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GENERAL INFORMATION ON PURCHASING A PROPERTY IN BRAZIL

Preparations

Application of fiscal number (CPF)

No contact has validity when the signatories do not have a fiscal number. For the registration in the land register and the formal application of the investment the buyer needs this tax number. The legislation concerning the issuing of this number has been modified the previous years. Forte & Balance can provide you this number within two (2) days. You need to be present in person to receive this number. Usually we apply for this number when you are in Brazil visiting your properties of choice.

What properties are available?

Forte & Balance has a good choice of properties. We have lands, farms, homes, hotels, restaurants and apartments for sale in the state of Ceará. Our staff in Fortaleza has over 18 years of practical experience in the Cearense real estate market. Our port folio contains many properties in each area and each type. We welcome our potential customers in Fortaleza. Once arrived we pick you up from the airport, book you in the best hotels and houses against favorable rates and even hire you a car with a fixed discount. We will show you the available properties and negotiate the best price for you. This service is free.



Buying a property

Is the deal legal?

We are a recognized real estate agent. Like all official agents we have passed an examination for this. On top of this Forte & Balance works according to quality management principles. We systematically plan the purchasing process and check all necessary papers our self. All papers are verified again by the notary. Our internal processes are transparent and auditable. Our processes and checkpoints well defined. At the other hand we are prepared for the Brazilian disease. Often the unexpected can be expected here in Brazil. We are prepared to solve all these problems for you. Personnel attention, large experience and excellent problem solving attitude will prevent our customers to fall into unwanted situations. Your purchase will be safe with us. You will not even notice the painful processes we sometimes go through. While you relax and enjoy your stay we get the deal done for you.

Guaranteed recognition of invested capital

In countries as Brazil it is difficult to carry out large amounts of money. For this reason it is necessary that the investment is correctly presented. With the formal application and acceptance of it by the Central Bank, the purchaser can repatriate the invested amount in dollars at later sales of the property without paying additional taxes.

Long lease

The land up to 50 meter from the ocean line, in the dunes or in specific areas may be in long lease by the ministry of Marine or by the church. We can mediate repurchase of the long lease against most favorable conditions. Certainly when the church is owner of the land the repurchase can be much more expensive for foreigners.

Constructing a house

Design and construction permits

You will need permits and licenses for the construction of a house or for large rebuilding projects. In general it will not be difficult to obtain construction permits. Extra care shall be taken when the construction is planned in protected zones such as Serra de Baturité, some dune areas and direct on the beach. Forte & Balance can advise you from of the purchasing process on the limitations of some areas.

The procedures to obtain permits need to be followed with care. The paperwork is one of the most vital parts of the process. It might take some time before the permits and licenses are actually issued. In some cases it can take up to years. In some cases the authorities are entirely to blame. Forte & Balance will ensure that the process is transparent and can be reconstructed at any time. This is important to avoid blame in case of governmental negligence.

Make sure that all permits are obtained or are in required progress before starting a work. The authorities are strict in following rules. The environmental authorities are inspecting the coastal line weekly and constructions without permits are immediately stopped.

Constructions and rebuilding

For designing your dream house or project, we work together with Zé Porto. A leading architect in Ceará, who studied architecture in Paris. Forte & Balance has agreed a special fee for its clients for this service.

Forte & Balance has established strong relationships with its clients, as well as the building team, that have been key to the successful execution of our projects. These partnerships have resulted in responsive service, competitive pricing, accurate scheduling, and ultimately—satisfied clients. Labour cost are cheap in Ceará. The construction costs consist for over 80% of material costs. In 2005 the prices for construction vary from 150 to 250 Euro per m2.



These costs include materials and supervision and exclude sanitary materials, kitchen appliances, electrical equipment and luxury goods. Key to efficient construction is management of materials. Materials expenditures are well controlled by the project supervisors.

Most raw materials can be purchased in Ceará. Zé Porto usually uses exclusive local materials in his design. Special luxurious goods are purchased in Sao Paulo or are imported. This shall be included in project planning. Even local materials such as ceramics may have lead times up to three months. With a strict planning the construction of a house of 200 m² may take about 9 months.

Owning a property

Property tax

Property tax in Brazil is very low. The amount is 1% per year based on the taxation value by the municipal authorities. This taxation is usually lower than the actual value. The taxation may vary from city to city.

Telephone and public companies

The most properties will have electricity. Not in all cases there is a phone connection. Only in the main cities there is public water, garbage service and sewage.

The price of telephone and electricity infrastructure and installations can be considerably higher for a foreigner. Forte & Balance negotiates the right price for you.

For public services, phone and internet, payments have to be on-time to be certain of connection. Supervision of this is part of a service contract with Forte & Balance. If the customer concludes a service contract the periodic payments will also be directly settled.

Cost of Staff

Many middle and upper class households in Brazil have domestic staff. Most of our properties also come with maids quarters or even separate housing for staff. With staff on your premises you have 24/7 supervision, which is an advantage when you are not living here full time. The costs of staff start at about BRL 300 per month. With a service contract we supervise your staff and we ensure that salaries are paid on time.

Make sure that social duties are paid. Lawyers line up at the footstep on the local labour office. They try to catch up with unsatisfied staff to sue their employers. Fines and back payments are that high that this is a lucrative money maker for these lawyers. Foreign employers are an even better catch.

Maintenance and supervision

To maintain your property we offer all-in service contracts. The contracts may include:

- regular inspection of the property
- Supervision of subcontracted work
- Accompaniment of banking transactions and payments
- Accompaniment and authentication of necessary documents
- Supervision and execution of regular maintenance
- Accompaniment of international moving private goods
- Help desk for day to day problems



Relevant issues

Banking

Opening a bank account is a cumbersome matter. Up to March 2004 this was possible at some bank branches. By an amendment to the law this is now impossible for a foreign individual. Forte & Balance is examining if there is any other option. At this moment a bank account can only be opened by a person that has Brazilian Nationality, a work permit or a permanent visa. Also when you have opened a Brazilian company you may open a bank account.

If the purchaser concludes a service-contract, local payments can run by means of our bank accounts. In this case payments can be done to Brazilians who do not have their own bank account. By this method the property owner avoids the head age of international bank transferences and exchange rates. The banking fees and service taxes which are made for this are charged to the purchaser.

It is simple to withdraw money in Brazil. The many cash machines allow you to access your cash with your credit card or from your current account when working in Maestro.

Environment

We may accompany your environment license application from research up to writing a mandatory environment impact report. In Serra the Baturité and for houses directly on the beach these licenses are mandatory.

We gladly recommend you cost-effective and environment-friendly sewer purification installations, alternative energy sources and the use of eco materials.

Living and working in Brazil

Starting a business

We can set up and register your Brazilian company. For this we work together with local accountancy companies. This is an additional service. Please ask for our conditions.

We also help our customers to start their business. We actively advise our customers in starting tourist business or agriculture. For instance we work together with the Ministry of Agriculture to help farmers with technical and trade questions. On request we sometimes bring our clients in contact with other professionals. The main thing is that an entrepreneur or profession has some good basic guidance.

Forte & Balance agreed a special fee with LGM accountants for salary administration and bookkeeping.

Permanent visa

Everyone that entered Brazil has the right to stay for 3 months per year. This period can be easily extended by the police to 6 months. When you want to stay longer you need a permanent visa. Obtaining a permanent Visa will take 3 months or longer.

Forte & Balance can assist you with the paper work and offers legal assistance for the best application. Ask for our conditions