

District of Santa Isabel (Costa Arriba) Province of Colon, Republic of Panama

Property Brief



July / 2008

Contents

- Area Insight
- Property Background
- General Map
- Photos
- Addendum
 - Excerpt from Executive Decree of 1999



Area Insight

“Costa Arriba” of Colon, Republic of Panama

- The extension of the north corridor expressway began in 2007 and is scheduled to be complete within 14-16 months bringing it all the way to Colon city, and the expansion of the Transisthmian highway is expected to be complete in 2009. This will greatly reduce the travel time from Panama City.
- The coastline between Colon city and the Comarca of San Blas has only a few scattered boutique hotels and inns, but demand for beach front vacation homes, luxury resorts, and weekend getaways is so high that it is common for the 34 room, 2 star hotel, to be overbooked at \$300 per night.
- Local and international developers have been buying up the beachfront in this very desirable coastal area.
- 2 luxury developments have begun their pre-construction phase (Bala Beach – www.balabeach.com – and Turtle Cay Marina – www.turtlecaymarina.com). The Bala Beach development has begun construction on 7.8 hectares of land, and plans for titled apartment units and condo-hotel are in process. The Turtle Cay condo hotel has constructed a yacht marina, begun construction of their model home, and has plans to build a world class golf course with beach club and shopping center. The lots are in possessory rights and are sold at a steep discount from those lots with future approved titles.



Property Background

The Property

- Located less than a 3 hour drive from the thriving metropolis of Panama City; on the crystal clear waters of the Caribbean.
- Over the course of 5 years, 9 bordering pieces were acquired from beach to main road totaling 216 hectares + 0173.66m² (533.79 acres).
- The 9 pieces are titled (verifiable through the public registry in Panama City), with approximately 16 HAS of beach front currently in rights of possession, requested for purchase (ie: a title request) in 2004 under the name of a Panamanian Corporation. The granting of title on the beach front is pending.
- The property has approximately 1.2km (3,937 feet) of sandy beach and approximately 35m+ (114 feet) of main asphalted road frontage.
- The beach is a beautiful cove with natural coral formations that protect it from erosion and provide a calm water experience with limited tidal changes.
- Of the 1.2 km of beach front, approximately 40% is direct to the water access, with the balance a mixture of non-direct to water access composed of coral and mangrove.
- The property is designated as a low density, coastal tourist zone (see addendum).



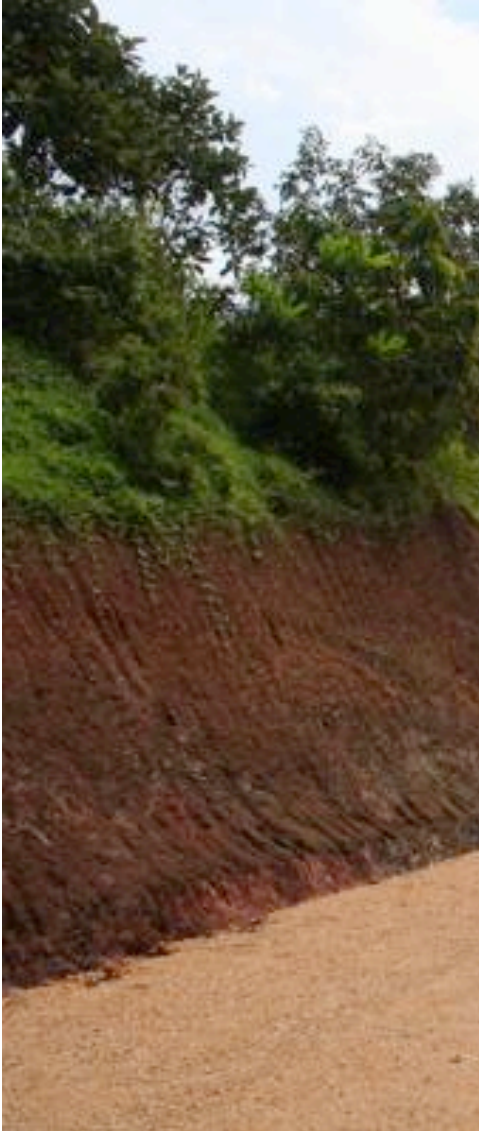
Property Background (cont'd)

Infrastructure

- Construction of an internal road began after receiving municipal permits in April 2008. The road is in its final stages and is complete as of August 2008. The road runs approximately 4km from the entrance of the property to the sandy beach at the opposite end.
- The road is made from “Tosca”, a natural soil material found on site which hardens when struck with prolonged sunlight.
- Engineering considerations for proper drainage have been implemented.
- The property is 100% fenced demarking property limits.
- There is a natural source of water located on site, and provided the infrastructure is added (at new owners expense), municipal water is also available.
- Electricity has been run the length of the property to the beach.

Ownership

- The property is owned free and clear of any liens.
- At present time there is no owner interest in a partnership, and the transfer of the property will be transacted via the purchase of a panamanian corporation.
- The transfer is not-conditional on the results of the titling of the 16 hectares of beach front, and titling costs as determined by the regional authorities will be assumed by the new owner.



General Map



Photos – Cove



Video URL: <http://www.youtube.com/watch?v=-kzyD3aqLLM>

Hi-Res Photo: http://www.realestate-panama.com/listings/property/beachfront/costa_arriba_development_potential/252/

Photos – Cove / Road



Video URL: <http://www.youtube.com/watch?v=-kzyD3aqLLM>

Hi-Res Photo: http://www.realestate-panama.com/listings/property/beachfront/costa_arriba_development_potential/252/

REALESTATE-PANAMA.COM

Photos – Beach



Photos – Coastline



Photos – Coastline



Photos – Beach Front



Photos – Beach Front



Photos – Beach Front



Photos – Beach Front



Photos – Beach Front



Photos – Behind Beach



Photos – Internal Road



Photos – Internal Road



Photos – Internal Road



Photos – Internal Road



Addendum

Executive Decree of 1999

English Translation

Clause Fourteen:

- The uses, activities, and technical aspects of the constructions in the TOURISTIC COASTAL ZONE OF LOW DENSITY will adjust to the following norms:
- TOURISTIC COASTAL ZONE OF LOW DENSITY.
 - ! Is that zone where is permitted the construction or modification of edifications destined for touristic and residential (uni-family) of low density.
- Objective: Establish the norms for development according to the potential touristic use and the actual use of the land, in a manner which guarantees sustainable tourism, in accord with the physical conditions, environmental and social norms of the area.
- The zone will be regulated by the following norms:
 - ! a. The felling of all vegetation of 5 or more years is prohibited. The minimum forestal coverage of the lots should not be less than 50% of the total area; the owners will effect the reforestation necessary to reach this limit utilizing native species. All planting, burning or cutting is subject to an inspection and permit from the Autoridad Nacional del Ambiente (ANAM).
 - ! b. The realization of any type of fill, extractions or alterations of the topographic levels within and outside the coastal borderline is prohibited.
 - ! c. The construction of new paths or new accesses is not permitted, nor is the edification on hills with angles of 45° or more.
 - ! d. The construction of edifications destined for touristic use, relates only to cabañas and family hostels.
- The segregation and creation of lots should adjust to the following dimensions and conditions:
- Minimum Area:
 - ! 1 hectare for cabañas.
 - ! 300 square meters for hostels.
 - ! 600 square meters for residential use.

Executive Decree of 1999 (cont'd)

English Translation

- ! The transfer of lots is not permitted, under any title when it involves reducing the Minimum Area. The area of the lots smaller than indicated can not be reduced.
- ! Area of Occupation: 60% for cabañas, hostels and residences.
- ! Rearward Retreat: minimum 5 meters from the property line or the construction line as defined by the Ministerio de Vivienda (MIVI)
- ! Frontal Retreat: On bordering lots with public fringe, the enclosed edifications should be at least 15 meters starting from the high tide line (shore line).
- ! For lots which are not directly bordering the beach, 5 meters measured from the easement established by the Ministerio de Vivienda (MIVI).
- ! Maximum Height: 9 meters up to the ledge and 10 meters up to the ridgepole starting from the natural ground in contact with the edification measured on the medium point of the facade, as long as the difference of the non-leveled extremes do not exceed 2 meters from where the edification will be fractioned.
- ! Net Density:
 - ! 60 habitants per hectare for cabañas.
 - ! 60 habitants per hectare for hostels and residences.
- ! Occupied Area: 60% as maximum
- ! Free Area: 40% as minimum
- ! Parking: 1 for every type of habitation constructed, within the property line.

