



EXCLUSIVE AFFILIATE OF
CHRISTIE'S
INTERNATIONAL REAL ESTATE

January 8, 2013

To whom it may concern:

My name is Robert F. (Bob) Davey, and I have been the owner of the Century 21 and Christie's International Real Estate brokerage in the Flamingo area for the past twenty two years. My office has been the top seller of property in the greater Playa Grande area for the past ten years. I have been the leading Costa Rica Real Estate Broker for Century 21 for the past 22 years. I am the past multi term President of the Costa Rica Association of Realtors (CRGAR). I have consulted on almost every major development in the Guanacaste Region of Costa Rica, and I am regarded as the leading expert in beachfront development in the area. Prior to moving to Costa Rica I was President of Davey Development, a licensed contractor in California which operated as both general and subcontractor and specialized in high end residential detached and attached homes. As a result of my experience, I believe I am well qualified to provide an expert opinion of beachfront property values in the Playa Grande area from 2005 to 2008.

First, please allow me to explain the value of Costa Rican property, and in particular beachfront Playa Grande properties. Costa Rica has become a destination of choice for many Americans. It has a beautiful tropical environment, unspoiled beaches, warm ocean water, friendly people, and the most stable democratic government in Central America. Playa Grande is very special property within Costa Rica. Playa Grande's beachfront area is privately titled. Less than 5% of Costa Rica's coastline is privately titled. The remainder can be long term leased through concession agreements with the municipality, but not owned. Americans are unfamiliar with and wary of concession property. Thus concession property is far less valuable. American investors are familiar with and comfortable with titled property. Combined with the extremely limited quantity of privately titled beach front property, this makes Playa Grande's beachfront very rare and valuable, and prized by American investors. Playa Grande is also a long white sand beach which is more desirable than gray, brown or black beaches. Playa Grande is also one of Costa Rica's premier surfing locations due to the consistency of its surf break. For surfers, Playa Grande is their beach of choice. Playa Grande is serviced with paved roads, municipal water and electricity which is also somewhat rare in Costa Rica. Playa Grande is conveniently located less than one hour from Liberia International Airport which makes access quick and convenient. The entire journey is along comfortable paved roads which are uncommon in Costa Rica. Playa Grande is also located within twenty minutes of the larger towns of Flamingo and Tamarindo which provides convenient access to restaurants, shops and services of a larger community. Playa Grande is a beautiful rural area, and home to many forms of wildlife, including the leatherback turtle. All of these factors make Playa Grande a very special and desirable area. The property values were further influenced by opening of the Liberia airport to



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international traffic in 2000 which created quick international access to Costa Rica's prime coastline. The opening of The Four Seasons in nearby Papagayo in 2004 brought many affluent potential purchasers to the area. These factors and a robust economy caused property values to rise steadily and dramatically from 2000 to late 2008 before the recession took hold.

Based on my over twenty years of personal experience of selling beachfront properties in the Guanacaste area , including closed sales and property listing that I have personal knowledge of, I believe the following table represents a fair estimate of undeveloped beachfront property values per square meter:

<u>Year</u>	<u>\$ Value</u>
2005	\$700
2006	\$900
2007	\$1,200
2008	\$1,200

Please also see the attached exhibit with property listings from this time period.

If you require any further information regarding this letter, please do not hesitate to contact me.

Sincerely

Robert F. Davey
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