

Magdalena Beaches

Baja California Sur, Mexico



Southern Portion of Property– Marina Site



Southern Portion of Property– Virgin Beach



Southern Portion of Property- Sand Dunes



Mid Portion of Property- Coastline



Northern Portion of Property– Inlet Waters



Northern Portion of Property– Peninsula & Mangroves



TABLE OF CONTENTS

Newspaper Article	Page 2
Why Mexico?	Page 3
Introduction to Baja California	Page 4
Maps	Page 5
Property Location and Description	Page 8
Utilities, Communications and Accessibility	Page 10
Metric Conversions	Page 12
Ownership in Mexico	Page 12
Development in Baja California Sur	Page 14
List of Consultants	Page 16
Disclaimer and Contact Information	Page 17



Article printed on 24 of April, 2007

La Paz

Magdalena Beaches will set off tourist activity in the Pacific of La Paz



The project plans the construction of a hotel and residential complex. As well as a golf course.

Aracely Hernandez F.

La Paz, Baja California Sur- Businessman, Leonard Mardian, presented Mayor Victor Castro Cosio the proposal of investing 25 million dollars in a joint hotel-residential tourist complex to be built along 26 miles of beach on the Pacific side of La Paz. This project is considered to be one of the most important projects of the present administration. This project will set off tourist activity in the area that is almost completely unexplored.

The project, which is called Magdalena Beaches, was presented yesterday to the President of the XII Municipal Government of La Paz, Castro Cosio, who welcomed the proposed investment in this municipality, and that his government will grant all required facilities in a clear and transparent manner, based on the law and with respect to the environment and traditions.

Castro Cosio assured that all investments that benefit the people that inhabit the areas where the diverse projects are developed, are welcome and that the brotherhood of countries contributes to the fight against poverty, affirmed the mayor to the United States investor.

The mayor from La Paz considers this tourist project, to be set off near the zone of Pocitos, almost at the border with the Municipality of Comondu, to be an excellent project and one that will require the desalination of water to supply this vital resource so that the tourist project can be initiated.

The project consists of the construction of various hotels, golf course and residential type villas and which will be presented during the upcoming months of October or November so that it can be structured in the Municipal Development Plan.

Translated from Spanish by Luis Vega

Why Mexico?

- Great vacation destination
- Beautiful Beaches
- 26 miles (41.9 kilometers) of waterfront property
- Safe political and legal structure
- Tourism and service oriented culture
- Great real estate market
- Mexico...Esta Muy Caliente!

Courtesy of RCI — Global Vacation Network



Magdalena Beaches, Baja California Sur, Mexico

Introduction to Baja California:

Bordered on the west by the Pacific Ocean and on the east by the Sea of Cortez, Baja California remains one of the most diverse geographical areas in the world. The Baja is home to some of the most scenic and diverse landscapes in Mexico, as well as mile after mile of the most beautiful untouched coastline and beaches that remain in the world.

With familiar destinations such as Cabo San Lucas, La Paz, Loreto and Ensenada, Baja California is rapidly becoming a tourist destination for travelers world wide, and is in very close proximity to the Nevada and California markets.

