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COMPANIES HOUSE

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

ARTICLES OF ASSOCIATION

Of

ISLAND HARBOUR RESIDENTS ASSOCIATION LIMITED

1. INTERPRETATION

In these articles:

- 1.1. **'the Act'** means the Companies Act 1985 including any statutory modification or re-enactment of it for the time being in force.
- 1.2. **'the Board of Directors'** means the directors of the Association appointed to the board from time to time.
- 1.3. **'clear days'** in relation to a period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
- 1.4. **'the Association'** means Island Harbour Residents Association Limited.
- 1.5. **'the estate'** means the estate known as Island Harbour, Mill Lane, Binfield, Newport, Isle of Wight.
- 1.6. **'dwelling'** means any unit of residential accommodation with the estate whether intended for use as a principal private dwellinghouse or as holiday accommodation
- 1.7. **'the common parts'** refers to the freehold property around the dwellings to be owned and managed by the Association on behalf of its members.
- 1.8. **'the marina owners'** means Island Harbour Holdings Limited or their successors in title being the owners from time to time of the marina comprised in the estate
- 1.9. **'the Secretary'** means the secretary of the Association or any other person appointed to perform the duties of the secretary of the Association, including a joint, assistant or deputy secretary.
- 1.10. unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act but excluding any statutory modification not in force when these articles become binding on the Association.
- 1.11. the masculine includes the feminine and, where appropriate, the singular the plural.

2. OBJECTS

- 2.1. The Association is established for the purposes expressed in the Memorandum of Association.
- 2.2. Island Harbour Residents Association Limited is a non-profit making organisation. Save as permitted in relation to dissolution in accordance with article 31, all surpluses will be retained and applied in achieving its objects.

3. MEMBERSHIP

- 3.1. Membership shall be restricted to the subscribers to the Memorandum of Association of the company and persons 18 years of age or over or corporations owning a dwelling and no person shall be admitted to membership unless permitted by the Memorandum of Association.

- 3.2. Any Membership may be held by two or more persons jointly, if those persons are joint owners of a dwelling. The joint members shall be severally as well as jointly liable.
- 3.3. Voting rights will be restricted to a single vote per dwelling.
- 3.4. A register of members will be held and maintained by the company at its registered office.
- 3.5. All Members are required to keep the Association updated by notice to the company secretary with current contact details including contact address and, where applicable, e-mail address and telephone details.

4. SERVICE CHARGE

- 4.1. The Association will collect from its members an annual service charge in respect of the contribution to the marina owners for members' use of the marina, maintenance of the common parts, the cost of achieving the Association's objects and any ancillary costs for running the Association.
- 4.2. The annual service charge is payable in relation to a calendar year running from 1st April and is collected half yearly in advance in April and October.
- 4.3. The Association may call for a surcharge payment from Members if circumstances arise where the Board considers that the funds available for meeting running costs have fallen short because of exceptional circumstances. The amount of such payments is not to exceed 10% of the annual service charge levied under clause 4.2 for the year in which such surcharge arises and only one surcharge will be permitted in any financial year. If sufficient members wish to challenge the need for a surcharge they may do so by calling for a Special General Meeting.
- 4.4. A penalty for late payment of the service charge or any surcharge will be levied monthly at Bank of England Base Rate plus 3%. The penalty will be applied if payment is not received by the Association within 60 days of the due date, and will continue to accrue on a monthly compound interest basis until such payment is received.

5. TRANSFER OF MEMBERSHIP

- 5.1. Membership of the Association is transferred upon the change in ownership of a dwelling and the new member will assume all outstanding debts to the Association owed by his predecessor in respect of that dwelling.
- 5.2. No membership of the Association shall be transferred unless the proposed transferee is at the same time also acquiring the interest of the proposed transferor in a dwelling.

