

**Minutes of the Fourteenth Annual General Meeting Of  
THURNHAM OWNERS' CLUB  
Held on Sunday 20 June 2010 at 2.30pm at The Holiday Inn, Lancaster.**

**Present:**

Lorie Oesterreicher	(LO))	Chairman
Peter Scott	(PS)	Committee Member
Amanda O'Garrow	(AOG)	Founder Member Representative
Steve Rixon	(SR)	Resort Management Area Director

**In Attendance:**

Lorna Cardwell	(LC)	Resort Manager
42 members		

**LO** opened the meeting, welcomed everyone present. She explained that the resort report would be moved to later in the meeting to take place whilst the votes on the proposed resolutions were counted.

**1. Apologies for absence**

Apologies for absence were received from Mike Forth, Jean Aveyard, Robin Ainsworth and Brian Thompson.

**2. To read and confirm the minutes of the last Annual General Meeting**

The minutes of the last Annual General meeting had previously been distributed and were confirmed as a true record.

**3. Matters arising therefrom**

There were no matters arising.

**4. Chairman's Report**

The Chairman's report had been circulated in the Notice for the AGM and there were no updates to be given.

**5. Finance Report**

**AOG** summarised the report contained in the Notice.

She highlighted that:

- 100% of the maintenance fees had been received by the club because Diamond Resorts International® (DRI) again guaranteed all of the fees for the year.
- The income reflected included the maintenance fees for the 10 DRI units on the resort.
- The split between the fixed week owners and the points club is approx. 25/75.

Referring to expenditure, **AOG** explained that costs for electricity had decreased significantly in 2009 and this was mainly due to refunds received from the gas supply company for overcharges made in 2008. The increase in cleaning related to the additional cleaning cost for the shorter marketing stays and internet rentals which were paid for by DRI and/or the points club which in turn were reflected under other income. Occupancy rate had also been higher in 2009. Sky & Television costs reflected the cost of a hotel TV license for the full 12 months whereas the 2008 expense only reflected the reduced license for part of the year.

She went on to explain the changes reflected in the expenditure section, which included the new charges that were being charged to the club - the full cost of the management services fee, which had previously been absorbed by the management company.

The surplus for the year stood at £150,342 and those funds would be available for future years' use by the club.

The reserve fund balance was £357,628. £31,000 of the surplus had been allocated to subsidise the increase in the VAT rate from 15% to 17.5% for 2010. The committee had allocated approx. £250,000 from reserves to be used for the front elevation of the main hall to be undertaken within the next 5 years.

The sinking fund balance stood at £145,853 at the end of the year. The bank balance reflected the sinking fund. The replacement of the Hall roof was now complete and the refurbishment programme was underway. One unit had been fully refurbished in 2009 with a further 6 units scheduled for 2010.

## 7. Matters arising therefrom

**Mike Sneddon** (week 43) referred to the additional costs and questioned whether they were charged at cost or whether there was an element of profit and was told that they were charged at cost as the management company charged a separate 15% management company fee as a profit element.

**Mr Sneddon** felt that DRI had no incentive to keep the costs down and **AOG** pointed out that the accounts were showing a surplus of £150,000, which proved that this was not the case.

**Mr Sneddon** felt that there should be a fee based structure that would incentivise DRI to reduce costs and benefit from the reduction in costs. **AOG** replied that the Constitution currently stipulated the 15% management company fee but discussions had taken place about the possibility of a fixed fee.

**John Woodward** (week 8) referred to the £¼ million for the work to the front of the hall and asked if the scaffolding would need to be re-erected and how many quotes for the work had been obtained. **AOG** explained that they had not yet had any official quotes; the estimate had been provided by the contractors who had performed the work on the roof. A minimum of three quotes would, however, be obtained before a contract was awarded. She added that, unfortunately, the scaffolding would need to be replaced for the work under Health and Safety Regulations.

**Gerald Vandome** (unit 12) referred to the administration services charge and asked where the difference came from. **AOG** replied that they were looking at a difference of approx. £35,000 and highlighted that there were certain costs that had not been charged across by the previous management company including IT costs, legal services, HR and payroll costs. Historically, arbitrary amounts for invoicing and reservations had been charged and these areas have been looked into and actual costs are now reflected.

