

Your Ref:
Our Ref: JEWEL OF THE SEA
Date: Wednesday, 14 February 2007

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To Whom It May Concern:

**Re: Due Diligence Report –
“Jewel of the Sea” Development (Brancaleone)**

We would like to confirm that Giambrone & Law, an independent firm of Italian lawyers in London, has carried out the due diligence over the land and the development called “Jewel of the Sea”.

Upon inspection of the land registry searches, we have found that the Municipality of Brancaleone has granted two building licences on the 7th July 1994 (27/1994 and 26/1994) for the building of a residential complex located in Brancaleone, and hereby referred to as “Jewel of the Sea”, for the sheets n. 45 (parcels 165, 166, 85 and 86) and sheet 45 parcel 175.

We have carried out a number of land registry searches (visure catastali, visure ipotecarie, certificati di destinazione urbanistica) to verify that the Developers have a valid title to dispose of each property in the Development, and checked the legal title of the land to ensure that the property actually belongs to the Vendor and that no-one else has any claims on the land; we have also checked that the land is not being contested in an inheritance dispute in relation to an existing will (in accordance to the strict rules of Italian inheritance law, as regulated in the Civil Code).

We can confirm the absence of pre-emption rights in favour of third parties (such as the “prelazioni agrarie per coltivatori diretti” and/or the “prelazioni urbane”). We have carried out enquiries to ensure that there are no liens, encumbrances, and rights of way in favour of third parties and that the land is legally registered with the urban registry.

Finally, we also confirm that the Developer has provided us with a sample of a “Fidejussione Assicurativa” which is a bank loan guarantee valid under the current Italian legislation in accordance to decree 122 of 2005 and is a safeguard to any potential buyers for the event of default or bankruptcy of the building company.

Yours sincerely,

Giambrone & Law
International Law Practice

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