Case No. UNCT/13/2

UNDER THEUNCITRAL ARBITRATION RULES AND
SECTION B OF CHAPTER 10 OF THEDOMINICAN REPUBLIC -
CENTRALAMERICA - UNITED STATES FREE TRADE AGREEMENT

BETWEEN:

SPENCE INTERNATIONAL INVESTMENTS, LLC, BOB F. SPENCE,
JOSEPH M. HOLSTEN, BRENDA K. COPHER, RONALD E. COPHER,
BRETT E. BERKOWITZ, TREVOR B. BERKOWITZ,
AARON C. BERKOWITZ AND GLEN GREMILLION

Investors / Claimants

AND

THE GOVERNMENT OF THE REPUBLIC OF COSTA RICA

Respondent

EXPERT REPORT OF

Michael P. Hedden, MAI, CRE, FRICS

April 23, 2014

April 23, 2014

Tina M. Cicchetti, Esq.
Fasken Martineau
2900 – 550 Burrard Street
Vancouver, British Columbia V6C 0A3

Re: Spence International Investments, et al. v. Republic of Costa Rica
Case No. UNCT/13/2

Dear Ms. Cicchetti:

In fulfillment of your request, we are pleased to transmit our real property appraisal report dated April 23, 2014. The effective date of value is May 27, 2008.

FTI Consulting, Inc. ("FTI") was retained by Fasken Martineau ("Counsel"), in connection with its representation of Spence International Investments, LLC, et al ("Claimants"). It is our understanding that on June 10, 2013, Claimants filed a Notice of Arbitration and Statement of Claim against The Government of the Republic of Costa Rica ("Respondent") for the alleged unlawful taking of the Claimants' investments in Costa Rica. The investments relate to land owned by Claimants in Playa Grande and Playa Ventanas, neighboring beaches in the Canton of Santa Cruz, in the Province of Guanacaste, Costa Rica.

This report is prepared for Counsel, in connection with its representation of Claimants for their use and distribution of the report is restricted to their use; the report may not be distributed to or relied upon by other persons or entities, except for the Respondent, their Agents or the Arbitral Tribunal, without written permission of FTI. The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP") and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute. The reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein. I reserve the right to update this Report and any conclusions herein in light of additional information, research, or analysis that is provided to me.

Respectfully submitted,
FTI Consulting, Inc.

Michael P. Hedden, MAI, CRE, FRICS
Managing Director | Real Estate Solutions

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1 Summary of Salient Facts and Conclusions

The following is an executive summary of the information that we present in more detail in the report.

1.1. Assignment Information

Date of Report:	April 23, 2014
Intended Use and User(s):	This report is prepared for Counsel, in connection with its representation of Claimants, for their use and distribution is restricted to their use; the report may not be distributed to or relied upon by other persons or entities, except for the Respondent, their Agents or the Arbitral Tribunal, without written permission of FTI.
Interest Appraised:	Fee Simple Estate
Date of Value:	May 27, 2008
Date of Inspection:	The subject lots were physically inspected by Michael P. Hedden, MAI, CRE, FRICS, on February 11-14, 2014.

1.2. Property Information

Location:	Playa Grande and Playa Ventanas, Canton of Santa Cruz, in the Province of Guanacaste, Costa Rica
Property Description:	Vacant Land
Folio Real Number(s):	Various (please see individual property description)
Ownership:	Various (please see individual property description)
Gross Land Area:	Various (please see individual property description)

1.3. Highest and Best Use

We have considered the legal issues related to zoning and legal restrictions. We have analyzed the physical characteristics of the site to determine what legal uses would be possible and have considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics, location and our conclusion with respect to the site's zoning, and the state of the local market, it is our opinion that the Highest and Best Uses of the subject parcels are for single-family residential development.

1.4. Summary of Value Conclusions – as per Government Survey

The following is a summary of the value conclusions presented within this report that are consistent with the government surveys using areas that are being taken at a depth of less than 75 m from the mean high tide waterline.

Ownership	Location	Lot	Value of Taking
Windows of the Blue Sky Net, SA	Playa Ventanas	V30	$649,000
Windows of the Blue Sky Net, SA	Playa Ventanas	V31	$676,000
Windows of the Blue Sky Net, SA	Playa Ventanas	V32	$688,000
Windows of the Blue Sky Net, SA	Playa Ventanas	V33	$735,000
Seize the Day, SA	Playa Ventanas	V38	$867,000
Corporacion Lacheaven de Ventana, SA	Playa Ventanas	V39	$814,000
Corporacion Lacheaven de Ventana, SA	Playa Ventanas	V40	$690,000
Ronco Realty Investments, Ltda & Joeco Realty Investments, Ltda	Playa Ventanas	V46	$753,000
Ronco Realty Investments, Ltda & Joeco Realty Investments, Ltda	Playa Ventanas	V47	$929,000
Grande Beach Holdings, Ltda	Playa Ventanas	V59	$718,000
Grande Beach Holdings, Ltda	Playa Ventanas	V61a	$2,222,000
Grande Beach Holdings, Ltda	Playa Ventanas	V61b	$748,000
Grande Beach Holdings, Ltda	Playa Ventanas	V61c	$763,000
Grande Beach Holdings, Ltda	Playa Grande	A39	$537,000
Grande Beach Holdings, Ltda	Playa Grande	A40	$532,000
Grande Beach Holdings, Ltda	Playa Grande	C71	$231,000
Grande Beach Holdings, Ltda	Playa Grande	C96	$1,343,000

Ownership	Location	Lot	Value of Part Taken	Severance Damages	Total Value of Taking
Keeping Track, Ltda	Playa Grande	SPG1	$547,003	$1,461,997	$2,009,000
Keeping Track, Ltda	Playa Grande	SPG2	$700,966	$1,493,034	$2,194,000
Keeping Track, Ltda	Playa Grande	SPG3	$1,168,329	$2,913,671	$4,082,000
Aceituno Mar Vista Estates, SA	Playa Grande	B1	$1,138,092	$1,398,908	$2,537,000
Guacimo Mar Vista Estates, SA	Playa Grande	B3	$1,097,338	$1,356,662	$2,454,000
Pochote Mar Vista Estates, SA	Playa Grande	B5	$1,154,439	$810,561	$1,965,000
Saino Mar Vista Estates, SA	Playa Grande	B6	$1,112,246	$834,754	$1,947,000
Vacation Rentals, SA	Playa Grande	B7	$1,207,775	$1,348,225	$2,556,000
Nispero Mar Vista Estates, SA	Playa Grande	B8	$1,135,084	$1,428,916	$2,564,000

1.5. *S*ummary of Value Conclusions – as per FTI adjusted Part Taken

The following is a summary of the value conclusions assuming the correct land area intended to be taken is at a depth of 75 m from the mean high tide waterline.

Ownership	Location	Lot	Value of Part Taken	Severance Damages	Total Value of Taking
Keeping Track, Ltda	Playa Grande	SPG1	$620,934	$1,425,066	$2,046,000
Keeping Track, Ltda	Playa Grande	SPG2	$797,518	$1,452,482	$2,250,000
Keeping Track, Ltda	Playa Grande	SPG3	$1,328,976	$2,847,024	$4,176,000
Aceituno Mar Vista Estates, SA	Playa Grande	B1	$1,229,290	$1,328,710	$2,558,000
Guacimo Mar Vista Estates, SA	Playa Grande	B3	$1,192,959	$1,283,041	$2,476,000
Pochote Mar Vista Estates, SA	Playa Grande	B5	$1,208,677	$786,323	$1,995,000
Saino Mar Vista Estates, SA	Playa Grande	B6	$1,193,861	$797,139	$1,991,000
Vacation Rentals, SA	Playa Grande	B7	$1,308,737	$1,270,263	$2,579,000
Nispero Mar Vista Estates, SA	Playa Grande	B8	$1,194,162	$1,382,838	$2,577,000

1.6. Extraordinary Assumptions

An extraordinary assumption is defined by the Uniform Standards of Professional Appraisal Practice ("USPAP") (2014-2015 Edition, The Appraisal Foundation) as "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

It is our understanding that the expropriation in this matter was to include 75 meters inland from the mean high tide waterline. However, for those properties that are subject to a partial taking, the government surveys provided did not extend 75 meters from the mean high tide waterline. Therefore, FTI adjusted the areas to be included in the parts taken and calculated alternate values based on the adjusted area.

The analysis and conclusions contained in this report assumes that the subject properties not already taken were expropriated by the Respondent on the date of value. For instances where the Claimants' property has been expropriated and some compensation has been paid to Claimants, those proceeds should be deducted from the conclusions contained in this report.

1.7. Hypothetical Conditions

A hypothetical condition is defined by the USPAP (2014-2015 Edition, The Appraisal Foundation) as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis." Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

The analysis and conclusions contained this report assume that values within the subject's immediate market area have not been negatively affected by the regulatory actions of the Respondent.

2 Scope of Work

FTI has been retained by Counsel, on behalf of Claimants, in the international arbitration with Respondent. I, Michael P Hedden, a Managing Director have been requested by Counsel, to provide my expert opinion regarding the value of vacant lands taken from the Claimants as part of an expropriation by the Respondent. I was assisted in this assignment by Mark Dunec, Managing Director, who assembled, compiled and analyzed market data and Glenn Brill, Managing Director, who assisted in preparing the market overview.

According to the USPAP, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the problem to be solved;
- determine and perform the scope of work necessary to develop credible assignment results; and
- disclose the scope of work in the report.

This Report is based on documents provided to me by Counsel, local real estate professionals and publicly available information as well as my appraisal experience. In connection with this assignment, we have analyzed appropriate comparable data and considered the input of brokers, appraisers and property developers. Additionally, we investigated the general regional economy as well as the specifics of the local market area. The data has been analyzed and confirmed with sources believed to be reliable, in the normal course of business, leading to the value conclusions set forth in this report. I reserve the right to update this Report and any conclusions herein in light of additional information, research, or analysis that is provided to me. The depth of the analysis, as presented herein, is appropriate in relation to the significance of the appraisal issues.

2.1. Intended Use and user(s):

This appraisal report is prepared for Counsel, in connection with its representation of Claimants, for their use and distribution is restricted to their use; the Report may not be distributed to or relied upon by other persons or entities, except for the Respondent, their Agents or the Arbitral Tribunal, without written permission of FTI Consulting.

2.2. Interest Appraised:

Fee Simple Estate

2.3. Date of Value:

May 27, 2008 as a result of the Costa Rican Supreme Court Decision 2008-008770.

2.4. Date of Inspection:

The subject lots were physically inspected by Michael P. Hedden, MAI, CRE, FRICS, on February 11-14, 2014.

3 Definitions of Value, Interest Appraised and Other Terms

The following definitions of pertinent terms are taken from The Appraisal of Real Estate, Fourteenth Edition (2013) and The Dictionary of Real Estate Appraisal, Fifth Edition (2010), both published by the Appraisal Institute, as well as other sources.

3.1. Market Value

Market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion (as taken from International Standards, Eighth Edition, published by the International Valuation Standards Committee).

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America follows, taken from Advisory Opinion-22 of USPAP:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> Buyer and seller are typically motivated;
>
> Both parties are well informed or well advised, and acting in what they consider their own best interests;
>
> A reasonable time is allowed for exposure in the open market;
>
> Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
>
> The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

3.2. Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

3.3. Highest and Best Use

Highest and Best Use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

3.4. Exposure Time

Under Paragraph 3 of the Definition of Market Value, the value opinion presumes that "A reasonable time is allowed for exposure in the open market". Exposure time is defined as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal.

Exposure Time is defined by the USPAP as the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."

Based on our discussions with local brokers, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately 1 to 3 months. This assumes an active and professional marketing plan would have been employed.

3.5. Severance Damages

Severance damages are generally used to mean those damages to a remainder property that are compensable.

4 Costa Rica Real Estate Market Overview

4.1. Summary

The Republic of Costa Rica ("Costa Rica") has evolved from an agrarian society to one of Central America's leading economies. The nation's strong economic growth and corresponding increase in foreign direct investment ("FDI") is a direct result of successful diversification into the manufacturing, tourism and the real estate/construction sectors. Costa Rica's steady growth in gross domestic product ("GDP") is supported in large part by its history as a stable democracy and commitment to sustainable economic development and ecological practices, and close ties to the United States ("U.S.") - its number one trading partner. While Costa Rica's manufacturing sector benefits in part from its U.S. trade relationship including reduced tariffs and quotas resulting from its participation in the U.S. – Central America Free Trade Agreement (2005), a steadily growing tourism industry benefits from Costa Rica's careful stewardship of diverse natural ecosystems and the careful marketing of a unique eco / adventure experience using the promotional catch-phrase "nothing artificial added".1

The Guanacaste Province of Costa Rica ("Guanacaste") has seen significant FDI in mass and "residential" tourism and accompanying real estate sectors in a remarkably short timeframe (2002-2008) as a direct result of concerted government policy including the Papagayo Tourism Pole, the accompanying redevelopment of the Daniel Oduber International Airport ("LIR") in 2002, and the commencement of daily direct flights from the U.S. and Canada. Rapid growth due to the introduction of both mass and residential tourism in the province has strained civic infrastructure while the resulting economic and environmental impacts compared to the nation's broader "homegrown" value proposition for eco / adventure tourism have come into question. In this regard, Guanacaste has become a focal point for revisiting economic development policies and land-use regulations, and managing growth.

Government and non-governmental organizations have discussed and implemented administrative reforms to ensure the effective enforcement of land-use controls and the continued preservation and promotion of Costa Rica's unique natural environment as the foundation for maximizing the economic benefits of the nation's vitally important tourism industry. Having witnessed a land rush in Guanacaste, policy makers are taking measures to preserve the province's authentic shorefront and open space

[1] Luis Morales and Lawrence Pratt. Analysis of the Daniel Oduber Quiros International Airport, Liberia, Guanacaste. Center for Responsible Travel, 2010.

environments. These measures seek to mitigate and remediate the effects of sprawling coastal residential development and lower value residential tourism in an attempt to preserve the eco/ adventure experience as the foundation of Costa Rica's tourism industry.

As the focus turns toward regulating the introduction of "artificial ingredients" into Guanacaste, legacy real estate assets including approved development sites in close proximity to beaches suitable for surfing and bathing are now unique to this market. In particular, well-located and approved sub-divisions that are not part of larger planned unit developments anchored by large hospitality offerings may be the most unique offerings available. The barriers to entry for this particular type of ad-hoc development have grown considerably higher in large part due to the central government issued Executive Decree 34456 (the "Chorotega Decree") enacted in 2008 in an effort to curb "indiscriminate" sprawl through the closer enforcement of land-use regulations and expropriation of land, while continuing to designate defined development areas through the use of "concessions".

Irrespective of public policy and enforcement initiatives, the value of approved subdivisions with close proximity to the beachfront, like Playa Grande and Playa Ventanas, rose precipitously on strong demand from U.S. and Canadian buyers from 2002-2008. This demand was only abated by the world financial crisis in 2008, and has subsequently rebounded to almost pre-recession levels. As reported in the media and substantiated by FTI primary field research in Costa Rica, beachfront land prices in Playa Grande, Guanacaste have grown at a rapid rate.2

4.2. Findings

In a Central American region periodically roiled by economic disruption, social unrest and war, Costa Rica has enjoyed peace and stability since 1949, when after a brief civil war; its standing army was abolished. The resolution of various Central American wars and the award of the Nobel Peace Prize to Oscar Arias, Costa Rica's President, in 1987 helped promote the nation's reputation as a responsible world citizen and to transform and expand its export economy.

As presented in the following table, the Costa Rican economy has performed well from 2002 through 2012 and has rebounded from the world financial crisis in 2008 and in particular the downturn in the U.S economy.

Cost Rica - Leading Ecomomic Indicatiors				
	2002	2007	2009	2012
Population	4,093,840	4,463,226	4,601,424	4,805,295
Life Expectancy	78.04	78.73	79.08	79.49
GNI Per Capita, PPP (Int. $)	7,300	10,490	10,580	12,500
GDP (U.S.$ in millions)	16,844,378,578	26,321,999,607	29,382,590,138	45,103,963,693
GDP Annual Growth (%)	2.90	7.94	(1.02)	5.13
FDI (U.S.$)*	659,355,552	1,896,095,297	1,346,502,407	2,636,186,737
Source: World Bank Development Indicators, * 2011				

The significant growth and rebound in FDI, and good quality of life measured by significant increases in Gross Net Income ("GNI") per capita purchasing power, as well as life expectancy and literacy rates comparable to the U.S, has fueled the expansion of value added dollar based export manufacturing, tourism, and real estate sectors. In part, the dramatic influx of high-tech pharmaceutical device and

[2] www.globalpropertyguide.com/Latin-America/Costa-Rica/Price-History, Costa Rica's Luxury Property Market is Vibrant

semiconductor manufacturing and eco / adventure tourists has again elevated Costa Rica's world profile as a stable and leading Central American economy and a desired location to live, work, and play.

As presented in the following table, Costa Rica's strategy for economic growth through sector diversification is progressing. Value added manufacturing has more than doubled in ten years while its percentage of Gross Domestic Product ("GDP") has actually declined from 24.76% in 1982 to 16.96% in 2012[3]. Agriculture, the traditional export economy, (primarily coffee, bananas and pineapples) has continued to grow as its percentage of GDP dramatically declined from 13.88% in 1982 to 6.26% in 2012[4]. The decline of both industries as a percentage of GDP is a clear indicator of the growth in Costa Rica's service economy. In this regard, tourism is now a key component of GDP and a significant source of foreign exchange with revenue that surpasses agriculture in a given year.

