

DATED

15<sup>th</sup> August .

1997

267163

PDFM LIMITED

HAMPTON TRUST PLC

AGREEMENT FOR SALE

of

properties at:

- (1) Friars Court and The Friary, Municipal House, Aylesbury
- (2) 12 Cathedral Road, Cardiff
- (3) 38 City Road, Chester
- (4) 165/173 Beverley Road, Hull
- (5) Hardwick Narrows, Kings Lynn
- (6) 5/6 Osborne Terrace, Newcastle Upon Tyne



Certified as a true copy of the original

*Garrett*  
.....  
Garretts

Ref. *R10* .....

Date *6.7.98* .....

**BERWIN LEIGHTON**

Adelaide House London Bridge London EC4R 9HA  
Telephone 0171 623 3144 Fax 0171 623 4416

DATED

15<sup>th</sup> August.

1997

PARTIES

1 Seller **PDFM LIMITED** (company no 1546400) whose registered office is at Triton Court 14 Finsbury Square London EC2A 1PD *acting in its capacity of General Partner* of the **PDFM SECOND PROPERTY PARTNERSHIP** (a limited partnership registered under the Limited Partnerships Act 1907 of the same address).



2 Buyer **HAMPTON TRUST PLC** (company no 267163) whose registered office is at Hampton House 20 Albert Embankment London SE1 7TJ.

OPERATIVE PROVISIONS

1 Definitions and interpretation

1.1 Unless the contrary intention appears, the following definitions apply:

*Agreed Form* A document in the form initialled by way of identification by the Buyer's Solicitors and the Seller's Solicitors;

*Admission* means the admission of the Consideration Shares and the Scottish Consideration Shares to the Official List of the London Stock Exchange becoming effective in accordance with Rule 7.1 of the Listing Rules;

*Approvals* the approvals of the Capital Reduction by separate class meetings of the holders of Ordinary Shares of 5p each, 5½ per cent (net) Cumulative Convertible Redeemable Preference Shares of £1 each and 8 per cent Convertible Unsecured Loan Stock 2020 of the

	Buyer to be sought in the manner set out in the Circular and the granting of the Court Order;
<i>Business Day</i>	a day upon which Admission can occur;
<i>Buyer's Solicitors</i>	Garretts of Central House, 47 St Paul's Street, Leeds LS1 2TE;
<i>Capital Reduction</i>	means the proposed reduction of the ordinary share capital, preferred share capital and share premium account of the Buyer and the return of shares in the capital of Titan Resources NL to Ordinary Shareholders as more fully described in the Circular;
<i>Circular</i>	the circular to shareholders in the Buyer relating to the agreement and the Scottish Contract dated with the date of this Agreement substantially in the Agreed Form;
<i>Clearing Bank</i>	any of Barclays Bank PLC, National Westminster Bank PLC, Lloyds Bank Plc, Midland Bank PLC, The Royal Bank of Scotland plc, TSB Bank PLC and Clydesdale Bank PLC;
<i>Completion</i>	means completion of the sale and purchase of the Properties pursuant to clause 6;
<i>Completion Date</i>	means the earlier of the Second Business Day after: <p>(a) the date upon which any of the Approvals is refused (and if the Approval which has been refused is the Court Order relating to the Capital Reduction no appeal in relation thereto having been lodged within the appropriate time limit)</p>

(b) the date on or prior to 30 October 1997 upon which the Capital Reduction becomes effective by the Buyer delivering to the Registrar of Companies an office copy of the Court Order and the Registrar of Companies registering the same; or

(c) the Seller being informed in writing of the directors of the Buyer resolving not to proceed with the Capital Reduction;

;

*Consideration Shares*

means 8,089,200 ordinary shares of 5p each of the Buyer credited as fully paid up at 36p per share;

*Contract Rate*

an interest rate equal to 4% over the base rate of Barclays Bank PLC from time to time;

*Court Order*

means the order of the High Court of Justice of England and Wales sanctioning the Capital Reduction;

*Definitive Share Certificate*

means a dated duly executed Share Certificate in favour of the Seller in respect of the Consideration Shares and the Scottish Consideration Shares;

*Leases*

means any leases subject to which the Seller holds its interest in the Properties details of which are set out in Part 2 of Schedules 1-6 in respect of each of the Properties;

*Listing Rules*

means the Listing Rules of the London Stock Exchange;

<i>London Stock Exchange</i>	means London Stock Exchange Limited;
<i>Ordinary Shareholders</i>	means the holders of issued and fully paid ordinary shares of 5p each in the capital of the Buyer;
<i>Properties</i>	means the properties described in Part 1 of Schedules 1-6 (and "Properties" means any of them as the context so admits);
<i>Scottish Consideration Shares</i>	means the expression defined as "Consideration Shares" in the Scottish Contract;
<i>Scottish Contract</i>	means the agreement for the sale of various properties in Scotland in the form of the draft agreement attached to this agreement;
<i>Seller's Solicitors</i>	Berwin Leighton of Adelaide House, London Bridge, London, EC4R 9HA (ref: POLM/P432/685); and
<i>Standard Conditions</i>	the Standard Conditions of Sale (3rd Edition), and <i>Standard Condition</i> is to be construed accordingly.

- 1.2 Where a party is placed under a restriction in this agreement, the restriction is to be deemed to include the obligation on that party not to permit or allow the infringement of the restriction by any person.
- 1.3 The clause and paragraph headings in this agreement are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision to which they refer.
- 1.4 Unless the context otherwise requires, references:
- 1.4.1 to numbered clauses and schedules are references to the relevant clause in, or schedule to, this agreement; and

- 1.4.2 to a numbered paragraph in any schedule are references to the relevant paragraph in that schedule.
- 1.5 Words in this agreement denoting the singular include the plural meaning and vice versa.
- 1.6 References in this agreement to any statutes or statutory instruments include any statute or statutory instrument amending, consolidating or replacing them respectively from time to time and for the time being in force, and references to a statute include statutory instruments and regulations made pursuant to it.
- 1.7 Words in this agreement importing any one gender include both other genders and may be used interchangeably, and words denoting natural persons, where the context allows, include corporations and vice versa.
- 2 Conditions**
- 2.1 This agreement is conditional on the following conditions being satisfied on or prior to the Completion Date:
- 2.1.1 the passing of a resolution at a duly convened general meeting of the Buyer approving the purchase of the Properties under this agreement and the Scottish Properties under The Scottish Contract;
- 2.1.2 the London Stock Exchange agreeing to admit the Consideration Shares and the Scottish Consideration Shares to the Official List of the London Stock Exchange (subject only to allotment);
- 2.1.3 the admission of the Consideration Shares and the Scottish Consideration Shares to the Official List of the London Stock Exchange becoming effective within the meaning set out in paragraph 7.1 of the Listing Rules;
- 2.1.4 the exchange of the Scottish Contract conditional only on this Agreement becoming unconditional prior to the Completion Date;
- 2.1.5 the board of the Buyer resolving to allot the Consideration Shares and the Scottish Consideration Shares to the Seller (conditional only on Admission).

- 2.2 If the conditions referred to in clauses 2.1.1 to 2.1.5 are not satisfied on or prior to the Completion Date (or such later date as the parties may agree), this agreement shall cease to have effect and neither party shall have any claim under it against any other party, except in respect of any prior breach, save that the Buyer shall be entitled to the return of the deposit paid pursuant to clause 5 without interest.
- 2.3 If this agreement has not been completed pursuant to clause 6.1 on or before 31 October 1997 the Seller shall have the right, by written notice to the Buyer to terminate this Agreement in which event the deposit referred to in clause 5.1 will be repaid to the Buyer without interest and the Buyer will pay to the Seller the reasonable legal costs of the Seller of and incidental to the matters contained as referred to in this agreement and this agreement shall cease to have effect and save as aforesaid neither party shall have any claim under it against any other party except in respect of any prior breach.
- 2.4 The Buyer undertakes to the Seller that the resolution to be considered by the shareholders relative to the Capital Reduction will be in the Agreed Form and that the Buyer shall deliver a copy of the Court Order to the Registrar of Companies for registration within two Business Days of the Court Order being made.
- 2.5 The Buyer undertakes to use all reasonable endeavours to procure that each of the conditions set out in clause 2.1 above is satisfied.
- 2.6 If at any time the directors of the Buyer resolve not to proceed with the Capital Reduction they shall inform the Seller in writing of such decision by no later than two Business Days following that on which such resolution is passed.
- 2.7 The Buyer undertakes to the Seller (subject to the Approvals, other than the making of the Court Order, being obtained):
- 2.7.1 to use its best endeavours to obtain a Court hearing date in relation to the Capital Reduction as soon as possible after the Approvals, other than the making of the Court Order, are obtained;
- 2.7.2 to pursue the Court application in relation to the Capital Reduction with all due diligence and to use its best endeavours to prove that the Court Order is granted as soon as possible. PROVIDED that this

clause 2.7.2 will not oblige the Buyer to repay or secure creditors of the Buyer in relation to the Capital Reduction.

**3 Agreement for sale and purchase**

3.1 Subject to the satisfaction of the Conditions set out in Clause 2 above the Seller will sell, and the Buyer will buy, the Properties.

3.2 The interest in each of the Properties to be sold is freehold.

3.3 The sale excludes all tenant's and trade fixtures and fittings.


3.4 Except in the case of the Properties described in Schedules 3 and 4, where the risk of damage to or destruction now passes to the Buyer, the risk of damage to or destruction of the remainder of the Properties will not pass until the date of actual completion.

3.5 The special conditions set out in Part 4 of Schedules 1-6 apply in relation to the sale of the Properties

**4 Price**

The price for the Properties is the sum of £6,911,300 to be satisfied by the payment of £3,999,188 in cash and the allotment of the Consideration Shares, the apportioned value for each of the Properties being stated in Part 5 of each of Schedules 1-6.

**5 Deposit**

5.1  The Buyer is to deposit of £445,000 to the Seller's Solicitors as stakeholders.

5.2 The deposit is to be paid by means of telegraphic transfer to the Seller's Solicitor's client account.

5.3 Interest accruing on the deposit for the period ending on the date of actual completion is to be accounted for to the Seller on completion.

**6 Completion arrangements**

6.1 Completion of the sale and purchase of the Properties under this agreement and the Scottish Properties under the Scottish Contract shall take place in escrow, subject

only to the condition set out in clause 2.1.3 and satisfaction of clause 6.2 on the Completion Date at the offices of the Seller's Solicitors when, amongst other things:

6.1.1 the Buyer shall deliver to the Seller a report with respect to the value of the Property in accordance with Section 103 Companies Act 1985;

6.1.2 subject to clause 6.1.1 above, the Buyer shall conditionally allot the Consideration Shares and Scottish Consideration Shares to the Seller credited as fully paid in accordance with their respective entitlements subject only to the condition set out in clause 2.1.3;

6.1.3 the Buyer shall deliver to the Seller's Solicitors:

(a) as stakeholders pending satisfaction of the condition set out in clause 2.1.3 by telegraphic transfer to the Seller's Solicitor's client's account or any other bank account nominated by the Seller the sum of EIGHT MILLION FOUR HUNDRED AND FIFTY-FIVE THOUSAND POUNDS (£8,455,000) in favour of the Seller's Solicitors whose receipt shall be a valid discharge to the Buyer;

(b) the undertaking of the Buyer's Solicitors in the Agreed Form to deliver the Definitive Share Certificate to the Vendor's Solicitors following Admission; and

(c) any other sums due under or pursuant to the terms of this Agreement.

6.2 Notwithstanding the provisions of Clause 6 of this agreement the Seller shall not be obliged to complete the sale of the Properties to the Buyer unless at the same time the Buyer completes the sale and purchase of the properties set out and in accordance with the Scottish Contract.

6.3 If the money due on completion is received after 1.30 pm, completion is to be treated for the purposes of the Standard Conditions as taking place on the next working day.

6.4 Completion shall become effective forthwith upon the condition set out in clause 2.1.3 being satisfied and satisfaction of clause 6.2 whereupon the Seller's Solicitors are hereby irrevocably authorised to pay the cash consideration for the Properties

and the Scottish Properties under the Scottish Contract and to deliver the Definitive Share Certificates for the Consideration Shares and Scottish Consideration Shares to the Seller.

- 6.5 The Consideration Shares and Scottish Consideration Shares will be issued free of all encumbrances, charges, options and rights of pre-emption, credited as fully paid and will rank pari passu in all respects with ordinary shares of 5 pence each of the Buyer in issue on the Completion Date (including in all regards with respect to transferability) and shall carry the right to receive in full all dividends and other distributions declared made or paid after the Completion Date without any apportionment but shall not entitle the Seller to participate in the final dividend for year end March 1997 or (for the avoidance of doubt) in the Capital Reduction.

## **7 Title**

Title to the Properties has been deduced by the Seller to the Buyer and the Buyer is not entitled to raise any objection to the title to the extent that it has been deduced save in relation to any matters arising from the Buyer's pre-completion searches at H M Land Registry, H M Land Charges registry and Companies House.

- 7.1 The Seller sells with limited title guarantee.

## **8 Specific matters subject to which the Properties are sold**

- 8.1 The Properties are affected by and sold subject to:

8.1.1 the Leases; and

8.1.2 the matters referred to in Part 3 of Schedules 1-6 and the matters noted upon the Properties register and entered in the charges register relating to the title to each of the Properties.

- 8.2 The Buyer or its solicitors have been supplied with office copy entries relating to the titles, copies of the Leases and other documents listed in Part 3 of Schedules 1-6 and the Buyer is to be treated as entering into this agreement knowing and accepting their terms, and may not raise any requisitions or objections about them save in relation to any matters arising from the Buyer's pre-completion searches at H M Land Registry, H M Land Charges Registry and Companies House.

**9 General matters subject to which the Properties is sold**

The Properties are sold subject to:

- 9.1 all local land charges, whether or not registered before the date of this agreement, and all matters capable of registration as local land charges, whether or not actually registered;
- 9.2 all notices served and orders, demands, proposals or requirements made by any local or any public authority after the date of this agreement;
- 9.3 all actual or proposed orders, directions, notices, charges, restrictions, conditions, agreements and other matters arising under any statute affecting the Properties; and
- 9.4 all rights of way, drainage, watercourses, light or other easements, or quasi or reputed easements, and rights of adjoining owners affecting the Properties, and all liability to repair or covenants to repair roads, pavements, paths, ways, passages, sewers, drains, gutters, fences and other like matters, without obligation on the Seller to provide evidence of the creation of, or to define or apportion, any such liability.

**10 Buyer's covenants**

In the transfer of the Properties to the Buyer, the Buyer will covenant with the Seller, by way of indemnity only, to perform and to keep indemnified the Seller against all claims, liability and costs for future breaches of:

- 10.1 the obligations of the landlord in the Leases; and/or
- 10.2 the obligations of the Seller in, or identified in, the documents listed in Part 3 of each of Schedules 1-6.

**11 Insurance**

- 11.1 The Seller will maintain the insurance of each of the Properties until actual completion, unless it is maintained by a tenant, mortgagee or other third party, or the consent of the insurer is required and it is lawfully withheld.
- 11.2 The Seller is not to be responsible to the Buyer for any deficiency in the amount insured or inadequacy of the risks covered, and the Buyer is to satisfy itself in these

respects, but the Seller will forthwith at the request and cost of the Buyer increase the amount insured or the risks covered.

- 11.3 The Seller will, if so requested, supply to the Buyer sufficient details of the insurance of the Properties, but the Buyer may make enquiries direct with the insurers.
- 11.4 The Seller will insofar as the same is permissible obtain or consent to an endorsement of a note of the Buyer's interest in the Properties on the policy or policies or procure that it is otherwise noted by the insurer.
- 11.5 The Buyer is to be responsible for, and will on demand pay or reimburse the premium for, insurance of the Properties for the period from the date of this agreement to the date of actual completion (or the Completion Date if any delay is attributable to any act or default of the Seller), but the Buyer is to be credited with any reimbursements of the premium received by the Seller from a tenant or other third party attributable to that period.
- 11.6 The Seller will account to the tenants who have contributed to the insurance premium appropriately, with any refund of premium on cancellation referable to the period from the date of actual completion to the date when the insurance would have fallen due for renewal.
- 11.7 Where money becomes payable under the insurance on the Properties before actual completion, the Seller is to apply the money to the reinstatement of the Properties if there is a contractual or statutory obligation, or the Buyer directs the Seller to do so, but, if not, the Seller is to account to the Buyer for the money, or so much as has not been expended, at actual completion.
- 12 **Conditions of sale**
- 12.1 The Standard Conditions apply to this agreement with the variations set out in this clause, but the terms of this agreement are to prevail in case, and to the extent, of inconsistency.
- 12.2 The following Standard Conditions do not apply:

Standard Conditions 2.2.1, 2.2.2, 2.2.3, 3.3.2(c), 5.1, 6.1, 7.4 and 8.3.

- 12.3 The following sub-paragraphs are added to Standard Condition 3.1.2:

“(f) overriding interests (as defined in section 70(1) of the Land Registration Act 1925), or matters which would be overriding interests if the title to the Properties were registered, except in either case matters referred to in section 70(1)(g) of that act; and

(g) all matters disclosed or reasonably and properly expected to be disclosed by searches and enquiries, either formal or informal, by or for the buyer or which a prudent buyer ought to make”.

- 12.4 Standard Condition 3.3.2(b) is varied by the omission of the words “the seller is to act as the buyer reasonably and properly directs, and the buyer is to indemnify him against all consequential loss and expense.”

- 12.5 Standard Condition 7.3.2 is varied by:

12.5.1 the addition of “...but where the buyer is required by this Condition to pay compensation, the seller is also entitled to retain the income from the Properties until the date of actual completion”; and

12.5.2 the deletion of the words “...less any deposit paid”.

13 **No assignment of this agreement**

The Seller is not obliged to assign, convey or transfer the whole or any part of the Properties to anyone other than the Buyer or another company within the same group as the Buyer as shall be notified to the Seller not less than 15 working days prior to the Completion Date.

14 **Misrepresentation**

- 14.1 The Buyer acknowledges that no statement or representation, whether oral or written, which may previously have been made to it, or any person concerned on its behalf, by or for the Seller, its agents or solicitors, has induced it to enter into this agreement, apart from the written replies of the Seller's Solicitors to written enquiries raised by the Buyer's solicitors.

- 14.2 Any liability of the Seller and remedy of the Buyer at law, in equity or under statute in respect of such a statement or representation or for implied warranty (apart from the written replies of the Seller's Solicitors to written enquiries raised by the Buyer's solicitors) is excluded.

**15 Continuation of this agreement after completion**

Completion does not discharge liability to perform any outstanding obligation under this agreement.

**16 Costs**

Each party is responsible for its own professional costs relating to the preparation and implementation of this agreement.

**17 Value added tax**

- 17.1 Sums payable under this agreement for the supply of goods and services are exclusive of value added tax.

- 17.2 This transaction does or may constitute a transfer of a going concern for the purposes of article 5 of the Value Added Tax (Special Provisions) Order 1995, and the provisions of Schedule 9 are to apply.

**18 Notices**

- 18.1 Any notice or notification required to be given under this agreement is to be in writing.

- 18.2 A notice is to be treated as properly given if compliance is made with the provisions of section 196 of the Law of Properties Act 1925 (as amended by the Recorded Delivery Service Act 1962).

- 18.3 Where delivery of the original document is not essential, a written notice includes a notice by facsimile and the facsimile numbers are:

in the case of the Seller: 0171 901 5528

and

in the case of the Buyer: 0171 840 1001 for the attention of Neil  
Ankers or Graham Jackson

and where notice is given by facsimile, it is to be treated as having been properly  
given on the date of its dispatch if transmitted and received before 3.30 pm on any  
working day, and otherwise on the next working day.

19      **Incorporation of schedules**

The provisions of the schedules are to apply.

Signed by the duly authorised representatives of the parties on the date of this  
document.

## **SCHEDULE 1**

### **Part 1**

#### **Description of the Properties**

All that freehold land known as Friars Court and The Friary (formerly Municipal Insurance House) Rickfords Hill Aylesbury as the same is registered at H M Land Registry with absolute title under title number BM202547

### **Part 2**

#### **The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
<b>Ground Floor Offices Friars Court</b>		
29.07.1997	Lease	PDFM Limited (1) Broker Financial Services Plc (2)
<b>First Floor Friars Court</b>		
01.10.1979	Lease	Municipal Mutual Insurance Limited (1) Elswick Hopper Limited (2)
<b>Unit 1 The Friary</b>		
03.10.1996	Lease	PDFM Limited (1) Active Technology (Aylesbury) Limited (2)
<b>Suite 2 The Friary</b>		
15.11.1996	Lease	PDFM Limited (1) Systems FX Limited (2)
<b>Suite 4 The Friary</b>		
24.02.1997	Lease	PDFM Limited (1) Crossley House Recruitment Limited (2)

**Part 3**  
**The Encumbrances**

The matters noted on the property register and entered on the charges register of title number BM202547

**Part 4**  
**Special Conditions**

- 1 Subject to obtaining the consent where required of the building contractor referred to therein the Seller shall on completion assign to the Buyer the benefit of a building contract dated 17 February 1991 and made between Municipal Mutual Insurance Limited (1) and Western Counties Constructions Limited (2) such assignment to be in such form as the parties shall agree such agreement in neither case to be unreasonably withheld or delayed
- 2 Subject to obtaining the consent of the building contractor referred to therein the Seller shall on completion assign to the Buyer the benefit of a JCT Agreement for minor building works which agreement is undated but has been signed and made between the Seller (1) and Kestrel Building Services (2) such assignment to be in such form as the parties shall agree such agreement in neither case to be unreasonably withheld or delayed
- 3 The Seller does not have in its possession the original of the counterpart lease of the First Floor Friars Court referred to in Part 2 of this Schedule dated 1 October 1979 and made between Municipal Mutual Insurance Limited (1) and Elswick Hopper Limited (2) nor the land certificate to title number BM202547 and the Buyer shall raise no objection or requisition to the non-availability of these documents PROVIDED ALWAYS that the Seller hereby confirms that if the said counterpart lease shall be found it shall forthwith forward the same to the Buyer and furthermore that an application has prior to the date hereof been made to H M Land Registry by Messrs Olswang of 90 Long Acre London WC2E 9TT for the issuing of a fresh land certificate and a copy of the application and the statutory declaration accompanying the same has been supplied to the Buyer's solicitors prior to the date hereof

## 5 The Rights

5.1 The transfer of the Property to the Buyer shall contain the following rights in favour of each and every part of the Seller's Adjoining Land:

5.1.1 The rights for the Seller and all other persons authorised by the Seller with or without vehicles over the Access Road for the purpose of access to and egress from the Seller's Adjoining Land from and to Rickfords Hill subject to the Seller covenanting as follows:

5.1.2 not to permit any vehicle or any person calling on the Seller's Adjoining Land to park, station, load or unload any vehicles on any part of the Access Road and to use its best endeavours to ensure that such persons shall not permit any vehicle to stand on any part of the Access Road;

5.1.3 not in any way to obstruct the free circulation of traffic over the Access Road;

5.1.4 to pay to the Buyer on demand a fair and proper proportion (to be conclusively determined by the Buyer or the Buyer's surveyor) of the expense of cleaning, lighting, repairing, maintaining and rebuilding the Access Road; and

5.1.5 not to permit any vehicle except motor vehicles and light vans to use the Access Road.

5.2 Notwithstanding the above exceptions reservations declarations and other matters benefiting or affecting the Seller's Adjoining Property the Buyer will for itself and its successors in title covenant with the Seller that it will at the direction of the Seller enter into such further deeds as may be necessary to ensure that the Seller and its successors in title tenants and other occupiers at the Seller's Adjoining Property are able to have full beneficial use and occupation of the same without additional cost.

5.3 In this Schedule the following definitions shall apply:

Access Road means the road running from the Seller's Adjoining Property to Rickford's Hill.

Seller's Adjoining Land means 25 Rickford's Hill Aylesbury as the same is registered at H M Land Registry with title absolute under title number BM202546.

**Part 5**  
**Apportioned Value**

£812,786

## **SCHEDULE 2**

### **Part 1**

#### **Description of the Properties**

All that freehold land known as 12 Cathedral Road, Cardiff as the same is registered at HM Land Registry with title absolute under title number WA42320

### **Part 2**

#### **The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
27.6.1996	Lease of Part Ground and Part First Floor, 12 Cathedral Road, Cardiff	PDFM Limited (1) Healthcall Services Limited (2) Healthcall Group plc (3)
15.6.1978	Lease of Third Floor, 12 Cathedral Road, Cardiff	Municipal Mutual Insurance Limited (1) Lloyds Scottish Finance Limited (2) ("The 3rd Floor Lease")

### **Part 3**

#### **The Encumbrances**

1. The matters noted on the property register and entered on the charges register of title number WA42320

<b>2</b>	<b>Date</b>	<b>Document</b>	<b>Parties</b>
	27.6.1996	Licence for Alterations	PDFM Limited (1) Healthcall Services Limited (2) Healthcall Group Plc (3)

**Part 4**  
**Special Conditions**

The Seller does not have the original of the 3rd Floor Lease. A copy of the said Lease has been provided to the Buyer and the Buyer shall not be entitled to raise any objections or requisitions in respect of such matters.

**Part 5**  
**Apportioned Value**

£734,129

### **SCHEDULE 3**

#### **Part 1**

#### **Description of the Properties**

All that freehold land known as 38 City Road Chester as the same is registered at HM Land Registry with title absolute under title number CH57750

#### **Part 2**

#### **The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
22.11.1993	Lease of General Buildings, 38 City Road Chester	General Accident Life Assurance Limited (1) General Accident Fire and Life Assurance Corporation plc (2)

#### **Part 3**

#### **The Encumbrances**

1. The matters noted on the property register and entered on the charges register of title number CH57750

<b>2</b>	<b>Date</b>	<b>Document</b>	<b>Parties</b>
	14.5.1996	Licence to Underlet	PDFM Limited (1) General Accident Fire and Life Assurance Corporation plc (2) NWS Bank plc (3)
	2.4.1997	Licence to Underlet	PDFM Limited (1) General Accident Fire and Life Assurance Corporation plc (2) NWS Bank plc (3)

**Part 4**  
**Special Conditions**

None

**Part 5**  
**Apportioned Value**

£917,661

## **SCHEDULE 4**

### **Part 1**

#### **Description of the Properties**

All that freehold land known as 165 to 173 (odd) Beverley Road, Kingston upon Hull as the same is registered at HM Land Registry with title absolute under title number HS234164.

### **Part 2**

#### **The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
22.11.1993	Lease of General Buildings, 165 to 173 Beverley Road, Hull.	General Accident Life Assurance Limited (1) General Accident Fire and Life Assurance Corporation plc (2)

### **Part 3**

#### **The Encumbrances**

- 1 The matters noted on the property register and entered on the charges register of title number HS234164

<b>2</b>	<b>Date</b>	<b>Document</b>	<b>Parties</b>
	6.6.1995	Licence to Underlet	PDFM Limited (1) General Accident Fire and Life Assurance Corporation plc (2) Computer Sports Services Limited (3)
	14.7.1995	Letter of consent to alterations	PDFM Limited (1) General Accident Fire and Life Assurance Corporation plc (2)

**Part 4**  
**Special Conditions**

None.

**Part 5**  
**Apportioned Value**

£671,204

## **SCHEDULE 5**

### **Part 1**

#### **Description of the Properties**

All that freehold land known as land and buildings on the north side of Hamlin Way, Hardwick Narrows Industrial Estate, King's Lynn as the same is registered at HM Land Registry with title absolute under title number NK16903.

### **Part 2**

#### **The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
28.12.1973	Lease of Units 1 and 2	East Coast Storage Company Limited (1) Beck & Pollitzer Warehousing Limited ("BPW") (2)
26.4.1994	Lease of Bays 1 and 2 and Court Order dated 8.3.1994	MMI (1) Grovemere (2)
20.4.1994	Lease of Bay 3	MMI (1) TDG (2)
20.4.1994	Lease of Bays 4 and 5	MMI (1) TDG (2)

### **Part 3**

#### **The Encumbrances**

- 1 The matters noted on the property register and entered on the charges register of title number HS234164

<b>2</b>	<b>Date</b>	<b>Document</b>	<b>Parties</b>
	16.6.1994	Rent review memorandum re warehouses 1 and 2	
	20.4.1994	Copy deed of variation	Municipal Mutual Insurance

Limited ("MMI") (1)  
TDG Limited ("TDG") (2)  
Beck & Pollitzer Limited  
("Beck") (3)

#### **Units 1 and 2**

15.8.1983	Licence for alterations	MMI (1) Beck (2)
10.2.1993	Licence to assign	MMI (1) Beck (2) TDG (3)

#### **Bays 1 and 2**

26.4.1994	Licence to underlet	MMI (1) Grovemere Merchants Limited ("Grovemere") (2) Pegasus Freightlines Limited ("Pegasus") (3)
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### **Part 4**

#### **Special Conditions**

The Seller does not have the original of the deed of variation dated 10 April 1994 between MMI (1) and Beck (2) and the Purchaser shall raise no requisition in respect thereof.

### **Part 5**

#### **Apportioned Value**

£3,041,391

## **SCHEDULE 6**

### **Part 1**

#### **Description of the Properties**

All that freehold land known as 5 and 6 Osborne Terrace, Newcastle upon Tyne as the same is registered at HM Land registry with title absolute under title number TY65368.

### **Part 2**

#### **The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
23.4.1993	Lease of 5/6 Osborne Terrace, Jesmond, Newcastle upon Tyne	Municipal Mutual Insurance Limited (1) Zurich Insurance Company (2)

### **Part 3**

#### **The Encumbrances**

1. The matters noted on the property register and entered on the charges register of title number TY65368

<b>2</b>	<b>Date</b>	<b>Document</b>	<b>Parties</b>
	21.11.1995	Licence for alterations	PDFM Limited (1) Zurich Insurance Company (2)

### **Part 4**

#### **Special Conditions**

None.

### **Part 5**

#### **Apportioned Value**

£734,129

## **SCHEDULE 7**

### **Money recoverable from tenants**

#### **1 Scope of this part and definitions**

1.1 This part of this schedule applies to rents, insurance premiums, service charges and other monies recoverable under the Leases from tenants or any other person who has the use or enjoyment of the whole or a part of the Properties;

1.2 *recoverable items* is the expression used to refer to them collectively; and

1.3 *date of apportionment* is the date on which the relevant recoverable items are to be apportioned in accordance with Standard Condition 6.3, and includes the date of apportionment itself.

#### **2 Treatment of apportionments**

Apportionments of recoverable items in accordance with Standard Condition 6.3 are to be made as if the recoverable items payable by tenants by the date of apportionment had been paid.

#### **3 Account and reimbursement**

3.1 The Buyer will pay to the Seller the amount of unpaid recoverable items at the date of apportionment, and the Seller will at actual completion:

3.1.1 give directions in writing to the tenants to pay the relevant arrears to the Buyer;

3.1.2 assign to the Buyer by deed, in such form as the Buyer may reasonably and properly require, the right to recover those arrears of recoverable items from tenants which the Seller would by operation of law otherwise retain; and

3.1.3 at the request and cost of the Buyer permit the Buyer to join the Seller in any action, claim or proceedings against any tenant, previous tenant or guarantor who may be liable for the arrears; but

- 3.1.4 must keep the Seller indemnified against all liability incurred in consequence of any such action by the Buyer.
- 3.2 The Buyer will reimburse to the Seller on completion all service charge expenditure incurred by the Seller for the current service charge year (or other such applicable period), but the Seller will give credit for:
- 3.2.1 service charge contributions it has collected for that year or period, and will account to the Buyer for any surplus; and
- 3.2.2 any part of such expenditure for the period to and including the date of apportionment which is not recoverable by reason of there being unlet parts of the Properties, no right or less than full right of recovery from a tenant or other person, or default by a tenant or other person in payment of recoverable items.
- 3.3 The Seller will transfer to the Buyer on completion any accounts holding unutilised advance payments, reserves or sinking funds, with any accrued interest (less tax for which the Seller is accountable in law) in respect of future service charge expenditure; and
- 3.3.1 the Properties will be transferred subject to such trusts and other obligations as attach to the holding of such reserves or sinking funds; and
- 3.3.2 the Buyer will undertake with the Seller to perform, and to keep the Seller indemnified against the breach of, those trusts and obligations.

### **Part 3**

#### **Management of the Properties pending completion**

##### **4 Seller's obligations**

- 4.1 The Seller will continue to manage the Properties, in discharge of the obligations of the landlord under the Leases, according to the principles of good estate management until the date of actual completion.
- 4.2 The Seller may not grant or withhold licences, consents or approvals in response to applications by tenants under the Leases without the consent of the Buyer.

5      **Buyer's obligations**

- 5.1      The Buyer may not unreasonably withhold its consent or attach conditions to it, where to do so would or might place the Seller in breach of obligation to the tenants under the Leases, statute or otherwise unless the Buyer first agrees to indemnify the Seller against such breach.
- 5.2      The Buyer will keep the Seller indemnified against all claims, liability and costs incurred resulting from an unreasonable withholding of its approval.

## **SCHEDULE 8**

### **Contracts for the supply of services**

#### **1 Scope of this schedule**

This schedule applies to contracts for the supply of services to the Properties maintained by the Seller.

#### **2 Cancellation unless otherwise required**

2.1 The Seller will cancel the contracts with effect from the date of actual completion, unless the Buyer has notified the Seller not less than ten working days before that date that it wishes to maintain them, or some of them, after completion.

2.2 Where the Buyer so notifies the Seller of its wish to maintain a contract, the following provisions are to apply.

#### **3 Contracts capable of assignment**

3.1 In the case of a contract capable of assignment, the Seller will assign the benefit of the contract to the Buyer.

3.2 The Buyer will undertake with the Seller to:

3.2.1 assume the obligations of the Seller under the contract;

3.2.2 give notice of the assignment of the contract to the supplier of the services; and

3.2.3 from the date of actual completion keep the Seller indemnified against breach of obligation to the supplier under the contract.

#### **4 Contracts not capable of assignment**

In the case of a contract not capable of assignment, or only assignable with the permission of the supplier:

4.1 the Seller will maintain the contract for the benefit of the Buyer for so long as is necessary to ascertain whether the supplier is prepared to permit assignment, or novate the contract;

- 4.2 the Seller will use all reasonable and proper endeavours to obtain permission to assign the contract, or procure a novation for the Buyer;
- 4.3 if assignment is permitted by the supplier, paragraph 3 is to apply;
- 4.4 if a novation is obtainable, the Buyer will take up the new contract with the supplier, or permit the Seller to obtain a cancellation of the original contract;
- 4.5 the Buyer will reimburse to the Seller the cost of maintaining the contract for any period mentioned in paragraph 4.1; and
- 4.6 the Seller will bear the costs of cancellation of any contract, and the Buyer will bear the cost of any novation; but
- 4.7 the Seller may cancel a contract where it is not capable of assignment, and the supplier is unwilling to permit an assignment or agree a novation.

**SCHEDULE 9**  
**Value added tax**  
**Transfer of a going concern**

**1 The sale of the Properties**

- 1.1 The Seller and the Buyer acknowledge that, on compliance by the Buyer with paragraphs 3.1 and 3.2, the sale and purchase of the Properties will or may constitute the transfer of a going concern, and each undertakes with the other to endeavour to procure that it be treated as such by Customs.
- 1.2 The decision of Customs as to whether the sale of each of the Properties to the Buyer does constitute the transfer of a going concern is to be binding as between the Seller and the Buyer.
- 1.3 In this schedule, reference to *Customs* is to the Commissioners of Customs and Excise.

**2 Seller's obligations**

- 2.1 The Seller warrants that it is selling the Properties in its capacity of general partner of PDFM Second Property Partnership which is the beneficial owner of the Properties. PDFM Second Property partnership is registered for the purposes of value added tax under registration number 645 4834 19 and has elected to waive exemption from value added tax in relation to The Friary Aylesbury, 12 Cathedral Road Cardiff and 9 Hardwick Narrows Kings Lynn, and has duly notified the election to Customs.
- 2.2 The Seller will immediately apply to Customs, giving all requisite information for the purpose of confirmation that the sale of each of the Properties to the Buyer does constitute the transfer of a going concern, and use its reasonable and proper endeavours to procure that the confirmation of Customs is obtained before the Completion Date.
- 2.3 The Seller will notify the Buyer of the decision of Customs as soon as the Seller receives notification of it.

- 2.4 On or before completion the Seller shall apply to Customs for a direction that all the business and accounting records and other documentation which are required to be kept and maintained for the purposes of VAT in respect of the Properties (the "VAT Records") and which the Buyer is required to preserve for any period after actual completion shall be preserved by the Seller and the Seller shall provide the Buyer with a copy of the direction made by Customs forthwith on receipt by the Seller. The Seller will preserve the VAT Records referred to above for such period as may be required by law and during that period shall at reasonable notice permit the Buyer or its agents to inspect such records at the Buyer's expense make copies of their VAT records.

### **3 Buyer's obligations**

- 3.1 The Buyer is registered for the purposes of value added tax under registration number 544346935
- 3.2 The Buyer will elect to waive exemption from value added tax in relation to the Properties The Friary Aylesbury, 12 Cathedral Road Cardiff and 9 Hardwick Narrows Kings Lynn, and notify Customs of the election before the date of actual completion and will provide copies of the same to the Seller on or before actual Completion together with a copy of the Customs acknowledgment of the election, and the Buyer acknowledges that, if it fails to do so, value added tax will be payable on the price of the Properties.
- 3.3 The Buyer will continue to use the Properties after actual completion for carrying on the same kind of business, without any break in the normal trading pattern, in the manner that the Seller has done at all relevant times before the date of actual completion.

### **4 Procedure if Customs' confirmation not available by completion**

- 4.1 Completion is not to be postponed on the ground that there is no confirmation by the Completion Date that the sale of each of the Properties to the Buyer constitutes the transfer of a going concern, and, if so, the following arrangements are to be made.

- 4.2 The Buyer will at the date of actual completion deposit with the Seller's Solicitors a sum equal to the output tax that would be payable by the Buyer with respect to the sale of the Properties if this transaction did not constitute a transfer of a going concern.
- 4.3 The Seller's Solicitors are required to keep the sum deposited in an interest-bearing account with a Clearing Bank.
- 4.4 The sum deposited is either to be applied toward payment of the output tax incurred by the Seller or returned to the Buyer at the time when, and according to whether or not the sale of each of the Properties to the Buyer is confirmed by Customs as a transfer of a going concern, but interest which has accrued on the deposit is to be accounted for to the Buyer.
- 4.5 The Seller will at the date of actual completion, or, if later, immediately on the decision of Customs that the sale all or any of the Properties to the Buyer is not to be treated as a transfer of a going concern, issue a tax invoice to the Buyer for the price and the value added tax chargeable on it.

Signed by [ ]  
for and on behalf of  
the Seller

)  
)  
)  


Signed by [ ]  
for and on behalf of  
the Buyer

)  
)  
)

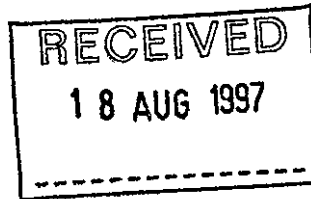
SHEPHERD &  
WEDDERBURN WS

OUR REF P0407.6/KAM/ADB  
YOUR REF 27/DJG68437/CMCH



15 August 1997

Dorman Jeffrey & Co  
Solicitors  
Madeleine Smith House  
6/7 Blythswood Square  
Glasgow  
G2 4AD



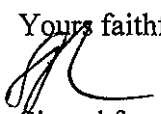
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TELEPHONE 0131-228 9900  
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DX553049 EDINBURGH-18  
EMAIL:KERRLMCHALE@SHEPWEDD.CO.UK



Dear Sirs

On behalf of and as instructed by our clients, PDFM Limited (Company Number 1546400) and having its Registered Office at Triton Court, 14 Finsbury Square, London, acting in its capacity of general partner of PDFM Second Property Partnership (a limited partnership registered under the Limited Partnership Act 1907) of 14 Finsbury Square, London we hereby accept your Offer dated 15 August 1997 on behalf of your clients, Hampton Trust plc, a Company incorporated under the Companies Acts (Registered Number 267163) and having its Registered Office at Hampton House, 20 Albert Embankment, London, SE1 7TJ to purchase from our said clients the Scottish Properties as defined in your said Offer and on the terms and conditions referred to therein and hereby hold the bargain between us to be concluded.

Yours faithfully

  
Signed for and on behalf of the said PDFM Limited  
(acting in its said capacity)  
by Shepherd & Wedderburn WS,  
the firm's signature being adhibited by

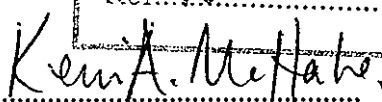
  
James G Birrell, a Partner.

Certified as a true copy of the original

  
Garretts

Ref. RJD

Date 6.9.98

  
Kerri Anne McHale, Witness

Kerri Anne McHale, Solicitor  
Saltire Court,  
20 Castle Terrace, Edinburgh

HUGH R DONALD CHIEF EXECUTIVE

D I K MACLEOD THOMAS H DRYSDALE DKS IAN B INGLIS JOHN DONALD DAVID A JOHNSTONE ROBERT D D BERTRAM DAVID A SMITH DAVID F MURBY  
NICHOLAS C RYDEN JAMES R WILL IAIN M C MEIKLEJOHN ROBIN D FULTON ANDREW D BIRRELL LORNA M SMITH HUGH D I SMITH  
PAUL W HALLY DOROTHY M BOYD PATRICK ANDREWS ANDREW N HOLEHOUSE SUSAN P INGLIS KAY R MCCORQUODALE  
JAMES H SAUNDERS JAMES A DOBIE MARIAN GLEN ANDREW J BLAIN ELIZABETH M M McROBB SHEILA M GUNN

ASSOCIATES

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SUSAN M MACLEOD JOANNE H MOYNAN DAVID NASH KENNETH U STEELE

JAMES G BIRRELL CONSULTANT

AUTHORISED TO CONDUCT INVESTMENT BUSINESS UNDER THE FINANCIAL SERVICES ACT 1986 BY THE LAW SOCIETY OF SCOTLAND

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Your Ref: Kerri McHale  
Our Ref: 27/DJG68437/cmch

15th August 1997

Messrs. Shepherd & Wedderburn,  
Solicitors,  
Saltire Court,  
20 Castle Terrace,  
Edinburgh.  
EH1 2EJ

**PARTNERS**

A Brian Dorman  
Ian J Cuthbertson  
E M Davidson  
Joyce I Bain  
David L Gibson  
John Gallacher  
Yvonne T Brady  
Eric R Galbraith  
Vincent Brown  
Graeme M Bruce  
Lorna A Sibbald  
David E Morton

**ASSOCIATES**

Sandra Wilson  
Alan J Masson  
Maggie Keith  
David I Lindgren

Dear Sirs,

On behalf of and as instructed by our clients, HAMPTON TRUST PLC, a company incorporated under the Companies Acts (Registered Number 267163 and having its registered office at Hampton House, 20 Albert Embankment, London SE1 7TJ (hereinafter called "the Purchaser"), we hereby offer to purchase from your clients PDFM LIMITED (Company Number 1546400) having its Registered Office at Triton Court, 14 Finsbury Square, London, acting in its capacity of general partner of PDFM Second Property Partnership (a limited partnership registered under the Limited Partnership Act 1907) of 14 Finsbury Square, London, (hereinafter called "the Seller"), the Scottish Properties as hereinafter defined and that on the following terms and conditions:-

**1. INTERPRETATION**

1.1 In this offer and in the Missives (as hereinafter defined) the following terms and expressions shall bear the following meanings:-

"Admission" means the admission of the Consideration Shares to the Official List of the London Stock Exchange, in accordance with the English Purchase and Sale Agreement.

"Conclusion Date" means the date upon which the Missives have been concluded following hereon.

"the Condition Precedent" means the essential and overriding condition precedent contained in Clause 2 upon which the contract constituted by the Missives is conditional.

"Consideration" means the consideration for the Scottish Properties specified in Clause 3.1 hereof.

A Member of the  
Arthur Andersen  
International Network  
of Law Firms

Associate Firm in  
London, Birmingham,  
Leeds, Manchester,  
Reading.

GARRETT'S

J:\CONVEY\JIB\DJG6840F.LTRnn\jb

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AUTHORISED TO CONDUCT INVESTMENT BUSINESS UNDER  
THE FINANCIAL SERVICES ACT 1986  
BY THE LAW SOCIETY OF SCOTLAND



**"English Properties"** means the Properties as defined in the English Purchase and Sale Agreement.

**"English Purchase and Sale Agreement"** means an agreement now or about to be entered into between the Purchaser and the Seller in the form of the draft annexed and comprising Part 4 of the Schedule.

**"Letter of Obligation"** means formal Letters of Obligation in respect of each one of the Scottish Properties relative to either (i) a sasine recorded title, or (ii) a first registration in the Land Register or (iii) the registration of a registered interest in the Land Register, in standard form.

**"Missives"** means the concluded missives to follow hereon of which this offer forms part.

**"Schedule"** means the Schedule annexed and docquetted as relative hereto.

**"Consideration Shares"** means 9,910,800 ordinary shares of 5p each of the Purchaser credited as fully paid up at 36p per share to be allotted to the Seller in accordance with the terms hereof.

**"Scottish Leases"** means the whole leases under which the Scottish Properties are let, the brief particulars of which are set out in Part 2 of the Schedule.

**"Scottish Properties"** means the properties specified in Part 1 of the Schedule or any of them if the context so requires or admits.

**"Settlement Date"** means the date of actual completion of the purchase and sale of the English Properties pursuant to the English Purchase and Sale Agreement or such other date as the parties may mutually agree.

**"Title Deeds"** means the whole title deeds of and pertaining to the Scottish Properties, as exhibited to the Purchaser's Solicitors, in accordance with the Inventories annexed and executed as relative hereto in Part 3 of the Schedule. The Seller confirms to the best of its knowledge and belief that it has not entered into any writs affecting the Scottish Properties other than those exhibited as aforesaid.

**"VAT"** means Value Added Tax, within the meaning of the Value Added Tax Act 1994;

**"the VATA"** means the Value Added Tax Act 1994, as amended and all subordinate legislation.



"the VAT Order" means the Value Added Tax (Special Provisions) Order 1995, as amended.

1.2 References to Clauses and to the Schedule and sub-divisions thereof, unless the contrary intention appears, are to the Clauses of and the Schedule to this offer and sub-divisions thereof.

1.3 The headings contained herein and in the Schedule hereto are for convenience only and shall not be construed as forming part of this offer or taken into account in the interpretation hereof.

## 2. CONDITIONS PRECEDENT

2.1 The Missives are subject to the following essential and overriding condition which is an absolute condition precedent, the purification or waiver (by the Purchaser subject always to the consent of the Seller) of which is essential to the enforceability of the Missives, namely:-

2.1.1 that the conditions contained in Clause 2 of the English Purchase and Sale Agreement are satisfied. For the avoidance of doubt, the missives and the English Purchase and Sale Agreement constitute one indivisible transaction and no party shall be obliged to complete the sale and purchase of the Scottish Properties otherwise than contemporaneously with the sale and purchase of the English Properties and vice-versa.

2.2 The Condition Precedent shall be construed for the benefit of the Purchaser and the Seller and neither party may waive the Condition Precedent without the consent of the other.

2.3 Without prejudice to the generality of the foregoing if the Seller lawfully and properly exercises its right to terminate under Clause 2.3 of the English Purchase and Sale Agreement, then it will be deemed to have rescinded the Missives (which it shall in the circumstances be entitled to do) and the Missives will be terminated and that without liability by either party to the other except in respect of any prior breach and provided always that the Purchaser will pay to the Seller the reasonable legal costs of the Seller of and incidental to the matters contained and referred to in the Missives.

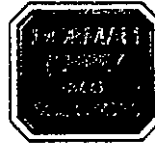
## 3. CONSIDERATION

3.1 The Consideration for the Scottish Properties shall be the sum of EIGHT MILLION, FOUR HUNDRED AND SIXTY EIGHT THOUSAND, SEVEN HUNDRED AND ONE POUNDS (£8,468,701) STERLING consisting of FOUR MILLION, NINE HUNDRED THOUSAND, EIGHT HUNDRED AND TWELVE POUNDS (£4,900,812) STERLING together with the Consideration Shares and shall be apportioned among the various component parts of the Scottish Properties by direct proportion



as regards the split between the cash consideration and the shares consideration.

- 3.1.1 It is an essential condition of the Missives that the consideration (in cash or cash equivalent provided herein) is paid or otherwise satisfied in terms hereof in full on the Settlement Date by cleared funds. Payment of the consideration (in so far as payable in cash) on the Settlement Date by telegraphic transfer of cleared funds within banking hours to a Clearing Bank (as defined in the English Sale and Purchase Agreement) and the allotment and issue of the Consideration Shares to the seller (all in terms of the completion arrangements set out in Clause 6 of the English Sale and Purchase Agreement which, for the avoidance of doubt, shall be incorporated herein save that any reference to "the Properties" shall be deemed to be a reference to "the Scottish Properties", any reference to "the Consideration Shares" shall be deemed to be a reference to "the Consideration Shares" as defined herein, any reference to "the Buyer" shall be deemed to be a reference to "the Purchaser" as defined herein and all references to "this Agreement" shall also be deemed to include the Missives) is of the essence of the Missives.
- 3.1.2 On the Settlement Date the Purchaser shall forthwith after Admission procure that the Consideration Shares shall be issued to the Seller and the consideration (in so far as payable in cash) shall be paid by telegraphic transfer to the Clearing Bank.
- 3.1.3 In the event of Admission taking place in accordance with the terms of the English Purchase and Sale Agreement and failure on the part of the Purchaser to pay the consideration payable in terms hereof or any part thereof interest will accrue in favour of the Seller on the last mentioned consideration outstanding at the rate of 4 per cent above the base rate for the time being of Barclays Bank plc from the due date for payment until full payment of the last mentioned consideration is made or, in the event of the Seller exercising their option to rescind the Missives as aftermentioned, until such time as the Seller shall have completed a resale of the Scottish Properties and received the resale price in full. Interest at the same rate shall run in addition on any shortfall between the consideration and any resale price until such time as that shortfall (and any interest thereon) shall have been paid in full to the Seller. In the event that the consideration (and any interest thereon) is not paid in full within 14 days of the due date for payment, the Seller shall be entitled to treat the Purchaser as being in material breach of the Missives and the Seller shall be entitled (but not bound) to rescind the Missives by written notice to that effect to the Purchaser. In the event of the Seller exercising their option to rescind, then they shall be entitled to proceed to resale and



rescission by the Seller shall be entirely without prejudice to any rights or claims competent to the Seller arising from the breach of the Missives by the Purchaser, and, without prejudice to the generality the Seller's right to claim damages computed in accordance with the law of damages, under the following heads of claim:-

1. any capital loss sustained by the Seller on the resale of the Scottish Properties, being the difference between the consideration in terms hereof and the resale price under such resale;
2. any estate agency, marketing or other advertising expenses properly incurred in connection with the resale;
3. any legal expenses properly incurred in connection with the resale; and
4. interest as provided for herein.

3.1.4 The damages which may be claimed by the seller by law or by virtue of these presents shall be deemed to be exigible by the seller notwithstanding that they may exercise their option to rescind the Missives. The seller's claim to interest as part of damages under this Clause shall be deemed to be a liquidate damages provision exigible after rescission of the Missives.

3.1.5.1 Interest shall not be payable and the Seller's right to rescind the Missives shall not arise where delay is due to the fault on the part of the seller or their agents in fulfilling the seller's obligations in terms of the Missives.

3.1.5.2 Interest or damages shall not be payable in terms hereof where the Seller has already received payment of said interest or is entitled to claim such damages in terms of the English Purchase or Sale Agreement.

3.2 The Seller and the Purchaser intend that Section 49(1) of the VATA and Article 5 of the VAT Order shall apply to the sale of the Scottish Properties under the Missives and accordingly:-

3.2.1 The Seller and the Purchaser agree that either the Seller or the Purchaser or both shall be entitled to exhibit a draft or a copy of the Missives to Customs for any lawful purpose including obtaining a ruling on the treatment of the sale of the Scottish Properties under the Missives (in this Clause referred to as "the Sale");



- 3.2.2 The Seller and the Purchaser each undertakes with the other to endeavour to procure that the sale and purchase of the Scottish Properties be treated as the transfer of a going concern by Customs.
- 3.2.3 The decision of Customs as to whether the sale of each of the Scottish Properties to the Purchaser does constitute the transfer of a going concern is to be binding as between the Seller and the Purchaser.
- 3.2.4 In this clause reference to Customs is to the Commissioners of Customs and Excise.
- 3.2.5 The Seller warrants that it is registered for the purposes of value added tax under registration number 447 0751 47 has elected to waive exemption from value added tax in relation to the Scottish Properties, and has duly notified the election to Customs.
- 3.2.6 The Seller will immediately apply to Customs, giving all requisite information for the purpose of confirmation that the sale of each of the Scottish Properties to the Purchaser does constitute the transfer of a going concern, and use its reasonable and proper endeavours to procure that the confirmation of Customs is obtained before the Settlement Date.
- 3.2.7 The Seller will notify the Purchaser of the decision of Customs as soon as the Seller receives notification of it.
- 3.2.8 If the sale of each of the Scottish Properties is treated as the transfer of a going concern, or if at the Settlement Date no decision has been made by Customs pursuant to Clause 3.2.6, then at the Settlement Date the Seller will deliver to the Purchaser a certified copy of those records relating to the business (or the relevant part) as carried on by it until the Settlement Date, as are required under section 49 of the Value Added Tax Act 1994 to be preserved by the Purchaser instead of the Seller.
- 3.2.9 The Purchaser is registered for the purposes of value added tax under registration number 544346935.
- 3.2.10 The Purchaser will elect to waive exemption from value added tax in relation to the Scottish Properties, and notify Customs of the election before the Settlement Date, and the Purchaser acknowledges that, if it fails to do so, value added tax will be payable on the whole or part (as the case may be) of the Consideration.



3.2.11 The Purchaser will continue to use the Scottish Properties after the Settlement Date for carrying on the same kind of business, without any break in the normal trading pattern as the Seller did at all relevant times before the Settlement Date.

3.2.12 Settlement is not to be postponed on the ground that there is no confirmation by the Settlement Date that the sale of each of the Scottish Properties to the Purchaser constitutes the transfer of a going concern, and, if so, the following arrangements are to be made.

3.2.12.1 The Purchaser will at the Settlement Date deposit with the Seller's Solicitors a sum equal to the output tax that would be payable by the Purchaser with respect to the sale of the Scottish Properties if this transaction did not constitute a transfer of a going concern.

3.2.12.2 The Seller's Solicitors are required to keep the sum deposited in a separate identifiable account with a Clearing Bank, in trust for the Seller and the Purchaser only for the ends uses and purposes specified in Clauses 3.2.12.3 and 3.2.12.4.

3.2.12.3 The sum deposited is either to be applied toward payment of the output tax incurred by the Seller or returned to the Purchaser at the time when, and according to whether or not the sale of each of the Scottish Properties to the Purchaser is confirmed by Customs as a transfer of a going concern, but interest which has accrued on the deposit is to be accounted for to the purchaser.

3.2.12.4 The Seller will at the Settlement Date, or, if later, immediately on the decision of Customs that the sale of the Scottish Properties to the Purchaser is not to be treated as a transfer of a going concern and in exchange for the sums due to it under Clause 3.2.12.3, issue a valid Value Added Tax invoice to the Purchaser for that part of the Consideration allocated to each of the Scottish Properties on which value added tax is to be paid and the value added tax chargeable on it.

#### 4. VACANT POSSESSION

Entry and vacant possession to the Scottish Properties (subject only to and with the benefit of the Scottish Leases and, for the avoidance of doubt, the occupation of First Press Publishing Limited referred to in Clause 6(a) (iii) hereof) shall be given on the Settlement Date.



5. HAZARDOUS SUBSTANCES

The Seller confirms to the best of its knowledge and belief (with no investigation having been made) to the Purchaser that no part of the Scottish Properties have knowingly been used, nor will they be knowingly used between the Conclusion Date and the Settlement Date, for a hazardous purpose, and that neither the Seller nor any of its tenants, licensees, feuars or other occupiers of the Scottish Properties or any part thereof are, by act or omission, in breach or contravention of the Control of Pollution Act 1974 or the Environmental Protection Act 1990, or any subordinate legislation thereunder, nor the subject of any enforcement proceedings nor civil, criminal or administrative complaint or claim thereunder. For the purposes of this clause, "hazardous purpose" means any use of land involving the storage, deposit, dumping, treatment or disposal of any substance or thing which would, for the purposes of the foregoing legislation, be considered harmful, hazardous or prejudicial to the environment. For the avoidance of doubt, no warranty is given in relation to this Clause 5.

6. WARRANTIES AND UNDERTAKINGS

(a) The Seller:-

- (i) confirms that so far as it is aware, all obligations in the Title Deeds save of a continuing nature, have been implemented;
- (ii) confirms that so far as it is aware, there are no outstanding obligations relative to the construction, maintenance or renewal of fences, walls, hedges or other boundary enclosures; and
- (iii) confirms that so far as it is aware, the Scottish Properties are free of any leases, tenancies, licences or other rights of occupancy, other than (1) the Scottish Leases and (2) the occupation by First Press Publishing Limited of the eastmost part of the lower ground floor premises at 193 Bath Street, as disclosed to the Purchaser by the Seller.
- (iv) confirms that so far as it is aware, the Scottish Properties are unaffected by any other third party rights (including without prejudice to the foregoing generality any servitude or wayleave rights) not disclosed in the Title Deeds.

- (b) undertakes to the Purchaser that any statutory notices issued prior to the Settlement Date shall be the responsibility of the Seller;



- 6.2 Where the copies (whether executed or unexecuted) of any documents have been exhibited to the Purchaser or the Purchasers' Solicitors rather than the original or an official extract of the original, the Seller confirms, as far as it is aware, that the copy completely, truly and accurately reflects the legally binding agreement made between the Seller or its predecessor as proprietors of the Scottish Properties and the party contracting with the Seller or its predecessor. For the avoidance of doubt, the Purchaser is aware of the proposed changes to the agreed form of lease annexed to the Halcrow Waterman Limited missives as contained in a letter from Messrs. Miller Samuel to Messrs. Shepherd & Wedderburn dated 7 August 1997, provided always that any future changes will require to be consented to in terms hereof, and this Clause 6.2 will therefore be qualified to this extent.
- 6.3 Prior to or at the Settlement Date a principal Land Certificate for 193/199 Bath Street, Glasgow will be delivered to the Purchaser.
- 6.4 On or prior to the Settlement Date, the Purchaser will deliver to the Seller a Back Letter validly executed in self-proving form on their headed notepaper in identical terms to the Back Letter addressed to the Secretary of State for Defence dated 29 May 1997, a copy of which comprises Part 5 of the Schedule. Prior to the Settlement Date the Seller will use all reasonable endeavours to procure that the Secretary of State for Defence agrees that the new Back Letter to be issued by the Purchaser shall be issued under deletion of Clauses 2.1 and 2.2 for onward transmission to the said tenants.
- 6.5 At the Settlement Date
- (i) the Seller will if called upon to do so by the Purchaser, assign the missives entered into by the Purchaser with Halcrow Waterman Limited whereby Halcrow Waterman Limited renounce a lease of subjects on the fourth floor at 279 Bath Street, Glasgow and accept a lease of subjects on the first and second floors of 279 Bath Street, Glasgow, or if requested by the Purchaser and at the Purchaser's expense, enforce said missives for the benefit of the Purchaser; If the provisions of sub-clause (ii) have not been implemented at the Settlement Date then in addition to the assignation referred to above, the Seller will on the Settlement Date deliver evidence satisfactory to the Purchaser that a binding agreement exists between the Seller and Halcrow Waterman Limited to vary the lease and the guarantee contained therein in the terms set out in sub-clause (ii).
  - (ii) if the same has been returned from the Registers of Scotland the Seller will deliver an extract registered lease of the said subjects on the first and second floors correctly defining the common parts of the building at 279 Bath Street, Glasgow and incorporating a valid guarantee of the obligations of the tenant duly executed by



Sir William Halcrow and Partners Limited. If at the Settlement Date the said lease is in the process of registration but has not been returned by the Registers of Scotland, the Extract lease will be forwarded to the Purchaser as soon as the same is returned by the Registers of Scotland.

- (iv) the Seller will deliver a valid stamped renunciation or renunciations of all leases or other rights of occupancy of the said subjects on the fourth floor at 279 Bath Street, Glasgow duly executed by the tenants or occupiers under such leases or rights of occupancy.
- (v) Subject always to the provisos detailed therein, the Seller will deliver the items listed in Part 6 of the Schedule.

7. RENT APPORTIONMENT ETC.

- 7.1.1 This Clause applies to rents, insurance premiums, service charges and other monies recoverable under the Scottish Leases from tenants;
- 7.1.2 "recoverable items" is the expression used to refer to them collectively; and
- 7.1.3 "date of apportionment" is the Settlement Date and includes the Settlement Date itself.
- 7.2 Apportionments of recoverable items are to be made as if the recoverable items payable by tenants by the date of apportionment had been paid.
- 7.3 The Purchaser will pay to the Seller the amount of unpaid recoverable items at the date of apportionment, and the Seller will at the request and cost of the Purchaser at the Settlement Date:-
  - 7.3.1 give directions in writing to the tenants to pay the relevant arrears to the Purchaser;
  - 7.3.2 assign to the Purchaser in such form as the Purchaser may reasonably and properly require, the right to recover those arrears of recoverable items from tenants which the Seller would by operation of law otherwise retain; and
  - 7.3.3 at the request and cost of the Purchaser permit the Purchaser to join the Seller in any action, claim or proceedings against any tenant, previous tenant or guarantor who may be liable for the arrears; but
  - 7.3.4 keep the Seller indemnified against all liability incurred in consequence of any such action by the Purchaser.



- 7.4 The Purchaser will reimburse to the Seller on the Settlement Date all service charge expenditure incurred by the Seller for the current service charge year (or other such applicable period), but the Seller will give credit for:
- 7.4.1 service charge contributions it has collected for that year or period, and will account to the Purchaser for any surplus; and
  - 7.4.2 any part of such expenditure for the period to and including the date of apportionment which is not recoverable by reason of there being unlet parts of the Scottish Properties, no right or less than full right of recovery from a tenant or other person, or default by a tenant or other person in payment of recoverable items.
- 7.5 The Seller will transfer to the Purchaser on the Settlement Date any accounts holding unutilised advance payments, reserves or sinking funds, with any accrued interest (less tax for which the Seller is accountable in law) in respect of future service charge expenditure; and
- 7.5.1 the Scottish Properties will be transferred subject to such trusts and other obligations as attach to the holding of such reserves or sinking funds (which the Seller confirms as far as it is aware are not unusual or unduly onerous); and
  - 7.5.2 the Purchaser will undertake with the Seller to perform, and to keep the Seller indemnified against the breach of, those trusts and obligations.
- 7.6 With respect to any sum held by the Seller by way of deposit as security for rent and performance of the tenant's obligations under any of the Scottish Leases:-
- 7.6.1 the Seller will account to the Purchaser on the Settlement Date with the deposited sum and the interest which may have accrued on the deposit up to the Settlement Date, unless there is any agreement to the contrary with the tenant or other party who made the deposit;
  - 7.6.2 the Seller will assign to the Purchaser the benefit of the deposit, subject to the conditions on which the Seller has held the deposit (which the Seller confirm as far as it is aware are not unusual or unduly onerous), and
  - 7.6.3 the assignation is to contain undertakings by the Purchaser:
    - 7.6.3.1 to observe the conditions subject to which the deposit is held;



- 7.6.3.2 to give notice of the assignation to the tenant; and
- 7.6.3.3 to repay to the tenant so much of the deposit and interest as becomes repayable to it.
- 7.6.3.4 to keep the Seller indemnified against breach by the Purchaser of the Conditions upon which the deposit is held.
- 7.7 The Seller will continue to manage the Scottish Properties, in discharge of the obligation of the landlord under the Scottish Leases, according to the principles of good estate management until the Settlement Date.
- 7.8 The Seller may not grant or withhold new leases, or grant or withhold licences, consents or approvals in response to applications by tenants under the Leases without the consent of the Purchaser not to be unreasonably withheld or delayed.
- 7.9 the Purchaser may not unreasonably withhold its consent or attach conditions to it where to do so would or might place the Seller in breach of obligation to the tenants under the Scottish Leases, statute or otherwise, unless the Purchaser first agrees to indemnify the Seller against such breach.
- 7.10 the Purchaser will keep the Seller indemnified against all claims, liability and costs incurred resulting from an unreasonable withholding of its approval.

The foregoing provisions shall not apply to the Lease which the Seller is to use reasonable endeavours to grant in favour of First Press Publishing Limited and referred to in Clause 6(a)(iii) of this Offer. In that case, all apportionments of rent, service charge, insurance premia and other sums will be made only if recoverable items payable by First Press Publishing Limited have actually been paid by First Press Publishing Limited to the Seller by the date of apportionment, and (i) neither the Seller nor the Purchaser will pay to the other on the Settlement Date any insurance premia and service charge contribution due by First Press Publishing Limited but not paid at the date of apportionment and (ii) the Purchaser will pay to the Seller the amount of arrears due to the Seller as and when these are recovered by the Purchaser from the said First Press Publishing Limited.

#### 8. RISK OF DAMAGE

- (a) Risk of damage to or destruction of the Properties or any part thereof shall pass to the Purchaser as at the Conclusion Date.
- (b) (i) The Seller will maintain the insurance of each of the Scottish Properties until the Settlement Date unless it is maintained by a tenant, heritable creditor, mortgagee or



other third party, or the consent of the insurer is required and it is lawfully withheld.

- (ii) The Seller is not to be responsible to the Purchaser for any deficiency in the amount insured or inadequacy of the risks covered, and the Purchaser is to satisfy itself in these respects, but the Seller will forthwith at the request and cost of the Purchaser increase the amount insured or the risks covered.
- (iii) The Seller will, if so requested, supply to the Purchaser sufficient details of the insurance of the Scottish Properties, but the Purchaser may make enquiries direct with the insurers.
- (iv) The Seller will and insofar as the same is permissible obtain or consent to an endorsement of a note of the Purchaser's interest in the Scottish Properties on the policy or policies or procure that it is otherwise noted by the insurer.
- (v) The Purchaser is to be responsible for, and will on demand pay or reimburse the premium for insurance of the Scottish Properties for the period from the Conclusion Date to the Settlement Date (or the Completion Date as defined in the English Purchase and Sale Agreement if any delay is attributable to any act or default of the Seller) but the Purchaser is to be credited with any reimbursements of the premium received by the Seller from a tenant or other third party attributable to that period.
- (vi) The Seller will account to the tenants who have contributed to the insurance premium appropriately, with any refund of premium on cancellation referable to the period from the Settlement Date to the date when the insurance would have fallen due for renewal.
- (vii) Where money becomes payable under the insurance on the Scottish Properties before the Settlement Date, the Seller is to apply the money to the reinstatement of the Scottish Properties if there is a contractual or statutory obligation, or the Purchaser acting reasonably directs the Seller to do so, but if not, the Seller is to account to the Purchaser for the money, or so much as has not been expended, at the Settlement Date.

9. SCOTTISH LEASES

In relation to the Scottish Leases:-



- (a) they have not been and will not prior to the Settlement Date have been the subject of any amendment or alteration or variation formal or informal between the landlords and the tenants thereunder except such as have been consented to by the Purchasers acting reasonably, in terms hereof;
- (b) Save in respect of matters already disclosed to the Purchaser's solicitors the Seller confirms as far as it is aware that the tenants are not in breach of any of their obligations thereunder and no claims against the landlords thereunder are outstanding; there are no outstanding disputes or differences between the Seller and the tenants;
- (c) the Seller shall deliver to the Purchaser on or before the Settlement Date (but only insofar as in its possession) all permissions, warrants, consents and certificates of completion issued by Public Authorities relative to the Scottish Properties and all documents relating to consents or approval sought under the Scottish Leases;
- (d) the Seller as landlords will not:-
  - (i) prior to the Settlement Date serve any notices on the tenants in terms of their individual leases nor irritate their lease or accept a renunciation of the same without the written consent of the Purchaser acting reasonably and without undue delay, and
  - (ii) not by any act or omission of themselves, their agents, servants et cetera in breach of the obligations of the landlord in the Scottish leases cause one or more of the Scottish Leases to be rescinded or otherwise materially prejudiced.
- (e) All information relating to the Scottish Properties provided by the Seller to the Purchaser in respect of the Scottish Leases, and the implementation by the tenants of their obligation thereunder (including without prejudice to the generality of the foregoing, payment of rent and other sums, or the existence and terms and conditions attached to rent deposits, sinking funds and the like) are to the best of the Seller's knowledge and belief (with no detailed investigation having been made nor warranty being given) true accurate and complete in all respects.



10. LEASE DOCUMENTS

At Settlement Date in addition to the other items to be delivered pursuant to the Missives the Seller shall deliver the Title Deeds together with the leasehold documentation for the Scottish Leases in terms of the Schedule

11. INTIMATION

The Seller will formally intimate to all tenants the transfer of ownership immediately after the Settlement Date and will exhibit to the Purchaser within seven days of the Settlement Date evidence that they have done so.

12. FEUDUTIES ETC.

Any feuduty or ground burden which is validly allocated on any part of the Scottish Properties and which has not already been redeemed will be redeemed by the Seller prior to the Settlement Date and evidence of redemption will be exhibited.

13. RATES

Any local rates or other outgoings not recoverable from or payable by the tenants under the Scottish Leases shall be apportioned as at the Settlement Date.

14. SETTLEMENT

On the Settlement Date the Seller will deliver a duly executed Disposition or Dispositions of the Scottish Properties in favour of the Purchaser or another company within the same group as the Purchaser as shall be notified to the Seller not less than 15 working days prior to the Settlement date and will exhibit or deliver a valid marketable title together with:-

- (A) clear Searches in the Sasine and Personal Registers (the Search in the Sasine Register being for a period of 20 years) if at the Settlement Date the provisions of Section 2(1) and 3(3) of the Land Registration (Scotland) Act 1979 do not apply to the transfer of the Seller's interest; or
- (B) if the Scottish Properties comprise a registered interest (i) a Land Certificate or Certificates containing no exclusion of indemnity under Section 12(2) of the Land Registration (Scotland) Act 1979, (ii) all necessary links in title evidencing the Seller's exclusive ownership of the Scottish Properties and (iii) a Form 12 Report brought down to as near as practicable to the Settlement Date and showing no entries adverse to the Seller's interest, the cost (if any) of said Report being the responsibility of the Seller. In addition,



the Seller will furnish to the Purchaser such documents and evidence as the Keeper may require to enable the interest of the Purchaser to be registered in the Land Register without exclusion of indemnity under Section 12(2). The Land Certificate to be issued to the Purchaser will disclose no entry deed or diligence prejudicial to the Purchaser's interest, other than such as are created by or against the Purchaser or have been disclosed to and accepted by the Purchaser prior to the Settlement Date; and

- (C) in the event of the Seller being a company incorporated under the Companies Acts
- (i) a report in the Seller's file kept with the Registrar of Companies as at a date as near as practicable to the Settlement Date disclosing no entries which prevent, restrict or prejudice the Purchaser obtaining a valid unencumbered title to the Scottish Properties,
  - (ii) within six weeks after the Settlement Date a further report on the Seller's file as at a date not earlier than 22 clear days after the date of recording of the said Disposition or Dispositions or date of the Land Certificate in favour of the Purchaser or the Purchaser's nominees which report shall disclose no such entries as aforesaid,
  - (iii) in the event that such report discloses that any floating charge or debenture affects any part of the Scottish Properties a certificate by the creditor thereunder dated no earlier than four days preceding the Settlement Date that, as at the date thereof no steps have been taken by such creditors to crystallise such charge, consenting to the sale of the Scottish Properties and that no steps will be taken to prevent, restrict or prejudice the Seller validly conveying the Scottish Properties, provided the Disposition(s) is/are recorded in the Sasines Register or the Land Register (as the case may be) or registered in the Land Register within fourteen days thereafter,

15. LETTER OF OBLIGATION

The Seller will procure that its Scottish solicitors sign and deliver to the Purchaser's Scottish solicitors on the Settlement Date, a Letter of Obligation in standard form.

16. MISCELLANEOUS

On the first business day after the date upon which the conditions set out in clauses 2.1.1, 2.1.2 and 2.1.4 of the English Purchase and Sale



Agreement have been satisfied there will be delivered to the Purchaser's Scottish solicitors, the items falling to be delivered at the Settlement Date pursuant to clauses 9(c), 10 and 15 of this Offer and the Disposition or Dispositions referred to in Clause 14 of this Offer, which items shall be held as undelivered unless and until the Settlement Date shall occur.

17. CONTRACTS FOR SUPPLY OF SERVICES

- 17.1 The Seller will cancel the contracts for the supply of services to all or any of the Scottish Properties ("the contracts") with effect from the Settlement Date unless the Purchaser has notified the Seller not less than ten working days before that date that it wishes to maintain them, or some of them, after the Settlement Date.
- 17.2 Where the Purchaser so notifies the Seller of its wish to maintain a contract, the following provisions are to apply.
- 17.3 In the case of a contract capable of assignation the Seller will assign the benefit of the contract to the Purchaser but will perform and so free and relieve the Purchaser of all of the obligations incumbent on the Seller under the Contract up to and including the Settlement Date.
- 17.4 The Purchaser will undertake with the Seller to:
  - 17.4.1 assume the obligations of the Seller under the contract in respect only of the period after the Settlement Date;
  - 17.4.2 give notice of the assignation of the contract to the supplier of the services; and
  - 17.4.3 keep the Seller indemnified against breach of obligation to the supplier under the contract.
- 17.5 In the case of a contract not capable of assignation , or only assignable with the permission of the supplier:
  - 17.5.1 the Seller will maintain the contract for the benefit of the Purchaser for so long as is necessary to ascertain whether the supplier is prepared to permit assignation or novation of the contract;
  - 17.5.2 the Seller will use all reasonable and proper endeavours to obtain permission to assign the contracts, or procure a novation for the Purchaser;
  - 17.5.3 if assignation is permitted by the supplier, paragraph 20.3 and 20.4 are to apply;



17.5.4 if a novation is obtainable, the Purchaser will take up the new contract with the supplier, or permit the Seller to obtain a cancellation of the original contract;

17.5.5 the Purchaser will reimburse to the Seller the cost of maintaining the contract for any period mentioned in paragraph 20.5.1; and

17.5.6 the Seller will bear the costs of cancellation of any contract, and the Purchaser will bear the cost of any novation; but

17.5.7 the Seller may cancel a contract where it is not capable of assignation and the supplier is unwilling to permit an assignation or agree a novation,


18. SATISFACTION AS TO TITLE AND SCOTTISH LEASES

The Purchaser shall be deemed to have satisfied itself in all respects with the Title Deeds and the leasehold documentation relative to the Scottish Leases and the said First Press Publishing Limited's Occupation and will be taken bound to accept the terms of the same as they stand.

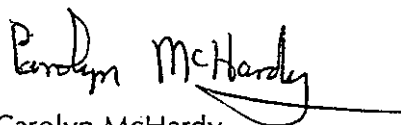
19. NOTICE

Any notice required to be given by either party hereto to the other shall be deemed validly served by recorded delivery letter sent by post to the respect addresses given herein or to such other address as may benotified for this purpose and any notice so served shall be deemed to have been served forty eight hours after the time at which it was posted and in proving such service it shall be sufficient to prove that the notice was properly addressed and posted. Where delivery of the original document is not essential a written notice includes a notice by facsimile and where notice is given by facsimile, it is to be treated as having been properly given on the date of its despatch if transmitted and received before 3.30 p.m. on any working day, and otherwise on the next working day.

Yours faithfully

  
Subscribed by Dorman Jeffrey & Co., Solicitors, Glasgow, as agents for and on behalf of Hampton Trust plc at Glasgow on 15th August 1997 before this witness:-

Signature:



Full Name: Carolyn McHardy

Address: 6/7 Blythswood Square  
Glasgow. G2 4AD



Schedule referred to in the  
foregoing offer to Shepherd &  
Wedderburn dated 15 August 1997

Part 1

The Scottish Properties

1      A      **193/199 BATH STREET, GLASGOW**

ALL and WHOLE the subjects 193-199 (odd numbers) Bath Street, Glasgow, registered in the Land Register of Scotland under Title Number GLA 109511.

B      Apportioned Price

£1,730,447

2      A      **279 BATH STREET, GLASGOW**

ALL and WHOLE the subjects known as 279 Bath Street, Glasgow, registered in the Land Register of Scotland under Title Number GLA 2121.

B      Apportioned Price

£2,307,262

3      A      **67/83 SHANDWICK PLACE, EDINBURGH**

ALL and WHOLE those tenements consisting of shops and offices erected on the area or piece of ground lying to the south of Shandwick Place, Edinburgh and currently known as Nos Sixty seven, Sixty nine, Seventy one, Seventy three and Seventy three A, Seventy five, Seventy seven, Seventy nine and Eighty one Shandwick Place, Edinburgh, in the City, Parish of Edinburgh and County of Midlothian formerly the County of Edinburgh and being the subjects (One) more particularly described IN THE FIRST PLACE in Disposition by The Royal Bank of Scotland with consents in favour of Robert Thomas Frost and Robert George Frost dated Twenty sixth and Twenty eighth both days of June and recorded in the Division of the General Register of Sasines for the County of Edinburgh (now Midlothian) on Nineteenth July both in the year Nineteen hundred and thirty three; and (Two)



more particularly described in (First) and (Second) in the Disposition by William Gibson Bloxsom and Others in favour of Matthew White dated Tenth, Eleventh and Thirteenth and recorded in the said Division of the General Register of Sasines for publication as also in the Books of Council and Session for preservation on Fifteenth, all days of May Nineteen hundred and one.

B Appportioned Price

£3,880,395

4 A 2-4 CANNING STREET LANE, EDINBURGH

ALL and WHOLE IN THE FIRST PLACE ALL and WHOLE that plot or area of ground formerly in the Parish of St Cuthberts and now in the City Parish of Edinburgh and City of Edinburgh and for the purposes of registration of writs formerly in the County of Edinburgh and now in the County of Midlothian, being the subjects more particularly described in and disposed by Disposition by James Johnston Ford in favour of John Watherston and Robert Henderson Watherston as Trustees therein mentioned dated Twenty first and recorded in the Division of the General Register of Sasines for the County of Edinburgh (now Midlothian) on Twenty second May Nineteen hundred and eight, but excepting always therefrom ALL and WHOLE that dwellinghouse containing sitting room, bedroom, bathroom, kitchen and coal cellar known as Number Two (a) Canning Street Lane in the City of Edinburgh and County of Midlothian being the eastmost house on the first flat of a building of two storeys now comprising of houses and garages and others now known as Number Two, Two A and Two B Canning Street Lane, aforesaid, said excepted subjects being more particularly described in and disposed by the Disposition by the Trustees of John Watherston with consent of Percy Eric Victor Pegg in favour of Scottish Amicable Building Society dated Twelfth, Thirteenth, Fourteenth, Sixteenth and Nineteenth and recorded in the Division of the General Register of Sasines for the County of Midlothian on Twenty second, all days of May in the year Nineteen hundred and fifty two; IN THE SECOND PLACE ALL and WHOLE that plot or area of ground in Canning Street Lane, Edinburgh formerly in the Parish of St Cuthberts and now in the City of Parish of Edinburgh and City of Edinburgh and for the purposes of registration of writs, formerly in the County of Edinburgh and now in the County of Midlothian being the subjects more particularly described in and disposed IN THE SECOND PLACE by Disposition by The Royal Bank of Scotland with consents therein mentioned in favour of Robert Thomas Frost and Robert George Frost dated Twenty sixth and



Twenty eighth June and recorded in the said Division of the General Register of Sasines on Nineteenth July Nineteen hundred and thirty three; and IN THE THIRD PLACE ALL and WHOLE that plot or area of ground in Canning Street Lane, Edinburgh, formerly in the Parish of St Cuthberts and now in the City Parish of Edinburgh and City of Edinburgh and for the purposes of registration of writs, formerly in the County of Edinburgh and now in the County of Midlothian being the subjects more particularly described in and disposed by the Disposition by the Marriage Contract Trustees of James Lutyens Mansfield and Mrs Roberta McAlpine Leny or Mansfield in favour of the said Mrs Roberta McAlpine Leny or Mansfield dated Third, Eleventh, Thirteenth and Twenty eighth April and recorded in the said Division of the General Register of Sasines on Fifteenth May, all in the year Eighteen hundred and eighty nine.

B Apportioned price

£550,597



SCHEDULE

Part 2

The Scottish Leases

**193/199 Bath Street, Glasgow**

- 1 Lease between Municipal Mutual Insurance Limited and Credit Consultants International Limited dated 6 and 28 July 1994 and registered in the Books of Council and Session 29 September 1994.
- 2 Lease between Municipal Mutual Insurance Limited and First Press Publishing Limited dated 11 July 1994 and 12 September 1994 registered Books of Council and Session 29 September 1994.
- 3 Lease between Municipal Mutual Insurance Limited and Hamilton Leasing Limited dated 18 January 1980 and 28 July 1980 registered Books of Council and Session 25 August 1980.
- 4 Minute of Agreement between Municipal Mutual Insurance Limited and Lloyds Bowmaker Limited dated 13 and 28 March 1990 and registered Books of Council and Session 12 April 1990.
- 5 Minute of Agreement between Municipal Mutual Insurance Limited and Lloyds Bowmaker Limited dated 29 March 1985 and 23 April 1985 registered Books of Council and Session 10 May 1985.
- 6 Rent Review Memorandum between PDFM Limited and Lloyds Bowmaker executed by the tenants on 29 November 1996.
- 7 Copy Listed Building Consent issued by the Department of Planning and Development, City of Glasgow Council dated 26 June 1996 together with letter from the Director of Planning and Development of even date.
- 8 Fax from Shepherd & Wedderburn WS to Dorman Jeffrey & Co intimating proposed Heads of Terms dated 8 August 1997 and letter from Chesterton to Shepherd & Wedderburn WS dated 7 August 1997 in respect of further Heads of Terms of lease between First Press Publishing Limited and PDFM Limited of lower ground floor suite, 193 Bath Street, Glasgow.
- 9 Minute of Variation constituted by copy missives between Shepherd & Wedderburn WS and Semple Fraser WS dated 6 and 9 October and 3, 7 and 10 November, all 1995 on behalf of PDFM Limited and First Press Publishing Limited together with amended plan annexed to Semple



Fraser's letter of 6 October 1995 (Note:- letter of 7 November not exhibited but amended specification exhibited).

- 10 Copy missives between Shepherd & Wedderburn WS and McGrigor Donald to lease constituted by letters of missive dated 16 January 1997 (2 letters) 8 April 1997 and 14 April 1997 on behalf of PDFM Limited and Town Planning Consultancy Limited.
- 11 Copy letter from Shepherd & Wedderburn WS on behalf of Friends Provident Life Office to PDFM Limited dated 11 January 1996 intimating intention to exercise option to terminate lease of ground floor suite as at 16 January 1997.
- 12 Copy letter from Chesterton to Shepherd & Wedderburn WS dated 10 April 1997 regarding access to service cables for separate metered power system on ground floor (Town Planning Consultancy Ltd).
- 13 Minute of Agreement between Municipal Mutual Insurance Limited and Lloyds Bowmaker Limited dated 29 March 1985 and 23 April 1985 registered Books of Council and Session 10 May 1985.

**279 Bath Street, Glasgow**

- 1 Licence to Occupy between PDFM Limited and Halcrow Waterman Limited, letters between Shepherd & Wedderburn WS and Miller Samuel & Co dated 11 June 1997, 12 June 1997, 23 June 1997 and 24 June 1997 together with Drawings Nos 1 and 2 referred to in Clause 1 of the offer dated 11 June 1997.
- 2 Missives between Shepherd & Wedderburn WS and Miller Samuel & Co to lease dated 24 and 25 June 1997 on behalf of PDFM Limited and Halcrow Waterman Limited.
- 3 Engrossed but unexecuted Lease with Plans 1-4 attached between PDFM Limited and Halcrow Waterman Limited together with draft Renunciation in respect of Lease between Municipal Mutual Insurance Limited and Waterman & Partners.
- 4 Engrossed but unexecuted Licence of Alterations between PDFM Limited and Halcrow Waterman Limited.
- 5 Letters from Miller Samuel & Co to Shepherd & Wedderburn WS dated 7 August 1997 and 11 August 1997.
- 6 Letter from Shepherd & Wedderburn WS to Miller Samuel & Co dated 13 August 1997.
- 7 Copy Licence to Sub-Let dated 8 and 23 February 1996.



- 8 Missives to Lease between Shepherd & Wedderburn WS and Bird Semple dated 9 January 1996, 23 January 1996, 30 January 1996, 9 February 1996 and 12 February 1996, on behalf of PDFM Second Property Partnership and Glasgow Development Agency in respect of 3rd Floor, St Stephens House, 279 Bath Street, Glasgow.
- 9 Copy of unexecuted Lease annexed to missives at Item 8 above together with plans 1 and 2 attached to lease.
- 10 Licence to Alter by PDFM Property Partnership in favour of Business Ventures dated 3 April 1996 together with plan prepared by Chesterton, Drawing No BV279/001 together with Drawing Nos HAA151/01/02/03 and 04 prepared by Hugh Anderson Associates.
- 11 Schedule of Condition prepared by terms of missives at item 8 above together with letter and plan addressed to Andrew R Gear of James Barr & Son dated 7 March 1996.
12. Letter from Fraser Brooks & Co. SSC to Municipal Mutual Insurance Limited dated 17 August 1994 intimating exercise of tenant's option to break.

**67/83 Shandwick Place, Edinburgh**

- 1 Letter from Chesterton dated 15 July 1997 in respect of alterations carried out to the premises.
- 2 Extract Sub-Lease between Sun Life Assurance Company of Canada and Rosemary Catherine Balfour Hunter of part first floor Shandwick House dated 1 and 17 April 1997, registered BC&S 14 May 1997.
- 3 Extract Sub-Lease between Sun Life Assurance Company of Canada and Rosemary Catherine Balfour Hunter of part first floor Shandwick House dated 1 and 17 April 1997, registered BC&S 14 May 1997.
- 4 Sub-Lease by Sun Life Assurance Company of Canada in favour of Gardner Merchant Limited over first floor of the subjects dated 30 December 1994 and 30 January 1995, registered BC&S 27 January 1995.
- 5 Minute of Agreement constituting Licence for Works between PDFM Limited and Sun Life Assurance Company of Canada dated 21 October 1994 and 13 January 1995, registered BC&S 27 February 1995.
- 6 Minute of Agreement between Municipal Mutual Insurance Limited and Gardner Merchant Limited dated 12 and 28 April 1993, registered BC&S 24 May 1993.



- 7 Minute of Agreement between Municipal Mutual Insurance Limited and Early Learning Limited dated 5 and 13 March 1992 and registered 8 April 1992.
- 8 Minute of Agreement between Municipal Mutual Insurance Limited and Sun Life Assurance Company of Canada dated 9 and 14 October 1991 and registered 15 November 1991.
- 9 Copy Lease between Municipal Mutual Insurance Limited and Gardner Merchant Limited 2 February 1988 and 4 March 1988, registered 23 March 1988.
- 10 Extract Minute of Agreement between Municipal Mutual Insurance Limited and Early Learning Limited dated 1 and 22 April 1988, registered 9 May 1988.
- 11 Extract Minute of Agreement Between Municipal Mutual Insurance Limited and Sun Life Assurance Company of Canada dated 9 and 14 October 1991 and registered 15 November 1991.
- 12 Lease between Municipal Mutual Nominees Limited and Sun Life Assurance Company of Canada dated 14 July 1986 and 8 August 1986, registered BC&S 23 December 1986.
- 13 Lease between Municipal Mutual Nominees Limited and Early Learning Limited dated 30 January and 14 February 1984, registered BC&S 8 March 1984.
- 14 Copy letter from PDFM Limited to the Secretary of State for Defence dated 29 May 1997.
- 15 Copy Letter of Consent to Sub-let by Shepherd & Wedderburn WS to Maxwell MacLaurin dated 4 April 1997 together with acceptance dated 7 April 1997 with draft sub-lease annexed.
- 16 Copy Rent Review Memorandum between PDFM Limited and Sun Life Assurance Company of Canada signed by the tenants 17 March 1997.
- 17 Copy Rent Review Memorandum between PDFM Limited and Nevisport Limited signed by tenants 12 November 1996.
- 18 Copy Rent Review Memorandum between PDFM Limited and Sutherlands Limited signed by tenants 22 January 1997.
- 19 Copy Rent Review Memorandum between PDFM Limited and Early Learning Limited signed by tenants 16 December 1996.
- 20 Copy Rent Review Memorandum between PDFM Limited and SHC signed by tenants 5 August 1997.



21. Copy Minute of Agreement constituting Licence for Works between PDFM Limited and Sun Life Assurance Company of Canada registered in the Books of Council and Session 27 February 1995.
22. Feu Duty Redemption Receipt dated 17 November 1975.
23. Letter from Fraser Brooks & Co. SSC to Municipal Mutual Insurance Limited dated 24 August 1994.
24. Lease between Municipal Mutual Nominees Limited and Strachan Studio Limited registered Books of Council and Session 6 February 1995 as varied or amended by:
  - (a) Assigination by Strachan Studio Limited in favour of Nevisport Limited registered Books of Council and Session 4 September 1990;
  - (b) Minute of Agreement between Municipal Mutual Insurance Limited and Strachan Studio Limited registered Books of Council and Session 1 February 1990;
  - (c) Minute of Agreement between Municipal Mutual Insurance Limited and Nevisport Limited registered Books of Council and Session 5 September 1991.
25. Sub-Lease by Sun Life Assurance Company of Canada in favour of Gardiner Merchant Limited registered Books of Council and Session 27 January 1995.
26. Missives of Lease in favour of the Secretary of State for Defence concluded on 30 January 1997 as varied or amended by Licence for Alterations between PDFM and the Secretary of State for Defence.
27. Lease between Municipal Mutual Insurance Limited and Roderick Sutherland and Partners plc registered Books of Council and Session 12 February 1991.
28. Lease between Municipal Mutual Nominees Ltd. and SHC Ltd. registered BC&S 9 April 1985 as varied or amended by Minute of Agreement between Municipal Mutual Insurance Ltd. and SHC registered BC&S 221 February 1990.

#### 2-4 Canning Street Lane, Edinburgh

1. Copy Lease between Municipal Mutual Insurance Limited and Roderick Sutherland & Partners Limited dated 20 November 1990 and 3 December 1990 registered BC&S 12 February 1991.



- 2 Extract Corroborative Lease between and among Municipal Mutual Insurance Limited and Sun Life Assurance Company of Canada dated 23 September 1986 and 16 October 1986 registered BC&S 23 December 1986.
- 3 Extract Minute of Agreement constituting Licence of Works between Municipal Mutual Insurance Limited and Roderick Sutherland & Partners plc dated 29 April and 20 May 1991 and registered 30 May 1991.
- 4 Minute of Agreement constituting Licence for Works between Municipal Mutual Insurance Limited and Roderick Sutherland & Partners dated 20 November 1990 and 3 December 1990 registered BC&S 4 March 1991.
5. Missives between Scottish Value Management Limited and Sutherland & Partners Edinburgh Limited dated 25 May 1993 and registered 16 July 1993.



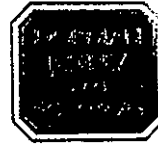
SCHEDULE

Part 3

"Title Deeds"

**193/199 Bath Street, Glasgow**

- 1 Land Certificate Title No GLA 109511.
- 2 Letter to Shepherd & Wedderburn WS from Stirrit Park Hogg on current planning use dated 12 March 1996.
- 3 Property Search Certificate subjects ground flat, 193 Bath Street, Glasgow, dated 7 March 1996.
- 4 Property Search Certificate subjects basement flat 1, 193 Bath Street, Glasgow, dated 7 March 1996.
- 5 Property Search Certificate subjects basement flat 2, 193 Bath Street, Glasgow, dated 7 March 1996.
- 6 Property Search Certificate subjects flat 1, 193 Bath Street, Glasgow dated 7 March 1996.
- 7 SPH Property Search and Property Search Certificate subjects flat 2, 193 Bath Street, Glasgow, dated 7 March 1996.
- 8 SPH Property Search and Property Search Certificate subjects flat 3, 193 Bath Street, Glasgow, dated 7 March 1996.
- 9 Property Search Certificate subjects office, 199 Bath Street, Glasgow, dated 7 March 1996.
- 10 Friends Provident Fire Certificate dated 12 August 1994.
- 11 Property Enquiry Certificate from City of Glasgow subjects 193 Bath Street zero office dated 10 August 1994.
- 12 Property Enquiry Certificate from City of Glasgow subjects 193 Bath Street one office dated 10 August 1994.
- 13 Property Enquiry Certificate from City of Glasgow subjects 193 Bath Street two office dated 10 August 1994.
- 14 Property Enquiry Certificate from City of Glasgow subjects 193 Bath Street three office dated 10 August 1994.



- 15 Property Enquiry Certificate from City of Glasgow subjects 193 Bath Street BSM office dated 10 August 1994.
- 16 Letter from Friends Provident re Strathclyde Fire Brigade and attached Fire Certificate dated 9 June 1994.
- 17 Fire Certificate dated 8 June 1994.
- 18 Copy Schedule of Conditions relating to Landlords consent to building alterations from Ryden Property Consultants and Chartered Surveyors dated 17 May 1994.
- 19 Fire Certificate No A/3561 dated 12 May 1993.
- 20 Copy Certificate of Completion No 1992/0043 dated 10 September 1992.
- 21 Copy letters from the Planning Department of City of Glasgow District Council re proposed internal and external alterations dated 1 July 1990 and attached Warrant for the alteration of the building and Certificate of Completion.
- 22 Copy letter from the Planning Department of the City of Glasgow District Council re proposed internal and external alterations dated 1 July 1990.
- 23 Plan of alterations to 193/199 Bath Street, Glasgow, Ryden Property Consultants and Chartered Surveyors dated March 1990.
- 24 Fire Certificate No A/82-83 dated 3 July 1981.
- 25 Building Contract between the Municipal Mutual Insurance Limited and Holland Hannan & Cubitts (Scotland) Limited dated 15 August 1977.
- 26 Two copies Building Contract between the Municipal Mutual Insurance Limited and Holland, Hannan & Cubitts (Scotland) Limited dated 15 August 1977.
- 27 Form of Tender for renovation of premises at 193-199 Bath Street, Glasgow, for the Municipal Mutual Insurance Limited dated April 1977.
- 28 Copy Form of Tender for renovation of premises at 193-199 Bath Street, Glasgow, for the Municipal Mutual Insurance Limited dated April 1977.
- 29 Bills of Quantities for renovation of premises at 193-199 Bath Street, Glasgow for the Municipal Mutual Insurance Limited dated April 1977.
30. Warrant for Alteration by City of Glasgow Council 1996/3132 dated 19 February 1994 together with completion certificate dated 11 July 1997.



31. Letter from Strathclyde Fire Brigade to Chesterton dated 19 March 1997.
32. Letter from City of Glasgow Council to Chesterton dated 14 March 1997.

**279 Bath Street, Glasgow**

- 1 Land Certificate Title No GLA 2121.
- 2 Fire Certificate dated 8 January 1991.
- 3 Letter from the ADF Partnership to Bishop and Robertson Chalmers dated 28 January 1993 enclosing five items of planning documentation.
- 4 Copy Warrant to fit-out vacant floor dated 3 September 1990.
- 5 Conveyancing Company Search Report by ICC dated 4 March 1993.
- 6 Forms 12 and 13 together with report over registered subjects dated 24.2.93.
- 7 Fire Certificate by Strathclyde Fire Brigade dated 8 January 1991.
- 8 Letter from Building Control Department to ADF Partnership dated 8 August 1994 enclosing warrant to erect dated 30 August 1988 and Certificate of Completion dated 20 October 1989.
- 9 Property Enquiry Certificate by City of Glasgow and copy dated 25 February 1993.
- 10 Property Enquiry Certificate by City of Glasgow dated 9 August 1994.
- 11 Property Enquiry Certificate by City of Glasgow dated 11 August 1994.
- 12 Two copies of Bills of Quantities dated September 1988.

**67-83 Shandwick Place, Edinburgh**

- 1 Disposition by Municipal Mutual Insurance Limited in favour of PDFM Limited over 67-81 Shandwick Place dated 27 September 1994 and recorded General Register of Sasines 29 September 1994.
- 2 Disposition by Municipal Mutual Nominees Limited in favour of Municipal Mutual Insurance Limited dated 2 March 1987 recorded General Register of Sasines 25 February 1988.



- 3 Disposition by Robert Frost & Son Limited in favour of Disposition by Municipal Mutual Nominees Limited dated 11 May 1978 and recorded General Register of Sasines 16 May 1978.
- 4 Disposition by The Royal Bank of Scotland Limited in favour of Robert Frost & Son Limited including subjects at 3 Canning Street Lane dated 21 January 1976 and 18 January 1977 and recorded General Register of Sasines 25 January 1977.
- 5 Disposition by Robert George Frost & Others with consent of Robert Frost & Son Limited in favour of The Royal Bank of Scotland also including 3 Canning Street Lane dated 24 January 1968 and recorded General Register of Sasines 29 February 1968.
- 6 Disposition by Robert Frost & Son Limited in favour of Robert George Frost and Others as trustees for the debenture holders of the company including 3 Canning Street Lane and 75-77 Shandwick Place dated 29 March 1960 and recorded General Register of Sasines 31 May 1960.
- 7 Copy Disposition by Robert Frost & Son Limited in favour of The Royal Bank of Scotland including 3 Canning Street Lane dated 25 March 1960 and recorded General Register of Sasines 2 June 1960.
- 8 Disposition by Robert George Frost in favour of Robert Frost & Son Limited dated 29 March 1960 and recorded GRS 31 May 1960.
- 9 Copy Disposition by Robert Frost & Son Limited in favour of Robert George Frost & Others as Trustees for the debenture holders of the company including 3 Canning Street Lane and 75-77 Shandwick Place dated 29 March 1960 and recorded General Register of Sasines 31 May 1960.
- 10 Disposition by the Trustees of the late Margaret Isabella McEwan and Others to the Royal Bank of Scotland dated 12 November 1923 and GRS 13 November 1923.
- 11 Copy Disposition by Sir Alexander Kemp Wright in favour Robert Thomas Frost and Robert George Frost dated 28 and 26 June 1933 and recorded GRS 19 July 1933.
- 12 Copy Deed of Declaration of Trust and Agreements by and between Robert Thomas Frost and Robert George Frost and Robert Frost & Son Limited dated 21 June 1933.
- 13 Instrument of Sasine in favour of Ann Stuart recorded GRS 5 February 1844.
- 14 Disposition by USF Nominees Limited in favour of Municipal Mutual Nominees Limited dated 4 May 1978 and recorded GRS 15 1978.



- 15 Disposition by Robert Frost & Son Limited and Others in favour of Union Pension Trust Limited of 75, 77 & 83 Shandwick Place dated 2 and 15 March 1966 and recorded GRS 8 August 1967.
- 16 Notarial Instrument in favour of Mrs Adeline Lavinia Allan recorded GRS 13 November 1923.
- 17 Declaration of Trust dated 6, 8 and 28 May 1913 and recorded GRS 2 July 1913.
- 18 Copy Disposition by William G Bloxson with consent and by Others in favour of Matthew White undated.
- 19 Copy Disposition by Robert Frost & Son Limited in favour of The Royal Bank of Scotland of subjects 75/77 & 83 Shandwick Place and Canning Street Lane, Edinburgh, dated 25 March 1960, recorded GRS 2 June 1960.
- 20 Copy Supplementary Deed of Declaration of Trust by the Trustees for Debenture Holders dated 12 October 1938.
- 21 Disposition by The Raleigh Cycle Company Limited in favour of Robert Frost & Son Limited dated 23 July 1937 and recorded GRS 31 July 1937.
- 22 Disposition by Matthew White in favour of The Raleigh Cycle Company Limited dated 8 November 1926 and recorded GRS 3 November 1926.
- 23 Copy Instrument of Sasines in favour of Mrs Elizabeth Reid or Ritchie and Miss Alexandrina Reid recorded GRS 13 September 1822.
- 24 Discharge by the Trustees of John Watson's Fund in favour of Frederick Peter Tensfeldt dated 12 May 1953, recorded GRS 19 May 1953.
- 25 Disposition by Frederick Peter Tensfeldt with consent of Robert Frost & Son Limited in favour of Union Pension Trust Limited dated 21 July and 2 August 1967, recorded GRS 8 August 1967.
- 26 Discharge by Mrs Euphemia Tensfeldt in favour of Frederick Peter Tensfeldt dated 22 February 1952 and recorded GRS 25 February 1952.
- 27 Bond & Disposition in Security by Frederick Peter Tensfeldt in favour of Mrs Euphemia Tensfeldt dated 2 February 1934, recorded GRS 5 February 1934.
- 28 Extract Decree of Special Service by Frederick P Tensfeldt to his father, Peter Tensfeldt, dated 25 and recorded 28 November 1933.



- 29 Discharge by Mrs Margaret Flint Baillie or Hunter in favour of Frederick Peter Tensfeldt dated 11 December 1933 and recorded GRS 21 December 1933.
- 30 Disposition by Matthew White in favour of Peter Tensfeldt dated 4 May 1928, recorded GRS 16 May 1928.
- 31 Bond & Disposition in Security by Peter Tensfeldt in favour of The Trustees of John Watson's Fund dated 15 May 1928, recorded GRS 16 May 1928.
- 32 Bond & Disposition in Security by Peter Tensfeldt in favour of Mrs Margaret Flint Baillie or Hunter dated 15 May 1928, recorded GRS 17 May 1928.
- 33 Indemnity by The National Guarantee & Suretyship Association Limited in favour of Union Pension Trust Limited dated 4 August 1967.
- 34 Disposition by James John Simpson Herd in favour of Robert Frost & Son Limited dated 12 September 1959 and recorded GRS 17 September 1959.
- 35 Discharge by Standard Property Investment Company Limited in favour of James John Simpson Herd dated 22 June 1956 and recorded GRS 27 June 1956.
- 36 Bond & Disposition in Security by James John Simpson Herd in favour of Standard Property Investment Company Limited dated 10 April 1954 and recorded GRS 22 April 1954.
- 37 Extract Minute of Sale between George Stanley Borrett, Henry James Borrett and James John Simpson Herd of shares in Caledonian Billiard Rooms Company dated 10 April 1954 and registered in BC&S on 22 April 1954.
- 38 Disposition by the Trustee for the Caledonian Billiard Rooms Company in favour of James John Simpson Herd dated 10 April 1954 and recorded GRS 22 April 1954.
- 39 Discharge by Standard Property Investment Company Limited in favour of James John Simpson Herd dated 19 April 1954, recorded GRS 22 April 1954.
- 40 Extract of Declarator of Probate dated 14 May 1953.
- 41 Extract Decree appointing Mrs Adeline Lavinia Allan to be trustee under Declaration of Trust by John Sutherland Hutchison & Others with authority to complete title dated 24 July 1936.



- 42 Receipt by the Trustees of the late William Cunningham Glen & Others in favour of John Sutherland Hutchison & Others dated 5 December 1923.
- 43 Discharge by James Kenneth and the Trustees of the late Archibald Kenneth in favour of Trustees for Caledonian Billiard Rooms Company dated 9 November 1923 and recorded GRS 13 November 1923.
- 44 Bond & Disposition in Security by Caledonian Billiard Rooms Company & Others in favour of Standard Property Investment Company Limited dated 9 & 10 November 1923 and recorded GRS 13 November 1923.
- 45 Assignment by Robert Kenneth & James Kenneth as trustees under Declaration of Trust in favour of the testamentary trustees of the late Archibald Kenneth dated 15 February 1917 and recorded GRS 20 February 1917.
- 46 Assignment by Trustees of the late James Kenneth in favour of James Kenneth & Robert Kenneth dated 30 and 31 May 1916 and recorded GRS 5 June 1916.
- 47 Notarial Instrument in favour of the Trustees of the late James Kenneth recorded GRS 29 May 1915.
- 48 Discharge by John Sutherland Hutchison in favour of William Guthrie Paterson dated 21 October 1913, recorded GRS 21 April 1919.
- 49 Partial Discharge of David Pearson Curator Bonis of James Kenneth in favour of John Sutherland Hutchison and Others dated 9 May 1913 and recorded GRS 16 May 1913.
- 50 Bond & Disposition in Security by William Guthrie Paterson in favour of John Sutherland Hutchison dated 21 June 1909.
- 51 Discharge by Matthew White in favour of John Sutherland Hutchison & Others dated 29 October and presented for registration on 10 November 1909.
- 52 Extract Factory & Commission by John Sutherland Hutchison in favour of Samuel Murphy dated 23 August and recorded BC&S 30 October 1905.
- 53 Bond & Disposition in Security by John Sutherland Hutchison & Others in favour of James Kenneth dated 3, 4 & 6 November 1905 and recorded GRS 11 November 1905.
- 54 Bond & Disposition in Security by John Sutherland Hutchison & Others to Matthew White dated 3, 4 & 6 November 1905 and recorded GRS 11 November 1905.



- 55 Disposition by Matthew White in favour of John Sutherland Hutchison & Others dated 2 November 1905 and recorded GRS 11 November 1905.
- 56 Certificate of Completion dated 12 December 1983 in respect of 67/83 Shandwick Place, Edinburgh - alteration and change of use to form offices in three shop units.
- 57 Certificate of Completion dated 26 January 1995 in respect of 67/83 Shandwick Place, Edinburgh.
- 58 Fire and Special Health Policy issued by Municipal General Insurance Limited dated 31/12/89.
- 59 Certificate of Incorporation on Change of Name confirming change of name by MLA Property Development Limited to Mount Manor Property Developments Limited dated 16 November 1988.
- 60 Letter from Municipal Mutual Property Management Limited dated 2 September 1991 together with a copy of the insurance policy dated 3 January 1991.
- 61 Copy Certificate of Completion in respect of 67/83 Shandwick Place, Edinburgh, dated 12 December 1983.
- 62 Copy Certificate of Completion in respect of 67/83 Shandwick Place, Edinburgh, dated 16 December 1986.
- 63 Insurance Policy No F-72R845-0061 - insured is Municipal Mutual Nominees Limited.
- 64 Property Search dated 1 March 1993 over Third and Fourth Floor Offices, 67/83 Shandwick Place, Edinburgh.
- 65 Letter from Graham Smart & Annan dated 22 January 1968.
- 66 Various letters dated 31 October 1990 together with plan, 4 September 1986 (five plans 7 July 1987 dealing with signage and shop fitting works at 79 & 81 Shandwick Place).
- 67 Various letters dated 30 September 1987 (2), 6 October 1987 and 16 September 1987 in respect of fitting out works of 67/83 Shandwick Place, Edinburgh.
- 68 Fire Certificate dated 10 January 1987 in respect of 79 Shandwick Place, Edinburgh.
- 69 Fire Certificate dated 10 January 1987 in respect of 67 Shandwick Place, Edinburgh.



- 70 Fire Certificate in respect of 87 Shandwick Place, Edinburgh, dated 10 January 1987.
- 71 Amendment to Fire Certificate no 2846 in respect of 81 Shandwick Place, Edinburgh, dated 5 July 1991.
- 72 Fire Certificate no 3583(0) in respect of 67-83 Shandwick Place, Edinburgh, dated 18 May 1988.
- 73 Fire Certificate no 3585(0) in respect of 67-83 Shandwick Place, Edinburgh, dated 18 May 1988.
- 74 Fire Certificate in respect of 67-83 Shandwick Place No 2584 dated 18 May 1988.
- 75 Fire Certificate No 3585 in respect of 67-83 Shandwick Place, Edinburgh dated 18 May 1988.
- 76 Amendment to Fire Certificate Nos 3584(0), 248(S)(two amendments) 2846(S) (two amendments), 2798(S) (two amendments), 3585(0) all issued 4 May 1995.
- 77 Fire Certificate in respect of 67-83 Shandwick Place dated 13 March 1995.
- 78 Property Enquiry Certificates by Edinburgh District Council in respect of 81 Shandwick Place, Edinburgh dated 3.8.94.
- 79 Property Enquiry Certificate in respect of 79 Shandwick Place dated 3.8.94.
- 80 Property Enquiries Roads, Water and Drainage Certificate in respect of 67-83 Shandwick Place, Edinburgh, dated 11 August 1994.
- 81 Property Enquiry Certificate in respect of 77 Shandwick Place, Edinburgh, dated 3.8.94.
- 82 Property Enquiry Certificate in respect of 67 Shandwick Place, Edinburgh, dated 4.8.94.
- 83 Letter from Ryden to Michael Blackwell Design Partnership dated 24 January 1985 and reply dated 29 January 1986.
- 84 Bills of Quantity for Renovation of Premises at 67-83 Shandwick Place dated February 1982 with annexed plans and Building Contract etc.
- 85 Packet containing principal Planning Permission for change of facade in respect of 67-83 Shandwick Place, Edinburgh.



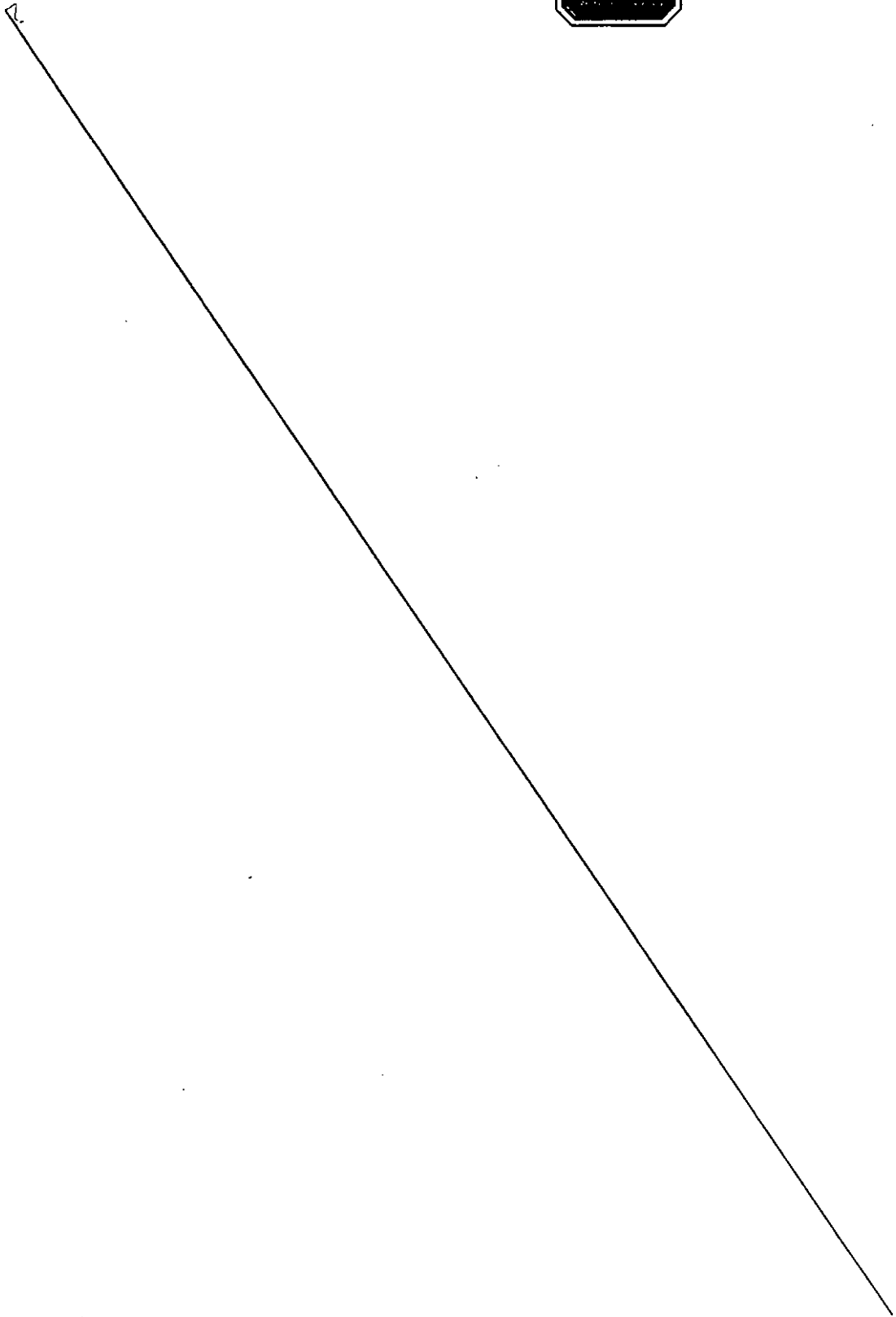
- 86 Letter from The City of Edinburgh District Council dated 31 March 1982 and 20 June 1980.
- 87 Deed of Condition of Third and Fourth Floors at Municipal Mutual, 67-83 Shandwick Place, Edinburgh, dated 5 January 1993.
- 88 Municipal Mutual Insurance 67-83 Shandwick Place, Edinburgh service charge budget 2 February 1994 to 1 February 1995 together with ancillary documentation.
- 89 Various plans (10 copies).

#### 2-4 Canning Street Lane, Edinburgh

- 1 Instrument of Sasine in favour of Miss Ann Steuart recorded GRS (Midlothian) 5 February 1844.
- 2 Contract of Feu by Governors of George Heriot's Hospital and William Watherston & James Watherston as trustees, recorded GRS 18 January 1876.
- 3 Disposition by Trustees for the firm of John Watherston & Son in favour of William E Wingate recorded GRS (Midlothian) 25 January 1877.
- 4 Disposition by William & James Watherston in favour of Lord Tullyhill recorded GRS (Midlothian) 15 January 1877.
- 5 Disposition by the Trustees of the Marriage Contract between James Mansfield, Advocate and his wife and by the other parties within mentioned in favour of Mrs Robertson McAlpine Leny or Mansfield recorded GRS (Midlothian) 15 May 1889.
- 6 Disposition by James Johnston Ford in favour of John Watherston & Son recorded GRS (Midlothian) 22 May 1908.
- 7 Disposition by Robert Frost in favour of The Royal Bank of Scotland recorded GRS (Midlothian) 13 November 1923.
- 8 Disposition by the Trustees of the late Mrs Roberta McAlpine Leny or Mansfield in favour of Robert Frost & Son Limited recorded GRS (Midlothian) 11 August 1939.
- 9 Disposition by the Trustees of John Watherston in favour of Scottish Amicable Building Society recorded GRS (Midlothian) 22 May 1952.
- 10 Disposition by the Trustees of John Watherston in favour of Robert Frost & Son Limited recorded GRS (Midlothian) 4 June 1959.



- 11 Disposition by Robert Frost & Son Limited in favour of Municipal Mutual Insurance Limited recorded GRS (Midlothian) 28 August 1978.
- 12 Disposition by Municipal Insurance Limited in favour of PDFM as general partner of PDFM Second Property Partnership recorded GRS (Midlothian) 29 September 1994.
- 13 Interim Report on Search over 2-4 Canning Street Lane, Edinburgh dated 24 March 1997.
- 14 Property Enquiry Certificate by DLP Property Search dated 22 April 1997.
- 15 Water & Drainage Property Enquiry Certificate dated 3 August 1994 guaranteed by Apex Property Care Limited dated 6 March 1989 No. D0983.
- 16 Guarantee by Apex Property Care Limited dated 6 March 1989 No. T1062.
- 17 Highways Property Enquiry Certificate dated 31 August 1989.
- 18 Certificate of Incorporation on Change of Name by Roderick Sutherland & Partners public limited company dated 24 November 1992.
- 19 Letter from Municipal Mutual Property Department to Director of Finance, Lothian Regional Council dated 9 March 1993.
- 20 Planning Permission for Alteration of subjects dated 21 February 1989.
- 21 Warrant to Alter Subjects dated 20 January 1989.
- 22 Certificate of Completion dated 22 November 1989.
- 23 Letter to the Department of Planning dated 22 December 1988.
- 24 Certificate of Completion dated 4 July 1989.
- 25 Certificate of Compliance of Electrical Installation dated 3 July 1989.
- 26 BLP Property Search dated 1 March 1993.
- 27 Property Enquiry Certificate dated 3 August 1994.
- 28 Municipal Mutual Insurance Company and Dennis W White, Power of Attorney.
- 29 Various plans.
30. Scottish Loan Terms and Conditions (1997 Edition) .





SCHEDULE

Part 4

The English Purchase and Sale Agreement

DATED

1997

**PDFM LIMITED**

**HAMPTON TRUST PLC**

Draft No. 9  
**AGREEMENT FOR SALE**

of

properties at:

- (1) Friars Court and The Friary, Municipal House, Aylesbury
- (2) 12 Cathedral Road, Cardiff
- (3) 38 City Road, Chester
- (4) 165/173 Beverley Road, Hull
- (5) Hardwick Narrows, Kings Lynn
- (6) 5/6 Osborne Terrace, Newcastle Upon Tyne

**BERWIN LEIGHTON**

Adelaide House London Bridge London EC4R 9HA  
Telephone 0171 623 3144 Fax 0171 623 4416

**DATED**

1997

**PARTIES**

- 1      Seller      **PDFM LIMITED** (company no 1546400) whose registered office is at Triton Court 14 Finsbury Square London EC2A 1PD *acting in its capacity of General Partner* of the **PDFM SECOND PROPERTY PARTNERSHIP** (a limited partnership registered under the Limited Partnerships Act 1907 of the same address).
- 2      Buyer      **HAMPTON TRUST PLC** (company no 267163) whose registered office is at Hampton House 20 Albert Embankment London SE1 7TJ.

**OPERATIVE PROVISIONS**1      **Definitions and interpretation**

- 1.1      Unless the contrary intention appears, the following definitions apply:

*Agreed Form*      A document in the form initialled by way of identification by the Buyer's Solicitors and the Seller's Solicitors;

*Admission*      means the admission of the Consideration Shares and the Scottish Consideration Shares to the Official List of the London Stock Exchange becoming effective in accordance with Rule 7.1 of the Listing Rules;

*Approvals*      the approvals of the Capital Reduction by separate class meetings of the holders of Ordinary Shares of 5p each, 5½ per cent (net) Cumulative Convertible Redeemable Preference Shares of £1 each and 8 per cent Convertible Unsecured Loan Stock 2020 of the

	Buyer to be sought in the manner set out in the Circular and the granting of the Court Order;
<i>Business Day</i>	a day upon which Admission can occur;
<i>Buyer's Solicitors</i>	Garretts of Central House, 47 St Paul's Street, Leeds LS1 2TE;
<i>Capital Reduction</i>	means the proposed reduction of the ordinary share capital, preferred share capital and share premium account of the Buyer and the return of shares in the capital of Titan Resources NL to Ordinary Shareholders as more fully described in the Circular;
<i>Circular</i>	the circular to shareholders in the Buyer relating to the agreement and the Scottish Contract dated with the date of this Agreement substantially in the Agreed Form;
<i>Clearing Bank</i>	any of Barclays Bank PLC, National Westminster Bank PLC, Lloyds Bank Plc, Midland Bank PLC, The Royal Bank of Scotland plc, TSB Bank PLC and Clydesdale Bank PLC;
<i>Completion</i>	means completion of the sale and purchase of the Properties pursuant to clause 6;
<i>Completion Date</i>	means the earlier of the Second Business Day after:  (a) the second Business Day after the date upon which any of the Approvals is refused (and if the Approval which has been refused is the Court Order relating to the Capital Reduction no appeal in relation thereto having been lodged within the appropriate time

limit)

(b) the date on or prior to 30 October 1997 upon which the Capital Reduction becomes effective by the Buyer delivering to the Registrar of Companies an office copy of the Court Order and the Registrar of Companies registering the same; or

(c) the Seller being informed in writing of the directors of the Buyer resolving not to proceed with the Capital Reduction;

;

*Consideration Shares*

means 8,089,200 ordinary shares of 5p each of the Buyer credited as fully paid up [at 36p per share];

*Contract Rate*

an interest rate equal to 4% over the base rate of Barclays Bank PLC from time to time;

*Court Order*

means the order of the High Court of Justice of England and Wales sanctioning the Capital Reduction;

*Definitive Share Certificate*

means a dated duly executed Share Certificate in favour of the Seller in respect of the Consideration Shares and the Scottish Consideration Shares;

*Leases*

means any leases subject to which the Seller holds its interest in the Properties details of which are set out in Part 2 of Schedules 1-6 in respect of each of the Properties;

*Listing Rules*

means the Listing Rules of the London Stock

Exchange;

*London Stock Exchange*

means London Stock Exchange Limited;

*Ordinary Shareholders*

means the holders of issued and fully paid ordinary shares of 5p each in the capital of the Buyer;

*Properties*

means the properties described in Part 1 of Schedules 1-6 (and "Properties" means any of them as the context so admits);

*Scottish Consideration Shares*

means the expression defined as "Consideration Shares" in the Scottish Contract;

*Scottish Contract*

means the agreement for the sale of various properties in Scotland in the form of the draft agreement attached to this agreement;

*Seller's Solicitors*

Berwin Leighton of Adelaide House, London Bridge, London, EC4R 9HA (ref: POLM/P432/685); and

*Standard Conditions*

the Standard Conditions of Sale (3rd Edition), and *Standard Condition* is to be construed accordingly.

- 1.2 Where a party is placed under a restriction in this agreement, the restriction is to be deemed to include the obligation on that party not to permit or allow the infringement of the restriction by any person.
- 1.3 The clause and paragraph headings in this agreement are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision to which they refer.
- 1.4 Unless the context otherwise requires, references:

- 1.4.1 to numbered clauses and schedules are references to the relevant clause in, or schedule to, this agreement; and
- 1.4.2 to a numbered paragraph in any schedule are references to the relevant paragraph in that schedule.
- 1.5 Words in this agreement denoting the singular include the plural meaning and vice versa.
- 1.6 References in this agreement to any statutes or statutory instruments include any statute or statutory instrument amending, consolidating or replacing them respectively from time to time and for the time being in force, and references to a statute include statutory instruments and regulations made pursuant to it.
- 1.7 Words in this agreement importing any one gender include both other genders and may be used interchangeably, and words denoting natural persons, where the context allows, include corporations and vice versa.
- 2 **Conditions**
  - 2.1 This agreement is conditional on the following conditions being satisfied on or prior to the Completion Date:
    - 2.1.1 the passing of a resolution at a duly convened general meeting of the Buyer approving the purchase of the Properties under this agreement and the Scottish Properties under The Scottish Contract;
    - 2.1.2 the London Stock Exchange agreeing to admit the Consideration Shares and the Scottish Consideration Shares to the Official List of the London Stock Exchange (subject only to allotment);
    - 2.1.3 the admission of the Consideration Shares and the Scottish Consideration Shares to the Official List of the London Stock Exchange becoming effective within the meaning set out in paragraph 7.1 of the Listing Rules;
    - 2.1.4 the exchange of the Scottish Contract conditional only on this Agreement becoming unconditional prior to the Completion Date;

- 2.1.5 the board of the Buyer resolving to allot the Consideration Shares and the Scottish Consideration Shares to the Seller (conditional only on Admission).
- 2.2 If the conditions referred to in clauses 2.1.1 to 2.1.5 are not satisfied on or prior to the Completion Date (or such later date as the parties may agree), this agreement shall cease to have effect and neither party shall have any claim under it against any other party, except in respect of any prior breach, save that the Buyer shall be entitled to the return of the deposit paid pursuant to clause 5 without interest.
- 2.3 If this agreement has not been completed pursuant to clause 6.1 on or before 31 October 1997 the Seller shall have the right, by written notice to the Buyer to terminate this Agreement in which event the deposit referred to in clause 5.1 will be repaid to the Buyer without interest and the Buyer will pay to the Seller the reasonable legal costs of the Seller of and incidental to the matters contained as referred to in this agreement and this agreement shall cease to have effect and save as aforesaid neither party shall have any claim under it against any other party except in respect of any prior breach.
- 2.4 The Buyer undertakes to the Seller that the resolution to be considered by the shareholders relative to the Capital Reduction will be in the Agreed Form and that the Buyer shall deliver a copy of the Court Order to the Registrar of Companies for registration within two Business Days of the Court Order being made.
- 2.5 The Buyer undertakes to use all reasonable endeavours to procure that each of the conditions set out in clause 2.1 above is satisfied.
- 2.6 If at any time the directors of the Buyer resolve not to proceed with the Capital Reduction they shall inform the Seller in writing of such decision by no later than two Business Days following that on which such resolution is passed.
- 2.7 The Buyer undertakes to the Seller (subject to the Approvals, other than the making of the Court Order, being obtained):
- 2.7.1 to use its best endeavours to obtain a Court hearing date in relation to the Capital Reduction as soon as possible after the Approvals, other than the making of the Court Order, are obtained;

2.7.2 to pursue the Court application in relation to the Capital Reduction with all due diligence and to use its best endeavours to prove that the Court Order is granted as soon as possible. PROVIDED that this clause 2.7.2 will not oblige the Buyer to repay or secure creditors of the Buyer in relation to the Capital Reduction.

**3 Agreement for sale and purchase**

3.1 Subject to the satisfaction of the Conditions set out in Clause 2 above the Seller will sell, and the Buyer will buy, the Properties.

3.2 The interest in each of the Properties to be sold is freehold.

3.3 The sale excludes all tenant's and trade fixtures and fittings.

3.4 Except in the case of the Properties described in Schedules 3 and 4, where the risk of damage to or destruction now passes to the Buyer, the risk of damage to or destruction of the remainder of the Properties will not pass until the date of actual completion.

3.5 The special conditions set out in Part 4 of Schedules 1-6 apply in relation to the sale of the Properties

**4 Price**

The price for the Properties is the sum of £6,911,300 to be satisfied by the payment of £3,999,188 in cash and the allotment of the Consideration Shares, the apportioned value for each of the Properties being stated in Part 5 of each of Schedules 1-6.

**5 Deposit**

5.1 pay a The Buyer is to deposit of £445,000 to the Seller's Solicitors as stakeholders.

5.2 The deposit is to be paid by means of telegraphic transfer to the Seller's Solicitor's client account.

5.3 Interest accruing on the deposit for the period ending on the date of actual completion is to be accounted for to the Seller on completion.

6 **Completion arrangements**

6.1 Completion of the sale and purchase of the Properties under this agreement and the Scottish Properties under the Scottish Contract shall take place in escrow, subject only to the condition set out in clause 2.1.3 and satisfaction of clause 6.2 on the Completion Date at the offices of the Seller's Solicitors when, amongst other things:

6.1.1 the Buyer shall deliver to the Seller a report with respect to the value of the Property in accordance with Section 103 Companies Act 1985;

6.1.2 subject to clause 6.1.1 above, the Buyer shall conditionally allot the Consideration Shares and Scottish Consideration Shares to the Seller credited as fully paid in accordance with their respective entitlements subject only to the condition set out in clause 2.1.3;

6.1.3 the Buyer shall deliver to the Seller's Solicitors:

(a) as stakeholders pending satisfaction of the condition set out in clause 2.1.3 by telegraphic transfer to the Seller's Solicitor's client's account or any other bank account nominated by the Seller the sum of EIGHT MILLION FOUR HUNDRED AND FIFTY-FIVE THOUSAND POUNDS (£8,455,000) in favour of the Seller's Solicitors whose receipt shall be a valid discharge to the Buyer;

(b) the undertaking of the Buyer's Solicitors in the Agreed Form to deliver the Definitive Share Certificate to the Vendor's Solicitors following Admission; and

(c) any other sums due under or pursuant to the terms of this Agreement.

6.2 Notwithstanding the provisions of Clause 6 of this agreement the Seller shall not be obliged to complete the sale of the Properties to the Buyer unless at the same time the Buyer completes the sale and purchase of the properties set out and in accordance with the Scottish Contract.

6.3 If the money due on completion is received after 1.30 pm, completion is to be treated for the purposes of the Standard Conditions as taking place on the next working day.

6.4 Completion shall become effective forthwith upon the condition set out in clause 2.1.3 being satisfied and satisfaction of clause 6.2 whereupon the Seller's Solicitors are hereby irrevocably authorised to pay the cash consideration for the Properties and the Scottish Properties under the Scottish Contract and to deliver the Definitive Share Certificates for the Consideration Shares and Scottish Consideration Shares to the Seller.

6.5 The Consideration Shares and Scottish Consideration Shares will be issued free of all encumbrances, charges, options and rights of pre-emption, credited as fully paid and will rank pari passu in all respects with ordinary shares of 5 pence each of the Buyer in issue on the Completion Date (including in all regards with respect to transferability) and shall carry the right to receive in full all dividends and other distributions declared made or paid after the Completion Date without any apportionment but shall not entitle the Seller to participate in the final dividend for year end March 1997 or (for the avoidance of doubt) in the Capital Reduction.

## 7 Title

Title to the Properties has been deduced by the Seller to the Buyer and the Buyer is not entitled to raise any objection to the title to the extent that it has been deduced save in relation to any matters arising from the Buyer's pre-completion searches at H M Land Registry, H M Land Charges registry and Companies House.

7.1 The Seller sells with limited title guarantee.

## 8 Specific matters subject to which the Properties are sold

8.1 The Properties are affected by and sold subject to:

8.1.1 the Leases; and

8.1.2 the matters referred to in Part 3 of Schedules 1-6 and the matters noted upon the Properties register and entered in the charges register relating to the title to each of the Properties.

8.2 The Buyer or its solicitors have been supplied with office copy entries relating to the titles, copies of the Leases and other documents listed in Part 3 of Schedules 1-6 and the Buyer is to be treated as entering into this agreement knowing and accepting their terms, and may not raise any requisitions or objections about them

save in relation to any matters arising from the Buyer's pre-completion searches at H M Land Registry, H M Land Charges Registry and Companies House.

**9 General matters subject to which the Properties is sold**

The Properties are sold subject to:

- 9.1 all local land charges, whether or not registered before the date of this agreement, and all matters capable of registration as local land charges, whether or not actually registered;
- 9.2 all notices served and orders, demands, proposals or requirements made by any local or any public authority after the date of this agreement;
- 9.3 all actual or proposed orders, directions, notices, charges, restrictions, conditions, agreements and other matters arising under any statute affecting the Properties; and
- 9.4 all rights of way, drainage, watercourses, light or other easements, or quasi or reputed easements, and rights of adjoining owners affecting the Properties, and all liability to repair or covenants to repair roads, pavements, paths, ways, passages, sewers, drains, gutters, fences and other like matters, without obligation on the Seller to provide evidence of the creation of, or to define or apportion, any such liability.

**10 Buyer's covenants**

In the transfer of the Properties to the Buyer, the Buyer will covenant with the Seller, by way of indemnity only, to perform and to keep indemnified the Seller against all claims, liability and costs for future breaches of:

- 10.1 the obligations of the landlord in the Leases; and/or
- 10.2 the obligations of the Seller in, or identified in, the documents listed in Part 3 of each of Schedules 1-6.

**11 Insurance**

- 11.1 The Seller will maintain the insurance of each of the Properties until actual completion, unless it is maintained by a tenant, mortgagee or other third party, or the consent of the insurer is required and it is lawfully withheld.

- 11.2 The Seller is not to be responsible to the Buyer for any deficiency in the amount insured or inadequacy of the risks covered, and the Buyer is to satisfy itself in these respects, but the Seller will forthwith at the request and cost of the Buyer increase the amount insured or the risks covered.
- 11.3 The Seller will, if so requested, supply to the Buyer sufficient details of the insurance of the Properties, but the Buyer may make enquiries direct with the insurers.
- 11.4 The Seller will insofar as the same is permissible obtain or consent to an endorsement of a note of the Buyer's interest in the Properties on the policy or policies or procure that it is otherwise noted by the insurer.
- 11.5 The Buyer is to be responsible for, and will on demand pay or reimburse the premium for, insurance of the Properties for the period from the date of this agreement to the date of actual completion (or the Completion Date if any delay is attributable to any act or default of the Seller), but the Buyer is to be credited with any reimbursements of the premium received by the Seller from a tenant or other third party attributable to that period.
- 11.6 The Seller will account to the tenants who have contributed to the insurance premium appropriately, with any refund of premium on cancellation referable to the period from the date of actual completion to the date when the insurance would have fallen due for renewal.
- 11.7 Where money becomes payable under the insurance on the Properties before actual completion, the Seller is to apply the money to the reinstatement of the Properties if there is a contractual or statutory obligation, or the Buyer directs the Seller to do so, but, if not, the Seller is to account to the Buyer for the money, or so much as has not been expended, at actual completion.

12 **Conditions of sale**

- 12.1 The Standard Conditions apply to this agreement with the variations set out in this clause, but the terms of this agreement are to prevail in case, and to the extent, of inconsistency.
- 12.2 The following Standard Conditions do not apply:

Standard Conditions 2.2.1, 2.2.2, 2.2.3, 3.3.2(c), 5.1, 6.1, 7.4 and 8.3.

12.3 The following sub-paragraphs are added to Standard Condition 3.1.2:

"(f) overriding interests (as defined in section 70(1) of the Land Registration Act 1925), or matters which would be overriding interests if the title to the Properties were registered, except in either case matters referred to in section 70(1)(g) of that act; and

(g) all matters disclosed or reasonably and properly expected to be disclosed by searches and enquiries, either formal or informal, by or for the buyer or which a prudent buyer ought to make".

12.4 Standard Condition 3.3.2(b) is varied by the omission of the words "the seller is to act as the buyer reasonably and properly directs, and the buyer is to indemnify him against all consequential loss and expense."

12.5 Standard Condition 7.3.2 is varied by:

12.5.1 the addition of "...but where the buyer is required by this Condition to pay compensation, the seller is also entitled to retain the income from the Properties until the date of actual completion"; and

12.5.2 the deletion of the words "...less any deposit paid".

13 **No assignment of this agreement**

The Seller is not obliged to assign, convey or transfer the whole or any part of the Properties to anyone other than the Buyer or another company within the same group as the Buyer as shall be notified to the Seller not less than 15 working days prior to the Completion Date.

14 **Misrepresentation**

14.1 The Buyer acknowledges that no statement or representation, whether oral or written, which may previously have been made to it, or any person concerned on its behalf, by or for the Seller, its agents or solicitors, has induced it to enter into this agreement, apart from the written replies of the Seller's Solicitors to written enquiries raised by the Buyer's solicitors.

14.2 Any liability of the Seller and remedy of the Buyer at law, in equity or under statute in respect of such a statement or representation or for implied warranty (apart from the written replies of the Seller's Solicitors to written enquiries raised by the Buyer's solicitors) is excluded.

15 **Continuation of this agreement after completion**

Completion does not discharge liability to perform any outstanding obligation under this agreement.

16 **Costs**

Each party is responsible for its own professional costs relating to the preparation and implementation of this agreement.

17 **Value added tax**

17.1 Sums payable under this agreement for the supply of goods and services are exclusive of value added tax.

17.2 This transaction does or may constitute a transfer of a going concern for the purposes of article 5 of the Value Added Tax (Special Provisions) Order 1995, and the provisions of Schedule 9 are to apply.

18 **Notices**

18.1 Any notice or notification required to be given under this agreement is to be in writing.

18.2 A notice is to be treated as properly given if compliance is made with the provisions of section 196 of the Law of Properties Act 1925 (as amended by the Recorded Delivery Service Act 1962).

18.3 Where delivery of the original document is not essential, a written notice includes a notice by facsimile and the facsimile numbers are:

in the case of the Seller: 0171 901 5528

and

in the case of the Buyer: 0171 840 1001 for the attention of Neil  
Ankers or Graham Jackson

and where notice is given by facsimile, it is to be treated as having been properly  
given on the date of its dispatch if transmitted and received before 3.30 pm on any  
working day, and otherwise on the next working day.

19 **Incorporation of schedules**

The provisions of the schedules are to apply.

Signed by the duly authorised representatives of the parties on the date of this  
document.

**SCHEDULE 1****Part 1****Description of the Properties**

All that freehold land known as Friars Court and The Friary (formerly Municipal Insurance House) Rickfords Hill Aylesbury as the same is registered at H M Land Registry with absolute title under title number BM202547

**Part 2****The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
<b>Ground Floor Offices Friars Court</b>		
29.07.1997	Lease	PDFM Limited (1) Broker Financial Services Plc (2)
<b>First Floor Friars Court</b>		
01.10.1979	Lease	Municipal Mutual Insurance Limited (1) Elswick Hopper Limited (2)
<b>Unit 1 The Friary</b>		
03.10.1996	Lease	PDFM Limited (1) Active Technology (Aylesbury) Limited (2)
<b>Suite 2 The Friary</b>		
15.11.1996	Lease	PDFM Limited (1) Systems FX Limited (2)
<b>Suite 4 The Friary</b>		
24.02.1997	Lease	PDFM Limited (1) Crossley House Recruitment Limited (2)

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**Part 3****The Encumbrances**

The matters noted on the property register and entered on the charges register of title number BM202547

**Part 4****Special Conditions**

- 1 Subject to obtaining the consent where required of the building contractor referred to therein the Seller shall on completion assign to the Buyer the benefit of a building contract dated 17 February 1991 and made between Municipal Mutual Insurance Limited (1) and Western Counties Constructions Limited (2) such assignment to be in such form as the parties shall agree such agreement in neither case to be unreasonably withheld or delayed
- 2 Subject to obtaining the consent of the building contractor referred to therein the Seller shall on completion assign to the Buyer the benefit of a JCT Agreement for minor building works which agreement is undated but has been signed and made between the Seller (1) and Kestrel Building Services (2) such assignment to be in such form as the parties shall agree such agreement in neither case to be unreasonably withheld or delayed
- 3 The Seller does not have in its possession the original of the counterpart lease of the First Floor Friars Court referred to in Part 2 of this Schedule dated 1 October 1979 and made between Municipal Mutual Insurance Limited (1) and Elswick Hopper Limited (2) nor the land certificate to title number BM202547 and the Buyer shall raise no objection or requisition to the non-availability of these documents PROVIDED ALWAYS that the Seller hereby confirms that if the said counterpart lease shall be found it shall forthwith forward the same to the Buyer and furthermore that an application has prior to the date hereof been made to H M Land Registry by Messrs Olswang of 90 Long Acre London WC2E 9TT for the issuing of a fresh land certificate and a copy of the application and the statutory declaration accompanying the same has been supplied to the Buyer's solicitors prior to the date hereof

## 5 The Rights

5.1 The transfer of the Property to the Buyer shall contain the following rights in favour of each and every part of the Seller's Adjoining Land:

5.1.1 The rights for the Seller and all other persons authorised by the Seller with or without vehicles over the Access Road for the purpose of access to and egress from the Seller's Adjoining Land from and to Rickfords Hill subject to the Seller covenanting as follows:

5.1.2 not to permit any vehicle or any person calling on the Seller's Adjoining Land to park, station, load or unload any vehicles on any part of the Access Road and to use its best endeavours to ensure that such persons shall not permit any vehicle to stand on any part of the Access Road;

5.1.3 not in any way to obstruct the free circulation of traffic over the Access Road;

5.1.4 to pay to the Buyer on demand a fair and proper proportion (to be conclusively determined by the Buyer or the Buyer's surveyor) of the expense of cleaning, lighting, repairing, maintaining and rebuilding the Access Road; and

5.1.5 not to permit any vehicle except motor vehicles and light vans to use the Access Road.

5.2 Notwithstanding the above exceptions reservations declarations and other matters benefiting or affecting the Seller's Adjoining Property the Buyer will for itself and its successors in title covenant with the Seller that it will at the direction of the Seller enter into such further deeds as may be necessary to ensure that the Seller and its successors in title tenants and other occupiers at the Seller's Adjoining Property are able to have full beneficial use and occupation of the same without additional cost.

5.3 In this Schedule the following definitions shall apply:

Access Road means the road running from the Seller's Adjoining Property to Rickford's Hill.

Seller's Adjoining Land means 25 Rickford's Hill Aylesbury as the same is registered at H M Land Registry with title absolute under title number BM202546.

