



**CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY**

Company No. 173538

The Registrar of Companies for Scotland hereby certifies that

KIELBURN HOMES LIMITED

is this day incorporated under the Companies Act 1985 as a private company and that the company is limited.

Given at Companies House, Edinburgh, the 17th March 1997



NSC173538I

J. HENDERSON

Registrar Of Companies



C O M P A N I E S H O U S E



COMPANIES HOUSE

Please complete in typescript,
or in bold black capitals.

12

Declaration on application for registration

Company Name in full



SCT *SSQ1PTWP* 854
COMPANIES HOUSE 11/03/97

† Please delete as appropriate.

I, **Morag Lennie Radcliffe**
of **Fyfe Ireland, WS, Orchard Brae House, 30 Queensferry Road, Edinburgh**

do solemnly and sincerely declare that I am a [Solicitor engaged in the formation of the company] ~~person named as director or secretary of the company in the statement delivered to the Registrar under section 10 of the Companies Act 1985~~ and that all the requirements of the Companies Act 1985 in respect of the registration of the above company and of matters precedent and incidental to it have been complied with.

And I make this solemn Declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1835.

Declarant's signature

Declared at

Edinburgh

the

TENTH

day of

March

One thousand nine hundred and ninety

seven

① Please print name.

before me ①

MARK SIMPSON

Signed

Date

10.3.97

A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor

Please give the name, address, telephone number and, if available, a DX number and Exchange of the person Companies House should contact if there is any query.

Fyfe Ireland, W.S.,

Orchard Brae House, 30 Queensferry Road,

Edinburgh

Tel **0131 343 2500**

DX number **23**

DX exchange **ED**

Companies House receipt date barcode

When you have completed and signed the form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF4 3UZ DX 33050 Cardiff
for companies registered in England and Wales

or

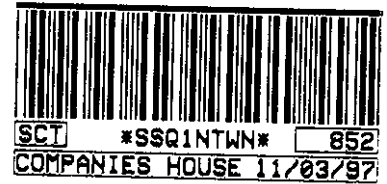
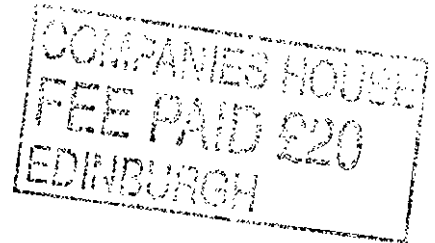
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB

for companies registered in Scotland

DX 235 Edinburgh

11/07/97

THE COMPANIES ACTS
COMPANY LIMITED BY SHARES
MEMORANDUM of ASSOCIATION
of
KIELBURN HOMES LIMITED



1. The Company's name is "Kielburn Homes Limited".
2. The Company's Registered Office is to be situated in Scotland.
3. The Company's objects are:-
 - 3.1 primarily, but without prejudice to the other objects of the Company, to carry on business as a general commercial company, in all or any of their branches, including all or any of the following trades or businesses, namely:-
 - (a) to invest in, purchase, take on lease or in exchange, or otherwise acquire, sell, deal in, take and grant options on, or manage, let, work and develop the resources of, any lands or buildings wherever situate, or rights and interests therein and to construct, improve, pull down or alter buildings of any kind, and lay out roads, pleasure gardens and recreation grounds and to enter into contracts or sub-contracts in connection with the foregoing;
 - (b) to acquire, take options over, sell and otherwise deal in shares, stock, debentures, debenture stock, bonds, notes, obligations, warrants, options or securities whether or not fully paid up, and subject to such terms and conditions (if any) as may be thought fit and to exercise and enforce all rights and powers conferred by or incident to the ownership of any investment of the company, and to provide managerial, administrative, supervisory and consultant services for or in relation to any company in which the company is interested on such terms as may be thought fit;
 - (c) to take, hold or deal in, standard securities, mortgages, liens, debentures or other charges or securities of any kind or description over the property or assets of any person or company in connection with the lending of money to or performance of the obligations of any person or company and to raise, borrow or secure the payment of money or secure or guarantee the performance of any obligations whether by the Company or others upon the security of any of the property or assets of the Company, by way of standard security, mortgage, lien, charge, debenture or otherwise;

