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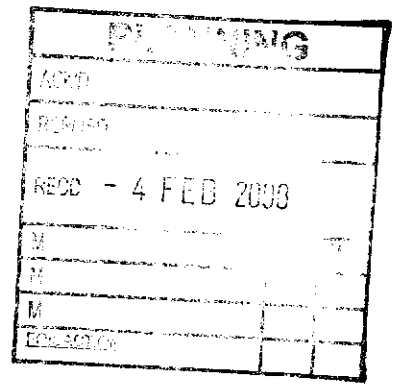

31 January 2008

Ref: MR/tw

Subject to Contract

Dear Andrew

Manchester - Great Northern Tower – Unit 1

Further to my appointment in April 2007 as your retained letting agent on the above and our ongoing marketing activities, I can confirm that we are struggling in terms of generating interest for the above unit as a whole. This was indeed the case whilst appointed by George Wimpey to let this unit from May 2006 until December 2006. During this period we carried out a press launch in June 2006 with several mailshots to all active leisure operators (local, regional and national) and agents (a total of 475). Furthermore an Estates Gazette half page colour advert was placed in July 2006. The units were offered at an average rent of £24 psf at ground and £12 psf at mezzanine floor levels. Incentives of 6-12 months rent free were also available dependent on covenant strength. As part of this exercise consideration was also given to turnover rents as a means of attracting less established operators including local start ups or single unit operations wishing to expand. These terms were realistic in today's market. However based on the as built scheme the interest received was minimal, as outlined by the attached enquiries schedules. Given the poor response to the scheme including the whole of Unit 1 as it stands George Wimpy were unconvinced that any viable A3/4/5 market existed which prompted their decision to sell the long leasehold of the entire ground floor commercial leisure accommodation to Cobe. Despite this I can confirm further to our ongoing recent marketing appointment by Hill Property Developments (appointed 17th July 2007) that we have a number of national restaurant operators including Nandos (Portuguese chicken restaurant) and Tragus Holdings trading as Ortega (high class tapas restaurant) for space within a sub-divided unit. Furthermore, terms have been agreed with a high class bar operated by Thornton Inns t/a Epernay Champagne Bar for the mezzanine floor with a ground floor entrance in Unit 1. However the current design does not allow for this unit to be sub-divided horizontally as the first floor usable area is too small. A possible solution would be to split the unit vertically and enclose the rear terrace. This indeed in my view will make this space workable to an operator and indeed lettable. Without this our interest will fall away.

Knight Frank Newmark

Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934.
Our registered office is 20 Hanover Square, London W1S 1HZ where you may look at a list of members' names.

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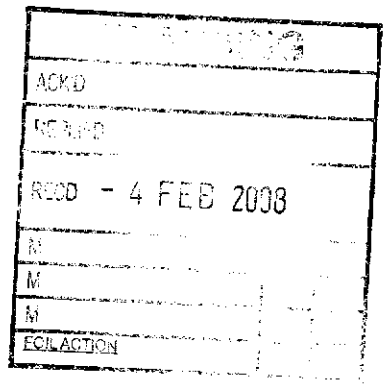
Operators prefer to have external areas as these provide a complimentary addition to their internal trading area. However, operators have been put off by the fact that this area will be rentalised as effectively it is internal space which is overshadowed for most of the day by the adjacent buildings. Tenants wish to put tables and chairs overlooking Great Northern Square and not on a shaded terrace facing onto a secondary back street.

Should consent be achieved to cover this first floor external space then operators will be willing to pay a rent psf therefore making the unit and the overall square scheme viable but also it would create an attractive and iconic corner unit that will bring life back to the effective dead street scape of Watson Street and Windmill Street. Furthermore this covered terrace will reduce noise nuisance to the residents above and also not act as an external smoking zone.

Should you wish to discuss any of the above points the please do not hesitate to contact me.

