

**Minutes of the Ninth Annual General Meeting of**  
**THURNHAM HALL OWNERS CLUB**  
**held on Sunday 6 February 2005 at 10am at the Blackpool Imperial Hotel, Blackpool**

**Present:**

John Jackson	(Committee Member)	(JJ)
Pam Francis	(Committee Member)	(PF)
Ian Bebbington	(Committee Member and Grp Resort Mgt Accountant, Sunterra Europe Ltd)	(IB)
Steve Rixon	(Committee Member and Regional Resort Director, Sunterra Europe Ltd)	(SR)

**In Attendance:**

Kevin Haygarth	(Resort Manager)	(KH)
Dave Harris	(MD, Sunterra Europe Ltd)	(DH)
Annemarie Elliott Waayer	(Member Services Director, Sunterra Europe Ltd)	(AEW)
Philip Broomhead	(Legal Services Director, FNTC)	(PB)
Joe Tully	(Solicitor, Sunterra Europe Ltd)	(JT)
Teri Jackson	(Secretary to the meeting)	(TJ)
182 owners		

**DH** opened the meeting by welcoming all present. He explained that this was the first Thurnham Hall Owners Club AGM that Sunterra had been involved with and outlined the company's commitment to the resort. After introducing the people on the top table he asked **JJ** to commence with the agenda.

## **1. Appointment of Chairman**

JJ told the meeting that a chairman for the meeting needed to be elected and proposed it would be useful if a Sunterra representative took the role as it was envisaged that there would be a lot of questions for Sunterra from the floor. He proposed that **DH** take the Chair and **David Jewell** seconded it. He asked if there were any other proposals for the Chair, and as there were none, he handed the meeting over to **DH** as elected Chairman for the meeting.

## **2. Apologies for absence**

Apologies for absence had been received from Kevan Dean, William and Margaret Chappel, Brenda and Roger Haslam, Sheila and Roger Carman, Mr and Mrs Glover, and Sandra and Fred Evans.

## **3. To read and confirm the Minutes from the last Annual General Meeting**

**DH** asked if anyone disagreed that the Minutes of the last meeting were a true record of that meeting.

**Mr Ainsworth** pointed out that he had opposed the resolution relating to alternate year owners on page 11 of the Minutes and that it hadn't been minuted.

**DH** apologised for the omission and as Sunterra had not been involved with the resort at that stage, asked if anyone who was present at the meeting would like to comment on the issue. **KH** explained that as Thurnham Leisure Group had gone into receivership shortly after the meeting, the Minutes had been drafted by Marlene Roberts and **KH** and he apologised for the omission, as there were problems with the equipment used to record the meeting.

**A member** pointed out that comments he had raised were also not minuted, but proposed that the Minutes were near enough correct and should be accepted.

**DH** thanked the member and assured everyone that the meeting was being professionally recorded to avoid such errors being made and asked that the Minutes be accepted as accurate enough to allow the meeting to proceed.

**Arthur Colshaw** asked if the Minutes were those of Thurnham Owners Club, or those of Sunterra.

**IB** pointed out that **KH** had explained that they were minutes of the Thurnham Owners Club as drafted by Thurnham Leisure Group employees.

**David Jewell**, week 28, pointed out that the resolution on section 11 was actually voted on and rejected and that should be recorded. There was a discussion as to whether the resolution had been rejected, and **JJ** and **KH** pointed out that further on in the minutes there was a record showing the number of votes that had carried the resolution.

**DH** asked that the Minutes be accepted as an acceptable record of the meeting and there were no objections.

## **4. Matters arising therefrom**

There were no other matters arising.

## **5. Developers Report**

**DH** presented the report which gave a brief introduction to Sunterra and its perspective on Thurnham Hall. In the report he highlighted:

- Sunterra Corporation listed on the NASDAQ stock exchange. (SNRR)
- Capital value on the stock market is around \$200,000,000.
- It is a worldwide business.

- There are around 300,000 members in 92 different locations (fixed, floating and points). In Europe there are around 94,000 member families, both fixed owners and club owners.
- Sunterra employs around 5,400 people worldwide.
- Interval International is the exchange partner both in Europe and USA for Club Sunterra.
- In Europe, Sunterra represent 34 resorts in 8 different countries.
- In addition to the timeshare business, Sunterra also operates a travel and holiday programme.
- The business has grown in the last 7/8 years from a turnover of about £27m to £65m in 2003, and is projecting just under £100m of turnover in 2005.
- After dividends paid to shareholders, profits are re-invested in growing the programme and acquiring the resorts and other holiday experiences.
- Aim for all Sunterra Europe resorts to resemble Thurnham which is a flagship, high quality resort that everyone can be proud of.
- Passionate about delivering memorable service.
- Have looked at the Sunterra brand, and have summed it up in two words – cloudless skies. Sunterra is striving to provide cloudless skies for its members, i.e. hassle free, enjoyable holidays.
- Sunterra is investing in its existing properties, including a new block of ten units at Thurnham Hall.
- Sunterra purchased the freehold, unsold weeks and founder member rights, as well as taking over the restaurant and the leisure club at Thurnham Hall.
- Sunterra had to make a £1.3m contribution towards the shortfall in management fees within the Thurnham Leisure Group.
- Sunterra is committed to being transparent and honest.
- The expansion of the resort will commence in March 2005 with the building of ten 2 bedroom units, two of which will comply with the Disability Discrimination Act 1995. The work should be finished by early 2006.
- Planning approval will be obtained for the refurbishment of the kitchen.
- £50,000 has been allocated for work to be done on the roof of the main hall this year.
- Thurnham Hall has become one of the top resorts within the Sunterra Europe portfolio. It was one of nine resorts that have been awarded the Club Sunterra Gold Standard. **KH** and **Chris Dixon** both received service excellence awards at the European Conference this year.
- The Constitution has been found to be ambiguous in certain areas and quite difficult to interpret, and Sunterra agrees with Mr Dickinson's resolution to review it.

## 6. Finance Report

**IB** advised the meeting that an additional column had been added on to figures originally distributed, for comparative purposes. He explained that next year's set of figures will show audited accounts rather than the forecasted ones in this year's notice.

**IB** explained to the meeting that, at the time of the takeover, there was no money in the Thurnham Owners Club bank accounts and, during the year to 31 December 2004, the forecasted accounts were showing a Sunterra subsidy of £698,146.

When asked by an unidentified member why the accounts were forecasted, **IB** explained that they were still subject to audit and he didn't want to confuse people with a different set of figures. The Minutes from the meeting would contain the audited set of accounts.

**IB** went on to explain that some of the figures are affected by the anticipated increase in the levels of occupancy, from 73% in 2004 to 84% in 2005.

**IB** told the meeting that he has had provisional discussions with the Committee about moving the year end from June to the end of December.

**IB** went on to present the report, highlighting:

- Staff costs have been reduced from year ended June 2003.
- The management company fee has been reduced from £212k to £77k.

- The level of the sinking fund is 5.78%, the balance being the special levy.
- Sunterra has made a contribution of an additional £22k to the special levy relating to the ten unbuilt units.

**Frank Marsden**, week 15, asked where the £212k management company fee went last year and **IB** explained that he did not know as it was the responsibility of Thurnham Leisure Group. Members at the meeting wanted to know who was to be accountable for the missing money, and **DH** asked if the issue could be addressed after **IB**'s report along with any other questions relating to it.

