

THE GRAN PACIFICA WAVE

NEWS FROM THE EDGE OF THE SEA

OCTOBER 2015



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LETTER FROM THE CEO



MIKE COBB

Dear Property Owner,

October has nearly come to an end, and I'm sure many are getting ready for the annual round of Halloween festivities this weekend. While October is traditionally a slow month across Nicaragua due to the weather, that same weather brought surfers to the property to enjoy possibly the best waves of the year. The property is also looking more verdant than ever, with the lush vegetation and sprawling green spaces benefiting from a few strong rains. While the record-setting occupancy at the hotel may not have continued through October, excitement came in many other ways. Gran Pacifica featured in several hours of major television throughout October during the Miss Mundo Nicaragua event. Episodes aired Sunday nights, and showed the contestants competing at Gran Pacifica and on the stage. Employees of Gran Pacifica were invited to the final event in the Teatro Nacional in Managua, which was a star-studded, glamorous event. Giovanni Rodriguez, who set this entire collaboration in motion, looked like a rock star on the red carpet. It was truly great publicity for Gran Pacifica, and helped to further cement our town by the sea as a real part of the Nicaraguan community.

One development that I am thrilled to announce, is that we will be moving forward with construction of a health clinic! After a long period of planning, this important project, both for Gran Pacifica and the surrounding communities, has become a concrete reality. Gran Pacifica has donated the land for the clinic, and recently sold several teak parcels in a silent auction at Live and Invest Overseas' most recent event. This raised \$60,000 to be put toward construction of the clinic. This is a large, important project for us to undertake, and we believe it will add greatly to the draw of Gran Pacifica, as well as the safety of our guests. This project has been a long-time goal of the Help Them Help Themselves Foundation founded by Patrick Hiebert, and we are all excited to bring this dream to fruition. Stay tuned to our website and newsletters for new developments, and keep your ears open for the groundbreaking celebration.

More homes than ever before under construction, many more in the design stages, a health clinic, the expansion of our solar program for anyone interested in living off the grid, and recognition at one of Nicaragua's most glamorous yearly events. It may be low season, but October has been anything but slow. Looking ahead to November, I don't expect the pace to slow one bit. We have several large groups coming in to provide medical and other services to the surrounding communities, as well as tour groups and many individuals who are looking forward to avoiding the cold. If you've been waiting for the right time to make your next visit to Gran Pacifica, this holiday season could be your ticket. Flights on United from Pittsburgh have been found at only \$295, and meteorologists are predicting another colder-than-average winter in Canada and the Northeast US. I'm certainly glad to be in Nicaragua, where you'd might as well delete the weather app from your phone. Since moving here, I don't think I've checked the weather once.



I hope you do make a trip to Gran Pacifica in the near future, as I love getting to reconnect with homeowners and shareholders. This is a fast-paced, global world we live in, but the best times are still those spent under the stars with good friends. If you haven't been here in a few years, you are in for an absolute treat. The property looks more beautiful than ever, and all the new homes that have been built really add to Gran Pacifica's sense of community. I look forward to hearing from you and to another exciting month for Gran Pacifica and ECI.

