



Auchrannie Country Club constitution

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THE CLUB

1. The Club shall be called "The Auchrannie Country Club" and is hereinafter referred to as "the Club"
2. The Headquarters of the Club shall be at Auchrannie, Brodick, Isle of Arran.
3. The Club will be a non profit making club whose object shall be to secure for the members joint rights of ownership of specific Lodges and also exclusive rights of occupation of these specific Lodges for specified periods in each year.
4. The Founder Members of the Club shall be Auchrannie Leisure Limited, incorporated under the Companies Act, 1985 and having its Registered Office at the Auchrannie Country House Hotel, Brodick, Isle of Arran (herein after referred to as "the Company") and Auchrannie Leisure (Services) Limited, incorporated under the Companies Act 1985 and having its Registered Office at Auchrannie Country House Hotel aforesaid and such other person or company as shall be nominated by the said Founder Members. The said Auchrannie Leisure Limited and Auchrannie Leisure (Services) Limited and their respective successors and assignees are hereinafter referred to collectively as "the Founder Members".

PROPERTY AND TRUSTEE

5. The Founder Members shall arrange for the erection on sites at Auchrannie to be chosen by them of residential Lodges (which may be self contained, terraced, apartment or studio units) complete with such amenities, services, fixtures, fittings, equipment, furnishings, plenishings and utensils as may seem appropriate to it. After each Lodge shall have been completed and be ready for occupation a Record will be drawn up by the Founder Members detailing the state and condition of the Lodge and inventorying the whole contents and others pertaining thereto, and the same shall be updated and revised from time to time as necessary by the Committee (as hereinafter defined) or the Management Company in the event of a Management Company having been appointed as hereinafter provided. The Founder Members shall arrange for the said Lodges and others and such amenity ground if any as the Founder Members shall determine to be conveyed to an independent Trustee who will hold the same for behoof of the members of the Club from time to time. The conveyance or conveyances shall contain all normal and usual clauses for conveyances of this type including a clause stating that the Lodges to be built on the ground will be used and maintained as holiday Lodges and a clause reserving a right of pre-emption to the Proprietor of the Auchrannie Country House Hotel to the effect that it shall not be in the power of the Club to sell or dispose of the Property or any part thereof to a third party without first offering the same to the Proprietor of Auchrannie Country House Hotel at the price and on the Conditions at and on which the Club shall be willing to sell the same or such part to a third party and the said Proprietor shall be bound to intimate in writing acceptance or rejection within twenty one clear days after such offer shall have been received. The said equipment, furnishings, plenishings and utensils will become the property of the Club. For each Lodge there will be issued such number of Holiday Certificates as the Founder Members shall determine so that each Holiday Certificate will entitle the holder each year to occupy the Lodge to which the Holiday Certificate relates for the period stated on the face of the Holiday Certificate. Each such period shall be calculated on the basis that it will commence on such day and at such time and terminate on such day and such time as the Founder Members shall before the issue of the Holiday Certificate determine. Unless otherwise stated in a Holiday Certificate the period will commence at 5 p.m. on the day of commencement and terminate at 10 a.m. on the day of termination. Weekly periods will be numbered 1 to 52. Periods of less than one week will be numbered and designated in such manner as the Founder Members will determine.

Unless otherwise stated in a Holiday Certificate a period which is a weekly period will commence and terminate on a Saturday. The exact dates of weekly periods which commence on Saturdays for the first 112 years from 6th January 1990 will be as set out in the Table annexed hereto, and the exact dates of all other periods will be determined by making the appropriate adjustments to the dates in the said Table. In respect that in every year there will be Fifty two periods there will in every cycle of Twenty eight years be Thirty five days unallocated to weekly periods. The unallocated days will belong to the Founder Members who will be entitled to group them together in any period of Twenty eight years in any manner which they think appropriate. In the first One Hundred and Twelve years the said unallocated days will fall at the times marked with asterisks on the said Table. In return for conveying the said Lodges and others to the Trustee the Founder Members will initially be entitled to all the Holiday Certificates in respect of each Lodge so constructed and conveyed.

MEMBERSHIP

6. Any person (including an incorporated company or body) may apply for and be admitted to membership of the Club, any reference in this context to the masculine gender being taken where appropriate to include the feminine or neuter equivalents and any reference to the singular being taken where appropriate to include the plural. Both the Founder Members and the Committee (as hereinafter defined) will have power to admit applicants to membership. Upon being admitted to membership the new member will be bound to take up at least one Holiday Certificate. Holiday Certificates may be held in joint names but the maximum number of persons who may jointly hold a Holiday Certificate at any one time shall be four. Each joint holder of a Holiday Certificate will be jointly and severally liable for all the obligations and duties (whether financial or otherwise) falling on the holder of the Holiday Certificate in question. In the first instance Holiday Certificates will be issued to new members by the Founder Members as initial holders of all the Holiday Certificates. Thereafter Holiday Certificates may be purchased or otherwise acquired from existing or retiring members or the representatives of deceased members. In so far as Holiday Certificates are not issued by the Founder Members to new members they will belong to the Founder

Members as ordinary members and they will be entitled to all the rights and privileges of being ordinary members and Certificate holders. Without prejudice to their other obligations and duties as joint holders of Holiday Certificates in terms of this Clause and of Clause 12A hereof, the Founder Members will not however be subject to the obligations and duties (whether financial or otherwise) attaching to any Holiday Certificate retained by them in respect of a weekly period given over for maintenance purposes provided that no more than four Holiday Certificates will be retained for such purposes in respect of each Lodge. Without prejudice to the foregoing the Founder Members will be entitled to let out the premises to which Certificates relate or otherwise to grant rights of occupation to third parties for the duration of the periods of such Holiday Certificates.

