



**OPEN MEETING OF
LOS CLAVELES CLUB MEMBERS
HELD AT HOTEL GRAN COSTA ADEJE, TENERIFE
ON FRIDAY, 27TH SEPTEMBER 2024**

As Chairman, Ana Martín thanked everyone for joining them for the meeting, despite some owners having to take time away from being on holiday.

**1 TO RECORD THE MEETING WITH ALL RECORDED MATERIALS REMAINING IN THE
FOUNDER MEMBER'S CUSTODY**

Mrs Martín explained this item needed to be voted on before starting the meeting.

There were 1,977 votes in favour and 15 abstentions, and approval was therefore passed unanimously.

Mrs Martín said that votes would be scanned for the following items of the agenda.

Before starting the meeting, she introduced everyone on the top table, including those who had been invited especially to the meeting.

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| Luis Martín | - WimPen's Lawyer |
| José Manuel Lopez | - Deloitte |
| Andrea Maria | - Deloitte |
| Christopher Allen | - Hutchinson Trustee |
| Santiago Franklin | - Financial Director at WimPen (representing Founder Members as WimPen Leisure Management) |
| Ana Martín | - Area Coordinator for WimPen Resorts and (representing Founder Members as WimPen Leisure Management) |

Although everyone probably knew all that had been going on With Mr. Fletcher, Mrs Martín wanted to give a summary of what had been happening on the resort with all the litigations and arbitrations. The Founder Member decided to hold this meeting because, in the last few months, Mr Fletcher had tried to do many different things that it was important for owners to know.

Litigations with Mr Fletcher had been ongoing since 2015, one of which, the most important, was the first Arbitration, when Mr Fletcher tried to change the Constitution. The Court gave the first Arbitration Award on 1st August 2017, recognising WimPen Leisure Management as the Founder Member and that the valid Constitution was the original one from 1999, as amended in 2014.

Mr Fletcher tried again in the last year to change the Constitution and remove the Founder Member and the Trustee, which is why the Founder Member decided to convey this Open Meeting with the Trustee being invited to this meeting.

Mrs Martín said that Mr Fletcher was making the litigations in the name of Club Los Claveles, but without the approval of the owners; the majority of whom do not know that the Club is responsible for all the costs being incurred by the court cases, and Mrs Martín felt this needed to stop because the Club now owes a lot of money due to all the litigations.

In the last communications, Mr Fletcher was pushing to remove the Trustee, which is one of the most important parts of the Club System in timesharing ownership as it controls and holds the shares of the Owing Companies and the properties at Club Los Claveles to ensure the owner's rights, which Mr Fletcher purportedly wants to remove.

They wish to call a Special General Meeting, to resolve all the issues and avoid the money expenditure on court cases, which should be spent on the resort and in the apartments.

Recently, Mr Fletcher has been threatening owners that he would cancel their ownership if they do not pay the maintenance fees in the account open by Club Los Claveles Ltd(a private company linked to Mr. Fletcher but no to the Community or the Club. Hutchinson Trustees would be able to advise if that is possible, which it is not. Owners pay the Community of Los Claveles and are the owner of their villa and week, and Hutchinson recognises their ownership. Mrs Martín thanked Hutchinson for being at the meeting and noted that they recognised that WimPen Leisure Management are one of the Founder Members, and that the original Constitution from 1999, amended in 2014 is the constitution valid.

Before Hutchinson spoke, a few owners, asked to what extent the money being spent was the responsibility of the Club and how that affected ordinary members in the Community, i.e. who will be paying. Mrs Martín said there had been many court cases over the ten years and WimPen have received the awards in favour of them with the agreement that the Club must pay WimPen, which is nearly 500,000 euros that the Club owes WimPen. WimPen has never collected this litigation and arbitration fees. Club Los Claveles owners who would be responsible, which is why they need to stop Mr Fletcher opening expensive court cases in the name of the Club, without approval of the owners at an AGM/SGM.

