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

Please do not
write in this
margin

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

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

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

For official use

Company number



05726371

Note

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

* insert full name
of company

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

Name of company

* St Modwen Developments (Farnworth) Limited

We

Nathan Paul Kempin of Villa Hermosa, 9 Boulevard de Suisse, MC9800 Monaco.

John Anthony Knight of 19 Maitland Road, Woodthorpe, Nottingham, Nottinghamshire. NG5 4GT

† delete as
appropriate

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

§ delete whichever
is inappropriate

The business of this company is:

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

§

(c) something other than the above §

This company is the holding company of

St Modwen Developments (Farnworth 2) Limited

which is
proposing to give financial assistance in connection with the acquisition of shares in this company
[being St Modwen Developments (Farnworth) Limited]

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

Stephensons Solicitors
Wigan Investement Centre,
Waterside Drive, Wigan. WN3 5BA
C65422.163

For official Use (02/06)

General Section

Post room



A58
COMPANIES HOUSE

ABE11KYJ

554
30/11/2006

The assistance is for the purpose of that acquisition. (note 1)

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write in this
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The number and class of the shares acquired or to be acquired is: One Ordinary Share of £1

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

The assistance is to be given to: (note 2) Cathco Property Holdings Limited, Company Number 03461623

whose registered office is at Douglas Bank House, Wigan Lane, Wigan, Lancashire WN1 2TB

("the Purchaser")

The assistance will take the form of:

As set out in Appendix 1

The person who will acquire the shares is: [†]

the Purchaser

[†] delete as
appropriate

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

As set out in Appendix 2

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is NIL

The amount of cash to be transferred to the person assisted is £ 0.00

The value of any asset to be transferred to the person assisted is £ 0.00

Please do not
write in this
margin

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

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

The date on which the assistance is to be given is within 8 weeks of today's date

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

(a) We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date * (note 3)


(b)

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

Declared at

CENTURION HOUSE
128 DEANSGATE
MANCHESTER
M3 3AA

Declarants to sign below


NATHAN PAUL KEMPIN

Day Month Year

on

24 11 2006

before me

 CLAIRE SMITH



JOHN ANTHONY KNIGHT

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

NOTES

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

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ
DX: 33050
Cardiff

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB
DX: 235
Edinburgh

ST. MODWEN DEVELOPMENTS (FARNWORTH) LIMITED
(Company Number : 05726371)
("the Company")

Appendices to Form 155(6)(b)

Appendix 1 (as referred to in the Statutory Declaration dated the date hereof relating to the acquisition of the Company by Cathco Property Holdings Limited.

The execution and delivery by St. Modwen Developments (Farnworth 2) Limited (Company No:05981547) ("the Subsidiary") and/or the Company of the following documents to which the Subsidiary and/or the Company (as appropriate) is a party as the same may be amended varied supplemented or substituted from time to time:

- 1. a third party legal charge relating to all that freehold property known as lying to the south side of Longcauseway Farnworth and registered at HM Land Registry under title number GM598934 and all that leasehold land known as Egyptian Mill Longcauseway Farnworth and registered at HM Land Registry under title number LA222959 ("the Subsidiary Property") to be executed by the Subsidiary in favour of Investec Bank (UK) Limited ("the Bank") ("the Subsidiary Charge");**
- 2. a debenture creating security by way of fixed and floating charges over all of the Subsidiary's assets and undertaking, present and future, to be executed by the Subsidiary in favour of the Bank ("the Subsidiary Debenture");**
- 3. a debenture creating security by way of fixed and floating charges over all of the Company's assets and undertaking, present and future, to be executed by the Company in favour of the Bank ("the Debenture");**
- 4. a composite guarantee between, (1) the Subsidiary (2) the Company (3) Cathco Property Holdings Limited (Company No: 03461623) ("the Purchaser") in favour of the Bank pursuant to which the Company, the Subsidiary and the Purchaser would amongst other things, guarantee the obligations of each other, it being noted that the Subsidiary and Company's guarantee obligations would include a guarantee of the obligations, inter alia, of the Purchaser under a facility letter from the Bank to the Purchaser being obligations incurred in connection with the acquisition by the Purchaser of the entire issued share capital of the Company ("the Bank Guarantee");**
- 5. the entering into of a loan from the Purchaser to the Company to assist the Company with the redemption of loan notes due to St Modwen Properties Plc in the sum of £4,029,139.00 ("the Notes")("the Loan Agreement") and the redemption of the Notes .**

6. Any other documentation, security documents and/or obligations entered into by the Subsidiary and/or the Company prior to, on or after the date of this Statutory Declaration for the purpose of the Acquisition and/or for the purpose of reducing or discharging (directly or indirectly) liabilities in connections with the Acquisition.

JK
CB NMA

ST. MODWEN DEVELOPMENTS (FARNWORTH) LIMITED
(Company Number: 05726371)
(the 'Company')

Appendices to Form 155(6)(b)

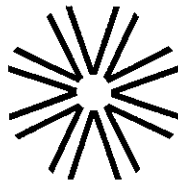
Appendix 2 (as referred to in the Statutory Declaration dated the date hereof relating to the acquisition of the Company by Cathco Property Holdings Limited)

1. **By executing and delivering the Subsidiary Charge, the Subsidiary will grant a legal charge over the Subsidiary Property in order to secure the payment or discharge of all monies, liabilities and obligations at any time owing by Cathco Property Holdings Limited to the Bank and to secure payment or discharge of all monies, liabilities and obligations at any time owing or incurred by the Company to the Bank under the Bank Guarantee as referred to at clause 4 below. The Charge contains restrictions on the Subsidiary's ability to deal with the Subsidiary Property and obligations on the Subsidiary for preservation of the security and gives the Bank power to appoint a receiver;**
2. **By executing and delivering the Subsidiary Debenture, the Subsidiary will create fixed and floating charges over all of its assets and undertaking, present and future, in order to secure the payment or discharge of all monies, liabilities and obligations at any time owing by it to the Bank (including without limitation, its obligations as guarantor thereunder). The Subsidiary Debenture contains covenants by the Subsidiary with the Bank not, without the prior written consent of the Bank, to create or attempt to create or permit to subsist any mortgage, charge, lien (other than a lien arising over property other than land in the ordinary course of business by operation of law) or encumbrance on any of the Subsidiary's property nor to dispose of any of the Subsidiary's property except with the prior consent of the Bank, and gives the Bank power to appoint an administrative receiver. The Subsidiary Debenture will secure the Subsidiary's obligations, amongst other things, to make payment of the sums due under the Bank Guarantee;**
3. **By executing and delivering the Debenture, the Company will create fixed and floating charge over all of its assets and undertaking, present and future, in order to secure the payment or discharge of all monies, liabilities and obligations at any time owing by it to the Bank (including without limitation, its obligations as guarantor thereunder). The Debenture contains covenants by the Company with the Bank not, without the prior written consent of the Bank, to create or attempt to create or permit to subsist any mortgage, charge, lien (other than a lien arising over property other than land in the**

ordinary course of business by operation of law) or encumbrance on any of the Company's property nor to dispose of any of the Company's property except with the prior consent of the Bank, and gives the Bank power to appoint an administrative receiver The Debenture will secure the Company's obligations, amongst other things, to make payment of the sums due under the Bank Guarantee;

4. By executing and delivering the Bank Guarantee, the Subsidiary and the Company will guarantee the payment of all monies and the performance of all obligations and liabilities, from time to time owing by the Purchaser, the Subsidiary and the Company to the Bank (including without limitation, those owing under a facility letter from the Bank to the Purchaser being obligations incurred in connection with the acquisition by the Purchaser of the entire issued share capital of the Company). The Bank Guarantee is a continuing security and is unlimited and under the Bank Guarantee any amount not recoverable on the basis of a guarantee is nevertheless recoverable from the Company as principal debtor, and the Company and the Subsidiary agree that they shall not be entitled to take the benefit of any security held by the Bank in respect of the Purchaser's obligations and not to prove against the Purchaser in competition with the Bank;
5. Under the terms of the Loan Agreement, the Purchaser is to loan monies unsecured and repayable on demand after 12 months to the Company to assist it, inter alia, with the redemption of the Notes and on redemption of the Notes no further sums will be due to St Modwen Properties PLC.
- 6 In entering into the various documents referred to above to which it is a party, the Subsidiary is entering into obligations and assuming liabilities and giving security in connections with the Acquisition and may in the future be called upon pursuant to any of the documents referred to in this declaration to reduce or discharge obligations and/or liabilities arising in connection with the Acquisition.

JK
MPL



To the Directors,
St. Modwen Developments (Farnworth) Limited
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB
Our Ref: CA9593/RMS/CMR/DH

24 November 2006

Dear Sirs,

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ST. MODWEN DEVELOPMENTS (FARNWORTH) LIMITED (Company Number : 05726371) ("the Company") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

RE THE COMPANY'S SUBSIDIARY ST. MODWEN DEVELOPMENTS (FARNWORTH 2) LIMITED (COMPANY NO: 05981547)

We have examined the attached statutory declaration of the directors of the company dated 24 November 2006 in connection with the proposal that the subsidiary should give financial assistance for the purchase of all of the issued share capital of the Company.

Basis of opinion

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

Opinion

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

Yours faithfully,

Fairhurst

Fairhurst