

PENINA GOLF APARTMENTS CLUB

1. CONSTITUTION

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- ii) Specimen Purchase Agreement
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THE PENINA GOLF APARTMENTS CLUB

CONSTITUTION

1. DEFINITIONS

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

"Apartments"	the apartments at Penina Golf Course as named in Schedule Two and any other apartment, apartments or villas from time to time vested in an Owning Company
"Club"	Penina Golf Apartments Club
"Chairman"	an individual elected by the Committee to be chairman of the Club
"Cessation Date"	the date upon which the Club ceases.
"Committee"	the body of persons appointed under Clause 9 of this Constitution
"Constitution"	this constitution and any amendments made to it in accordance with the provisions outlined in it
"Declaration of Trust"	the declaration in the form annexed to this Constitution or any similar document for the time being in operation and 'Declaration of Trust ' shall be construed accordingly
"Form of Surrender and Request"	the form of surrender referred to in clause 13.2. A copy is attached at Appendix (iii)
"Management Company"	Penina Golf Apartments Limited. a company incorporated in England and Wales with its Registered Office at 1 st . Floor, Bridge House, Hatfield, Hertfordshire. AL10 0SP
"Management Fees"	the charges provided for in this Constitution
"Members"	the members from time to time of the Club
"Membership Certificate"	the certificate referred to in Clause 7.
"Owning Companies"	the companies the names of which are set out in Schedule Two of this Constitution
"Property Manager"	the local property manager appointed by the Committee pursuant to Clause 9.5.4
"Shares"	the issued shares of the Owning Companies
"Temporary members"	those Members with limited rights whose membership is limited to their temporary occupation of an apartment.
"Trust Company" or "PTL"	Penina Trustees Limited (PTL)
"Trustee" or "Trustees"	means PTL or its directors or its subsidiaries or their directors

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

2. NAME

The Club shall be called " Penina Golf Apartments Club"

3. LOCATION OF CLUB

The main location of the Club shall be at Penina Golf Course, Alvor, Algarve, Portugal, or at such other place as shall from time to time be determined by the Committee.

4. OBJECTS

The Club shall be a non-profit making club whose objects are to secure for its Members:

- a. joint rights of ownership of the Shares and hence the Apartments; and
- b. exclusive rights of occupation of the Apartments for specified periods in each year until the Cessation Date.

5. **MEMBERSHIP**

The Club shall consist of such number of Members and Temporary Members as shall be admitted to Membership in accordance with this Constitution.

6. **DUTIES AND RIGHTS OF THE COMMITTEE AND THE TRUSTEE**

- 6.1 The Committee shall ensure that the Owing Companies of the Apartments, as set out in Schedule Two, have legal ownership of the appropriate Apartments. The Committee shall further ensure that the Apartments are complete with such amenities, services, fixtures, fittings, equipment, furnishings, provisions and utensils as they shall reasonably consider appropriate and shall ensure that all Members, during their period of occupation under the terms of Clause 7 below, have the right to use such facilities as may from time to time be available to them ("the facilities") and in addition shall ensure that the Members, Temporary Members and their bona fide resident guests and permitted occupiers shall become temporary full members of Penina Golf Club (but provided that not more than four may become such members) during their period of occupancy of the Apartments (upon showing a reasonable degree of competence to the course professional, if so requested).
- 6.2 The Club shall indemnify the Trustee and members of the Committee against any claims or damages and expenses arising in relation to the affairs of the Club, except where the Trustee or, as appropriate, its officers or Committee member is guilty of fraud.
- 6.3 The Shares shall be registered in the name of the Trustee who will hold the same on trust for the benefit of the Members from time to time upon the terms of the Declaration of Trust in the form at Appendix (i). PROVIDED ALWAYS that the exercise of any power or discretion relating to the Club's property which shall require the participation of the Trustee shall at all times require the prior approval of the Club and/or (as the Constitution may require) the Committee.
- 6.4 The Committee shall ensure that the share certificates of the Owing Companies and the title deeds of the properties are held in Portugal as required under Portuguese law, with instructions only to release them when requested to do so on the authority of at least two members of the Board of PTL and the Chairman of the Club, and one other Committee member.
After the Cessation date The Trustee shall ensure that the share certificates of the property companies and the title deeds of the Apartments are held by the Clubs solicitor, with instructions only to release them when requested to do so on the authority of two members and the Chairman of the Board of PTL.
- 6.5 The normal method of communication between the Committee and Members may be by e-mail if the Member has supplied an e-mail address to the Club

