

Paradise Post

News From Ojochal, Costa Rica
and Beyond

April 2010



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Updates from the Osa

We're seeing more new businesses coming into the Playa Ballena area. Including 2 new restaurants, Going Bananas and Mamma e Pappa. There have been fun activities for everyone these past couple of months; the Beach Ball, a fundraiser for beach cleanup, was a couple of weeks ago, Citrus Restaurant just opened a new boutique and celebrated with a party, of course, and the Toucan 2km for children was at Playa Dominicalito last month raising money for Escuela Verde.

Costa Rica opened 2010 with exports on the rise increasing 22% over last year. Agricultural goods have shown the highest gains and Whole Foods has been getting press offering organic fair trade pineapples from Costa Rica. Tourism is also recovering nicely. Immigration records for Jan. and Feb. show arrivals into San Jose increasing 10% over last year. American Airlines began offering direct flights 5 days a week from New York (JFK)

to Costa Rica (SJO). The US dollar exchange rate in Costa Rica has been concerning, dropping at one point to ₡515 colones per dollar from ₡584 as of Aug. 2009. Singapore and Costa Rica have concluded Free Trade negotiations heading toward tariff elimination. The Costa Rican government has declared retirement communities, aimed at attracting U.S. pensioners, to be "of national interest." The plan is to cut red tape to the minimum, make residence permits simpler to attain and to offer tax exemptions on real estate and vehicles. The country is anticipating within 5 years attracting an additional 10,000 retirees each year.

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Mr. Limbaugh hanging 10

Costa Rica Elects First Female President

It's official Laura Chinchilla has made history as the first female President-elect of Costa Rica winning the election with 46.8% of the vote. Her closest opponent received 22.5% of the vote.

Ms. Chinchilla was born in Desamparados, a canton of San Jose. Graduating from the University of Costa Rica she went on to attend Georgetown University and received a Master's Degree in public policy. After serving 2 years as Vice Minister of Public Security she became the first woman to become Minister of Justice as well as one of Oscar Arias's 2 Vice Presidents.

She's a social conservative who has promised to continue Arias's liberalizing economic policies

and expand Costa Rica's web of free trade agreements. She's also backed liberalization of the country's state-controlled electricity and telecommunication sectors.

Alfio Piva and Luis Liberman will become Costa Rica's 2 Vice Presidents. Piva is an environmentalist and currently serves as the executive director of INBio Park and as professor emeritus of National University. Liberman holds a Ph.D. in economics from the University of Illinois. He served as director of the Costa Rican Electricity Institute (ICE) and founder of the International Finance Corporation (now owned by Scotia Bank). Mr. Liberman will be the most senior Jewish official in the country's history.

Thriving in Costa Rica

Gallup, the provider of reliable and respected opinion polls in over 155 countries recently concluded its 5 year study called "Gallup Global Wellbeing". Gallup's global wellbeing metrics are the first comprehensive measure of the behavioral economics of gross national wellbeing, which lays the foundation for all other measures of a country's economic strength. Gallup asks ordinary individuals for their thoughts and opinions on several topics, including economics, religion, migration, and wellbeing. They then classified respondents as "thriving", "struggling" or "suffering" upon how they rated their current and future lives.



According to the polls Africa has the lowest wellbeing with no country in the region with a thriving percentage higher than 25%. Thriving in the Americas is highest in Costa Rica at 63% and Canada at 62% followed by Panama 58%, Brazil 58% and the United States 57%. Denmark had the highest score with 82% thriving.

For more information click here: <http://www.gallup.com>

Costa Rica Ranks 3rd Worldwide in Environmental Performance Index

Costa Rica has ranked highest in the Americas and 3rd in the world with a score of 86.4 in the 2010 Environmental Performance Index (EPI). Second place goes to Switzerland with a score of 89.1 and the honor of first place goes to Iceland with a score of 93.5.

The Environmental Performance Index (EPI) ranks 163 countries on 25 performance indicators tracked across ten policy categories covering both environmental public health and ecosystem vitality. These indicators provide a gauge at a national government scale of how close countries are to established environmental policy goals.

