

**MEMORANDUM and
ARTICLES OF
ASSOCIATIONS**

OF

BAVARIAN MORTGAGES No. 5 LTD

No. 2523852

Incorporated 19th July 1990



MEMORANDUM OF ASSOCIATION

OF

BAVARIAN MORTGAGES No. 5 LTD +

1. The name of the Company is Bavarian Mortgages No. 5 Limited*
2. The Registered Office of the Company will be situated in England or Wales.
3. The objects for which the company is established are:-
 - A. To carry on business as a general commercial company.
 - B. To acquire and hold by way of investment either in the name of the Company or in that of any nominee, all or any part of the shares, stocks, debentures, debenture stocks or other interests of or in any company wherever incorporated or carrying on business, and to vary all or any of such investments from time to time as may be considered expedient.
 - C. To acquire any such shares, stocks, debentures, debenture stocks or other interests by original subscription, contract, tender, purchase, exchange, underwriting, participation in syndicates or otherwise, and whether or not fully paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit.
 - D. To exercise and enjoy all rights, powers and privileges and fulfill the obligation conferred or imposed by or incident to the ownership of any such shares, stocks, debentures, debenture stocks or other interests.
- * **Name changed from PARKWORTH ASSETS PLC by Special Resolution passed 19th March 1991**
- + **Company re-registered as a Private Company by Special Resolution passed on 17 March 2000.**

- E. To provide managerial, executive, administrative, financial, supervisory and consultant services and undertake any duties either for or in relation to or on behalf of any company in which the Company is interested, or generally and in each case, either without remuneration or on such terms as to remuneration as may be agreed, and generally upon such terms as may be thought fit.
- F. Either directly or indirectly (including, but without prejudice to the generality of the foregoing, through the medium of any one or more subsidiary or associated companies) to enter into, carry on, assist or participate in financial, commercial, mercantile, industrial and other transactions, undertakings, activities and businesses of every description and generally to do all such things whatsoever as, in the opinion of the Directors of the Company, may be advantageously carried on by the Company or are calculated directly or indirectly to enhance the value of, or render profitable, any of the Company's property or rights.
- G. To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licenses, secret processes, machinery, plant, stock-in-trade and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.
- H. To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licenses, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.
- I. To erect, construct, lay down, maintain, enlarge, alter, pull down, remove or replace all such buildings or other works or plant and machinery as may be necessary or convenient for the Company's business, and to contribute to or subsidise the doing of any such things.
- J. To guarantee, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, or by both such methods, the performance of the obligations of and the repayment or payment of the principal amounts of, and premiums, interest and dividends on, any securities of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company (as defined by Section 736 of the Companies Act 1985) or a subsidiary (as defined by the said Section) of the Company or another subsidiary of

the Company's holding company or otherwise associated with the Company in business.

- K. To borrow or raise or secure the payment of money for the purpose of or in connection with the Company's business.
- L. To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount and for such consideration and subject to such rights, powers, privileges and conditions as may be thought fit, debentures, or debenture stocks, either permanent or redeemable or repayable, or any other securities which the Company has power to issue by way of mortgage and also by way of security for the performance of any contracts or obligations of the Company or other persons or corporations having dealings with the Company or in whose business or undertakings the Company is interested, whether directly or indirectly, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- M. To lend, invest and deal with the moneys of the Company upon such securities and in such manner as may from time to time be determined and to advance money or give credit to such persons and on such terms as may seem expedient.
- N. To receive money on deposit or loan upon such terms as the Company may approve and to give whether gratuitously or otherwise guarantees or indemnities and whether in respect of its own obligations or those of some other person or company.
- O. To grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or of any company which is for the time being the Company's holding company or a subsidiary of the Company or another subsidiary of that holding company (each such expression being defined as aforesaid) or the dependents or connections of any of such persons, to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions, insurances and other benefits for any such persons as aforesaid, their dependents or connections and to support of which may, in the opinion of the Directors of the Company, be calculated directly or indirectly to benefit the Company or its officers or employees or the officers or employees of any such holding company or subsidiary as aforesaid and to institute and maintain any club or other establishment or profit sharing or incentive scheme calculated to advance the interests of the Company or its officers or employees or the officers or employees of any such holding company or subsidiary as aforesaid.

- P. To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.
- Q. To pay for any property or rights acquired by the Company either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- R. To accept payment for any property or rights sold or otherwise dispose of or dealt with by the Company either in cash, by instalments or otherwise, or in fully or partly paid-up shares or stock of any company or corporation with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- S. To amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company or which is capable of being carried on so as directly or indirectly to benefit this Company, and to acquire and hold, sell, deal with or dispose of any shares, stock or securities of or other interests in such company, and to guarantee the contracts or liabilities of, subsidise or otherwise assist, any such company.
- T. To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of the dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.
- U. To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on, or the carrying on of which is calculated to benefit this Company or to advance its interests, or possessed of property suitable for the purposes of this Company.