7 **RIGHTS OF OCCUPATION**

- 7.1 The Committee shall procure that the Owing Companies and the Trustee do not engage in any trading activity whatsoever and shall keep their respective Apartments free from any mortgage lien or encumbrance (nor do, suffer or permit to be done anything that might prejudice their ownership of the respective Apartments) and shall permit the occupation of them in accordance with the terms of this Clause as follows:
- 7.1.1 For each Apartment there will be issued 50 Membership Certificates that will be valid for one week each calendar year until 31 December 2024 (or 31 December 2014 in certain circumstances) and will entitle the registered holder thereof and all other persons permitted under the Constitution to occupy such Apartment as laid out in Schedule One.
- 7.1.2 Such weekly periods will be numbered from 2 to 49, 51 and 52. Each such period shall commence on a Sunday at 16.00 hours and shall end at 10.00 hours on the following Sunday. Weekly periods may start and finish on a Saturday but only if the need arises because of flight schedules and the change is agreed by the Committee.
- 7.1.3 The dates of the said weekly periods for the duration of the Club shall be as set out in the Table of Weekly Periods published by the Committee from time to time and any weeks unallocated to Members shall be held by the Committee on behalf of the Club.
- 7.1.4 The Committee shall ensure that there are at least 14 days per annum available for works of routine maintenance, cleaning and repair for each Apartment.

8 MEMBERSHIP

- 8.1 Any person (not being a minor) may apply for and be admitted to membership of the Club. A person shall include an incorporated body and persons may purchase in joint names, in which case they shall each apply for membership.
- 8.2 No person or persons shall be entitled to be admitted to membership of the Club unless he or they shall be registered as a holder or holders of a Membership Certificate or Membership Certificates.
- 8.3 The Committee shall issue Membership Certificates to Members, along with such other evidence of membership as shall from time to time be determined by the Committee. Thereafter, Membership Certificates may be transferred from current Members, or the representatives of deceased Members, in accordance with the relevant provisions of this Constitution.
- 8.4 Membership of the Club shall cease on the occurrence of any of the following events:
- a) the transfer of a member's Membership Certificate, subject to the transferee becoming a member of the Club
 - b) the cancellation of a Member's membership in accordance with this Constitution
 - c) the Cessation Date.
- 8.5 Any Membership Certificates not issued by the Committee to Members, or Membership Certificates cancelled by the Committee, will belong to the Committee. The Committee will be entitled to all the rights and privileges of a Member but will not be liable to pay Management Fees for the period during which ownership is retained by the Management Company and will not be subject to the other obligations attached to any Membership Certificate retained by it. The Committee will be entitled to let the Apartments to which such unissued or cancelled Membership Certificates relate, or otherwise to grant rights of occupation to third parties for the duration of the period of such unissued or cancelled Membership Certificates for the benefit of the Club

8.6 TEMPORARY MEMBERSHIP

- 8.6.1 An individual may be admitted to Temporary Membership of the Club in the following circumstances :
- a) if arrangements have been made by the Committee for occupancy of an apartment for a temporary period or
 - b) if a full member arranges with the Committee to transfer his/her occupancy rights for a temporary period. (see also 13.3)
- 8.6.2 The Committee shall issue Temporary Membership Certificates which will be valid solely for the duration of the temporary period, and will carry the right to occupation of the apartment for that period.
- 8.6.3 Temporary Members shall, for the temporary period, have the same golfing rights as do full Members and may, during the temporary period, avail themselves of any privileges that the Penina Hotel may extend to Club members from time to time.
- 8.6.4 Temporary Members shall be bound by the obligations and regulations set out in paragraph 12 and schedule 1 of this Constitution.

