

Notice is hereby given that the Fourteenth Annual General Meeting of

THURNHAM OWNERS' CLUB

Will be held on Sunday 20 June 2010 at 2.30pm at The Holiday Inn, Water side Park, Caton Road, Lancaster, LA1 3RA Tel: 0871 9429047

AGENDA

- 1) Apologies for absence
- 2) To read and confirm the Minutes of the last Annual General Meeting
- 3) Matters arising therefrom
- 4) Chairman's report
- 5) Finance Report (attached)
- 6) Resort Manager's report (attached)
- 7) Matters arising from agenda items 4-6
- 8) Proposed Resolutions 1-5 (attached) to amend the Thurnham Owners' Club Constitution
- 9) Ratification of transferred and cancelled membership certificates
- 10) Election of Officers
- 11) Submitted members' questions
Questions must be submitted in writing to be received no later than Friday 4 June 2010 marked for the attention of Teri Jackson at Citrus House, Caton Road, Lancaster, LA1 3UA
- 12) Any Other Business

Please Note:

In accordance with the provisions of the Club Constitution, only members who are fully paid up to date are entitled to attend and vote at the AGM or to appoint a proxy in their place. Those Members attending the Meeting will be required to produce evidence of membership to attendants at the door

In accordance with the Club Constitution, only business specified in the Agenda or the Notice can be considered at the Meeting. Please submit any questions you may have in writing to the Club at the above address.

Agenda item 4 Chairman's report

Dear fellow Thurnham Owners' Club members,

This year the Committee Chairman's position has been filled by each of the elected Committee members, sharing in those duties. Pippa Wilson, was first, followed by Peter Scott and I finished off the year. Having time and location challenges, the committee had to look at the alternative methods of holding meetings such as teleconferencing, which worked extremely well – leading to more frequent contact.

Your committee sadly accepted the resignation of Pippa Wilson, a long time friend to many, committee member, and an individual with a wealth of knowledge of Thurnham Hall. **We would like to extend a 'Big thank you' to Pippa for all the hours, years of dedication.**

The committee would like to welcome Robin Ainsworth, as the new co-opted committee member. Robin and his wife have been long time owners with Thurnham Owner's Club. Robin has been very active at past AGMs and other events held at Thurnham Hall. Being a qualified surveyor he also brings a wealth of knowledge to the committee.

Over the past couple of years the unsettled economic climate has made it difficult for most owners. At budget time last September, the committee was faced with the challenge of keeping a firm budget whilst keeping the increase to the maintenance fees at a minimum. We successfully kept the increase low at just 2.6%. This upcoming budget meeting, scheduled for September, looks promising as the budget is 'on target' for this year.

Other points discussed by the committee this year:

Your committee is **listening** to you, our members! The multi-sports court has been put on hold. It was agreed by all committee members that this project should not move forward and that the money should be better utilised in a way that would directly benefit the members.

As an alternative to expending monies on projects that could create possible new future expenses, it was looked at as 'how can the committee find a way to save money instead?' One of the larger expenses at Thurnham Hall is the electricity charge, increasing year on year. This really is not only on topic for The Thurnham Owners' Club, but for any timeshare club. As you may have read in the owner's newsletter, the committee is looking into a new electrical control - 'card slot' system. Over time this system looks promising in lowering the overall electrical charges to Thurnham Hall – a direct benefit to all owners.

Owner defaults – The committee discussed this issue to find a satisfactory solution. Determining how it affects Thurnham Owners' Club financially, along with the management company and the responsibility of both. In this respect there are proposed amendments to the constitution to enable us all to manage this issue, please review the resolutions detailed within this notice. Your committee encourages all owners, in the event that an owner cannot make an annual maintenance fee payment on time, to please make contact/arrangements with the management company prior to the 'Due Date'. Our management company will speak with any owner and listen to each case taking each one on its own merit.

Resort refurbishments will be on going throughout the year. Upgrades in mattresses & bed conversions, televisions and other essential items will be completed as scheduled. The garden wall repairs began in March and will continue throughout the summer with little inconvenience to members.

