

Declaration 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

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03244100

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

Name of company

* Estates & Management Limited

* Insert full name of company

I/We †

† Insert name(s) and address(es) of all the directors

William Kenneth Procter of 24 Holly Park Gardens, London N3 3NJ

§ Delete as appropriate

[the sole director] ~~all the directors~~ § of the above company do solemnly and sincerely declare that:

The business of the company is:

‡ Delete whichever is inappropriate

~~(a) that of a recognised bank or licensed institution within the meaning of the Banking Act 1979~~ ‡

~~(b) that of a person authorised under section 300A of the Insurance Companies Act 1962 to carry~~

~~on insurance business in the United Kingdom~~ ‡

(c) something other than the above ‡

The company is proposing to give financial assistance in connection with the acquisition of shares in the ~~company~~ [company's holding company] § Owners Provident Limited

‡

The assistance is for the purpose of [that acquisition] ~~reducing or discharging a liability incurred for the purpose of that acquisition~~

The number and class of the shares acquired or to be acquired is: 50,000 Ordinary Shares of £1 each

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

Osborne Clarke OWA
Hillgate House
26 Old Bailey EC4M 7HW
DX 466 LDE

For official use
General Section

Post room



LD2
COMPANIES HOUSE

0311
20/02/01

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

Fairhold Holdings Limited ("the Purchaser")

Please do not
write in
this margin

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

The assistance will take the form of:

the execution and delivery by the Company of those of the Finance Documents (as defined on the attached document marked "Finance Documents", including where relevant any guarantee of the FHI2 Finance Documents as defined on the attached document marked "FHI2 Finance Documents") to which the Company is to be a party, and the Company fulfilling its obligations under them.

The person who ~~has acquired~~ [will acquire]* the shares is:

the Purchaser

*Delete as
appropriate

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

Please see attached schedule.

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

The date on which the assistance is to be given is within 6 weeks of the date hereof

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

I/~~We~~ have formed the opinion, as regards the 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 the 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 the company within 12 months of that date, and I/we have formed the opinion that the 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 Messone Goddard
150 Aldersgate St
London

Declarants to sign below

on Day Month Year

3	1	0	1	2	0	0	1
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before me Lomany

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

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 is:-

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

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

Statutory Declaration of William Kenneth Procter
1 Exhibit
Sworn: 2001

EXHIBIT

THIS IS THE EXHIBIT referred to in Statutory Declaration of William Kenneth Procter
and sworn this ^{January} 31 day of 2001.

Before me, *L. D. Many*

A Solicitor

Chris Cameron McKenna

Principal terms of the assistance:

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

- (a) the Facility Agreement will aid the overall financial position of the Company, which is to be taken into account when assessing the financial position of the Purchaser and the group of companies of which the Company will form part following the acquisition;
- (b) under the Facility Agreement the Company as principal obligor jointly and severally with the Purchaser and certain other companies (the Company, the Purchaser and those companies defined collectively as "**Facility Obligors**" in the Facility Agreement and in this text) covenants to pay, and guarantees the payment of, all moneys from time to time owed to Abbey National Treasury Services PLC ("**ANTS**") by the Facility Obligors (which facility is for a principal amount of £31,750,000 and the proceeds of which will be used, by the Purchaser amongst other things, for the finance of the acquisition of the shares in the Company);
- (c) the guarantee of the Company in the Facility Agreement is also an indemnity by the Company in respect of any loss or liability suffered by ANTS if any obligation guaranteed by the Facility Obligors is or becomes unenforceable, invalid or illegal;
- (d) under the Facility Agreement the Company undertakes to ensure that all amounts receivable or received (including all Property Income, Sales Deposits and Sales Proceeds as defined in the Facility Agreement) by it are paid direct by the applicable creditor of the Company into the appropriate Security Account (as defined in the Facility Agreement), and that such amounts ultimately transferred to a Security Account in the name of the Purchaser are transferred outright to the Purchaser, shall be legally and beneficially owned by the Purchaser prior to such transfer without the Company retaining any claim or entitlement, may only be withdrawn in the manner permitted by the Facility Agreement, and the Security Account may be operated by or subject to the control of ANTS in the manner permitted by the Facility Agreement;
- (e) under the Relevant Debenture, (as defined on the list of Finance Documents) the Company as security for the payment of all its present and future obligations to ANTS (including those under the Finance Documents and the Guarantee) grants first legal mortgage, fixed charges and assignments over the assets identified in the Debenture and a first floating charge over the remainder of the Company's undertaking. The Company

covenants further (amongst other things) that it will at its own expense, execute and deliver to ANTS a legal mortgage in favour of ANTS of any freehold, leasehold or other interest in property which becomes vested in it after the date of the Relevant Debenture, deposit with ANTS or as ANTS directs all documents of title or evidence of ownership of Charged Shares (as defined in the Relevant Debenture) as are owned by it or in which it has or acquires an interest and their Related Rights (as defined in the Relevant Debenture), and it will execute and deliver such share transfers and other documents as ANTS may request in order for ANTS or its nominees to be registered as the owner or otherwise obtain legal title to the same;

- (f) under the Scottish Floating Charges (as defined in the list of Finance Documents) the Company as security for all its present and future obligations (including those under the Finance Documents and the Guarantee) grants a first floating charge over the whole of the property, assets and undertaking (including uncalled capital) from time to time of the Company;
- (g) under the Scottish Share Pledge (as defined in the list of Finance Documents) the Company pledges and assigns to ANTS the Shares and the Related Rights (as defined in the Scottish Share Pledge) and the Company will execute any document to do any act or thing which ANTS may specify with a view to perfecting the Scottish Share Pledge;
- (h) under the Guarantee (as defined on the list of Finance Documents), the Company jointly and severally guarantees the obligations to ANTS of Fairhold Homes Investment (No.2) Limited and its subsidiaries ("**the FHI2 Group**"), including those pursuant to the documents on the list headed "**FHI2 Finance Documents**";
- (i) the Co-ordination Agreement (as defined on the list of Finance Documents) pursuant to which certain of the Facility Obligors set out the arrangements that will apply between them with regard to their monies held in the Security Account (as defined in the Facility Agreement).

Finance Documents

"Finance Documents" means:

- (i) the Facility Agreement to be entered into by Fairhold Holdings Limited ("**the Purchaser**"), the Company and certain other companies (altogether "**the Facility Obligors**") and Abbey National Treasury Services plc ("**ANTS**") ("**the Facility Agreement**");
- (ii) the debentures and/or Scottish Floating Charges and/or Scottish Share Pledge to be given by each of the Facility Obligors to ANTS (and "**the Relevant Debenture**" means those of the debentures and/or Scottish Floating Charges entered into by the Company);
- (iii) the deed of composite guarantee whereby the Facility Obligors guarantee the obligations to ANTS of Fairhold Homes Investment (No.2) Limited and its subsidiaries under the documents on the list headed FHI2 Finance Documents ("**FHI2 Finance Documents**") ("**the Guarantee**");
- (iv) the mortgage of shares in the Purchaser granted by Moormead Property Holdings Limited ("**Moormead**") to ANTS ("**the Share Mortgage**");
- (v) the Subordination Deed to be entered into by (1) Moormead, (2) the Purchaser and (3) ANTS under which the liabilities of the Purchaser to Moormead are subordinated to the liabilities of the Purchaser to ANTS, and containing undertakings by the Purchaser and Moormead not to do certain things or acts in connection with the liabilities of the Purchaser to Moormead ("**the Subordination Deed**");
- (vi) the hedging agreement entered or to be entered into between the Purchaser and ANTS, being interest rate agreements in respect of advances under the Facility Agreement ("**Hedging Agreements**");
- (vii) the Deed of Undertaking to be entered into between Rotch Property Group Limited ("**Rotch**") and ANTS, whereby Rotch undertakes that it will provide certain funding to the Facility Obligors, and will indemnify ANTS for losses of any sort suffered by it as a result of any breach by Rotch of its obligations, or as a result ANTS unwinding or otherwise terminating any Hedging Agreement and/or any funding contracted by ANTS in

relation to the advances under the Facility Agreement, or as a result of a breach by Estates & Management Limited ("EML") of its obligations under the Managing Agents' Agreement (as defined below) or any duty of care agreement in favour of ANTS entered into from time to time, or as a result of any representation given by any of the Facility Obligors under certain clauses of the Facility Agreement and the Guarantee ("**Deed of Undertaking**");

