

The Companies Acts 1985 and 2006

PORTLAND SUSTAINABLE HOLIDAY PARKS LIMITED

(Company No. 06760943)

Private Company Limited by Shares

Written Resolutions passed on 18th September 2009

In accordance with Part 13, Chapter 2 of the Companies Act 2006, the following resolutions were duly agreed and passed on 18th September 2009 as Special Resolutions of the Company

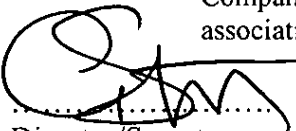
SPECIAL RESOLUTIONS

"That

- 1** each of the existing, issued 2 ordinary shares of £1.00 each in the capital of the Company be and is hereby sub-divided into 10 ordinary shares of £0.10 each;
- 2** each of the existing but unissued 998 ordinary shares of £1.00 each in the capital of the Company be and is hereby sub-divided into 10 ordinary shares of £0.10 each;
- 3** the authorised share capital of the Company be and is hereby increased from £1,000.00 to £1,010.00 by the creation of the following classes of shares:-
 - (a) one hundred "A" shares of £0.01 each
 - (b) one hundred "B" shares of £0.01 each
 - (c) one hundred "C" shares of £0.01 each
 - (d) one hundred "D" shares of £0.01 each
 - (e) one hundred "E" shares of £0.01 each
 - (f) five hundred redeemable preference shares of £0.01 each,

each such share to rank, and to have the rights attaching to them, as set out in the new articles of association referred to in resolution 4; and

- 4** the regulations contained in the document annexed to these resolutions (and initialled for the purposes of identification by the chairman of the board of the Company) be and are hereby adopted as the articles of association of the Company to the exclusion of, and in substitution for, the existing articles of association of the Company."


Director/Secretary

THURSDAY



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01/10/2009

COMPANIES HOUSE

254


Company Number 06760943

THE COMPANIES ACTS 1985 - 2006

**PRIVATE COMPANY LIMITED
BY SHARES**

**ARTICLES OF ASSOCIATION
OF
PORTLAND SUSTAINABLE HOLIDAY PARKS LIMITED**

Adopted by Special Resolution on 18th September 2009

 18/9/2009.

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1 **Preliminary**

1.1 The headings do not affect the construction of these Articles.

1.2 Unless the context otherwise requires, the following terms shall have the meanings set opposite them:

A Shareholder	a holder of an A Share;
A Shares	the A shares of £0.01 each in the capital of the Company;
B Shareholder	a holder of a B Share;
B Shares	the B shares of £0.01 each in the capital of the Company;
Board	the board of Directors of the Company from time to time;
Business Day	a day which is not a Saturday, Sunday or a bank or national holiday in England;
C Shareholder	a holder of a C Share;
C Shares	the C shares of £0.01 each in the capital of the Company;
Companies Acts	the Companies Act 1985 and/or the Companies Act 2006 (as applicable);
Company	Portland Sustainable Holiday Parks Limited (Registered No. 06760943) whose registered office is at Ebenezer House, 5A Poole Road, Bournemouth, Dorset, BH2 5QJ;
Connected Person	has the meaning given to it by sections 252 - 255 of the Companies Act 2006;
Controlling Interest	an interest (within the meaning of sections 820 – 828 of the Companies Act 2006) in any Shares conferring in total more than 50% of the total voting rights attaching to all the Shares which from time to time confer the right to vote at general meetings of the Company;
D Shareholder	a holder of a D Share;
D Shares	the D shares of £0.01 each in the capital of the Company;
Deemed Transfer Notice	shall be as defined in Article 9.1;
Director	a director of the Company;
E Shareholder	a holder of an E Share;
E Shares	the E shares of £0.01 each in the capital of the Company;
Family Trust	a trust which only permits the settled property or the income from it to be applied for the benefit of:- (a) the settlor; or

(b) the children, step-children or adopted children of the settlor;
or

(c) the grandchildren, step-children or adopted grandchildren of
the settlor;

and under which no power or control is capable of being
exercised over the votes of any Shares which are the subject of
the trust by any person other than the trustees or the settlor. For
the purposes of this definition, "settlor" includes a testator in
relation to a Family Trust arising under a will of a deceased
member;

Group

in relation to a company means:-

(a) any wholly-owned subsidiary of that company;

(b) any holding company of that company which holds all the
issued share capital of such company; and

(c) any wholly-owned subsidiary of that holding company;

holding company

has the meaning given to it by sections 736 and 736A of the
Companies Act 1985 or section 1159 of the Companies Act 2006
(as applicable);

Income Shareholder

a holder of all or any Income Shares;

Income Shares

the A Shares, B Shares, C Shares, D Shares and E Shares (or such
of them as the context may require);

Ordinary Shareholder

a holder of all or any Ordinary Shares;

Ordinary Shares

the ordinary shares of £0.10 each in the capital of the Company;

Payment Date

shall be as defined in Article 3.1.2(b);

Permitted Transfer

a transfer of Shares permitted pursuant to Article 7;

Permitted Transferee

a Shareholder to whom a Permitted Transfer has been made;

Preference Shareholder

a holder of all or any Preference Shares;

Preference Shares

the redeemable preference shares of £0.01 each in the capital of
the Company;

Redemption Amount

the sum of £1,000 in respect of each Preference Share (and so that
the total Redemption Amount for all the Preference Shares shall
be the sum of £500,000);

Redemption Date

shall be as defined in Article 3.3.3 or Article 3.3.4 (as
appropriate);

Registered Office

the registered office of the Company from time to time, the first
being at Ebenezer House, 5A Poole Road, Bournemouth, Dorset,
BH2 5QJ;

