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COMPANIES HOUSE REGRETS THAT
THESE PAGES WHICH FORMS PART
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ILLEGIBLE.

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COMPANIES HOUSE IS UNABLE TO
OBTAIN THESE PAGES.

COMPANIES HOUSE WOULD LIKE
TO APOLOGISE FOR ANY
INCONVENIENCE THIS MAY CAUSE.

M

COMPANIES FORM No. 395

Particulars of a charge**395**Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

M 454 C ER. 329 622
300536Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

[U][I][I]

2276750

Name of company

* WARD HOMES ANGLIA LIMITED

* insert full name
of company

Date of creation of the charge

22nd February 1989

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

Supplemental Guarantee and Charge dated 22nd February 1989 (the "Guarantee and Charge") and made between :- (Continued)

Amount secured by the charge

All monies and liabilities due and payable under the Guarantee and Charge to the Agent, Hill Samuel, the Original Banks and the New Banks by the Company jointly with the Parent Company/each of the other Charging Subsidiaries in respect of their joint and several guarantees under a revolving loan facility agreement (the "Agreement") dated 12th November 1987 entered into by the Parent Company with the Agent, the Original Banks and TSB as amended by a supplemental agreement (the "Supplemental Agreement") dated 22nd February 1989 and made between the Parent Company (1) the Original Banks (2) the New Banks (3) Hill Samuel (4) TSB (5) and the Agent (6) up to a maximum amount of £65 million together with interest thereon and all participation, agency and commitment fees, and all expenses (including but not limited to printing costs and all legal, travel, publicity and other out-of-pocket expenses and VAT thereon) incurred by the Agent, Hill Samuel the Original Banks and the New Banks in preparing, negotiating, completing

(Continued)

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

Samuel Montagu & Co. Limited

10 Lower Thames Street, London

(Continued)

Postcode

EC3R 6AE

Presentor's name address and
reference (if any):McKenna & Co.
71 Queen Victoria Street
LONDON EC4V 4EB

GCW/JH

For official Use
Mortgage Section

Post room

REGISTERED

24 FEB 1989

Time critical reference

Short particulars of all the property charged

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

As a continuing security:

A. By way of Floating Charge all the goodwill, undertaking and all other property, assets, revenues and rights of the Company whatsoever and wheresoever both present and future including stock-in-trade, all heritable and moveable property, together with all book debts and other debts now and from time to time due, owing or incurred to the Company (the "Charged Assets").

B. The Company shall not without the written consent of the Agent create or attempt to create or permit to arise or subsist any mortgage, debenture, charge, pledge, lien or other encumbrance upon the Charged Assets (save a lien arising by operation of law or in the ordinary course of trading).

(Continued)

Particulars as to commission allowance or discount (note 3)

Signed

Makenna & Co.

Date

27/2/89

On behalf of [company] [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.

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

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

Company number

2276750

Please complete
legibly, preferably
in black type, or
bold block lettering

Name of company

WARD HOMES ANGLIA LIMITED

Limited*

*delete if
inappropriate

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

Ward Holdings PLC (the "Parent Company") (1), Wards Construction (Medway) Limited, Wards Construction (London) Limited, Wards Construction (Investments) Limited, Ward Homes (South Eastern) Limited, Ward Homes Anglia Limited and Wards Construction (Industrial) Limited (collectively referred to as the "Charging Subsidiaries") (2) Wards Construction (Industrial) Limited ("Wards Construction") (3) Ward Homes Anglia Limited ("Ward Homes") (4) TSB England & Wales plc. (TSB) (5) Hill Samuel Bank Limited ("Hill Samuel") (6) Midland Bank plc, Den Danske Bank af 1871 Aktieselskab, The Sanwa Bank, Limited, Dresdner Bank A.G., Charterhouse Bank Limited, J. Henry Schroder-Wagg & Co. Limited (the "Original Banks") Banco Di Roma, The Bank of Tokyo, Ltd and National Westminster Bank plc (the "New Banks") (7) and Samuel Montagu & Co. Limited (the "Agent") (8).

C. The Company shall not without the written consent of the Agent part with possession, transfer, assign, sell, lease or otherwise dispose of (except to the Parent Company or to another Charging Subsidiary) the Charged Assets or any part thereof (determined by the Agent) by reference to the most recently available audited financial statements of the Company to have a value in excess of 10 per cent. of its tangible net worth or of its net profits (after taxation but before extraordinary items) or attempt or agree so to do except in the usual course of its trading and for the purpose of carrying on its business in the ordinary course on arms length terms and for money or money's worth.

D. The Company shall not without the written consent of the Agent deal with its book or other debts or securities otherwise than in the ordinary course of getting in and realising the same which course shall not include or extend to the selling or assigning or in any way factoring or discounting of any of the said debts or securities.