- (d) to undertake and execute the office of trustee and nominee for the purpose of holding and dealing with any heritable or moveable, real or personal property or security of any kind;
- 3.2 to carry on business as manufacturers of and dealers both wholesale and retail in and storers, hirers, carriers, exporters and importers of goods and merchandise of all kinds and merchants generally and to carry on any other business which can be advantageously or conveniently carried on by the Company and which is calculated directly or indirectly to benefit the Company or to enhance the value or render profitable any of the Company's property or rights;
- 3.3 to acquire and hold, either in name of the Company or in that of any nominee, businesses and properties of all kinds, shares, stocks, debentures, debenture stocks, bonds, notes, obligations and securities issued or guaranteed by any company whether incorporated or not and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to provide managerial, executive, supervisory and consultancy services for or in relation to any company or business or property in which the Company is interested upon such terms as may be thought fit;
- 3.4 to establish agencies and branches and appoint agents for the purpose of the Company's business in the United Kingdom and abroad and to regulate and discontinue the same;
- 3.5 to enter into any arrangements with any government, municipal, local or other authority that may seem conducive to the attainment of any of the Company's objects and to obtain from any such authority any rights, privileges or concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges or concessions;
- 3.6 to apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise, and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, commission, right or privilege which any government or authority or corporation or other public body may be empowered to grant and to pay for, aid in and contribute towards carrying the same into effect and to appropriate any of the Company's shares, debentures or other securities and assets to defray the necessary costs, charges and expenses thereof;
- 3.7 to apply for, promote and obtain any Provisional Order or Act of Parliament to enable the Company to carry any of its objects into effect or to effect any modification of the Company's constitution and to assist in procuring improvements in the law and to oppose any Parliamentary or other proceedings which the Company may think adverse to its interest;

- 3.8 to acquire and undertake in any way whatever the whole or any part of the trade, business, property and liabilities of any person or company carrying on any trade or business that the Company is authorised to carry on or that is analogous thereto, or possessed of property suitable for the purposes of the Company, or to acquire an interest in, amalgamate with, or enter into partnership, or any arrangement for sharing profits, union of interests, reciprocal concession, co-operation, or mutual assistance with any such person or company and to give or accept by way of consideration for any of the things aforesaid, or property acquired or conveyed or handed over, any shares, stock, debentures, debenture stock or securities that may be agreed on; to enter into membership of any trade union or association or federation of employers or professional association and to pay any dues, subscriptions, levies or other payments in connection therewith;
- 3.9 to purchase, take on feu, lease or in exchange, hire or otherwise acquire in any way whatever, any property, heritable or moveable, real or personal and to sell, feu, let on hire, improve, develop, mortgage, dispose of, turn to account or otherwise deal with all or any of the land, property and rights of the Company;
- 3.10 to erect, buy, lease or otherwise acquire or provide such factories, warehouses, offices and other buildings, to manufacture, furnish, fit up and erect such machinery and to construct such other works and conveniences as may be deemed necessary for the purposes of the Company or any of them, and to alter, improve, extend, add to, maintain, repair, rebuild, replace or remove the same and generally, from time to time, to provide all requisite accommodation and facilities for the purposes of the Company;
- 3.11 to sell, dispose of, or transfer any part or the whole of the rights, businesses, property, and undertaking of the Company or any branch or part thereof in consideration of payment in cash or in shares or stocks, or in debentures or other securities of any other company, or in one or other or in all such modes of payment, or for such other consideration as may, by the Directors, be deemed proper and to promote any other company anywhere in the world for the purpose of carrying on any business which the Company is authorised to carry on, or for acquiring all or any of the property rights or liabilities of the Company, or for any other purpose which may be deemed likely to promote or advance the interests of the Company;
- 3.12 to apply for, secure by grant, legislative enactment, assignment or transfer, purchase, hire, licence or otherwise acquire any patents, trade names, trade marks, designs, copyrights, licences, concessions and the like, or any secret or other information as to any invention, process, matter or thing which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company; and to use, exercise, develop or grant licences in respect thereof, or

otherwise turn to account, the property and rights so acquired, or to sell and dispose of the same;

- 3.13 to pay for any property or business or services rendered or to be rendered in shares (to be treated as either wholly or partly paid up) or in debentures or debenture stock or in loan stocks, convertible or otherwise, and partly in cash or partly in one mode and partly in others;
- 3.14 to invest, lend or otherwise deal with the moneys of the Company on such securities or in the stock, shares, debentures, mortgages, loans or bills of government or local authorities, or public or other companies, whether in the United Kingdom or abroad, and in such manner as the Directors may from time to time determine, and to vary and realise the same and to convert accumulated reserves or revenue into capital;
- 3.15 to borrow money on such terms as the Directors shall think fit and to give security for the payment thereof or for the performance of any other obligations or liabilities of the Company, and to guarantee and/or give security for the payment of money by or the performance of obligations of all kinds by any person or company including without prejudice to the generality of the foregoing any company which shall at the time be the holding company of the Company or another subsidiary of such holding company or a subsidiary of the Company all as defined in Section 736 of the Companies Act 1985 or any statutory amendment or re-enactment thereof for the time being in force or any company associated with the Company in business or by reason of common shareholdings or otherwise and in security of such guarantees to assign, dispoise, convey, mortgage, pledge or charge the whole or any part of the undertaking, property, assets or revenue of the Company including uncalled capital;
- 3.16 to promote any company or companies, or to place or assist in placing or guaranteeing the placing of or underwriting any shares in any company for the purpose of acquiring all or any of the property and liabilities of the Company and to form any subsidiary company, in any part of the United Kingdom or in any other part of the world, necessary or convenient for carrying out any of the objects of the Company, or which may seem, directly or indirectly, calculated to benefit the Company;
- 3.17 to pay all the expenses of or relating to the formation, incorporation and registration of the Company or any subsidiary or associated company in any part of the world;
- 3.18 to enter into such insurance or assurance contracts and to insure all or any of the assets of the Company against such risks and for such sums as the Directors shall deem appropriate and to enter mutual insurance, indemnity or protection associations, to establish an insurance fund out of the profits of the Company and to insure the Company and its