Yours sincerely

Mark Rothery
Associate
Knight Frank LLP



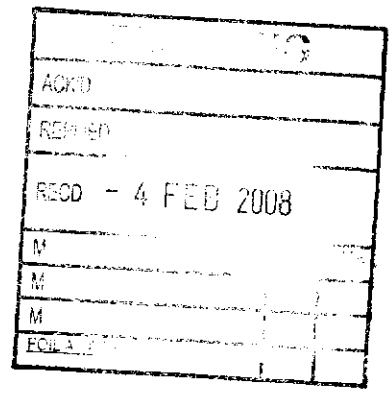
Schedule of Interest

Manchester – GNT
George Wimpey City

Friday 13 October 2006

Operator	Size sq ft	Comments
ASK	4,000-6,000	Dan Davis (Tushingham Moore) acting. Viewed site on 23.08.06. Scheme not of interest due to lack of prominence, footfall and restricted space.
Box Noodle	700-1,500	Manchester based independent. No response. Chasing.
Chopstix Ltd	750-2,000	Davis Coffer Lyons acting. Not of interest due to limited daytime and nighttime footfall.
Costa Ltd	750-2,000	Cushman & Wakefield acting. Awaiting feedback.
Damons	7,000	Stewart Herman & Co acting. Not of interest. Out of town only.
Fellicinis	3,500-5,000	Neil Lawrence (MD) viewed site on 17.08.06. Not of interest due to existing nearby untis.
Dominos Pizza Group Ltd	1,000-1,200	Not of interest. Out of town only.
Drucker's Vienna Pastisserie	2,000-3,000	Churston Heard Ltd acting. Awaiting feedback.
Ego Restaurants Ltd	2,500-3,500	Kenney Moore acting
The Elbow Room	4,000-10,000	Stephen Kane & Co acting.
Elk Bar	3,500-6,000	Marks Commercial Property acting.
Nandos	3,500-5,000	Paul Benjamin acting. Initial strong interest in Unit 1. Awaiting revised formal offer for whole of unit including mezz.
Tiggis	6,000-8,000	Lino Del Pesca (MD) viewed site on 01.08.06. Initial interest. Currently appraising location. Expect feedback this week. Subsequently rejected the scheme based on the lack of prominence and poor footfall.
Private Investor	Unit 1	Christopher Dee & Co acting for an as yet unknown private investor. Looking to buy the long leasehold of Unit 1. Awaiting proposal.

Operator	Size sq ft	Comments
Tragus Holdings t/a Cafe Rouge	3,000-5,000	Phil Derbyshire (Property Director). Scheme Not of interest due to lack of prominence and floor space.
Wolverhampton & Dudley t/a Pitcher & Piano	6,000-8,000	Richard Shuttleworth (Pudney Shuttleworth) acting. Strong interest. Viewed 04.08.06. However prefer Deansgate/Spinningfields area.
Vimac Leisure t/a Studio	4,000-8,000	Jason Greenwood (Property Director) registered interest. Currently awaiting dates for viewing on site. Subsequently not of interest due to restricted accommodation in Units 2, 3 and 4.
The Restaurant Group t/a Chiquitos	4,000-5,000	Chris Reiss (Chris Reiss & Co.) acting. Awaiting feedback. Subsequently not of interest due to lack of prominence.
The Restaurant Group t/a Frankie & Bennys	3,000-9,500	As above.



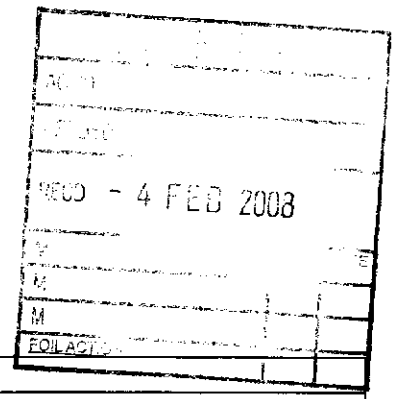
Schedule of Interest

Manchester – GNT
George Wimpey City

Wednesday 13 December 2006

Operator	Size sq ft	Comments
ASK	4,000 - 6,000	Dan Davis (Tushingham Moore) acting. Viewed site on 23.08.06. Not of interest.
Thornton Inns T/a Epernay Champagne Bar	3,000 -4,000	Geoff Thornton (MD) interested in Unit 1. Awaiting viewing date.
Box Noodle	700 - 1,500	Manchester based independent. No response. Chasing.
Chopstix Ltd	750 - 2,000	Davis Coffer Lyons acting. Not of interest.
Costa Ltd	750 - 2,000	Cushman & Wakefield acting. Awaiting feedback. Subsequently not of interest as no retail or office footfall.
Damons	7,000	Stewart Herman & Co acting. Not of interest. Out of town only.
Fellicinis	3,500 - 5,000	Neil Lawrence (MD) viewed site on 17.08.06. Not of interest.
Dominos Pizza Group Ltd	1,000 - 1,200	Not of interest.
Drucker's Vienna Pastisserie	2,000 - 3,000	Churston Heard Ltd acting. Awaiting feedback. Subsequently not of interest due to lack of prominence.
Ego Restaurants Ltd	2,500 - 3,500	Kenney Moore acting
The Elbow Room	4,000 - 10,000	Stephen Kane & Co acting. Not of interest as require prominent unit in student pitch.
Elk Bar	3,500 - 6,000	Marks Commercial Property acting.
Nandos	3,500 - 5,000	Paul Benjamin acting. Initial strong interest in Unit 1. Awaiting revised formal offer for whole of unit including mezz.
Tiggis	6,000 - 8,000	Lino Del Pesca (MD) viewed site on 01.08.06. Initial interest. Currently appraising location. Expect feedback this week.