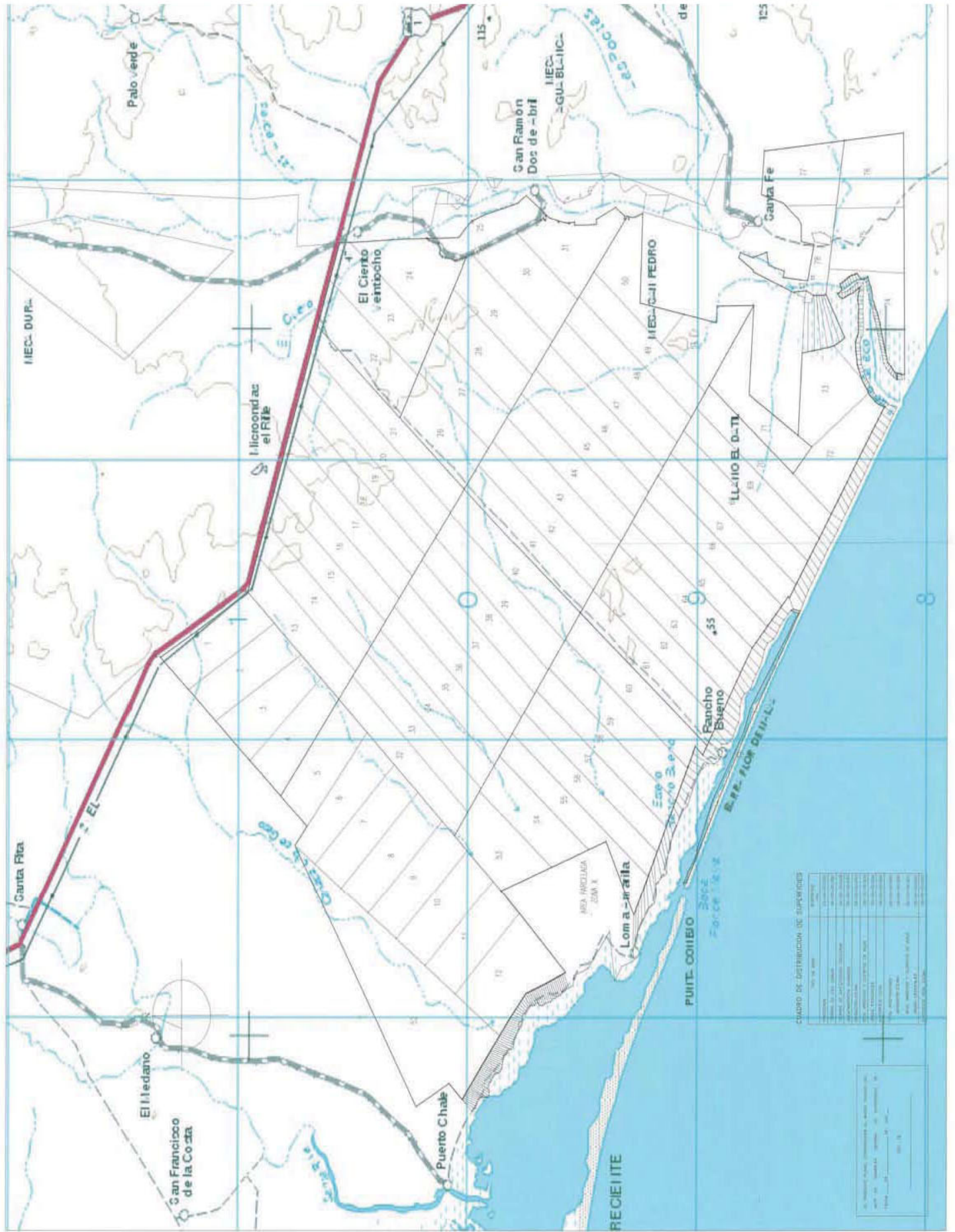






LOCATION MAP MAGDALENA BEACHES Baja California Sur Mexico

Distance from La Paz, BCS, Mexico, 68 road miles (110 km)



CUADRO DE DISTRIBUCION DE SUPERFICIES

DESCRIPCION	Superficie
TOTAL DE LA ZONA	1.234,56
AREA PROTEGIDA	123,45
AREA DE PROTECCION	234,56
AREA DE INTERES ESPECIAL	345,67
AREA DE USO COMUN	456,78
AREA DE USO PRIVADO	567,89
AREA DE USO PUBLICO	678,90
AREA DE USO RESERVA	789,01
AREA DE USO TRANSACCION	890,12
AREA DE USO OTRO	901,23
TOTAL	1.234,56

El presente plano, expedido en virtud de la Ley N° 17.334, de 1972, que faculta al Servicio de Registros Públicos para expedir planos de parcelación de terrenos, se declara válido y produce efectos desde el día de su inscripción en el Registro de Planos de Parcelación de Terrenos.

Hecho en Santiago, Chile, a los _____ días del mes de _____ de 19____.