Directors, servants, agents and others against claims for compensation and damages by mutual insurance or otherwise and also to enter into policies of assurance assuring the Company or others against loss through death or invalidity of or accident to any Director or servant or agent of the Company;

- 3.19** to establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or Directors or past employees or Directors of the Company or of its predecessors in business, or the dependants or connections of any such persons; to grant pensions or gifts to Directors, ex-Directors and/or employees or their relatives and to join in any public or local subscription proposed to be raised for any charitable, religious, patriotic, political, benevolent business or other purpose;
- 3.20** to establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or which is allied to or associated with the Company or with any such subsidiary company, either by substantial common shareholdings or one or more common directors or which is the holding company of the Company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, or any persons in whose welfare the Company or any such other company as aforesaid is or has been interested, and the wives, widows, families and dependants of any such persons, and to make payments for or towards the insurance of any such persons as aforesaid, and to do any of the matters aforesaid either alone or in conjunction with or through the holding company (if any) of the Company or in conjunction with or through any such other company as aforesaid;
- 3.21** to remunerate, as the Directors may decide, the officers, servants and agents of the Company and others out of, or in proportion to, the returns or profits of the Company or of any particular business carried on by it or otherwise as the Directors may deem proper and for that purpose to enter into any arrangements they may think fit;
- 3.22** to distribute among the members in kind 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 be made except with the sanction (if any) for the time being required by law;
- 3.23** to cancel or accept surrender of any share or shares of any member or members for any reasons and on any terms and conditions and as and when the Directors in their absolute discretion think fit, with or without any continuing liability attaching to such member or

members, and to pay up any uncalled or unpaid capital in respect of such share or shares so cancelled or surrendered, all however so far only as can be lawfully done;

- 3.24** to do all or any of the above things as principals, agents, trustees, contractors, sub-contractors, licensees, concessionaires or otherwise and by or through trustees, agents, sub-contractors, licensees, concessionaires or otherwise and either alone or in conjunction with others and to act as agents, licensees, concessionaires, trustees, nominees or otherwise for any person or company and to undertake and perform sub-contracts and to appoint agents, attorneys or factors for the Company;
- 3.25** to do all such things as are incidental or conducive to the attainment of the above objects or any of them; provided always that nothing herein contained shall empower the Company to carry on, save as agents for others, the business of life, accident, fire, employers' liability, industrial, motor, or other insurance or re-insurance within the meaning of the Insurance Companies Act 1974 or any Act amending, extending or re-enacting the same.

The objects set forth in any paragraph of this clause shall not be restrictively construed but the widest interpretation shall be given thereto and they shall not, except where the context expressly so requires, be in any way limited to or restricted by reference to or influence from any other object or objects set forth in such paragraph or from the terms of any other paragraph or by the name of the Company. None of such paragraphs or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other paragraph but the Company shall have full power to exercise all or any of the powers or to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said paragraphs. In this clause the word "company" except where used in reference to this Company shall be deemed to include any partnership or other body of persons whether corporate or unincorporate and whether domiciled in the United Kingdom or elsewhere.

- 4.** The liability of the members is limited.
- 5.** The Company's Share Capital is £2.00 divided into 1 "A" Ordinary Share of £1.00 and 1 "B" Ordinary Share of £1.00 with power, subject to the provisions of the Companies Act 1985 or any Act amending the same, to increase or reduce the Capital to purchase the Company's own shares and to consolidate, sub-divide, or otherwise deal with the shares forming the Capital and to convert paid-up Ordinary Shares into Stock and re-convert that Stock into paid-up Preference Shares, redeemable or irredeemable; the Shares forming the Capital (original, increased or reduced) may be divided into such shares, with such

liens, preference and other special incidents and held on such terms as may be prescribed by the Company's Articles of Association for the time being, or as the Company may from time to time determine in accordance with the said Act.

WE, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names:-

NAMES AND ADDRESSES OF
SUBSCRIBERS

NUMBER OF SHARES TAKEN
BY EACH SUBSCRIBER

For and on behalf of Queensferry Formations Limited

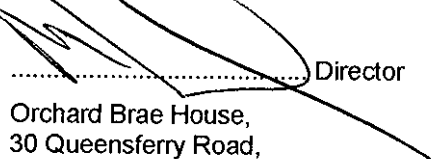
1 "A" Ordinary £1.00

 Director

Orchard Brae House,
30 Queensferry Road,
Edinburgh EH4 2HG

For and on behalf of Queensferry Registrations Limited

1 "B" Ordinary £1.00

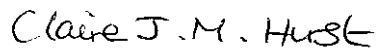
 Director

Orchard Brae House,
30 Queensferry Road,
Edinburgh, EH4 2HG

Total shares taken 2

Dated this Tenth day of March Nineteen hundred and ninety seven.

