

# THURNHAM OWNERS CLUB

## CLUB CONSTITUTION

**THURNHAM OWNERS CLUB  
CONSTITUTION**

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# THURNHAM OWNERS CLUB CONSTITUTION

## 1. *Definitions*

In this Constitution the following expressions shall have the following meanings

“the Club”	means <b>Thurnham Owners’ Club.</b>
“the Committee”	means the body of persons appointed under Clause 11 hereof.
“the Company”	means SUNTERRA TITLE LIMITED a company incorporated in England and whose registered office is at Citrus House, Caton Road, Lancaster LA1 3UA.
“the Constitution”	means this Constitution and any amendments made in accordance with the provisions for amendment herein contained.
“the Deed of Trust”	means the deed of trust in the form annexed hereto or any similar document for the time being in operation.
“the Founder Members”	means the Company and the Management Company (as hereinafter defined).
“the Membership Certificate”	means the membership certificate and more particularly referred to in Clause 8 hereof and “Certificate” shall be construed accordingly.
“the Management Agreement”	means the contract for management services in the form annexed hereto and more particularly referred to in Clause 11.4 hereof and any similar document for the time being in operation.
“the Management Charge”	means the charge provided for under the Management Agreement.
“the Management Company”	means SUNTERRA EUROPE LIMITED a company incorporated in England and whose registered office is at Citrus House, Caton Road, Lancaster LA1 3UA as provided for in Clause 11.4 hereof and the expression “the Management Company” shall include such independent management company as may at a later date be appointed to perform the management duties.

“Members”	Shall include all members whether Ordinary Members, or A Members or B Members together with the Founder Members unless otherwise stated or qualified or the context otherwise requires, and “Membership” and “Membership Certificates” shall be construed accordingly.
“the Ordinary Members”	Means all members of the Club other than the A Members, B Members and the Founder Members.
“A Member”	Shall mean a member entitled under the provisions of this Constitution to occupation only in the years 2005, 2007 and 2009 and in each <b>odd</b> year thereafter until their membership expires, and “A Members”, “an A Membership Certificate” and “an A Membership” shall be construed accordingly.
“B Member”	Shall mean a member entitled under the provisions of this Constitution to occupation only in the years 2006, 2008 and 2010 and in each <b>even</b> year thereafter until their membership expires and “B Members”, “a B Membership Certificate” and “B Membership” shall be construed accordingly.
“the Owing Company”	means FNTC First Nominee Limited, a company limited by shares and incorporated in the Isle of Man, being the company which holds the legal title to the lease of the Units as detailed in Appendix One of this Constitution and its successor or assignee.
“the Projected Management Charge”	means the estimated advance payment of the Management Charge payable under the Management Agreement.
“the Request for Transfer”	means the form on the reverse side of the Membership Certificate annexed hereto at Appendix Two and as referred to in Clause 16.2 hereof.
“Units”	means the Units held in trust for the benefit of the Thurnham Owners Club and situate at Thurnham Hall , Near Lancaster, as referred to in Clause 3 hereof and any other Unit or residential property from time to time, vested in the Owing Company and “Unit” shall be construed accordingly.

“Unit Type”	Means each separate category of Unit from time to time comprising the property of the Club.
“the Appendix”	means an Appendix or Appendices (as the case may be) to this Constitution and as may be revised from time to time in accordance with the provisions of this Constitution.

Except where the context otherwise requires the words and phrases in this Constitution shall be construed in accordance with the Interpretation Act 1978 (U.K.) and the headings in this Constitution shall be ignored.

2. *Name*  
The Club shall be called “THURNHAM OWNERS CLUB”.
3. *Location of the Club*  
The main office of the Club shall be at Thurnham Hall, Thurnham, Lancaster aforesaid or at such other place as shall from time to time be determined by the Company.
4. *Objects*  
The Club shall be a non-profit making Club whose object is to secure for its Members the ownership of exclusive rights of occupation of the Units for such specific periods in each year as shall be allocated to Members for the duration of the Club as hereinafter provided.
5. *Membership*  
The Club shall consist of not more than two Founder Members and of such number of Ordinary Members and of A and B Members as shall be admitted to Membership as hereinafter provided.
6. *Founder Members*  
The Founder Members of the Club shall be the Company and the Management Company.
7. *Duties of Founder Members and Appointment of Trustee*
  - 7.1 The Founder Members shall arrange for the lease or leases of the Units detailed in Appendix One hereto to be vested in an independent custodian trustee (hereinafter called “the Trustee”) or in an Owning Company as the Trustee may direct together with all common rights and with such amenities, services, fixtures, fittings, equipment, furnishings, provisions and utensils as they shall reasonably consider appropriate.
  - 7.2 The Trustee will hold the same upon trust for the benefit of the Members from time to time upon the terms of the Deed of Trust.
  - 7.3 (A) The Founder Members and the Trustee shall maintain Appendix One to the Constitution setting out the name of the Owning Company and the number of the Unit(s) transferred to that Owning Company. The Appendix shall be in the draft form set out in Appendix One hereto (or as near thereto as circumstances permit) and shall be revised upon each occasion that further Units are transferred to the Owning Company and each Appendix One (or as the case may be, revised Appendix One) shall be executed by the Trustee.

- (B) The Company shall specify the weekly commencement and termination day in respect each Unit upon procuring the transfer of the same to an Owning Company.
- 7.4 The initial trustee shall be FIRST NATIONAL TRUSTEE COMPANY LIMITED whose registered office is at International House, Castle Hill, Victoria Road, Douglas, Isle of Man, British Isles IM2 4RB.
- 7.5 The Deed of Trust shall at the first General Meeting of the Members duly convened and held in accordance with this Constitution be ratified and confirmed.
- 7.6 Members shall automatically be bound by the terms and provisions of the Trust Deed upon admission to Membership.
8. *Rights of Occupation*  
The Company shall procure that the Owning Company engages in no trading activity whatsoever but shall keep the respective Unit or Units free from any mortgage lien or encumbrance (nor do, suffer or permit to be done anything which might prejudice the Members' rights of use and occupancy in the respective Units) and shall permit occupation thereof in accordance with the terms of this Clause as follows:
- 8.1 Subject always to the Sub-clauses below, not more than 51 Membership Certificates will be issued for each category of Unit and each Membership Certificate will entitle the registered holder thereof to occupy a Unit of that specific category to which it relates for the weekly period or periods referred to therein in accordance with the provisions of this Constitution for the duration of the Club.
- 8.2 Such weekly periods will be numbered from 1 to 52, with the weekly period numbered "2" beginning on the second weekly commencement day (determined in accordance with Clause 7.3 (B) of this Constitution) in each calendar year. Such periods shall commence on the weekly commencement day (determined as aforesaid) specified in respect of that Unit at 16.00 hours and shall end at 10.00 hours on the following weekly commencement day.
- 8.3 In respect of any Membership Certificate vested in the Company and not subject to a membership application or other contract to transfer or issue, the Company shall be entitled, in its absolute discretion, to designate that certificate as being divided into an A and B Membership, each carrying with it the rights of occupation in alternative years as herein defined but always subject to the terms of this Constitution, and to issue an A or B Membership duly designated as such and in the agreed form, provided always that holders of A or B Memberships in respect of a particular weekly period may not occupy that weekly period in the same calendar year.
- 8.4 Each A and B Membership certificate, once issued, shall confer occupancy rights and be valid until amended or until the Club is terminated in accordance with this Constitution and each Membership Certificate will entitle the registered holder thereof to the number of days in the alternative years specified in such certificates being not less than one weekly period or any multiple thereof provided that Membership Certificates shall not be issued in such number and manner that the aggregate number of weekly periods conferred in each year by all issued Membership Certificates shall exceed the number of weekly periods available for occupation in the Unit in that year.
- 8.5 The Company shall only be entitled to issue in accordance with this Constitution either one Ordinary Membership Certificate or alternatively one A and one B Membership Certificate per single weekly period.
- 8.6 The Committee and the Company may agree to treat any Ordinary Membership which has been cancelled pursuant to the provisions of Clause 11.5.4 as a membership to be converted into and thereafter designated as an A and B Membership (a "converted week") and thereafter the provisions of Sub-Clauses 8.3, 8.4 and 8.5 shall apply mutatis mutandis provided that the Committee and the Company shall agree on the distribution of the sales proceeds, if any, arising therefrom and that at all times the rights to any un-issued part of a converted week shall remain with the Company until a transfer of that part takes place.

- 8.7 A Certificate covering more than one weekly period shall be deemed to be a series of separate Certificates, one for each weekly period it covers, for all the purposes of this Constitution including ascertainment of voting rights and entitlements upon termination.
- 8.8 The dates of the said weekly periods for the duration of the Club are set out in the Table of Weekly Periods annexed hereto as Appendix Three and any days unallocated to Members for weekly periods shall belong to the Company, provided that the Founder Members shall ensure that not less than seven days per annum are available for works of routine maintenance, cleaning and repair for each Unit.
- 8.9 Week 53 referred to in the Table of Weekly Periods annexed hereto which occurs every four or five years shall be utilised and let as the Founder Members shall direct.
9. *First Issue of Membership Certificates to the Company*  
In consideration of the Company causing the lease or leases to be vested in the Trustee or as the Trustee may direct, the Company will initially be entitled to (and shall be liable in respect of) all the Membership Certificates in respect of each Unit listed in the initial Appendix One attached to this Constitution.
10. *Membership*
- 10.1 Any person (not being a minor) may apply for and be admitted to membership of the Club. A person shall include an incorporated company or body and persons may purchase in joint names in which case they shall both apply for membership.
- 10.2 No person or persons shall be registered as a holder or holders of a Membership Certificate or be entitled to the benefit thereof unless he or they shall be a Member or Members.
- 10.3 Both of the Founder Members shall have the power to admit applicants to membership which each may exercise without reference to the other provided always that such power shall not be exercised so as to result in two Membership Certificates being granted in respect of the same Unit and the same weekly period in the same year subject to the provisions of Clause 8.3 hereof.
- 10.4 In the first instance, the Company as initial holder of all Membership Certificates (as provided in Clause 9 hereof) shall issue Membership Certificates to Members together with such other evidence of membership as shall from time to time be determined by the Committee. Thereafter Membership Certificates may be transferred by current Members or their representatives to new Members in accordance with the relevant provisions of this Constitution.
- 10.5 Membership of the Ordinary Members and A and B Members of the Club shall cease on the occurrence of any of the following events:
- (i) the transfer of a Member's Membership Certificate subject to the transferee becoming a Member; or
  - (ii) the cancellation of a Member's Membership in accordance with the subsequent provisions of the Constitution; or
  - (iii) termination of the Club in accordance with the provisions of Clause 19 of this Constitution provided always that termination as aforesaid shall be without prejudice to any person's rights in respect of a Member's liabilities arising prior to the said determination.
- 10.6 Any Membership Certificates not issued by the Company to Ordinary Members or A or B Members will belong to the Company as an Ordinary Member or an A or B Member (as appropriate) and it will be entitled to all the rights and privileges and be subject to all the liabilities of being an Ordinary Member or an A or B member (as appropriate) and as a Membership Certificate holder, provided that the Company will not be subject to the obligations attached to any Membership Certificate retained by it in respect of Units (unless otherwise provided under the provisions of Clause 19) used for the purpose of maintenance and repair in any year provided that no more than six Membership Certificates in respect of each Unit may be retained for such purpose. Without prejudice to the foregoing, the Company will be entitled to let out the Units to which such un-issued Membership Certificates relate or otherwise to

grant rights of occupation to third parties for the duration of the period of such un-issued Membership Certificates.

11. *Appointment of Committee and Powers*

- 11.1 The business and affairs of the Club shall (save insofar as the same may have been delegated to a Management Company as hereinafter provided) be managed by a Committee of not more than five persons, three of whom (“the Elected Committee Members”) shall be Ordinary Members of the Club and two of whom (“the Company Committee Members”) shall be nominated by the Company and may be Ordinary Members of the Club. The Committee shall meet as often as necessary and at least once every twelve months. Any two members of the Committee may call a Committee Meeting by notice in writing to all Members at least fourteen days prior to the date of such Committee Meeting. One of the Elected Committee Members shall be appointed to act as Chairman of the Committee at the first meeting of the members of the Committee and shall be elected by a majority of those members of the Committee present. He shall continue to act as Chairman at all subsequent meetings at which he is present failing which the Chairman of any meeting of the Committee will be elected by a majority of those present at the meeting in question. Decisions of the Committee shall be on the basis of a majority of those present and in the event of an equality of votes the Chairman shall have the casting vote. Four members of the Committee shall form a quorum. Proper minutes of the proceedings at Committee Meetings shall be taken and preserved.
- 11.2 The first members of the Committee (other than those nominated by the Company) will be elected at the first General Meeting of the Members of the Club which will take place on or before 31st December 1990. The first Annual General Meeting of the Members of the Club will be convened by the Founder Members by notice in writing sent to every Member not less than twenty-one days before the date of such Meeting. At the second Annual General Meeting of the Club and at each subsequent Annual General Meeting one Elected Committee Member shall retire and a new Elected Committee Member shall be elected. Retiring Elected Committee Members may offer themselves for re-election. The order in which the first three Members of the Committee elected after the First Annual General Meeting retire shall be decided by drawing lots. Thereafter retirement of Elected Committee Members shall be by rotation, each Elected Committee Member retiring at the third Annual General Meeting to be held after their respective elections. The two Company Committee Members shall be nominated by the Company by written notice and shall cease to be such on written notice being given to them by the Company, and the Company shall then nominate a successor or successors to fill any vacancy or vacancies thereby created.
- 11.3 Save as herein provided election or removal of Elected Committee Members to and from the Committee shall be dealt with only at Annual General Meetings or Special General Meetings of the Club and nominations shall be submitted in writing not less than 60 days before the date of the meeting if it is an Annual General Meeting or forty days if it is a Special General Meeting by any Member of the Club. All nominees must be seconded by a Member of the Club; this may be done in writing prior to the meeting or at the meeting itself from the floor. All nominees must be present at the meeting.
- 11.4 The Committee shall have power to do all things that may be necessary for the carrying out of the objects of the Club and for its general management, and shall be entitled to delegate to the Management Company hereinbefore referred to such of its powers as may be appropriate to enable the Management Company to perform its functions. Until such time as the Committee shall have been constituted, the management of the Club and all the powers of the Committee shall be vested in the Founder Members. The Founder Members will, on behalf of the Club, enter into an



Agreement with the Management Company in the form annexed hereto for the management of the Units and the proper provision of the various amenities and facilities to be enjoyed by the Members, and any other property of the Club. The Founder Members on behalf of the Members thereof shall have power to agree and to enter into the Deed of Trust referred to in Clause 7 hereof.

