

This is the draft version of the constitution of the Club referred to in the foregoing resolution

THE ELMERS COURT COUNTRY CLUB

CONSTITUTION

1 Commencement and Name

The Club shall commence on 1 June 1986 and shall be called "The Elmers Court Country Club" and is hereinafter referred to as "the Club".

2 Headquarters

The Headquarters of the Club shall be at Elmers Court, Walhampton, Lymington, Hampshire SO41 5ZB.

3 Objects

The Club will be a non profit making club whose object is to secure for the members joint rights of ownership of specific Apartments and other accommodation (as more particularly referred to in Article 7 hereof) and also exclusive rights of occupation of such specific Apartments and other accommodation for specified periods in each year during the period of Eighty years hereinafter mentioned. Until 31 August 2014 these rights will be on a fixed apartment/fixed week basis but with effect from 1 September 2014 that basis will cease and the rights will instead be on a flexible apartment/flexible week basis.

4 Interpretation

- (a) For the purposes of this Constitution the following terms shall have the following meanings ascribed to them:-

Apartment shall have the meaning set out in Article 7 hereof;

Former Fixed Week means the period in each year for which the holder of a Holiday Certificate immediately before 1 September 2014 was entitled to occupy the Apartment to which the Holiday Certificate related;

Former Fixed Week Holder means the holder of a Holiday Certificate who was the holder or a joint holder of that Holiday Certificate immediately prior to 1 September 2014 (the "original holder") or a subsequent holder of that Holiday Certificate who is (i) a spouse, parent, brother, sister, child or remoter descendant (a "privileged relation") of the original holder, or (ii) a spouse of such a privileged relation, or (iii) a holding or subsidiary company of the original holder where it was an incorporated company or body. For the avoidance of doubt, if a Holiday Certificate relating to a Former Fixed Week ceases at any time after 31 August 2014 to be held by a Former Fixed Week Holder of that Holiday Certificate, the new holder of the Holiday Certificate will not be a Former Fixed Week Holder in relation to that Holiday Certificate, and no other person thereafter can become a Former Fixed Week Holder in

relation to that Holiday Certificate;

Founder Member means ~~Macdonald Resorts Limited (formerly known as Barratt International Resorts Limited and Barratt Multi-Ownership & Hotels Limited) incorporated under the Companies acts and having its registered office at Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9AG~~ Elmers Court Limited (registered number 16398023) incorporated in England and Wales and having its registered office at Foss Islands House, Foss Islands Road, York, United Kingdom, YO31 7UJ; and the Founder Member will also be an ordinary member of the Club if it is a Holiday Certificate holder and will remain the Founder Member even if it ceases to hold any Holiday Certificates;

Good Standing in relation to a member means the member not being in arrears as regards the payment of management charges due on his Holiday Certificate(s), which shall be determined by the Founder Member;

Occupancy Rights means a contractual licence giving rights to the exclusive use and occupation of an Apartment for the duration of a Use Period subject to and in accordance with the provisions of this Constitution;

Points means the units in which the extent of Occupancy Rights to which a member is entitled are expressed;

Points Grading means, in relation to an Apartment, the total Points Value of all Use Periods in the Apartment and the allocation of that total Points Value to individual Use Periods which Values may vary according to the size and design of the Apartment and the season and demand for the relevant Use Periods;

Points Rights means the right of a member to be credited each Use Year with Points in accordance with Article 9(b);

Points Scheme means the flexible apartment/flexible week leisure property occupation scheme conducted in terms of this Constitution with effect from 1 September 2014;

Points Scheme Accommodation Tables means any Schedules which list all the Apartments in the Points Scheme, the individual Points Gradings of these Apartments, the total Points Gradings of all these Apartments, and the total number of Points Rights in existence;

Points Value means in relation to a Use Period the number of Points required to reserve Occupancy Rights for that Use Period;

Points Value Guide means any Schedules which indicate the description of Apartments and the Use Periods and Points Value attributable to each Apartment;

Reservation Department means such department or office operated by the Founder Member or such entity or personnel as the Founder Member shall determine and with such telephone number(s) and/or other contact details as the Founder Member shall determine for the purpose of dealing effectively with reservations of Use Periods and such other functions as the Founder Member shall determine;

Schedules means schedules maintained by the Founder Member, which shall be in writing, may be contained in separate documents and may be in electronic form;

Use Period means, in relation to any Apartment, a period of a day or consecutive days shown in relation to that Apartment in the relevant Points Value Guide, the said periods being based on Tables A and B annexed to this Constitution or as otherwise determined by the Founder Member; and

Use Year means the year from 1 January to 31 December inclusive, the first Use Year being the year commencing on 1 January 2015;

- (b) Unless the context otherwise requires, headings do not affect the interpretation of this Constitution, words and expressions importing the singular shall include the plural and vice versa, references to one gender shall include all genders and words and expressions denoting natural persons shall include legal persons and vice versa.

5 First Members

The first members of the Club shall be Barratt Multi-Ownership & Hotels Limited of Multi-Ownership House, 6 Half Moon Street, Mayfair, London W1Y 7RA and Barratt Scotland Limited of Ythan Terrace, Ellon, Aberdeenshire provided that the said Barratt Scotland Limited shall not be bound to take up any Holiday Certificates more particularly referred to below and shall resign from membership of the Club as soon as there are at least four other members of the Club.

6 Admission to Membership etc

Subject to the provisions of this Constitution, any person (not being a minor) may apply for and be admitted to membership of the Club and be entitled to hold a Holiday Certificate. After 31 August 2014 an incorporated company or body shall not be entitled to hold a Holiday Certificate unless that company or body is the Founder Member or is a Former Fixed Week Holder of that Holiday Certificate or is a holding or subsidiary company of the Founder Member or the Former Fixed Week Holder. Persons may purchase in joint names in which case they may be admitted to membership provided that the number of persons who may become joint members shall be limited to four in the case of persons who were before 1st June 1986 members of Elmers Court Country Club Limited and shall be limited to two in any other case. When a Holiday Certificate is held in joint names the term "holder" or "Holder" in this Constitution will encompass all the joint holders or Holders. Both the Founder Member and the Committee (as hereinafter defined) will have power (which each may exercise without reference to the other) to admit applicants to membership. Upon being admitted to membership the new member will be issued with a membership card, his name and address will be recorded in the Club's Register of Members and he will be bound to take up at least one Holiday Certificate. In the first instance Holiday Certificates will be issued to new members by the Founder Member as initial holder of all the Holiday Certificates. Thereafter Holiday Certificates may, subject to the provisions of this Constitution, be purchased or otherwise acquired from existing or retiring members or the representatives of deceased members. Any Holiday Certificates not issued by the Founder Member to new members will belong to the Founder Member as an ordinary member and it will be entitled to all the rights and privileges and be subject to the obligations and liabilities of being an ordinary member and Certificate holder.

