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LINDEN NEW HOMES LIMITED
("the Company")

Minutes of a meeting of the Board of Directors of the Company
held at Linden House, Guards Avenue, The Village, Caterham-on-the-Hill
Surrey CR3 5ZB on 26th July 2002 at ~~1~~ 1.30pm

Present:

Brendan Morrissey (Chairman)
David Tilman

In attendance:

Appointment of a chairman

1. IT WAS RESOLVED that Philip Davies be appointed Chairman of the meeting.

Shareholders Agreement

2. THERE was produced to the meeting a form of Shareholders Agreement between (1) Linden Holdings plc, (2) Uberior Investments PLC and (3) the Company. The terms of the Shareholders Agreement were approved and it was resolved that Philip Davies and Brendan Morrissey be authorised to sign the Shareholders Agreement on the Company's behalf and that the Company perform its consequent obligations thereunder on and according to its terms.
3. THE Meeting adjourned so that the Shareholders Agreement could be signed.
4. THE Meeting reconvened and the Chairman reported that the Shareholders Agreement had been duly signed by all parties thereto.
5. IN accordance with the terms of the Shareholders Agreement:

Written Resolutions

- 5.1 The Chairman produced to the meeting written resolutions changing the Memorandum and Articles of Association of the Company.

IT WAS RESOLVED that the written resolutions be and are approved and that the Chairman circulate them to the Member for signature. (The meeting then adjourned.) On reconvening the meeting, the Chairman reported that the written resolutions had been passed and now fell



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- 5.2 IT WAS RESOLVED to instruct the Company Secretary to file the written resolution and Form 123 with the Registrar of Companies.

Appointing directors

- 5.3 IT WAS REPORTED to the meeting that Philip Davies, Brendan Morrissey and David Tilman had been appointed as "A" Directors and that Peter J Cummings and Bruce S Anderson having consented to act, had been appointed as "B" directors. IT WAS RESOLVED that such appointments are of immediate effect from the end of this meeting and that the Secretary be instructed to file Forms G288 with the Registrar of Companies.

Appointing a company secretary

- 5.4 THERE was produced to the Meeting the resignation of Pitsec Limited as Secretary. IT WAS RESOLVED to accept such resignation and to appoint Sylvano Amato as Secretary in its place with immediate effect from the end of this meeting and that the Secretary be instructed to file Forms G288 with the Registrar of Companies.

Application and allotment of shares

- 5.5 IT WAS NOTED that the following applications had been received for the subscription of shares in the Company for cash at par accompanied by the relevant subscription monies:-

<u>Names of Applicants</u>	<u>Number of shares applied for</u>
Linden Holdings plc	1,249,999 "A" Ordinary Shares
Uberior Investments plc	1,250,000 "B" Ordinary Shares

- 5.6 IT WAS RESOLVED that the said shares be issued and allotted accordingly and that appropriate entries be made in the Register of Members and that share certificates be duly executed by any 2 Directors or a Director and the Secretary and delivered to the appropriate allottees accordingly. The Secretary was instructed to prepare and file a Form 88(2) with the Registrar of Companies in respect of the above allotment within 30 days.

Creation of Loan Stock

- 5.7 There were produced to the meeting forms of:-

- 5.7.1 a) a Loan Stock Instrument to be entered into by the Company;
- b) a Loan Stock Subscription Agreement to be executed by the Company and Linden Holdings plc; and
- c) a Loan Stock Subscription Agreement to be executed by the Company and the Bank of Scotland.

- 5.7.2 The terms of the Loan Stock Instrument and the Loan Stock Subscription Agreements were approved and IT WAS RESOLVED that Philip Davies and Brendan Morrissey be authorised to sign the Loan Stock Instrument and the Loan

Stock Subscription Agreements on the Company's behalf immediately following the close of this meeting and that the Company perform its consequent obligations thereunder on and according to their terms.

Application and allotment of Loan Stock

- 5.8 It was noted that the following Loan Stock Subscription Agreements relating to subscription of Loan Stock in the Company for cash on the terms set out in the Loan Stock Instrument had been received accompanied by the relevant subscription monies:-

<u>Names of Subscribers</u>	<u>Amount of Loan Stock applied for</u>
Linden Holdings plc	£8,750,000
The Bank of Scotland plc	£8,750,000

- 5.9 IT WAS RESOLVED that immediately following entry into the Loan Stock Instrument the said Loan Stock be issued and allotted accordingly and that appropriate entries be made in the Register of Stockholders to be maintained by or on behalf of the Company and that Loan Stock Certificates be duly executed by any 2 Directors and delivered to the appropriate Stockholders accordingly.

Appointment of auditors

- 5.10 IT WAS RESOLVED that Messrs Deloitte & Touche of Columbia Centre, Market Street, Bracknell RG12 1PA be appointed Auditors of the Company to hold office until the conclusion of the first annual general meeting of the Company at a remuneration to be agreed.

Accounting reference date

- 5.11 IT WAS RESOLVED the Company should make up its accounts to 31 December each year and the Secretary was instructed to deliver to the Registrar of Companies particulars on Form G225 of this date as the accounting reference date of the Company.

Banks

- 5.12 IT WAS RESOLVED THAT:-

5.12.1 The Bank of Scotland plc be appointed the bankers of the Company;

5.12.2 An account be opened with the branch of the bank at 38 St Andrew's Square, Edinburgh, Scotland;

5.12.3 The resolutions for operation of the banking account contained in the Mandate Form, submitted to this meeting, be and are hereby adopted;

5.12.4 The Mandate be completed and signed by two Directors on behalf of the Company

and also by the secretary and that a duplicate copy of the Mandate be inserted in the Minute Book.

IT WAS NOTED that all cheques on the Company's Account and all authorities to its bankers were to be signed by Philip Davies, Brendan Morrissey or Sylvano Amato in accordance with the Green Book Mandate of Linden Holdings plc which was attached to the Mandate.

IT WAS RESOLVED that the duly completed Mandate Form be delivered to the bank immediately following the meeting together with the Certificate of Incorporation of the Company and the Certificate of Incorporation on change of name and a copy of the Company's Memorandum and Articles of Association.

Director's interests in shares

- 5.13 FOR the purpose of Section 317 of the Companies Act 1985 the undermentioned Directors reported they were members or directors of or otherwise interested in any contract which the Company may hereinafter make with the companies or firms specified opposite their respective names:-

<u>Name of Director</u>	<u>Name of company or firm</u>
Philip Davies	Linden Holdings plc Linden Homes Chiltern Limited Linden Homes North-West Limited Linden Homes South-East Limited Linden Homes Southern Limited Linden Homes Surrey Limited Linden Homes Western Limited Linden Limited
Brendan Morrissey	Linden Homes North-West Limited Linden Limited
David Tilman	Linden Holdings plc Linden Homes Chiltern Limited Linden Homes North-West Limited Linden Homes South-East Limited Linden Homes Southern Limited Linden Homes Western Limited
Peter Cummings	Linden Homes Surrey Limited Uberior Investments plc
Bruce Anderson	Linden Homes Surrey Limited

- 5.14 IT WAS NOTED THAT each of the directors had delivered letters to the Company notifying it of his interests in the shares of the Company as required by Section 324 of the Companies Act 1985 and the Secretary was instructed to note the interests in the Register of Director's

Interests.

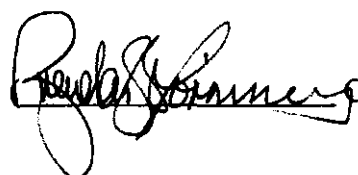
Authorisations

6. THERE WAS produced to the Meeting forms of the following documents:-
- 6.1 a Management Agreement between (1) the Company and (2) Linden Limited;
 - 6.2 the side letter to the Management Agreement in 6.1 above;
 - 6.3 a Revolving Credit and Guarantee Facility ("the Facility") between (1) the Company, (2) the Bank of Scotland as Agent, (3) the several Banks (listed in one of the Schedules to the Facility), and (4) the Bank of Scotland as Issuing Bank;
 - 6.4 a Debenture between the Company and the Bank of Scotland as Security Trustee;
 - 6.5 an Inter-Creditor Deed between the Company, the Senior Banks, the Bank of Scotland and other listed Banks;
 - 6.5 a Senior Fees letter addressed to the Company by the Bank of Scotland and other listed Banks;
 - 6.6 an ILS Fees Letter addressed to the Company by the Bank of Scotland; and
 - 6.7 a Hedging Policy Letter.

The terms of the Management Agreement, the Facility, the Debenture, the Inter-Creditor Deed, the Senior Fees Letter, the ILS Fees Letter, the Hedging Policy Letter and the side letter to the Management Agreement (together "the Completion Documents") were approved and IT WAS RESOLVED that the Company enter into the Completion Documents and that Philip Davies and Brendan Morrissey be authorised to sign the Completion Documents for and on behalf of the Company and the Company perform its consequent obligations under the Completion Documents on and according to their terms.

Close of meeting

7. THERE being no other business the meeting was closed.

 (Chairman)