9. APPOINTMENT OF COMMITTEE AND POWERS

- 9.1 The business and affairs of the Club shall, save in so far as the same may have been delegated by the Committee to other parties, be managed by a Committee of not more than five persons nor less than three persons, all of whom shall be members of the Club. One of the Committee members shall be appointed to act as Chairman for a continuous period of three years unless such longer period is approved by a majority of the Members at a general Meeting, or until earlier termination by the Committee. The Committee shall meet together at a formal meeting as often as necessary and at least once every twelve months. Any two members of the Committee may call a Committee meeting, by notice in writing to all Committee members at least fourteen days prior to the date of such Committee meeting. Notice of any Committee meeting must indicate its proposed time and date, where it is to take place and, if it is anticipated that Committee members participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting. In the absence of the Chairman, one of the Committee members shall be appointed to act as chairman of the meeting by a majority of those members of the Committee present at the meeting in question. Committee members may participate in the meeting by telephone, video conference or other means of communication that allow them to communicate any information or opinion they have on any particular item of business of the meeting.

Decisions of the Committee shall be on the basis of a majority of those participating in the meeting, and, in the event of an equality of votes, the chairman shall have a second or casting vote.

For a decision to be effective, at least three members of the Committee must have voted in favour. Three members of the Committee shall form a quorum. Proper minutes of the proceedings at Committee meetings shall be taken.

In the absence of a formal meeting, committee decisions can be made by emails between all Committee members. Decisions shall be by a majority of the Committee members and circulated to all such members. The implementation of that decision can take effect immediately following circulation of the resolution.

- 9.2 Annual general meetings of the Members will be convened by the Committee by notice sent to every member not less than twenty-eight days before the date of such meeting. At each annual general meeting of the Club, one member of the Committee shall retire and a replacement member shall be elected. One Committee member shall retire each year in rotation, with each member retiring no later than the third annual general meeting held after their respective election. Retiring members may offer themselves for re-election.
- 9.3 Save as otherwise provided in this Constitution, the election or removal of members to and from the Committee shall be dealt with only at a General Meeting of the Club, and nominations for election may be made, if similarly seconded, by any member in writing to the Committee a minimum of 14 days prior to that meeting.
- 9.4 The Committee shall have power to do all things that may be necessary in pursuance of the objects of the Club and shall be entitled to delegate to third parties, such of its powers as may be appropriate to enable it to perform its functions.
- 9.5 Without prejudice to the generality of the foregoing, the Committee shall have the following specific powers:
- 9.5.1 At any time, to appoint a Member to fill any casual vacancy of the Committee occurring through death illness resignation or otherwise. All such persons so appointed shall hold office only until the next annual general meeting, when they shall be eligible for re-election.
- 9.5.2 To make by-laws at any time, for the proper regulation 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.
- 9.5.3 To create such sub-committees as shall be necessary for the management of the Club.
- 9.5.4 To appoint for specific periods, a manager in Portugal to undertake such day to day on site management duties as the Committee shall consider necessary for the convenience of Club Members. (See also 12.9)
- 9.5.5 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 Committee shall have committed a substantial breach of this Constitution (other than under clause 9.5.6) or any by-laws or regulations hereunder or whose conduct in the opinion of the Committee shall be wholly unbecoming a Member and, where capable of remedy, has not remedied the breach of conduct complained of within a reasonable time following a written request by the Committee for them to do so. Any such cancellation or suspension shall be ratified by the Members at the annual general meeting following the suspension taking effect. One month after such cancellation of membership, the ownership of the relevant weeks shall revert to the Committee, on behalf of The Club, and may be re-sold by the Committee with the price paid by the new member to be received by the Club and applied in payment of the money due to the Club from the Member whose membership has been cancelled ("the Former Member") together with all costs, sales commissions and expenses reasonably incurred by the Club. The residue, if any, shall be paid to the former Member.
Any dispute or difference howsoever arising from this sub-clause may be the subject of an application in accordance with Clause 17 below. Notice of such dispute must be given to the Committee, in writing, by the Member within one month of notification of the cancellation or suspension.
- 9.5.6 To cancel the membership of any Member who is in arrears, for more than three months, of any monies due and payable under the terms of the Constitution. On such cancellation of membership, the ownership of the relevant weeks shall immediately revert to the Committee on behalf of the Club and may be sold by the Committee with the price paid by the new Member to be received by the Club and applied in payment of the money due from the Former Member to the Club and all costs, sales commissions and expenses reasonably incurred by the Club under this Clause 9.5.5. and the residue, if any, shall be paid to the Former Member,
The Committee may also suspend the membership of any Member for a reasonable period of time if they are in arrears with respect to any monies due and payable under the terms of this Constitution.
- 9.5.7 To enter into all contracts and agreements which the Committee 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 10.

