

## AGREEMENT FOR SALE OF MEMBERSHIP OF A COMPANY

THIS AGREEMENT is made the 1<sup>st</sup> day of July 2015

### **BETWEEN**

- (1) ARG (Harmony Bay) Limited ("**THE FOUNDER MEMBER**") whose Registered Office is at West Midlands House, Gipsy Lane, Willenhall, West Midlands, WV13 2HA and
- (2) **ROWANMOOR TRUSTEES LIMITED**, a company incorporated under company number 01846413, with head office at Rowanmoor House, 46 – 50 Castle Street, Salisbury, Wiltshire SP1 3TS and **Geoffrey and Lisa Jones of Marchants Barn, Marchants Close, Hurstpierpoint, West Sussex, BN6 9UZ** as trustees of the **Eljess Investments Limited Executive Pension Scheme** ("**the Purchaser**").

NOW IT IS AGREED as follows:

### **1. Background**

- 1.1 Harmony Bay C9 Limited, a Company incorporated under the laws of England and Wales, with Registered Office at PO Box 5, Willow House, Oldfield Road, Heswall, Wirral, United Kingdom, CH60 0FW ("**the Company**") shall be the owner of C9 on Phase 1 Harmony Bay Resort & Spa situated at Akbuk, Didim, Aydin, Turkey comprising a building development plot of an area of 12,488.54 m2, described at the Didim Land Registry and recorded as Zone Parcel 646/1 ("**the Resort**") (including the Unit referred to at 1.7 below hereinafter referred to as "**the Property**").
- 1.2 **THE FOUNDER MEMBER** wishes to procure the admission of the Purchaser to Membership of the Company and **THE FOUNDER MEMBER** has the power to procure such admission to Membership.
- 1.3 The Company has or shall enter into a lease in perpetuity granted in accordance with Turkish Law ("**the Lease**"). The Lease entitles the Company to 365 days usage per year in each year.
- 1.4 The Purchaser, together with other parties who have or will become members of the Company, shall have no rights of occupation and enjoyment related to such holding as detailed in the Memorandum and Articles of Association of the Company regarding occupation.
- 1.5 Phase One of The Resort is composed of 4 blocks of 142 Leasehold Units with a total of 202 habitation Units.
- 1.6 The Resort includes all necessary infrastructures and basic services – such as roads, pathways, car parking, green zones, water, sewerage, electrical, telephone and cable television networks – and the Company will have the use of and the right to connect to such infrastructures and services.
- 1.7 The Company entered into a Property Purchase and Sale Promissory Contract with **Akbuk Resort Group** with Registered Office at Akbuk, Didim, Aydin, Turkey ("**THE**

**DEVELOPER**"), whereby the Company promised to buy the Property known as **C9**, with an area of **38.0** square metres.

- 1.8 The Company entered into a Contract with **THE DEVELOPER** setting out the Terms and Conditions whereby **THE DEVELOPER** will complete for the Company a Property, in accordance with the Plan and the Specification of Works in the Second Schedule hereto.
- 1.9 The Property shall be unfurnished. Any necessary furnishing, fixtures and fittings will be owned, supplied and maintained by the Management Company to enable the property to form part of the hotel rental.
- 1.10 The Company shall enter into a Property Management Agreement whereby the Manager shall provide property management and tourist management services required for the maintenance of a high quality standard at the Property.
- 1.11 The Purchaser wishes to become a Member of the Company to own (in common with others) the Property.
- 1.12 The Company is incorporated in England as a Private Company Limited by guarantee and its corporate compliance and taxation matters will be managed and administered by Fractional Administration Solutions Limited, of PO Box 5, Willow House, Oldfield Road, Heswall, Wirral, United Kingdom, CH60 0FW ("the Administrator") which expression shall include any subsidiary or associate of the Administrator under a Company Administration Agreement.

## **2. Agreement**

The Purchaser agrees to apply for Membership of the Company. No further deposit from the Purchaser will be accepted by **THE FOUNDER MEMBER** until the expiration of 14 days from the date of this Agreement.

## **3. Consideration**

- 3.1 The Total price for 4 Memberships shall be £75,370 Seventy Five Thousand Three Hundred and Seventy [GBP] ("the Purchase Price") and shall be payable in full within 30 days of signing the Agreement for Sale or, in the case of a purchase with SIPP funds, within 3 days of receipt of cleared and fully approved funds (for the purposes of H.M. Revenue & Customs regulations).

