The Point of Corumbau:
A Case Study in Emerging Market (Brazil)
Real Estate Development Feasibility Analysis

by

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Submitted to the Department of Urban Studies and Planning in Partial Fulfillment of the
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ABSTRACT

In 2003, Renata Oliveira, a young Portuguese architect, has re-discovered the Point of Corumbau in Bahia, Brazil, and, like the Portuguese adventurers who had discovered Brazil 500 years earlier in the same location, found it to be an area that is wild, beautiful and undeveloped. It is also sitting right at the edge of perhaps the most promising resort and second home real estate market in the world: the Northeast coast of Brazil. The case challenges students to conduct market and project feasibility analysis in an emerging market environment, with data and contextual information supplied in the case. It considers the effectiveness of such analysis, and raises questions about the usefulness of time-series data in markets that are changing in fundamental ways, the importance of macro- and international economics in weighing real estate investments, the methods available for evaluating emerging market risk, the challenges of managing development and construction in a foreign environment, and the role, if any, for a developer's personal vision in the value creation system. Part II of the case allows students to re-consider these questions in the light of subsequent events. At the same time, the case examines two of the most exciting real estate markets in the world today: Southeastern Brazil's urban housing market, and the resort and vacation home market of the coastal Northeast.

Thesis Supervisor: Lester C. Thurow
Title: Jerome and Dorothy Lemelson Professor of Management and Economics

Acknowledgements

I would like to thank my daughter Emma for putting up not only with my absence to research this paper in Brazil, but also with my reduced availability for much of the past school year. It was a lot to ask of a 5-year old, and her ability to handle it made studying at MIT possible.

I would like to thank Hildete, my wife and my friend for her kindness and support throughout the CRE program, and for being such a great mom to Emma. Through her I have fallen in love with the language, culture and country of her origin. Her sharing of those parts of her life has enriched mine. More to the point, this paper would have been simply inconceivable without that special aspect and quality to our relationship.

My colleague Ana Catarina Ferreira da Silva held the key to this paper, and chose to unlock the door. For that I will be forever grateful. She is an architect and entrepreneur of immense talent and uncommon kindness, and her willingness to venture into this project with me has been a gift.

Paulo Gomes who knows more about Brazilian real estate markets than anyone else I have met, organized my thinking, led me to the best sources and supplied the missing connections. His interest and insight made all the difference.

Caio Sergio Calfat Jacob spent two full days teaching me the art and science of lodging feasibility analysis as it is currently practiced in Brazil. He and his colleagues also taught me that with persistence, good data can be found.

It has been a privilege to learn from my advisor Lester C. Thurow. His unique ability to join his personal experiences, such as those along Brazil's northeast coast, with his legendary erudition and insight as a global economist, made him an ideal advisor for this paper. I thank him for guiding me, and, even more importantly, for trusting me with the latitude I needed to write a thesis of this kind.

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Part One

1 Introduction

March 2003, Rio de Janeiro, Brazil. Renata Oliveira shifted uncomfortably in her seat aboard the Boeing 747 ready to leave Brazil. In weighing the proposed real estate deal she felt pulled in two directions: On the one hand, she loved the site, and believed it had great promise. But, on the other hand, the lack of transparency in Brazil's real estate markets left her unsure of the project economics.

How was she supposed to be sure? Data was hard to come by in Brazil. Unlike the country's welcoming personality, its business culture was surprisingly secretive. It treated all information as insider information. She must have made twenty phone calls to hotels, *pousadas* and resorts seeking occupancy information, without learning anything. Naturally, there were no firms like Torto-Wheaton or Reis offering econometric forecasting, and Smith Travel Research had comparatively little Brazilian hotel data because few hotels were willing to report their results.

She was, however, sure of one thing: over the next nine hours of flight time, she would figure out the economics of this investment. By her arrival back home in Lisbon, she would know whether to move forward, or return to the search. Until then, things would be up in the air…in more ways than one.

1.01 Arbitrage

There was an upside to Brazil's transparency problem. In fact, many of the players in the Brazilian real estate market embraced the unavailability of information. To their way of thinking, uncertainty discouraged potential competitors, which allowed those who did participate, returns of 30% or more at the project level. This, they argued, was arbitrage pure and simple.[1]

Renata was not so sure. It was only arbitrage, she thought, for those participants who could obtain the "insider information", and knew what to do with it. For those who could not, or did not, the risks were unquantifiable. Without information, there was no way to know whether these real estate investments provided excess returns, or merely returns that were adjusted for unknown risks that could sneak up and bite you from behind. Was it possible for anyone, particularly an outsider like herself, to obtain enough information in an emerging market like Brazil, to draw reasonable inferences about future cash flows? She was determined to show that it was possible, and that she could do it.

1.02 Investors

The process of working through the deal economics was known as market and project financial feasibility analysis, and Renata understood its value. Moreover, she knew that her group of Portuguese investors expected a rigorous and straightforward explanation of the investment, and a simple thumbs-up or down recommendation.   The fact that she had invested two years of her time to reach this point was immaterial; if the numbers didn't work, it was back to square one.

2 The Site

As she pulled the documents from her carry-on, her attention returned to the site on the Northeast Coast of Brazil. It was located at the southern end of the state of Bahia, in an area called Corumbau, and had taken her two years to find. During that time she had shuttled between her architecture job in Lisbon, and her site search for the optimal ground on which to build a small exclusive resort in Brazil.

The land contained 23 hectares (or 56.8 acres), of which 250 linear meters were beach frontage along the "Whale Coast" of Bahia – a marketing identity that the State had recently assigned its south-most coast. The site had a dense patch of old-growth Atlantic rain forest that

was not developable for environmental reasons, but was a key site amenity for nature tourism. There was a white-sand beach, and the waterfront was protected by reefs offshore, providing calm waters for swimming. There was also a river that wound through the property and, where it met the ocean, formed natural pools of fresh/salt water. Sunshine and warmth were typical the entire year in Bahia, and there had never been a tornado, hurricane, tsunami, or earthquake.[2]

Surrounding uses were complementary. An idyllic fishing village was nearby. All around was the Mount Pascoal National Park, a large preserved bio-diverse jungle, which attracted hikers, bird-watchers, and eco-adventurers. Other interior lands belonged to the Pataxo Indians, who practiced native crafts, and were available for hire as forest guides or for transport across native lands to other nearby beach towns or to more developed areas such as the chic resort town of Trancoso.[3]

2.01 Program

Renata's idea was to acquire the 23 hectares of vacant land, and develop it as high-end lodging for a specific market niche that was largely neglected in Brazil, and completely absent on the Northeast Coast. The model was a small, very high quality inn, such as are found among the Relaix and Chateaux of Europe, spread out and placed on a large campus, in a tropical style. She proposed to build what might be thought of as an exclusive mini-resort to be called the Corumbau Lodge.

The guest accommodations would consist of nine private bungalows, each with direct views to the ocean. They would achieve the highest standard of elegance to be found in Brazil. To complement the unspoiled setting, they would be rustic as well as refined. Every aspect of the design and furnishings would harmonize the comfort of the guests with the beauty of the natural surroundings while acknowledging the rich local culture in a style faithful to indigenous influences of the area. The bungalows, with a total area of 130 square meters each, would be the amplest such accommodations in Brazil. The adobe walls would alternate with sections of thick

vertical wood slats or panels. These could be rotated closed to provide privacy, or when a guest preferred air conditioning to natural ventilation (See Bungalow Plan Exhibit 25).

The main lodge, a short walk from the bungalows, would house the principal common spaces for guests: the library, lounge and restaurant. Transparency would inspire the design so that on approach, one could look right through the building to the ocean, never seeing the curtain of glass that wrapped the front and back of the structure. The design inside called for high ceilings and an open plan. A deck along the ocean side of the building would extend toward the sea (See Salon Plan Exhibit 26). Another building would house the main reception area, the business office of the property, accommodations for Renata, and guest rooms for investors, when the bungalows were booked (See Reception Plan Exhibit 27). While each building in the resort would have its own style, a set of common principals would unify them: sustainability, integration with the natural environment, inspiration of locale, and the developer's own spare, elegant style.

Finally, out of sight of the rest of the campus, would be employee housing, of durable quality, since some of the employees would be hired from outside of the immediate area (See Employee Housing Plan Exhibit 28).

The built areas would occupy only a small fraction of the land (See Partial Site Plan Exhibit 30). The remainder would offer the principal amenities of the site: the river and the natural swimming pools it formed, the beachfront, the woods, the garden and most importantly, a reforestation project to which she was committed. The site could easily fit many times the number of buildings and stay well within all regulatory limits, but the goal of sustainability would be an important part of the overall guest experience. This was an area in which she would not compromise.

The charm of the site was due in part to its remote location. Access was not easy, but, she believed that travelers who wanted to enjoy nature tourism expect to travel to remote locations; getting there was part of the fun. The closest international airport was in Porto Seguro.

It would cost a traveler R$ 1200 (about $350 in 2003, and about $600 in 2007) each way to hire a single engine plane to fly 15 minutes to Corumbau. Alternatively, an off-road adventure vehicle could transport a guest in 3 ½ hours from Porto Seguro, through forest and across Indian lands, to Corumbau at half the amount.[4]

She expected most guests would opt for the air transfer. The local landing strip was located on a large estate belonging to the same person who owned the parcel she was negotiating to buy. A native of Rio, the old gentlemen was widely known as an extremely wealthy and reputable business man. As a courtesy to all who lived nearby, he made the landing strip available to whoever wanted to use it at a small cost of R$ 350, which he donated to the community.[5]

2.02 Acquisition

The proposed land acquisition was uncomplicated. The seller may have been respected and charitable, but he was non-negotiable on the price of R$ 940,000. The price seemed fair enough – in Euros, really a pittance- but it would have made her feel better to negotiate a little. He was, however, willing to accept payment for the land in installments with no interest. She planned to propose four installment payments at six month intervals: the first two in the amount of R$ 250,000 each; the second two at R$ 220,000 each. Thus the purchase price would be paid over twenty-four months. They had got along very well, and he had even talked with her about selling his other site in Corumbau, the one with his vacation home and the landing strip. He explained that he didn't go there anymore, and his kids were not interested. Thus, he was thinking of putting it on the market.

3 Brazil Real Estate Market

Renata had focused on a Brazilian real estate investment because: 1) international and macro-economic indicators provided a strong buy signal for the asset class in Brazil; 2) the real

estate lodging sector was about to turn a corner; 3) substantial public funds had been earmarked to support development of the sector in the Northeast and in Bahia in particular; and 3) the municipality supported her proposal. She began to build her presentation to the investors.

3.01 Real Estate Market International and Macroeconomic Perspective

First, the rate of exchange in March of 2003 was extremely favorable to foreigners. The Real had fallen significantly against the Dollar. Figure 3-1 below shows that in 2001 the foreign exchange rate was less than R$2 per US$, but by March of 2003, the Brazilian currency had fallen to R$ 3.40 per US$.

Figure 3-1: Foreign Exchange Rates, Brazil – US, 2001-2003[6]

At the same time, the Dollar had fallen significantly against the Euro, as shown by Figure 3-2 below.

Figure 3-2: Foreign Exchange Rates, USD - Euro, 2001-2003[7]

The combination of the Real fall against the Dollar, and the Dollar fall against the Euro, meant that Brazilian assets were extremely cheap for Europeans.

Importantly, the factors motivating the Real's decline were rapidly evaporating, which suggested that the window of opportunity for foreigners to buy Brazilian assets cheap could soon close. The factors motivating the Real's decline were mainly political, as follows:

In late 2002, the value of the Real fell in anticipation the Worker's Party candidate Lula's presidential election victory. His impending triumph in the polls caused financial experts to predict disaster, eroding investor confidence and causing the Brazilian C-bond to fall by about 60%. Figure 3-1 above also shows the risk premium suddenly attached to the C-bond at the time of the election in October 2002. In response to the adverse forecasts, foreign investment in Brazil contracted, and the Brazilian currency collapsed against the dollar prompting analysts to predict that Brazil would default on its foreign and domestic debt, much of which was indexed to the dollar. According to these theories, Brazil would follow Argentina into bankruptcy. Adding to the panic was the tone of pronouncements of Washington-based conservatives that Lula the Leftist was part of a new "axis of evil" with Castro in Cuba and Hugo Chavez in Venezuela, and had nuclear bombs and missile delivery systems that could reach Florida.[8]

Lula, the so-called "leftist", appointed such radicals as Henrique Meirelles, the former President of Global Banking at FleetBoston Financial, as President of the Central Bank. Lula, the "Marxist", who would certainly repudiate or default on the stringent IMF budget surplus requirements, instead exceeded them and increased the budget surplus from 3.5% to 4.6%. Lula, the inexperienced bumpkin who had never held office, demonstrated remarkable skill in building coalitions necessary to govern.[9]

By 2003, as the financial experts' complete misappraisal of political events became embarrassingly clear, and the Real began to look undervalued, investors remained cautious, and changed opinions only slowly. Renata recognized that during the slow shift back to currency equilibrium, there was an opportunity to take advantage of the exceptional currency relationship that made Brazilian real estate assets cheap to Europeans.

Second, historically, real estate values and activity in Brazil and elsewhere in Latin America were very closely tied to the level of foreign direct investment (FDI)[10]. In 2000 such investments were US$ 30.81 billion. In 2002 they fell to US$ 16.57 billion in connection with the political events mentioned above.[11] Further, much of the 2002 number involved no new capital infusions, but rather the conversion of debt owed to foreign companies into equity.[12] The outlook for FDI was equally pessimistic in 2003[13]. Again, Renata sensed the opportunity to invest before real estate activity and real estate values (in Brazilian currency) rose in connection with a resumption of FDI to pre-election levels.

Nowhere was this truer than in the real estate lodging sector. FDI in that sector had been stalled for over a year. In 2002, the large international hotel chains had sat on the sidelines while the Brazilian hotel industry experienced its lowest occupancy rates in a decade. By 2003, however, the international hotel chains were beginning to prospect for sites to buy. Portuguese companies such as Pestana, Vila Gale and Espirito Santo were especially active in the Northeast coastal region[14]. Activity among British hotel companies was also noted. Renata wanted to get her investors into the market before increased FDI in the sector exerted pressure on land prices.

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Third, Renata thought that lower interest rates could soon become a reality, and began to consider what would happen to real estate values if interest rates fell in Brazil. She did not believe that the Brazilian real estate sector would follow exactly the pattern exhibited in the United States where lower interest rates helped fuel an explosion of real estate values. In the United States, financing was a key factor: investors were able to buy at ever lower cap rates, but leverage their equity returns with even lower mortgage interest rates. Brazil, where commercial real estate financing did not play a major role, would not follow the U.S. example perfectly. Nevertheless, a decline in interest rates would lower investor expectations of return in all asset classes, including that of real estate, and thereby raise their values[15].

As to the likelihood of lower interest rates, there were some signs of stability already emerging, even though rates remained high. It was clear that the Central Bank's five consecutive increases in the Selic rate had won expectations of lower inflation as shown by the falling inflation (IPCA) projections in Figure 3-3. The Central Bank decided to keep the Selic rate unchanged at 25% at its March meeting. Selic rate reductions in the near future were not out of the question[16]. Renata wanted her group to be in the market before expectations of a lower interest rate became widespread.
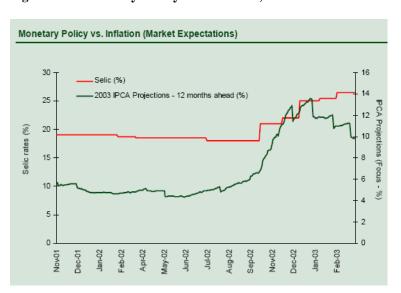
Figure 3-3: Monetary Policy vs. Inflation, Nov 2001- Feb 2003[17]

Fourth, she began to consider how Brazilian economic growth might affect real estate. Here there were two separate but related issues to consider: first the effect on real estate value; second the effect on the operations of a lodging business. The latter would, of course, influence the former.

She thought the effect of economic growth on real estate value would be positive. The silver lining to a falling currency is cheaper exports. As shown by Figure 3-4 below, Brazil's trade balance already demonstrated a move into positive territory for the first time in approximately seven years.
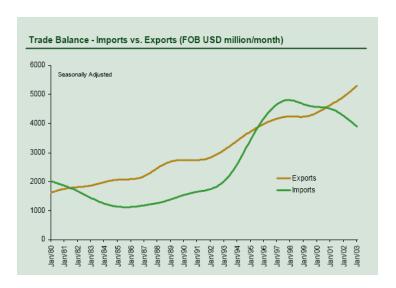
Figure 3-4: Brazil's Trade Balance, 1980-2003[18]

In a world where growth meant export-led growth, a positive balance of trade was very important. A positive balance of trade normally resulted in greater foreign reserves, which would be reassuring to currency markets, thereby helping to stabilize the exchange rate, and improve the Country's risk ratings, which would encourage greater FDI, and lower interest rates. All three, as noted previously would be positive for real estate value.

The effect of domestic growth on the operations of her proposed high-end resort was somewhat more difficult to foresee. One could argue that a stronger currency would discourage

foreigners from travel to Brazil, but if the currency merely returned to its pre-election equilibrium level, vacations in Brazil would still look like a good deal to Europeans and Americans, as they did in 2001. In a worst case scenario, she could, as the Brazilian currency strengthened, reduce room-night rates commensurately to provide a constant rate in Euros. Domestic growth would also affect the domestic tourist market. For example, the stronger currency could encourage more Brazilians to go abroad for vacation. On the other hand, growth, depending on how shared, could enlarge the number of Brazilians who could afford high-end lodging such as she proposed to build. In the overall, it did not appear as though currency strengthening, at least to pre-election levels of about R$1.9 to US$, would threaten the operating cash flow of the property.

In sum, international and macro-economic factors including the foreign exchange rate, the volume of FDI, interest rates, prospects for economic growth, and recent political events, were strongly positive for Brazilian real estate investment, especially on the part of European investors.

3.02 Lodging Real Estate Market - International and Macro-economic Perspective

Supply in the Brazilian lodging market is divided among six categories: Simple, Economical, Tourist, Superior, Luxury and Super Luxury[19]. It was evident from the *Guia Quatro Rodas*, the principal hotel guide of Brazil, that most of the lodging was of Tourist grade or below[20]. Qualification for the two Luxury categories depended on quantifying amenities, not on evaluating the atmosphere and experience delivered[21]. With a few notable exceptions, the luxury hotels in Brazil were operated by large chains that evidenced little interest in charm.

The Brazilian lodging market, however, was not dominated by hotel chains. In fact, of the 5,509 Hotels and Condo-Hotels in the country at that time, only 272 were operated by international chains, and 312 by national chains. The balance of 4,925 hotels, or 89.4% of the supply was independently operated. Of the 289,476 total rooms in Brazil, 202,600 of them, or 70%, were independently owned and operated[22].

Among the independently operated inns were a few offerings of exceptional quality and atmosphere such as *Rosa dos Ventos* in Teresopolis in Rio de Janeiro; or *Solar N.S. do Rosario* in Ouro Preto, Minas Gerais. Inns such as these were located in the Southeast of Brazil, in vacation areas accessible from Sao Paulo or Rio, or in the historic colonial towns of Minas Gerais[23]. No such offerings were located along the Northeast coast of Brazil, which was quickly becoming the principal resort market and leisure destination of the country. Accordingly, the Corumbau Lodge was anticipated to fill a market vacancy.

In fact, Renata had searched, without luck, for inns of comfort and quality to overnight during her extensive searches of the whole Brazilian Northeast coast. She was sure others would be as inclined as she to stay in such places, though she had no statistical evidence to show this. What she had was evidence that foreign tourism was on the rise, and expected to grow rapidly.

The table below shows an overall pattern of growth. From 1990 to 2000, the number of foreign tourists multiplied by a factor of nearly five.

Figure 3-5: Foreign Tourists Entering Brazil – 1970/2002[24]

Year	Tourists	Year	Tourists	Year	Tourists	Year	Tourists	Year	Tourists
1970	249.900	1977	634.595	1984	1.595.726	1991	1.228.178	1998	4.818.084
1971	287.926	1978	784.316	1985	1.735.982	1992	1.692.078	1999	5.107.169
1972	342.961	1979	1.081.799	1986	1.934.091	1993	1.641.138	2000	5.313.463
1973	399.127	1980	1.625.422	1987	1.929.053	1994	1.853.301	2001	4.772.575
1974	480.267	1981	1.357.879	1988	1.742.939	1995	1.991.416	2002	3,800,000
1975	517.967	1982	1.146.681	1989	1.402.897	1996	2.665.508		
1976	555.967	1983	1.420.481	1990	1.091.067	1997	2.849.750		

The table also shows a decline in the number of foreign tourists entering Brazil from 2000 to 2002. It was generally understood that the pull back was temporary, and due to a significant drop in the number of Argentine tourists in response to their own economic woes that began in 2000[25]. As indicated below in Figure 3-6, Brazil received more than 1,700,000 tourists from Argentina in 2000, the largest group among foreigners that year[26]. By 2002, the number had dropped to a little over 700,000.
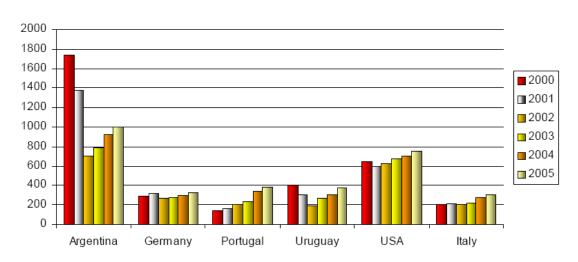
Figure 3-6: Arrivals in Brazil by Main Countries of Origin

The fall in Argentine tourism had a greater impact on tourism markets in the South of Brazil than in those in the Northeast[27]. By 2003, Argentine tourism was rising slowly. Tourism from the United States retracted in response to the events of September 11, 2001, but returned to 2000 volume by 2003.

Renata was confident that foreign tourist demand would resume its climb in the short-term. In particular, the excellent exchange rate, the proximity of Europe to the Northeast coast of Brazil, and an historic growth trend among European visitors, suggested to her that Europeans would have an increasing presence in Brazilian travel. Certainly there would be demand among Europeans for a tropical model that could provide the grace and comfort for which Europe was known.

It was encouraging as well that exit surveys showed that visitors to Brazil enjoyed themselves. In fact many voted with their feet. In 2002, 65% of the foreign visitors to Brazil were repeat visitors[28].

International tourist demand was also expected to rise over time responding to a new government initiative. In 2003, the government of Brazil created the Ministry of Tourism and National Plan of Tourism (PNT) which was expected to animate the hotel sector. EMBRATUR, the special agency connected to the Ministry, was charged with promotion of sustainable tourism development in municipalities with visible tourism potential, by increasing foreign tourist flows. In creating the Ministry, the government recognized the importance of the sector to the Brazilian economy[29].

Foreign visitors to Brazil, while an important component of hotel demand, were a relatively small fraction of all hotel guests. In 2003, 24% of hotel guests were foreigners, and 76% were Brazilians. In resorts, the results were further skewed with Brazilians composing more than 82% of the demand[30]. She suspected that these figures varied significantly with room rate, but did not have statistics to support this.

However, she did have a breakdown of foreign and Brazilian guests in city hotels by rate. In hotels charging R$ 90 daily or less, Brazilians were 90.1% of the market. In those charging between R$190 and R$ 90, Brazilians represented 73.9% of the market. In hotels with rates over R$ 190, Brazilians comprised only 44% of the market[31].

Renata wondered how she could better predict the percentage of international and domestic demand for her resort. She knew from the above data that higher price tended to concentrate the foreign component of demand. She also knew that her mini-resort would appeal mainly to leisure guests (market segmentation is further discussed in section 4.05 herein), and that in 2002, 55.21% of foreign tourists came for leisure, 28.28% came for business, and the remainder for a variety of reasons[32]. She felt that there should be some way of getting a handle on the profile of her customers.

3.03 Lodging Real Estate Market – Regional, State and Municipal Perspective

The coastline of Brazil is divided into four regions: 1) The North or Amazonian Coast is comprised of the coastlines of two states: Amapa (AP) and Para (PA); 2)The Northeast Coast, which encompasses the coastlines of nine states: Maranhao (MA), Piaui (PI), Ceara (CE), Rio Grande do Norte (RN), Paraiba (PB), Pernambuco (PE), Alagoas (AL), Sergipe (SE), and the relatively long coast of Bahia (BA); 3) The Southeastern Coast includes the coastlines of three states: Espirito Santo (ES), Rio de Janeiro (RJ) and Sao Paulo (SP); 4) The Southern coast is the coastlines of three states: Parana (PR), Santa Catarina (SC), and Rio Grande do Sul (RS). The map to the side shows all regions of the country in different tones[33]. Only the coastal states are listed above.

Figure 3-7: Map of Brazil

The Northeast coast has particularly beautiful and varied beaches (See Figure 3-10). The air and water temperature are warm all year, especially so during the European and American winter. In the more northerly of the states in this region, rainfall tends to concentrate during the European and American spring. Moving south in the region, the rainfall differences between seasons are less pronounced.

Figure 3-8: Map of Northeast Coast.

Within the region landscapes are very different. The contrast, for example between the desert-like landscapes of giant dunes in Ceara and Rio Grande do Norte, and the lush tropical landscapes of Bahia, are striking[34]. Aside from the major cities of the Northeast coast, there were some areas already in development for tourism, especially in Bahia and Pernambuco. Much of the coast was undeveloped, attractive, and inexpensive. Prices tended to be greater with faster and easier access to major airports[35]. Average income was lower in the Northeastern states than in those of the Southeast[36].

In the early 1990's, the Northeast coast of Brazil had begun to establish itself as a tourist destination[37]. Its size alone presented an opportunity far greater than most tourist destinations around the world. The target domestic markets for the Northeast were the middle and upper classes, which were mainly located in the Southeast region, predominantly in Sao Paulo and Rio de Janeiro[38]. The Southeast already had several well established tourist destinations such as Buzios and Angra dos Reis. Accordingly, in 2003, the major impediments to developing the Northeast for tourism, both domestic and foreign, were accessibility and infra-structure[39]. A close third was the need for trained hotel personnel. The state of Bahia took the lead in facing these obstacles[40].
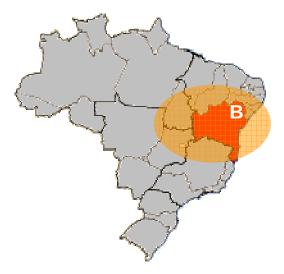
Figure 3-9: Location of Bahia in Brazil

Bahia had many advantages for a prime tourist market, including a perfect climate, sections of rainforest along its 1000 kilometers of coast, beautiful beaches, rivers, waterfalls, mountains, an improving transportation infrastructure and a variety of accessible leisure options. Furthermore, it had a rich colonial history dating back to the discovery of Brazil by a caravan of Portuguese mariners in 1500 off the coast of Bahia. In fact, it was Mount Pascoal, located in Corumbau, which captured the discoverers' attention, and resulted in their claiming the land for the throne of Portugal. The Portuguese colonists made Salvador the capital of the colony[41]. Evidence of the early colonization of this area is found in its enduring, rich architectural heritage dating to the early 1500's.

Bahia also had stronger African roots than did any other location in the Americas[42]. African cultures and religions were preserved over hundreds of years by incorporating, and being incorporated by, European and Native American influences. The exotic Afro-Brazilian mixture of races, religions, language, music, folklore, dance, clothing, art and sculpture is the hallmark of Bahian culture. Most distinctive of all is the cuisine: savory mixtures of multi-cultural ingredients and techniques made Bahian food alone motivation to visit[43].

Recognizing the potential of its natural resources and native culture, the government of Bahia implemented a program of planned development beginning with an investment to improve living conditions for its own people. Starting in 1991, Federal development funds for the Northeast, known as Produteur I and II, were used first to improve basic sanitation, public health, electric energy, environmental projects, and then for airports, historic renovation, highways, and education. Funds were also used to create schools of tourism and hotel training, establish tourism research institutes, create an Institute of Hospitality, establish the Forum on Advanced Studies in Tourism (FEAT), reform the famed Pelourinho district of Salvador – one of its big cultural attractions, build convention centers in Porto Seguro and Ilheus, expand the facility in Salvador, establish a cultural program and calendar, conduct marketing campaigns inside Brazil and at fairs

and workshops in foreign countries, and renovate and enlarge theaters and other cultural infrastructure. By 2000, Bahia had invested $1.5 billion in such projects[44].

 As a result, the government of Bahia attracted hotel groups such as Accor, Marriott, Sol Meliá, ClubMed, Pestana, SuperClubs, Kempinsky, Vila Galé, Iberostar, Reta Atlântico, Orissio, among others, to do business within the state. Between 1991 and 2001 it grew tourism in the State from 1.9 million annually to 4.3 million, an increase of 117.5%[45].

The government intended to invest an additional $805 million in Produteur funds between 2001 and 2005. Then, between 2005 and 2012, it planned to invest another $4.5 billion towards a goal of becoming the best tropical destination in the world. In 2002, it won the award for best tourist destination in South America at the World Travel Awards[46].

As part of its plan, Bahia established tourist zones along the coast of the state, each with a distinctive personality and its own set of ecological, sports and cultural attractions. By 2003, some of the Tourist areas such as Porto Seguro on the Discovery Coast, or Praia do Forte on the Coconut Coast, were well established tourist markets. Now in its second phase of Produteur, the Bahian government hoped to stimulate a surge in tourism by promoting less well-known locations, including, most significantly for Renata, the Whale Coast municipality of Prado in which Corumbau was located[47].
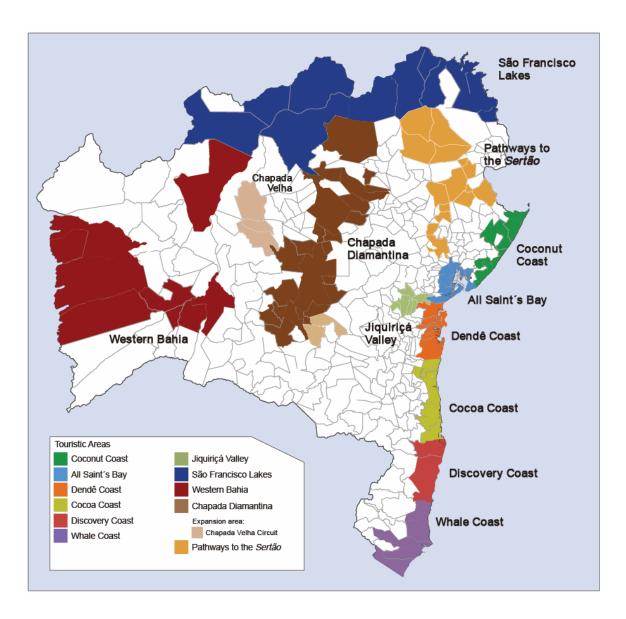
Figure 3-10: Map of Bahia Tourist Areas

3.04 Market Conclusions - 2003

All this sounded pretty good to Renata Oliveira. At the national level, Brazilian real estate looked promising, especially to foreigners who could make a double play: first by real estate appreciation in Brazilian currency; second by Brazilian currency appreciation in Euros.

At the regional level, the Northeast of the Country provided an opportunity to enter a lodging and tourism real estate market with huge potential because of the Region's size and natural attributes, at the early stages of its growth. She speculated that with enough infrastructure

development and private investment, the Northeast could become for Europe, what the beaches of Mexico had become for the United States.

At the State level, Bahia would make a priority of developing her proposed Whale Coast location. It was committed to protecting the environment, raising hotel quality, promoting economic sustainability, providing for the local population, building a tourism culture, and training a hotel service workforce. She could not have written a more suitable policy herself. At the municipal level, she was also impressed. The municipal leaders had taken the time to become acquainted with her and her proposal. The Mayor and the Secretary of Tourism in the government of Prado were young, smart and ambitious. They would be fully supportive of her investment. The Secretary of Tourism also owned a travel agency, and was eager to book her customers!

Now all she had to do was the numbers.

4 Feasibility

The objective of the Financial Analysis would be to calculate the rate of return to her investors and ascertain whether it fairly compensates them for the risk. Initially that meant finding the *ex ante* internal rate of return for the investment using Discounted Cash Flow Analysis. Following that she would use Sensitivity Analysis to project the volatility in the *ex ante* return. The DCF analysis would have several simplifying assumptions:

First, it would assume an instantaneous cash outlay for land acquisition and construction at Time Zero, i.e., at the start of Year 1. She knew that this was an unrealistic assumption, but until she had more information about the timing of installment purchase payments and construction outlays, she wanted to keep it simple.

Second, it would assume a ten-year investment period with a sale at the end of Year 10. The sales price would be calculated by applying a 12% capitalization rate to the projected Year 11 NOI. Naturally she hoped that cap rates would come down in Brazil, but she wanted to be conservative for this projection.

Third, it would assume the buyer to be a Brazilian corporation. The cash flow projection would therefore have to recognize all taxes payable by the corporation incurred in operating, or upon the sale of, the property. From the perspective of the property owner, though not necessarily that of the investors, this was to be an After-Tax Discounted Cash Flow Analysis.

4.01 Room Revenue, Occupancy Rate, Room-Nights, RevPAR, and ADR

Hotel revenues, she had learned, were composed of Room Revenue and Non-room Revenue. Since the latter was a function of the former, she would work first on Room Revenue. The hotel industry used a term called RevPAR or Revenue per available room which was simply the hotel's average daily revenue divided by the total number of rooms in the hotel[48].

RevPAR could also be defined as the hotel's Occupancy Rate multiplied by its ADR or

Average Daily Rate. The Average Daily Rate was the average rate actually charged for an

occupied room. It could be determined in several ways, one of which was to divide daily room

revenue by the number of rooms occupied that day, and take the average for the period in

question. Occupancy Rate was the rate of occupancy expressed as a percentage. Technically it

was the number of Room-Nights the hotel was occupied by paying guests, divided by the product

of total number of rooms multiplied by the number of nights in the period[49].

She wrote down the following relationships to keep everything straight:

Total Number of Rooms

x

Number of Nights in Period

=

Number of Room-Nights

Total Number of Occupied Room-Nights in Period

÷

Total Number of Room-Nights in Period

=

Occupancy Rate

x

ADR

=

RevPAR

x

Number of Rooms

=

Daily Room Revenue

x

Days in Period

=

Room Revenue for Period

Clearly, the key to estimating Room Revenue for a proposed hotel was to correctly forecast its Occupancy rate and ADR. To find out how this was done in Brazil, she obtained several market and feasibility analyses prepared by some of the top hotel consultants in the Country.

4.02 Competitive Set Profile

The studies that she looked at began by identifying a set of hotels believed to be competitive with the proposed hotel. The Occupancy rate and ADR of each competitor was shown, and that information was used to calculate each hotel's Production Index and Market Penetration as shown in the following example of a 2-hotel competitive set:

HOTEL NAME	# OF	# OF ROOM-NIGHTS	FAIR MARKET SHARE	% OCCPCY	# OCC ROOM-NIGHTS	ACTUAL MARKET SHARE	MARKET	ADR	REVENUE	%TOT REV	REVPAR	PRODUCTION INDEX
A	433	158,045	.70	.84	132,757	.71	1.014	250	33,189,250	.65	210	.9286
B	190	69,350	.30	.80	55,480	.29	.9667	330	18,308,400	.35	264	1.167
TOTL	623	227,395	1.0	.83	188,237	1.0			51,497,650			

- Fair Market Share = Room Nights for Hotel/Total Rm-Nights for Hotels in Set

- Actual Market Share = Occupied Room Nights for Hotel/Total Occupied Rm-Nights for Hotels in set.

- Market Penetration = Actual Market Share/Fair Market Share

- Production Index = Hotel % of Total Revenues/Fair Market Share

If all hotels were equally competitive, then each hotel's Fair Market Share would on average equal its Actual Market Share. In reality, some hotels captured more or less of the market than implied by the simple relationship between their room stock and the total market room stock. The degree to which a hotel captured more or less than its Fair Market Share was

expressed in the Market Penetration. For example, if a hotel had a Market Penetration of 1.24, then it captured 24% more of the market than implied by the percentage its stock of rooms represented in the market as a whole[50].

Market Penetration was one measure of a hotel's competitive position. It was incomplete, however, because it considered Occupancy alone, without considering the room rate. Understandably, a hotel with high Occupancy may have low room rates, and visa versa. A second measure of a hotel's competitive position, Production Index, takes both Occupancy and ADR into account. It compares the percentage of the total room revenues for the entire market that a particular hotel captures, with the percentage it should capture based on its share of the total rooms in the market[51].

These two measures, Market Penetration and the Production Index, gave the experts an important feel for the competitive position of each hotel in the set. Renata was eager to make these calculations for a set of hotels competitive to the mini resort that she proposed. But first, she would need data.

4.03 Data

Clearly data was a critical element in the process. Without Occupancy Rate and ADR information for the competitive set of hotels, there was no way to begin the feasibility analysis. That, thought Renata, is where her persistence paid big dividends. Renata Oliveira did not stop at the twenty phone calls to resorts, hotels and pousadas. She plugged away until she struck gold in the middle of a lecture on Planning and Developing of Hotels, part of the curriculum for the Real Estate MBA program at the University of Sao Paulo College of Architecture and Urbanism.

The speaker was a guest lecturer named Carlos Abreu, an expert in Brazil's hotel industry. In response to a question, it became apparent that Carlos had assembled a great deal of data in his years of practice. One lunch later, and Renata held in her hand spreadsheets showing daily Occupancy Rates for nineteen resorts and seven pousadas during the period beginning

October 2001 through September 2002. The hotels and pousadas selected were not a perfect

match for the specialty resort she envisioned in Corumbau. But, with a little trimming, it would

be hard to find a significantly better competitive set.

As Carlos had explained to her, the competitors in a competitive set need not be located

in the same local geographic area. Hotels are competitors if they compete for the same demand

pool. Competitors may be identified by looking at the hotel image, class, i.e., number of stars,

and facilities, and comparing these to the subject hotel[52].

The Spreadsheets with daily occupancy data are attached as Exhibits 1 -24. Renata added

a new worksheet that summarized a full year of activity of the 19 resorts, showing their monthly

and annual averages.

Renata took a critical look at the hotels in the competitive set. Based on information

from each hotel's website, and information in her Brazil travel information guide, Guia Quatro

Rodas 2002, she eliminated Carlton, Sofitel Quatro Rodas, Othon Place, Transamerica Salvador,

Caesar Towers, Bahia Fiesta and Salvador Praia, which were urban vertical hotels, and didn't

belong in the competitive set. Then, using the format shown for Market Penetration and

Production Index (See Section 4.05 for current ADR), she made the preliminary calculations for

the eleven remaining resorts, and copied them to Power Point slides for her investor presentation

the next day. To be truthful, however, she was not sure how these calculations would help her

forecast the Occupancy Rate for the proposed resort.

4.04 Average Occupancy Rate for the Competitive Set

The next step, according to the professional feasibility studies, was to calculate the

Average Occupancy Rate for the competitive set, and to project that rate going forward. The

studies that she examined reflected anticipated demand growth. Supply was increased too, but

only by the stock of Room-Nights supplied by the hotel under study beginning in the year it was

expected to open.

In the example below, there is a stock of 159,505 Room-Nights, and therefore 437 rooms in the competitive set which is unrelated to the competitive set identified above. The total occupied Room-Nights for the competitive set is 95,707. Thus the Occupancy Rate for the set is, on average, 60%. In the example, demand for rooms is expected to grow by 5% annually, thereby increasing the occupied Room-Nights in each year. In 2009, the 120 room hotel under study is expected to open, adding 43,800 Room-Nights to the total stock reducing average Occupancy Rate to 52%.

Figure 4-1: Average Occupancy Rate[53]

RATE OF GROWTH	5%

YEAR	2.007	2.008	2.009	2.010	2.011	2.012	2.013	2.014	2.015
Previous supply	159.505	159.505	159.505	203.305	203.305	203.305	203.305	203.305	203.305
Additions			43.800						
Current Supply	159.505	159.505	203.305	203.305	203.305	203.305	203.305	203.305	203.305
Projected Demand	95.707	100.492	105.516	110.792	116.332	122.149	128.256	134.669	141.402
Average Occupancy Rate	**60%**	**63%**	**52%**	**54%**	**57%**	**60%**	**63%**	**66%**	**70%**

The problem with this approach, as Renata Oliveira saw it, was that it grew demand, but ignored growth in supply from sources other than the subject hotel. The rationale for ignoring supply growth was that the new supply volume was difficult to predict. While that was, no doubt, true, it did not seem to follow that the volume of new supply should be set at zero.

Even more troubling was the subsequent step forecasting Occupancy Rate. It relied completely on the experience and intuition of the analyst. The estimate took into account the average Occupancy Rate for the competitive set as calculated in the example above. It also considered the Market Penetration and Productive Index of the various hotels in the competitive set. These parameters for the competing hotels, and the analyst's impression of the relative appeal of the new hotel, together with numerous other factors, were used to estimate the Occupancy Rate for the proposed hotel. But, as far as Renata could tell, there was no method

exactly to the forecast. The approach, she thought, may work for analysts with considerable years

of experience in the market under study, but it was not a technique that she as a newcomer and an

outsider could apply. So, for the time being, she set this approach to the side and contemplated a

different approach.

4.05 Occupancy Rate Forecast for Proposed Hotel

While she understood that there was no scientific way to forecast the Occupancy Rate,

she sought a technique that would break the estimating process into smaller steps, perhaps letting

her develop expectations for the proposed hotel's Occupancy, by measuring its projected drawing

power in specific dimensions and comparing its dimension-specific drawing power with that of

its competitors.

In fact, Renata had discovered an approach for doing just that. By fusing the methods

used in the professional feasibility analyses of lodging real estate in Brazil, with concepts

borrowed from a well-known hotel text from the United States, one that had been recommended

by a hotel consultant in Sao Paulo, Renata had built a model for this part of the feasibility

analysis. She pulled out her notes and began to work through each step of the calculation.

Step 1: Calculate the Competitive Index for each Hotel in the Competitive Set

This method for forecasting occupancy in a proposed hotel assigned each property in the

Competitive Set a Competitive Index. She made the following note:

Hotel's Average Occupancy Rate

x

365

=

Hotel's Competitive Index[54]

On a spreadsheet she calculated the Competitive Index for each resort.

Step Two: Apportion Each Property's Competitive Index by Market Segment

Market segmentation in Brazil considered five sources of demand: Business, Events, Individual Tourism (leisure), Group Tourism (leisure) and Airlines[55]. The market segments were characterized as follows:

Business - This market selects hotels on the basis of proximity to local work. Customers tend to be loyal rather than experimental, if they are satisfied. But they are motivated by price. It is common practice to offer corporate discounts of approximately 20% of the counter rate. The clientele demands guaranteed reservations because they normally check in late. They spend in the hotel an average 30% to 35% of the daily rate in other services. Highest demand is during weekdays[56].

Events - This market is similar to the business market. The main differences are that the flow is irregular, and the market is more sensitive to price. Discounts tend to run around 30%. Customers spend in the range of up to 50% of the room rate on extra services. Events take place inside the hotel and the hotel must generally be built or adapted to the dimensional needs of common and service areas to accommodate the events. The strongest demand is again during weekdays[57].

Airlines - This is the market for providing lay-over accommodations for airline companies. It generally depends on advance arrangements with the airline companies, which depends on distance from the airports. Discounts are between 25% and 30%[58].

Individual Tourism - The market tends to be less price-sensitive than either the business or events markets. It favors weekends, but occupancy has less of a distinct pattern than does the business market. Clients spend about 30% of room rate on extras. Customers make reservations themselves, or through a travel agency, which will reduce the effective rate[59].

Group Tourism - This segment is extremely sensitive to price and spends little on extras. Discounts run about 50%. Groups are drawn to locations with significant tourist attractions. Demand is concentrated over holiday periods and on weekends. This segment can conflict with the business segment[60].

For simplicity she reduced the number of segments to three by moving Airlines into Business, and combining Individual and Group Tourism as Leisure. The Room-Night demand in each hotel of the competitive set had to be allocated among the different market segments. This could be done by carefully examining the occupancy patterns at each hotel on a daily basis for the entire year, by asking people familiar with the occupancy of the hotels in question, by studying the physical amenities of each hotel (for example if they did not have a seminar room, then they probably did not generate a lot of Event occupancy) and by a combination of the above techniques.

She had already spoken with a hotel consultant about the segmentation of demand at each hotel, and had looked-up the physical amenities for each hotel, which were listed in the Guia Quattro Rodas, and often on the hotel's website. She took a moment to review the daily Occupancy Rate at each hotel as given by Exhibits 1 – 12. In particular she looked for seasonal fluctuation and weekly fluctuation in the numbers. For example, a hotel that emptied out on weekends, but was full during the week, probably derived a substantial portion of its occupancy from business. Such an occupancy profile was typical, for example, of hotels in Sao Paulo. The months of June and August were typically the weakest months in the Northeast for leisure demand. A leisure hotel that could maintain an Occupancy Rate of 40% - 50% of its December/January demand during these months, could probably generate guests from Business or Event segments. By contrast, December, January and February were the months of greatest demand from the leisure segments, with a particular spike for a ten-day period following Christmas[61].

Once she had approximated the percentage of a hotel's demand by segment, it was easy to allocate its Competitive Index to each segment, by multiplying the Competitive Index by the percentage approximated. On the spreadsheet she had begun, she apportioned the Competitive Index for each resort as follows:

HOTELS		COMPETITIVE INDEX	PERCENTAGE OF HOTEL OCCUPCY DERIVED FROM SEGMENT			COMPETITIVE INDEX DERIVED FROM SEGMENT		
			COMMERCIAL	EVENTS	LIESURE	COMMERCIAL	EVENTS	LIESURE
PRAIA DO FORTE	ECORESORT	208	10	10	80	21	21	166
TRANSAMÉRICA	COMANDATUBA	177	15	25	60	27	44	106
CABO DE SANTO	AGOSTINHO	235	25	25	50	59	59	118
CATUSSABA		251	50	0	50	126	0	126
SUPERCLUB'S	BREEZES	209	10	25	65	21	52	136
SOFITEL COSTA	SAUÍPE	103	10	10	80	10	10	82
SOFITEL SAUÍPE SUITES		108	10	10	80	11	11	86
SUMMERVILLE	MURO ALTO	277	25	25	50	69	69	138
BLUE TREE ANGRA		180	15	25	60	27	45	108
RENAISSANCE	SAUÍPE	134	10	10	80	13	13	107
MARRIOT SAUÍPE		144	10	10	80	14	14	115

Figure 4-2: Competitive Index Table

Step 3: Apportion Each Hotel's Room Night's Captured by Segment

This was just a matter of multiplying the percentage of a property's occupancy derived from a particular segment by the property's total occupied Room Nights[62].

Property	Commercial	Events	Leisure	Total
A				
B				
C				
D				
Total				

Step 4: Decide how to distribute future demand by market segment.

She considered whether there was a reason to think future demand would be distributed differently among market segments than are current Room-Nights. Personally, she believed that leisure demand growth would outpace the other segments, but had no statistical support for the belief. She would apply the current Room-Night distribution to future demand. So, for the market as a whole, she calculated each segment's percentage of the total Occupied Room- Nights.

Step 5: Forecast the additional Room-Night demand between the present and opening the proposed property

The Starting Demand was easily calculated. Selecting a rate of demand growth required some thought. From 1990 to 2000 the Cumulative Annual Growth Rate (CAGR) of foreign tourism in the country was 16.68%[63]. Embratur predicted that the number of foreign tourists to Brazil would grow to 9 million by 2010[64]. Based on that prediction, she calculated the CAGR between 2002 and 2010, which gave her a different number. These forecasts, however, did not include domestic tourists, who were most of the market. The analyst at the Bahiaturista offices had a more modest forecast for Bahia of about 8% per year through approximately 2010. That figure, however, was for all tourism to the State. She wondered if the hotels in the competitive

set, which were luxury hotels and therefore, she thought, more likely to attract foreigners, may do better than the State as a whole. After considerable thought she chose a CAGR for demand, but also noted a range within which demand was likely to grow. She applied the growth rate to calculate the additional Occupied Room-Nights each year through 2016. She expected the proposed hotel to be in operation not later than June 2006. From the chart she could easily calculate the additional demand in the market that was expected to arise by the opening.