- 9.5.8 To appoint an appropriately qualified accountant, as auditor to audit the accounts of the Club annually and to seek advice from time to time from lawyers and other professional advisors.
- 9.5.9 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.
- 9.5.10 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 as outlined in this Constitution, 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.
- 9.5.11 To determine the appropriate proportion of the costs payable by Members to the Club for each Apartment type for each year and to determine the amount of any additional levies to be paid by Members in order to meet expenditure over and above the norm.
- 9.5.12 To maintain or cause to be maintained a register of names and addresses of Members and ex-Members, indicating when they became Members and, if appropriate, when they ceased to be Members.
- 9.6 Committee members and Trustees shall be entitled to be reimbursed for vouched expenses incurred during the course of work undertaken on behalf of the Club, provided such work has been sanctioned by the Committee.

10 MEMBERS' LIABILITY FOR PAYMENT OF MANAGEMENT EXPENSES ETC

- 10.1 The Members shall contribute to all reasonable costs incurred by the Club, including and without prejudice to the generality of the foregoing the reasonable cost of the following:
 - 10.1.1 Maintenance, repair, decoration and cleaning of the Apartments, and services and facilities provided by the Club for the benefit of the Members whether exclusively or in common with others entitled thereto.
 - 10.1.2 Maintenance, repair and replacement of furniture, equipment, utensils, provisions, furnishings, fittings and fixtures in or about or pertaining to the Apartments.
 - 10.1.3 Insurance of the Apartments and the contents thereof for the full reinstatement cost and any other insurance which the Committee shall consider necessary or appropriate.
 - 10.1.4 All outgoings incurred in respect of the Apartments, including rates, contributions to any relevant residents' association, income or other taxes for which the Owning Companies may be responsible by reason of the sub-letting of members' rights of occupation of the Apartments and other charges or impositions whether of an annual or recurring nature or otherwise.
 - 10.1.5 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.
 - 10.1.6 Any reasonable management charges or any other charges whatsoever that may be incurred in the management and preservation of the value of the Club's property and the running of the Club's affairs.
 - 10.1.7 The establishment and maintenance of a sinking fund for the replacement of capital items of the Club's property.
 - 10.1.8 The establishment and maintenance of any reserve fund requested by the Committee.
 - 10.1.9 All costs, expenses, claims, demands, losses and damages paid, incurred or sustained by the Committee members or Trustees on behalf of Members pursuant to their responsibilities under the Constitution or the Deed of Trust.
- 10.2 The Committee shall have sole discretion in deciding what monies should be spent for any of the foregoing purposes and when the same shall be expended.

11 CLUB'S POWERS

The Club shall have the power to:

- 11.1 borrow money,
- 11.2 grant securities and mortgages over its property,
- 11.3 purchase, lease or otherwise acquire additional property and
- 11.4 sell, lease, grant easements over or otherwise dispose of or deal with its property or any rights over its property,

PROVIDED THAT the foregoing powers shall be exercisable only upon a decision by a majority of not less than two thirds of the votes cast at a general meeting.

12. **FURTHER OBLIGATIONS OF MEMBERS**

The Members shall, upon becoming Members, automatically be bound by the terms and provisions of this Constitution.

Each Member of the Club shall:

- 12.1 at all times observe the regulations relating to the occupation of the Apartments per Schedule One of this Constitution and all variations, additions and amendments thereto made by the Committee from time to time.
- 12.2 keep and maintain the interior of the Apartment and all of its contents to which his Membership Certificate relates in a good and tenable state and condition during the period of his occupancy and 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 Committee or the Trustees shall be the sole judge.
- 12.3 allow access, in the event of any emergency repair or maintenance work to be carried out to the Apartment or its contents during the period of a Membership Certificate holder's occupancy of the Apartment, 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, insofar as is possible, interfere with Members' enjoyment of their occupation of the Apartments.
- 12.4 not in any way make alterations to the Apartments to which his Certificate relates or the contents thereof.
- 12.5 pay for all electricity gas, water and telecommunication costs chargeable to the Apartment during the period of occupancy.
- 12.6 notify the Committee and the Management Company forthwith of any change of permanent address.
- 12.7 pay within one month of the same being demanded the appropriate portion of the cost referred to in Clause 10 above incurred by the Club in any year. In the event of any of the said sums not being paid by the due date, the Committee or the Portuguese Manager may refuse occupation of the Apartment to the Member or any other person in his place until all arrears have been discharged.
- 12.8 not do anything which would make void or voidable the insurance of the Apartment and its contents or any other insurance for the time being in force and relating to the Apartments or which may operate to increase the premium payable in respect of any such insurance and to indemnify the Club 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 Apartment or any other property as aforesaid or any part thereof being damaged or destroyed and the insurance money being wholly or partially irrecoverable by reason solely or in part of any act or default of such Member then and in every such case to pay forthwith to the Club 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, together with the whole or such portion as aforesaid of the fees of such surveyor.
- 12.9 in the event of any Member letting, granting rights over or for any other reason parting with occupation of the Apartment to which his Membership Certificate relates, for the whole or any part of the relevant period of occupation, immediately give notice thereof to the Committee and provide the name and address of the person who is to be allowed into occupation.
- 12.10 The normal method of communication by Members with the Committee or management shall be by e-mail if the Member has supplied an e-mail address to the Club.

13 **TRANSFER OF MEMBERSHIP CERTIFICATES**

- 13.1 Any Member may, subject to the provisions of this Constitution, bequeath or agree to sell or otherwise transfer the rights to which he is entitled, 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 may agree to sell or vest such rights to a third party, subject to the third party becoming a Member.
- 13.2 In the event of a Member, the personal representatives, trustee in bankruptcy or liquidator agreeing to dispose of their membership rights, they shall deliver the relevant Membership Certificate to the Committee, together with the Form of Surrender and Request duly executed and, upon production of satisfactory evidence of the transfer and upon payment of a reasonable fee, the Committee shall within 28 days issue a new Membership Certificate in the name of the new Member and update the register of Members to register such transfer.
- 13.3 A Member may let the Apartment to which his Certificate relates for the whole part or a part of the period to which his Certificate relates subject to:
- a) notification being given as required by Clause 12.10 above
 - b) any requisite consent from the Portuguese authorities being previously obtained and provided that the Member will in any event 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.
14. **GENERAL MEETINGS OF THE CLUB**
- 14.1 The annual general meeting of the Club shall be held at a venue selected for the purpose by the Committee on such a date in each year as shall be determined by them but not so as to cause a period of more than fifteen months to elapse between two annual general meetings. The meeting shall be convened by notice sent to all Members not less than twenty-eight days before the date of the meeting, together with the agenda of business to be conducted, and the exact wording of any resolution to be voted upon at the meeting. Should any resolution be received from a member under paragraph 14.3 a revised final agenda will be circulated not later than fourteen days before the meeting.
- 14.2 The Committee, or the holders of not less than ten per cent in number of Membership Certificates upon written request, may call a general meeting of the Club to be convened and held in the manner prescribed for annual general meetings. When a general meeting is called by holders of not less than ten per cent in number of the membership certificates, the Committee shall facilitate that meeting as if it had been called by the Committee.
- 14.3 Any Member in good standing may put forward a properly seconded resolution for inclusion on the agenda for general meetings, provided it is in writing and received by the Committee not less than twenty one days prior to the meeting.
- 14.4 At every general meeting, the Chairman (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 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 of the Club. At all meetings, in the case of an equality of votes the chairman shall have the casting vote.
- 14.5 Any resolution involving a change in the Constitution shall require a majority of not less than three quarters of all votes cast. At all general meetings of the Club the quorum shall be four Members present in person or by Proxy. Minutes of all general meetings will be prepared by the Committee and circulated to all Members within six weeks of the general meeting.
- 14.6 Notwithstanding the provisions contained in 14.5 above, any resolution resulting either directly or indirectly in advancing the termination of the Club shall require the written consent of a simple majority of Members and evidence of such consents shall be provided to the Committee.
- 14.7 The instruments appointing a Proxy shall be signed by the Member or his attorney, duly authorised in writing, or if such member is a corporation under its common seal, if any, and if none then under the hand of an officer duly authorised in that behalf. The duly executed instrument appointing a Proxy shall be deposited at the offices of the Management Company not less than forty-eight hours before the meeting. No instrument appointing a Proxy shall be valid after the expiry of twelve months from its date nor if received after the due time.
- 14.8 Voting at all meetings of the Members shall be on the basis of the number of Membership Certificates held by members. Where a Membership Certificate is owned jointly, only the vote of the first-named joint owner on the Membership Certificate shall be counted.

