

Newsletter - July 2007

Nica Projects Newsletter - July 2007 Volume 2, Issue 3

Dear Reader,

There has been considerable progress at Tamarindo Beach since our last newsletter in March.

Nica Projects has recently received a number of documents allow us to move ahead on several fronts -- a letter from the federal government verifying the authenticity of our title which will help us obtain our title insurance, and confirmation of our progress with our environmental application. At Tamarindo Beach, more infrastructure construction has already started, including the construction of three onsite pavilions, and the upgrading of the main access road onto the project to a paved road.

An agreement amongst other land developers on the island to form an association to share the cost of road, power upgrade and improve water systems has also been recently reached.

Our architect, Mantica Architectos is making excellent progress in developing both individual housing designs (see photo-real renderings), and the hotel/clubhouse.

Tamarindo Beach has doubled the hotel & clubhouse building area to create a stronger "anchor" for the project. The clubhouse and "hotelito"™ are housed in the same building along with the clubhouse restaurant, lounges, pool, fitness center, a large infinity pool, amenity access and beachfront walkways accessible from the ground floor. Check out the images on our website for the floorplan.

The hotel rooms will be sold as a condo hotel. The suites will form the rental pool to be marketed to hotel visitors. The hotel strata owners will actively participate in the net profits. There are a total of 18 units, ranging in size from studio to one bedroom to deluxe 2 bedrooms suites. All suites will have kitchenettes and an incredible view. We start active sales of the hotel strata rooms in August. Construction of the clubhouse will commence in the coming dry season. Prices start from US \$99,900.

The hotelito will be promoted as a destination so that visitors can take advantage of the beachfront, pool, marina and local sightseeing. It provides the comforts of the clubhouse and nearby accessibility to visitors to your beach residence.

If you interested in receiving advance notification of these purchase opportunities, please send us an email or call us at 1-888-311-8555.

Leon

The close proximity to Leon is a natural choice for tourists. We are seeing many changes in Leon, as the cultural life of the city continues to flourish. New restaurants and hotels are opening on a regular basis. We are working to cross promote the hotelito with new Leon hotels, including the "Hotel La Perla" and "Los Balcones".

Hotel La Perla is a completely refurbished colonial hotel which has been extensively renovated over the past 8 months to its previous grandeur. The owner, Mark McKnight, is well known in Nicaragua, having established the Pharaohs Casino chain. Like us, Mark is a big believer in Leon, and has planned for excellent growth in the city.

Another real estate office opened recently in Leon. Serenity Real Estate is centrally located and offers a professional service targeted to foreign buyers. We look forward to working with them.

Nicaragua Politics

One of the key areas of interest that we hear about is the political scene in Nicaragua. Zmag[1] reports that; "the Ortega government's credibility is high. The early decision to slash and cap ministerial salaries has been followed up by unequivocal support for moves against corrupt officials, whatever their party affiliation. Sandinista mayors have been among those removed from office for misuse of public funds.

With support from Venezuela worth over US\$400 million, the government has managed to stabilize the country's long-standing energy crisis. As the rains that herald the planting season draw near, more viable credit arrangements are being made for agricultural producers, especially cooperatives. Increased technical support, assistance with mechanization and the provision of cheap urea for fertilizer should encourage production of basic grains and valuable export crops like sesame seed.

President Ortega's recent criticism of President Bush's agreement with Brazil's President Lula on ethanol production indicates that the FSLN is well able to manage a critical policy line between trying to encourage socially responsible private investment while protecting the natural environment and promoting sustainable agriculture. The division of labor (responsibilities) between Ortega and Vice-President Jaime Morales seems to reflect the balance the FSLN wants to maintain between a willingness to work with corporate big business and a determination to carve out wider government-managed economic policy options. Infrastructure improvements have already begun on the country's water system and long-neglected highways, like the one linking Sebaco, Matagalpa and Jinotega.

Economic and Investment News

In economic and investment news, we previously reported that Norwood Resources has been test drilling for oil & gas in Nicaragua. On July 11th, they released a preliminary report identifying oil in 7 levels of their drill.

Coincidentally, a new oil refinery to be called "Sandino-Bolivar" is being planned for the Nagarote region. Nagarote is close to Lake Managua mid-way between Managua and Leon. A survey was completed in April, and construction plans are underway. The plant will process up to 150,000 barrels per day and cost US \$2.5 billion.

A long awaited electrical transmission line project of approximately 1,800 kilometers connecting the electrical network of Panama, Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala is underway. The portion in Nicaragua traveling along the Pacific Coast was recently started and will cover about 318 kilometers.