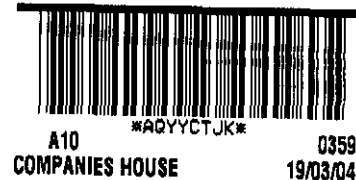


Company No: 3003291



**RIDGMONT CARE HOMES (SOUTH) LIMITED**

(the "Company")

PRIVATE COMPANY LIMITED BY SHARES

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**WRITTEN RESOLUTIONS OF THE COMPANY**

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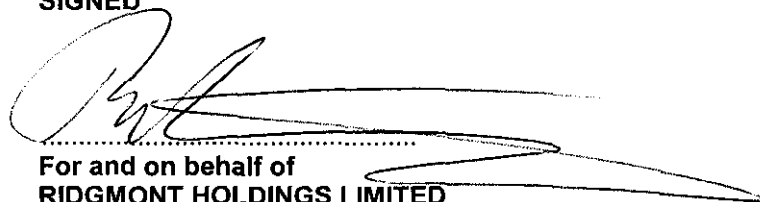
Pursuant to Regulation 53 of Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as adopted by the articles of association of the Company, we, the undersigned being the sole member of the Company hereby resolve that the following Resolutions be duly passed as written resolutions of the Company:

**THAT:**

**SPECIAL RESOLUTIONS**

1. each of the 150,000 issued ordinary shares of £1 each be subdivided into 1,500,000 shares of £0.10 each, and that these 1,500,000 shares be re-designated as 1,500,000 ordinary shares of £0.10 each, having the rights set out in the Articles (as defined below);
2. each of the 200,000 issued class 3 7.5% preference shares of £1 each be subdivided into 2,000,000 shares of £0.10 each, and that these 2,000,000 shares be re-designated as 2,000,000 ordinary shares of £0.10 each, having the rights set out in the Articles (as defined below); and
3. each of the 250,000 unissued and 2,250,000 issued class 4 7.5% preference shares of £0.10 each be redesignated as 2,500,000 ordinary shares of £0.10 pence each, having the rights set out in the Articles (as defined below);
4. the articles of association in the form annexed to this resolution (the "**Articles**") be adopted as the new articles of association of the Company in substitution for the existing articles of association of the Company.

**SIGNED**

  
For and on behalf of  
**RIDGMONT HOLDINGS LIMITED**

28/2/04  
Date

Company No. 3003291

28 February 2004

**ARTICLES OF ASSOCIATION  
OF RIDGMONT CARE HOMES (SOUTH) LIMITED**

THE COMPANIES ACT 1985  
PRIVATE COMPANY LIMITED BY SHARES

**OLSWANG**

90 High Holborn  
London WC1V 6XX  
[www.olswang.com](http://www.olswang.com)

T +44 (0) 20 7067 3000  
F +44 (0) 20 7067 3999  
DX 37972 Kingsway

Regulated by the Law Society

# ARTICLES OF ASSOCIATION

- of -

## RIDGMONT CARE HOMES (SOUTH) LIMITED

(the "Company")

(Adopted by written resolution passed

on 28 Feb 2004)

### 1. PRELIMINARY

- 1.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, SI 1985/805, as in force at the date of adoption of these Articles ("Table A"), apply to the Company, except to the extent that they are excluded or modified by these Articles, and those regulations (so far as applicable) and the following provisions of these Articles together constitute the Articles of Association of the Company.
- 1.2 References in these Articles to any Regulation are to the relevant numbered regulation of Table A.
- 1.3 A special resolution shall be effective for any purpose for which an ordinary or an extraordinary resolution is required.
- 1.4 For so long as there is only one member of the Company, references in these Articles to *members or which imply the existence of more than one member shall be construed as* references to the one member for the time being of the Company.

### 2. SHARE CAPITAL

- 2.1 The authorised share capital of the Company at the date of adoption of these Articles is £2,450,000 divided into 24,500,000 ordinary shares of £0.10 each.
- 2.2 The directors may not exercise any powers of the Company to allot relevant securities (as defined in section 80 of the Act) except with the prior consent of the holder(s) of not less than a majority of the voting rights attaching to the issued share capital of the Company.
- 2.3 Subject to the provisions of these Articles, the directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined in section 80 of the Act) up to a maximum aggregate nominal amount equal to the nominal amount of the authorised but unissued share capital at the date of adoption of these Articles. The authority conferred on the directors by this Article shall unless revoked, varied or renewed by the Company in general meeting. The Company may,

before this authority expires, make an offer or agreement which would or might require relevant securities to be allotted after it expires.