E. The Company shall not without the written consent of the Agent:

(i) transfer lease or dispose of any Charged Assets to any subsidiary other than a Charging Subsidiary or the Parent Company;

(ii) enter into any onerous restrictive obligations affecting its freehold, leasehold or heritable property or do or suffer or omit to be done any act, matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time affecting such property is infringed;

(iii) vary, surrender, cancel, assign or otherwise dispose of or permit to be forfeit its leasehold interest in any premises or permit any person to become entitled to any proprietary right or interest which might materially and adversely affect the value of any fixtures or fixed plant and machinery forming part of the Charged Assets;

(iv) permit any person to be registered as proprietor under the Land Registration Acts of any freehold or leasehold property present or future from time to time nor create or permit to arise any overriding interest affecting such property within the definition in those Acts.

and executing the Supplemental Agreement and the Guarantee and Charge and in enforcing, preserving or protecting their rights under the Agreement as amended by the Supplemental Agreement and the Guarantee and Charge, and all costs, charges and expenses incurred by any Receiver, including his remuneration, in preserving or enforcing the Guarantee and Charge.

Please complete
legibly, preferably
in black type, or
bold block lettering

THE ORIGINAL BANKS

Midland Bank plc.
Suffolk House
5 Laurence Pountney Hill,
London, EC4R 0EU

Den Danske Bank af 1871 Aktieselskab
10 Broadgate
London, EC2N 2RA

The Sanwa Bank, Limited
Commercial Union Building
1 Undershaft
London, EC3A 8LA

Dresdner Bank Aktiengesellschaft
London Branch
Dresdner Bank House
125 Wood Street
London, EC2V 7AQ

Charterhouse Bank Limited
1 Paternoster Row
St. Paul's
London, EC4M 7DH

J. Henry Schroder Wagg & Co. Limited
120 Cheapside
London, EC2V 6DS

THE NEW BANKS

Banco Di Roma
87 Gresham Street
London, EC2V 7NQ

The Bank of Tokyo, Ltd.
20/24 Moorgate
London, EC2R 6D

National Westminster Bank plc.
Princes Street Business Centre
1 Princes Street
London, EC2P 2AH

Hill Samuel

Hill Samuel Bank Limited
100 Wood Street
London
EC2P 2AS

C. The Company shall not without the written consent of the Agent part with possession, transfer, assign, sell, lease or otherwise dispose of (except to the Parent Company or to another Charging Subsidiary) the Charged Assets or any part thereof (determined by the Agent) by reference to the most recently available audited financial statements of the Company to have a value in excess of 10 per cent. of its tangible net worth or of its net profits (after taxation but before extraordinary items) or attempt or agree so to do except in the usual course of its trading and for the purpose of carrying on its business in the ordinary course on arms length terms and for money or money's worth.

D. The Company shall not without the written consent of the Agent deal with its book or other debts or securities otherwise than in the ordinary course of getting in and realising the same which course shall not include or extend to the selling or assigning or in any way factoring or discounting of any of the said debts or securities.

E. The Company shall not without the written consent of the Agent:

(i) transfer lease or dispose of any Charged Assets to any subsidiary other than a Charging Subsidiary or the Parent Company;

(ii) enter into any onerous restrictive obligations affecting its freehold, leasehold or heritable property or do or suffer or omit to be done any act, matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time affecting such property is infringed;

(iii) vary, surrender, cancel, assign or otherwise dispose of or permit to be forfeit its leasehold interest in any premises or permit any person to become entitled to any proprietary right or interest which might materially and adversely affect the value of any fixtures or fixed plant and machinery forming part of the Charged Assets;

(iv) permit any person to be registered as proprietor under the Land Registration Acts of any freehold or leasehold property present or future from time to time nor create or permit to arise any overriding interest affecting such property within the definition in those Acts.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

I hereby certify that a Supplemental Guarantee and Charge dated the 22nd February 1989 and created by WARD HOMES ANGLIA LIMITED for securing all moneys due or to become due from the Company and/or all or any of the other companies named therein to Samuel Montagu & Co Limited, as Agent, and the other ten chargees named on the attached schedule under the terms of the Loan Agreement dated 12th November 1987 as amended by the Supplemental Agreement dated 22nd February 1989 as defined in this Deed was registered pursuant to Chapter I Part XII of the Companies Act 1985, on the 24th February 1989

Given under my hand at the Companies Registration Office,
Cardiff the - 6 MAR 1989

No. 2276750

P. JONES

an authorised officer

Certificate and instrument received by

..... POST
..... 24
Date 8/3



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

SCHEDULE TO THE CERTIFICATE OF REGISTRATION OF A MORTGAGE OR CHARGE

NAMES OF CHARGEES

THE ORIGINAL BANKS

Midland Bank plc
Den Danske Bank af 1871 Aktieselskab
The Sanwa Bank, Limited
Fresdner Bank Aktiengesellschaft
Charterhouse Bank Limited
J. Henry Schroder Wagg & Co. Limited

THE NEW BANKS

Banco Di Roma
The Bank of Tokyo, Ltd.
National Westminster Bank PLC

HILL SAMUEL

Hill Samuel Bank Limited

No. 2276750

Certificate and instrument received by

..... POST

..... 2/3

Date 8/3

M

395/A8

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

GR
MSOSC

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

MJW

For official use

Company number

IIIW

2276750

Name of company

* WARD HOMES ANGLIA LIMITED

* insert full name
of company

Date of creation of the charge

22 February 1989

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

Fixed and Floating Charge dated
22 February 1989

Amount secured by the mortgage or charge

All monies and liabilities now or at any time hereafter due owing or incurred to the Bank by the
Company in any way whatsoever.

