

CPM

Compleat Property Management
Block Management, Residential Lettings

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Companies House
Crown Way
Cardiff CF4 3UZ

19 January 2000

Dear Sirs,

Re : Lanres Limited – Company Number 02290692

At the Annual General Meeting for the company held on 8th December 1999, the Articles of Association for the company were amended and we duly enclose a copy of the amendments together with a full revised copy of the Articles as this is now the 2nd amendment to them. We understand that such amendments have to be filed within a specified time of the Annual General Meeting, but point out that this is not a commercial company, it is a freehold company consisting solely of owners of apartments and as such the meeting coincided with the Christmas break, sickness and holidays. In addition, because the proposed amendment was further amended at the meeting, it was necessary to obtain approval from the company solicitor prior to submission with Companies House to ensure that the new wording was legally correct.

The amendments to the Articles are as follows :

1. In Article 2, insert "30, 31" after "24" and before "41".
2. Insert a new Article 10 (Forfeiture of Shares) as follows :

FORFEITURE OF SHARES

10. If the lease ("former lease") held by a member is forfeited, surrendered, disclaimed, or otherwise comes to an end, the directors may at any time thereafter by resolution forfeit all the shares held by that member. Forfeited shares shall be held by at least two directors as trustees. When a new lease is granted demising the same part of 171/189 Lanark Road, London, W9 ("the Property") as the former lease, the shares forfeited from the leaseholder under the former lease shall be transferred to the tenant under the new lease and the forfeiture cancelled. Until such transfer, the shares shall be held for the benefit of all other members.



The UK Association of Letting Agents

3. Delete existing Articles 10 and 11, (Transfer of Shares) and replace with new Articles 11, 12 and 13 (Transfer of Shares) as follows :

TRANSFER OF SHARES

- 11. The instrument of transfer of any share shall be executed by or on behalf of the transferor, but need not be executed by the transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered on the register of members in respect thereof.*
- 12. The directors shall register the transfer of a share to a person who is qualified to be a member of the Company. The Company shall be entitled to retain any instrument of transfer which is registered.*
- 13. A person is qualified to be a member of the company if and only if that person is a leasehold owner of one of the flats at the Property being a lease of which the interest in reversion is vested in the Company.*

4. Insert a new Article 14 (Votes for Members) as follows :

VOTES OF MEMBERS

- 14. No member shall be entitled to cast a vote, either on a show of hands or on a poll, when not qualified to be a member of the Company, nor when any sum demanded from him under article 15 has been overdue for payment to the Company for longer than two months, nor when the member has failed to pay for more than two months when due the service charge arising under the member's lease, nor as a holder of any share while it is forfeited.*

5. Insert a new Article 15 (Service Charge Deficit) as follows :

SERVICE CHARGE DEFICIT

- 15. If the Company is not fully reimbursed, by payments received from leaseholders under the leases, for the cost of performing its obligations in relation to the property, it may require such payments to be made to it by the members as are necessary to make good any deficit. Equal sums shall be demanded from the holder of each share, but supplementary demands may be made if any shareholder fails to make the payment demanded. On the subsequent recovery by the Company of any sum in excess of the costs incurred by it, the surplus shall be applied first in paying or crediting pro rata any member who under this provision has paid more than any other member, until such inequality is eliminated.*

6. Delete existing Article 12 (Number of Directors) and replace with a new Article 16 (Number of Directors) as follows :

NUMBER OF DIRECTORS

16. The number of Directors shall not be more than seven but must not be less than two.

7. Renumber existing Articles 13, 14, 15, 16, 17 and 18 as Articles 17, 18, 19, 20, 21 and 22.

8. Insert new Article 23 (Under Director's Appointments and Interests) as follows :

23. A director shall hold a share in the Company as the beneficial owner of that share (whether solely or jointly with others). The office of director shall be vacated upon the director ceasing to be a member of the Company.

9. Renumber existing Articles 19, 20 & 21 as Articles 24, 25 & 26.

A fully revised set of Articles is also enclosed for your information.

Yours faithfully,



Andrew Corden

Company Secretary Lanres Limited.

THE COMPANIES ACT 1985

Company Limited by Shares

ARTICLES OF ASSOCIATION OF LANRES LIMITED

PRELIMINARY

1. The Regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (hereinafter referred to as "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 together with the Articles hereinafter contained shall be the Articles of Association of the Company.
2. The following Regulations of Table A shall not apply to the Company, namely Regulations 3, 24, 30, 31, 41, 46, 48, 58, 62, 64, 67, 73, 74, 75, 94, 95, 96 and 97.
3. Regulation 1 of Table A shall apply to the interpretation of these Articles as it applies to the interpretation of Table A.

PRIVATE COMPANY

4. The Company is a private company and accordingly the Company shall not offer any shares in or debentures of the Company to the public or allot or agree to allot any shares in or debentures of the Company with a view to all or any of such shares or debentures being offered for sale to the public, and sections 58(3) 59 and 60 of the Act shall apply for the purposes of this Article as they apply for the purposes of the Act.

SHARES

5. The share capital of the Company is £35 divided into 35 shares of £1 each.
6. (1) The Directors shall have control over and may allot, grant options over, offer or otherwise deal with or dispose of all un-issued shares of the Company, whether forming part of the original or any increased capital, to such persons including any Directors of the Company, at such times, for such consideration and upon such terms and conditions as they may determine.

(2) The Directors are hereby generally and unconditionally authorised, unless and until such authority is previously revoked, renewed or varied for a period of five years from the date of incorporation of the Company :

- (a) To allot relevant securities as defined in Section 80 of the Act being un-issued shares of the Company forming part of its original capital;
- (b) To make offer or agreements which would or might require relevant securities as so defined to be allotted after the expiry of such authority.

7. Sections 89(1), 90(1) to (5) and 90(6) of the Act shall not apply to the allotment of equity securities as defined in section 94 of the Act.

REDEMPTION OF SHARES

8. Subject to the provisions of the Act shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder, on such terms and in such manner as shall be specified by Special Resolution before the issue thereof.

LIEN

9. The lien conferred by Regulation 8 of Table A shall attach to all shares whether fully paid or not standing registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of two or more joint registered holders.

FORFEITURE OF SHARES

10. If the lease ("former lease") held by a member is forfeited, surrendered, disclaimed, or otherwise comes to an end, the directors may at any time thereafter by resolution forfeit all the shares held by that member. Forfeited shares shall be held by at least two directors as trustees. When a new lease is granted demising the same part of 171/189 Lanark Road, London, W9 ("the Property") as the former lease, the shares forfeited from the leaseholder under the former lease shall be transferred to the tenant under the new lease and the forfeiture cancelled. Until such transfer, the shares shall be held for the benefit of all other members.

TRANSFER OF SHARES

11. The instrument of transfer of any share shall be executed by or on behalf of the transferor, but need not be executed by the transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered on the register of members in respect thereof.

12. The directors shall register the transfer of a share to a person who is qualified to be a member of the Company. The Company shall be entitled to retain any instrument of transfer which is registered.
13. A person is qualified to be a member of the Company if and only if that person is a leasehold owner of one of the flats at the Property being a lease of which the interest in reversion is vested in the Company.

VOTES OF MEMBERS

14. No member shall be entitled to cast a vote, either on a show of hands or on a poll, when not qualified to be a member of the Company, nor when any sum demanded from him under article 15 has been overdue for payment to the Company for longer than two months, nor when the member has failed to pay for more than two months when due the service charge arising under the member's lease, nor as a holder of any share while it is forfeited.

SERVICE CHARGE DEFICIT

15. If the Company is not fully reimbursed, by payments received from leaseholders under the leases, for the cost of performing its obligations in relation to the property, it may require such payments to be made to it by the members as are necessary to make good any deficit. Equal sums shall be demanded from the holder of each share, but supplementary demands may be made if any shareholder fails to make the payment demanded. On the subsequent recovery by the Company of any sum in excess of the costs incurred by it, the surplus shall be applied first in paying or crediting pro rata any member who under this provision has paid more than any other member, until such inequality is eliminated.

NUMBER OF DIRECTORS

16. The number of Directors shall not be more than seven but must not be less than two.

ALTERNATIVE DIRECTORS

17. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.

POWERS OF DIRECTORS

18. In addition to and without prejudice to the generality of the powers conferred by Regulation 70 of Table A the Directors may mortgage or charge all the undertaking, assets and property of the Company including the uncalled capital or any part thereof, and issue debentures, debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.

RETIREMENT OF DIRECTORS

19. The provision for the retirement of Directors by rotation contained in Regulations 73, 74 and 75 of Table A shall not apply to the Company, and accordingly the following Regulations of Table A shall be modified in their application to the Company in the following respects:
- (a) the words "other than a director retiring by rotation" shall be omitted from Regulation 76;
 - (b) the words ("other than a director retiring by rotation at the meeting") shall be omitted from Regulation 77;
 - (c) the words "and may also determine the rotation in which any additional directors are to retire" shall be omitted from Regulation 78;
 - (d) the words "and shall not be taken into account in determining the directors who are to retire by rotation at the meeting" shall be omitted from Regulation 79;
 - (e) the words "A managing director and a director holding any other executive office shall not be subject to retirement by rotation" shall be omitted from Regulation 84.
20. The notice to the Company by which a Director resigns his office shall be in writing and Regulation 81 of Table A shall be modified accordingly in its application to the Company.

DIRECTORS' APPOINTMENTS AND INTERESTS

21. A director may vote in respect of and may be counted in the quorum at any meeting of Directors at which there is considered any appointment, agreement, arrangement or transaction of the nature specified in Regulations 84 and 85 of Table A to which he is a party or in which he is otherwise interested.
22. Any director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall subject to the Acts, Table A and these Articles, be entitled to remuneration for such services.
23. A director shall hold a share in the Company as the beneficial owner of that share (whether solely or jointly with others). The office of director shall be vacated upon the director ceasing to be a member of the Company.

PROCEEDINGS OF DIRECTORS

24. The words "and unless so fixed at any other number shall be two" shall be omitted from Regulation 89 of Table A in its application to the Company.

25. For the purposes of Regulation 93 of Table A the consent of a Director or an alternate Director to a resolution may also be given by giving notice of his approval to the Company by letter telex cable or other similar means.

INDEMNITY

26. In addition to the indemnity conferred by Regulation 118 of Table A and subject to the provisions of the Act, every such person as is mentioned in the said Regulation shall be entitled to be indemnified out of the assets of the Company against all expenses losses or liabilities incurred by him as agents of the Company or for the Company's benefit or in or about the discharge or intended discharge of his duties in relation to the Company.

As amended 8th December 1999