- V. To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital may be made except with the sanction (if any) of for the time being required by law.
- W. To pay all or any of the incorporation and other preliminary expenses of the Company.
- X. To do all or any of the above things in any part of the world and either as principals, agents, trustees, nominees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- Y. To do all such other things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership, Government or any statutory, municipal or public body, any body corporate, association, syndicate or other body of persons, whether incorporated or unincorporated, and whether domiciled in the United Kingdom or elsewhere, and that the objects specified in each of the paragraphs of this clause shall not, except where the context expressly so required, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the order in which the same occur or the name of the Company, 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 objects of a separate distinct and independent company.

- 4. The liability of the members is limited.
- 5. The share capital of the Company is £50,000 divided into 50,000 Ordinary shares of £1 each.

The Company has power to increase the share capital and to divide the shares (whether original or increased) into several classes and attach thereto any preferred, deferred or other special rights, privileges or conditions as regards dividends, repayment of capital, voting or otherwise.

WE, the several persons whose names, addresses and descriptions are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES AND ADDRESSES OF SUBSCRIBERS

Number of Shares
taken by each
Subscriber

JOSEPH ANTHONY HAMMOND
120 East Road
London N1 6AA

One

CHARTERED SECRETARY

RAYMOND PAUL KALMAN
120 East Road
London N1 6AA

One

COMPANY SECRETARY

Dated the 2nd day of July 1990

WITNESS to the above signatures:-

MICHAEL NORMAN CLAFF
120 East Road
London N1 6AA

CHARTERED ACCOUNTANT

THE COMPANIES ACTS 1985 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BAVARIAN MORTGAGES No. 5 LIMITED***

PRELIMINARY

1. (A) In these Articles "Table A" means Table A in the Schedule to the Companies (Table A to F) Regulations 1985 and "the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

(B) The Regulations contained in Table A shall apply to the Company save insofar as they are excluded or modified hereby. The Regulations of Table A numbered 2, 3, 24, 41, 65, 66, 67, 68, 69, 73, 74, 75, 76, 77, 78, 80, 81, 94, 95, 96, 97, 98, 110 and 118 shall not apply but subject as aforesaid and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

SHARES

2. The share capital of the Company is £50,000 divided into 50,000 ordinary shares of £1 each.
3. (A) The Directors shall have unconditional authority to allot grant options over offer or otherwise deal with or dispose of any relevant securities or other shares of the Company to such persons at such times and generally on such terms and conditions and carrying such rights or being subject to such restrictions as the Directors may determine. The authority hereby conferred shall subject to Section 80(7) of the Act be for a period of five years from the date of incorporation unless renewed varied or revoked by the Company in General Meeting and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be the authorised but as yet unissued share capital of the Company at the date of adoption of these Articles or where the authority is renewed at the date of renewal.

(B) The Directors shall be entitled under the authority conferred by subparagraph (A) of this Article or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.

(C) The Company may by Ordinary Resolution increase its Share Capital by new shares of such amount as the resolution prescribes.

4. The pre-emption provisions of sub-section (1) of Section 89 of the Act and the provisions of sub-sections (1) to (6) inclusive of Section 90 of the Act shall not apply to any allotment of the Company's equity securities.

5. The lien conferred by Regulation 8 of Table A shall attach to fully paid shares and to the shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one or two or more joint holders and shall extend to all moneys presently payable by him or his estate to the Company.

6. Subject to the provisions of the Act any shares in the capital of the Company may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.

NOTICES

7. Every notice calling a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to Members in regard to their right to appoint proxies and all notices and other communications relating to a General Meeting which any Member is entitled to receive shall also be sent to the Auditor for the time being of the Company.

TRANSFERS

8. The Directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of any share whether or not it is a fully paid share.

PROCEEDINGS AT GENERAL MEETINGS

9. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened upon the requisition of members shall be dissolved in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

10. It shall not be necessary to give any notice of an adjourned meeting and Regulation 45 of Table A shall be construed accordingly.

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

12. Subject to any rights or restrictions attached to any shares on a show of hands every member who is present in person or by a duly authorised representative not being himself a member entitled to vote shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.

13. Any Corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

VOTES OF MEMBERS

14. Evidence of the fact that a proxy is duly appointed may be accepted by the Directors less than 48 hours before the time appointed for the meeting but this power shall not prevent the Directors from requiring that 48 hours notice be given in any given case and Regulation 61 of Table A shall be construed accordingly.

DIRECTORS

15. A Director need not hold any shares of the Company to qualify him as a Director but he shall be entitled to receive notice of and attend at all General Meetings of the Company and at all separate General Meetings of the holders of any class of shares in the capital of the Company and Regulation 38 of Table A shall be modified accordingly.

16. If any Director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the Company the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a Board Meeting of the Directors of the Company and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.

17. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking property and uncalled capital and subject to Section 80 of the Act to issue debentures debenture stock and other securities as security for any debt liability or obligation of the Company or of any third party.

18. Without prejudice to the obligation of any Director to disclose his interest in accordance with Section 317 of the Act a Director may vote as a Director in regard to any contract transaction or arrangement in which he is interested or upon any matter

arising thereout and if he does so vote his vote shall be counted and he shall be reckoned in calculating a quorum when any such contract transaction or arrangement is under consideration.