15 **AUDIT**

- 15.1 The financial year of the Club and the Management Company shall end on 31st December in each year, or on such other date as the Committee may decide. The Committee shall cause the Club and the Management Company to keep proper books of account.
- 15.2 At the annual general meeting, the Committee shall present to the Members audited accounts for the most recent financial period of the Management Company and of the Club. Copies of the accounts shall be sent to all Members at the same time as the notice of the meeting.

16 **TERMINATION PROVISIONS**

- 16.1 The Cessation Date shall be 31st December 2024 unless otherwise determined by 75% of the votes cast at a General Meeting. At that date:
- 16.1.1 All the assets of The Club, including but not limited to the shares in the Management Company shall be transferred to the Trustees.
- 16.1.2 The Trustee Directors will relinquish their shares and each member in good standing shall receive a single share in the Trust Company for each week for which they have a membership certificate so that the Members shall own the entire capital of the Trust Company.
- 16.1.3 Two members of the Committee, nominated by the Committee, shall be appointed as Directors of PTL
- 16.1.4 The Club shall then cease
- 16.2 During the winding up process, PTL will arrange general meetings for shareholders in the manner prescribed in this Constitution.
- 16.3 The assets of PTL shall be realised by causing the sale of the Apartments by the Owing Companies.
- 16.4 The sums realised pursuant to Clause 16.3 shall, after all expenses incurred by the Trustees, and after discharging all its debts and liabilities, shall be available for distribution to the shareholders on the voluntary winding up of the Trust Company.
- 16.5 The net assets (if any) of PTL available for distribution after the forgoing provisions of this Clause have been complied with shall be apportioned to each shareholder according to the number of shares they hold.
- 16.6 Interim distributions of such entitlements may be made by PTL, at the sole discretion of the Trustees.
- 16.7 Once the net assets of PTL have been distributed in full, the winding up of PTL will be complete and it will cease to exist.

17. **MISCELLANEOUS**

Any dispute or difference arising from this Constitution shall be decided by a single arbitrator to be agreed between the parties as in default of agreement to be appointed upon the application of either party by the President for the time being of the Law Society of London, England.

18. **PROPER LAW**

This constitution shall be governed and construed in accordance with the laws of England.

SCHEDULE ONE

Regulations (see Clause 12.2)

1. Not to use any Apartment 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 number of six persons 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 Apartment 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 Apartment or in any position visible from outside the building of which any Apartment 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 the sinks, baths, lavatories and conduits of any Apartment.
4. No music or singing, whether by instrument or voices, wireless, gramophone, television or other means shall be allowed in any Apartment 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 Apartment between the hours of 11.30pm and 9.00am.
5. No animal or bird shall be brought upon or kept in any Apartment.
6. To comply with all arrangements from time to time made by the Club in relation to the disposal of refuse from any Apartment and not to shake, beat, permit to be shaken or beaten any carpets, dusters or other objects from the windows or doors of any Apartment 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 Apartment.
7. To comply at all times with the provisions of the Constitution of the relevant Owners' Association at Penina, copies of which are available from the Committee on request.
8. Not to store or allow to remain in any Apartment any inflammable or explosive substance.

Owning Companies:

Verde Investments Ltd	1B
Calinda Investments Ltd	2B
Breganza Property Ltd	3B
Sarano Properties Ltd	4B
Braga Properties Ltd	6B
Recife Realty Ltd	7B
Evora Investments Ltd	8B
Galena Realty Ltd	9B
Caduna Realty Ltd	10B
Findtime Ltd	2A
Airpath Ltd	3A
Lotmove Ltd	5A
Greatfind Ltd	7A
Forcedelta Ltd	10A

Appendix (i)

DECLARATION OF TRUST

This Declaration of Trust dated _____ is made Penina Trustees Limited, a company incorporated in England and Wales with registration number 7285511 and whose registered office, 1st. Floor, Bridge House, Hatfield, Herefordshire. AL10 0SP (the “Trust Company” or “PTL”)

