



CLUB PUERTO ANFI CONSTITUTION

1. DEFINITIONS

In this Constitution the following expressions shall have the following meanings:

"the Club"

means CLUB PUERTO ANFI.

"the Company"

means ANFI SALES S.L. ¹, a company incorporated in Spain whose registered office is at Barranco de la Verga S/N, 35120 Arguineguín, Mogán, Gran Canaria, Canary Islands, Spain.

"the Constitution"

means this Constitution and any amendments made in accordance with the provisions for amendment herein contained.

"the Deed of Trust"

means the deed of trust in the form annexed hereto or any similar document for the time being in operation.

"the Founder Members"

means the Company and the Management Company (as hereinafter defined).

"the Liaison Committee"

means the body of persons appointed under Clause 11 hereof being the members' representative body on behalf of the Club.

"the Membership Certificate"

means the membership certificate in the form set out in the Schedule I hereto (or as near thereto as practicable) more particularly referred to in Clause 8 hereof and "Certificate" shall be construed accordingly.

"the Maintenance and Service Fee"

means the annual Maintenance and Service Fee provided for under the Management Agreement. ²

"the Management Agreement"

means the contract for management services in the form annexed hereto and more particularly referred to in Clause 11.4 hereof and any similar document for the time being in operation.

"the Management Company"

means ANFI RESORTS S.L. ³, a company incorporated in Spain whose registered office is at Barranco de la Verga S/N, 35120 Arguineguín, Mogan, Gran Canaria, Canary Islands, Spain as provided for in Clause 12 hereof and the expression "the Management Company" shall include such independent management company as may at a later date be appointed to perform the management duties referred to in Clause 12 of the Constitution.

"Members"

means the members from time to time of the Club including the Founder Members unless the context otherwise requires.

"the Ordinary Members"

means all Members other than the Founder Members.

¹ The company Anfi Sales S.L. assumed the rights and obligations of Puerto Anfi Sales S.L. under this Constitution.

² This fee is to be understood as the Maintenance Fee mentioned in the Membership Agreement.

³ The company Anfi Resorts S.L. assumed the rights and obligations of Anfi Management S.L. under this Constitution.

"the Owing Company"

means the company whose name is set out in Appendix 1 Schedule 1 of this Constitution being the owner of the Suites (as hereafter defined), and any other company or companies the shares of which are pledged to, deposited with, vested in or otherwise held to the order of the initial trustee (as set out in Clause 7.4 hereof) or its nominee with the agreement of the Founder Members and the Trustee to be held on the trusts declared in the Deed of Trust and "Owing Company" shall be construed accordingly.

"the Request for Transfer"

means the form on the reverse side of the Membership Certificate as referred to in Clause 15 hereof.

"the Shares"

means all the authorised issued shares in the Owing Company.

"Suites"⁴

means the Suites belonging to the Club at Barranco de la Verga S/N, 35120 Arguineguín, Mogán, Gran Canaria, Canary Islands, Spain referred to in Clause 3 hereof and any other Suite or residential property in Spain from time to time vested in the Owing Company and "Suite" shall be construed accordingly.

"the Appendix"

means Appendix One Schedule 1 which names the Owing Company and Suites as provided for in Clause 7.3 hereof, revised from time to time in accordance with the provisions of Clause 7.3 hereof.

Except where the context otherwise requires the words and phrases in this Constitution shall be construed in accordance with the Interpretation Act 1978 (U.K.) and the headings in this Constitution shall be ignored.

2. NAME

The Club shall be called "Club Puerto Anfi".

3. LOCATION OF THE CLUB

The main office of the Club shall be at Barranco de la Verga S/N, 35120 Arguineguin, Mogan, Gran Canaria, Canary Islands, Spain or at such other place as shall from time to time be determined by the Company.

4. OBJECTS

The Club shall be a non-profit making Club whose object is to secure for its Members the ownership of exclusive rights of occupation of the Suites for such specific periods in each year as shall be allocated to Members for the duration of the Club as hereinafter provided.

5. MEMBERSHIP

The Club shall consist of not more than two Founder Members and of such number of Ordinary Members as shall be admitted to membership as hereinafter provided.

6. FOUNDER MEMBERS

The Founder Members of the Club shall be the Company and the Management Company.

⁴ *The original wording of the Constitution used the word "Apartment".*

7. DUTIES OF FOUNDER MEMBERS AND APPOINTMENT OF TRUSTEE

7.1. The Founder Members shall cause to be conveyed or otherwise transferred to the Owing Company the legal title to the Suites set out in the Appendix hereto complete with all common rights and with such amenities, services, fixtures, fittings, equipment, furnishings, provisions and utensils as they shall reasonably consider appropriate.

7.2. The Founder Members shall arrange for the shares to be pledged to, deposited with, vested in or otherwise held to the order of an independent custodian trustee (hereinafter called "the Trustee") or as the Trustee may direct who will hold the same upon trust for the benefit of the Members from time to time upon the terms of the Deed of Trust.

