



*Manzanares*  
INTERNATIONAL LAWYERS

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**DUE DILIGENCE REPORT ON THE PROPERTY DEVELOPMENT  
“LAGUNA BEACH”**

**DEVELOPER:** BRAZIL BEACH EMPREENDIMENTOS  
IMOBILIARIOS LTDA.

**COUNTRY:** BRASIL

**STATE:** RIO GRANDE DO NORTE

**CITY:** Nísia Floresta

October the 27th, 2008.

**RESULTS OF LEGAL SEARCHES OF THE REAL ESTATE PROJET “LAGUNA BEACH”,  
NISIA FLORESTA, RIO GRANDE DO NORTE, BRAZIL.**

**BRAZIL BEACH EMPREENDIMENTOS IMOBILIARIOS LTDA.**

**For OBELISK INTERNATIONAL**

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**LAND/  
DEVELOPMENT**

The plot subject to this analysis is located in front of “Marinha” land (term applied to plots located up to a 33 metre distance from sea/river/lake shores) (road Tabatinga / Barreta), in the beach of Camurupim, in the Town of Nísia Floresta (Rio Grande do Norte – Brasil, including the respective improvements and facilities, with a surface of 15.291,00 square metres (fifteen thousand two hundred ninety one) with the borders and areas listed below:

- ❖ In the North bordering on Road to Barra, of 91.00 metres-size.
- ❖ In the South bordering on lands owned by Mr Arceu Emiliano da Silva, of 88.00 metres-size.
- ❖ In the East borders on *Marinha land*, of 160.00 metres size.
- ❖ In the West bordering on plots owned by Arceu Emiliano da Silva, of 182.00 metres-size.

All the aforementioned information was achieved from the Title Deed registered in the Notary of Nísia Floresta, State of Rio Grande do Norte, on January 17<sup>th</sup> 2008 in Book 1-F of the General Registry, pages 86v and duly registered on the Land Registry Office of the mentioned district in Book “2-PP”, General Registry, pages 76v under number R-9, protocol number 1,233, dated 22/01/2008.

**OWNERSHIP OF  
THE LAND**

According to the documentation provided, we have checked that the land subject of this analysis is owned by BRAZIL BEACH EMPREENDIMENTOS IMOBILIARIOS LTDA., a legal entity, with registered office in Rua Romualdo Galvão, number 1703, Building Trade Centre, 8th floor, office 803-B, Lagoa Nova, in Natal/RN – CEP 59.056-, hereby represented by its Administrator, Administrator Aloma Rafaela de Lima Oliveira, Brazilian, single, with CPF: 054.950.764-78, residing and domiciled at Rua Seridó, 555 - Petropolis - CEP: 59020-010, Natal/RN.

The property was checked according to the Title Deed registered in the Notary and Registry office in Nísia Floresta, book number 1F, pages 86v, duly registered in the

**ABOUT THE  
COMPANY  
(DEVELOPER)**

Land Registry Office of the mentioned district, in Book “2-PP” in the General Registry, pages 76V, under registered number R-9 and protocol number 1,233 on 22/01/2008.

**BRAZIL BEACH EMPREENDIMENTOS IMOBILIARIOS LTDA** is a company duly incorporated according to the Brazilian legislation and registered under CNPJ number 08.972.990/0001-31, and registered in the Trade Registry under number 24200458540.

According to the Company Registry, the company is active since 17/07/2007. Its partners declare there are neither debts, nor encumbrances on the property which might hinder the transfer of ownership according to the negative certificate of debts provided.

**BUILDING  
LICENSE**

On the mentioned land it will be built a Residential Condominium. The original project was registered in the Land Registry Office of Nísia Floresta / RN on March 13<sup>th</sup>, 2008.

The original project was approved and registered for a Residential Condominium with a total built area of 10,070.65 square metres, including the building of 140 (one hundred forty) housing units.

The Developer obtained the *Licença Previa* (Environmental License) number 2007-013838/TEC/LP-0341, issued by IDEMA- Environmental and Economic Development Institution- on 13/12/2007 with expiration date on 13/12/2009 in which the environmental suitability is confirmed for the original project. We have also been provided with the *Alvará de Construção* (Building License) number 2007-006411-8 issued by the Local Authorities of Nísia Floresta through the Tax Agency Office on 15/01/2008 (with a validity period of 12 months) which authorizes the construction of the Residential Condominium. The Memorial of Incorporation of the original condominium of the real estate project (*Memorial de Incorporação*) was registered in the Land Registry of Nisia Floresta (State of Rio Grande do Norte – Brazil-) under number R-10-1,233 on March 13th, 2008 and therefore, the company owning the real estate is authorized to market the registered units pursuant to the Brazilian legislation.