To start the wonderful spring season, the Thurnham Owners' Club held their Gala dinner in March. Once again the owners in attendance enjoyed the lovely dinner, catered by 'Talbot's', another classic owners evening seated near the fire in the library.

With Warm Regards
Lorie Oesterreicher, Chairman
Thurnham Owners' Club Committee

Agenda item 5 Finance Report

Statement of income and expenditure

		2009	2008
		£	£
Income	Note		
Maintenance fees – TVC	1	139,080	124,508
Maintenance fees – Owners		262,233	249,760
Maintenance fees – Diamond Resorts (Europe) Limited re TOC units		536,181	457,722
Maintenance fees – Diamond Resorts (Europe) Limited re 10 units		223,508	194,394
Late Payment Penalty		7,076	-
Heat and light income		41,356	57,420
Telephone income		1,504	976
Leisure centre income		21,117	27,608
Other income	2	13,786	8,343
		<u>1,245,841</u>	<u>1,120,731</u>
Expenditure			
Heat and light	3	96,206	120,563
Business rates		65,438	63,136
Water rates		9,680	6,148
Cleaning, laundry and housekeeping	4	51,567	42,110
Insurance	5	32,725	26,405
Repairs and maintenance		52,993	61,178
Grounds maintenance		37,824	30,884
Vehicle costs		8,843	9,810
Telephone		10,053	15,181
Sky & television costs	6	1,408	4,047
Other costs		3,842	3,654
Clubhouse costs		45,341	47,104
Office costs		9,617	10,144
Staff costs	7	414,759	421,934
Accountancy services		-	2,080
Trustee's fees		890	1,160
Audit fees		2,203	1,902
Owner Committee costs	8	2,142	1,568
AGM costs	9	4,774	7,372
Bank charges		887	1,591
Leisure centre and pool costs		17,482	21,481
Administration Services	10	82,445	-
Reservations	11	4,450	26,010
Invoicing	12	9,606	26,010
Expenditure before management charges		<u>965,175</u>	<u>951,472</u>
Management charges at 15% of net expenditure		133,112	128,569
Total expenditure		<u>1,098,287</u>	<u>1,080,041</u>
Interest Receivable	13	2,788	18,884
Surplus of income over expenditure		<u>150,342</u>	<u>59,574</u>

Balance sheet as at 31 December 2009

	2009 £,	2008 £,
Cash at bank and in hand	379,282	224,378
Amounts owed from/(to) Diamond Resorts (Europe) Limited	(21,654)	(17,092)
Net assets	<u>357,628</u>	<u>207,286</u>

Represented by:

Reserve fund

Balance as at 1 January	207,286	176,117
Surplus arising in the year	150,342	59,574
Transfer to sinking fund	-	(28,405)
Balance as at 31 December	<u>357,628</u>	<u>207,286</u>

Statement of sinking fund (see note 14)

	2009 £	2008 £
Balance as at 1 January	317,149	135,893
Contribution for the year from TVC	30,093	27,068
Contribution for the year from Owners	57,107	54,300
Contribution for the year from Diamond Resorts (Europe) Ltd re TOC units	113,889	99,502
Contribution for the year from Diamond Resorts (Europe) Ltd re 10 units	46,986	42,264
Interest Receivable	1,324	9,522
Transfer from Reserve Fund	-	28,405
Expenditure incurred	(420,695)	(79,805)
Balance at 31 December	<u>145,853</u>	<u>317,149</u>

The sinking fund is supported by a cash balance held by Diamond Resorts Management Limited on behalf of the members.

Sinking fund expenditure

	2009 £	2008 £
Electrical Remedial Works	49,760	-
Computer Equipment	530	-
Bathrooms	-	866
Soft Furnishings	12,454	914
Refurbishment	33,789	-
Project Management Services	4,203	-
Tender process for roof	319,959	22,571
Design costs	-	8,564
New phone system	-	24,090
Temporary roof	-	22,800
	<u>420,695</u>	<u>79,805</u>

Notes to the accounts

1. Maintenance fees

Reflects full contribution from owners and Diamond Resorts (Europe) Limited. This includes the Diamond Resorts (Europe) Limited cost for the 10 new units wholly owned by Diamond Resorts (Europe) Limited.

