OASIS
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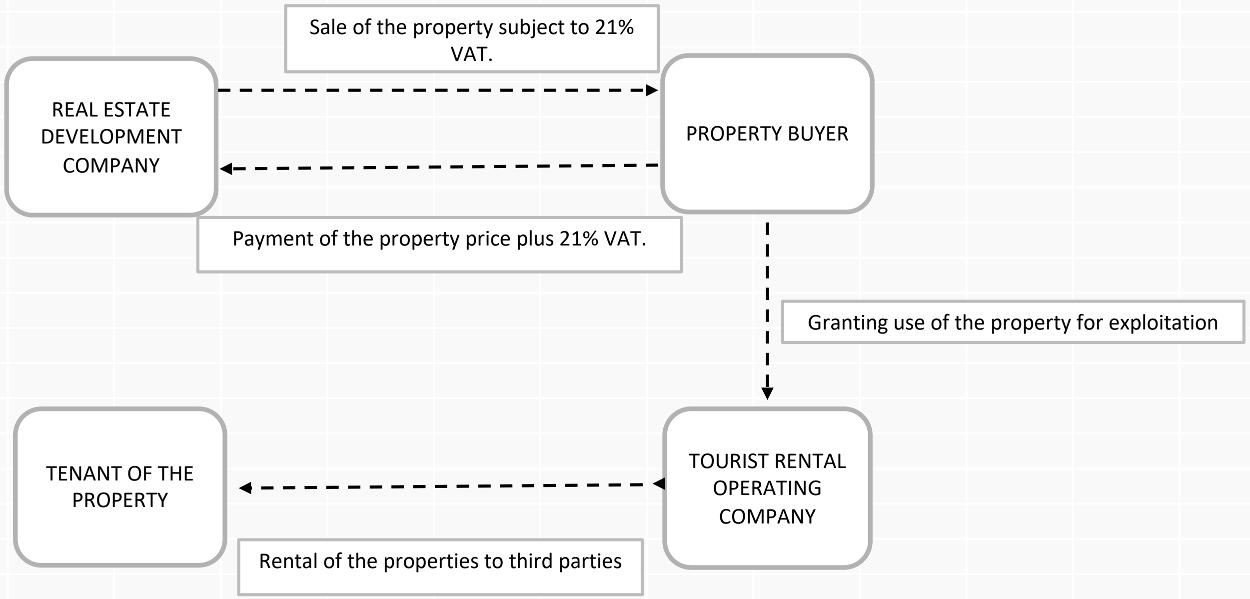
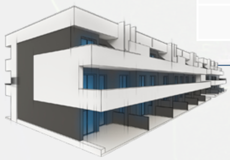
CONTRIMAR
PROMOTORA INMOBILIARIA
SYSTEM FOR THE OPERATION OF
TOURISTIC APARTMENTS

STRUCTURE OF PURCHASE AND EXPLOITATION OF PROPERTIES





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STRUCTURE OF PURCHASE AND EXPLOITATION OF PROPERTIES

- The development consists of 78 homes, which, according to urban planning regulations, are intended for tourist use. The characteristics of this exploitation regime are summarized below:

  - The owners of the homes must lease them to a single operating company, which will pay them a net rent based on the income generated from renting the homes to third parties.

  - The owners may reserve personal use of the home for a maximum period of 4 months each year. This private use may be carried out as follows:
    - In July and August, private use may be for a maximum of 2 weeks. The operating company must be informed in advance to block the availability in the system.
    - If the owner wishes to use the home outside the 4-month permitted private use period, the conditions must be negotiated with the operating company.

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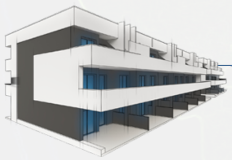
- The transfer of these homes is subject to a 21% VAT and is not exempt. The lease of the homes to the operating company is also subject to a 21% VAT and is not exempt. This is why the buyer of the home can recover the VAT paid on the purchase of the property.
- The rent to be received generally by the buyer of the home from the operating company will be calculated according to the following formula:

LOW SEASSON ESTIMATION

+	65,00%	from the gross income obtained by the operating company from renting it to third parties	9.750,00
-		General cost for maintence (light, Water, cleaning, community fees, etc)	(3.000,00)
+		VAT deductible on expenses directly incurred by the owner.	630,00
-		VAT charged by the homeowner to the operating company.	(1.692,15)
		Net rent obtained by the homeowner	**5.687,85**

Note: The example in the table reflects the rent to be received by the owner in the event that the home generates rental income of €15,000 per year (estimated average of €200 per night, 75 nights per year).



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Mid Seasson Estimation

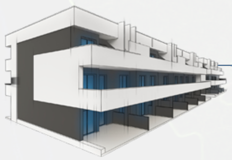
+	65,00%	from the gross income obtained by the operating company from renting it to third parties	14.950,00
-		General cost for maintence (light, Water, cleaning, community fees, etc)	(4.500,00)
+		VAT deductible on expenses directly incurred by the owner.	945,00
-		VAT charged by the homeowner to the operating company.	(3.139,50)
		Net rent obtained by the homeowner	**8.255,50**

Note: The example in the table reflects the rent to be received by the owner in the event that the home generates rental income of €23.000 per year (estimated average of €200 per night, 115 nights per year).

High Seasson Estimation

+	65,00%	from the gross income obtained by the operating company from renting it to third parties	21.450,00
-		General cost for maintence (light, Water, cleaning, community fees, etc)	(6.500,00)
+		VAT deductible on expenses directly incurred by the owner.	1.365,00
-		VAT charged by the homeowner to the operating company.	(4.504,50)
		Net rent obtained by the homeowner	**11.810,50**

Note: The example in the table reflects the rent to be received by the owner in the event that the home generates rental income of €33.000 per year (estimated average of €200 per night, 165 nights per year).



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- Additionally, the owner must submit a VAT declaration based on the following data, so they can recover part of the VAT amount paid upon the purchase of the property:

Rental operating profit of the property

	BASE	IVA
Income from the rental of the property	8.057,85	1.692,15
Maintenance expenses (already deducted from the payment of the operating company)	(3.000,00)	(630,00)
Ownership expenses (property tax and homeowners association fees, insurance)		
	5.057,85	1.062,15

VAT settlement to be made by the buyer

VAT CHARGED	1.692,15
VAT PAID	(630,00)
VAT on housing commision	0,00
VAT on property acquisition	(37.800,00)
VAT TO BE REFOUNDED/OFFSET	(36.737,85)
Estimated VAT calculated on a property priced at €180,000	

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- The economic analysis is based on the following considerations:
  - The gross income to be obtained by the owner will be 65% of the gross income generated by the operating company from the rental of the property.
  - The operating and maintenance expenses will be directly borne by the owner and deducted from the income calculated according to the provisions in the previous paragraph for the purpose of determining the net income to be settled by the operating company to the owners.
  - The owners will personally bear the expenses related to the homeowners association, local taxes, liability insurance, fire insurance, and other personal expenses.
- Other issues to consider:
  - The owner will be able to monitor at all times the periods during which the property is rented.
  - The properties will be organized by categories to establish the rental price of each of them in an objective manner by the operating company.

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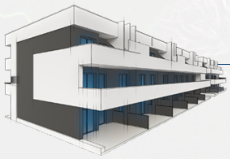
- Other matters to consider:
  - The settlements by the operating company to the property owners will be made on a monthly basis.
  - The costs of maintenance and repair of furniture and installations will be borne directly by each owner.

Summary of Tax Implications for the Homebuyer

Transfer of Properties to the Operating Company

- VAT: taxable transaction not exempt, subject to the general rate of 21%
  - The property owners acquire the status of entrepreneur for VAT purposes
    - Obligation for each property owner to submit form 036 / 037 for VAT registration before the start of the transfer.
    - Each owner must issue invoices for the transfer of properties to the operating company or authorize a third party to issue them on their behalf.
    - At the end of each calendar quarter (within the first 20 days of April, July, and October, and within the first 30 days of January), the owner must file a VAT return (form 303).
  - VAT taxation would entitle owners to deduct VAT paid on the acquisition, which could be refunded by requesting it in form 303 for the 4th quarter of the year or within 4 years following the acquisition.

- Personal Income Tax (IRPF), Non-Resident Income Tax (IRNR), Corporate Tax (IS): depending on their status (individual or legal entity) and tax residency, the owners will be taxed under one of these regimes for the income obtained from the transfer of properties to the operating company.



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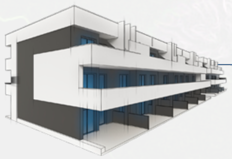
Summary of Tax Implications for the Homebuyer

Issues to Consider for Non-Residents in Spain Regarding IRNR

- According to Article 9 of Royal Legislative Decree 5/2004, which approves the consolidated text of the Non-Residents Income Tax Law, property managers of assets owned by non-residents will be jointly liable for the payment of IRNR tax debts arising from these.
- In the case of non-resident owners from a country outside the EU, there is an obligation to appoint a person, either an individual or a legal entity, residing in Spain, to represent them before the Tax Administration. If the owner is a resident of a country that is not a member of the EU but is part of the European Economic Area, where there are regulations on mutual assistance regarding information exchange, such an obligation does not exist.



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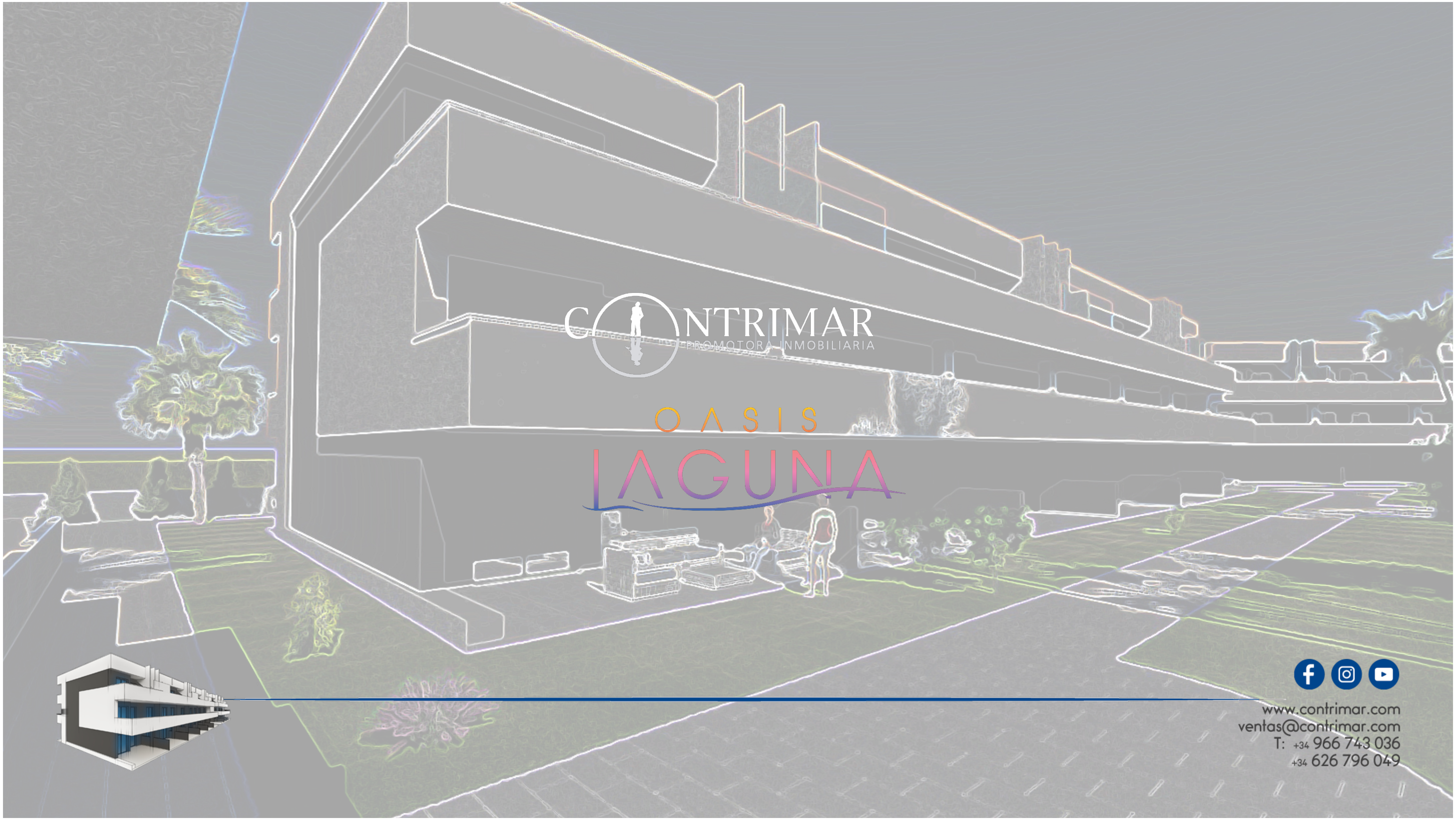
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