7.3. (A) The Founder Members and the Trustee shall maintain the Appendix to the Constitution setting out the name of the Owing Company and the number of the Suite(s) transferred to the Owing Company. The Appendix shall be in the draft form set out in Schedule One hereto (or as near thereto as circumstances permit) and shall be revised upon each occasion that further Owing Companies are constituted or further Suites are transferred to the Owing Company and each Appendix (or as the case may be, revised Appendix) shall be executed by the Trustee.

(B) The Company shall specify the weekly commencement and termination day in respect of each Suite upon procuring the transfer of the same to the Owing Company.

7.4. The Trustee shall be Continental Trustees Limited whose registered office is at Elder House 518 Elder Gate, Milton Keynes, MK9 1LR, United Kingdom.⁵

7.5. The Deed of Trust shall at the first General Meeting of the Members duly convened and held in accordance with this Constitution be ratified and confirmed.

8. RIGHTS OF OCCUPATION

The Company shall procure that the Owing Company does not engage in any trading activity whatsoever but shall keep the Suites free from any mortgage lien or encumbrance (nor do, suffer or permit to be done anything which might prejudice the rights of use and occupancy in the respective Suites) and shall permit occupation thereof in accordance with the terms of this Clause as follows:

8.1. Not more than 51 Membership Certificates will be issued for each Suite designated from 1 to 51 inclusive and each Membership Certificate will entitle the registered holder thereof to occupy the Suite to which it relates for the weekly period or periods referred to therein in accordance with the provisions of this Constitution for the duration of the Club.

8.2. Such weekly periods will be numbered from 1 to 52 with the weekly period numbered "2" beginning on the second weekly commencement and termination day (determined in accordance with Clause 7.3 (B) of this Constitution) in each calendar year. Such periods shall commence on the weekly commencement and termination day (determined as aforesaid) specified in respect of that Suite at 16.00 hours and shall end at 10.00 hours on the following weekly commencement and termination day.

8.3. A Certificate covering more than one weekly period shall be deemed to be a series of separate Certificates, one for each weekly period it covers, for all the purposes of this Constitution including ascertainment of voting rights and entitlements upon termination.

8.4. The dates of the said weekly periods for the duration of the Club are set out in the Table of Weekly Periods annexed hereto as Appendix Three and any days unallocated to Members for weekly periods shall belong to the Company, provided that the Founder Members shall ensure that not less than seven days per annum are available for works of routine maintenance, cleaning and repair for each Suite.

⁵ The original address of Continental Trustees Ltd. changed. Post shall be sent to the following address: Continental Trustees Limited, 4th Floor, 45 Monmouth Street, London WC2H 9DG, England, United Kingdom.

8.5. Notwithstanding that the Member shall acquire occupancy rights in a specific Suite the Company reserves the right to provide accommodation in an alternative Suite which is at least equal in size or greater than the specific Suite in which a Member shall have acquired occupancy rights at the Company's sole discretion during the period that construction work is still in progress on the buildings comprising the Club's Suites pending the final completion of such construction work.

8.6. The Club has recurring periods of occupancy each of 50 years in duration from the date of entry into force of Act 42/1998 and each period will terminate at the end of week 52 of each 50-year-period. The first period of occupancy of 50 years will terminate at the end of week 52/2048.

Notwithstanding the above, all club members existing at that time, shall have the option, but not the obligation, to freely and unilaterally extend the duration of their occupancy period for a further 50 years at the end of each 50-year-period at NO cost to the member, or to the Club, and without prejudice to the members obligation to continue paying the maintenance fee. To exercise their option to extend the period of occupancy for a further 50 years, members must send a written notice to Anfi Sales S.L. and this must be received between 1st January 2047 and 31st December 2047 (1 year). Any option to extend shall imply NO additional costs to the members or to the Club and members will continue to enjoy their rights of occupancy. The obligations of the members to continue paying the maintenance fees and to respect the clauses within the Club Constitution will remain unaltered.

The decision by any member not to exercise their option to extend their occupancy period for a further 50 years will implicate an automatic termination of their contract and all rights will be assigned to Anfi Sales S.L. The termination of the contract and membership right(s) shall not entitle the member to receive any consideration or amount from the Founder Member, or from the Management Company or from the Club itself. Any obligations that the member has towards the Founder Member or to the Management Company or to the Club will also be terminated on that same date, notwithstanding the obligation of the member to continue to pay all maintenance fees up to the end of the 50 year occupancy period. The first 50-year-period of occupancy will terminate at the end of week 52/2048.

This article implements the motions approved in Resolution 1 of the Special General Meeting of the Club held on 23 June 2017 and shall be applied as agreed in said meeting.⁶

9. FIRST ISSUE OF MEMBERSHIP CERTIFICATES TO THE COMPANY

In consideration of the Company causing the Shares to be pledged to, deposited with, vested in or otherwise held to the order of the Trustee or as the Trustee may direct, the Company will initially be entitled to (and shall be liable in respect of) all the Membership Certificates in respect of each Suite listed in the initial Appendix attached to this Constitution.

10. MEMBERSHIP

10.1. Any person (not being a minor) may apply for and be admitted to membership of the Club. A person shall include an incorporated company or body, and persons may purchase in joint names in which case they shall both apply for membership.

10.2. No person or persons shall be registered as a holder or holders of a Membership Certificate or be entitled to the benefit thereof unless he or they shall be a Member or Members.

10.3. Only the Founder Members shall have power to admit applicants to membership which power shall not be exercised so as to result in two Membership Certificates being granted in respect of the same Suite and the same weekly period.

10.4. In the first instance the Company as initial holder of all Membership Certificates (as provided in Clause 9 hereof) shall issue to Members Membership Certificates and such other evidence of membership as shall from time to time be determined by the Company. Thereafter Membership Certificates may be transferred from current Members to the representatives of deceased Members in accordance with the relevant provisions of the Constitution.

⁶ This section was approved at the Special General Meeting held on the 23rd June 2017.

10.5. Membership of the Ordinary Members of the Club shall cease on the occurrence of any of the following events:

- (i) the transfer of a Member's Membership Certificate subject to the transferee becoming a Member; or
- (ii) the cancellation of a Member's Membership in accordance with the subsequent provisions of the Constitution; or
- (iii) termination of the Club in accordance with the provisions of Clause 18 of this Constitution provided always that termination as aforesaid shall be without prejudice to any person's rights in respect of a Member's liabilities arising prior to the said determination.

10.6. Any Membership Certificates not issued by the Company to Ordinary Members will belong to the Company as an Ordinary Member and it will be entitled to all the rights and privileges and subject to all the liabilities of being an Ordinary Member and Membership Certificate holder, provided that the Company will not be subject to the obligations attached to any Membership Certificate retained by it in respect of Suites (unless otherwise provided under the provisions of Clause 8) used for the purpose of maintenance and repair in any year, provided that no more than six Membership Certificates in respect of each Suite may be retained for such purpose. Without prejudice to the foregoing the Company will be entitled to let out the Suites to which such unissued Membership Certificates relate or otherwise to grant rights of occupation to third parties for the duration of the period of such unissued Membership Certificates.

11. APPOINTMENT OF A LIAISON COMMITTEE

11.1. The overall control of the business and affairs of the Club (save insofar as the same may have been delegated to the Management Company) shall be retained by the Company as hereinafter provided. A Liaison Committee shall be elected in order to represent the interests of Ordinary Members and to provide an effective means of communication between the Founder Members, the Management Company and the Ordinary Members. The Liaison Committee shall consist of not more than 5 persons, three of whom shall be Ordinary Members of the Club and two of whom shall be nominated by the Company (and may be Ordinary Members of the Club) whose function is to liaise with the Club and the Founder Members and the Management Company concerning the management of the Club generally. Unless otherwise agreed by the Company, The Founder Members and the Management Company, such Liaison Committee shall have no decision-making powers or any binding authority. The Liaison Committee shall meet as often as necessary and at least once every twelve months. Three members of the Liaison Committee shall form a quorum. Proper minutes of the proceedings at Liaison Committee meetings shall be taken and preserved.

11.2. The first members of the Liaison Committee will be elected at the first General Meeting of the Members of the Club which will take place on or before the 31st December 1997. The first Annual General Meeting of the Members will be convened by the Founder Members by notice in writing sent to every Member not less than forty-two days before the date of such meeting. Thereafter at each Ordinary General Meeting of the Club three members of the Liaison Committee shall retire and three new members thereof shall be elected for a period of three years and shall hold office until the subsequent Ordinary General Meeting. Retiring members may offer themselves for re-election. The two Liaison Committee members nominated by the Company shall cease to be such on written notice being given to them by the Company and the Company shall then nominate a successor or successors to fill any vacancy or vacancies thereby created.⁷

11.3. Save as herein provided election or removal of members to and from the Liaison Committee shall be dealt with only at Ordinary General Meetings or Special General Meetings of the Club and nominations shall be submitted in writing not less than 14 weeks before the date of such Meeting. All nominees must be seconded by a Member; this may be done in writing prior to the Meeting or at the Meeting itself from the floor. All nominees must be present at the Meeting.⁸

⁷ This section was changed after approval of the Resolution by the Club Puerto Anfi members at the General Meeting held on 29th August 2013.

⁸ This section was changed after approval of the Resolution by the Club Puerto Anfi members at the General Meeting held on 30th August 2007.

