maximum stay in the country does not exceed the period specified on your tourist visa.

14. ***Does the Marriott own the resort?***

No. The Marriott is the operator of the hotel and golf course, which are owned by a group of private investors.

15. ***Are Los Sueños property owners able to use the Marriott hotel's facilities?***

Los Sueños residents and guests are welcome to visit the hotel's restaurants and bars, spa, business center and gift shop. Those wishing to access the swimming pool, gym, tennis courts and golf course must purchase a membership. The front desk (Tel: 011-506-2630-9000) would be happy to provide you with more information about the various programs available to residents.

In addition, all Los Sueños property owners are eligible to participate in the VIP Program which provides discounts at all Los Sueños Marina Village restaurants, Al Fresco Beach Club Restaurant, and extends to the Marriott Hotel providing discounts on food, green fees and the spa. The VIP program is exclusively for Los Sueños property owners and is free of charge.

16. ***Do I automatically receive a slip in Los Sueños Marina when I purchase property at the resort?***

No. However, residents requesting slips for an annual term always receive priority over non-residents. We estimate that our facility will be a fully residential marina within the next few years.

17. ***I plan to arrive in Costa Rica by private jet. What is the closest airport to Los Sueños?***

All private and commercial aircraft are required to clear Customs and Immigration in one of the two international airports: Juan Santamaría International Airport in San Jose or Daniel Oduber International Airport in Liberia. Visitors to Los Sueños should fly in to the San Jose airport, as it is significantly closer to the Resort.

18. ***How do I get to Los Sueños from San Jose?***

The quickest way to get to Los Sueños from San Jose is by taking the toll road, Route 27 west, then take the turn off south towards Jaco along the coastal highway, Route 34, to Herradura. Turn right at Plaza Herradura. The drive time is approximately one hour fifteen minutes.

19. ***What types of medical facilities are available at the resort?***

Clínica Herradura at the Resort is a private medical facility. The clinic is located north of the main guardhouse within the Resort's gates (the first entrance to your right as you enter the Resort). In addition to providing emergency stabilization and patient transfer services, the bilingual staff of the Clinic offer preventative medical consultations, specialist visits, a full service pharmacy and check-ups. For further information, please call the clinic at 011-506-2637-8610.

20. ***Is the water safe to drink?***

A subsidiary of the Resort owns a series of private aquifers and operates its own wells and water distribution systems. The water quality is tested monthly. Most of our residents enjoy the taste of the water and drink it straight from the tap without any filtration.

21. ***Where is the best place to do my shopping and dining?***

The area surrounding the Los Sueños Marina is aptly named the Los Sueños Marina Village and features nearly 80,000 square feet of retail and commercial space. The heart of your Village experience is the Marina Village Plaza, which was inaugurated in December 2006 and features three restaurants: Lanterna Italian Steakhouse, Bambu Sushi & Asian Cuisine, and Dolce Vita Coffee & Sweets. Enjoy an evening out at the Terrace Lounge & Game Room,

located above Lanterna. The Marina Village Plaza also features Los Sueños Wine & Spirits liquor store; Natural Instinct interior design store; Promerica Bank and Scotiabank; National Car Rental; Galati International Yacht Sales; CR Luxury condominium rentals, property management agency and tour office; Los Sueños Resort Wear clothing boutique; and Gato Gordo golf cart rental and sales agency. The boardwalk connecting the Los Sueños Marina Village Plaza to the fuel dock features Bristol Marine Supply store, Costa Cat Tour office, Jimmy T's Provisions, a small gourmet deli and grocer; ProDiesel, and other marine related services.

For the anglers among you, stop by Costa Rica Dreams charter office, on the charter dock. Easily recognizable, the charter dock is the only one positioned vertically from the main dock. All private slips are horizontal to the Marina Village Plaza and Marina Entry Building.

Likewise, there is the Hook Up Souvenir Shop at the Hook Up restaurant, where you can purchase Los Sueños branded items, including t-shirts, tank tops, sunscreen, umbrellas and more. The Hook Up is open for breakfast, lunch and dinner every day and is a vacation favorite.

For bulk purchases, many residents choose to visit larger merchants in San Jose, including Price Smart (the equivalent of Costco in Latin America).