**John Jackson** (weeks 51 and 52) suggested that all of the budget headings were listed for future years and was told that the background details were given to the committee at the budget meeting.

**Mike Sneddon** returned to the subject of the work that needed to be carried out on the front on the Hall and highlighted that one of the major costs would be for the hire of scaffolding. He asked if the contractors that had worked on the roof had brought their own scaffolding or if it had had to be hired. **AOG** replied that most contractors hired scaffolding but this was included in the quote for the work. She added that they had taken advantage of the scaffolding whilst it was erected and had additional works carried out to the wall under the roof at the same time which effectively reduced the cost of having the repair done at a later date and having to hire more scaffolding.

**Mr Sneddon** asked if it would be more cost effective to actually buy some scaffolding and resell it at the end of the contract. **AOG** said that she was not qualified to answer the question but suggested that the problem would be the cash flow to be able to purchase it. **SR** would take the suggestion up with the property department but, as the building is listed, they would not be able to fix scaffolding to it and would therefore need a double layer.

As the Hall was now licensed to hold weddings **Mr Sneddon** asked if this would be reflected in the accounts going forward and was told that, as the weddings were run by the franchisee, there would be no financial impact one way or another on the club.

## **8. Proposed Resolutions 1-5 to amend the Thurnham Owners' Club Constitution**

**AOG** outlined the resolutions contained in the notice and highlighted the changes that had been made to the wording of resolutions one to three as requested at the previous year's AGM.

**John Jackson** (weeks 51 and 52) clarified that, at the 2009 AGM, he had only put forward the reasons why the resolutions didn't stand. He had actually objected to the resolution completely. He stressed that he had nothing against points owners and didn't wish to totally exclude them from proceedings at Thurnham but, in his experience, it was unusual to have a non-club member sitting as a voting committee member in any club. If the European Collection owned 75% of the weeks at Thurnham that fact should be registered with the Trustees and the appropriate number of membership certificates issued along with the voting rights attached to them. That would make the European Collection an ordinary member of the club, but not the individual points owners.

Under the terms of the resolution, **John Jackson** stated that the members would have no control over who was nominated to sit on the committee and more importantly, they would not have any control over the person nominated. If they are not a member of the club, they are not subject to the Constitution and the rules and regulations of the club.

He continued that, to make the situation even worse, there was a whole section of members who were ineligible to sit on the committee: owners of alternative weeks are members of Thurnham Owners' Club but are not classed as ordinary members and therefore are not eligible to be elected on to the committee. He asked why they were looking to appoint a nominated non-member when their own members aren't entitled to be there.

**AOG** responded to **Mr Jackson's** points by stating that the points club was a fixed week owner and it was the points club that that would have the permanent position on the committee, so they were in fact ordinary members of the club. As the points club was a body and not an individual person, its board wanted to appoint someone to act on their behalf. As they would be acting on behalf on an ordinary member they would be subject to the club Constitution. She added that every single points member, whilst staying at a resort, as part of their rules and regulations have to adhere to the rules of that club's Constitution whilst on site.

The committee would still be made up of three ordinary members; one of the positions would be for the majority weeks holder.

Referring to the ineligibility of A and B owners, **AOG** said that she would have to consult the Constitution as she had not previously noted that they were not classed as ordinary members and didn't see why they should be exempt from being a member of the committee.

Following further discussions, the members present felt that a resolution was needed at the next AGM so that odd and even year owners could stand for the committee. **AOG** said that she would take it forward. **Mr Mills** proposed that the situation regarding A and B owners be changed to allow them to be eligible to stand for a committee position and this was seconded by **Mr Jewell** (week 28).

**John Jackson** asked if the Diamond Resorts European Collection were registered with the Trustee as a fixed week owner with membership certificates and was told that they were registered and had the voting rights on each of the weeks but that individual membership certificates had not been produced as this would be an unnecessary cost that served no purpose.