6. BORROWING POWERS

The Association may obtain advances of money from members and others for the purposes of the Association. The total amount so obtained shall not at any time exceed the limit of £50,000. The terms of repayment, rate of interest and any other conditions of such advances shall be determined by the Directors from time to time.

7. ANNUAL GENERAL MEETINGS

- 7.1. An Annual General Meeting ('AGM') shall be held at the registered office of the Association or at another location as the Board of Directors may determine. The AGM will be held within nine months of the end of the Association's financial year which shall run from 1st April .

7.2. The business of the AGM shall be:

- 7.2.1. The election of the Board of Directors and the Auditors;
 - 7.2.2. The passing of the accounts and any other business of which notice shall have been given by the Secretary as provided in article 7.3 and 7.6.
 - 7.2.3. Any other business proposed by the Board of Directors; and
 - 7.2.4. Any other business proposed by any member in accordance with article 7.5 below.
- 7.3. At least six weeks before the AGM, the Secretary shall send to every member at his address or e-mail address as noted in the Association's records, a brief notice of the AGM. The AGM notice will state the time and place of the AGM and a general description of the business that will be brought before it.
- 7.4. No business other than the business of a formal nature shall be brought forward at any meeting unless notice thereof shall have been given as provided under this article.
- 7.5. If any member desires to bring forward any resolution at the AGM, he must notify the Secretary at least four weeks before the AGM in order that the resolution may be added to the agenda and circulated to the members in accordance with article 7.6 below.
- 7.6. At least twenty-one clear days before the AGM, the Secretary shall send to every member at his address or e-mail address as noted in the Association's records, a detailed notice of the AGM which will include:
- 7.6.1. the time and place of the AGM;
 - 7.6.2. the agenda for the AGM;
 - 7.6.3. a copy of the income and expenditure account and a copy of the balance sheet to be laid before the meeting in accordance with Article 25.1;
 - 7.6.4. if appropriate, a ballot paper to be used in relation to the election of directors, in accordance with article 19;
 - 7.6.5. a list of candidates whose names have been submitted for election onto the Board of Directors (prepared in accordance with article 19.1.3) together with a curriculum vitae of all such candidates; and
 - 7.6.6. other information as is available relative to all resolutions on the agenda for the AGM.

8. SPECIAL GENERAL MEETINGS

- 8.1. All general meetings other than the AGM shall be called Special General Meetings ("SGM"). An SGM of the Association may be called in the following manner:
- 8.1.1. on a requisition made in writing to the Secretary of the Association by at least 10% of the members of the Association at the time. The requisition must state the specific business for which the SGM is required.
 - 8.1.2. by the Board of Directors as and when they think fit.
- 8.2. On receipt of a requisition the Board of Directors shall proceed to convene a SGM for a date no later than six weeks after receipt of such requisition and at the ordinary place and time of the AGM of the Association unless the Directors fix any other place or time of meeting. If the Directors themselves have called for the meeting then they may allow the SGM to be conducted by means of a Postal Vote if the subject matter is considered to be routine. If at least 10% of members object to the use of a Postal Vote then a meeting will be arranged as per clauses 8.2 and 8.3.

- 8.3. At least twenty-one clear days before the SGM, the Secretary shall send to every member at his postal or e-mail address as noted in the Association's records, notice of the SGM specifying the time and place of the SGM and, in the form of a resolution, the object of the proposed meeting.
- 8.4. A SGM shall not transact any business other than that mentioned in the resolution convening the meeting.
- 8.5. Following discussion of the members and/or the Board of Directors during an AGM or SGM, the chairman shall, in relation to an ordinary resolution only, be entitled to amend the wording of any such ordinary resolution provided that any such amendments:
 - 8.5.1. do not go beyond the scope of the business as notified to the members in the agenda/AGM notice; and
 - 8.5.2. are explained to and understood by the members;
 - 8.5.3. and the chairman's determination of the wording of any such ordinary resolution to be put to the meeting shall be final, provided always that the wording of any special resolution or any resolution proposed in accordance with article 7.5 shall be put to the meeting in the exact form proposed (save for minor grammatical or clerical errors which may be corrected).
- 8.6. Any proposal to:
 - 8.6.1. amend, repeal or in any way alter the Memorandum or Articles of Association,
 - 8.6.2. amend, repeal or in any way alter the Guidelines to Members of the Association,
 - 8.6.3. or for the Association to enter into any major undertaking, shall be:

put into the form of a resolution and shall be discussed at either the AGM or a SGM. To carry any such resolution (including amendments from the floor) a majority of 75% of the members voting at such a general meeting will be required and there must be at least 30% members in attendance or voting by proxy. The definition of '**major undertaking**' shall be at the direction of the Board of Directors on a _____ majority decision and will be announced at the commencement of the general meeting. _____ ?

9. NOTICE

- 9.1. Accidental omission to give notice of any general meeting to or non-receipt of such notice by any member shall not invalidate the proceedings at that meeting.

10. PROCEEDINGS AT GENERAL MEETINGS

- 10.1. No business may be transacted at any general meeting unless a quorum is present. Save as otherwise provided in these articles, 20% of members personally present or voting by proxy is a quorum.
- 10.2. If within half an hour from the time appointed for the general meeting, a quorum of members is not present, or if during a meeting such quorum ceases to be present:
 - 10.2.1. if the meeting was convened on the requisition of members (in accordance with article 8.1.1 above) it must be dissolved;
 - 10.2.2. in any other case, the meeting stands adjourned to the same day in the next week at the same time and place, or to such time and place as the Board of Directors may determine. If at the adjourned meeting a quorum of members is not present within half an hour of the time appointed for the meeting, the members present may form a quorum.

11. CHAIRMAN

- 11.1. The Chairman shall preside at every general meeting of the Association and failing him the Vice-Chairman

- 11.2. If the Chairman or Vice-Chairman be not present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of the members of the Board present to be Chairman, or if no member of the Board shall be present and willing to take the chair, the members present shall choose one of their number to be Chairman.
- 11.3. The Chairman who presides at a general meeting shall have a casting vote in case of equality of votes whether on a show of hands or on a poll.

12. ADJOURNMENT

- 12.1. The Chairman may, with the consent of a general meeting at which a quorum is present (and must if so directed by the meeting), adjourn the meeting from time to time and from place to place.
- 12.2. No business may be transacted at any adjourned meeting other than business, which might properly have been transacted at the meeting, had the adjournment not taken place.

13. PASSING OF RESOLUTIONS

- 13.1. At any general meeting:
 - 13.1.1. a declaration by the chairman that a resolution has been carried, or carried unanimously, or carried by a particular majority, or lost, or not carried by a particular majority; and
 - 13.1.2. an entry to that effect in the book of proceedings of the Association;are conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the resolution, unless a poll is demanded by the chairman or by at least five members present in person or by proxy having the right to vote at the meeting or by members present in person or by proxy and representing not less than 10% of the total voting rights of all the members having the right to vote at the meeting
- 13.2. If a poll is demanded in the above manner, it must be taken in such manner as the chairman directs, and the result of the poll is deemed to be the resolution of the meeting at which the poll was demanded.

14. VOTING RIGHTS

- 14.1. In the event that any member has not paid all money then due from him to the Association then the Board of Directors shall be entitled to determine that such member shall not be entitled to vote at any general meeting of the Association either personally or by proxy, or as a proxy for another member, until such time as such debts have been cleared in full.
- 14.2. If any member be a patient within the meaning of Part VIII of the Mental Health Act 1983, he may vote by his directors, receiver, curator bonis or other legal curator.
- 14.3. At a general meeting of the Association, on a show of hands or a poll, every member of the Association entitled to vote (in accordance with article 14.1 above) and present in person or by proxy has one vote for each dwelling registered in his name in the Association's records (provided that where the Association's records record joint membership in respect of any dwelling the joint members between them shall have one vote in respect of that dwelling) and no more except that, in case of equality of votes, the chairman may have a second or casting vote.
- 14.4. Proxies may only be validly appointed by notice in writing ('Proxy Notice') which:
 - 14.4.1. states the name and address of the member appointing the proxy;
 - 14.4.2. identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

