



The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1)

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

The number and class of the shares acquired or to be acquired is: 24,011,078 £0.25 ORDINARY  
SHARES & 29,675,376 £1 5.25% CUMULATIVE PREFERENCE SHARES

The assistance is to be given to: (note 2) Quintain Estates and Development PLC  
(No. 2694983); and/or Qoin Limited (No. 03642323)

Registered office of both companies is 58 Davies Street, London W1Y 1LB

The assistance will take the form of:

PLEASE SEE CONTINUATION SHEETS

The person who [has acquired] ~~[will acquire]~~† the shares is:  
Quintain Estates and Development PLC

† delete as appropriate

The principal terms on which the assistance will be given are:

PLEASE SEE CONTINUATION SHEETS

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is NIL

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ NIL

Please do not  
write in this  
margin

The date on which the assistance is to be given is a date within 8 weeks of 6<sup>985</sup> March 2000

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

\*We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~It~~We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]\* (note 3)

\* delete either (a) or  
(b) as appropriate

(b) ~~It is intended to commence the winding up of this company within 12 months of that date and we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up]~~\* (note 3)

And ~~it~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 58 Davies Street  
London

Day Month Year  
on 

0	6	0	3	2	0	0
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before me [Signature]

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

Declarants to sign below

[Signature]  
[Signature]  
Nicholas Shull  
Nikola Longueur

## NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies  
Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

**Continuation Sheet Number 1**

**CHESTERFIELD PROPERTIES LIMITED (Company No. 400725)**

In these Continuation Sheets, capitalised terms bear the meanings given to them in the Qoin Facility (as defined on Continuation Sheet Number 2) unless otherwise defined.

**Names and Addresses of Directors**

1. Mr. Edward Stratford Dugdale  
190 Avenue Road  
London W3 8QQ
2. Mr. Nigel George Ellis  
Willmead Farm  
Bovey Tracey  
Newton Abbot  
Devon TQ13 9NP
3. Mr. Nicholas Simon Keith Shattock  
1 Court Lane  
Dulwich  
London SE21 7DH
4. Mr. Adrian Roger Wyatt  
Broom Manor  
Cottered  
Huntingdon  
Hertfordshire SG9 9QE

Continuation Sheet Number 2

CHESTERFIELD PROPERTIES LIMITED (Company No. 400725)

**The form of financial assistance**

The parent of Corfield Properties Limited (the "**Company**") is Chesterfield Properties Limited, whose parent, Quintain Estates and Development PLC ("**Quintain**"), has acquired the entire issued share capital of Chesterfield Properties Limited (the "**Share Purchase**").

Quintain entered into a facility agreement dated 21<sup>st</sup> May 1999 (the "**Quintain Facility**") with a number of banks and financial institutions (the "**Quintain Banks**") and The Governor and Company of the Bank of Scotland as, inter alia, agent and trustee for the banks defined therein, for the purpose of funding the Share Purchase.

Qoin Limited (which is the wholly owned subsidiary of Quintain) ("**Qoin**") entered into a facility agreement dated 19<sup>th</sup> November 1998 (the "**Qoin Facility**"), with a number of banks and financial institutions (the "**Banks**") and Bayerische Hypo-und Vereinsbank Aktiengesellschaft, London Branch as, inter alia, agent and trustee for the Banks defined therein (the "**Agent**"). It is intended to reduce or discharge the liabilities incurred by Quintain for the purpose of the Share Purchase with part of the proceeds of the Qoin Facility.

The financial assistance will take the form of:

- (1) a loan to the Company of up to £22 million<sup>GKS</sup>;
- (2) a guarantee by way of entering into a Guarantor Accession Agreement in connection with the Qoin Facility;
- (3) a debenture between the Company and the Agent;
- (4) a subordination deed subordinating to the Agent the debt owing by the Company to Quintain; and
- (5) various representations, warranties and undertakings under the Qoin Facility.

**Continuation Sheet Number 3**

**CHESTERFIELD PROPERTIES LIMITED (Company No. 400725)**

**Principal terms on which assistance is given**

**1. Principal terms of the intra-group loan**

Qoin makes a loan to the Company of up to £22 million <sup>GKS</sup>.

