

Company number: 9734440

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

UNDERSCAR OWNERS CLUB LIMITED

Incorporated on 15 August 2015

Revised articles adopted on Sunday the 17th of March 2024

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UNDERSCAR OWNERS' CLUB LIMITED

(the Company)

Adopted on Sunday the 17th of March 2024

1 PRELIMINARY

Schedule 2 to the Companies (Model Articles) Regulations 2008 (the “**Model Articles**”) shall apply to the Company except to the extent that they are excluded or varied by these Articles and the Model Articles (save as so excluded or varied) and these Articles shall be the regulations of the Company.

2 INTERPRETATION

2.1 In these articles the following expressions have the following meanings:

The Act means the Companies Act 2006 including any statutory modification or re-enactment of such act for the time being in force;

Annual General Meeting means a meeting described in Article 18;

Business days means any day (other than a Saturday or Sunday) on which clearing banks are open for a full range of banking transactions;

Conflict situation means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, including (without limitation) any such situation or matter which relates to the exploitation of property, information or opportunity (irrespective of whether the Company could take advantage of the property, information or opportunity);

Deed of Trust means the Deed of Trust made the first day of May 1998 between Gordon John Evans Derek Harrison and Pauline Harrison (1) and Midland Bank Trust Company Limited (2) or any other deed which amends or replaces it;

Director means a Member Director or Executive Director of the Company at the relevant time;

Eligible Director means a Director who would be entitled to vote on a particular matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);

executed means any mode of execution;

Executive Director: means an employee of the Company whose duties expressly include acting as a director of the Company and whose appointment as a director is approved by the majority of the Member Directors;

Holiday Certificate means a certificate of ownership issued to any person granting a right of occupation in respect of a Unit of Occupation issued by the Directors of Underscar Owners Club Limited or, prior to 15th August 2015, by the Committee of the Underscar Owners Club pursuant to these Articles, the Rules and the terms of the Deed of Trust (as applicable).

Lease means a lease of part of the Underscar Estate made the first day of May 1998 between Gordon John Evans Derek Harrison and Pauline Harrison (1) and Midland Bank Trust Company Limited (2);

Leisure Facilities means the swimming pool, gym, restaurant, bar, beauty salon and other ancillary facilities within the Time Ownership Area;

Management Charge means the annual payment detailed in Article 22;

Members means the members of the Company at the relevant time;

Member Director: means a person who is a Member of the Company and whose appointment as a director has been made in accordance with Article 9;

Rules means the rules, bylaws and other regulations adopted by the Company from time to time in accordance with Article 27;

Secretary means the Secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company, including a joint, assistant or deputy Secretary;

Subsequent Leases means all leases, licences, and other deeds (other than the Lease) pursuant to which the Company owns or enjoys an estate or interest in the Underscar Estate or any part thereof;

Time Ownership Area means those parts of the Underscar Estate on which the Units of Accommodation and the Leisure Facilities and their adjacent or surrounding areas as demised by the Lease and the Subsequent Leases are situated;

Time Ownership Calendar means the calendar of change-over dates for each week in each year, as appended to the Rules;

Trustees means Resort Fiduciary Services Limited of the Old Coach House, Cranes Close, Turvey, Bedford MK43 8EN, company number: 5118016 or such other person or persons as are from time to time appointed as Trustees for the purpose of the Deed of Trust;

Underscar Estate means the land and buildings registered at the Land Registry under title CU73380 on 12 August 2010 situated at Underscar, near Keswick, Cumbria; and

A Unit of Accommodation is a cottage or apartment within the Time Ownership Area.

- 2.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Act or the Model Articles shall have the same meanings in these Articles, but excluding any statutory modification not in force on the date on which these Articles are adopted. Headings are for convenience only and shall not affect construction.

3 NUMBER OF DIRECTORS

The maximum number of Directors shall be eleven and the minimum number of Directors shall be six.

