

DATED 10th March 2000

J M EDELSON & OTHERS

**WE CERTIFY THIS TO BE
A TRUE COPY OF THE
ORIGINAL**

- and -

.....*Kuit Steinart Levy*.....

CHELFORD GROUP PLC

.....
KUIT, STEINART, LEVY

SHARE EXCHANGE AGREEMENT

**relating to the acquisition of
Chelford Investors Limited**

**KUIT STEINART LEVY
3 St Mary's Parsonage
Manchester
M3 2RD**

**DX: 14325 - Manchester 1
TEL: 0161 832 3434
FAX: 0161 832 6650
KP.smp.EDE001/9
14 February 2000**

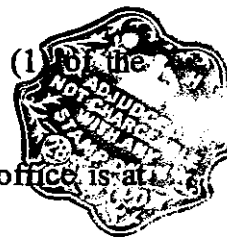


THIS AGREEMENT is made the 10 day of March

NCA S
8 4 2000

BETWEEN:

- (1) **THOSE PERSONS** whose names and addresses are set out in column (1) of the Schedule (together "the Transferors"); and
- (2) **CHELFORD GROUP PLC** (Company No.3920198) whose registered office is at 345 Stockport Road, Manchester M13 0LF ("the Transferee")



WHEREAS

- (A) The Transferors are the registered holders of the number of Ordinary Shares of £1 each in the Company specified against each of their names in column (2) of the Schedule.
- (B) The Transferee was incorporated on 1 February 2000 under the Companies Act 1985 with an authorised share capital of £2,000,000 divided into 200 million Ordinary Shares of 1p each of which two Ordinary Shares have been issued and are fully paid.
- (C) It has been agreed that the Transferors will sell and the Transferee will purchase the entire issued share capital of the Company (as defined below) on the terms of this Agreement.

NOW IT IS AGREED as follows:-

1. Interpretation

- 1.1 In this Agreement the following definitions shall have the following meanings unless the context otherwise requires:

"Company"	Chelford Investors Limited (Company No: 3915243) whose registered office is at 345 Stockport Road, Manchester M13 0LF
"Consideration Shares"	the 59,999,998 Ordinary Shares of 1p each in the Transferee to be issued at par set out in column (3) of the Schedule
"Exchange of Shares"	the exchange of the Sale Shares for the Consideration Shares under the terms of this Agreement
"Sale Shares"	the 100,000 issued Ordinary Shares of £1 each in the Company owned by the Transferors as specified in column (2) of the Schedule and comprising the entire issued share capital of the Company.

- 1.2 In this Agreement, except where the context otherwise requires, words denoting the singular include the plural and vice versa.

1.3 Clause headings in the Agreement are for ease of reference only.

2. Exchange of Shares

2.1. The Transferors hereby agree to exchange their respective holdings of the Sale Shares for the Consideration Shares and the Transferee hereby agrees to issue and allot the Consideration Shares to the Transferors credited as fully paid up at par in the proportions specified in column (3) of the Schedule.

2.2. The Exchange of Shares is with effect from today. The right of allotment of the Consideration Shares to the Transferors shall not be capable of renunciation in any way and the Consideration Shares shall rank pari passu with the existing issued Ordinary Shares of 1p each in the capital of the Transferee in all respects.

3. Completion

3.1. The Exchange of Shares shall be completed on today's date when the following shall take place:-

3.1.1. the Transferors shall each deliver to the Transferee stock transfer forms for the Sale Shares duly executed by the relevant Transferor together with the share certificates representing the same (if any); and

3.1.2. the Transferee shall allot the Consideration Shares, credited as fully paid, to each of the Transferors in the proportions set out in column (3) of the Schedule and shall cause the names of the Transferors to be entered in its Register of Members in respect of the Consideration Shares and procure the sealing and delivery to the Transferors of the share certificates relating thereto.

3.2. The Transferee shall procure that this Agreement and a return of allotments for the issue and allotment of the Consideration Shares is filed with the Registrar of Companies.

4. Warranties

4.1. The Transferors hereby jointly and severally warrant to the Transferee that:

4.1.1. they are the beneficial and legal owners of the Sale Shares;

4.1.2. they have the right, power and authority to enter into and to perform this Agreement and to transfer the Sale Shares free from all liens, claims, encumbrances and equities and with full title guarantee; and

4.1.3. the Sale Shares have been issued in proper legal form and are fully paid or are credited as fully paid.

4.2. The warranties provided by the Transferors under clause 4.1 shall continue to have full force and effect notwithstanding completion of the Exchange of Shares.

5. General

- 5.1. The Transferors and the Transferee shall procure that such resolutions of the Company and the Transferee and of their respective boards of directors shall be passed as may be necessary or appropriate to implement the terms of this Agreement.
- 5.2. This Agreement shall be governed by and construed in accordance with English law.

IN WITNESS of which this Agreement has been executed as a Deed but not delivered until the day and year first above written.