Decreto Ejecutivo de 1999

Original

Decimo Cuarto:

- Los usos, actividades y aspectos técnicos de las construcciones en la ZONA TURISTICA COSTERA DE BAJA DENSIDAD se ajustarán a las normas siguientes:
- ZONA TURISTICA COSTERA DE BAJA DENSIDAD.
- Es aquella zona donde se permite la construcción o modificación de edificios destinados al uso turístico y residencial (unifamiliar) de baja densidad.
- OBJETIVO: Establecer las normas de desarrollo según el potencial turístico y el uso actual del suelo, de tal manera que se garantice el desarrollo turístico sostenible, consono las condiciones físicas, ambientales y sociales de esta zona.
- Para esta zona regirán las siguientes normas:
 - ! a. Queda prohibida la tala de todo rastrojo de 5 o más años. La cubierta forestal mínima de los lotes no deberá ser menor del 50% de la superficie total del mismo; los propietarios efectuarán la reforestación necesaria para alcanzar este límite, utilizando especies nativas. Toda labor de siembra, quema o poda estará sujeta a permiso e inspección previa de la Autoridad Nacional del Ambiente.
 - ! b. Queda prohibida la realización de cualquier tipo de rellenos, extracciones o alteraciones de los niveles topográficos dentro y fuera de la línea costera.
 - ! c. No se permitirá la construcción de caminos o nuevos accesos, ni de edificación alguna sobre pendientes de 45° o más.
 - ! d. La construcción de edificaciones destinadas al uso turístico, corresponden solamente a tipo cabañas y hostales familiares.
- Las segregaciones y refundiciones de lotes deberán ajustarse a las siguientes dimensiones y condiciones:
- Superficie mínima:
 - ! Una (1) hectarea para tipo cabañas.
 - ! 300 metros cuadrados para hostales.
 - ! 600 metros cuadrados para uso residencial.

Decreto Ejecutivo de 1999 (cont'd)

Original

- No se permitirá el traspaso de lotes, bajo cualquier título cuando esto involucre la disminución de la superficie mínima antes señalada. La superficie de lotes menor a la indicada no podrá ser disminuida.
- Área de ocupación: 60% para tipo cabañas, hostales y residencias.
- Retiro Posterior: 5.0 metros mínimo de la línea de propiedad o línea de construcción definida por el Ministerio de Vivienda.
- Retiro Frontal: En lotes colindantes con la franja pública, las edificaciones cerradas deben estar a 15 metros a partir de la línea de marea alta (ribera de playa).
- En lotes que no estén directamente sobre la playa, 5 metros medidos desde el límite de la servidumbre vial establecida por el Ministerio de Vivienda.
- Altura máxima: 9 metros hasta nivel de cornisa y 10 metros hasta nivel de cumbrera a partir del nivel de suelo natural en contacto con la edificación medido en el punto medio de la fachada, siempre y cuando esta diferencia de desniveles entre los dos extremos de la fachada no exceda de 2 metros. En caso de que la diferencia de nivel exceda de 2 metros la edificación tendrá que ser fraccionada.
- Densidad Neta:
 - ! 60 Habitantes por hectárea para tipo cabañas.
 - ! 60 habitantes por hectárea para hostales y residencias.
- Área ocupada: 60% como máximo.
- Área libre: 40% como mínimo.
- Estacionamiento:
 - ! Uno (1) por cada habitación de hospedaje construido, dentro de la línea de propiedad.

REALESTATE-PANAMA.COM

Mike Ramo | Cel: 6676.6172 | Office/Fax: 214.3127 | Email: prensa@realestate-panama.com