Luis Martín, WimPen's lawyer, clarified that the money Mr Fletcher has collected from members who support him had never gone to the Community; they do not know where the money went, but they presume it went to pay Mr Fletcher's lawyers, which would amount to much more than how much he has purportedly collected. Therefore, the situation is that WimPen has arbitration awards in their favour for 400-500,000 euros, which he thought WimPen would never collect from the Club, but as Mr Fletcher is now litigating against Hutchinson, which he intends to charge to the Club, which will affect members directly and jeopardise the financial situation of the Club as they do not know how much will be incurred, but it will be due from the members of the Club.

Mrs Martín noted that what they intended to spend on refurbishments that year may need to be stopped again in order to cover court cases against Hutchinson, which is why they feel as Founder Members that the owners need to stop this immediately.

Christopher Allen from Hutchinson said that initially, due to the litigation process, he had to read out a pre-prepared statement. Questions could be raised afterwards but he might be limited on how he could respond due to the litigation process and could not express. He was there in his capacity as Board Director for Hutchinson Trustees. He said that Hutchinson is ultimately the entity which owns all the properties and shares on behalf of the Timeshare members of the resort. The Trustee's role is intended to be neutral and independent, and they act as a 'bare' trustee. They take no position on the issues that have arisen in the Club, particularly due to the current litigation. However, what seemed to underline the call for that day's meeting was those issues. It was important for Hutchinson to stay informed, and they were attending as an observer, hoping to provide reassurance to the Club members that their presence means they have an interest as well in what is occurring, in order to reach a solution to the conflict.

The official statement read: "To remind you, on 19th July 2024, all Club members were informed by way of a circular that the Trustee has been served a writ in the Sheriff Court at Edinburgh. This was a document beginning court proceedings sent by the 'Club' and five individuals (Committee members: Mr Albert Fletcher, Mrs Carol-Ann Parkinson, Mrs Noma-Ann Burston, Mr Terence William-Smith and Mr Walter McKinnen). They are known in this action as the Pursuers (Scottish definition of prosecutors).

"The document alleged that the Trustee had entered into a contract to transfer the trusteeship; we do not believe this is an accurate picture of the situation, so we took the decision to actually defend the case. That case is a limited one and has not gone into the wider issues about the administration of the Club or the resort. Those are not fundamentally matters which the Trustee should really be involved in; they are matters for the members including the Founder Member. Due to the complexity of the matters at hand, the Trustee appointed lawyers in Scotland to defend the action. To update matters, on 12th September 2024, a procedural hearing took place in the Sheriff Court of Edinburgh and at that hearing additional time was granted to the Trustee to update its written presentation of the case. This was because the Pursuers updated pleadings right at the very end of the period set for them and it contained a significant amount of new material.

"A further procedural hearing will now be held on 10th October, at which point the Court should decide on how to proceed with the matter. We understand that that Court might do one of two things: 1) to send the matter to what is known as a hearing on the Court Legal arguments, known as a Debate; or 2) assign a number of days in which the parties can be present, including ourselves, and both their factual

evidence and their legal arguments in a trial setting; this in Scotland is known as a Proof before Answer. As mentioned in the update, this could be a very long, drawn out and costly process. Costs are likely to be incurred both by the Pursuers, as in Mr Fletcher, the Club and those other individuals mentioned, and to date the legal costs have reached (ours alone) £36,000, and the Club has an additional debt of over £15,000, which includes our 2024 Annual Trustee Fees, which have not been paid. So, this is really only an estimate but it is likely to cost the Club in excess of £100,000 for this current process; therefore it is important, we feel, to make you aware that as per the 1990 Deed of Trust amended in 2014, the Trustee can be indemnified out of Club property for all costs and expenses made or incurred in connection with the properties. This would clearly have a financial and operational impact on the Club in the very long term were the Trustee to be forced to implement this type of action.

“Also, there is a separate process being undertaken by the Pursuers to terminate the Trustee’s role, on which we are still considering what is legally required as the Trustee, and that would obviously have an additional impact on legal costs. Part of the role of the Trustee is observing, to understand if there is a possibility of a constructive solution to the current conflict within the Club. I understand that some of you may have questions, and I am open to try and answer them if I can, but we do respectfully ask you at this stage to direct such questions to the organisers of the meeting today, being the Founder Member, or should you so wish you can direct them to what the Club Committee is. We are unable to comment on many things because of the ongoing litigation. That said, and this has always been the case, it’s important to note that our intentions are, and always have been, to act in a fair and transparent manner as Trustee for the Club Los Claveles and in favour of all the members, i.e. the majority of the members. So, thank you, and I am afraid I cannot say any more than that at the moment.”

