

S159037

DATED 27th September 2004

- (1) ROGER CHARLES PUGSLEY
- (2) PENARTH COMMERCIAL
PROPERTIES (HOLDINGS) LIMITED

SHARE EXCHANGE AGREEMENT

M and A Solicitors
Kenneth Pollard House
5-19 Cowbridge Road East
Cardiff
CF11 9AB

Tel: 029 2066 5793
Fax: 029 2066 5798



THIS AGREEMENT is made on 27th day of September 2004

BETWEEN

- (1) **ROGER CHARLES PUGSLEY** of 68 Llangorse Drive, Rogerstone, Newport, NP1 9HJ ("the Seller"); and
- (2) **PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED** a company registered in England & Wales (company number 5159037) whose registered office is at 281 Penarth Road, Cardiff, CF11 8YZ ("the Purchaser").

IT IS AGREED as follows:-

1 Definitions

In this Agreement and in the Schedules the following words and expressions shall, unless the context otherwise requires, have the following meanings:

"Associated Sale" means the sale by Mr William Moorhouse Barritt of his entire shareholding in the capital of the Company to the Purchaser;

"Business Day" means a day (not being a Saturday or a Sunday) when clearing banks are open in the City of London for the transaction of normal banking business;

"Company" means Penarth Commercial Properties Limited, a company registered in England & Wales (company number 668982) whose registered office is at 281 Penarth Road, Cardiff, CF11 8YZ;

"Completion" means completion of the share for share exchange in accordance with clause 5;

"Consideration Shares" means ordinary shares of £1.00 each in the capital of the Purchaser;

"Purchaser's Solicitors" means M and A Solicitors, Kenneth Pollard House, 5-19 Cowbridge Road East, Cardiff, CF11 9AB;

"Sale Shares" means 66,667 ordinary shares of £1.00 each in the capital of the Company representing 50 per cent. of the issued share capital of the Company.

2 Sale and Purchase

- 2.1 The Seller shall with full title guarantee sell the legal and beneficial ownership in the Sale Shares shown opposite his name in the Schedule together with all rights and attaching to such Sale Shares at Completion.
- 2.2 The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.
- 2.3 In connection with the Associated Sale, the Seller hereby irrevocably waives all rights of pre-emption over or other rights to restrict the transfer of shares in

the capital of the Company conferred on him by the Articles of Association of the Company or otherwise.

2.4 The Purchaser shall be entitled to exercise all rights attached or accruing to the Sale Shares including, without limitation, the right to receive all dividends, distributions or any return of capital declared, paid or made by the Company on or after Completion.

2.5 The Seller hereby declares that for so long as he remains the registered holder of any of the Sale Shares after Completion he will:-

2.5.1 hold such Sale Shares and the dividends and other distributions of profits or surplus or other assets declared, paid or made in respect of them after Completion and all rights arising out of or in connection with them in trust for the Purchaser and its successors in title; and

2.5.2 deal with and dispose of such Sale Shares and all such dividends, distributions and rights as are described in clause 2.5.1 as the Purchaser or any successor may direct.

2.6 The Seller hereby irrevocably appoints the Purchaser as his lawful attorney for the purpose of doing any act or thing which the Sellers could, as members of the Company, do (including receiving notices of and attending and voting at all meetings of the members of the Company) from Completion to the day on which the Purchaser or its nominee (or successor) is entered in the register of members of the Company as the holder of the Sale Shares. For such purpose the Seller hereby authorises:-

2.6.1 the Company to send any notices in respect of his holding of the Sale Shares to the Purchaser; and

2.6.2 the Purchaser to complete in such manner as it thinks fit proxy cards, consents to short notice and any other document which may be signed by it in its capacity as a member.

3 Consideration

The consideration for the Sale Shares shall be the sum of £4,250,000 which shall be satisfied by the issue and allotment to the Seller of that number of Consideration Shares shown opposite his name in the Schedule, credited as fully paid.

4 Warranties

The Seller warrants and represents to the Purchaser that:-

4.1 he has full power and authority to enter into this Agreement;

4.2 he has the right to transfer the legal and beneficial title to the Sale Shares;

4.3 the Sale Shares to be sold to the Purchaser pursuant to this Agreement are all fully paid shares;

- 4.4 each of the Sale Shares to be sold to the Purchaser pursuant to this Agreement will be transferred free from any claim, option, charge, lien, incumbrance, equity or third party right and with all rights attaching or accruing thereto including all rights to any dividends or other distributions declared, made or paid after exchange of this Agreement;
- 4.5 no person has the right (whether exercisable now or in the future and whether or no contingent) to call for the allotment, conversion, issue, sale or transfer of any shares or loan capital in the Company by reason of any agreement, conversion right, option, rights of pre-emption or howsoever otherwise; and
- 4.6 the Sale Shares represent 50% of the issued share capital of the Company.

5 Completion

- 5.1 Completion shall take place immediately after the execution of this Agreement at the offices of the Purchaser's Solicitors (or at such other place and at such time as the parties may agree) and simultaneously with completion of the Associated Sale.
- 5.2 At Completion:
 - 5.2.1 the Seller shall execute and deliver to the Purchaser a transfer in favour of the Purchaser in relation to the number of Sale Shares shown opposite his name in the Schedule together with the relevant share certificate(s) for such Sale Shares (or in the case of any lost certificate, an indemnity in respect of it in a form acceptable to the Purchaser);
 - 5.2.2 the Seller shall procure that a duly convened meeting of the board of directors of the Company is held at which the transfers referred to in clause 5.2.1 are approved for registration in the books of the Company (subject to stamping); and
 - 5.2.3 the Purchaser shall issue and allot to the Seller the number of Consideration Shares (credited as fully paid) shown opposite his name in the Schedule and deliver to the Seller a definitive share certificate in respect thereof.