Despite of having legal approval for the specifications as mentioned, the developer has decided to reduce the number of units and the project’s volumetry, now providing a smaller number of larger units.

The Development renamed now as “LAGUNA BEACH” will include **54 apartments, 8 Bungalows, 12 Villas and 10 Townhouses.**

<p><b>DETAILS OF ENCUMBRANCE AND COURTS CLAIMS AGAINST THE DEVELOPMENT OR THE COMPANY</b></p>	<p>According to the documentation provided by the Vendor, we checked that there are no debts on the company <b>BRAZIL BEACH EMPREENDIMENTOS IMOBILIARIOS LTDA.</b>, to wit: As per <i>Certidão Negativa de Ônus, Certidões dos Distribuidores Cível, Criminal, de Falência, Concordata or Recuperação Judicial e Trabalhista</i>, (specific certificates confirming there are no claims issued against the company neither in the civil, criminal, bankruptcy, fiscal, employment nor in the legal scope), there are no claims issued against the company; Given that there are no files registered on the Notary Offices of the region concerning federal and local debts, it is confirmed, according to the Negative Certificate of debts (CND), issued by the Local Authorities of Nísia Floresta (Natal) and by the government of Rio Grande do Norte, that there are neither debts, nor encumbrances registered on the company name. Furthermore, there are no debts concerning <i>Secretaria da Receita Federal</i> (National Tax Office); neither registration in the <i>Dívida Ativa da União</i> (Debt Registration Institution), no <i>débitos previdenciários</i> (social security debts), nor debts concerning the FGTS (Workers Guarantee Fund).</p> <p>In regards to claims within the Federal Jurisdiction, there are no claims recorded according to the certificate issued on December 26<sup>th</sup>, 2007.</p>
<p><b>PRIVATE PURCHASE CONTRACT</b></p>	<p>Further to an in-depth analysis of the Private Purchase Contract, we have noted that it fully complies with the Brazilian legislation in force, including the Title Deeds and its registration in the Notary office.</p>
<p><b>REGISTRY CERTIFICATE</b></p>	<p>As per the Registry Certificate, there are no obstacles concerning the limits of the area of the plot object of this contract.</p>
<p><b>LAUDEMIO (BRASILIAN SPECIAL TAX TO BE PAID IF THE PLOT IS ON A SPECIAL AREA), TAXES AND LEGAL FEES</b></p>	<p>The PURCHASER will be liable to face all the respective payments concerning the transfer of ownership, to which: local laudêmio (2.5%), ITIV (3%), Notary fees (1.33%), registration of the real estate (0.599%) and the costs derived from the signing of the Title Deeds (1.33%). All the aforementioned amounts and fees will be estimated upon the value of the real estate. The costs listed above involve the signing of the Title Deeds and its registration in the Notary office and therefore, the PURCHASER will also be liable to face the respective fees for the intermediation of this transaction.</p>
	<p>Further to the analysis of the documentation provided, we have noted that the Development is suitable for the purchase since all the documentation provided is in</p>

## CONCLUSIONS

order including the Title Deed of incorporation which is duly registered in the Land Registry Office, the *Licença Previa* (Environmental License) issued by IDEMA and the *Alvará de Construção* (Building License).

According to the documentation and certificates provided by the Developer, which have been used for the elaboration of this report, we consider that there are no obstacles for acquisition of this project since there are no debts registered on the real estate which might hinder the transaction. Moreover, the Private Purchase Contract fully complies with the Brazilian Legislation.

By virtue of the aforementioned information and the documentation provided, I, **José Cortés Macías**, a Lawyer registered in the Bar Association of Málaga under number 3989, acting as Lawyer of Manzanares International Lawyers, hereby declare that this is a true report of the legal status of the real estate project "Tabatinga Palm Beach – renamed as Laguna Beach " for the time being, in Estepona on October the 27<sup>th</sup>, 2008.



Signed: \_\_\_\_\_  
*José Cortés Macías*

*Manzanares*

*Manzanares*  
INTERNATIONAL LAWYERS

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