Sincerely,

Mike Cobb

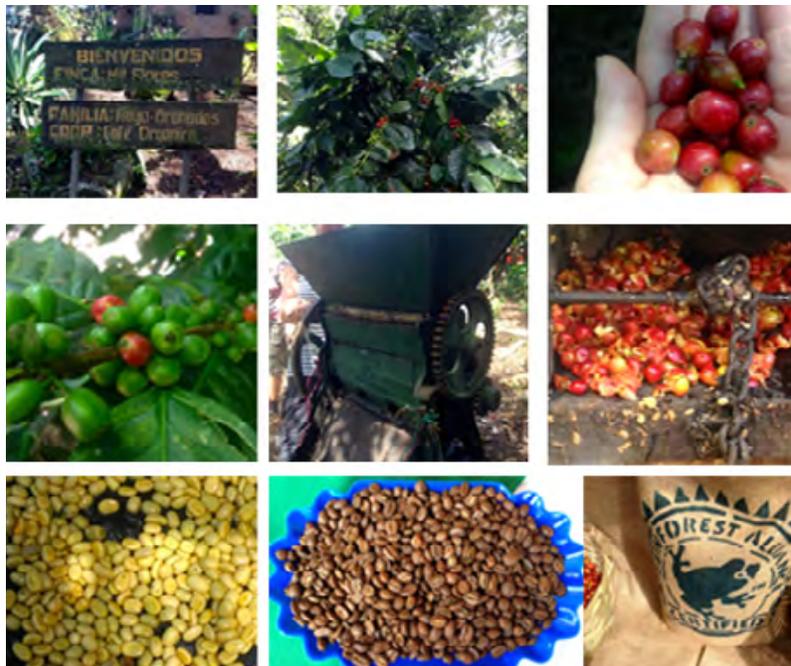
NICARAGUA AND HER COFFEE

JO-ANNE STOLTZ

Television commercials from the seventies led many of us believe that all coffee originated from the homestead of Juan Valdez, who brought his aromatic beans straight from his farm tucked away in the mountains of Colombia on the back of a donkey to be exported all over the world. As quaint, romantic and nicely packaged as that is, the truth is far more fascinating.

The plant itself comes from Ethiopia, where it is said that only goats ate the cherries of the coffee bushes. The Muslims in the near east were the first to prepare the coffee drink that we know, and called it qahwat al-bun or wine of the bean. According to National Geographic, the beans were first brewed in the 11th-century when worshipers started to value its stimulating properties as it allowed them to continue their devotions late into each day.

The Dutch then began distributing coffee all over Europe. In 1723, French naval officer, Gabriel de Clieu brought seedlings to the Caribbean and the Americas. Coffee first arrived to Costa Rica in 1796, and by the year 1825 Nicaraguan Manuel Torrez Matus had received a few pounds of coffee beans from a Costa Rican friend, and then planted them on his family estate, near Jinotepe. Twenty-three years later the first export of Nicaraguan coffee cherries was sent to the port of Mazatlan in Mexico.



In 1852, a German family composed by Luis Elster of Hanover, his wife Katharina Braun of the German Black Forest, and their son Wilhelm were en route to California to take part in the gold rush, but instead decided to prospect in San Ramon, just north, of Matagalpa. They bought land from the indigenous Matagalpas and founded an estate called La Lima. Luis struck small amounts of gold and also planted coffee seeds that were bought on their trips to and from Managua.

Mechanic Otto Kühl later came from Germany, and developed a pulping machine that removed the skin and the juice from the coffee bean, leaving what is known as Matagalpa Washed Coffee, or parchment coffee, which was much easier to export and allowed the beans to maintain their flavor in transit, resulting in favorable prices abroad.

Thanks to Manuel Torrez Matus and the European settlers, today coffee supports the 45,334 families that own and operate small farms. An estimated 95% of Nicaragua's coffee farmers are micro and small-scale producers where family is the primary source of labor. Nicaragua's economy is largely dependent on agriculture, and coffee accounts for an estimated 30% of the foreign currency generated from agricultural exports.

Nicaragua's strongest small coffee cooperatives have organized collectively and have united to form La Asociación de Cooperativas de Pequeños Productores de Café de Nicaragua, CAFENICA. CAFENICA has represented smallholder interests in national coffee fairs, rural development policy debates, and as an active contractor for long-term research projects.



Today, in celebration of this bountiful crop, the department of Matagalpa boasts a Scenic Coffee Route, and Matagalpa city has a beautiful coffee museum. Matagalpa Tours offers a one-day tour of a small, family-owned, organic coffee plantation. On Saturday October 24th in the park named after poet Ruben Dario, Matagalpa hosted its 12th annual Coffee festival highlighting and promoting coffee. On many street corners of this gorgeous city you will find coffee shops that are modern, clean and comfortable that serve excellent, professionally brewed cups of coffee.

One hundred years after Luis and Katharina settled in the area, couple Eddy Kühl and Mausi Hayn, descendants of those first European settlers to the area, built a tourist resort to recreate the dream of the first settlers. The resort is German in style with mountain bungalows, hotel rooms and a non-denominational chapel. It is known as Selva Negra or Black Forest. They currently sell 60% of their coffee to Whole Foods in the US, and serve as a model of organic farming and nature preservation.