Costa Rica - Key Economic Sectors				
	2002	2007	2009	2012
Int. Tourism Revenue (U.S.$)	1,292,000,000	2,221,000,000	2,001,000,000	2,374,000,000
Int. Tourism Revenue (% of Total Exports)*	n/a	23.44	20.69	20.47
Manufacturing (U.S.$)	3,277,093,269	5,027,779,939	4,770,128,382	6,955,445,580
Manufacturing (% annual growth)	3.40	7.02	-3.91	6.35
Manufacturing (% GDP)	21.52	21.38	17.83	16.96
Agricullture	1,299,803,235	1,994,874,931	1,984,162,117	2,568,712,172
Agriculture (% Annual Growth)	-3.26	5.61	-2.75	3.55
Agriculture (% GDP)	8.54	8.48	7.42	6.26
Source: World Bank Development Indicators, * 2011				

Costa Rica's key tourism asset and primary competitive advantage in a global market is its unique and beautiful nature environment. The country is a collection of microclimates with an array of rain forests, beaches and volcanoes that has spawned 5% of the world's biodiversity on only 0.03% of the world's land mass.[5,6] Year-round surface air temperature ranges between 30°C and 18°C (86°F and 65°F) degrees.[7] Approximately 50% of the country is forest area and the amount of terrestrial protected area has increased from 20.92% of all land area in 2002 to 26.94% in 2012, far higher than any developing nation.[8, 9]

Public policy initiatives for the preservation of land began as a response to habitat destruction resulting from agriculture and deforestation.[10] Beginning in 1963 with the establishment of protection areas and the subsequent establishment of four national parks in 1971, Costa Rica's national park system now includes over 30 parks and 230 protected areas.[11] The Las Baulas National Marine Park ("the Park") contains the beach areas of Playa Grande and Playa Ventanas as well as other areas. This National Park is known as the primary nesting area for the Leatherback sea turtles. Costa Rica enacted a series of laws

[3] World Bank Development Indicators. http://data.worldbank.org
[4] Ibid
[5] Leo Hickman (2007-05-26). "Shades of green". London: The Guardian.
[6] Honey, Martha (1999). Ecotourism and Sustainable Development: Who Owns Paradise? Island Press; 1 Edition , Washington, D.C.
7 https://weatherspark.com/averages/32645/San-Jose-Alajuela-Costa-Rica
8 Ibid.
[9] World Bank Development Indicators. http://data.worldbank.org
[10] Kayvon C. Ross. The Development of Guanacaste Costa Rica: Policy Recommendations. Harvard University Extension School.
[11] Ibid.

and regulations jointly administered at central, provincial and municipal levels to regulate land-use in concert with the preservation of the natural environment, and in particular waterfront development. The laws were enacted in an attempt to protect and preserve the turtle nesting areas.

Perhaps the most prominent legal framework for land-use regulation and real estate development is the Maritime Zoning Law 6043 of 1977 ("ZMT") establishing government ownership and regulatory framework with goal of establishing land-use plans for all coastal land extending 200 meters from the high tide mark. This area consists of a "public zone" (the first 50 meters of tideland) and a "restricted zone" (the next 150 meters of tideland). The administration of these laws and others impacting tourism, real estate development and the natural environment have proved to be complex and confused, whereby 11 central agencies and 19 local municipalities with blurred lines of jurisdiction, limited capacities, and weak interagency coordination are responsible for administration that has resulted in inconsistent and irregular enforcement.[12]

The granting of "concessions" and the development of land in and adjoining the restricted zone was reported to be a morass of interagency and municipal conflicts, neglect, and corruption.[13] Limited enforcement and reliance on local municipalities to implement zoning and development planning left the central government seeking a response to rapid real estate development in coastal areas and a means to enforce an environmentally responsible and coordinated land-use plan as initially envisioned through the enactment of the ZMT.[14] Article 73 of Law 8506 enacted in 2006 provided additions to the ZMT law and effectively conferred the regulatory powers of the municipalities on respective regional district councils in effort to improve enforcement and coordination of local land-use planning. In addition, the central government issued Executive Decree 34456 (the "Chorotega Decree") in 2008, which placed constraints on development in the ZMT and adjoining land.

Guanacaste, once an "off-the-grid" tourist destination for backpackers and surfers (and a 5.5 hour drive from San Jose), experienced a wide-ranging land development explosion fueled by government incentives to promote tourism and corresponding FDI. The groundwork for expansive development was put in place in large part by the central government's designation of the "Papagayo Pole" as a location for mass and residential resort style tourism (hotel, golf and residential condominiums), and the granting of concessions by a series of presidential "Declaration of National Convenience" decrees. Subsequently, the central government invested in and completed the redevelopment of LIR in 2002 to support the opening of the Four Seasons Resort and Condominiums Papagayo in 2003 and the subsequent development of additional large-scale hotel / residential resorts. The central government continues to make ongoing investments in LIR to accommodate a growing number of international commercial flights.[15]

The following table demonstrates the ongoing and increasing number of U.S and Canadian international arrivals at LIR as the U.S economy continues its recovery from the 2008 worldwide recession. The

[12] Jorge Cabrera (2010). Legal and Institutional Framework Related to Coastal Tourism Development in Costa Rica. Center for Responsible Tourism. Washington D.C.

[13] Ibid.

[14] Ibid.

[15] Luis Morales and Lawrence Pratt. Analysis of the Daniel Oduber Quiros International Airport, Liberia, Guanacaste. Center for Responsible Travel, 2010.

development of mass / residential tourism combined with an increase in the number of direct flights from the U.S (starting in 2003), as well as road improvements needed to transport tourists to coastal resort destinations in less than one hour has succeeded in attracting North American tourists in ever increasing numbers. In this regard, LIR received approximately 26% of Costa Rica's international arrivals from the U.S. in 2012.[16]

International Tourist Arrivals by Nationality - Daniel Oduber Airport							
	2010	% All Arrivals	2011	% All Arrivals	2012	% All Arrivals	% +/- 2010-12
Total All Arrivals	225,224	n/a	264,165	n/a	331,116	n/a	47.02%
U.S.	160,629	71.32%	188,410	71.32%	243,029	73.40%	51.30%
Canada	44,802	27.89%	53,179	28.23%	67,469	27.76%	50.59%
Total U.S. / Canada	205,431	91.21%	241,589	91.45%	310,498	93.77%	51.14%

Source: Costa Rica Tourism Board

As the Guanacaste land rush progressed in response to improved access by air and corresponding North American market demand promoted by the international resort operators including The Four Seasons (Papagayo), Starwood (Westin Conchal), Marriott (Hacienda Pinilla) and Hilton (Papagayo), smaller "independent" residential tourism developments took hold in the area due in part to ambiguous and selective land-use regulations and administration.

The following table demonstrates the significant growth in real estate development in Guanacaste prior to the Chorotega Decree in 2008.

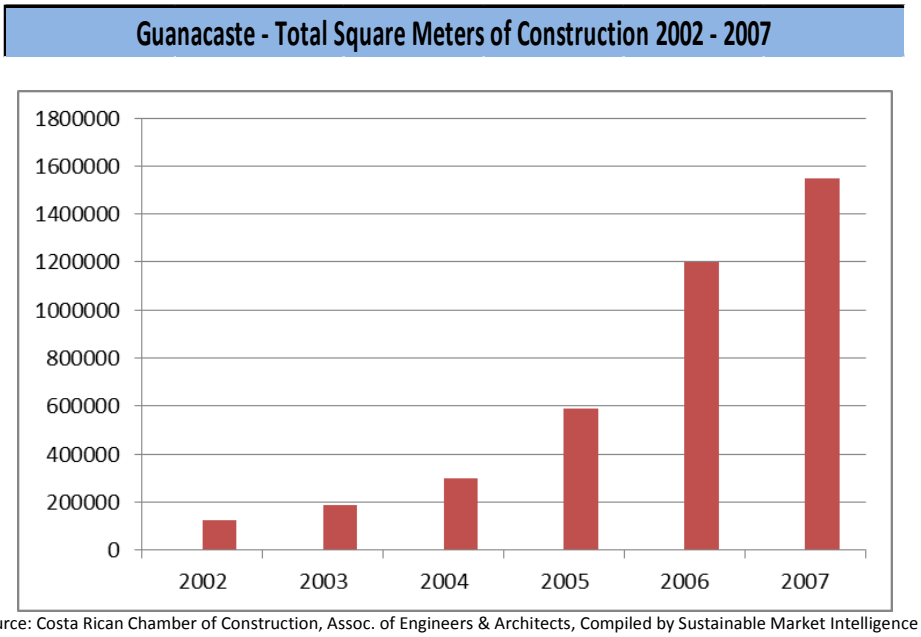
Guanacaste Land Dedicated to Human Settelments and Tourism 1980-2005						
	1980 (Ha)	% of Area	1998	% of Area	2005	% of Area
Northern Guanacaste						
Papagayo - El Coco	62.38	1.18	434.85	8.27	726.79	13.83
Potrero-Flamingo-Brasilito	31.05	0.91	266.67	7.98	418.24	12.42
Playa Grande-Tamarindo	22.47	0.74	246.85	8.1	837.61	27.5
Southern Guanacaste						
Samar-Punta Islita	56.94	0.97	224.77	3.84	544.34	9.27
Malpais-Montezuma	13.15	0.69	7.52	0.42	32.24	1.73
Paquera	11.77	0.46	11.23	0.45	23.16	0.92

Source: TT Argos Consultants

As demonstrated in the following table, the increase in the number of developed acres in Guanacaste has been accompanied by a dramatic increase in the amount of built environment year-over-year. In particular, Liberia, Tamarindo, Sardinal, and Jaco account for 49.80% of all new construction on the west coast (1,223,360 m^2) and 12% of all new construction nationally between 2005 and 2007. Between 2003 and 2007, 7,920 residential building permits were approved.[17]

[16] Costa Rica Board of Tourism

[17] Martha Honey, Erick Vargas, William H. Durham. Impact of Tourism Related Development on the Pacific Coast of Costa Rica. Center for Responsible Travel. 2010



Source: Costa Rican Chamber of Construction, Assoc. of Engineers & Architects, Compiled by Sustainable Market Intelligence Center

The residential investment / second / retirement home boom in Guanacaste is powered by American investors who account for 90% of all residential property sales in Guanacaste. Wealthy pioneers buying up swaths of ranch land in 2002 developed subdivisions to accommodate a second wave of buyers flooding the market in 2006 seeking a lower cost second home or investment property in comparison to higher priced U.S. coastal markets. In response to this demand the major real estate brokerage franchises (Century 21, RE/MAX, Caldwell Banker, and ERA) established 52 Pacific coast locations. In 2006, the National Bank of Costa Rica estimated that there were approximately 200 real estate development projects underway (excluding mega projects) valued at approximately $2 billion. This estimate grew to $5 billion by 2007, and by June 2008 the bank estimated 363 development projects underway valued at $11.8 billion.[18]

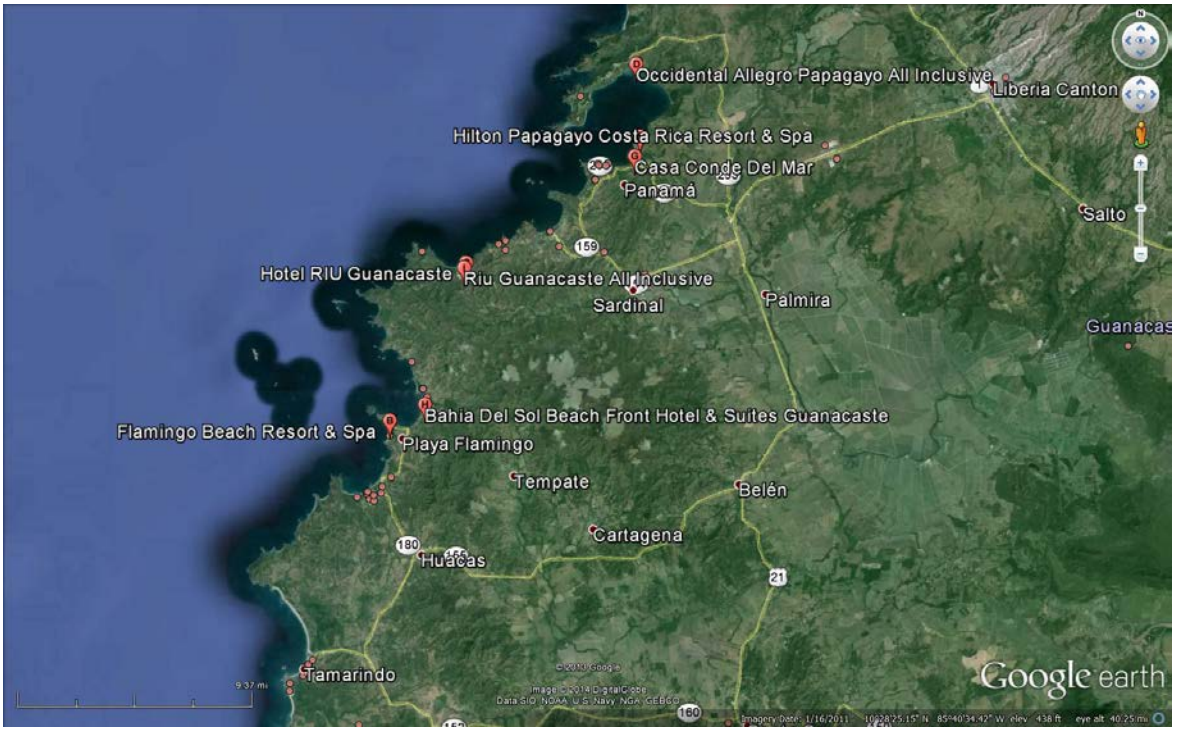
Despite the lingering effects of the worldwide recession on the U.S. economy, new construction remains relatively unabated and is rebounding from 669,986m^2 in 2011 to 821,246m^2 in 2012, a 22.58% year-over-year increase. The source of much of the investment in real estate development is FDI from the U.S. and Canada. According to the Costa Rican Central Bank, North America provided 62.7% of FDI dedicated to west coast real estate investing totaling approximately $390 million in 2007. Much of this investing is for continued development of resort and residential condominium offerings intended to meet the demand for mass / residential tourism primarily from the U.S., Canada, and Europe.

The following aerial map demonstrates a pattern of resort development located in significant beachfront areas extending from Bahia Panama and west to Playa Conchal with residential development in close proximity to these developments and upland from the beach, and all served directly by the primary road network. With the exception of Tamarindo, the area's traditional and long standing hub of eco / adventure tourism, the area between Tamarindo and Playa Conchal is not served by a primary road and has escaped large scale mass resort / residential tourism development. This area, and in particular Playa Grande, has experienced more scatter development, which may be considered the beginnings of the "sprawl" to which the government has more recently focused its attentions in response to concerns regarding overbuilding, environmental impacts, and the increasing effects of residential tourism on the economic impact of resort tourism, and the overall impact of mass tourism

[18] Ibid.

development on Costa Rica's core eco /adventure tourism value proposition.[19]

4.3. Guanacaste Development Patterns Map



The independent residential development at Playa Grande and Playa Ventanas was pioneering in that it predated much of the mass tourism development, and was a natural outgrowth of the largely unplanned development in nearby Tamarindo. A lack of primary access roads, proximity to Las Baulas National Marine Park, and low scale building typology compared to other developments in areas to the north and south enabled Playa Grande and Playa Ventura to preserve much of their surrounding natural environment and the "authenticity" of the Costa Rican tourism experience that initially attracted second home buyers and retirees from North America seeking greater value and stability for their investment compared to other subtropical coastal markets.

4.4. Government Regulatory Actions and Impact on the Subject Properties

During the mid-2000s, land value appreciation and market activity was apparent in Playa Ventanas and Playa Grande from robust market pressure despite the potential enforcement of the government's land use, environmental or regulatory actions. Inconsistent government policy and politics led owners and investors to believe that they would be able to develop their land to its highest and best use. However, it was the inability of property owners to obtain development permits coupled with the increasing skepticism of some real estate brokers that started to hamper market activity and effect land prices in 2006 and 2007.

Ultimately, it was the actions of the Constitutional Chamber of the Supreme Court of Justice of Costa Rica (the "Court") during May 2008 that ended any speculation and put property owners and potential buyers on notice that properties within the Park (i.e. 125 meters inland from the mean high tide mark) would be subject to expropriation. In December of 2008, the Court went on to order the withdrawal of

[19] Ibid.

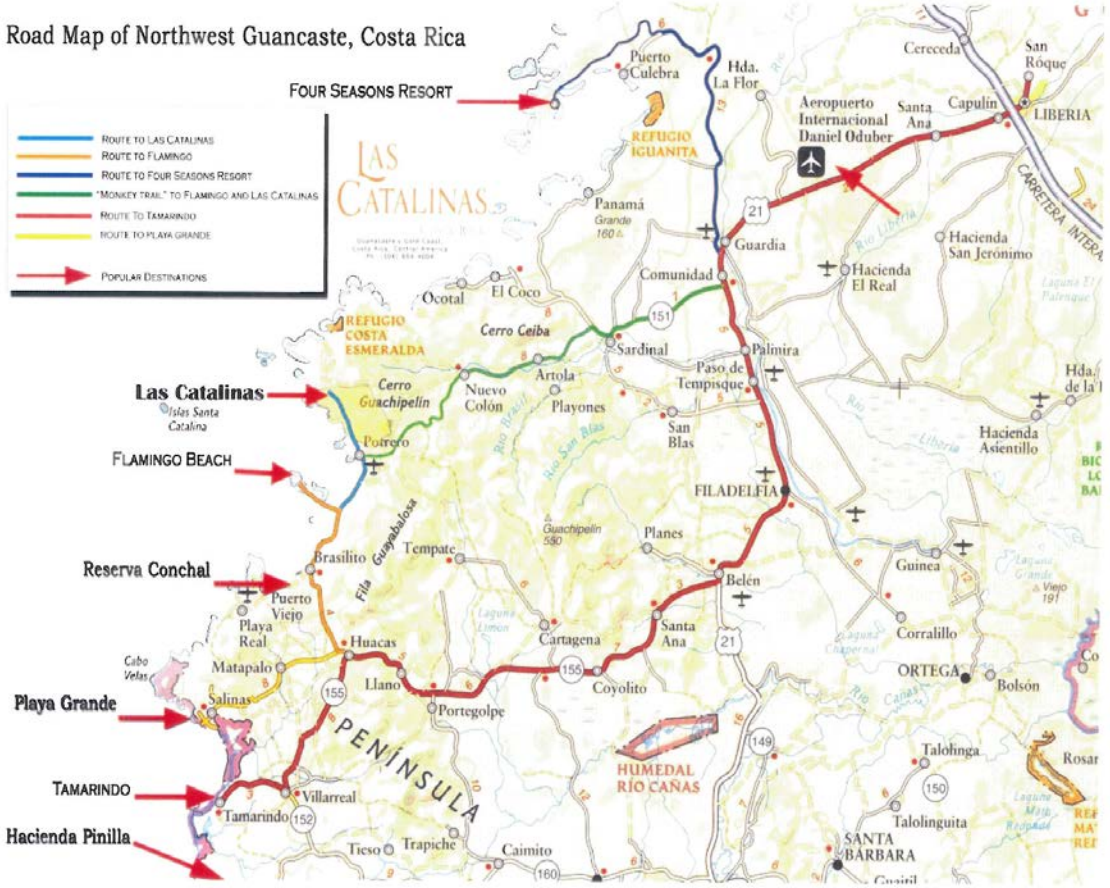
all approvals and banned further processing of development applications located within the Park. As a result of the Court's order, the Costa Rican Ministry of the Environment and Energy ("MINAE") was directed to forward with the expropriation (i.e. the "taking") which effectively "froze" the market and caused market-based transactions activity to cease.