- 14.4.3. is executed on behalf of the member appointing the proxy; and
- 14.4.4. is delivered to the Association at least 48 hours before the time at which the general meeting is held (for the avoidance of doubt weekends, Christmas Day, Good Friday and any bank holiday are excluded from counting towards the 48 hour period) and on such other basis as shall have been stipulated by the Board of Directors in the notice of the general meeting to which they relate.
- 14.5. The Board of Directors may require Proxy Notices to be delivered in a particular form and may specify a different form for different purposes.
- 14.6. Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 14.7. Unless a Proxy Notice indicates otherwise, it must be treated as:
 - 14.7.1. allowing the person appointed under it as a proxy discretion to vote on any ancillary or procedural resolutions put to the meeting; and
 - 14.7.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 14.8. A member shall not approach another member(s) with a view to being appointed as that member(s) proxy.
- 14.9. No person shall be appointed a proxy who is not a member of the Association and qualified to vote.
- 14.10. Where any member owns multiple properties either in their own right, or in association with any other individual or legal entity, the total number of votes exercisable by that member and any associated individual or legal entity shall not exceed 30% of the total voting rights within the Association.

15. THE BOARD OF DIRECTORS

- 15.1. The general management of the affairs of the Association shall be vested in the Board of Directors.
- 15.2. The Board of Directors of the Association shall be four elected members of the Association ("the member directors") plus a guest Director representing the marina owners ("the guest director").
- 15.3. The Board will hold meetings as required, at least twice per annum, and will invite the Managing Agent (if any) to attend. Additionally other members or third parties may be requested to attend Board meetings in order to provide specialist input.
- 15.4. Three directors are a quorum at a meeting of the Board of Directors. The directors present at the meeting may act notwithstanding any vacancies in their numbers, but, if the number of directors is less than 3, the directors present may act only for the purpose of filling vacancies or of calling a general meeting. A director shall not be counted in the quorum present at a meeting in relation to a resolution concerning a matter in respect of which he has declared an interest under Article 21.2
- 15.5. Minutes of Board meetings will be distributed to members via e-mail within 4 weeks of the meeting taking place. Paper copies will be made available on request within the same timescale.
- 15.6. 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. It shall not be necessary to give notice of the meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second all casting vote.

16. THE OFFICERS / EXECUTIVE DIRECTORS

- 16.1. The Directors shall, each year, elect a Treasurer and a Chairman from among the member directors. The Chairman of the Association shall, during his year of office, be removable by a vote of two-thirds of the members present at a SGM called for that purpose. The Directors shall also annually

elect a Vice-Chairman from among their own number who, in the absence of the Chairman, shall have the powers of the Chairman and shall be removable in like manner to the Chairman.

- 16.2. The Directors shall, each year, elect a Company Secretary who shall be either a member of the Association or the Managing Agent.

17. REMUNERATION

- 17.1. No director of the Association may receive any remuneration for any services he provides to the Association, whether in his capacity as director or otherwise but directors shall be entitled to be paid all expenses reasonably and properly incurred by them in connection with the discharge of their duties.

18. RETIREMENT OF DIRECTORS

- 18.1. At every AGM, all of the member directors must retire from office.
- 18.2. The member directors are eligible for re-election at the same or any other general meeting of the Association.
- 18.3. If a retiring director is not reappointed in accordance with article 18.2, his retirement together with the appointment of any director who is to replace him, will take effect during the AGM upon the conclusion of the agenda items relating to the retirement and appointment of directors.