One of the owners asked: when FNTC, the original Trustees were required to hand over the database to Hutchinson, that list presumably included the names of all current owners. He understood that Mr Fletcher is not recognising everybody on that list, but he wanted to clarify whether Hutchinson actually recognise all the owners on that database. Mr Allen responded that the Register that they hold is the one provided by FNTC, which was the official Club Register, and which has not changed. So far the Trustee had not received any official notifications from Mr Fletcher to remove anyone, They did not intend to make any amendments to the Register until the conflict is resolved, which then requires a very serious reconciliation.

One of the owners said Mr Fletcher is not recognising the Constitution of 1999-2014, nor the Founder Members and wanted to clarify whether Hutchinson recognise the 2014 Constitution and the authority of the Founder Members. Mr Allen confirmed they do recognise the Founder Member, following legal opinion. It was recognised that the Founder Member role had changed since first being involved in setting up the Club and issuing Certificates but its role in the Club is in full force. They also recognise the 1999-2014 Constitution and have seen the Arbitration awards which recognise it as the legal Constitution; also, the Deed of Trust from 1990 is the correct Deed of Trust.

An owner stated that people just want to go on holiday and although she understands and appreciates the comments, she wanted to know what the worst case scenario would be for ordinary members. She said it was frightening the amount of money they are discussing and wanted to know if someone like herself would end up having to donate towards the court costs. Mrs Martín agreed it was worrying for owners to be told the Club owes €500,000 and maybe an estimate of £100,000 towards Hutchinson case; she said it was also worrying for WimPen and Los Claveles because the reaction will be for owners to leave the resort and, with Mr Fletcher acting on behalf of the Club, they need to stop him now that the litigation has gone beyond WimPen to Hutchinson, who will have to be indemnified, as established by the Deed of Trust, despite non approval by owners. That is why as Founder Members they had to take the step of calling the Open Meeting, hopefully to call a Special General Meeting to be able to appoint a new President, and Committee non-permanent members. **Any owner can stand**, but they need to resolve the problem of litigations.

Mrs Martín confirmed Club owners are responsible for the outstanding amount owed through Mr Fletcher’s litigations. Mr Allen clarified the Trustee’s obligations: they did not need to be put into this situation, and they are working closely with the Founder Member, but need to try to keep their position as independent as possible. He sympathised with what an owner was saying about owners’ liabilities and understood that they only bought at Los Claveles in order to enjoy a holiday and nothing more, not the matters they were all currently involved in. To put their minds at rest, in a worst case scenario, the Trustee has the right to be indemnified either by the Club paying them with money, or the Trustee which

holds the units in Trust and is therefore the official owner of the units, with the Club owners as the ultimate beneficiaries, and they are there to protect those rights of use, but they do have the right to sell a property, so in the worst case, despite being Trustees for 40 years it never happening and hoping it never will, a solution instead of owners paying money, would be to sell a unit to cover all or part of the legal costs. Mrs Martín said they don't really want to sell any units at Los Claveles, which is what Mr Fletcher tells people WimPen wants to do; however, Mr. Fletcher's company Club Los Claveles Ltd is not even the Administrators of Club Los Claveles and are not able to sell the properties. The fact that Mr Fletcher wants to remove Hutchinson as Trustee and appoint his own suggests that is an option he can pursue.

An owner pointed out that what Mr Fletcher has done has been fraudulent, especially as he doesn't have the authority of the owners, which Mrs Martín agreed was what they had been saying. The owner therefore felt they could resolve the issue because it was fraudulent. Mrs Martín said that the person who calls an AGM is the President of the Club. Their lawyers had found a way as Founder Members to call a meeting, as recognised by Hutchinson. They had therefore called the meeting as Founder Members to ask owners to call for a Special General Meeting to resolve the issue and stop the court cases, which have not been authorised, being held in the name of the Club.

