

**Declaration by the directors  
of a holding company in  
relation to assistance for the  
acquisition of shares**

Please do not  
write in  
this margin

Pursuant to section 155(6) of the Companies Act 1985

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

To the Registrar of Companies  
(Address overleaf - Note 5)

For official use

Company number

01395774

Name of company

**Note**  
Please read the  
notes on page 3  
before completing  
this form

\*  
TANGLEWOOD HOLDINGS LIMITED

\*Insert full name  
of company

/We ~~are~~ MICHAEL LOUIS GOLDHILL of 6 Keats Grove, Hampstead, London NW3 2RT

Øinsert name(s) and  
address(es) of all  
the directors

†Delete as  
appropriate

[the sole director] ~~all the directors~~ of the above company (hereinafter called 'this company') do  
solemnly and sincerely declare that:

The business of the company is:

§ Delete whichever  
is inappropriate

~~(a) that of a recognised bank (licensed institution) within the meaning of the Banking Act 1979~~  
~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry  
on insurance business in the United Kingdom~~  
(c) something other than the above§

The company is [the] ~~a~~ holding company of\* TANGLEWOOD LIMITED

which is

proposing to give financial assistance in connection with the acquisition of shares  
in [this company][

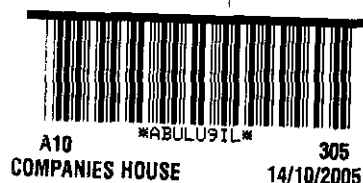
~~the holding company of this company~~

Presentor's name address and  
reference (if any):

Reed Smith LLP  
Minerva House  
5 Montague Close  
London SE1 9BB  
DX 39904 London Bridge  
South

For official Use (10/03)  
General Section

Post room



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:

2,300 ORDINARY SHARES OF £0.10 EACH (THE ENTIRE ISSUED SHARE CAPITAL OF THE COMPANY)

The assistance is to be given to: (note 2)

LENOX PROPERTY INVESTMENTS LIMITED (COMPANY NUMBER: 5564108) OF 11/15 William Road, London NW1 3ER

The assistance will take the form of:

SEE ATTACHED SHEET

The person who ~~has acquired~~ will acquire† the shares is:

†Delete as  
appropriate

LENOX PROPERTY INVESTMENTS LIMITED (COMPANY NUMBER: 5564108) OF 11/15 William Road, London NW1 3ER

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

SEE ATTACHED DOCUMENT

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 £ ANY AMOUNT OF  
NOT LESS THAN £3,000,000

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

Please do not  
write in  
this margin

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

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

The date on which the assistance is to be given is within 8 weeks of the date hereof

I/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) I/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)

~~(b) It is intended to commence the winding-up of this company within 12 months of that date and I/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 I/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

18/20 Longwalk Road  
London E11 1TS

Day Month Year

on 03 10 2005

before me

David James

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]

## 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 auditor's 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

DX 33050 Cardiff

or, for companies registered in Scotland:-

The Registrar of Companies  
37 Castle Terrace  
Edinburgh  
EH1 2EB

DX 235 Edinburgh

or LP-4 Edinburgh 2

**Attachment to Form 155(6)(b)****The assistance will take the form of the following documents and principal terms:**

Lenox Property Investments Limited will enter into a loan agreement with Anglo Irish Bank Corporation plc on the same date as this declaration is made (the "Loan Agreement") in order to finance the acquisition of the entire issued share capital of Tanglewood Holdings Limited. As a condition precedent to the drawdown of that loan the Tanglewood Holdings Limited's subsidiary, Tanglewood Commercial Developments Limited ("TCDL") must enter into the documents whose principal terms are set out below. The financial assistance takes the form of TCDL entering into and performing its obligations under the Security Documents (as defined in the Loan Agreement), entering into an intra-group loan agreement and making loans to Lenox Property Investments Limited.

1) **A guarantee given by, amongst others, TCDL in favour of Anglo Irish Bank Corporation plc (the "Bank")**

For the purposes of the guarantee the following terms have the following meanings:

<b>"Beneficiaries"</b>	means the Bank and/or any company which is from time to time a member of the same group of companies as the Bank.
<b>"Borrower"</b>	means Lenox Property Investments Limited (Company Number: 5564108).
<b>"Guarantors"</b>	are the Company, Tanglewood Limited and TCDL.
<b>"Insolvency"</b>	in respect of any person means: (a) that person's bankruptcy, dissolution, liquidation, winding up, administration or entering into any voluntary arrangement or composition with creditors; (b) the appointment of a receiver or administrative receiver in respect of all or part of that person's assets; and (c) any event having a similar effect under the laws of any relevant jurisdiction.
<b>"Loan Agreement"</b>	means the loan agreement dated on or about the date of this guarantee and made between the Bank and the Borrower.
<b>"Liabilities"</b>	means all liabilities and obligations of the Borrower arising under or in connection with the Loan Agreement or any other Finance Document (as defined in the Loan Agreement): (a) owed or expressed to be owed to any one or more of the Beneficiaries; (b) whether or not originally owed to the one or more of the Beneficiaries; (c) whether as principal or as surety; and (d) whether owed jointly or severally or in any other capacity, including anything which would be a liability or obligation but for the fact that it is Unenforceable.
<b>"Unenforceable"</b>	means void, voidable, invalid, unenforceable or otherwise irrecoverable (whether or not known to any of the Beneficiaries, the Borrower or the Guarantors) and "Unenforceability" will be construed accordingly.
<b>"Relevant Transaction"</b>	means any payment made or Security given by a person (other than the Guarantors) in relation to any Liability.

**"Retention Period"** means, in relation to any Relevant Transaction, the period beginning on the date of that Relevant Transaction and ending on the date one month after the expiration of the maximum period within which that Relevant Transaction can be avoided, reduced or invalidated.

**"Security"** includes any existing or future mortgage, charge, guarantee, bond or indemnity.

TCDL guarantees the payment and the discharge of the Liabilities.

TCDL undertakes on demand to pay to the Bank any Liability which is not paid and to perform any Liability which is not performed when due to be paid or performed

TCDL also agrees to indemnify the Bank and any company which is from time to time a member of the same group of companies as the Bank on demand against any loss it suffers as a result of the Unenforceability of any Liability as against the Borrower and/or any liability or obligation not being discharged or performed by the Borrower.

Until the Liabilities have been irrevocably paid and/or performed in full, and the expiry of the Retention Period (if any) in respect of such payment and performance the Guarantors will not:

- (a) take or receive the benefit of any Security from the Borrower in respect of the Guarantors' obligations under this deed;
- (b) be subrogated to any rights of any of the Beneficiaries in respect of any Liability;
- (c) receive, claim or take the benefit of any payment from the Borrower or any surety or indemnifier for the Borrower, or exercise any other right, claim or remedy in respect of any Liability;
- (d) claim any set off or assert any counterclaim against the Borrower or any surety or indemnifier for the Borrower; or
- (e) in the event of the Insolvency of the Borrower or any surety or indemnifier for the Borrower, claim or prove in competition with any of the Beneficiaries, or accept any direct or indirect payment or distribution.
- (f) TCDL will hold on trust for the Beneficiaries any sums, rights or other benefits of the kind referred to above which it may receive and will pay or transfer them to the Bank for application by the Bank in or towards discharge of the obligations of the Guarantors under the deed of guarantee.

- 2) **A debenture given by TCDL in favour of Anglo Irish Bank Corporation plc (the "Bank")** by which TCDL covenants with the Bank to pay, when due, all liabilities of TCDL owed or expressed to be owed to the Bank and any company which is from time to time a member of the same group of companies as the Bank (the **"Beneficiaries"**) and whether owed jointly or severally, as principal or surety or in any other capacity (the **"Secured Liabilities"**).

For the purposes of the debenture the following terms have the following meanings:

<b>"Acquisition Agreement"</b>	means the agreement entered into or to be entered into between the Purchaser and the Sellers relating to the sale and purchase of the entire issued share capital of Tanglewood Holdings Limited (Company Number: 01395774)
<b>"Acquisition Documents"</b>	means the Acquisition Agreement, the Disclosure Letter and any other document designated as an "Acquisition Document" by the Bank and Lenox Property Investments Limited
<b>"Building Contract"</b>	means any building contract entered into or to be entered into by TCDL in relation to or for the purposes of any Development.
<b>"Development"</b>	means: any works of construction on any Real Property; or any refurbishment of any Real Property in accordance with the plans and specifications approved or to be approved by or on behalf of the Bank.
<b>"Disclosure Letter"</b>	means the disclosure letter agreed between the Sellers and the Purchaser (and approved by the Bank, such approval not to be unreasonably withheld) in connection with the Acquisition Agreement
<b>"Purchaser"</b>	means Lenox Property Investments Limited (Company Number: 5564108).
<b>"Receiver"</b>	means any receiver appointed over any of the property mortgages, charged or assigned by the debenture whether under the debenture or by order of the court on application by the Bank and includes a receiver and manager and an administrative receiver.
<b>"Real Property"</b>	means all freehold or leasehold property forming part of the property mortgaged, charged or assigned by the debenture.
<b>"Security Document"</b>	means any document including the debenture executed by TCDL or any third party which grants security rights or rights by way of guarantee or indemnity in respect of the Secured Liabilities.
<b>"Secured Liabilities"</b>	means all liabilities of the Company owed or expressed to be owed to any of the Beneficiaries whether or not originally owed to any of the Beneficiaries and whether owed jointly or severally, as principal or surety or in any other capacity.
<b>"Sellers"</b>	means Anthea Beck and the other parties identified as the sellers of the entire issued share capital of Tanglewood Holdings Limited (Company Number: 01395774) in the Acquisition Agreement.

**Clause 2**

TCDL covenants with the Bank to pay the Secured Liabilities when due.

**Clause 3**

As continuing security for the payment of the Secured Liabilities TCDL with full guarantee:

- (a) charges to the Bank by way of legal mortgage all freehold or leasehold property owned by TCDL at the date of the debenture;
- (b) charges to the Bank by way of equitable mortgage its interest in any freehold or leasehold property acquired by TCDL after the date of the debenture;
- (c) charges to the Bank by way of fixed charge its interest in:
  - (i) all existing and future fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property;
  - (ii) any existing and future: stock, share bond or any form of loan capital or in any legal entity; unit in any unit trust or similar scheme; and warrant or other right to acquire any such investment and to the extent not constituting a Debt (as defined at (d) below), any income, offer, right or benefit in respect of any such investment;
  - (iii) any existing and future interest rate exchange agreement or other contract the effect of which is or is intended to be to limit the net amount of interest payable by TCDL in respect of the Secured Liabilities or any part thereof entered into by TCDL with the Bank or any other counterparty approved by the Bank;
  - (iv) its existing and future goodwill and uncalled capital;
  - (v) all existing and future cash at bank;
  - (vi) any existing and future right in respect of any patent, copyright, trade mark, service mark, invention, design, know-how, confidential information or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission relating to any of the foregoing;
  - (vii) any money now or at any time after the date of this deed standing to the credit of any account of TCDL with the Bank or any account of TCDL with any other bank which has been notified of the interest of the Beneficiaries in such account and has agreed in writing not to permit withdrawals from such account except with the written consent of the Bank; and
  - (viii) to the extent not otherwise subject to any fixed security in favour of the Bank:
    - (A) any existing and future proceeds of any insurance of any property mortgaged, charged or assigned by the debenture; and
    - (B) any sum now or at any time after the date of this deed received by TCDL as a result of any order of the court under sections 213, 214, 238, 239 or 244 of the Insolvency Act 1986;
- (d) charges and assigns to the Bank by way of fixed security its interest in all existing and future book and other debts and rights to money and income (including Rental Income) liquidated and unliquidated owing to TCDL including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but not including cash at bank (the "Debts") and the benefit of the Debts and any guarantee or

security for the payment of any Debts provided that if any such guarantee or security is expressed to be non-assignable then TCDL charges to the Bank by way of fixed security its interest in and the benefit of it; and

- (e) assigns to the Bank its interest in and the benefit of any Building Contract, the existing and future terms of appointment of any architects, quantity surveyors, engineers and other consultants or persons whose services are required for a Development, all existing and future warranty agreements in favour of the TCDL which relate to a Development, and any other existing and future agreement relating to the acquisition, construction, management, design, servicing, marketing, development, operation and use of any Real Property (a "**Development Contract**") and the benefit of any guarantee or security for the performance of any of the Development Contracts provided that if any Development Contract is expressed to be non-assignable then TCDL charges to the Bank by way of fixed charge its interest in and the benefit of it; and

charges to the Bank by way of fixed charge, all other existing and future property of TCDL not charged or assigned by the previous paragraphs of this clause (other than the TCDL's stock in trade or work in progress).

#### **Clause 4**

As continuing security for the payment of the Secured Liabilities TCDL charges to the Bank by way of floating charge with full title guarantee the whole of its existing and future undertaking and property to the extent not otherwise at any time subject to any fixed charge in favour of the Bank.

#### **Clause 19**

As and when required by the Bank or any Receiver TCDL, at its own cost, will (and procure that every other party other than a Beneficiary to any Security Document will):

- (a) execute such further legal or other mortgages, fixed or floating charges or assignments in favour of the Bank for itself and as agent for the Beneficiaries as the Bank or any Receiver from time to time requires over any property mortgaged, charged or assigned by the debenture to secure the Secured Liabilities such further mortgages, charges or assignments to be prepared at the cost of TCDL and to contain a power of sale which arises immediately upon execution, a clause excluding section 93 of the Law of Property Act 1925 and the restrictions contained in section 103 of the Law of Property Act 1925 and such other clauses for the benefit of the Beneficiaries as the Bank or any Receiver may reasonably require;
- (b) execute and do all such assurances, deeds, documents, acts and things for perfecting or protecting the mortgages, charges and assignments created by the debenture or any Security Document and for facilitating or effecting any dealing by the Bank or any Receiver under any authorities or powers granted under any Security Document; and
- (c) upon or with a view to assisting in any enforcement of any mortgage, charge or assignment created by the debenture convey, transfer, assign or otherwise deal with any property mortgaged, charged or assigned by the debenture in such manner as the Bank or any Receiver may require.



- 3) **An intra-group loan agreement to be made between TCDL and Lenox Property Investments Limited (the "Borrower") by which TCDL, amongst others, shall make available certain loans to the Borrower.**

For the purposes of the intra-group loan agreement the following terms are defined as follows:

<b>"Acquisition"</b>	means the acquisition of the entire issued share capital of Tanglewood Holdings Limited (company registration number: 01395774)
<b>"Advance"</b>	means, unless the context otherwise requires, any advance made or to be made under the intra-group loan agreement by a Lender
<b>"Bank"</b>	means Anglo Irish Bank Corporation plc
<b>"Business Day"</b>	means a day (other than a Saturday or Sunday) on which banks and financial markets are open for business in London
<b>"Facility"</b>	means a loan facility granted to the Borrower by the Lenders pursuant to clause 3 of the intra-group loan agreement
<b>"Insolvency Event"</b>	means, in respect of the Borrower, the presentation of a petition to, or the making of an order by, any court of competent jurisdiction for, or the passing of an effective resolution for, its liquidation, winding-up, administration or dissolution or the levying of any distress or execution on or which affects any of its property or assets, any person gives notice of an intention to appoint an administrator under either paragraph 15 or 26 of Schedule B1 to the Insolvency Act 1986, an administration application under that Schedule is made the appointment of an administrator, administrative receiver or other receiver, trustee or similar officer of the Borrower or any part of the Borrower's assets, or the commencement of negotiations or a proposed voluntary arrangement by the Borrower with its creditors.
<b>"Lenders"</b>	means the Company, Tanglewood Limited and TCDL, each a "Lender"
<b>"Loan Agreement"</b>	means the loan agreement made between the Bank and the Borrower dated on or about the date of the intra-group loan agreement
<b>"Loan Notes"</b>	means the £999,000 Six Per Cent Unsecured Loan Notes 2016 constituted by an instrument made by the Borrower on or about the date of this intra-group loan agreement
<b>"Termination Date"</b>	means the earlier of: the date six months after the date 10 years from the date of the first drawing under the loan facility made available by the Loan Agreement (or, if such date is not a Business Day, the first Business Day thereafter); and the occurrence of an Insolvency Event in relation to the Borrower.

## **Clause 2**

All indebtedness from time to time outstanding between the Borrower and the Lenders will be governed by the terms of this agreement.

### **Clause 3**

The Lenders grant to the Borrower a revolving credit facility of not less than £3,000,000 (the "**Available Amount**") upon the terms, and subject to the conditions, of this agreement. In the event that the Lenders agree to extend the Available Amount, they shall do so in writing.

Amounts may be drawn under the Facility by way of Advances, any of which may be repaid and reborrowed subject to the terms set out in this agreement.

### **Clause 4**

The Borrower may only utilise Advances drawn under this agreement: (a) for its general corporate purposes; (b) to meet its obligations to pay interest, principal, costs, fees, expenses, charges and any other sums from time to time falling due in connection with the Finance Documents (as defined by the Loan Agreement) and Loan Notes; (c) to pay costs and expenses incurred by it directly or indirectly in connection with the Acquisition; and (d) to pay any other liability incurred directly or otherwise in connection with the Finance Documents (as defined by the Loan Agreement) or the transactions contemplated thereby.

Subject to the terms of this agreement, and in particular clause 3, Advances may be drawn by the Borrower at any time during the period commencing on the date of this agreement and ending on the Termination Date.

Any application by the Bank of sums standing to the credit of any of the Rent Account (as defined by the Loan Agreement) and the Proceeds Account (as defined by the Loan Agreement) pursuant to the terms the Facilities Agreement shall be treated as an Advance made pursuant to clause 3 and shall accrue interest at the rates set out in, or agreed pursuant to, this intra-group loan agreement.

### **Clause 5**

A Lender will only be obliged to make an Advance to the extent that: (a) such Advance is permitted to be made by the terms of the Finance Documents (as defined by the Loan Agreement); (b) the Borrower requires the proposed Advance for one of the purposes specified in clause 4; (c) the approval of, or the making of the Advance does not give rise to any offence by any person under the Companies Act 1985 or the Insolvency Act 1986 and is not otherwise illegal; (d) such Advance is an amount which does not cause the Available Amount to be exceeded; and (e) no Insolvency Event has occurred in respect of the Borrower and the making of such Advance would not cause the relevant Lender to become insolvent, provided that a Lender shall cease to have an obligation to make any Advance to the Borrower under the intra-group loan agreement from such time if such Lender ceases to be a subsidiary of the Borrower.

### **Clause 8**

The Borrower shall repay all outstanding Advances made to it by a Lender on that Lender's demand, together with all interest accrued thereon (if any) and all other amounts owing by the Borrower under this agreement provided that no Lender shall make such a demand unless a demand for repayment has been made by the Bank under the Loan Agreement or the Bank has otherwise consented in writing.

A certificate from a Lender as to the amount at any time outstanding in respect of an Advance (or any part thereof) made by it to the Borrower shall, in the absence of manifest error, be conclusive.

ACRE HOUSE  
11/15 WILLIAM ROAD  
LONDON NW1 3ER  
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EMAIL: info@hwfisher.co.uk  
www.hwfisher.co.uk

**AUDITORS' REPORT TO THE DIRECTORS OF TANGLEWOOD HOLDINGS LIMITED ("the Company") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985 ("the Act")**

3 October 2005

This report is given in connection with the proposed arrangement whereby the Company's subsidiary, Tanglewood Limited, will give financial assistance for the purchase of the Company's shares particulars of which are given in the statutory declaration made this day by the directors pursuant to section 155(6) of the Companies Act 1985 ("the Act").

**Basis of opinion**

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

**Opinion**

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 Act is unreasonable in all the circumstances.

Signed H W Fisher & Company  
**H.W. FISHER & COMPANY**

" When the creative urge seizes me, I must  
become creative in all directions at once."

Henry Miller