

Company No: 4057629

THE COMPANIES ACTS 1985-1989
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION

of

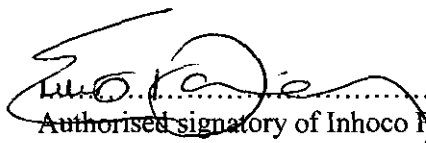
SMITHFIELD (RESIDENTIAL MANAGEMENT COMPANY) LIMITED

WE, the undersigned, being all the members of the above-named Company entitled to receive notice of and to attend and vote at a general meeting of the Company in respect of the Resolutions set out below do hereby agree to and make the following Resolutions which shall have effect as Special Resolutions and which shall, pursuant to section 381A Companies Act 1985 (as amended by the Deregulation (Resolutions of Private Companies) Order 1996), be as valid and effective for all purposes as if the same had been duly passed at a general meeting of the Company duly convened and held:

Special Resolutions

- 1 THAT the Memorandum and Articles of the Company be altered by deleting the existing clause 3 and substituting the new clause 3(a) in the form set out in the attached document marked "A".
- 2 THAT the 1,000 Ordinary Shares of £1 each be and are hereby converted into 300 "A" Ordinary Shares of £1 each and 1 "B" Ordinary share of £1 and 699 undesignated shares so that the existing 1 Ordinary Share of £1 issued to Inhoco Formations Limited be converted into the 1 "B" share of £1.
- 3 THAT the regulations contained in the attached document be approved and adopted as the articles of association of the company in substitution for and to the exclusion of all the existing articles thereof.

For and on behalf of Inhoco Formations Limited


.....
Authorised signatory of Inhoco Formations Limited
Dated: 13th August 2002



"A"

- 3(a) To undertake the management and administration of the parts of the development at Thomas Street Shudehill and Swan Street Manchester used or occupied solely for residential purposes and to undertake the repair, decoration, maintenance and upkeep of the said property and the estate, gardens and grounds adjacent thereto; and generally to manage any land, buildings or other property, and to collect rents and income, and to supply to lessees, residents, tenants, occupiers and others, heating, lighting, cleaning, gas, water, and electricity and other necessary services, refreshments, attendants, messengers, waiting rooms, meeting rooms, gardens, cricket grounds, tennis courts, bowling greens, lavatories, laundry conveniences, lifts, garages and other advantages and amenities and to maintain the same in connection therewith; to engage and employ servants, gardeners and other persons; to pay the taxes and all other outgoings in relation to the said property or in any other property managed by the Company and to keep the same insured and pay all premiums payable in respect thereof.

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
SMITHFIELD (RESIDENTIAL
MANAGEMENT COMPANY) LIMITED**



ADDLESHAW BOOTH & CO

THE COMPANIES ACT 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION
OF
SMITHFIELD (RESIDENTIAL MANAGEMENT COMPANY) LIMITED

- 1 The Company's name is "Smithfield (Residential Management Company) Limited".
- 2 The Company's registered office is to be situated in England and Wales.
- 3 The Company's objects are:¹
 - (a) To undertake the management and administration of the parts of the development at Thomas Street Shudehill and Swan Street Manchester used or occupied solely for residential purposes and to undertake the repair, decoration, maintenance and upkeep of the said property and the estate, gardens and grounds adjacent thereto; and generally to manage any land, buildings or other property, and to collect rents and income, and to supply to lessees, residents, tenants, occupiers and others, heating, lighting, cleaning, gas, water, and electricity and other necessary services, refreshments, attendants, messengers, waiting rooms, meeting rooms, gardens, cricket grounds, tennis courts, bowling greens, lavatories, laundry conveniences, lifts, garages and other advantages and amenities and to maintain the same in connection therewith; to engage and employ servants, gardeners and other persons; to pay the taxes and all other outgoings in relation to the said property or in any other property managed by the Company and to keep the same insured and pay all premiums payable in respect thereof.
 - (b) To carry on business as a general commercial company.
 - (c) To carry on any other trade or business which in the opinion of the directors is capable of being conveniently or advantageously carried on in connection with or ancillary to any of the activities of the Company or calculated directly or indirectly to enhance the value of or render more

¹ Pursuant to a Special Resolution of the Company dated [

], a new clause 3(a) was adopted.

profitable any of the property or rights of the Company or to otherwise advance the interests of the Company and its members.