The owner asked who made Mr Fletcher the President. Mrs Martín responded that he was elected President in 2015. The Constitution says that a President could not stand for more than six years, yet he continues and hence why he had tried to change the Constitution in his favour, including trying to remove the Founder Member and Hutchinson, and including instead his own company in the Constitution, which is why they adhere to the correct Constitution of 2014.

WimPen had sent a lot of documents to owners asking them to make sure they vote. The owners want to come on holiday and not deal with these issues, although they are very important to Los Claveles, but it is owners who have to decide. This was why three years previously they had changed the Association's Constitution for Club owners to be able to vote on the Association, because it is the owners' decision who is to be the Administrator, President, etc., which is not what Mr Fletcher is doing. Mr Allen confirmed that the Trustee's position is just to hold the units in trust and that it was up to the members to decide how to run their club.

Luis Martín said that was why they had to find a way for the majority of the owners to stop the litigation being pursued by Mr Fletcher and his committee. This would be through an SGM, which would be called after the current Open Meeting, but they need everyone to try to stop the litigation against Hutchinson because although they are not paying at the moment, they don't know what might happen in the future if the litigation continues. There were also court cases in Spain put forward by Mr Fletcher. Luis Martín pointed out that in the second Arbitration Award in 2021/22, the Arbitrator was clear that the Committee at the time that its time had expired, but whilst no new Committee is appointed, they continue to act as a committee. In the meetings he holds, Mr Fletcher appoints the same members to the Committee, but the Arbitration Award was clear they were not the legitimate committee because a new one had not been appointed. Mrs Martín said that he had not called a Special General Meeting to allow all owners to vote, inviting only certain owners who will vote for him. Luis Martín said that at that today's meeting, every owner had been called to attend, including those paying the Community and those paying Mr Fletcher, so that everyone could vote. Mrs Martín said they always ask that all owners participate. Just that day's meeting was evidence that the majority want to participate due to the number of proxies.

An owner thought that the Constitution states that if the maintenance has not been paid for two years then the owner loses the right to that property and it could be sold, which is correct. He wondered therefore how Mr Fletcher was still acting when he was not paying his maintenance. Mrs Martín said the Constitution describes the steps needed to achieve this, but there were still a lot of litigations and if they had a list of debtors that should be cancelled, they are only one part of the Committee, and it is Mr Fletcher running the Club. Also, if they cancel the weeks and sell them and a court case decides he does own because he's been paying to a different company, it would be very difficult for Los Claveles, so they cannot sell until all the court cases are resolved and until they have a properly elected President and Committee. If they were able to achieve this, there were a lot of issues they need to resolve, such as owners who have not paid to the Community but may have paid to Mr Fletcher's 'Club'. They would therefore need to carry out a lot of work with Hutchinson to understand the position and they had therefore agreed not to cancel any weeks until it was resolved.

Mrs Martín responded to a question to say that there was a court case between FNTC, the previous Trustee, and Mr Fletcher to give the database to a new Trustee, Hutchinson, which took two to three years to go through and resulted in FNTC having to give the database to Hutchinson. Mr Allen confirmed this and added that they were forced by the Court to take the trusteeship. He commented that had he known what was involved they may not have wanted to, but they had no choice as it was forced by the court, and that was how Mr Fletcher accessed the database, as Hutchinson was forced to give it to Mr Fletcher. This was because their role as bare trustee so that officially they don't act as the registrar of members. In theory, the Club should control its register but often they are advised of changes as Trustees and simply update the register and may do a mutual reconciliation once a year to make sure they both have the databases correct, but it is not an official role for them. Due to GDPR data protection laws they now have to be very careful. Although they have been advised of new members, because of litigation, they cannot put the new members on the Register partly because they don't believe they may be recognised by the Club, which constitutionally they should be, but they are keeping a separate record as a parallel to the original database they received from FNTC. Mrs Martín said WimPen are also keeping a separate record of active owners and those who have walked away or cancelled or possibly gone to Mr Fletcher; they haven't cancelled them and both themselves and Hutchinson are continuing this way until all the litigations are over.

Mr Allen said he thought it was important to mention that the Founder Member and the Trustee are two separate roles, as is the Club, although they should all work together. Their common goal is to resolve the dispute. They can't be seen in favour of one party or the other, but they are trying to work in the background with all parties concerned to find a resolution to the long-term situation. Any decisions made at the meeting, the Trustee will endeavour to assist where they can in order to reach a positive outcome, even though it is not their role to be directly involved.

An owner asked how many owners were with Mr Fletcher and Mrs Martín said they didn't know because some of the owners who had not paid their maintenance fees may have simply walked away. At the last meeting, Mr Fletcher only had about 15-20 proxies, which suggested he didn't have many people on his side as people realise what he is doing is not the correct thing for the resort.

An owner clarified that by paying Los Claveles, Mr Fletcher could therefore be using his vote as a cancelled week, but illegally; it was confirmed this was what was happening. Mrs Martín pointed out that this was why the votes he is claiming are incorrect, because they are not cancelled weeks. She added that at the Arbitration, Mr Fletcher meetings – , 2017 and 2018, were declared null and void.

Luis Martín confirmed this.

Hutchinson also confirmed they were not cancelling any weeks.

Mrs Martín explained Deloitte were at the meeting because they had analysed the rules of the Club for the meeting, reviewing all the voting rights, counting the registration of the delegated votes, confirming that every owner voting at the current meeting is actually on the database and is an active owner. They are legally supervising to ensure the votes are valid to avoid any doubt that the votes are official. They have no connection with WimPen and have a high reputation.

Mr José Manuel Lopez then introduced himself as a lawyer working for Deloitte for 12 years. They were at the Los Claveles Club Open Meeting at the invitation of WimPen Leisure Management, a Founder Member of the Club in accordance with its Constitution. WimPen requested that they provide services to verify the current Open Meeting. He clarified that they were there as an independent party and did not represent the legal interests of any members or other parties involved. Their role was as an independent party to verify the list of attendees, verify the vote count as established by the Constitution of the Club, verify the votes cast, and attend as an observer and review the minutes thereof. He thanked WimPen for the invitation and for placing trust in their company.

Mrs Martín thanked him in turn and said it was important for people to know that they were an outside company who had been working through the proxies for almost ten days, reviewing each one that comes in are actual owners according to the database held by WimPen and the database Hutchinson holds. This was to avoid what Mr Fletcher was doing, i.e. counting votes that should not be included. This was for the Founder Member to show transparency and try to end the issues.

2. RATIFICATION OF THE ORIGINAL CONSTITUTION, AS AMENDED IN 2014, AS THE ONLY VALID CONSTITUTION FOR CLUB LOS CLAVELES

Mrs Martín said this item had already been explained and the Trustee Hutchinson had confirmed that the valid Constitution is that of 2014, so they could vote if there were no further questions. Cards were then scanned.

The proposal was passed with 1,973 in favour and 19 abstentions.

3. RATIFICATION OF HUTCHINSON AS TRUSTEE FOR CLUB LOS CLAVELES AND REQUEST FOR HUTCHINSON NOT TO RELEASE THE TRUSTEE AND/OR THE RIGHTS OVER THE PROPERTIES AND/OR THE OWNING COMPANIES TO ANY THIRD PARTY UNLESS APPROVED BY THE OWNERS AT AN AGM/SGM

Mr Allen felt there needed to be a caveat because of the litigation, because they may be forced legally at some point as they do not know the outcome of the litigation and it may become out of their control.

An owner asked wouldn't the recognition of the strength of the decision at the current meeting be recognised should that happen. Mr Allen said it was an unknown. The law firm they are working with in Scotland are focusing on the writ. The results of the current meeting will be presented at the second oral on 10th October, but the question will be whether the court understands what is happening, which they cannot control.

One of the owners said that Mr Fletcher had written to all of his supporters instructing them not to attend this meeting and not to place any votes, so there will be owners who have not voted for that reason. He therefore wondered whether that weakens the results of the current meeting. Mrs Martín said that Hutchinson had confirmed that they will take whatever decision is made in the current meeting to their court case because it is the majority of the owners so that the court understands that a majority of owners may not want to change Hutchinson; however, she agreed it is not possible to predict the outcome of a court case.

Mrs Martín also wanted to ask of Mr Allen who they may be forced to hand over the Trustee has to look after the owners and therefore they cannot hand over to whoever Mr Fletcher indicates. Mr Allen understood there were various potential outcomes according to their lawyers and King's Counsel and they could be forced, as in the case of FNTC, at which point there would be nothing they can do. However, Mrs Martín said that the change from FNTC to Hutchinson was agreed at an AGM, and if Mr Fletcher tries to get the court's permission to force a change, it would be outside of an AGM vote. He said another option might be, if they are asked after a Proof (trial) to hand over, to call for a Petition for Decision, which is like a further appeal, but there would be further costs, which would run to about £50-£60,000; therefore, a potential £160,000 in total.

Mrs Martín thought the Constitution states that changing Trustee needs to be approved at an AGM. Luis Martín, said that FNTC was removed in 2012; no one knew why, but he confirmed that happened as Mr Allen described. He thought it was very important that this went to an AGM or SGM because the Trustee is a key element in the Club activity as it guarantees all the owners' rights. He said that it had been decided many years previously to put everything into the hands of a trustee in order to protect owners' rights. Therefore, only the owners can remove the Trustee, not the Committee, and that was what they needed to defend, which is why it was on the current Agenda for voting, so that the results could be given to Hutchinson to use in the case they have with Mr Fletcher; then the judge will know how the majority of owners feel.

An owner pointed out that the majority of owners do not agree with what Mr Fletcher is doing and, as a Trustee, Hutchinson exist to protect everyone's rights. Mr Allen agreed they must follow the majority, and one of the issues is defining the majority. The owner felt that having everything verified strengthens their case and Mrs Martín said that is why they have Deloitte's at the meeting confirming that votes are from active owners, which Mr Fletcher does not have.

The proposal was passed with 1,973 in favour, 4 against and 15 abstentions.

4. CLUB LOS CLAVELES LTD TO STOP PROVIDING ANY SERVICES FOR CLUB LOS CLAVELES AND/OR THE OWNERS, NEITHER INVOICING MAINTENANCE FEES TO THE CLUB OWNERS, AS CLUB LOS CLAVELES LTD IS NOT THE ADMINISTRATOR FOR CLUB LOS CLAVELES

Mrs Martín said the owners had probably received invoices from Club Los Claveles Ltd, the company created by Mr Fletcher, , and which has been receiving money paid to Mr Fletcher, but which such company has nothing to do with Los Claveles. She knew that owners found it confusing because the invoice they issue is very similar to that of the actual Los Claveles invoices, so owners have to be very careful which they pay as several had made a mistake and paid the non-community account number; although they have claimed the money back when it has happened, they have not received it. Therefore, this proposal is to stop Club Los Claveles Ltd providing any services for Club Los Claveles or its owners, neither invoicing maintenance fees, since it is not the Administrator of the Club and the money does not go into Club Los Claveles to pay towards wages, maintenance, cleaning, Reception; they do not know where the money that goes into Club Los Claveles Ltd is going.

The WimPen lawyer knows that Club Los Claveles Ltd is a company registered in the UK and the Administrator appointed by Mr Fletcher is an individual called Hiro Bulchand, a lawyer in Madrid. If he was actually the Administrator, it would be him who would be invoicing owners for maintenance fees, not a company in the UK, which is illegal. The invoices say Issued at the request of the administrator Hiro Bulchand. Mr. Luis Martin confirm that this is illegal. He had written to the Mr. Bulchand and received no reply. Mrs Martín pointed out that the resort is in Spain and therefore they are not paying any tax on those invoices.

Mr Roger Barrow said that for him the greatest concern was that Mr Fletcher was sending invoices with an accompanying letter purporting to be for maintenance. They know that the money he receives does not contribute towards maintenance of Los Claveles and disappears. Many owners contact him regularly, often distressed, that they have paid the wrong account after receiving such a letter and when asking for a refund it has been refused. Many owners are also receiving harassing and bullying phone calls from Mr Fletcher and Mrs Parkinson demanding payment or their weeks will be cancelled. Therefore, he felt this was a particularly important resolution to find a way to stop them from sending out invoices which should be sent by the Community for money that is to be paid in the Community account. She said an owner who has sold their apartment had received a harassing telephone call from Mrs Parkinson saying that they must pay the outstanding maintenance fee before selling their apartment. The sale went ahead, and they are demanding that the new owner pays the outstanding fees to the 'Club'. Mrs Martín confirmed to the owner that there was nothing outstanding. Many owners are receiving such threatening letters and telephone calls, and Mrs Martín asked that they ignore any such threats.