Here are a few links for further reading.

<http://www.lonelyplanet.com/nicaragua/northern-nicaragua/matagalpa/sights/museums-galleries/museo-de-cafe>

<http://matagalpatours.com/nicaragua/coffee-tour-matagalpa-mountains>

<http://www.elnuevodiario.com.ni/economia/374673-celebran-feria-cafe-matagalpa/>

<http://www.cafebaristamatagalpa.com/historia>

<http://sprudge.com/seleccion-nicaraguense-serves-top-quality-coffees-in-matagalpa-67639.html>

RETIREMENT IN NICARAGUA



MICHAEL I. HANYECZ

I was born and raised in the middle of the twentieth century in communist Hungary. Part of the “baby-boomer” generation, I just didn’t know it. Life was very different back then. After finishing the best high school in Hungary, The Benedictine Gymnasium in Pannonhalma, established in the year 996, I unfortunately was not allowed to continue my education in a University. This was because my father had his own business and I had attended a religious school. In communist Hungary, these were two serious strikes against me.

So therefore, after high school, I earned a photo reporter license from the Hungarian News Agency. In July of 1970 I finally did escape by swimming from Yugoslavia to Italy near Trieste. I then entered a 6-month stint in a refugee camp near Rome, Italy. The long-awaited day finally arrived when I was free to emigrate to the United States of America at the end of 1970. From the very beginning, I worked and studied hard, earning 2 diplomas and a general contractor license. In 1972, I moved to Los Angeles, California, where I started my own office supply store.

Seeing the incredible housing boom in Southern California, I started my security company in 1979 and built it up to become one of the largest systems integration companies in the US. Besides alarms, we offered intercoms, telephone systems, video entry systems, CCTVs, home automation and large-scale home theaters to our growing customer base. My security company became very well known in California, working with celebrities, VIP’s and 7 of the Top 10 builders in the State. Over the 30-year history of the company we wired more than 45,000 homes.

In 1989, Hungary became the first country to break rank with the communist bloc and formed a democratic government. This opened a huge opportunity for me and my company. I quickly opened a wholesale company, and after successfully negotiating an exclusive deal for monitoring with the Hungarian national police I opened my first alarm central station overseas. One success led to another, and in less than 5 years my company expanded to 16 countries and had alarm central stations in 120 cities.

Beginning in 1995 I kept a perfunctory eye on the real estate developments of Central America. I did not know it at the time, but I had missed the Costa Rican and Panamanian booms. One day, an article from International Living caught my eye: a certain Costa Rican development went up in value 20-fold in 18 years. In life, time flows only in one direction and the “should have”, “could have” and “would have” never helps. The bug was in my ear. I signed up with International Living and attended the 2006 seminar held in Puerto Vallarta.

This meeting was an absolute eye-opener for me. I learned that I am part of the now graying/balding “baby-boomers”, actively looking, planning for our retirement. I didn’t know this! And we are the richest generation in the history of mankind. I didn’t know this either! And many of us are looking to retire in a country other than the US. I did know this one, since I was here at the seminar.

Besides learning of the many ways to buy real estate, getting into sure-way investments, how to get title and medical insurance, how to obtain a second passport, how to be an internet savvy, global communicator, I also met many wonderful fellow soon-to-be-retirees. During the breaks I talked with vendors selling local coffee beans, medical insurance, beach vacations and retirement dreams. I looked at all of the serious developers, and none offered security systems. To me, security is a basic necessity in any country. In a new, relatively unknown country, I definitely would like to be connected to a 24-hour alarm central station. Who knows what can happen. I would certainly like to have a lifeline to some people I can trust.

Interestingly, the largest developers agreed with me wholeheartedly. This led to a series of discussions with them exploring the possibility of installing an alarm central station in their development. In my mind, I was ready for the onslaught of 5 million retirees who will call their new home somewhere in Central America.

