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CHFP025

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COMPANIES FORM No. 155(6)a

Declaration in relation to
assistance for the acquisition
of shares

155(6)a

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

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

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

* insert full name
of company

Ø insert name(s) and
address(es) of all
the directors

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

For official use

Company number

1111

4376720

Name of company

* ST PAUL'S HOUSE LEEDS NOMINEE NO. 1 LIMITED (THE "COMPANY")

We Ø Mark Neil Steinberg of 11 Wadham Gardens, London NW3 3DN, Terence
Shelby Cole of 10 Upper Berkeley Street, London, W1H 7PE and Steven
Ross Collins of 70 Marlborough Place, St John's Wood, London NW8
OPP.

† delete as
appropriate

§ delete whichever
is inappropriate

~~XXXXXXXXXX~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

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

~~(b) that of a person authorised under section 30A of the Insurance Companies Act 1982 to carry~~

~~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

~~XXXXXXXXXX~~ [company's holding company] C.G.I.S. St Paul's House

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: ONE (1) ORDINARY

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

Denton Wilde Sapte
1 Fleet Place
London
EC4M 7WS
46433.00070/6154732
DX:242 LONDON

For official Use
General Section

Post room



LD5
COMPANIES HOUSE

0464
15/04/03

32

The assistance is to be given to: (note 2) CGIS GROUP (NO.3) LIMITED, A COMPANY

REGISTERED IN ENGLAND AND WALES UNDER COMPANY NUMBER 4608483 WHOSE REGISTERED OFFICE IS SITUATED AT 10 UPPER BERKELEY STREET, LONDON, W1H 7PE.

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:

SEE EXHIBIT A

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

† delete as
appropriate

CGIS GROUP (NO.3) LIMITED

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

SEE EXHIBIT B

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 8 weeks of the date hereof

Please do not write in this margin

☒ 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)

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

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

- (a) ☒ 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 the~~
~~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 ☒ 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 ONE FLEET PLACE
LONDON

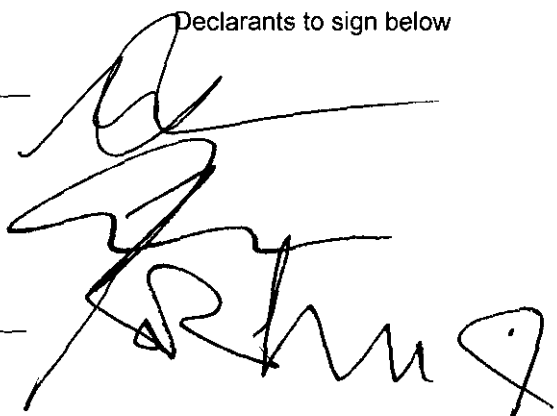
Declarants to sign below

on

Day	Month	Year
1	9	03

 2003

before me K. Dondidge
~~A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.~~



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
37 Castle Terrace
Edinburgh
EH1 2EB

EXHIBIT A to the statutory declaration of the directors of St Paul's House Leeds Nominee No.1 Limited (the Company) pursuant to Section 155(6) of the Companies Act 1985

The form of the assistance is:

- A by way of security for all obligations of the Obligors to the Senior Finance Parties and the Mezzanine Finance Parties, the Company will enter into a debenture agreement to be made between the Company and Bayerische Hypo- Und Vereinsbank Aktiengesellschaft, London Branch as security trustee (the **Security Trustee**) upon and pursuant to (1) the Senior Facility Agreement and (2) the Mezzanine Facility Agreement (the **Debenture Agreement**).
- B by the execution, delivery and performance by the Company of its obligations as:
- (i) a Guarantor under the Senior Facility Agreement and as an Obligor and Subordinated Creditor under the Subordination Deed both to which the Company will accede by an accession deed to be made between the Company and Bayerische Hypo- Und Vereinsbank Aktiengesellschaft, London Branch as agent of the Senior Finance Parties and the Security Trustee (the **Senior Accession Deed**);
 - (ii) a Guarantor under the Mezzanine Facility Agreement and as an Obligor and Subordinated Creditor under the Subordination Deed both to which the Company will accede by an accession deed to be made between the Company and Bayerische Hypo- Und Vereinsbank Aktiengesellschaft, London Branch as agent of the Mezzanine Finance Parties and the Security Trustee (the **Mezzanine Accession Deed**); and
 - (iii) an Obligor under the Intercreditor Deed to which the Company will accede by an accession deed to be made between the Company and Bayerische Hypo- Und Vereinsbank Aktiengesellschaft, London Branch as agent, original lender and security trustee under the Facility Agreements.
- C The income payment arrangement under the Facility Agreements together with the consequential indebtedness of the Borrower (the **Income Payment Arrangement**).

Note:

Words and expressions in this Exhibit shall bear the same meanings assigned to them in the Statutory Declaration of which this forms Exhibit A and any additional words and expressions shall bear the meanings assigned to them in Exhibit B of the aforesaid Statutory Declaration.

EXHIBIT [REDACTED] to the statutory declaration of the directors of St Paul's House Leeds Nominee No.1 Limited (the Company) pursuant to Section 155(6) of the Companies Act 1985

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

A. Under the terms of the Debenture Agreement

1. The Company will covenant with the Finance Parties that it will pay to the Finance Parties and discharge all Secured Liabilities when the same shall be or become due in accordance with the terms of the Finance Documents.
2. As a continuing security for the payment of all Secured Liabilities the Company will charge:
 - (a) by way of legal mortgage:
 - (i) the Real Property; and
 - (ii) all freehold and leasehold property vested in it from time to time, whether or not the title is registered at HM Land Registry;
 - (b) by way of fixed charge:
 - (i) all its interest from time to time in any freehold and leasehold property belonging to it from time to time not charged by way of legal mortgage in the Debenture Agreement;
 - (ii) all buildings and fixtures (including trade and tenant's fixtures belonging to it) now and in the future on any Real Property and all plant and machinery now and in the future annexed to any Real Property;
 - (iii) all other interests now and in the future belonging to it in or over land or the proceeds of sale of land and all licences now or in the future held by it to enter upon or use land;
 - (iv) the benefit of all other agreements relating to land to which it is or may become a party or otherwise entitled;
 - (v) all its right to and interest in any proceeds of sale of the whole or any part of the Charged Property (including, without limitation, any compensation received by it as a result of any notice or order referred to in Clause 5.8(d) of the Debenture Agreement (Notices) which may at any time be held or received by it or anybody else on its behalf);
 - (vi) all its right to and interest in the Deposit;
 - (vii) all claims it may have in relation to moneys (and interest) from time to time standing to the credit of any of its present and future accounts with any bank, financial institution or other person (including the Accounts) and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;

- (viii) all its book debts and other debts and prepayments existing now or in the future and whether payable now or in the future and all its rights and claims against third parties existing now or in the future and capable of being satisfied by the payment of money;
 - (ix) right to recover any VAT on supplies made to it relating to the Charged Property and any sums so received;
 - (x) the Scheduled Securities; and
 - (xi) all its goodwill and uncalled capital from time to time;
- (c) by way of assignment:
- (i) the Rental Income;
 - (ii) all its right, title and interest in and to all payments made under all present and future insurance policies in respect of the Charged Property;
 - (iii) all of its present and future rights, title and interest in and to and any claims to which it is now or may in the future become entitled under each Acquisition Agreement including any warranties and representations given or made in an Acquisition Agreement and sums which shall from time to time become payable to the Company by a Vendor or any party under an Acquisition Agreement or any provision thereof and all its rights arising out of or in connection with any breach or default by any party to the Acquisition Agreement or under any of the terms, obligations, covenants, undertakings or conditions of an Acquisition Agreement;
 - (iv) all rights and claims to which it is now or may in the future become entitled in relation to the Real Property including, without limitation, all rights and claims it may have from time to time against persons who now are, have been or may become lessees, tenants, sub-lessees, sub-tenants, licensees or occupiers of the Real Property and all guarantors and sureties for the obligations of such persons and any security taken from any such persons;
 - (v) all rights and claims to which it is now or may in the future become entitled in relation to each Management Agreement and any other agreements entered into by the Company in connection with the management of the Real Properties, including, without limitation, all rights and claims against each Manager and any other managing agent appointed by the Company in connection with the management of the Real Properties from time to time;
 - (vi) all rights under any agreement or arrangement (including the Senior Hedging Arrangements and the Mezzanine Hedging Arrangements as defined in the relevant Facility Agreements) it may enter into now or in the future with any person for the purpose of or in connection with the fixing, capping or hedging of the rate of interest payable by it in respect of any borrowing or indebtedness and any right or option to enter into any such agreement or arrangement;