The government and Court actions that led up to the proposed nature of the taking by MINAE is referred to as the "scheme". The scheme involves taking an additional 75 m inland, after allowance for the existing 50 m of public area from the mean high tide mark already in existence. As a result, some of the subject properties will be entirely taken, while others will only be partially taken.

In valuing the property before the taking, the influence of the scheme is ignored. Specifically, the dampening effect on the real estate market that the scheme instigated is ignored. But for the scheme, the oceanfront land market would have been robust without government's influence and the owners would have had the opportunity to sell or develop their property under more favorable market conditions in mid-2007. The government intentions of the scheme were evident with the denial of construction permits to the buyer of Playa Ventanas Lot V61, necessitating a rescission of the property's transfer and a refund of the purchase price on March 31, 2008. In Playa Grande, the owner of Lot B7 could not have the environmental impact study processed. Also some of the B lots had received conditional environmental approval and permit fees were paid, no permits were ever issued. Because of the government interference, the property owners have been denied the fundamental rights of ownership and the economic benefit from the highest and best use of their property.

The Court's confirmation of the scheme in May 2008 permeated the actions of the brokers, buyers and sellers and distorted the level of market activity for oceanfront land in the marketplace. But for the scheme, the subject properties would have enjoyed an environment of robust market activity, continued rapid price appreciation and ownership of prime, fee-titled oceanfront property or significant investment returns.

4.5. Local Real Estate Market



The subject properties are located in the desirable beachfront sections known as Playa Grande and Playa Ventanas. FTI interviewed several local real estate brokers that were and are still very active in the local market. They included Lent Eckhart Properties, RipJack Real Estate & Development, Plantacion Properties and REMAX Gold Coast Realty.

We reviewed sale and listing data ranging from 1999 to 2014 that included information post valuation date. The inflationary trends that were evident in the market in 2003 continued until early 2007 when the real estate recession commenced worldwide.

As to the properties subject to expropriation and valued prior to early 2007, the subject property owners were unable to take advantage of the continuation of increasing real estate values due to the Respondent's interference in the marketplace. The overarching theme in many of the conversations was that the threat of expropriation and the cloud caused by the regulatory environment to stop building permits contributed to the lack of activity in the local real estate market. Brokers were reluctant to introduce buyers to the uncertainty that surrounded the potential expropriation of the oceanfront properties.

This trend was confirmed by Penelope Williams Lent, the owner and partner of Lent Eckhart Properties. According to Lent, since 2005, beachfront land values increased from $500 per m^2 to over $1,000 per m^2 in 2008. Lent explained that the variance in price was due to the market, location and specific characteristics of the lot. The same property she sold in Playa Ventanas for approximately $500 per m^2 in 2005 was listed for $800 per m^2 in January 2013, reflecting a 60% increase in value.

I conducted an interview with David Corredor, the owner of RipJack Real Estate who was involved in numerous construction permitting and development projects during 2005 from 2008. During this time, Corredor's firm had 5 to 10 beachfront lots in their inventory for sale where he saw dramatic price appreciation. In 2005, beachfront lots in Playa Grande and Playa Ventanas sold for $450 to $550 per m^2 which was a 40% increase from 2004. In 2006 beachfront lots were selling for $674 to $778 per m^2 for another 40% increase in value. The high point in sales occurred in 2007 with beachfront properties peaking at $1,000 to $1,100 per m^2. In 2008, values declined to approximately $810 per m2. In January 2008, RipJack Real Estate had 5 beachfront Playa Ventanas listings ranging from $569 m2 to $1,250 m^2. According to Corredor, Playa Grande and Playa Ventanas' real estate market soared due to people being priced out of Tamarindo's real estate market as well as additional positive factors. Playa Grande and Playa Ventanas are located 1 hour from the LIR and the properties have access to utilities, water and electrical service. In addition, people were very attracted to having titled land on the beachfront instead of the concession lots that make up 95% of the coastlines in Costa Rica.

I also spoke with Robert Davey of Plantacion Properties, an affiliate of Christie's International Real Estate. This brokerage firm has been the top seller of real estate in the Playa Grande and Playa Ventanas area for over ten years. Davey provided market data and insights relied upon in this report. According to Davey, Playa Grande's limited beachfront area and fee simple title make it rare and desirable. Davey also confirmed utility access contributed to the desirability.

I also spoke with Joan Demyen of REMAX Gold Coast Realty who has been working in the Costa Rican real estate business for over 15 years. Demyen specializes in beachfront lots, resorts and commercial properties with an understanding of foreign buyers and investors' requirements. Demyen provided six listing prices as of December 2011, for beachfront titled land in the Tamarindo and Guanacaste areas. As shown in the table below, the average price was $1,257 per m^2 and ranged from $1,000 to $1,403 per m^2.

Property	m2	Total Price	$ / m2
Playa Tamarindo	1,069	$1,500,000	$1,403
Playa Jaco	6,092	$6,900,000	$1,133
Playa Avellanas #9	1,954	$2,700,000	$1,382
Playa Avellanas #17	2,010	$2,800,000	$1,393
Playa Flamingo	1,000	$1,000,000	$1,000
Playa Ventanas	892	$1,100,000	$1,233

FTI also researched the development known as Hacienda Pinilla located to the south of Playa Grande and Playa Ventanas. Playa Avellanas is a section of Hacienda Pinilla and as shown in the table, there were 5 sales that took place after the date of value, May 27, 2008 and the average sale was $712 per m^2.

Property	Date of Sale	m2	Total Price	$ / m2	Location
Playa Avellanas #8	4/20/2009	5,000	$5,000,000	$1,000	Beachfront
Playa Avellanas #10	4/13/2012	1,578	$1,000,000	$634	Beachfront
Playa Avellanas #11	4/20/2012	1,578	$1,000,000	$634	Beachfront
Playa Avellanas #14	11/26/2012	1,714	$1,100,000	$642	Beachfront
Playa Avellanas #15	1/17/2013	1,638	$1,065,000	$650	Beachfront

FTI also researched the areas of Las Catalinas. Las Catalinas is located on the Zapotal Peninsula and to the north of Playa Grande and Playa Ventanas where there are two developments under construction called Beach Town and Punta Penca. As shown in the table below, the average price as of January 2014 for beachfront property was $694 per m^2 and $593 per m^2 for the second row.

Property	Date of Sale	m2	Total Price	$ / m2	Location
Las Catalinas #20	1/1/2014	853	$450,000	$528	Beachfront
Las Catalinas #18	1/1/2014	561	$350,000	$624	Beachfront
Las Catalinas #16	1/1/2014	424	$300,000	$708	Beachfront
Las Catalinas #27	1/1/2014	955	$700,000	$733	Beachfront
Las Catalinas #14	1/1/2014	436	$325,000	$745	Beachfront
Las Catalinas #12	1/1/2014	400	$300,000	$750	Beachfront
Las Catalinas #10	1/1/2014	422	$325,000	$770	Beachfront
Las Catalinas #21	1/1/2014	624	$275,000	$441	Second Row
Las Catalinas #5	1/1/2014	800	$375,000	$469	Second Row
Las Catalinas #7	1/1/2014	714	$350,000	$490	Second Row
Las Catalinas #23	1/1/2014	532	$275,000	$517	Second Row
Las Catalinas #11	1/1/2014	722	$375,000	$519	Second Row
Las Catalinas #17	1/1/2014	612	$325,000	$531	Second Row
Las Catalinas #19	1/1/2014	619	$350,000	$565	Second Row
Las Catalinas #13	1/1/2014	589	$375,000	$637	Second Row
Las Catalinas #15	1/1/2014	479	$325,000	$678	Second Row
Las Catalinas #9	1/1/2014	511	$425,000	$832	Second Row
Las Catalinas #25	1/1/2014	532	$450,000	$846	Second Row

5 Valuation Methodology

5.1. Overview

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We have considered each in this report to develop an opinion of the market value of the subject properties. The subject properties are vacant oceanfront land parcels. Based on our analysis and knowledge of the subject property type and relevant buyer profiles, it is our opinion that the Sales Comparison Approach would be considered the most meaningful and applicable approach in developing a credible value conclusion. The Sales Comparison Approach best reflects the actions of buyers and sellers in the marketplace. The Cost and Income Capitalization Approaches are typically not applicable in the valuation of vacant land.

For the properties that are partially taken, proper appraisal methodology requires an analysis of the parcel before and after the taking, with an analysis of the remaining parcel ("the remainder") as well as the part taken. The difference between the value before the taking and the value of the remainder reflects the value of the part taken and any damage to the remainder (“severance damage”). In analyzing the effects of the taking on the value of the remainder, the underlying fundamental requirements to consider are unity of ownership, unity of contiguity, and unity of use (i.e. highest and best use). In the valuation theory underlying partial takings, the principle of contribution states that the value of an individual component of a property, the part taken or the remainder, is measured in terms of how much it contributes to the value of the property as a whole.

It is the property owner's right to receive the market value of the land taken and the before and after taking valuation methodology will account for the contributing value. Effectively, it is the amount that the property owner would have received for the part taken had it been sold on the open market on the valuation date.

5.2. Sales Comparison Approach

Methodology

The Sales Comparison Approach to estimating market value reflects the market's perception that the value of a property is directly related to the prices of comparable competitive properties; it analyzes the subject's market value based on prices paid in actual market transactions involving properties that have a similar highest and best use to that of the subject.

The reliability of this technique depends on (a) the degree of comparability of the property appraised with each sale, (b) the length of time since the sale, (c) the accuracy of the sales data, and (d) the absence of unusual conditions affecting the sale.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The steps of the Sales Comparison Approach are as follows:

Research the market to find sales and current offerings of properties that are comparable to the subject property; this includes the verification of all relevant sales data.

Reduce the sale prices to a common unit of comparison such as price per square meter of net rentable area, effective gross income multiplier, or net income per square meter.

Analyze the comparable sales to derive market supported adjustments that reflect the significant differences between the comparable sales and the subject; general adjustment categories include buyer expenditures, property rights conveyed, finance terms, conditions of sale, market conditions, location and physical characteristics.

Formulate an opinion of the price or unit price for which each comparable property would have sold had it possessed all of the important attributes of the subject property, by applying the market derived adjustments to the comparable sales.

Reconcile the adjusted sale or unit prices into an indication of value for the subject property.

The following pages contain a summary of the improved properties that we compared to the subject property and the adjustment process. Due to the nature of the subject property and the level of detail available for the comparable data, we have elected to analyze the sales comparables through application of a traditional adjustment grid using percentage adjustments.

Relationship to Highest and Best Use

This approach analyzes the subject property based upon its highest and best use; therefore, the sales comparables used in this analysis will have similar highest and best uses to that of the subject.

Collection and Analysis of Sale Data

Comparable sales were researched through local real estate brokers and all of the sales used in this analysis were verified by the grantor, grantee, real estate broker, or attorney of the grantor or grantee.

The research yielded recent sales of comparable land sales in the market area of the subject property; the sales that were considered most comparable to the subject have been used as the basis of this analysis.

Characteristics Affecting Sale Prices

Factors that can affect the sale prices of land include the following:

- Buyer expenditures

- Property rights conveyed
- Finance terms
- Conditions of sale
- Market conditions
- Size
- Location
- Physical Features

Therefore, the comparable sales used in this report will be analyzed based on their specific characteristics relative to those of the subject.

Unit of Comparison
For the purpose of this analysis, sale price per square meter is the selected unit of comparison; it is calculated by dividing the sale price by the size of the property. Most active market participants, such as developers, investors, real estate brokers, purchasers and sellers as well as appraisers, typically analyze sales of properties like the subject using this unit of measurement. It is our opinion that this unit of comparison is representative of the subject's competing market.

5.3. Adjustment Process

The sales we have used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

In accordance with the suggestion of the Appraisal Institute, the sale properties are analyzed with regard to property rights, financing terms, atypical conditions of sale (motivation), market conditions, location and physical characteristics.

In the adjustment process, adjustments for dissimilarities in the elements of comparison between the subject property and the comparable sales are based on paired data sets and patterned analyses which isolate the effects of individual variables. The comparable sale properties and the qualitative adjustments to their sale prices are presented in the Individual Property Descriptions and Valuations section of the Addenda to the report.

The result of the adjustment process indicates what price each sale would have sold for had it possessed the same salient characteristics of the subject property. Adjusted sale prices, which form a range in value, are then correlated into a single indication of market value for the subject by the Sales Comparison Approach.

In making the various computations herein, I have adopted typical and reasonable methods of rounding in order to retain, wherever possible, the convenience and utility of whole numbers. In no case does the rounding process materially affect the results obtained.

Sales Analysis/Notes to Adjustments
Elements of comparison are the characteristics of properties and transactions that cause variation among sale prices. In the following paragraphs, each of the sales characteristics and adjustments, as they appear on the following adjustment grid, are discussed.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. We are appraising the fee simple interest in the subject property. No adjustments were required as we are valuing the subject's fee simple interest.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We have analyzed all of the transactions to account for atypical financing terms.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. All sales used in this analysis are considered to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market.

Market Conditions

Adjustments for market conditions reflect changes in property values over time, relative to the appraisal date. The basis for our market condition adjustments is based on sales appreciation in the Playa Ventanas and Playa Grande real estate markets. As shown in the table below, Lot V52 located in Playa Ventanas sold three times from 2004 to 2007. This lot appreciated in value by approximately 5.7% a month or 68.6% from April 2004 to March 2005 and sold again in March 2007 and appreciated in value by approximately 1.4% a month or 33.7% from March 2005 to March 2007. The overall monthly appreciation from April 2004 to March 2007 was approximately 3.5%. Lot V59 sold in 2003 and 2007 with an appreciated value of approximately 2.5% per month or 102% from December 2003 to May 2007.

Location	Lot	Date of Sale	m2	Total Price	$ / m2	Monthly % Change	Annual % Change
Playa Ventanas	V52	4/2/2004	817.39	$255,000	$311.97		
		3/9/2005	817.39	$430,000	$526.06	5.7%	68.6%
		3/15/2007	817.39	$575,000	$703.46	1.4%	33.7%
Playa Ventanas	V59	12/15/2003	892.58	$255,000	$285.69		
		5/11/2007	892.58	$515,000	$576.98	2.5%	102.0%

A shown in the table below, FTI concluded with a monthly inflation factor as follows:

Year	Monthly Inflation
2003	2%
2004	2%
2005	3%
2006	3%
2007	1%
2008	0%

Location
An analysis of the sufficiency and quality of the location factors was made insofar as these factors affect value. The location of the subject properties are either in Playa Grande or Playa Ventanas. Playa Ventanas is considered superior to Playa Grande so a downward location adjustment was made. The sale comparable located in Playa Flamingo is superior to the properties located in Playa Grande so a downward adjustment was made.

Physical Traits
Each property has various physical traits that determine its appeal. These traits include overall size, beach frontage and topography.

Based on the economic concept of economy of scale (a/k/a cheaper by the dozen), a negative adjustment would be made if the sale comparable was significantly smaller than the subject property and a positive adjustment would be made if the sale comparable was significantly larger than the subject property. Although in some instances you might see a premium paid for a larger parcel, especially if well located, which would permit more substantial improvements to be constructed.

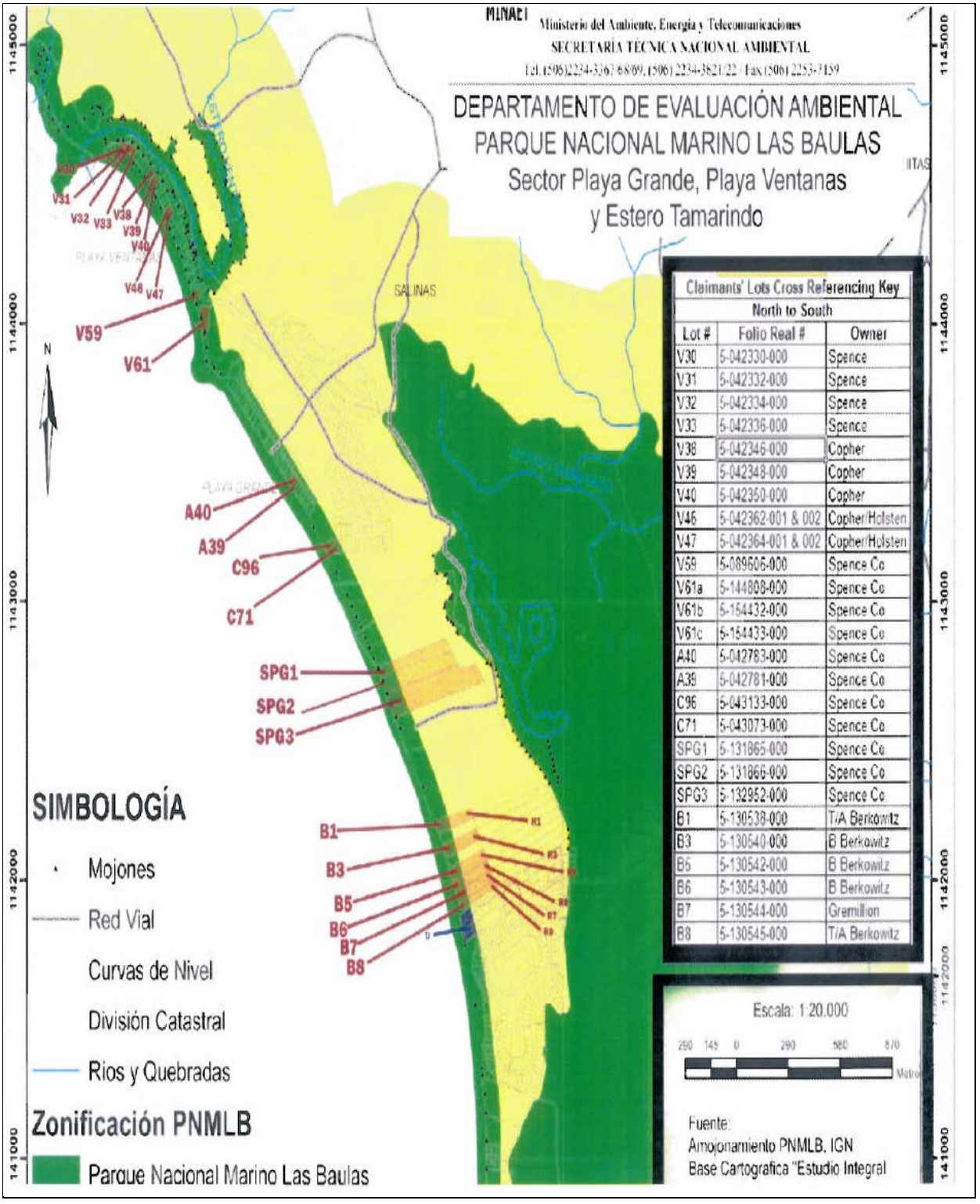
For those parcels that were partially taken, a physical adjustment was made for the damage to the remaining property due to the loss of the prime oceanfront land and the additional setback and buffer from the oceanfront making the remaining land less valuable. In addition, for parcels B1, B3, B5, B6, B7 and B8, the remainder is an undersized parcel based on the 5,000 m minimum parcel zoning requirements. A negative adjustment was made to the sale comparables to adjust for this condition.

As shown in the table below, the rationale for this adjustment considers a decrease in value ranging from -76.7% to -55.6% with an average of -66% for an interior lot compared to a beachfront lot.

Property	Size m2	Selling Price	$ / m2	Sale Date	Location	% (Decrease)
Playa Langosta Lot 11	601	$76,237	$126.86	11/21/2003	Interior Lot	
Playa Langosta 31,41,51,61	660	$360,000	$545.45	1/21/2004	Oceanfront	-76.7%
Playa Flamingo South Ridge	9,949	$550,000	$55.28	9/14/2004	Interior Lot	
Playa Flamingo North Ridge	5,013	$840,000	$167.56	6/1/2004	Oceanfront	-67.0%
Playa Grande A-28	800	$228,000	$285.00	9/21/2007	Interior Lot	
Playa Ventana Lot 52	817	$575,000	$703.46	3/15/2007	Oceanfront	-59.5%

6 Identification and Valuation of the Properties

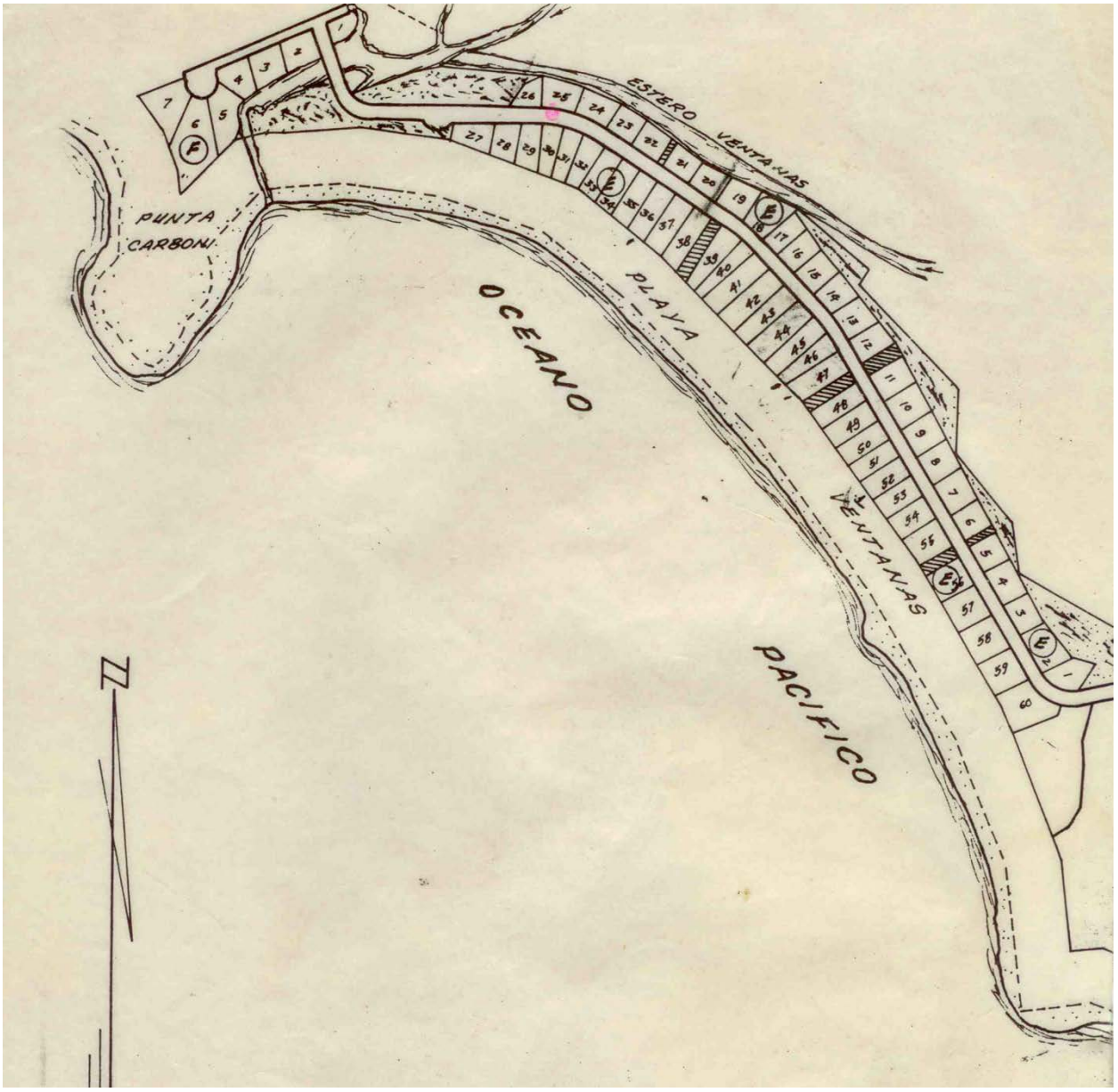
6.1. Location and Parcel Maps



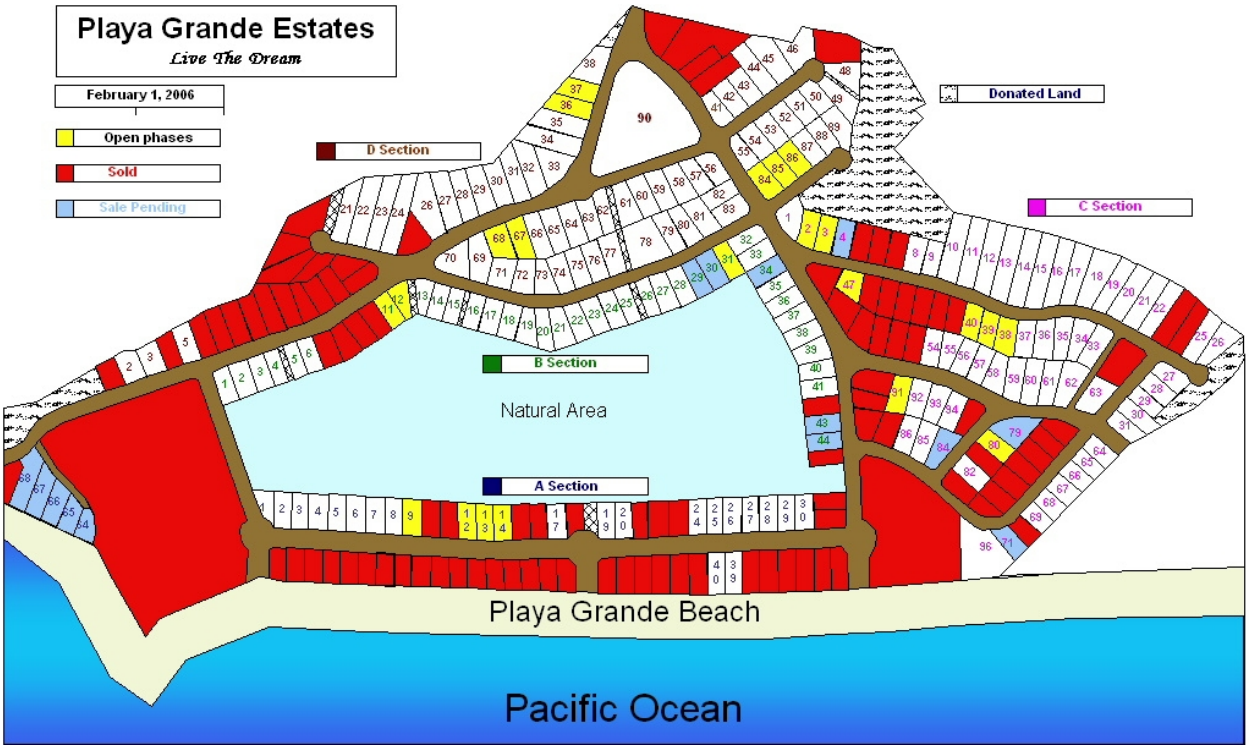
Claimants' Lots Cross Referencing Key
North to South

Lot #	Folio Real #	Owner
V30	5-042330-000	Spence
V31	5-042332-000	Spence
V32	5-042334-000	Spence
V33	5-042336-000	Spence
V38	5-042346-000	Copher
V39	5-042348-000	Copher
V40	5-042350-000	Copher
V46	5-042362-001 & 002	Copher/Holsten
V47	5-042364-001 & 002	Copher/Holsten
V59	5-089606-000	Spence Co
V61a	5-144808-000	Spence Co
V61b	5-154432-000	Spence Co
V61c	5-154433-000	Spence Co
A40	5-042783-000	Spence Co
A39	5-042781-000	Spence Co
C96	5-043133-000	Spence Co
C71	5-043073-000	Spence Co
SPG1	5-131865-000	Spence Co
SPG2	5-131866-000	Spence Co
SPG3	5-132952-000	Spence Co
B1	5-130538-000	T/A Berkowitz
B3	5-130540-000	B Berkowitz
B5	5-130542-000	B Berkowitz
B6	5-130543-000	B Berkowitz
B7	5-130544-000	Gremillion
B8	5-130545-000	T/A Berkowitz

Playa Ventanas Parcel Map



Playa Grande Estates Parcel Map



6.2. Summary Property Descriptions

There are 26 subject properties located in Playa Ventanas and Playa Grande and the descriptions and values are briefly summarized below.

The first group of 13 properties is located in Playa Ventanas; Lots V30 through V61c and are taken in their entirety. The minimum, maximum and average lot sizes are 807; 2,726; and 1,067 m^2 respectively. Their parcels are mostly irregularly shaped, level, with paved public streets and have excellent views towards the ocean. The subject properties border on the National Marine Park Las Baulas. They have good utilities such as electric and water.

The second group consists of 4 properties located in Playa Grande; Lots A39, A40, C71 and C96 and are taken in their entirety. The minimum, maximum and average lot sizes are 667; 1,946; and 1,102 m^2 respectively. Their parcels are mostly irregularly shaped, level, with paved public streets and have excellent views towards the ocean. They have good utilities such as electric and water.

The third group consists of 9 estate lots located in Playa Grande; Lots SPG1, SPG 2, SPG3 and B1, B3, B5, B7, B8 and B8. After the taking, the value of the remainder takes the influence of the scheme into account and only a portion of the Claimants' property is expropriated (i.e. "part taken"). The parts taken are the portions closest to the ocean; hence the most valuable part of the properties. The remainders are proportionately less valuable set back approximately 125 m from the water line. The before taking parcels are irregularly shaped, with gravel public streets and have access to utilities such as electric and water.

Playa Ventanas Lot V30

The property contains 806.78 m^2 with 14 meters of ocean frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $649,000 (rounded).

Playa Ventanas Lot V31

The property contains 839.53 m^2 with 14 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $676,000 (rounded).

Playa Ventanas Lot V32

The property contains 854.46 m^2 with 14 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $688,000 (rounded).

Playa Ventanas Lot V33

The property contains 913.71 m^2 with 18.80 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $735,000 (rounded).

Playa Ventanas Lot V38

The property contains 1,076.93 m^2 with 20.33 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $867,000 (rounded).

Playa Ventanas Lot V39

The property contains 1,011.80 m^2 with 12.65 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $814,000 (rounded).

Playa Ventanas Lot V40

The property contains 856.87 m^2 with 11.70 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $690,000 (rounded).

Playa Ventanas Lot V46

The property contains 935.05 m^2 with 12.69 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $753,000 (rounded).

Playa Ventanas Lot V47

The property contains 1,154.49 m^2 with 22.24 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $929,000 (rounded).

Playa Ventanas Lot V59

The property contains 892.58 m^2 with 27.35 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $805 per m^2 resulting in a value of $718,000 (rounded).

Playa Ventanas Lot V61a

The property contains 2,725.96 m^2 with 65.97 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $815 per m^2 resulting in a value of $2,222,000 (rounded).

Playa Ventanas Lot V61b

The property contains 889.58 m^2 with 19.71 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $840 per m^2 resulting in a value of $748,000 (rounded).

Playa Ventanas Lot V61c

The property contains 908.13 m^2 with 19.26 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $840 per m^2 resulting in a value of $763,000 (rounded).

Playa Grande Lot A39

The property contains 902.02 m^2 with 20.00 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $596 per m^2 resulting in a value of $537,000 (rounded).

Playa Grande Lot A40

The property contains 892.62 m^2 with 20.00 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $596 per m^2 resulting in a value of $532,000 (rounded).

Playa Grande Lot C71

The property contains 667.04 m^2. The property is an interior parcel level with all 15.00 meters of road frontage, utilities and a partial side ocean view. This property was taken in its entirety. The property is valued at $346 per m^2 resulting in a value of $231,000 (rounded).

Playa Grande Lot C96

The property contains 1,945.65 m^2 with 22.33 meters of beach frontage. The property is level with all utilities and excellent ocean view. This property was taken in its entirety. The property is valued at $690 per m^2 resulting in a value of $1,343,000 (rounded).

Playa Grande Estate Lots SPG 1, 2 and 3 – as per Government Survey

As it relates to SPG 1, SPG 2 and SPG 3, the before value has been significantly enhanced by the unified ownership of the larger parcel and the ability to create a 44 lot residential subdivision. Collectively there is 87,317.26 m² with 200 m of beach frontage. The size of the individual parcels is shown in the chart below. The properties are level, generally open and offer a view of the ocean.

	Before	After	Taken	% Taken
SPG1	16,801.73	14,158.92	2,642.81	15.7%
SPG2	24,270.20	20,314.34	3,955.86	16.3%
SPG3	46,245.33	39,641.93	6,603.40	14.3%
Total	87,317.26	74,115.19	13,202.07	15.1%

	Value	Unit Value
SPG1	$3,478,000	$206.98
SPG2	$4,301,000	$177.20
SPG3	$8,195,000	$177.20
Total Value Before	**$15,974,000**	
	Value	**Unit Value**
SPG1	$1,469,000	$103.74
SPG2	$2,107,000	$103.74
SPG3	$4,113,000	$103.74
Total Value After	**$7,689,000**	

Lot	Value of Part Taken	Severance Damages	Total Value of Taking
SPG1	$547,003	$1,461,997	$2,009,000
SPG2	$700,966	$1,493,034	$2,194,000
SPG3	$1,168,329	$2,913,671	$4,082,000

Highest and best use (before the taking): Single-family residential subdivision and development containing approximately 44 building lots of which 8 are oceanfront with an average size of 1,270 m².

Nature of the taking: According to the government survey, the expropriation takes approximately 66 meters of depth **(instead of the expected 75 meters)** from the 50 meter mean high water line across the entire 200 meter width of the subject property. It reduces the combined property from 87,317.26 m² to 74,115.19 m², a taking of 13,202.07 m² or a reduction of 16.5%. The subject taking removes the subject property's fee-simple-titled land most proximate to the most desirable oceanfront location and removes eight oceanfront building lots from the subdivision layout.

Effect on remainder: The effect of the taking on the remainder places the remainder of the subdivision 125 meters more removed from the water line behind the thick row of oceanfront brush, madero negro. The remainder is damaged by not having the associated prime oceanfront land associated with it. The view of beach, ocean and sunsets will be lost by the 75 m setback and the buffer vegetation that will grow undisturbed. The pro rata share of value of the oceanfront land far outweighs the value of the land now 125 meters back from the water line. Therefore, the remainder value has a lesser per unit value (dollar per square meter) than the before unit value and the remainder suffers a severance damage as a result of the taking.

Highest and best use (after the taking): Single-family residential subdivision and development containing approximately 36 building lots.

Based on the highest and best use of the development with 44 building lots resultant value using a Development Valuation Model (DVM) is $17,790,714. After the taking and the loss of eight oceanfront lots, the remaining 36-lot subdivision reflects a value of $10,530,000. Therefore, the value of the part taken reflects $7,260,714. There is also a foregone entrepreneurial profit of $1 million from the loss of $10 million in lot sales revenue making the total value taken to be $8,260,714. This conclusion is generally supportive of the before-and-after analysis reached by the sales comparison approach. The assumptions and calculations used in the DVM are presented in the addenda to this report.

Playa Grande Estate Lots SPG 1, 2 and 3 – as per FTI adjusted Part Taken

The following is a recalculation of the taking area assuming the correct land area intended to be taken is at a depth of 75 m from the mean high tide waterline.

Lot	Before	After	Taken	% Taken
SPG1	16,801.73	13,801.73	3,000.00	17.86%
SPG2	24,270.20	19,769.45	4,500.75	18.54%
SPG3	46,245.33	38,745.33	7,500.00	16.22%
Total	87,317.26	72,316.51	15,000.75	17.18%

Applying the identical unit values detailed above to the adjusted part taken results in the following value calculations.

Lot	Value of Part Taken	Severance Damages	Total Value of Taking
SPG1	$620,934	$1,425,066	$2,046,000
SPG2	$797,518	$1,452,482	$2,250,000
SPG3	$1,328,976	$2,847,024	$4,176,000

Playa Grande Estate Lots B1, B3, B5, B6, B7 and B8 - as per Government Survey

The properties are level, generally open and offer a view of the ocean. The size of the individual parcels before, after and the parts taken is shown in the chart below.

Lot	*Before*	*After*	*Taken*	*%*
B1	7,358.14	4,519.73	2,838.41	38.6%
B3	7,117.53	4,380.76	2,736.77	38.5%
B5	7,292.53	4,413.55	2,878.98	39.5%
B6	7,316.35	4,542.40	2,773.95	37.9%
B7	7,365.18	4,352.98	3,012.20	40.9%
B8	7,444.45	4,613.54	2,830.91	38.0%

Lot	Before Value	Unit Value
B1	$2,950,000	$400.96
B3	$2,854,000	$400.96
B5	$2,924,000	$400.96
B6	$2,934,000	$400.96
B7	$2,953,000	$400.96
B8	$2,985,000	$400.96

Lot	After Value	Unit Value
B1	$413,000	$91.30
B3	$400,000	$91.30
B5	$959,000	$217.24
B6	$987,000	$217.24
B7	$397,000	$91.30
B8	$421,000	$91.30

Lot	Value of Part Taken	Severance Damages	Total Value of Taking
B1	$1,138,092	$1,398,908	$2,537,000
B3	$1,097,338	$1,356,662	$2,454,000
B5	$1,154,439	$810,561	$1,965,000
B6	$1,112,246	$834,754	$1,947,000
B7	$1,207,775	$1,348,225	$2,556,000
B8	$1,135,084	$1,428,916	$2,564,000

Playa Grande Estate Lots B1, B3, B5, B6, B7 and B8 - as per FTI adjusted Part Taken

The following is a recalculation of the taking area assuming the correct land area intended to be taken is at a depth of 75 m from the mean high tide waterline.