19. ELECTION OF DIRECTORS

- 19.1. The election of member directors will take place in the following manner:

- ~~19.1.1. The directors shall be elected annually at the AGM. Any two members of the Association may~~
nominate any other member to serve as a director of the Association, having previously received his assent.
- 19.1.2. The name of each member so nominated, together with the names of his Proposer and Second, must be sent in writing signed by all three of them to the Secretary together with a curriculum vitae of the nominee at least four weeks before the AGM.
- 19.1.3. A list of the candidates' names in alphabetical order, together with the Proposers' and Seconders' names, will be circulated, together with a curriculum vitae of all candidates, in accordance with article 7.6.5.
- 19.1.4. Each member present at the AGM and qualified to vote may vote for any number of candidates not exceeding the number of vacancies.
- 19.2. Notwithstanding the provisions of article 19.1.4, the Board of Directors may from time to time decide that members qualified to vote, may exercise their vote for the election of directors by post (without having to attend the AGM). In these circumstances a ballot paper will be used (provided in accordance with article 7.6.4). Any such postal vote shall only be acceptable in the ballot, if the ballot paper has been completed and signed by the member exercising his right and the same is received in a properly sealed envelope by the Secretary at least 48 hours before the time at which the AGM is held, and on such other basis as shall have been stipulated by the Board of Directors in accordance with article 19. Such ballot envelopes must be marked clearly with the words "postal vote".
- 19.3. The Secretary shall keep all ballot envelopes received in a safe place, unopened and shall hand them to the tellers at the commencement of the AGM.
- 19.4. If at or within 7 days after the AGM any candidate declines to serve after being elected, the candidate who has the next largest number of votes shall be deemed to be elected.

- 19.5. If two or more candidates obtain an equal number of votes and insufficient vacancies are available, a vote will be held at the meeting on a show of hands (or in such manner as the chairman shall prescribe). Each member present at the AGM in person or by proxy and qualified to vote shall have one vote. In the case of an equality of votes, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
- 19.6. The member directors will have the power to co-opt and appoint directors between AGMs in order to replace any directors that have resigned or been removed for whatever reason. Any such co-opted directors may submit themselves for election at the following AGM as prescribed in article 18.
- 19.7. The guest director will be invited to join the Board by the member directors and will serve until removed as prescribed in Article 20.

20. REMOVAL OF DIRECTORS

- 20.1. A member director will be removed from office if:
 - 20.1.1. his membership of the Association is terminated.
 - 20.1.2. he resigns his office by notice to the Association.
 - 20.1.3. he is removed by ordinary resolution passed at a SGM of the Association.
- 20.2. The guest director will be removed from office if:
 - 20.2.1. he resigns his office by notice to the Association
 - 20.2.2. the member directors vote to remove him at a scheduled Board meeting
 - 20.2.3. the members vote to remove him by resolution at an AGM or SGM.

21. POWERS OF DIRECTORS

- 21.1. The directors of the Association:
 - 21.1.1. may exercise all powers that may be exercised by the Association and do anything that may be done by the Association, except where under these articles or any statute for the time being in force the power must be exercised or the thing be done by the Association in general meeting;
 - 21.1.2. may act notwithstanding vacancies;
 - 21.1.3. are to ensure that no money or property of the Association or any gain arising from the carrying on of the Association is to be applied otherwise than to the benefit of the Association;
 - 21.1.4. shall not be permitted to borrow money (by any method) or charge the property of the Association as security against any such borrowing except where such a resolution is passed by the Association in general meeting authorising the Board of Directors to do so and:
 - 21.1.4.1. the resolution shall detail the purpose of the borrowing, if the money is to be borrowed at one time or from time to time, the rate of interest, and the form of security to be given; and
 - 21.1.4.2. all members of the Association, whether voting on such a resolution or not, and all persons becoming members of the Association, after passing such a resolution, shall be deemed to have assented to the same as if they had voted in favour of such resolution.
- 21.2. If a director is interested, directly or indirectly, in any contract or arrangement or in any proposed contract or arrangement with the Association or with any other company in which the Association may be interested, he shall disclose to the Board of Directors, at the first meeting at which such contract or arrangement is discussed, the nature and extent of his interest and he shall not be entitled to vote in relation to such contract or arrangement.

