

Dear

**PALMER CLAIMANTS' GROUP
MARCH 2011 - BULLETIN**

Tenerife Royal Gardens

The Joint Trustees continue to sell the remaining individual freehold units at Tenerife Royal Gardens, following the dispersal of the timeshare club (as approved at a Special General Meeting of timeshare members on 13 December 2010). The Joint Trustees are experiencing significant difficulties in selling several of the units due to a lack of paperwork and registration documents.

Club La Paz

The Club La Paz timeshare club continues to lose money on a monthly basis and the Joint Trustees are considering the most appropriate method of dealing with the resort, having successfully negotiated with the Spanish Court to have the embargo lifted from the resort for the sum of €0.5m. A disposal strategy has nearly been finalised, at which point all timeshare owners at Club La Paz will be notified in writing.

As previously stated, there is still uncertainty with respect to the quantum of outstanding debts to the Spanish authorities and the likely proceeds from the sale of the remaining units at Tenerife Royal Gardens and Club La Paz, which will impact upon the level of funds available to pay a dividend to unsecured creditors. Moreover, the timing of such a dividend will likely depend upon the speed at which the Trustees can dispose of the Club La Paz resort.

As previously advised, if timeshare owners have any queries regarding their former timeshare holding at Tenerife Royal Gardens, they should contact Paula Nicol at Crown Resort Corporation SL via email at paula.nicol@growngroup.es.

We shall provide another update in May 2011 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