Relevant Shares	shall be as defined in Article 3.3.3;
Requisite Amount	shall be as defined in Article 3.1.2(c);
Sale Shares	shall be as defined in Article 9.2;
Shareholder	a holder of any or all of the Shares;
Shareholder Consent	the consent of the Shareholders holding 80% of the issued and paid-up Shares;
Shareholder Loan	shall be as defined in the Shareholders Agreement;
Shareholders Agreement	the shareholders agreement, dated 18 th September 2009, between Cladding Consultants Limited, Darren Hollis, James McConnell, Vince Avery, Nicholas Roberts and the Company;
Shares	the Ordinary Shares, the Preference Shares and the Income Shares (or such of them as the context may require);
Subsidiary	has the meaning given to it by sections 736 and 736A of the Companies Act 1985 or section 1159 of the Companies Act 2006 (as applicable);
Table A	Table A in the Companies (Tables A to F) Regulations 1985, as amended by the Companies (Tables A to F) (Amendment) Regulations 1985, the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment)(No.2) Regulations 2007;
Taxes Act	Income and Corporation Taxes Act 1988;
Transfer Notice	shall be as defined in Article 9.1; and
Transfer Price	shall be as defined in Article 9.9.

- 1.3 References to regulations are to regulations in Table A and references to an Article by number are to the particular Article of these Articles.
- 1.4 The singular includes the plural and vice versa, references to any gender include every gender and references to persons include corporations, unincorporated associations and partnerships.
- 1.5 Unless these Articles state otherwise or unless otherwise modified by, or inconsistent with, these Articles, the regulations contained or incorporated in Table A apply to the Company provided that Regulations 2, 24, 25, 40, 41, 46, 51, 52, 64, 65, 82, 87, 89, 93 - 98 and 118, and the third, fifth and sixth sentences of Regulation 88 shall not apply to the Company.
- 1.6 Where these Articles refer to a person who is automatically entitled to any share by law, this includes a person who is entitled to the share as a result of the death or bankruptcy of a shareholder.
- 1.7 When an act of parliament or a section of an act is referred to, this includes any amendment to that act or section as well as any re-enactment (where that act or section is included in another act).
- 1.8 Where these Articles give any power or authority to anybody, this power or authority can be used on any number of occasions, unless the context does not permit this meaning.

- 1.9 Any word which is defined in the Companies Acts means the same in these Articles unless these Articles define it otherwise or the context where the word appears is inconsistent with the definition given in the Companies Acts.
- 1.10 Where these Articles state that anything can be done by passing an ordinary resolution, this can also be done by passing a special resolution.
- 1.11 Where these Articles refer to changing the amount of any shares, this means doing any or all of the following:-
- 1.11.1 sub-dividing the shares into other shares with a smaller nominal amount;
 - 1.11.2 consolidating the shares into other shares with a larger nominal amount; or
 - 1.11.3 dividing shares which have been consolidated into shares with a larger nominal amount than that of the original shares.
- 1.12 Where these Articles refer to months or years, these are calendar months or years.

2 Authorised Share Capital

The Company's authorised share capital is £1,010.00, divided into:-

- 2.1 10,000 Ordinary Shares of £0.10 each;
- 2.2 100 A Shares of £0.01 each;
- 2.3 100 B Shares of £0.01 each;
- 2.4 100 C Shares of £0.01 each;
- 2.5 100 D Shares of £0.01 each;
- 2.6 100 E Shares of £0.01 each; and
- 2.7 500 Preference Shares of £0.01 each.

3 Share Rights

The Preference Shares, the Ordinary Shares and the Income Shares are separate classes of Shares and shall confer upon their holders the following rights, subject to the following restrictions:-

3.1 Income

- 3.1.1 The profits and income of the Company available for distribution shall be applied as follows:-
- (a) firstly, in repaying the principal of any Shareholder Loans provided by any Shareholders to the Company pursuant to the loan facility referred to in, and in accordance with, clause 9.1 of, and Schedule 5 to, the Shareholders Agreement;
 - (b) secondly, in redeeming the Preference Shares in accordance with Article 3.3 provided that:-
 - (i) the Preference Shares shall not carry any entitlements to any dividends or other distributions of profits, income or capital of the Company; and

- (ii) for the avoidance of doubt, no dividends or other distributions of profits or income of the Company shall be declared or paid to the holders of any Ordinary Shares or Income Shares or of any other Shares in the Company unless and until all such Preference Shares have been redeemed in full in accordance therewith or the Preference Shareholders otherwise agree in writing;
 - (c) thirdly, in paying any Requisite Amount previously allocated under Article 3.1.2(c); and
 - (d) fourthly (subject to Articles 3.1.1(a) and (b) and (c)), if so recommended by the Directors and approved by the Shareholders, the balance of any profits or income of the Company available for distribution and resolved to be distributed in respect of each financial year or other accounting period of the Company shall be distributed among the Ordinary Shareholders pro rata according to the amounts paid up, or credited as paid up, on the Ordinary Shares held by them respectively.
- 3.1.2 Each Ordinary Shareholder shall be entitled to postpone the payment to it of any dividends declared, approved and payable in respect of its Ordinary Shares in accordance with the following terms:-
- (a) if an Ordinary Shareholder wishes to delay or postpone the payment of any dividend otherwise payable in respect of its Ordinary Shares, it shall give notice to the Company to such effect within five Business Days after any such dividend is declared (such notice to specify the proportion of such dividend to be postponed, failing which the payment of the whole of such dividend shall be postponed);
 - (b) the period of postponement shall be until such date as the Ordinary Shareholder shall select (such selection to be specified in the notice referred to in Article 3.1.2 (a) above or by any further notice by the Ordinary Shareholder to the Company) (the "Payment Date");
 - (c) upon receipt of such notice, the Company shall allocate to the Income Share of such Ordinary Shareholder the entitlement to receive a dividend equal in amount (the "Requisite Amount") to the aggregate dividend which, but for such notice, would have been payable in respect of its Ordinary Shares, such entitlement to arise upon the relevant Payment Date;
 - (d) upon the relevant Payment Date, the Company shall pay the Requisite Amount to the Ordinary Shareholder by way of a dividend in respect of its Income Share without the need for further recommendation of the Board or approval of the Shareholders; and
 - (e) if, in accordance with the Companies Acts, the Company is not able to pay such dividend on any Income Share on the relevant Payment Date, the payment of such dividend shall be effected as soon as reasonably practicable after such dividend becomes capable of being so paid and in priority to the declaration and payment of any further dividends or other distributions of the profits and income of the Company in respect of the Ordinary Shares but not in priority to the payments referred to in Articles 3.1.1(a) and (b) above.
- 3.1.3 The Company shall procure that the profits of any Subsidiary for the time being available for distribution shall be paid to it by way of dividend if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available to redeem the Preference Shares in accordance with Article 3.3.

3.2 *Capital*

3.2.1 On a winding-up or (except on the redemption or purchase of any Shares) other return of capital, the assets of the Company available for distribution among the Shareholders shall, subject to any provision made under section 719 of the Companies Act 1985 or section 247 of the Companies Act 2006 as applicable, be applied:

- (a) firstly, in repaying the principal of any Shareholder Loans provided by any Shareholders to the Company pursuant to the loan facility referred to in, and in accordance with, clause 9.1 of, and Schedule 5 to, the Shareholders Agreement;
- (b) secondly, in repaying the capital paid up, or credited as paid up, on the Preference Shares held by the Preference Shareholders respectively (including any premium);
- (c) thirdly, in repaying the capital paid up, or credited as paid up, on the Ordinary Shares (including any premium);
- (d) fourthly, in repaying the capital paid up, or credited as paid up, on the Income Shares (including any premium);
- (e) fifthly, in paying any Requisite Amounts previously allocated under Article 3.1.2 (c); and
- (f) sixthly, in distributing any surplus rateably amongst the holders of the Ordinary Shares according to the amounts paid up or credited as paid up in respect of their respective holdings.

3.2.2 On a return of capital on liquidation or otherwise, the Preference Shares shall rank in priority to any other Shares (including, without limitation, Ordinary Shares and Income Shares) for the time being in issue.

3.3 *Redemption and Purchase*

3.3.1 Subject to the provisions of the Companies Acts and as the Board shall determine, the Company shall be entitled to redeem all or any (to be selected by drawings) of the Preference Shares at the Redemption Amount at any time after the date of allotment of any of the Preference Shares.

3.3.2 In the case of a partial redemption, the Company shall cause any drawing of Preference Shares to be made in the presence of a representative of the Company's accountants at the Registered Office or at such other place and in such manner as the Board may determine.

3.3.3 The Company shall give not less than 28 days' notice in writing to each Preference Shareholder, any of whose Preference Shares have been selected for redemption, of the date fixed by the Company for the redemption of its Preference Shares (the "Redemption Date"), specifying the Preference Shares due for redemption (the "Relevant Shares").

3.3.4 Unless previously redeemed, the Preference Shares shall be redeemed at the Redemption Amount in the following proportions and on the following dates (each of which dates shall, in relation to the Preference Shares concerned, constitute a "Redemption Date" for the purposes of this Article 3.3):-

Date	Proportion of Preference Shares to be redeemed
1 st September 2012	25%

1 st September 2013	25%
1 st September 2014	25%
1 st September 2015	25%,

Provided that if, in accordance with the Companies Acts, any Preference Shares are not capable of being redeemed by the Company on the relevant Redemption Date as set out above, their redemption shall be effected as soon as reasonably practicable after such Preference Shares become capable of being so redeemed.

- 3.3.5 On the relevant Redemption Date, the Company shall be entitled and obliged to redeem the Relevant Shares; and the holders of the Relevant Shares shall be bound to deliver to the Company at the Registered Office the certificate (or an indemnity in lieu thereof in a form satisfactory to the Company) for their Relevant Shares. Upon such delivery and against the receipt of the holder (or in the case of joint registered holders, the receipt of any of them) of the Relevant Shares for the redemption monies payable in respect of his shares (which shall constitute an absolute discharge to the Company in respect thereof), the Company shall pay to the holder of the Relevant Shares the redemption monies payable to him in respect of such redemption.
- 3.3.6 In the case of a redemption in full, the Company shall cancel the holder's certificate relating to the Relevant Shares; and in the case of a redemption of part of the Preference Shares included in a certificate, either:
- (a) state the amount and respective Redemption Date(s) on such certificate; or
 - (b) cancel the same and, without charge, issue to the holder of the partially redeemed Preference Shares delivering such certificate to the Company, a fresh certificate for the balance of the Preference Shares not redeemed on that occasion.
- 3.3.7 If any holder of Relevant Shares shall fail or refuse to deliver up the certificate for his Relevant Shares or to accept the redemption monies payable in respect of them, the Company may retain such redemption monies in trust for such holder (but without interest or (except as provided herein) further obligation whatsoever) until delivery of the certificate or of an indemnity in respect thereof satisfactory to the Company but shall within five Business Days thereafter, pay the redemption monies to such holder of Relevant Shares.
- 3.3.8 Upon the redemption of any Preference Shares pursuant to this Article 3.3, they shall be treated as cancelled.
- 3.3.9 For the avoidance of doubt, no Preference Shares shall be redeemed otherwise than out of the Company's distributable profits or the proceeds of a fresh issue of Shares made for the purposes of such redemption, or out of the Company's capital to the extent permitted by the Companies Acts.

3.4 *Voting and General Meetings*

- 3.4.1 The Preference Shareholders shall, by virtue of or in respect of their holdings of Preference Shares, have the right to receive notice of each general meeting of the Company but shall not have the right to attend, speak and vote at any such general meeting unless a resolution is to be proposed abrogating, varying or modifying any rights or privileges of or attaching to the Preference Shares in which case such Preference Shareholders shall have the right to attend any such general meeting and shall be entitled to speak and vote only on such resolution.