**John Jackson** continued that he was still not happy that there was no scope in the Constitution to deal with someone who was representing a club member but asked, to facilitate this position, why they were reducing the number of ordinary members on the committee. **AOG** replied that they were not reducing the number; it was currently three and would still be three if the resolution was passed. The points club was an ordinary member.

**John Jackson** said that he still felt that they were surrendering their control on the committee. **AOG** highlighted that every other club managed by DRI had this committee make up. She explained that it was extremely rare that a decision would have to go to vote at a committee meeting, and even then, the points member didn't vote for DRI they would vote in the interests of the members and the points members. They were not there to be the casting vote for DRI.

**John Jackson** felt that a simple resolution would be to increase the number on the committee and add a points member to the 3 ordinary members. The ordinary members would still have control of their club and the changes to the Constitution would be far simpler.

**A member** suggested that the criteria for nominees for the points club position be amended to only allow people who had 'been a fixed or floating member at the resort that they would like to be nominated for and have converted to European Collection membership and points' to ensure that they had a vested interest in the club. **AOG** stated that many points club owners that put forward for the committee positions have more of an association with the club they wish to represent than some fixed week owners who only ever bank their week for exchange and don't visit the resort. She went on to outline the interview process that candidates go through where they have to demonstrate why they should be chosen for that particular resort.

Members were asked to vote on the resolutions using the voting forms provided.

## 6. Resort Manager's Report

Whilst the votes were being counted **LC** presented her resort manager's report. She thanked everyone for their continued support for Thurnham Hall.

Members were informed about the improvements made at the resort over the last 12 months including:

- Garden wall repair.  
Remedial work had been carried out on the garden wall which was a necessity to prolong the life of the wall.
- Unit refurbishments.  
3 unit refurbishments had been completed in the first quarter of the year (2 studios and 1 one bed).  
3 more (1 studio, 1 one bed and 1 two bed) will be refurbished in the last quarter of the year.  
Upgrades will be carried out on a further 2 units to make them accessible with the focus mainly on bathrooms and kitchens.
- New televisions.

- 32 Sony flat-screen digital televisions had been purchased. All of the lounges throughout the resort now had one of the new TVs. Smaller flat-screen TVs will be put into the bedrooms in the future.
- Grounds maintenance/signage.  
A lot of work had been carried out to the grounds. A lot of areas had become very overgrown and this was tackled in November by a team of people. The resort now had a seasonal gardener to help the main gardener in the summer months to keep on top of it.  
Signage around the resort has been improved following feedback from people who were not familiar with the resort
  - Recycling.  
The staff were making a concerted effort to encourage members, guests and visitors to recycle whilst on the resort.

**LC** explained that they had had an incident in the winter where a tree almost fell onto the roof of the Woodland View block in strong winds. As a result, a tree survey was carried out on all of the trees at the resort and this found that 21 trees were dead and needed felling, another 11 needed dead-wooding and some stumps needed to be taken back down to ground level for health and safety reasons. The work on the trees was in progress.

The meeting was informed that a lot of the trees at the resort were under a tree preservation order so once all of the work was completed more trees would be planted in the woodland area at the bottom of the resort to replace the ones felled.

A resort party will be held every Monday at 4pm where everyone staying at the resort is welcome to attend. It is a traditional English afternoon tea party on the lawn.

**LC** thanked all of the staff at the resort for their hard work over the last 12 months.

There was discussion on holding wedding receptions at the Hall and **LC** explained that they already catered for wedding receptions. The rooms were rented out to members and local people and this would continue in the same way. The food and beverage department would arrange all of the catering requirements and the set up of the rooms and liaise with the guests. **LC** ensures that any bookings taken did not clash with anything happening at the resort. The two licensed rooms are the front restaurant and the library. The food and beverage operation at the resort would not be affected by any bookings.

**A member** asked if the club would get any costs deferred as a result, eg staff costs and was informed that the F&B department was a franchise so there would be no cost to the club.

**John Jackson** stated that holding weddings at the Hall would have an impact on the wear and tear of the furniture and fittings of the clubhouse building and the cost to refurbish it would go back to the club. Also, as owners at the club, he pointed out that they had rights of access to the public areas. **LC** pointed out that it would be the same situation if a member wanted to hold a private party there. They have been holding wedding receptions at the Hall for years and it had never been an issue. The weddings themselves are restricted to a maximum of 50 people. **John Jackson** felt that the club should be getting some compensation for the inconvenience to members and wear and tear.

**SR** told the meeting that a food and beverage operation could never survive at Thurnham Hall in the past; it constantly made huge losses. The operation was put out to franchise and the franchisees have a great deal of difficulty making enough money to continue without the income from weddings and functions. If they were not allowed to do them, the Hall would not have a food and beverage operation. Addressing the issue of 'what does the club get out of the weddings' **SR** pointed out that the club did not pay any rent on the facilities so there was a lot of compromise. The franchisees provided a great service and a great product at a good price.

**A member** felt that the committee needed to keep reviewing the situation.

## **Result of the vote on the proposed resolutions to amend the Thurnham Owners' Club Constitution**

**LO** announced the result of the vote, which also included postal and proxy votes received:

Resolution 1 – was passed with 1,182 votes for and 13 votes against

Resolution 2 – was passed with 1,184 votes for and 9 votes against

Resolution 3 – was passed with 1,184 votes for and 9 votes against

Resolution 4 – was passed with 1,191 votes for and 4 votes against

Resolution 5 – was passed with 1,191 votes for and 3 votes against

In light of the passed resolutions there would only be 1 committee position up for election that year.

### **9. Ratification of transferred and cancelled membership certificates**

**LO** informed that meeting that they had 75 repossessions for 2009, 10 new members and 9 change of names to ratify. Members were asked to ratify the transferred and cancelled memberships and this was done via a show of hands.

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

**LO** told the meeting that the committee found themselves in unusual circumstances for the election that year. At the beginning of the year Pippa Wilson resigned from the committee and the committee extended their thanks to her for all of her hard work and dedication to the committee and to the members for so many years.

**PS** told the meeting that it was with a heavy heart and great regret that he was withdrawing his nomination for a position on the committee. Due to increasing work commitments and personal reasons he felt that he could not continue a role on the committee.

The meeting was told that Robin Ainsworth had been co-opted on to the committee to cover Pippa Wilson's position until the AGM. Robin had had to send his apologies for absence for today's meeting but **PS** explained that, since being co-opted on to the committee, he had done an exceptionally good job. He has a level of expertise and knowledge that the committee would benefit from.

**Mrs Ballam** (unit 23) asked that a vote of thanks be recorded both for Pippa Wilson and Peter Scott for all of the hard work that they had put in on the members' behalf.

**LO** explained that, following the passing of resolution 1, there was only one vacancy on the committee to fill which was for the remaining year of Pippa Wilson's term. As **PS** and Robin Ainsworth were not standing for the position there would be no election of a member to the committee at this time, members were then invited to put themselves forward to be considered for co-option on to the committee to fill the vacancy until an election could be held at the next AGM. To ensure that members who were not present had the same opportunity, members were advised they will have until 31 July 2010 to put themselves forward for the position by sending a brief resume to **AOG** (contact details at the end of the document).

***Post Script to the minutes:** following further discussion by the committee following the AGM it was decided to extend this to 15<sup>th</sup> August to allow members to receive and read these minutes to enable them to have more time to apply.*

### **11. Submitted members' questions**

**Mr Mills** said that, since purchasing, they had witnessed 3 takeovers of the club. In autumn 2009 he was called by DRI and offered a bonus week which he was interested in to take with some friends. However, he was then told that people over 80 years of age were not eligible to take the offer.

**Mr Mills** said that, overall he had nothing but praise for Thurnham Hall and other timeshare ownerships he owned but questioned whether the DRI had a policy against the over 80's joining members on a bonus week and also asked why he could not receive a satisfactory response from the sales office in Wakefield regarding age restrictions after half a dozen telephone calls to the office. **LO** told the meeting that there

was an organisation/consumer group called TATOC (Timeshare Association) that listens to members' concerns, including discrimination, which she felt **Mr Mills** should consider contacting.

## 12. Any other business

**LO** referred to the Thurnham Owners' website and said that there were members who would like to give their weeks away for the cost of the transfer fee. The website had recently been updated with new rentals and week swap sections in addition to the resale section to provide more options to members.