Witness to the above signatures:-



Claire Janet Mary Hurst,
Company Secretarial Assistant,
Fyfe Ireland, W.S.,
Orchard Brae House,
30 Queensferry Road,
Edinburgh, EH4 2HG

**THE COMPANIES ACTS
COMPANY LIMITED BY SHARES
ARTICLES of ASSOCIATION
of
KIELBURN HOMES LIMITED**

11.11.08

TABLE A

1. The regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 ("Table A"), apart from regulations 17, 24, 26, 39, 40, 41, 50, 54, 64, 65, 73-80, 81(e), 86, 88, 91 and 94-98, apply to the company except insofar as they are inconsistent with these articles.

- 2.1 Definitions adopted for Table A apply in these articles, together with the following definitions:

"A Shares"	the "A" shares of £1 each;
"A Shareholder"	the holder of an A Share;
"A Director"	a director appointed by the A Shareholders;
"B Shares"	the "B" shares of £1 each;
"B Shareholder"	the holder of a B Share;
"B Director"	a director appointed by the B Shareholders;
"Fair Price"	in relation to Vendor's Shares, the fair price of each share determined in accordance with article 7;
"Morrison Group"	Morrison Homes Limited and any subsidiary or holding company (as defined in section 736 of the Companies Act 1985) of Morrison Homes Limited or any other subsidiary of such holding company;
"Offer Price"	the price, if any, specified by a Vendor in a Transfer Notice;
"Permitted Transfer"	as defined in article 9;
"Permitted Transferee"	in relation to a member, a person to whom he may make a Permitted Transfer;
"Proposed Transferee"	a third party to whom a member wishes to transfer the Vendor's Shares or interest in the Vendor's Shares;
"the Shareholders' Agreement"	shall mean the Shareholders' Agreement about to be entered into among Morrison Residential Investments Limited, Kielburn Construction Services Limited and the Company, as the same may be amended, adjusted or supplemented from time to time, and capitalised words and phrases used in the Shareholders Agreement shall unless

	the context otherwise requires have the same meaning herein;
"Transfer Notice"	a notice relating to a transfer of shares given under article 8;
"Vendor"	a member who gives a Transfer Notice;
"Vendor's Shares"	the shares held by a member who gives a Transfer Notice.

- 2.2** For the purposes of this article, a company is Controlled by one or more persons if he or they, in any combination, is or are directly or indirectly the holders of or beneficially interested in shares of the company conferring in aggregate more than 50 per cent of the voting rights conferred by all its shares.
- 3.** A reference to a "regulation" of a particular number is to the regulation of that number in Table A.

SHARE CAPITAL

- 4.** The share capital at the date of incorporation of the company is £2, divided into 1 "A" share of £1 and 1 "B" share of £1. The A Shares and the B Shares constitute different classes of shares but, except as expressly provided in these articles, rank *pari passu*.
- 5.1** Subject to any contrary direction given by the company in general meeting and to the provisions of the Act and of these articles, the directors are authorised to create, allot, deal with or dispose of the shares which are authorised but unissued at the date of the adoption of these articles to such persons and on such terms as they think fit. The authority given to the directors shall expire five years from the date on which the resolution adopting these articles was passed but the directors may allot or dispose of shares after the expiry in pursuance of an offer or agreement made by the company before the expiry.
- 5.2** Section 89(1) of the Act does not apply to the company.
- 5.3** Unless otherwise approved by the company in general meeting, unissued shares which are to be issued shall be offered by the directors on identical terms to all the members in proportion, as nearly as may be with fractions being disregarded, to their existing holdings of shares. The offer shall be in writing and shall state the number of shares which each member is offered, the subscription price to be paid and the period, not being less than 21 clear days, within which the offer, if not accepted, will be deemed to have been declined. If the offers are not accepted in respect of all the shares offered, the directors shall offer the remaining shares to those members who accepted the first offer in proportion to their existing holdings of shares, the new offer being otherwise on the same terms as the first offer. At the expiration of the first offer and, if one is made, the new offer, the accepting

members shall pay the subscription price and the directors shall allot the shares accordingly, the shares allotted to each member being designated the same class as the existing shares held by him.

LIEN

6. The lien conferred by regulation 8 attaches to all shares, whether fully paid or not, registered in the name of a person indebted or under liability to the company, whether he is the sole holder of the shares or one of two or more joint holders, and to all distributions and other moneys and property attributable to them. The lien shall be for all sums presently payable to the company by him or his estate and regulations 8 is modified accordingly.