Membership price includes the following;

- Membership price for 4 memberships £73,920
- Legal costs for establishment of the Membership of £300
- First year's annual fees for 4 Memberships £150 x 4 = £600.
- Closing costs £550
- Membership fees onwards will be £150 per membership per annum which will be taken from the rental income and paid on an annual basis. Fees can only be increased in line with the RPI.

4. **Completion**

Completion ("Completion") shall mean no more than fourteen days after a written certification has been served upon the Purchaser by **THE FOUNDER MEMBER** to the effect that:

- a) The construction of the Property has been completed in accordance with the Second Schedule hereto; and
- b) Legal title to the Property has been conveyed to the Company.
- c) The full purchase price has been paid to **THE FOUNDER MEMBER**.

5. **THE FOUNDER MEMBER's Warranties**

5.1 **THE FOUNDER MEMBER** hereby warrants to the Purchasers and with effect as at Completion:-

- 5.1:1 That the Company was incorporated on **8<sup>th</sup> October 2014** and remains in good standing under the laws of England, being registered under Number **9254469**
- 5.1:2 That the Company is a Company Limited by Guarantee with a maximum of 4 Members excluding **THE FOUNDER MEMBER**;
- 5.1:3 That **THE FOUNDER MEMBER** has power to procure the Membership of the Company by the Purchaser free from all liens and encumbrances;
- 5.1:4 That the Company has no unpaid or unsettled liabilities and it is not in dispute with any tax authorities, local authorities or neighbours and is not party to any litigation, arbitration or other proceedings and no notice of the same has been received by the Company, **THE FOUNDER MEMBER** (it's subsidiaries or associates) or is anticipated, nor is any litigation threatened against the Company;
- 5.1:5 That the Company has no employees;
- 5.1:6 That the only asset that the Company has or shall have is the Legal Title to the Property, that the Company has or shall have good Legal Title to the Property and that the Title to the Property is or shall be free of all liens, charges and encumbrances, other than those arising as a result of the Resort's touristic nature and also of all those expressly contained in the present Agreement and all its Annexes; (unless written authorisation has been given by all parties, including the Founder Member, to obtain mortgage funding);
- 5.1:7 That the Company is not in breach of any of its obligations concerning the Property and that all local authority taxes in respect of the Property have been paid;
- 5.1:8 That the Statutory Books of the Company are fully up to date and the Company has filed all necessary returns at the relevant Companies Registry and complied with all legislation relating to it;



- 5.1:9 That there are no outstanding management charges or company registry charges in England in respect of the Company;
- 5.1:10 That the Company is not legally bound to make payments to any Director or employees or former Directors or former employees of the Company by way of compensation or as a contribution or by way of bonus, gratuity or otherwise;
- 5.1:11 That no guarantees have been given by or in respect of the Company;
- 5.1:12 That the Property is not subject to any covenants, restrictions or conditions and is not subject to any directions (made or proposed to be made) by any competent authority which affects or will affect the use or continued use hereof or any part thereof;
- 5.1:13 That all covenants, restrictions and conditions in all directions and orders made by any competent authority affecting the Property have been observed and performed.

## **6. Purchaser's Undertakings**

- 6.1 To take such steps as may be required to become a Member of the Company.
- 6.2 To comply with the provisions of the Company's Memorandum and Articles of Association as a code to govern relations between the Members and the proper administration of the Company.

## **7. Vendor's obligation to procure**

Upon completion of this Agreement **THE FOUNDER MEMBER** shall procure that there is delivered by the Administrator to the Purchaser:-

- 7.1 A Certificate of Membership of the Company in respect of the Purchaser;
  - 7.1.1 Where the Property is ready for habitation the Certificate of Membership shall be issued upon Completion;
  - 7.1.2 Where the Property is under construction the Certificate of Membership shall be issued upon receipt of full payment by the Founder Member from the Purchaser.

And upon request:

- 7.2 A copy of the Company's Memorandum and Articles of Association.
- 7.3 The Directors' Warranty that the Company has not traded other than to acquire the Property;
- 7.4 The Directors' Warranty that Legal Title to the Property has been conveyed to the Company;
- 7.5 An extract from the Company's registers of Directors and Members.

8. **Directors**

Upon registration of the Harmony Bay 3<sup>rd</sup>/4<sup>th</sup> Membership (excluding the Founder Member) the Company Directors named in the Third Schedule ("the Directors") shall continue to act unless the Administrator shall change.

