

THE COMPANIES ACTS 1985 TO 2006

**COMPANY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL**

ARTICLES OF ASSOCIATION

of

GREAT CLIFF (DAWLISH) LTD

PRELIMINARY

1.
 - a. The Company is a Private Company and, subject as hereinafter provided and except here the same are varied or excluded by or inconsistent with these Articles, the regulations contained or incorporated by reference in Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) and as further amended by The Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No. 3373), The Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007 No. 2541) and The Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007 No. 2826) (hereinafter called "Table A") shall apply to the Company save insofar as they are excluded or varied hereby and such Regulations (save as so excluded or varied) shall be deemed to form part of these Articles. References herein to Regulations are to Regulations in Table A unless otherwise stated.
 - b. Regulations 2 to 35 (inclusive), 55, 57, 59, 102 to 108 (inclusive), 110, 114, 116 and 117 in Table A shall not apply to the Company; and Regulation 1 shall be read and construed as if the definition of "the holder" were omitted therefrom; and the words "of any class of shares or" shall be omitted from Regulation 83; and the words "of the holders of any class of shares" shall be omitted from Regulation 100; and the second sentence of Regulation 112 shall be omitted; and the words "of the holders of any class of shares in the company" shall be omitted from Regulation 113.
 - c. In these Articles the expression "the Act" means the Companies Act 1985 and the expression "the 2006 Act" means the Companies Act 2006, but so that any reference in these Articles to any provision of the Act or of the 2006 Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
2. The Company is a private company and accordingly no offer shall be made to the public (whether for cash or otherwise) of any Shares in or Debentures of the Company and no allotment or agreement to allot (whether for cash or otherwise) shall be made of any Shares in or Debentures of the Company with a view to all or any of those Shares or Debentures being offered for sale to the public.

DEFINITIONS

3. In this and the following Articles:-

| | |
|------------------|---|
| "these Articles" | means the Articles of Association in their present form or as from time to time altered; |
| "Directors" | means the Directors of the Company from time to time; |
| "dwelling" | means any residential unit or commercial unit comprised in the Estate; |
| "dwellingholder" | means the person or persons to whom a lease or tenancy of a dwelling has been granted or assigned or who holds the freehold of a dwelling and so that whenever two or more persons are for the time being dwellingholders of a dwelling they shall for all purposes of these Articles be deemed to constitute one dwellingholder; |
| "the Estate" | shall have the meaning assigned to it in the Memorandum of Association but shall also include any other land, building or premises for the time being also owned and/or managed or administered by the Company; |
| "Member" | means a member of the Company. |
| "He" or "She" | He/She means he or she, as appropriate, words denoting the singular shall include the plural and vice versa and words denoting a given gender shall include any other gender. |

MEMBERSHIP

4. Each person (or two or more persons as the case may be) on becoming a dwellingholder shall be entitled to be a Member of the Company.
5. The provisions of sections 352 and 353 of the Act shall be observed by the Company and every Member of the Company shall either sign a written consent to become a Member or sign the Register of Members on becoming a Member. If two or more persons are together a dwellingholder each shall so comply, they shall together constitute one Member and the persons whose name first appears in the Register of Members shall exercise the voting powers vested in such Member.
6. The subscriber to the Memorandum of Association shall be a Member of the Company. The subscriber may nominate any person to succeed him as a Member of the Company and any person so nominated shall have the same power to nominate a person to succeed him as if he had been the subscriber. Save as aforesaid no person shall be admitted as a Member of the Company other than a dwellingholder. The Company must accept as a Member every person who is or who shall have become entitled to be admitted as a Member and shall have complied with either of the signature provisions set out in Article 5.
7. The subscriber to the Memorandum of Association and any person nominated to be a Member under Article 6 shall, if not himself a dwellingholder, cease to be a Member as soon as the dwellingholders of all the dwellings comprised in the Estate have become Members.
8. dwellingholder shall cease to be a Member on the registration as a Member of his successor in title to his dwelling and shall not resign as a Member while holding, whether alone or jointly with others, a legal estate in any dwelling.
9. If a Member shall die or be adjudged bankrupt his legal personal representative or representatives or the trustee in his bankruptcy shall be entitled to be registered as a Member provided that he or they shall for the time being, be a dwellingholder.