- 3.4.2 Whenever the Preference Shareholders become entitled in accordance with Article 3.4.1 to vote at a general meeting of the Company, on a show of hands, every Preference Shareholder who is present in person or by proxy or (being a corporation) by a representative shall have one vote and, on a poll, all Preference Shareholders who are present in person or by proxy or (being a corporation) by a representative shall together have such number of votes as are cast in favour of the relevant resolution, plus one further vote.
- 3.4.3 For the purposes of these Articles, the Preference Shares are deemed not to be voting shares except at any time during which the Preference Shareholders are entitled to vote in respect of them at any general meeting of the Company in accordance with Article 3.4.1.
- 3.4.4 Except as stated in this Article 3.4, the Preference Shares shall not confer on the Preference Shareholders the right to attend, speak or vote at any general meeting of the Company and references in these Articles to "member", "Shareholder" and "holder", in relation to receiving notice of, attending or voting at general meetings of the Company, shall be construed accordingly.
- 3.4.5 The provisions of Articles 3.4.1 to 3.4.4 inclusive shall apply mutatis mutandis to each class of Income Shares so that on any resolution proposed abrogating, varying or modifying any rights or privileges of, or attaching to, any class of Income Shares, the holders of such class shall have such enhanced voting rights as attach to the Preference Shares.

3.5 ***Other Matters***

Notwithstanding any other provision of these Articles, except with the consent or sanction of the Preference Shareholders given in accordance with the provisions of Article 11 (class rights):-

- 3.5.1 no further Shares ranking with regard to participation in the profits, income, capital or assets of the Company in priority to or *pari passu* with the Preference Shares shall be created or issued;
- 3.5.2 no resolution shall be passed whereby the rights attached to the Ordinary Shares or the Income Shares shall be modified, varied or abrogated provided that, for the avoidance of doubt, it is hereby declared that any resolution for the disapplication of section 89(1) of the Companies Act 1985 shall be deemed not to abrogate, vary or modify such rights; and
- 3.5.3 the Company shall not reduce its share capital or any uncalled liability in respect thereof or any share premium account or capital redemption reserve (except as authorised by the Companies Acts).

3.6 ***Pari passu***

Except as provided in this Article 3, the Shares shall be identical and rank *pari passu*.

4 **Share Issues**

- 4.1 The ability of the Company to decide which rights can be conferred on Shares under Regulation 2 may also be exercised by the Directors.
- 4.2 Subject to the provisions of the Companies Acts, the Shareholders Agreement, this Article 4 and any directions which may be given by the Shareholders, the Directors are generally and unconditionally authorised pursuant to, and in accordance with, section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot, grant rights to, options over or warrants to subscribe for, grant conversion rights in respect of, or otherwise dispose of relevant securities (within the meaning of section 80(2) of the Companies Act 1985) to such persons (including the

Directors themselves), at such times and on such terms as they think proper provided that no Shares shall be issued at a discount. The maximum nominal amount of share capital with which the Directors may deal in accordance with this Article 4.2 shall be £1,010.00 or such other amount as shall be authorised by the Shareholders from time to time. The authority conferred on the Directors by this Article 4.2 shall expire on the day preceding the fifth anniversary of the date of the adoption of these Articles provided that the Directors may make offers or agreements prior to such date which would or might require the allotment of relevant securities (as defined above) after the expiry of that authority.

- 4.3 Subject to Article 4.4, all unissued Ordinary Shares (whether forming part of the original or increased capital of the Company) which the Directors propose to offer, allot (with or without conferring rights of renunciation), issue, grant options over or otherwise deal with or dispose of, shall first be offered to the existing Shareholders at such time in proportion to the total number of Ordinary Shares held by them respectively and at the proposed issue price. Each such offer shall be made by notice, specifying the total number of Ordinary Shares being offered, the proportionate entitlement of the Shareholder to whom the offer is being made and the price per Ordinary Share and shall require each Shareholder to state in writing within a period (being not less than ten Business Days) specified in the notice whether he is willing to take any and, if so, what number of the said Ordinary Shares up to his proportionate entitlement.
- 4.4 Shareholders who accept such an offer shall be entitled to indicate that they would accept, on the same terms, Ordinary Shares (specifying a maximum number) that have not been accepted by other Shareholders ("Excess Shares"). An offer, if not accepted within the period specified with regard to any Ordinary Shares, will be deemed to be declined and shall be offered in proportion as aforesaid to the persons who have, within the same period, accepted all the Shares offered to them and any Excess Shares shall be allotted to Shareholders who have indicated that they would accept Excess Shares. Excess Shares shall be allotted pro rata to the aggregate number of Ordinary Shares held by Shareholders accepting Excess Shares provided that no such Shareholder shall be allotted more than the maximum number of Excess Shares that such Shareholder has indicated that he is willing to accept.
- 4.5 Any Ordinary Shares not accepted pursuant to such offer, not allotted as Excess Shares or not capable of being offered as aforesaid except by way of fractions and any Ordinary Shares released from the provisions of this Article by the agreement in writing of all the Shareholders shall be under the control of the Directors who may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of them to such persons, at such times and on such terms and conditions as the Directors may decide provided that no Ordinary Share may be issued on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Shareholders (if applicable) or at a discount.
- 4.6 The provisions of sections 89(1) and 90(1) - (6)(inclusive) of the Companies Act 1985 do not apply to any allotment of the Company's equity securities (as defined in section 94(2) of the Companies Act 1985).
- 4.7 Upon the allotment of any Ordinary Shares, the Company shall issue to the relevant allottee at par an Income Share of such class as the Directors shall think fit provided that no such Income Share shall be issued in the event that such allottee already holds Ordinary Shares and a related Income Share.

5 Lien and Forfeiture

- 5.1 The lien conferred by Regulation 8 attaches to all the Shares, whether fully paid or not, and to all Shares registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Shares or one of two or more joint holders. Regulation 8 is modified accordingly.