**Part 5**  
**Apportioned Value**

£812,786

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**SCHEDULE 2****Part 1****Description of the Properties**

All that freehold land known as 12 Cathedral Road, Cardiff as the same is registered at HM Land Registry with title absolute under title number WA42320

**Part 2****The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
27.6.1996	Lease of Part Ground and Part First Floor, 12 Cathedral Road, Cardiff	PDFM Limited (1) Healthcall Services Limited (2) Healthcall Group plc (3)
15.6.1978	Lease of Third Floor, 12 Cathedral Road, Cardiff	Municipal Mutual Insurance Limited (1) Lloyds Scottish Finance Limited (2) ("The 3rd Floor Lease")

**Part 3****The Encumbrances**

1. The matters noted on the property register and entered on the charges register of title number WA42320

<b>2</b>	<b>Date</b>	<b>Document</b>	<b>Parties</b>
	27.6.1996	Licence for Alterations	PDFM Limited (1) Healthcall Services Limited (2) Healthcall Group Plc (3)

**Part 4**  
**Special Conditions**

The Seller does not have the original of the 3rd Floor Lease. A copy of the said Lease has been provided to the Buyer and the Buyer shall not be entitled to raise any objections or requisitions in respect of such matters.

**Part 5**  
**Apportioned Value**

£734,129

**SCHEDULE 3****Part 1****Description of the Properties**

All that freehold land known as 38 City Road Chester as the same is registered at HM Land Registry with title absolute under title number CH57750

**Part 2****The Leases**

Date	Document	Parties
22.11.1993	Lease of General Buildings, 38 City Road Chester	General Accident Life Assurance Limited (1) General Accident Fire and Life Assurance Corporation plc (2)

**Part 3****The Encumbrances**

1. The matters noted on the property register and entered on the charges register of title number CH57750

2	Date	Document	Parties
	14.5.1996	Licence to Underlet	PDFM Limited (1) General Accident Fire and Life Assurance Corporation plc (2) NWS Bank plc (3)
	2.4.1997	Licence to Underlet	PDFM Limited (1) General Accident Fire and Life Assurance Corporation plc (2) NWS Bank plc (3)

**Part 4**  
**Special Conditions**

None

**Part 5**  
**Apportioned Value**

£917,661

**SCHEDULE 4****Part 1****Description of the Properties**

All that freehold land known as 165 to 173 (odd) Beverley Road, Kingston upon Hull as the same is registered at HM Land Registry with title absolute under title number HS234164.

**Part 2****The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
22.11.1993	Lease of General Buildings, 165 to 173 Beverley Road, Hull.	General Accident Life Assurance Limited (1) General Accident Fire and Life Assurance Corporation plc (2)

**Part 3****The Encumbrances**

- 1 The matters noted on the property register and entered on the charges register of title number HS234164

<b>2</b>	<b>Date</b>	<b>Document</b>	<b>Parties</b>
	6.6.1995	Licence to Underlet	PDFM Limited (1) General Accident Fire and Life Assurance Corporation plc (2) Computer Sports Services Limited (3)
	14.7.1995	Letter of consent to alterations	PDFM Limited (1) General Accident Fire and Life Assurance Corporation plc (2)

**Part 4**  
**Special Conditions**

None.

**Part 5**  
**Apportioned Value**

£671,204

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**SCHEDULE 5****Part 1****Description of the Properties**

All that freehold land known as land and buildings on the north side of Hamlin Way, Hardwick Narrows Industrial Estate, King's Lynn as the same is registered at HM Land Registry with title absolute under title number NK16903.

**Part 2****The Leases**

<b>Date</b>	<b>Document</b>	<b>Parties</b>
28.12.1973	Lease of Units 1 and 2	East Coast Storage Company Limited (1) Beck & Pollitzer Warehousing Limited ("BPW") (2)
26.4.1994	Lease of Bays 1 and 2 and Court Order dated 8.3.1994	MMI (1) Grovenere (2)
20.4.1994	Lease of Bay 3	MMI (1) TDG (2)
20.4.1994	Lease of Bays 4 and 5	MMI (1) TDG (2)

**Part 3****The Encumbrances**

1	The matters noted on the property register and entered on the charges register of title number HS234164		
2	<b>Date</b>	<b>Document</b>	<b>Parties</b>
	16.6.1994	Rent review memorandum re warehouses 1 and 2	
	20.4.1994	Copy deed of variation	Municipal Mutual Insurance

Limited ("MMI") (1)  
 TDG Limited ("TDG") (2)  
 Beck & Pollitzer Limited  
 ("Beck") (3)

**Units 1 and 2**

15.8.1983      Licence for alterations      MMI (1)  
    Beck (2)

10.2.1993      Licence to assign      MMI (1)  
    Beck (2)  
    TDG (3)

**Bays 1 and 2**

26.4.1994      Licence to underlet      MMI (1)  
    Grovemere Merchants Limited  
    ("Grovemere") (2)  
    Pegasus Freightlines Limited  
    ("Pegasus") (3)

**Part 4****Special Conditions**

The Seller does not have the original of the deed of variation dated 10 April 1994 between MMI (1) and Beck (2) and the Purchaser shall raise no requisition in respect thereof.

**Part 5****Apportioned Value**

£3,041,391

**SCHEDULE 6****Part 1****Description of the Properties**

All that freehold land known as 5 and 6 Osborne Terrace, Newcastle upon Tyne as the same is registered at HM Land registry with title absolute under title number TY65368.

**Part 2****The Leases**

Date	Document	Parties
23.4.1993	Lease of 5/6 Osborne Terrace, Jesmond, Newcastle upon Tyne	Municipal Mutual Insurance Limited (1) Zurich Insurance Company (2)

**Part 3****The Encumbrances**

- The matters noted on the property register and entered on the charges register of title number TY65368
- | 2 | Date       | Document                | Parties  |
|---|------------|-------------------------|--|
|   | 21.11.1995 | Licence for alterations | PDFM Limited (1)<br>Zurich Insurance Company (2) |

**Part 4****Special Conditions**

None.

**Part 5****Apportioned Value**

£734,129

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**SCHEDULE 7****Money recoverable from tenants****1 Scope of this part and definitions**

1.1 This part of this schedule applies to rents, insurance premiums, service charges and other monies recoverable under the Leases from tenants or any other person who has the use or enjoyment of the whole or a part of the Properties;

1.2 *recoverable items* is the expression used to refer to them collectively; and

1.3 *date of apportionment* is the date on which the relevant recoverable items are to be apportioned in accordance with Standard Condition 6.3, and includes the date of apportionment itself.

**2 Treatment of apportionments**

Apportionments of recoverable items in accordance with Standard Condition 6.3 are to be made as if the recoverable items payable by tenants by the date of apportionment had been paid.

**3 Account and reimbursement**

3.1 The Buyer will pay to the Seller the amount of unpaid recoverable items at the date of apportionment, and the Seller will at actual completion:

3.1.1 give directions in writing to the tenants to pay the relevant arrears to the Buyer;

3.1.2 assign to the Buyer by deed, in such form as the Buyer may reasonably and properly require, the right to recover those arrears of recoverable items from tenants which the Seller would by operation of law otherwise retain; and

3.1.3 at the request and cost of the Buyer permit the Buyer to join the Seller in any action, claim or proceedings against any tenant, previous tenant or guarantor who may be liable for the arrears; but

- 3.1.4 must keep the Seller indemnified against all liability incurred in consequence of any such action by the Buyer.
- 3.2 The Buyer will reimburse to the Seller on completion all service charge expenditure incurred by the Seller for the current service charge year (or other such applicable period), but the Seller will give credit for:
- 3.2.1 service charge contributions it has collected for that year or period, and will account to the Buyer for any surplus; and
- 3.2.2 any part of such expenditure for the period to and including the date of apportionment which is not recoverable by reason of there being unlet parts of the Properties, no right or less than full right of recovery from a tenant or other person, or default by a tenant or other person in payment of recoverable items.
- 3.3 The Seller will transfer to the Buyer on completion any accounts holding unutilised advance payments, reserves or sinking funds, with any accrued interest (less tax for which the Seller is accountable in law) in respect of future service charge expenditure; and
- 3.3.1 the Properties will be transferred subject to such trusts and other obligations as attach to the holding of such reserves or sinking funds; and
- 3.3.2 the Buyer will undertake with the Seller to perform, and to keep the Seller indemnified against the breach of, those trusts and obligations.

### Part 3

#### Management of the Properties pending completion

- 4 Seller's obligations
- 4.1 The Seller will continue to manage the Properties, in discharge of the obligations of the landlord under the Leases, according to the principles of good estate management until the date of actual completion.
- 4.2 The Seller may not grant or withhold licences, consents or approvals in response to applications by tenants under the Leases without the consent of the Buyer.

5 **Buyer's obligations**

- 5.1 The Buyer may not unreasonably withhold its consent or attach conditions to it, where to do so would or might place the Seller in breach of obligation to the tenants under the Leases, statute or otherwise unless the Buyer first agrees to indemnify the Seller against such breach.
- 5.2 The Buyer will keep the Seller indemnified against all claims, liability and costs incurred resulting from an unreasonable withholding of its approval.

**SCHEDULE 8****Contracts for the supply of services****1 Scope of this schedule**

This schedule applies to contracts for the supply of services to the Properties maintained by the Seller.

**2 Cancellation unless otherwise required**

2.1 The Seller will cancel the contracts with effect from the date of actual completion, unless the Buyer has notified the Seller not less than ten working days before that date that it wishes to maintain them, or some of them, after completion.

2.2 Where the Buyer so notifies the Seller of its wish to maintain a contract, the following provisions are to apply.

**3 Contracts capable of assignment**

3.1 In the case of a contract capable of assignment, the Seller will assign the benefit of the contract to the Buyer.

3.2 The Buyer will undertake with the Seller to:

3.2.1 assume the obligations of the Seller under the contract;

3.2.2 give notice of the assignment of the contract to the supplier of the services; and

3.2.3 from the date of actual completion keep the Seller indemnified against breach of obligation to the supplier under the contract.

**4 Contracts not capable of assignment**

In the case of a contract not capable of assignment, or only assignable with the permission of the supplier:

4.1 the Seller will maintain the contract for the benefit of the Buyer for so long as is necessary to ascertain whether the supplier is prepared to permit assignment, or novate the contract;

- 4.2 the Seller will use all reasonable and proper endeavours to obtain permission to assign the contract, or procure a novation for the Buyer;
- 4.3 if assignment is permitted by the supplier, paragraph 3 is to apply;
- 4.4 if a novation is obtainable, the Buyer will take up the new contract with the supplier, or permit the Seller to obtain a cancellation of the original contract;
- 4.5 the Buyer will reimburse to the Seller the cost of maintaining the contract for any period mentioned in paragraph 4.1; and
- 4.6 the Seller will bear the costs of cancellation of any contract, and the Buyer will bear the cost of any novation; but
- 4.7 the Seller may cancel a contract where it is not capable of assignment, and the supplier is unwilling to permit an assignment or agree a novation.

**SCHEDULE 9****Value added tax****Transfer of a going concern****1 The sale of the Properties**

- 1.1 The Seller and the Buyer acknowledge that, on compliance by the Buyer with paragraphs 3.1 and 3.2, the sale and purchase of the Properties will or may constitute the transfer of a going concern, and each undertakes with the other to endeavour to procure that it be treated as such by Customs.
- 1.2 The decision of Customs as to whether the sale of each of the Properties to the Buyer does constitute the transfer of a going concern is to be binding as between the Seller and the Buyer.
- 1.3 In this schedule, reference to *Customs* is to the Commissioners of Customs and Excise.

**2 Seller's obligations**

- 2.1 The Seller warrants that it is selling the Properties in its capacity of general partner of PDFM Second Property Partnership which is the beneficial owner of the Properties. PDFM Second Property partnership is registered for the purposes of value added tax under registration number 645 4834 19 and has elected to waive exemption from value added tax in relation to The Friary Aylesbury, 12 Cathedral Road Cardiff and 9 Hardwick Narrows Kings Lynn, and has duly notified the election to Customs.
- 2.2 The Seller will immediately apply to Customs, giving all requisite information for the purpose of confirmation that the sale of each of the Properties to the Buyer does constitute the transfer of a going concern, and use its reasonable and proper endeavours to procure that the confirmation of Customs is obtained before the Completion Date.
- 2.3 The Seller will notify the Buyer of the decision of Customs as soon as the Seller receives notification of it.

- 2.4 On or before completion the Seller shall apply to Customs for a direction that all the business and accounting records and other documentation which are required to be kept and maintained for the purposes of VAT in respect of the Properties (the "VAT Records") and which the Buyer is required to preserve for any period after actual completion shall be preserved by the Seller and the Seller shall provide the Buyer with a copy of the direction made by Customs forthwith on receipt by the Seller. The Seller will preserve the VAT Records referred to above for such period as may be required by law and during that period shall at reasonable notice permit the Buyer or its agents to inspect such records at the Buyer's expense make copies of their VAT records.

3 **Buyer's obligations**

- 3.1 The Buyer is registered for the purposes of value added tax under registration number 544346935
- 3.2 The Buyer will elect to waive exemption from value added tax in relation to the Properties The Friary Aylesbury, 12 Cathedral Road Cardiff and 9 Hardwick Narrows Kings Lynn, and notify Customs of the election before the date of actual completion and will provide copies of the same to the Seller on or before actual Completion together with a copy of the Customs acknowledgment of the election, and the Buyer acknowledges that, if it fails to do so, value added tax will be payable on the price of the Properties.
- 3.3 The Buyer will continue to use the Properties after actual completion for carrying on the same kind of business, without any break in the normal trading pattern, in the manner that the Seller has done at all relevant times before the date of actual completion.

4 **Procedure if Customs' confirmation not available by completion**

- 4.1 Completion is not to be postponed on the ground that there is no confirmation by the Completion Date that the sale of each of the Properties to the Buyer constitutes the transfer of a going concern, and, if so, the following arrangements are to be made.

- 4.2 The Buyer will at the date of actual completion deposit with the Seller's Solicitors a sum equal to the output tax that would be payable by the Buyer with respect to the sale of the Properties if this transaction did not constitute a transfer of a going concern.
- 4.3 The Seller's Solicitors are required to keep the sum deposited in an interest-bearing account with a Clearing Bank.
- 4.4 The sum deposited is either to be applied toward payment of the output tax incurred by the Seller or returned to the Buyer at the time when, and according to whether or not the sale of each of the Properties to the Buyer is confirmed by Customs as a transfer of a going concern, but interest which has accrued on the deposit is to be accounted for to the Buyer.
- 4.5 The Seller will at the date of actual completion, or, if later, immediately on the decision of Customs that the sale all or any of the Properties to the Buyer is not to be treated as a transfer of a going concern, issue a tax invoice to the Buyer for the price and the value added tax chargeable on it.

Signed by [                      ]  
for and on behalf of  
the Seller

)  
)  
)

Signed by [                      ]  
for and on behalf of  
the Buyer

)  
)  
)



SCHEDULE

Part 5

Back letter to Secretary of State for Defence

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## PDFM Limited

Triton Court, 14 Finsbury Square, London EC2A 1FJ  
Telephone 0171-901 5050

The Secretary of State for Defence

Tel: 0171 901 5449  
Fax: 0171 901 5528

Our Ref: c1188gef

Your Ref:

29th May 1997

Dear Sir

Third and Fourth Floors, 67/83 Shandwick Place, Edinburgh  
and Garage Accommodation at 2 and 4 Canning Street Lane, Edinburgh

With reference to the lease entered into between us in respect of the above property dated of even date with this letter, we hereby

1. Confirm that for so long as you are the tenant under the said lease, Clauses 4.2.11 (iv) and clause 4.2.30 thereof shall not apply.
2. In relation to the garage accommodation (as defined in the said Lease) we hereby confirm and undertake:
  - 2.1 that as soon as practicable and in any event within nine months of the date of entry under said Lease we shall investigate the cause of the water ingress to the building of which the garage accommodation forms part and carry out or procure the carrying out of all works necessary (1) to render the said building wind and water tight and (2) to remedy any defects in said building as a result of said water ingress which prejudice the use of garage accommodation for the use permitted under said Lease, also that following completion of said works the garage accommodation shall be in good and tenable condition, it being declared that pending the garage accommodation being put in such good and tenable condition the said Tenants shall not be responsible for any works necessary to put the garage accommodation into good and tenable condition and that notwithstanding the terms of the said Lease;
  - 2.2 within two months of the said date of entry to install an electricity supply in the garage accommodation suitable for said use; and
  - 2.3 so long as the garage accommodation is used only for the purpose of storage of private motor vehicles not to enforce any provision of said Lease requiring that the garage accommodation complies with any statutory requirements in respect of the Building (Scotland) Acts 1959/70, the Civic Government (Scotland) Act 1962, the Fire Precautions Act 1971 and any subsidiary or subsequent legislation in relation to said Acts.

PDFM Limited

Registered in England no 1426400 VAT no GB 447 0751 07  
Regulated by HMRC and Member of the London Stock Exchange  
Subsidiary of USS Asset Management London Limited

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PDFM Limited

Furthermore, we hereby undertake (1) to take any successor in title to the said premises bound to issue to you a letter in identical terms to these presents including the obligation to bind their successors and (2) to issue to any successor of yours as Tenants under the Lease a letter in identical terms to these presents *mutatis mutandis* but omitting paragraph 1.

Yours faithfully

*Rona Mackay*

Signed on behalf of  
PDFM Ltd as general partner of PDFM Second Property Partnership

Witnessed by:

*M Brunton*

M BRUNTON

PDFM LTD, TRITON COURT

14 FINSBURY SQUARE, EC2A 1PD



SCHEDULE

**Part 6**

279 Bath Street, Glasgow

1. A valid extract registered lease of the 3rd floor premises at 27 Bath Street, Glasgow in favour of Glasgow Development Agency.

193/199 Bath Street, Glasgow

1. With regard to the occupation by First Press Publishing Limited referred to in Clause 6(a)(iii) hereof, the Seller shall use reasonable endeavours to conclude missives based upon the Heads of Terms disclosed to the Purchaser, and, subject to the provisos set out below, will deliver the Extract Registered Lease to the Purchaser.
2. Extract Registered Variation of Lease extending the basement premises occupied by First Press Publishing Limited of the part of the lower ground floor premises at 193 Bath Street, Glasgow.
3. Extract Registered lease by the Purchaser in favour of Town Planning Consultancy Limited of the subjects on the ground floor, pursuant to the Missives entered into between the Seller and the said Town Planning Consultancy Limited Purchaser dated 16th January, 8th April and 14th April all 1997.

67/83 Shandwick Place, Edinburgh

1. Extract registered Lease in favour of the Ministry of Defence of 3rd and 4th floors.

General

1. Only in so far as the Seller is in a position to grant or procure the grant of the same duly executed (a) collateral warranties in favour of the Purchaser from building contractors or professional advisers engaged or employed by the Seller in connection with the construction or refurbishment of any of the Scottish Properties, (b) novations or assignations in favour of the Purchaser of any existing collateral warranties granted to the Seller in connection with said construction or refurbishment and/or (c) an assignation in favour of the Purchaser of such rights (if any) or the Seller may have against such building contractors or professional advisers, all only in so far as the Seller may competently do so.



2. The Seller will if called upon to do so by the Purchaser, (whether on or after the Settlement Date) assign any missives of lease affecting any of the Scottish Properties to the Purchaser or, if requested by the Purchaser at the Purchaser's expense, enforce the relevant missives for the benefit of the Purchaser.

Provisos

1. Where the Extract Registered lease or Variation of Lease is unavailable as at the Settlement Date, either (i) if the lease is in the process of registration as at the Settlement Date the Extract Registered lease will be delivered by the Seller to the Purchaser as soon as the same is received from the Registers of Scotland, or (ii). the Seller will if called upon to do so by the Purchaser, (whether on or after the Settlement Date) assign any missives of lease affecting any of the Scottish Properties to the Purchaser or, if requested by the Purchaser at the Purchaser's expense, enforce the relevant missives for the benefit of the Purchaser.

CONTRACT FOR SALE OF SCOTTISH PROPERTIES  
BY  
PDFM LIMITED  
TO  
HAMPTON TRUST PLC