4 SUB-GROUPS

Where a provision of the Articles refers to the exercise of power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a sub-group, the provision shall be construed as permitting the exercise of power, authority or discretion by the sub-group. Article 7 of the Model Articles shall be modified accordingly.

5 CALLING A DIRECTORS' MEETING

Any Director may call a Directors' meeting by giving notice in writing at least 14 days prior to the date on which such meeting is called.

6 QUORUM FOR DIRECTORS' MEETINGS

6.1 The quorum for a Directors' meeting is six Directors at least three of whom shall be Members Directors.

7 PARTICIPATION IN DIRECTORS' MEETINGS

7.1 Subject to these Articles, the management of the business and affairs of the Company shall be carried out by a board of not more than eleven (11) Directors, of which no more than eight of whom shall be Member Directors and no more than three of whom shall be Executive Directors (the "**Board**").

7.2 Subject to the adoption of these Articles, the first Executive Directors to appoint ex Officio shall be:

7.2.1 the Chief Executive;

7.2.2 the Chief Operating Officer; and

7.2.3 the Finance Executive.

7.3 The Board shall meet as often as necessary and at least four times every calendar year. Any Director of the Board may call a Board Meeting by notice in writing to all the Directors of the Board at least fourteen days prior to the date for which such meeting is called (or such lesser notice as all the Directors may agree).

7.4 The chairperson of the Board shall be a Member Director (the "**Chairman**"). A Chairman shall be appointed for a period of three years.

- 7.5 If the Chairman is not participating in a Board Meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.
- 7.6 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 7.7.
- 7.7 A unanimous decision of the Directors is taken in accordance with this Article when all Directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in writing, to which each Director has indicated agreement, by electronic means or otherwise. A decision may not be taken in accordance with this article if the Directors would not have formed a quorum at such a Board Meeting.
- 7.8 The Chairman shall not have a casting vote.
- 7.9 The Board shall arrange for proper minutes of the proceedings of the Board to be taken and maintained by the Company Secretary or such other person as the Board may designate from time to time.
- 7.10 Subject to the Articles, Directors participate in a Board Meeting when:
- 7.10.1 the Board Meeting has been called and takes place in accordance with the Articles; and
- 7.10.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the Board Meeting.
- 7.11 In determining whether Directors are participating in a Board Meeting, it is irrelevant where any Director is or how they communicate with each other.
- 7.12 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

8 DIRECTORS' CONFLICTS OF INTEREST

- 8.1 Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:

- 8.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 8.1.2 may be a Director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - 8.1.3 may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
 - 8.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from the office, service or employment or from any transaction or arrangement or from any interest in any body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit; and
 - 8.1.5 shall not be entitled to vote on any resolution or be counted in the quorum on any matter referred to in any of Articles 8.1.1 to 8.1.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever (and if he shall vote on any resolution as referred to in this Article his vote shall not be counted) unless all of the other Directors determine that the interest declared is not a conflict.
- 8.2 The Directors are empowered for the purposes of section 175 of the Act to authorise any conflict situation that may arise and to amend or vary any such authorisation so given. Any such authorisation, amendment or revocation shall be given by resolution of the Directors made in accordance with these Articles and, in the case of such authorisation, section 175 of the Act. The Directors may give any such authorisation subject to terms as they shall consider appropriate and reasonable in the circumstances.
- 8.3 Any authorisation of a conflict situation by the Directors shall, subject to any express terms of such authorisation to the contrary, be automatically deemed to extend to any actual or possible conflict situation which may reasonably be expected to arise out of the conflict situation so authorised.