Apartments and Holiday Certificates

- (a) The Founder Member shall procure the erection on the sites at Elmers Court in respect of which planning permission has already been granted as at 1 June 1986 of residential apartments and other accommodation including parking complete with such amenities, services, fixtures, fittings, equipment, furnishings and utensils as may seem appropriate, provided that the number siting and design of the said apartments and leisure complex may be changed and any additional erections made by the Founder Member in consultation with the Committee. -
- (b) After each apartment shall have been acquired or completed (as the case may be) and be ready for occupation an inventory will be drawn up by the Founder Member detailing the state and condition of the apartment and detailing the entire contents thereof and the same shall be updated and revised from time to time as necessary by the Committee (as hereinafter defined) or the Management Company (hereinafter referred to) whichever is for the time being responsible for the administration of the affairs of the Club. -
- (c) The Founder Member will arrange for the said apartments and any amenity ground pertaining thereto to be conveyed to or leased for 999 years to and for rights of access to such apartments and amenity ground to be granted to an independent Trustee before the issue of any Holiday Certificate in respect thereof who will hold the same upon trust for the benefit of the members of the Club from time to time upon the terms of the Deed of Trust referred to in Article 25 hereof (each apartment held at any time in trust by the Trustee in terms of this Constitution being hereafter called an "Apartment"). The conveyance or conveyances or lease or leases shall contain all normal and appropriate clauses for conveyances or leases (as the case may be) of this type including a clause stating that the Apartments built on the ground will be used and maintained as holiday apartments. The said fixtures, fittings, equipment, furnishings and utensils shall become the property of the Club.
- (d) All Holiday Certificates, unless cancelled in terms of the provisions of this Constitution, will be valid until 31 May 2066. The period of 80 years from 1 June 1986 (the date of commencement of the Club) to 31 May 2066 is hereinafter referred to as "the Initial Period" and is the perpetuity period applicable hereto.
- (e) In return for conveying or leasing an Apartment to the Trustee the Founder Member will initially hold all Holiday Certificates which may be issued in respect of that Apartment. Until 31 August 2014 each Holiday Certificate will entitle the holder each year to occupy the Apartment to which the Holiday Certificate relates for the period stated on the face of the Holiday Certificate. With effect from 1 September 2014 the Points Scheme shall operate and the holder of each Holiday Certificate will be entitled to a certain number of Points Rights. That number will be determined by the Founder Member in terms of the provisions of this Constitution and will be recorded by the Founder Member in the Register of Members. Where a new holder acquires a Holiday Certificate from the Founder Member after 31 August 2014 that Holiday Certificate will specify the number of Points Rights to which the holder of the Holiday Certificate will be entitled. Where a Holiday Certificate is held at midnight on

31 August 2014 the Founder Member will intimate to the holder of the Holiday Certificate the number of Points Rights to which the holder will be entitled with effect from 1 September 2014. That number will equate exactly to the Points Value at midnight on 31 August 2014 of the period in the Apartment to which the Holiday Certificate relates. The intimation will be made by means of a Form of Intimation of Points Rights which will be sent by the Founder Member to the holder prior to 1 September 2014. The Form of Intimation of Points Rights will operate as an amendment to the provisions set out in the Holiday Certificate. Where there are joint holders of a Holiday Certificate the Founder Member shall only be obliged to send a Form of Intimation of Points Rights to the first named holder on the Certificate. The accidental omission to send a Form of Intimation of Points Rights to a holder or the non-receipt of a Form of Intimation of Points Rights by a holder shall not invalidate matters and each holder shall have the number of Points Rights recorded by the Founder Member in the Register of Members.

- (f) The holder or all the joint holders of a Holiday Certificate or Certificates, including a person or persons who have been given notice under Article 28(f)(5) hereof, shall be entitled to relinquish some or all of his/their Holiday Certificate(s) subject to:
- i) the Founder Member receiving from the holder(s) at Owner Services Department, Central Administration Building, Aviemore, Inverness-shire PH22 1PN by 30 September 2014 (or such later date as the Founder Member may in its discretion accept) a notice in writing of his/their wish to relinquish some or all of his/their Holiday Certificate(s) (such notice to be known as a "Notice of Wish to Terminate") and in the case of some only identifying which Certificate(s) he/they wish to relinquish;
 - ii) the holder(s) not being in arrears as regards the payment of management charges due on any of his/their Holiday Certificate(s) (irrespective of whether he/they propose to relinquish them);
 - iii) the holder(s) making a termination payment to the Founder Member to compensate it for the loss of contractual rights, the amount of such termination payment to be determined by the Founder Member; and
 - iv) the Founder Member issuing a notice in writing to the holder(s) accepting a Notice of Wish to Terminate (such notice to be known as a "Notice of Confirmation of Termination").

Upon issue of a Notice of Confirmation of Termination the Holiday

Certificate(s) identified therein shall be automatically cancelled and thereafter be void and of no effect and all past, present and future rights (including Points Rights) and obligations attaching or relating to such Holiday Certificate(s) shall be extinguished. In addition, if all the Holiday Certificate(s) held by the holder(s) are relinquished the holder(s) will also cease to be a member of the Club upon the issue of the Notice of Confirmation of Termination.

- (g) Thereafter, the holder or all the joint holders of a Holiday Certificate or Certificates, including a person or persons who have been given notice under Article 28(f)(5) hereof, shall have an opportunity to relinquish some or all of his/their Holiday Certificate(s) every second Use Year starting with the Use Year commencing 1 January 2016, subject to:
- i) the Founder Member receiving from the holder(s) at Owner Services Department, Central Administration Building, Aviemore, Inverness-shire PH22 1PN (or such other address as the Founder Member may intimate to holders from time to time) a Notice of Wish to Terminate in the period between 1 August and 30 September of the relevant Use Year (a "Notification Period") (provided the Founder Member may in its discretion take receipt of a Notice of Wish to Terminate out with a Notification Period and treat it as if received during a Notification Period) and in the case of the holder(s) wishing to relinquish only some of their Certificate(s), identifying which Certificate(s) he/they wish to relinquish;
 - ii) the holder(s) not being in arrears as regards the payment of management charges due on any of his/their Holiday Certificate(s) (irrespective of whether he/they propose to relinquish them);
 - iii) the holder(s) making a termination payment to the Founder Member to compensate it for the loss of contractual rights, the amount of such termination payment to be determined from time to time by the Founder Member; and
 - iv) the Founder Member issuing to the holder(s) a Notice of Confirmation of Termination PROVIDED, however, the Founder Member shall only be obliged to issue Notices of Confirmation of Termination to such number of holders as will result in the cancellation of an aggregate number of Points Rights equivalent to the Points Grading of an Apartment. For this purpose the Founder Member will apply Notices of Wish to Terminate in the order received by it (and in the event of any uncertainty or challenge the Founder Member's determination shall be final).

Upon issue of a Notice of Confirmation of Termination the Holiday Certificate(s) identified therein shall be automatically cancelled and thereafter be void and of no effect and all past, present and future rights (including Points Rights) and obligations attaching or relating to such Holiday Certificate(s) shall be extinguished. In addition, if all the Holiday Certificate(s) held by the holder(s) are relinquished the holder(s) will also cease to be a member of the Club upon the issue of the Notice of Confirmation of Termination. Any holder who submits a Notice of Wish to Terminate pursuant

to this Article 7 (g) and who does not receive a Notice of Confirmation of Termination shall remain a member of the Club and his Holiday Certificate(s) shall not be cancelled in accordance with the provisions hereof. Such a holder shall be notified to that effect by the Founder Member (and, for the avoidance of doubt, any termination payment made by such holder shall be reimbursed to such holder). Further, such a holder's Notice of Wish to Terminate shall carry forward to the next Notice Period falling in the next but one Use Year (unless a holder withdraws his Notice of Wish to Terminate by giving the Founder Member notice in writing to that effect).

- (h) The Founder Member may at any time from time to time cancel any Holiday Certificate(s) held by it (provided management charges due in respect of such Certificate(s) are not in arrears) which Certificate(s) shall thereafter be void and of no effect and all past, present and future rights (including Points Rights) and obligations attaching or relating to such Holiday Certificate(s) shall be extinguished.

8 Points Gradings, Points Rights, Points Values etc

- (a) The Founder Member shall determine the Points Gradings of all Apartments. The Points Grading of an Apartment shall take into account the relative size and design of and demand for that Apartment.
- (b) The Founder Member shall maintain in the Club's Register of Members a record of the number of Points Rights held by each member. Except as otherwise provided in terms of this Constitution the total number of Points Rights held by members at any time shall not exceed the total Points Gradings of all Apartments in the Points Scheme at that time.
- (c) The Founder Member may vary the Points Grading of specific Apartments (including varying the Points Values of Use Periods within the overall Points Grading of an Apartment) to take into account (a) any change in the size and design of the Apartments as compared with other Apartments and/or (b) any increase or decrease in demand for specific Apartments and Use Periods. Any such variation shall be made so as to ensure that the total Points Gradings of all Apartments in the Points Scheme is not altered, and shall be made only where principally for the purpose of improving the quality and operation of the Points Scheme and furthering the collective enjoyment of the Apartments by the members (both present and future) taken as a whole.
- (d) The Founder Member may from time to time for administrative or technical reasons redenominate all Points and correspondingly all Points Values, Points Gradings and Points Rights by increasing their number in line with each other or by decreasing their number in line with each other, but for the avoidance of doubt such redenomination shall not in any way affect their intrinsic value.
- (e) The Founder Member shall maintain Schedules which shall specify:

the Apartments by name and by description of accommodation;

the Points Grading of all Apartments;

the duration of Use Periods in respect of all Apartments;

the Points Values of Use Periods;

the total number of Points Rights in existence.

9 Points, Occupancy Rights etc

- (a) In the period from 1 September 2014 to 31 December 2014 any Former Fixed Week Holder with a Former Fixed Week between weeks 35 and 52 will be entitled to occupy the Apartment to which the Former Fixed Week applied for the duration of the Former Fixed Week in accordance with Tables A and B annexed to this Constitution, subject to Article 10(e) hereof.
- (b) The Founder Member shall in respect of each Use Year from the Use Year starting on 1 January 2015, ensure that each member is credited with the number of Points to which he is entitled by virtue of his holding of Points Rights.
- (c) Members shall be entitled to redeem, for Occupancy Rights in an Apartment for a Use Period in a Use Year, Points to which the member is entitled in that Use Year together with Points saved from the previous Use Year in accordance with Article 13, and/or Points borrowed from the subsequent Use Year in accordance with Article 12. Unused Points will expire at the end of the Use Year and may not be carried forward to the following Use Year unless saved in accordance with Article 13.

10 Former Fixed Weeks, Redemption of Points etc

- (a) Subject to Article 10(e) hereof, each member who is a Former Fixed Week Holder will for the Use Year ending 31 December 2015 be assumed to wish to occupy his Former Fixed Weeks in accordance with Tables A and B annexed to this Constitution and will be deemed to have received a confirmed reservation in terms of Article 11(f) hereof for each of his Former Fixed Weeks. If instead of using a Former Fixed Week in this way the member wishes to use his Points to make another reservation he must call the Reservation Department in terms of Article 11(c) hereof to cancel the reservation of his Former Fixed Week and make the other reservation in terms of Article 11 hereof. The cancellation of the reservation of the Former Fixed Week will be treated as a cancellation to which the provisions of Article 16(a) and (b) hereof will apply except that there will be no penalty under Article 16(a) hereof (i.e. the percentage forfeiture will be 0%) if the date of commencement of the Former Fixed Week is before 1 September 2015 and the cancellation is made before 1 December 2014.
- (b) Members shall be entitled to redeem Points for Occupancy Rights in accordance with the Points Value Guide and the Scheme Accommodation Tables, subject always to the rights of members in relation to their Former Fixed Weeks pursuant to Article 10(a) hereof and to any limitations on availability of Use Periods and/or Apartments as may arise from time to time.
- (c) Occupancy Rights shall be exercisable during a Use Period and the duration of available Use Periods shall be shown on the Points Value Guide together

with the number of Points necessary to exercise the Occupancy Rights in respect of each such Use Period.

- (d) In any application to redeem Points for Occupancy Rights, members must comply with this Constitution, including in particular Article 11 hereof.
- (e) The Founder Member may, where it deems it necessary, allocate an alternative Apartment to the Apartment confirmed provided it has at least the same maximum occupancy.
- (f) All days not allocated to Use Periods will belong to the Founder Member which shall be entitled to group them together in any manner it considers appropriate.

11 Reservations etc

- (a) Subject to the rights of members in terms of Article 10(a) hereof, to Articles 11(c) and (j) hereof and subject to any reciprocal rights under Article 18 hereof Use Periods in Apartments may be reserved (by redemption of Points for Occupancy Rights) on a first come first served basis subject to availability.
- (b) Each such reservation shall be by reference to the Points Value Guide current at the time thereof.
- (c) To reserve a Use Period, a member must call the Reservation Department (or as otherwise specified by the Founder Member from time to time) not earlier than twelve (12) months and not later than one (1) day in advance of the first day of the desired Use Period. In the first two weeks of the twelve month period a Former Fixed Week Holder will have priority over other members (who are not Former Fixed Week Holders) and non-members who are exercising reciprocal rights under Article 18 hereof to reserve their Former Fixed Week, but only provided the Apartment which they were formerly entitled to occupy pursuant to their Former Fixed Week has not been removed from the Club pursuant to Article 19. In the third to sixth weeks inclusive of the twelve month period members will have priority over non- members who are exercising reciprocal rights under Article 18 hereof. The Reservation Department will come into operation on 1 September 2014.
- (d) All reservations must be made by telephone through the Reservation Department (or as otherwise specified by the Founder Member from time to time) which shall have complete discretion to refuse any particular reservation request if they consider it desirable to do so in the interests of members generally.
- (e) Members are requested to make reservation requests as far in advance as possible to obtain the best choice of Use Periods and Apartments. Members should note that availability of Use Periods and Apartments will reduce as the twelve month reservation period advances and members are advised to make their reservation request as early as possible within the reservation period.
- (f) Upon the acceptance of a reservation, the Reservation Department shall issue a written reservation confirmation which will be mailed or emailed

directly to the member in order to document the confirmed reservation and the member's Points entitlement shall be debited with the number of Points used to make the reservation.

- (g) In order to receive a reservation confirmation, the member must be in Good Standing.
- (h) Except where a member is occupying his Former Fixed Week in terms of Article 10(a) hereof the reservation confirmation must be presented when checking in at the Club. Whether the reservation confirmation is deemed or actual, occupation may be refused if the member is not in Good Standing.
- (i) Use Periods of less than a week may be available at certain times of the year. The number of Points applicable to such Use Periods shall be calculated as a percentage of the Points for the full week, the relevant percentages being determined by the Founder Member. When calculating the Points Grading of a Use Period of less than a week, any fractions of a Point shall be rounded up to the nearest single digit in order to establish the relevant Points Grading. Start dates for Use Periods of less than a week vary according to the changeover day.
- (j) Irrespective of whether it holds any Points Rights the Founder Member shall be entitled to reserve up to a maximum of two Use Periods in each Apartment each Use Year for the purposes of maintenance and repair.

12 Borrowing Points

- (a) Subject to Article 14 hereof and subject to payment of the borrowing fee set out in Article 12(c) hereof, a member may borrow up to 100% of the Points to which he will be entitled for the next succeeding Use Year provided that the member obtains a confirmed reservation within a 90 day period prior to the required Use Period.
- (b) In the event that a member borrows Points in accordance with Article 12(a) above, his annual Points allocation for the succeeding Use Year will be reduced by the amount of Points borrowed.
- (c) The borrowing fee will include such amount as the Founder Member estimates as the management charge for the succeeding financial year in respect of the Points to be borrowed and it will require to be settled before a confirmed reservation is issued, any amount by which the estimated management charge falls short of the actual management charge being made good by the borrower, and any amount by which the estimated management charge exceeds the actual management charge being refunded to the borrower.

13 Saving Points

- (a) Subject to Article 14 hereof, a member may save up to 100% of his Points for the then current Use Year for use in the following Use Year by notification to the Reservation Department at any time after the beginning of the Use Year but not later than three months before the end of the Use Year. The percentage of Points allowed to be saved will be calculated as at the date of

receipt of notification.

- (b) Points which are neither used in the Use Year to which they relate nor saved in accordance with this Article cannot be carried forward for use in future Use Years.
- (c) A member must use all saved Points in the next succeeding Use Year.
- (d) Percentage of Points that may be saved:

Days in advance of Use Year End	Maximum percentage of Points allowed to be saved
365 - 273	100%
272 - 91	50%
90 - 0	0%

14 **Suspension of Borrowing and Saving**

The Founder Member shall be entitled to suspend and reinstate borrowing and saving if overall member usage of Apartments creates an inventory imbalance.

15 **Late Booking Accommodation**

If the Reservation Department has not received a reservation request for a particular Use Period by the date 30 days prior to its commencement, such Use Period shall be deemed to be "Late Booking Accommodation" and may be available to members at discounts of up to 25% of the original designated Points Value for that Use Period. The availability of Late Booking Accommodation is limited to certain periods of the year as determined by the Founder Member from time to time. Late Booking Accommodation may not be used to effect reservations of less than 7 consecutive nights.

16 **Cancellation of Reservations**

- (a) Members who cancel confirmed reservations will forfeit a percentage of the Points in respect of the reservation being cancelled on the following basis:

Cancellation within	Percentage forfeiture
30 days or less	100% or less at Founder Member's discretion
31 – 90 days	75%
91 – 272 days	50%
273 days or more	0%

- (b)

saved or borrowed Points, the saved or borrowed Points will not be returned to their original Use Year. The provisions of Article 16(a) above will apply to all Points used in making the reservation.

- (c) The Club and the Founder Member accept no responsibility if a confirmed reservation of a Use Period in an Apartment becomes unavailable due to any reason beyond their control, such as any natural disaster, act of God, civil unrest or government action.
- (d) Where such circumstances beyond their control occur before departure (for example, where there has been significant prior damage to an Apartment) the Founder Member shall be entitled to cancel a confirmed reservation. In these circumstances, the Founder Member will, subject to availability, offer the member alternative accommodation or credit the member with the number of Points deducted for the said reservation.

17 Transaction Fees and Charges

Each member shall pay to the Reservation Department such fees or charges for reservations, cancellations, late bookings, borrowings, savings etc as are set out in the then current table of transaction fees and charges or subsequent notification. The Founder Member shall be entitled to redetermine the scope and rate of transaction fees and charges from time to time which redetermination shall take effect on the date specified in a written notification of such redetermination.

18 External Exchanges and Other Programmes

The Founder Member may from time to time arrange for the members to have access to an external exchange or other similar programme on such terms as the Founder Member shall determine. The Founder Member may do this by *inter alia* affiliating the Club on a reciprocal basis to an exchange or other similar programme so that members may have rights to book accommodation at other resorts..

19 Removal of Apartments

The Founder Member shall after consultation with the Committee be entitled at any time to remove Apartments from the Club provided the total Points Grading of all remaining Apartments after the removal of any Apartment exceeds the number of Points Rights in existence. The removal of any Apartment shall be carried out in accordance with the following provisions:

- (a) The Founder Member shall be entitled by notice in writing to the Trustee to require the Trustee for no consideration (and without any further consents, approvals or procedures) to: (i) convey ownership (or procure the conveyance of ownership) of the relevant Apartment or block of Apartments or part thereof (if the Club owns the freehold of the relevant Apartment or block of Apartments) to the Founder Member or its nominee; and/or (ii) grant (or procure the grant of) a lease of the relevant Apartment (if the Club owns the freehold of the relevant Apartment or block of Apartments or part thereof) to the Founder

Member or its nominee; and/or (iii) surrender or assign (by deed of surrender, deed of assignment or transfer document as applicable and such surrender or assignment being hereinafter referred to as an "Assignment" and the words "Assigned" and "Assigning" shall be construed accordingly) (or procure the Assignment of) the lease or that part of the lease (if the Club owns a leasehold interest in the relevant Apartment or block of Apartments or part thereof) granted in favour of the Trustee which relates to the relevant Apartment or block of Apartments or part thereof to the Founder Member or its nominee, together with (in each case) such amenity ground pertaining thereto and the grant, conveyance, lease or Assignment of such services, easements, rights and reservations, common rights, access rights, fittings and fixtures, equipment, furnishings, plenishings and utensils as are necessary for the relevant Apartment being conveyed/leased/Assigned to function adequately and independently from the Club's property, as the same shall be agreed by the Committee and the Founder Member and, failing such agreement, as determined by the decision of a single expert, to be agreed between the Committee and the Founder Member or in default of agreement to be appointed on the application of either the Committee or the Founder Member by the President for the time being of the Law Society, to act as an expert and not an arbiter, whose decision shall be final and binding on all members of the Club, including the Founder Member and the Committee.

- (b) There is no limit on the number of occasions on which the provisions of this Article 19 may be implemented and no limit on the number of Apartments that may be conveyed/leased/Assigned pursuant hereto. Any reference in this Article 19 to an Apartment or block of Apartments or part thereof shall be deemed to include any type of building or property and any part or parts thereof.
- (c) Any conveyance, lease or Assignment pursuant to this Article 19 shall contain all normal and usual clauses (including in respect of rights and obligations) for conveyances/leases/Assignment of this type as the same (together with any necessary ancillary documentation) shall be agreed by the Committee and the Founder Member and, failing such agreement, as determined by the decision of a single expert, to be agreed between the Committee and the Founder Member or in default of agreement to be appointed on the application of either the Committee or the Founder Member by the President for the time being of the Law Society, to act as an expert and not an arbiter, whose decision shall be final and binding.
- (d) All members of the Club and the Committee shall be deemed to agree and approve any conveyance/lease/Assignment pursuant to this Article 19 and to agree and approve the Trustee executing and delivering the agreed or determined form of conveyance/lease/Assignment (together with

any necessary ancillary documentation) such that (i) if the Club is conveying the freehold title to the relevant Apartment/block of Apartments, the legal and beneficial freehold title to and ownership of the relevant Apartment/block of Apartments shall vest in the Founder Member or its nominee, (ii) if the Club is granting a lease of the relevant Apartment/block of Apartments, a valid leasehold title is vested in the Founder Member or its nominee; and (iii) if the Club owns a leasehold interest in the relevant Apartment/block of Apartments, the Club's leasehold interest in the relevant Apartment/block of Apartments is effectively Assigned to the Founder Member or its nominee.

- (e) Following any conveyance/lease/Assignment of an Apartment pursuant to this Article 19, neither the Club nor its members (except the Founder Member) shall have any claim on or over the Apartment and the Club and its members (except the Founder Member) irrevocably waive the same except as expressly provided for in a lease.
- (f) Any costs and expenses (including taxes) incurred (including by the Trustee) in conveying ownership of or leasing or Assigning an Apartment or block of Apartments or part thereof pursuant to this Article 19 shall be met as agreed by the Committee and the Founder Member, and failing agreement shall be met equally between the Club and the Founder Member.
- (g) If an expert is appointed pursuant to this Article 19 the expenses of the expert shall be met by the Club and/or the Founder Member as directed by the expert.

20 **Introduction of Apartments**

The Founder Member shall after consultation with the Committee be entitled to introduce new Apartments into the Club either to improve the mix of Apartments in the Club or to ensure that the Points Gradings of the Apartments in the Club is in excess of the number of Points Rights held by the holders of Holiday Certificates. Any such introduction of an Apartment shall be carried out so that a freehold or leasehold title to the Apartment is vested in the Trustee in accordance with Article 7(c) hereof. Any surplus Points Rights arising from such introduction of new Apartments will belong to the Founder Member.

21 **Committee**

The entire management and affairs of the Club shall (except insofar as the same may for the time being be delegated to the Management Company as hereinafter provided or be the responsibility of the Founder Member as specified herein) be managed by a Committee which shall consist of 5 persons, 3 of whom shall be members of the Club and 2 of whom shall be nominated by the Founder Member and may be members of the Club. The Committee shall meet as often as necessary and at least once in every year. Any two members of the Committee may call a Committee meeting by notice in writing to all the other Committee members at

least 7 days prior to the meeting. One of the two Committee members nominated by the Founder Member shall also be nominated by it to act as Chairman of the Committee. If such Chairman shall be absent from any meeting a Chairman for the purposes of such meeting will be elected by a majority of those members of the Committee present at the meeting in question. Decisions by the Committee shall be on the basis of a majority of those present and in the event of any equality of votes at Committee meetings the Chairman shall have the casting vote. Three members of the Committee shall form a quorum. Proper Minutes of the proceedings at Committee meetings will be taken.

22 **Appointment of Committee Members**

The first three elected members of the Committee who are members of the Club but are nominated by the Founder Member will be nominated by the Council of Management of Elmers Court Country Club Limited and such members shall hold office until the first Annual General Meeting of members of the Club. The first two members nominated by the Founder Member may be so nominated at any time and will be notified to members by the Founder Member at the first Annual General Meeting of members. At such first Annual General Meeting of the Club the three members of the Committee named above shall retire and three new members shall be elected and at each subsequent Annual General Meeting one elected member of the Committee shall retire and a new member shall be elected. Retiring members may offer themselves for re-election. The order in which members retire who were appointed or elected on the same date shall be decided by drawing lots and otherwise the retirement of elected Committee members shall be by rotation each member retiring at the third Annual General Meeting to be held after their respective elections. The two Committee members nominated by the Founder Member shall cease to be such on written notice being given to them by the Founder Member and the Founder Member shall then nominate a successor or successors to fill any vacancy or vacancies thereby created.

23 **Elections**

Subject as before provided elected Committee members shall be elected only at an Annual General Meeting of the Club. Nominations of candidates will require to be in writing, and each nomination will require to be accompanied by a short written curriculum vitae of the candidate. Each nomination and each accompanying curriculum vitae will require to be signed both by the candidate and by a proposer and seconder each of whom will require to be a member of the Club. To be effective a nomination with its accompanying curriculum vitae must be received by or on behalf of the Committee before 31st August preceding the Annual General Meeting. The Committee may make regulations governing the content and form of such curriculum vitae and the Committee shall have the right (without in any way placing on them any obligation to act or any liability for failure to make any enquiries) to reject in whole or in part any curriculum vitae which does not conform to such regulations or which in the sole discretion of the Committee may be inaccurate or misleading in any way. A list of all valid nominations which have been timeously received will be included with the notice of the next succeeding Annual General Meeting together with copies of all relative curricula vitae subject to the foregoing rights of the Committee in regard to curricula vitae.

24 **Voting**

Voting at all meetings of the members including Annual General Meetings and Special General Meetings shall be on the basis of votes as laid down in Article 32 hereof for Holiday Certificates held, whether by the Founder Member or otherwise. In the case of Holiday Certificates held in joint names the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders.

25 **Powers of Committee**

The Committee shall have power to do all things that may be necessary for the carrying out of the objects of the Club and for its general management and shall be entitled to delegate to the Management Company hereinafter provided for such of its powers as may be appropriate to enable the Management Company to perform the Committee's functions. In particular the first members of the Club, being the said Barratt Multi-Ownership & Hotels Limited and the said Barratt Scotland Limited will on behalf of the Club enter into a Deed of Trust (hereinafter called "the Deed of Trust") with an independent body to act as Trustee to hold the Club's freehold and leasehold property and a contract (hereinafter called "the Management Agreement") with a Management Company (which may be the Founder Member) for the management of the Apartments and the Club's property generally. The Deed of Trust and the Management Agreement shall be in the form of the annexures hereto or as varied from time to time by agreement in writing between the Club and the Management Company in accordance with the provisions of such agreement and this Constitution.

Without prejudice to the generality of the foregoing the Committee shall have the following specific powers:

- (a) At any time to appoint a member of the Club to fill any casual vacancy amongst the elected members of the Committee occurring through death, illness, resignation or otherwise. All such persons so appointed shall hold office only until the next following Annual General Meeting but shall be eligible for re-election for the unexpired portion of the period for which the Committee member whom he was so co-opted to replace would otherwise have been due to serve.
- (b) To make bye-laws at any time for the proper regulation of the Club and such bye-laws shall be binding on all members of the Club. Such bye-laws shall not conflict with this Constitution and in the event of any apparent conflict the terms of this Constitution shall prevail.
- (c) To appoint such Sub-Committees as the Committee deem necessary for carrying on the management of the Club.
- (d) At any time to cancel or suspend the membership of any member who in the opinion of the Committee shall have committed a breach of the rules of Membership or whose conduct in the opinion of the Committee shall be unbecoming to a member of the Club. The decision of the Committee shall be final.
- (e) To enter into all contracts and agreements which they deem necessary or advisable in connection with the affairs of the Club and to apply the funds of the Club in payment of the expenses of management, administration and running of the Club as detailed in Article 26 hereof except insofar as these powers for the time being be delegated to the

Management Company under the Management Agreement PROVIDED THAT such delegation shall not detract from the Committee's power and ability to ensure that the Management Company complies with the provisions of the Management Agreement.

- (f) To appoint a qualified Accountant as Auditor to audit the accounts (if any) of the Club annually and to appoint Solicitors and other professional advisers.
- (g) In the event of the Trustee appointed by the Founder Member at any time resigning office to appoint another body or person as Trustee of the freehold and leasehold property of the Club. Any such new trustee shall be appointed by resolution of the Committee followed by the execution of a Deed of Appointment executed by all the Committee members.

26 Costs

- A The Members of the Club will contribute in accordance with the terms of the Management Agreement whilst it subsists but otherwise in accordance with the provisions of Article 26B to all costs incurred by the Club including without prejudice to the foregoing generality the cost of the following:
 - (a) Maintenance, repair, decoration (where appropriate), cleansing and when necessary renewal of the structure exterior and interior of the Apartments and maintenance and repair of all other property of the Club.
 - (b) Maintenance, repair and when necessary replacement of all furniture, furnishings, fittings and fixtures in or about or pertaining to the Apartments.
 - (c) Insurance of the Club's property of whatsoever nature in the full reinstatement value thereof any other insurances which the Committee shall consider necessary and appropriate.
 - (d) All outgoings incurred in respect of the Club's property including rates and other charges or impositions whether of an annual or recurring nature or otherwise.
 - (e) The routine maintenance, cleaning and tidying of the interior and

exterior of the Apartments and the amenity ground pertaining thereto.

- (f) All works and ~~acts~~ which are required to be done to comply with any statutory provisions or the directions or notices of any Governmental, Local or Public Authority.
- (g) Any management charges or any other charges whatsoever which may be incurred in the management of the Club's property and the running of the Club's affairs including the reasonable costs of operating the Points Scheme except in so far as covered by transaction fees or charges, and the fees and expenses of the Trustee of the Club's freehold and leasehold property and all other costs, expenses or payments to the Trustee under the Deed of Trust.
- (h) The establishment and maintenance of a sinking fund for the replacement of capital items of the Club's property.
- (i) The establishment and maintenance of any reserve fund requested by the Trustee in accordance with Clause 11 of the Deed of Trust.

Except insofar as the same are for the time being delegated by the Management Agreement, the Committee shall have an absolute discretion in deciding what monies should be spent for any of the foregoing purposes and when the same should be spent.

- B For the year to 30 June 2015 the costs will be shared amongst the holders of Holiday Certificates on the same basis as applied for calculating Advance Management Charges under the Management Agreement for the year to 30 June 2014. Thereafter the costs will be shared as follows:-

First, the costs will be divided by the number of Points Rights in existence to give a price per Points Right, and that price will be payable by the holders of all Holiday Certificates who are not Former Fixed Week Holders. The remainder of the costs will be shared amongst the Former Fixed Week Holders on the same basis as applied for calculating Advance Management Charges under the Management Agreement for the year to 30 June 2014. The foregoing calculations will be made as soon as reasonably practicable before invoicing and will be based on the most up to date information available at the time of making the calculations. For the avoidance of doubt separate invoicing and separate calculations will be carried out for the half year from 1 July 2015 to 31 December 2015.

27 **Special Powers of the Club**

The Club shall have power:

- (a) to borrow money
- (b) to grant securities and mortgages over its property

- (c) to purchase lease or otherwise acquire additional property and
- (d) to sell lease grant easements over or otherwise dispose of or deal with its property or any rights over its property

But, save as provided in Articles 19 and 20 hereof, the foregoing powers shall be exercisable only upon a decision by a three-quarters majority of votes cast at a General Meeting.

28 **Obligations on Holders of Holiday Certificates**

Each holder of a Holiday Certificate shall be subject to the following obligations (and to the intent that such obligations shall continue to bind his estate after his death until such time as his Holiday Certificate shall be transferred to a new or other member of the Club and notwithstanding that his personal representatives may not themselves be members):

- (a) To occupy the premises which he is entitled to occupy for the appropriate period of time in each year and no longer. The premises will not be used for any trade, occupation, business or commerce and there is a strict prohibition on the doing of anything which may in any way constitute or be a nuisance to any other members of the Club or any other person whatsoever including (without prejudice to the generality of the foregoing) prohibitions against (1) the drying of clothes and washing anywhere other than in the drying room provided for that purpose, (2) the noisy playing of radios, tape recorders or other instruments on the balconies of apartments or elsewhere in such a way as to constitute a nuisance to neighbouring members and (3) bringing or allowing dogs, cats and other animals to come into the premises or the grounds. The ground belonging to the Club so far as unbuilt on shall be used as amenity ground only.
- (b) To keep and maintain the premises (both structure and contents) which he is entitled to occupy in a reasonable state and condition during the period of his occupancy the Certificate holder being personally liable for the cost of repairing, renovating, reinstating and/or making good any damage, deterioration or dilapidation over and above fair wear and tear which may have taken place during his period of occupation as to which Committee or (during such time as the administration of the Club affairs may be delegated to it) the Management Company shall be the sole judge.
- (c) In the event of any repair or maintenance work requiring to be carried out to the Apartment or its contents during the period of a Certificate holder's occupancy of the Apartment to allow access to the necessary tradesmen and others to enable such work to be carried out.
- (d) Not to do anything which would make void or voidable the insurance of the Club's property of whatsoever nature or any part thereof. In the event of the Certificate holder so doing and any insurance monies not being recoverable as a result, the Certificate holder shall be personally liable for the amount so irrecoverable.
- (e) Not in any way to make any alterations to the premises which he is entitled to occupy or the contents thereof.

- (f) To pay within one month of being demanded either (a) his appropriate proportion of the total costs referred to in Article 26B hereof incurred by the Club in any year or (b) during such times as the administration of the affairs of the Club shall be delegated to the said Management Company the Management Charge (including where appropriate the Advance Management Charge) payable to the said Management Company in terms of the then current Management Agreement; and to pay on demand any charge falling due under paragraphs (b) and/or (d) of this Article; subject to the following conditions:
- (1) In the event of any of the said sums not being paid by the due date the Committee or the Management Company as the case may be shall be entitled to charge interest thereon at the rate of two per cent per month compounding monthly and/or to refuse the member in question (or any tenant or licensee of the member) the right to occupy the Apartment which he is entitled to occupy until all arrears (including the foregoing interest charges) have been settled.
 - (2) Further if any member shall at any time be in arrears with the payment of such sums (or part thereof) as aforesaid the Committee or as the case may require the Management Company shall be entitled to let the Apartment which he is entitled to occupy for the period during which such member would otherwise be entitled to occupy such Apartment to any person or persons and at such rent as the Committee or as the case may require the Management Company might think fit, unless not later than 40 days before the date on which such member's right of occupation would otherwise arise such member pays in full all his arrears (including the foregoing interest charges).
 - (3) Before exercising such right to let the Apartment which he is entitled to occupy as aforesaid the Committee or as the case may require the Management Company shall give not less than 30 days written notice to such member (such notice to expire on or before the commencement of the 40 day period aforesaid) warning him that unless his arrears (including the foregoing interest charges) are paid in full within the said period of 30 days the Committee or as the case may require the Management Company may exercise their powers under sub-clause (2) hereof.
 - (4) Any rents received by any such lettings as aforesaid shall be applied in or towards discharging the member's said arrears (including the foregoing interest charges) and the surplus if any after allowing for all fees, commission and out of pocket expenses shall be paid to the member.
 - (5) In the event of any sum due under this Article remaining unpaid for more than 6 months after the due date the Management Company in the event of a Management Company having been

appointed as hereinbefore provided with the agreement of the Committee shall at any time thereafter be entitled (without prejudice to any other rights or remedies available to them and whether they have exercised any other rights or remedies or not) after giving to the member in question 30 days written notice of their intention to do so, to sell the relevant Holiday Certificate(s) belonging to the said member provided that before the expiry of the said period of 30 days the holder has not referred the matter to arbitration under this Constitution or commenced court proceedings to prevent the sale.

- (6) Any such sale may be by private bargain or public auction with or without an agent. The method and timing of the sale, the decision whether to employ an agent and if so the agent's commission, the asking price if any, the terms of the contract of sale and deed of transfer including the selling price, and all other matters relating to the sale shall be at the sole discretion of the Committee or the Management Company in the event of a Management Company having been appointed as hereinbefore provided.
- (7) On completion of the sale the Committee or as the case may require the Management Company will deduct from the proceeds of sale the whole expenses of the sale including (a) any legal expenses incurred in the sale or for any advice prior to the sale (b) a reasonable charge to cover the work of the Committee and/or of the Management Company as the case may require to the extent to which this is not covered by the agent's commission or solicitors' fees (c) all sums due by the member in terms of this Article down to the date of completion of the sale whether in respect of the Holiday Certificate or Certificates sold or in respect of any other Holiday Certificate or Certificates and (d) any outstanding loan (together with any interest and other charges) due by the member in connection with the Holiday Certificate or Certificates sold or in connection with any other Holiday Certificate or Certificates, and thereafter the Committee or as the case may require the Management Company will subject as aftermentioned remit the net proceeds of sale if any to the member. In the event of there being a shortfall the member will continue to be liable for that shortfall, and interest will continue to accrue thereon under sub-clause (1) hereof.
- (8) Until a completed sale of a Holiday Certificate has been achieved management charges will continue to be payable in respect of the Holiday Certificate whether Occupancy Rights are exercised or not.
- (9) For the purposes of such a sale, the member will surrender the Holiday Certificate to the Committee or as the case may require to the Management Company when called upon to do so, and the member shall be deemed hereby to have irrevocably appointed the Committee or the Management Company in the event of a Management Company having been appointed as hereinbefore provided as the member's

attorney to carry through the sale and to grant all deeds or other documents in implementation thereof.

- (10) In the case of a joint holding of a Holiday Certificate the Committee or as the case may require the Management Company shall have the right to demand from the first named member or from any other member it may choose any sums which are payable by the holder of that Holiday Certificate.
- (11) In the event of the Holiday Certificate not being surrendered as referred to above within 30 days of the member having been called upon so to do, then the Committee or as the case may require the Management Company may cancel such Holiday Certificate (which thereafter shall be void and of no effect) and issue a replacement Holiday Certificate for the same number of Points Rights as attached to the cancelled Holiday Certificate and may lodge the net proceeds of sale on deposit on such terms as the Committee or the Management Company as the case may be shall in its sole discretion consider appropriate. If the holder returns the cancelled Holiday Certificate within 3 years of having been called upon to do so the monies lodged on deposit plus any interest earned thereon less any further expenses incurred will be sent to the holder. If the cancelled Holiday Certificate has not been returned within the foregoing period of 3 years the monies on deposit and any interest earned thereon will be permanently forfeited by the holder and will be paid into the sinking fund referred to in Article 26A(h) hereof.
- (12) The Committee or as the case may require the Management Company will have discretion to sell the Points Rights attaching to the Holiday Certificate in more than one lot with no obligation to sell all the lots at the same time. In the event of a sale of less than the full number of Points Rights attaching to the Holiday Certificate similar provisions will apply as apply to an ordinary transfer of less than the full number of Points Rights attaching to a Holiday Certificate.
- (13) If a member's Holiday Certificate has not been sold within 6 months of commencement of the selling process following the member being given 30 days written notice pursuant to sub-clause (5) hereof and the member remains in arrears, the Founder Member shall at any time thereafter be entitled (without prejudice to any other rights or remedies available to it, the Management Company or the Committee and whether it or they have exercised any other rights or remedies or not) to terminate the member's membership of the Club and cancel the member's Holiday Certificate which shall immediately become void and of no effect and all past, present and future rights (including Points Rights) relating to the Holiday Certificate shall be extinguished. Notwithstanding the termination of membership and the cancellation of the Holiday Certificate (including Points Rights) the former member shall continue to be liable in respect of all arrears and interest shall continue to accrue thereon under sub-clause (1) hereof. In addition, on the said cancellation of the Holiday Certificate the Founder Member

shall be entitled to charge the former member/former holder of the Holiday Certificate a sum (not exceeding the amount last paid to the Founder Member by a holder in respect of a Holiday Certificate pursuant to Article 7(f) iii) or 7(g) iii) as the case may be) to compensate it for the loss of contractual rights.

(14) For the avoidance of doubt the rights and entitlements provided for in this Article 28(f) shall be exercisable in respect of any monies currently outstanding on the date of creation of such provisions.

- (g) To pay for all electricity consumed by him in the Apartment which he is occupying.
- (h) To notify the Committee or (during such time as the administration of the Club's affairs may be delegated to it) the Management Company forthwith of any change in his permanent address.
- (i) In the event of his transferring his Certificate upon a sale thereof or otherwise or letting or for any reason otherwise parting with possession of the premises which he is entitled to occupy for a part or the whole of the period during which he is entitled to occupy immediately to notify the same in writing to the Committee or (during such time as the administration of the Club's affairs may be delegated to it) the Management Company together with a notification of the name and address of the person to whom he has transferred his Certificate or to whom he has let or parted with the premises as aforesaid.

29 **Transfers, Lets etc**

- (a) Any member or the representative of a deceased member who has paid all sums due and payable by him under the terms of this Constitution may, subject to the remainder of this Article, at any time sell, make a gift or bequeath or otherwise transfer a Holiday Certificate to a third party subject to the third party becoming a member of the Club.
- (b) In the event of a member dying his personal representatives may, subject to the remainder of this Article, sell his Holiday Certificate to a third party or transfer it to a legatee subject to the third party or legatee becoming a member of the Club.
- (c) Any person to whom it is proposed to transfer a Holiday Certificate shall apply for membership of the Club and no Holiday Certificate shall be transferred to or registered in the name of any person who is not a member of the Club.
- (d) Upon a person dying or ceasing to hold a Holiday Certificate he shall automatically cease to be a member of the Club.
- (e) Immediately upon a transfer of a Holiday Certificate the Certificate together with a properly signed and authenticated (and if necessary stamped) Deed of Transfer together with the fee mentioned below will be delivered by the transferee to the Committee or (during such time as the administration of the

Club's affairs may be delegated to it) the Management Company and the Committee or Management Company (as the case may be) will then, subject to the remainder of this Article, endorse the Certificate with the name and address of the new holder, will return the endorsed Certificate to the new holder and will record the name and address of the new holder in the Club's register of Certificate holders. The fee to be charged for the registration of the transfer shall be £50 plus V.A.T. which fee may be revised by the Committee or the Management Company from time to time. Until such time as the endorsement has been effected the transferor shall for all purposes remain the holder of the Holiday Certificate.

- (f) In the event of failure (at any time) to produce a Holiday Certificate a duplicate of the Holiday Certificate may be issued, and such duplicate will for all purposes be treated as the original.
- (g) In the event of the holder of a Holiday Certificate wishing to sell, gift, bequeath or otherwise transfer less than his total number of Points Rights he may do so, in which case the same procedure as is set out in (e) above (*mutatis mutandis*) shall apply except that upon registration the original Holiday Certificate will be cancelled and new Holiday Certificates will be issued to the transferee(s) and to the transferor, in each case stating the number of Points Rights held by the holder of the new Holiday Certificate. If the transferor was a Former Fixed Week Holder in respect of the cancelled Holiday Certificate he will continue for management charge purposes to be a Former Fixed Week Holder in respect of the new Holiday Certificate issued to him but with the appropriate adjustments being made to take account of the reduced number of Points Rights held by him.
- (h) A member may also let the premises which he is entitled to occupy for the whole or a part of the period during which he is entitled to occupy subject to notification being given in terms of Article 28(i) hereof but (for the avoidance of any doubt) the member will during the period of such let remain the holder of the Certificate and will be primarily responsible for all the obligations incumbent on the holder of the Certificate.
- (i) Notwithstanding the foregoing provisions of this Article, the Committee or the Management Company as the case may be shall be entitled to refuse to register a transfer of a Holiday Certificate to, and/or to refuse to admit to membership, any person who is or who is representing any person who is (i) in the business of developing, marketing, trading or selling timeshare, shared ownership or other holiday products or otherwise operating or involved in or with the timeshare, shared ownership or holiday product industry (in any capacity)(but excluding therefrom any transfer to, or by, the Founder Member or its nominee(s) and/or any related admission to membership), or (ii) whose identity is not clear to the Committee or the Management Company as the case may be. The decision of the Committee or the Management Company as the case may be in this regard shall be final.

30 Annual General Meetings

The Annual General Meeting of the Club shall be held at Elmers Court, Walhampton, Lymington, Hampshire SO41 5ZB, or any such other place as the

Committee shall decide on such a date in the month of May or other month as the Committee may decide in each year as the Committee shall decide. It shall be called by a notice sent to all members not less than 21 days before the day of the meeting with the Agenda of the business to be conducted at such meeting.

31 **Special General Meetings**

The Committee may of its own resolve or must upon request in writing from the holders of not less than 25 per cent of the Holiday Certificates call a Special General Meeting of the Club and such meeting shall be called in the manner prescribed for an Annual General Meeting save that 14 days notice only shall be necessary.

32 **Procedure at General Meetings**

At every General Meeting the Chairman of the Committee (and in his absence a Chairman appointed by a majority of those present at the meeting) shall preside. Each member shall be entitled to one vote for each Holiday Certificate held. Members will be entitled to appoint proxies to vote in their stead. Any member who does not attend a General Meeting in person and who does not appoint a proxy by means of written Instrument of Proxy signed by the member will be deemed to have appointed the Founder Member acting through one of its Directors to act as his proxy at the Meeting and to vote for the member in whatever way the Founder Member acting through one of its Directors considers appropriate. At all meetings in the case of an equality of votes the Chairman shall have the casting vote. Any resolution to be proposed otherwise than by the Committee at any Annual or Special General Meeting of the Club shall be submitted in writing to the Committee not less than 28 days before the date of the meeting if it is an Annual General Meeting or 21 days if it is a Special General Meeting and shall be signed by the proposer and seconder. Any resolution involving a change in the Constitution shall require a three- quarters majority of all votes cast and shall also require the consent of the Founder Member if it involves a change to the rights and/or obligations of the Founder Member. At all General Meetings of the Club the quorum shall be four members present in person.

33 **Requirement for Trustee's Consent**

This Constitution shall not without the prior consent in writing of the Trustee be altered in such manner so as to affect whether directly or indirectly the rights and duties of the Trustee or the obligations on the part of the members of the Club to contribute in any way to any costs expenses or other payments whatsoever due and payable to the Trustee under the terms of the Trust Deed of this Constitution.

34 **Extraordinary General Meeting**

During the last year of the Initial Period the Committee shall call an Extraordinary General Meeting of the members of the Club such meeting to be held at Elmers Court or at such other place as the Committee shall determine. The said meeting shall be called by written notice to the members of not less than 60 days and shall take place before the expiration of the Initial Period. The purpose of the meeting will be to consider the future of the Apartments and other property of the Club and also to

consider whether and if so in what manner the Club is to be continued or reconstituted for a further period. Notice of any resolution to be proposed otherwise than by the Committee at such meetings shall be given in writing to the Committee not less than 40 days before the date of the said meeting and written notice of any such proposal shall be sent to every member not less than 30 days before the date of the said meeting. Any resolution proposed at such meeting will only be validly passed if approved by a three quarters majority of votes cast.

35 Financial Matters

The first financial year of the Club shall end on the same day as does the first year of the Initial Period and subsequent financial years shall correspond to years of the Initial Period. With effect from 1 January 2015 the financial year shall be the calendar year. It shall be the responsibility of the Committee (or as the case may be the Management Company) to ensure that correct accounts and books are kept showing the financial affairs and transactions of the Club and an audited statement of the accounts and balance sheet of the Club together with a report by the Auditor shall be submitted to each Annual General Meeting once the Club has commenced financial transactions on its own behalf.

36 Distributions

On dissolution of the Club the assets shall (after discharging all liabilities of the Club) be distributed amongst the members pro-rata according to the number of Points Rights held by each of them respectively.

37 Severance

If any part of the Constitution is found by any court or competent authority to be invalid, unlawful or unenforceable, then that part shall be deemed not to be part of this Constitution but this shall not affect the validity, legality or enforceability of the remainder of this Constitution.

38 Resolution of Disputes

Any dispute or difference arising out of these presents may by agreement between the parties be referred to the decision of a single expert to be agreed between the parties or in default of agreement to be appointed on the application of either party by the President for the time being of The Law Society.