Of all the developers I talked with, one, Gran Pacifica, towered above the rest in vision, planning, value and community. I listened to the presentation of the CEO, Mr. Mike Cobb, and I was impressed. A few meetings later we agreed on the terms of our Joint Venture and I landed in Nicaragua. Looking around, I made an investment myself with Gran Pacifica. I also took a giant leap and opened a Nicaragua office of my business in 2007 and called it International Systems Integration (ISI).

Business was growing in Nicaragua and the region in general. So I visited Belize, where ECI, the parent company of Gran Pacifica, started to build a great condo project. Costa Rica also looked like a promising country with lots of opportunity. I also visited Panama and here I found developers interested in security systems and central stations also.

By 2008 I made monthly trips to Nicaragua and spent about half of my time here. The US economy started to sour that year, builders cut back on developments, sometimes abandoning project all together. The idea of moving to Nicaragua seemed remotely possible, even probable, but when visiting with my wife and 2 sons age 4 and 6 in August of 2008, we decided that at the end of the 2008-9 school year we would make our move.

My wife is a professional photographer. The people, places and colors of Nicaragua just captured her heart in the 2 weeks we spent here together. You can see her photos, which she organized in a book [here](#).



After months of planning, special preparations, and engineering for the unique Nicaraguan climate, we opened our central station at the end of December in 2008 and hooked up our first client in January of 2009. We found excellent technicians, trained them in the intricacies of our installation methods, hired bilingual operators who finished a month-long training seminar, started a modest advertising campaign, put an ad in the upcoming Yellow Pages and watched as our sales zoomed.

At the end of June 2009, our family moved to Nicaragua. We visited the schools and met the teachers. Since my wife's mother tongue is Russian, our sons speak English, Russian and Hungarian. We knew that learning Spanish would give them an even better palette of languages. We decided to enroll them in the American-Nicaraguan School, a bilingual institution with incredible academics and facilities.

I remember a story early on when their swimming coach was treading the water in the junior Olympic-size pool, next to the 11 basketball courts, 7 soccer fields, and 6 baseball fields. When my sons said hello to the coach in Russian, he promptly seemed to drown. Ever since, he is happy to speak with them in Russian every chance he gets.

The kids just simply loved their new school and would not go back to the prestigious Southern California school they loved just a few months ago. The teachers are friendly and helpful, and made our sons' adjustment easy. All the subjects are taught in English, and one hour a day they learn Spanish. After a month they were already speaking to our housekeeper in Spanish.

Our friends recommended good doctors, pediatricians, dentists, a hairdresser for my wife, she even liked the nail salon better than back in Los Angeles and it cost only 1/3 here. I went to visit the recently opened Asian Spa and had a very good shiatsu massage for \$15. My kids loved to go to a movie on the weekend and it cost just \$3 a ticket.

I recently had to go to a doctor for a checkup for my insurance. His fee was \$20.00. In the US, my co-pay alone used to be \$30. And he offered free samples of the medications I am using. When I asked him if he ever made house calls, he said he can do it only after work, late afternoon, but it cost \$25.00. Medicines regularly cost less than my old co-pay. Insurance that has world-wide coverage is typically 1/3 or 1/4 of the US rate. Most of the doctors are US-educated so they speak English.

One of the large, modern hospitals here in Managua is just a mile from my house and has as much modern equipment as any hospital in California. More, actually, because they are able to use equipment from the European Union not yet approved by the FDA. The service is much better as well. The doctor gave me his business card with his personal cell phone printed on it. "Call me anytime if you need me," he said. Wow!

The real value in Nicaragua is its people. They are friendly and willing to help everyone. Like the teachers in our sons' school, they were totally prepared to help new parents who moved recently to the country. Maybe my only gripe is the paper flow in the government's offices, but hey does anyone know a smooth bureaucracy anywhere on Earth?

While we lived in Nicaragua, the US economy struggled with a level of unemployment not seen since the great depression. Builders stopped building, car companies went bankrupt and hitherto pillars of the financial world collapsed, sending shockwaves around the world. My retirement funds in the big, safe institutions lost more than half of their value, but just to get back to where they were before the economy collapsed they have to gain more than 100%. Do I think it will happen in 2-3 years? Not a chance, unfortunately. Like most, I did not foresee these developments. My crystal ball was only a heavy paperweight on my desk not used for anything else, least of all predicting tomorrow.