11.4. The Founder Members shall be entitled to delegate to the Management Company hereinbefore referred to such powers as may be appropriate to enable the Management Company to perform its functions. The Founder Members will on behalf of the Club enter into an Agreement with the Management Company in the form agreed for the management of the Suites and the proper provision of the various amenities and facilities to be enjoyed by the Members and any other property of the Club. The Founder Members on behalf of the Members thereof shall have power and agree to enter into the Deed of Trust referred to in Clause 7 hereof.

11.5. Without prejudice to the generality of the foregoing the Company shall have the following specific powers:

11.5.1. At any time to appoint a Member to fill any casual vacancy amongst the elected members of the Liaison Committee occurring through any death, illness, resignation or otherwise. All such persons so appointed shall hold office until the next following Ordinary General Meeting. (See footnote 7)

11.5.2. To make By-Laws at any time for the proper regulations of the Club and such By-Laws shall be binding on all Members. Such By-Laws shall not conflict with this Constitution and in the event of any apparent conflict the terms of this Constitution shall prevail.

11.5.3. To appoint such sub-committees as shall be necessary for the carrying on of the management of the Club.

11.5.4. At any time to cancel or suspend for a reasonable period of time the membership of any Member who in the reasonable opinion of the Company shall have committed a substantial breach of the provisions of this Constitution or any By-Laws or Regulations hereunder or whose conduct in the opinion of the Company shall be wholly unbecoming to a Member and who has not remedied the breach of conduct complained of within a reasonable time following a written request by the Company for him to do so. For the avoidance of doubt any dispute or difference howsoever arising out of this Sub-Clause may be the subject of a reference to arbitration in accordance with Clause 21 below. Without prejudice to the generality of the provisions of this Clause or subparagraph 11.7 or sub paragraph 14.10 below, any Member who fails to pay any Maintenance and Service Fee levied on him by the Company or by the Management Company within sixty days from the date of being given notice that such Maintenance and Service Fees have become overdue shall be treated as having committed a substantial breach.

11.5.5. To enter into all contracts and agreements which the Company may deem necessary or desirable in connection with the management of the Club and to apply the funds of the Club in payment of the expenses of management, administration and running of the Club as detailed in Clause 12 except insofar as these powers may have been delegated to the Management Company under the Management Agreement.

11.5.6. To appoint a suitably qualified Accountant being a Member of the Professional Institute of Chartered Accountants for the jurisdiction in which he or she practises, to audit the accounts of the Club annually and to appoint lawyers and other professional advisers.

11.5.7. To agree the remuneration of the auditors, lawyers and any other professional advisers from time to time appointed or instructed by or on behalf of the Club (and in the event of failure to agree the remuneration of the Trustee between the Founder Members and the Trustee) to agree the annual remuneration of the Trustee.

11.5.8. To bring, defend, agree to be joined, settle or compromise any proceedings or claims of any kind in relation to the affairs of the Club or the obligations of the Members hereunder or under the Deed of Trust referred to in Clause 7 and in the event of any such proceedings or claims relating to some only of the Members to bring, defend, agree to be joined, settle or compromise the same on behalf of such Members at their respective costs.

11.5.9. In the event of the determination of the appointment of the initial Trustee or of any Trustee subsequently appointed by or on behalf of the Club in accordance with this Sub-Clause to appoint another body or person as trustee of the property of the Club.

11.6. The Company shall maintain or cause to be maintained a register of names and current addresses of Members indicating when they became Members and when, if appropriate, they ceased to be Members.

11.7. Without prejudice to the generality of the provisions of Clause 11.5.4. hereof in the event of the cancellation of any person's membership thereunder, the Company shall use its best endeavours to cause to be transferred to the Company that person's Membership Certificate(s) and each Member hereby irrevocably agrees to appoint the Company as Attorney for that purpose and the Company shall after having arranged the sale or disposal of such Membership Certificate(s) immediately thereafter account for the proceeds thereof to the former member, after deduction of reasonable commissions, fees or any other expenses reasonably incurred in connection with the said transfer and all arrears of contributions or other payments or amounts due under the terms of this Constitution owing up to and including the date of transfer.

12. MEMBERS' LIABILITY FOR PAYMENT OF MANAGEMENT EXPENSES ETC.

12.1. The Members shall contribute in accordance with the terms of the Management Agreement to all reasonable costs incurred by the Club including and without prejudice to the generality of the foregoing the reasonable cost of the following:

12.1.1. Maintenance, repair, decoration, cleansing, and (where necessary) repair of the Suites' services and facilities provided by the Club for the benefit of the Members whether exclusive or in common with others entitled thereto.

12.1.2. Maintenance, repair and (when necessary) replacement of furniture, equipment, utensils, provisions, furnishings, fittings and fixtures in or about or pertaining to the Suites.

12.1.3. Insurance of the Suites and the contents thereof for the full reinstatement cost and other insurance whether or not relating to the Suites which the Company shall consider necessary or appropriate, or for the benefit of the Members.

