

DEBTORS REPORT PROPERTY COMPLEX

HACIENDA RIQUELME GOLF RESORT

September 2013

1. General Situation

Following the pattern of previous debtor's reports we will detail the status of the debt on the Property Complex Hacienda Riquelme Golf Resort as of September 23, 2013, broken down by phases.

Phase	Nº apartments	2008	2009	2010	2011	2012	2013	Total at 23/09/2013
1	85	8.085,53 €	15.301,18 €	27.040,03 €	38.855,47 €	60.847,37 €	63.554,78 €	213.684,36 €
2	51	5.575,41 €	5.881,99 €	8.165,30 €	13.170,95 €	23.485,77 €	32.461,22 €	88.740,64 €
3	19	277,24 €	3.085,34 €	6.418,76 €	8.046,84 €	9.328,84 €	15.770,68 €	42.927,70 €
4	44	4.757,85 €	3.669,39 €	13.441,66 €	13.495,29 €	22.152,90 €	27.850,87 €	85.367,96 €
5A	27	2.055,63 €	3.139,41 €	6.918,25 €	9.064,91 €	13.997,18 €	20.506,12 €	55.681,50 €
5B	30	3.429,13 €	7.320,38 €	13.499,83 €	10.724,25 €	16.273,91 €	21.571,35 €	72.818,85 €
6	11	- €	- €	308,35 €	2.035,85 €	2.728,38 €	3.471,39 €	8.543,97 €
7	52	3.190,32 €	4.622,18 €	6.397,43 €	11.254,64 €	23.068,13 €	29.979,34 €	78.512,04 €
Total Apartments	318	27.371,11 €	43.019,87 €	82.189,61 €	106.648,20 €	171.882,48 €	215.165,75 €	646.277,02 €
PW Garages	187	- €	- €	- €	192,16 €	46.458,75 €	71.822,22 €	118.473,13 €
Commercial Areas *	1	- €	- €	- €	- €	8.941,45 €	45.663,59 €	45.663,59 €
TOTAL	506	27.371,11 €	43.019,87 €	82.189,61 €	106.840,36 €	227.282,68 €	332.651,56 €	810.413,74 €

* Deducting CREA invoices from Q3 compensation agreement

The amounts shown only reflect unpaid fees to date, which means it does not include any other expense or cost attributable to the property (surcharges for nonpayment, accrual of interest, claim costs, TV cut off costs, recovery agency costs, judicial costs, etc...) which are claimed to the owner together with the fees.

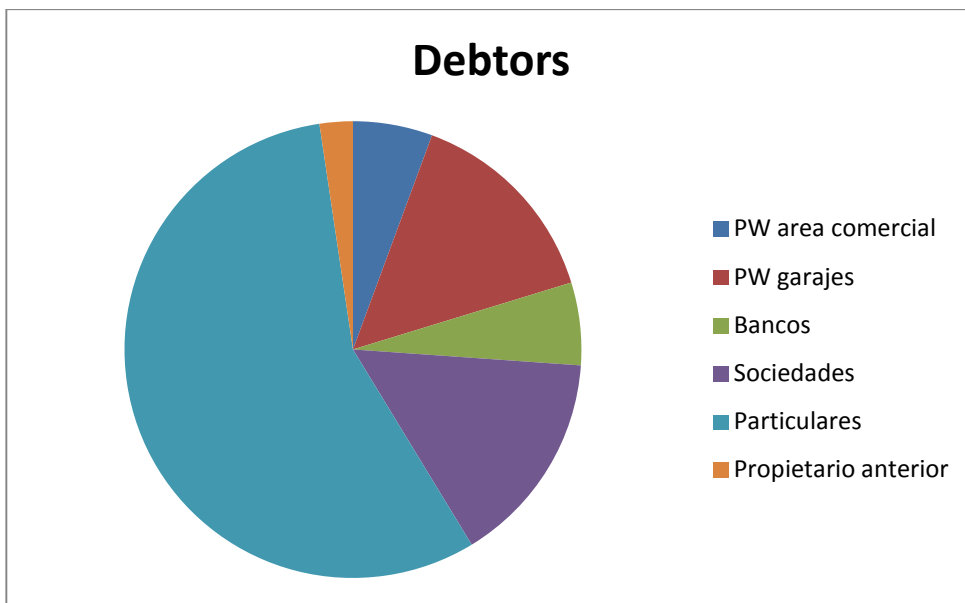
This information is updated by Resortalia on a quarterly basis (April/ July/ October / January) and forwarded to the corresponding Phase Presidents and Building Presidents.

