

Company Number: 6425856

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
London Capital Fundco 1 Limited
(the "Company")

TUESDAY



A52 *A38KN1TM* 255
29/07/2008
COMPANIES HOUSE

In accordance with Regulation 53 of Table A, which is incorporated in the Company's articles of association, the undersigned, being the sole shareholder of the Company who, at the date of this resolution would be entitled to receive notice of and attend and vote at board meetings of the Company, **HEREBY RESOLVES**

- 1 **THAT** the existing ordinary share capital of the Company be sub-divided by

Sub-dividing 2 of the issued ordinary shares of £1 00 each into 200 ordinary shares of nominal value of 1 pence each,

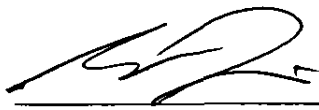
Sub-dividing 98 of the unissued ordinary shares of £1.00 each into 9800 ordinary shares of nominal value of 1 pence each,
- 2 **THAT** the existing ordinary share capital of the Company be reclassified as follows -
 - 200 of the issued shares be reclassified into A ordinary shares of nominal value of 1 pence each
 - 800 of the unissued shares be reclassified 800 A ordinary shares of nominal value of 1 pence each,
 - 1000 of the unissued shares be reclassified into B ordinary shares of nominal value of 1 pence each,
 - 1000 of the unissued shares be reclassified into C ordinary shares of nominal value of 1 pence each,
 - 1000 of the unissued shares into D ordinary shares of nominal value of 1 pence each,
 - 1000 of the unissued shares into E ordinary shares of nominal value of 1 pence each,
 - 1000 of the unissued shares into F ordinary shares of nominal value of 1 pence each,
 - 1000 of the unissued shares into G ordinary shares of nominal value of 1 pence each,

- 1000 of the unissued shares into H ordinary shares of nominal value of 1 pence each,
- 1000 of the unissued shares into I ordinary shares of nominal value of 1 pence each;
- 1000 of the unissued shares into J ordinary shares of nominal value of 1 pence each,

each class of shares having the rights as set out in the new Articles of Association of the Company,

- 3 **THAT** the capital of the Company be increased from £100 to £520 by the creation of an additional 1,000 K Ordinary Shares of 1p each, 1,000 L Ordinary Shares of 1p each, 1,000 M Ordinary Shares of 1p each, 1,000 N Ordinary Shares of 1p each, 1,000 O Ordinary Shares of 1p each, 1,000 P Ordinary Shares of 1p each, 1,000 Q Ordinary Shares of 1p each, 1,000 R Ordinary Shares of 1p each, 1,000 S Ordinary Shares of 1p each, 1,000 T Ordinary Shares of 1p each, 1,000 U Ordinary Shares of 1p each, 1,000 V Ordinary Shares of 1p each, 1,000 W Ordinary Shares of 1p each, 1,000 X Ordinary Shares of 1p each, 1,000 Y Ordinary Shares of 1p each, 1,000 Z Ordinary Shares of 1p each, 1,000 A1 Ordinary Shares of 1p each, 1,000 B1 Ordinary Shares of 1p each, 1,000 C1 Ordinary Shares of 1p each, 1,000 D1 Ordinary Shares of 1p each, 1,000 E1 Ordinary Shares of 1p each, 1,000 F1 Ordinary Shares of 1p each, 1,000 G1 Ordinary Shares of 1p each, 1,000 H1 Ordinary Shares of 1p each, 1,000 I1 Ordinary Shares of 1p each, 1,000 J1 Ordinary Shares of 1p each, 1,000 K1 Ordinary Shares of 1p each, 1,000 L1 Ordinary Shares of 1p each, 1,000 M1 Ordinary Shares of 1p each, 1,000 N1 Ordinary Shares of 1p each, 1,000 O1 Ordinary Shares of 1p each, 1,000 P1 Ordinary Shares of 1p each, 1,000 Q1 Ordinary Shares of 1p each, 1,000 R1 Ordinary Shares of 1p each, 1,000 S1 Ordinary Shares of 1p each, 1,000 T1 Ordinary Shares of 1p each, 1,000 U1 Ordinary Shares of 1p each, 1,000 V1 Ordinary Shares of 1p each, 1,000 W1 Ordinary Shares of 1p each, 1,000 X1 Ordinary Shares of 1p each, 1,000 Y1 Ordinary Shares of 1p each and 1,000 Z1 Ordinary Shares of 1p each
- 4 **THAT** pursuant to Section 80 of the Companies Act 1985 and subject to Article 6 of the new Articles of Association the Directors be and are hereby authorised generally and unconditionally to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the maximum nominal amount of the authorised but unissued share capital at the date of passing this resolution. The authority hereby given shall expire 5 years after the passing of this resolution unless previously renewed or varied, save that the directors may allot any shares or grant such rights under this authority in pursuance of an offer or agreement made before the expiry of this authority,
- 5 **THAT** the Directors are given the power in accordance with Section 95 of the Companies Act 1985 to allot all authorised but unissued shares (within the meaning of Section 94 of that Act) pursuant to the authority above and as if Section 89(1) of the Act did not apply to such allotment, and
- 6 **THAT** the Articles of Association of the Company be adopted in its entirety in substitution for the Company's existing Articles of Association,

Signed

A handwritten signature in black ink, appearing to be 'BQ', is written over a horizontal line.