12.1.4. The full amount of the rent payable by the Company or the Management Company (as the case may be) to the Member or Members of the Club in the event of the Company or the Management Company renting weekly periods from an Owner or Owners in order to facilitate maintenance repair or reconstruction works, such rent to be calculated at the full market rate for the time being in force.

12.1.5. All outgoings incurred in respect of the Suites including rates, contributions to the community of property owners to which the Suites belong and any income or other taxes or other charges or impositions whether of an annual or recurring nature or otherwise.

12.1.6. All work and acts which are required to be done to comply with any statutory provisions or the directions or notices of any governmental local or public authority.

12.1.7. Any reasonable costs whatsoever which may be incurred in the management and preservation of the value of the Club's property including but not limited to the maintenance and upkeep of common areas such as gardens, pools and other common areas, and the running of the Club's affairs.

12.1.8. The establishment and maintenance of a sinking fund for the replacement of capital items of the Club's property.

12.1.9. The establishment and maintenance of any reserve funds requested by the Trustee in accordance with Clause 13 of the Deed of Trust.

12.1.10. The fees and expenses of the Trustee and all other costs, expenses or payments to the Trustee under the Deed of Trust and the fees and expenses of the auditor, lawyers and other professional advisers hereinbefore referred to.

12.1.11. Membership fees of any golf, tennis or other club pursuant to any arrangements made by the Founder Members or the Company.

12.2.

12.2.1. Each Member shall if so required by the Management Company permit the Management Company, or

if so required, the Trustee on behalf of the Management Company, to collect the Maintenance and Service Fee by means of a direct debit from the Member's bank or, as the case may be, to the bank and for that purpose on demand from the Management Company or the Trustee to supply full details of the Member's bank account and sign and deliver to the Management Company, or as the case may be, Trustee any necessary authorization or mandates to the Member's bank.

12.2.2. Save insofar as the same may have been delegated by the Management Agreement hereinbefore referred to the Company shall have sole discretion in deciding what monies should be spent for any of the foregoing purposes and when the same shall be expended.

13. CLUB'S POWERS

The Club shall have the power:

- 13.1. To borrow money.
- 13.2. To grant securities and mortgages over its property.
- 13.3. To purchase, lease or otherwise acquire additional property and
- 13.4. To sell, lease or otherwise dispose of or deal with the Shares, its property or any rights over its property.

provided that the foregoing powers shall be exercisable only upon a decision by not less than a two thirds majority of votes cast at a General Meeting, and only upon the giving of written notice of such proposal to all Members and the Trustee of any such proposed action at least forty two days before the date of such meeting.

14. FURTHER OBLIGATIONS OF MEMBERS

The Members shall automatically be bound by the terms and provisions of the Deed of Trust upon election to membership and such Member shall by the acceptance of this Constitution also be deemed to have accepted the obligations imposed on the Club and the Members by the provisions of the Deed of Trust.

Each Member shall also be subject to the following obligations (and to the intent that such obligations shall continue to bind his estate after his death and until such time as his Membership Certificate shall be transferred to a new or other Member and notwithstanding that his personal representatives may not themselves be Members):

14.1. To vacate the Suite to which his Membership Certificate relates at the expiration of the appropriate period of time in each year and no later.

14.2. At all times to observe the regulations relating to the occupation of the Suites a copy whereof is annexed to this Constitution as Appendix Two and all variations, additions and amendments thereto made by the Company.

14.3. To keep and maintain the interior of the Suites and all of its contents to which his Membership Certificate relates in good and tenantable state and condition during the period of his occupancy and to pay or indemnify the Club against any damage, deterioration, or dilapidation (over and above fair wear and tear and damage or destruction by fire or any other risk insured against which may have taken place during the period of his occupation) as to which the Company or (during such time as the administration of the Club affairs may be delegated to it) the Management Company shall be the sole judge.

14.4. In the event of any repair or maintenance work to be carried out to the Suite or its contents during the period of a Certificate holder's occupancy of the Suite, to allow access on reasonable notice (except in the case of emergency) to necessary workmen and others to enable such work to be carried out provided that any such work will be carried out with all due diligence and speed and will not, save insofar as is reasonable, interfere with Member's enjoyment of their occupation of the Suites.

14.5. Not in any way to make alterations to the Suite to which his Certificate relates or the contents thereof.

14.6. To pay for all telephone calls made in the Suite occupied by him during his occupancy. The Management Company may demand a reasonable deposit against such charges.

14.7. To notify the Company and the Management Company forthwith of any change in his permanent address.

14.8. To pay within one month of the same being demanded the appropriate portion of the cost referred to in Clause 12 hereof incurred by the Club in any year.