In Central America, Nicaragua placed 93rd, Panama placed 24th, El Salvador 33rd, Honduras 118th and Guatemala 105th. The United States places 61st with strong results on some issues, such as provision of safe drinking water and forest sustainability, and weak performance on other issues including greenhouse gas emissions and several aspects of local air pollution.

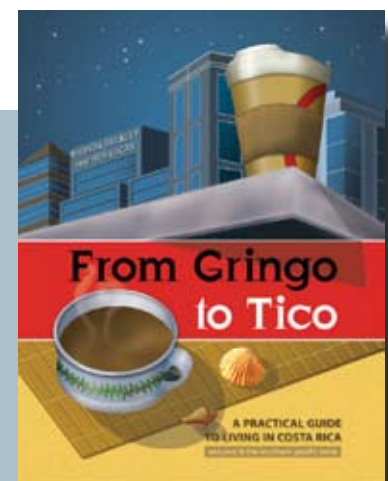
For more information click here: <http://epi.yale.edu>

New Immigration Law, Effective 3/1

The new immigration law (Ley de Migración y Extranjería) went into effect last month. One of the changes is the requirement of foreign residents working in Costa Rica to contribute to the Caja Costarricense del Seguro Social (CCSS) – social security. Foreign residents who do not contribute will no longer be able to obtain free medical services. Also, foreigners must pay approximately \$25 annually that will result in 12 million dollars from 486,000 foreign residents each year to be earmarked for public services most used by immigrants, specifically the CCSS and the Ministry of Education. The legislation also calls for a fine of \$100 per month to any foreigner who overstays his or her "legal" visit; 90 days for North Americans and Europeans and 30 days for most other countries. The law also requires hotels to maintain a public register of all foreigners and the addition of 250 Policía Técnica de Migración (immigration police). Individuals caught transporting illegal immigrants to and from Costa Rica or using false or doctored documents may face 2 – 6 years in prison.

"Real...important information, maps, directions, instructions... all you need to get around, shop, and live in the land of Pura Vida!!"

From Gringo to Tico
By Rhonda Bulkley and
Rita Lucas
www.officialguidetocostarica.com



Welcome to the Neighborhood

Russ and Cindy recently purchased a beautiful ocean view lot and are very excited about beginning the design process for their new home in Costa Rica. Russ is a civil engineer, and president



of an engineering company in the San Francisco Bay Area. Cindy is a nurse, and the Stroke Program Coordinator for John Muir Health. Mazu is their beloved Chinese Shar-Pei, who watches over the house and Sugar the cat when they are at work. They are all looking forward to retirement from their jobs in the near future, and to making Costa Rica their home base for adventures in Central and South America.

Travel, golf, good wine and good food are high on the list of priorities for the Millers. "We are looking forward to trying all of the 40+ restaurants in the area. We may have to make some adjustments, like shifting our emphasis from California wines to South American wines. And finding golf courses may be more of a challenge, but with a new golf club being built in the area and easier road access to other areas in Costa Rica, we think we will be able to survive. In any event, there will be plenty to do exploring Costa Rica and all of its natural wonders. We couldn't be more excited."

Bruce and Sheila live on the beautiful west coast of British Columbia, Canada. Bruce has been dreaming of living in the sun for the winters since he was 20 years old. He and Sheila have been married for 25 years and their kids are grown. They started traveling 4 years ago looking for the right place to live. Last winter they went to Costa Rica for 4 weeks, rented a car and traveled from the west coast to east coast to the volcano and met the friendliest and most helpful people in their travels. That's when they decided to buy some property.

They stayed at the guest house and Marcel took them out to look at lots the first day, the second day Patrick drove them to houses under construction to completed houses. Bruce said "They wined and dined us and the best part of the stay was I never heard the words buy or sell all the time we were there. Needless to say we come home owning a piece of paradise, now I can't wait to build a house and start enjoying the warm winters."



Sheir was born in Guyana, South America where he spent his first decade of life. Most people never guess South America or even Guyana when they first met him. His parents and little sister moved to Ottawa, Canada where he currently still lives. But not for too long as he bought a little slice of Costa Rica and is planning to build a nice house on it.

Sheir loves to travel and go on adventures. His profession as a software developer has allowed him to fund his travels. He's visited about 25 countries so far, which is only about 10% of the planet so he has a lot to more traveling (exploration) in his future.

When not working or traveling, Sheir likes to be active with various activities such as hiking, rock climbing, ice climbing, indoor wall climbing, ziplining, caving, hula hooping, trampolining, wire-walking and trying to stay fit by doing some astanga yoga and kettlebells. Sheir also really enjoys going to Cirque du Soleil shows and has seen about 15 of them by last count.



Wende lives in Wisconsin and hates winter there. As she started to plan her retirement options she decided that having a home in a warm climate is definitely part of her plans. Having

been to Costa Rica before (and loving the warm people and climate) she thought what better place to build a vacation/retirement home. It will be a couple of years before her home in Tropicos Verdes is built, but she can't wait to spend time there. She has a few years until retirement still, but plans to vacation there before retirement and spend a lot more time there afterwards.

Currently she works at Harley-Davidson Motor Company in the Asia Pacific International group, is divorced and has two grown children. She also has 2 darling granddaughters. They are excited to be able to visit Costa Rica. She's just finishing up her MBA in

International Business and will graduate in May. Her love of travel prompted her to get her MBA, which is really useful in the global business climate she works in. It also has made it a lot easier to think globally both in her personal and business life. She says, "I can't wait to call Costa Rica home."

"Vitality shows in not only the ability to persist but the ability to start over."
F. Scott Fitzgerald

Earth Day Beach Clean-Up

Objective

The Costa Ballena Women's Club (CBWC) along with Playa Tortuga Turtle Project and Escuela Verde is supporting the 40th anniversary of Earth Day with a beach clean up at Playa Hermosa in Uvita and Playa Tortuga in Ojochal. With the help of local school children and their families, not only will we remove garbage and recyclables from the beach, we will display good behaviors.

Goals

Effectively remove the majority of garbage left by beachgoer's. Separate recycle from garbage and appropriately dispose of each.

Logistics

The following information is what is accurate at this time.

Start time:

9:00 am

End time:

12:00 pm

Date:

April 17, 2010

Sites:

Playa Hermosa

Playa Tortuga

Additional info can be found on www.costaballenawomensclub.org



The Playa Tortuga Marine Turtle Conservation program, which was initiated last year, is a non-profit organization on the Costa Ballena aiming to further scientific studies of the marine turtle population. They are also aiming to promote protection of coastal marine resources including the development of responsible eco-tourism; establish alliances with governmental entities and others working toward conservation of natural resources at national and international levels; educate the community and identify populations of coastal animals in danger of local, general or global extinction.



Of the 8 known existing species of marine turtles in the world 5 have been reported in Costa Rica; the Pacific Olive Ridley which is categorized as vulnerable with a decreasing population, the Green Sea Turtle which is endangered,



the Leatherback which is critically endangered, the Hawksbill which is also critically endangered, and the Loggerhead which is endangered. They recently released around 3500 baby Pacific Olive Ridley sea turtles and are currently gathering information on the diverse plant and animal species in the zone.

The most important nesting beaches of our area are: Playa Tortuga, Playa Garza, Hermosa, and Dominical and volunteers are always appreciated. They are looking for people for the care and protection of the hatchery, cleaning and maintaining the beach, assisting the project biologies with data collection, tagging and management (including hatchling releases), and night patrols on the beach. For more information contact terremarturtles@gmail.com



Thank you to all of our visitors who have donated supplies to the local schools. They send their heartfelt thanks - things like this really make a difference.