Operator	Size sq ft	Comments
Private Investor	Unit 1	Christopher Dee & Co acting for an as yet unknown private investor. Looking to buy the long leasehold of Unit 1. Awaiting proposal. Subsequently not of interest due to lack of tenant demand.
Tragus Holdings t/a Cafe Rouge	3,000 - 5,000	Phil Derbyshire (Property Director). Not of interest.
Wolverhampton & Dudley t/a Pitcher & Piano	6,000 - 8,000	Richard Shuttleworth (Pudney Shuttleworth) acting. Strong interest. Viewed 04.08.06. However prefer Deansgate/Spinningfields area.
Vimac Leisure t/a Studio	4,000 - 8,000	Jason Greenwood (Property Director) registered interest. Currently awaiting dates for viewing on site.
The Restaurant Group t/a Chiquitos	4,000 - 5,000	Chris Reiss (Chris Reiss & Co.) acting. Awaiting feedback.
The Restaurant Group t/a Frankie & Bennys	3,000 - 9,500	As above.
Fusion Indian	3,000 – 6,000	Meeting on site 05.12.06 and 07.12.06 with George Khanijau (MD) and design team. Interested in Unit 1. Discussing terms. Subsequently not of interest due to lack of prominence and restricted space.

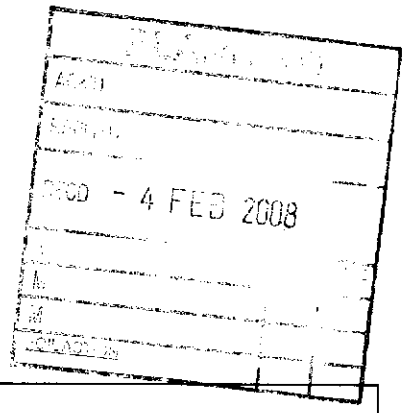


Schedule of Interest

Manchester – GNT
Hill Developments

21 June 2007

Operator	Size sq ft	Comments
Thornton Inns T/a Epernay Champagne Bar	3,000 -4,000	Geoff Thornton (MD) interested in Unit 1. Awaiting viewing date.
Nandos	3,500 - 5,000	Richard Grossman acting. Strong interest in Unit 2. Viewing 28 June 2007.
Tragus Holdings t/a Ortega and Strada	3,000 - 5,000	Simon Johnson (Property Director). Viewing 6 June 2007.
Wolverhampton & Dudley t/a Pitcher & Piano	6,000 - 8,000	Richard Shuttleworth (Pudney Shuttleworth) acting. Strong initial interest. Viewed 04.08.06. Prefer Deansgate/Spinningfields area however given current interest may re-visit.
The Restaurant Group t/a Chiquito's and Frankie & Benny's	4,000 - 5,000	Paul Bishton (Red Leaf Property) acting. Not of interest for Frankie & Benny's (potential res-site). However Chiquito's have expressed interest in Units 1 or 2. Awaiting date for a meeting on site.
TGI Friday's	3,000 - 9,500	Adam Mobley (King Sturge) acting. Awaiting feedback.
Esnan Kahn		Viewing Monday 25 June 2007 Units 2, 3 and 4. Subsequently not of interest due to rent and limited visibility. Unit 1 too expensive.
Goji	3,000 – 4,000	Viewed Wednesday 20 June 2007. Initial offer at £74,000 pa on Unit 2. Awaiting revised offer.
Mumtaz	4,000 – 9,000	Viewed Thursday 14 June 2007. Awaiting feedback.
Las Iguanas	3,000 – 5,000	Martin Bloom (Insight Retail) acting. Offer dated 21 March 2007 at £25 psf (G/F) and £12.50 (1/F) on Unit 1. Awaiting reconfirmation of offer based on the revised floor areas and rent i.e £130,000 pa.
Planet Hollywood	3,000 – 7,000	Awaiting feedback from the New Orleans H.O. Suspect they are not acquiring.
Living Room	3,000 – 7,000	Jeremy Roberts (Property Director) Living Ventures is to discuss with operators regarding potential upsize to Unit 1. However suspect highly unlikely.

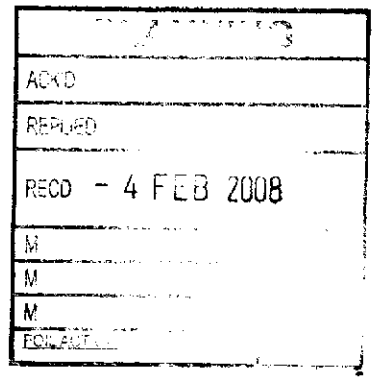


Schedule of Interest

Manchester – GNT
Hill Developments

13 July 2007

Operator	Size sq ft	Comments
Thornton Inns T/a Epernay Champagne Bar	3,000 -4,000	Geoff Thornton (MD) interested in Unit 1. Awaiting viewing date.
Nandos	3,500 - 5,000	Richard Grossman acting. Viewed Unit 2 - 28 June 2007. Not of interest due to restricted visibility and trading mezzanine floor. However may look at part Unit 1, subject to tenant line-up.
Tragus Holdings t/a Ortega and Strada	3,000 - 5,000	Simon Johnson (Property Director). Viewed 6 June 2007. Board Meeting Thursday 19 July.
Wolverhampton & Dudley t/a Pitcher & Piano	6,000 - 8,000	Richard Shuttleworth (Pudney Shuttleworth) acting. Strong initial interest. Viewed 04.08.06. Prefer Deansgate/Spinningfields. Re-visiting appraisals.
The Restaurant Group t/a Chiquito's and Frankie & Benny's	4,000 - 5,000	Paul Bishton (Red Leaf Property) acting. Not of interest for Frankie & Benny's (potential res-site) due to lack of visibility and restricted trading mezzanine. However Chiquito's have expressed interest in Units 1 or 2. Viewed the location w/c 25 June. Not of interest as The Printworks is preferred location.
TGI Friday's	3,000 - 9,500	TGI now owned by Carlsen group (USA). Awaiting response.
Esnan Kahn		Viewed Monday 25 June 2007. Awaiting feedback.
Goji	3,000 – 4,000	Viewed Wednesday 20 June 2007. Initial offer at £74,000 pa on Unit 2. Awaiting Agent feedback from Steve Young to our counter proposal.
Mumtaz	4,000 – 9,000	Viewed Thursday 14 June 2007. Awaiting feedback.
Las Iguanas	3,000 – 5,000	Martin Bloom (Insight Retail) acting. Offer dated 21 March 2007 at £25 psf (G/F) and £12.50 (1/F) on Unit 1. Awaiting reconfirmation of offer based on the revised floor areas and rent i.e £130,000 pa.
Planet Hollywood	3,000 – 7,000	Awaiting feedback from the New Orleans H.O. Suspect they are not acquiring.
Living Room	3,000 – 7,000	Jeremy Roberts (Property Director) Living Ventures is to discuss with operators regarding potential upsize to Unit 1. However suspect highly unlikely given the location and recent buyout by Ultimate Leisure.
Nawaab	4,000 – 6,000	Viewed 28 June. Offer made verbally to client. Awaiting formal offer in writing.



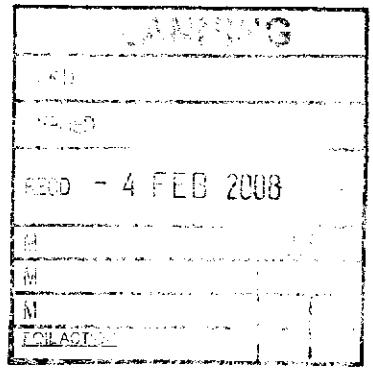
Schedule of Interest

Manchester – GNT
Hill Developments

2 August 2007

Operator	Size sq ft	Comments
Thornton Inns T/a Epernay Champagne Bar	3,000 -4,000	Geoff Thornton (MD) interested in Unit 1. Awaiting viewing date.
Nandos	3,500 - 5,000	Richard Grossman acting. Viewed Unit 2 - 28 June 2007. Not of interest due to restricted visibility and trading mezzanine floor. However may look at part Unit 1, subject to tenant line-up.
Tragus Holdings t/a Ortega and Strada	3,000 - 5,000	Simon Johnson (Property Director). Viewed 6 June 2007. Board Meeting Thursday 19 July. The rollout of Ortega has now been put on hold until Jan 08.
Wolverhampton & Dudley t/a Pitcher & Piano	6,000 - 8,000	Richard Shuttleworth (Pudney Shuttleworth) acting. Strong initial interest. Viewed 04.08.06. Recently instructed Solicitors on existing operation in the Northern Quarter. Possibility of 2nd Pitcher & Piano however suspect unlikely.
The Restaurant Group t/a Chiquito's and Frankie & Benny's	4,000 - 5,000	Paul Bishton (Red Leaf Property) acting. Not of interest for Frankie & Benny's (potential res-site). However Chiquito's have expressed interest in Units 1 or 2. Viewed the location w/c 25 June. Not of interest as The Printworks is preferred location.
TGI Friday's	3,000 - 9,500	TGI now owned by Carlsen group (USA). Awaiting response.
Esnan Kahn		Viewed Monday 25 June 2007. Awaiting feedback.
Goji	3,000 – 4,000	Viewed Wednesday 20 June 2007. Initial offer at £74,000 pa on Unit 2. Revised offer of £85,000 pa and £60,000 capital contribution. Awaiting financial information.
Mumtaz	4,000 – 9,000	Viewed Units 3 & 4 Thursday 14 June 2007. Not of interest due to limited visibility.
Las Iguanas	3,000 – 5,000	Martin Bloom (Insight Retail) acting. Offer dated 21 March 2007 at £25 psf (G/F) and £12.50 (1/F) on Unit 1. Awaiting reconfirmation of offer based on the revised floor areas and rent i.e £130,000 pa.
Planet Hollywood	3,000 – 7,000	Awaiting feedback from the New Orleans H.O. Suspect they are not acquiring.

Operator	Size sq ft	Comments
Living Room	3,000 – 7,000	Jeremy Roberts (Property Director) Living Ventures is to discuss with operators regarding potential upsize to Unit 1. However suspect highly unlikely given the location and recent buyout by Ultimate Leisure.
Nawaab	4,000 – 6,000	Viewed 28 June. Offer made verbally to client. Subsequently have gone cold.
The Handmade Hamburger Co	3,000 - 4,000	Meeting on site due w/c 13 August. Initial strong interest.



Schedule of Interest

Manchester – GNT
Hill Developments

16 November 2007

Operator	Size sq ft	Comments
Thornton Inns T/a Epernay Champagne Bar	3,000 -4,000	U/O no Unit 1b at £70,000 pa. Exchange due w/c 19 November.
Goji	3,000 – 4,000	Viewed Wednesday 20 June 2007. Initial offer at £74,000 pa on Unit 2. Revised offer of £85,000 pa and £60,000 capital contribution. U/O. Exchange due w/c 19 November.
Café Mao	3,000 – 4,000	Loren Cowen (King Sturge) acting. Viewed Unit 1a 16 November 2007. Strong initial interest. Awaiting proposal. Subsequently withdrew interest due to Goji representation.
Indulge	7,000 – 10,000	Ted Sharma (Shelley Sandzer) acting. Manchester not on initial target list. However Principal, Sam Kay, has requested this site be looked at. Subsequently not of interest due to limited visibility and poor trading space.
Little Yang Sing	4,000 – 6,000	Francis Lee, regional Chinese operator. www.littleyangsing.co.uk. Initial interest. However Goji exclusively prevented representation being secured.
Nandos	3,500 - 5,000	Richard Grossman acting. Viewed Unit 2 - 28 June 2007. Re-visited the site 21 September 2007. Unit 1 not of interest due to low profile nature of scheme. No passing retail shoppers.
Tragus Holdings t/a Ortega and Strada	3,000 - 5,000	Simon Johnson (Property Director). Viewed 6 June 2007. Board Meeting Thursday 19 July. The rollout of Ortega has now been put on hold until Jan 08.
Wolverhampton & Dudley t/a Pitcher & Piano	6,000 - 8,000	Richard Shuttleworth (Pudney Shuttleworth) acting. Strong initial interest. Viewed 04.08.06. However subsequently acquired The Works unit in Printworks.
The Restaurant Group t/a Chiquito's and Frankie & Benny's	4,000 - 5,000	Paul Bishton (Red Leaf Property) acting. Not of interest for Frankie & Benny's (potential res-site). However Chiquito's have expressed interest in Units 1 or 2. Viewed the location w/c 25 June. Not of interest as The Printworks is preferred location.
TGI Friday's	3,000 - 9,500	TGI now owned by Carlsen group (USA). Not of interest.

Operator	Size sq ft	Comments
Las Iguanas	3,000 – 5,000	Martin Bloom (Insight Retail) acting. Offer dated 21 March 2007 at £25 psf (G/F) and £12.50 (1/F) on Unit 1. Still awaiting reconfirmation of offer based on the revised floor areas and rent i.e £130,000 pa. Will chase.
The Handmade Hamburger Co	3,000 - 4,000	Meeting on site due w/c 13 August. Initial strong interest. Chasing agent for feedback.