

COPY

NICHOLSON GRAHAM & JONES

SOLICITORS

Ms Rachel M Booth
Macfarlane
10 Norwich Street
London EC4A 1BD

Our Ref. MDP/B257-60
Your Ref. RMB/530600/SMZR
Date 31 October 1994

Fax 071-831 9607 and Post

'94 OCT 31 11:07

Dear Rachel

Glasshouse Investments Limited
Development at 2-4 Hoxton Square London N1

You will be aware that I met with my clients on Friday to go through the documentation and I have now received instructions that they are not prepared to execute the same in its current format.

My clients' requirements are as follows:-

1. Again on the question of the Guarantee, the BFI is not prepared to enter into the same unless provision is made for a release from liability, following an assignment of the leasehold interest to a party of equal standing. Whilst appreciating that this matter has been covered in the past, the BFI will not guarantee the transaction without this provision.
2. My clients require an option to purchase the property as a whole subsequent to completion, with the sale price subject to a formula to be agreed. The right to exercise the option is to continue for such period as the BFI remains liable under the terms of the Guarantee.

I look forward to hearing from you.

Yours sincerely

Mark Phillips

c.c. Irone Whitehead