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Start Demand										
Additional Demand										
End Demand										

Step 6: Distribute the Additional Demand by Segment

Here she went back to the spreadsheet prepared in step 3, and added rows for the Additional Demand and the new total demand as of 2006. The Total Cell for Additional Demand was just the added demand between 2002 and 2006 calculated in Step 5. To distribute the Additional Demand by segment was just a matter of multiplying the percentages for each segment calculated in step 4 by the Total Added Demand.

Property	Commercial	Events	Leisure	Total
A				
B				
C				
D				
Total				
Added Demand				
Total (2006)				

Step 7: Assign a Competitive Index to each Segment of the Proposed Hotel[65]

Renata made an objective assessment of the proposed mini-resort's drawing power in each market segment by comparison with the drawing power of the other hotels. Would it be more like Hotel A with regard to Commercial and Hotel B with regard to Events?

She took the following into consideration: First, with only nine bungalows, she would not be hosting events. Second, based on her distance from any companies, it was very unlikely that the hotel would experience commercial demand.

That left only the Leisure Segment. The highest Competitive Index in this segment belonged to Praia do Forte Eco-resort (PDER). PDER was located one hour by car on paved highways from the Salvador International Airport. The town of Praia do Forte was a popular resort destination. PDER was the leader in Eco-tourism in the Country, and enjoyed an excellent reputation in Europe as well as in Brazil for its service and find cuisine[66]. Renata could compete on the basis of food, service, accommodations and ambience, but she knew that accessibility and

destination counted for a lot. Corumbau was not a known destination in or outside Brazil, and it was hard to get to[67].

Summerville in Muro Alto was next on the list with a Competitive Index of 138. Muro Alto was part of the Porto de Galinhas resort area, a major tourist destination for both Europeans and South Americans[68]. It too was accessible by car from the Recife International Airport in Pernambuco[69].

Next was Transamerica Commandatuba with its 362 rooms, multiple amenities including a spa and a golf course, and huge annual marketing budget. It too was more accessible than was Corumbau.

After carefully reviewing the entire list, she made a conservative assignment of competitive index for each segment of the Corumbau Lodge.

Step 8: Forecast the additional Supply of Room-Nights expected to enter the market by June 2006 (including the proposed property) and thereafter until 2016

Based on conversations with the Secretary of Tourism's office in Bahia, and with three private hotel consultants who knew the supply pipeline intimately, including which proposals had financing, Renata anticipated a supply CAGR in the Competitive Set of around 10%. Using this forecast, she calculated the additions to stock and end stock each year through 2016. There were no Removals anticipated because the hotels in the Competitive Set were relatively new.

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Start Stock										
Additions										
Removals										
End Stock										

Step 9: Assign a Competitive Index to each Segment of the other Hotels expected to enter the Market

Renata next made the conservative assumption that new hotels coming on line would try to match or exceed the hotel with the highest Competitive Index, the greatest Market Penetration in the Competitive Set. Thus she assigned to all other new supply that may enter the market over the period in question, the most competitive hotel's Competitive Index and its allocation across Market Segments.

Step 10: Calculate Each Property's Market Share Adjuster in each Market Segment for all Properties on line in 2006[70].

She set up a separate spreadsheet for each market segment. Note that the number of rooms in the Other Entries should be the total added supply calculated in step 8, less the added stock from the proposed hotel divided by 365.

COMMERCIAL SEGMENT	Number of Rooms	Commercial Competitive Index	Commercial Market Adjuster	
Hotel A				
Hotel B				
Hotel C				
Proposed Hotel				
Other Entries				
			Total:	

For each property she calculated the adjuster.

Hotel's Commercial Competitive Index

X

Number of Rooms in Hotel

=

Commercial Segment Adjuster for the Hotel[71]

Then she repeated the process for each segment.

Step 11: Find the Market Share for each property by segment.

She copied the three spreadsheets in Step 10. She labeled the empty right-most column 'Market Share', and completed the work sheets as follows:

<div style="border:1px solid black;">

Commercial Segment Adjuster for the Hotel

÷

The Sum of the Commercial Segment Adjuster for all Hotels

=

Hotel's Commercial Market Share[72]

</div>

Step 12: Find the Room-Nights captured by each property in each segment (now including the additional Room-Night demand and additional stock)

Renata prepared a new spreadsheet of Room-Nights Captured. The Room-Nights captured in each cell will be the product of the total demand in each segment calculated in step 6 multiplied by the hotel's segment market share calculated in step 11. Total Room-Nights captured by each property is the sum of its three segments.

Property	Commercial	Event	Leisure	Total
Property A				
Property B				
Property C				
Proposed				
Other Entries				

Step 13: Find the Occupancy Rate of each property.

She added an Occupancy Rate column to the spreadsheet above and entered the

forecasted occupancy rate for each property.

Property	Commercial	Event	Leisure	Total	Occupancy Rate
Property A					
Property B					
Property C					
Proposed					
Other Entries					

Step 14: Project the Average Occupancy Rate for the Competitive Set for 10 years

Returning to the spreadsheets in steps 5 and 8, she determined the Average Occupancy

Rate in each year.

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Start Demand										
Additional Demand										
End Demand										
Average Occupancy										

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Start Stock										
Additions										
Removals										
End Stock										

Step 15: Consider the projected Occupancy Rate for the proposed property.

She considered her forecasted Occupancy Rate for the proposed property, and wondered if it made sense given the average occupancy for the competitive set, and the features and characteristics of the proposed property. She noted that the forecasted Occupancy Rate is the stabilized rate. During the early years, she would reduce the rate to reflect the gradual increase to stabilized occupancy. At this point, she wanted to ensure that her forecast made sense given what she knew about the properties in the Competitive Set, and the property she planned to develop.

Step 16: Repeat the Process for the Pousadas.

This was easier because there was no market segmentation. The Pousadas drew only from the Leisure segment. She considered how these results affected her Occupancy projection.

Step 17: Determine the Occupancy Rate during the Phase-in period

Renata noticed that in the Feasibility studies, proposed projects did not attain their stabilized Occupancy Rate in the first year of operation. It required time for the new hotel's image to become fixed in the consumer market. So the Occupancy Rate evolved, in these studies, over three to six years. She noted different build-up schedules from the reports.

Six Year Build-up Schedule[73]

Year	% of Stabilized Occupancy Rate
1	58
2	67
3	75
4	83
5	92
6	100

Five-Year Build-up Schedule[74]

Year	% of Stabilized Occupancy Rate
1	73
2	80
3	86
4	93
5	100

Renata knew that with only nine units she would have a very small marketing budget. She also knew that the remote location offered little opportunity for visibility. On the other hand, by designing a product that was unique, eye-catching, responsive to the environment she felt that the resort would be written up in the better travel and life-style magazines in both Europe and Brazil. She weighed that information and wrote her own build-up schedule.

4.06 ADR Forecast for Proposed Hotel

ADR January – October 2002[75]

Hotels	Rooms	ADR
Praia do Forte	249	384,42
Transamérica	359	439,29
Superclubs	324	425,27
Marriott	256	262,52
Renaissance	237	261,82
Sofitel Conv	404	241,12
Sofitel Suítes	198	300,44
Catussaba	256	177,97
Cabo Sto Ago	298	328,10
Salinas	203	161,52
Summerville	202	297,84
Blue Tree Angra	319	419,43
Total	3305	329,35

Renata carefully reviewed the ADR for resorts in the competitive set. She noted significant differences between the Corombau accommodations that she planned to build, and those in the competitive set.

First, all nine of the Corombau accommodations would be individual chalets or bungalows, which were infinitely more desirable than the apartment-style accommodations in all the other resorts. Secondly, all nine of the Corombau accommodations were identical, so there would be no averaging down of the rate. In the other resorts had a range of prices, and the lesser quality rooms lowered the average rate.

For example, at the Praia do Forte Ecoresort, shown above at an ADR of R$384, a superior room (far smaller and less desirable than the product she would build) double occupancy was R$ 691 per night, and single occupancy was $R 552 per night. Similarly, at the Mariott, shown above with an ADR of 262.52, a standard double occupancy with ocean view was R$ 599 per night[76].

All the Corombau accommodations would have ocean views. All would achieve a substantially higher quality in design, materials, spaciousness, privacy, than even the best accommodations elsewhere. There would be no averaging down because all accommodations were identical. The Corumbau guest profile suggested mainly double occupancy. The Corumbau Lodge would provide three meals each day as part of the ADR, whereas most of the others in the Competitive Set provided just breakfast and dinner[77].

All her instincts told her to start with a base rate higher than R$ 691, Praia do Forte Ecoresort's superior double occupancy rate. Nevertheless, in the interest of making a conservative forecast she began with the rate of $R691. To forecast the ADR as of a 2006 opening, she would need to increase this number for inflation by three years. She reviewed the inflation index for the recent past, and estimated future inflation at 8 – 10% per annum. She trended the base rate forward by 9% per annum, and rounded up to $R900.

Figure 4-3: Brazil Inflation Table[78]

Year	1969	1970	1990	1995	2000	2002
Inflation rate **(Index: 1990 = 100)**	15.48	18.9	100	166	238	275.77

Then she remembered the surge in demand for about two months beginning late December through late February. During that period, she felt that the accommodations could command their true worth. She estimated $R1200 per night for the high season.

Finally, she wanted to think about the relationship between ADR and Occupancy Rate. She looked at the graph in Exhibit 29 which showed this relationship for the properties in the Competitive Set, and wondered to what extent her choice of room rate would affect her Occupancy Rate.

4.07 Room Revenue Forecast

The forecast for Occupancy Rate and ADR, provided all the information necessary to forecast annual Room Revenue.

4.08 Non-Room Revenue

She pulled more documents out of her carry-on, and was glad she had upgraded her seat to business class. The documents were starting to pile up. Hotel Investment Advisors distributed an annual Lodging Industry in Numbers report for Brazil that included a detailed analysis of resort income and expense. She reviewed the most recent reports, and found that, in accordance with the Uniform Systems of Accounts for Hotels published by the American Hotel and Motel Association, the major categories of Non-Room Revenue were Food, Beverage, Telephone and Other Income. Immediately she eliminated Food from the list, as she planned to include three meals each day with the Room Rate. Focusing on the remaining three items, she observed that

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the average income from each of these items, as a percentage of Total Revenues, did not vary significantly from year to year. She noted the percentage for each item from the 2003 Resort Analysis.

Figure 4-4: Department Revenue as a Percent of Total Revenue

Brazil Resorts 2003[79]

Beverage	8.2%
Telephone	.8%
Other (Laundry)	1.8%

Having already forecasted Room Revenues, she was able to use the above percentages to forecast Non-Room Revenue and Total Revenue.

Renata now had the information that she needed to build the income section of the Discounted Cash Flow Analysis.

4.09 Expenses

She returned to the HIA Lodging Industry in Numbers reports. Expenses were divided into two major sections: Departmental Expenses and Undistributed Operational Expenses. The former was composed of Room Expense, Food and Beverage Expense, Telecommunications Expense, and Other Expense. The latter contained Administrative and General Expense, Marketing and Sales Expense, Energy Expense and Property Operation and Maintenance Expense.

The undistributed general expenses could be expressed as a function of total revenue. Over a three-year period, she found the following:

Figure 4-5: Undistributed Operational Expenses as a Percent of Total Revenue[80]

ADMINISTRATIVE AND GENERAL	10 – 15%
MARKETING AND SALES	6-8%
ENERGY	5.5 – 6%
MAINTENANCE	4.5 – 5.5%
TOTAL	28 – 32%

Renata felt that with a brand new facility, her maintenance expense would be below the average above. She also felt she could keep administrative and general expenses to a minimum, as she herself expected to have a significant presence at the property during the first years of operation. In sum, she thought that her undistributed expenses would fall at the low end of the range.

The distributed expenses were really dependent on the corresponding department revenue. In other words, for example, food and beverage expense were a function of food and beverage income. She noted the following over a three-year period.

Figure 4-6: Departmental Expense as a Percent of Departmental Revenue[81]

ROOM EXPENSE	27 – 31%
FOOD AND BEVERAGE EXPENSE	70 – 75%
TELEPHONE EXPENSE	99 – 120%
OTHER	3.5 – 7%

She was puzzled by the telephone revenue and expense relationship. Why did telephones at resorts operate at a loss, when the same item at urban hotels was very profitable? This would require further investigation. More importantly, she saw that the Food and Beverage expense was combined into a single line, but in revenues food and beverage were each accounted for in separate lines. This would create problems for her because, in her budget for Corumbau Lodge, the Food Revenue was part of the Room Revenue. Combining the two expense items would throw off both the Room Expense and Food and Beverage Expense calculations.

Further, how would her higher than average ADR, affect the percentage attributable to Room Expense? Would this be offset by the anticipated lower than average Occupancy Rate? Clearly, these Departmental Expenses were not best handled by the simple percentages listed above.

She remembered that her hotel text suggested an elaborate technique that involved dividing each expense into fixed and variable components. The variable component, the part that would vary with Occupancy Rate, Food consumed, etc., would be adjusted for expected conditions. The fixed component, the basic cost of providing the service, regardless of the volume of it provided, such as the employment of a head of housekeeping or a chef, would be added to the variable component[82]. This approach would require more time than she had right now.

Renata calculated the total departmental expenses as a function of total revenue. She found that over a three-year period, the percentage was within the range of 47 – 52%[83]. She adjusted the percentage in accordance with her expectations for operations.

With income and expense now under control, she had only to quantify the taxes to obtain an operating projection. This was a most unappealing thought, particularly with regard to Brazil, where taxes were known to be labyrinthine, not to mention very burdensome. She wished dinner would come soon, so she could take a break.

4.10 Tax Issues

A few days earlier, Renata had asked her attorneys in Brazil to explain the basic tax rules applicable to the investment she contemplated. She wanted to understand both the taxes payable at the entity level, and those payable in Brazil by individual investors on account of any cash distribution made to them from annual operations or from sale of the property, or as a result of any income recognized at the investor level. She also wanted to evaluate the types of entity most suitable from both a legal and tax perspective to hold and to operate the Lodge. In response, they sent her a memo setting forth the most basic elements. They advised her that tax law in Brazil was very complicated, and suggested that she not formalize any decisions about legal and tax issues until they had a chance to carefully and deliberately review the options together. Renata read the memo and tried to highlight the issues integral to her Cash Flow Analysis. She began with the taxes due at the entity level.

Income and Social Security Tax: Under Brazilian tax law, companies may elect to calculate Income Tax (IRPJ) and Social Security Tax (CSLL) liabilities using an Actual Profit Method or a Presumed Profit Method. The election is made annually. In both Methods, a Tax Rate of 25% in the case of IRPJ, and 9% in the case of CSLL, is multiplied by the company profits to determine the tax liability. The difference between the Actual and Presumed Profit Methods is that the former uses the actual profits of the company, whereas the later presumes that the profits are 32% of the gross revenues. Companies using the Actual Method follow Brazilian accounting rules, which include the right to reduce income by an allowable depreciation expense. In the case of buildings, this is normally straight-line depreciation computed based on cost at 4% per year[84].

Unemployment Insurance Tax and Welfare Tax: Companies that use the Presumed Method pay Unemployment Insurance Tax (PIS) at a rate of .65% of gross revenues, and Social Security and Welfare Tax (CONFINS) at a rate of 3% of gross revenues. Actual Method companies pay these taxes at 1.65%, and 7.6%, of gross revenues respectively, but are allowed to

reduce the amount paid with tax credits generated by a variety of transactions that arise in the ordinary course of business[85].

Service Tax: Homebuilders and some other service companies pay Municipal Services Taxes (ISS) at a rate of, usually, 5% of gross revenues[86].

Property Taxes: Entities that own real estate must pay real estate tax. In the case of urban properties, the real estate tax (IPTU) is paid to the municipality. The tax is a percentage of appraised value of the real estate, and varies by municipality. In some cases, there are extra charges for real estate used in economic activities and/or for trash removal. In the case of rural properties, the tax (ITR) is paid to the federal government. The tax is a percentage of appraised value of the real estate. The tax rate varies with size and productivity of the property[87].

Property Transfer Taxes: Buyers of real estate pay transfer taxes (ITBI) to the municipality at a rate that varies, but is normally 2% of the sales price. Buyers are also responsible for paying a variety of registry fees which vary from one state to another.

Real Estate Sale: Taxes from the sale of real estate are normally 15% of the difference between the sales price and the depreciated cost basis of the real estate investment. The tax due on sale may vary according to the entity and elections involved. For example, real estate investment funds (FII) are exempt from taxes, and there are circumstances in which a real estate company under the Presumed Method may irrevocably elect a special tax regime in which the total of Income, PIS, Confins and CSLL is 7% of the gross income including sales revenue[88].

Figure 4-7: Summary of Taxes at Entity Level[89]

	Tax	Presumed Profit Method		
		Presumed Profit Margin	Tax Rate	Effective Rate
Operation / Maintenance	Income Tax	32%	25%	8%
	CSLL	32%	9%	2,88%
	PIS	-	0,65%	0,65%
	COFINS	-	3%	3%
	ISS	-	5%	5%
	IPTU or ITR	-	r/m	r/m
		-	0.03% to 20%	0.03% to 20%
Purchase	ITBI	-	2%	2%
Sale	IRRF	-	15% (or a 25% rate)	15% (or a 25% rate)

At the investor level, taxes were somewhat more straightforward. Dividends paid from annual profits were not subject to tax in Brazil. There was however a tax on financial transfers leaving the country known as the Temporary Contribution on Financial Transfers (CPMF) tax, calculated as .38% of the funds withdrawn from the bank[90].

Capital Gain is taxed at the investor level to the extent that the funds remitted exceed those invested. The difference is taxed at 15%. The amount invested is considered the amount shown on the foreign investment registration filed with the Central Bank at the time of the investment, which registration is required by law. There is some debate as to whether the comparison of the amount invested and the amount remitted would be made in Brazilian or foreign currency[91].

At this point, Renata felt she had the tax information pertinent to her DCF Analysis. She did not want to further consider options for legal entity and their implied taxes until she knew whether the investors liked the project economics. If so, she would explore these matters in

greater detail, and also propose a deal structure, i.e., the relationship between her compensation and sharing of benefits and those of the investors. Right now, she felt that to do so would be premature.

4.11 Construction Costs

Renata had ten years of experience as an architect. Thus, she knew that an architect was neither seer nor scientist when it came to construction cost forecasting. Moreover, in a part of the world where the construction practices were unfamiliar, she had no illusions about her ability to estimate the costs by herself, never mind run a construction job.

With the help of friends, she entered into negotiations with an experienced and reputable construction manager in Porto Seguro. Geraldo Andrade was a charming and self-assured businessman who would be more than happy to serve as construction manager for this job if it went forward. His fee for the work would be a mark-up of 20% on the labor that went into the job, and a mark-up of 20% on materials and subcontracted services that he purchased for the job. The hope was that some of the major contracts, such as the contract for the sewer treatment plant, could be handled directly by Renata to save the mark-up. As part of his job, Geraldo would help to estimate the construction costs. Part of the deal with Geraldo, was that the cost of labor would not exceed R$150 per square meter.

Renata had prepared a set of plans (Exhibits A, B, and C) that could serve as a basis for estimating the job. The plan called for constructing the resort campus in a fairly small area of the site, allowing most of the site to remain in its natural state, or to be reforested. The buildings consisted of: 1) 9 bungalows (also called cabanas or chalets); 2) the main salon which also housed the restaurant; 3) the reception building including accommodations for Renata and for investors who may wish to stay at the resort during the busy season when the cabanas were booked, as well as the reception offices; 4) another building for staff accommodations; and 5) a laundry.

Geraldo had furnished a detailed estimate of the reception building. It showed a materials cost of R$ 529 per square meter including his mark-up. To this she added the agreed-upon maximum cost of R$ 150 per square meter for labor, plus the mark-up thereon. To calculate the total for this building, she applied the estimated cost per square meter to the gross area of the reception building including outdoor built spaces.

Renata was concerned about whether this estimate accurately accounted for some of the unique aspects of the construction. For example, in Brazil, walls were normally built of brick with a cement skin. By contrast, this job specified long-forgotten indigenous practices, such as making the bricks of clay and sand. The mixture would be poured into wooden molds that the builders would also make. Similarly, the adobe walls of the cabanas would be built of wood strapping with clay and sand on the inside and the outside[92].

These processes, because they were unknown in the industry, would at the outset involve a lot of testing. Different mixtures would have to be allowed to set for weeks to see how they hardened, so that the proper mixture could be identified. What the job would save on the cost of bricks, it would incur training, testing and novel procedures[93]. Would these costs offset?

At the same time, she could see that the estimate per square meter for the reception building was well above published indices, and that it was being multiplied across the entire area including the verandas.

She then repeated the process for the bungalows, starting with Geraldo's materials estimate for these buildings, including mark-up, of R$ 833. Again she used the gross floor area including outdoor spaces such as decks. She did not have a materials estimate for the salon. Based on the specifications, it seemed reasonable to apply the per square meter estimate for the reception building, including materials, labor and mark-up, to the salon.

She decided that, because the employee housing called for construction typical of the area, she would base her estimate on what she understood to be typical recent construction costs

of R$ 300 per square meter including materials, labor and mark-up. She did the same for the 141

square meter laundry.

She began to build her construction budget. At the top she listed the "Administered

Work" items, those that would be handled by Geraldo, and therefore were subject to a 20%

charge. Below these, she listed the services and materials that she herself would buy or contract.

Administered items	Sq. Meters	Budget/ Sq. Meter	Budget
EMPLOYEE HOUSING		300	
LAUNDRY	141	400	56,400
RECEPTION			
CABANAS			
SALON			
SUBTOTAL			
Direct items			
WATER HEATER	NA	NA	25,000
GLASS	NA	NA	60,000
SEWAGE TREATMENT	NA	NA	49,000
TELEPHONE	NA	NA	20,000

PLANT MATERIALS	NA	NA	100,000
ELECTRIC	NA	NA	100,000
KITCHEN	NA	NA	100,000
EXCAVATION, OVERHEAD, FURNISHINGS, SOFTAND OTHER	2,955	100	295,500
SUBTOTAL			749,500
TOTAL			
CONTINGENCY			
PURCHASE			940,000
TOTAL LAND AND CONSTR			

As she put the finishing touches on the construction budget, she had the feeling that she was forgetting a few things. Well, she would think of them eventually, and she did have a contingency.

She moved her papers off the tray to allow room for the dinner. The timing was great. All the pieces necessary for her Discounted Cash Flow Analysis were complete, and after dinner she would pull them together.

5 Risk

Having completed the DCF Analysis, she wanted to test the sensitivity of the IRR to potential variances in expected outcome. In other words, she wanted to see how the return would be affected by setting up scenarios that differed from her expected scenario. This type of Sensitivity Analysis depended first on identifying the sources of risks in the investment, i.e., the places where variances may occur.

The main sources of risk she felt were variances in the ADR, Occupancy Rate, timing and construction price. There were also potential variances in the cap rate used to calculate the sale of the property in year 10. But she was not sure that her investors would limit the risks to just these items.

Investors in foreign countries were often concerned about many other types of risk: sovereign risk, political risk, transparency risk, title risk, regulatory risk, exchange control risk, contract risk, and so forth. Her investors were no different. One of them, for example, had expressed concern that Lula would follow the path taken by the leftist presidents of Venezuela and Bolivia, who had confiscated private assets without compensation, publicly called for resistance to global economic practices, rallied opposition to the institutions supporting those practices such as the International Monetary Fund and the World Bank, and led a public relations campaign against the United States. According to her investor, since similar problems of misery and inequality existed in these countries as in Brazil, and since Lula was the head of the Workers Party, Brazil would solve its social problems in the same way. As another example, her investors, like everyone else, had heard the stories of the violent Landless Workers Movement invading properties to steal them from the owners. Weren't there even laws that gave squatters special rights? There would doubtless be other fears about dubious title, an unworkable legal system, not being able to remove money from Brazil, and so forth.

Renata had looked into all such "risks" to the proposed real estate investment, and found them to be as real as the monsters that lay waiting in the Sao Francisco River in Bahia. To

protect against these monsters, River boats, beginning in the late eighteenth century, sported *carrancas*, i.e., terrifying brightly painted sculptures of sharp-toothed, wide-eyed, humanoid faces, sometimes hybridized with animals, on their bows[94]. Perhaps, she mused, a *carranca* would be helpful in Lisbon.

To be fair, however, this genre of risk was not altogether fantasy, and Renata had concerns of her own. First, the property sale would be a sale of possession (*posse*), not a conveyance of a title deed. Possession would allow her use of the property, unless, within a statutory period, a title-holder appeared, and brought legal action to remove her. In that case, she and her investors would have no rights to the property, notwithstanding the payment of purchase money. In general, such a purchase was highly inadvisable. But there was no way around it. The Seller had just bought the posse himself. Moreover, she had learned that it was common in some areas of the extreme south of Bahia, such as in Corumbau, for buyers, under certain circumstances, to buy possession, and immediately move to "legitimize the possession", a process that would provide title within a few years. Her attorneys would have to confirm the details, but she had grown more comfortable with the concept[95].

Second, she had heard rumors that the land may be subject to Indian claims. She spent a fair amount of time at the FUNAI (the federal department of Indian affairs) offices reading maps and discussing the issues with officials. She had also gone over the situation with the officials in the State Tourism Office. Everyone had assured her that there were no such valid claims. She was satisfied, but she would have to satisfy the investors.

The principal challenge in dealing with questions of perceived risk, was time. Investors liked simple, clear, well reasoned presentations that took no more than 20 minutes. Their concerns, however, could not be dismissed quickly. To evaluate these concerns, she herself had spent weeks researching the history and current state of land use and land rights in Brazil. She had spoken at length with real estate attorneys and with scholars about the political, regulatory and legal risks of real estate investments.

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She decided that, rather than try to cover the risks comprehensively in a presentation, she would put her extensive notes into a memo form, and hand it out to investors. Whether they read it or not, they would at least know that the issues had been thoroughly investigated, and the risks weighed. She spent an hour or so writing the memo.

5.01 Memo: Brazil Real Estate/Country Level Risk Analysis of Legal, Regulatory and Political Issues

Memorandum

Date: March, 2003 [Revised 2007]

To: Investors

Re: Brazil Real Estate/Country Level Risk Analysis of Legal, Regulatory and Political Issues

The intent of this Memo is to assess the risks that foreign investors face in Brazil's emerging real estate markets. A country-level analysis of real estate risk is a first stage analysis that, if encouraging, may motivate a second stage examination of the country's more specific geographic/product market risks, such as, for example, risks in the Sao Paulo retail space market. A further step, if warranted, would analyze a specific investment opportunity. This Memo deals with only the first stage analysis, that is, it seeks to understand Brazil's country-level real estate risk in order to better judge whether its *ex ante* unlevered real estate returns, which are relatively higher than returns available in more developed countries, merely reflect higher risks or signify actual arbitrage opportunities.

As to arbitrage, economic theory holds that well-developed markets are informationally efficient. If all participants have the same information, then prices are bid up competitively until investment returns and risks match. It is possible, however, that in less developed markets,

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foreign investors do not have accurate and complete information, and therefore may exaggerate the risks, or believe the risks to be incalculable. In that case, some investors would be deterred from investing by the opacity of a market, leaving those who are able to penetrate the foreign business, political and legal environment to earn systematic excess returns, i.e., arbitrage.

Recently, there have been several attempts to capture country-specific real estate risk in the form of real estate risk indices. A risk index allows investors to compare risk ratings among countries, and should, in theory, be useful to narrow the field of potential targets for international investment[96]. However, risk indices at this point have significant shortcomings that render them suspect. These flaws in the way indices are constructed, which are discussed in the appendix to this Memo, beg for another approach to risk evaluation.

The approach taken here is relatively straightforward. Brazil's country-level real estate risk is composed of risks in its legal, regulatory and political systems. This Memo will look at those systems from a present day and an historical perspective, and analyze the risks or perceived risks arising from them[1]. The historical perspective is needed because the systems in question have evolved in response to a political history of conflict and compromise. This history must be considered in order to form a reasoned judgment about the systems and the risks, if any, that they pose. Moreover, a longitudinal analysis helps to reveal the long-term trends in these risk factors much the way a time series analysis reveals long-term trends in a variable under study, and allows econometric inference about its future direction. The analysis will draw conclusions about the

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[1] The analysis will focus on <u>land</u> and land rights, in part because, for reasons discussed in the section on land use regulations, real estate investment in Brazil is primarily investment in real estate development projects involving acquisition and permitting of <u>land</u>, and new construction thereon.

perception of country-level risk in Brazilian real estate, and the extent to which these perceived risks have a basis in fact.

Longitudinal Analysis

The most striking feature of land ownership in Brazil today is its extreme inequality. Issues that concern some investors weighing options in Brazil, relate to popular conceptions, or misconceptions, of how the State responds or may respond to such pronounced inequality. The questions of land ownership concentration and the proper role of government, if any, in addressing land inequality, have roots in early Colonial Brazil. That is where this analysis begins.

1500 – 1550

There were two significant land rights decrees issued during the very early colonial period. The first was issued in 1532, shortly after the Portuguese, the first Europeans to arrive on the shores of Brazil, made their landfall in 1500. The Portuguese Court established a land rights policy based on a system that had successfully settled the Madeira Islands[97]. That policy, known as *capitanias hereditarias*, divided the Brazilian coast into fourteen provinces. The Crown granted the land to twelve proprietary captains (two captains got two provinces each) all of whom had court connections[98]. It did so with the expectation that the captains would establish settlements there. However, the income that the Court expected to derive by sharing in the provinces' Brazil wood profits fell short of expectations. By mid-century, two of the captaincies were abandoned altogether by their grantees, two provinces were successful, two were complete failures, three were failing quickly and the remaining five were nothing to write home about[99].

Accordingly, the Court reclaimed the authority it had granted to the captains, re-purchased some of the land, and established a governor for the whole colony in 1550. By that time, the principal crop in Brazil was cane sugar[100].

In an effort to encourage sugar production, the Crown issued its second land rights decree in 1550. It offered large land grants, known as *seismarias*. These granted the holder complete property rights in the land, provided that the holder use the land productively.[101] This productive or beneficial use condition of ownership is a feature that remains embedded in the Brazilian outlook on land rights. It periodically fades from view and resurfaces, most recently and explicitly in the current version of Brazil's constitution.

1550 – 1822

Silence is the most prominent feature of this nearly three-hundred-year history in land rights. During this period, the colony depended on land for its revenues, shifted its principal use of land three times, multiplied its population by more than ten, forced ranchers and subsistence farmers away from the coast to open land for the mono-cultural export crop of the moment, penetrated its frontiers in search of gold, generated large movements of population, battled the French, Dutch and Spanish to the death for control of land, and incurred a major scientific expedition to the interior to establish new international land borders.[102] Yet, there is no evidence of any development in domestic land rights.

One might argue that the Seismaria system was so effective that there was no need for change. In fact, however, eligibility under the Seismaria system was widely inapplicable. In the context of the sugar economy, Brazil's principal economy for almost a century beginning in about 1550, the beneficial use condition allowed only those with the significant capital required to start

a sugar mill to apply for seismaria, and therefore to own land[103]. Thus, the many ranchers and small farmers who worked land to the interior of the sugar plantations along the coast, and provided food for the coastal towns, had no title to the land they worked. They were squatters. As such, they were forced off their lands to more interior locations as the sugar economy expanded inland. Indeed, the only reason we know about this population, which may well have been in the majority, is because of tension and conflict that erupted between them and the coastal towns[104]. The Seismaria system did not regulate land use for much of the population. Instead land use, but not ownership, was obtained by squatting (*posse*) and held by observed social norms[105].

The Seismaria system was an equally ill-suited tool for land governance as the population resettled inland, drawn to Minas Gerais by the gold rush that began in about 1700. By 1750 the greatest concentration of Brazil's rapidly growing population was no longer in the coastal areas[106]. The Population began shifting again as the gold boom declined in 1760. But land rights for Brazil's population remained essentially non-existent.

In 1822 Brazil established its independence and abolished the *seismaria* system, but it established no new land policy at that time. Land use continued to be acquired by *posse* and held either by social norms or by the potential for force. The result was the formation of large estates or *latifundia*[107]. Thus, from the early colonial period through Brazilian independence, land ownership was concentrated by government grants of large parcels to either wealthy or well connected grantees, and by the lack of a land rights policy, which allowed those who could possess and defend large areas of land, *de facto* rights in those lands.

It is important to understand that Brazil did not establish its independence in a revolution against an overseas monarchy. In a series of remarkable events, Brazil ended up importing the

Portuguese Court to Rio and making Brazil the center of the empire. In other words, the

Brazilian response to the problem of "taxation without representation" that rallied the colonies in

North America to revolution, was to move the entire Portuguese government to the tropical

colony of Brazil and (eventually) set up a constitutional monarchy there. Brazil was motivated to

choose this route in part because its elite, a landed elite, feared that a revolution undertaken in the

name of liberty would challenge the institution of slavery, on which the elite depended[108]. Thus,

the Brazilian elite brought the monarchy into its own sphere, preserved royal power, continued

the institution of slavery, and headed off any nonsense about liberty and equality for all, in a

single gesture. The importance of these events for the development of land rights will soon be

seen.

1822 through 1888

Brazil did finally pass a land law in 1850. There are two different stories as to how this

came about. Brazil's coffee economy began in the 1820's in the state of Rio de Janeiro, and

spread subsequently to Sao Paolo and Minas Gerais . By 1835, Brazil was the largest coffee

producer world wide. Coffee production, unlike sugar cultivation, was not so capital intensive,

and therefore was available to small entrepreneurs. According to one version of the story, the

absence of a land policy led to conflicts as increasing coffee prices drove up the value of the land.

Politicians were asked to clarify land claims. The response was Land Law 601 of 1850[109].

Another version of the story argues that the law was not the least interested in clarifying

land rights or resolving conflicts between private land claimants. Its sole purpose was to

document the lands free of private claims, and therefore property of the Empire. According to

this version of the story, the government was intent on inventorying public lands so that it could

offer parcels to possible immigrants as an enticement to move to Brazil. That, in turn, had been

motivated by the widespread recognition that slavery was in its final days and therefore the Brazilian elite needed another source of labor.[110]

The second version of the story is the more persuasive.[2] Moreover, the Land Law of 1850 did not clarify land rights, provide governance or clear a path toward a more equal distribution. In fact, it worsened the inequality as described below.

The new law: 1) legalized existing *posses*; 2) validated all *sesmarias* previously granted; and 3) prohibited future *posses* for acquisition of land. The first two provisions, in effect, legitimized the unequal concentration of land ownership. The third provision prohibiting posse was, in practice, impossible to enforce on the frontier where it remained the principal means of settlement[111]. However, though posse continued as a means of <u>using</u> land on the frontier, the third provision made clear that the only path to ownership (rather than just use) was by purchasing land. That insight gave rise to the practice of landgrabbing (*grilhagem*) as a means to a acquire ownership of large tracts of land throughout Brazil[112]. It worked like this:

"The term *grilagem de terras* arose to describe a stratagem used at the end of the nineteenth century. Brazilian literature reveals how title counterfeiters placed their falsified deeds into drawers with crickets (*grilo* in Portuguese). The drawers were kept closed for several weeks. During this time, the insects decomposed on paper, emitting a tobacco-brown fluid which the falsifiers used to reproduce the characteristics of antique paper, making it appear as if it had been produced many years before (Lobato, 1948). The

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[2] Nugent and Saddi point out that the Law was passed two weeks after the Eusebio de Queiroz law that stopped slave importation, and its supporters argued explicitly that quick passage of the Law was required due to the end of slavery.

terms *grilagem* (landgrabbing) and *grileiro* (landgrabber) are entries in leading Brazilian dictionaries."[113].

It is important to note that the practice of landgrabbing did not end in the nineteenth century. It has continued through the present in ever more sophisticated forms, i.e., without crickets.

1888 - 1920

In 1888 Brazil officially ended slavery. Even the Emperor had heartily endorsed abolition in a letter he signed with the pseudonym "the Philanthropist"[114]. The irony that Brazil's king failed to appreciate was that, from the perspective of the Brazilian elite, the main reason to preserve the monarchy was to preserve slavery, as indicated above. By endorsing abolition, the monarch was indeed acting philanthropically. He came another step closer to giving away his empire.

Indeed, in 1889, the Brazilian military provided him transportation to the harbor, and sent him packing[115]. Like virtually all transitions in Brazil's history, the transition from monarchy to republic was bloodless and seamless.

In connection with land rights, the important factor in the transition is that royal rights and power did not really disappear with the departure of the royal family. While the elites appeared to establish a Republic, they really sublimated the powers of the monarchy in an elite oligarchy. They did this by creating a federation of states with significant independent powers, maintaining control over the states by ensuring their own election as governors, and cooperating with one another to choose the president of the Republic. Since Brazil was still very much an

agricultural country, the elite controlled large land holdings, and ran the country with those interests in mind.

In that spirit, the newly formed republic of Brazil issued new land laws that did not change land distribution. The substance of the new laws was to: 1) legalize the right to claim public land by *posse*, and to obtain title to that land upon cultivation for one year; 2) legalize the right to use unproductive private land by *posse*, and, if not contested by the private ownership, the right to legal title after five years of use; 3) place public lands in the hands of <u>state</u> governments (except for country borders and, later, lands in the Amazon)[116].

Placing public lands in the control of the states invited state governors to grant land in return for political favors. Legalizing *posse* as a means to obtain ownership of land, was useful to elite landowners with the power to take and protect land by force. Indeed these changes led to extensive squatting and violent evictions. Coupled with the problems of unequal land distribution, overlapping land grants, land grabbing and slow titling processes, the new laws planted the seeds of conflict.

1920 - 1945

Agrarian conflict, however, was manageable by the agrarian elite. All was well, provided the elite oligarchs cooperated. In the 1920's, however, conflict among the oligarchs grew. The reasons for this are complex and not germane to this analysis, except to mention that Sao Paulo had pulled ahead of the other states in modernizing and industrializing. The conflict among the elite families led to a coup that in 1930 installed the losing presidential candidate, Getulio Vargas to power, amid charges of voter fraud (which was actually standard procedure and very useful while the elites got along). Vargas, who was from the state of Rio Grande do Sul,

remained in power until 1945 at times establishing legitimacy and at times through a strong

relationship with the military that supported a strong federal government. By installing his own

overseers in each state, Vargas built a strong central government, in effect reclaiming much of the

monarch's power to himself. The details of Vargas' fifteen year rule are fascinating, but what is

important to note for this analysis is that Vargas primarily focused on national, urban and foreign

policy issues. But Brazil was still an agrarian society. In 1940, 2/3 of the population still lived in

rural areas[117]. The fact that no significant land reform legislation was passed under Vargas does

not seem to have been inadvertent. Vargas himself was an elite landholder. Skidmore points out

that after Vargas returned to private life, "Vargas had the sympathy of fellow landholders, who

were grateful he had never threatened the existing system of land tenure." Vargas, who had been

deposed by another bloodless coup, was able to win a popular election, in part because of his

support from landholders[118].

1946 - 1980

The Constitution of 1946 introduced the idea of expropriation of unproductive private

farms[119]. Thus, the idea of productive use as a condition for land ownership, which first made its

appearance in 1550 as a condition for seismaria, reappeared in the middle twentieth century.

The resurfacing of the beneficial use criterion reflects in part the growing visibility of

land reform as an issue on the political agenda of the 1940's and 1950's. By the 1960's the need

for land reform was widely acknowledged, and the debate focused on specific approaches. In

1964 a military coup took control of government. Military control was precipitated in part by

concern among the elite about land reform proposals that would not provide full compensation for

government expropriated land[120]. The military dictatorship itself saw the need for land reform,

and passed the Land Statute in 1964 which allowed the federal government to expropriate land,

with compensation, to achieve a social good. The idea of taking private land for fair value, and

redistributing the land into private hands, is the framework that has given direction to the agrarian reform policies of the civilian governments that followed[121].

Military rule lasted twenty-one years. By 1970, the military government had shifted priorities away from land reform. It focused on modernizing agriculture through technology and tax breaks. It dealt with the demand for land reform by repressing workers rather than by settling them. Modernization of agriculture created unemployment among rural workers many of whom moved to the urban edges to become seasonal farm workers for agribusinesses. In this period, the public voice of rural workers was the Confederacao Nacional dos Trabalhadores na Agricultura (CONTAG), the farm workers union. The union role, however, was limited. More important was the Catholic Church, which formed the Pastoral Land Commission (CPT) in 1975. The CPT helped mobilize rural workers, train leaders, legitimize resistance, and encourage a more confrontational approach to rural activism[122].

1980 – 1994

In the 1980's things got more complicated. Hydro-electric dam construction in many parts of the country dislocated small farms resulting in both demands for compensatory damages, and in protest against forced displacement. Tax and credit motivated expansion of the cattle industry destroyed native forests in the frontier states stimulating protests by rubber workers and environmentalists. Increasingly there was confrontation between small farmers and agribusinesses over a variety of matters. Rural workers suffered and sought to make their conditions more visible to the general public. Most importantly, the grassroots Movement of Landless Rural Workers (MST) was born in 1984, just as military rule was winding to a close[123]. MST took advantage of the re-democratization of the Country to implement its strategy of violent occupation of private unproductive farms. MST was to achieve worldwide recognition and media

attention, and to become the most important actor in the land reform movement. The objectives

and strategies of the MST will be discussed at some length in the section on risk of expropriation.

In 1985, civilian government resumed. The Sarney administration appointed advocates

of land reform to head the principal land reform agency INCRA and MIRAD. The result was the

proposal for a National Agrarian Reform Plan (PNRA). The proposed PNRA was an intensified

version of the Land Statute. It proposed to compensate land owners for expropriated land at the

land's declared value for tax purposes, which was almost always well below market value. It

proposed a progressive tax on underutilized land, and the reclamation of public lands that had

been illegally titled as private holdings. The proposal's objective was to settle 7 million landless

households of the then existing 10.5 million households over fifteen years. The proposal was

endorsed by CONTAG, but met with resistance from both the left and the right. The MST in

particular had no confidence that the government would expropriate and redistribute significant

land. The MST was right. The landowners were able to negotiate changes to the Plan including

an exemption from expropriation for any farm in production, regardless of its size. (In other

words, as long as some part of the farm was productive, all associated landholdings were

exempt). As a consequence, only 140,065 families were settled between 1985 and 1994, a lower

order of magnitude than intended[124].

Thus, in the re-democratization period following the end of military rule, the conditions

of rural workers, their need for land, and the inequality of land ownership, became publicly

visible issues. Brazil adopted a new Constitution in 1988, its current Constitution, which again

weakened central power and distributed these rights to the states, where they were controlled in

large part by elites. However, the Constitution also addressed the need for land reform very

directly as will be discussed in both the section on Squatter Risks and Expropriation Risks below.

The Cardoso government took control in 1995 with agrarian reform high on its priority list, and a plan to settle 280,000 families in the administration's first term. The top priority, however, was stabilizing the economy and fighting inflation. Agrarian reform quickly fell by the wayside. The neo-liberal government was more interested in stimulating the growth of Agribusiness and therefore Agro-exports, to generate a positive balance of trade, than it was in developing family farming. In reaction, the MST accelerated the pace of occupations. That resulted in high profile massacres bringing domestic and international pressure on the Cardoso government. The MST then staged a massive three-month march on the capital from across the country, which brought front page news coverage to land reform and stimulated an anti-government movement[125].

In response, the Cardoso government sought to take the initiative for agrarian reforms from the MST. The administration passed a series of measures designed to reduce the cost and increase the pace of expropriation. It passed another set of laws to de-claw the MST. In particular, the administration passed laws prohibiting the expropriation of properties that had been invaded, prohibiting the distribution of public funds to anyone who participated in an invasion, and suspended negotiations on any issue in connection with the occupation of a public building. It also charged and imprisoned MST leaders for a variety of alleged misdeeds[126].

More importantly, the government shifted the conversation about agrarian reform in the direction of market led agricultural reform (MLAR) based on the World Bank proposals that encouraged direct negotiations between landless workers and landowners, accompanied by financing and technical assistance to enable land acquisition and successful agriculture. This was a marked departure from the redistributive reform the MST encouraged. (It also created tension

within the ranks of the agrarian reform movement because CONTAG supported the government's principal program and MST did not). The program details are not terribly important here. Suffice it to say that the success of MLAR under Cardoso is still hotly debated[127]. Clearly, however, Cardoso did not have a significant impact on the concentration of land ownership. Looked at from the perspective of the Gini coefficient measuring land concentration in Brazil at .842 in 1960, and .843 in 1998, these efforts were unsuccessful[128].

The more important outcome of the debate over state-led v. market-led reform was the alignment of the neo-liberal government with the moral position of the landed elite in de-legitimizing the MST struggle as undeserving, seeking a handout and avoiding hard work. For both the agrarian elites and the neo-liberal reformers, property rights are evidence of self-reliance and playing by market rules. However, the notion that ownership in property is the natural consequence of hard work and faith in markets is a distortion of the whole history of land grants to those with court connections, land grants to those with large capital, land grants for those with State political connection, taking land by force and landgrabbing by title deed forgeries and other techniques, and land handouts to immigrants to attract a labor force. Nevertheless, the alignment of the neo-liberal reform and the moral position of the landed elite caused an important shift to the right in the public attitude toward land redistribution and other government-led policies to redress inequality[129].

2003 - Present

Lula, the Workers Party candidate whom the MST had strongly supported and who featured quick large-scale agrarian reform prominently in his platform, was inaugurated in January 2003. First on his agenda, however, was not agrarian reform, but rather a campaign to end hunger. Then he slashed the INCRA budget for land acquisition of land (as well as slashing

other social programs) in order to reach the budget surplus targeted by the IMF. He was slow to appoint the technical commission that would draft the new agrarian reform plan for the government (PNRA – II). Few families were settled in 2003[130]

The Lula government's reform objectives were very similar to those of the Cardoso administration in that both wanted to create sustainable settlements that would provide jobs and raise incomes for rural workers. The new plan contained the additional objectives of social inclusion and diversity. In that regard it required title deeds in the name of couples regardless of marital status, increased availability of credit for rural women, sought to identify the title and historic landholdings of Quilombo communities, prioritized the marking of Indian territories and the removal and resettlement of non-indian squatters from those territories, targeted assistance to populations displaced by large government infrastructure projects such as dam construction, and promoted environmental issues. The government abolished Cardoso's MLAR programs, but included new MLAR programs in cooperation with the World Bank. The emphasis, however, was on state-led reform through expropriation and resettlement rather than on MLAR. The Lula government planned to increase the package of loans and technical assistance that would accompany resettlement to assure an above-poverty living standard for the beneficiaries of resettlement. Thus it placed a higher priority on the quality of the result, than on the quantity of people resettled. It also wanted to focus resettlement efforts in state identified zones that were appropriate for agriculture. Above all, Lula maintained the Cardoso model focused on generating a trade surplus from Agro-exports. The Lula government has favored the agribusiness sector and is, at the same time, trying to pursue social policies[131].

The Lula government has not been very successful in terms of numbers of families resettled. It does seem to have improved the living standards of those resettled under the Cardoso administration, and of those it itself resettled. In addition, it brought electricity to 17,000 rural

families on 220 settlements through a national electrification program. It has developed an understanding with the MST. While the legislation passed by the Cardoso administration precluding post-occupancy expropriation remains on the books, the government has recognized the agrarian social movement as a partner in defining policy for credit, technical assistance and adult education. The government does not persecute the MST, and in return, the MST agrees that it will occupy only public lands so as not to run afoul of the law. The reform movement appears to understand the constraints under which Lula is working. The government is a coalition government which the Workers Party does not control. To govern, Lula formed a broad-based alliance including those opposed to agrarian reform. His cabinet includes important positions filled by those who are opposed to change. Further, the neo-liberal reforms of the Cardoso administration shrunk the INCRA, demoralized its staff and eliminated or privatized programs important to the agrarian reform. So the ability of the government to implement even modest objectives was compromised by the dissembling of the machinery of government. Finally, the extremely important Agro-export sector which was traditionally silent on the issue of land reform, became strongly opposed to it for their own reasons: Agribusinesses are now competing with the social movement for the unproductive lands. Thus an industry that is extremely important to the economic health of the Country has joined the coalition opposed to land reform[132].