PROCEEDINGS AT GENERAL MEETINGS

10.
 - a. Every notice convening a General Meeting shall comply with the provisions of section 325 (1) of the 2006 Act in relation to the right of a member to appoint a proxy on his behalf; and notices of and other communications relating to a proposed General Meeting shall be sent to the Directors and to other parties in accordance with the obligations of the 2006 Act.
 - b. In paragraph (b) of Regulation 38 of Table A, the words "of the total voting rights at the meeting of all the members" shall be substituted for the words "in nominal value of the shares giving that right" AND the words "The notice shall be given to all the members and to the directors" shall be substituted for the last sentence.
11. No business shall be transacted at any General Meeting unless a quorum is present. Subject to Article 14 below two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum.
12. If within half an hour from the time appointed for a General Meeting, a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting, the meeting shall be dissolved. Regulation 41 shall not apply to the Company.
13. A poll may be demanded at any General Meeting by any Member present in person or by proxy and entitled to vote. Paragraph (d) of Regulation 46 shall be omitted in its entirety, and Regulation 46 shall be modified accordingly.
14. If and for so long as the Company has only one Member, that Member present in person or by proxy or if that Member is a corporation by a duly authorised representative shall be a quorum. Regulation 40 shall not apply to the Company.
15. A Member who is for the time being the sole Member of the Company shall be entitled to take any decision which may be taken by the Company in General Meeting and such decision shall have effect as if agreed by the Company in General Meeting, save only that:-
 - a. Any decision taken by a sole Member as aforementioned shall be recorded in writing and delivered by that Member to the Company for entry in the minute book of the Company; and
 - b. Resolutions made pursuant to section 168 of the 2006 Act for the removal of a Director from office prior to the expiration of his period of office, or pursuant to section 391 of the Act for the removal of an Auditor from office prior to the expiration of his period of office shall only be considered by the Company in General Meeting.
16. Every Member present in person or by proxy at a General Meeting shall have one vote PROVIDED that where no dwellingholder exists in respect of any dwelling, those Members who are subscribers to the Memorandum of Association or who became Members as a result of having been nominated under Article 6 or, if there is only one such Member or person nominated under Article 6, that Member, shall, either jointly if there is more than one such Member, or alone, if there is only one such Member, have three votes in respect of every dwelling in addition to their own vote or votes as Members.

APPOINTMENT AND RETIREMENT OF DIRECTORS

17. Unless and until the Company in General Meeting shall otherwise determine, the maximum number of Directors shall be five Directors. If and so long as there is a sole Director, he may exercise all the powers and authorities vested in the Directors by these Articles or by Table A.
18. The first Director or Directors of the Company shall be the person or persons named in the Statement delivered under section 10 of the Act.
19. A Director may be appointed or re-appointed only if:-
 - a. the nomination process set out in Article 19(A) (or such other process as the Company in General Meeting shall otherwise determine) has been followed; and
 - b. he has been appointed by Ordinary Resolution of the Company.

19(A). The process for nomination of Directors shall be as follows:

- a. not less than 45 clear days before the date appointed for a General Meeting of the Company at which an Ordinary Resolution for the appointment and/or re-appointment of Directors is put to the Members (**Appointment General Meeting**), the Directors or the Company Secretary shall circulate all Members inviting any Member who wishes to be considered for appointment as a Director (**Nominee**) to complete a nomination form signed by two Members who are unconnected to them (**Nomination Form**) which Nomination Form shall require the Nominee to provide the particulars that would, if he were appointed or re-appointed, be required to be included in the Company's register of Directors, and to confirm his willingness to be appointed or re-appointed as a Director;
- b. each Nominee must submit a completed Nomination Form by the date specified in the Nomination Form (which shall not be not less than 14 clear days after the date stated on it as the circulation date) to the address stated in the Nomination Form. The completed Nomination Form must be accompanied by a brief statement summarising the Nominee's skills and suitability for the role of Director (**Nomination Statement**);
- c. the Directors or the Company Secretary shall notify the Members not less than seven clear days before the date appointed for the Appointment General Meeting of the name of each of the Nominees who has submitted a properly completed Nomination Form (**Valid Nominee**) and provide the Members with a copy of the Nomination Statement of each Valid Nominee;
- d. at the Appointment General Meeting there shall be held a separate vote in respect of each Valid Nominee who shall absent himself from the Appointment General Meeting whilst the vote is taken in respect of his appointment. Subject to Article 19(A)e. below, each Valid Nominee who has been approved by Ordinary Resolution of the Company shall be appointed as a Director; and
- e. where the operation of the foregoing provisions of this Article 19(A) would result in more than the maximum number of directors being appointed than that permitted by the Company's Articles of Association from time to time, priority shall be given first to those with the least prior service as a director of the Company and secondly to those with the longest tenure as Members of the Company.

19(B). Every Director shall hold office only until the end of the next Appointment General Meeting, following which, if they have not been re-appointed, they shall cease to be a Director. There shall be no limit on the number of times that a Member may stand for election or re-election as a Director.

19(C). Regulations 76 to 78 inclusive shall not apply to the Company.

19(D). The words "and that the term of the appointment lasts only until the next Appointment General Meeting" shall be added to the end of Regulation 79 which shall be modified accordingly.

19(E). An Appointment General Meeting of the Company shall be held at least once in every two calendar years.

