

2003/2004 Budget

OWNERS' COMMUNITY LA CALA HILLS FASE 1 BUDGET

31.1.2003

(issued by Golf Valley Administrations S.L.)

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|------------------------|------------|
| Garden Maintenance | 6,000.00 |
| General Maintenance | 15,000.00 |
| Pool Maintenance | 12,000.00 |
| Administration | 15,800.00 |
| Community Office | 13,000.00 |
| Maintenance Lifts | 15,000.00 |
| Telecom/TV Maintenance | 9,300.00 |
| Staff | 112,000.00 |
| Professional Fees | 4,000.00 |
| Bank Charges | 1,000.00 |
| Insurance | 12,000.00 |
| Security | - |
| Water | 24,100.00 |
| Electricity | 22,000.00 |
| Pest Control | 3,900.00 |
| Other Expenses | 6,000.00 |
| Lifeguard | 4,800.00 |
| Reserve Fund | 13,750.00 |
| TOTAL EXPENSES | 289,650.00 |

BUDGET ITEMIZATION 31.1.2003

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We now give a general overview of the services integrating each budget item

Macro Community

Expenses arising from the participation in the future Macro-community or Entity of Co-operation for the Preservation comprising the LA CALA HILLS development. There is currently no expense on this account since such Entity or Macro-community still has not been formed, although it is extremely important that everyone knows that such expense will be real in the future and chargeable to the LA CALA HILLS O.C. according to the share quota in co-ownership assigned to it with regard to its surface and the extent of building permitted on it.

Garden Maintenance 6,000 euros

This item includes the expenses arising from the purchase of long-lasting and season ornamental plants, as well as other plant nursery expenses such as manure, fertilizer, chemical fertilizers, sand for restarting, spraying of plants, taking away the rests of plants, pruning, etc.

Swimming pool maintenance 12,000 euros

Chemical products, tro-chlorine, seaweed remover, fungicides, which will need to be provided during practically the entire year, as well as the maintenance of the filter systems, sand changes, substitution of filters, skimmers, etc. Replacement of hammocks and parasols, ashtrays, rubbish bins and lastly health inspections which are quarterly done, at least, during the periods of greater use.

Personnel/Maintenance Company 112,500 euros

In view of the community characteristics and dimensions we have planned the following distribution of personnel :

Gardening

2 employees

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| Swimming pools | 1 employee |
| Cleaning of staircases, hallways, Toilets, changing rooms | 2 employees |
| Maintenance and repairs | 1 employee |

We have considered that if Community workers are engaged, the average cost per employee would be 900 euros/month, plus 375 euros/month for social security and taxes (IRPF) which would come to 1,280 euros/month, which multiplied by 12 months would come to 15,360 euros.

To this we have to add an extra 2,000 euros for bonus pays stipulated in the wage agreement plus some 1,300 euros for holiday leaves. We would then have a total annual cost of 18,660 euros per worker which multiplied by 6 employees would come to 112,000 euros.

This is the cost estimation of having our own personnel, which would be more cost-effective than engaging a Maintenance Company. However, maintenance companies have other advantages such as a great saving in machinery, advisory expenses ...; plus worker" leaves for any reason would not affect the community and we would not have to consider wages for future dismissals.

General Maintenance 15,000 euros

Repair of breakdowns and improvements in brickwork, plumbing and electricity, both for buying materials (in case the repair is carried out by the community personnel) and in order to pay the bills in case it is necessary to call external personnel. Replacement of lamps in public street lighting and in hallways and stairways.

Lift Maintenance 15,000 euros

This expense is due to the contract the community must sign with the company installing the lifts, or any other company which complies with the rules of maintenance of the fixtures and fittings and their installations. (Approx. 108 euros lift/month) Plus the payment of a telephone line in each lift, which according to legislation must be telephonically connected to the central office in case of breakdown.

Administration 15,800 euros

1. Keeping of the Community accounting books, a fully computerised service
2. Presentation of quarterly drafted financial reports to the Governing Board including recommendations for a better use of the resources
3. Preparing and sending the bills corresponding to the Community quotas
4. Making the list of debtors and studying the possible ways of payment
5. Management of monies paid out according to the Annual Budget
6. Preparing and sending the notice and the vote delegation calling for the Annual General Meeting according to legislation in force
7. Proposing an annual budget for next year to the Governing Board so that it can be studied and approved
8. Giving assistance and advice to the Governing Board
9. Drafting and sending the Meeting Notes of the Annual General Meeting
10. Representing the Community before authorities and official bodies
11. Presenting to the Governing Board several budgets for investment and expenses

Secretary - Office 13,000 euros

The Administration will provide a secretary working halftime in order to serve the owners in all community matters and to help them with personal issues which they might have. She will also organise the delivery of mail.

The office will be 100% in connection with the Administration in order to be able to provide all sort general and accounting information. Since the office will have a computer connected to the internet, telephone and fax, these services may be used by owners in order to

obtain or receive documents, which will be delivered together with ordinary mail.

The person performing this job will speak and write Spanish and English.

Juridical - Legal 4,000 euros

Labour advisory for community employees, drafting of payslips, etc

Legal services for debt recovery, legal advice, attendance to Meetings

Insurance 12,000 euros

Multi-risk policy insuring the contents the Community consists of. Plus common elements and civil liability. This amount will be adjusted to the exact price once you have informed us of the capitals to be assured and different proposals from insuring companies have been taken into consideration.

Security 0 euros

The price of an unarmed security guard in a sentry box has been consulted with several companies in the area and it amounts to 10 euros plus VAT per hour. If in view of the community characteristics and facilities the community will have a 24 hour service 365 days a year, the total cost would amount to 101,616 euros.

Pest Control 3,900 euros

Pest and rat control of common areas such as sewers, irrigation manholes, lift shafts, parking spaces etc. will be carried out approximately every three months.

Maintenance-Telecommunications-Security Syst/Fire Prevention Syst. 9,300 euros

We have determined that the Community will have a communitarian Satellite TV system, and the maintenance of such system carried out by a specialised company would result in the above cost. This does not include the cost of the different pay per view cards. It includes the maintenance of the intercom systems, interphone system with security post, security camera and recording system, the fire prevention

system and the CO2 detection systems in parking spaces as well as the maintenance of all the alarms connected with the security post.

Other Expenses 6,000 euros

Reservation of hall for meetings, sending registered mail, stationery, photocopies etc. Mobile phones for personnel.

Electricity 22,000 euros

Consumption of public lighting, electrical devices (garage door, water skimmer, lifts etc) Once the facilities have been studied the night rate would be requested for electricity meters where it would be cost-effective.

Water 24,100 euros

Water consumption for irrigation, pool filling, cleaning etc. In this item we have taken into account that houses have individual water meters hired from supplier.

Bank Expenses 1,000 euros

Expense arising from remittance of receipts, issuing of cheques, etc.

Reserve Fund 13,750 euros

This amount has been calculated in accordance with the Horizontal Property Law which establishes that Communities must set up a reserve fund amounting to 5% of their budget.

Lifeguard 4,800 euros

Legislation in force regulating this matter obliges to have a qualified lifeguard for swimming pools with water surface over 200m².

Apparently, the two swimming pools of the complex will be larger, so this service will have to be hired during the whole time they remain open. A qualified lifeguard costs approximately 1,600 euros per month. This issue should be discussed in order to find out what the possible alternatives are and in order to avoid engaging a lifeguard for each swimming pool. The budget foresees engaging this service with only one lifeguard during three months.

Note : Since the complex has been recently built and the formation of the community is also recent, all the items of the budget include approximate estimations of the expenses. Such estimations may change, both due to their normal functioning and due to resolutions adopted in the Statutory Meeting or future General Meetings of Owners.

START UP QUOTA

(issued by Golf Valley Administrations S.L.)

It is essential for a newly built community to issue an initial quota in order to keep it from stalemating once the promotor and/or promotor stop looking after it until the new owners are able to manage the complex.

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| Purchase of hammocks | 60 units at 150 euros | 9.000 |
| Purchase of Parasols | 30 units at 140 euros | 4.200 |
| Misc. signs; | | 600 |
| Setting up of community | | 6.150 |
| Purchase of ashtrays | 10 units at 120 euros | 1.200 |
| Purchase of inside rubbish bins | 10 units at 120 euros | 1.200 |
| Walkies and mobile phones for Personnel | 4 units at 200 euros | 800 |
| Uniforms | Depends on whether we employ or contract personnel | |
| Machinery and tools | Depends on whether we employ or contract personnel | |
| Signing up and Sevillana contracts | Community; | 5.000 |
| Signing up and Acosol contracts | Community | 1.000 |
| Signing up and lift contracts | Telephone lines | 2.500 |
| Working Capital | | 26,750 |

Note : The above costs are an approximate estimation. Details on models and quality of the purchases still have to be checked.