Dated:

30th June 2008

**For and on behalf of
London Capital Corp Limited**

PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

- of -

LONDON CAPITAL FUNDCO 1 LTD

Adopted on 30th June 2008

1 THE ARTICLES

1 1 The articles of the Company shall consist of

(a) the regulations in this document, and

(b) the regulations in Table A, amended as set out below

1 2 The regulations in this document shall prevail in the event of any inconsistency with the regulations in Table A, subject to which both sets of regulations shall be construed as if they formed a single document

1 3 In these Articles "Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826), and as otherwise amended prior to the adoption of these Articles. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles

1 4 Regulations 3, 40, 60, 61, 64, 76 and 77 (inclusive), 79, 82, 87, 89, 94 to 97 (inclusive) and 118 shall not apply to the Company

2 DEFINITIONS AND INTERPRETATION

2 1 In these Articles, unless the context requires differently

"Act" means the Companies Act 1985 as amended and in force prior to adoption of these Articles and any provisions of the Companies Act 2006 and in force prior to adoption of these Articles,

"Appropriate Number" 500 Loan Notes of £1 each for each Share to be transferred (or in the event of a partial redemption of Shares and/or Loan Notes the appropriate proportion of such amount),

"Articles" means the articles in this document, and references to a particular article mean the corresponding provision of these Articles,

"Board" means the board of Directors of the Company,

"Business" as defined in Article 3.1,

"Business Day" means a day other than Saturday, Sunday or a public or bank holiday in England,

"Buyer" as defined in Article 10.1,

"Certificate" as defined in Article 12,

"Company" means Fundco 1 Ltd,

"Corporate Representative" means a corporate representative appointed pursuant to Section 375 of the Act,

"Dealco" means a company which owns or whose directors wish it to purchase an interest in a Property provided always that the Company must own some of the issued share capital of such company,

"Directors" means the directors of the Company,

"Family Trust" and **"Family Member"** have the meanings in Article 9.4,

"Loan Notes" means the loan notes of £1 each in the Company constituted by a deed adopted by the Company on or around the date of adoption of these articles,

"Majority Shareholder Approval" means the approval in general meeting of the holders of Shares carrying more than 50% of the votes capable of being cast by those attending the meeting,

"Market Value" has the meaning given in Article 12;

"Material Breach" means in the opinion of the Board, a Material Breach (as defined in the Refurbishment Agreement) of the Refurbishment Agreement,

"Offer Document" means the offer document or documents issued by the Company in relation to the Business,

"Office" means the Company's registered office from time to time,

"Original Shareholder" as defined in Article 9.5;

"paid up" in relation to a Share allotted for cash means that the sum concerned has been received by the Company,

"Permitted Issue" an issue and allotment of up to 4,000 Shares of 1p each as designated in Article 5.1,

"Permitted Transferee" as defined in Article 9.4;

"Property" means all the freehold or leasehold property which is held by a Dealco in which the Company has invested by way of purchase or subscription for shares or debentures or otherwise by way of loan from time to time,

"Regulation" means a regulation in Table A,

"Reinvestment" means a second or subsequent investment in a Dealco,

"Restricted Period" as defined in Article 9,

"Sale" means the sale of all the issued Shares in Dealco or a sale of a freehold or long leasehold interest of the whole of the Property held by Dealco,

"Seller" as defined in Article 10.1,

"Shares" means the issued shares of any class in the capital of the Company,

"Shareholder" or **"member"** means the registered holder of a Share,

"Subsidiary" shall mean a subsidiary of the Company within the meaning of Section 736 of the Act,

"Special Majority Shareholder Approval" means the approval in general meeting of the holders of Shares carrying 75% or more of the votes capable of being cast by those attending the meeting,

"Table A" means Table A as referred to in Section 8 of the Act in the form applicable when these Articles were adopted,

"Transfer Minimum" as defined in Article 10.1;

"Transfer Notice" as defined in Article 10.1,

"Transfer Price" as defined in Article 10.1,

"Transfer Shares" as defined in Article 10.1, and

"Valuer" as defined in Article 12.1.

2 2 Unless the context otherwise requires, words and expressions defined in or having a meaning provided by the Act as at the date of adoption of these Articles shall have the same meaning in these Articles. The term **"connected person"** shall have the meaning attributed to it at the date of adoption of these Articles by Section 839 of the Income and Corporation Taxes Act 1988 and the words **"connected with"** shall be construed accordingly. The term **"acting in concert"** shall have the meaning attributed to it at the date of adoption of these Articles by the City Code on Takeovers and Mergers.