There is little doubt about Lula's sincere commitment to land reform. What is noteworthy is his inability to pull it off, notwithstanding his control of INCRA's budget and appointments. The results demonstrate the limits of federal authority and the existence of a complex set of influences, constraints and political actors that ultimately shape the quality, size and pace of land reform[133].   Meanwhile, Lula seems to have struck compromises that allow Brazil to satisfy super-national institutional requirements, compete in international trade, accumulate foreign reserves, grow its Gross Domestic Product, and give appropriate recognition

to many different interest groups, while slowly addressing the problem of inequality. From a foreign investment perspective, this is an inviting state of affairs.

As to the overall message of this history, Adam Smith wrote of the invisible hand that optimizes economic results notwithstanding the motivations of the individual participants. If there is an invisible hand at work in Brazil, it belongs to the elite, has optimized outcomes for landowners for 500 years, and continues to do so. The elite have shown an uncanny ability to read and anticipate the pulse of the country, and to strategically abort virtually any policy contrary to its interests, often when the policy is an idea or philosophy *in utero*.

Some investors fear that the resulting inequality in Brazil will cause the country to follow in the footsteps of the self-proclaimed New Bolivarians, Chavez in Venezuela and Morales in Bolivia. In that regard one must remember that Brazil never had an old Bolivar.

Further, unlike Venezuela and Bolivia with powerful central governments and a population concentrated in their capital cities, Brazil is disbursed. Its population and its power centers are spread across a giant country larger than the continental U.S., and far more difficult to travel. In part, because of its size and political structure, Brazil was never able to implement the extreme measures prescribed by the IMF and economists such as former Harvard economist Jeffrey Sax. Not so with Venezuela and Bolivia. The New Bolivarian movements in those countries are, arguably, a reaction to the large doses of medicine they swallowed[134]. Further, Brazil is unlikely to repudiate globalization. That is more a worry for the United States. It is not Brazil that is losing vast numbers of jobs because globalization demands manufacturing where the factors of production are least expensive. Brazil is a beneficiary of globalization.

Consequently, any concern that Brazil may be ripe for a major revolution, confiscation of land or even a major policy shift, is without substance. Brazil is growing, albeit more slowly in the overall than is China. But, Brazil has been addressing its principal problem of inequality. According to The Economist, in Brazil, the poor are in fact "living Chinese growth rates"[135]. In sum, from the point of view of history, the interests of landowners have been well protected. Trends look favorable. Nevertheless, land reform, whether market- led or state- led, is an important feature of current law, and is likely to remain an important feature of the political agenda. Accordingly, the next section looks at the risks posed by the present day laws and regulations.

Cross-Sectional Analysis

Land rights in Brazil today have a split personality. On the one hand Article 524 of the Civil Code provides title holders the right "to use, enjoy and dispose of the goods, and to receive them back from those who unjustly possess them". [136] Under the Civil Law, and subject to paying taxes, land owners can buy, sell, borrow against, rent, develop (subject to land use regulations), etc. their real estate as they see fit, much the way they can in the United States. Constitutional Law, however, limits those rights in two ways.

Squatter Rights Risks

First, Article 196 of the 1988 Constitution allows for squatters to occupy and claim up to 50 hectares of vacant private land. If the squatter occupies the land for five consecutive years without protest from the owners, the squatter may secure title to the land. If the owner opposes the squatter and has him evicted, the owner is required to pay the squatter compensation for improvements made by the squatter[137].

In the United States, a provision for squatter rights, referred to as adverse possession, is a feature of land rights in most states. In Massachusetts, for example, Chapter 260 Section 21 provides that twenty years of continuous, exclusive, open, adverse and notorious possession is sufficient to obtain title. Though five years as required by Brazilian law is a short period in which to establish the right to ownership, the concept is not unfamiliar to U.S. real estate investors.

Moreover, Brazil's squatter rights do not pose any particular risk to real estate investors, foreign or domestic, except that absentee owners of real estate not under professional management, must undertake periodic inspections, and initiate appropriate court action if squatting is observed. Buyers must also make a physical inspection of the property before buying to ensure that no one, other than employees explicitly on payroll, is living on the property[138].

Special Rights of Adverse Possession

Special rights of adverse possession attach to *Quilombolas* or slave descendants able to demonstrate that their families have continuously occupied a land area since 1888. In the general case of adverse possession, landowners may preclude the squatters' right to title by raising a protest before the five year period has matured. In the case of *Quilombola* adverse possession, the squatter has the right to title regardless of landowner objections[139].

Expropriation Risks

The second constitutional limitation to the land rights provided under civil law derives from the history of the beneficial use condition and of the land reform movement, explained in the preceding section. Articles 189 and 191 vaguely and generally describe the social function of

land and authorize the federal government to expropriate land that does not meet the beneficial use criterion. The intent is to allow the government to take private land, and <u>compensate</u> the owner in order to give the land to small farmers. It should be noted, however, that there is disagreement about whether the government pays just compensation for the land. (The arguments have been made both ways.) In any event, the government does not pay in cash, except for any land <u>improvements</u> that are expropriated, but rather issues Agrarian Debt Bonds or *titulos de divida agraria* (TDA) that pay over ten years with interest[3]. As explained below, none of this poses any risk for foreign real estate investors, but it does affect prudent investor behavior as set forth below.

The two Constitutional provisions described above, i.e. the provision related to squatting and the provision related to productive use, need to be discussed in the context of the activities of the MST, an organization world renown for its open and combative invasions of private lands, and for the violent confrontations that ensue when a landowner tries to remove them from the real estate. These activities are often misunderstood by foreigners. First, MST activities have nothing to do with Article 196 of the Constitution, i.e., their activities have nothing to do with the squatting provision per se. It is not the intent of the MST to invade private lands and hope that the landlord does nothing about it for five years. On the contrary, the intent of the MST is to trigger a government expropriation by inviting the opportunity for violence. Adverse media attention such as a violent MST invasion embarrasses a Brazilian president. Accordingly, the MST motivates the government to intervene before or during a violent eviction by demanding that the government begin the *desapropriacao* or expropriation process, which will normally end the violence. The government needs motivation to act quickly because INCRA, the federal agency that handles the mechanics of expropriation is constrained by a limited budget.

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[3] There is conflicting information about whether the term is ten years or twenty years.

Expropriations follow carefully scripted processes and judicial procedures that are costly and time consuming. Normally the *imissao de posse* or distribution to squatters includes various subsidies, lines of credit and training programs to help the new entrepreneurs survive[140].

How does the expropriation risk affect real estate investment?

First, it is important to remember that land reform is an agrarian issue. The risk of MST-prompted government expropriation of a small development parcel in the middle of Sao Paulo is small. Further, compensation for urban land taken by eminent domain has typically been excessive.[141]

Second, foreign real estate investors who buy agricultural lands for speculation, leaving them idle in the meanwhile, are willingly taking on the risk of expropriation.

Third, investors who intend to develop resorts or subdivisions that will leave large portions of the land forested must register the environmentally protected area with IBAMA, the federal environmental agency. This registration automatically exempts the area from expropriation[142].

Fourth, investors in the Amazon region, particularly in the State of Para, should recognize that the MST is now active in this area. Investors in general should be aware if the MST is active in the area of their contemplated investment.

Fifth, it is important to record truthful information about the land price. It is typical for sellers to seek agreement with the buyer to a strategy that will allow the seller to underreport the sales price, thereby reducing taxes on sale. It is in the interests of the buyer to ensure that the

price is accurately recorded at the registry of deeds for several reasons. To begin with, providing understated price information to the registry is a recipe for problems in determining expropriation value because INCRA expropriations require *pericias* or official appraisals which include data from the registry. Further, the long-term interests of investors is served by transparency in real estate markets, and furnishing false information to the only public source of price information undercuts efforts for transparency. Further, it puts the buyer in a precarious tax situation upon re-sale, virtually guaranteeing that the problem is perpetuated. (Not to mention that it is illegal and dishonest).

Sixth, investors acquiring rural lands in areas where the MST is active should postpone closing until they are ready to commence productive use. If permits are required to develop the property, then permits must be obtained before closing so that productive use may begin immediately upon closing. Areas of environmental protection should be registered before closing. The investor should not allow any time for the land to be idle and eligible for expropriation under the beneficial use criteria in the Constitution.

Seventh, in the event of an MST invasion, a landowner who wants to prevent expropriation should proceed immediately to court[143]. The court may be expected to decide the case based on the Civil Code and issue a *reintegracao de posse* authorizing the police to evict the squatters. The courts are not responsible for land reform and will therefore issue the warrant independent of whether the claim of unproductive land use is valid. INCRA, however, is responsible for land reform, and it may expropriate land even if the court has ordered eviction. The objective of the landowner is to evict the squatters before they can involve INCRA[144]. Therefore, in this race against time, the land owner should act immediately. On the other hand, some investors have found it beneficial to have the land expropriated.

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Eighth, if INCRA decides to expropriate, the land owner may challenge the taking in court by contesting the claim that the land is unproductive. However, the chances of the MST mistakenly invading land that is being used productively or has been registered as an environmental area with IBAMA is extremely small. The MST is a sophisticated organization and does not waste its time pursuing land that is ineligible for expropriation.

Ninth, the land owner may challenge the INCRA recommended value. This, however, should not be necessary if the purchase price was accurately registered. INCRA follows a well specified valuation method[145].

In sum, the risk of MST invasion of urban land is immaterial. The risk of MST invasion of rural land is similarly remote if the land is productively used, or if unproductive environmental areas are registered. Investors who buy land in areas where the MST is active, and hold the land idle, are inviting the risk of expropriation. Accordingly, except for such cases, the issue of expropriation is not a risk to real estate investors.

Title Risk

Under the Civil Code described above, buyers of real estate may obtain good and marketable title to real estate. Title deeds are registered at the local *Registro de Imoveis* or Registry of Deeds, housed at the local *Catoria* or notary office. Registries, though administered by the local municipality, operate under federal regulations. In large cities there may be more than one *cartoria*. For example, in Sao Paulo, there are eighteen registry offices. Owners with title deeds that have not been registered may be viewed as having no legal claim to sell. Even registered title deeds must be carefully researched by buyer's counsel. There is no title insurance

available in Brazil, so due diligence typically performed by title insurance companies in the U.S., is the responsibility of the buyer in Brazil[146].

Unfortunately the practice of *grilhagem* or land grabbing through falsified title did not end in the nineteenth century[147]. It is buyer's obligation to ensure that the title deed was a valid document in the first place, and that there is a clear and registered chain of title.

The buyer must also ensure that two different title deeds do not include the same land. In rural areas, the problem of overlapping land claims, and incorrect plot plans is common enough in rural regions that the Country has implemented a new system of rural real estate registration for property greater than 10,000 ha. Currently, buyers are required to have an approved engineer perform a certified GPS survey of the lot before buyer can complete the title deed registration. It is possible that the lot area will be less than or greater than the area shown on the previously registered plot plan. It is wise to make the purchase price a function of the undisputed lot area. Thus if the lot area is smaller than expected, the price would fall. If the area were larger, however, the buyer, to incorporate the additional area, would have to seek consent of adjacent properties to accept the surveyed boundaries. Such abutter consent may be difficult to secure. The requirement of an updated GPS survey is an excellent idea. The problem with the requirement is that it is administered by INCRA, which normally takes about one year to provide an approval. The title deed cannot be recorded without INCRA approval. Land use approvals can be processed simultaneously[148].

Because the buyer may need as much as two years to secure both Land Use approvals and INCRA approval, there is a risk that by the end of the process, the buyer will no longer be able to obtain free and clear title to the property. The damages arising from that risk are greatest if the Buyer closes and pays the full purchase price before obtaining all approvals necessary to register

title deed. For example, it is possible that during the year or more necessary to obtain approvals, creditors of the seller could place a lien on real estate because it is registered in the name of the seller, even if it has been transferred to the buyer. As another example, the seller could sell the real estate more than once. Whichever buyer obtains the right to register title deed first would own the property. The buyer to arrive second to the registry would have a claim against the seller, but not against the real estate. The losses from these problems may be avoided by postponing payment and closing until all approvals, or at least those approvals necessary to register the title deed, are in hand. In that way, losses, if any, would be limited to the fees and costs of obtaining permit. It is also possible to register the Purchase and Sale Agreement thereby notifying the world of the impending sale. However, even that registration requires the INCRA approval[149].

Land Use Regulation Risk

Foreign real estate investment in Brazil is weighted toward investment in real estate development, not toward buying stabilized properties[4]. There are two reasons for this.

The first is that ownership of single buildings is often composed of separately owned units. To purchase such a building requires negotiations with multiple unrelated parties, which empowers the last seller to demand a windfall (Deal and Rossi).   Second, is that development is attractive because there is a need for more buildings. For example, the Economist estimates that Brazil has "a shortage of 8 million houses and huge pent-up demand"[150].

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[4] The major exceptions to this are retail and industrial properties and corporate real estate.

Development, whether in domestic or foreign markets, entails not only land ownership risk, but also entitlement risk, i.e., the risk of obtaining permits to build.[5] Thus land use regulations as well as land ownership law must be scrutinized for risk, if any, posed to investors.

In general there are two kinds of land use regulations. First, there are municipal zoning regulations. Cities in general will have a *plano diretor* or master plan that defines allowable uses in each zone, and indicates the minimum lot size, lot coverage ratio, floor area ratio, setback requirements (though these are generally quite small and sometimes non-existent), and sometimes percentage of permeable surface area[151].

Second there are environmental regulations issued at the Federal and State levels. Many areas of the Country, particularly areas along the coast are restricted as *Area de Protecao Ambiental* (APA) or Environmentally Protected Areas. These areas will have another layer of land use regulations. Developers working within an APA must prepare an environmental impact study for submission to multiple state and federal agencies. Securing approval for development plans from the various agencies involved may take two to three years. In general the APA regulations are intended to protect important, rare or at-risk ecosystems such as the patches of original Mata Atlantica or Atlantic Rainforest that remain along the coast, and Mangrove areas. There are also federal and state environmental regulations that prohibit construction in permanent preservation areas such as within thirty meters along rivers, lakes and streams, on certain kinds of dunes and cliffs, on tops of mountains, in flood plains, and so forth[152]. There are also environmental reserve requirements for rural lands that establish the percentage of any land area that must be kept undeveloped. The reserve requirements vary from region to region from

[5] It also entails contract risk as surveyors, engineers, environmental consultants, contractors, etc. must be contracted. These risks, however, will not be examined in this memorandum.

approximately 20% to 80%. The reserve requirements are in addition to the permanent preservation areas. Landowners file a declaration of the reserve area with IBAMA. A careful study of all environmental requirements is essential to understanding how a site can be developed[153].

Foreign Ownership Risk

Brazil's Constitution allows foreigners to own real estate in Brazil. Previously, foreigners were prohibited from owning rural lands, but that changed with the 1988 Constitution. On occasion, an ill-informed local registry of deeds official refuses to register title to a foreigner. In such a case, a foreigner may file suit and obtain a quick, favorable decision. Foreigners often elect to form, and hold title in the name of, a Brazilian company. Doing so avoids any possible problem since there is no prejudice attached to the national origin of the company's owners, or the source of the country's capitalization. Also, holding title in a Brazilian company is a good way to own coastal real estate. Private ownership of the beachfront is prohibited because it is considered strategically important to the Brazilian Navy. However, Brazilians, and Brazilian companies, even if 100% foreign owned, may obtain a use permit from the Navy for a small fee. As is the case with most bureaucratic processes in Brazil, securing this permit takes time[154].

Conclusion

This memorandum has provided a survey of legal, regulatory and political factors that may contribute to risk or the perception of risk in Brazil's real estate market. It has looked at the laws, rights, regulations and politics from an historical perspective, and from a present day perspective. Thus far, no additional risks, as compared with those of developed countries, have been identified that would explain the high risk premium paid by Brazilian real estate

investments. No risk premium could or should be paid for features, such as high fees, for example, that are just part of the investment landscape. These are not risks. They do not create variance from expectations. On the contrary, they are known conditions that must adjust the expected cash flows. Similarly, no risk premium could or should be paid for "risks", such as the "risk" of adverse possession, which management may eliminate through its protocols. Risk premium paid in consideration of known or manageable conditions, is arbitrage.

The survey, however, is incomplete. Country-level political risk must also consider the risks of inflation, sovereign debt default, currency stability and exchange control risk.   On the surface, however, it is not clear that any of these risks are actually risks to real estate investments. Often in countries that have experienced economic turmoil, real estate is the safe asset to which investors gravitate, thereby driving up its price. In Brazil, at the onset of the Cardoso administration when inflation was reduced to single digits from what had been 2500% per year, the value of real estate in some areas was reported to have dropped by 60%[155]. So, there should be no automatic assumption that financial turmoil, which may be adverse to stocks and bonds, should negatively impact real estate. More work, however, needs to be done in this area before conclusions can be reliably drawn.

5.02 Appendix A to Memo: Risk Indices

In general, risk ratings are built up from various components of risk such as country risk, transparency, and real estate specific risk. These components are themselves composed of several sub-components. For example, country risk may be composed of political risk, inflation risk, currency risk, balance of payments risk, exchange control risk, discriminatory tax regulations, limitations on foreign ownership, capital controls, lack of information, etc. Each subcomponent may be further subdivided. For example, political risk itself may have several

dimensions including frequency of government change, international conflicts, violence, armed revolts, default on international debt obligations, etc.[156]

There are several problems with the above approach. First, there is enormous potential for overlap. For example, "lack of information" may be double counted as both transparency risk and country risk. The double counting problem is exacerbated by the 'subcontracting' of the various components. That is, an index may be composed of country risk as calculated by the International Country Risk Guide, transparency risk as calculated by Jones Lang Lasalle Global Real Estate Transparency Index, and real estate risk calculated by a third party, none of whom are considering the subcomponents already factored into the work of the other. This may result in significantly overweighting a particular dimension.

Second, these indices tend to contain hidden assumptions that may not be true for the real estate of any particular country. For example, country risk includes inflation risk, which may make sense for investments in non-indexed bonds, but may not make sense for real estate. For example, when inflation was brought under control in Brazil in the second half of the 199o's, the value of real estate fell as much as 60% in some areas of the country[157]. Therefore, a negative correlation between real estate investment performance and inflation risk cannot be assumed. Similarly, the prospect of foreign debt default is not necessarily harmful to real estate because, in many countries, real estate is considered the preferred safe haven when there is trouble in financial markets[158]. In other words, real estate in some places may in fact benefit from economic turbulence, but the indices show the opposite.

Third, the indices tend to confuse risk, which necessarily involves variance from expectations, with unproductive features of a country's business environment that are absolutely predictable. Thus, high or discriminatory tax regulations, or high transaction fees, are not risks.

They are realities that must be factored into an investment decision, but do not deserve risk premium. The indices, however, tend to capture these features as part of a country's risk.

Fourth, related to the problem of including elements that are not risks, is the problem of including risk that may be managed away. For example, in Brazil, the risk of losing land to claims of adverse possession exists, but may be managed away. No risk premium could or should be expected for such risks because they may be eliminated. In fact, the existence of risk premium for such risks would constitute arbitrage for those with the skill to manage the risk.

Fifth, is the question of how the evaluator came to assign a particular number to a particular subcomponent. In this sense, the rating may not illuminate the question of risk, but rather may disguise it. For example, the Jones Lang LaSalle Global Real Estate Transparency Index explains that it assigns numbers based on answers its own managers give to standardized survey questions[159]. However, the managers' answers themselves involve a subjective evaluation process that is necessarily out of view. The nature of the risk is not clarified by saying that someone else made the evaluation.

Sixth, ratings are a relative measure. They apply based on how countries compare with other countries. Logically, this may happen in two basic ways. An evaluator may rank a component across all countries to ensure consistency of judgment, or an evaluator may rank only countries of his personal expertise, to ensure that judgments are reasonable. However, unless the rating companies employ evaluators whose expertise extends to all countries ranked (sometimes over 40 of them), the indices cannot be constructed from both reasoned and consistent judgment.

End Memo

5.03 Sensitivity Analysis

She reviewed the memo, and concluded that it objectively addressed her investors' likely concerns about risks that were not quantifiable. It would allow her to focus the presentation on the quantitative aspects of risk. She returned to the question of Sensitivity Analysis.

The risks she wanted to capture in the Sensitivity Analysis were those market risks that real estate investors typically face. The two primary risks, as she saw it, were those of 1) over-building; and 2) a decline in demand such as had happened in Brazil over the last two years. Either risk could impact Occupancy Rate or ADR, which would impact cash flows and the return. She also suspected that inaccuracy was necessarily embedded in the Competitive Index that she had assigned to the proposed property because the Lodge would be a new model. As such, its expected performance, derived by difficult comparison with that of other properties in the Competitive Set, was only roughly estimated.

For each risky input to the DCF model, such as, for example, Supply growth, Demand growth and Competitive Index, she would determine a probable interval over which the results would range. Using the high and the low of each range, she would re-calculate the IRR.

She considered the simple example of a hotel with an expected ADR of R$ 530, and a likely variance of 10% above or below the expected result[160]. Under those conditions, the "best case" ADR would be R$ 583, and the worst case, R$ 477. In sequence, the high and low figures for ADR could be substituted into the Discounted Cash Flow Analysis model for this particular example (not shown here), yielding, in each case, a different cash flow and IRR. Entering the highest ADR in the probable range resulted in an IRR of 22.4%. The low of the range yielded an IRR of 17.8%. The IRR of other points in the ADR interval could be checked as well. The table below provides a simple compilation of these results.

Figure 5-1: Sensitivity Analysis

Sensitivity Analysis[161] IRR of Hotel					
IRR %	Variation in the ADR of the Hotel				
	-10%	-5%	0	+5%	+10%
	R$ 477	R$ 504	R$ 530	R$ 557	R$ 583
	17.8%	19.0%	20.2%	21.3%	22.4%

Renata thought carefully about the inputs to vary. Did it make sense, for example, to start by varying the Occupancy Rate, or rather to start at an earlier point in the Feasibility Analysis, and vary, for example, the CAGR for supply?

When she completed the analysis, she had several individual tables showing a range of returns, each obtained by isolating a single input and examining the effects of testing its reasonable limits. In reality, however, several of these individual effects could happen together. The combinations could exaggerate or mitigate the variance in the return. She considered whether she should, and how she might, capture combined effects of varying the inputs. She also wondered what these results meant in terms of the risk to her investors. How could she help them to weigh the expected return vs. the variance in the expected return, against that trade-off in other potential investments?

It bothered her that her analyses sought to ascertain information about the ex ante return yielded by the proposed investment, whereas DCF analysis normally aimed to discover the Net Present Value of the Investment. However, her attempts in that direction had failed for lack of a systematic approach to determining the appropriate opportunity cost of capital, i.e., the discount rate, for a development deal of this kind. In this regard, she was stymied.

Now having completed the DCF and Sensitivity Analysis for the investment, she examined the results, and pondered their meaning. How did the results obtained from the DCF and Sensitivity Analysis relate to her international and macro-economic analysis of the market?

Was there anything in the DCF analysis that captured the benefits that she anticipated from a stronger currency in Brazil, from increased FDI, from lower interest rates, or from growth in the domestic economy of Brazil? In sum, did her quantitative results fit the picture that had emerged at each level of the market analysis? If not, should she do anything about it?

When she felt satisfied with the answers to those questions, she prepared a complete report of analysis and conclusions. Using that as a guide, she assembled a fifteen minute power-point presentation for her investors. The presentation would consist of ten to fifteen slides that would most effectively communicate her recommendation and reasoning. Then, confident that she had considered every angle, she allowed herself to relax. She could feel the plane begin its descent.

Part 2

6 The Intervening Period 2003 - 2007

The Lodge at Corumbau opened its doors in January 2006 to wide critical acclaim. Brazil's preeminent style magazine, Casa Vogue immediately grasped the import of this new addition to Bahian lodging, and celebrated it with a long article and enticing photographs in its September 2006 issue. Europe's chic journal "Wallpaper" also featured it in the October 2006 issue, as did other world press. Reviews of the Lodge indicated that its design used an earthy and indigenous architectural vocabulary to create a composition that was sleek, charming, comfortable and respectful of the natural beauty around it. In a word, it was appropriate. Renata was rightfully proud of her accomplishment (See photographs in Exhibit 38).

6.01 Entitlements

Two permits were required to build on the site: a building permit, issued by the municipality; and an environmental permit, issued by the federal agency IBAMA. The former was handled efficiently by her consultant who submitted the plans to the mayor's office, which provided her a permit within thirty days. Environmental permitting took longer. She met with IBAMA at the outset to discuss details of the process and negotiate the waterline set-backs. Normally, the relationship with IBAMA is governed by whether the site is within an Environmentally Protected Area (APA) or not. If not, permitting is rapid; if so, the process is prolonged[162]. Renata found, however, this site had a different designation altogether. Because of its proximity to the National Park, it was given a Park Area designation, which required extensive environmental studies to be completed by licensed engineers, and submitted to IBAMA. The normal waterfront set-back requirement was thirty meters, however, Renata's site was set on a small cliff overlooking the beach, which mandated a 100 meter set back[163]. Renata pointed out the low density of her development, and the proposed sewer treatment plan and reforestation

project, and negotiated with IBAMA to reduce the set-back to sixty meters. She was given oral authority to proceed approximately six months after submission to IBAMA of the environmental reports, but it took several years to obtain the permit.

6.02 Construction

As planned, Renata hired Geraldo as the construction manager, and also found a builder named Alfonso to work under Geraldo's supervision. Alfonso was a carpenter and had five employee carpenters on his payroll. He would supply the job with labor and some subcontractors such as the plumber. His charges for these services would be submitted to Geraldo, who added the cost of materials, and added his 20% fee. As time went on, Renata bought more of the materials herself to save the mark-up. Renata contracted with other "subs" directly, including the electrician, excavator, sewer treatment contractor, air conditioning contractor, water-heater installation, glass, fire retardant for the roof of the cabanas, telephone system, landscaper, reforestation contractor, and restaurant kitchen. In addition she had design professionals, such as the lighting consultant and the landscape architect working under her. Since the job was in a remote location, and the workers set up temporary housing to live on site, Renata incurred various overhead expenses that would not be typical of an urban job, such as, for example, providing food.

Renata was at the job every day supervising. This was particularly important in connection with the indigenous building practices described in section 4.11, and pictured in photographs in Exhibit 39. Geraldo, on the other hand, was located too far away to make site visits practical. During the early phase of construction all went well, however, during the months of June and July, Renata had to be away from the job. When she returned, she found that labor charges had been incurred for every day of the period, but there had been no progress whatsoever. Since Geraldo had promised her that the cost of labor would not exceed R$ 150 per square meter as indicated in section 4.11, he agreed to postpone any further payment of his mark-up on either

labor or materials until the final labor costs were quantified. The budgeted and actual

construction costs are shown in Figure 6-1.

Figure 6-1: Budgeted and Actual Construction Costs

Administered items	Sq. Meters	Budget/ Sq. Meter	Budget	Actual
EMPLOYEE HOUSING	277	300	83,100	96,130
LAUNDRY	141	300	42,300	62,470
RECEPTION	707	709	501,263	826,930
CABANAS	1170	1013	1,185,210	1,281,260
SALON	660	709	467,940	721,400
SUBTOTAL			2,279,813	3,044,076
Direct items				
WATER HEATER	NA	NA	25,000	25,000
GLASS	NA	NA	60,000	63,000
FIRE RETARDANT			0	80,000
SEWAGE TREATMENT	NA	NA	49,000	49,000

TELEPHONE	NA	NA	20,000	21,000
GARDEN			0	20,000
PLANT MATERIALS	NA	NA	100,000	100,000
REFORRESTATION			0	100,000
ELECTRIC	NA	NA	100,000	100,000
ILLUMINATION			0	70,000
KITCHEN	NA	NA	100,000	100,000
EXCAVATION, OVERHEAD, FURNISHINGS, SOFTAND OTHER	2,955	100	295,500	557,924
SUBTOTAL			749,500	1,015,924
TOTAL			3,029,313	4,060,000
CONTINGENCY			106,026	
PURCHASE			940,000	940,000
TOTAL LAND AND CONSTR			4,075,338	5,000,000

The construction statement reflected the initial cost for the reforestation, but there would also be an ongoing cost as the project continued over time. Despite the significant cost overruns, her commitment to the reforestation project was unwavering. Nor did she skimp on other aspects of the job. For example, she hired a first-rate illumination consultant, and a top-notch landscape designer. The results spoke for themselves.

As an operator, Renata was committed not only to environmental sustainability, but to the sustainability of the surrounding community, and so she hired and trained local people whenever possible. Her priority, however, was her guests for whom she personally ensured a rewarding experience. The Corumbau Lodge was exactly the kind of development that the State of Bahia was eager to develop: upscale, eco-friendly and community supportive[164]. From all angles, Renata seemed to be doing everything right.

Everything, that is, except for one thing. She was not making money. While the losses were not staggering on a cash basis, they were quite large if you factored Renata's two years without salary or days off, and her unpaid architectural and development fees. The returns to date, however, were a far cry from the strong performance she and her investors had envisioned. Not only did she receive no return on her labor and entrepreneurship, the investors received no return on their capital. This was not a tenable situation, and Renata knew that she needed to do something about it quickly.

She spoke frequently on the phone with her close Brazilian friend Roberto who she knew from childhood family vactions to Brazil. At about the same time, they had both left secure jobs to become entrepreneurs in real estate development. Roberto had built condominiums in the steel valley of Minas Gerais. These projects consistently turned internal rates of return of about 30%, and did so with very little risk. Roberto felt that Renata should sell the resort and re-invest the proceeds in a housing development, but he lacked the training to advise her properly, so when he saw the advertisement for the Nordeste Invest conference to take place in June 2007 in Salvador, Bahia, he suggested that they go and talk with experts.

A few days before leaving for the conference, Renata received an unexpected,
unsolicited offer for the property in the amount of 5 million Euro. Her investment in the property
was 5 million Reais.

7 Conference

Salvador, Bahia. June 2007. Sitting at the back of the Nordeste Invest conference during a coffee break, she showed Roberto the offer she had received for Corumbau Lodge. Roberto was impressed, but knowing how she felt about the Lodge, not surprised to learn she had turned it down point blank without discussion or counter-offer.

Milling about during the coffee break were many of the players in Brazil's rapidly growing second-home and resort market. One of the many people they met was a Brazilian MBA student from U.C.L.A., who planned to research Brazil's resort markets as part of a team thesis. Sergio, though limited in experience, had a keen mind, and asked thought-provoking questions.

In response to Sergio's questions and interest in the state of the project, Renata gave him her pre-development DCF Analysis (Exhibit 31) and her first year operating statement and DCF Analysis (Exhibit 32). She also gave him charts showing her 2006 and year-to-date 2007 occupancy rates (Exhibits 35 and 36), and a copy of her budgeted and actual construction expenses (Figure 6-1). She also provided him with her most up-to-date Occupancy rate data for the competitive set (Exhibit 37).

He agreed to review these items and make his own cash flow analysis and forecasts. If the results turned out to be disappointing, he would also list the possible diagnoses, the corresponding remedies, and suggest tests to rule out options and isolate the correct diagnosis.

Sergio's initial interest was piqued through his curiosity about why the construction numbers had been significantly higher than estimated. He observed that the June issue of the industry journal *Construcao Mercado* had a detailed budget for a project much like the Lodge. Using the country's construction inflation index (INPC) he would be able to deflate the budget back to April 2004, and test the reasonableness of her numbers. While this would have no effect on her predicament, it would be good to know for future construction work.

With respect to her offer, Sergio recommended appraisers and brokers who could provide her comparables. Like all developers, Sergio was interested in value creation, and wondered what the offer implied about the value Renata had created by her entrepreneurial work. If the offer were accepted, he wondered, how much of the return would be attributable to movement of the foreign exchange market, and how much to other factors including Renata's work. Naturally, if the offer did not reflect the market value of the property, the exercise would be academic, but that did not dampen his curiosity.

7.01 Macro- and International Economic Recap

At the afternoon conference session, Renata was pleased to learn that her 2003 macroeconomic forecast for Brazil had been right on the money. Accordingly, like Sergio, she suspected that a significant part of the value increase was attributable to international and macro-economic forces. In the four years since her investment group from Portugal decided to develop the property, Brazil's incipient economic recovery marched forward.

Its exchange rate had improved dramatically as Renata had predicted[165]. On paper, her investors had profited from the currency changes alone. Interest rates had indeed fallen, and real estate values risen with lower investor return expectations[166]. The Trade Surplus had grown, keeping the economy moving forward (though at a very slow pace by the standards of other BRICS countries)[167]. Inflation remained under control, leading to expectations that interest rates may fall further[168]. Such expectations gave new life to consumer finance markets, especially Brazil's long dormant mortgage market.Foreign exchange reserves had increased, and economic and monetary experts were predicting ever higher credit ratings.[169]

While this was welcome news, it had to be put into perspective. Brazil still had major challenges ahead, and the pride and confidence that she heard in the financial news may have leapt ahead of the reality. With real GDP growth of about 3%, and population growth of about 2%, the country's real GDP growth per capita was negligible[170]. Growth per capita was the

critical test of economic development, and Brazil was barely passing. While lower interest rates

and more widely available financing could stimulate economic growth, the country had

significant structural problems to deal with: It had the demographic profile of a young country,

but the pension profile of a population of retirees[171]. It had a burdensome level of taxation with

few services to show for it. It had invested so little in infrastructure that transport costs now

consume "nearly 13% of Brazil's GDP".[172]

She reminded herself that the markets were correcting an overreaction to Lula's election,

and that the hard work lay ahead.   According to a famous economist from MIT, there were eight

tests, all of which a country had to pass to sustain GDP per capita growth. These were: 1) A

patient citizenry, necessary because it would take a hundred years to catch up to the global leader,

even if you do everything right; 2) Low population growth, because population growth reduces

the per capita GDP growth; 3)Education, because the world was being transformed by six critical

technologies that effected a growing education premium; 4) Mobilization of scarce resources (for

example the savings rate in China was 50%, and that in Singapore was 70%); 5) Investment in

infra-structure; 6) A motivation system; 7) The ability to work together to acquire new skills; and

8) Personal safety and no corruption[173]. Brazil had a tremendously patient citizenry, as was

shown by the popular understanding of the circumstances under which Lula had to work, but on

every other measure, Brazil got low grades.

7.02 The Real Estate Industry 2007

According to the current conference speaker, the real estate industry seemed poised for

significant growth. Changes in the legal framework and falling interest rates made debt financing

look as though it could emerge as a major driver of real estate activity. Mortgage lending activity

had grown from R$ 6.7 billion in 2003 (32.8% banks and 67.2% CEF[174]), to R$ 9.0 billion in

2004 (33.3% banks, 66.6% CEF), to R$ 13.9 billion in 2005 (34.5% banks, 65.4% CEF).

Nevertheless, as the speaker had pointed out, the volume was a small share of GDP and had ample room for growth to continue[175].

The Brazilian stock exchange was now a major element in capitalizing real estate companies. While the volume of all offerings had been growing quickly, real estate's share of those offerings had grown even more quickly. In 2005, real estate companies represented 7% of total equity offerings of $13.3 billion. In 2006, they were 18% of total equity offerings of $30.1 billion. In the first quarter of 2007, real estate companies represented 48% of total equity offerings of $12.9 billion. Notwithstanding all that activity, Brazilian real estate stocks comprised only approximately 3% of stock market activity by trading volume, and less than 3.5% by market cap. By comparison, Mexican real estate companies comprised about 8.5% of that country's stock market activity by trading volume, and less than 5% by market cap. Thus, there was room for growth in equity offerings of real estate related companies.[176]

Renata thought about what she just heard: first, mortgage financing had doubled between 2003 and 2005, and was expected to grow much faster as interest rates fell; second, equity financing had increased nearly six-fold from 2005 to 2006, and it appeared that 2007 would break the records. The Brazilian real estate industry was awash in cash. In addition, the outlook for every segments of the industry was positive.

Retail: There were great opportunities to buy mall properties with income growing at faster than the rate of inflation, at 11 – 14% cap rates. There were consolidation opportunities in the retail sector because many properties were owned by single mall owners. The five largest participants in the Mall market, Multiplan (5.6%), BR Malls (5.0%), Sonae (4.9%), ANCAR (2.1%) and Iguatemi (4.3%), have only 21.8% of the market based on 100% of Gross Leasable Area (GLA) and only 11.9% of the market based on GLA weighted for ownership. Thus, 80 – 90% of the market is controlled by smaller owners[177].

Office: The office sector also presented opportunities because of constrained building activity over the previous several years. There were differences, however, about the extent of the

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office opportunity, as some believed that cap rates in this sector were already compressed, and that income would grow faster than inflation[178].

Residential: The enormous pent-up demand for residential real estate, 8 million homes according to the speaker, was growing[179]. Brazilian demographics ensured significant demand for houses through 2020. This did not quite make sense to Renata, but Roberto had promised to explain the housing market to her tonight over dinner.

Lodging: The lodging and tourism real estate sectors were of greatest interest to her. She wanted to know what had gone on over the past four years, what she could do to raise her occupancy rates, and where the lodging market was moving, and there was probably no better place to consider these matters than there at the Nordeste Investe conference surrounded by the lodging industry experts.

7.03 Lodging and Tourism Real Estate Sector

Brazil had made a strong economic recovery since 2003, but it was clear that tourism remained a small part of the economy. The first speaker compared the tourism and lodging sector performance of 6 countries: the Dominican Republic, Brazil, Mexico, Argentina, Spain and the USA.

The Brazilian government had increased its spending on tourism, but it had not made tourism as high a priority as had other countries. Brazil's spending on tourism in 2007 was expected to be 2.8% of GDP. The equivalent figure in Mexico was 4.7%. In the U.S. it was 5.1%. In Spain it was 6.5%, and in the Dominican Republic it is 21.1%. Only in Argentina was the government spending on tourism, at 2.4%, slightly less (in percentage terms) than that of Brazil[180].

Brazil also had a small index of investment in tourism infrastructure. In 2007, the percentage of total capital investments estimated to be invested in tourism infrastructure was 7.7%. In Mexico it was 13.4%. In the U.S., 10.7%. In Spain, 14.1%. In Argentina, 8.8%. In the

Dominican Republic, 20.7%, meaning that Brazil had the lowest share of capital directed to the tourism sector. Similarly, the impact of tourism on the GDP of Brazil (2.6%) was lower than that of Mexico (4.9%), Argentina (2.8%), Spain (6.8%), United States (3.8%) and Dominican Republic (6.3%)[181].

Except for Argentina, with 3.9 million foreign tourists estimated for 2007, Brazil, with 5.36 million had the lowest of the group. Mexico, for example, was expected to have 22 million tourists in 2007, over 4 times as many as Brazil. Brazil had 7,132 hotels compared with Mexico's 13,751 hotels. Further, Brazil, with a population per hotel ratio of 26,371, as compared with Mexico (7,814), Argentina (9,799), Spain (2,545), Dominican Republic (13,466), and the United States (6,271), has more people per hotel than does any other country in the group. In terms of economic activity generated by tourism, Brazil with $79 million compared unfavorably with Mexico which generated $149 million. Further, Brazil's .02 tourists per resident ratio, was one tenth Mexico's .2 tourists per resident[182].

The speaker's point was that tourism was in a very early stage of development in Brazil, and the growth potential in the sector and the associated real estate sector was significant. Renata and others heard the speaker describe a child with the potential to grow, if only given food. The questions from the audience demonstrated significant disagreement about how to feed the child. Many felt the problem was the size and efficiency of Brazil's domestic air carriers, in their inability to keep pace with enough planes and planned flight routes[183]. In a moment of levity one audience member claimed that the shortest route between the City of Cuiaba and the City of Natal, was through Lisbon. From her own bookings, Renata knew that she had lost at least one customer coming from Sao Paulo because there were no seats available on flights to Porto Seguro.

Another theory was that there were not enough international air routes directly to cities of the Northeast. That, according to some was because there was no demand for seats. Others opined that both the domestic and international supply of seats fell significantly when, in 2006,

Varig airlines, a domestic and international carrier with 40% of Brazil's domestic market, was forced by financial problems to stop operating. A third theory held that the airports of the Northeast were inadequate, and would not allow substantial growth in the number of flights from Europe directly to the Northeast[184]. The fourth theory was the most interesting of all. According to some, the supply of resort options had to reach a critical mass before the tour operators would invest in this market[185]. The argument was, in effect, that supply caused demand. Renata would remember to ask Sergio about that one.

The speaker from the Ministry of Tourism made a very brief presentation. According to Embratur estimates, international tourist flow was expected to grow from 5 million tourists in 2006, to 9 million tourists in 2010[186]. Renata quickly calculated that this was a CAGR of 15.8% over four years. She wondered what the growth rate had been since 2003, and how a CAGR of 15.8% would directly impact on her business. The average spending per foreign tourist was also expected to grow as it had over several years, with average spending growth from 2005 to 2006 of $100 per foreign visitor[187]. According to the speaker, Embratur, since 2004 had formed tourist offices in eight countries, the U.K., Italy, Germany, Portugal, U.S., France, Spain and Japan. The Ministry budget for 2006 was R$ 1 billion[188]. The foreign offices were helping to increase foreign tourism demand despite limited flight availability, and limited tour operator interest because the size of the supply was so limited.

As speakers from the lodging industry appeared in succession, one common trait emerged: resorts were increasingly conceived of as mixed use projects in which lodging was but one component. Many resort proposals included a resort hotel, and a for-sale housing product of second homes or condominium apartments, or sometimes a combination. Large developments could be more complicated mixed use developments[189]. In later conversations, Sergio ventured that the gravitation toward a product mix was probably because the cash flow from the sale of housing would offset the hotel operating losses in the first few years, and the hotel services helped the sale of the houses. Indeed, a broker she met from the state of Alagoas confirmed that

she could sell out large apartment condominium developments in resorts from the plans in thirty days[190].

The final speaker of the afternoon addressed the statistics and issues of her prime interest, i.e., the performance of resorts in the luxury sector.

The speaker's presentation told her that supply in the Competitive Set had grown 46% in the period since 2003[191]. That represented a Compound Annual Growth Rate (CAGR) of 9.85%. This was somewhat faster than she had anticipated back in 2003.

In the same period, Demand in the Competitive Set had at a CAGR of 11%, also faster than she had foreseen[192]. Therefore, Occupancy Rates in the competitive set had risen from around 50% to around 60% by 2006, with a slight decline from 2005 to 2006 related to, some believed, a large number of resort openings[193].

Similarly, ADR for the competitive set had experienced a CAGR of 14.35%, and RevPAR had risen at a compound rate of 19.1%[194]. Clearly she was having a different experience from that of the other top flight lodging options in the area, the selective results of which were presented next.

Iberostar, Praia do Forte, BA

Iberostar had opened a large resort in Bahia on the Coconut Coast, and had quickly achieved occupancies above 65%[195]. Iberostar was a vertically integrated company with its own tour operators on whom it relied heavily. The company also owned its own planes, which allowed it to create demand through charter flights[196]. The charter flights offered the flexibility to connect from Europe directly to Salvador, the capital of Bahia. From there, the resort was only

an hour's drive. Finally, Iberostar had also located itself in a recognized resort destination: Praia do Forte.

Iberostar, Praia do Forte, BA

Renata recognized the advantages of a mass tourism product that strongly appealed to tour operators. The charter flights were a big advantage. Most commercial international flights still went through Sao Paulo or Rio de Janeiro. Thus, for example, to reach her Lodge, foreign clients would have to fly to Sao Paulo, then to Porto Seguro, then by private plane to Corumbau. A direct flight to Bahia would save two legs of the trip, and was itself a significantly shorter flight than was the Europe to Sao Paulo trip. Further, having a well-known tourist destination, a huge marketing budget, and a name-brand company were major draws. But she had never intended to enter the mass tourism business. Wasn't there a role for a small resort of the kind she had created?

Txai Resorts, Itacare, BA

He turned to another success story. Txai Resorts in Itacare, Bahia, had entered the market shortly before her. It began with sixteen bungalows, each about 80 – 90 square meters[197]. Yet, despite its unsuitable size for tour operators, its lack of access to charter flights, its non-brand name operator, the absence of amenities such as a golf course, it had become the most chic

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resort in Brazil, commanding daily rates of R$ 1200, and at reasonably high occupancy levels[198]. In fact, Txai had become the principal example of an exceptional boutique resort in Brazil, and as such, was acquiring a brand name status. The owners intended to capitalize on the success. Not only had they increased the number of units to 40, but on their 100 hectare site, they added a luxury resort home component[199]. It too was a success, and each component seemed to help the other. The developers were already planning to raise funds in the public equity markets through an IPO later in the summer. Doing so would provide the funds necessary to build Txai resorts throughout the country. She was eager to hear how this would be received in the Brazilian IPO market.

Txai Resorts, Itacare, BA

One reason for Txai's success was location. The developers had got to the Itacare area early in its growth. One of the most beautiful areas of the coast of Bahia, Itacare remained mostly unknown because it was inaccessible. After the road from Ilheus to Itacare was paved, Brazil, and then Europe, discovered Itacare. It became a tourist destination. Txai's fortunes developed with the destination.

Txai had also managed to penetrate the very thin market of extremely rich *Paulistas*. The resort became the prestige destination for that set, but how they did this was unclear. Media exposure helped of course, but she had also heard that the developers themselves were very well connected within Sao Paulo, which enabled them to penetrate this market. This meant that they were able to maintain occupancy rates without reliance on the tour operators that controlled

bookings of foreign tourists. They had managed to gain access to a domestic market that could afford the resort.

Renata asked the speaker, a well-known hotel consultant in Brazil, if she could speak with him privately for a few minutes. They went for coffee, while she told her story. He explained that the examples he gave contained important implications for Renata. He summed up the implications as follows:

Rule #1: The resort does not make the destination. The destination makes the resort.

Rule #2: Accessibility is critical, and that meant a successful resort could be located no more than a 60 minute car ride from a major airport.

Rule # 3: A competitive advantage was critical.

Iberostar had located in Priai do Forte, after it was already a destination. Txai located in Itacare, having guessed correctly about its becoming a destination. Iberostar was an hour's drive from Salvador airport. Txai was an hour's drive from the airport in Ilheus.   Iberostar's competitive advantage was its vertical integration. Txai had its deep Paulista connections. Renata, on the other hand, had not built in a destination, had not built in an accessible location, and had not defined her competitive advantage for marketing purposes. According to him, it was that simple.

Everything he said made sense, but she was troubled by the determinism in his analysis. The consultant spoke as if these were laws that extracted a price for their violation. So, she herself brought up a third example.

The Praia do Forte Eco-resort had set the standard for resort development and eco-tourism in Brazil. It opened in the early 1990's before much serious thought had been given to tourism on the Northeast Coast of the country. Klaus Peters, an industrialist from Sao Paulo, sold his company and pursued his dream of combining environmentalism and tourism in the remote location of Praia do Forte. Today the location is an hour's drive from Salvador airport. But at the time, getting from Salvador to Praia do Forte was a trial. He built in a location that was not a destination. He built in a location that was inaccessible. After the location became accessible, he did not build a conference center, or seek to penetrate a business market, which he thought would detract from the atmosphere[200].

He broke all the rules to pursue his dream. In addition to buying 292 hectares of lush beachfront land, and building 200 rooms at the outset, he revitalized the town of Praia do Forte for its inhabitants and for the tourists to his resort. He fought to preserve Atlantic rainforest and to preserve the turtle population. He sponsored a rediscovery of Bahian culture that resulted in music and dance troupes that provided the entertainment at his resort. He provided jobs, offered his guests an unprecedented eco-resort experience, and established the best cuisine in Bahia. The result was a spectacular success. The resort is still considered among the best in Brazil. It has maintained occupancy in the 61 – 73% range, which fell to 58% in 2006 because of expansion and transition activities[201].

The hotel consultant agreed with her. But, he pointed out, it was a struggle at first. Renata may also succeed through perseverance and adherence to her dream, but it wouldn't be easy and would clearly take time. Further, he suggested, a nine room resort would never make Corumbau into a destination. Praia do Forte succeeded in part because it was bigger.

