



THE COMPANIES ACTS 1985 to 1989

We hereby certify that this print incorporates all alterations made to this Company's Articles of Association by filed resolutions and that it is lodged in compliance with Section 18 of the Companies Act 1985.

PUBLIC COMPANY LIMITED BY SHARES

Beavis Walker
12/03/01
BEAVIS WALKER
CHARTERED ACCOUNTANTS
Audrey House, 16-20 Ely Place, London EC1N 6SN
Telephone: 020 7430 1111 Fax: 020 7831 0439
Website: www.beaviswalker.co.uk

ARTICLES OF ASSOCIATION OF

NIGHTINGALE SQUARE PROPERTIES PLC

(As amended by Special Resolution, passed on 21 January 2000)

PRELIMINARY

1. (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

(b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles 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.

ALLOTMENT OF SHARES

2. (a) Shares which are comprised in the authorised but unissued share capital of the Company shall be under the control of the Directors who may (subject to Sections 80 and 89 of the Act and to paragraphs (b) and (c) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

(b) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, 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 amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

THE STATE OF TEXAS,
COUNTY OF DALLAS,
ss. I, the undersigned, a Notary Public in and for the State of Texas, do hereby certify that the within and foregoing is a true and correct copy of the original of the same, as the same appears from the records of the County of Dallas, State of Texas.

(c) The Directors are empowered to allot and grant rights to subscribe for or convert securities into shares of the Company pursuant to the authority conferred under paragraph (b) above as if Section 89(1) of the Act did not apply. This power shall enable the Directors so to allot and grant rights to subscribe for or convert securities into shares of the Company after its expiry in pursuance of an offer or agreement so to do made by the Company before its expiry.

(d) Save as authorised by the Act, the Company shall not give, whether directly or indirectly, any financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151 of the Act.

(e) Save as permitted by Section 101(2) of the Act, no shares of the Company shall be allotted except as paid up at least as to one quarter of their nominal value and the whole of any premium.

SHARES

3. The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

4. The share capital of the Company at the date of adoption of these articles is £3,750,000 divided into:

(a) 7,400,000 Preferred Ordinary shares of fifty pence (50p) each; and

(b) 500,000 "A" shares of ten pence (10p) each.

5. The rights attaching to the respective classes of shares shall be as follows:

(a) Income

The Preferred Ordinary shares and the "A" shares shall rank equally for dividend as if they were one class of share their differing par values, subscription prices and article 104 of Table A notwithstanding.

(b) Capital

On a return of assets on a winding up or otherwise the assets of the Company remaining after the discharge of the Company's liabilities shall be applied:

(i) Firstly in paying to the holders of the Preferred Ordinary shares the sum of £1 (one pound).

(ii) Secondly in paying to the holders of the "A" shares the subscription price for each share held (including any premium).

(iii) Any assets available for return to the shareholders after satisfying the rights set out in (i) to (ii) above are herein referred to as "the Excess". The Preferred Ordinary shares and the "A" shares shall rank equally in respect of entitlement to the Excess as if they were one class of share their differing par values, subscription prices and any provision to the contrary in Table A notwithstanding PROVIDED ALWAYS THAT the aggregate entitlement of the "A" shares as a class to the Excess shall not exceed one third of the Excess.

6. Pre-Emption Rights on Share Transfer

(a) No share in the Company shall be transferred except in accordance with the provisions of this clause which shall apply to renunciations or nominations of shares as it applies to transfers thereof.

(b) Any member who desires to sell, transfer or otherwise part with any share or shares or any interest therein ("the Vendor") shall give to the Company notice in writing of such desire (a "Transfer Notice") specifying the price per share at which that member wishes to sell his shares ("Sale Price") which shall constitute the Company the Vendor's agent for the sale of the share or shares specified and which may, (except in the case of a Transfer Notice given or deemed to have been given under Article 6(c)) contain a provision that unless all the Transfer Shares are sold pursuant to this Article none shall be so sold. Any such provision shall be binding upon the Vendor and any applicant for Transfer Shares.