COMMITTEE

7. The whole business and affairs of the Club shall, except in so far as the same may have been delegated to the Management Company as hereinafter provided, be managed by a Committee which shall consist of five persons, three of whom shall be members of the Club and two of whom shall be nominated by the Company and may be members of the Club. The Committee shall meet as often as necessary and at least once in every year. Any two members of the Committee may call a Committee meeting by notice in writing to all the Committee members at least seven days prior to the meeting. One of the Committee members nominated by the Company shall act as Chairman of the Committee and in the event of neither of the nominated members being present at a meeting of the Committee the Chairman of that meeting of the Committee will be elected by a majority of those members of the Committee present at the meeting in question. Decisions by the Committee shall be on the basis of a majority of those present, and in the event of any split in voting at Committee meetings the Chairman shall have the casting vote. Three members of the Committee shall form a quorum. Proper Minutes of proceedings at Committee meetings will be taken.

8. The first three elected members of the Committee will be elected at the first meeting of the members of the Club which will take place within twelve months of the first Lodge being completed and conveyed to the Trustee. At the same time the first two nominated members will be nominated by the Company and at the first meeting only, nominations may be made in person at said meeting. The said meeting will be called by the Founder Members by notice in writing sent to every member not less than twenty eight days before the date of the said meeting. At the first Annual General Meeting of the Club and at each subsequent Annual General Meeting one elected member shall retire and a new member shall be elected. Retiring members may offer themselves for re election. The order in which the first three members retire shall be decided by the drawing of lots. Thereafter retiral of elected members shall be done by rotation, each elected member retiring at the third Annual General Meeting to be held after his or her election. The two Committee members nominated by the Company shall cease to be such of 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.

9. Subject as before provided elected Committee members shall be elected only at an Annual General Meeting of the Club. Nominations shall be made only in writing to the Chairman to reach the Chairman at least fourteen days before the Annual General Meeting and must be seconded. It shall not be competent to receive any nominations not made in accordance with these provisions.

VOTING RIGHTS

10. Voting at all meetings of the members including Annual General Meetings and Special General Meetings shall be on the basis of votes as laid down in Article 17 hereof for Holiday Certificates held, whether by the Founder Members or otherwise. In the case of a Holiday Certificate which is held in joint names the vote for that Holiday Certificate shall be cast by the first named joint holder.

POWERS OF COMMITTEE

11. The Committee shall have power to do all things that may be necessary for the carrying out of the objects of the Club and for its general management and shall be entitled to delegate to the Management Company hereinafter provided for such of its powers as may be appropriate to enable the Management Committee to perform its functions. Until such time as the Committee shall have been constituted, the management of the Club and all the powers of the Committee shall be vested in the Founder Members. In particular the Founder Members will, on behalf of the Club, enter into a Management Agreement with a Management Company (which may be itself) for the management of the Lodges and the Club's property generally. The said Management Agreement shall be in the style annexed hereto. The Founder Members will also, on behalf of the Club, enter into a Deed of Trust with an independent body or person to act as Trustee to hold the Club's heritable property. The said Deed of Trust shall be in the style annexed hereto. Without prejudice to the foregoing the Committee shall have the following specific powers:-

(a) At any time to appoint a member of the Club to fill any casual vacancy amongst the elected members of the Committee occurring through death, illness, resignation or otherwise. All such persons so appointed shall hold office only until the next following Annual General Meeting but shall be eligible for re-election for the unexpired portion of the period for which the Committee member whom he was co-opted to replace would otherwise have been due to serve.

- (b) To make bye-laws at any time for the proper regulation of the Club and such bye-laws shall be binding on all members of the Club. Such bye-laws shall not conflict with this Constitution.
- (c) To appoint such Sub-Committees as the Committee deem necessary for carrying on the management of the Club.
- (d) To cancel or suspend the membership of any member at any time who, in the opinion of the Committee, shall have committed a breach of the rules of Membership or whose conduct in the opinion of the Committee shall be unbecoming to a member of the Club. The decision of the Committee shall be final.
- (e) To enter into all contracts and agreements which they deem necessary or advisable in connection with the affairs 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 Article 12A hereof except insofar as these powers may have been delegated to the Management Company under the Management Agreement hereinbefore referred to.
- (f) To appoint a qualified Accountant as Auditor to audit the accounts (if any) of the Club annually and to appoint Solicitors and other professional advisers.
- (g) In the event of the Trustee appointed by the Founder Members at any time resigning office to appoint another body or person as Trustee of the heritable property of the Club.

