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CHFP025

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legibly, preferably
in black type, or
bold block lettering*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

024/30 / 26
x2

395

A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

[19]

1640583

Name of company

* Urban Waterside Limited (the "Company")

Date of creation of the charge

24 February 2005

Description of the instrument (if any) creating or evidencing the charge (note 2)

Assignment of material contracts (the "Assignment")

Amount secured by the mortgage or charge

means all moneys obligations and liabilities whatsoever whether for principal interest or otherwise in whatever currency which may now or at any time in the future be due owing or incurred by the Company to the Lender whether present or future actual or contingent and whether alone severally or jointly as principal guarantor surety or otherwise and in whatever name or style and whether on any current or other account or in any other manner whatsoever and including but without limitation all expenses, the Lender's charges, commission and interest (and so that interest shall be computed and compounded according to the usual practise of the Lender as well after as before any demand or judgment) other than any liability or obligation which, if it were so included, would result in this deed contravening section 151 of the Companies Act 1985 "Secured Liabilities";

Names and addresses of the mortgagees or persons entitled to the charge

The Royal Bank of Scotland Plc, /36 St Andrews Square, Edinburgh (the "Lender")

Postcode EH2 2YB

Presentor's name address and
reference (if any):Halliwells LLP
St James's Court
Brown Street
Manchester

RXS/corp/bank/M395-Urban

Time critical reference

For official Use (02/00)

Mortgage Section

Post room



Security

The Company with full title guarantee, as security for the payment and discharge of all the Secured Liabilities and/or the performance of any deeds or documents arising there from and/or of all undertakings, covenants, terms and conditions on the part of the Company therein contained:

- a) assigns by way of security to the Lender all its present and future rights, title, benefit and interest in the Assigned Documents (including (but without prejudice to the generality of the foregoing) any and all claims, rights, payments and remedies to which the Company is now and may hereafter become entitled under, pursuant to or in relation to the Assigned Documents (including, without limitation, all claims for damages in respect of any breach of the Assigned Documents and the benefit of any guarantee, indemnity or security in relation to the Assigned Documents);

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95

Particulars as to commission allowance or discount (note 3)

Nil

Signed

Hallinells LLP

Date

28/2/05

On behalf of ~~Company~~ [mortgagee/chargee] †

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situated in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional, for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

† delete as appropriate

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**Particulars of a mortgage or charge
(continued)**

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Continuation sheet No 1
to Form No 395 and 410 (Scot)

*Please complete
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Company Number

1640583

Name of Company

Urban Waterside Limited (the "Company")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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- b) transfers and assigns absolutely to the Lender all its rights, title (to the extent (if any) such title does not vest in the Lender by virtue of any other documents the Lender may hold), all assets tangible or intangible in relation thereto and the benefit and interest in all appointments, contracts, guarantees, representations, undertakings and warranties given or made by and any rights or remedies against any professional advisers now or at any time engaged in connection with the Development and the manufacturers, suppliers or installers of any plant, machinery, fixtures and fittings or other items comprised in the Development and any other person now or from time to time under a duty to the Company including without limitation, any collateral warranties and the benefit of any performance bond or parent company guarantee;
- c) charges in favour of the Lender by way of fixed charge the benefit of all present and future licences, permits, consents and authorisations (statutory or otherwise) held in connection with the use or exploitation of the other Security Assets and the right to recover and receive all compensation which may at any time be payable to it in respect thereof.

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Without prejudice to the provisions of clause 18 of the Assignment, the Company thereby covenants with the Lender that, upon written demand by the Lender from time to time, it shall execute and deliver a legal assignment (in form and substance reasonably required by the Lender) of all or any part of the Security Assets subject to a fixed mortgage or charge hereunder.

Any reference in the Assignment to an assignment, mortgage or charge of any Security Asset includes the proceeds of sale or other realisation of that Security Asset.

To the extent that the provisions of clause 3 of the Assignment fail wholly or in part then the Company agrees that all proceeds, receipts and payments made to it under or pursuant to the Assigned Documents and/or the Security Assets (together the "**Proceeds**") shall be held by the Company in trust for the benefit of the Lender to apply the same for the purposes (each of which shall be construed as a separate and distinct purpose) set out in clause 3.6 of the Assignments.

The Company shall apply the Proceeds:

- (1) in payment of any sum or sums due and payable to the Lender under the Facilities Agreement or any deed or document or any other side letters between the Company and the Lender from time to time; and
- (2) In payment of any sum demanded by the Lender in accordance with the provisions of the Facilities Agreement or any other deed or document or any other side letters between the Company and the Lender and not recovered by the Lender for any reason including the invalidity, unenforceability or illegality thereof or the incapacity or lack of authority of the Company.

The perpetuity period applicable to the trusts created by this deed shall be eighty (80) years.

**Particulars of a mortgage or charge
(continued)**

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Continuation sheet No 2
to Form No 395 and 410 (Scot)

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Name of Company

Urban Waterside Limited (the "Company")

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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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The Company shall not without the prior written consent of the Lender:

- (a) create or permit to subsist any Encumbrance over all or any part of the Security Assets or any interest therein other than a Permitted Encumbrance;
- (b) whether in a single transaction or in a number of transactions (related or not), sell, assign, transfer, lease, lend, otherwise dispose of or grant any option over all or any part of the Security Assets or any interest therein.

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The Assignment shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Law of Property Act, 1925, as varied or amended by the Assignment, shall be immediately exercisable at any time after the occurrence of an Event of Default. After the Assignment has become enforceable, the Lender may in its absolute discretion enforce all or any part of the Assignment in such manner as it sees fit.

For the purposes of all powers implied by statute, the Secured Liabilities shall be deemed to have become due and payable on the date hereof and sections 93 and 103 of the Law of Property Act, 1925 shall not apply to the Assignment. The statutory powers of leasing conferred in the Lender shall be extended so as to authorise the Lender to lease, make or grant agreements for leases, surrender or accept surrenders of leases and grant options as the Lender shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act, 1925.

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 on mortgages and receivers when such receivers have been duly appointed under that Act, except that section 103 of that Act does not apply.

Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act, 1925, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any Secured Liabilities.

No purchaser, mortgagee or other person dealing with the Lender or the Receiver or its or his agents shall be concerned as to the propriety or regularity of any sale by or other dealing with the Lender, the Receiver or its or his agents or to enquire whether the Secured Liabilities have become payable or whether the power which the Lender or the Receiver is purporting to exercise has become exercisable or whether any Secured Liabilities remain unpaid or undischarged or to see to the application of any money paid to the Lender or to such Receiver. All the protection afforded to purchasers contained in sections 104 and 107 of the Law of Property Act, 1925 shall apply to any person purchasing from or dealing with the Receiver or the Lender.

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**Particulars of a mortgage or charge
(continued)**

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Continuation sheet No 3
to Form No 395 and 410 (Scot)

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Company Number

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Name of Company

Urban Waterside Limited (the "Company")

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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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Definitions**"Agreements"**

means as follows;

- 1 a building contract to build a spine access road on the Property dated 15 November 2004 between the Company and Bluestone plc;
- 1 a building contract to build the Development dated 15 November 2004 between the Company and Bluestone plc;
- 2 a parent company guarantee granted by Morgan Sindall plc in favour of the Company dated 17 December 2004; and
- 3 a performance bond dated 19 January 2005 between the Company, Bluestone plc and Liberty Mutual Insurance Europe Limited

"Agreed Plans"

means the detailed architect's drawings and building specifications for the Development in a form and content acceptable to the Lender;

"Assigned Documents"

the Agreements and all Collateral Instruments arising there from;

"Collateral Instruments"

negotiable and non-negotiable instruments, guarantees, indemnities and other assurances against financial loss and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidencing an Encumbrance;

"Development"

means the construction of 8 industrial units at the Property in accordance with the Agreed Plans and as detailed in the planning consent granted by the local council;

"Encumbrance"

means any mortgage, charge, standard security, pledge, lien, assignment, assignation, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security;

"Event of Default"

shall have the meaning ascribed to it in the Facilities Agreement;

"Facilities Agreement"

a facilities agreement dated 22 October 2004 made between the Lender and the Company whereby the Lender agreed to make available to the Company facilities in an aggregate principal amount of £1,935,000 (the

"Facilities");

"Permitted Encumbrance"

- (a) liens arising by operation of law in the ordinary course of trading over property other than land and/or buildings securing obligations not more than three months overdue;
- (b) any Encumbrance arising by way of retention of title of goods by the supplier of such goods where such goods are supplied on credit and are acquired in the ordinary course of trading; and
- (c) the security created by this deed or toher security granted in favour of the Lender;

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Particulars of a mortgage or charge (continued)

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Continuation sheet No 4
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Company Number

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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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"Property"

means Spectrum Industrial Park, Birdhall Lane, Cheadle Heath, Stockport;

"Receiver"

means a receiver and manager or a receiver, being in any case appointed under this deed;

"Security Assets"

means all those assets which are the subject of any security created by or pursuant to this deed (and includes without limitation the Assigned Documents); and

*Please complete
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FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 01640583

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN ASSIGNMENT OF MATERIAL CONTRACTS DATED THE 24th FEBRUARY 2005 AND CREATED BY URBAN WATERSIDE LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE ROYAL BANK OF SCOTLAND plc ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd MARCH 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th MARCH 2005.

PDMU



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES