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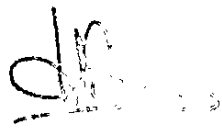
**CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY**

Company No. 2930567

The Registrar of Companies for England and Wales hereby certifies that
GRAND VACATION CLUB LIMITED

is this day incorporated under the Companies Act 1985 as a private
company and that the company is limited.

Given at Companies House, Cardiff, the 19th May 1994


MRS. L. P. RAY

For the Registrar of Companies



C O M P A N I E S H O U S E

HC007B

G**COMPANIES FORM No. 12****12****Statutory Declaration of compliance
with requirements on application
for registration of a company**

Please do not
write in
this margin

Pursuant to section 12(3) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies
(Address overleaf)

For official use

For official use

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--

Name of company

* GRAND VACATION CLUB LIMITED

* insert full
name of Company

I, Alasdair Graham Peacock

of Tods Murray W.S.

66 Queen Street,

Edinburgh, EH2 4NE

† delete as
appropriate

do solemnly and sincerely declare that I am a [Solicitor engaged in the formation of the company]†
~~[person named as director or secretary of the company in the statement delivered to the registrar
under section 10(2)]~~† and that all the requirements of the above Act in respect of the registration of the
above company and of matters precedent and incidental to it have been complied with,
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835

Declared at Edinburgh

Declarant to sign below

the Twelfth day of May

One thousand nine hundred and ninety four

before me D. J. Dudgeon, Notary Public,
Edinburgh

A Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for Oaths.

AWL R J

Presentor's name address and
reference (if any):

Tods Murray W.S.
66 Queen Street,
Edinburgh EH2 4NE

AGP/L510/01

For official Use
New Companies Section

Post room





COMPANIES HOUSE

10

**Statement of first directors and
secretary and intended situation
of registered office**

This form should be completed in black.

Company name (in full)

CN

For official use

GRAND VACATION CLUB LIMITED

Registered office of the company on
incorporation.

RO

Pine Lake Resort

Carnforth

Post town Nr Lancaster

County/Region Lancs

Postcode LA6 1JZ

If the memorandum is delivered by an
agent for the subscribers of the
memorandum mark 'X' in the box
opposite and give the agent's name
and address.

X

Name Tods Murray W.S.

RA

66 Queen Street

Post town Edinburgh

County/Region Midlothian

Postcode EH2 4NE

Number of continuation sheets attached

To whom should Companies House
direct any enquiries about the
information shown in this form?

Tods Murray W.S. (AGP/L510/01)

66 Queen Street

Edinburgh

Postcode EH2 4NE

Telephone 031 226 4771

Extension

Company Secretary (See notes 8, 9, 10)

Name *Style/Title
Forenames
Surname
*Honours etc
Previous forenames
Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

CS

Stella Catherine

Cavill

None

AD

115 Maltby Drive

Ipe Green Village

Post town Enfield

County/Region

Postcode EN1 4EN

Country England

I consent to act as secretary of the company named on page 1

Consent signature

Signed

S.C. Cavill

Date

11/5/94

Directors (See notes 1 - 5)

Please list directors in alphabetical order.

Name *Style/Title
Forenames
Surname
*Honours etc
Previous forenames
Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

CD

Mr

Ian Keith

Ganney

None

None

AD

Jenningsbury Farm

London Road

Post town Hertford

County/Region Herts

Postcode SG13 7NS

Country England

Date of birth

DD

17 08 51

Nationality

NA

British

Business occupation

OC

Director

Other directorships

OD

ISI Group Holdings plc and subsidiaries

* Voluntary details

I consent to act as director of the company named on page 1

Consent signature

Signed

I.K. Ganney

Date

11/5/94

Directors (continued)

(See notes 8-9)

Name ***Style/Title**
Forenames
Surname
***Honours etc**
Previous forenames
Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

Date of birth
Business occupation
Other directorships

* Voluntary details

Consent signature

CD **Mr**
Richard Low
Harrington
None
None
[AD] **Flat 11, South Lodge,**
St Johns Wood
Post town **London**
County/Region
Postcode **NW8 6ER** **Country** **England**
[DO] **0 4 1 1 5 7** **Nationality** **[NA]** **British**
[OC] **Director**
[OD] **ISI Group Holdings plc and subsidiaries**

I consent to act as director of the company named on page 1

Signed

R. Harrington

Date

11/5/94

Delete if the form
is signed by the
subscribers.

Signature of agent on behalf of all subscribers

Date

Tods M
12/5/94

Delete if the form
is signed by an
agent on behalf of
all the subscribers.

All the subscribers
must sign either
personally or by a
person or persons
authorised to sign
for them.

Signed

Date

Signed

Date

Signed

Date

Signed

Date

Signed

Date

Signed

Date

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY GUARANTEE AND NOT HAVING
A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

of

GRAND VACATION CLUB LIMITED



2930567

1. The Company's name is "GRAND VACATION CLUB LIMITED".
2. The Company's registered office is to be situated in England.
3. The Company's objects are:-
 - (1) To acquire interests in property ownership or use schemes or specific property or accommodation including rights to occupy specific properties and accommodation; to secure for its members joint rights of ownership of interests in property ownership or use schemes or specific property or accommodation; to make available to its members in any way or manner rights to occupy, use and enjoy specific properties or accommodation; to administer or direct the administration of such system or systems whether or not based on an allocation of points in respect of such property interests and occupancy rights as will secure occupancy and use rights for its members in a just and equitable manner; to sell, lease, let, exchange or otherwise dispose of or grant occupancy and use rights in respect of such property interests and occupancy rights to generally deal with and manage such property interests and occupancy rights; to receive all income arising from such property interests and occupancy rights and to receive monies from its members and apply such income and monies as provided in the Company's Memorandum and Articles of Association from time to time.
 - (2) To carry on all activities connected therewith or ancillary or complimentary thereto.
 - (3) To purchase, feu, take on lease, exchange, hire or otherwise acquire and hold for any estate or interest any real or personal or heritable or moveable property and any rights or privileges which the Company may think necessary or convenient for its purposes.

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- (4) To borrow or raise money upon such terms and on such security as may be considered expedient, and in particular by the issue or deposit of notes, debentures or debenture stock (whether perpetual or not) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future.
- (5) To apply for, register, purchase or otherwise acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any designs, trade marks, patents, licences, concessions and the like, conferring an exclusive or non-exclusive or limited right of user or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, grant licences or privileges in respect of or otherwise turn to account any rights and information so acquired.
- (6) To purchase, subscribe for or otherwise acquire and hold, sell and deal with any shares, stocks, or other securities of any other company constituted or carrying on business in any part of the world.
- (7) To purchase or otherwise acquire all or any part of the business, goodwill, assets, property and liabilities of
 - (a) any company or firm carrying on or proposing to carry on any business within the objects of the Company or
 - (b) any person carrying on any business within the said objectsand to conduct and carry on, or liquidate and wind up, any such business.
- (8) To pay for any property or rights acquired by the Company on such terms and in such manner as the Company may determine.
- (9) To accept payment for any property or rights sold or otherwise disposed of or dealt with or for any services rendered by the Company, either in cash, by instalments or otherwise, or in shares of any company with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise, or by means of a mortgage or by debentures or debenture stock of any company or partly in one mode and partly in another, and generally on such

terms as the Company may determine, and to hold, deal with or dispose of any consideration so received

- (10) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (11) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments and securities (including land of any tenure in any part of the world) and in such manner as may from time to time be considered expedient and to dispose of or vary any such investments or securities.
- (12) To lend and advance money or give credit on any terms and with or without security to such person, firm or company (including without prejudice to the generality of the foregoing any company associated in any way with the Company) and on such terms as may be considered expedient and to receive money on deposit or loan from and enter into guarantees, contracts of indemnity and suretyships of all kinds whether secured on any assets of the Company or not and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such associated company as aforesaid).
- (13) To finance or assist in financing the sale of goods, articles or commodities of all and every kind or description by way of hire purchase or deferred payment, or similar transactions, and to institute, enter into, carry on, subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever, to acquire and discount hire purchase or other agreements or any rights thereunder (whether proprietary or contractual) and generally to carry on business and to act as bankers, financiers, traders, commission agents, or in any other capacity, and to import, export, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods, produce, articles and merchandise.