19. The office of Director shall be vacated if the Director

(A) becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(B) becomes disqualified from being a Director by reason of any order made under Section 295 of the Act or otherwise so prohibited or disqualified under any statutory provision for the time being in force; or

(C) in the opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director; or

(D) subject as hereinafter provided resigns his office by notice in writing to the Company.

20. The Company may by Ordinary Resolution of which special notice has been given in accordance with Section 379 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

21. Without prejudice to the powers of the Directors under Regulation 79 of Table A the Company may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.

22. A Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment and the last two sentences of Regulation 79 of Table A shall be deleted.

23. The holder or holders of a majority in nominal value of such part of the issued share capital of the Company as confers the right for the time being to attend and vote at general meetings of the Company may at any time or from time to time by memorandum in writing signed by or on behalf of him or them and left at or sent to the Registered Office of the Company remove any Director from office or appoint any person to be a Director. Such removal or appointment shall take effect forthwith upon delivery of the memorandum to the Registered Office of the Company or on such later date (if any) as may be specified therein.

24. (A) Any Director may by writing under his hand appoint (1) any other Director or (2) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which

notices may be served on him) be entitled to receive notices of all meetings of the Directors and in the absence from the Board of the Director appointing him to attend and vote at meetings of the Directors and to exercise all the powers rights duties and authorities of the Director appointing him PROVIDED ALWAYS that no such appointment of a person other than a Director shall be operative unless and until the approval of the Directors by a majority consisting of not less than two-thirds of all the Directors shall have been given and entered in the Directors' Minute Book. A Director may at any time revoke the appointment of an alternate appointed by him and subject to such approval as aforesaid appoint another person in his place and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.

(B) Every person acting as an alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him.

25. No person shall be or become incapable of being appointed a Director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person and no Director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age.

26. The Directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company including the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director as the Directors may decide such appointment being (subject to Section 319 of the Act if applicable) for such fixed term or without limitation as to period and on such terms as they think fit and a Director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company) if he ceases to hold the office of Director from any cause ipso facto and immediately cease to hold such executive office.

27. A Director holding such executive office as aforesaid for a fixed period shall not be entitled to resign as a Director of the Company and Article 20(d) hereof shall be interpreted accordingly.

28. The maximum number and the minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of

the Company. Subject to an in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be two.

THE SEAL

29. The Directors or a committee of Directors authorised by the Directors may by telephone or telex communication or by facsimile reproduction authorise the Secretary or any Director to use the Seal and the transmission of such authority shall constitute a determination in such case that the Secretary or the named Director alone may sign any instrument to which the Seal is to be affixed pursuant to that authority and Regulation 101 of Table A shall be modified accordingly.

RESERVES

30. The Directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

CAPITALISATION OF PROFITS

31. The Directors may with the authority of an Ordinary Resolution:-

(A) subject as hereinafter provided resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of the Company's share premium account or capital redemption reserve fund;

(B) appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of the ordinary share capital (whether or not fully paid) held by them respectively and apply such profits or sum on their behalf either in or towards paying up the amounts if any for the time being unpaid on any shares held by such Members respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum and allot and distribute such shares or debentures credited as fully paid up to and amongst such Members or as they may direct in the proportion aforesaid or partly in one way and partly in the other: provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may for the purposes of this Article only be applied in the paying up of unissued shares to be issued to Members credited as fully paid ;

(C) resolve that any shares allotted under this Article to any Member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;

(D) make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit, for the case of shares or debentures becoming distributable under this Article in fractions;

(E) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf by the application thereto of the profits or sum so resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on shares held by them respectively any agreement made under such authority being thereupon effective and binding on all such Members; and

(F) generally do all acts and things required to give effect to such resolution as aforesaid.

PROVISION FOR EMPLOYEES

32. The Company shall exercise the power conferred upon it by Section 719 of the Act only with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of three-fourths in nominal value of the issued shares of each class or the prior sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of Section 125 of the Act.

INDEMNITIES

33. Every Director Managing Director agent auditor secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings relating to his conduct as an officer of the Company whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the court.

* By a Special Resolution passed on 19 March 1991 the name of the Company was changed from Parkworth Assets PLC to Bavarian Mortgages No. 5 PLC.

** By Special Resolution passed on 1991 the Company adopted these Articles of Association.

***By a Special Resolution passed on 17 March 2000 the Company re-registered as a private company and changed its name from Bavarian Mortgages No. 5 PLC to Bavarian Mortgages No. 5 Limited.

NAMES AND ADDRESSES OF SUBSCRIBERS

Joseph Anthony Hammond
120 East Road
London N1 6AA

Chartered Secretary

Raymond Paul Kalman
120 East Road
London N1 6AA

Company Secretary

DATED 2nd day of July 1990

WITNESS to the above Signatures:-

Michael Norman Claff
120 East Road
London N1 6AA

Chartered Accountant