2. Other Income

Represents additional income for extra cleans for Marketing stays and internet rentals. This is partially offset against increased expenditure in Cleaning, laundry and housekeeping.

3. Heat and light

Costs for electricity have decreased significantly in 2009, this is mainly due to refunds received from the gas supply company for overcharges made in 2009 and partly due to proactive energy saving measures at the resort, such as changing to low energy light bulbs where possible. This cost line is partially offset by the income for Heat and Light.

4. Cleaning, laundry and housekeeping

The increase in this line reflects the increased cost associated with the extra cleans in relation to marketing stays and internet rental. This is offset against the increase in Other Income.

5. Insurance

The insurance policy and is now based on a current and realistic property valuation.

6. Sky & Television costs

The reduction in Television license costs is due to purchasing a hotel license part way through 2008. The 2009 expense reflects the cost of the hotel license for the full year whereas the 2008 expense only reflects the reduced license for part of the year.

7. Staff costs

There is a reduction in costs in 2009 due to saving being made where possible in all areas relating to staff costs.

8. Owner Committee Meetings

This amount reflects the committee members' expenditure for the year (excluding costs directly associated with the AGM) which includes travel, accommodation and subsistence whilst attending meetings and member dinners plus other out of pocket expenses.

9. AGM costs

This amount includes AGM venue costs, printing and postage costs for the AGM notice and minutes, committee members' expenditure relating to the AGM. 2008 also included costs associated with TATOC membership and attending the TATOC annual conference however in 2009 none of the committee attended the TATOC conference. Significant savings were made in 2009 on the venue and committee expenditure relating to the AGM as the meeting was held in Morecambe

10. Administration Services

This includes management services provided to the club including IT, Legal, HR and Accounting of which some were previously absorbed by the management company.

11. Reservation costs

This has been adjusted in conjunction with the administration services charge.

12. Invoicing costs

This has been adjusted in conjunction with the administration services charge.

13. Interest Receivable

This is interest received in the reserve fund bank account.

14. Sinking fund

In 2009 Diamond Resorts (Europe) has contributed fully for its 10 new units to the same value as paid for the equivalent sized two bed units in Thurnham Owners' Club.

General comment

The income and expenditure account and statement of sinking fund for the year ended 31 December 2009 have been extracted from the audited accounts and reflect full income and expenditure for the total 60 units operational on the resort.

Any member who wishes to receive a full set of audited accounts may request them from Teri Jackson on 01524 589078 or e-mail Teri.Jackson@diamondresorts.com.

Sets of the audited accounts will also be available at the meeting.

Agenda item 6 Resort Manager's Report

As always it has been a varied and interesting year but throughout it all the day to day business has been consistent. Resort Management and department heads have invested more and more of their time in training and development for staff and a number of individuals have successfully completed a variety of training courses, the most recent of these being a Management Skills training course for all Heads of Department. A number of staff also completed a Fire Marshall course at Washington Hall in Chorley. In March we were granted our licence for the Solemnisation of Marriages and Civil Ceremonies. We have also been awarded RCI Gold Crown status and Interval International Premier Resort status for 2010.

A few part time housekeepers have moved on and we have welcomed back Kayleigh Holmes to the Housekeeping team. Linda Townson continues to lead the department and in April celebrated 10 years at Thurnham Hall. Congratulations Linda.

In March we commenced remedial repairs to the Elizabethan garden wall to extend the life expectancy of the wall. A new key card system has also been installed to all apartment front doors around the resort. Wayport WiFi has been installed on the resort and is available in all common areas and in all apartments. We also have an internet kiosk at Reception for guests who do not have the use of a laptop.