 Director del Servicio de Registros Públicos

Magdalena Beaches, Baja California Sur, Mexico

Location:



- The property is located approximately 68 miles (110 kilometers) west northwest of the resort city of La Paz
- Located in the Municipality of La Paz in Baja California Sur
- At 24° 22' north latitude and 111 ° 17' west longitude

Description:

The property consists of approximately 147,000 acres (59,490 hectares)

26 Miles (41.9 kilometers) of beachfront

- Drive approximately 68 miles northwest from LaPaz to kilometer marker 110. From that point to kilometer marker 140 (a distance of roughly 18 miles), the Magdalena Beaches property stretches 14 miles west from the highway to the Pacific Ocean, an area of approximately 250 square miles.
- The beachfront areas of the property can be accessed from two points on the Benito Juarez Transpeninsular Highway Number 1, at kilometer markers 110 and 140. This main highway runs the entire length of Baja, from the city of Tijuana to Cabo San Lucas.
- To the north, sheltered by the northern portion of Isla Margarita, the world famous sanctuary of Magdalena Bay offers the opportunity to view Grey Whales in their natural setting, as well as sea turtles and a wide variety of marine birds and animals. This area has some of Mexico's best, world class deep sea fishing.
- Located just to the south of Magdalena Bay, Magdalena Beaches offers not only a truly unique location that provides direct access to the Pacific Ocean, but also one that is sheltered by the southern portion of Isla Margarita as well as Isla Crescente during those rare, less than ideal, weather conditions.

Magdalena Beaches, Baja California Sur, Mexico

Caressed by gentle waves, the land of Magdalena Beaches has a diversity of natural splendor highlighted by its beautiful, sandy beaches, picturesque sand dunes and unobstructed views from adjacent bluffs, all of which complement the native desert flora to be found inland from the coast. Gentle currents within the sheltered areas have formed shallow areas speckled with sand banks that are perfect for shallow ocean fishing or for anchoring sport and pleasure boats.

Climate:

This coastal Pacific Ocean location has climate that is similar to San Diego, California.

The weather characteristics of Baja California are well known to travelers, and the property is a model of this temperate climate. Historical information for this area of the Baja can be characterized in the following averages:

Sunny days: 330 days (11 months) average
Annual rain: 6 inches average between July and September
Annual temperature: 66.2 °F average
Wind: 2 to 20 mph typically from the northwest



Magdalena Beaches, Baja California Sur, Mexico

Utilities:

Power: A 115KV power line runs along Transpeninsular Federal Highway 1 on the eastern side of the property. Currently a 33KV Drop line is in place and a substation is being built at kilometer marker 128 which falls on the eastern portion of the property.

Potential Water Sources:

Water: Desalination Plant(s) and locations are currently being studied and designed.

Wastewater: Modern Sewage Plants will be designed and built.

Communications:

Post office: Currently service is located at Ciudad Constitucion which is located approximately 40 miles (64 kilometers) from the property.

Telephone: Currently service is Located at Ciudad Constitucion, which is located approximately 40 miles (64 kilometers) from the property, and it includes internet, cellular and satellite service. Developer will install a cellular site on the property.

Accessibility:

Airports: There are three International Airports and one local airport located in Ciudad Constitucion. The distances from the Airports to the property are:

Ciudad Constitución	40 miles (64 kilometers)
La Paz Internacional Airport	75 miles (121 kilometers)
Loreto Internacional Airport	137 miles (221 kilometers)
San Jose del Cabo	211 miles (340 kilometers)

Vehicular: The Benito Juarez Transpeninsular Highway is a federal highway that runs along the eastern border of the Magdalena Beaches property. There are two entrances to the property, one located at kilometer marker 110 (distance from La Paz- 68 miles) and the second at kilometer marker 140 (distance from La Paz- 87 miles). From these two entrances, the beach front area of Magdalena Beaches property is a distance of approximately 20 kilometers (12.4 miles)

Magdalena Beaches, Baja California Sur, Mexico

Sea Ports:

The distances by land from the property to the nearest Ports are:

San Carlos Fishing Port	74.5 miles (120 kilometers)
La Paz Sea Port	79 miles (127 kilometers)
Loreto Sea Port	124 miles (200 kilometers)
Los Cabos Sea Port	168 miles (270 kilometers)
San Jose Sea Port (under construction)	193 miles (311 kilometers)
Ensenada Sea Port	814 miles (1,310 kilometers)

The distances by sea from the property to the nearest Ports are:

San Carlos Fishing Port	60 nautical miles
Los Cabos Sea Port	120 nautical miles
San Jose Sea Port (under construction)	140 nautical miles



Magdalena Beaches, Baja California Sur, Mexico

Metric Conversions

Converting Kilometers to Miles–

- **Multiply the number of kilometers x .62 to get the number of miles**

Converting Hectares to Acres –

- **Multiply the number of hectares x 2.471 to get the number of acres**

Converting Meters to Feet –

- **Multiply the number of meters by 3.281 to get the number of feet**

Ownership in Mexico:

Owning property in Mexico is easier and safer than ever.

The purchase of real estate by foreign citizens in Mexico is regulated by Mexico's Foreign Investment Law of 1993.

A foreigner that purchases residential property in Mexico obtains the property through a Mexican Property Trust known as a "Fideicomiso."

A foreigner that purchases commercial property or property for development purposes in Mexico obtains the property through a 100% foreign owned Mexican Corporation.

For a more detailed explanation, please read the letter from Attorneys Bryan, Gonzalez-Vargas & Gonzalez-Baz on the next page.

Title Insurance is available through First American Title Insurance Company, Stewart Title Mexico and Chicago Title Insurance Company.

Bryan, González Vargas & González Baz
Abogados

December 19, 2007

**Land Ownership
in Baja**

Direct ownership of land within the protected zone of Mexico, defined as all land within 100 kilometers of the national borders and within 50 kilometers of any coastline, including all the Baja California Peninsula, is limited to the following: (1) Mexicans by birth, (2) naturalized Mexicans and (3) Mexican companies, including Mexican companies owned by foreigners for purposes of development.

1. Foreigners purchasing Single Family Homes and Condos:

Under the provisions of Article 27 of the Mexican Constitution, foreign citizens may acquire ownership interest in residential properties (homes and condos) in the Baja California Peninsula through the use of a bank trust called a Fideicomiso. The title to the residential land is held in trust by a Mexican bank exclusively for the unrestricted use and benefit, including disposal, by the foreign national as "beneficiary" of the trust. Financing and title insurance for this type of ownership is readily available in the United States and Mexico.

2. Foreigners purchasing land for Development and Commercial Properties

Mexico's foreign investment law permits Mexican corporations, including those with 100% foreign ownership, to acquire direct title to property for development purposes within the Baja California Peninsula. Property so acquired can be developed for any use, including residential and commercial use. These corporations can be 100% owned by foreign individuals, foreign LLC's (i.e., two Nevada LLC's), foreign corporations or other foreign business entities. All corporations that have foreign shareholders must have two or more shareholders and must register with the Foreign Investments Registry.

Respectfully,

Bryan Gonzalez Vargas & Gonzalez Baz

Contact:

Aureliano Gonzalez-Baz
agb@bryanlex.com

or Judy Wilson
jwilson@bryanlex.com

Magdalena Beaches, Baja California Sur, Mexico

Existing Destinations and amenities in Cabo San Lucas:

- Baja California is a premier destination offering distinctive resorts, spas, golf, fishing and residential offerings.
- Resorts such as the One & Only Palmilla, Esperanza (an Auberge Resort), Sheraton, Hilton and many others offer luxury spas and world class food.
- World class golf courses include: Cabo Del Sol Ocean Course, Palmilla (Jack Nicklaus), Cabo Del Sol Desert Course (Tom Weiskopf), Cabo Real (Robert Trent Jones) and Querencia (Tom Fazio).
- The high-end residential market in Baja continues to grow. New and existing homes and sites within Palimilla, Puerto Los Cabos, Espiritu Del Mar and El Dorado currently begin at \$3,000,000, and prices over \$10,000,000 are not uncommon.
- With the explosion in Baja tourism, the market for additional destination resorts, housing, marinas and associated facilities is just beginning.



