

VIEWTON PROPERTIES LIMITED
(the "Company")

(registered number 02436950)

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT 200 ALDERSGATE STREET, LONDON EC1A 4JJ
ON 28 MARCH 2001

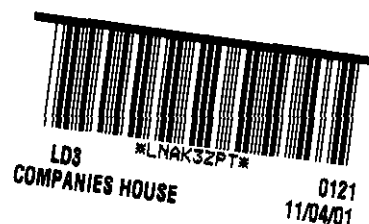
PRESENT:

P. BAK

S. BASELEY

IN ATTENDANCE:

A. JAJEE



1. CHAIRMAN, QUORUM AND DIRECTORS' INTERESTS

- 1.1 **IT WAS RESOLVED** that S. BASELEY be appointed chairman of the meeting. The chairman declared that a quorum was present and that due notice of the meeting had been given to all directors.
- 1.2 In accordance with Section 317 of the Companies Act 1985 (the "Act") and the provisions of the Articles of the Company, the directors each declared, where applicable, all of the interests that he or she held, directly or indirectly, which he or she was required by statute or otherwise to disclose and no director at the meeting was disqualified from voting at the meeting or forming part of the said quorum.

2. PURPOSE

The chairman explained that the meeting had been convened to consider the proposed entry into by the Company and other companies, including its parent, Fairclough Homes Limited (hereafter the "Parent"), of certain documents in order to assist Centex Development Funding Company UK Limited (registered number 4167358) ("Newco") in refinancing indebtedness which had arisen in connection with a loan note (the "AMEC Loan Note") which Centex Development Company UK Limited ("CDCUK"), had issued in favour of AMEC Plc as part of the purchase price consideration for its purchase of the (remaining) issued share capital (being those shares which were not being retained by AMEC Finance Limited) of Fairclough Houses Group Limited ("FHGL") (the "Acquisition").

3. DOCUMENTS TO BE APPROVED

- 3.1 There were produced to the meeting drafts of each of:

- 3.1.1 a loan agreement to be made between the Company, the Parent, FHGL, The Royal Bank of Scotland plc as arranger and facility agent and other financial institutions as lenders (the "**Lenders**") (the "**Loan Agreement**") under which the Lenders will provide borrowing facilities to the Parent and FHGL for their general corporate and/or working capital purposes, including the making of the loan (the "**Inter-Company Loan**") to be made pursuant to the Inter-Company Loan Agreement (as defined below). In addition, pursuant to the terms of the Loan Agreement, the Company, together with the other Obligors (as defined therein), will provide a guarantee (the "**Guarantee**") and security in relation to the obligations of the borrowers (the "**Borrowers**") under the Loan Agreement including obligations in respect of an advance the proceeds of which are to be used to fund the Inter-Company Loan;
- 3.1.2 a security agreement to be entered into by the Company, the Parent and FHGL and The Royal Bank of Scotland plc as agent and trustee for the Lenders (the "**Security Agreement**") which was required pursuant to the terms of the Loan Agreement; and
- 3.1.3 an inter-company loan agreement (for an amount in the region of £12.7m) (the "**Inter-Company Loan Agreement**") to be entered into between FHGL and Newco;

together the "**Documents**". Terms not otherwise defined shall have the meaning given to them in the Documents.

4. **THE DOCUMENTS**

- 4.1 The chairman outlined the principal terms of the Documents and explained that the facilities made available to the Borrowers under the Loan Agreement are required for the general purposes set out at paragraph 3.1.1 above and specifically for financing the amount to be lent under the Inter-Company Loan Agreement which will be used to repay amounts owed under the AMEC Loan Note.
- 4.2 The chairman noted that the entering into of the Security Agreement, by each of the Company and the other Obligors (as defined under the Loan Agreement), was a condition precedent to the availability of the facilities to be made available to the Borrowers under the Loan Agreement.
- 4.3 Under the Guarantee, the Company together with the other Obligors under the Loan Agreement, will guarantee all the liabilities of the Obligors (as defined under the Loan Agreement) to the Lenders under the Senior Documents (as defined under the Security Agreement). Under the Security Agreement, the Company will give fixed and floating charges over its assets and undertakings to secure its obligations under the Senior Documents (including the Guarantee).
- 4.4 After due and careful consideration of the terms of each of the Documents, the Board was unanimously of the opinion that the execution and delivery by or on behalf of the

Company of the Documents, and the exercise by the Company of any of its rights or the performance by the Company of any of its obligations thereunder:

4.4.1 would not result in any breach of any restriction imposed by the Memorandum and Articles of Association of the Company or any agreement to which the Company is a party or by which the Company is bound; and

4.4.2 would materially benefit the Company because:

- (i) the financial information available to the Company indicated that the Borrowers would be able to fulfil their obligations under the Loan Agreement and accordingly it was unlikely that the Guarantee or the Security Agreement would be enforced;
- (ii) it was perceived that the Company would continue to enjoy enhanced business prospects as a result of the completion of the original transaction giving rise to the Acquisition pursuant to which it had become part of a new group of companies; and
- (iii) the Borrowers and their subsidiaries (of which the Company is one) required the general corporate and/or working capital facilities provided under the Loan Agreement,

and in view of the above factors the execution of the Loan Agreement and the Security Agreement would be bona fide in the best interests of the Company and would be for the purpose of carrying on its business.