22. *What is your environmental policy?*

Los Sueños is the most environmentally sensitive development in the country, and as such has been held up as an example for environmental sustainability within the tourism industry by both government and private sector agencies.

The land was a working cattle ranch when our President and CEO, William Royster, purchased it in 1991. At that time, approximately 50% of the 1,100-acre parcel had been cleared for cattle grazing. After two years of intense analysis, including an environmental impact study overseen by U.S. consultants, Mr. Royster and his partners developed a master plan that would preserve the existing 600 acres of virgin and secondary rainforest as a permanent nature reserve and allow for development only in those areas that had been cleared by the previous owner. This land-use plan is registered with the municipal government and cannot be altered even if the ownership of the resort changes hands in the future.

One of our first projects for the resort was the construction of a large-scale sewage treatment plant to treat wastewater from the Marriott Hotel, condominiums, villas and private home sites. The most sophisticated facility of its kind in Central America, our plant has a capacity to treat raw sewage from 5,000 people, which will sufficiently meet the requirements of our community at full build-out. The treated water has a purity of 2 p.m.

Concurrent to the development of the infrastructure of the Resort, we hired a local biologist to spearhead a reforestation program to bring native fauna back into the areas that had been rendered inhospitable by cattle farming. To date, over 17,000 fruit and nut trees have been planted, resulting in the return of many native species of birds and animals to the gardens that line our fairways and residential communities. A recent analysis carried out by leading Costa Rican naturalist guide and biologist Willie Alfaro Cervantes revealed that there are over 300 avian species that can be spotted along our fairways alone, not to mention the countless species that inhabit our rainforest reserve. Because of the high incidence of wildlife sightings on our 18-hole golf course, our Pro Shop now trains each of its caddies as naturalist guides to point out the resident monkeys, sloths, pizotes, iguanas and birds to golfers as they make their way around the course.

Our commitment to environmental sensitivity also extends to our marina operation, which is the first and only current facility authorized by the Government of Costa Rica. Los Sueños developers were instrumental in lobbying the government to enact the Marina Law to ensure that strict environmental standards would be put in place for our facility and future marinas to be constructed in the country. Los Sueños Marina is subject to strict environmental regulation by CIMAT, the multi-agency body that was set up to oversee marina operations. CIMAT officials test the water within our facility on a bi-weekly basis, and the results consistently show that our water

quality exceeds that of Herradura Bay as a whole.

Furthermore, we have implemented strict internal regulations for our boaters that are designed to protect the local ecosystem. Flushing of bilge and wastewater tanks is not permitted within our facility; instead, we offer complimentary sanitary pump-out services to all boats in our Marina (with wastewater treated in our plant as mentioned above). We are one of the few international marinas that prohibit fishing or the cleaning of fish within our facility because the byproducts disrupt the natural feeding habits of the local birds. Any boat that is found to be in violation of the internal regulations of our marina is immediately expelled from our facility without exception.

Recognizing that the preservation of the local fishery is paramount to the future of our resort and marina, Los Sueños is an active supporter of The Billfish Foundation (TBF) and the International Game Fish Association (IGFA). With the help of TBF's late Dr. Russell Nelson, we hosted the country's first circle hook seminar and invited members of the local fisheries ministry, INCOPECSA, to attend. In response to our conservation efforts, INCOPECSA adopted a new resolution the month after our seminar, which mandates the use of circle hooks when targeting billfish in Costa Rican waters.

We have worked with TBF to lobby the Costa Rican government for the reduction or elimination of the long-line fishery, which is the principal threat to billfish species. We also spearheaded the formation of the first countrywide sport fishing association for both recreational and commercial sport fishing. The association has elected directors from all major fishing ports in Costa Rica and will have a presence before INCOPECSA, the government agency charged with adopting and enforcing the regulations for all fisheries laws in Costa Rica. We have joined with several multi-national organizations in Central America to promote and support new conservation laws to protect billfish and other species from commercial exploitation and over-fishing.

For further information on Los Sueños Resort and Marina, please contact the Los Sueños Sales Team at 011-506-2630-4020, toll-free 1-866-865-9759 or E-mail info@lossuenos.com.