An Interview with Local Business Owner Shelagh Duncan - *by Jan Dwire*

On Friday afternoon I sat down with Shelagh Duncan, the owner of Royal Palm Interiors. Her store is on the Costanera close to the entrance for Ballena Nacional Water Park. Royal Palm is a wonderful find for anyone with a home in the area. Shelagh has filled the store with wonderful treasure and useful objects that fit all budgets.

Additionally, many Canadian and US manufacturers will ship to Royal Palm. This is useful if you aren't planning on shipping a container from your home.

What brought you to the Ojochal area?

Originally we had friends that were building a hotel in Jaco. Bruce and I were planning a Costa Rican visit in 2003 to help design the hotel. We heard about the Ojochal area and decided to check it out.

What has changed in Ojochal in the last seven years?

The road has gotten wider and better. Now it is only three hours to San Jose. There are more people in the area. Certainly, the quantity of the grocery stores has greatly improved. There is a wider selection and the stores are much nicer. And, the weather has changed. It is hotter and wetter than in prior years.

Tell me about starting your business.

We built the house as a vacation / rental / retirement home. The more we came down we fell in love with the area and the people. It was too soon to retire and I wanted something to do. I was doing interior design in Toronto so it was a natural decision to open a furniture store. The original idea was to sell things that people couldn't find in the area. It was to fill the gaps.

What struggles did you have?

Language

Red Tape with bureaucracy

Finding suppliers

We found suppliers through numerous resources. Sourcing good suppliers took time and energy. We looked mostly in Costa Rica but sometimes I couldn't find good quality furniture. For example; our upholstered

furniture is from Mexico because the quality of the fabric is better.

Tell me about Costa Rican products you sell.

We use a Costa Rican company that produces furniture for hotels. They use only kiln dried wood from sustainable forests. They also professionally design pieces that are functional and the right scale; that are meant to last.

Our line of linens is from people who supply the hotels. One of our most popular sellers are bamboo sheets. They are amazing and it is a renewable resource. The high thread count is because the threads are thin. That quality is what makes them so soft and comfortable. Bamboo does not have to be ironed. I have never ironed the sheets and they are so lovely.

I have a line from a local artisan of metal floor and table lamps. The rustic style is very suitable for the houses in the southern zone.

My favorite item in your store is a very unique bookcase made from oxen carts.

What is the story behind that piece?

Oh yes! The piece is an antique that was reworked into shelves. It is from India. The sides of the shelves are from the part of the yoke where it attaches to the oxen. It is a perfect focal point for any room and is a one of a kind in this area.

Some other great pieces are coffee tables made from the beds of the carts. A coffee table constructed from an antique window. The pieces are works of art in their own right.

We are now carrying Vanville, a new lighting line from Canada. Very good quality fan and lighting lines. Full lighting families throughout the house from the ensuite, kitchen, outdoor lights. Come see our new display.

What advice would you give someone coming to Costa Rica that would like to open a business?

Do something that you love, don't do it to make money. If you don't do something you are passionate about, it will be very frustrating. One of my favorite saying is, "If you want to have a million bucks, come to Costa Rica with two!"

What businesses do you think are missing in our area?

A gym would be a nice addition. There are a lot of people that live in the area. A kid's playground would be great. A Tim Hortons (Canadian Coffee Chain) would be great.

What do you do to give back to the community?

I'm a board member of the Costa Ballena Women's Group. We are involved in community projects and my focus is setting up a recycling program in Ojochal. Royal Palm supports other efforts through business donations.

ConFusione: Tapas in Dominical

If you're looking for a romantic atmosphere, a glass or two of wine and tasty small dishes (tapas) you can't go wrong at ConFusione, the restaurant at the Domilocos Hotel in Dominical. Previously a full service Italian restaurant owners Michael and Vivian have reinvented the place as a gourmet tapas destination. The atmosphere is subdued with low lighting and candles. They offer a variety of soups and salads for starters and dishes influenced by Italian, Spanish, French, Dutch, Vietnamese and Indonesian food. For instance, they offer fresh tuna, salmon in cream cheese, and chicken saté. Prices run from \$2 to \$7. Be sure not to skip dessert. Their offerings include chocolate fondue, crème brule, taramisu and Steve's favorite, banana flambé.