- (viii) any other document relating to the loan facility made available under the Facility Agreement and designated as a "Finance Document" by ANTS;
- (ix) the any other past, present or future document guaranteeing or conferring or evidencing security for any indebtedness or other obligations to ANTS of any of the Facility Obligors under any of the aforementioned documents;
- (x) the managing agents' agreement to be entered into by (1) the Purchaser for itself and as agent for the Company and other companies and (2) EML whereby EML is to manage certain property interests for the Purchaser, the Company and other companies ("**Managing Agents' Agreement**");
- (xi) the duty of care agreement is to be entered into by (1) EML, (2) the Purchaser and (3) ANTS whereby EML assumes a duty of care to ANTS and the Purchaser agrees to certain arrangements on a termination, suspension or rescission of the Managing Agents' Agreement ("**the Duty of Care Agreement**");
- (xii) the agreement between the Facility Obligors setting out the arrangements that will apply between each of them in respect of amounts paid into security accounts pursuant to the Facility Agreement ("**the Co-ordination Agreement**") and
- (xiii) the share indemnity by ^{including inter alia} the existing shareholders, { ——— } and Rotch in favour of ANTS whereunder ANTS received an indemnity in respect of certain missing share certificates representing issued capital in certain Facility Obligors ("**the Share Indemnity**");
- (xiv) the deed of custody to be entered into by (1) certain Facility Oblgors, (2) Rotch and (3) ANTS whereunder such Facility Obligors gave certain acknowledgements

and undertakings in respect of certain deeds relating to
properties owned by them ("the Deed of Custody")

FHI2 Finance Documents

"FHI2 Finance Documents" means:

1. the deed of composite guarantee to be entered into by (1) each of Fairhold Homes Investment (No 2) Limited, Fairhold Homes Investment Limited, Fairhold Homes Limited, Fairhold Homes (No 2) Limited, Littonace Properties Limited and Littonace (No 2) Limited ("**FHI2 Guarantors**") to (2) Abbey National Treasury Services plc ("**ANTS**") in respect of the liabilities of the Purchaser and certain other companies under the documents in the list headed Finance Documents ("**the Finance Documents**") ("**the FHI2 Guarantee**");
2. an amendment agreement to be entered into between the FHI2 Guarantors and ANTS amending a facility agreement between them dated 3 August 2000 ("**the Amendment Agreement**");
3. the debentures to be given by each of the FHI2 Guarantors to ANTS ("**the FHI2 Debentures**", and "**the Relevant FHI2 Debenture**" means those debentures entered into by the Company);
4. the mortgages of shares in Fairhold Homes Investment (No 2) Limited ("**FHIL2**") to be granted by Moormead Property Holdings Limited ("**Moormead**") and Mediabasic Limited ("**Mediabasic**") to ANTS ("**the FHI2 Share Mortgages**");
5. the subordination amendment deed to be entered into by (1) Moormead, (2) FHI2 and (3) ANTS restating and amending a Subordination Deed dated 3 August 2000, under which the liabilities of FHIL2 to Moormead will be subordinated to the liabilities of FHIL2 to ANTS, and containing undertakings by FHIL2 and Moormead not to do certain things or acts in connection with the liabilities of FHIL2 to Moormead ("**the FHI2 Subordination Deed**");
6. the letter addressed by Rotch Property Group Limited ("**Rotch**") to ANTS acknowledging and approving the Amendment Agreement for the purposes of the deed of tax undertaking and entered into by (1) Rotch and (2) ANTS dated 3 August 2000 ("**the Rotch Acknowledgement**").



**AUDITORS' REPORT TO THE DIRECTORS OF
ESTATES AND MANAGEMENT LIMITED
PURSUANT TO SECTION 156(4) OF
THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 31 January 2001 in connection with the proposal that the company should give financial assistance (as defined in section 151 Companies Act 1985) in connection with the acquisition of shares in its holding company Owners Provident Limited.

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 the declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Baker Tilly

BAKER TILLY
Registered Auditors

**The Clock House
140 London Road
Guildford
GU1 1UW**

Date:

31 January

2001