

Company No. SC249414

THE COMPANIES ACTS 1985
COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

GRETNA FOOTBALL CLUB LIMITED

Passed on.....*31st July*.....2003

The following **WRITTEN RESOLUTION** was duly passed by the members of the Company as a Special Resolution on*31st July*.....2003 pursuant to Article 53 of Table A being incorporated into the Articles of Association of the Company.

IT IS RESOLVED:-

SPECIAL RESOLUTION

ADOPTION OF NEW ARTICLES OF ASSOCIATION

THAT the regulations contained in the document (produced and marked "A") be and they are hereby adopted as the Articles of Association of the Company in substitution for and to the entire exclusion of the existing Articles of Association.

Signed *Ron Murray*
CHAIRMAN



THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

of

GRETNA FOOTBALL CLUB LIMITED

Passed on ^X 31st July 2003

The following **WRITTEN RESOLUTIONS** were duly passed as Special Resolutions on

^X 31st July 2003

SPECIAL RESOLUTIONS

1. INCREASE IN AUTHORISED CAPITAL

THAT the authorised share capital of the Company be and it is hereby increased from £1,000.00 to £500,000.00 by the creation of 499,000 Ordinary Shares of £1.00.

2. AUTHORITY TO ALLOT SHARES

THAT the directors of the Company from time to time be and they are hereby unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot and dispose of or grant options over any relevant securities (as defined in Section 80(2) of the Companies Act 1985) to such persons, on such terms and in such manner

as they think fit up to a total issued share capital of the Company of £500,000.00 at any time during the period of five years from the date of this resolution.

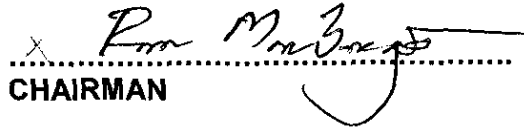
3. APPROVAL OF SHARE SUBSCRIPTIONS

THAT the following subscriptions be and they are hereby approved:-

- (a) the subscription by Brian Fulton for 100 fully paid up Ordinary shares of £1.00 each; and
- (b) the subscription by Ron MacGregor for 100 fully paid up Ordinary shares of £1.00 each; and
- (c) the subscription by William Hume for 100 fully paid up Ordinary shares of £1.00 each; and
- (d) the subscription by Alan Dalrymple for 100 fully paid up Ordinary shares of £1.00 each; and
- (e) the subscription by John Gass for 100 fully paid up Ordinary shares of £1.00 each; and
- (f) the subscription by Ian Dalgleish for 100 fully paid up Ordinary shares of £1.00 each; and
- (g) the subscription by John Smith for 100 fully paid up Ordinary shares of £1.00 each; and
- (h) the subscription by Alan Watson for 100 fully paid up Ordinary shares of £1.00 each; and
- (i) the subscription by Stephen Barker for 100 fully paid up Ordinary shares of £1.00 each; and
- (j) the subscription by Rowan Alexander for 100 fully paid up Ordinary shares of £1.00 each; and
- (k) the subscription by Derek Frye for 100 fully paid up Ordinary shares of £1.00 each; and

- (l) the subscription by Helen MacGregor for 100 fully paid up Ordinary shares of £1.00 each.

Signed


.....
CHAIRMAN

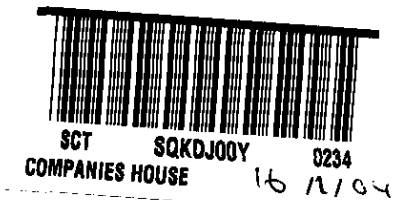
THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

of

GRETNNA FOOTBALL CLUB LIMITED

(as adopted by Special Resolution passed on

.....^{31st} July..... 2003)



CONSTITUTION

1. The Company is a private company within the meaning of Section 1 of the Companies Act 1985 (hereinafter referred to as "the Act") in accordance with and subject to the provisions of the Act, of the Memorandum of Association of the Company and of the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) (hereinafter referred to as "Table A") which are hereby adopted with the exception of regulations [5, 24, 40, 87 and 94-96] of Table A and subject to the provisions of the following additional Articles in modification of Table A, so far as hereby adopted.
2. The share capital of the Company at the date of adoption of these Articles is £500,000 divided into 500,000 Ordinary Shares of £1 each ("the Ordinary Shares").

SHARES

3. Subject to the provisions of Section 80 of the Act, the shares shall be at the disposal of the Directors and they may allot or otherwise dispose of them to such persons at such times and generally on such terms and conditions as

they think proper, provided nevertheless that no shares shall be issued at a discount.

4. The provisions of Section 89(1) and 90(1) to (6) of the Act (as the same may be modified or re-enacted) are hereby expressly excluded.
5. Subject to the provisions of Article 6 the Directors may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share.
6. A Shareholder shall be entitled to transfer any share or by will bequeath or otherwise dispose of any share on death and the Directors shall be obliged to register the transferee as a member of the Company provided such transferee is:
 - (i) a privileged relation of the Shareholder or a child or remoter issue of a deceased shareholder, or
 - (ii) any person or persons acting in the capacity of trustee or trustees of a family trust of the shareholder or deceased shareholder.

For the purposes of this Article:

- (a) "privileged relation" means the spouse (or widow or widower) of the shareholder and the shareholder's lineal descendants and for the purposes aforesaid a stepchild or adopted child or illegitimate child of any shareholder shall be deemed to be a lineal descendant of such Shareholder.