The advantages of buying property through a Costa Rican corporation

The vast majority of investors opt to purchase property in Costa Rica through an Anonymous Corporation called a Sociedad Anonima (S.A.). This protects you against loss in the case of being sued if someone hurts themselves on your property. It also makes it easier to attain services like setting up a bank account, getting a phone line, etc.... Additionally, it makes it much easier and less expensive to sell your property if you choose to do so in the future. In that case you are not subject to paying the transfer tax. The company shares are simply transferred. Costa Rican corporations also do not pay income tax. This is a major advantage if the corporation is going to retain profits (ie. rental income) for future investment. It can also make estate planning less complicated. You can transfer or will shares of your corporation to someone else.

The procedure to set this up is relatively straight forward and simple. In order to incorporate you must:

1. Draft and execute a deed or incorporation before a Notary Public.
2. Publish a notice of the incorporation in the Official Gazette and record the incorporation deed before the Public Registry.
3. Once incorporated, the corporation must request the approval of the legal and accounting books before the Tax Authorities.
4. After the books are authorized the shareholders registry book must be updated accordingly and the share (or shares) certificates must be issued and executed.

One option that is often available to speed this process is for firms to provide "shelf corporations" that are already incorporated and registered. In this case you must ensure that the corporation has not been involved in any lawsuits or claims against it. This process takes about 6-8 weeks for the nomination and transfer of shares as well as completing the sales act.

The Articles of Incorporation must have:

- A company name which can be in English but needs to be accompanied with its Spanish translation followed by either the words Sociedad Anonima or more commonly S.A.
- Legal Domicile. The company may have branches and is allowed to do business outside of the country but must be Costa Rican based.
- Legal Term. Terms may be extended or shortened and generally range from 50 to 100 years.
- A Corporate Purpose.
- Share Capital. There is no minimum Share Capital requirement and this is divided into common par value shares each entitled to one vote. It represents a symbolic value of the corporation but has no direct relation to the real value of the assets.
- Board of Directors consisting of a minimum of 3 individuals.
- Officer Authority.
- Statutory Examiner. Corporations may appoint 1 or more Statutory Examiners to watch over and ensure that all corporate rules are met as a protection of the interests of shareholders.
- Registered Agent. Corporations with a legal representative not domiciled in Costa Rica must appoint a Registered Agent whose duty is to be served with administrative and court actions on behalf of the corporation.
- Legal Reserve. Corporations in Costa Rica are required to assign annually 5% of net earnings to form a legal reserve up to 20% of its Share Capital. Such reserve need not be funded.
- Legal Books and Record. These books must be bound and stamped by Local Tax Authorities.

Limited Partnerships and General Partnerships are seldom used in Costa Rica mainly because of the personal liability and exposure to which its partners are legally subject to.



Wow, have things changed around here. It seems that once the new toll road opened up from San Jose to the coast, everyone decided it was time to go to Costa Rica and buy property. Or maybe it is the healthcare bill, the loss of value in the dollar or the cold winter in the north. Whatever the reason, we have seen an amazing increase in visitors and sales within our developments. Fortunately we also have just released our newest phases, Tropicos Verdes and Suenos del Tropicos in our Chontales developments. These new phases are really nice. There are some great ocean and mountain view lots available, easy to build on and by far our nicest development to date. Although they are a bit further back from the ocean than some of our earlier phases, the terrain is more graceful. The roads are wider, the hills are gentler and the selection won't ever be better. We've even included some commercial lots along the main entrance road so you won't have far to go for shopping, dining or revelry. Our four day Discovery Tours have been selling out so fast that I'm now in Costa Rica more than in the states. We've even been training a new employee in San Jose to help out with the groups. In March we set a record with 43 clients on site in just 12 days. We've added a few new dates to the May Discovery Tour line-up in case any of you would like to join us. We also have a 10 day country and property tour, with space still available, running May 4th through the 13th.

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