- 11.5 Without prejudice to the generality of the foregoing the Committee shall have the following specific powers:
  - 11.5.1 At any time to appoint a Member of the Club to fill any casual vacancy amongst the Elected Committee Members occurring through any death illness resignation or otherwise. All such persons so appointed shall hold office only until the next following Annual General Meeting but shall be eligible for re-election for the unexpired portion of the period for which the Elected Committee Member who he was co-opted to replace would otherwise have been due to serve.
  - 11.5.2 To make By-Laws at any time for the proper regulation of the Club and such By-laws shall be binding on all Members. Such By-Laws shall not conflict with this Constitution and in the event of any apparent conflict the terms of this Constitution shall prevail.
  - 11.5.3 To appoint such sub-committees which shall be comprised of Elected Committee Members and Company Committee Members in the same proportion as the main Committee as shall be necessary for the carrying on of the management of the Club.
  - 11.5.4 At any time to cancel permanently or suspend for a reasonable period of time the membership of any Member who in the reasonable opinion of the Committee shall have committed a substantial breach of the provisions of this Constitution or any By-Laws or Regulations hereunder or whose conduct in the opinion of the Committee shall be wholly unbecoming of a Member and who has not remedied the breach of conduct complained of within a reasonable time following a written request by the Committee for him to do so. Any such cancellation or suspension shall take effect 14 days after the date upon which written notice to that effect shall have been given to such Member by the Committee (pursuant to Clause 20 below) and such cancellation or suspension shall thereafter be formally ratified and confirmed by the Members at the General Meeting next following the cancellation or suspension having been effected. For the avoidance of doubt any dispute or difference howsoever arising out of this Sub-Clause may be the subject of a reference to arbitration in accordance with Clause 21 below. Without prejudice to the generality of the provisions of this Sub-Clause or Sub-Clause 11.6 or Sub-Clause 15.10 below, any Member who fails to pay any Management Charge levied on him by the Committee or by the Management Company within a six month period from the date the same becomes due shall be treated as having committed a substantial breach, provided always that in respect of an A or B Member, any cancellation or suspension may only take effect against the defaulting Member's alternate year occupation rights and under no circumstances may cancellation or suspension prejudice, restrict or effect the non-defaulting Member who has rights to occupy in the alternative years in respect of the same weekly period or periods in question and Clause 11.6 below shall be construed accordingly.
  - 11.5.5 To enter into all contracts and agreements which the Committee may deem necessary or desirable in connection with the management of the Club, and to apply the funds of the Club in payment of the expenses of management, administration and running of the Club as detailed in Clause 13 except insofar as these powers may have been delegated to the Management Company under the Management Agreement.

- 11.5.6 To appoint a Chartered Accountant being a Member of the Institute of Chartered Accountants of England and Wales as auditor to audit the accounts of the Club annually and to appoint lawyers and other professional advisers.
- 11.5.7 To agree the remuneration of the auditors, lawyers and any other professional advisers from time to time appointed or instructed by or on behalf of the Club (and in the event of failure to agree the remuneration of the Trustee between the Founder Members and the Trustee) to agree the annual remuneration of the Trustee.
- 11.5.8 To bring, defend, agree to be joined, settle or compromise any proceedings or claims of any kind in relation to the affairs of the Club or the obligations of the Members hereunder or under the Deed of Trust referred to in Clause 7 and in the event of any such proceedings or claims relating to a number of the Members only, to bring, defend, agree to be joined, settle or compromise the same on behalf of such Members at their respective costs.
- 11.5.9 To authorize the Trustee of the Club, First National Trustee Company Limited, to encumber the assets of the Owning Company and/or other Club assets by way of mortgage or similar instrument in favour of the Members of the Club if the Trustee considers that to do so may protect the Owning Company and/ or other Club assets, or for the Trustee to take any such action it considers appropriate to protect the Club Members after first advising the Club Committee.
- 11.5.10 In the event of the determination of the appointment of the initial Trustee or of any Trustee subsequently appointed by or on behalf of the Club in accordance with this Sub-Clause to appoint another body or person as trustee of the property of the Club.
- 11.6 Without prejudice to the generality of the provisions of Clause 11.5.4. hereof, in the event of the cancellation of any person's membership hereunder, the Committee shall use its best endeavours to cause to be transferred that person's Membership Certificate(s) and each Member hereby irrevocably agrees to appoint the Committee as Attorney for that purpose. The Committee shall immediately after such sale account for the proceeds thereof to the former Member after deduction of reasonable commissions, fees or any other expenses reasonably incurred in connection with the said transfer and all arrears of contributions or other payments or amounts due under the terms of this Constitution owing up to and including the date of transfer.
- 11.7 The members of the Committee of the Club be and hereby are indemnified from all personal liability arising out of decisions of the Committee (with the exception only of decisions involving fraud or gross negligence).

12. *Register of Members*

The Company shall cause to be maintained a register of names and current addresses of Members indicating when they became Members and when, if appropriate, they ceased to be Members. The data shall be held by the Company to ensure that the details and requirements of the Members can be processed and that their accounts can be properly maintained. The data may also be used by the Company to send Members information about products, offers and services that may be of interest or for the purpose of carrying out research. This information and research may be effected by letter, telephone, email or any other reasonable means of communication provided always that Members may decline to receive such contact by sending a written request to that effect to the Company at its registered office address or by declining future contact in the case of email contact. The Members' data shall be treated as confidential and the Company shall ensure that security measures are implemented and maintained at all times to prevent unauthorised processing. Data will not be made available to persons or companies outside of the Company's group of companies unless in the Company's opinion it deems such release to be necessary to facilitate the smooth running of the Club. The data of Members shall also be supplied to the Trustee in order to enable the Trustee to perform its supervisory and regulatory

functions. The Trustee shall at the request of the Committee arrange for communications to be sent to all Members subject always to the content of such communication not being in breach of the terms of this Constitution and the Founder Members' legal obligations. Members have the right to request details of the data held about them and to have any inaccuracies corrected.

- 13 *Members' Liability for Payment of Management Expenses etc.*
- 13.1. The Members shall contribute in accordance with the terms of the Management Agreement to all reasonable costs incurred by the Club including and without prejudice to the generality of the foregoing the reasonable cost of the following:
- 13.1.1 Maintenance, repair, decoration, cleansing, and (where necessary) repair of the Units, services and facilities provided by the Club for the benefit of the Members whether exclusive or in common with others entitled thereto.
- 13.1.2 Maintenance, repair and (when necessary) replacement of furniture, equipment, utensils, provisions, furnishings, fittings and fixtures in or about or pertaining to the Units.
- 13.1.3 Insurance of the Units and the contents thereof for the full reinstatement cost and other insurance whether or not relating to the Units which the Committee or the Company shall consider necessary or appropriate, or for the benefit of the Members.
- 13.1.4 The full amount of the rent payable by the Company or the Management Company (as the case may be) to the Member or Members of the Club in the event of the Company or the Management Company renting weekly periods from a Member or Members in order to facilitate maintenance repair or reconstruction works, such rent to be calculated at the full market rate for the time being in force.
- 13.1.5 All outgoings incurred in respect of the Units including rates, and any income or other taxes or other charges or impositions whether of an annual or recurring nature or otherwise.
- 13.1.6 All work and acts which are required to be done to comply with any statutory provisions or the directions or notices of any governmental local or public authority.
- 13.1.7 Any reasonable Management Charges or any other charges whatsoever which may be incurred in the management and preservation of the value of the Club's property and the running of the Club's affairs.
- 13.1.8 The establishment and maintenance of a sinking fund for the replacement of capital items of the Club's property as agreed by the Committee and the Management Company from time to time.
- 13.1.9 The establishment and maintenance of any reserve funds requested by the Trustee in accordance with Clause 13 of the Deed of Trust.
- 13.1.10 The fees and expenses of the Trustee and all other costs, expenses or payments to the Trustee under the Deed of Trust and the fees and expenses of the auditor, lawyers and other professional advisers hereinbefore referred to.
- 13.1.11 Membership fees of any golf, tennis or other club pursuant to any arrangements made by the Founder Members or the Committee.
- 13.2.1 Each Member shall be entitled to ask the Management Company to collect the Management Charge by means of a direct debit from the Member's bank and for that purpose shall supply full details of their bank account and shall sign and deliver to the Management Company any necessary authorisation or mandates to the Member's bank.
- 13.2.2 Save insofar as the same may have been delegated by the Management Agreement hereinbefore referred to, the Committee shall have sole discretion in deciding what monies should be spent for any of the foregoing purposes and when the same shall be expended.
- 13.3 In respect of A and B Members, the liability to meet the expenses referred to in Clause 13 shall be separate.
- 13.3.1 Each A and B Member shall meet the expenses due pursuant to Clause 13 only in so far as they relate to the year in which the A or B Member is entitled to occupation in accordance with their alternative year occupation rights, and such liability shall arise whether or not occupation is actually taken.

13.3.2 For the avoidance of doubt, an amount shall fall due in a specific year of occupation if the Committee or the Management Company shall have issued a demand or request for payment which states the year to which it applies and such year is one to which an A or B Member is entitled to occupy.

14. *Club's Powers:*

The Club shall have the power:

14.1 To borrow money

14.2 To grant securities and mortgages over its property

14.3 To purchase, lease or otherwise acquire additional property and

14.4 To sell, lease or otherwise dispose of or deal with the Shares its property or any rights over its property

PROVIDED THAT the foregoing powers shall be exercisable only upon a decision by not less than a two thirds majority of votes cast at a General Meeting, and only upon the giving of written notice of such proposal to all Members and the Trustee of any such proposed action at least twenty-eight days before the date of such meeting.

15. *Further Obligations of Members*

The Members shall automatically be bound by the terms and provisions of the Deed of Trust upon election to membership, and such Member shall by the acceptance of this Constitution also be deemed to have accepted the obligations imposed on the Club and the Members by the provisions of the Deed of Trust.

Each Member shall also be subject to the following obligations (and to the intent that such obligations shall continue to bind his estate after his death and until such time as his Membership Certificate shall be transferred to a new or other Member and notwithstanding that his personal representatives may not themselves be Members):

15.1 To vacate the Unit to which his Membership Certificate relates at the expiration of the appropriate period of time in each year and no later.

15.2 At all times to observe the regulations relating to the occupation of the Units, a copy whereof is annexed to this Constitution as Appendix Four and all variations, additions and amendments thereto made by the Committee.

15.3 To keep and maintain the interior of the Units and all of its contents to which his Membership Certificate relates in good and tenable state and condition during the period of his occupancy and to pay or indemnify the Club against any damage, deterioration, or dilapidation (over and above fair wear and tear and damage or destruction by fire or any other risk insured against which may have taken place during the period of his occupation) as to which the Committee or (during such time as the administration of the Club affairs may be delegated to it) the Management Company shall be the sole judge. At the Management Company's sole discretion, Members and guests may be requested to lodge with the Management Company a deposit to be held against the cost of making good damage or breakage's within the Unit during the relevant period of occupation. Such deposit shall be refunded to the Member and/or guests at the time of check out less any deductions for damage or breakage as aforesaid, the amount of such deduction to be determined at the sole discretion of the Management Company.

15.4 In the event of any repair or maintenance work to be carried out to the Unit or its contents during the period of a Member's occupancy of the Unit, to allow access on reasonable notice (except in the case of emergency) to necessary workmen and others to enable such work to be carried out, provided that any such work will be carried out with all due diligence and speed and will not, save insofar as is reasonable, interfere with Member's enjoyment of their occupation of the Unit.

