



ANNUAL GENERAL MEETING 2011

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TORRENT BAY
Club.

Ibiza, 8th September 2011

ANNUAL GENERAL MEETING

Dear Member,

We wish to inform you that the Annual General Meeting (A.G.M.) will take place at Ses Fontanellas Plaza, Ibiza, on the 13th October 2011 at 11.00 a.m.

AGENDA

- 1.- Reading and approval of the minutes of the last AGM**
- 2.- Approval of the audited statement of income and expenditure 2010**
- 3.- Approval of the expenditure budget 2012 and maintenance fees
(Includes the fence for the pool)**
- 4.- Extraordinary fees to be voted**
 - Option 1) Approval of the extraordinary fee for a complete renewal of the apartment**
 - Option 2) Approval of the extraordinary fee only to install the Air condition in the apartment (voted and paid by red and gold weeks)**
- 5.- Cancellation and confiscation of debtor weeks**
- 6.- Ratification of the admission of new members**
- 7.- Election of the new member of the committee**
- 8.- Date to be agreed for next year's AGM**
- 9.- Any other Business**

The following candidates have expressed their wish to form part of the committee:

Mr LEVY, JEAN DIDIER

Current committee member.
Expert in waters, forestry and rural engineering.
Speaks French, English, German and Spanish.
French.

Ms ORBAN, MICHÈLE

Business manager and consultant in a consultant enterprise for legal and accounting advice and law for enterprises.
Member for almost 20 years at Torrent Bay.
French.

Mr DAVID, CLAUDE

Retired male nurse.
President of the veterans in his area.
Member of the cultural office of his home town.
Member of an association that helps the families of mentally ill.
French

Mr PATINOTTE, MATTHIEU

Development Manager within an evenemential company for the past 2 years.
Tourism studies, sales and production studies.
24 years.
French.

To date no other member has expressed their wish to form part of the said committee.

Members wishing to be candidates in the elections may do so on the day of the elections, in line with the statute terms as set out in the Constitution.

If you are unable to attend the Meeting, we enclose a voting paper which will enable you to cast your vote by post. Please return the completed form to:

SES FONTANELLAS PLAZA CLUB

C/ Es Caló, 104 – Cala de Bou - 07829 San José – Ibiza - Spain

For the attention of Laura Juan.

Any voting paper which is not received at least 48 hours before the Meeting takes place will be considered as null and void.

N.B. Please indicate by marking an X in the corresponding box.

Notes:

- A vote may be made by Proxy who attends the meeting personally or alternatively you may nominate the Committee President to act as Proxy.
- If you wish to vote by Proxy please return the enclosed voting paper at least 48 hours before the Meeting takes place or have your Proxy delivered in person.
- You may instruct your Proxy by completing the voting paper. Should you leave the voting paper blank your Proxy may vote or abstain from voting as they wish. Members who own weeks jointly with another Member only have the right to one vote per week owned.



So as to increase the value and usage of your timeshare weeks in Ibiza, we are continuing our special offers, in the hope that many of you may take advantage of an extra stay at attractive promotional prices.

Please visit our website for more information: <http://members.intercorpgrp.com/>



IMPORTANT: In order to keep in touch with you better, please send us your email address at:

info@intercorpgrp.com

TORRENT BAY CLUB
Es Caló, 104. Port des Torrent
07829 Ibiza

For the attention of the members of TORRENT BAY CLUB

31th May 2011

Dear Sirs

In accordance with the terms of our proposal for professional services dated 20 of January of 2011, we have performed certain agreed-upon review procedures at your request, which are described in paragraph 1 here below, on the accompanying Income and Expenditure Statement for the year ended 31st December 2010 of the TORRENT BAY CLUB prepared by the Directors of the management company of the Club.

