



## 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, Stewart Title of Houston, Texas, through its agent Stewart Title of Costa Rica, underwrites all Los Sueños properties. The policy of title guaranty 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 take title to your Los Sueños property through either a Costa Rican corporation (“Sociedad Anonima” or “S.A.”) or limited liability company (“Limitada”), as this has many current tax advantages when it comes to reselling the property at a later date. We always suggest that you consult your attorney or tax adviser regarding purchases in any country outside of your country of origin.

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 contracts a local rental agency. We suggest that you contact Costa Rica Luxury Rentals (tel. 011-506-2637-7105 or visit their website at [www.crluxury.com](http://www.crluxury.com)) for further information on current rental rates and occupancy projections.

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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 3.205% 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. Aside from the property tax, there is a Solidarity Tax on properties valued at over 100 million Costa Rican Colones (approximately US\$170,000). More information and advice on this tax can be requested from the tax specialists at BLP Abogados law firm, Tel: 011-506-2205-3939 or visit [www.blpabogados.com](http://www.blpabogados.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.

The monthly assessments for all communities include maintenance of common areas, security, and administration. In addition, the fees for condominium residences include insurance for each structure (excluding contents) and liability for common areas; pool maintenance; gym maintenance (if applicable); and cable TV and water for each residence.

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. For this reason, many of our foreign buyers elect to secure financing in North America if they require it to purchase Los Sueños properties.

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.

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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 presently require all buyers to list their property with the Los Sueños Sales Office for resale, as specified and agreed to in the Purchase and Sale Agreement. Sellers may choose to either sell their property without an agent in which event no commission is payable to Los Sueños or to list their property with a third party agent, in which event a commission is payable to Los Sueños upon the closing of the sale of the property or the stock or quotas of the S.A. or Limitada that owns the property.

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 74% of our buyers; Canadians represent 2% and Costa Rican citizens the remaining 24%.

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 Abogados (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. After spending a minimum of 72 hours outside of the country, you will be allowed to reenter Costa Rica and receive another 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. The principal shareholders in the remainder of the resort and marina are California-based development and real estate investment firms: Trakell Development Corporation, Paladin Realty Partners and Braemar Homes.

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, tour desk, business center and gift shop. Those wishing to access the swimming pool, gym, tennis courts and

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golf course must purchase a membership. Los Sueños Tours (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 Good Neighbor Program, which provides discounts on food and services, including dry cleaning, at the hotel. Visit Los Sueños Tours in the lobby of the Marriott to receive your free card.

**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. Currently, 60% of our slips are leased to residents, and we estimate that our facility will be a fully residential marina within the next few years. The best way to ensure that you will always have a slip available in our facility is to enter into an annual or two-year slip use agreement and continue to renew such agreement for an annual or two-year term.

**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 into San Jose airport, as it is significantly closer to the Resort. From there, the drive to Los Sueños takes just over an hour along a new highway, inaugurated February 3, 2010, connecting the affluent community of Escazú, San Jose with the Central Pacific. Unfortunately, local airstrips are unsuitable for sophisticated aircraft.

**18. *I heard a rumor that a new highway is being constructed between San Jose and Los Sueños. Is this true?***

Yes. The construction of the highway is now completed. The highway was officially opened on Wednesday, February 3, 2010. It starts in the western community of Escazú, San Jose and terminates west of Orotina. From there, drivers exit onto the existing coastal highway to the Resort. This new route has reduced the drive time between the Resort and the airport to just over one hour.

**19. *I have small children. What sort of schooling is available near the resort?***

Falcon International School is the school of choice for Los Sueños residents. The school is internationally certified Nursery-12 offering the students the opportunity to earn both a US and Costa Rican high school diploma. Class size is restricted to 15 students per teacher, thus enhancing the quality of the education received. Emphasis is placed on offering a rigorous academic curriculum, balanced with the fine arts and environmental awareness. Falcon is the only school in the area that is recognized by Microsoft as an authorized testing center.

This custom built school is conveniently located across the street from the entrance to Los Sueños. For further information please visit the school web site at [www.falconicr.com](http://www.falconicr.com), by calling from the US 011-56-2637-7400 or sending an e-mail to [admin@falconicr.com](mailto:admin@falconicr.com).

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

The CARE Clinic at the Resort is a private medical facility administered by the same team that operates the renowned CIMA private hospital in San Jose. The clinic is located north of the main guardhouse within the Resort's gates. In addition to providing emergency stabilization and patient transfer services, the bilingual staff of the CARE Clinic offer preventative medical consultations and check-ups. For further information, please call the clinic at 011-506-2637-8608.

21. ***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.

22. ***Where is the best place to do my shopping?***

Los Sueños Marina Village's first phase features a marine supply store, small grocer, and home furnishings store. The second phase of the Village was completed in December 2006 and features two new restaurants- Lanterna Ristorante Italiano and Bambu Sushi and Asian Cuisine- a coffee shop, lounge, DVD rental and Internet Café, cigar shop, bank, car rental agency, condominium rental and property management agency, tour office, salon and spa, clothing store, art gallery and golf cart rental and sale agency. Likewise, there is the Hook Up Store at the vacation favorite Hook Up restaurant, where you can purchase Los Sueños branded items, including t-shirts, tank tops, sunscreen, umbrellas and more.

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

23. ***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.

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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.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). With the help of TBF's Dr. Russell Nelson, we hosted the country's first circle hook seminar and invited members of the local fisheries ministry, INCOPESCA, to attend. In response to our conservation efforts, INCOPESCA adopted a new resolution the month after our seminar, which mandates the use of circle hooks when targeting billfish in Costa Rican waters.

We are currently working 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 have also spearheaded the formation of the first countrywide sport fishing association for both recreational and commercial sport fishing. We have elected directors from all major fishing ports in Costa Rica and

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will have a presence before INCOPECA, the government agency charged with adopting and enforcing the regulations for all fisheries laws in Costa Rica. We have accepted an invitation to join 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 011-506-2630-4000, toll-free 1-866-865-9759 or E-mail [info@lsrm.com](mailto:info@lsrm.com).***