TRANSFER OF SHARES

- 7.1 A member who wishes to transfer any shares shall give to the directors a notice offering to sell all the shares held by him. He may also specify a Proposed Transferee and the price per share at which he intends to sell shares to the Proposed Transferee.
- 7.2 The Transfer Notice shall constitute the directors the Vendor's agents for the sale of the Vendor's Shares. If the Vendor did not specify or is deemed not to have specified an Offer Price, the directors shall within seven days of the receipt of the Transfer Notice instruct the auditors to determine the Fair Price in accordance with paragraph 7.6.
- 7.3 The directors shall, within seven days of the receipt of the Transfer Notice if it specified an Offer Price or within seven days of the determination of the Fair Price if the Vendor did not specify or is deemed not to have specified an Offer Price, offer all but not only some of the Vendor's Shares in writing to the other members in proportion to their existing holdings of shares, fractions being rounded upwards. Each offer shall specify:
- 7.3.1 the total number and class of the Vendor's Shares;
 - 7.3.2 the number offered to the offeree;
 - 7.3.3 the Offer Price and the Proposed Transferee, if specified in the Transfer Notice; and
 - 7.3.4 if an Offer Price was not, or was deemed not to have been, specified in the Transfer Notice, the Fair Price;

and shall provide that, if the offeree does not accept the offer in respect of any of the shares allocated within fourteen days of the offer, he shall be deemed to have declined it but that, if he does accept, he shall not be entitled to withdraw his acceptance except as provided in this article. Each offeree shall be asked to state whether he accepts the offer in whole or in part, how many of the Vendor's Shares in excess of his allocation he wishes to purchase and, if he does wish to purchase shares, whether he accepts the Offer Price, if any.

- 7.4** If the Transfer Notice specified an Offer Price and the aggregate number of shares for which the offers and the Offer Price are accepted, including excess applications, is not less than the number of the Vendors' Shares, the directors shall, as soon as practicable give notice to the Vendor and the accepting members who shall be required by the directors to complete the sale and purchase within a period of twenty eight days or
- 7.5** If the Transfer Notice specified an Offer Price and an offeree accepted the offer but not the Offer Price and the aggregate number of shares for which the offers were accepted, including excess applications, is not less than the number of the Vendors' Shares the directors shall, as soon as is practicable, instruct the auditors to determine the Fair Price.
- 7.6** The Fair Price shall be determined on the basis of the net asset value as between a willing seller and a willing buyer, of the business of the company which it has as at the date on which the auditors are instructed to make their determination. The Fair Price shall not be adjusted by reason of the Vendors' Shares constituting a particular proportion of the issued share capital of the company. In determining the Fair Price, the auditors shall be acting as independent experts and not as arbiters and their determination shall, in the absence of manifest error, be conclusive.
- 7.7** If the Fair Price has been determined because members accepted the offer but did not accept the Offer Price, the fees and expenses of the auditors shall be paid by those members in proportion to the numbers of the Vendor's Shares (including excess applications) in respect of which they accepted the offer. If the Transfer Notice did not specify, or was deemed not to have specified, an Offer Price, the fees and expenses shall be paid by the Vendor.
- 7.8** If the Vendor did not specify, or is deemed not to have specified, an Offer Price, the directors shall notify the Fair Price to the Vendor and those offerees who have indicated their acceptance of the offer within seven days of its determination by the auditors.
- 7.9** If the Vendor specified an Offer Price and the Fair Price is less than 95 per cent of the Offer Price, the Vendor may, within seven days of being given notice of the Fair Price, withdraw the Transfer Notice.

- 7.10** An offeree who, having accepted the Offer Price, does not wish to accept the Fair Price may within seven days of being notified of the Fair Price withdraw his acceptance. If he does so, the shares apportioned to him shall, so far as possible, be allocated amongst the offerees who have accepted the offer in proportion to their respective shareholdings. If he does not withdraw his acceptance, he shall be obliged to purchase the shares allocated to him for the Fair Price.
- 7.11** If the above procedure does not result in offers at the Offer Price or the Fair Price, as the case may be, for all of the Vendor's Shares, the directors shall as soon as reasonably practicable notify the Vendor accordingly, and the Vendors may transfer its shares in accordance with paragraph 7.15.
- 7.12** If the Vendor withdraws the Transfer Notice in accordance with this article, he shall not be entitled to dispose of the Vendor's Shares, or any interest in them, or to offer all or any of his holding of shares under this article within six months of the withdrawal.
- 7.13** Unless the Transfer Notice is withdrawn in accordance with this article, and the accepting offerees have not exercised a right to withdraw their acceptances the Vendor shall be required, by notice given by the directors as soon as practicable after the above procedure has been carried out, to complete the purchases within twenty eight days.
- 7.14** If the Vendor fails to carry out the sales of any of the shares in accordance with this article, the directors may appoint some person to execute appropriate transfers on his behalf and to give a receipt for the purchase price which shall be paid over to the Vendor. A share of one class which is transferred to the holder of shares of the other class shall be deemed, on registration of the transfer, to be redesignated as shares of the other class unless, following the redesignation, all the issued shares would be of one class.
- 7.15** If the directors do not find purchasers for all the Vendor's Shares under the above provisions and the Vendor has not exercised a right to withdraw the Transfer Notice, the Vendor may, within three months after being notified thereof sell the Vendors' Shares for a cash price per share, payable against delivery of an executed share transfer form and the relevant documents of title which is not less than the Offer Price or the Fair Price, if any. If the Vendors' shares are sold to the Proposed Transferee, the directors shall register the transfer but if the person to whom it is proposed to transfer the Vendors' Shares is not the Proposed Transferee, the directors may refuse to register the transfer to that person.

