

DATED

8 APRIL

2003

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(16)

- (1) THE VENDORS
- (2) ALBURN (GLOBE) LIMITED

WE HEREBY CERTIFY THIS TO
BE A TRUE AND COMPLETE
COPY OF THE ORIGINAL

Olswang
OLSWANG

14/7/03

AGREEMENT

relating to
the sale and purchase
of the Business of
the Vendors



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Ref: RMH/FCB/11129-21/1327474.04

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THIS AGREEMENT is made on the

day of

4x Encl
April

2003

BETWEEN:

- (1) **THOSE COMPANIES** more particularly described in Schedule 1 of this Agreement (together the "Vendors"); and
- (2) **ALBURN (GLOBE) LIMITED** a company incorporated in England and Wales with registered number 4611401 and whose registered office is at 45 Church Street, Birmingham, B3 2DL ("Purchaser").

IT IS AGREED as follows:

1. INTERPRETATION

In this Agreement, including its Schedules, the headings shall not affect its interpretation and, unless the context otherwise requires, the provisions in this Clause 1 shall apply:

1.1 Definitions

The following terms shall have the following meanings:

"agreed form"	in relation to any document such document in the terms agreed between the parties and signed by the Purchaser's Solicitors and the Vendors' Solicitors for the purposes of identification as that document may be amended by agreement in writing between the Vendors and the Purchaser from time to time;
"Alburn Holdings"	Alburn Holdings Limited a company registered in England and Wales with registered number 4597359;
"Articles of Association"	the Articles of Association of the Purchaser in the agreed form;
"Assets"	the Properties, Goodwill, rights and assets agreed to be sold pursuant to Clause 2.1 of this Agreement;
"Business"	the business of letting, maintaining and managing property carried on by each of the Vendors including the Assets subsisting at Completion;
"Business Day"	a day on which banks are open for business in England (excluding Saturdays, Sundays and public holidays);



"Calculation Date"	a date not more than two calendar months after the Completion Date;
"Cash Balances"	cash in hand of the Vendors or credited to any account of the Vendors with a bank and any sums due to any of the Vendors at Completion;
"Completion"	completion of the matters provided for in Clause 6;
"Completion Date"	the date of this Agreement;
"Customs"	H M Customs and Excise;
"Debt"	the sum of £17,460,557 being the aggregate sum owed by the Vendors to Alburn Holdings and Morgan Stanley;
"Debt Assumption Agreement"	means a debt assumption agreement in the form set out in Schedule 7 to be entered into on the date hereof between the Vendors and the Purchaser under which the Purchaser assumes liability for the Debt;
"Encumbrance"	any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind;
"Facility Letter"	the facility letter between Alburn Holdings and the Vendors dated 20 December 2002;
"Freehold Properties"	the properties more particularly described in Part B of Schedule 2;
"Giantglobe"	Giantglobe Limited a company registered in England and Wales with registered number 4217774;
"Goodwill"	the goodwill of each of the Vendors in connection with the Business;
"Goodwill Assignment"	the assignment of the Goodwill in the agreed form;
"Lease Documents"	the documents (if any) listed in Part D of Schedule 2;

"Leasehold Properties"	the properties (if any) more particularly described in Part C of Schedule 2;
"Losses"	all losses, liabilities, costs (including without limitation legal costs), charges, expenses, actions, proceedings, claims and demands;
"Maintenance Contracts"	the contracts described in Schedule 6 to this Agreement;
"Morgan Stanley"	means Coronis (European Loan Conduit No.8) plc;
"National Conditions"	the National Conditions of Sale (Twentieth Edition);
"Properties"	the Freehold Properties and the Leasehold Properties;
"Property Documents"	the documents (if any) particulars of which are set out in Part D of Schedule 2;
"Purchaser's Group"	the Purchaser and any holding company of the Purchaser or subsidiary of the Purchaser or such holding company ("holding company" and "subsidiary" having the meanings set out in section 736 and 736A of the Companies Act 1985);
"Purchaser's Solicitors"	Olswang, 90 High Holborn, London, WC1V 6XX (Ref: David Kustow/Richard Hildebrand);
"Registered Titles"	the registered titles relating to the Properties referred to where applicable, in Column 2 of Parts B and C of Schedule 2;
"Service Charge Costs"	means costs incurred by the Vendors in the management and maintenance of the Properties referred to in paragraph 10 of Schedule 2 hereof and recoverable from the Tenants thereof pursuant to the service charge provisions of the relevant Tenancy Documents;
"Service Charge Period"	means the service charge period applicable to the Tenancy Documents in respect of which the Completion Date falls (and the immediately preceding service charge period) in respect of which final accounts or statements have not or will not have been produced at the Completion Date;

"Service Charge Receipts"	means all sums received by any of the Vendors from the Tenants on account or in respect of Service Charge Costs (including all monies (with interest accrued or earned thereon) held to the credit of sinking or reserve funds);
"Shares"	the A ordinary shares of 1 pence each in the capital of the Purchaser to be issued by the Purchaser to the Vendors whose rights shall be as set out in the Articles of Association;
"Tenancy Documents"	the documents listed in Part E of Schedule 2;
"Tenant"	any tenant or licensee under the Tenancy Documents and "Tenants" shall be construed accordingly;
"Third Party Consents"	all consents, licences, approvals, authorisations or waivers required from third parties for the conveyance, transfer, assignment or novation in favour of the Purchaser of any of the Lease Documents and the Assets in terms approved by the Purchaser and "Third Party Consent" means any one of them;
"Transfers"	the transfers of the relevant Properties between the relevant Vendor (1) and the Purchaser (2);
"VAT Exempt Properties"	means the Properties identified as not having been elected in respect of VAT in Column 3 of Parts B and C of Schedule 2;
"VAT Properties"	means the Properties identified as having been elected in respect of VAT in Column 3 of Parts B and C of Schedule 2;
"Vendors' Solicitors"	Israel Strange & Conlon of 384 City Road, London, EC1V 2QA; (Ref: Michael Conlon/Ian Strange); and
"1995 Act"	the Landlord and Tenant (Covenants) Act 1995.

1.2 Subordinate legislation

Any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

1.3 Modification of statutes

Any reference to a statutory provision shall include such provision as from time to time modified or re-enacted or consolidated whether before or after the date of this Agreement so far as such modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement on or prior to the Completion Date and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified, re-enacted or consolidated) which such provision has directly or indirectly replaced.

1.4 Interpretation Act 1978

The Interpretation Act 1978 shall apply to this Agreement in the same way as it applies to an enactment.

1.5 References

References to this Agreement shall include any Schedules to it and references to Clauses and Schedules are to clauses of and schedules to this Agreement.

1.6 Information

Any reference to books, records or other information means books, records or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.

2. AGREEMENT TO SELL THE BUSINESS

2.1 Sale and purchase of Business

2.1.1 The Vendors shall sell and the Purchaser shall purchase (subject to the security created or pursuant to the debenture dated 13 June 2001 between Civilmain Limited and Morgan Stanley Mortgage Servicing Limited ("MSMSL"), the debenture dated 13 June 2001 between Welborne Properties Limited and MSMSL and the debenture dated 13 June 2001 between St Mary's Properties Limited and MSMSL) the whole of the Business as a going concern.

2.1.2 Without prejudice to the generality of Clause 2.1.1, there shall be included in the sale under this Agreement the following:

- (i) the Properties, (on the terms set out in Part A of Schedule 2);
- (ii) the Goodwill;
- (iii) the benefit of such of the Maintenance Contracts as the Purchaser notifies to the Vendors that it requires pursuant to Clause 7; and
- (iv) the benefit of such other contracts relating to the Business as exist at the date of this Agreement as the Purchaser notifies to the Vendors that it requires prior to Completion,

but excluding the Cash Balances.

2.1.3 For the avoidance of doubt, the Vendors sell the Properties with Full Title Guarantee.

2.2 Form of transfers

The parties agree that the Business shall be transferred to the Purchaser in the following manner:

2.2.1 in the case of the Properties, in accordance with Schedule 2; and

2.2.2 in the case of the Goodwill, insofar and to the extent only that it relates to the Business, by means of the Goodwill Assignment.

3. ~~CONDITION PRECEDENT~~

3.1 Neither the Vendors nor the Purchaser shall be required to complete the sale and purchase of the Business unless that party is also ready, willing and able to complete:

3.1.1 the sale by Giantglobe Limited and the purchase by the Purchaser of Bandair Limited, Vanilla Properties Limited and Havenport Limited pursuant to a share purchase agreement dated 20 December 2002;

4. CONSIDERATION

4.1 Amount and payment

The consideration for the purchase of the Business shall be:

4.1.1 the allotment and issue by the Purchaser to the Vendors of such number of Shares as is set out against their names in Schedule 4, in each case credited as fully paid up in accordance with Clause 6.4.2; and

4.1.2 the entry by the Purchaser into the Debt Assumption Agreement with the Vendors on the date hereof in accordance with Clause 6.4.1 (under which the Purchaser assumes liability for the Debt).

4.2 Allocation of consideration

The consideration referred to in Clause 4.1 shall be allocated as set out in Schedule 3.

4.3 VAT

4.3.1 The Vendors and the Purchaser consider that the transfer of the Business insofar as it relates to the VAT Properties should for VAT purposes constitute the transfer to the Purchaser of a going concern and should accordingly fall within Article 5 of the Value Added Tax (Special Provisions) Order 1995.

4.3.2 If they have not done so prior to the date of this Agreement the Vendors will send to Customs a letter seeking a direction that the Vendors be permitted to keep and preserve the records referred to in section 49(1) of the Value Added

Tax Act 1994 which relate to the VAT Properties before the Completion Date.

- 4.3.3 If such direction is given the Vendors shall preserve such records in good order in such manner and for such period as shall be required by law and will give the Purchaser reasonable access during normal business hours to such records.
- 4.3.4 If such direction is not given the Vendors shall deliver all such records to the Purchaser on the Completion Date and the Purchaser will preserve such records in good order in such manner and for such period as shall be required by law and will give the Vendors reasonable access during normal business hours to such records.
- 4.3.5 The Vendors jointly and severally represent, warrant and undertake to the Purchaser:
 - 4.3.5.1 that they are registered for the purposes of VAT and that they have made elections under paragraph 2 of Schedule 10 to the Value Added Tax Act 1994 to waive the exemption from tax in relation to the VAT Properties;
 - 4.3.5.2 that the elections have already taken effect;
 - 4.3.5.3 that they have given written notification of their having made those elections to Customs within the period required by law;
 - 4.3.5.4 that they are not a member of the same duly registered VAT group as any of the Tenants; and
 - 4.3.5.5 that they have not prior to the date of this Agreement and will not prior to the Completion Date exercise any right to waive an exemption or make an election, the effect of which would be to make that part of the Consideration attributable to the VAT Exempt Properties subject to Value Added Tax.
- 4.3.6 The Purchaser represents warrants and undertakes to the Vendors as follows:
 - 4.3.6.1 that it is a registered taxable person for the purposes of VAT;
 - 4.3.6.2 prior to the date hereof a written notification of an election to waive exemption from tax in relation to the whole of the VAT Properties pursuant to paragraph 2 of Schedule 10 to the Value Added Tax Act 1994 has been made which election shall be stated to have effect from a date not later than the day before the Completion Date;
 - 4.3.6.3 before the Completion Date to supply to the Vendors evidence reasonably satisfactory to the Vendors that it is a registered taxable person for the purposes of VAT and copies of the

election and of the notification of the election submitted to Customs and of any acknowledgement received from Customs;

4.3.6.4 that it intends to use the VAT Properties in carrying on the same business of letting following the Completion Date as that carried on by the Vendors prior to the Completion Date; and

4.3.6.5 that it will not revoke its election relating to the VAT Properties before or within 3 months after the Completion Date.

5. ACTION PENDING COMPLETION

5.1 Vendors' general obligations

The Vendors as agents for and on behalf of the Purchaser shall carry on the relevant part of the Business between the date hereof and Completion and undertake to procure that, pending Completion:

5.1.1 the Business will be carried on as a going concern in the ordinary course, save in so far as agreed in writing by the Purchaser;

5.1.2 all reasonable steps will be taken to preserve the Goodwill; and

5.1.3 the provisions of clause 7 and paragraph 6, 7, 11, 15 and 16 of Part A of Schedule 2 shall apply and be observed and performed.

6. COMPLETION

6.1 Date and Place of Completion

Completion shall take place at the offices of the Vendor's Solicitors on the Completion Date or at such other place, time or date as may be agreed between the Purchaser and the Vendors.

6.2 Completion

On Completion:

6.2.1 the provisions of Part A of Schedule 2 shall apply; and

6.2.2 the parties shall execute and complete the Goodwill Assignment.

6.3 Vendors' obligations

On the Completion Date each of the Vendors shall:

6.3.1 enter into the Debt Assumption Agreement; and

6.3.2 deliver to the Purchaser in each case where the said information is not at the Properties all books, records and other information relating to the Business and all information relating to customers, suppliers, agents and distributors and other information relating to the Business.

6.4 Purchaser's obligations

On the Completion Date the Purchaser shall:

- 6.4.1 enter into the Debt Assumption Agreements and undertake to repay the Debt in accordance with Clause 2 of those Agreements;
- 6.4.2 allot and issue to the each of the Vendors at par such number of Shares credited as fully paid up free from all Encumbrances together with all rights attaching thereto as are set against the relevant Vendor's name in Column 2 of Schedule 4;
- 6.4.3 deliver to the Vendors' Solicitors share certificates in respect of such Shares as are set against the relevant Vendor's name in Column 2 of Schedule 4; and
- 6.4.4 procure that the Vendors are entered on the register of members of the Purchaser accordingly.

7. THE MAINTENANCE CONTRACTS

- 7.1 Subject to Clauses 7.2, 7.3 and 8.1, the Maintenance Contracts shall be transferred on the Completion Date.
- 7.2 The Vendors will at their own expense terminate all the Maintenance Contracts on the Completion Date but if the Purchaser notifies the Vendors within one month from the date of this Agreement that it wishes instead to take over the Maintenance Contracts or any of them then the Vendors will use all reasonable endeavours by assignment novation or transfer to procure the benefit of the Maintenance Contracts for the Purchaser with effect from the Completion Date and in such case the Purchaser hereby agrees with the Vendors to observe and perform the Vendors obligations under the Maintenance Contracts from the Completion Date and to indemnify the Vendors in relation to any costs claims proceedings demands expenses or any liability whatsoever or howsoever arising out of any failure of the Purchaser to observe and perform the same from the Completion Date.
- 7.3 Where the Purchaser has notified the Vendors that it wishes to take over any of the Maintenance Contracts then in respect of these Maintenance Contracts for which the Vendors are not able to procure the assignment novation or transfer by the Completion Date the Vendors will hold the benefit of all its estate and interest in the same on trust for the Purchaser and at the request and reasonable cost of the Purchaser will for the period of three months from the Completion Date take such proper reasonable and lawful steps to enforce the provisions of the same as the Purchaser may reasonably require.
- 7.4 The Vendors agree with the Purchaser to indemnify the Purchaser against all Losses incurred by the Purchaser in respect of the Maintenance Contracts arising and relating to matters occurring prior to the Completion Date.

8. THIRD PARTY CONSENTS

8.1 Failure to Obtain Consents

Nothing in this Agreement shall be construed as an attempt to assign any contract which by its terms or by law is not assignable without a Third Party Consent unless such consent shall have been given. The Vendors agree to procure the Third Party Consents in each case where it is required.

8.2 The Properties

The provisions of Schedule 2 shall apply in relation to the transfer of the Properties.

9. CAPITAL ALLOWANCES

9.1 In this clause "Elected Plant" means plant and machinery (within the meaning of the Capital Allowances Act 2001) which constitutes fixtures of the Properties and on which the Vendors have validly claimed, will validly claim or otherwise obtain capital allowances and in respect of which the Vendors have to bring a disposal value into their tax computations by reason of this sale.

9.2 The Vendors and the Purchaser agree that the part of the consideration (referred to in Clause 4.1) attributable to the Elected Plant ("the Elected Amount") shall be the tax written down value of the Elected Plant based on the tax computations filed by the Vendors in respect of the accounting period ended 31 July 2003 ("the Tax Written Down Value") as reduced by the Relevant Amount calculated in accordance with clause 9.3 below.

9.3 The "Relevant Amount" is the amount by which the Tax Written Down Value would be reduced if the Vendors are treated as being entitled to and having claimed capital allowances up to the Completion Date in respect of the Elected Plant and that such allowances are treated as being available and calculated on a daily basis.

9.4 The parties undertake that they shall not represent to the relevant tax authority or otherwise seek to establish that the part of the consideration (referred to in Clause 4.1) attributable to the Elected Plant is for an amount other than the Elected Amount save as required by law.

9.5 On the Completion Date the Vendors and the Purchaser shall sign in duplicate an election (with a detailed breakdown of apportioned values attributed to individual items of plant) under section 198 of the Capital Allowances Act 2001 in respect of the Elected Plant in the form set out in Schedule 5 ("the Election"). Each party agrees to submit the Election to the Inland Revenue within the time limit prescribed by law.

9.6 The parties agree that they shall reflect the Elected Amount in their relevant tax computations and returns and to co-operate in the event of a dispute by the Inland Revenue concerning the Elected Amount.

10. WHOLE AGREEMENT AND REMEDIES

10.1 Whole Agreement

This Agreement contains the whole agreement between the parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement.

10.2 Acknowledgement

The Purchaser acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated into it other than replies to the Purchaser's Solicitors' enquiries made in writing by the Vendors' Solicitors.

10.3 Interpretation

In Clauses 10.1 and 10.2 "this Agreement" includes all documents entered into pursuant to this Agreement.

11. OTHER PROVISIONS

11.1 Further Assurance

The Vendors shall provide to the Purchaser such assistance and information as the Purchaser may reasonably request in order to assist the Purchaser in any correspondence with the Stamp Office regarding the stamping of this Agreement, any Land Registry TR1 forms or any other document entered into in connection with the sale and purchase of the Business.

11.2 Confidentiality and Announcements

11.2.1 No party shall, without the written consent of the other parties, divulge or permit its officers, employees, agents, advisers or contractors to divulge to any person (other than to mortgagees or any respective officers, employees or professional advisers of a party or a mortgagee as required for the proper performance of the Agreements, or to a person to whom, in each case, disclosure of information is permitted by this Agreement and who require the same to enable them properly to carry out their duties):

11.2.2 any of the contents of this Agreement or information concerning the Agreement;

11.2.3 any information which, in consequence of the negotiations relating to this Agreement or performing or exercising its rights and obligations under this Agreement, either party may have acquired (whether before or after the date of this Agreement) with respect to the other parties.

11.2.4 Subject to Clause 11.2.5, no announcement concerning the transaction contemplated by this Agreement or any ancillary matter shall be made by any party without the prior written approval of the other parties.

11.2.5 Any party may make an announcement concerning the transaction contemplated by this Agreement or any ancillary matter if required by:

11.2.5.1 law; or

11.2.5.2 any securities, exchange or regulatory or governmental body to which such party is subject, wherever situated, including (without limitation) the London Stock Exchange plc or The Panel on Takeovers and Mergers, whether or not the requirement has the force of law.

11.2.6 The restrictions contained in Clauses 11.2.1 to 11.2.5 shall continue to apply after the termination of this Agreement without limit in time.

11.3 Successors and assigns

11.3.1 No party shall assign at law or in equity (including by way of a charge or declaration of trust), or purport to do any of the same, or sub-contract any or all of its obligations under this Agreement. Each party is entering into this Agreement as principal not agent, and may not enforce any of its rights under or in connection with this Agreement for the benefit of any other person. Any purported assignment in breach of this clause shall confer no rights on the purported assignee.

11.3.2 Notwithstanding the provisions of Clause 11.3.1, the Purchaser shall be entitled to assign its rights under this Agreement to any member of the Purchaser's Group provided that the assigned rights shall lapse immediately prior to the company to whom the rights have been assigned ceasing to be a member of the Purchaser's Group.

11.4 Variation etc.

11.4.1 No variation of this Agreement shall be effective unless in writing and signed by or on behalf of both of the parties to this Agreement.

11.4.2 For the purposes of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 this Agreement shall be deemed to incorporate all documents directly or indirectly required to be executed pursuant to it.

11.5 Exclusion of Third Party Rights

The parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not party to it.

11.6 Costs

The Vendors shall bear all legal, accountancy and other costs and expenses incurred by them in connection with this Agreement and the sale of the Business. The Purchaser shall bear all such costs and expenses incurred by it.

11.7 Notices

- 11.7.1 Any notice or other communication requiring to be given or served under or in connection with this Agreement shall be in writing and shall be sufficiently given or served if delivered or sent:

In the case of the Vendors to:

Address c/o Israel Strange & Conlon
384 City Road
London
EC1V 2QA

Fax: 020 7833 8455

Attention: Michael Conlon/Ian Strange

In the case of the Purchaser to:

Address c/o Olswang
90 High Holborn
London WC1V 6XX

Fax: 020 7067 3999

Attention: David Kustow/Richard Hildebrand

- 11.7.2 Any such notice or other communication shall be delivered by hand or sent by courier, fax or prepaid first class post. If sent by courier or fax such notice or communication shall conclusively be deemed to have been given or served at the time of despatch, in case of service in the United Kingdom, or on the following Business Day, in the case of international service. If sent by post such notice or communication shall conclusively be deemed to have been received two Business Days from the time of posting, in the case of inland mail in the United Kingdom, or three Business Days from the time of posting in the case of international mail.

11.8 Severance

If any term or provision of this Agreement is held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term, or provision or part shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall not be affected.

11.9 Counterparts

This Agreement may be signed in any number of counterparts each of which shall be deemed an original, but all the counterparts shall together constitute one and the same instrument.

11.10 Non-Merger

All the provisions of this Agreement will continue in full force and effect after Completion to the extent that any of them may then remain to be observed and performed.

11.11 Governing Law and Submission to Jurisdiction

This Agreement and, save as expressly referred to therein, the documents to be entered into pursuant to it shall be governed by and construed in accordance with English law and the parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and such documents.

IN WITNESS whereof this Agreement has been entered into as a Deed on the date stated at the beginning.

SCHEDULE 1

The Vendors

Name: **St Mary's Properties Limited**

Date and place of incorporation: 11 April 2001 in England and Wales

Registered number: 04198512

Registered office: c/o George Little Sebire & co
Victoria House
64 Paul Street
London
EC2A 4TT

Name: **Civilmain Limited**

Date and place of incorporation: 11 April 2001 in England and Wales

Registered number: 04198497

Registered office: c/o George Little Sebire & co
Victoria House
64 Paul Street
London
EC2A 4TT

Name: **Welborne Properties Limited**

Date and place of incorporation: 10 May 2001 in England and Wales

Registered number: 04214428

Registered office: c/o George Little Sebire & co
Victoria House
64 Paul Street
London EC2A 4TT

SCHEDULE 2

The Properties

Part A

Terms affecting the Properties

1. TITLE

- 1.1 Title to the Properties is registered at HM Land Registry with absolute title under the Registered Titles and title shall be deduced in accordance with the Land Registration Act 1925 Section 110.
- 1.2 The Vendors will transfer with Full Title Guarantee.
- 1.3 There shall not be implied by virtue of the Vendors implied covenants for title any covenant that the Vendors as landlord in respect of the Tenancy Documents have complied with all or any covenants on its part contained or implied in the Tenancy Documents.