But looking back, I am sure I made the right decision to move to Nicaragua in these trying times. Here the freshest food costs half, the fruits with smell and taste not enjoyed since my childhood when I picked the cherries myself fresh from grandma's trees. Of course, there are dozens of fruits I have never seen in my life to the delight of my wife. She loves all exotic fruits. A nice papaya is longer than 2 feet here! And what a delightful taste!

People and companies never stopped building in Nicaragua. Maybe some slowed down, but new office buildings, banks, shops were constructed, some 24 hours around the clock. Property prices in the better neighborhoods of Managua keep going up. But prices are still far below anything you can get in the US. Not surprisingly, you can get a quality-built, beachfront condo for a price of 30-40 years ago in Los Angeles.

In the meantime, my company grew faster than I could have imagined. We hired more sales and installation people, and our customer service department doubled in just 2 months. We now have close to 50 people working. Our alarm central station is contracted by other dealers also. We introduced new products, new sales packages, new forms of financing and the market responded positively. We introduced camera systems that you can watch on the Internet from anywhere in the world and people who are not living here full time enthusiastically embraced the idea. The cameras can be seen even on a smartphone. We can even offer GPS navigation for our patrols!

If you are now in the process of planning for your eventual retirement, I strongly suggest you look into Nicaragua. The country does not have the cleanest record politically, with a civil war in the 1980's. But that was 25 years ago. Now it is stable and has the second lowest crime rate in the Americas after Canada. The economy is one of the poorest in the region, but is also the fastest growing. This gives you a lot of opportunity to succeed if you look for a part-time business or even a full time, like I did. While you cannot find the latest fashion of Milan, Paris or Beverly Hills, there are modern shopping centers here with many familiar shops and some of your favorite restaurants. If you look around you will find opportunities in export/import, computers, printing and many other service-oriented businesses that will fill your time between those great golfing and fishing days.

Yeah, I guess I have retired.... and having fun every minute of it!

My retirement run amok....

Now it is August of 2015. I have to add a little post script to the previous section. In 2013, after 4 years of living in Nicaragua, we decided to move back to California. I still kept the security business and my partner was managing it day to day. We thought that the US economy had improved sufficiently, the school would be better, healthcare would be free since I officially retired at age 65. So, we packed up, moved back, and settled in a small town near Los Angeles. We looked for a better life with better roads, higher speed internet and GPS navigation in our car.

In Nicaragua, our sons had 14 kids in a class. They learned from excellent teachers from many different countries. Their swimming coach was an Olympic gold medalist! In California, the economic crash took its toll on the school system. Our older son had 36 classmates! The Medicare system was really free, or at least very inexpensive, but I had to wait for the doctor for hours. And when I needed a specialist, I had to wait for a referral for 10-12 days and then make an appointment 2 weeks in advance. I could only work with doctors in the network, otherwise I would have to pay out of pocket. And then came Obamacare! The healthcare system of the US was up in arms. Insurance prices for my wife and kids went way up! I was not happy.

The great roads I remembered in my mind of Los Angeles were full of potholes that were never fixed because of budget constrains. Many of the busy intersections were full of automatic cameras that many times issued tickets that were not accurate.

Maybe it was only in my mind, but I was really afraid of all my phone calls being recorded by NSA's anti-terror programs. The KGB of my childhood loomed close. Edward Snowden's accusations made it even worse. I even thought: if I escaped from a communist country today, would I choose the US?

One evening over dinner with my wife, we were talking about Nicaragua and decided to spend the entire 2 months of school vacation here this year. We talked about seeing our friends again and our boys were making plans to go to camp with old classmates and visit some of the Nicaraguan places they hadn't seen for 2 years.

After arriving, I had a lunch with Mr. Mike Cobb one day and he asked me if I would like to be COO of Gran Pacifica. I had to sleep on it, but then I accepted. My wife and boys also warmed up to the idea of coming back to Nicaragua

So I guess there goes my retirement again!