2 3 Unless the context otherwise requires, references in these Articles to -

- (a) any of the masculine, feminine and neuter genders shall include other genders,
- (b) the singular shall include the plural and *vice versa*,

- (c) a person shall include a reference to any natural person, body corporate, unincorporated association, partnership, firm or trust,
- (d) employees shall be deemed to include consultants, and references to contracts of employment and to commencement or cessation of employment shall be deemed to include contracts for consultancy and commencement or cessation of consultancy, and
- (e) any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted

2 4 The headings in these Articles are for convenience only and shall not affect their meaning

2 5 A reference in these Articles to the transfer of any Share shall mean the transfer of either or both of the legal and beneficial ownership in such share and/or the grant of an option to acquire either or both of the legal and beneficial ownership in such share and the following shall be deemed (but without limitation) to be a transfer of a share -

- (a) any direction (by way of renunciation or otherwise) by a shareholder entitled to an allotment or issue of any share that such share be allotted or issued to some person other than himself,
- (b) any sale or other disposition of any legal or equitable interest in a share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing, and
- (c) any grant of a legal or equitable mortgage or charge over any share

2.6 In construing these Articles, general words introduced by the word "**other**" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words

3 **BUSINESS**

3 1 Without limiting the generality of the Company's objects and powers set out in its memorandum of association its business shall be investment in Dealcos

4 **CORPORATE STATUS**

4 1 The Company is a private limited company The Company shall not offer to the public (whether for cash or otherwise) any shares in, or debentures of the Company and shall not allot, or agree to allot, (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public

5 **SHARES**

5 1 The authorised share capital of the Company at the date of the adoption of these Articles is £520 divided into 52,000 Shares of 1p each. Each 1,000 such Shares is designated as a separate class from A to Z with Shares numbered from 1 to 1,000 designated as A Shares through to Shares numbered from 25,001 to 26,000 designated as Z Shares and from A1 to Z1, with Shares numbered from 26,001 to 27,000 designated as A1 Shares through to shares numbered from 51,001 to 52,000 designated as Z1 Shares. All classes of Shares shall rank pari passu in all respects save as set out in these Articles.

5 2 Certificates for Shares may be signed by a Director and the Secretary, or any two Directors, and the words "shall be sealed with the Seal and" shall be deemed deleted from Regulation 6.

5 3 Shareholders holding Shares in respect of which all or part of the subscription price has not yet become due for payment (whether or not called or unconditionally payable) may prepay all or any part of the amounts concerned at any time, but must prepay equal sums on all part paid Shares they hold.

6 **ISSUE OF SHARES**

6 1 For the purposes of section 80 of the Act the Directors are hereby authorised to allot relevant securities at any time or times during the period of five years from the date of adoption of these Articles up to the amount of the authorised share capital of the Company remaining unissued at the time of that adoption. The Company may make any offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired, and the Directors may allot relevant securities in pursuance of any such offer or agreement.

6 2 Sections 89(1) and 90(1) to 90(6) inclusive of the Act shall not apply to the Company.

6 3 Other than the Permitted Issues, before any agreement or offer is made by the Company to allot Shares or to grant an option allowing someone to call for Shares to be allotted to him, the Directors shall offer the Shares or rights concerned to the Shareholders in accordance with the following procedure (an "Offer")

6 4 All Offers shall be in writing to the Shareholders concerned and shall specify

- (a) the number of Shares being offered,
- (b) the price per Share (which shall be a sterling price),
- (c) the person who is to be allotted any Shares not taken up by the Offer, the proposed beneficial owner of the Shares if different, and the person(s) controlling the proposed allottee if a body corporate,
- (d) such other information as the Directors consider will reasonably assist the Shareholders in evaluating the Offer,

and shall be substantially on the same terms including as to the requirement to subscribe for Loan Notes and Shares as are set out in the Offer Document unless there has been a Special Majority Shareholder Approval.

- 6 5 All Offers shall specify the period (not less than 21 days) for which they remain open (the "**Offer Period**") They shall be irrevocable Acceptances shall be in writing to the Office, shall specify a maximum (and should they wish to do so any minimum) number of Shares applied for, and must be received before 5 30pm London time on the last day of the Offer Period
- 6 6 Acceptances shall be irrevocable Offers shall specify the same terms for all of the Shares
- 6 7 Shareholders shall be allotted the maximum number of Shares requested, unless there are insufficient Shares, in which case the Shares shall be allotted between Shareholders pro rata to the Shares they each hold, subject to any specified maximum or minimum If any Shares comprised within the Offer are unallocated after this process, the same number of Shares of other classes shall be allocated to existing holders of Shares, pro rata to the Shares so held, again subject to any specified maximum or minimum but disregarding Shares already allocated to them in the Offer
- 6 8 Allotments pursuant to the process in Articles 6.5-6.7 shall be completed at the Office or at such other place as the Board thinks appropriate, 2 Business Days after the last day of the Offer Period when allottees will pay the allotment price (or relevant instalment) in full, which shall be a debt due to the Company Time is of the essence in respect of this obligation
- 6 9 Some or all Shares remaining after the procedure in Articles 6.5 to 6.8 may within 60 days of the end of the Offer Period be issued to the person named in the Offer on terms no more favourable than any terms contained in the Offer for the Shares save that the price may be adjusted for any difference in dividend participation rights resulting from the different allotment date, failing which this Article 6 shall again apply to any subsequent allotment
- 6 10 In Articles 6.4 - 6.9 references to Shares forming part of an Offer include options to be allotted Shares
- 6 11 Holders of options to be allotted Shares may be granted by the Board the right to participate in Offers, in which case this Article 6 shall apply as if references to Shares held by Offerees included unallotted Shares to which the options apply

7 REDEMPTION AND PURCHASE OF OWN SHARES

- 7 1 Subject to the provisions of the Act, the Company shall have power to issue any shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder thereof or to purchase its own shares (including any redeemable shares)
- 7 2 Subject to the provisions of the Act, the Company shall have power to make a payment in respect of the redemption or purchase under section 160 or (as the case may be) section 162 of the Act of any of its own shares otherwise than out of its distributable profits or the proceeds of a fresh issue of Shares

8 LIEN

In addition to the lien conferred by Regulation 8 of Table A, the Company shall have a first lien on every Share, whether fully paid or not, registered in the name of anyone

(whether he is the sole holder or one of two or more joint holders) for all money due for payment by that person to the Company from time to time, whether in respect of that Share, or other Shares, or in any other way, and whether he holds beneficially, as nominee or otherwise. This lien is without prejudice to any other security or rights the Company may have.

9 TRANSFER OF SHARES

9.1 No transfer of a share by any Shareholder shall be made except as permitted by the provisions of these Articles.

9.2 Without limitation to other restrictions on the transfer of a Share under these Articles or otherwise, no transfer of any Share shall or may be made

- (a) within 5 years of its issue (or in the case of a Reinvestment within 5 years of that Reinvestment) ("**Restricted Period**"), or
- (b) other than as provided for in Articles 9 (Permitted Transfers), 10 (Pre-emption) or 13 (Compulsory Transfers)

9.3 No transfer of any Share may be made unless there is a transfer of the Appropriate Number of Loan Notes by the transferor of such share to the transferee.

9.4 In this Article 9

"**Permitted Transferee**" means in relation to any Shareholder, each of the following

- (a) the spouse or former spouse of that Shareholder, and any child, grandchild or remoter descendent or stepchild or foster child of the Shareholder or of such a spouse or former spouse ("**Family Member**"),
- (b) a trustee of any trust under the laws of any territory (a "**Family Trust**") which is a trust under which no beneficial interest in the shares in question is or is capable of being vested in anyone other than the Shareholder concerned or a Family Member, or a charity,
- (c) a nominee (whether a company or individual) of a Shareholder,
- (d) in respect of any member that is a company (the "**transferor**"), any company that is a member of the same group (and for the purposes of this Article 9.4(d) "**member of the same group**" means a company of which the transferor is a wholly owned subsidiary or which is a wholly owned subsidiary of the transferor within the meaning of Section 736 of the Act), and
- (e) any other person to whom the Directors reasonably believe a transfer of Shares would be consistent with the intentions of the Shareholders expressed in this Article 9.4 and have recorded their consent in a written resolution of the Directors or a minute of a duly convened and held meeting of the Board, and in order to assess whether this is the case the Directors may ask any question of the proposed transferor and the proposed transferee, require any written or oral information from such persons and impose any conditions on such transfer as they see fit.

9 5 A legal or beneficial interest in Shares may be transferred

- (a) to a Permitted Transferee of the Shareholder concerned, and
- (b) from such a Permitted Transferee to another person who is a Permitted Transferee of the Shareholder who was the transferor in the first of any series of consecutive transfers to Permitted Transferees (the "**Original Shareholder**")

9 6 If the legal and/or beneficial owner of Shares pursuant to one or a series of transfers to Permitted Transferees of the Original Shareholder ceases to be a Permitted Transferee in respect of that Original Shareholder, he shall promptly notify the Board in writing of the event referring to this Article 9.6, and be deemed to have given a Transfer Notice in accordance with Article 13 (Compulsory Transfers) in respect of all Shares held by him on such date as the Board may specify by written notice to him, being a date on or after the date on which that event occurred. The right of the Board to give such a notice will lapse if not exercised within 90 days of the notice from the Shareholder concerned

10 **PRE-EMPTION PROCEDURE ON TRANSFER OF SHARES**

10 1 A member may transfer any Share outside of a Restricted Period in accordance with this Article 10. Every member who proposes to transfer any Shares (the "**Seller**") (other than in accordance with Article 9.5) shall give notice in writing (the "**Transfer Notice**") to the Company. The Transfer Notice shall specify

