

31 March 2015

Mr I V Pengelly
Wimpen Leisure Management SA
Tenerife

Los Claveles Club Committee
Tenerife

Dear Mr Pengelly,

Re: Notice of Termination of Management Contract/Administrator

I write to confirm the resolution that was passed at today's Committee Meeting (31 March 2015) and to confirm the content of the draft letter issued to you at that meeting.

The Los Claveles Club Committee is giving you (Wimpen/Onagrup) 4 months notice of termination of the contract we have with you for the Management/Administration of the resort known as Club Los Claveles. We do this within the Terms of the Constitution and the Management Agreement. This termination is also supported by the Escritura Representative who attended the Committee meeting as a non-voting participant. As in compliance with Escritura rules the Escritura Resolution will be on the Agenda for their Annual General Meeting in June.

The reason for The Club terminating their contract with you is that the relationship between us has irrevocably broken down. There are a number of factors that have lead to this and they include the following:

1. You have transferred control and Management of the Club Los Claveles to Onagrup without our knowledge and consent.
2. You have on many occasions refused to supply information in relation to Club Membership Register even though the Constitution is clear that this is the property of the Committee.
3. Changes have been made to rental and other charging policies without consultation.

4. Onagrup have portrayed Club Los Claveles on their public Web Site in ways that have not been agreed with the Committee
5. There is a clear conflict of interest with your organisation as you have not given proper advice and support as is your duty as our Administrator.

We will need to be in regular contact with you to ensure a smooth hand over of responsibilities so that the resort does not suffer and our employees are protected.

Yours faithfully,

Albert E.J. Fletcher,
Chairman Club Los Claveles
Elected Committee Member