14.9. Not to do anything which would make void or voidable the insurance of the Suite and its contents or any other insurance for the time being in force and relating to the Suite or which may operate to increase the premium payable in respect of any such insurance and to indemnify the Club and the Trustee against any increased or additional premium which by reason of any such act or default may be required for effecting or keeping up any such insurance and in the event of the Suite or any other property as aforesaid or any part thereof being damaged or destroyed by any insured risks and the insurance money being wholly or partially irrecoverable by reason solely or in any part of any act or default of such Member then and in every such case to pay forthwith to the Club or the Trustee or as directed by either of them (or in the case of a conflict in directions, by the Trustee) the whole or as the case may require a fair proportion to be conclusively determined by a surveyor to be appointed by the Club of the cost of rebuilding and reinstatement of the same as the case may be together with the whole or such portion as aforesaid of the fees of such surveyor.

14.10. During such times as the administration of the affairs of the Club shall be delegated to the said Management Company to pay the Management Company at the times provided by the Management Agreement his due proportion of the Maintenance and Service Fee (including where appropriate the advance Maintenance and Service Fee) provided for by the Management Agreement and further to pay upon demand any charge falling due under this Clause. In the event of any of the said sums not being paid by the due date, the Company or the Management Company, as the case may be, shall be entitled to refuse the Member in question or any other person in his place occupation of the Suite to which his Membership Certificate relates until all arrears have been discharged.

14.11. If any Member shall wish to sublet or grant rights of occupation of the Suite to which his Membership Certificate relates for money or money's worth, he shall give prior notice to the Management Company and the income derived from any such sub-letting or grant of rights of occupation shall be paid direct to the Management Company, who shall thereafter account to the Member for the income after deduction of any tax which may be levied by the appropriate Spanish authorities as a result thereof.

15. TRANSFER OF MEMBERSHIP CERTIFICATES

15.1. Any Member may subject to the provisions hereof bequeath or agree to sell or otherwise transfer the rights to which he is entitled pursuant to a Membership in favour of a third party subject to such third party becoming a Member and subject to the discharge of the Member's liabilities hereunder up to the date of transfer. In the event of the death or bankruptcy of any Member (or the winding up of a Member being a corporation) his personal representatives, trustee in bankruptcy or liquidator as the case may be, may agree to sell such rights to a third party or to vest the same in a beneficiary subject to the third party or beneficiary becoming a Member.

15.2. In the event of a Member agreeing to sell or otherwise dispose of the rights vested in him pursuant to his Membership Certificate, the Member or the personal representatives, trustee in bankruptcy or liquidator, as the case may be, shall deliver the relevant Membership Certificate to the Company or the Management Company or their lawyers with the Form of Surrender and Request for Transfer endorsed thereon duly executed by such member, personal representative, trustee in bankruptcy or liquidator (and stamped if necessary) and by the person to whom such rights are to be transferred or vested in and, upon production of satisfactory evidence of the transfer vesting or other devolution of such membership rights, and upon payment of the appropriate fee, the Company or the Management Company shall within twenty-eight days of such evidence being produced issue a new Membership Certificate in the name of the new Member whose admission shall be ratified at the next following General Meeting of the Club. The register of Members shall be duly completed to register such transfer.

15.3. A reasonable fee may be charged for the registration of the transfer which fee may be revised by the Company or the Management Company from time to time. The current fee is £25.00 plus VAT. A Member may also let the rights of occupation of the Suite to which the Certificate relates for the whole or part of the period to which his Membership Certificate relates subject to:

(a) the provisions of Clause 14.11 hereof and

(b) any requisite consent from the Spanish Authorities being previously obtained (and the Trustee in no way warrants that any such consent will be forthcoming) but provided that the Member will in any event during the period be primarily responsible for all the obligations incumbent on the holder of the Membership Certificate.

16. GENERAL MEETINGS OF THE CLUB ⁹

16.1. The Ordinary General Meeting of the Club shall be held at such place in Spain or elsewhere as the Company shall decide on such a date as shall be determined by the Company but no less than once in a period of three full calendar years and shall be convened by notice sent to all Members not less than forty-two days before the date of the Meeting together with the Agenda of the business to be conducted at such Meeting. (See footnote 7)

16.2. The Company may and shall upon a request in writing from the holders of not less than ten per cent in number of the Membership Certificates call a Special General Meeting of the Club to be convened and held in the manner prescribed for Ordinary General Meetings save that fourteen days notice only shall be necessary.

16.3. Notices of Special and Ordinary General Meetings shall contain copies of the Agenda for such meetings and the exact wording of any resolution to be voted upon at the Meeting. No business other than that specified in the Notices of Meeting and documents therein shall be considered at the Meeting.

16.4. At every General Meeting a representative of the Company (and in his absence a Chairman appointed by the Company) shall preside. Each Member shall be entitled to one vote for each weekly period to which he is entitled under a Membership Certificate held and voting rights shall be exercised by way of a poll and not by a show of hands. Members will be entitled to appoint a Proxy to vote in their stead. A Proxy need not be a Member. At all Meetings in the case of an equality of votes the Chairman shall have the casting vote. Any resolution to be proposed otherwise than by the Company at any Ordinary or Special General Meetings of the Club shall be submitted in writing to the Company not less than 14 weeks before the date of the Meeting if it is an Ordinary General Meeting or 14 weeks if it is a Special General Meeting and shall be signed by the proposer and the seconder. Any resolution involving a change in the Constitution shall require not less than a $\frac{3}{4}$ majority of all votes cast. At all General Meetings of the Club the quorum shall be eight Members present in person or by Proxy and if such quorum is not present within half an hour from the time appointed for the meeting the quorum shall be reduced to six members in person or by proxy. Minutes of all General Meetings will be prepared by the Company and circulated to all Members within 13 weeks of the General Meeting. (See footnote 8)

16.5. The instruments appointing a Proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its Common Seal, if any, and if none, then under the hand of some officer duly authorised in that behalf. The instrument appointing a Proxy and Power of Attorney or other authority if any under which it is signed or a certified or office copy thereof shall be deposited at the offices of the Club not less than forty-eight hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote and in default the instrument of Proxy shall not be treated as valid. No instrument appointing a Proxy shall be valid after the expiry of twelve months from its date.

16.6. Voting at all meetings of the Members including Ordinary General Meetings and Special General Meetings shall be on the basis of the number of Membership Certificates held whether by the Founder Members or otherwise. Where a Membership Certificate is owned jointly the vote of the first named joint owner on the Membership Certificate only shall be counted.

16.7. A resolution in writing signed by all the Members who would be entitled to receive notice of and attend and vote at a General Meeting of the Club at which such resolution was to be proposed or by their duly appointed attorney, shall be valid and effectual as if it had been passed at a General Meeting of the Club duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Members or their attorneys and signature in the case of a body corporate which is a Member shall be sufficient if made by a director thereof or its duly appointed representative.

⁹ The original wording of the Constitution used the expression "Annual General Meeting" which has been adapted to "Ordinary General Meeting" in accordance with the Resolution approved at the General Meeting held on 29th August 2013.

16.8. The Deed of Trust and Management Agreement shall be adopted and ratified by the Members at the first Annual General Meeting of the Club and notice of such ratification is to be given to the Trustee within seven days of the said ratification.

17. AUDIT

17.1. The financial year of the Club shall end on 31st December in each year or on such other date as the Company may decide. The Company or the Management Company as the case may be shall cause proper books of account to be kept with regard to:

17.1.1. All sums of money received and expended by the Club and the matter in respect of which such receipts and expenditure take place.

17.1.2. The assets and liabilities of the Club.

17.2. At the Ordinary General Meeting the Company shall lay before the Club an audited income and expenditure account for the period since the last preceding account (or in the case of the first account since the inception of the Club) together with an audited balance sheet made up to the same date. Every balance sheet shall be accompanied by proper reports from the Company and the auditor and copies of such accounts, balance sheets and reports shall be sent on a yearly basis to all Members at their respective addresses. (See footnote 7 above)

18. TERMINATION PROVISIONS

Subject to the provisions of Clause 21 (ii) below the Club shall continue in existence without limit as to time unless determined earlier at a Special General Meeting called to consider termination. An eighty per cent majority vote of all the holders of Membership Certificates shall be required to approve termination of the Club.

19. USE OF MEMBERSHIP CERTIFICATES AS SECURITY

19.1. Any Member may mortgage, pledge or assign his Membership Certificate as security for any loan or advance and in such event shall

- i. notify the Management Company with the name and address of the lender ("the Lender") in the form from time to time required by the Management Company and
- ii. deposit with the Trustee his Membership Certificate together with a true copy of the mortgage pledge or loan agreement together with an acknowledgement by the Management Company of the notice referred to in (i) above, together with an authority from the Member in the form from time to time prescribed by the Trustee and
- iii. pay to the Trustee the fee from time to time prescribed by the Trustee.

19.2. In the event of the Trustee subsequently receiving a request in writing (a "transfer request") from the Lender to that effect, the Trustee shall thereupon transfer the Membership Certificate as directed by the Lender.

19.3. Until receipt by the Trustee of a transfer notice, the Member shall be entitled and shall be subject to all the rights and obligations appurtenant to the Membership Certificate save that the Member shall not be entitled to assign or transfer the Membership Certificate without first providing to the Trustee the consent in writing of the Lender in the form from time to time prescribed by the Lender.

19.4. The Trustee, the Founder Members, the Management Company and the Club are hereby jointly and severally conclusively indemnified by the Member and as a separate indemnity by the Lender from and against any costs, claims and demands whatsoever arising out of compliance with a transfer request and without prejudice to the generality of the foregoing shall not in any way be concerned with any claims which the Member may have against the Lender or which the Lender may have against the Member.

19.5. The Trustee may require as a condition of effecting a transfer of a Membership Certificate, that prior to service of a transfer request, the Lender shall procure any necessary consent from the Spanish Authorities and

shall lodge with the Trustee such sum as the Trustee may require to cover the actual or contingent liability (if any) of the Trustee or the Owning Company in respect of any charge to Spanish taxation in relation to the transfer, together with sums sufficient to cover the costs of ascertaining and paying such tax.

19.6. The Trustee is hereby empowered to make such regulations and impose such conditions and prescribe such forms as the Trustee shall in his absolute discretion think fit in connection with the operation of the provisions of this Clause.

20. NOTICES

20.1. A notice may be given to any Member by sending it by post to the Member's address as appearing in the register. Any notice so sent by post shall be deemed to have been given on the second day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

20.2. Service of a notice or document on any one of several joint Members shall be deemed effective service on the other joint Members.

20.3. Any notice or document sent by post or left at the registered address of a Member in pursuance of these presents shall, notwithstanding that such Member be then dead or bankrupt and whether or not the Club or the Management Company has notice of the death or bankruptcy, be deemed to have been duly served and such service shall be deemed a sufficient service on all persons in any way interested in or entitled in relation to any Membership Certificate in relation to which the Member was entitled.

21. MISCELLANEOUS

(i) Any dispute or difference arising out of this Constitution shall be referred to the decision of a single arbitrator to be agreed between the parties or in default of agreement to be appointed, upon the application of either party, by the Trustee.

(ii) The Founder Members reserve the absolute right to amend any of the terms of this Constitution to the extent that such amendment may be necessary following the enactment of legislation in Spain concerning the rotational use of holiday properties.

22. PROPER LAW

This Constitution shall be governed and construed in accordance with the Laws of Scotland.¹⁰

IN WITNESS WHEREOF the parties hereto have caused their Common Seals to be hereunto affixed this day of 22 August 1995.

¹⁰ Under Spanish Act 42/1998 the Membership Agreement is governed by Spanish Law. Following the provisions of clause 21 hereof this Constitution has been adapted to the Spanish Act 42/1998 and therefore the Constitution is now governed by Spanish Law.

APPENDIX ONE

SCHEDULE 1

EDITION: Number One

This is the Appendix referred to in the Constitution of CLUB PUERTO ANFI ("the Constitution") a copy of which is annexed hereto.

This Appendix was compiled on the 22nd day of August 1995.

WE CONTINENTAL TRUSTEES LIMITED HEREBY CERTIFY that the company named in paragraph 1 of this Appendix is the Owning Company as defined by the Constitution and is the owner of the Suites set out in paragraph 2 of the Schedule.

SCHEDULE 2

PARAGRAPH ONE

PARAGRAPH TWO

NAME OF OWNING COMPANY	SUITE NUMBERS
Puerto Anfi Beach S.A.	101, 102, 103, 104, 105, 106, 107, 116, 117, 118, 119, 120, 121, 201, 202, 203, 204, 205, 206, 207, 216, 217, 218, 219, 220, 221, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 501, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 601, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 701, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 1.001, 1.019, 1.020

APPENDIX TWO

REGULATIONS (see Clause 14.2)

1. Not to use any Suite forming part of the property of the Club nor permit the same to be used for any purpose whatsoever other than as a private holiday home in the occupation of no more than the maximum numbers of persons from time to time permitted by the Club nor for any purpose from which a nuisance can arise to other Members or their permitted occupiers or any owner occupier of adjoining land nor for any illegal or immoral purpose whatsoever nor for the purpose of any trade, business, profession or manufacture.
2. No windows belonging to any Suite shall be stopped-up darkened or obstructed otherwise than by use of the curtain material or internal blinds provided by the Club and no washing, clothes or other articles shall be hung or exposed anywhere outside any Suite or in any position visible from outside the building of which any Suite forms part.
3. Not to throw dirt, rubbish, rags, oil or any deleterious material or other refuse or permit the same to be thrown into sinks, baths, lavatories and conduits of any Suite.
4. No music or singing whether by instrument or voices, wireless, gramophone, television or other means shall be allowed in any Suite so as to cause nuisance or annoyance to any Member or permitted occupier of adjoining land and in particular so as not to be audible outside any Suite between 2300 hours and 0900 hours.
5. No animal or bird shall be brought upon or kept in any Suite.
6. To comply with all arrangements from time to time made by the Club in relation to the disposal of refuse from any Suite and not to shake, beat permit to be shaken or beaten any carpets, dusters or other objects from the windows or doors of any Suite and at no time to throw dirt, rubbish, rags, food or any other material or substance whatsoever out of the windows or doors of any Suite.
7. To comply at all times with the provisions of any regulations governing the Community of Owners to which the Suites belong copies of which are available from the Management Company on request.
8. Not to store or allow to remain in any Suite any inflammable or explosive substance.
9. Not to obstruct the private roadway, passageways or pedestrian walkways serving the Suites not to use them for any other purpose than for access to and egress from the Suite which the Member is entitled to use.