- (a) the number of Shares which the Seller wishes to transfer (the "**Transfer Shares**"),
- (b) any third party to whom the Seller wishes to sell the Transfer Shares and the identity of any person owning or controlling that third party (the "**Buyer**");
- (c) the consideration (the "**Transfer Price**") per Transfer Share (which must be the same for all Transfer Shares and be a sterling price),
- (d) any unpaid dividends to be retained by the Seller, and
- (e) the Appropriate Number of Loan Notes for the Transfer Shares and the consideration required for their transfer

The Transfer Notice shall constitute the Company the agent of the Seller for the sale of all the Transfer Shares to the members other than the Seller. The Transfer Notice may specify a minimum number of Transfer Shares to be sold (the "**Transfer Minimum**"). Sellers proposing to transfer or grant an interest in Shares as part of the same transaction or series of related transactions shall be deemed to be one Seller and shall be obliged to deliver one Transfer Notice in respect of all Transfer Shares

10 2 The Board shall offer the Transfer Shares to the Shareholders, other than the Seller and any direct or indirect Permitted Transferees of the Seller, by written notice within 15 days of the date of the Transfer Notice. The Board shall include such financial and other information as it considers appropriate at its discretion, and shall specify the Transfer Price, total number of issued Shares, last date for receipt of acceptances and address for acceptances, pro-rata entitlement of offeree under Article 10.4 and ranking for dividend

Acceptances must be in writing to the Board at the Office within 30 days of the date of the Board's offer notice (the "**Acceptance Period**"), signed by the member or joint members concerned or their attorneys, and accompanied by a copy of any power of attorney concerned, certified by a solicitor. A Shareholder from whom no acceptance has been so received by the Company within the Acceptance Period shall be treated as having declined the offer. Acceptances must specify the number and class of Transfer Shares applied for. There will be assumed to be no minimum. The Board may reject any acceptances which seem to the Board at its discretion not to comply with these Articles in any respect.

- 10.3 All notices under this Article 10 shall be irrevocable and the Seller shall be bound to transfer each Transfer Share upon allocation of such Transfer Share pursuant to this Article 10.
- 10.4 If within the time specified in Article 10.2 the Board shall receive acceptances for more than the total number of Transfer Shares, the Board shall allocate Transfer Shares to accepting Shareholders pro rata to the total number of Shares held by each Shareholder concerned at that date.
- 10.5 Promptly after completing the allocations under Article 10.4 or (if applicable) after the time for acceptances has passed without acceptances being received for at least the Transfer Minimum, the Board shall send each Shareholder who gave notice of an acceptance a written notice of the number and class of Transfer Shares allocated to them, and the time and place for completion of the purchase (which shall be in London between 7 and 14 days from the date of the notice under this Article 10.5) and shall send the Seller written notice specifying the number and class of unallocated Transfer Shares.
- 10.6 If the Company does not find or the Directors consider it has no real prospect of finding prospective purchasers for any or all of the Transfer Shares within the appropriate period specified in Article 10.2 then the Directors may if they think fit (and subject to the provisions of Chapter VII of Part V of the Act) give notice in writing to the Seller not later than 44 days after the board's offer notice set out in Article 10.2 that the Company shall purchase some or all of those shares at the Transfer Price. However, for the avoidance of doubt, the Company shall not be obliged to comply with the pre-emption procedure in this Article 10 if it proposes to buy back Shares other than following an offer of sale of such Shares by the relevant Shareholder.
- 10.7 All or any Transfer Shares unallocated following the procedure in this Article 10 may be sold to the buyer nominated in the Transfer Notice at the price and otherwise on the terms so specified, or at a higher price, so long as the buyer buys as beneficial owner, the transfer is lodged with the company for registration within 30 days of the notices from the Company under Article 10.5, and the number sold is not less than the Transfer Minimum.
- 10.8 If any Shares to which Article 10.6 applies are not sold pursuant to its terms, this Article 10 shall apply again in respect of any future transfer, save that no Transfer Notice may be given by the same Seller under this Article 10 (or Permitted Transferees of the same Seller) in respect of any of its Shares for one year from the date of the last Transfer Notice served by such Seller, its nominee or any Permitted Transferees of such Seller. This shall not apply to deemed Transfer Notices under Article 13.

- 10 9 For the purpose of ensuring that a transfer of Shares is a permitted transfer or that no circumstances have arisen whereby a Transfer Notice is required under Article 13, the Directors may from time to time require any member or any person named as transferee in any transfer lodged for registration, to give the Company such information as the Directors may think desirable for the purpose
- 10 10 The Directors shall register any transfer made pursuant to Articles 9, 10.1-8, 11 or 13 unless
- (a) registration would increase the number of members beyond any prescribed limit,
 - (b) the transfer relates to Shares on which the Company has a lien, or
 - (c) the transfer is to an infant, bankrupt or person of unsound mind
- 10 11 The restrictions on transfer contained in Articles 9 and 10 shall not apply to a transfer approved in writing by all the members