There was another issue as well: demand segmentation. Within the competitive set, he informed her, 55% of the demand was booked through tour operators, and 25% came from groups[202]. Only 20% of the demand arose from Individual travelers, and this demand, it appeared, was mainly domestic, which was a very price sensitive market. This meant that Renata started out by forfeiting 55% of the market because she was just too small and out of the way for tour operators to bother with. Then she lost another 25% of the market because she was not large enough to accommodate large groups. Then she had to compete for the remaining price-sensitive 20%, a domestic market that mostly would not pay her rates, or the extra travel cost. All together, the math did not leave much for her. According to this expert, she had done everything wrong, and there was no way out. Renata was frustrated by this judgment. She had taken a keen personal vision and brought it to life. The Lodge at Corumbau offered an authentic experience of nature and people, and did so with great comfort and taste. Were there no independent travelers

who could articulate their interest in an adventure rather than go to a generic enclave resort for a week just because it was easy?

After the presentations were over, she was glad to see Roberto's smile. She was eager to change the subject. Roberto had promised to explain his investments in Ipatinga, MG, and to brief her on the housing sector of real estate over a Japanese dinner at a very chic Salvadoran restaurant overlooking the harbor. She was all ears.

8 Brazil Housing Market 2007

Roberto pointed out that there were many different residential property markets throughout the country with different characteristics. In some, there were specific drivers that brought about appreciation at a rate faster than the rate of inflation. However, that was not the generally the case. Markets in Brazil were not supply constrained in the way of markets on the U.S. coasts. There was plenty of land, and in general, regulatory authorities and community groups did not obstruct the process through abusive anti-growth land use regulation.

The prevailing motivation among housing real estate investors was to realize profits through building and selling homes in a high demand market, rather than to hold for future appreciation[203]. Brazil had a large housing deficit. It also had a large population of people between the ages of 25 and 50, considered to be the prime age group for buying homes. Renata remembered the 7.9 million home deficit that the speaker earlier today had mentioned. That, however, was not exactly the deficit Roberto was talking about.

The 7.9 million home deficit had been calculated in a careful study by the Brazilian government and a not-for profit foundation, and Roberto was not questioning the result of the study[204]. Clearly, there were many households living in substandard housing, and many families who were trying to establish independent households, but were currently living within other households, such as married couples living with parents. This deficit was a very important number to know in quantifying the depth of a social issue. But it was not a commercial measure

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of pent-up demand for homes, which is how the number was frequently misrepresented. The reason that the deficit did not equal the demand was that 88% of the households composing that deficit could not afford a home. More specifically, 88% of the households needing homes earned less than 5 times the minimum wage, which made them income ineligible to buy new homes.

Renata was skeptical that so many experts could be misrepresenting the size of the housing demand. Roberto explained the math. Households with income of less than 5 times the minimum wage earn less than R$1750 per month (MW = R$350). He asked whether a household income of that size could buy a home based on the mortgage that it could afford. A mortgage issued by Caixa Economica Federal (CEF) with a subsidized rate of interest at 11.5% (rather than a market rate of 14%) and a 20-year term, were terms that in theory could be available to qualified households. If the household were to devote 40% of household income, or R$ 700 per month, it could service a mortgage of R$65,640. Assuming for the sake of argument that the household has no significant savings, then the home price they can afford would be equivalent to the mortgage amount. The lowest commercially reasonable price at which a housing developer could sell a home and maintain a margin is in the R$ 2000 per square meter range. According to housing developer Gafisa, it can sell units for R$1800 – 2000 per square meter[205]. Using a maximum purchase price of R$65,000, and a minimum sale price of R$ 1800 per square meter, the household could afford to buy a maximum of 36 square meters. The rooms in Renata's resort were 130 square meters, so she could see the problem.

Recognizing these constraints, homebuilders such as Rodobens had introduced affordable housing units from 45 square meters to 90 square meters[206]. However, they also recognized that units of this size are still not within the means of a household earning less than 5 times the minimum wage. That is why Rodobens, in explaining its affordable "New Segment" product, uses R$ 1750 per month (5 times the minimum wage) as the minimum income of their target buyer. Since 88% of the households needing homes earn below the minimum target, 88% of the households cannot afford to buy the most affordable and smallest available product, and

therefore, 88% of the 7.9 million unit deficit cannot be a reasonable estimate of commercial demand for housing.

To explain the actual pent-up demand for housing, Roberto drew a figure showing Brazil's 52 million households by household income (monthly) expressed in $R and in multiples of minimum wage. The figure was a pyramid to graphically convey the small number of households with income at the higher end of the range, and the large number at the bottom (see Figure 8-1). Approximately 8% of the 7.9 million home deficit, or 630,000 homes was experienced by those households earning between five and ten times the minimum wage. Another 4% of the deficit, or 316,000 homes corresponded to households with ten to twenty minimum wage incomes.

Figure 8-1: Brazil's Housing Demand[207]

Number of Households	% of Households	# Minimum wages	Households Income	% of Households Deficit
1.7 million	3.3%	> 20 MW	> R$7,000	na
3.7 million	7.0%	10 < > 20 MW	R$3,500 <> R$7,000	4%
8.7 million	16.5%	5 < > 10 MW	R$1,750 <> R$3,500	8%
37.4 million	70.4%	< 5 MW	R$1,750	88%

Total Number of Households: 51.6 million

Source: IBGE, Diretoria de Pesquisas, Coordenação de Trabalho e Rendimento, Pesquisa Nacional por Amostra de Domicílio – 2005
Fundação João Pinheiro
Note: 2,8% others
1Minimum Wage (MW) = R$ 350

These two groups together represented a present demand of 12% of 7.9 million or a total of 948,000 units. In addition, the pent-up demand was growing by annual new unmet demand.

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The number of households grew by about 3.6% per year between 1991 and 2000, faster than the population growth rate of 1.6% per year during the same period[208]. When multiplied by Brazils 51.6 million households, this growth rate meant an increase of over 1,800,000 households per year. Assuming that 23.5% of these new households, as indicated by the pyramid (assuming that households grow with equal velocity at all income brackets) can afford and want homes, the annual additional demand would be 400,000 units. If there were no new construction at all, this 400,000 increase in households demanding houses (or really pent-up households as you technically cannot be a household without a house) would be identical to the number of units added annually to the housing demand. Fundacao Jao Pinheiro estimates that the actual increase in demand is 1,200,000, which may be correct because the rate of household formation would perhaps be larger if there were more homes constructed[209].

It is estimated that the house supply is 300,000 per year[210]. Therefore, if Fundacap Jao Pinheiro is right, the annual addition to pent-up demand would be 900,000 housing units per year, and if Roberto were right, the annual addition to demand would be 100,000 dwelling units. Whatever the correct number, it would add to the 948,000 units of pent-up demand. Thus, the pent-up demand among households who could pay for houses is growing each year.

It is important to remember that the 5 to 20 times minimum wage households is comprised of two segments. The question of whether the segment earning more than 5 times, but less than ten times the minimum wage has the ability to buy homes is complex. Clearly at the top of the range, the wherewithal is present. As one penetrates lower in the pyramid, the challenges to homeownership become greater.

That is where the second important driver (the first being the pent-up demand and the annual increases to that demand) of Brazil's residential real estate sector: changes to the mortgage industry. Real estate financing in Brazil is quickly emerging from the dark ages, prompted largely by changes to the law governing foreclosure, which has reduced the collection time-frame[211]. The result has been a rapidly evolving industry that is modernizing its underwriting

practices and loan terms. In other words, there is a tendency toward longer amortization periods, more flexible credit qualification, and so forth.   These changes are taking place within the macro-economic context of falling interest rates. The combination means that financing will be an increasingly important driver of the industry[212].

Mexico's mortgage industry is in a similar situation, though a bit ahead of Brazil's. In 2006, Brazil's mortgages were 1.7% of GDP, about the level of Mexico in 2004. Mexico in 2006 had mortgages of approximately 2% of GDP. All of this is in sharp contrast to the more developed nations. As of 2004, the United Kingdom had mortgage debt of 65% of GDP, the United States of 61% of GDP; Europe of, on average, 43% of GDP; France of 29% of GDP, and Chile of 16% of GDP. There was great room for expansion of mortgage lending in Brazil[213].

Going back to the segment that earns between five and ten times the MW, as interest rates come down in Brazil, as amortization terms become longer, and as underwriting becomes more flexible, that segment may be more thoroughly served. The two tables below show how lengthening current amortization periods to medium terms of 276 months, and cutting current interest rates by 20 basis points, captures more homebuyers in major cities.

Figure 8-2: Affordability Sensitivity[214]

Affordability Sensitivity

	Current Financing provided by Homebuilders	Example1 Mid-Term Mortgage Scenario (banks)	Current SFH Mortgage (banks)	Example 2 Mid-Term Mortgage Scenario (banks)
Unit Price (R$)	150,000	150,000	150,000	150,000
Loan-to Value - LTV (%)	60%	60%	60%	80%
Mortgage Financing	90,000	90,000	90,000	120,000
Down Payment (R$)	60,000	60,000	60,000	30,000
Real Interest Rate (% p.a.)	1.10%	0.90%	1.10%	0.90%
Tenor (months)	72	276	180	276
Monthly Installment (R$)	1,816	885	1,151	1,179
Required Monthly Household Income (R$)	7,265	3,538	4,602	4,718

Source: Itaú Corretora Equity Research.

Figure 8-3: Affordability Sensitivity – Potential Buyers

Affordability Sensitivity - Potential New Buyers

	Additional Potential Buyers Captured
São Paulo	166,143
Rio de Janeiro	92,644
Belo Horizonte	35,293
Porto Alegre	36,707
Curitiba	27,331
Total Potential Buyers	358,118

Source: Itaú Corretora Equity Research.

In addition to the presence of a large and growing pent-up demand, and a mortgage industry that is evolving to convert more of the deficit into demand, demographics are also driving the home building industry. A large and growing component of the large and growing Brazilian population, is people in the home-buying ages between 20 and 50. The more rapid growth of this population segment, than of the population as a whole (which has grown at about 1.7% per year) is expected to continue until 2020[215]. In other words, the new demand indicated above is likely to be underestimated, and to grow more rapidly over time.

The presence of these drivers, and the fact that the home building industry was not keeping up with the demand for houses was not lost on the real estate industry, or on the securities industry. In the last few years, several of Sao Paulo's local homebuilders have transformed themselves into larger national companies through foreign or domestic equity

investments. Invested monies have been used in part to upgrade company operations to the best

international standards, develop strategies and product models, and expand their reach into major

markets throughout the country[216]. Since late 2005, the homebuilders have raised substantial

capital in primary or secondary offerings in the Brazilian securities markets. The following are

some of the offerings of note.

Figure 8-4: Offerings of Note by Homebuilders on the Brazilian Securities Market[217]

Company	Year	Price
Cyrella	2005	$393 million
Rossi	2006	$468 million
Gafisa	2006	$438 million
Company SA	2006	$132 million
Cyrella	2006	$333 million
Abyara	2006	$75 million
Klabin Segal	2006	$244 million
Rodobens	2007	$183 million
Tecnisa	2007	$370 million
Gafisa	2007	$560 million
PDG	2007	$296 million
Even	2007	$190 million
CCDI	2007	$244 million
	Total	$3,926 million

The above offerings which sum to almost 4 billion dollars is an indication of how well

capitalized the home building industry has become in a short time. These companies are now

competing with one another for market share. As of May 2007, the allocation of market share

was as follows: Cyrella 14%; Tecnisa 9.7%; CCDI 9.2%; Even 8.6%; Company S.A. 8.3%; Gafisa 6.2%; Rossi 5.3%; Klabin-Segall 4.7%; PDG 3.7%.   The three largest companies had 32.8% of the market. The six largest companies had 55.8% of the market. The nine largest companies had 69.5% of the market[218].

9 The Steel Valley

Renata was impressed by her friend's industry knowledge, and wanted him to talk a little about his own work. Back in 2003, Roberto had sent her a cash flow projection for an investment he planned to make in a twelve apartment development in the Steel Valley of Minas Gerais. The City was called Ipatinga, and its major employer was Usiminas, a large steel manufacturer. Subsequently, he and eleven others made the investment together. Since the number of investors corresponded to the number of apartments, at the end of the construction, each partner would receive title to one of the condominium units. Some partner intended to sell at an anticipated profit, while others wanted to hold the unit for investment or as home buyers who intended to live in the unit upon its completion.

As predicted, the development took 36 months to build. It was financed entirely by installment payments from the twelve buyers. The construction cost was significantly more than anticipated initially, and the buyers were obligated for the actual construction cost, but the value of the completed units was also significantly more than expected providing a better than projected result. The ex post IRR was 39%, much greater than the 28% IRR ex ante.   Roberto reviewed the summary cash flow per investor with her.

Figure 9-1: Summary of Housing Investment, Ipatinga, MG

Summary of Housing Investment, Ipatinga, MG

12 investment units

	2003	2004	2005	2006
Cash Flows Per Investor				
Acquisition	-7,000	0	0	0
Documentation	-4,000	0	0	0
Construction	0	-16,800	-16,800	-16,800
Finnish Work	0	0	0	-18,000
Total Outflow	**-11,000**	**-16800**	**-16800**	**-34800**
Sales Proceeds				120,000
Net Cash Flow	**-11,000**	**-16,800**	**-16,800**	**85,200**
IRR	**39%**			

He did not have an After-tax summary for the investment as a whole, which Renata wanted to see, but promised to prepare one.

Roberto was very enthusiastic about a new 18 unit apartment building that he planned to start within ninety days. This was a development he intended to take on himself (unless he could convince Renata to join in.) Usiminas had recently announced its plans for a US$2.6 billion expansion of its plant in Ipatinga. The additional work load in connection with the expansion was expected to bring 10,000 new employees into Ipatinga on a temporary basis, however, ultimately the expansion would result in 2000 additional permanent jobs[219].

Roberto had noticed that neither the City nor the Company had signaled how they planned to house all these people. Upon investigation, he found that Ipatinga planned to

construct 300 homes for their employees. Two thousand new jobs against 300 new homes was

exactly the type of market imbalance that made a developer like Roberto pay close attention.

Renata came to realize that he wanted to build a lot more than eighteen units, and found that she

too was beginning to pay close attention.

She asked him whether any of the cash-rich homebuilders he had described earlier had

shown up in Ipatinga. To his knowledge, they had not, and he believed that a city the size of

Ipatinga would not interest them. The absence of large competitors in Ipatinga and other similar

locations allowed small developers strategic points of entry. He pointed out that the large

homebuilders were primarily interested in Brazil's ten largest cities: Sao Paulo, Rio de Janeiro,

Brasilia, etc, as was appropriate to the size of their platforms[220].

10 Beginnings

The first day of the conference had been productive, and thought provoking. She came to get some ideas and help on rescuing the financial performance of her resort project and was now eagerly anticipating Sergio's Occupancy and ADR forecast and DCF Analysis. She clearly needed to understand her options to improve her cash flow. The expert hotel consultant, while unhelpful in suggesting solutions, had set forth the obstacles. According to him, between the tour operators, the group tourists, the small high-end domestic market and the unknown and inaccessible location, she was trapped, and that as a competitive advantage, right now it seemed that her vision, intelligence, taste and hard work were the enemies of market success. But she also had some new questions to think about. Roberto's invitation was pretty tempting, but she could not go back to her investors right now for additional capital without solving the problems of the Lodge. It seemed that the only short term solution was to sell it. She was pleased that she had gotten the macroeconomics right because if that analysis had failed, they would have no way out. But she kept wondering what she had done wrong in the initial feasibility analysis. Perhaps Sergio would be able to show her, and even better, help her reverse the trend.

Ultimately she realized that she had to make some major decisions pretty quickly: sell the Lodge and recoup her investment position in order to invest in housing development. Or use some better analysis and a creative turnaround to move Lodge operations toward a future pay out. There was even a third hybrid alternative she had been thinking about, but needed more information. She was optimistic that with Sergio's incisive and analytic mind, and Roberto's knowledge and perception of markets to augment her own creativity and problem-solving skills, she would quickly identify and implement the proper strategy.

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Exhibits

Exhibit 1: Occupancy Table for Local Hotels October 2001

Mapa de Ocupação - Hotéis
Mês: Outubro de 2001

The following table reproduces the daily occupancy values (black figures) for each hotel.

DATA	PRAIA DO FORTE RESORT (241)	T.AMÉRICA COMANDATUBA (362)	CABO SANTO AGOSTINHO (300)	CATUSSABA (190)	SUPERCLUBS (324)	Sofitel Sauipe Convention (404)	Sofitel Sauipe Suites (198)	Summerville Muro Alto (170)	Blue Tree Angra (319)	Renaissance Sauipe (217)	Marriot Sauipe	SALVADOR PRAIA (164)	BAHIA FIESTA (244)	CAESAR TOWERS (88)	T.AMÉRICA SSA (202)	OTHON PALACE (263)	TROPICAL DA BAHIA (275)	SOFITEL 4 RODAS (195)
01	54.84	44.00	85.00	86.84	71.74	29.00	26.30	89.00	49.00	22.17	21.69	44.79	43.03	56.00	61.00	50.53	60.00	76.70
02	52.42	47.00	72.00	89.40	81.00	30.00	27.00	99.00	41.07	26.64	21.30	38.04	47.00	70.00	65.00	57.00	67.00	80.00
03	57.26	53.00	75.00	90.53	97.40	26.98	31.82	57.00	69.00	26.43	21.00	48.47	66.39	100.00	66.50	64.91	52.30	98.15
04	57.66	52.30	85.00	90.00	98.00	28.40	32.00	57.00	38.00	24.89	22.66	48.70	71.72	98.73	62.00	66.32	58.51	97.65
05	74.19	52.64	87.00	95.89	99.07	51.70	52.00	97.00	55.80	86.92	76.17	36.81	41.80	78.48	40.00	51.58	72.54	83.50
06	85.89	66.00	72.00	95.30	90.34	52.20	68.70	100.00	46.00	93.16	83.06	37.46	29.92	63.29	29.00	47.08	48.70	94.17
07	85.89	68.00	82.00	76.80	66.98	33.20	72.00	90.00	48.67	50.63	31.64	39.26	57.38	94.94	29.50	57.72	61.45	69.90
08	84.27	64.00	75.00	93.20	63.00	34.00	59.00	90.00	23.20	44.00	40.00	86.00	83.20	100.00	53.00	74.00	80.00	73.79
09	89.52	62.70	74.09	91.30	62.00	35.00	64.20	90.00	47.00	45.57	37.11	49.69	86.89	93.67	51.50	74.04	87.00	84.47
10	95.97	81.56	83.00	91.58	63.00	31.70	62.60	100.00	90.00	84.75	40.63	67.48	84.36	97.50	70.00	97.17	84.36	89.81
11	95.56	89.10	98.00	93.16	88.24	59.90	82.20	100.00	98.75	87.76	91.41	70.55	40.46	92.40	67.50	92.63	63.63	92.23
12	97.18	90.78	100.00	87.37	100.00	65.80	83.80	96.00	94.00	98.31	99.22	80.98	37.70	93.75	83.50	91.58	68.73	92.72
13	86.29	67.00	92.00	92.63	98.70	61.90	68.76	47.00	55.00	91.98	94.14	76.69	34.43	92.50	72.50	86.32	58.91	91.26
14	74.60	58.00	82.00	95.26	78.00	45.03	31.08	47.00	40.80	89.40	90.50	79.75	33.93	90.00	55.50	75.44	53.35	100.00
15	69.35	75.82	80.00	98.42	80.86	29.21	22.73	60.00	32.90	32.07	35.94	80.37	65.16	98.75	86.00	78.60	87.60	100.00
16	63.31	77.00	81.00	96.00	81.00	26.00	23.00	65.00	40.00	28.00	30.00	75.00	67.00	82.00	77.00	80.00	86.00	98.00
17	70.97	80.00	84.00	100.00	87.30	33.91	28.79	68.00	42.00	61.18	38.20	48.77	100.00	86.00	100.00	96.89	94.90	88.83
18	76.61	82.00	86.00	92.43	89.00	40.00	32.00	54.00	45.00	65.00	47.00	100.00	100.00	90.00	98.00	100.00	96.00	93.00
19	94.76	76.00	89.00	91.99	98.00	56.40	34.85	68.00	57.70	66.00	55.00	93.25	55.33	89.00	99.00	78.25	85.46	66.99
20	92.74	98.50	85.00	95.26	94.00	58.60	36.92	65.00	54.30	72.00	53.60	96.00	54.10	87.00	95.00	92.63	96.47	82.24
21	77.00	38.00	91.00	47.37	99.38	30.00	34.30	64.00	36.10	39.47	32.00	97.00	56.97	85.00	98.00	96.48	94.18	91.26
22	74.60	35.00	87.00	95.30	96.70	35.00	32.00	61.00	38.40	32.70	34.00	90.00	58.70	73.00	90.00	89.70	91.40	83.40
23	75.81	44.00	75.00	95.84	76.47	21.53	29.72	59.00	68.00	31.65	30.08	99.48	100.00	100.00	96.50	96.84	100.00	98.55
24	78.23	89.90	68.00	93.00	75.00	22.00	27.00	60.00	57.00	30.00	28.00	98.00	99.00	95.00	95.00	97.00	100.00	100.00
25	77.42	87.40	98.66	83.16	89.16	30.20	27.30	87.00	75.00	72.57	57.03	90.18	79.51	98.75	86.50	72.98	100.00	87.38
26	69.35	95.00	100.00	97.00	100.00	57.00	65.00	98.00	87.00	82.00	68.00	95.00	86.00	100.00	92.00	88.00	100.00	94.00
27	69.76	92.00	96.70	98.00	98.71	62.00	68.00	95.61	85.80	80.00	65.00	92.00	81.41	89.10	89.00	84.00	72.30	90.78
28	58.87	43.00	50.00	98.95	68.75	18.01	21.21	73.00	27.00	35.44	53.52	31.29	85.25	92.50	96.00	77.19	80.00	98.15
29	50.40	47.70	48.00	100.00	65.00	15.00	18.00	69.00	20.00	28.00	65.00	30.00	95.00	100.00	98.00	89.00	92.00	100.00
30	50.00	64.00	56.00	99.47	35.00	16.00	22.02	44.00	20.01	51.98	42.00	32.80	100.00	100.00	95.00	87.72	76.18	100.00
31	52.82	64.80	57.00	88.44	34.57	32.09	29.30	92.00	91.50	32.49	44.92	33.74	74.18	100.00	89.50	75.79	72.73	85.44
TOTAL	73.99	67.30	80.47	91.60	81.50	37.67	42.37	75.54	54.00	55.26	49.99	67.34	68.25	90.27	77.00	79.59	78.76	89.75

Hotel telephone numbers: 6764000 · 736861123 · 815216000 · 37404555 · 4631000 · 4672000 · 4682000 · 81 3302-5555 · 24 33792800 · 4662000 · 4663000 · 2039000 · 3520000 · 3318200 · 3302233 · 2032000 · 2552000 · 3749611

Exhibit 2: Occupancy Table for Local Hotels November 2001

Mapa de Ocupação - Hotéis
Mês: Novembro de 2001

TEL	6764000		736861122		8152160000		3740555		4631000		4672000		4682000		813302-5555		24337925800		4662000		4653000		2039000		3520000		3318200		3302233		2032000		2552000		3749611	
	248 Aptos. PRAIA DO FORTE RESORT		362 Aptos. T. AMÉRICA COMANDATUBA		300 Aptos. CABO SANTO AGOSTINHO		190 Aptos. CATUSSABA		324 Aptos. SUPERCLUBS		406 Aptos. Sofitel Sauipe Convention		198 aptos Sofitel Sauipe Suites		170 aptos Summerville Muro Alto		319 aptos. Blue Tree Angra		217 aptos Renaissance Sauipe		Marriot Sauipe		164 Aptos. SALVADOR PRAIA		244 Aptos BAHIA FIESTA		88 Aptos. CAESAR TOWERS		202 Aptos. T.AMÉRICA SSA		263 Aptos. OTHON PALACE		275 Aptos. TROPICAL DA BAHIA		195 Aptos. SOFITEL 4 RODAS	
DATA																																					
01	65.32	65.32	94.00	94.00	93.00	93.00	81.05	81.05	98.15	98.15	64.00	64.00	51.50	51.50	96.00	96.00	99.00	99.00	74.26	74.26	65.23	65.23	36.00	36.00	29.52	29.52	82.00	82.00	55.50	55.50	56.49	56.49	61.00	61.00	61.65	61.65
02	85.89	75.61	98.40	96.20	96.00	94.50	95.79	88.42	96.60	97.38	76.80	70.40	62.90	57.20	96.00	96.00	96.90	97.95	82.70	78.48	85.94	75.59	36.81	36.41	18.85	24.19	91.25	86.63	53.00	54.25	50.18	53.34	59.26	60.13	58.74	60.20
03	78.23	76.48	33.00	75.13	97.00	95.33	90.00	88.95	99.00	97.92	79.00	73.27	70.00	61.47	100.00	97.33	91.00	95.63	85.00	80.65	90.00	80.39	33.00	35.27	18.00	22.12	80.00	84.42	61.00	56.50	53.00	53.22	55.00	58.42	52.00	57.46
04	47.18	69.16	30.00	63.85	35.00	80.25	73.16	85.00	33.75	81.88	28.47	62.07	28.28	53.17	65.00	89.25	13.00	74.98	17.37	64.83	15.00	64.04	27.00	33.20	20.08	21.61	67.58	80.21	46.00	53.88	49.47	52.29	56.72	58.00	46.60	54.75
05	43.55	64.03	30.44	57.17	30.00	70.20	83.70	84.74	37.00	72.90	36.10	56.87	25.80	47.70	75.00	86.40	15.40	63.06	18.72	55.61	15.14	54.26	31.00	32.76	34.24	24.14	100.00	84.17	59.50	55.00	50.88	52.00	56.36	57.67	65.58	56.91
06	42.34	60.42	35.00	53.47	32.70	63.95	84.00	84.62	39.00	67.25	37.80	53.70	27.80	44.38	76.70	84.78	18.40	55.62	20.80	49.81	17.37	48.11	34.00	32.97	36.80	26.25	100.00	86.81	56.80	55.30	53.90	52.32	57.80	57.69	68.90	58.91
07	43.55	58.01	32.96	50.54	60.00	63.39	78.42	83.73	94.43	71.13	35.10	51.04	26.30	41.80	78.00	83.81	20.38	50.58	16.88	45.10	14.45	43.30	71.17	38.43	75.16	33.24	100.00	88.69	78.00	58.54	85.61	57.08	58.54	57.81	100.00	64.78
08	57.83	57.99	37.00	48.85	40.00	60.46	71.00	82.14	98.45	74.55	46.30	50.45	24.26	39.61	96.00	85.34	20.00	46.76	16.46	41.52	16.80	39.99	60.12	41.14	60.66	36.66	95.00	89.48	79.00	61.10	91.23	61.35	83.64	61.04	99.03	69.06
09	69.88	59.31	45.60	48.49	50.00	59.30	74.80	81.32	100.00	77.38	54.70	50.92	48.40	40.58	100.00	86.97	47.60	46.85	25.80	39.78	27.60	38.61	68.70	44.20	70.80	40.46	100.00	90.65	85.00	63.76	100.00	65.64	87.40	63.97	100.00	72.50
10	74.70	60.85	58.00	49.44	49.00	58.27	96.84	82.88	64.32	76.07	45.30	50.36	26.30	39.15	80.00	86.27	18.00	43.97	14.83	37.28	20.00	36.75	51.53	44.93	25.89	39.00	67.50	88.33	54.00	62.78	67.02	65.78	62.28	63.80	66.10	71.86
11	79.92	62.58	61.00	50.49	55.00	57.97	97.27	84.18	58.80	74.50	21.30	47.72	29.80	38.30	35.00	81.61	15.70	41.40	13.50	35.12	19.92	35.22	50.31	45.42	33.70	38.52	91.25	88.60	66.00	63.07	49.20	64.27	56.00	63.09	56.80	70.49
12	83.94	64.36	64.00	51.62	39.00	56.39	96.93	85.25	56.15	72.97	14.60	44.96	25.76	37.26	64.00	80.14	14.70	39.17	12.66	33.25	18.36	33.82	96.93	49.71	54.92	39.89	100.00	89.55	58.50	62.69	61.40	64.03	64.00	63.17	68.45	70.32
13	78.71	65.46	76.00	53.49	70.00	57.44	85.26	85.25	55.00	71.59	13.00	42.50	20.00	35.93	68.00	79.21	96.95	43.62	10.00	31.46	16.00	32.45	100.00	53.58	61.80	41.57	98.00	90.20	65.00	62.87	67.00	64.26	70.00	63.69	72.00	70.45
14	90.76	67.27	78.00	55.24	73.40	58.58	87.00	85.37	59.00	70.69	18.40	40.78	27.80	35.35	70.00	78.55	98.00	47.50	13.70	30.19	20.00	31.56	100.00	56.90	67.80	43.44	100.00	90.90	69.00	63.31	72.00	64.81	79.00	64.79	77.00	70.92
15	90.76	68.84	93.29	57.78	98.00	61.21	92.10	85.82	98.76	72.56	10.69	38.77	92.60	39.17	80.00	78.65	96.00	50.74	94.94	34.51	94.14	35.73	98.77	59.69	39.34	41.20	91.25	90.92	89.00	65.02	87.82	66.35	61.45	64.56	73.79	71.11
16	96.39	70.56	74.88	58.85	97.00	63.44	81.58	85.56	99.00	74.21	14.80	37.27	95.00	42.66	87.00	79.17	96.20	53.58	98.40	38.50	97.50	39.59	93.87	61.83	37.30	39.78	86.25	90.63	85.00	66.27	85.61	67.55	69.46	64.87	86.89	72.10
17	95.98	72.05	48.60	58.25	85.00	64.71	100.00	86.41	60.00	73.38	20.70	36.30	74.20	44.51	89.10	79.75	98.00	56.19	95.78	41.87	89.40	42.52	85.89	63.24	38.93	38.67	89.70	90.58	84.80	67.36	64.56	67.37	62.54	64.73	89.30	73.11
18	68.67	71.87	41.00	57.29	71.00	65.06	84.74	86.31	46.76	71.90	40.00	39.64	25.30	43.44	52.00	78.21	24.00	54.40	28.96	41.15	26.56	41.63	47.24	62.35	54.92	38.46	90.00	90.54	82.50	68.20	66.32	67.32	56.00	64.25	85.44	73.79
19	70.28	71.78	43.00	56.54	42.00	63.85	95.79	86.81	54.18	70.97	25.20	38.88	33.30	42.91	61.00	77.31	35.00	53.38	20.25	40.05	26.53	40.84	58.28	62.14	72.95	38.47	98.75	90.98	63.00	67.95	56.14	66.73	73.09	64.71	82.04	74.23
20	69.08	71.65	45.00	55.96	40.00	62.66	91.80	87.06	53.80	70.11	24.80	38.18	30.80	42.31	58.00	76.34	32.00	52.31	19.70	39.04	25.00	40.05	55.70	61.82	73.40	38.38	95.70	91.21	60.00	67.53	52.80	66.03	74.00	65.18	80.90	74.56
21	69.88	71.56	50.00	55.67	60.00	62.53	100.00	87.68	50.77	69.19	23.00	37.46	31.00	41.77	92.00	77.09	53.00	52.34	53.00	39.70	23.00	39.24	61.00	61.78	75.00	36.54	100.00	91.63	65.00	67.41	49.12	65.23	88.00	66.26	91.75	75.38
22	80.72	71.98	55.00	55.64	80.00	63.32	95.00	88.01	95.00	70.36	30.00	37.12	34.00	41.41	96.00	77.95	98.10	54.42	56.05	40.44	70.00	40.63	80.00	62.61	86.00	36.03	90.00	91.56	77.00	67.85	58.60	64.93	100.00	67.80	100.00	76.50
23	81.93	72.41	53.30	55.54	89.00	64.44	100.00	88.53	99.00	71.61	31.00	36.85	35.00	41.13	92.00	78.56	97.00	56.28	71.37	41.79	72.11	42.00	75.00	63.14	80.00	34.87	95.00	91.71	57.00	67.37	63.86	64.88	98.00	69.11	100.00	77.52
24	85.14	72.94	45.00	55.10	85.00	65.30	97.00	88.88	73.00	71.66	40.00	36.98	47.00	41.38	62.00	77.87	96.00	57.93	50.00	42.13	71.48	43.23	70.00	63.43	82.00	35.75	93.75	95.78	51.00	66.69	71.93	65.17	87.00	69.86	90.00	78.04
25	68.67	72.77	47.80	54.81	80.00	65.88	96.70	89.20	71.00	71.64	38.40	37.04	42.00	41.40	60.00	77.15	95.00	59.41	61.80	42.92	75.00	44.50	64.80	63.48	80.00	36.17	90.80	91.75	50.00	66.02	70.80	65.40	85.00	70.46	89.80	78.51
26	73.49	72.80	50.00	54.63	79.00	66.39	94.00	89.38	66.00	71.42	35.00	36.96	40.00	41.35	55.00	76.30	80.00	60.21	55.00	43.38	51.00	44.75	60.00	63.35	73.00	35.48	95.00	91.88	56.00	65.64	73.00	65.69	80.00	70.83	80.00	78.57
27	69.88	72.69	54.00	54.60	71.80	66.59	90.00	89.40	61.40	71.05	31.80	36.77	38.40	41.24	52.80	75.43	75.40	60.77	51.80	43.69	48.40	44.89	58.40	63.17	100.00	35.58	90.80	91.84	54.00	65.21	71.40	65.90	79.30	71.14	79.00	78.58
28	67.47	72.51	48.00	54.37	63.00	66.46	75.00	88.89	52.70	70.39	30.80	36.56	30.50	40.86	42.70	74.26	72.00	61.17	48.80	43.88	45.00	44.89	82.21	63.85	65.98	34.24	84.70	91.58	72.50	65.47	81.05	66.44	99.94	72.17	97.10	79.25
29	77.91	72.69	46.00	54.08	60.00	66.24	76.00	88.45	99.00	71.38	28.00	36.26	29.00	40.45	40.00	73.08	70.00	61.47	45.00	43.91	26.00	44.24	85.00	64.58	56.15	33.64	80.00	91.18	70.00	65.62	60.70	66.24	80.00	72.44	98.00	79.89
30	79.52	72.92	62.00	54.34	75.00	66.53	89.00	88.46	100.00	72.33	34.00	36.19	49.00	40.73	59.00	72.61	80.00	62.09	64.00	44.58	39.00	44.06	87.80	65.35	64.80	34.68	100.00	91.48	71.20	65.81	79.70	66.69	85.00	72.86	100.00	80.56
TOTAL	70.57		52.59		64.38		85.61		70.00		35.02		39.42		70.27		60.09		43.15		42.64		63.24		54.45		88.53		63.69		64.54		70.51		77.96	

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Pojuca S/A - Praia do Forte EcoResort
Mapa de Ocupação - Hotéis
Mês:Dezembro de 2001

Exhibit 3: Occupancy Table for Local Hotels December 2001

The table below reproduces the daily occupancy (%) for each hotel. Each hotel column in the original also carries a running cumulative average (shown in red); only the daily values and the monthly total are transcribed here.

DATA	PRAIA DO FORTE RESORT	T. AMÉRICA COMANDATUBA	CABO SANTO AGOSTINHO	CATUSSABA	SUPERCLUBS	Sofitel Sauipe Convention	Sofitel Sauipe Suites	Summerville Muro Alto	Blue Tree Angra	Renaissance Sauipe	Marriot Sauipe	SALVADOR PRAIA	BAHIA FIESTA	CAESAR TOWERS	T.AMÉRICA SSA	OTHON PALACE	TROPICAL DA BAHIA	SOFITEL 4 RODAS	CARLTON
TEL	6764000	73686122	8152160000	3740555	4631000	4672000	4682000	81 3302-5555	24 33792800	4662000	4653000	2039000	3520000	3318200	3302233	2032000	2552000	3749611	4538000
Aptos	248	362	300	190	324	406	198	170	319	217		164	244	88	202	263	275	195	433
01	70.68	36.00	96.00	86.00	59.00	61.00	68.00	74.20	87.80	74.30	67.90	85.00	100.00	100.00	92.00	97.00	52.00	91.30	0.00
02	53.41	28.00	74.00	78.90	69.00	54.00	59.00	67.80	75.40	67.90	54.10	49.39	51.64	68.65	62.50	78.25	48.72	87.86	0.00
03	49.80	30.00	61.00	70.00	56.00	45.00	51.00	60.00	55.00	60.00	11.00	45.00	60.00	57.00	60.00	57.00	42.00	70.00	0.00
04	52.61	48.00	89.00	67.37	60.07	15.03	39.07	23.00	12.09	25.54	10.00	46.01	73.77	98.75	74.00	84.21	90.18	84.47	0.00
05	49.40	49.00	80.00	65.00	58.00	16.00	37.00	25.00	11.00	20.00	10.00	47.00	80.00	100.00	70.00	89.00	91.00	87.00	0.00
06	45.78	83.07	78.00	83.68	85.05	29.05	51.00	100.00	97.00	35.27	15.87	46.63	88.52	100.00	82.00	99.30	97.00	100.00	0.00
07	48.59	88.00	85.00	100.00	98.00	33.00	55.00	100.00	100.00	38.00	18.00	45.00	98.00	80.00	90.00	100.00	100.00	100.00	0.00
08	59.44	81.08	79.00	95.70	92.90	35.00	58.00	100.00	95.00	40.80	20.00	51.00	100.00	84.70	86.80	98.40	96.50	92.40	0.00
09	60.24	67.80	62.00	87.90	84.30	28.70	47.00	84.30	81.00	37.40	25.00	48.40	87.00	80.10	71.00	85.20	73.40	81.70	0.00
10	57.03	59.00	65.00	80.00	70.00	26.00	37.00	75.00	61.00	27.00	20.00	52.00	88.00	91.00	73.00	87.00	85.00	85.00	28.00
11	54.62	51.30	58.70	78.40	69.40	25.00	35.70	71.40	79.00	50.00	20.00	54.00	85.00	90.00	72.00	84.70	80.00	82.00	25.00
12	53.01	63.30	79.00	97.89	81.19	30.00	31.80	53.00	100.00	63.70	16.00	67.48	91.39	96.00	89.50	94.04	48.72	74.27	25.00
13	55.82	65.00	81.00	98.00	82.70	17.00	27.00	78.00	100.00	65.80	23.00	69.20	94.00	98.00	89.50	89.82	63.63	73.30	26.00
14	76.31	63.00	84.00	89.45	96.95	19.00	32.00	100.00	100.00	29.80	25.00	65.00	85.00	47.05	41.00	51.58	58.55	53.88	27.00
15	84.74	48.00	82.00	75.26	85.77	23.00	43.00	72.00	66.77	15.65	17.60	46.01	26.00	50.00	32.00	47.37	57.82	52.91	17.00
16	72.29	45.00	80.00	72.40	80.00	20.00	41.00	69.40	65.00	13.00	15.40	45.00	24.00	47.30	30.00	45.80	52.70	49.40	16.00
17	71.89	43.00	48.00	61.58	85.00	22.00	42.00	72.00	64.00	14.35	25.00	51.00	27.00	100.00	45.50	65.96	62.00	50.00	16.00
18	67.47	40.00	45.00	60.80	80.00	20.00	39.80	70.10	62.00	13.40	24.00	54.00	26.00	90.00	42.40	62.70	60.00	49.10	16.00
19	70.68	38.00	42.00	57.90	76.80	19.00	35.70	69.80	60.00	15.00	20.00	52.00	24.00	87.00	40.80	63.00	58.00	46.00	15.00
20	68.67	40.00	44.00	55.00	73.00	20.00	37.00	64.00	57.00	13.00	21.00	50.00	27.00	86.00	39.00	65.00	55.00	44.00	15.00
21	69.48	46.00	51.00	57.00	80.00	25.00	38.00	67.00	59.00	25.00	27.00	39.00	35.00	69.00	45.00	60.00	59.00	53.00	15.00
22	79.52	71.00	95.00	70.53	82.00	35.00	46.00	82.00	98.00	48.00	45.00	20.00	19.02	45.00	26.00	33.33	30.55	30.50	22.20
23	77.51	75.00	96.00	75.00	86.70	38.00	57.00	87.80	100.00	50.00	49.00	23.00	24.00	47.80	27.60	35.80	32.00	34.80	22.63
24	77.91	94.00	95.00	70.00	95.00	40.00	64.00	87.00	100.00	40.00	52.00	18.00	18.00	43.00	26.00	34.00	30.00	32.00	23.00
25	76.31	96.00	95.00	72.11	96.00	45.00	70.00	86.00	98.00	34.18	54.88	12.88	9.84	40.00	25.00	30.80	28.80	30.00	24.20
26	85.94	97.00	98.00	75.00	97.80	50.00	75.00	87.80	98.00	35.70	58.00	13.40	10.70	42.00	27.00	32.70	29.00	32.00	25.00
27	83.53	98.00	96.00	87.83	98.00	64.00	78.00	99.00	91.50	75.32	75.63	20.86	29.92	65.00	85.00	50.53	51.00	43.69	40.00
28	79.12	98.00	97.00	90.00	98.00	65.00	79.00	100.00	93.40	76.80	78.80	22.50	30.80	67.00	87.90	51.60	59.27	45.80	26.79
29	87.55	100.00	100.00	95.00	100.00	68.00	80.00	100.00	95.00	78.00	80.00	24.00	32.00	69.00	90.00	58.00	63.00	48.00	28.00
30	89.56	99.10	97.00	88.95	98.77			99.00	97.80	96.19	98.00	31.29	40.16	78.00	91.00	73.68	62.00	58.74	44.80
31	0.00																		0.00
TOTA	65.45	62.60	75.25	75.57	79.85	31.86	46.90	74.99	76.12	41.26	34.75	41.74	51.15	71.53	58.50	64.70	58.61	60.10	15.96

Exhibit 4: Occupancy Table for Local Hotels January 2002

Mapa de Ocupação – Hotels
Mês: Janeiro de 2002

FONE	076-4000	79-886-1122	81-521-6000	314-3000	463-1000	467-2000	468-2000	468-2000	465-3000	352-0000	331-9200	339-2233	202-0000	336-0102	374-9611	453-8000	81-3302/3535	24-33/9-2600	20-9000
HOTEIS	PRAIA DO FORTE ECORESORT	TRANSAMERICA COMANDATUBA	CABO DE SANTO AGOSTINHO	CATUSSABA	SUPERCLUBS BREEZES	SOFITEL COSTA SAUIPE	SOFITEL SAUIPE SUITES	RENAISSANCE SAUIPE	MARRIOT SAUIPE	BAHIA FIESTA	CAESAR TOWERS	TRANSAMERICA SALVADOR	OTHON PALACE	TROPICAL DA BAHIA	SOFITEL QUATRO RODAS	CARLTON	SUMMERVILLE MURO ALTO	BLUE TREE ANGRA	SALVADOR PRAIA
APTOS	249	362	300	256	324	406	198	217	256	244	88	202	263	275	195	433	202	319	164
DATA																			
1	88.35	79.00	95.00	84.00	79.70	61.00	62.00	69.00	74.00	29.00	64.80	63.00	68.00	69.80	42.00	36.00	89.00	86.00	37.00
2	83.53	80.00	93.62	83.98	78.33	61.00	62.00	67.51	72.94	29.00	65.00	61.50	67.72	70.00	40.78	34.20	86.00	85.00	35.58
3	77.91	78.00	91.78	82.00	75.00	50.05	56.00	65.80	71.40	28.70	65.00	60.80	66.70	70.00	39.70	32.80	85.00	84.70	34.80
4	82.73	87.00	88.00	77.73	70.00	0.00		63.90	70.80	22.54	63.00	55.00	67.63	49.09	57.77	41.10	82.00	80.00	42.94
5	80.72	88.00	86.00	77.10	69.00	0.00		62.00	69.00	22.00	62.80	54.30	67.00	61.38	56.90	40.70	80.00	71.70	40.00
6	86.75	85.00	84.00	75.90	67.00	0.00		61.80	67.90	21.00	59.70	52.00	65.00	58.95	57.80	39.00	79.10	78.00	41.00
7	90.36	97.00	90.00	85.00	71.00	0.00		59.00	57.00	31.00	60.00	51.00	66.00	45.00	60.00	38.00	75.00	76.00	40.00
8	90.76	98.00	96.00	74.22	76.00	0.00		57.38	65.77	42.21	95.00	71.00	66.57	67.00	70.87	56.35	99.00	84.64	69.94
9	93.17	98.00	96.00	75.60	77.00	0.00		57.38	66.00	43.80	95.00	72.00	71.80	68.00	71.80	57.90	99.00	85.60	69.98
10	93.57	94.00	100.00	81.25	60.24	0.00		63.21	68.00	43.44	100.00	78.00	73.38	61.45	92.23	35.30	100.00	92.48	70.55
11	97.99	85.00	100.00	81.25	50.00	0.00		60.34	61.00	27.00	90.00	55.00	65.11	58.00	54.37	35.80	99.00	100.00	67.50
12	96.79	87.00	100.00	89.00	78.00	0.00		59.00	68.00	28.00	88.75	47.50	67.45	72.00	66.90	36.00	97.00	98.00	65.00
13	79.52	86.00	70.00	78.13	60.00	0.00		57.25	66.80	20.90	87.00	57.00	57.55	67.00	90.29	41.00	97.00	89.60	71.17
14	85.14	89.00	78.00	79.30	55.60	0.00		58.00	54.00	41.21	95.00	75.50	64.39	60.72	60.20	42.00	90.00	88.00	76.70
15	87.55	89.70	80.00	79.80	56.70	0.00		58.40	54.80	41.70	95.00	75.90	65.00	61.20	61.70	42.00	90.00	89.00	76.80
16	93.17	94.40	83.00	75.78	84.00	0.00		51.00	50.00	82.78	90.00	76.00	61.29	70.00	89.32	36.70	97.00	93.40	84.05
17	93.57	95.00	84.00	76.80	85.00	0.00		53.00	51.70	83.00	90.00	77.80	82.00	70.00	87.86	30.50	98.00	94.00	85.89
18	93.98	95.00	79.00	67.58	56.00	0.00		65.00	46.00	64.76	77.50	44.00	67.99	54.00	75.24	40.00	99.00	91.54	75.79
19	97.99	89.00	90.00	69.14	57.00	0.00		58.00	82.00	29.50	39.00	39.00	52.88	65.00	66.02	69.10	99.00	96.90	72.73
20	96.39	88.00	90.00	70.80	57.00	0.00		59.00	80.00	31.00	42.00	42.00	53.80	65.00	85.44	75.00	96.00	93.00	63.15
21	94.78	88.60	80.00	74.23	60.00	99.30	75.30	46.00	72.00	43.03	89.00	44.00	69.42	50.00	95.15	70.00	92.00	97.00	70.00
22	90.36	93.00	85.00	70.31	66.00	91.30	80.80	49.15	72.00	48.82	100.00	57.50	64.72	39.27	83.05	73.50	96.00	99.00	73.01
23	88.76	96.00	98.00	84.38	67.00	19.30	74.70	49.00	39.00	53.00	100.00	71.50	85.00	43.50	84.70	74.80	95.00	98.00	72.00
24	94.38	97.00	98.00	85.00	68.00	39.90	75.80	50.00	43.00	54.00	100.00	74.10	83.00	44.70	88.35	54.73	96.00	98.00	73.00
25	97.59	65.00	98.00	76.17	73.00		68.30	36.00	38.00	20.80	88.00	68.00	75.00	51.00	60.00	31.90	100.00	92.00	31.90
26	96.39	59.00	85.00	75.00	75.00		60.00	34.00	36.00	22.00	87.00	51.00	69.00	57.00	62.00	31.00	80.00	80.00	30.00
27	88.76	40.00	80.00	71.90	76.00		58.60	32.00	30.00	24.59	87.50	45.00	60.79	62.00	65.05	30.95	79.00	74.61	30.95
28	85.14	38.00	74.00	83.98	62.00		74.76	31.00	35.00	48.36	74.00	53.50	59.71	60.00	74.76	31.00	74.00	69.60	32.00
29	88.35	37.80	74.00	66.02	34.00		46.50	30.00	17.79	50.00	91.25	55.00	62.23	67.63	78.16	30.00	70.00	70.20	35.00
30	87.55	37.00	70.00	86.00	40.00			39.00	16.00	71.21	95.00	65.00	58.99	78.18	100.00	41.11	63.00	72.00	41.72
31	83.13	40.00	75.00	87.00	41.00			27.70	19.00	71.73	91.00	65.50	56.47	79.63	100.00	43.60	100.00	94.00	42.33
TOTAL	89.84	79.79	87.30	78.20	65.31	22.96	25.64	52.57	55.32	40.97	85.17	59.95	67.73	60.35	71.56	44.26	89.71	87.16	56.53

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Exhibit 5: Occupancy Table for Local Hotels February 2002

Mapa de Ocupação - Hoteis
Mês: Fevereiro de 2002

Each hotel column below is printed as a pair of values: the left value (D) is the daily occupancy and the right value (A) is the running monthly average.