Lot	Before	After	Taken	%
B1	7,358.14	4,292.89	3,065.25	41.7%
B3	7,117.53	4,142.28	2,975.25	41.8%
B5	7,292.53	4,278.28	3,014.25	41.3%
B6	7,316.35	4,338.85	2,977.50	40.7%
B7	7,365.18	4,101.18	3,264.00	44.3%
B8	7,444.45	4,466.20	2,978.25	40.0%

Applying the identical unit values detailed above to the adjusted part taken results in the following value calculations.

Lot	Value of Part Taken	Severance Damages	Total Value of Taking
B1	$1,229,290	$1,328,710	$2,558,000
B3	$1,192,959	$1,283,041	$2,476,000
B5	$1,208,677	$786,323	$1,995,000
B6	$1,193,861	$797,139	$1,991,000
B7	$1,308,737	$1,270,263	$2,579,000
B8	$1,194,162	$1,382,838	$2,577,000

Highest and best use (before the taking): Individual single-family residential development.

Nature of the taking: The expropriation takes approximately 71 to 73 meters of depth **(instead of 75 m)** from the 50 meter mean high water line across the entire 40 meter width (approx.) of the each property. It places the property a 125 meters away from the water line behind a thick row of oceanfront brush, madero negro. The subject taking removes the subject property's fee-simple-titled land most proximate to the most desirable oceanfront location.

Effect on remainder Lots B1, B3, B7 and B8: The remnant of the remainder property is an undersized remnant parcel (less than 5,000 m² as required by zoning regulation) that without a government waiver cannot be independently developed. Given the nature of the subject zoning, a waiver is not likely. The effect of the taking changes the properties' highest and best use.

Highest and best use Lots B1, B3, B7 and B8 (after the taking): Assemblage with an adjoining parcel to create a conforming parcel and subsequent single-family residential development. The pro rata share of value of the oceanfront land far outweighs the value of the land now 125 meters back from the water line. Therefore, the remainder value has a lesser per unit value (dollar per square meter) than the before unit value and the remainder suffers a severance damage as a result of the taking.

Effect on remainder Lots B5 and B6**:** The remnant of the remainder property is an undersized parcel that without government waiver cannot be independently developed. The effect of the taking changes the properties highest and best use. However, because lots B5 and B6 are under common ownership, and can be more easily assembled, the effect on the remainder is less severe than on the other parcels in this group.

Highest and best use Lots B5 and B6**:** ***(after the taking):*** Assemblage and combination, as they are both under the same ownership, to create a conforming parcel. Thereafter, the highest and best use is single-family residential development. The pro rata share of value of the oceanfront land far outweighs the value of the land now 125 meters back from the water line. Therefore, the remainder value has a lesser per unit value (dollar per square meter) than the before unit value and the remainder suffers a severance damage as a result of the taking.

7 Summary of Property Locations and Final Value Conclusions

7.1. Summary Table - as per Government Survey

The following is a summary of the value conclusions presented within this report that are consistent with the government surveys using areas that are being taken at a depth of less than 75 m from the mean high tide waterline. The value of the fee simple interests in the subject property subject to the assumptions and limiting conditions, certifications, extraordinary and hypothetical conditions, if any, and definitions, are shown in the table below:

Ownership	Location	Lot	Value of Taking
Windows of the Blue Sky Net, SA	Playa Ventanas	V30	$649,000
Windows of the Blue Sky Net, SA	Playa Ventanas	V31	$676,000
Windows of the Blue Sky Net, SA	Playa Ventanas	V32	$688,000
Windows of the Blue Sky Net, SA	Playa Ventanas	V33	$735,000
Seize the Day, SA	Playa Ventanas	V38	$867,000
Corporacion Lacheaven de Ventana, SA	Playa Ventanas	V39	$814,000
Corporacion Lacheaven de Ventana, SA	Playa Ventanas	V40	$690,000
Ronco Realty Investments, Ltda & Joeco Realty Investments, Ltda	Playa Ventanas	V46	$753,000
Ronco Realty Investments, Ltda & Joeco Realty Investments, Ltda	Playa Ventanas	V47	$929,000
Grande Beach Holdings, Ltda	Playa Ventanas	V59	$718,000
Grande Beach Holdings, Ltda	Playa Ventanas	V61a	$2,222,000
Grande Beach Holdings, Ltda	Playa Ventanas	V61b	$748,000
Grande Beach Holdings, Ltda	Playa Ventanas	V61c	$763,000
Grande Beach Holdings, Ltda	Playa Grande	A39	$537,000
Grande Beach Holdings, Ltda	Playa Grande	A40	$532,000
Grande Beach Holdings, Ltda	Playa Grande	C71	$231,000
Grande Beach Holdings, Ltda	Playa Grande	C96	$1,343,000

Ownership	Location	Lot	Value of Part Taken	Severance Damages	Total Value of Taking
Keeping Track, Ltda	Playa Grande	SPG1	$547,003	$1,461,997	$2,009,000
Keeping Track, Ltda	Playa Grande	SPG2	$700,966	$1,493,034	$2,194,000
Keeping Track, Ltda	Playa Grande	SPG3	$1,168,329	$2,913,671	$4,082,000
Aceituno Mar Vista Estates, SA	Playa Grande	B1	$1,138,092	$1,398,908	$2,537,000
Guacimo Mar Vista Estates, SA	Playa Grande	B3	$1,097,338	$1,356,662	$2,454,000
Pochote Mar Vista Estates, SA	Playa Grande	B5	$1,154,439	$810,561	$1,965,000
Saino Mar Vista Estates, SA	Playa Grande	B6	$1,112,246	$834,754	$1,947,000
Vacation Rentals, SA	Playa Grande	B7	$1,207,775	$1,348,225	$2,556,000
Nispero Mar Vista Estates, SA	Playa Grande	B8	$1,135,084	$1,428,916	$2,564,000

7.2. Summary Table – as per FTI adjusted Part Taken

The following is a summary of the value conclusions assuming the correct land area intended to be taken is at a depth of 75 m from the mean high tide waterline.

Ownership	Location	Lot	Value of Part Taken	Severance Damages	Total Value of Taking
Keeping Track, Ltda	Playa Grande	SPG1	$620,934	$1,425,066	$2,046,000
Keeping Track, Ltda	Playa Grande	SPG2	$797,518	$1,452,482	$2,250,000
Keeping Track, Ltda	Playa Grande	SPG3	$1,328,976	$2,847,024	$4,176,000
Aceituno Mar Vista Estates, SA	Playa Grande	B1	$1,229,290	$1,328,710	$2,558,000
Guacimo Mar Vista Estates, SA	Playa Grande	B3	$1,192,959	$1,283,041	$2,476,000
Pochote Mar Vista Estates, SA	Playa Grande	B5	$1,208,677	$786,323	$1,995,000
Saino Mar Vista Estates, SA	Playa Grande	B6	$1,193,861	$797,139	$1,991,000
Vacation Rentals, SA	Playa Grande	B7	$1,308,737	$1,270,263	$2,579,000
Nispero Mar Vista Estates, SA	Playa Grande	B8	$1,194,162	$1,382,838	$2,577,000

8 Certification

The undersigned do hereby certify that to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. The subject lots were physically inspected by Michael P. Hedden, MAI, CRE, FRICS on February 11 through 13, 2014.
9. No one other than Mark Dunec, Managing Director, provided significant real property appraisal assistance to the persons signing this certification.
10. We have not previously performed any other services as an appraiser or in any other capacity, regarding the properties that are the subject of this report. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Michael P. Hedden, MAI, CRE, FRICS
Managing Director | Real Estate Solutions

9 Addenda

9.1. Underlying Assumptions and Conditions

"Report" means the consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"FTI" means FTI Consulting, Inc. or its subsidiary that issued the Report.

"Author (s)" means the employee(s) of FTI who prepared analyses and Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a purchase price allocation. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.

- The information contained in the Report or upon which the Report is based has been gathered from sources the author assumes to be reliable and accurate. Neither the author nor FTI shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of FTI any inaccuracies or errors that it believes are contained in the Report.

- The opinions are only as of the valuation date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.

- That the definition of value together with other definitions and assumptions on which our analyses are based are set forth in appropriate sections of the report and are to be part of these Assumptions and Limiting conditions as if included in their entirety.

- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of FTI is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. The reader agrees that this report is not to be referred to or quoted, in whole or in part, in any registration statement, prospectus, public filing, loan agreement, or other agreement or document and agrees not to distribute the report without FTI's prior written consent.

- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based; and (e) is free of all liens and encumbrances except as specifically discussed herein.

- It is assumed that the utilization of the land is within the boundaries or property lines of the property described herein and that there are no encroachments or trespasses unless noted within the report.

- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of FTI, and in any event only with proper written qualifications and only in its entirety.

- In the event of a claim against FTI or its affiliates or their respective officers or employees in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by FTI or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.

- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

9.2. Curriculum Vitae of Michael P. Hedden, MAI, CRE, FRICS

Professional Qualifications Michael P. Hedden	
Current Role:	**Managing Director** **FTI Consulting Inc. - Real Estate Solutions** Michael P. Hedden is a managing director in the FTI Real Estate Solutions practice and is based in New York. Mr. Hedden specializes in providing valuation, litigation support and expert testimony services for clients. He is a knowledgeable real estate expert with over 30 years of experience in all aspects of the market analysis and valuation of real property. Mr. Hedden has experience in the appraisal of industrial, commercial, residential and special purpose property including hospitality, hospital and healthcare facilities. He has developed broad experience in the valuation of properties with detrimental conditions and is a recognized expert in the valuation of property suffering from environmental contamination Mr. Hedden has experience in the valuation of investment and user-based specialized real estate and real estate-related enterprises. He has appraised properties in many U.S. states. Purposes have included property tax, financial reporting, financing, purchase or sale, insurance, fair rental, tax reporting, condemnation, and donation. Advisory services performed by Mr. Hedden have included appraisal review, market research, appraisal management, and o Mr. Hedden has significant expert testimony experience and has appeared before the U.S. District Court, Superior Court of New Jersey, U.S. Bankruptcy Court, New Jersey State Tax Court, New Jersey Legislature Committee, and various condemnation and zoning boards. A member of the Appraisal Institute (MAI) and the Counselors of Real Estate (CRE) and a distinguished Fellow of the Royal Institute of Chartered Surveyors (FRICS), Mr. Hedden earned a Master of City and Regional Planning (M.C.R.P.) degree from The Edward J. Bloustein School of Planning and Public Policy at Rutgers University and a Bachelor of Science degree in marketing from the University of Bridgeport. He has been a licensed real estate broker in New Jersey since 1978. In addition, Mr. Hedden holds general certified real estate appraiser licenses in New York, New Jersey, Connecticut, Massachusetts, Pennsylvania, Delaware, Maryland, Virginia, Georgia, Florida, California and Washington.
Expert Testimony/Depositions:	Borough of Carteret, etc. v. CDI Industries, Inc., et al., Docket No. MID-L-4534-05, Superior Court of New Jersey, Middlesex County New Brunswick Housing Authority v. New Brunswick Industries, Superior Court of New Jersey, Middlesex County Action Manufacturing Company v. Simon Wrecking Company, Civil Action No. 02-8964, U.S District Court, Eastern District of Pennsylvania United States of America and The Chemclene Site Defense Group v. Chemclene Corporation, W. Lloyd Balderston, Estate of Ruth Balderston and Springridge Management Corporation, Inc. Omega Healthcare Investors, Inc. v. Res-Care Health Services, Inc., et al., Metuchen I, LLC v. Borough of Metuchen, Docket No. 00878 2000, Tax Court of New Jersey, March 29, 2004 Reliance Trust Company v. Greater Exodus Missionary Baptist Church, Docket No. F-12330-02, Superior Court of New Jersey, Atlantic County, New Jersey New Jersey Turnpike Authority v. Michael Feldman Associates, et al., Docket No. BURL-L-2519-97, Superior Court of New Jersey, Burlington County, New Jersey Hans and Helena Tielmann v. Camp Dresser and McKee, Inc., et al., Docket No. L-1559-00, Superior Court of New Jersey, Law Division, Morris County, New Jersey Custom Distribution Services, Inc. v. City of Perth Amboy, Nos. 95-37206, 95-3218, U.S. Bankruptcy Court D. New Jersey, December 17, 1997 Shakelly v. DeFilippo et. als. Docket Number MID-L-5201-06 Superior Court of New Jersey, Middlesex County Pansini Custom Design Associates, LLC and Roger Parkin Joint Venture v. City of Ocean City and Patrick Newton, Construction Code Official of the City of Ocean City, Docket No. A-2003-0 17 T1, Superior Court of New Jersey, Atlantic County New Jersey Department of Transportation v. Bellemead Development Corp., Commissioners Hearing,

	Somerset County New Jersey
	Borough Of Paulsboro vs. Essex Chemical Corporation, Superior Court of New Jersey Law Division - Gloucester County Docket No. Glo-L-699-06
	MT Ventures vs. Mount Freedom Golf Partners, Chancery Division, Morris County, New Jersey - Docket No. MRS-C-65-09
	The People of the State of New York v. First American Corporation and First American eAppraiseIT (Supreme Court, N.Y. Co., Index No. 07-406796)
	Textron Financial-New Jersey, Inc v.Herring Land Group, LLC, Case No. 3:06-cv-02585-MLC_DEA, U.S. District Court, District of New Jersey, Trenton Division,
	Bayonne Medical Center v. Bayonne/Omni Development, L.L.C., Case No. 07-15195 (MS), United States Bankruptcy Court, District of New Jersey, In re Bayonne Medical Center
	Case No. 1:99-cv-862, U.S. District Court, Southern District of Indiana
Reported Decisions:	Metuchen I, LLC v. Borough of Metuchen, Docket No. 00878 2000, Tax Court of New Jersey, March 29, 2004
	Custom Distribution Services, Inc. v. City of Perth Amboy, Nos. 95-37206, 95-3218, U.S. Bankruptcy Court D. New Jersey, December 17, 1997
	Pansini Custom Design Associates, LLC and Roger Parkin Joint Venture v. City of Ocean City and Patrick Newton, Construction Code Official of the City of Ocean City, Docket No. A-2003-0 17 T1, Superior Court of New Jersey, Appellate Division
Publications:	2003 Lender Survey: Preferences in Financing Senior Housing and Long Term Care Projects, Maryland: National Investment Center for Senior Housing and Care Industries and CBIZ Valuation Group, Inc., 2003 (coauthored with David A. Arnoldi)
	Residential Redevelopment of Brownfields: What Are the Valuation Issues?, New Jersey: National Center for Neighborhood and Brownfields Redevelopment, Edward J. Bloustein School of Planning and Public Policy, Rutgers University, 1999 (coauthored with Jan Wells PhD)
Presentations:	"The Use of Rent Coverage Ratios in the Valuation of Healthcare Properties," The 24th Pan Pacific Congress of Real Estate Appraisers, Valuers and Counselors, Seoul, Korea, September 2008
	"Fair Value and Highest and Best Use - The Real Estate Perspective," AICPA National Real Estate Conference, Las Vegas, Nevada, November 2007
	"Mock Trial" and "Takings of Unique or Special Properties," Eminent Domain Conference, CLE International, Princeton, New Jersey, October 2007
	"Condemnation Valuation - Its Impact on Your Property and Your Projects," Eminent Domain Conference, CLE International, Princeton, New Jersey, October 2006
	“Valuation of Contaminated Property,” New Jersey County Tax Board Administrators, March 2002
	“Appraisal Process Considering Environmental Impairments,” Realtors’ Tri-State Convention and Trade Show, Atlantic City, New Jersey, December 2000 (panelist)
	“Residual Redevelopment of Brownfields: What are the Valuation Issues?,” The Bloustein School of Planning and Public Policy at Rutgers University, November 1999 (leader of symposium)
	“How to Buy and Sell Contaminated Property - Appraising Contaminated Properties,” Institute of Continuing Legal Education in New Jersey (presenter)
	“Litigation Issues Relating to MTBE Drinking Water Contamination,” Institute of Continuing Legal Education in New Jersey (presenter)
	"Transactional and Litigation Pitfalls in the Sale of Residential and Commercial Real Estate," New Jersey Institute for Continuing Legal Education, New Brunswick, New Jersey, January 14, 2010.
	"Real Estate and Land Valuation in Depressed Markets," Lorman Education Services, Webinar, October 5, 2010.
	"Commercial Property Assessing in Distressed Markets," Society of Professional Assessors - Annual New

Jersey Seminar, East Rutherford, New Jersey, April 9, 2010.

"Easement Valuations: Common Pitfalls and Principles," Lorman Education Services, Webinar, December 3, 2009.

"International Financial Reporting Standards (IFRS) - Introduction to Valuation for Financial Reporting and Case Studies," IAAO/RICS 2010 Commercial Real Estate Symposium, Baltimore, Washington, March 18, 2010.

Prior Employment:

American Appraisal Associates, New York, Managing Director 2007 – 2010

Mr. Hedden served as a Managing Director and the Northeast Practice Leader for the U.S. Real Estate and related assets practice of American Appraisal.

CBIZ Valuation Group, New Jersey, Director of Real Estate 2003 - 2007

Mr. Hedden served as the Director of Real Estate for CBIZ Valuation group. In this capacity he ran the real estate valuation, consulting and litigation practice on a national level.

Michael P. Hedden, MAI Inc., d/b/a Realty Economics Group, President 1990 – 2002

Mr. Hedden served as the President and leader of this Real Estate Consulting and Appraisal firm for various government, public and private entities throughout New Jersey.

Martin, Benner, Pintinalli, Hedden, Inc., Vice President 1988 – 1990

Mr. Hedden served as a Real Estate Consultant for various government, public and private entities.

Hedden – Izenberg Appraisal Associates, President 1987 – 1988

Mr. Hedden ran this Real Estate appraisal and consulting firm which provided a full spectrum of narrative appraisals and documents.

Landauer Associates, Inc., Vice President 1985 – 1987

Mr. Hedden was part of the valuation and technical services division which was responsible for national real estate counseling.

Glander Bates Associates, Appraiser/Consultant 1983 – 1985

Barkan Associates, Staff Appraiser 1982 – 1983

Patrick L. Hedden Realty Company, Vice President 1976 – 1981

Mr. Hedden was actively involved with this full service brokerage company servicing central New Jersey.