11 COMPLETION OF SALES

- 11 1 At completion of any transfer of Shares under Articles 9, 10 or 13
- (a) the Seller will deliver to the relevant buyer a duly executed transfer or transfers of the relevant Shares (for transfers pursuant to Articles 9 or 13) and a share certificate in the Seller's name for them, or a declaration of loss and indemnity in respect of any of them in terms reasonably approved by the Board,
 - (b) the buyer will pay the Transfer Price due to the Seller in cleared sterling funds
- 11 2 If the Seller fails to complete a sale in all respects in accordance with Article 11.1, then without prejudice to the buyer's other remedies, the Board may designate someone to sign the transfer and all other documents as attorney for the Seller and may cancel the Seller's relevant share certificates. The Company will hold the sale price on trust for the Seller in a deposit bank account earning such interest as the Board decides at its discretion. A transfer carried out in this way will be as effective as if the Seller had signed the transfer, delivered his share certificate and received the money
- 11 3 All sales to which this Article 11 applies will be deemed made by the Seller with full title guarantee, and free from all rights and interests of any third party, and/or on such other terms as apply under these Articles
- 11 4 If the buyer is offered partial performance only in respect of any purchase, it may elect either to proceed to completion so far as practicable and otherwise rely on its rights under Article 11.2, or defer completion for up to 30 days at the same venue, or to rescind its agreement to purchase all the Shares concerned in each case without prejudice to its other rights and remedies
- 11 5 After the name of the buyer has been entered in the register of members of the Company in purported exercise of these powers the validity of the proceedings shall not be questioned by any person

11 6 The Seller will transfer the Appropriate Number of Loan Notes to the buyer of the Shares on the date of transfer of the Shares

12 DETERMINATION OF MARKET VALUE

12 1 If Market Value of any Shares needs to be determined under any provisions of these Articles, then the following procedure shall apply

- (a) It shall be established by the accountants of the Company for the time being or if objection is made to the accountants undertaking this task by Special Majority Shareholder Approval an accountant to be agreed on by the Board and the Seller. In the absence of agreement within 30 days the accountants shall be appointed by the president for the time being of the Institute of Chartered Accountants in England and Wales (the "**Valuer**") The Valuer's opinion shall in the absence of fraud or manifest error, be final and binding and he or she shall act as expert and not as arbitrator
- (b) The Market Value shall be established as at the date of the relevant Transfer Notice or deemed Transfer Notice as between a willing seller and a willing buyer contracting on arm's length terms, having regard to the fair value of the Business as a going concern
- (c) The Valuer shall be entitled to obtain a professional valuation of the Property or to take such other professional advice as he thinks fit
- (d) The Seller and each of the other members shall be entitled to make submissions to the Valuer
- (e) At the request of the Seller, the Valuer shall take into account (to the extent, (if any) he thinks appropriate) any bona fide offer received by the Seller from a third party for the purchase of the Transfer Shares or the Company as a whole or any Dealco or any property or other investment owned by a Dealco or the Company
- (f) The Market Value shall be based on the open market value of the Company and its subsidiaries as determined by the Valuer, and shall be such proportion of that value as is attributable to the Transfer Shares pro rata to the total number of Shares, the Valuer may adjust for Shares having different rights under these Articles or any shareholders agreement, and for dividends declared or paid after the valuation date, but shall not adjust for minority holdings or controlling interest
- (g) The Valuer shall certify the Market Value to the Board in writing (the "**Certificate**") giving either no reasons or such reasons as he or she shall see fit (but any reasons given must be set out in the Certificate), and Company shall within 7 Business Days of receipt of the Certificate submit copies thereof to the Seller and the other members
- (h) The costs of obtaining the Certificate (and any professional advice taken by the Valuer in connection therewith) shall be borne between the Seller and the Buyers in equal proportions unless the Valuer shall otherwise determine

13 COMPULSORY TRANSFERS

13.1 Subject to Article 13.2

- (a) a direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment or transfer of Shares to the effect that all or any of the Shares be allotted, issued or transferred to some person other than himself, or
- (b) a sale or other disposition of any legal or beneficial interest in a Share (whether or not for consideration) by a member otherwise than in accordance with these Articles and whether or not made in writing, or
- (c) a corporate member being dissolved, entering into liquidation, being the subject to an administration petition presented to court, having a receiver appointed over the whole or substantially the whole of its assets or proposes a voluntary arrangement with its creditors, or
- (d) the death or bankruptcy of a member, or
- (e) there is a change of control of the member or its Permitted Transferee (within the meaning of section 840 Income and Corporation Taxes act 1988)

shall be a "**Relevant Event**" for the purposes of this Article 13

If a Relevant Event occurs in relation to a member, its nominee or its Permitted Transferee, he shall be deemed to have given a Transfer Notice in respect of all Shares held by him or by any nominee for him immediately prior to that Relevant Event and for all of his Loan Notes