- (d) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch, division or department thereof or which may enhance the value of any other property.
- (e) To build, construct, develop, maintain, alter, enlarge, pull down and remove or replace any buildings, offices, factories, mills, works, wharves, roads, bridges, railways, tramways, waterways, machinery, engines, walls, fences, banks, dams, sluices or watercourses, gas works, electric works, drainage and sewage works, and buildings of all descriptions, and to clear sites for the same, or to join with any person, firm or company in doing any of the things aforesaid, and to work, manage, and control the same or join with others in so doing.
- (f) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- (g) To purchase or otherwise acquire and undertake all or any part of the business, goodwill, property, assets, obligations, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to pay cash or to issue any shares, stocks, debentures or debenture stock in the Company in consideration for such purchase or acquisition.
- (h) To improve, manage, construct, repair, develop, exchange, let on lease, rent, royalty, share of profits or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, easements, options, rights and privileges in, over or in respect of, or otherwise deal with, all or any part of the undertaking, property and assets of the Company for such consideration as the directors may think fit.
- (i) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments or

securities and in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.

- (j) To borrow or raise money with or without security in such manner as the Company shall think fit and in particular by the issue of debenture or debenture stock charged upon all or any of the Company's property, both present and future including all its uncalled capital for the time being, and to re-issue any debentures at any time paid off, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society.
- (k) For the purposes of or in connection with the business of the Company and in particular for the purpose of securing the repayment of any monies borrowed or the performance of any obligation or liability undertaken or binding on the Company, to mortgage and charge the undertaking and all or any of the real and personal property and assets, present and future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurances.
- (l) To lend and advance money or give credit to any company, firm or person with or without security and on such terms as the Company may approve and either with or without the Company receiving any consideration or advantage, direct or indirect, for giving any such guarantee, and whether or not such guarantee is given in connection with or pursuant to the attainment of the objects herein stated to give guarantees and indemnities of all kinds and (without prejudice to the generality of the foregoing) to guarantee either by personal covenant or by way of indemnity or by mortgaging or charging all or any part of the undertaking, property and assets present and future and uncalled capital of the Company or by all three such methods, the performance of the contracts or obligations and the payment of the capital or principal (together with any premium) of and dividends or interest on any debenture, stocks, shares or other securities of any company, firm or person and in particular (but without limiting the generality of the foregoing) any company which is for the time being the Company's holding company, or subsidiary company or otherwise associated with the Company in business.
- (m) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (n) To purchase and maintain insurance for the benefit of any persons who were at any time directors, officers, employees or auditors of the Company or of any other company which is its holding company or in

which the Company or such holding company has any interest (whether direct or indirect) or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company or who are or were at any time trustees of any pension fund in which employees of the Company, or of any such other company or subsidiary undertaking, are interested, including (but not limiting the generality of the foregoing) insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution and/or discharge of their duties to any such company, subsidiary undertaking or pension fund and to such extent as may be permitted by law otherwise to indemnify or to except any such person against or from any such liability.

- (o) To apply for, promote, and obtain any Act of Parliament, order or licence of any governmental department or local or statutory authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (p) To enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.
- (q) To subscribe for, take, purchase or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (r) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (s) To carry on the business of a holding company in all its branches and to establish or promote or concur in establishing or promoting any other

company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of the Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of the Company, and to acquire and hold or dispose of shares, stock or securities and guarantee with or without security the payment of dividends, interest or capital of any shares, stock or securities issued by, or any other obligations of, any such company.

- (t) To pay for any property or rights acquired by the Company, or for any services rendered to the Company or for any obligation or liability undertaken or agreed to be undertaken by the Company either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (u) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stocks or securities so acquired.
- (v) To amalgamate with any other company whose objects are or include objects similar to those of the Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding-up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.
- (w) To enter into any partnership, syndicate, joint-venture or joint purse arrangement or arrangement for sharing profits, union of interests, reciprocal concessions or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company or which is capable of being carried on so as directly or indirectly to benefit the Company and to acquire and hold, sell, deal with or dispose of shares, stock or securities of, or other interests in, any such company, and to guarantee with or without security the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of, and to subsidise or otherwise assist, any such company.