12A The members of the Club (including the Founder Members, but that subject to the provisions of Article 6 hereof) will contribute in proportion to the number of Holiday Certificates held by them, to the whole costs incurred by the Club, including without prejudice to the foregoing generality the cost of the following:-

- (a) Maintenance, repair, redecoration (where appropriate), cleansing and when necessary renewal of the structure, exterior and interior of the Lodges, and the whole services, roadways, amenity areas, whether exclusive, common, mutual or otherwise.
- (b) Maintenance, repair and when necessary replacement of the whole furniture, furnishings, plenishings, fittings and fixtures in, on, about or pertaining to the Lodges.
- (c) Insurance of the Club's property both heritable and moveable for the full reinstatement value thereof and any other insurances which the Committee shall consider necessary and appropriate.
- (d) The whole outgoings incurred in respect of the Club's property including rates, feu duties and other charges or impositions, whether of an annual or recurring nature or otherwise.
- (e) The routine maintenance, cleaning and tidying of the interior and exterior of the Lodges and the amenity ground and others pertaining thereto.
- (f) All works and others which are required to be done to comply with any statutory provisions or the direction or notices of any Governmental Local or Public Authority.
- (g) Any factorial, management or any other charges whatsoever (including where appropriate Value Added Tax) which may be incurred in the management of the Club's property and the running of the Club's affairs including the fees, expenses, liabilities of the Trustee of the Club's heritable property whether paid by the Club, the Founder Members or otherwise.
- (h) The maintenance of a sinking fund (if one is established) for the replacement of capital items of the Club's property.

Except in so far as the same may have been delegated by the Management Agreement hereinbefore referred to, the Committee shall have sole discretion in deciding what monies should be spent for any of the foregoing purposes and when the same should be spent. They will also have discretion to fix what proportion of the total cost expended should be borne by the holders of different Holiday Certificates in respect that the Holiday Certificates may be for different types of Lodges or for different lengths of period.

B The Club shall have power:-

- (a) to borrow money,
- (b) to grant securities and mortgages over its property
- (c) to purchase, lease or otherwise acquire additional property, and,
- (d) to sell, feu, lease, grant servitudes and wayleaves over, or otherwise dispose of its property or any rights over its property

but the foregoing powers shall be exerciseable only upon a decision by a three-quarters majority of votes cast at a General Meeting.

OBLIGATIONS OF CERTIFICATE HOLDERS

13. The following obligations will rest with each of the holders of the Holiday Certificates:-

(a) To occupy the premises no longer than the appropriate period of time to which his Certificate relates in each year. The premises will not be used for any trade, occupation, business or commerce and there is a strict prohibition on the doing of anything which may in any way constitute or be a nuisance to any other members of the Club or any other person whatsoever, which shall include a prohibition against the drying of clothes and washing anywhere other than in the drying room provided for that purpose and a prohibition against the noisy playing of radios, tape recorders or other instruments on the balconies of Lodges or elsewhere in such a way as to constitute a nuisance to neighbouring members. Dogs, cats and other pets shall at all times be kept under control and must not do anything which might cause any damage to any of the Club's property or might in any way be a nuisance to other members of the Club. The ground belonging to the Club so far as unbuilt on shall be used as amenity ground only.

(b) To keep and maintain the premises (both structure and contents) to which his Certificate relates in a reasonable state and condition during the period of his occupancy, the Certificate holder being personally liable for any damage, deterioration or dilapidation over and above fair wear and tear which may have taken place during his period of occupation, as to which the Committee, or in the event of a Management Company having been appointed as aforesaid, the Management Company shall be the sole judges.

(c) In the event of any repair or maintenance work requiring to be carried out to a Lodge or its contents during the period of a Certificate holder's occupancy of the Lodge to allow access to the necessary tradesmen and others to enable such work to be carried out.

(d) Not to do anything which would make void or voidable the insurance of the premises and contents being occupied. In the event of the Certificate holder so doing and any insurance monies not being recoverable as a result the Certificate holder shall be personally liable for the amount so irrecoverable.

(e) Not in any way to make any alterations to the premises to which his Certificate relates or the contents thereof.

(f) (i) To pay within one month of being demanded either (a) his appropriate proportion of the total costs referred to in Article 12A hereof incurred by the Club in any year or (b) during such time as the administration of the affairs of the Club shall be delegated to a Management Company the Management Charge (including where appropriate the Advance Management Charge) payable to the said Management Company in terms of the Management Agreement and
(ii) To pay on demand any charge falling due under paragraphs (b) and/or (d) of this Article.