- 8.1** If a relevant event occurs in relation to a member, he shall be deemed, to have given a Transfer Notice to the company in respect of all his shares and not to have specified either a Proposed Transferee or an Offer Price.
- 8.2** For this purpose, a relevant event is:
- 8.2.1** the appointment of a receiver, manager, administrative receiver or administrator over any part of its undertaking or assets;
 - 8.2.2** its liquidation (other than a voluntary liquidation for the purpose of a reconstruction or amalgamation without insolvency);
 - 8.2.3** its making a voluntary arrangement with its creditors; or
 - 8.2.4** in the case of Kielburn Construction Services Limited a change in the persons by which it is Controlled;
 - 8.2.5** its causing a Termination Event as defined in the Shareholders' Agreement.
- 9.** Article 7 does not apply to any of the following, each being a "Permitted Transfer":
- 9.1** a transfer by Morrison Residential Investments Limited or Morrison Homes Limited to any member(s) of the Morrison Group; and
 - 9.2** a transfer by way of charge only and subsequent transfer by the holder of the Charge in enforcement of the security thereunder.
- 10.** The directors may refuse to register a transfer unless it is lodged at the office or at such other place as the directors appoint and is accompanied by the certificate for the shares to which it relates and it is in favour of not more than four transferees but shall otherwise register a transfer made in accordance with article 7 or 9.
- 11.** Regulation 25 is amended by replacing "two months" with "fourteen days".

NOTICE OF GENERAL MEETINGS

- 12.** Regulation 37 is amended by replacing "eight weeks" with "four weeks".
- 13.1** The first sentence of regulation 38 is amended by deleting "or a resolution appointing a person as a director".

- 13.2 Notices of meetings need not be given to the directors as such and regulation 38 is modified accordingly.
14. Every notice calling a meeting of the company shall include, with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not also be a member.

PROCEEDINGS AT GENERAL MEETINGS

15. No business shall be transacted at a general meeting unless a quorum is present. The quorum is one A Shareholder and one B Shareholder, present in person or by proxy or by duly authorised corporate representative.
16. If a quorum is not present within half an hour of the time appointed for the meeting or if during the meeting a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week, or if that is not a business day to the next following business day, at the same time and place or such other time and place as the directors determine. If, at the adjourned meeting, a quorum is not present within half an hour of the time appointed for the meeting or if during the meeting a quorum ceases to be present, the meeting shall be dissolved.
17. Paragraph (b) in regulation 46 is replaced with "by any member having the right to vote at the meeting;" and paragraphs (c) and (d) are deleted.
18. On a show of hands or on a poll, the A Shareholders present in person, by proxy or by corporate representative shall together have one vote and the B Shareholders present in person, by proxy or by corporate representative shall together have one vote.

APPOINTMENT AND REMOVAL OF DIRECTORS

19. Unless otherwise determined by special resolution, the minimum number of directors is two and the maximum number four.
20. The A Shareholders may, from time to time appoint (and remove from office) up to two persons as A Directors and the B Shareholders may, from time to appoint time (and remove from office) up to two persons as B Directors.
21. An appointment or removal of a director under article 20 is effected by a notice, given to the company by being sent to or left at its registered office.

22. The directors are not subject to retirement by rotation. The last sentence of regulation 84 is accordingly deleted.
23. A person is not disqualified from being a director by having attained any particular age.

ALTERNATE DIRECTORS

24. A director (other than an alternate director) may appoint as his alternate any person who is approved for that purpose by the holders of a majority of the shares of the class by the holders of which he was appointed and may terminate the appointment. An alternate director shall be entitled to receive notice of all meetings of the directors whether he is present in the United Kingdom or not and the last sentence of regulation 66 accordingly does not apply. In the absence of the director appointing him, an alternate director shall (in addition to any voting rights to which he is entitled if he is also a director) be entitled to the same voting rights as his appointor and shall be treated as if he were appointed by the holders of the same class of shares as the shares held by the persons who appointed his appointor.
25. An alternate director ceases to be an alternate for his appointor when his appointor ceases to be a director.
26. Regulation 68 is amended by adding after "by notice to the company signed by the director making or revoking the appointment" the words "and delivered to the office or tendered at a meeting of the directors".

DIRECTORS' APPOINTMENTS AND INTERESTS

27. Regulation 85 is amended by deleting "and provided that he has disclosed to the directors the nature and extent of any material interest of his".

PROCEEDINGS OF DIRECTORS

28. Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
29. A director may, and the secretary at the request of a director shall, call a meeting of the directors.
30. The quorum for the transaction of the business of the directors, is one A Director and one B Director.

31. If a quorum of directors is not present at a meeting of the directors within half an hour from the time appointed for the meeting or if, during the meeting, a quorum ceases to be present, it shall be adjourned to the same day in the next week, or if that is not a business day to the next following business day, at the same time and place. If at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, or if, during the meeting, a quorum ceases to be present, the meeting shall be dissolved.
32. The members of a committee to which the directors delegate any of their powers must include at least one A Director and one B Director and Regulation 72 is amended accordingly.
33. At meetings of the directors and of committees of the directors, each of the A Directors present in person or represented by an alternate shall have a number of votes equal to the number of the B Directors present in person or represented by an alternate; and each of the B Directors present in person or represented by an alternate shall have a number of votes equal to the number of the A Directors present in person or represented by an alternate.
34. The chairman of the board, shall not have a second or casting vote.
35. Not less than fourteen clear days' notice of meetings of directors and of committees of the directors shall be given to each of the directors or the members of the committee at his address given for that purpose, whether in the United Kingdom or elsewhere and whether he is present in the United Kingdom or not.
36. The notice of a meeting of the directors or of a committee of the directors shall include an agenda specifying in reasonable detail the matters to be discussed at the meeting. The agenda shall include any item which a director requests the secretary to include in it. No other business shall be discussed at the meeting unless all the directors present otherwise agree. At an adjourned meeting, only business which was specified in the agenda for the original meeting and remains unfinished shall be discussed.
37. A director may participate in a meeting of the directors or of a committee of which he is a member by conference telephone or similar communications equipment by means of which all the persons participating in the meeting can hear each other at the same time. Participation in a meeting in this manner is treated as presence in person at the meeting.
38. A director may vote at a meeting of the directors or of a committee on a resolution which concerns or relates to a matter in which he has, directly or indirectly an interest but he

remains obliged in any event to declare his interest in accordance with section 317 of the Act.

MINUTES

39. Regulation 100 is amended by replacing paragraphs (a) and (b) with "of proceedings of general meetings and meetings of the directors".

ACCOUNTS

40. Regulation 109 is amended by replacing "No member shall (as such) have any right of inspecting any accounting records" with "A member shall be entitled, on giving reasonable notice, to inspect during business hours any accounting records".

NOTICES

41. A notice required by these articles to be given by the company may be given by any visible form on paper, including telex or facsimile. A notice given by immediate transmission is deemed to have been given at the time that it is transmitted to the person to whom it is addressed. Regulations 111 and 113 are amended accordingly.
42. A member whose registered address is not within the United Kingdom may give to the company an address either within the United Kingdom or elsewhere at which notice may be given to him and he shall be entitled to have notices given to him at that address. Regulation 112 is amended accordingly.

INDEMNITY

43. Regulation 118 is amended:
- 43.1 by adding after "shall be indemnified out of the assets of the company" the words "against losses and liabilities which he incurs, otherwise than as a result of his own negligence or default, in connection with the performance of his duties as such and";

- 43.2 by adding after "in which judgement is given in his favour" the words "or where the proceedings are withdrawn or settled on terms which do not include a finding or admission of a material breach of duty by him".

NAMES AND ADDRESSES OF SUBSCRIBERS

For and on behalf of Queensferry Formations Limited

..... Director

Orchard Brae House,
30 Queensferry Road,
Edinburgh, EH4 2HG.

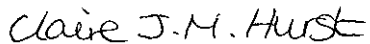
For and on behalf of Queensferry Registrations Limited

..... Director

Orchard Brae House,
30 Queensferry Road,
Edinburgh, EH4 2HG.

Dated this Tenth day of March Nineteen hundred and ninety seven

Witness to the above signatures:-


Claire Janet Mary Hurst,
Company Secretarial Assistant,
Fyfe Ireland, W.S.,
Orchard Brae House,
30 Queensferry Road,
Edinburgh, EH4 2HG.



C O M P A N I E S H O U S E

Please complete in typescript,
or in bold black capitals.

Notes on completion appear on final page

10

**First directors and secretary and intended situation of
registered office**

11.1.98

Company Name in full



SCT *SSQ10TWO* 853
COMPANIES HOUSE 11/03/97

KIELBURN HOMES LIMITED

Proposed Registered Office

(PO Box numbers only, are not acceptable)

Morrison House

12 Atholl Crescent

Post town

Edinburgh

County / Region

Postcode

EH3 8HA

If the memorandum is delivered by an agent
for the subscriber(s) of the memorandum
mark the box opposite and give the agent's
name and address.