FONE / HOTÉI / APTOS	676-4000 RAIA DO FORT ECORESORT 249 D	A	73-686-1122 TRANSAMÉRICA COMANDATUB 362 D	A	81-521-6000 CABO DE SANT AGOSTINHO 300 D	A	374-8000 CATUSSABA 256 D	A	463-1000 SUPERCLUB BREEZES 324 D	A	467-2000 SOFITEL CC SAUIPE 406 D	A	468-2000 SOFITEL SAU SUÍTES 198 D	A	466-2000 RENAISSAN SAUÍPE 217 D	A	465-3000 MARRIOT SAUÍPE 256 D	A	352-0000 BAHIA FIESTA 244 D	A	331-8200 CAESAR TOWERS 88 D	A	330-2233 TRANSAMÉRICA SALVADOR 202 D	A	203-2000 OTHON PALACE 263 D	A	336-0102 TROPICAL DA BAHIA 275 D	A	374-9611 SOFTEL QUATRO RODAS 195 D	A	453-8000 CARLTON 333 D	A	81-3302-5555 SUMMERVILLE MURO ALTO 202 D	A	24-3379-2800 BLUE TREE ANGRA 319 D	A	203-9000 SALVADOR PRAIA 164 D	A
01	85.94	85.94	45.00	45.00	70.00	70.00	79.00	79.00	40.00	40.00	0.00		0.00	0.00	27.00	27.00	18.00	18.00	71.22	71.22	90.00	90.00	65.40	65.40	56.00	56.00	79.00	79.00	90.00	90.00	45.00	45.00	100.00	100.00	96.00	96.00	43.00	43.00
02	71.49	78.72	43.00	44.00	75.00	72.50	72.00	75.50	41.00	40.50	0.00		0.00	0.00	25.00	26.00	20.00	19.00	72.12	71.67	87.00	88.50	62.00	63.70	58.00	57.00	72.00	75.50	60.00	75.00	44.00	44.50	91.00	95.50	92.00	94.00	45.00	44.00
03	42.17	66.53	32.00	40.00	60.00	68.33	51.56	67.52	17.90	32.97	0.00		0.00	0.00	11.00	21.00	9.35	15.78	49.57	64.30	68.08	81.69	41.00	56.13	39.00	51.19	39.00	63.33	57.77	69.26	49.88	46.29	84.00	85.00	44.00	77.33	25.15	37.72
04	37.35	59.24	27.00	36.75	55.00	65.00	44.92	61.87	17.00	28.98	4.00	16.00	6.00	24.00	9.00	18.00	7.35	13.68	40.57	58.37	82.25	81.83	47.00	53.85	39.21	48.20	40.00	57.50	60.77	67.14	45.30	46.05	69.00	81.00	39.00	67.75	23.93	34.27
05	36.95	54.78	20.00	33.40	55.00	63.00	44.53	58.40	19.00	26.98	0.00		0.00	0.00	8.30	16.06	10.00	12.94	35.20	53.74	81.30	81.73	51.00	53.28	44.24	47.40	45.00	55.00	55.35	64.78	50.00	46.84	88.00	78.40	49.20	64.04	29.45	33.31
06	36.55	51.74	21.00	31.33	52.00	61.17	52.34	57.39	16.70	25.27	0.00		0.00	0.00	8.00	14.72	6.53	11.87	30.30	49.83	80.75	81.56	35.50	50.32	38.13	45.86	51.00	54.33	66.50	65.07	70.00	50.70	62.00	75.67	47.00	61.20	32.52	33.18
07	34.54	49.28	27.00	30.71	50.00	59.57	49.22	56.22	26.00	25.37	0.00		0.00	0.00	12.00	14.33	20.00	13.03	29.90	46.98	100.00	84.20	44.00	49.41	100.00	53.59	51.00	53.86	68.93	65.62	80.00	54.88	60.00	73.43	55.00	60.31	35.00	33.44
08	39.76	48.09	85.00	37.50	60.00	59.63	51.00	55.57	27.00	25.58	0.00		0.00	0.00	16.00	14.54	21.00	14.03	28.00	44.61	98.00	85.92	52.00	49.74	100.00	59.39	52.00	53.63	68.00	65.92	73.00	57.15	56.00	71.25	67.00	61.15	36.00	33.76
09	79.52	51.59	90.00	43.33	89.00	62.89	56.00	55.62	40.00	27.18	0.00		0.00	0.00	20.00	15.14	20.00	14.69	32.00	43.21	100.00	87.49	73.00	52.32	100.00	63.91	58.00	54.11	73.00	66.70	72.00	58.80	75.00	71.67	82.00	63.47	48.00	35.34
10	95.58	55.99	94.00	48.40	98.00	66.40	65.63	56.62	66.00	31.06	0.00		0.00	0.00	30.00	16.63	28.00	16.02	45.47	43.44	100.00	88.74	82.00	55.29	100.00	67.52	56.00	54.30	93.69	69.40	76.90	60.61	99.00	74.40	99.00	67.02	76.69	39.47
11	96.39	59.66	92.00	52.36	100.00	69.45	69.14	57.76	73.00	34.87	0.00		0.00	0.00	24.00	17.30	30.00	17.29	43.80	43.47	100.00	89.76	78.00	57.35	100.00	70.47	56.00	54.45	95.15	71.74	78.00	62.19	99.00	76.64	98.00	69.84	78.00	42.98
12	95.58	62.65	84.00	55.00	95.00	71.58	62.11	58.12	67.00	37.55	0.00		0.00	0.00	16.00	17.19	25.00	17.94	43.44	43.47	100.00	90.62	72.50	58.62	100.00	72.93	57.00	54.67	88.83	73.17	28.87	59.41	99.00	78.50	97.00	72.10	69.33	45.17
13	92.37	64.94	78.00	56.77	94.00	73.31	60.00	58.27	65.00	39.66	0.00		0.00	0.00	18.00	17.25	26.00	18.56	45.00	43.58	100.00	91.34	70.00	59.49	100.00	75.01	56.00	54.77	85.00	74.08	26.00	56.84	97.00	79.92	94.00	73.78	66.70	46.83
14	93.17	66.95	67.00	57.50	90.00	74.50	51.00	57.75	58.00	40.97	0.00		0.00	0.00	20.00	17.45	25.00	19.02	43.00	43.54	90.00	91.24	67.00	60.03	89.00	76.01	50.00	54.43	78.00	74.36	30.00	54.93	81.00	80.00	87.00	74.73	65.00	48.13
15	93.57	68.73	54.00	57.27	85.00	75.20	53.00	57.43	47.00	41.37	0.00		0.00	0.00	17.00	17.42	20.00	19.08	41.00	43.37	87.00	90.96	50.00	59.36	70.00	75.61	47.00	53.93	70.00	74.07	37.00	53.73	75.00	79.67	80.00	75.08	51.00	48.32
16	47.39	67.40	30.00	55.56	87.00	75.94	56.00	57.34	46.00	41.66	0.00		0.00	0.00	15.00	17.27	19.00	19.08	40.80	43.21	79.00	90.21	38.00	58.03	51.00	74.07	44.00	53.31	67.00	73.62	40.00	52.87	69.00	79.00	78.00	75.26	47.00	48.24
17	39.76	65.77	25.00	53.76	90.00	76.76	58.89	57.43	46.60	41.95	0.00		0.00	0.00	12.24	16.97	18.00	19.01	40.00	43.02	74.00	89.26	22.50	55.94	43.17	72.25	43.00	52.71	64.15	73.07	41.00	52.17	67.30	78.31	77.00	75.36	38.04	47.64
18	61.45	65.53	24.00	52.11	89.00	77.44	60.55	57.61	60.00	42.96	0.00		0.00	0.00	14.77	16.85	17.97	18.96	38.06	42.75	90.02	89.30	42.50	55.19	42.45	70.60	78.05	54.11	68.45	72.81	32.00	51.05	73.00	78.02	61.00	74.57	44.17	47.44
19	63.05	65.40	23.00	50.58	87.80	77.99	59.70	57.72	60.00	43.85	0.00		0.00	0.00	15.00	16.75	18.80	18.95	59.00	43.60	91.00	89.39	43.80	54.59	44.00	69.20	79.70	55.46	69.80	72.65	32.00	50.05	75.00	77.86	63.00	73.96	46.80	47.41
20	58.63	65.06	24.00	49.25	80.00	78.09	79.69	58.81	51.00	44.21	0.00		0.00	0.00	25.35	17.18	35.00	19.75	52.00	44.02	89.00	89.37	45.50	54.14	47.84	68.13	76.00	56.49	79.60	73.00	49.84	50.04	70.00	77.47	60.00	73.26	47.00	47.39
21	49.00	64.30	20.00	47.86	75.00	77.94	78.20	59.74	62.30	45.07	0.00		0.00	0.00	25.40	17.57	37.00	20.57	43.20	43.98	86.32	89.22	45.50	53.72	45.00	67.03	76.00	57.42	55.39	72.16	42.00	49.66	70.00	77.11	60.00	72.63	47.00	47.37
22	49.80	63.64	15.10	46.37	69.00	77.54	77.00	60.52	78.00	46.57	0.00		0.00	0.00	30.00	18.14	62.00	22.45	35.00	43.58	80.25	88.82	45.00	53.33	44.96	66.03	78.00	58.35	55.39	71.40	42.00	49.31	97.00	78.01	65.00	72.28	77.00	48.72
23	51.41	63.11	11.00	44.83	80.00	77.64	88.28	61.73	43.00	46.41	0.00		0.00	0.00	30.00	18.65	64.00	24.26	30.00	42.98	98.77	89.25	78.50	54.42	51.00	65.37	72.00	58.95	60.00	70.90	81.80	50.72	72.00	77.75	70.00	72.18	70.00	49.64
24	44.18	62.32	8.80	43.33	45.00	76.28	88.67	62.85	28.00	45.65	0.00		0.00	0.00	11.00	18.34	13.00	23.79	46.30	43.12	92.90	89.40	88.50	55.84	53.24	64.87	70.18	59.41	57.77	70.36	90.10	52.36	65.00	77.22	39.00	70.80	76.69	50.77
25	44.58	61.61	9.60	41.98	44.00	74.99	99.61	64.32	26.00	44.86	0.00		0.00	0.00	35.62	19.03	14.00	23.40	47.00	43.28	95.00	89.63	85.00	57.01	51.44	64.33	75.00	60.04	82.04	70.82	91.70	53.94	61.00	76.57	12.90	68.48	77.00	51.82
26	57.83	61.46	10.00	40.75	46.00	73.88	100.00	65.69	25.00	44.10	0.00		0.00	0.00	37.00	19.72	23.08	23.15	48.00	43.46	95.00	89.83	86.00	58.12	52.00	63.86	76.00	60.65	83.00	71.29	96.00	55.55	62.00	76.01	14.00	66.39	78.00	52.83
27	56.63	61.28	10.20	39.62	50.00	72.99	98.05	66.89	34.00	43.72	0.00		0.00	0.00	32.47	20.19	25.00	23.15	56.97	43.96	100.00	90.21	47.50	57.73	42.45	63.06	80.70	61.39	85.92	71.83	33.30	54.73	66.00	75.64	87.50	67.17	69.33	53.44
28	60.64	61.26	11.00	38.60	50.00	72.17	72.27	67.08	46.00	43.80	0.00		0.00	0.00	21.83	21.83	20.00	23.04	40.00	43.82	88.94	90.16	46.00	57.31	42.45	62.33	49.45	60.97	65.05	71.59	33.00	53.95	73.00	75.55	97.81	68.26	65.64	53.87
TOTA(L)	61.26		38.60		72.17		67.08		43.80		0.57		0.86		21.83		23.04		43.82		90.16		57.31		62.33		60.97		71.59		53.95		75.55		68.26		53.87	

OBS: O Sofitel Sauípe recusa-se a fornecer ocupação diariamente

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Exhibit 6: Occupancy Table for Local Hotels March 2002

Mapa de Ocupação - Hoteis
Mês: Março de 2002

Each hotel has two columns: daily occupancy (left) and cumulative average (right).

DATA	RAIA DO FORT ECORESORT (676-4000, 249 APTOS)		TRANSAMERIC COMANDATU (73-686-1122, 362 APTOS)		CABO DE SA AGOSTINHO (81-521-6000, 300 APTOS)		CATUSSABA (374-8000, 256 APTOS)		SUPERCLUB BREEZES (463-1000, 324 APTOS)		SOFITEL SAUIPE (467-2000, 406 APTOS)		SOFITEL SUITES (468-2000, 198 APTOS)		RENAISSA SAUIPE (466-2000, 217 APTOS)		MARRIOT SAUIPE (465-3000, 256 APTOS)		BAHIA FIESTA (352-0000, 244 APTOS)		CAESAR TOWERS (331-8200, 88 APTOS)		TRANSAMERIC SALVADOR (330-2233, 202 APTOS)		OTHON PALACE (203-2000, 263 APTOS)		TROPICAL DA BAHIA (336-0102, 275 APTOS)		SOFITEL QUATRO RODAS (374-9611, 195 APT)		CARLTON (453-8000, 333 APTOS)		SUMMERVILLE MURO ALTO (81-3302-5555, 202 APTOS)		BLUE AM ('24-33, 319 APT)
1	47.79	47.79	20.42	20.42	48.00	48.00	65.00	65.00	70.00	70.00	78.00	78.00	71.02	71.02	65.73	65.73	25.00	25.00	12.00	12.00	49.38	49.38	33.50	33.50	47.84	47.84	49.00	49.00	61.17	61.17	26.76	26.76	87.00	87.00	96.00
2	48.59	48.19	25.00	22.71	59.00	53.50	53.09	59.05	35.00	52.50	76.07	77.04	67.02	69.02	17.84	41.79	19.66	22.33	12.70	12.35	45.70	47.54	28.00	30.75	50.72	49.28	60.00	54.50	52.91	57.04	20.03	23.40	54.00	70.50	97.00
3	40.96	45.78	57.00	34.14	43.00	50.00	45.31	54.47	40.00	48.33	36.00	63.36	35.00	57.68	12.24	31.94	17.27	20.64	20.90	15.20	54.32	49.80	25.50	29.00	32.37	43.64	65.00	58.00	68.45	60.84	21.48	22.76	56.00	65.67	66.00
4	35.74	43.27	70.00	43.11	32.00	45.50	57.03	55.11	17.00	40.50	35.00	56.27	37.00	52.51	42.00	34.45	21.29	20.81	23.00	17.15	56.70	51.53	34.50	30.38	35.25	41.55	68.03	60.51	91.75	68.57	26.80	23.77	56.00	63.25	74.00
5	36.14	41.84	70.00	48.48	32.00	42.80	58.00	55.69	18.00	36.00	34.10	51.83	36.10	49.23	43.70	36.30	20.80	20.80	23.00	18.32	58.00	52.82	35.00	31.30	37.00	40.64	68.70	62.15	92.00	73.26	27.80	24.57	57.00	62.00	75.00
6	41.37	41.77	70.10	52.09	35.00	41.50	66.02	57.41	18.00	33.00	38.70	49.65	60.00	51.02	39.00	36.75	27.46	21.91	74.59	27.70	91.00	59.18	47.50	34.00	38.13	40.22	47.00	59.62	87.10	75.56	52.90	29.30	70.00	63.33	69.70
7	49.00	42.80	71.80	54.90	36.70	40.81	66.80	58.75	19.00	31.00	35.10	47.57	46.00	50.31	36.00	36.64	27.70	22.74	75.80	34.57	90.80	63.70	48.00	36.00	37.60	39.84	46.00	57.68	85.00	76.91	53.70	32.78	71.00	64.43	70.00
8	55.82	44.43	47.00	53.92	60.00	43.21	84.00	61.91	93.50	38.81	35.00	46.00	53.00	50.64	85.31	42.73	100.00	32.40	29.09	33.89	51.32	62.15	32.50	35.56	30.22	38.64	34.00	54.72	83.50	77.74	61.20	36.33	100.00	68.88	55.00
9	61.04	46.27	50.00	53.48	62.70	45.38	85.70	64.55	94.00	44.94	70.00	48.66	55.00	51.13	86.70	47.61	100.00	39.91	31.70	33.64	53.40	61.18	33.70	35.36	31.70	37.87	35.70	52.60	84.10	78.44	12.70	33.71	100.00	72.33	57.80
10	42.97	45.94	22.00	50.33	60.00	46.84	50.78	63.17	93.00	49.75	98.00	53.60	48.00	50.81	21.20	44.97	100.00	45.92	36.07	33.89	49.38	60.00	48.00	36.62	27.34	36.82	35.00	50.84	53.45	75.94	40.00	34.34	65.00	71.60	66.14
11	41.37	45.53	24.00	47.94	48.00	46.95	79.69	64.67	98.00	54.14	95.00	57.36	93.00	54.65	29.96	43.61	32.00	44.65	36.88	34.16	65.43	60.49	60.50	38.79	30.94	36.28	48.00	50.58	74.85	75.84	36.00	34.49	66.00	71.09	79.00
12	41.37	45.18	22.00	45.78	50.00	47.20	62.90	64.53	98.00	57.79	90.00	60.08	85.00	57.18	15.74	41.29	30.00	43.43	37.70	34.45	66.88	61.03	61.70	40.70	32.40	35.96	49.00	50.45	75.80	75.84	30.00	34.11	67.10	70.76	79.80
13	41.37	44.89	23.00	44.02	51.70	47.55	63.40	64.44	95.00	60.65	87.10	62.16	84.00	59.24	16.00	39.34	31.00	42.48	38.40	34.76	67.10	61.49	61.90	42.33	33.10	35.74	59.00	51.11	76.10	75.86	37.00	34.34	68.90	70.62	79.90
14	41.77	44.66	24.30	42.62	53.00	47.94	64.60	64.45	89.00	62.68	85.00	63.79	76.00	60.44	18.00	37.82	30.00	41.58	41.30	35.22	68.90	62.02	71.30	44.40	44.70	36.38	51.80	51.16	77.80	76.00	41.80	34.87	70.00	70.57	81.90
15	47.79	44.87	25.00	41.44	67.00	49.21	68.10	64.69	100.00	65.17	51.00	62.94	49.00	59.68	20.00	36.63	32.00	40.95	57.10	36.68	69.70	62.53	75.80	46.49	68.40	38.51	67.80	52.27	80.10	76.27	50.00	35.88	80.00	71.20	85.00
16	65.46	46.16	20.90	40.16	42.00	48.76	42.70	63.32	44.00	63.84	52.00	62.25	24.70	57.49	32.00	36.34	77.73	43.24	17.21	35.47	48.15	61.64	25.50	45.18	33.81	38.22	49.00	52.06	50.00	74.63	31.90	35.63	66.00	70.88	83.00
17	37.35	45.64	19.00	38.91	48.00	48.71	36.72	61.76	45.00	62.74	64.01	62.36	11.06	54.76	89.63	39.47	78.00	45.29	31.96	35.26	56.79	61.35	38.00	44.76	28.78	37.66	51.00	52.00	59.70	73.75	33.03	35.48	65.00	70.53	17.00
18	36.55	45.14	23.70	38.07	45.00	48.51	39.70	60.53	49.00	61.97	62.10	62.34	11.06	52.33	84.90	42.00	74.22	46.90	32.80	35.12	57.60	61.14	39.00	44.44	31.29	37.31	50.00	51.89	59.10	72.94	35.10	35.46	67.00	70.33	20.00
19	34.94	44.60	25.00	37.38	42.00	48.16	40.80	59.49	46.10	61.14	50.00	61.69	12.60	50.24	85.00	44.26	70.40	48.13	34.70	35.10	58.10	60.98	41.50	44.28	34.00	37.14	55.00	52.05	60.40	72.28	48.50	36.14	68.10	70.22	29.70
20	59.84	45.36	81.00	39.56	30.00	47.26	50.38	59.04	60.00	61.08	50.00	61.14	13.60	48.41	74.12	45.75	64.00	48.93	99.00	38.30	60.00	60.00	42.70	44.21	36.00	37.08	58.10	52.36	63.40	71.83	50.00	36.84	69.70	70.19	31.80
21	63.86	46.24	82.00	41.58	31.80	46.52	51.40	58.67	61.20	61.09	50.00	61.08	14.50	46.79	75.10	47.15	65.10	49.70	99.00	41.19	61.70	60.60	43.80	44.19	37.10	37.08	59.40	52.69	64.70	71.49	50.70	37.50	69.90	70.18	32.70
22	74.70	47.54	92.00	43.87	35.00	46.00	78.52	59.57	93.00	62.54	61.20	61.09	25.00	45.80	75.53	48.44	78.00	48.25	75.00	42.72	74.10	61.57	41.00	44.04	75.54	38.83	67.80	53.38	65.00	71.20	27.50	37.04	100.00	71.53	85.30
23	61.85	48.16	40.00	43.71	40.00	45.73	77.07	60.34	76.00	63.12	20.00	58.84	15.00	44.46	13.27	46.91	9.01	46.55	47.13	42.91	33.33	60.34	31.50	43.50	64.03	39.92	48.02	53.15	76.50	71.43	45.50	37.41	56.00	70.86	79.00
24	59.44	48.63	44.07	43.72	30.00	45.08	53.52	60.05	40.00	62.16	15.00	57.02	12.00	43.11	16.40	45.64	12.00	45.11	38.52	42.73	30.62	59.10	34.50	43.12	47.12	40.22	39.00	52.56	76.70	71.65	34.06	37.27	59.00	70.36	15.04
25	60.24	49.09	48.80	43.92	45.00	45.08	62.89	60.16	32.00	60.95	18.00	55.46	20.00	42.19	15.64	44.44	17.84	44.02	47.13	42.91	51.00	58.78	35.00	42.80	48.70	40.56	40.00	52.05	77.10	71.87	35.80	37.21	60.00	69.95	14.42
26	60.64	49.54	60.00	44.54	50.00	45.27	59.77	60.15	40.00	60.15	30.00	54.48	21.02	41.37	30.00	43.89	33.97	43.63	35.00	42.60	71.60	59.27	45.70	42.91	88.13	42.39	50.00	51.98	53.40	71.16	28.04	36.86	70.00	69.95	30.09
27	92.37	51.12	63.00	45.23	50.00	45.44	60.70	60.17	41.20	59.44	34.10	53.72	22.70	40.68	32.80	43.47	34.80	43.30	36.00	42.36	72.80	59.77	46.70	43.05	89.10	44.12	51.20	51.95	54.80	70.55	29.40	36.58	71.20	70.00	31.40
28	93.57	52.64	96.00	47.04	95.00	47.21	61.24	61.24	65.00	59.64	61.70	54.01	62.10	41.45	64.62	44.23	67.46	44.17	18.40	41.50	38.27	59.00	39.50	42.92	58.00	44.62	51.00	51.91	42.70	69.56	39.49	36.69	100.00	71.07	91.84
29	95.58	54.12	77.00	48.07	99.00	49.00	62.24	62.24	53.00	59.41	65.00	54.39	63.40	42.20	65.00	44.95	68.50	45.01	17.21	40.67	35.80	58.20	48.00	43.10	60.43	45.16	54.50	52.00	84.95	70.09	33.72	36.58	100.00	72.07	95.00
30	69.48	54.63	34.00	47.60	82.00	50.10	62.97	62.97	64.20	59.57	50.00	54.24	58.40	42.74	14.22	43.92	58.00	45.44	15.00	39.81	34.57	57.41	41.50	43.04	54.30	45.47	58.00	52.20	85.92	70.62	28.90	36.33	67.00	71.90	20.69
31	47.79	54.41	24.04	46.84	45.00	49.93	62.45	62.45	32.00	58.68	10.00	52.81	16.02	41.88	9.00	42.80	11.90	44.36	20.80	39.20	48.06	57.76	44.00	43.07	26.62	44.86	45.00	51.97	39.98	69.63	25.00	35.96	70.00	71.84	15.36
TOTAL		54.41		46.84		49.93		62.45		58.68		52.81		41.88		42.80		44.36		39.20		57.76		43.07		44.86		51.97		69.63		35.96		71.84	58

Exhibit 7: Occupancy Table for Local Hotels April 2002

Mapa de Ocupação - Hoteis
Mês: Abril de 2002

RESORTS

DATA	PRAIA DO FORTE ECORESORT (676-4000) 249 APTOS.		TRANSAMERICA COMANDATUBA (73-686-1122) 362 APTOS.		CABO DE SANTO AGOSTINHO (81 521 6000) 300 APTOS.		SUMMERVILLE MURO ALTO (81-3302-5555) 202 APTOS.		BLUE TREE ANGRA (24-3379-2800) 319 APTOS.	
1	45.78	45.78	24.00	24.00	52.00	52.00	79.00	79.00	17.00	17.00
2	42.17	43.98	25.00	24.50	54.10	53.05	79.40	79.20	97.00	57.00
3	38.96	42.30	26.00	25.00	55.70	53.93	80.10	79.50	98.00	70.67
4	37.35	41.07	28.10	25.78	56.40	54.55	82.90	80.35	90.00	75.50
5	41.37	41.13	58.00	32.22	50.00	53.64	97.00	83.86	71.79	74.76
6	37.75	40.56	27.00	31.35	34.00	50.37	89.00	84.57	21.00	65.80
7	34.54	39.70	33.00	31.59	52.00	50.60	86.00	84.77	31.03	60.83
8	44.58	40.31	25.00	30.76	35.09	48.66	74.00	83.43	33.00	57.35
9	44.98	40.83	30.00	30.68	49.80	48.79	80.00	83.04	29.50	54.26
10	59.04	42.65	52.00	32.81	75.00	51.41	80.00	82.74	50.00	53.83
11	51.41	43.45	52.00	34.55	76.10	53.65	82.40	82.71	50.00	53.48
12	51.00	44.08	55.00	36.26	80.00	55.85	89.70	83.29	68.40	54.73
13	34.54	43.34	58.70	37.98	90.00	58.48	90.70	83.86	70.40	55.93
14	25.70	42.08	28.00	37.27	40.00	54.12	66.34	82.61	28.00	53.94
15	22.89	40.80	28.00	36.65	40.00	54.41	66.35	81.58	28.00	52.21
16	24.10	39.76	40.00	36.86	38.00	54.29	65.35	80.52	10.00	49.57
17	27.31	39.03	34.00	36.69	29.00	53.36	63.00	79.48	81.00	51.42
18	27.71	38.40	31.00	36.38	61.00	53.79	96.00	80.40	82.45	53.14
19	28.92	37.90	34.43	36.28	60.00	54.12	98.02	81.33	86.21	54.88
20	46.99	38.35	43.02	36.61	60.00	54.41	47.00	79.61	31.00	53.69
21	21.29	37.54	43.00	36.92	51.00	54.23	77.00	79.49	5.33	51.39
22	19.68	36.73	40.00	37.06	58.00	54.42	100.00	80.42	5.33	49.29
23	24.50	36.20	38.00	37.10	50.00	54.23	100.00	81.27	6.00	47.41
24	28.92	35.90	36.00	37.05	60.00	54.47	100.00	82.05	60.80	47.97
25	30.92	35.70	40.00	37.17	50.00	54.29	95.50	82.59	97.81	49.96
26	35.68	35.68	56.00	37.89	64.00	54.66	94.00	83.00	96.00	51.73
27	49.80	36.21	40.00	37.97	68.00	55.16	77.00	82.81	10.00	50.19
28	35.34	36.17	37.04	37.94	42.00	54.69	78.00	82.63	7.52	48.66
29	36.95	36.20	47.10	38.25	40.00	54.18	82.00	82.61	11.70	47.39
30	38.55	36.28	48.80	38.61	50.00	54.04	83.40	82.64	15.40	46.32
TOTAL	36.28	36.28	38.61	38.61	54.04	54.04	82.64	82.64	46.32	46.32

RESORTS SSA

DATA	SOFITEL SALVADOR (374-9611) 195 APTOS.		CATUSSABA (374-8000) 256 APTOS.	
1	35.49	35.49	44.53	44.53
2	37.86	36.68	41.80	43.17
3	38.70	37.35	42.50	42.94
4	40.80	38.21	48.70	44.38
5	44.66	39.50	63.67	48.24
6	68.45	44.33	84.00	54.20
7	96.12	51.73	42.58	52.54
8	89.40	57.28	60.16	53.49
9	89.40	60.84	43.10	52.34
10	91.75	63.94	50.00	52.10
11	92.30	66.51	51.40	52.04
12	94.80	68.87	58.40	52.57
13	95.00	70.88	64.80	53.51
14	63.59	70.36	40.28	52.57
15	63.59	69.91	40.28	51.75
16	61.65	69.39	43.36	51.22
17	58.25	68.74	53.91	51.38
18	64.70	68.51	60.80	51.90
19	65.05	68.33	44.92	51.54
20	54.85	67.66	44.14	51.17
21	60.19	67.30	46.88	50.96
22	81.07	67.93	82.42	52.39
23	99.51	69.30	78.52	53.53
24	97.57	70.48	95.70	55.29
25	97.57	71.56	75.39	56.09
26	67.48	71.40	62.50	56.34
27	49.07	70.58	72.66	56.94
28	48.54	69.79	92.97	58.23
29	67.96	69.73	90.23	59.33
30	68.50	69.69	91.40	60.40
TOTAL	69.69	69.69	60.40	60.40

SAUIPE

DATA	SUPERCLUBS BREEZES (463-1000) 324 APTOS.		SOFITEL COSTA SAUIPE (467-2000) 406 APTOS.		SOFITEL SAUIPE SUITES (468-2000) 198 APTOS.		RENAISSANCE SAUIPE (466-2000) 217 APTOS.		MARRIOT SAUIPE (465-3000) 256 APTOS.	
1	31.67	31.67	11.00	11.00	17.80	17.80	10.00	10.00	12.70	12.70
2	32.80	32.24	13.10	12.05	19.40	18.60	12.00	11.00	15.00	13.85
3	34.10	32.86	15.70	13.27	20.10	19.10	15.00	12.33	16.70	14.80
4	35.70	33.57	14.80	13.65	12.50	17.45	20.00	14.25	21.70	16.53
5	67.00	40.25	15.90	14.10	14.70	16.90	25.80	16.56	26.10	18.44
6	51.10	42.06	40.00	18.42	26.03	18.42	18.80	16.93	17.00	18.20
7	36.00	41.20	40.00	21.50	13.01	17.65	25.00	18.09	34.13	20.48
8	36.00	40.55	40.00	23.81	8.00	16.44	20.51	18.39	35.86	22.40
9	35.10	39.94	39.00	25.50	13.80	16.15	24.80	19.10	32.70	23.54
10	30.00	38.95	35.70	26.52	15.00	16.03	21.80	19.37	30.00	24.19
11	30.10	38.14	36.80	27.45	16.00	16.03	22.70	19.67	29.40	24.66
12	35.80	37.95	40.00	28.50	21.80	16.51	25.70	20.18	35.00	25.52
13	30.10	37.34	32.70	28.82	18.90	16.70	18.00	20.01	21.70	25.23
14	49.84	38.24	20.00	28.19	10.00	16.22	6.87	19.07	10.00	24.14
15	49.84	39.01	20.00	27.65	10.00	15.80	6.87	18.26	10.00	23.20
16	45.00	39.38	19.70	27.15	9.86	15.43	9.00	17.68	8.40	22.27
17	49.50	39.98	25.00	27.02	10.70	15.15	7.30	17.07	8.00	21.43
18	47.60	40.40	22.40	26.77	11.60	14.96	10.12	16.68	9.70	20.78
19	40.10	40.39	20.00	26.41	10.00	14.69	15.38	16.61	15.38	20.50
20	19.04	39.32	40.00	27.09	34.03	15.66	6.00	16.08	8.13	19.88
21	19.00	38.35	15.80	26.55	14.06	15.59	20.00	16.27	20.00	19.89
22	17.11	37.39	14.10	25.99	13.80	15.50	20.00	16.44	8.35	19.36
23	32.00	37.15	13.60	25.45	15.00	15.48	18.70	16.54	34.57	20.02
24	35.00	37.06	14.80	25.00	14.10	15.42	11.95	16.35	35.00	20.65
25	49.00	37.54	13.70	24.55	15.80	15.44	13.72	16.24	37.65	21.33
26	88.51	39.50	15.00	24.18	14.00	15.38	15.45	16.21	32.16	21.74
27	52.00	39.96	31.80	24.47	39.00	16.26	14.10	16.13	79.61	23.89
28	36.70	39.85	89.00	26.77	100.00	19.25	25.71	16.47	85.49	26.09
29	50.00	40.20	40.00	27.23	67.70	20.92	26.70	16.83	80.80	27.97
30	85.00	41.69	99.00	29.62	91.00	23.26	41.82	17.66	22.00	27.77
TOTAL	41.69	41.69	29.62	29.62	23.26	23.26	17.66	17.66	27.77	27.77

HOTEIS CIDADE

DATA	BAHIA FIESTA (352-0000) 244 APTOS.		CAESAR TOWERS (331-8200) 88 APTOS.		TRANSAMERICA SALVADOR (330-2233) 202 APTOS.		OTHON PALACE (203-2000) 263 APTOS.		TROPICAL HOTEL DA BAHIA (336-0102) 275 APTOS.		CARLTON DA BAHIA (463-8000) 433 APTOS.		SALVADOR PRAIA (203-9000) 164 APTOS.	
1	21.80	21.80	58.00	58.00	32.00	32.00	33.45	33.45	41.00	41.00	29.01	29.01	24.30	24.30
2	23.40	22.60	59.10	58.55	34.80	33.40	35.80	34.63	43.80	42.40	30.40	29.71	27.80	26.05
3	24.10	23.10	60.80	59.30	35.40	34.07	38.40	35.88	45.10	43.30	32.40	30.60	29.60	27.23
4	39.70	27.25	62.40	60.08	40.70	35.73	45.10	38.19	50.00	44.98	34.80	31.65	31.40	28.28
5	40.10	29.82	65.00	61.06	45.00	37.58	51.44	40.84	36.00	43.18	45.03	34.33	34.36	29.49
6	23.97	28.85	37.08	57.00	23.00	35.15	43.53	41.29	46.00	43.65	34.87	34.42	38.65	31.02
7	34.00	29.58	43.00	55.00	21.50	33.20	28.78	39.50	40.36	43.18	32.56	34.15	34.22	31.48
8	30.83	29.74	76.83	57.78	34.50	33.36	25.90	37.80	48.00	43.78	46.89	35.75	34.00	31.79
9	38.40	30.70	45.70	56.43	25.00	32.43	30.40	36.98	42.70	43.66	35.60	35.73	40.70	32.78
10	45.70	32.20	50.10	55.80	30.70	32.26	38.10	37.09	44.80	43.78	32.70	35.43	43.80	33.88
11	48.40	33.67	50.80	55.35	31.80	32.22	39.30	37.29	45.20	43.91	34.60	35.35	44.10	34.81
12	50.00	35.03	54.30	55.26	38.40	32.73	40.70	37.58	48.40	44.28	38.10	35.58	45.80	35.73
13	52.80	36.40	55.00	55.24	42.70	33.50	45.00	38.15	50.00	44.72	37.40	35.72	49.70	36.80
14	20.08	35.23	54.87	55.21	31.05	33.33	30.22	37.58	46.00	44.81	33.40	35.55	35.97	36.74
15	20.08	34.22	54.55	54.55	31.05	33.17	30.22	37.09	46.00	44.89	33.40	35.41	35.97	36.69
16	62.70	36.00	54.27	50.00	59.00	34.79	34.89	36.95	57.00	45.65	35.00	35.39	46.00	37.27
17	63.80	37.64	54.75	47.00	59.10	36.22	35.80	36.88	58.00	46.37	48.00	36.13	48.40	37.93
18	60.70	38.92	55.36	65.80	57.80	37.42	38.40	36.97	60.10	47.14	41.11	36.40	50.00	38.60
19	17.21	37.78	55.72	62.20	17.50	36.37	40.65	37.16	90.00	49.39	40.10	36.60	36.81	38.50
20	33.02	37.54	62.20	42.00	18.50	35.48	35.25	37.07	71.02	50.47	31.00	36.32	57.10	39.43
21	25.00	36.94	42.00	47.00	23.00	34.88	52.52	37.03	36.00	49.78	28.00	35.92	53.99	40.13
22	24.80	36.39	47.00	48.50	32.00	34.75	43.88	37.05	38.90	49.29	38.00	36.02	54.30	40.77
23	58.20	37.34	48.50	50.00	42.00	35.07	51.44	37.26	38.00	48.80	40.00	36.19	41.73	40.81
24	74.59	38.89	50.00	56.00	43.00	35.40	44.60	37.56	55.00	49.06	54.30	36.94	81.76	42.52
25	66.40	39.99	56.09	57.85	40.50	35.60	52.52	38.16	56.80	49.37	44.80	37.26	78.53	43.96
26	30.74	39.64	57.85	58.00	33.50	35.52	43.88	38.38	70.00	50.16	37.40	37.26	65.44	44.79
27	18.90	38.87	58.00	57.72	21.50	35.00	51.44	38.86	65.45	50.73	37.40	37.27	67.50	45.63
28	20.08	38.20	57.72	56.98	21.00	34.50	42.09	38.98	51.00	50.74	30.00	37.01	46.07	45.64
29	20.00	37.57	56.98	56.81	25.50	34.19	43.80	39.15	50.00	50.71	30.00	36.77	48.10	45.73
30	24.00	37.12	56.81	56.65	21.00	33.75	45.32	39.35	50.00	50.69	51.70	37.27	42.53	45.62
TOTAL	37.12	37.12	56.65	56.65	33.75	33.75	39.35	39.35	50.69	50.69	37.27	37.27	45.62	45.62

Exhibit 8: Occupancy Table for Local Hotels May 2002

Mapa de Ocupação - Hoteis
Mês: Maio de 2002

Each hotel column shows two values per day: occupancy (oc.) and cumulative average (acum.).

DATA	RESORTS — RAIA DO FORT ECORESORT 676-4000 (249 APTOS) oc.	acum.	TRANSAMÉRICA COMANDATUB 73-686-1122 (362 APTOS) oc.	acum.	CABO DE SANTO AGOSTINHO 81 521 6000 (300 APTOS) oc.	acum.	SUMMERVILLE MURO ALTO 81-3302-5555 (202 APTOS) oc.	acum.	BLUE TREE ANGRA 24-3379-2800 (319 APTOS) oc.	acum.	RESORTS SSA — SOFITEL SALVADOR 374-9611 (195 APTOS) oc.	acum.	CATUSSABA 374-8000 (256 APTOS) oc.	acum.	SAUIPE — SUPERCLUBS BREEZES 463-1000 (324 APTOS) oc.	acum.	SOFITEL SAUIPE *467-2000 (406 APTOS) oc.	acum.	COSTO SAUIPE SUITES 468-2000 (198 APTOS) oc.	acum.	RENAISSANCE SAUIPE 466-2000 (217 APTOS) oc.	acum.	MARRIOT SAUIPE *465-3000 (256 APTOS) oc.	acum.	HOTEIS CIDADE — BAHIA FIESTA 352-0000 (244 APTOS) oc.	acum.	CAESAR TOWERS *331-8200 (88 APTOS) oc.	acum.	TRANSAMÉRICA SALVADOR *330-2233 (202 APTOS) oc.	acum.	OTHON PALACE 203-2000 (263 APTOS) oc.	acum.	TROPICAL HOTEL DA BAHIA 336-0102 (275 APTOS) oc.	acum.	CARLTON DA BAHIA *453-8000 (433 APTOS) oc.	acum.	SALVADOR — SALVADOR PRAIA 203-9000 (164 APTOS) oc.	acum.
1	49.00	49.00	88.00	88.00	50.00	50.00	72.00	72.00	29.15	29.15	89.81	89.81	62.89	62.89	80.00	80.00	43.10	43.10	50.50	50.50	42.00	42.00	23.00	23.00	25.40	25.40	50.00	50.00	45.50	45.50	47.12	47.12	38.50	38.50	50.00	50.00	49.08	49.08
2	44.18	46.59	85.00	86.50	50.00	50.00	70.00	71.00	30.00	29.58	87.90	88.86	63.40	63.15	85.00	82.50	42.80	42.95	50.00	50.25	40.00	41.00	22.00	22.50	27.80	26.60	50.00	50.00	46.70	46.10	48.90	48.01	39.50	39.00	49.70	49.85	50.00	49.54
3	49.80	47.66	86.00	86.33	78.00	59.33	93.00	78.33	74.29	44.48	70.39	82.70	61.72	62.67	87.00	84.00	36.20	40.70	34.10	44.87	39.80	40.60	20.00	21.67	30.40	27.87	39.40	46.47	48.50	46.90	50.00	48.67	40.80	39.60	48.10	49.27	50.00	49.69
4	44.58	46.89	76.80	83.95	60.00	59.50	52.00	71.75	30.00	40.86	50.97	74.77	47.66	58.92	30.00	70.50	11.60	33.43	38.40	43.25	10.33	33.03	22.00	21.75	28.00	27.90	41.56	45.24	23.50	41.05	48.56	48.65	34.00	38.20	37.00	46.20	44.17	48.31
5	24.10	42.33	75.00	82.16	60.00	59.60	50.00	67.40	31.80	39.05	50.00	69.81	45.70	56.27	29.00	62.20	10.80	28.90	35.60	41.72	10.80	28.59	21.70	21.74	30.00	28.32	48.74	45.94	25.00	37.84	52.88	49.49	35.00	37.56	35.00	43.96	45.20	47.69
6	21.29	38.83	9.00	69.97	20.00	53.00	49.00	64.33	26.00	36.87	48.00	66.18	53.51	55.81	50.00	60.17	24.00	28.08	7.00	35.93	9.15	25.35	13.16	20.31	47.50	31.52	40.78	45.08	20.50	34.95	60.79	51.38	33.00	36.60	44.00	43.97	47.67	47.69
7	24.90	36.84	9.91	61.39	45.00	51.86	50.00	62.29	27.00	35.46	78.16	67.89	52.73	55.37	26.85	55.41	24.26	27.54	2.53	31.16	8.86	22.99	3.52	17.91	50.41	34.22	83.01	51.23	30.50	34.31	57.19	52.21	41.81	37.52	45.50	44.19	48.70	47.83
8	24.50	35.29	17.00	55.84	30.00	49.13	53.00	61.13	58.00	38.28	82.04	69.66	56.64	55.53	21.30	51.14	26.00	27.35	6.10	28.03	15.22	22.02	4.33	16.21	54.09	36.70	82.00	55.08	31.50	33.96	50.36	51.98	49.00	38.95	34.90	43.03	77.36	51.52
9	22.09	33.83	15.00	51.30	27.00	46.67	50.00	59.89	56.70	40.33	80.00	70.81	57.00	55.69	20.00	47.68	25.00	27.08	7.80	25.78	16.70	21.43	5.00	14.97	55.00	38.73	80.00	57.85	32.00	33.74	51.00	51.87	50.00	40.18	35.80	42.22	78.40	54.51
10	22.89	32.73	16.00	47.77	30.00	45.00	55.00	59.40	60.00	42.29	75.00	71.23	60.00	56.13	19.80	44.90	24.10	26.79	6.90	23.89	15.40	20.83	6.00	14.07	54.80	40.34	74.90	59.55	35.00	33.87	55.40	52.22	50.00	41.16	36.70	41.67	75.10	56.57
11	26.51	32.17	23.00	45.52	22.00	42.91	49.50	58.50	6.27	39.02	50.00	69.30	57.42	56.24	36.00	44.09	18.10	26.00	8.00	22.45	7.64	19.63	10.00	13.70	19.27	38.42	28.03	56.69	18.00	32.43	36.33	50.78	35.00	40.60	22.00	39.88	25.77	53.77
12	21.69	31.29	22.80	43.63	20.00	41.00	49.00	57.71	5.87	36.26	49.70	67.66	55.80	56.21	35.00	43.33	15.70	25.14	8.10	21.25	8.00	18.66	10.00	13.39	20.00	36.89	29.70	54.44	19.90	31.38	37.40	49.66	36.00	40.22	29.00	38.98	26.80	51.52
13	22.09	30.59	20.00	41.81	37.00	40.69	55.00	57.50	7.00	34.01	60.08	67.08	58.12	56.35	23.00	41.77	16.00	24.44	8.00	20.23	5.70	17.66	12.00	13.29	50.00	37.90	75.00	56.02	25.50	30.93	28.06	48.00	43.00	40.43	20.00	37.52	42.00	50.79
14	17.27	29.64	21.00	40.32	35.00	40.29	53.00	57.18	7.00	32.08	58.00	66.43	60.00	56.61	27.00	40.71	18.00	23.98	9.00	19.43	6.00	16.83	13.00	13.27	55.00	39.12	80.00	57.73	29.00	30.79	30.00	46.71	40.00	40.40	22.00	36.41	40.00	50.02
15	17.67	28.84	40.00	40.30	34.70	39.91	90.00	59.37	10.00	30.61	59.71	65.98	69.53	57.47	85.00	43.66	20.00	23.71	10.00	18.80	6.00	16.11	9.06	12.98	63.01	40.71	98.00	60.42	32.50	30.91	37.77	46.12	55.00	41.37	40.00	36.65	57.67	50.53
16	56.63	30.57	40.00	40.28	35.00	39.61	90.00	61.28	27.00	30.38	96.12	67.87	75.39	58.59	100.00	47.18	15.00	23.17	17.00	18.69	7.80	15.59	10.00	12.80	64.80	42.22	98.00	62.77	16.50	30.01	59.39	46.95	52.00	42.04	40.00	36.86	58.00	51.00
17	58.63	32.22	46.00	40.62	45.00	39.92	93.50	63.18	27.90	30.23	96.12	69.53	66.80	59.08	99.80	50.28	34.93	23.86	14.50	18.44	8.02	15.14	14.57	12.90	65.00	43.56	96.10	64.73	20.00	29.42	58.70	47.64	50.00	42.51	41.80	37.15	55.70	51.27
18	62.25	33.89	10.00	38.92	41.00	39.98	65.70	63.32	10.80	29.15	50.00	68.44	74.70	59.95	30.00	49.15	21.80	23.74	14.00	18.20	8.09	14.75	10.80	12.79	35.00	43.08	68.80	64.95	16.10	28.68	63.60	48.53	49.00	42.87	45.70	37.62	59.80	51.75
19	19.28	33.12	3.00	37.03	40.00	39.98	62.00	63.25	8.00	28.04	44.17	67.17	78.53	60.92	28.00	48.04	20.00	23.55	14.00	17.98	8.30	14.41	7.87	12.53	31.14	42.45	64.63	64.94	15.00	27.96	65.47	49.42	50.00	43.24	47.00	38.12	60.12	52.19
20	18.88	32.41	5.00	35.43	44.00	40.19	64.00	63.29	15.99	27.44	61.65	66.89	78.91	61.82	25.00	46.89	18.00	23.27	13.70	17.76	7.80	14.08	8.00	12.30	67.21	43.69	65.00	64.94	16.00	27.36	65.83	50.24	46.00	43.38	47.00	38.56	57.06	52.43
21	22.89	31.96	98.00	38.41	35.00	39.94	65.00	63.37	95.00	30.66	66.78	66.89	71.31	62.27	26.80	45.93	39.00	24.02	10.00	17.39	10.47	13.91	94.50	16.21	91.39	45.96	70.00	65.18	47.00	28.30	65.83	50.98	40.00	43.22	40.50	38.65	57.06	52.65
22	21.69	31.49	98.00	41.11	36.80	39.80	65.70	63.47	95.00	33.58	64.56	66.78	72.40	62.73	27.10	45.48	39.00	24.70	10.00	17.06	11.80	13.81	9.77	15.92	92.00	48.06	70.80	65.44	47.00	29.15	66.70	51.69	40.00	43.07	41.80	38.80	58.70	52.93
23	49.00	32.25	95.00	43.46	40.00	39.80	70.00	63.76	97.49	36.36	65.80	66.54	75.00	63.27	96.90	47.33	28.00	24.84	10.00	16.75	9.75	13.64	10.16	15.67	95.50	50.12	100.00	66.94	44.50	29.81	42.09	51.28	50.54	43.40	65.00	39.93	76.69	53.96
24	55.82	33.23	95.00	45.60	42.80	39.93	70.00	64.02	98.00	38.93	44.17	64.48	83.59	64.11	89.00	49.06	25.00	24.85	10.00	16.47	9.80	13.48	11.00	15.48	95.00	51.99	100.00	68.32	45.00	30.45	43.70	50.96	51.70	43.74	66.00	41.02	78.10	54.96
25	40.56	33.53	35.00	45.18	61.00	40.77	58.00	63.78	95.00	41.17	54.37	64.07	51.95	63.63	41.04	48.74	25.30	24.87	9.40	16.19	12.00	13.42	10.00	15.26	26.60	50.97	70.73	68.41	22.00	30.11	63.31	51.46	55.00	44.19	75.00	42.38	59.00	55.13
26	34.94	33.58	34.00	44.75	60.00	41.51	55.00	63.44	90.00	43.05	53.80	63.68	52.00	63.18	40.80	48.44	23.40	24.81	10.00	15.95	11.00	13.32	10.00	15.06	28.40	50.10	68.00	68.00	20.00	29.72	60.10	51.79	50.00	44.42	70.00	43.44	53.20	55.05
27	31.33	33.50	39.00	44.54	63.00	42.31	40.50	62.59	55.00	43.49	54.95	63.36	48.45	62.64	27.47	47.66	22.00	24.71	10.00	15.73	11.44	13.25	8.06	14.80	30.00	49.36	96.34	69.44	35.00	29.91	89.93	53.20	50.00	44.62	75.00	44.61	71.17	55.65
28	36.55	33.61	46.00	44.59	44.00	42.37	73.00	62.96	21.94	42.72	49.61	63.45	49.61	62.17	28.00	46.96	21.70	24.60	11.70	15.58	20.51	13.51	17.34	14.89	32.00	48.74	95.00	70.35	35.00	30.10	95.00	54.44	53.00	44.92	71.40	45.57	72.80	56.26
29	65.06	34.69	100.00	46.50	85.00	43.84	93.00	64.00	23.20	42.05	75.70	63.87	71.50	62.49	54.32	47.21	77.00	26.41	38.40	16.37	41.88	14.49	32.00	15.48	30.73	48.12	70.74	70.74	30.50	30.11	87.77	55.40	69.45	45.77	50.00	45.72	70.00	56.74
30	80.72	36.23	100.00	48.28	80.00	45.04	90.00	64.86	24.80	41.47	78.00	64.34	72.40	62.82	55.00	47.47	70.00	27.86	40.00	17.16	42.80	15.44	35.00	16.13	31.80	47.58	71.12	71.12	32.80	30.20	82.37	56.32	70.10	46.58	50.00	45.86	69.80	57.17
31	79.82	37.63	95.00	49.79	70.00	45.85	95.00	65.84	30.80	41.13	79.10	64.82	75.80	63.24	60.40	47.89	60.10	28.90	38.40	17.84	45.10	16.39	30.80	16.60	20.80	46.71	85.00	71.57	36.70	30.41	79.60	57.07	64.30	47.15	42.10	45.74	70.00	57.58
TOTAL		**37.63**		**49.79**		**45.85**		**65.84**		**41.13**		**64.82**		**63.24**		**47.89**		**28.90**		**17.84**		**16.39**		**16.60**		**46.71**		**71.57**		**30.41**		**57.07**		**47.15**		**45.74**		**57.58**

Exhibit 9: Occupancy Table for Local Hotels June 2002

a

Mapa de Ocupação - Hoteis

Mês: Junho de 2002

Grupos: RESORTS · RESORTS SSA · SAUIPE · HOTEIS CIDADE

FONE	676-4000	73-686-1122	81-521-6000	81-3302-5555	24-3379-2800	374-3611	374-8000	463-1000	467-2000	468-2000	486-2000	465-3000	352-0000	331-8200	330-2233	203-2000	3365-1102	453-8000	203-9000
HOTEL	PRAIA DO FORTE ECORESORT	TRANSAMERICA COMANDATUBA	CABO DE SANTO AGOSTINHO	SUMMERVILLE MURO ALTO	BLUE TREE ANGRA	SOFITEL SALVADOR	CATUSSABA	SUPERCLUBS BREEZES	SOFITEL SAUIPE	SOFITEL SUITES	RENAISSANCE SAUIPE	MARRIOT SAUIPE	BAHIA FIESTA	CAESAR TOWERS	TRANSAMERICA SALVADOR	OTHON PALACE	TROPICAL HOTEL	CARLTON DA BAHIA	SALVADOR PRAIA
APTOS	249	362	300	202	319	195	256	324	406	198	217	256	244	88	202	263	275	433	164
1	68.27	90.00	87.80	90.80	57.80	89.70	64.80	25.70	45.80	31.80	40.10	35.90	28.90	80.00	38.40	81.20	65.00	40.80	73.40
2	24.50	51.00	58.00	35.00	29.50	34.47	38.28	39.50	35.00	40.40	13.50	12.55	30.30	63.00	36.00	24.82	50.29	25.00	55.21
3	16.06	50.00	55.00	40.00	23.80	35.00	41.70	40.80	30.00	40.97	15.00	13.80	31.80	60.00	35.10	25.00	50.00	24.80	53.10
4	13.65	47.10	48.70	50.00	20.80	30.00	54.80	27.10	19.10	37.73	14.10	12.90	35.80	58.70	36.75	30.80	48.70	25.10	50.00
5	13.65	22.00	72.00	92.00	16.30	43.20	57.81	26.00	15.10	33.90	4.85	8.00	41.40	85.40	28.00	39.57	50.00	21.80	51.53
6	14.06	23.10	74.00	93.00	17.80	45.10	58.20	26.00	16.80	31.43	5.80	9.70	42.70	86.50	29.10	40.80	52.80	22.70	52.40
7	13.65	22.00	59.80	57.10	30.00	36.40	52.80	30.10	18.90	29.49	10.90	9.00	30.10	49.10	25.80	35.10	46.10	28.40	50.10
8	16.06	22.58	53.00	47.00	33.54	30.10	50.00	36.00	18.00	20.10	15.81	8.00	26.26	36.50	24.50	30.00	42.00	30.00	49.69
9	16.06	11.00	53.00	42.00	22.00	32.52	33.59	35.00	16.00	19.00	12.50	10.00	43.85	50.00	18.00	28.42	40.00	60.00	50.00
10	14.86	11.00	50.00	41.80	5.00	34.80	35.00	30.00	15.00	18.70	13.80	10.00	45.00	50.00	18.90	31.80	42.80	55.80	50.00
11	17.67	11.84	47.00	48.00	2.82	60.19	41.02	36.80	10.00	9.00	4.88	6.88	93.40	100.00	30.50	41.73	48.70	57.74	53.37
12	18.07	12.00	46.80	48.00	4.80	60.00	40.00	21.60	10.80	9.00	5.79	6.90	94.00	100.00	30.00	42.80	45.70	53.40	50.40
13	14.86	13.80	48.00	50.00	7.90	52.43	39.84	28.00	12.80	11.00	7.76	11.20	87.77	90.00	33.00	43.70	47.60	48.70	54.10
14	15.66	23.96	63.00	100.00	15.80	39.30	42.87	42.90	17.80	20.00	10.00	14.80	85.00	80.00	35.00	45.00	50.00	45.40	57.80
15	17.27	19.80	63.00	78.00	16.00	52.43	53.90	69.33	18.00	21.00	4.88	12.24	21.32	75.00	23.00	29.86	32.00	54.00	50.00
16	16.87	16.50	65.00	68.00	4.00	50.00	32.42	50.00	18.00	20.00	5.00	13.80	22.80	70.00	20.80	30.80	30.00	50.00	48.70
17	13.25	15.97	42.00	69.00	6.00	40.29	33.98	36.72	16.00	20.00	10.88	10.00	45.00	74.00	32.50	46.40	33.00	44.00	66.26
18	16.47	16.00	44.00	69.00	7.00	40.29	35.00	38.00	13.10	37.00	10.88	10.00	45.08	78.00	33.00	50.00	33.00	44.00	67.00
19	16.87	44.00	44.00	81.00	10.70	61.65	43.36	40.74	13.10	20.44	5.60	11.70	50.00	86.00	48.50	51.08	31.00	61.00	74.23
20	20.88	45.80	48.00	83.80	12.80	63.70	45.00	39.70	15.80	19.92	8.90	12.00	49.10	85.00	50.00	52.80	32.00	60.80	75.00
21	43.78	44.00	52.00	90.00	27.59	23.30	58.59	49.60	37.00	35.00	16.81	32.70	16.10	35.00	25.50	39.29	16.00	68.00	53.37
22	55.42	30.00	76.00	88.00	29.00	28.16	43.75	73.00	38.00	37.00	22.40	25.82	8.61	20.79	19.00	38.41	20.00	59.00	47.24
23	54.22	35.00	75.00	90.00	30.00	29.00	45.00	75.00	36.00	38.70	25.40	26.80	10.00	21.70	20.00	22.70	25.00	60.00	48.70
24	35.34	28.60	43.00	32.00	91.00	26.70	46.88	31.48	20.00	22.00	7.00	13.58	15.16	37.82	25.00	17.29	32.00	95.00	57.67
25	32.13	29.00	45.00	35.00	20.00	25.80	48.00	32.00	11.00	23.70	8.00	14.80	16.70	38.10	26.70	18.00	33.10	90.00	58.70
26	24.90	38.00	42.10	40.00	60.10	30.70	50.00	28.07	9.10	15.70	9.10	12.80	25.70	39.70	25.00	28.10	34.80	67.10	50.00
27	26.51	36.90	95.00	100.00	30.11	42.72	60.55	33.95	10.00	11.70	11.70	13.38	39.93	68.29	48.50	20.14	24.36	32.00	49.69
28	27.31	40.00	90.00	100.00	35.70	43.80	61.00	45.00	12.00	15.80	13.90	14.00	40.00	69.10	50.00	21.70	25.00	35.00	50.00
29	27.71	50.00	95.00	98.00	40.00	50.10	72.80	53.80	20.80	16.10	18.70	20.10	39.10	70.80	47.60	38.90	30.00	38.70	52.10
30	24.10	31.40	51.00	51.00	5.96	21.84	35.55	40.00	15.00	15.70	23.78	21.67	32.00	60.37	17.60	20.86	34.00	37.00	52.74
TOTAL	24.34	31.08	59.54	68.50	23.79	41.79	47.22	39.40	19.47	20.99	12.59	14.50	39.77	63.97	31.06	34.43	38.17	47.84	55.08

Exhibit 10: Occupancy Table for Local Hotels July 2002

Mapa de Ocupação - Hoteis
Mês: Julho de 2002

The table below lists the daily occupancy (%) for each hotel. Hotels are grouped into RESORTS, RESORTS SSA, SAUIPE and HOTEIS CIDADE. (Values shown are the daily occupancy figures; the final TOTAL row is the running/cumulative average for the month.)

Group	RESORTS					RESORTS SSA		SAUIPE					HOTEIS CIDADE						
FONE	676-4000	73-886-1122	81 521 6000	81-3302-5555	24-3379-2800	374-9611	374-9000	463-1000	467-2000	468-2000	466-2000	465-3000	352-0000	331-8200	330-2233	203-2000	336-0102	453-8000	203-9000
HOTEL	RAIA DO FORT ECORESORT	TRANSAMÉRIC COMANDATUB	CABO DE SAN AGOSTINHO	SUMMERVILLE MURO ALTO	BLUE TREE ANGRA	SOFITEL SALVADOR	CATUSSABA	SUPERCLUBS BREEZES	SOFITEL SAUIPE	SOFITEL SUITES	RENAISSANCE SAUIPE	MARRIOT SAUIPE	BAHIA FIESTA	CAESAR TOWERS	TRANSAMERIC SALVADOR	OTHON PALACE	TROPICAL HOTEL DA BAHIA	CARLTON DA BAHIA	SALVADOR PRAIA
APTOS	249	362	300	202	319	195	256	324	406	198	217	256	244	88	202	263	275	433	164
1	26.10	29.00	49.00	98.00	4.70	50.97	49.19	39.50	6.90	15.00	29.96	20.42	14.35	21.95	18.50	20.50	23.00	43.00	52.15
2	24.90	35.00	50.00	99.00	10.00	57.28	35.55	36.49	5.70	18.20	29.64	27.62	33.15	24.00	47.50	33.45	50.00	37.00	52.15
3	27.31	38.89	52.00	70.00	8.00	66.02	47.66	37.96	6.90	18.00	27.00	27.62	33.00	68.29	59.00	36.33	51.00	45.00	65.64
4	30.52	48.00	52.00	71.00	7.21	58.25	59.77	52.00	10.00	33.00	53.00	54.00	33.06	69.00	56.00	38.85	100.00	42.00	77.91
5	37.35	45.00	55.00	96.00	40.00	45.15	48.02	47.22	29.30	29.30	68.00	80.91	24.60	36.59	30.00	41.73	100.00	40.00	79.75
6	56.22	55.00	50.00	70.00	51.00	51.46	76.56	49.65	32.00	35.00	67.00	85.48	21.31	34.15	33.00	35.61	99.27	42.00	65.00
7	55.02	56.00	60.00	63.00	30.10	43.20	46.09	49.38	18.00	25.80	67.23	83.06	38.52	39.02	39.05	40.00	39.00	46.90	69.30
8	55.00	46.10	59.00	67.00	29.78	52.91	56.64	49.52	25.00	25.00	60.37	62.55	40.00	59.96	47.00	41.37	41.00	48.50	75.26
9	57.06	45.00	60.00	63.00	12.00	51.46	47.27	50.00	20.00	22.20	53.39	63.97	64.34	74.00	47.50	37.41	38.00	45.00	81.60
10	57.03	46.10	60.00	64.00	12.54	53.40	55.08	47.22	20.00	21.70	61.00	70.16	59.43	69.51	56.50	37.41	35.00	49.00	91.18
11	59.04	46.00	62.00	86.00	18.11	43.69	58.20	51.85	25.70	30.80	69.00	77.82	52.86	70.00	47.00	38.49	66.00	45.00	80.18
12	67.07	51.00	71.00	99.00	20.69	30.10	60.55	58.33	23.00	30.00	82.00	88.93	33.60	43.00	24.00	40.46	57.45	61.89	69.81
13	64.26	38.00	69.00	84.00	25.00	29.61	72.27	74.07	23.00	54.00	88.00	94.47	26.69	45.00	33.00	54.68	60.00	59.00	95.09
14	67.07	43.10	69.00	96.00	38.00	31.00	87.50	69.10	20.00	30.00	91.00	98.81	31.15	46.00	26.00	55.76	52.00	70.00	99.39
15	65.46	42.04	69.00	95.00	17.00	63.11	100.00	67.31	18.00	25.00	90.00	96.43	49.59	69.51	48.00	54.32	51.00	67.00	100.00
16	65.06	42.00	75.00	93.00	17.87	53.40	75.56	70.00	19.00	38.40	100.00	97.24	56.15	82.93	51.50	52.88	60.00	75.00	100.00
17	67.07	41.00	81.00	97.00	18.50	59.22	69.53	80.13	25.70	44.00	100.00	93.33	58.00	83.70	73.00	59.35	58.00	75.00	100.00
18	66.67	41.00	82.00	100.00	24.00	50.00	69.92	77.77	28.00	45.00	94.02	98.83	60.00	84.00	69.00	65.11	71.00	86.00	100.00
19	73.49	45.00	84.00	97.00	33.54	49.03	100.00	85.80	50.00	66.20	95.00	96.00	27.00	80.00	53.50	60.79	62.90	83.00	100.00
20	91.57	53.00	84.00	90.00	28.32	47.57	100.00	81.00	42.80	68.70	100.00	75.88	29.00	78.00	38.50	59.71	55.00	70.00	100.00
21	83.94	56.40	69.00	84.00	25.39	34.95	62.50	82.71	43.80	50.50	93.00	98.00	56.00	70.00	38.00	60.07	50.00	64.80	98.00
22	84.74	60.30	70.00	86.00	23.00	44.60	91.41	85.47	41.00	50.50	89.03	77.98	61.88	71.95	37.00	62.59	60.00	51.04	93.25
23	90.36	66.00	70.00	87.00	27.27	41.57	92.38	87.30	50.00	52.50	99.57	91.02	69.26	84.15	37.50	62.59	52.80	57.40	93.25
24	91.16	65.00	67.00	91.00	37.62	57.77	99.20	91.97	57.00	55.00	100.00	97.66	72.13	80.00	38.50	61.87	50.00	55.00	90.00
25	87.95	63.60	67.11	94.00	37.62	49.51	97.66	95.98	49.80	50.50	92.83	80.08	68.44	82.93	41.60	68.71	63.00	60.00	93.87
26	87.55	55.00	70.00	97.00	44.51	30.00	95.31	95.98	50.00	59.61	94.51	88.28	26.60	50.00	30.50	65.11	60.00	56.30	96.87
27	70.28	29.00	66.00	83.00	46.71	41.12	92.97	96.00	52.00	60.00	60.00	62.50	27.00	39.20	31.50	61.51	61.00	58.00	97.10
28	64.26	48.30	50.00	86.00	17.24	45.15	68.36	54.69	21.79	41.42	52.00	57.03	56.17	43.90	36.50	52.52	41.25	61.50	90.00
29	72.69	33.00	47.00	84.00	15.00	43.69	85.94	55.55	20.33	28.33	47.90	57.50	58.00	62.33	35.50	46.04	53.00	53.11	98.00
30	69.48	89.00	51.00	88.00	15.05	50.97	75.39	53.16	13.00	15.00	46.84	53.91	57.10	62.20	48.00	42.45	49.09	54.80	100.00
31	72.69	85.00	40.00	87.00	13.79	53.49	75.39	52.80	14.00	18.00	47.80	54.00	58.00	63.00	56.50	52.52	46.00	73.30	88.00
TOTAL	64.14	49.58	63.23	85.97	24.18	47.73	72.64	65.35	27.80	37.31	72.55	76.62	45.04	60.90	42.86	49.68	56.64	57.28	86.86

Exhibit 11: Occupancy Table for Local Hotels August 2002

Mapa de Ocupação - Hoteis
Mês: Agosto de 2002

	RESORTS										RESORTS SSA				SAUIPE										HOTEIS CIDADE														
FONE	676-4000		73-686-1122		81 521 6000		'81-3302-5555		24-3379-2800		374-9611		374-8000		463-1000		'467-2000		468-2000		466-2000		'465-3000		352-0000		'331-8200		'330-2233		203-2000		336-0102		'453-8000		203-9000	
Hotel	PRAIA DO FORT ECORESORT		TRANSAMÉRIC COMANDATU		CABO DE SA AGOSTINHO		SUMMERVILLE MURO ALTO		BLUE TREE ANGRA		SOFITEL SALVADOR		CATUSSABA		SUPERCLUB BREEZES		SOFITEL COS SAUIPE		SOFITEL SAU SUITES		RENAISSANC SAUIPE		MARRIOT SAUIPE		BAHIA FIESTA		CAESAR TOWERS		TRANSAMÉRIC SALVADOR		OTHON PALACE		TROPICAL HOTEL DA BAH		CARLTON		SALVADOR PRAIA	
APTOS	249 APTOS		362 APTOS		300 APTOS		202 APTOS		319 APTOS		195 APTOS		256 APTOS		324 APTOS		406 APTOS		198 APTOS		217 APTOS		256 APTOS		244 APTOS		88 APTOS		202 APTOS		263 APTOS		275 APTOS		433 APTOS		164 APTOS	
DATA	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a	d	a
1	73.90	73.90	88.60	88.60	80.00	80.00	86.00	86.00	9.72	9.72	47.57	47.57	79.52	79.52	57.28	57.28	22.00	22.00	21.02	21.02	42.00	42.00	74.80	74.80	50.02	50.02	60.00	60.00	61.00	61.00	60.43	60.43	49.45	49.45	68.00	68.00	98.92	98.92
2	67.87	70.89	67.00	77.80	97.00	88.50	100.00	93.00	17.87	13.80	36.89	42.23	66.80	73.16	67.28	62.28	24.00	23.00	25.00	23.01	42.19	42.10	61.35	68.08	50.00	50.01	65.00	62.50	62.50	61.75	72.30	66.37	50.00	49.73	77.50	72.75	100.00	99.46
3	68.27	70.01	22.00	59.20	97.00	91.33	94.50	93.50	16.93	14.84	35.22	39.89	59.77	68.70	68.00	64.19	26.80	24.27	30.00	25.34	45.00	43.06	63.80	66.65	18.00	39.34	29.27	51.42	75.00	66.17	72.30	68.34	61.00	53.48	98.00	81.17	100.00	99.64
4	39.36	62.35	19.80	49.35	72.00	86.50	58.00	84.63	2.82	11.84	29.13	37.20	45.70	62.95	28.70	55.32	14.80	21.90	15.70	22.93	13.50	35.67	29.96	57.48	20.00	34.51	45.42	49.92	99.99	74.62	76.98	70.50	66.90	56.84	99.30	85.70	89.00	96.98
5	40.56	57.99	20.00	43.48	35.00	76.20	63.00	80.30	2.51	9.97	43.20	38.40	51.95	60.75	26.54	49.56	50.70	27.66	37.90	25.92	13.73	31.28	33.75	52.73	25.00	32.60	62.20	52.38	71.50	74.00	61.00	68.49	66.10	58.69	100.00	88.56	85.00	94.58
6	50.20	56.69	25.00	40.40	36.00	69.50	67.00	78.08	6.27	9.35	44.66	39.45	50.71	59.08	50.76	49.76	50.00	31.38	36.40	27.67	25.32	30.29	41.18	50.81	25.80	31.47	86.59	58.08	100.00	78.33	76.62	69.84	61.00	59.08	90.00	88.80	80.00	92.15
7	51.00	55.88	10.00	36.06	30.00	63.86	65.00	76.21	20.00	10.87	58.74	42.20	67.19	60.23	26.61	46.45	10.40	28.39	40.00	29.43	24.89	29.52	50.41	50.75	100.00	41.26	90.24	62.67	100.00	81.43	69.06	69.73	69.00	60.49	100.00	90.40	90.18	91.87
8	46.99	54.77	55.00	38.43	30.00	59.63	76.00	76.19	23.82	12.49	48.07	42.94	72.83	61.81	29.90	44.38	15.00	26.71	36.40	30.30	32.90	29.94	58.33	51.70	100.00	48.60	87.80	65.82	100.00	83.75	78.78	70.86	70.00	61.68	93.00	90.73	95.00	92.26
9	53.01	54.57	65.00	41.38	37.00	57.11	99.00	78.72	23.82	13.75	40.00	42.61	72.43	62.99	43.88	44.33	13.00	25.19	20.00	29.16	30.00	29.95	56.28	52.21	88.00	52.98	41.46	63.11	100.00	85.56	74.76	71.30	80.00	63.72	87.00	90.31	73.00	90.12
10	45.78	53.69	30.00	40.24	43.00	55.70	64.80	77.33	15.05	13.88	37.86	42.13	73.11	64.00	38.00	43.70	19.00	24.57	27.00	28.94	15.52	28.51	54.00	52.39	31.16	50.80	25.61	59.36	45.00	81.50	57.55	69.92	67.80	64.13	54.00	86.68	62.00	87.31
11	34.14	51.92	18.40	38.25	34.00	53.73	66.00	76.30	6.90	13.25	43.69	42.28	60.16	63.65	33.40	42.76	8.00	23.06	12.00	27.40	12.93	27.09	27.62	50.13	32.00	49.09	41.46	57.73	24.00	76.27	46.76	67.82	80.30	65.60	49.70	83.32	60.00	84.83
12	36.95	50.67	20.00	36.73	35.00	52.17	69.00	75.69	12.20	13.16	54.90	43.33	60.55	63.39	27.77	41.51	9.90	21.97	36.40	28.15	12.07	25.84	29.71	48.43	30.00	47.50	60.00	57.92	30.00	72.42	53.24	66.60	81.00	66.88	46.00	80.21	75.00	84.01
13	41.37	49.95	17.00	35.22	40.00	51.23	62.00	74.64	8.78	12.82	56.31	44.33	58.20	62.99	29.93	40.62	10.00	21.05	36.40	28.79	12.24	24.79	29.71	46.99	32.80	46.37	50.80	57.37	66.50	71.96	66.60	66.76	80.00	67.89	78.30	80.06	70.00	82.93
14	43.78	49.51	31.90	34.98	80.00	53.29	98.00	76.31	90.00	18.34	86.89	47.37	60.94	62.85	55.58	41.69	12.50	20.44	30.00	28.87	21.10	24.53	45.71	46.90	37.00	45.70	79.27	58.94	46.50	70.14	85.97	68.14	96.00	69.90	75.00	79.70	72.00	82.15
15	49.80	49.53	35.00	34.98	79.00	55.00	100.00	77.89	87.00	22.91	80.00	49.54	70.70	63.37	69.44	43.54	15.00	20.07	20.00	28.39	23.00	24.43	50.20	47.12	40.00	45.32	62.20	59.15	32.00	67.60	100.00	70.26	87.00	71.04	79.00	79.65	82.00	82.14
16	61.04	50.25	27.00	34.48	70.00	55.94	62.00	76.89	90.00	27.11	69.45	50.79	68.80	63.71	70.00	45.19	18.70	19.99	20.00	27.87	20.00	24.15	40.00	46.68	32.80	44.54	76.83	60.26	57.00	66.94	100.00	72.12	86.00	71.97	73.00	79.24	80.00	82.01
17	59.44	50.79	31.50	34.31	90.00	57.94	98.00	78.14	92.49	30.95	46.60	50.54	70.70	64.12	79.00	47.18	20.00	19.99	25.00	27.70	17.24	23.74	38.68	46.21	34.02	43.92	43.90	59.30	32.50	64.91	84.89	72.87	85.00	72.74	65.00	78.40	76.07	81.66
18	59.04	51.25	28.00	33.96	49.00	57.44	87.00	78.63	5.02	29.51	60.68	51.10	67.19	64.29	29.50	46.20	21.00	20.04	26.00	27.61	18.00	23.42	39.10	45.81	37.30	43.55	67.00	59.73	35.50	63.28	98.56	74.30	86.00	73.48	45.00	76.54	96.82	82.50
19	61.04	51.77	28.60	33.67	49.00	57.00	68.00	78.07	5.60	28.25	71.40	52.17	67.58	64.46	24.55	45.06	12.00	19.62	10.00	26.68	15.00	22.98	37.11	45.35	40.00	43.36	89.02	61.27	42.00	62.16	99.00	75.60	90.00	74.34	51.00	75.20	97.00	83.26
20	58.63	52.11	43.20	34.15	54.00	56.85	76.00	77.97	5.02	27.09	86.41	53.88	70.31	64.76	24.00	44.01	11.60	19.22	9.10	25.80	12.00	22.43	38.60	45.02	58.60	44.13	88.00	62.60	57.50	61.93	100.00	76.82	65.00	73.88	50.00	73.94	95.00	83.85
21	67.07	52.82	45.00	34.67	55.00	56.76	75.00	77.82	6.80	26.12	85.00	55.37	71.30	65.07	25.80	43.14	13.70	18.96	100.00	29.33	14.10	22.03	36.10	44.59	59.10	44.84	85.00	63.67	58.00	61.74	100.00	77.92	67.80	73.59	51.80	72.89	94.10	84.34
22	66.67	53.45	52.60	35.48	90.00	58.27	73.70	77.64	8.46	25.32	73.79	56.20	73.79	65.47	30.00	42.54	14.00	18.73	16.00	28.73	16.46	21.78	48.31	44.76	59.84	45.52	76.83	64.27	79.50	62.55	77.99	77.99	70.00	73.43	55.00	72.07	87.60	84.49
23	61.45	53.80	51.50	36.18	80.00	59.22	86.00	78.00	21.00	25.13	39.71	55.49	65.23	65.45	39.81	42.42	27.80	19.13	46.00	29.48	29.61	22.12	55.33	45.22	60.00	46.15	36.59	63.06	63.50	62.59	48.20	76.70	60.00	72.84	50.00	71.11	85.00	84.51
24	57.83	53.97	25.00	35.71	79.00	60.33	79.00	78.04	29.47	25.31	32.52	54.53	92.97	66.60	40.00	42.32	39.10	19.96	59.60	30.73	29.54	22.43	24.08	44.34	58.70	46.67	40.00	62.10	65.00	62.69	49.28	75.56	70.00	72.72	48.00	70.15	89.70	84.72
25	47.79	53.72	17.00	34.96	66.00	59.88	66.00	77.56	11.29	24.75	29.61	53.53	65.23	66.55	39.80	42.22	37.80	20.67	55.10	31.71	30.00	22.73	25.00	43.56	54.80	47.00	43.80	61.37	60.00	62.58	47.48	74.43	64.80	72.41	50.00	69.34	60.10	83.74
26	64.26	54.12	18.10	34.32	57.00	59.46	57.00	76.77	27.27	24.85	47.12	53.29	58.59	66.24	16.04	41.21	25.10	20.84	30.10	31.65	17.40	22.53	27.39	42.94	39.75	46.72	52.44	61.03	57.50	62.38	39.57	73.09	67.00	72.20	45.00	68.41	82.12	83.68
27	67.47	54.62	44.00	34.67	60.00	59.07	60.00	76.15	26.33	24.91	51.91	53.23	69.36	66.36	15.50	40.26	10.00	20.44	6.00	30.70	18.15	22.37	26.17	42.32	42.00	46.54	73.00	61.47	58.00	62.22	47.88	72.16	75.00	72.30	97.00	69.47	85.00	83.73
28	66.67	55.05	48.70	35.18	57.00	58.93	57.00	75.46	36.36	25.31	52.43	53.21	83.20	66.96	16.66	39.42	18.00	20.35	10.00	29.96	18.45	22.23	27.73	41.80	58.20	46.96	70.00	61.78	56.70	62.03	65.83	71.93	73.00	72.33	95.00	70.38	83.10	83.70
29	59.44	55.20	46.50	35.57	74.00	58.31	74.00	75.41	36.99	25.72	89.40	54.45	85.55	67.60	38.70	39.39	20.00	20.34	15.00	29.44	20.00	22.15	29.10	41.36	59.10	47.38	100.00	63.09	60.00	61.96	67.98	71.80	61.07	71.94	100.00	71.40	97.50	84.18
30	41.37	54.74	49.80	36.04	75.00	58.13	75.00	75.40	24.45	25.67	37.38	53.88	57.03	67.25	100.00	41.41	40.80	21.02	45.70	29.98	38.70	22.70	30.80	41.01	60.00	47.80	85.85	63.85	59.00	61.86	61.87	71.46	65.70	71.73	97.00	72.25	95.10	84.54
31	40.46	54.28	17.60	35.45	28.00	57.68	28.00	73.87	24.45	25.64	32.52	53.20	46.88	66.59	98.45	43.25	37.60	21.56	50.70	30.65	40.80	23.29	36.00	40.85	53.80	47.99	80.50	64.39	60.00	61.80	57.19	71.00	60.80	71.38	95.00	72.99	85.70	84.58
TOTA		54.28		35.45		57.68		73.87		25.64		53.20		66.59		43.25		21.56		30.65		23.29		40.85		47.99		64.39		61.80		71.00		71.38		72.99		84.58

Pojuca S/A - Praia do Forte EcoResort
Mapa de Ocupação - Hoteis
Mês: Setembro de 2002

Exhibit 12: Occupancy Table for Local Hotels September 2002

Hotel reference (grouped by category, with FONE and number of apartments):

RESORTS
- 676-4000 — PRAIA DO FORT ECORESORT — 249 APTOS
- 73-696-1122 — TRANSAMÉRICA COMANDATUB — 362 APTOS
- 81 521 6000 — CABO DE SAN AGOSTINHO — 300 APTOS
- 81-3302-5555 — SUMMERVILLE MURO ALTO — 202 APTOS
- 24-3379-2800 — BLUE TREE ANGRA — 319 APTOS

RESORTS SSA
- 374-9611 — SOFITEL SALVADOR — 195 APTOS
- 374-8000 — CATUSSABA — 256 APTOS

SAUIPE
- 463-1000 — SUPERCLUBS BREEZES — 324 APTOS
- 467-2000 — SOFITEL COST SAUIPE — 406 APTOS
- 468-2000 — SOFITEL SUITES — 198 APTOS
- 466-2000 — RENAISSANCE SAUIPE — 217 APTOS
- 465-3000 — MARRIOT SAUIPE — 256 APTOS

HOTEIS CIDADE
- 352-0000 — BAHIA FIESTA — 244 APTOS
- 331-8200 — CAESAR TOWERS — 88 APTOS
- 330-2233 — TRANSAMÉRICA SALVADOR — 202 APTOS
- 203-2000 — OTHON PALACE — 263 APTOS
- 336-0102 — TROPICAL HOTEL DA BAHIA — 275 APTOS
- 453-8000 — CARLTON — 433 APTOS
- 203-9000 — SALVADOR PRAIA — 164 APTOS

For each hotel two values are shown per day: the daily occupancy (Ocup.) and the running cumulative average (Méd.).

DATA	ECORESORT Ocup.	Méd.	TRANSAM. COMANDATUB Ocup.	Méd.	CABO DE SAN Ocup.	Méd.	SUMMERVILLE Ocup.	Méd.	BLUE TREE Ocup.	Méd.	SOFITEL SALV. Ocup.	Méd.	CATUSSABA Ocup.	Méd.	BREEZES Ocup.	Méd.	SOFITEL COST Ocup.	Méd.	SOFITEL SUITES Ocup.	Méd.	RENAISSANCE Ocup.	Méd.	MARRIOT Ocup.	Méd.	BAHIA FIESTA Ocup.	Méd.	CAESAR Ocup.	Méd.	TRANSAM. SALV. Ocup.	Méd.	OTHON Ocup.	Méd.	TROPICAL Ocup.	Méd.	CARLTON Ocup.	Méd.	SALVADOR PRAIA Ocup.	Méd.
1	43.37	43.37	17.90	17.90	40.00	40.00	15.00	15.00	7.52	7.52	30.50	30.50	42.20	42.20	30.62	30.62	11.00	11.00	15.00	15.00	15.19	15.19	30.89	30.89	60.00	60.00	41.46	41.46	58.00	58.00	55.40	55.40	58.00	58.00	37.00	37.00	87.00	87.00
2	38.55	40.96	17.00	17.45	73.00	56.50	98.10	56.55	10.80	9.16	30.00	30.25	49.70	45.95	26.00	28.31	10.00	10.50	9.80	12.40	16.80	16.00	30.00	30.45	48.70	54.35	40.00	40.73	53.70	55.85	55.00	55.20	53.80	55.90	36.80	36.90	80.00	83.50
3	41.77	41.23	17.90	17.60	74.00	62.33	100.00	71.03	11.60	9.97	31.07	30.52	50.78	47.56	27.00	27.87	10.80	10.60	10.00	11.60	17.40	16.46	30.74	30.54	50.00	52.90	40.80	40.75	56.00	55.90	55.04	55.15	56.10	55.97	38.00	37.27	85.10	84.03
4	44.58	42.07	29.20	20.50	80.00	66.75	100.00	78.28	12.54	10.62	55.82	36.85	55.90	49.65	26.85	27.62	10.00	10.45	9.60	11.10	29.50	19.72	33.60	31.31	80.33	59.76	80.49	50.69	92.00	64.93	53.96	54.85	77.00	61.23	47.30	39.78	93.25	86.34
5	46.18	42.89	32.00	22.80	75.00	68.40	100.00	82.62	16.30	11.75	49.51	39.38	57.50	51.22	36.80	29.45	11.10	10.58	12.80	11.44	30.00	21.78	35.00	32.05	81.20	64.05	82.30	57.01	90.00	69.94	55.00	54.88	75.80	64.14	50.00	41.82	95.00	88.07
6	49.40	43.98	27.40	23.57	79.10	70.18	60.10	78.87	26.00	14.13	55.80	42.12	50.70	51.13	48.70	32.66	12.80	10.95	15.00	12.03	35.80	24.12	38.70	33.16	78.60	66.47	80.00	60.04	85.80	72.58	58.10	55.42	70.70	65.23	57.10	44.37	80.10	86.74
7	56.63	45.78	21.20	23.23	80.00	71.59	46.20	74.20	30.72	16.50	66.89	45.63	56.64	51.92	50.80	35.25	14.60	11.47	16.70	12.70	43.70	26.91	41.80	34.39	75.00	67.69	75.70	62.96	80.90	73.77	63.67	56.60	64.30	65.10	60.00	46.60	78.58	85.58
8	34.94	44.43	23.40	23.25	63.00	70.51	55.00	71.80	8.78	15.53	49.06	46.06	39.06	50.31	54.47	37.66	15.00	11.91	17.00	13.24	46.84	29.40	44.92	35.71	70.00	67.98	70.00	63.84	81.70	74.76	65.00	57.65	61.20	64.61	58.20	48.05	75.00	84.25
9	35.74	43.46	17.00	22.56	49.00	68.12	60.00	70.49	5.02	14.36	48.10	46.28	42.97	49.49	48.45	38.85	50.00	16.14	15.00	13.43	54.01	32.14	41.41	36.34	72.00	68.43	89.59	66.70	26.50	69.40	62.95	58.24	67.00	64.88	57.03	49.05	77.00	83.45
10	38.96	43.01	20.60	22.36	42.00	65.51	60.00	69.44	13.79	14.31	52.91	46.95	50.00	49.55	48.83	39.85	50.00	19.53	16.00	13.69	56.54	34.58	43.75	37.08	69.10	68.49	89.00	68.93	27.00	65.16	69.06	59.32	65.00	64.89	58.10	49.95	78.10	82.91
11	42.17	42.94	34.90	23.50	73.00	66.19	64.00	68.95	12.85	14.17	59.71	48.11	47.66	49.37	60.56	41.73	55.70	22.82	30.00	15.17	83.33	39.01	92.11	42.08	58.10	67.55	81.10	69.95	26.00	61.60	65.11	59.84	59.00	64.35	59.00	50.78	75.00	82.20
12	44.58	43.07	35.20	24.48	92.00	68.34	87.00	70.45	16.93	14.40	46.12	47.94	50.00	49.43	58.02	43.09	57.10	25.68	40.40	17.28	98.00	43.93	98.05	46.75	26.00	64.09	80.00	70.79	25.80	58.62	62.59	60.07	60.00	63.99	54.00	51.04	45.00	79.10
13	47.39	43.40	37.10	25.45	94.00	70.32	100.00	72.72	27.27	15.39	35.92	47.02	54.69	49.83	99.38	47.42	85.90	30.31	100.00	23.64	86.32	47.19	95.70	51.48	27.10	61.24	65.85	70.41	26.10	56.12	50.00	59.30	58.70	63.58	55.10	51.36	46.70	76.61
14	54.09	44.17	23.60	25.31	90.00	71.72	76.00	72.96	30.41	16.47	44.20	46.82	75.39	51.66	100.00	51.18	90.00	34.57	98.00	28.95	91.56	50.36	64.06	52.06	30.00	59.01	67.00	70.16	27.00	54.04	54.68	58.97	60.00	63.33	56.00	51.69	47.00	74.50
15	53.01	44.76	20.90	25.02	52.00	70.41	65.00	72.43	6.00	15.77	53.88	47.29	75.00	53.21	42.90	50.63	80.00	37.60	85.00	32.69	83.70	52.58	60.10	50.95	31.80	57.20	84.15	71.10	30.80	52.49	77.70	60.22	61.10	63.18	57.10	52.05	49.95	72.86
16	54.62	45.37	24.00	24.96	45.83	68.87	73.00	72.46	5.64	15.14	54.80	47.76	77.34	54.72	35.80	49.70	19.70	36.48	20.00	31.89	12.66	50.08	34.38	50.32	75.85	58.36	84.00	71.90	50.50	52.36	77.70	61.31	77.00	64.04	73.80	53.41	82.21	73.45
17	57.43	46.08	26.40	25.04	45.00	67.47	80.00	72.91	6.90	14.65	86.41	50.03	91.02	56.86	40.43	49.15	15.00	35.22	19.00	31.14	16.88	48.13	40.23	50.02	88.90	60.16	97.56	73.41	70.00	53.40	80.94	62.46	70.00	64.39	75.00	54.68	80.00	73.83
18	54.62	46.56	33.60	25.52	49.00	66.44	79.00	73.24	12.85	14.55	79.13	51.65	87.89	58.58	56.00	49.53	16.30	34.17	18.00	30.41	65.38	49.09	44.88	49.63	90.00	61.82	98.10	74.78	71.40	54.40	81.80	63.54	68.70	64.63	74.10	55.76	80.80	74.22
19	53.82	46.94	31.60	25.84	73.00	66.79	85.00	73.86	73.04	17.63	62.62	52.22	70.70	59.22	55.00	49.82	15.00	33.16	30.41	30.41	64.10	49.88	42.70	49.93	83.61	62.96	95.00	75.85	54.00	54.38	82.01	64.51	60.00	64.39	70.00	56.51	75.10	74.27
20	55.82	47.38	31.80	26.14	96.00	68.25	93.00	74.82	84.34	20.96	33.00	51.26	63.28	59.42	73.00	50.98	25.00	32.75	13.61	30.41	45.73	49.67	55.51	50.25	42.23	61.93	82.93	76.20	30.50	53.19	78.78	65.22	73.00	65.11	48.00	56.08	95.71	75.34
21	69.48	48.44	26.40	26.15	93.00	69.43	80.00	75.07	94.36	24.46	39.18	50.69	57.81	59.34	72.00	51.98	24.10	32.34	28.73	29.53	46.80	49.54	56.70	50.24	45.00	61.12	83.50	76.55	41.50	52.63	59.71	64.96	75.10	65.59	50.00	55.79	90.00	76.04
22	57.83	48.86	26.30	26.15	41.00	68.13	74.00	75.02	10.97	23.85	37.00	50.07	48.50	58.85	40.12	51.44	26.30	32.06	20.29	29.11	40.00	49.10	50.00	50.01	48.70	60.56	80.00	76.71	78.00	53.78	60.79	64.77	70.00	65.79	45.70	55.33	95.70	76.93
23	54.62	49.11	27.00	26.19	50.00	67.34	80.00	75.23	10.00	23.24	55.00	50.28	56.00	58.73	39.00	50.90	25.00	31.76	21.06	28.76	35.00	48.49	45.00	49.38	49.00	60.05	75.00	76.63	63.00	54.18	57.00	64.43	61.00	65.58	43.00	54.80	75.00	76.85
24	47.39	49.04	31.60	26.42	52.00	66.71	100.00	76.27	10.34	22.71	63.59	50.83	53.13	58.49	37.96	50.36	20.80	31.30	25.64	28.63	17.30	47.19	34.78	48.80	50.00	59.63	67.80	76.26	53.30	54.15	53.39	63.97	58.70	65.29	46.10	54.43	70.00	76.56
25	49.00	49.04	36.30	26.81	63.00	66.56	99.00	77.18	4.60	21.98	85.00	52.20	55.47	58.37	38.11	49.87	20.00	30.85	26.88	28.56	18.10	46.03	35.00	48.69	100.00	61.25	65.00	75.81	50.00	53.98	81.65	64.68	60.00	65.08	41.70	53.93	65.10	76.10
26	51.41	49.13	46.20	27.56	63.60	66.44	97.00	77.94	43.23	22.80	86.45	53.52	60.12	58.44	82.70	51.13	19.80	30.42	19.98	28.23	24.36	45.19	45.85	48.61	100.00	62.74	70.00	75.79	50.50	53.85	81.65	65.33	65.80	65.11	50.00	53.77	70.00	75.87
27	79.12	50.24	66.05	28.98	76.00	66.80	99.00	78.72	91.85	25.36	35.89	52.87	50.78	58.16	85.00	52.39	20.00	30.04	23.91	28.07	25.00	44.44	46.70	48.10	50.70	62.29	75.80	75.60	60.50	54.09	80.60	65.90	64.00	65.07	49.80	53.63	69.80	75.64
28	89.56	51.65	68.30	30.39	76.00	67.13	70.00	78.41	95.50	27.86	38.83	52.36	58.59	58.17	80.00	53.37	30.00	30.04	32.83	28.24	19.28	43.55	34.25	47.67	52.80	61.95	67.07	75.29	23.50	53.00	49.64	65.32	62.00	64.96	48.30	53.44	67.48	75.35
29	73.49	52.40	66.90	31.65	39.70	66.18	69.00	78.08	5.33	27.09	25.44	51.44	45.90	57.75	36.72	52.80	25.90	29.99	29.98	28.30	20.00	42.73	35.70	47.67	54.10	61.68	68.70	75.07	25.00	52.03	48.56	64.74	65.00	64.96	50.00	53.32	68.70	75.12
30	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	
TOTAL	50.65		30.59		63.97		75.48		26.18		49.72		55.82		51.04		28.90		27.36		41.31		46.08		59.66		72.56		50.30		62.58		62.79		51.54		72.62	

Mapa de Ocupação – Pousadas
Mês: Outubro de 2001

TEL:	876-1116		876-1446		876-1066		876-1088		876-1165		676-1515		6761414	6761362	876-1043	
	19 Chalé		26 Anto		38 Anto		25 Anto		21 Anto		12 Anto		12 Anto	20 Anto	15 Anto	
DATA	PRAIA DO FORTE		PORTO DA LUA		SOLAR ARCOS		SOBRADO DA VILA		OGUM MARINHO		FAROL TARTARUGA		PORTO ZARPA	CASA DA PRAIA	SOLAR DO FORTE	
01	50.00	50.00	57.69	57.69	2.63	2.63	40.00	40.00	4.76	4.76	0.00	0.00	0.00	0.00	0.00	0.00
02	50.00	50.00	59.62	61.54	2.63	2.63	44.00	48.00	9.52	7.14	16.67	8.33	0.00	0.00	13.33	6.67
03	53.33	60.00	58.97	57.69	4.39	7.89	44.00	44.00	14.29	9.52	33.33	16.67	0.00	0.00	0.00	0.00
04	48.75	35.00	58.65	57.69	3.95	2.63	43.00	40.00	33.33	15.48	41.67	22.92	0.00	0.00	6.67	5.00
05	47.00	40.00	58.46	57.69	4.21	5.26	42.40	40.00	38.10	20.00	50.00	28.33	0.00	0.00	13.33	6.67
06	46.67	45.00	63.46	88.45	8.33	28.95	52.00	100.00	95.00	32.50	100.00	40.28	0.00	0.00	80.00	18.89
07	47.14	50.00	65.38	75.92	10.90	26.32	58.86	100.00	80.95	39.42	100.00	48.81	0.00	0.00	66.67	25.71
08	43.22	15.79	65.38	65.38	9.87	2.63	56.50	40.00	47.62	40.45	75.00	52.08	0.00	0.00	13.33	24.17
9	40.76	21.05	64.53	57.69	9.06	2.63	55.56	48.00	47.62	41.24	66.67	53.70	0.00	0.00	13.33	22.96
10	39.32	26.32	65.00	69.23	8.42	2.63	55.20	52.00	42.86	41.40	16.67	50.00	0.00	0.00	0.00	0.00
11	40.53	52.63	67.48	92.31	11.72	44.74	59.27	100.00	100.00	46.73	83.33	53.03	0.00	0.00	100.00	27.88
12	45.48	100.00	69.87	96.15	16.45	58.42	62.67	100.00	100.00	51.17	100.00	56.94	0.00	0.00	100.00	33.89
13	49.68	100.00	71.60	92.31	19.84	50.53	65.54	100.00	100.00	54.93	1000.00	129.49	0.00	0.00	100.00	38.97
14	49.89	52.63	70.60	57.69	18.61	2.63	66.00	72.00	52.38	54.74	66.67	125.00	0.00	0.00	20.00	37.62
15	49.72	47.37	70.51	69.23	0.00	0.00	65.07	52.00	38.10	53.63	16.67	117.78	0.00	0.00	0.00	0.00
16	49.24	42.11	70.43	69.23	0.00	0.00	63.75	44.00	33.33	52.37	25.00	111.98	0.00	0.00	6.67	33.33
17	48.51	36.84	70.80	57.69	0.00	0.00	62.35	40.00	28.57	50.97	25.00	106.86	0.00	0.00	13.33	32.16
18	47.57	31.58	68.59	50.00	0.00	0.00	60.67	32.00	28.57	49.72	33.33	102.78	0.00	0.00	13.33	31.11
19	47.29	42.11	68.42	65.38	14.68	18.42	60.00	48.00	42.86	49.36	66.67	100.88	0.00	0.00	13.33	30.18
20	47.55	52.63	69.42	88.45	14.74	15.79	61.60	92.00	95.24	51.65	83.33	100.00	0.00	0.00	86.67	33.00
21	46.04	15.79	70.51	92.31	15.04	21.05	61.90	68.00	85.71	53.28	66.67	98.41	0.00	0.00	100.00	36.19
22	45.38	31.58	70.80	75.92	15.07	15.79	61.27	48.00	66.67	53.89	75.00	97.35	0.00	0.00	66.67	37.58
23	44.10	15.79	70.90	73.08	0.00	0.00	60.35	40.00	61.90	54.23	58.33	95.65	0.00	0.00	0.00	0.00
24	42.92	15.79	70.39	58.62	0.00	0.00	59.50	40.00	52.38	54.16	66.67	94.44	0.00	0.00	6.67	34.72
25	42.25	26.32	71.19	90.48	13.47	5.26	59.52	60.00	76.19	55.04	75.00	93.67	0.00	0.00	33.33	34.67
26	42.04	36.84	71.56	80.77	13.77	21.05	60.62	88.00	85.71	56.22	91.67	93.59	0.00	0.00	46.67	35.13
27	42.83	63.16	71.05	57.69	13.65	10.53	61.48	84.00	100.00	57.84	50.00	91.98	0.00	0.00	6.67	34.07
28	43.18	52.63	70.55	57.14	13.44	7.89	61.86	72.00	85.71	58.84	41.67	90.18	0.00	0.00	20.00	33.57
29	43.32	47.37	69.84	50.00	13.07	2.63	62.48	80.00	71.43	59.27	58.33	89.08	0.00	0.00	20.00	33.10
30	42.58	21.05	68.28	23.08	0.00	0.00	0.00	0.00	19.05	57.93	25.00	86.94	0.00	0.00	13.33	32.44
31	41.88	21.05	66.70	19.23	0.00	0.00	58.71	8.00	14.29	56.52	16.67	84.68	0.00	0.00	6.67	31.61
TOTAL	37.30		61.88		11.88		53.55		50.38		80.11		0.00	0.00	29.68	

Obs: Pousada Porto Zarpa e Casa da Praia não pode informar ocupação

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Exhibit 14: Occupancy Table for Bahia Pousadas November 2001

Mapa de Ocupação – Pousadas
Mês: Novembro de 2001

TEL:	876-1116 1º Chalé		876-1445 26 Apto		876-1056 38 Apto		876-1088 25 Apto		676-1165 21 Apto		676-1515 12 Apto		876-1043 15 Apto	
DATA	PRAIA DO FORTE		PORTO DA LUA		SOLAR ARCOS		SOBRADO DA VILA		OGUM MARINHO		FAROL TARTARUGAS		SOLAR DO FORTE	
01	78.95	78.95	84.62	84.62	47.37	47.37	60.00	60.00	85.71	85.71	100.00	100.00		0.00
02	94.74	86.84	96.15	90.38	52.63	50.00	72.00	66.00	95.24	90.48	100.00	100.00		0.00
03	100.00	91.23	100.00	93.59	65.79	55.25	100.00	77.33	100.00	93.65	100.00	100.00	100.00	33.33
04	52.63	81.58	46.15	81.73	2.63	42.11	32.00	66.00	33.33	78.57	50.00	87.50	6.67	26.67
05	15.79	68.42	30.77	71.54	0.00	0.00	16.00	56.00	23.81	67.62	33.33	76.67	13.33	24.00
06	10.53	58.77	15.38	62.18	0.00	0.00	12.00	48.67	33.33	61.90	66.67	75.00		0.00
07	15.79	52.63	15.38	55.49	0.00	0.00	20.00	44.57	28.57	57.14	58.33	72.62		0.00
08	21.05	48.68	15.38	50.48	7.89	19.59	28.00	42.50	52.38	56.55	50.00	59.79		0.00
9	52.63	49.12	19.23	47.01	18.42	19.47	28.00	40.89	90.48	60.32	50.00	57.59		0.00
10	57.89	50.00	57.69	48.08	0.00	0.00	76.00	44.40	95.24	63.81	66.67	57.50		0.00
11	31.58	48.33	23.08	45.80	0.00	0.00	24.00	42.55	76.19	64.94	58.33	56.67	5.67	10.56
12	31.58	46.93	19.23	43.59	0.00	0.00	20.00	40.67	57.14	64.29	50.00	55.28	0.00	0.00
13	10.53	44.13	26.92	42.31	0.00	0.00	20.00	39.08	47.62	63.00	66.67	65.38	0.00	0.00
14	57.89	45.11	57.69	43.41	31.58	16.17	32.00	38.57	100.00	65.65	91.67	67.26	53.33	12.00
15	100.00	48.77	80.77	45.90	57.89	18.95	100.00	42.67	100.00	67.94	100.00	69.44	100.00	17.50
16	100.00	51.97	96.15	49.04	94.74	23.68	100.00	46.25	100.00	69.94	100.00	71.35	100.00	22.35
17	100.00	54.80	100.00	52.04	52.63	25.39	100.00	49.41	100.00	71.71	100.00	73.04	0.00	0.00
18	36.84	53.80	19.23	50.21	5.26	24.27	20.00	47.78	47.62	70.37	41.67	71.30	6.67	20.35
19	30.00	52.55	15.38	48.38	2.63	23.13	8.00	45.68	38.10	68.67	16.67	68.42	13.33	20.00
20	42.11	52.03	19.23	46.92	5.26	22.24	12.00	44.00	33.33	66.90	25.00	66.25	6.67	20.00
21	36.84	51.30	23.08	45.79	0.00	0.00	12.00	42.48	23.81	64.85	33.33	64.68	6.67	19.37
22	36.84	50.65	23.08	44.76	2.63	20.33	8.00	40.91	28.57	63.20	33.33	63.26	6.67	18.79
23	52.63	50.73	30.77	44.15	7.89	19.79	20.00	40.00	38.10	62.11	50.00	62.68	20.00	18.84
24	42.11	50.37	69.23	45.19	39.47	20.61	72.00	41.33	80.95	62.90	100.00	64.24	100.00	22.22
25	31.58	49.62	73.08	46.31	34.21	21.16	100.00	43.68	95.24	64.19	91.67	65.33	100.00	25.33
26	31.58	48.93	23.08	45.41	21.05	21.15	80.00	45.08	85.71	65.02	75.00	65.71	66.67	26.92
27	21.05	47.89	30.77	44.87	5.26	20.57	8.00	43.70	47.62	64.37	25.00	64.20	26.67	26.91
28	21.05	46.94	23.08	44.09	7.89	20.11	15.00	42.71	38.10	63.44	41.67	63.39	20.00	26.67
29	26.32	46.23	26.92	43.50	10.53	19.78	20.00	41.93	38.10	62.56	50.00	62.93	20.00	26.44
30	26.32	45.56	34.62	43.21	13.16	19.56	12.00	40.93	76.19	63.02	58.33	62.78	20.00	26.22
TOTAL		41.71		39.08		17.91		38.06		56.07		55.91		23.44

OBS: Pousada Solar do Forte dias 01/11 e 02/11 o telefone está programado para não receber ligações.
OBS: Pousada Solar do Forte de 06/11 á 11/11 o telefone está programado para não receber ligações.

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Mapa de Ocupação – Pousadas
Mês: Dezembro de 2001

TEL:	876-1116 19 Chalé		876-1446 26 Apto		876-1066 38 Apto		876-1088 25 Apto		676-1165 21 Apto		676-1515 12 Apto		876-1043 15 Apto	
DATA	PRAIA DO FORTE		PORTO DA LUA		SOLAR ARCOS		SOBRADO DA VILA		OGUM MARINHO		FAROL TARTARUGAS		SOLAR DO FORTE	
01	21.05	21.05	38.46	38.46	15.79	15.79	32.00	32.00	95.24	95.24	91.67	91.67	73.33	73.33
02	21.05	21.05	30.77	34.62	13.16	14.47	24.00	28.00	85.71	90.48	83.33	87.50	60.00	66.67
03	15.79	19.30	23.08	30.77	15.79	14.91	28.00	28.00	71.43	84.13	66.67	80.56	46.67	60.00
04	10.53	17.11	19.23	27.88	5.25	12.50	12.00	24.00	85.71	84.52	16.67	54.58	20.00	50.00
05	10.53	15.79	23.08	26.92	10.53	12.11	16.00	22.40	80.95	83.81	41.67	50.00	20.00	44.00
06	10.53	14.91	7.69	23.72	5.25	10.96	12.00	20.67	76.19	82.54	25.00	54.17	0.00	0.00
07	47.37	19.55	23.08	23.63	13.16	11.28	32.00	22.29	85.71	82.99	83.33	58.33	20.00	34.29
08	78.95	26.97	42.31	25.96	34.21	14.14	76.00	29.00	95.24	84.52	100.00	63.54	26.67	33.33
09	36.84	28.07	15.38	24.79	0.00	0.00	8.00	26.67	47.62	80.42	41.67	61.11	6.67	30.37
10	31.58	28.42	26.92	25.00	0.00	0.00	12.00	25.20	42.86	76.67	25.00	57.50	6.67	28.00
11	42.11	29.67	19.23	24.48	5.25	10.77	4.00	23.27	47.62	74.03	0.00	0.00	6.67	26.06
12	42.11	30.70	26.92	24.68	10.53	10.75	8.00	22.00	47.62	71.83	25.00	50.00	6.67	24.44
13	42.11	31.58	57.69	27.22	10.53	10.73	44.00	23.69	52.38	70.33	33.33	48.72	13.33	23.59
14	52.63	33.08	34.62	27.75	25.32	11.84	92.00	28.57	61.90	69.73	58.33	49.40	100.00	29.05
15	63.16	35.09	50.00	29.23	39.47	13.68	92.00	32.80	95.24	71.43	100.00	52.78	100.00	33.78
16	42.11	35.53	34.62	29.57	5.26	13.16	36.00	33.00	71.43	71.43	75.00	54.17	66.67	35.83
17	47.37	36.22	38.46	30.09	13.16	13.16	48.00	33.88	85.71	72.27	83.33	55.88	73.33	38.04
18	36.84	36.26	34.62	30.34	10.53	13.01	40.00	34.22	76.19	72.49	58.33	56.02	53.33	38.89
19	36.84	36.29	30.77	30.36	10.53	12.88	16.00	33.26	28.57	70.18	50.00	55.70	20.00	37.89
20	42.00	36.57	50.00	31.35	15.79	13.03	28.00	33.00	38.10	68.57	56.67	56.25	20.00	37.00
21	45.00	36.97	57.69	32.60	21.05	13.41	40.00	33.33	52.38	67.80	83.33	57.54	33.33	36.83
22	100.00	39.84	76.92	34.62	50.00	15.07	36.00	33.45	76.19	68.18	100.00	59.47	100.00	39.70
23	100.00	42.46	84.62	36.79	55.26	16.82	48.00	34.09	61.90	67.91	100.00	61.23	100.00	42.32
24	100.00	44.85	88.46	38.94	52.63	18.31	80.00	36.00	100.00	69.25	100.00	62.85	100.00	44.72
25	100.00	47.06	76.92	40.46	47.37	19.47	72.00	37.44	76.19	69.52	100.00	64.33	80.00	46.13
26	100.00	49.10	38.46	40.38	26.32	19.74	28.00	37.08	90.48	70.33	100.00	65.71	13.33	44.87
27	100.00	50.98	92.31	42.31	52.63	20.96	32.00	36.89	95.24	71.25	91.67	66.67	13.33	43.70
28	100.00	52.73	88.46	43.96	76.32	22.93	36.00	36.86	95.24	72.11	100.00	67.85	60.00	44.29
29	100.00	54.36	100.00	45.89	76.32	24.77	72.00	38.07	95.24	72.91	100.00	68.97	86.67	45.75
30	100.00	55.88	100.00	47.69	94.74	27.11	76.00	39.33	95.24	73.65	100.00	70.00	86.67	47.11
31		0.00		0.00		0.00		0.00		0.00		0.00		0.00
TOTAL	44.40		36.85		18.25		32.13		62.06		58.06		38.06	

Exhibit 16: Occupancy Table for Bahia Pousadas January 2002

Mapa de Ocupação - Pousadas
Mês: Janeiro de 2002

FONE	676-1116		676-1029		676-1066		676-1088		676-1165		676-1515		876-1043	
	PRAIA DO FORTE 19 CHALES		PORTO DA LUA 26 APTO.		SOLAR DOS ARCO 38 APTOS.		SOBRADO DA VILA 25 APTOS.		OGUM MARINHO 21 APTOS.		FAROL DAS TARTARUGA 12 APTOS.		SOLAR DO FORTE 15 APTOS.	
DATA														
01	100.00	50.00	80.77	40.38	13.16	6.58	56.00	28.00	100.00	50.00	100.00	50.00	53.33	26.67
02	100.00	66.67	84.62	55.13	13.16	8.77	56.00	37.33	95.24	65.08	100.00	66.67	46.67	33.33
03	100.00	75.00	76.92	60.58	13.16	9.87	48.00	40.00	90.48	71.43	91.67	72.92	40.00	35.00
04	100.00	80.00	61.54	60.77	52.63	18.42	92.00	50.40	95.24	76.19	100.00	78.33	60.00	40.00
05	100.00	83.33	57.69	60.26	52.63	24.12	92.00	57.33	90.48	78.57	100.00	81.94	60.00	43.33
06	100.00	85.71	50.00	58.79	26.32	24.44	80.00	60.57	80.95	78.91	83.33	82.14	46.67	43.81
07	100.00	87.50	53.85	58.17	31.58	25.33	84.00	63.50	85.71	79.76	100.00	84.38	53.33	45.00
08	78.95	86.55	50.00	57.26	15.79	24.27	80.00	65.33	95.24	81.48	100.00	86.11	73.33	48.15
09	94.74	87.37	38.46	55.38	15.79	23.42	52.00	64.00	95.24	82.86	100.00	87.50	60.00	49.33
10	100.00	88.52	57.69	55.59	21.05	23.21	60.00	63.64	95.24	83.98	100.00	88.64	66.67	50.91
11	100.00	89.47	38.46	54.17	31.58	23.90	80.00	65.00	100.00	85.32	100.00	89.58	100.00	55.00
12	100.00	90.28	84.62	56.51	73.68	27.73	100.00	67.69	100.00	86.45	100.00	90.38	100.00	58.46
13	70.00	88.83	46.15	55.77	15.79	26.88	84.00	68.86	76.19	85.71	91.67	90.48	100.00	61.43
14	100.00	89.58	34.62	54.36	15.79	26.14	52.00	67.73	80.95	85.40	100.00	91.11	33.33	59.56
15	100.00	90.23	34.62	53.13	18.42	25.66	52.00	66.75	61.90	83.93	100.00	91.67	26.67	57.50
16	100.00	90.80	65.38	53.85	21.05	25.39	68.00	66.82	61.90	82.63	100.00	92.16	26.67	55.69
17	100.00	91.32	65.38	54.49	23.68	25.29	68.00	66.89	66.67	81.75	100.00	92.59	33.33	54.44
18	100.00	91.77	96.15	56.68	15.79	24.79	92.00	68.21	95.24	82.46	100.00	92.98	100.00	56.84
19	100.00	92.18	100.00	58.85	39.47	25.53	100.00	69.80	100.00	83.33	100.00	93.33	100.00	59.00
20	100.00	92.56	100.00	60.81	42.11	26.32	100.00	71.24	100.00	84.13	100.00	93.65	100.00	60.95
21	100.00	92.89	57.69	60.66	18.42	25.96	92.00	72.18	95.24	84.63	91.67	93.56	26.67	59.39
22	84.21	92.52	42.31	59.87	15.79	25.51	52.00	71.30	76.19	84.27	100.00	93.84	33.33	58.26
23	78.95	91.95	42.31	59.13	15.79	25.11	60.00	70.83	71.43	83.73	100.00	94.10	26.67	56.94
24	100.00	92.27	34.62	58.15	26.32	25.16	32.00	69.28	71.43	83.24	75.00	93.33	33.33	56.00
25	100.00	92.57	57.69	58.14	50.00	26.11	100.00	70.46	100.00	83.88	100.00	93.59	86.67	57.18
26	100.00	92.85	61.54	58.26	47.37	26.90	100.00	71.56	100.00	84.48	100.00	93.83	100.00	58.77
27	52.63	91.41	23.08	57.01	18.42	26.60	72.00	71.57	85.71	84.52	83.33	93.45	100.00	60.24
28	57.89	90.25	30.77	56.10	23.68	26.50	76.00	71.72	80.95	84.40	100.00	93.68	80.00	60.92
29	57.89	89.18	34.62	55.38	23.68	26.40	72.00	71.73	85.71	84.44	100.00	93.89	66.67	61.11
30	36.84	90.40	15.38	55.90	26.32	27.28	28.00	72.67	57.14	86.35	66.67	96.11	13.33	61.56
31	36.84	88.68	26.92	54.96	26.32	27.25	48.00	71.87	71.43	85.87	83.33	95.70	26.67	60.43
TOTAL		88.68		54.96		27.25		71.87		85.87		95.70		60.43

Exhibit 17: Occupancy Table for Bahia Pousadas February 2002

Mapa de Ocupação - Pousadas
Mês: Fevereiro de 2002

TEL:	676-1116 19 Chalé PRAIA DO FORTE		676-1029 26 Apto. PORTO DA LUA		676-1066 38 Apto. SOLAR ARCOS		676-1088 25 Apto. SOBRADO DA VILA		676-1043 15 Apto. SOLAR DO FORTE		676-1165 21 Apto. OGUM MARINHO		676-1515 12 Apto. FAROL DAS TARTARUGAS	
DATA														
1	63.16	63.16	38.46	38.46	15.79	15.79	48.00	48.00	26.67	26.67	71.43	71.43	83.33	83.33
2	68.42	65.79	34.62	36.54	15.79	15.79	40.00	44.00	26.67	26.67	66.67	69.05	83.33	83.33
3	30.00	53.86	15.38	29.49	21.05	17.54	32.00	40.00	13.33	22.22	71.43	69.84	66.67	77.78
4	40.00	50.39	23.08	27.88	15.79	17.11	16.00	34.00	26.67	23.33	85.71	73.81	66.67	75.00
5	47.37	49.79	19.23	26.15	13.16	16.32	24.00	32.00	20.00	22.67	80.95	75.24	33.33	66.67
6	31.58	46.75	65.38	32.69	52.63	22.37	52.00	35.33	13.33	21.11	57.14	72.22	58.33	65.28
7	80.00	51.50	46.15	34.62	73.68	29.70	92.00	43.43	66.67	27.62	95.24	75.51	100.00	70.24
8	90.00	56.32	76.92	39.90	78.95	35.86	96.00	50.00	80.00	34.17	100.00	78.57	100.00	73.96
9	100.00	61.17	96.15	46.15	92.11	42.11	100.00	55.56	100.00	41.48	100.00	80.95	100.00	76.85
10	100.00	65.05	100.00	51.54	100.00	47.89	100.00	60.00	100.00	47.33	100.00	82.86	100.00	79.17
11	100.00	68.23	100.00	55.94	100.00	52.63	100.00	63.64	100.00	52.12	100.00	84.42	100.00	81.06
12	100.00	70.88	100.00	59.62	52.63	52.63	100.00	66.67	100.00	56.11	95.24	85.32	100.00	82.64
13	89.47	72.31	88.46	61.83	47.37	52.23	40.00	64.62	20.00	53.33	90.48	85.71	83.33	82.69
14	52.63	70.90	76.92	62.91	42.11	51.50	36.00	62.57	26.67	51.43	80.95	85.37	100.00	83.93
15	52.63	69.68	69.23	63.33	34.21	50.35	28.00	60.27	20.00	49.33	71.43	84.44	83.33	83.89
16	47.37	68.29	38.46	61.78	26.32	48.85	20.00	57.75	26.67	47.92	47.62	82.14	75.00	83.33
17	26.32	65.82	30.77	59.95	5.26	46.28	4.00	54.59	33.33	47.06	47.62	80.11	75.00	82.84
18	26.32	63.63	30.77	58.33	0.00	0.00	16.00	52.44	33.33	46.30	57.14	78.84	41.67	80.56
19	31.58	61.94	38.46	57.29	0.00	0.00	16.00	50.53	40.00	45.96	57.14	77.69	41.67	78.51
20	21.05	59.89	34.62	56.15	5.26	39.61	20.00	49.00	20.00	44.67	57.14	76.67	50.00	77.08
21	36.84	58.80	69.23	56.78	21.05	38.72	28.00	48.00	40.00	44.44	95.24	77.55	91.67	77.78
22	94.74	60.43	80.77	57.87	39.47	38.76	92.00	50.00	93.33	46.67	100.00	78.57	100.00	78.79
23	26.32	58.95	42.31	57.19	2.63	37.19	20.00	48.70	33.33	46.09	42.86	77.02	41.67	77.17
24	26.32	57.59	42.31	56.57	2.63	35.75	20.00	47.50	33.33	45.56	42.86	75.60	41.67	75.69
25	50.00	57.28	38.46	55.85	2.63	34.42	12.00	46.08	13.33	44.27	28.57	73.71	50.00	74.67
26	57.89	57.31	76.92	56.66	5.26	33.30	20.00	45.08	40.00	44.10	71.43	73.63	58.33	74.04
27	78.95	58.11	42.31	56.13	2.63	32.16	8.00	43.70	13.33	42.96	23.81	71.78	41.67	72.84
28	52.63	57.91	42.31	55.63	5.26	31.20	0.00	0.00	6.67	41.67	23.81	70.07	91.67	73.51
TOTAL	57.91		55.63		31.20		42.14		41.67		70.07		73.51	

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Exhibit 18: Occupancy Table for Bahia Pousadas March 2002

Mapa de Ocupação - Pousadas
Mês: Março de 2002

FONE	676-1116		676-1029		676-1066		676-1088		676-1165		676-1515		676-1043	
	PRAIA DO FORTE 19 CHALÈS		PORTO DA LUA 26 APTOS		SOLAR DOS ARCOS 38 APTOS		SOBRADO DA VILA 25 APTOS		OGUM MARINHO 21 APTOS		FAROL DAS TARTA 12 APTOS		SOLAR DO FORTE 15 APTOS	
DATA														
01	100.00	50.00	73.08	36.54	15.79	7.89	88.00	44.00	76.19	38.10	100.00	50.00	6.67	3.33
02	89.47	63.16	92.31	55.13	26.32	14.04	100.00	62.67	95.24	57.14	100.00	66.67	100.00	35.56
03	89.47	69.74	26.92	48.08	5.26	11.84	20.00	52.00	33.33	51.19	33.33	58.33	0.00	0.00
04	78.95	71.58	34.62	45.38	0.00	0.00	28.00	47.20	23.81	45.71	33.33	53.33	0.00	0.00
05	73.68	71.93	30.77	42.95	0.00	0.00	24.00	43.33	19.05	41.27	41.67	51.39	13.33	20.00
06	26.32	65.41	23.08	40.11	5.26	7.52	24.00	40.57	66.67	44.90	66.67	53.57	13.33	19.05
07	31.58	61.18	23.08	37.98	5.26	7.24	20.00	38.00	47.62	45.24	66.67	55.21	20.00	19.17
08	31.58	57.89	30.77	37.18	21.05	8.77	24.00	36.44	90.48	50.26	100.00	60.19	26.67	20.00
09	36.84	55.79	57.69	39.23	26.32	10.53	72.00	40.00	95.24	54.76	100.00	64.17	20.00	20.00
10	26.32	53.11	15.38	37.06	0.00	0.00	40.00	40.00	38.10	53.25	33.33	61.36	0.00	0.00
11	31.58	51.32	15.38	35.26	0.00	0.00	40.00	40.00	42.86	52.38	33.33	59.03	0.00	0.00
12	31.58	49.80	19.23	34.02	5.26	8.50	44.00	40.31	42.86	51.65	16.67	55.77	0.00	0.00
13	36.84	48.87	23.08	33.24	7.89	8.46	44.00	40.57	47.62	51.36	50.00	55.36	0.00	0.00
14	42.11	48.42	15.38	32.05	10.53	8.60	12.00	38.67	42.86	50.79	33.33	53.89	0.00	0.00
15	47.37	48.36	92.31	35.82	15.79	9.05	52.00	39.50	71.43	52.08	100.00	56.77	13.33	13.33
16	100.00	51.39	92.31	39.14	26.32	10.06	100.00	43.06	95.24	54.62	100.00	59.31	66.67	16.47
17	36.84	50.58	15.38	37.82	5.26	9.80	20.00	41.78	19.05	52.65	41.67	58.33	40.00	17.78
18	31.58	49.58	11.54	36.44	2.63	9.42	20.00	40.63	33.33	51.63	33.33	57.02	26.67	18.25
19	31.58	48.68	15.38	35.38	5.26	9.21	24.00	39.80	42.86	51.19	50.00	56.67	26.67	18.67
20	15.79	47.12	3.85	33.88	5.26	9.02	28.00	39.24	28.57	50.11	41.67	55.95	20.00	18.73
21	15.79	45.69	15.38	33.04	7.89	8.97	28.00	38.73	38.10	49.57	50.00	55.68	20.00	18.79
22	26.32	44.85	26.92	32.78	15.79	9.27	36.00	38.61	76.19	50.72	91.67	57.25	33.33	19.42
23	31.58	44.30	53.85	33.65	23.68	9.87	72.00	40.00	95.24	52.58	100.00	59.03	46.67	20.56
24	47.37	44.42	7.69	32.62	5.26	9.68	28.00	39.52	47.62	52.38	0.00	0.00	6.67	20.00
25	42.11	44.33	3.85	31.51	5.26	9.51	16.00	38.62	38.10	51.83	0.00	0.00	6.67	19.49
26	73.68	45.42	15.38	30.91	2.63	9.26	32.00	38.37	61.90	52.20	9.52	52.82	0.00	0.00
27	100.00	47.37	26.92	31.87	10.53	9.30	40.00	38.43	57.14	52.38	100.00	54.51	20.00	18.81
28	100.00	49.18	96.15	34.08	52.63	10.80	100.00	40.55	95.24	53.86	100.00	56.08	20.00	18.85
29	100.00	50.88	100.00	36.28	89.47	13.42	100.00	42.53	100.00	55.40	100.00	57.54	80.00	20.89
30	100.00	54.21	88.46	39.23	92.11	16.49	100.00	45.87	95.24	58.57	100.00	60.87	93.33	24.00
31	15.79	52.97	26.92	38.83	7.89	16.21	16.00	44.90	66.67	58.83	8.33	59.18	6.67	23.44
TOTAL	52.97		38.83		16.21		44.90		58.83		59.18		23.44	

Mapa de Ocupação - Pousadas
Mês: Abril de 2002

FONE	676-1116		676-1029		676-1066		676-1088		676-1165		676-1515		676-1043		676-1352	
	PRAIA DO FORTE		PORTO DA LUA		SOLAR DOS AR		OBRADO DA VIL		OGUM MARINH		FAROL TARTAR		SOLAR DO FOR		CASA DA PRAIA	
DATA	19 CHALÉS		26 APTOS		38 APTOS		25 APTOS		21 APTOS		12 APTOS		15 APTOS		20 APTOS	
01	10.53	10.53	38.46	38.46	7.89	7.89	11.54	11.54	52.38	52.38	8.33	8.33	13.33	13.33	10.00	10.00
02	13.16	15.79	28.85	19.23	0.00	0.00	13.77	16.00	47.62	42.86	16.67	25.00	13.33	13.33	12.50	15.00
03	17.54	26.32	28.21	26.92	4.39	5.26	13.18	12.00	49.21	52.38	22.22	33.33	11.11	6.67	13.33	15.00
04	18.42	21.05	26.92	23.08	4.61	5.26	12.88	12.00	48.81	47.62	27.08	41.67	10.00	6.67	16.25	25.00
05	25.26	52.63	27.69	30.77	5.79	10.53	21.51	56.00	57.14	90.48	33.33	58.33	10.67	13.33	17.00	20.00
06	31.58	63.16	28.21	30.77	7.46	15.79	31.26	80.00	63.49	95.24	37.50	58.33	17.78	53.33	30.83	100.00
07	33.08	42.11	25.27	7.69	0.00	0.00	30.22	24.00	63.27	61.90	38.10	41.67	16.19	6.67	35.00	60.00
08	29.61	5.26	23.56	11.54	0.00	0.00	27.44	8.00	63.69	66.67	39.58	50.00	15.00	6.67	35.63	40.00
09	29.24	26.32	21.79	7.69	0.00	0.00	26.62	20.00	61.38	42.86	38.89	33.33	14.07	6.67	37.22	50.00
10	29.47	31.58	20.38	7.69	0.00	0.00	24.75	8.00	58.57	33.33	40.83	58.33	13.33	6.67	35.00	15.00
11	29.19	26.32	19.58	11.54	0.00	0.00	23.23	8.00	55.84	28.57	41.67	50.00	12.73	6.67	33.18	15.00
12	30.70	47.37	22.44	53.85	5.04	15.79	23.96	32.00	57.14	71.43	41.67	41.67	15.00	40.00	34.58	50.00
13	33.20	63.16	25.15	57.69	6.28	21.05	25.20	40.00	59.34	85.71	42.95	58.33	17.95	53.33	36.92	65.00
14	0.00	0.00	24.18	11.54	0.00	0.00	25.40	28.00	57.48	33.33	40.48	8.33	17.14	6.67	36.43	30.00
15	29.47	10.53	23.33	11.54	0.00	0.00	25.04	20.00	54.29	9.52	38.33	8.33	16.44	6.67	35.67	25.00
16	28.95	21.05	22.60	11.54	0.00	0.00	24.22	12.00	51.49	9.52	36.98	16.67	15.83	6.67	35.00	25.00
17	28.79	26.32	22.17	15.38	0.00	0.00	23.50	12.00	49.86	23.81	36.27	25.00	15.69	13.33	34.41	25.00
18	28.95	31.58	22.01	19.23	4.82	5.26	23.09	16.00	48.68	28.57	36.11	33.33	15.56	13.33	35.56	55.00
19	30.75	63.16	22.06	23.08	5.82	23.68	23.77	36.00	49.37	61.90	36.84	50.00	15.79	20.00	38.42	90.00
20	34.21	100.00	25.38	88.46	7.37	36.84	27.58	100.00	51.67	95.24	39.58	91.67	20.00	100.00	41.50	100.00
21	34.59	42.11	25.09	19.23	0.00	0.00	27.79	32.00	49.66	9.52	38.89	25.00	0.00	0.00	40.95	30.00
22	34.21	26.32	24.13	3.85	0.00	0.00	27.07	12.00	48.27	19.05	37.88	16.67	0.00	0.00	40.00	20.00
23	33.41	15.79	27.42	100.00	0.00	0.00	26.41	12.00	47.41	28.57	36.96	16.67	0.00	0.00	39.35	25.00
24	0.00	0.00	30.45	100.00	0.00	0.00	25.98	16.00	47.02	38.10	36.11	16.67	0.00	0.00	38.75	25.00
25	31.16	10.53	33.23	100.00	0.00	0.00	25.42	12.00	47.24	52.38	36.00	33.33	0.00	0.00	39.20	50.00
26	31.17	31.58	32.99	26.92	0.00	0.00	25.83	36.00	48.35	76.19	38.14	91.67	15.64	6.67	39.42	45.00
27	31.38	36.84	34.33	69.23	6.43	26.32	28.58	100.00	50.09	95.24	40.43	100.00	17.04	53.33	41.67	100.00
28	30.64	10.53	33.93	23.08	6.30	2.63	28.41	24.00	48.98	19.05	40.48	41.67	0.00	0.00	40.89	20.00
29	30.13	15.79	33.55	23.08	6.17	2.63	27.98	16.00	47.78	14.29	41.67	75.00	0.00	0.00	40.34	25.00
30	30.53	42.11	33.85	42.31	6.32	10.53	27.85	24.00	47.94	52.38	42.22	58.33	16.00	20.00	40.17	35.00
TOTAL	30.53		33.85		6.32		27.85		47.94		42.22		16.00		40.17	

Mapa de Ocupação - Pousadas
Mês: Maio de 2002

Exhibit 20: Occupancy Table for Bahia Pousadas May 2002

FONE	676-1116 PRAIA DO FORTE 19 CHALÉS		676-1029 PORTO DA LUA 26 APTOS		676-1066 SOLAR DOS AR... 38 APTOS		676-1088 SOBRADO DA VIL... 25 APTOS		676-1165 OGUM MARINH... 21 APTOS		676-1515 FAROL TARTAR... 12 APTOS		676-1043 SOLAR DO FOR... 15 APTOS		676-1362 CASA DA PRAIA 20 APTOS	
DATA																
01	0.00	0.00	7.69	7.69	0.00	0.00	28.00	28.00	47.62	47.62	50.00	50.00	0.00	0.00	40.00	40.00
02	15.79	7.89	15.38	11.54	7.89	3.95	40.00	34.00	85.71	66.67	83.33	66.67	6.67	3.33	75.00	57.50
03	21.05	12.28	23.08	15.38	15.79	7.89	52.00	40.00	95.24	76.19	100.00	77.78	13.33	6.67	85.00	66.67
04	50.00	21.71	73.08	29.81	26.32	12.50	100.00	55.00	100.00	82.14	100.00	83.33	13.33	8.33	85.00	71.25
05	47.37	26.84	7.69	25.38	2.63	10.53	12.00	46.40	61.90	78.10	8.33	68.33	6.67	8.00	20.00	61.00
06	10.00	24.04	7.69	22.44	0.00	0.00	12.00	40.67	42.86	72.22	16.67	59.72	6.67	7.78	30.00	55.83
07	10.00	22.03	11.54	20.88	0.00	0.00	12.00	36.57	33.33	66.67	25.00	54.76	6.67	7.62	25.00	51.43
08	21.05	21.91	7.69	19.23	10.53	7.89	16.00	34.00	61.90	66.07	16.67	50.00	6.67	7.50	25.00	48.13
09	21.05	21.81	7.69	17.95	13.16	8.48	16.00	32.00	47.62	64.02	25.00	47.22	6.67	7.41	25.00	45.56
10	15.79	21.21	23.08	18.46	15.79	9.21	20.00	30.80	47.62	62.38	50.00	47.50	6.67	7.33	30.00	44.00
11	26.32	21.67	26.92	19.23	21.05	10.29	24.00	30.18	57.14	61.90	66.67	49.24	26.67	9.09	50.00	44.55
12	0.00	0.00	26.92	19.87	0.00	0.00	20.00	29.33	9.52	57.54	41.67	48.61	6.67	8.89	25.00	42.92
13	5.26	18.74	19.23	19.82	0.00	0.00	8.00	27.69	9.52	53.85	33.33	47.44	6.67	8.72	15.00	40.77
14	10.53	18.16	23.08	20.05	2.63	8.27	12.00	26.57	9.52	50.68	41.67	47.02	6.67	8.57	15.00	38.93
15	15.79	18.00	11.54	19.49	0.00	0.00	8.00	25.33	14.29	48.25	16.67	45.00	13.33	8.89	30.00	38.33
16	21.05	18.19	15.38	19.23	0.00	0.00	12.00	24.50	23.81	46.73	25.00	43.75	13.33	9.17	30.00	37.81
17	36.84	19.29	42.31	20.59	13.16	7.59	12.00	23.76	66.67	47.90	58.33	44.61	20.00	9.80	80.00	40.29
18	15.79	19.09	23.08	20.73	10.53	7.75	16.00	23.33	38.10	47.35	41.67	44.44	20.00	10.37	45.00	40.56
19	10.53	18.64	19.23	20.65	2.63	7.48	8.00	22.53	28.57	46.37	28.57	43.61	25.00	11.14	33.33	40.18
20	10.53	18.24	15.38	20.38	2.63	7.24	4.00	21.60	33.33	45.71	50.00	43.93	26.67	11.92	25.00	39.42
21	15.79	18.12	19.23	20.33	0.00	0.00	8.00	20.95	28.57	44.90	58.33	44.61	26.67	12.62	40.00	39.44
22	5.26	17.54	46.15	21.50	0.00	0.00	12.00	20.55	42.86	44.81	50.00	44.86	20.00	12.95	25.00	38.79
23	100.00	21.12	23.08	21.57	0.00	0.00	8.00	20.00	38.10	44.51	41.67	44.72	20.00	13.26	45.00	39.06
24	100.00	24.41	34.62	22.12	7.89	6.36	100.00	23.33	33.33	44.05	91.67	46.68	13.33	13.26	20.00	38.26
25	15.79	24.06	61.54	23.69	10.53	6.53	100.00	26.40	66.67	44.95	100.00	48.81	33.33	14.07	60.00	39.13
26	15.79	23.74	23.08	23.67	0.00	0.00	12.00	25.85	47.62	45.05	50.00	48.86	0.00	0.00	25.00	38.59
27	15.79	23.45	11.54	23.22	0.00	0.00	28.00	25.93	33.33	44.62	33.33	48.28	6.67	13.27	25.00	38.09
28	21.05	23.36	19.23	23.08	0.00	0.00	32.00	26.14	38.10	44.39	41.67	48.04	13.33	13.27	25.00	37.62
29	47.37	24.19	38.46	23.61	7.89	5.90	40.00	26.62	47.62	44.50	66.67	48.69	33.33	13.97	80.00	39.08
30	68.42	25.67	69.23	25.13	13.16	6.14	80.00	28.40	95.24	46.19	100.00	50.40	66.67	15.72	100.00	41.11
31	100.00	28.06	80.77	26.92	26.32	6.79	80.00	30.06	100.00	47.93	100.00	52.00	100.00	18.44	100.00	43.01
TOTAL	28.06		26.92		6.79		30.06		47.93		52.00		18.44		43.01	

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Mapa de Ocupação - Pousadas
Mês: Junho de 2002

Exhibit 21: Occupancy Table for Bahia Pousadas June 2002

FONE	676-1116		676-1029		676-1066		676-1088		676-1165		676-1515		676-1043		676-1362	
	PRAIA DO FORTE		PORTO DA LUA		SOLAR DOS ARCOS		SOBRADO DA VILA		OGUM MARINHO		FAROL TARTARUG		SOLAR DO FORTE		CASA DA PRAIA	
DATA	19 CHALÉS		26 APTOS		38 APTOS		25 APTOS		21 APTOS		12 APTOS		15 APTOS		20 APTOS	
01	100.00	100.00	100.00	100.00	31.58	31.58	80.00	80.00	100.00	100.00	100.00	100.00	66.67	66.67	100.00	100.00
02	15.79	57.89	3.85	51.92	5.26	18.42	12.00	46.00	14.29	57.14	16.67	58.33	6.67	36.67	10.00	55.00
03	15.79	43.86	0.00	0.00	0.00	0.00	12.00	34.67	4.76	39.68	8.33	41.67	6.67	26.67	30.00	46.67
04	21.05	38.16	7.69	27.88	0.00	0.00	8.00	28.00	9.52	32.14	16.67	35.42	6.67	21.67	25.00	41.25
05	21.05	34.74	0.00	0.00	2.63	7.89	8.00	24.00	23.81	30.48	0.00	0.00	6.67	18.67	25.00	38.00
06	26.32	33.33	0.00	0.00	2.63	7.02	12.00	22.00	23.81	29.37	16.67	26.39	13.33	17.78	20.00	35.00
07	36.84	33.83	19.23	18.68	5.26	6.77	20.00	21.71	57.14	33.33	66.67	32.14	13.33	17.14	50.00	37.14
08	57.89	36.84	38.46	21.15	7.89	6.91	32.00	23.00	85.71	39.88	83.33	38.54	13.33	16.67	90.00	43.75
09	21.05	35.09	15.38	20.51	0.00	0.00	8.00	21.33	33.33	39.15	25.00	37.04	6.67	15.56	30.00	42.22
10	15.79	33.16	15.38	20.00	0.00	0.00	8.00	20.00	28.57	38.10	25.00	35.83	6.67	14.67	15.00	39.50
11	21.05	32.06	7.69	18.88	0.00	0.00	4.00	18.55	42.86	38.53	8.33	33.33	0.00	0.00	25.00	38.18
12	21.05	31.14	7.69	17.95	0.00	0.00	8.00	17.67	33.33	38.10	25.00	32.64	0.00	0.00	20.00	36.67
13	26.32	30.77	15.38	17.75	34.21	7.02	12.00	17.23	33.33	37.73	33.33	32.69	0.00	0.00	25.00	35.77
14	52.63	32.33	46.15	19.78	21.05	5.45	16.00	17.14	85.71	41.16	16.67	31.55	0.00	0.00	75.00	38.57
15	57.89	34.04	34.62	20.77	13.16	5.96	64.00	20.27	95.24	44.76	50.00	32.78	53.33	13.33	80.00	41.33
16	57.89	35.53	34.62	21.63	10.53	6.25	52.00	22.25	85.71	47.32	58.33	34.38	40.00	15.00	70.00	43.13
17	26.32	34.98	11.54	21.04	0.00	0.00	8.00	21.41	14.29	45.38	25.00	33.82	20.00	15.29	40.00	42.94
18	31.58	34.80	19.23	20.94	0.00	0.00	8.00	20.67	14.29	43.65	16.67	32.87	20.00	15.56	25.00	41.94
19	10.53	33.52	30.77	21.46	5.26	5.54	12.00	20.21	4.76	41.60	16.67	32.02	6.67	15.09	25.00	41.05
20	21.05	32.89	34.62	22.12	7.89	5.66	20.00	20.20	33.33	41.19	33.33	32.08	13.33	15.00	45.00	41.25
21	78.95	35.09	96.15	25.64	34.21	7.02	36.00	20.95	76.19	42.86	100.00	35.32	26.67	15.56	60.00	42.14
22	80.00	37.13	100.00	29.02	23.00	7.74	100.00	24.55	100.00	45.45	100.00	38.26	80.00	18.48	100.00	44.77
23	78.95	38.95	100.00	32.11	52.63	9.70	100.00	27.83	100.00	47.83	100.00	40.94	66.67	20.58	100.00	47.17
24	5.26	37.54	26.92	31.89	5.26	9.51	12.00	27.17	4.76	46.03	25.00	40.28	13.33	20.28	30.00	46.46
25	10.53	36.46	30.77	31.85	5.26	9.34	16.00	26.72	23.81	45.14	16.67	39.33	6.67	19.73	30.00	45.80
26	15.79	35.67	15.38	31.21	0.00	0.00	12.00	26.15	33.33	44.69	25.00	38.78	6.67	19.23	25.00	45.00
27	5.26	34.54	23.08	30.91	0.00	0.00	28.57	26.24	25.00	43.96	8.33	37.65	6.67	18.77	20.00	44.07
28	5.26	33.50	34.62	31.04	7.89	8.62	40.00	26.73	38.10	43.75	16.67	36.90	20.00	18.81	55.00	44.46
29	21.05	33.07	38.46	31.30	15.79	8.87	32.00	26.92	52.38	44.05	41.67	37.07	26.67	19.08	65.00	45.17
30	5.26	32.14	42.31	31.67	10.53	8.92	16.00	26.55	52.38	44.33	33.33	36.94	13.33	18.89	50.00	45.33
TOTAL	32.14		31.67		8.92		26.55		44.33		36.94		18.89		45.33	

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Exhibit 22: Occupancy Table for Bahia Pousadas July 2002

Mapa de Ocupação - Pousadas
Mês: Julho de 2002

FONE	676-1116 PRAIA DO FORTE 19 CHALÉS		676-1029 PORTO DA LUA 26 APTOS		676-1066 SOLAR DOS ARCOS 38 APTOS		676-1088 SOBRADO DA VILA 25 APTOS		676-1165 OGUM MARINHO 21 APTOS		676-1515 FAROL TARTARUGA 12 APTOS		676-1043 SOLAR DO FORTE 15 APTOS		676-1362 CASA DA PRAIA 20 APTOS	
DATA																
01	5.26	5.26	23.08	23.08	15.79	15.79	32.00	32.00	80.95	80.95	41.67	41.67	20.00	20.00	45.00	45.00
02	5.26	5.26	34.62	28.85	0.00	0.00	12.00	22.00	28.57	54.76	16.67	29.17	13.33	16.67	45.00	45.00
03	10.53	7.02	23.08	26.92	0.00	0.00	20.00	21.33	14.29	41.27	16.67	25.00	13.33	15.56	45.00	45.00
04	10.53	7.89	7.69	22.12	0.00	0.00	13.16	19.29	23.81	36.90	25.00	25.00	13.33	15.00	55.00	47.50
05	26.32	11.58	30.77	23.85	5.26	4.21	36.00	22.63	42.86	38.10	41.67	28.33	46.67	21.33	85.00	55.00
06	26.32	14.04	61.54	30.13	5.26	4.39	80.00	32.19	95.24	47.62	100.00	40.28	66.67	28.89	100.00	62.50
07	10.53	13.53	34.62	30.77	2.63	4.14	40.00	33.31	76.19	51.70	66.67	44.05	20.00	27.62	60.00	62.14
08	10.53	13.16	30.77	30.77	2.63	3.95	40.00	34.14	57.14	52.38	58.33	45.83	13.33	25.83	50.00	60.63
09	31.58	15.20	30.77	30.77	2.63	3.80	40.00	34.80	71.43	54.50	41.67	45.37	13.33	24.44	45.00	58.89
10	15.79	15.26	30.77	30.77	2.63	3.68	36.00	34.92	47.62	53.81	50.00	45.83	13.33	23.33	50.00	58.00
11	21.05	15.79	57.69	33.22	0.00	0.00	32.00	34.65	33.33	51.95	50.00	46.21	26.67	23.64	55.00	57.73
12	26.32	16.67	50.00	34.62	15.79	4.39	44.00	35.43	47.62	51.59	75.00	48.61	33.33	24.44	100.00	61.25
13	78.95	21.46	57.69	36.39	21.05	5.67	100.00	40.40	95.24	54.95	83.33	51.28	80.00	28.72	100.00	64.23
14	47.37	23.31	42.31	36.81	7.89	5.83	60.00	41.80	66.67	55.78	25.00	49.40	13.33	27.62	25.00	61.43
15	15.79	22.81	61.54	38.46	5.26	5.79	48.00	42.21	66.67	56.51	50.00	49.44	13.33	26.67	50.00	60.67
16	47.37	24.34	38.46	38.46	5.26	5.76	20.00	40.82	47.62	55.95	83.33	51.56	46.67	27.92	45.00	59.69
17	26.32	24.46	46.15	38.91	5.26	5.73	48.00	41.24	66.67	56.58	83.33	53.43	20.00	27.45	45.00	58.82
18	31.58	24.85	38.46	38.89	5.26	5.70	24.00	40.29	61.90	56.88	58.33	53.70	13.33	26.67	80.00	60.00
19	78.95	27.70	46.15	39.27	7.89	5.82	36.00	40.06	90.48	58.65	100.00	56.14	20.00	26.32	85.00	61.32
20	100.00	31.32	57.69	40.19	18.42	6.45	100.00	43.06	95.24	60.48	100.00	58.33	6.67	25.33	100.00	63.25
21	78.95	33.58	57.69	41.03	7.89	6.52	28.00	42.34	66.67	60.77	75.00	59.13	20.00	25.08	80.00	64.05
22	42.11	33.97	65.38	42.13	7.89	6.58	40.00	42.23	66.67	61.04	75.00	59.85	26.67	25.15	50.00	63.41
23	68.42	35.47	38.46	41.97	5.26	6.52	60.00	43.01	85.71	62.11	83.33	60.87	40.00	25.80	50.00	62.83
24	100.00	38.16	30.77	41.51	5.26	6.47	48.00	43.21	71.43	62.50	83.33	61.81	26.67	25.83	45.00	62.08
25	84.21	40.00	50.00	41.85	5.26	6.42	52.00	43.57	76.19	63.05	91.67	63.00	20.00	25.60	70.00	62.40
26	100.00	42.31	42.31	41.86	13.16	6.68	84.00	45.12	71.43	63.37	100.00	64.42	13.33	25.13	70.00	62.69
27	100.00	44.44	80.77	43.30	21.05	7.21	100.00	47.15	95.24	64.55	100.00	65.74	86.67	27.41	100.00	64.07
28	100.00	46.43	42.31	43.27	5.26	7.14	60.00	47.61	95.24	65.65	66.67	65.77	20.00	27.14	60.00	63.93
29	70.00	47.24	42.31	43.24	5.26	7.08	28.00	46.94	76.19	66.01	58.33	65.52	26.67	27.13	50.00	63.45
30	52.63	47.42	26.92	42.69	7.89	7.11	20.00	46.04	38.10	65.08	50.00	65.00	20.00	26.89	75.00	63.83
31	52.63	47.59	34.62	42.43	2.63	6.96	24.00	45.33	42.86	64.36	41.67	64.25	26.67	26.88	50.00	63.39
TOTAL		47.59		42.43		6.96		45.33		64.36		64.25		26.88		63.39

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Exhibit 23: Occupancy Table for Bahia Pousadas August 2002

Mapa de Ocupação - Pousadas
Mês: Agosto de 2002

FONE	676-1116 PRAIA DO FORTE 19 CHALÉS		676-1029 PORTO DA LUA 26 APTOS		676-1066 SOLAR DOS ARC 38 APTOS		676-1088 SOBRADO DA VILA 25 APTOS		676-1165 OGUM MARINHO 21 APTOS		676-1515 FAROL TARTARUG 12 APTOS		676-1043 SOLAR DO FORT 15 APTOS		676-1362 CASA DA PRAIA 20 APTOS	
DATA																
01	31.58	31.58	53.85	53.85	5.26	5.26	24.00	24.00	28.57	28.57	41.67	41.67	20.00	20.00	50.00	50.00
02	34.21	36.84	51.92	50.00	9.21	13.16	32.00	40.00	50.00	71.43	50.00	58.33	23.33	26.67	62.50	75.00
03	56.14	100.00	56.41	65.38	15.79	28.95	54.67	100.00	65.08	95.24	66.67	100.00	48.89	100.00	75.00	100.00
04	44.74	10.53	48.08	23.08	13.16	5.26	45.00	16.00	63.10	57.14	0.00	0.00	46.67	40.00	63.75	30.00
05	38.95	15.79	42.31	19.23	11.58	5.26	38.40	12.00	56.19	28.57	45.00	25.00	41.33	20.00	57.00	30.00
06	36.84	26.32	39.74	26.92	10.53	5.26	33.33	8.00	53.17	38.10	38.89	8.33	38.89	26.67	51.67	25.00
07	42.11	73.68	38.46	30.77	9.40	2.63	29.71	8.00	48.98	23.81	36.90	25.00	36.19	20.00	47.86	25.00
08	43.09	50.00	41.35	61.54	8.55	2.63	26.50	4.00	47.62	38.10	38.54	50.00	34.17	20.00	45.00	25.00
09	39.97	15.00	41.88	46.15	8.19	5.26	26.22	24.00	51.32	80.95	39.81	50.00	34.07	33.33	44.44	40.00
10	42.82	68.42	45.38	76.92	8.95	15.79	33.60	100.00	55.71	95.24	43.33	75.00	40.67	100.00	50.00	100.00
11	43.71	52.63	45.45	46.15	8.37	2.63	32.73	24.00	56.28	61.90	42.42	33.33	38.79	20.00	50.00	50.00
12	44.23	50.00	43.59	23.08	0.00	0.00	33.67	44.00	56.35	57.14	39.58	8.33	37.78	26.67	50.83	60.00
13	42.85	26.32	42.90	34.62	0.00	0.00	34.15	40.00	56.04	52.38	37.82	16.67	36.41	20.00	50.38	45.00
14	40.92	15.79	41.76	26.92	0.00	0.00	35.14	48.00	54.08	28.57	39.29	58.33	35.24	20.00	49.64	40.00
15	39.95	26.32	40.26	19.23	7.19	15.79	37.33	68.00	54.29	57.14	43.33	100.00	35.11	33.33	52.00	85.00
16	39.75	36.84	39.90	34.62	7.73	15.79	40.00	80.00	54.76	61.90	46.88	100.00	37.08	66.67	53.44	75.00
17	38.03	10.53	39.82	38.46	8.20	15.79	43.53	100.00	57.14	95.24	50.00	100.00	40.78	100.00	56.18	100.00
18	36.80	15.79	38.89	23.08	0.00	0.00	43.78	48.00	57.41	61.90	50.00	50.00	41.48	53.33	55.28	40.00
19	36.52	31.58	37.85	19.23	7.48	2.63	43.16	32.00	56.89	47.62	50.44	58.33	40.70	26.67	53.95	30.00
20	35.49	15.79	37.88	38.46	0.00	0.00	42.60	32.00	55.95	38.10	50.83	58.33	40.33	33.33	54.50	65.00
21	36.30	52.63	38.28	46.15	6.89	2.63	41.90	28.00	55.56	47.62	52.38	83.33	39.37	20.00	55.48	75.00
22	35.85	26.32	38.81	50.00	0.00	0.00	41.45	32.00	56.06	66.67	52.65	58.33	38.48	20.00	56.36	75.00
23	38.64	100.00	39.97	65.38	6.64	7.89	41.74	48.00	57.35	85.71	52.54	50.00	38.26	33.33	57.17	75.00
24	38.13	26.32	42.15	92.31	6.69	7.89	44.17	100.00	58.93	95.24	54.51	100.00	40.83	100.00	58.96	100.00
25	37.02	10.53	41.69	30.77	6.74	7.89	43.20	20.00	57.71	28.57	54.33	50.00	40.00	20.00	57.80	30.00
26	36.20	15.79	40.98	23.08	6.68	5.26	41.85	8.00	56.59	28.57	54.81	66.67	38.97	13.33	56.54	25.00
27	35.84	26.32	40.74	34.62	6.73	7.89	40.59	8.00	55.38	23.81	55.25	66.67	38.27	20.00	55.56	30.00
28	35.31	21.05	40.11	23.08	6.77	7.89	39.57	12.00	55.61	61.90	55.65	66.67	37.38	13.33	54.64	30.00
29	34.46	10.53	39.52	23.08	6.62	2.63	38.62	12.00	55.67	57.14	55.75	58.33	36.78	20.00	53.62	25.00
30	33.66	10.53	39.49	38.46	6.58	5.26	39.33	60.00	56.83	90.48	56.94	91.67	0.00	0.00	54.83	90.00
31	32.91	10.53	40.20	61.54	6.79	13.16	41.03	92.00	58.06	95.24	58.33	100.00	37.63	100.00	56.29	100.00
TOTAL	32.91		40.20		6.79		41.03		58.06		58.33		37.63		56.29	

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Exhibit 24: Occupancy Table for Bahia Pousadas September 2002

Mapa de Ocupação - Pousadas
Mês: Setembro de 2002

FONE	676-1116		676-1029		676-1066		676-1088		676-1165		676-1515		676-1043		676-1362	
	PRAIA DO FORTE 19 CHALÉS		PORTO DA LUA 26 APTOS.		SOLAR DOS ARCOS 38 APTOS.		SOBRADO DA VILA 25 APTOS.		OGUM MARINHO 21 APTOS.		FAROL TARTARUG 12 APTOS.		SOLAR DO FORTE 15 APTOS.		CASA DA PRAIA 20 APTOS.	
DATA																
01	15.79	15.79	23.08	23.08	7.89	7.89	20.00	20.00	33.33	33.33	33.33	33.33	20.00	20.00	20.00	20.00
02	31.58	23.68	19.23	21.15	0.00	0.00	16.00	18.00	19.05	26.19	25.00	29.17	6.67	13.33	25.00	22.50
03	31.58	26.32	19.23	20.51	0.00	0.00	16.00	17.33	23.81	25.40	25.00	27.78	13.33	13.33	20.00	21.67
04	26.32	26.32	11.54	18.27	0.00	0.00	12.00	16.00	33.33	27.38	25.00	27.08	20.00	15.00	20.00	21.25
05	52.63	31.58	19.23	18.46	2.63	2.11	20.00	16.80	38.10	29.52	41.67	30.00	26.67	17.33	25.00	22.00
06	100.00	42.98	100.00	32.05	47.37	9.65	92.00	29.33	95.24	40.48	100.00	41.67	100.00	31.11	100.00	35.00
07	100.00	51.13	100.00	41.76	52.63	15.79	92.00	38.29	95.24	48.30	100.00	50.00	100.00	40.95	100.00	44.29
08	10.53	46.05	19.23	38.94	7.89	14.80	40.00	38.50	42.86	47.62	33.33	47.92	20.00	38.33	25.00	41.88
09	5.26	41.52	15.38	36.32	7.89	14.04	28.00	37.33	33.33	46.03	58.33	49.07	20.00	36.30	20.00	39.44
10	10.53	38.42	19.23	34.62	0.00	0.00	28.00	36.40	38.10	45.24	66.67	50.83	6.67	33.33	25.00	38.00
11	15.79	36.36	23.08	33.57	0.00	0.00	48.00	37.45	19.05	42.86	41.67	50.00	13.33	31.52	20.00	36.36
12	15.79	34.65	19.23	32.37	0.00	0.00	32.00	37.00	100.00	47.62	50.00	50.00	13.33	30.00	25.00	35.42
13	42.11	35.22	96.15	37.28	28.95	11.94	100.00	41.85	100.00	51.65	100.00	53.85	40.00	30.77	100.00	40.38
14	5.26	33.08	100.00	41.76	31.58	50.00	100.00	46.00	100.00	55.10	100.00	57.14	100.00	35.71	100.00	44.64
15	5.26	31.23	30.77	41.03	0.00	0.00	48.00	46.13	38.10	53.97	16.67	54.44	13.33	34.22	25.00	43.33
16	10.53	29.93	26.92	40.14	0.00	0.00	40.00	45.75	33.33	52.68	41.67	53.65	13.33	32.92	25.00	42.19
17	5.26	28.48	11.54	38.46	0.00	0.00	12.00	43.76	57.14	52.94	50.00	53.43	6.67	31.37	50.00	42.65
18	5.26	27.19	15.38	37.18	0.00	0.00	16.00	42.22	57.14	53.17	50.00	53.24	6.67	30.00	50.00	43.06
19	5.26	26.04	11.54	35.83	2.63	9.97	28.00	41.47	71.43	54.14	25.00	51.75	13.33	29.12	30.00	42.37
20	15.79	25.53	57.69	36.92	15.79	10.26	52.00	42.00	100.00	56.43	50.00	51.67	20.00	28.67	80.00	44.25
21	52.63	26.82	96.15	39.74	31.58	11.28	100.00	44.76	95.24	58.28	100.00	53.97	100.00	32.06	100.00	46.90
22	47.37	27.75	19.23	38.81	2.63	10.89	12.00	43.27	47.62	57.79	66.67	54.55	20.00	31.52	40.00	46.59
23	36.84	28.15	23.08	38.13	0.00	0.00	8.00	41.74	38.10	56.94	50.00	54.35	13.33	30.72	35.00	46.09
24	26.32	28.07	26.92	37.66	0.00	0.00	8.00	40.33	42.86	56.35	41.67	53.82	0.00	0.00	30.00	45.42
25	26.32	28.00	7.69	36.46	2.63	9.68	20.00	39.52	33.33	55.43	41.67	53.33	0.00	0.00	25.00	44.60
26	31.58	28.14	11.54	35.50	2.63	9.41	20.00	38.77	42.86	54.95	41.67	52.88	6.67	27.44	30.00	44.04
27	10.53	27.49	7.69	34.47	13.16	9.55	32.00	38.52	66.67	55.38	41.67	52.47	20.00	27.16	35.00	43.70
28	26.32	27.44	26.92	34.20	10.53	9.59	60.00	39.29	80.95	56.29	91.67	53.87	26.67	27.14	100.00	45.71
29	26.32	27.40	23.08	33.82	7.89	9.53	40.00	39.31	47.62	55.99	75.00	54.60	13.33	26.67	50.00	45.86
30		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00
TOTAL	26.49		32.69		9.21		38.00		54.13		52.78		25.78		44.33	

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Exhibit 25: Bungalow Plan

CORTE CC

FACHADA 2

venezianas verticais

CORTE BB

FACHADA 1

pau-a-pique

FACHADA 1

venezianas verticais
c/ 18,5 cm de largura e 4 cm de espessura

PLANTA

CORTE AA

FACHADA LATERAL

venezianas verticais
c/ 18 cm de largura e 4 cm de espessura

CORTE PELO DECK   ESC 1/25

PROJETO DE TURISMO SUSTENTÁVEL RIACHO GRANDE

Local: CORUMBAU

Arquiteta: Ana Catarina Ferreira da Silva
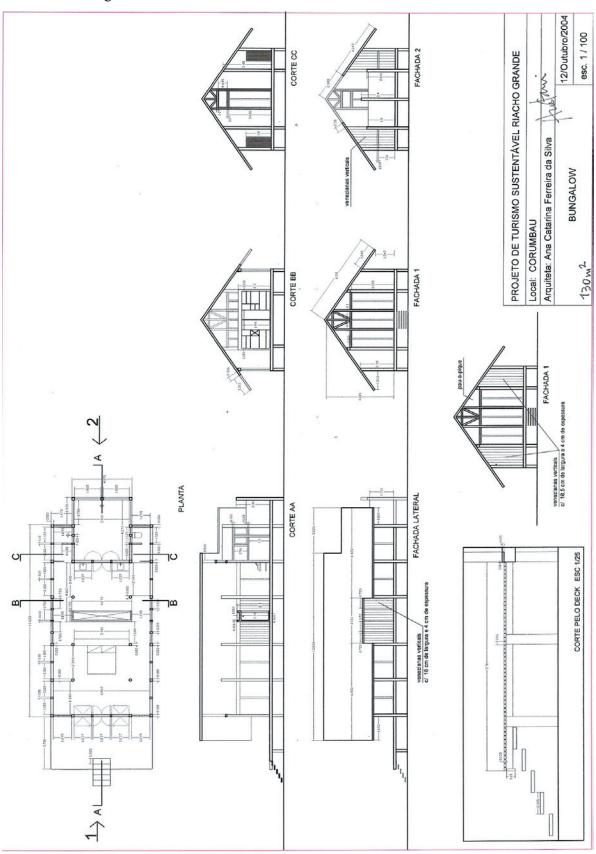
130 m²

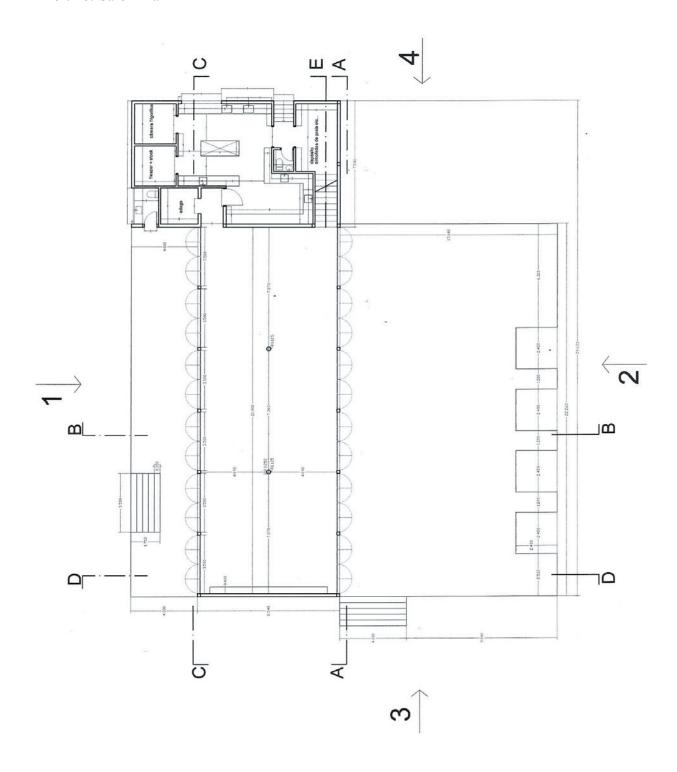BUNGALOW

12/Outubro/2004

esc. 1 / 100

Exhibit 26: Salon Plan

Exhibit 27: Reception Plan
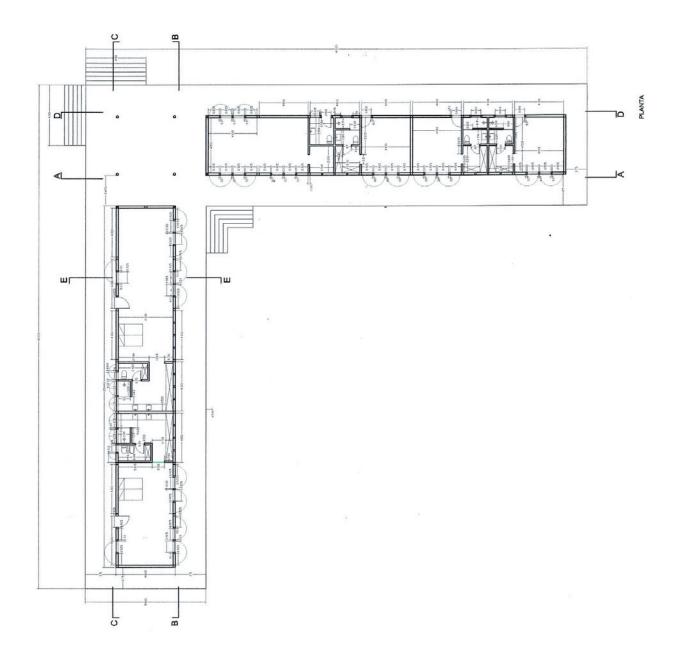
Exhibit 28: Employee Housing Plan
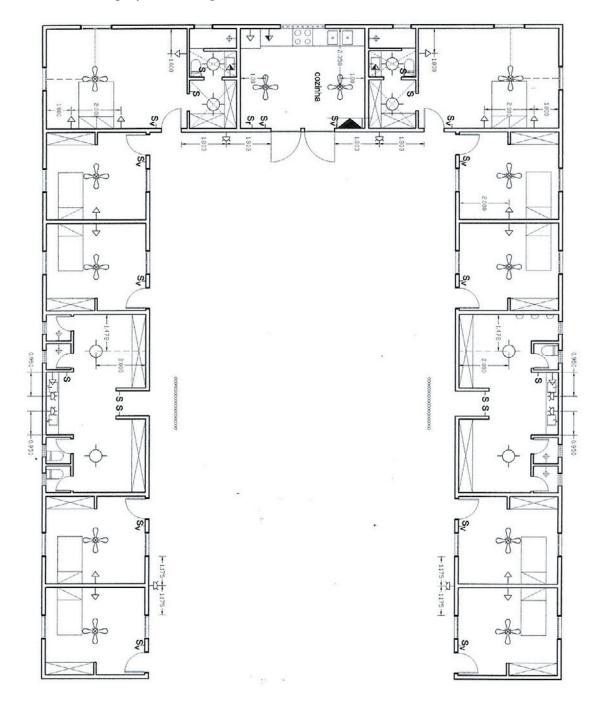
Exhibit 29: Luxury Resort Market: Occupancy Rate /ADR

Luxury Resort Market
Occupancy Rate vs. ADR January through August 2001
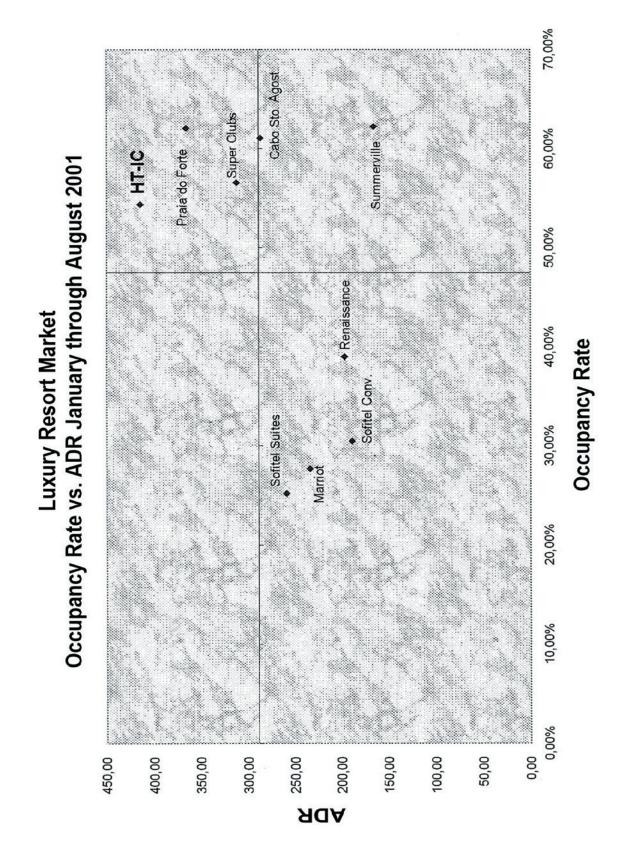
Exhibit 30: Partial Site Plan

Legenda

① 9 bungalows
② área de administração/receção, 5 habitações
③ área de estar/lazer e refeições
④ cozinha
⑤ lavandeira, arrumo para roupa e outros produtos
⑥ casas para empregados com o total de 10 quartos
⑦ Sistema Mizumo de tratamento de esgoto

OCEANO ATLÂNTICO

RIACHO GRANDE
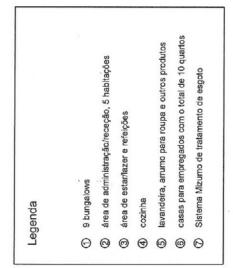
Exhibit 31: Pre-Construction Cash Flow Projection

POUSADA BUNGALOW - Fluxo de Caixa

Valores em R$

Discriminação	Implantação Ano 00	Ano 01	Ano 02	Ano 03	Ano 04	Ano 05	Ano 06	Ano 07	Ano 08	Ano 09	Ano 10	Valor Residual (12% a.a.)
INVESTIMENTO												
Custo do Terreno	0											
Custo das Instalações	(4.000.000)											
OPERAÇÃO												
Receita Operacional Bruta		564.489	1.128.978	1.505.304	1.881.630	1.881.630	1.881.630	1.881.630	1.881.630	1.881.630	1.881.630	
- Hospedagem		480.860	981.720	1.308.960	1.636.200	1.636.200	1.636.200	1.636.200	1.636.200	1.636.200	1.636.200	
- Bebidas		58.903	117.806	157.075	196.344	196.344	196.344	196.344	196.344	196.344	196.344	
- Outros (telefonia, lavanderia, etc)		14.726	29.452	39.269	49.086	49.086	49.086	49.086	49.086	49.086	49.086	
Tributos		56.134	145.888	106.386	132.982	132.982	132.982	132.982	132.982	132.982	132.982	
- Simples Federal		55.884	145.638	-	-	-	-	-	-	-	-	
- Cofins		-	-	45.159	56.449	56.449	56.449	56.449	56.449	56.449	56.449	
- PIS		-	-	9.784	12.231	12.231	12.231	12.231	12.231	12.231	12.231	
- ISS		-	-	40.447	50.559	50.559	50.559	50.559	50.559	50.559	50.559	
- ICMS		250	250	10.995	13.744	13.744	13.744	13.744	13.744	13.744	13.744	
Receita Operacional Líquida		508.355	983.090	1.398.918	1.748.648	1.748.648	1.748.648	1.748.648	1.748.648	1.748.648	1.748.648	
Custo dos Serviços / Produtos		211.475	289.830	373.666	421.116	421.116	421.116	421.116	421.116	421.116	421.116	
- Pessoal		129.830	129.830	129.830	129.830	129.830	129.830	129.830	129.830	129.830	129.830	
- Encargos Trabalhistas		4.471	11.651	48.037	48.037	48.037	48.037	48.037	48.037	48.037	48.037	
- Contador		6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	
- Alimentação		49.086	98.172	130.896	163.620	163.620	163.620	163.620	163.620	163.620	163.620	
- Bebidas		17.671	35.342	47.123	58.903	58.903	58.903	58.903	58.903	58.903	58.903	
- Outros (telefonia, lavanderia, etc)		4.418	8.835	11.781	14.726	14.726	14.726	14.726	14.726	14.726	14.726	
Despesas Gerais		90.318	180.636	240.849	301.061	301.061	301.061	301.061	301.061	301.061	301.061	
- Vendas/Reservas/Marketing		11.290	22.580	30.106	37.633	37.633	37.633	37.633	37.633	37.633	37.633	
- Água/Luz/Telefone/Inernet		56.449	112.898	150.530	188.163	188.163	188.163	188.163	188.163	188.163	188.163	
- Manutenção		11.290	22.580	30.106	37.633	37.633	37.633	37.633	37.633	37.633	37.633	
- Diversos		11.290	22.580	30.106	37.633	37.633	37.633	37.633	37.633	37.633	37.633	
Despesa Operacional		301.793	470.467	614.515	722.177	722.177	722.177	722.177	722.177	722.177	722.177	
FLUXO DE CAIXA												
Resultado Operacional Líquido		206.561	512.623	784.404	1.026.471	1.026.471	1.026.471	1.026.471	1.026.471	1.026.471	1.026.471	1.026.471
- Depreciação		400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000
- Resultado Antes IRPJ / CSL		(193.439)	112.623	384.404	626.471	626.471	626.471	626.471	626.471	626.471	626.471	626.471
IRPJ / CSL		-	-	106.697	189.000	189.000	189.000	189.000	189.000	189.000	189.000	189.000
Resultado Líquido		206.561	512.623	677.706	837.471	837.471	837.471	837.471	837.471	837.471	837.471	837.471
Saldo no Ano	(4.000.000)	206.561	512.623	677.706	837.471	837.471	837.471	837.471	837.471	837.471	837.471	4.731.898
Saldo Acumulado	(4.000.000)	(3.793.439)	(3.280.816)	(2.603.109)	(1.765.638)	(928.167)	(90.696)	746.775	1.584.246	2.421.717	3.259.188	7.991.086

RESULTADO DO INVESTIMENTO

TIR	1,3% a.m.	16,4% a.a.
VPL (12% a.a.)	R$1.032.329,52	
PAYBACK	73 meses	6,1 anos

Obs.: Somente podem optar pelo Simples Federal, como empresa de pequeno porte (EPP), as pessoas jurídicas com receita bruta anual não superior a R$ 1.200.000,00. Portanto, os cálculos são feitos pelas regras do Simples Federal apenas nos anos em que a receita é inferior a este valor. Não pode optar pelo Simples a pessoa jurídica que tenha sócio estrangeiro residente no exterior.

Exhibit 32: Pre-Construction Cash Flow Projection Inputs

POUSADA BUNGALOW - Premissas					Valores em R$
Nº Bangalôs		9			
Custo do Terreno	R$				
Custo das Instalações	R$	4.000.000			
Preço das Diárias					
Alta Estação	R$	1.200,00	120	dias	
Baixa Estação	R$	900,00	244	dias	

Taxa de Ocupação	1º ano	2º ano	3º ano	4º ano em diante
	15%	30%	40%	50%

Receitas de Hospedagem			
	1º ano	R$	490.860,00
	2º ano	R$	981.720,00
	3º ano	R$	1.308.960,00
	4º ano em diante	R$	1.636.200,00

Receitas de Consumos		
Bebidas	12%	Receita Hospedagem
Outros (telefonia, lavanderia, etc)	3%	Receita Hospedagem

Dimensionamento do Pessoal

Função	Quant.	Salário Mensal	Total Mensal	Total Anual (14,33 x)
Gerente Geral	1	1.500,00	1.500,00	21.495,00
governanta	1	700,00	700,00	10.031,00
Arrumadeira	4	400,00	1.600,00	22.928,00
Cozinheira	1	550,00	550,00	7.881,50
Ajudante Cozinha	1	500,00	500,00	7.165,00
Ajudante Cozinha	1	450,00	450,00	6.448,50
Garçom	1	600,00	600,00	8.598,00
Garçom	1	400,00	400,00	5.732,00
Garçom	1	400,00	400,00	5.732,00
Segurança	2	400,00	800,00	11.464,00
Resp. fazenda e manutenção	1	800,00	800,00	11.464,00
Serviços gerais	1	380,00	380,00	5.445,40
Serviços gerais	1	380,00	380,00	5.445,40
Total de Salários	17		9.060,00	129.829,80
Encargos Trabalhistas	37%		3.352,20	48.037,03
Contador		500,00		6.000,00
Total de Gastos com Pessoal			12.912,20	183.866,83

Premissas das Despesas Operacionais

Tributos:

Cofins	% / Rec. Operacional Bruta	3,00%
PIS	% / Rec. Operacional Bruta	0,65%
ISS	% / Rec. Operac. Hosp. + Outros	3,00%
ICMS	% / Rec. Operac. Bebidas	7,00%

Custos dos Serviços / Produtos Vendidos

Alimentação	% / Rec. Operac. Hospedagem	10,00%
Bebidas	% / Rec. Operac. Bebidas	30,00%
Outros (telefonia, lavanderia, etc)	% / Rec. Operac. Outros	30,00%

Despesas Gerais

Vendas/Reservas/Marketing	% / Rec. Operacional Bruta	2,00%
Água/Luz/Telefone/Internet	% / Rec. Operacional Bruta	10,00%
Manutenção	% / Rec. Operacional Bruta	2,00%
Diversos	% / Rec. Operacional Bruta	2,00%

Exhibit 33: Post-Construction Cash Flow Projection w/ Year 1 Actual

POUSADA BUNGALOW - Fluxo de Caixa — Valores em R$

Discriminação	Implantação Ano 00	Ano 01	Ano 02	Ano 03	Ano 04	Ano 05	Ano 06	Ano 07	Ano 08	Ano 09	Ano 10	Valor Residual (12% a.a.)
INVESTIMENTO												
Custo do Terreno	0											
Custo das Instalações	(5,000,000)											
OPERAÇÃO												
Receita Operacional Bruta		274,730	686,826	1,373,652	2,289,420	2,289,420	2,289,420	2,289,420	2,289,420	2,289,420	2,289,420	
- Hospedagem		238,896	597,240	1,194,480	1,990,800	1,990,800	1,990,800	1,990,800	1,990,800	1,990,800	1,990,800	
- Bebidas		28,668	71,669	143,338	238,896	238,896	238,896	238,896	238,896	238,896	238,896	
- Outros (telefonia, lavanderia, etc)		7,167	17,917	35,834	59,724	59,724	59,724	59,724	59,724	59,724	59,724	
Tributos		24,152	72,367	97,081	161,802	161,802	161,802	161,802	161,802	161,802	161,802	
- Simples Federal		23,902	72,117	-	-							
- Cofins				41,210	68,683	68,683	68,683	68,683	68,683	68,683	68,683	
- PIS				8,929	14,881	14,881	14,881	14,881	14,881	14,881	14,881	
- ISS				36,909	61,516	61,516	61,516	61,516	61,516	61,516	61,516	
- ICMS		250	250	10,034	16,723	16,723	16,723	16,723	16,723	16,723	16,723	
Receita Operacional Líquida		250,579	614,459	1,276,571	2,127,618	2,127,618	2,127,618	2,127,618	2,127,618	2,127,618	2,127,618	
Custo dos Serviços / Produtos		195,504	269,238	391,211	546,494	546,494	546,494	546,494	546,494	546,494	546,494	
- Pessoal		141,007	141,007	141,007	141,007	141,007	141,007	141,007	141,007	141,007	141,007	
- Encargos Trabalhistas		1,912	5,769	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	
- Contador		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	
- Alimentação		35,834	89,586	179,172	298,620	298,620	298,620	298,620	298,620	298,620	298,620	
- Bebidas		8,600	21,501	43,001	71,669	71,669	71,669	71,669	71,669	71,669	71,669	
- Outros (telefonia, lavanderia, etc)		2,150	5,375	10,750	17,917	17,917	17,917	17,917	17,917	17,917	17,917	
Despesas Gerais		71,430	178,575	357,150	595,249	595,249	595,249	595,249	595,249	595,249	595,249	
- Vendas/Reservas/Marketing		5,495	13,737	27,473	45,788	45,788	45,788	45,788	45,788	45,788	45,788	
- Água/Luz/Telefone/Inernet		54,946	137,365	274,730	457,884	457,884	457,884	457,884	457,884	457,884	457,884	
- Manutenção		5,495	13,737	27,473	45,788	45,788	45,788	45,788	45,788	45,788	45,788	
- Diversos		5,495	13,737	27,473	45,788	45,788	45,788	45,788	45,788	45,788	45,788	
Despesa Operacional		266,934	447,813	748,361	1,141,743	1,141,743	1,141,743	1,141,743	1,141,743	1,141,743	1,141,743	
FLUXO DE CAIXA												
Resultado Operacional Líquido		(16,355)	166,646	528,210	985,875	985,875	985,875	985,875	985,875	985,875	985,875	
- Depreciação		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
- Resultado Antes IRPJ / CSL		(516,355)	(333,354)	28,210	485,875	485,875	485,875	485,875	485,875	485,875	485,875	
IRPJ / CSL		-	-	6,770	141,197	141,197	141,197	141,197	141,197	141,197	141,197	
Resultado Líquido		(16,355)	166,646	521,439	844,677	844,677	844,677	844,677	844,677	844,677	844,677	
Saldo no Ano	(5,000,000)	(16,355)	166,646	521,439	844,677	844,677	844,677	844,677	844,677	844,677	844,677	4,772,615
Saldo Acumulado	(5,000,000)	(5,016,355)	(4,849,709)	(4,328,270)	(3,483,592)	(2,638,915)	(1,794,238)	(949,560)	(104,883)	739,795	1,584,472	6,357,087

RESULTADO DO INVESTIMENTO

TIR	0.9% a.m.	10.8% a.a.
VPL (12% a.a.)	(R$352,453.05)	
PAYBACK	97 meses	8.1 anos

Obs.: Somente podem optar pelo Simples Federal, como empresa de pequeno porte (EPP), as pessoas jurídicas com receita bruta anual não superior a R$ 1.200.000,00. **Portanto, os cálculos são feitos pelas regras do Simples Federal apenas nos anos em que a receita é inferior a este valor.** Não pode optar pelo Simples a pessoa jurídica que tenha sócio estrangeiro residente no exterior.

Exhibit 34: Post-Construction Cash Flow Projection Inputs

POUSADA BUNGALOW - Premissas					Valores em R$
Nº Bangalôs		9			
Custo do Terreno	R$				
Custo das Instalações	R$	5,000,000			
Preço das Diárias					
Alta Estação	R$	2,000.00	7	dias	
Baixa Estação	R$	1,200.00	357	dias	

Taxa de Ocupação	1º ano	2º ano	3º ano	4º ano em diante
	6%	15%	30%	50%

Receitas de Hospedagem			
	1º ano	R$	238,896.00
	2º ano	R$	597,240.00
	3º ano	R$	1,194,480.00
	4º ano em diante	R$	1,990,800.00

Receitas de Consumos		
Bebidas	12%	Receita Hospedagem
Outros (telefonia, lavanderia, etc)	3%	Receita Hospedagem

Dimensionamento do Pessoal

Função	Quant.	Salário Mensal	Total Mensal	Total Anual (14,33 x)
Gerente Geral	1	1,500.00	1,500.00	21,495.00
governanta	1	700.00	700.00	10,031.00
Arrumadeira	4	400.00	1,600.00	22,928.00
Cozinheira	1	550.00	550.00	7,881.50
Ajudante Cozinha	1	500.00	500.00	7,165.00
Ajudante Cozinha	1	450.00	450.00	6,448.50
Ajudante Cozinha	1	400.00	400.00	5,732.00
Garçom	1	600.00	600.00	8,598.00
Garçom	1	400.00	400.00	5,732.00
Garçom	1	400.00	400.00	5,732.00
Segurança	2	400.00	800.00	11,464.00
Resp. fazenda e manutenção	1	800.00	800.00	11,464.00
Serviços gerais	1	380.00	380.00	5,445.40
Serviços gerais	1	380.00	380.00	5,445.40
Serviços Gerais	1	380.00	380.00	5,445.40
Total de Salários	19		9,840.00	**141,007.20**
Encargos Trabalhistas	8%		787.20	**11,280.58**
Contador		**500.00**		**6,000.00**
Total de Gastos com Pessoal			**11,127.20**	**158,287.78**

Premissas das Despesas Operacionais		
Tributos:		
Cofins	% / Rec. Operacional Bruta	3.00%
PIS	% / Rec. Operacional Bruta	0.65%
ISS	% / Rec. Operac. Hosp. + Outros	3.00%
ICMS	% / Rec. Operac. Bebidas	7.00%
Custos dos Serviços / Produtos Vendidos		
Alimentação	% / Rec. Operac. Hospedagem	15.00%
Bebidas	% / Rec. Operac. Bebidas	30.00%
Outros (telefonia, lavanderia, etc)	% / Rec. Operac. Outros	30.00%
Despesas Gerais		
Vendas/Reservas/Marketing	% / Rec. Operacional Bruta	2.00%
Água/Luz/Telefone/Internet	% / Rec. Operacional Bruta	20.00%
Manutenção	% / Rec. Operacional Bruta	2.00%
Diversos	% / Rec. Operacional Bruta	2.00%

Exhibit 35: Room Occupation Rates for 2006

Room Occupation Rates for 2006

Legend:
- 0 jan
- 0,397 fev
- 8,244 mar
- 0 abr
- 0 mai
- 8,519 jun
- 0 jul
- 0 ago
- 0 set
- 27,957 out
- 37,037 nov
- 23,656 dez
- 9,652 Ano
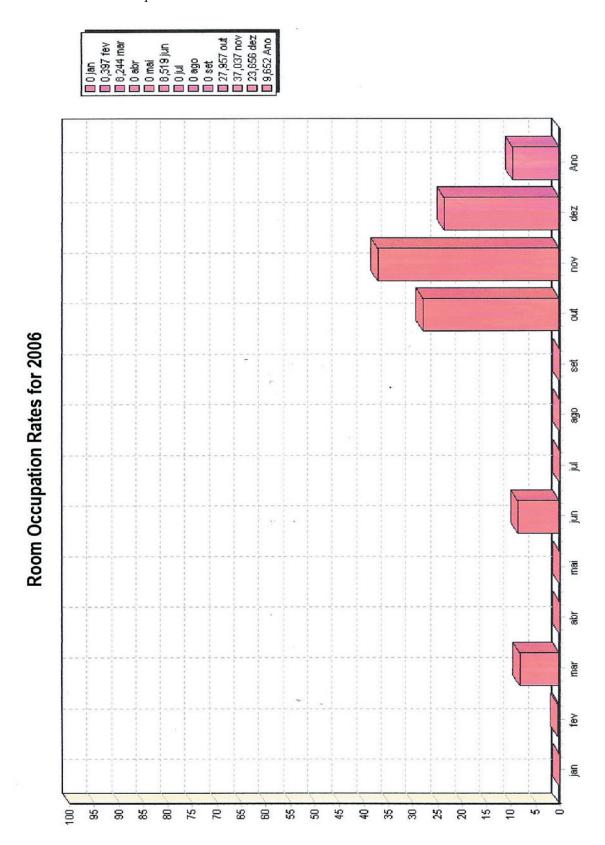
Exhibit 36: Room Occupancy Rates for 2007, as of June

Room Occupation Rates for 2007, as of June

Legend:
13,978 jan
8,333 fev
2,151 mar
5,185 abr
0,358 mai
3,922 jun
0 jul
0 ago
0 set
0 out
0 nov
0 dez
5,754 Ano
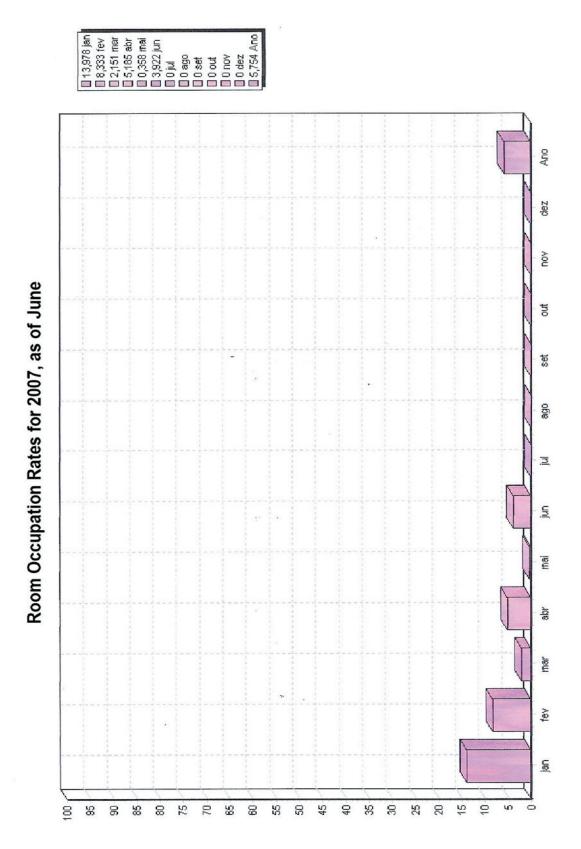
Exhibit 37: 2006 Occupancy Data

	Praia do Forte Ecoresort	Transamérica Comandatuba	Cabo de Santo Agostinho *	Catussuba	Superclub's Breezes	Sofitel Costa do Sauipe	Sofitel Suipe Suites	Renaissance Sauipe	Marriot Sauipe	Bahia Fiesta	Caesar Towers	Transamérica Salvador	Othon Palace	Tropical da Bahia
Jan-06	84%	66%	59%	95%	92%	80%	87%	94%	93%	64%	85%	74%	89%	88%
Feb-06	67%	41%	58%	93%	80%	69%	74%	88%	83%	73%	67%	68%	80%	79%
Mar-06	60%	40%	38%	92%	66%	39%	41%	82%	63%	63%	60%	67%	65%	66%
Apr-06	66%	51%	39%	89%	71%	45%	44%	74%	58%	52%	53%	57%	62%	49%
May-06	26%	32%	29%	72%	76%	28%	16%	59%	32%	69%	59%	57%	65%	49%
Jun-06	34%	16%	8.10%	46%	73%	46%	25%	56%	52%	48%	48%	48%	68%	40%
Jul-06	54%	33%	0.00%	76%	94%	48%	56%	81%	65%	65%	67%	73%	82%	54%
Aug-06	61%	36%	0.00%	86%	94%	43%	34%	66%	46%	73%	72%	79%	84%	74%
Sep-06	5.36%	5.99%	0.00%	6.51%	8.71%	3.67%	3.57%	4.71%	5.21%	3.52%	5.43%	6.15%	6.23%	4.98%
Oct-06	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nov-06	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dec-06	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MÉDIA	38%	27%	19%	55%	54%	34%	32%	50%	41%	43%	43%	44%	50%	42%

IBS: We don`t have informations for October., November and December 2006.

Hotel was closed because it was sold.

* Don`t have the info.
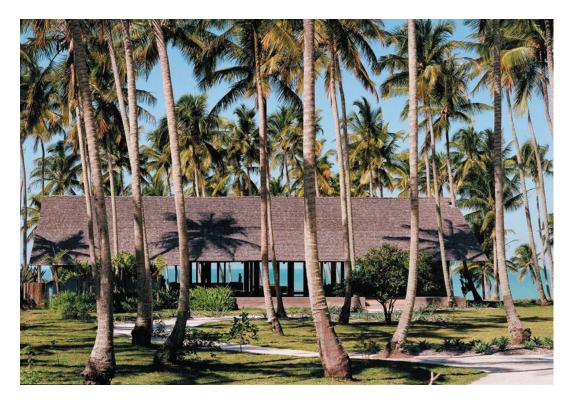
Exhibit 38: Photographs of the Resort

Exhibit 38, continued: Photographs of the Resort
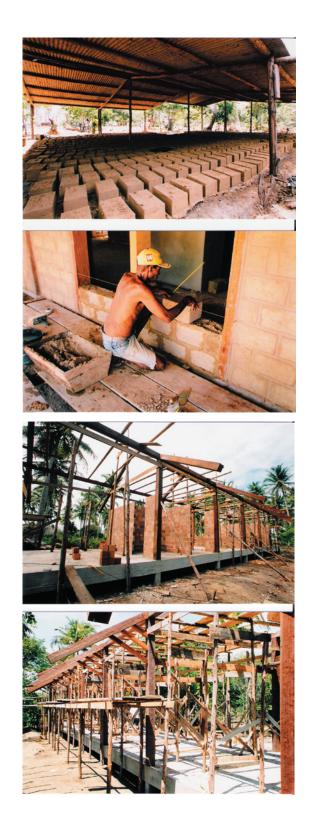
Exhibit 39: Photographs of the Construction Process
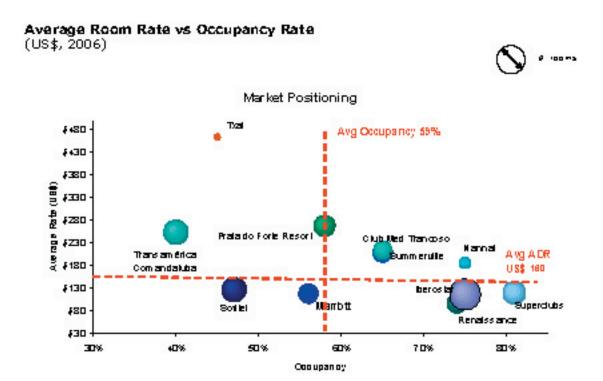
Exhibit 40: Average Room Rate vs Occupancy Rate

Average Room Rate vs Occupancy Rate
(US$, 2006)

Market Positioning

Exhibit 41: Competitive Resort Anticipated New Supply Estimate at 2007 - Bahia

Project	Location	Type	Size	Chain Affiliantion	Status
Jaeroscar Praia do Forte	Praia do Forte	Complex	1.200 (2ª. phase)	Jaeroscar	Second resort under construction
Praia do Forte	Praia do Forte	Resort	1.500	Riu, H10, Sergenc Playa	Project
Sol Meliá Guarajuba	Guarajuba	Resort	1.000	Sol Meliá	Project
Orlasio	Imbassal	Complex	1.224	Not defined	Project
Wuarapuru	Jacaré	Boutique Resort	40	Independent	Under construction
Madrid Lisboa	Manque Seco	Complex	Not defined	Not defined	Project
Txai Trancoso	Trancoso	Boutique Resort	50	Txai	Project
Leopoldo Trancoso	Trancoso	Boutique Resort	40	Independent	Project

Project	Location	Type	Size	Chain Affiliantion	Status
Odeprecht Praia do Paiva	PE	Complex	400	Not defined	Project
Teixeira Duarte Porto de Galinnas	PE	Complex	1.000	Teixeira Duarte	Project
Resort Praia do Cupe	PE	Resort	120	Pestana	Under construction
Aquiraz	CE	Complex	2.000	Not defined	Project
Vila Galé Cumouco	CE	Resort	418	Vila Galé	Project
Beach Park	CE	Resort	225	Beach Park	Under construction
Nova Aclância	CE	Complex	6.000	Not Defined	Project
Oásis Areias Coloridas	CE	Resort	620	Oásis Atlântico	Project
Ondazul Resort	AL	Complex	750	Not defined	Project
Starfish Sergipe	SE	Resort	250	Superclubs	Under cosntruction
Paradise Beach and Golf Resort	RN	Complex	400 (1st hotel)	Not defined	Project
Complexo Picangui	RN	Complex	2.400	Not defined	Project