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

Midland Bank plc, whose registered office is at Poultry, in the City of London.

Postcode

EC2P 2BX

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

REDFERN & STIGANT
57 BALMORAL ROAD
GILLINGHAM KENT

BS.906

For official Use
Mortgage Section

REGISTERED

28 FEB 1989

Post room

COMPANIES HOUSE

28 FEB 1989

M

9

Time critical reference

Particulars of all the property mortgaged or charged

First Fixed Charge on all book debts and other debts now and from time to time hereafter due owing or incurred to the Company other than such of the said debts as the Bank may have specifically agreed in writing to exclude from such first fixed charge; and

Floating Charge on all other the Undertaking of the Company and all its property whatsoever and wheresoever both present and future including its uncalled capital for the time being and such of the book debts and other debts referred to above which are not charged under the said first fixed charge (collectively called "the assets") but so that the Company shall not except with the prior written consent of the Bank:

- (a) create or permit to subsist over all or any of the assets any mortgage charge lien pledge or other security ranking in priority to or *pari passu* with the said floating charge; or
- (b) part with sell or dispose of all or except in the ordinary course of the Company's business and for the purpose of carrying on the same any of the assets; or
- (c) deal with its book or other debts or securities for money forming part of the assets otherwise than in the ordinary course of getting in and realising the same which course shall not include or extend to the selling or assigning or in any other way factoring or discounting of any of the said debts or securities.

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Reed Bryant

Date

27.2.89

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 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.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

I hereby certify that a mortgage or charge dated the 22nd February 1989
and created by WARD HOMES ANGLIA LIMITED

for securing all moneys now due, or hereafter to become due, or from time
to time accruing due from the company to Midland Bank plc

on any account whatsoever

was registered pursuant to Chapter I Part XII of the Companies Act
1985, on the 28th February 1989

Given under my hand at the Companies Registration Office,
Cardiff the 7 MAR 1989

No. 2276750

Certificate and instrument received by

POST N/R..

Date 7/3 CR..

P. T. Davies

P. T. DAVIES

an authorised officer

M

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

Name of company

*WARD HOMES ANGLIA LIMITED (the "Original Subsidiary")

* insert full name
of company

Date of creation of the charge

27th May, 1994

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

Composite Guarantee and Debenture dated 27th May, 1994 (the "Guarantee and Debenture") See continuation sheet no. 1 page 1

Amount secured by the mortgage or charge

In clause 2.1 of the Guarantee and Debenture, the Original Subsidiary:

- (a) covenants that it will on demand pay to the Bank all moneys and discharge all obligations and liabilities at the date of the Guarantee and Debenture or thereafter due, owing or incurred by it to the Bank on any account whatsoever; and
- (b) guarantees that it will on demand pay to the Bank all moneys and discharge all liabilities at the date of the Guarantee and Debenture or thereafter due, owing or incurred to the Bank by (i) each other Company and (ii) any other present or future Subsidiary of the Parent or of any Company (except any obligations or liabilities of such other Company as guarantor for the Original Subsidiary);

See continuation sheet no. 1 page 2

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

MIDLAND BANK PLC, 27-32 Poultry, London

Postcode

EC2P 2BX

Norton Rose

Bank of America House
PO Box 570
25 Cannon Street
London
EC4M 5ST

Telephone 071 280 2404

Telex 94061181
Telex 940611
Box 570 London
EC4M 5ST

Presented by 119 X102610 055MNP.
reference

Time critical reference

For official Use
Mortgage Section

Post room

15 JUN 1994

16 JUN 1994

Short particulars of all the property mortgaged or charged

In clause 3.1 of the Guarantee and Debenture, the Original Subsidiary as beneficial owner charges to the Bank by way of fixed charge (and as regards all those parts of the freehold and leasehold property in England and Wales vested in the Original Subsidiary at the date of the Guarantee and Debenture by way of legal mortgage) as a continuing security for the payment and discharge of the Secured Obligations the following assets, both present and future, from time to time owned by the Parent or in which the Original Subsidiary may from time to time have an interest:

- (a) Properties: all freehold and leasehold property of the Original Subsidiary situate in England and Wales and all liens, charges, options, agreements,

See continuation sheet no. 1 page 4

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Particulars as to commission allowance or discount (note 3)

NIL

Signed *Norton Rose*

Date *15 Jan 94*

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.

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

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

Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

2276750

Name of company

WARD HOMES ANGELIA

Limited*

*delete if
inappropriate

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

and made between (1) Ward Holdings PLC (the "**Parent**"), (2) the Original Subsidiary and the other companies whose respective names, registered numbers and registered offices are set out in schedule 1 to the Guarantee and Debenture (collectively the "**Original Subsidiaries**") and (3) Midland Bank plc (the "**Bank**").

