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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

CHA 116

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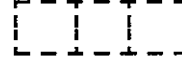
Pursuant to section 155(6) of the Companies Act 1985

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

To the Registrar of Companies

For official use

Company number



1971312

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

Name of company

* Canary Wharf Limited

*Insert full name of company

*/We† Paul Reichmann

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

A. Peter Anderson II

George Iacobescu

Gerald Rothman

Charles Bellamy Young

All of Level 30, One Canada Square, London E14 5AB

§Delete as appropriate

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

The business of the company is:

†Delete whichever is inappropriate

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

~~(b) that of a person authorised under section 8 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom†~~

(c) something other than the above†

The company is proposing to give financial assistance in connection with the acquisition of shares in the

~~company~~ [company's holding company Canary Wharf Holdings Limited]†

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

The number and class of the shares acquired or to be acquired is: See Schedule 1

Presenter's name, address and reference (if any):
Clifford Chance
200 Aldersgate Street
London EC1A 4JY
Ref: C4042/[]/[]
usera8/lform/cwl(a).lfd
DNF1 600 1000

For official use
General Section



A16 *AXCHBUJO* 346
COMPANIES HOUSE 03/04/97

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

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

The assistance will take the form of:

See Schedule 3

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

*Delete as appropriate

See Schedule 1

The principal terms on which assistance will be given are:

See Schedule 2

The amount of cash to be transferred to the person assisted is £ See Schedule 2

The value of any asset to be transferred to the person assisted is £ See Schedule 2

The date on which the assistance is to be given is See Schedule 2 19

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

Delete either (a) or (b) as appropriate

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

- (a) [I/We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]† (note 3)
- (b) [~~It is intended to commence the winding up of the company within 12 months of that date, and I/We have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.~~]† (note 3)

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

Declared at One Canada Square
Canary Wharf
London E14
 the 25th day of ninety-seven
 One thousand nine hundred and _____

before me Marcus Partington

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

MARCUS PARTINGTON
(SOLICITOR)

Declarants to sign below

NOTES

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

Please do not write in this margin

The date on which the assistance is to be given is SEE SCHEDULE 3 19

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

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

Delete either (a) or (b) as appropriate

- (a) [I/We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)
- (b) [~~I is intended to commence the winding up of the company within 12 months of that date and I/We have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up~~]* (note 3)

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

Declared at Sr Regis Hotel, 2 CSS Street
Neziah

Declarants to sign below

the 25th day of March
One thousand nine hundred and Ninety Seven



before me Jed D. Wall

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

NOTES

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

Please do not write in this margin

The date on which the assistance is to be given is SEE SCHEDULE 3

19

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

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

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

- (a) [I/We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)
- (b) [~~It is intended to commence the winding-up of the company within 12 months of that date and I/We have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding-up.~~]* (note 3)

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

Declared at Sr Regis Hotel, 2 ETS Street
New York

Declarants to sign below

the 25th day of March

One thousand nine hundred and Ninety Seven

before me J. O'Neill



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

NOTES

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

SCHEDULE 1

Company whose shares are being acquired	Shares being acquired	Acquiror/person being assisted
Canary Wharf Holdings Limited	105,001 ordinary shares of £1 each and 405,000,000 redeemable preferred ordinary shares of £1 each	CWI Holdings plc of One, Canada Square, Canary Wharf, London E14 5AB
Canary Wharf Limited	405,000,000 redeemable preferred ordinary shares of £1 each	Canary Holdings Limited of One, Canada Square, Canary Wharf, London E14 5AB

SCHEDULE 2

Part 1

The assistance will take the form of certain companies within the same group as the Company (including where stated, the Company) entering into certain transactions either on the date of this document or in the 4 weeks following it including:

- (a) the execution, delivery and performance of a Facility Agreement (the "**Facility Agreement**") intended to be dated on or about 27 March 1997 and made between Canary Wharf Limited ("**CWL**") as Borrower (the "**Borrower**"), CWC SPVa Limited, CWC SPVb Limited, Cabot Place Limited, Seven Westferry Circus Limited, Seven Westferry Circus (No. 2) Limited, Mosslight Limited (in the course of changing its name to CWC SPVd Limited) ("**CWC SPVd Limited**"), Harbourbeam Limited (in the course of changing its name to CWC SPVe Limited) ("**CWC SPVe Limited**"), Heraldland Limited (in the course of changing its name to CWC SPVf Limited) ("**CWC SPVf Limited**") and Orchardbright Limited (in the course of changing its name to CWC SPVg Limited) ("**CWC SPVg Limited**") as Guarantors (together the "**Original Guarantors**" and each an "**Original Guarantor**"), the companies listed in Parts II and III of Schedule 1 thereto, Morgan Stanley & Co. International Limited as Arranger (the "**Arranger**"), Morgan Stanley & Co. International Limited as Agent (the "**Agent**") and the Financial Institutions named in Part IV of Schedule I thereto as Banks (each a "**Bank**").