Units 12, 22 and 23 have undergone a full refurbishment this year and they have been finished to a very high standard. We will be completing another 3 units in the latter part of this year. To ensure that the high standard of unit quality is maintained we are focusing on utilising the maintenance weeks throughout the year to complete any necessary repairs. In March we replaced 32 televisions with new digital flat screen TV's.

In November we started to focus on the grounds and we had 6 men working to bring the grounds back up to a maintainable standard. We have now also employed a seasonal gardener to help our Head Gardener over the busy summer season. Those who have visited the resort over the past couple of months will have noticed the improvements in the grounds.

This year we have welcomed 2 new Night Auditors, David Baggot and Andy Smythe and also a new Receptionist, Gary Voyle. Sarah Regan continues to work as our Customer Service Ambassador training all new starters and conducting refresher training sessions for existing staff.

In November we welcomed new F&B operators Talbot's. Talbot's are originally from the Dalton Arms in Glasson Dock and have already made a good impact on Thurnham Hall with the restaurant being fully booked most nights. The restaurant is now open 7 days per week for breakfast, lunch and dinner serving seasonal and special menus. The entertainment programme includes Bill Roberts, our resident pianist, history talk and walk, quizzes, Garstang market excursion, Lancaster Excursion and Fun Swim for the children.

I wish to take this opportunity to thank all of the staff for their hard work over the last 12 months and for their continued support and dedication.

**Lorna Cardwell
Resort Manager
Thurnham Hall**

Agenda item 8 Resolutions 1-5

The Committee have put forward proposed resolutions numbered 1-5 on which the meeting must vote.

Resolution 1

To amend Clause 11.1 in its entirety and to adopt the following in substitution therefore;

Clause 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, two of whom (“the Elected Committee Members”) shall be Ordinary Members of the Club, two of whom (“the Company Committee Members”) shall be nominated by the Company and may be Ordinary Members of the Club and one of whom (“the Diamond Resorts European Collection Limited Points Scheme Committee Member”) shall be appointed by Diamond Resorts European Collection Limited (“European Collection”) and who may be but is not obliged to be an Ordinary Member of the Club but shall be a member of the European Collection and shall not be an employee of any company within the Diamond Resorts Group of companies.. The European Collection Points Scheme Committee Member shall be responsible for representing to the Committee the views of members of the European Collection. 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. Following each Annual General 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 the 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.”

Reason:

In all fairness your committee is in support of this Resolution in order to recognise a European Collection nominated Committee Member who represents the Members of the European Collection Points Scheme.

At present as per the Club Constitution, the business and affairs of the Club shall be managed by a Committee of not more than 5 persons, three of whom shall be Ordinary Members of the Club and two of whom shall be nominated by the Company. The committee recognises the need for a European Collection committee member and feels it is time to reflect this, and the entitlement of the European Collection points members to have a representative on the committee, in the Club Constitution.

The European Collection owns seventy two percent of the weeks at Thurnham Owners’ Club which are used by the European Collection points members. The Company and the Committee are of the opinion that with such a large interest in the resort it is only fair that European Collection Members are represented on the Committee. In the event that the resolution is passed then the European Collection will appoint the Diamond Resorts European Collection Limited Points Scheme Committee Member with effect from 29th June 2010 immediately following the European Collection AGM.

To qualify for nomination as a European Collection representative on any committee they

- *must have been a fixed or floating member at the resort that they would like to be nominated for and have converted to European Collection membership and points*
- *OR must have holidayed at least twice at the resort*
- *AND be a fully paid up member of the European Collection (Associates are not eligible).*

European Collection committee members are appointed by the non-executive members of the Board of Diamond Resorts European Collection Ltd only after stringent interviews with shortlisted candidates to ensure the best person for the role is appointed.

In the event that Resolution 1 is passed, a number of amendments need to be made by way of Special Resolution to related provisions in Clause 11 of the Constitution (as detailed in 2-3 below).

(For ease of reference, proposed changes have been highlighted)

Resolution 2

To amend Clause 11.2 of the Constitution in its entirety and to adopt the following in substitution thereof;

“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, where relevant, 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 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. The Diamond Resorts European Collection Limited Points Scheme Committee Member shall be nominated by Diamond Resorts European Collection Limited (“European Collection”) by written notice and shall cease to be such on written notice being given to that person by European Collection and European Collection shall then nominate a successor to fill the vacancy thereby created.”

Reason:

The amendments proposed to Clause 11.2 are necessary in the event that Resolution 1 is passed so as to incorporate the correct terminology introduced by Resolution 1 including references to, nomination of and notice procedures appertaining to the Diamond Resorts European Collection Limited Points Scheme Committee Member.

Resolution 3

That Clause 11.5.3 of the Constitution be amended to read as follows;

“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 **(with the Diamond Resorts European Collection Limited Points Scheme Committee Member when reasonably practicable)** as shall be necessary for the carrying on of the management of the Club.”

Reason:

It is submitted that the amendments proposed to Clause 11.5.3 are necessary in the event that Resolution 1 is passed so as to incorporate the correct terminology introduced by Resolution 1.

Resolution 4

That Clause 15.8 of the Constitution be amended to read as follows;

“15.8 To pay on or before the due date which shall be within one month of the same being demanded **or prior to the date of occupation whichever is the earlier** 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.

Reason:

This amendment is proposed in order to clarify when payments are due and to ensure maintenance fees are paid before occupation.

Resolution 5

That Clause 15.8 of the Constitution be amended to read as follows;

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 **and furthermore in the event of said sums not being paid within 30 days of the due date then the right of occupancy of the Member for the current year shall forfeit to the Management Company without prejudice to the liability of the Member to pay the relevant Management Charge and any other sums due.** ~~until all arrears have been discharged, and until all such arrears have been discharged.~~ 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. **The said Member shall not be entitled to attend and vote at any General Meeting of the Club or occupy his unit in any subsequent year until all arrears have been discharged.**

Reason:

We, the committee, urge you to support this resolution in an attempt to safeguard the security of the Club and its members by implementing measures to allow the Club to try to recover sufficient income to cover the annual running costs of the Club against defaulting fees.

Agenda item 10 Election of Officers

Pippa Wilson has previously submitted her resignation from the committee. Pippa was currently serving the second year of a 3 year term and there is 1 year remaining which needs to be filled. Following the resignation of Pippa Wilson from the committee earlier this year, and in accordance with the club Constitution, the committee members co-opted Robin Ainsworth on to the committee until the AGM.

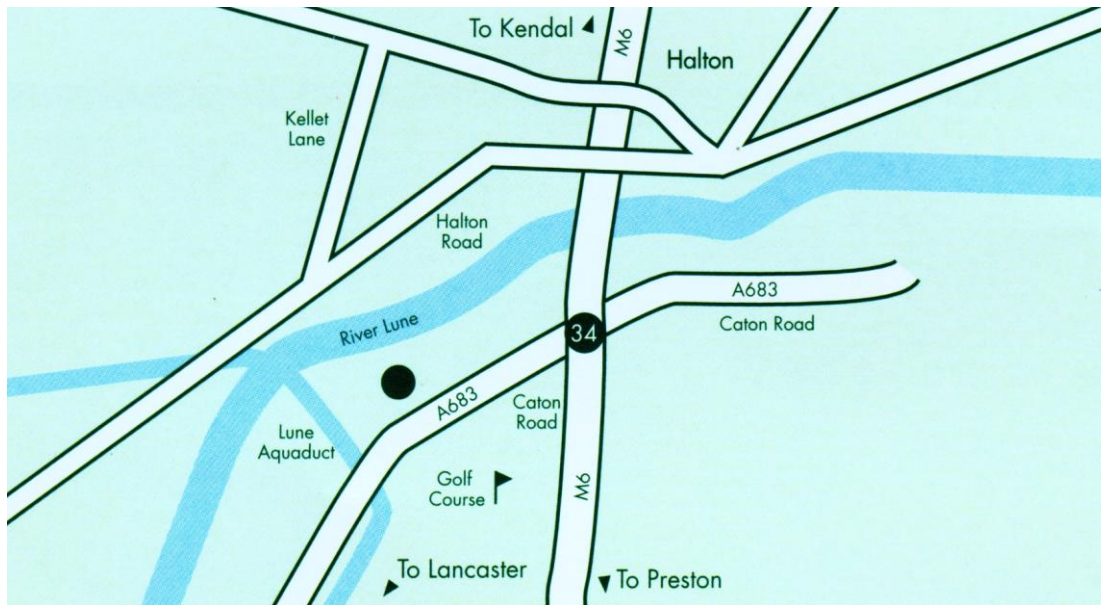
In accordance with Clause 11.2 of the Constitution, one member of the Club Committee is to retire. This year it is the turn of Peter Scott to retire. Peter has completed the final year of the three year term previously held for the first two years, before his resignation in June 2009, by Ian Hollins.

Should resolution 1 of agenda item 8 be passed this three year elected member position will no longer be available. The vacant position will then be filled by the appointed representative of the Diamond Resorts European Collection Limited.

Should resolution 1 not be passed this position will be open for election.

Nominations have been received from Peter Scott and Robin Ainsworth for both the one year and the three year positions.

DIRECTIONS TO THE HOLIDAY INN LANCASTER



From the M6

Leave the M6 at Junction 34. Follow directions to Lancaster city centre A683. The Holiday Inn is on your right.

From the airport

Blackpool Airport: 40 miles

Manchester Airport: 55 miles

Liverpool John Lennon Airport: 70 miles

By train

Lancaster train station: 2 miles

THURNHAM OWNERS' CLUB PROXY FORM

If you are unable to attend the meeting, but would nevertheless like to vote, you should complete this form and forward it to Teri Jackson, AGM Coordinator, Citrus House, Lancaster LA1 3UA. The form must be signed and received no later than Friday 18 June 2010 at 2.30pm.

Explanation of Proxy Form

A proxy is someone you choose to attend the meeting instead of yourself to vote on your behalf on a poll. You can appoint the Chairman of the meeting or indeed someone else of your choosing. If you appoint a proxy to vote on your behalf and your proxy does not attend the meeting your vote will not be counted. If you do not wish to attend the meeting and would like to vote using a proxy please complete this proxy form, sign and date it at the bottom and forward it to the address stated above.

I/We _____ (print name)

Owner of apartment _____ (weeks) _____

at Thurnham Hall hereby appoint **either** the Chairman or

_____ *(delete as applicable)*
by proxy to vote in my name at the Annual General Meeting of Thurnham Owners' Club on 20 June 2010.

If you wish to instruct your proxy to vote in a certain way, please place an "x" in the appropriate boxes. Unless otherwise instructed, the proxy may vote as he/she thinks fit, or refrain from voting.

Agenda item 8

Resolutions (please refer back to agenda item 8 for wording of the resolutions)

	FOR	AGAINST
To vote on Resolution 1	<input type="checkbox"/>	<input type="checkbox"/>
To vote on Resolution 2	<input type="checkbox"/>	<input type="checkbox"/>
To vote on Resolution 3	<input type="checkbox"/>	<input type="checkbox"/>
To vote on Resolution 4	<input type="checkbox"/>	<input type="checkbox"/>
To vote on Resolution 5	<input type="checkbox"/>	<input type="checkbox"/>

Agenda item 10

Election of Officers to the Committee

To appoint one person to fill the remaining year of a 3 year term due to the resignation of Pippa Wilson

Peter Scott **OR** Robin Ainsworth

Should resolution 1 not be passed to appoint one person for a 3 year term

(Please note: this vote is only applicable should resolutions 1 in agenda item 8 not be passed)

Peter Scott **OR** Robin Ainsworth

Signed.....

(Where a membership is in joint names, both members must sign).

Dated.....