- (14) To enter into any arrangement with any government or other authority, supreme, municipal, local or otherwise, or any person or company and to obtain from any such government, authority, person or company all rights, concessions, and privileges which may seem conducive to the Company's objects or any of them, or to obtain or to endeavour to obtain, any Provisional Order, Act of Parliament or other legislative or executive act for the purpose of the Company or any other company or for effecting any alteration or modification of the Company's constitution.
- (15) To apply for, promote and obtain any Act of Parliament, order or licence of the Department of Trade or other authority for enabling the Company to carry any of its objectives into effect or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interest and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
- (16) To enter into partnership or into any arrangements for joint working in business or for sharing profits or to amalgamate with any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
- (17) To subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any useful object of a public or general nature.
- (18) To act as agents or brokers and as trustees for any person, firm or company and to undertake and execute any trusts the undertaking whereof may seem desirable, and either gratuitously or otherwise.
- (19) To sell, exchange, lease, dispose of, turn to account or otherwise deal with the whole or any part of the undertaking of the Company for such consideration as may be considered expedient, including shares, debentures or securities of any company purchasing the same.
- (20) To build upon any land, and to alter, enlarge, maintain, rebuild, repair, decorate or otherwise improve any buildings, works and machinery.
- (21) To promote, finance or assist any other company for the purpose of acquiring all or any part of the property, rights and liabilities of the Company or

for any other purpose which may seem directly or indirectly calculated to benefit the Company.

- (22) To pay all costs, charges and expenses incurred or sustained in or about the promotion or establishment of the Company, or which the Company shall consider to be in the nature of preliminary expenses including therein the cost of advertising, printing and stationery, and the legal and other expenses of the promoters.
- (23) To remunerate any person or company rendering services to the Company, or in or about its formation or promotion in such manner as may be thought expedient.
- (24) To draw, make, accept, endorse, discount, negotiate, execute, and issue promissory notes, bills of exchange, bills of lading, scrip, warrants and other transferable or negotiable instruments.
- (25) To effect, purchase, or otherwise acquire and keep up, at the cost of the Company, any policy or policies of assurance upon the life or lives of any persons holding any office or employment under the Company, and to surrender, sell, discharge or upgive any such policy as aforesaid.
- (26) To distribute among the members any property of the Company, or any proceeds of sale or disposal of any property of the Company.
- (27) To procure the Company to be registered in any country or place.
- (28) To do all or any of the above things in any part of the world either alone or in conjunction with others and either as principals, agents, contractors, trustees or otherwise and either by or through agents, sub-contractors, trustees or otherwise.
- (29) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.


The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full

power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses. It is hereby declared that where the context so admits the word "company" in this clause shall be deemed to include any partnership, firm or other body of persons whether or not incorporated and, if incorporated, whether or not a company within the meaning of the Companies Act 1985.

4. The liability of the Members is limited.
5. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1.00) to the Company's assets, if it should be wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the Company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.
6. If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever the same shall be paid to or distributed among the Members of the Company equally.

We, the Subscriber to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum.

Name and address of Subscriber.

1. 
Director for and on behalf of
LS Promotions Limited
Pine Lake Resort,
Carnforth,
Near Lancaster,
Lancashire,
LA6 1JZ.

Dated this 11th day of May 1994.

Witness to the above signature:



Name: S. HEGARTY
SANDRA HEGARTY
Address: 174 LANCASTER ROAD
CARNFORTH
Designation: LANCAS LASS GEF
SECRETARY

THE COMPANIES ACT 1985PRIVATE COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

GRAND VACATION CLUB LIMITED

1. PRELIMINARY

- (a) No regulations set out in any statute, or in any statutory instrument made under any statute, concerning companies shall apply as regulations or articles of the Company.

2. DEFINITIONS

In these Articles unless the context otherwise requires:-

"Accommodation Assets"	means Whole Units, Common Facilities, Moveables, and Holiday Periods beneficially owned by the Company and Title to which is held by an Owning Company or Owning Companies from time to time;
"Accommodation Unit"	means a Holiday Unit or a Whole Unit;
"Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;
"Aggregate Management Costs"	means all costs arising from the management and administration of the Company (including its whole property and undertaking wherever situated), the operation of the Points System and all reservation services associated therewith; and the maintenance and management of the Accommodation Assets (less all monies received by the Management Company other than the Management Charge) to be apportioned and recoverable as a Management Charge from Members pursuant to Article 13 and including (without prejudice to the generality of the foregoing) all costs and expenses attendant on the proper and continuing administration of the Company and the Owning Companies; the

Management Company's costs including all overhead expenses and outlays and outgoings properly incurred by the Management Company in the performance of its duties under the management agreement by which it is appointed and the salaries of all relevant employees of the Management Company; the production of Members' newsletters and the distribution costs of the same; all taxes, maintenance fees and other outgoings of whatever nature payable in respect of the Accommodation Assets and operation of the Points System; the costs and remuneration of any Management Sub-contractors; the costs and remuneration of the Trustee; the fees of any of the auditors and legal advisers of the Company and the Management Company from time to time and the expenses of discharging any indemnity given by the Company to any party;

"Applicant"	means a person who has applied to purchase Points Rights in terms of a Purchase Agreement;
"Articles"	means these Articles of Association and where appropriate, includes the Memorandum of Association all as may be amended from time to time;
"Authorised Person"	means such person or company, including the Management Company, as the party in question may delegate authority to;
"Board"	means the Board of Directors of the Company as constituted from time to time;
"Bonus Points"	means such Issuable Points as the Founder Member issues to a Member;
"Chairman"	means the Chairman from time to time of the Board and, where appropriate, the Chairman of a committee as the case may be;
"Common Facilities"	means facilities and amenities (if any) relating to Whole Units and serving in common for the use by Members during Use Periods;

"Company"	means Grand Vacation Club Limited;
"Final Year"	means the calendar year 2054;
"the Founder Member"	means LS Promotions Limited, Pine Lake Resort, Carnforth, Near Lancaster, Lancashire, LA6 1JZ or such other person or company as it shall transfer its Founder Membership to;
"the Founder Member Directors"	means any Director appointed by the Founder Member pursuant to Article 20(b);
"Holiday Period"	means a right to use accommodation for intermittent periods which forms part of the Accommodation Assets from time to time together with all rights and obligations relating thereto;
"Holiday Unit"	means a unit of accommodation to which a Holiday Period relates which unit may be specific or generic where the Holiday Period does not relate to specific accommodation;
"Home Resort"	means in relation to specific Points Rights a particular priority Resort to which they relate;
"Issuable Points"	means the Points allocated to the Founder Member pursuant to his Issuable Points Rights in terms of Article 9(a) plus Points forfeited to the Founder Member in terms of Articles 4(e)(ii) or 18(b)(vii) less any Bonus Points issued by the Founder Member;
"Issuable Points Rights"	means Points Rights held by the Founder Member and capable of issue to Members;
"Management Charge"	means the charge payable by the Members to meet the Aggregate Management Costs (plus any additional percentage representing an agreed remuneration payable to the Management Company) all as referred to in Article 13;
"Management Company"	means Grand Vacations Management Limited, Westaway Chambers, 39 Don Street, St Helier, Jersey, Channel Islands or such other party as may be

appointed by the Company from time to time to undertake the management of the affairs of the Company and the administration of the Points System and in the absence of any such appointment references in these Articles to the Management Company shall be read as references to the Company;

"Management Sub-contractors"

means such persons or bodies corporate as the Management Company may appoint for the purpose of performing any duties delegated to them by the Management Company;

"Members"

means the members from time to time of the Company including, where appropriate the Founder Member;

"Members Report"

the annual report to be prepared by the Management Company and issued to the Members in terms of Article 12;

"Membership"

means membership of the Company;

"Membership Certificate"

means a certificate issued to a Member pursuant to Article 4(c);

"Moveables"

means the furnishings, equipment, utensils and appurtenances located at Whole Units;

"Occupancy Rights"

means the right to occupy and use Accommodation Units during Use Periods in accordance with the Points System;

"Office"

means the registered office of the Company;

"Owning Companies"

means the non-trading companies exclusively controlled by the Trustee which shall hold unencumbered Title to the various Accommodation Assets beneficially owned by the Company from time to time (and includes any entity being the nominee of the Trustee and being exclusively controlled by the Trustee);

"Points"

means the units by which Use Periods are graded and which are issued to Members who can exchange them for Occupancy Rights;

- "Points Certificate"** means a certificate issued to a Member pursuant to Article 7(b)(ii) or 8(b)(ii);
- "Points Grading"** means the grading of Accommodation Units by means of Points which determines the distribution of the total number of annual Points relative to each Accommodation Unit between Use Periods in that Accommodation Unit as shown on the Points Tables;
- "Points Holding"** means the number of Points which a Member has to his credit at any one time;
- "Points Rights"** means the number of Points which a Member is annually entitled to be credited with on 1st January each year;
- "Points System"** means the system of acquiring Points Rights and the allocation of Points and their exchange for Occupancy Rights in the Accommodation Assets all as set forth in the Articles and in the Rules and Regulations;
- "Points Tables"** means the tables to be prepared by the Management Company pursuant to Article 12 and which shall contain the Points Grading and duration of each Use Period in each Accommodation Unit individually or generically all as determined by the Management Company in terms of Articles 6(d)(iii) and 6(i);
- "Purchase Agreement"** means an agreement in such form not inconsistent with the Articles as the Founder Member may from time to time specify pursuant to which a Member may apply to purchase Points Rights from the Founder Member or an Applicant may apply for Membership and to purchase Points Rights from the Founder Member conditional upon becoming a Member;
- "Resort"** means a holiday resort complex wheresoever situated in the world either comprising Accommodation Assets or of which Accommodation Assets form a part;

"Rules and Regulations"

means such regulations not inconsistent with the Articles as may be made by the Board from time to time pursuant to Article 18(b)(ii);

"Title"

means, subject to the provisions of the Trust Deed, the rights of any Owning Company in respect of Accommodation Assets being such rights and/or estates as shall under the law of the jurisdiction concerned procure the vesting in the Owning Company of unencumbered rights in respect of Whole Units and Holiday Periods which may be in the case of Whole Units an absolute freehold estate free of all encumbrances (or the equivalent of such an estate under the legal jurisdiction in which the Whole Unit is situated); and which may be in the case of Holiday Periods a right registered with the relevant holiday club; provided that the Trustee shall be satisfied that the net effect of such rights shall be to secure for the Owning Company the exclusive right to Holiday Periods and the exclusive occupation and enjoyment of Whole Units and in respect of Common Facilities and Moveables "Title" shall include such rights as shall enable reasonable enjoyment and use of the Common Facilities and Moveables;

"Transfer Agreement"

means an agreement in such form not inconsistent with the Articles as the Management Company may from time to time specify pursuant to which Points Rights may be transferred by a Member (on condition that the transferee is or becomes a Member) and the transferee, if not already a Member, shall apply for Membership;

"Trust Deed"

means a deed of trust substantially in the form appended hereto or any similar document for the time being in operation and may comprise various Trust Deeds and "Deed of Trust" shall be construed accordingly;

"Trustee"

means any independent trustee referred to as such in a Trust Deed;

"Unissuable Points Rights"	means Points Rights held by the Company for the purposes envisaged in the Articles and in the Rules and Regulations and which shall not attract any Management Charge;
"Use Period"	means a period of consecutive days shown as such on a Points Table during which the Occupancy Rights of Members shall be exercisable;
"Use Year"	means a calendar year from 1st January to 31st December (inclusive);
"Whole Unit"	means a residential unit which forms part of the Accommodation Assets from time to time together with the common rights, amenities, services, fixtures and fittings therein and thereon and any other Accommodation Assets the use and enjoyment of which are necessary for the use and enjoyment of the residential unit.

3. INTERPRETATION

References to a document being executed include references to its being executed under hand or under seal or by any other valid method.

References to writing include references to any method of representing or reproducing words in a legible and non-transitory form.

Where for any purpose an ordinary resolution of the Company is required under the provisions of the Articles, a special or extraordinary resolution shall also be effective and where an extraordinary resolution is so expressed to be required a special resolution shall also be effective.

Words or expressions not defined herein to which a particular meaning is given by the Act or any statutory modification thereof in force when the Articles or any part of the Articles are adopted bear the same meaning (if not inconsistent with the context) in the Articles or that part (as the case may be) save that the word "company" shall include any body corporate.

References to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

Words importing the singular number only include the plural and vice versa and words importing the masculine gender only include the feminine, words denoting natural persons shall include legal persons and vice versa.

To the extent that any rights or duties purportedly given to the Management Company under these Articles cannot be validly enforced by or against the Management Company because they have not been validly given to it, the said rights or duties shall be enforceable by or against the Company or the Management Company on behalf of the Company.

4. MEMBERS

- (a) The subscriber to the memorandum of association and such other persons as are admitted to Membership in accordance with the Articles shall be Members of the Company. LS Promotions Limited (or such person or persons as the Founder Membership may be transferred to pursuant to Article 5(d)) shall be known as the Founder Member and Founder Membership shall be a separate class of Membership from Ordinary Membership. All the Members apart from the Founder Member shall be Ordinary Members.
- (b) The Board on behalf of the Company or an Authorised Person shall have power to admit persons to be Members and shall admit any person (except the Trustee) not being a minor, who has applied to be a Member and has agreed to acquire Points Rights subject only to his becoming a Member, all in terms of a validly executed Purchase Agreement or Transfer Agreement. On admission to Membership each Member's name shall immediately be entered in the register of Members of the Company.
- (c) On admission to Membership a person shall immediately be entitled to have their name entered in the register of Members of the Company and to receive a Membership Certificate executed by or on behalf of the Company or an Authorised Person which Membership Certificate shall be prima facie evidence of the Members Membership of the Company.
- (d) No person shall be admitted to Membership unless he shall have agreed to be bound by the Articles and the Rules and Regulations.
- (e) (i) A Member shall cease to be a Member of the Company in any of the following circumstances:-
 - (1) If by giving at least seven clear days notice in writing lodged at the Office and accompanied by his Membership Certificate he resigns from Membership; or

- (2) If his Membership is cancelled pursuant to Article 7(d) or Article 18(b)(vii); or
 - (3) if his Membership ceases pursuant to Article 8(c).
- (ii) If a Member ceases to be a Member of the Company notwithstanding the termination of his Membership (and all rights attaching thereto) he (or his personal representatives, trustee in bankruptcy or liquidator) shall continue to own the Points Rights owned and shall remain responsible for all continuing liabilities in respect thereof (including Management Charges and any other appropriate charges) until such time as he (or his personal representatives, trustee in bankruptcy or liquidator) transfers the Points Rights pursuant to Article 8 or they are sold on his (or their) behalf pursuant to Article 4(e)(iii). However, his continuing to own such Points Rights shall not entitle him to exercise any rights or to receive any allocation of Points (which allocation of Points shall instead be forfeited to the Founder Member) in respect thereof except in the case of Article 4(e)(i)(3) where his personal representatives, trustee in bankruptcy or liquidator shall continue to be entitled to exercise the rights and receive Points allocations in respect thereof.
- (iii) If an owner fails to complete the transfer of his Points Rights within one month of his ceasing to be a Member pursuant to Article 4(e)(i)(1) or (2) or his personal representatives, trustee in bankruptcy or liquidator fails to complete the transfer of his Points Rights within 6 months of his ceasing to be a Member pursuant to Article 4(e)(i)(3) then the Management Company may without further notice (but shall not be required to) sell any Points Rights belonging to the said owner. Any such sale shall be effected by the Management Company offering the Points Rights to all existing Members (including the Founder Member) and the Management Company shall be entitled to accept the highest valid offer. The manner in which the Points Rights are to be offered to existing Members and the sale is to be conducted and all other matters relating to the sale shall be at the sole discretion of the Management Company. On completion of the sale the Management Company shall be entitled

to deduct from the proceeds of sale (a) the whole expenses of the sale (b) any legal expenses incurred in the sale or for any advice prior to the sale (c) a reasonable charge to cover the work of the Management Company to the extent that this is not covered by any agent's commission or solicitors' fees (d) all sums due by the owner of the Points Rights to the Company and/or the Management Company (e) any outstanding monies due by the owner of the Points Rights to the Founder Member in terms of the relevant Purchase Agreement and (f) any outstanding loan (together with any interest and other charges) due by the owner in connection with the Points Rights and thereafter the Management Company will remit the deductions as appropriate and remit the net proceeds of sale to the owner. To the extent that the proceeds of sale are insufficient to meet all the deductions the owner shall remain liable therefor. For the purposes of such a sale, the owner will surrender the Points Certificate to the Management Company when called upon to do so (and in the absence of surrender such Points Certificate shall be void), and the owner shall be deemed hereby to have irrevocably appointed the Management Company as his attorney to carry through the sale and to grant all deeds or other documents in implement thereof.

In the case of a joint ownership of Points rights the Management Company shall have the right to demand from the first named owner or from any other owner it may choose any sums which are payable by the owner of those Points Rights.

- (iv) Article 4(e)(i)(2) shall not apply to the Founder Member.

5. CLASS RIGHTS

- (a) The Ordinary Members shall be entitled to receive notice of and attend and speak at all general meetings of the Company but shall not have a right to vote at general meetings except in the following circumstances:-
 - (i) where any resolution is proposed the passing of which will have the effect of amending, superseding, overriding or in any way changing any of the provisions of the Articles;

- (ii) where any resolution to appoint or terminate or suspend the appointment of a Director other than a Founder Member Director is proposed;
- (iii) where any resolution to wind up or dissolve the Company or the passing of which will cause the Company to cease to carry on the whole or a substantial part of its activities is proposed;
- (iv) where a resolution of the sort referred to in Article 6(f) or 6(k) is proposed;

in which circumstances on a show of hands every Ordinary Member who (being an individual) is present in person or (being a firm or corporation) is present by a duly authorised representative, not being himself an Ordinary Member entitled to vote, shall have one vote and on a poll every Ordinary Member shall have one vote for each Points Right owned by him. However, the Ordinary Members shall only be entitled to vote against a resolution of the sort referred to in Article 5(a)(i) or (iii).

- (b) The Founder Member shall be entitled to receive notice of and attend and speak at all general meetings of the Company and on a poll shall have one vote for each Issuable Points Right held by it. The Issuable Points Rights held by the Founder Member at the time of the meeting shall be certified by the Management Company whose decision shall be final.
- (c) The special rights attached to the Ordinary Memberships and the Founder Membership may not be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, without the prior written consent of the relevant class of Membership.
- (d) The Founder Member shall be entitled to transfer the Founder Membership on such terms and subject to such conditions not inconsistent with the Articles as it in its sole discretion shall deem appropriate and the Company and the Board shall be bound to register any such transfer and admit any such transferee to Membership of the Company (as Founder Member) forthwith and shall have no right to refuse to register such transfer on any grounds whatsoever.

6. THE POINTS SYSTEM

The Points System shall be conducted in the following way:-

- (a) Forthwith upon incorporation of the Company:-

- (i) The Company will appoint the Trustee and the Founder Member and the Company will enter into the Trust Deed with the Trustee;
 - (ii) The Company will enter into a management agreement with the Management Company.
- (b) The Founder Member alone shall be entitled to transfer Accommodation Assets to the Company in the manner contemplated in Article 6(c).
- (c) The Founder Member shall transfer Accommodation Assets to the Company by transferring or procuring the transfer of the Title to such assets to the Trustee or as the Trustee may direct to be held in Trust for the benefit of the Company in terms of the Trust Deed.
- (d) The Management Company shall, upon the transfer of each Holiday Period or Whole Unit into the Company, subject to Article 6(d):-
- (i) in the case of Whole Units determine the total number of annual Points relative thereto and in the case of Holiday Periods the total number of Points relative thereto and, where there are no existing Holiday Periods in the Points System in respect of the relevant Holiday Unit, the total number of annual Points relative to the Holiday Unit;
 - (ii) determine in respect of the relevant Whole Unit or Holiday Period(s) and Holiday Unit (as appropriate) the total number of Issuable Points Rights and the total number of Unissuable Points Rights;
 - (iii) determine the Points Grading of the Use Periods pertaining to the relevant Accommodation Unit;
- (e) The Management Company may from time to time redetermine the number of Issuable Points Rights and Unissuable Points Rights in respect of an Accommodation Unit or in respect of all the Holiday Periods (from time to time) which relate to a particular Holiday Unit or generic type of Holiday Unit but only so that the number of Issuable Points Rights added to the number of Unissuable Points Rights shall always be equal to the Accommodation Unit's number of annual Points or the Holiday Periods' number of Points.
- (f) The total number of:-

- (i) annual Points relative to an Accommodation Unit; and
- (ii) Points relative to all the Holiday Periods (from time to time) which relate to a particular Holiday Unit or generic type of Holiday Unit;

once determined pursuant to Article 6(d) shall ~~not~~ be changed except with the sanction of a resolution of the Ordinary Members of the Company in General Meeting.

- (g) Unissuable Points Rights shall be held by the Company for the purposes of providing Use Periods for maintenance, repair and upkeep of Accommodation Assets and to reduce demand to provide greater flexibility for reservations.
- (h) In exchange for introducing Accommodation Assets into the Company the Founder Member shall, subject to the terms of the Articles, be entitled to all Issuable Points Rights arising therefrom and any Issuable Points allocated pursuant to such Issuable Points Rights. The Resort at which the Accommodation Unit which gives rise to the Points Rights is located shall be the Home Resort in respect of such Points rights. The Founder Member shall alone have the right to issue such Points Rights and such Points to existing or potential Members (conditional upon their becoming Members) at such price and subject to such conditions (not inconsistent with the provisions of Article 7 or any other provisions of the Articles) as the Founder Member may determine in its sole discretion from time to time.
- (i) The Points Grading of Accommodation Units shall, subject to the provisions of Article 6(f) be re-determined by the Management Company for the next following Year prior to 1st October each Year, so as to take account of seasonal changes and variations in demand. The Management Company shall inform the Board of such re-determination prior to 1st October each Year.
- (j) Where new Whole Units or Holiday Periods in the same Resort are subsequently introduced into the Company then the total number of annual Points, Issuable Points Rights and Unissuable Points Rights relative to the relevant Accommodation Unit shall be determined so that they are the same as that of existing like Accommodation Units in that Resort. If there are no existing like Accommodation Units in that Resort then regard shall be had to the relative value of the additional Accommodation Units or

Holiday Periods and the then current value of existing Accommodation Units and Holiday Periods.

- (k) Title to the Accommodation Assets shall be held by the Trustee in such manner as the Trustee shall in its absolute discretion determine pursuant to the terms of the Trust Deed. The Founder Member shall be entitled to request the Trustee to return any Accommodation Assets to it but only if:-
- (i) there are sufficient unissued Issuable Points Rights; and
 - (ii) after the disposal there are sufficient Home Resort Accommodation Units to match Home Resort Points Rights in the relevant Resort; and
 - (iii) after the disposal there remains at the Resort sufficient Accommodation Units to provide 50 weeks accommodation in any Use Year or alternatively the Resort is being replaced with at least 50 weeks accommodation in any Use Year at an alternative equivalent Resort.

Otherwise, neither the Founder Member nor the Board shall be entitled to request the Trustee to dispose of any interest or otherwise deal in any Accommodation Assets without the sanction of a Resolution of the Company in General Meeting. In the event that the Trustee returns any Accommodation Units or Holiday Periods to the Founder Member the same number of Issuable Points Rights as is equal to the total number of Issuable Points Rights determined in respect of such Accommodation Units or Holiday Periods shall be cancelled.

7. ISSUE OF POINTS AND POINTS RIGHTS

- (a) The Founder Member or an Authorised Person shall be entitled to issue Points or Points Rights and shall only issue Points or Points Rights to the extent that there are Issuable Points or Issuable Points Rights available for issue in accordance with the Points System. Points Rights relating to a Home Resort may only be issued to the extent that there are Issuable Points Rights relating to that Home Resort available for issue.
- (b) The Founder Member or an Authorised Person may sell Points Rights in the following manner:-
 - (i) it shall enter into a Purchase Agreement with the Member or Applicant to whom the Points Rights are to be issued which shall state the Home Resort to which the Points Rights relate

and the initial Use Year and which Purchase Agreement once duly executed shall be stamped (if necessary) and delivered to the Company together with a copy also to the Trustee;

(ii) within sixty days of receipt of a duly executed Purchase Agreement the Company shall procure that the Company's records are adjusted to reflect the issue of any Points Rights to the Applicant and that a Points Certificate is issued to him which Certificate shall state the Home Resort to which the Points Rights relate and shall be prima facie evidence of his ownership of the Points Rights.

(c) The entity charged with maintaining the Company's records may charge the Applicant a reasonable fee for the registration of an issue of Points Rights which fee may be revised from time to time.

(d) In the event that any owner of Points Rights fails without good cause to pay on the due date any monies payable to the Founder Member in terms of a Purchase Agreement or otherwise or any monies payable to a lender in respect of a loan in connection with the Points Rights then the Founder Member shall at any time thereafter be entitled (without prejudice to any other rights or remedies available whether or not exercised) after giving to the owner of the Points Rights thirty days written notice of its intention to do so, to cancel his Membership by notice in writing to the Company and in that event the provisions of Article 4(e) shall apply.

8. TRANSFER OF POINTS AND POINTS RIGHTS

(a) A Member shall not be entitled to transfer any of the Points Rights or Points Holding to which he is entitled except in accordance with the following provisions of this Article 8.