The total amount as of 23 of September 2013 amounts to 810.413,74.- €, corresponding to unpaid fees from 2008 to date, considering the total number of properties in the complex, including the commercial areas and garage plots.

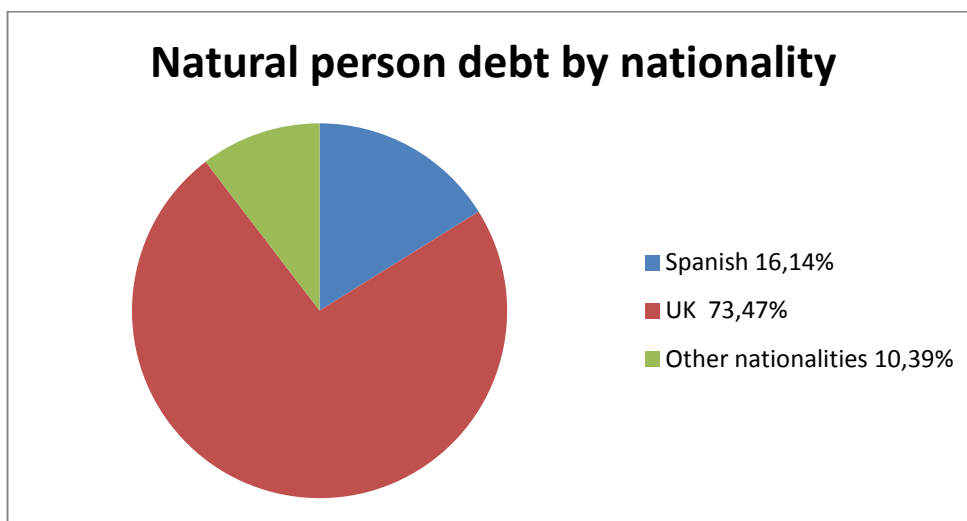
2.- Detail of the Debt

Of the 506 properties in debt that make up the total amount of the debt (810.413,74.-€), a little more than 20% corresponds to the promoter Polaris World (Commercial area a 5,63% and garage plots a 14,47%).

The remaining 80% (79,90%) corresponds to the 318 apartments that to date owe amounts; of which 65 properties correspond to banks (5,85%), 28 properties are corporations (15,19%), 204 properties from individuals (56,51%) and 22 properties in the complex had been identified separately (2,36%) and contains the old debt from previous owners that had sold the property and avoid that new owners with their fees up to date keep showing in debtors lists for debt previous to them.



The debt related to natural person owners (457.930,66.- €), as nationality reasons, would be composed by the following:



After knowing the distribution of ownership of the debt in the complex, we must analyze the accumulated debt in relation to invoices issued,

Invoiced	% Debt	% Debt without PW
2008	1,00%	1,00%
2009	1,64%	1,64%
2010	3,11%	3,11%
2011	4,49%	4,48%
2012	8,60%	6,50%
2013	15,70%	10,11%
Total accumulated	5,41%	4,26%

From the above table you may see that the total cumulative consolidated debt since the establishment of the community is 5,41% of the total invoiced amounts, if we do not consider the debt that the promoter has with the community this percentage would be 4,26%.

3.- Actions

Most of the debt remains on the years 2012 and 2013, performing all the actions agreed in the debtor's policy of the complex and in constant contact with private owners as well as corporations and banks that own apartments so they pay off the amounts owed.

The payment of outstanding fees we always try to get it done in a first amicable period, and if this is not possible, the appropriate steps are initiated to claim, both through the courts in Spain and through recovery agencies and lawyers in the UK.

Nonetheless, we keep working to reduce these quantities using all the legal methods in our possession:

1. Application of the 20 % surcharge.
2. Accrual of interest of 6%.
3. Prohibition of the use of the pools for occupants (both owners and renters) of those apartments that have outstanding fees with the Community.
4. Disconnection of the internet service, until the total pay off of the debt. (A2Z will charge 24,20 € for reconnecting).
5. Disconnection of the foreign TV channels (not Spanish) until the total pay off of the debt. (A2Z will charge 72,60 € for the disconnection).

6. Commendation of English files to a recovery agency in UK, which costs will be charged to the owner.

Beginning of judicial actions at international level, which costs will be added to the outstanding balance.

The files from Spanish owners will be forwarded to a law firm, which costs will be added to the debt.

In the next report, as per instructions of the General Community President, we will include a new point which contains the update debt detailing the situation of the files (recovery agency , UK claims, Spanish court action, files issued by Resortalia with payment agreements, ...) mentioning the number of properties and the claimed amounts.