The company listed at number 1 in part 3 of this Schedule will execute, deliver and perform the Facility Agreement as Borrower and the companies listed in part 3 of this Schedule at numbers 2-10 inclusive will execute, deliver and perform the Facility Agreement as Guarantors, the companies listed at numbers 1 and 11 to 15 of part 3 of this Schedule and all of the companies listed in part 4 of this Schedule will execute, deliver and perform the Facility Agreement as Defeasance Chargors and the companies listed at numbers 11 to 16 of part 3 of this Schedule will execute, deliver and perform the Facility Agreement as Clawback Chargors;

- (b) the execution, delivery and performance of a debenture (the "**Morgan Stanley First Debenture**") intended to be dated on or about 27 March 1997 and made between CWL and the other parties named therein as Chargors and Morgan Stanley & Co. International Limited as Agent.

The Companies listed at numbers 1 to 10 in part 3 of this Schedule will execute, deliver and perform the Morgan Stanley First Debenture as Chargors;

- (c) the execution, delivery and performance of a debenture (the "**Morgan Stanley Defeasance Debenture**") intended to be dated on or about 27 March 1997 and made between the companies listed in Schedule 1 thereto as Chargors and Morgan Stanley & Co International Limited as Agent;

the companies listed at numbers 1 and 11 to 15 in part three of this Schedule and all of the Companies listed in Part 4 of this Schedule will execute, deliver and perform the Morgan Stanley Defeasance Debenture as Chargors.

- (d) the execution, delivery and performance of a charge (the "**Morgan Stanley Claw Back Charge**") intended to be dated on or about 27 March 1997 and made between the Companies listed in the First Schedule thereto as Chargors and the Agent.

the Companies listed at numbers 11 to 16 in part 3 of this Schedule will execute, deliver and perform the Morgan Stanley Claw Back Charge as Chargors;

- (e) the execution, delivery and performance of a debenture (the "**Second Fixed and Floating Charge Debenture**") intended to be dated on or about 27 March 1997 and made between the parties named in the first schedule thereto as Chargors and European Investment Bank ("EIB").

the companies listed at numbers 1 to 10 in part 3 of this Schedule will execute the Second Fixed and Floating Charge Debenture as Chargors;

- (f) the execution, delivery and performance of a charge (the "**Floating Charge Debenture**") intended to be dated on or about 27 March 1997 and made between the Companies listed in Schedule 1 thereto as Chargors and EIB;

the companies listed at numbers 7 to 10 (inclusive) in part 3 of this Schedule will execute the Floating Charge Debenture as Chargors;

- (g) the execution, delivery and performance of a debenture (the "**Fixed Charge Debenture**") intended to be dated on or about 27 March 1997 and made between Canary Wharf Investments Limited ("CWIL") as Chargor and EIB;

- (h) the execution, delivery and performance of a supplemental deed to a deed of subordination (the "**Deed of Subordination Accession Deed**") intended to be dated on or about 27 March 1997 and made between the companies listed in Schedule 1 thereto as Subordinated Creditors and EIB;

the companies listed at numbers 7 to 10 inclusive in part 3 of this Schedule will execute, deliver and perform the Deed of Subordination Accession Deed as Subordinated Creditors;

- (i) the prepayment of a loan (the "CNA Loan") intended to be prepaid on 27 March 1997 by Canary Wharf Holdings Limited;
- (j) the prepayment of a loan (the "CWHL Loan") intended to be prepaid on 27 March 1997 by CWL;
- (k) the execution, delivery and performance of an intercompany loan agreement (the "CWC SPVd Limited Loan Agreement") intended to be dated on or about 27 March 1997 and made between CWC SPVd Limited as borrower and CWIL as lender;
- (l) the execution, delivery and performance of an intercompany loan agreement (the "CWC SPVf Limited Loan Agreement") intended to be dated on or about 27 March 1997 and made between CWC SPVf Limited as borrower and CWIL as lender.
- (m) the execution, delivery and performance of an account agreement (the "Morgan Stanley Account Agreement") intended to be dated on or about 27 March 1997 and made between the Companies listed in the signing pages thereto as Companies, Barclays Bank Plc as Account Bank and the Agent;

the companies listed at number 1 to 4 (inclusive) and number 6 in Part 3 of this Schedule will execute, deliver and perform the Morgan Stanley Account Agreement as Companies;

- (n) the execution, delivery and performance of a release (the "CNA Intercreditor Release") intended to be dated on or about 27 March 1997 and made between Canary Wharf Holdings Limited, EIB, Continental Casualty Company, Republic National Bank of New York (Guernsey) Limited, Republic New York Corporation and Bankers Trustee Company;
- (o) the execution, delivery and performance of a letter (the "EIB Consent Letter") between CWE SPV HCo Limited and EIB;

Part 2

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

(a) pursuant to the Facility Agreement:-

- (i) the Guarantors named therein have agreed to irrevocably, unconditionally, jointly and severally guarantee to each Finance Party the prompt performance by the Borrower of all of its obligations under each Finance Document;
- (ii) each of the Guarantors has irrevocably, unconditionally, jointly and severally undertaken with each Finance Party that whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall forthwith on demand by the Agent pay that amount as if that Guarantor instead of the Borrower were expressed to be the principal obligor; and
- (iii) each Guarantor irrevocably, unconditionally, jointly and severally has agreed to indemnify each Finance Party on demand against any loss or liability suffered by it if any obligation guaranteed by that Guarantor is or becomes unenforceable, invalid or illegal;

for which purposes:

- (i) **"Additional Guarantor"** means a company which becomes a Guarantor in accordance with Clause 27.5 of the Facility Agreement;
- (ii) **"Defeasance Completion Date"** has the meaning ascribed to it in the Intercreditor Agreement;
- (iii) **"Fee Letter"** means the letter dated the date of the Facility Agreement between the Arranger and the Borrower setting out the amount of various fees referred to in Clause 21 of the Facility Agreement;
- (iv) **"Finance Document"** means the Facility Agreement, the Morgan Stanley First Debenture, the Morgan Stanley Defeasance Debenture, the Morgan Stanley Claw Back Charge, the Intercreditor Agreement, the Fee Letter, a Novation Certificate or any other document designated as such by the Agent and the Borrower;
- (v) **"Finance Party"** means the Arranger, a Bank or the Agent;

- (vi) "FTLP Companies" means each of First Tower T1 Limited, First Tower T2 Limited, First Tower GP(1) Limited and First Tower GP(2) Limited;
 - (vii) "Guarantor" means an Original Guarantor or an Additional Guarantor and, on and from the Defeasance Completion Date, each Defeasance Chargor other than the FTLP Companies;
 - (iv) "Intercreditor Agreement" has the meaning ascribed to that term in the Facility Agreement; and
 - (v) "Novation Certificate" means a certificate substantially in the form set out in Part II of Schedule 6 to the Facility Agreement.
- (b) where the Company will be executing, delivery and performing the Morgan Stanley First Debenture, the Company will charge, as security for the payment of all of the Secured Liabilities in favour of the Agent:
- (i) by way of a first legal mortgage, all of the property specified in Schedule 2 to the Morgan Stanley First Debenture;
 - (ii) by way of first fixed charge:
 - (a) all plant and machinery owned by it at the Mortgaged Property and its interest in any plant or machinery in its possession at the Mortgaged Property;
 - (b) all monies standing to the credit of its Receipts Account and the debts represented by them;
 - (c) all benefits in respect of the Insurances to the extent that they relate to the Mortgaged Property and all claims and returns of premium in respect of them;
 - (d) the benefit of all licences, consents and authorisations (statutory or otherwise) held by it in connection with the Mortgaged Property or the use of the Mortgaged Property and the right to recover and receive all compensation which may be payable to it in respect of them; and

- (e) its rights under the Development Documents Trust Deed in relation to any of the Mortgaged Properties.

The mortgages and charges referred to above are made by the Company with full title guarantee.

- (ii) the Company will assign to the Agent by way of security with full title guarantee:

- (a) all Rental Income;

- (b) any guarantee of Rental Income contained in or relating to any Occupational Lease; and

- (c) any debt owed to the company by CWL arising under or pursuant to Clause 11.2(a)(ii) of the Facility Agreement.

- (iii) as security for the payment of all of the Limited Obligations, the Company will charge in favour of the Agent, with full title guarantee and by way of a first floating charge, subject to any Permitted Security Interest, all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge by Clause 2 of the Morgan Stanley First Debenture.

For which purposes:

- (i) "Defeasance Completion Date" has the meaning ascribed to it in part 2, paragraph (a) above;
- (ii) "Development Documents Trust Deed" has the meaning ascribed to it in part 2, paragraph (e) below;
- (iii) "Finance Document" has the meaning ascribed to it in part 2, paragraph (a) above;
- (iv) "Finance Party" has the meaning ascribed to it in part 2, paragraph (a) above;
- (v) "Fixed Charge Assets" means, in respect of the company, those of its assets which are, or are purported to be, the subject of fixed security under the Morgan Stanley First Debenture or the Morgan Stanley Defeasance Debenture;

- (vi) "**Limited Obligations**" means those Secured Liabilities which constitute the final £1,000 to be paid or discharged by the Company to each Finance Party under each Finance Document after all other Secured Liabilities have been paid or discharged;
- (vii) "**Mortgaged Property**" means, in respect of the Company, any of its freehold or leasehold property, the subject of the security created by the Morgan Stanley First Debenture;
- (viii) "**Obligor**" means the Borrower or a Guarantor;
- (ix) "**Occupational Lease**" means any occupational lease, licence or other right to occupy a Property or any part of it;
- (x) "**Permitted Security Interest**" means:
 - (a) a Security Interest created pursuant to the Morgan Stanley First Debenture;
 - (b) liens arising by operation of law securing amounts not more than 90 days overdue;
 - (c) any Security Interests subsisting over the assets of any Obligor which are listed in Schedule 9 to the Facility Agreement so long as the principal amount secured by those Security Interests is not increased after the date of the Facility Agreement;
 - (d) Security Interests created by way of fixed security after the date of the Facility Agreement over assets of an Obligor which are not Fixed Charge Assets; and
 - (e) floating charges created over the assets of any Obligor in circumstances where the chargee has first entered into an intercreditor agreement (in form and substance satisfactory to the Agent) with the Agent.
- (xi) "**Property**" means a property listed in Schedule 2 to the Facility Agreement as more particularly described in Schedule 2 to the Debenture and on and from the Defeasance Completion Date, includes a property described in Schedule 2 to the Morgan Stanley Defeasance Debenture;

- (xii) "**Receipt Account**" means each account established or maintained under Clause 11 of the Facility Agreement;
 - (xiii) "**Rental Income**" means has the meaning ascribed to it in the Facility Agreement;
 - (xiv) "**Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owned jointly or severally or in any other capacity whatsoever) of each Chargor to each Finance Party under each Finance Document except for any obligation which, if it were so included, would result in the Morgan Stanley First Debenture contravening section 151 of the Companies Act 1985;
 - (xv) "**Security Interest**" means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.
- (c) Where the Company will be executing, delivering and performing the Morgan Stanley Defeasance Debenture, the Company will charge:
- (i) by way of a second legal mortgage, all of the property specified in Schedule 2 to the Morgan Stanley Defeasance Debenture;
 - (ii) by way of second fixed charge:
 - (a) all plant and machinery owned by it at the Mortgaged Property and its interest in any plant or machinery in its possession at the Mortgaged Property;
 - (b) all monies standing to the credit of its Receipts Account and the debts represented by them;
 - (c) all benefits in respect of the Insurances to the extent that they relate to any of the Mortgaged Property and all claims and returns of premiums in respect of them;
 - (d) the benefit of all licences, consents and authorisations (statutory or otherwise) held by it in connection with the Mortgaged Property or the use of the Mortgaged Property and the right to recover and receive all compensation which may be payable to it in respect of them; and

- (e) its rights under the Development Documents Trust Deed in relation to any of the Mortgaged Properties.

The mortgages and charges referred to above are made by the Company with full title guarantee.

- (ii) the Company will assign to the Agent by way of security by way of a second ranking assignment, subject to any Permitted Security Interests with full title guarantee:
 - (a) all Rental Income;
 - (b) any guarantee of Rental Income contained in or relating to any Occupational Lease; and
 - (c) any debt owed to the Company by CWL arising under or pursuant to Clause 11.2(a)(ii) of the Facility Agreement.
- (iii) as security for the payment of all of the Limited Obligations, the Company will charge in favour of the Agent, with full title guarantee and by way of a second ranking floating charge, subject to any Permitted Security Interest, all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge by Clause 2 of the Morgan Stanley Defeasance Debenture.

For which purposes:

- (i) "**Development Documents Trust Deed**" has the meaning ascribed to it in part 2, paragraph (e) below;
- (ii) "**Finance Document**" has the meaning ascribed to in part 2, paragraph (a) above.
- (iii) "**Finance Party**" has the meaning ascribed to in part 2, paragraph (a) above.
- (iv) "**Fixed Charge Assets**" means, in respect of the Company, those of its assets which are, or are purported to be, the subject of fixed security under the Morgan Stanley First Debenture or the Morgan Stanley Defeasance Debenture as appropriate;
- (v) "**Insurances**". means all contracts and policies of insurance taken out by or on behalf of the Company or (to the extent of its interest) in which the Company has an interest;

- (vi) "**Limited Obligations**" means those Secured Liabilities which constitute the final £1,000 to be paid or discharged by the Chargors to each Finance Party under each Finance Document after all other Secured Liabilities have been paid or discharged;
- (vii) "**Mortgaged Property**" means, in respect of the Company, any of its freehold or leasehold property, the subject of security created by the Morgan Stanley Defeasance Debenture;
- (viii) "**Obligor**" means the Borrower or a Guarantor;
- (ix) "**Occupational Lease**" means any occupational lease, licence or other right to occupy a Property or any part of it;
- (x) "**Permitted Security Interest**" means:
 - (a) a Security Interest created pursuant to the Morgan Stanley First Debenture;
 - (b) liens arising by operation of law securing amounts not more than 90 days overdue;
 - (c) any Security Interests subsisting over the assets of any Obligor which are listed in Schedule 9 to the Facility Agreement so long as the principal amount secured by those Security Interests is not increased after the date of the Facility Agreement;
 - (d) Security Interests created by way of fixed security after the date of the Facility Agreement over assets of an Obligor which are not Fixed Charge Assets; and
 - (e) floating charges created over the assets of any Obligor in circumstances where the chargee has first entered into an intercreditor agreement (in form and substance satisfactory to the Agent) with the Agent.
- (xi) "**Property**" means a property listed in Schedule 2 to the Facility Agreement as more particularly described in Schedule 2 to the Morgan Stanley First Debenture and on and from the Defeasance Completion Date, includes a property described in Schedule 2 to the Morgan Stanley Defeasance Debenture;

- (xii) "**Receipt Account**" means an account established under Clause 11 of the Facility Agreement;
 - (xiii) "**Rental Income**" has the meaning ascribed to it in the Facility Agreement;
 - (xiv) "**Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owned jointly or severally or in any other capacity whatsoever) of each Chargor to each Finance Party under each Finance Document except for any obligation which, if it were so included, would result in the Morgan Stanley Defeasance Debenture contravening Section 151 of the Companies Act 1985; and
 - (xv) "**Security Interest**" means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.
- (d) Where the Company will be executing, delivering and performing the Morgan Stanley Claw Back Charge, the Company will, inter alia, charge with full title guarantee and as security for the payment and discharge of all Liabilities in favour of the Agent by way of first fixed charge all its present and future Claw Back Rights. In addition, CWIL will covenant not to make a demand under either of the Intercompany Loans unless the security constituted by the Morgan Stanley Claw Back Charge has been released

for which purpose:

"**Claw Back Rights**" means the rights of the Company in respect of the Property, or in sums representing such assets, resulting from any steps relating to the transfer of the Property to the Obligors being challenged following the dissolution or other insolvency proceedings, administration, winding-up, liquidation of or in respect of any member of the Group including, for the avoidance of doubt, the Property if legal or beneficial title is transferred to the Company following such challenge;

"**Group**" means Canary Wharf Holdings Limited and its subsidiaries;

"**Intercompany Loans**" means each of the CWC SPVd Limited Loan Agreement and the CWC SPVf Limited Loan Agreement;

"**Obligor**" means the Borrower or a Guarantor;

"Property" means, in relation to the Company, all or any part of its freehold and leasehold property in England and Wales and other real property anywhere in the world and any estate or interest therein and any reference to Property includes a reference to all Rights (as defined in the Morgan Stanley Claw Back Charge) from time to time attached or appurtenant thereto and all buildings and fixtures thereon belonging to the Company which is subject to the security created by the Morgan Stanley Claw Back Charge; and

"Liabilities" means all moneys, debts and liabilities which are now or have been or at any time hereafter may be or become due, owing or incurred by any Obligor to any Finance Party in any manner whatsoever under or in connection with any Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal debtor, guarantor, surety or otherwise;

- (e) Where the Company will be executing, delivering and performing the Second Fixed and Floating Charge Debenture, the Company will:

With full title guarantee and as security for the payment and discharge of all Liabilities charge in favour of EIB:

- (i) by way of legal mortgage, all the Real Property now belonging to it;
- (ii) by way of fixed equitable charge, all the Real Property now belonging to it (except that which is charged by way of Clause 3.1.1 of the Second Fixed and Floating Charge Debenture) and all Real Property acquired by it after the date of the Second Fixed and Floating Charge Debenture;
- (iii) subject to Clause 3.3 of the Second Fixed and Floating Charge Debenture, by way of first fixed charge:
 - (a) all Book Debts (except those assigned by Clause 3.2 of the Second Fixed and Floating Charge Debenture) and Bank Accounts;
 - (b) all its present and future Investments, Rights attaching or relating to Investments and all cash or other Investments hereafter belonging to the Company and deriving from Investments or such Rights;
 - (c) all its present and future uncalled capital and goodwill;

- (d) all its present and future Intellectual Property and the benefit of all present and future licences and sub-licences of Intellectual Property granted either by or to it;
 - (e) any beneficial interest of the Company in any pension fund; and
 - (f) all its present and future plant and machinery owned by it at the Real Property and its interest in any plant and machinery in its position at the Real Property (except in each case that charged by Clauses 3.1.1 and 3.1.2 of the Second Fixed and Floating Charge Debenture);
- (iv) by way of floating charge, its undertaking and all its Assets, both present and future (including Assets expressed to be charged by Clauses 3.1.1 to 3.1.3 of the Second Fixed and Floating Charge Debenture or assigned by Clause 3.2 thereof.
- (v) with full title guarantee and as security for the payment and discharge of all Liabilities assign and agree to assign to EIB in equity:
- (a) all its present and future right, title and interest in and to the Development Documents Trust, to the extent relating to the Real Property, including all Rights under the Development Documents Trust Deed in relation to the Real Property, all moneys which at any time may be or become payable to it pursuant thereto in relation to the Real Property and the net proceeds of any claims, awards and judgments which may at any time be receivable or received by it pursuant thereto in relation to the Real Property;
 - (b) all its present and future right, title and interest in and to all Insurances and all proceeds in respect of Insurances and all benefits thereof (including all claims of whatsoever nature relating thereto and returns of premium in respect thereof); and
 - (c) all its present and future Rights in relation to its Real Property (except those charged by Clauses 3.1.1 and 3.1.2 of the Second Fixed and Floating Charge Debenture), including all Rights against all past, present and future under-tenants of its Real Property and their respective guarantors and/or sureties;

For which purpose:-

"Assets" means, in relation to any Person, all or any part of its business, undertaking, property, assets, revenues, Rights and uncalled capital, wherever situated;

"Bank Accounts" means any current, deposit or other accounts now or hereafter held by the Company (either alone or jointly with any other Obligor) with any Person and all balances now or hereafter standing to the credit of any such current, deposit or other account;

"Book Debts" means all book and other debts of any nature whatsoever (excluding Bank Accounts), now or hereafter due or owing to the company, all other rights to receive money and the benefit of all negotiable instruments, Rights, Security, guarantees and indemnities of any nature whatsoever now or hereafter enjoyed or held by it in relation thereto;

"Borrower" means CWE SPV HCo Limited;

"CNA" means Continental Casualty Company;

"CNA Documents" has the meaning ascribed to it in paragraph 5(e) of Schedule 2 to the Loan Agreement;

"CNA Lenders" means the lenders under the CNA Documents;

"Deed of Covenants" has the meaning ascribed to it in the Loan Agreement;

"Deed of Subordination" means the deed of subordination entered into by EIB, each the Obligors and each other member of the Group dated 27 December 1995 as supplemented on 5 September 1996;

"Development Documents Trust" means the trust created by the Development Documents Trust Deed;

"Development Documents Trust Deed" means the declaration of trust dated 22 December 1995 by CWL and Canary Wharf Contractors Limited in favour of, amongst others, some of the Chargors over the benefit of certain development documents, as subsequently varied and supplemented;

"EIB Security Documents" shall have the meaning ascribed to it in the Loan Agreement;

"Finance Documents" means the Loan Agreement, the Guarantee, the Warrant Agreement, each Public Warrant, the Private Warrant, the Deed of Covenant, the Intercreditor

Agreement, the LUL Deed of Priorities, the EIB Security Documents, the Deed of Subordination, the Northern Foods Deed of Priorities, the Robert Fleming Deed of Priorities, the W & G Deed of Priorities and the Funding Agreement;

"**Fixtures**" means, in relation to any Person, the fixtures, fittings (including trade fixtures and fitting), and fixed plant, machinery and apparatus belonging to it;

"**Funding Agreement**" shall have the meaning ascribed to it in the Loan Agreement;

"**Guarantee**" means a guarantee from each of the guarantors named therein given in favour of EIB in the agreed form and dated 27 December 1995 and the supplemental guarantee from each of the guarantors other than the Limited Partner in The First Tower Limited Partnership (as defined in the Loan Agreement) given in favour of EIB dated 5 September 1996;

"**Insurances**" means all contracts and policies of insurance relating to the Real Property of any kind now or hereafter taken out by or on behalf of any of the Chargors or (to the extent of its interest) in which any of the Chargors now or hereafter has an interest;

"**Intellectual Property**" means patents and registered designs, copyrights, unregistered designs, semi-conducted topographies, rights in trademarks whether registered or not, goodwill and rights in confidential information (to the extent that it is possible to charge the same) and know-how and any associated or similar rights which may now or hereafter exist (including, where applicable, applications and rights to apply therefor);

"**Intercreditor Agreement**" means the agreement dated the 27 December 1995 between EIB, CNA, the CNA Lenders, Bankers Trustee Company Limited and each member of the Group as amended and restated on 10 October 1996 and as, from to time further amended supplemented or restated;

"**Investments**" means (a) shares, stocks and debentures (including debenture stock, loan stock, bonds, notes and certificates of deposit), (b) warrants, options or other Rights to subscribe for, purchase, call for delivery of or otherwise acquire shares, stock or debentures, (c) all Rights relating to shares, stock or debentures which are deposited with, or registered in the name of, any depositary, custodian, nominee, clearing house or system, investment manager or other similar Person or the holder of any Security or such holder's nominee, in each case whether or not on a fungible basis (including rights against any such Person) and (d) any other securities in, of or created by any Person;

"**Liabilities**" means all moneys, debts and liabilities which now are or have been or at any time hereafter may be or become due, owing or incurred by any Obligor to EIB in any manner whatsoever under or in connection with any Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently and whether as principal debtor, guarantor, surety or otherwise);

"**Loan Agreement**" means the Amended and restated Facility Agreement dated 27 December 1995 and made between the Borrower and EIB as further amended and restated on 6 December 1996;

"**LUL Deed of Priorities**" means the deed of priorities dated 27 December 1995 between CWL, Canary Wharf Investments Limited, London Underground Limited, London Regional Transport, the CNA Lenders, Bankers Trustee Company Limited and EIB;

"**Obligor**" means the Borrower and the Guarantors and each other Person (other than EIB, CNA, the CNA Lenders, London Underground Limited, London Regional Transport and Seven Westferry Circus Limited) which is a party to any of the Finance Documents;

"**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality);

"**Private Warrant**" has the meaning given to it in the Warrant Agreement;

"**Public Warrant**" has the meaning given to it in the Warrant Agreement;

"**Real Property**" means, in relation to the Company, all or any part of the freehold and leasehold property of the Company described in Schedule 2 of the Second Fixed and Floating Charge Debenture and any estate or interest therein and any reference to Real Property includes a reference to all Rights from time to time attached or appurtenant thereto and all buildings, and all Fixtures belonging to the Company from time to time therein or thereon;

"**Rights**" means rights, authorities, discretions, remedies, liberties, powers, easements, quasi-easements and appurtenances (in each case, of any nature whatsoever);

"**Robert Fleming Deed of Priorities**" shall have the meaning given to it in the Loan Agreement;

"Security" includes any mortgage, charge, pledge, lien, hypothecation, security interest or other charge or encumbrance and any other agreement or arrangement having substantially the same economic effect (including any "flawed asset" arrangement);

"Warrant Agreement" means the agreement dated 27 December 1995 between EIB, Canary Wharf Holdings, CWI Holdings Plc and the Borrower relating to the issue of certain warrants;

"W&G Deed of Priorities" shall have the meaning ascribed to it in the Loan Agreement;

- (f) Where the Company is executing the Floating Charge Debenture, the Company will, inter alia, charge with full title guarantee as security for the payment and discharge of all Liabilities charge in favour of EIB by way of first floating charge, its undertaking and all its Assets, both present and future.

For which purpose:

"Assets" means, in relation to any Person all or any part of its business, undertaking, property, assets, revenues, Rights and uncalled capital, wherever situated;

"Finance Document" shall have the meaning ascribed to it in paragraph (e) of Part 2 of this Schedule;

"Liabilities" means all moneys, debts and liabilities which now are or have been or at any time hereafter may be or become due, owing or incurred by any Obligor to EIB in any manner whatsoever under or in connection with any Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently and whether as principal debtor, surety or otherwise);

"Person" shall have the meaning ascribed to it in paragraph (e) of Part 2 of this Schedule;

"Rights" means rights, authorities, discretions, remedies, liberties, powers, easements, quasi-easements and appurtenances (in each case, of any nature whatsoever);

- (g) Where the company is executing, delivering and performing the Fixed Charge Debenture, the Company will, inter alia, charge with full title guarantee and as security for the payment and discharge of all Liabilities, in favour of EIB and by way of fixed charge all its present and future Claw Back Rights.

For which purpose:

"**Claw Back Rights**" means in relation to the Company, any rights of the Company in respect of the Transferred Property, or in sums representing such assets, resulting from any steps relating to the transfer of the Transferred Property to any of the Obligors being challenged following the winding-up of any member of the Group including, for the avoidance of doubt, the Transferred Property if legal or beneficial title is transferred to the company following such challenge;

"**Finance Document**" shall have the meaning ascribed to it in Part 2, paragraph (e) above;

"**Fixtures**" shall have the meaning ascribed to it in Part 2, paragraph (e) above;

"**Group**" shall have the meaning ascribed to it in Part 2, paragraph (e) above;

"**Liabilities**" means all moneys, debts and liabilities which now are or have been or at any time hereafter may be or become due, owing or incurred by any Obligor to EIB in any manner whatsoever under or in connection with any Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently and whether as principal debtor, guarantor, surety or otherwise);

"**Obligors**" shall have the meaning ascribed to it in part 2 paragraph (e) above;

"**Person**" shall have the meaning ascribed to it in part 2 paragraph (e) above;

"**Real Property**" means, in relation to the Company, all or any of the freehold and leasehold property in England and Wales and other real property anywhere in the world and any estate or interest therein and any reference to Real Property includes a reference to all Rights from time to time attached or appurtenant thereto and all buildings, and all Fixtures belonging to the Company from time to time therein or thereon;

"**Rights**" shall have the meaning ascribed to it in Part 2, paragraph (e) above;

"**Transferred Property**" means the Real Property described in Schedule 1 to the Fixed Charge Debenture.

- (h) Where the Company is executing, delivering and performing the Deed of Subordination Accession Deed, the Company will agree to become a party to the Deed of Subordination pursuant to which the Company will agree that the Subordinated Debt shall, upon the

occurrence of any Insolvency Event relating to a company which is party to the Deed of Subordination as a "Company", only become due and payable on the demand of the Company if and when, and to the extent that, the Senior Liabilities have been paid and discharged in full, except as otherwise agreed in writing by EIB.

For which purposes:

"**Deed of Subordination**" shall have the meaning ascribed to it in paragraph (e) of Part 2 of this Schedule;

"**Indebtedness**" includes any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money;

"**Senior Liabilities**" means, in respect of a company which is a party to the Deed of Subordination as a "Company", all Indebtedness incurred by that company other than the Subordinated Debt;

"**Subordinated Debt**" means, in respect of a Company which is a party to the Deed of Subordination as a "Company", all indebtedness incurred by that company to, inter alia, the Company.

- (i) The CNA Loan was borrowed, inter alia, for the purposes of acquiring all of the issued share capital in Canary Wharf Holdings Limited and its subsidiaries. Canary Wharf Holdings Limited will now prepay the full amount of the CNA Loan.
- (j) By way of a loan agreement dated 27 December 1995 Canary Wharf Holdings Limited ("CWHL") agreed to lend certain funds to CWL on the terms and conditions stated therein including, inter alia, the condition that repayment would be made on demand. CWHL has now made a demand pursuant to such loan agreement and CWL will repay the amount demanded.
- (k) By executing, delivering and performing the CWC SPVd Limited Loan Agreement, CWIL will agree to lend £21,000,000 to CWC SPVd Limited upon the terms and conditions stated therein including the terms that:
 - (A) the loan is repayable on demand by CWIL;

- (B) the rate of interest payable on the amount of the loan shall be the rate per annum equal to Barclays Bank's base rate from time to time but interest shall only accrue to the extent that CWC SPVd Limited has sufficient net income to meet such obligations.

- (l) By executing, delivering and performing the CWC SPVf Limited Loan Agreement, CWIL will agree to lend £5,000,000 to CWC SPVf Limited upon the terms and conditions stated therein including:
 - (A) the loan is repayable on demand by CWIL;

 - (B) the rate of interest payable on the amount of the loan shall be the rate per annum equal to Barclays Bank's base rate from time to time but interest shall only accrue to the extent that CWC SPVf Limited has sufficient net income to meet such obligations.

- (m) By executing, delivery and performing the Morgan Stanley Account Agreement, the Company will agree that its Account will be operated in accordance with the provisions of the Facility Agreement and that no withdrawals shall be made from the Account unless the request for such withdrawal has been made by an authorised signatory of the Agent and pursuant to which the Company will give notice to the Account Bank and the Account Bank will acknowledge that the Account is the subject of the security interests created in favour of, inter alia, the Agent.

For which purposes:

"Account" means, in respect of the Company, the bank account in the name of that Company details of which are set out in the Schedule to the Morgan Stanley Account Agreement; and

"Account Bank" means Barclays Bank PLC.

- (n) By Executing, delivery and performing the CNA Intercreditor Release, Canary Wharf Holdings, on behalf of certain other members of the Group will release the CNA Lenders, CNA and Bankers Trustee Company from all obligations under, and shall be released by CNA the CNA Lenders and Bankers Trustee Company Limited from all of its obligations to them under or pursuant the Intercreditor Agreement.

For which purposes:

"CNA" shall have the meaning ascribed to it in part 2 paragraph (e) of this Schedule;

"CNA Lenders" shall have the meaning ascribed to it in part 2 paragraph (e) of this Schedule;

"Intercreditor Agreement" shall have the meaning ascribed to it in part 2 paragraph (e) of this Schedule;

- (o) It is a condition of the EIB Consent Letter becoming effective that certain documents, including certain of the security documents referred to above are entered into in favour of EIB;

Part 3

1. Canary Wharf Limited, a company registered in England under No. 1971312.
2. Cabot Place Limited, a company registered in England under No. 2548110.
3. Seven Westferry Circus Limited, a company registered in England under No. 2732071.
4. Seven Westferry Circus (No. 2) Limited, a company registered in England under No. 2732121.
5. CWC SPVa Limited, a company registered in England under No. 3123292.
6. CWC SPVb Limited, a company registered in England under No. 3123060.
7. Mosslight Limited (in the course of changing its name to CWC SPVd Limited), a company registered in England under No. 3302741.
8. Harbourbeam Limited (in the course of changing its name to CWC SPVe Limited), a company registered in England under No. 3302707.
9. Heraldland Limited (in the course of changing its name to CWC SPVf Limited), a company registered in England under No. 3302749.
10. Orchardbright Limited (in the course of changing its name to CWC SPVg Limited), a company registered in England under No. 3302682.
11. Canary Wharf Investments (Three), an unlimited company registered in England under No. 2455786.
12. First Tower T1 Limited, a company registered in England under No. 2550906.
13. First Tower T2 Limited, a company registered in England under No. 2558070.
14. First Tower GP(1) Limited a company registered in Scotland under No. SC132920
15. First Tower GP(2) Limited a company registered in Scotland under No. SC132921
16. Canary Wharf Investments Limited a company registered in England under No. 2127410

Part 4

1. CWE SPVa Limited, a company registered in England under No. 3123352.
2. CWE SPVb Limited, a company registered in England under No. 3123333.
3. CWE SPV HCo Limited, a company registered in England under No. 3123311.
4. CWE SPVc Limited, a company registered in England under No. 3123343.
5. Canary Wharf Investments (Four) Limited, a company registered in England under No. 2388957.
6. CWE SPVf Limited, a company registered in England under No. 3123299.
7. CWE SPVg Limited, a company registered in England under No. 3123286.
8. CWE SPVd Limited, a company registered in England under No. 3123296.

ARTHUR ANDERSEN

25 March 1997

The Directors
Canary Wharf Limited
One Canada Square
London
E14 5AB

1 Surrey Street
London WC2R 2PS
0171 438 3000 Telephone
0171 831 1133 Facsimile

Direct line 0171 438 3536

Our ref im/jf

Your ref

Dear Sirs

**Report of the auditors to the Directors of Canary Wharf Limited ("the Company")
pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors 25 March 1997 in connection with the proposal that the Company should give financial assistance in relation to the acquisition of shares in Canary Wharf Holdings Limited and certain of its subsidiaries on 27 December 1995.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the statutory declaration. It is our responsibility to review the bases for the declaration and, based on our enquiries into the state of the Company's affairs, to provide a report to the directors.

Basis of opinion

We have enquired into the state of the Company's affairs.

Opinion

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



Arthur Andersen
Chartered Accountants and Registered Auditors