5. FINANCIAL ASSISTANCE

5.1 The Company had been advised that the execution:

5.1.1 by the Company of the Loan Agreement and the Security Agreement;

5.1.2 by the Parent and FHGL (together the "**Parent Companies**") of the Loan Agreement and the Security Agreement; and

5.1.3 by FHGL of the Inter-Company Loan Agreement,

would constitute financial assistance for the purpose of reducing or discharging a liability incurred for the purpose of the Acquisition (the "**Financial Assistance**"). This Financial Assistance would be unlawful under s151 of the Act. The giving of unlawful financial assistance was a criminal offence, which would make the company giving the assistance liable to a fine and each of its officers in default liable to a fine, imprisonment or both.

6. FINANCIAL ASSISTANCE PROCEDURES

6.1 The Board had been advised on the procedures set out in sections 155 to 158 of the Act to be followed in order to make the Financial Assistance to be given by the Company lawful. Summarising that advice the chairman made the following points.

- 6.2 The Board would have to be satisfied that the Company had positive net assets (as defined by section 154(2) of the Act) and that either:
- (a) the giving of financial assistance would not reduce the net assets of the Company; or
 - (b) to the extent that the net assets of the Company would be reduced by the giving of the Financial Assistance, the financial assistance was provided out of the Company's distributable profits.
- 6.3 The Board was advised that the liabilities of the Company under the Guarantee and the Security Agreement represented contingent liabilities of the Company. For the purpose of considering whether the Company's net assets would be reduced by the giving of the Financial Assistance, a contingent liability would reduce net assets if a provision were made in respect of it in the Company's accounts. A provision should be made if, after considering the matter with the Company's joint auditors (the "**Joint Auditors**"), the Board concluded that the contingent liability was likely or certain to be incurred.
- 6.4 In order to make the Financial Assistance lawful, the Company's directors must, before the Financial Assistance is given, have made a statutory declaration as to the solvency of the Company, in the form prescribed by the Act.
- 6.5 Each director must have declared that he or she had formed the opinion that, immediately following the date on which the Financial Assistance was proposed to be given, there would be no ground on which the Company could then be found unable to pay its debts, and that the Company would be able to pay its debts as they fell due during the year immediately following that date.
- 6.6 An auditor's report must be annexed to each declaration addressed to the directors by the Joint Auditors, as the joint auditors of the Company, stating that they had enquired into the state of affairs of the Company and were not aware of anything to indicate that the opinions expressed in the Declaration was unreasonable in all the circumstances.
- 6.7 As the Company was the indirect and direct (as relevant) subsidiary of the Parent Companies the giving of financial assistance by the Company must have been approved by a board resolution of each of the Parent Companies and the directors of the Parent Companies must have made a statutory declaration in respect of the Financial Assistance to be given by the Company. The Parent Companies were involved in similar formalities to those set out in these minutes.
- 6.8 In addition to considering the specific statutory requirements applicable to the giving of financial assistance, the directors must have decided that the giving of the Financial Assistance was in the Company's interests generally.
- 6.9 In reaching their decisions the directors were entitled to take into account the benefits the Company may obtain from becoming an indirect subsidiary of the Ultimate Parent and also indirectly, of Newco, including the financial facilities which the Company had (directly or otherwise) benefited from and would (directly or otherwise) benefit from

under the Loan Agreement and the management support and expertise that were provided as part of the new group of companies of which the Company was now a part.

7. **CONSIDERATION OF PROCEDURES**

7.1 The meeting then considered the points summarised in paragraph 6.

7.2 **Paragraphs 6.2 and 6.3.** Each director, having considered the matter with the Company's Joint Auditors, took the view that no provision for all or part of the liabilities under the Guarantee and the Security Agreement ought to be made in the Company's accounts, so that no reduction in the net assets of the Company would result from these arrangements. Each director also took the view that at the date of the Meeting, being the date on or immediately before which the Financial Assistance is to be given, applying the definitions contained in Section 154(2) of the Act, the aggregate of the Company's assets as stated in its accounting records exceeds the aggregate of its liabilities.

Accordingly **IT WAS RESOLVED** that the proposed Financial Assistance could be given in compliance with section 155 of the Act.

7.3 **Paragraphs 6.4, 6.5 and 6.6.** The statutory declaration was produced to the meeting, relating to the Financial Assistance proposed to be given by the Company (the "**Declaration**"). The Declaration was studied by the Board and in particular the statements that the directors had formed the opinion that, immediately following the date on which the Financial Assistance was proposed to be given, there would be no ground on which the Company could then be found unable to pay its debts, and that the Company would be able to pay its debts as they fell due during the year immediately following that date.

