

No. 3335872



The Companies Acts 1985 to 1989

Company Limited by Shares

Articles of Association
(as amended by a Special Resolution passed on 31 March 1999)

of

Charterhouse Property Funds (Holding) Limited

(Incorporated - 19 March 1997)



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The Companies Acts 1985 to 1989

Private Company Limited by Shares

Articles of Association

of

Charterhouse Property Funds (Holding) Limited
(as amended by a Special Resolution passed on 31 March 1999)

Regulations of the company

1. The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 (the 'Act') and in force on the date of incorporation of the company).
2. Regulations 8, 24, 53, 54, 60-62 (inclusive), 65-69 (inclusive), 73-80 (inclusive), 87, 90, 93, 100 and 118 in Table A do not apply to the company.

Share capital

- 3 (1) The share capital of the Company at the date of the adoption of this article is £5,000,000 divided into 50,000 Ordinary Shares of £1 each ('the Ordinary Shares') and 4,950,000 Redeemable Preference Shares of £1 each ('the Preference Shares').
 - (2) The rights attached to any class of shares may (whether or not the Company is being wound up) be varied by a resolution of the directors and with either the consent in writing of the holder or holders of not fewer than 75% in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class but not otherwise.
 - (3) To every such separate meeting aforesaid all provisions applicable to general meetings of the Company or to the proceedings thereat shall mutatis mutandis apply except that the necessary quorum shall be one person present and holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting of such

holders a quorum as so defined is not present the member or members present shall be a quorum) and that any holder of shares of the class present may demand a poll and such holders shall on a poll have one vote in respect of every share of such class held by them respectively.

3A (1) Income

The holders of the Preference Shares shall be entitled to be paid out of the profits of the Company available for distribution and resolved by the directors of the Company to be distributed (in priority to the payment of any dividend to the holders of the Ordinary Shares) in respect of the period from the date of issue of the Preference Shares to 31 December 1999 and for each year ending 31 December thereafter a fixed non-cumulative preferential dividend ('preferential dividend') at the rate of 0.5 per cent per annum for such periods (inclusive in all cases of any associated tax credit) on the nominal capital for the time being paid up or credited as paid up thereon, such dividend to accrue on a daily basis.

Subject as aforesaid, all the profits of the Company available for distribution and resolved to be distributed shall belong to and be distributed amongst the holders of the Ordinary Shares according to the amounts paid up or credited as paid up on the nominal amount thereof.

(2) Capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution to its members after payment of the Company's liabilities shall be applied:

- (a) first, in repaying to the holders of any Preference Shares which shall not have been redeemed:
 - (i) the amount paid up or credited as paid up on the nominal amount thereof; and
 - (ii) a sum equal to any arrears, deficiency or accrual of the preferential dividend calculated down to the date of the return of capital and to be payable irrespective of whether or not such dividend has been earned or declared; and
- (b) subject thereto, the balance (if any) of such assets shall belong to and be distributed amongst the holders of the Ordinary Shares according to the amounts paid up or credited as paid up on the nominal amount thereof.

(3) Redemption

- (a) The Preference Shares may be redeemed on such date or dates ('Redemption Date') and in such amounts and upon such terms as the directors may from time to time resolve. Immediately following any such resolution, the directors shall notify each holder of the Preference Shares of the amount of the Preference Shares registered in his name to be redeemed and the Redemption Date.
- (b) If on any Redemption Date the Company cannot comply with any statute regulating redemption then the Company shall redeem the shares then overdue for redemption on such later date on which the Company shall first be able so to comply.
- (c) The Preference Shares to be redeemed in accordance with the foregoing provisions of this article 3A(3) shall be redeemed by the Company at the registered office of the Company.
- (d) On each Redemption Date and at the place specified in article 3A(3)(c) above the relevant holder(s) of Preference Shares shall be bound to surrender to the Company the certificate for the shares which are to be redeemed in order that the same may be cancelled and upon each surrender the Company shall pay to him the amount payable in respect of such redemption provided that if any certificate so surrendered to the Company includes any shares which the Company is not permitted by law to redeem on the occasion on which it is to be so surrendered, a fresh certificate for the balance of the shares not redeemable on that occasion shall be issued to the holder surrendering such certificate to the Company.

(4) Voting and General Meetings

- (a) The holders of the Preference Shares shall, by virtue of or in respect of their holding of Preference Shares, have the right to receive notice of a general meeting of the Company but not to attend, speak or vote at a general meeting of the Company unless a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares in which case such holders shall have the right to attend the general meeting and shall be entitled to vote only on such resolutions. For the avoidance of doubt it is hereby declared that any resolution for the disapplication of section 89(1) of the Act (or any provisions replacing the same) shall be deemed not to abrogate, vary or modify such rights or privileges.
- (b) Whenever the holders of the Preference Shares are entitled to vote at a general meeting of the Company upon any resolution proposed

at such a general meeting, on a show of hands every holder thereof who is present in person or by proxy shall have one vote and on a poll the holder(s) thereof who are present in person or by proxy shall have one vote in respect of each fully paid Preference Share registered in the name of such holder.

4. (a) Subject to paragraph (d) of this Article the directors shall not without the authority of the company in general meeting allot any of the shares in the capital of the company.

(b) Where authority has been given to the directors as referred to in paragraph (a) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are created or issued allot such shares to such persons (including any directors) at such times and generally on such conditions as they think proper provided that no shares shall be issued at a discount contrary to the Act.

(c) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.

(d) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors may without further authority allot such shares as may require to be allotted pursuant to the exercise of such right.

(e) Section 89(1) of the Act is hereby excluded.

Variation of rights

5. The rights attached to any existing shares shall not (unless otherwise expressly provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

Share certificates

6. In Regulation 6 Table A there shall be inserted after the word 'seal' the following words, namely: 'or the official seal of the company if the company has a seal, or otherwise executed in such manner as may be permitted by the Act'.

Lien

7. The company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

Calls on shares

8. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no part of that amount has been called up.

Transfer of shares

9. No transfer of any share may be registered without the approval of a member or members holding a majority in nominal value of the issued shares for the time being conferring the right to vote at general meetings of the company, and the directors shall be bound to approve a transfer which has such approval.

Transmission of shares

10. There shall be inserted at the end of Regulation 31 in Table A the following proviso, namely: 'provided always that the directors may at any time give notice requiring any such person to elect either to become or to have another person registered as the holder of the share and if the requirements of the notice are not complied with within ninety days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with'.

Proceedings at general meetings

11. In paragraph (b) of Regulation 38 in Table A there shall be inserted after the words: 'giving that right', the following words, namely: '(or such lesser percentage as may be permitted by the Act and agreed by the members)'.
12. In Regulation 41 in Table A there shall be inserted after the words 'the directors may determine' the following words, namely: 'and if at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, one member present in person or by proxy or (being a corporation) by its duly authorised representative shall be a quorum'.

13. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.
14. A resolution in writing of all the members who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present shall be as effectual as if it had been passed at a general meeting duly convened and held either:
 - (a) if it consists of an instrument executed by or on behalf of each such member;
or
 - (b) if it consists of several instruments in the like form each either
 - (i) executed by or on behalf of one or more such members; or
 - (ii) sent by or on behalf of one or more of such members by telex or facsimile transmission and deposited or received at the office or received by the secretary.

Votes of members

15. Subject to any rights or restrictions as to voting attached to any shares by the terms on which they were issued or by or in accordance with the articles or otherwise, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by its duly authorised representative not being himself a member entitled to vote, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by its duly authorised representative shall have one vote for every share of which he is the holder.
16. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile transmission of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the company.
17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

Alternate directors

18. (a) A director may by written notice signed by him (except in the case of an appointment by telex or a facsimile transmission of an appointment otherwise complying with the requirements of this Article) and deposited or received at the office or received by the secretary or in such other manner as the directors may approve appoint another director or any other person to be and act as his alternate director.
- (b) Every alternate director shall (subject to his giving to the company an address within the United Kingdom at which notices may be given to him) be entitled to notice of meetings of the directors or of committees of directors, and to attend and vote as a director at any such meeting at which the director appointing him is entitled to attend and vote but is not personally present and generally at such meeting to exercise all the powers, rights, duties and authorities of the director appointing him. Every alternate director shall also be entitled to sign or, in the case of a telex or facsimile transmission, send on behalf of the director appointing him a resolution in writing of the directors pursuant to Article 27.
- (c) An alternate director shall neither be an officer of the company nor entitled to any remuneration from the company for acting as an alternate director.
- (d) A director may by written notice signed by him or sent by him by telex or facsimile transmission and deposited or received at the office or received by the secretary or in such other manner as the directors may approve at any time revoke the appointment of an alternate director appointed by him.
- (e) If a director shall cease to hold the office of director for any reason, the appointment of his alternate director shall thereupon automatically cease.

Delegation of directors' powers

- 19 The following words shall be added at the end of the first sentence of Regulation 72 in Table A, namely: "and may also appoint to any such committee persons who are not directors provided that the chairman and a majority of such committee shall be directors".

Retirement, appointment and removal of directors

20. (a) A member or members holding a majority in nominal value of the issued shares for the time being conferring the right to vote at general meetings of the company shall have power from time to time and at any time to appoint any person or persons as a director or directors and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument which shall be in writing and shall (except in the case of an appointment or removal by telex or a facsimile copy of an appointment or removal otherwise complying with the requirements of this Article) be executed by the member or members making the same or by their duly authorised attorneys or in such other manner as the directors may approve, and shall take effect upon such appointment or removal being deposited or received at the office or otherwise communicated to the company at the office or being handed or otherwise communicated to the chairman of a meeting of the directors at which a quorum is present.

- (b) Without prejudice to paragraph (a) of this Article the company may by ordinary resolution appoint any person to be a director either to fill a vacancy or as an additional director.

Disqualification and removal of directors

21. In Regulation 81 in Table A:

- (a) there shall be inserted after the word "company" in paragraph (d) the following words, namely: ", provided that such action shall be without prejudice to the terms of and to any rights of the company under any contract between the director and the company"; and
- (b) paragraph (e) shall be deleted.

Remuneration of directors

22. The following sentence shall be added at the end of Regulation 82 in Table A, namely: "Any director who serves on any committee, or who devotes special attention to the business of the company, or who otherwise performs services which in the opinion of the directors are in addition to or outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors may determine".

Directors' appointments and interests

23. In Regulation 84 in Table A there shall be substituted for the words "shall not be subject to retirement by rotation" the following words, namely: "shall be subject to the same provisions as to resignation and removal as other directors of the company".

Directors' and employees' gratuities and pensions

24. The directors may:

- (a) establish and maintain, or procure the establishment and maintenance of, any share option or share incentive or profit sharing schemes or trusts or any noncontributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment or service of the company, or of any company which is a subsidiary of the company, or is allied to or associated with the company or with any such subsidiary, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;
- (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the company, or of any such other company as aforesaid, or of any such persons as aforesaid;

- (c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons (including insurance against their negligence or breach of duty to the company) as aforesaid;
- (d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general or useful object; and
- (e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the company and to the payment being approved by the company, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

Proceedings of directors

25. In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences, namely: "Every director shall be given not less than 48 hours notice of every meeting of the directors, such notice to be sent to such address as is notified by him to the company for this purpose or otherwise communicated to him personally. Any director may by notice to the company either before or after the meeting waive his right to receive notice of the meeting and any director who either:

- (a) is present at the commencement of a meeting whether personally or by his alternate director; or
- (b) does not, within 7 days following its coming to his attention that a meeting has taken place without prior notice of such meeting having been given to him pursuant to this Regulation, notify the company that he desires the proceedings at such meeting to be regarded as a nullity.

shall be deemed hereafter to have waived his right to receive notice of such meeting pursuant to this Regulation".