- 5.2 A Shareholder is not entitled to sell any Shares on which the Company has a lien without the previous written consent of the other Shareholders. Regulation 9 is modified accordingly.
- 5.3 The Directors are not entitled to exercise any right of forfeiture in respect of any Shares from time to time or to sell, re-allot or otherwise dispose of any Shares which have from time to time been forfeited without the prior written consent of the other Shareholders, acting by means of a Shareholder Consent. Regulations 19 and 20 are modified accordingly.

6 Transfers

- 6.1 No transfer of Shares may be registered by the Directors unless the terms of these Articles have been complied with.
- 6.2 The Board may require any proposed transferor to provide (or to procure that any proposed transferee or (to the extent that such proposed transferor is reasonably able to do so) such other person as is reasonably believed by the Board to have relevant information and/or evidence to provide) to them any information and evidence they think reasonably necessary to confirm that a particular transfer of Shares complies with these Articles. If satisfactory information or evidence is not supplied within twenty Business Days of first being requested, the Board is entitled to refuse to register the transfer in question.
- 6.3 Each Shareholder hereby irrevocably appoints the Company as his attorney (with the power to appoint any Director as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had originally been appointed as his attorney) to give effect to the provisions of these Articles.

7 Permitted Transfers

Approved Transfers

- 7.1 Notwithstanding any other provision of these Articles, if the Shareholders so approve by means of a Shareholder Consent, any Ordinary Shareholder may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any part of the Ordinary Shares held by him, free of any pre-emption rights and without restriction as to price or otherwise and any such transfer shall be registered by the Directors.

Family Trusts

- 7.2 Any Ordinary Shareholder may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any part of the Ordinary Shares held by him to trustees to be held on a Family Trust of which he is the settlor.
- 7.3 Where any Ordinary Shares are held under a Family Trust:-
- 7.3.1 on any change of trustees, those Ordinary Shares may be transferred to the new trustees of that Family Trust; and
- 7.3.2 those Ordinary Shares may be transferred at any time to the settlor, or to another Family Trust of which he is the settlor, or to any beneficiary of the Family Trust.
- 7.4 Notwithstanding any other provision of these Articles, Preference Shareholders may at any time transfer (or by will, bequeath or otherwise dispose on death) all or any part of the Preference Shares held by him free of pre-emption rights and without restriction as to price or otherwise and any such transfer shall be registered by the Directors.
- 7.5 A corporate Shareholder is free to transfer any or all of its Shares to a company within its Group. If the transferee in these circumstances ceases to be a member of the transferor's Group, it must, as

soon as reasonably practicable and in any event within ten Business Days thereafter, transfer the relevant Shares to a member of the original transferor's Group unless the Board shall otherwise approve (such approval not to be unreasonably withheld or delayed) in which case the transferee may retain such relevant Shares upon the terms set out in these Articles.

8 Mandatory Transfers

Income Shares

- 8.1 Upon the transfer of an entire holding of Ordinary Shares by any Shareholder, the transferring Shareholder shall also transfer to the relevant transferee, on the date of transfer of such Ordinary Shares, the Income Share held by him or otherwise relating to such holding (such Income Share to be transferred at par) and the Shareholder shall execute such stock transfer forms and other documents as shall be necessary to effect such transfer of the Income Share to the transferee of the relevant Ordinary Shares.

Defaulting Shareholder

- 8.2 In the event that a Shareholder (the "Defaulting Shareholder") fails or omits to fund his Due Proportion (as defined in paragraph 1, Schedule 5 to the Shareholders Agreement) (or any part thereof)(the "Shortfall") of the Loan Facility (as defined in Schedule 5 to the Shareholders Agreement) pursuant to, and in accordance with, clause 9.2 of, and Schedule 5 to, the Shareholders Agreement:-

- 8.2.1 the Company shall give notice of such failure or omission of the Defaulting Shareholder to the Defaulting Shareholder and to the other Shareholders as soon as reasonably practicable, and in any event within ten Business Days, after becoming aware of such failure or omission;
- 8.2.2 the other Shareholders shall be entitled (but not obliged) to fund such Shortfall in such proportions as they shall agree *inter se*, or, if only one other Shareholder is so willing, such Shareholder shall be entitled (but not obliged) to fund the whole of such Shortfall or such proportion as it shall think fit whereupon such other Shareholder or Shareholders shall give notice to such effect to the Company within ten Business Days of receiving notice from the Company in accordance with Article 8.2.1; and
- 8.2.3 on the tenth Business Days after such other Shareholder or Shareholders complete the funding of such Shortfall in whole or in part, a Deemed Transfer Notice (as defined in Article 9.1) shall be deemed to have been given by the Defaulting Shareholder to such other Shareholder or Shareholders in respect of such number of Ordinary Shares held by such Defaulting Shareholder as shall be calculated according to the following formula:-

$$O = T \times P/S$$

O = number of Ordinary Shares held by Defaulting Shareholder to be subject to Deemed Transfer Notice

T = total number of Ordinary Shares held by the Defaulting Shareholder

S = Shortfall

P = Amount of Shortfall funded by such other Shareholder or Shareholders

Family Trusts

- 8.3 If any Shares held under Family Trusts cease to be so held (except as a result of a transfer permitted pursuant to Article 7.3) or there are no longer any beneficiaries of the Family Trust, a Deemed Transfer Notice (as defined in Article 9.1) is deemed to have been given in respect of any Shares originally transferred to the trustees (and any additional Shares issued or transferred to the trustees as a result of their holding any such Shares) by the Shareholder of such Shares.