- The five year sinking fund plan was discussed and **KH** explained that the figures for 2009 were based on what he knows today, and will probably need to be replaced. There may be other items over the years that may be required.
- The management fee increase between 2004 and 2005 was 19.07%. This was due to the fact that the 2004 management fee did not include any sinking fund contribution.
- Wages and salaries – Security was outsourced and housekeeping has been streamlined.
- Staff costs for 2005 include costs for uniforms, training and recruitment.
- Laundry costs increased in response to anticipated occupancy levels in 2005.
- Grounds maintenance budget is reduced as resurfacing of the footpaths and sewage removal were included in the budget for year ended 31 December 2004.
- Other costs have been reduced quite significantly as they included the purchase of computer equipment in 2004 that was previously leased.
- Club administration services include the apportionment of the costs relating to the UK Resort Director, the UK Resort Purchaser and the UK Training Manager.
- The TV licence was pre-paid last year, and this year's figures include the TV licences and Digital TV boxes.
- There has been some movement within the budget relating to 2005 expenditure. Payroll and related costs represent 42% of the management fees in 2005.
- The 2005 budget does not include club house and leisure centre rent as discussions relating to the rental charges have not yet taken place with the Committee.

**DH** re-visited the question relating to the missing management company fees. He acknowledged that it would appear that the finances of the business appear not to have been in control under the old ownership of the business. He assured members that Sunterra manages other resorts where audited accounts are produced and committees review the accounts each quarter. Sunterra are now looking forward and have moved on.

**Mrs Fisher**, week 1, asked how the Committee and **PB** could be duped every year regarding the finances, when the questions were asked every year at the AGM about Thurnham Hall being in financial difficulty.

**PB** explained that FNTC are not involved in the day to day management or financial dealings of Thurnham Hall. He went on to explain that his company's role was to protect members' occupation rights.

**KH** told Mrs Fisher that despite numerous requests to the Finance Director and Managing Director of Thurnham Leisure Group, they were never given the opportunity to exercise any further control over Club finances.

**A member** asked why the Committee did not take steps to try to find out what was going on. **KH** confirmed that all of the Committee members he has known over the years had made repeated attempts to control the funds.

**JJ** added that the Committee can only deal with what they are presented with, they did not run the Thurnham Group accounts, and had to accept the figures that they were presented as correct.

**DH** asked the meeting to look to the future, assuring them that all the monies are held in an escrow account, which means that whatever happens to Sunterra, their money is 'ring-fenced' and safeguarded.

**A member** asked if the selling in the public areas will cease.

**DH** agreed that Sunterra did not want there to be selling in the main house as it destroys the atmosphere, and he understood that the sales team had moved from the library.

**Mr Dickinson**, referring to a question asked earlier, explained how Sunterra had calculated the management company fee differently to Thurnham Leisure Group, and that this accounted for a lot of the difference.

**Brenda Dixon** asked if the accounts could show a unit cost per use per person, so that members could understand what they were reading.

**IB** admitted that he hadn't really been sure how to present the accounts today, as they involved forecasted accounts and budgeted accounts, and then having to compare them to numbers that were 12 months old and produced by another company, but agreed that it could be looked at for future reports.

**Lesley Norris** asked why there was no entry for bar and restaurant income, and **IB** explained that, because it was a loss making activity, it was decided that it would be Sunterra's responsibility and that it would not be contained in the Club accounts, either as an income or as a cost in the case of wages and salaries or purchases. When challenged that submitted accounts must include all income, **IB** explained that anything to do with the food and beverage operation had been completely removed from the accounts.

There was a discussion between members about whether or not the restaurant had been loss making in the past, and **IB** stated that it was loss making at present regardless of the past.

**George Yoxall** asked why the £1 per person utility fee that is charged wasn't accounted for and was informed by **KH** that it was accounted for in the electricity and gas charges on the income stream.

**Barry Kay**, week 26, asked if the costs not charged in 2005, that are to be approved with the Committee, will have an impact on the management fees for 2006. **IB** confirmed that they would, but all increases would be subject to discussion with the Committee.

**Barry Kay** then asked why the management fees to owners in the 12 months to 30 June 2003 was £536,373 and in the 11 months forecasted, it became £69,003. **IB** explained that all monies paid pre 31 December 2003 were paid into a Thurnham account which disappeared with the Thurnham Leisure Group. The £69k shown in the accounts represents the monies collected by Sunterra from owners. **Mr Kay** said that it was very worrying and asked whether there were any police investigations being carried out in relation to some kind of fraud and **IB** confirmed that he believed there was a police investigation.

**John Dent** asked what was the basis of the calculation of the management fees due from Sunterra, and what would be the basis of any future calculation. **IB** said that the Sunterra subsidy was to bring the Club to a breakeven situation. Going forward, the weeks at Thurnham Hall that have been assigned to the Sunterra points club will pay the appropriate level of Thurnham Owners' Club fees. Thus the Club will be 100% funded.

**Mrs Butler**, week 48, asked if there were any costs relating to the units that are out of use due to subsidence, plus what measures are being taken to avoid the ten new units that are being built, suffering from the same problems.

**DH** told the meeting that, during 2004, Sunterra had recruited a senior Construction Director who has personally been overseeing all of the plans to ensure that issues like this do not arise and that all legislation is complied with. With regard to the subsidence in units 24 and 26, **DH** explained that he was of the understanding that the problem would be resolved during 2005 and the members affected would be receiving some form of discount for the inconvenience they have had.

When asked who was using the units at the moment, **DH** replied that the sales team use them from time to time.

## 7. Resort Managers Report

**KH** presented his report, conceding that 2004 had been testing and emotional, new and interesting.

Highlights of the report:

- Majority of department heads still in place, with the exception of Gordon Langley and Leigh Gammon. Both are successful in their new careers.
- Remaining staff have received relevant training to adopt the new reporting procedures and systems and are doing a fantastic job.
- The team at Thurnham have embraced what took place last year and are committed to the owners, the company and their management team and they are applauded for it.
- RCI Gold Crown status has been achieved again.
- Interval International's five star status has been awarded again.
- A superior service award had been received.
- A gold award from Sunterra has been received.
- Many technical problems have been experienced in the leisure club recently, and it is made a priority to remedy the problems as quickly as possible. **KH** apologised if there were members that experienced the problems but wanted to highlight that the teams do try to remedy the problems as soon as possible.
- The construction of ten two bedroom units begins in March 2005.
- Extensive repairs have been made to the Woodland View pathways, which were non-compliant.
- A no smoking policy has been introduced in the main hall.

In summary **KH** reiterated his thanks to all the staff and Committee members for all of their hard work throughout 2004.

## **8. Committee Report**

**JJ** conceded that the last twelve months had not been what everyone had expected them to be, and it has not been an easy year for the Committee with a number of long, late night meetings and numerous letters, calls and emails from members.

**JJ** explained that the delay in holding this meeting was due to the fact that the bill for the last AGM hadn't been paid, and the venue were not willing to accommodate us again, so an alternative venue had to be sourced at short notice.