Magdalena Beaches, Baja California Sur, Mexico

Baja California Growth, Tourism and Development:

- Cabo San Lucas expects 3,000,000 visitors in 2008.
- San Jose Del Cabo International Airport has 35 inbound flights per day.
- A second International Airport opened in “downtown” Cabo San Lucas in 2007 and caters to both private and commercial air traffic.
- Approximately 200 cruise ships, averaging 3,000 passengers each, port in Cabo San Lucas each year.
- Baja California is widely known for having the best marlin and sport fishing areas in the world.
- The Cabo San Lucas marina, the second most expensive marina in the world with respect to slip costs, has a waiting list to obtain one of the 400 fully occupied slips.
- A new 500 slip marina, Puerto Los Cabos, recently opened in conjunction with a 2,200 acre master plan located in San Jose Del Cabo. The master plan, which sold out in 2 years, features Jack Nicklaus and Greg Norman golf courses; beach clubs, and beach front lots which start at \$3,000,000.



LIST OF CONSULTANTS

DESCRIPTION	COMPANY	CONTACT	WEBSITE
ACCOUNTING			
Tax planning and accounting	Deloitte Mexico Tijuana, BCN, Mexico	Harold Hoekstra	www.deloitte.com/mx
Day to day operational accounting	Gossler, S.C. Contadores Publicos San Jose del Cabo, Mexico	German Argueso	www.gossler.com.mx
ARCHITECTS, PLANNING AND PERMITTING			
Airport design	Multiservicios Profesionales de Aviacion Mexico City, Mexico	Arturo Rodriguez	artrosa@todito.com
Marina planning and design	Bellingham Marine Newport Beach, California	Eric Noegel	www.bellingham-marine.com
Land use planning and design	RNM Design Newport Beach, California	Steve McCormick	www.rnmdesign.com
Governmental permitting	De Herrera & Associates Juarez, Mexico	Carlos de Herrera	arg_deherrera@yahoo.com.mx
ATTORNEYS			
MEXICO CITY ATTORNEY	Bryan, Gonzalez-Vargas Gonzalez-Baz Mexico City, Mexico	Aureliano Gonzalez-Baz	www.bryanlex.com
BAJA ATTORNEY	JAVIER TRONCOSO BUFETE TRONCOSO, S.C., LOS CABOS, BAJA CALIFORNIA SUR	Javier Tronciso, Esq.	itv@btlaw.com.mx
ENVIRONMENTAL			
Environmental impact studies	Instituto Politecnico Nacional LaPaz, Mexico	Dr. Angel Illescas	arjmill@prodigy.net.mx
Ecological and hydrologic studies	Private Kingman, Arizona	Elno Roundy	cleo@citlink.net
ENGINEERING AND SURVEY			
Geology and hydrology	Del Reyo International Kingman, Arizona	Luis Vega	vega@npgcable.com
Survey, mapping and engineering	Stronger, Inc. S.A. de C.V. San Jose del Cabo, Mexico	Aurelio Acosta	www.strongerinc.com
TITLE INSURANCE			
Mexico title insurance	Stewart Title Guaranty de Mexico Miguel Hidalgo DF, Mexico	Hector Barraza	www.stewart.com
U. S. title insurance	First American Title (International Division) Sunrise, Florida	Carlos Rocha	www.firstam.com

Magdalena Beaches, Baja California Sur, Mexico

Disclaimer:

This is not a solicitation to sell. This property is not registered with a United States Real Estate Division in any state including Nevada, Arizona or California. The information and material contained herein has been obtained from sources believed reliable. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and may not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, attorney, accountant or other person with experience in evaluating the worth and condition of property.

Contact Information:

For further information regarding this exciting property, please contact:

Leonard Mardian (702) 499-1372