Insolvency

- 8.4 A person entitled to a Share in consequence of the bankruptcy of a Shareholder who is an individual shall be bound at any time, if and when so required in writing by the Directors, to give a Transfer Notice in respect of such Share and the price per Share shall be the Transfer Price as determined in accordance with Article 9 (failing which a Deemed Transfer Notice (as defined in Article 9.1) shall be deemed to have been given).
- 8.5 A Shareholder, being a body corporate, which:
- 8.5.1 has a receiver, manager, administrator, administrative receiver or similar officer appointed over all or any part of its undertaking or assets; or
- 8.5.2 enters into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction);

or a person entitled to a Share in consequence of such an event occurring in relation to a Shareholder shall be bound at any time, if and when so required in writing by the Directors, to give a Transfer Notice in respect of such Share and the price per Share shall be the Transfer Price as determined in accordance with Article 9 (failing which a Deemed Transfer Notice (as defined in Article 9.1) shall be deemed to have been given).

Deceased Shareholder

- 8.6 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death, the Directors may require the legal personal representatives of such deceased Shareholder either to effect a Permitted Transfer in respect of such Shares (including for such purpose an election to be registered in respect thereof) or to demonstrate to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder, or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a Transfer Notice in respect of such Shares (failing which a Deemed Transfer Notice (as defined in Article 9.1) shall be deemed to have been given).

9 Pre-emption Rights

- 9.1 Except as provided in Article 7 and subject as provided in Article 8 and this Article 9, every Shareholder who wants to transfer any Shares must give written notice thereof to the Company (a "Transfer Notice"). A Transfer Notice which is treated as being given is a "Deemed Transfer Notice". The transferor under a Transfer Notice and a Deemed Transfer Notice is referred to as the "Transferor".
- 9.2 Transfer Notices and Deemed Transfer Notices have the effect of appointing the Company as the agent of the Transferor for the sale of the Shares to be sold (the "Sale Shares").
- 9.3 If the Transferor is transferring his entire holding of Ordinary Shares, then no transfer of Sale Shares may take place unless the Income Share held by him or otherwise relating to such holding is transferred at par at the same time as the transfer of the Sale Shares. In such circumstances, the Income Share of such Shareholder shall be included in the definition of "Sale Shares".

- 9.4 If the Transferor is transferring part only of a holding of Ordinary Shares, the Transferor shall retain the Income Share held by him or otherwise relating to such holding and shall, in accordance with Article 9.5, request the Company to issue at par to the relevant transferee, on the date of transfer of such Ordinary Shares, an Income Share of the same class as the Income Share held by him provided that no such notice shall be required, and no such Income Share issued, in the event that such Ordinary Shares are being transferred to any of the following:-
- 9.4.1 a transferee who already holds Ordinary Shares and a related Income Share; and/or
- 9.4.2 a nominee of the Transferor.
- 9.5 In the event that Shareholder is proposing to transfer some only of his Ordinary Shares in accordance with Article 9.4, he shall give the Company not less than twenty Business Days' notice of the transfer, such notice to be sent to the Registered Office and to include the following:-
- 9.5.1 the proposed date of the transfer;
- 9.5.2 the number of Ordinary Shares to be transferred;
- 9.5.3 details of the transferee;
- 9.5.4 confirmation whether the transferee falls within any of the categories of transferee set out in the proviso to Article 9.4; and
- 9.5.5 as applicable, the class of Income Share to be issued to such transferee.
- 9.6 Upon the date of transfer referred to in Article 9.5.1 the Company shall (unless such transferee falls within any of the categories of transferee set out in the proviso to Article 9.4) issue to such transferee at par an Income Share of the same class as the Income Share held by the Transferor.
- 9.7 If the Transferor is a member of a Group and other members of that Group also hold Shares of the same class as the Sale Shares, then no transfer of the Sale Shares may take place unless all the Shares held by those Group members are transferred at the same time as the transfer of the Sale Shares. In these circumstances, the Shares to be transferred by those members of the Transferor's Group are included in the definition of "Sale Shares". The Transferor will in these circumstances act as the agent for all selling members of its Group.
- 9.8 A Transfer Notice shall specify the class, number and distinguishing number (if any) of the Sale Shares and whether or not the Transferor has received an offer from a third party for the Sale Shares and, if so, the identity of that third party and the terms offered for the Sale Shares. A Transfer Notice must be accompanied by the share certificate or certificates (or an indemnity in respect of the Sale Shares reasonably satisfactory to the Company) in respect of the Sale Shares.

Transfer Price

- 9.9 If the Sale Shares are:-
- 9.9.1 Preference Shares, the price at which the Sale Shares are to be transferred (the "Transfer Price") shall equal the Redemption Amount (unless the Transferor agrees to a lesser price);
- 9.9.2 Income Shares, the Transfer Price of the Sale Shares for the purposes of such transfer shall be their nominal value;

- 9.9.3 Ordinary Shares (subject to Articles 9.9.4), the Transfer Price of the Sale Shares for the purposes of such transfer will be decided by agreement between the Transferor and the Board but, in the absence of such agreement within twenty Business Days of receipt by the Company of the Transfer Notice, the Transfer Price shall be the price (if any) offered for the Sale Shares by any third party referred to in the Transfer Notice. In the absence of any such third party or any price being offered by such third party, the Transfer Notice shall be cancelled and the Sale shall not proceed in accordance with it although the Transferor shall be entitled to issue a further Transfer Notice at any time thereafter in accordance with these Articles; and
- 9.9.4 Ordinary Shares to be transferred pursuant to a Deemed Transfer Notice, the Transfer Price of the Sale Shares shall be the original purchase price or subscription price paid for such Shares.