6 Filing of Documents

The parties shall procure that this Agreement and a return of allotments (Form 88(2)) shall be duly stamped and filed with the Registrar of Companies.

7 Costs

The Purchaser shall be responsible for all the costs charges and expenses incurred by the parties in connection with and incidental to the preparation and completion of this Agreement and the sale and purchase of the Sale Shares under this Agreement.

8 Entire Agreement

- 8.1 This Agreement represents the entire agreement between the parties in relation to the subject matter of this Agreement and supersedes any previous agreement whether written or oral between all or any of the parties in relation to that subject matter. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of this Agreement.
- 8.2 No party shall have any liability or remedy in tort in respect of any representation, warranty or other statement (whether or not contained in this Agreement) being false, inaccurate and/or incomplete unless it was made fraudulently.
- 8.3 Each party acknowledges that in entering into this Agreement it places no reliance on any representation, warranty or other statement relating to the subject matter of this Agreement save for the warranties contained in clause 4.

9 Amendments and Variations

No amendment or variation of the terms of this Agreement, shall be effective unless it is made or confirmed in a written document signed by all of the parties to this Agreement.

10 Waiver

No delay in exercising or non-exercise by any party of any right, power or remedy provided by law or under or in connection with this Agreement shall impair such right, power or remedy or operate as a waiver or release of that right. Any waiver or release must be specifically granted in writing signed by the party granting it and shall:-

- 10.1 be confined to the specific circumstances in which it is given;
- 10.2 not affect any other enforcement of the same or any other right; and
- 10.3 (unless it is expressed to be irrevocable) be revocable at any time in writing.

11 Assignment

This Agreement shall be binding on and enure for the benefit of the successors of the parties but shall not be otherwise assignable by either party without the other party's consent.

12 Notices

- 12.1 Any demand, notice or other communication in connection with this Agreement will be in writing and will, if otherwise given or made in accordance with this clause 12, be deemed to have been duly given or made as follows:-

- 12.1.1 if sent by pre-paid first class post, on the second Business Day after the date of posting; or
- 12.1.2 if delivered by hand, upon delivery at the address provided for in this clause 12; or
- 12.1.3 if sent by facsimile, on the day of transmission provided that an answerback receipt is received confirming that the facsimile has been transmitted,

provided that if it is delivered by hand or sent by facsimile on a day which is not a Business Day or after 4.00 pm on a Business Day, it will instead be deemed given or made on the next Business Day.

- 12.2 Any such demand, notice or other communication will, in the case of service by post or delivery by hand, be addressed to the recipient at the recipient's address stated in this Agreement or such other address as may from time to time be notified in writing by the recipient to the sender as being the recipient's address for service and will, in the case of service by facsimile, be sent to the recipient using a facsimile number then used by the recipient.

13 Counterparts

This Agreement may be entered into by each of the parties signing one or more counterparts which taken together shall constitute a complete agreement.

14 Further Assurance

The Seller shall and shall procure that any other necessary party shall, execute all such documents and do all such acts and things as may be required, on or subsequent to Completion, by the Purchaser for securing to or vesting in the Purchaser the legal and beneficial ownership of the Sale Shares in accordance with the terms and conditions of this Agreement.

15 Law and Jurisdiction

This Agreement shall be construed in accordance in accordance with the laws of England and Wales and the parties irrevocably submit to the non-exclusive jurisdiction of the courts of England and Wales to settle any disputes which may arise in connection with this Agreement.

16 Interpretation

- 16.1 In this Agreement, headings are included for convenience only and shall not affect the interpretation or construction of this Agreement.

- 16.2 In this Agreement, unless the context otherwise requires, any reference to:-

- 16.2.1 a clause or a Schedule is to a clause of or a schedule to this Agreement and to a paragraph in a Schedule is to a paragraph of that Schedule;

- 16.2.2 "this Agreement" includes the Schedule, which forms part of this Agreement for all purposes;
 - 16.2.3 a statute or statutory provision includes any consolidation, re-enactment, modification or replacement of the same, any statute or statutory provision of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time;
 - 16.2.4 the masculine, feminine or neuter gender respectively includes the other genders and any reference to the singular includes the plural (and vice versa); and
 - 16.2.5 a document is to that document as varied, supplemented or replaced from time to time.
- 16.3 In this Agreement general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things.

IN WITNESS whereof this Agreement has been executed by the parties hereto and delivered as a Deed on the date first above written.

SCHEDULE

Name and address of Seller	Number and class of Sale Shares	Number of Consideration Shares
Roger Charles Pugsley 68 Llangorse Drive Rogerstone Newport NP1 9HJ	66,667 ordinary shares	4,250,000*

** inclusive of the one subscriber share issued to M and A Secretaries Limited on incorporation and subsequently transferred to the Seller.*

**SIGNED as a DEED by
ROGER CHARLES PUGSLEY**
in the presence of:

R C Pugsley

Witness signature: *[Signature]*

Witness Name: *BEVERLEY JONES*

Witness Address: *KENNETH KILARD HOUSE
5-19 OUNSLIDGE ROAD EAST
CANNON*

Witness Occupation: *SENIOR*

**EXECUTED as a DEED by
PENARTH COMMERCIAL
PROPERTIES (HOLDINGS)
LIMITED**
acting by:

R C Pugsley
.....
Director

[Signature]
.....
Director/Secretary