- 8.4 Provided that such conflict situation has been authorised in accordance with this Article 8 (and subject to any express terms of such authorisation to the contrary), any Director the subject of a conflict situation shall:
- 8.4.1 be entitled to receive notice (including any relevant board papers) of, attend and speak at board meetings relating in any way to, and deal generally with, matters concerning, connected with or arising from the conflict situation concerned but shall not be eligible to vote or count in the quorum;
 - 8.4.2 be entitled to (but not obliged to) excuse himself from reviewing any relevant board papers and/or absent himself from the whole or any part of any board meeting relating in any way to matters concerning, connected with or arising from the conflict situation;
 - 8.4.3 be entitled to keep confidential and not disclose to the Company (or use for its benefit) any information which comes into his possession as a result of such conflict situation where such information is confidential as regards any third-party; and
 - 8.4.4 not be liable to account to the Company for any benefit he may derive as a result of or arising in connection with such conflict situation, and anything done (or omitted to be done) by such Director in accordance with this Article 8.4 (or otherwise in accordance with the terms of such conflict authorisation) will not constitute a breach by him of his duties under sections 171 to 177 of the Act.
- 8.5 Article 14 of the Model Articles shall not apply to the Company.
- 8.6 He may be invited to speak at a Board meeting on that issue only after the nature and extent of his interest has been declared and considered.
- 8.7 He may be authorised to act on the Board's behalf if the Board is satisfied that it is in the interests of UOCL to do so.
- 8.8 A Director or other Member is not entitled to vote on any matter where he has declared the nature and extent of any such interest and the Board concludes that a conflict of interest arises.

9 APPOINTMENT AND RETIREMENT OF DIRECTORS

- 9.1 The Board, acting by a majority of the Member Directors shall be entitled to appoint and remove as they see fit up to three Executive Directors from time to time.
- 9.2 Subject always to the provisions of section 168 of the Act, Article 9.1 shall not prevent or otherwise restrict the general power of the Company to appoint or remove Executive Directors by way of resolution passed at a duly convened general meeting of the Company.
- 9.3 At each Annual General Meeting one-third of the Member Directors who are subject to retirement by rotation or, if their number is not a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one Member Director who is subject to retirement by rotation, he shall retire. A retiring Member Director may offer themselves for re-election for further periods of three years.
- 9.4 If the Company, at the meeting at which a Member Director retires by rotation, does not fill the vacancy the retiring Member Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless resolution for the reappointment of the Member Director is put to the meeting and lost.
- 9.5 Not less than 28 clear days before the date appointed for holding an Annual General Meeting or General Meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a Member Director retiring by rotation at the meeting) who is recommended by the Directors for appointment or reappointment as a Member Director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment or reappointment as a Member Director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Company's register of Directors.
- 9.6 Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act as a Director either to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire.

- 9.7 The Board may appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next Annual General Meeting or General Meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. If not reappointed at such Annual General Meeting or General Meeting, he shall vacate office at the conclusion thereof.
- 9.8 Member Directors shall be elected at an Annual General Meeting or General Meeting of the Company, provided that the Board may appoint a Member to fill any casual vacancy among the Member Directors arising by reason of any death, illness, resignation or otherwise. All such persons so appointed shall hold office only until the next following Annual General Meeting or General Meeting and shall be eligible for re-election for the unexpired portion of the period for which the Member Directors whom he was co-opted to replace would otherwise have been due to serve.

10 DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 10.1 The office of a Director shall be vacated if:
- 10.1.1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director;
 - 10.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - 10.1.3 a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - 10.1.4 a court makes an order which wholly or partly prevents him from personally exercising any powers or rights that he may have;
 - 10.1.5 he resigns his office by notice to the Company;

10.1.6 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated; or

10.1.7 the Company passes a special resolution with the express purpose of removing the Director from office.

11 RECORDS OF DECISIONS TO BE KEPT

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

12 DIRECTORS' EXPENSES

The Company may pay any reasonable expenses which the Directors and the secretary properly incur in connection with their attendance at:

12.1.1 meetings of Directors or subgroups of Directors;

12.1.2 general meetings; or

12.1.3 separate meetings of the holders of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

13 ADMISSION OF MEMBERS

13.1 Any person (not being a minor) may apply to be a Member by delivering a signed application, in the form that the Directors shall determine from time to time.

13.2 Incorporated companies shall, from the date of adoption of these Articles, no longer be entitled to apply to become Members.

13.3 The decision as to whether to accept an application to become a Member and the timing of that acceptance shall vest in the Directors and is exercisable at their absolute discretion. Registration of that membership shall follow in accordance with Article 13.4

- 13.4 No person shall be registered as a Member unless he is the holder of, or entitled to receive, a Holiday Certificate. For the avoidance of any doubt, a membership shall not become binding until the mandatory cooling off period, as set out in the Timeshare, Holiday Products, Resale and Exchange Contract Regulation 2021, has passed.
- 13.5 No Member may hold more than 25 Certificates of Ownerships at any one time.
- 13.6 Subject to the provisions of Article 15, membership shall not be transferable.

14 TERMINATION OF MEMBERSHIP

- 14.1 Membership of the Company shall automatically terminate on the first to occur of the following:
- 14.1.1 registration of the transfer of the Member's last Holiday Certificate, in accordance with the provisions of article 15, to the Company or to such third party applying to become a Member; and
 - 14.1.2 the Member breaching any of his obligations under these Articles (including without limitation the requirement at Article 22.1 to pay a Management Charge) and/or any of the Rules and (in the case of a breach capable of remedy) failing to remedy such breach within 14 days of being required in writing to do so by the Company or such longer period as the Board may determine.
- 14.2 A Member's membership of the Company may be terminated by the Directors, in their absolute discretion, in the event that any monies (including, but not limited to, any outstanding Management Charges) due from that Member to the Company remain outstanding for more than one year.
- 14.3 On termination of membership (howsoever brought about), all rights of the Member under his Holiday Certificate shall lapse immediately without any right to compensation and (in the case of termination under Articles 14.1.2 or 14.2 above) all rights in relation to the relevant Holiday Certificate shall be deemed upon such termination to be transferred to the Company and the Company will be entitled to issue a new Holiday Certificate.

- 14.4 All liabilities and obligations of the Member will be limited to those that were in existence (whether known about or not) as at the date the membership was terminated.

15 TRANSFER OF HOLIDAY CERTIFICATE

- 15.1 A Member may sell, gift, bequeath or otherwise transfer a Holiday Certificate to any other Member or to a third party (subject to such third party applying to become a Member), provided that written consent to the transfer has been provided by the Company.
- 15.2 The Company shall not be required to grant its consent pursuant to Article 15.1 unless:
- 15.2.1 the transfer is for the entirety of the rights attaching to the Holiday Certificate;
 - 15.2.2 any such transfer is accompanied by physical delivery of the Holiday Certificate to which the transfer relates, from the transferor to the transferee or an appropriate indemnity; and
 - 15.2.3 the transferor and transferee have complied with any other relevant Rules as regards the transfer of Holiday Certificates (involving the provision of identity documents and payment of any registration fee).
- 15.3 Upon registration of a transfer of a Member's last Certificate such Member shall immediately cease to be a member of the Company pursuant to Article 14.1.1.

16 DEATH OF A MEMBER

In the event that a Member dies, all rights and liabilities attaching to the deceased Member's Holiday Certificate or Holiday Certificates will form part of the deceased Member's estate. Article 22(3) of the Model Articles shall not apply to the Company.

17 RIGHTS OF OCCUPATION

- 17.1 The rights of occupation of the Units of Accommodation have been granted by the Company pursuant to the Lease, Subsequent Leases or any other real property used by the Company and are held by the Trustees on trust for the Members of the Company from time to time who hold Holiday Certificates.

