

By Email Only

To All Known Members of Club Paradiso

13 October 2020

Dear Member,

Club Paradiso Limited (In Liquidation) (the "Company")

Notice of Appointment of Joint Liquidators

We write to you in your capacity as a member of Club Paradiso (the "**Club**"). The Company acts as club manager to the Club. In this letter, you and other members of the Club, are referred to as the "**Members**".

Please be advised that on 24 September 2020, Owen Walker of R&H Restructuring (BVI) Ltd, PO Box 3162, Road Town, Tortola, British Virgin Islands, and Barry Lynch of Alvarez & Marsal Cayman Islands Limited, PO Box 2507, 2nd Floor, 70 Harbour Drive, George Town, Grand Cayman KY1-1104 were appointed as Joint Liquidators of the Company, (the "**JLs**"). Please find enclosed a notice of appointment.

Upon the JLs' appointment, the sole director of the Company, Mr Alexander Lawson, ceased to have any powers (other than those required or permitted as a matter of British Virgin Islands ("**BVI**") law). The JLs now have custody and control of the assets of the Company. In undertaking their functions and duties as liquidators of the Company, the JLs act as officers of the BVI Court, and are agents of the Company (acting without personal liability).

In their capacities as liquidators of the Company, the JLs have powers to direct the affairs of the Company, including, in connection with its role as club manager to the Club.

Proposal to Members

The JLs understand that in the 12 months preceding their appointment to the Company, the Club has faced significant issues with (amongst other things) limited access to hotel and resort accommodation and lack of funding. The JLs have determined that the Club is no longer viable and is unlikely to be able to provide services to Members in the future.

In light of the issues facing the Club, I understand that prior to the appointment of the JLs, the Company was liaising with a number of third party holiday membership and resort providers with the intention that these providers offer equivalent service to Members in the future. Those negotiations resulted in one third-party operator putting forward an offer that the Company considered sufficiently attractive to the Members (the "**Regency Offer**"). Following their appointment, and upon considering the Regency Offer, the JLs now wish to communicate that offer to the Members.

The Regency Offer is made by a third party, which is entirely independent of the Company, the Club, the former management of the Company and the JLs.

Please note that while the Regency Offer was negotiated solely for the benefit of Members, there is no obligation for you (or any other member) to accept any such offer.

Any member that accepts the Regency Offer shall terminate its relationship with the Club.

Regency Offer

Regency operates a number of Tenerife-based hotels and apartments, which offer a range of studio one-, two-, and three-bedroom units which are able to accommodate 2, 4, 6 and 8 guests respectively.

In an offer being made exclusively to Members, Members may opt to enjoy an annual 7-night stay in one of Regency’s Tenerife resorts (including the Regency Club Tenerife and The Regency Country Club), at the following discounted rates:

Duration of Stay	Maximum Occupancy	Unit Type	Total Discounted Price (GBP / £)
7 nights	8	Three-bedroom	1,023
7 nights	6	Two-bedroom	848
7 nights	4	One-bedroom	738
7 nights	2	Studio	603

These discounted prices, which are subject to change based on the local inflation rate in the Canary Islands, are payable in full at the time of booking and will be available to Members on an annual basis for three consecutive years (which term may be extended by agreement between the Member and Regency).

Bookings should be made with the Regency reservation department (booking@regencytorviscas.com) directly and booking may be made at any time during the calendar year, subject to availability. Please note that these vacation entitlements may not be accrued or carried forward year-to-year.

Further information regarding the Regency resorts, their locations and the amenities/facilities available can be found at their websites at: <https://www.regencytorviscas.com/>. and <https://regencycountryclub.com/>.

In relation to the Regency offer, please note that:

- the offer is available to Members for a period of 60 days (i.e. until 12 December 2020), though such period may be extended by Regency at their discretion;
- Acceptance of the Regency Offer requires the relinquishment of your current membership(s) of the Club – please see below for further information regarding this process; and
- You may voluntarily relinquish your membership at any time.

Making Your Election

Step 1: Confirm Your Election

Using the *Election Form* (enclosed), please confirm your election by marking the appropriate check box. Once this form is completed, it should be signed by the relevant Member(s) as indicated therein;

Step 2: Complete Membership Relinquishment Form

As noted above, the taking up of the Regency offer requires the surrender of your membership of the Club. If you wish to take up the Regency offer, please complete the *Surrender of Membership Form*, which is enclosed.

Completion of this document will serve to formally terminate your relationship with the Club. As noted therein, this form also suffices to document the agreement between the Club and the member to waive, release or discharge any claims or liabilities either party may have against the other.

Step 3: Return Forms

Please return scanned copies of the *Election Form* and the *Surrender of Membership Form* via email to ClubParadisoLimited@RHRestructuring.com **on or before Friday 11 December 2020**, following which you will receive confirmation of your membership relinquishment and, where relevant, details of the next steps required in respect of the Regency offer.

Voluntary Surrender of Membership

Should any Member not wish to accept the Regency Offer, then that Member may, as an alternative, elect to surrender their membership of the Club.

To do so, a Member must arrange for the execution and return of the *Surrender of Membership Form* (enclosed) via email to ClubParadisolimited@RHRestructuring.com.

Upon our receipt of this document, the Member shall receive confirmation of that surrender and, thereafter, that Member's membership of the Club will cease, and benefits will no longer be available to Members.

Completion of this document will serve to formally terminate your relationship with the Club. As noted therein, this form also suffices to document the agreement between the Club and the Member to waive, release or discharge any claims or liabilities either party may have against the other.

No Action

Should a Member take no action, that Member will remain a member of the Club, despite it being no longer operational. Please note that there will be no annual fees charged to Members going forwards.

Where a Member wishes to remain a member of the Club, the JLs take this opportunity to request copies of all documentation Members have pertaining to their membership including contracts, invoices, correspondence and anything else they feel is pertinent to their membership and dealings with either the Club or Company as this will assist with our investigations in to the affairs of the Company and the status of Members in connection with the Company.

From the records currently available to the JLs, it would appear that third party entities, acting as agents of the Club, were engaged in selling Club memberships. At the current time, the JLs have been unable to establish that the Company itself sold memberships or formally engaged third parties to perform these sales on its behalf. It further appears that historic upfront subscription fees were not paid to the Company albeit it did collect Maintenance Fees up until these ceased in 2019. Accordingly, there is considerable uncertainty as to status of Members with regards the Company, and the extent to which such Members have standing in connection with liquidation of the Company.

Accordingly, in order to properly evaluate any claim (and to assist with the JLs' provisional investigations), it is imperative that copies of the documentation referred to above are provided to us. Should any Members taking no action wish to assert a creditors claim against the Company then they should return the enclosed Proof of Debt form, along with all documentation in support of the claim made.

Please note that neither the invitation for you to tender a claim or the submission of a claim form constitutes or should be deemed as an admission of your claim. The JLs reserve their position with regards to any claim that you wish to bring in the liquidation of the Company regarding your membership of the Club.

The JLs draw your attention to the waiver of any claims against the Company should you elect to participate in the Regency Offer.

Please return any documentation via email to ClubParadisoLimited@RHRestructuring.com.

We thank you for your patience and understanding during what has been a very challenging time.

Yours faithfully



Owen Walker
Joint Liquidator

The Joint Liquidators act as agents of the Company only and without personal liability.

Contact for Enquiries:

Sophie Smith
Email: ClubParadisoLimited@RHRestructuring.com

Encl.

- Certificate of Appointment of JLs
- Election Form
- Member Surrender Form
- Proof of Debt

CLUB PARADISO LIMITED
COMPANY NUMBER: 420490
(the "Company")

CERTIFICATE OF APPOINTMENT OF JOINT LIQUIDATORS

I, Alexander Lawson, being the chairman for the purpose of the qualifying resolution of the Company dated 24 September 2020 (as described below), **HEREBY CERTIFY** pursuant to Rule 154(1)(b) of the Insolvency Rules (Revised 2013) (the "**Rules**"), that you, Barry Lynch of Alvarez & Marsal Cayman Islands Limited of Flagship Building, PO Box 2507, 2nd Floor, 70 Harbour Drive, George Town, Grand Cayman, KY1-1104, Cayman Islands and Owen Walker of R&H Restructuring (BVI) Ltd. of James Frett Building, Wickhams Cay 1, P.O. Box 3162, Road Town, Tortola, VG1110, British Virgin Islands (the "**Joint Liquidators**"), were duly appointed as the joint liquidators of the Company on 24 September 2020 pursuant to a qualifying resolution passed by the sole member of the Company on that day in accordance with Section 159(2) of the Insolvency Act 2003 (as revised).



Alexander Lawson

Election Form

I/We(name)

of _____ (address)

a Member of the Club and holder of membership number _____, wish to confirm

the below election:

Option 1: Acceptance of Regency Offer

I/we hereby confirm the surrender of my/our membership of Club Paradiso by way of the attached Surrender of Membership form. We further wish to accept the Regency offer, as set out in the Notice of Offer and Surrender. We agree to adhere to Regency's procedures in connection with acceptance of the offer.

Option 2: Relinquishment Only

I/we hereby confirm the surrender of my/our membership of Club Paradiso by way of the attached Surrender of Membership form.

Dated:

.....
Name and signature of authorised member

.....
Name and signature of authorised member

.....
Membership number

.....
Membership Number

By Email Only

13 October 2020

Dear Sir / Madam

CLUB PARADISO (THE "CLUB") –SURRENDER OF MEMBERSHIP

We understand that you have expressed a desire to surrender your membership of the Club (the "**Surrender**") and cease to be a Member. The Club and Club Paradiso Limited (in Liquidation) (the "**Company**") are prepared to facilitate and assist with the Surrender, subject to the conditions set out in this letter ("**Letter**").

In accordance with the Rules and Regulations of the Club, the surrender of a membership requires:

1. notification from the member by registered post of the intention to surrender the membership, signed by all members whose names appear on the original Certificate (as defined below), and sent to the Club; and
2. the return of the original membership certificate (the "**Certificate**").

In order to satisfy requirement 1, as listed above, please counter-sign and date this Letter (together with any other person(s) named on the Certificate) and return by email to the Company, c/o R&H Restructuring (BVI) Ltd at ClubParadisoLimited@RHRestructuring.com (the "**Notification**").

Upon receipt of the Notification by email, the Club and the Company will waive, and release you from the requirement to return the Certificate and the Surrender will be effective immediately.

By counter-signing and dating this Letter you (and any other person(s) named on the Certificate):

1. represent that you are either (A) the person(s) named on the Certificate or (B) authorised to counter-sign and date this Letter for and on behalf of those person(s) named on the Certificate and acknowledge and agree that the Company shall rely on such representation for the purposes of the Surrender; and
2. agree to release, waive and discharge all claims and liabilities of any kind, whether direct or indirect, foreseen or unforeseen, contingent or actual, present or future, that you may have against the Club and/or the Company (the "**Released Claims**") with immediate effect. Following the Surrender, should you (and any other person(s) named on the Certificate) seek to bring any actions, claims and proceedings in respect of any of the Released Claims against the Club and/or the Company, you shall be required to indemnify the Club and/or the Company for all costs and damages (including the entire legal expenses) incurred by those parties in those actions, claims and proceedings.

The terms of this Letter are confidential to the parties hereto and their advisers, who shall not disclose them to, or otherwise communicate them to, any third party (other than any parties' respective auditors, insurers and lawyers on terms which preserve confidentiality or as may be required by law or as far as necessary to implement and enforce any of the terms of this Letter).

This Letter shall be governed by and construed in all respects in accordance with the laws of the British Virgin Islands. The courts of the British Virgin Islands shall have exclusive jurisdiction to settle any disputes arising out of or connected with the Letter, and the parties hereto irrevocably submit to its exclusive jurisdiction for all purposes arising out of or connected to this Letter.

[Signature pages follow]

CLUB PARADISO – SURRENDER OF MEMBERSHIP

This Letter may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one Letter.



Owen Walker
Joint Liquidator
Club Paradiso Limited (in Liquidation)

Date: 13 October 2020

CLUB PARADISO – SURRENDER OF MEMBERSHIP

Acknowledged and agreed:

Member Number: _____

Name(s):
Member(s), Club Paradiso

Date: _____

To be returned by email to Club Paradiso Limited (in Liquidation) c/o R&H Restructuring (BVI) Ltd at ClubParadisoLimited@RHRestructuring.com

Claim Form

Rule 184

Name of Proceeding: Club Paradiso Limited - in Liquidation

Date of Appointment of Liquidator: 24 September 2020

No:

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim as at the date of appointment of liquidator	\$
4	If total amount above includes outstanding uncapitalised interest, please state amount	\$
5	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts set out in the Insolvency Rules, 2004.	Category Amount(s) claimed as preferential \$
6	Particulars of how and when debt incurred	
7	Details of any documents by reference to which the debt can be substantiated [Note: the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
8	Particulars of any security held, the date it was given and the value of the security	
9	Signature of creditor or person authorized to act on his behalf Name in BLOCK LETTERS Position with or relation to creditor Address	: : : :