9. **Secretary**

The Company Secretary named in the Third Schedule ("the Secretary") shall be responsible for the internal regulation of the Company including compliance with the formal matters contained in this Agreement. The Secretary shall continue to act unless the Administrator shall change.

10. **Notices**

10.1 Any notice under this Agreement to **THE FOUNDER MEMBER** shall be sent to **THE FOUNDER MEMBER**.

10.2 Any notice under this Agreement to any party other than **THE FOUNDER MEMBER** shall be sent to the recipient by first class, registered post (requiring signature upon receipt) at his last known address or in the case of a Company to its Registered Office or its principal business address.

10.3 Where a notice is sent by post service of the notice shall be deemed to be effected by properly addressing and posting a letter containing the notice and to have been effective on the fifth working day after posting **PROVIDED** that in the case of an address outside Europe the letter shall have been sent by pre-paid first class airmail.

11. **Governing law**

This Agreement is governed by the laws of England and the courts of England shall have non-exclusive jurisdiction.

12. **Limitation of Liability**

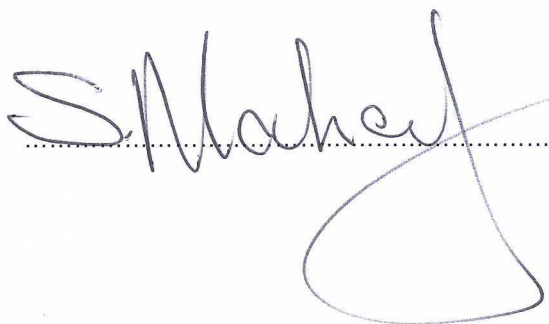
12.1 All covenants made by the Purchaser in this Agreement are made in its capacity as Trustee of Elljess Investments Limited Executive Pension Scheme but not so far as to incur any personal liability. No covenant shall be implied in this Agreement so as to render the Purchaser personally liable for payment of any sums due (or interest on those sums) under this Agreement nor shall such sums constitute a debt recoverable against them personally.

12.2 Any covenant to pay or discharge any monies due under or as a result of this Agreement or to perform any obligations shall only extend to an obligation to pay out funds and assets of the relevant pension scheme and the income from it so far as the same may be in their hands or under their control.

- 12.3 Where a Member Trustee is a party to this Agreement in the event that the Purchaser fails to pay the Purchase Price at the time and in the manner set out in this Agreement as a consequence of the funds and assets of the relevant pension scheme being insufficient, the Member Trustee shall pay the outstanding amounts to **THE FOUNDER MEMBER** in place of the Purchaser.

IN WITNESS of which the parties have executed this Agreement on the date first written above.

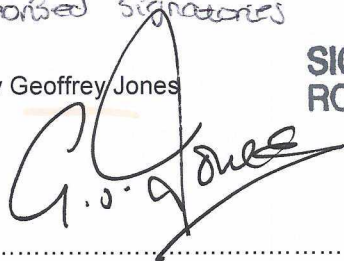
Signed by **THE FOUNDER MEMBER**




Signed by [Rowanmoor Trustees Limited]

x   
Authorised Signatories

Signed by Geoffrey Jones



x   
Authorised Signatories.

**SIGNED FOR AND ON BEHALF OF  
ROWANMOOR TRUSTEES LIMITED**

Signed by Lisa Jones



**FIRST SCHEDULE**

**Copy of Certificate of Incorporation of the Company**

**SECOND SCHEDULE**

**The Technical Specification Of Works**

**THIRD SCHEDULE**

**Interest, management and rental programme**

**FOURTH SCHEDULE**

**Site Plan**

**FIFTH SCHEDULE**

**Floor Plan**

**SIXTH SCHEDULE**

**Unit Plan**

**SEVENTH SCHEDULE**

**The Administrator and Officers**

FIRST SCHEDULE



**CERTIFICATE OF INCORPORATION  
OF A  
PRIVATE LIMITED COMPANY**

**Company Number. 9254469**

The Registrar of Companies for England and Wales, hereby certifies that

**HARMONY BAY C9 LIMITED**

is this day incorporated under the Companies Act 2006 as a private company,  
that the company is limited by guarantee, and the situation of its registered  
office is in England and Wales.

