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Dear LOS CLAVELES Owner,

Above all, I again hope that each and every one of you and your families are well during this difficult situation affecting our lives.

As you know, I sent a summary of the **SECOND ARBITRATION** some days ago, an ARBITRATION that Mr Fletcher and the Committee refused to make public, and they have tried every trick possible not to have it published and known by all members of the CLUB.

With reference to the letter sent by Mr Fletcher denying the information given by me in the summary of the second arbitration further to the avalanche of requests from Owners asking for publication of the Arbitration, I decided to make it public to all the CLUB members so that you could see for yourselves that each of the points that I mentioned are really contained in the ARBITRATION and the decision of the Arbitrator as ratified in the courts after appeal by Mr Fletcher and the Committee.

Again Mr Fletcher does not accept the truth, as nor WIMPEN, nor the CLUB have signed a document of confidentiality; the confidentiality of the Arbitration is included in Article 26 of the SCOTTISH LAW OF ARBITRATIONS.

From this, it is clear that ARBITRATIONS are confidential, and WimPen asked the Arbitrator that the Award is made public, which the Arbitrator decided to leave to the discretion of the parties involved (WIMPEN and the CLUB COMMITTEE). Once the Arbitration was finalised, WIMPEN told the Committee and Mr Fletcher that not only were the Committee and the President, Mr Fletcher, part of the ARBITRATION, but also that each member of the CLUB, in other words yourselves, were involved directly and legitimately in the Process, and should therefore be informed of this result, but they have denied continually and this is why we made it public.

Another curious point is that Mr Fletcher in his letter expresses that he did not make it public because of the Law. It is worth reminding Mr Fletcher and the Committee that the First Arbitration was subject to CONFIDENTIALITY just like the second; the ARBITRATOR gave their verdict on 1 August 2017 and Mr Fletcher made the ARBITRATION totally public a few days later when it also was subject to CONFIDENTIALITY. I ask therefore why for this second ARBITRATION he is so interested in its CONFIDENTIALITY and he wasn't for the FIRST, when WIMPEN did not threaten to sue when they breached CONFIDENTIALITY of the first ARBITRATION; we respected that it was made public, because we were conscious that you should all be informed at all times.

Another important point is that in the last three Committees meetings on 23 March, 13 April and 28 April of 2021, since the first meeting Mr Fletcher and the Committee of Mr Lindsay and Mrs Burston decided that the issues and decisions of the Committee were confidential and could not be made public to the CLUB and its members, which we voted against. We expressed the view that this was not correct and that in the current moment you should all be made aware of each point discussed in the COMMITTEES since, additionally, until there is an AGM, the current COMMITTEE has not been formed legitimately to make decisions that affect the CLUB; However, they did vote and approve

maintaining secrecy of meetings and the resolutions of the Committee which goes against the transparency that is owed to the members of the Club. In addition, we explained that it is not constitutional and this confidentiality is not established in the Constitution and that the Committee were not empowered to make it so, which they ignored. We also requested that the Committee meetings be recorded, and again they refused.

All of these are irrefutable facts which can be proved.

In his letter he states that he does not want to convene an AGM because of certain doubts about Companies that own weeks, which supposedly according to Mr Fletcher and the Committee are Companies related to WimPen, which is not true, but this is another excuse. These Companies represent 24,07% and WimPen's weeks represent 4,80%; all Club members represent 71,13%, so this excuse is clearly false since, even if these companies vote against Mr Fletcher as President and the current Committee, if you the CLUB members voted against this, your decision would prevail, which is mathematically and legally irrefutable – another lie.

In his correspondence, Mr Fletcher refers to the FIRST ARBITRATION, which has never been presented to a Spanish Court for execution, which is surprising, but I will again answer his questions on the First Arbitration.

POINT ONE OF HIS CORRESPONDENCE ON THE FIRST ARBITRATION: “I order the Defendants (WIMPEN) to give the control of all the assets belonging to CLUB LOS CLAVELES which are in their power and control to the Plaintiff President, Albert Fletcher.”

WIMPEN does not have any CLUB assets in its power; the CLUB assets are the Villas and these Villas are the property of the Companies Los Claveles One Ltd, Los Claveles Two Ltd, Los Claveles Three, Ltd, Los Claveles Four, Ltd & Los Claveles Five Ltd, represented by FNTC as your TRUSTEE, so WIMPEN retains no asset in its possession.

POINT TWO OF HIS CORRESPONDENCE ON THE FIRST ARBITRATION: “I order that the DATABASE, or the Register of Members mentioned in Clause 11.6 of the Club Constitution is surrendered within 28 days of this Award.”

WIMPEN's response, which we informed to the ARBITRATOR, is that the DATABASE will be surrendered when a Spanish Court orders it, as we need to be conscious of its importance and safekeeping, and when a Spanish Court orders it, it will be surrendered. WIMPEN wishes to be careful with the personal information of the members and wants to avoid a possible uncontrolled surrender of the personal data of the Club owners, which is a very sensitive situation. Mr Fletcher himself knows that some personal data specialist have reported to the Arbitrator that the database should not be surrendered except through a Spanish court. As soon as this happens, we will be obliged, but this has not happened. Proof of the importance of the DATABASE and its custody is its use, which is not protected by the Committee and Mr Fletcher who have allowed its use without any type of control, as we have received countless complaints over this misuse.

