

Alfred Bader

Osgood University - Heidelberg

Castle - Cooper

1993

OSGOOD UNIVERSITY ARCHIVES	
LOCATOR	5109
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HL * Castle to Queens'; Grateful graduate in U.S. donates historic English estate to alma mater
 Byline: David Paddon
 Credit: CP
 DD 01/09/93
 SO The Ottawa Citizen (OTT)
 Edition: Final
 Section: NEWS
 Page: A3
 (Copyright The Ottawa Citizen)

LP * --- Castle to Queens'; Grateful graduate in U.S. donates historic English estate to alma mater ---

TX * Alfred Bader and his wife Isabel take turns explaining how they came to donate \$11.84 million to a Canadian university so it can buy a 93-hectare estate in England -- complete with 15th-century castle and moat.
 "We were travelling down from London to the south coast last summer," Isabel said in a joint telephone interview from their home in Milwaukee, Wis.
 * "Alfred said 'There's a castle. Would you be interested in a castle?'
 * "I said 'Oh, it's Herstmonceux. Too many rooms to clean." Alfred, who built a major U.S. chemical company from scratch, was joking.
 * "I don't want a castle," the Queen's University graduate said. "If you saw our home in England, a small concrete house. If you saw our house here, it's medium sized. I bought it some years ago for \$27,000.
 * "We don't want a castle. "But for Queen's, that's different. It's a magnificent castle. Moated. Just beautiful. So much land. It's unbelievable."
 The Kingston, Ont., university announced Wednesday it hoped to set up an international study centre at the Herstmonceux Estate -- which used to house the Royal Greenwich Observatory.
 Also on the property are the Equatorial Group of Telescope Buildings and an office grouping, the Sir Isaac Newton Building Complex, which will be converted to residences. They were all abandoned a few years ago by the Royal Observatory.
 With the bank deal signed, approval must now be sought from the Sussex planning authority. But Queen's University spokesman Dick Bowman said that the planners likely would not block the project.
 "I think it has the potential for Queen's using it for credit and non-credit programs, some specialized courses in the business and trade areas, and for some conferences," Bowman said.
 The old observatories and telescopes are used by local astronomers and these too will be left in place, Bowman said.
 Principal David Smith has wanted to move Queen's University into a more prominent international role for some time and, he said, the generosity of the Baders has created the perfect opportunity.
 Persecuted by the Nazis in his native Austria, Bader's affection for the university dates back to the war years of the early 1940s.
 "For the first time in my life, I was treated as an equal," he said. "When you're a kid, you don't forget."
 His mother had sent him, at age 14, from their home in Vienna to

live in England. But the British government under Winston Churchill later deported foreign nationals deemed to be a security risk.

Alfred was 16 when interned in Quebec. He was 17 when Queen's accepted him after his release in November 1941.

Isabel, who met Alfred in 1949, said she had been largely unaware of the world's treatment of the Jews during the war when she was a high school student living in Kirkland Lake, Ont.

"The word 'war' was something that I really didn't know anything about," she said.

"So when I learned from Alfred some of the things that happened to the Jews I was absolutely astounded... I don't know that many of us in Canada knew exactly what was going on over there.

"We knew what we were told and of course what we were told was always censored. And I don't think the news about the atrocities came out to us at all."

The Baders hope the centre at Herstmonceux will expand Canadian students' perspective to world events by giving them a place to stay while continuing their studies.

"I was certainly naive," Isabel said. "And I think many Canadians are. So the greater exposure they can have at the earliest possible age, the better."

- * Alfred Bader earned his undergraduate engineering and arts degrees at Queen's, then his masters at the university in eastern Ontario. Later, his employer sent him to Harvard but that company was bought out and Bader ended up in Milwaukee where his newly inherited employer conducted research.

While in Milwaukee, he founded the Aldrich Chemical Co. with a friend. A tiny operation that earned \$1,705 its first year, Aldrich eventually grew into the world's biggest supplier of fine chemicals, according to Canadian Chemical News.

Aldrich merged in 1975 with Sigma of St. Louis, Mo. By 1990, Sigma-Aldrich had \$440 million in revenues.

The Baders' latest gift to Queen's will be financed, if the university senate and British authorities proceed as planned, by sales of Sigma-Aldrich shares.

The couple has previously given Queen's gifts worth millions, including art, funding fellowships and chairs in chemistry and art history.

(With files from the Kingston Whig-Standard)

ILLUSTRATION: AP photo/ Campus with a moat: 15th Century

- * Herstmonceux Castle offered as study centre
@Art: P
- @Art: AP photo/ Campus with a moat: 15th Century
- * Herstmonceux Castle offered as study centre
*** Infomart-Online ***

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HL Grad buys English estate for Queen's University
Credit: CP)

DD 01/08/93

SO The Toronto Star (TOR)
Edition: Final
Section: NEWS
Page: A4



Origin: KINGSTON

(Copyright The Toronto Star)

LP --- Grad buys English estate for Queen's University ---

KINGSTON (CP) - A Queen's University graduate has given the institution \$11.84 million to purchase an historic estate in England, replete with 15th century castle and moat, the university said yesterday.

TX * Alfred and Isabel Bader want the 93-hectare (229-acre) Herstmonceux Estate, which used to house the Royal Greenwich Observatory, to be used as an international study centre, said university spokesman Dick Bowman.

"Since the European Economic Community is now a reality, I think Mr. Bader felt it would be good for the university to be poised to take advantage of the international activities in that part of the world," said Bowman.

Bader, who lives in Milwaukee, received undergraduate engineering and arts degrees as well as his masters in engineering from Queen's in the 1940s, Bowman said.

Persecuted by the Nazis in his native Austria, Bader said the warm welcome he received upon arrival at Queen's left an indelible impression.

"My heart is at Queen's. For the first time in my life, I was treated as an equal," Bader said yesterday in a telephone interview. "When you're a kid, you don't forget."

Bader, who co-founded a firm that would later become St. Louis-based Sigma-Aldrich Corp., one of the world's largest suppliers of fine chemicals, will finance the gift with sales of company shares.

In 1990, Sigma-Aldrich received \$440 million in revenues. Bowman said the money was given specifically to acquire the estate, with the purchase deal expected to be done by the end of June.

Bader fled Vienna at age 14 to live in England, but the British government under Winston Churchill later deported foreign nationals deemed to be a security risk.

Bader was 16 when interned in Quebec. He was 17 when Queen's accepted him after his release in November, 1941. He met his wife Isabel, a native of Kirkland Lake, Ont., in 1949.

The Sussex property, about 100 kilometres (62 miles) south of London, includes a 140-room moated castle - one of England's best known and architecturally significant buildings.

* It also houses about 6,224 square metres (63,800 square feet) of modern office and laboratory facilities, built after the estate was purchased by the observatory in 1948.

"While the centre is expected to be self-sustaining, I think it's important to note that the benefactor has given the university sufficient funds as well to operate the centre, funds for operating it and funds to renovate," Bowman said.

The Baders hope the centre will expand Canadian students' perspective to world events by giving them a place to stay - in office buildings formerly used by the observatory - while continuing their studies.

"One option we are examining would be for Queen's faculty to give senior undergraduate courses there," Bowman said.

"We could also use it for conferences on such things as international trade, perhaps for the business school. It would be ideal because it's close to Gatwick airport and the Channel



Tunnel."

The university's senate will decide exactly what the estate will be used for within the next few months.

The Baders themselves maintain a modest lifestyle, according to David McTavish, director of the Agnes Etherington Art Centre at Queen's.

Bader estimated that apart from art purchases and travel, he and his wife get by on about \$30,000 a year.

The couple has previously given Queen's gifts worth millions, including art, funding fellowships and chairs in chemistry and art history.

- * ILLUSTRATION: PHOTO: Aerial view of castle at Herstmonceux Estate,
LOCAL KEYWORDS: QUEEN'S UNIVERSITY
- * @Art: PHOTO: Aerial view of castle at Herstmonceux Estate,
*** Infomart-Online ***

I0607 * END OF DOCUMENT.

DOCUMENT= 3

HL Alumnus gives Queen's \$12 million
Credit: CP

DD 01/07/93

SO Montreal Gazette (GAZ)

Edition: FINAL

Section: NEWS

Page: A2

Origin: KINGSTON, Ont.

(Copyright The Gazette)

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KINGSTON, Ont. - A Queen's University graduate has given the institution \$11.84 million to purchase a historic 93-hectare estate in England, the university said yesterday.

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to house the Royal Greenwich Observatory - to be used as an international study centre, said university spokesman Dick Bowman. "Since the European Economic Community is now a reality, I think Mr. Bader felt it would be good for the university to be poised to take advantage of the international activities in that part of the world," said Bowman.

Bader, who lives in Milwaukee, got undergraduate engineering and arts degrees as well as his master's in engineering from Queen's in the 1940s, Bowman said.

"He's given the university other things. He's an international art collector and has donated paintings as well as significant monies over the past several years."

Bader is the former chairman of the board of Sigma-Aldrich Corp., a St. Louis, Mo.-based biochemical and organic products holding company, Bowman said.

- * The Sussex property, about 100 kilometres south of London, includes a 140-room, 15th-century moated castle - one of England's best-known and architecturally significant buildings.

LOCAL KEYWORDS: UNIVERSITIES GIFTS

*** Infomart-Online ***

I0607 * END OF DOCUMENT.

DOCUMENT= 4

HL * Castle wasn't couple's idea of home



Byline: DAVID PADDON

Credit: CP

DD 01/08/93
SO Vancouver Sun (VSUN)

Edition: 1*

Page: A4

Category: NEWS

(Copyright The Vancouver Sun)

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His mother had sent him, at age 14, from their home in Vienna to live in England. But the British government under Winston Churchill later deported foreign nationals deemed to be a security risk.

Alfred was 16 when interned in Quebec. He was 17 when Queen's accepted him after his release in November 1941.

Isabel, who met Alfred in 1949, said she had been largely unaware of the world's treatment of the Jews during the war when she was a high school student living in Kirkland Lake, Ont.

"The word 'war' was something that I really didn't know anything about," she said.

"So when I learned from Alfred some of the things that happened to the Jews I was absolutely astounded. . . . I don't know that many of us in Canada knew exactly what was going on over there."

The Badgers hope the centre at Herstmonceux will expand Canadian students' perspectives of world events by giving them a place to stay - in office buildings formerly used by the observatory - while continuing their studies.

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LOCAL KEYWORDS: PHILANTHROPY; BUILDINGS

*** Infomart-Online ***

I0607 * END OF DOCUMENT.

DOCUMENT= 5

HL * A castle fit . . . for a Queen's
Byline: By David Paddon The Canadian Press
Credit: CP

DD 01/07/93

SO Windsor Star (WIN)
Edition: EARLY
Page: A4
Category: NEWS
(Copyright The Windsor Star)

LP * --- A castle fit . . . for a Queen's ---
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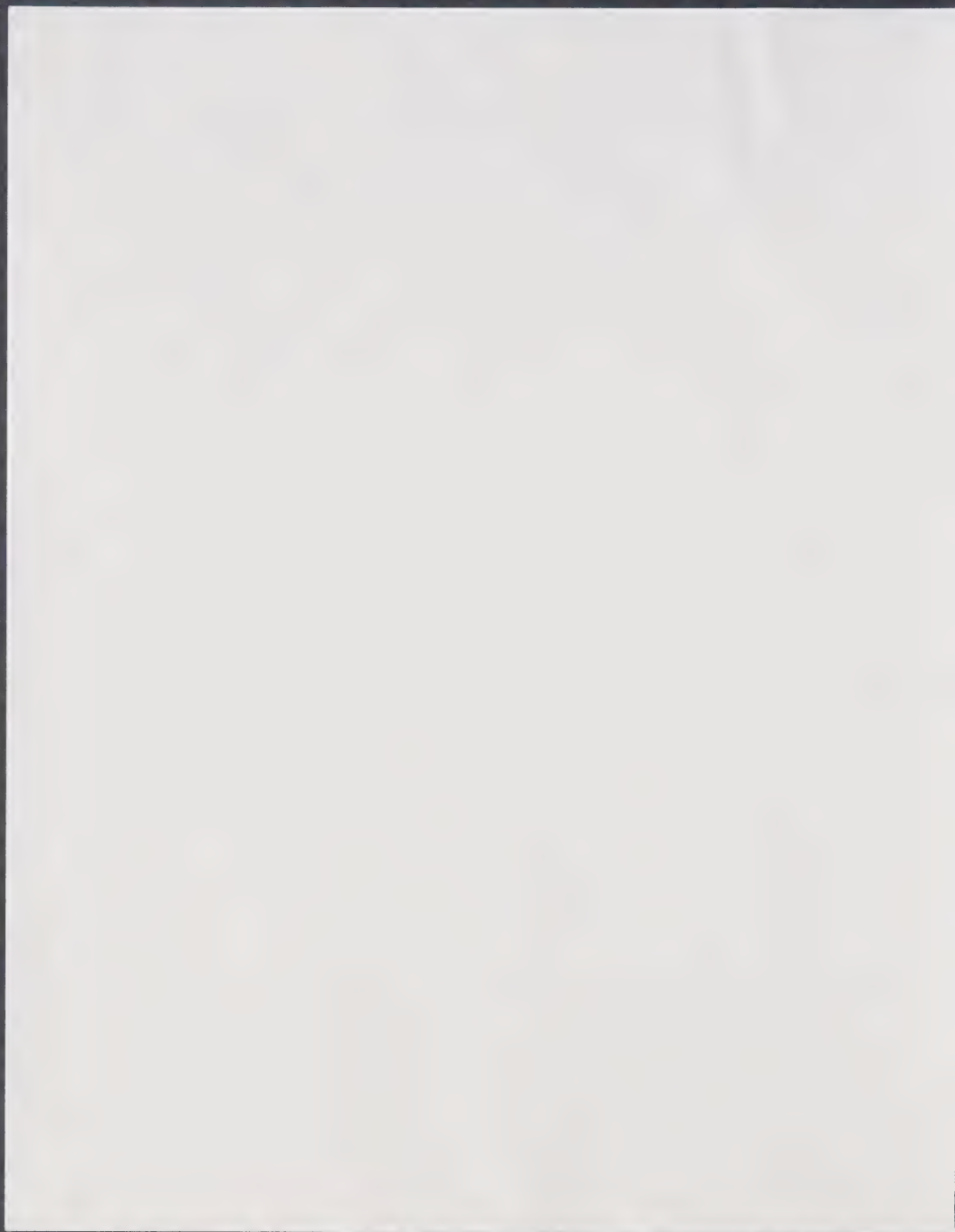
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*** Infomart-Online ***

I0607 * END OF DOCUMENT.

DOCUMENT= 6

HL * Grad gives alma mater British castle

Credit: CP

DD 01/07/93

SO Vancouver Sun (VSUN)

Edition: 1*

Page: A4

Category: NEWS

Origin: Kingston, Ont.

(Copyright The Vancouver Sun)

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KINGSTON, Ont. - A Queen's University graduate has given the institution \$11.84 million to purchase a historic 93-hectare estate in England, the university said Wednesday.

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Bader, who lives in Milwaukee, got undergraduate engineering and arts degrees as well as his masters in engineering from Queens in the 1940s, Bowman said.

"He has an affection and an enthusiasm for the university, it gave him a special start in life when he was fresh to North America from Europe.

"He's given the university other things. He's an international art collector and has donated paintings as well as significant monies over the past several years."

Bader is the former chair of the board of Sigma-Aldrich Corp., a St. Louis, Mo.-based biochemical and organic products holding company, Bowman said.

The Sussex property, about 100 kilometres south of London, includes a 140-room, 15th-century moated castle.

- * It also houses about 6,224 square metres of modern office and laboratory facilities, built after the estate was purchased by the Royal Greenwich Observatory in 1948. The university's senate will decide exactly what the estate will be used for within the next few months.

LOCAL KEYWORDS: UNIVERSITIES; PHILANTHROPY

*** Infomart-Online ***

I0607 * END OF DOCUMENT.



DOCUMENT- 7

HL Trading by insiders
DD 10/07/92
SO The Milwaukee Sentinel (MLWK)
Section: BUSINESS
Page: 2D
(Copyright 1992)

LP Insiders of the following corporations with headquarters or extensive operations in Wisconsin bought or sold stock in their companies recently. Also listed are corporations in which a public entity within the state has taken a large position. Some of the individuals or institutions below may not be officers of the firms, but due to their large holdings are required to file forms with the Securities and Exchange Commission:

AJAY SPORTS INC.: Equitex Inc., a beneficial owner, bought 239,000 shares Aug. 20 to 27 for 81 1/4 cents per share. The sport accessory business is based in Delavan.

TX AMERITECH CORP.: Bruce B. Howat, an officer, sold 1,334 shares Aug. 28 for \$68.875 per share. The telecommunications firm is based in Chicago and owns Wisconsin Bell.

APPLIED POWER INC.: Robert T. Foote Jr., a vice president, sold 4,000 shares Aug. 7 to 21 for \$15.125 to \$16 per share. Theodore M. Lecher, a vice president, sold 7,000 shares Aug. 7 for \$15.75 to \$15.875 per share. The manufacturer is located in Butler.

FIRST BANK SYSTEM INC.: Philip G. Heasley, a vice president, sold 6,600 shares Aug. 7 for \$25.625 per share. Lyle E. Schroeder, a director, bought 500 shares Aug. 24 for \$23.75 per share. The regional bank holding company is based in Minneapolis and owns First Bank Milwaukee.

* GENERAL MOTORS CORP.: Walter G. Binns Jr., a vice president, sold 3,500 shares Aug. 21 for \$35.75 per share. John R. Castle Jr., officer of a subsidiary, sold 2,000 shares Aug. 28 for \$28.875 per share. Robert T. O'Connell, a vice president, sold 2,291 shares Aug. 21 for \$35.875 per share. The automaker is based in Detroit and has Wisconsin operations in Janesville and Oak Creek.

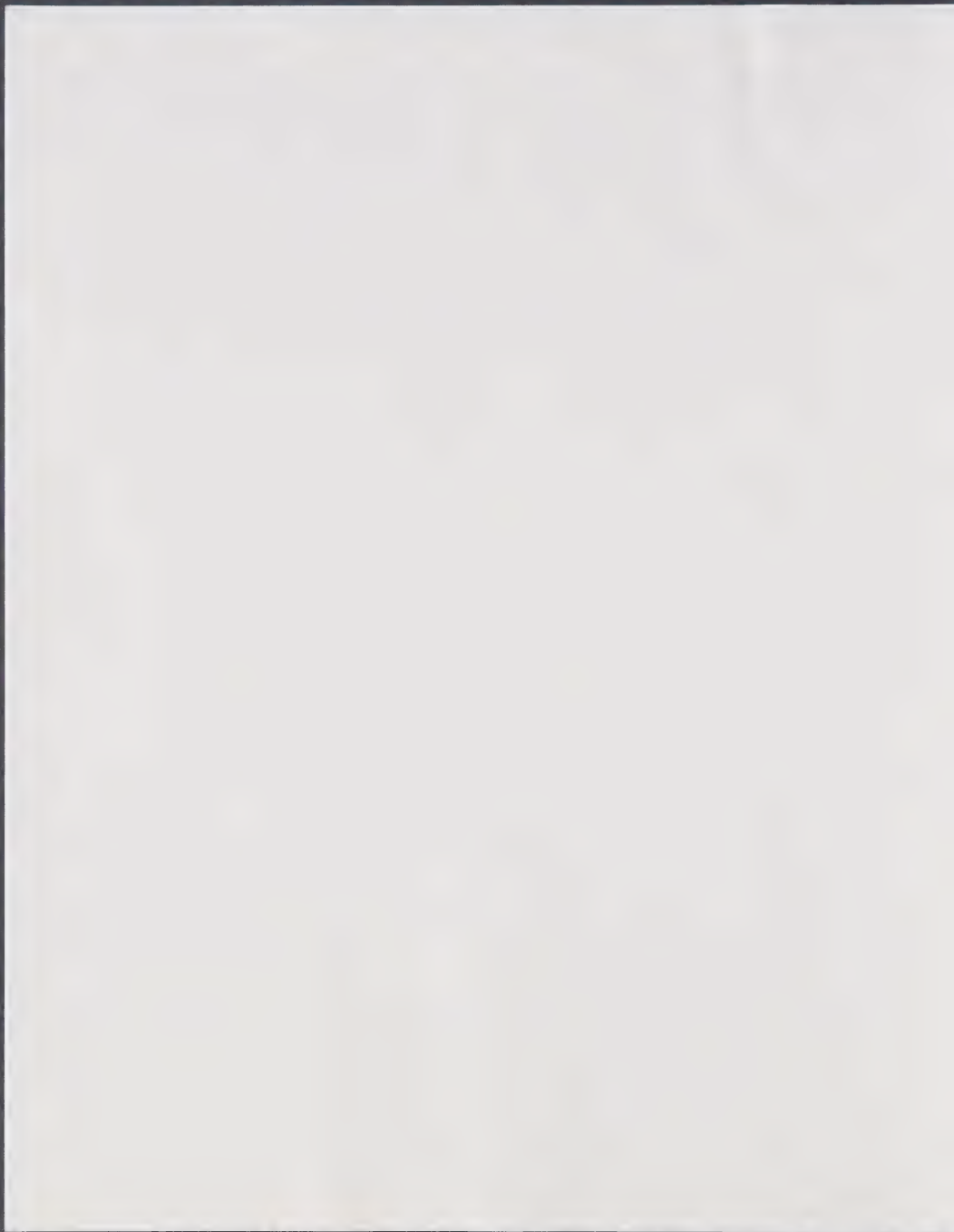
MARQUETTE ELECTRONICS INC.: David L. Ivers, a vice president, sold 32,000 shares Aug. 18 to 28 for \$16.25 to \$16.50 per share. The medical equipment manufacturer is based in Milwaukee.

* SIGMA-ALDRICH CORP.: Alfred R. Bader filed Form 144 with the SEC Sept. 14 saying he intended to sell 100,000 shares worth \$4,950,000. David R. Harvey, an officer and director, sold 7,000 shares Aug. 28 for \$48 per share. Sigma-Aldrich, St. Louis, is the parent of Milwaukee's Aldrich Chemical Co.

SMITHFIELD FOODS INC.: F. Johnson Faison Jr., a director, bought 148,000 shares Aug. 6 to 26 for \$15.6875 to \$16.50 per share. Smithfield owns Patrick Cudahy Inc., Cudahy, and is located in Smithfield, Va.

TEREX CORP.: Thomas M. Taylor, a beneficial owner, bought 20,000 shares Aug. 25 for \$8.375 per share. The capital goods maker is located in Green Bay.

UNIVERSAL FOODS CORP.: Paul L. Kohnstamm, a director, bought 500 shares Aug. 17 for \$28.875 per share. Frank J. Listi Jr., a divisional officer, sold 200 shares April 27 for \$31.875 per share. The diversified manufacturer is located in Milwaukee.



WICOR INC.: Robert A. Nuernberg, an officer, sold 2,500 shares, Aug. 26. for \$26.375 to \$26.625 per share. Stuart W. Tisdale, chairman, sold 3,193 shares Aug. 7 for \$24.6875 per share. The holding company is based in Milwaukee and owns the Wisconsin Gas Co.

INSIDER SELLER/BUYER RATIO: 1.9 to 1 for all filings the week of Oct. 5.

Information for Trading by Insiders is taken from the Insiders' Chronicle, Bethesda, Md., based on information reported to the SEC.

I0607 * END OF DOCUMENT.

DOCUMENT= 8

HL Property: Not the sale of the century WHITE ELEPHANTS Three victims of the slump have sold - at knockdown prices, finds Tom Rowland
Byline: TOM ROWLAND

DD 01/13/93

SO THE DAILY TELEGRAPH London (DTEL)

Page: 26

(Copyright 1993 The Daily Telegraph plc, London
& The Sunday Telegraph Limited, London)

LP THREE OF the most prominent - and in two cases notorious - white elephants that have been on the property market for months have suddenly sold, albeit at figures that are a fraction of the original asking prices.

The sales underline what we knew already - that the banks and lending institutions lost a staggering amount of money when the property boom turned sour. But as the bills come rolling in, the size of the overhang is something to behold.

TX Up to #60 million could easily have been written off on Point West, the uninspiring Sixties office block above the old west London air terminal in Cromwell Road, Kensington, which inspired a yuppie flats fiasco - they have never been finished. Last week's sale price is said to have been just over #1 million - for the entire scheme.

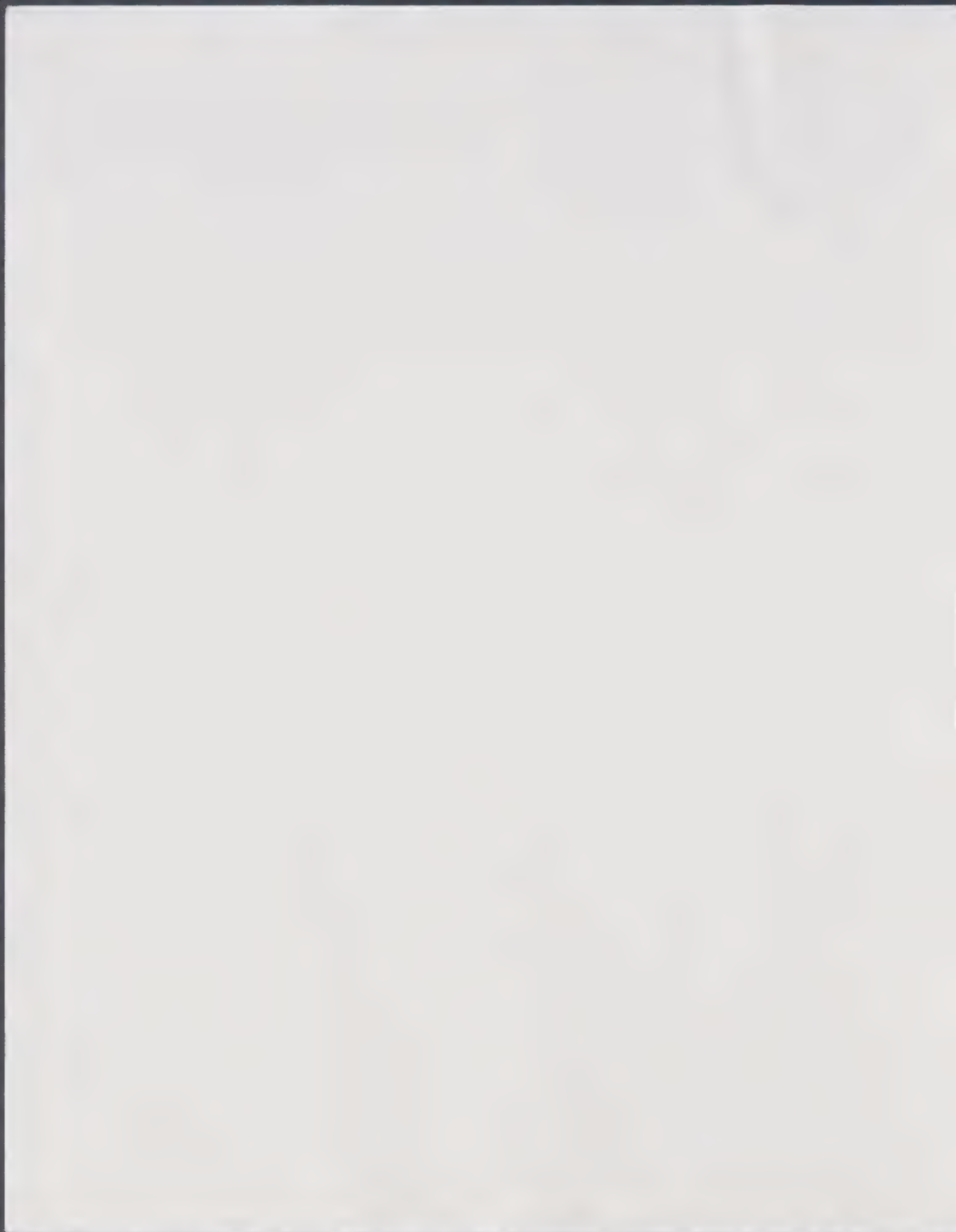
* Merchant bank Guinness Mahon could be up to #16 million in the red over Herstmonceux Castle, centrepiece of a phantom hotel farce in East Sussex.

Both of these were projects where, in theory, it was impossible to make a loss. All 400 flats at Point West were reserved in advance at overheated, top-of-the-market prices in 1987, while Herstmonceux was sold so cheaply (a shade over #8 million) that the Audit Commission roasted the Science and Engineering Research Council for incompetence. It should have netted at least #14 million, said the commission.

In both cases, the financial institutions lent to individuals who managed, against the odds, to blow the lot, both going bust for far more than the original advance as their companies became caught in the downturn.

Norwich Union had an estimated #50 million outstanding and Manufacturers Hanover were owed #122 million when young property tycoon Berish Berger's Land and Property Trust went up in the air, although it is not clear how much of this was secured on its centrepiece, Point West.

The idea of converting Point West into smart flats for the personal-organiser-owning classes caught the spirit of the moment.



All of the apartments were sold off-plan over a couple of frenetic weekends at prices that went up to #300,000 for modest two-bedroom units and much more for the prestige penthouses. It was the closest the British property scene ever got to the Klondyke. Many of the unfortunate buyers paid 20 per cent deposits and are still waiting - there was no completion date in their contracts. One buyer was said to have paid deposits on 17 of the flats.

Last week, unnamed buyers who say they propose to finish the scheme signed a secret purchase deal with the receiver. If accurate, the #1 million paid for the site represents the largest reduction ever seen on a residential block in Britain (other contenders have failed to complete to date).

A previous sale at an agreed price of #30 million collapsed in the summer of 1991 after the buyers pulled out at the last minute.

THE REASON for the dramatic fall over the past 18 months is that the contracts represent a poison pill. While, in theory, they are still enforceable and the buyers could be sued if they failed to come up with the rest of the cash they agreed to pay, there is a sporting chance that any new owner will himself be sued for the return of deposits. Changing the specification or layout is fraught with problems for the same reason.

At Herstmonceux, the original scandal was that the development company, fronted by Hastings builder Ian Tegg, could ask #17 million, having paid the Government less than half that figure months before for the building that had been home to the Royal Greenwich Observatory from 1948.

It turned to farce as the price was bid up by a series of offers. Tegg's company, James Developments, claims to have spent up to #20 million on Herstmonceux and at one stage turned down an offer of #30 million from a Japanese broadcasting company, only to discover that the rival bid for #35 million came from a bankrupt who had no money.

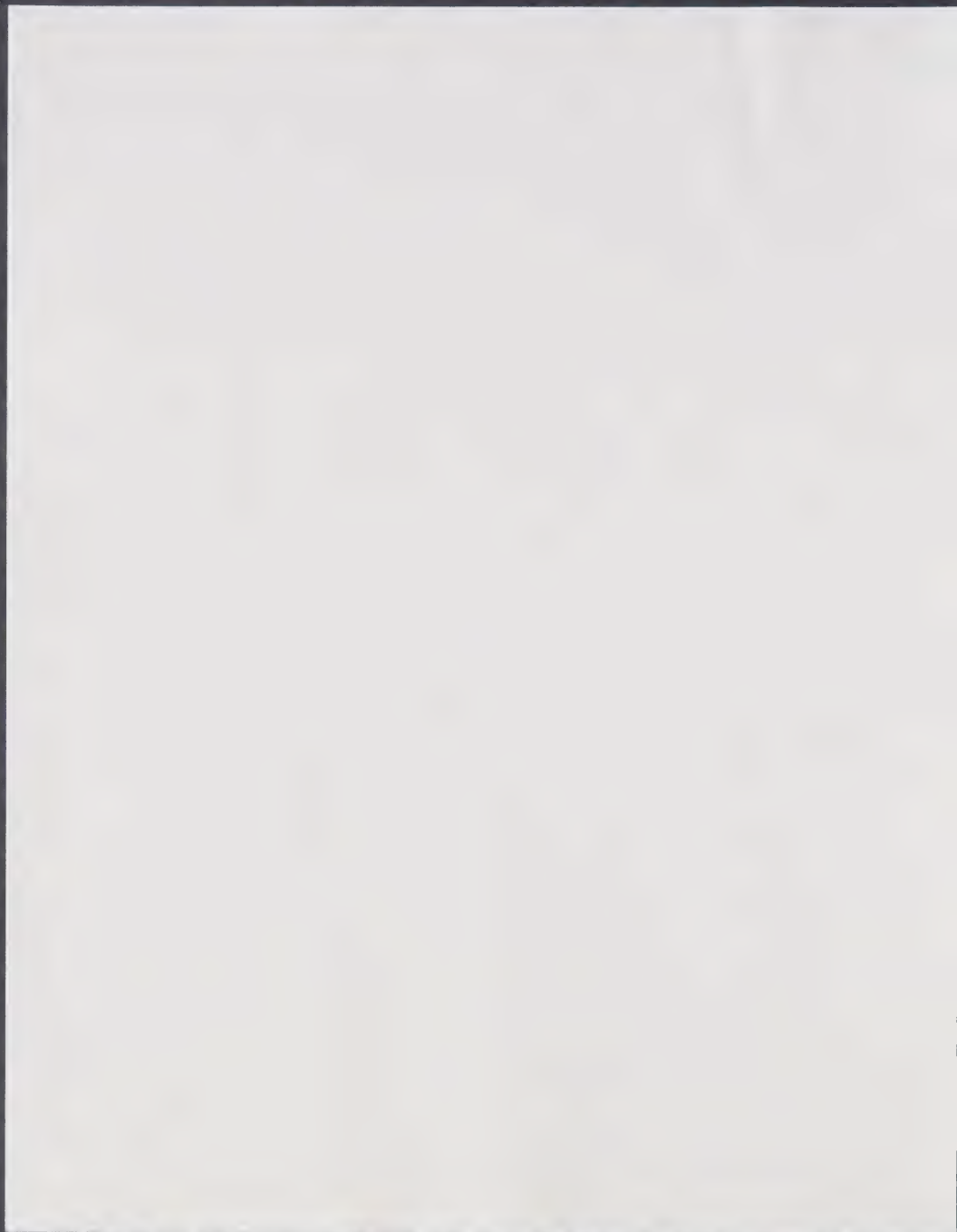
A later bid for a more modest #14 million came from an American businessman with an idea for a centre "to develop technology that will lead to human enlightenment". He disappeared without completing.

Guinness Mahon put James Developments into receivership and relunched the castle last year at a guide price of #5 million. It has now accepted an offer believed to be around #4 million from Queen's University in Canada. The purchase, which is conditional on planning permission, has been made possible through a bequest from Canadian chemicals magnate Dr Alfred Bader.

The third building in our trio has not cost the banks money, although the sale is hardly a victory for the public purse. The former Royal Navy hostel for officers in London's Queen's Gate Terrace, Furse House has been sold at a price thought to be about #3.8 million. Humberts acted for the MOD.

It is the sort of block that gave mid-Victorian town architecture a bad name: 90,000 sq ft of space spread over the equivalent of eight monolithic town houses, but capable of looking quite splendid if renovated with imagination.

MARK RIMELL of Humberts says there was no official guide price, although some of those bidding claim there were "indications" that #11 million plus would secure the place when it first came on the market. This is put forward as the reason no buyer came forward for months.



There is another anonymous new owner in this case. Five years ago, Furse House would have been a natural for a flat-conversion scheme - one can imagine the glossy brochure with pictures of famous officers who had stayed there.

Either that or it would have had a fortune invested to turn it into a period hotel - based, no doubt, on a re-creation of a gentlemen's club. But times have changed and the new owners plan to turn it into a hostel - very 1990s.

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DOCUMENT= 9

HL Rembrandt sells for #4.18 million
Byline: Georgina Adam

DD 07/09/92

SO THE DAILY TELEGRAPH London (DTEL)
Page: 18

(Copyright 1992 The Daily Telegraph plc, London
& The Sunday Telegraph Limited, London)

LP THE Earl of Rosebery's sole remaining Rembrandt, the 1633 portrait of the Hague preacher Johannes Uytenbogaert, made an unexpectedly high #4.18 million at Sotheby's yesterday, after it was pushed by four bidders well over its #3 million estimate.

* It was bought for Mr Alfred Bader a collector of Dutch and Flemish Old Masters, from Milwaukee.

TX The price was a triumph over some pre-sale scepticism that the picture was entirely by Rembrandt - despite a clean bill of health from the Rembrandt Research Project in Amsterdam.

While there was universal admiration in the saleroom for the painting of the sitter's face, with its deep-sunken moist eyes and an expression of infinite resignation, there was doubt that the incompetent painting of the hands could possibly be Rembrandt's own work.

* The painting hung for many years in Lord Rosebery's English country house, Mentmore, before being moved to Dalmeny Castle near Edinburgh.

Mr Bader also paid an eight-times estimate #209,000 for a newly-discovered Judith and Holofernes by G C Procaccini, the 16th century Bolognese master.

Less enthusiasm greeted the reappearance of David and Goliath by Guido Reni previously sold for #2.2 million in April 1985 and controversially cleaned since. It carried an optimistic estimate of #2 - 3 million but bidding stopped at #1.25 million.

But good news for Sotheby's came when Lucas Cranach the Elder's Female Personification of Justice, a female nude balancing the scales of justice, reached its low estimate of #385,000.

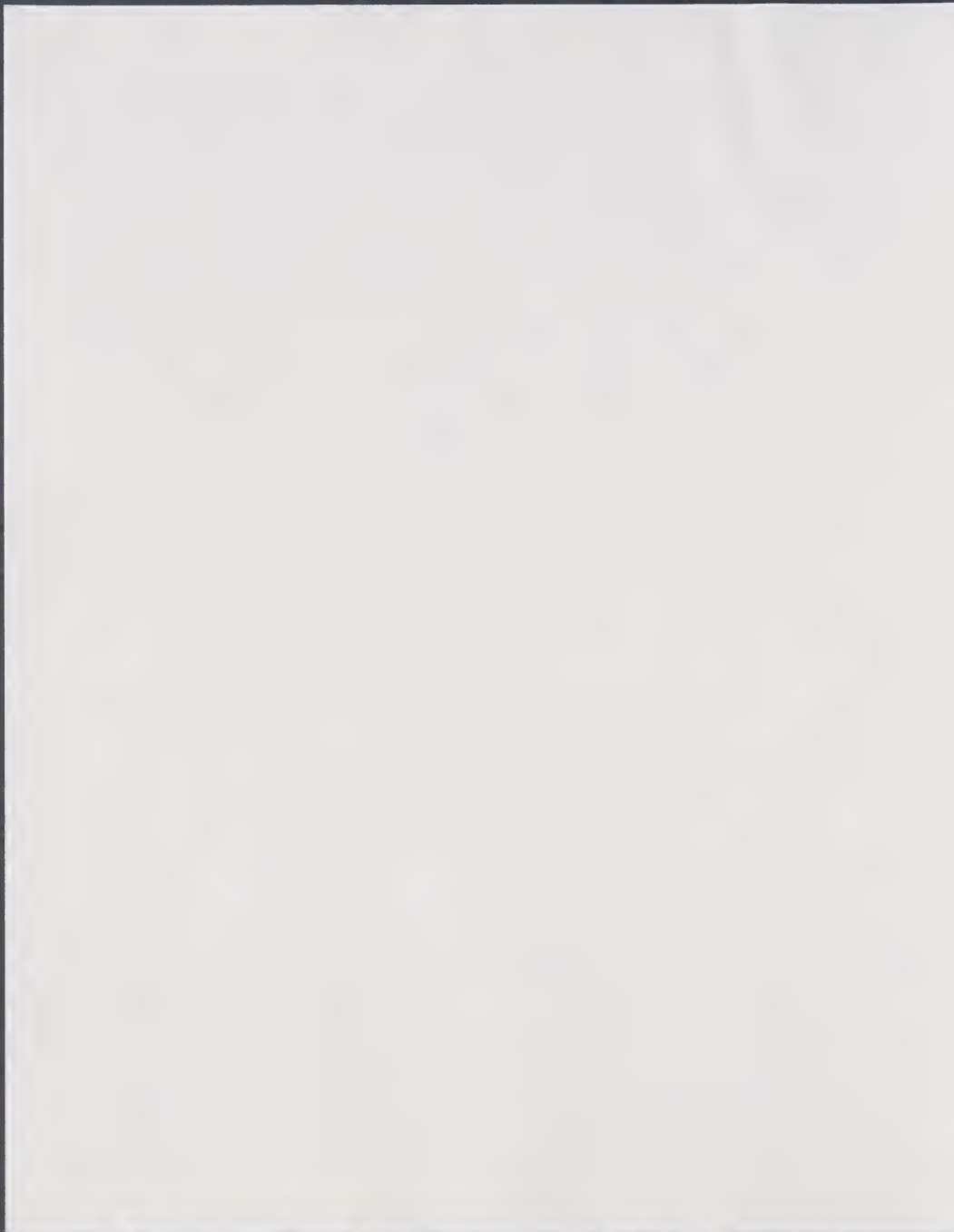
Italian dealers were active in the sale, boosting the total to #7,422,800 with 28.6 per cent unsold by value.

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PRESS (RETURN) TO START A NEW SEARCH.

TO REACH ANOTHER DATA BASE, TYPE TWO SLASHES (//) AND THE DATA-BASE NAME. EXAMPLE: //BUSINESS (RETURN).



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Wed Feb 17 10:31:34 1993

OR, TYPE //MENU (RETURN) FOR A DATA-BASE LIST.



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DOCUMENT= 1

HL MORNING REPORT
ART
Credit: Arts and entertainment reports from The Times,
national and international news services and the nation's press.
Byline: ALEENE MacMINN
DD 12/02/92
SO THE LOS ANGELES TIMES (LATM)
Edition: Home
Section: Calendar
Part: PART-F
Page: 2
Day: Wednesday
Desk: Entertainment
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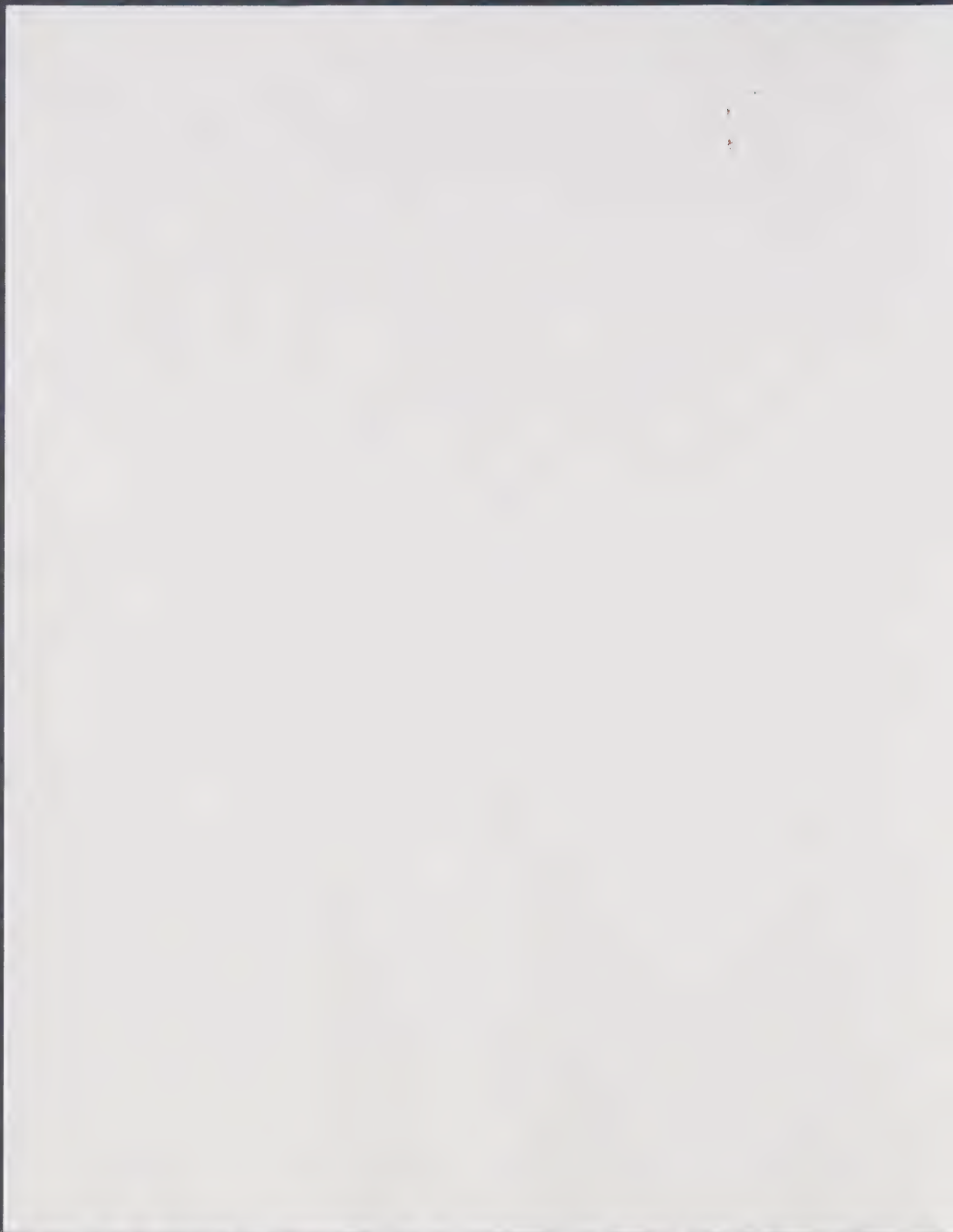
LP * Rembrandt Portrait: The Dutch Rijksmuseum has bought a historic
* portrait by Rembrandt from two American collectors for \$9.5
million, just months after they bought it for \$8 million. Signed by
the Dutch master and dated 1633, the portrait of preacher Johannes
* Uytenbogaert was purchased in July by Otto Naumann and Alfred
* Bader at an auction at Sotheby's in London. The Dutch museum, which
houses one of the largest collections of Rembrandts in the world,
didn't bid at the auction because it did not have sufficient funds.
Since then, it has been able to raise most of the asking price. The
Dutch state will guarantee the remainder. Uytenbogaert, who is
pictured standing next to a table on which lies an open Bible, was
the founder of the Remonstrant Brotherhood, a Dutch religious
movement. Before it was auctioned, the painting had been in the
family of Britain's Earl of Rosebery for more than 130 years.
Byline: ALEENE MacMINN
TX * @Art PHOTO: Rembrandt

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HL Corporate Critics Confidential
DD 01/11/93
SO THE WALL STREET TRANSCRIPT (TWST)
Volume: CXIX
Number: 02
(Copyright 1993)

LP -
BUYING OLD MASTER PAINTINGS
TX ON TODAY'S MARKET
by Richard H. Rush
(UY204/00) Some extremely interesting articles have appeared
recently describing a number of paintings that have sold at auction
at extremely substantial prices, from Impressionists on up. The
statistics and the reviews make us very happy, since for the past
30-odd years we have been identified with the art market. When it
is down, we feel depressed; and when it is up, we are delighted. In
the early part of the decade of the 1980s, things were so poor in
the market, including the auction houses, that we took a breather
from writing a weekly article. We felt the same way after the
collapse of the boom of the late 1980s.



In the 1989-1990 season Christie's sold Van Gogh's Portrait of Dr. Gachet for \$82,500,000. Two days later, Sotheby's sold Renoir's Au Moulin de la Galette for \$78,100,000 - to the same man, Japan's Mr. Saito. This certainly was a high point and shortly thereafter the auction houses started singing the blues. Only in the last few months has the art market, overall, turned ebullient, but only for the big ticket items, mainly the Impressionists and French Moderns.

There was certainly a recession (better described as a depression) for these mod schools after the 1989-1990 season. The articles that concentrate on these schools of art are interesting (1) because they emphasize the huge drop in prices and in demand for these paintings, and (2) because they show what appears to be a major turnaround in price from the recession.

The articles on these high-priced paintings are of general reader interest because they emphasize fantastic prices beyond the reach of almost everyone and they indicate what the big buyers and big sellers are doing.

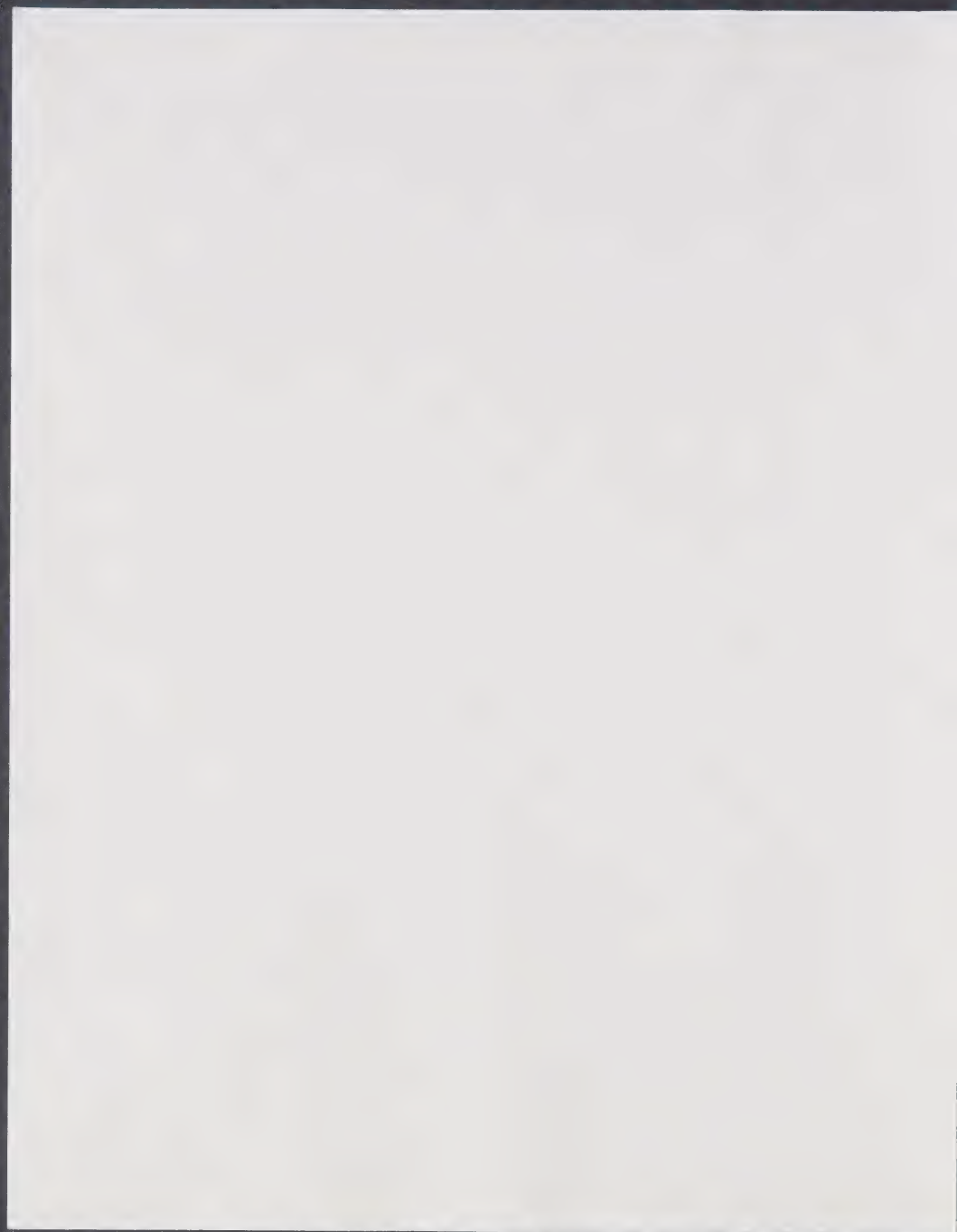
But to most investors, these schools of art mean little or nothing. The prices are beyond the reach of almost 100 of investors. The approximately 100 of investors could be interested only in far-less-expensive paintings.

The backbone of most great museums of the world is the group of paintings known as Old Masters, and these paintings were produced from the early Nineteenth Century on back. The best in Old Master paintings are the most expensive paintings in the world, but such expensive paintings are only theoretically expensive. What would a painting like Leonardo's Madonna of the Rocks bring on the market? * What would a major Vermeer bring? What would a Rembrandt like the Night Watch bring? The price would simply be the amount of money that any important buyer, including a major museum of the world, could rake together from all of the sources it could reach.

We went to London and discussed the appearance on the market of * a great painting, or at least a near great painting, Rembrandt's portrait of Johannes Uttenbogaert. Sotheby's had scheduled this portrait for sale last July 8. The estimate by the gallery was 3,000,000 pounds sterling - under \$6,000,000. We felt, at the time, this estimate was too low. At the same time, we felt that if this painting was passed by at \$6,000,000 then some major buyer was not on his toes. We said, in the June 29 Art/Antiques Investment Report:

* "On July 8, Sotheby's London will offer what they describe as a * 'Rembrandt masterpiece.' In these times you cannot sell a Rembrandt * without the official approval of the Rembrandt Research Project in Amsterdam. For the same painting without this approval a painting might bring \$10,000,000 - and these are my best estimates. In fact, * the Rembrandt Research Project almost goes into ecstasies about this portrait....as Sotheby's says, this is a masterpiece, and, in * my opinion, compares with those done later in Rembrandt's painting life. There was talk that the estimate might be 3,000,000 pounds sterling. I would say this estimate is far too low."

* To make a long story short, a collector, Alfred R. Bader, bought the portrait for \$8,050,000 and resold it to Amsterdam's * Rijksmuseum, for \$9,500,000, and this was the largest amount any * Dutch museum has spent on a Rembrandt. This was apparently over twice the annual purchase budget of the Rijksmuseum, which museum, * incidentally, owns Rembrandt's "Night Watch", as it is popularly * called - the most important and valuable of all of Rembrandt's



paintings. The museum has to scour around to get together this sum and was given some of the funds by the Government of Holland. The sales price was approximately my valuation of this painting.

WHAT CAN THE NOT-SO-WELL-HEELED INVESTOR BUY TODAY?

* Not a Rembrandt, obviously - but some Old Master of excellent quality. Two catalogues arrived express mail in the last few days, one from Christie's and one from Sotheby's catalogues of upcoming Old Master sales in New York.

One thing struck me about both catalogues: the estimated prices were low. Maybe they were reasonable, but to me they seemed low for almost every picture in both sales. Recently, buy backs have been very high, too high to sell many of the paintings. It is the job of the Old Master director in each gallery to try to get the estimates down to figures that will allow the paintings to be sold. Sometimes this job of the director is a hard one, since almost every seller thinks his painting is worth far more than the market thinks it is.

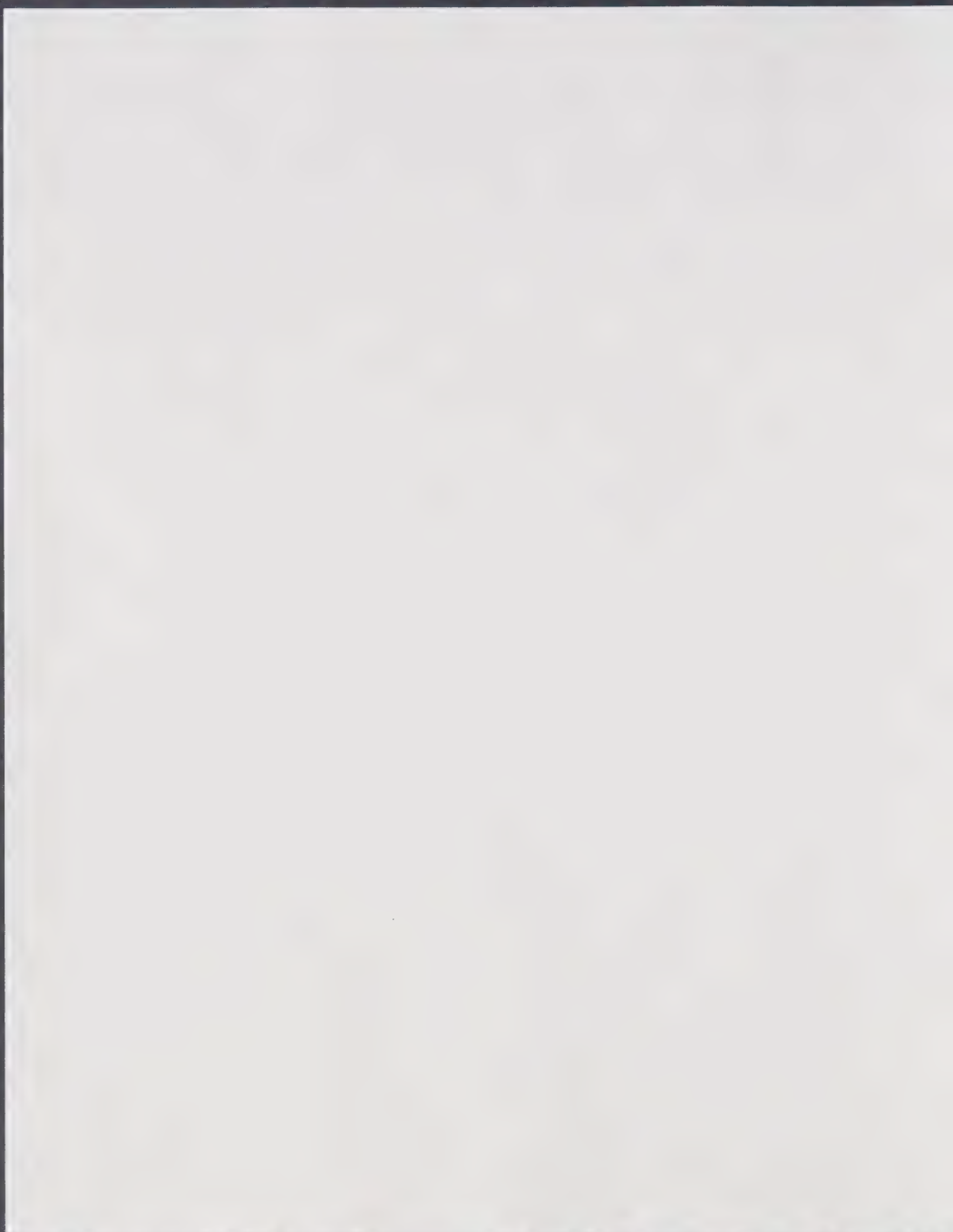
At any rate, these two sales represent what today's collector of Old Masters, operating on a medium size budget, can get. Of course, he may invest in paintings from many other schools of art, but what Old Masters have going for them from an investment point of view is that one can find first class paintings at reasonable prices, at least first class from an artistic point of view.

SOME GUIDELINES FOR BUYING AUCTION PAINTINGS

For investment I would not concentrate on certain paintings. The first category to raise a yellow flag as an investment is the "After" paintings, like "After Bellini", as one of the sales catalogues states. This is a category of copies, and unless one finds enjoyment from these paintings they might be passed by. They may have artistic value and they may be useful as decorations in the home, but they are doubtful investments.

"Manner of Giovanni Bellini" is a step above "After" paintings. It is in the style of the artist but done later. "Style of" means the painting was done at about the period of the artist but not necessarily by an artist working with the main artist - like Bellini. "Circle of" means the painting was probably done by a person closely associated with "Bellini" but not necessarily in his entourage or school. "Studio of" means that the artist who did the painting is not identified. Maybe it was done under the supervision and direction of "Bellini" "Attributed to" is a step up and toward the artist himself. Maybe the artist did the painting, but maybe not. In the case of many of these paintings some experts say Bellini did it and some say they don't think he did it. Some experts even give the painting to other artists like, say, "Giorgione." At any rate, each sales catalogue sets forth these categories for the inexpert buyer to read. In general, I have avoided all such paintings and have concentrated on only those paintings described in the catalogue as by "Giovanni Bellini" or "Sebastiano Ricci" or whoever.

I would point out that sometimes paintings are listed as by a particular artist,, but in fact the gallery may have made a mistake in its attribution. Old Master Director of Christies's, Ian Kennedy, once asked me what I thought of a Mattia Bortoloni they were offering for sale as BY Mattia Bortoloni. I replied that I did not think it was by Mattia Bortoloni, since at the time we had the largest collection of Mattia Bortolonis in the world -- 114 frescoes in our villa in Italv. On the platform at the sale. Ian



would indicate to prospective buyers that he did not think this painting was actually by Bortoloni.

All of which brings us to the procedure to follow if we intend to bid on paintings in the upcoming Old Master auctions - or any other auctions. A prospective buyer should always talk to the Old Master director about any painting in which he is interested. He should ask:

Is the painting 100 by the artist, in your opinion?

Is this a good work by the artist or a mediocre work? In London I was considering buying a Toulouse-Lautrec for my friend and next door neighbor, Dance King Arthur Murray. John Marion, Chairman of Sotheby's, was standing along side of me at the viewing. When I expressed an interest in buying the painting he commented, "You have been buying very high quality paintings for Arthur Murray. I don't know if the purchase of this painting would fit in with your other paintings." I passed the Toulouse by.

Is it a painting of limited appeal? The Massacre of the Innocents has limited appeal and is not a good painting to hang in one's living room. We have one such scene and it hangs out of the way in a corner. Many classical scenes and religious scenes, particularly by Italian artists, are of "rough" subjects like the Head of John the Baptist.

Is the painting out of line with a person's religion, like Christ at the Column? Good, maybe, but not acceptable from a religious point of view.

What is the condition of the painting? In the same time I was buying Impressionists and French Moderns for Arther Murray I found a magnificent Renoir "Fete de Pan" at Christie's in London. I took a magnifying glass out of my pocket and examined the painting. It had a line on both sides of the painting from top to bottom. I called Christopher Burge, President of Christie's, on the phone to ask him why. He replied, "If you will examine farther you will see the line is across the top and across the bottom too. The painting long ago was folded over the stretcher and thus made smaller. We have returned it to its original size."

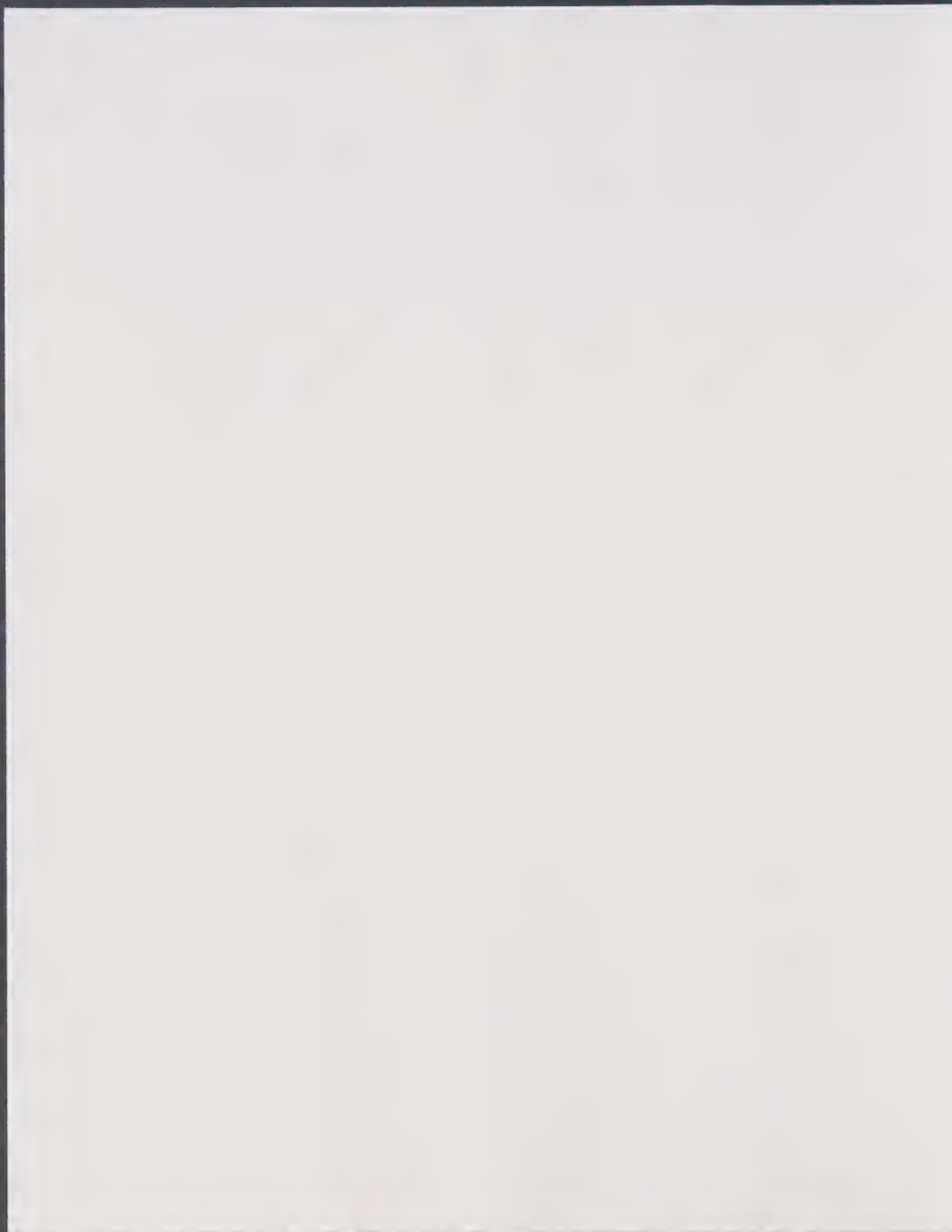
This folding diminished the value of the painting and I was able to purchase it for a sum that I felt was low. Today the painting, even in this low market, is worth at least five times what I paid for it in 1975.

If at all possible, use an ultra violet light on a painting in which you have an interest. You would be surprised the repaired damages that will show up! My wife did get permission to use an ultra violet light on the Corots hanging in the Louvre in connection with a legal case.

You have to know something about the artist and his paintings to see who is important in the market and who is less important - and who is least important. Try to concentrate on those artists that the market wants and will pay for, like Canaletto and Guardi - if anyone can afford these very large sums that they always go for.

Get values and price trends from a number of sources. We regularly buy and use Leonard's Annual Price Index of Art Auctions put out by Susan Theran, 30 Valentine Park, Newton, Mass. 02165.

To buy paintings intelligently as an investment you must know your subject matter, and you get to know it by reading up on Old Masters, or whatever the school of art is in which you are interested, visiting auctions and dealers, visiting museums and



reading authoritative works on the subject like Bernt's "Dutch Painters of the Seventeenth Century."

Above all, look at what you intend to bid on. Talk to the Old Master Director about the paintings in which you have an interest. If at all possible talk to dealers who are looking over the paintings at the same time you are. They know the condition of paintings very well, and a poor condition painting is not a good investment. They also know the history of many of the paintings offered. Many are often "dealer paintings" that dealers cannot move and want to get rid of because they have been in stock too long. These are not the best buys. Private paintings never before on the market are often very much wanted by both dealers and collectors.

CHRISTIE'S OLD MASTER SALE OF JAN. 14, 1993

In some painting sales at the auction houses I would not be interested in a single painting as an investment. I would point out, however, that in most auctions my wife and I visit for the purpose of reporting on the market we have our hands up bidding on something, whether a painting, an antique, a piece of Georgian silver, a case of vintage wine or a set of Venetian glassware - among other things. Usually we do not get what we bid on, but sometimes we do. When we moved all the things we had bought to our homes in Florida from our storage in New York - to two houses that were completely furnished - the weight of the shipment down to Florida came to 19,000 pounds. Did we buy too much? For furnishing our houses, yes, but for investment, no.

We simply indicate the paintings that interest us, mainly from a quality and investment point of view, and we are not recommending that any readers put in any bids simply because these paintings are of interest to us.

In the Christie's sale, 28 paintings out of the total of 499 offered would interest us.

Lot 1 is a pair of church interiors by the Seventeenth Century Dutch artist, Isaac van Nিকেle, 121/2 by 101/2, good, decorative and estimated fairly low at \$10,000 - \$15,000.

Lot 3 is a fine landscape by Christian Georg Schutz, dated 1775. The estimate of this 183/4 by 237/8 painting is \$12,000 - \$18,000. The point is that this landscape is a good and attractive one.

Lot 4 is a splendid portrait of the artist by Jacques-Francois Delyen, 1684-1761, 36 by 281/2 inches, estimated at a fair \$25,000 - \$35,000. This is quality painting but not by the most prominent master.

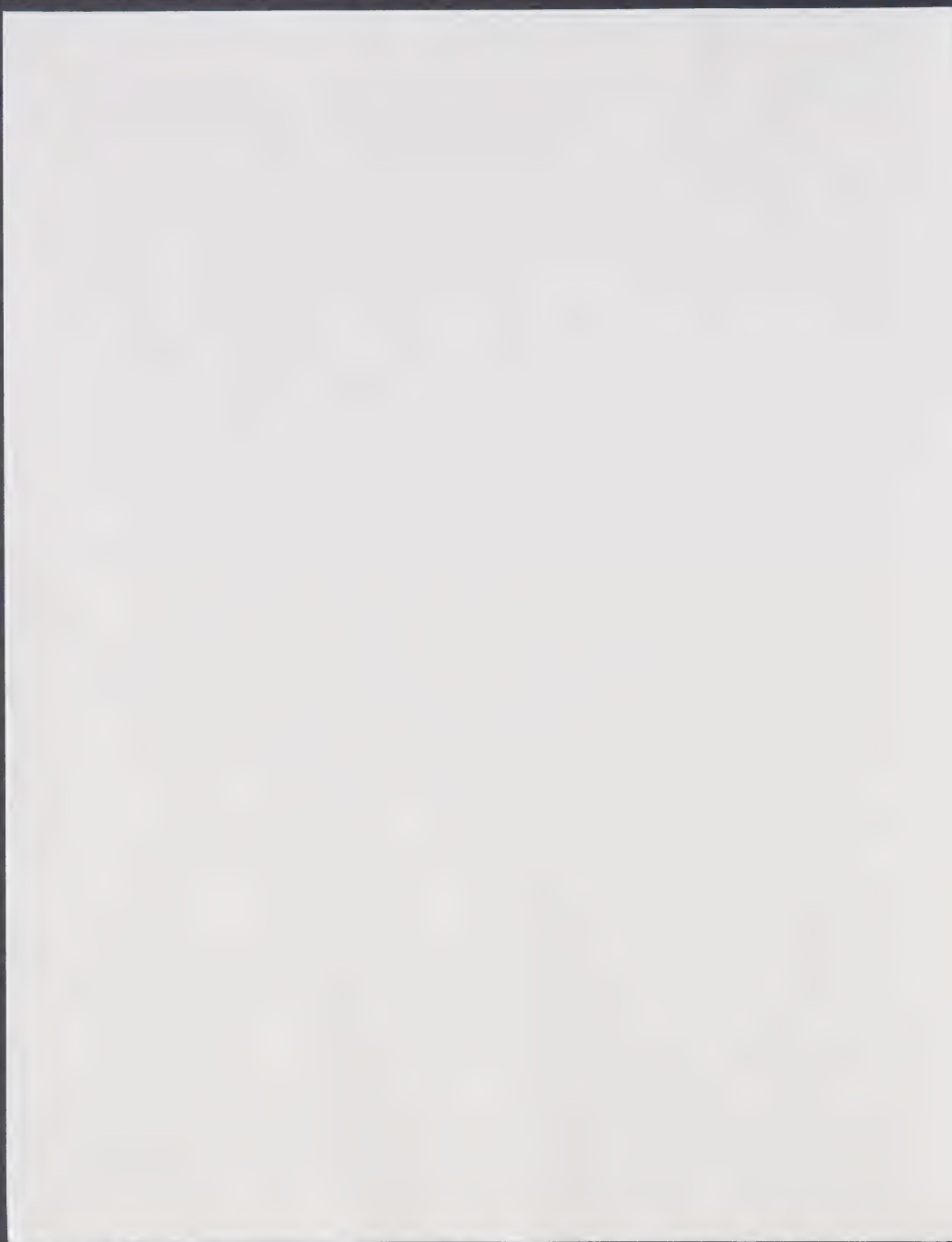
Guardi is a big name in art and in the market. Lot 6 is a view of Venice by this most prominent Eighteenth Century painter of Venetian scenes. It is 103/4 by 133/4 and is estimated at a low \$30,000 - \$40,000.

Flower pictures are always in demand and are highly decorative. Lot 9 is a Verelst (1644 - early Eighteenth Century) - mixed flowers and colorful, 30 by 251/4, estimated at \$20,000 - \$30,000.

Lot 12 is estimated at a fair \$6,000 - \$8,000, a Cornelis Matthieu (1637 - 1656), 371/2 by 531/2. It is a very good landscape.

Lot 25 is by a big name church interior painter of Seventeenth Century Holland. This is a good example of his work, 103/4 by 155/8, estimated at a fair \$12,000 - \$18,000, a Neefs.

Lot 33 is an important name Baroque Italian portrait of a lady by Carlone (1590 - 1630). It measures 261/4 by 195/8. The estimate is a fair \$10,000 - \$15,000.



Lot 44 is by an important name Dutch Seventeenth Century artist - Nicolas Maes, 421/2 by 351/2. The portrait is of a man and the estimate is a fair \$10,000 - \$15,000. It would be better if the sitter had been a woman or child, but then the estimate would be much higher.

Lot 46 is by a big name Seventeenth Century Dutch artist - Jan van der Heyden. It is small - 12 by 167/8 - and the subject is a village landscape. The estimate is \$30,000 - \$50,000. When you get to van der Heyden you are getting to museum quality paintings.

Lot 71 is a top notch portrait of a lady by the Eighteenth Century British portraitist, George Romney. The portrait is a standard size 25 by 30, and the estimate is \$15,000 - \$20,000. The portrait could well hang in a museum.

Lot 86 is a portrait of a man by the important Seventeenth Century Dutch artist, Gerard Honthorst, 291/2 by 231/4. The estimate is \$10,000 - \$15,000.

Lot 101A is a big name French artist, Chardin (1699 - 1779). The subject is the usual still life in an interior, 157/8 by 121/2, not large. All experts agree that this painting is by Chardin. The estimate is \$50,000 - \$70,000, not high for the artist.

Lot 105 is of museum quality and by the so-called Master of the Naumburg Madonna, active in Florence, Italy 1485 - 1510. The subject is the Holy Family, St. John and an angel. It is circular and 40 inches in diameter. The estimate is \$50,000 - \$70,000. If you can't buy a Botticelli like this, then buy this one: It can hang in a museum and was authenticated by the eminent scholar Everett Fahy.

Lot 112 is by an eminent artist of Italy, Ghisolfi (1623 - 1683), a landscape with soldiers looting a tomb, 31 by 47, and estimated at a low \$30,000 - \$40,000.

Lot 131 is by a very big name museum quality Spanish artist, Jusepe de Ribera (1588 - 1656), St. Jerome, 691/2 by 51, a painting that could well be bought by a museum and the estimate is \$70,000 - \$100,000 - not high by any means.

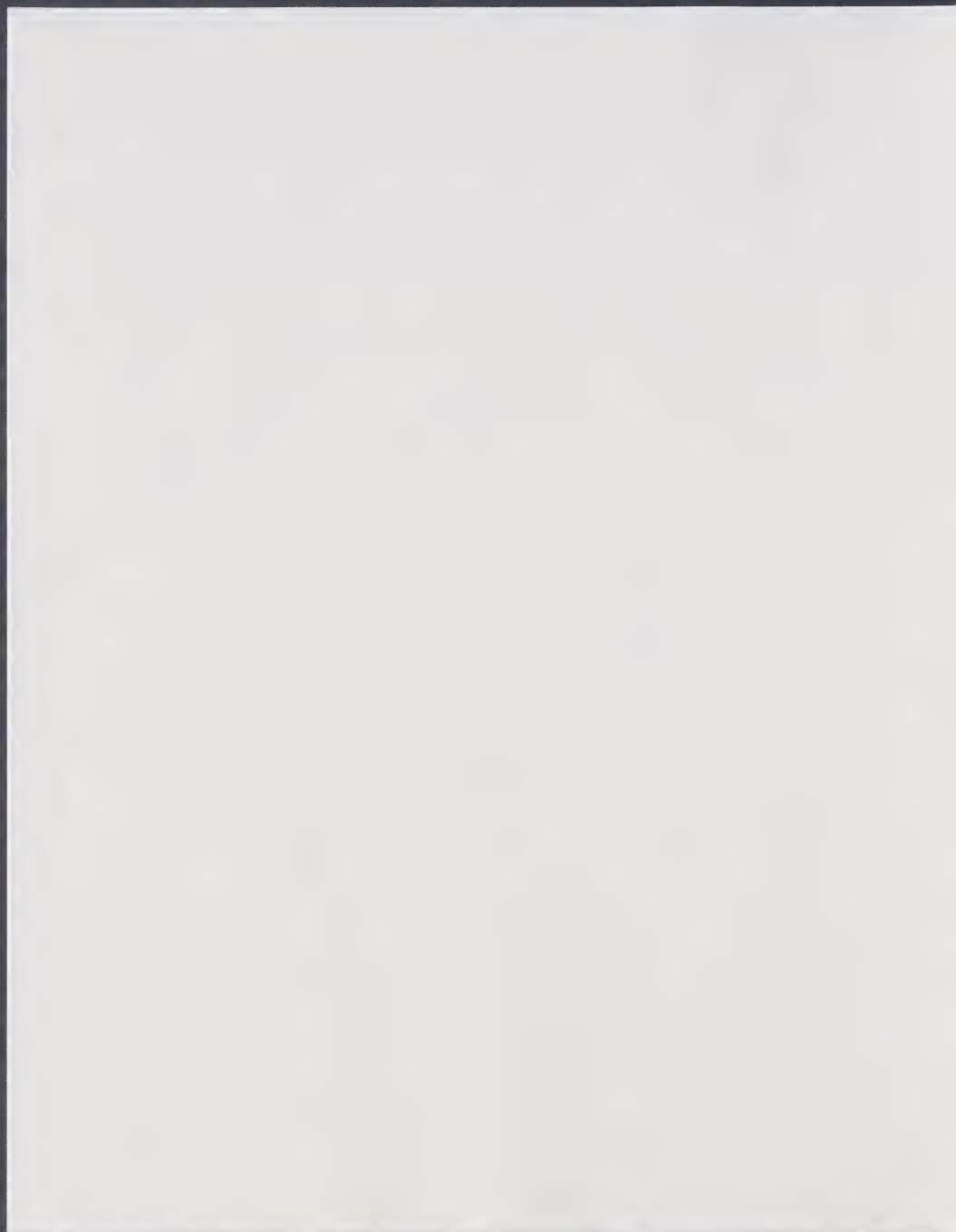
Lot 164 is by the eminent Mattia Preti (1613 - 1699), The Feast of Absalem, 46 by 661/2, a big painting estimated at \$50,000 - \$70,000. The painting is a little dark, otherwise fine.

SOTHEBY'S OLD MASTER SALE OF JANUARY 15

This sale has in it several paintings that are possible museum acquisitions. First, Lot 106 is a Pieter deHoogh, a prime name artist of Seventeenth Century Holland. The work is a typical interior scene with two musicians playing, one a girl well dressed. It measures 26 by 231/4, a convenient size for the home. The estimate seems to be low at \$60,000 - \$80,000. The only thing I have against this painting is that there are no modern attributions on the work. It is, however, in the 1980 book of P. Sutton with illustration.

Lot 68 is another museum quality painting, this one by Albertinelli, 1474 - 1515 of the Holy Family, 33 7/7 inch tondo (circular painting). The estimate is what seems to be a low \$60,000 - \$80,000. The drawing and the colors are outstanding. Frederickson and Zerl attribute this painting, top authorities.

Lot 69 is another very important artist - Biagio d'Antonio (1445 - 1510), Madonna and Child Enthroned with Still Life of Flowers, 361/2 by 221/2, estimated at \$80,000 - \$90,000 - not high. It was authenticated by Everett Fahy and looks like museum quality.



Lot 71 is of similar top quality by a top notch artist, Ridolfo di Ghirlandaio (1503 - 1577). The subject is Virgin and Child with Infant St. John the Baptist, 37 1/2 by 30, estimated at \$60,000 - \$80,000. The colors are splendid and the drawing fine, and a museum might buy this painting.

Lot 158 is a Madonna and Child Enthroned, 58 1/2 by 25 1/2, by Girolami da Treviso the Elder (1450 - 1496?). The estimate is a fair \$20,000 - \$30,000. This painting goes along with the other Italian paintings in this sale that we have pointed out.

Lot 284 is a typical Rotari (1707 - 1762), a side view of a young girl, 17 by 13, estimated at \$5,000 - \$7,000, an estimate that seems low to me for a typical Rotari.

Lot 259 is one of that large group of paintings that we have cautioned about, the "Attributed to" paintings, not certainly by the artist himself. This painting is Attributed to Sir Anthony van Dyck (1599 - 1641), an attractive portrait of a couple, 47 1/4 by 60 5/8, an important size for any portrait of a prominent artist of the period. In the first place the eminent Julius Held states that the painting is by van Dyck. So do - Erik Larsen, W. R. Valentiner, the Detroit Institute of Arts and Gustav Glueck. With an estimate of \$10,000 - \$15,000 this looks like the best "gamble" that the painting is a genuine van Dyck. I will be very much surprised if it sells within this price range.

In this sale there are 47 paintings. I might bid on out of a total of 285, a very large number of good paintings, at least in my opinion. Lot 10 is a thoroughly attributed Bonifazio Veronese of the Holy Family, saints and an angel, 40 1/2 by 59 5/8. It is colorful and well done. The estimate is \$60,000 - \$80,000, certainly not high for this well done painting by a big name museum artist.

For little money one might look at a Nicholas Maes, Seventeenth Century Dutch portrait of a young man, 17 3/8 by 12 5/8. The subject is a good one and the estimate is a low \$6,000 - \$8,000.

Lot 87 is by the important artist, Jan Brueghel The Younger (1601 - 1678), a typical and good flower picture with an elaborate gilt vase, 18 1/2 by 13 3/4. The estimate is very reasonable at \$60,000 - \$80,000.

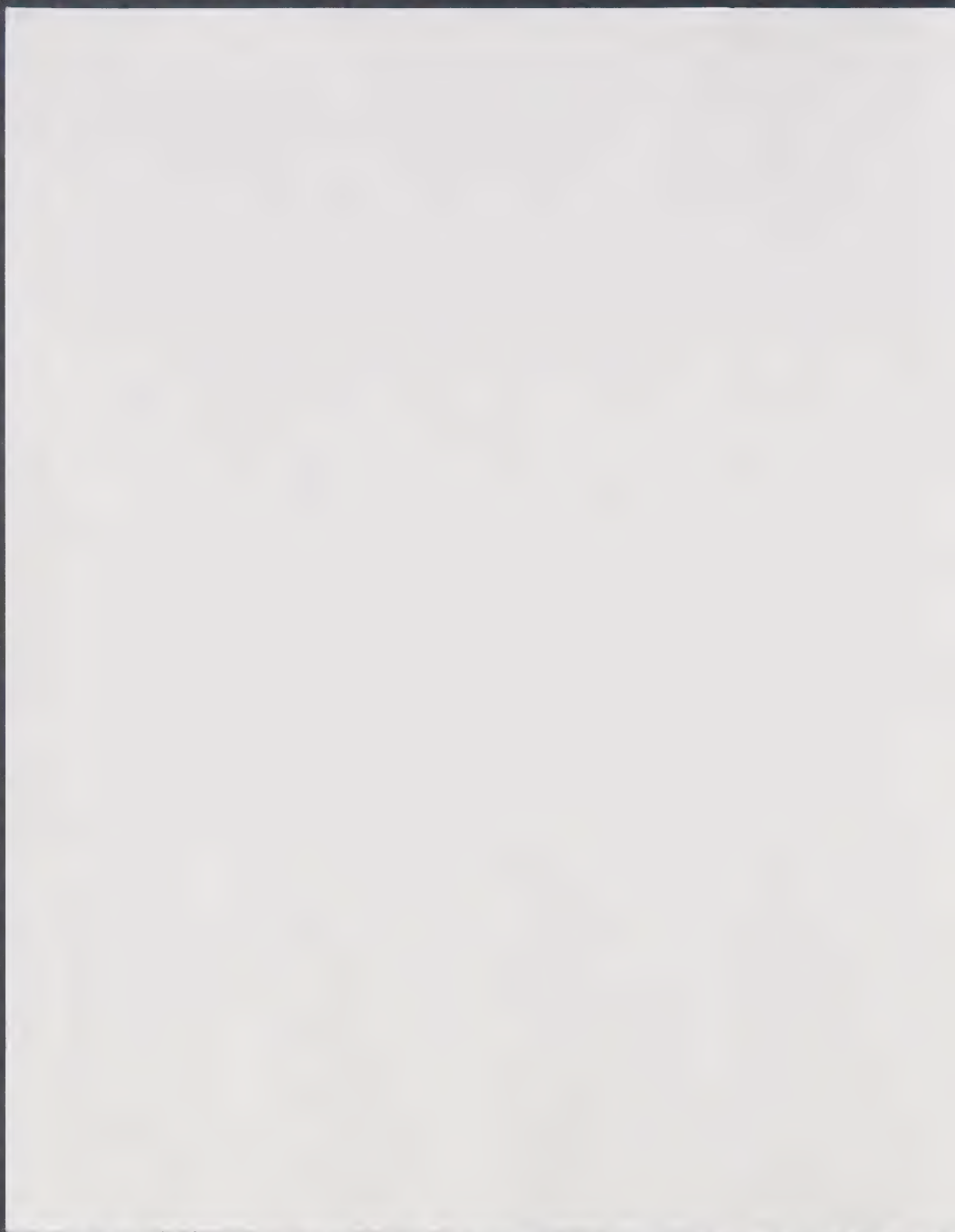
Lot 113 is by the prominent Dutch artist of the Seventeenth Century, Gabriel Metsu, of a maid washing clothes, 9 1/2 by 8 1/4, a small painting, but finely done with an estimate of \$70,000 - \$90,000.

One reasonably estimated, but good, painting is Lot 208, Francesco Mancini (1679 - 1758), Madonna and Child, 20 1/2 by 16 1/2, estimated at \$4,000 - \$6,000, certainly not a high estimate, and the quality of the painting is good.

We might end up with the very much wanted flower picture by Gaspar Verbruggen the Elder (1635 - 1681), 19 1/4 by 15 1/2, Lot 247. There is a profusion of flowers in an urn and the artist is well known and well thought of in the Seventeenth Century Dutch art market. The estimate is a very reasonable \$12,000 - \$16,000.

BUY NOW? OR WAIT?

There has certainly been no depression in Old Master paintings, certainly in this quality group of paintings in this lower price range. Would it pay to buy now for investment or to wait a while and see if the market goes down? I don't think the market is going down. and for this grade and price range of Old Master paintings I



see a good possibility that the price will go up.

To repeat, and I have repeated several times: Buy nothing that you have not seen or that you have not had an expert see. The main trouble is condition, and you may find a "magnificent" painting that is mostly restoration of parts that are damaged and gone. If the great collector Charles Wrightsman could make this mistake, so can you or anybody else who has not examined what he plans to purchase - and examined it minutely.

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HL * A Rembrandt going home to Rijksmuseum

Byline: James Auer

Credit: Milwaukee Journal

DD 12/21/92

SO STAR TRIBUNE: NEWSPAPER OF THE TWIN CITIES Mpls.-St. Paul (MSP)

Edition: METRO

Section: VARIETY

Page: 08E

(Copyright 1992)

LP * A 360-year-old Rembrandt portrait purchased in July for \$7.94 million by a Milwaukee, Wis., collector and dealer has been sold, at "a modest profit," to the Rijksmuseum, an Amsterdam museum noted for its collection of 17th-century Dutch paintings.

* Alfred Bader confirmed by telephone from London that the 50- by 40-inch work, completed by Rembrandt van Rijn in 1632, would be going to the Rijksmuseum because "this is where it belongs."

TX Bader, until recently chairman emeritus of Sigma-Aldridge Chemical Corp., was the successful bidder for the work, a likeness of the noted Dutch churchman Johannes Uytenbogaert, at a sale of old master paintings held at Sotheby's in London.

At that time, he said that the painting, uncleaned for the previous 130 years, was "incredibly inexpensive." It had been in the estate of an English nobleman, the Earl of Rosebery, and was being offered for sale for the first time in this century.

The Rijksmuseum did not bid on the work at Sotheby's auction because "museums can't decide that quickly," Bader said.

The subject of the painting, Bader noted, was a major Protestant figure of the Remonstrant movement, one of several religious groups formed in Holland during the 17th century that stressed man's free will against Calvinistic predestination. The Remonstrant community, still strong in Amsterdam, was anxious that the painting remain in the Netherlands as the property of the Rijksmuseum.

Distributed by Scripps Howard News Service

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HL ARTS More praise for the ASO

Byline: From our news services

DD 12/03/92

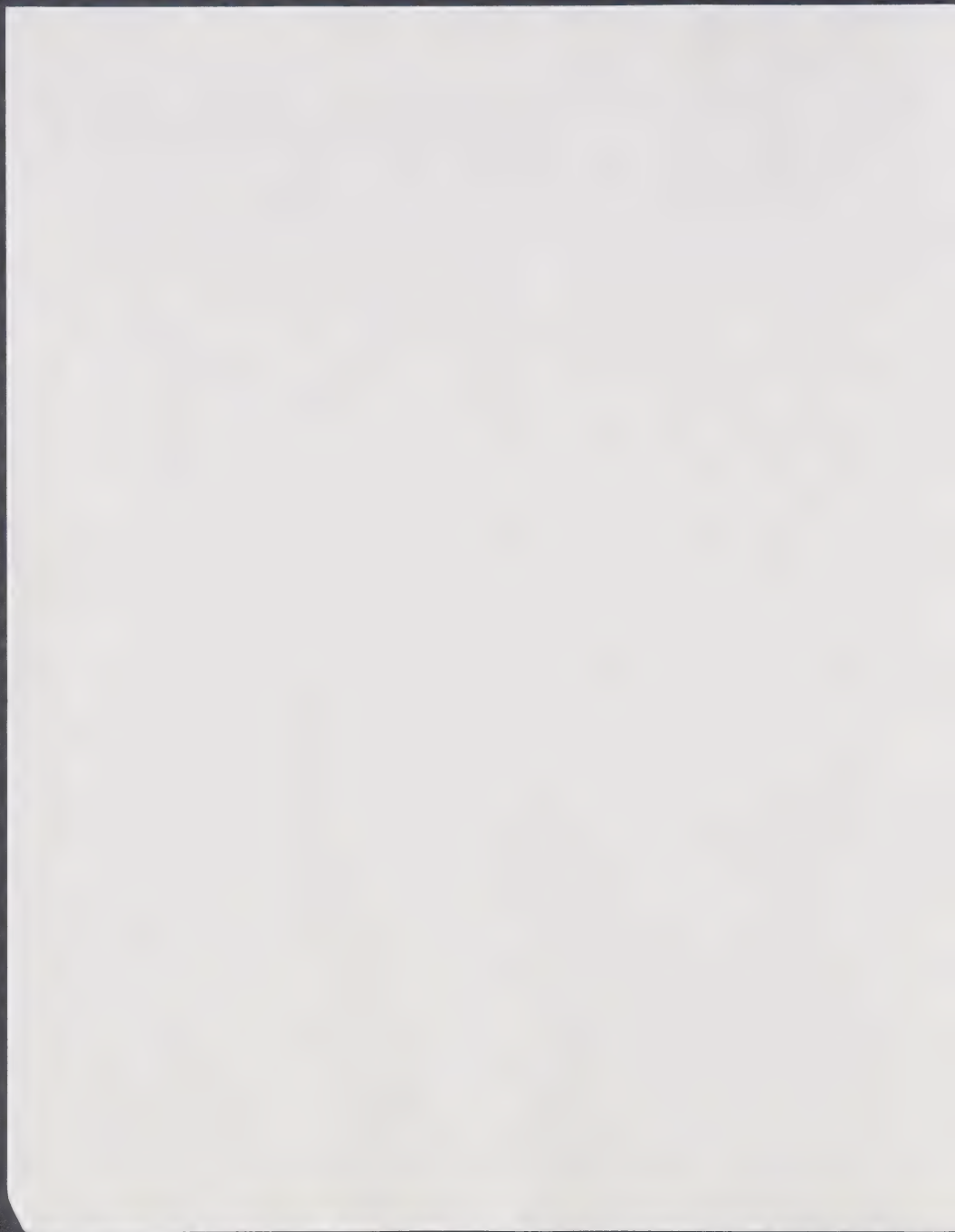
SO ATLANTA JOURNAL AND CONSTITUTION (ATJC)

Section: LIVING

Page: E/3

(Copyright 1992 The Atlanta Journal-Constitution)

LP Chalk up one more conquest for the Atlanta Svmphony Orchestra.



The ASO and music director Yoel Levi debuted Tuesday before a sold-out house at the elegant new Kravis Center for the Performing Arts in West Palm Beach, Fla., garnering two curtain calls and a rave notice in the Palm Beach Post.

TX

Reporting on the Beethoven program (Seventh Symphony, "Consecration of the House" Overture and Third Piano Concerto with Misha Dichter as soloist), Post music critic Charles Passy wrote:

"The ensemble is a highly polished one, with an exquisite sense of balance among the sections. But what gives the group its special sparkle is the care and dignity it brings to the music, especially under music director Yoel Levi's trustworthy hands. . . . Next time the Atlantans come to Palm Beach County, they may even want to play sans soloist. An orchestra of this caliber can clearly stand on its own two feet."

ART DEPRESSION: Eight works by French artist Paul Cezanne fetched \$16.3 milli on at a sale of impressionist and modern art at Christie's in New York. Christie's had estimated they would command \$19.6 million. The market has slumped since a speculative boom ended in 1989. Christie's sold Cezanne's still life "Pommes et Serviette" (Apples and Napkin) in 1989 for \$17 million, which remains the auction record for his work.

* BREAKING EVEN: Milwaukee art collector Alfred Bader bought a
* Rembrandt last summer for \$8 million, but thought the Dutch artist's hometown museum should have it. He sold "Portrait of Johannes Uytenbogaert" to the Rijksmuseum in Amsterdam this week for the same price.

"THINKER" TRAVELS: Auguste Rodin's famed sculpture "The Thinker" will leave France for the first time next year, to be the centerpiece in a retrospective of the artist's work in China. The sculpture of a nude, seated man, chin in hand, sits in the gardens of Paris's Rodin Museum.

"The Thinker" will be part of a Rodin exhibit of 113 drawings, photographs and sculptures, including "Adele's Torso" and "The Kiss," which will run in Beijing from Feb. 15 to March 14 and in Shanghai from March 27 to April 18. It also will go to Hong Kong and Taipei, Taiwan.

A BUCK RUNS THROUGH IT: Robert Redford's hit "A River Runs Through It" is generating some profitable tie-ins. Among other things, his mail-order Sundance Catalogue is offering "A River Runs Through It" T-shirt (\$25) and a knife (\$210) that reads, "In our family there was no clear line between religion and fly-fishing."

BIG 'BEAST': More than 14.2 million videos of Disney's "Beauty and the Beast" have been sold since it was released Oct. 28, making it the top-selling home video of all time, Disney officials said Wednesday. The previous record of 13.5 million was set last year by Disney's "Fantasia."

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HL * U.S. COLLECTOR SELLS REMBRANDT TO DUTCH

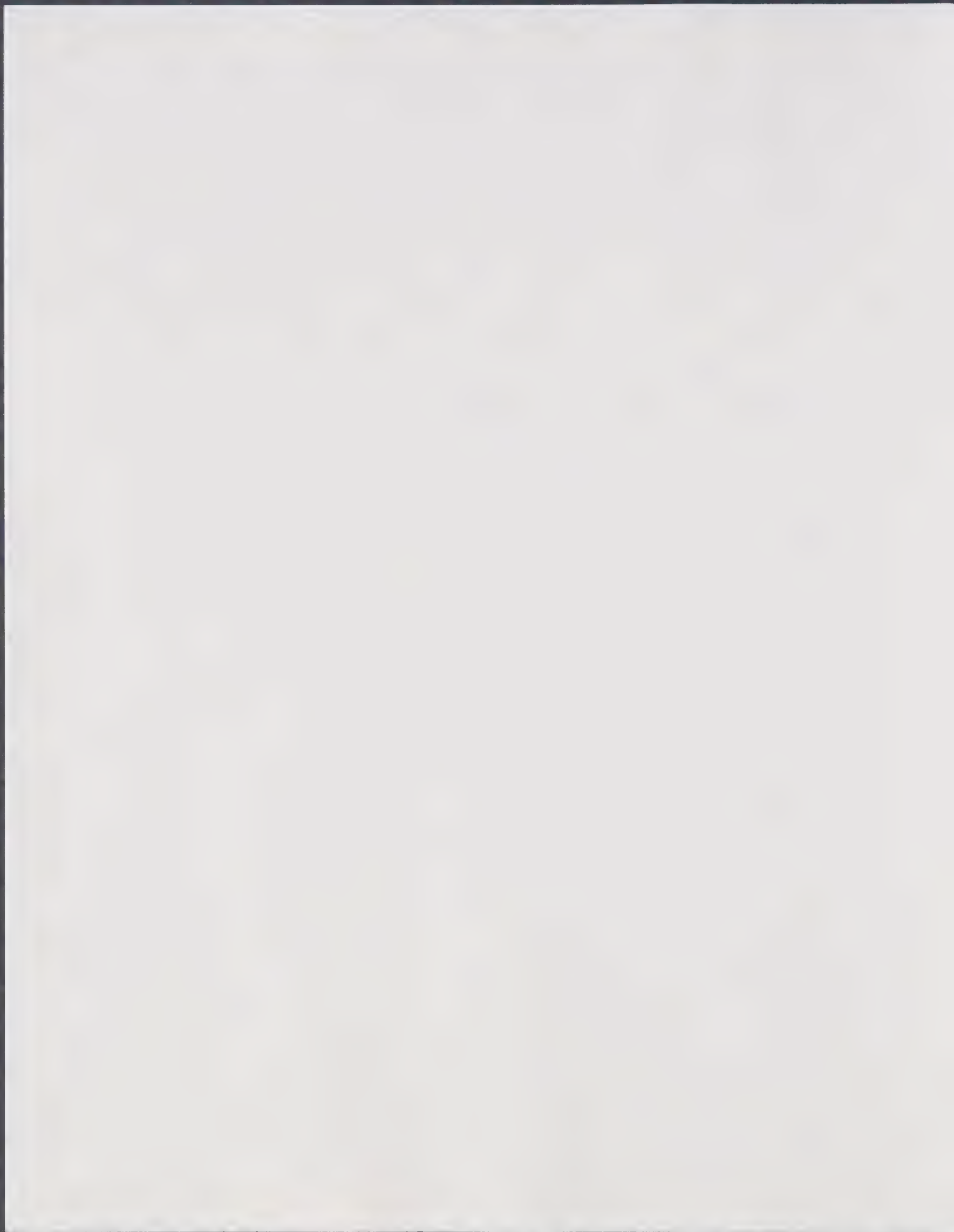
Byline: ASSOCIATED PRESS

DD 12/04/92

SO THE PLAIN DEALER CLEVELAND, OHIO (CLEV)

Edition: FINAL/ SPORTS FINAL

Section: ARTS & LIVING



Page: 10C
(Copyright 1992)

LP * American art collector Alfred Bader bought a Rembrandt last summer, but thought the artist's hometown museum should have it instead.

He sold "Portrait of Johannes Uytenbogaert" to Amsterdam's Rijksmuseum this week for the same price he paid six months ago at a Sotheby's auction in London, museum spokesman Frans van der Avert said Wednesday.

TX "He felt very strongly it should be displayed here," Van der Avert said.

The Rijksmuseum already has 18 Rembrandts, one of the world's finest collections of the 17th-century master's work.

The museum paid Bader, a millionaire from Milwaukee, Wis., \$9.5 million - more than any Dutch institution has ever spent on a

* Rembrandt.

Bader's winning auction bid was \$8 million, but transport costs and auctioneer's fees meant he made no profit on the resale, Van der Avert said.

Van der Avert said the 1633 painting was important because it is "a portrait of one of the leading spiritual figures of the time by the leading artist of the time."

Uytenbogaert was the founder of the Remonstrant Brotherhood, a religious movement.

The painting, owned by the Rothschild banking family for more than 130 years, will be displayed until February before being withdrawn for restoration and reframing.

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HL * Museum pays \$9.5 million for a Rembrandt
Credit: REUTER

DD 12/02/92

SO SAN FRANCISCO EXAMINER (SFEX)
Edition: FOURTH
Section: STYLE
Page: C-4
Origin: AMSTERDAM
(Copyright 1992)

LP * AMSTERDAM - The Rijksmuseum said Tuesday it bought a historic portrait by the Dutch master Rembrandt from two American collectors for \$9.5 million, just months after they had bought it at auction for \$8 million.