(vii) all its Intellectual Property;

(viii) to the extent that the same are capable of assignment:

(A) the benefit of all rights and claims to which it is now or may in the future become entitled under all present and future building contracts relating to the Real Property and all guarantees, warranties and representations given or made by and any rights and remedies against all or any building contractors at any time engaged in relation to the Real Property together with the benefit of all sums recovered in any proceedings against all or any such persons; and

(B) the benefit of all appointments, contracts, guarantees, representations, warranties and undertakings given or made by and any rights or remedies against all or any professional advisers now or at any time engaged by it in relation to the Charged Property and the manufacturers, suppliers or installers of all plant, machinery, fixtures, fittings and other items now or from time to time in or on the buildings erected or to be erected on the Charged Property and any other person firm or company now or from time to time under contract with it or under a duty to it (including, without limitation, direct warranties between it and any sub-contractor and the benefit of any performance bond or a bond of any other form or content and/or any parent company guarantee or guarantees) together with benefit of all sums recovered in any proceedings against all or any of such persons; and

(d) by way of floating charge, its undertaking and all its other property, assets and rights not effectively charged by Clause 3.1 of the Debenture Agreement both present and future (including but not limited to its stock in trade and its heritable and other property, assets and rights in Scotland).

3. The Company shall not without the prior written consent of the Security Trustee, other than in accordance with the terms of the Finance Documents, create or permit to subsist or arise any Security on the Charged Property.

Subject to the paragraph above, any Security on the Charged Property created in the future by the Company (otherwise than in favour of the Security Trustee) shall be expressed to be subject to the Debenture Agreement.

B. Under the Senior Accession Deed and the Mezzanine Accession Deed

1. The Company will agree to become:

(a) a Guarantor in accordance with the terms of the Senior Facility Agreement and the Mezzanine Facility Agreement respectively; and

(b) an Obligor and a Subordinated Creditor (as defined in the Subordination Deed) pursuant to the Subordination Deed.

2. As a Guarantor under the Senior Facility Agreement and the Mezzanine Facility Agreement, the Company will irrevocably and unconditionally, jointly and severally:

- (a) guarantee to each Finance Party punctual performance by each Obligor of all its obligations under the Finance Documents;
- (b) undertake with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it were the principal obligor; and
- (c) indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