**2. Principal terms of the Guarantor Accession Agreement**

The Company irrevocably, unconditionally, jointly and severally:

- (a) as principal obligor guarantees to each Finance Party prompt performance by each Borrower of all its obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, the Company shall forthwith on demand by the Finance Party pay that amount as if the Company instead of the Borrower were expressed to be the principal obligor; and
- (c) indemnifies each Finance Party on demand against any loss or liability suffered by it if any obligation guaranteed by the Company is or becomes unenforceable, invalid or illegal.

**3. Principal terms of the Debenture**

(A) The Company charges in favour of the Agent:

- (a) by way of a first legal mortgage:
  - (i) the properties specified in Schedule 1 to the Debenture; and
  - (ii) all estates or interest in any freehold or leasehold property (except (A) any Security Assets specified in sub-paragraph (i) above and (B) any freehold or leasehold property situated in Scotland) now or hereafter belonging to it; and
- (b) by way of a first fixed charge:
  - (i) (to the extent that they are not the subject of an effective mortgage under paragraph (a) above) all estates or interests in any freehold or leasehold property (except any situated in Scotland) now or hereafter belonging to it;
  - (ii) all plant and machinery owned by the Company and its interest in any plant or machinery in its possession;

**Continuation Sheet Number 4**

**CHESTERFIELD PROPERTIES LIMITED (Company No. 400725)**

- (iii) all moneys standing to the credit of any account (including, without limitation, any Security Account but not including any Security Account held in Scotland) with any person and the debts represented by them;
- (iv) all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
- (v) all of the Company's book and other debts, the proceeds of the same and all other moneys due and owing to the Company and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
- (vi) (to the extent they are not subject to an effective assignment under Clause 2.2 (Assignment)) all its rights under any Hedging Arrangements;
- (vii) (to the extent they are not subject to an effective assignment under Clause 2.2 (Assignment)) all its rights under each Agreement for Lease and Occupational Lease;
- (viii) its goodwill;
- (ix) the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in any other sub-paragraph in this Clause and the right to recover and receive all compensation which may be payable to it in respect of them;
- (x) its uncalled capital;
- (xi) its rights under the appointment of any managing agent of the Mortgaged Property; and
- (xii) its rights under the agreement or agreements relating to the purchase of the Property by the Company.

(B) The Company assigns absolutely to the Agent by way of security:

- (a) all Rental Income not the subject of an assignment in security;
- (b) any guarantee of Rental Income contained in or relating to any Agreement for Lease or Occupational Lease;
- (c) all its rights under any Hedging Arrangements; and

Continuation Sheet Number 5

CHESTERFIELD PROPERTIES LIMITED (Company No. 400725)

- (d) all its rights under any development document entered into by it in connection with any Minor Works.
- (C) A reference in the Debenture to a charge or mortgage of any freehold, feuhold or leasehold property includes:
  - (a) all buildings and fixtures on that property;
  - (b) the proceeds of sale of any part of that property; and
  - (c) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants.
- (D) The Company, as security for the payment of all of the Security Liabilities, charges in favour of the Agent by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage or charge or assignment by Clause 2 (Fixed Security) or in the case of such assets situated in Scotland, whether or not the same have been effectively mortgaged, charged or assigned by Clause 2 (Fixed Security) or otherwise.
- (E) The Agent may by notice to the Company convert the floating charge created by the Debenture into a fixed charge as regards all or any of the Company's assets specified in the notice if:
  - (a) an Event of Default is outstanding; or
  - (b) the Agent has reasonable grounds for considering those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

**4. Principal terms of the Subordination Deed**

The rights of Quintain in respect of all present and future sums, liabilities and obligations payable or owing by the Company (whether actual or contingent, jointly or severally or otherwise howsoever) to Quintain (the "**Subordinated Liabilities**") are subordinated to all such liabilities arising under or in connection with the Qoin Facility to any of the banks (as defined therein) being parties thereto (the "**Senior Liabilities**") and accordingly payment of any amount of the Subordinated Liabilities (other than permitted payments as defined therein) is conditional upon the Company having irrevocably paid in full all of the Senior Liabilities.





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DX 38050 Blackfriars

Chesterfield Properties Limited  
58 Davies Street  
LONDON  
W1Y 1LB

6 March 2000

Dear Sir

**Auditors' report to the directors of Chesterfield Properties Limited pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated 6 March 2000 in connection with the proposal that Corfield Properties Limited of which this company is a holding company, should give financial assistance for the purchase of 100% of this company's ordinary shares and cumulative preference shares. We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

*KPMG Audit Plc*

KPMG Audit Plc



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