(b) Any Member may sell or otherwise dispose of all of the Points Rights on a single Points Certificate in the following manner:-

(i) He or his personal representatives as the case may be, shall deliver to the Management Company the following documents:-

(1) A Transfer Agreement validly executed by the Member or his personal representatives as the case may be (and stamped if necessary) and by the proposed transferee;

- (2) The relevant Points Certificate and such other documentation as the Management Company may reasonably require to evidence the Members good title to the Points Rights and the proposed transferee's Membership; and
 - (3) Any fee payable pursuant to Article 8(d) below.
- (ii) Within 60 days of receipt of all the items referred to in Article 8(b)(i) the Company or the Management Company shall:-
 - (1) if the Member has transferred all of the Points Rights to which he is entitled, procure that the Member's Membership of the Company is terminated and that his name is deleted from the Register of Members; and
 - (2) procure that the Company's records are adjusted to reflect the transfer of the Points Rights and/or any unused Points deriving therefrom to the transferee and that a Points Certificate is issued to the transferee;
- (iii) whenever Points Rights are transferred any unused Points deriving therefrom shall automatically be transferred with them.
- (c) In the event of the death or insolvency of any Member, or the winding up of a Member being a corporation, his Membership shall terminate. However, for a period of 6 months only from the date of death, insolvency or winding up his personal representatives, trustee in bankruptcy or liquidator as the case may be, may agree to sell the Points Rights of such Member to a third party or to vest same in a beneficiary and in either case the terms of Articles 8(b) and (d) shall apply to any resulting transfer.
- (d) The entity charged with maintaining the Company's records may charge a reasonable fee for the registration of a transfer which fee may be revised from time to time.
- (e) The Company or the Management Company may refuse to register or give effect to a transfer where the transferor has failed to pay any sums due by him to the Company or the Management Company or to the Trustee.

- (f) No limitation or restriction as to the transfer of any Points Rights or Points Holding as contemplated herein, shall in any way apply to the Founder Member.
- (g) No Member shall be entitled to transfer any Points Rights unless and until all monies payable to the Founder Member in relation to the purchase thereof and any outstanding loan (together with any interest and other charges) due by the owner in connection therewith have been paid in full. Any purported transfer contrary to this Article 8(g) shall be voidable at the instance of the Founder Member.

9. ALLOCATION OF POINTS

- (a) The Company shall procure that:-
 - (i) on 1st January each Year each Member is allocated with that number of Points to which he is entitled in terms of his Points Rights; and
 - (ii) on the date upon which a Whole Unit or Holiday Period is transferred into the Company in accordance with Article 6 the Founder Member is allocated with such number of Points as bears the same proportion to the total number of Issuable Points Rights determined in respect of that Whole Unit or Holiday Period as in the case of Whole Units the remainder of the current Use Year bears to a full Use Year and in the case of a Holiday Period the remainder of the Holiday Period in the current Use Year bears to the full Holiday Period any fractions of a Point being rounded down to the nearest whole Point;
 - (iii) on 1st January each Year the Founder Member is allocated with that number of Points to which it is entitled in terms of its Issuable Points Rights.

Points allocated pursuant to the foregoing Articles 9(a)(ii) and (iii) shall be known as Issuable Points.

- (b) Following the allocation of Points pursuant to Article 9(a):-
 - (i) The Founder Member shall be entitled to issue any Issuable Points to Members as Bonus Points as provided in the Articles or in such other manner as the Management Company may agree or to exchange any such Issuable Points for Occupancy Rights in accordance with the provisions of Article 10.

- (ii) Where a Purchase Agreement specifies the current Use Year as the initial Use Year then the Founder Member shall be deemed to have issued the same number of Bonus Points to the Purchaser as the number of Points Rights sold and the Company's records shall be amended accordingly.
- (iii) A Member shall be entitled to exchange any Points forming part of his Points Holding for Occupancy Rights in accordance with the provisions of Article 10.

- (c) Save as provided in Article 10(b) all Points shall lapse at the end of the Use Year during which they were allocated and no Member shall be entitled to issue, or exchange for Occupancy Rights any Points which have lapsed. All Points which have lapsed shall immediately be deleted from the Company's records.

10. EXCHANGE OF POINTS FOR OCCUPANCY RIGHTS

- (a) Each Member shall be entitled to exchange any Points forming part of his Points Holding or borrowed in terms of Article 10(b) at any time and from time to time for Occupancy Rights during specific Use Periods in Accommodation Units in accordance with the then current Points Tables but subject to the rules applicable to reservations as contained in the Rules and Regulations from time to time. The exchange of Points for Occupancy Rights in any Year by a Member is subject to such limitations on availability as may arise from time to time by reason of competing applications for such Occupancy Rights by other Members and the ranking of such competing applications shall be determined by the Management Company on the basis of the Rules and Regulations from time to time in force or in the absence of any such Rules and Regulations on such other basis as is fair and reasonable but providing Members with preferential reservation rights for their Home Resorts.
- (b) A Member shall not be entitled to carry Points forward to following Use Years or borrow Points from following Use Years for use in the current Use Year except as may be provided in the Rules and Regulations from time to time.
- (c) Members, when exchanging Points for Occupancy Rights shall at all times adhere to the Rules and Regulations. Once a Member has exchanged Points for Occupancy Rights he shall, subject to the terms of the Rules and Regulations, be entitled to use such Occupancy Rights in any manner he chooses and in

particular he shall be entitled, subject to the Rules and Regulations, to allow third parties to utilise such Occupancy Rights and to use such Occupancy Rights for the purpose of participating in any exchange programmes of which the Member is a member from time to time.

- (d) Notwithstanding anything contained in the Rules and Regulations the Founder Member and/or the Management Company shall be entitled, when exercising any rights available to them to use or occupy Accommodation Units to use such Accommodation Units for such commercial purposes as are consistent with the operation of the Points System and without prejudice to the generality such Accommodation Units may be used as sales offices, for general marketing purposes, as office space or storage space.

11. COMPANY RECORDS

- (a) The Company shall procure that the Trustee and the Management Company shall each maintain adequate records for the proper management of the Company and administration of the Points System and in particular the following records shall be maintained:-
- (i) a register of Members;
 - (ii) a register of Points Rights showing each Member's Points Rights and Home Resorts from time to time;
 - (iii) a register of Points showing each Member's Points Holding from time to time;
 - (iv) a record of all moneys due by each Member to the Company and/or the Management Company from time to time;
 - (v) a register of Issuable Points Rights;
 - (vi) a register of Issuable Points;
 - (vii) a register of Accommodation Assets.

The Trustee shall maintain the Company's statutory records which shall be prima facie evidence of the matters contained therein.

- (b) Every Member shall be entitled to request in writing addressed to the Management Company an extract of the records showing the Points Rights and Points Holding of that Member and that Member's indebtedness to the Company and/or the Management Company as at the date of the extract. Each such request shall specify the desired date of the extract and shall be in such form

as the Management Company or the Trustee shall from time to time prescribe and shall be accompanied by such reasonable fee as may from time to time be prescribed by the Management Company or the Trustee for providing the extract. The Management Company shall, as soon as practicable after receipt of such a request and fee, provide the required extract to the Member.

12. MEMBERS REPORTS

The Company shall procure that not later than 1st October each Year the Management Company shall prepare and issue to each Member a Member's Report which shall include the following information and such other information as the Management Company shall from time to time consider to be appropriate;

- (a) the Points Tables for the following Year;
- (b) details of the Accommodation Assets as shown in the Company records; and
- (c) the Management Charge for the next following Year.

13. MANAGEMENT CHARGE

- (a) The Company shall procure that, prior to 1st August each year the Management Company shall prepare a budget showing the projected Aggregate Management Costs for the succeeding Use Year and the proposed Management Charge to be paid by the Members for that succeeding Use Year. Such budget shall be prepared in accordance with the provisions of the management agreement under which the Management Company was appointed.
- (b) The projected Aggregate Management Costs and the proposed Management Charge contained in the budget shall not be binding until approved by the Board. In the event of the Board failing to approve the projected Aggregate Management Costs and proposed Management Charge prior to 1st September in any year the matter shall be referred to the Company's auditors who shall determine whether or not the budget has been prepared in accordance with the management agreement under which the Management Company was appointed and whether or not the costs itemised in the budget are reasonable and the Auditor's final determination of the budget shall be binding on the Board and the Management Company. Once approved Members shall be invoiced for the annual management charge by 1st October in each year.
- (c) The Company shall procure that as soon as practicable after 1st January each year the amount of the

Aggregate Management Costs for the preceding Use Year shall be ascertained and the difference between the Management Charge already paid (or payable) by the Members for that preceding year and the Aggregate Management Costs (plus any additional percentage representing an agreed remuneration payable to the Management Company) for that preceding year shall be added to or deducted from (as appropriate) the Management Charge for the next following Use Year. If the Aggregate Management Costs for the preceding Use Year have not been ascertained prior to the issue of the Members Report pursuant to Article 12 then the Management Company shall use its best estimate of the Aggregate Management Costs for the preceding year for the purpose of calculating the Management Charge for the next following Use Year and any discrepancy between such estimate and the ascertained amount shall be taken into account when calculating the Aggregate Management Costs for the current Use Year.

- (d) The Management Charge shall be payable by the Members and shall be a debt due to the Management Company payable (except in the case of the Founder Member) within 60 days of the Member's receipt of his Member's Report which shall constitute a demand for payment unless otherwise provided in the Rules and Regulations. In the case of the Founder Member the Management Charge shall be payable on demand but the Management Company shall not be entitled to demand payment until it is reasonably necessary for it to do so.
- (e) The Management Charge payable by each Member shall be determined first on the basis of an equal fixed sum payable by each Member as determined by the Board from time to time with any balance then being determined on the basis of the Points Rights of such Member expressed as a fraction of the total number of Points Rights in the Points System from time to time including Issuable Points Rights but excluding Unissuable Points Rights.
- (f) In addition to the Management Charge, each Member shall pay to the Management Company such additional charges (including, without prejudice to the generality, default charges for non or late payment of the Management Charge) as may be levied on him by the Management Company pursuant to and in accordance with the Rules and Regulations.
- (g) A certificate at any time executed for and on behalf of the Management Company certifying any amount payable by a Member in terms of the Articles and the Rules and Regulations shall constitute prima facie proof of any amount so due by the Member.

14. NOTICE OF GENERAL MEETINGS

- (a) All general meetings other than annual general meetings shall be called extraordinary general meetings.
- (b) The Directors may call general meetings and, on the written request of the Founder Member or the written request of the Members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.
- (c) An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:-
 - (i) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and
 - (ii) in the case of any other meeting by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety-five per cent of the total voting rights at the meeting of all the Members.

The notice shall specify the time and place of the meeting and in the case of special business only the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

The notice shall be given to all the Members including the Founder Member and Management Company and to the Directors and auditors and Trustee.

- (d) The Trustee shall have the right to be notified of and attend all general meetings and to speak thereat in all respects as if a full Member provided that the Trustee shall not be entitled to hold any proxy nor to vote in any proceedings.
- (e) 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 at the meeting.
- (f) Every notice convening a general meeting shall comply with any applicable provisions of the Act relating to

giving information to Members in regard to their right to appoint proxies.

15. PROCEEDINGS AT GENERAL MEETINGS

- (a) No business shall be transacted at any general meeting unless a quorum is present. Two persons, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, at least one of whom shall be entitled to vote upon the business to be transacted, shall be a quorum.
- (b) If such a quorum is not present within thirty minutes from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Chairman of the meeting may determine, and if at the adjourned meeting a quorum is not present within thirty minutes from the time appointed therefor the Members present shall be a quorum.
- (c) The Chairman, if any, of the board of Directors or in his absence some other Director nominated by the Directors shall preside as Chairman of the meeting, but if neither the Chairman nor such other Director (if any) be present within ten minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be Chairman and, if there is only one Director present and willing to act, he shall be Chairman.
- (d) If no Director is willing to act as Chairman, or if no Director is present within ten minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of their number to be Chairman.
- (e) The Chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn business from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- (f) A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands a poll

is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-

- (i) by the Chairman; or
- (ii) by the Founder Member; or
- (iii) by at least two Members having the right to vote at the meeting;

and a demand by a person as proxy for a Member shall be the same as a demand by the Member.

- (g) Unless a poll is duly demanded a declaration by the Chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (h) The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- (i) A poll shall be taken as the Chairman directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (j) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote he may have.
- (k) A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- (l) No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are

announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

- (m) A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.

16. VOTES OF MEMBERS

- (a) Each Member shall have the voting rights set out in Article 5.
- (b) A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- (c) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.
- (d) An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):-

GRAND VACATION CLUB LIMITED"

I/We, _____ of _____ being a
member/members of the above-named Company, hereby appoint

failing him, of , or
 as my/our proxy to vote in my/our name(s) and on my/our
 behalf at the annual/extraordinary general meeting of the
 Company to be held on 19 , and at any
 adjournment thereof.

Signed on 19 ."

- (e) Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve:-

GRAND VACATION CLUB LIMITED"

I/We, of being a
 member/members of the above-named Company, hereby appoint
 of , or
 failing him, of
 as my/our proxy to vote in my/our name(s) and on my/our
 behalf at the annual/extraordinary general meeting of the
 Company to be held on 19 , and at any
 adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 = * for * against
 Resolution No. 2 = * for * against

* Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on 19 ."

Signed on 19 ."

- (f) The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:-

- (i) be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the

person named in the instrument proposed to vote; or

- (ii) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (iii) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

- (g) A vote given or poll demanded by proxy or by the duly authorised representative of a firm or corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

17. ALTERNATE DIRECTORS

- (a) Any Founder Member Director may appoint any other Founder Member Director, or any other person approved by the Founder Member and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. No Director, other than a Founder Member Director shall be entitled to appoint an alternate Director.
- (b) An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Founder Member Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Founder Member Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director.

- (c) An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Founder Member Director.
- (d) Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Founder Member Director making or revoking the appointment or in any other manner approved by the Directors.
- (e) Save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes to be a Founder Member Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Founder Member Director appointing him.

18. POWERS OF DIRECTORS

- (a) Subject to the provisions of the Act, the memorandum and the Articles, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the memorandum or Articles shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- (b) Without prejudice to the generality of Article 18(a) the Directors shall be entitled to exercise the following specific powers:-
 - (i) To delegate to the Management Company such of the Company's powers as may be appropriate to enable the Management Company to perform its functions pursuant to the management agreement under which it is appointed. Throughout the duration of its appointment all the powers of the Company delegated to the Management Company shall be exercised by it and not by the Directors who shall instead liaise with the Management Company and monitor the performance of its duties.
 - (ii) To make or amend Rules and Regulations which relate to:-
 - (1) the proper regulation and administration of the Points System operated by the Company,

- (2) the reservation and use by Members of Accommodation Assets,
 - (3) the exercising by Members of Occupancy Rights,
 - (4) default and interest charges in respect of late or non-payment of monies due by Members to the Company and/or the Management Company,
 - (5) the levying and payment of charges relating to the use of particular facilities at Resorts, and
 - (6) all such other administrative matters as the Board may from time to time deem necessary or expedient.
- (iii) To enter into all contracts and agreements which they consider necessary or advisable in connection with managing the affairs of the Company and to apply the funds of the Company in payment of the expenses of managing and running the Company and in particular the administration of the Points System.
- (iv) To do all things reasonably necessary for the smooth running of the Points System.
- (v) To approve or ratify the Trust Deed on behalf of the Company and upon or prior to the determination of any Trust Deed the Board shall enter into on behalf of the Company a further or succeeding Trust Deed upon such reasonable terms as are consistent with the Articles and the Points System.
- (vi) The Directors shall generally supervise the business affairs of the Company and ensure that the Management Company and the Founder Member and the Ordinary Members are fulfilling their respective duties and obligations in connection with the Company and to ensure effective communication between the Management Company, the Founder Member, the Directors, and the Ordinary Members.
- (vii) The Directors, or where such powers have been delegated to the Management Company, the Management Company shall be entitled to cancel, suspend or vary the Points, Points Rights or Occupancy Rights or Membership of any Member (other than the Founder Member) at any time who, in the reasonable opinion of the Directors, or where such powers have been

delegated to the Management Company, the Management Company shall have failed without good cause to pay any monies due to the Management Company or the Company on the due date or shall have failed to comply with his obligations under the Articles or shall have committed a breach of the Rules and Regulations or whose conduct in the reasonable opinion of the Directors shall be unbecoming to a Member of the Company and who has not paid the outstanding monies, or complied with the obligation and remedied the breach, or desisted from the said conduct within such reasonable time as the Directors, or where such powers have been delegated to the Management Company, the Management Company shall notify in writing to such Member. The decision of the Directors, or where such powers have been delegated to the Management Company, the Management Company shall be final. In the event of a Member having his Points, Points Rights or Occupancy Rights cancelled or suspended or his Membership suspended under this Article he shall not be entitled to exercise any of the rights of a Member (including the right to attend and vote at general meetings) but shall continue to be liable for all the obligations attaching to his Membership and his ownership of Points or Points Rights (unless they have been cancelled). Any Points or Points Rights may only be cancelled under this Article with the consent of the Founder Member and on cancellation shall be forfeited to the Founder Member or its nominee and shall become Issuable Points and Issuable Points Rights. If any Membership is cancelled under this Article the provisions of Article 4(e)(ii) shall apply.

- (c) In the event of any conflict between the provisions of the Rules and Regulations and the provisions of the Articles the provisions of the Articles shall prevail and nothing contained in the Rules and Regulations shall be deemed to constitute an amendment of the Articles.

