

Registered No: 2840719

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

-of-

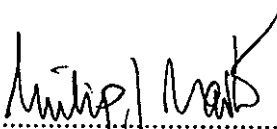
PILLAR (YORK) LIMITED

(passed 18 MAY 1999)

At an Extraordinary General Meeting of Pillar (York) Limited duly convened and held at Lansdowne House, Berkeley Square, London W1X 6HQ on 18 MAY 1999 the following resolution was duly passed as a Special Resolution:

SPECIAL RESOLUTION

THAT the regulations attached hereto be and are hereby adopted as the Articles of Association of the Company to the exclusion of and in substitution for the existing Articles of Association of the Company.


.....
Chairman
SECRETARY



THE COMPANIES ACT 1985 (AS AMENDED)
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

PILLAR (YORK) LIMITED
(adopted by Special Resolution passed on 18 MAY 1999)

PRELIMINARY

1. The Company is a private company limited by shares and accordingly any offer to the public of shares in or debentures of the Company or any allotment of or agreement to allot shares in or debentures of the Company with a view to their being offered for sale to the public is prohibited. Subject as hereinafter provided and except where the same are varied by or inconsistent with these presents, the regulations contained in Table A in the Companies (Tables A-F) Regulations 1985 (as amended prior to the adoption of these Articles) (hereinafter referred to as "Table A") shall apply to the Company.

SHARES

2. (a) All shares in the capital of the Company for the time being unissued which are relevant securities (as defined in Section 80(2) of the Companies Act 1985 ("the Act")) shall be under the control of the Directors who are generally and unconditionally authorised to allot, agree to allot, grant options over or convert any security into or otherwise dispose of such shares or any of them at such time or times and on such terms (including time of allotment) as they think fit in the period of five years from the adoption of these regulations as the Articles of Association of the Company and with regard to any such shares which are equity securities (as defined in Section 94(2) of the Act) the Directors are further hereby authorised to allot or agree to allot, grant options over or convert any security into or otherwise dispose of the same or any of them pursuant to the aforementioned authority as if Section 89(1) of the Act does not apply to the allotment thereof.
- (b) At the expiry of such five year period, the authority contained in Article 2(A) shall expire, but such authority shall allow the Company to make an offer or agreement before the expiry of such authority which would or might require the allotment, grant of options over, conversion of any security into or other disposal of shares after the expiry of such authority, and the Directors may allot, grant options over, convert any security into or otherwise dispose of shares pursuant to any such offer or agreement as if such authority had not expired.

TRANSFER OF SHARES

3. For as long as the Company is the wholly owned subsidiary (as defined in Section 736 of the Act) of another company, a transfer in respect of any shares in the Company may be executed by a director of that other company, and the Directors shall be bound to accept such a transfer as validly executed by a duly authorised agent of the transferee.
4. Regulation 24 of Table A shall not apply. Save for any transfer made pursuant to the provisions of Article 3 the Directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of any shares, whether or not it is a fully paid share.

PROCEEDINGS AT GENERAL MEETINGS

5. The second sentence of Regulation 40 of Table A shall be omitted. One member present in person or by proxy shall be a quorum at any general meeting.
6. Regulation 46 of Table A shall be read and construed as if the words "any member" were substituted for the words "at least two members" in paragraph (b) thereof and paragraphs (c) and (d) thereof were omitted.
7. In the case of a corporation a resolution in writing may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 of Table A shall be extended accordingly.

SHARE CERTIFICATES

8. The Company may execute share certificates in accordance with the enabling provisions of Section 36A of the Act and the provisions of Regulation 6 of Table A shall be deemed to have been varied accordingly.

VOTES OF MEMBERS

9. A proxy shall be entitled to vote on a show of hands and Regulation 54 of Table A shall be modified accordingly.
10. Regulation 59 of Table A shall not apply to the Company. On a poll votes may be given either personally or by proxy or, in the case of a member being a corporation, by its duly authorised representative.

DIRECTORS

11. Regulations 64 and 73 to 80 (inclusive) of Table A shall not apply to the Company. The last sentence of Regulation 84 of Table A shall be omitted.

12. Unless and until otherwise determined by ordinary resolution there shall be no maximum number of Directors and the minimum number of Directors shall be one. A sole Director shall have authority to exercise all the powers of the Company vested in the Directors.
13. If any Director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a Board Meeting of the Directors of the Company, and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.
14. In Regulation 85(c) of Table A there shall be inserted after the words "interest or benefit" the words "unless the Company by ordinary resolution otherwise directs."

