

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

**PADDOCK MEAD (SNITTERFIELD) MANAGEMENT COMPANY LIMITED**

- 1.<sup>1</sup> The name of the Company is **Meaujo (549) Limited**.
2. The registered office of the Company is to be in England and Wales.
- 3.<sup>2</sup> In this and subsequent clauses, if not consistent with the subject or context, the words set out below shall bear the meanings set opposite them:-

**Common Parts:** Those parts of the Estate which are not Houses and, and without prejudice to the generality of the foregoing, by, on, over or through which services are provided or amenity afforded to the Estate as a whole or to the Owners generality and which are defined as "Common Parts" on the Transfers.

**The Developer**

Cala Homes (Midlands) Limited (company number 682410) or any person nominated by the Developer from time to time as the Developer for purposes of the articles. Notice of such nomination shall be given by service of the same at the registered office of the Company. Notwithstanding anything contained in the articles, the Developer shall be free to transfer any shares in the Company held by it from time to time to such nominee.



**House:**

A house (which term shall include any maisonette or flat being a separate dwelling) on the Estate the garage, if appropriate, and garden or other land enjoyed exclusively by that house as the same is for the purposes of identification only edged red on the

<sup>1</sup> The name of the Company was changed to Paddock Mead (Snitterfield) Management Company by a written resolution dated 2 October 2001.

<sup>2</sup> A new clause 3 was inserted by written resolution dated 2 October 2001.

relevant Transfer.

Owner: The freehold proprietor of a House and including the personal representatives of such freeholder.

Transfer: The deed of transfer of a House in favour of the original Owner of that house.

The Company's objects are:

- (a) To act as an association of and for the Owners and to manage and administer the Common Parts and the Estate generally.
- (b) To provide such services for the residents of the Estate and to carry out such reconstruction, renewal, repairs, maintenance or renovation thereto as to the directors may consider necessary or desirable and to provide or procure the provision of such services as may be required or expedient and to levy a service charge in accordance with the provisions of the Transfers.
- (c) To make rules for the management of the Estate and the mutual convenience of the residents of the Estate provided that no such rules (which may include appropriate sanctions) shall be effective unless approved (or amended) by a special resolution of the members of the Company.
- (d) To purchase or sell, to take or let on lease, to take or give in exchange or hire, or otherwise acquire, grant, hold or dispose of for any estate or interest any real or personal property, and such other rights and interest in property as the Company shall think fit. Save that the Common Parts shall not be dealt with in any way which materially affects their enjoyment by the Owners or would materially affect the prospect of selling any House on the Estate.
- (e) To carry on any other trade or business whatever which, in the opinion of the directors, can be advantageously carried on in connection with or ancillary to the business of the Company or is calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- (f) To invest the monies of the Company not immediately required for the furtherance of its objects in or upon such investments, securities or property as may be thought fit.
- (g) To engage and pay such surveyors, agents, solicitors and other professional persons and contractors and workmen and to employ such staff as are considered necessary for furthering the objects of the Company.

- (h) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company.
- (i) To draw, make, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange, cheques, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (j) To accept payment for any property or rights sold or otherwise disposed of or dealt in or with by the Company in cash, by instalments or otherwise.
- (k) To insure the Company, its officers, contractors and employees and its property against all risks to which it or they may be or become liable.
- (l) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (m) Generally to do all such other things as may appear to the Company to be incidental or conducive to the attainment of the above objects.

None of the objects set forth in any sub-clause of this clause shall be restrictively construed, but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of the other sub-clause of this clause, or by reference to or inference from the name of the Company.

None of the sub-clauses of this clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this clause as though each such sub-clause contained the objects of a separate Company.

- 4. The liability of the members is limited.
- 5.<sup>3</sup> The share capital of the Company is £10,000 divided into 10,000 ordinary shares of £1 each. The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

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<sup>3</sup> The share capital of the Company was reduced to £7 by the cancellation of 9993 unissued ordinary shares of £1 each by a written resolution dated 2 Oct 2001.