(c) If any member shall die or become bankrupt or go into liquidation or being a director or employee of the Company shall cease to be a director or employee of the Company (without continuing as a director or employee) for any reason the Board of Directors will have an option, exercisable at their discretion, to give notice that on the happening of that event the member shall be deemed to have given a Transfer Notice in respect of the whole of his or its shares in the Company to which the provisions of this clause shall apply and to be deemed the Vendor in respect thereof.

(d) The Company shall forthwith upon receipt of a Transfer Notice inform the Vendor and other Members of the number of the Transfer Shares as specified in the Transfer Notice and the Sale Price thereof and invite each such Member to apply in writing to the Company within 90 days of the date of that notice ("the Application Period") for such maximum number of the Transfer Shares (being all or any thereof) as he shall specify in such application.

(e) Within the Application Period the Vendor may by written notice to the Company withdraw the Transfer Notice (save where the Transfer Notice is a deemed Transfer Notice pursuant to Article 6(c) above).

(f) Immediately after the Application Period the Company shall allocate the Transfer Shares (or so many of them as shall be applied for as aforesaid) to and amongst those Members who have made applications as aforesaid and in the case of competition pro rata between them according to the number of shares of which they are registered as holders save that no applicant shall be obliged to take more than the maximum number of shares applied for by him as aforesaid and the Company shall within five working days after the Application Period give notice of such allocations ("the Allocation Notice") to the Vendor and to those Members to whom the shares have been allocated and shall specify in such notice the place and time (being not earlier than five working days and not later than fifteen working days after the date of the notice) at which the sale of the shares allocated shall be completed.

(g) Subject to payment of the Sale Price being then made in cleared effects the Vendor shall be bound to transfer the shares comprised in the Allocation Notice to the purchasers named therein at the time and place therein specified and if he shall fail to do so the Chairman of the Company or some other person appointed by the Directors shall be deemed to have been appointed attorney of the Vendor with full power to execute complete and deliver in the name and on behalf of the Vendor transfers of the shares to the purchasers thereof against payment of the prescribed price to the Company and on payment of the prescribed price to the Company and execution and delivery of the transfer the purchaser shall be entitled to require that his name be entered in the register of members as the holder by transfer of the same and the prescribed price shall be paid forthwith into a separate bank account in the Company's name and held in trust for the Vendor but without any obligation to invest the same.

(h) During the period of one hundred and eighty days after the expiry of the time for service of an Allocation Notice the Vendor shall be at liberty to transfer to any person at any price (provided it is not less than the Sale Price) any of the Transfer Shares which he has not become obliged to sell under the foregoing provisions.

GENERAL MEETINGS AND RESOLUTIONS

7. Every notice convening 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 notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

8. (a) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting 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 General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

(b) Clause 41 in Table A shall not apply to the Company.

APPOINTMENTS OF DIRECTORS

9. (a) Clause 64 in Table A shall not apply to the Company.

(b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be two.

(c) The Directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.

(d) No person shall be appointed a Director at any General Meeting unless either:-

(i) He is recommended by the Directors; or

(ii) Not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.

(e) Subject to paragraph (d) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

(f) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of Directors and for the time being in force.

BORROWING POWERS

10. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to 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.

ALTERNATE DIRECTORS

11. (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.

(b) A Director, or any such other person as is mentioned in Clause 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

GRATUITIES AND PENSIONS

12. (a) The Directors may exercise the powers of the Company conferred by Clause 4(t) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

(b) Clause 87 in Table A shall not apply to the Company.

PROCEEDINGS OF DIRECTORS

13. (a) A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

(b) Clauses 94 to 97 (inclusive) in Table A shall not apply to the Company.

THE SEAL

14. (a) If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Clause 6 in Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Clause 101 in Table A shall not apply to the Company.

(b) The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

INDEMNITY

15. (a) Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

(b) The Directors shall have power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act.

(c) Clause 118 in Table A shall not apply to the Company.