The Original Subsidiaries are listed on continuation sheet no. 2 page 1 of this form. In the Guarantee and Debenture, the expression "**Bank**" includes its successors, transferees and assignees, whether immediate or derivative.

See continuation sheet no. 2 page 1

in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to the Bank or purchased or otherwise acquired by it; denominated in sterling or in any other currency; or incurred on any banking account or in any other manner whatsoever, including, without limitation, all liabilities under or in connection with foreign exchange transactions, interest rate swaps and other arrangements entered into for the purpose of limiting exposure to fluctuations in interest or exchange rates; all liabilities arising from the issue, acceptance, endorsement, confirmation or discount of any negotiable or non-negotiable instruments, documentary or other credits, bonds, guarantees, indemnities or other instruments of any kind; and interest (both before and after judgment) to date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the Bank in relation to any such moneys, obligations or liabilities or generally in respect of each such Company (together the "Secured Obligations").

In clause 2.3 of the Guarantee and Debenture, as a separate and independent stipulation, the Original Subsidiary agrees that if any purported obligation or liability of any Company or other person which would have been the subject of a guarantee of the Original Subsidiary under clause 2.1(b) of the Guarantee and Debenture had it been valid and enforceable is not or ceases to be valid or enforceable against such Company or other person on any ground whatsoever whether or not known to the Bank (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of such Company or other person or any legal or other limitation, whether under the Limitation Acts or otherwise, any disability or Incapacity or any change in the constitution of such Company or other person) the Original Subsidiary shall nevertheless be jointly and severally liable with the other Companies to the Bank in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Companies were the principal debtors in respect thereof. The Original Subsidiary agrees jointly and severally with the other Companies to keep the Bank fully indemnified on demand against all damages, losses, costs and expenses arising from any failure of a Company or other person to perform or discharge any such purported obligation or liability.

In the Guarantee and Debenture, the Original Subsidiary agrees to pay interest on each amount demanded of it under its guarantee in clause 2.1(b) of the Guarantee and Debenture from the date of such demand until payment (as well after as before judgment) at the Default Rate. Such interest shall be compounded at the end of each period determined for this purpose by the Bank in the event of it not being paid when demanded but without prejudice to the Bank's rights to require payment of such interest.

In the Guarantee and Debenture, the Original Subsidiary also agrees that, if at any time it is required to make any deduction or withholding in respect of taxes from any payment due under the Guarantee and Debenture for the account of the Bank, the sum due from it in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Bank receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and that the Original Subsidiary shall indemnify the Bank against any losses or costs incurred by it by reason of any failure of the Original Subsidiary to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment.

See continuation sheet no. 2 page 2

rights and interests in or over land or the proceeds of sale of land situate in England and Wales and all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on such property or land together with all rights, easements and privileges appurtenant to, or benefitting, the same;

- (b) Plant and Machinery: all plant, machinery, vehicles, computers and office and other equipment and the benefit of all contracts and warranties relating to the same;
- (c) Securities: all stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect thereof;
- (d) Debts: all book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever and whether originally owing to the Original Subsidiary or purchased or otherwise acquired by it including, without limitation, all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances, Collateral Instruments and any other rights relating thereto including, without limitation, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights (excluding any amount from time to time standing to the credit of any bank or other account with the Bank or with any other person) (together the "Debts");
- (e) Credit balances: any amount from time to time standing to the credit of any bank or other account with the Bank or any other person (together the "Credit Balances");
- (f) Insurances: all moneys from time to time payable to the Original Subsidiary under or pursuant to the Insurances including without limitation the refund of any premiums;
- (g) Goodwill and uncalled capital: all goodwill and uncalled capital;
- (h) Intellectual Property Rights: all patents, patent applications, trade marks and service marks (whether registered or not), trade mark applications, service mark applications, trade names, registered designs, design rights, copyrights, computer programmes, know-how and trade secrets and all other industrial or intangible property or rights and all licences, agreements and ancillary and connected rights relating to, intellectual and intangible property.

See continuation sheet no. 2 page 4

Particulars of a mortgage or charge (continued)

Please do not
write in this
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Continuation sheet No. 2
to Forms Nos 395 and 410 (Scot)