19. DELEGATION OF DIRECTORS' POWERS

The Directors may (with the consent of the Founder Member but not otherwise) delegate any of their powers to any committee consisting of one or more Directors of the Company. Any such delegation may be made subject to any conditions the Founder Member may impose, and either collaterally with or to the exclusion of the Directors' own powers and may be revoked or altered. Subject to any such

conditions, the proceedings of a committee with three or more members shall be governed by the Articles regulating the proceedings of Directors (including the provisions regarding a quorum) so far as they are capable of applying.

20. APPOINTMENT OF DIRECTORS

- (a) The number of Directors (other than alternate Directors) shall not be less than three and shall not be more than five. The Founder Member shall be entitled to appoint up to a maximum of 3 Directors pursuant to Article 20(b) and the Members shall be entitled to appoint up to a maximum of 2 Directors pursuant to Article 20(d).
- (b) The Founder Member may at any time and from time to time by a memorandum signed by it appoint any person to be a Founder Member Director (but so that the number of Founder Member Directors for the time being shall not be more than 3) and may in like manner remove any Founder Member Director so appointed and appoint another in his place and may similarly fill any other vacancy in the Founder Member Directors to be appointed by the Founder Member. Any such appointment or removal shall take effect at and from the time when the memorandum is lodged at the Office or produced at a meeting of the Directors.
- (c) Any memorandum of appointment or removal of a Director which is required to be signed by a corporate Member may be signed on its behalf by any of its Directors.
- (d) Subject to the provisions of the Articles the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
- (e) At every annual general meeting all the Directors (other than the Founder Member Directors) shall retire from office.
- (f) If the Company, at the meeting at which a Director retires, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.
- (g) No person other than a retiring Director shall be appointed or reappointed a Director at any general meeting unless:-
 - (i) he is recommended by the Directors; or

- (ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a Member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's register of Directors together with notice executed by that person of his willingness to be appointed or reappointed.
- (h) Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a Director retiring at the meeting) who is recommended by the Directors for appointment or reappointment as a Director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment or reappointment as a Director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Company's register of Directors.
- (i) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.
- (j) A Director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

21. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of a Director shall be vacated if:-

- (a) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is, or may be, suffering from mental disorder and either:-

- (i) he is admitted to hospital in pursuance of an application for admission for treatment in England or Wales under the Mental Health Act 1983 or, in Scotland, the Mental Health (Scotland) Act 1960, or
- (ii) an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice to the Company; or
- (e) he is removed from office pursuant to Article 20(b); or
- (f) he shall for more than twelve consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated.

22. DIRECTORS' EXPENSES

The Directors may be paid at the discretion of the Board of Directors, all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of debentures in the Company or otherwise in connection with the discharge of their duties. For the avoidance of doubt any such monies shall be paid by the Management Company and shall be taken into account when calculating the Aggregate Management Costs.

23. DIRECTORS' APPOINTMENTS AND INTERESTS

- (a) Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:-
 - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested provided that no Director who has a contract of service or any other type of contract with the Company shall be entitled to vote on any matter relating to such contract or to vote on his appointment; or
 - (ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or

in which the Company is otherwise interested;
and

- (iii) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

(b) For the purposes of Article 23(a):-

- (i) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

24. PROCEEDINGS OF DIRECTORS

- (a) Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- (b) The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be three (of whom two at least shall be Founder Member Directors). A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.
- (c) The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing

Directors or Director may act only for the purpose of calling a general meeting.

- (d) The Directors may appoint one of their number to be the chairman of the board of Directors and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. But if there is no Director holding office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.
- (e) All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- (f) A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.
- (g) Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- (h) If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to

any Director other than himself shall be final and conclusive.

- (i) A meeting of the Directors or any committee thereof may, subject to notice thereof having been given in accordance with the Articles, be for all purposes deemed to be held when Directors are in simultaneous communication with each other by telephone or fax or by any means of audio-visual communication and the number of Directors participating in such communication constitutes the quorum of Directors which would otherwise be required by these Articles to be present at the meeting.

25. SECRETARY

Subject to the provisions of the Act, the secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

26. MINUTES

The Directors shall cause minutes to be made in books kept for the purpose:-

- (a) of all appointments of officers made by the Directors; and
- (b) of all proceedings at meetings of the Company and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting.

27. THE COMPANY SEAL

The seal (if any) shall only be used with the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or by a second Director.

28. NOTICES

- (a) Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.
- (b) The Company may give any notice to a Member or Director either personally or by sending it by post in a prepaid envelope addressed to the Member or Director at his registered address or by leaving it at that address.

- (c) A Member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- (d) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

29. PERPETUITY PERIOD

The Company shall convene a general meeting to be held during the last month of the Final Year at such place as the Board may determine at which a resolution providing for the Company to be wound up shall be considered. All the Members entitled to do so shall be obliged to vote in favour of such resolution, the remaining Members shall be obliged to abstain from voting.

30. DISSOLUTION

If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever the same shall be paid to or distributed among the Members of the Company equally.

31. INDEMNITY

Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution or discharge of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company and no Director or other officer or auditor of the Company shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution or discharge of the duties of his office or in relation thereto.

NAME AND ADDRESS OF SUBSCRIBER

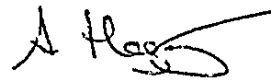
1.



Director for and on behalf of
LS Promotions Limited
Pine Lake Resort,
Carnforth,
Near Lancaster,
Lancashire,
LA6 7JZ.

Dated: 11th May 1994

Witness to the above signature:



Name:

S HEGARTY
SANDRA HEGARTY

Address:

174 LANCASTER ROAD
CARNFORTH

Designation:

LANCS LAS 98F

SECRETARY

DEED OF TRUST

between

LS PROMOTIONS LIMITED

and

GRAND VACATION CLUB LIMITED

and

FIRST NATIONAL TRUSTEE COMPANY LIMITED

1994

AGP/L510/01

AGP-LS-VACATION-DEED-TRUST

[JM.AGR]

TODS MURRAY & SONS
SOLICITORS

66 Queen Street, Edinburgh EH2 4NE, Telephone 031-226 4771, FAX 031-228 3676

DEED OF TRUST

THIS DEED OF TRUST is made the day of
Nineteen ninety-four between LS PROMOTIONS LIMITED,
incorporated in the United Kingdom and having its registered
office at Pine Lake Resort, Carnforth, Near Lancaster, LA6 1JZ
(hereinafter called "the Founder Member") of the first part

GRAND VACATION CLUB LIMITED, incorporated in the United
Kingdom and having its registered office at Pine Lake Resort,
Carnforth, Near Lancaster, LA6 1JZ (hereinafter called "the
Company") of the second part and

FIRST NATIONAL TRUSTEE COMPANY LIMITED, whose registered
office is at International House, Castle Hill, Victoria Road,
Douglas, Isle of Man, IM2 4RB (hereinafter called "the
Trustee") of the third part

WHEREAS:-

- (A) The Founder Member has formed the Company whose object is to secure for its members joint rights of ownership of exclusive occupancy rights in specific properties throughout the world at varying times.
- (B) It is provided in the Articles of Association of the Company (a copy of which is annexed hereto) that the title to the Accommodation Assets shall be held by a non-trading company exclusively controlled by an independent trustee (or otherwise as that trustee may direct) in trust for the Company.
- (C) All the issued share capital in the Owing Companies (as hereinafter defined) will be held by the Trustee or as the Trustee may direct (all of such share capital together with all other property which may from time to time be transferred to the Trustee by the Founder Member or otherwise to be held for the benefit of the Company upon the trust provisions of this Deed shall be hereinafter called "the Property") and the Trustee has agreed to hold the same upon the trusts and terms hereinafter mentioned.
- (D) All the issued share capital in the Owing Company set out in Schedule 2 hereto (being the Owing Company which holds the Title to the initial Accommodation Assets to be held by the Trustee) has been allotted or transferred to the Trustee or as the Trustee has directed and the Trustee has agreed to hold the same upon the trusts and terms hereinafter mentioned.

NOW THEREFORE IT IS HEREBY AGREED as follows:-

- 1. 1.1 In this Deed except where the context otherwise requires:-

- 1.1.1 "Articles" means the Memorandum (where the context so requires) and Articles of Association of the Company as amended from time to time;
- 1.1.2 "Accommodation Assets" bears the same meaning as is attributed to that phrase in the Articles;
- 1.1.3 "Share Allotments" means the allotments of the shares in the Owing Companies in favour of the Trustee;
- 1.1.4 "Shares" means all the shares in the Owing Companies and "Share Certificate(s)" shall mean the certificate(s) issued by the relevant Owing Company evidencing title to the relevant shares;
- 1.1.5 "The Property" means the Shares together with 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 Company from time to time upon the trust provisions set out in this Deed;
- 1.1.6 "members" means the members from time to time of the Company including the Founder Member;
- 1.1.7 "holding company" and "subsidiary company" shall have the meanings respectively attributed to them by Section 1 of the Companies Act 1974;
- 1.1.8 "associated company" means a company having the same holding company as the company in question or controlled by the same individuals;
- 1.1.9 "the Board" means the board of directors of the Company;
- 1.1.10 "the Owing Companies" means any company owning Accommodation Assets the shares of which are issued or transferred to the Trustee or its nominees with the agreement of the Founder Member and the Trustee to be held on the trust provisions herein declared and "Owing Company" shall be construed accordingly;

1.1.11 "Title" bears the same meaning as is attributed to that word in the Articles.

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 1.3.1 Where reference is made herein to directions of the Board the Trustee shall be entitled to rely on and accept decisions of the Board which shall be stated by the Chairman of the Board at which the relevant decision was reached to have been so reached in accordance with the relevant Articles and regulations 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 Board members or of the Chairman of the Board or calling of Board Meetings or the procedure adopted or the reaching of decisions thereat; and

1.3.2 where reference is made to the decision of the Company the Trustee shall be entitled to accept and rely on a certified copy resolution in writing in respect of which it shall have been certified by the Founder Member that the provisions of the Articles have been fully observed and a resolution has been passed in terms of the certified copy on the date specified therein.

2. The Company hereby appoints the Trustee and the Trustee hereby agrees to act as trustee on behalf of the Company 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 which are set out in Schedule 1 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 1 shall pro tanto prevail. The Founder Member will procure that the Share Certificates and the title deeds evidencing the Title to each Accommodation Asset 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 as trustee in trust to secure the members rights of ownership and occupation

of Accommodation Assets under and in accordance with the Articles and subject thereto in trust for the benefit of the members from time to time of the Company and in dealing with the same may have regard to the representations of the Board or the Founder Member all in accordance with the terms of the Articles;

- 3.1 provided 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 trust provisions hereby declared or shall constitute a breach of trust or be prejudicial to the interests of the members (without the consent of the members) 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; and
- 3.2 further provided that notwithstanding any direction of the Board or the Founder Member the Trustee shall not be obliged to charge or otherwise encumber the Property or any part thereof nor do anything to prejudice the ownership of the Accommodation Assets or the Shares.
4. 4.1 The Trustee shall have no responsibility for the insurance, rebuilding, repair, maintenance, renewal, upkeep, decoration, administration or management of the Accommodation Assets or any common rights or amenity areas pertaining thereto 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 Accommodation Assets or the Shares.
- 4.2 The Trustee shall not be bound to concern itself in any way with the management of the Company 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 Accommodation Assets whether the said Accommodation Assets be broken, lost, stolen or damaged or otherwise mislaid or misplaced and the Trustee shall bear no liability to the members in respect of such matters.
- 4.3 The Company shall supply details of its members to the Trustee if so requested.
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 Company or the Founder Member 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 Company to obtain legal advice from its Solicitors for the time being and/or the Opinion of Counsel and/or other legal advisers on any matter relating to the Property or in relation to the trust hereby constituted or the exercise of the Trustee's power or rights or the observance or performance of the Trustee's liabilities or duties hereunder.
7. The Founder Member shall be entitled to issue Points and Points Rights in accordance with Article 7 of the Articles.
8. The Company and the Founder Member 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 and 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, the Founder Member and the members of the Company and that no such person or persons are entitled to require or oblige the Trustee to transfer or deal with the Property or the Accommodation Assets.
9. The Company and the Founder Member 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 or the Founder Member without the prior approval in writing of the Trustee having first been obtained.
10. 10.1 The Trustee shall not be responsible for any loss suffered by the Company 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;
- 10.2 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 Member, the Company or the Board.
11. The Company shall pay to the Trustee as remuneration for the performance of its duties hereunder (including performance outside the scope of the Trustee's usual duties) such fees as may from time to time be separately

agreed upon between the Board 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 payment the Founder Member hereby undertakes that it will pay to the Trustee all such sums PROVIDED THAT as between the Company and the Founder Member on behalf of the Company the Company shall be primarily liable to pay all such sums.

12. In connection with the Property and/or the Accommodation Assets the Company covenants with the Trustee

- 12.1 on demand to pay as the Trustee may direct all outgoings whatsoever (including rates, maintenance fees, 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 Accommodation Assets;
- 12.2 at all times to observe and perform as far as it is able (and to cause the Owning Companies so to observe and perform) all the covenants, terms and conditions to which the Accommodation Assets may from time to time be subject;
- 12.3 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 covenants contained in Clauses 12.1 and 12.2.

13. The Company hereby agrees 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 legislation or regulations applicable in any relevant jurisdiction) fees, costs, liabilities and expenses to which it may be liable 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 by the Company against all losses, claims, demands, actions, damages, costs and expenses made or incurred in connection with the Property and/or the Accommodation Assets or in any other way in connection with the holding by the Trustee of the office of trustee hereunder.

14. The Trustee shall be entitled to have recourse to and be indemnified out of the Property and/or the Accommodation Assets or the proceeds of the sale thereof for all sums expended by the Trustee in or about or in any way in connection with the provisions of this Deed 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 sell, let, mortgage or otherwise dispose of the Property or any part thereof unrestricted by Clause 3 hereof or the Articles.

15. This Deed and the Trustee's appointment hereunder shall continue until the 30th November 2054 or (if sooner) until terminated either by the Company giving not less than three months notice in writing to the Trustee or by the Trustee giving the Company and the Founder Member not less than three 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 Company 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 transferring 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 transfer the Property or procure the same to be transferred (at the expense of the Company) to any succeeding trustee or otherwise as the Board in writing may direct. In the event of the Board failing to give such a direction within sixty days of being requested by the Trustee in writing to do so the Trustee may take whatever action it in its sole discretion considers appropriate which may include selling the Property and placing the net proceeds of sale on deposit receipt pending an authoritative decision on the destination of the monies.

16. 16.1 The Company undertakes:-

- 16.1.1 to give to the Trustee the names and addresses of all officers of the Company;
- 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 at any time if requested the name and address of each member of the Company provided that such information shall not be disclosed by the Trustee to any other person except with the consent of the Founder Member;
- 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 Board an excerpt from

the Minutes of any meeting of the Board or of the members of the Company minuting the resignation of any officer or other member of the Board or the election or appointment of a new officer or Board member and any change in the Articles approved by the members;

16.1.5 that there shall be delivered to the Trustee:-

16.1.5.1 a copy of each set of annual audited accounts of the Company as soon as the same is available; and

16.1.5.2 notice of any General Meetings of the Company 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

16.1.5.3 minutes of any such meeting as soon as the same is available; and

16.1.5.4 a copy of any contract relating to the management of the Company.

16.2 The Trustee shall have the right to attend and receive notice of all General Meetings of the members of the Company 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 banker, investment manager or adviser to either or both of the Founder Member or the Company 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 Member or the Company 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 Member or the Company 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 Member or the Company for any profit made in connection therewith.

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 recorded delivery or registered post, telegram, cable or telex addressed to the Company,

to the Founder Member or to the Trustee as the case may be at their respective registered offices and any notice sent by post shall be deemed to have been given or served 48 hours after despatch.

19. The parties hereto 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.
20. The perpetuity period applicable to this Deed of Trust shall be until the 30th November 2054 or such earlier date (if any) as the Trustee may at its discretion appoint by deed.
21. Pursuant to Section 3(2) of the Isle of Man Income Tax (Exempt Companies) Act 1984 no person resident in the Isle of Man shall at any time have or be entitled to acquire any beneficial interest (as defined by the said Section) under this trust.
22. This Deed shall be governed by and construed in accordance with Manx law and the parties hereto hereby submit to the non-exclusive jurisdiction of the courts of the Isle of Man.

SCHEDULE 1

General terms and conditions upon which the Trustee accepts appointment.

1. The Trustee may act by a proper officer or officers or agent and may appoint any person duly approved by the Trustee as its proper officer or agent. -
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.
3. Subject to any express provisions 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 banker and transact any banking or allied business on normal banking 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 service 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 Trustee is entitled to employ any agents.
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 any exercise of any power of discretion conferred by the Trust instrument as hereafter amended or by Law.
6. The Trustee may at its discretion vest any property of the estate or trust in any person or corporate body as its nominee.

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 or 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.

SCHEDULE 2

LIST OF OWNING COMPANIES

(1) Name of Resort	(2) Name of Owning Company
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THE COMMON SEAL of
LS PROMOTIONS LIMITED
was hereunto affixed
in the presence of:-

..... Director

..... Director/Secretary

THE COMMON SEAL of
GRAND VACATION CLUB LIMITED
was hereunto affixed
in the presence of:-

..... Director

..... Director/Secretary

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

..... Director

..... Director/Secretary