17.2 Each Holiday Certificate issued by the Company shall be subject to the following provisions:

17.2.1 subject to the Member's compliance with these Articles and the Rules, each Holiday Certificate will entitle the registered holder thereof to occupy the Unit of Accommodation to which it relates in each calendar year for the fixed weekly period in each calendar year shown on the Holiday Certificate and for no other period, together with shared use of the Leisure Facilities and access to any common areas within the Time Ownership Area;

17.2.2 each Holiday Certificate shall expire on 30 April 2078;

17.2.3 each Member shall, and shall procure that any persons whom he permits to occupy the Unit of Accommodation to which his Holiday Certificate relates shall, comply with all Rules relating to the enjoyment of the Time Ownership Area including any Rules in respect of the Landlord's property;

17.2.4 all unallocated Holiday Certificates will belong to the Company, and may be allocated by the Company to any new or existing Member as the Company determines and on such terms as it agrees;

17.2.5 no Holiday Certificate may be issued to any person unless he is either a Member or applied to become a Member; and

17.2.6 the rights of occupation granted to each Member holding a Certificate shall at all times be subject to these Articles and the Rules and may at any time be suspended, altered or cancelled in accordance with such Articles or Rules.

18 ANNUAL GENERAL MEETINGS AND GENERAL MEETINGS

18.1 An Annual General Meeting of the Company shall be held in such a manner as the Board shall decide on such date in each year as shall be determined by the Board provided that in no case shall a period of fifteen months elapse between each Annual General Meeting. A General Meeting of the Company shall be held in such a manner and on such date as the Board shall decide.

- 18.2 The Annual General Meeting or General Meeting shall be convened by notice sent to all Members not less than twenty-eight days before the date of the Annual General Meeting or General Meeting together with the agenda of the business to be conducted at such Annual General Meeting or General Meeting. No business other than that specified in the notice of the Annual General Meeting or General Meeting or documents therewith shall be considered at the Annual General Meeting or General Meeting. Each notice of an Annual General Meeting or General Meeting shall specify whether the Annual General Meeting or General Meeting will be held in person, by electronic means only, or by a combination of approved methods of participation.
- 18.3 An Annual General Meeting and a General Meeting of the Company shall not be quorate unless 10 Members (who shall not also be Directors) are in attendance.

19 POLL VOTES

- 19.1 A poll on a resolution may be demanded:
- 19.1.1 in advance of the general meeting where it is to be put to the vote, or
 - 19.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. Such poll to be taken immediately following a demand and in such a manner as the chairman of the meeting directs.
- 19.2 A poll may be demanded by:
- 19.2.1 the chairman of the meeting;
 - 19.2.2 a majority of the Directors holding office immediately prior to the meeting; or
 - 19.2.3 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.
- 19.3 A demand for a poll may be withdrawn if:
- 19.3.1 the poll has not yet been taken, and

19.3.2 the chairman of the meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the poll was made.

19.4 On a poll vote, each Member shall be entitled to one vote for each Holiday Certificate. Where a Holiday Certificate is owned jointly the vote of the first named joint owner on the Holiday Certificate only shall be counted.

20 PROXIES

20.1 Proxies may only validly be appointed by a notice in writing (a “**proxy notice**”) which:

20.1.1 states the Unit of Accommodation owned and week number, and name and address of the Member appointing the proxy;

20.1.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

20.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

20.1.4 is delivered to the Company in accordance with the Articles and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,

and a proxy notice which is not delivered in such a manner shall be invalid unless the Directors, in their discretion, accept the notice at any time before the meeting.

20.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

20.3 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.

20.4 Unless a proxy notice indicates otherwise, it must be treated as:

- 20.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- 20.4.2 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.

21 COMPANY SECRETARY

- 21.1 The Company shall from time to time appoint a Director to act as Company Secretary. As at the date of adoption of the Articles, the Company Secretary shall be the Chief Operating Officer of the Company.

22 MANAGEMENT CHARGES

- 22.1 Each Member shall pay on demand a Management Charge for each Holiday Certificate of ownership held by him.
- 22.2 The amount of the Management Charge shall be such amount as is determined by the Board in their absolute discretion to be fair and reasonable in light of the Company's obligations to meet all the operational costs of the Time Ownership Area including (without limitation) the cost of the following:
 - 22.2.1 maintenance, decoration, fitting out, cleaning, repair and where necessary renewal of the structure (exterior and interior) of the Units of Accommodation and the Leisure Facilities;
 - 22.2.2 the maintenance and repair of all surfaces, roadways, amenity areas and facilities comprised in the Time Ownership Area or for which the Company may be responsible under the Lease and the Subsequent Leases;
 - 22.2.3 the maintenance, repair and where necessary replacement of, furniture, furnishings, fittings, fixtures and utensils within the Units of Accommodation or the Leisure Facilities;
 - 22.2.4 performance of any obligations on the part of the Company arising from the Lease and Subsequent Leases and general management of the Time Ownership Area;

- 22.2.5 insurance of the Company's property as the Directors shall consider necessary or appropriate;
 - 22.2.6 all outgoings in respect of the Company's property including taxes, rates and other charges;
 - 22.2.7 engagement with the owner of the Underscar Estate or with any governmental, local or public authority;
 - 22.2.8 management charges incurred in the management of the Company's property and in the running of the Company's affairs;
 - 22.2.9 the establishment and maintenance of a reserve fund in accordance with Article 22.6;
 - 22.2.10 the fees and expenses of the Trustees and all other costs, expenses or payments incurred by the Trustees under the Deed of Trust; and
 - 22.2.11 any other charges or expenses determined by the Board to be necessary, prudent or expedient to promote the success of the Company for the benefit of the Members as a whole.
- 22.3 The Management Charge shall be reviewed annually.
 - 22.4 Every Member shall be informed with at least eight weeks' notice of the Management Charge due in respect of their Unit of Accommodation.
 - 22.5 A Member shall be entitled to occupy a Unit of Accommodation only if their Management Charge has been paid in full.
 - 22.6 The Board will ensure that a reserve fund is maintained at a level to ensure major repair and improvement works can be undertaken when required as part of works authorised by the Board.

23 NOTICES

- 23.1 Where a notice is sent by first class post, proof of the notice having been posted in a properly addressed, prepaid envelope shall be conclusive evidence that the notice was given and shall be deemed to have been given at 10.00 am on the second business day after it was posted. Where a notice is sent by facsimile transmission proof of the notice having been sent to the correct

facsimile number shall be conclusive evidence that the notice was given and shall be deemed to have been given one hour after the time of the transmission report if despatched before 4.00 pm on any business day and in any other case at 10.00 am on the business day following the despatch. A notice sent by electronic means shall, if properly addressed, be deemed to have been given one hour after the notice was sent and a notice sent by means of a website shall be deemed to have been sent when the notice is first made available or (if later) when the recipient receives (or is deemed to have received) notice that the notice is available on the website.

- 23.2 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national daily newspaper and such notice shall be deemed to have been duly served on all members entitled to receive such notice at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

24 ACCOUNTS AND AUDIT

The Directors shall cause proper books of accounts to be kept showing the financial affairs and transactions of the Company. At the annual general meeting the Directors shall lay before the Members an audited income and expenditure account for the period since the last preceding account together with an audited balance sheet made up to the same date. Every such balance sheet shall be accompanied by proper reports of the Directors and the auditor and copies of such accounts, balance sheet and reports shall be sent to all Members at their respective addresses with the notice of the meeting.

25 DOCUMENTS IN ELECTRONIC FORM OR ON A WEBSITE

- 25.1 Where the Act permits the Company to send documents or notices to its members in electronic form or by means of a website, such documents and notices will be validly sent provided the Company complies with the requirements of the Act.

- 25.2 Subject to any requirements of the Act documents and notices may be sent in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.

26 INSURANCE

Without prejudice to the provisions of any other Article, the Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company including, without limitation, insurance against any liability incurred by any such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company (and all costs, charges, losses, expenses and liabilities incurred by him in relation to such matters).