Company number

2276750

Please complete
legibly, preferably
in black type, or
bold block lettering

Name of company

WARD HOMES ANGLIA

Limited*

*Delete if
inappropriate

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

The Original Subsidiaries

<u>Name</u>	<u>Registered Number</u>	<u>Registered Office</u>
Ward Brothers (Gillingham) Limited	314197	2 Ash Tree Lane, Chatham, Kent ME5 7BZ
Wards Construction (Medway) Limited	329622	2 Ash Tree Lane as aforesaid
Wards Construction (Investments) Limited	1132078	2 Ash Tree Lane as aforesaid
Wards Construction (Industrial) Limited	231300	2 Ash Tree Lane as aforesaid
Wards Construction (London) Limited	1069259	2 Ash Tree Lane as aforesaid
Ward Homes (South Eastern) Limited	554130	2 Ash Tree Lane as aforesaid
Ward Homes Anglia Limited	2276750	2 Ash Tree Lane as aforesaid
Lordspan Limited	2152233	2 Ash Tree Lane as aforesaid
Lordswood Plastics Limited	1918840	2 Ash Tree Lane as aforesaid
Lordswood Glass Limited	1564694	2 Ash Tree Lane as aforesaid
Troy Developments Limited	1024947	2 Ash Tree Lane as aforesaid
Troy Developments (South Eastern) Limited	1783904	2 Ash Tree Lane as aforesaid
City Farms Investments Limited	1079293	2 Ash Tree Lane as aforesaid
Anvil Plant Hire Limited	1119127	2 Ash Tree Lane as aforesaid
Affordable Housing Company Limited	1491851	2 Ash Tree Lane as aforesaid
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Wards Country Houses Limited (formerly Falglen Limited)	1491056	2 Ash Tree Lane as aforesaid
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White Seal Stairways Limited	1172944	2 Ash Tree Lane as aforesaid
White Seal (Powder Coaters) Limited	1783906	2 Ash Tree Lane as aforesaid
Barons Crown Pickles and Binnella Limited	638305	2 Ash Tree Lane as aforesaid
Vancehill Limited	1360146	2 Ash Tree Lane as aforesaid

In the Guarantee and Debenture:

"Company" means the Parent, each of the Original Subsidiaries, and each other Subsidiary (if any) of the Parent which becomes a party to the Guarantee and Debenture pursuant to a Supplemental Deed;

"Subsidiary" shall have the meaning given to it by section 736 of the Companies Act 1985;

"Supplemental Deed" means a deed supplemental to the Guarantee and Debenture executed by a Subsidiary of the Parent in form and substance satisfactory to the Bank by virtue of which that Subsidiary becomes bound by the terms of the Guarantee and Debenture in the capacity of a Company;

"Incapacity", in relation to a person, means the insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of that person whatsoever (and, in the case of a partnership, includes the termination or change in the composition of the partnership);

"Default Rate" means two per cent. per annum over the Bank's published base rate at the relevant time.

In clause 3.2 of the Guarantee and Debenture, the Original Subsidiary as beneficial owner charges to the Bank by way of floating charge as a continuing security for the payment and discharge of the Secured Obligations its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future, other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge or assignment pursuant to clause 3.1 of the Guarantee and Debenture or otherwise pursuant to the Guarantee and Debenture but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland.

The undertaking, goodwill, property, assets and rights described in paragraphs (a) to (h) above inclusive and in clause 3.2 of the Guarantee and Debenture are together referred to as the "Charged Assets".

Pursuant to clause 3.6 of the Guarantee and Debenture, notwithstanding anything expressed or implied in the Guarantee and Debenture but without prejudice to clause 3.5 of the Guarantee and Debenture (see below), the Bank shall be entitled at any time by giving notice in writing to that effect to the Original Subsidiary to convert the floating charge over all or any part of the assets of the Original Subsidiary expressed to be charged by the Guarantee and Debenture by way of floating charge (the "Floating Charge Assets") into a fixed charge as regards the assets specified in such notice.

Clause 3.5 of the Guarantee and Debenture provides that, notwithstanding anything expressed or implied in the Guarantee and Debenture, if the Original Subsidiary creates or attempts to create any Encumbrance over all or any of the Floating Charge Assets without the prior consent in writing of the Bank or if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Floating Charge Assets, the floating charge created by clause 3.2 of the Guarantee and Debenture over the property or asset concerned shall thereupon automatically without notice be converted into a fixed charge.

In clause 3.3 of the Guarantee and Debenture, the Original Subsidiary covenants that it will not without the prior consent in writing of the Bank:

- (a) dispose of, or create or attempt to create or permit to subsist or arise any Encumbrance on or over, the Debts or the Credit Balances or any part thereof or release, set off or compound or deal with the same otherwise than in accordance with clause 5.1(a) of the Guarantee and Debenture (see below);
- (b) create or attempt to create or permit to subsist in favour of any person other than the Bank any Encumbrance (except a Permitted Encumbrance) on or affecting the Charged Assets or any part thereof; or
- (c) dispose of the Charged Assets or any part thereof or attempt or agree so to do except in the case of:
 - (i) stock-in-trade and the B Charged Properties, which may, subject to the other provisions of the Guarantee and Debenture, be sold at open market value in the usual course of trading as conducted at the date of the Guarantee and Debenture and for the purpose of carrying on the Original Subsidiary's business; and

See continuation sheet no. 3 page 4

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binding margin

Particulars of a mortgage or charge (continued)

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

Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

227 6750

Name of company

WARD HOMES ANGLIA

Limited*

*delete if
inappropriate

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

- (ii) other Floating Charge Assets which may, subject to the other provisions of the Guarantee and Debenture, be disposed of in the ordinary course of business.

Please complete
legibly, preferably
in black type, or
bold block lettering

In clause 3.4 of the Guarantee and Debenture, the Original Subsidiary irrevocably and unconditionally agrees that if there shall from time to time be any credit balance on any of its accounts with the Bank, the Bank shall have the absolute right to refuse to permit such credit balance to be utilised or withdrawn by the Original Subsidiary whether in whole or in part if at that time there are outstanding any of the Secured Obligations.

In clause 4 of the Guarantee and Debenture, the Original Subsidiary agrees that the Bank may at any time without notice, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any of its then existing accounts wheresoever situate (including accounts in the name of the Bank or of the Original Subsidiary jointly with others), whether such accounts are current, deposit, loan or of any other nature whatsoever, whether they are subject to notice or not and whether they are denominated in sterling or in any other currency, and set-off or transfer any sum standing to the credit of any one or more such accounts in or towards satisfaction of its Secured Obligations which, to the extent not then payable, shall automatically become payable to the extent necessary to effect such set-off.

Clause 5.1(a) of the Guarantee and Debenture contains an undertaking by the Original Subsidiary to collect in the ordinary course of its business in a proper and efficient manner and pay into its account with the Bank or such other account as the Bank may from time to time specify all moneys which it may receive in respect of the Debts forthwith on receipt and not, without the prior written consent of the Bank, seek to compromise, compound, vary, discharge, postpone or release any of the Debts or waive its right of action in connection therewith or do or omit to do anything which may delay or prejudice the full recovery thereof.

Clauses 5.1 (h), (l) and (m) of the Guarantee and Debenture respectively contain the following undertakings by the Original Subsidiary:

- (h) not to make any structural or material alteration to or to the user of any of the Properties or do or permit to be done anything which is a "development" within the meaning of the Town and Country Planning Acts from time to time or any orders or regulations under such Acts or do or permit or omit to be done any act, matter or thing as a consequence of which any provision of any statute, bye-law, order or regulation or any condition of any consent, licence, permission or approval (whether of a public or private nature) from time to time in force affecting any of the Properties is or may be infringed if such action might (in the opinion of the Bank acting reasonably) have a material adverse effect on (i) the financial condition of the Original Subsidiary or any of its Subsidiaries or (ii) the ability of the Original Subsidiary or any of its Subsidiaries to perform its obligations under or otherwise comply with the terms of the Guarantee and Debenture or (iii) the value or marketability of any of the Properties;

See continuation sheet no. 4 page 4

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 4
to Form No 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

2276750

Name of company

WARD HOMES ANGIA

Limited*

*delete if
inappropriate

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

- (l) not without the prior consent in writing of the Bank (which the Bank shall not unreasonably withhold or delay if it is satisfied in its absolute discretion that the same will not impair the value of the Bank's security or its ability to enforce the same or otherwise prejudice its position) to grant any lease, part with possession or share occupation of the whole or any part of any of the Properties or confer any licence, right or interest to occupy or grant any licence or permission to assign, underlet or part with possession of the same or any part thereof or permit any person:
- (i) to be registered (jointly with the Original Subsidiary or otherwise) as proprietor under the Land Registration Acts of any of the Properties nor create or permit to arise any overriding interest affecting the same within the definition in those Acts or within the meaning of the Land Registration (Scotland) Act 1979; or
 - (ii) to become entitled to any right, easement, covenant, interest or other title encumbrance which might adversely affect the value or marketability of any of the Properties; and
- (m) not without the prior consent in writing of the Bank to vary, surrender, cancel or dispose of, or permit to be forfeit, any leasehold interest in any of the Properties or any credit sale, hire purchase, leasing, rental, licence or like agreement for any equipment used in its business.

Under clause 5.3 of the Guarantee and Debenture, unless and until an event of default under the Facility Agreement shall have occurred, the undertakings in such clauses 5.1(h), (l) and (m) shall not apply to the B Charged Properties and, following the occurrence of an event of default under the Facility Agreement, such undertakings shall apply to all the Properties.

Clause 15.4 of the Guarantee and Debenture provides that save as permitted by clause 3.3(c) and clause 5.3 of the Guarantee and Debenture (see above) during the continuance of the security constituted by the Guarantee and Debenture the statutory and any other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Original Subsidiary in relation to the Charged Assets or any part thereof.

Clause 6 of the Guarantee and Debenture contains an agreement by the Original Subsidiary at any time if and when required by the Bank to execute such further Encumbrances and assurances in favour of the Bank and do all such acts and things as the Bank shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Obligations of the Original Subsidiary or to perfect or protect the security intended to be created by the Guarantee and Debenture over the Charged Assets or any part thereof or to facilitate the realisation of the same.

In the Guarantee and Debenture:

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement or security interest of any kind securing any obligation of any person or any other type of preferential arrangement (including without limitation title transfer and/or retention arrangements having a similar effect) but does not include liens arising in the ordinary course of trading by operation of law and not by way of contract.

See continuation sheet no. 5 page 4

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binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 5
to Form No 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

2276750

Name of company

WARD HOMES ANGELIA

Limited*

*delete if
inappropriate

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

"Collateral Instruments" means 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;

"Insurances" means all present and future contracts or policies of insurance (including life policies) in which the Original Subsidiary from time to time has an interest;

"Properties" means the assets of the Original Subsidiary described in clause 3.1(a) of the Guarantee and Debenture and all present and future heritable and leasehold property of the Original Subsidiary situate in Scotland and all liens, charges, options, agreements, rights and interests in or over land or the proceeds of sale of land situate in Scotland and all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on such property or land belonging to the Original Subsidiary together with all rights, easements, servitudes and privileges appurtenant to, or benefitting, the same, in all cases both present and future;

"disposal" includes any sale, lease, sub-lease, assignment or transfer, the grant of an option or similar right, the grant of any easement, right or privilege, the creation of a trust or other equitable interest in favour of a third party, a sharing or parting with possession or occupation whether by way of licence or otherwise and the granting of access to any other person over any intellectual property, and "dispose" and "disposition" shall be construed accordingly;

"Permitted Encumbrance" means:

- (a) 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 of the Original Subsidiary;
- (b) the NatWest Guarantee and Debenture;
- (c) any Encumbrance existing at the date of the Guarantee and Debenture which has been disclosed in writing to the Bank;
- (d) any Encumbrance created or outstanding with the prior written consent of the Bank, provided that, save as provided by any other paragraph of the definition of Permitted Encumbrance, the aggregate principal amount secured by such Encumbrance shall not be increased without the further consent of the Bank; and
- (e) any Encumbrance on an asset acquired after the date of the Guarantee and Debenture by the Original Subsidiary and created at the time of such acquisition to secure payment of the purchase price thereof to the extent that the same is left outstanding, provided that the principal amount so secured does not exceed the acquisition cost of the relevant asset;

See continuation sheet no. 6 page 4

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binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 6
to Form No 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

2276750

Name of company

WARD HOMES ANGIA

Limited*

*delete if
inappropriate

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

"NatWest Guarantee and Debenture" means a guarantee and debenture dated 27th May, 1994 made between (1) the Parent, (2) the Original Subsidiaries and (3) National Westminster Bank PLC;

Please complete
legibly, preferably
in black type, or
bold block lettering

"B Charged Properties" means any completed residential unit and any developed commercial property;

"Facility Agreement" means the facility agreement dated 27th May, 1994 made between (1) the Parent, (2) the Original Subsidiaries, (3) Midland Bank plc and National Westminster Bank PLC as Banks and (4) Midland Bank plc as Agent pursuant to which the Banks agreed to make available to the Parent a £10,000,000 revolving credit facility.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02276750

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 27th MAY 1994 AND CREATED BY WARD HOMES ANGLIA LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OF THE OTHER COMPANIES NAMED THEREIN TO MIDLAND BANK PLC ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 16th JUNE 1994.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st JUNE 1994.

A handwritten signature in dark ink, appearing to read 'W. J. Jones'.

for the Registrar of Companies



COMPANIES HOUSE

M

COMPANIES FORM No. 395

395**Particulars of a mortgage or charge**Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

Please complete
legibly, preferably
in black type, or
bold block lettering

Name of company

[] [] [] []

2276750

* insert full name
of company

*WARD HOMES ANGLIA LIMITED (the "Original Subsidiary")

Date of creation of the charge

27th May, 1994

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

Composite Guarantee and Debenture dated 27th May, 1994 (the "Guarantee and Debenture") See continuation sheet no. 1 page 1

Amount secured by the mortgage or charge

In clause 2.1 of the Guarantee and Debenture, the Original Subsidiary:

- (a) covenants that it will on demand pay to the Bank all moneys and discharge all obligations and liabilities at the date of the Guarantee and Debenture or thereafter due, owing or incurred by it to the Bank on any account whatsoever; and
- (b) guarantees that it will on demand pay to the Bank all moneys and discharge all liabilities at the date of the Guarantee and Debenture or thereafter due, owing or incurred to the Bank by (i) each other Company and (ii) any other present or future Subsidiary of the Parent or of any Company (except any obligations or liabilities of such other Company as guarantor for the Original Subsidiary);

See continuation sheet no. 1 page 2

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

NATIONAL WESTMINSTER BANK PLC, 21 Lombard Street, London

Postcode

EC3P 3AR

Norton RoseBank of America House
PO Box 570
25 Cannon Street
London
EC4N 5SL

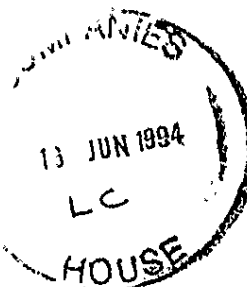
Telephone 071 281 2434

Fax 071 588 1181
Telex 881652
DX 85 London
DX 1064 CityPresentor's reference
11/119/X102610 (055NNP)

Time critical reference

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

In clause 3.1 of the Guarantee and Debenture, the Original Subsidiary as beneficial owner charges to the Bank by way of fixed charge (and as regards all those parts of the freehold and leasehold property in England and Wales vested in the Original Subsidiary at the date of the Guarantee and Debenture by way of legal mortgage) as a continuing security for the payment and discharge of the Secured Obligations the following assets, both present and future, from time to time owned by the Original Subsidiary or in which the Original Subsidiary may from time to time have an interest:

- (a) Properties: all freehold and leasehold property of the Original Subsidiary situate in England and Wales and all liens, charges, options, agreements,

See continuation sheet no. 1 page 4

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Please complete legibly, preferably in black type, or bold block lettering

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Nathan Rose

Date

15 Jun 94

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.