26. The following sentence shall be substituted for the final sentence of Regulation 89 in Table A, namely: "For the purpose of determining whether a quorum exists for the transaction of the business of the board of directors:

- (a) in the case of a resolution of directors, who would (if attending a meeting) comprise a quorum, who are in telephonic communication with one another, any such resolution shall be as valid and effectual as if passed at a meeting of the board of directors duly convened and held;
- (b) in the case of a meeting of the board of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and
- (c) any person attending a meeting of the board, or in telephonic communication with such a meeting, who is acting as an alternate director for one or more directors shall be counted as one for each of the directors for whom he is so acting and, if he is a director, shall also be counted as a director, but not less than two individuals, whether

both present at the meeting or in telephonic communication with each other, can be a quorum".

27. A resolution in writing of all the directors or all the members of a committee of directors shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:
- (a) if it consists of an instrument executed by or on behalf of each such director or committee member; or
 - (b) if it consists of several instruments in the like form each either:
 - (i) executed by or on behalf of one or more of such directors or committee members; or
 - (ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary.
28. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulation 94 in Table A shall be construed subject to this provision.
29. In Regulation 97 in Table A:
- (a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment"; and
 - (b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of each resolution including that concerning his own appointment, and Regulation 95 shall be construed subject to this provision."

Minutes

30. The directors shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of officers and alternate directors made by the directors; and
 - (b) of all proceedings at meetings of the company, of the holders of any class of shares in the company, of the directors, and of committees of directors, including the names of the persons present at each such meeting.

The seal

31. In Regulation 101 of Table A, there shall be substituted for the first sentence the following sentence, namely: "The company need not have a seal but if the company does have a seal, the seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors".
32. The company is authorised pursuant to Section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

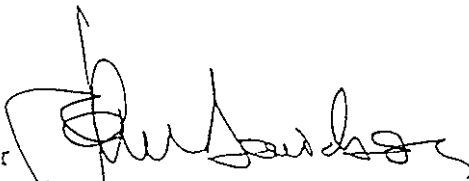
Notices

33. In Regulation 112 of Table A, the final sentence shall be deleted and the following words shall be inserted at the end of the first sentence, namely: "or by sending it by telex or facsimile transmission to such telex or facsimile number as the member shall have given to the company for the purpose".
34. In Regulation 115 of Table A, there shall be inserted:
- (a) after the words: "prepaid and posted", the following words, namely: "or that a notice was properly sent by telex or facsimile transmission"; and
 - (b) after the words: "prepaid and posted" the following words, namely: "or after the time at which it was sent by telex or facsimile transmission".

Indemnity

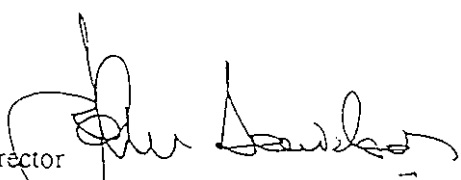
35. Subject to the provisions of the Act, every director, other officer or auditor of the company or person acting as an alternate director shall be entitled to be indemnified out of the assets of the company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of his duties to the company or otherwise in relation thereto.

NAMES ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS


Director
for and on behalf of
LOVITING LIMITED
Registered Office
21 Holborn Viaduct
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JOHN DAVIDSON

A Company limited by shares

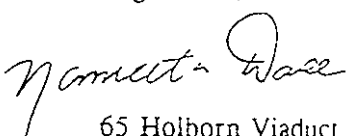

Director
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JOHN DAVIDSON

A Company limited by shares

Dated 26/2 1997

WITNESS to the above signatures.


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