The terms of this Declaration are:

1. The shares of PTL shall be owned by the Directors of the Trust Company who shall hold them on trust for the members of the Penina Golf Apartments Club (the “Club”). The directors of PTL (the Directors) shall be Members, but no member of the Committee may be a Director.
2. The initial Directors of PTL shall be appointed by the Committee. Thereafter directors shall be appointed by the Board of Directors but their appointments shall be ratified by the Members at the Annual General Meeting following their appointment. The removal of any Director shall only follow a vote to that effect at a general meeting of the Club.
3. Until the Cessation Date the maximum number of Directors at any time shall be three, and thereafter five. The additional directors shall be nominated by the Committee. . One Director shall retire each year in rotation, with each Director retiring no later than the third annual general meeting held after their respective election. Retiring Directors may offer themselves for re-election.
4. At the Date of Cessation of the Club, the Trust Company shall issue new shares to each member in accordance with the Constitution.
5. The Members may revoke or vary the terms of this Declaration, but only by a majority vote to that effect at a general meeting of the Club.
6. Expressions defined in the Constitution of the Club current at the date of this Declaration (“the Constitution”) shall have the same respective meanings when used in this Declaration.

The Trust Company shall be:

- I the registered owner of the entire issued share capital of the Owing Companies as defined in the Constitution of the Club (the Constitution). It shall hold those shares in trust for Members until the Club is wound up.
- II authorised to incur such expenses as it deems necessary to maintain and defend the ownership and title to the Apartments owned by the Owing Companies; and
- III indemnified by the Club for any expenses incurred in, and for damages, claims and costs arising from, its office as trustee, except it shall not be so indemnified if it has committed fraud. The Directors and the directors of the Owing Companies shall also be indemnified for any expenses incurred in, and for damages, claims and costs arising from, their office as Director or director, except they shall not be so indemnified if they have committed fraud. All expense claims must have appropriate vouchers or explanations attached.

The Trust Company shall:

- A. have the right to send a representative to attend and receive notice of all General Meetings of the Club. It shall have no right to vote *ex officio* at any such meetings but have the right to be heard. Each Director will, of course, be free to vote as an ordinary Member at all General Meetings;
- B. have annual accounts for itself and each of the Owing Companies drawn up, and make returns, as required by law or relevant regulations;
- C. present to each annual general meeting of the Club a report on the state of the trust to include, but not be limited to, the Directors’ personal views on any increase or decrease in value of the assets owned by the

Owning Companies (although not based on a professional valuation) and any perceived need for action by the Committee or Members;

- D authorize persons to represent PTL at meetings of the Condominium, a least two to be members of the Committee
- E. immediately after the Cessation Date, make arrangements to realise the assets of the Owning Companies, in particular the Apartment owned by each Owning Company. During the period it takes to realise such assets, the Trust Company may arrange for the apartments to be let or hired out, and for such work on the properties as it judges necessary to be carried out to enable it to realise the best return for the Members; and
- F. when all assets have been realised and all expenses of realisation have been paid, and after settling all Club debts, will distribute the balance to Shareholders in the manner prescribed in the Constitution. As assets are realised, the Trust Company may make interim remittances to the Committee, at its sole discretion.
- G the Trustees shall not, nor shall the Directors or the directors of the Owning Companies, be entitled to any remuneration, save for expenses paid under III above, for duties and responsibilities carried out under this Deed until the Cessation Date, and thereafter only if approved in advance by a majority of shareholders at a general meeting.
- H after all the transactions in E and F above have been completed, the directors of the Trust Company shall call a meeting of the shareholders of the Trustee Company and the Management Company and the members of the Penina Golf Apartments Club to place them into liquidation.

The Trust Company shall accept and, where appropriate, implement all decisions made by the Club which are within the power of the Club as set out in the Constitution. The Trust Company shall be entitled to rely on and accept as valid:-

- (a) decisions of the Committee or of the Club itself which shall be certified by the chairman of the Committee or of the Members at which such decision was taken to have been so reached in accordance with the Constitution and ,without prejudice to the generality of the above, the Trust Company shall not be concerned to inquire or satisfy itself in any way as to the election of members of the Committee or the calling of Committee or Members' meetings or the procedure adopted at those meetings; and
- (b) resolution in writing in respect of which have been certified by the Chairman that the provisions of the Constitution have been fully observed.