Offers – General

- 9.10 Once the Transfer Price has been determined then, unless the Transferor gives a valid notice of cancellation in accordance with Article 9.9.3, the Sale Shares will be offered for sale as set out below.
- 9.11 The Company will:-
- 9.11.1 first offer the Sale Shares at the Transfer Price to all the Shareholders (except the Transferor and any members of its Group which hold Shares) pro rata as nearly as may be to the respective numbers of Shares held by those Shareholders. This offer will remain open for acceptance for ten Business Days (the “First Offer Period”) and will invite the relevant Shareholders to state in writing the maximum number of Sale Shares offered to them that they wish to buy; and
- 9.11.2 if any Shares remain unsold at the end of the First Offer Period, such unsold Sale Shares will immediately be offered at the Transfer Price to the Shareholders who have already accepted Sale Shares and, if there is more than one, in proportion as nearly as may be to their existing holding of Shares. This offer will remain open for a further period of ten Business Days and after the end of that further period, the Company will continue to make offers on the same terms while any Shareholder continues to state in writing his willingness to buy all the Shares offered to him.
- 9.12 If the Company finds a buyer for all or any of the Sale Shares, the Transferor must, upon receipt of the Transfer Price, transfer the Sale Shares (or as many of the Sale Shares as the Company has found a buyer for) to that buyer. If the Transferor fails to carry out the sale, the Company may authorise another person to execute a transfer of the Sale Shares to the buyer and the Company may give a good receipt for the Transfer Price, register the buyer as the holder of the Sale Shares and issue to it certificates for such Sale Shares. At that point, the buyer becomes entitled to the Sale Shares as Shareholder thereof.
- 9.13 The Company will hold any monies received for the Sale Shares in a separate bank account as trustee for the Transferor. The Company will pay all such money to the Transferor as soon as reasonably practicable after a demand for it has been made upon the Company by the Transferor. The Company shall have no liability to pay or account for any interest on any such monies.

Transfers Free of Pre-emption

- 9.14 If the Company fails, within ninety days of the service of the final offer by the Company under Article 9.11, to find Shareholders willing to buy all of the Sale Shares or if through no default of the Transferor (a cancellation of the Transfer Notice pursuant to Article 9.9.3 not being a default for this purpose), the purchase of any of the Sale Shares is not completed within twenty Business

Days of the due date for completion or if the Transferor is unable to agree the Transfer Price in respect of his Ordinary Shares pursuant to Article 9.9.3, the Transferor is free at any time within six months of the end of these periods to transfer any of the Sale Shares which were not accepted or in respect of which the sale was not completed or in respect of which the Transfer Price was not agreed pursuant to Article 9.9.3, to such third party (being prepared to buy the Sale Shares) as has been referred to in the Transfer Notice provided that:-

- 9.14.1 the Board shall, in its absolute discretion, have resolved that any such third party is not (and is not proposing to be) concerned or interested in, or in the development, operation, management or control of, any holiday park or other business within a radius of 25 miles from Portland in competition with the Company and/or its subsidiaries (if any);
- 9.14.2 the Transferor may not transfer the Sale Shares to any person other than any such third party so referred to in the Transfer Notice;
- 9.14.3 the sale is completed at the Transfer Price or any higher or (subject as provided in Article 9.14.4 below) lower price and the terms of payment of the purchase price are no more favourable to the buyer than those rejected by the existing Shareholders;
- 9.14.4 no Sale Shares may be sold at a lower price than the Transfer Price without the Transferor first serving a further Transfer Notice on the Company, stating such lower price; and the provisions of Article 9.11 will apply to this further Transfer Notice except that the period of acceptance will be five Business Days instead of ten Business Days and the Transfer Price will be that lower price;
- 9.14.5 the Transferor sends a copy of the terms of such sale to the Company within fifteen Business Days of the sale; and
- 9.14.6 the Buyer shall have executed a Deed of Adherence in the form appearing in Schedule 6 to the Shareholders Agreement.

- 9.15 In the event that all the Shareholders agree to sell all of their respective holdings of Shares to one or more proposed purchasers who have made a bona fide offer on arm's length terms for the entire issued share capital of the Company, the Shareholders, acting together as necessary, shall procure that out of the purchase price payable by such purchaser or purchasers, a sum equal to the Redemption Amount is paid to the Preference Shareholder in respect of each Preference Share in priority to any payment made to any other Shareholder in respect of any other class of Shares, and the Shareholders shall account, and make such payments, *inter se* to procure the payment of the Redemption Amount to the Preference Shareholder in respect of each Preference Share in accordance with this Article 9.15.

10 Proceedings of Shareholders

- 10.1 Each general meeting shall be held on Portland or at such other place as the Shareholders, by means of a Shareholder Consent, shall approve.
- 10.2 No business shall be transacted at any general meeting of the Company unless a quorum of Shareholders is present at the time when the meeting proceeds to business and, subject to Article 10.3, for its duration. Three members (or, if the Company has fewer than three members, one such member) entitled to vote upon the business to be transacted (each being a Shareholder, a proxy for a Shareholder or a duly authorised representative of a corporation) shall be a quorum.
- 10.3 If, within half an hour from the time appointed for the meeting, a quorum is not present, or if during a meeting a quorum ceases to be present for a period exceeding 10 minutes, the meeting shall stand adjourned to the same day in the following week, at the same time and place or such other time and place as the Shareholders present may decide; and if at the adjourned meeting a

quorum is not present within half an hour from the time appointed for the meeting, the Shareholder or Shareholders present shall constitute a quorum. Business transacted with only one Shareholder present in accordance with this Article 10.3 will be deemed for all purposes to constitute business transacted at a meeting and a resolution will be valid as if passed by a majority vote.

- 10.4 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 Board) must be delivered to the Registered Office not less than 24 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting and Regulation 62 shall be modified accordingly.
- 10.5 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 Companies Acts, a poll may be demanded at any general meeting by any Shareholder present in person or by proxy and entitled to vote, or by a duly authorised representative of a corporation which is a Shareholder entitled to vote.
- 10.6 When a poll has been demanded, it shall be taken immediately following the demand.
- 10.7 The chairman of the meeting shall not, in the case of an equality of votes, whether on a show of hands or on a poll, be entitled to exercise a second or casting vote.
- 10.8 Within five Business Days after each general meeting, the Company shall circulate the minutes of that meeting to all Shareholders.