Professional Memberships:

Appraisal Institute, MAI Designated Member #7357

Counselors of Real Estate, CRE Member # 2158

Royal Institute of Chartered Surveyors, FRICS Member # 1227210

Professional Licenses:

State of California, Certified General Real Estate Appraiser, #AGO36595

State of Connecticut, Certified General Real Estate Appraiser, #RCG0001042

State of Delaware, Certified General Real Property Appraiser, #X1-0000397

State of Florida, Certified General Appraiser, #RZ3081

State of Georgia, Certified General Real Property Appraiser, #280761

State of Maryland, State Certified General Appraiser, #11924

Commonwealth of Massachusetts, State Certified General Appraiser, #100962

State of New Jersey, Certified General Appraiser, #RG00206

State of New Jersey, Real Estate Broker, #RB7814861

State of New York, Real Estate General Appraiser, #46000041828
Commonwealth of Pennsylvania, Certified General Appraiser, #GA001660R
Commonwealth of Virginia, Certified General Real Estate Appraiser, #4001009126
State of Washington, Certified General Real Estate Appraiser, #1101650

Education:	B.S. in Marketing, University of Bridgeport
	Master City Regional Planning (M.C.R.P.)., Rutgers University

9.3. Curriculum Vitae of Mark Dunec

Professional Qualifications Mark Dunec	
Current Role:	**Managing Director** **FTI Consulting Inc. - Real Estate Solutions** Mark Dunec is a managing director in the FTI Real Estate Solutions practice and is based in New York. Mr. Dunec develops strategic real estate operating and capital markets solutions for both domestic and international clients. He has over 10 years of experience in the real estate industry, specializing in underwriting pro forma cash flow, valuation, acquisition due diligence, financing, recapitalization, asset and entity restructuring and repositioning. Since joining the firm, Mr. Dunec has worked on complex real estate advisory projects totaling over $3.0 billion, across the United States as well as England, Ireland, United Arab Emirates and Panama. Prior to joining FTI Consulting, Mr. Dunec was a Financial Analyst in Lend Lease's Project Finance Group where he led the underwriting efforts for acquisitions and developments totaling over $500 million. Mr. Dunec was also a Real Estate Analyst for Shurgard Storage Centers – a self-storage REIT prior to the acquisition by Public Storage. He was responsible for over $70 million of acquisition and re-development capital of the Company's portfolio. Mr. Dunec began his career as a consultant in KPMG's Compensation and Benefits Practice specializing in executive compensation and the calculation of golden parachutes. Throughout his career, Mr. Dunec has created and maintained pro forma cash flow models, calculated various sensitivity analyses, determined the profitability of investments and assisted with the management of the entitlement, closing and due diligence processes. Mr. Dunec has in depth experience across the various property types including office, retail, industrial, multi-family, master planned communities and self storage.
Professional Affiliations:	International Counsel of Shopping Centers Membership of Livingston Township's Transportation Advisory Committee Turnaround Management Association
Education:	B.A. in History and Biblical Studies, York University, Toronto, Canada M.B.A. in Finance, Pace University, New York, NY

9.4. Individual Property Descriptions and Valuation

9.4.1. Playa Ventanas – Lot V30

Lot #	V30
Folio Real #	5-042330-000
Owner	My New Land of Costa Rica TRC, SA
Legal Corporate Number	3-101-346452
Encumbrance	Easement transferred: 0325-19628-01-0907-001
Cadastrial Plan	G-115230-1993
Land Area of Real Estate Property (m2)	806.78
Purchase Date	9/30/2003
Purchase Price ($)	$200,000
Purchase Price $ / m2	$247.90
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement, 20.27 m front
South	Borders on National Marine Park Las Baulas, 14 m
East	Lot #31E
West	Lot #29E
View	Excellent view towards the ocean
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V30**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	806.78	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$649,389**		
(Rounded)		**$649,000**		

9.4.2. Playa Ventanas – Lot V31

Lot #	V31
Folio Real #	5-042332-000
Owner	Luxury Lands of Costa Rica QRZ, SA
Legal Corporate Number	3-101-347197
Encumbrance	Easement transferred: 0325-19628-01-0909-002
Cadastrial Plan	G-0115228-1993
Land Area of Real Estate Property (m2)	839.53
Purchase Date	9/30/2003
Purchase Price ($)	$200,000
Purchase Price $ / m2	$238.23
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement, 19.95 m front
South	Borders on National Marine Park Las Baulas, 14 m
East	Lot #32E
West	Lot #30E
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V31**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	839.53	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$675,750**		
(Rounded)		**$676,000**		

9.4.3. Playa Ventanas – Lot V32

Lot #	V32
Folio Real #	5-042334-000
Owner	The Purple Esmerald, SA
Legal Corporate Number	3-101-348297
Encumbrance	Easement transferred: 0325-19628-01-0911-002
Cadastrial Plan	G-115227-93
Land Area of Real Estate Property (m2)	854.46
Purchase Date	9/30/2003
Purchase Price ($)	$150,000
Purchase Price $ / m2	$175.55
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement, 21.78 m front
South	Borders on National Marine Park Las Baulas, 14 m
East	Lot #33E
West	Lot #31E
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V32**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	854.46	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$687,767**		
(Rounded)		**$688,000**		

9.4.4. Playa Ventanas – Lot V33

Lot #	V33
Folio Real #	5-042336-000
Owner	Windows of the Blue Sky Net, SA
Legal Corporate Number	3-101-348297
Encumbrance	Easement transferred: 325-19628-01-0913-003
Cadastrial Plan	G-115226-93
Land Area of Real Estate Property (m2)	913.71
Purchase Date	9/30/2003
Purchase Price ($)	$150,000
Purchase Price $ / m2	$164.17
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement, 20.00 m front
South	Borders on National Marine Park Las Baulas, 18.80 m
East	Lot #34E
West	Lot #32E
View	Excellent view towards the ocean
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V33**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	913.71	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$735,458**		
(Rounded)		**$735,000**		

9.4.5. Playa Ventanas – Lot V38

Lot #	V38
Folio Real #	5-042346-000
Owner	Seize the Day, SA
Legal Corporate Number	3-101-380625
Encumbrance	Easement transferred: 325-19628-01-0913-003
Cadastrial Plan	G-145498-1993
Land Area of Real Estate Property (m2)	1,076.93
Purchase Date	11/19/2004
Purchase Price ($)	$350,000
Purchase Price $ / m2	$325.00
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement, 20.00 m front
South	Borders on National Marine Park Las Baulas, 20.33 m
East	Alameda (Boardwalk)
West	Lot 37
View	Excellent view towards the ocean
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V38**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	1,076.93	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$866,836**		
(Rounded)		**$867,000**		

9.4.6. Playa Ventanas – Lot V39

Lot #	V39
Folio Real #	5-042348-000
Owner	Corporacion Lacheaven de Ventana, SA
Legal Corporate Number	3-101-266514
Encumbrance	Easement transferred: 325-19628-01-0805-001
Cadastrial Plan	G-145498-1993
Land Area of Real Estate Property (m2)	1,011.80
Purchase Date	9/27/2000
Purchase Price ($)	$500,000
Purchase Price $ / m2	$494.17
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement; 22 m
South	Borders on National Marine Park Las Baulas, 12.65 m
East	Lot #40
West	Boardwalk
View	Excellent view towards the ocean
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V39**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	1,011.80	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$814,412**		
(Rounded)		**$814,000**		

9.4.7. Playa Ventanas – Lot V40

Lot #	V40
Folio Real #	5-042350-000
Owner	Corporacion Lacheaven de Ventana, SA
Legal Corporate Number	3-101-266514
Encumbrance	Easement transferred: 325-19628-01-0809-001
Cadastrial Plan	G-145552-93
Land Area of Real Estate Property (m2)	856.87
Purchase Date	9/27/2000
Purchase Price ($)	$500,000
Purchase Price $ / m2	$583.52
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement; 17.14 m
South	Borders on National Marine Park Las Baulas, 11.70 m
East	Lot #41E
West	Lot #39E
View	Excellent view towards the ocean
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V40**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	856.87	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$689,707**		
(Rounded)		**$690,000**		

9.4.8. Playa Ventanas – Lot V46

Lot #	V46
Folio Real #	5-042362-001 & 002
Owner	Ronco Realty Investments, Ltda & Joeco Realty Investments, Ltda
Legal Corporate Number	3-102-391792 and 3-102-390725
Encumbrance	Easement transferred: 325-19628-01-0911-002
Cadastrial Plan	G-145552-93
Land Area of Real Estate Property (m2)	935.05
Purchase Date	2/8/2006
Purchase Price ($)	$275,000
Purchase Price $ / m2	$294.10
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement; 21.06 m
South	Borders on National Marine Park Las Baulas, 12.69 m
East	Lot #47
West	Lot #45
View	Excellent view towards the ocean
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V46**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	935.05	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$752,635**		
(Rounded)		**$753,000**		

9.4.9. Playa Ventanas – Lot V47

Lot #	V47
Folio Real #	5-042364-001 & 002
Owner	Ronco Realty Investments, Ltda & Joeco Realty Investments, Ltda
Legal Corporate Number	3-102-391792 and 3-102-390725
Encumbrance	Easement transferred: 325-19628-01-0943-001
Cadastrial Plan	G-145549-1993
Land Area of Real Estate Property (m2)	1,154.49
Purchase Date	2/8/2006
Purchase Price ($)	$275,000
Purchase Price $ / m2	$238.20
Date of Public Interest	9/11/2007
Shape	Irregular
Borders:	
North	Public Street with pavement; 22 m
South	Borders on National Marine Park Las Baulas, 22.24 m
East	Alameda (Boardwalk)
West	Lot #46
View	Excellent view towards the ocean
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V47**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	1,154.49	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$929,265**		
(Rounded)		**$929,000**		

9.4.10. Playa Ventanas – Lot V59

Lot #	V59
Folio Real #	5-089606-000
Owner	Grande Beach Holdings, Ltda
Legal Corporate Number	3-102-378985
Encumbrance	Easement transferred: 325--00019628-01-0901-006
Cadastrial Plan	G-0356620-1996
Land Area of Real Estate Property (m2)	892.58
Purchase Date	10/3/2007
Purchase Price ($)	$1,100,000
Purchase Price $ / m2	$1,232.38
Shape	Irregular
Borders:	
North	Lot 59
South	Lot 60
East	Public Street with pavement; 27.27 m
West	Borders on National Marine Park Las Baulas, 27.35 m
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V59**	52	61	59
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	2/6/06	5/11/07
Sale Price		$575,000	$3,100,000	$515,000
Site Size (square meters)	892.58	817	4,524	893
Sales Price per m2		$703	$685	$577
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**45%**	**8%**
Adjusted Sale Price per m2		$774	$994	$623
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Inferior	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$1,053**	**$623**
Estimated Value per m2		**$805**		
Value Conclusion		**$718,450**		
(Rounded)		**$718,000**		

9.4.11. Playa Ventanas – Lot V61a

Lot #	V61a
Folio Real #	5-144808-000
Owner	Grande Beach Holdings, Ltda
Legal Corporate Number	3-102-378985
Encumbrance	Easement transferred: 325-00019628-01-953-001
Cadastrial Plan	G-1101781-2006
Land Area of Real Estate Property (m2)	2,725.96
Purchase Date	2/6/2006
Purchase Price ($)	$3,100,000 (Includes Lots 61b and 61c)
Purchase Price $ / m2	$685.28
Shape	Irregular
Borders:	
North	Lot 60
South	Lot 61b
East	Public Street; 15.11
West	Borders on National Marine Park Las Baulas, 65.97 m
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V61a**	52	59	61
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	5/11/07	2/6/06
Sale Price		$575,000	$515,000	$3,100,000
Site Size (square meters)	2,725.96	817	893	4,524
Sales Price per m2		$703	$577	$685
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**8%**	**45%**
Adjusted Sale Price per m2		$774	$623	$994
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Superior	Superior	Inferior
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$727**	**$586**	**$1,053**
Estimated Value per m2		**$815**		
Value Conclusion		**$2,222,340**		
(Rounded)		**$2,222,000**		

9.4.12. Playa Ventanas – Lot V61b

Lot #	V61b
Folio Real #	5-154432-000
Owner	Grande Beach Holdings, Ltda
Legal Corporate Number	3-102-378985
Encumbrance	Easement transferred: 325-00019628-01-953-001
Cadastrial Plan	G-1101777-2006
Land Area of Real Estate Property (m2)	889.58
Purchase Date	2/6/2006
Purchase Price ($)	$3,100,000 (Includes Lots 61a and 61c)
Purchase Price $ / m2	$685.28
Shape	Irregular
Borders:	
North	Lot 61a
South	Lot 61c
East	Public Street
West	Borders on National Marine Park Las Baulas, 19.71 m
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V61b**	52	59	61
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	5/11/07	2/6/06
Sale Price		$575,000	$515,000	$3,100,000
Site Size (square meters)	889.58	817	893	4,524
Sales Price per m2		$703	$577	$685
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**8%**	**45%**
Adjusted Sale Price per m2		$774	$623	$994
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Similar	Inferior
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$623**	**$1,053**
Estimated Value per m2		**$840**		
Value Conclusion		**$747,599**		
(Rounded)		**$748,000**		

9.4.13. Playa Ventanas – Lot V61c

Lot #	V61c
Folio Real #	5-154433-000
Owner	Grande Beach Holdings, Ltda
Legal Corporate Number	3-102-378985
Encumbrance	Easement transferred: 325-00019628-01-953-001
Cadastrial Plan	G-1101779-2006
Land Area of Real Estate Property (m2)	908.13
Purchase Date	2/6/2006
Purchase Price ($)	$3,100,000 (Includes Lots 61a and 61b)
Purchase Price $ / m2	$685.28
Shape	Irregular
Borders:	
North	Lot 61b
South	Open space
East	Public Street
West	Borders on National Marine Park Las Baulas, 19.26 m
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**V61c**	52	59	61
Location	Playa Ventanas	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	5/11/07	2/6/06
Sale Price		$575,000	$515,000	$3,100,000
Site Size (square meters)	908.13	817	893	4,524
Sales Price per m2		$703	$577	$685
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**10%**	**8%**	**45%**
Adjusted Sale Price per m2		$774	$623	$994
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Similar	Inferior
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$774**	**$623**	**$1,053**
Estimated Value per m2		**$840**		
Value Conclusion		**$763,188**		
(Rounded)		**$763,000**		

9.4.14. Playa Grande – Lot A39

Lot #	A39
Folio Real #	5-042781-000
Owner	Grande Beach Holdings, Ltda
Legal Corporate Number	3-102-378985
Cadastrial Plan	G-402368-1980
Land Area of Real Estate Property (m2)	902.02
Purchase Date	9/29/2005
Purchase Price ($)	$220,000
Purchase Price $ / m2	$243.90
Shape	Irregular
Borders:	
North	Public Street with pavement; 20 m
South	Borders on National Marine Park Las Baulas, 20 m
East	Lot 38
West	Lot 40
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**A39**	52	C71	59
Location	Playa Grande	Playa Ventanas	Playa Grande	Playa Ventanas
Sale Date		3/15/07	11/22/07	5/11/07
Sale Price		$575,000	$230,000	$515,000
Site Size (square meters)	902.02	817	667	893
Sales Price per m2		$703	$345	$577
Physical	Beachfront	Beachfront	Interior Lot	Beachfront
Market Conditions Adjustment		**10%**	**2%**	**8%**
Adjusted Sale Price per m2		$774	$352	$623
Physical Characteristics Comparison				
Location		Superior	Similar	Superior
Size		Similar	Similar	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$727**	**$352**	**$586**
Estimated Value per m2		**$596**		
Value Conclusion		**$537,235**		
(Rounded)		**$537,000**		

9.4.15. Playa Grande – Lot A40

Lot #	A40
Folio Real #	5-042783-000
Owner	Grand Beach Holdings, Ltda
Legal Corporate Number	3-102-378985
Encumbrance	Easement transferred: 325-19628-01-0811-001
Cadastrial Plan	G-402369-1980
Land Area of Real Estate Property (m2)	892.62
Purchase Date	9/1/2005
Purchase Price ($)	$110,000
Purchase Price $ / m2	$123.23
Date of Public Interest	7/14/2005
Shape	Irregular
Borders:	
North	Public Street with pavement; 20 m
South	Borders on National Marine Park Las Baulas, 20 m
East	Lot #39A
West	Lot #41A
View	Partial panaramic vew to Tamarindo Bay
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**A40**	52	C71	59
Location	Playa Grande	Playa Ventanas	Playa Grande	Playa Ventanas
Sale Date		3/15/07	11/22/07	5/11/07
Sale Price		$575,000	$230,000	$515,000
Site Size (square meters)	892.62	817	667	893
Sales Price per m2		$703	$345	$577
Physical	Beachfront	Beachfront	Interior Lot	Beachfront
Market Conditions				
Adjustment		**10%**	**2%**	**8%**
Adjusted Sale Price per m2		$774	$352	$623
Physical Characteristics Comparison				
Location		Superior	Similar	Superior
Size		Similar	Similar	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$727**	**$352**	**$586**
Estimated Value per m2		**$596**		
Value Conclusion		**$531,636**		
(Rounded)		**$532,000**		

9.4.16. Playa Grande – Lot C71

Lot #	C71
Folio Real #	5-043073-000
Owner	Grande Beach Holdings, Ltda
Legal Corporate Number	3-102-495485
Encumbrance	0323-00000969-01-0905-001
Cadastrial Plan	G-0415025-1981
Land Area of Real Estate Property (m2)	667.04
Purchase Date	10/22/2007
Purchase Price ($)	$230,000
Purchase Price $ / m2	$344.81
Shape	Irregular
Borders:	
North	15 m street frontage
South	Residential lot
East	Lot 70
West	Lot 96
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**C71**	A-28	A-29	C71
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	11/22/07
Sale Price		$228,000	$228,000	$230,000
Site Size (square meters)	667.04	800	800	667
Sales Price per m2		$285	$285	$345
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions Adjustment		**4%**	**4%**	**2%**
Adjusted Sale Price per m2		$296	$296	$352
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Similar	Similar	Similar
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$296**	**$296**	**$352**
Estimated Value per m2		**$346**		
Value Conclusion		**$230,911**		
(Rounded)		**$231,000**		

9.4.17. Playa Grande – Lot C96

Lot #	C96
Folio Real #	5-043133-000
Owner	Grande Beach Holdings, Ltda
Legal Corporate Number	3-102-378985
Encumbrance	0325-00019628-01-901-017
Cadastrial Plan	G-0349844-1996
Land Area of Real Estate Property (m2)	1,945.65
Purchase Date	8/11/2005
Purchase Price ($)	$250,000
Purchase Price $ / m2	$128.49
Shape	Irregular
Borders:	
North	Beach access easement
South	Lot 71C of Villas de Playa Grande
East	Public street
West	22.33 meter of public zone
Utilities	Electric and water
Highest and Best Use	Residential development

Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**C96**	52	59	61
Location	Playa Grande	Playa Ventanas	Playa Ventanas	Playa Ventanas
Sale Date		3/15/07	5/11/07	2/6/06
Sale Price		$575,000	$515,000	$3,100,000
Site Size (square meters)	1,945.65	817	893	4,524
Sales Price per m2		$703	$577	$685
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**10%**	**8%**	**45%**
Adjusted Sale Price per m2		$774	$623	$994
Physical Characteristics Comparison				
Location		Superior	Superior	Superior
Size		Superior	Superior	Inferior
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$681**	**$548**	**$994**
Estimated Value per m2		**$690**		
Value Conclusion		**$1,343,386**		
(Rounded)		**$1,343,000**		

9.4.18. Lot SPG1

Lot SPG1 had a total size of 16,801.73 m2 before the expropriation of part of the property. After the expropriation, SPG1 had a lot size of 14,158.92 m2. SPG1 had 2,642.81 m2 expropriated. As shown on the following tables, the value of SPG1 before and after taking was $3,478,000 and $1,469,000 respectively. SPG1's expropriated value of $2,009,000 is the difference between the before and after taking.