27 RULES AND BYE LAWS

- 27.1 The Board may from time to time make such rules or bye laws ("**Rules**") as it deems necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing the conditions of membership, or the rights attaching to Holiday Certificates and in particular they may by such Rules regulate:

- 27.1.1 the admission of Members;
- 27.1.2 the rights of Members (including the rights due to a Member in respect of a Holiday Certificate held by him);
- 27.1.3 the setting of the Management Charge and arrangements for its collection, including the consequences of non-payment of a Management Charge;
- 27.1.4 arrangements by which Members may let their Units of Accommodation;
- 27.1.5 the conduct of sales and resales and the terms on which a Member may transfer a Holiday Certificate or have their Holiday Certificate cancelled;

- 27.1.6 access times, entrance fees, subscriptions and other fees or payments to be made by Members (including any fees relating to use of the Leisure Facilities);
 - 27.1.7 the conduct of Members whilst within the Time Ownership Area, in relation to one another, and in relation to the Company's employees and property;
 - 27.1.8 (subject to any overriding rights to the Members granted by their Certificates of Ownership) the setting aside of the whole or any part or parts of the Company's property at any particular time or times or for any particular purpose or purposes;
 - 27.1.9 the procedure at general meetings, Board Meetings and meetings of any sub-groups of the Company in so far as those procedures are not regulated by these Article;
 - 27.1.10 to constitute such sub-groups as the Board may think necessary for the carrying on of the management of the Company and to set the terms of reference for such sub-groups. Any sub-groups must have at least one Member Director; and
 - 27.1.11 any other matter concerning the governance of the Company or the management of the Time Ownership Area.
- 27.2 The Board may amend or supplement the Rules at any time as they see fit from time to time. The Chairman shall, at each Annual General Meeting, report to the Members on any amendments or additions to the Rules made by the Board since the last Annual General Meeting.
- 27.3 Any Member may from time to time recommend to the Board that it considers an amendment or addition to the Rules. If a recommendation to alter or supplement the Rules raised by a Member is not accepted by the Board the Member, acting together with at least one other Member, may require that an ordinary resolution is tabled at the next Annual General Meeting to amend or supplement the Rules in the manner recommended by that Member. Prior to the ordinary resolution being put before the Members at the Annual General Meeting the Chairman or any other Director may address the Members present to explain why the requested amendment or addition was rejected by the Board.

- 27.4 The Directors shall adopt such means as they deem sufficient to bring to the notice of Members all such Rules (including any amendments thereto), which so long as they shall be in force, shall be binding on all Members provided, nevertheless, that no Rule shall be inconsistent with, or shall affect or repeal anything expressly contained in these Articles.

28 INDEMNITY

- 28.1 Subject to the provisions of, and so far as may be permitted by and consistent with, the Act, every Director and other officer of the Company (other than the auditors) shall be indemnified by the Company out of its own funds against:

28.1.1 any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by such Director or officer in relation to the Company other than:

(a) any liability to the Company; and

(b) any liability of the kind referred to in section 234(3) of the Act; and

28.1.2 any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

- 28.2 Where a Director or officer of the Company (other than the auditors) is indemnified against any liability in accordance with this article 28, such indemnity shall extend to all related costs, charges, losses, expenses and liabilities incurred by such Director or officer.

- 28.3 Articles 38 and 39 of the Model Articles shall not apply to the Company.

29 DEFENCE EXPENDITURE

- 29.1 Subject to the provisions of and so far as may be permitted by the Act, the Company:

29.1.1 may provide a Director or officer of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any negligence, default, breach

of duty or breach of trust by him in relation to the Company or in connection with any application for relief under the provisions mentioned in section 205(5) of the Act; and

29.1.2 may do anything to enable any such person to avoid incurring such expenditure.

29.2 The terms set out in section 205(2) of the Act shall apply to any provision of funds or other things done under Article 29.1.

29.3 Subject to the provisions of and so far as may be permitted by the Act, the Company:

29.3.1 may provide a Director or officer of the Company with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by such Director in relation to the Company; and

29.3.2 may do anything to enable any such Director or officer to avoid incurring such expenditure.