C. Under the Subordination Deed

- 1. The rights of the Subordinated Creditors in respect of the Subordinated Liabilities are subordinated to the Senior Liabilities and accordingly payment of any amount of the Subordinated Liabilities is conditional upon the Borrower having irrevocably paid in full all of the Senior Liabilities.
- 2. So long as the Senior Liabilities are outstanding no Obligor will, without the prior written consent of the Security Trustee:
 - (a) secure all or any part of the Subordinated Liabilities;
 - (b) redeem, purchase or otherwise acquire any of the Subordinated Liabilities;
 - (c) (other than in relation to a Permitted Payments as defined therein) repay or prepay any, or pay any interest, fees or commissions (but without prejudice to accrual thereof) on, or by reference to, any of the Subordinated Liabilities; or
 - (d) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part thereof to the Senior Liabilities might be terminated, impaired or adversely affected.
- 3. So long as the Senior Liabilities are outstanding, no Subordinated Creditor will without the prior written consent of the Agent:
 - (a) assign or purport to assign to any person the whole or any part of the Subordinated Liabilities;
 - (b) purport to set off at any time any amount of the Subordinated Liabilities against any amount payable by it to an Obligor;
 - (c) attempt to obtain repayment or prepayment of principal or payment of any interest, fees or commissions (but without prejudice to accrual thereof) on, or by reference to, any of the Subordinated Liabilities otherwise than in accordance with the terms of the Subordination Deed;
 - (d) (other than in the case of Permitted Payments) take, receive, ask, demand or accelerate (including, without limitation, by way of cash receipt or set-off) the whole or any part of the Subordinated Liabilities of any security therefor;

- (e) sue, claim or prove for, from an Obligor in any manner whatsoever (including, without limitation, by way of cash receipt or set-off) the whole or any part of the Subordinated Liabilities or any security therefor;
- (f) petition for, or vote in favour of, any resolution or take any other action whatsoever for, or which may lead to, the administration, winding-up or dissolution of an Obligor; or
- (g) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part thereof to the Senior Liabilities may be terminated, impaired or adversely affected.

D. Under the Intercreditor Deed

The principal purpose of the Intercreditor Deed is that (subject only as expressly provided to the contrary in the Intercreditor Deed, including under Clause 6 therein), the Senior Debt and the Mezzanine Debt shall rank in the following order;

- First the Senior Debt; and
- Second the Mezzanine Debt.

E. Under the Income Payment Arrangement

1. Upon the Company acceding to the Facility Agreements and becoming an Acceding Guarantor thereunder, the Facility Agreements will impose a direct obligation on the Company to remit monies received by way of rental income to the Senior Agent (on behalf of the Senior Lenders) or to the Mezzanine Agent (on behalf of the Mezzanine Lenders).
2. Upon the payment described in the paragraph above being made by the Company a corresponding debt becomes due from the Borrower to the Company in an amount equal to the payment so made by the Company

Note:

Words and expressions used in this Exhibit B shall bear the meanings assigned to them in the Statutory Declaration of which this forms Exhibit B and additionally the following words and expressions have the following meanings:

Acceding Guarantor means, in connection with a proposed Utilisation, a party proposing to become a Guarantor by (inter alia) entering into a Deed of Accession and the relevant Security Documents, being either:

- (a) a person set out in Schedule 3 (The Properties) of the Facility Agreements being an owner of or having an interest in an Acceding Property; or
- (b) a wholly owned Subsidiary of the Borrower newly incorporated in England and Wales, Scotland or Northern Ireland proposing to acquire an Acceding Property or an interest in an Acceding Property;

Acceding Property means:

- (a) a Property (and all relevant interests in a Property) intended to be funded by a Utilisation and proposed to be charged to the Security Trustee pursuant to the terms of a Debenture; or
- (b) a Substitute Property (or all relevant interests in a Substitute Property);

Account means each of the General Account, the Rent Account, the Deposit Account, the Substitution Account and the Retentions Account as each of them are defined in the Facility Agreements;

Acquisition Agreement means each and any agreement between a Vendor and an Obligor or Obligors for the purchase by an Obligor or Obligors of each Acceding Property and each Acceding Guarantor;

Borrower means CGIS Group (No. 3) Limited (registered in England under number 4608483);

Charged Property means the undertaking, property, rights and assets of the Company charged and/or assigned by the Debenture Agreement and includes any part thereof and any interest therein;

Debenture means a debenture executed or to be executed by each Obligor substantially in the form of Schedule 7 (Form of Debenture) of each of the Facility Agreements in favour of the Security Trustee in form and content satisfactory to the Security Trustee incorporating (inter alia) a first legal mortgage (or charge) over any Property owned by it (or its interest in such Property), an assignment by way of security of the Rental Income, a first fixed charge over each Account, an assignment by way of security of each Management Agreement, an assignment by way of security of any Hedging Arrangement, an assignment by way of security of each Acquisition Agreement, (in the case of the Borrower and any Guarantor owning a shareholding in a Guarantor, a first fixed equitable charge over such shareholding in such Guarantor) and a first floating charge over all the undertaking and other assets of each Obligor;

Deed of Accession means a deed of accession to the Facility Agreements in the form set out in Schedule 8 (Form of Deed of Accession) in each of the Facility Agreements;

Deposit means any and all sums for the time being standing to the credit of, and the debt represented by, each of the Accounts, together with all interest accruing thereon;

Facilities mean the term loan facilities made available under the Facility Agreements as described in Clause 2.1 of each of the Facility Agreements (The Facility);

Facility Agreement means each and any of the Senior Facility Agreement and the Mezzanine Facility Agreement and **Facility Agreements** shall mean both of them;

Finance Document means each and any of the Senior Finance Documents, the Mezzanine Finance Documents and the Intercreditor Deed;

Finance Party means each and any of the Senior Finance Parties and the Mezzanine Finance Parties;

Guarantor means an Acceding Guarantor with effect from the date that it shall have been accepted as such by the Agent until such time as such Guarantor has disposed of all its interests in a Property or until it ceases to be ultimately wholly owned by the Borrower pursuant to Clause 21.7 (Disposals and substitutions) of one or both of the Facility Agreements (as applicable);

Intellectual Property means (to the extent of the Company's interest in them) the copyright in all drawings, designs, specifications, plans and other written materials relating to any products from time to time used by it and all other intellectual property rights including without limitation, all patents,

trade marks, service marks, trade and business names, knowhow, computer software, programs and systems, designations on or patterns of the labels and packages of any products from time to time used by it and all manufacturing and sales rights in relation to any products from time to time used by it (including the benefit of any licences or consents relating to the above);

Intercreditor Deed means an intercreditor deed dated 24 December 2002 between the Borrower (1) Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as Original Senior Lender (2), Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as Original Mezzanine Lender (3), Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as Original Senior Counterparty (4), Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as Original Mezzanine Counterparty (5), Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as Senior Agent (6) Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as Mezzanine Agent (7) and the Security Trustee;

Management Agreement means each and any management agreement entered or to be entered into between a Manager (1) and an Obligor (2) in respect of the appointment of a Manager to manage a Property, in form and content satisfactory to the Agent;

Manager means each of:

- (a) Marcol Management Limited (registered in England under number 2665256) whose registered office is at 48 Portland Place, London W1B 4AJ
- (b) King Sturge & Co. Limited whose place of business is at 7 Stratford Place, London W1C 1ST;
- (c) Montagu Evans whose place of business is at Premier House, 44-48 Dover Street, London, W1S 4AZ; and
- (d) Nelson Bakewell Limited (registered in England under number 2116907) whose registered office is at 25 Sackville Street, London, W1S 3HQ,

and/or any other manager appointed by an Obligor, with the prior written approval of the Agent (such consent not to be unreasonably withheld or delayed), to manage a Property;

Manager's Undertaking means each and any undertaking entered or to be entered into by a Manager from time to time in a form and content satisfactory to the Security Trustee relating to the management of a Property;

Mezzanine Debt means all present and future liabilities (actual or contingent) owing by any Obligor to any Mezzanine Finance Party under or in connection with the Mezzanine Finance Documents, whether or not matured and whether or not liquidated, together in each case with:

- (a) any refinancing, novation, refunding, deferral or extension of any of those liabilities;
- (b) any further advances which may be made by a Mezzanine Lender to any Obligor under any agreement expressed to be supplemental to any of the Mezzanine Finance Documents, plus all interest, fees and costs in connection therewith;
- (c) any claim for damages or restitution arising out of, by reference to, or in connection with, any of the Mezzanine Finance Documents;
- (d) any claim flowing from any recovery by an Obligor or a receiver or liquidator thereof or any other person of a payment or discharge in respect of those liabilities on grounds of preference or otherwise; and

- (e) any amounts (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, invalidity, unenforceability or non-allowability of the same in any insolvency or other proceedings;

Mezzanine Facility Agreement means the £13,751,700 facility agreement dated 24 December 2002 between the Borrower (1) HVB Real Estate Capital Limited as arranger (2) the financial institutions listed therein as lenders (3) Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as hedge counterparty (4) Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as agent (5) and Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as security trustee (6) as the same was restated on 19 March 2003 and as the same may have been, or may from time to time be, amended, novated, supplemented or further restated;

Mezzanine Finance Document means a Finance Document as defined in the Mezzanine Facility Agreement and includes the Security Documents, the Intercreditor Deed, the Mezzanine Facility Agreement, any Deed of Accession and any other document designated as such by the Agent and the Borrower;

Mezzanine Finance Party means a Finance Party as defined in the Mezzanine Facility Agreement;

Obligor means each and any of the Borrower and the Guarantors;

Occupational Lease means any unconditional agreement for lease or occupational lease or licence to which a Property may be subject from time to time;;

Property means (subject to Clause 21.7 (Disposals and substitutions) of each of the Facility Agreements any Acceding Property, (other than for the purposes of Schedules 2 and 4) with effect from the date that such Property shall be charged to the Security Trustee pursuant to the terms of the Security Documents;

Real Property shall mean the Charged Property from time to time charged by the Company pursuant to Clauses 3.1(a) and 3.1(b)(i) (Fixed and floating charges) of the Debenture Agreement which shall include the following property as set out in Schedule 1 of the Debenture Agreement:

Freehold land and buildings known as St Pauls House, Leeds registered at HM Land Registry with title number WYK71561 and land on the east side of Little Queen Street registered at HM Land Registry with title number WYK258186.

Rental Income means the gross rents, licence fees and other moneys receivable at any time by the Obligors in respect of or arising out of any Occupational Lease or any agreements for lease or otherwise without limitation derived by the Obligors from the Properties or otherwise paid to or received by the Obligors in respect of the Properties (including without limitation all mesne profits);

Scheduled Securities means the rights, title and interest present and future of the Company in and to:

- (a) the shares, stocks and securities listed in Schedule 9 of the Debenture Agreement;
- (b) any other shares, stocks and securities issued to the Company to be substituted from time to time for those shares, stocks and securities listed in Schedule 9 of the Debenture Agreement; and
- (c) all interest, dividends (cash or otherwise), bonus issues, distributions allotments, offers by way of rights, benefits, rights, proceeds and entitlements arising from or attaching to any of the securities referred to in paragraphs (a) and (b) above;

Secured Liabilities means all and any moneys, obligations and liabilities now or in the future due owing or incurred by each Obligor to the Finance Parties in whatever currency denominated whether actually or contingently and whether alone or jointly with any other person and whether as principal or surety under the Finance Documents including all interest, commissions, fees and all legal and other costs, charges and expenses which any Finance Party may charge the Obligors or incur under any Finance Document;

Security means a mortgage, charge, standard security, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

Security Documents means each and any:

- (a) Debenture;
- (b) Shares Charge;
- (c) Subordination Deed;
- (d) Manager's Undertaking ;and

and any other document designated as such by both the Agent and the Borrower;

Senior Debt means all present and future liabilities (actual or contingent) owing by any Obligor to any Senior Finance Party under or in connection with the Senior Finance Documents, whether or not matured and whether or not liquidated, together in each case with:

- (a) any refinancing, novation, refunding, deferral or extension of any of those liabilities;
- (b) any further advances which may be made by a Senior Finance Party to any Obligor under any agreement expressed to be supplemental to any of the Senior Finance Documents plus all interest, fees and costs in connection therewith;
- (c) any claim for damages or restitution arising out of, by reference to, or in connection with, any of the Senior Finance Documents;
- (d) claim flowing from any recovery by an Obligor or a receiver or liquidator thereof or any other person of a payment or discharge in respect of those liabilities on grounds of preference or otherwise; and
- (e) amounts (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, invalidity, unenforceability or non-allowability of the same in any insolvency or other proceedings,

Senior Facility Agreement means the £72,372,000 facility agreement dated 24 December 2002 between the Borrower (1) HVB Real Estate Capital Limited as arranger (2) the financial institutions listed therein as lenders (3) Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as hedge counterparty (4) Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as agent (5) and Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch as security trustee (6) as the same was restated on 19 March 2003 and as the same may have been, or may from time to time be, amended, novated, supplemented or further restated;

Senior Finance Document means a Finance Document as defined in the Senior Facility Agreement and includes the Security Documents, the Intercreditor Deed, the Senior Facility Agreement, any Deed of Accession and any other document designated as such by the Agent and the Borrower;

Senior Finance Party means a Finance Party as defined in the Senior Facility Agreement;

Senior Liabilities means all and any moneys, obligations and liabilities now or in the future due owing or incurred by an Obligor to the Finance Parties in whatever currency denominated whether actually or contingently and whether alone or jointly with any other person and whether as principal or surety under the Finance Documents including all interest, commissions, fees and all legal and other costs, charges and expenses which any Finance Party may charge the Borrower or incur under any Finance Document;

Shareholder means each and any of City & General (Holdings) Limited (registered in England under number 04216142) and Uberior Ventures Limited (registered in Scotland under number SC235067);

Shares Charge means a first fixed equitable charge over securities executed or to be executed by the Shareholders in favour of the Security Trustee in form and content satisfactory to the Security Trustee over the shares held by the Shareholders in the Borrower;

Subordinated Creditor means each and any of:

- (a) CGIS Group (No.3) Limited and C.G.I.S. Group Limited; and
- (b) any party becoming an Acceding Guarantor under the Facility Agreement;

Subordination Deed means the Deed of Subordination dated 24 December 2002 between the Borrower, City and General (Holdings) Limited, Uberior Ventures Limited and the Security Trustee;

Subordinated Liabilities means all present and future sums, liabilities and obligations payable or owing by an Obligor (whether actual or contingent, jointly or severally or otherwise howsoever) to any Subordinated Creditor.

Subsidiary means a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985;

Substitute Property means any freehold, feuhold, heritable or leasehold interest in any land in each case located in England and Wales, Scotland or Northern Ireland proposed to be charged to the Security Trustee pursuant to the terms of the Debenture Agreement in accordance with Clause 21.7(d) (Disposals and substitutions);

Utilisation means a utilisation of the Facilities;

Vendor means a person being either a vendor or a guarantor of a vendor, of an Acceding Property or the shares of an Acceding Guarantor to an Obligor pursuant to the terms of an Acquisition Agreement.



KPMG Audit Plc

Canary Wharf (38th Floor)
1 Canada Square
London
E14 5AG
United Kingdom

Tel +44 (0) 20 7311 6456
Fax +44 (0) 20 7311 4121
DX 38050 Blackfriars
E-mail andrew.marshall@kpmg.co.uk

The Directors
St Paul's House Leeds Nominee No. 1 Limited
10 Upper Berkeley Street
London
W1H 7PE

Your ref

Our ref agm/ib/592

Contact Andrew Marshall
020 7311 6456

17 March 2003

Dear Sirs

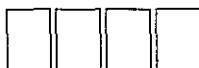
Auditors' report to the directors of St Paul's House Leeds Nominee No. 1 Limited ("the Company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated today in connection with the proposal that the Company should give financial assistance for the purchase of the ordinary shares in its holding company, C.G.I.S. St Paul's House Limited. 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, a company
incorporated under the UK Companies
Acts, is a member of KPMG International,
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Registered in England No 3110745
Registered office
8 Salisbury Square
London EC4Y 8BB