2. MATTERS AFFECTING THE PROPERTIES

2.1 Tenancies

- 2.1.1 The Properties are sold subject to and with the benefit of the tenancies ("the Tenancies") details of which are contained in the Tenancy Documents a copy of each of which has been supplied to the Purchaser or the Purchaser's Solicitor prior to the date of this agreement as is hereby acknowledged.
- 2.1.2 The Purchaser shall be deemed to purchase with full knowledge and notice of the Tenancies and the contents of the Tenancy Documents and shall not make or raise any objection or requisition in respect of them or any of them or any matter or matters arising therefrom and shall not be entitled to call for sight or evidence of any other documents or the terms thereof save for documents concluded between the date hereof and the Completion Date

2.2 Transfers

- 2.2.1 The transfers of the Properties to the Purchaser shall be prepared and executed in duplicate and the duplicate shall be stamped and denoted at the Purchaser's expense and delivered to the Vendors' Solicitors within one month of the Completion Date.
- 2.2.2 The Purchaser shall in the transfers of the Properties to the Purchaser covenant with the relevant Vendor with effect from the Completion Date that it will indemnify the relevant Vendor fully and effectually and keep the

relevant Vendor fully and effectually indemnified in respect of any continuing obligation of the relevant Vendor relating to the Tenancies the future breach non-observance or non-performance of which would expose the relevant Vendor to liability notwithstanding completion of the sale of the Properties to the Purchaser.

3. **INCUMBRANCES**

- 3.1 The Properties are sold subject to and (where appropriate) with the benefit of the matters contained or referred to in the Property Documents and the Lease Documents and the property and (save for mortgages and other financial charges) the charges registers of the Registered Titles.
- 3.2 The Leasehold Properties are sold subject to the payment of the rents reserved by and to the covenants and conditions to be observed or performed by the lessees contained in the Lease Documents.
- 3.3 The Purchaser's Solicitors having been supplied with a copy of each of the Property Documents and the property and charges registers of the Registered Titles and the Lease Documents prior to the date of this agreement the Purchaser shall be deemed to purchase with full notice and knowledge of them and of all matters referred to in them and shall not raise any requisition or make any objection in respect of them or in any way relating to them save for matters arising after the date hereof or as a result of pre-completion searches at HM Land Registry or HM Land Charges Registry
- 3.4 The Transfer of the Properties to the Purchaser shall contain a covenant by the Purchaser in the following form:

"The Transferee covenants with the Transferor that the Transferee and its successors in title will at all times after the date of this transfer observe and perform the matters contained or referred to in the Property Documents and the property and charges registers of the Registered Titles and will indemnify the Transferor and keep the Transferor and its effects fully and effectually indemnified against all actions proceedings damages costs and claims and all other expenses whatsoever which may be suffered or incurred in respect of any future breach or non-observance or non-performance of them or any of them"

4. **OTHER MATTERS AFFECTING THE PROPERTIES**

- 4.1 The Properties are also sold subject to:
- 4.1.1 all local land charges whether registered or not before the date of this agreement and all matters capable of registration with any local statutory or other authority pursuant to any statute or subordinate legislation;
- 4.1.2 all notices served and orders demands proposals or requirements made by any local public or other competent authority whether before or after the date of this agreement and whether or not subject to any confirmation;

- 4.1.3 all actual or proposed charges notices orders restrictions agreements conditions contraventions or other matters arising under the enactments relating to town and country planning;
- 4.1.4 all easements quasi-easements rights exceptions overriding interests or other similar matters whether or not apparent on inspection or disclosed in any of the documents referred to in this agreement; and
- 4.1.5 all matters disclosed or which might reasonably be expected to be disclosed as a result of usual searches or enquiries made by or on behalf of the Purchaser or which a prudent purchaser ought to make,

but without prejudice to the Vendors obligations to disclose to the Purchaser any of the matters referred to in clauses 4.1 to 4.1.3 of which any of the Vendors are actually aware

- 4.2 The Purchaser shall be deemed to purchase with full notice and knowledge of all of the matters referred to in clause 4 and shall not raise any requisition or make any objection in respect of them or any matter or matters arising therefrom or in any way relating to them

5. INCORPORATION OF CONDITIONS OF SALE

The General Conditions shall apply to this agreement in so far as they are applicable to a sale by private treaty and are not varied by or inconsistent with the terms of this agreement and shall be amended as follows:

- 5.1 in condition 1 (6) the words "with or without involving Solicitors undertakings" shall be deleted and the words "in accordance with the then current recommendations (if any) of the Law Society in relation to the concluding of contracts by such means" shall be substituted;
- 5.2 Conditions 2 and 5 (5) shall be deleted;
- 5.3 in Condition 7(1) the words after "completed" in line 4 shall be deleted and replaced by the words "and the Vendor shall in respect of the said period of time also be entitled to enjoy the income from the Property";
- 5.4 in Condition 9 (2) the word "reasonably" shall be inserted before the words "to satisfy the Purchaser";
- 5.5 in Condition 11 (5) the word "promptly" shall be inserted between the words "The Purchaser" and "supplying";
- 5.6 in Condition 13 (1) the words "or for such shorter period (if any) as the Vendor has owned the Property" shall be inserted after the words "at least twelve years" ;
- 5.7 Condition 15 (2) shall not apply; and
- 5.8 for the purposes of Condition 22 no Vendor shall not be treated as unready or unwilling to fulfil that Vendor's own outstanding obligations hereunder on the ground

only that any mortgage or charge affecting the Properties is undischarged if the same will be discharged (or an undertaking for the discharge will be given) upon actual completion.

6. MANAGEMENT OF PROPERTIES PENDING COMPLETION

6.1 Except pursuant to any statutory duty, the Vendors shall not:

- 6.1.1 grant any lease;
- 6.1.2 terminate or accept a surrender of any of the Tenancy Documents;
- 6.1.3 vary the terms of the Tenancy Documents;
- 6.1.4 grant any consent under the Tenancy Documents;
- 6.1.5 serve any notices;
- 6.1.6 commence forfeiture or insolvency proceedings or take any steps in connection therewith or in preparation therefor,

without the Purchaser's approval (not to be unreasonably withheld or delayed) but shall otherwise continue to manage the Properties in accordance with the principles of good estate management and in full consultation with the Purchaser.

6.2 The Vendors shall:

- 6.2.1 inform the Purchaser in writing without delay if the Vendors or any of them learn of any application by a tenant for consent under the Tenancy Documents or of any requirement for remedial or other works to be carried out at or to any of the Properties which will involve in respect of any of them aggregate expenditure at any one time or in respect of any one contract of more than £2,500 plus VAT. The Vendors shall then act as the Purchaser reasonably directs and in the event that the Vendors, at the request of the Purchaser, take any action or refrain from taking any action, or omit or refuse to do anything referred to in clause 6 or this clause 6.2, the Purchaser will indemnify and keep indemnified the Vendors fully and effectually against all actions, claims, demands, losses, expenses, liabilities and reasonable and properly incurred professional fees arising as a result. In the absence of any such direction by the Purchaser within a reasonable time, the Vendors may act in accordance with the principles of good estate management; and
- 6.2.2 if required in writing by the Purchaser but at the full cost and expense of the Purchaser (the Purchaser, if the Vendors reasonably so require, providing reasonable security for such costs and expenses) undertake such work to or at the Properties or any of them prior to the Completion Date as the Purchaser shall direct but not if such works shall be in breach of the Tenancy Documents.

6.3 The Vendors agree that they will, not later than 4 March 2003 submit written demands to each of the tenants under the Tenancy Documents in respect of rents, insurance rent, service charge (where applicable) and value added tax thereon payable by such tenants on 25 March 2003 and will forthwith provide copies of such demands to the Purchaser. The Vendors shall not seek to make any charge by way of management charge or fee or otherwise in that regard, save to the extent that such a management charge would be recoverable from the tenants pursuant to their service charge obligations.

6.4 The Vendors will after the Completion Date, (at the request and cost of the Purchaser) but prior to the date on which the Purchaser is registered as the proprietor of the relevant Properties, serve such notices or take such other action as the Purchaser reasonably requires in relation to such Properties as the Purchaser shall direct in writing

7. INSURANCE

7.1 As between the Vendors and the Purchaser the Properties shall be at the risk of the Purchaser from the date of this Agreement.

7.2 The Vendors shall:

7.2.1 maintain their existing insurance on the Properties for the benefit of the Purchaser until after actual completion;

7.2.2 if the Purchaser so requires (but at the Purchaser's cost) increase the insurance cover maintained in respect of the Properties or any of them and insure against any further insurance risks (as shall be insurable) as in each case the Purchaser shall in writing so require;

7.2.3 cancel their existing insurance on the Properties forthwith following actual completion;

7.2.4 pay any refund of premium they receive to each tenant in proportion to the contribution to the premium which that tenant had paid the Vendors in advance; and

7.2.5 forthwith procure that the interest of the Purchaser as contractual purchaser of the Properties is notified to the Vendors' insurers and that an endorsement of such interest is made on the insurance policy or policies.

7.3 If after completion the Vendors' insurers properly demand any insurance premium which relates to the Vendors' insurance prior to completion and it is recoverable from any tenant, such premium shall be dealt with as Arrears under clause 9.

7.4 In the event that prior to the Completion Date the Properties or any of them are damaged by any of the risks against which the Vendors shall have insured:

7.4.1 the Vendors shall inform the Purchaser as soon as reasonably practicable after the damage has occurred;

- 7.4.2 the Vendors shall at the Purchaser's expense take such steps as the Purchaser may reasonably require to effect and process any claim under any insurance policy in respect of the Properties and to use the insurance proceeds towards making good the loss in respect of which those proceeds were paid to the extent required by the terms of the Tenancy Documents and the Vendors shall account with such insurance proceeds or any unexpended balance thereof to the Purchaser on the Completion Date; and
- 7.4.3 if the Vendors shall make an insurance claim as a result of insurance damage it shall not in any event agree or compromise the amount of any such claim without first obtaining the written consent of the Purchaser which shall not be unreasonably withheld or delayed.
- 7.5 The Vendors shall on the Completion Date assign the benefit of any current or pending insurance claim or claims in respect of the Properties or any of them to the Purchaser.
8. **APPORTIONMENTS**
- 8.1 Income and outgoings shall be apportioned with effect from the Completion Date (the day itself being apportioned to the Vendors).
- 8.2 Apportionment payments shall be made at actual completion, except in respect of income then due but unpaid where the payment shall be made when that income is received.
- 8.3 The amount apportionable to the Purchaser of annual sums payable in instalments shall be determined in accordance with the formula:

$$\frac{A}{365} \times B$$

Where A is the annual sum and B is the number of days from but excluding the effective date of apportionment down to the end of the quarter (or other period in respect of which instalments are payable) during which that date falls.

- 8.4 This clause takes effect subject to any other clause of this agreement.

9. **ARREARS**

- 9.1 For the purpose of this clause "Arrears" means:
- 9.1.1 money due from a tenant but unpaid as at the Completion Date;
- 9.1.2 money spent and recoverable from a tenant under the Tenancy Documents but not so recovered at the Completion Date;
- 9.1.3 money required to be dealt with under this clause by some other proviso of this agreement.

9.2 From completion the Purchaser shall:

9.2.1 take such steps as the Vendors may reasonably request and at the Vendors' cost (or the Vendors bearing a fair and proper proportion of such costs if the Arrears are partially due to the Vendors and to the Purchaser) (but not involving forfeiture or insolvency) to recover the Arrears; and

9.2.2 keep the Vendors informed of all steps taken by the Purchaser to recover the Arrears.

9.3 Either party who receives any of the Arrears shall account to the other for that other's share (if any) of such Arrears as soon as practicable after receipt in cleared funds.

9.4 Any Arrears received after completion from a tenant (as opposed to current rent or other current payments) shall be applied in the order in which such Arrears arose.

9.5 If the Vendors share of the Arrears has not been fully recovered within six months after the Completion Date, the Purchaser shall when requested by the Vendors assign to the Vendors the right to sue for the Arrears still outstanding and the Purchaser shall give the Vendors such assistance (at the Vendors' reasonable cost) as the Vendors may reasonably require in seeking to recover such Arrears. Provided that the Vendors shall not take or institute any insolvency proceedings or steps for insolvency against any of the tenants of the Tenancy Documents.

10. SERVICE CHARGE

10.1 This clause 10 shall apply in relation to Units A – C2 Meadowbank, Furlong Road, Bourne End and Units 1-8 The Courtyard, Bourne End.

10.2 On the Completion Date the Vendors will pay or allow to the Purchaser a sum representing the amount (if any) by which Service Charge Receipts exceed Service Charge Costs

10.3 As soon as practicable following the Completion Date and on or before the Calculation Date the Vendors shall procure that an account is prepared by its managing agents setting out:

10.3.1 the Service Charge Costs incurred during the Service Charge Period up to and including the Completion Date; and

10.3.2 the Service Charge Receipts received by the Vendors in respect of the Service Charge Period up to and including the Completion Date.

and the Vendors shall forthwith provide the Purchaser with a copy of such account (in the manner (if any) stipulated by the Tenancy Documents)

10.4 In the event that such account shall show that the Service Charge Receipts exceed the Service Charge Costs then the amount of such surplus (less any amount paid on account pursuant to clause 10.1 shall be paid forthwith by the Vendors to the Purchaser and the Purchaser shall credit the tenants in respect thereof.

- 10.5 In the event that such account shall show that the Service Charge Costs exceed the Service Charge Receipts then the Purchaser will use reasonable endeavours to recover such deficit from the tenants (at the Vendors' reasonable cost) and within 10 days after receipt thereof in cleared funds will pay such amounts received to the Vendors.
- 10.6 If any deficit has not been fully recovered within 6 months after provision of the account referred to in Clause 10.2 the Purchaser shall when requested by the Vendors assign to the Vendors the right to sue for the deficit and the Purchaser shall give the Vendors such assistance (at the Vendors' reasonable cost) as the Vendors may reasonably require in seeking to recover such deficit. Provided that the Vendors shall not take or institute any insolvency proceedings or steps for insolvency against any of the tenants under the Tenancy Documents.
- 10.7 In the event that after settlement of accounts under clauses 10.1 to 10.4 the Vendors incur any further Service Charge Costs or receive any further Service Charge Receipts which were not brought into account under clause 10.2 then the Vendors will as soon as practicable produce a further account and:
- 10.7.1 within 5 working days after the date of service of that further account on the Purchaser or its solicitors the Vendors will pay to the Purchaser such sum as is properly due pursuant to such further account; and
- 10.7.2 in the event that the further account shall show that the further Service Charge Costs exceed the further Service Charge Receipts, then the provisions of clause 10.4 (*mutatis mutandis*) shall apply to such further deficit.
- 10.8 In the event that any sum due by either party to the other pursuant to this clause 10 is not paid on the due date, that sum will bear interest at the Interest Rate from the due date until the date of actual payment.
- 10.9 After the Completion Date and until the Purchaser has collected all service charges due in respect of the current Service Charge Period from the tenants the Vendors will preserve all vouchers and receipts relating thereto and will make the same or procure the same are made available for inspection and will provide or procure that the Purchaser be provided with copies thereof.
- 10.10 The Vendors agree to indemnify and keep indemnified the Purchaser against and in respect of all costs and expenses incurred by the Vendors in the management maintenance repair and other works to the properties referred to in clause 10.1 in respect of the period up to the Completion Date insofar as such costs are not lawfully and fully recoverable from the tenants under the Tenancy Documents.

11. RENT REVIEWS

- 11.1 The Vendors shall be entitled but not obliged to commence or (if already commenced) continue with the negotiations for review of rent up to the Completion Date (in full consultation with the Purchaser) in respect of any rent review under the Tenancy Documents which is or falls due prior to the Contractual Completion Date but the Vendors shall not enter into any agreement as to the rent payable under the Tenancy

Documents or make application for independent determination of a reviewed rent without the consent in writing of the Purchaser (which consent is not to be unreasonably withheld or delayed).

11.2 Following the Completion Date the Purchaser will:

- 11.2.1 use its reasonable endeavours to proceed as expeditiously as reasonably practicable with each outstanding rent review which has either been instigated by the Vendors prior to the Completion Date or is in respect of a review date which is on or after 25 December 2002 in accordance with the Tenancy Documents unless the Purchaser reasonably believes (after consultation with the Vendors) that there is no reasonable prospect of achieving a rental uplift at such review;
- 11.2.2 keep the Vendors informed as to the progress of any such review;
- 11.2.3 give due consideration to the Vendors reasonable representations;
- 11.2.4 notify the Vendors within 10 Working Days of agreement or determination of the amount of the revised rent for any such review; and
- 11.2.5 pay to the Vendors the amounts due to the Vendors within 10 Working Days of receipt of such amounts from the tenant in cleared funds being the difference between the rent as apportioned on completion and the rent which would have been apportioned had the revised rents for such reviews been determined and paid before completion together with an amount (if any) equal to the interest received which is properly attributable to the period between the relevant review date and the Completion Date.

11.3 The Vendors and the Purchaser shall following the Completion Date take such steps as may be appropriate in order to substitute the Purchaser as a party to any pending reference to arbitration or to an independent expert.

12. RENT DEPOSITS

All money deposited with or held by the Vendors on the Completion Date as security for payment of rent and other sums payable and for performance of covenants by a tenant under the Tenancy Documents ("the Rent Deposits") shall be dealt with as follows:-

- 12.1.1 the Vendors will on completion account for the Rent Deposits to the Purchaser with all accrued interest and assign by deed to the Purchaser the benefit of the Rent Deposits subject to the terms on which they are held; and
- 12.1.2 the Purchaser will in the assignment covenant with the Vendors to observe and perform the obligations of the Vendors as landlord in respect of the Rent Deposits and to indemnify the Vendors against all liability for future breach of those obligations.

13. VACANT POSSESSION

- 13.1 Vacant possession will be given on completion of those parts of the Properties not subject to the Tenancy Documents.

14. ASSIGNMENT OF GUARANTEES

- 14.1 The relevant Vendors shall on completion assign to the Purchaser absolutely all of its estate right and interest (if any) (utilising such form of assignment deed or deeds as the Purchaser shall reasonably require) in such guarantees of the obligations of tenants under the Tenancy Documents and in any other warranties guarantees and indemnities relating to the Properties as exist at the date of this agreement and remain in existence at the Completion Date as the Purchaser shall require to be specifically assigned to it.

15. UNITS 4A AND 7B THE COURTYARD BOURNE END

- 15.1 Immediately prior to the Completion Date Welborne Properties Limited ("Welborne") shall open a deposit account in the joint names of itself and the Purchaser ("Account") with Allied Irish Bank (UK) PLC and on or before the Completion Date Welborne shall deposit the sum of £86,000 plus VAT (if any) in respect of the rental payments due on Unit 4a and 7b, the Courtyard, Bourne End ("Unit 4a" and "Unit 7b" respectively).

- 15.2 On each of the usual quarter days the Purchaser shall be entitled to withdraw from the Account:

15.2.1 £5,750 plus VAT (if any) in relation to Unit 4a; and

15.2.2 £5,000 plus VAT (if any) in relation to Unit 7b,

without obtaining any signature or other consent therefor from Welborne until such time as the relevant Unit is let on arm's length terms and at an open market rent to a third party and until any rent free period has expired. If any rent free period shall expire during a quarter, then the Purchaser shall only be entitled to withdraw from the Account an amount for that quarter equivalent to the rent free period up to the date of such expiry.

- 15.3 The Purchaser shall cease to be entitled to draw funds in respect of the relevant Unit on whichever is the earlier of the sale or other disposal of the reversion to the relevant Unit (including a sale or other disposal of the entire issued share capital of the Purchaser to a third party) and the letting of the relevant Unit on arm's length terms and at an open market rent to a third party and following the expiry of any rent free period.

- 15.4 As soon as reasonably practicable after any party enters into a lease with the Purchaser in respect of a Unit and after any rent free period has expired, the Purchaser shall give notice to Allied Irish Bank (UK) PLC and to Welborne that Welborne shall be entitled to withdraw the balance remaining in the Account relating to that Unit and, if no funds remain in the Account after such withdrawal, to close the Account.

15.5 In the event that the lease of a Unit commences on a day other than a quarter day, the Purchaser shall, upon the completion of the grant of such lease (or, if later, the expiry of any rent free period), pay into the Account the apportioned amount of the rent received from the tenant.

15.6 The Purchaser shall use reasonable efforts as soon as reasonably practicable to secure lettings of the Units on arm's length terms at an open market rent to third parties.

16. EXTERNAL CONSULTANTS/EMPLOYEES

16.1 The Vendors agree that the salaries or, where appropriate, fees of all employees, consultants and professional and other advisers to the business as carried on by each Vendor (including, without limitation and for the avoidance of doubt, the Vendors and any managing agent of the Vendors, including Estates Facilities Management Limited, Aldersgate Properties Limited, Ross Jaye, Lambert Smith Hampton and Jaffety Buckland (together, the "Managing Agents")) will insofar as they relate to the Properties be paid in full as at and up to and including the Completion Date and that in relation to the provision of services to the Vendors in respect of the Properties, the arrangements and agreements relating to the provision of such services shall be formally terminated with effect from and including the Completion Date.

16.2 The Vendors warrant that:

16.2.1 the termination of the arrangements and agreements referred to in paragraph 16.1 above will not result in:

16.2.1.1 any break payment becoming payable by the Purchaser to the Vendors or any of them or to any Managing Agent; or

16.2.1.2 any acceleration of the payments due under such contracts;

16.2.2 in respect of the Properties no employees are employed by and no person has accepted an offer of employment from, the Vendors or any of them (either directly, or via any of the Managing Agents), any person connected with any of the Vendors or any Managing Agents referred to in paragraph 16.1; and

16.2.3 in respect of the Properties no employees have ceased to be employed by or have received notice of the termination of their employment with any Vendor (either directly or via a Managing Agent), or any person connected with any Vendor or any Managing Agent referred to in paragraph 16.1 above within the 12 months ending on the date of this agreement.

16.3 The Vendors shall indemnify the Purchaser on demand against all liabilities, losses, costs and expenses arising from or in connection with any claim made by any person who is or was prior to the Completion Date an employee or worker of (i) any of the Vendors or (ii) any Managing Agent as a result of this Agreement or the transactions governed by it, whether as a result of the application (or alleged application) of the Transfer of Undertakings (Protection of Employment) Regulations 1981 or otherwise.

17. ACKNOWLEDGEMENTS BY THE PURCHASER

The Purchaser admits that:

- 17.1 it has inspected the Properties and purchases them with full knowledge of their actual state and condition and takes the Properties as they stand;
- 17.2 it enters into this agreement solely as a result of its own inspection and on the basis of the terms of this agreement and not in reliance upon any statement representation or warranty either written or oral or implied made by or on behalf of the Vendors and whether contained in any advertisement particulars correspondence or otherwise (save for matters contained or referred to in written replies given by the Vendors' Solicitors to any written enquiries raised by the Purchaser's Solicitors); and
- 17.3 this agreement contains the entire agreement between the parties in relation to the sale and purchase of the Properties.

Part B
(The Freehold Properties)

Property	Registered Title	VAT Elected (ie VAT Properties)
9-10 St Mary at Hill, London	LN104824	No
5 London Road Chertsey	SY167565	Yes
Units A-C2 Meadowbank Furlong Road Bourne End and Units 1 – 8 The Courtyard Bourne End	BM172659 and BM172661	Yes

Part C
(The Leasehold Properties)

Property	Registered Title	VAT Elected (ie VAT Properties)
N/A	N/A	N/A

Part D

(the Property and/or Lease Documents)

9 and 10 St Mary-at-Hill, London

10/08/2001	Office Copy Entries	Title Number : LN104824
13/11/1985	Office Copy Deed	(1) Guardian Assurance Company Plc (2) Dewey Warren Company Limited (3) Minorities Holdings Limited
21/12/1990	Office Copy Transfer	(1) Guardian Assurance Plc (2) Letinvest Plc
15/1/2001	Wayleave Agreement	(1) Pinton Estates Plc (2) Global One Communications Holding Limited
8/12/1998	Bank Guarantee	(1) Bank of Scotland
8/12/1998	Consent	(1) Raglan Estates Plc
8/12/1998	Agreement	(1) Raglan Estates Plc (2) PYV Limited

5 London Street, Chertsey

11/10/2002	Office Copy Entries	Title Number : SY167565
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Phase 1 Meadowbank, Furlong Road, Bourne End

10/8/2001	Office Copy Entries	Title Number : BM172659
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The Courtyard, Meadowbank, Furlong Road, Bourne End

10/08/2002	Office Copy Entries	Title Number: BM172661
29/9/1983	Agreement	(1) Thames Water Authority (2) Wimpey Homes Holdings Limited (3) Jacksons Bourne End Plc
13/11/1989	Defective Title Indemnity	Sun Alliance Policy No. GA 00012496
31/8/1935	Office Copy Conveyance	(1) The County Council of the Administrative County of Buckingham

Part E
(the Tenancy Documents)

9 and 10 St Mary-at-Hill, London

8/12/1998	Lease	(1) Raglan Estates Plc (2) PYV Limited
8/12/1998	Licence for Alterations	(1) Raglan Estates Plc (2) PYV Limited
8/12/1998	Agreement relating to Deeds of Warranty	(1) Raglan Estates Plc (2) PYV Limited
27/1/2000	Licence for Alterations	(1) Raglan Estates Plc (2) PYV Limited
27/1/2000	Licence to Underlet	(1) Raglan Estates Plc (2) PYV Limited (3) Pointon York Limited
31/1/2000	Underlease	(1) PYV Limited (2) Pointon York Limited
13/3/2000	Licence to Underlet	(1) Raglan Estates Plc (2) PYV Limited (3) The Allison Partnership Ltd
20/3/2000	Underlease	(1) PYV Limited (2) The Allison Partnership Limited
22/2/1999	Licence to Underlet	(1) Raglan Estates Plc (2) PYV Limited (3) Policy Master Plc
24/2/1999	Lease	(1) PYV Limited (2) Policy Master Plc
27/4/1999	Licence for Alterations	(1) Raglan Estates Plc (2) PYV Limited (3) Policy Master Plc

5 London Street, Chertsey

1/1/1959	Deed	(1) Young & Co's Brewery Limited (2) Surrey Sand and Gravel Company Ltd
17/10/1985	Deed of Agreement	(1) Young & Co's Brewery Plc (2) Charron Properties Limited
21/10/1996	Agreement for Lease	(1) Reglan Securities Limited (2) Effective Sales Personnel Limited (3) Siteinput Ltd & Milton Marketing Ltd
9/12/1996	Lease	(1) Raglan Securities Limited (2) Effective Sales Personnel Ltd (3) Siteinput Ltd & Milton Marketing Ltd
13/6/2001	Agreement for Transfer of Undertaking	(1) Anton Securities Limited (2) Civilmain Limited

The Courtyard, Meadowbank, Furlong Road, Bourne End**Unit 1A**

15/3/2002	Lease	(1) Welborne Properties Limited (2) Eurotek Ireland Limited
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Unit 2

19/5/2000	Lease	(1) Bourne End Property Investment Limited (2) Hinkins and Frewin Limited
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Unit 3

20/7/1994	Counterpart Lease	(1) Bourne End Property Investment Limited (2) Arizona Microchip Technology Limited
2/3/1998	Licence to Underlet	(1) Bourne End Property Investments Limited (2) Arizona Microchip Technology Limited (3) Takeda UK Limited (4) Takeda Chemical Industries Ltd

4/2/1999	Memorandum of Rent	(1) Bourne End Property Investments Limited (2) Arizona Microchip Technology Ltd
16/8/2001	Licence to Assign	(1) Arizona Microchip Technology Ltd (2) Takeda UK Limited (3) Edify Emea Limited (4) Edify Corporation

Unit 5

31/8/2001	Lease	(1) Welborne Properties Limited (2) Right 4 Staff Limited
2/10/2002	Licence	(1) Welborne Properties Limited (2) Right4Staff Limited (3) AHL Europe Limited
2/10/2002	Guarantee	(1) Right4Staff Limited (2) Welborne Properties Limited

Unit 6

20/7/1994	Counterpart Lease	(1) Bourne End Property Investment Ltd (2) Arizona Microchip Technology Ltd
22/4/1999	Licence to Underlet	(1) Bourne End Property Investments Ltd (2) Arizona Microchip Technology Ltd (3) Takeda UK Limited
22/4/1999	Underlease	(1) Arizona Microchip Technology Ltd (2) Takeda UK Limited
22/4/1999	Rent Deposit Deed	(1) Arizona Microchip Technology Ltd (2) Takeda UK Limited (3) Bourne End Property Investment Ltd
23/3/2001	Licence to Assign	(1) Bourne End Property Investments Ltd (2) Arizona Microchip Technology Ltd (3) Takeda UK Limited (4) Alfred McAlpine Homes Thames Valley Limited (5) Alfred McAlpine Homes Holdings Ltd
1/3/2002	Certificate of Incorporation	Arizona Microchip Technology Ltd to Microchip Limited

Unit 7A

1/5/1998	Lease	(1) Bourne End Property Investment Ltd (2) Softklone (UK) Limited
14/9/1998	Deed of Covenant	(1) Bourne End Property Investment Ltd (2) Softklone (UK) Limited
21/8/2002	Certificate of Incorporation on Change of Name	Softklone (UK) Limited to Actualit Solutions Limited

Unit 8

14/8/1997	Lease	(1) Bourne End Property Investment Ltd (2) Kottermann Limited (3) Kottermann GMBH & Co
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SCHEDULE 3

Allocation of Consideration

The consideration for the purchase of the Business shall be allocated as follows:

	Item	Amount
	The Properties;	
1.	9-10 St Mary at Hill, London	£3,647,722
2.	5 London Road, Chertsey	£992,971
3.	Units A-C2 Meadowbank Furlong Road Bourne End and Units 1 – 8 The Courtyard Bourne End	£12,819,864
4.	Goodwill	£100
5.	Benefit of contracts	£1

SCHEDULE 4

Shares

Company Name and Address

Number of Shares

St Mary's Properties Limited
c/o George Little Sebire & co
Victoria House
64 Paul Street
London EC2A 4TT

209 A Ordinary Shares

Civilmain Limited
c/o George Little Sebire & co
Victoria House
64 Paul Street
London EC2A 4TT

57 A Ordinary Shares

Welborne Properties Limited
c/o George Little Sebire & co
Victoria House
64 Paul Street
London EC2A 4TT

734 A Ordinary Shares

SCHEDULE 5

Election

Election

Date

2003

HM Inspector of Taxes
Kings Cross 2
6th Floor
Clifton House
83-117 Euston Road
London
NW1 2SF

Notice is hereby given of an election made under Section 198 of the Capital Allowances Act 2001 in relation to the sale and purchase of the property known as

1. This election is made jointly by

(as Vendors) and

(as Purchaser)
2. The machinery and plant to which this election relates comprises all the fixed machinery and plant included in the property as referred to below.
3. The property to which the machinery and plant specified in paragraph 2 is affixed is the land at

being the whole of the freehold land registered at HM Land Registry under title number
4. The Purchaser has acquired the freehold interest in the Property by a transfer dated 2003.
5. The tax district address and reference of each of the Seller and Purchaser is as follows:-

Vendors

Purchaser

(as Vendors) and

(as Purchaser) hereby jointly elect pursuant to the provisions of Section 198 of the Capital Allowances Act 2001 that the amount, which for all purposes of the Capital

Allowances Act 2001, is to be taken as the portion of the sale price of the interest specified in paragraph 4 above which falls to be treated as expenditure incurred by the Purchaser on the provision of the plant and machinery specified in paragraph 2 above is £

Dated

2003

Signed by: _____

Signed by: _____

SCHEDULE 6

Maintenance Contracts

Meadowbank & The Courtyard Bourne End

<u>Company</u>	<u>Contract</u>
Country Gardners	Meadowbank – Phase 1 Landscape/Waste/ Cleaning/compound
	The Courtyard – Phase 2 Landscape/Waste/ Cleaning/compound
Southern Electric	Electricity supply
Biffa Waste Services Ltd	8 metre skip
Pims Services Ltd	
Police Station	
Winton Environmental Management	Health & Safety
Steve Marsh Design Ltd	Casual Sign Contractor

- (1) THE VENDORS**
- (2) ALBURN (GLOBE) LIMITED**

DEBT ASSUMPTION AGREEMENT

OLSWANG

90 High Holborn
London WC1V 6XX

Tel: 020 7067 3000

Fax: 020 7067 3999

email: olsmail@olswang.com

Ref: FCB/RMH/11129-21/1347303.01

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B E T W E E N

- (1) **THE VENDORS** more particularly described in Schedule 1 to this Agreement (together the "Vendors"); and
- (2) **ALBURN (GLOBE) LIMITED** a company incorporated in England and Wales with registered number 4611401 and whose registered office is at 45 Church Street, Birmingham, B3 2DL ("APL").

WHEREAS

- (A) The Vendors have borrowed £17,460,557 from AHL under the Facility Letter.
- (B) The Vendors and APL have entered into the Business Sale Agreement the terms of which provide that immediately on entry into that agreement the parties shall enter into an agreement providing for APL to assume all liabilities under the Facility Letter on the terms set out herein.

IT IS AGREED as follows:

1. INTERPRETATION

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply.

1.1 Definitions

The following terms shall have the following meanings:

"AHL"	Alburn Holdings Limited, a company registered in England and Wales with registered number 4597359;
"Business"	the business of letting, maintaining and managing property carried on by each of the Vendors;
"Business Sale Agreement"	means an agreement dated the date hereof between the Vendors (1) and APL (2) pursuant to which the Vendors agreed to sell the Business to APL;
"Completion"	means the completion of the Business Sale Agreement;
"Facility Letter"	means the facility letter dated 20 December 2002 between AHL (1) and the Vendors (2);

"Principal"

means the sum of Seventeen Million Four Hundred and Sixty Thousand Five Hundred and Fifty Seven Pounds (£17,460,557) lent to the Vendors by AHL pursuant to the Facility Letter; and

"Properties"

means the properties more particularly described in the Business Sale Agreement.

1.2 Interpretation Act 1978

The Interpretation Act 1978 shall apply to this Agreement in the same way as it applies to an enactment.

1.3 Clauses and schedules

References to this Agreement include any recitals and schedules to it and this Agreement as from time to time amended and references to Clauses and Schedules are to clauses of and schedules to this Agreement.

1.4 Headings

Headings shall be ignored in construing this Agreement.

2. ASSUMPTION OF LIABILITY

- 2.1 APL hereby undertakes that, with effect from the date hereof, it shall assume the obligation to repay the Principal to AHL on demand and to duly and punctually pay all interest which accrues under the Facility Letter on or after the date hereof in respect of the Principal.

3. LIMITATION AND RELEASE ON COMPLETION

- 3.1 The Vendors agree that they shall not agree or consent to any variation of the Facility Letter whilst, or in respect of any period during which, APL is liable in respect of the Facility Letter under this Agreement and (for the avoidance of doubt) if for any reason the provisions of the Facility Letter are varied without APL's prior consent in writing APL's obligation under this Agreement shall be unaffected thereby.
- 3.2 Notwithstanding the provisions of Clause 2, no monies shall be demanded by the Vendors pursuant to this Agreement so as to require payment of the Principal.
- 3.3 In the event that the Business Sale Agreement is terminated or rescinded in accordance with its terms, the obligations of APL contained in Clause 2 shall cease.

4. WHOLE AGREEMENT AND REMEDIES

4.1 Whole Agreement

This Agreement contains the whole agreement between the parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement.

4.2 Acknowledgement

All parties acknowledge that they have not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated into it.

4.3 Remedies

So far as permitted by law and, except in the case of fraud, all parties agree and acknowledge that their only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies (including those in tort or arising under statute).

4.4 Interpretation

In Clauses 4.1 to 4.3 "this Agreement" includes all documents entered into pursuant to this Agreement.

5. OTHER PROVISIONS

5.1 Announcements

No announcement or circular in connection with the existence or the subject matter of this Agreement shall be made or issued by or on behalf of the Vendors or APL without the prior written approval of the Vendors and APL. This shall not affect any announcement or circular required by law or any regulatory body or the rules of any recognised stock exchange but the party with an obligation to make an announcement or issue a circular shall consult with the other party insofar as is reasonably practicable before complying with such an obligation.

5.2 Successors and Assigns

This Agreement is personal to the parties to it. Accordingly, neither APL nor any of the Vendors may, without the prior written consent of the other, assign the benefit of all or any of the other's obligations under this Agreement, nor any benefit arising under or out of this Agreement.

5.3 Variation

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the parties to this Agreement.

5.4 Costs

The parties shall bear their own costs in connection with the preparation, negotiation and entry into of this Agreement.

5.5 Notices

5.5.1 Any notice or other communication requiring to be given or served under or in connection with this Agreement shall be in writing and shall be sufficiently given or served if delivered or sent:

In the case of the Vendors to:

Address c/o Israel Strange & Conlon
384 City Road
London
EC1V 2QA

Fax: 020 7833 8455

Attention: Michael Conlon/Ian Strange

In the case of APL to:

Address c/o Olswang
90 High Holborn
London WC1V 6XX

Fax: 020 7067 3999

Attention: David Kustow/Richard Hildebrand

5.5.2 Any such notice or other communication shall be delivered by hand or sent by courier, fax or prepaid first class post. If sent by courier or fax such notice or communication shall conclusively be deemed to have been given or served at the time of despatch, in case of service in the United Kingdom, or on the following Business Day, in the case of international service. If sent by post such notice or communication shall conclusively be deemed to have been received two Business Days from the time of posting, in the case of inland mail in the United Kingdom, or three Business Days from the time of posting in the case of international mail.

5.6 Invalidity

If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity or enforceability of the remainder of this Agreement shall not be affected.

5.7 Governing law and submission to jurisdiction

- 5.7.1 This Agreement and the documents to be entered into pursuant to it shall be governed by and construed in accordance with English law.
- 5.7.2 All the parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and the documents to be entered into pursuant to it. All the parties irrevocably submit to the jurisdiction of such courts and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

IN WITNESS whereof this Agreement has been duly executed as a Deed the day and year before first written

SCHEDULE 1

The Vendors

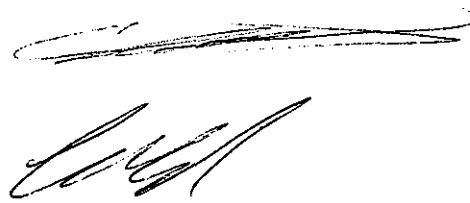
Name: **St Mary's Properties Limited**
Date and place of incorporation: 11 April 2001 in England and Wales
Registered number: 04198512
Registered office: c/o George Little Sebire & co
Victoria House
64 Paul Street
London
EC2A 4TT

Name: **Civilmain Limited**
Date and place of incorporation: 11 April 2001 in England and Wales
Registered number: 04198497
Registered office: c/o George Little Sebire & co
Victoria House
64 Paul Street
London
EC2A 4TT

Name: **Welborne Properties Limited**
Date and place of incorporation: 10 May 2001 in England and Wales
Registered number: 04214428
Registered office: c/o George Little Sebire & co
Victoria House
64 Paul Street
London EC2A 4TT

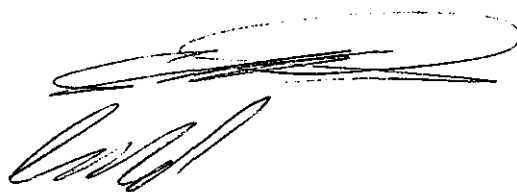
EXECUTED as a DEED by
ST MARY'S PROPERTIES LIMITED
acting by two directors or
a director and the secretary

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EXECUTED as a DEED by
WELBORNE PROPERTIES LIMITED
acting by two directors or
a director and the secretary

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EXECUTED as a DEED by
CIVILMAIN LIMITED
acting by two directors or
a director and the secretary

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EXECUTED as a DEED by
ALBURN (GLOBE) LIMITED
acting by two directors or
a director and the secretary

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