MOTORCYCLE HELMET LAW

Have you seen this?



Did you know!!!

That according to www.nhtsa.gov

Wearing a motorcycle helmet reduces the risk of head injury by almost one-third (29%)

Head injury is the leading cause of death in motorcycle crashes.

Riders who don't wear helmets and experience a crash are 40% more likely to sustain a fatal head injury.

A study of 900 motorcycle crashes (conducted by the University of Southern California) showed that wearing a helmet was the single most critical factor in preventing or reducing head and neck injuries among motorcycle drivers and passengers.

From 1984 through 1995, helmets saved the lives of more than 7,400 motorcyclists...

But more than 6,300 additional deaths could have been prevented if all riders had been wearing helmets.

Here in Nicaragua

Under Law N° 431 from the National Assembly of Nicaragua,

#26 states that driving a motorcycle without a helmet is breaking the law and is subject to a fine.

What the law does not explain is that the helmet must be worn on the head of the driver.

This is why you will see many people driving a motorcycle with their helmet around their wrist.

Please make your friends, colleagues and employees aware of these statistics. It could save their life.

BOOK CLUB AND BOOKS ON NICARAGUA

JO-ANNE STOLTZ

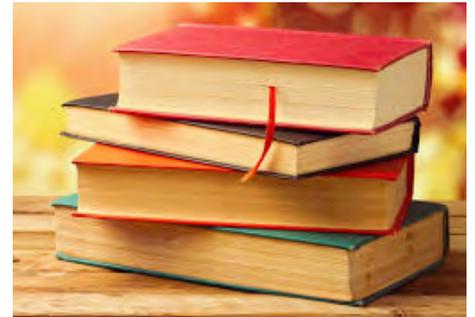
WAll are Invited!

The first meeting will be at the beginning of November.

We will be discussing *The Invention of Wings* by Sue Monk Kidd!

Bring your suggestions for future reads.

Contact Maryellen at metorrisi@gmail.com for details.

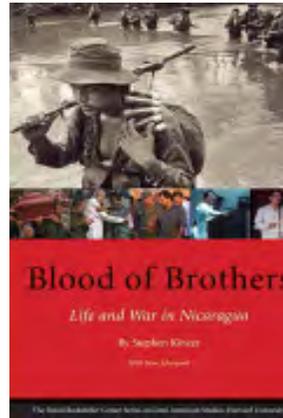


For those who want to know more about Nicaragua

Here are some books that will give you a much more in-depth understanding of this interesting country. After reading these books, you will have a better understanding of why the many Nicaraguans who fled during the tumultuous decade of the 80's are now clambering to come back home.

I have started with my favorite book that has given me the most useful information and the best understanding of life in Nicaragua before, during and after the revolution. There is a tremendous amount of information contained between the covers of *Blood of Brothers*; allow yourself time to read and absorb the knowledge that is held within.

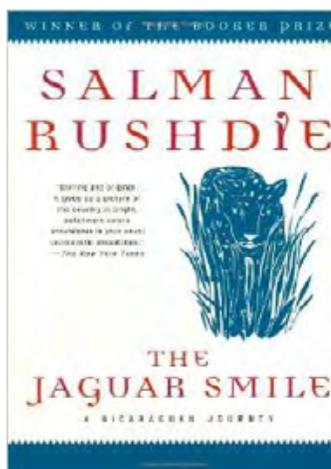
The Jaguar Smile gives you a glimpse of the challenges both the public and the politicians faced post revolution, when trying to unite the country, get it back on its feet again and write a constitution. Lastly, Ms. Belli writes her own account of involvement with the Sandinistas in Nicaragua and abroad before, during and after the revolution.



Blood of Brothers – Life and War in Nicaragua
Stephen Kinzer

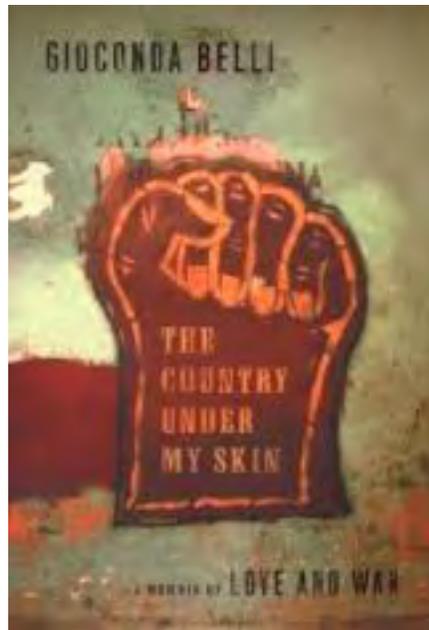
In 1976, at age twenty-five, Stephen Kinzer arrived in Nicaragua as a freelance journalist--and became a witness to history. He returned many times during the years that followed, becoming the Latin America correspondent for the Boston Globe in 1981 and joining the foreign staff of the New York Times in 1983. That year, he opened the New York Times Managua bureau, making that newspaper the first daily in America to maintain a full-time office in Nicaragua.

Widely considered the best-connected journalist in Central America, Kinzer personally met and interviewed people at every level of the Somoza, Sandinista and contra hierarchies, as well as dissidents, heads of state, and countless ordinary citizens throughout the region.



The Jaguar Smile – A Nicaraguan Journey
Salman Rushdie

In *The Jaguar Smile*, Rushdie paints a brilliantly sharp and haunting portrait of the people, the politics, the terrain, and the poetry of “a country in which the ancient, opposing forces of creation and destruction were in violent collision.” Recounting his travels there in 1986, in the midst of America’s behind-the-scenes war against the Sandinistas, Rushdie reveals a nation resounding to the clashes between government and individuals, history and morality.



The Country Under my Skin – A Memoir of Love and War

Gioconda Belli

This remarkable book is a journey of the heart, through marriages and grand passions, as well as an insider’s view of a revolutionary movement. From Nicaragua and its intrigue to Cuba where she locked horns with Castro, to exile in Costa Rica where she organized an underground network, back to a triumphant if short-lived Sandinista government where she was in charge of State television.

HAPPENINGS

October has been, in many ways, a fruitful month out on the Emerald Coast. In the heart of the rainy season, Gran Pacifica's flora and fauna are budding and blooming, while the golf course has a lush, deep-green hue.

Additionally, Gran Pacifica has had the pleasure of hosting several prominent people, including the family of a previous Nicaraguan president and an NBC executive. With hopes of finding that perfect, tropical setting for a dream wedding, both look like they will be choosing the scenic serenity of Gran Pacifica over competing resorts.

There are currently 16 homes under construction or in final design stages at Gran Pacifica, more than ever before! This week alone in the Milago Verde neighborhood, construction is set to begin on an additional solar-powered and geothermal home, while several other eco-friendly homes will be completed. Owners of all homes under construction plan to celebrate Christmas 2016 in their new tropical residences.

Looking forward, November will be chock-full of unique events at Gran Pacifica, including another sold-out weekend at the Las Perlas condominium resort. Live and Invest Overseas, a trusted and experienced source for information on international living, retiring, and investing abroad, will be hosting a conference in Nicaragua. These field experts have asked Gran Pacifica to participate in the conference programming in order to ensure attendees are exposed to all the lifestyle and investment opportunities the country has to offer.

Additionally, a group of medical professionals will be staying at Gran Pacifica as they volunteer for Operation Walk Winnipeg. This volunteer group focuses on healing individuals that have ailments limiting their ability to walk. They have come here several years in a row, and will be here choosing their favorite resort in Nicaragua again.

Finally, we are thrilled to be hosting yet another Heart of ECI Tour here in Nicaragua. Attendees will explore Granada, the first colonial city in Central America, visit Monkey Island in the middle of Lake Nicaragua, and relax by the tranquil beach at Gran Pacifica. In both countries there will be presentations and designated time for one-on-one meetings with Mike and other members of the Gran Pacifica team.

In last month's issue, we reported on the project to paint Yerris' house. We neglected to mention that the project could not have been completed without generous donations from the Cinco Amigos and Mike Cobb. We thank everyone in the Gran Pacifica community who came together to help this family.

