

SCANDINAVIAN VILLAGE ASSOCIATION

CONSTITUTION

NAME

1. The Association shall be called “The Scandinavian Village Association” (“the Association”).

HEADQUARTERS

2. The Headquarters of the Association shall be at the Scandinavian Village, Aviemore, Inverness-shire, PH22 1PF (“the Village”).

OBJECTS

3. The principal objects of the Association shall be:

- (a) to own either directly or by way of nominees 100% of the share capital of Scandinavian Village Limited, Company Number SC070383, whose Registered Office is 1 Scandinavian Village, Aviemore, Inverness-shire, PH22 1PF (“the Company”),**
- (b) to accept from members of the Association, or others, subscriptions, levies, loans and any other forms of payment, and**
- (c) to support the Company to the extent that the Association may determine from time to time, by way of gift, loan, or otherwise.**

FOUNDER MEMBERS

4. The founder members of the Association were (a) Bengt Nygren, then of 43 Ewell Downs Road, Ewell, Surrey, and (b) Interlude Houses (Scotland) Limited, then of Aviemore Centre, Aviemore. Neither of these parties has any residual interest in, nor contact with, the Association.

MEMBERSHIP

5.

- (a) Membership of the Association is open only to those who have been granted a right by the Company to take a licence permitting occupation of a villa or apartment in the Village (“the Licence”).**
- (b) The number of licences granted by the Company is 2925 and for each licence there is a corresponding membership of the Association.**

- (c) Each original member who was granted a licence for a villa (“villa membership”) paid £200 and for an apartment (“apartment membership”) paid £150 to the Association’s Foundation Fund (“the Fund”) for the purposes aftermentioned. In exchange the member received a certificate acknowledging such payment and bearing the number of the corresponding Licence. On assignation membership shall be transferred together with the corresponding Licence.
- (d) No member may own more than ten (10) Licences.

FOUNDATION FUND

- 6. The Fund amounted to £501,750 of which £950 was used to purchase 95% of the issued share capital of the Company at par and £497,000 was loaned to the Company without security and without interest. £400,270 was subsequently used by the Founder members to furnish and equip the villas and apartments. The residual balance of £96,730 remains as a loan to the Company without security and without interest.

CHARGES

- 7. In the event that additional sums are required to implement the objects of the Association, for each membership held, a member for a villa shall be bound to pay 0.0004 and for an apartment shall be bound to pay 0.0003 of such required sum as the Association in general meeting shall determine. This charge will be known as “The Levy”.

COMMITTEE

- 8.
 - (a) The whole business and affairs of the Association shall be managed by a committee (“the Committee”) which shall consist of six members of the Association.
 - (b) The Committee shall meet as often as is necessary to manage the Association properly and at least twice 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 fourteen days prior to the meeting.
 - (c) The Chairman of the Committee will be elected by a majority of those members of the Committee present at the first meeting of the Committee following each Annual General Meeting of the Association and he and any subsequent Chairman shall hold office for such period as the Committee shall determine. The Committee may terminate the appointment of the Chairman at any time and appoint in his stead a new Chairman.
 - (d) Decisions of the Committee shall be on the basis of a majority of those present including the Chairman and, in the event of equality in voting, the Chairman shall have the casting vote.

- (e) Four members of the Committee shall form a quorum.**
- (f) Proper Minutes of the proceedings at Committee meetings will be taken and shall be available for scrutiny by every member of the Association at any general meeting, and the Committee shall appoint a Secretary. All minutes of Committee Meetings will be displayed on the Scandinavian Village website.**
- (g) At each Annual General Meeting two members of the Committee shall retire by rotation, each member retiring after three years service on the Committee, and two new members shall be elected. Retiring members of the Committee may offer themselves for re-election.**
- (h) The appointment of any member of the Committee may be terminated at any time before the normal retirement date by a resolution passed at a general meeting of the Association duly convened and held in accordance with any of Clauses 11, 12 or 13. A replacement member may be elected at such general meeting or, failing that, by the Committee under Clause 9(a).**
- (i) Committee members shall be elected only at a general meeting of the Association in terms of such procedures as the Association in general meeting may determine from time to time subject only to Clause 9(a).**
- (j) A resolution signed by all the members of the Committee for the time being shall be as valid and effectual as if it had been passed at a Committee meeting duly convened and held.**

COMMITTEE POWERS

- 9. The Committee shall have powers as follows:**
 - (a) At any time to appoint a member of the Association to fill any casual vacancy on the Committee occurring through death, illness, resignation, or otherwise. All such persons 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, or she, was co-opted to replace would have been otherwise due to serve.**
 - (b) To represent the Association at any general meeting of the Company and to exercise all of the rights attaching to the shares in the Company held by or on behalf of the Association and in particular to nominate to the Board of Directors of the Company for such period as the Committee may determine, up to six individuals whether members of the Association or not. Further, the terms of any special resolution to be proposed on behalf of the Association at any general meeting of the Company must first be approved by the Association in general meeting.**