SCHEDULE

Name of Transferor	Number of Sale Shares	Number of Consideration Shares
John Michael Edelson	17,500	10,499,999
Jacqueline Barbara Edelson	4,100	2,459,999
Emma Victoria Edelson	2,900	1,740,000
Laura Jane Edelson	2,900	1,740,000
Laura Jane Edelson and Anthony Jack Leon as Trustees of The Strawberry Charitable Trust	2,900	1,740,000
John Michael Edelson, Jonathan Howard Lyons and Michael Field as Trustees of the EBL Pension Fund	9,000	5,400,000
John Michael Edelson, Jonathan Howard Lyons and Michael Field as Trustees of the EBL Pension Fund	1,000	600,000
Jonathan Howard Lyons	25,500	15,300,000
Judy Estelle Lyons	4,100	2,460,000
Mark Lyons	2,900	1,740,000
James Lyons	2,900	1,740,000
KSL Trustees Limited as Trustees of the Blueberry Charitable Trust	2,900	1,740,000
Jean Lyons	2,000	1,200,000
Anthony Saul Lyons	1,700	1,020,000
Jacqueline Deborah Lyons	1,200	720,000
Oliver Joseph Lyons	1,000	600,000
Alexander David Lyons	1,000	600,000
Anthony Jack Leon and Merton Zonis as Trustees of The Firs Trust	2,900	1,740,000

Merton Zonis and Anthony Jack Leon as Trustees of The Oak Trust	2,900	1,740,000
Anthony Jack Leon and Jonathan Howard Lyons as Trustees of The Highgrove Millennium Trust	2,900	1,740,000
Nicholas Leslau	2,900	1,740,000
Syncbeam Limited	2,900	1,740,000
	<hr/>	<hr/>
Total	100,000	59,999,998

SIGNED as a DEED)
by JOHN MICHAEL)
EDELSON)
in the presence of:)

John Michael Edelson

[Signature]
Kirsten Jane Pinnett
Solicitor

SIGNED as a DEED)
by JACQUELINE BARBARA)
EDELSON)
in the presence of:)

SIGNED as a DEED)
by EMMA VICTORIA EDELSON)
in the presence of:)

SIGNED as a DEED)
by LAURA JANE EDELSON)
in the presence of:)

SIGNED as a DEED
by JOHN MICHAEL
EDELSON
in the presence of:

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John Michael Edelson

SIGNED as a DEED
by JACQUELINE BARBARA
EDELSON
in the presence of:

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SIGNED as a DEED
by EMMA VICTORIA EDELSON
in the presence of:

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Emma Victoria Edelson

*Bridget Xiros
11 Langley Road
Manchester M13 0LF*

SIGNED as a DEED
by LAURA JANE EDELSON
in the presence of:

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)

LE Laura Jane Edelson

witness

*Bridget Xiros
11 Langley Road
Manchester M13 0LF*

SIGNED as a DEED)
by JOHN MICHAEL)
EDELSON)
in the presence of:)

J. Michael Edelson

SIGNED as a DEED)
by JACQUELINE BARBARA)
EDELSON)
in the presence of:)

J.B. Edelson

[Signature]
Kirsti Rene Arnold
Solicitor

SIGNED as a DEED)
by EMMA VICTORIA EDELSON)
in the presence of:)

SIGNED as a DEED)
by LAURA JANE EDELSON)
in the presence of:)

SIGNED as a DEED
by JONATHAN HOWARD
LYONS

in the presence of:

S. Roberts
23. Amy St
MIDDLETON

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J. Lyons

SIGNED as a DEED
by JUDY ESTELLE LYONS
in the presence of:

S. Roberts
23. Amy St
MIDDLETON

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J. Lyons

SIGNED as a DEED
by MARK LYONS
in the presence of:

S. Roberts
23. Amy St
MIDDLETON

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Mark Lyons

SIGNED as a DEED
by JAMES LYONS
in the presence of:

S. Roberts
23. Amy St
MIDDLETON

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James Lyons

SIGNED as a DEED
by JEAN LYONS
in the presence of:

S. Roberts
23. Amy St
MIDDLETON

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J. Lyons

SIGNED as a DEED)
by JONATHAN HOWARD)
LYONS)
in the presence of:)

SIGNED as a DEED)
by JUDY ESTELLE LYONS)
in the presence of:)

SIGNED as a DEED)
by MARK LYONS)
in the presence of:)

SIGNED as a DEED)
by JAMES LYONS)
in the presence of:)

SIGNED as a DEED)
by JEAN LYONS)
in the presence of:)

Abigail Burton
Cornerways, Warren Drive, Hale Barns
Altrincham, Cheshire WA15 0RP.

J. Lyons

SIGNED as a DEED)
by ANTHONY SAUL LYONS)
in the presence of:)

SIGNED as a DEED)
by JACQUELINE DEBORAH)
LYONS in the presence of:)

Abigail Burton.

Lyons

SIGNED as a DEED)
by OLIVER JOSEPH LYONS)
in the presence of:)

Abigail Burton.

Oliver Lyons

SIGNED as a DEED)
by ALEXANDER DAVID LYONS)
in the presence of:)

Abigail Burton.

Alexander Lyons

SIGNED as a DEED)
by MERTON ZONIS)
in the presence of:)

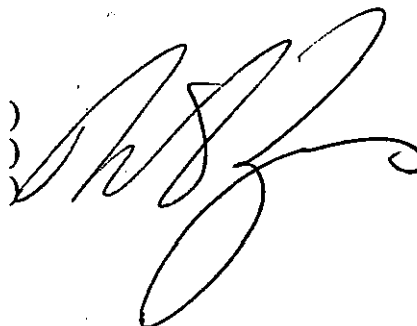
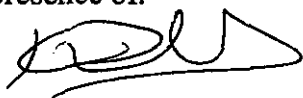
SIGNED as a DEED)
by **ANTHONY SAUL LYONS**)
in the presence of:)

SIGNED as a DEED)
by **JACQUELINE DEBORAH**)
LYONS in the presence of:)

SIGNED as a DEED)
by **OLIVER JOSEPH LYONS**)
in the presence of:)

SIGNED as a DEED)
by **ALEXANDER DAVID LYONS**)
in the presence of:)

SIGNED as a DEED
by **MERTON ZONIS**
in the presence of:



SIGNED as a DEED)
by ANTHONY SAUL LYONS)
in the presence of:)

A. Ritchie

ALAN RITCHIE
19, ASLEY HALL DRIVE
RAMSBOTTOM,
BL09DF.

SIGNED as a DEED)
by JACQUELINE DEBORAH)
LYONS in the presence of:)

SIGNED as a DEED)
by OLIVER JOSEPH LYONS)
in the presence of:)

SIGNED as a DEED)
by ALEXANDER DAVID LYONS)
in the presence of:)

SIGNED as a DEED)
by MERTON ZONIS)
in the presence of:)

SIGNED as a DEED
by **ANTHONY JACK LEON**
in the presence of:

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SIGNED as a DEED
by **MICHAEL FIELD**
in the presence of:

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SIGNED as a DEED
by **NICHOLAS LESLAU**
in the presence of:

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A handwritten signature in dark ink, appearing to read 'NLS' or 'NLSLAU', written in a stylized, cursive manner.

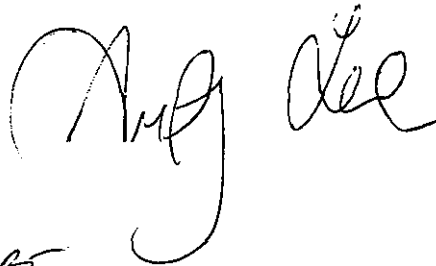
SIGNED as a DEED
by **NIGEL WRAY**
in the presence of:

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)

A handwritten signature in dark ink, appearing to read 'Nigel Wray', written in a cursive style with a long horizontal line extending from the end.

SIGNED as a DEED
by ANTHONY JACK LEON
in the presence of:

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)



J. Carmody

25 LYNCHBURGH COURT

OLD HART OLDSBY

SIGNED as a DEED
by MICHAEL FIELD
in the presence of:

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SIGNED as a DEED
by NICHOLAS LESLAU
in the presence of:

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SIGNED as a DEED
by NIGEL WRAY
in the presence of:

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)

SIGNED as a DEED)
by ANTHONY JACK LEON)
in the presence of:)

SIGNED as a DEED)
by MICHAEL FIELD)
in the presence of:)



SUSAN THORNTON
Susan Thornton.
8, St. Stephen Street
HARCHESTER M3 6AY

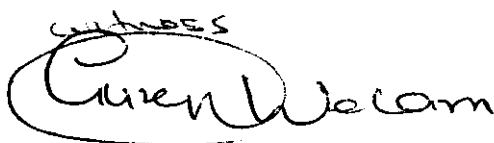
SIGNED as a DEED)
by NICHOLAS LESLAU)
in the presence of:)

SIGNED as a DEED)
by NIGEL WRAY)
in the presence of:)

SIGNED as a DEED)
by ANTHONY JACK LEON)
in the presence of:)

SIGNED as a DEED)
by MICHAEL FIELD)
in the presence of:)

SIGNED as a DEED)
by NICHOLAS LESLAU)
in the presence of:)

Witness




SIGNED as a DEED)
for and on behalf of)
SYNCBEAM LIMITED)
acting by two directors/a director)
and the secretary)



Director



Director/Secretary

SIGNED as a DEED)
for and on behalf of)
CHELFORD GROUP PLC)
acting by two directors/a director and)
the secretary)

Director



~~Director~~/Secretary

SIGNED as a DEED
for and on behalf of
KSL TRUSTEES LIMITED
acting by two directors/a director
and the secretary

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Director



Director/Secretary