1. Scope of our work

The management of the Club prepared the attached Income and Expenditure Statement of TORRENT BAY CLUB for the year ended 31st December of 2010 which also includes for each individual caption comparative figures for the previous year. The purpose of our work has been to review the mentioned Income and Expenditure Statement for the year ended 31st December of 2010 applying the following agreed accounting procedures:

- To obtain the composition of the income of the annual quotas in concept of maintenance fees that have being charged to the club members and to the resort Developer, in relation to the number of apartments, weeks, and amounts of annual maintenance quotes approved for the year 2010.
- To obtain the composition of the principal captions of expenditure and together with requests for back-up documentation for certain items, selected at random.


2. Outcome of the review

As a result of the agreed review procedures carried out described in paragraph 1 above, no matters have come to light which could significantly affect the Income and Expenditure Statement for the year ended 31st December 2010 of the TORRENT BAY CLUB attached.

This document has been prepared for the use of the management of the Club and the members of the TORRENT BAY CLUB and should not be used for any other purposes than herein described, nor should it be distributed to any third parties not related to the Club or its management.

Yours sincerely

BDO Auditores, S.L.



Francisco Díaz Torren
Partner

ACCOUNTS 2010

TORRENT BAY CLUB

SHOWN IN EUROS

STATEMENT OF INCOME & EXPENDITURE

| INCOME | 2010 | 2009 |
|--|-------------------|-------------------|
| ANNUAL BILLING | | |
| Payment from owners | 516.136 | 584.136 |
| Payment rentals (paid by Aptos Ses Bledas) | 810 | 25.695 |
| Payment weeks SVC (paid by Select Vacation Club) | 5.348 | 4.585 |
| Payment weeks RCI | 11.566 | 19.245 |
| Confiscation SVC (paid by Ses Fontanellas Ltd) | 16.362 | - |
| Confiscation 2010 (paid by Ses Fontanellas Ltd) | 123.658 | 176.259 |
| Unsold weeks (paid by Ses fontanellas Ltd) | 174.749 | 170.383 |
| Ceded weeks Escritura (paid by Ses Fontanellas Ltd) | 17.654 | 10.959 |
| Fees unpaid system Escritura | 84.713 | 86.168 |
| Bad debt SVC | 19.744 | 31.111 |
| Bad debt current maintenance | 10.853 | 9.039 |
| TOTAL ANNUAL BILLING | 981.593 | 1.117.580 |
| Other income (penalties) | 8.656 | 5.830 |
| Other income (Co-ownership income) | 38.541 | 19.722 |
| Debtors Co-ownership | -1.987 | -7.516 |
| Income banking cost | 3.868 | - |
| Prompt payment discounts 3% | -13.007 | -27.985 |
| TOTAL INCOME | 1.017.663 | 1.107.631 |
| EXPENSES | 2010 | 2009 |
| Product purchases | -836 | -964 |
| Personnel expenses | -457.880 | -498.538 |
| Repairs and maintenance | -66.546 | -78.279 |
| Extraordinary reparation of 3 apartments | -26.040 | - |
| AGM & Committe expenses | -7.879 | -8.319 |
| External services (Professional services, auditors) | -22.355 | -31.178 |
| Bank charges | -2.226 | -5.466 |
| Vehicle expenses | -8.754 | -11.232 |
| Electricity, water | -40.649 | -57.362 |
| Extraordinary watter supplies because of a leak | -8.348 | - |
| Telephone | -15.613 | -16.426 |
| Insurance policies | -4.827 | -4.555 |
| Office expenses, postage | -19.210 | -27.929 |
| Taxes | -22.509 | -21.896 |
| Management fee F.N.T.C | -14.765 | -14.127 |
| Various expenses | -712 | -499 |
| Depreciation | -12.376 | -19.225 |
| Rentals | -55.677 | -54.585 |
| Fees unpaid system Escritura | -84.713 | -86.168 |
| Bad debt SVC | - | -31.111 |
| Bad debt current maintenance | - | -9.039 |
| Internal billing clients stay at other resorts | -9.933 | -10.318 |
| TOTAL EXPENSES | -881.850 | -987.216 |
| Industrial Margin | -160.000 | -148.082 |
| TOTAL EXPENSES | -1.041.850 | -1.135.298 |
| RESULT OF THE YEAR | -24.187 | -27.667 |
| Result from the previous year | 1.149 | 28.816 |
| TOTAL ACCUMULATED RESULT | -23.038 | 1.149 |

OWNERS OF TORRENT BAY CLUB

Dear Members,

Once again we are pleased to send the documentation for the General Meeting of Torrent Bay Club, with the accounts audited of the past year 2010 and the budget for the year 2012.

Despite the economic difficulties that Spain and Europe have been suffering in recent years, this past year we have seen a great increase in tourism in Ibiza. Torrent Bay Club has had one of the highest occupation rates for the past 5 years, which encourages us and gives us hope to maintain the Club and improve.

Over the past 3 years by controlling and reducing costs over-all we have managed to stabilize the maintenance fees and the level of non-payment of fees. At the same time, what has been a disturbing reduction in the length of the season and the number of apartments in the Club over the past few years has also been stabilized. There will be no need this year for a reduction in either the length of the season nor is there any need for any apartments to be disaffected and taken out of the Club as has repeatedly been the case over the last few years.

During 2011 we have carried out significant work, damaged pipes have been changed to prevent leakage of water coming from the outside of the resort to the swimming pool. Electrical appliances have been renewed, the pool surroundings have been painted, exterior painting has been done, Wireless installation and TV cables have been renewed to have a better reception.

However, for several years now, only limited improvements have been carried out inside the apartments and their general condition over the years has obviously deteriorated. Consequently, it cannot come as a surprise to anyone when we read the comment cards from owners that requests for a complete overhaul of the interiors of the apartments have now turned into a clamor. We are being asked to put in new kitchens, new bathrooms, new electrics, and completely new furniture. We are even being asked to redo the tiled floors and walls - not just repaint the apartment which is difficult on the old plaster - in other words a complete renovation and refurnishing.

After considering all of the comments received, and after surveying the apartments recently, we have decided to propose to members a complete overhaul of the apartments. We ask you to consider the proposed renewal plan and to vote for or against the proposals. We will only be able to implement the proposals if a majority of you vote in favor.

Works to be carried out and new items to be purchased:

T1 apartments:

Air-conditioning in both (2) rooms with the machinery placed on the roof of each block of apartments.

Lounge-Dining room: 4 chairs / 1 table / 1 sofa bed / 1 arm chair / 1 coffee table / 1 corner table / 1 lamp / 1 ceiling lamp / 1 side board / 1 cabinet for the TV / 1 LCD TV / 1 radio / 2 picture paintings / curtains.

Bedroom: 2 Headboards for 2 larger single beds and 2 mattresses, 2 bed-side tables, 2 picture paintings, 1 chest of drawers, 1 table for a suitcase, renewal of the inside of the wardrobes, 1 mirror, curtains,

Terrace: 4 chairs and 1 table.

New Kitchen: Kitchen furniture, kitchen sink and sideboard, new tiling throughout, oven, extractor fan, hob, fridge, kettle, microwave, coffee maker, light fixtures and lamp.

New Bathroom: *New tiling throughout, bathtub, shower, shower curtain, bathroom furniture and/or accessories, wash basin, bidet, toilet, towel rail, toilet roll holder, lamp, new ceiling.*

Inside painting of the whole apartment

Replastering of all walls and ceilings

Retailing of all floors

Lacquering of all interior doors

New sliding external terrace doors and windows where not already done

T2 Apartments:

Air-conditioning in all (3) rooms with machinery place on the roof of apartment block

Lounge/Dining room: *6 chairs, 1 table, 1 sofa bed, 1 arm-chairs, 1 coffee table, 1 corner table, 1 lamp, 1 ceiling lamp, 1 side board, 1 cabinet for the TV, 1 LCD TV, 1 radio, 2 picture paintings, curtains.*

2 x Bedrooms: *4 Headboards, larger single beds and mattresses, 4 bedside tables, 4 picture paintings, 2 chests of drawers, 2 tables for suitcases, renewal of the inside of all wardrobes, 2 mirrors, 2 curtains,*

Terrace: *6 chairs and 1 table.*

Kitchen: *Kitchen furniture, kitchen sink and side-board, tiling, oven, extractor fan, hob, fridge, kettle, microwave, coffee maker, light fixtures and lamp.*

Bathroom: *Tiling, bathtub, shower, shower curtain, bathroom furniture and/or accessories, wash-basin, bidet, toilet, towel rail, toilet roll holder, lamp, new ceiling.*

Replastering of all walls and ceilings

Inside painting of the whole apartment

Lacquering of all interior doors

New sliding doors and windows where not already done

To do all of this we estimate that the cost will be in the region of 31.075 euros VAT included for each 1 bedroom apartment and 38.403 euros VAT included for each 2 bedroom apartment.

White week owners will not be asked to pay for any of the costs of the air-conditioning.

We would advise very strongly that owners vote in favor of these renovations in order to secure a better and longer future for the Club. The full renewal and renovation costs are significant but not when compared to the value of each property. They will furthermore provide a much enhanced property and holiday experience, so much so that Intercorp has decided to renovate all of its own apartments, those that are not in the Club. This should be interpreted as a vote of confidence in the future of the resort, a confidence that was not there so long as the seasons and the number of apartments in the timeshare scheme were decreasing.

The cost of the full renovation plan for each week owned will be 1023 € VAT included for 1 bedroom apartment white season, 1087 € VAT included for 1 bedroom gold or red season, 1251 € VAT included for 2 bedroom apartment white season and 1348 € VAT included for 2 bedroom gold or red season.

To make it easier for members to pay for these exceptional costs, we will make a loan available to all members payable in 4 installments with an interest rate of 5,9% which is currently the rate for commercial and business loans in Spain, when they can be obtained. The full cost can also be paid at the same time as your standard yearly management fee. Otherwise, 25% of the cost will be payable on or before 31st December 2011, 2012, 2013, 2014.

On the basis of a 4 year loan, the yearly cost will be 301 € including VAT for 1 bedroom apartment white season, 320 € for 1 bedroom gold or red season, 367 € for 2 bedroom apartment white season and 395 € for 2 bedroom gold or red season.

If the vote goes in favor of doing the renovation work, we will start late October, early November. The work will be finished at the very latest before the summer of 2013 and most of it before the 2012 season. If possible, it will all be done before July 2012.

Apart from these apartment renovations, we will carry on with the usual general maintenance of the resort. As well this year we will have two important expenses; one, is that we will need to change the swimming pool filters and another thing that all timeshare and whole ownership apartment owners are asking us to do is to stop people from outside the resort coming in uninvited to use our swimming pool. We have been suffering for the past 2 years at least from this difficulty and the impossibility of preventing people from outside the resort intruding. Asking them to leave once they are in has been a thankless and ineffectual task, added to the fact that the extra labor costs to do this are expensive as well.

We propose therefore to close in the pool and put a gate with a code to tap in for access to the pool area. The cost of this will be in the region of 64,900 euros VAT included and will be payable by 109 apartments not just the Club apartments, which means a cost of 15,7 € VAT included per week owned for a T1 and 19 € for a T2.

As for the general ordinary management fees, these will not be subject to an increase other than for the inflation index of 3.1 % already published in INE for July 2011 and the fee to close the pool area mentioned in the above paragraph.

This year apart of the current expenses and budget 2012, you will find that we give you two options to be voted, one as explained with the whole renovation of the apartment and another only with the air conditioning (to be voted on and paid by red and gold weeks owners only with a cost of 80 € per week for a 1 bed apartment and 111 € for a 2 bedroom).

To conclude, we would like to thank all members for their efforts and their support. We also trust that going forward together; we will be able to make Torrent Bay Club a more competitive and more modern resort.

Yours sincerely,

Torrent Bay Club



TORRENT BAY
Club.

BUDGET 2012 TORRENT BAY CLUB

SHOWN IN EUROS

| INCOME BUDGET | |
|---|-----------------|
| MAINTENANCE | |
| Payment from owners | 347.250 |
| Payment weeks SVC (paid by Select Vacation Club) | 68.676 |
| Payment weeks RCI | 6.750 |
| Confiscation SVC (payd by Ses Fontanellas Ltd) | 904 |
| Confiscation (paid by Ses Fontanellas Ltd) | 80.000 |
| Unsold weeks (paid by Ses fontanellas Ltd) | 144.497 |
| Ceded weeks Escritura (paid by Ses Fontanellas Ltd) | 900 |
| Fees unpaid system Escritura | 81.000 |
| Bad debt SVC (paid by Ses Fontanellas Ltd.) | 58.136 |
| TOTAL MAINTENANCE | 788.113 |
| Other income (penalties) | 3.922 |
| Other income (Co-ownership income) | 40.096 |
| Income banking cost | 3.000 |
| Prompt payment discounts 3% | -13.000 |
| Current Maintenance 2011 (50% from the invoiced) | 9.000 |
| TOTAL Other INCOME | 43.018 |
| TOTAL Income Budget | 831.130 |
| EXPENSES BUDGET | |
| Product purchases | -1.000 |
| Personnel expenses | -320.000 |
| Repairs and maintenance | -40.000 |
| Extraordinary reparation of 3 appartments | -26.040 |
| Extraordinary fee to close the pool area | -21.516 |
| AGM & Committe expenses | -7.000 |
| External services (Professional services, auditors) | -16.000 |
| Bank charges | -2.500 |
| Vehicle expenses | -8.000 |
| Electricity, water | -38.000 |
| Extraordinary watter supplies because of a leak in 2010 | -8.348 |
| Telephone | -6.000 |
| Insurance policies | -5.000 |
| Office expenses, postage | -12.000 |
| Taxes | -15.000 |
| Management fee F.N.T.C | -14.000 |
| Various expenses | -800 |
| Depreciation | -11.000 |
| Rentals | -57.925 |
| Fees unpaid system Escritura | -81.000 |
| Internal billing clients stay at other resorts | -10.000 |
| TOTAL EXPENSES | -701.130 |
| Industrial Margin | -130.000 |
| TOTAL EXPENDITURE BUDGET | -831.130 |

MAINTENENCE FEES 2012

| | |
|--------------------|-------|
| T1 (TVA. included) | 521 € |
| T2 (TVA. included) | 676 € |



TORRENT BAY Club.

VOTING PAPER

Name of Member (s)

Address

Contract No. No. of Weeks

I/We, the above mentioned member(s) of the club designate:

THE COMMITTEE PRESIDENT

OR MR/MRS/MS:

As Proxy to vote in my/our name(s) at the Club Meeting which takes place on the **13th October 2011.**

I/We wish my/our Proxy to vote on the Resolutions presented at the A.G.M. of the Club in the Following manner:

| POINTS TO BE VOTED | FOR | AGAINST |
|---|--------------------------|--------------------------|
| 2. - Approval of the audited statement of income and expenditure 2010. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. - Approval of the expenditure budget 2012 and maintenance fees. (Includes the fence for the pool). | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. - Extraordinary fees to be voted | | |
| Option 1) approval of the extraordinary fee for a Complete renewal of the apartment. | <input type="checkbox"/> | <input type="checkbox"/> |
| Option 2) approval of the extraordinary fee only to install the Air condition in the apartment (voted and paid by red and gold weeks). | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. - Cancellation and confiscations of debtor weeks. | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. - Ratification of the admission of new members. | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. - Election of the new Member of the Committee: | | |



TORRENT BAY
Club.

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