**3. SHARE CERTIFICATES**

Regulation 6 shall apply as if the words "or executed by the Company and signed by a director and the secretary of the Company or by two directors of the Company in accordance with the Act" were inserted after the word "seal" in the second sentence of that Regulation.

**4. LIENS, CALLS AND FORFEITURE**

Regulations 8 to 11 inclusive and Regulations 17 to 22 inclusive shall not apply.

**5. TRANSFER OF SHARES**

Regulations 24 to 26 inclusive shall not apply.

**6. NOTICE OF GENERAL MEETINGS**

6.1 The first sentence of Regulation 38 shall apply as if the words "or a resolution appointing a person as a director" were deleted.

6.2 Regulation 38 shall apply as if the words:

"or, if and for so long as the Company has only one member, by the sole member of the Company"

were inserted after the words "attend and vote thereat" in paragraph (a) of that Regulation and after the words "shares giving that right" in paragraph (b) of that Regulation.

**7. PROCEEDINGS AT GENERAL MEETINGS**

7.1 No business shall be transacted at any general meeting (or at any adjourned general meeting) unless a quorum is present. A quorum shall be any member or members holding shares representing not less than a majority of the voting rights attaching to the issued share capital of the Company, present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy. Regulation 40 shall not apply.

7.2 Regulation 50 shall not apply.

**8. VOTES OF MEMBERS**

8.1 Subject to any rights or restrictions attached to any shares, on a show of hands, every member who is present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy shall have one vote. On a poll every member shall have one vote for every share of which he is the holder. Regulation 54 shall not apply.

8.2 Regulation 57 shall not apply.

8.3 Regulation 62 shall apply as if:

8.3.1 the words "not less than forty-eight hours" in each of paragraphs 62(a) and 62(aa) were deleted and replaced by the words "at any time";

8.3.2 paragraphs 62(b) and (c) were deleted and replaced with the words:

"(b) in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll"; and

8.3.3 the words: "Any valid appointment of proxy shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting" were inserted at the end of that Regulation.

## 9. **NUMBER OF DIRECTORS**

Unless and until otherwise determined by ordinary resolution, the number of the directors (other than alternate directors) shall not be subject to any maximum, and the minimum number of directors shall be one. Regulation 64 shall not apply.

## 10. **ALTERNATE DIRECTORS**

10.1 Any director (other than an alternate director) may appoint any other director, or any other person who is willing to act, to be an alternate director and may remove from office any alternate appointed by him. Regulation 65 shall not apply.

10.2 An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and committees of directors. Regulation 66 shall apply as if the last sentence were deleted.

10.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director. Regulation 67 shall not apply.

10.4 Regulation 68 shall apply as if the following words were added at the end of that Regulation: "and shall take effect when the notice is received or at any later time specified for the purpose in the notice".

10.5 The appointment of an alternate director shall terminate automatically on the happening of any event which, if he were a director, would cause him to vacate his office as a director.

10.6 A person may be appointed as the alternate director of more than one director, and in those circumstances that alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote in respect of every director by whom he has been appointed in addition to his own vote (if any) as a director. Any such person may be counted more than once for the purpose of determining whether or not a quorum is present.

**11. POWERS OF DIRECTORS**

Subject to the provisions of the Act, the directors may appoint a person to the office of managing director or any other executive or salaried office and may enter into an agreement or arrangement with any person in respect of any such appointment or in respect of the provision by a director of any services outside the scope of the ordinary duties of a director only with the prior written consent of the holder(s) of a majority of the voting rights attaching to the issued share capital of the Company both to the appointment and the terms of the agreement or arrangement in question. The first and second sentences of Regulation 84 shall not apply.

**12. DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such individuals (whether directors or not) as they think fit. The first sentence of Regulation 72 shall not apply.

**13. APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

13.1 The holder(s) of a majority of the voting rights attaching to the issued share capital of the Company may from time to time appoint any person willing to act as a director and remove from office any person so appointed.

13.2 Any appointment or removal of a director pursuant to Article 13.1 shall be made by notice to the Company signed by the shareholder(s) entitled to appoint or remove that director. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice.

13.3 Any director appointed for the time being pursuant to Article 13.1 may make such disclosures in relation to the Company and its subsidiary undertakings to the shareholder(s) appointing him as he thinks appropriate in his sole discretion.

13.4 The directors shall have no power to appoint any person to be a director.

13.5 The directors shall not be subject to retirement by rotation, and Regulations 73 to 80 (inclusive) and the last sentence of Regulation 84 shall not apply.

13.6 Regulation 81 shall apply as if paragraph (e) were deleted and replaced by the following:

"(e) he is removed from office in accordance with Article 13.1".

13.7 A director need not hold any shares in the Company to qualify as a director.

**14. DIRECTORS' APPOINTMENTS AND INTERESTS**

Regulation 85 shall apply as if the word "material" were deleted.

**15. DIRECTORS' GRATUITIES AND PENSIONS**

- 15.1 The directors may exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or with a predecessor in business of the Company or of any such body corporate, and for any member of his family (including a spouse and a former spouse), or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. Regulation 87 shall not apply.
- 15.2 The directors may exercise any power conferred by the Act to make provision for the benefit of any employees or former employees of the Company or any of its subsidiary undertakings in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary undertaking.

**16. PROCEEDINGS OF DIRECTORS**

- 16.1 Notice of a meeting of the directors may be given to a director either personally or by word of mouth or in writing or by electronic communication, or by any other means authorised by the director concerned.
- 16.2 Every director shall be given notice of a meeting, including any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively. The third sentence of Regulation 88 shall not apply.
- 16.3 The quorum for the transaction of business of the directors shall be two unless there is a sole director, in which event the sole director shall constitute a quorum. The first sentence of Regulation 89 shall not apply.
- 16.4 All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and/or be counted in a quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is located.
- 16.5 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract or transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the directors in accordance with the Act. If he makes that disclosure, a director shall be entitled to vote in respect of that contract or proposed contract or transaction or arrangement or upon any matter arising from it and his vote (if any) shall be counted and he shall be taken into account in ascertaining whether a quorum is present for the purposes of that meeting. Regulations 94, 95 and 97 shall not apply.

16.6 If any question arises at any meeting of directors or of a committee of directors as to the right of any director to vote, and that question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting). The ruling of the chairman in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and binding. Regulation 98 shall not apply.

16.7 If and for so long as there is a sole director, he shall be entitled to exercise all the powers and authorities vested in the directors by these Articles, in which event the provisions of these Articles shall be construed accordingly. A sole director may exercise any such powers and authorities by resolution in writing signed by him.

17. **OFFICIAL SEAL**

The Company may exercise all the powers conferred by the Act with regard to having any official seal, and those powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

18. **ACCOUNTS**

Regulation 109 shall not apply.

19. **CAPITALISATION OF PROFITS**

Regulation 110(c) shall apply as if the words "or ignore fractions altogether" were inserted after the words "distributable under this regulation in fractions".

20. **NOTICES**

20.1 Regulation 111 shall apply as if the words "(including, without limitation, any consent, approval or other document)" were inserted after the words "Any notice" in the first sentence of that Regulation and as if the words "given personally or by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail" were inserted after the words "in writing" in the first sentence of that Regulation.

20.2 Regulation 112 shall apply as if the words "first class" were inserted after the word "prepaid" in the first sentence of that Regulation and as if the words "or (in the case of a registered address outside the United Kingdom) by airmail in a prepaid envelope" were inserted after the words "sending it by post in a prepaid envelope" and as if the words "but otherwise no such member shall be entitled to receive any notice from the Company" were deleted.

20.3 Regulation 115 shall apply as if the last sentence was deleted.



20.4 Regulation 116 shall apply as if the words "within the United Kingdom" were deleted.

21. **INDEMNITY**

21.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every director, alternate director and other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without limitation) a liability incurred:

- 21.1.1 defending proceedings (whether civil or criminal) in which judgement is given in his favour or in which he is acquitted, or which are otherwise disposed of without the finding or admission of material breach of duty on his part, or
- 21.1.2 in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

*Regulation 118 shall not apply.*

21.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director, alternate director or other officer or employee, or former director, alternate director, officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of any pension fund or retirement, death or disability scheme or another trust in which a director, alternate director, officer or employee or former director, alternate director, officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.