7.4 **Paragraph 6.6** A report from the Joint Auditors in relation to the Company was produced to the meeting. The report stated that they had enquired into the state of affairs of the Company and were not aware of anything to indicate that the opinions expressed in the Declaration were unreasonable in all the circumstances.

7.5 **IT WAS UNANIMOUSLY AGREED AND RESOLVED THAT** it was the good faith judgment of the directors that it would be in the best interest of and to the Company's benefit to provide the Financial Assistance referred to and that the Financial Assistance as proposed should be given in compliance with Section 155 of the Act.

7.6 The Company had also been asked to execute a memorandum in relation to the net assets of the company (the "**Memorandum**"). The Memorandum will be attached to a letter to be given by Joint Auditors to The Royal Bank of Scotland plc and the Lenders in relation to the net assets of the Company. A draft of that letter and of the Memorandum was produced to the meeting and the Board considered the working capital position of the Company and the ability of the Company to make the statements contained in the Memorandum. Accordingly **IT WAS UNANIMOUSLY**

RESOLVED THAT the Company was able to, and should, make the statements contained in the Memorandum.

8. **SWEARING OF STATUTORY DECLARATION**

- 8.1 Each director indicated his or her willingness to make the Declaration in the form produced to the meeting, confirmed that his or her view was as stated in the Declaration and that there were, in his or her view, reasonable grounds for that view. The Declaration was approved and made by all the directors in the presence of R. OBERTELLI, a solicitor empowered to administer oaths, and the auditors' report referred to in paragraph 7.4 was annexed to the Declaration.

9. **FURTHER RESOLUTIONS**

- 9.1 Accordingly, **IT WAS UNANIMOUSLY RESOLVED THAT:**

- 9.1.1 the entering into of each of the Loan Agreement, the Security Agreement and the Memorandum (together the "Execution Documents") by the Company, the creation by the Company of security under the Security Agreement, the provision of the Guarantee and the entering into of any documents ancillary to the Execution Documents be and is hereby approved;
- 9.1.2 the terms and conditions of each of the Execution Documents in the form of the drafts produced to the meeting and the execution, delivery and performance by or on behalf of the Company of each of those Execution Documents and any ancillary documents (in such form or with such amendments thereto as the person executing or sealing them pursuant to the authority conferred by these resolutions, may in his or her absolute discretion think fit) and the exercise by the Company of its rights and the performance by the Company of its obligations thereunder be and are hereby approved;
- 9.1.3 the following directors of the Company (each an "Authorised Signatory") be and are hereby severally authorised to sign and deliver on behalf of the Company the Execution Documents with such amendments thereto as such Authorised Signatory may in his or her absolute discretion think fit and the signature appearing opposite his or her name below is the true and genuine signature of the director:

NAME



PAUL BAK

SIGNATURE



STEWART BASELEY

- 9.1.4 each Authorised Signatory be and is hereby severally authorised to do all acts and things necessary or desirable to give effect to these resolutions and to sign and deliver on behalf of the Company any and all documents (including the

giving of any notices) which may be required pursuant to or in connection with the Execution Documents in each case in such manner or form as such Authorised Signatory may in his or her absolute discretion think fit;

9.1.5 to the extent that any of the Execution Documents requires executing as a deed, the signature by any two directors or by any director and the secretary of the Company of and to the extent appropriate, the affixation and attestation of the common seal of the Company to:

- (a) such Execution Document in the form of the draft produced to the meeting or with such amendments thereto as such person may in his or her absolute discretion think fit; and
- (b) any and all deeds which may be required pursuant to or in connection with the Execution Documents in such form as such person may in his or her absolute discretion think fit,

and the delivery thereof by the Company, be and is hereby authorised.

9.1.6 the execution by an Authorised Signatory of the Execution Documents shall be conclusive evidence of such Authorised Signatory's approval of any amendments which may have been made thereto and attestation by any director or the secretary of the Company of the sealing of any Execution Document shall be conclusive evidence of such person's approval of any amendments which may have been made thereto;

9.1.7 the proposed Financial Assistance can be given in accordance with Section 155 of the Act; and

9.1.8 the secretary of the Company be and is hereby authorised:

- (a) to issue and certify as true and up-to-date copies of the Memorandum and Articles of Association of the Company and copies of the Minutes of this meeting and to certify that the resolutions passed at this meeting remain in full force and effect;
- (b) to issue and certify as true and up-to-date (if required) any other documents which may be required to be delivered by the Company as conditions precedent to the Loan Agreement or the Security Agreement; and
- (c) to arrange for the filing of the Declaration;

9.2 **IT WAS RESOLVED** that the secretary be instructed to arrange for the filing of the Declaration, with the annexed auditors' reports, with the Registrar of Companies:

10. **CLOSE OF MEETING**

There being no other business the chairman declared the meeting closed.

A handwritten signature in black ink, appearing to read "J.A. Briggs", is written above a horizontal dotted line.

Chairman

BY ORDER OF THE BOARD



SECRETARY/DIRECTOR

Dated: 29th March, 2001.

Registered office: Meirion House
18-28 Guildford Road
Woking
Surrey GU22 7QF