

# **PEGASUS HOTELS OF JAMAICA LIMITED**

## **EXTRA-ORDINARY GENERAL MEETING – 24<sup>TH</sup> FEBRUARY 2011**

NOTICE is hereby given that an Extra-Ordinary General Meeting of Pegasus Hotels of Jamaica Limited will be held in the Port Antonio Suite, The Jamaica Pegasus, 81 Knutsford Boulevard, Kingston 5, in the Parish of Saint Andrew, Jamaica, W.I., on **Thursday, February 24, 2011 at 10:00 a.m.** for the purpose of considering, and if thought fit, pass the following resolution as special resolution:

### **Special Resolution – Amendment to Articles of Incorporation**

RESOLVED that the Articles of Incorporation of the Company be amended as follows:-

- (i) By deleting from Article 80 wherever there appear the words: “National Hotels & Properties Limited” and replacing same with the words “Majority Shareholder”.
- (ii) By inserting immediately after sub-paragraph (c) of Article 80 (1) the following:

“For purposes of this Article 80, the term “Majority Shareholder” means any single shareholder which is registered as the owner of fifty percent (50.0%) or more, ordinary voting shares of the company”.

DATED THIS 20<sup>TH</sup> DAY OF JANUARY, 2011

BY ORDER OF THE BOARD



SECRETARY

#### **IMPORTANT NOTE:**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may demand, or join in the demand for, a poll. A proxy need not be a member of the Company.

**Memorandum re Amendment to Article 80**  
**from**  
**Majority Shareholder**

DEAR FELLOW STOCKHOLDERS OF PEGASUS HOTELS OF JAMAICA LIMITED

1. As you all know we, Quivin Holdings Limited (Quivin), have recently acquired from National Hotels and Properties Limited ("NHP") 59.81% of the ordinary stock units of Pegasus Hotels of Jamaica Limited ("PHJL" or "the Company"). Quivin is a wholly owned subsidiary of Kevin Hendrickson who was chosen as the successful bidder by NHP after a competitive public bidding process.
2. Article 80 of the Articles of Incorporation of PHJL (the "Articles") provides as follows:

**DIRECTORS**

*80 (1). The number of the directors shall be no more than (ten) 10 or less than (three) 3 unless, otherwise determined by the Company in General Meeting. Up to six (6) of the ten 10 directors (called "nominated directors") shall be appointed and removed, and two (2) (called "elected directors") shall be elected, and two (2) shall be (called "co-opted directors") in any manner hereinafter appearing:*

- a) Up to six (6) nominated directors (one of whom shall be designated chairman of the Board) shall be appointed and removed by National Hotels & Properties Limited.*
- b) Two (2) elected directors shall be elected by the shareholders of the company other than National Hotels & Properties Limited in accordance with the provisions of Regulation 99.*
- c) Up to two (2) co-opted directors may be co-opted annually by the nominated and elected Directors.*

*(2) Notice of every appointment or revocation of appointment of a nominated director shall be given to the secretary of the company in writing under the common seal of the appointer.*

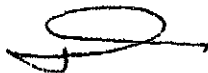
(3) *Regulations 82, 95, 96, 102, and 104 shall not apply to a nominated director or to a co-opted director but shall apply to a director appointed by the subscription of the memorandum of association and to an elected director.*

3. As you can see, the Articles specifically name NHP as being the entity with power to appoint the majority of the directors of the company, making no reference to them as the "majority shareholders" but going on to give power to the "minority shareholders" to appoint two directors. We believe that the true intention of the Articles, and of the shareholders as a whole who adopted them, was that this power to appoint the majority of the directors should be vested in whoever was the majority shareholder from time to time. The Articles are essentially an agreement or contract between us all as shareholders setting out the rules which we wish to govern our Company and the relationship between us all. We do not believe that the shareholders who placed Article 80 into that contract in that form ever intended for it to mean that NHP would have a right to appoint the majority of our board even after NHP had sold their shares in the Company. We believe that this is also the conclusion a court would come to if asked to interpret the Articles.
4. We therefore support the Resolution which we all as shareholders are being asked to consider at the Extraordinary General Meeting being called. The Resolution would simply amend the Articles to say what was always intended by deleting NHP's name from the Articles with respect to the appointment and removal of six (6) Directors and substituting in place therefore whoever happens to be the majority shareholder of the Company from time to time.

Respectfully,

**QUIVIN HOLDINGS LIMITED**

Per: \_\_\_\_\_



**PEGASUS HOTELS OF JAMAICA LIMITED**

**FORM OF PROXY**

I/We.....of.....  
being a member/members of the above-named company hereby appoint.....  
or failing him/her the Chairman as my/our proxy to vote for me/us on my/our behalf at the Extra-  
Ordinary General Meeting of the Company to be held on **Thursday, 24<sup>th</sup> February, 2011** and at  
any adjournment thereof.

Signed this.....day of.....2011.

.....  
(Signature of Member/Members)

This Form is to be used as instructed. (Please tick appropriate box). Unless otherwise instructed, the Proxy Form will be used as he/she thinks fit.

**Special Resolution**

RESOLUTION	FOR	AGAINST
(i)		
(ii)		

**NOTES: -**

1. On a poll, votes may be given either personally or by proxy.
2. To be valid, this proxy must be completed and deposited at the Company's Registrar at N.C.B. Jamaica (Nominees) Limited, 32 Trafalgar Road, Kingston 10, Jamaica, W. I. , not less than forty-eight (48) hours before the time fixed for holding the meeting.
3. To this form of proxy must be affixed a one hundred dollar (\$100.00) stamp in payment of stamp duty.
4. To be effective this form of proxy must be signed by the appointer or his attorney duly authorized in writing, or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
5. In the case of joint holders a proxy by the senior shall be accepted to the exclusion of the proxies of the junior holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.