22. DELEGATION

- 22.1. The directors of the Association may delegate any of their powers to a committee or committees appointed by the directors. Committees will consist of at least two members and the directors will provide clear, written terms of reference defining the task to be undertaken.
- 22.2. In the exercise of the powers delegated to it, a committee must conform to any regulations or conditions prescribed by the directors.
- 22.3. Any delegation of powers or appointment of a committee may be recalled or revoked by the directors at any time without notice.

23. DUTIES OF TREASURER AND COMPANY SECRETARY

23.1. The Treasurer:

- 23.1.1. Shall pay all outgoings and liabilities of the Association when ordered to do so by the Board of Directors;
 - 23.1.2. Shall produce all books, documents, electronic media, property and money of the Association in his possession or under his control and render a full and clear account at each audit, and whenever required by resolution of the Association or of the Board of Directors;
 - 23.1.3. Shall give up all books, documents, moneys and property of the Association in his possession or under his control when required to do so by a resolution of the Association or of the Board of Directors;
 - 23.1.4. Shall ensure that the Association's accounts are reviewed annually by an independent, registered auditor;
 - 23.1.5. Shall monitor and report whenever required by the Board on the current financial situation of the Association.
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23.2. The Company Secretary:

- 23.2.1. Shall attend all meetings (or send a suitably qualified deputy);
- 23.2.2. Shall record correctly the names of directors there present, and the minutes of the proceedings, which he shall transcribe to be authorised by the signature of the Chairman as the proceedings of the meeting;
- 23.2.3. Shall receive proposals for admission to the Association;
- 23.2.4. Shall hand over all moneys received by him to the Treasurer;
- 23.2.5. Shall produce all books, documents, electronic media, property and money of the Association in his possession or under his control, and render a full and clear account at each audit or whenever required by resolution of the Association or Board of Directors;
- 23.2.6. Shall summon and give due notice of all meetings and keep the accounts, documents and papers in such manner and for such purposes as the Board of Directors may appoint, and shall prepare all returns and other documents required by Companies House and duly forward them to the Registrar.
- 23.2.7. Shall, on all occasions, in the execution of his office, act under the supervision, control and direction of the Board of Directors.

24. ACCOUNTS

- 24.1. The Board of Directors must ensure that proper books of account are kept in respect of:
 - 24.1.1. all sums of money received and expended by the Association and the matters in respect of which the receipts and expenditure take place; and
 - 24.1.2. the assets and liabilities of the Association.

- 24.2. The books of account must be kept at the registered office of the Association or another location approved by the Board, and must always be open to the inspection of directors.
- 24.3. Any member or person having an interest in the funds of the Association shall be allowed to inspect his own account, and the books containing the names of the members at all reasonable hours at the registered office of the Association, subject to such regulations as to the time or manner of such inspection as may be made from time to time by the general meetings of the Association.

25. PRESENTATION OF ACCOUNTS

- 25.1. The Board of Directors shall lay before the AGM the accounts comprising an account of income and expenditure for the period since the preceding account and a balance sheet as at the end of the last financial year of the Association as checked independently by a registered auditor under Article 26.
- 25.2. Reporting standards defined by the Act will be complied with at all times.