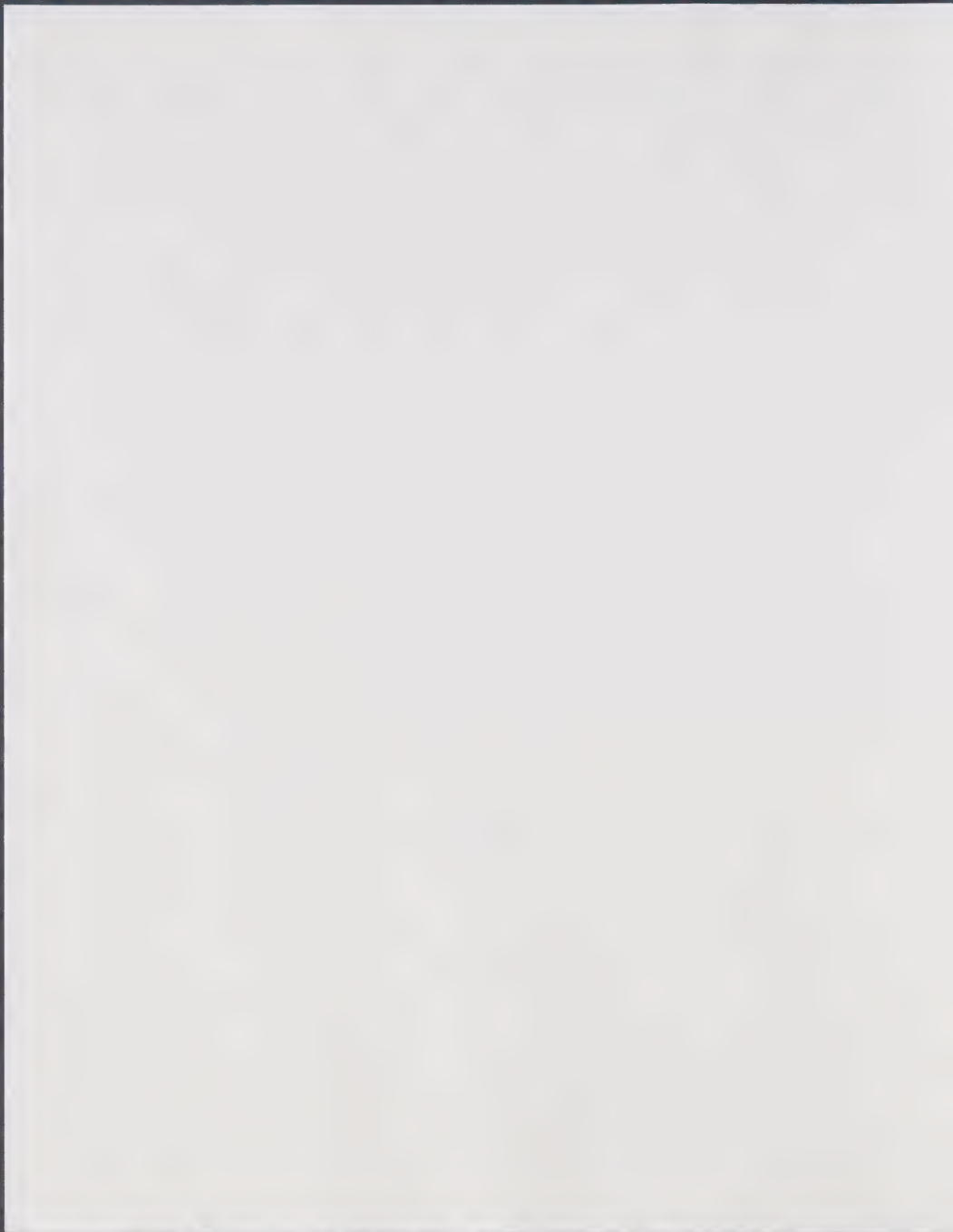
The museum, which houses one of the largest collections of

* Rembrandt's work in the world, said the portrait of preacher Johannes Uytenbogaert would join the famous "Nightwatch" as one of its most important Rembrandts.

TX Dated 1633, the portrait was bought by Otto Naumann and Alfred Bader in July at an auction at Sotheby's in London for \$8 million - nearly double the auctioneer's estimate.

The Dutch museum did not bid at the auction because it did not have sufficient funds, but since negotiations with Naumann and Bader began three months ago, it has succeeded in raising most of the asking price, the spokesman said.

I0607 * END OF DOCUMENT.



DOCUMENT= 7

HL * Rembrandt sold to Dutch museum
 Byline: JAMES AUER Journal art critic
 DD 12/02/92
 SO The Milwaukee Journal (MLWK)
 Section: NEWS
 Page: 1
 (Copyright 1992)

LP * A 360-year-old Rembrandt portrait purchased in July for \$7.94
 * million by Milwaukee collector/dealer Alfred Bader has been sold, at "a modest profit," to the Rijksmuseum, an Amsterdam museum noted for its collection of 17th-century Dutch paintings.

Bader confirmed by telephone from London late Tuesday that
 * the 50-by-40-inch work, completed by Rembrandt van Rijn in 1632, would be going to the Rijksmuseum because "this is where it belongs."

TX Bader, until recently chairman emeritus of Sigma-Aldridge Chemical Corp., was the successful bidder for the work, a likeness of the noted Dutch churchman Johannes Uytenbogaert, at a sale of old master paintings held at Sotheby's in London.

At that time, he told The Journal that the painting, uncleaned for the previous 130 years, was "incredibly inexpensive." It had been in the estate of an English nobleman, the Earl of Rosebery, and was being offered for sale for the first time in this century.

"The Rijksmuseum came to us immediately after the sale," Bader said Tuesday. "There were other museums interested, in the US and Europe, but the Rijksmuseum put on a strong case, arguing that it belonged there."

The subject of the painting, Bader noted, was a major Protestant figure of the Remonstrant movement, one of several religious groups formed in Holland during the 17th century that stressed man's free will against Calvinistic predestination. The Remonstrant community, still strong in Amsterdam, was anxious that the painting remain in the Netherlands as the property of the Rijksmuseum.

Bader refused to name a specific purchase price, saying that that was the prerogative of the Rijksmuseum's management. He said, however, that the margin of profit was "modest," and that the picture would be cleaned and conserved under Rijksmuseum auspices.

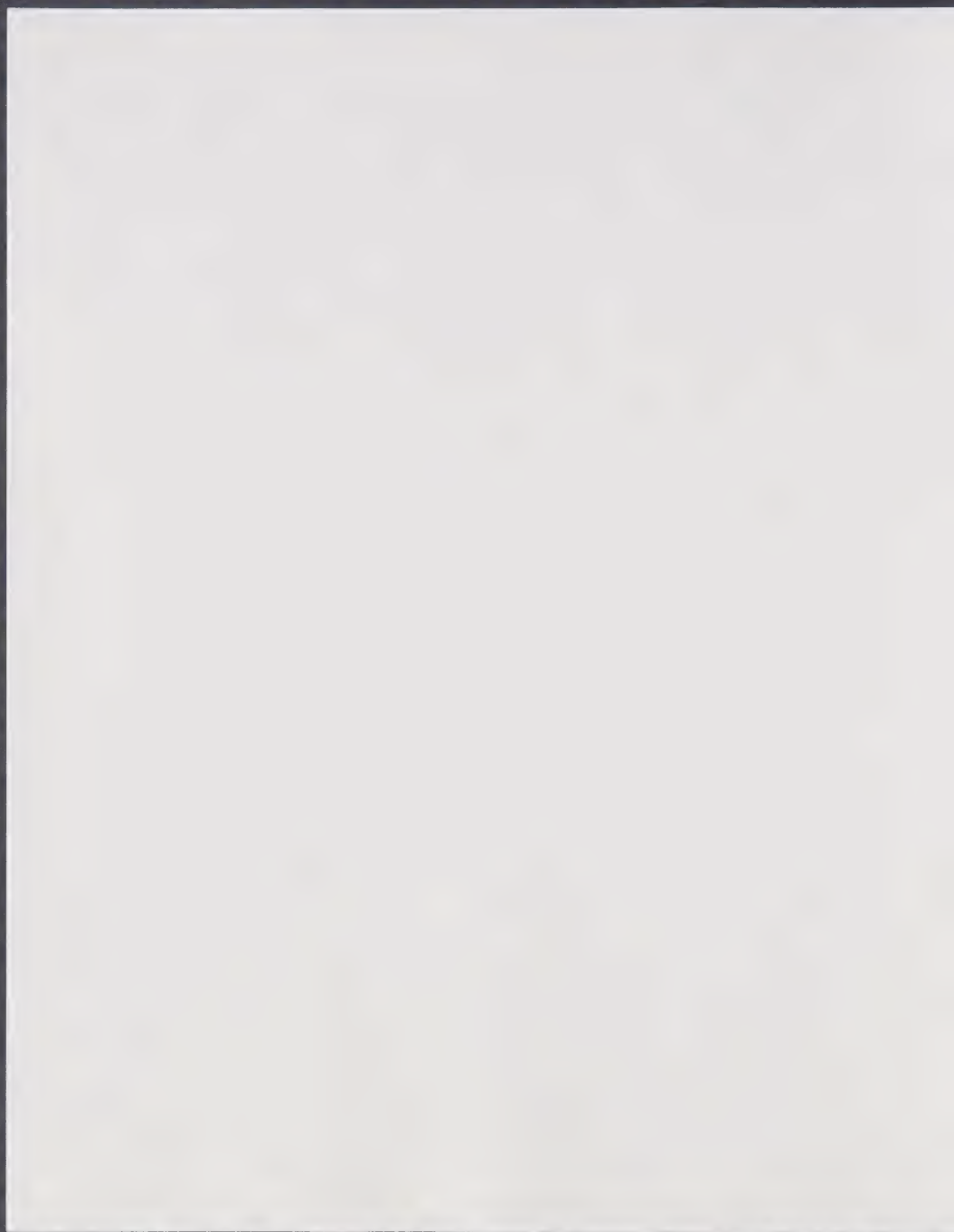
"I feel so happy," Bader said. "It is such a feather in
 * our caps to have sold a major Rembrandt from a Milwaukee art dealer to the Rijksmuseum."

* Price was never an issue, said Bader, whose firm, Alfred Bader Fine Arts, occupies a suite in the Astor Hotel on Milwaukee's East Side. There were no negotiations in a formal sense. The principal question was the most appropriate home for the painting.

One reason for the speed of the sale, Bader suggested, was that the picture's provenance is well known. It has been examined and declared authentic by the Rembrandt Research Project, and the subject himself, in his diary, wrote: "Today I was painted
 * by Rembrandt."
 * by Rembrandt."

The Milwaukee Art Museum was not among the US and European institutions expressing an interest in paying \$8 million-plus for the portrait, Bader said. He declined to identify other prospective buyers.

The Rijksmuseum did not bid on the work at Sotheby's auction



last summer because "museums can't decide that quickly," Bader said. It was, however, interested in acquiring the work from the moment its availability was announced by the auction house.

- * From the outset, Bader had made it clear that he purchased the Rembrandt for resale.
- Bader

I0607 * END OF DOCUMENT.

DOCUMENT= 8

HL * Rembrandt Portrait Sold for \$9.5 Million
 Credit: Reuters
 DD 12/02/92
 SO THE SAN FRANCISCO CHRONICLE (SFC)
 Edition: FINAL
 Section: DAILY DATEBOOK
 Page: D3
 Origin: Amsterdam
 (Copyright 1992)

LP

- * The Dutch Rijksmuseum said yesterday it bought a historic portrait by the Dutch master Rembrandt from two American collectors for \$9.5 million, just months after they had bought it at auction for \$8 million.

TX

- * The museum, which houses one of the largest collections of Rembrandt's work in the world, said the portrait of preacher Johannes Uytenbogaert would join the famous "Nightwatch" as one of its most important Rembrandts.

- * Signed by the artist and dated 1633, the portrait was bought by Otto Naumann and Alfred Bader in July at an auction at Sotheby's in London for \$8 million -- nearly double the auctioneer's estimate.

The Dutch museum did not bid at the auction because it did not have sufficient funds, but since negotiations with Naumann and Bader began three months ago it has succeeded in raising most of the asking price, the spokesman said.

The Dutch state will guarantee the remainder, though the museum expects to raise this itself.

Uytenbogaert, who is pictured standing next to an open Bible on a table, was the founder of the Remonstrant Brotherhood, a key Dutch religious movement.

The painting had been in the family of Britain's Earl of Rosebery for more than 130 years.

- * The world-record price for a Rembrandt was set at Sotheby's in December 1986 when a portrait of a girl wearing a gold-trimmed cloak sold for \$11 million.

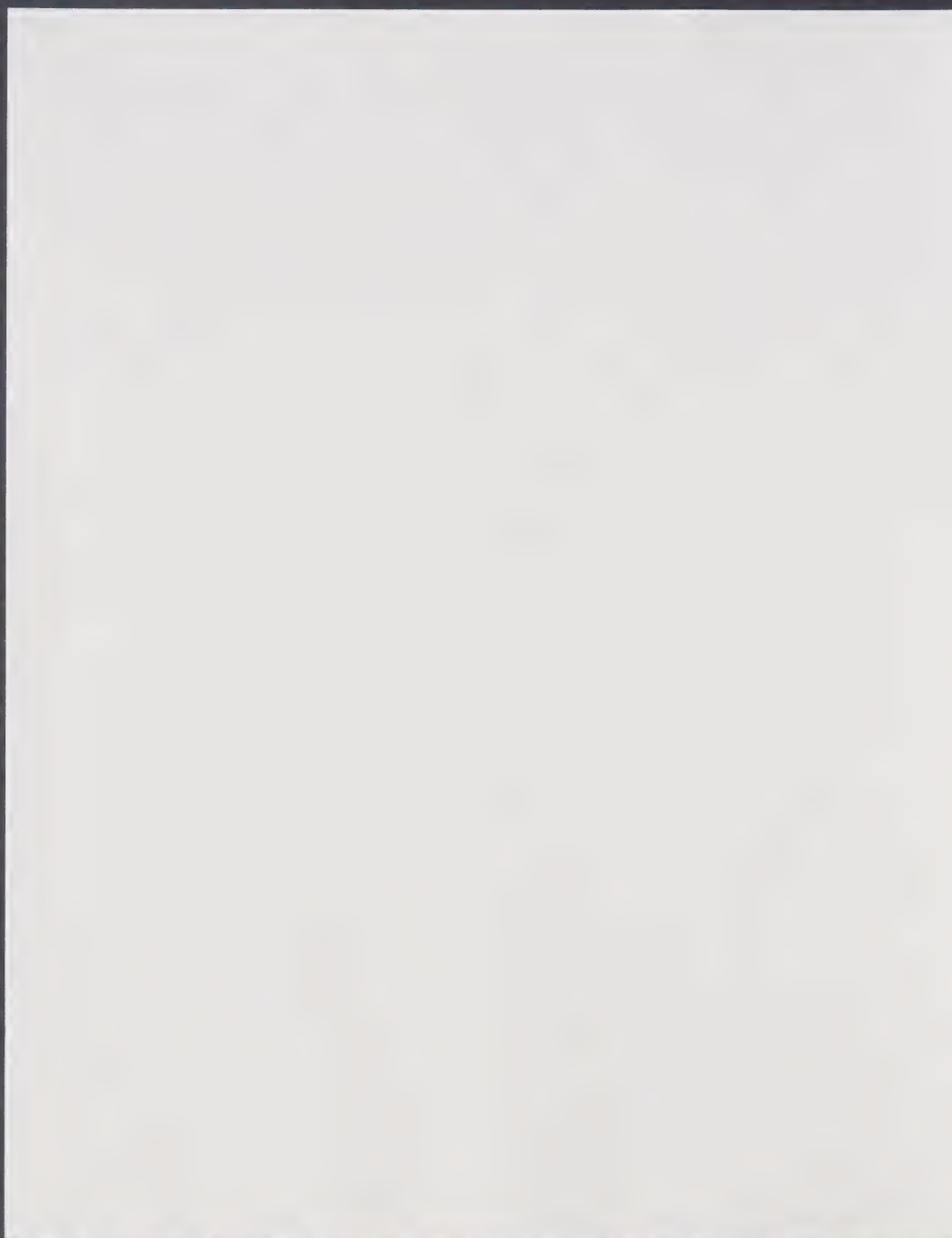
@Art: PHOTO

- * @Art Caption: Rembrandt's painting of Johannes Uytenbogaert has spiritual meaning in Amsterdam, where it was bought for \$9.5 million / BY REUTERS

I0607 * END OF DOCUMENT.

DOCUMENT= 9

HL * Rembrandt turns a quick profit
 Column: IN BRIEF
 DD 12/02/92
 SO Montreal Gazette (GAZ)
 Edition: FINAL
 Section: ENTERTAINMENT: SHOW



Page: B4/BREAK
 Category: COLUMN
 Origin: AMSTERDAM
 (Copyright The Gazette)

LP * --- Rembrandt turns a quick profit ---
 * AMSTERDAM - The Dutch Rijksmuseum said yesterday it bought a historic portrait by the Dutch master Rembrandt from two U.S. collectors for \$12.6 million Canadian, just months after they had bought it at auction for \$10.2 million.

TX * The museum, which houses one of the largest collections of Rembrandt's work, said the portrait of preacher Johannes Uytenbogaert will join the famous Nightwatch among its most important Rembrandts.

* Signed and dated 1633, the portrait was bought by Otto Naumann and Alfred Bader in July at an auction at Sotheby's in London. The Dutch museum did not have sufficient funds to bid at that time, but has since raised most of the asking price, a spokesman said.

LOCAL KEYWORDS: ART AUCTIONS
 *** Infomart-Online ***

I0607 * END OF DOCUMENT.

DOCUMENT= 10

HL Credit: Compiled from wire reports by Steve McKerrow
 Column: PEOPLE AND PLACES

DD 12/02/92

SO THE BALTIMORE SUN (BSUN)
 Edition: FINAL
 Section: NEWS
 Page: 2A
 (Copyright 1992 @ The Baltimore Sun Company)

LP Hoofing it in Manhattan
 @ART: PHOTO

TX @ART SOURCE: ASSOCIATED PRESS
 @CAPTION: Mike Rayle takes a camel and other animals for an early-morning exercise stroll in midtown Manhattan. The four-legged creatures are part of the Radio City Music Hall Christmas Show troupe.
 @TYPE: CATCH LINE
 Reagans over there, Charles due here

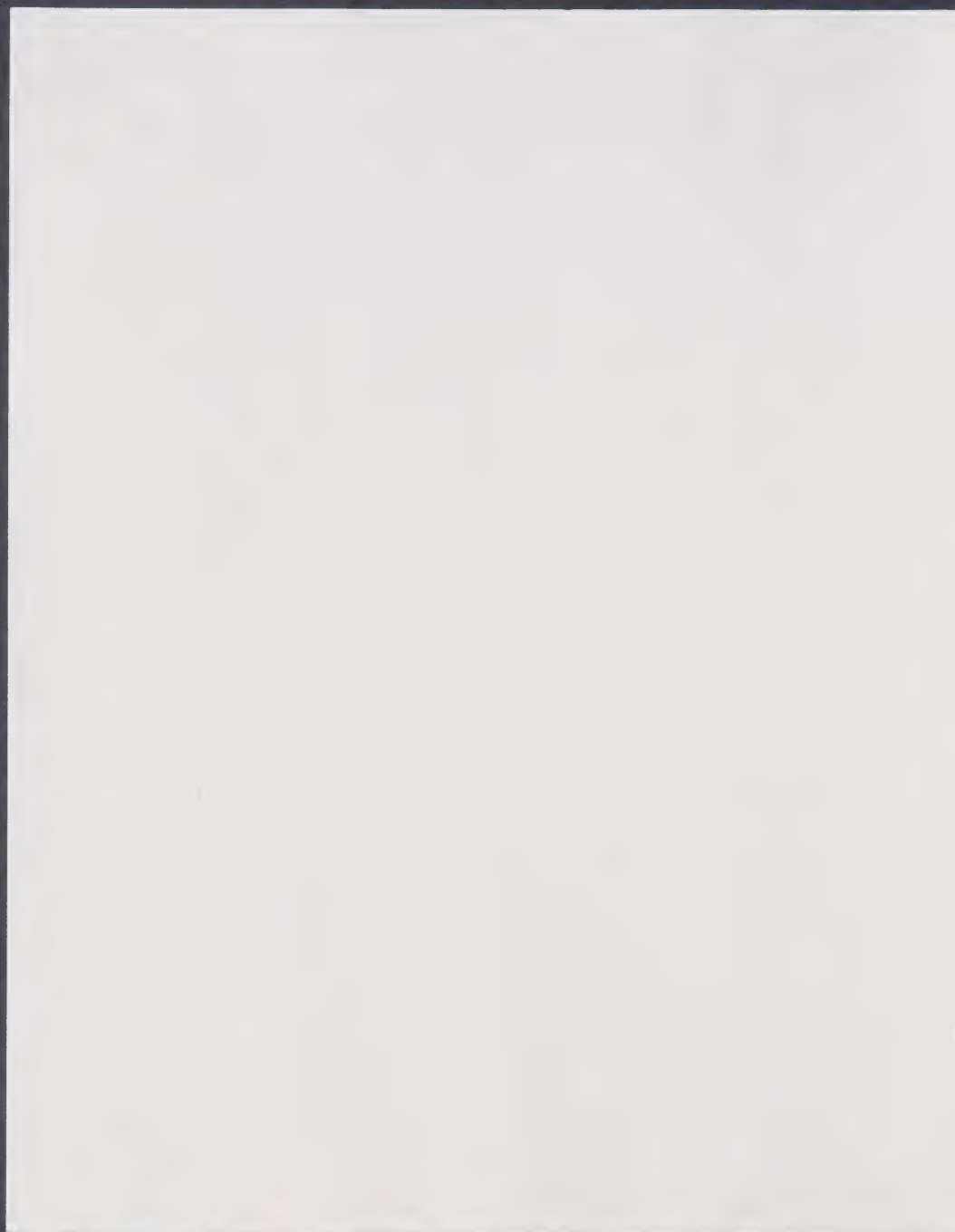
Ronald and Nancy Reagan paid a visit to Queen Elizabeth II yesterday at the start of a private trip to Britain, during which the 81-year-old former president is also expected to meet with Prime Minister John Major. A Buckingham Palace spokesman said the Reagans had tea with the queen, whom they had met on several occasions.

Meanwhile, Buckingham Palace announced that Prince Charles will visit the United States and Mexico in February. The prince is due to travel to Williamsburg, Va., to celebrate the 300th anniversary of the College of William and Mary.

Rapper charged with sexual assault

A member of the rap group headed by Ice-T, whose song "Cop Killer" provoked an uproar this summer, was charged with sexual assault early yesterday in Canada. Police said Charles Andre Glenn, 32, was due for arraignment in Windsor, Ontario. He is accused of molesting a 20-year-old girl in the bathroom of a local hotel.

Ice-T and his band had played a concert in Windsor, across the



border from Detroit.

- * Rembrandt painting is going home
It did not set a record, but the sale of a portrait by Dutch
- * master painter Rembrandt brought in a steep \$9.5 million and will
at last send the painting home to Amsterdam.
The Dutch Rijksmuseum said yesterday that it has purchased the
painting of preacher Johannes Uytenbogaert from two American
collectors, just months after they had bought it at auction for \$8
million. The museum houses one of the world's largest collections
- * of Rembrandt's work.
Signed by the artist and dated 1633, the portrait was bought
- * by Otto Naumann and Alfred Bader in July at an auction at Sotheby's
in London.

Spike Lee hates his stepmother

Spike Lee doesn't much like his stepmother, Susan Lee, 40. "I hate her," the filmmaker told Esquire magazine. "She's not a nice person. She's a bad person. It's not because she's white and Jewish. I just hate her."

Bill Lee, 65, and Susan Lee, whom he met in 1978 two years after his wife of 27 years died, have a son, Arnold, 7. Said the elder Lee of Spike: "I'm embarrassed and ashamed that he doesn't show more love, not only to us but to the world. I'm very hurt. Susan is a brilliant and talented woman . . . and I love her very much."

Said Susan: "We can show the world how different races can get along. . . . If Spike wants things to be this way, that's up to him."

Sinead O'Connor donates her house

After hearing a Red Cross appeal to help the starving of Somalia, Sinead O'Connor called a London TV station Monday and donated her Hollywood house.

A spokesman for the station said: "She just rang up, didn't want to go on air and said: 'Have my Hollywood mansion.'" The \$750,000 house will be auctioned in February.

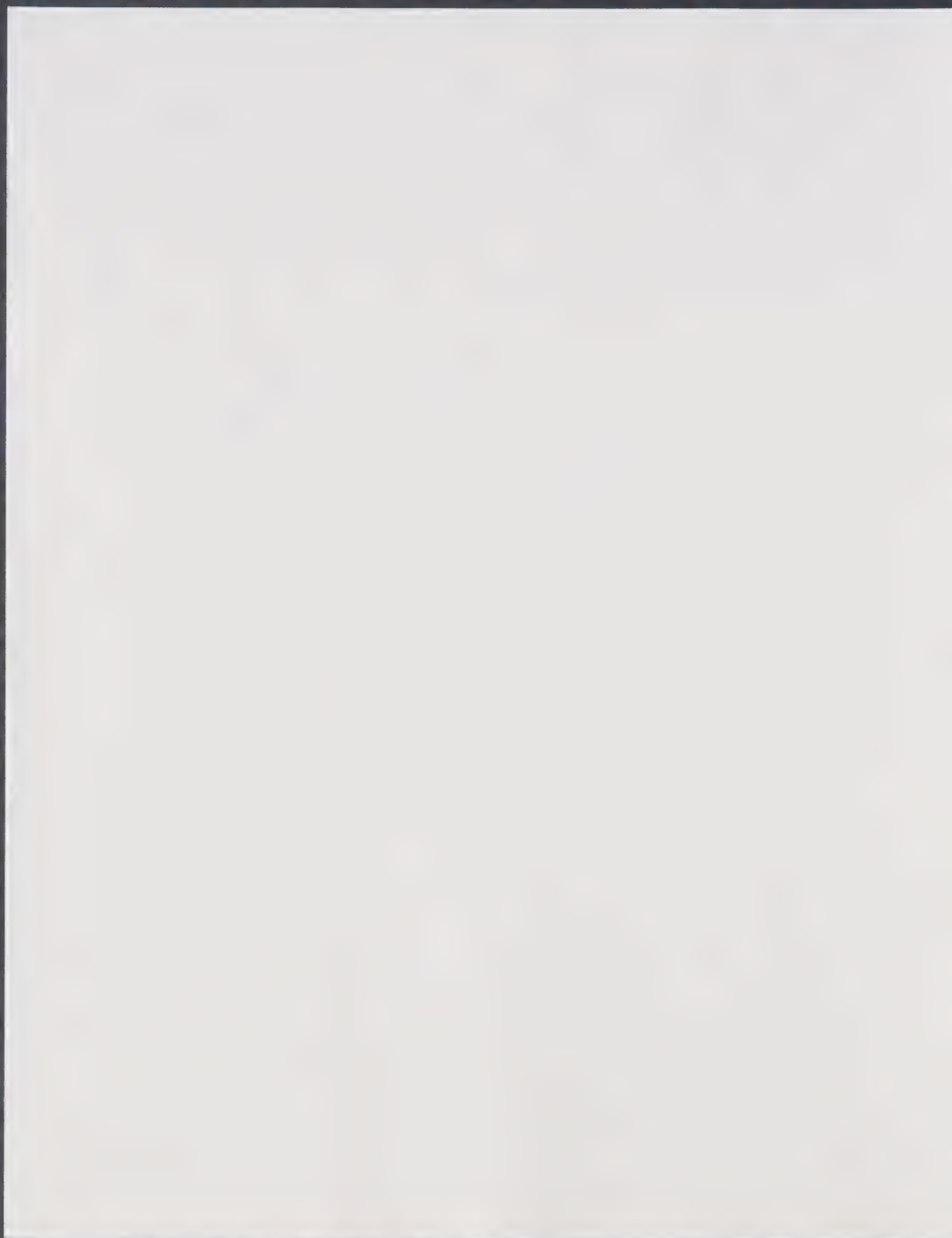
Birthdays

Former Secretary of State Alexander M. Haig Jr. is 68.
Actress Julie Harris is 67. Former Attorney General Edwin W. Meese III is 61. Tennis hall-of-famer Tracy Austin is 30.

I0607 * END OF DOCUMENT.

DOCUMENT= 11

- HL * Art Buff Buys Rembrandt, Then Sells To Artist's Hometown Museum
- DD 12/02/92
- SO The Associated Press (ASP)
Category: INTERNATIONAL
Origin: AMSTERDAM, Netherlands
(Copyright 1992. The Associated Press. All Rights Reserved.)
- LP * AMSTERDAM, Netherlands (AP) - American art collector Alfred
- * Bader bought a Rembrandt last summer, but thought the artist's hometown museum should have it instead.
He sold "Portrait of Johannes Uytenbogaert" to Amsterdam's Rijksmuseum this week for the same price he paid six months ago at a Sotheby's auction in London, museum spokesman Frans van der Avert said Wednesday.
- TX * "He felt very strongly it should be displayed here," Van der Avert said.



The Rijksmuseum already has 18 Rembrandts, of the world's finest collections of the 17th century master's work.

The museum paid Bader, a millionaire from Milwaukee, Wis., \$9.5 million - more than any Dutch institution has ever spent on a Rembrandt.

Bader's winning auction bid was \$8 million, but transport costs and auctioneer's fees meant he made no profit on the resale, Van der Avert said.

Van der Avert said the 1633 painting was important because it is "a portrait of one of the leading spiritual figures of the time by the leading artist of the time."

Uyttenbogaert was the founder of the Remonstrant Brotherhood, a religious movement.

The painting, owned by the Rothschild banking family for more than 130 years, will be displayed until February before being withdrawn for restoration and reframing.

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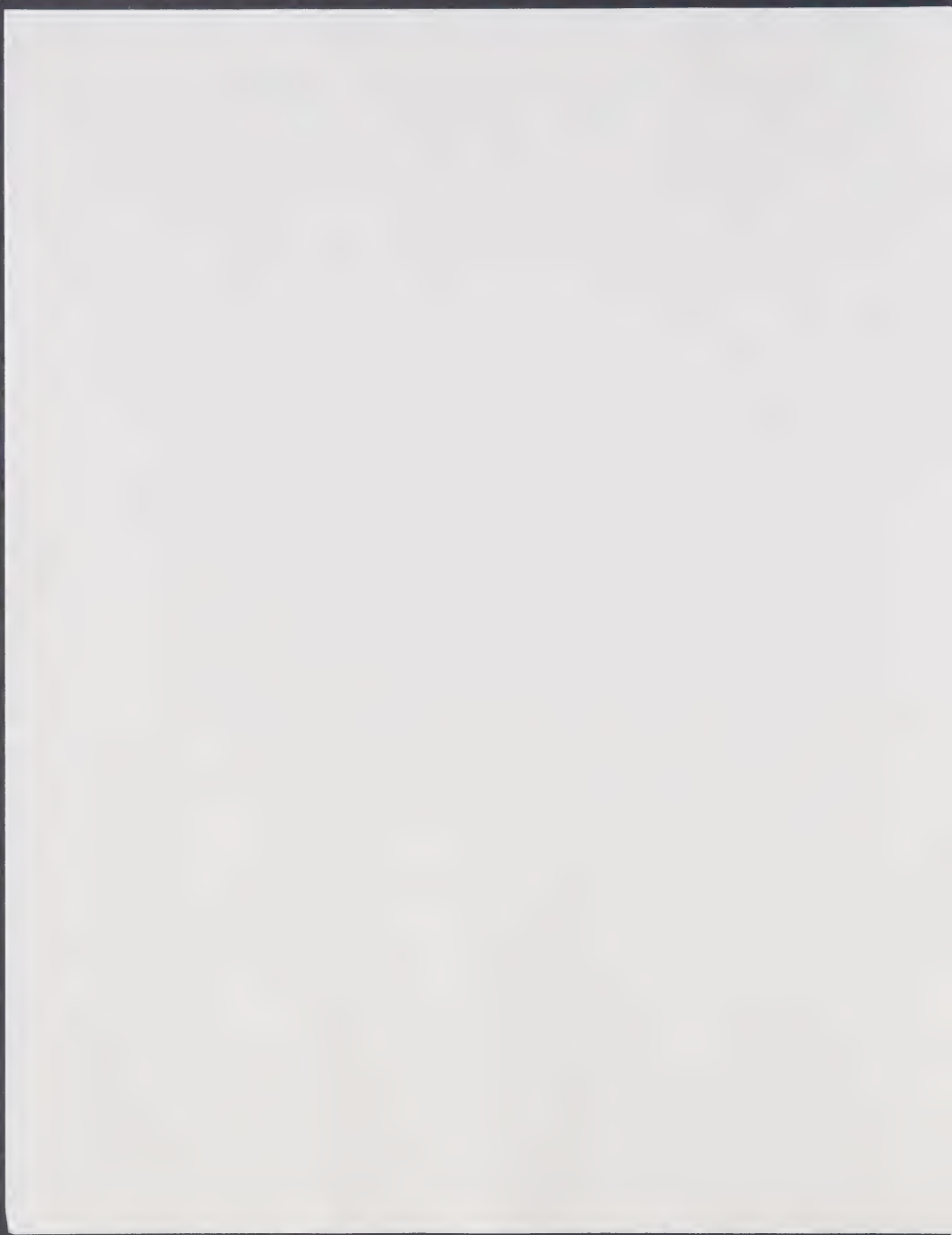
DOCUMENT= 12

- HL * A Rembrandt goes home again
Credit: Associated Press
DD 12/03/92
SO STAR TRIBUNE: NEWSPAPER OF THE TWIN CITIES Mpls.-St. Paul (MSP)
Edition: METRO
Section: NEWS
Page: 19A
Origin: Amsterdam, Netherlands
(Copyright 1992)
- LP * U.S. art collector Alfred Bader bought a Rembrandt last summer, but thought the artist's hometown museum should have it instead.
He sold "Portrait of Johannes Uyttenbogaert" to Amsterdam's Rijksmuseum this week for the same price he paid six months ago at a Sotheby's auction in London, museum spokesman Frans van der Avert said Wednesday.
- TX The Rijksmuseum already has 18 Rembrandts, one of the world's finest collections of the 17th century master's work.
The museum paid Bader, of Milwaukee, \$9.5 million - more than any Dutch institution has ever spent on a Rembrandt. Bader's winning auction bid was \$8 million, but transport costs and auctioneer's fees meant he made no profit on the resale, Van der Avert said.

I0607 * END OF DOCUMENT.

DOCUMENT= 13

- HL * Collector buys, sells Rembrandt to museum
Byline: Associated Press
DD 12/03/92
SO THE LAS VEGAS REVIEW-JOURNAL (LVGS)
Page: 3c
(Copyright 1992)
- LP * Photo. This is a photo of Rembrandt's "Portrait of Johannes Uyttenbogaert"
a collector recently sold to an Amsterdam museum. Associated Press
- TX * AMSTERDAM, Netherlands - American art collector Alfred Bader
* bought a Rembrandt last summer. but thought the artist's hometown



museum should have it instead.

He sold "Portrait of Johannes Uytenbogaert" to Amsterdam's Rijksmuseum this week for the same price he paid six months ago at a Sotheby's auction in London, museum spokesman Frans van der Avert said Wednesday.

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The Rijksmuseum already has 18 Rembrandts, of the world's finest collections of the 17th century master's work.

The museum paid Bader, a millionaire from Milwaukee, Wis., \$9.5 million — more than any Dutch institution has ever spent on a * Rembrandt.

Bader's winning auction bid was \$8 million, but transport costs and auctioneer's fees meant he made no profit on the resale, Van der Avert said.

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Uytenbogaert was the founder of the Remonstrant Brotherhood, a religious movement.

The painting, owned by the Rothschild banking family for more than 130 years, will be displayed until February before being withdrawn for restoration and reframing.

I0607 * END OF DOCUMENT.

DOCUMENT= 14

HL World briefs
Credit: Houston Chronicle News Services
Column: World briefs

DD 12/03/92
SO HOUSTON CHRONICLE (HOU)
Edition: 2 STAR
Section: A

NEWS
Page: 23

(Copyright 1992)

LP Collor indictment OK'd

BRASILIA, Brazil -- The Senate voted Wednesday to indict suspended President Fernando Collor de Mello, paving the way for a trial that could lead to his removal.

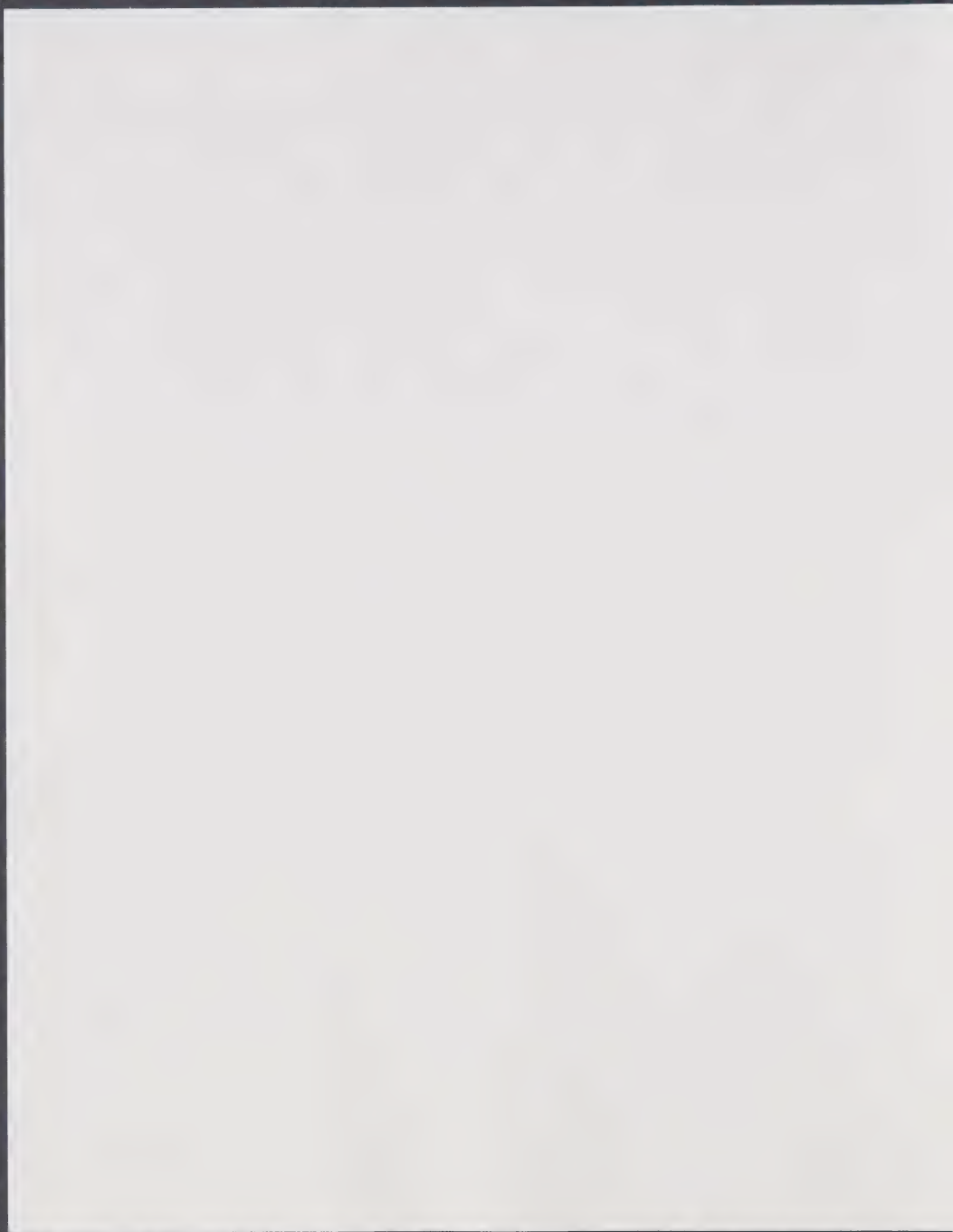
TX On a 67-3 vote, the Senate approved a report accusing Collor of gross corruption. Eleven senators did not appear for the vote.

The Chamber of Deputies impeached Collor on Sept. 29 and suspended him from office for six months after a probe showed he took more than \$6.5 million from an illegal slush fund run by Paulo Cesar Farias, his 1989 campaign treasurer.

Early victory for Rabin

JERUSALEM -- Prime Minister Yitzhak Rabin's coalition narrowly won approval of a bill to revoke the ban on meetings with the PLO, in spite of a last-minute protest vote by a key party.

Legislators voted 37-36 in favor of the bill's first reading. It must pass two more readings to take effect. Rabin's government has ignored violations of the law, particularly by Palestinian negotiators to the U.S.-sponsored Mideast peace talks, who take instructions from the PLO. The PLO officially is excluded from the negotiations.



Ministries surrounded

ABIDJAN, Ivory Coast -- Troops loyal to President Mobutu Sese Seko of Zaire surrounded government ministries in Kinshasa Wednesday and cut radio and television broadcasts of a conference reporting on Mobutu's corruption and rights abuses. On Tuesday Mobutu dissolved the Cabinet of his rival, Prime Minister Etienne Tshisekedi.

* Rembrandt sold

* AMSTERDAM, Netherlands -- Art collector Alfred Bader, a millionaire from Milwaukee, Wis., bought a Rembrandt last summer, but thought the artist's hometown museum should have it instead.

He sold Portrait of Johannes Uytenbogaert to Amsterdam's Rijksmuseum for the same price he paid six months ago -- \$9.5 million, museum spokesman Frans van der Avert said Wednesday.

"He felt very strongly it should be displayed here," Van der Avert said.

@Art: Mug: Yitzhak Rabin

I0607 * END OF DOCUMENT.

DOCUMENT= 15

HL You're on candid(ate) camera

DD 11/03/92

SO The Milwaukee Journal (MLWK)

Section: NEWS

Page: A2

(Copyright 1992)

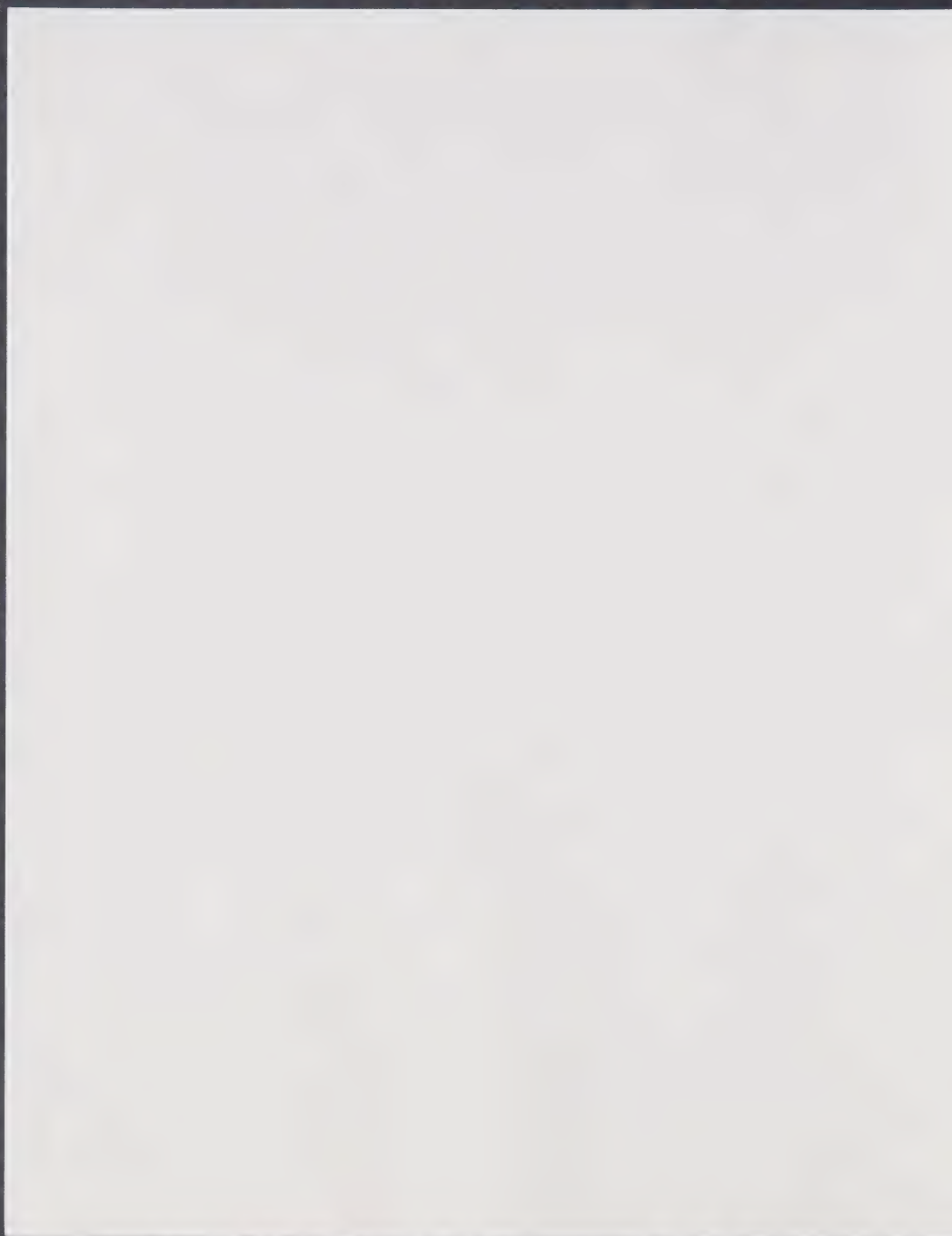
LP

Did the study where Bill Clinton ended his TV infomercial last night look familiar? No? Then you haven't been a guest of Peter Buffett, the Whitefish Bay composer and music producer in whose N. Lake Drive home the segment was taped. A Milwaukee location scout, thinking that Buffett's digs would be perfect for the spot, called him Friday and came over to take "lots and lots of pictures," according to Buffett. The production types from New York came in around 2 Saturday afternoon and played with the lighting "for about five hours I was amazed, and I'm familiar with this sort of thing," Buffett reports. Clinton, who arrived about 11 p.m. for the shoot after speaking at a televised town meeting, "seemed very natural, very genuine" and despite cups of tea brewed for him by aides very hoarse. Buffett adds that there was an unexpected reward for having his place occupied for the better part of a day by 30 lighting people, campaign people and Secret Service people: "I now know that there are no bombs in my home, because the bomb dog checked it out." . . . Speaking of the Clintons, Milwaukeeans and big hairy deals, Janice Hirschberg, owner and stylist at Janice Salon at the Pfister Hotel in our city, was among the VIPs being flown to Little Rock, Ark., Tuesday by the Democratic National Committee to attend to their hair needs.

Jamming with Jarvis

Jarvis

A Shorewood woman just back from New York tells us that the charming, gray-haired piano player she heard performing "Tenderly" and "Take the A Train" at a Greenwich Village club turned out to be none other than Jane Jarvis, the former organist for the Milwaukee Braves. Jarvis, you'll remember if you go back that far, started out as a pianist and organist on Milwaukee



radio in the '40s and for two years had her own show on WTMJ, "Presenting Jane Jarvis." She warmed the Braves' bench, so to speak, from 1955 to 1963, when she left to become the organist for the New York Mets and a programmer for the Muzak Corp. Now retired from baseball and the elevator-music business, Jarvis is still in demand as a keyboard player. When our Shorewood friend caught up with her, she was finishing up a gig at Zinno's, a favorite of Village jazz aficionados, and was on her way to a club date in Florida.

Mean streets

TX

Innocent mistake or crude Flatlander scam? You be the judge. According to Wisconsin transportation official Roger Cross, some 5,000 Chicago parking citations recently mailed out to Wisconsin residents contain erroneous information. Because of a glitch in the city's computer program, some people who've gotten the tickets weren't even in Chicago on the day they were cited, or don't own the car in question. Chicago officials have assured Cross who contacted them after his own staff got some irate calls from Wisconsinites that "never mind" letters to those affected will be forthcoming. "We are assuring people who call about the erroneous citations that Wisconsin will not take action against their licenses or registration on the basis of Chicago parking citations," Cross said in a recent press release. "On the other hand, if the citations are correct, they should be paid." But of course.

Christmas shopping early?

*

Rembrandt

*

Who do ya know wants to buy a Rembrandt? That \$7.94 million

*

Rembrandt portrait bought last fall at auction in London by

*

Milwaukee collector/Old Master dealer Alfred Bader is being considered for purchase by several major continental museums, Bader says. He is telling friends that he had resale in mind when he bought the painting. He received an export license for the work, says Bader, until recently chairman emeritus of Sigma-Aldrich Chemicals. But he had decided not to bring the artwork to the United States. As for its cleaning (it is currently covered with several ancient coats of varnish), Bader notes that many museums prefer to acquire a work, then have it conserved on their own. In any event he hopes to know the specific fate of the work, a likeness of an eminent Amsterdam churchman, by the end of the year. Profits from the sale will ultimately go to a charitable foundation being funded by himself and his wife, Isabel, and run by his son, Daniel.

This and that

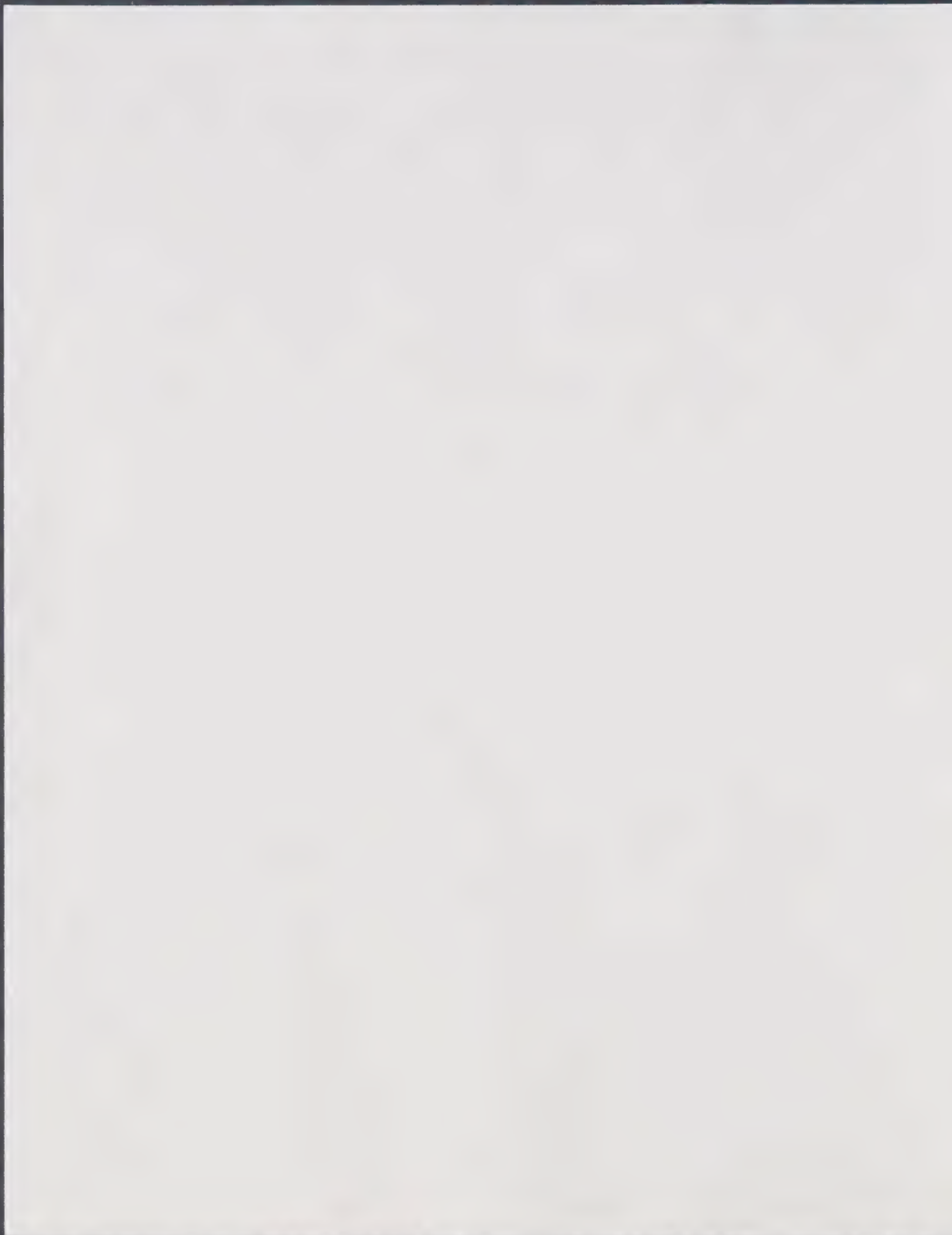
Madison is mourning the death of Spickles, the longtime patriarch of the Vilas Zoo's rhesus macaque troop. Spickles died of heart failure Oct. 9. He was estimated to be 30 years old. Among his many survivors (macaques will be macaques) is a 7-year-old son, Otis. . . . Bumper sticker seen in Waukesha: Kirk/Spock '92. Remember, if you haven't already done so, vote early and often.

I0607 * END OF DOCUMENT.

DOCUMENT= 16

HL * Local man to sell Rembrandt work

DD 09/15/92



SO The Milwaukee Sentinel (MLWK)
 Section: NEWS
 Page: 4A
 (Copyright 1992)

LP * Milwaukee businessman and art collector Alfred R. Bader said
 * Monday he plans to sell the Rembrandt portrait for which he recently paid \$7.94 million.
 Bader, a multimillionaire who helped found Aldrich Chemical Co., bought Rembrandt's "Portrait of Johannes Uytenbogaert" in July at a Sotheby's sale of old master paintings in London.

TX The piece, a 1633 portrait of a religious leader from Holland,
 * is one of more than 50 portraits Rembrandt painted while in Amsterdam. Bader's purchase marked the first time the work had been out of the hands of the family of the Earl of Rosebery, which had owned it since 1860.
 "I plan to sell it," Bader said in a telephone interview. "I'm not going to keep it because I don't want to live in a fortress."
 There had been speculation that the famed painting might find its way to Wisconsin when Bader first purchased the work, but its owner now says it will remain in Europe.
 "I hope to have a sale finalized before long," Bader said. "I'm going to Europe to talk to a number of museums."

I0607 * END OF DOCUMENT.

DOCUMENT= 17

HL * Rembrandt buyer Bader unfazed by legal hold
 DD 07/13/92

SO The Milwaukee Sentinel (MLWK)
 Section: NEWS
 Page: 12A
 (Copyright 1992)

LP * Alfred R. Bader was not surprised when informed that the
 * Rembrandt portrait he brought for \$7.94 million at an auction in London last week may not come to Wisconsin for years.
 "That's the way British law is, but they only do this for paintings that have been in Britain a long time," said Bader, the retired Milwaukee industrialist who bought the painting, a likeness of Dutch churchman Johannes Uyteenbogareert.

TX Under British law, a foreign purchaser may take a work of art out of the country only if no British museum declares an interest in acquiring it.
 Bader said the 50-by-40-inch portrait is "one of the best
 * Rembrandt documents ever."
 Bader, co-founder of Aldrich Chemical Co., said he may not be able to get an export license for the 360-year-old portrait for at least a year.
 "You have to understand that these things take some time. Should a British museum, such as the National Gallery, decided that it wanted the work, the export process could be held up a long time," Bader said.
 Bader purchased the work Wednesday at a auction at Sotheby's.

I0607 * END OF DOCUMENT.

DOCUMENT= 18

HL * Rembrandt sold to local man may never get out of Britian



Byline: JAMES AUER Journal art critic

DD 07/12/92

SO The Milwaukee Journal (MLWK)

Section: NEWS

Page: 1

(Copyright 1992)

LP It may be months or even years before Wisconsin sees the

* 360-year-old Rembrandt portrait that brought \$7.94 million at auction in London, the retired Milwaukee industrialist who bought it said Saturday.

* In fact, Alfred R. Bader explained, the 50-by-40-inch work, * completed by Rembrandt Van Rijn in 1632, may never cross the Atlantic.

TX Contacted at a home he keeps in London, Bader a co-founder of Aldrich Chemical Co. said everything depended on whether he was able to get an export license for the newly purchased picture.

"The chief curator of the National Gallery (of London) is coming over tomorrow to look at it, and after that we will know more," Bader said.

Under British law, a foreign purchaser may take a work of art out of the country only if no British museum declares an interest in acquiring it.

Should a British museum, such as the National Gallery, decide that it wanted the work, the export process could be held up indefinitely.

"It's the sort of thing collectors dream about," Bader said. "But it could turn into a nightmare."

The purchase is Bader's most expensive and is believed to be the priciest painting ever bought by a Wisconsinite.

* In 1959, according to newspaper clippings, Bader acquired * another Rembrandt, an oil work titled "An Old Scholar Writing by Candlelight," for an estimated \$20,000.

Another concern about his new purchase, Bader said, is the condition of the painting.

Bader

Despite the fact that it drew a successful bid Wednesday of nearly \$8 million, compared with a pre-auction estimate by Sotheby's of \$5 million, the painting a likeness of Dutch churchman Johannes Uytenbogaert is not in very good shape.

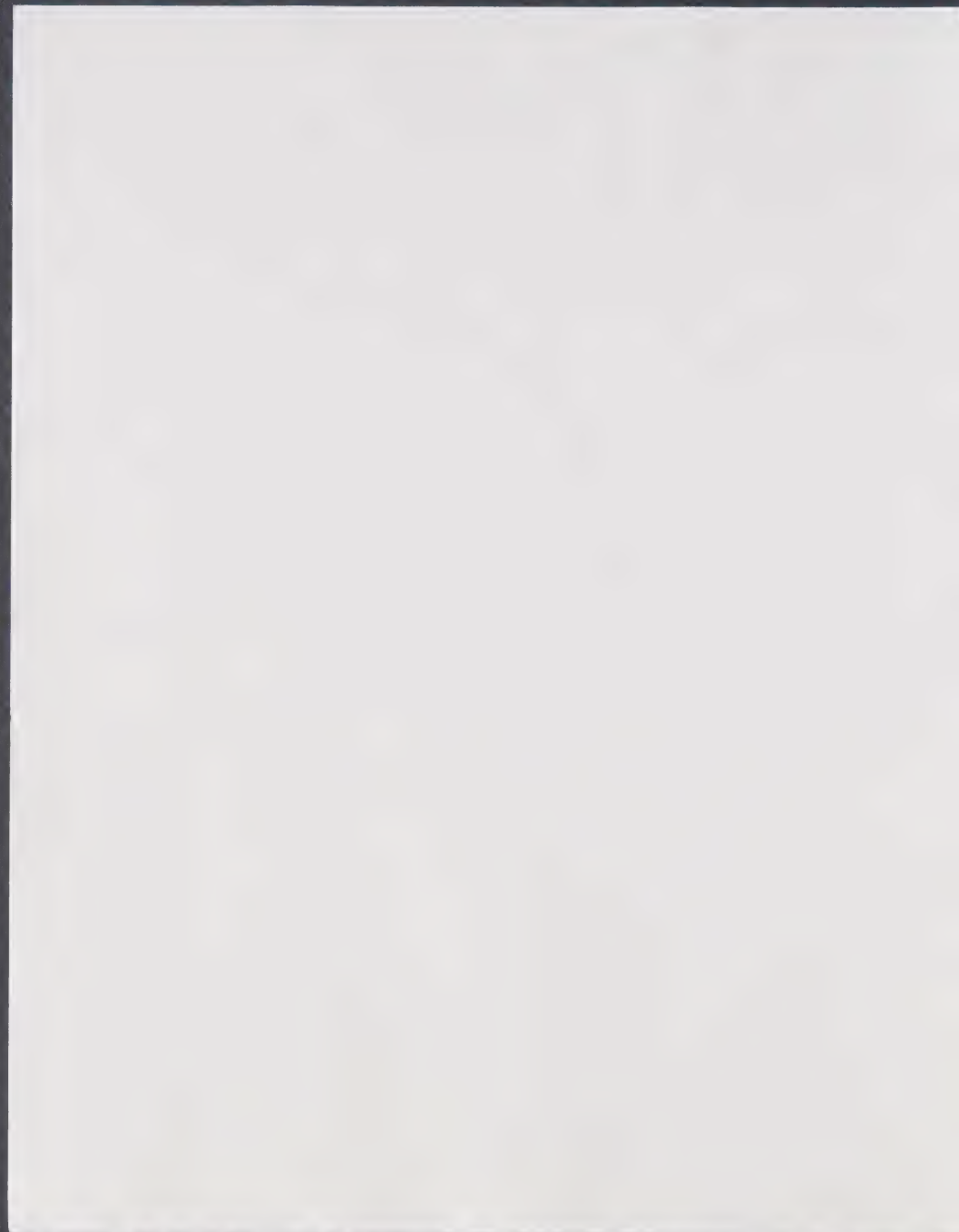
"It is a very well-known picture," Bader said. "But it needs work. It hasn't been cleaned in 130 years. It's a question of what will happen at the time of the restoration."

"The surface of the painting has been covered with a coat of thick yellow varnish, and it has been flattened out, but it is unbelievably beautiful."

For this reason, despite the quality of the painting, the purchase was something of a speculation, said Bader, who seemed excited about the challenge ahead.

Bader said his personal conservator, Charles Munch, who has worked on many of Bader's old master paintings, flew to London a few days ago, and they conferred at length about how to clean and restore the picture.

In terms of value, Bader called the portrait offered for sale for the first time in this century "incredibly inexpensive." The painting is comparatively affordable given the sums paid



for other artists' works in recent months.

For example, composer Sir Andrew Lloyd Webber paid \$17.7 million in April for a painting by Canaletto, sold at Christie's in London.

"It's all relative, of course," Bader said. "But how many major Rembrandts will there be on the market?"

Asked whether he might at some point be willing to show the painting at the Milwaukee Art Museum, Bader said: "We'll cross our bridges as we come to them."

A longtime benefactor of the art museum, Bader was curator of an Old Masters exhibition, "The Bible through Dutch Eyes," for the museum several seasons ago.

In terms of authenticity, the portrait is "one of the most thoroughly researched of all Rembrandts," Bader said.

It is treated exhaustively in the second volume of reports published by the ongoing Rembrandt research project. A major confirmation of its authenticity, Bader indicated, is a notation in the diary of the portrait's subject that "on this day I was painted by Rembrandt."

The history of the picture's ownership is also widely known. Originally in the collection of the Rothschild family, it went, by marriage, to the ancestors of its most recent owner, the Earl of Rosebery, sometime in the 1860s.

A chemist, Bader retired last year as chairman of Sigma-Aldrich Corp., which was formed in a merger involving Aldrich. He is a longtime art collector, especially of works by the Dutch Masters, and has made a career of encouraging business associates to collect art.

He has loaned and donated pictures to many museums, and often has purchased paintings of uncertain origin and refurbished them, putting them in the hands of younger collectors.

In 1991, a \$100 million charitable foundation was established in Milwaukee in the name of the late Helen Bader, Alfred Bader's ex-wife. Helen Bader worked for many years as a broker for Aldrich Chemical. She also was a stockholder in the highly successful firm. The couple divorced about 13 years ago.

The Bader purchase was the undoubted highlight of Wednesday's auction at Sotheby's. The auction yielded \$16.5 million in sales, considerably below the presale estimate of \$21 to \$30 million.

Julian Stock, who heads Sotheby's Old Masters department in London, told the New York Times that the auction house was very happy with the sale to Bader.

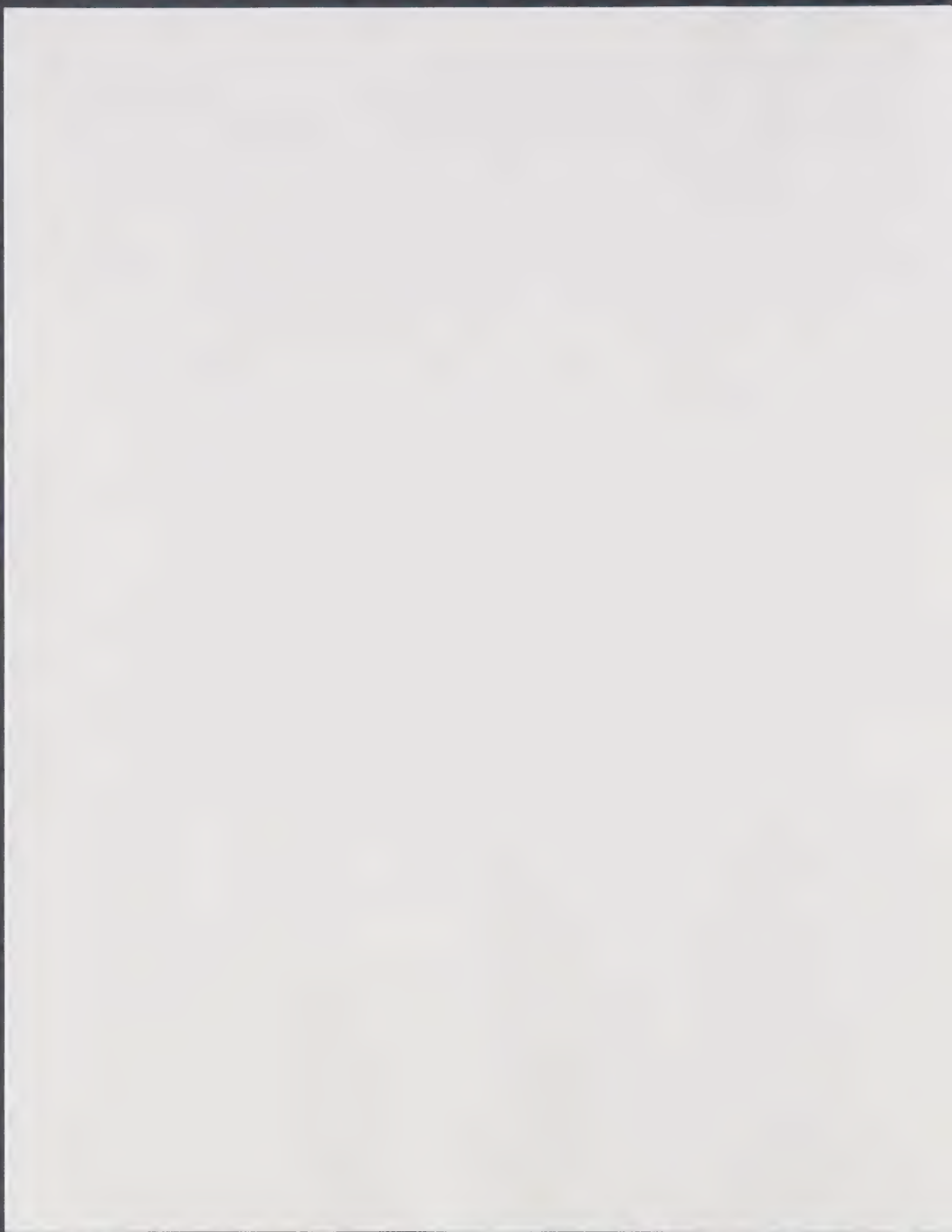
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HL Bader pays \$7.94 million for artwork
Byline: SILVIA ACEVEDO Sentinel staff writer
DD 07/11/92
SO The Milwaukee Sentinel (MLWK)
Section: NEWS
Page: 1A
(Copyright 1992)

LP * Milwaukee businessman and art collector Alfred Bader paid
* \$7.94 million this week for a portrait by Rembrandt, the London gallery that sold the piece confirmed.

Bader, a multimillionaire who helped found Aldrich Chemical
* Co.. bought Rembrandt's "Portrait of Johannes Vvtttenbogaert"



TX

Wednesday at Sotheby's sale of old master paintings in London.

- * The piece, a 1633 portrait of a religious leader from Holland, represents one of more than 50 portraits Rembrandt painted while in Amsterdam. Bader's purchase marks the first time the work has been out of the hands of the family of the Earl of Rosebery, which had owned it since 1860.

The work brought in significantly more than was expected, according to The New York Times. Sotheby's had estimated the piece would go for \$5 million.

- * Bader, 68, an arts aficionado, has mixed business, chemistry and art continuously throughout his life. Contacted in England by telephone Friday, Bader said he didn't wish to discuss the Rembrandt purchase until he returns to the United States later this month.

The Austrian-born Bader spent much of his youth in the galleries of the Kunsthistorisches Museum in Vienna. His grandfather collected Egyptian art, and other ancestors collected Italian works of the 16th and 17th centuries.

The Jewish teenager was sent to England by his aunt when Hitler came to power. "By accident of birth," he has said, he was imprisoned by the British as an enemy alien. The Britons had learned that his uncle, a Hungarian count whom Bader did not know, was a Nazi.

In 1940, Bader was taken to a detention camp near Montreal. Eventually he was able to negotiate a parole and enrolled in Queen's University in Kingston, Ontario, earning degrees in chemical engineering and history.

- * His boss at Murphy Painting Co. in Montreal realized his potential in chemistry and sent him to Harvard University. He familiarized himself with Rembrandt and other old masters while earning his doctorate there in chemistry.

Bader is known for giving art to friends. He has also negotiated loans from the Metropolitan Museum of Art in New York City, the Chicago Art Institute, the National Gallery of Canada and other galleries. He served as volunteer curator for the Milwaukee Art Museum.

It was not immediately known if Bader plans to keep the painting in his private collection.

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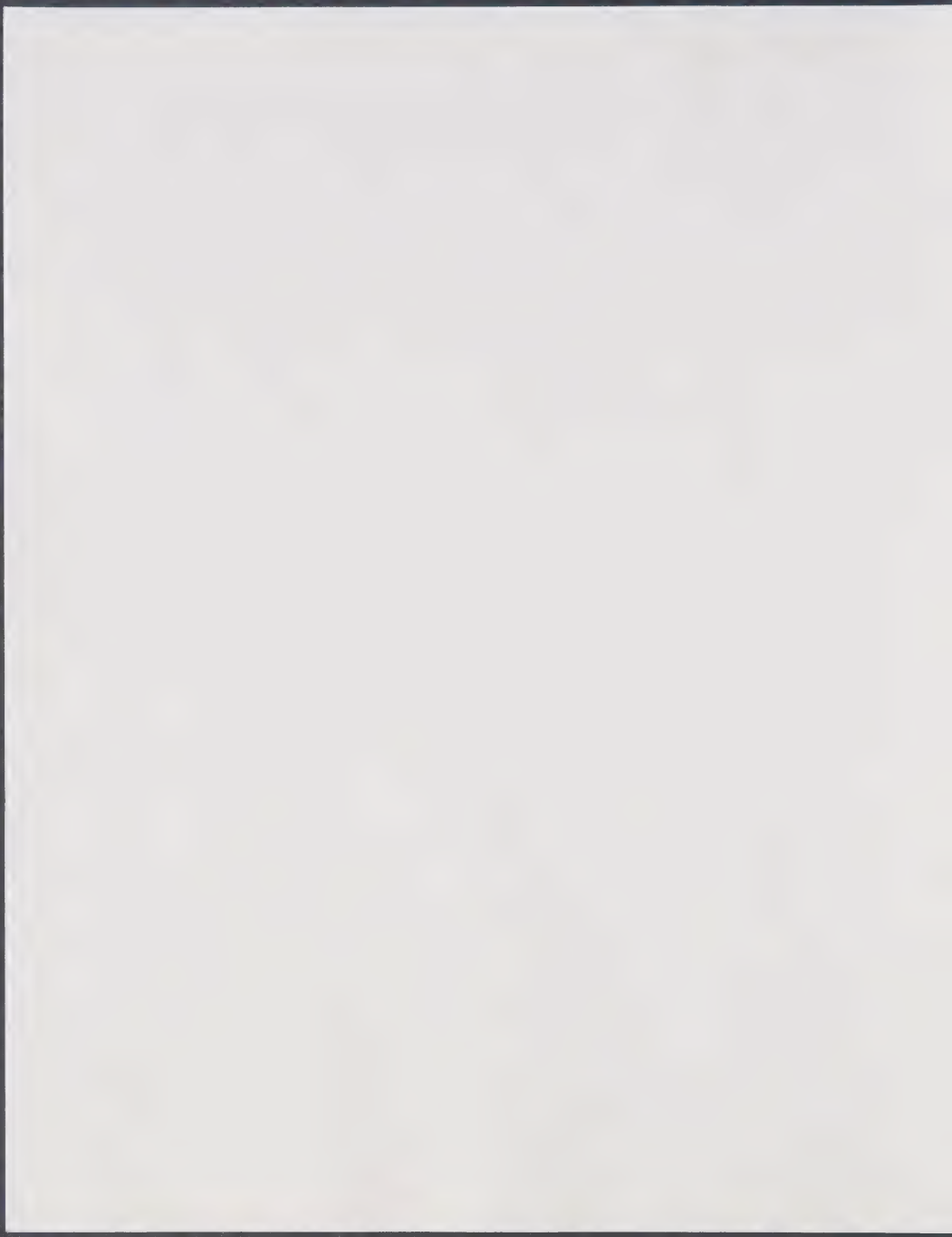
HL METROPOLITAN BRIEFS
DD 07/11/92
SO The Milwaukee Journal (MLWK)
Section: NNEWS
Page: A6
(Copyright 1992)

LP

- Art
- * City collector buys Rembrandt
- * Milwaukee businessman and art collector Alfred Bader paid \$7.94 million this week at a London auction house for Rembrandt's "Portrait of Johannes Uytenbogaert, Bader said Saturday.

TX

- * The multimillionaire who helped found Aldrich Chemical Co. bought the 1632 Rembrandt portrait Wednesday at Sotheby's sale of Old Master paintings in London.
- Bader increasingly has been making major art purchases in



recent years.

He is a longtime collector of paintings by the Dutch Old Masters and several years ago was curator of a show at the Milwaukee Art Museum, "The Bible through Dutch Eyes."

Tavern slaying

2 convicted gunmen get long sentences

Two men have received lengthy prison terms in connection with the fatal shooting of a tavern owner in November.

Lorenzo Guyton, 20, of 2627 N. 9th St., was sentenced to 58 years in prison and Gary Crawford, 23, of 2649 N. 22nd St., was sentenced to 34 years in prison Friday by Milwaukee County Circuit Judge Victor Manian.

Guyton's sentence also reflects his conviction for three other holdups.

James Mallett, 46, was shot twice in the abdomen on Nov. 14 when three men burst into The Whole Thing tavern, 2979 N. King Drive, forced six patrons to lie on the floor and demanded money. The customers later told police they heard three shots.

A third man suspected of being the gunman is awaiting trial.

"The slaughter that's occurring in the streets of Milwaukee affects everyone," Manian said. "A completely innocent person was struck down for no reason at all."

West Allis

Suspect charged in sexual assault

An Elm Grove man has been charged with sexually assaulting a woman in a West Allis Laundromat.

Anthony J. Wagner, 36, of 12650 W. Blue Mound Road, was charged Friday with second-degree sexual assault, false imprisonment and battery. If convicted of all charges, he faces more than 12 years in prison.

According to the criminal complaint, the woman was attacked at 3:45 p.m. Wednesday at the Cream City Laundromat, 1368 S. 106th St.

According to the criminal complaint:

Wagner grabbed the woman, dragged her into a washroom, struck her repeatedly and tried to molest her. The woman fought to free herself and three men, including the owner of the Laundromat, ran into the bathroom. They pulled Wagner off the woman and held him until police arrived.

The woman suffered bruises and cuts on her eyes, arms and lips, the complaint says.

Circuit Court

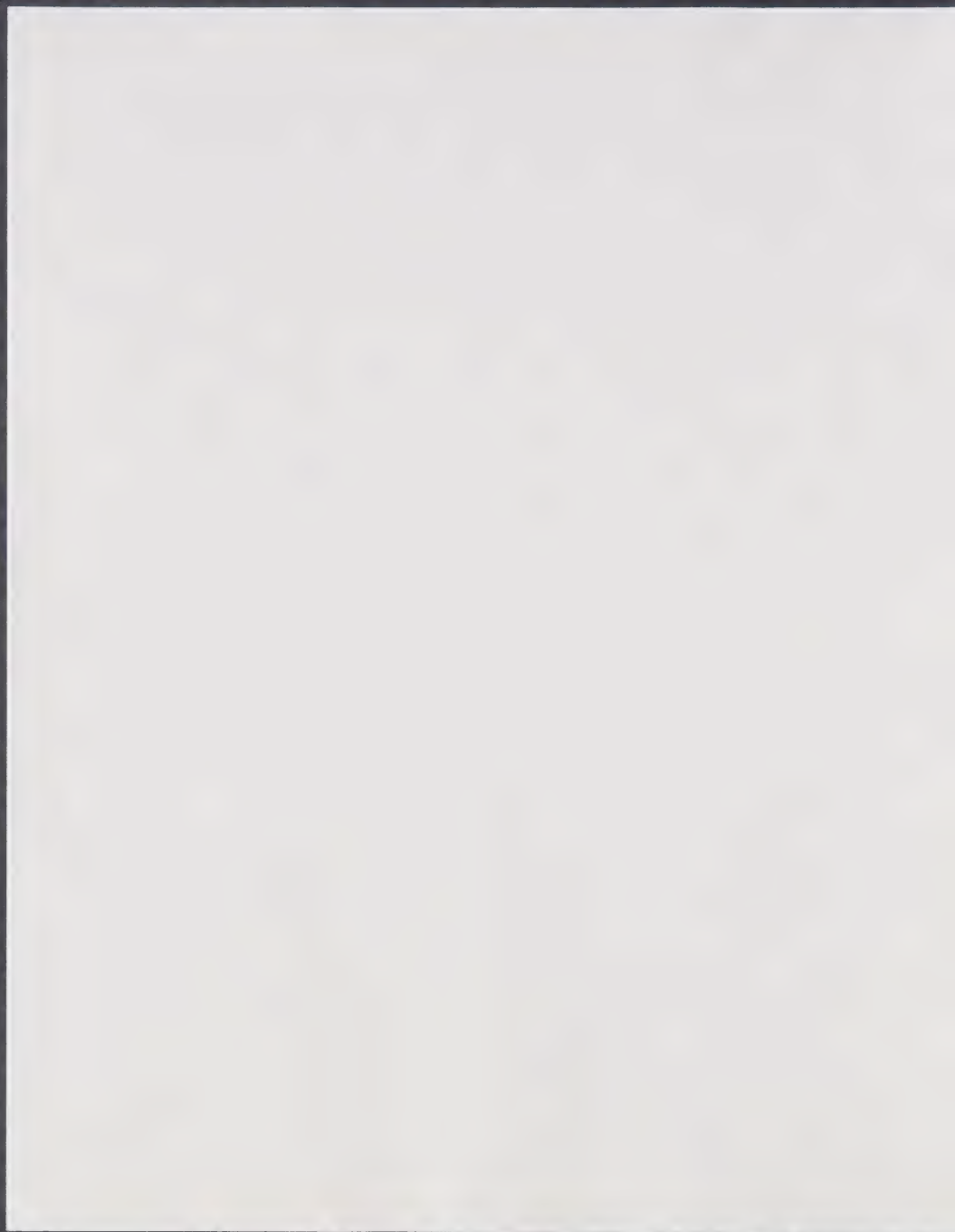
Mix-up cited in Conley warrant

Former Playboy model Leigh Ann Conley missed a scheduled court appearance because of a bureaucratic error, her attorney said Friday.

A warrant was issued Thursday for Conley's arrest after she failed to appear in intake court on a charge of disorderly conduct after she allegedly exposed herself to three boys.

Attorney Thomas G. Halloran said Conley, 37, of Glendale, was transferred Thursday to the Milwaukee County Jail from the House of Correction in Franklin, where she is being held on charges of violating her probation.

Authorities apparently never realized that Conley was in jail.



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HL * Rembrandt sells for #4.18 million

Byline: Georgina Adam

DD 07/09/92

SO THE DAILY TELEGRAPH London (DTEL)

Page: 18

(Copyright 1992 The Daily Telegraph plc, London

& The Sunday Telegraph Limited, London)

LP * THE Earl of Rosebery's sole remaining Rembrandt, the 1633

portrait of the Hague preacher Johannes Uytenbogaert, made an unexpectedly high #4.18 million at Sotheby's yesterday, after it was pushed by four bidders well over its #3 million estimate.

* It was bought for Mr Alfred Bader a collector of Dutch and Flemish Old Masters, from Milwaukee.

TX The price was a triumph over some pre-sale scepticism that the picture was entirely by Rembrandt - despite a clean bill of health from the Rembrandt Research Project in Amsterdam.

While there was universal admiration in the saleroom for the painting of the sitter's face, with its deep-sunken moist eyes and an expression of infinite resignation, there was doubt that the incompetent painting of the hands could possibly be Rembrandt's own work.

The painting hung for many years in Lord Rosebery's English country house, Mentmore, before being moved to Dalmeny Castle near Edinburgh.

Mr Bader also paid an eight-times estimate #209,000 for a newly-discovered Judith and Holofernes by G C Procaccini, the 16th century Bolognese master.

Less enthusiasm greeted the reappearance of David and Goliath by Guido Reni previously sold for #2.2 million in April 1985 and controversially cleaned since. It carried an optimistic estimate of #2 - 3 million but bidding stopped at #1.25 million.

But good news for Sotheby's came when Lucas Cranach the Elder's Female Personification of Justice, a female nude balancing the scales of justice, reached its low estimate of #385,000.

Italian dealers were active in the sale, boosting the total to #7,422,800 with 28.6 per cent unsold by value.

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HL * Rembrandt buyer pays Pounds 4 million; Alfred Bader

Byline: John Shaw

DD 07/09/92

SO THE TIMES OF LONDON (TLND)

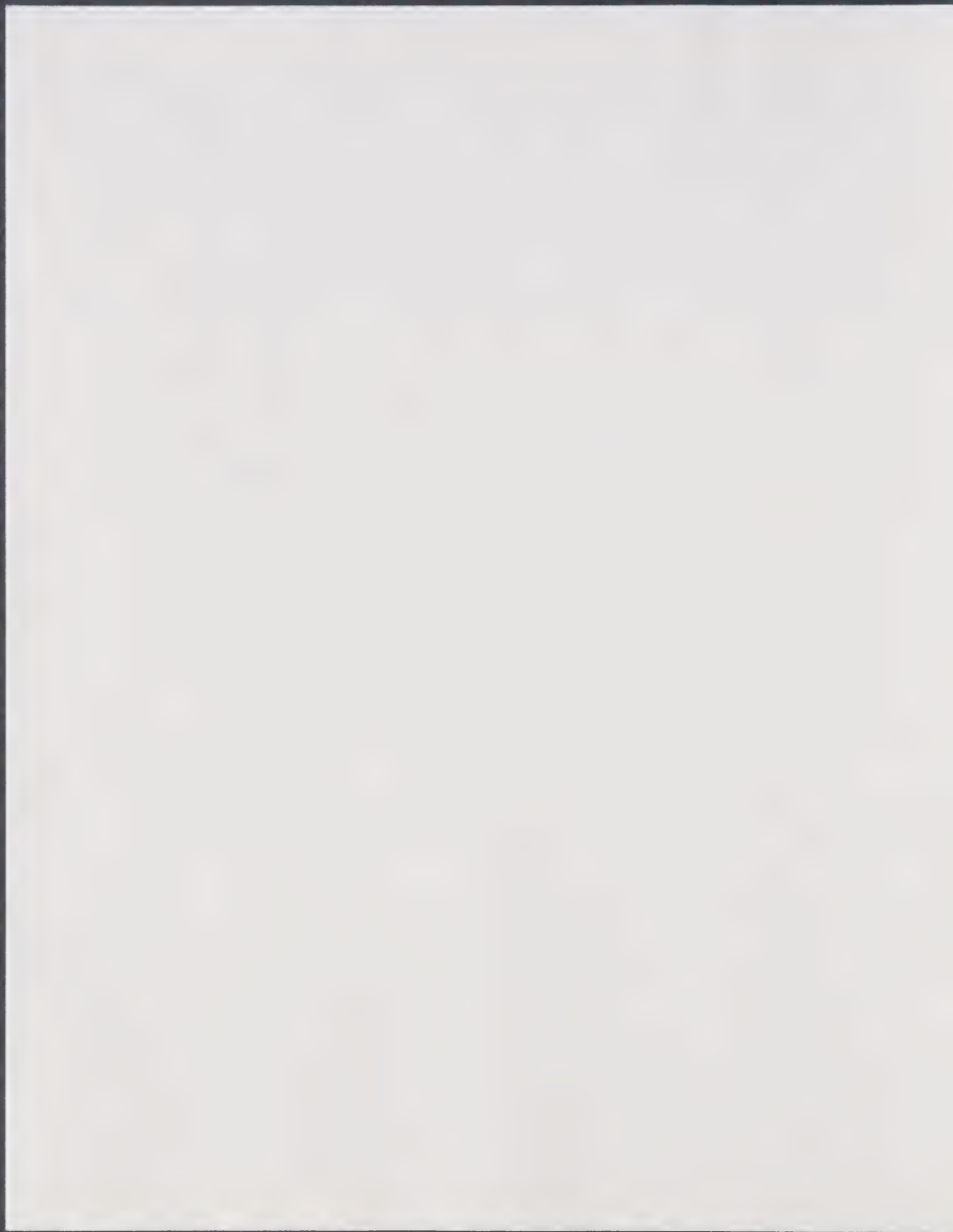
Section: Home news

(Copyright 1992)

LP * (Photograph) - A REMBRANDT portrait owned by the Earl of Rosebery

sold for Pounds 4.1 million at Sotheby's, London, yesterday to a millionaire collector from Wisconsin, who is building a collection of seventeenth-century Dutch pictures. Trade sources named the buyer as Alfred Bader, of Milwaukee.

The portrait of Johannes Uytenbogaert had been in Lord Rosebery's family for 130 years and was sold to finance repairs and improvements at Dalmeny House, his seat near Edinburgh. The picture had been on a world tour before the auction.



TX * The record for a Rembrandt is Pounds 7.2 million.
PHGraphic;Photo. Caption not available

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DOCUMENT= 23

HL * Alfred Bader's Diverse Talents Led Firm to International Role

By Scott Gillespie

1855 Words

DD 09/22/86

SO THE BUSINESS JOURNAL-MILWAUKEE (MIL) Milwaukee, WI; v3, n49, Section 3, Pg. 9

LP Copyright The Business Journal of Milwaukee Inc. 1986

Milwaukee, WI, US --

TX There is nothing artistic about the Aldrich Chemical Co. Inc. building at 940 W. St. Paul Ave. on the southern edge of downtown Milwaukee. Unknowing passers-by might even think the dreary old building is vacant.

There is no indication that the structure is part of an international firm (Sigma-Aldrich Corp.) that recorded \$214 million in sales and nearly \$29 million in net income in 1985. There is no evidence that the 62-year-old chairman of the company is known, worldwide as an art historian, brilliant chemist and successful businessman.

* The first physical sign that Aldrich is not a typical Milwaukee company is the Rembrandt print that stares at the security guard stationed in the lobby of the building. The print is incongruous in the otherwise nondescript room, but it is only a sign of things to come at Aldrich.

The visitor who steps off the elevator on the top floor of the building might think he has been transported to a wing of an art museum. And that impression becomes even stronger in the office of * Alfred Bader, a complex man who has filled his life with a seemingly mismatched mix of art, religion, chemistry and business.

Bader's office -- like the diminutive man who inhabits it -- seems to be going in many directions at once. It is part art gallery and part work place, with chemical catalogs sharing space with an ever-changing inventory of paintings and frames.

One recent afternoon, Bader concluded a phone conversation on chemical compounds and steered a visitor to a picture frame he had recently acquired. After cleaning the frame, Bader had found a label identifying one of its former homes: Buckingham Palace.

When asked if he considered himself more of a chemist or a businessman, Bader, who holds a doctorate in chemistry from Harvard University, explained that he has a variety of what appear to be conflicting or unrelated interests.

* "I remember one day when I was at Harvard in graduate school and a chemistry professor saw me leaving at noon, which was unusual for graduate students, and he said, 'Alfred, where are you going?' I said, 'There is a lecture on Rembrandt at the Fogg Museum,' which is only a block away. He was very exasperated and he said, 'Well, you haven't made up your mind yet whether you want to be a chemist or an art historian.'"

Even today, Bader -- who is referred to as the "chemist collector" by some of his colleagues -- is impossible to label.

"I also spent a lot of time studying the Bible," he recalled.



"Art, Bible, Chemistry -- not necessarily in that order. But I'm also a businessman."

Bader, whose father was the son of the chief engineer of the Suez Canal, was born in Vienna, Austria. According to a short biography of Bader that was written by several of his associates, he was exposed to art at an early age both in his own home and at the Kunsthistorisches Museum in Vienna. He bought his first drawing at an auction at age 10.

In the mid-1930s, Bader joined other Jewish children who left their homes in anticipation of the arrival of the Nazis.

He ended up in southern England and quickly established himself as an outstanding student. He received a grant to study chemistry at Brighton Technical College, but he also continued to explore religion and art history.

Bader's academic pursuits were halted, however, as the German army approached the beaches of northern France. In the face of a potential invasion, Winston Churchill interned many European refugees, including Bader.

In 1940, Bader was sent to a prisoner-of-war camp near Montreal, Quebec. After he was released in 1941, he entered Queen's University in Kingston, Ontario, where he later received degrees in chemical engineering and history.

Bader was hired by Murphy Paint Co. in Montreal while still a student at Queen's, and he continued to work for the firm following his graduation. Murphy Paint eventually helped finance his studies at Harvard.

Murphy Paint was sold to Pittsburgh Plate Glass (now PPG Industries Inc.) before Bader left Harvard. The firm sent him to Milwaukee after he received his doctorate to work as a research chemist and, later, as the organic group leader in the paint division.

Bader soon realized that the chemists were wasting time preparing some of the chemical compounds necessary for their research, and he suggested that Pittsburgh Plate Glass form a division to augment the list of high-quality compounds available to research chemists. At that time, a division of Eastman Kodak Co. was the only significant supplier of the compounds in the United States.

Bader failed to convince his employer to enter the field, but he received permission to start his own operation in his spare time. In 1951 he rented a garage for \$25 a month and started producing a few compounds.

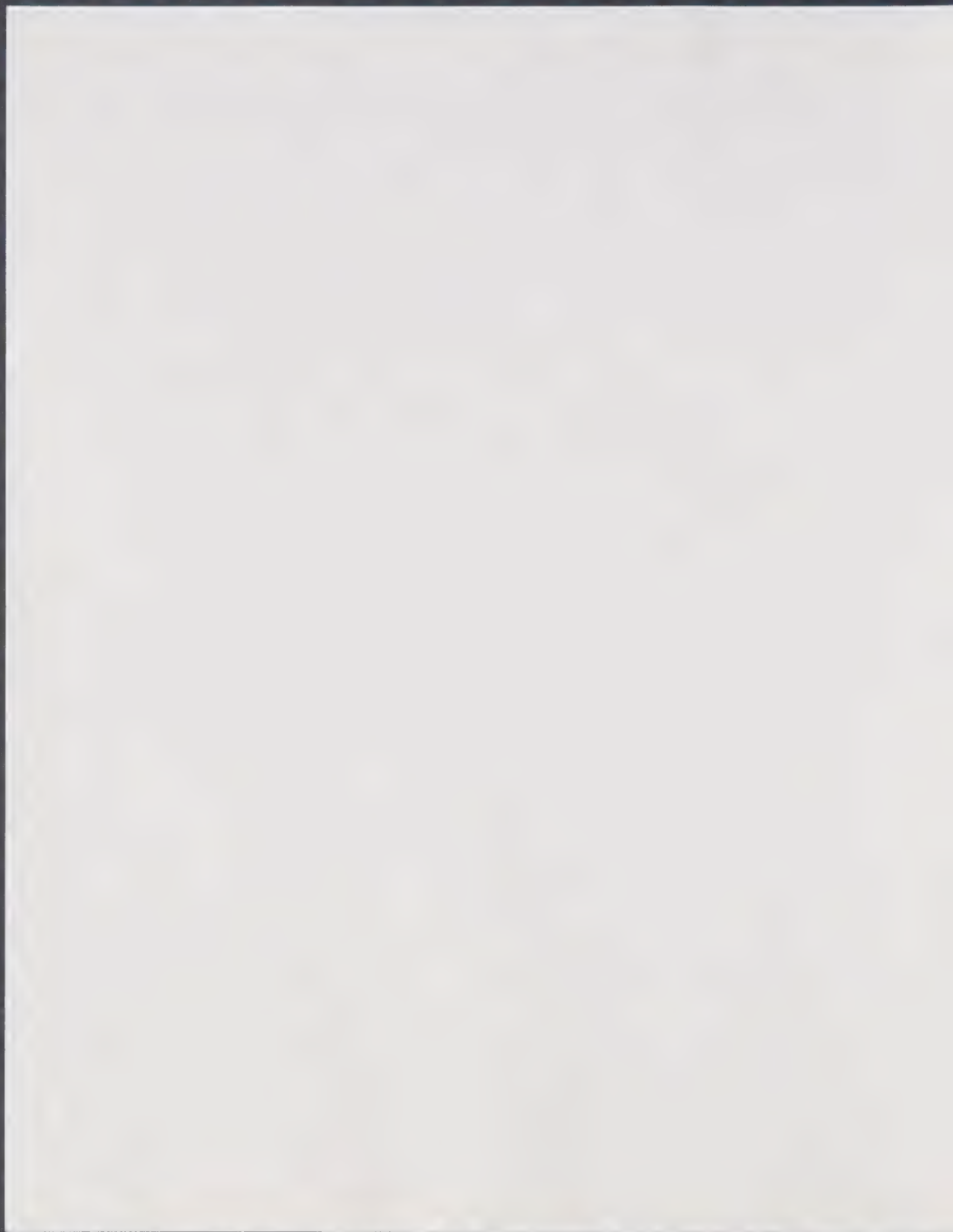
His partner in the venture was Jack Eisendrath, a Milwaukee attorney whose wife, Bettie, formerly Bettie Aldrich, provided the name for the company.

When Pittsburgh Plate Glass moved its research division to Pennsylvania in 1954, Bader resigned his position and stayed in Milwaukee, even though Aldrich had sales of only \$15,000 a year.

Bader said Eisendrath did the legal and much of the sales work for Aldrich in its early years, while Bader concentrated on producing chemicals. The men were equal partners in the firm.

After five years, Bader said he was doing most of the work for the firm, and he decided to offer Eisendrath several more limited ownership alternatives, including keeping 30 percent of the company.

Bader said Eisendrath was angered by the offer, however, and he chose to sell his share in the firm for \$15,000. The two men have



not spoken to each other since that time.

Too much has been made of the breakup, Bader said, and Eisendrath has wrongfully been portrayed as foolish for not accepting the offer to retain 30 percent ownership in Aldrich.

"He was much more than just a man who set up the paper work, the legal paper work," Bader said. "He worked very hard in the beginning, and yet it's just one of those situations."

Eisendrath said Bader forced him out of the business.

"I think his offers were pretty terrible," Eisendrath said. "I didn't think he was fair at all. The whole thing was my idea to begin with."

Eisendrath said Bader is unique because he is a brilliant chemist and a shrewd businessman. Bader's business goals motivated him to end the partnership, Eisendrath said.

"He saw a chance to take it over on his own and to make all of the money himself."

Aldrich grew rapidly under the direction of Bader, who sold some stock to the public in 1965 and 1967. The firm later merged with St. Louis-based Sigma Chemical Co. to become Sigma-Aldrich Corp. Sigma, then the world's largest producer of research biochemicals, was twice as large as Aldrich, which had become a leading supplier of organic and inorganic research chemicals. Bader is chairman of the combined company.

The two chemical firms operate independently, with Aldrich Chemical based in Milwaukee.

Sigma Aldrich also purchased a third operation, B-Line Systems Inc., Highland, Ill., which produces components for strut, cable-tray and pipe-support systems.

When he started Aldrich, Bader tried to offer organic chemicals not available from Eastman Kodak, but he later decided to develop a complete line of organic chemicals for research.

He also developed relationships with research chemists worldwide, and he continues to expand that network today.

The key sales tool for the firm is its huge catalog, which is easily recognizable because its cover is always graced by a reproduction of one of Bader's paintings. The 1984-85 edition listed more than 16,000 products. Bader said the firm annually adds more than 4,000 compounds to the catalog.

One and one-half million of the catalogs are mailed every year.

"Every chemist, every (chemistry) student" should have one, Bader said.

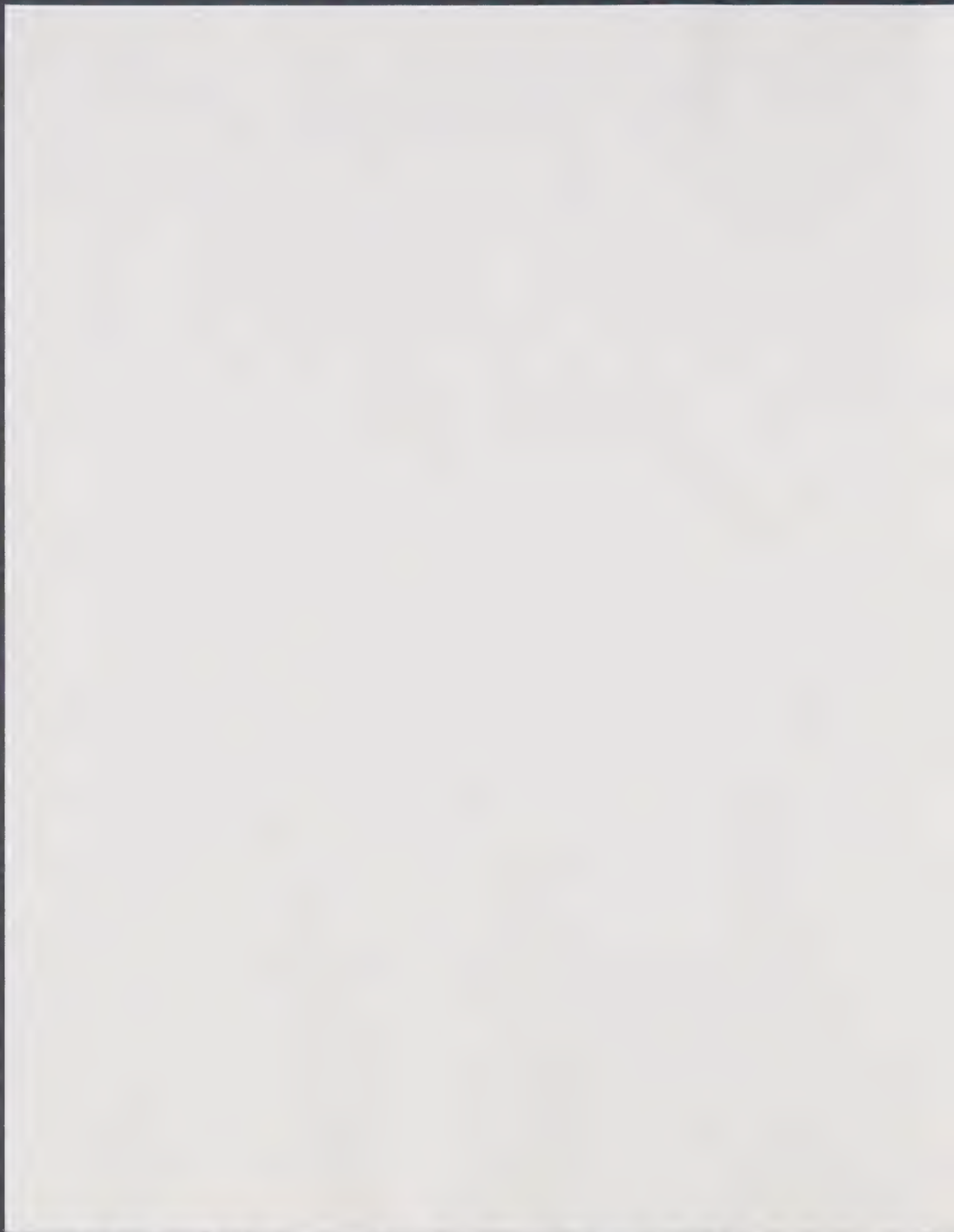
The company has more than \$18 million in chemicals in inventory, and Bader said it ships more than 97 percent of its orders the same day they are received.

Sigma-Aldrich has plants and distribution facilities in Europe and Israel. Forty percent of its business is done overseas, Bader said.

"I realized pretty soon, in the middle 1950s, that you couldn't make a living just making chemicals," he said. "One had to buy and sell and also make and combine the two. And, as I speak German fluently and French quite well, I went to Europe."

Today, Sigma-Aldrich has a hard time selling to Eastern European countries because of American export regulations, Bader said.

"We have now probably \$1 million in orders being held because we don't have export licenses. The Swiss, of course, have no difficulty at all shipping immediately, and so they get a lot of the



business that we lose," he said.

To get some of the licenses they need, customers must reveal what they will use the chemicals for, and some buyers are not willing to give that information, Bader said.

Referring to the Russians, Bader said: "I don't think we have any compounds that they can't make themselves. They've got very good chemists. The business just goes to the Swiss."

Bader, who ended his day-to-day involvement in the firm about three years ago and became its chairman, said the company has been growing at an annual rate of about 15 percent.

Aldrich employs 500 people in Milwaukee alone, and Bader said he expects that number to double in the next five or six years.

He said he has no retirement plans because he enjoys his work and feels he still is a productive member of the management team. He regularly travels to Europe to talk with chemists and to search for art.

Bader said his first love is his wife, Isabel, but he has trouble ranking his other interests.

"I don't know if it's paintings or chemistry," he said. "I really love both. I love what I'm doing. I work here from 8 a.m. to 5 p.m. or 5:30 p.m. every day because I so love my work.

"I haven't had a week's holiday in many, many years, and I don't want to."

Although he declined to put a price tag on his art collection, Bader said he buys about 200 paintings a year. Still, he said he is very selective and only buys about one in every 100 paintings he sees.

"I don't go to fancy dealers and spend a lot of money," he said.

"I go to junk stores, antique stores and auctions. I'm very frugal, and I like to buy bargains.

"I'm a hunter when it comes to paintings and, in a way, to chemicals."

Bader's collection is large and significant, said Russell Bowman, director of the Milwaukee Art Museum.

"I would say it's one of the best-known collections of 17th century Dutch art in the country," he said.

"I think his knowledge really approaches the scholar's knowledge," Bowman said of Bader.

Bader probably has even a higher profile in scientific circles.

To a great degree, Aldrich Chemical has facilitated research that might not have been successful without the company, said Benjamin Feinberg, assistant chairman of the chemistry department at the University of Wisconsin-Milwaukee.

"It's one of the world's leading chemical supply companies," Feinberg said. "There is no question about the quality of its products."