POINT THREE OF HIS CORRESPONDENCE ON THE FIRST ARBITRATION: “I order that the Defendants (WIMPEN) deliver all the accounts kept for CLUB LOS CLAVELES as per Clause 17.1 of the CLUB Constitution, within 28 days.”

As you know, for more than 25 years you have decided and approved the accounts of the joint CLUB, ESCRITURA and ASSOCIATION, which have been approved each year and audited every three years (as approved by owners), so there are no CLUB accounts as they are combined, as you know. There

are combined ACCOUNTS but not CLUB accounts, and so this Arbitration order is materially impossible to accomplish.

POINT FOUR OF HIS CORRESPONDENCE ON THE FIRST ARBITRATION: “I order the Defendants (WIMPEN) to produce a bank account reconciliation of the Communal properties of CLUB LOS CLAVELES showing both the sums owned by the CLUB itself and that they make over such sums to the CLUB Claimants, within 28 days.”

Again this cannot happen in this way as WMPEN I not the owner of the amounts in the common account for more than 25 years, the bank accounts and the RESERVE FUNDS are all part jointly of the CLUB, ESCRITURA and ASSOCIATION, so it is not easy and would involve separation of the accounts which needs to be previously accepted by all parties in order to divide the funds; if it is not possible for all parties to come to an agreement, it would be a JUDGE that would have to decide via a judicial forensic opinion.

As you can see, these are not conjectures or opinions but actual legal facts. The accounts were created in this way as agreed jointly at the beginning of Los CLAVELES; it was decided this way by all the CLUB members. I can understand that you may now want to have them separated but this has to go through a process and there needs to be an agreement between all parties, so is not and cannot be a WIMPEN decision.

In his correspondence, Mr Fletcher asked me some open questions, which I have no problem in responding to:

- Why did I refuse to comply with the orders of the First Arbitration, when the Arbitration was final and binding on all participants?

I replied earlier that it is not true that WIMPEN did not comply with these orders; the Orders have to be requested to be executed and there has to be agreement between all parties on some points. As you can see, its execution is not WIMPEN’s responsibility; it is linked to a whole number of factors and situations which must be decided on. I explained this several times but they are not interested in understanding this. Mr Fletcher could be asked why he did not process the final execution of the award in the Spanish Courts; maybe it was because he wanted to continue the conflict in the Club for a long time to allow him to continue with his strategy to remain illegitimately at its chairmanship.

- Why are you refusing to comply with the wishes of the members as declared at the 2016 and before?

I don’t know what wishes Mr Fletcher refers to.

I have no worry as expressed in his correspondence about allegations of Fraud, Theft or Corruption; the LOS CLAVELES Accounts have always been public, this year as always, as they are audited. There has been a delay with the Audit carried out by Auditors based in UK due to COVID, but the Auditor will have them soon; proof is attached in the form of all the accounts where the INCOME and EXPENDITURE is itemised. They have already been sent and are public. This example should be followed by Mr Fletcher and the Committee who have not done this nor explained how they spend monies collected from Club members.

- Why are the members of the Club being denied the Financial Records to allow for a proper forensic examination?

This has never been requested by the CLUB Committee nor by Mr Fletcher and is categorically false. I would also add a reminder again that separate CLUB accounts don't exist as they are combined.

- Why do you keep persuading RCI to block members of the RCI system from using it?

This is totally false and a further lie. WIMPEN has never persuaded nor asked this from RCI. RCI has its own protocols; in fact, there are many Los CLAVELES Owners who exchange.

- Why are you refusing to respond to my letters regarding the CLUB paying the service charge for common areas?

It must be said that WiMPEN, as owner, is completely up-to-date with the payment of maintenance fees for common areas.

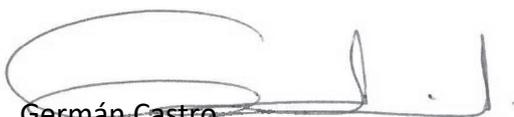
As I have explained repeatedly to Mr Fletcher and the Committee, the accounts have been combined for more than 25 years; for example, the staff, cleaning, reception, maintenance, etc. are hired by the Association, who is paying for these services. For example, these workers have seniority and acquired rights, so in order to separate the accounts this must be negotiated between the parties involved in order to be able to do so. WIMPEN cannot decide who gets what staff and their acquired rights in order to be able to separate the accounts. This is a small example that Mr Fletcher and the Committee seem not to understand or do not want to. This will be the same case for supplies as electricity, water, insurance, etc.

In order to be able to separate the accounts and carry out separate accounts, with incomes and expenditures, first all these points need to be resolved between the parties of the CLUB, ESCRITURA and ASSOCIATION. Once resolved, then the accounts could be separated when all the parties would need to know all the costs and repercussions involved.

As you can see, everything said by Mr Fletcher is not true, but this could easily be resolved by holding an AGM where all parties can have a discussion and decide the matter. I have no worry about the actions carried out, and no worries neither about the LOS CLAVELES accounts, which are excellent; each euro has served to maintain LOS CLAVELES to strengthen its economy, especially at this time, and I am very happy with our work.

I hope we can work together with the owners to get Los Claveles working properly as soon as possible.

Yours sincerely



Germán Castro
WimPen Leisure Management
Member of the Club Committee