C/n - 10.10.01

Company Number: 4251428

**THE COMPANIES ACT 1985**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**PADDOCK MEAD (SNITTERFIELD) MANAGEMENT COMPANY LIMITED**

**(adopted by written resolution dated 2 October 2001)**

**PRELIMINARY**

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 ("Table A") shall, except as hereinafter provided and so far as not inconsistent with the provisions of the articles hereinafter contained apply to the Company. These articles and the regulations of Table A (subject as aforesaid) shall constitute the articles of association of the Company.
2.
  - 2.1 In regulation 1 of Table A the words "and in the articles adopting the same" shall be inserted after the words "In these regulations" and the words "or in the articles adopting the same" shall be inserted after the words "contained in these regulations".
  - 2.2 In these articles, words and phrases defined in the Memorandum of Association of the Company as amended from time to time shall bear the same meaning herein unless the context otherwise requires.
  - 2.3 Words importing the singular only shall include the plural and vice versa. Words importing the masculine gender only shall include the feminine gender and words importing persons shall include corporations. Save as aforesaid, any words or expressions defined in the Statutes shall, if not consistent with the subject or context, bear the same meaning in these articles.

## **SHARES**

3. At the date of the adoption of these articles the authorised share capital of the Company is £7 divided into 7 ordinary shares of £1 each.
4. The only persons who may be registered as a member of the Company are the subscribers to the Memorandum of Association, the Developer (or its nominee) and any person who is for the time being an Owner. Every Owner shall be entitled, on complying with the requirements of these articles, to become a member of the Company and no person other than an Owner shall be registered as a member.
5. 5.1 The directors are generally and unconditionally authorised (subject always to the provisions of this Article 5 and provided that no shares shall be issued at a discount) for the purposes of section 80 of the Act, to exercise any power of the Company to allot ordinary shares of £1 each up to a maximum amount in nominal value of £6 at any time or times during the period of five years from the date of adoption of these articles and the directors may after that period allot shares under this authority in pursuance of any offer or agreement so to do made by the Company within that period. Provided that such shares shall only be allotted to Owners and provided further that the directors may only exercise this power so that Owners are the registered holder of one share only in respect of each House of which they are an Owner.  
  
5.2 In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) inclusive of the Act shall not apply to the Company.
6. The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares registered in the name of any person (whether solely or jointly with others) for all moneys owing to the Company from him or his estate either alone or jointly with any other person whether as a member or not and whether such moneys are presently payable or not. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this article. The Company's lien on a share shall extend to any amount payable in respect of it.

## **TRANSFER OF SHARES**

7. 7.1 The directors must register any transfer by an Owner in respect of a House to his successor to that House provided that the Owner complies with regulation 24 of Table A).
- 7.2 On the death of an Owner, the Owner's personal representatives are entitled to be registered as a member and the directors must register the personal representatives as a member (subject to the Owner's personal

representatives producing such evidence as the directors may reasonably require).

- 7.3 Upon any change of ownership of a House the Owner (or the relevant party as the case may be) shall ensure that his share in the Company is transferred simultaneously with such change to the new Owner of the House and the consideration paid for any such transfer shall not be in excess of the nominal value of the share concerned.
- 7.4 The directors may require the production of such evidence as they may think fit for the purpose of satisfying themselves beyond doubt that the foregoing provisions of this article have been complied with before registering any proposed transfer of any share. For this purpose the directors have the right to require the Owner to supply such information as they deem necessary to satisfy themselves there has been a genuine Transfer which complies with the provisions of these articles.
- 7.5 No shares may be transferred to any infant, bankrupt or person of unsound mind.
8. If any member (or party responsible as the case may be) refuses or fails to transfer his share or shares in accordance with the foregoing provisions of these articles the chairman for the time being of the directors or failing him any other director shall forthwith be deemed to be duly appointed as the attorney of that Owner with full power in his name and on his behalf to execute complete and deliver a transfer of his share to the person to whom it should be transferred in accordance with the foregoing provisions hereof and the Company may receive and give a good discharge for the purchase money and enter the name of the transferee or transferees in the register of members as the holder by transfer of the share and no person shall challenge the validity of such transfer and registration.

#### **GENERAL MEETINGS**

9. 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.
10. No business shall be transacted at any general meeting unless a quorum is present. Subject to article 16 at any time when there is only one member then the quorum shall be one person being a member present in person or a proxy for a member. At any time when there are two or more members two persons each being a member or a proxy for a member shall be a quorum for all purposes.
11. Regulation 41 of Table A shall not apply to the Company. 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.

12. No member other than a member duly registered who shall have paid every subscription and other sum (if any) which shall be due and payable to the Company in respect of his membership or otherwise shall be entitled to vote on any question either personally or by proxy or as proxy for another member at any general meeting.
13. A member shall not be entitled to appoint more than one proxy to attend on the same occasion and accordingly the final sentence of regulation 59 of Table A shall not apply to the Company.
14. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to vote on a poll on the election of a chairman and on a motion to adjourn the meeting.

#### **DEVELOPER'S SHARE**

15. The Developer's Share shall entitle the Developer to fifty votes on any resolution proposed as a meeting of the shareholders whether on a poll or on a show of hands.
16. For so long as the Developer holds the Developer's Share no meeting of the shareholders shall be quorate or validly able to carry on business unless a duly authorised representative of the Developer is present at the meeting or the Developer has given its prior consent in writing to such a meeting being held without the presence of its representative.
17. For so long as the Developer holds the Developer's Share it shall have the right:
  - 17.1 to requisition a meeting of the shareholders and propose any resolution at such meeting as it thinks fit;
  - 17.2 to appoint and remove the directors of the Company in accordance with article 24.
18. On the transfer of the Developer's Share to an Owner, such share shall rank pari passu in all respects with the existing ordinary shares of £1 each in the Company.

#### **SECRETARY**

19. For so long as the Developer holds the Developer's Share the secretary of the Company shall be a person or company nominated by the Developer. Thereafter the secretary of the Company shall be appointed and removed by the directors of the Company in accordance with Regulation 99 of Table A which Regulation shall be amended accordingly.

## **DIRECTORS**

20. The number of directors shall be not less than two nor more than five. If, for any reason, the number of directors falls below two and the Developer holds the Developer's Share the remaining director (or secretary if the number of directors has fallen to zero) shall forthwith notify the Developer and it shall forthwith appoint another director or directors as appropriate. If for any reason the number of directors falls below two and the Developer no longer holds the Developer's Share, the remaining director (or company secretary if the number of directors has fallen to zero) shall forthwith convene a general meeting of the Company at which one or two persons (as the case may be) shall be appointed as directors of the Company.
21. The qualification for holding office as a director of the Company shall be the holding of a share in the Company provided that:-
  - 21.1 only one of any two or more joint holders of a share shall be entitled to hold office at any one time;
  - 21.2 if the holder of a share is a corporation only one officer of such corporation shall be entitled to hold office as a director;
  - 21.3 the qualification requirement contained in this Article shall not apply to any director appointed by the Developer.

## **ALTERNATE DIRECTORS**

22. Regulations 65 to 69 of Table A shall not apply to the Company, and the following provisions of this article 22 shall apply in relation to alternate directors:
  - 22.1 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him. Every appointment and removal of an alternate director shall be in writing signed by the appointor and (subject to any approval required) shall (unless the directors agree otherwise) take effect only upon receipt of such written appointment or removal at the registered office of the Company.
  - 22.2 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.



- 22.3 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence and to receive notice of all general meetings, but it shall not be necessary to give notice of any such meeting to an alternate director who is at the relevant time absent from the United Kingdom and has not given his address outside the United Kingdom.
- 22.4 An alternate director shall cease to be an alternate director if his appointor ceases to be a director. The appointment of an alternate director shall automatically determine on the happening of any event which, if he were a director, would cause him to vacate such office.
- 22.5 A director, or any such other person as is mentioned in article 22.1, 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 he is a director, as a director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 22.6 Save as otherwise provided in these articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults, and he shall not be deemed to be the agent of the director appointing him.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 23.1 No person shall be appointed a director at any general meeting unless either:
- 23.1.1 he is recommended by the directors; or
- 23.1.2 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 or appointment, together with notice executed by that person of his willingness to be appointed.
- 23.2 Subject to article 23.1 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, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with

the articles as the maximum number of directors for the time being in force.

#### **APPOINTMENT AND REMOVAL OF DIRECTORS BY THE DEVELOPER**

24. Notwithstanding the provisions of article 23 the Developer (for as long as it holds the Developer's Share) may nominate and appoint up to five directors and any such appointment of a director shall be effected by a notice in writing to the secretary signed by any duly authorised officer of the Developer and any such appointment shall take effect when the notice effecting the same is delivered to the secretary as aforesaid or is produced at a meeting of the directors. The Developer (for as long as it holds the Developer's Share) may remove any director (whether or not appointed by it) by notice in writing to the secretary and such removal shall take effect when the notice is delivered to the secretary or produced at a meeting of the directors. Any such removal shall be without prejudice to any claim which a director may have under any contract between him and the Company.

#### **PROCEEDINGS OF DIRECTORS**

25. 25.1 For so long as the Developer holds the Developer's Share the quorum necessary for the transaction of the business of the directors shall be two directors one of whom shall be a director appointed by the Developer and no meeting of the directors or a committee of the directors shall be quorate or validly able to carry on business unless such director appointed by the Developer is present at the meeting or the Developer has given its prior consent in writing to such meeting being held without the presence of a director appointed by it.
- 25.2 Once the Developer ceases to hold the Developer's Share the quorum necessary for the transaction of business of the directors shall be two or such greater number as the members shall from time to time determine by ordinary resolution.
- 25.3 For so long as the Developer holds the Developer's Share the chairman of the directors shall be selected by and from the directors appointed by the Developer pursuant to article 24.
26. Regulation 73 to 78 inclusive and regulation 80 of Table A shall not apply to the Company, and the directors shall not be required to retire by rotation. Accordingly the final two sentences of regulation 79 of Table A and the final sentence of regulation 84 of Table A shall not apply to the Company.
27. The chairman shall not have a second or casting vote. Regulation 88 of Table A shall be modified accordingly.

28. Any person may be appointed or elected as a director, whatever his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.
29. Every director shall hold office until his office is vacated pursuant to these articles and/or to the Act and/or any other relevant legislation.
30. Any director (including an alternate director) may participate in a meeting of the directors or a committee of directors of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
31. A facsimile or telegram approval of a circulated proposal shall rank as a signed document by a director for the purpose of constituting a written resolution within Regulation 93 of Table A.
32. Regulations 94 to 97 inclusive of Table A shall not apply to the Company. A director may vote, at any meeting of the directors or of any committee of the directors, on a resolution, or sign any written resolution of the directors notwithstanding that such resolution is in any way concerned or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and, if he votes on or signs any such resolution, his vote or signature (as the case may be) shall be counted; and, in relation to any such resolution, he shall (whether or not he votes on the same) be taken into account in calculating the quorum present at the meeting.
33. The directors may delegate any of their powers to sub-committees consisting of such member or members of their body as they think fit. Any sub-committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. Any such regulations may provide for or authorise the co-option to the sub-committee of persons who are not members of the directors or members of the Company. All actions and decisions taken by such committees shall be fully reported back to the directors as soon as possible.
34. The meetings and proceedings of any sub-committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the directors as far as the same are applicable and are not superseded by any regulations made by the directors. Co-opted members shall have no voting rights on any sub-committee.

#### **POWERS OF DIRECTORS**

35. 35.1 The directors may exercise all the powers of the Company to borrow money whether in excess of the nominal amount of the share capital of the Company for the time being issued or not and to mortgage or charge 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.

- 35.2 Except with the prior written authority of the Developer, no director of the Company (other than a director appointed by the Developer) shall have any authority to bind the Developer or incur any obligation on the Developer's behalf.

### **MANAGER**

36. The directors may from time to time appoint any person or firm as its agent or otherwise to manage the business of the Company as managing agents or otherwise, and may employ any person in any salaried employment or office in the Company in each case for such period and on such terms as they may think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment (such manager, employee, officer or agent being hereinafter referred to as "the Manager"). The Manager may be any director and may be given such title as the directors thinks fit.
37. The directors may entrust to and confer upon the Manager any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers provided that all activities of the Manager shall be reported back to the directors regularly.

### **NOTICES**

38. A notice may be given to the Company or to any officer of the Company by leaving the same at or by sending it by post in a prepaid envelope to the registered office of the Company.

### **INDEMNITY**

39. 39.1 Subject to the provisions of and so far as may be permitted by law, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief

from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.

- 39.2 The Directors shall have the 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.

### **SHARE CERTIFICATES**

- 40. The words "shall be sealed with the seal and" shall be deleted from the second sentence of regulation 6 of Table A.