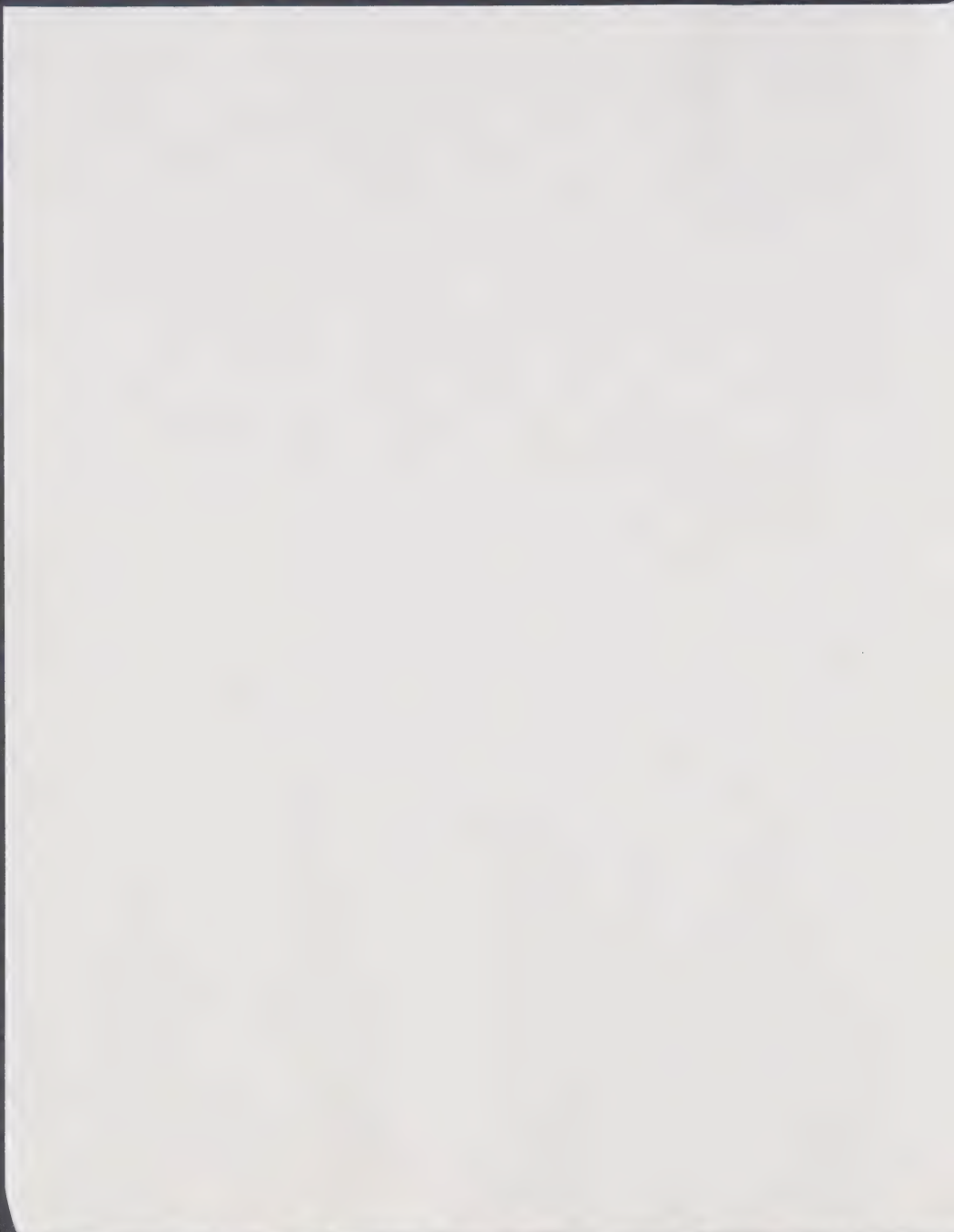
Illustration: photograph

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YOU HAVE VIEWED ALL THE DOCUMENTS.

PRESS (RETURN) TO START A NEW SEARCH.

TO REACH ANOTHER DATA BASE, TYPE TWO SLASHES (//) AND THE DATA-BASE NAME. EXAMPLE: //BUSINESS (RETURN).



This is an Agreement between Mr Jeffrey Cooper acting for Guinness Mahon & Co. Limited ("GM") and Dr Alfred Bader acting for Queen's University, Kingston, Ontario as per the Power of Attorney attached.

This Agreement is subject to Queen's University and/or an entity to be established by Queen's University in the United Kingdom ("QU") obtaining all the necessary planning permission lawfully to use the property for its educational purposes.

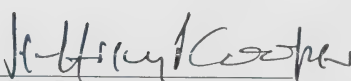
It is agreed that QU will purchase Lots 1, 4, 6 and 7 of the Herstmonceux property for £3.8 million.

It is further agreed that GM will give QU a two year option to purchase Lot 2 for £250,000 and GM will give QU a five year option to purchase Lot 3 for £200,000 and Lot 5 for £150,000.

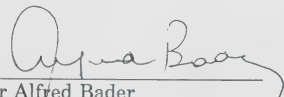
Within December 1992, QU will appoint a British solicitor to act on its behalf.

QU will do everything possible to expedite the closing of this transaction and to make timely payment.


It is further agreed that both parties will not disclose the purchase price or the prices of the purchase options to any third party other than may be required on written request by a Regulatory Authority in the U.K. or Canada.



Jeffrey P Cooper
Deputy Chief Executive
Guinness Mahon & Co. Limited

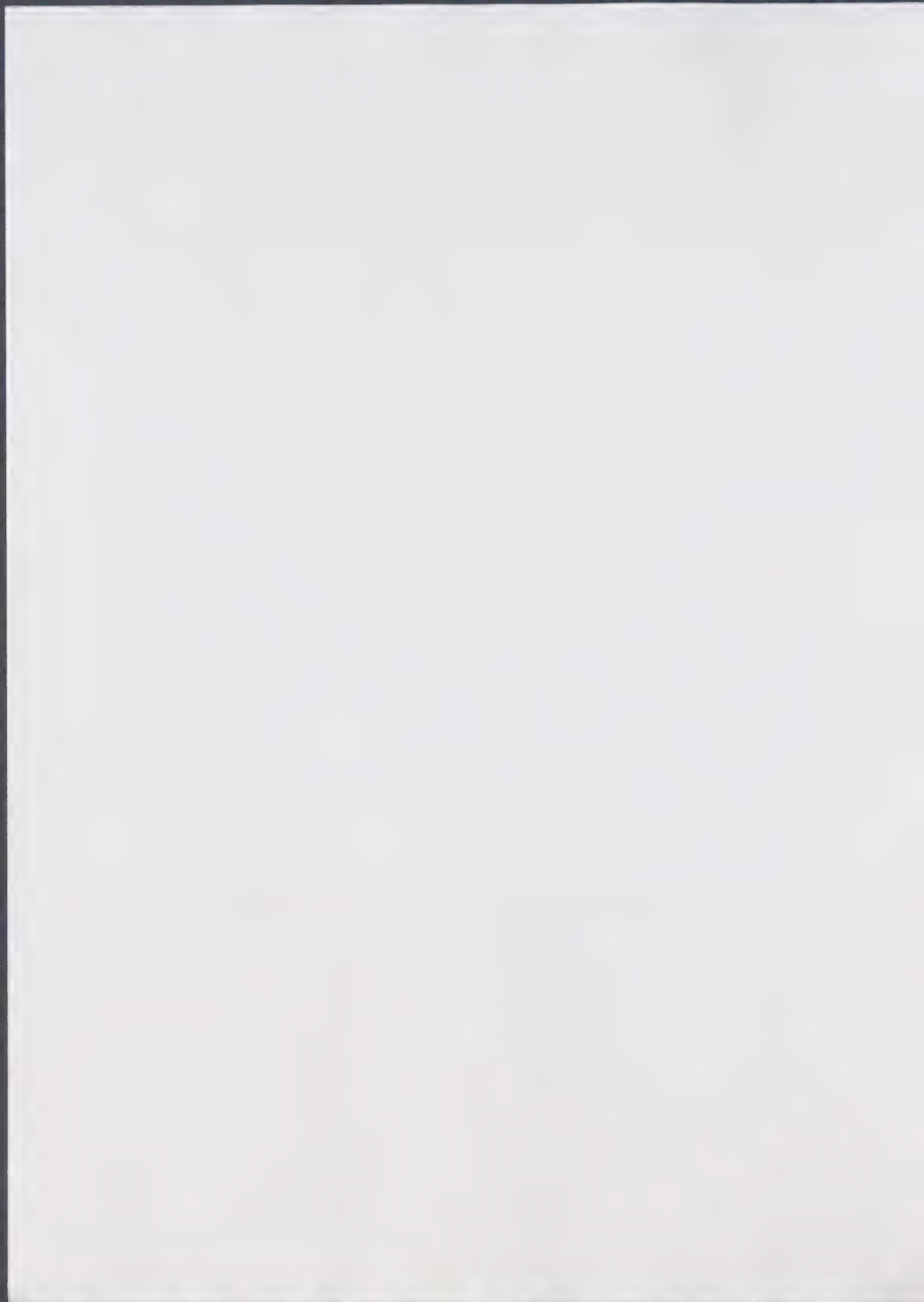


Dr Alfred Bader
Under Power of Attorney of
Queen's University at Kingston



In the presence of:
Amanda Thirsk
3 Oakbury Road
London SW6 2NL

Dated: 9 December 1992 AST



File - Castele

FAX TRANSMITTAL SHEET

FROM: DR. ALFRED BADER
2961 North Shepard Ave.
Milwaukee, Wisconsin 53211

Saturday 21 VIII 93
5 am

PHONE: (414) 962-5169
FAX: (414) 962-8322

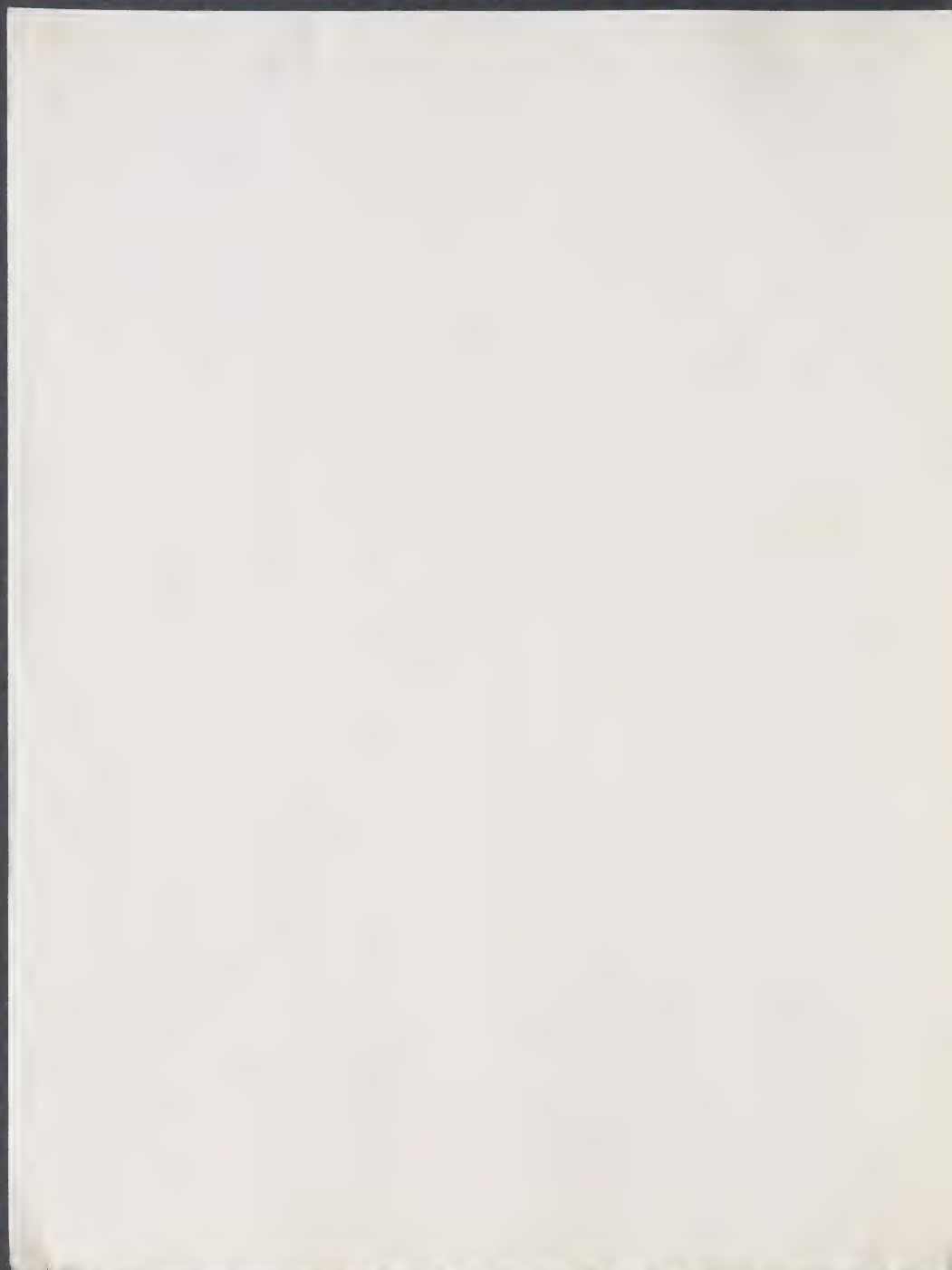
TO: TO: Principal David Smith
FAX: 44 424 830 422

Dear David
what a complicated contract
page 4 (compare p. 12) why £3815000 ~
page 37 14 (i) " Sale price is inclusive
of vat ... " yet
page 68 5 : " All sums ... exclusive
of vat ... " also pp. 60, 62, 64
why VAT on options ~
Re summary p 3 (4)
what was advice of Peat Marwick
why is deposit of £3.8M from June 3
subject to UK tax ~

Please fax - when to-day English time may
we call you ~
Best wishes
A.F.A

71 633 0649

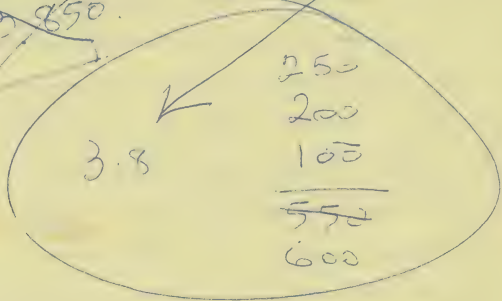
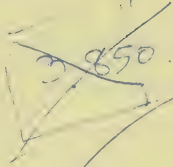




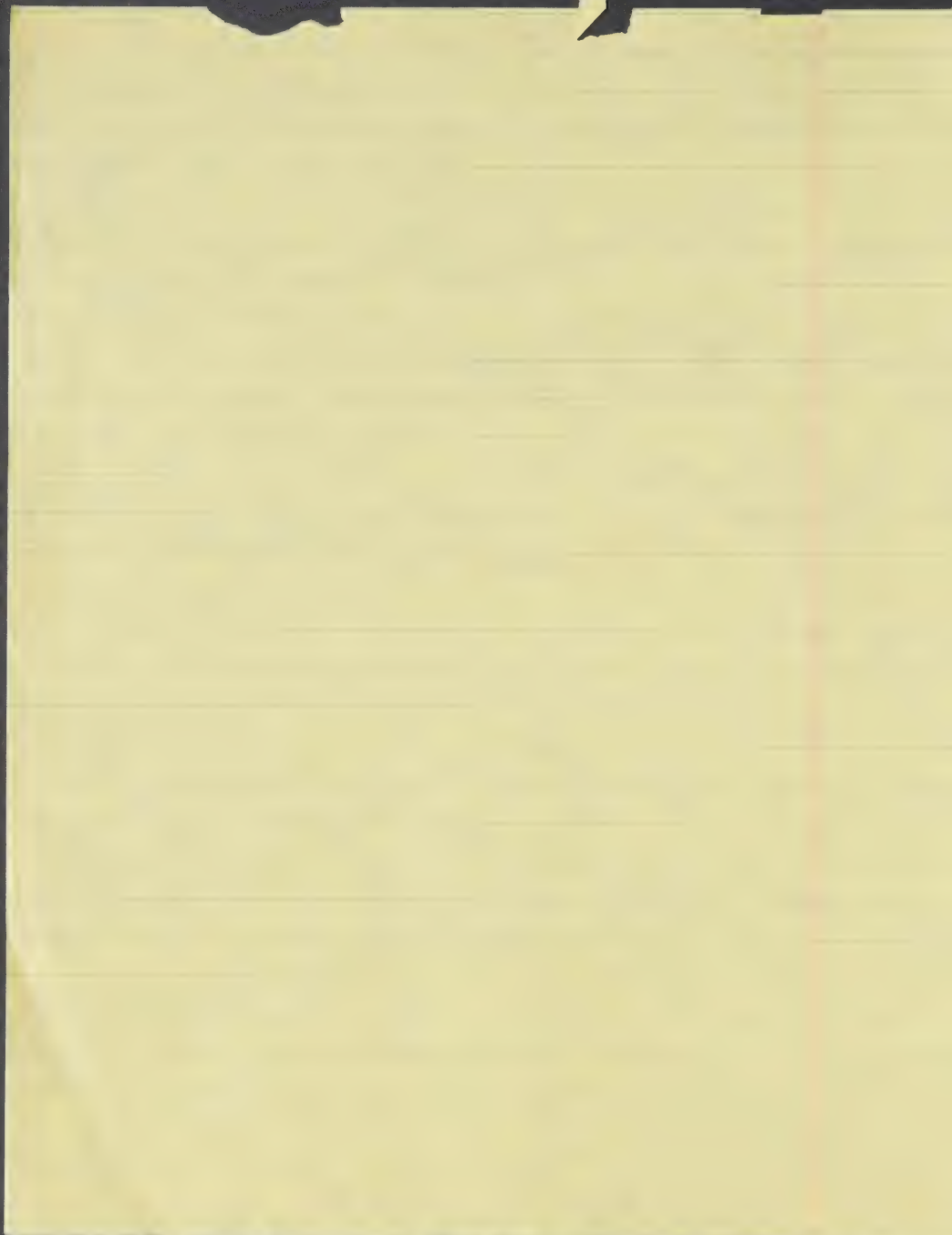
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12/11/92



METHODS OF CREATING CARRIED INTEREST FOR
GUINNESS MAHON IN HERSTMONCEUX

1. Sale of less than 100%, i.e. GM retains X% equity.
2. Retention of one or more Lots on a lease basis.
3. Retention by GM of Lots 2, 3 and 5 and a sale for £Y of the remaining Lots
4. Option to purchase unsold Lots at future date.
5. Deferred purchase terms including element of loan to purchaser.
6. Agreement to establish Fund to contribute in future years to total purchase price.
7. Value of incremental business placed with GM or Henderson Crosthwaite.



THIS INSTRUMENT OF ATTORNEY IS GIVEN ON THE 1st day of
1914 BY QUEEN'S UNIVERSITY AT KINGSTON, QUEEN'S.

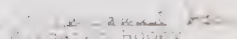
Queen's representative ALFRED GARDER on its behalf has
authorized the undersigned for the purchase of the patent rights
in the invention described in the attached specification of
the undersigned and hereby, on such terms and conditions as the
undersigned may see fit, in connection with Queen's, shall execute
and deliver with full authority to execute all documents and do all
things necessary for the above purpose.

Notwithstanding the foregoing, any agreement executed
hereunder shall contain a condition that the patent rights
are to be used for the educational purposes of Queen's.

QUEEN'S UNIVERSITY AT KINGSTON



David C. Saxe
Principal of
Queen's University



Richard Hooby
Secretary of the Board



OFFICE OF THE ATTORNEY GENERAL

AL RUD BADER

POWER OF ATTORNEY

CUNNINGHAM, SWAN, CARRY, LITTLE

& BONHEAR

ATTORNEYS AT LAW

1000 ...

...



THE STRONGHOLD CASTLE ESTATE, STURDY, IRELAND

Comprising an eleven acre site, a 1000 acre site and
a 1000 acre site, as described in the following schedule of
contents.

1. The Stronghold Castle, comprising 1000 acres.

2. The 1000 acre site, comprising 1000 acres.

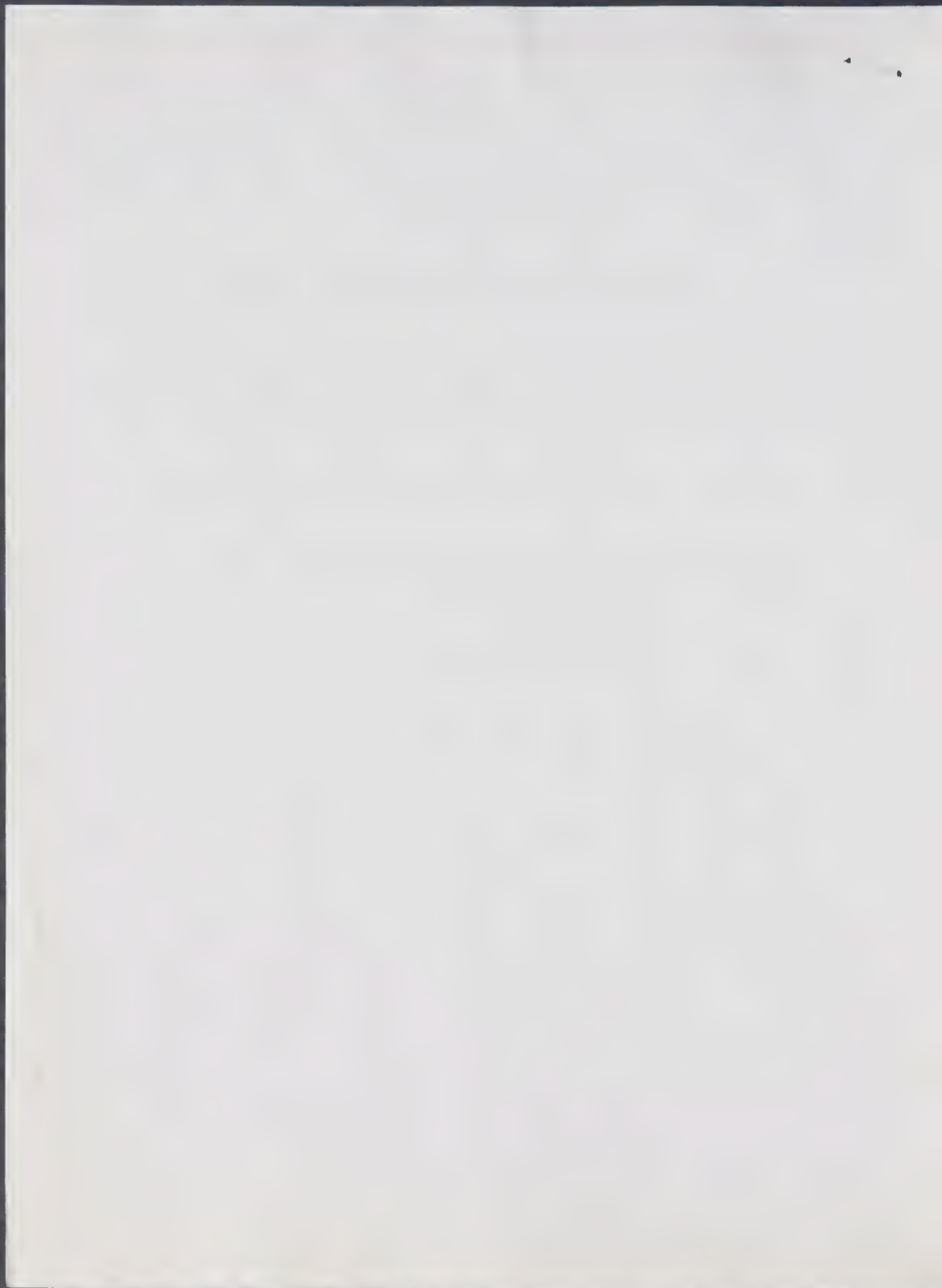
3. The 1000 acre site.

4. The 1000 acre site or telegraph site.

5. The 1000 acre site and 1000 acres.

6. The 1000 acre site.

7. The 1000 acre site.

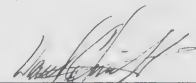


THIS POWER OF ATTORNEY is given on the 4th day of December, 1992 by QUEEN'S UNIVERSITY AT KINGSTON, (Queen's).

Queen's hereby appoints ALFRED BADER as its attorney to negotiate an agreement for the purchase of the Herstmonceux Castle Estate, (more particularly described in the attached schedule) in Sussex, England (the Estate), on such terms and conditions and for such price as he, in consultation with Queen's, shall consider reasonable, with full authority to execute all documents and do all things necessary to achieve such purpose.

Notwithstanding the foregoing, any agreement negotiated by the attorney shall contain a condition that the Estate may be lawfully used for the educational purposes of Queen's.

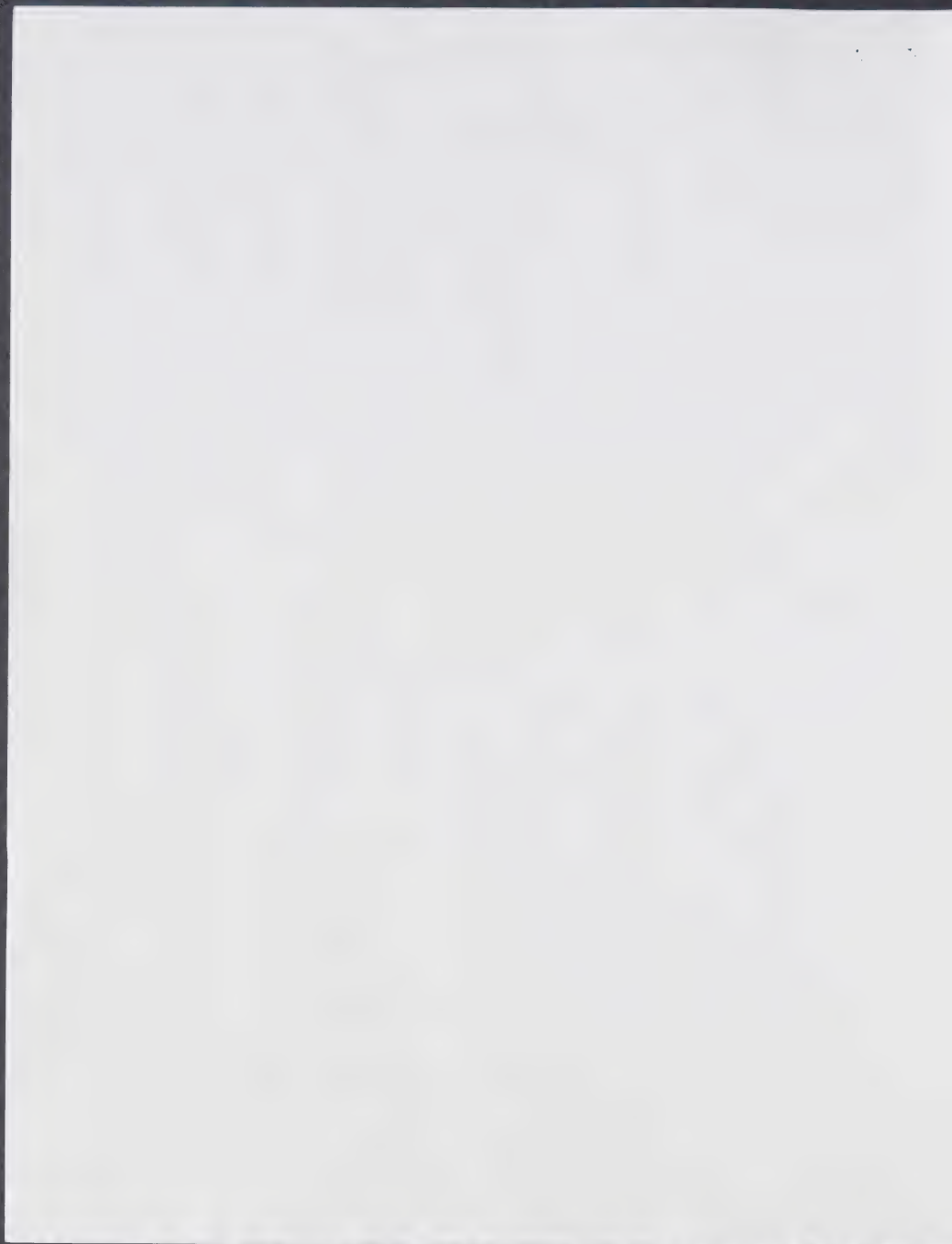
QUEEN'S UNIVERSITY AT KINGSTON



David C. Smith
Principal and
Vice-Chancellor



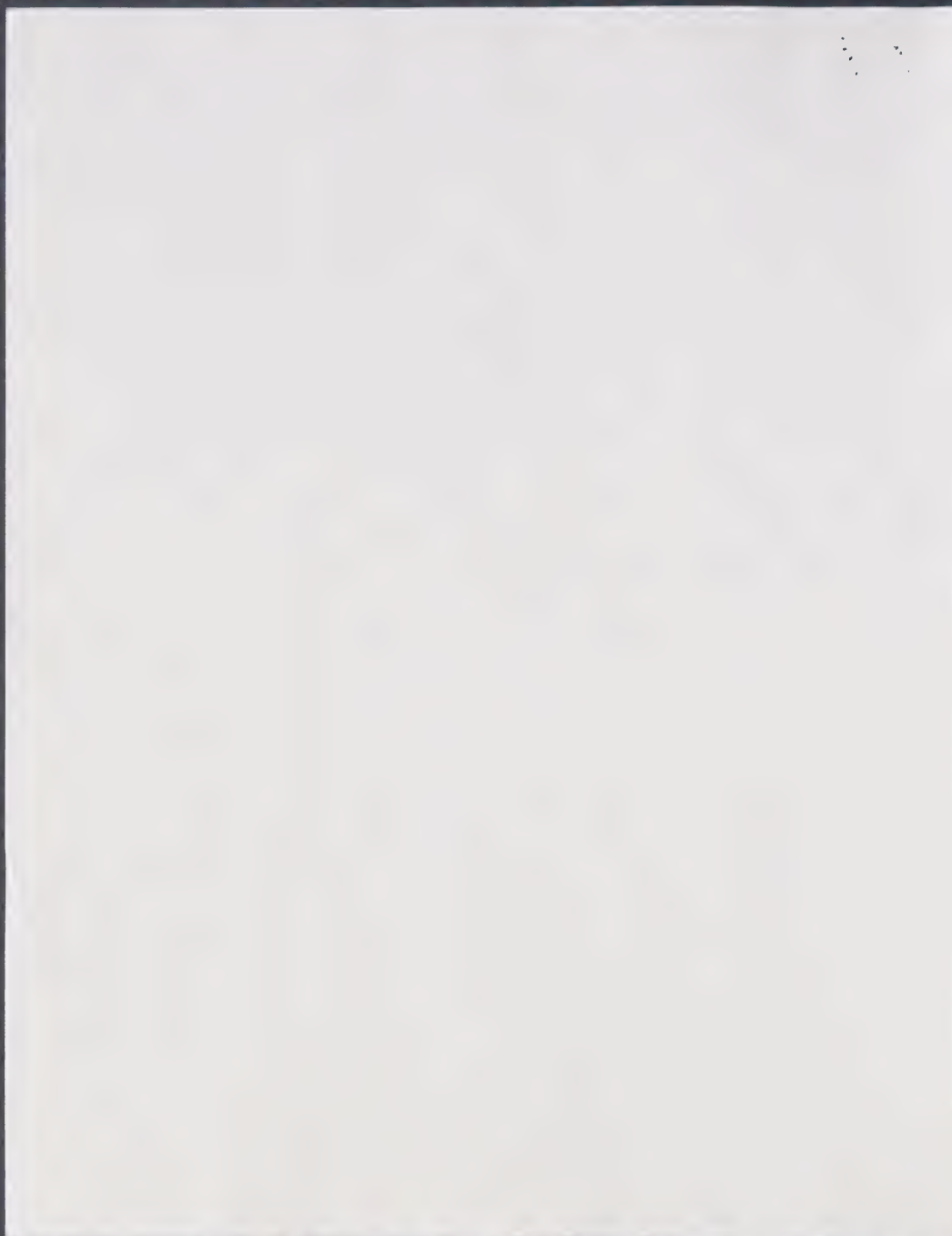
Margaret Hooey
Secretary of the University



HERSTMONCEUX CASTLE ESTATE, SUSSEX, ENGLAND

Comprised of seven lots with a total area of 532 acres more or less, as described by the Owner's agents as follows:

- Lot 1: Herstmonceux Castle, 3 cottages and 230 acres.
- Lot 2: Hoads Hill Farmhouse, buildings and 68 acres.
- Lot 3: 140 acres of farmland.
- Lot 4: The Equatorial Group of Telescope Buildings.
- Lot 5: 65 acres of woodland and farmland.
- Lot 6: West Lodge.
- Lot 7: West Building.



DATED: 20 October 1992.

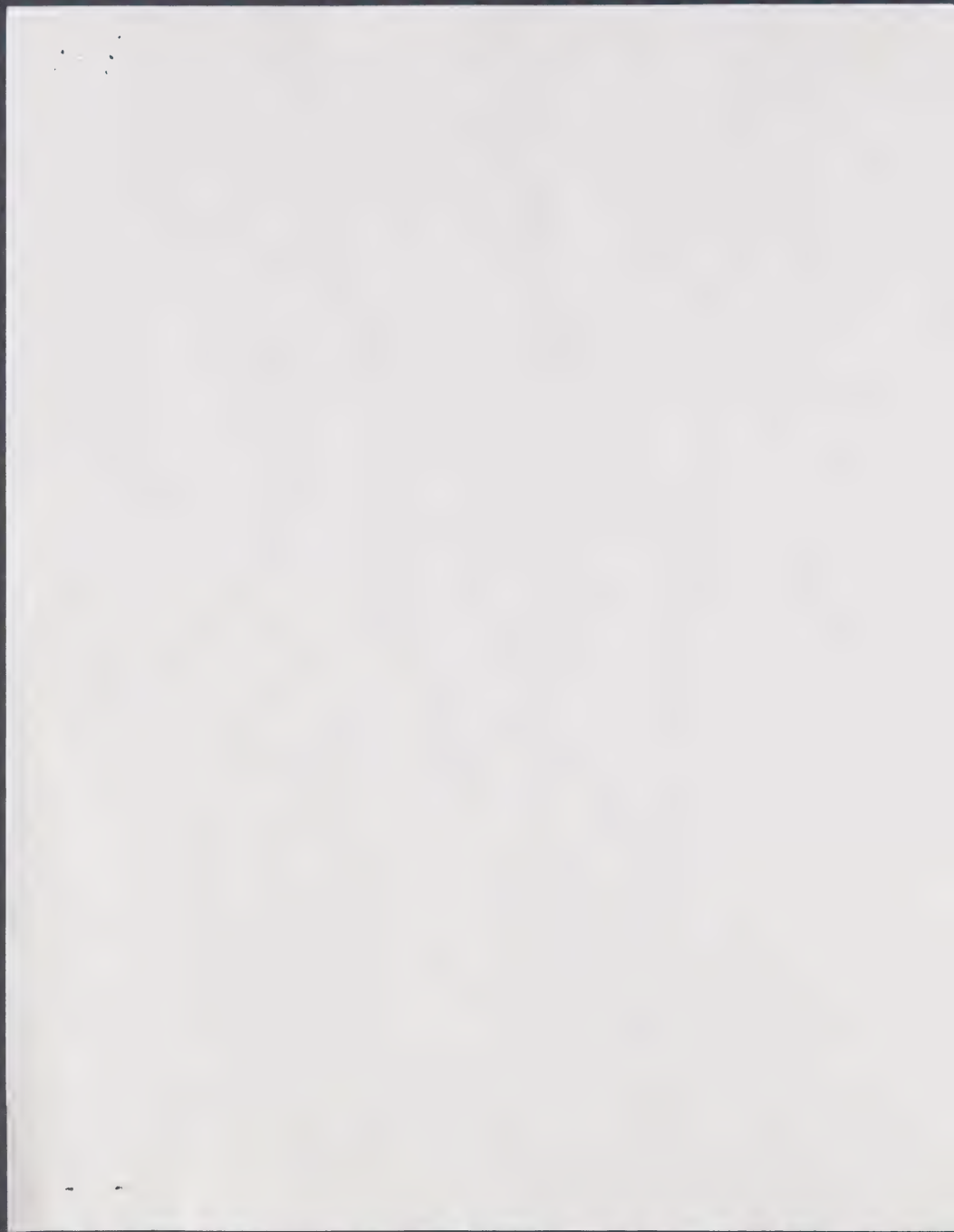
QUEEN'S UNIVERSITY AT KINGSTON

- and -

ALFRED BADER

POWER OF ATTORNEY

CUNNINGHAM, SWAN, CARTY, LITTLE
& BONHAM
Barristers and Solicitors
P. O. Box 460
500-259 King Street East
Kingston, Ontario
K7L 4W6



DATED 10.11.19

JAMES DEVELOPMENTS (HERSTMONCEUX) LIMITED

-and-

THE RECEIVER

-and-

QUEEN'S UNIVERSITY AT KINGSTON

A G R E E M E N T

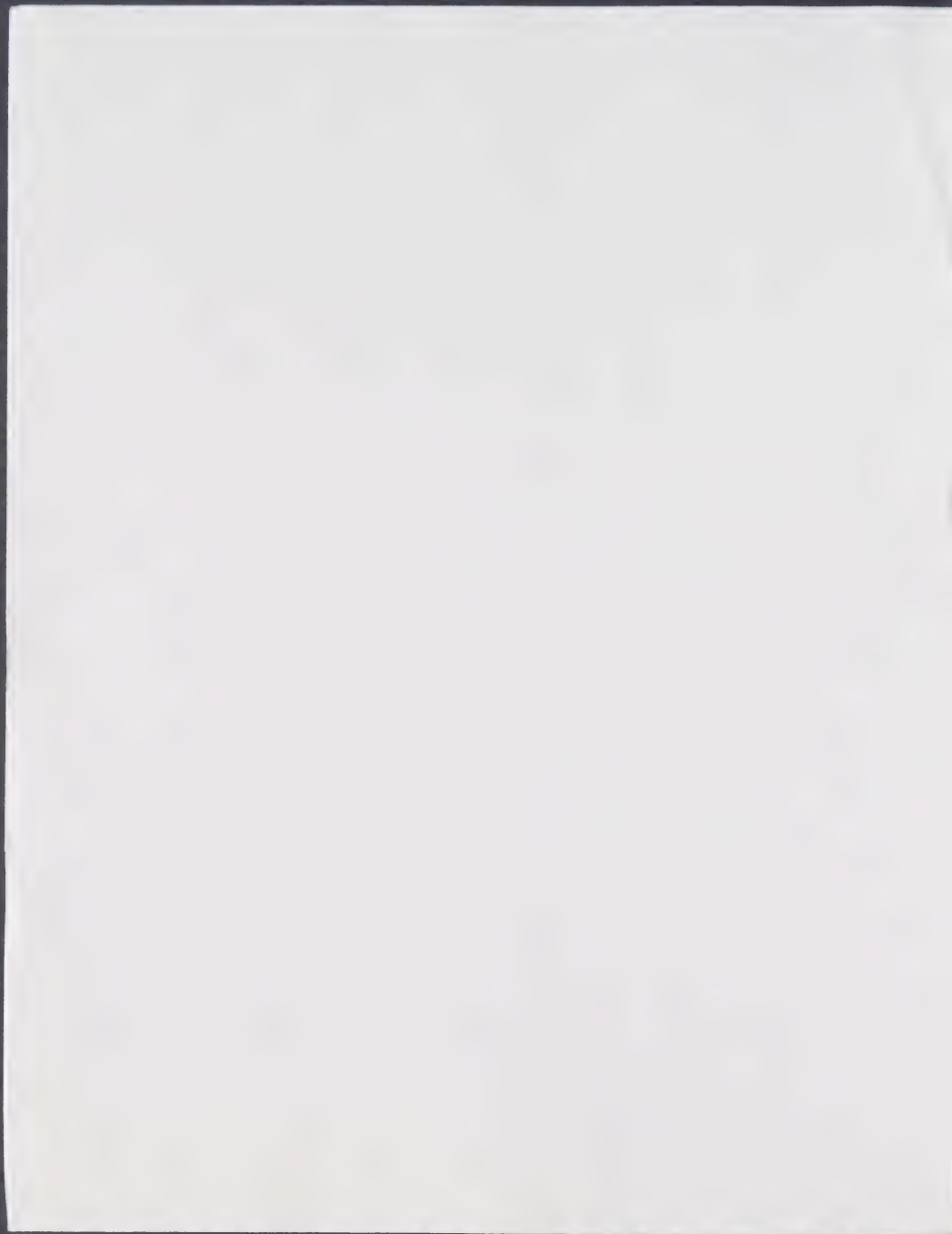
for the sale by the receiver
of freehold property known as
Lots 1, 4, 6 and 7, and
grant of options to purchase the freehold
property known as Lots 2, 3 and 5,
Herstmonceux Castle Estate,
East Sussex

Lana Row

one 44 424 830 422

20 37 15 11
VAT
10/6/8
10/11/8
10/11/8
10/11/8
10/11/8

Allen & Overy,
9 Cheapside,
London EC2V 6AD
NMHB/JJS



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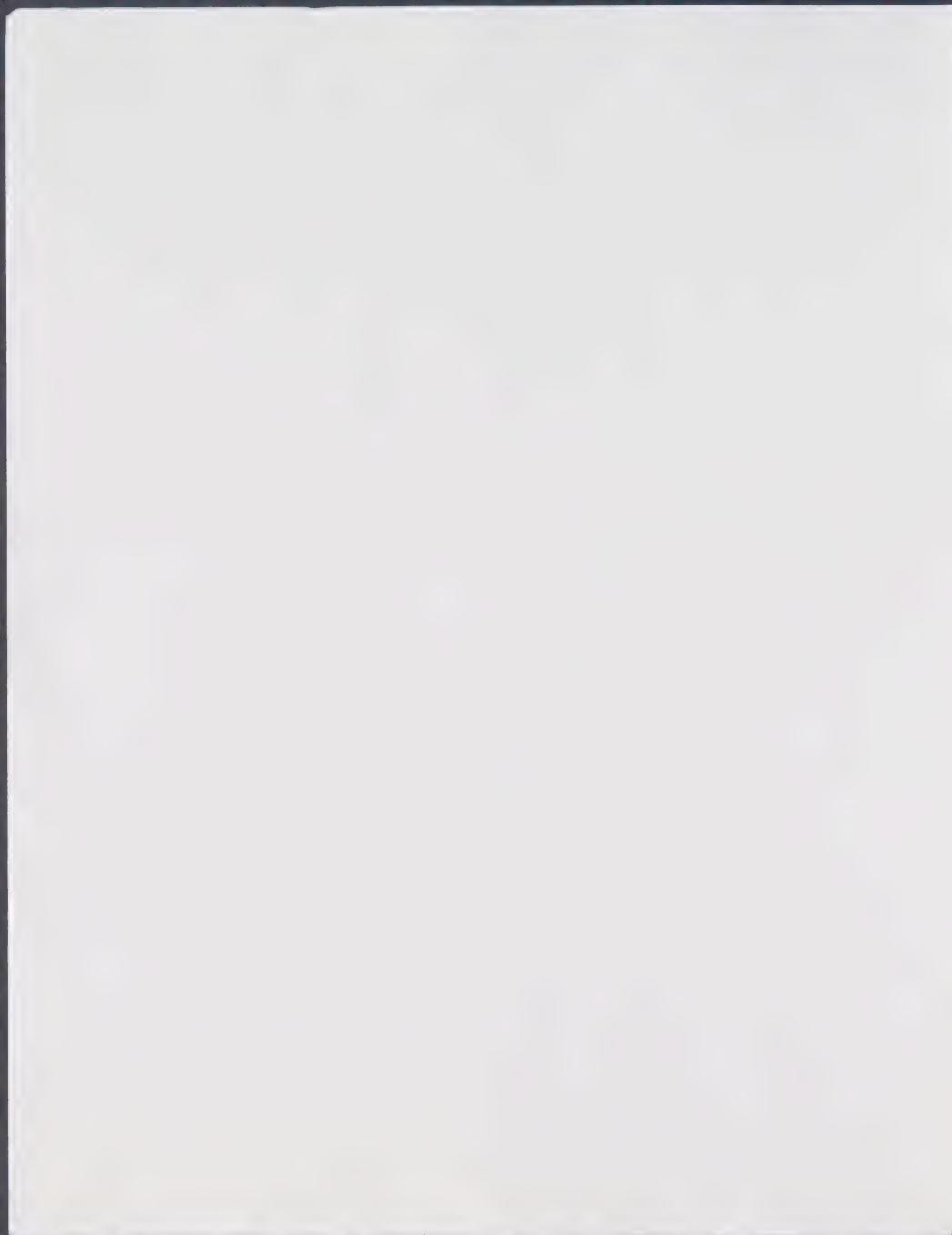
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2	Chattel Assets at Herstmonceux
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4	Estimate of Running Costs
5	Cover Details
6	Lot 2 Purchase Document
7	Lot 3 Purchase Document
8	Lot 5 Purchase Document
9	Transferee of Whole Purchase Document
10	Transferee of Part Purchase Document
11	Transferor of Part Purchase Document



THIS AGREEMENT is made on *17th day of March*, 19

BETWEEN:

- (1) JAMES DEVELOPMENTS (HERSTMONCEUX) LIMITED (registered number 2319184) in administrative receivership whose registered office is at Herstmonceux Castle, Herstmonceux, East Sussex BN27 1RP (the "Seller") acting by its receiver MAURICE CHARLES WITHALL of Grant Thornton House, Melton Street, Euston Square, London NW1 2EP aforesaid (the "Receiver");
- (2) THE RECEIVER; and
- (3) QUEEN'S UNIVERSITY AT KINGSTON an institution established by Royal Charter whose address is at Richardson Hall, Kingston, Ontario K7L 3N6 Canada (the "Buyer").

WHEREAS:

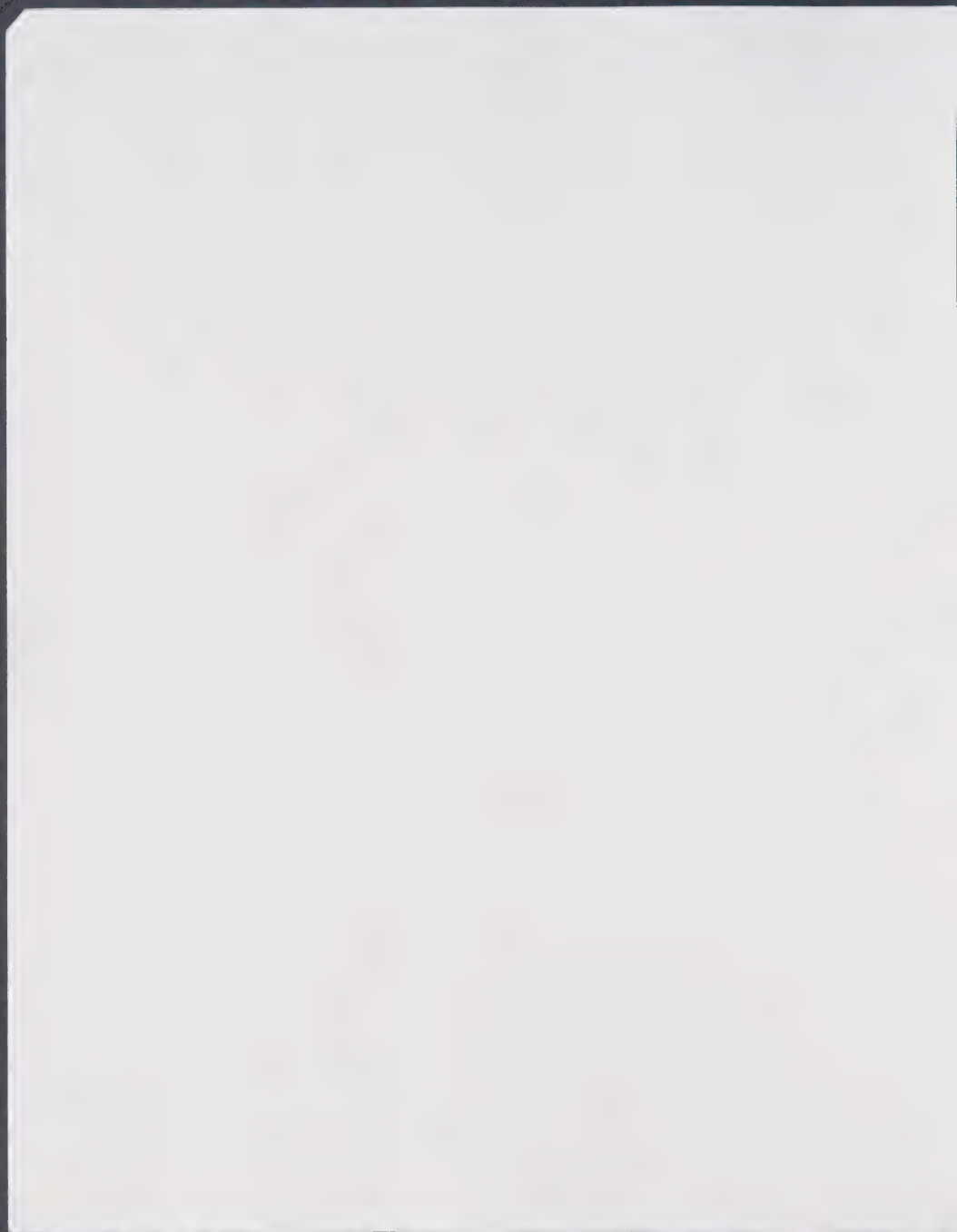
- (A) The Seller is a company incorporated under the Companies Act 1985 on 18th November, 1988 with limited liability.
- (B) The Receiver was appointed administrative receiver of all the undertaking, property, assets and rights of whatever nature of the Seller on 15th January, 1993 pursuant to powers contained in a fixed and floating charge dated 4th August, 1989 and made between the Seller (1) and Guinness Mahon & Co Limited (2) and is now the only person so appointed

IT IS AGREED as follows:-

1. Interpretation

- (1) In this agreement:

"AMAAA" means the Ancient Monuments & Archeological Areas Act 1979;



"Appeal" means an application or appeal to the Secretary of State under section 78 T&CPA or section 20 LBCA or the High Court or other appropriate forum in respect of the non-determination or grant or conditions of grant or refusal of a Permitted Application by a Relevant Authority or any decision of any inferior court or other appropriate forum relating to any application or appeal including (without limitation of the foregoing) an application by way of judicial review or pursuant to section 288 T&CPA section 63 LBCA or section 55 AMAAA;

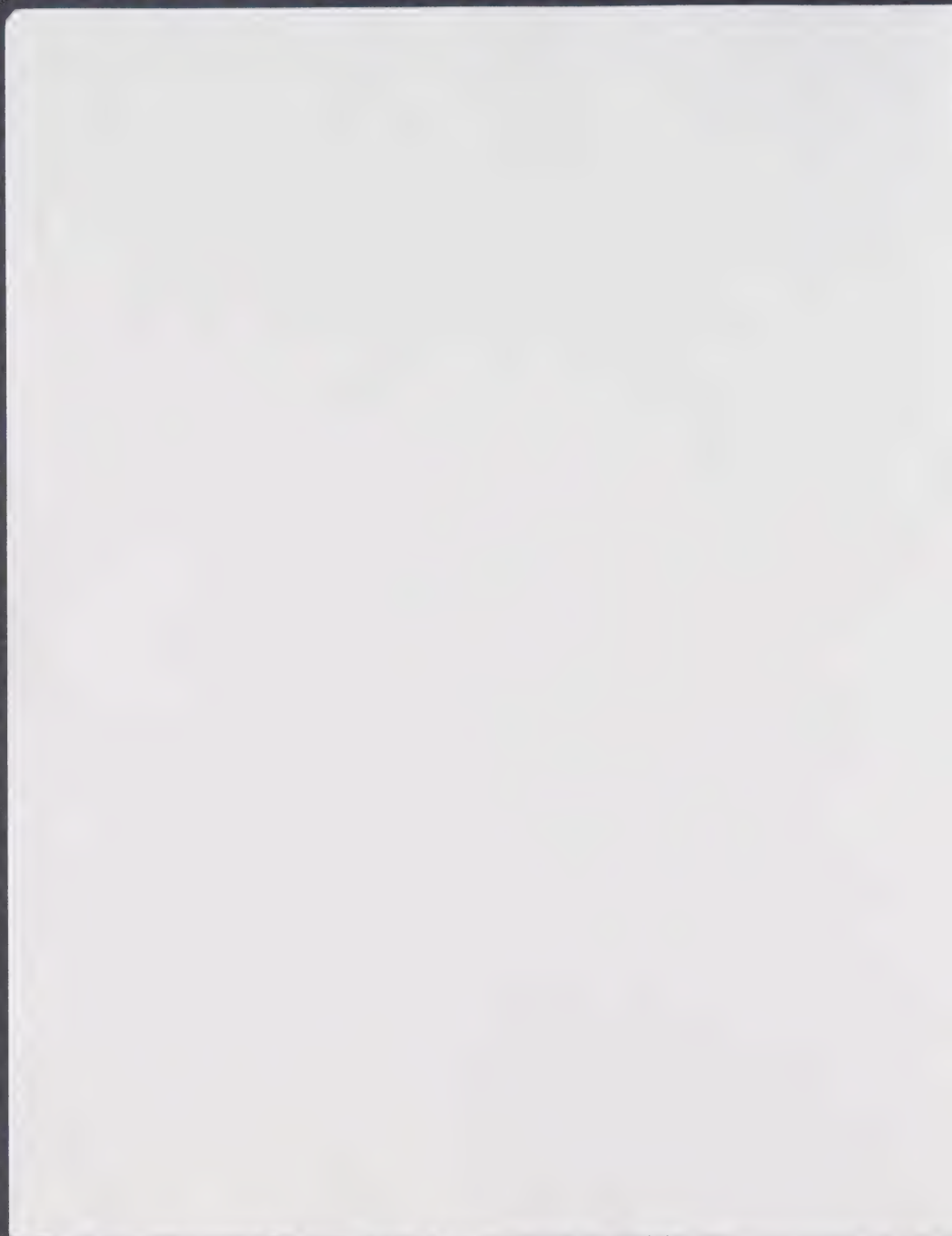
"Appeal Body" means the appropriate body or court with jurisdiction to hear an Appeal;

"Appeal Decision" means the decision of the Appeal body on the Appeal;

"Buyer's solicitors" means Lovell White Durrant, 65 Holborn Viaduct, London ECLA 2DY;

"Charity" means International Study Centre (registered number 2837809) incorporated under the Companies Act 1985 with limited liability which at the date of this agreement the Buyer intends, subject to the approval of the Charity Commission (for which application on behalf of the Buyer has been made), shall complete the purchase of the Property;

"Chattels" means such of the chattels and equipment set out in the document headed "Chattel Assets at Herstmonceux" annexed to this agreement as are owned by the Seller or in which the Seller has an interest except any of them which are not on the Property (other



than any still in the control of the Seller) on completion of the sale of the Property;

"Chattels Price" means £5,000 plus VAT (insofar as chargeable on the supply of the Chattels);

"Completion Date" means the date which is five working days after the Unconditional Date;

"Covenants" means the covenants specified in Part 1 of Schedule 2;

"Effective Date" means the date on which:-

- (a) any Planning Agreement has been entered into by all its parties and it does not contain any Unsatisfactory Obligation and otherwise accords with the provisions of clause 4(7); and
- (b) all requisite consents in respect of all the Permitted Applications have been granted and none of them are subject to any Unsatisfactory Conditions;

"Employees" means the persons listed on the document headed "Employee Details" annexed to this Agreement;

"Event Licence" means a licence agreement dated 9th July, 1993 between the Seller (1) the Receiver (2) and the Buyer (3);

"Exceptional Running Costs" means any item of expenditure in maintaining and managing the Property which is not referred to in the Running Costs Estimate together with irrecoverable VAT thereon;

"Exceptional Running Costs Contribution" means the Buyers contribution to any Exceptional Running Costs as referred to in Schedule 5;

"Existing Applications" means the applications briefly described in Schedule 3 as varied before the date of this agreement;



"Fixed and Floating Charge" means the fixed and floating charge dated 4th August, 1989 and made between the Seller (1) and Guinness Mahon & Co Limited (2) and which is registered at entry numbers 13 and 14 of the Charges register of title number ESX162010;

"Grazing Licence" means a Grazing Licence of 20th March, 1993, made between the Seller (1) and Peter Wadman (2);

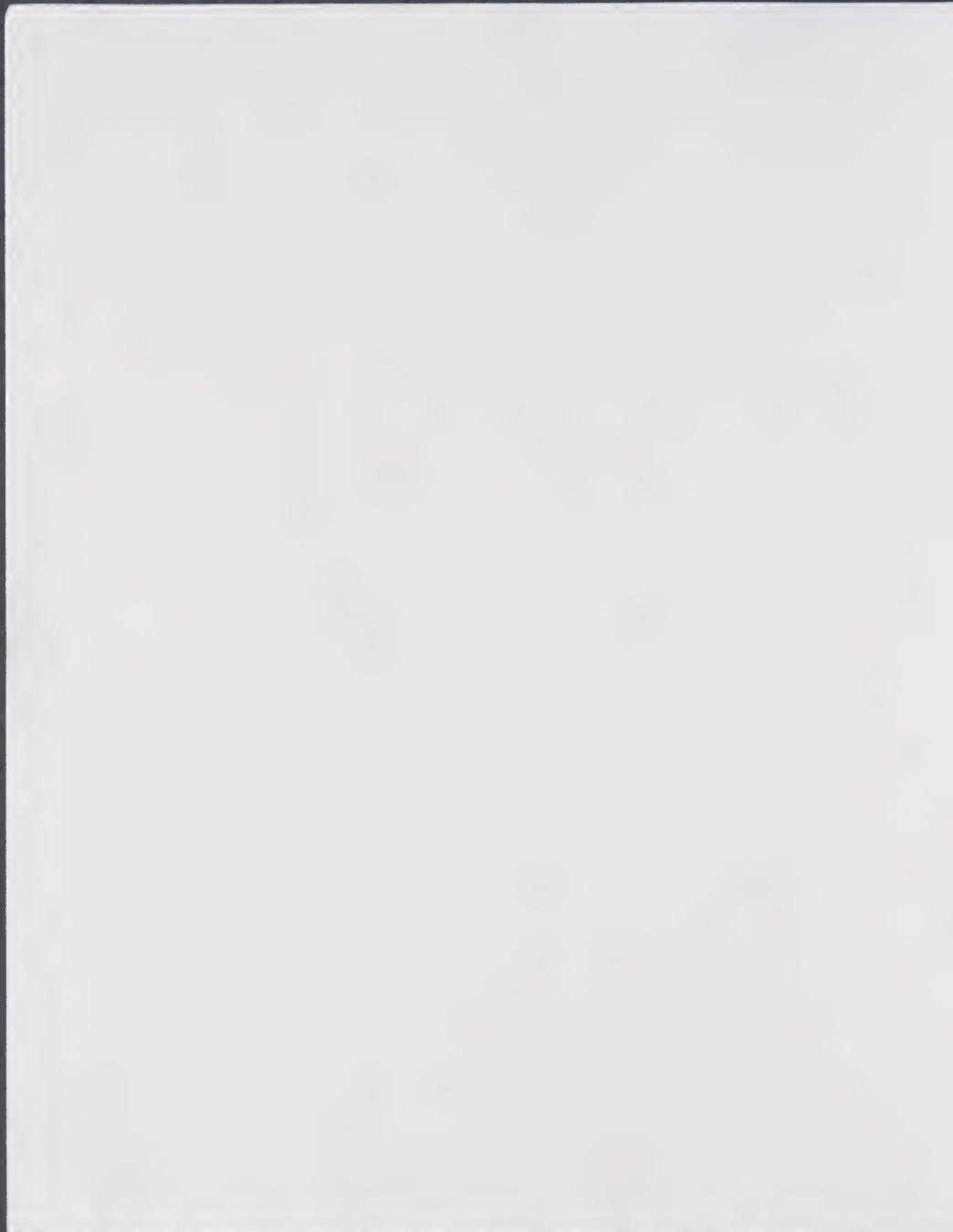
"LBCA" means the Planning (Listed Buildings and Conservation Areas) Act 1990;

"Long Stop Date" means 15th December, 1993;

"Permitted Applications" means the Existing Applications and (with the Seller's written approval under clause 4(3)) any applications which are in addition to or substituted for any of the Existing Applications, with any variations on or after the date of this agreement which the Buyer considers should be made in order to obtain planning permissions under T&CPA listed building consents under LBCA and scheduled monument consent under AMAAA for the same or substantially the same uses and works as are described in the Existing Applications;

"Plan" means the plan attached to this agreement;

"Planning Agreement" means an agreement or deed in respect of the Property pursuant to section 106 T&CPA and/or section 111 of the Local Government Act 1972 and/or section 33 of the Local Government (Miscellaneous Provisions) Act 1982 and/or section 38 and/or 278 of the Highways Act 1980 and/or section 104 of the Water Industry Act 1991 or any statutory provisions to similar intent which a competent



Relevant Authority requires to be entered into as a condition precedent to the grant of the relevant Permitted Application; "Planning Delay Period" means a period so described in clauses 4(4) and 4(8);

"Property" means the freehold property specified in Part 1 of Schedule 1;

"Public Access Licence" means a licence agreement dated 28th May, 1993 between the Seller (1) the Receiver (2) and the Buyer (3);

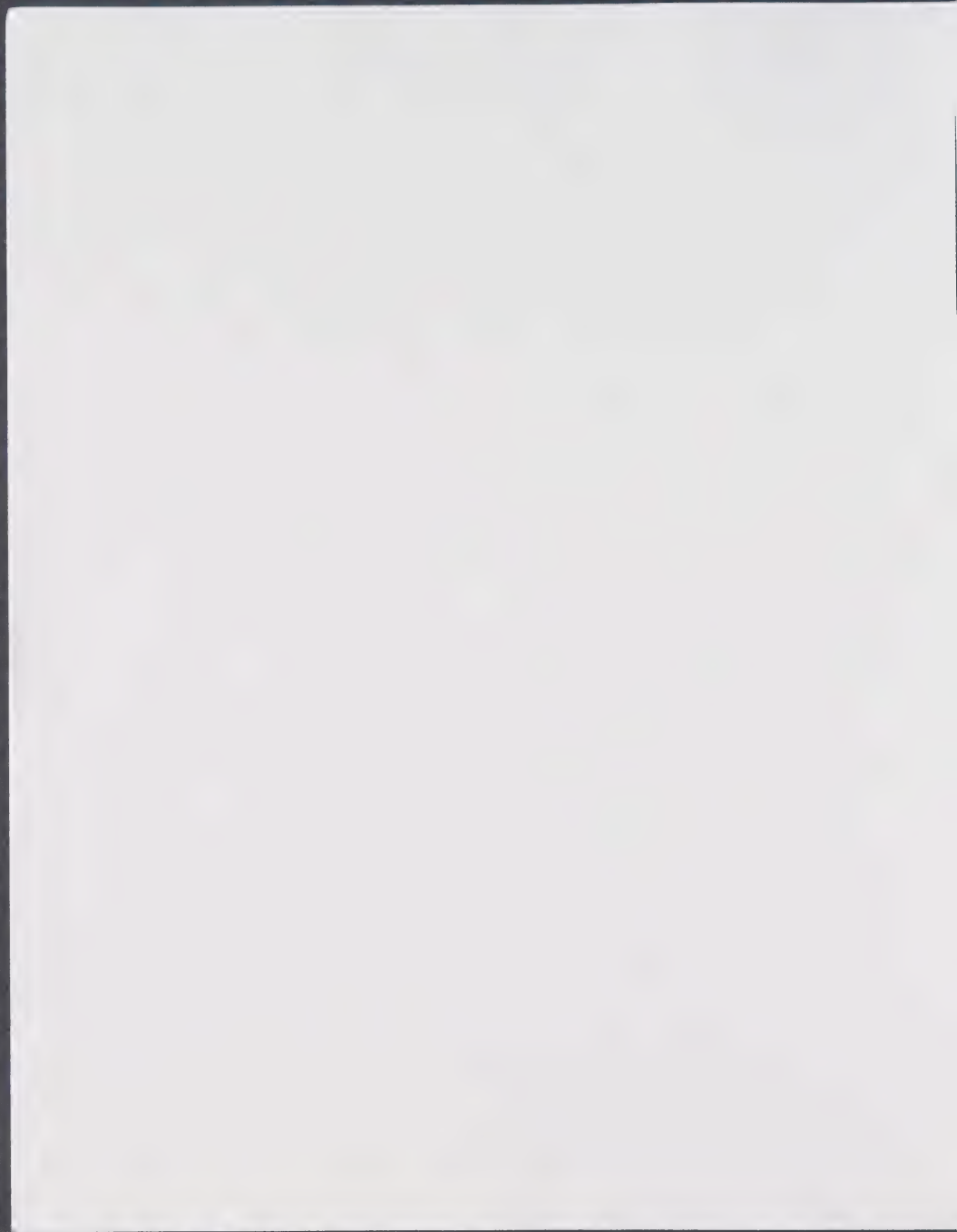
"Relevant Authority" means

- (a) in the case of a Permitted Application for planning permission or listed building consent, the local planning authority (as defined in T&CPA) for the area in which the Property is situate, or, in the case of any such Permitted Application being called in by him under section 77 T&CPA, the Secretary of State, or
- (b) in the case of an application for Scheduled Monument Consent, the Secretary of State, or
- (c) in the case of an Appeal, the Secretary of State or the High Court or other appropriate forum;

"Retained Land" means the freehold property specified in Part 2 of Schedule 1;

"Rights" means the rights and other matters specified in Part 2 of Schedule 2;

"Running Costs" means the costs actually incurred by the Seller and/or the Receiver in respect of the Property and the Employees on



the items in the Running Costs Estimate together with irrecoverable VAT thereon;

"Running Costs Contribution" means the aggregate of the sums payable by the Buyer to the Seller under paragraph 1(1) of Schedule 5;

"Running Costs Estimate" means the document headed "Estimate of the Running Costs June - December 1993" annexed to this agreement;

"Running Costs Period" means the period commencing on 7th June, 1993 and ending on the earlier of the Completion Date or the date of proper termination of this agreement;

"Sale Price" means £3,815,000;

"Secretary of State" means the Secretary of State for the Environment;

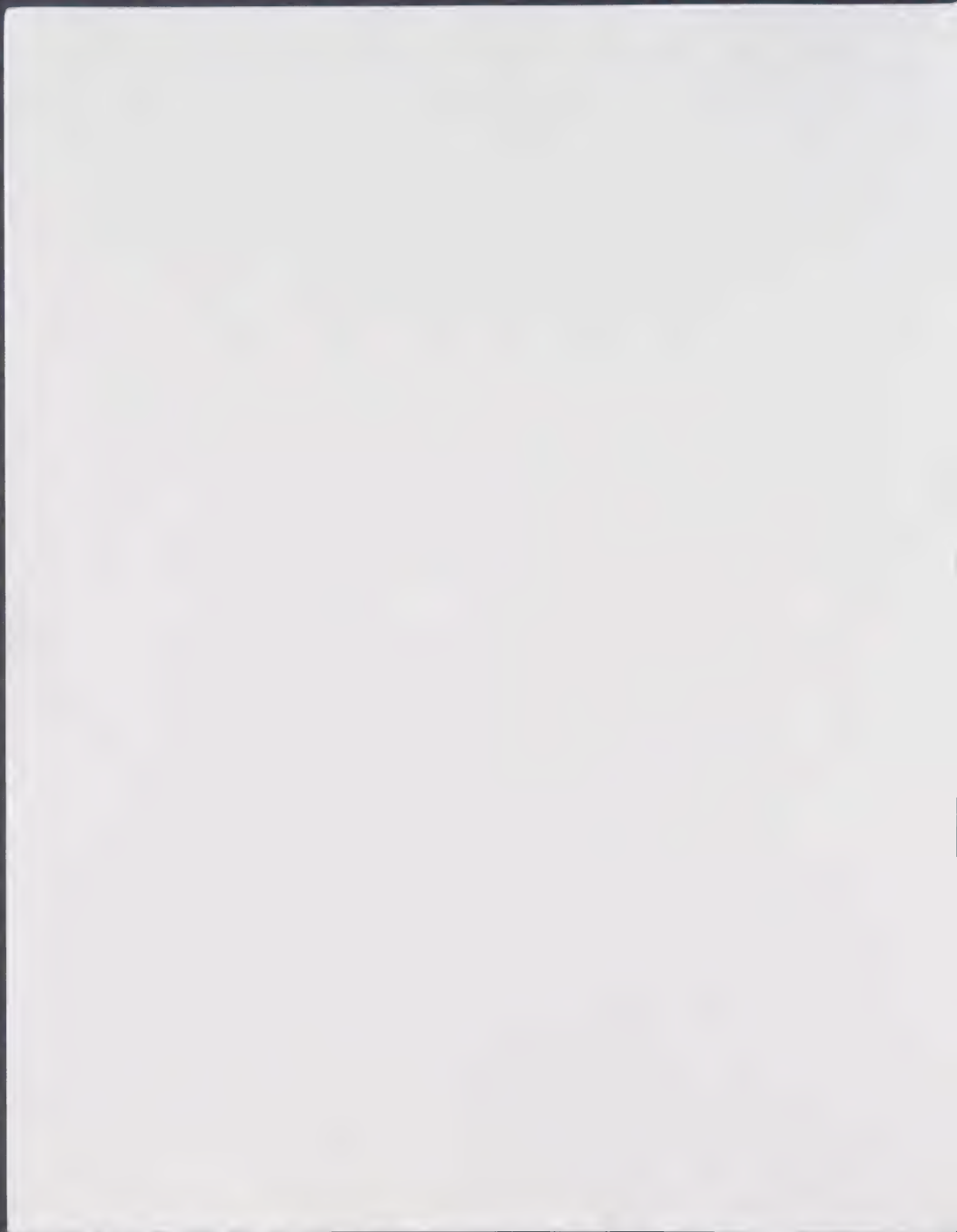
"Seller's solicitors" means Allen & Overy, 9 Cheapside, London EC2V 6AD;

"SERC Lease" means a lease dated 7th June, 1990 made between James Developments (Herstmonceux) Limited (1) and Science and Engineering Research Council (2) of the Satellite Laser Ranger Building and other land on the Property;

"T&CPA" means the Town & Country Planning Act 1990;

"Third Party Appeal" means an Appeal by a person other than the Buyer and other than a person associated with or affiliated to the Buyer in respect of the grant of a Permitted Application;

"Third Party Equipment" means any of the Chattels or the Property's fittings (not being fixtures) which are not owned by the Seller or any other chattels or items on the Property which are not owned by the Seller, and including without limitation any which are subject



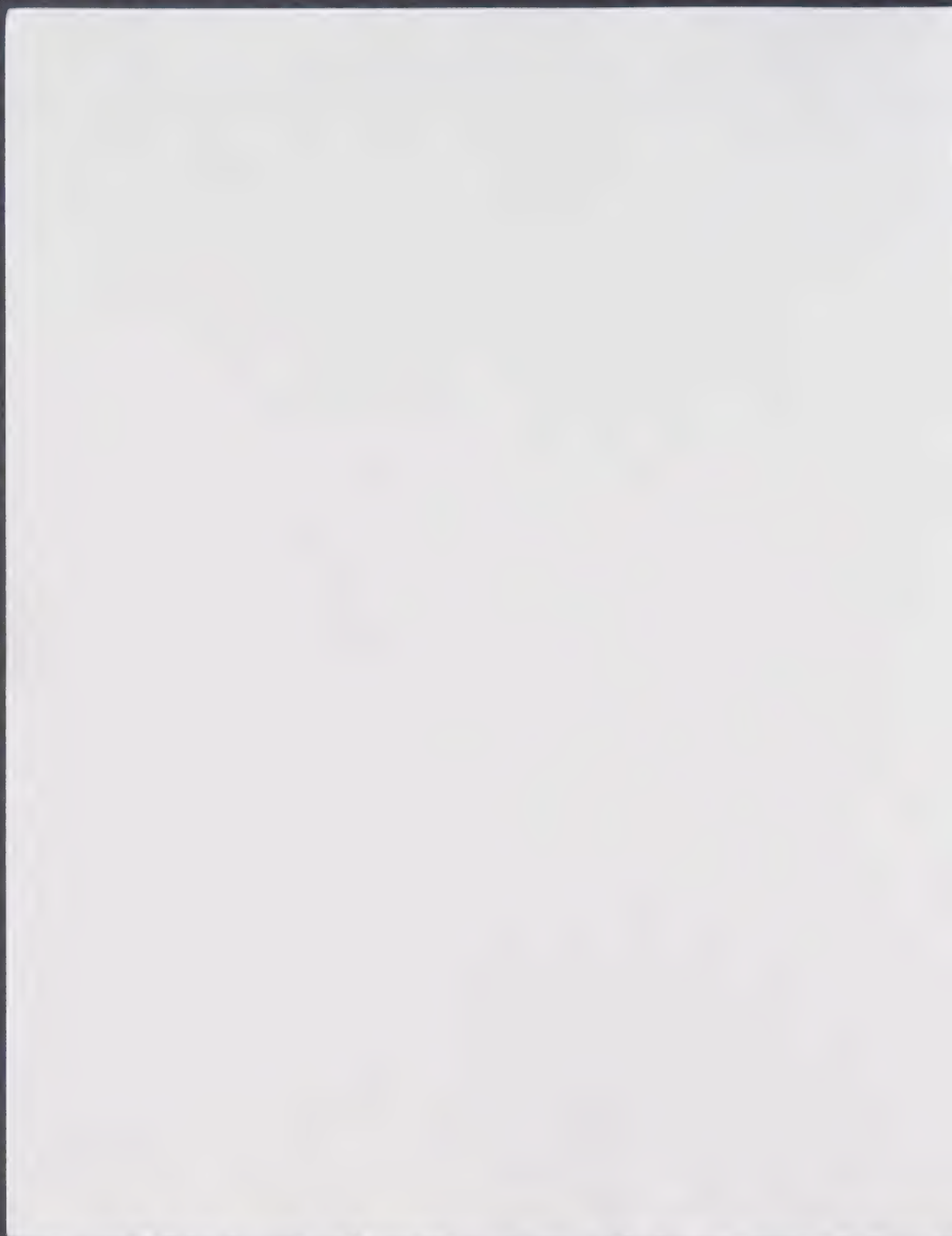
to retention of title conditions or the subject of outstanding hire-purchase or lease terms or for which the Seller is for any reason bailee;

"Unconditional Date" means the earlier of:-

- (a) the date which is 3 months and 14 days after the Effective Date, or (if any Third Party Appeal is made before that date) the later date on which all such Third Party Appeals have been refused and all rights or further rights of Appeal in respect of that refusal have been abandoned or lost, or
- (b) the date on which the Buyer serves written notice on the Seller that the Buyer wishes the sale of the Property to be completed notwithstanding that the Effective Date has not occurred or the date (or, if applicable, the later date) referred to in (a) of this definition has not occurred;

"Unsatisfactory Condition" means a condition of the grant of a Permitted Application which the Buyer notifies the Seller in writing within 10 working days after the Buyer has actually received the notices of the grant of all the Permitted Applications (time to be of the essence) that the Buyer objects to because:-

- (a) the condition restricts the use authorised by the grant to a person or period specified in the condition; and/or
- (b) a certificate of the Buyer's Quantity Surveyor addressed to the Buyer and the Seller and sent with the Buyer's notification to the Seller states that the condition will increase the cost of carrying out the works authorised by the grant above that cost without that condition, and states:-



(i) a fair and reasonable estimate by the Buyer's Quantity Surveyor of the cost of those works in compliance with the condition, and

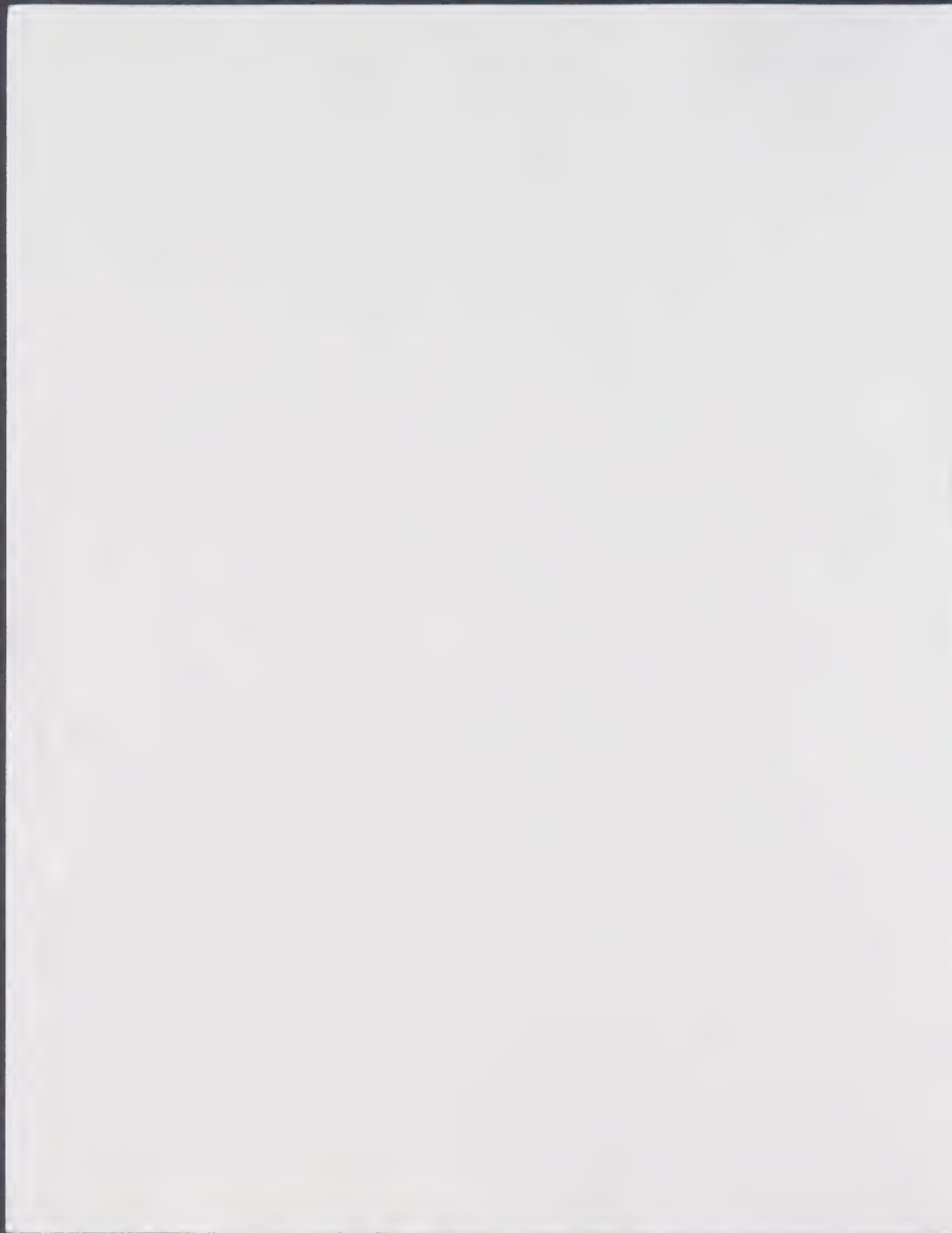
(ii) a fair and reasonable estimate by the Buyer's Quantity Surveyor of the cost of those works without having to comply with the condition,

and the estimated cost in (i) exceeds the estimated cost in (ii) by at least £50,000 and that excess is (or together with any other similar excesses of at least £50,000 similarly certified in respect of any other conditions of any such grant is) £250,000 or more; and/or

(c) a certificate of the Buyer's accountants addressed to the Buyer and the Seller sent with the Buyer's notification to the Seller states that the condition will increase the projected cost of, or decrease the projected income from, such of the Buyer's intended operations on the Property (as indicated in the Permitted Applications) as are affected by the condition, and states:-

(i) a fair and reasonable estimate by the Buyer's accountants of the projected annual cost of, and projected annual income to be received from, those intended operations in compliance with the condition, and

(ii) a fair and reasonable estimate by the Buyer's accountants of the projected annual cost of, and projected annual income to be received from, such



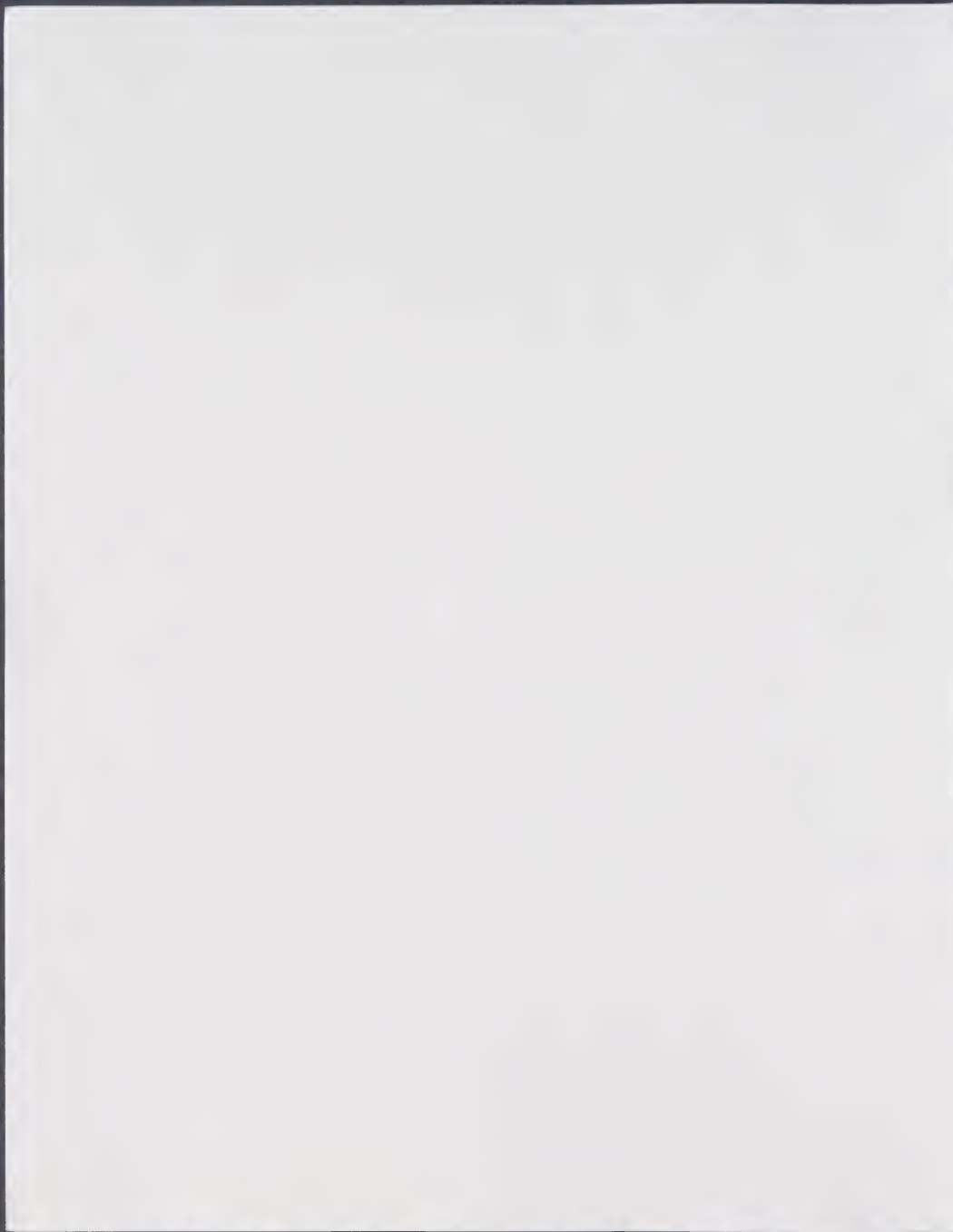
intended operations without having to comply with the condition,

and the estimated cost in (i) exceeds the estimated cost in (ii) by at least 2.5 per cent, and/or the estimated income in (i) falls short of the estimated income in (ii) by at least 2.5 per cent; and/or

- (d) the condition will delay beyond 30th September, 1994 full implementation of any of the Buyer's intended operations on the parts of the Property known as Herstmonceux Castle and West Building; and/or
- (e) a certificate of an independent valuer addressed to the Buyer and Seller sent with the Buyer's notification to the Seller states:
- (i) the value of the Property subject to the condition; and
 - (ii) the value of the Property not subject to the condition; and
 - (iii) that both values have been calculated on the same basis of valuation
- and the value in (i) is more than 2.5 per cent less than the value in (ii)

PROVIDED that if and to the extent that the Buyer subsequently notifies the Seller in writing that the Buyer withdraws any objection so notified the condition shall cease to be an Unsatisfactory Condition;

"Unsatisfactory Obligation" means an obligation in a Planning Agreement a competent Relevant Authority requires to be entered into



as a condition precedent to the grant of any Permitted Application which is an obligation of the Buyer or the Seller that:-

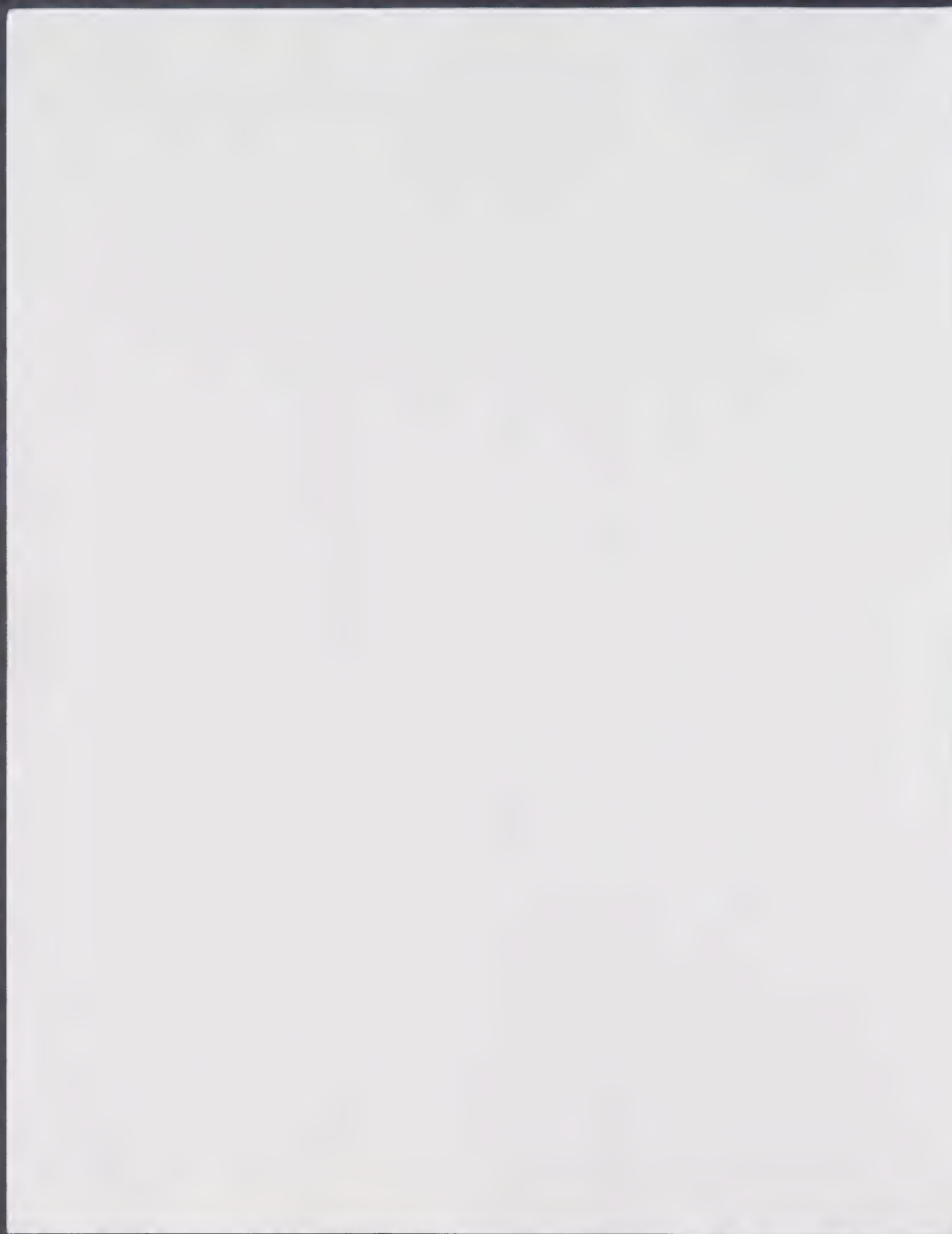
- (a) will come into effect before that Permitted Application has been granted and the use and/or works so authorised has or have begun; and/or
- (b) will make the Seller liable for breach of the obligation after parting with all the Seller's interest in the Property or the part of it to which the obligation relates save for any antecedent breach; and/or
- (c) the Buyer notifies the Seller in writing before the Planning Agreement is entered into that the Buyer objects to for a reason the same (mutatis mutandis) as any of those set out in paragraphs (a) (b) (c) (d) and (e) of the definition of "Unsatisfactory Condition" PROVIDED that if and to the extent that the Buyer subsequently notifies the Seller in writing that the Buyer withdraws any objection so notified the obligation in question shall cease to be an Unsatisfactory Obligation;

"VAT" means Value Added Tax or any other tax of a like nature;

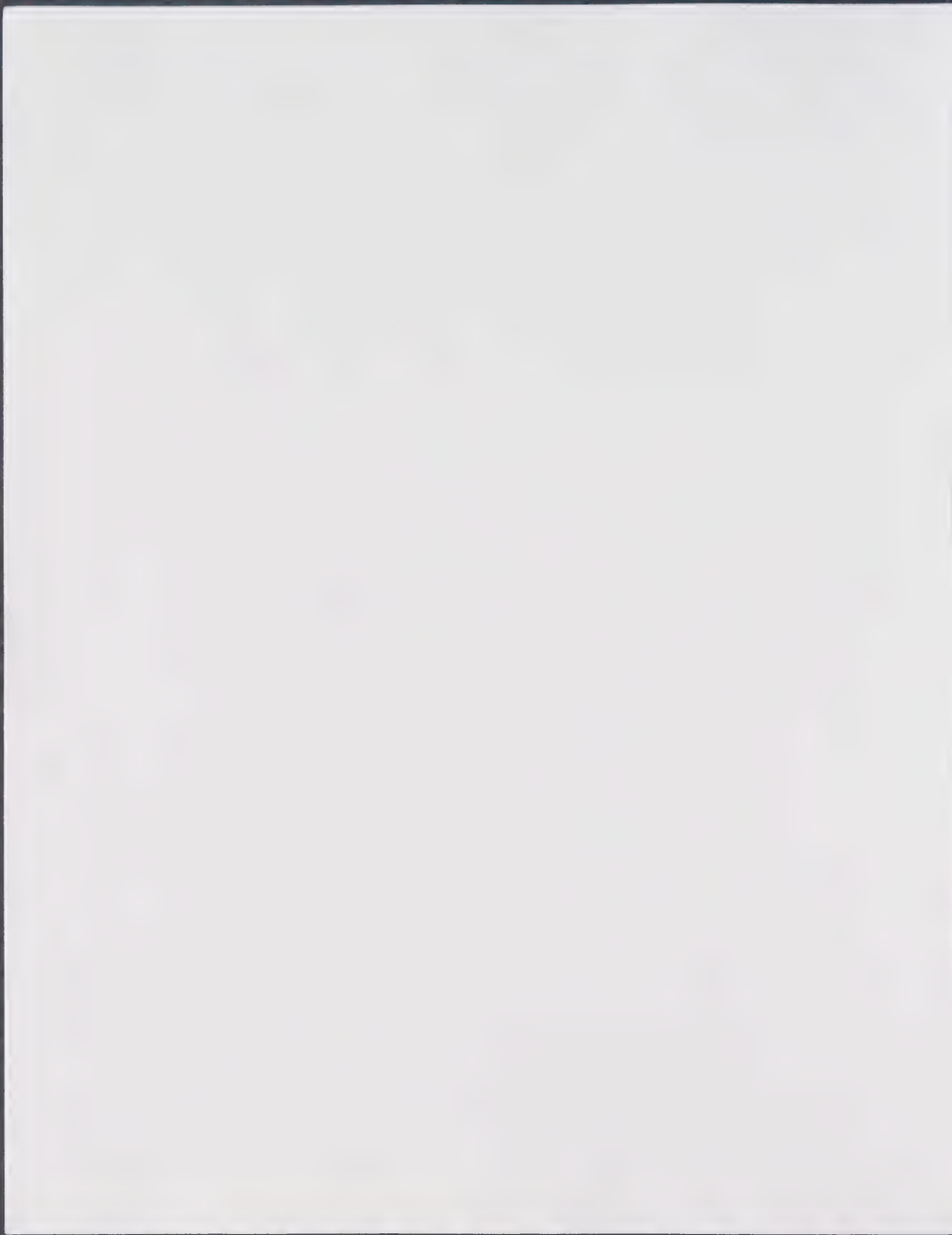
"West Buildings Charge" means the charge dated 7th June, 1990 made between the Seller and Guinness Mahon & Co Limited and which is registered at entry numbers 1 and 2 of the Charges register of title number ESX 169065;

and:

- (a) references to a person include a body corporate and an unincorporated association of persons;



- (b) references to a natural person include his/her estate and personal representatives;
 - (c) (without prejudice to clause 9 or clause 22(4) references to a party to this agreement include references to the successors or assigns (immediate or otherwise) of that party;
 - (d) the singular includes the plural and vice versa;
 - (e) references to clauses and schedules are to clauses of and schedules to this agreement; and
 - (f) all monetary amounts are in pounds sterling.
- (2) Words and phrases defined in the Companies Act 1985, the Insolvency Act 1986 and the Insolvency Rules 1986 (as amended) shall bear the same meanings in this agreement, save where expressly defined in this clause 1.
- (3) Any reference, express or implied, to an enactment includes references to:
- (a) that enactment as amended, extended or applied by or under any other enactment (before or after this agreement);
 - (b) any enactment which that enactment re-enacts (with or without modification); and
 - (c) any subordinate legislation made (before or after this agreement) under that enactment, as amended, extended or applied as described in paragraph (a) above or under any enactment referred to in paragraph (b) above.
- (4) Sub-clauses (1) to (3) above apply unless the contrary intention appears.
- (5) The headings in this agreement do not affect its interpretation.



2. Condition

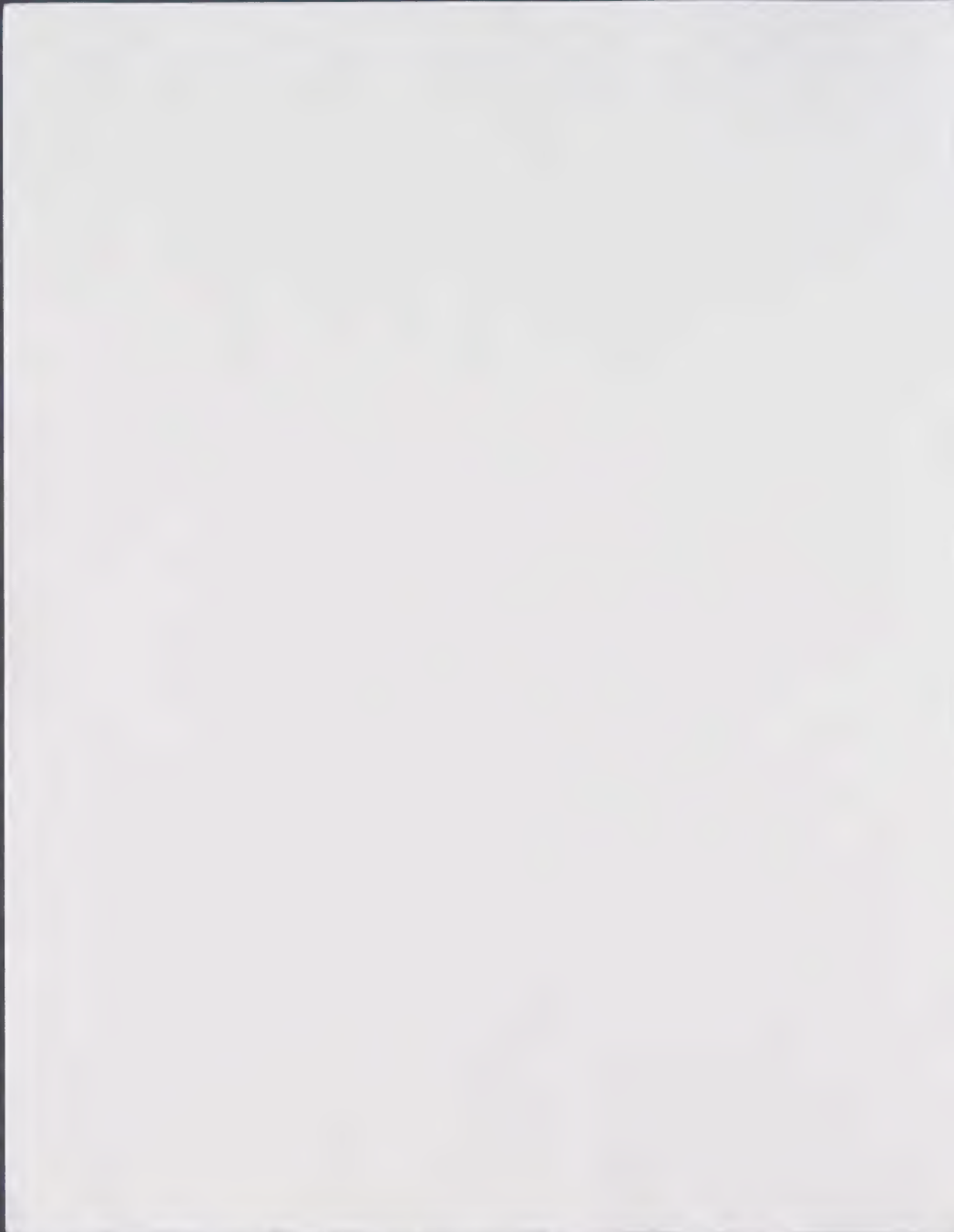
- (1) It is a condition precedent of the completion of the sale of the Property under this agreement that the Unconditional Date occurs on or before the Long Stop Date.
- (2) If the Unconditional Date has not occurred on or before the Long Stop Date the provisions of clauses 6(2) and (3) shall apply.

3. Bank Accounts

- (1) Upon the signing of this agreement the Buyer shall by telegraphic or other direct transfer make the following payments on account of the Sale Price and the Chattels Price:-

- (a) a deposit of £500,000 ("the Deposit") into the interest bearing account (the "Deposit Account") No. 10112569 in the name of the Seller's solicitors with Barclays Bank plc at 54 Lombard Street London EC3V 9EX (the "Bank") to be held by the Seller's solicitors as stakeholders and subject to the relevant provisions of clauses 3 (2) (3) and (4), and
- (b) a further sum of £3,300,000 (the "Further Sum") into the interest bearing account (the "Trust Account") No. 20566853 in the joint names of the Buyer and the Seller with the Bank and to be held by the Buyer and the Seller on trust to be dealt with in accordance with and for the purposes of this agreement and subject to the relevant provisions of clauses 3 (2), (3) and (4).

- (2) The Deposit shall be held in the Deposit Account and the Further Sum shall be held in the Trust Account on fixed deposit for such period or successive periods as the Buyer and the Seller jointly notify the

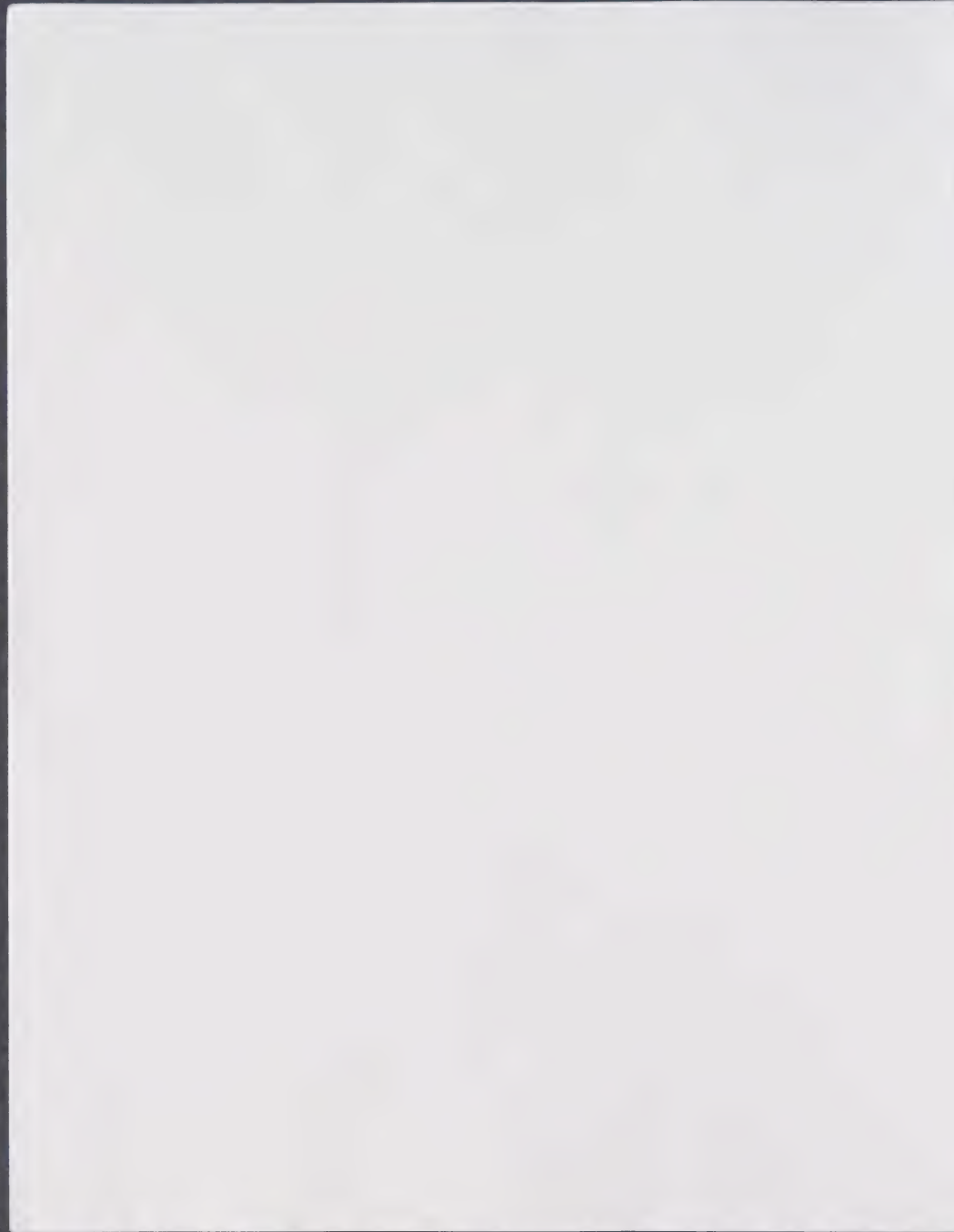


Bank or in the absence of notification on overnight deposit with the money market in London. All interest on the Deposit Account and the Trust Account shall when due for payment be apportioned on a daily basis over the period it was earned and be paid by the Bank directly to the Seller as to the proportion of that interest so apportioned to the whole or any part of the Running Costs Period and otherwise directly to the Buyer and in either case net of any tax required by law to be deducted by the Bank.

- (3) If the sale of the Property under this agreement is completed, on completion (the necessary joint instructions from the Buyer and the Seller to the Bank having been given) the Sale Price and the Chattels Price (save for any VAT payable in respect of the supply of the Chattels) shall be satisfied (to that extent) by:-
- (a) the Deposit being paid by the Bank out of the Deposit Account directly to the Seller, and
 - (b) the Further Sum being paid by the Bank out of the Trust Account directly to the Seller.

The Sale Price and the Chattels Price (to that extent) shall be so satisfied without any set-off, counterclaim, retention or deduction any right to which is expressly waived by the Buyer.

- (4) If the sale of the Property under this agreement is not completed, immediately upon the date of service of notice under clauses 6(1) or (2) or other proper termination of this agreement and notwithstanding that termination:-
- (a) the Seller's solicitors shall give the requisite instruction to the Bank to close the Deposit Account and to pay out of the



Deposit Account the balance (which shall be stated in that instruction) of any part of the Running Costs Contribution or the Exceptional Running Costs Contribution which is then ascertained and due from the Buyer to the Seller but unpaid directly to the Seller, and the balance of the Deposit directly to the Buyer, and

- (b) the Buyer and the Seller shall give the requisite joint instruction to the Bank to close the Trust Account and pay the Further Sum directly to the Buyer.

4. Permitted Applications

- (1) The Buyer has prior to the date of this agreement submitted the Existing Applications together with supporting materials, drawings and variations to the Relevant Authorities.
- (2) Until completion of the sale of the Property (or earlier proper termination of this agreement) no party to this agreement other than the Buyer shall (whether itself or himself/herself or by any person associated or affiliated to it or him/her) make any application to a Relevant Authority in respect of the Property or any part of it or make any Appeal, and no party to this agreement (whether by itself or himself/herself or any person associated or affiliated to it or him/her) shall make an application to a Relevant Authority in respect of the Retained Land or any part of it.
- (3) The Buyer shall not (whether by itself or by an associated or affiliated person) make any new application to a Relevant Authority in respect of the Property or the Retained Land which is in addition to or in substitution for any of the Existing Applications, unless

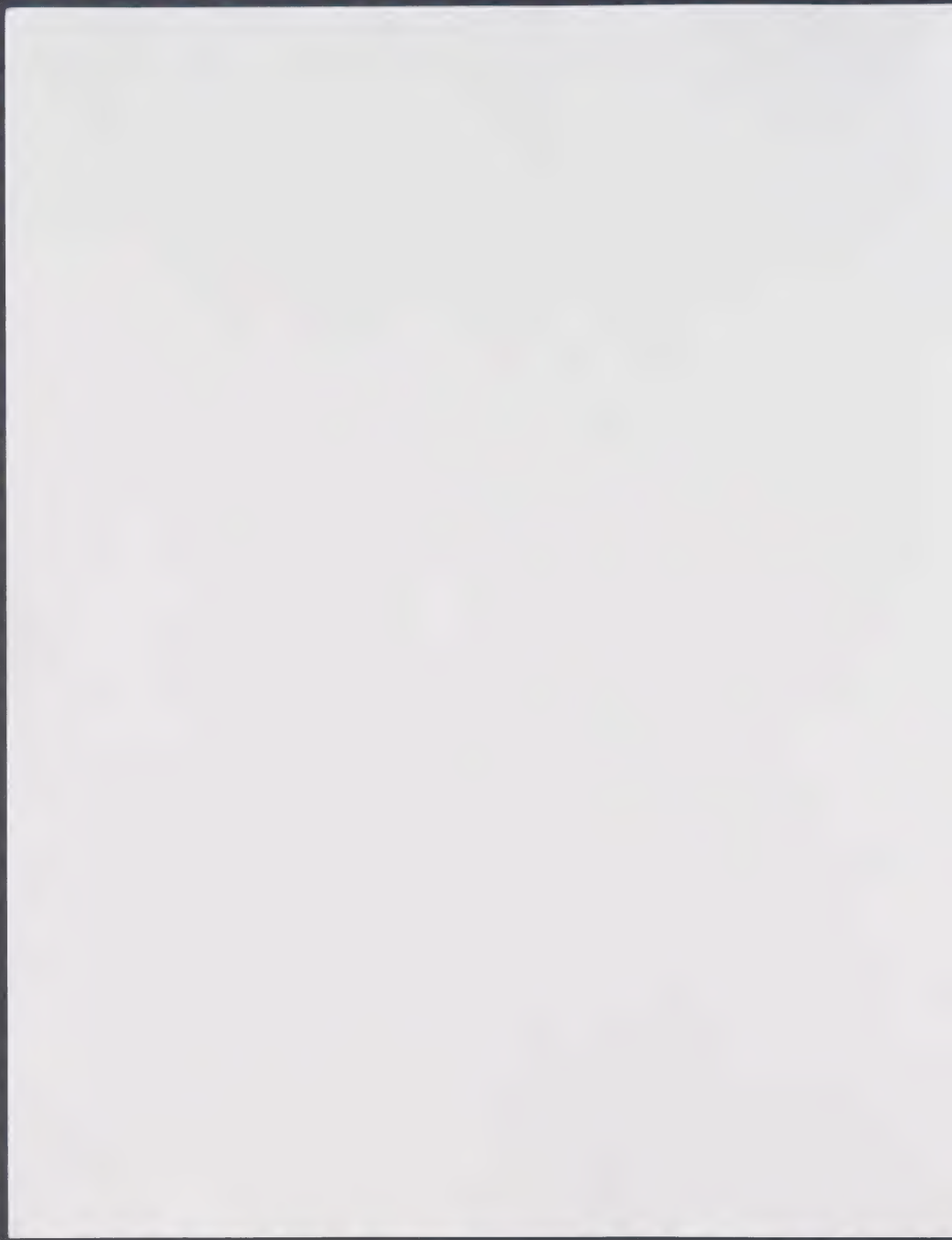


the new application is for the same or substantially the same uses and works as are described in the Existing Applications nor without first obtaining the written approval of the Seller (whose approval shall not be unreasonably withheld or delayed).

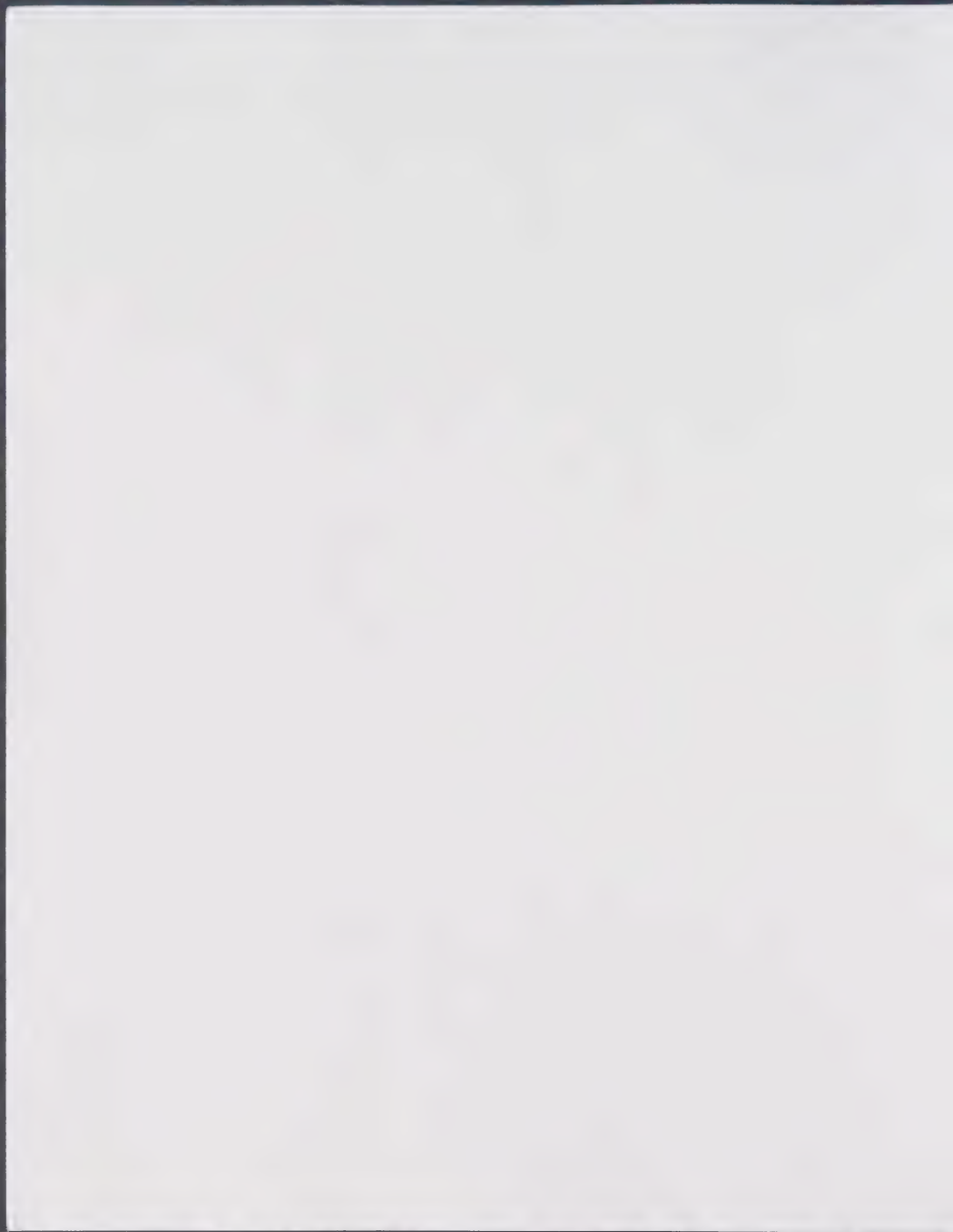
- (4) The Buyer may vary any of the Permitted Applications, but if the Relevant Authority states in writing or at a meeting with the Buyer or a representative of the Buyer that a variation, which is not made in order to satisfy a requirement of a Relevant Authority (a "Voluntary Variation") will result in the Relevant Authority's decision on the Permitted Application in question being deferred from the date the Relevant Authority would have decided it in the absence of the Voluntary Variation to a later date (as to which the Buyer shall, if the statement is not in writing, use reasonable endeavours to obtain written confirmation from the Relevant Authority at or as soon as possible after submission of any Voluntary Variation or to provide to the Seller's solicitors a copy of the minutes of that meeting) then, if the Buyer does not withdraw the Voluntary Variation, the period between those two dates shall be a Planning Delay Period.

- (5) The Buyer shall:

- (a) (without prejudice to clause 4(8)) use all reasonable endeavours to obtain as soon as possible the grant of all the Permitted Applications free from any Unsatisfactory Conditions (including entering into any Planning Agreement free from Unsatisfactory Obligations);



- (b) keep the Seller's solicitors informed on a regular basis of the progress of the Permitted Applications and any Planning Agreement;
 - (c) send the Seller's solicitors a copy of any further applications, supporting materials, drawings and variations submitted by or on behalf of the Buyer and all relevant correspondence and documents, and details of all relevant proposals of a Relevant Authority relating to the Permitted Applications, and of the initial and final draft of any Planning Agreement;
 - (d) give the Seller's solicitors notice of any meetings between the Buyer or its representatives and a Relevant Authority in connection with any of the Permitted Applications or any Planning Agreement and permit the Seller's representative to attend any such meetings;
 - (e) send the Seller's solicitors a copy of any decision notice issued by a Relevant Authority in respect of a Permitted Application when the notice (or a copy of it) is received by the Buyer; and
 - (f) send the Seller's solicitors a copy of any document in any Appeal (including any Appeal Decision) which the Buyer may in its absolute discretion decide to make or defend or oppose when the Buyer serves or is served with the document.
- (6) The Seller shall provide such support and assistance as the Buyer may reasonably request or agree in connection with the Permitted Applications and any Appeals provided it shall not require

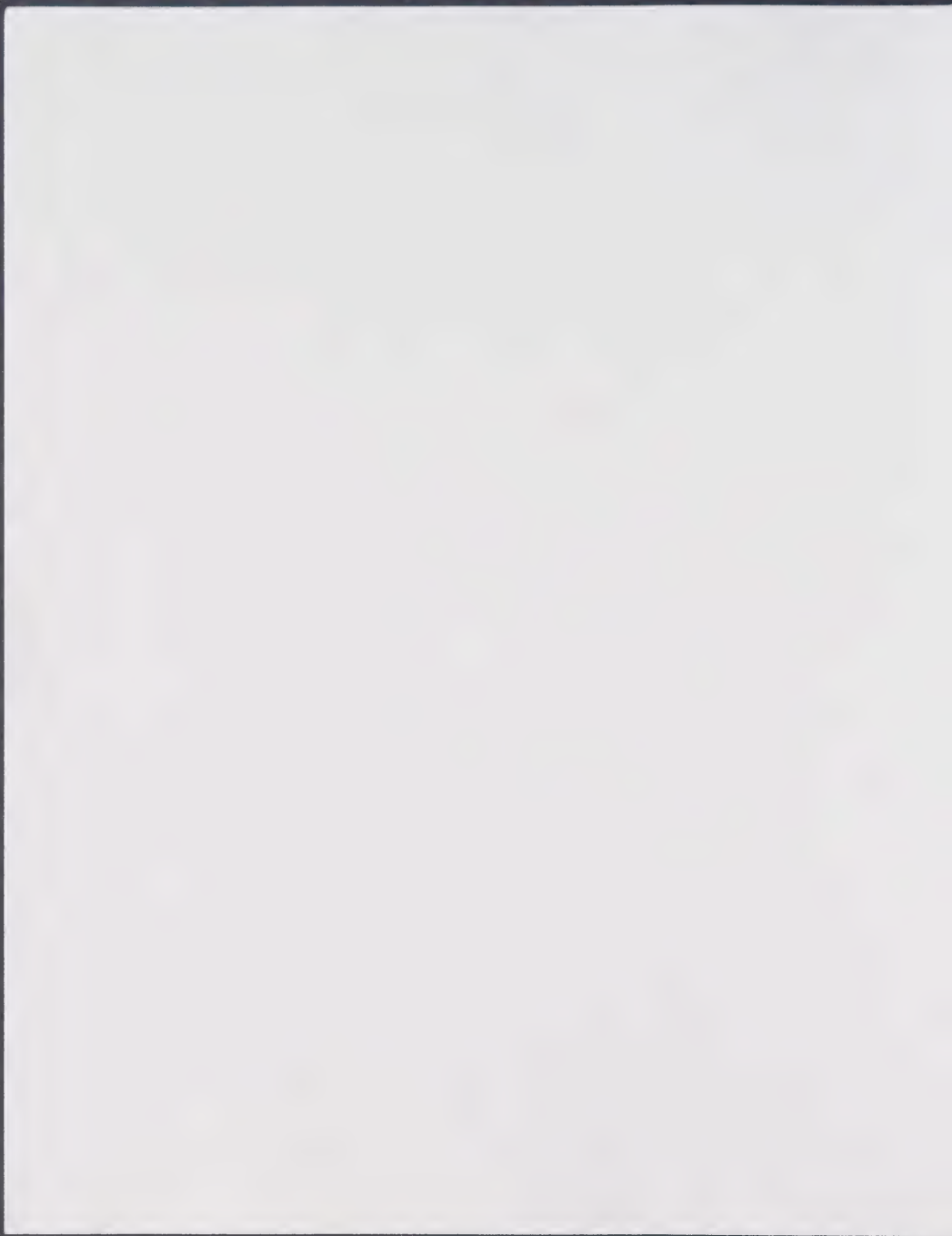


more than a minimal amount of the expenditure of any moneys by the Seller or the Receiver, nor more than a minimal amount of time in providing such support. The Seller shall not (whether by itself or any person associated or affiliated to it) object to any of the Permitted Applications.

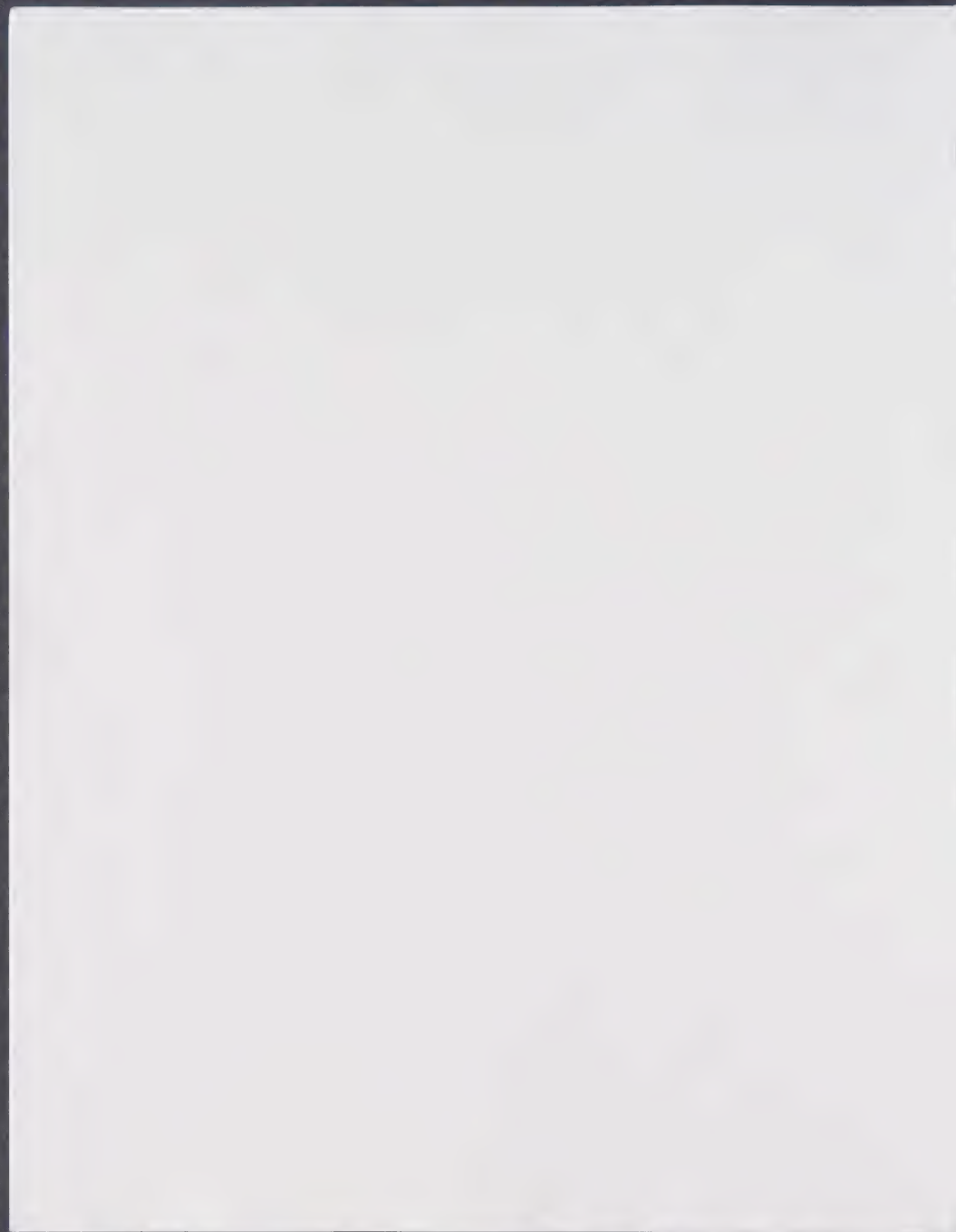
(7) The Seller shall at the request of the Buyer enter into execute and deliver any Planning Agreement PROVIDED that the Seller shall not be bound to do so:-

(a) if the Planning Agreement

- (i) contains an obligation within paragraphs (a) or (b) of the definition of Unsatisfactory Obligation in clause 1(1), or
- (ii) affects or relates to any land other than the Property, or
- (iii) comes into effect before the grant of all the Permitted Applications other than scheduled monument consent under the AMAAA, or
- (iv) contains an obligation which comes into effect as a result of public access being granted by virtue of the Public Access Licence or by virtue of any works being carried out at the Property by the Buyer prior to the date of such Planning Agreement, or
- (v) obliges the Seller or the Receiver to pay money or carry out any works prior to completion of the sale of the Property to the Purchaser or to guarantee such matters, and

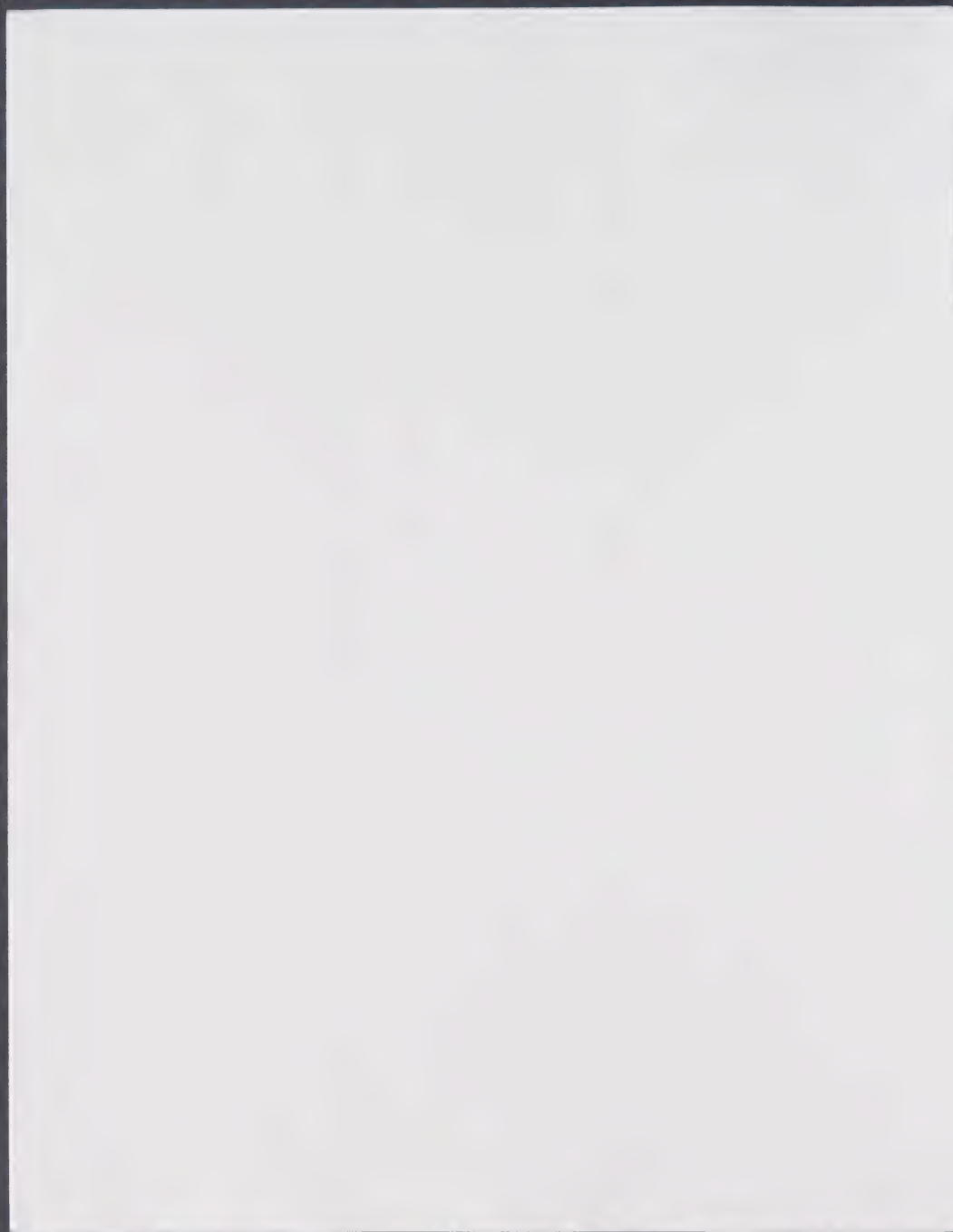


- (b) unless the Planning Agreement contains an exclusion of the Receiver's personal liability substantially in the terms set out in clause 20(2) and contains a provision providing for any obligations to cease to be of effect if the change of use and/or works authorised by the grant of consent for the relevant Permitted Applications is not implemented within the time period specified in such consents for the implementation of such use and/or works.
- (8) The Buyer shall not be obliged to make any Appeal nor to defend or oppose any Third Party Appeal. If the Buyer does make an Appeal the period between the commencement of that Appeal and withdrawal of that Appeal or final judgement on it shall be a Planning Delay Period.
5. Buyer's Use of the Property Pending Completion
- (1) The provisions of the Public Access Licence shall continue to apply with the following variations of it:-
- (a) the following definition shall be added to its clause 1:-
"the "Agreement" means an Agreement of ,
1993, made between the Licensor (1) the Receiver (2) and the Licensee (3) relating (inter alia) to the sale and purchase of the Property";
- (b) in its clause 2 "the earlier of proper termination of the Agreement or" shall be inserted before "30th October";
- (c) clause 4(f) shall be deleted;
- (d) in its clause 5 "otherwise than to the Charity (as defined in the Agreement)" shall be inserted before "assigned" and

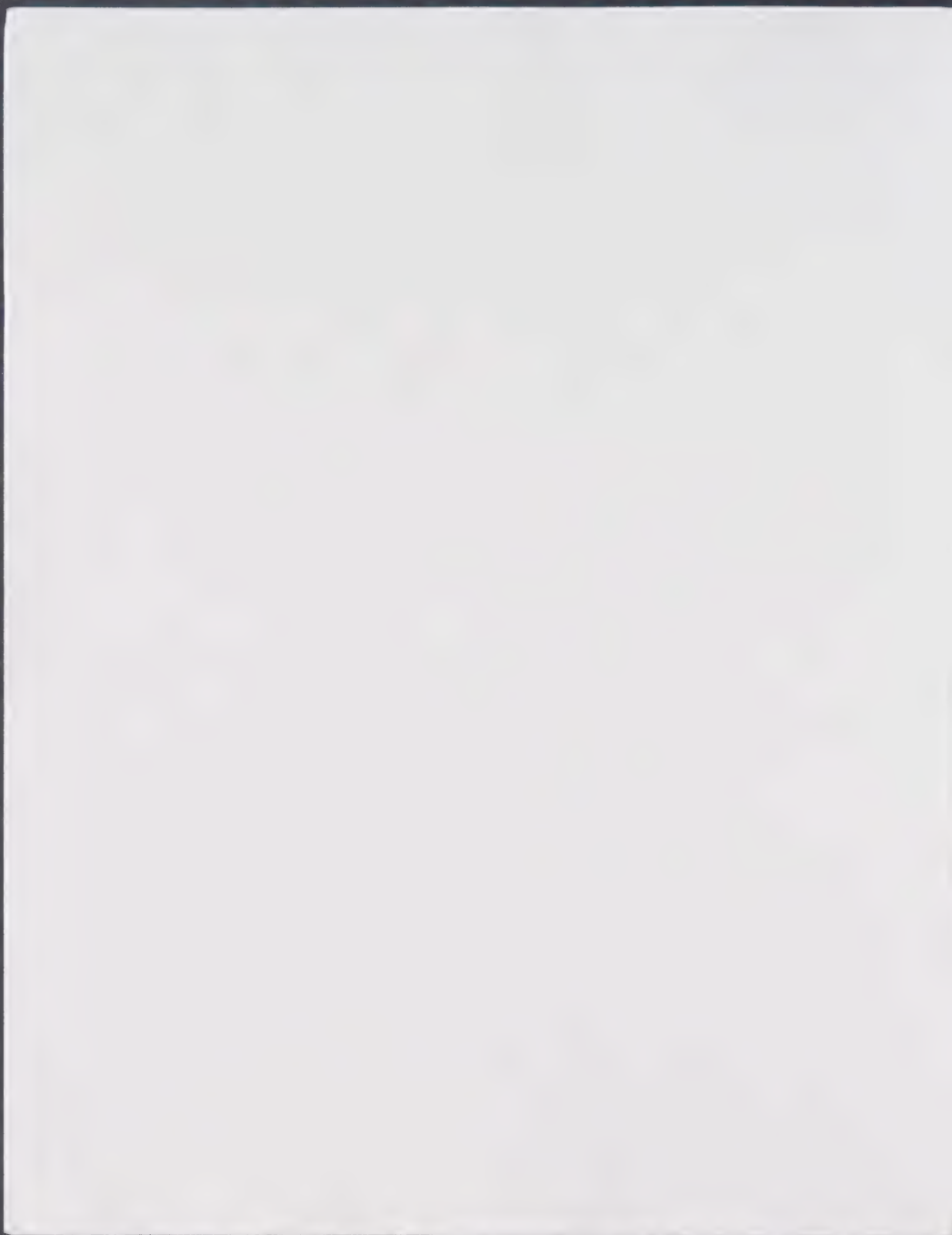


"(which consent shall not be unreasonably withheld provided the Charity shall first enter into a direct covenant with the Seller and the Receiver to observe and perform the Licensee's obligations herein contained)" shall be inserted after "Licensor's consent".

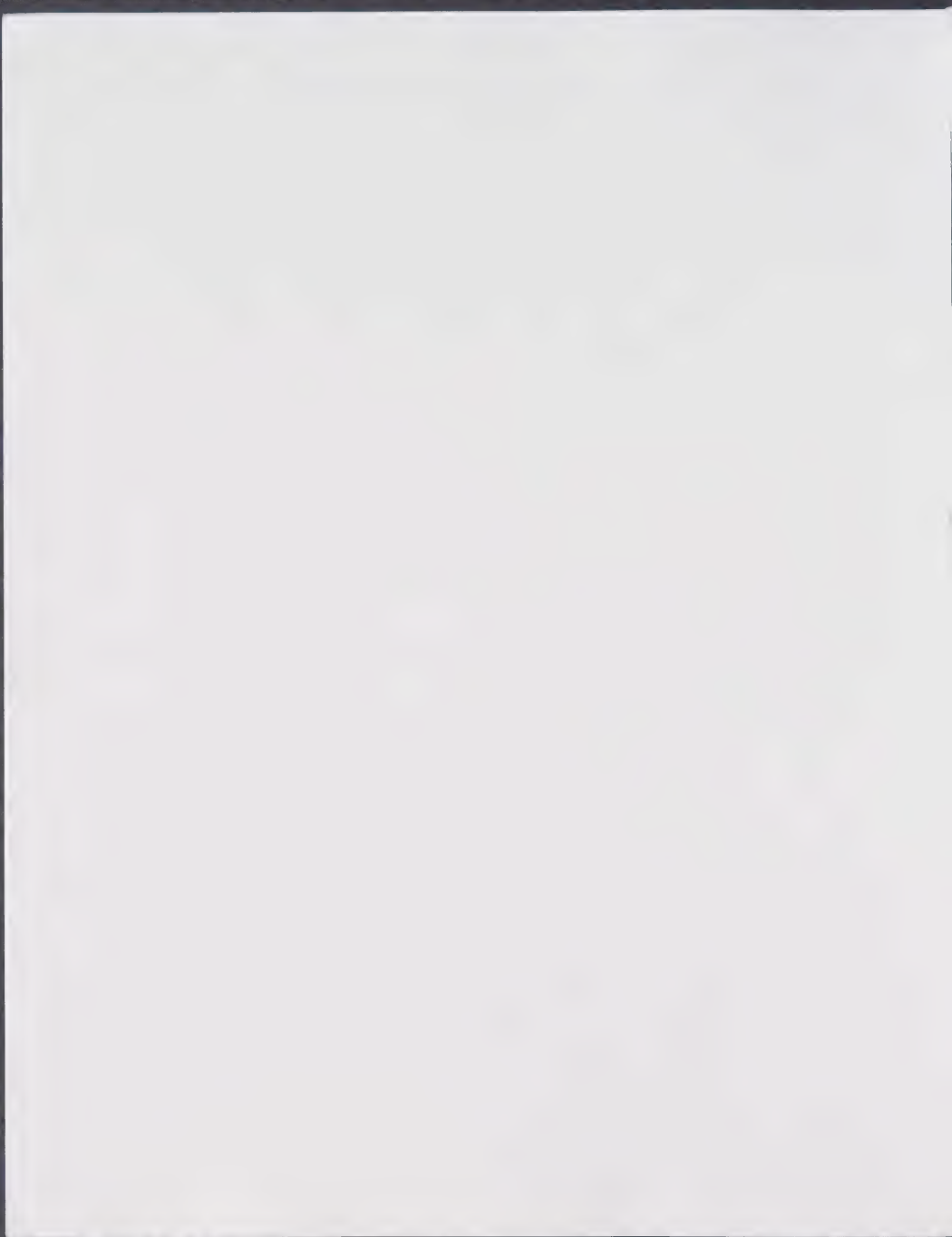
- (2) Until completion of the sale and purchase of the Property or earlier proper termination of this agreement (the "Licence Period") the Buyer may as licensee of the Seller without any payment to the Seller by way of interest on the Sale Price or the Chattels Price or otherwise and subject to the provisions of clauses 5(3) and (4):
- (a) share with the Seller the use of the following parts of the Property (the "Shared Parts") namely the first floor estate office and adjoining tower room in Herstmonceux Castle and such other parts of the Property as the Seller may agree in writing (which agreement shall not be unreasonably withheld) and at its own cost install and use telephone, facsimile, photocopying, storage, typing and other usual office equipment for or in the Shared Parts; and
 - (b) carry out examinations of the buildings on and other parts of the Property preparatory to beginning the Buyer's proposed works described in the Permitted Applications, provided that nothing contained in this paragraph (b) shall permit the Buyer actually to commence such works prior to completion of the sale and purchase of the Property.



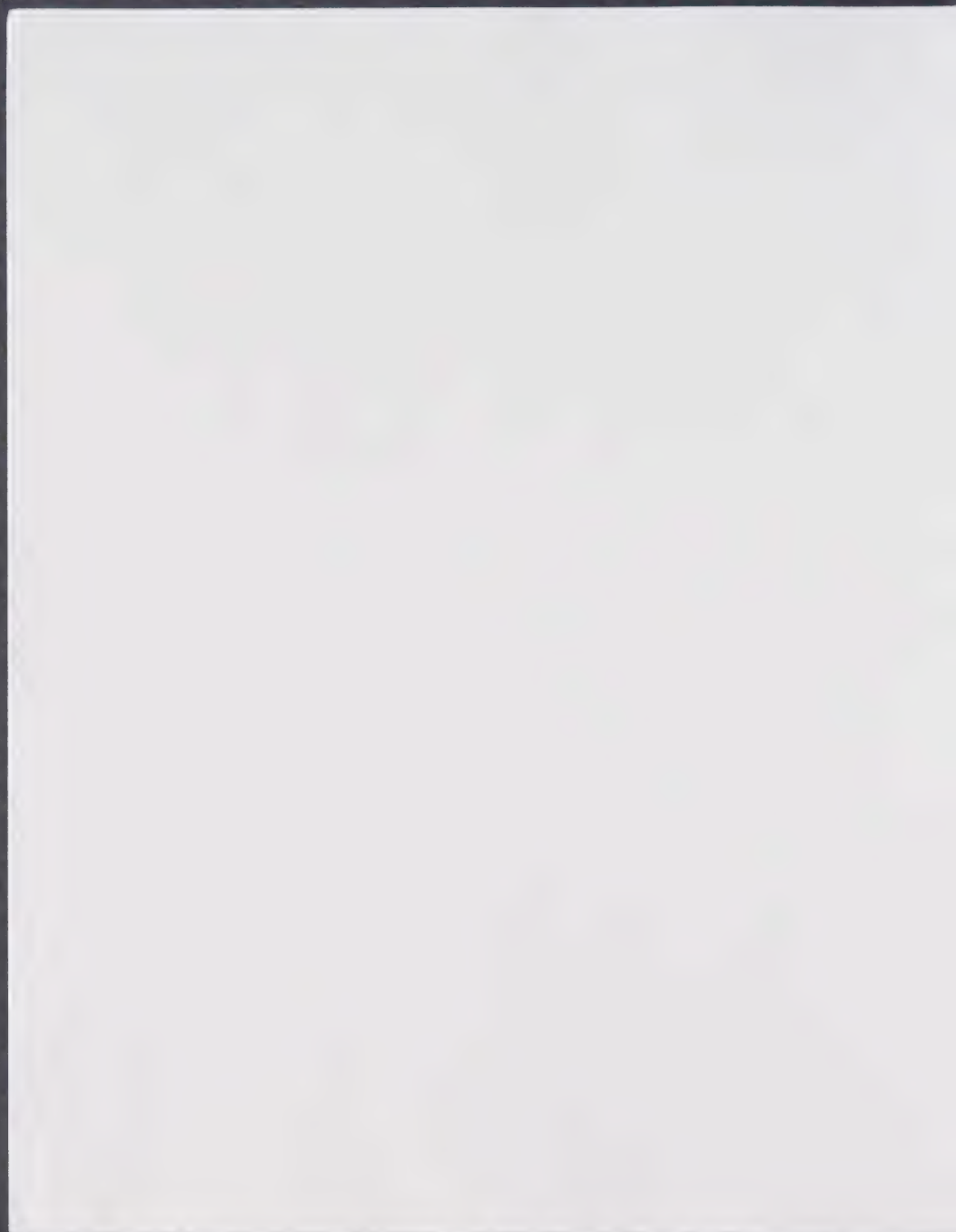
- (3) For the avoidance of doubt the Seller shall not bear any of the expenses of nor receive any income from the matters mentioned in clause 5(2).
- (4) The Buyer agrees and undertakes with the Seller during the Licence Period:
- (a) insofar as not included in the Running Costs or the Exceptional Running Costs to pay or reimburse to the Seller as the case may be within 14 days of demand a fair proportion (to be decided by the Seller) of any electricity charges and other outgoings or expenses in relation to the Property arising out of exercise of the rights granted to the Buyer under clauses 5(2)(a) and (b) including irrecoverable VAT thereon.
 - (b) to keep the interior of the Shared Parts and any other buildings on the Property used by the Buyer in a clean and tidy condition and to make good to the satisfaction of the Seller all damage caused to any building, structure, installation or equipment or other part of the Property caused by the act or default of the Buyer its servants or agents in pursuance of the rights granted to the Buyer in clauses 5(2)(a) and (b) above;
 - (c) save for the examinations referred to in clause 5(2)(b) not to carry out any alterations or works to any building or structure or other part of the Property nor alter or remove any fixtures or fittings located on the Property or any buildings or structures thereon;



- (d) not to use the Property or any part of it or to permit or suffer it to be used other than for the uses specified in the Public Access Licence (varied as provided in clause 5(1)) or in clause 5(2) or in such a way as shall cause undue annoyance or inconvenience to the Seller;
- (e) not knowingly to do or bring or cause or permit to be done any act, matter or thing upon the Property or any part of it by reason of which any policy for the Insurances (as defined in clause 14) would or might be made void or prejudicially affected;
- (f) to observe and comply in all respects with the requirements of any statute local act or bye law of any government department, local authority or other public authority or court in connection with the uses specified in clauses 5(2)(a) and (b);
- (g) to notify the Seller immediately the Buyer becomes aware of any repairs or defects to the Shared Parts which are not its responsibility under this clause;
- (h) to indemnify the Seller and the Receiver against all actions, proceedings, costs, claims, expenses and demands in respect of any damage (whether to movable or immovable property) or liability or the death of or injury to persons howsoever caused and irrespective of negligence or wilful misconduct by or arising from:
 - (i) the exercise of the rights granted to the Buyer in clauses 5(2)(a) and (b) by the Buyer and its servants and agents and invitees; or



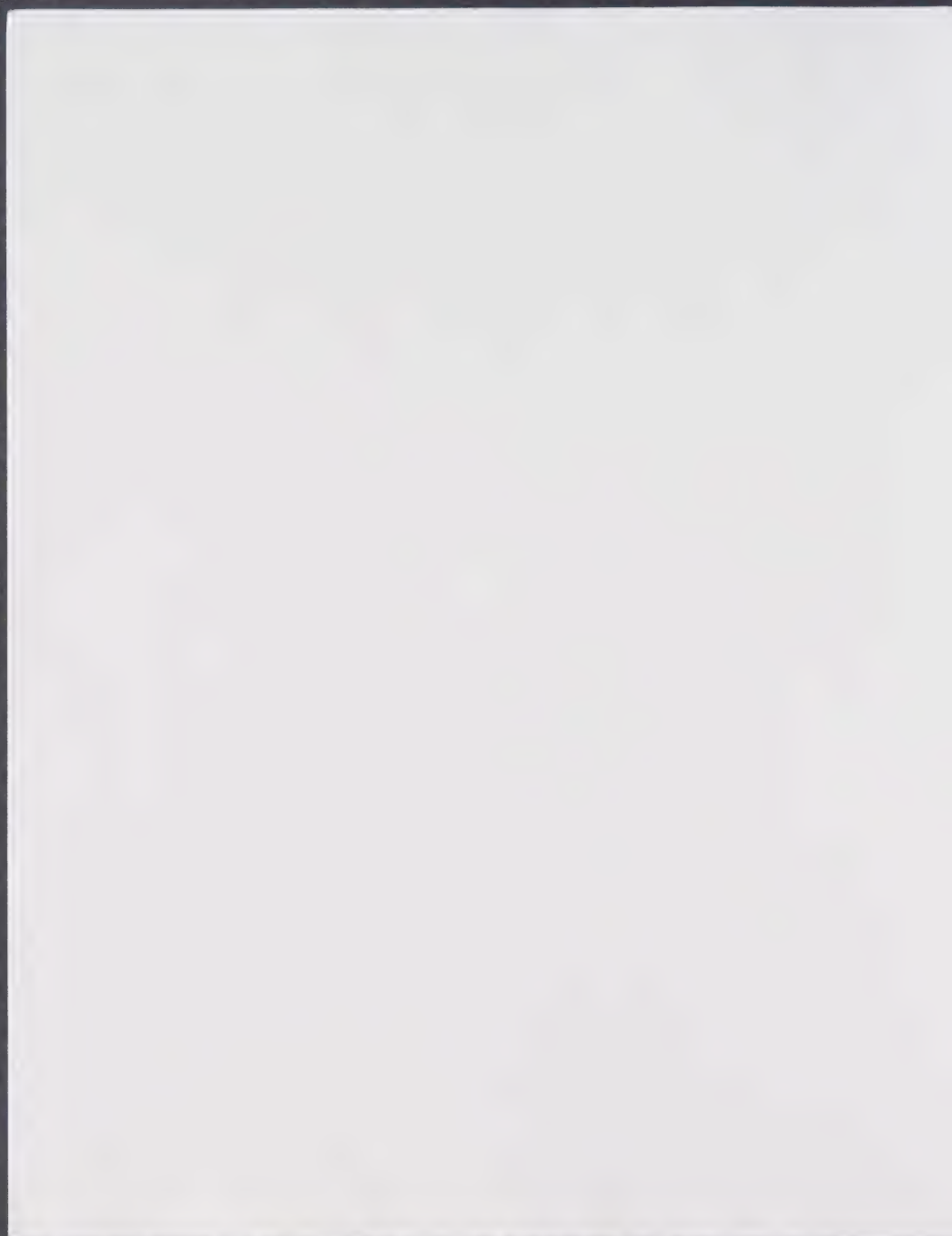
- (ii) the breach by the Buyer of any of its obligations contained in this clause 5(4), or the use by the Buyer or by its invitees of the Property for unauthorised purposes; or
 - (iii) the carrying out of any of the examinations referred to in clause 5(2)(b);
- (i) not to erect any signs or other advertisements on the Property or any part of it or any buildings or structures on the Property other than directional signs required for the purposes in clause 5(2); and
 - (j) on proper termination of this agreement to vacate the Shared Parts leaving the same in a state and condition in accordance with the covenants set out above.
- (5) For the avoidance of doubt the licence granted to the Buyer in clause 5(2)(a) is non-exclusive and the Seller reserves to itself the right to enter onto the Shared Parts at any time and to use the same for its own purposes.
- (6) The licences granted to the Buyer in clauses 5(2) (a) and (b) may be determined by the Seller at any time by 7 days notice in writing served on the Buyer (without prejudice to the accrued rights of the Seller or the Buyer):
- (a) if the Buyer shall fail to observe or perform any of the agreements or undertakings on the Buyer's part contained in clause 5(4); or



- (b) if in the reasonable opinion of the Seller and in order to protect the Property or its interest in it it is necessary for the rights granted in clauses 5(2)(a) or (b) to be terminated.
- (7) For the avoidance of doubt, the parties hereby agree that the Buyer shall have licence to use the Shared Parts as licensee only and not as tenant and neither the Buyer's occupation of the Shared Parts nor anything contained or implied by this clause shall create the relationship of landlord and tenant between the Seller and the Buyer.

6. Termination

- (1) If a Third Party Appeal is commenced, the Buyer may serve on the Seller notice in writing that it has been advised by the Buyer's solicitors that there is less than a 50 per cent. chance of successfully defending or opposing such Third Party Appeal by the Long Stop Date and that in view of that Third Party Appeal the Buyer desires to terminate this agreement.
- (2) If the Unconditional Date does not occur before the Long Stop Date, the Seller may serve on the Buyer, or the Buyer may serve on the Seller, at any time after the Long Stop Date notice in writing of its desire to terminate this agreement.
- (3) Upon the date of service of notice under clauses 6(1) or (2) this agreement and everything contained in it shall cease and be of no further effect and no party shall have any further rights or obligations under this agreement save as to any antecedent breach and save that clauses 1, 3(4), 7(3), 14, 15, 19 and 20 to 24



inclusive of and Schedules 1, 4, 5 and 6 to this agreement shall remain in full force.

7. Sale

- (1) The Seller agrees to sell and the Buyer agrees to purchase the Property for the Sale Price and the Chattels for Chattels Price.
- (2) By way of further consideration for the sale of the Property, the Buyer shall pay to the Seller an amount equal to the Running Costs Contribution and the Exceptional Running Costs Contribution payable in accordance with Schedule 5.
- (3) In the event of termination in accordance with clause 6, the Seller shall be entitled to retain any amounts of Running Costs Contribution or Exceptional Running Costs Contribution paid or payable by the Buyer pursuant to the provisions of Schedule 5 as compensation for the termination of the agreement.

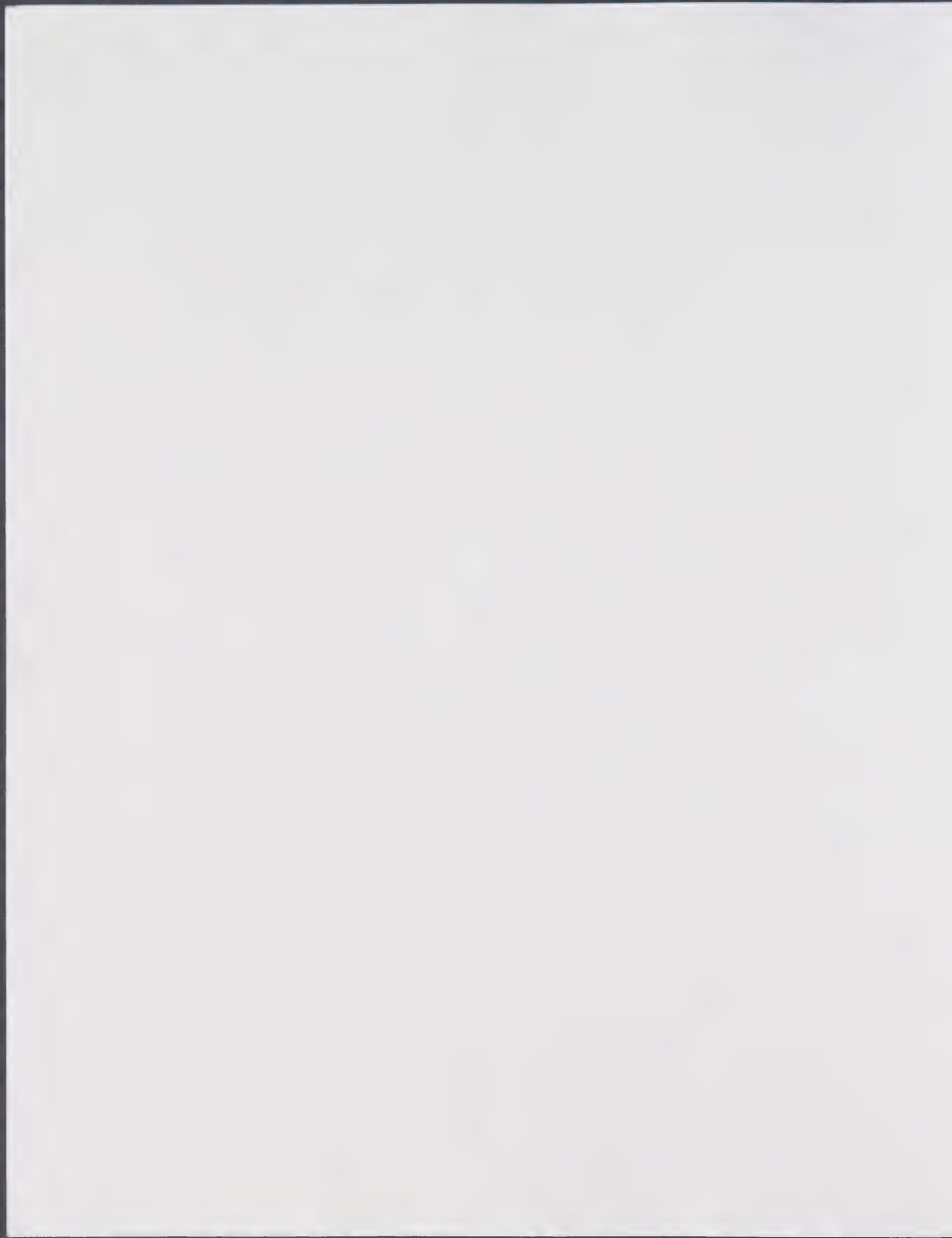
8. Completion

- (1) Completion of the sale and purchase of the Property and the Chattels shall take place on the Completion Date at the London offices of the Seller's Solicitors or as they may reasonably require.
- (2) Subject to clause 16 and the other provisions of this agreement relating to the Chattels, possession and ownership of the Chattels passes to the Buyer on the date of actual completion.

9. Sub-sales

The Seller shall not be obliged:

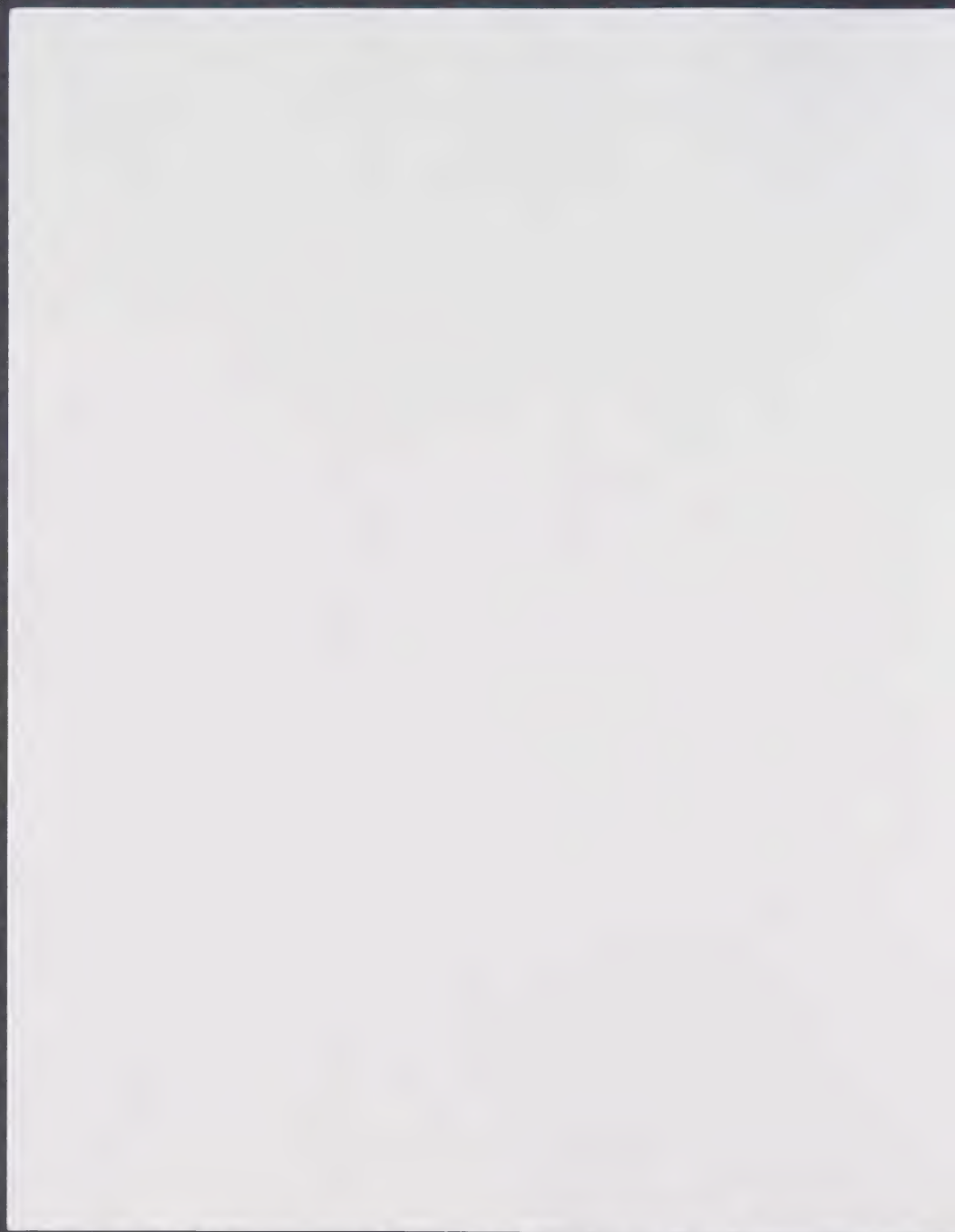
- (a) to transfer the Property other than as a whole by one transfer
- (b) to transfer the Property or the Chattels to anyone other than
 - (i) the Buyer, or



(11) by way of sub-sale for a price for the Property not exceeding the Sale Price and a price for the Chattels not exceeding the Chattels Price to the Charity subject in such case to the Buyer joining in the transfer of the Property to the Charity as sub-seller in order to covenant with the Seller and separately with the Receiver in the terms set out in clause 12(2)(a) and the Seller being reasonably satisfied that the sub-buyer has capacity and all necessary authority to enter into the transfer and Provided that any such sub-sale shall not release the Buyer from its obligations to the Seller under this agreement.

10. Title

- (1) The Seller's title to the Property and the Retained Land is registered with freehold absolute title under title numbers ESX 162010 and ESX 169065 in the Portsmouth District Land Registry and office copy entries and filed plans each dated 25th August, 1992 for those title numbers (the "Entries") have been provided to the Buyer's solicitors before the date of this agreement. The Buyer shall accept that title as evidenced by the Entries and shall not raise any enquiry on it or requisition or objection in respect of it.
- (2) Any transfer of the Property to the Buyer (and/or the Charity) shall be prepared by the Buyer or its advisers at its expense, subject to approval of the wording thereof by the Seller's solicitors (whose approval shall not be unreasonably withheld), and shall contain an



exclusion of the Receiver's personal liability substantially in the terms set out in clause 20(2). Execution of the transfer shall, at the discretion of the Receiver, be effected:-

- (a) by affixing the Seller's seal in his presence, or
- (b) by Guinness Mahon & Co Limited as attorney of the Seller or as mortgagee of the Property pursuant to the Fixed and Floating Charge and the West Buildings Charge.

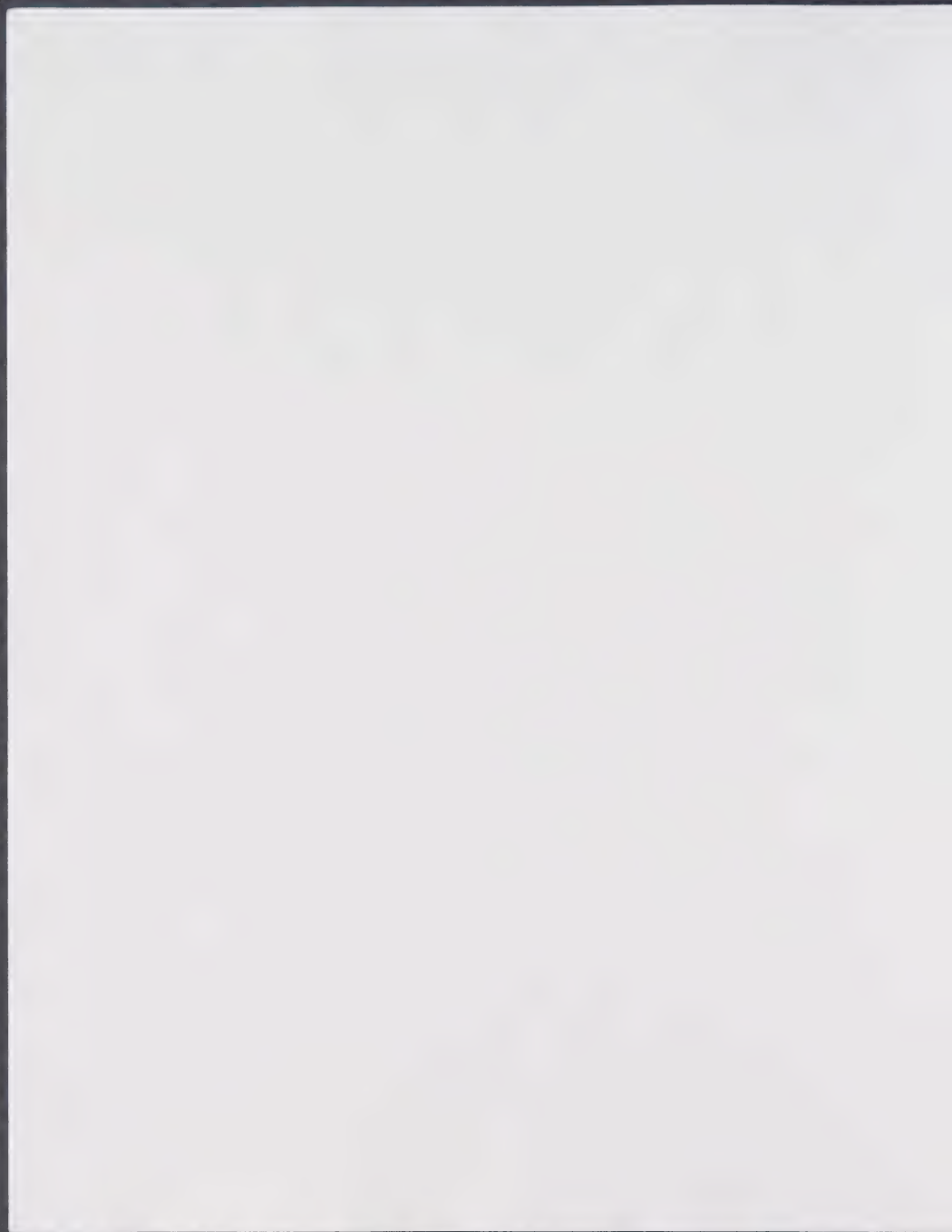
11. Covenants and Rights

The Property is sold:-

- (a) subject to and with the benefit of (as the case may be) the Covenants and the Rights insofar as the same now and when the transfer of the Property is completed affect the Property or any part of it and are still subsisting and capable of being enforced
- (b) free from the Fixed and Floating Charge and the West Buildings Charge and any registered entries on title numbers ESX162010 and ESX169065 in respect of which the Fixed and Floating Charge and/or the West Buildings Charge have priority so that such entries can be overreached by virtue of Guinness Mahon & Co Limited transferring the Property as mortgagee.

12. Transfer

- (1) The transfer of the Property shall be executed in duplicate and the original and the duplicate shall be stamped by the Buyer's solicitors at the expense of the Buyer. After stamping the Buyer's

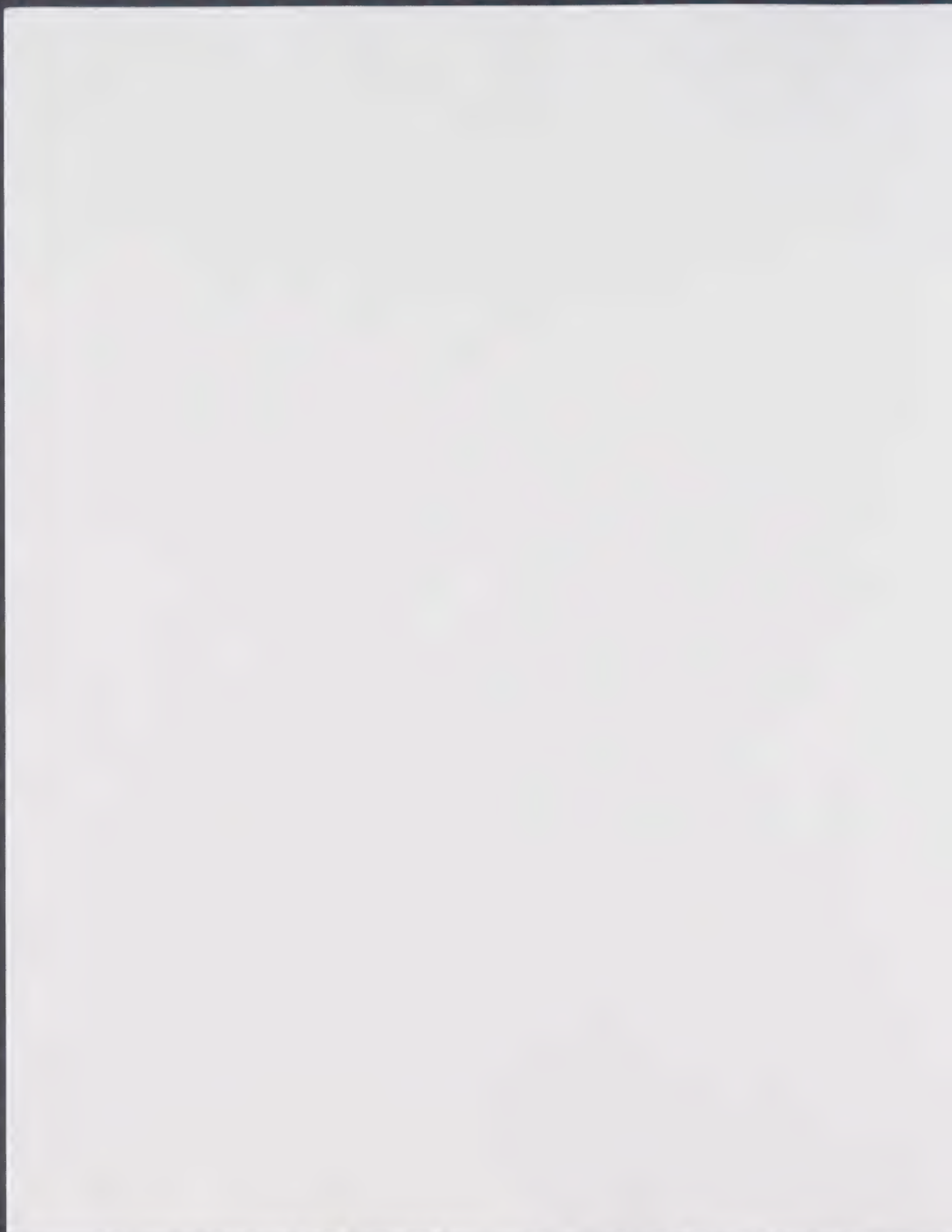


solicitors shall immediately return the duplicate transfer to the Seller's solicitors.

- (2) The transfer shall except and reserve as appurtenant to the Retained Land and each and every part of it all rights or easements or quasi-rights or quasi-easements of foul or other drainage or in respect of supplies of electricity water or telecommunications which the Retained Land or any part of it enjoys over the Property or any part of it and shall grant as appurtenant to the Property and each and every part of it all rights or easements or quasi-rights or quasi-easements of foul or other drainage or in respect of supplies of electricity water or telecommunications which the Property or any part of it enjoys over the Retained Land or any part of it, and shall contain:

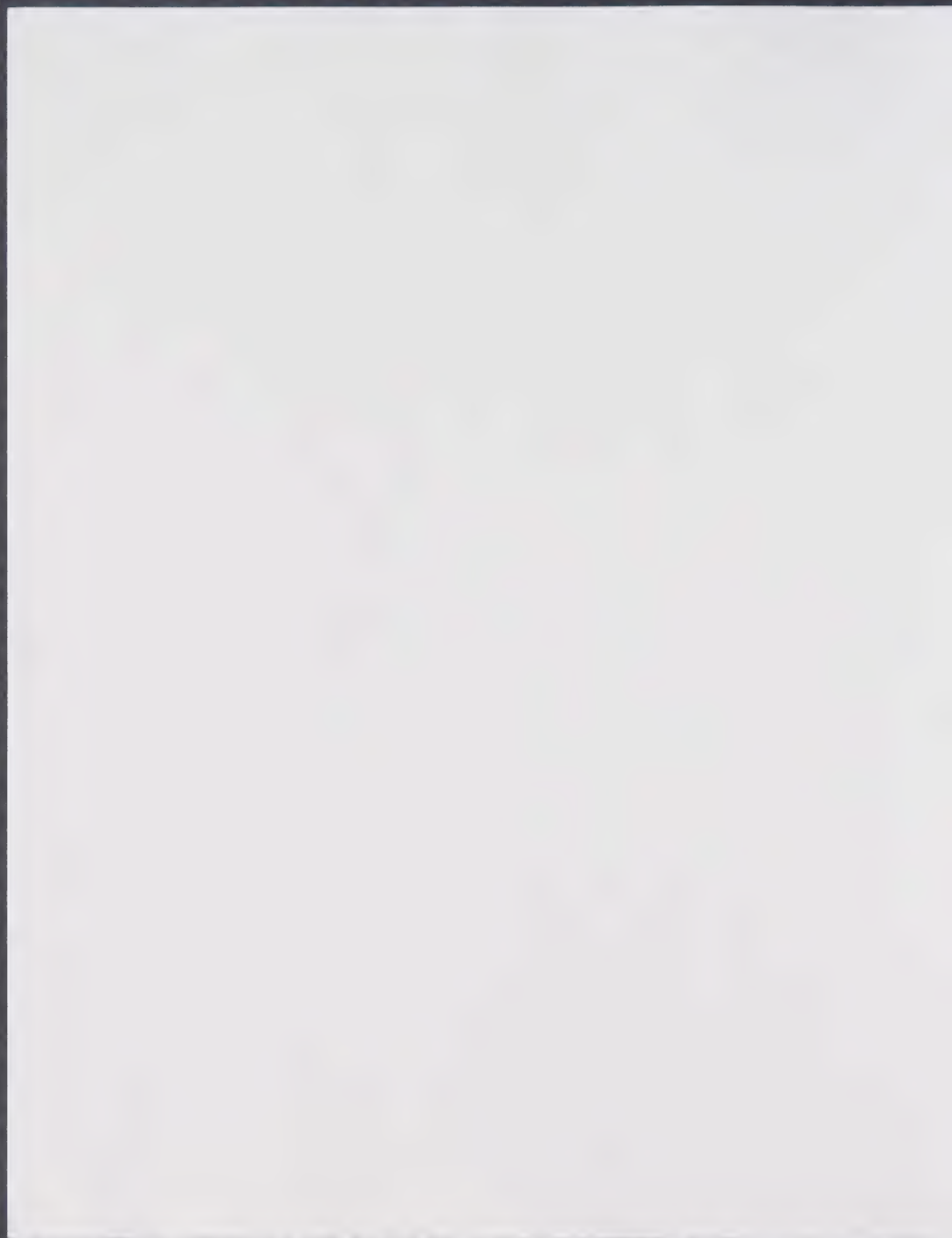
(a) a covenant by the Buyer;

- (i) with the Seller thenceforth to observe and perform the Covenants and the covenants or agreements on the part of the landlord contained in the SERC Lease and to keep the Seller indemnified from all proceedings costs claims and expenses on account of any future breach of the Covenants or other covenants and agreements insofar as mentioned in clause 11, and
- (ii) with the Seller and separately with the Receiver that the Buyer and the persons deriving title under the Buyer will thenceforth observe and perform the covenants or agreements on the part of the Seller contained in the Grazing Licence and any obligations on the part of the

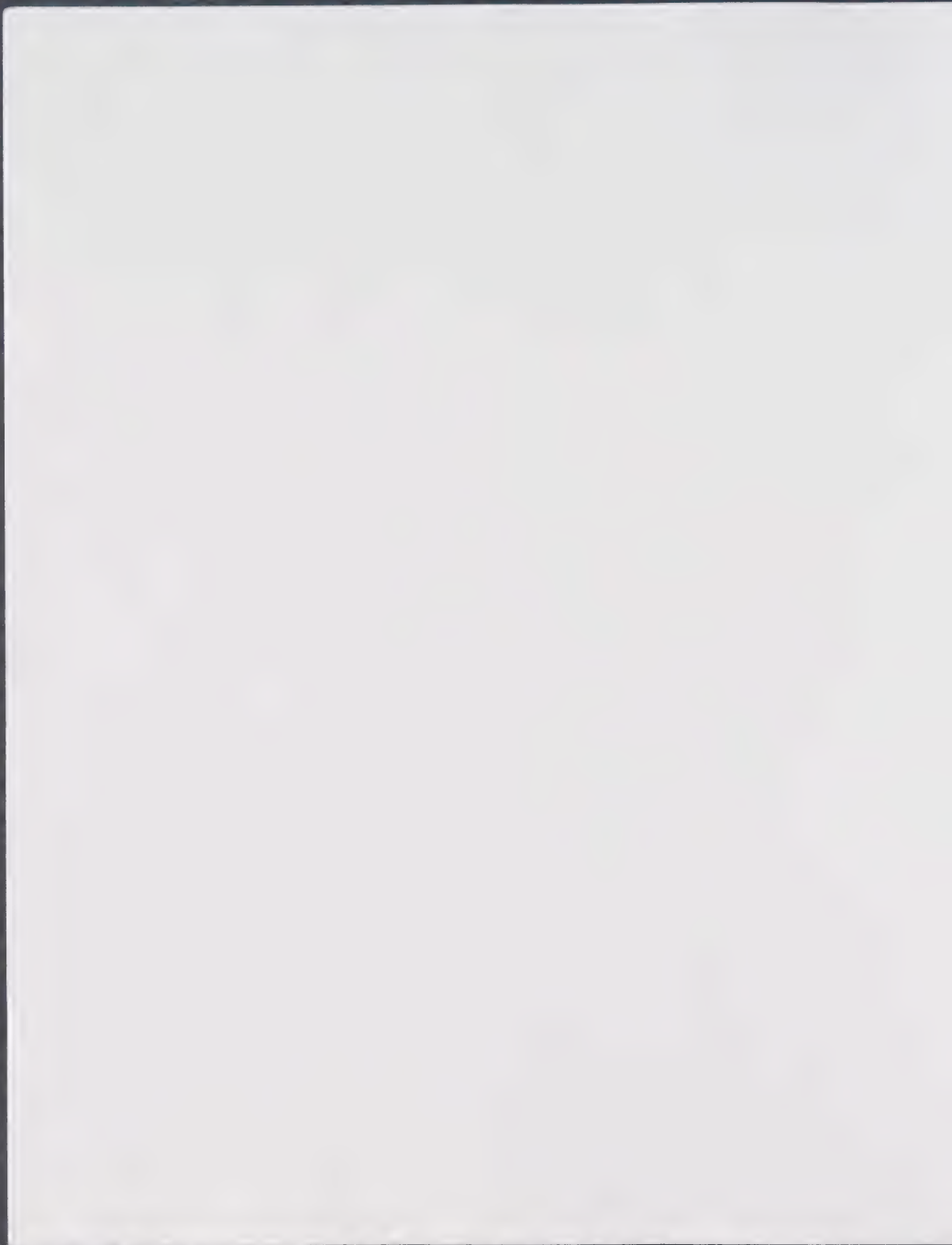


Seller or the Receiver contained in any Planning Agreement entered into pursuant to this agreement insofar as mentioned in clause 11 and keep the Seller and the Receiver indemnified from all proceedings, costs, claims and expenses on account of any future breach of any of the covenants or agreements or any obligations on the part of the Seller or the Receiver contained in the Grazing Licence or in any Planning Agreement entered into pursuant to this agreement insofar as mentioned in clause 11;

- (b) a declaration that no covenants for title are to be implied in the transfer;
- (c) a covenant by the Seller with the Buyer (and, if applicable, the Charity) that it has not, between the time of the appointment of the Receiver on 15th January, 1993 and the date of completion of the sale of the Property, entered into any written contract with any third party (save for the Grazing Licence) encumbering the Property or the Retained Land or any part of either of them or whereby the Seller is prevented from transferring the Property Provided for the avoidance of doubt the Receiver shall incur no personal liability in relation to this covenant and:-
 - (i) no claim may be brought against the Seller in relation to such covenant unless such claim is made in writing not later than 12 months after the date of completion of sale of the Property (time to be of the essence in this



- connection and the first day of the 12 month period to be the day immediately following the date of actual completion), and
- (ii) in any event any claim of the Buyer in relation to such covenant shall not in any circumstances exceed the Sale Price, and
 - (iii) any such claim shall not take effect otherwise than as an unsecured claim against the Seller;
- (d) a covenant by the Seller with the Buyer (and, if applicable, the Charity) that provided that a request for assistance is made within twelve months of the completion of the sale (time to be of the essence in this connection and the first day of the twelve month period to be the day immediately following the date of actual completion) the Seller will (so far as it is able to do so) execute such further deeds and documents as may reasonably be necessary to vest the Property, or any relevant part of it, in the Buyer (or, if applicable, the Charity), the reasonable legal and other costs of the preparation and execution of the further deeds and documents, including any reasonable legal fees of the Receiver's advisers in dealing with them being paid by the Buyer (or, if applicable, the Charity); and
- (e) a covenant by the Seller for the benefit of the Property and each and every part of it and so as to bind the Retained Land and each and every part of it into whoever's hands it may come that neither the whole nor any part of the Retained Land shall

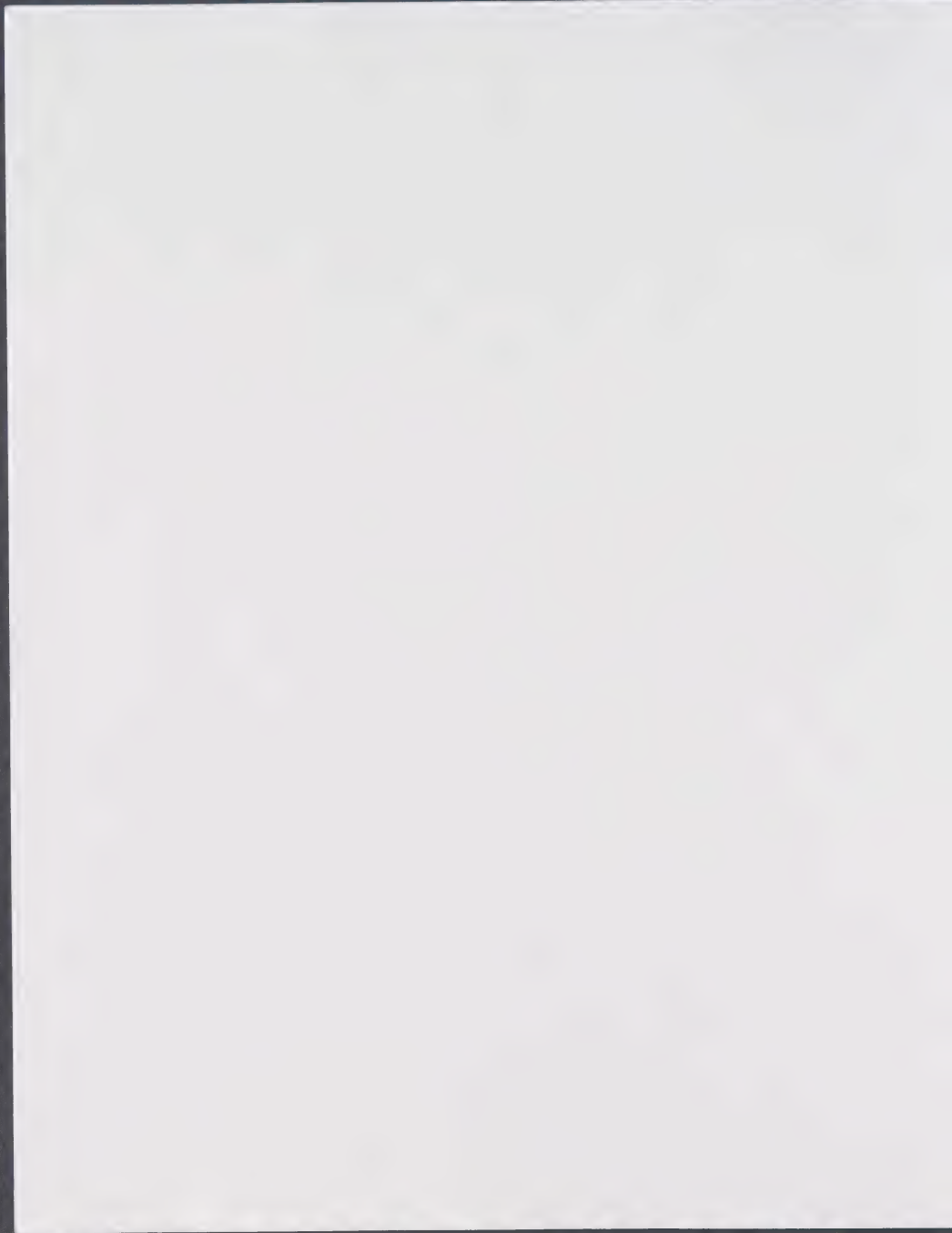


be used in connection with pig farming or clay pigeon shooting or motor sports or any other noisome or noisy activity or pursuits.

13. Adverse matters

(1) The Property is also sold subject to:

- (a) all matters registrable by any competent authority pursuant to statute;
- (b) all requirements of any competent authority;
- (c) all matters disclosed or reasonably to be expected to be disclosed by searches or as the result of enquiries of any competent authority made in writing by or for the Buyer or which a prudent purchaser ought to make;
- (d) all matters in the nature of overriding interests as the same are referred to in Section 70 of the Land Registration Act 1925;
- (e) (and with the benefit of) any leases tenancies licences to occupy or rights of occupancy at the date of this agreement affecting the Property or any part thereof;
- (f) all rights of water drainage watercourse light and other easements and quasi or reputed easements, covenants rights and restrictions and rights of adjoining owners (if any) at the date of this agreement affecting the same;
- (g) all charges drainage rates and other outgoings and liabilities as may now affect or be charged upon the Property or any part of it;
- (h) all notices served by or on behalf of a reversioner, a tenant

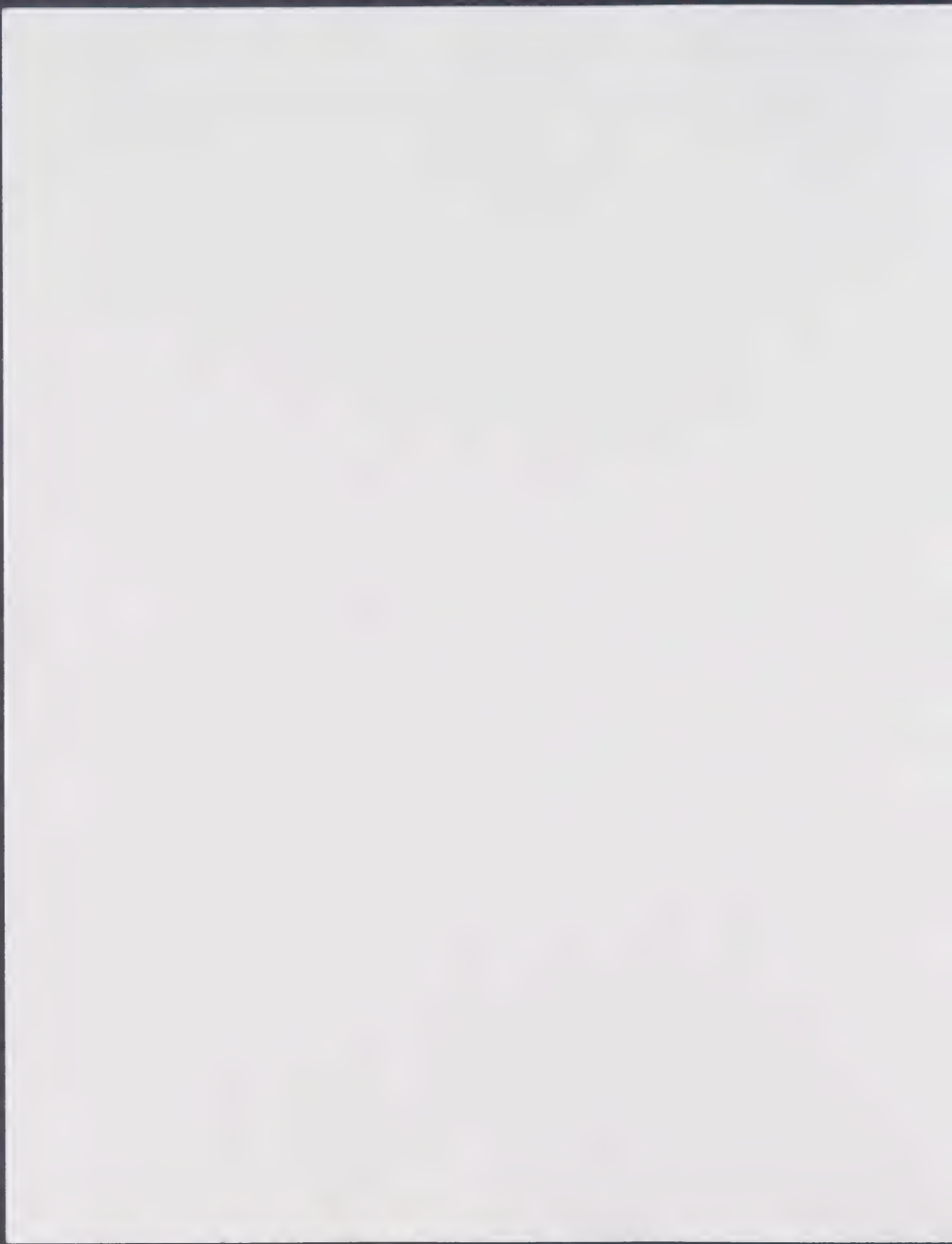


or sub-tenant or the owner or occupier of any adjoining or neighbouring property previously so disclosed; and

- (1) any Planning Agreement entered into in pursuance of this agreement without any obligation on the part of the Seller to define the same and the Buyer shall not raise any enquiry on or objection or requisition in respect of such matters.
- (2) In this clause "competent authority" means a local authority or other body exercising powers under statute or by Royal Charter; and "requirement" includes (whether or not subject to confirmation) any notice, order or proposal.

14. Insurance

- (1) Until completion of the sale of the Property (or earlier proper termination of this agreement) the Buyer shall continue to maintain with Guardian Royal Exchange and Royal Insurance plc or other insurers first approved in writing by the Seller (such approval not to be unreasonably withheld) in the joint names of the Buyer the Seller and the Receiver and such other names as the Buyer may desire the insurances particulars of which are set out in the Cover Details annexed to this agreement ("the Insurances").
- (2) If any damage or injury is caused to the Property which is covered by the Insurances, the parties to this agreement agree to apply all insurance moneys received under the Insurances in respect of that damage or injury in or towards making good the loss or reinstating the Property Provided that if following any such loss (whether or not as a result of it) this agreement is properly terminated, the Seller shall be entitled to have paid to it, and to retain for its

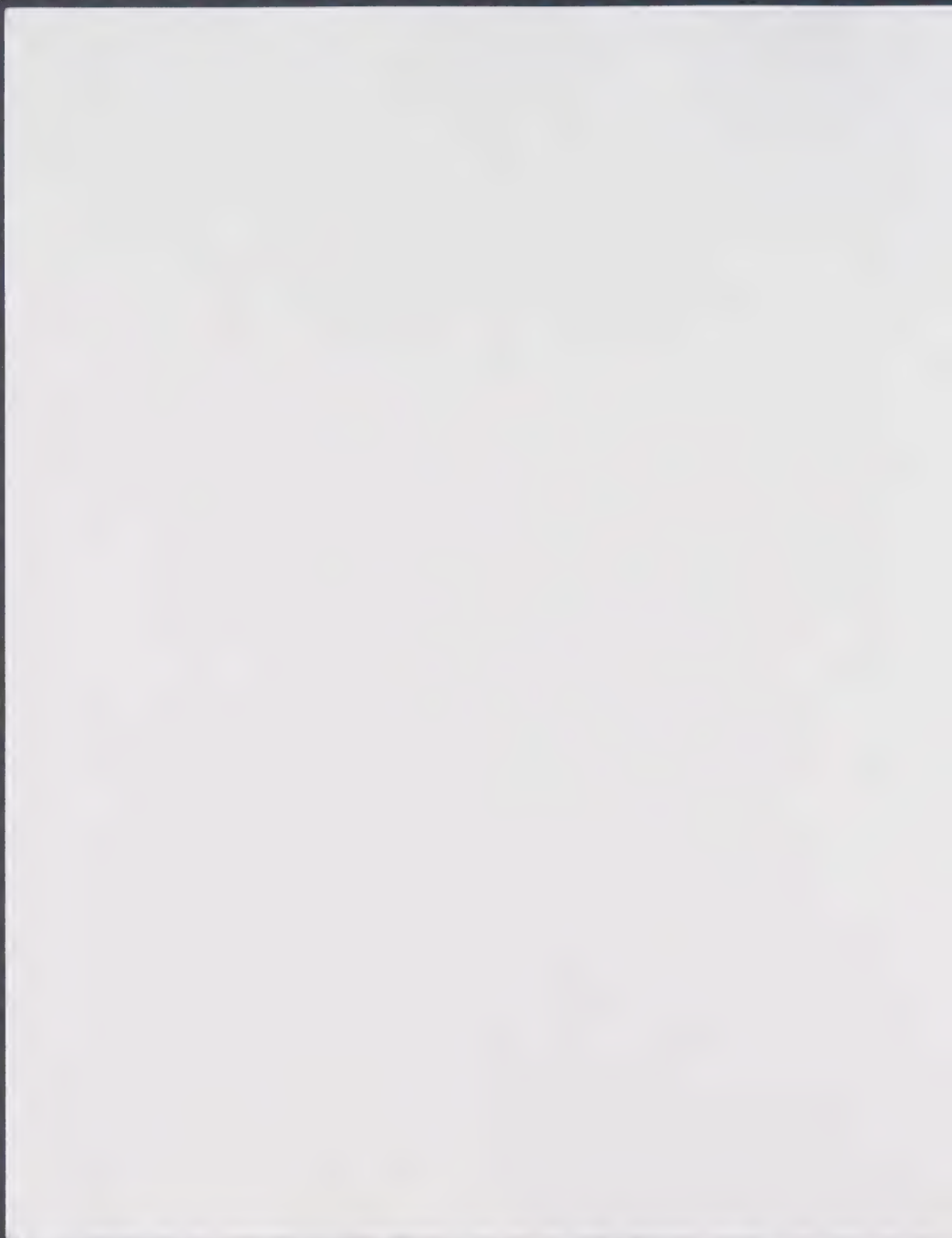


own sole benefit any insurance money received or recoverable in respect of such damage or injury.

- (3) The Seller shall pay to the Buyer £36.60 for each day of the Running Costs Period (excluding any day which is within a Planning Delay Period) as a contribution to the premiums for the Insurances such amount to be paid monthly in arrears on 15th June, 1993 and the 15th day of each subsequent month falling wholly or partly within the Running Costs Period.
- (4) The Seller shall be and remain bound after the Completion Date (or earlier proper termination of this agreement) to pay to the ~~Seller~~^{Buyer} any outstanding sums due under clause 14(3).
- (5) The Buyer shall procure that the Seller's solicitors are provided with:
 - (a) a copy of the policy of Insurances (or the parts of it which relate to the Insurances) when the policy is issued, and
 - (b) confirmation of payment of premiums when the Seller's solicitors so request.

15. National Conditions of Sale

- (1) Subject to the variations mentioned in clause 15(2), the National Conditions of Sale (20th Edition) (excluding Conditions 3, 4, 5(3)(iii), 5(4), 7(1)(iii), 9(2), 15(2), (3) and (4), and 18(4)) shall be deemed to be incorporated in this agreement so far as they:
 - (a) apply to a sale by private treaty;
 - (b) relate to freehold property; and
 - (c) are not inconsistent with the other clauses of this agreement.
- (2) The National Conditions shall be varied as follows:



- (a) every reference to the "vendor" shall be deemed to be a reference to the "Seller" and every reference to the "purchaser" shall be deemed to be a reference to the "Buyer";
- (b) the "prescribed rate" is three per cent. per annum above National Westminster Bank PLC base rate current from time to time;
- (c) the following shall be added to condition 5:-

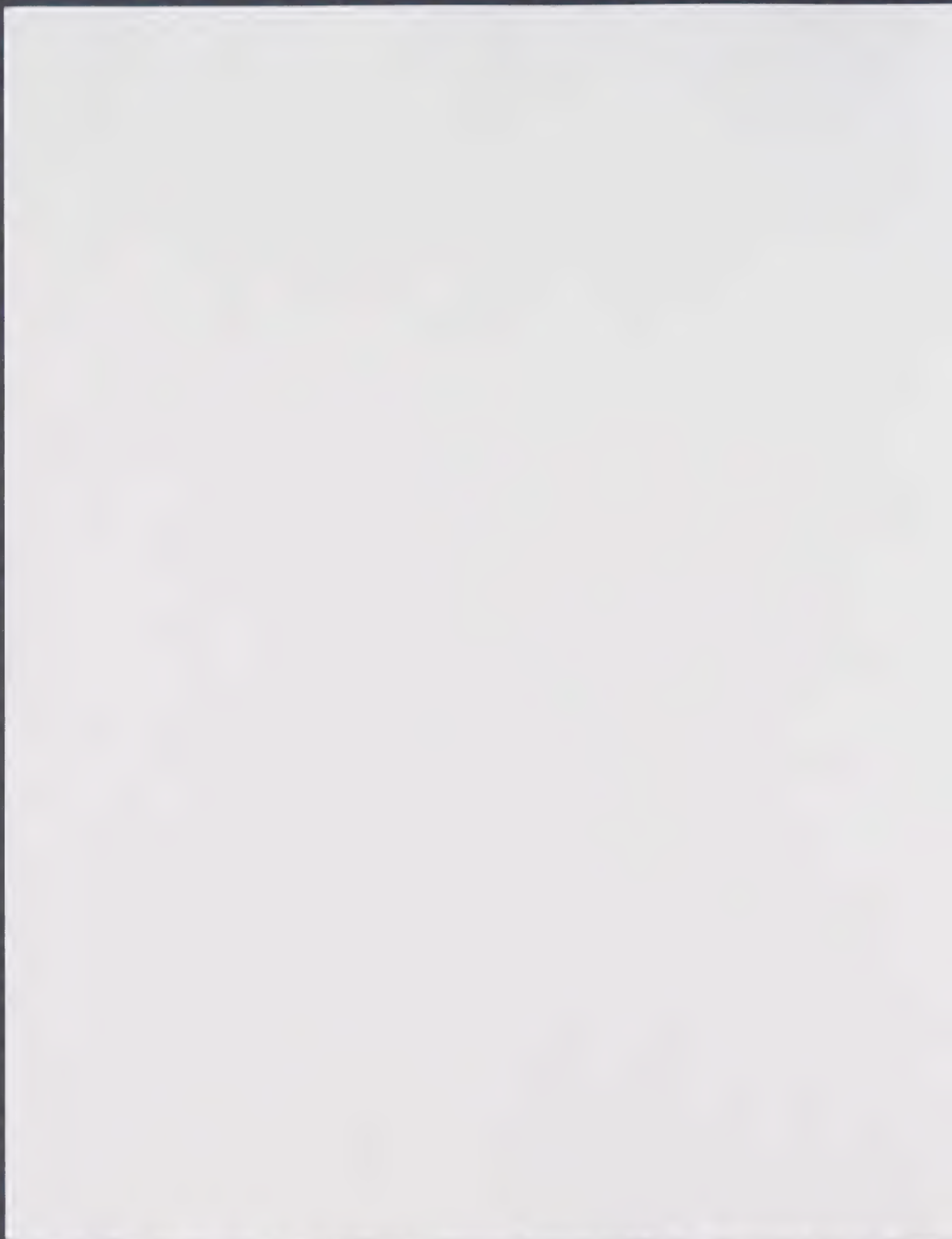
"(6) If the parties agree that completion shall be effected through the post, completion shall take place when, on the completion date or a subsequent working day:-

- (i) the money due on completion is paid to the Seller;
and
- (ii) the Seller's solicitors hold to the order of the Buyer all the documents to which the Buyer is entitled on completion.

For the purposes of this condition money is paid when the Seller receives payment by a method specified in paragraph (3) of this condition. Where the parties have agreed upon a direct credit to a bank account at a specified branch, payment is made when that branch receives the credit";

- (d) a new condition 7(3) shall be added as follows:

"The Seller shall be entitled to interest at the prescribed rate on all monies payable by the Buyer to the Seller under this agreement and the Buyer shall be entitled to interest at the prescribed rate on all

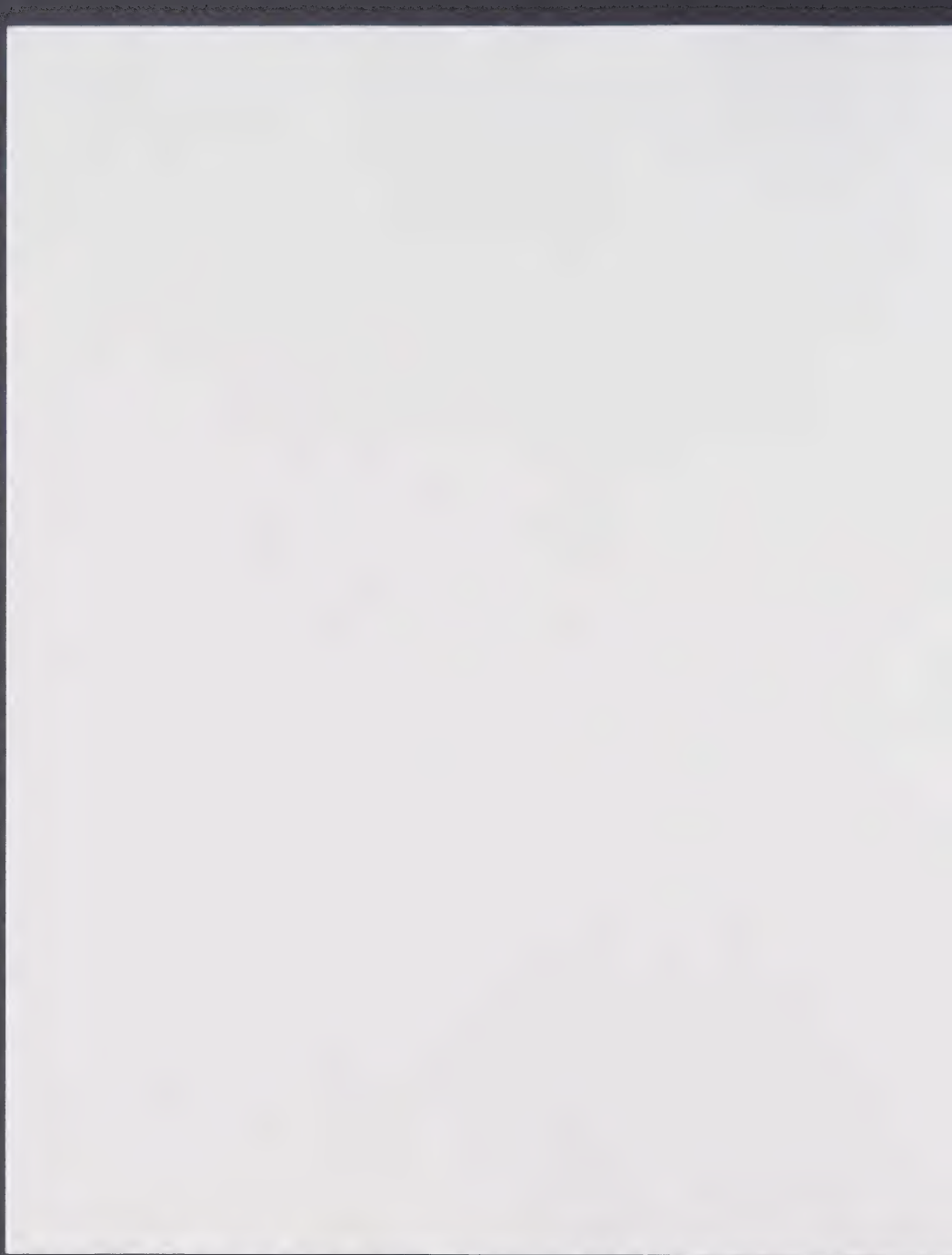


monies payable by the Seller to the Buyer for the period from the date upon which the monies become due and payable until the date upon which they are actually paid.";

- (e) condition 18 shall not be deemed to impose on the Seller any obligation to furnish any copy documents to the Buyer; and
- (f) in condition 22 "6 working days" shall be substituted for "16 working days".

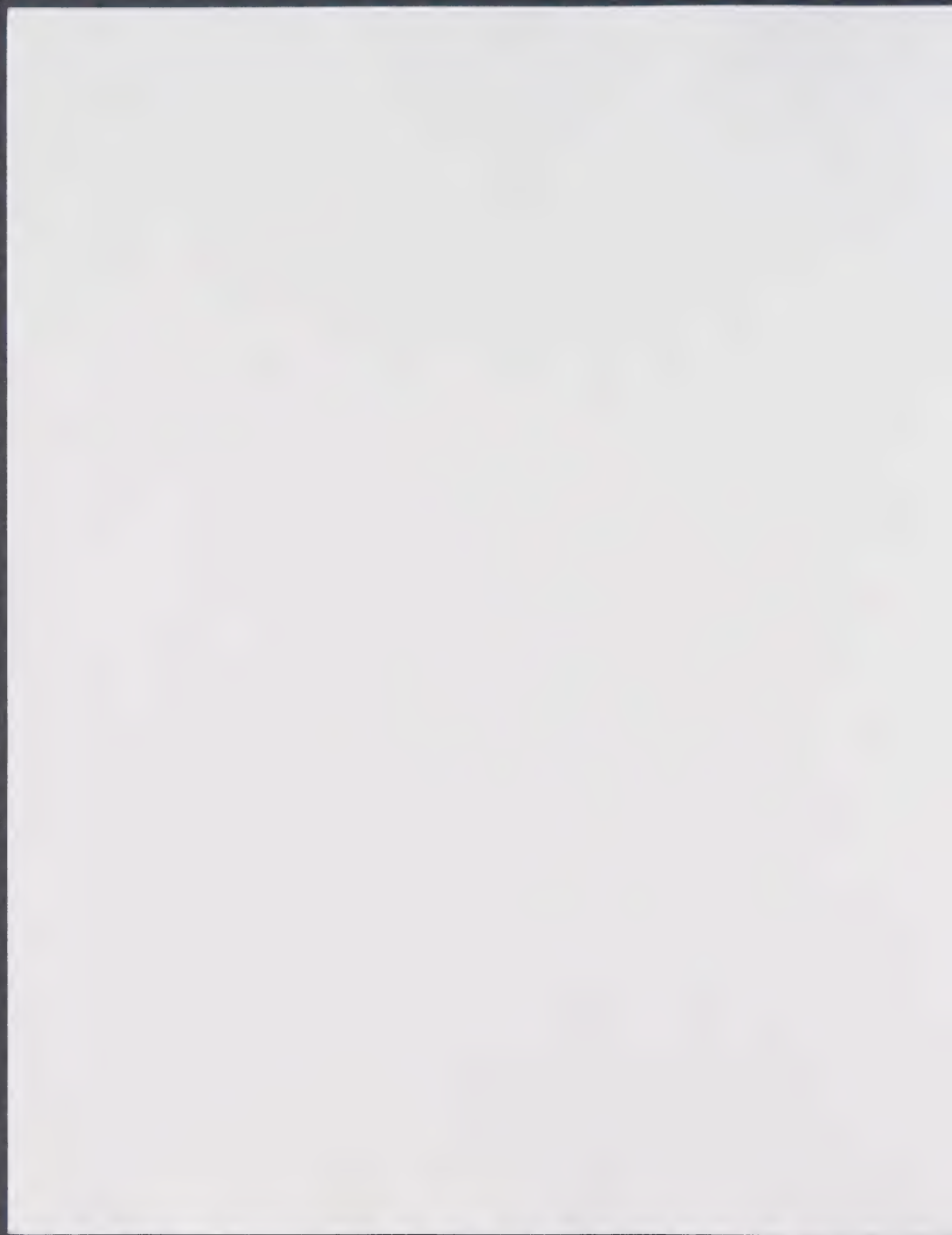
16. Third Party Equipment

- (1) Insofar as it is or becomes aware of any Third Party Equipment (and the Buyer acknowledges that neither the Seller nor the Receiver are registered as keeper of Land Rover registration number CAP146T) and until the Buyer acquires ownership of any such item from the true owner the Buyer:
 - (a) shall hold the Third Party Equipment as bailee and therefore shall not hold itself out as owner of the Third Party Equipment, or sell, charge, or dispose of the Third Party Equipment but shall keep it in its own possession;
 - (b) use all reasonable endeavours insofar as the Buyer decides to keep such items to reach agreement as soon as possible with the true owner to allow it to acquire ownership of, or the use of, or otherwise retain possession of such items of Third Party Equipment; and
 - (c) shall indemnify the Seller against all costs claims demands and expenses arising out of breach of clauses 16(1)(a) or (b) and 16(2) and shall indemnify the Receiver against all costs



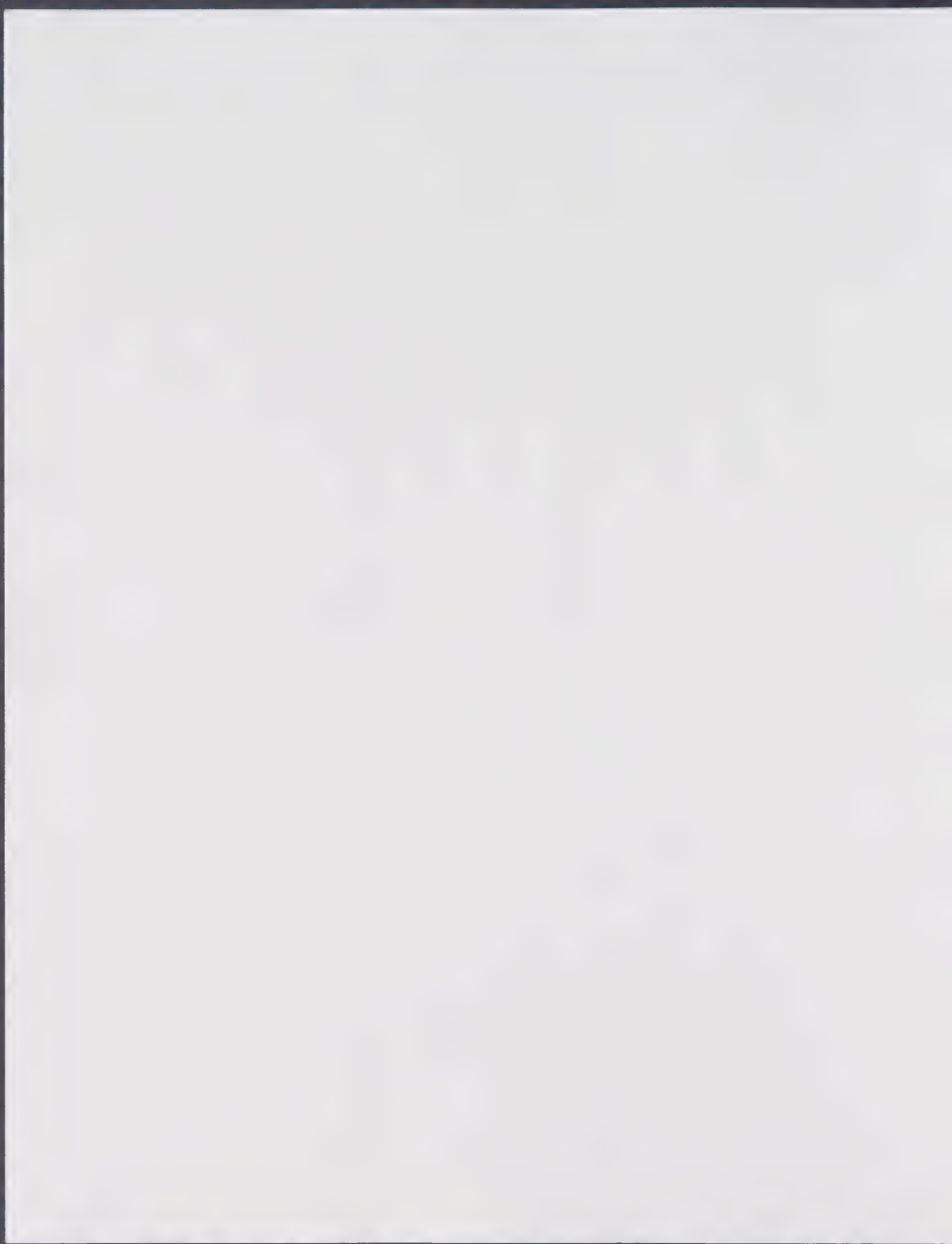
claims demands and expenses arising out of the giving of possession or control to the Buyer of the Third Party Equipment.

- (2) If the Buyer fails to acquire ownership of an item of Third Party Equipment from its true owner then the Seller may, on production of appropriate evidence, require that the Buyer shall give up possession of it to its true owner and allow that owner to collect it at any time. In that event the Buyer shall not be entitled to any refund or allowance, the consideration payable under this agreement shall not be affected, and the Buyer shall not be entitled to rescind or avoid this agreement.
 - (3) Notwithstanding the provisions of clause 16(1) the Buyer shall be entitled to pass possession or control of any Third Party Equipment to the Charity or to any tenant of the Buyer or the Charity or their respective successors in title or assigns provided the Buyer first procures a direct covenant by the Charity or the tenant or such successor or assign directly with the Seller and the Receiver that such Third Party Equipment will be held on the same terms (*mutatis mutandis*) as those contained in this clause 16, and indemnifying the Seller and the Receiver in the same terms as set out in clause 16(1)(c).
17. Employees
- (1) The Seller and the Buyer acknowledge and agree that under the Transfer of Undertakings (Protection of Employment) Regulations 1981 ("the Regulations") the contracts of employment between the Seller and the Employees will (so far as such Employees continue to be



employed by the Seller as at the date of completion of purchase of the Property) have effect after the date of actual completion of the sale of the Property as if originally made between the Buyer and those persons.

- (2) In the event that the Regulations do not operate as set out in clause 17(1), the Buyer shall (so far as such Employees continue to be employed by the Seller as at the date of completion of purchase of the Property) offer employment to each Employee on the basis of terms no less favourable to that Employee than those set out in that Employee's contract of employment with the Seller.
- (3) Nothing in this clause shall have the effect of imposing on the Seller any liability to the Buyer in respect of:
 - (a) any claim by an Employee in respect of the termination of his employment or any variation of his terms of employment which arises as a result of any action or omission by the Buyer or of the transaction to which this agreement relates; or
 - (b) subject to clause 17(4) any claim for any sums due or payable to the Employee or to any third party in relation to the Employee's employment prior to completion of the sale of the Property.
- (4) The Seller hereby agrees to pay or reimburse the Buyer for all wages employer's NIC contributions and accrued holiday pay up to the date of that completion in respect of the Employees.
- (5) The Buyer shall, subject to clause 17(4), indemnify the Seller against any claims in relation to the matters set out in clauses 17(3)(a) and (b)).

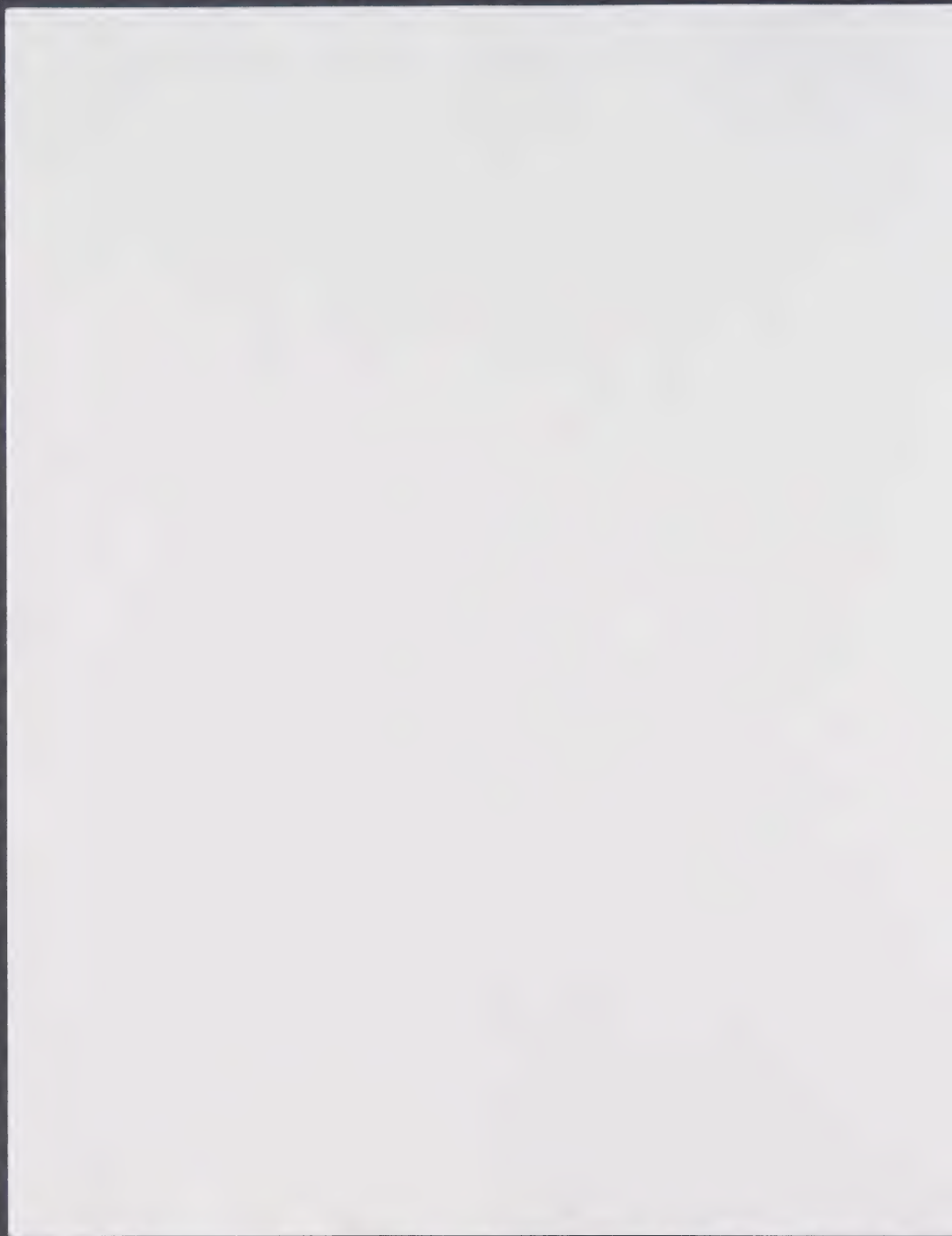


18. Options on the Retained Land

The matters set out in Schedule 6 shall take effect as if set out in full in this clause.

19. Value Added Tax

- (1) The Sale Price is inclusive of any VAT which may be payable on the supply of the Property or (subject to clause 19(2)) any part of the Property and no amount shall be added to the Sale Price in respect of any VAT chargeable on the sale of the Property or (subject to clause 19(2)) any part of the Property.
- (2) Any VAT chargeable on any consideration attributable to the supply of a new or incomplete building or civil engineering work constructed by the Buyer or the Charity (whether or not after the date of this agreement) which is not part of a composite supply of the whole Property for VAT purposes shall be paid by the Buyer in addition to the Sale Price.
- (3) Without prejudice to clause 19(1), if HM Customs & Excise rules in writing that any VAT is chargeable in respect of any supply by the Seller or Receiver under clauses 5, 7(2), 7(3) or 14 of or Schedule 5 to this agreement or the Public Access Licence (as varied by clause 5(1)) or the Event Licence or any consideration to be given by the Buyer or the Charity under those provisions or documents the Buyer or the Charity shall pay the amount of such VAT to the Seller.
- (4) The Buyer or the Charity shall not be obliged to pay any amount in respect of VAT under clause 19(3) unless it has first received a

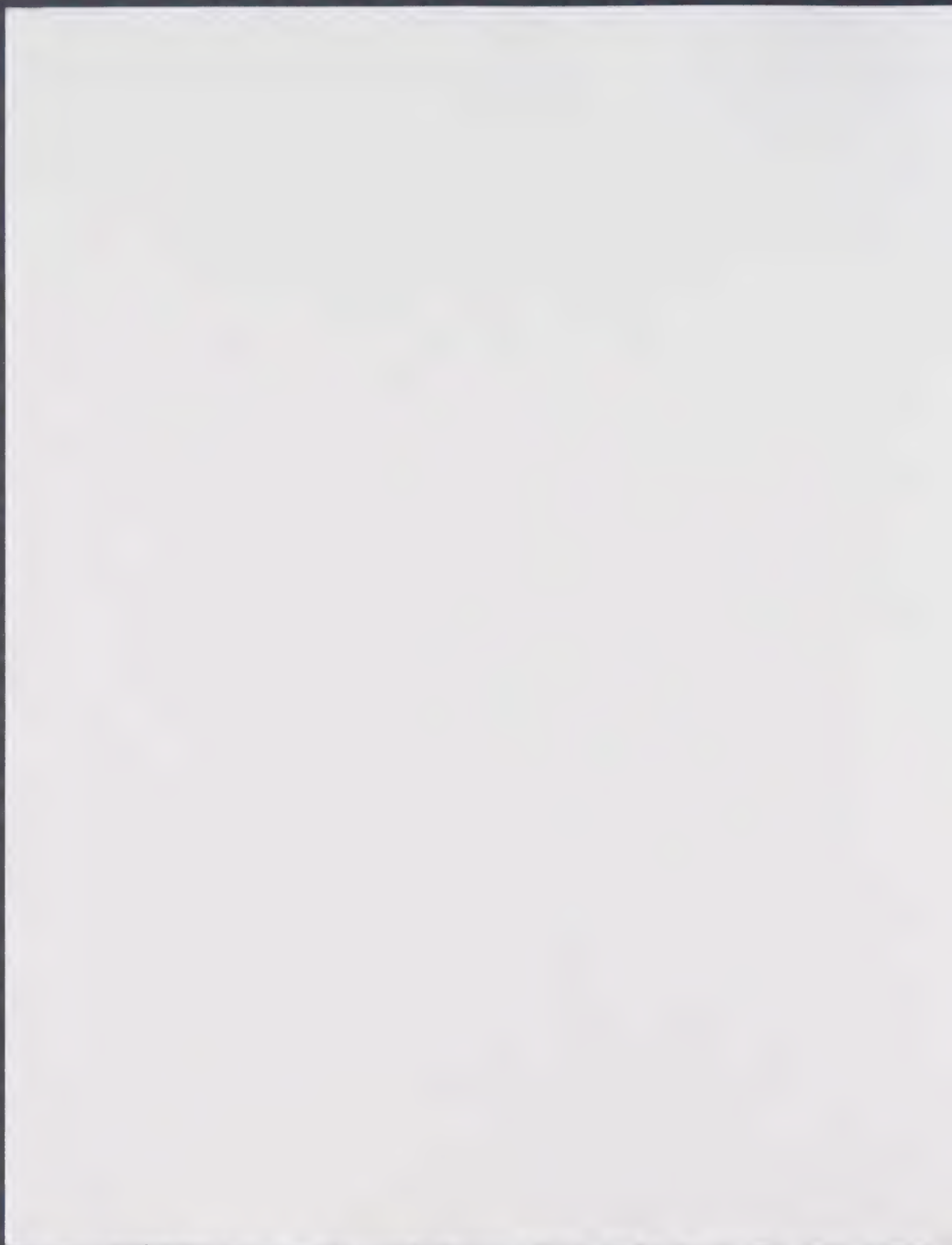


copy of the written ruling of HM Customs & Excise that VAT is chargeable.

- (5) Any request made to HM Customs & Excise by the Seller or the Buyer for a ruling for the purposes of clause 19(3) and (4) shall first be submitted in draft to the other of them and the party submitting the request shall so far as reasonable take full account of all representations and comments made by the other party in relation to such request.
- (6) Any VAT payable under clause 19(3) shall be paid in cleared funds against the issue of a proper VAT invoice either:-
- (a) within three working days of receipt of a copy of the relevant ruling referred to in clause 19(4); or
 - (b) if later than the receipt referred to in (a) above, as follows namely:-
 - (i) on the date on which the amount in respect of which the VAT is chargeable is payable by the Buyer or other payer; or
 - (ii) if earlier, or if there is no such amount payable, five working days prior to the date on which the Seller or Receiver is required to account to HM Customs & Excise for such VAT.

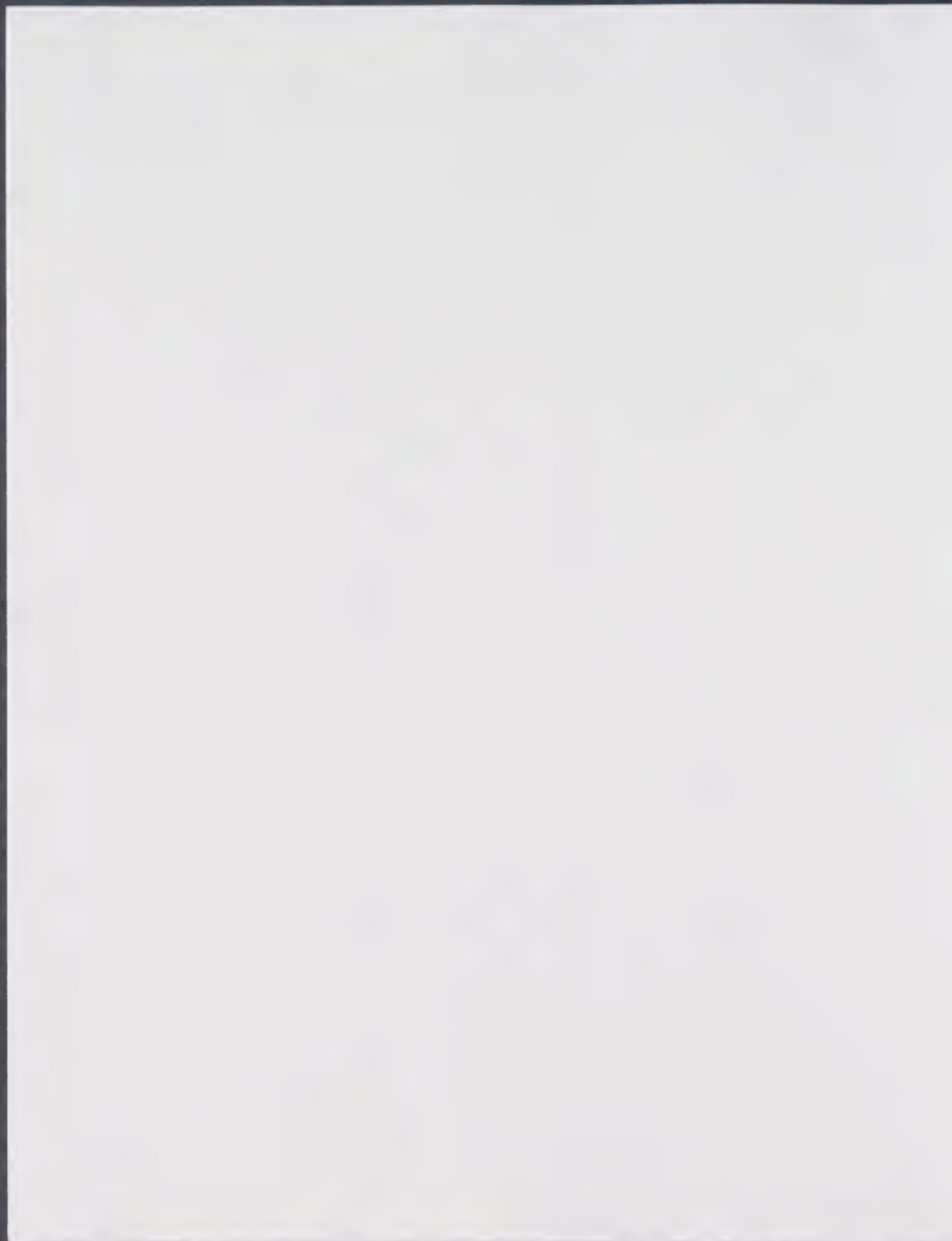
20. The Receiver

- (1) It is hereby agreed that all amounts to be paid by the Seller to the Buyer pursuant to the provisions of clauses 14(3), 17(4) and paragraphs (3) (7) and (8) of Schedule 5 shall be paid as an



expense of the receivership of the Seller.

- (2) Notwithstanding the provisions of clause 20(1), the Receiver shall incur no personal liability under, or by virtue of, this agreement, nor in relation to any related matter or claim however, whenever, and wherever arising, and whether the claim is formulated in contract and/or tort or by reference to any other remedy or right, and in whatever jurisdiction or forum (and in particular the Receiver shall not be liable on any deed or document executed with a view to, or for the purpose of, putting this agreement into effect whether or not the deed or document expressly so provides and the Receiver shall be entitled at any time to have any deeds or documents amended to expressly exclude personal liability in the above terms).
- (3) The Receiver is agent of the Seller, save only when by law such agency cannot arise or continue by reason of the winding up of the Seller, and shall incur no personal liability by reason of acting in that capacity.
- (4) Whether or not acting as agent of the Seller, the Receiver shall when acting in the name and on behalf of the Seller in accordance with Schedule 1 of the Insolvency Act 1986 and/or the powers conferred by the instruments under, or pursuant to, which he was appointed incur no personal liability by reason of acting in those capacities, nor shall any claim arise otherwise than against the Seller and then (without prejudice to paragraph (5) of Schedule 4) only in respect of receivership realisations or assets comprised or



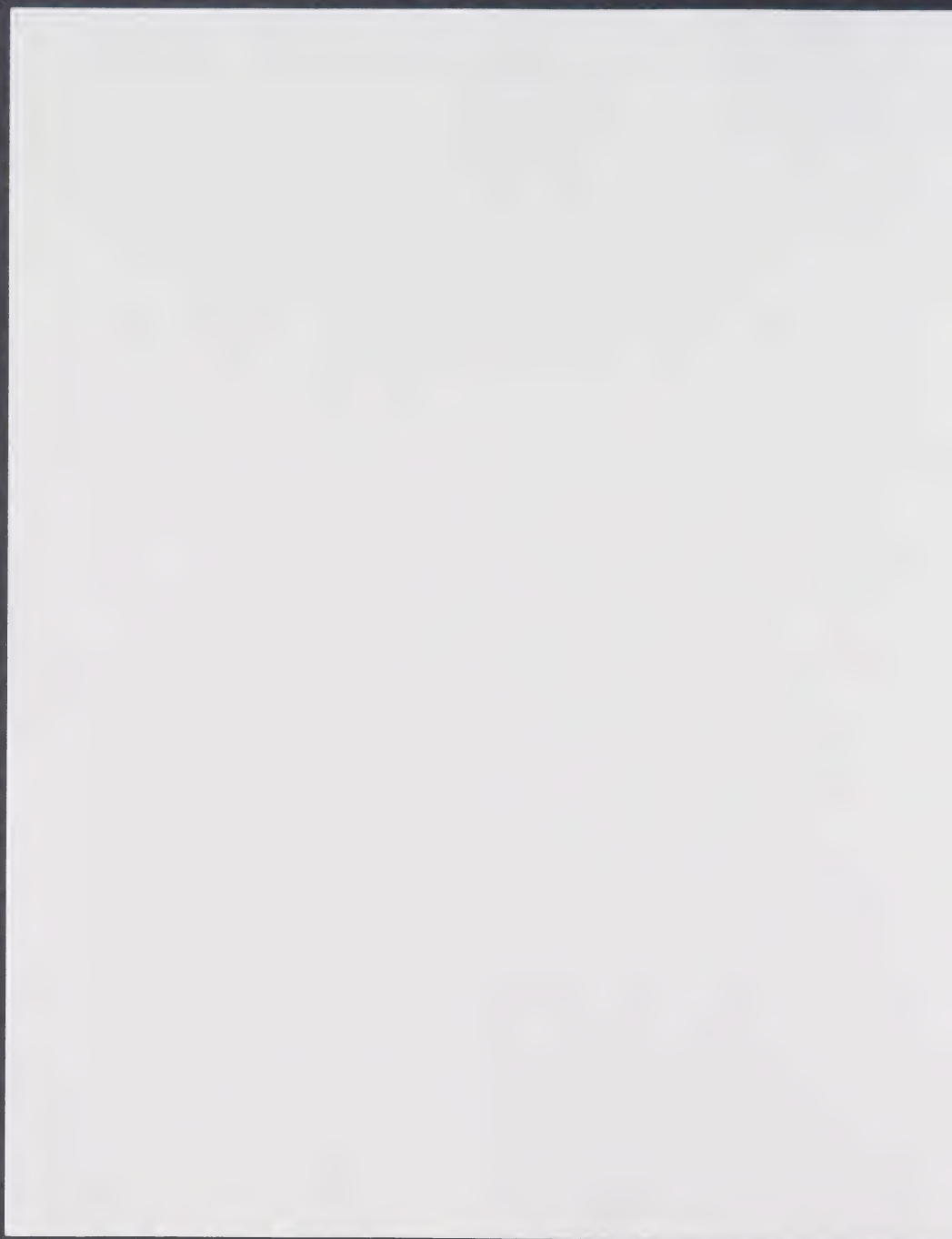
falling within the fixed and/or floating charge pursuant to which the Receiver has been appointed.

- (5) Any claim by the Buyer against the Seller and/or against the Receiver, or his firm or his partners, employees, agents, advisers or representatives, shall be irrevocably waived (notwithstanding the above exclusions of liability) unless made in writing not later than twelve months after the completion of the sale (time to be of the essence in this connection and the first day of the twelve month period to be the day immediately following the date of actual completion).
- (6) In no circumstances whatsoever, and without prejudice to each and every one of the provisions of this agreement, shall any claim of the Buyer or any person claiming through under or in relation to the Buyer, exceed a sum equivalent to the aggregate of the Sale Price and the Chattels Price.
- (7) Exclusion of Warranties

The exclusions and agreements set out in Schedule 4, shall take effect as if set out in full in this clause. In case of any conflict between the provisions of Schedule 4 and any other provisions of this agreement the provisions of Schedule 4 shall prevail.

21. Confidentiality

The Sale Price and the Option Prices and details of the Running Costs Contribution and Exceptional Running Costs Contribution shall until 1st January, 1994 be and remain confidential to the parties to this agreement the Charity, Dr Alfred Bader and Mrs Isabel Bader and

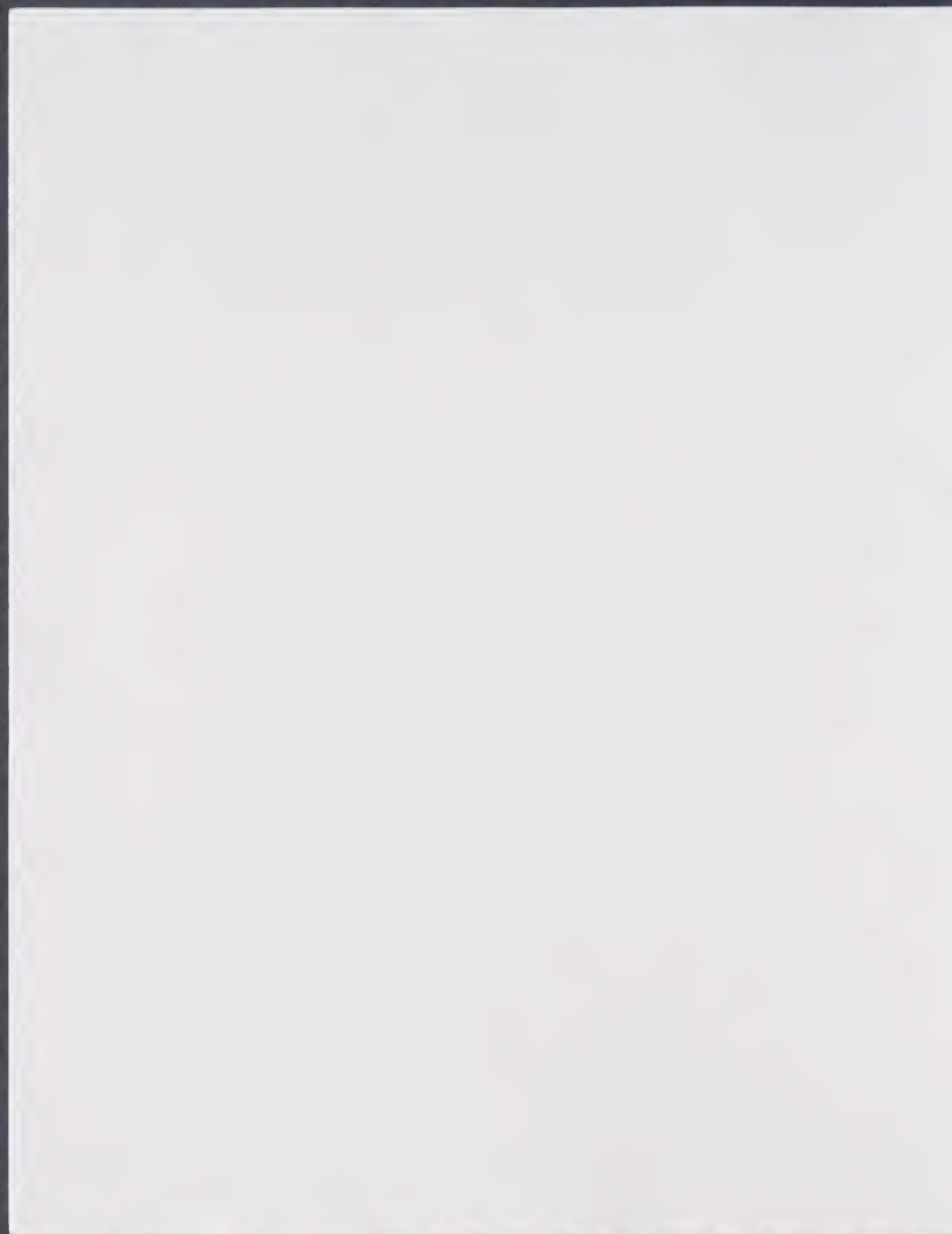


their respective bankers and professional advisers (Provided that the parties shall use all reasonable endeavours to procure that all such persons observe the provisions of this clause) in the absence of agreement to the contrary by the parties, except

- (a) for noting of this agreement as mentioned in clause 22(5), or
- (b) as required by the laws of England or Canada or the United States of America or any part thereof or by any statutory or regulatory requirements of those jurisdictions, or
- (c) that the Receiver shall be at liberty to disclose them to any tax authority or to any holder of security issued by the Seller, and to show appropriate figures in his receivership records, accounts and returns, or
- (d) for the purpose of enforcing the terms of this agreement, or if required to do so by any court or other appropriate forum in those jurisdictions.

22. General

- (1) Each of the obligations undertaken by any party under this agreement (excluding any obligation fully performed at completion) shall continue in force after completion of the sale of the Property.
- (2) This agreement and the documents referred to in it together with any additional provisions or variations agreed in correspondence between the Seller and Buyer (or the Seller's solicitors and the Buyer's solicitors with their authority) and expressly referring to this clause 22(2) (which additional provisions or variations shall be deemed to be incorporated in this agreement) contain the whole agreement between the parties relating to the transaction

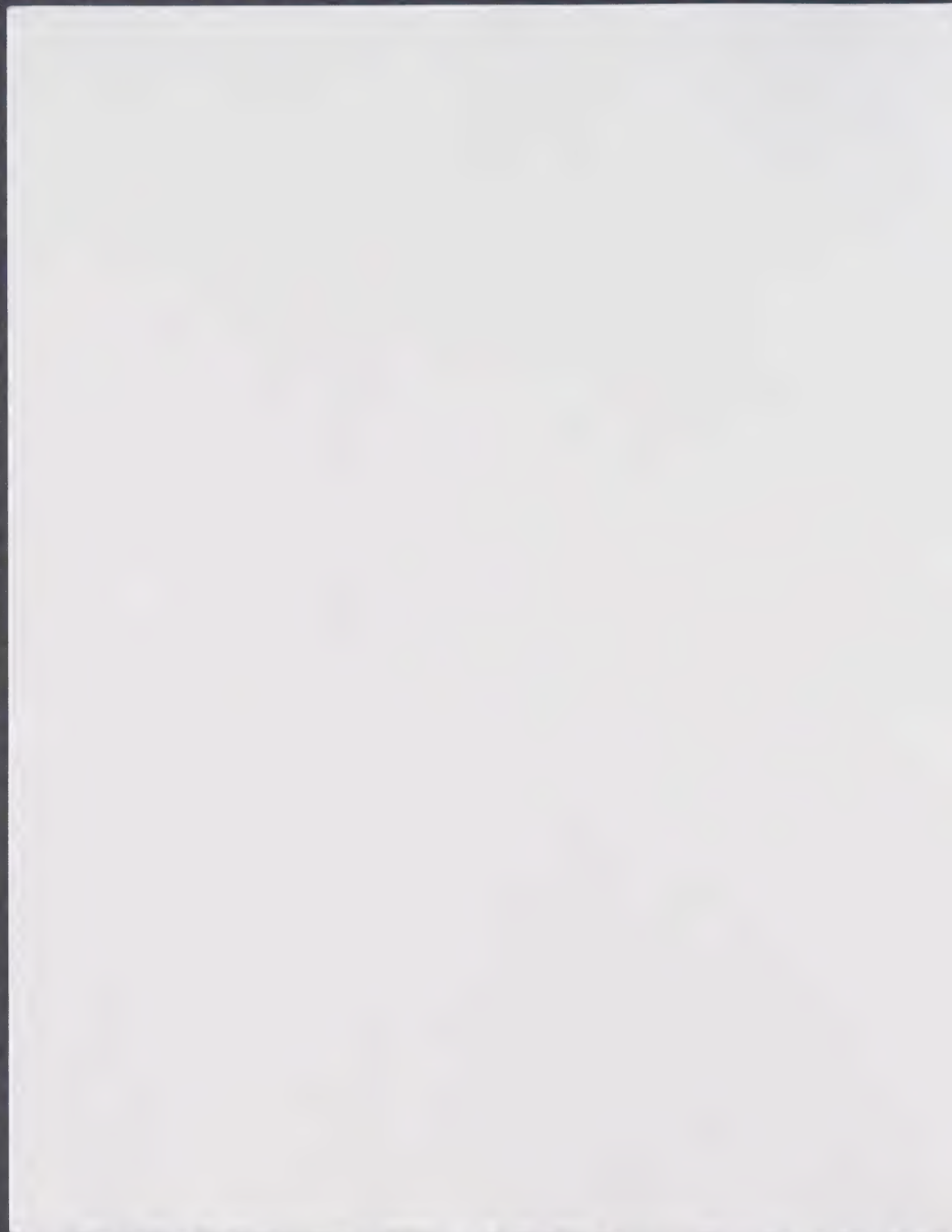


contemplated by this agreement and supersede all previous agreements between the parties or any of them relating to this transaction.

- (3) The Buyer acknowledges that in agreeing to enter into this agreement the Buyer has not relied on any representation, warranty or other assurance except those set out in this agreement.
- (4) The rights and benefits of the Buyer under this agreement (other than in respect of the options contained in Schedule 6) may be assigned to the Charity (provided nothing in such assignment shall release the Buyer from its obligations under this agreement) but otherwise may not be assigned.
- (5) The Seller and the Receiver consent to notice of this agreement being entered on the register at H.M. Land Registry in respect of Title Numbers ESX162010 and ESX169065. If notice is served by the Buyer under clause 7(1), or by the Seller or the Buyer under clause 7(2), the Buyer shall procure forthwith the cancellation of any such notice.

23. Notices

- (1) Any notice or other document to be given, delivered and/or served under this agreement shall be in writing and may be given delivered or served by the Seller's solicitors on behalf of the Seller and/or the Receiver to or on the Buyer's solicitors, or by the Buyer's solicitors on behalf of the Buyer, and any such notice or other document may be delivered or sent by prepaid first class recorded delivery post telex or facsimile transmission.
- (2) Any notice or document shall be deemed to have been served:
 - (a) if delivered, at the time of delivery; or

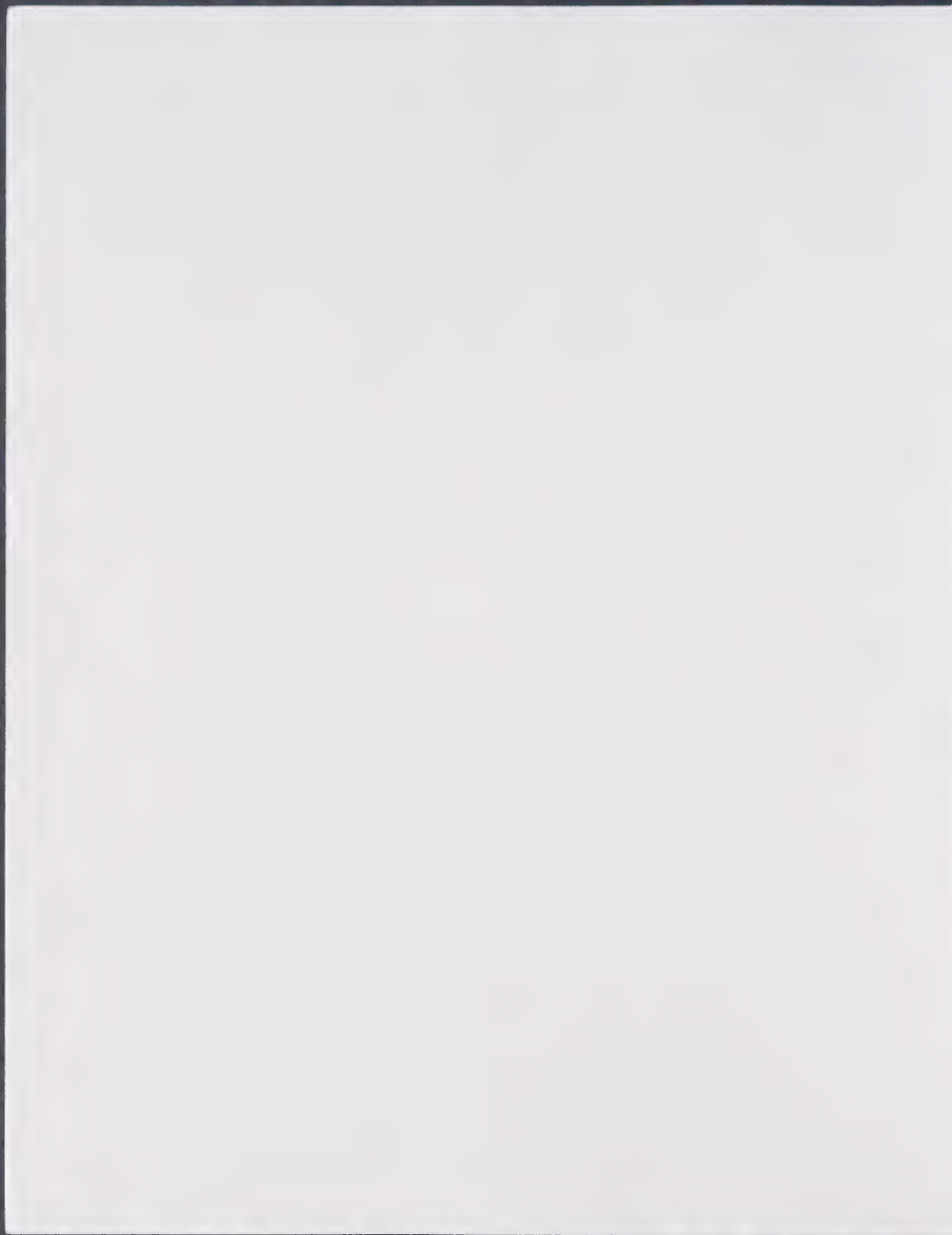


- (b) if posted, at 10.00 a.m. on the working day after it was put into the post; or
 - (c) if sent by telex or facsimile transmission at the expiration of 2 hours after the time of despatch, if despatched before 3.00 p.m. on any working day, and in any other case at 10.00 a.m. on the next working day after the date of despatch.
- (3) In proving service of a notice or document it shall be sufficient to prove that delivery was made, or that the envelope containing the notice or document was properly addressed and posted as a prepaid first class recorded delivery letter, or that the telex or facsimile was transmitted.

24. Governing law and jurisdiction

- (1) This agreement is governed by and shall be construed in accordance with English law.
- (2) The English courts are to have jurisdiction to settle any disputes which may arise in connection with this agreement and any proceedings arising in connection with this agreement may be brought in those courts. The Buyer irrevocably appoints the Buyer's Solicitors as its agent for service of process. Nothing in this clause limits any right to take proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

IN WITNESS WHEREOF the parties have executed this document as a deed the day and year first above written.

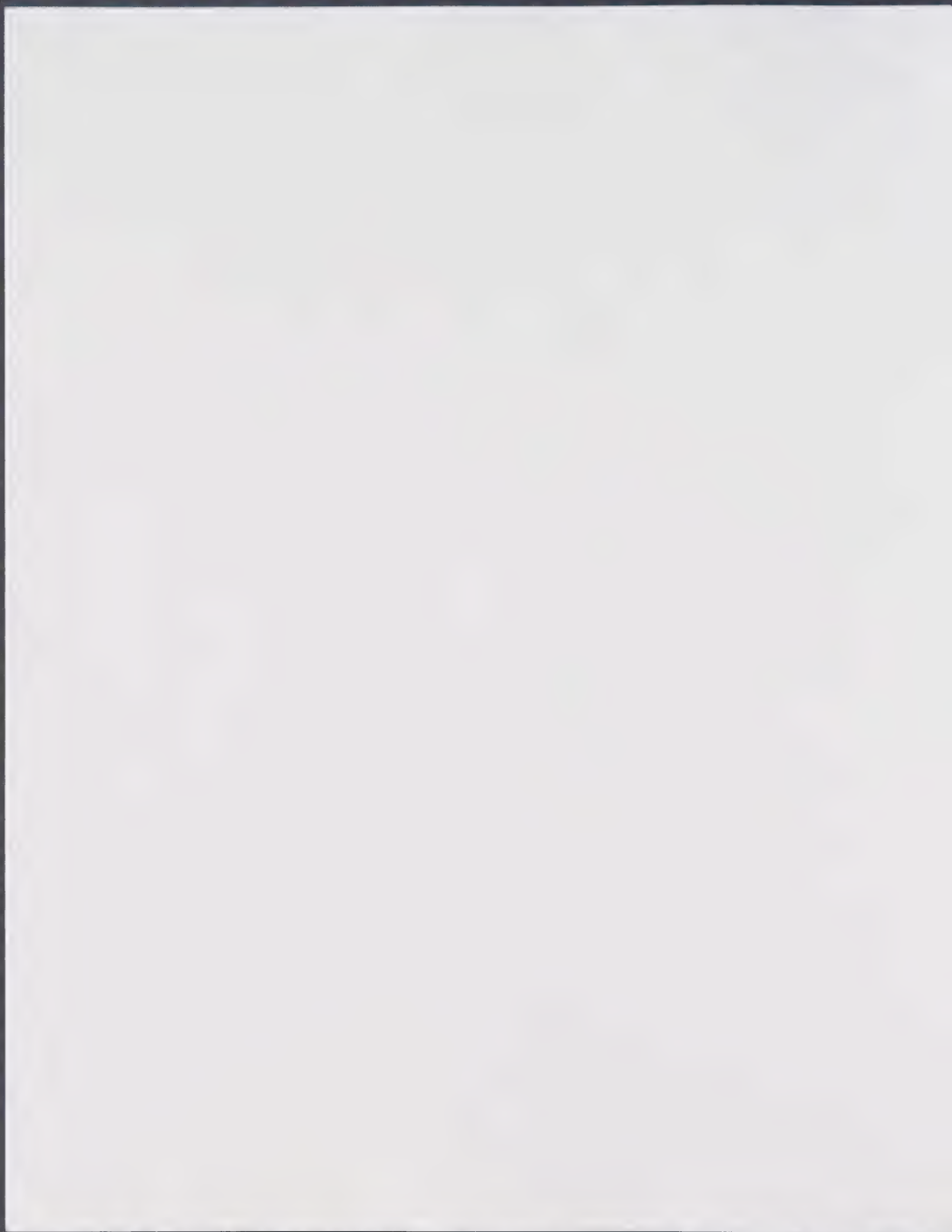


SCHEDULE 1Part 1The Property

Land known as Lots 1, 4, 6 and 7 at Herstmonceux Castle Estate as the same are shown so numbered and coloured pink, yellow, mauve and dark blue and more particularly delineated on the Plan and forming part of the land registered at HM Land Registry under title numbers ESX 162010 and ESX 169065 together with the Buildings on that land together with all fixtures and fittings (including astronomical or other equipment so far as the same constitutes fixtures or fittings) on that land or in those buildings.

Part IIThe Retained Land

Land known as Lots 2, 3 and 5 at Herstmonceux Castle Estate as the same are shown so numbered and coloured light green, light blue (excluding the part hatched black) and dark green and more particularly delineated on the Plan also forming part of the land registered at HM Land Registry under title number ESX 162010 together with all buildings on that land and together with all fixtures and fittings on that land or in those buildings.

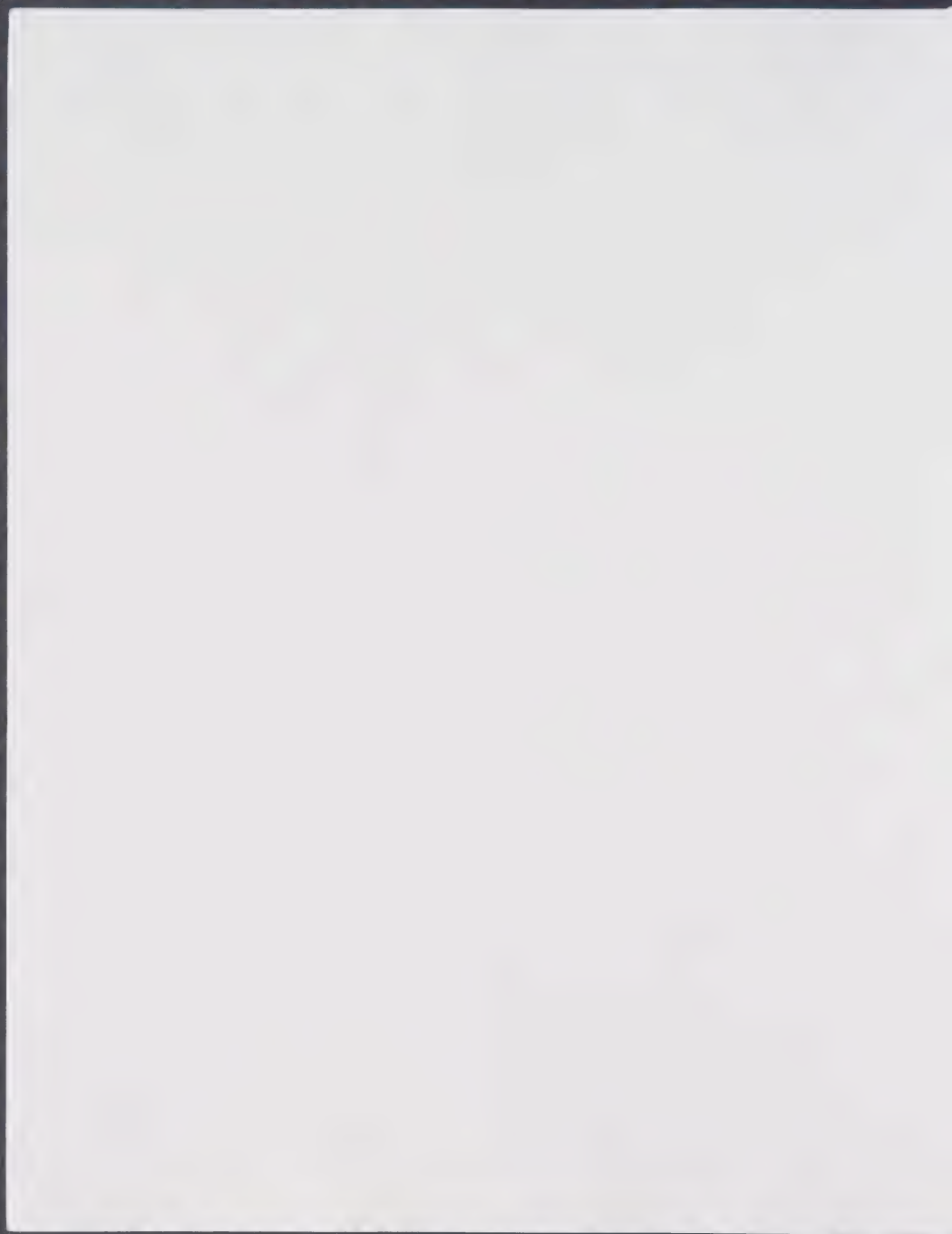


SCHEDULE 2Part 1The Covenants

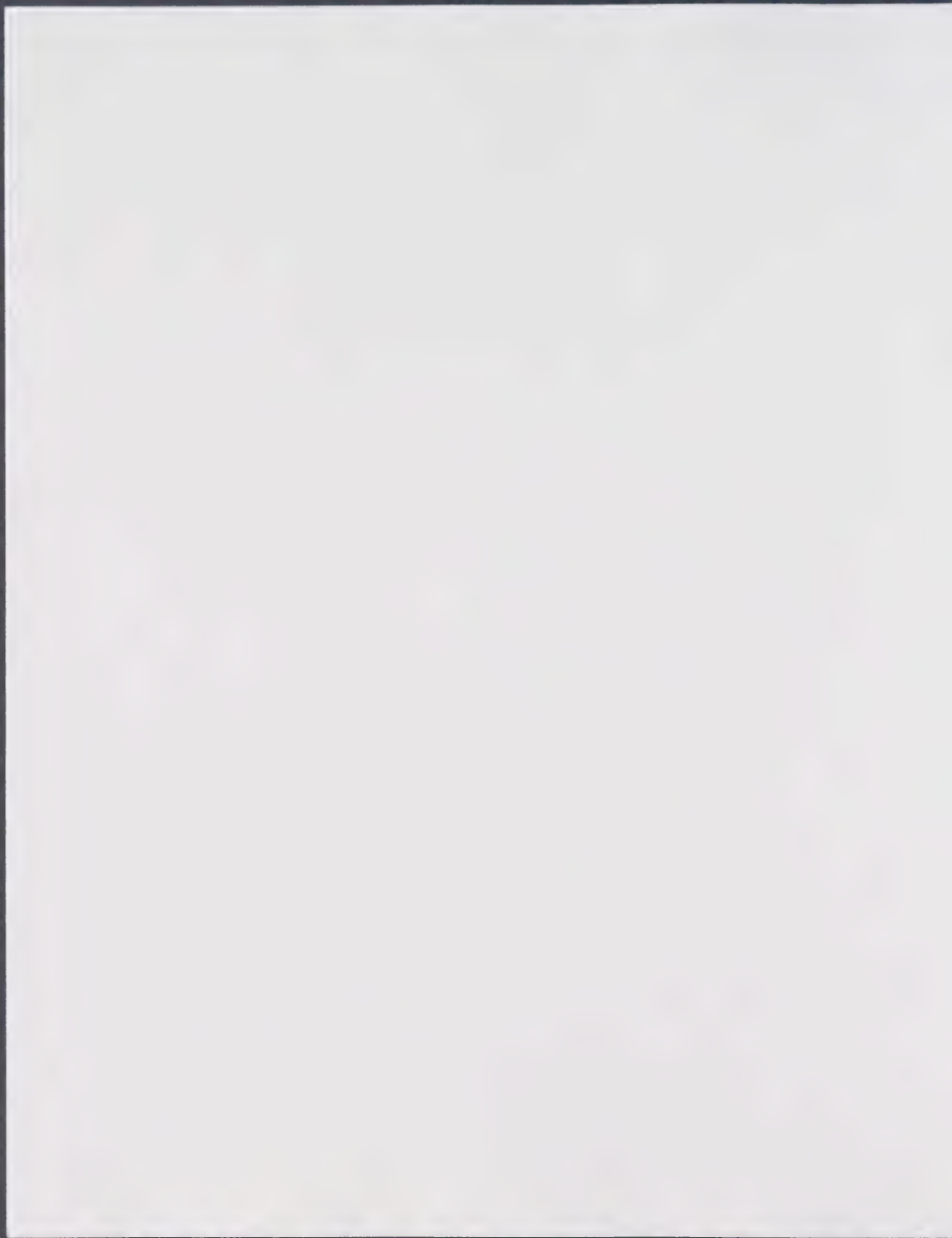
All covenants conditions restrictions stipulations and other matters contained or referred to in the Property Registers and Charges Registers of title numbers ESX 162010 and ESX 169065 as disclosed by office copy entries dated 25th August, 1992 but excluding those contained or referred to in Entry Numbers 13 and 14 on the Charges Register of title number ESX 162010 and 1 and 2 of the Charges Register of title number ESX 169065.

Part 2The Rights

1. All rights contained or referred to in the Property Register and Charges Register of title numbers ESX 162010 and ESX 169065 as disclosed by office copy entries dated 25th August, 1992.
2. All rights (so far as the same still subsist) enjoyed by the Science and Engineering Research Council ("SERC") by virtue of a letter dated 20th October, 1988 from R J Tegg and H R S Lee to SERC.
3. The SERC Lease.
4. The Grazing Licence.

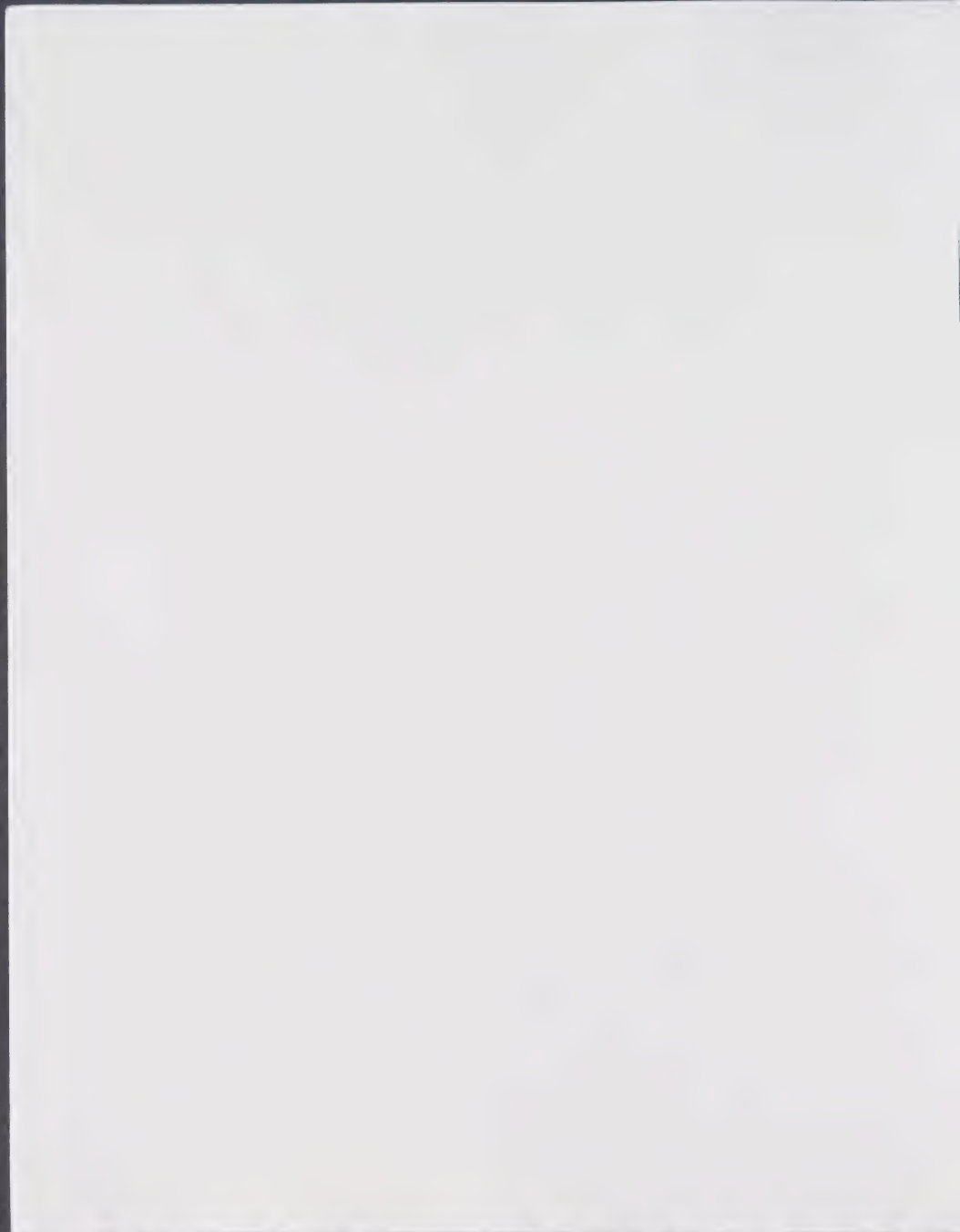


5. Such rights of occupation as Mr and Mrs Grew may now enjoy in respect of Hoads Hill Farm Cottage.



SCHEDULE 3Existing Permitted Applications

1. Application for planning permission (Wealden District Council ref. WD/93/0417/P): change of use to residential academic institution with ancillary office, conference and occasional public access use (the Property).
2. Application for planning permission (Wealden District Council ref. WD/93/0418/P): change of use to hall of residence for students and works of conversion (West Building).
3. Application for planning permission (Wealden District Council ref. WD/93/0419/P): change of use to residential academic institution with ancillary office, conference and occasional public access use (Herstmonceux Castle).
4. Application for planning permission and listed building consent (Wealden District Council ref. WD/93/0420/PLB): alterations and improvements to existing dwellings (Garage Cottages).
5. Application for planning permission (Wealden District Council ref. WD/93/0422/P): change of use to five dwellings (Club House).



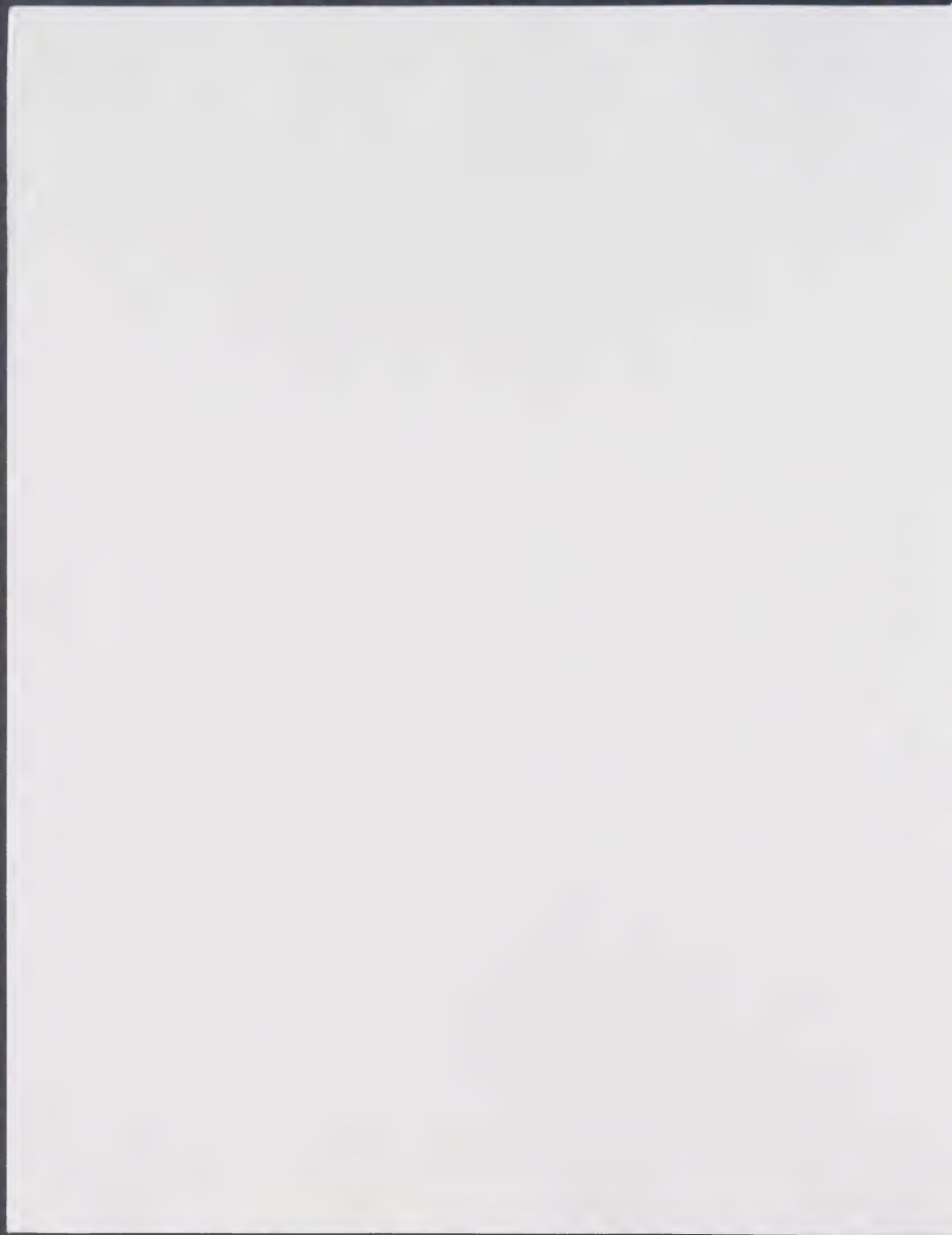
6. Application for planning permission (Wealden District Council ref. WD/93/0423/P): change of use to maintenance area and workshops (Spencer Jones Meridien Group).

7. Application for planning permission (Wealden District Council ref. WD/93/0424/P): change of use of workshops, offices and stores on north, east and west sides of courtyard to 11 dwellings; retention of south range with garages and boiler house; change of use of generator house to building maintenance base (Works Pound).

8. Application for planning permission (Wealden District Council ref. WD/93/0425/P): reinstatement of residential use in Cottage, retention of use of Tea Room, change of use of workshop and garages to residential use including proposed works of alteration (Garden Cottage and Tea Room).

9. Application for listed building consent (Wealden District Council ref. WD/93/0421/LB): alterations and improvements to existing dwellings (Garage Cottages).

10. Application for listed building consent (Wealden District Council ref. WD/93/0542/LB): reinstate residential use in Cottage, change of use of Tea Room, workshop and garages to residential use, including proposed works of alteration (Garden Cottage and Tea Room).



11. Application of 15th February 1993 to the Department of the Environment: scheduled monument consent for carrying out of works (Herstmonceux Castle).

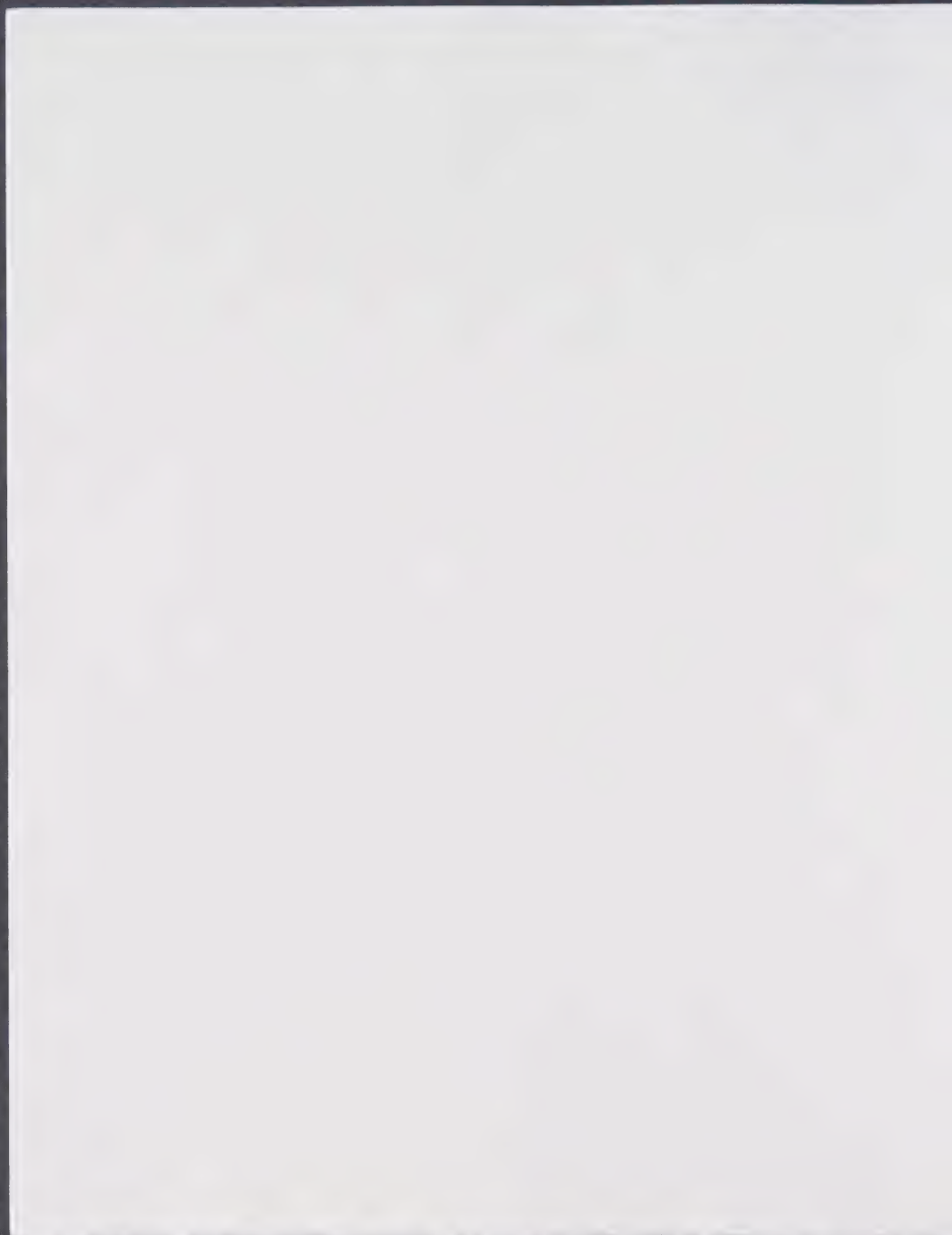


SCHEDULE 4Exclusions

- (1) Subject to the provisions of clause 11(b) and 12(2)(c) and (d) the interest in the Property and the Chattels which the Seller sells and the Buyer buys is such right, title and interest as the Seller may have at the commencement of business on the date of this agreement.

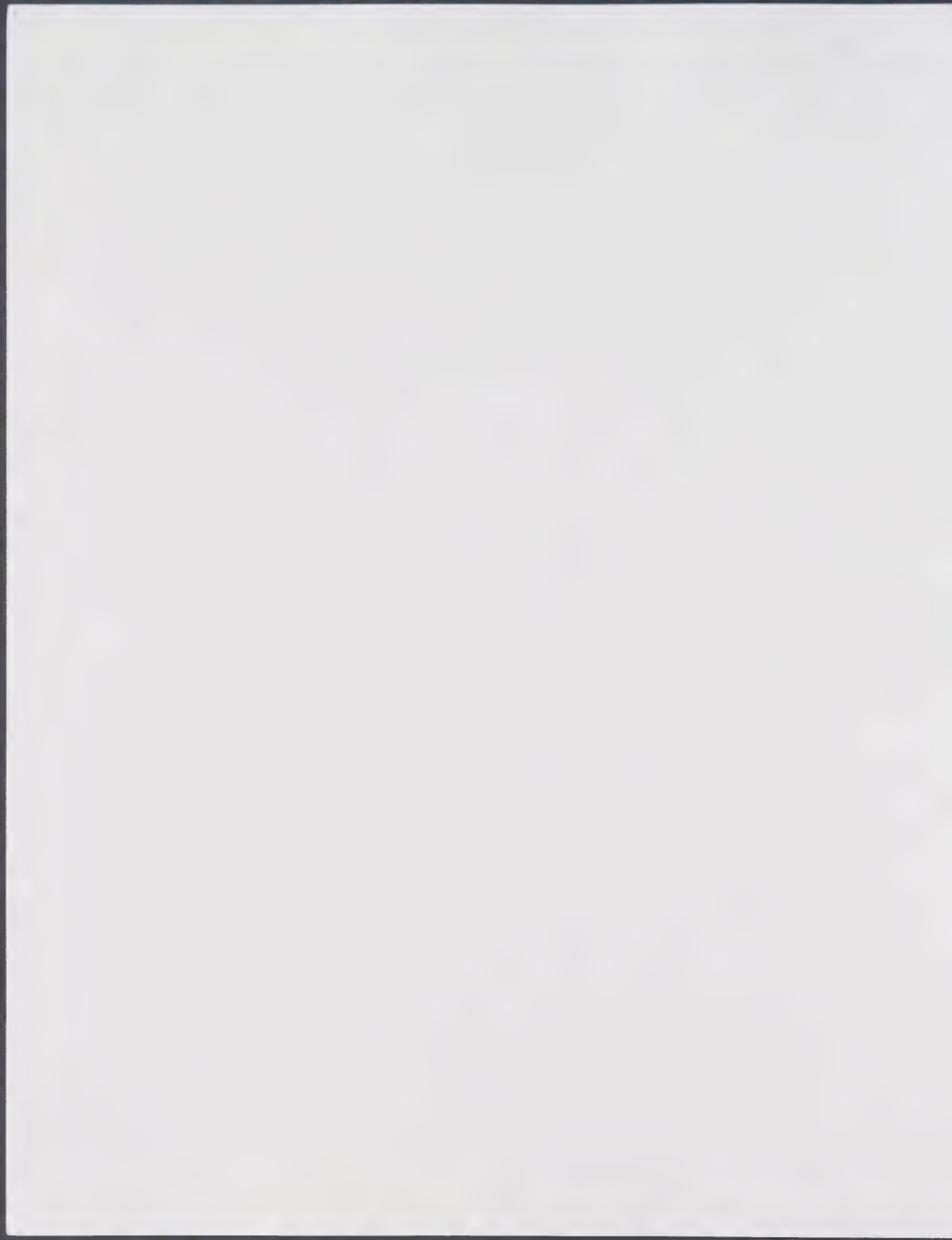
- (2) Save as set out in clauses 11(b) and 12(2)(c) and (d), all representations, warranties and conditions, express or implied, and whether statutory or otherwise, are expressly excluded upon, and in relation to, the sale of the Property and the Chattels. Without limiting those general words of exclusion, there are excluded in particular (save as referred to above) warranties and conditions as to title, quiet possession, merchantable quality, fitness for any particular, or any, purpose and as to description, as regards the Property and the Chattels.

- (3) The Property and the Chattels are sold in their present state and condition. The Chattels are sold subject to all faults and to any extant lien, distraint, execution or detention, or claims of third parties over them or in respect of their use and for the avoidance of doubt neither the Seller nor the Receiver shall be obliged to discharge or compromise any such claim. The Buyer accepts that it has had the opportunity to inspect the Property and the Chattels, as have its advisers, and the Buyer acknowledges and agrees that it has



satisfied itself as to the state and condition of the Chattels and as to their fitness for such purpose or purposes as the Buyer may intend to use them, and as to their correspondence with any description given or to be implied. The Property is acquired by the Buyer on the basis that it is deemed to be aware for all purposes of the presence of any buildings or structure on it, and of the presence, position or absence of drains, services, cables, sewers, tanks, tunnels, wayleaves, easements, quasi-easements, rights of light and way, and any obligation to give vacant possession is modified accordingly.

- (4) It is accepted that no reliance has been placed in regard to the matters referred to in paragraphs (2) and (3) of this Schedule on any statement, or silence, of the Seller or of the Receiver or of his employees, solicitors, advisers, valuers, agents, partners or representatives.
- (5) Save as set out in clause 20(1) and/or unless otherwise ordered by the court any claim of the Buyer, or of any person claiming through it, against the Seller shall not take effect otherwise than as an unsecured claim.
- (6) The exclusions of liability in this Schedule shall arise and continue notwithstanding the release of the Receiver after the signing of this agreement, and shall without prejudice to the covenants contained in clauses 12(2)(c) and (d) and the agreement in

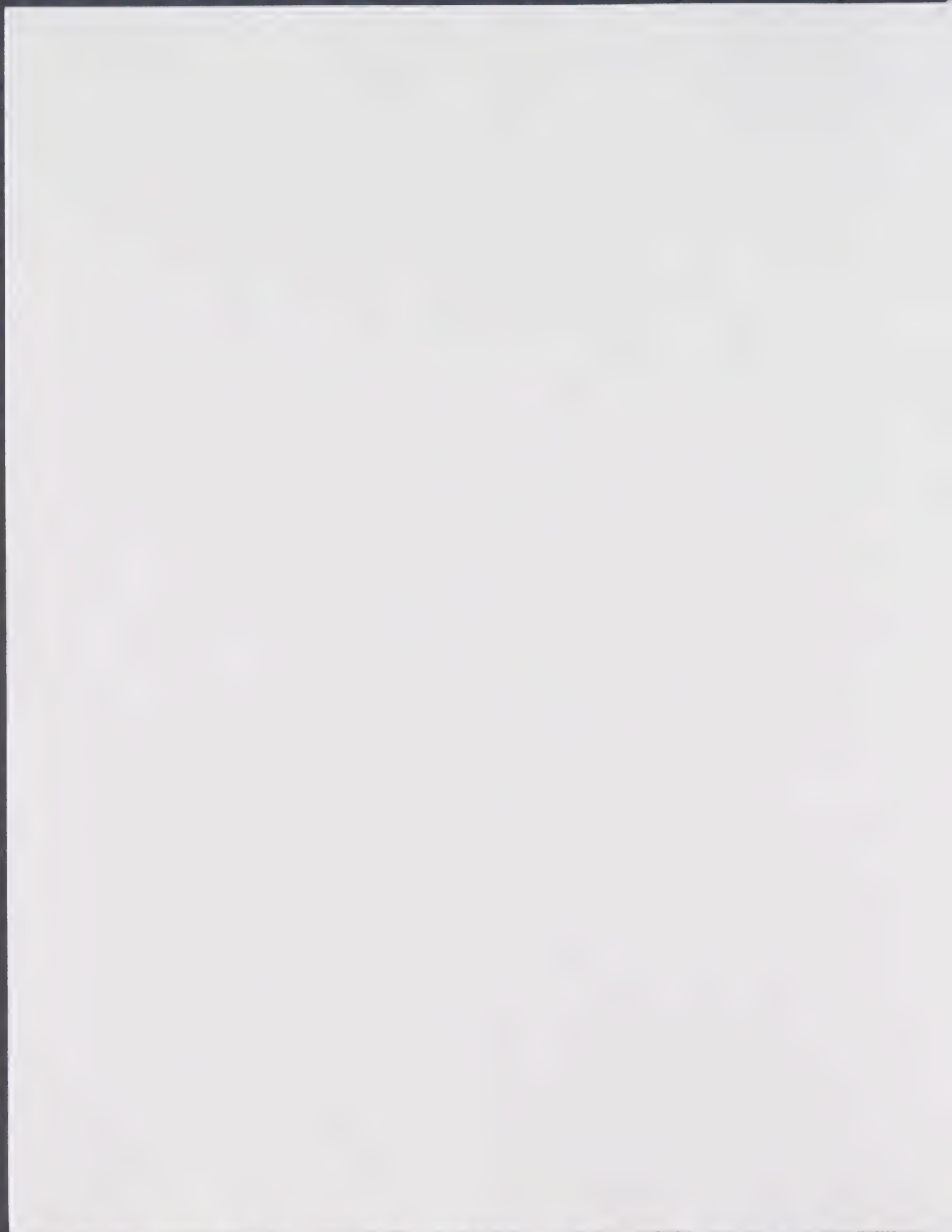


clause 20(1) operate as waivers of any claims in tort as well as under the law of contract.

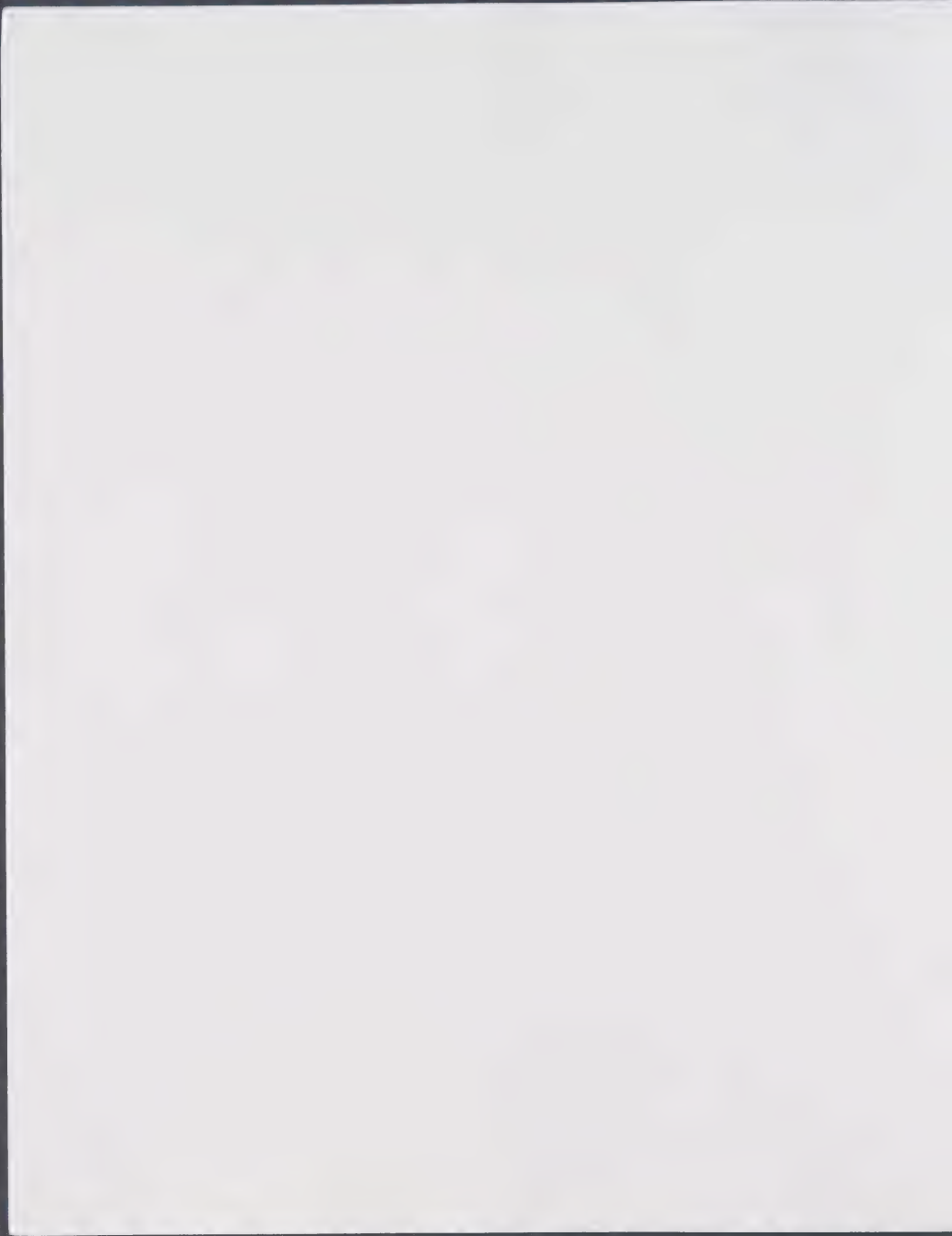
(7) Such exclusions shall be in addition to, and not in substitution for and notwithstanding any right of indemnity or relief otherwise available. They shall continue as well after as before completion of this agreement in whole or in part.

(8) It is agreed by the parties that the provisions of this agreement, in particular those in this schedule, are fair and reasonable in the circumstances of the insolvency of the Seller. This is the case in particular in the light of the fact that:-

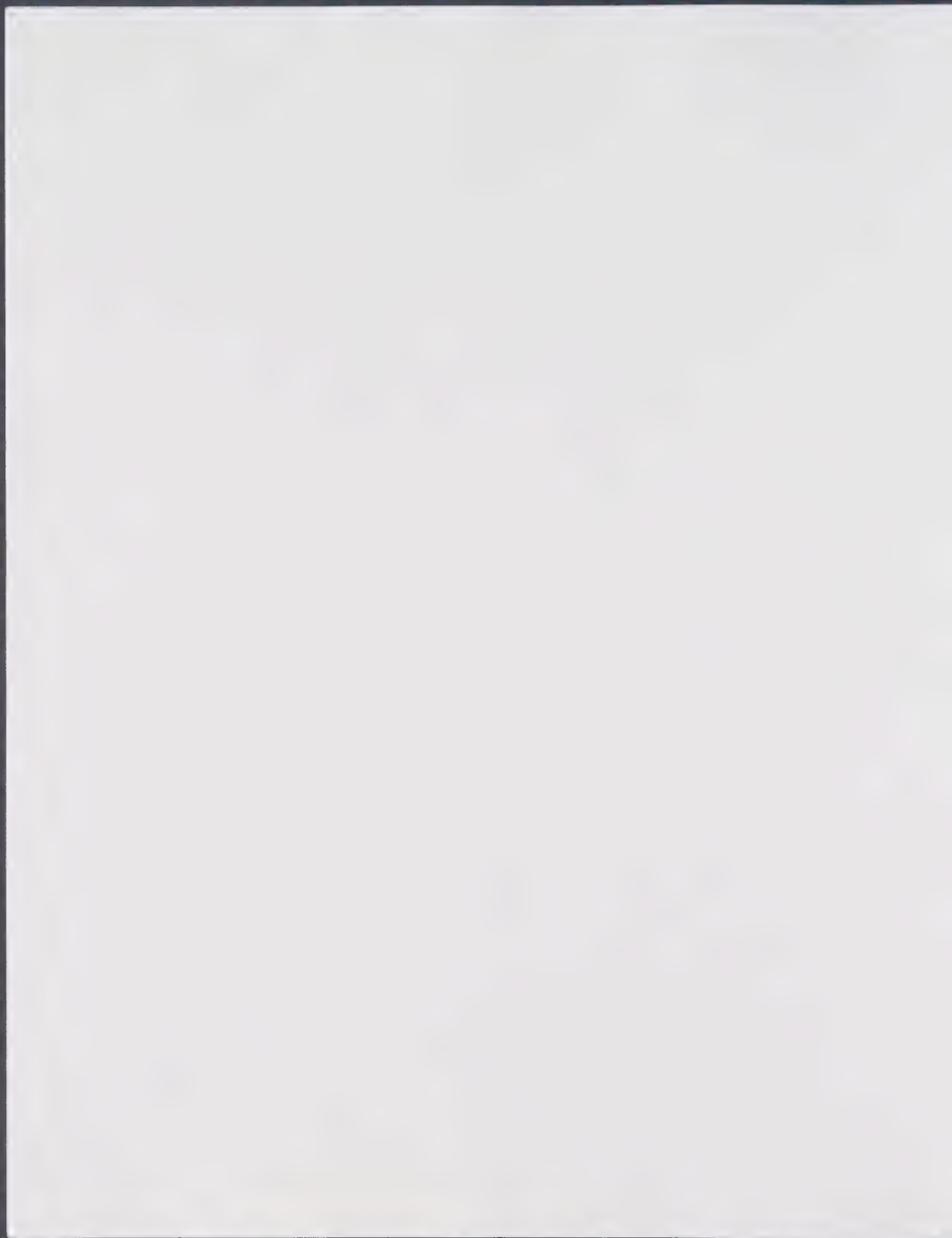
- (i) the Buyer has had the opportunity to inspect and investigate the Property and the Chattels and the Seller's title to each of them;
- (ii) the Buyer is aware of the need to rely on that opportunity by reason of the absence of warranties;
- (iii) the Seller is insolvent and faces the constraints of selling necessarily imposed on it in that circumstance; and
- (iv) the knowledge of the Property and the Chattels, available to the Receiver and his partners, staff and advisers is necessarily limited.



- (9) The Buyer accepts and agrees that it shall be its responsibility, and at its expense, to apply for and obtain all necessary or appropriate licences and rights to use the Property.
- (10) Neither the Seller nor the Receiver shall incur any liability to the Buyer by reason of any act or omission, or negligence or default, of any officer or employee, of the Seller whose services may be made available to the Buyer on a sub-contract basis from time to time. "Employee" includes anyone working under a contract for services as well as of service.
- (11) Nothing in this agreement is to require the Seller or the Receiver to discharge in whole or in part any liability of the Seller outstanding at the time of the Receiver's appointment which would not otherwise be payable as a receivership expense (save the Fixed and Floating Charge and the West Buildings Charge and any registered entries on title numbers ESX162010 and ESX169065 so far as they affect the Property or the Retained Land in respect of which the Fixed and Floating Charge and the West Buildings Charge have priority so that such entries can be overreached by virtue of Guinness Mahon & Co Limited transferring the Property as mortgagee).
- (12) If any of the clauses of this agreement is held not to be valid but would be valid if part of the wording were deleted or modified, then such provision shall apply with such modification as may be necessary to make it enforceable.

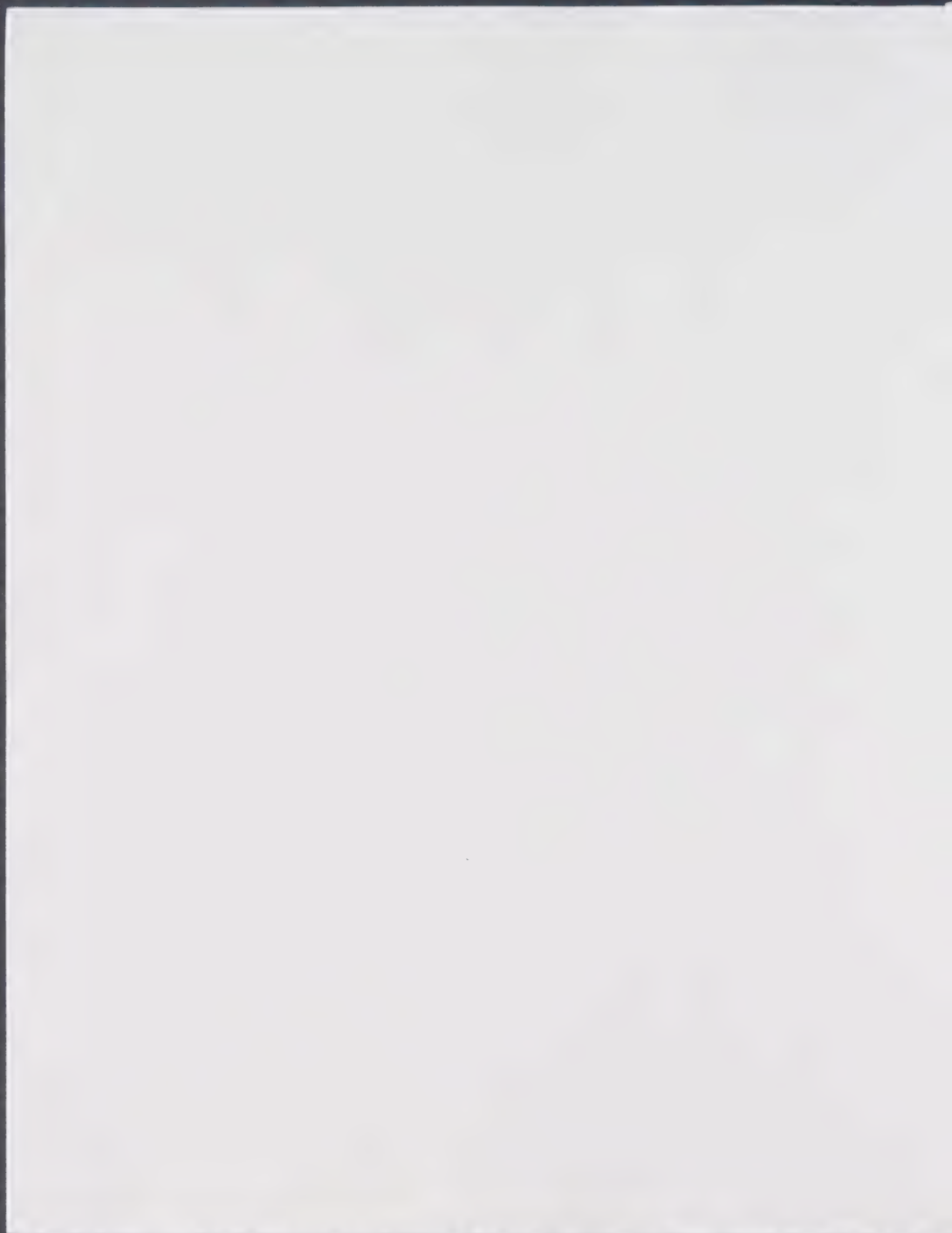


- (13) Nothing in this agreement shall operate to restrict or affect in any way any right of the Receiver to an indemnity, or to a lien, whether under the Insolvency Act 1986 or otherwise.
- (14) In the absence of an express provision to the contrary nothing in this agreement shall require the Seller or the Receiver to carry out or continue to carry out any arrangement or contract, whether single or of continuing effect, with third parties and whether in relation to the Property or the Chattels or the Employees.



SCHEDULE 5Running Costs

- (1) As part of the Sale Price or otherwise in accordance with clause 7, the Buyer shall pay to the Seller an amount equal to the aggregate of the following contributions to the Running Costs:-
 - (a) 100 per cent. of the Running Costs incurred for any day during the Running Costs Period which falls within a Planning Delay Period, and
 - (b) 75 per cent. of the Running Costs incurred for each other day of the Running Costs Period.
- (2) The Buyer shall pay to the Seller on account of the Running Costs Contribution on 15th June, 1993 and the 15th day of each subsequent month falling wholly or partly within the Running Costs Period the aggregate (the "On Account Sum") of the amounts referred to in (a) and (b) below for the period (the "Applicable Period") of the relevant month excluding any days of that month which do not fall within the Running Cost Period:-
 - (a) for each day of the Applicable Period which falls within a Planning Delay Period the total for the relevant month shown on the Running Cost Estimate (plus irrecoverable VAT on the amounts shown in it) divided by the number of days in the Applicable Period, and
 - (b) for each other day of the Applicable Period, 75% of that total (plus such VAT) divided by that number of days.

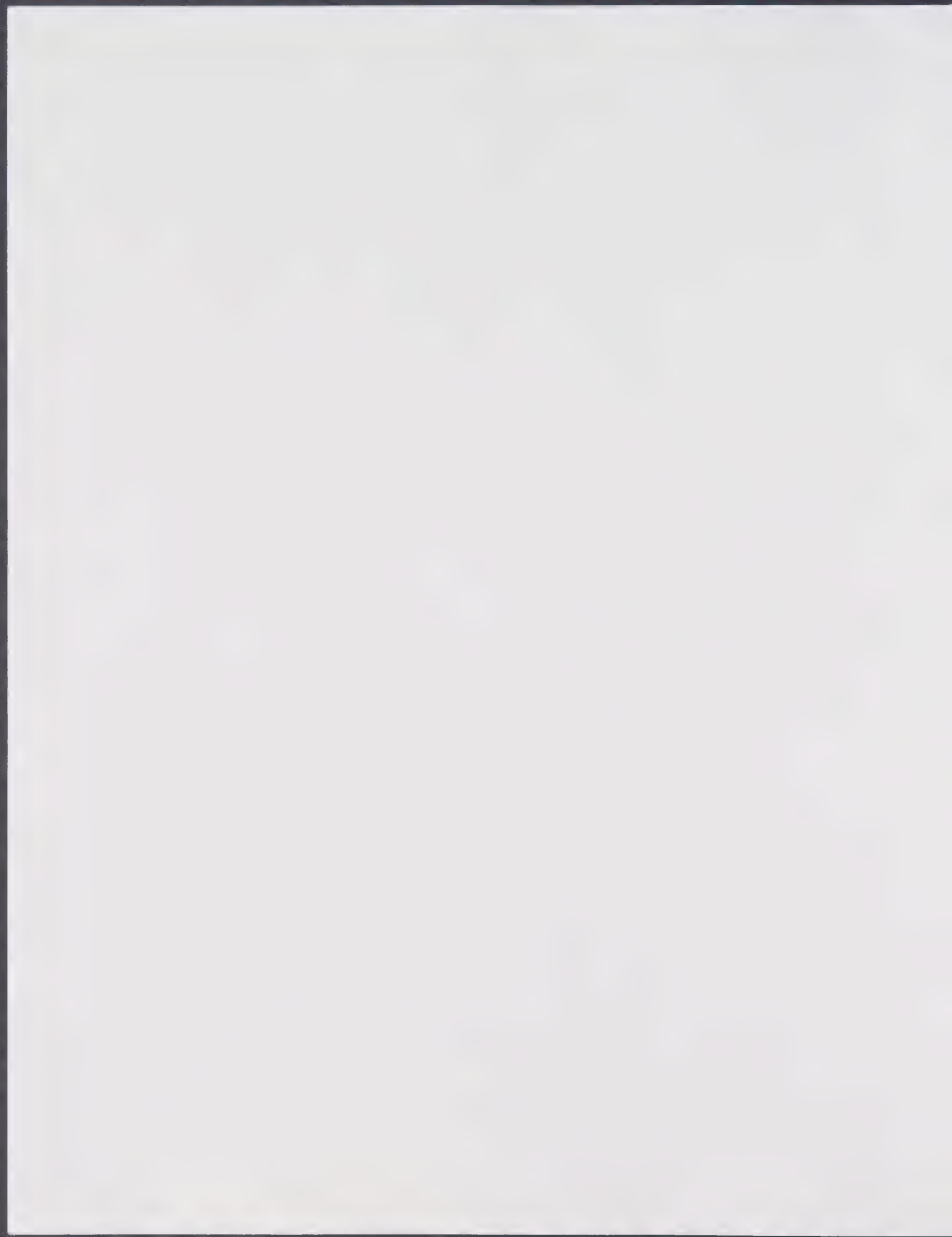


(3) Within 30 days after the end of each such month the Seller will provide the Buyer with an account certified by Grant Thornton, Grant Thornton House, Melton Street, Euston Square, London NW1 2EJ .showing:-

- (a) the Running Costs actually paid by the Seller or the Receiver in respect of the Applicable Period on each item on the Running Costs Estimate; and
- (b) the amount (if any) by which the total of the amounts in (a) exceeds by more than 5% the total for the relevant month shown on the Running Costs Estimate (plus irrecoverable VAT on such total paid by the Buyer) and to which excess the Buyer has not previously agreed in writing apportioned on a daily basis for the Applicable Period; and
- (c) all income from the Property (excluding VAT) received from third parties by the Seller under the Grazing Licence or otherwise in respect of the Applicable Period.

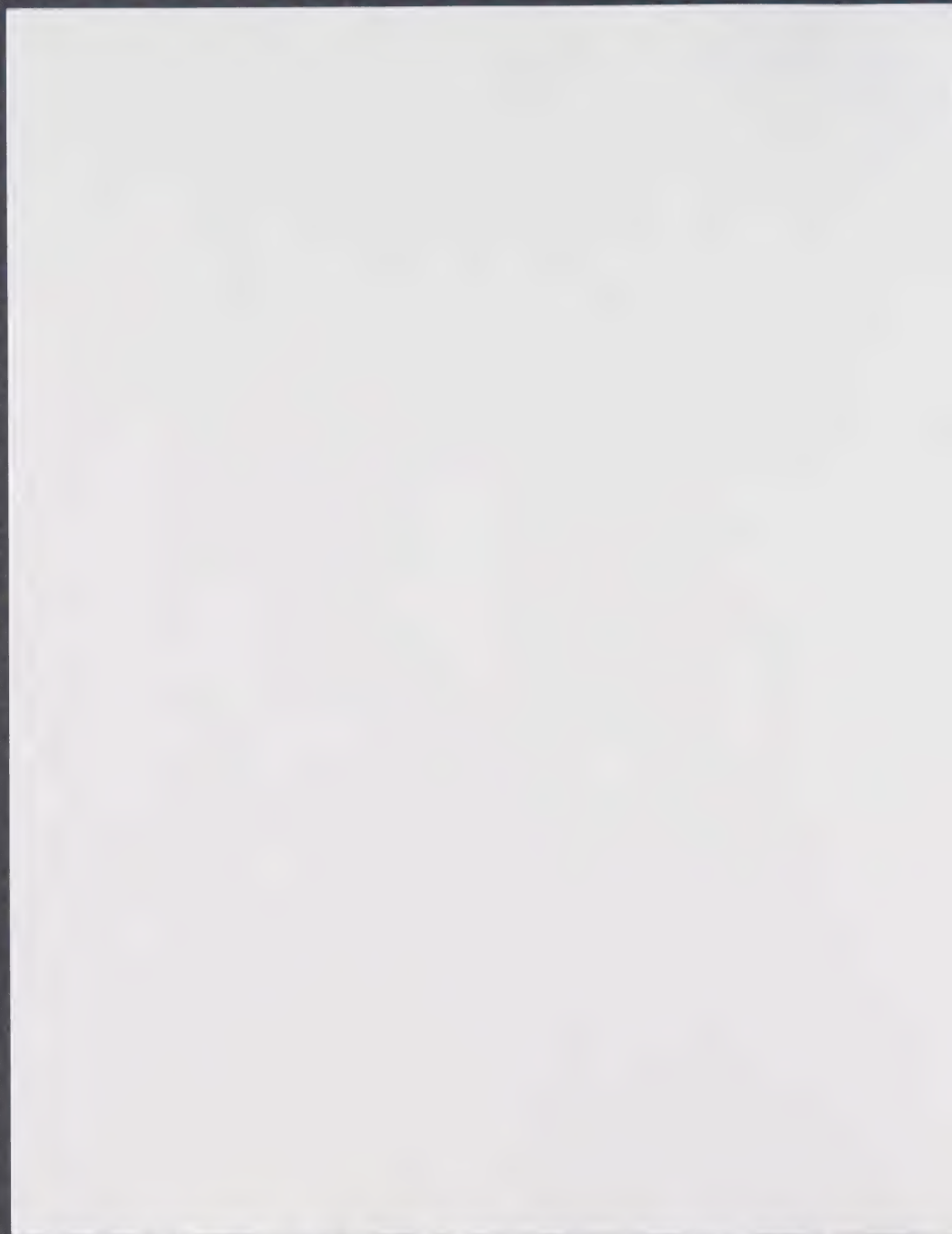
If the Buyer's contribution for the Applicable Period (as determined in accordance with paragraph (2) of this Schedule) to the amount actually paid by the Seller and/or the Receiver referred to in (a) after deduction of the amounts in (b) and (c) exceeds or falls short of the On Account Sum for the Applicable Month then the Buyer shall pay to the Seller the excess or the Seller shall pay to Buyer the shortfall for the Applicable Month, such payments to be made within 5 working days after the Buyer's receipt of the account.

(4) The Receiver on behalf of the Seller agrees to use all reasonable endeavours to ensure that the Running Costs (excluding VAT) do not

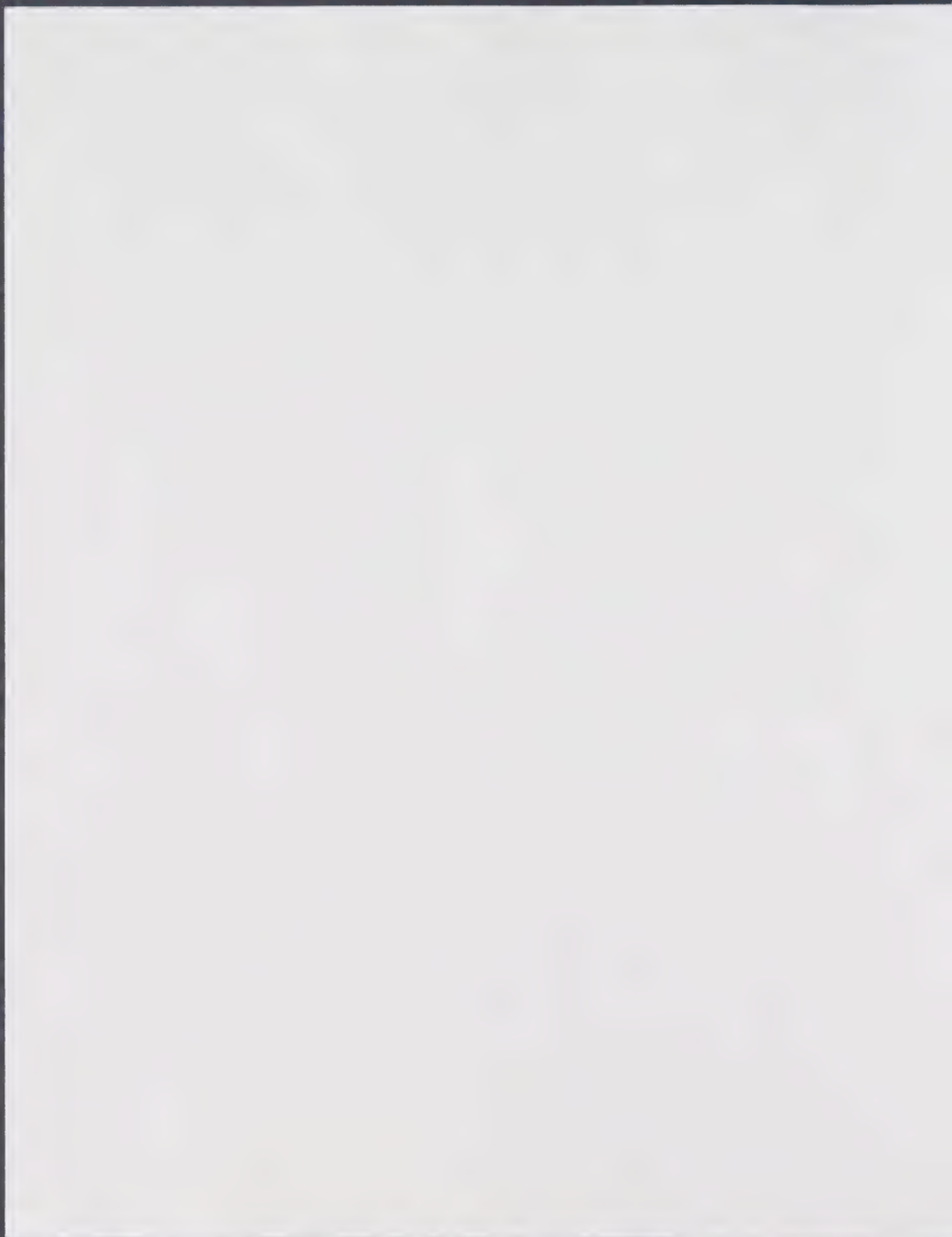


exceed the amounts specified in the Running Cost Estimate, but if it appears to the Receiver that the cost of any of those items (excluding VAT) will exceed the estimated monthly cost for it shown on the Running Costs Estimate by more than 5 per cent then the Receiver on behalf of the Seller shall be obliged to give the Buyer full information on the matter so that the parties can agree whether or not that estimated cost should be increased.

- (5) If the Receiver on behalf of the Seller desires to make any payments in connection with any Exceptional Running Costs, then the Receiver on behalf of the Seller shall be obliged before making such payments to obtain the consent of the Buyer to such Exceptional Running Costs (and if such payments are made without consent the Buyer shall not be liable to make any contribution to them), except in the event of such expenditure being required as a result of actual or threatened enforcement of an obligation arising under statute or enactment or as a result of a requirement of the insurers for maintaining the insurance in respect of the Property referred to in clause 14 of this agreement or is necessary to keep the Property wind and water tight.
- (6) Subject to paragraph (5) of this Schedule the Buyer shall pay to the Seller as part of the Sale Price or otherwise in accordance with clause 7 75 per cent. of the Exceptional Running Costs within 5 working days after written demand is received by the Buyer.
- (7) Until completion of the sale of the Property (or earlier proper termination of this agreement):-



- (a) the Buyer shall continue to pay all the supplier's charges for the telephone and/or facsimile services to the Castle on numbers 0823-883576, 0823-883956 and 0823-881913, and the Seller shall pay to the Buyer as a contribution towards those charges for number 0823-883576 on the 15th day of each of the months falling wholly or partly within the Running Costs Period £52.75 apportioned on a daily basis for each Applicable Period; and
- (b) the Buyer shall employ a person to mow the grounds of the Property during the inclusive period 1st June to 31st October, 1993, and the Seller shall pay to the Buyer as contribution towards the Seller's costs of that employment on the 15th day of each month during that period £130 apportioned on a daily basis for each Applicable Period.
- (8) The Seller and the Buyer shall be and remain mutually bound after the completion of the sale of the Property (or earlier proper termination of this agreement) to account for and pay to each other, within 10 working days after receiving notice of the actual amounts expended, any balances or excesses due under this Schedule.



SCHEDULE 6

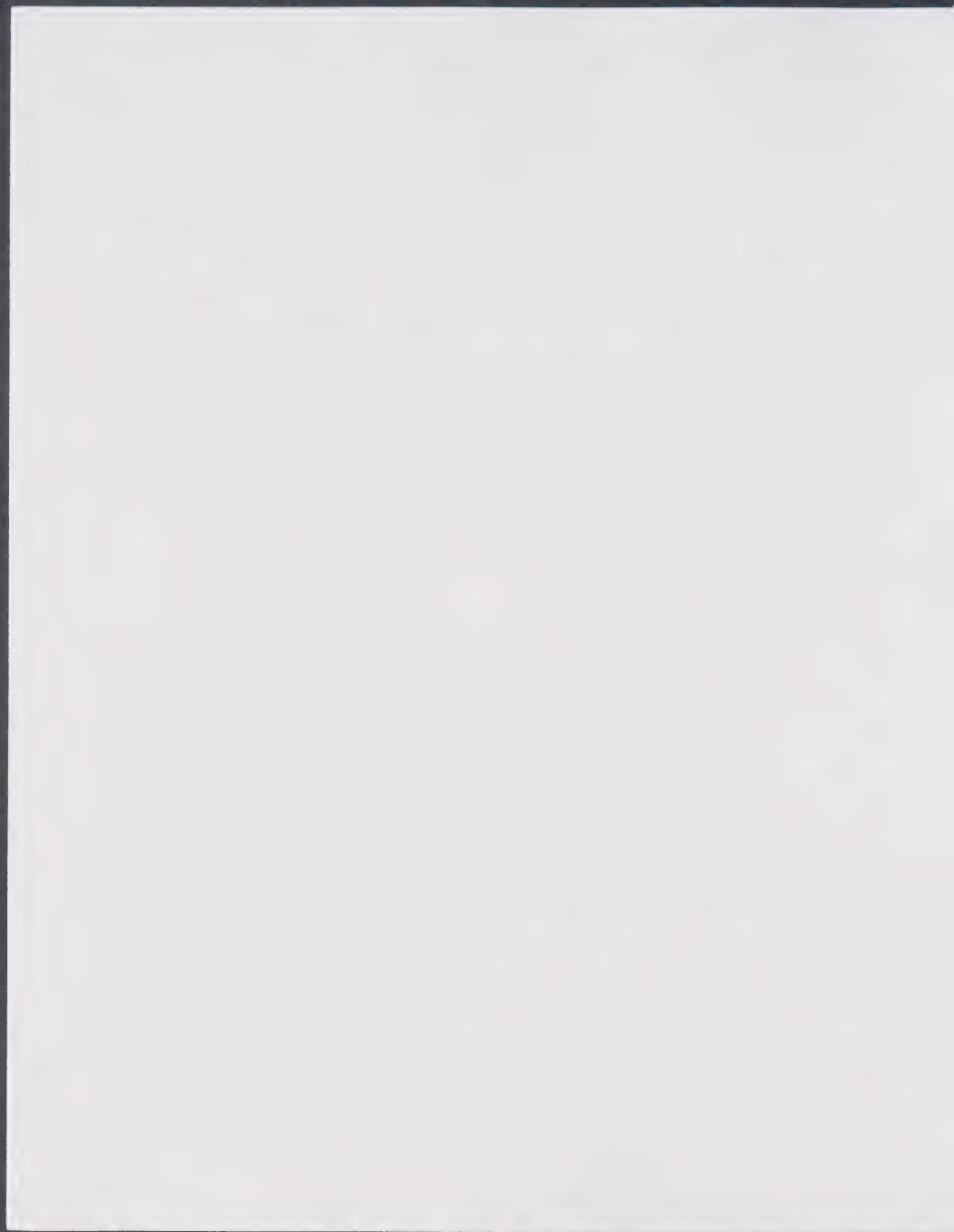
Options on the Retained Land

Part 1

1. In this Schedule unless the contrary intention appears:
 - "Lot 2" means the part of the Retained Land numbered 2 and coloured light green on the Plan;
 - "Lot 3" means the part of the Retained Land numbered 3 and coloured light blue on the Plan (excluding the part hatched black);
 - "Lot 5" means the part of the Retained Land numbered 5 and coloured dark green on the Plan.

- 2.(1) The options contained in this Schedule shall become null and void if application for registration of a notice, caution or other prescribed entry under the Land Registration Act 1925 in respect of this agreement is not made within a period of one month from the date of this agreement and the Buyer agrees to apply for such registration within that time.

- (2) If:-
 - (i) notice of termination of the agreement for the sale and purchase of the Property is properly served by the Buyer or the Seller pursuant to clause 6 of this agreement, or
 - (ii) any of the options referred to above is not exercised during the period for that exercise in paragraphs 1 of Parts 2, 3 or 4 of this Schedulethe Buyer shall procure forthwith the cancellation of any registration at the Land Registry or the Land Charges Registry made

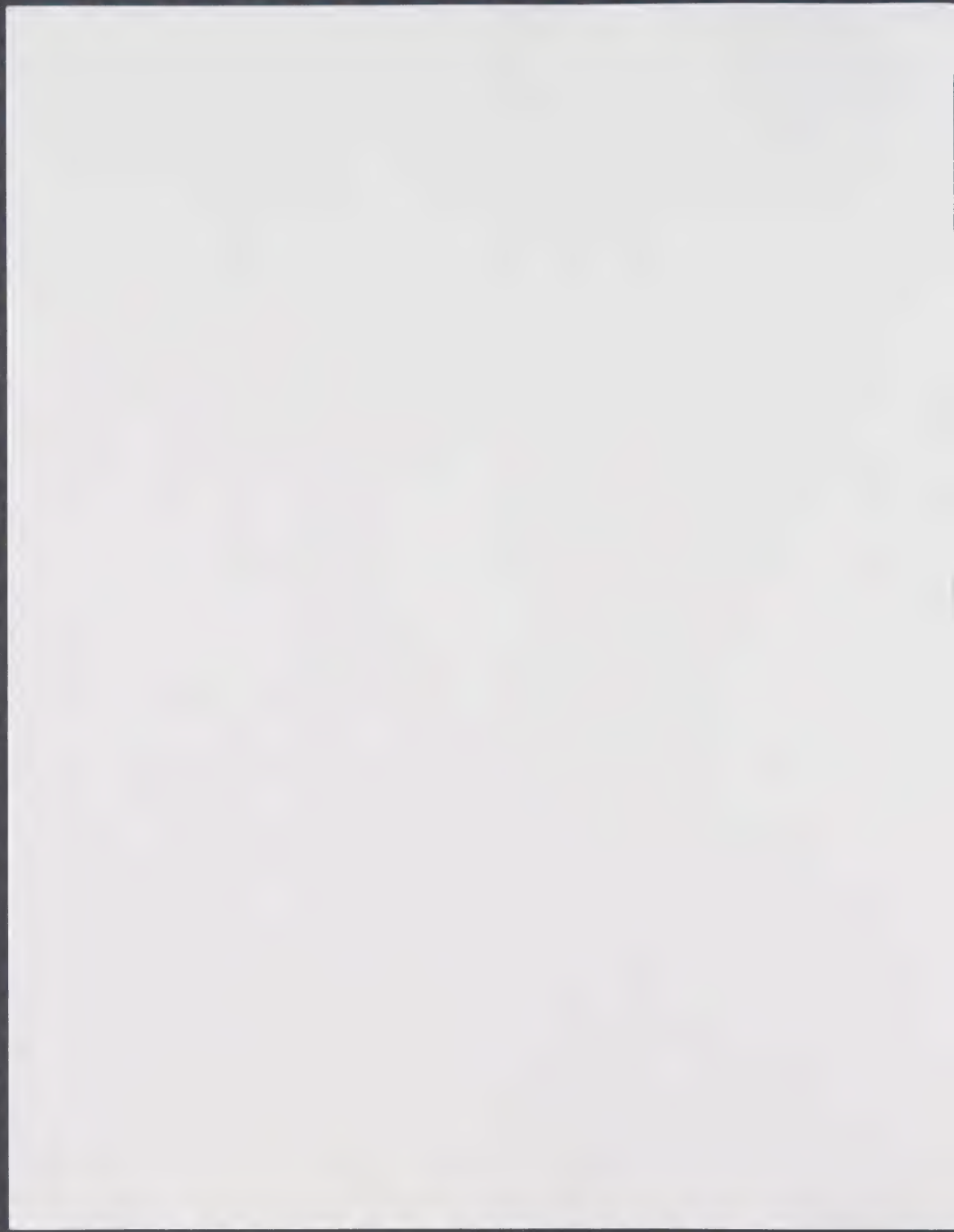


by or on behalf of the Buyer insofar as it relates to the relevant option.

- (3) The benefits of the Buyer in respect of the options under this Schedule may be assigned by the Buyer to the Charity before or after completion of the sale of the Property but otherwise may not be assigned other than to the person who is from time to time registered, or entitled to be registered, at HM Land Registry as freeholder of the whole of the Property.

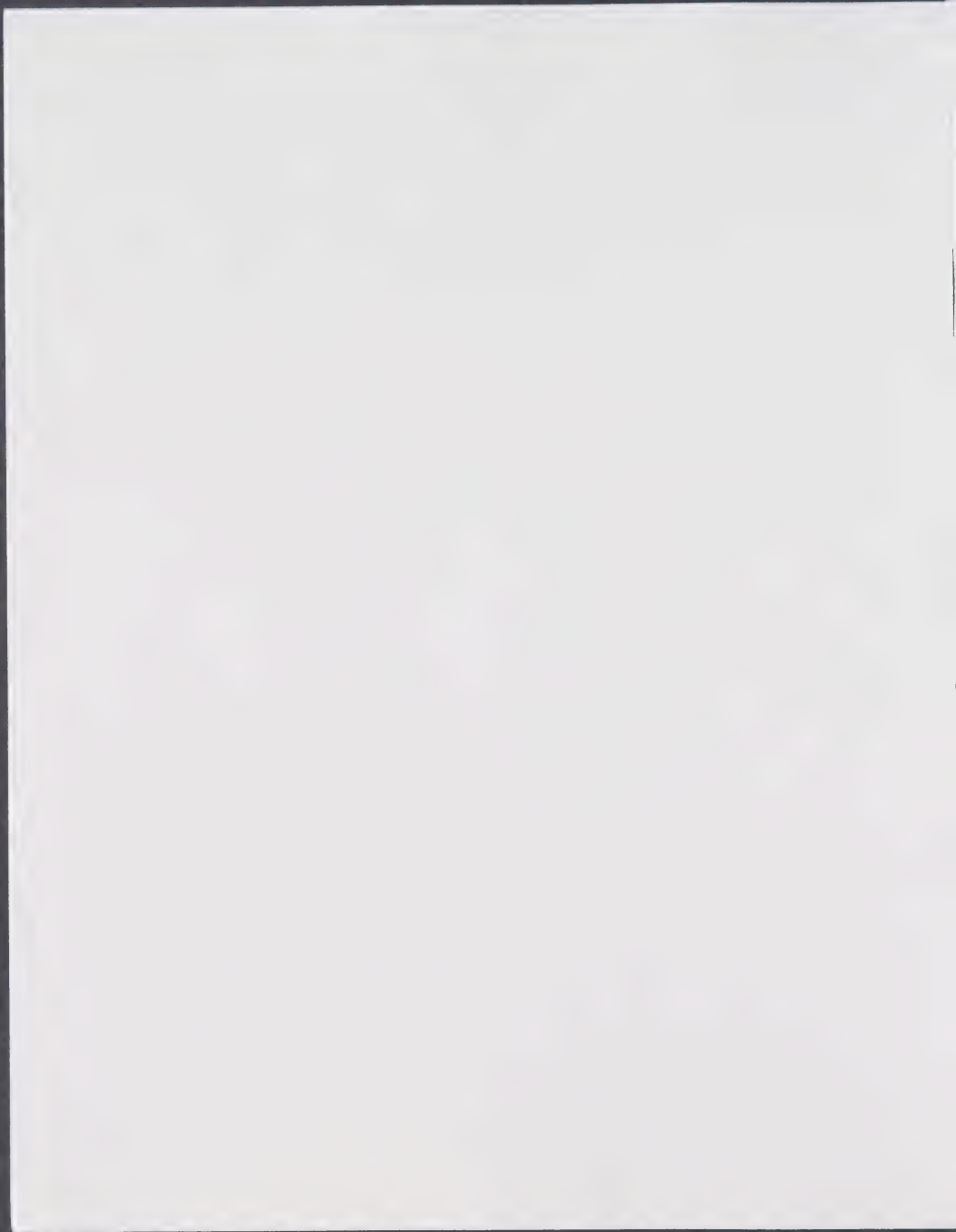
Part 2

1. The Seller grants to the Buyer the option to buy the freehold of Lot 2 at the price of £250,000 plus VAT if any exercisable by:-
- (1) completing, dating and signing one of the two copies of the document which the Seller has signed and delivered to the Buyer with the part of this agreement signed by the Seller (a copy of which headed "Lot 2 Purchase Document" is attached to this agreement), and
- (2) delivering it to the Seller
- at any time during the period from the date of actual completion of the sale and purchase of the Property pursuant to this agreement to 15th December, 1994 (inclusive of both of those dates). Time shall be of the essence in respect of that period.
2. If the option in paragraph 1 of this Part of the Schedule shall be so exercised, the Seller shall sell and the Buyer shall buy the freehold of Lot 2 on the terms set out in Part 5 of this Schedule.



3.(1) The Seller shall not during the existence of that option transfer the freehold interest in all or any part of Lot 2 prior to completion of the sale and purchase of it under this Schedule without giving to the person then entitled to the benefit of that option at least 10 working days' prior notice of the proposed completion of the transfer, nor without procuring that at the same time as completion of the transfer:

- (a) a certified copy of the transfer is supplied to that person, and
- (b) if the transfer is of the whole of Lot 2, the transferee dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Whole Purchase Document" annexed to this agreement with such amendments as that person shall before expiry of that notice have reasonably required or approved in writing, or
- (c) if the transfer shall be of part of Lot 2:-
 - (i) the transferee dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Part Purchase Document" annexed to this agreement, and
 - (ii) the Seller dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferor of Part Purchase Document" so annexed,with such amendments to either or both of such forms as that person shall before completion of the transfer have reasonably

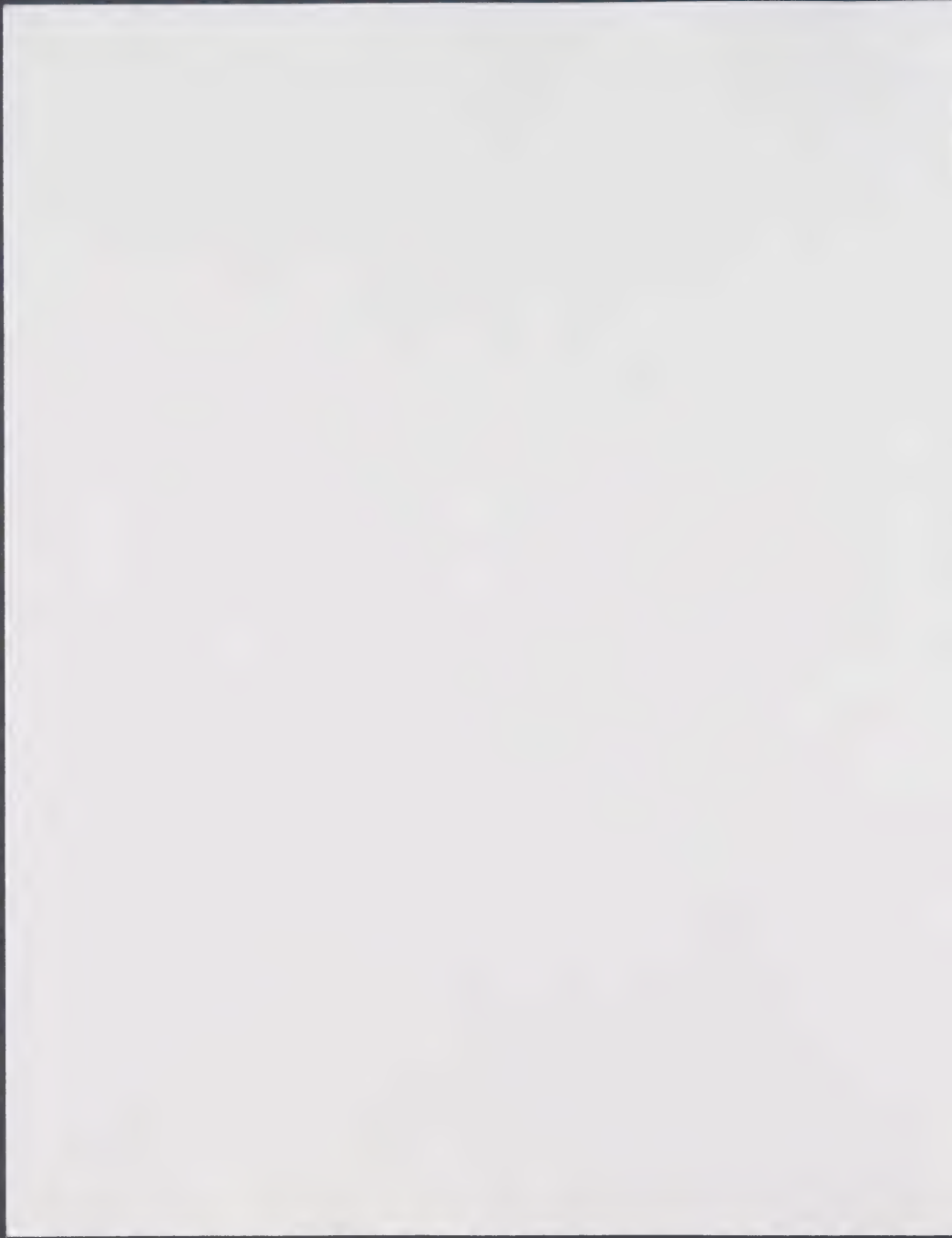


required or approved in writing, specifying as the price in paragraph 1 of each of the copies of the former document a sum which is the same proportion of £250,000 as the acreage of the land transferred is of 69.41 acres and as the price in paragraph 1 of each of the copies of the latter document the balance of £250,000.

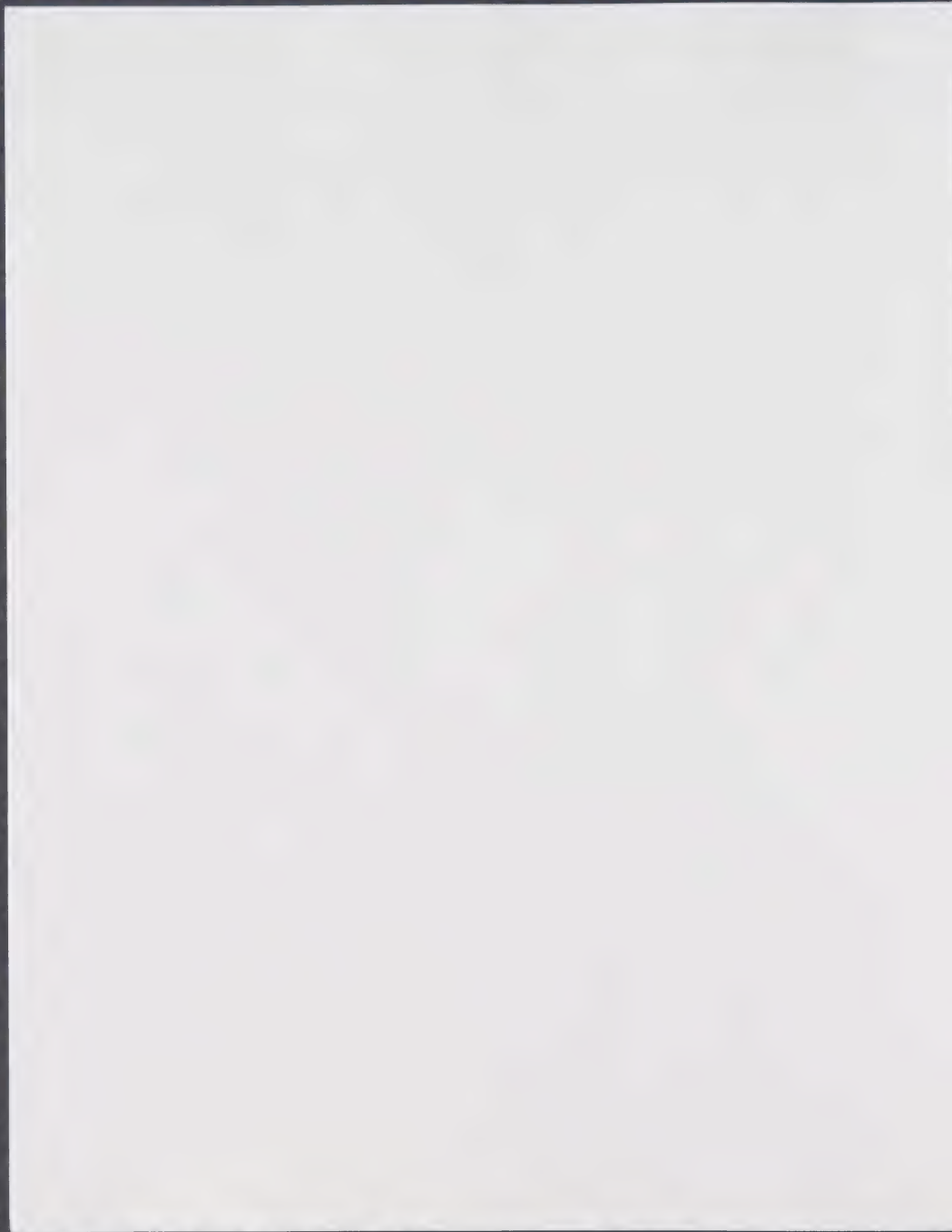
- (2) On receipt by the Buyer of the copies of the documents required by paragraph 3(1) any copies of documents referred to in paragraph 1(1) and of any previous documents referred to in paragraphs 3(2)(b) and (c) of this Part of this Schedule shall be superseded and shall be deemed to be null and void and of no further effect.

Part 3

1. The Seller grants to the Buyer the option to buy the freehold of Lot 3 at the price of £200,000 plus VAT if any exercisable by:-
- (1) completing, dating and signing one of the two copies of the document which the Seller has signed and delivered to the Buyer with the part of this agreement signed by the Seller (a copy of which headed "Lot 3 Purchase Document" is attached to this agreement), and
- (2) delivering it to the Seller
- at any time during the period from the date of actual completion of the sale and purchase of the Property pursuant to this agreement to 15th December, 1997 (inclusive of both of those dates). Time shall be of the essence in respect of that period.



2. If the option in paragraph 1 of this Part of the Schedule shall be so exercised, the Seller shall sell and the Buyer shall buy the freehold of Lot 3 on the terms set out in Part 5 of this Schedule.
- 3.(1) The Seller shall not during the existence of that option transfer the freehold interest in all or any part of Lot 3 prior to completion of the sale and purchase of it under this Schedule without giving to the person then entitled to the benefit of that option at least 10 working days' prior notice of the proposed completion of the transfer, nor without procuring that at the same time as completion of the transfer:
 - (a) a certified copy of the transfer is supplied to that person, and
 - (b) if the transfer is of the whole of Lot 3 the transferee dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Whole Purchase Document" annexed to this agreement with such amendments as that person shall before expiry of that notice have reasonably required or approved in writing, or
 - (c) if the transfer shall be of part of Lot 3:-
 - (i) the transferee dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Part Purchase Document" annexed to this agreement, and
 - (ii) the Seller dates signs and delivers to that person two copies of a document in the form of the draft document



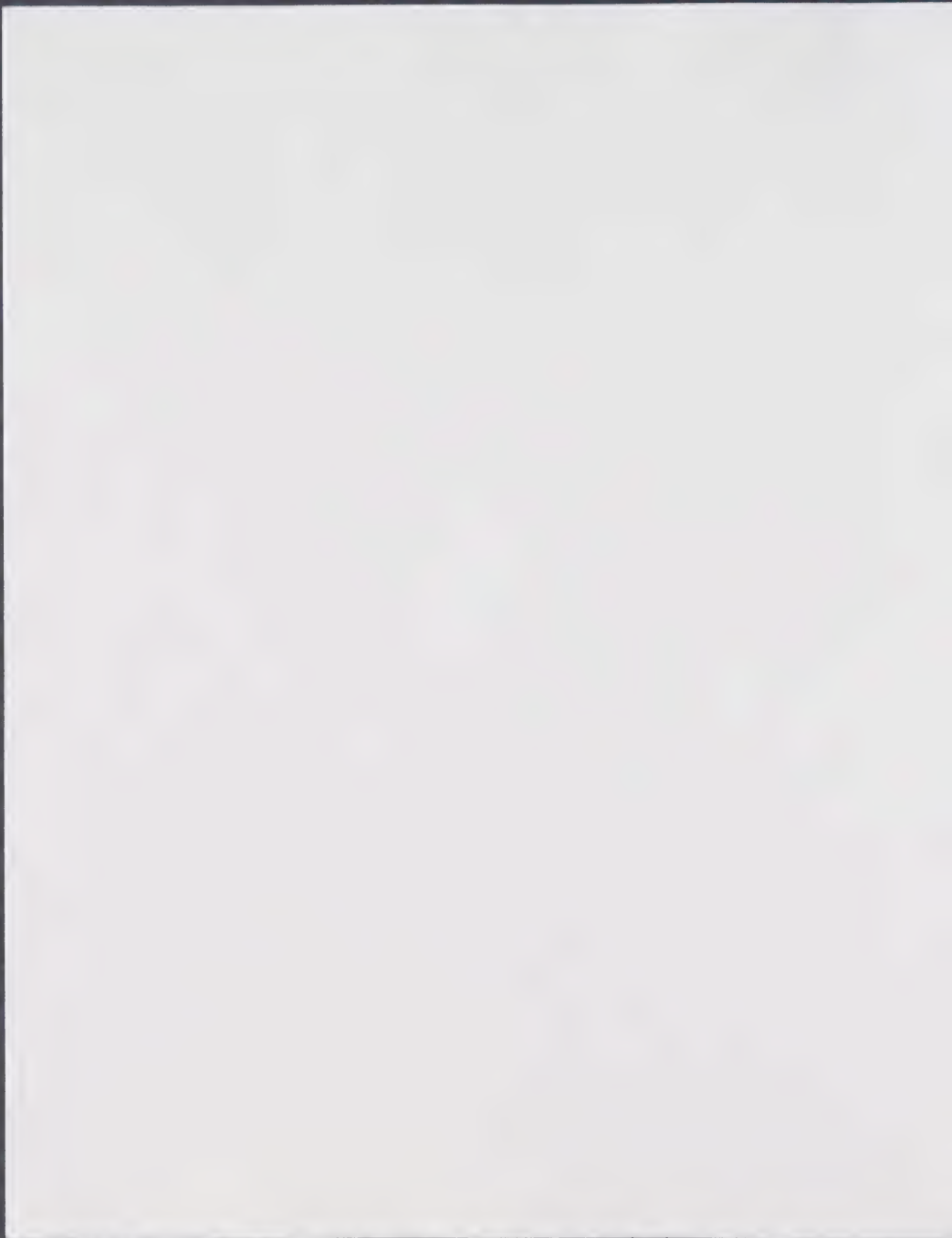
headed "Transferor of Part Purchase Document" so annexed,

with such amendments to either or both of such forms as that person shall before completion of the transfer have reasonably required or approved in writing, specifying as the price in paragraph 1 of each of the copies of the former document a sum which is the same proportion of £200,000 as the acreage of the land transferred is of 139.93 acres and as the price in paragraph 1 of each of the copies of the latter document the balance of £200,000.

- (2) On receipt by the Buyer of the copies of the documents required by paragraph 3(1) any copies of documents referred to in paragraph 1(1) and of any previous documents referred to in paragraphs 3(2)(b) and (c) of this Part of this Schedule shall be superseded and shall be deemed to be null and void and of no further effect.

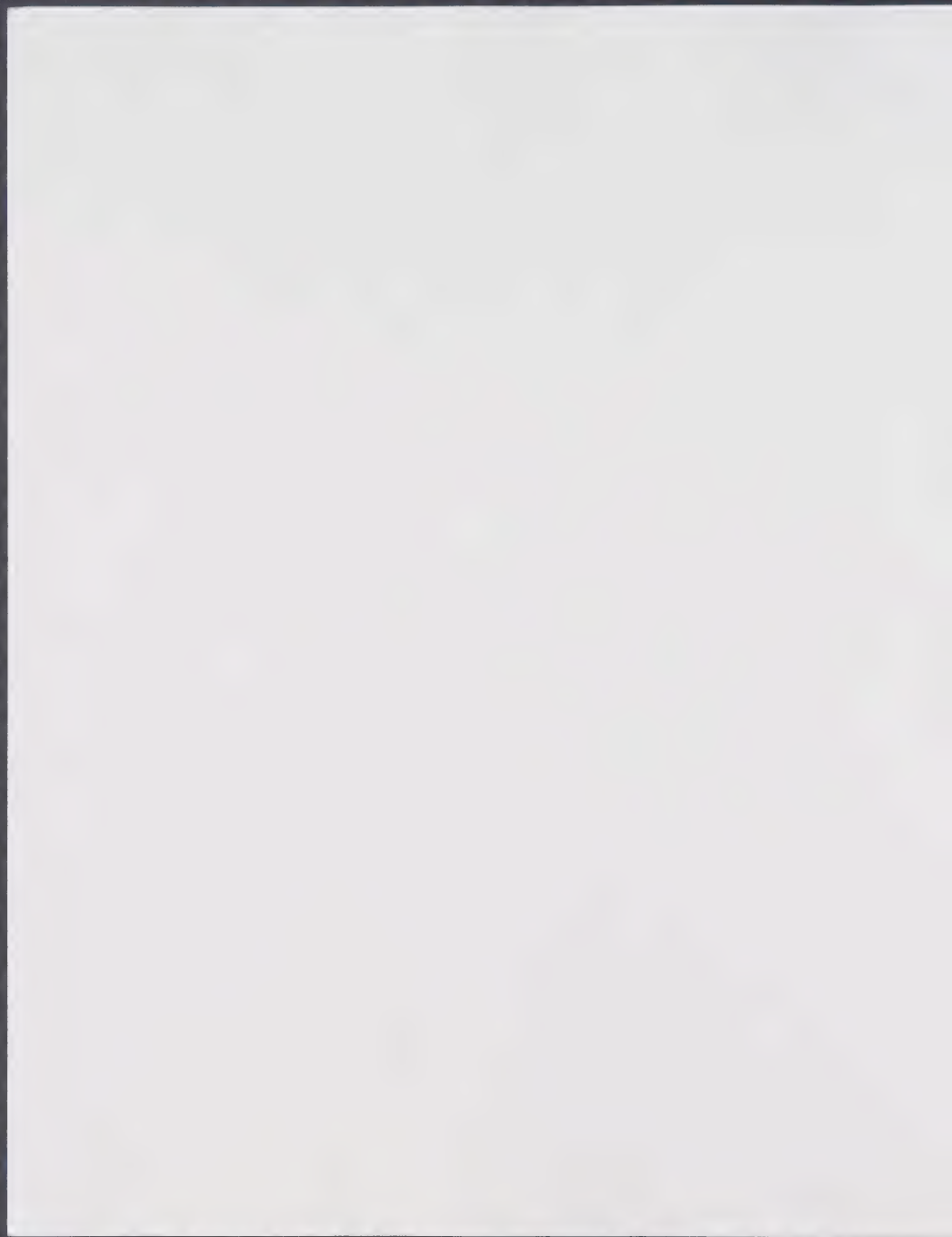
Part 4

1. The Seller grants to the Buyer the option to buy the freehold of Lot 5 at the price of £150,000 plus VAT ~~if~~ any exercisable by:-
- (1) completing, dating and signing one of the two copies of the document which the Seller has signed and delivered to the Buyer with the part of this agreement signed by the Seller (a copy of which headed "Lot 5 Purchase Document" is attached to this agreement), and
 - (2) delivering it to the Seller



at any time during the period from the date of actual completion of the sale and purchase of the Property pursuant to this agreement to 15th December, 1997 (inclusive of both of those dates). Time shall be of the essence in respect of that period.

2. If the option in paragraph 1 of this Part of the Schedule shall be so exercised, the Seller shall sell and the Buyer shall buy the freehold of Lot 5 on the terms set out in Part 5 of this Schedule.
- 3.(1) The Seller shall not during the existence of that option transfer the freehold interest in all or any part of Lot 5 prior to completion of the sale and purchase of it under this Schedule without giving to the person then entitled to the benefit that option at least 10 working days' prior notice of the proposed completion of the transfer, nor without procuring that at the same time as completion of the transfer:
 - (a) a certified copy of the transfer is supplied to that person, and
 - (b) if the transfer is of the whole of Lot 5 the transferee dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Whole Purchase Document" annexed to this agreement with such amendments as that person shall before expiry of that notice have reasonably required or approved in writing, or
 - (c) if the transfer shall be of part of Lot 5:-
 - (i) the transferee dates signs and delivers to that person two copies of a document in the form of the draft



document headed "Transferee of Part Purchase Document" annexed to this agreement, and

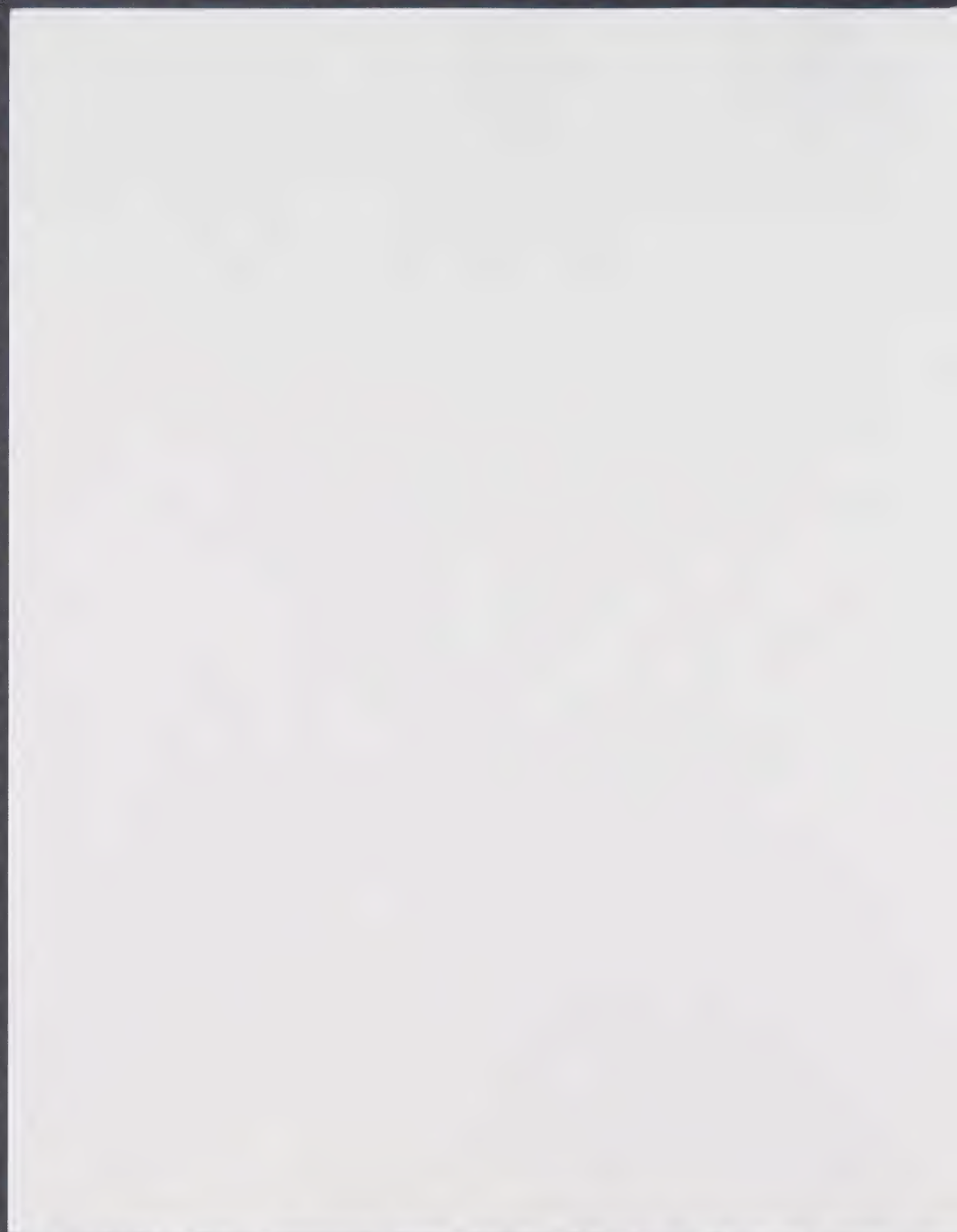
- (ii) the Seller dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferor of Part Purchase Document" so annexed,

with such amendments to either or both of such forms as that person shall before completion of the transfer have reasonably required or approved in writing, specifying as the price in paragraph 1 of each of the copies of the former document a sum which is the same proportion of £150,000 as the acreage of the land transferred is 63.53 acres and as the price in paragraph 1 of each of the copies of the latter document the balance of £150,000.

- (2) On receipt by the Buyer of the copies of the documents required by paragraph 3(1) any copies of documents referred to in paragraph 1(1) and of any previous documents referred to in paragraphs 3(2)(b) and (c) of this Part of this Schedule shall be superseded and shall be deemed to be null and void and of no further effect.

Part 5

1. No deposit shall be payable.
2. The sale shall be completed on the 20th working day after the date on which the option is exercised.

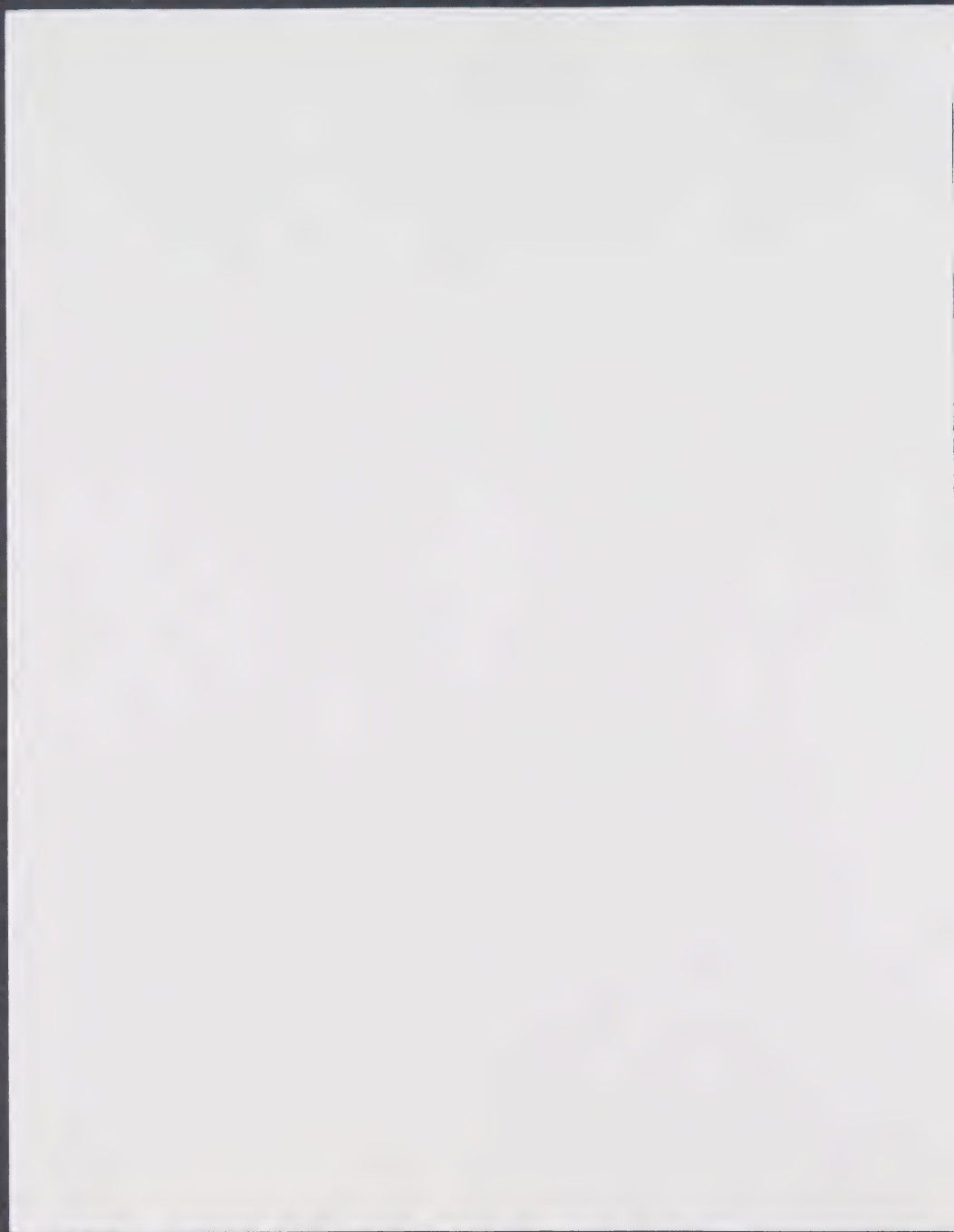


3.(1) The sale shall be subject to and with the benefit of any of the following which the Seller has with the prior written consent of the Buyer (which will not be unreasonably withheld or delayed) granted before the date of exercise of the relevant option insofar as they affect Lot 2, Lot 3 or Lot 5 (as the case may be) and are still subsisting and capable of being enforced:-

- (a) an agreement for the letting of, or a grant of a licence to occupy, any part or parts of the Retained Land which are edged red on the plan attached to the Grazing Licence in contemplation of the use only for grazing or mowing (or both) during some specified period of a year to which section 2 of the Agricultural Holdings Act 1986 does not apply, or
- (b) a lease of any part of the Retained land for a term not exceeding five years, which is determinable by the landlord for any reason on not less than 3 months' notice and at the best rent reasonably obtainable, and in respect of which Part II of the Landlord and Tenant Act 1954 applies, but from which sections 24 to 28 of that Act are (with the prior authorisation of any order of the Court that may be required) excluded.

(2) The Seller shall supply to the Buyer a certified copy of any agreement, licence or lease referred to in paragraph 3(1) of this Part of this Schedule on the date it is granted.

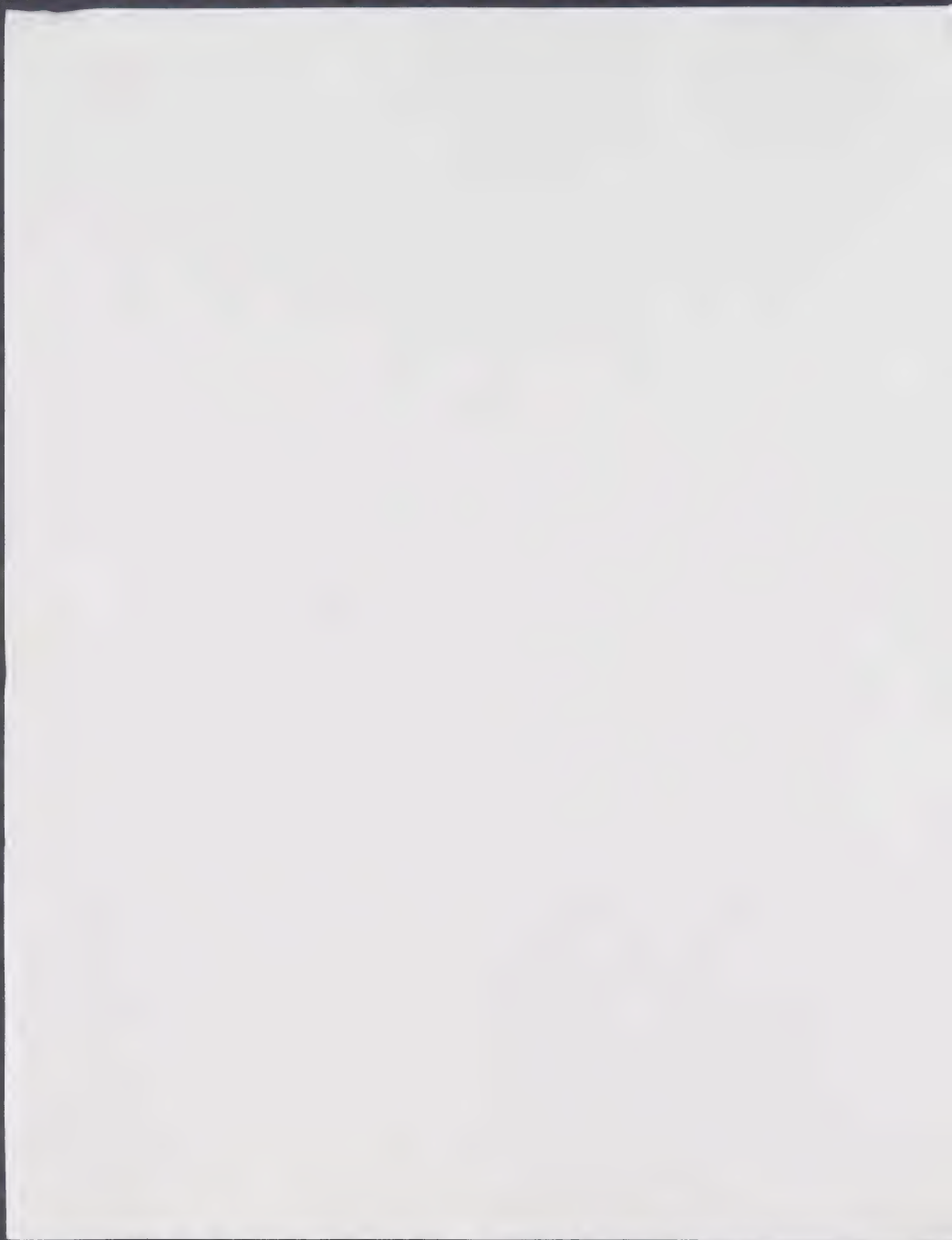
4. The sale and purchase shall otherwise be subject to (mutatis mutandis) the same provisions as are contained in clauses 1, 7, 8, 9, 10, 11, 12, 13, 15, 19, 20, 22, 23 and 24 of this agreement, but



so that references therein to the Property shall be deemed to be references to the relevant Lot or part of it (as the case may be).

5. All sums payable by the Buyer are expressed exclusive of VAT if any which shall be payable in addition.

888 27 19(1)



C Taylor
G J B Hutchings
W G Watkins
M P Anzcott
A Pugh-Thomas
D F Gray
H N Henshaw
G K Toand
R N H Goud
M B Mauasell
P R Phillips
M D Shankland
C J Hanson
T F M Olsen
D S Baker
A J White
J B Gordon
M P L Wright
W J R Ward
P G Horrocks
R A Strachan
A D Walker
T A R Curran

J R H Kitching
D C Mace
N J Pagan
R J Anderson
P G H Collins
C I Major
D B D Moody
C P Remouli
O Sparks
C H Dawes
D Farrington
R H P Sleigh
A D Lickorish
P L Warnock
L A MacDonagh
C P Dodson
C K Grierson
M B Hutchings
W J R Ward
J D Smith
A P F Williamson
A D Walker
T A R Curran

N S F Glennie
D Macfarlane
S W Polio
M J Seymour
M F Stancombe
N P Freme
M O F Hill
C L Pike
J C Trotter
C V S Manduca
G B B Nowart
R J Kisby
D Simler
A S Gordon
N D Campbell
J F Powell
J Cooper
S M P MacDonagh
N R Macfarlane
G J McQuater
R H Nineham
A J A Pennon
J E Pheasant

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J R Smyth
D A Cox
A C R Davis
K Gaines
D A Harper
D A Harris
D C Kelly
A G Muiravilones
J S Rigler
M A Sanger
E C J Wells
R T Whitehouse
H J H Pearson
Q D B Archer
S L Burns
P A Oldman
G A Prouiller
R A Shean
R J L Stones
G Watson
J T Young
L M Ainsworth

C M Allinson
A M Dunsdale Gill
F J Fisher
M Gallimore
F P A Gacon
M S Golding
D A Latham
R H R McKean
D J Moss
H Rowe
N M G Bromfield
D A Gregory
G N C Livingston
M S Matheson
J McDermott
J H Reeves
L Winer
P D Genshamy
D J Hunter
D Lane
M C McGaw
C D Shi Penney
S S Reston

E T Slattery
J M Bradshaw
L A Crowley
J Davidson
L R Dunlop
R M Hulean-James
J M Sennoworth
C H D Smith
K S Ashman
N Cole
L V Caszide
R M Grant
D F Harlock
N P Quentoy
P L Taylor
D S Cheung
M Compagnoni
M J Cottis
R P Folie
G P K Huntley
G J Sinfield

Our ref

Your ref

TO: Queen's University at Kingston
Ontario K7L 3N6
Canada

HESRTMONCEUX CASTLE ESTATE, EAST SUSSEX, ENGLAND

REPORT ON

TITLE, CHATELNS AND EMPLOYEES

1. Introduction

1.1 This report has been prepared in connection with the University's proposed new conditional Contract ("Contract") with James Developments (Herstmonceux) Limited in administrative receivership ("Seller") and its Receiver, Maurice Charles Withall ("Receiver"), whereby:-

- (1) provided satisfactory planning and other statutory permissions and agreements for your proposed uses and works are obtained, you or the charitable company, International Study Centre ("Charity") will complete the purchase of the freehold of Lots 1, 4, 6 and 7 ("Property") for £3,815,000 and certain loose chattels for £5,000, and employ eight persons at present employed by the Seller at the Estate, and
- (2) provided that purchase is completed, you (or the Charity) will be able to exercise options to purchase Lots 2, 3 (excluding the part hatched black) and 5 ("Retained Land").

Those Lots (and that black hatching) are shown on the plan at Annex 1 ("Site Plan"), and are referred to in this report as "the Estate".

38762

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Fax: (212) 486-3677

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75004 Paris
Tel: (1) 46 52 54 24
Fax: (1) 46 52 04 12

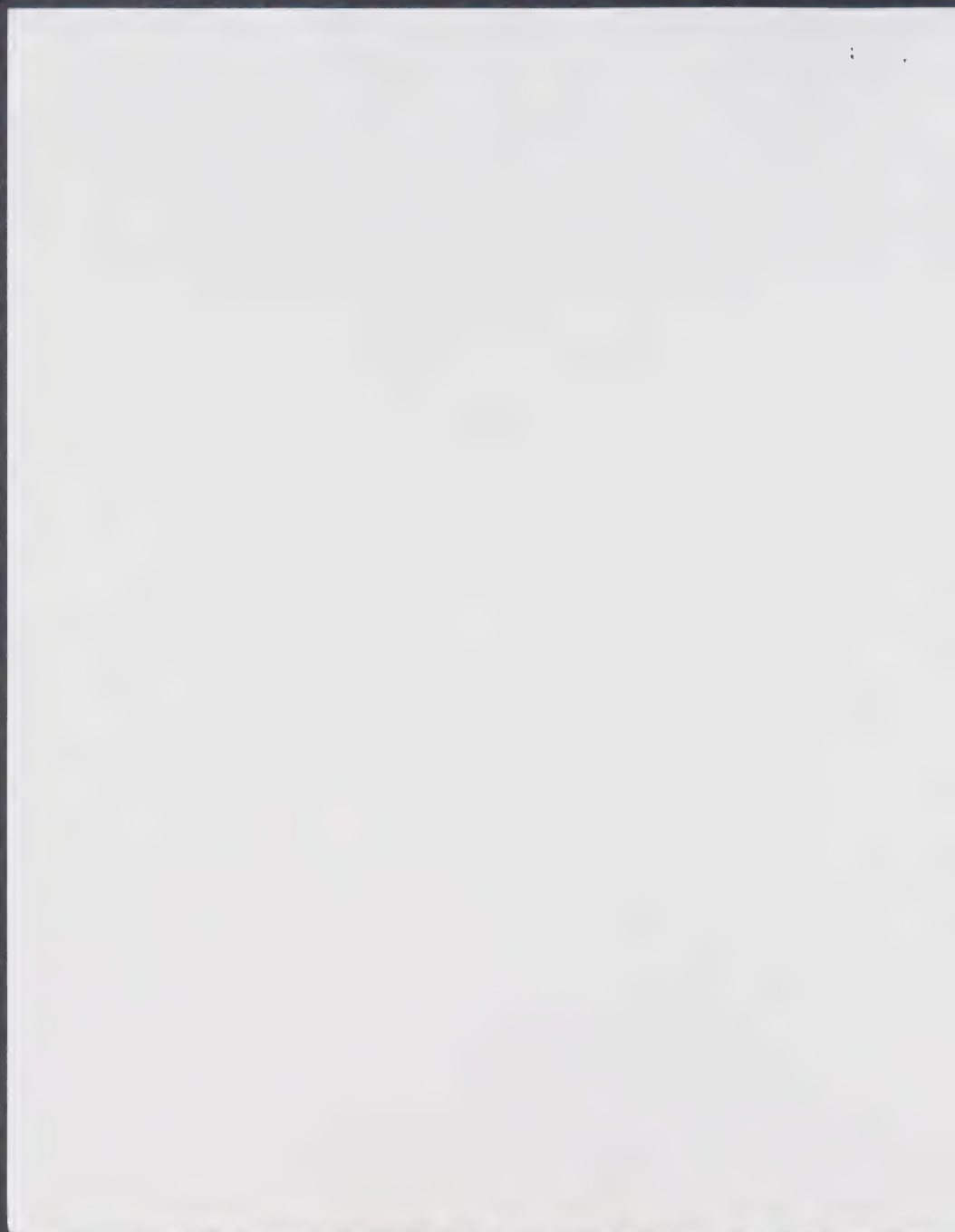
Avenue Louise 489 Bte 24
1050 Brussels
Tel: (2) 487 0640
Fax: (2) 447 3324

U Pražské brány 3
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11th Floor Peregrine Tower
22222 Centre
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Jeonju 50704
Tel: (1) 506 3344
Fax: (1) 506 3362

7777777777 Building 22222222
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1.2 This report is based on the results of our investigation of the title of the Seller to the Estate, and the replies which we have received to our enquiries of the planning, highways and drainage authorities, the electricity and gas suppliers, and the Seller's solicitors, copies of which are Annexes 4 to 60.

1.3 On their face the qualifications on page 1 of the Seller's solicitors' Replies of 26th April 1993 at Annex 57 negate any value of those Replies, and they have refused to alter those qualifications. At a meeting on 16th June 1993 they confirmed that they had no reason to believe the Replies were not correct in terms of the information and documents they and the Receiver had in their possession, which we had inspected, but which in the circumstances of the receivership were necessarily less than the Seller and its Directors had, that they had not acted on the Estate before the Seller went into receivership, and that by virtue of S. 183 of the Law of Estate Act 1925 the qualifications would not afford any protection if there had been any fraudulent misrepresentation. We inspected the documents of title on 25th May 1993 at their offices, and confirm they did not contain anything material which has not been copied to us. Under S.183 any person disposing of property for value to a purchaser, or that person's solicitor or other agent, who conceals from the purchaser any instrument or incumbrance material to title, or falsifies any pedigree on which the title depends to induce the purchaser to accept the title offered, with intent to defraud, may be prosecuted and fined and/or imprisoned for up to 2 years, and is also liable to the purchaser or his successors in title for any loss by reason of the concealment or falsification.

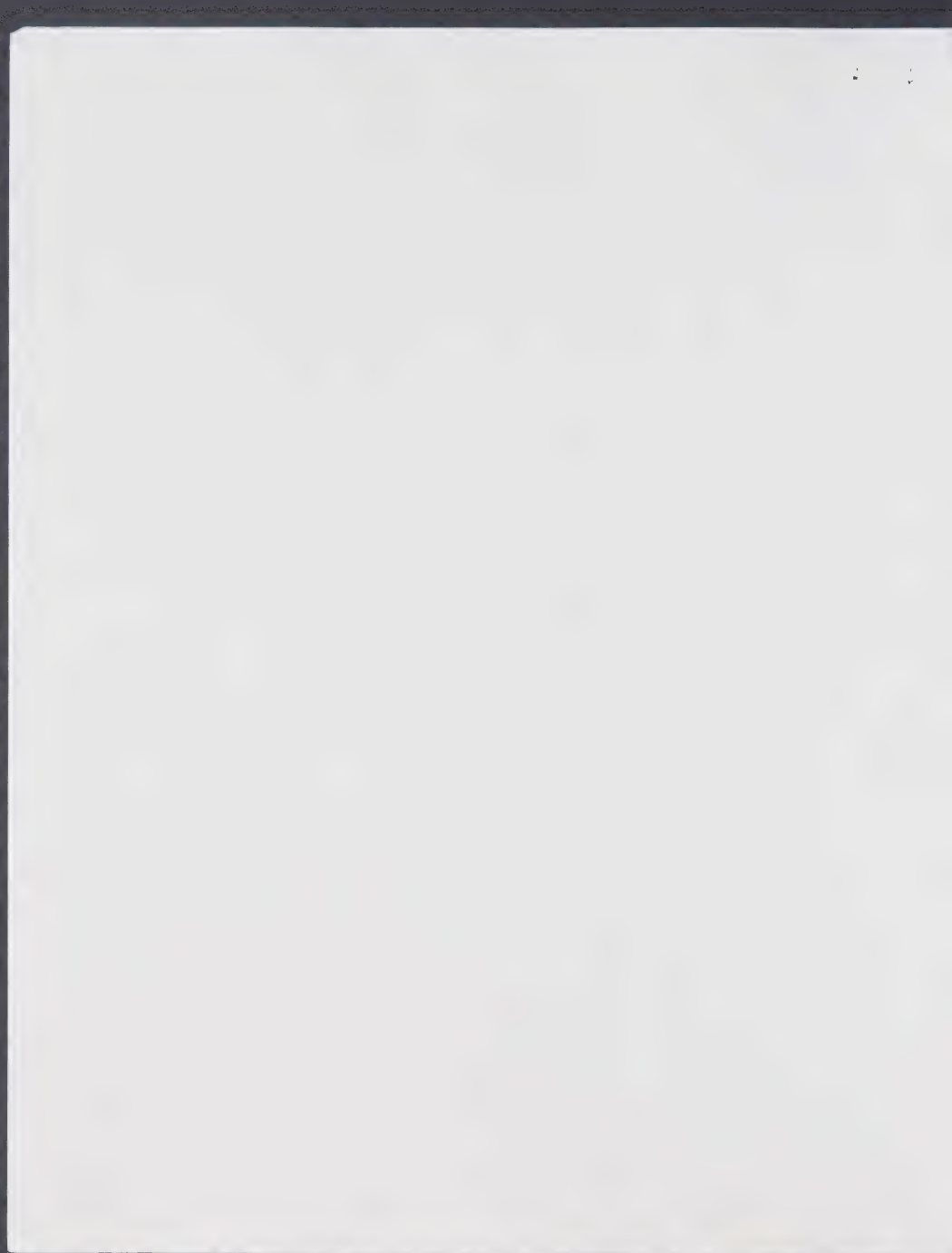
The Contract will contain a clause by which the University acknowledges that it has not relied on any statement of the Seller, the Receiver, or his employees, solicitors or other advisers. Under the Misrepresentation Act 1967 (as amended) such a clause is of no effect if it is not a fair and reasonable one having regard to the circumstances which were, or ought reasonably to have been, known or in the contemplation of the parties when the Contract was made.

In our view it is reasonable, given the Seller's receivership, to include such a clause in the Contract, but should those Replies prove to have contained any material misrepresentation, the University will have a remedy, if it was fraudulent, and perhaps if it was not.

1.4 The Seller's solicitors have declined to give us any further or better replies to our enquiries than those at Annex 57.

1.5 This report is also based on our inspection of the boundaries of the Property on 29th December 1992 and 29th January 1993 (we have not inspected the boundaries of the Retained Land), and of the fixed astronomical equipment in the six Domes of the Equatorial Group on the Estate on 13th May 1993.

1.6 We understand that you have obtained surveys of the buildings on the Property (but not the Retained Land), the drainage system for the Property and the existing water and electricity services to it, in order to satisfy yourself as to their state and condition and their suitability for your proposed uses and works. Their state condition and suitability are not covered by this Report.



2. The Seller's Receivership

- 2.1 The Receiver was appointed an administrative receiver of the Seller by Guinness Mahon and Co. Ltd ("GM") on 15th January 1993 jointly with a receiver, whom GM had appointed on 22nd October 1991, but who has now retired as a receiver.

Both appointments were made under a Fixed and Floating Charge of 1989 (Annex 33), whereby GM took a fixed charge over the majority of the Estate and an equitable charge over all other property and other assets then or later owned by the Seller. That equitable charge includes the rest of the Estate, which was conveyed to the Seller by the Conveyance of 7th June 1990 at Annex 34 and charged by the Seller to GM by a Fixed Charge of 7th June 1990 at Annex 35.

- 2.2 It is proposed that the Property be transferred by the Seller, acting by the Receiver, to the University, or to the Charity as the University's sub-buyer. If the transfer is to the Charity:-

- (1) the University will nevertheless be a party to it in order to give the Seller and the Receiver certain covenants and indemnities, and
- (2) stamp duty on the transfer at 1% of the Property's price of £3,815,000 will not be payable.

Whether or not the transfer is to the charity the transfer has to be registered at the Land Registry, for which the fee (currently) will be £1,400 assuming VAT is not chargeable in addition to that price.

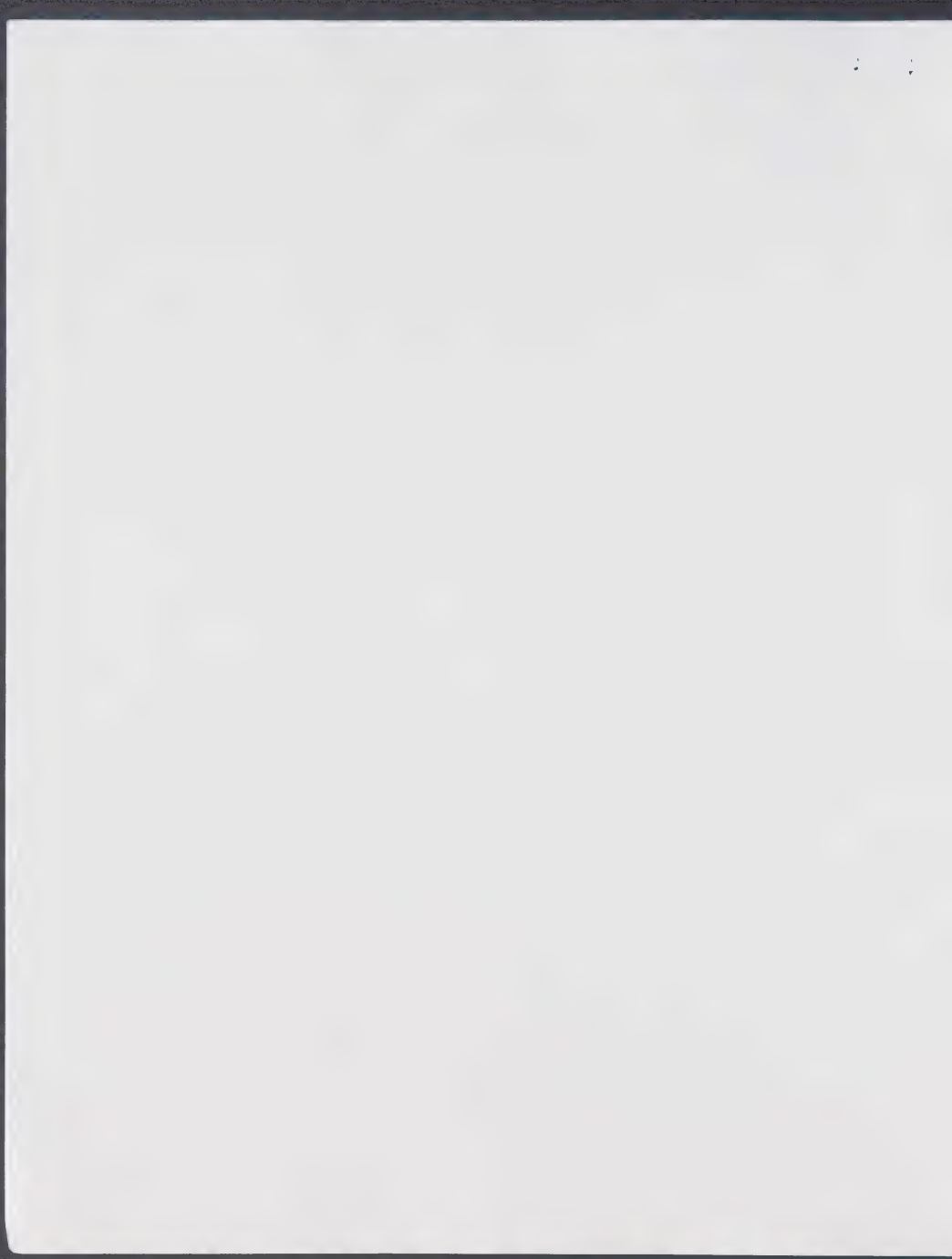
- 2.3 Because of the receivership of the Seller, under the Contract:-

- (1) the Seller will sell only such right, title and interest as it may have in the Property and Chattels at the start of business on the Contract's date, and all warranties are excluded, save that the sale will be free from the two Charges referred to at 2.2 above and matters free from which GM could transfer; and
- (2) on completion of the transfer of the Property the loose chattels and any other chattels or fittings (but not fixtures), which the Seller does not in fact hold as the full owner, will be held by you, or the Charity as bailee for their owners, insofar as you or the Charity become aware that is the position.

3. Title to the Estate

- 3.1 On 25th August 1992 the Seller was registered as the proprietor of the freehold of the Estate with title absolute as shown on the office copies of Title Numbers ESX 162010 and ESX 169065 at Annexes 4 and 5, which is the Land Registry's guarantee that that was then so.

We will obtain a Land Registry certificate that that remains the position before the Contract is exchanged, and will apply to register notice of the Contract with the Land Registry as soon as it has been exchanged. After that application is received by the Land Registry the



Contract will have priority over any later registerable dealings with the title to the Estate. There will be a short interval between that certificate and the Land Registry's receipt of that application, during which it is possible that such a dealing could gain priority over the Contract; however, in such a case 2.3(1) above would apply.

Furthermore the notice protects an equitable interest (the Contract) and if there is an undivulged grant of a similar or other equitable interest, which pre-dates the Contract, the Court of Appeal held in May 1993, there are circumstances in which that grant may have priority over the Contract, even though any entry concerning it at the Land Registry is made after the notice protecting the Contract. Accordingly there will be a separate agreement with GM that it will not exercise any of its powers under either of the Charges at Annexes 33 and 35, save under the Contract.

3.2 See below as to easements, covenants and other obligations affecting various parts of the Estate.

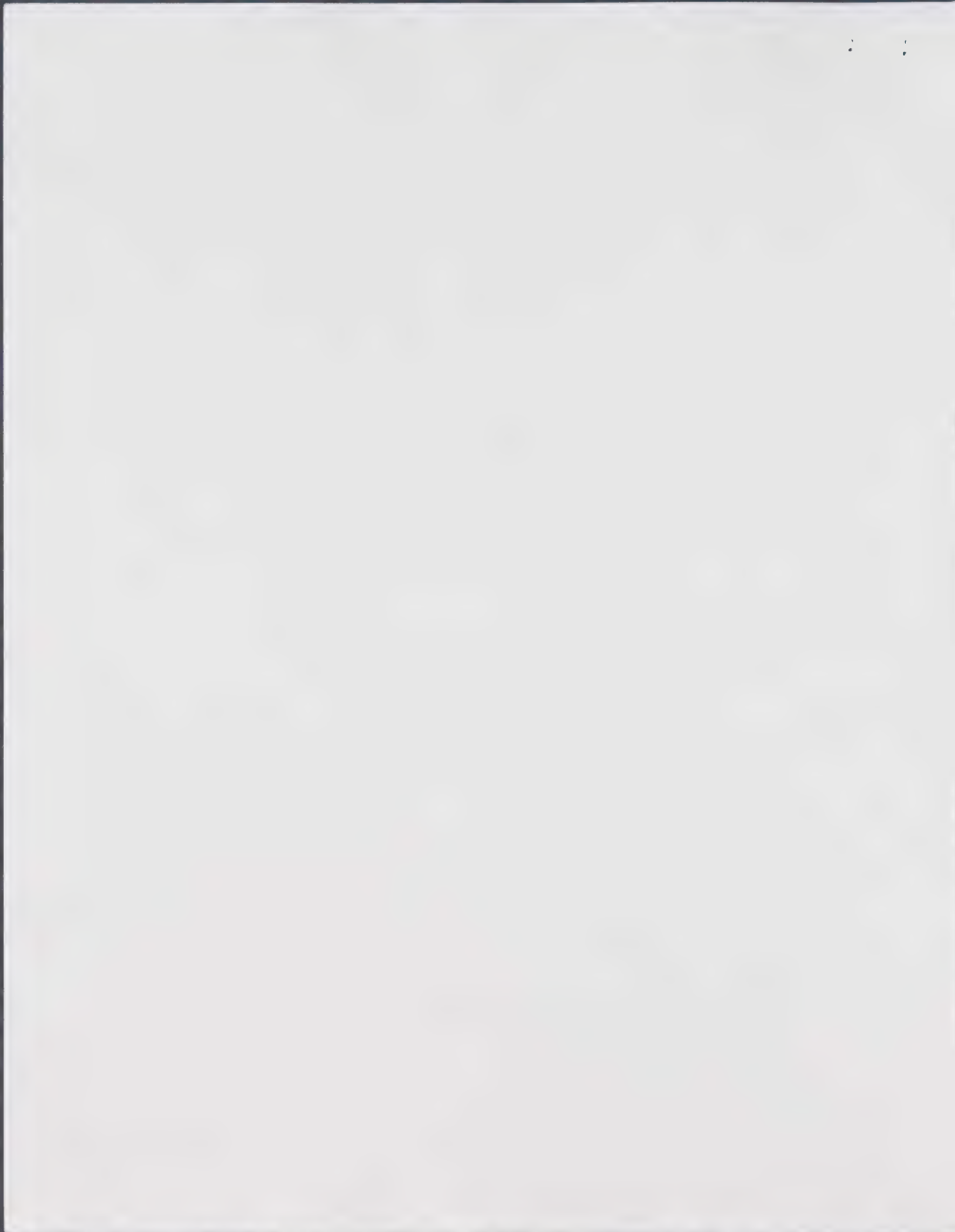
4. The Estate's Boundaries

4.1 The outer title boundaries of the Estate as shown on the Site Plan coincide with those on the filed plans at Annexes 4 and 5, except that the part of Lot 3 hatched black on the Site Plan is not included in the latter and is accordingly excluded from Lot 3, and except as mentioned in 5.1(1) below.

4.2 The generally poor condition of many of the fences, railings and hedges near those title boundaries make exact identification of title boundaries on the ground problematical.

4.3 Such of those fences, hedges and railings as abut onto Church Road and Wartling Road can be assumed to belong to the Estate. The ownership of the remainder is unclear, as is the responsibility for their maintenance. However:-

- (1) It appears that in practice those on the Estate's outer boundaries have been maintained jointly by the Seller and the owner of the adjoining land, and it is proposed that should continue to apply, when the transfer of the Property is completed, to all those on the Property's outer boundaries except those on the boundary between Lots 1 and 5 which you will maintain (see reply to Enquiry 1A at Annex 57).
- (2) The legal boundary is the mid-point of dykes on the outer sides of Field Nos. Pt 8500, 2808 and 4361 on the Site Plan (parts of Lot 3) (Conveyance of 17th September 1979 at Annex 26).
- (3) The purchaser of parts of Batts Hill House, Wartling covenanted to erect a stock proof fence around them (Conveyance of 17th July 1989 at Annex 29). Assuming that was done, those fences will belong to that property and be maintainable by its owners.
- (4) In connection with widening of Wartling Road:-



- (a) ESCC covenanted to plant a quick hedge on the east side of Field No. Pt 4317 on the Site Plan (part of Lot 5) and protect it with a fence, both of which would belong to Lot 5; and Field No. Pt 4317 is subject to a covenant not to disturb or interfere with the slopes, embankments or other incidental works ESCC carried out on it for road-widening (Conveyance of 20th January 1938 at Annex 8).
 - (b) ESCC covenanted similarly as to a hedge and fence on the east side of part of Field No. 3900 (part of Lot 3), both of which would belong to Lot 3 (Conveyance of 26th October 1975 of Annex 24).
- (5) See 10.3(2)(b) below.
 - (6) As to the boundaries of Church Road and Wartling Road, see 5.1 below.

5. Accesses to and over the Estate

- 5.1 Church Road and Wartling Road, shown coloured brown on the plan at Annex 3, are maintainable at public expense. The extension of Church Road marked A-B-C on that plan is not.

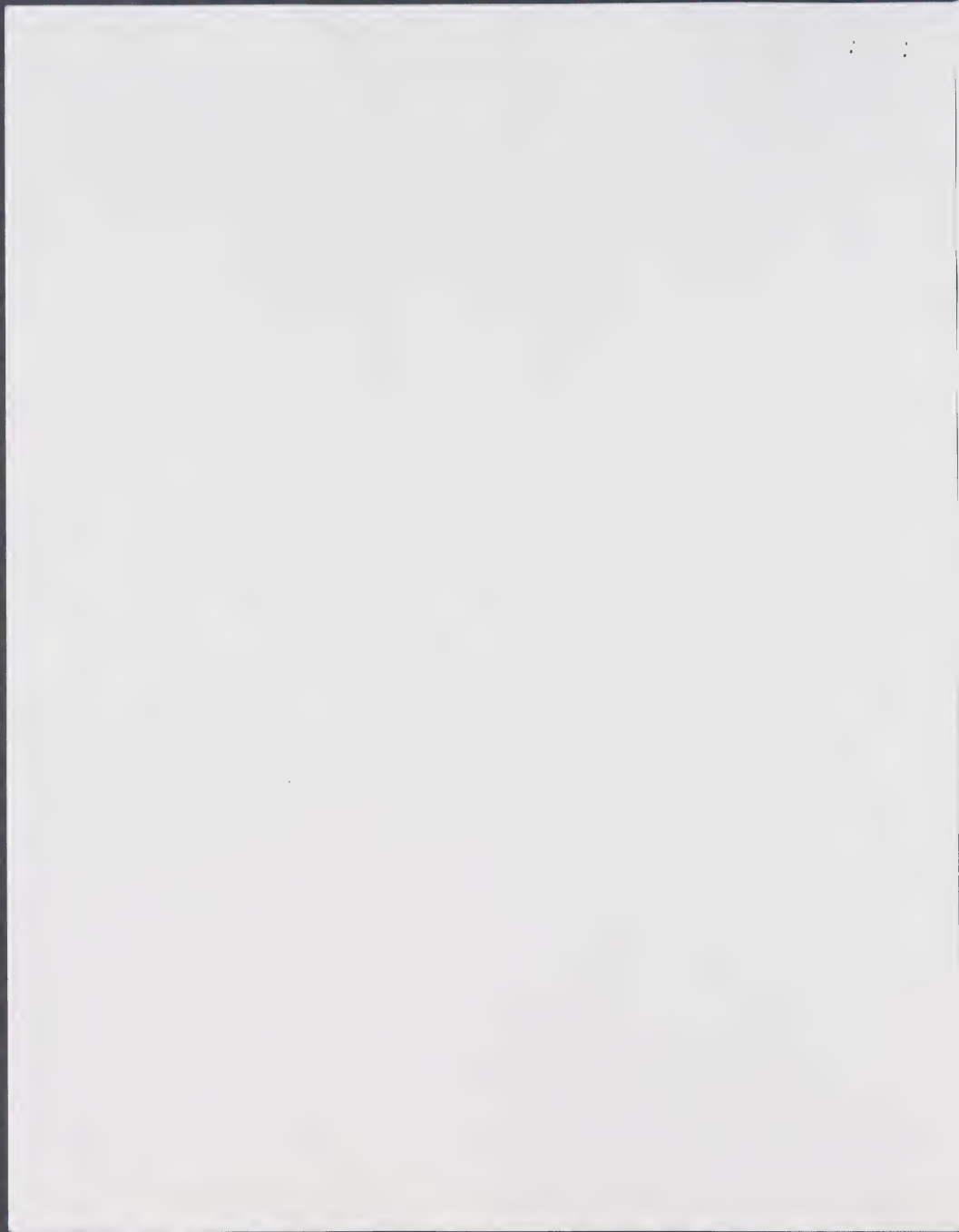
ESCC have confirmed (see Annex 56) the boundaries of those roads abut directly onto the legal title boundaries of the Estate as shown on the Site Plan, except that:-

- (1) On east boundary of Lots 1 and 2 to the south of the East Gate, the Land Registry's filed plan at Annex 4 includes more land as part of Lots 1 and 5 than does the Site Plan, and matches the highway land coloured pink on the plan with ESCC's letter of 9th July 1993 at Annex 56. The filed plan will apply.
- (2) The cutting on the east side of Field No. 3900 (part of Lot 3) to the south of Batts Hill House and Cottage is not part of Lot 3 and nor is it part of the public highway.

The same applies to the roadways to and past those properties, which are now included in the freehold of Batts Hill House (see Annex 18) and can no longer be used as access to Lot 3, to which the only present vehicular access is via Lots 1 and 2. Any new access to Lot 3 from Wartling Road south of Wartling village will require planning permission.

- 5.2 Public footpaths and public bridleways abut and cross the Estate as shown approximately in purple and green respectively on the plan attached at Annex 3.

Diversion of Footpath 56A shown coloured yellow on the plan at Annex 55 is proposed under the Footpath Diversion Order of 19th February 1992 at Annex 55 but has not yet been confirmed by the Secretary of State for the Environment and is not effective until it is. ESCC confirm that no objections to the Order have been raised and the applicant has carried out all requisite works as set out in the Schedule of Works to the Order. ESCC will notify us as soon as the Order is confirmed.



- 5.3 Field No. 9868 on the Site Plan (part of Lot 3) has a right of way for all purposes granted by a Conveyance of 4th October 1920 (Annex 6) across land to the south of Lot 3 to Field No. 4655, but not across it to Wartling Road. This right of way is therefore of limited utility.
- 5.4 A Conveyance of 17th September 1979 (Annex 26) grants and reserved rights of way, which are apparently no longer relevant, as the relevant pieces of land are all now within Lot 3.
- 5.5 A Conveyance of 8th August 1983 (Annex 27) of parts of Lots 2 and 3 and other land reserved for the benefit of the adjoining property known as Coopers Farm a right of way at all times and for all purposes over a track between the east boundary of Field No. 3352 (south of Lot 2) to the south west corner of Field No. 1030 (part of Lot 3).
- 5.6 Access for the public began on 29th May 1993 under a Licence of 28th May 1993 (Annex 40). Under this Licence, the Seller granted the University the right to permit members of the public to view the gardens and grounds of Lots 1 and 4 and use the Tea Room to the West of the Castle between 11 am and 6 pm every day until 30th October 1993 subject to the covenants on the part of the University.
- 5.7 By a Supplemental Licence Agreement dated 9th July 1993 (Annex 41) the University its servants and agents were granted the right to use the ballroom drawing room and corner room on the first floor at the Hesrtmonceux Castle on the evening of 10th July 1993 and the right to use those parts of Lots 1 and 4 referred to in the 28th May 1993 Licence for the Medieval Pageant and Family Fayre, on the 11th July 1993, subject to the covenants on the part of the University.

6. Drainage

- 6.1 Attached at Annex 2 is a plan showing what are believed to be the runs for the drainage of surface water and soil (and the paths of electric cables and water mains) although the accuracy of this plan cannot be guaranteed.
- 6.2 With regard to the private drainage system at the Estate there are no consents in relation to quality under the Control of Pollution Act 1974 and Control of Pollution (Amendment) Act 1989, volume under the Land Drainage Acts 1976 and 1991, nor the Water Resources Act 1991. We carried out a personal search of the title deeds of the Estate held by the Vendor's Solicitors and no such consents were found.

Southern Water Services have no sewers or drains on the Estate and Eastbourne Water Company are not aware of any such licence or consent.

Copies of our enquiries of the NRA, and their replies and copy plan showing the Kentland Fleet (Main River) and the Kentland Sewer (adopted IDD Watercourse) are attached at Annex 44. The NRA maintain the channel of the Kentland Fleet (Main River) and Kentland Sewer and have rights to deposit arisings on the bank. No Notice of Disrepair in relation to the above two watercourses has been served. Notice would only be served if the channel became unable to function due to blockages and this is not the case at the moment.

Our enquiries also reveal that the area hatched blue on that plan is low lying and could be liable to flooding although the NRA have no record of flooding.

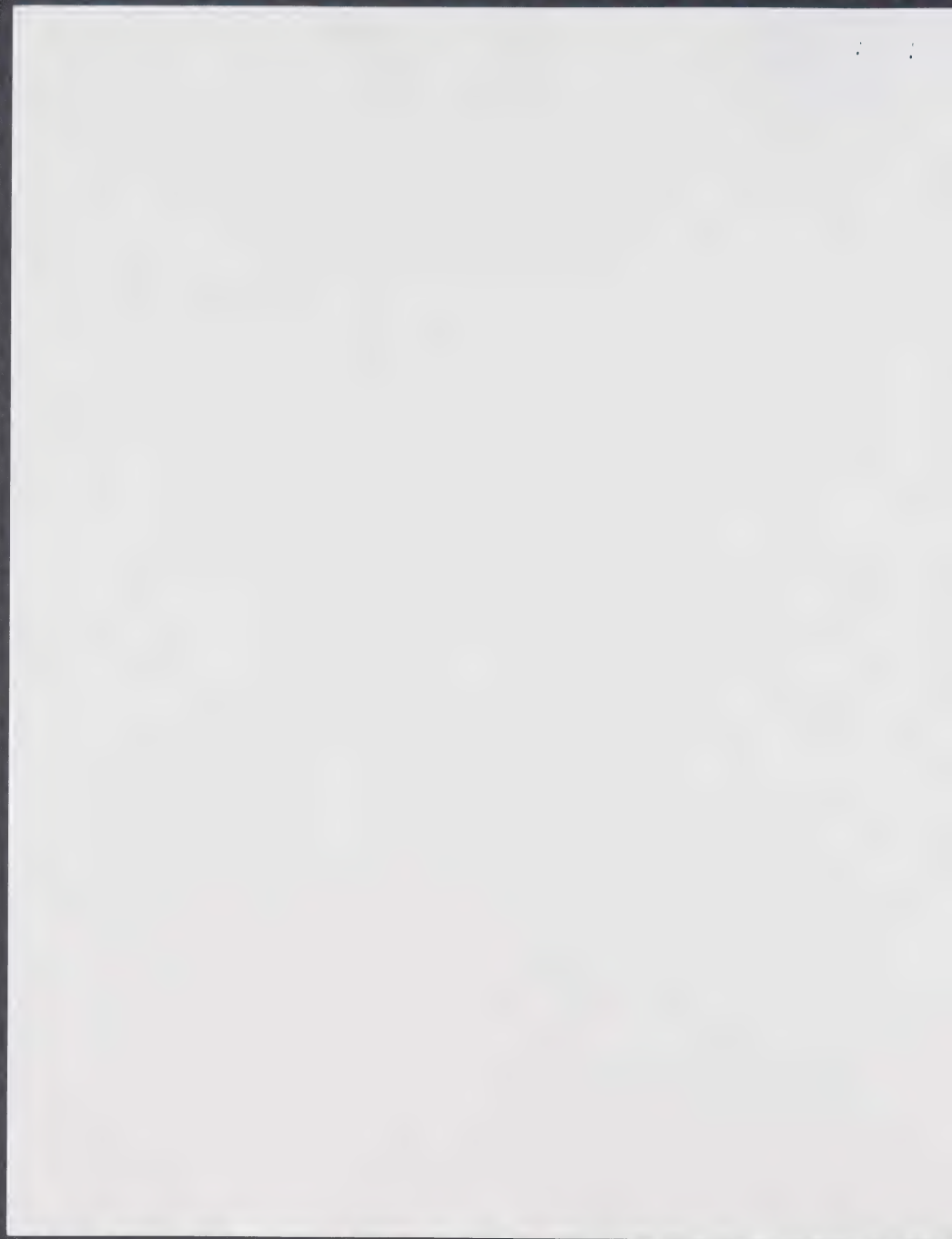
The NRA are not aware of any subsisting consent or licence relating to the Estate. An existing discharge had Crown exemption although this has now expired and a new application will be required.

Copies of our enquiries of WDC and their replies (Annex 47) show that neither foul drainage nor surface water drain at present into a public sewer and there is no public foul or surface water sewer within 100 feet of the Estate. Further correspondence with WDC concerning consents relating to waste (Annex 47) show that under a current commercial waste agreement WDC provide, empty and remove one 1100 litre container on a weekly basis.

- 6.3 (1) By an Agreement of 21st November 1952 (Annex 10) East Sussex County Council ("ESCC") permitted the then owners of Lot 1 and other parts of the Estate to connect to a highway drain under Wartling Road near the East Gate of the Estate to discharge surface water only from those parts of Lot 1 shown coloured green and red on that Agreement's plan. That permission was subject to that owner indemnifying ESCC against all actions, claims and liabilities which might arise in connection with that discharge through that drain on to any property and to there being no discharge into that drain of any sewage matter or liquid refuse of any description.
- (2) By a Supplemental Agreement of 10th July 1967 (Annex 19) the parts of Lot 1 from which that discharge could be made was enlarged slightly.
- (3) By a Deed of 18th October 1967 (Annex 20) the Admiralty were granted right to discharge surface and stormwater (apparently from that drain) into a ditch on land on the east side of Wartling Road. That ditch is indicated by the broken brown line on the filed plan for Title Number ESX162010 (Annex 4). This right replaced the right granted by a Deed of 20th January 1953 (Annex 11).
- 6.4 The Conveyance of 17th September 1979 (Annex 26) contains a covenant not to interfere with or alter the level set from time to time at the sluice shown approximately at the point marked A on the Conveyance's plan to the Kentland Fleet in the west corner of Field No. 9868 (part of Lot 3).

7. Water Supply

- 7.1 Copies of our enquiries of Eastbourne Water, their replies and the plan showing the route of water mains under the Estate are attached at Annex 36. Eastbourne Water confirm that the water mains throughout the site are private although it has a record for its information. They state that it appears that a meter on the west side of the site measures all water usage and one of the valves on the east side is closed such that the system is entirely separate. As there are no mains at the Estate belonging to Eastbourne Water, it does not claim any rights over the Estate although it has been asked occasionally to repair burst mains.



and this has been undertaken on a chargeable basis. Eastbourne Water are not aware of any subsisting licence or consent relating to the Estate. However, in the event of a sale of the Estate, it will need to be advised of the transfer of the responsibility for meeting payment of the meter.

7.2 By a Deed of Grant of 16th July 1969 (Annex 21):-

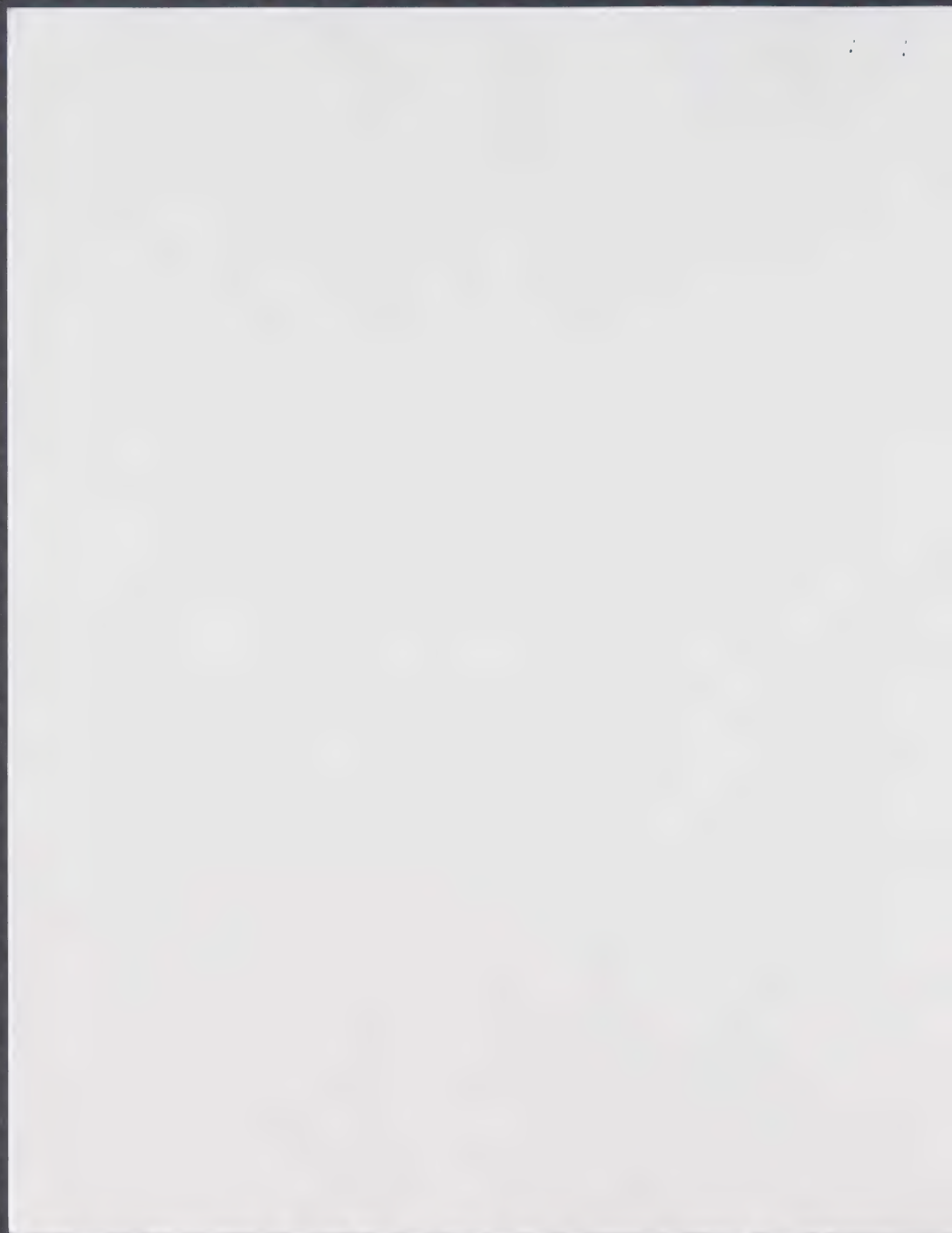
- (1) The then owners of the land shown edged pink on that Deed's plan ("Owners") granted the then owner of parts of Lots 2 and 3 (in particular the parts edged and numbered 2 and 3 in blue on the filed plan of the title number ESX162010 at Annex 4) ("Grantee") a right to use a water supply pipeline between the points marked A and C on that Deed's plan, paying a fair proportion of the water rate and charges made by the water authority, and a right to enter upon and break up the land edged pink and red on the Deed's plan so far only as may be necessary for the inspection, repair, maintenance and replacement of the pipeline;
- (2) The Grantee covenanted to maintain the pipeline between the points marked B and C and, when required by the Owners, to install at his own cost a water meter at the point marked C; and
- (3) It was agreed that the Owners should not be liable for any damage (except willful damage) to the pipeline between the points marked B and C caused by normal agricultural use of the land and that the pipeline between the points marked A and B and the water trough at the point marked B on that Deed's plan were the property of the Owners.

8. Gas Supply

British Gas (South Eastern) confirmed in their letter dated 1st February 1993 (Annex 49) that they have no apparatus recorded at the Estate.

9. Electricity Supply

- 9.1 Attached at Annex 48 is copy correspondence with Seeboard plc and Seeboard's 1/2500 record maps of the Estate showing the approximate position of Seeboard's recorded works at the Estate.
- 9.2 There are the following wayleave and other arrangements with the electricity generating and supply authorities:-
 - (1) An Agreement of 21st June 1945 (Annex 9) concerns above ground and underground electric lines (including such standards or poles and staywires and any necessary ancillary apparatus as may be required) on part of Lot 3 and granted rights to place, lay, erect, maintain, repair and replace those works along the line and in the positions indicated on the plan attached to this Agreement and a right of entry on Lot 3 from time to time. The grantee must comply with the conditions set out in the Third Schedule to this Agreement and pay the grantor £3.67 (£4.90 less tax at 25% on the rental portion) on 1st January of each year. The grantee can determine the Agreement for any reason on 6 months notice. If the grantor bona fide desires to utilise for



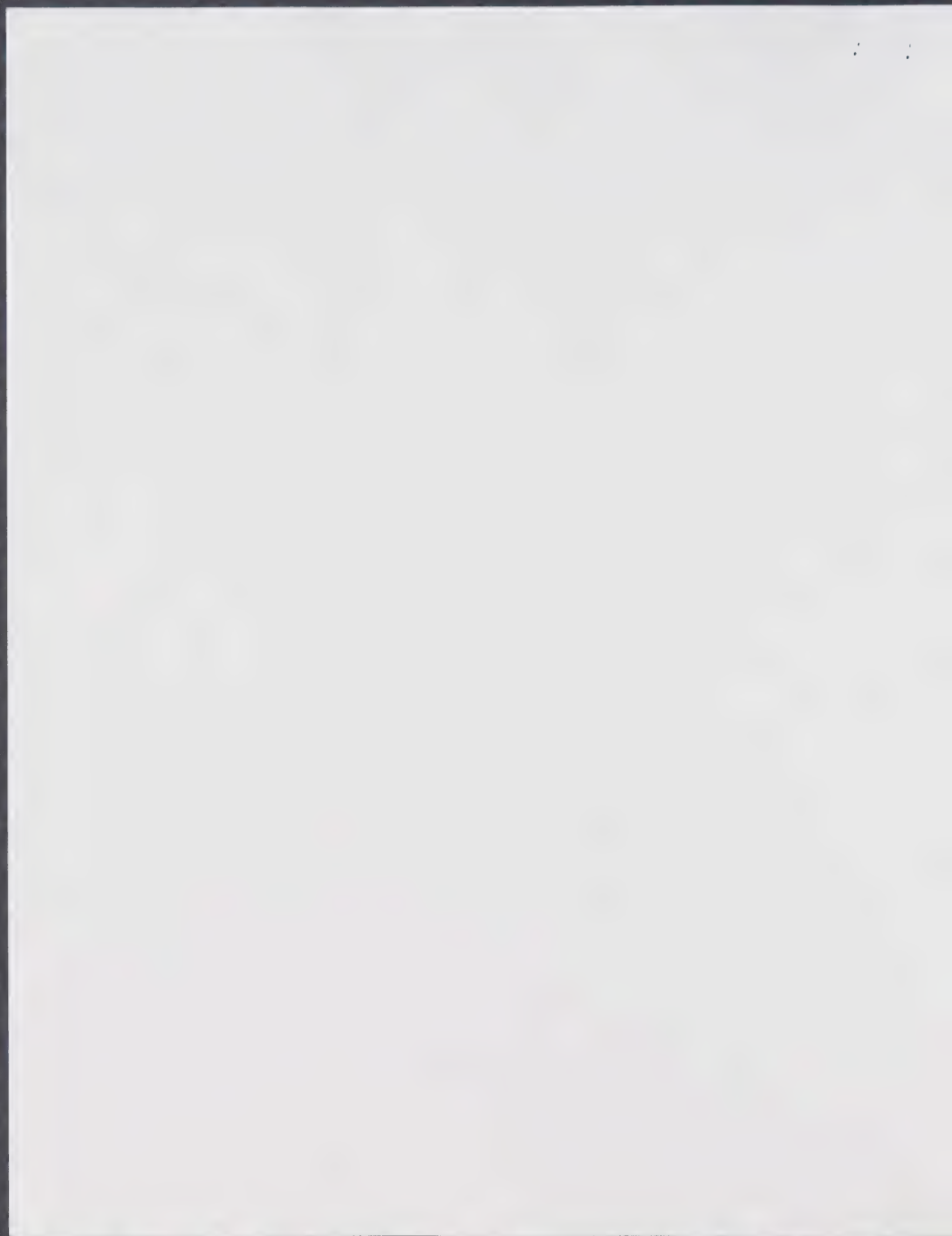
purposes other than agriculture that part of the land across which electric lines are placed above ground, and if continuance of such lines in their then position would prejudicially affect the user of the land for such other purposes, on 6 months' notice the grantee must remove them but the grantor must permit the grantee to place such lines in some other position across the grantor's land.

- (2) An Agreement of 27th March 1956 (Annex 12) concerns above ground electric lines (including such poles, struts and stays as may be required for supporting them, and any ancillary apparatus) on part of Lot 3 and granted rights to place, lay, erect, maintain, repair and replace those Works in the position shown on the plan attached to this Agreement and a right of entry from time to time. The grantee must comply with the conditions set out in the Third Schedule and pay the grantor £14.22 (£16.58 less tax at 25% on the rental portion) on 1st January of each year. The grantee's right to determine and the grantor's right to require the removal of the Works are the same as those at (1) above.
- (3) An Agreement of 18th December 1961 (Annex 14) is supplemental to a principal agreement dated 10th November 1955 and concerns four overhead conductors and 13 poles and all necessary stays for supporting and equipment required in connection with the same, on Lots 1, 2 and 4 in the positions shown on the plan attached to this Agreement and on the terms and conditions set out in the principal agreement. The grantee can determine this Agreement for any reason on 1 month's notice, and the grantor can determine on 6 month's notice.

The Seller does not have a copy of that principal agreement and Seaboard plc will not supply a copy as they say it is confidential. Therefore we are not able comment further on the terms of this Agreement or the principal agreement.

The Agreement of 18th December 1961 is not assignable and as part of the lines covered by it have been moved, Seaboard plc propose that a new Wayleave Agreement is entered into to regularise the position under which they will pay £17.15 on 1st January every year (£12.86 net of 25% tax).

- (4) An Agreement of 16th January 1964 (Annex 16) concerns above ground electric lines and two supporting towers on Lot 3 (the lines to be not less than 23 feet above the surface of the ground and the towers to have a base not exceeding 27 feet by 27 feet). and granted rights to use, maintain, repair, alter, renew, inspect and remove those works, and to fell, lop or cut in a woodmanlike manner any tree or hedge obstructing or interfering with those works or those rights, and a right of entry onto Lot 3 at all reasonable times for any of those purposes. The grantee must not cause any unnecessary damage or impeding of the use of property of the grantor, and pay to the grantor £162.62 (£111.13 less tax at 25% of rental portion) on 1st September of each year. Either party can determine the Agreement on 6 months notice, subject to the necessary consents and other requirements under the relevant statutes.



- (5) An Agreement of 1st September 1964 (Annex 17) concerns the electricity substation on the Estate which is to the south east of the Castle and Moat on Lot 1, and the supplier's rights of access to and use of that equipment, and the terms for the electrical supply to the supplier's authority's equipment in it, and payment for that supply. The Agreement can be terminated by either party giving the other at least 3 months' notice expiring at the end of March, June, September or December. If that is done the supplier must remove its equipment within 12 months. Assignment of the Agreement requires the consent of the supplier.

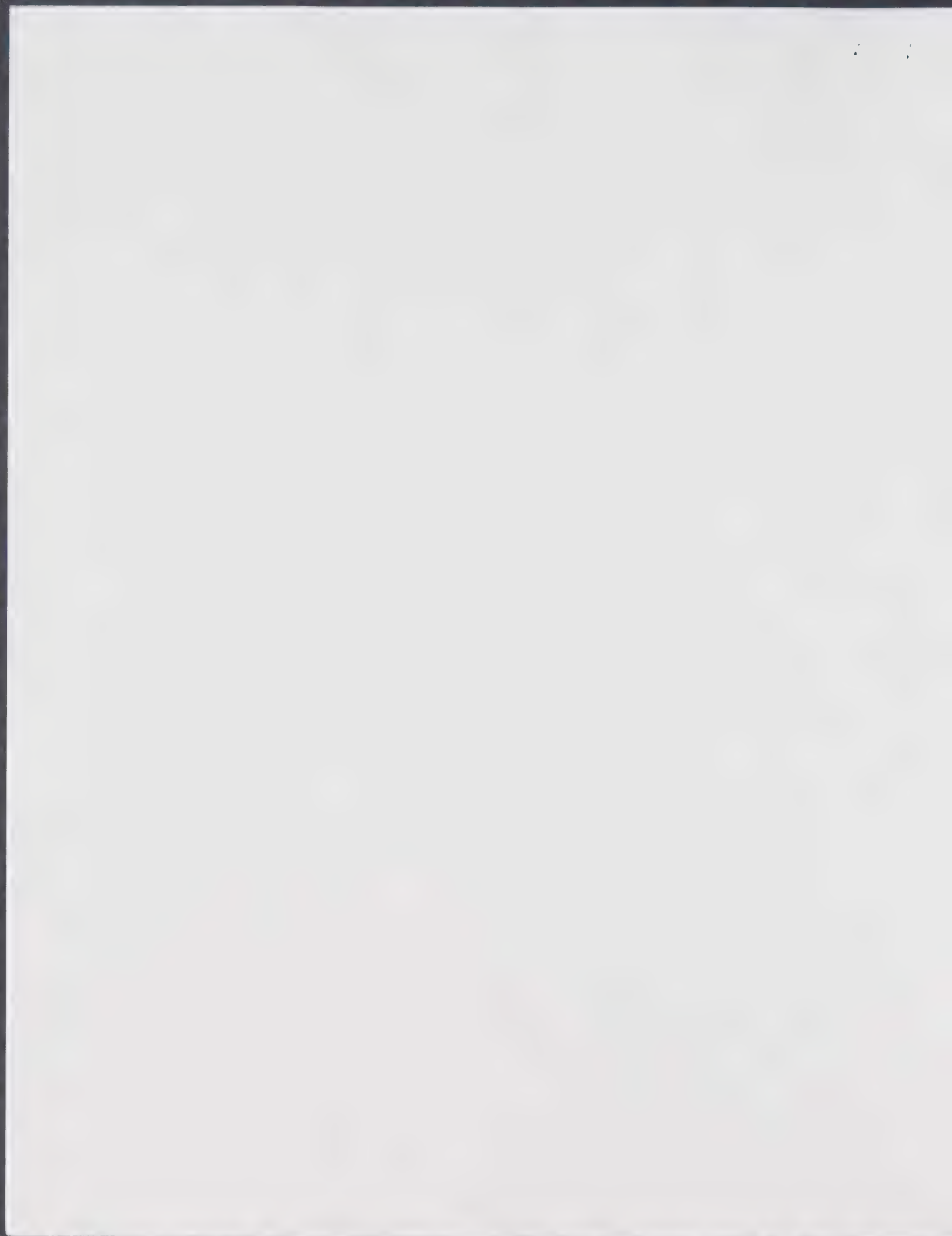
Seaboard plc say that this Agreement is no longer operative and a new Agreement would be required (see Annex 48). It is not apparent why that is.

- (6) An Agreement of 30th September 1974 (Annex 23) concerns an overhead electricity supply line of 3 conductors, and poles and other supports on Lot 3, and the supplier's rights (similar to those in (d) above) and payment to the grantor of £5.59 (£6.82 less tax at 25% on the rental portion) on 1st January of each year. The Agreement can be terminated by either side as mentioned in (d) above.
- (7) An Agreement of 12th June 1978 (Annex 25) concerns an overhead line of 3 conductors, 2 poles and supporting structures on part of Lot 2, and the supplier's rights (similar to those at (d) above) and payment to the grantor of £4.23 (£5.28 less tax at 25% on the rental portion) on 1st January of each year. The Agreement is terminable as mentioned in (d) above.
- (8) An Agreement of 29th January 1988 (Annex 28) concerns two stays and appliances for the purpose of supporting the existing electric line on Lots 4 and 1 in the approximate positions indicated on the plan attached to the Agreement and granted rights for the benefit of the grantee similar to those at (d). The grantee must not cause any unnecessary damage or impeding of the use of the property of the grantor, and pay the grantor £1.40 on 1st January of each year. Either party can determine the Agreement on 12 months notice, subject to the necessary consents and other requirements under the relevant statutes.

- 9.3 There are two Seaboard substations at the Estate which are shown on those maps as "RGO West Block" and "Herstmonceux Castle" (though the documents we have only deal with one of these: see 9.2(5) above). Both substations are occupied by Seaboard plc as a condition of supply to the site and both are required to supply electricity to the site. However, Seaboard plc cannot trace any form of written agreement to this effect with the Seller, and propose that a new agreement covering both substations is entered into.

10. Other Freehold Rights and Obligations

- 10.1 Field No. 3973 on the Site Plan (part of Lot 2) was subject to a covenant in the Conveyance of 17th November 1920 (Annex 7) not to build on it during the lifetime of Claude William Henry Lowther.



As he has died, that covenant is no longer effective and in due course the Land Registry should be asked to delete Entry No. 1 on the Charges Register of Title No. ESX162010.

10.1(a) Rider.

10.2 A Conveyance of 19th December 1958 (Annex 13):-

- (1) conveyed to the Admiralty the small plot of land coloured pink on the filed plan for title number ESX162010 (Annex 4) in the field north of the Spencer Jones Meridien Group; and
- (2) granted rights to enter on the vendor's adjoining land to clear, level, grass and keep free from bracken a strip of land 8 feet wide centred on the broken blue line on that filed plan, and to lay and maintain an electric cable duct with any ancillary works across the vendor's land in the position shown by a broken yellow line on that filed plan.

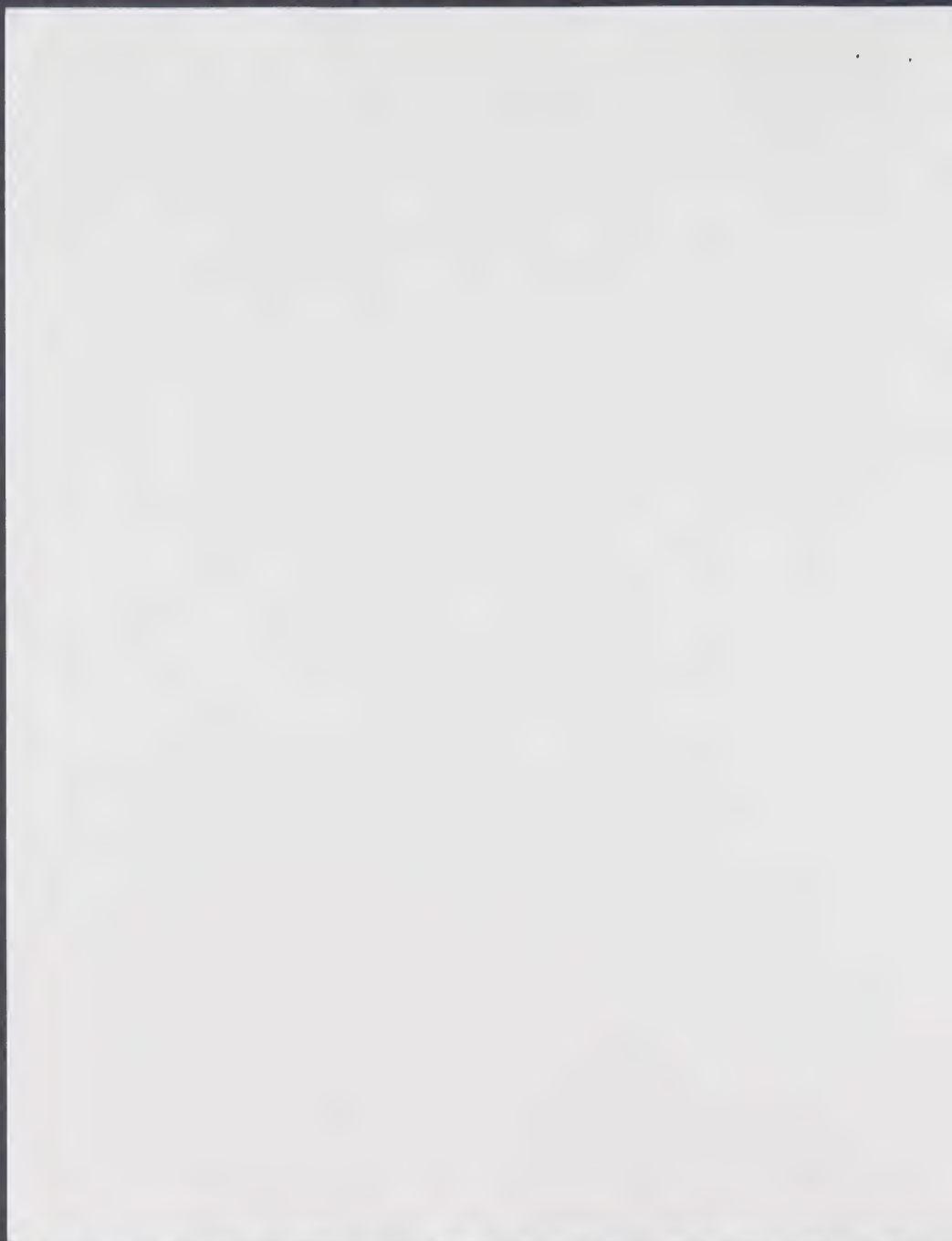
That plot of land appears not to be included in title number ESX162010, and we were told by the Estate Manager that it no longer belongs to the Estate. The marker beacon which used to stand on it is no longer there, and there are no physical markings of the plot in that field, which is ploughed over.

It therefore appears that those rights are no longer relevant.

10.3 A Conveyance of 17th July 1989 (Annex 29) of part of Lot 2 (Field No. 5282, 3973 and 1555) and Lot 3 (all of it except Field Nos. 9868, 1276, 2868 and 4361):-

- (1) was subject to all such continuous and apparent rights privileges and advantages and easements and quasi-easements of drainage and other matters as might be proper for the benefit of the land coloured green on its plan (Cooper's Farm) including the right to enter to maintain repair and renew the same; and a right to have and use (subject to proper payment for water passing through the meter installed on the line of pipes) the water pipes serving Marshfoot Farm and passing over Field Nos. 4616/3900 and 4361 and any other part of the land conveyed including the right to enter to maintain repair and renew the same but subject to the person or persons exercising such rights acting in a reasonable manner so as to minimise as far as may be reasonably practicable any damage which may be caused thereby;
- (2) contained covenants by the purchaser with the vendors of parts of Lot 3:-
 - (a) to provide that water supply,
 - (b) to maintain the fences and hedges between those parts and the vendors' other land and to close off any gateways between them, and
 - (c) not to carry out any clay pigeon shooting or motor sports or other noisy activity or pursuit on the land conveyed.

We are unable to say where the line of pipes or water meter are.



- 10.4 A Conveyance of 4th August 1989 (Annex 31) of Lots 1, 2, 4, 5 and 6, excluding Field Nos. 5282, 3973 and 1555 of Lot 2, the Works Compound, the Satellite Laser Ranger Station and West Buildings ("excluded land") contained various rights and covenants for the benefits of the excluded land, which are no longer relevant, as the excluded land is now part of the Estate.
- 10.5 Parts of the Estate are subject to a liability to contribute towards the repair of parts of the wall or fences and gates surrounding Herstmonceux Churchyard as mentioned in a conveyance dated 18th February 1947 between Herbert Paul Latham, Barclays Bank Limited and The Admiralty.

The Seller does not have a copy of this Conveyance and therefore we are not able to comment further on this liability.

11. Lettings and Licences for Occupation and Uses

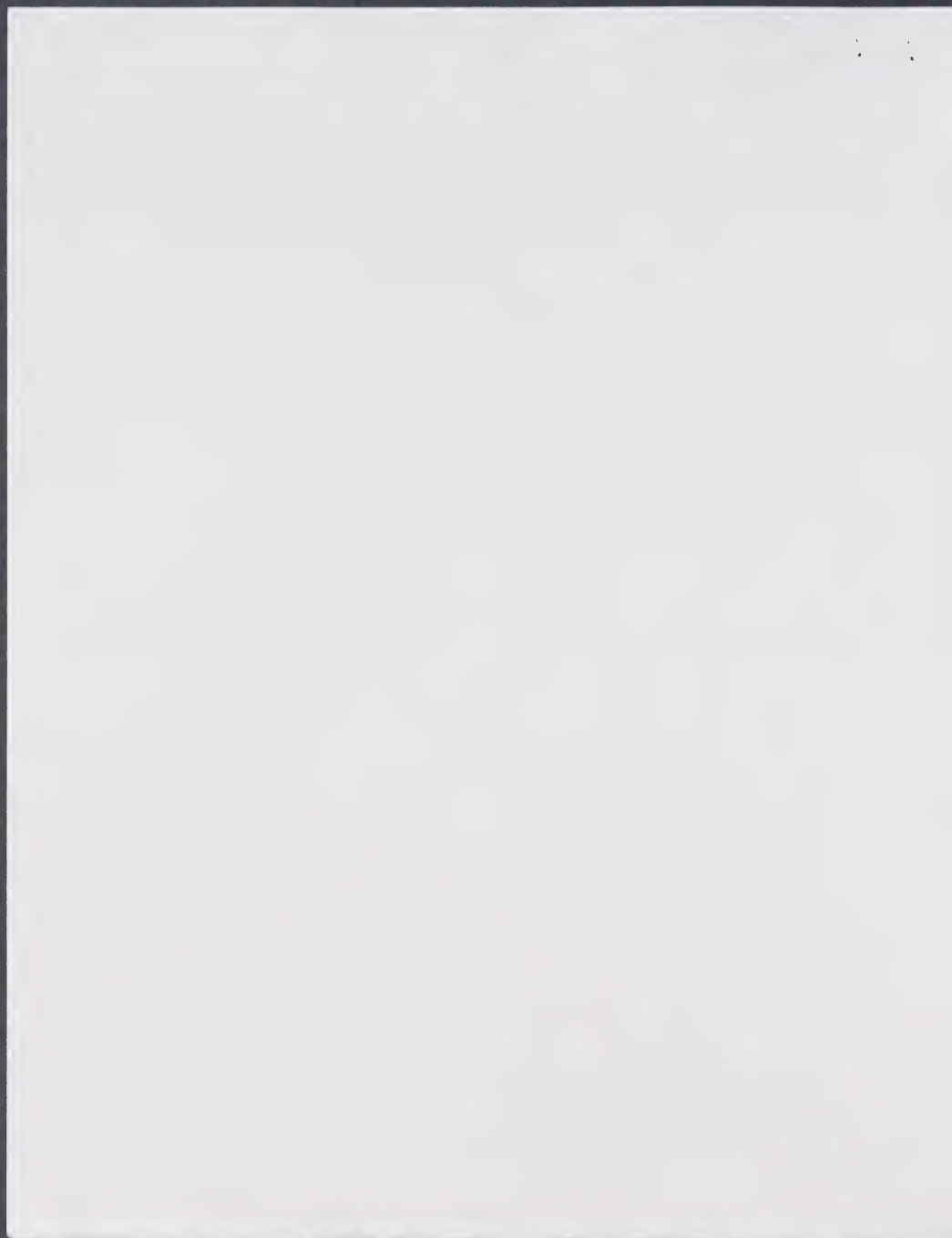
11.1 Lease of 7th June 1990 to SERC (Annex 38)

The principal terms and conditions of the Lease are as follows:-

- (1) This Lease is for 15 years from the 7th June 1990 at the yearly rent of one peppercorn (if demanded).

However, it will continue after that date, unless it is terminated as provided in Part II of the Landlord and Tenant Act 1954 (as amended), with or without being renewed under Part II, and the tenant will have successive rights to renew it for up to 14 years at the open market rent, which can only be defeated on certain limited grounds and may involve payment of compensation.

- (2) The premises let are the Satellite Laser Ranger buildings on the land edged red on the Lease's plan with:-
- (a) a right of way with or without vehicles over roads on the Estate between the West Gate and that land (coloured brown on the Lease's plan), and on foot over the foot paths near them (coloured orange on that plan);
 - (b) rights of drainage and services over the part of the Estate coloured green on the Lease's plan and a right at all reasonable times to enter adjoining premises to inspect, test, repair and renew them;
 - (c) the right to erect up to three Targets (in addition to the Target T1 on the Lease's plan) in such positions on the adjoining premises as may be clearly seen from the premises and are agreed between the parties; the right to keep and maintain the Targets and repair, cleanse, inspect, renew, replace, alter and remove; them and erect equipment at or in vicinity of the Targets for short periods of time; and
 - (d) the right to clear vegetation from the clearance area coloured blue on the Lease's plan and trim or fell any trees growing on or over it, and remove from that area



anything which does or may obstruct or obscure site lines between the premises and the Targets.

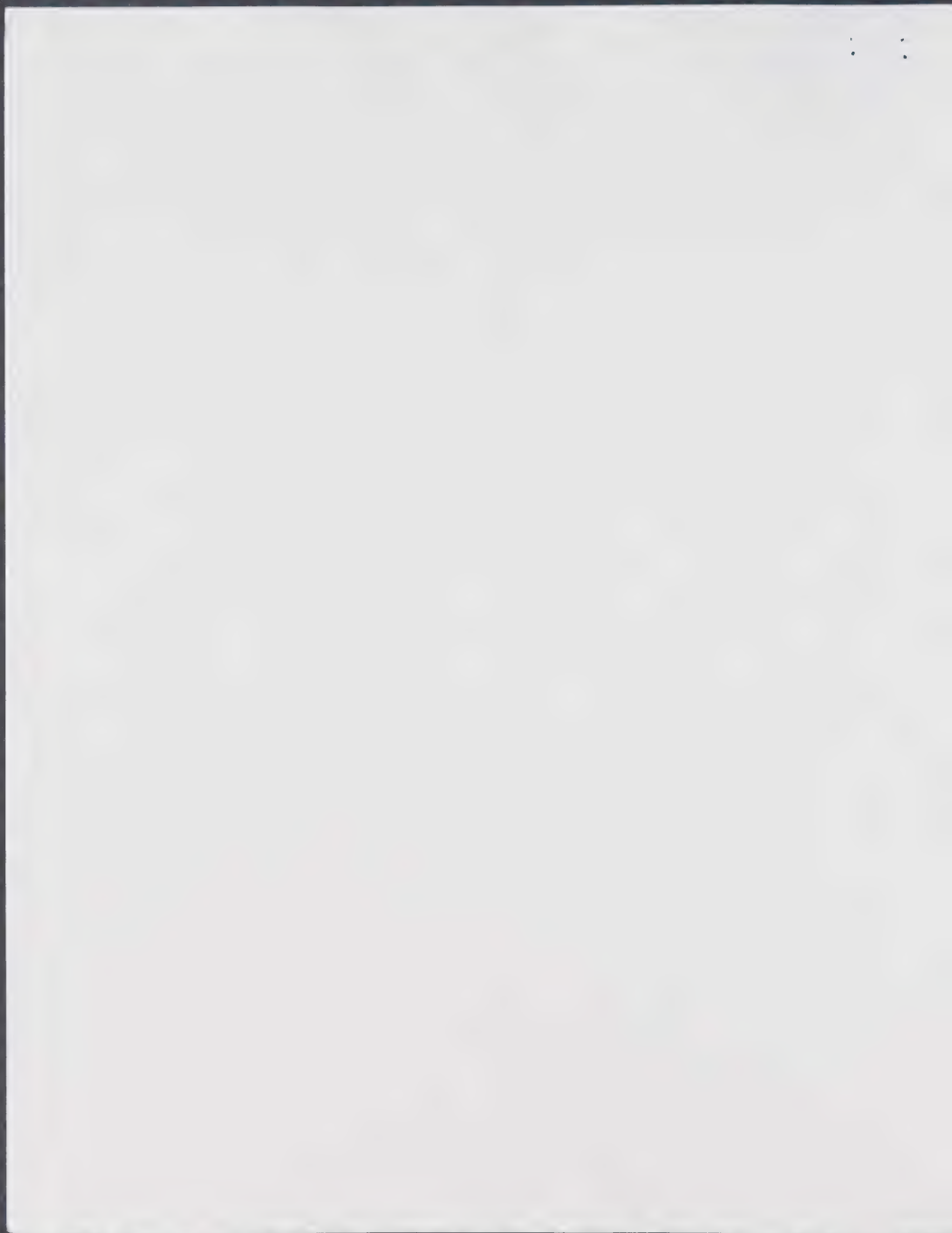
(3) The Tenant's covenants include:-

- (a) Paying all outgoings and contributing to the repair of conduits, walls, roads and other things used in common.
- (b) Repairing the premises, keeping the car parking areas well drained and adequately surfaced and redecorating externally every fourth year and in the last year and internally once during the term and in its last three months.
- (c) Not to make any alterations or additions without the Landlord's consent, except for erection or construction of any equipment or structure for use in connection with the Tenant's use of the premises.
- (d) That use only to be the housing, operation, maintenance and development of a Satellite Laser Ranger and associated scientific equipment including making observations to artificial earth satellites in orbit and to the Targets.
- (e) Not to assign part only of the premises and not without the Landlord's consent (such consent not to be unreasonably withheld) to assign or charge the whole of the premises; and not to underlet the whole or part only of the premises without that consent (such consent not to be unreasonably withheld).

(4) The Landlords covenants include:-

- (a) to maintain and repair those roads, footpaths and conduits serving the premises;
- (b) to maintain and repair the building or structure to which the Targets are attached;
- (c) not without the prior written consent of the Tenant (such consent not to be unreasonably withheld or delayed) to erect any building or other structures in on or over the land coloured blue on the Lease's plan nor plant or place any objects on it which may obstruct or obscure the view of the Target or any of them from the Premises; and not to move any Target, or alter the building or structure to which it is attached so as to alter the position of the Target, nor to do anything which may obscure any Target or render it invisible from the premises.

We have not been able to discover from the Seller what (if any) Targets in addition to T1 on the Lease's plan may have been agreed. Enquiry should be made of SERC, in view of (4) above.



11.2 Rights claimed by SERC

There are the following matters concerning SERC, which remain unresolved (see Annex 36), and which will need to be clarified with SERC:-

- (1) Rights of Access and Use: When the Estate was sold by SERC, the purchasers, I.R.J. Tegg and H.R.C. Lee agreed by a letter dated 20th October 1988 (see Annex 36) the following rights for SERC, terminable at any time, but by 6 months' notice as to (d) below:-
- (a) access to the West Building from the East Gate along Halley Road and Flamsteed Road;
 - (b) access along Flamsteed Road to use the cricket pitch;
 - (c) to use the Clubhouse gaining access to it from the West Gate;
 - (d) access to the Equatorial Group of Buildings to enable SERC to accommodate scientific equipment and display material; and
 - (e) use of the swimming pool and tennis courts on week days provided that they are maintained by SERC.

The Seller's Solicitors had no record of this letter and a copy was provided by the Treasury Solicitor acting for SERC, who claim the right at (d) above still subsists at the very least as an overriding interest. Overriding interests include the rights of every person in actual occupation of the land or in receipt of the rents and profits. Overriding interests bind subsequent holders of the land, without any protection by registration at HM Land Registry being required, and irrespective of whether or not the holder of the land has notice of them. However, for an overriding interest to bind a purchaser, the person claiming such interest must be in actual occupation and the interest must be proprietary in nature, which means rights of a merely personal nature cannot be overriding interests. On the basis of the information provided to us by the Seller's Solicitors, it appears that the rights granted to the SERC in the 20th October 1988 letter are personal and not proprietary rights.

The Seller's Solicitors letter to the Treasury Solicitor of 5th February 1993 (Annex 36) disputed that any of these rights bind the Seller, and stated that as from the date of that letter no further access would be allowed to the SERC to the Equatorial Group of Buildings or to any other part of the Castle grounds (save as permitted by the Lease of the Satellite Laser Range Building), without the written consent of the Seller. The notice given by the Seller's Solicitors, purported to terminate the rights referred to at (a) to (e) above, but cannot have terminated the rights at (d) above, as it did not give SERC the six months' notice required.

We understand that these matters will be discussed and clarified between you and SERC at a later date.

- (2) Telescopes in the Equatorial Group: There are six domes at the Equatorial Group, each housing an astronomical telescope or equipment. The domes are referred to below as A, B, C, D, E and F clockwise starting with Dome A in the north-west corner of the Group. Dome A contains a 30" telescope set through a wooden floor; Dome B contains a 36" telescope of 1932; Dome C contains a camera telescope; Dome D contains a very ancient telescope mounted on iron girders, which are bolted to concrete plinths at each end; Dome E contains a 13" telescope of 1932 and Dome F contains a 26" telescope.

SERC claim that under the terms of the sale of the Estate to the Seller, this equipment was leased back to the SERC. (See copy letter dated 31st July 1990 at Annex 36). However, on the information provided to us by the Seller's Solicitors, there are strong legal arguments for contending that the telescopes were included in the sale of the Estate to the Seller. We are informed by the Seller's Solicitors that the telescopes were included in the sale particulars for which the SERC had sought offers, although the Sale Contract signed by the SERC did not mention any fixtures and fittings. Even if that omission was held to mean that the telescopes had not been included in the sale from the SERC, they would nevertheless have been sold as part of the Estate, if they had the requisite degree and purpose of annexation to show that they were fixtures (which pass with the land) rather than chattels (which do not). All the telescopes are bolted to concrete plinths (or in Dome D's case, iron girders which are bolted to two plinths) with at least four points per plinth. In theory all the telescopes could be dismantled and the parts extracted from the domes by crane through the domes' machine-operated opening/closing roof apertures but that would require putting the machinery in working order. Recent case law suggests that the relative importance of the degree of annexation has declined and the purpose of annexation is now of greater importance. As the telescopes were originally installed in the Domes for their permanent enhancement as observatories, rather than for the enjoyment of the telescopes themselves, the case for the telescopes being fixtures which are no longer owned by SERC, is a strong one.

We understand that this question is also to be resolved with SERC at a later date.

11.3 Hoads Hill Farm Cottage

The part of Lot 2 presently occupied by Mr Grew and his wife is shown on the plan attached to the letter of 26th May 1993 at Annex 27.

On the basis of the information provided to us by the Grew's solicitors at Annex 37, Mr and Mrs Grew have the protection of an agricultural tenancy of Hoads Hill Farm Cottage. This means that for as long as Mr Grew and his wife continue to occupy the cottage as his residence, his statutory tenancy will subsist and his landlord will only be able to obtain possession if it has an order from the County Court. The grounds on which a court must order possession are unlikely to apply in this case. Also, it is generally difficult for a landlord to rely on the

discretionary grounds (unless the tenant is in default), although the chances of obtaining possession are enhanced if either the landlord or the local authority offer the worker suitable alternative accommodation. The local authority usually only step in if the property is required for another agricultural worker.

Rent has not been accepted for many years, but has been placed in a bank account so as to be available for the Landlord.

As agricultural tenancies are subject to the provisions of both the Public Health Acts and the Housing Acts, liability for repairing the property falls on the landlord. The Local Authority's powers are considerable in these circumstances and they are able to compel the owner of the property to carry out repairs or to provide it with standard amenities.

11.4 Grazing Licence

The Grazing Licence dated 20th March 1993 (Annex 39) grants rights to graze animals and to mow and remove grass on the parts of the Estate referred to in the Licence from 20 March 1993 to 31 October 1993 at a fee of £3,290. The Seller's Solicitors have not confirmed as we requested that the £3,290 grazing fee will be apportioned on a daily basis from the date of completion (if completion takes place before 1st November 1993) such sum to be deducted from the running costs and Peter Wadman's obligations under this licence have been fully observed.

Section 2(3)(a) of the Agricultural Holdings Act 1986 provides that an agreement made in contemplation of the use of land for grazing or mowing purposes (or both) during some specified period of the year does not confer any security of tenure or other statutory rights on the Licensee. It is essential that any such agreement is for a fixed period of less than 364 days and that use is strictly adhered to. It is permissible to grant a series of grazing agreements to the same person provided that no one agreement guarantees a further period of occupation and that there is at least a day's break (when full vacant possession must be given) between agreements. It appears that the Licence dated 20th March 1993 falls within the ambit of Section 2(3)(a) of the 1986 Act and consequently does not provide the Licensee with any security of tenure beyond its expiry on 31st March 1993.

However, we draw your attention to the fact that an inspection of the Estate last January revealed that sheep were being grazed (perhaps by the Grews) on part of Lot 2 which is not covered by the Licence dated 20th March 1993. We asked the Seller to confirm by what right they did so, but have received no reply.

12. Planning and other Statutory Requirements

12.1 At Annex 50 are:-

- (1) A summary of the existing planning permissions and listed building consents in respect of the Estate and copies of them, including two listed buildings consents granted in respect of your proposed Works to parts of the Estate (numbered 20 and 21 on the summary), and

- (2) a list of the further applications for your proposed changes of use and works, eight of which will be granted when an Agreement made pursuant to S. 106 of the Town and Country Planning Act 1990 which is being negotiated with Wealden District Council at present, has been exchanged. It is proposed that it will be exchanged when the Scheduled Monument Consent has been granted.

12.2 Parts of the Estate are subject to the following:-

- (1) Tree Preservation Order (Herstmonceux) No. 2, 1991 and registered on the 24th January 1991 (Annex 51).
- (2) Notice served pursuant to Section 6 of the Ancient Monuments Act 1931 relating to Herstmonceux Castle, Herstmonceux (County Monument 154) and registered on the 26th June 1990. We have been unable to obtain a copy of the relevant Scheduling Notice as it is not the policy of the relevant authority to promise copies of such notices. A map depicting the scheduled area outlined in black and highlighted in red; the relevant extract from the County List; the English Heritage guide for owners and occupiers of scheduled monuments; and the list of buildings description are attached at Annex 52.

English Heritage say that the extent of the protection at this site may be reviewed in the near future as part of a wider review of scheduled monuments through the Monuments Protection Programme.

- (3) Notice of Site of Special Scientific Interest relating to Herstmonceux Park and registered on the 20th February 1986 and Notice of Site of Special Scientific Interest relating to Pevesney Levels and registered on the 13th September 1989. With regard to the SSSI, for Herstmonceux Park, a copy of the notification made under Section 28(1)(B) of the Wildlife and Countryside Act 1981 (as amended) is attached at Annex 54. Also attached at Annex 54 is a letter from the National Conservancy Council (NCC) dated 12th February 1986 stating that a specific area has been withdrawn from this SSSI. With regard to the SSSI for Pevesney Levels, a copy of the letter dated 29th November 1990 from the NCC to the WDC; a description of the site; boundary map and list of operations appearing to the NCC to be likely to damage the special interest of the site are attached at Annex 54.
- (4) Notice of Listed Building Charges under Section 54(B) of the Town and Country Planning Act 1971 relating to Herstmonceux Castle, with attached bridges to north and south and causeway with retaining walls to west, Herstmonceux Park (Grade I GV ref. 13/406) and Walled Garden to north of Herstmonceux Castle, Herstmonceux (Grade II GV ref. 13/660) and registered on the 3rd October 1989 and the 4th October 1989 respectively. Copies of correspondence between the Department of the Environment and the WDC concerning both of the above charges are attached at Annex 53.
- (5) The Property is within a site of archaeological interest.

- 12.3 The Seller has not agreed to our request that it remedy the defects in the fire precaution equipment at the Castle outlined in a letter dated 17th March 1993 from Tunbridge Wells Fire Protection Limited (Annex 57).
- 12.4 The Seller has not provided information we requested concerning capital allowances.

13. Employees

When the purchase of the Property is completed, the University or the Charity will, pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 1981, take over the Contracts of Employment of the eight employees presently employed by the Seller at the Property, who will continue to be employed on the same terms and conditions as previously. Any changes to these terms and conditions can only be made by agreement. The employees' continuity of employment will also be preserved and the effect of this is that they will retain such rights as they have already acquired to redundancy payments and not to be unfairly dismissed.

At Annex 60 are copies of the Contracts for the eight employees. All eight employees are employed on similar terms and conditions. They were offered employment for a fixed term of twelve months in April 1989, terminable on one month's notice at any time during that term. The other terms relating to their employment such as salary, hours of work, and holiday are set out in the letters dated 4th April 1989 (Annex 60). The employees were sent letters dated 21st June 1990 renewing these appointments for a further twelve months. It is not clear what the position has been since 1991, but in the absence of any further agreement the terms relating to remuneration, hours of work and so on, will have remained the same. The employees will not continue to be employed on fixed term contracts save by an express agreement, failing which their employment will be terminable on notice. The period of notice to be given will be one week for each year of service up to a maximum of twelve weeks.

The letters of April 1989 purport to exclude any rights the employees may have to unfair dismissal or redundancy payments. Such exclusions are only effective in fixed term contracts, and in any event will not be taken to have continued on renewal of the contracts without an express reference. Also, the exclusion of the right to claim unfair dismissal only operates on expiry of the fixed term and will not be effective should the employees' employment terminate on notice or otherwise during the term. The exclusion of entitlement to a redundancy payment is not effective as such exclusions can only be included in fixed term contracts of two years or more.

It appears that one of the employees, Mr Reane, took over a job from Mr Butchers. Rather strangely, Mr Reane seems to have been assumed to have taken over Mr Butchers' contract as well. Although this is a rather unorthodox way of dealing with the matter, it can be assumed that Mr Reane is employed on the same terms as the others, save that it may be difficult to show that he has expressly agreed to the exclusion of his rights to claim unfair dismissal.

So far as the future is concerned, as the contracts transfer to the University or the Charity, there is no need to issue new ones. However, the University or the Charity should confirm to the employees that it has taken over their contracts, and may wish to take the opportunity to confirm their current terms and conditions.

Under the Contract for your purchase, the Seller will agree to pay or reimburse all wages, employee's NIC contributions and accrued holiday pay of the employees up to completion of the purchase.

14. Chattels

- 14.1 A list of loose chattel to be sold with the Property is attached at Annex 58.
- 14.2 The Seller's solicitors have informed us that it is not clear which, if any, of them are owned by the Seller and therefore no warranty will be given.

Nor can they say what hire purchase or leasing agreements are in existence, though the Receiver's office had not been made aware of any hire purchase or leasing agreements and that no creditors had claimed retention of stock.

- 14.3 The Seller has also provided us with copies of what they understand to be the registration documents for the tractor and the Land Rover (Annex 59). The Seller is registered as the keeper of the former, but SERC as keeper of the latter. Both registrations should be transferred to the University or the Charity on completion of the purchase.

Dated 12th August 1993

.....
(Partner)

ref: P2/MDS

G. Taylor
G. B. Hutchings
W. G. Vickers
M. P. Ansell
A. Pugh-Thomas
D. F. Cole
H. N. Horsfield
G. R. Bland
R. N. K. Gould
M. R. Macmillan
P. R. Phillips
M. D. Sharnland
C. J. Hancock
T. F. M. Owen
D. S. Baker
A. J. White
J. B. Gordon
M. P. Wright
W. J. R. Ward
P. G. Horrocks
R. A. Strachan
A. D. Millar
T. A. R. Curran

N. S. J. Gerrard
D. Macfarlane
S. W. Hebb
M. J. Reynolds
M. F. Skene
N. F. Pearce
M. D. F. Hill
C. L. Pinn
I. G. Trotter
C. V. S. Manduca
C. B. B. Brown
N. J. Sully
D. Skelton
A. S. Gordon
L. A. MacDonagh
N. D. Campbell
P. P. O'Shea
J. E. Powell
J. Cooper
S. M. P. MacDonagh
N. R. Macfarlane
G. J. McDowell
R. H. Nishevans
A. J. A. Pearson
J. E. Piersant

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P. P. Sherrington
J. K. Smith
D. A. Cox
A. C. R. Davis
R. Gannon
D. A. Harper
D. A. Harris
D. L. Kelly
A. G. Murray-Jones
J. S. Raper
M. A. Stanger
S. C. Virdi
R. T. Whitehouse
H. J. H. Woodson
Q. D. R. Archer
S. L. Burns
P. A. O'Mahon
C. A. Penningar
R. A. Shaw
R. J. L. Stone
G. Witham
J. T. Young
L. M. Aspinwall

C. M. Atkinson
A. M. Dendale-Gill
P. J. Fisher
M. Galbraith
P. P. A. Gannon
M. S. Gauding
D. J. Hearn
R. H. R. McKean
J. J. Miles
H. Klose
N. M. G. Brundfield
D. A. Gregory
G. N. C. Lymington
M. S. Matheson
N. P. O'Brien
P. L. Taylor
J. H. Rogers
D. S. Christie
M. Compagnone
M. J. Goss
R. P. Hall
D. Lane
M. McCaw
C. S. J. Tenney
R. S. Reston

Your ref

Your ref

HERSTMONCEUX CASTLE ESTATE, EAST SUSSEX, ENGLAND

Summary of Proposed Legal Documents

for

Purchase and Options to Purchase

Background

1.1 In December 1992 the University contracted ("the 1992 Contract") with Guinness Mahon & Co Limited ("GM"), subject to obtaining all the necessary planning permissions lawfully to use the property for its educational purposes, to buy Lots 1, 4, 6 and 7 of the Estate ("Property") for £3,800,000, and take the following options on the rest of it ("Retained Land"):-

- (1) a two year option to buy Lot 2 for £250,000
- (2) a five year option to buy Lot 3 for £200,000 and Lot 5 for £150,000.

The University then appointed Lovell White Durrant as their English Solicitors.

1.2 Since then:-

- (1) There have been further negotiations with GM, the Receiver, GM appointed of the freeholder of the Estate, James Developments (Herstmonceux) Limited ("Seller"), and the Seller's solicitors amplifying and varying the 1992 Contract, which is to be superseded by the new legal documents referred to at 2 and 3 below.
- (2) On 15th February 1993 the University's Architects, Clive Mercei Associates, applied to Wealden District Council ("Council") for planning permission for the University's proposed use of the whole of the Property and for 9 other planning permissions/limited building consents for the University's proposed uses and work on parts of it. Subsequent variations/additions to those 10 applications have been made.

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Fax: (212) 489 0747

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75008 Paris
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Fax: (212) 489 0747

Avenue Louise 489 Rue 24
1050 Brussels
Tel: (32) 227 2277
Fax: (32) 227 2290

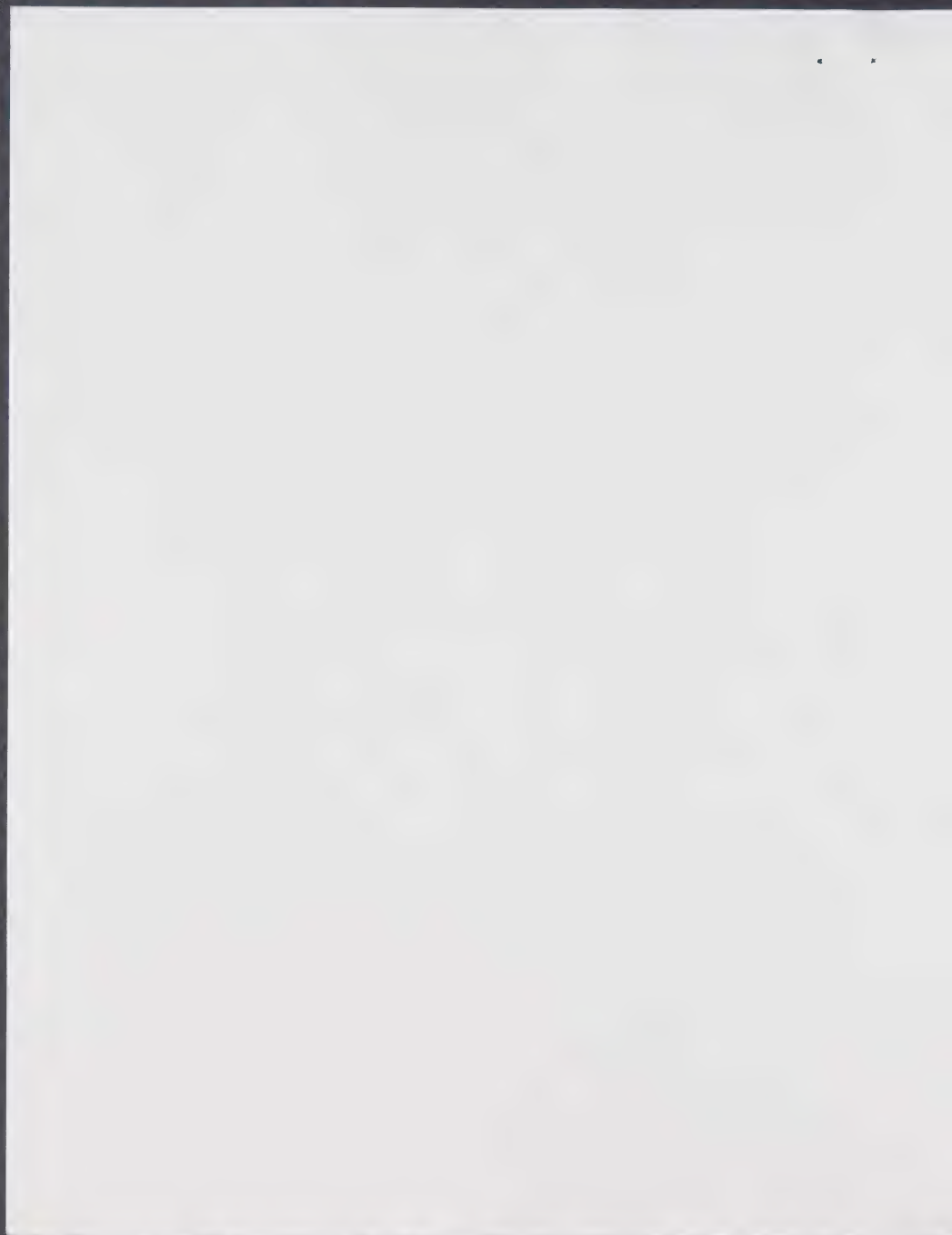
11th Floor, Regency Street
London W1B 4AL
Tel: (44) 20 758 5777
Fax: (44) 20 758 5777

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London W1B 4AL
Tel: (44) 20 758 5777
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The Council's Area Plans (South) Sub-Committee has resolved to grant 2 of those applications, which were granted on 22nd and 23rd July 1993, but only to grant the remaining 8 when there has been completed a S.106 agreement between the Seller, the Receiver, the University and the Council. The draft of that agreement is almost finalised. It will include:

- (a) a woodland and landscape management plan for the whole of the Property and a timetable for its approval by the Council and its implementation, and
- (b) public access arrangements, and
- (c) use of the Works Compound, Club House, Garden Cottage and Garage/Cottages from start of conversion only as residences occupied by academic and administrative staff, students or visitors of the academic institution and not for holiday lets to the public, and
- (d) construction vehicles to use only the East Gate, and temporary directional signs for them at nearby highway junctions, and
- (e) a "non-fragmentation" covenant that the legal ownership of a substantial part of the Property will not be severed, nor a legal interest in only part of it created, without a Deed of Release by the Council, save for the Satellite Laser Ranger Station let to SERC and rights under SERC's Lease.

Those obligations (except perhaps (c) above, which is the only major outstanding point: see 2.1(i) below) will not be binding until the uses and/or works authorised by one of those 8 granted applications are begun following their grant, which is expected to be during August 1993.

- (3) On 15th February 1993 the University's Architects, Stuart Page Architects, applied to the Nations. Heritage Division of the Department of the Environment for scheduled monument consent for the University's proposed works to the Castle. Subsequent variations/additions to that application have been submitted and further ones will be required to meet the Division's requirement for full details of those works.

This consent is also likely to be granted during August 1993.

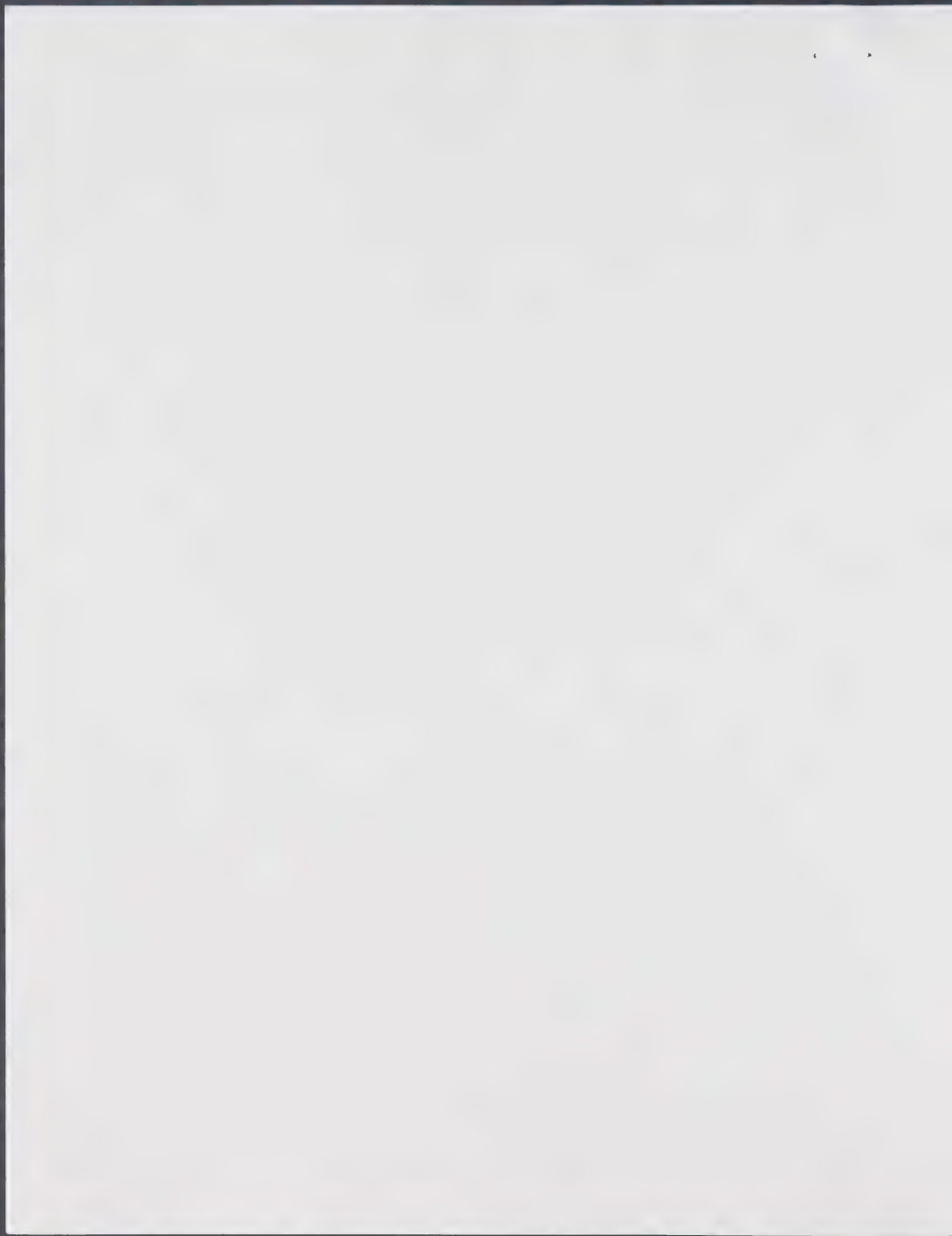
- (4) On 3rd March 1993 the Council considered a proposal, to which the University and the Seller had (through their solicitors) objected, to designate as a conservation area most of the Property and land to the north of it, but decided to defer that proposal to the review of the Council's Local Plan. Public consultation on that review is due to begin later in 1993, and it is likely that the Council will propose that conservation area as part of it.

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- (5) On 13th May 1993 Lovell White Durrant, on behalf of the University, applied to the Charity Commission for approval of the establishment of an English charitable company limited by guarantee ("Charity") to acquire and run the activities of the proposed Queen's University International Study Centre at the Estate. That company was incorporated on 15th July 1993 as "International Study Centre" (though its name may be changed), and is to be registered with the Charity Commission.
- (6) Access for the public began on 28th May 1993 under a Licence of that date between the Seller, the Receiver and the University. Fund-raising events were held on 10th and 11th July 1993 under a Licence of 9th July 1993 between the same parties.
- (7) Science Projects, an English charitable company, have proposed that it should take a Lease from the University of the Equatorial Group on the Property, subject to obtaining the necessary planning permission, for which they have applied, and to the University completing its acquisition of the Property. Lovell White Durrant have submitted a draft Agreement and Lease and await Science Project's response on them, when they have secured that planning permission.
- (8) Lovell White Durrant have advised the University, and taken English Tax Counsel's advice on, the UK tax, stamp duty and Value Added Tax implications of the acquisition of the Property and certain other aspects of this project. XPMG Peat Marwick at Crawley, West Sussex, have also given the University their preliminary advice on those matters. On 4th June, 1993, the University deposited £3,800,000 with Barclays Bank plc and will be subject to UK tax on interest earned pending the transfers to the accounts at 2.2(1) below.
- (9) Lovell White Durrant has provided a separate Report on their examination of the Seller's title to the Estate, enquiries concerning that title, the Seller's Receivership, the chattels to be sold to the University, and the contracts of employment of the 8 employees of the Seller the University proposes to take on. That Report and Lovell White Durrant's reports on the tax and planning aspects of this project should be considered with this Summary.

The New Legal Documents

2. Purchase/Options Agreement: The main provisions of this proposed new contract ("Contract") between the Seller, the Receiver and the University are:-



2.1 Planning Conditions:

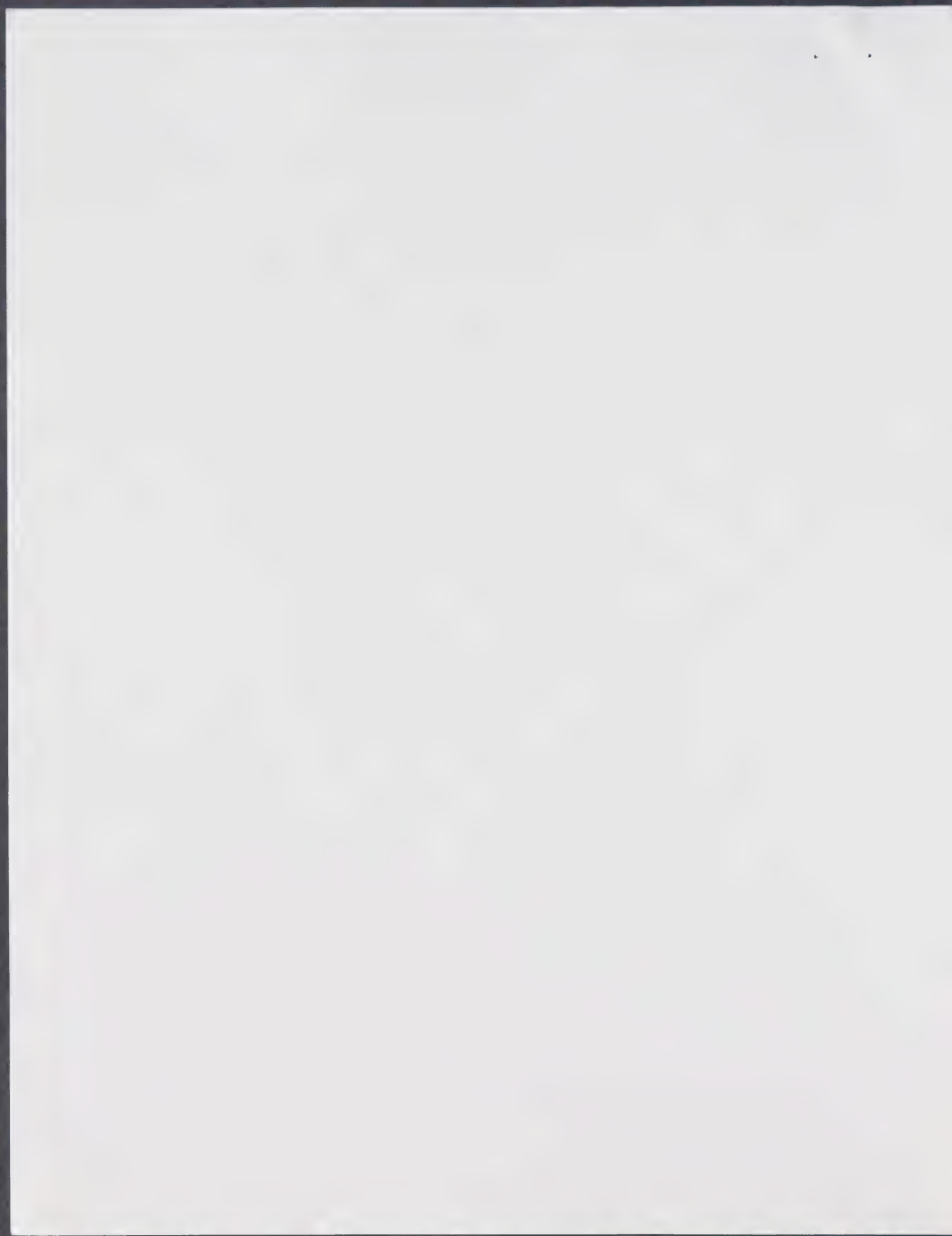
- (1) It is a condition precedent to the sale of the Property that on or before 15th December 1993 the earlier of the following ("the Unconditional Date") has occurred:-
- (a) 3 months and 14 days after all the University's applications referred to at 2.1(2) below have been granted (and are not subject to any conditions which are unsatisfactory: see 2.1(4) below), and any planning agreements required by a relevant authority as a condition precedent to their grant ("Planning Agreements": see, e.g., 1.2(3) above) have been entered into (and are not subject to any unsatisfactory obligations: see 2.1(5) below), no appeals have been made, or any made before the expiry of that period have been finally disposed of, or
 - (b) the University notifies the Seller the sale of the Property is to be completed.

If that condition is not satisfied either the Seller or University can terminate the Contract.

- (2) The University will endeavour to obtain as soon as possible the grant of the 11 applications at 1.2(2) and (3) above (or additional or substituted applications for substantially the same uses and works) which the Seller has first reasonably approved), including any Planning Agreements.
- (3) The University may vary its applications. However, if the variation is not required by the relevant authority and the relevant authority states it will cause a decision to be deferred from one date to a later date and the University does not withdraw it, the period between the two dates will be a "Planning Delay Period" with the consequence at 2.3(2) below.
- (4) The conditions of a grant, will be treated as unsatisfactory, if within 10 working days after the University has received the notices of grant for all the applications, the University notifies the Seller of that the University objects to it on certain limited grounds. Some of those grounds require certificates from the University's Quantity Surveyors or Accountants to accompany the notices of objection, whose agreement to providing them should be obtained.

The University can withdraw any such an objection.

- (5) Planning Agreements must be entered into, unless their obligations are unsatisfactory. They will be treated as being unsatisfactory on certain limited grounds, including:-
- (a) the obligation is binding before the grant of the relevant application and implementation of the use and/or works it authorises, and



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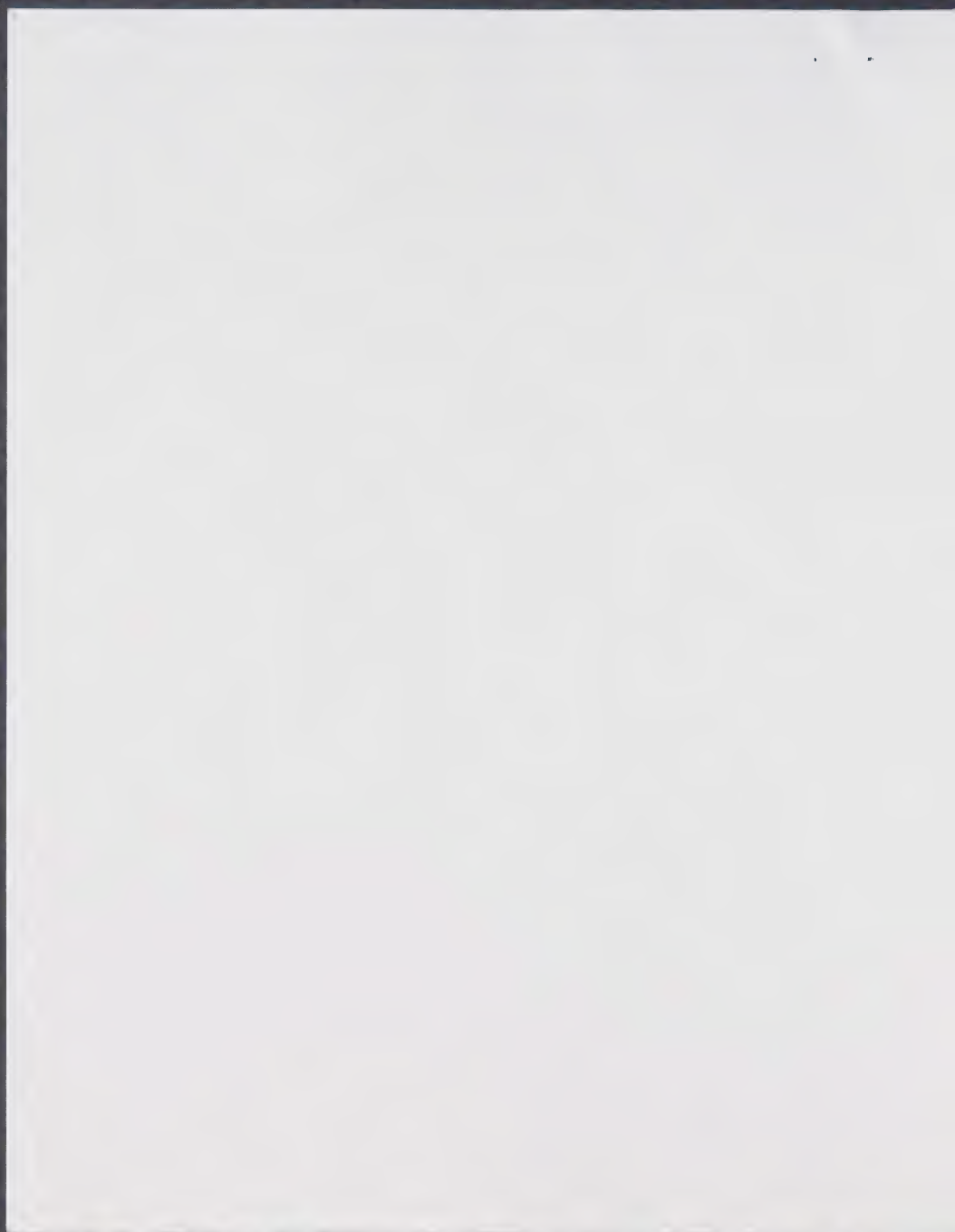
- (b) notification of objection on grounds similar to those in 2.1 (4) above (with a similar right to withdraw objections).

However the Seller need not enter into it, if (a) or (b) applies, or the Planning Agreement relates to land other than the Property, comes into effect before all the applications at 1.2(2) above have been granted or because of earlier public access or works, or obliges the Seller or the Receiver to pay money or do works as principal or as guarantor.

- (6) As to appeals on the failure to grant, or the grant, or the conditions of grant, of any application:-
- (a) the Seller and the Receiver may not make any appeal;
- (b) the University need not make any appeal, but if it does the period of the appeal will be a "Planning Delay Period" with the consequence at 2.3(2) below; and
- (c) if a third party makes an appeal, the University need not defend or oppose it, and may terminate the Contract. If Lovell White Durrant advise there is less than a 50% chance of doing so successfully by 10th December 1993.
- (7) The University will keep the Seller regularly informed on progress of its applications and any appeals, including notifying the Seller's solicitors of meetings with the relevant authorities so the Seller's representatives can attend them, and sending the Seller's solicitors a copy of the applications and their drawings, variations, correspondence and other documents, the initial and final drafts of any Planning Agreement, notices of grant of applications and documentation on any appeals.
- (8) The Seller and the Receiver may not make applications, nor object to the University's applications. The Seller will give such support as the University reasonably request or agree with the University's applications, if that involves minimal cost and time for the Seller.

2.2 The Sale and Chattels Prices:

- (1) On exchange of the Contract the University is to transfer £3,795,000 of the price for the Property (which has been increased from that figure to £3,815,000) and the £5,000 price for certain loose chattels ("Loose Chattels") to the following interest-bearing accounts with Barclays Bank plc at 54 Lombard Street, London, EC2V 9EX ("Bank"):-
- (a) a £500,000 deposit to account number 10112661 in the name of the Seller's solicitors, Allen & Overy, who hold the deposit as stakeholders, and
- (b) the £3,300,000 balance to account number 70566833 in the joint names of the University and the Seller.



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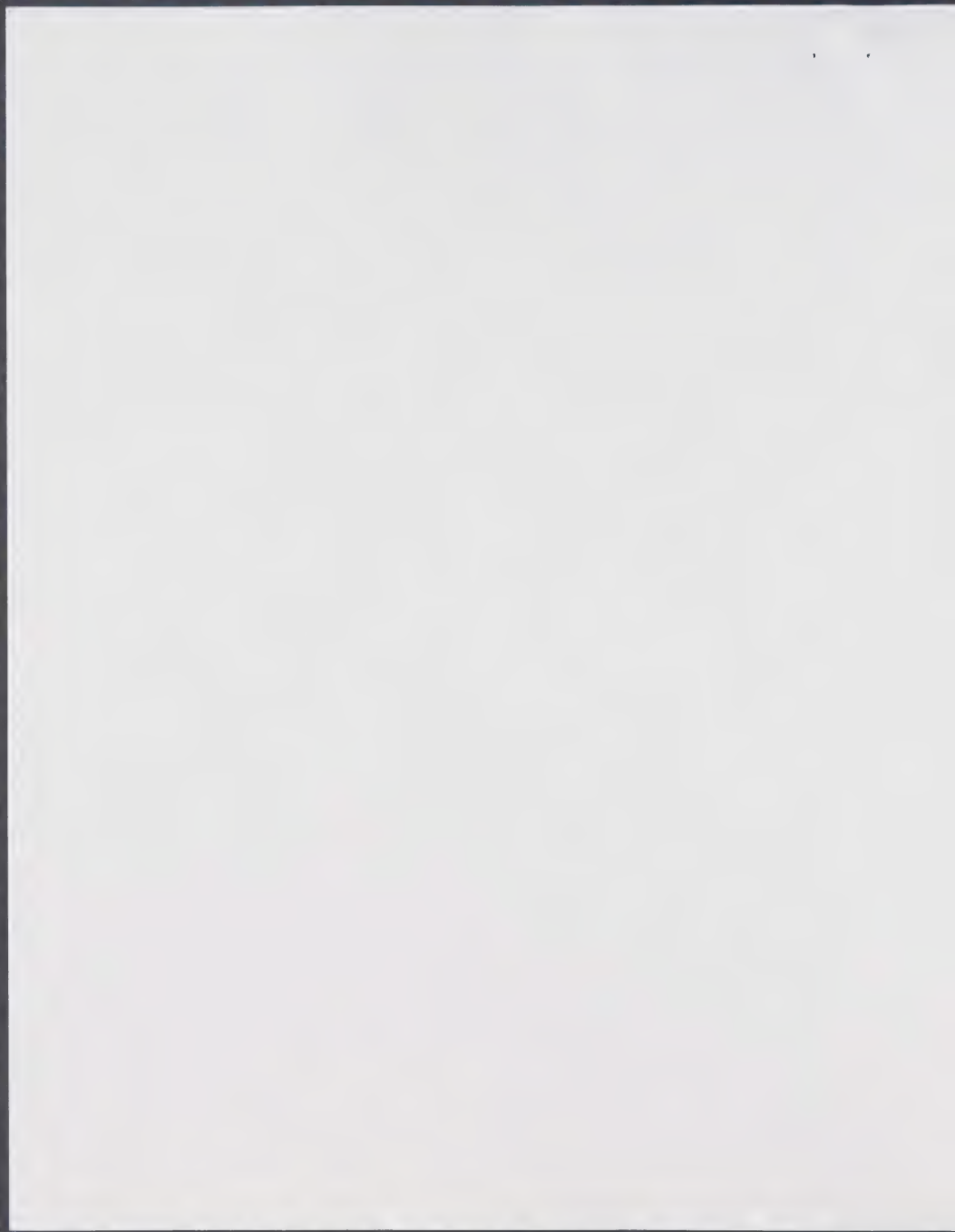
- (2) The Bank pays the interest earned on both those accounts for the period ("Running Costs period") 7th June 1993 to the earlier of the fifth working day after the Unconditional Date or termination of the Contract) directly to the Seller, but otherwise directly to the University, subject to any deductions required by law.

Note: For the period 7th June 1993 to the exchange of the Contract the interest the Seller receives will be the interest earned by the University during that period on the deposit account referred to at 1.2(8) above.

- (3) The periods for deposit of the £500,000 and £3,300,000 in those accounts will be overnight deposit unless otherwise jointly instructed to the Bank by the Buyer and the Seller.
- (4) On completion of the sale of the Property both those accounts are closed and the £500,000 and £3,300,000 are paid by the Bank directly to the Seller.
- (5) If that sale is not completed, on termination of the Contract the Bank pays any outstanding ascertained contributions then due from the University under 2.3 below directly to the Seller out of the £500,000 and the balance of that sum and the whole of the £3,300,000 directly to the University.

2.3 Running Costs:

- (1) For the Running Costs Period (see 2.2(2) above) the University pays the Seller 75% of:-
- (a) Certain items of costs of the Seller in respect of the Property and its Employees, based on an estimate of those costs for each of the months June to December 1993.
- The University makes on account payments on the 15th of the relevant month.
- Those payments are adjusted against the actual costs with a "cap" of 5% increase on the total figure on the estimate for the relevant month.
- (b) Items of the Seller's costs, which are not on the estimate ("Exceptional Running Costs") which the Seller is obliged to pay to satisfy a requirement under statute, or of the insurers, or (subject to the University's approval) otherwise.
- (2) For any part of the Running Costs Period, which is also a Planning Delay Period (see 2.1(3) and (6)(b) above) the University pays 100%, not 75%, of the costs in 2.3(1)(a) above.
- (3) During the Running Costs Period:
- (a) the University continues to pay for the present telephone/facsimile lines to the Castle, the Seller



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contributing £52.75 per month on the 15th of each month to the costs of one of them, and

- (b) the University employs a grass cutter (Trevor Fox at present) June to October 1993, and the Seller contributes £130 per month of that cost.

Note: On exchange of the Contract a statement of the pre-exchange payments under (1) and (3) above will be calculated.

2.4 Insurance:

- (1) The University continues to maintain the buildings and third party liability insurances, which the University arranged on 27th May 1993, in the joint names of the University, the Seller and the Receiver.
- (2) During the Running Costs Period (except any part of it which is a Planning Delay Period) the Seller pays monthly in arrears on the 15th of each month at the daily rate of £36.60.

2.5 Pre-Completion Uses:

- (1) Public Access: The provisions of the Licence of 28th May 1993 referred to at 1.2(6) above are amended, so that the Licence may be assigned to the Charity and, if the Contract is terminated, the Licence also ends.
- (2) The Castle: The University may spare the use of the Castle's first floor Estate Office and adjoining tower room (and other parts of the Castle the Seller reasonably approves, for which a side letter on exchange of the Contract is proposed).
- (3) Pre-works Examinations: The University may examine the Property and its buildings preparatory to, but short of starting, the works described in the University's applications at 2.1 above.

The arrangements at (2) and (3) above are subject to certain obligations of the University, which if breached, entitle the Seller to terminate them. The Licence for public access and/or the arrangements at (1), (2) and (3) above may also be terminated by the Seller, if it reasonably considers that necessary to protect its interest in the Property.

2.6 Transfer of the Property

- (1) The Transfer will be free from the Seller's 2 mortgages in favour of GM and registered entries on the Estate's 2 title numbers which, as mortgagee, GM could sell free from.
- (2) The Transfer will contain certain provisions, including:-
- (a) the preservation of existing rights of drainage, and electricity, water and telecommunications supplies over the Retained Land for the Property, and vice versa;

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- (b) a covenant by the University to observe and perform the obligations of the Seller or the Receiver to third parties under existing documents (including covenants, leases and occupational licences) and any Planning Agreement;
- (c) no covenants on the title to the Property are implied;
- (d) a covenant by the Seller that it has not entered into any contract with any third party (except a Grazing licence) encumbering the Property or the Retained Land, or whereby the Seller is prevented from transferring the Property;
- (e) a covenant that, so long as this is requested with 12 months after the date of the transfer of the Property, the Seller will execute further documents reasonably necessary to vest the title to the Property in the University or the Charity, which must pay their reasonable costs of doing so;
- (f) a covenant by the Seller that no part of the Retained Land will be used for pig farming, clay pigeon shooting, motor sports, or other noisome or noisy activity or pursuit; and
- (g) the Transfer will be subject to all rights, easements, covenants, leases and occupational rights of third parties over or on the Property.

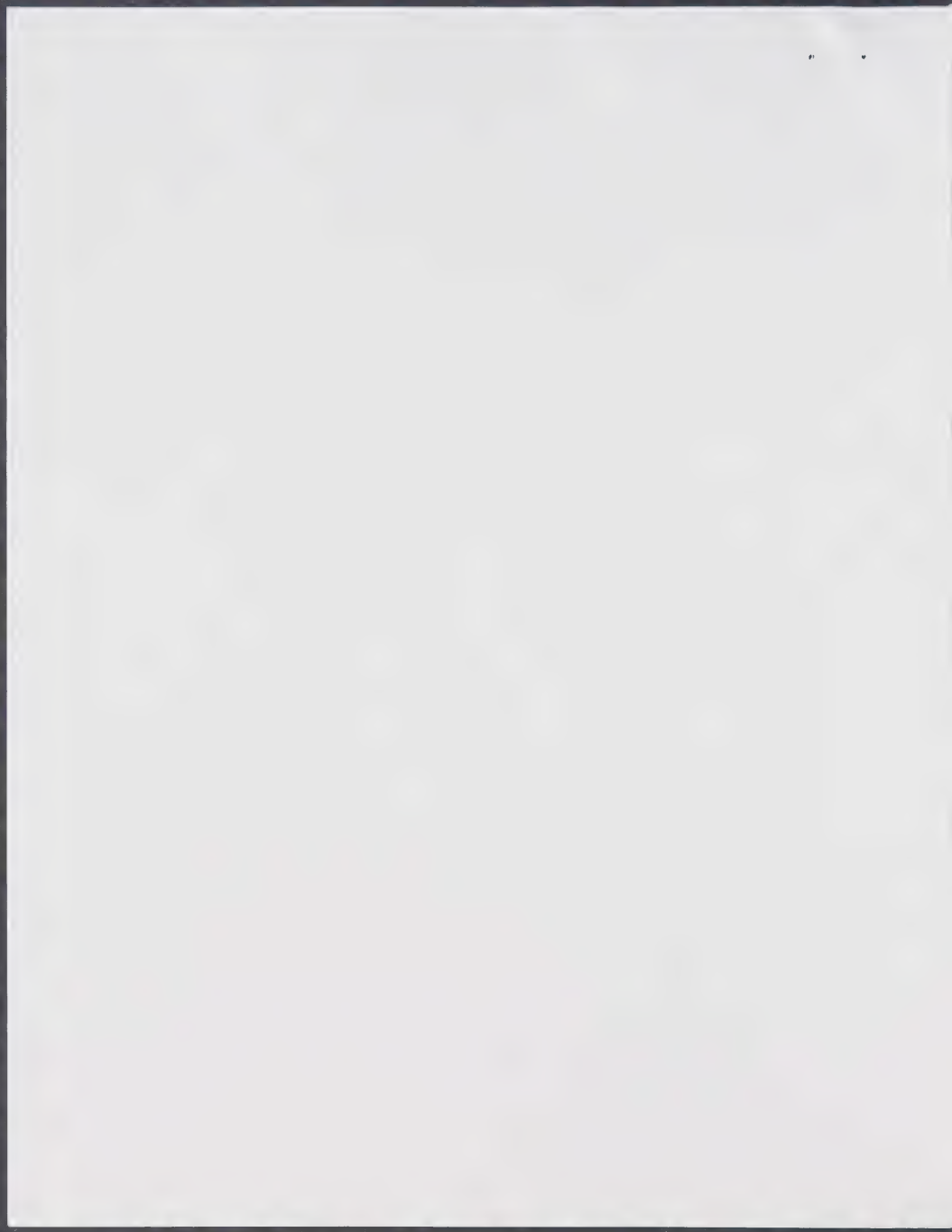
2.7 Chattels and Fixtures

- (1) The Seller and the Receiver do not warrant that the Lease Chattels will be on the Property on completion of its purchase, nor that they, or other chattels or fixtures on the Property such as the astronomical equipment in the Equatorial Group of Buildings, are owned by the Seller.
- (2) Insofar as the University is or becomes aware that the Seller does not own any of them the University must not hold itself out as their owner, but hold them as their true owners' bailee. If the University fails to obtain ownership of them from their true owner, the Seller may produce appropriate evidence and require the University to give them up to the true owners. If that happens the University cannot claim any refund, nor terminate the Contract.
- (3) Nevertheless the University may pass possession or control of any such items to the Charity, or any tenant, so long as the Charity or the tenant first gives certain covenants to the Seller and the Receiver.

2.8 Employees

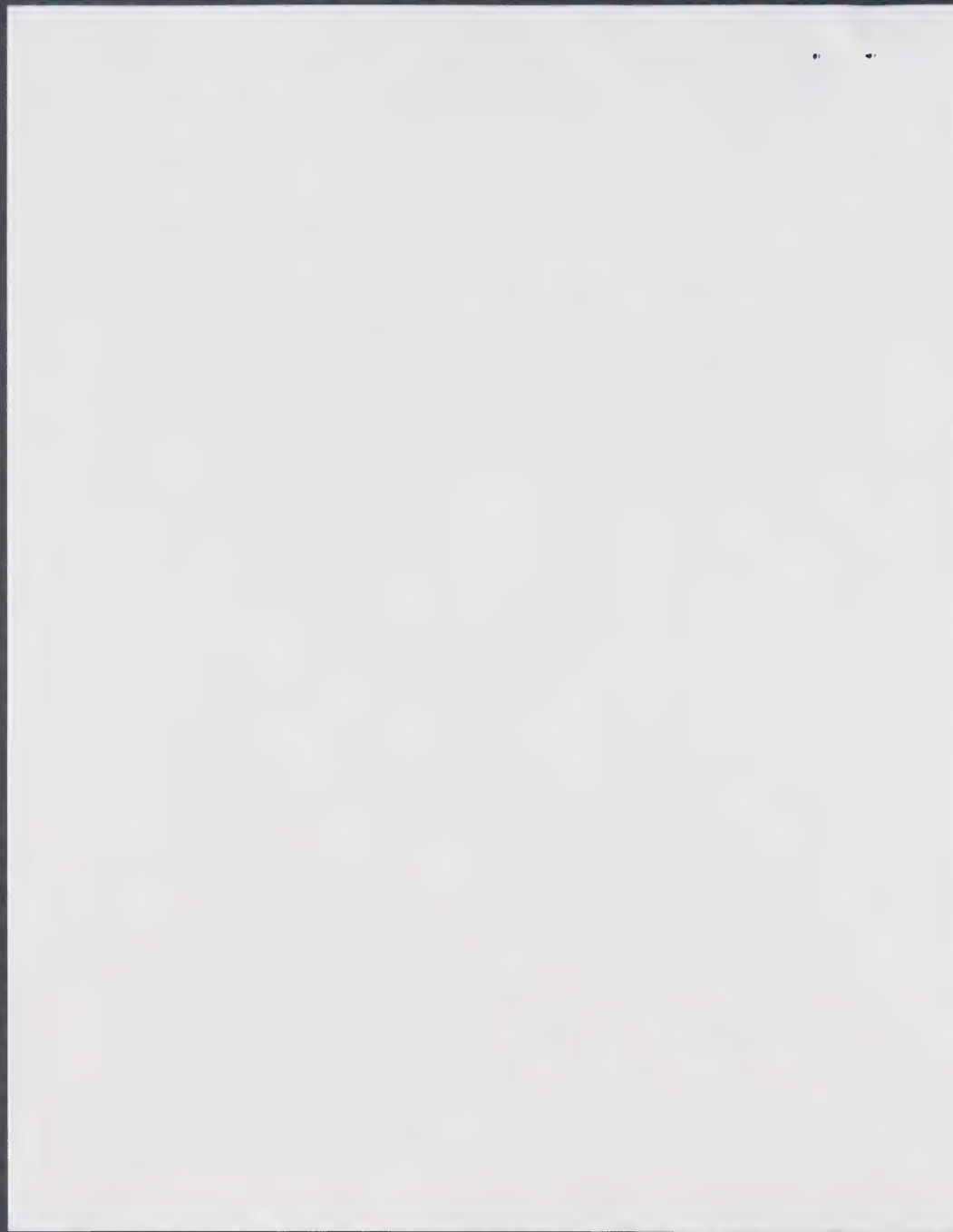
On completion of the sale of the Property the University takes on the Employees employed by the Seller at the Estate (insofar as they are still employed by the Seller) on the same, or no less favorable, terms as their contracts of employment with the Seller, and the Seller's only remaining liability will be to refund the University their wages, employer's National Insurance contributions and accrued holiday pay up to that completion.

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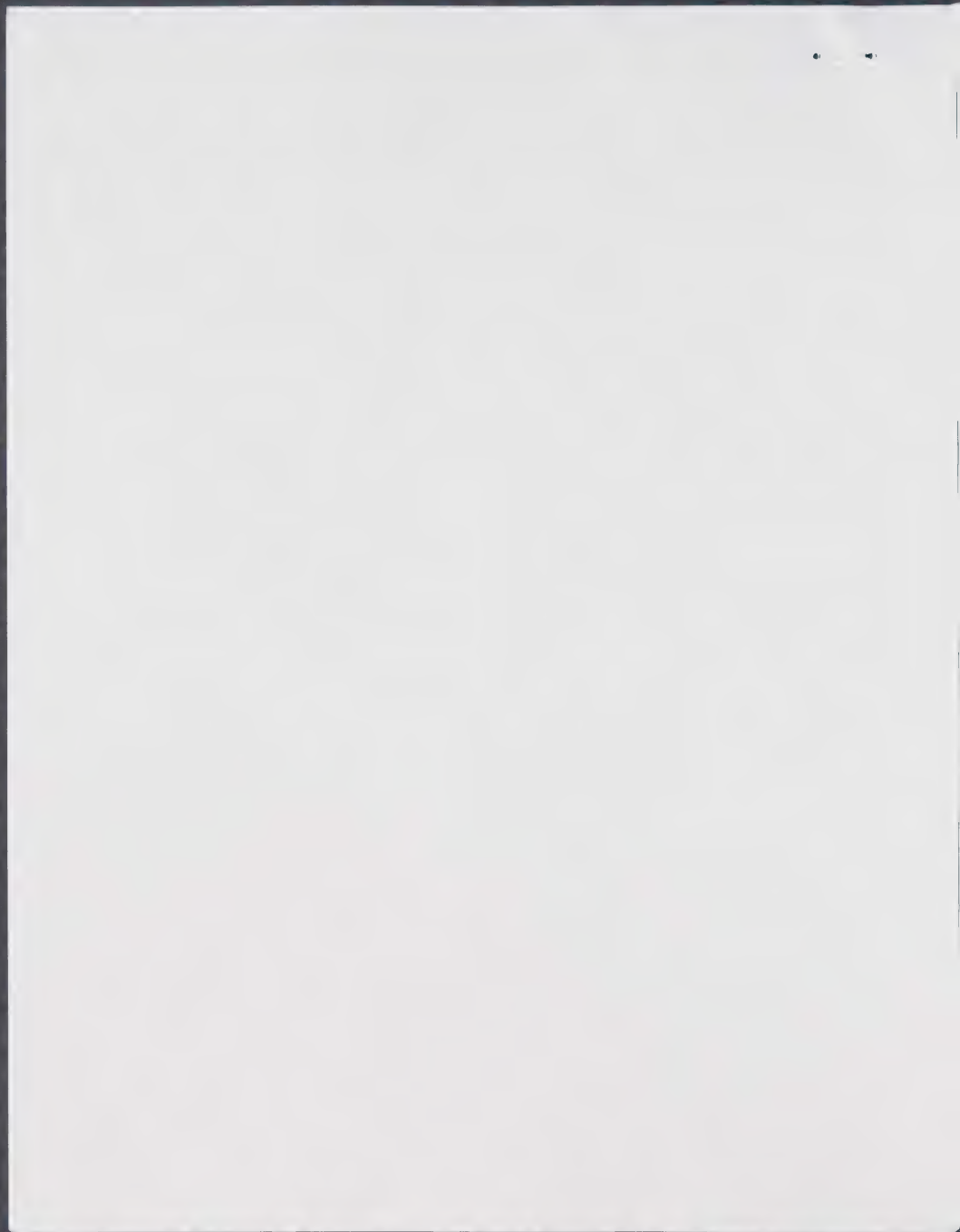
2.9 Options to buy Lots 2, 3 and 5:

- (1) On exchange of the Contract the Seller and the Receiver sign and deliver the University:-
- (a) two copies of a Purchase Document binding the Seller to sell Lot 2 for £250,000, if the person then entitled to exercise the option (see 2.11 below) dates and signs the endorsement on one of those copies notifying exercise of that option and delivers it to the Seller:-
- (i) on or after the date of completion of the sale of the Property, and
- (ii) on or before 15th December 1994.
- (b) Two copies of a Purchase Document binding the Seller to sell Lot 3 for £200,000, if that person dates and signs the endorsement on one of those copies notifying exercise of that option, and delivers it to the Seller:-
- (i) on or after the date of that completion, and
- (ii) on or before 15th December 1997.
- (c) Two copies of a Purchase Document binding the Seller to sell Lot 5 to the University for £150,000, if that person dates and signs the endorsement on one of those copies notifying exercise of that option and delivers to the Seller:-
- (i) on or after the date of that completion, and
- (ii) on or before 15th December 1997.
- (2) Upon exercise of an option the freeholder(s) of the relevant Lot at that time will be bound to complete the sale of the Lot concerned at the relevant price (no deposit being payable) 20 working days later, subject not only to the matters in the Contract affecting that Lot but also to the following, which the Seller may (with the University's prior reasonable approval) have granted:-
- (a) grazing or mowing licences of the parts of the Retained Land covered by the present Grazing Licence of 20th March 1993
- (b) leases of parts of the Retained Land for 5 years or less, which the tenant has no statutory right to renew and which



2.9 Options to buy Lots 2, 3 and 5:

- (1) On exchange of the Contract the Seller and the Receiver sign and deliver the University:-
- (a) two copies of a Purchase Document binding the Seller to sell Lot 2 for £250,000, if the person then entitled to exercise the option (see 2.11 below) dates and signs the endorsement on one of those copies notifying exercise of that option and delivers it to the Seller:-
 - (i) on or after the date of completion of the sale of the Property, and
 - (ii) on or before 15th December 1994.
 - (b) Two copies of a Purchase Document binding the Seller to sell Lot 3 for £200,000, if that person dates and signs the endorsement on one of those copies notifying exercise of that option, and delivers it to the Seller:-
 - (i) on or after the date of that completion, and
 - (ii) on or before 15th December 1997.
 - (c) Two copies of a Purchase Document binding the Seller to sell Lot 5 to the University for £150,000, if that person dates and signs the endorsement on one of those copies notifying exercise of that option and delivers to the Seller:-
 - (i) on or after the date of that completion, and
 - (ii) on or before 15th December 1997.
- (2) Upon exercise of an option the freeholder(s) of the relevant Lot at that time will be bound to complete the sale of the Lot concerned at the relevant price (no deposit being payable) 20 working days later, subject not only to the matters in the Contract affecting that Lot but also to the following, which the Seller may (with the University's prior reasonable approval) have granted:-
- (a) grazing or mowing licences of the parts of the Retained Land covered by the present Grazing Licence of 20th March 1993
 - (b) leases of parts of the Retained Land for 5 years or less, which the tenant has no statutory right to renew and which the landlord can terminate on at least 3 months' notice.
- (3) If before an option is exercised the freehold of the whole of the relevant Lot is transferred, substitute Purchase Documents must be provided on completion of the transfer. The same applies, if the freehold of part of a Lot is transferred.



- 10 -

the relevant option price being apportioned on the basis of the areas of the part transferred and the part retained.

2.10 Warranties and Liability of the Seller and the Receiver:

- (1) The sums due from the Seller in 2.3(1)(a) and (3), 2.4(2) and 2.8 above are to be expenses of the Seller's receivership (i.e. have the first call on monies in the Receiver's hands). Subject to that or otherwise ordered by the Court, no claim against the Seller will entitle the University to be a secured creditor of the Seller.
- (2) Subject to 2.6(1) and (2)(d) and (e) above, the sale is only of such right, title and interest as the Seller may have in the Property and the Loose Chattels on the date of the Contract, and all express or implied warranties are excluded in respect of them.
- (3) The Receiver is merely the Seller's agent and is not to be personally liable.
- (4) All claims against the Seller or the Receiver will be waived, unless notified to the Receiver within 12 months of completion of the sale, and are limited to £3,820,000.

2.11 Assignment by the University

- (1) Until completion of the sale of the Property, the University may only assign its benefits under the Contract to the Charity.
- (2) The benefit of the options at 2.9 above can only be assigned to the Charity or to another freeholder of the whole of the Property.

2.12 Value Added Tax

- (1) The price of £3,815,000 for the Property is inclusive of any VAT payable on its transfer.
- (2) But if (as is very unlikely) that transfer is not a composite VAT supply of the whole Property including also the supply of building or civil engineering work of the University or the Charity which is incomplete or new (i.e. was completed in the previous 3 years), then VAT will be payable on the value of the supply of that work and the part of the Property it is on.
- (3) Irrecoverable VAT may be added to the Running Costs items on the estimate at 2.3(1)(a) above.
- (4) VAT may be payable on the £5,000 price for the Loose Chattels.
- (5) The Seller may waive VAT exemption on the Property or the Retained Land, or may already have done so. If so, or there are

- 11 -

uncompleted or new works (see (2) above), when the transfer is completed:-

- (a) if the transfer is of the Property, (1) above will be unaffected, but the Seller will have to pay some 14.9% of £3,815,000 to the VAT authority;
 - (b) if the transfer is of Lot 2, 3 or 5, VAT will be payable in addition to the Lot's price.
- (6) VAT will be payable on the following supplies by the Seller or the Receiver, if the VAT authority so rules:-
- (a) the pre-completion uses at 2.5 above, or the licence of 9th July 1993 at 1(6) above;
 - (b) the Running Costs and Exceptional Running Costs at 2.3(1) and (2) above;
 - (c) the insurance at 2.4 above.

The Contract does not contain similar provisions on supplies to the Seller or the Receiver, as the University is not registered for VAT, and its VAT-able supplies in aggregate have not reached (and it is estimated will not reach) the amount requiring it to register, prior to the proposed sub-sale to the Charity, which should take place only shortly before the Transfer of the Property is to be completed.

2.13 Confidentiality

The prices for the Property, the Loose Chattels and the University's contributions under 2.3 above must be kept confidential to the Contract's parties, the Charity, Dr Bader and Mrs Bader, and their respective bankers and advisers, until 1st January 1994, except as they may otherwise agree, and as required for noting the Contract at the Land Registry, or under the laws or by the courts of England or Canada or the USA or to enforce the Contract.

2.14 Notices

Notices under the agreement may be given by the Seller's solicitors to Lovell White Durrant, and vice versa.

2.15 Jurisdiction

The Contract is governed by English law and the English courts have non-exclusive jurisdiction to settle disputes.

3. Agreement between GM and the University


On exchange of the Contract a letter of agreement between GM and the University will also be exchanged, whereby:-

- (1) The 1992 Contract (see 1.1 above) is terminated;

- 12 -

- (2) GM enter into obligations similar to those at 2.1(6)(b) and (8) above; and
- (3) GM consent to the Contract being noted at the Land Registry.
- (4) GM agrees not to exercise its powers as mortgagee of the Estate, except in accordance with the Contract.

Dated 13th August 1993


[Partner]
Ref: P2/MDS

CHATTEL ASSETS

AT HERSTMONCEUX

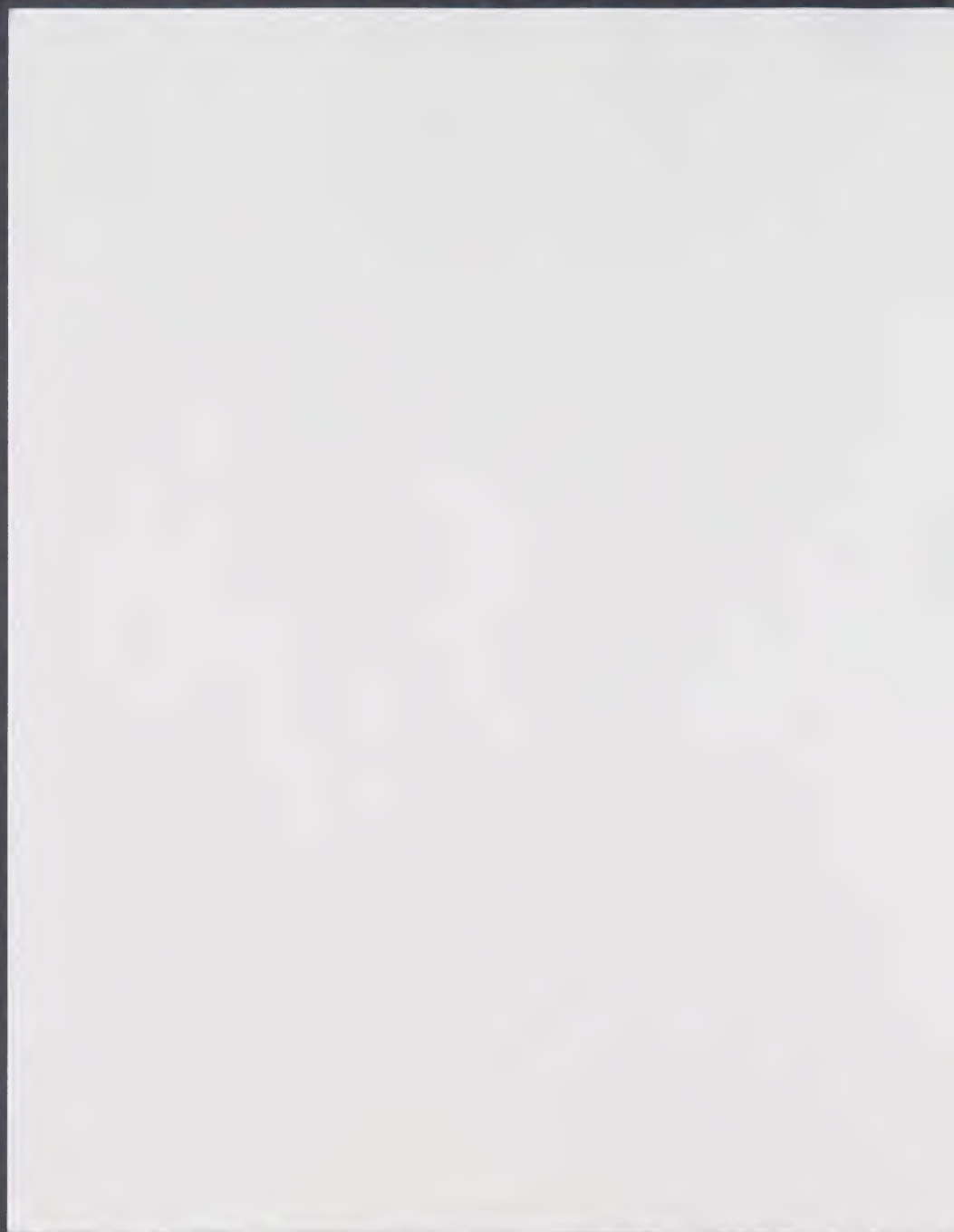
Estate

Land Rover Reg No. CAP 146T
Zetter Tractor Reg. No. PAP 172 M
with trailer and hoist box
Snowplough attachment for above
Ransom triple gangmower for above
Large rotary mower for above
Huskavara chainsaw
Hand held Hedge-cutter
Kawasaki strimmer
Flymo
Ransom 3' cylinder mower
Hayter rotary mower
2 rotivators
Various broken gardening equipment
Sundry gardening tools

Castle

Vacuum cleaner
2 floor polishers
Floor scrubbing machine and dryer
Various fixtures and fittings of castle
(inc. kitchen equipment, furniture etc.)

TOTAL P.00



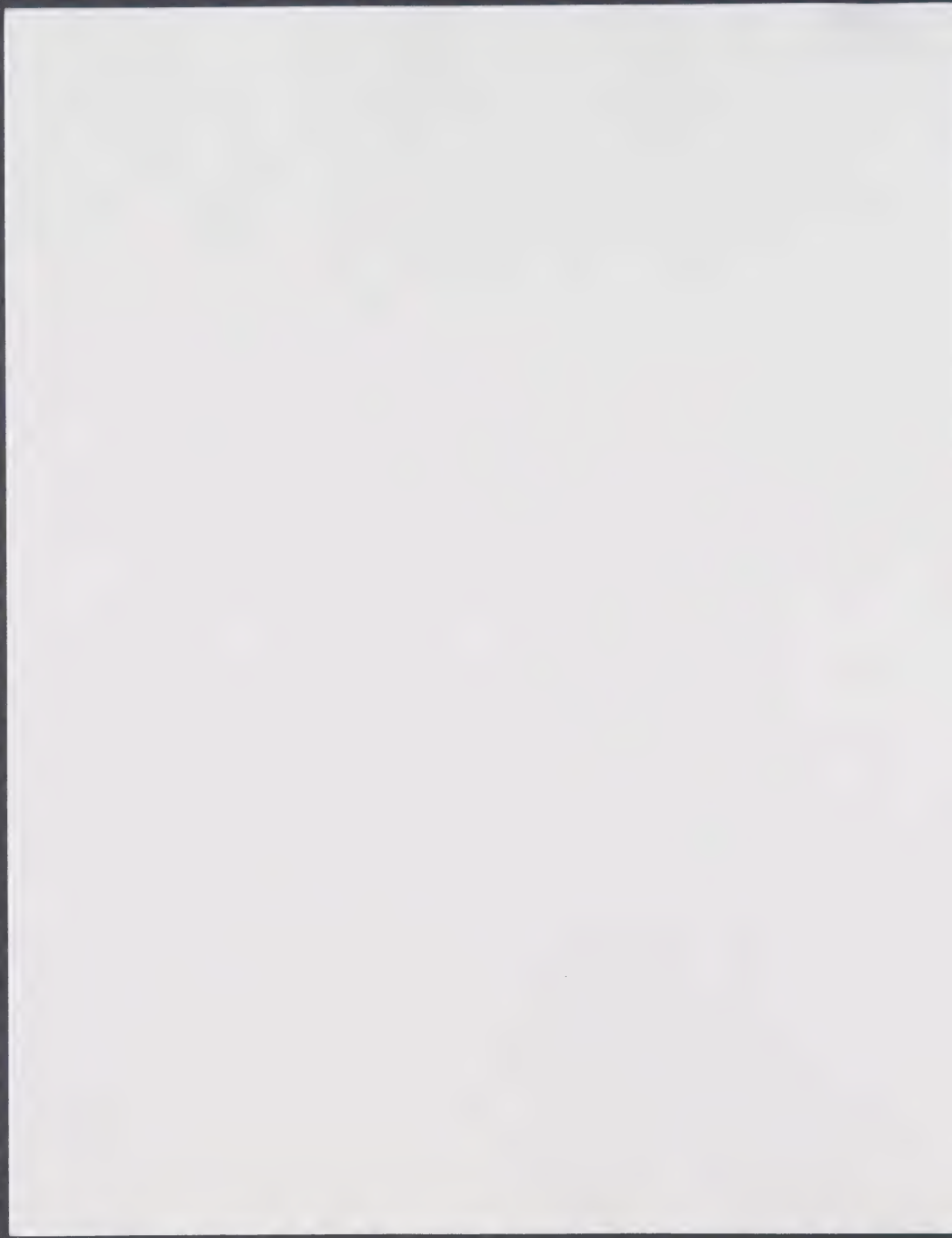
CHATTEL ASSETS
AT HERSTHONCEUX

Kitchen

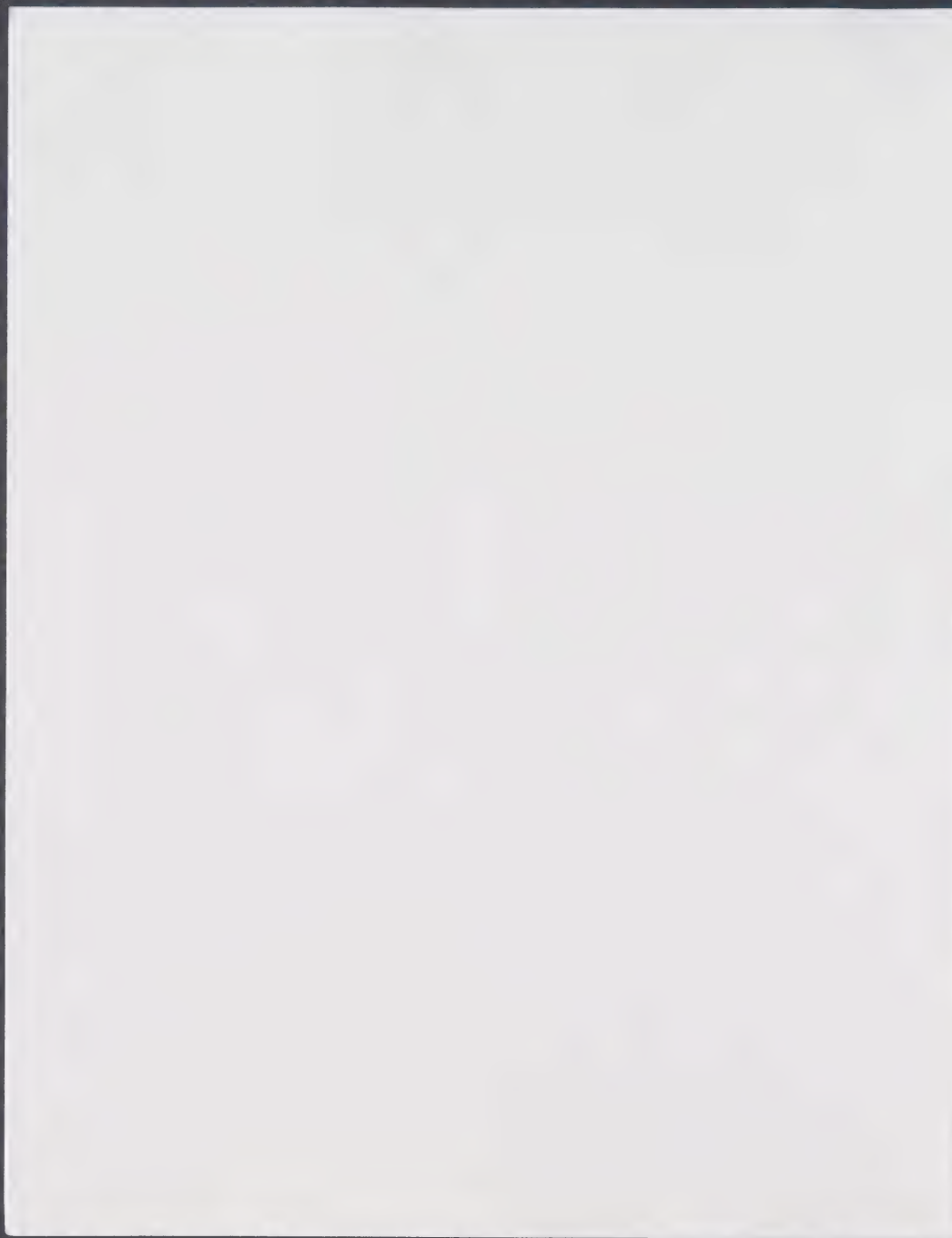
Chill unit
Large freezer
Fridge/freezer
3 Small fridges
Microwave
Electric grill unit
2 Oven units
Auto-fryer
Electric vegetable peeler
Potato chipper
Small stove
Still, constant hot water unit
Bainmarie hot cupboard
3 Double stainless steel sink units
4 Stainless steel portable work units
Very large stainless steel work unit
Hobart washing machine
Various cutlery and kitchen utensils

Castle

42 Tables
80 Golden banquet chairs
14 Odd chairs
Set of 24 wooden chairs
5 Dressing tables
10 Beds
3 Two-seater settees
4 Coffee tables



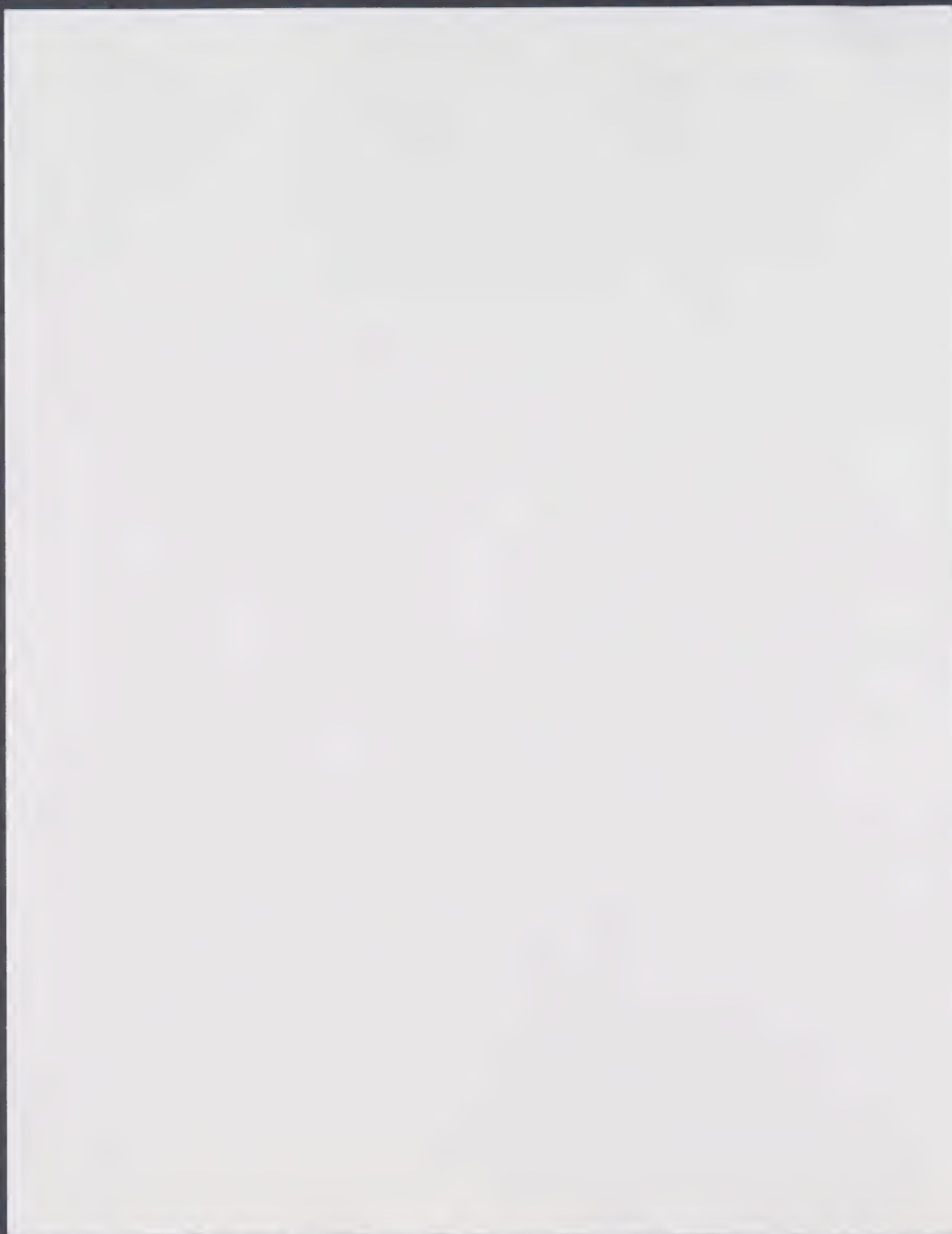
9 Easy chairs
Bookcase
Three-piece suite
6 Desks
Dining table and 4 chairs
Chest
Small bookcase
12 Pictures
4 Wooden screens
Small quantity of bed linen
Assorted lamps (bedside & table)
10 Electric fires
6 Flower pedestals
3 Wrought-iron light units
4 Filing cabinets



JAMES DEVELOPMENTS (HERSTMONCEUX) LIMITED
(IN RECEIVERSHIP)

EMPLOYEES DETAILS

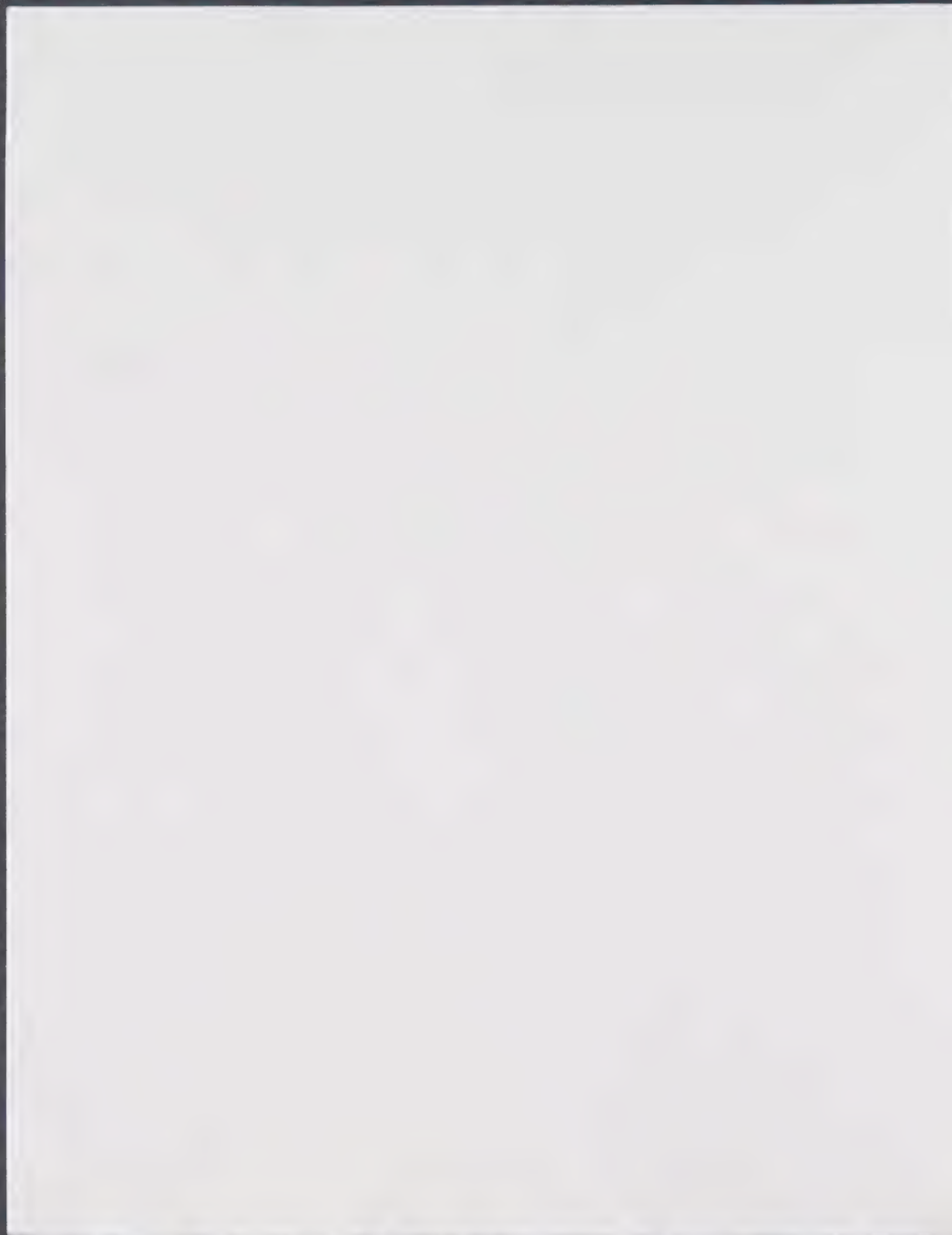
Name	Occupation	£ Salary p.a	Date of birth	Number of Years of service at Herstmonceux Castle
Edgar Borrer	Security	9,910	30/3/33	15
Derek Ellwood	Head Gardener	9,000	16/6/28	19
John Friend	Gardener	8,288	29/12/44	13
Lawrence Haffenden	Security	9,910	15/8/31	17
Colin Holmes	Gardener	8,288	19/8/38	15
Keith Newman	Estate Manager	15,750	16/7/37	17
Margaret Pope	Housekeeper	5,766	20/2/36	21
Raymond Reene	Security	9,910	1/5/47	13
Martin Samuels	Security	9,910	13/7/36	13



Estimate of the Running Costs June - December 1993

	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Wages of Employees (net)	5,107	5,107	5,107	5,107	5,107	5,107	5,107
PAYE/NIC of Employees	0	0	0	0	0	0	22,997
Electricity	1,025	1,025	1,025	1,025	1,025	1,025	1,025
Water Rates	0	1,826	0	0	0	0	0
Maintenance Costs	0	10,000	0	0	0	0	0
Maintenance supervision fee	583	292	292	292	292	292	292
Receiver's fee	0	0	0	0	0	0	20,192
Petty Incidentals	<u>1,515</u>	<u>0</u>	<u>500</u>	<u>0</u>	<u>0</u>	<u>500</u>	<u>0</u>
TOTAL	<u>8,230</u>	<u>18,250</u>	<u>6,924</u>	<u>6,424</u>	<u>6,424</u>	<u>6,924</u>	<u>49,613</u>

MDS/9.6.1993



COVER DETAILS

Insured: Queens University &/or James Developments
(Herstmonceux) Ltd and Maurice Charles Withall
Receiver for their respective rights and interests.

Buildings:

Effective Date: 28th May 1993

Sums Insured:	Main Castle	£25,000,000
	West Building	£8,250,000
	Equatorial Building	£2,500,000
	Balance	£750,000
		<hr/>
		£36,500,000

Cover: Fire, Lightning, Aircraft, Earthquake, Explosion, Riot,
Civil Commotion, Malicious Damage, Storm, Tempest,
Flood, Burst Pipes, Impact, Theft, Accidental Damage and
Subsidence.

Conditions: Subject to £10,000 deductible each and every loss.
Day 1 Inflation Provision 15%

Premium: £48,438.12 annual

TERRORISM Including removal of Terrorism Restricted cover.

Effective Date: 28th May 1993

Premium: £4,745.00

Insurers: Guardian Royal Exchange and Royal Insurance Plc

PUBLIC/PRODUCTS LIABILITY

Effective Date: 28th May 1993

Cover: Legal Liability for Death, Bodily Injury or Disease sustained by Third Parties or damage to Third Party property arising out of the conduct of the business (including Products sold or supplied).

Indemnity: £500,000 any one occurrence and in all in respect of Products.

Conditions: Excluding any Liability arising out of the proposed refurbishment of the property.

Premium: £200 annual

Insurer: Guardian Royal Exchange

Lot 2 Purchase Document

By this document James Developments (Herstmonceux) Limited (registered number 2319184) whose registered office is at Herstmonceux Castle, Herstmonceux, East Sussex BN27 1RP (the "Seller") acting by its receiver Maurice Charles Withall of Grant Thornton House, Melton Street, Euston Square, London NW1 2EP (the "Receiver") irrevocably binds itself to sell the freehold of Lot 2 as defined in Part 1 of Schedule 6 to an agreement ("the Agreement") made on _____, 1993 between the Seller (1) the Receiver (2) and Queen's University at Kingston whose address is at Richardson Hall, Ontario K7L 3N6, Canada (the "Buyer") (3) at the price of £250,000 and otherwise on the terms (which are incorporated in this document) specified in Part 2 and Part 5 of Schedule 6 to the Agreement, provided that the option to buy that freehold granted by paragraph 1 of Part 2 of that Schedule is exercised in accordance with that paragraph.

Dated _____, 1993

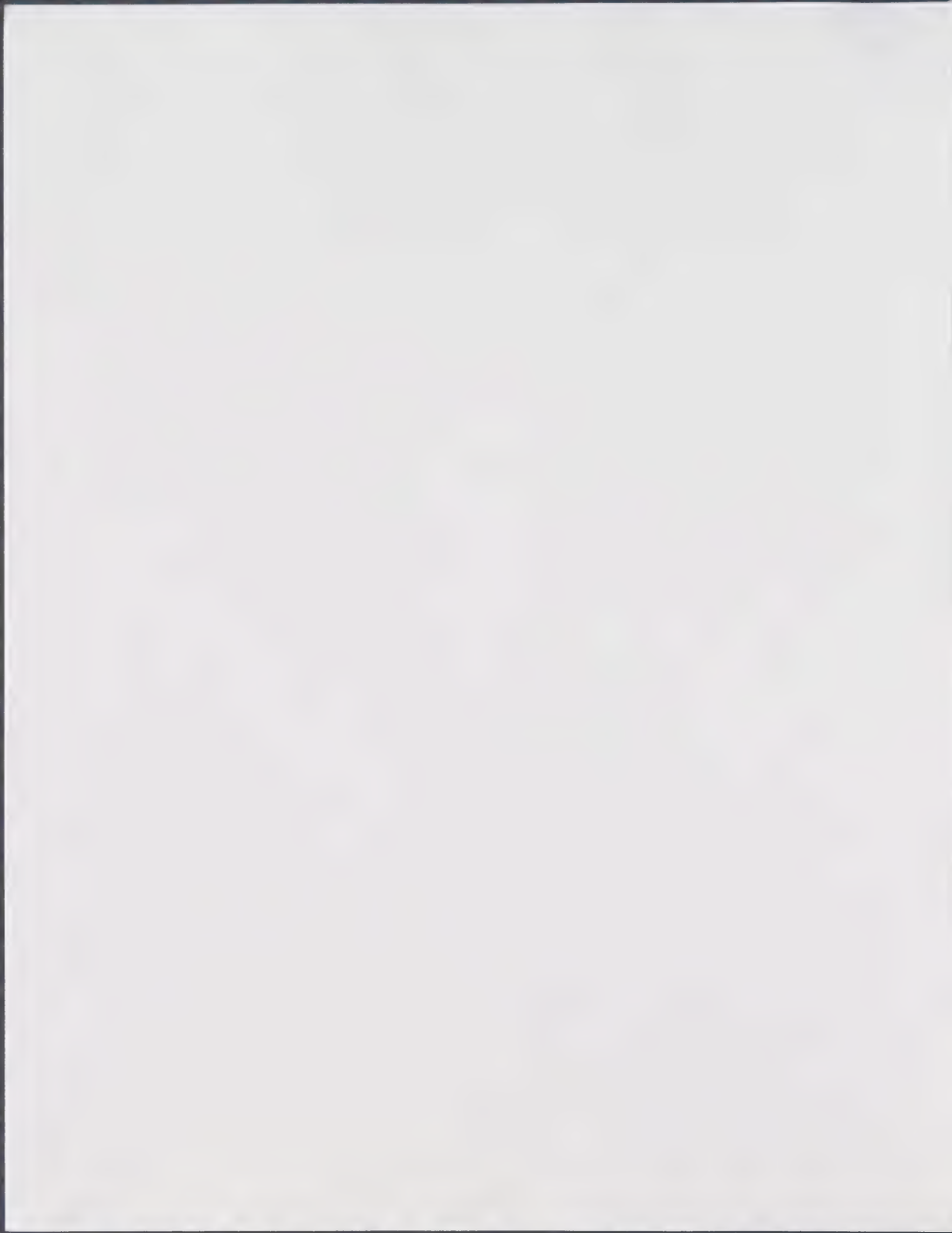
.....
Receiver
for and on behalf of the Seller
as its agent and without
personal liability

.....
Receiver
without personal liability

[_____] whose address is at [_____]
(being the person presently entitled to the benefit of the option referred to above) hereby exercises that option and agrees to buy the freehold of Lot 2 at the price and on the terms set out or referred to above.

Dated _____, 199

.....
Duly authorised for and on behalf of
[_____]



Lot 3 Purchase Document

By this document James Developments (Herstmonceux) Limited (registered number 2319184) whose registered office is at Herstmonceux Castle, Herstmonceux, East Sussex BN27 1RP (the "Seller") acting by its receiver Maurice Charles Withall of Grant Thornton House, Melton Street, Euston Square, London NW1 2EP (the "Receiver") irrevocably binds itself to sell the freehold of Lot 3 as defined in Part 1 of Schedule 6 to an agreement ("the Agreement") made on _____, 1993 between the Seller (1) the Receiver (2) and Queen's University at Kingston whose address is at Richardson Hall, Ontario K7L 3N6, Canada (the "Buyer") (3) at the price of £200,000 and otherwise on the terms (which are incorporated in this document) specified in Part 3 and Part 5 of Schedule 6 to the Agreement, provided that the option to buy that freehold granted by paragraph 1 of Part 3 of that Schedule is exercised in accordance with that paragraph.

Dated _____, 1993

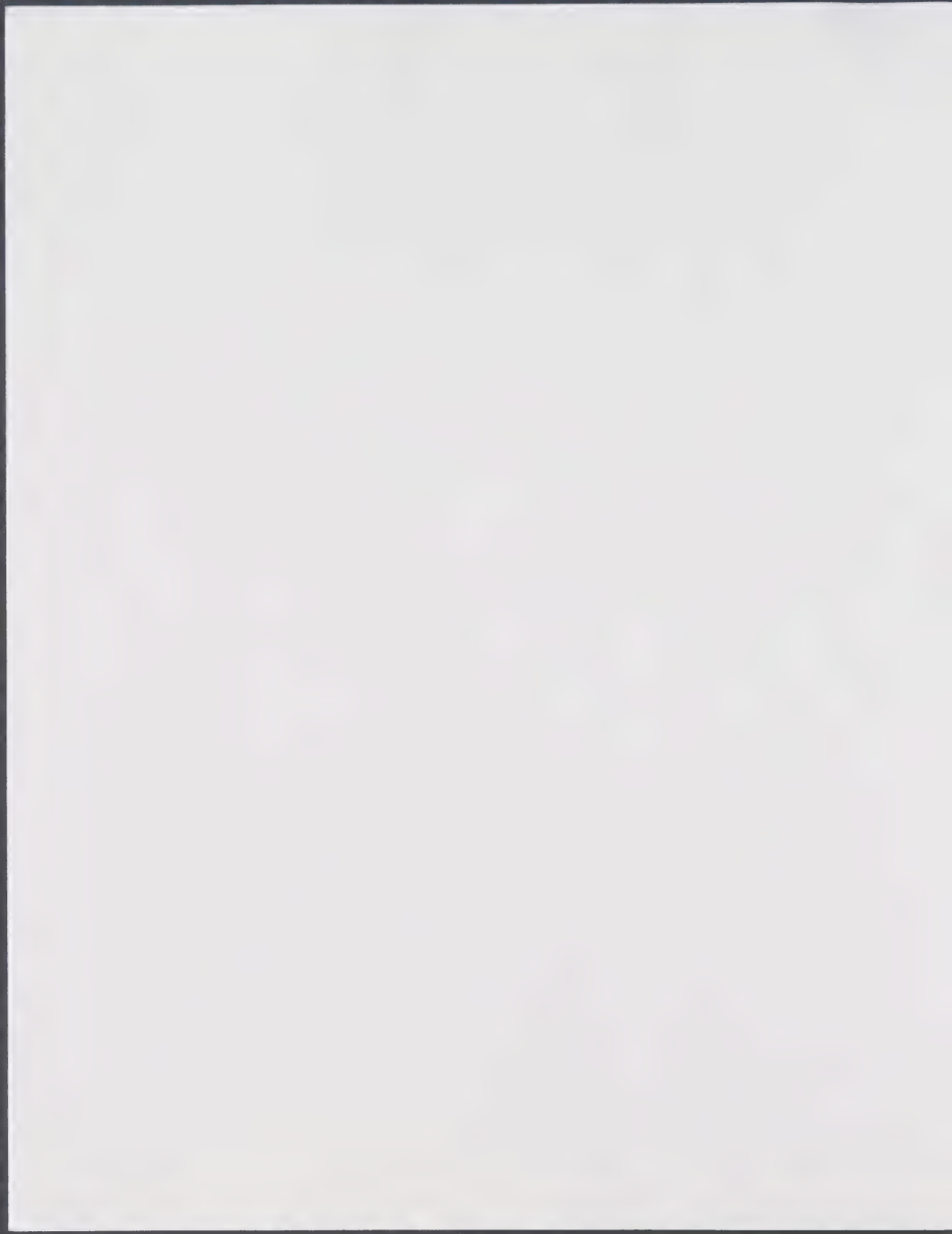
.....
Receiver
for and on behalf of the Seller
as its agent and without
personal liability

.....
Receiver
without personal liability

[_____] whose address is at [_____]
(being the person presently entitled to the benefit of the option referred to above) hereby exercises that option and agrees to buy the freehold of Lot 2 at the price and on the terms set out or referred to above.

Dated _____, 199

.....
Duly authorised for and on behalf of
[_____]



Lot 5 Purchase Document

By this document James Developments (Herstmonceux) Limited (registered number 2319184) whose registered office is at Herstmonceux Castle, Herstmonceux, East Sussex BN27 1RP (the "Seller") acting by its receiver Maurice Charles Withall of Grant Thornton House, Melton Street, Euston Square, London NW1 2EP (the "Receiver") irrevocably binds itself to sell the freehold of Lot 5 as defined in Part 1 of Schedule 6 to an agreement ("the Agreement") made on _____, 1993 between the Seller (1) the Receiver (2) and Queen's University at Kingston whose address is at Richardson Hall, Ontario K7L 3N6, Canada (the "Buyer") (3) at the price of £150,000 and otherwise on the terms (which are incorporated in this document) specified in Part 4 and Part 5 of Schedule 6 to the Agreement, provided that the option to buy that freehold granted by paragraph 1 of Part 4 of that Schedule is exercised in accordance with that paragraph.

Dated _____, 1993

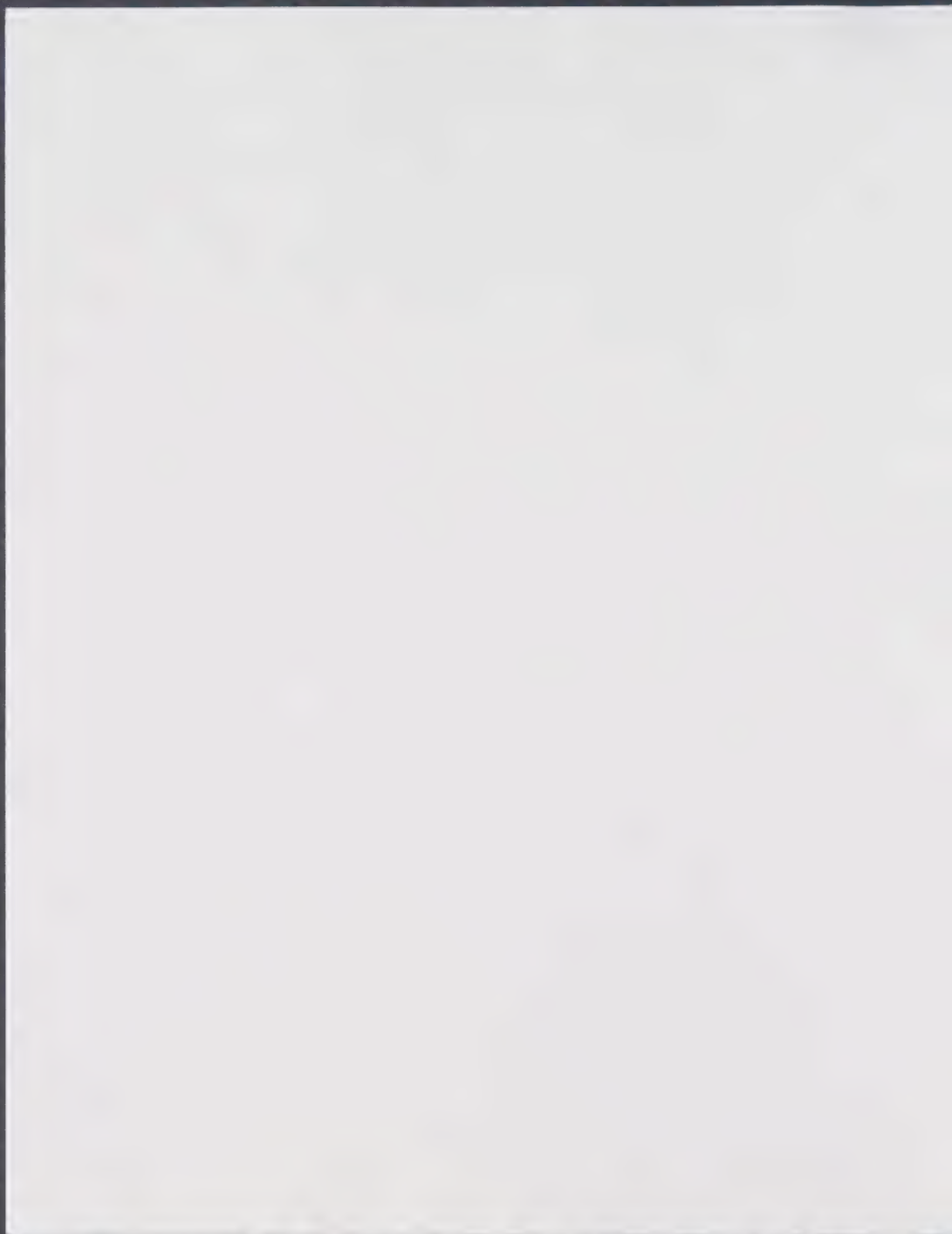
.....
Receiver
for and on behalf of the Seller
as its agent and without
personal liability

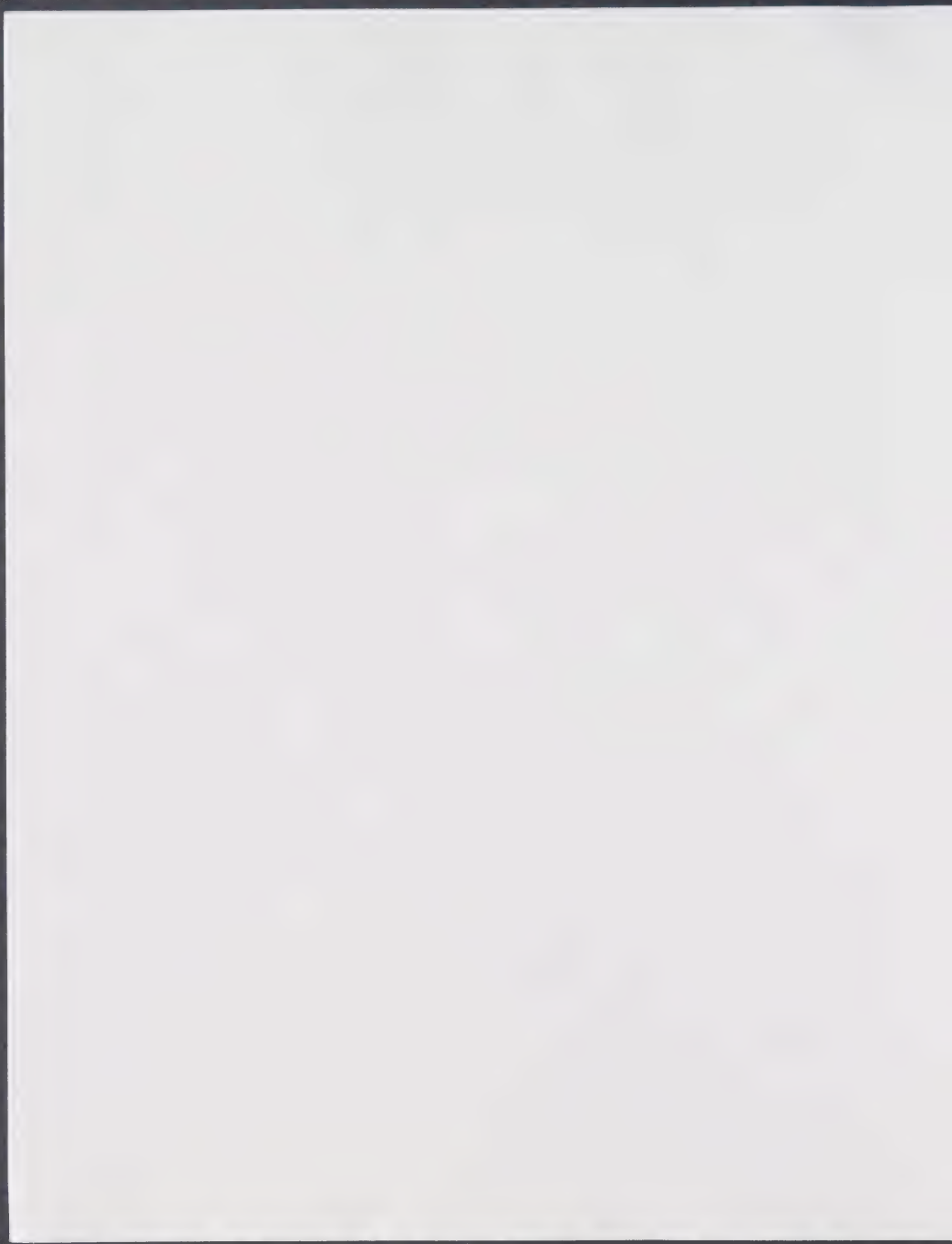
.....
Receiver
without personal liability

[_____] whose address is at [_____]
(being the person presently entitled to the benefit of the option referred to above) hereby exercises that option and agrees to buy the freehold of Lot 2 at the price and on the terms set out or referred to above.

Dated _____, 199

.....
Duly authorised for and on behalf of
[_____]





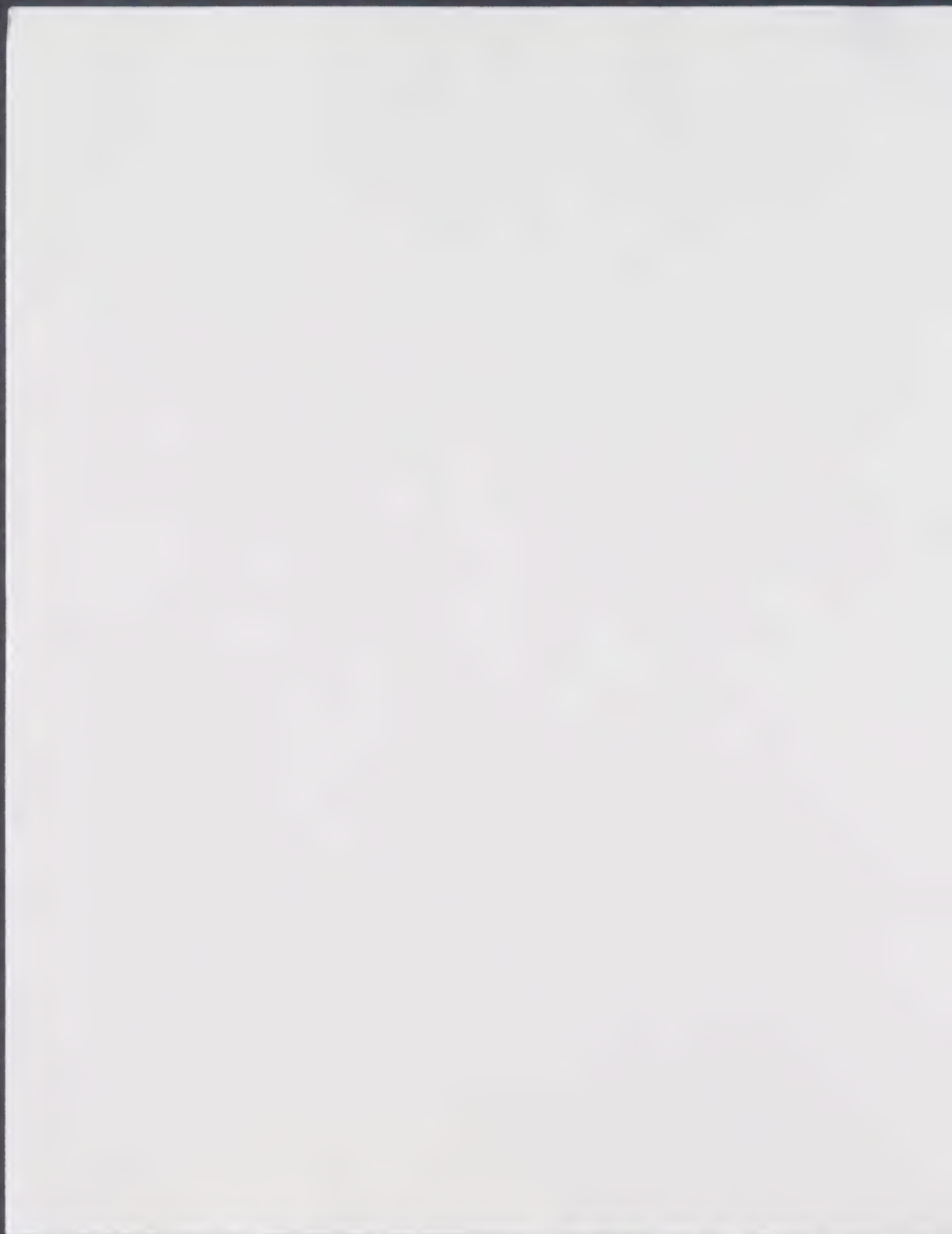
"Transferee of Whole Purchase Document" annexed to the Agreement with such amendments as that person shall before expiry of that notice have reasonably required or approved in writing, or

(c) if the transfer shall be of part of the Land:-

(i) the transferee dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Part Purchase Document" annexed to the Agreement, and

(ii) the transferor dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferor of Part Purchase Document" so annexed,

with such amendments to either or both of such forms as that person shall before completion of the transfer have reasonably required or approved in writing, specifying as the price in paragraph 1 of each of the copies of the former document a sum which is the same proportion of £[250,000/200,000/150,000] as the acreage of the land transferred is of [69.41/139.93/67.53] acres and as the price in paragraph 1 of each of the copies of the latter document the balance of £[250,000/200,000/150,000].



Dated _____, 199

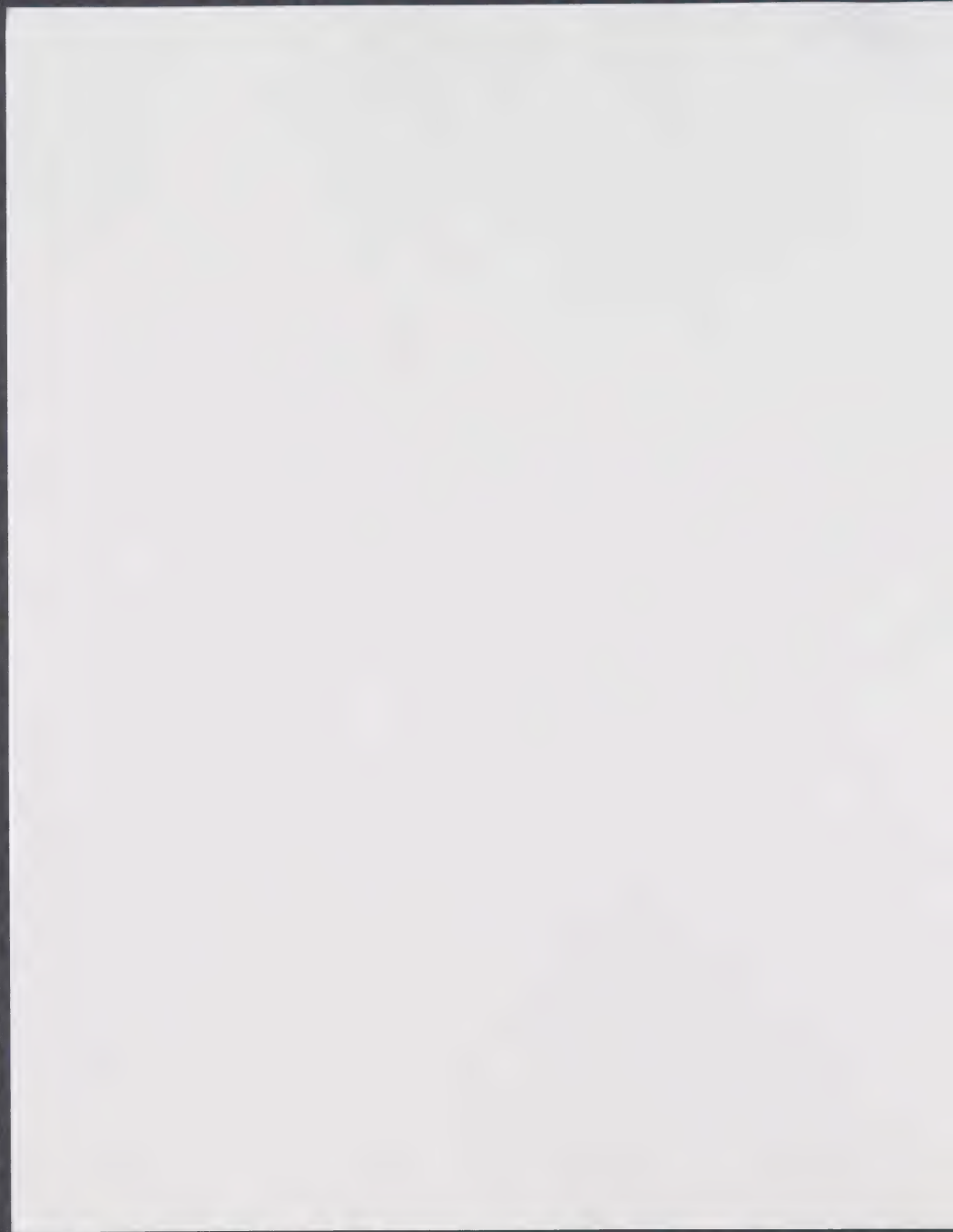
.....
Duly authorised for and on
behalf of the Transferee as its
agent

[_____]
whose address is at [_____]

(being the person presently entitled to the benefit of the option referred to above) hereby exercises that option and agrees to buy the freehold of the Land (as defined above) at the price and on the terms set out or referred to in paragraph 1 above.

Dated _____, 199

.....
Duly authorised for and on
behalf of
[_____]



Transferee of Part Purchase Document

By this document [] (registered number [])
whose registered office is at []

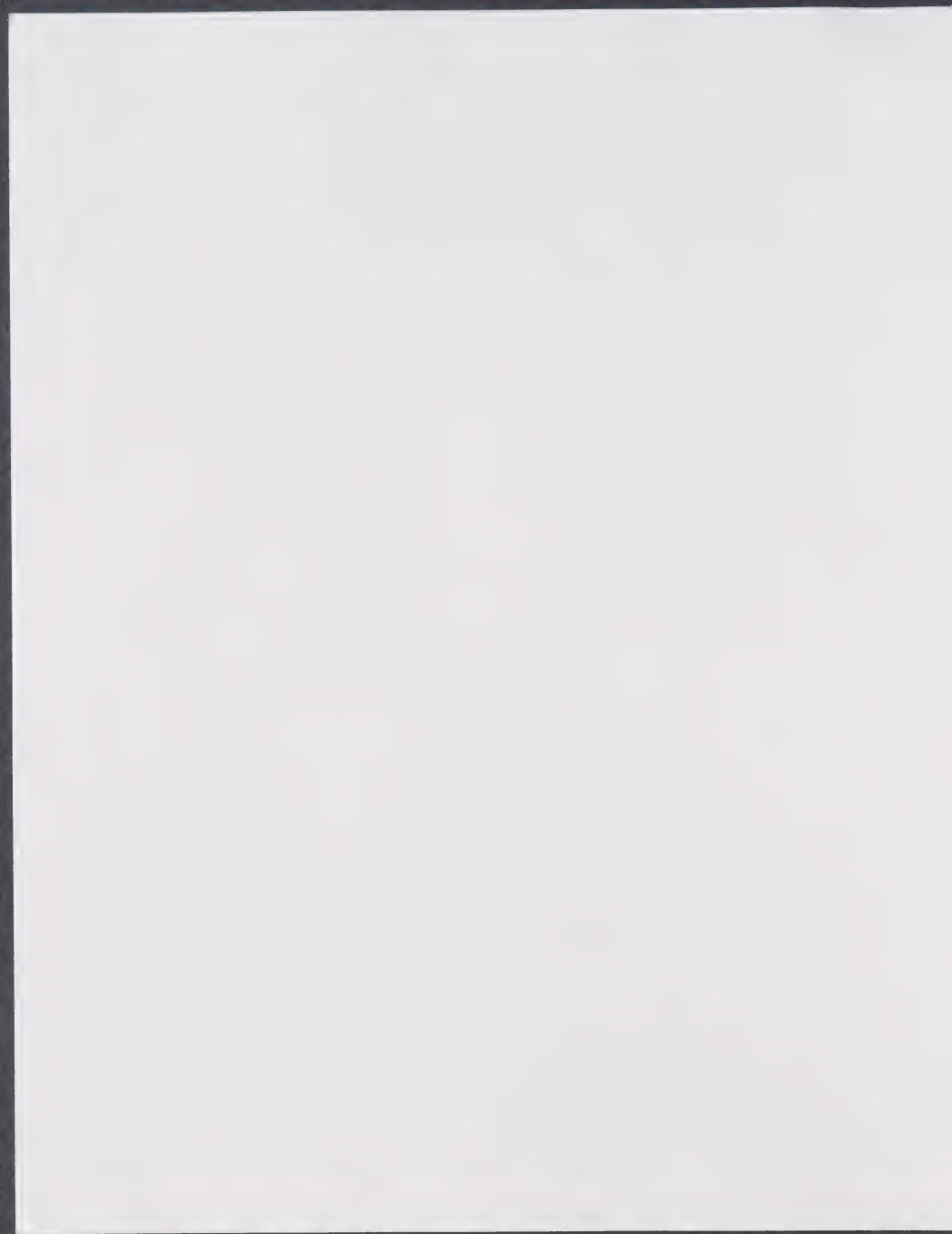
("the Transferee") irrevocably binds itself:-

1. to sell the freehold of the land ("the Land") edged red on the attached plan comprising [] acres and being part of Lot [2/3/5] as defined in Part 1 of Schedule 6 to an agreement (the "Agreement") made on

, 1993 between James Developments (Herstmonceux) Limited (1), Maurice Charles Withall as Receiver (2) and Queen's University at Kingston (3) at the price of £[] and otherwise on the terms (which are incorporated in this document) specified in Part [2/3/4] and Part 5 of Schedule 6 to the Agreement, provided that the option to buy that freehold granted by paragraph 1 of that Part of that Schedule is exercised in accordance with that paragraph; and

2. not during the existence of that option to transfer the freehold interest in all or any part of the Land prior to completion of the sale and purchase of it under that Schedule without giving to the person then entitled to the benefit of that option at least 10 working days' prior notice of the proposed completion of the transfer, nor without procuring that at the same time as completion of the transfer

(a) a certified copy of the transfer is supplied to that person,
and



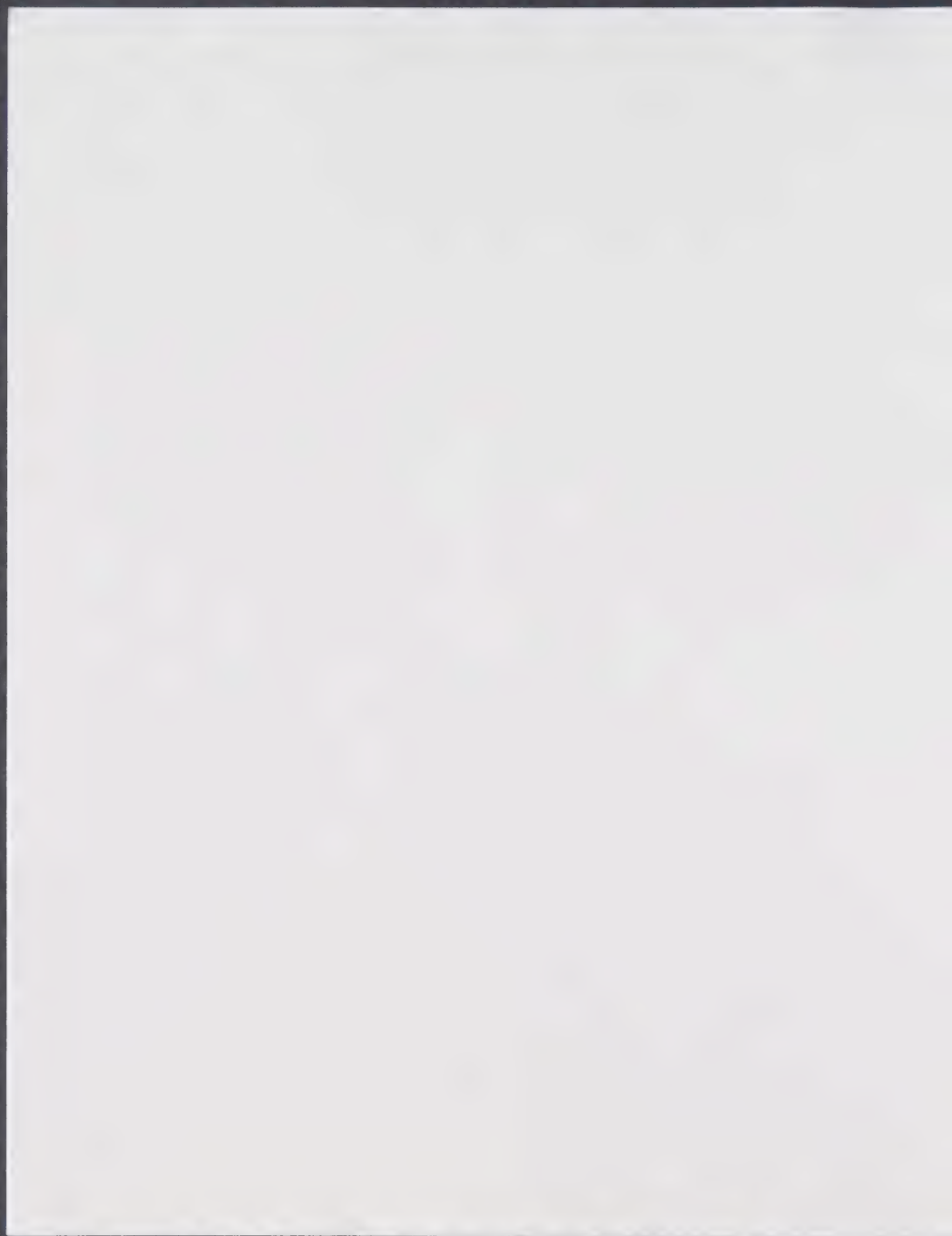
(b) if the transfer shall be of the whole of the Land, the transferee dates executes and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Whole Purchase Document" annexed to the Agreement with such amendments as that person shall before expiry of that notice have reasonably required or approved in writing, or

(c) if the transfer shall be of part of the Land:-

(i) the transferee dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Part Purchase Document" annexed to this agreement, and

(ii) the transferor dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferor of Part Purchase Document" so annexed,

with such amendments to either or both of such forms as that person shall before completion of the transfer have reasonably required or approved in writing, specifying as the price in paragraph 1 of each of the copies of the former document a sum which is the same proportion of £[250,000/200,000/150,000] as the acreage of the land transferred is of [69.41/139.93/67.53] and as the price in paragraph 1 of each of the copies of the latter document a sum which is the same proportion of £[250,000/200,000/ 150,000] as the acreage of the remainder of Lot [2/3/5] is of [69.41/139.93/67.53] acres..



Dated _____, 199

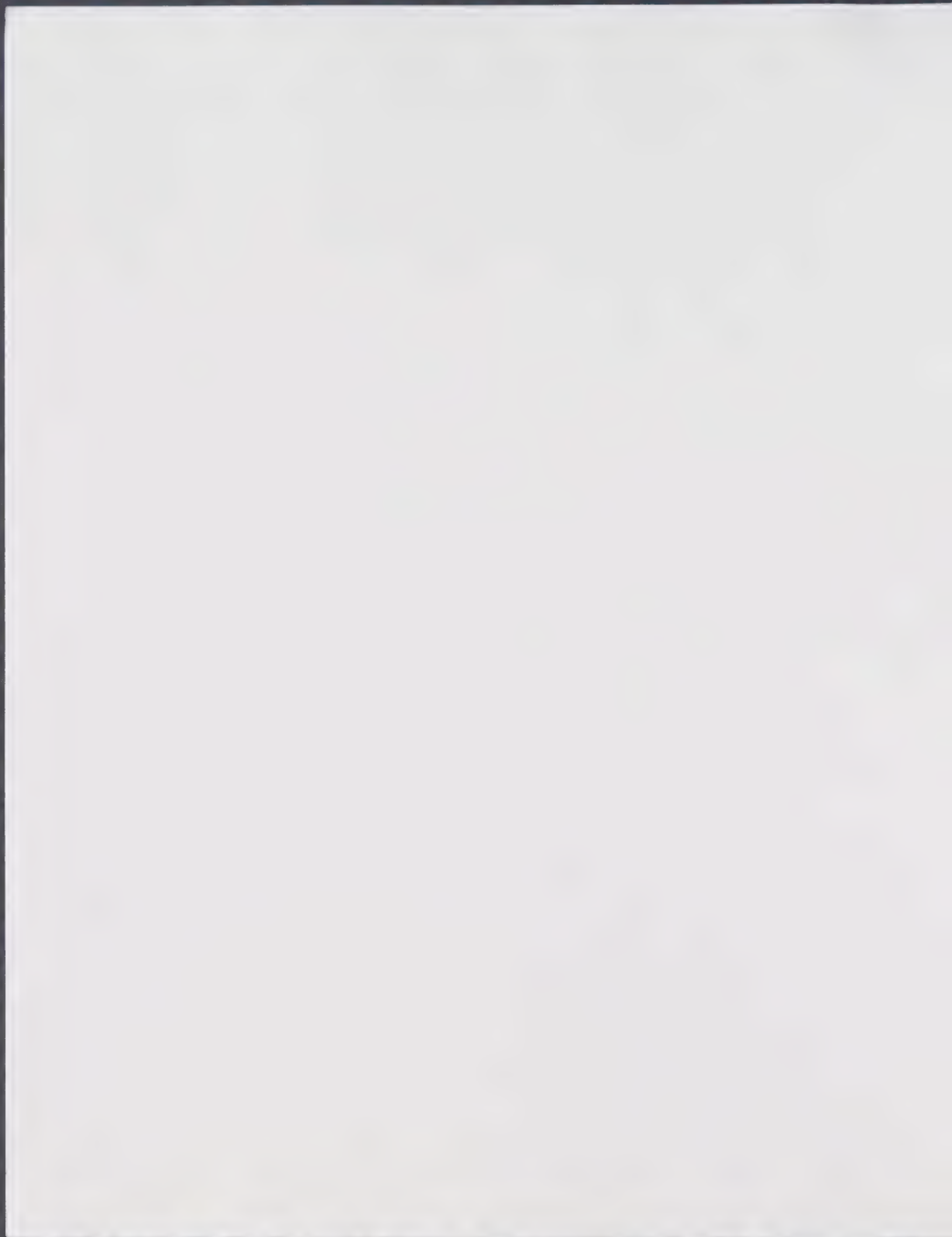
.....
Duly authorised for and on
behalf of the Transferee as its
agent

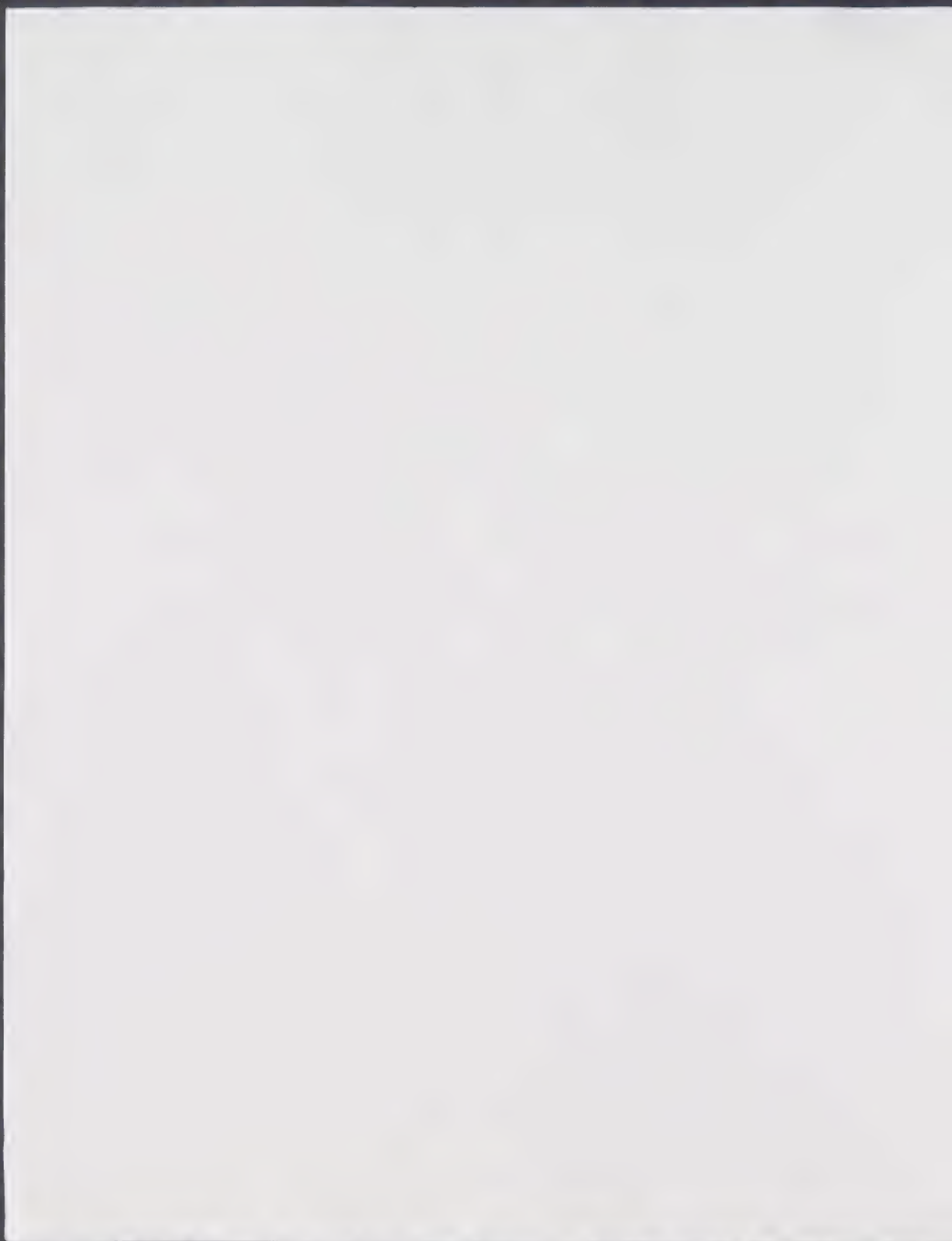
[_____]
whose address is at

[_____] (being the person
presently entitled to the benefit of the option referred to above) hereby
exercises that option and agrees to buy the freehold of the Land (as
defined above) at the price and on the terms set out or referred to in
paragraph 1 above.

Dated _____, 199

.....
Duly authorised for and on
behalf of [_____]





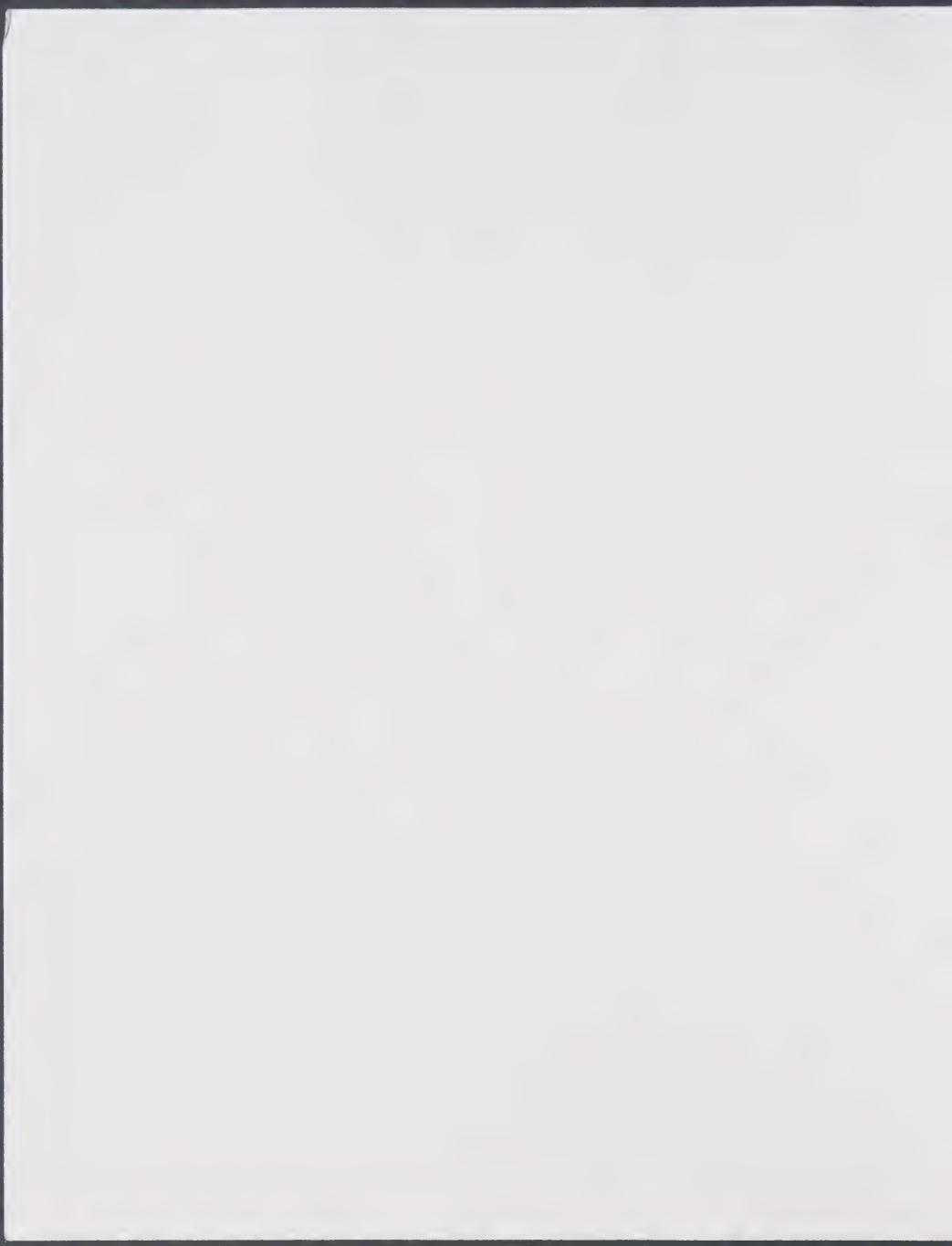
(b) if the transfer shall be of the whole of the Land, the transferee dates executes and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Whole Purchase Document" annexed to the Agreement with such amendments as that person shall before expiry of that notice have reasonably required or approved in writing, or

(c) if the transfer shall be of part of the Land:-

(i) the transferor dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferee of Part Purchase Document" annexed to this agreement, and

(ii) the transferor dates signs and delivers to that person two copies of a document in the form of the draft document headed "Transferor of Part Purchase Document" so annexed,

with such amendments to either or both of such forms as that person shall before completion of the transfer have reasonably required or approved in writing, specifying as the price in paragraph 1 of each of the copies of the former document a sum which is the same proportion of £[250,000/200,000/150,000] as the acreage of the land transferred is of [69.41/139.93/67.53] acres and as the price in paragraph 1 of each of the copies of the latter document a sum which is the same proportion of



f[250,000/200,000/ 150,000] as the acreage of the remainder of
Lot [2/3/5] is of [69.41/139.93/67.53] acres.

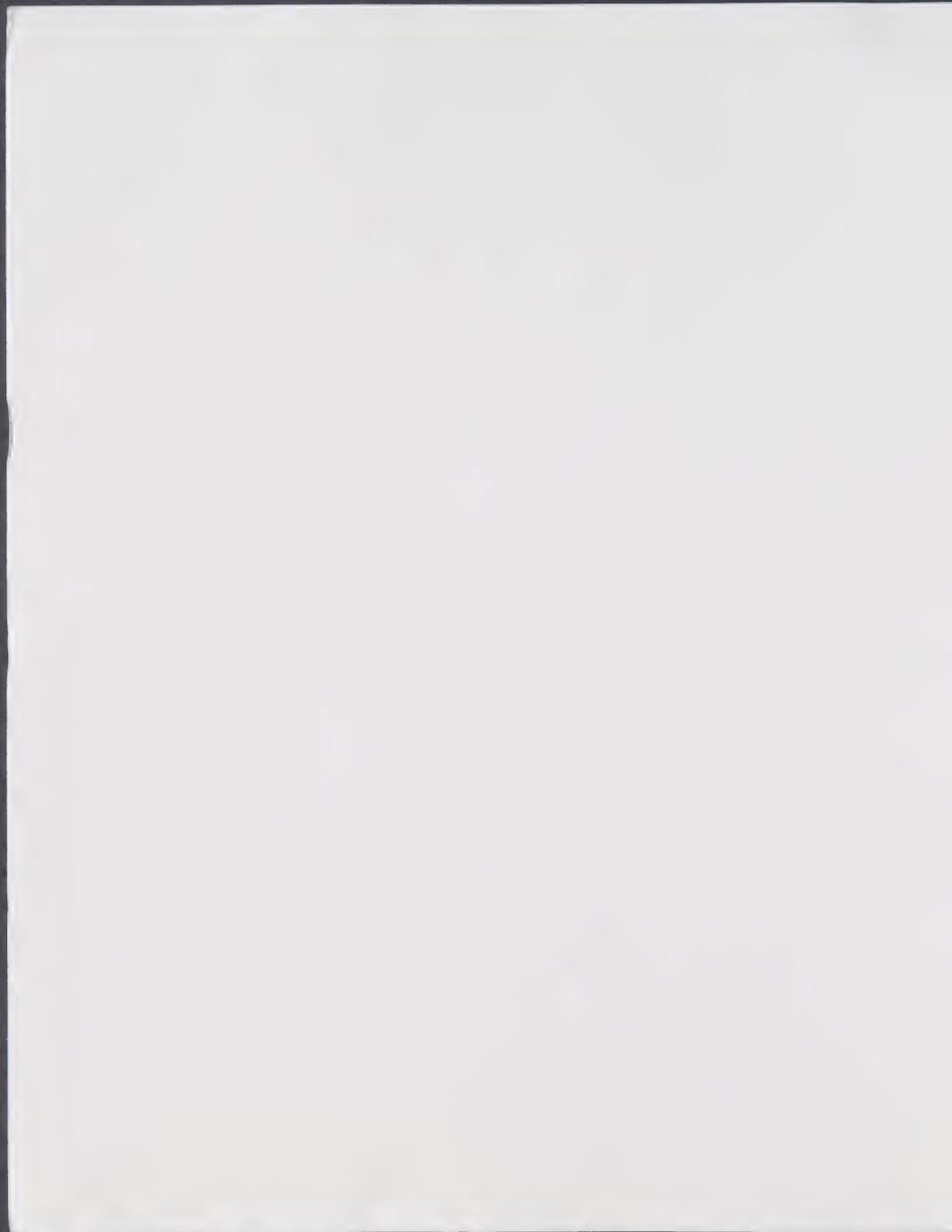
Dated _____, 199

.....
Duly authorised for and on
behalf of the Transferor as its
agent

[_____]
whose address is at _____
[_____] (being the person
presently entitled to the benefit of the option referred to above) hereby
exercises that option and agrees to buy the freehold of the Land (as
defined above) at the price and on the terms set out or referred to in
paragraph 1 above.

Dated _____, 199

.....
Duly authorised for and on
behalf of [_____]



THE COMMON SEAL of JAMES)
DEVELOPMENTS (HERSTMONCEUX))
LIMITED was affixed to this)
deed in the presence of:)

Receiver

SIGNED as a deed (but not)
delivered until the date)
first above written is)
inserted) by the Receiver)
without personal liability)
in the presence of:)

Signature:

Name:

Address:

Occupation:

EXECUTED (but not delivered)
until the date first above)
written is inserted) by the)
affixing of the Corporate)
Seal of QUEEN'S UNIVERSITY)
AT KINGSTON)

By:

By:



LOT 7

LOT 2

LOT 3

Herstmonceux
Castle
England

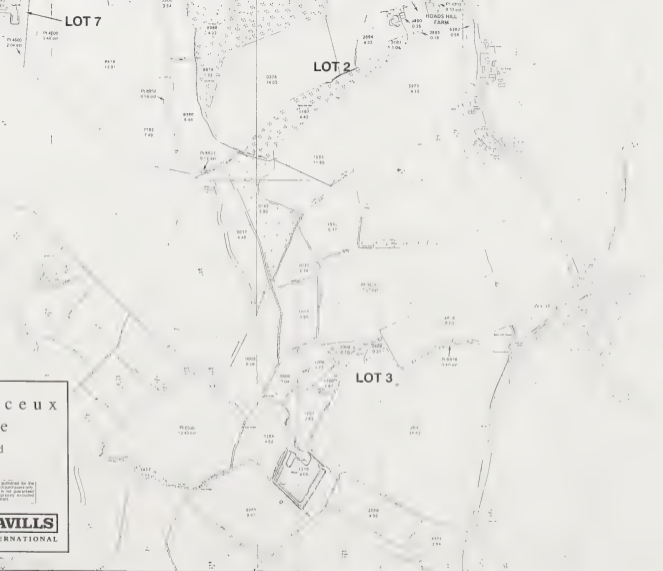
SCALE 1:5000

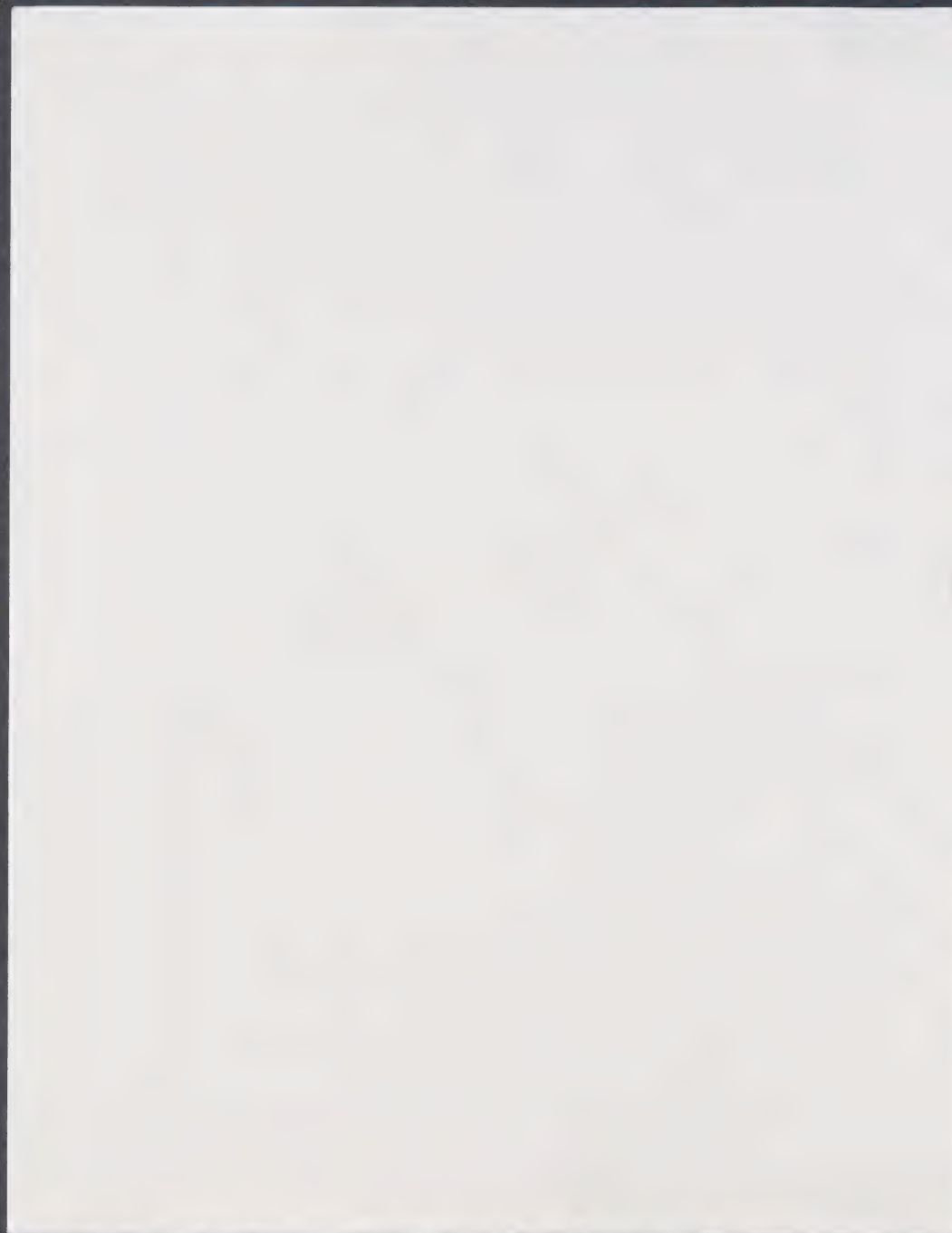
This plan is subject to the
Ordinance Survey Map with all
the necessary title & copyright
notations.

This plan is subject to the
covenants & easements only
the boundaries in this plan are
not to be construed as
representing any other
boundaries.

STRUTT & PARKER

SAVILLS
INTERNATIONAL







GUINNESS MAHON & CO. LIMITED

Queen's University at Kingston
Richardson Hall
Kingston
Ontario K7L 3N6
Canada

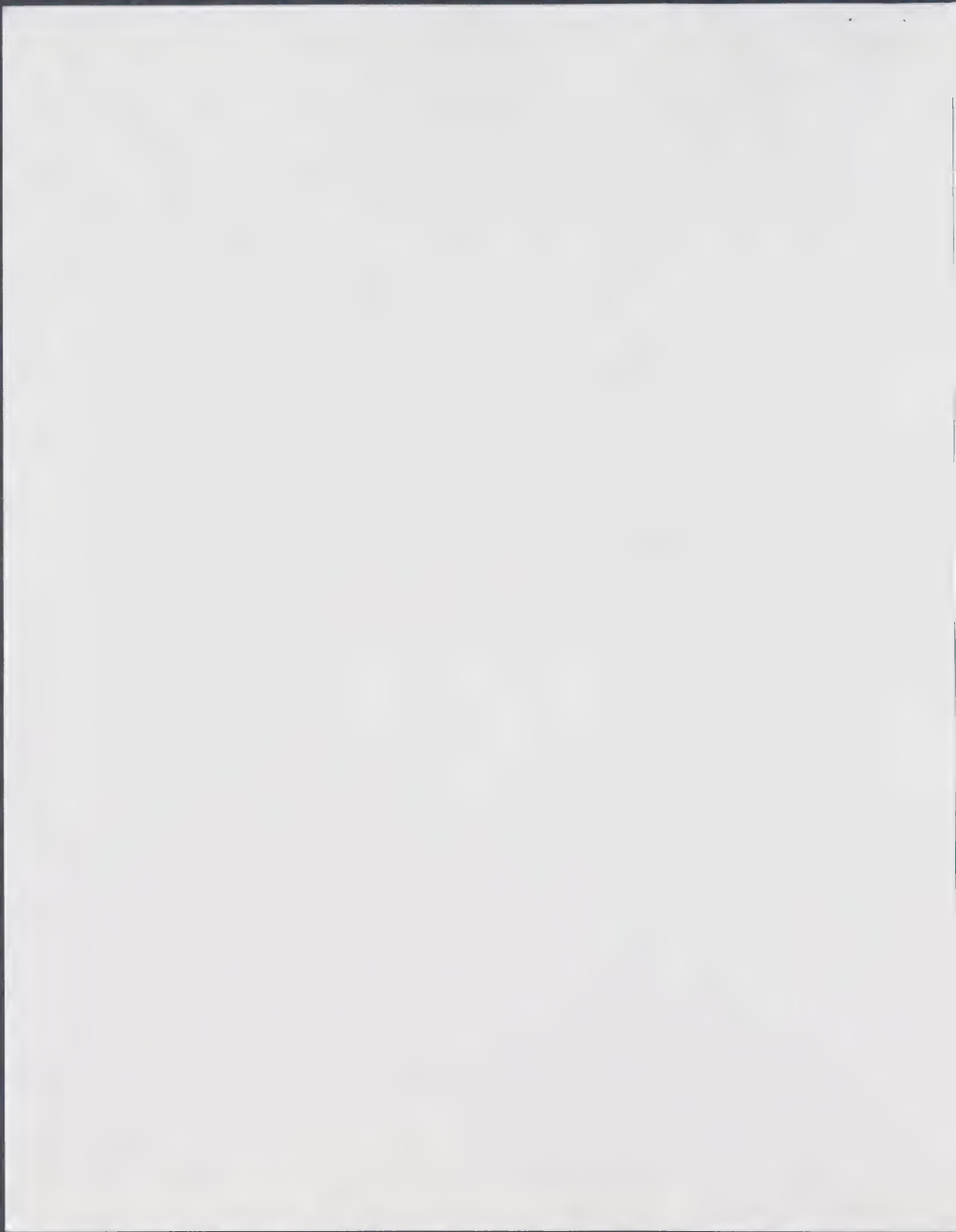
Please do not take

Dear Sirs,

Lots 1, 4, 6 and 7 Herstmonceux Castle (the "Property")

In consideration of your today entering into an agreement (the "Main Agreement") for the sale and purchase of the Property (which agreement is entered into by James Developments (Herstmonceux) Limited (1), that company's receiver (2) and yourselves (3)) we agree and confirm as follows:-

1. The Main Agreement (and any documents referred to in it) supersedes the undated letter signed on 15th December, 1992 between Jeffrey Cooper on behalf of Guinness Mahon & Co Limited and Dr Alfred Bader under power of attorney of Queen's University at Kingston, a copy of which is attached.
2. That (whether by ourselves or by any person associated or affiliated to us) we will not make any application to a Relevant Authority (as defined in the Main Agreement) either in respect of the Property or the Retained Land (as defined in the Main Agreement) or any part of either, nor make any Appeals (as defined in the Main Agreement).
3. We shall provide such support and assistance as Queen's University may reasonably request or agree in connection with the Permitted Applications and any Appeals (as those expressions are defined in the Main Agreement) provided it shall not require more than a minimal amount of expenditure of any monies by ourselves and no more than a minimal amount of time in providing such support. We shall not



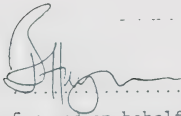
(whether by ourselves or by any person associated or affiliated to us) object to any of the Permitted Applications (as so defined).

4. We consent to the Main Agreement being noted on the Register at HM Land Registry in respect of title numbers ESX162010 and ESX169065, and to enable that to be done we will procure that the Charge Certificates for those title numbers are forthwith deposited at HM Land Registry and that your solicitors are advised of their deposit number as soon as those deposit numbers are known.

5. We shall not prior to completion of the sale and purchase of the Property or proper termination of the Main Agreement exercise any of our powers as mortgagee contained in or otherwise available to us by virtue of the Fixed and Floating Charge (as defined in the Main Agreement) or the West Building Charge (as so defined) save in accordance with the Main Agreement.

We should be grateful if you could acknowledge your agreement with the terms and conditions of this letter by signing and returning the attached duplicate copy of it.

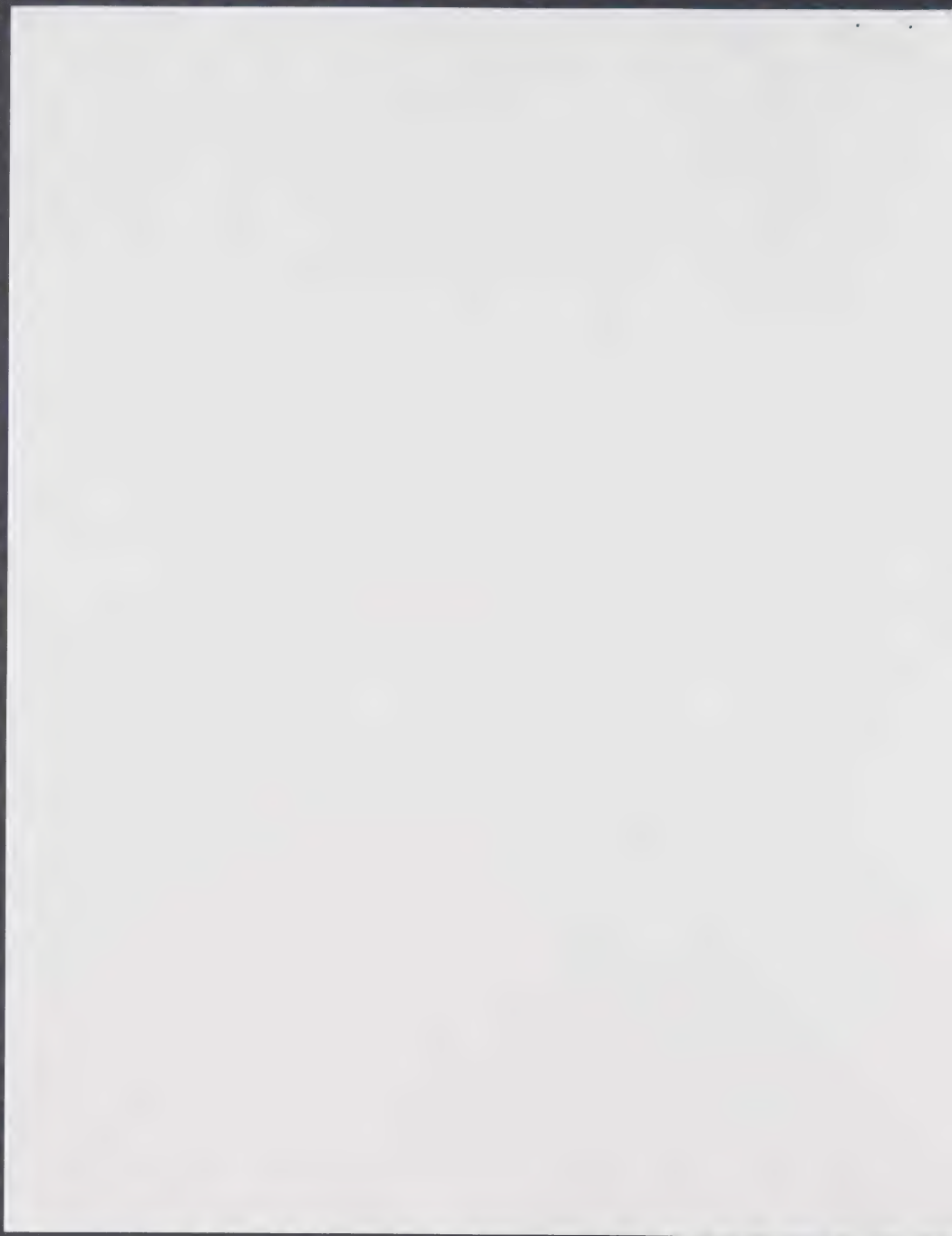
Yours faithfully,



for and on behalf of
Guinness Mahon & Co Limited

E1513904.DOC

.....
for and on behalf of
Queens University at Kingston



This is an Agreement between Mr Jeffrey Cooper acting for Guinness Mahon & Co. Limited ("GM") and Dr Alfred Bader acting for Queen's University, Kingston, Ontario as per the Power of Attorney attached.

This Agreement is subject to Queen's University and/or an entity to be established by Queen's University in the United Kingdom ("QU") obtaining all the necessary planning permission lawfully to use the property for its educational purposes.


It is agreed that QU will purchase Lots 1, 4, 6 and 7 of the Herstmonceux property for £3.8 million.

It is further agreed that GM will give QU a two year option to purchase Lot 2 for £250,000 and GM will give QU a five year option to purchase Lot 3 for £200,000 and Lot 5 for £150,000.


Within December 1992, QU will appoint a British solicitor to act on its behalf.

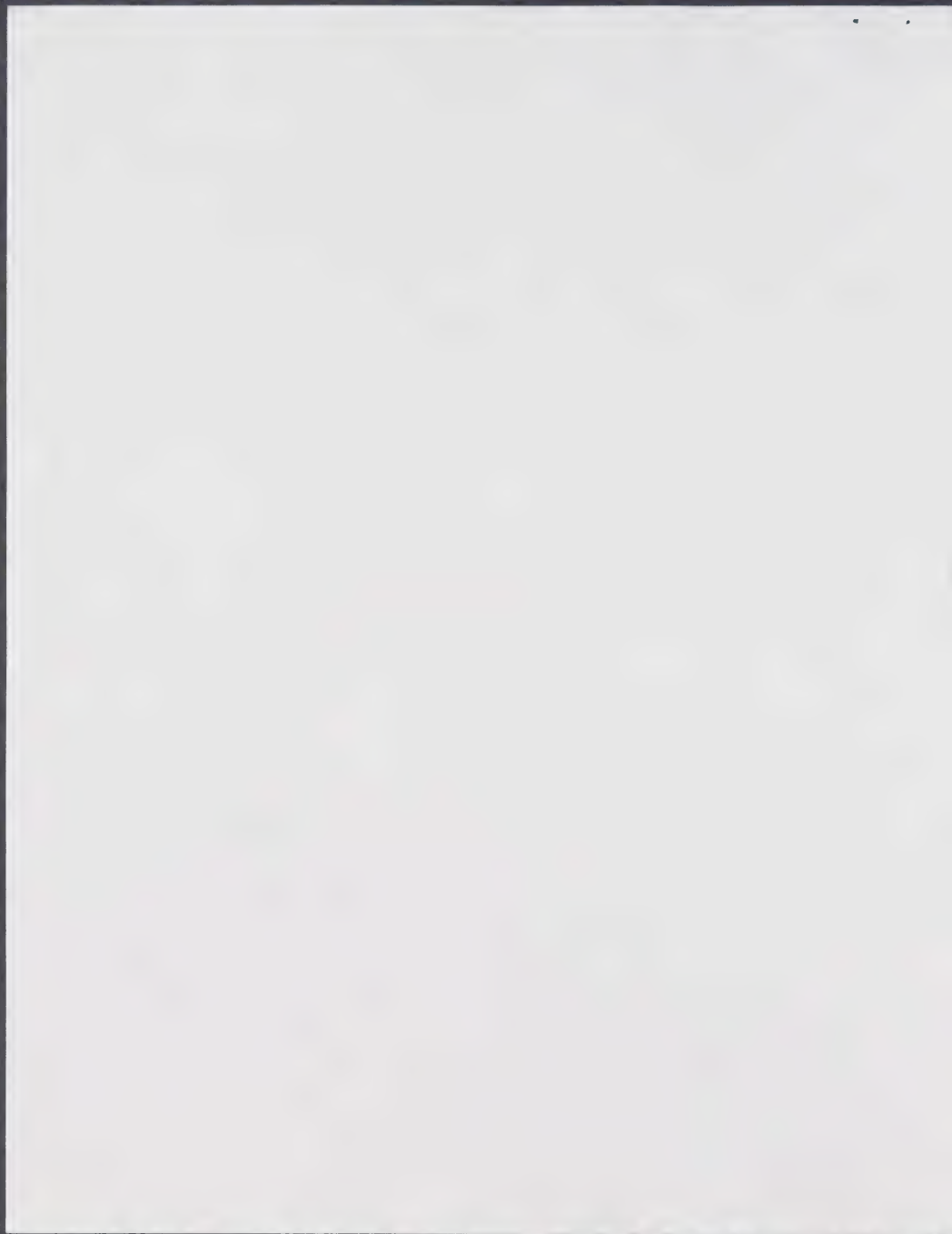
QU will do everything possible to expedite the closing of this transaction and to make timely payment.

It is further agreed that both parties will not disclose the purchase price or the prices of the purchase options to any third party other than may be required on written request by a Regulatory Authority in the U.K. or Canada.


Jeffrey P Cooper
Deputy Chief Executive
Guinness Mahon & Co. Limited


Dr Alfred Bader
Under Power of Attorney of
Queen's University at Kingston


In the presence of:
Amanda Thirsk
3 Oakbury Road
London SW6 2NL



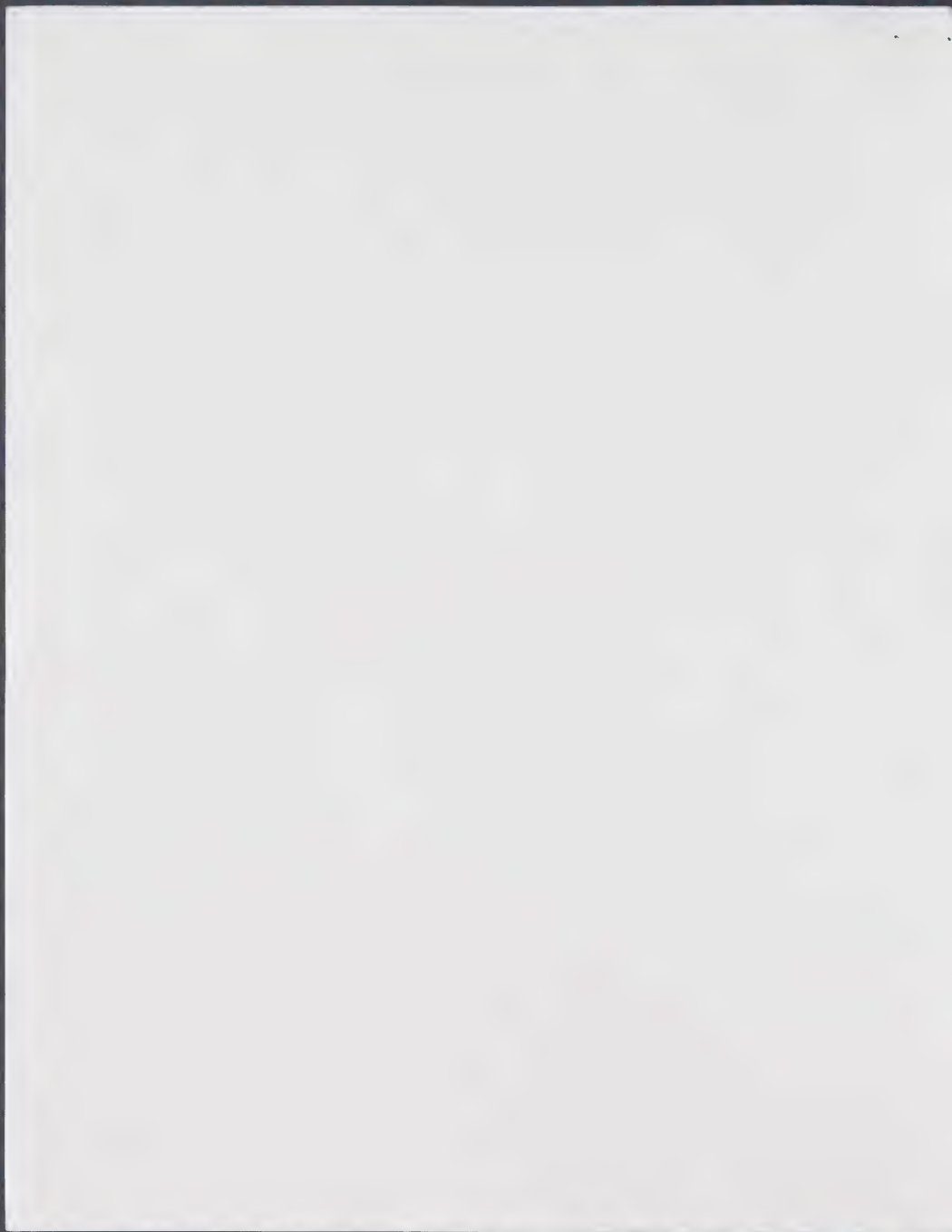
INDEX OF ANNEXES

Plans

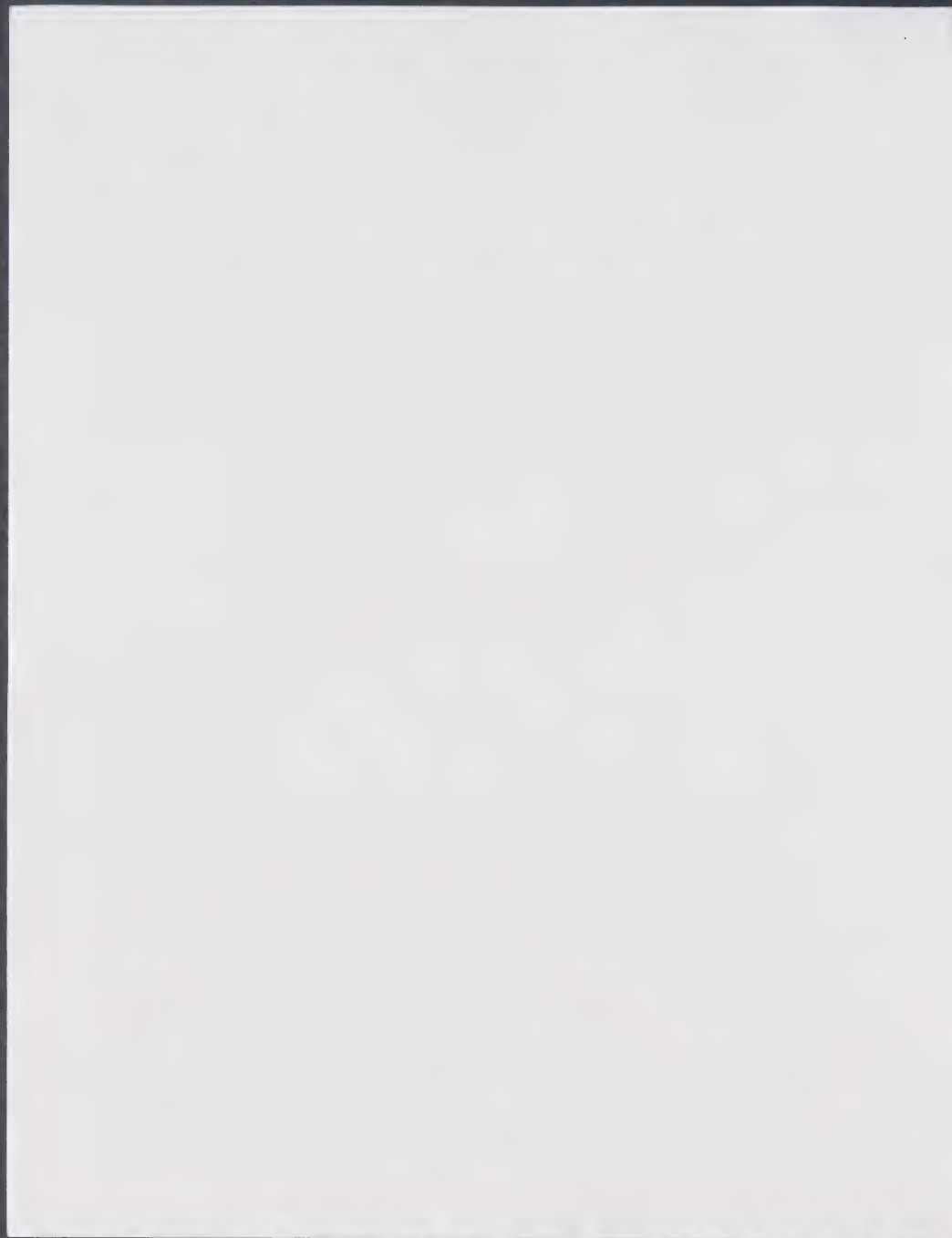
1. Site Plan
2. Plan A: drainage and services plan
3. Plan B: roads public footpaths and bridleways

Registered Freehold Titles

4. Title Number ESX162010: office copy entries of 25th August 1992 and filed plan
5. Title Number ESX169065: office copy entries of 25th August 1992 and filed plan
6. Conveyance of 4th October 1920 between (1) H.S. Egerton and (2) M. George James Hilton.
7. Conveyance of 17th November 1920 between (1) Claude William Henry Lowther and (2) Dorothy Ann Roberts with Certificate of the death of Claude William Henry Lowther
8. Conveyance of 20th January 1938 between (1) Herbert Paul Latham and (2) The County Council for the Administrative County of East Sussex
9. Wayleave Consent of 21st June 1945 between (1) Weald Electricity Supply Company Limited and (2) Dorothy A. Roberts
10. Agreement of 21st November 1952 between (1) the Admiralty and (2) The County Council for the Administrative County for East Sussex
11. Deed of Grant of 20th January 1953 between (1) Herbert Charles Curteis and (2) The Commissioners for Executing The Office of Lord High Admiral of the United Kingdom of Great Britain and Ireland ("Admiralty")
12. Wayleave Consent of 27th March 1956 between (1) The South Eastern Electricity Board and (2) D.A. Roberts
13. Conveyance of 19th December 1958 between (1) Barclays Bank and (2) the Admiralty
- 13.A. License of 22 May 1957 between (1) Barclay Bank and (2) the Admiralty
14. Supplemental Agreement of 18th December 1961 between (1) the Admiralty and (2) The South Eastern Electricity Board (SEEB)
15. Assent of 1st January 1963 between (1) P.A. Bosanquet and (2) J.C.N. Roberts and (3) A.C. Roberts
16. Wayleave Agreement of 16th January 1964 between (1) Anthony Crofts Roberts and (2) Central Electricity Generating Board



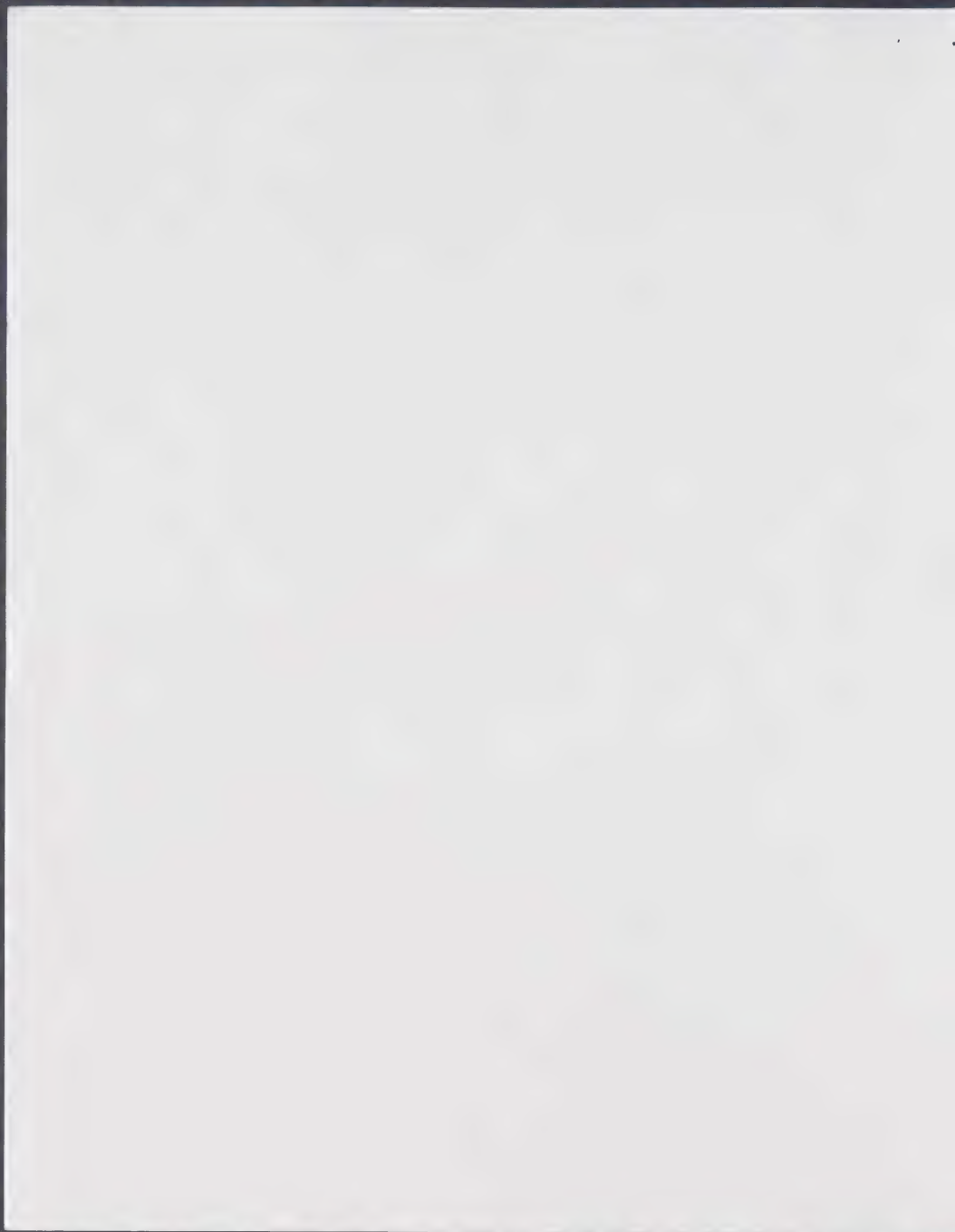
17. Agreement of 1st September 1964 between (1) SEEB and (2) The Secretary of State for Defence
18. Conveyance of 1st June 1967 between (1) A.C. Roberts and (2) E.J. Wilmoth, with office copy entries for Title No. ESX159138 (Batts Hill House)
19. Agreement of 10th July 1967 between (1) The Secretary of State for Defence and (2) East Sussex CC
20. Deed of Grant of 18th October 1967 between (1) Dorothy Noel Curteis and Brian Gabriel Rawley (grantors) and (2) The Secretary of State for Defence
21. Deed of 16th July 1969 between (1) Laurence Dykes Douglas Yalden French and Arthur Thomas Holman and (2) Anthony Crofts Roberts
22. Deed of 7th August 1974 between (1) A.C. Roberts and (2) E.J. Wilmoth
23. Wayleave Agreement of 30th September 1974 between (1) A.C. Roberts and (2) South Eastern Electricity Board ("SEEB")
24. Conveyance of 26th October 1975 between (1) Anthony Croft Roberts and (2) East Sussex County Council
25. Wayleave Agreement of 12th June 1978 between (1) Anthony Crofts Roberts and (2) SEEB
26. Conveyance of 17th September 1979 between (1) Anthony Crofts Roberts and (2) Jeremy Christian Roberts
27. Conveyance of 8th August 1983 between (1) Mary Christian Roberts Jeremy Christian Roberts Julian Nesfield Roberts (2) Mary Christian Roberts and (3) Jeremy Christian Roberts Julian Nesfield Roberts Justin Anthony Crofts Roberts Joycelin Guerin Law Roberts
28. Wayleave Agreement of 29th January 1988 between (1) South Eastern Electricity Board and (2) The Department of Scientific Research
29. Conveyance of 17th July 1989 between (1) Jeremy Christian Roberts Julian Nesfield Roberts Justin Anthony Crofts Roberts and Joycelin Guerin Law Roberts (2) Mary Christian Roberts Jeremy Christian Roberts and Julian Nesfield Roberts (second vendors) and (3) Harvey Robert Stuart Lee and Ian Roderick John Tegg
30. Transfer of 17th July 1989 between (1) Julian Nesfield Roberts and Justin Anthony Crofts Roberts and (2) Harvey Robert Stuart Lee and Ian Roderick John Tegg with Land Certificate Title Number ESX 50122
31. Conveyance of 4th August 1989 between (1) the Science and Engineering Research Council ("SERC") and (2) the Seller
32. Conveyance of 4th August 1989 between (1) Harvey Robert Stuart Lee and Ian Roderick John Tegg and (2) James Developments (Herstmonceux) Limited



33. Fixed and Floating Charge of 4th August 1989 between (1) the Seller and (2) GM, with documents re: administrative receivership of the Seller
34. Conveyance of 7th June 1990 between (1) The Science and Engineering Research Council ("SERC") and (2) James Development (Herstmonceux) Limited
35. Fixed Charge of 7th June 1990 between (1) the Seller and (2) GM

SERC "Rights"

36. Correspondence concerning SERC's 'rights' in respect of the Property including:-
 - (a) Letter dated 8 April 1993 to Lovell White Durrant from Allen & Overy
 - (b) Letter dated 24 March 1993 to Allen & Overy from The Treasury Solicitor
 - (c) Letter dated 15 March 1993 to Allen & Overy from The Treasury Solicitor
 - (d) Letter dated 12 March 1993 to The Treasury Solicitor from Allen & Overy
 - (e) Copy of the extract from the sale particulars referred to in the correspondence with The Treasury Solicitor
 - (f) Letter dated 12 February 1993 to Allen & Overy from The Treasury Solicitor
 - (g) Letter dated 11 February 1993 to The Treasury Solicitor from Allen & Overy
 - (h) Letter dated 5 February 1993 to The Treasury Solicitor from Allen & Overy
 - (i) Letter dated 2 February 1993 to Allen & Overy from The Treasury Solicitor
 - (j) Letter dated 26 January 1993 to Allen & Overy from The Treasury Solicitor
 - (k) Letter dated 21 January 1993 to Allen & Overy from The Treasury Solicitor
 - (l) Letter dated 31 July 1990 to N.C. Keer from Department of Education and Science
 - (m) Letter dated 20 October 1988 to the Science & Engineering Research Council from I.R.J. Tegg and H.R.S. Lee



Lettings and Occupational Licences

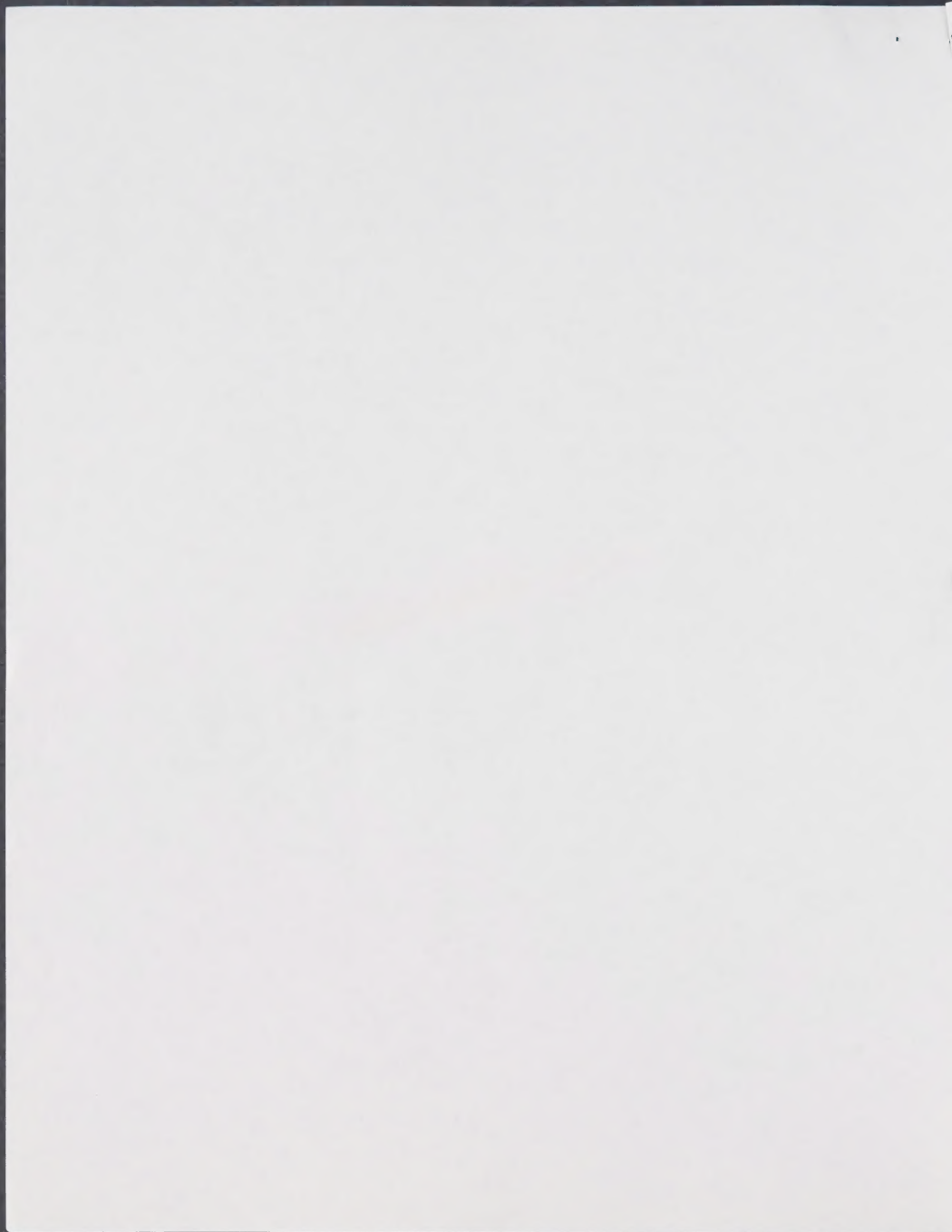
37. Correspondence concerning the Grews' occupation of Hoads Hill Farm Cottage
38. Lease of 7th June 1990 between (1) the Seller and (2) SERC
39. Grazing Licence of 20th March 1993 between (1) the Seller and (2) Peter Wadman
40. Licence Agreement of 28th May 1993 between (1) the Seller (2) the Receiver and (3) the University
41. Supplemental Licence Agreement of 9th July 1993 between (1) the Seller (2) the Receiver and (3) the University

Searches and Enquiries

42. Commons Registration Search Certificate of 17th January 1993 (East Sussex County Council)
43. Local Land Charges Search and Enquiries dated 14 December 1993 (Wealden District Council)

Drainage and Services

44. Correspondence between Lovell White Durrant and National Rivers Authority
45. Correspondence between Lovell White Durrant and Southern Water Services Ltd
46. Correspondence between Lovell White Durrant and Eastbourne Water
47. Correspondence between Lovell White Durrant and Wealden District Council re: drainage, etc.
48. Correspondence between Lovell White Durrant and Seaboard plc
49. Correspondence between Lovell White Durrant and British Gas South Eastern
50. Note of Existing Planning Permissions & Listed Building Consents; Copy planning permissions and listed building consents and Note of Existing Applications
51. Copy Tree Preservation Order (Herstmonceux) No.2 1991
52. Various documents concerning Notice under S6 of the Ancient Monuments Act 1931 re Herstmonceux Castle (County Monument 154)
53. Listed Building Notices and correspondence
54. SSSI's - Notices and correspondence



Access

55. The East Sussex (Herstmonceux 56a (part)) Public Path Diversion Order 1992
56. Correspondence between Lovell White Durrant and East Sussex County Council

Seller's Solicitors

57. Preliminary Enquiries of 12th March 1993; Replies of 26th April 1993; Comments on Replies of 20th May 1993 and letter on comments of 9th June 1993 from Allen & Overy

Loose Chattels

58. List of Chattel Assets
59. Registration Documents for Tractor and Land Rover

Employees

60. List of Employees - 8 Contracts of Employment