Given at Companies House, Cardiff, on **8<sup>th</sup> October 2014**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —

The above information was communicated by electronic means and authenticated by the  
Registrar of Companies under section 1115 of the Companies Act 2006



## **SECOND SCHEDULE**

### **Harmony Bay General and Technical Specifications**

#### **10 year structural guarantee**

**First Class Turkish Standard (TSE) construction materials used in construction. TSE is equivalent to European building standards.**

#### **Foundations**

- Steel reinforced concrete foundation system constructed in accordance with ground studies and first degree earthquake regulations.
- C 30 standard concrete.
- A water resistant membrane will be fitted under and around the foundations.
- Field drainage will be fitted around the foundations.

#### **Main Structure**

- Steel reinforced concrete columns, beams and floors constructed in accordance with ground studies and first degree earthquake regulations.
- C 30 standard concrete
- Roofs constructed using steel pillars, internal wood cladding and clay roof tiles

#### **Insulation and Damp Proofing**

- Roofs fitted with insulation membrane.
- Terrace will be covered with a damp proof and insulating membrane
- External walls will be covered with a damp proof insulating membrane, plastered and finished with silicon paint.
- Cement based water insulation materials shall be used on indoor wet spaces.
- Cement based water insulation materials shall be used on the terraces.
- On stone covered faces an insulation membrane will be fitted to the wall.

#### **External Walls and Terraces**

- External walls will be painted white or cream.
- Terraces and balconies will be floored in ceramic.
- Terrace pillars will be covered in natural stone.

#### **Internal Walls and Flooring**

- Interior walls will be gypsum mastic plaster coated in satin gypsum on round plaster finished with satin vinyl emulsion paint
- Floor will be first class ceramic tiles

#### **Electrical**

- All electrical materials used will be first quality Turkish standards (TSE).
- All halls and rooms shall have a minimum of two sockets.
- All bedrooms and lounge will have air conditioning
- There will be a fuse box for the building to which all installation is connected
- A separate fuse of sufficient value for domestic appliances will also be installed in each apartment.
- Each apartment will have independent telephone and TV aerial

- Preparatory cable connection shall be made for satellite connection in each apartment.
- Strong – Weak current regulations established by the Association of Electrical Engineers and Applications Project prepared in compliance with TEDAS specifications shall be observed
- An electrical boiler or equivalent will be installed.

#### **Plumbing**

- All materials used will be first quality Turkish standards (TSE).
- Water will be connected to and delivered from the Akbuk Municipality water system.
- An independent water line will be laid to each house and as required by the municipality and each apartment will be provided with a water meter.

#### **Carpentry, Doors & Windows**

- External apartment doors will be wood effect steel construction equipped with double locking system.
- Internal doors will be good quality American panel.
- Windows will be U.P.V.C. double glazed units with quality locking systems.

#### **Bathrooms**

- Bathroom walls and floors will be covered with first quality ceramic tiles.
- Bathrooms will have a shower installed.
- En-suite will have a shower enclosure installed.

#### **Communal Areas**

- Pathways and general landscaping together with an irrigations system will be implemented.
- Communal swimming pools and children's pools will be constructed in accordance with the project design.
- Environmental lighting will be provided in communal areas.



### **THIRD SCHEDULE**

## **Harmony Bay Resort and Spa – Interest, management and rental programme**

### **Terms and Conditions of Business**

1. Akbuk Resort Group will pay 4% per annum to the member during the construction period. It will be paid on a quarterly basis from the date of receipt of funds until completion of the unit.
2. It is hereby agreed that the property will be fully granted to Akbuk Resort Group or their appointed Management Company upon delivery.
3. Akbuk Resort Group or their appointed Management Company will provide a net 8% Rental Assurance of a period of 2 years starting from the opening date of the resort in May 2014.
4. The net 8% Rental Assurance will be based on the membership purchase price.
5. The Rental Assurance term will commence following completion and delivery of the property.
6. The Rental Assurance income will be payable quarterly in arrears.
7. Following the 2 year Rental Assurance term the property can be entered into the resorts managed Rental Programme for an initial period of 3 years.
8. Accounts will be delivered on an annual basis.
9. All Purchases exclude personal usage.