In the event of any of the said sums not being paid by the due date the Committee or the Management Company as the case may be shall be entitled to refuse the holder in question (or any tenant or licensee of the holder) the right to occupy the Lodge to which the Holiday Certificate relates until all arrears have been settled. Further if any holder shall at any time be in arrears with the payment of such sums (or part thereof) as aforesaid the Committee or as the case may require the Management Company shall be entitled to let the Lodge to which such holder's Holiday Certificate relates for the period during which such holder would otherwise be entitled to occupy such Lodge to any person or persons and at such rent as the Committee or as the case may require the Management Company might think fit, unless not later than ninety days before the date on which such holder's right of occupation would otherwise arise such holder pays in full all his arrears. Before exercising such right as aforesaid the Committee or as the case may require the Management Company shall give not less than thirty days written notice to such holder warning him that unless his arrears are paid in full within the said period of thirty days the Committee or as the case may require the Management Company may exercise their powers hereunder. Any rents received by any such lettings as aforesaid shall be applied in or towards discharging the holder's said arrears and the surplus if any after allowing for all fees, commission and out of pocket expenses shall be paid to the holder.

In the case of a joint holding of a Holiday Certificate the Committee or as the case may require the Management Company shall have the right to demand from the first named holder or from any other holder it may choose any sums which are payable by the holder of that Holiday Certificate.

(g) To pay for all electricity consumed by him in the Lodge which he is occupying.

(h) To notify the Committee, or in the event of a Management Company having been appointed as hereinbefore provided, the Management Company, forthwith of any change in his permanent address.

(i) In the event of his transferring his Certificate upon a sale thereof or otherwise, or letting, or, for any reason otherwise parting with possession of the premises to which his Certificate relates for a part or the whole of the period to which his Certificate relates, immediately to intimate the same to the Committee or the Management Company in the event of a Management Company having been appointed as hereinbefore provided, together with notification of the name and address of the person to whom he has transferred his Certificate or ceded his possession.

14. Any holder may at any time sell, gift, bequeath or otherwise transfer a Holiday Certificate to a third party subject to the third party becoming a member of the Club. In the event of a holder dying his representative may sell his Holiday Certificate to a third party or transfer it to an heir or legatee subject to the third party, heir or legatee becoming a member of the Club. No person who is not a member of the Club may hold a Holiday Certificate except with a view to transferring it to a person who is or will become a member of the Club and any person acquiring a Holiday Certificate shall upon application be admitted to membership of the Club. Upon a person dying or ceasing to hold a Holiday Certificate he shall automatically cease to be a member of the Club. Immediately upon a transfer of a Holiday Certificate together with a properly signed and authenticated Deed of Transfer and together also with the fee mentioned below will be delivered by the transferee to the Committee or to the Management Company in the event of a Management Company having been appointed as hereinbefore provided, and the Committee or Management Company will then endorse the Certificate to disclose the name and address of the new holder and will return the endorsed Certificate to the new holder. The fee will be such sum (plus Value Added Tax where appropriate) as will be fixed from time to time by the Committee or by the Management Company in the event of a Management Company having been appointed as hereinbefore provided. A member may also let the premises to which his Certificate relates, for the whole or a part of the period to which his Certificate relates, subject to notification being given in terms of Article 13 (i) hereof, but the member will during the period of such let remain the holder of the Certificate and will be primarily responsible for all the obligations incumbent on the holder of the Certificate. The holder of a Holiday Certificate for the time will be responsible for all obligations (including arrears of management charges) in respect of that Holiday Certificate, but notwithstanding the foregoing the Committee or the Management Company as the case may be shall be entitled to refuse to register a transfer of a Holiday Certificate until all obligations relating to that Holiday Certificate have been settled.

ANNUAL GENERAL MEETING

15. The Annual General Meeting of the Club shall be held at Auchrannie Country House Hotel, Brodick, Isle of Arran or such other place as the Committee shall decide on such date in each year as the Committee shall decide. It shall be called by a notice sent to all members not less than twenty eight days before the day of the meeting with the Agenda of the business to be conducted at such meeting.

SPECIAL GENERAL MEETINGS

16. The Committee may, of its own resolve, or must upon a request in writing from the holders of not less than thirty per cent of the Holiday Certificates, call a Special General Meeting of the Club and such meeting should be called in the manner prescribed for an Annual General Meeting save that fourteen days notice only shall be necessary.

CONDUCT OF GENERAL MEETINGS

17. At every General Meeting the Chairman of the Committee and in his absence a Chairman appointed by a majority of those present at the meeting shall preside. Each member shall be entitled to one vote for each Holiday Certificate held which relates to a period of one week and to one-half of one vote (or such other fraction of one vote as the Founder Members shall before the issue of the Holiday Certificate determine) for each Holiday Certificate held which relates to a period of less than one week. Members will be entitled to appoint proxies to vote in their stead. Any member who does not attend a General Meeting in person and who does not appoint a proxy by means of a written Instrument of Proxy signed by the member will be deemed to have appointed the Company acting through one of its Directors to act as his proxy at the Meeting and to vote for the member in whatever way the Company acting through one of its Directors considers appropriate. At all meetings in the case of an equality of votes the Chairman shall have the casting vote. In the case of a Special General Meeting no business other than that specifically stated in the notice calling the meeting shall be considered. Any resolution to be proposed otherwise than by the Committee at any General Meeting of the Club shall be intimated in writing to the Committee not less than fourteen days before the date of the meeting and shall be signed by the proposer and seconder. Any resolution involving a change in the Constitution shall require a three-quarters majority of all votes cast.

18. The financial year of the Club shall end on Thirty first March or such other date as the Committee with the approval of the Management Company in the event of a Management Company having been appointed as hereinbefore provided may decide in each year. In the event of the Club having any financial transactions it shall be the responsibility of the Committee to ensure that correct accounts and books are kept showing the financial affairs and intromissions of the Club and in that event an audited statement of the accounts and balance sheet of the Club, together with a report by the Auditor shall be submitted to each Annual General Meeting.

19. In the event of the assets of the Club for any reason being distributed amongst the members of the Club the same shall be distributed in accordance with the relative values of the Holiday Certificates held by the members as the same shall, failing agreement, be determined by arbitration in manner aftermentioned. Any unbuilt upon ground (with the exception of roads and amenity ground, if any, immediately surrounding the Lodges) shall revert to the Founder Members.

20. Any dispute or difference arising out of these presents shall be referred to the decision of a single expert, to be agreed between the parties or in default of agreement to be appointed on the application of either party by the President for the time being of the Law Society of Scotland, to act as an expert and not an arbiter.

DEED OF TRUST

among

(1) AUCHRANNIE LEISURE LIMITED, incorporated under the Companies Act 1985 and having its registered office at Auchrannie Country House Hotel, Brodick, Isle of Arran (hereinafter called "Leisure"),

(2) AUCHRANNIE LEISURE (SERVICES) LIMITED, incorporated under the Companies Act 1985 and having its registered office at Auchrannie Country House Hotel aforesaid (hereinafter referred to as "Services"), and

(3) CAMPBELL RIDDELL TRUSTEES, 12 Woodside Place, Glasgow G3 7QN (hereinafter called "the Trustee")

WHEREAS Leisure and Services are the founder members of a Club known as The Auchrannie Country Club (hereinafter called "the Club") the object of which is to secure for the members joint rights of ownership of specific lodges and also exclusive rights of occupation of these specific lodges at Auchrannie, Brodick, Isle of Arran for specified periods in each year; AND WHEREAS it is provided in the Club's Constitution (a copy of which is annexed and executed as relative hereto) that the title to the heritable property of the Club shall be vested in an independent trustee for behoof of the members of the Club from time to time, THEREFORE it is agreed among Leisure and Services (hereinafter collectively referred to as 'the Founders') on the one part and the Trustee on the other part in manner following:-

1. The Founders hereby appoint the Trustee and the Trustee agrees to act as Trustee on behalf of the Club and the members thereof from time to time subject to the provisions hereof. The Founders shall convey or cause to be conveyed to the Trustee or any subsidiary company of the Trustee or to any nominee company of the Trustee the heritable property referred to in the said Constitution which is hereinafter called "the Property". The title deed or deeds shall remain throughout the period of this agreement in the custody of the Trustee.

2. The Founders shall insure the Property and keep the Property insured with insurers of good repute to be approved by the Trustee against such contingencies and risks, in such manner and for such amounts as the Trustee shall reasonably require, exhibit to the Trustee as and when requested the Policy or Policies taken out and maintained from time to time in respect of such contingencies and risks, cause the interest of the Trustee to be noted on such Policy or Policies in such terms as the Trustee shall reasonably require, produce to the Trustee (if demanded) the receipts for the current premiums within fourteen days after their becoming due and payable and deposit with the Trustee the Policies of such insurance if and when required by the Trustee failing which the Trustee may, at the expense of the Club, which failing the Founders, effect or renew any such insurances as the Trustee (acting reasonably) shall see fit.

All money which may at any time hereafter be received or receivable under any such insurance or any other insurance covering any of the Property against such contingencies and risks as aforesaid shall be applied in replacing, restoring or reinstating the property damaged or destroyed.

3. The Trustee will be entitled to exercise such of the powers competent to trustees in Scotland, gratuitous or otherwise, as it may be requested in writing to exercise by the Club or its committee (as defined in the Constitution) or otherwise in terms of the Constitution and, except as otherwise requested, the Trustee shall be under no obligation to exercise any discretions or powers vested in the Trustee. The Trustee shall not be bound to concur in or perform any act or acts which in the opinion of the Trustee shall be illegal or shall constitute a breach of trust or shall involve the Trustee or any subsidiary or nominee company in any personal liability.

4. The Trustee shall have no responsibility for the administration or management of the Property, shall not be liable for any losses or depreciations which may result in any way to the Property and shall give no guarantee in regard to the validity or otherwise of the title to the Property.

5. The Trustee shall not be required to take any legal action in relation to any matter whatsoever unless fully indemnified by the Club or the Founders to the reasonable satisfaction of the Trustee for all reasonable costs and liabilities likely to be incurred or suffered by the Trustee.

6. The Trustee shall be entitled to obtain legal advice from its solicitors for the time being and/or the opinion of Counsel on any matter relating to the Property or in relation to the trust hereby constituted or the exercise of the Trustee's powers or duties hereunder. The reasonable costs incurred by the Trustee under and in terms of this clause shall be reimbursed by the Club or, which failing, the Founders.

7. The Founders hereby warrant that save as otherwise ordered by a Court of competent jurisdiction or as provided herein the Trustee shall not by entering into and acting in pursuance of the terms or conditions of this Deed of Trust owe any duty, obligation or liability to any person or persons (whether corporate or individual) other than the Club and that no such person or persons shall be entitled to charge, pledge or demand or to require or oblige the Trustee or any subsidiary or nominee company of the Trustee to transfer any property held by the Trustee or any such subsidiary or nominee company in pursuance of this Deed of Trust.

8. The Founders hereby warrant for themselves and on behalf of the Club that the Trustee's name shall not appear on any literature or document or in any advertisement, video or other promotional material issued by or on behalf of the Founders or the Club without prior approval in writing of the Trustee having first been obtained .

9. The Trustee shall not be responsible for any loss suffered by the club or any member thereof or by the Founders arising out of or in respect of any act or omission on the part of the Trustee, its officers, employees, servants or agents in respect of the property unless the same shall have been caused by or have arisen from bad faith or negligence on the Part of the Trustee or its said officers, employees, servants or agents.

10. The Founders shall pay or procure that the Club shall pay to the Trustee as remuneration for the performance of its duties hereunder such reasonable fees as may be separately agreed between the Founders and the Trustee together with all out of pocket expenses incurred by the Trustee in the performance of its duties under this Deed of Trust. The Founders shall pay such remuneration exclusive of value added tax which shall be added at the rate applicable from time to time.

11. The Founders for themselves and as agents for and on behalf of the Club hereby agree to indemnify and keep indemnified the Trustee (or the Trustee's subsidiary or nominee company as the case may be) from and against all costs, liabilities and expenses which may result from the performance by the Trustee of its duties hereunder and the Trustee shall be kept fully indemnified by the Club and the Founders against all losses , claims, demands, expenses and others made or incurred in connection with the property or in any other way in connection with the holding by the Trustee of the office of Trustee hereunder except such as may arise from bad faith or negligence of the Trustee (or its subsidiary or nominee company as the case may be) or its officers, employees, servants or agents.

12. The Trust hereby constituted shall commence on the last date of execution hereof ("the Commencement Date") and shall continue thereafter in full force and effect until terminated either by the Founders or the Club giving not less than six calendar months' notice in writing to the Trustee or by the Trustee giving to the Founders and the Club not less than six calendar months' notice in writing. Any notice given under this clause shall expire on the last day of any calendar month and such notices shall not be given in any event before the expiry of one year from the commencement date.

13. Upon termination of the Trust hereby constituted (hereinafter referred to as "Termination") the Club, which failing the Founders, shall pay to the Trustee all remuneration then owing to the Trustee together with any outstanding out of pocket expenses and all expenses incurred by the Trustee in disposing the title to the Property as provided in Clause 14.

14. On termination the Trustee shall at the expense of the Club, which failing the Founders, convey the Property, the title to which is then vested in the Trustee (or its subsidiary or nominee company) or cause such property to be conveyed at the sole discretion of the Trustee either:-

- (i) to any succeeding Trustee, providing such succeeding Trustee:-
 - (a) shall have entered into an Agreement with the Club, and
 - (b) shall have been shown by the Founders or the Club to the reasonable satisfaction of the Trustee to be acceptable to the members of the Club as such Trustee, or
- (ii) the committee for the time being of the Club as defined in the Constitution .

15. The Founders undertake to give or procure that there shall be given to the Trustee the names and addresses of all members of the committee of the Club and of its secretary and further undertake to inform or procure that the Trustee shall be informed of any change of such members or secretary with the full name and address of each new member or secretary. The Founders shall procure that within seven days of the relevant meeting there shall be delivered to the Trustee duly certified by the chairman or secretary of the committee of the Club an excerpt from the Minute of any meeting of the committee or of the members of the Club minuting the resignation of a member of the committee or its secretary or the election or appointment of a new member of the committee or of a new secretary and any change in the constitution of the Club approved by the members. The Founders shall also procure that there shall be delivered to the Trustee a copy of each annual audited account of the Club. The Trustee shall be given notice of and shall have the right to attend as observer all General Meetings of the members of the Club but shall have no right as Trustee, to vote at any such meeting.

16. The Trustee or any subsidiary or associated company of the Trustee shall not be precluded from acting as banker to the Founders or the Club nor shall the Trustee or any subsidiary or associated company of the Trustee be precluded from making any advances to the Founders or the Club on such terms as may be agreed or for making any contract or entering into any financial or other transaction in the ordinary course of business with the Founders or the Club and shall be entitled to charge interest on overdrawn accounts and to make the usual banker 's charges and shall not be liable to account either to the Founders or the Club for any profit made in connection therewith .

17. The whole provisions of this Deed of Trust shall apply mutatis mutandis to any successor of either Leisure or Services as founder members of the Club.

18. Any notice which is required to be given hereunder shall be given or served by sending the same by pre-paid first class mail or telex to the Founders, to the Club or to the Trustee, as the case may be and any notice sent by post shall be deemed to have been given or served forty eight hours after dispatch and any notice sent by telex shall be deemed to have been given or served at the time of dispatch.

19. This Deed of Trust shall be governed by and construed in accordance with the Law of Scotland : IN WITNESS WHEREOF

It is CONTRACTED and AGREED between AUCHRANNIE LEISURE LIMITED, incorporated under the Companies Act 1985 and having its Registered Office at Auchrannie Country House Hotel, Brodick, Isle of Arran and AUCHRANNIE LEISURE (SERVICES) LIMITED, incorporated under the Companies Act 1985 and having its registered office at Auchrannie Country House Hotel aforesaid, both founder members in terms of Article 4 of the Constitution of The Auchrannie Country Club whose headquarters are at Auchrannie, Brodick, Isle of Arran (hereinafter referred to as "the Club") and as such acting for and on behalf of the Club of the one part and the said AUCHRANNIE LEISURE (SERVICES) LIMITED in its own right (hereinafter referred to as "the Management Company") of the other part as follows:-

1. The Management Company shall undertake on behalf of the Club, and the Club hereby delegates to the Management Company the management the administration of the whole of the Club's property at Auchrannie, Brodick. Without prejudice to the generality of the foregoing the Management Company will be responsible for all the items detailed in paragraphs (a) to (h) of Article 12A of the Constitution of the Club except that while System A aftermentioned shall apply there shall be no obligation on the Management Company to establish or maintain a sinking fund in terms of the said Article 12A (h), and any sinking fund which is established while the said System A shall apply shall remain the property of the Management Company. The Management Company will use its best endeavours to ensure that the management and administration foresaid are carried out in the best interests of the members of the Club and will effect all maintenance, repairs, redecoration and renewals as and when the same shall be necessary.

2. The Management Company shall during the subsistence of this Agreement be entitled to exercise all the powers of the Committee of the Club (hereinafter referred to as "the Committee") in connection with the management and administration of the Club's property and affairs, including the power and right to collect from each member of the Club the annual management charge due from him pursuant to Article 13 (O(i) of the said Constitution (hereinafter referred to as "the Management Charge") and also any additional sum or sums due from him pursuant to Article 13 (f)(ii) thereof.

3. When a Lodge is completed the initial Management Charge payable in respect of that Lodge shall be for the period from the date of issue of a Certificate of Completion for that Lodge by the Building Authority of Cunninghame District Council (hereinafter referred to as 'the date of completion") until the next succeeding Thirty first of March, with apportionment on a day to day basis when a new Holiday Certificate for a completed Lodge is issued on any day other than Thirty first March .

4. There shall be two methods of determining the Management Charge, and these methods shall be known as "System A" and "System B". System A will apply unless and until a change has been made to System B as hereinafter provided for.

5. Under System A the Management Charge shall be a fixed sum which shall be determined by the Management Company, and notified to the holder of the Holiday Certificate at or before the time of issue of the Holiday Certificate. Unless a change has been made to System B as hereinafter provided for, this fixed sum will be subject to review on Thirty first March Nineteen hundred and ninety one, and on each succeeding third anniversary thereof in accordance with the percentage increase or decrease in the Retail Price Index published by Her Majesty's Stationery Office (or such other index as may be substituted therefor by the Government) since the date of completion or the previous date from which a review took effect as the case may be. The Management Charge under System A will be payable in advance on the date of completion or on Thirty first March in each year as the case may be, with apportionment on a day to day basis when a new Holiday Certificate for a completed Lodge is issued on any day other than Thirty first March.

6. At any time not earlier than nine months and not later than three months before Thirty first March Nineteen hundred and ninety one either the Committee (acting on the authority of a resolution of the Club in general meeting) may give written notice to the Management Company, or the Management Company may give written notice to the Committee that with effect from Thirty first March Nineteen hundred and ninety one System A is to be discontinued and replaced by System B. In such event System A shall be so discontinued and shall be so replaced and thereafter System A shall not be reinstated except by the mutual agreement of both the Club and the Management Company. If the said option to discontinue System A and replace it by System B shall not be exercised during the period foresaid the Club and the Management Company shall each have a like option of electing to discontinue System A and to replace it by System B during the like six month period of each subsequent year after Thirty first March Nineteen hundred and ninety one during the subsistence of the Agreement (that is to say that the next opportunity for exercising the said option would be not earlier than nine months and not later than three months before Thirty first March Nineteen hundred and Ninety two and so forth) and in the event of such option being exercised in any subsequent year the like consequences shall in each case thereafter ensue as if the option had been exercised prior to Thirty first March Nineteen hundred and ninety one. Notwithstanding the foregoing the changeover to System B shall not without the consent of the Management Company be effected in respect of any Lodge built after the coming into effect of this Agreement until the expiry of three years from the date of completion of such Lodge.

7. Under System B the arrangements will be as follows:-

(i) The Management Charge shall be a proportionate part (apportioned pursuant to the discretion provided by Article 12 of the Constitution of the Club) of the aggregate of (a) the total cost to the Management Company in each year of providing the

services it hereby agrees to provide including all the overhead expenses, outlays and outgoings of the Management Company in providing these services and the salaries of all the employees of the Management Company to the extent that they are engaged in the provision of these services and (b) by way of factorial fee the additional sum of Fifteen per centum of the said total cost mentioned in (a):

(ii) The Management Company shall before Thirty first March in each year give written notice to each member requiring him to pay on Thirty first March of that year an estimated advance payment (hereinafter referred to as "the Advance Management Charge") of his liability for the year commencing on that date in respect of the Management Charge for each Holiday Certificate held by him, and each member shall forthwith pay the Management Company his Advance Management Charge. The amount of the Advance Management Charge shall be such amount as the Management Company shall in their sole discretion determine to be a fair and reasonable amount;

(iii) The amount of the total Management Charge for each year shall be ascertained and certified annually by a Certificate (hereinafter called 'the Certificate') signed by the Auditors of the Management Company as soon as reasonably practicable after the end of the year in question, and as soon as reasonably practicable after the signature of the Certificate each member shall be furnished with (a) an account of the said total Management Charge (and also the said additional fifteen percentum figure) and (b) the proportionate amount payable by each member in respect of each Holiday Certificate held by him, and after giving each member credit for the Advance Management Charge already paid by him and showing such adjustment (if any) as may be necessary, there shall forthwith be paid by each member to the Management Company any balance still payable by him in respect of the proportionate amount foresaid due from him in respect of the Management Charge or (as the case may be) there shall forthwith be repaid by the Management Company to the member any amount which may have been overpaid by the member by way of an Advance Management Charge;

(iv) On the issue of each new Holiday Certificate to a member of the Club such member shall forthwith pay an Advance Management Charge in respect of the remaining period of the year in which such Holiday Certificate shall be issued to him but the Management Charge for which he shall be liable in such year shall (when necessary) be apportioned on a day to day basis.

8. This Agreement shall subsist from the date of the last date of execution hereof or, if later, date of issue of a Certificate of Completion by the Building Authority of Cunninghame District Council for the first of the Club's Lodges to be completed until Thirty first March Two thousand and ten with an option to the Management Company to continue the Agreement for a further period of twenty one years thereafter.

9. The Management Company shall be entitled to assign its rights and obligations hereunder at any time to the owner for the time being of Auchrannie Country House Hotel, Brodick, Isle of Arran or to any other person or body provided such other person or body shall be of a responsible stature.

10. Any dispute or difference arising out of this Agreement shall be referred to the decision of a single expert to be agreed between the Committee and the Management Company or in default of agreement to be appointed on the application of either party by the President for the time being of the Law Society of Scotland: IN WITNESS WHEREOF



The Auchrannie Country Club

HOLIDAY CERTIFICATE

WE, AUCHRANNIE LEISURE UNITED, incorporated under the Companies Act 1985 and having our registered office at The Auchrannie Country House Hotel, Brodick, Isle of Arran and AUCHRANNIE LEISURE (SERVICES) UNITED, incorporated under the Companies Act 1985 and having our registered office at Auchrannie Country House Hotel, aforesaid as founder members of the Auchrannie Country Club of Auchrannie, Brodick, Isle of Arran in pursuance of the provisions of Article 6 of the Constitution of the said Club and IN CONSIDERATION of the price of **THOUSAND HUNDRED AND POUNDS** plus Value Added Tax of Nil making a total of **THOUSAND HUNDRED AND POUNDS** of which we hereby acknowledge receipt Have Sold and Do Hereby GRANT and CONVEY to and in favour of:

**Mr and Mrs
Residing at:**

who and whose successors and assignees are hereinafter referred to as ("the Holder") this Holiday Certificate which shall entitle the Holder to occupy the Lodge which is known as **Lodge -Number** Auchrannie, Brodick, Isle of Arran together with right use of one car parking space such space to be determined by us and our successors as founder members aforesaid and that for the period no: () in each year all terms of and with and under the conditions specified in the Constitution of the said Club including the obligation to pay all management charges due by the Holder of this Certificate. The said period to commence and terminate on day each year. And we certify that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value of the aggregate amount or value of the consideration exceeds THIRTY THOUSAND POUNDS

IN WITNESS WHEREOF these presents are subscribed at BRODICK all on the **2017** as follows:-

For and on behalf of us the said Auchrannie Leisure (Services) Limited by a Director or the Company Secretary before the witness

Hereunto subscribing:-

Country Club
Auchrannie Country House Hotel
Isle of Arran. KA27 8BZ

Director | Secretary

For and on behalf of us the said Auchrannie Leisure (Services) Limited by a Director or the Company Secretary before the witness

Hereunto subscribing:-

Country Club
Auchrannie Country House Hotel
Isle of Arran. KA27 8BZ

Director | Secretary



brodick, isle of arran, KA27 8BZ

01770 302020

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