

Company No : 1720832

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
SPECIAL RESOLUTIONS
OF
AMERICAN GOLF DISCOUNT CENTRE LIMITED (the "Company")
(Passed 31st January 1998)

At an Extraordinary General Meeting of the Company duly convened and held on 1998 the following resolutions were duly passed as Special Resolutions of the Company.

SPECIAL RESOLUTIONS

1. **THAT** the provisions of the Memorandum of Association of the Company with respect to its objects be and they are hereby altered as follows:
 - (A) By deleting in their entirety the existing provisions set out in sub-clauses (H), (I) and (U) in Clause 3 and inserting in their place the following new provisions to be numbered sub-clauses (H), (I)(i), (I)(ii) and (U) respectively:
 - "(H) To lend and advance money or give credit or financial accommodation in any manner on any terms and for any purposes whatsoever, whether with or without interest and whether or not supported by guarantee and/or security, to any person or company, including but not limited to any company which is for the time being an Associated Company (as defined below) of the Company.
 - (I)(i) To borrow and raise money, and to secure or discharge any debt, obligation or liability, in any manner on any terms and for any purposes whatsoever, and in particular (without derogation from the generality of the foregoing) to secure any debt, obligation or liability by mortgages of or charges upon all or any part of the undertaking, real and personal property, assets, rights and revenues (present or future) and uncalled capital of the Company or by the creation and issue on any terms of debentures, debenture stock or other securities of any description.
 - (I)(ii) To enter into any guarantee, bond, contract of indemnity or suretyship and otherwise give security or become responsible for the performance of any obligations or the discharge of any liabilities by any person or company in any manner on any terms and for any purposes whatsoever, whether with or without the Company receiving any consideration or advantage and whether or not in furtherance of the attainment of any other object of the Company and in particular (without derogation from the generality of the foregoing) to guarantee, support or secure, by personal covenant or by mortgaging or charging all or any part of the undertaking, real and personal property, assets and revenues (present and future) and uncalled capital of the Company, or by both such methods, or in any other manner whatsoever, the payment or repayment of any money secured by, or payable under or in respect of, any



debts, obligations or securities whatsoever and the discharge of any liabilities whatsoever, including but not limited to those of any company which is for the time being an Associated Company (as defined below) of the Company or is otherwise associated with the Company in business.

- (U) Except insofar as prohibited by Section 151 of the Companies Act 1985, to give, directly or indirectly, whether with or without the Company receiving any consideration or advantage and whether or not in furtherance of the attainment of any other object of the Company, financial assistance of any kind (including but not limited to financial assistance within the meaning of Section 152(1) of the Act) to any person or company in any manner on any terms and for any purposes whatsoever and in particular (without derogation from the generality of the foregoing) to give financial assistance for the purpose of the acquisition of securities in any Associated Company (as defined below) to be made by any person or company or for the purpose of reducing or discharging any liability incurred by any person or company for the purpose of such acquisition."
- (B) By the deletion in its entirety of the paragraphs (1), (2), (3) and (4) of 3(Y) and their substitution by the new provisions set out below as sub-clause 3(Z):
- "(Z) For the purpose of this Clause 3 it is hereby declared that:

- (i) the expression "company" (except where used in reference to this Company) shall be deemed to include any government or any statutory, municipal or public body, partnership, associations, syndicate or other body of persons, whether incorporated or unincorporated and whether incorporated, domiciled or resident in the United Kingdom or elsewhere;
- (ii) the expression "person" shall include any company as well as any other legal or natural person;
- (iii) the expression "securities" means and includes, any fully, partly or nil paid share, stock, debenture or loan stock, bill, note, warrant, coupon, deposit receipt or certificate, fund or obligation, interest or participatory right of any kind whatsoever;
- (iv) the expressions "and" and "or" shall mean "and/or" where the context so admits and the expressions "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible;
- (v) the expression "Associated Company" shall mean any company which is for the time being:
 - (a) a parent undertaking (as defined by Section 21 of the Companies Act 1989) of the Company; or
 - (b) a subsidiary undertaking (as defined by Section 21 of the Companies Act 1989) of the Company or of any parent

undertaking of the Company;

- (c) a company controlled either by the same persons as control the Company (or any parent undertaking of the Company) or by connected persons;
- (vi) the expressions "connected persons" and "control" have the respective meanings attributed to those expressions by Sections 839 and 840 of the Income and Corporation Taxes Act 1988; and
- (vii) 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.
- (viii) the objects specified in the different paragraphs of this Clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph, or the name of the Company, or the order in which such objects are stated, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the substantive objects of a separate and independent company. None of the above objects shall be deemed to be subsidiary or ancillary to any other object and may be carried out whether or not in connection with or in furtherance of the attainment of any other object."

2. **THAT** the Articles of Association of the Company be amended by the addition of the following as a new clause 16 at the end of and in addition to the existing articles:

"Notwithstanding anything contained in these Articles, whether expressly or impliedly contradictory to the provisions of this Special Article (to the effect that any provision contained in this Special Article shall override any other provision of these Articles):

- 16 (a) The Directors shall not decline to register any transfer of shares, nor may they suspend registration thereof, where such transfer:-
- (i) is to any bank, institution or other person to which such shares have been charged by way of security, or to any nominee of such a bank, institution or other person (or a person acting as agent or security trustee for such person) (a "Secured Institution"); or
 - (ii) is delivered to the Company for registration by a Secured Institution or its nominee in order to protect its security over the shares; or
 - (iii) is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under such security;

and the Directors shall forthwith register any such transfer of shares upon receipt and furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall (in either such case) be required to offer the shares which are or are to be the subject of any transfer as aforesaid to the shareholders for the time being of the Company or any of them and no such shareholder shall have any right under these Articles or otherwise however to require such shares to be transferred to them whether for any valuable consideration or otherwise.

- (b) The Directors shall not issue any share certificates (whether by way of replacement or otherwise) without the prior written consent of (or on behalf of) all (if any) Secured Institutions (as defined in Special Article 16 (a) (i) above).
- (c) A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present, shall be as effective as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members shall be effective whether or not an auditor's statement under s.381B of the Companies Act 1985 has been obtained.
- (d) Subject to compliance with sections 151-158 of the Companies Act 1985 the Company shall be permitted to give financial assistance in respect of a purchase of its own shares or the shares of any holding company of the Company.
- (e) The Directors may hold their meetings in any manner as they think fit including without limitation by telephone and other means of telecommunications and Directors shall be deemed to be present at such meetings if present by telephone or such means of telecommunications notwithstanding that they are not physically at the meetings or in the United Kingdom.

3. **THAT** notwithstanding any existing provisions of the memorandum or articles of association of the Company or any personal interest of any of the directors of the Company the documents (as the same may be amended, varied, supplemented, novated or substituted from time to time) (the "Documents") and the events and payments referred to below as set out in each of the statutory declarations made by the directors of the Company, which statutory declarations have been made available for inspection by the members of the Company together with the statutory auditors' reports required by section 156(4) to be annexed thereto, which Documents, payments and events would constitute the giving by the Company of financial assistance (as defined by section 151 of the Companies Act 1985 (the "Act") (the "Financial Assistance") in connection with the acquisition by the Company of 175,000 ordinary shares of £1 of the issued share capital of the Company (the "Acquisition") be and are hereby approved:

- (a) the execution by the Company of a facilities agreement between the Company (1) National Westminster Bank Plc (2) (the "Bank") (the "Facilities Agreement") pursuant to which the Bank has agreed to make available a term loan facility of £2,500,000 to the Company for the purposes of funding the Acquisition and repaying existing borrowing to third party lenders;
- (b) the execution by the Company of a working capital facility letter addressed to the Company from the Bank (the "Working Capital Facility Letter") pursuant to which the Bank has agreed to make available a working capital facility of £1,000,000 with an additional seasonal excess of £500,000 (in each year for the months of March, April and November) to fund in part the Company's working capital requirements and in part the Acquisition;
- (c) the execution and future delivery by the Company of legal mortgages (the "Temporary Charges") over the properties known as Great Ancoats Street, Manchester, 320/322 North Road, Preston and 75/81 Newcastle Road, Trent Vale, Stoke on Trent, (the "Option Properties") to secure the payment of indebtedness owed by the Company to the Bank;
- (d) the execution by the Company of an assignment of keyman life assurance policies (the "Assignment") effected on the lives of Anthony Norton and Howard Bilton to secure the payment of indebtedness to the Bank upon issuance of the keyman life assurance policies after the date hereof to satisfy the conditions subsequent to the Facilities Agreement;
- (e) the execution by the Company of fixed charges (the "Fixed Charges") in favour of the Bank over the properties known as 12/14 Ashbourne Parade, Finchley Road, London; 11/13 Coombe Road, Kingston-upon-Thames, Surrey, KT2 7AB; 112 Bradford Road, Menston, Leeds, LS29 6BX and Pennistone Road North, Hillsborough, Sheffield, S6 1LT (the "Sheffield Property"), pursuant to which it would secure in favour of the Bank inter alia the obligations of the Company to the Bank in respect of the term loan and the working capital facility letter made available to the Company pursuant to the Facilities Agreement and the Working Capital Facility Letter, on the terms set out in the Fixed Charges. It was noted that the Fixed Charge over the Sheffield Property (whilst it would be executed by the Company would not be delivered by the Company until the Bank had satisfied itself as to the environmental aspects / liabilities of the Sheffield Property);
- (f) the approval ratification and reliance on an existing mortgage debenture dated 4 October 1989 granted by the Company to the Bank and an existing legal mortgage dated 21 September 1992 granted by the Company to the Bank and an existing guarantee dated 04.10.1989 granted by the Company in favour of the Bank (the "Existing Securities") to secure the payment of indebtedness owed to the Bank by the Company to fund the Acquisition;
- (g) the making of payments (the "Covenant Payments") to Robert Bilton in connection with a deed of covenant to be entered into between Robert Bilton and the Company (the "Deed of Covenant");

- (h) the making by the Company of a loan of £150,000 (the "Company Loan") to Robert Bilton provided certain relevant provisions in the Facilities agreement were met pursuant to a loan agreement between the Company and Robert Bilton (the "Loan Agreement");
- (i) the execution by the Company of a loan agreement between the Company and Metalclear Limited pursuant to which Metalclear Limited would make a loan of £1,430,000 (the "Metalclear Loan") to the Company (the "Metalclear Loan Agreement");
- (j) the execution of a PAYE deed between the Company and Metalclear Limited pursuant to which Metalclear Limited would indemnify the Company in respect of any PAYE liability suffered and/or incurred by the Company (the "PAYE Deed");
- (k) the making of payments (the "Consultancy Payments") under a consultancy agreement to be entered into between Metalclear Limited and the Company (the "Consultancy Agreement") under which Metalclear Limited will procure that Robert Bilton will provide consultancy services to the Company;
- (l) the making of payments by the Company to discharge fees incurred by the Company in connection with the Acquisition (the "Fees");
- (m) the making of the payment by the Company of £100,000 to Robert Bilton by way of a termination bonus / compensatory payment for loss of office (the "Termination Payment") pursuant to a letter between Robert Bilton and the Company (the "Termination Letter");
- (n) the transfer by way of sale to Robert Bilton of a Porsche motor vehicle and a Land Rover Discovery (the "Car Transfer"); and
- (o) the transfer by way of sale of 200 "C" shares owned by the Company in Portal & Country Club Limited which Company is controlled by Ardene Plc (the "Share Transfer").

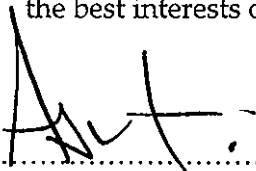
the Covenant Payments, the Company Loan, the Metalclear Loan, the Consultancy Payments, the Fees and the Termination Payment together hereinafter known as the "Payments"; the documents referred to in (a) to (k) and (m) together hereinafter known as the "Documents" and the Car Transfer and the Share Transfer together herein known as the "Transfers";

4. THAT notwithstanding any personal interest, the board of directors of the Company be and it is hereby specifically authorised, empowered and directed in the name of and on behalf of the Company to:

- (a) execute and deliver (and in the case of the Temporary Charges and the Fixed Charge over the Sheffield Property to be delivered on the date instructed

by the Bank) the Documents in the form produced to the meeting or with such amendments as they shall in their discretion approve;

- (b) enter into such documentation and to take such action as may be required in order to carry out the matters referred to above; and
 - (c) make the Payments and the Transfers on the due date.
5. THAT any act done or document executed pursuant to any of the resolutions set out above shall be valid, effective and shall bind the Company and any limit on the borrowing or other powers of the directors of the Company contained in or incorporated by reference in the Company's Articles of Association is suspended, waived or abrogated as necessary to give effect to the foregoing resolutions.
6. ~~THAT~~ notwithstanding that the entering into of the Documents, the performing of the obligations thereunder, the making of the Payments and the Transfers would constitute financial assistance by the Company within the meaning of sections 151-158 (inclusive) of the Act, such entry and the giving of such financial assistance is in the best interests of the Company.



Chairman