26. AUDIT

- 26.1. A registered auditor must be appointed each year and his duties regulated in accordance with the Act. Note that the Act does not require a full audit for a company of the Association's size and the auditor's activities will be restricted to providing an independent check of the Association's accounts on behalf of the members.
- 26.2. None of the following persons shall be appointed as auditor of the Association:
 - 26.2.1. a director of the Association;
 - ~~26.2.2. a person who is a partner of or in the employment of or who employs a director of the Association.~~
- 26.3. Save as provided in article 26.4, every appointment of an auditor shall be made by resolution of a general meeting of the Association.
- 26.4. The first appointment of an auditor shall be made within three months of the registration of the Association and shall be made by the Board of Directors if no general meeting of the Association is held within that time. The Board of Directors may appoint an auditor to fill any casual vacancy occurring between general meetings of the Association.
- 26.5. The auditor shall make a report to the Association on the material examined by him and on the revenue account or accounts and the balance sheet of the Association for the year of account in respect of which he is appointed.

27. PROCEEDINGS ON THE DEATH OF A MEMBER

- 27.1. Upon the death of a member the Board will, if requested to do so, accept the personal representatives of the deceased to take over the membership.

28. APPLICATION OF PROFITS

- 28.1. No payment shall be made to members by way of dividends and any surplus accruing at the end of each year's working shall be kept in reserve to meet future demands on the Association. No part of the said reserve shall be available for distribution to members.

29. EXECUTION OF DOCUMENTS

- 29.1 Any instrument to be executed by the Association shall be so executed by the signature of any two member directors acting with the authority of a resolution of the Board

30. INVESTMENT

- 30.1 Any money not required for immediate use, or to meet the usual accruing liabilities, shall, with the consent of the Board of Directors, be invested only in an interest-bearing bank account domiciled in the UK.

31. DISSOLUTION

- 31.1 The Association may not be wound up voluntarily without first identifying and transferring responsibilities to a suitable replacement organisation to take over all responsibilities in relation to collecting service charges and managing the Common Parts that fall within its jurisdiction at the estate.
- 31.2 The marina owners must approve the successor organisation.
- 31.3 Any sinking funds set up for specific maintenance purposes must be handed over intact to the successor organisation.
- 31.4 Any proposal to wind up the Association shall be put into the form of a resolution and shall be discussed at either the AGM or a SGM. To carry any such resolution a majority of 75% of all members entitled to vote at such a general meeting, whether or not present at the meeting, will be required.
- 31.5 If the Association is wound up, whether voluntarily or otherwise, the liquidator shall (after realising all of the assets of the Association and paying all outstanding creditors) distribute any net proceeds equally among the members on the current members list.

32. NOTICES

- 32.1 A notice may be given by the Association to any member either personally or by sending it by post in a prepaid envelope addressed to the member at his address as noted in the Association's records or by leaving it at that address unless a member has agreed to receive such notices in electronic form, in which case article 33 will apply.
- 32.2 Where a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and is deemed to have been effected at the expiration of 48 hours after the envelope containing it was posted.
- 32.3 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

33. ELECTRONIC NOTICES

- 33.1 A notice may be given by the Association to any member by sending it in electronic form (e-mail), provided always that the member to whom such notice is to be sent has provided the Association with an e-mail address for this purpose.
- 33.2 If an e-mail address has been provided by the Member to the Association all notices will be sent in electronic form unless the Member specifically requests otherwise.
- 33.3 Where a notice is sent by e-mail, service of the notice is deemed to have been effected at the expiration of 48 hours after the time the e-mail was sent.

- 33.4. Proof that a notice contained in electronic form was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

34. DIRECTORS INDEMNITY

- 34.1. Subject to the provisions of the Companies Acts (as defined in section 744 of the Act), but without prejudice to any indemnity to which a director may otherwise be entitled, every director of the Association (other than any person engaged by the Association as auditor) shall be indemnified out of the assets of the Association against all costs, charges, losses, expenses and liabilities incurred by him in defending any civil or criminal proceedings, in which judgment 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 Association, provided that this article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this article, or any element of it, to be treated as void under the Act or otherwise under the Companies Acts.

35. HEADINGS

- 35.1. The headings in these articles do not form part of them or in any manner affect the interpretation or construction of them.
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