15.5 Not in any way to make alterations to the Unit to which his Certificate relates or the contents thereof.

15.6 To pay to the Management Company at the end of the relevant period of occupation all charges for telephone, electricity, hot water, central heating or air-conditioning

- consumed during such period in the Unit occupied by the Member. Such charges shall be metered or charged at a fixed average rate as the case may be from time to time and as agreed by the Committee. The Management Company may demand a reasonable deposit against such charges.
- 15.7 To notify the Company forthwith of any change in his permanent address and telephone number.
- 15.8 To pay within one month of the same being demanded the appropriate portion of the cost referred to in Clause 13 hereof incurred by the Club in any year, subject to the provisions of Sub-Clause 13.3 above.
- 15.9 Not to do anything which would make void or voidable the insurance of the Unit and its contents or any other insurance for the time being in force and relating to the Unit or which may operate to increase the premium payable in respect of any such insurance, and to indemnify the Club and the Trustee against any increased or additional premium which by reason of any such act or default may be required for effecting or keeping up any such insurance, and in the event of the Unit or any other property as aforesaid or any part thereof being damaged or destroyed by any insured risks and the insurance money being wholly or partially irrecoverable by reason solely or in part of any act or default of such Member then, and in every such case, to pay forthwith to the Club or the Trustee or as directed by either of them (or in the case of a conflict in directions, by the Trustee) the whole or as the case may require a fair proportion to be conclusively determined by a surveyor to be appointed by the Club of the cost of rebuilding and reinstatement of the same as the case may be, together with the whole or such portion as aforesaid of the fees of such surveyor.
- 15.10 During such times as the administration of the affairs of the Club shall be delegated to the said Management Company, to pay the Management Company at the times provided by the Management Agreement his due proportion of the Management Charge (including where appropriate the Projected Management Charge) provided for by the Management Agreement, and further to pay upon demand any charge falling due under this Clause subject always to Sub-Clause 13.3 above in respect of A and B Members. In the event of any of the said sums not being paid by the due date, the Committee or the Management Company as the case may be shall be entitled to refuse the Member in question or any other person in his place occupation of the Unit to which his Membership Certificate relates until all arrears have been discharged, and until all such arrears have been discharged, the said Member shall not be entitled to attend and vote at any General Meeting of the Club. In addition, a late payment charge may be added to any outstanding Management Charge, at the sole discretion of the Committee in consultation with the Management Company where payment of all sums due from a Member in respect of the Management Charge have not been paid to the Management Company by the due date.
- 15.11 If any Member shall wish to sublet or grant rights of occupation of the Unit to which his Membership Certificate relates, he shall give prior notice to the Management Company which notice shall be effected by submitting a duly completed guest certificate in the form annexed hereto at Appendix Five.
16. *Transfer of Membership Certificates*
- 16.1 Any Member may, subject to the provisions hereof, bequeath or agree to sell, or otherwise transfer the rights to which he is entitled pursuant to a Membership Certificate in favour of a third party subject to such third party becoming a Member and subject to the discharge of the Member's liabilities hereunder up to the date of transfer. In the event of the death or bankruptcy of any Member (or the winding up of a Member being a corporation) his personal representatives, trustee in bankruptcy or liquidator as the case may be, may agree to sell such rights to a third party or to vest the same in a beneficiary subject to the third party or beneficiary becoming a Member.
- 16.2 In the event of a Member agreeing to sell or otherwise dispose of the rights vested in him pursuant to his Membership Certificate, the Member or the personal representatives, trustee in bankruptcy or liquidator as the case may be shall deliver the relevant Membership Certificate to the Committee or the Management Company or their lawyers with the Form of Surrender and Request for Transfer endorsed thereon duly executed by such Member, personal representative, trustee in bankruptcy or liquidator (and stamped if necessary) and by the person to whom such

rights are to be transferred or vested in and, upon production of satisfactory evidence of the transfer vesting or other devolution of such membership rights, and upon payment of the appropriate fee, the Committee or the Management Company shall within twenty-eight days of such evidence being produced issue a new Membership Certificate in the name of the new Member whose admission shall be ratified at the next following General Meeting of the Club. The register of Members shall be duly amended to register such transfer.

- 16.3 A reasonable fee may be charged for the registration of the transfer, which fee may be revised by the Management Company from time to time. A Member may also let the rights of occupation of the Unit to which the Certificate relates for the whole or part of the period to which the Membership Certificate relates subject to:-
- (a) the provisions of Clause 15.11 hereof and
  - (b) providing that the Member will in any event during the period be primarily responsible for all the obligations incumbent on the holder of the Membership Certificate.

17. *General Meetings of the Club*

- 17.1 The Annual General Meeting of the Club shall be held at Thurnham Hall or elsewhere as the Company shall decide on such a date in each year as shall be determined but not so as to cause a period of fifteen months to elapse between each Annual General Meeting and shall be convened by notice sent to all Members not less than twenty-eight days before the date of the meeting together with the Agenda of the business to be conducted at such meeting.
- 17.2 The Committee and or the Company may, and upon a request in writing from the holders of not less than ten per cent in number of the Membership Certificates shall, call a Special General Meeting of the Club to be convened and held in the manner prescribed for Annual General Meetings save that fourteen days notice only shall be necessary.
- 17.3 Notices of Special and Annual General Meetings shall contain copies of the Agenda for such meetings and the exact wording of any resolution to be voted upon at the meeting. No business other than that specified in the Notices of meeting and documents therein shall be considered at the meeting.
- 17.4 At every General Meeting, the Chairman of the Committee (and in his absence a Chairman appointed by a majority of those present at the meeting) shall preside. Subject always to Clause 15.10, each Member shall be entitled to one vote for each weekly period to which he is entitled under a Membership Certificate held save that an A or B Member shall only be entitled to one-half of a vote irrespective of the year in which the vote is taken. All voting rights shall be exercised by way of a poll and not by a show of hands. Members will be entitled to appoint a Proxy to vote in their stead. A Proxy need not be a Member. At all meetings, in the case of an equality of votes the Chairman shall have the casting vote.
- 17.5 The instruments appointing a Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation under its Common Seal (if any), and if none, then under the hand of an officer duly authorised in that behalf. The instrument appointing a Proxy and Power of Attorney or other authority if any under which it is signed (or a certified or office copy thereof) shall be deposited at the offices of the Club not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of Proxy shall not be treated as valid. No instrument appointing a Proxy shall be valid after the expiry of twelve months from its date.
- 17.6 Any resolution to be proposed otherwise than by the Committee or the Founder Members at any Annual or Special General Meetings of the Club shall be submitted in writing to the Committee and the Management Company not less than ninety days before the date of the meeting if it is an Annual General Meeting or sixty days if it is a Special General Meeting and shall be signed by the proposer and the seconder. Any resolution involving a change in the Constitution shall require not less than a three-quarter majority of all votes cast. At all General Meetings of the Club, the quorum shall be eight Members present in person or by Proxy and if such quorum is not present within half an hour from the time appointed for the meeting, the quorum shall be reduced to six members in person or by Proxy. Minutes of all General Meetings will be prepared by the Management Company and circulated to all Members within thirteen weeks of the General Meeting. The minutes of the meeting will state the date

- of the next Annual General Meeting failing which the Management Company shall ensure that the date of the next Annual General Meeting is notified to the Members when the Management Charge invoice is sent to the Members and no further communication will be sent to the Members prior to the next notice.
- 17.7 Voting at all meetings of the Members including annual General Meetings and Special General Meetings shall be on the basis of the number of Membership Certificates held whether by the Founder Members or otherwise. Where a Membership Certificate is owned jointly, the vote of the first named joint owner on the Membership Certificate only shall be counted. For the avoidance of doubt an A or B Member of a single weekly period or periods shall not be construed as holding jointly.
- 17.8 A resolution in writing signed by all the Members who would be entitled to receive notice of and attend and vote at a General Meeting of the Club at which such resolution was to be proposed or by their duly appointed attorney, shall be valid and effectual as if it had been passed at a General Meeting of the Club duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Members or their attorneys and signature in the case of a body corporate which is a Member shall be sufficient if made by a director thereof or its duly appointed representative.
- 17.9 The Deed of Trust and Management Agreement shall be adopted and ratified by the Members at the first Annual General Meeting of the Club and notice of such ratification shall be given to the Trustee within seven days of the said ratification.
18. *Audit*
- 18.1 The financial year of the Club shall end on 31st December in each year or on such other date as the Company in co-operation with the Committee may decide. The Committee or the Management Company as the case may be shall cause proper books of account to be kept with regard to:-
- 18.1.1 All sums of money received and expended by the Club and the matter in respect of which such receipts and expenditure take place,
- 18.1.2 The assets and liabilities of the Club.
- 18.2 At the Annual General Meeting in every year the Committee or the Management Company as the case may be shall lay before the Club an audited income and expenditure account for the period since the last preceding account (or in the case of the first account since the inception of the Club) together with an audited balance sheet made up to the same date. Every balance sheet shall be accompanied by proper reports of the Committee and the auditor and copies of such accounts, balance sheets and reports shall not less than twenty-eight clear days before the meeting be sent to all Members at their respective addresses.
19. *Termination Provisions*
- 19.1** Subject to Clause 19.2, the Club shall continue in existence until 28 September 2068 or until a resolution to determine the Club is passed at a Special General Meeting of the Club by not less than three-quarters majority of all votes cast by or on behalf of Members in accordance with Clause 17.6 (which ever is the sooner). The Club shall then be wound up and its assets dealt with in accordance with the provisions of this Clause.
- 19.2** The Club may by a resolution passed by not less than a majority of all votes cast by or on behalf of Members in accordance with Clause 17.4 hereof at a General meeting of the Club to be held in year 2068 resolve to continue the Club for a further period of forty-five years on the terms and conditions as herein provided but not beyond 1 January 2113.
- 19.3** On determination of the Club, the Trustee shall as soon as practicable cause the sale of the relevant Units by the Owning Companies or at its sole discretion, cause the sale of the Owning Company on the open market.
- 19.4** The sums realised pursuant to Clause 19.3 shall be distributed first in discharge of all liabilities in accordance with the provisions of any Deed of Trust and secondly in discharge of all other debts and liabilities of the Club.
- 19.5** The net assets (if any) of the Club available for distribution after the foregoing provisions of this Clause have been complied with (hereinafter called the “net assets”) shall be notionally apportioned to each of the Units in equal proportions according to the number of Units comprising the property of the Club at the time of the resolution to wind up the Club.

**19.6** The amount of the net assets apportioned to each Unit as aforesaid shall for the purpose of ascertaining the amount thereof to be distributed to each Member be divided into 51 equal units of value (each such unit being referred to in this Clause as a "Unit of Value") and then there shall be distributed to each Member (including the Founder Member as appropriate) in respect of each of the said weekly periods to which he or she is entitled one Unit of Value provided always that in the case of an A and B Member holding occupation rights to a weekly period, each of the A and B Members shall be entitled only to one half of the Unit of Value, as defined, attributable to that weekly period.

20. *Notices*
- 20.1 A notice may be given to any Member by sending it by post to the Member's address as appearing in the register. Any notice so sent by post shall be deemed to have been given on the fourth day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- 20.2 Service of a notice or document on any one of several joint Members shall be deemed effective service on the other joint Members.
- 20.3 Any notice or document sent by post or left at the registered address of a Member in pursuance of these presents shall, notwithstanding that such Member be then dead or bankrupt and whether or not the Club or the Management Company has notice of the death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons in any way interested in or entitled in relation to any Membership Certificate in relation to which the Member was entitled.
- 20.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.

21. *Miscellaneous*

Any dispute or difference arising out of this Constitution shall be referred to the decision of a single arbitrator to be agreed between the parties or in default of agreement to be appointed, upon the application of either party, to the Trustee.

22. *Proper Law*

This Constitution shall be governed and construed in accordance with English Law.

IN WITNESS WHEREOF the Parties hereto have caused their Common Seals to be hereunto affixed this ..... day of .....

THE COMMON SEAL of  
SUNTERRA TITLE LIMITED  
was hereto affixed in the presence of:

.....  
Authorised Representative

.....  
Authorised Representative

THE COMMON SEAL of  
SUNTERRA EUROPE LIMITED  
was hereto affixed in the presence of:

.....  
Authorised Representative

.....  
Authorised Representative



## APPENDIX ONE

### OWNING COMPANY

#### SCHEDULE 1

(Form of Appendix)

EDITION : Fifth

This is the Appendix referred to in the Constitution of **THURNHAM OWNERS CLUB** ("the Constitution") a copy of which is annexed hereto.

This Appendix was compiled on the **10<sup>th</sup> April 2000** (amended on 12<sup>th</sup> March 2004)

FIRST NATIONAL TRUSTEE COMPANY LIMITED HEREBY CERTIFIES that the Company listed in paragraph 1 of this Appendix is the Owing Company as defined by the Constitution and is the Owner of the Units set out in Paragraph 2 of this Appendix and that the weekly period commencement and termination day in respect of each Unit is that day of the week set out in Paragraph 3 of this Appendix.

**Paragraph 1**  
(Owing Company)

**Paragraph 2**  
(Units)

**Paragraph 3**  
(Commencement  
Termination Day)

FNTC First Nominee  
Limited

1 – Prince Richard Suite C (T0)	Saturday
2 – Crabtree Suite (T0)	Saturday
3 – Dower House No. 3 Suite (T0)	Saturday
4 – Townley Suite (T1)	Saturday
5 – Fitzgerald Suite (T1)	Saturday
6 – Priest Hide Suite B (T1)	Saturday
7 – Gage Suite A (T1)	Saturday
8 – Dorset Suite (T1)	Saturday
9 – Dower House No. 1 Suite (T1)	Saturday
10 – Dower House No. 4 Suite (T1)	Saturday
11 – Lonne Suite (T1)	Saturday
12 – Lady Jane Grey Suite (T1)	Saturday
13 – Dalton Suite D (T2)	Saturday
14 – Suffolk Suite (T2)	Saturday
15 – Dower House No. 2 Suite (T1)	Saturday
16 – Thomas Gray Suite (T2)	Saturday
17 – Sutton Suite (T0)	Saturday
18 – De Thurnham Suite (T0)	Saturday
19 – Princess Diana Suite (T1)	Saturday
20 – Lord Ashton Suite (T1)	Saturday
21 – Bowland View Suite (T2)	Saturday
22 – Prince William Suite (T0)	Sunday
23 – Bonville Suite (T0)	Sunday
24 – Lord Sefton Suite (T1)	Sunday
25 – Normandy Suite (T1)	Sunday
26 – Lancastrian Suite (T2)	Sunday
27 – Adcliffe Suite (T0)	Sunday
28 – Abbey Suite (T0)	Sunday

29 – Flemmings Suite (T1)	Sunday
30 – Harrington Suite (T1)	Sunday
31 – De Hoghton Suite (T2)	Sunday
32, Woodland View (T1)	Sunday
33, Woodland View (T1)	Sunday
34, Woodland View (T2)	Sunday
35, Woodland View (T1)	Sunday
36, Woodland View (T1)	Sunday
37, Woodland View (T1)	Sunday
38, Woodland View (T1)	Sunday
39, Woodland View (T0)	Sunday
40, Woodland View (T1)	Sunday
41, Woodland View (T1)	Sunday
42, Woodland View (T2)	Sunday
43, Woodland View (T2)	Sunday
44, Woodland View (T1)	Sunday
45, Woodland View (T2)	Sunday
46, Woodland View (T1)	Sunday
47, Woodland View (T0)	Sunday
48, Woodland View (T0)	Sunday
49, Woodland View (T0)	Sunday
50, Woodland View (T0)	Sunday

Note : number of units in trust = 50 (14 x T0 ; 26 x T1 ; 10 x T2)

Signed for and on behalf of  
FIRST NATIONAL TRUSTEE COMPANY LIMITED

D T Kenny  
Director

APPENDIX TWO  
**FORM OF SURRENDER AND REQUEST FOR TRANSFER**  
*(Pursuant to Clause 16 of the Constitution)*

I/WE, the within written Member(s) (Transferor's Name) .....

of.....  
hereby surrender this Membership Certificate pursuant to the Constitution of the Club subject to the issue of the new Membership Certificate in accordance with the Request contained below and hereby agreed to use my/our best endeavours at the cost of the person or persons named below to procure that such person or persons is/are issued with a new Membership Certificate of the Club and pending such admission declare that I/we hold my/our Membership Certificate upon trust for such person or persons interest as a Member(s) (to the extent that such interest may be so held upon trust for such person or persons).

AND I/WE (Transferee's Name).....

of.....  
hereby request the issue of a new Membership Certificate to me/us in respect of the weekly period within mentioned and undertake that with effect from the date mentioned below I/we shall observe and perform all the obligations of membership of the Club pursuant to the Constitution.

The Transferor confirms there are no outstanding debts with the Club at the date of transfer and that this title is valid and that there are no encumbrances affecting this membership.

DATED the..... day of .....20 .....

SIGNED by ..... SIGNED by .....  
.....

(Transferor)

(Transferee)

\* NOTE:

Before completion of the transfer and payment of the purchase price (if any) the purchaser is advised to satisfy himself upon proper enquiry of the existing owner or his representative and/or the Club itself that valid receipts exist for payment of all Management Charges and other monies that may be due up to the date of transfer and that the Certificate of Membership is still in force and has not been assigned, charged, already deposited or banked with any exchange organisation or cancelled for any reason (including non payment of Management Charges).

This Form of Surrender and Request should be accompanied by the Transfer Fee for the time being appropriate and if the party selling is not the registered member of the Club he should produce satisfactory evidence of due representation. Confirmation that the Certificate is still in force can be obtained by writing to the Trustee.

This Membership Certificate with the appropriate transfer fee\* (payable to "FNTC") should be sent to First National Trustee Company Limited, International House, Castle Hill, Victoria Road, Douglas, Isle of Man, IM2 4RB, British Isles.

APPENDIX THREE

TABLE OF WEEKLY PERIODS

Thurnham Owners Club  
Calendars

Saturday check-in

WEEK	20 05		20 06		20 07		20 08		20 09	
1	Jan-01	Jan-08	Jan-07	Jan-14	Jan-06	Jan-13	Jan-05	Jan-12	Jan-03	Jan-10
2	Jan-08	Jan-15	Jan-14	Jan-21	Jan-13	Jan-20	Jan-12	Jan-19	Jan-10	Jan-17
3	Jan-15	Jan-22	Jan-21	Jan-28	Jan-20	Jan-27	Jan-19	Jan-26	Jan-17	Jan-24
4	Jan-22	Jan-29	Jan-28	Feb-04	Jan-27	Feb-03	Jan-26	Feb-02	Jan-24	Jan-31
5	Jan-29	Feb-05	Feb-04	Feb-11	Feb-03	Feb-10	Feb-02	Feb-09	Jan-31	Feb-07
6	Feb-05	Feb-12	Feb-11	Feb-18	Feb-10	Feb-17	Feb-09	Feb-16	Feb-07	Feb-14
7	Feb-12	Feb-19	Feb-18	Feb-25	Feb-17	Feb-24	Feb-16	Feb-23	Feb-14	Feb-21
8	Feb-19	Feb-26	Feb-25	Mar-04	Feb-24	Mar-03	Feb-23	Mar-01	Feb-21	Feb-28
9	Feb-26	Mar-05	Mar-04	Mar-11	Mar-03	Mar-10	Mar-01	Mar-08	Feb-28	Mar-07
10	Mar-05	Mar-12	Mar-11	Mar-18	Mar-10	Mar-17	Mar-08	Mar-15	Mar-07	Mar-14
11	Mar-12	Mar-19	Mar-18	Mar-25	Mar-17	Mar-24	Mar-15	Mar-22	Mar-14	Mar-21
12	Mar-19	Mar-26	Mar-25	Apr-01	Mar-24	Mar-31	Mar-22	Mar-29	Mar-21	Mar-28
13	Mar-26	Apr-02	Apr-01	Apr-08	Mar-31	Apr-07	Mar-29	Apr-05	Mar-28	Apr-04
14	Apr-02	Apr-09	Apr-08	Apr-15	Apr-07	Apr-14	Apr-05	Apr-12	Apr-04	Apr-11
15	Apr-09	Apr-16	Apr-15	Apr-22	Apr-14	Apr-21	Apr-12	Apr-19	Apr-11	Apr-18
16	Apr-16	Apr-23	Apr-22	Apr-29	Apr-21	Apr-28	Apr-19	Apr-26	Apr-18	Apr-25
17	Apr-23	Apr-30	Apr-29	May-06	Apr-28	May-05	Apr-26	May-03	Apr-25	May-02
18	Apr-30	May-07	May-06	May-13	May-05	May-12	May-03	May-10	May-02	May-09
19	May-07	May-14	May-13	May-20	May-12	May-19	May-10	May-17	May-09	May-16
20	May-14	May-21	May-20	May-27	May-19	May-26	May-17	May-24	May-16	May-23
21	May-21	May-28	May-27	Jun-03	May-26	Jun-02	May-24	May-31	May-23	May-30
22	May-28	Jun-04	Jun-03	Jun-10	Jun-02	Jun-09	May-31	Jun-07	May-30	Jun-06
23	Jun-04	Jun-11	Jun-10	Jun-17	Jun-09	Jun-16	Jun-07	Jun-14	Jun-06	Jun-13
24	Jun-11	Jun-18	Jun-17	Jun-24	Jun-16	Jun-23	Jun-14	Jun-21	Jun-13	Jun-20
25	Jun-18	Jun-25	Jun-24	Jul-01	Jun-23	Jun-30	Jun-21	Jun-28	Jun-20	Jun-27
26	Jun-25	Jul-02	Jul-01	Jul-08	Jun-30	Jul-07	Jun-28	Jul-05	Jun-27	Jul-04
27	Jul-02	Jul-09	Jul-08	Jul-15	Jul-07	Jul-14	Jul-05	Jul-12	Jul-04	Jul-11
28	Jul-09	Jul-16	Jul-15	Jul-22	Jul-14	Jul-21	Jul-12	Jul-19	Jul-11	Jul-18
29	Jul-16	Jul-23	Jul-22	Jul-29	Jul-21	Jul-28	Jul-19	Jul-26	Jul-18	Jul-25
30	Jul-23	Jul-30	Jul-29	Aug-05	Jul-28	Aug-04	Jul-26	Aug-02	Jul-25	Aug-01
31	Jul-30	Aug-06	Aug-05	Aug-12	Aug-04	Aug-11	Aug-02	Aug-09	Aug-01	Aug-08
32	Aug-06	Aug-13	Aug-12	Aug-19	Aug-11	Aug-18	Aug-09	Aug-16	Aug-08	Aug-15
33	Aug-13	Aug-20	Aug-19	Aug-26	Aug-18	Aug-25	Aug-16	Aug-23	Aug-15	Aug-22
34	Aug-20	Aug-27	Aug-26	Sep-02	Aug-25	Sep-01	Aug-23	Aug-30	Aug-22	Aug-29
35	Aug-27	Sep-03	Sep-02	Sep-09	Sep-01	Sep-08	Aug-30	Sep-06	Aug-29	Sep-05
36	Sep-03	Sep-10	Sep-09	Sep-16	Sep-08	Sep-15	Sep-06	Sep-13	Sep-05	Sep-12
37	Sep-10	Sep-17	Sep-16	Sep-23	Sep-15	Sep-22	Sep-13	Sep-20	Sep-12	Sep-19
38	Sep-17	Sep-24	Sep-23	Sep-30	Sep-22	Sep-29	Sep-20	Sep-27	Sep-19	Sep-26
39	Sep-24	Oct-01	Sep-30	Oct-07	Sep-29	Oct-06	Sep-27	Oct-04	Sep-26	Oct-03
40	Oct-01	Oct-08	Oct-07	Oct-14	Oct-06	Oct-13	Oct-04	Oct-11	Oct-03	Oct-10
41	Oct-08	Oct-15	Oct-14	Oct-21	Oct-13	Oct-20	Oct-11	Oct-18	Oct-10	Oct-17
42	Oct-15	Oct-22	Oct-21	Oct-28	Oct-20	Oct-27	Oct-18	Oct-25	Oct-17	Oct-24
43	Oct-22	Oct-29	Oct-28	Nov-04	Oct-27	Nov-03	Oct-25	Nov-01	Oct-24	Oct-31
44	Oct-29	Nov-05	Nov-04	Nov-11	Nov-03	Nov-10	Nov-01	Nov-08	Oct-31	Nov-07
45	Nov-05	Nov-12	Nov-11	Nov-18	Nov-10	Nov-17	Nov-08	Nov-15	Nov-07	Nov-14

46	Nov-12	Nov-19	Nov-18	Nov-25	Nov-17	Nov-24	Nov-15	Nov-22	Nov-14	Nov-21
47	Nov-19	Nov-26	Nov-25	Dec-02	Nov-24	Dec-01	Nov-22	Nov-29	Nov-21	Nov-28
48	Nov-26	Dec-03	Dec-02	Dec-09	Dec-01	Dec-08	Nov-29	Dec-06	Nov-28	Dec-05
49	Dec-03	Dec-10	Dec-09	Dec-16	Dec-08	Dec-15	Dec-06	Dec-13	Dec-05	Dec-12
50	Dec-10	Dec-17	Dec-16	Dec-23	Dec-15	Dec-22	Dec-13	Dec-20	Dec-12	Dec-19
51	Dec-17	Dec-24	Dec-23	Dec-30	Dec-22	Dec-29	Dec-20	Dec-27	Dec-19	Dec-26
52	Dec-24	Dec-31	Dec-30	Jan-06	Dec-29	Jan-05	Dec-27	Jan-03	Dec-26	Jan-02
53	Dec-31	Jan-07								

Sunday  
check-in

WEEK	20 05		20 06		20 07		20 08		20 09	
1	Jan-02	Jan-09	Jan-01	Jan-08	Jan-07	Jan-14	Jan-06	Jan-13	Jan-04	Jan-11
2	Jan-09	Jan-16	Jan-08	Jan-15	Jan-14	Jan-21	Jan-13	Jan-20	Jan-11	Jan-18
3	Jan-16	Jan-23	Jan-15	Jan-22	Jan-21	Jan-28	Jan-20	Jan-27	Jan-18	Jan-25
4	Jan-23	Jan-30	Jan-22	Jan-29	Jan-28	Feb-04	Jan-27	Feb-03	Jan-25	Feb-01
5	Jan-30	Feb-06	Jan-29	Feb-05	Feb-04	Feb-11	Feb-03	Feb-10	Feb-01	Feb-08
6	Feb-06	Feb-13	Feb-05	Feb-12	Feb-11	Feb-18	Feb-10	Feb-17	Feb-08	Feb-15
7	Feb-13	Feb-20	Feb-12	Feb-19	Feb-18	Feb-25	Feb-17	Feb-24	Feb-15	Feb-22
8	Feb-20	Feb-27	Feb-19	Feb-26	Feb-25	Mar-04	Feb-24	Mar-02	Feb-22	Mar-01
9	Feb-27	Mar-06	Feb-26	Mar-05	Mar-04	Mar-11	Mar-02	Mar-09	Mar-01	Mar-08
10	Mar-06	Mar-13	Mar-05	Mar-12	Mar-11	Mar-18	Mar-09	Mar-16	Mar-08	Mar-15
11	Mar-13	Mar-20	Mar-12	Mar-19	Mar-18	Mar-25	Mar-16	Mar-23	Mar-15	Mar-22
12	Mar-20	Mar-27	Mar-19	Mar-26	Mar-25	Apr-01	Mar-23	Mar-30	Mar-22	Mar-29
13	Mar-27	Apr-03	Mar-26	Apr-02	Apr-01	Apr-08	Mar-30	Apr-06	Mar-29	Apr-05
14	Apr-03	Apr-10	Apr-02	Apr-09	Apr-08	Apr-15	Apr-06	Apr-13	Apr-05	Apr-12
15	Apr-10	Apr-17	Apr-09	Apr-16	Apr-15	Apr-22	Apr-13	Apr-20	Apr-12	Apr-19
16	Apr-17	Apr-24	Apr-16	Apr-23	Apr-22	Apr-29	Apr-20	Apr-27	Apr-19	Apr-26
17	Apr-24	May-01	Apr-23	Apr-30	Apr-29	May-06	Apr-27	May-04	Apr-26	May-03
18	May-01	May-08	Apr-30	May-07	May-06	May-13	May-04	May-11	May-03	May-10
19	May-08	May-15	May-07	May-14	May-13	May-20	May-11	May-18	May-10	May-17
20	May-15	May-22	May-14	May-21	May-20	May-27	May-18	May-25	May-17	May-24
21	May-22	May-29	May-21	May-28	May-27	Jun-03	May-25	Jun-01	May-24	May-31
22	May-29	Jun-05	May-28	Jun-04	Jun-03	Jun-10	Jun-01	Jun-08	May-31	Jun-07
23	Jun-05	Jun-12	Jun-04	Jun-11	Jun-10	Jun-17	Jun-08	Jun-15	Jun-07	Jun-14
24	Jun-12	Jun-19	Jun-11	Jun-18	Jun-17	Jun-24	Jun-15	Jun-22	Jun-14	Jun-21
25	Jun-19	Jun-26	Jun-18	Jun-25	Jun-24	Jul-01	Jun-22	Jun-29	Jun-21	Jun-28
26	Jun-26	Jul-03	Jun-25	Jul-02	Jul-01	Jul-08	Jun-29	Jul-06	Jun-28	Jul-05
27	Jul-03	Jul-10	Jul-02	Jul-09	Jul-08	Jul-15	Jul-06	Jul-13	Jul-05	Jul-12
28	Jul-10	Jul-17	Jul-09	Jul-16	Jul-15	Jul-22	Jul-13	Jul-20	Jul-12	Jul-19
29	Jul-17	Jul-24	Jul-16	Jul-23	Jul-22	Jul-29	Jul-20	Jul-27	Jul-19	Jul-26
30	Jul-24	Jul-31	Jul-23	Jul-30	Jul-29	Aug-05	Jul-27	Aug-03	Jul-26	Aug-02
31	Jul-31	Aug-07	Jul-30	Aug-06	Aug-05	Aug-12	Aug-03	Aug-10	Aug-02	Aug-09
32	Aug-07	Aug-14	Aug-06	Aug-13	Aug-12	Aug-19	Aug-10	Aug-17	Aug-09	Aug-16
33	Aug-14	Aug-21	Aug-13	Aug-20	Aug-19	Aug-26	Aug-17	Aug-24	Aug-16	Aug-23
34	Aug-21	Aug-28	Aug-20	Aug-27	Aug-26	Sep-02	Aug-24	Aug-31	Aug-23	Aug-30
35	Aug-28	Sep-04	Aug-27	Sep-03	Sep-02	Sep-09	Aug-31	Sep-07	Aug-30	Sep-06
36	Sep-04	Sep-11	Sep-03	Sep-10	Sep-09	Sep-16	Sep-07	Sep-14	Sep-06	Sep-13
37	Sep-11	Sep-18	Sep-10	Sep-17	Sep-16	Sep-23	Sep-14	Sep-21	Sep-13	Sep-20
38	Sep-18	Sep-25	Sep-17	Sep-24	Sep-23	Sep-30	Sep-21	Sep-28	Sep-20	Sep-27
39	Sep-25	Oct-02	Sep-24	Oct-01	Sep-30	Oct-07	Sep-28	Oct-05	Sep-27	Oct-04
40	Oct-02	Oct-09	Oct-01	Oct-08	Oct-07	Oct-14	Oct-05	Oct-12	Oct-04	Oct-11
41	Oct-09	Oct-16	Oct-08	Oct-15	Oct-14	Oct-21	Oct-12	Oct-19	Oct-11	Oct-18
42	Oct-16	Oct-23	Oct-15	Oct-22	Oct-21	Oct-28	Oct-19	Oct-26	Oct-18	Oct-25
43	Oct-23	Oct-30	Oct-22	Oct-29	Oct-28	Nov-04	Oct-26	Nov-02	Oct-25	Nov-01
44	Oct-30	Nov-06	Oct-29	Nov-05	Nov-04	Nov-11	Nov-02	Nov-09	Nov-01	Nov-08

45	Nov-06	Nov-13	Nov-05	Nov-12	Nov-11	Nov-18	Nov-09	Nov-16	Nov-08	Nov-15
46	Nov-13	Nov-20	Nov-12	Nov-19	Nov-18	Nov-25	Nov-16	Nov-23	Nov-15	Nov-22
47	Nov-20	Nov-27	Nov-19	Nov-26	Nov-25	Dec-02	Nov-23	Nov-30	Nov-22	Nov-29
48	Nov-27	Dec-04	Nov-26	Dec-03	Dec-02	Dec-09	Nov-30	Dec-07	Nov-29	Dec-06
49	Dec-04	Dec-11	Dec-03	Dec-10	Dec-09	Dec-16	Dec-07	Dec-14	Dec-06	Dec-13
50	Dec-11	Dec-18	Dec-10	Dec-17	Dec-16	Dec-23	Dec-14	Dec-21	Dec-13	Dec-20
51	Dec-18	Dec-25	Dec-17	Dec-24	Dec-23	Dec-30	Dec-21	Dec-28	Dec-20	Dec-27
52	Dec-25	Jan-01	Dec-24	Dec-31	Dec-30	Jan-06	Dec-28	Jan-04	Dec-27	Jan-03
53			Dec-31	Jan-07						

Friday  
check-in

WEEK	20 05		20 06		20 07		20 08		20 09	
1	Jan-07	Jan-14	Jan-06	Jan-13	Jan-05	Jan-12	Jan-04	Jan-11	Jan-02	Jan-09
2	Jan-14	Jan-21	Jan-13	Jan-20	Jan-12	Jan-19	Jan-11	Jan-18	Jan-09	Jan-16
3	Jan-21	Jan-28	Jan-20	Jan-27	Jan-19	Jan-26	Jan-18	Jan-25	Jan-16	Jan-23
4	Jan-28	Feb-04	Jan-27	Feb-03	Jan-26	Feb-02	Jan-25	Feb-01	Jan-23	Jan-30
5	Feb-04	Feb-11	Feb-03	Feb-10	Feb-02	Feb-09	Feb-01	Feb-08	Jan-30	Feb-06
6	Feb-11	Feb-18	Feb-10	Feb-17	Feb-09	Feb-16	Feb-08	Feb-15	Feb-06	Feb-13
7	Feb-18	Feb-25	Feb-17	Feb-24	Feb-16	Feb-23	Feb-15	Feb-22	Feb-13	Feb-20
8	Feb-25	Mar-04	Feb-24	Mar-03	Feb-23	Mar-02	Feb-22	Feb-29	Feb-20	Feb-27
9	Mar-04	Mar-11	Mar-03	Mar-10	Mar-02	Mar-09	Feb-29	Mar-07	Feb-27	Mar-06
10	Mar-11	Mar-18	Mar-10	Mar-17	Mar-09	Mar-16	Mar-07	Mar-14	Mar-06	Mar-13
11	Mar-18	Mar-25	Mar-17	Mar-24	Mar-16	Mar-23	Mar-14	Mar-21	Mar-13	Mar-20
12	Mar-25	Apr-01	Mar-24	Mar-31	Mar-23	Mar-30	Mar-21	Mar-28	Mar-20	Mar-27
13	Apr-01	Apr-08	Mar-31	Apr-07	Mar-30	Apr-06	Mar-28	Apr-04	Mar-27	Apr-03
14	Apr-08	Apr-15	Apr-07	Apr-14	Apr-06	Apr-13	Apr-04	Apr-11	Apr-03	Apr-10
15	Apr-15	Apr-22	Apr-14	Apr-21	Apr-13	Apr-20	Apr-11	Apr-18	Apr-10	Apr-17
16	Apr-22	Apr-29	Apr-21	Apr-28	Apr-20	Apr-27	Apr-18	Apr-25	Apr-17	Apr-24
17	Apr-29	May-06	Apr-28	May-05	Apr-27	May-04	Apr-25	May-02	Apr-24	May-01
18	May-06	May-13	May-05	May-12	May-04	May-11	May-02	May-09	May-01	May-08
19	May-13	May-20	May-12	May-19	May-11	May-18	May-09	May-16	May-08	May-15
20	May-20	May-27	May-19	May-26	May-18	May-25	May-16	May-23	May-15	May-22
21	May-27	Jun-03	May-26	Jun-02	May-25	Jun-01	May-23	May-30	May-22	May-29
22	Jun-03	Jun-10	Jun-02	Jun-09	Jun-01	Jun-08	May-30	Jun-06	May-29	Jun-05
23	Jun-10	Jun-17	Jun-09	Jun-16	Jun-08	Jun-15	Jun-06	Jun-13	Jun-05	Jun-12
24	Jun-17	Jun-24	Jun-16	Jun-23	Jun-15	Jun-22	Jun-13	Jun-20	Jun-12	Jun-19
25	Jun-24	Jul-01	Jun-23	Jun-30	Jun-22	Jun-29	Jun-20	Jun-27	Jun-19	Jun-26
26	Jul-01	Jul-08	Jun-30	Jul-07	Jun-29	Jul-06	Jun-27	Jul-04	Jun-26	Jul-03
27	Jul-08	Jul-15	Jul-07	Jul-14	Jul-06	Jul-13	Jul-04	Jul-11	Jul-03	Jul-10
28	Jul-15	Jul-22	Jul-14	Jul-21	Jul-13	Jul-20	Jul-11	Jul-18	Jul-10	Jul-17
29	Jul-22	Jul-29	Jul-21	Jul-28	Jul-20	Jul-27	Jul-18	Jul-25	Jul-17	Jul-24
30	Jul-29	Aug-05	Jul-28	Aug-04	Jul-27	Aug-03	Jul-25	Aug-01	Jul-24	Jul-31
31	Aug-05	Aug-12	Aug-04	Aug-11	Aug-03	Aug-10	Aug-01	Aug-08	Jul-31	Aug-07
32	Aug-12	Aug-19	Aug-11	Aug-18	Aug-10	Aug-17	Aug-08	Aug-15	Aug-07	Aug-14
33	Aug-19	Aug-26	Aug-18	Aug-25	Aug-17	Aug-24	Aug-15	Aug-22	Aug-14	Aug-21
34	Aug-26	Sep-02	Aug-25	Sep-01	Aug-24	Aug-31	Aug-22	Aug-29	Aug-21	Aug-28
35	Sep-02	Sep-09	Sep-01	Sep-08	Aug-31	Sep-07	Aug-29	Sep-05	Aug-28	Sep-04
36	Sep-09	Sep-16	Sep-08	Sep-15	Sep-07	Sep-14	Sep-05	Sep-12	Sep-04	Sep-11
37	Sep-16	Sep-23	Sep-15	Sep-22	Sep-14	Sep-21	Sep-12	Sep-19	Sep-11	Sep-18
38	Sep-23	Sep-30	Sep-22	Sep-29	Sep-21	Sep-28	Sep-19	Sep-26	Sep-18	Sep-25
39	Sep-30	Oct-07	Sep-29	Oct-06	Sep-28	Oct-05	Sep-26	Oct-03	Sep-25	Oct-02
40	Oct-07	Oct-14	Oct-06	Oct-13	Oct-05	Oct-12	Oct-03	Oct-10	Oct-02	Oct-09
41	Oct-14	Oct-21	Oct-13	Oct-20	Oct-12	Oct-19	Oct-10	Oct-17	Oct-09	Oct-16
42	Oct-21	Oct-28	Oct-20	Oct-27	Oct-19	Oct-26	Oct-17	Oct-24	Oct-16	Oct-23

43	Oct-28	Nov-04	Oct-27	Nov-03	Oct-26	Nov-02	Oct-24	Oct-31	Oct-23	Oct-30
44	Nov-04	Nov-11	Nov-03	Nov-10	Nov-02	Nov-09	Oct-31	Nov-07	Oct-30	Nov-06
45	Nov-11	Nov-18	Nov-10	Nov-17	Nov-09	Nov-16	Nov-07	Nov-14	Nov-06	Nov-13
46	Nov-18	Nov-25	Nov-17	Nov-24	Nov-16	Nov-23	Nov-14	Nov-21	Nov-13	Nov-20
47	Nov-25	Dec-02	Nov-24	Dec-01	Nov-23	Nov-30	Nov-21	Nov-28	Nov-20	Nov-27
48	Dec-02	Dec-09	Dec-01	Dec-08	Nov-30	Dec-07	Nov-28	Dec-05	Nov-27	Dec-04
49	Dec-09	Dec-16	Dec-08	Dec-15	Dec-07	Dec-14	Dec-05	Dec-12	Dec-04	Dec-11
50	Dec-16	Dec-23	Dec-15	Dec-22	Dec-14	Dec-21	Dec-12	Dec-19	Dec-11	Dec-18
51	Dec-23	Dec-30	Dec-22	Dec-29	Dec-21	Dec-28	Dec-19	Dec-26	Dec-18	Dec-25
52	Dec-30	Jan-06	Dec-29	Jan-05	Dec-28	Jan-04	Dec-26	Jan-02	Dec-25	Jan-01
53										

APPENDIX FOUR  
REGULATIONS  
(Clause 15.2)

1. Not to use any Unit forming part of the property of the Club nor permit the same to be used for any purpose whatsoever other than as a private holiday home in the occupation of no more than the maximum numbers of persons from time to time permitted by the Club, nor for any purpose from which a nuisance can arise to other Members or their permitted occupiers or any owner occupier of adjoining land, nor for any illegal or immoral purpose whatsoever, nor for the purpose of any trade, business, profession or manufacture.
2. No windows belonging to any Unit shall be stopped-up darkened or obstructed otherwise than by use of the curtain material or internal blinds provided by the Club, and no washing, clothes or other articles shall be hung or exposed anywhere outside any Unit or in any position visible from outside the building of which any Unit forms part.
3. Not to throw dirt, rubbish, rags, oil or any deleterious material or other refuse or permit the same to be thrown into sinks, baths, lavatories and conduits of any Unit.
4. No music or singing whether by instrument or voices, wireless, gramophone, television or other means shall be allowed in any Unit so as to cause nuisance or annoyance to any Member or permitted occupier of adjoining land and in particular so as not to be audible outside any Unit between 2200 hours and 0900 hours.
5. No animal, reptile or bird shall be brought upon or kept in any Unit (other than a dog required by registered disabled persons).
6. To comply with all arrangements from time to time made by the Club in relation to the disposal of refuse from any Unit and not to shake, beat permit to be shaken or beaten any carpets, dusters or other objects from the windows or doors of any Unit, and at no time to throw dirt, rubbish, rags, food or any other material or substance whatsoever out of the windows or doors of any Unit.
7. To comply at all times with the provisions of any regulations governing the Thurnham Hall Resort, copies of which are available from the Management Company on request
8. Not to store or allow to remain in any Unit any inflammable or explosive substance.
9. Not to obstruct the private roadway, passageways or pedestrian walkways serving the Units not to use them for any other purpose than for access to and egress from the Unit which the Member is entitled to use.
10. Not to do anything in contravention of the Resorts Regulations (as published from time to time by the Management Company) concerning conduct and behaviour of Members and their guests whilst on the Resort itself.
11. Not to place or display or cause to be placed or displayed any advertisement, sign or notice in the windows or on the outside walls or door of any Unit so as to be visible from the outside and in particular not to erect any external wireless or television aerial.



APPENDIX FIVE

GUEST CERTIFICATE  
GUEST CERTIFICATE APPLICATION FORM

**Membership Number:** \_\_\_\_\_

**Member(s) Name(s):** \_\_\_\_\_

\_\_\_\_\_

**Resort(s):** \_\_\_\_\_

**Check in Date(s):** \_\_\_\_\_

**Reservation Number(s):** \_\_\_\_\_

**Name and date of birth of guest(s) using the reservation:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Address of guest(s):**  
\_\_\_\_\_

I/we would be most obliged if Sunterra Europe Ltd would issue a guest certificate to the above named guest(s).

I/We confirm that I/we have agreed that the above named guest(s) is/are allowed to use my/our ownership on the date/s referred to above and that the aforementioned guest(s) address details are known to me/us.

I/we understand that I am/we are responsible for my/our guest(s) actions whilst at the staying at the resort as my/our guest(s), and that I/we will pay for and indemnify you against all costs, losses, damage and expenses without financial limit, sustained or incurred by you, which are caused by the action or omission of my/our guest(s) at the resort.

Member's signature:

Dated:

Member's signature:

Dated:

\*Guest's signature:

Dated:

\*Guest's signature:

Dated:

\*Guest's signature:

Dated:

\*Guest's signature:

Dated:

\*Only guests over eighteen years of age need to sign.

Please return the completed application form to the Reservations Department, Sunterra Europe Ltd, Citrus House, Caton Road, Lancaster, Lancashire, LA1 3UA.

## THURNHAM OWNERS CLUB

### DEED OF VARIATION

THIS DEED OF TRUST is made this 22nd day of October 2006 BETWEEN SUNTERRA TITLE LIMITED a Company incorporated in England and Wales (hereinafter called "the Company") whose Registered Office is at Citrus House, Caton Road, Lancaster, Lancashire, England, LA1 3UA and SUNTERRA EUROPE LIMITED a Company incorporated in England and Wales (hereinafter together called "the Founder Members") of the first part and FIRST NATIONAL TRUSTEE COMPANY LIMITED whose Registered office is situated at International House, Castle Hill, Victoria Road, Douglas Isle of Man, British Isles (hereinafter called "the Trustee") of the second part.

#### WHEREAS:

- A. This Deed of Trust is supplemental to the Deed of Trust dated 21<sup>st</sup> November 1988 and incorporates all subsequent Deeds of Variation and revisions. The Trust is deemed to have continued without interruption. This revised version was adopted by the Members of the Club at the Annual General meeting of the Club dated 22<sup>nd</sup> October 2006.
  
- B. The Founder Members have together formed a Club known as THURNHAM OWNERS CLUB whose object is to secure for its Members the ownership of exclusive rights of occupation of the Units (as hereinafter defined) detailed in Appendix One ("the Appendix") to the Constitution of the Club ("the Constitution") for specific periods in each year during the period mentioned in the Constitution (a copy of which is annexed hereto).
  
- C. It is provided in the Constitution that the title to the leases and any other property of the Club shall be vested in an independent Trustee upon trust for the Members of the Club from time to time.
  
- D. Leases of further Units may from time to time be transferred to the Trustee by the Company or otherwise to be held for the benefit of the Club upon the Trusts of this Deed and shall be hereinafter called "the Property" and the Trustee has agreed to hold the same upon the Trusts and terms hereinafter mentioned.

NOW THEREFORE THIS DEED WITNESSETH AND IT IS HEREBY AGREED as follows:

1. In this Deed except where the context otherwise requires:

"Club"	means the Club currently known as THURNHAM OWNERS CLUB referred to in Recital A.
"Constitution"	means the Constitution of the Club from time to time.
"Units"	means the Units referred to in the Appendix at THURNHAM OWNERS CLUB and any other residential property which may be vested in an Owning Company and "Unit" shall be construed accordingly.

"the Property" means the Lease or Leases of the Unit or Units granted or to be granted to the Trustee subject to and in accordance with the provisions hereof and all other property (real or personal) which may from time to time be transferred to or otherwise vested in the Trustee to be held for the benefit of the Members of the Club from time to time upon the trusts of this Deed.

"Members" means the Members, whether ordinary members, or A members or B members from time to time of the Club including the Founder Members.

"the Committee" means the body of persons appointed under the provisions of the Constitution to manage the business and affairs of the Club in accordance with the Constitution.

"the Owing Company" means FNTC First Nominee Limited, a company limited by shares and incorporated in the Isle of Man being the Company which holds the legal title to the lease of the Units as detailed in appendix one to the Constitution.

1.2 Covenants or warranties given and obligations or liabilities otherwise assumed under the provisions of this Deed by two or more persons shall be deemed to be so given and assumed by such persons jointly and severally.

1.3. (a) Where reference is made herein to directions of the Committee of the Club the  
Trustee shall be entitled to rely on and accept decisions of the Committee which shall be stated by the Chairman of the Committee Meeting at which the relevant decision was reached to have been so reached in accordance with the relevant rules of the Constitution and without prejudice to the generality of the foregoing the Trustee shall not be concerned to enquire or satisfy itself in any way as to the election of Committee Members or of the Chairman of the Committee Meeting or calling of Committee Meetings or the procedure adopted or the reaching of decisions there at; and

(b) where reference is made to the decision of the Club the Trustee shall be entitled to accept and rely on resolutions in writing in respect of which it shall have been certified by the Founder Members that the provisions of Clause 17.8 of the Constitution have been fully observed.

2 The Founder Members hereby appoint the Trustee and the Trustee hereby agrees to act as Trustee on behalf of the Club and the Members thereof from time to time on the terms set out in this Deed and the general terms and conditions upon which the Trustee acts as a Trustee last published before the date hereof which are more particularly set out in Schedule I hereto. The said general terms and conditions shall apply and be incorporated herein and if there shall be any conflict between the same and the other provisions of this Deed then such terms and conditions set out in Schedule I shall pro tanto prevail. The Founder Members will procure that the title

deeds evidencing the leasehold ownership in each of the Units and documents relating to any other Property are delivered to the Trustee as soon as reasonably possible and will remain throughout the period of this Deed in the custody of the Trustee.

- 3 The Trustee shall hold the Property upon trust to secure the rights of occupation in respect of the Units under and in accordance with and subject to the Constitution and subject thereto upon Trust for the Company and all Members from time to time of the Club as provided in the Constitution

PROVIDED ALWAYS;

- (i) that the Trustee shall not be bound to concur in or perform any act or acts which in the opinion of the Trustee shall be illegal or shall be inconsistent with the Trusts hereby declared or shall constitute a breach of Trust or be prejudicial to the interest of the Members and/or the Company (without the consent of the Members and the Company) or shall involve the Trustee in any personal liability or in any action which may be improper or disreputable or which may in the opinion of the Trustee constitute a breach of the conditions or covenants affecting the Property or the Units and
- (ii) that notwithstanding any direction of the Committee or the Founder Members the Trustee shall not be obliged to charge or otherwise further encumber the Property or any part thereof .

- 4.0 The Trustee shall have no responsibility for the rebuilding, repair, maintenance, renewal, upkeep, decoration, administration or management of the Units or the contents thereof and shall not be liable for any damage or loss or depreciation which may result in any way therein and the Trustee gives no guarantee or warranty with regard to the validity or otherwise of the title to the Units.

- 4.1 The Trustee shall not be bound to concern itself in any way with the management of the Club or its assets or finances nor with the rights duties or obligations of Members or any other matter to which Members may be subject nor with the replacement or retrieval or renewal of any of the contents, furniture, fittings or fixtures of the Units whether the said contents, furniture, fittings or fixtures be broken, lost or stolen or damaged or otherwise mislaid or misplaced and the Trustee shall bear no liability to the Members in respect of such matters.

- 5 The Trustee shall not be required to take any legal or other action whatever in relation to any matter whatsoever relating to the Property unless fully indemnified by the Club or the Founder Members to the reasonable satisfaction of the Trustee for all costs and liabilities likely to be incurred or suffered by the Trustee.

- 6 The Trustee shall be entitled at the expense of the Club or the Founder Members to obtain legal advice from its Solicitors for the time being and/or the Opinion of Counsel and/or other legal advisors on any matter relating to the Property or in relation to the Trust hereby constituted or the exercise of the Trustee's powers or rights or the observance or performance of the Trustee's liabilities or duties hereunder.

- 7 The Company shall initially be entitled to occupy the Units pursuant to Clause 9 of the Constitution and shall be entitled to grant the rights of occupation of parts thereof in accordance therewith.

- 8 The Company and the Founder Members on behalf of the Club and as a separate covenant for themselves hereby jointly and severally warrant that, save as otherwise ordered by a Court of competent jurisdiction or as provided herein, the Trustee shall not, by entering into or acting in pursuance of the terms and conditions of this Deed, owe any duty or obligation or incur any liability to any person or persons (whether corporate or individual) other than the Company and the Members of the Club and

that no such person or persons are entitled to require or oblige the Trustee to transfer or deal with the Property or the Units.

- 9 The Company and the Founder Members on behalf of the Club and as separate covenant for themselves hereby jointly and severally warrant that the Trustee's name shall not appear on any literature or document or on any advertisement issued by or on behalf of the Company the Founder Members or the Club without the prior approval in writing of the Trustee having first been obtained.
- 10 (a) The Trustee shall not be responsible for any loss suffered by the Company or the Club or any Member thereof arising out of or in respect of any act or omission on the part of the Trustee its Officers Employees or Agents in respect of the Property unless the same shall have been caused by or arisen from fraud or negligence on behalf of the Trustee or its said Officers, Employees or Agents.
- (b) The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Founder Members (or either of them) the Club or the Committee of the Club.
- 11 The Founder Members shall pay to the Trustee as remuneration for the performance of its duties hereunder such fees as may from time to time be separately agreed upon between the Founder Members and the Trustee (or failing which between the Committee and the Trustee) and all out-of-pocket expenses incurred by the Trustee in the performance of its duties under this Deed and in default of such payments the Founder Members hereby jointly and severally undertake that the Club will pay to the Trustee all such sums PROVIDED THAT as between the Company and the Founder Members on behalf of the Club the Club shall be primarily liable to pay all such sums.
- 12 In connection with the Property and/or the Units, the Founder Members on behalf of the Club and (as a separate covenant) for themselves covenant with the Trustee:
- (A) on demand to pay as the Trustee may direct all outgoings whatsoever (including rates, service charge, interest, costs, expenses and damages) covenanted or agreed to be paid (whether contingently or otherwise) in respect of the Property and/or the Units.
- (B) at all times to observe and perform (and cause the Owing Company so to observe and perform) all the covenant's terms and conditions to which the Units may from time to time be subject.
- (C) to indemnify and keep fully and effectually indemnified the Trustee from and against all actions, claims, demands, losses, damages, costs and expenses made against or suffered or incurred by the Trustee arising from any breach non-observance or non-performance of any of the agreements and/or covenants contained in this Trust Deed and/or the Constitution and/or the Management Agreement.
- 13 The Founder Members on behalf of the Club and as a separate covenant for themselves hereby agree jointly and severally to indemnify and hold harmless the Trustee against all claims, actions, proceedings, charges (including without prejudice to the generality of the foregoing charges to tax and breaches of UK and/or Manx legislation or regulations) fees costs liabilities and expenses to which it may be entitled or which may result from or be incurred in connection with the performance by the Trustee of its duties hereunder and the Trustee shall be kept fully indemnified jointly and severally by the Founder Members and the Club against all losses, claims, demands, taxes, actions, damages, costs and expenses made or incurred in connection with the Property or the Owing Company in connection with the sale of Membership Certificates by the Company or by any Member and/or the Units or in

any other way in connection with the holding by the Trustee of the Office of Trustee hereunder (including without prejudice to the generality of the foregoing any taxes assessed on or which are or might ultimately become the liability of the Trustee or the Owning Company in connection with the sale of Membership Certificates by the Company or any Member). The Trustee shall have the right if at any time it considers it desirable so to do to require that the Founder Members or the Club shall deposit with the Trustee such sum as the Trustee shall reasonably consider to be necessary in support of the indemnities contained in this Deed and in connection with the fees and expenses payable to the Trustee under the provisions of Clauses 15.2 hereof.

- 14.0 The Trustee shall be entitled to have recourse to and be indemnified out of the Property and/or the Units for all sums expended by the Trustee in or about or in any way in connection with the Trusts of this Deed and for all sums (including remuneration) payable to the Trustee hereunder and to meet and discharge the cost of any indemnity to which it is entitled hereunder and for such purposes shall have all the powers of an absolute owner to let, or otherwise dispose of the Property or any part thereof unrestricted by Clause 3 hereof or the Constitution.
- 14.1 If the employment of the Management Company (as defined in the Constitution) or any substitute thereof shall be terminated for any reason then the Trustee shall then have the power on each such occasion to appoint another person to administer the sub-letting in accordance with sub-clause 15.11 of the Constitution, with the cost and expense of such appointment being borne by the Club.
- 15.0 This Deed shall continue until (a) 28<sup>th</sup> September 2068 or (b) until terminated by both the Club and the Company giving not less than six months notice in writing to the Trustee or (c) by the Trustee giving the Company and the Club not less than six months notice in writing; any notice given under this Clause shall expire on the last day of any calendar month and such notice shall not be given in any event before the expiry of one year from the date hereof. Upon termination of this Deed the Founder Members (or failing which the Club) shall pay to the Trustee all remuneration then owing to the Trustee together with any outstanding out-of-pocket expenses and all expenses incurred by the Trustee in conveying or assigning or otherwise disposing of the title to the Property in the manner hereinafter provided. The Trustee shall in the event of this Deed being terminated convey or assign the Property or procure the same to be conveyed or transferred (at the expense of the Club or failing which, at the expense of the Founder Members) to any succeeding Trustee or otherwise as the Committee of the Club in writing may direct.
- 15.1 The Club may by a resolution passed by not less than a majority of all votes cast by or on behalf of Members in accordance with Clause 17.4 of the Constitution at a General meeting of the Club to be held in year 2068 resolve to continue the Club for a further period of forty-five years on the terms and conditions as herein provided but not beyond 1 January 2113.
- 15.2 Upon the termination or expiration of this Deed pursuant to the foregoing provisions or as soon thereafter as is reasonably practicable the Trustee shall as directed by the Committee either:-
- a) transfer the Property to the alternative Trustee of this or any new Trust constituted in accordance with the Constitution or
  - b) retain the Property upon the terms of any new Trust constituted in accordance with the Constitution or
  - c) sell the Units in such manner as it may choose but so that the Trustee shall not be liable to the Founder Members or either of them or to the former Members, or to any other person or persons:

- (i) in the event that the Trustee is unable to find a Purchaser for some or all of the Units on acceptable terms; or
- (ii) in respect of the consideration received for any such sale or sales for any loss or damage suffered in respect thereof; and the Trustee shall be entitled to deduct from the consideration received:-
  - (a) all payments due to the Trustee under this Deed
  - (b) all expenses incurred in connection with any sale or sales; and
  - (c) the Trustee's fees for acting on the termination of the Club and the subsequent distribution of the net proceeds of sale. Such fees to be in addition to any remuneration payable to the Trustee under Clause 11 hereof (but to be determined as therein provided); and
  - (d) all taxes or fiscal impositions whatsoever relating to the Units, the Owning Company relating thereto and the holding or disposal thereof by the Trustee for which the Trustee and (in the case of the Trustee procuring the sale of a Unit by the Owning Company) the Owning Company may be liable.

15.3 After deduction of all sums referred to in paragraph 15.2 of this Clause, the Trustee shall distribute the net proceeds of sale to such persons as would be entitled under the Constitution to such proceeds upon dissolution of the Club and pending distribution to invest the net proceeds of sale in any investment authorised by law PROVIDED that the Trustee will have fully discharged its obligations under this sub-clause 15.3 if it distributes the net proceeds of sale to those persons and in such shares as shall be notified to the Trustee by the Management Company as being in accordance with the Constitution (which information the Management Company hereby agrees to supply) and upon distribution in accordance with this information the former Members of the Club shall if so required by the Trustee acknowledge in writing that the Trustee has fully discharged its obligations under this Trust Deed.

15.4 The net assets available for distribution after the foregoing provisions of this Clause have been complied with (hereinafter called the "the net assets") shall be notionally apportioned to each of the Units comprising the Property of the Club at the time of the resolution to wind up the Club.

15.5 The amount of the net assets apportioned to each Unit as aforesaid shall be for the purpose of ascertaining the amount thereof to be distributed to each Member, divided into fifty-one equal units of value (each such unit being referred to in this Clause as a "Unit of Value") and then there shall be distributed to each Member or Founder Member (as the case may be) one Unit of Value each (or in the case of an A Member or a B Member a 50% share of a Unit of Value each) of the said fifty-one weekly membership periods relating to the relevant Unit to which the Member or as the case may be the Founder Member shall be entitled pursuant to the provisions of the Constitution

16.1 The Company and the Founder Members on behalf of the Club and as a separate covenant for themselves jointly and severally undertake:-

16.1 to give to the Trustee the names and addresses of all Officers of the Club.

16.1.2 to inform the Trustee within 21 days of any change in the holders of any Office with the full name and address of each new Officer.

- 16.1.3 to give to the Trustee within 21 days of admission of each Member to Membership the name and address of each such Member and details of any change of address of such Member within 21 days of such change occurring.
- 16.1.4 that within seven days of the relevant meeting there shall be delivered to the Trustee duly certified by the Chairman or Secretary of the Committee of the Club an excerpt from the Minutes of any meeting of the Committee or of the Members of the Club minuting the resignation of any Officer or other Member of the Committee, the election or appointment of a new Officer, or any Committee Member, and any change in the Constitution of the Club approved by the Members thereof.
- 16.1.5 That there shall be delivered to the Trustee:-
- (i) a copy of each set of annual audited accounts of the Club as soon as the same is available and
  - (ii) notice of any General Meetings of the Club and a copy of the Agenda and of any resolution to be proposed at the Meeting at least 14 days prior to such Meeting and
  - (iii) minutes of any such meeting as soon as the same are available
  - (iv) a copy of any Contract relating to the management of the Club
- 16.2 The Trustee shall have the right to attend and receive notice of all General Meetings of the Members of the Club but shall have no right to vote at any such meetings.
- 17 Notwithstanding the provisions of this Deed neither the Trustee nor any holding subsidiary or associated company of the Trustee shall be precluded from acting as Insurer, Insurance Agent or Broker or Banker, Investment Manager or Advisor to either or both of the Founder Members or the Club nor shall the Trustee nor any holding subsidiary or associated company thereof be precluded from making any advances to either or both of the Founder Members or the Club on such terms as may be agreed or making any contract or entering into any financial or other transaction in the ordinary course of business with either or both of the Founder Members or the Club and shall be entitled to charge interest on overdrawn accounts and make the usual banker's charges and shall not be liable to account either to the Founder Members or either of them or the Club for any profit made in connection herewith.
18. Any notice which is required to be given in pursuance to any provision of this Deed shall be given or served by pre-paid first class post, telegram, cable, telex addressed to the Company to the Founder Members or to the Trustee as the case may be at their respective Registered Offices or (in the case of notice to be served on the Club to the Committee) to the Committee of the Club, care of Thurnham Owners' Club, Thurnham Hall, Thurnham, near Lancaster, Lancashire, England and any notice sent by post shall be deemed to have been given or served at the time of despatch.
- 19 The Trustee and the Founder Members shall be entitled by deed supplemental hereto to modify alter or add to the provisions of these presents in such manner and to such extent as they may consider expedient for any purpose; PROVIDED THAT unless the Trustee shall certify in writing that in its opinion such modification, alteration or addition does not prejudice the interest of the Members and does not operate to release the Trustee or the Founder Members from any responsibility to the Members no such modification, alteration or addition shall be made without the sanction of a resolution of an Extraordinary General Meeting of Members duly convened and held in accordance with the Constitution of the Club; PROVIDED ALSO THAT no such modification, alteration or addition shall impose upon any Member any obligation to



make any further payments in respect of his membership of the Club or to accept any liability in respect thereof.

20. This Deed shall be governed and construed in accordance with the present Laws of England and Wales and the Founder Members irrevocably:-

- (i) submit to the exclusive jurisdiction of the Courts of England and
- (ii) consent to service of process by mail or in any other manner permitted by the laws of England and Wales.

21.1 If a Trustee retires from the Trusts hereof or becomes by reason of residence or place of incorporation incapable of acting as a Trustee hereof such Trustee shall be released from all claims, demands, actions, proceedings and accounts of any kind on the part of any beneficiary (whether in existence or not) actually or prospectively interested under this Deed or in respect of the Property or in the income thereof or the Trusts of this Deed or any act or thing done or omitted in execution or purported execution of such Trusts other than and except only actions:-

- a) arising from any fraud or fraudulent breach of trust to which such Trustee or (in the case of a corporate Trustee) any of its Officers was a party or privy;
- b) to recover from such Trustee trust property or the proceeds of trust property in the possession of such Trustee or previously received by such Trustee (or in the case of a corporate Trustee) any of its Officers and converted to his use.

21.2 The Perpetuity Period applicable to this Deed shall be until whichever of the following dates shall first occur, namely:-

- (i) the day on which shall expire the period of eighty (80) years from the date hereof
- (ii) such day (if any) as the Trustee may at its discretion appoint by deed prior to the date specified in paragraph (i) of this sub-clause.

22 The Trustee declares and it is hereby agreed that it shall have all the additional powers, discretions and rights set out in Schedule I hereof.

IN WITNESS whereof the parties hereto have hereunto caused their Common Seals to be affixed the day and year first above written.

## SCHEDULE 1

General terms and conditions upon which the Trustee accepts appointment.

1. The Trustee may act by a proper officer or officers and may appoint as its proper officer any officers of the Trustee or any holding or associated or subsidiary company or any lawyers for the time being retained by the Trustee.
2. The Trustee's remuneration for its services shall be free of all taxes or fiscal impositions whatsoever and the Trustee shall have a first charge upon the estate or Trust Fund in respect of such remuneration and all legal costs and disbursements, agents charges, staff travel costs, postages, telephone calls and other expenses properly incurred and paid.
3. Subject to any express provision to the contrary hereinbefore set out, the Trustee may in its absolute discretion determine how remuneration due to the Trustee shall be borne as between different parts of an estate or Trust or as between the beneficiaries and every such determination shall be binding upon all persons concerned.
4. The Trustee may without being liable to account for any profit thereby made:
  - (a) act as Insurer or Banker and transact any banking or insurance or allied business on normal terms;
  - (b) retain the customary share of brokerage and other commissions;
  - (c) perform any service on behalf of the estate or Trust and make charges commensurate with the services rendered;
  - (d) employ at the expense and on behalf of the estate or Trust any parent or associated or subsidiary company as Banker or to transact any allied business or for any purpose for which a Trust is entitled to employ any agents;
  - (e) retain any remuneration received as a result of any appointment of a nominee as a Director or officer of any other company whose shares or expenses shall from time to time be held in the Trust.
5. The Trustee shall not be required by reason only of the general rule preventing a Trustee from deriving a profit from his Trusteeship to account to the estate or trust for any profit made in the ordinary course of business by the Trustee or any holding or associated or subsidiary company arising from the exercise of any power or discretion conferred by this Trust instrument as hereafter amended or by Law.
6. The Trustee may at its discretion vest any Property of the nominees.
7. All monies, securities, title deeds and documents belonging to or relating to the Property or this Trust shall be under the exclusive custody and control of the Trustee, any other person having all reasonable facilities for verification or inspection and the name of the Trustee or the name of its nominees shall be placed first in the Register of all stock, shares, securities or property.

8. Unless otherwise provided in the Trust instrument, every appointment whether under the statutory power or under any special power of a new Trustee during the period of Trusteeship of the Trustee shall be subject to the consent in writing of the Trustee.

THE COMMON SEAL of  
SUNTERRA TITLE LIMITED  
was hereunto affixed  
in the presence of:

Director

Secretary

THE COMMON SEAL of  
SUNTERRA EUROPE LIMITED  
was hereunto affixed  
in the presence of:

Director

Secretary

THE COMMON SEAL of  
FIRST NATIONAL TRUSTEE COMPANY LIMITED  
was hereunto affixed  
in the presence of:

Director

Secretary

**THURNHAM OWNERS CLUB  
MANAGEMENT AGREEMENT**

THIS AGREEMENT is made the 16th day of November 2004 BETWEEN Sunterra Europe Limited an English company having its registered office Citrus House, Caton Road, Lancaster, LA1 3UA and Sunterra Title Limited an English company also having its registered office Citrus House, Caton Road, Lancaster, LA1 3UA (hereinafter together called "the Founder Members") of the one part and the said Sunterra Europe Limited (hereinafter called "the Management Company") of the other part.

WHEREAS:

1. The Founder Members have had assigned to them the rights of title to and interest in the founder memberships of a private club known as the Thurnham Owners Club (hereinafter called "the Club") whose object is set out in the Constitution of the Club ("the constitution") it is to secure for its Members the ownership of exclusive rights of occupation of units at Thurnham Hall, Thurnham, near Lancaster (the "Units") for specific periods in each year until the dissolution of the Club.
2. In pursuance of Clause 11.1 of the said Constitution the Committee (formed pursuant to Clause 11 of the Constitution) have instructed the Founder Members to delegate to the Management Company the general management of the Club.

NOW THIS AGREEMENT WITNESSES AND IT IS HEREBY AGREED as follows:-

1. Subject to the rights of the Committee of the Club to intervene where necessary or appropriate the Management Company will undertake on behalf of the Club and the Club hereby delegates to the Management Company the management and administration of the Units and the contents thereof. Without prejudice to the generality of the foregoing, the Management Company will be responsible for the provision of all items detailed in Clause 13 of the Constitution. The Management Company will ensure that the management and administration aforesaid are carried out with all due diligence and in the best interests of the members of the Club ("the Members") and will comply with all requirements of the Committee of the Club in the performance of its duties hereunder and will effect all maintenance, repairs, renewals and decoration and insurance of the property of the Club when the same shall be necessary and in a good workmanlike manner with all due speed and diligence but not so as to interfere except insofar as reasonably necessary with the Member's enjoyment of their occupation of the Units as aforesaid. The Management Company shall be entitled to delegate its responsibilities hereunder to such professional or trades persons or bodies as it shall think fit upon the best terms reasonably obtainable in the open market (as to which the Management Company shall be the sole judge).

2. The appointment of the Management Company will continue (subject to determination as hereinafter provided) for an initial term of five years, beginning at the date of this agreement (the “Initial Term”).

At the last Annual General Meeting of the Club, before the expiry of the Initial Term, a resolution shall be proposed by the Founder Members that this Agreement be renewed for a further term of five years (a “further term”). Such resolution shall be deemed passed unless a three-quarter majority of the Members entitled to attend and vote at the Annual General Meeting shall vote against renewal.

In the event that this Agreement is renewed for a Further Term, at the last Annual General Meeting before the expiry of the Further Term, a resolution shall be proposed by the Founder Members that this Agreement be renewed for a Further Term of five years. Again, such resolution shall be deemed passed unless a three-quarter majority of the Members entitled to attend and vote at the Annual General Meeting shall vote against renewal.

Subject to earlier termination as hereinafter provided this Agreement shall terminate when the Members entitled to attend and vote at an Annual General Meeting voting on a resolution to renew this Agreement for a Further Term vote, in the majority referred to in the previous paragraph, against such renewal.

3. Subject to the right of the Committee to intervene as aforesaid the Management Company shall during the Management Period be entitled to exercise all the powers of the Committee of the Club referred to in the Constitution relating to the management and administration of the Club property and affairs including the power to collect from each Member any sum or sums owed by him pursuant to Clause 13 of the Constitution including any Management charge referred to in Clause 15.8 of the Constitution PROVIDED ALWAYS that the exercise of any power or discretion relating to the Club’s property which shall require the trustee of such property to do or concur in any act shall at all times remain vested in the Club and/or (as the Constitution may require) the Committee.
4. The Committee of the Club may by not less than three (3) months written notice to the Management Company to that effect require the Management Company to cease to provide any on-resort services for the time being provided by the Management Company hereunder. At the expiry of such notice, the Management Company shall cease to provide that on-resort service.
  - 4.1 Following service of any such notice the Committee of the Club and the Management Company shall use their best endeavours to ascertain the amount by which the Management Charge referred to hereafter shall be reduced. Following the date of expiry of such notice and in default of agreement as to such reduction within two (2) months of the service of such notice the matter shall be referred to an expert in accordance with Clause 10 hereof.
    - (i) The Committee of the Club may by not less than three (3) months written notice to the Management Company to that effect request the Management Company to provide such reasonable additional services as may be specified in such notice in addition to all services for the time being provided by the Management Company hereunder.
    - (ii) As soon as reasonably possible after receipt of such notice the Management Company shall submit to the Committee of the Club a written statement setting out its computation of the addition to the Management Charge resulting from the additional services such computation to be based on the

estimated cost to the Management Company of the provision of the additional services.

- (iii) Within two (2) months of the receipt of such statement the Committee of the Club shall elect by written notice to the Management Company as to whether or not to accept such computation and if it shall so accept the Management Company shall commence the provision of the relevant services within one (1) month thereafter and the Management Charge shall thenceforth be increased by the amount of such computation.
  - (iv) In the event of the Committee of the Club electing not to accept such computation and being in a position to enter into an agreement with a third party for the provisions of that service at a cost acceptable to the Committee of the Club, the Committee of the Club shall not enter into any such agreement unless the Management Company shall have been given at least one (1) months written notice of such intention and does not offer to provide the service itself on similar terms.
5. Each Member of the Club shall (for each Membership held by him) pay the Management Company by way of annual Management Charge, a proportionate part of the total cost to the Management Company in each financial year of providing the services it hereby agrees to provide, including all overhead expenses and outlays and outgoings properly incurred by the Management Company in the performance of its duties hereunder, and the salaries of all employees of the Management Company to the extent they are engaged in the provision of those services.

The overhead expenses will include a 15% management company fee, payable to the Management Company.

A Sinking Fund will also be provided, at a level to be agreed with the Committee.

On an exceptional basis, it may also be necessary to include a levy for special projects, again at a level to be agreed with the Committee.

All the above costs are subject to Value Added Tax at the appropriate rate(s).

The total cost to the Management Company of providing the aforesaid services shall, in the calculation of the sum payable in respect of each Membership Certificate held, be firstly apportioned between the respective categories of Units, being Studio, One Bedroom and Two Bedroom Units.

For the basis of the calculation due to the different-sized Units, each Unit type will be assigned an apportionment of costs.

Following historic practice it is agreed that:

- one-bedroom Units will be charged at 18.65% higher than studio Units
- two-bedroom Units will be charged at 37.31% higher than studio Units

In addition it is agreed that:

51 weeks will be available for the occupation in each Unit type. One week will be classified as a maintenance week.

Therefore:

The total weeks currently available per Unit type is:

14 studio Units x 51 weeks	=	714 weeks
25 one-bedroom Units x 51 weeks	=	1275 weeks
11 two-bedroom Units x 51 weeks	=	561 weeks
<u>Total number of weeks</u>	=	<u>2550 weeks</u>

Consequently, based on the current number of different-sized Units, and the apportionment of costs assigned to each type of Unit, the costs shall be apportioned in the following percentages:

- Studio Units	-	23.87%
- One-bedroom Units	-	50.43%
- Two-bedroom Units	-	25.70%

The apportionment of costs will vary if the number, or number of different-sized Units varies.

The annual Management Charge for each Membership Certificate, by each Unit type, shall be calculated by:

The percentage of costs by Unit type (above) divided by the total number of weeks per type.

The Management Company shall as soon as reasonably practicable before the commencement of each new financial year give written notice to each Member requiring him to pay an estimated projected payment (hereinafter called “the Projected Management Charge”) of his liability for that year in respect of the annual Management Charge for each Membership Certificate held by him and each Member shall forthwith pay the Management Company his Projected Management Charge. The amount of the Projected Management Charge shall be such amount as the Management Company, in consultation and agreement with the Committee, shall, in its discretion determine to be a fair and reasonable charge, but in the event of a dispute as to the amount of the charge, the matter shall be referred to an expert as provided in Clause 10 hereof.

In the event there is a shortfall between the actual Management Charge for a financial year and the Projected Management Charge, the Management Company with the agreement of the Committee, shall be entitled to give notice to each Member requiring him to pay his share of such shortfall.

- 6.(A) On the issue of each new Membership Certificate to a Member of the Club, such new Member shall forthwith pay an advance to the Management Company (duly apportioned where necessary by the time) the amount due from him in respect of such Membership Certificate for the remainder of the financial year in which such Membership Certificate shall be issued to him.
- 6.(B) The Management Company shall have a general discretion to vary the basis of the calculation of the total cost, as hereinbefore referred to, and the basis of its apportionment between Members if in its reasonable opinion the then current or applicable basis is unworkable, administratively inconvenient, unduly complex or is unfair or inequitable as between Members or as between the Management Company and the Members. In such event the Management Company shall serve notice of the proposed change upon the Committee who shall within thirty (30) days and by written notice to the Management Company approve or reject the same. If the Committee shall reject the same the dispute shall be referred to an expert pursuant to Clause 10 hereof. In the event that the matter is referred to an expert the basis of apportionment shall remain unchanged until the expert has given his decision.

7. The Management Company shall arrange for the prompt collection (and payment if necessary) of the Management Charge payable by each Ordinary Member and Founder Member and shall properly pay and discharge out of all such monies collected by it from Ordinary Members and Founder Members all expenses in relation to which such amounts have been collected and shall ensure that proper records and books of account relating to the management of the Club and affairs are maintained at all times on behalf of the Members and that such records and books of account are at all reasonable times available for inspection by any Member of the Club or any person on his behalf or the Trustee of the Club.
8. The Management Period shall forthwith terminate;
  - (a) if the Management Company being a corporation shall pass a resolution to wind up or enter into liquidation whether compulsory or voluntary (except for the purpose of amalgamation or reconstruction) or suffer a Receiver to be appointed or being an individual or individuals shall commit an act of bankruptcy or
  - (b) if the Management Company shall have committed a breach of this Agreement and shall neglect or otherwise fail to remedy such breach (whether capable of remedy or not) within one (1) month of being required in writing to do so by the Committee of the Club and the Committee thereafter serves upon the Management Company a notice in writing summarily terminating the Management Period.

For the avoidance of doubt it is agreed that a material decrease in the level of service provided by the Management Company after the date of this Agreement, when compared to the level of service provided by the Management Company before the date of this Agreement, shall constitute a breach of this Agreement.
9. The Founder Members on behalf of the Members of the Club shall indemnify and keep indemnified the Management Company from and against all claims, demands, proceedings, damages, liabilities and costs and expense arising out of or incidental to the proper and reasonable performance by the Management Company of its duties under this Agreement.
10. Any dispute or difference arising out of this Agreement shall be referred to the decision of a single expert to be agreed between the Committee and the Management Company or in default of agreement to be appointed, on the application of either party to the President of the Law Society of England and Wales, and the decision of such expert shall be final and binding upon the Members and the parties hereto.
11. A Membership Certificate covering more than one weekly period shall be deemed to be a series of separate Certificates, one for each weekly period it covers, for all the purpose of this Management Agreement, including ascertainment of voting rights, entitlement on termination and liability to pay Management Charges.
12. Any notice requiring to be served under the terms of this Agreement shall be given to the party served at its address as indicated above and a notice shall be deemed to have been delivered within 48 hours of posting by first class mail in the United Kingdom.
13. The parties agree that this Agreement shall be exclusively governed by and construed in accordance with the laws of England.



14 In the event that there is a conflict between the terms of this Agreement and the Constitution of the club, the Constitution shall take precedence.

IN WITNESS whereof this Agreement has been executed the day and year first above written.

SIGNED by  
for and on behalf of  
SUNTERRA EUROPE LIMITED (As Founder Member)

\_\_\_\_\_  
Authorised Signatory

SIGNED by  
for and on behalf of  
SUNTERRA TITLE LIMITED

\_\_\_\_\_  
Authorised Signatory

SIGNED by  
for and on behalf of  
SUNTERRA EUROPE LIMITED (As Management Company)

\_\_\_\_\_  
Authorised Signatory