

Timeshare Consumers Association  
Attn: Mr Sandy Grey  
Nornay  
Blyth  
Notts  
S81 8HG

27 August 2009

Dear Mr Sandy Grey,

**PALMER CLAIMANTS' GROUP  
AUGUST 2009 - BULLETIN**

**Island Village Heights, Flamingo & Yucca Park**

The position in relation to these resorts has not changed since our last bulletin. Following the sale of these resorts there remains approximately €3m due to be paid to the tax and local authorities in relation to these developments, with an additional €1m payable in staff redundancy costs.

**Los Olivos**

Following the completion of the sale of this resort in August 2008, the Joint Trustees have been receiving the sale proceeds of €8m in instalments. The final instalment was due to be received in July 2009. However, the purchaser informed the Joint Trustees that they were unable to raise the necessary finance to meet the final instalment. Accordingly, a revised payment schedule has now been agreed with a higher overall payment being made to take account of the delay in completing this matter.

The final instalment is due to be received in December 2009.

**Tenerife Royal Gardens**

You will recall that the Joint Trustees had hoped to sell the whole of this resort to a single purchaser. However, the prospective purchaser was unable to raise the necessary finance needed to proceed with the purchase. Unfortunately, the Joint Trustees did not receive any other offers to purchase the complex (as a whole) which would have raised sufficient monies to pay the outstanding Spanish taxes so as to leave sufficient monies to pay a dividend to creditors.

Therefore, the Joint Trustees had no alternative options open to them other than to both disperse the timeshare club and proceed to individually sell each of the apartments situated in the complex. The sale of the individual apartments has now begun, with all apartments expected to be sold by June 2010. However, given the current property crisis it is anticipated that completion of all sales is likely to be at a later date. The total realisations from the sales of the apartments are expected to be approximately €11 million. As you are aware, there are significant Spanish taxes outstanding which will need to be paid out of the realisations.

Realistically, it follows that a dividend to creditors cannot be expected before the end of 2010 given the current property crisis and the uncertainties surrounding the Spanish taxes. Unfortunately, at this stage it is not possible to accurately estimate the amount of any dividend that may be paid.

TRG will remain open to timeshare owners for the remainder of 2009, so owners who wish to use their week(s) in 2009 should pay their annual maintenance fees as normal, if they have not already done so. Maintenance fees for 2010 do not need to be paid until details of the exchange being offered are provided. If timeshare owners decide to take up the offer of an exchange, maintenance fees for the new resort will be issued and become payable.

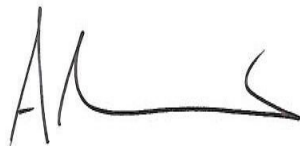
If timeshare owners have any queries regarding their maintenance fees, they should contact Paula Nicol at Crown Resort Corporation SL via email at paula.nicol@growngroup.es.

### **Club La Paz**

You will recall from our last bulletin that lawyers were in negotiations with the Spanish authorities in order to lift the criminal embargo presently in place over Club La Paz and that the process was proving time-consuming. This has now been the position for more than 3 years. This remains the present position and lawyers are continuing to try to resolve the issues. Unfortunately, the process of dealing with the Spanish Criminal courts is very slow as the case can only be dealt with by the Judge who initially issued the embargo. In this instance, the particular Judge involved is engaged in dealing with the ETA terrorist cases. This is the reason why we are not able to provide any indication of timescale.

We shall write to you again in February 2010 but will notify you if there are any important developments before this date.

Yours sincerely



ANDREW WALKER  
PARTNER  
For and on Behalf of  
IRWIN MITCHELL LLP