X

Agent's Name

Fyfe Ireland, W.S.,

Address

Orchard Brae House

30 Queensferry Road

Post town

Edinburgh

County / Region

Postcode

EH4 2HG

Number of continuation sheets attached

Please give the name, address,
telephone number and, if available,
a DX number and Exchange of
the person Companies House should
contact if there is any query.

Fyfe Ireland, W.S.,

Orchard Brae House, 30 Queensferry Road,

Edinburgh

Tel 0131 343 2500

DX number

23

DX exchange

ED

Companies House receipt date barcode

When you have completed and signed the form please send it to the
Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF4 3UZ DX 33050 Cardiff
for companies registered in England and Wales

or

Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB

for companies registered in Scotland

DX 235 Edinburgh

Company Secretary (see notes 1-5)

Company name	KIELBURN HOMES LIMITED		
NAME	*Style / Title	*Honours etc	
* Voluntary details			
Forename(s)	Queensferry Secretaries Limited		
Surname	N/A		
Previous forename(s)	N/A		
Previous surname(s)	N/A		
Address	Orchard Brae House		
Usual residential address	30 Queensferry Road		
For a corporation, give the registered or principal office address.	Post town	Edinburgh	
County / Region		Postcode	EH4 2HG
Country			

I consent to act as secretary of the company named on page 1

Consent signature

Director, for and on behalf of
Queensferry Secretaries Limited
UJ

Date

10/3/97

Directors (see notes 1-5)

Please list directors in alphabetical order

NAME	*Style / Title	*Honours etc	
Forename(s)	Queensferry Formations Limited		
Surname	N/A		
Previous forename(s)	N/A		
Previous surname(s)	N/A		
Address	Orchard Brae House		
Usual residential address	30 Queensferry Road		
For a corporation, give the registered or principal office address.	Post town	Edinburgh	
County / Region		Postcode	EH4 2HG
Country			

Day Month Year

Date of birth

N/A

Nationality

Registered in Scotland

Business occupation

Company Registration Agents

Other directorships

None

I consent to act as director of the company named on page 1

Consent signature

Director, for and on behalf of
Queensferry Formations Limited
UJ

Date

10/3/97

Directors (continued) (see notes 1-5)

NAME	*Style / Title		*Honours etc	
* Voluntary details	Forename(s)	Queensferry Registrations Limited		
	Surname	N/A		
	Previous forename(s)	N/A		
	Previous surname(s)	N/A		
Address	Orchard Brae House			
Usual residential address	30 Queensferry Road			
For a corporation, give the registered or principal office address.	Post town	Edinburgh		
	County / Region		Postcode	EH4 2HG
	Country			
	Day	Month	Year	
Date of birth	N/A		Nationality	Registered in Scotland
Business occupation	Company Registration Agents			
Other directorships	None			
	I consent to act as director of the company named on page 1			
Consent signature	Director, for and on behalf of Queensferry Registrations Limited			Date 10/3/97

This section must be signed by			
Either			
an agent on behalf of all subscribers	Signed		Date
	Signed	Director, for and on behalf of Queensferry Registrations Limited	Date 10/3/97
Or the subscribers	Signed	Director, for and on behalf of Queensferry Registrations Limited	Date 10/3/97
(i.e those who signed as members on the memorandum of association).	Signed		Date
	Signed		Date
	Signed		Date
	Signed		Date
	Signed		Date

Notes

1. Show for an individual the full forename(s) NOT INITIALS and surname together with any previous forename(s) or surname(s).

If the director or secretary is a corporation or Scottish firm - show the corporate or firm name on the surname line.

Give previous forename(s) or surname(s) except that:

- for a married woman, the name by which she was known before marriage need not be given,
- names not used since the age of 18 or for at least 20 years need not be given.

A peer, or an individual known by a title, may state the title instead of or in addition to the forename(s) and surname and need not give the name by which that person was known before he or she adopted the title or succeeded to it.

Address:

Give the usual residential address.

In the case of a corporation or Scottish firm give the registered or principal office.

Subscribers:

The form must be signed personally either by the subscriber(s) or by a person or persons authorised to sign on behalf of the subscriber(s).

2. Directors known by another description:

- A director includes any person who occupies that position even if called by a different name, for example, governor, member of council.

3. Directors details:

- Show for each individual director the director's date of birth, business occupation and nationality.

The date of birth must be given for every individual director.

4. Other directorships:

- Give the name of every company of which the person concerned is a director or has been a director at any time in the past 5 years. You may exclude a company which either **is** or at **all times during the past 5 years**, when the person was a director, **was**:

- dormant,

- a parent company which wholly owned the company making the return,

- a wholly owned subsidiary of the company making the return, or

- another wholly owned subsidiary of the same parent company.

If there is insufficient space on the form for other directorships you may use a separate sheet of paper, which should include the company's number and the full name of the director.

5. Use Form 10 continuation sheets or photocopies of page 2 to provide details of joint secretaries or additional directors and include the company's number.