As well as the lack of maintenance fees, **JJ** highlighted that the Club also lost £50,839 of sinking fund monies. Although no monies were collected for the sinking fund in 2004, the money that disappeared was from the previous year, which had been collected on the Club's behalf by Thurnham Management Ltd. This money had never been transferred into the sinking fund accounts. Numerous requests were made for the money to be transferred, to no avail. In August 2003, **JJ** told the then management company that if the monies weren't forthcoming he would request the next AGM to authorise the use of what monies were in the sinking fund to take legal action against Thurnham Management Ltd to recover the money. As a result, 3 post dated cheques were presented, as the company was undergoing a re-financing exercise and were experiencing a cash flow problem. The Committee had no reason or evidence to dispute what they were told and had to accept it, however the cheques bounced and, before any further action could be taken, the company was in receivership.

Following the demise of the Thurnham Group, the Committee had an informal meeting with representatives of Sunterra and the Committee got an insight into how Sunterra worked with owners clubs at its various resorts. At this stage, Sunterra told the Committee that they would, in the absence of any maintenance fees, fund the day to day operation of Thurnham Hall for the remainder of the year. There then followed a series of formal Committee meetings which, amongst the routine management issues, the two main topics for discussion were the effluent treatment plant and the management agreement.

The effluent plant was not working and couldn't be made to work and had to be replaced. There was a great deal of argument and discussion as to who was responsible for the cost of replacing it and it was generally felt that it was probably the responsibility of one of the Thurnham Group of companies that were in receivership. Thurnham was under threat of closure by the Environment Agency and, as a temporary solution, the effluent was being pumped out and taken away on a regular basis. A compromise was needed as soon as possible and the compromise agreed by the Committee was that, if Sunterra initially funded the replacement plant, the membership would reimburse them over a two year period, subject to certain conditions. The conditions agreed were that the repayment would be by way of a levy attached to the sinking fund and Sunterra would pay the same levy for all the weeks held by it and also on the ten units that were to be built. In addition, Sunterra would not charge the Club any rent for the common areas at the resort for 2005 and will only charge the Club a 10% management fee for 2005 (this being subject to review for 2006). We now have a treatment plant that works and the threat of closure has been lifted.

An informal management agreement was initially entered into with Sunterra in order for the resort to operate, and this gave the Committee and Sunterra time to draw up a new agreement. Discussions were lengthy, but an agreement was found. Once the agreement had been found, it was necessary to find a way of putting it in place, but as the Thurnham Owners

Club is an unincorporated body, it cannot legally enter into a contract. None of the Committee members were willing to sign a contract as an individual, so the only alternative to the Club becoming a limited company was for the Committee to request that the founder member enter into the agreement on the Club's behalf.

One of the early concessions the Committee were able to get from Sunterra was that the sales team become less obtrusive. At the moment they have been allocated one of the units suffering from subsidence and should no longer be using the library for presentations. The Committee are aware of the high feelings about the way in which the sales team conduct themselves in the public areas, and they will continue to monitor the situation and welcome comments from the owners on site.

The details over the rental of the common areas haven't been discussed yet, but the Committee do have ample time to negotiate the details over the coming year.

**JJ** felt that despite all that has happened over the last twelve months, it is a great credit to **KH** and his staff that the resort has maintained its Gold Crown, five star status and on behalf of the owners and the Committee, he would like to thank **KH** and ask him to pass on their appreciation to the staff.

There is a common feeling that has arisen from correspondence with the Committee that many members do not trust Sunterra. Whilst fully understanding why, due mainly to the initial misinformation that came from the sales staff, **JJ** wanted to urge members to be patient and judge the company on its performance, as the aims of the Club and the aims of Sunterra are very much the same for Thurnham Hall.

**JJ** completed his presentation by thanking his colleagues on the Committee for their time and the hard work that has been put in over the last year, in particular Kevan Dean, who despite very serious family health problems has continued to be an invaluable member of the team. He also wanted to thank the wives, partners and families of the Committee members for their support and apologised for the times they weren't there.

**Frank Marsden** asked for clarification on who owns what at the resort. **PB** replied that the apartments are owned by FNTC on the members' behalf and Sunterra owned the common areas and the freehold.

**Gerry Harrison** asked why a friend of his was offered a weekend at Thurnham Hall, when he was told that there was no space. It looks as if the sales team are taking over. He went on to say that he had come today to relinquish his membership as he could not afford to pay the maintenance fees.

In response to the question about availability, **AEW** confirmed that the weeks that are owned by Sunterra are in Club Sunterra and part of that inventory goes to the sales operation. Referring to Mr Harrison's inability to pay his management fees, **AEW** explained that there was a direct debit facility available which could help by spreading the payments throughout the year.

**Sylvia Butler** asked if they could be given a figure of the number of fixed week owners there were at Thurnham. **IB** advised that, at the time of preparing the budget, there were 1284 weeks owned by owners, 447 weeks in TVC and 768 weeks plus 51 weeks were assigned to

Club Sunterra and Sunterra Europe Ltd. When asked if the figure included bi-annual weeks, **IB** confirmed that it didn't, so there could be a slight difference year on year.

**Sylvia Butler** continued by asking why Sunterra didn't know about the expense of the sewage system when they bought the resort, and why this expense was being passed on to the members, when extra profits were being made from opening the bar and restaurant to the public and opening the hall to weddings.

**DH** confirmed that under normal circumstances, during the process of due diligence, most things would be identified. However, he explained that this acquisition was done very quickly, as it was an acquisition from a receiver. He added that Sunterra has an ongoing commitment to investing in expanding and maintaining the quality of the resort, and, because of its ownership, half of the money for the sewage plant is coming from Sunterra. The amount left with the Thurnham owners is considered to be reasonable in the circumstances of all of the other capital investment that Sunterra is putting in.

**Levinia Clarke** asked why, at the beginning of the year, when she called to book her week, she was told that it was cancelled. **KH** explained that the procedure was the same as that used by the Thurnham Leisure Group. He advised that there used to be some flexibility in the procedure and that it was more rigidly enforced by Sunterra. He stressed that if you are a TVC member with a fixed week, you do need to advise Sunterra at least 12 months in advance if you intend to occupy your week. Levinia Clarke stated that they used to receive a letter asking if they wished to bank their week, but they hadn't received one recently.

**David Stanley** outlined the three ways that he believed TVC was sold to members, and stated that there was an agreement in place that, as a fixed week owner, your week was not affected in any way. **Teri Jackson**, who used to be the Reservations Manager for TVC, explained that she had been employed by TVC from November 2000, and any fixed week owner who had converted to TVC needed to give 12 months notice if they intended to use their home week. She explained that, because of the unsold inventory within the club, there used to be a lot more flexibility if needed. **David Stanley** challenged this stating that he had an arrangement whereby his week could not be released. **TJ** confirmed that this had been done as a concession by Fred Fogg. **David Stanley** replied that members who had purchased a fixed week before the advent of TVC should be given the opportunity to decline their membership in the current vacation club as it is now, or have allowed what was agreed at the time, which was that their week would not be affected. **DH** asked **AEW** and **TJ** if they could look into the issue. **TJ** confirmed that any TVC members with a fixed week could relinquish their TVC membership and revert back to being a fixed week owner.

**Mr Nicholls**, week 6, wanted it recorded that he refused to join the vacation club and would Sunterra make sure that his fixed week is reserved for him.

**Mr Mills** stated that there needs to be some form of watchdog to avoid further damaging incidents to the industry and its reputation. **DH** agreed with the sentiments of Mr Mills and that Sunterra would support moves to improve it. **PB** pointed out that, without the Trustees in place in January 2004, members would have lost everything. As it was, there was almost a seamless transfer from the Receiver to Sunterra.

**Janet Thiele**, week 14, stated that when she bought her week she was told that she was automatically a TVC member and that the fee normally charged was included in her purchase fee. Recently, when she called reservations to make a booking, she was told that there was

no such thing as a Thurnham Vacation Club anymore, that it was a Sunterra Vacation Club. She asked why, if there was no Thurnham Vacation Club, do we need to let Sunterra know if we intend to use our week. **AEW** confirmed that the Thurnham Vacation Club still exists and hasn't changed. It was not true that you automatically become a member of Club Sunterra.

**Janet Thiele** added that she has not been able to book a weekend stay this year. **KH** confirmed that the inventory was checked at regular intervals throughout the day to check for unused units and they were made available for rentals.

**Janet Thiele** told the meeting that friends of hers had been approached by a tout in Northwich town centre to attend a presentation at Thurnham Hall, and she found it very embarrassing that these methods were still being used, and when her friends attended a presentation last Sunday, they were seen in the library and spoken to appallingly by a sales rep. **KH** assured the member that he would investigate what he had been told.

**Lesley Norris**, week 22, asked where the leisure centre income was coming from, as detailed in the financial report; why it was included in the report when the bar and restaurant wasn't and why the income is lower than it should be. **KH** confirmed that the majority was coming from miscellaneous sales and the social membership programme. He explained that the income was a lot lower because the social membership programme had not been promoted to the extent that it had been in the past. **IB** explained that Sunterra were conscious of the level of fees being charged in 2005 and if the income for 2004 wasn't detailed in the report, it would have affected the level of fees.

**Frank Millar**, week 21, asked for clarification that, as a fixed week owner, he is entitled to apply for a weekend stay at Thurnham Hall. At a sales presentation he was categorically informed that he would lose the right completely. Also, he had been told that members were going to be charged to use the leisure centre. **TJ** confirmed that the booking procedures had not been changed from those of TVC, and that a one or two night break could still be booked by contacting reservations. **KH** confirmed that there would be no guest fee charged for members to use the facility.

## **9. Proposed Resolutions of Mr C Dickinson**

**DH** told the meeting that Sunterra has welcomed the proposals submitted by Mr Dickinson, whom he had met with prior to the meeting. During the meeting they found that, in many instances, they were like-minded, but **DH** wanted to point out that Sunterra would be voting against the majority of the resolutions, primarily because of the specific wording of them, and not because they are categorically against the general thrust of the proposals. However, Sunterra will be voting for resolution 11, as it has become apparent that there are some ambiguities within the Constitution, and, if the resolution is passed, a working party will be formed to review it and take some recommendations back to Sunterra and the Committee detailing how it can be improved.

**PB** informed the meeting that each of the submitted resolutions would be outlined, and the opportunity for any questions or comments would be given, and the voting slips would then be collected and counted.

## **Resolution 1**

That the management charges and sinking fund payments paid annually by members should be held in accounts controlled by the Management Committee.

**A member** asked if this was in fact two questions; the sinking fund is separate from the management charges and should be controlled as a separate issue, perhaps by the Trustee, to protect the sinking fund should the company go into receivership again. **IB** explained that the sinking fund is held in separate club accounts that are ring-fenced and the funds are secured for the members.

**PB** advised that the wording of the resolutions could not be changed, as at the meeting they have to be presented as they were submitted.

**Mr Dickinson** felt that he should explain that, in hindsight, some of the wording of the proposals was incorrect, but could not be changed at this stage. He went on to outline the basis for his proposal.

## **Resolution 2**

If the Management Committee considers that an annual management charge increase above the inflation rate is in the interests of the Club, then a mandate to implement the increase must be obtained from ordinary members at the AGM by a three-quarters majority vote.

**Mr Oates**, week 5, said it has been stated that the financial year end is going to be moved from June to December. He asked if it was possible to move it to April to fall in line with the UK system. This would allow the AGM to set any increase in management fees etc.

**IB** explained that one reason for moving to the December year end is because members receive their invoices around November for the following year. The discussion had not yet taken place with the Committee.

**Mr Dickinson** outlined his reasons for the proposal.

## **Resolution 3**

That the Management Committee and the Maintenance Company produce and maintain a five year financial plan for Thurnham Owners Club.

**Mr Dickinson** explained that the proposal was written on the basis of what was heard at the last AGM and he has since found out that a five year plan has been created, however, he thought that members should have access to the information.

## **Resolution 4**

The Committee members, representing the owners, should arrange for the maintenance and control of the leisure centre to be transferred to Sunterra and negotiate a fixed annual charge, to be paid by owners, for the use of the leisure centre facilities.

**A member** expressed her concern about opening Thurnham for common usage based on her findings at Wychnor Park.

**Len Fisher**, week 1, asked why members would want to pay for the use of the leisure club, when it was included in the purchase price.

**Mr Dickinson** explained that the leisure centre was originally for Thurnham owners only. It is now open to TVC members throughout the country and Sunterra members, so the proportion paying is not the proportion that are using it. **KH** advised that the use of the leisure centre by local Sunterra members not staying on site was at the discretion of the resort manager.

**John Dent** said that when he had purchased a week, it was on the basis that he had access to the common areas and the leisure centre, and he felt it improper to include an amount for rental in the accounts. The management fee should incorporate the use of the common areas and the leisure centre and no fee should be charged for that privilege. **PB** explained that, as he understood it, the idea was that, instead of paying for the upkeep, repair and staffing of the leisure centre within the management charge, that element would be taken out of the fee and instead you would be charged an annual rent. This was described as a 'balancing act', and the example given was that if the roof of the leisure centre needed repairing, at the moment it would have to be paid for by the Club. If a rent was charged, the club would not suffer the consequences of the cost of the repair.

**Mr Dickinson** explained that he would have not have submitted the proposal worded as it is now, had he known what he knows now. He suggested as an alternative, that the Committee be asked to produce a ring-fenced cost next year for the leisure centre.

### **Resolution 5**

That the Management Committee instructs the Trustees to maintain an up-to-date-register of members' details and provide the Management Committee with direct access to this register at all times.

**PB** advised that there was already an up to date register and, from a Trustee's point of view, he would be unwilling to release it to the Management Committee under data protection rules.

**Robin Ainsworth**, week 39, queried if the primary objection to the release of the information was the Data Protection Act, as surely it would be in the interest of all the members to be able to contact other members. Permission could be sought from members to release the database to the Management Committee.

**Richard Dale**, week 34, asked if they were being told that the proposal is problematic or unworkable. **PB** advised that, as Trustees, they would not release the database without every single members' consent. **JT**, one of the in-house lawyers at Sunterra, explained that the issue with the proposal was, to be able to release members' data to the Management Committee, Sunterra had to be completely comfortable that all of the members had positively consented to the data being released. It would be extremely unlikely that Sunterra could get a 100% response and 100% consent. What has been identified though, is that there is a problem with communication between the members and the Committee, and he said he thought that this would be addressed by the resolution relating to the website, which will be discussed in a moment.

**Mr Dickinson** re-iterated that the problem that he was trying to address with this resolution was that the members' Management Committee does not have access to the members' information, and as such cannot contact them individually. **PB** stated that the Management Committee does have access to members' details, through the Trustee, should they need them on specific issues.

## **Resolution 6**

Delete from Clause 16, Club Meetings, sub-clause 16.5, the last sentence, 'No instrument appointing a proxy shall be valid after the expiry of 12 months from its date'.

## **Resolution 7**

That the Management Committee should set up a secure website for Thurnham Owners' Club for communications between the Management Committee and members and for members to exchange opinions and information.

**DH** confirmed that, as previously discussed, a website will be set up at Sunterra's cost, to improve communication about the minutes, the accounts and for any questions. He believed that the onus should not be on the Management Committee, it should be the responsibility of the management company to facilitate it.

**Mr Dickinson** agreed with **DH**, and as matters had moved on since writing the proposal, he wished it to be withdrawn.

## **Resolution 8**

That the Management Committee implement sub-clauses 13.11 and 13.9 of the Constitution, which relate to the non-payment of management charges.

**Mr Dickinson** wished to clarify that Sunterra and he were in agreement with what needs to be done. He believed that the two sets of clauses were not compatible.

**JJ** disagreed, believing that they were compatible, and explained that section 13.11 came into play immediately that the due date for the payment of maintenance fees has arrived and they haven't been paid. At that point the week is suspended. He continued that section 11.2.1 is only implemented later after all steps have been taken to recover the outstanding fees. If members feel that they can delay paying for 12 months, the Club is going to be short of those fees. Who would pay them, would the other members want to subsidise those who haven't paid?

## **Resolution 9**

Delete the following from Section 10 of the Constitution Clause 10.6, last sentence, 'Until such time as the Committee shall have been constituted, the Management of the Club and all powers of the Committee shall rest in the Founder Members, who will on behalf of the Club enter into an agreement with the Management Company'.

**PB** stated that this will form part of the review of the Constitution that will take place at a later stage.

**JT** explained that some representatives of Sunterra had met with Mr Dickinson that morning, and, contrary to what is said in the AGM notice, Sunterra will be voting in favour of resolution 11. Sunterra has taken the view that this will make resolutions 9 and 10 unnecessary, as they will fall within the ambit of the constitution review.

**Mr Dickinson** agreed and withdrew the proposal.

## **Resolution 10**

Delete from section 11 of the Constitution, clause 11.1, 'The management of the Club shall initially be vested in the Management Company under the Management Agreement'.

**Mr Dickinson** withdrew this proposal.

### **Resolution 11**

A working group should be set up by the Management Committee to review and make recommendations on the contents of the Constitution of the Thurnham Owners' Club.

**DH** confirmed that Sunterra is in agreement with this proposal, and suggested a six month period for Mr Dickinson and the Committee to discuss, debate and bring forward proposals to Sunterra.

### **Resolution 12**

That the ordinary members of Thurnham Owners' Club are not responsible for the installation costs of the effluent treatment system. The Management Committee is instructed by the ordinary members of Thurnham Owners' Club not to use money held in the sinking fund towards the cost of the replacement effluent treatment system. Should Sunterra dispute this decision, then the Management Committee should refer the matter to an independent arbitrator (Constitution Section 20, Arbitration)

**A member** asked, if there was no money in the sinking fund, why was there a vote on it.

**A member** asked if the special levy was going to be charged every year and **IB** replied that it was being charged over 2 years, as detailed in a recent letter to members.

**George Yoxall** pointed out that in the minutes of the last meeting, a member asked if there was still a problem with the sewage, and **KH** had replied that there was, but they were in the process of installing an EP600 which would accommodate 600 users. He had said that this was at a cost to the developer and not the owners. **Mr Yoxall** asked if the developer was obliged to provide all services at Thurnham Hall and not put the cost onto the owners.

**KH** responded that at the time Fred Fogg was insistent that he was going to pay for the installation, and that he had been instructed to say that it was going to be a cost borne by the developer. The EP600 was never purchased.

**JJ** pointed out that arbitration refers to disputes arising out of the constitution, which this clearly would not be.

**Richard Dolman**, week 34, asked that given that there was an agreement between the Committee and Sunterra, what would Sunterra's reaction be to this resolution being passed.

**JT** replied that it was a very good question, and one which they hoped they would never have to address. He said that Sunterra is working within the Constitution and clearly believes that this is a cost to the members. The Committee took the view that it was not a cost to the members, but a compromise was reached, which was outlined earlier in the meeting. Legally, Sunterra Europe has incurred the cost of the sewage plant by relying on the compromise reached with the Committee. If the Committee were instructed to interfere with that compromise, or the compromise was breached, Sunterra Europe would have suffered damages and would be forced to consider its position.

### **Resolution 13**

That on behalf of Thurnham Owners' Club, the Management Committee should sign the Management Contract approved by its ordinary members.

**PB** highlighted that **JJ** had earlier discussed the reasons for Sunterra, as Founder Member of the Club, signing on behalf of the Committee for the management contract.

**Mr Dickinson** pointed out that members had received a letter in April from the Management Committee stating that the management agreement would be brought to the AGM for their approval. He stated that this has not been done and there should have been some consultation with the members to get approval on what the Committee had agreed.

**PB** stated that it was virtually impossible for members at a general meeting to approve a management contract. A Committee is elected to act on members' behalf.

**Mr Dickinson** said that, at the last AGM, Thurnham Leisure Group had informed the meeting that they had forgotten to put a proposal forward to renew the management agreement that had run out, but that it would be put at the next meeting. This proposal is doing exactly the same except it is with Sunterra.

**JT** informed the meeting that the management agreement had now been signed, and he was unsure where that left Mr Dickinson's resolution. He pointed out that there was a very clear mandate in the Constitution for the Committee to delegate the management of the Club to a management company of their choosing, which they have done. Referring to the letter sent in April, **JT** explained that one of the first things the Committee had said was that the management agreement would have to go to a general meeting, as they believed it stated in the Constitution. He had pointed out that it could go to a general meeting if they chose, but the Constitution does not state that a management agreement has to go to a general meeting. This was explained to the Committee at the time, and the agreement was signed. **JT** explained that the reason why the now terminated management agreement had gone for approval to the general meeting was because there was a term in that management agreement saying that it needed to be approved at general meeting.

As there were no other questions relating to the resolutions, **PB** asked that the voting forms be completed ready for collection.

**A member** thanked Mr Dickinson, on behalf of the members, for the effort he had put in, and asked him if he was prepared to stand for the Management Committee.

**Mr Dickinson** replied that he would be unable to as he would have had to be proposed for the Management Committee so many days before the meeting.

**PB** said that there was no reason why Mr Dickinson couldn't stand for election next year though.

### **10. Election of officers**

**DH** informed the meeting that there were two candidates for the position on the Committee until a couple of days ago. For personal reasons, Ron Creer has withdrawn from the election, which leaves the only candidate as George Yoxall.

**George Yoxall** was invited to give a brief resume of himself, which included his history with Thurnham Hall, his employment history and his family details.

**DH** invited the members to vote for, against or to abstain from voting on the forms provided.

The voting forms were then collected and **PB**, **IB** and **TJ** left the meeting to collate the results.

## **11. Submitted members questions**

**DH** told the meeting that 12 questions had been submitted in writing, and that most had been touched upon during the meeting. He proposed that, for completeness, the letters be attached to the minutes with a formal response.

## **12. Any other business**

**Mr Dickinson** had previously submitted an item to be included under this section relating to membership. He stated that there is some confusion between being a member of the Thurnham Owners Club and having a membership certificate for Thurnham Hall Country Club, which he has been told by the Committee no longer exists.

**JT** explained that Sunterra knew nothing of a Thurnham Hall Club. He said that ultimately it came down to the data-base held by the Trustee, and provided that you are on that data-base as a member of Thurnham Owners Club, you have the rights of a member of Thurnham Owners Club, notwithstanding that the purchase agreement that was originally signed might, for some reason lost in history, say Thurnham Hall Club.

**A member** stated that his certificate stated he was a member of Thurnham Hall Country Club, which **JT** hadn't mentioned.

**JJ** explained that the Thurnham Hall Club is an historic one. It was the original name of the members' club in 1989 when it was first formed. In 1996, when Fred Fogg took over, the Constitution was re-drafted at a special general meeting, and at that point the Thurnham Owners Club was formed. The members' club for Thurnham is still the Thurnham Owners Club. Thurnham Hall Country Club is a name that has been adopted over the years for the resort, it's not the members' club.

A question was asked from the floor, but unfortunately was inaudible as a microphone was not used. **JT** replied that he didn't agree with the member who thought his rights might have been prejudiced by having an agreement which, for reasons unknown, had a slightly different name for the Club.

**A member** asked that, as part of the review, could consideration be given to turning the association into a company limited by guarantee.

**JT** stated that that was a very big issue, and said that he would discuss it with the working party, but could not make any promises.

**Denise Dawson** said that she was still a little confused about the accounts that had been produced this year, and asked that more information be given at the next AGM. She continued that she was still confused as to why the bar and restaurant were not detailed when the leisure centre was. **JJ** explained that the bar and restaurants are now being operated by Sunterra and not the Club. The cost of running and staffing the leisure centre is still a Club cost and therefore the income is a Club income.

**George Yoxall** asked if the opportunity to purchase the land at the front of Thurnham Hall ever arose, would Sunterra be interested. **DH** said that they would be interested in knowing its value and also in the properties that adjoin the land.

**George Yoxall** proposed that an owners meeting be called in six months time, as this meeting was very lengthy, and there are probably many questions still to be asked. **DH** explained that Sunterra is planning a series of roadshows throughout the UK, where committee members and owners can meet Sunterra representatives and ask questions as they arise. **DH** said that if the members felt that they still wanted a meeting in six months time, and could clarify what the purpose of the meeting would be, he would be happy to attend.

**JJ** stated that there was a mechanism in the Constitution to call a special general meeting and he felt that it would have to be used to call it.

**JT** stated that as the suggestion wasn't a properly submitted resolution, a formal vote could not be taken on it as many of the members are not present. He added that to have a meeting in six months time would be acting outside of the Constitution, and confirmed that there was a procedure in the Constitution already for calling special general meetings.

**A member** said that he wasn't sure that another meeting was required, but certainly more information/communication was. He explained how he was confused about his ownership **AEW** agreed with the member and explained that that was why there were 8 members of staff from Sunterra at the back of the room, who were there to take questions from the members at the end of the meeting. She explained that, in recent discussions with the Committee, a 'frequently asked questions' sheet was agreed on, and she was under the impression that it had been distributed to members prior to the AGM, and had only just found out that it had not yet been received so would look into what the delay was.

**Postscript to the minutes: the frequently asked questions are now attached to the minutes.**

**A member** asked if there would be an area on the website where members could put questions to Sunterra. **DH** confirmed that there would be.

**A member** stated that when he bought, he was told that the management fee would increase in line with inflation, but costs incurred with the sewage plant have had a significant effect on it. He asked what guarantees could be given that the next management fee and sinking fund will not increase dramatically on what is being paid now.

**DH** explained that it was in Sunterra's interest to keep the management fees as low as possible and they discuss it with the management committee to ensure that the right balance is achieved between the service the membership desire and want and the costs of providing that.

**A member** pointed out that there were a lot of members who were just walking away from their ownership because of the increases in management fees and sinking fund, and asked what Sunterra and the Committee were going to do to resolve the problem.

**DH** replied that if the figures of the numbers of people who have relinquished their weeks over the last five years are looked at, it has actually been fairly consistent, whether the increase has been 3% or 15%. He added that he and the committees would be doing all they can to keep the fee increases as low as possible.

The member stated that **DH** had mentioned cloudless skies and transparency, and asked if members would receive more warning of increases prior to receiving their management fee bills.

**AEW** replied that it is Sunterra's aim to provide more information with the invoices that are sent, and that the provision of the website will provide more information on a regular basis, including information from the committee meetings.

**Mr Dickinson** asked if Sunterra was going to implement a 20% sinking fund as has happened at Cromer Country Club for refurbishment.

**DH** replied that Sunterra has a target of between 15% to 20% at the other resorts as a workable sinking fund in order to maintain the quality of the apartments, but it hasn't yet been discussed for Thurnham Hall.

There was a discussion as to the interpretation of the term 'sinking fund' and **AEW** said that she thought that there had been confusion because of the way it was interpreted in the past and the way it is interpreted today. She saw it as one of the challenges facing Sunterra to build a dictionary of terms that can be added to the Constitution that clearly states what is being meant by the items.

**JJ** pointed out that section 12 of the Constitution does clearly state what the sinking fund can be used for.

**Leslie Norris** asked what happened to the money from the sale of Club Britannia.

**DH** informed her that it was not yet sold. **JT** informed her that a resolution had been passed for the winding up of the Club. Following a general meeting of the members that resolved to terminate the Club, a resolution was passed to distribute the proceeds in proportion to the ownership rights. When asked how TVC members would be dealt with, having rights at all three clubs, **JT** said that he didn't have that information and would ensure that the information would be added as a postscript to the minutes.

**Postscript to the minutes: as per the date of the distribution of the minutes, the sale of Club Britannia had not been completed. Fixed week owners at Club Britannia, who have ceded their weeks to TVC to back up their TVC membership will have received a letter from Sunterra stating that, as one of their options, they will be entitled to a share of the sale proceeds. The TVC constitution allows for resorts/inventory to be removed from the club, which has happened in this case, and alternative inventory at Thurnham and Cromer has been added to the TVC club**

**Gerald Andow**, week 12, asked why Sunterra are asking fixed week owners to pay to join the points club, when they originally paid quite a high figure for their week.

**DH** explained that Sunterra believed that it offered a great product and agreed that it wasn't the right one for everybody. The sales team do their best to convince members of the benefits of the points system, and when you look at the trends from acquisitions from the past, it shows that in the first six months or so, a number of people do choose to join the programme, and there-after the numbers dwindle because they are the people who love their particular resort/week. This process is carried out at all new acquisitions.

**Mrs Swindles** who owns a week at Thurnham and points with Sunterra, said that she was very happy with the points system and had enjoyed many holidays with Sunterra. She said that she was quite happy to change her Thurnham week to the points system, but not happy to pay £3,000 to do so. Why, she asked, couldn't they convert to points without the charge?

**DH** said that Sunterra believed that there was a value to joining the points programme, and that it was a decision for individuals to make whether or not they believed that the price that Sunterra are asking provides additional benefits for them and their families.

There was a discussion on the floor, that was inaudible as no microphones were used.

**Karen Harper** said that she couldn't understand how Sunterra arrived at the cost, as she had been quoted different prices at different locations.

**DH** explained that Sunterra delegate to the sales teams a facility to discount and they can vary the price in order to reach their sales targets.

**PF** pointed out that she understood that the members would be willing to pay a conversion fee to join Club Sunterra, but not to pay thousands of pounds extra for something that they already own.

**Kath Roberts** explained that she was able to convert to RCI points by only paying a conversion fee.

**DH** acknowledged what was being said and it would be reviewed.

**Mr Hall**, week 37, asked for clarification of the bandings of the weeks at Thurnham Hall.

**AEW** explained that, internally, Sunterra does have a different calendar to that of RCI, but if a member's week was red with RCI, they would get a red week if they exchanged with RCI.

**Mr Greenough**, week 39, added that he was informed recently that he only owned an off peak week by the sales staff, and also that he would no longer have access to the leisure centre if he didn't convert to points.

**DH** replied that this was not the case and that he would investigate the situation.

**Mr Dickinson** asked how many votes Sunterra carried, and was informed that they had 938 votes which represented the unsold weeks that Sunterra owned at Thurnham Hall.

## **Results of the voting on the submitted resolutions**

**DH** confirmed the results:

Resolution 1:	For - 87	Against - 999	Abstain - 2	Failed
Resolution 2:	For - 96	Against - 980	Abstain - 0	Failed
Resolution 3:	For - 107	Against - 965	Abstain - 2	Failed
Resolution 4:	For - 22	Against - 1051	Abstain - 0	Failed
Resolution 5:	For - 72	Against - 998	Abstain - 0	Failed
Resolution 6:	For - 31	Against - 1031	Abstain - 1	Failed
Resolution 7:	Withdrawn			
Resolution 8:	For - 53	Against - 1002	Abstain - 1	Failed
Resolution 9:	Withdrawn			
Resolution 10:	Withdrawn			
Resolution 11:	For - 1042	Against - 39	Abstain - 1	Passed
Resolution 12:	For - 69	Against - 1000	Abstain - 0	Failed
Resolution 13:	For - 65	Against - 997	Abstain - 1	Failed

**DH** confirmed that there was no opposition to George Yoxall's nomination to sit on the Committee, and confirmed that he was officially elected onto the Thurnham Owners' Club Committee and offered his congratulations.

**DH** closed the meeting at 15.40 by thanking everyone for attending and their continued support at Thurnham Hall.

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**APPENDIX 1**  
**Statement of income and expenditure for the year ended 31 December 2004**

	<b>2004</b>
	£
<b>Income</b>	
Maintenance fees	<b>766,457</b>
Heat and light income	25,116
Telephone income	334
Leisure centre income	16,754
Other income	4,312
	<b>812,973</b>
<b>Expenditure</b>	
Heat and light	<b>66,824</b>
Business rates	56,262
Water rates	2,368
Cleaning, laundry and housekeeping	30,635
Insurance	14,995
Repairs and maintenance	49,767
Grounds maintenance	58,322
Security services	18,468
Vehicle costs	12,118
Telephone	9,534
Sky TV costs	1,976
Other costs	17,586
Clubhouse costs	34,006
Office costs	3,618
Staff costs	<b>416,907</b>
Accountancy services	1,750
Trustee's fees	1,100
Audit fees	1,750
AGM costs	7,187
Bank charges	2,641
Leisure centre and pool costs	5,159
	<b>812,973</b>
<b>Surplus of income over expenditure</b>	
	-

This financial statement has been extracted from the audited accounts for the Thurnham Owners' Club for the year ended 31 December 2004.

## **APPENDIX 2**

### **Submitted members' questions**

#### **1. Fred Evans - letter 27 January**

##### **Q1) Have the faults in units 24 and 26 been registered with the architect, the building company, and the building inspectorate? If not, why not?**

*Response: The faults have been registered with our internal property development services team and we have had a full independent structural report compiled, following an inspection – we will be getting the results of this and actioning remedial works as and when necessary.*

##### **Q2) When the management and sinking funds are asked for next year, to ensure that the company does not acquire such funds, would it be possible for everyone to sign two cheques, one for each fund?**

*Response: Because of the history of the club, Sunterra fully appreciates members' concerns about the control of their management fees and the sinking fund. However, members are reminded that Sunterra Europe Limited is a subsidiary of Sunterra Corporation, which is listed on the US stock exchange, NASDAQ, and consequently must comply with rigorous regulatory and audit obligations. On a practical level, the Management Agreement awarded by the Committee to Sunterra Europe Limited delegates to Sunterra the management of the club, and Sunterra would be unable to perform those functions adequately if it did not have day-to-day control of the management fees.*

##### **Q3) As the business has been collecting sinking funds for the past three years, could the owners have copies of the statement of accounts in relation to this?**

*Response: Please refer to Item 8, Committee Report, on page 7 of the Minutes.*

#### **2. Mr C H Dickinson - letter 18 and 20 January**

##### **Q1) How many members are eligible to have access to the leisure centre from the following groups: Thurnham Owners' Club, Thurnham Vacation Club, Sunterra Europe?**

*Response: Members from all of the groups that you mention have access to the leisure centre, if they are staying on-site. Local members from all of the groups can also have access to the leisure centre at any time, but with certain restrictions. Those restrictions being: 1). By arrangement with the Resort Manager; 2). on the basis that the maximum number of swimmers will not be exceeded.*

##### **Q2) The Minutes of the Management Committee stated that the new Management Agreement had to be approved by the members at the AGM. Will this be done and if not, why not?**

*Response: Please refer to page 8 of the Minutes, and the response to Resolution 13.*

##### **Q3) Is Thurnham Owners' Club being charged for any of the maintenance, staff and overhead costs of the restaurant, bar and lounge area? If so, would you itemise each cost?**

*Response: All income and costs associated with the food & beverage operation are the responsibility of Sunterra Europe Limited, and do not form part of the club accounts.*

##### **Q4) Approximately £60,000 was lost out of the sinking fund. What steps have been taken to recover this money? What is the liability of the Management Committee for any unrecovered amount and was this liability covered by insurance?**

*Response: The Committee did liaise with the Receiver to recover this money, but it is very unlikely that any money would be recovered. The Receiver did confirm that no assets were available for distribution to unsecured creditors. We do not know the status of any police*

investigation. There is no liability on the Management Committee, and these sums were not covered by insurance.

**Q5) Would you please provide a detailed breakdown of the following items in the budget ended 31/12/05: wages and salaries, other staff costs, security services, other costs, Club administration services, bank charges, Sky and television costs, club house costs, leisure centre and pool costs, office costs and trustees fees. Where is the income from re-letting unoccupied units?**

Wages and salaries includes:

Administration	£147,084
Grounds & Mnt	£69,034
Housekeeping	£130,825
National Ins.	£25,983

Other staff costs includes staff uniforms, training and recruitment costs.

Other costs consists of other costs, travel and subsistence and health & safety costs.

Security services are based on 70 hours per week.

Club Administration Services includes a proportion of UK Resort Director, Purchaser and Trainer.

Sky and television costs is for TV licences and digiboxes.

Clubhouse costs covers all utilities and entertainment for the main hall.

Leisure centre and pool costs includes pool chemicals and an allowance for repairs and maintenance.

Office costs includes stationary, postage and depreciation in respect of the library.

Trustee fees are payable to ensure that the members weeks are kept in trust independently of Sunterra.

The club receives 100% management fee income and any income from unoccupied units would be payable to Sunterra.

**Q6) Would the Management Committee produce a list of the areas of work that they now undertake? Why does the protection of about £1 million of Club funds have a lower priority than any of the existing work now being undertaken by the Committee?**

Response: There is no definitive list of the Committee's work. The role of the Committee is outlined in the Club Constitution and the work consists of whatever is required to fulfil that role. The Committee do not and have never considered the Club funds to be of low priority, on the contrary we consider them to be of highest priority because without the funds we would not have a Club.

### **3. W and J Casson - letter 6 February**

**Q1) Would you clarify how many members would be sharing the cost of the re-instatement of the effluent treatment system?**

Response: The cost is spread amongst all the owners of the weeks. Sunterra have also agreed to pay £41k (over two years) for the levy on the unbuilt new units.

**Q2) Have non-members been allowed to purchase the tickets for the Christmas and New Year festivities as membership details have never been checked?**

Response: Non-members have been allowed to attend Christmas and New Year festivities (numbers permitting) and we obtained occasional licences to allow for this.

**Q3) Could the reasons why Thurnham Vacation Club members are not eligible to vote or speak at AGM meetings of the Thurnham Owners' Club be clarified? They pay the management and sinking fund as the Owners Club members without the benefits of voting at the AGM.**

*Response: Thurnham Vacation Club and Thurnham Owners' Club are separate clubs, each with its own constitution and rules. Membership of TVC does not give you membership of Thurnham Owners' Club, and therefore TVC members are not entitled to participate in the Thurnham Owners' Club AGM. The Rules of TVC do not provide for annual general meetings of that club.*

## FREQUENTLY ASKED QUESTIONS - Fixed week owners (non TVC)

### **When do we need to book our week?**

Your fixed week is booked automatically for you up to 2 years in advance.

### **When do we need to pay our management fees?**

Your management fees need to be paid on receipt of your invoice or indeed once the fees are debited to your membership account, usually before the end of the previous year. However, should you wish to bank your following year's week, a deposit of £125 is required. This can be done by calling reservations on 0845 3590005. *N.B. members who only own on alternate years will only receive invoices for the years owned.*

### **Can we upgrade our unit size?**

No. You can only book into an apartment of the size owned.

### **Can we split our week into 2 short breaks?**

No, this was not an option with Thurnham Leisure Group either.

### **Can we still book overnight stays?**

Yes. You may still book extra nights by contacting reception at the resort. These can be booked up to 7 days in advance by contacting the resort on 01524 751766.

### **Can we purchase extra weeks?**

Extra weeks can only be purchased via the re-sale market.

### **Can we rent extra weeks?**

Yes. Sunterra operate a rental programme. Accommodation is available at many Sunterra resorts for monetary payment only. This is member rental inventory. Call reservations on 0845 3590005 to check availability.

### **What can I do if I cannot use my week this year?**

Weeks cannot be saved or carried forward. If you find that you cannot use your current year's week you can arrange to bank your week with RCI (current membership is necessary) or offer it on Sunterra's rental programme by calling reservations (The rental of your week is not guaranteed)

**Do not hesitate to contact our reservations team on 0845 3590005 if you have any further questions.**

## FREQUENTLY ASKED QUESTIONS - TVC Members (fixed and floating)

### **When do we need to book our week?**

If you are a TVC member owning a **fixed week**, you must advise Sunterra reservations on 0845 3590005, at least 12 months in advance but no more than 24 months that you intend to occupy your week.

If you are a TVC member with a **floating week**, you can book a maximum of 12 months in advance (this was the same procedure with the Thurnham Leisure Group).

### **When do we need to pay our management fees?**

Your management fees need to be paid on receipt of your invoice or indeed once the fees are debited to your membership account, usually before the end of the previous year. However, should you wish to book using the following year's week, a deposit of £125 is required. (Thurnham Leisure Group used to request members to pay the whole year's fee, based on the current year, as a deposit and the difference was invoiced as normal).

### **Can we still upgrade our unit size?**

No. You can only book into an apartment of the size owned.

### **Can we still split our week into 2 short breaks?**

Yes. You may split your week and take a weekend break (Fri/Sat/Sun) and a midweek break (Mon/Tue/Wed/Thur). You can only book into an apartment of the size and colour band owned, and this can be booked a maximum of 12 months in advance.

### **Can we still book overnight stays?**

Yes. You may still book 1 or 2 night stays for £15 per person per night (with a minimum charge of £30 per night). These can be booked up to 30 days in advance by calling reservations on 0845 3590005, or directly with the resort if within 7 days on 01524 751766.

### **Can we purchase extra weeks?**

Extra weeks can only be purchased via the re-sale market.

### **Can we rent extra weeks?**

Yes. Sunterra operate a rental programme. Accommodation is available at many Sunterra resorts for monetary payment only. This is member rental inventory. Call reservations on 0845 3590005 to check availability.

### **What can I do if I cannot use my week this year?**

Weeks cannot be saved or carried forward. If you find that you cannot use your current year's week you can arrange to bank your week with Interval International (current membership is necessary) or offer it on Sunterra's rental programme (The rental of your week is not guaranteed)

### **Can I bank my week with RCI?**

TVC members can only bank their week with Interval International.

### **How do I become a fixed week (non TVC) owner again?**

If you originally purchased a fixed week and 'converted' to TVC, you can simply relinquish your Club membership by instructing the Owner Administration Department at Citrus House in

writing. You will then revert back to owning a fixed week in the apartment and week originally purchased. From the following year, this week will be booked automatically each year for you, and you will be able to bank it with RCI (current membership is necessary).

If you purchased a floating week, you cannot change your membership in any way.

**Do not hesitate to contact our reservations team on 0845 3590005 if you have any further questions.**

Dear Member,

At the AGM, Mr CH Dickinson put forward the following resolution:

**Resolution 11**

*A working group should be set up by the Management Committee to review and make recommendations on the contents of the Constitution of the Thurnham Owners' Club.*

This resolution was passed at the meeting, and following on from that we are looking for volunteers to make up the working group.

If you are interested in being considered for the group, please complete the form below and send it to:

Teri Jackson, Citrus House, Caton Road, Lancaster, Lancs LA1 3UA.

Forms need to be received by **7<sup>th</sup> June 2005**. In the event that we get a larger response than needed for the group, names will be drawn at random from those submitted.

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**Application to join the working group on the Thurnham Owners Club Constitution review**

I would like to be considered for the working group:

Name .....

Owning week ..... Unit .....

Contact Number .....

Or E-mail address.....