- (x) To act as agents or brokers and as trustees, custodians and bailees for any person, firm or company and to undertake and perform sub-contracts.
- (y) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or other securities of the Company.
- (z) To establish, maintain and administer or procure the establishment, maintenance and administration of profit sharing schemes, share option schemes and employee share schemes of all kinds and of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, grants or emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is for the time being a subsidiary, or holding company of the Company or another subsidiary of any such holding company or otherwise associated with the Company in business or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependents of any such persons, and also to 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, and to make payments for or towards the insurance of any such persons as aforesaid and to make payments for or towards the insurance of any such persons as aforesaid and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
- (aa) Subject to and provided that the provisions of sections 155 to 158 inclusive of the Companies Act 1985 ("the Act") are duly complied with (if and so far as such provisions shall be applicable) to give, whether directly or indirectly, any kind of financial assistance (as defined in section 152(1)(a) of the Act) for any such purpose as is specified in section 151(1) and/or section 151(2) of the Act as may be lawful.
- (bb) To distribute among the members of the Company in specie by dividend, bonus or by way of reduction of capital any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (cc) To procure the Company to be registered or recognised in any foreign country or place and to establish branch businesses and local agencies in any part of the world.

(dd) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, trustees, custodians, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

(ee) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

And so that:

(A) None of the objects set forth in any sub-clause of this clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this clause, or by reference to or inference from the name of the Company.

(B) None of the sub-clauses of this clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this clause as though each such sub-clause contained the objects of a separate company.

(C) The word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

(D) In this clause the expression the "Act" means the Companies Act 1985, but so that any reference in this clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

(E) In this clause, the expressions "holding company", "subsidiary" and "subsidiary undertaking" shall have the same meanings as given to those terms in the Act.

4 The liability of the members is limited.

5 The Company's share capital is £1,000 divided into 1,000 ordinary shares of £1 each².

² Pursuant to a Special Resolution of the Company dated [], the 1,000 Ordinary shares of £1 each in the capital of the Company were converted into 999 'A' Ordinary shares of £1 each and 1 'B' Ordinary share of £1.

We, the subscriber to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares shown opposite our name below.

Name and address of the Subscriber	Number of shares taken by the subscriber
Inhoco Formations Limited 100 Barbirolli Square Manchester M2 3AB For and on behalf of Inhoco Formations Limited Authorised signatory	One
Total shares taken	One

Dated:

Witness to the above signature:

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SMITHFIELD (RESIDENTIAL MANAGEMENT COMPANY) LIMITED

Preliminary and Interpretation

1.1 The regulations in Table A in the Companies (Tables A to F) Regulations 1995 as amended and in force at the date of adoption of these Articles ("Table A") shall apply to the Company save in so far as they are excluded or varied by or are inconsistent with these Articles.

1.2 The following regulations of Table A shall be omitted: 8-22, 24-26, 30, 31, 40, 50, 57, 59, 73-77, 80, 88-89, 94, 98, 102-108, 110. Regulation 78 thereof shall apply without the words "and may also determine the rotation in which any additional directors are to retire" and the two last sentences of regulation 79 shall be omitted.

2 In these articles:

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

"the Property" means the parts of the development at Thomas Street Shudehill and Swan Street Manchester used and/or occupied solely for residential purposes being managed for the time being by the Company pursuant to sub-clause 3(a) of Clause 3 of the Memorandum of Association of the Company;

"flat" means a flat in the Property;

"flatholder" means a member of the Company to whom a lease of a flat in the Property has been granted for a term of 250 years less 10 days from 1 January 2001 or to whom the residue of such term has been assigned and so that whenever two or more persons are for the time being joint lessees, assignees of any one flat in the Property, they shall for all the purposes of these Articles be deemed to constitute one flatholder.

"Lessor" means the estate owner for the time being of the reversion of the flat expectant upon the term granted by the said form of Lease.

3 Share Capital

- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £1,000 divided into 999 "A" Ordinary Shares of £1 each and 1 "B" Ordinary Share of £1 PROVIDED THAT upon the sale of the last flat all the "A" Ordinary Shares and the "B" Ordinary Share shall be redesignated as Ordinary Shares pursuant to Article 13.2 hereof ranking pari passu in all respects.
- 3.2 The Subscribers to the Memorandum of Association shall be duly registered as Members of the Company in respect of the shares for which they have signed such Memorandum. Save as aforesaid no shares in the capital of the Company shall be allotted or transferred after the date of adoption of this Article to any person who is not a flatholder. Provided that the Subscribers may transfer their said shares to the Lessor at any time.

4 Transfer of Shares

- 4.1 The instrument of transfer of any Share shall be executed by or on behalf of the transferor in the manner hereinafter provided, 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.
- 4.2 (1) If any flatholder parts with his interest in the flat in the property held by him, or if his interest therein for any reason ceases and determines other than as provided by Article 4.3 hereof, he, or in the event of his death, his legal personal representative shall transfer his Share in the Company to the person or persons becoming flatholder of the said flat in the property in his place.
- (2) The price to be paid on the transfer of every Share under this Article shall be its nominal value.
- (3) If the holder of a Share (or his legal personal representative) refuses or neglects to transfer it in accordance with this Article, the Chairman for the time being of the Directors or failing him one of the Directors duly nominated for that purpose by a resolution of the Board, shall be the Attorney of such holder, with full power on his behalf and in his name to execute, complete and deliver a transfer of his Share to the person or persons to whom the same ought to be transferred hereunder; and the Company may give a good discharge for the purchase money and enter the name of the transferee of the said Share in the Register of Members as the holder thereof.

4.3 If a member shall die or be adjudged bankrupt, his legal personal representative or representatives or the trustee in his bankruptcy shall be entitled to be registered as a member of the Company, provided he or they shall for the time being be the flatholder of the flat in the property formerly held by such deceased or bankrupt member.

4.4 The Directors may refuse to register any transfer of Shares not made in accordance with the foregoing provisions and the directors may require the production of such evidence as they may think fit for the purpose of satisfying themselves that the foregoing provisions have been complied with before registering any proposed transfer of a Share.

5 Forfeiture of Shares

5.1 If the lease ("former lease") held by a member is forfeited, surrendered or otherwise determined, the Directors may at any time thereafter by resolution of the Board forfeit the Share held by that member. The forfeited Share shall be held by at least two Directors as trustees. When a new lease is granted demising the same part of the property as the former lease, the Share forfeited from the tenant under the former lease shall be transferred to the tenant under the new lease and the forfeiture cancelled. Until such transfer, the Share shall be held for the benefit of all other members.

6 Votes of Members

6.1 Votes may be given either personally or by proxy both on a show of hands and on a poll.

6.2 The quorum at any General Meeting shall be at least two members present throughout the meeting in person or by proxy and entitled to vote thereat one of whom shall for so long as there shall be in issue a "B" Ordinary Share be the holder from time to time of such "B" Ordinary Share.

6.3 The following sentence shall be added at the end of Regulation 41 of Table A, namely:- "If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present, one of whom must for so long as there shall be a "B" Ordinary Share be the holder from time to time of such "B" Ordinary Share shall be a quorum".

6.4 A poll may be demanded by the Chairman or any member present in person or by proxy and entitled to vote and Regulation 46 of Table A shall be modified accordingly.

- 6.5 Notwithstanding Regulation 54 of Table A no member shall be entitled to cast a vote, either on a show of hands or on a poll when not a flatholder of a flat nor when any sum demanded from him under Article 9.1 has not been paid to the Company, nor as the holder of any share while it is forfeited and PROVIDED FURTHER THAT if and so long as there shall be a "B" Ordinary Share in issue the holder of such "B" Ordinary Share from time to time shall on any resolution put to the vote be entitled to cast on a poll such number of votes as shall exceed by one hundred votes the number of votes entitled to be cast by all the other members of the Company and Regulation 54 of Table A shall be construed accordingly.

7 Appointment of Directors

- 7.1 (1) The first Directors shall have been appointed in writing by completion of the Statement required to be delivered for registration by S.10 of the Act.
- (2) Subject to Article 7.2 hereof each of the flatholders of the Company for the time being shall be appointed as its Directors if the flatholder so instructs the Company provided that a member being a body corporate shall not be a Director but shall appoint a natural person who is sui juris to be a Director. Where more than one person is jointly the owner of a flat and thereby the joint holder of the corresponding Share in the Company such joint holders shall nominate one of their number only as a Director. The office of Director shall be vacated upon the Director ceasing to be a member of the Company.
- 7.2 (1) Notwithstanding the provisions of Article 7.1 hereof whilst there shall be in issue a "B" Ordinary Share the holder for the time being of such "B" Ordinary Share shall be entitled to appoint any person to be a Director of the Company either as an additional director or to fill any vacancy and to remove from office any director appointed by it under this sub-clause Provided however that not more than two persons appointed by the holder of the "B" Ordinary Share shall hold office at the same time.
- (2) Any such appointment or removal shall be effected by an instrument in writing signed by or on behalf of the person entitled to make such appointment or removal and shall take effect upon lodgement at the registered office of the Company or such later date as may be specified in the instrument.