(b) “family trust” means in relation to a shareholder being an individual or a deceased shareholder, a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of (i) that shareholder and/or a privileged relation of that shareholder or (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities), and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such shareholder or his privileged relations.

7. The Company shall be entitled but shall not be bound, to accept and, in case of acceptance, shall be entitled to record in such manner as it may think fit notices of any trusts in respect of any of the shares of the Company. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see the execution, administration or observance of any trust, whether expressed, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such shares as if they were the absolute owners thereof. For the purpose of this Article “trust” includes any right in respect of any shares of the Company other than an absolute right thereto in the registered holder thereof for the time being or such other rights in case of transmission thereof as are hereinafter mentioned.

BORROWING POWERS

8. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge the whole or any part of its undertaking, property and uncalled capital, and to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party [**SUBJECT ALWAYS** to the prior consent of those Members holding more than 50% of the issued share capital in the Company given by ordinary resolution of the Company in general meeting].

9. (a) The Company shall be entitled to sell on such terms and in such manner as the Directors determine any Share of a Member, or any Share to which a person is entitled by transmission, if and provided that for a period of five years no cheque or warrant or notices of meeting or other communications sent by the Company through the post in a pre-paid letter addressed to the Member (or to the person entitled by transmission to the Share) at his address on the Register of Members or other last known address given by the Member (or the person entitled by transmission) as the address to which cheques and warrants or notices of meeting or other communications are to be sent has been cashed or has been returned to the Company and no communication has been received by the Company from the Member or the persons entitled by transmission, and the Company has, at the expiration of the said five years, by advertisement in a newspaper circulating in the area in which the address referred to is located given notice of his intention to sell such shares.

- (b) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such Shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such Share. The Company shall account to the Member or other person entitled to such Share for the net proceeds of such sale by carrying monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
- (c) The price per Share paid in respect of such Shares shall be fixed by the Auditors of the Company. In ascertaining such price for the purposes of this sub-clause:
- (i) proper regard shall be had not only to the maintainable earnings but also to the underlying value of the assets of the Company; and
 - (ii) the Auditors shall proceed on the hypothesis that they are valuing the entire share capital of the Company as a single unit and shall then calculate the value of each Share in the issued share capital of the Company as a percentage of the value corresponding to the percentage of the share capital of the Company which such Share represents.

The fees and expenses of the Auditors in connection with such determination shall be borne by the Company.

- (d) The transferee shall be such person or persons body, firm or company as the Directors shall nominate and, for the avoidance of doubt, may be the Company.

PROCEEDINGS AT GENERAL MEETINGS

10. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business; save as herein otherwise provided [five] Members present in person or by proxy shall be a quorum save where the Company has at any time only one Member and in such a case, the sole Member present shall constitute a quorum.

MANAGEMENT COMMITTEE

11. The Board of Directors may delegate any of the powers of Directors to any committee consisting of one or more Directors and others who may not be Directors and may delegate to any Managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally or with or to the exclusion of their own powers and may be revoked or altered.

MANAGING DIRECTOR

12. The Board of Directors, may from time to time appoint a Director to the office of Managing Director for such period and on such terms as they think fit. A Director so appointed shall not, whilst holding that office, be subject to

retirement by rotation or be taken into account in determining the rotation of retirement of Directors, but his appointment shall be automatically determined if he ceases from any cause to be a Director.

13. The Board of Directors may entrust to and confer upon a Managing Director any of the powers exercisable by the existing Directors upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of the existing Directors' own powers.

POWERS AND DUTIES OF DIRECTORS

14. No Director shall be disqualified by his office from contracting with the Company or holding any office (except that of Auditor) under or being employed by the Company nor shall any such contract, office or employment or any contract or arrangement entered into by or on behalf of the Company with any company or partnership of or in which any Director shall be a director or member or otherwise interested or any other matter in which any Director shall have any interest be affected or avoided or voidable by reason of his holding that office or of the fiduciary relationship thereby established and any Director so contracting holding office or being employed or being so interested shall be counted in the quorum present at any meeting of the Director and shall be entitled to deliberate and vote in respect of any such contract, office, employment, arrangement or matter, provided always that his interest shall be disclosed in manner provided by Section 317 of the Act. For the purpose of this Article, a general notice given to the Directors of the Company by a Director to the effect that he is a Director or member of a specified company or firm and is to be regarded as interested in any contracts made with that company or firm, shall be deemed to be a sufficient declaration of interest in relation to any contract so made.

15. (A) The Directors may establish or concur or join with any companies (being the holding company of the company or subsidiary companies of such holding company or companies with which the Company is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the next following sub-Article shall include any Director who may hold or have held any executive office or other office or place of profit, or have been appointed to exercise special powers or authorities) and ex-employees of the company and of any such other companies and their dependants, or any class or classes of such persons.
- (B) The Directors may pay, enter into agreements to pay or make grants (revocable or irrevocable and either subject to any terms or conditions) of pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding sub-Article. Any such pension or benefit may, as the Directors consider desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

DISQUALIFICATION OF DIRECTORS

16. No person shall be disqualified from being appointed a Director in accordance with the provisions of these Articles by reason of having attained the age of 70

years or any other age, nor shall special notice or other special formality be required on that account. No Director shall vacate his office by reason only of age.

RETIREMENT OF DIRECTORS

17. The Directors shall not be required to retire by rotation and Articles 73 to 80 of Table A shall be modified accordingly.