**Jean Jewell** (week 28) asked why fixed week members were charged £10 per night more than points club owners for the bonus time offer and **AOG** explained that the 'unsold' weeks that DRI owns within the points club are the ones made available at a lower rate to points members. The offer is there to allow fixed/floating members the opportunity to go to other resorts. The points club members already pay a premium to be able to do that which is reflected in the lower rate.

**A member** pointed out that DRI were now in a position where they had 75% of the ownership of Thurnham Hall; with 75 memberships repossessed and only 10 new memberships joining he asked at what point did they envisage the club disappearing altogether. **AOG** replied that when there is only one member left there is no requirement for a club, if there are two members there is a requirement for a club.

**The member** asked if DRI were going to expand the club or just wait for it to gradually 'sink'. **AOG** replied that DRI had not sold weeks since 1994. Every club that is managed by DRI was in the same position. There was a natural diminishing of the owner base but this was as a result of the agreement with DRI to take back the defaulting weeks and ensure the club was 100% funded.

**A member** said that they had had great difficulty banking their week with RCI and when they had requested a brochure they had been told that they only produce the online directories now. **AOG** explained that she had been aware of some issues with the systems at RCI and DRI but believed that these had now been sorted. She asked the member to speak with her after the meeting to see if they could resolve the problem.

**Mary Reed** (week 2) was with II but since the closure of the Thurnham Vacation Club (TVC) has been told that she can no longer bank her week with them and must do it through RCI, which she didn't want to do. **AOG** explained that Thurnham Owners' Club was affiliated with RCI and TVC was affiliated with II. However, since the closure of TVC at the end of 2009 the affiliation with II has ceased.

**Mary Reed** said that she had not been satisfied with RCI in the past and asked why she should have to move back to them and if they could use one of the other exchange companies like Dial an Exchange. **AOG** replied that every timeshare club was affiliated to either II or RCI when they were set up. Dial an Exchange was relatively new and didn't have a membership; anyone can bank their week with them. However, she could not confirm if a guest certificate for a Dial an Exchange booking would be accepted. They did have to adhere to any affiliation agreement in existence and for Thurnham Hall it was RCI.

**John Jackson** asked the committee to endeavour to ensure that the management company complied with the Constitution in giving notice of the AGM. He highlighted that the Constitution dictated that notice of the AGM goes out with the minutes of the previous AGM. In failing to do that, it should be communicated to the membership with the invoices for maintenance fees. **Mr Jackson** said that as a result of this not happening that year, they were in a position where there was a vacancy position on the committee and no-one was eligible to stand for it. Members were not aware of the deadline to put themselves forward. **AOG** referred to Clause 17.1 of the Constitution that stated that an AGM '... shall be convened by Notice to all members not less than 28 days prior to the date of the meeting' and that was adhered to.

**John Jackson** pointed out that further down it stated that the notification of the date should be included in the Minutes of the previous AGM or with the invoices. **AOG** said that they would endeavour to do it going

forward. She added that the date of the AGM was posted in advance of the Notice on the Thurnham Hall website

Referring to the issue raised by **Mary Reed, John Jackson** stated that he had used Dial an Exchange for a number of years and had done numerous exchanges through them and had not encountered any problems at all.

**Mrs Woodward** (week 8) referred to **AOG's** earlier comment about many fixed week members not regularly using the facilities at the resort or staying at the resort. She stated that she had had her apartment since 1997 and had used the resort and all of its facilities regularly and took exception to the idea that people were not using and helping the club. She felt that **AOG** should reflect back and see what people had done to keep the club going, especially when it was in great difficulties and did not think it was fair to say that people did not support the club. **AOG** replied that it was not her intention to infer that all of the members were unsupportive of the club, but it was a fact that there were a large number of owners who used their week to exchange and the comment was given to show that a points club member could have as much association with the club as a fixed time member.

With no other business **LO** closed the meeting at 4.30pm and thanked everyone for attending and looked forward to seeing them the following year.

## **CONTACT DETAILS OF COMMITTEE MEMBERS**

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