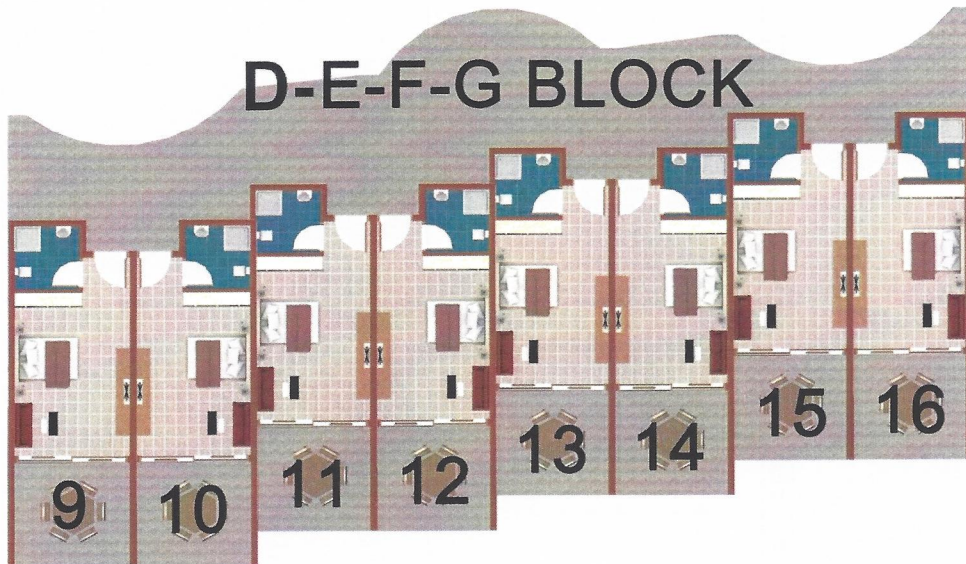
**FOURTH SCHEDULE**

**SITE PLAN**

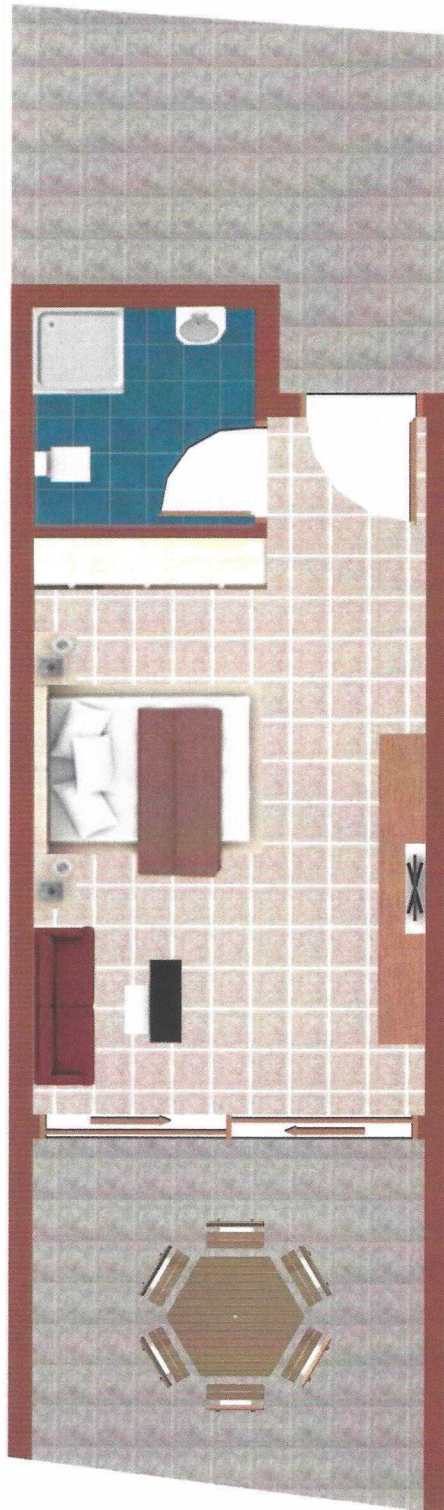




FIFTH SCHEDULE  
FLOOR PLAN FOR UNIT C9



SIXTH SCHEDULE  
UNIT PLAN FOR UNIT C9



## **SEVENTH SCHEDULE**

### **Directors**

Fractional Administration Solutions Limited

PO Box 5, Willow House, Oldfield Road, Heswall, Wirral, United Kingdom, CH60 0FW

Fractional Nominees Limited

PO Box 5, Willow House, Oldfield Road, Heswall, Wirral, United Kingdom, CH60 0FW

DL Bates

PO Box 5, Willow House, Oldfield Road, Heswall, Wirral, United Kingdom, CH60 0FW

### **Secretary**

Fractional Secretaries Limited

PO Box 5, Willow House, Oldfield Road, Heswall, Wirral, United Kingdom, CH60 0FW

### **Administrator**

Fractional Administration Solutions Limited

PO Box 5, Willow House, Oldfield Road, Heswall, Wirral, United Kingdom, CH60 0FW