11 Class Rights

- 11.1 All or any of the special rights for the time being attached to the Shares of any class may, either with the prior written approval of the holders of not less than 75 per cent. in nominal value of the Shares of that class or with the sanction of a special resolution passed at a meeting of holders of Shares of that class duly convened and held in accordance with these Articles, be varied or abrogated.
- 11.2 The provisions of these Articles relating to general meetings of the Company or the proceedings at such meetings shall, with the necessary changes being made, apply to every separate meeting of the holders of any class of shares of the Company except that the necessary quorum shall be two persons holding shares of the relevant class, present in person or by proxy (except when only one person holds shares of such class, in which case the quorum will be one), and that any shareholder of the relevant class, present in person or by proxy, may demand a poll.

12 Directors

- 12.1 The number of Directors (other than alternate Directors) shall not be more than five nor less than two provided that, if the Company has only one Director for any reason, he may exercise all the powers and discretions given to the Directors by these Articles.
- 12.2 Every appointment and removal of Directors must be by written notice:-
 - 12.2.1 deposited at the Registered Office; or
 - 12.2.2 delivered at a Board meeting; or
 - 12.2.3 delivered to the chairman at a general meeting of the Company (unless the notice relates to the chairman); or
 - 12.2.4 delivered to the company secretary.

13 Alternate Directors

- 13.1 A Director (other than an alternate Director) may appoint any other person to be an alternate Director and may remove from office an alternate Director so appointed.
- 13.2 A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.
- 13.3 Any Director who is appointed an alternate Director shall be entitled to vote at a meeting of the Board on behalf of the Director so appointing him in addition to being entitled to vote in his own capacity as a Director and shall also be considered as two Directors for the purpose of constituting a quorum for Board meetings unless he is the only individual present.

14 Proceedings of Directors

- 14.1 Subject to the provisions of these Articles and the Shareholders Agreement, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Three Directors present in person or represented by an alternate, shall constitute a quorum for Board meetings provided that, in the event that the Company has fewer than three Directors, the quorum of the Board shall be one director entitled to vote upon the business to be transacted. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum. A quorum of Directors must be present throughout all such Board meetings.
- 14.2 Matters for decision by the Board will be decided by simple majority vote. Subject to Article 17.1, each Director has one vote and in the case of an equality of votes, no director 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.
- 14.3 A resolution which has been agreed upon by at least three Directors (or, if the Company has fewer than three Directors, all the Directors) entitled to receive notice of a meeting of the Directors but not disqualified pursuant to Article 17.1 will be valid and effectual as if it had been passed at a meeting of the Directors duly convened and held, and for this purpose:-
 - 14.3.1 a resolution to which an alternate Director has agreed need not also be agreed by his appointor; and
 - 14.3.2 a resolution to which a Director who has appointed an alternate has agreed need not also be agreed by the alternate Director in that capacity.
- 14.4 Any Director or alternate Director may validly participate in a meeting of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Companies Acts, all business transacted in such manner by the Board or a committee of the Board shall, for the purpose of these Articles, be deemed to be validly and effectively transacted at such meeting notwithstanding that a quorum of Directors is not physically present in the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is situated.

15 Retirement by Rotation

The Directors shall not be liable to retire by rotation and the words "by rotation or otherwise" and "or deemed to have been reappointed" in Regulation 67, "and may also determine the rotation in which any additional directors are to retire" in Regulation 78 and the last sentence of Regulation 84 shall not apply to the Company.

16 Borrowing Powers

Subject as provided in the Companies Acts and the Shareholders Agreement, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and to issue debentures and other securities (whether outright or as collateral security) for any debt, liability or obligation of the Company or any third party.

17 Powers and Duties of Directors

17.1 A director may not exercise any vote, be included in the quorum at the meeting at which such matter is considered or agree a resolution pursuant to Article 14.3 in relation to any decision to be taken by the Board with respect to:-

17.1.1 the Transfer Price of any Shares held by such Director and in respect of which he has issued a Transfer Notice, or is deemed to have issued a Deemed Transfer Notice; or

17.1.2 any contract or arrangement under which such Director (or any of his Connected Persons) are providing, or are to provide, goods or services of any description to the Company upon any terms.

17.2 Subject to Article 17.1 and provided that he declares the nature and extent of his interests to the other Directors in accordance with section 177 or 182 of the Companies Act 2006 (as the case may be), a Director may be interested directly or indirectly in:-

17.2.1 any proposed transaction or arrangement with the Company or with any other company in which the Company may be interested; or

17.2.2 any transaction or arrangement with the Company or with any other company in which the Company may be interested.

Subject to Article 17.1, such Director may vote on the matter in which he is interested and be included in the quorum at the meeting at which that matter is considered. A Director may keep all profits and benefits he may receive as a result of that interest. Regulation 94 is modified accordingly.

17.3 For the purposes of Article 17.2:-

17.3.1 a general notice 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 made with a specified body corporate, firm or person is deemed to be a disclosure that such Director has an interest in any such transaction of the nature and extent so specified;

17.3.2 an interest of which a Director is unaware and of which it is unreasonable to expect him to be aware is not to be treated as an interest of his; and

17.3.3 an interest of a person who is, for any purpose of the Companies Acts (excluding any statutory modification not in force when these Articles were adopted), connected with a Director is to be treated as an interest of the Director and in relation to an alternate Director, an interest of his appointor is to be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director might otherwise have.

17.4 A Director shall not be regarded as having breached his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company if the matter has been authorised by the other Directors in accordance with, or otherwise satisfies the conditions set out in, section 175 of the Companies Act 2006.

- 17.5 A Director may hold and be paid for any office or position in the Company or any of its Subsidiaries provided that he cannot be the auditor of the Company or any of its Subsidiaries.
- 17.6 A Director may act in a professional capacity for the Company or any of its Subsidiaries either alone or through his firm. He and his firm may be remunerated for professional services as though he were not a Director.

18 Indemnity

Subject to the Companies Acts but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings (whether civil or criminal) 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 Company.

19 Insurance

The Board shall have the power to purchase and maintain for any Director or other officer insurance (including, without limitation, directors and officers' insurance) against any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.