20. Save for the persons who are deemed to have been appointed as the first Directors of the Company pursuant to section 13 (5) of the Act, no person who is not a Member of the Company shall in any circumstance be eligible to hold office as a Director.
21. Save in respect of his own re-appointment as a Director, a Director may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom, and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration; and Clause 94 of Table A shall be modified accordingly.
22. The office of a Director shall be vacated if he ceases to be a Member of the Company and Clause 81 of Table A shall be modified accordingly.
23. Any person may be appointed or elected as a Director, whatever his age, and no Director shall be required to vacate his office of Director by reason of his attaining or having attained the age of seventy years or any other age.

BORROWING POWERS

24. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security, convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and oilier securities whether outright or as security for any debt, liability or obligation of the Company or of any third party. Regulation 94 in Table A shall be modified accordingly.

ALTERNATE DIRECTORS

25.
 - a. No person who is not a Member of the Company shall be capable of being appointed an alternate Director. Clause 65 in Table A shall be modified accordingly.
 - b. Unless it is otherwise determined by the Company in General Meeting by Ordinary Resolution, an Alternate Director shall not be entitled to receive any remuneration for his services from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor(s) as such appointor(s) may by notice in writing to the Company from time to time direct Regulation 66 in Table A shall be modified accordingly.
 - c. An alternate Director who is himself a Director and/or who acts as an alternate Director for more than one Director shall be entitled, in the absence of his appointor(s), to a separate vote or votes on behalf of his appointor(s) in addition (if he is himself a Director) to his own vote. EXCEPT THAT he shall count as only one for the purposes of determining whether a quorum is present at a Director's meeting. Regulation 88 shall be modified accordingly.

RULES OR BYELAWS

26. The Directors may from time to time make such Rules or Byelaws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing the classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, they shall by such Rules or Byelaws regulate:-
 - a. the admission and classification of Members of the Company, and the rights and privileges of such Members, and the conditions of membership and the terms on which Members may resign or have their membership terminated and the entrance fees, subscriptions and oilier fees, charges, contributions or payments to be made by Members;

- b. the conduct of Members of the Company in relation to one another, and to the Company and to the Company's servants or agents;
- c. the setting aside of the whole or any part or parts of the Estate at any particular time or times or for a particular purpose or purposes;
- d. the procedure at General Meetings and Meetings of the Directors and committees of the Directors of the Company in so far as such procedure is not regulated by these Articles;
- e. and, generally, all such matters as are commonly the subject matter of Company Rules or rules or regulations appropriate to property of a similar nature and type as the Estate.

The Company in General Meeting shall have power to alter or repeat the Rules or Byelaws and to make additions thereto and the Directors shall adopt such means as they deem sufficient to bring to the notice of Members of the Company all such Rules or Byelaws, which so long as they shall be in force, shall be binding on all Members of the Company. Provided, nevertheless, that no Rule or Byelaw shall be inconsistent with, or shall affect or repeal anything contained in the Memorandum or Articles of Association of the Company.

THE SEAL

27. The Directors shall decide whether the company shall have a seal and if so shall provide for the safe custody of the Seal and of any official Seal for use abroad pursuant to section 39 of the Act, and such Seals shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by one authorised person in the presence of a witness who attests the signature. For the purposes of this Article, an authorised person is (i) any Director of the Company; or (ii) the Company Secretary (if any has been so appointed); or (iii) any other person authorised by the Directors for the purpose. Regulation 101 of Table A shall not apply to the Company.

CERTIFICATES OF MEMBERSHIP

28. In the event that the Directors decide that the Company shall not have a seal then certificates of membership or other documents issued by the Company may be executed in accordance with the Act, and expressed (in whatever form of words) to be executed by the Company and shall have the same effect as if executed under the common seal of the Company and Regulation 6 of Table A shall be modified accordingly.

PROTECTION FROM LIABILITY

29. For the purposes of this Article a "Liability" is any liability incurred by a person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties, powers or office and "Associated Company" shall mean an associated body corporate following the definition in section 256 of the 2006 Act. Subject to the provisions of the 2006 Act and without prejudice to any protection from liability which may otherwise apply:

- a. Every Director or other officer or Auditor of the Company, a director of an Associated Company (as defined under section 256 of the 2006 Act) or a Director who is a Director of a company which is trustee of an Occupational Pension Scheme (as defined in section 235 (6) of the 2006 Act) shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under sections 144 of the Act or 1157 of the 2006 Act, in which relief is granted to him by the court, and no Director or other officer or Auditor shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto (including those duties, powers and discretions in relation to any Associated Company or a company that is a trustee of an Occupational Pension Scheme). But this article shall only have effect in so far as its provisions are not avoided by sections 232 and 533 of the 2006 Act.
- b. The Directors shall have power to purchase and maintain an insurance policy for any Director or other officer (excluding the Auditor) of the Company or a Director of an Associated Company effecting cover against any such liability as is referred to in section 232 of the 2006 Act

Regulation 118 in Table A shall not apply to the Company.