- (c) To appoint such sub-Committees as the Committee deem necessary for the administration of the Association.
- (d) To appoint a qualified Accountant as Auditor to audit the Accounts of the Association annually (“the Accountant”) and to appoint Solicitors and other professional advisers and to pay to them proper remuneration for services rendered. The Accountant, when appointed, shall be invited to attend or be represented at any general meeting of the Association.
- (e) To make bye-laws at any time for the proper administration of the Association. Such bye-laws shall not conflict with this Constitution.
- (f) To implement the decisions of the Association in general meeting.
- (g) To propose resolutions to any general meeting of the Association.
- (h) To authorise two of their number to enter into any contracts on behalf of the Association.

TERMINATION OF LICENCES

10. In the event of a Licence Fee and any corresponding Levy payable under a Licence remaining unpaid for a period of at least 180 days, or such other period as may be set out in the Licence Agreement:
 - (a) The Committee shall notify the Company of the debt and authorise the Company to take such steps as it considers appropriate to recover the debt;
 - (b) The Time Owner in debt (the “Debtor”) shall be liable to pay to the Company, in addition to the debt, the amount of £200 as liquidated damages, being a genuine pre-estimate of the Company’s loss in relation to the administration of its procedures for the recovery of such a debt, including the value of staff time and other resources; and
 - (c) If the Company serves notice to terminate the Licence in accordance with its right to do so, the Committee shall, at the first general meeting of the Association convened not less than 21 days after the date of the Company’s notice of termination, seek approval by the members of a resolution approving termination of the Debtor’s Licence.”

ANNUAL GENERAL MEETING

11. **The Annual General Meeting of the Association shall be held at Aviemore on such date as the Committee may decide in each year. It shall be called by a notice sent to all members and to the Accountant together with the Agenda of the business to be conducted, not less than 21 days before the date of such meeting. There shall be sent, along with the notice, a copy of the audited accounts of the Association and the Company for the previous year.**

SPECIAL GENERAL MEETING

12. **A Special General Meeting of the Association may be called by the Committee of its own resolve, or must be called expeditiously by it upon a request in writing from not less than the holders of 60 memberships and such meeting should be called in the manner prescribed for an Annual General Meeting.**

BUDGET APPROVAL

13. **The Committee shall present to a General Meeting of the Association (which may be an Annual General Meeting or a Special General Meeting) to be held at Aviemore on such a date as the Committee may decide each year the proposed budgets of the Association and of the Company together with recommendation of the support, financial or otherwise (if any) which the Association should give to the Company. This may be part of the Annual General Meeting but if for any reason that it is not suitable the Committee may call a Special General Meeting for that purpose”**

GENERAL MEETING VOTING

14.
 - (a) **Each member shall be entitled to one vote for each membership registered in his, or her, name.**
 - (b) **Each member will be entitled to appoint a proxy to vote in his, or her, stead for each membership held in such form as the Committee may approve from time to time.**
 - (c) **At every general meeting the Chairman of the Committee whom failing a Chairman appointed by a majority of those present at the meeting shall preside.**
 - (d) **Subject to Sub-clause (g) at all meetings, a simple majority of the votes cast in person and in proxy shall determine whether a resolution is carried or not and in the case of an equality of votes cast, the Chairman shall have a casting vote.**

- (e) No business other than that specifically stated in the notice calling the meeting shall be considered.
- (f) Any resolution to be proposed otherwise than by the Committee at any Annual, Special, or Extra-ordinary General Meeting of the Association shall be intimated in writing to the Chairman of the Committee at the address of the Association not less than 42 days before the date of the meeting and shall be signed by the proposer and seconder.
- (g) The approval of any resolution involving a change in the Constitution shall require ninety per cent of all votes cast in person or proxy to be in favour.

SUSPENSION OF LICENCE

- 15. The Committee shall upon receipt of a written notice from a Member of the Association whose right of occupation has been suspended by the Company place upon the Agenda of the next general meeting of the Association the matter of that suspension to permit the Association to determine whether such suspension is to be confirmed or varied. The member and the Company shall each be entitled to make representations which may be circulated with the Agenda or made at the general meeting or in such other manner as the Association may from time to time determine. The decision of the Association shall be sent in writing both to the member and to the Company.

POWERS

- 16. The Association shall have power:
 - (a) to acquire and sell property, and
 - (b) to dissolve itself at a general meeting duly convened and to resolve to distribute the net assets of the Association amongst the members. The member will then receive for each villa membership 0.0004 part of the net assets and for each apartment membership 0.0003 part of the net assets.

ACCOUNTS

- 17. The financial year of the Association shall end on 31st. December or such other date as the Association in general meeting may decide. 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 Association and a statement of the accounts and balance sheet of the Association and the Company duly prepared and audited.

DISPUTES

- 18. 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.**