DELEGATION OF DIRECTORS' POWERS

15. In addition to the powers to delegate contained in Regulation 72 of Table A, the Directors may delegate any of their powers to any committee consisting of one or more Directors and any one or more co-opted persons. The Directors may authorise the co-option to a committee of persons other than Directors and for such co-opted persons to have voting rights as members of the committee but so that (i) the number of co-opted persons shall be less than one-half of the total number of members of the committee and (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors. Regulation 72 of Table A shall be modified accordingly.

POWERS AND DUTIES OF DIRECTORS

16. Subject to a Director complying with the provisions of Section 317 of the Act, he shall be entitled to vote at a meeting of Directors in respect of any contract or arrangement in which he is interested and if he does so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present. Regulation 94 of Table A shall be construed accordingly.
17. The Directors may grant retiring pensions or annuities or other allowances, including allowances on death, to any person or to the widow or dependants of any person in respect of services rendered by him to the Company as Managing Director, Assistant Managing Director or in any other executive office or employment under the Company or indirectly as an executive officer or employee of any subsidiary of the Company or of its holding company (if any) notwithstanding that he may be or may have been a director of the Company, and may make payments towards insurance or trusts for such purposes in respect of such persons and may include rights in respect of such pensions, annuities and allowances in the terms of engagement of any such person.

DISQUALIFICATION OF DIRECTORS

18. Regulation 81 of Table A shall not apply to the Company. The office of Director shall be vacated if the Director:
- (a) resigns his office by notice in writing to the Company; or
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (d) becomes of unsound mind; or
 - (e) ceases to be a director by virtue of Section 291 or 293 of the Act; or
 - (f) is removed from office in accordance with the provisions of Article 26.

PROCEEDINGS OF DIRECTORS

19. Notices of meetings of Directors shall be given to all Directors and to any alternate Directors appointed by them. Notices of a meeting of the Directors shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or at any other address given by him to the Company for this purpose, or by any other means authorised in writing by the Director concerned. A Director absent or intending to be absent from the United Kingdom may request that notices of meetings of the Directors shall, during his absence, be sent in writing to him at an address or to a facsimile or telex number given by him to the Company for this purpose. Regulation 88 of Table A shall be modified accordingly.
20. Regulation 89 of Table A shall be read and construed as if the word "one" was substituted for the word "two".
21. Regulation 90 of Table A shall not apply to the Company.
22. All or any of the Directors or of the members of any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest of the group of those participating is assembled, or, if there is no such group where the Chairman of the meeting then is.

23. A resolution in writing of the Directors who would have been entitled to vote upon it if it had been proposed at a board meeting at which they were present shall be as effectual as if it had been passed at a board meeting duly convened and held either:
- (a) if it consists of an instrument executed by or on behalf of each such Director; or
 - (b) if it consists of several instruments of like form either:
 - (i) executed by or on behalf of one or more of such Directors; or
 - (ii) sent by or on behalf of one or more of such Directors by telex or facsimile transmission and deposited or received at the office or received by the secretary.

DIRECTORS' GRATUITIES AND PENSIONS

24. Regulation 87 of Table A shall not apply to the Company.

WINDING UP

25. In Regulation 117 of Table A shall be inserted before the words "determine how the division" the words "with the like sanction".

INDEMNITY

26. Regulation 118 of Table A shall not apply to the Company. Subject to the provisions of the Act, the Company may purchase and maintain for any Director, Managing Director, Secretary or other officer or employee or agent of the Company or its auditors insurance against any liability. Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or has been a Director, Managing Director, Secretary and other officer or employee of the Company shall (to the extent the proceeds of any insurance policy against such liability are insufficient to meet such liability in full) be indemnified out of the assets of the Company against any liability relating to his conduct as, or incurred by him as, such Director, Managing Director, Secretary or other officer or employee of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144(3) or Section 144(4) or Section 727 of the Act in which relief is granted to him by the Court; and, if the Board thinks fit, every agent and the auditors of the Company may be so indemnified against any liability incurred by him/them in defending any such proceedings.

OVERRIDING PROVISIONS

27. Whenever Pillar Property PLC (hereinafter called "the Parent Company"), or any subsidiary of the Parent Company, shall be the holder of not less than 90 per cent of the

issued Ordinary Shares of the Company the following provisions shall apply and to the extent of any inconsistency shall have overriding effect as against all other provisions of these Articles:-

- (a) the Parent Company may at any time and from time to time appoint any person to be a Director or remove from office any Director howsoever appointed but so that in the case of a Managing Director his removal from office shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of services between him and the Company;
- (b) no unissued shares shall be issued or agreed to be issued or put under option without the consent of the Parent Company; and
- (c) any or all powers of the Directors shall be restricted in such respects and to such extent as the Parent Company may by notice to the Company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing served on the Company and signed on behalf of the Parent Company by any two of its Directors or by any one of its Directors and its Secretary or some other person duly authorised for the purpose. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.