An owner stressed that it was fraudulent as they were using the motif of the Club without the authority of WimPen or OnaGrup. Mrs Martín said their lawyers have confirmed that the invoicing is completely illegal and have made others aware. The lawyer said they have information that shows the company is not solvent Mrs Martín said that although it was clear to them, sometimes it is difficult for others to understand the situation. This is why it is important to let the other owners know how important it is to go to the meetings and vote.

The proposal was passed with 1,970 in favour, 2 against and 20 abstentions.

5. SUSPENSION OF CLUB COMMITTEE POWERS (INCLUDING PRESIDENT AND CHAIRMAN) UNTIL A NEW COMMITTEE IS ELECTED AT AN SGM

Mrs Martín thought this was also an important item. She said they had explained many times the problems Mr Fletcher is causing the Club; she didn't believe he was taking care of the Club at all, only for his own interests, which is causing the resort of Los Claveles a lot of problems. He has never been to the resort he is not interested in what is going on the resort: what kind of refurbishments has been done or any plans for future refurbishment.

One of the owners said that Mr Fletcher had made it clear that he would not accept nor recognise the outcome of the current meeting, but it was an important resolution, so he was interested to know whether Hutchinson following approval of this resolution would no longer recognise Mr Fletcher as the President of the Club. Mr Allen felt that because of the current litigation it was too difficult to answer.

Mrs Martín understood from Mr. Allen from Hutchinson that he recognised the current meeting and would take it to their court case, which Mr Allen agreed they will. Mrs Martín said therefore the court

case would show that the meeting had gone ahead and what the majority of the owners want to do, to be endorsed at an SGM...

One of the owners said that if this resolution is successful, then according to the current meeting they would have a power vacuum with no Chairman, which Mrs Martín confirmed, so he wondered if they should consider nominating a temporary acting President of the Club. Luis Martín said they considered the possibility but thought it was better to be done in an SGM, which would be as soon as possible. Currently, the concern was the litigation Hutchinson is going through and this would not change that, although they would have information on other issues from past years.. He understands the limitations Mr Allen has because of the litigation but the fact that they are here and the statements they have made should make them feel comfortable with them, and they would be working closely with them to try to find a solution to support the majority of owners.

The proposal was passed with 1,972 in favour, 4 against and 16 abstentions.

6. AUTHORISATION TO THE FOUNDER MEMBER TO CALL AN SGM FOR THE ELECTION OF NEW CLUB COMMITTEE NON-PERMANENT MEMBERS

Mrs Martín explained that anybody could stand as President or Committee Members, which would be taken to a vote at the SGM,

Luis Martín agreed they needed to call the meeting and try to get resolutions put forward to end the litigation as soon as possible.

Mrs Martín asked if there were any questions.

The proposal was passed with 1,970 in favour, 6 against and 16 abstentions.

An owner asked if Mr Fletcher was purposefully using the courts in Scotland, rather than England. Mrs Martín explained that the Club is not a common figure under Spanish law, only in Scotland.

The Escrituras, etc. are registered in Spain and Ley de Division Horizontal applies

For court cases in Spain it was difficult to explain how the Club works, especially who the owner of the properties is, which is the Trustee. Therefore, it is very complicated. She said they are working together very hard to comply with the wishes of the majority of owners, but they need the owners to come forward and not ignore the issues which will affect their property.

Mrs Martín thanked everyone for coming and all those who had been working hard on the issue.

An owner asked whether Escritura owners had the right to vote. Mrs Martín clarified they could vote at a Time share meeting or development owners association, but not at a Club meeting. The owner thought there were many Escritura owners who would agree with what Founder member are trying to do. Mrs Martín agreed that they are affected in terms of non refurbishment of the resort because the money is instead going to court cases with Mr Fletcher. However, there was no way to get Escritura owners to vote on Club matters, only at DOA and Community meetings.

The meeting was then closed at 11.50 a.m.