8 **Proceedings of Directors**

8.1 The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business Provided however that the quorum shall never be less than one Director present throughout the meeting, at least one of whom shall so long as there shall be in issue a "B" Ordinary Share be a Director appointed by the holder of such "B" Ordinary Share. Questions arising at any meeting shall be decided by a majority of votes provided that the Director or Directors appointed by the holder of the "B" Ordinary Share present at the meeting shall on any such question put to the vote be entitled either alone or collectively (as the case may be) to a total of eight votes.

8.2 There shall be no age limit for appointment to or for holding the office of director.

9 **Powers and Duties of Directors**

9.1 Subject to the provisions of the Act, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor. Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him.

10 **Service Charge Deficit**

10.1 If the Company is not fully reimbursed, by payments received from flatholders under the leases of their respective flats in the property, for the cost of performing its obligations in relation to the property specified in Clause 3.1 of the Memorandum of Association of the Company, it may require such payments to be made to it by shareholders 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 shareholder who under this provision has paid more than any other shareholder, until such inequality is eliminated.

11 Dividends

- 11.1 (1) The income and property whatsoever and wheresoever derived of the Company shall be applied solely towards the promotion of the objects of the Company as herein set forth and no part thereof shall be paid or transferred either directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the Company, but so that nothing herein contained shall prevent the payment in good faith of remuneration to any director, officer, or servant of the Company or to any member of the Company in return for services rendered to the Company.
- (2) The Directors may in their absolute discretion make provision for creating and setting aside a reasonable reserve fund for any general or particular purpose connected with the promotion of the principal objects of the Company but subject thereto the Directors shall endeavour so to carry on the business and activities of the Company as to secure that taking one year with another the Company makes neither profit nor loss.

12 Notices

- 12.1 A notice may be given to a member of the Company by leaving it addressed to him at the flat demised by the lease held by him at the date of his registration as shareholder or at such other address as such shareholder may specify from time to time by notice in writing served at the registered office of the Company.

13 Allotment of Shares

- 13.1 The Directors may at any time and from time to time on or before five years from the date of Incorporation of the Company in accordance with Section 80 of the Companies Act 1985 exercise subject to Article 3.2 hereof the power of the Company to allot the "A" Ordinary Shares and the "B" Ordinary Shares (notwithstanding that such offer or agreement would or might require such shares to be allotted by the Company after the said date) provided that the aggregate nominal value of the shares so allotted or offered or agreed to be allotted shall not when aggregated with the nominal value of the shares in the capital of the Company agreed to be taken by the subscribers to the Memorandum of Association of the Company exceed the sum of £1,000. Save as provided by the preceding provisions of this Article no shares in the capital of the Company shall be allotted or offered or agreed to be allotted except with the prior written consent of all the members. By virtue of Section 91 of the Companies Act 1985, the provisions of sub-section (1) of Section 89 and sub-sections (1) to (6) inclusive of Section 90 of the said Act shall not apply to the Company.
- 13.2 On 1 January 2010, or, if earlier, upon completion of the sale of the last flat in the property:-

- (1) any holder for the time being of an "A" Ordinary Share who shall neither himself be a Propertyholder nor appointed by a Propertyholder shall execute and deliver a transfer in registrable form of such "A" Ordinary Share to the Purchaser of such flat; and
- (2) the holder for the time being of the "B" Ordinary Share shall execute and deliver a transfer in registrable form of such "B" Ordinary Share to the Purchaser of such flat.

13.3 On 1 January 2010, or, if earlier, upon completion of the sale of the last flat in the property and the receipt of duly executed transfers from the holders of the time being of an "A" Ordinary Share and/or the "B" Ordinary Share as defined in article 13.2:-

- (1) all the issued "A" Ordinary Shares and the "B" Ordinary Share shall ipso facto be redesignated as Ordinary Shares ranking pari passu with each other in all respects; and
- (2) any unissued "A" Ordinary Shares shall ipso facto be redesignated as Undesignated Ordinary Shares ranking pari passu with all the other Undesignated Ordinary Shares in the capital of the company.

Name and address of the subscriber	
Inhoco Formations Limited 100 Barbirolli Square Manchester M2 3AB For and on behalf of Inhoco Formations Limited Authorised signatory	

Dated:

Witness to the above signature: