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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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Pursuant to section 395 of the Companies Act 1985

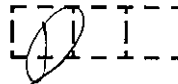
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in black type, or
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To the Registrar of Companies

For official use

Company number



1930484

Name of company

* GREYCOAT COMMERCIAL DEVELOPMENTS LIMITED (the "Company")

* insert full name
of company

Date of creation of the charge

19 January 1999

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

Mortgage (the "Mortgage") made between the Company and the Bank (as defined below)

Amount secured by the mortgage or charge

All moneys, obligations and liabilities on the part of the Company to the Bank to be paid, performed or discharged, whether now or at any time in the future and on any account whatsoever and howsoever arising and whether actual or contingent, whether alone or jointly and in whatever name, firm or style and whether as principal or surety together with all Expenses and any interest charged or other amounts due under the terms of any of the Finance Documents (the "Secured Obligations")

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

LANDESBANK HESSEN-THURINGEN GIROZENTRALE, London Branch (the "Bank") of 11 Ironmonger Lane, London EC2V 8JN

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

Travers Smith Braithwaite
10 Snow Hill
London
EC1A 2AL

REF: CLR L516-132

Time critical reference

For official use
Mortgage Section



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COMPANIES HOUSE 20/01/99

1. CHARGING PROVISIONS

The Company with full title guarantee and as a continuing security for the payment and discharge of the Secured Obligations hereby:-

1.1 charges to the Bank by way of legal mortgage all the Property and assigns to the Bank by way of security all rental and other income from the Property (subject to reassignment upon redemption of the Security) together with the benefit of all warranties relating to the Property and all the interests, rights and entitlements of the Company under and/or in relation to any compensation and/or insurance policies and insurance moneys referred to in the Mortgage or otherwise relating to the Property;

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Particulars as to commission allowance or discount (note 3)

N/A

Signed

Travers Smith Braithwaite

Date

19 January 1999

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

† delete as
appropriate

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 situate 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.

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Particulars of a mortgage or charge (continued)

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

CHA 116

Please complete
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Company Number

1930484

Name of Company

GREYCOAT COMMERCIAL DEVELOPMENTS LIMITED (the "Company")

~~limited~~

* delete if
inappropriate

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

1.2 charges to the Bank by way of specific charge all deeds and documents from time to time relating to the Property, the benefit of any covenants for title given or entered into by any predecessor in title of the Company to the Property, all proceeds of a capital nature in relation to the disposal of the Property, the benefit of any contract for the sale, letting or other disposal of the Property, any rights against lessees or other occupiers and/or their sureties and all present and future options to renew all leases or purchase all reversions (whether or not freehold) from time to time in relation to the Property;

1.3 charges to the Bank by way of specific charge all the rights, title and interest of the Company in and to any Deposit and all Deposit Accounts; and

1.4 charges to the Bank by way of floating charge the undertaking and all property, assets and rights of the Company, whatsoever and wheresoever, both present and future (save insofar as any of the same shall for the time being be effectively specifically mortgaged or charged under the provisions of the Mortgage) provided always that the Bank may by notice to the Company convert such floating charge into a specific charge as regards any of the Charged Assets specified in such notice (i) at any time after the Bank becomes entitled to appoint a Receiver notwithstanding that it may elect not to do so or (ii) if the Bank reasonably considers such Charged Assets to be in danger of seizure, distress, attachment, execution, diligence or other legal process or to be otherwise in jeopardy.

2. NEGATIVE PLEDGE

The Company agrees that at no time during the continuance of the Security will it, save with the prior written consent of the Bank, except as permitted under the Agreement and subject to the provisions of the Mortgage and in the case of clauses 2.2, 2.3, 2.4 and 2.5, (such consent not to be unreasonably withheld or delayed):-

2.1 Encumbrances: create or permit to subsist any encumbrance on or over the Charged Assets ranking in priority to, *pari passu* with or subsequent to, the Security;

2.2 Disposals: (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, assign, lend or otherwise dispose of all or any material part of the Charged Assets nor enter into any agreement to do any of the same other than where such agreement is conditional upon the consent of the Bank being obtained;

2.3 Interests: except pursuant to any right or interest disclosed in the Report on Title or pursuant to any disposal otherwise permitted under this clause, allow any person to be registered as proprietor of any right or interest in respect of the Property or allow any overriding interest under the Land Registration Acts 1925-1988 to arise;

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2.4 Consents and other dispositions: save where the Company is not entitled at law or under the terms of any lease or leases relating to the Property to refuse such consent or licence, grant any consent or licence to assign, underlet or part with possession or occupation of the Property, nor agree any rent review, accept any surrender or waive or vary any of the terms of any lease or tenancy relating to the Property from time to time (whether such lease is a lease under which the Company holds the Property or any lease superior thereto or derivative therefrom) or any of the terms of any guarantee, indemnity or other security in relation thereto (whether proprietary or by way of personal covenant only), nor, except as provided above, grant any licences for alterations to or for any change of user of the Property or any part thereof nor institute any proceedings for forfeiture in relation to any such lease or tenancy or release any lessee, tenant, guarantor, surety or provider of security from any of its obligations thereunder or in relation thereto;

2.5 Creation of other interests: except pursuant to any right or interest disclosed in the Report on Title, create or permit to arise or subsist any licence, interest or right to occupy in favour of, or share possession of the Property with, any third party and not exercise the powers of leasing and accepting surrenders of leases contained in sections 99 and 100 of the Act (whether in respect of any lease under which it holds the Property or any lease superior thereto or derivative therefrom);

2.6 Value of Security: otherwise do or cause or permit to be done anything which may in any material respect depreciate, jeopardise or otherwise prejudice the value of the Security, provided that in relation to the Property a breach of this clause shall only arise where the act or omission would give rise to a Shortfall in Security.

Definitions:

Act: the Law of Property Act 1925.

Agreement: the loan agreement dated 19 January 1999 made between the Company as borrower (1) Greycoat plc as guarantor (2) and the Bank (3) relating to a maximum £12,000,000 loan facility;

Charged Assets: all property or properties and/or other assets, and, where the context so admits, each of them and any part thereof, and the proceeds of the disposal of the same, and all rights, titles and interests therein, in each such case as may now or in the future be the subject of the Security.

Deposit: the amount from time to time standing to the credit of any Deposit Account and all rights accruing in respect of such Deposit Account.

Deposit Account: a deposit and an associated current account opened and/or maintained for the purpose of holding monies from time to time required to be deposited or remitted under the terms of the Agreement or otherwise maintained by agreement from time to time between the parties hereto, including the Rent Account.

Expenses: all banking, legal and other costs, charges, expenses and/or liabilities (including any VAT thereon) properly paid or, if earlier, properly incurred by or on behalf of the Bank or any Receiver (i) in relation to the Finance Documents or all or any of the Charged Assets, in negotiating and completing any security comprised in the Finance Documents in protecting, preserving or improving, in considering the enforcement or exercise of, enforcing or exercising, or attempting to enforce or exercise, any security comprised in the Finance Documents; and/or (ii) in procuring the compliance with, or performance of, any of the covenants and/or obligations of any party to any of the Finance Documents (other than the Bank) and all other expenses and/or liabilities of the Bank or any Receiver properly paid or incurred from time to time in relation to the exercise of any right or power on the part of the Bank or any Receiver referred to in the Finance Documents.

Finance Documents: the Agreement, the Mortgage, and all other documents from time to time entered into by the Company in connection with or pursuant to the terms of the Agreement or any other Finance Document.

Property: all that freehold property known as or being Scottish Life House, 36-39 Poultry, London EC2 and land and buildings at Old Jewry as the same is registered at H M Land Registry with freehold title absolute under title number NGL 115626, which expression shall include, where the context so admits, the whole or any part of such property and all buildings and other structures from time to time erected thereon and all fixtures from time to time thereon or therein.

Receiver: a receiver and/or manager (including, as the context admits, an administrative receiver) appointed under the Mortgage.

Rent Account: the account into which all rental income from time to time derived from the Property (excluding any VAT thereon, service charges, insurance rent or like tenant contributions, general rates, water rates or other outgoings imposed by any public authority in relation to the Property and any amount payable by the Company to any superior landlord in respect of the Property) is to be paid pursuant to the Agreement.

Report on Title: the report on title prepared in relation to the Property by the solicitors to the Bank.

Security: the security from time to time created by or pursuant to the terms of the Mortgage.

VAT: value added tax or any similar tax substituted therefor.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01930484

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT
A MORTGAGE DATED THE 19th JANUARY 1999 AND CREATED BY GREYCOAT
COMMERCIAL DEVELOPMENTS LIMITED FOR SECURING ALL MONIES DUE OR TO
BECOME DUE FROM THE COMPANY TO LANDESBANK HESSEN-THURINGEN
GIROZENTRALE ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO
CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 20th JANUARY 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st JANUARY 1999.

A handwritten signature in cursive script, appearing to read 'L. Howells'.

L. HOWELLS.

for the Registrar of Companies



C O M P A N I E S H O U S E