13.2 The Directors may require any member, or the personal representatives of any deceased member, or any proposed transferee of Shares, to supply to the Company within such reasonable time as the request specifies such information and evidence as the notice may reasonably specify to establish whether a particular share transfer is permitted under the Articles or whether a Transfer Notice may be required under these Articles, or whether there has been any breach of Articles 9 or 10. Unless the information and evidence is supplied within the time specified in the request and establishes the right to make the transfer in question, or that no Transfer Notice may be required (as the case may be), the Directors may (as the case may be) refuse to register any transfer specified in the advice, or may require by notice in writing that a Transfer Notice be given or may direct that until the default is remedied or the Directors otherwise specify, either generally or in any particular respect, the Shares shall be subject to any or all of the restrictions set out in Section 454 of the Act

13.3 In respect of a compulsory transfer pursuant to Article 13.1 the provisions of Article 10 shall apply save that the offer of Transfer Shares in accordance with Article 10.2 and the Transfer Notice shall be deemed to have specified the Market Value of the shares as the specified price for the Transfer Shares and shall be in respect of all Shares and the aggregate amount outstanding (including principal on the Loan Notes) registered in the name of such member, its nominee or Permitted Transferee

13.4 Any provision of these Articles requiring a Transfer Notice to be given in respect of Shares where the holder is not also the sole beneficial owner shall be construed as

requiring such a notice to be given by the holder and countersigned by or on behalf of all other persons having any beneficial or other vested interest in the Shares. Neither the Company nor any other member shall be concerned as to the application of any monies paid to or for the benefit of the holder under these Articles or any restrictions on his power to transfer the shares otherwise than under these Articles.

14 PROCEEDINGS AT GENERAL MEETINGS

- 14 1 Except as otherwise provided in the Act and these Articles, the members shall make decisions by Majority Shareholder Approval.
- 14 2 The holders of the Shares of any class shall be entitled to receive notice of and to attend and vote at every general meeting of the Company and every holder of a Share who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote on a show of hands and on a poll every holder of a Share so present shall have one vote for each Share held by them.
- 14 3 Subject to the other provisions of this Article **14.3** no business shall be transacted at any General Meeting unless a quorum is present. Two persons entitled to vote on the business to be transacted, each being a member or a proxy for a member or a corporate representative of a member shall be a quorum. However, if no quorum is present within 30 minutes of the time convened for the meeting the chairman of the meeting may adjourn the meeting to the same time and place in the following week or to such other time and place (not more than one month after the date of the original meeting) as is agreed and the quorum at such adjourned meeting shall be the member or members present at that adjourned meeting.
- 14 4 A poll may be demanded at any general meeting by the chairman or by any member present in person or by corporate representative or by proxy and entitled to vote.
- 14 5 Any member may convene a general, or class meeting.
- 14 6 An instrument appointing a proxy shall be in writing in normal form or in any other form which the Directors may accept and shall be signed by the appointor or his attorney, or in the case of a corporation by a director of the corporation.
- 14 7 An instrument appointing a proxy may be left at such place (if any) as may be specified for that purpose in the notice convening the meeting (or, if no place is specified, at the office) at or before the time appointed for the holding of the meeting or adjourned meeting or for the taking of the poll at which it is to be used. An instrument appointing a proxy may also be given to the Chairman of the meeting at any time before the vote or votes on which it is to be used.
- 14 8 Any written resolution of the members or a class of members may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

15 **DIRECTORS**

- 15 1 The number of directors (other than alternate directors) shall not exceed three and the minimum number shall be one. The initial directors shall be Anthony Binnie and Alexander Seddon.
- 15 2 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy created by the resignation of a person who is a Director at the date of adoption of these Articles or as one additional Director.
- 15 3 The Directors shall not be subject to retirement by rotation.
- 15 4 Regulation 84 of Table A shall apply as if the last sentence was omitted.
- 15 5 In the case of an equality of votes at meetings of the Board the Chairman of the Board from time to time shall have a second or casting vote.
- 15.6 Subject to Article 15.9, any remuneration paid to a Director may be by way of salary, commission, lump sum payment, benefit in kind, or in any other form the Directors propose must first be approved by Majority Shareholder Approval.
- 15 7 Subject to Article 15.9, subject to obtaining prior Majority Shareholder Approval the Directors may exercise all the powers of the Company to provide, on whatever terms they think fit pensions, annuities, gratuities, superannuation, sickness, benevolent, compassionate, welfare or other allowances and benefits, life or endowment assurance or other benefits for any past or present employees, consultants or directors of the Company or any company which is or has been in their opinion associated with the Company in any way, and for their spouses, children or other relatives or dependants.
- 15 8 Subject to Article 15.9, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, and subject to Section 80 of the Act to create and issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.
- 15 9 The Directors shall not without first obtaining a Special Majority Shareholder Approval
- (a) make any loans to Dealco in relation to the acquisition of any property or make any investment, in either case, outside the scope of the Offer Document,
 - (b) conduct any business other than the Business,
 - (c) enter into, vary or terminate any contract or arrangement with London Capital Corp Limited other than the Asset Management Agreement, or
 - (d) give or support in relation to Dealco any Majority Shareholder Approval or Special Majority Shareholder Approval, each as defined in the articles of association of Dealco.
- 15 10 Subject to the provisions of and so far as may be permitted by law, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability

incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court Regulation 118 shall not apply

16 DIRECTORS - POWERS AND PROCEEDINGS

16 1 The quorum for the transaction of the business of the Directors shall be two Directors save that if at any time there is only one Director the quorum shall be one The first sentence of Regulation 89 shall not apply There shall be no more than three Directors and the first two Directors shall be Anthony Binnie and Alex Seddon

16 2 A Director, subject to complying with section 317 of the Act, shall be entitled to vote in respect of any contract or arrangement he may make with the Company or any contract or arrangement entered into by or on behalf of the Company in which he is interested or in respect of the making or amending of any agreement between himself and the Company He shall also be taken into account in determining whether a quorum is present at any meeting at which any such matter is to be voted on

16 3 A notice may be given to any Director either personally or by sending it by post

16 4 At any meeting of the directors, each Director present shall have one vote

16 5 Subject to Article 16, resolutions of Board shall be carried by the approval of a majority of the Directors present at the meeting

16 6 Any Director may participate in a meeting of the Directors by means of conference telephone or other equipment whereby everyone participating in the meeting can hear each other Participation in a meeting in this manner shall be deemed to constitute presence in person at such a meeting

17 ALTERNATE DIRECTORS

17.1 Regulation 67 of Table A shall be read as if the words "by rotation or otherwise" were omitted therefrom

17 2 Regulation 68 of Table A shall be read as if it contained a second sentence as follows.-

"Such notice shall take effect when it is left at the office or (if earlier) handed to the chairman of any meeting at which it is to apply "

18 DISQUALIFICATION OF DIRECTORS

Regulation 81 of Table A shall be read as if paragraph (d) were deleted and the following were substituted

"(d) (not being a Director appointed for a fixed and still current term to a salaried employment or office in the Company) he resigns his office by notice in writing to the Company,"

and as if there were added thereto the following paragraph (f) -

"(f) the Directors resolve that he is physically and mentally incapable of performing his duties "

19 DIVIDENDS

19 1 Paragraph (c) of Regulation 110 of Table A shall be read and construed as if the words "or ignore fractions altogether" were inserted after the words "distributable under this regulation in fractions"

19 2 For the purposes of Regulation 102, the rights of member to dividends shall be determined after giving effect to any waivers before the relevant dividend is declared

19 3 Dividends shall be paid without regard to the nominal values or amount paid up on the Shares, save that nil or part paid Shares as at the date of payment shall have their entitlement reduced in proportion to the percentage of the allotment price remaining unpaid, and Shares may be allotted on terms that they rank for dividend only as from a specified date

19 4 Following the sale of Dealco or the sale of Property and distribution or receipt of net proceeds by the Company, Fundco will make a retention ("Retention") for professional and other costs and expenses and anticipated tax for such transaction, its own administration, the distribution of net proceeds to investors and if appropriate its winding up or dissolution and apply the balance to notional funds for each investor comprised as

(a) The principal amount of any Loan Notes which such investor has subscribed for, and

(b) Such proportion of distributable profits (or the balance thereof after the Retention) as equates to the proportion of Shares held by such investors (the "Notional Funds")

19.5 The Company shall pay the Notional Funds in such manner as the Directors think fit to those investors who have communicated an intention to redeem their funds (and to not leave such funds in the Company for reinvestment) promptly following the end of any period permitted to investors by the Company to communicate such intent

20 MANAGEMENT INFORMATION

The Board shall send to each shareholder copies of accounts or appropriate management information received by it from Dealco promptly following receipt

21 NOTICES

21 1 Regulation 112 shall apply as if the words "or Director" were inserted immediately following the word "member" wherever it appears in that regulation and as if the last sentence of the regulation were deleted and replaced with the words "Notices given by mail to a member or director whose registered address is outside the United Kingdom shall be sent by airmail or fax"

21 2 Notices to the Company under the Articles shall be left at or sent by first class post to the Office marked for the attention of the Secretary

21 3 Notices under the Articles may be sent by fax or other form of immediate transmission in enduring form and notices so sent shall be deemed received when the transmission is completed and (in the case of a notice by telex) when answerback is transmitted
Notices sent by post to an address inside the United Kingdom shall be deemed received 48 hours after being posted, notices sent by airmail to an address outside the United Kingdom shall be deemed received at 7 days after being posted, and Regulation 115 shall apply as if the last sentence were deleted

22 **WINDING-UP AND RETURN OF CAPITAL**

22 1 Regulation 117 of Table A shall be read and construed as if the words "with the like sanction" were inserted immediately before the words "determine how the division shall be carried out"

22 2 On a return of capital, whether on a winding up or otherwise, the assets of the Company available for distribution to the members of the Company shall be applied in or towards paying to the holders of the Shares the nominal amounts paid up or credited as paid upon the Shares together with any premium paid on them calculated mutatis mutandis in accordance with Article 19 (Dividends)