Notwithstanding any directions of the Committee the Trust Company shall not be obliged to charge or otherwise encumber the Property or any part thereof nor do anything to prejudice the ownership of the Apartments or the Shares

No power granted in this Declaration shall be exercised after the end of the perpetuity period which, for the purposes of this Deed, is the period of 125 years from the date of this Declaration.

This Deed shall be governed by and construed in accordance with the laws of England.

Signed as a deed on the date first mentioned above:

On behalf of Penina Trustees Ltd.

.....
Duly Authorised Director

.....
Duly Authorised Director

On behalf of Penina Apartments Owners Club:

.....
Duly Authorised Committee Member

.....
Duly Authorised Committee Member

APPENDIX (ii)

Specimen Purchase Agreement

PENINA GOLF APARTMENTS CLUB

THIS AGREEMENT is made the.....day of.....20..... BETWEEN PENINA GOLF APARTMEMNTS CLUB and the purchasers named in paragraph 1 of the Schedule.

IT IS HEREBY AGREED as follows:

1. The Purchaser hereby applies for membership of the Penina Golf Apartments Club (the Club). The Club is administered by a Committee of members. The Purchaser's membership and obligations under the Constitution shall be for the period until 31 December 2024 as set out in Paragraph 7 of the Constitution
2. The Purchaser hereby agrees to be bound by the Constitution of the Club (copies of which shall be supplied to the Purchaser prior to the completion date and which the Purchaser shall thereafter be deemed to have inspected) and agrees to pay within one month of the same being demanded the management fees for which the Purchaser is liable as a Member of the Club.
3. The Committee will within 21 days of the date referred to in paragraph 5 of the Schedule issue to the Purchaser a Membership Certificate in respect of the weekly period (as referred to in Clause 8 of the Constitution of the Club) stated in paragraph 2 of the Schedule relating to the Apartment specified in Paragraph 4 of the Schedule.
4. The Purchaser shall pay the Purchase price stated in paragraph 3 of the Schedule.
5. It is hereby agreed between the Committee on behalf of the Club, and the Purchaser that the Management Fees payable by the Purchaser will initially be at the rate per annum specified in Paragraph 6 of the Schedule together with any VAT or other similar tax which is required by law (whether under the laws of Portugal or otherwise) to be collected from the Purchaser. The said Management Fees will become due and payable on the

date specified in paragraph 6 of the Schedule and thereafter as demanded.

6. Subject to the payment by the Purchaser of the Management Fees, the Committee hereby undertakes with the Purchaser to observe and perform the obligations imposed upon it by the Constitution. The Purchaser will have the right for up to four persons to play golf daily during his week of ownership, the cost of which is included in his Maintenance Fees and is based on two annual family membership subscriptions per Apartment.
7. This Agreement shall remain in full force and effect notwithstanding completion of the issue of the said Membership Certificate to the Purchaser.

THE SCHEDULE

- 1. Purchaser Name
Address

- 2. Weekly Period(s) Until day of

- Until day of

- 3. Purchase Price £.....

- 4. Apartment

- 5. Date Balance of Purchase Money Due

- 6. Initial Management Charge & Date Due

Signed by the Purchaser

Signed for and on behalf of the Penina Golf Apartments Club

Specimen Form of Surrender Request

I/We:

of

being the owners of Apartment for weeks numbered.....

hereby surrender the attached Membership Certificate pursuant to Clause 13 of the Constitution of the Penina Golf Apartments Club subject to the issue of a new Membership Certificate in accordance with the Request below and hereby agree to use my/our best endeavours at the cost of the person or persons named below to procure that such person or persons is/are admitted to membership of the Club in accordance with the Constitution and pending such admission declare that I/we hold my/our interest as a Member(s) of the Club upon trust for such person or persons.

I/we

of

being the Purchaser(s) of the apartment week(s) specified above

hereby request the issue of a new Membership Certificate to me/us in respect of the above apartment week(s) and undertake that with effect from the date mentioned below I/we shall observe and perform all the obligations of membership of the Penina Golf Apartments Club pursuant to the said Constitution.

Dated

Signed (Vendor)

Signed (Purchaser)