The subject property was acquired on December 20, 2006 for $695,437. It has been reported that the property was acquired from a distressed seller. As a result of the assemblage with SPG 2 and SPG 3, the highest and best use of the property has changed and has become more valuable when combined with the other parcels as a portion of a residential subdivision.

Lot #	SPG1
Folio Real #	5-131865-000
Owner	Keeping Track, Ltda
Legal Corporate Number	3-102-445779
Encumbrance	Easement transferred: 325-19628-01-0811-001
Cadastrial Plan	G-835929-2003
Land Area of Real Estate Property (m2)	
Before Taking	16,801.73
After Taking	14,158.92
Part Taken	2,642.81
Purchase Date	12/20/2006
Purchase Price ($)	$695,437
Purchase Price $ / m2	$41.39
Date of Public Interest	2/14/2007
Shape	Irregular
Borders:	
North	Acarigua S.A.
South	Banco Improsa S.A.
East	Gravel public street with front 58 m
West	Borders on National Marine Park Las Baulas, 40 m
View	Partial panaramic vew to Tamarindo Bay
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with SPG2 and SPG3

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**SPG1 B**	61	North Ridge	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	16,801.73	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$258	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Very Superior	Very Superior	Very Superior
Physical		Similar	Inferior	Similar
Adjusted Sale Price per m2		**$338**	**$155**	**$135**
Estimated Value per m2		**$207**		
Value Conclusion		**$3,477,586**		
(Rounded)		**$3,478,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**SPG1 A**	A-28	A-29	A-30
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	9/21/07
Sale Price		$228,000	$228,000	$228,000
Site Size (square meters)	14,158.92	800	800	800
Sales Price per m2		$285	$285	$285
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions				
Adjustment		**4%**	**4%**	**4%**
Adjusted Sale Price per m2		$296	$296	$296
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Very Superior	Very Superior	Very Superior
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$104**	**$104**	**$104**
Estimated Value per m2		**$104**		
Value Conclusion		**$1,468,846**		
(Rounded)		**$1,469,000**		

9.4.19. Playa Grande – Lot SPG2

Lot SPG2 had a total size of 24,270.20 m2 before the expropriation of part of the property. After the expropriation, SPG2 had a lot size of 20,314.34 m2. SPG2 had 3,955.86 m2 expropriated. As shown on the following tables, the value of SPG2 before and after taking was $4,301,000 and $2,107,000 respectively. SPG2's expropriated value of $2,194,000 is the difference between the before and after taking.

The subject property was acquired on February 11, 2007 for $695,437. It has been reported that the property was acquired from a distressed seller. As a result of the assemblage with SPG 1 and SPG 3, the highest and best use of the property has changed and has become more valuable when combined with the other parcels as a portion of a residential subdivision.

Lot #	SPG2
Folio Real #	5-131866-000
Owner	Keeping Track, Ltda
Legal Corporate Number	3-102-445779
Encumbrance	Easement transferred: 325-19628-01-0811-001
Cadastrial Plan	G-835929-2003
Land Area of Real Estate Property (m2)	
Before Taking	24,270.20
After Taking	20,314.34
Part Taken	3,955.86
Purchase Date	2/11/2007
Purchase Price ($)	$695,437
Purchase Price $ / m2	$28.65
Date of Public Interest	2/14/2007
Shape	Irregular
Borders:	
North	Acarigua S.A.
South	Banco Improsa S.A.
East	Gravel public street with front 60.02 m
West	Borders on National Marine Park Las Baulas, 60.01 m
View	Partial panaramic vew to Tamarindo Bay
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with SPG1 and SPG3

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**SPG2 B**	61	North Ridge	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	24,270.20	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$258	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Very Superior	Very Superior	Very Superior
Physical		Similar	Inferior	Similar
Adjusted Sale Price per m2		**$338**	**$64**	**$135**
Estimated Value per m2		**$177**		
Value Conclusion		**$4,300,601**		
(Rounded)		**$4,301,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**SPG2 A**	A-28	A-29	A-30
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	9/21/07
Sale Price		$228,000	$228,000	$228,000
Site Size (square meters)	20,314.34	800	800	800
Sales Price per m2		$285	$285	$285
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions				
Adjustment		**4%**	**4%**	**4%**
Adjusted Sale Price per m2		$296	$296	$296
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Very Superior	Very Superior	Very Superior
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$104**	**$104**	**$104**
Estimated Value per m2		**$104**		
Value Conclusion		**$2,107,410**		
(Rounded)		**$2,107,000**		

9.4.20. Playa Grande – Lot SPG3

Lot SPG3 had a total size of 46,245 m2 before the expropriation of part of the property. After the expropriation, SPG3 had a lot size of 39,642 m2. SPG3 had 6,303 m2 expropriated. As shown on the following tables, the value of SPG3 before and after taking was $8,195,000 and $4,113,000 respectively. SPG3's expropriated value of $4,082,000 is the difference between the before and after taking.

The subject property was acquired on February 11, 2007 for $1,700,000. It has been reported that the property was acquired from a distressed seller. As a result of the assemblage with SPG 1 and SPG 2, the highest and best use of the property has changed and has become more valuable when combined with the other parcels as a portion of a residential subdivision.

Lot #	SPG3
Folio Real #	5-132952-000
Owner	Keeping Track, Ltda
Legal Corporate Number	3-102-495476
Cadastrial Plan	G-0844590-2003
Land Area of Real Estate Property (m2)	
Before Taking	46,245.33
After Taking	39,641.93
Part Taken	6,603.40
Purchase Date	2/11/2007
Purchase Price ($)	$1,700,000
Purchase Price $ / m2	$36.76
Shape	Irregular
Borders:	
North	Lot N 1 B
South	Banco Improsa S Apublic Road
East	Public road
West	Borders on National Marine Park Las Baulas, 100 m
View	Partial panaramic vew to Tamarindo Bay
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with SPG1 and SPG2

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**SPG3 B**	61	North Ridge	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	46,245.33	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$258	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Very Superior	Very Superior	Very Superior
Physical		Similar	Inferior	Similar
Adjusted Sale Price per m2		**$338**	**$64**	**$135**
Estimated Value per m2		**$177**		
Value Conclusion		**$8,194,523**		
(Rounded)		**$8,195,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**SPG3 A**	A-28	A-29	A-30
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	9/21/07
Sale Price		$228,000	$228,000	$228,000
Site Size (square meters)	39,651.93	800	800	800
Sales Price per m2		$285	$285	$285
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions				
Adjustment		**4%**	**4%**	**4%**
Adjusted Sale Price per m2		$296	$296	$296
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Very Superior	Very Superior	Very Superior
Physical		Similar	Similar	Similar
Adjusted Sale Price per m2		**$104**	**$104**	**$104**
Estimated Value per m2		**$104**		
Value Conclusion		**$4,113,491**		
(Rounded)		**$4,113,000**		

9.4.21. Development Valuation Model – SPG 1, SPG 2 and SPG 3 Combined

As a test of reasonableness and in order to ascertain the maximally productive use of the subject property and the impact upon value from the loss of 8 oceanfront building lots, a conceptual Development Valuation Model (DVM) was utilized. The DVM requires several types of inputs and analyses as follows:

- data is acquired on the proposed development plan;
- anticipated retail land value of each lot;
- an absorption period is estimated;
- the direct and indirect costs during the development period is determined;
- an estimate for entrepreneurial (developer) profit is calculated;
- and an analysis of the project discount rate is applied.

The analysis estimates the total land sales revenue that can be expected over the sellout of the project. All direct and indirect costs and entrepreneurial profit are then deducted from an estimate of the anticipated gross sales price of the lots; the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the maximally productive use of the land.

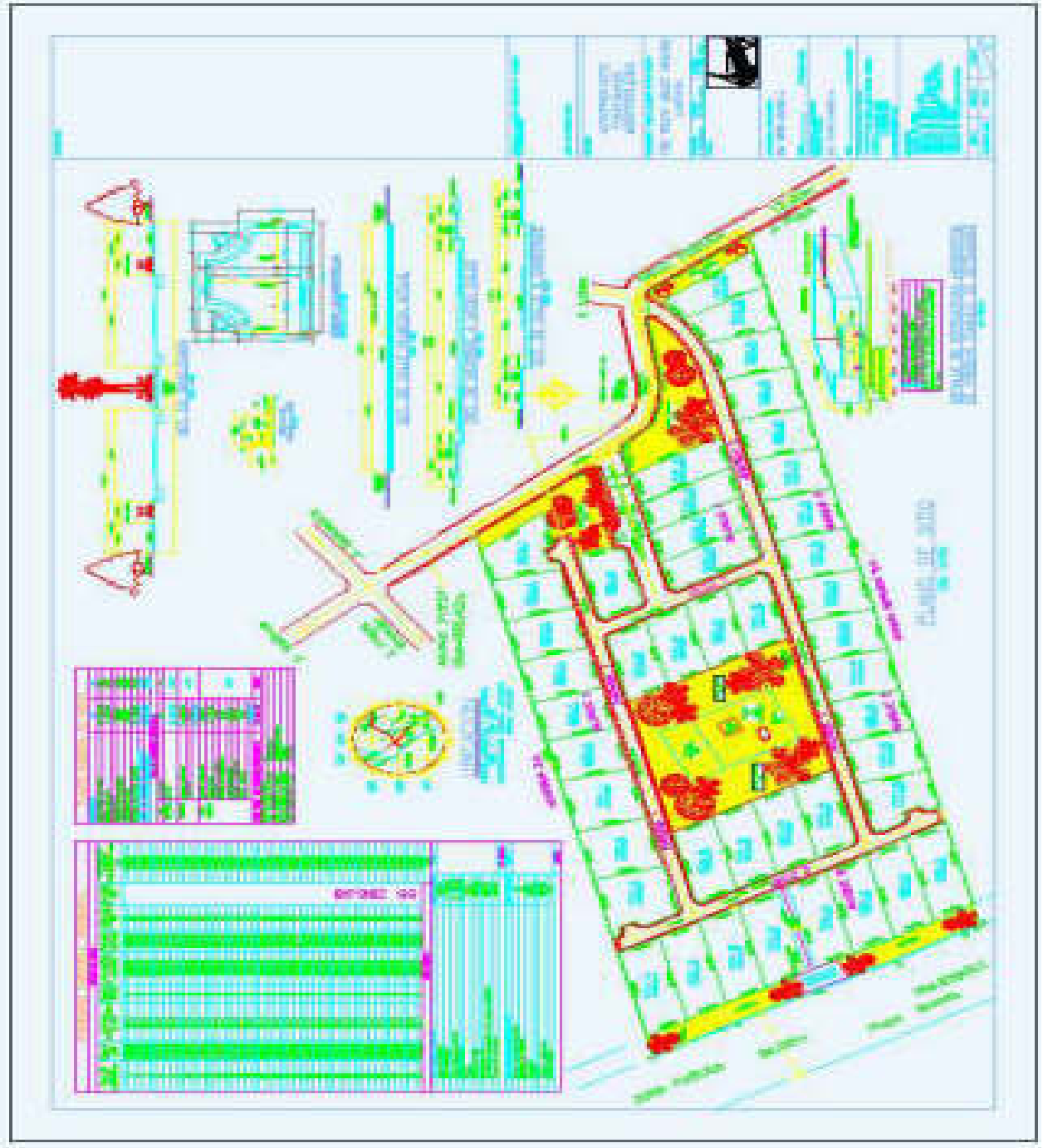
The absorption rate for the subject property is estimated to be 1-year based on the robust sales activity in the market area. Given the relatively small scale of the subject project, a one-year development and sales horizon is estimated. Factors considered in the subject analysis are the subject's location, robust market conditions and price point. The subject property is uniquely situated in desirable Playa Grande with close proximity to the beach.

Development cost estimates for the road improvements ranged from $15,000-$20,000 per lot, which included underground utilities, curb, gutter and sidewalk with paved streets and also included filling in lower lots. It was reported that $112,000 has already been incurred for the engineering and environmental studies.

On the basis of this analysis, as well as our own evaluation of development activity within Playa Grande and the characteristics of the subject property, we conclude that there exists feasibility, suitability and practicability of the proposed plan. The highest and best use before the taking of the subject's combined parcels is the development with a 44 lot subdivision in accordance with the Proposed Site Plan resulting in a total land value of $17,790,714. The highest and best use after the taking of the combined parcels is the development of 36 lot subdivision resulting in a total land value of $10,530,000. The value of the part taken is $7,260,714. In addition, there is estimated $1 million of foregone entrepreneurial profit due to the loss of eight oceanfront building lots that would have generated $10 million in revenue. Therefore, based on this analysis, the total value taken is $8,260,714 which supports the conclusion in the before and after analysis reached by the sales comparison approach.

The value indicated reflects the "as is" value of the subject property (with consideration given to its engineering and conceptual status) as an un-subdivided and unapproved tract of vacant land. This analysis shows the significant impact upon value of losing 8 oceanfront lots from the expropriation.

The proposed development map for SPG 1, SPG 2, SPG 3 is shown on the following page.



The calculations are shown below.

Value before the Taking

Revenue		Units	Unit Price			
	Oceanfront lots	8	$1,250,000	$10,000,000		
	Interior lots	36	$420,000	$15,120,000		
	Total Revenue					$25,120,000
Development Costs						
	Hard costs (w/contingency)	44	$20,000	$880,000		
	Architect and Engineering	5%	of hard cost	$44,000		
	Soft Costs				$924,000	
	Marketing	5%	of total Revenue	$1,256,000		
	Closing/Legal	2%	of total Revenue	$502,400		
	Entrepreneurial Profit	10%	of total Revenue	$2,512,000		
					$4,270,400	
	Total Expenses					$5,194,400
	Net Proceeds					$19,925,600
	Present Worth	12%	discount rate =	0.8929	PW factor =	**$17,790,714**
Before Land Value						
	Land Size	**87,317.26**	**square meters**	**reflects**	**$204**	**per square meter**

Value After the Taking

Revenue		Units	Unit Price			
	Interior lots	36	$420,000	$15,120,000		
	Total Revenue					$15,120,000
Development Costs						
	Hard costs (w/contingency)	36	$20,000	$720,000		
	Architect and Engineering	5%	of cost	$36,000		
	Soft Costs				$756,000	
	Marketing	5%	of total Revenue	$756,000		
	Closing/Legal	2%	of total Revenue	$302,400		
	Entrepreneurial Profit	10%	of total Revenue	$1,512,000		
					$2,570,400	
	Total Expenses					$3,326,400
	Net Proceeds					$11,793,600
	Present Worth	12%	discount rate =	0.8929	PW factor =	**$10,530,000**
After Land Value						
	Land Size	**74,115.19**	**square meters**	**reflects**	**$142**	**per square meter**

Value of Part Taken	**13,202.07**	**square meters**	**reflects**	**$7,260,714**
Foregone Entrepreneurial Profit				**$1,000,000**
Total Value Taken				**$8,260,714**

9.4.22. Playa Grande – Lot B1

Lot B1 had a total size of 7,358.14 m2 before the expropriation of part of the property. After the expropriation, B1 had a lot size of 4,519.73 m2. B1 had 2,838.41 m2 expropriated. As shown on the following tables, the value of B1 before and after taking was $2,950,000 and $413,000 respectively. B1's expropriated value of $2,537,000 is the difference between the before and after taking.

Lot #	B1
Folio Real #	5-130538-000
Owner	Aceituno Mar Vista Estates, SA
Legal Corporate Number	3-101-353255 and 3-102-390725
Cadastrial Plan	G-815475-2002
Land Area of Real Estate Property (m2)	
Before Taking	7,358.14
After Taking	4,519.73
Part Taken	2,838.41
Purchase Date	9/22/2003
Purchase Price ($)	$500,000
Purchase Price $ / m2	$67.95
Date of Public Interest	7/14/2005
Shape	Irregular
Borders:	
North	Corporacion Hotelera Playa Tortuga Sociedad Anonima 74.25m
South	Nance Mar Vista Estates B S.A. 71.38m
East	Aceituno Mar Vista Estates A S.A. 38.92m
West	Borders on National Marine Park Las Baulas, 40.87 m
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with adjoining parcels

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B1 B**	61	North Ridge	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	7,358.14	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$335	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Superior	Inferior	Superior
Physical		Very Superior	Similar	Similar
Adjusted Sale Price per m2		**$626**	**$272**	**$349**
Estimated Value per m2		**$401**		
Value Conclusion		**$2,950,327**		
(Rounded)		**$2,950,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B1 A**	A-28	A-29	C71
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	11/22/07
Sale Price		$228,000	$228,000	$230,000
Site Size (square meters)	4,519.73	800	800	667
Sales Price per m2		$285	$285	$345
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions Adjustment		**4.00%**	**4.00%**	**2.00%**
Adjusted Sale Price per m2		$296	$296	$352
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Superior	Superior	Superior
Physical		Very Superior	Very Superior	Very Superior
Adjusted Sale Price per m2		**$86**	**$86**	**$102**
Estimated Value per m2		**$91**		
Value Conclusion		**$412,660**		
(Rounded)		**$413,000**		

9.4.23. Playa Grande – Lot B3

Lot B3 had a total size of 7,117.53 m2 before the expropriation of part of the property. After the expropriation, B3 had a lot size of 4,380.76 m2. B3 had 2,736.77 m2 expropriated. As shown on the following tables, the value of B3 before and after taking was $2,854,000 and $400,000 respectively. B3's expropriated value of $2,454,000 is the difference between the before and after taking.

Lot #	B3
Folio Real #	5-130540-000
Owner	Guacimo Mar Vista Estates, SA
Legal Corporate Number	3-101-363175
Cadastrial Plan	G-815474-2002
Land Area of Real Estate Property (m2)	
Before Taking	7,117.53
After Taking	4,380.76
Part Taken	2,736.77
Purchase Date	9/22/2003
Purchase Price ($)	$500,000
Purchase Price $ / m2	$70.25
Date of Public Interest	7/14/2005
Shape	Irregular
Borders:	
North	Nance Mar Vista Estates B S.A. 70.08m
South	Brigantina del Orfebre Espartano S.A. 71.71m
East	Guacimo Mar Vista Estates C. S.A. 38.5m
West	Borders on National Marine Park Las Baulas, 39.67m
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with adjoining parcels

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B3 B**	61	North Ridge	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	7,117.53	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$335	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Superior	Inferior	Superior
Physical		Very Superior	Similar	Similar
Adjusted Sale Price per m2		**$626**	**$272**	**$349**
Estimated Value per m2		**$401**		
Value Conclusion		**$2,853,852**		
(Rounded)		**$2,854,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B3 A**	A-28	A-29	C71
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	11/22/07
Sale Price		$228,000	$228,000	$230,000
Site Size (square meters)	4,380.76	800	800	667
Sales Price per m2		$285	$285	$345
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions Adjustment		**4.00%**	**4.00%**	**2.00%**
Adjusted Sale Price per m2		$296	$296	$352
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Superior	Superior	Superior
Physical		Very Superior	Very Superior	Very Superior
Adjusted Sale Price per m2		**$86**	**$86**	**$102**
Estimated Value per m2		**$91**		
Value Conclusion		**$399,972**		
(Rounded)		**$400,000**		

9.4.24. Playa Grande – Lot B5

Lot B5 had a total size of 7,292.53 m2 before the expropriation of part of the property. After the expropriation, B5 had a lot size of 4,413.55 m2. B5 had 2,878.98 m2 expropriated. As shown on the following tables, the value of B5 before and after taking was $2,924,000 and $959,000 respectively. B5's expropriated value of $1,965,000 is the difference between the before and after taking.

Lot #	B5
Folio Real #	5-130542-000
Owner	Pochote Mar Vista Estates, SA
Legal Corporate Number	3-101-354162
Cadastrial Plan	G-815469-2002
Land Area of Real Estate Property (m2)	
Before Taking	7,292.53
After Taking	4,413.55
Part Taken	2,878.98
Purchase Date	9/24/2003
Purchase Price ($)	$500,000
Purchase Price $ / m2	$68.56
Date of Public Interest	7/14/2005
Shape	Irregular
Borders:	
North	Tamarindo Mar Vista Estates S.A. 74.79m
South	Saino Mar Vista Estates F S.A. 71.84m
East	Pochote Mar Vista Estates E S.A. 38.40m
West	Borders on National Marine Park Las Baulas, 40.19m
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with adjoining parcels

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B5 B**	61	North Ridge	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	7,292.73	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$335	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Superior	Inferior	Superior
Physical		Very Superior	Similar	Similar
Adjusted Sale Price per m2		**$626**	**$272**	**$349**
Estimated Value per m2		**$401**		
Value Conclusion		**$2,924,100**		
(Rounded)		**$2,924,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B5 A**	A-28	A-29	C71
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	11/22/07
Sale Price		$228,000	$228,000	$230,000
Site Size (square meters)	4,413.55	800	800	667
Sales Price per m2		$285	$285	$345
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions Adjustment		**4.00%**	**4.00%**	**2.00%**
Adjusted Sale Price per m2		$296	$296	$352
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Superior	Superior	Superior
Physical		Very Superior	Very Superior	Very Superior
Adjusted Sale Price per m2		**$205**	**$205**	**$243**
Estimated Value per m2		**$217**		
Value Conclusion		**$958,781**		
(Rounded)		**$959,000**		

9.4.25. Playa Grande – Lot B6

Lot B6 had a total size of 7,316.35 m2 before the expropriation of part of the property. After the expropriation, B6 had a lot size of 4,542.40 m2. B6 had 2,773.95 m2 expropriated. As shown on the following tables, the value of B6 before and after taking was $2,934,000 and $987,000 respectively. B6's expropriated value of $1,947,000 is the difference between the before and after taking.

Lot #	B6
Folio Real #	5-130543-000
Owner	Saino Mar Vista Estates, SA
Legal Corporate Number	3-101-353244
Cadastrial Plan	G-815470-2002
Land Area of Real Estate Property (m2)	
Before Taking	7,316.35
After Taking	4,542.40
Part Taken	2,773.95
Purchase Date	9/24/2003
Purchase Price ($)	$500,000
Purchase Price $ / m2	$68.34
Date of Public Interest	7/14/2005
Shape	Irregular
Borders:	
North	Pochote Mar Vista Estates S.A. 71.84m
South	Nispero Mar Vista Estates H S.A.70.96m
East	Saino Mar Vista Estates H S.A. 38.35m
West	Borders on National Marine Park Las Baulas, 39.70m
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with adjoining parcels

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B6 B**	61	North Ridge	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	7,316.35	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions				
Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$335	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Superior	Inferior	Superior
Physical		Very Superior	Similar	Similar
Adjusted Sale Price per m2		**$626**	**$272**	**$349**
Estimated Value per m2		**$401**		
Value Conclusion		**$2,933,571**		
(Rounded)		**$2,934,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B6 A**	A-28	A-29	C71
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	11/22/07
Sale Price		$228,000	$228,000	$230,000
Site Size (square meters)	4,542.40	800	800	667
Sales Price per m2		$285	$285	$345
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions				
Adjustment		**4.00%**	**4.00%**	**2.00%**
Adjusted Sale Price per m2		$296	$296	$352
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Superior	Superior	Superior
Physical		Very Superior	Very Superior	Very Superior
Adjusted Sale Price per m2		**$205**	**$205**	**$243**
Estimated Value per m2		**$217**		
Value Conclusion		**$986,771**		
(Rounded)		**$987,000**		

9.4.26. Playa Grande – Lot B7

Lot B7 had a total size of 7,365.18 m2 before the expropriation of part of the property. After the expropriation, B7 had a lot size of 4,352.98 m2. B7 had 3,012.20 m2 expropriated. As shown on the following tables, the value of B7 before and after taking was $2,953,000 and $397,000 respectively. B7's expropriated value of $2,556,000 is the difference between the before and after taking.

Lot #	B7
Folio Real #	5-130544-000
Owner	Vacation Rentals, SA
Legal Corporate Number	3-101-322422
Cadastrial Plan	G-815471-2002
Land Area of Real Estate Property (m2)	
Before Taking	7,365.18
After Taking	4,352.98
Part Taken	3,012.20
Purchase Date	4/21/2004
Purchase Price ($)	$425,000
Purchase Price $ / m2	$57.70
Date of Public Interest	7/14/2005
Shape	Irregular
Borders:	
North	Saino Mar Vista Estates F S.A. 70.96m
South	Nispero Mar Vista Estates H S.A.72.04m
East	Vacations Rentals S.A. 40.78m
West	Borders on National Marine Park Las Baulas, 43.52m
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with adjoining parcels

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B7 B**	61	North Ridge	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	7,365.18	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$335	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Superior	Inferior	Superior
Physical		Very Superior	Similar	Similar
Adjusted Sale Price per m2		**$626**	**$272**	**$349**
Estimated Value per m2		**$401**		
Value Conclusion		**$2,953,150**		
(Rounded)		**$2,953,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B7 A**	A-28	A-29	C71
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	11/22/07
Sale Price		$228,000	$228,000	$230,000
Site Size (square meters)	4,352.98	800	800	667
Sales Price per m2		$285	$285	$345
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions Adjustment		**4.00%**	**4.00%**	**2.00%**
Adjusted Sale Price per m2		$296	$296	$352
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Superior	Superior	Superior
Physical		Very Superior	Very Superior	Very Superior
Adjusted Sale Price per m2		**$86**	**$86**	**$102**
Estimated Value per m2		**$91**		
Value Conclusion		**$397,436**		
(Rounded)		**$397,000**		

9.4.27. Playa Grande – Lot B8

Lot B8 had a total size of 7,444.45 m2 before the expropriation of part of the property. After the expropriation, B8 had a lot size of 4,613.54 m2. B8 had 2,830.91 m2 expropriated. As shown on the following tables, the value of B8 before and after taking was $2,985,000 and $421,000 respectively. B8's expropriated value of $2,564,000 is the difference between the before and after taking.

Lot #	B8
Folio Real #	5-130545-000
Owner	Nispero Mar Vista Estates, SA
Legal Corporate Number	3-101-353202
Cadastrial Plan	G-815473-2002
Land Area of Real Estate Property (m2)	
Before Taking	7,444.45
After Taking	4,613.54
Part Taken	2,830.91
Purchase Date	9/24/2003
Purchase Price ($)	$500,000
Purchase Price $ / m2	$67.16
Date of Public Interest	7/14/2005
Shape	Irregular
Borders:	
North	Jocote Mar Vista Estates S.A. 72.04m
South	Marion Edith Unglaube 72.22m
East	Nispero Mar Vista Estates H S.A.38.54m
West	Borders on National Marine Park Las Baulas, 39.71m
Topography	Flat
Utilities	Electric and water
Highest and Best Use	Residential development; assemblage with adjoining parcels

Sales Adjustment Grid (Before Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B8 B**	61	18	30, 31, 32, 33 & 34
Location	Playa Grande	Playa Ventanas	Playa Flamingo	Playa Ventanas
Sale Date		2/6/06	5/2/06	8/19/03
Sale Price		$3,100,000	$1,550,000	$800,000
Site Size (square meters)	7,444.45	4,524	8,175	4,404
Sales Price per m2		$685	$190	$182
Physical	Beachfront	Beachfront	Beachfront	Beachfront
Market Conditions Adjustment		**45%**	**36%**	**118%**
Adjusted Sale Price per m2		$994	$335	$396
Physical Characteristics Comparison				
Location		Superior	Very Superior	Superior
Size		Superior	Inferior	Superior
Physical		Very Superior	Similar	Similar
Adjusted Sale Price per m2		**$626**	**$272**	**$349**
Estimated Value per m2		**$401**		
Value Conclusion		**$2,984,934**		
(Rounded)		**$2,985,000**		

Sales Adjustment Grid (After Taking)				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Lot	**B8 A**	A-28	A-29	C71
Location	Playa Grande	Playa Grande	Playa Grande	Playa Grande
Sale Date		9/21/07	9/21/07	11/22/07
Sale Price		$228,000	$228,000	$230,000
Site Size (square meters)	4,613.54	800	800	667
Sales Price per m2		$285	$285	$345
Physical	Interior Lot	Interior Lot	Interior Lot	Interior Lot
Market Conditions Adjustment		**4.00%**	**4.00%**	**2.00%**
Adjusted Sale Price per m2		$296	$296	$352
Physical Characteristics Comparison				
Location		Similar	Similar	Similar
Size		Superior	Superior	Superior
Physical		Very Superior	Very Superior	Very Superior
Adjusted Sale Price per m2		**$86**	**$86**	**$102**
Estimated Value per m2		**$91**		
Value Conclusion		**$421,225**		
(Rounded)		**$421,000**		

9.5. Sales Comparables

9.5.1. Playa Grande Lot 28

Sale Comparable		Sale 1
Location		Playa Grande
Lot		A-28
Owner		The Leatherback Trust
Folio Real #		5-42759-000
Selling Price	($)	$228,000
Sale Date		09/21/07
Physical		Interior Lot
Size	m2	800
$ / m2		$285
Shape		Irregular

9.5.2. Playa Ventanas Lot 52

Sale Comparable		Sale 2
Location		Playa Ventanas
Lot		52
Owner		Terrance Thompson
Selling Price	($)	$575,000
Sale Date		03/15/07
Physical		Beachfront
Size	m2	817
$ / m2		$703

9.5.3. Playa Grande Lot 71

Sale Comparable		Sale 3
Location		Playa Grande
Lot		C71
Selling Price	($)	$230,000
Sale Date		11/22/07
Physical		Interior Lot
Size	m2	667
$ / m2		$345

9.5.4. Playa Ventanas Lot 59

Sale Comparable		Sale 4
Location		Playa Ventanas
Lot		59
Owner		Spence & Co.
Selling Price	($)	$515,000
Sale Date		05/11/07
Physical		Beachfront
Size	m2	893
$ / m2		$577
Beach Frontage Ratio		32.64

9.5.5. Playa Ventanas Lot 61

Sale Comparable		Sale 5
Location		Playa Ventanas
Lot		61
Owner		Spence & Co. to Wake Up Call
Selling Price	($)	$3,100,000
Sale Date		02/06/06
Physical		Beachfront
Size	m2	4,524
$ / m2		$685
Beach Frontage Ratio		43.11
Shape		Irregular

9.5.6. Playa Flamingo Lot North Ridge

Sale Comparable		Sale 6
Location		Playa Flamingo
Lot		North Ridge
Selling Price	($)	$1,550,000
Sale Date		05/02/06
Physical		Beachfront
Size	m2	8,175
$ / m2		$190
Shape		Irregular

9.5.7. Playa Grande Lot 29

Sale Comparable		Sale 7
Location		Playa Grande
Lot		A-29
Folio Real #		5-42761-000
Owner		The Leatherback Trust
Selling Price	($)	$228,000
Sale Date		09/21/07
Physical		Interior Lot
Size	m2	800
$ / m2		$285

9.5.8. Playa Ventanas Lots 30, 31, 32, 33 & 34

Sale Comparable		Sale 8
Location		Playa Ventanas
Lot		30, 31, 32, 33 & 34
Owner		Spence
Selling Price	($)	$800,000
Sale Date		08/19/03
Physical		Beachfront
Size	m2	4,404
$ / m2		$182
Shape		Irregular

9.5.9. Playa Grande Lot 30

Sale Comparable		Sale 9
Location		Playa Grande
Lot		A-30
Folio Real #		5-42763-000
Owner		The Leatherback Trust
Selling Price	($)	$228,000
Sale Date		09/21/07
Physical		Interior Lot
Size	m2	800
$ / m2		$285

10 Documents Relied Upon

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FTI 2: Sevelka, Tony, MAI "Expropriation Appraisal Review" *The Appraisal Institute* Spring 2008; Pg. 155-167

FTI 3: Morales, Luis and Pratt, Lawrence "The Impact of development associated to tourism along the Pacific coast of Costa Rica" *Center for Responsible Travel*

FTI 4: Sevelka, Tony, AACI, P.APP "Partial Taking Expropriation: The Remainder" *Canadian Property Valuation;* Volume 58|Book 1|Tome 1|2014

FTI 5: Wheeler, Penney "Independent Letter to Playa Ventanas, Playa Grande" Christie's International Real Estate; personal letter

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FTI 8: Corredor, David, J; "Independent Letter" RipJack Real Estate & Development

FTI 9: Corredor, David, J; "Beachfront Playa Grande/Playa Ventanas Land Values 2005-2008"; January 10, 2013; pg 2 of 2

FTI 10: Lent, Penelope; "lep Costa Rica" Real Estate Broker providing property sales values; January 9, 2013

FTI 11: Corredor, David, J; Beachfront Listings; January 2008

FTI 12: Sales @ Hacienda Pinilla, December 6, 2013

FTI 13: PWC National Development Land Market 2nd Qtr. 2008

FTI 14: "Costa Rica: the promised land"; *Business Week;* copyright 2007

FTI 15: "Avellanas Beach Front Community, Lot, Area, Price"; *Hacienda Pinilla*

FTI 16: "Comp-Sales" spreadsheet; *Century 21*

FTI 17: Wheeler, P; Document; Sales Data

FTI 18: Cordero, Jose and Paus, Eva; "Working Group on Development and Environment in the Americas"; *Foreing Investment and Economic Development in Costa Rica: The Unrealized Potential*; Discussion Paper Number 13

FTI 19: Inidicadores CFIA de la Construcción Costa Rica; Comportamiento del periodo: Enero diciembre 2011-2012

FTI 20: "Land & Property"; *MarketersMedia*; Industry Analysts Reveal Results Of Costa Rica Real Estate Report For 2013; http://marketersmedia.com/industry-analysis-reveal-results-of-costa-rica-real-estate-report-for-2013/25601

FTI 21: Ross, Kayvon C.; *"The Development of Guanacaste Costa Rica: Policy Recommendations"* ; Environmental Management of International Tourism Development (ENVR E-118); Harvard University Extension School

FTI 22: "Las Catalinas, Costa Rica"

FTI 23: Cabrera, Jorge; "Legal and Institutional Framework Related to Coastal Tourism Development"; Final Report; *Crest*

FTI 24: Brown, Janelle; "In a Corner of Costa Rica, a Beachhead Luxury" *The New York Times*, February 3, 2006; http://www.nytimes.com/2006/02/03/realestate/03costa.html?gagewatned=pring&_r=0

FTI 25: Fischler, Sussman, Marcelle; "House Hunting in … Costa Rica." *The New York Times*, 2/13/2014 http://www.nytimes.com/2013/12/19/greathomesanddestinations/house-hunting-in-costa-rica

FTI 26: "Tourism Statistical Yearly Report 2012" *Costa Rica*; www.visitecostarica.com

FTI 27: Honey, Martha; Vargas, Erick; Durham, William H.; "Impact of Tourism Related Development on the Pacific Coast of Costa Rica" *CREST Center for Responsible Travel*; April 2010

FTI 28: "Frequently Asked Questions"; *REMAX Ocean Surf*

FTI 29: Demyen J; REMAX Gold Coast Realty, Letter - Sales Data

FTI 30: Gremillion Residence and Guest Houses – Plans

FTI 31: Casa de Habitacion - Corporacion Hotelera Playa Tortuga SA – Plan

FTI 32: Assignment Wakeup Call to GBH (V61)Buy back

FTI 33: LOT SPG1 080319 Keeping Track - Request to SETENA for Environmental

FTI 34: LOT SPG1 080415 Response to Keeping Track from Setena on Request

FTI 35: OK to build on Lots 39 and 40

FTI 36: SPG 1 2 3 Subdivision Lot Yield A

FTI 37: SPG 1 2 3 Subdivision Lot Yield B

FTI 38: Zoning Lots B1 to B8

FTI 38: Hacienda Pinilla Avellanas Parcel Map

11 Typical Subject Photographs

North view of the beach from Lot V32

South view of the beach from Lot V32

North view of beach from Playa Grande Estate Lots

North view of beach of Playa Grande beach

South view of beach from Estate Lots

South view of beach of Playa Grande

Southerly view of Playa Grande beach

South view of Playa Ventanas beach from V32

Playa Grande Lot A39

Playa Grande Lot A40

Playa Grande Lot C70 and C 71

Playa Grande Lot C96

Playa Ventanas Lots 30, 31 and 31

Playa Ventanas Lot 61

Playa Ventanas Lot 38

Playa Ventanas Lot 59