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No 1
to Form No 395 and 410 (Scot)Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

2276750

Name of company

WARD HOMES ANGLIA

Limited*

*delete if
inappropriate

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

and made between (1) Ward Holdings PLC (the "**Parent**"), (2) the Original Subsidiary and the other companies whose respective names, registered numbers and registered offices are set out in schedule 1 to the Guarantee and Debenture (collectively the "**Original Subsidiaries**") and (3) National Westminster Bank PLC (the "**Bank**").

The Original Subsidiaries are listed on continuation sheet no. 2 page 1 of this form. In the Guarantee and Debenture, the expression "**Bank**" includes its successors, transferees and assignees, whether immediate or derivative.

See continuation sheet no. 2 page 1

in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to the Bank or purchased or otherwise acquired by it; denominated in sterling or in any other currency; or incurred on any banking account or in any other manner whatsoever, including, without limitation, all liabilities under or in connection with foreign exchange transactions, interest rate swaps and other arrangements entered into for the purpose of limiting exposure to fluctuations in interest or exchange rates; all liabilities arising from the issue, acceptance, endorsement, confirmation or discount of any negotiable or non-negotiable instruments, documentary or other credits, bonds, guarantees, indemnities or other instruments of any kind; and interest (both before and after judgment) to date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the Bank in relation to any such moneys, obligations or liabilities or generally in respect of each such Company (together the "Secured Obligations").

In clause 2.3 of the Guarantee and Debenture, as a separate and independent stipulation, the Original Subsidiary agrees that if any purported obligation or liability of any Company or other person which would have been the subject of a guarantee of the Original Subsidiary under clause 2.1(b) of the Guarantee and Debenture had it been valid and enforceable is not or ceases to be valid or enforceable against such Company or other person on any ground whatsoever whether or not known to the Bank (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of such Company or other person or any legal or other limitation, whether under the Limitation Acts or otherwise, any disability or Incapacity or any change in the constitution of such Company or other person) the Original Subsidiary shall nevertheless be jointly and severally liable with the other Companies to the Bank in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Companies were the principal debtors in respect thereof. The Original Subsidiary agrees jointly and severally with the other Companies to keep the Bank fully indemnified on demand against all damages, losses, costs and expenses arising from any failure of a Company or other person to perform or discharge any such purported obligation or liability.

In the Guarantee and Debenture, the Original Subsidiary agrees to pay interest on each amount demanded of it under its guarantee in clause 2.1(b) of the Guarantee and Debenture from the date of such demand until payment (as well after as before judgment) at the Default Rate. Such interest shall be compounded at the end of each period determined for this purpose by the Bank in the event of it not being paid when demanded but without prejudice to the Bank's rights to require payment of such interest.

In the Guarantee and Debenture, the Original Subsidiary also agrees that, if at any time it is required to make any deduction or withholding in respect of taxes from any payment due under the Guarantee and Debenture for the account of the Bank, the sum due from it in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Bank receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and that the Original Subsidiary shall indemnify the Bank against any losses or costs incurred by it by reason of any failure of the Original Subsidiary to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment.

See continuation sheet no. 2 page 2

rights and interests in or over land or the proceeds of sale of land situate in England and Wales and all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on such property or land together with all rights, easements and privileges appurtenant to, or benefitting, the same;

- (b) Plant and Machinery: all plant, machinery, vehicles, computers and office and other equipment and the benefit of all contracts and warranties relating to the same;
- (c) Securities: all stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect thereof;
- (d) Debts: all book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever and whether originally owing to the Original Subsidiary or purchased or otherwise acquired by it including, without limitation, all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances, Collateral Instruments and any other rights relating thereto including, without limitation, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights (excluding any amount from time to time standing to the credit of any bank or other account with the Bank or with any other person) (together the "**Debts**");
- (e) Credit balances: any amount from time to time standing to the credit of any bank or other account with the Bank or any other person (together the "**Credit Balances**");
- (f) Insurances: all moneys from time to time payable to the Original Subsidiary under or pursuant to the Insurances including without limitation the refund of any premiums;
- (g) Goodwill and uncalled capital: all goodwill and uncalled capital;
- (h) Intellectual Property Rights: all patents, patent applications, trade marks and service marks (whether registered or not), trade mark applications, service mark applications, trade names, registered designs, design rights, copyrights, computer programmes, know-how and trade secrets and all other industrial or intangible property or rights and all licences, agreements and ancillary and connected rights relating to, intellectual and intangible property.

See continuation sheet no. 2 page 4

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

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

Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

2276750

Name of company

WARD HOMES ANGLIA

Limited*

*delete if
inappropriate

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

The Original Subsidiaries

Name	Registered Number	Registered Office
Ward Brothers (Gillingham) Limited	314197	2 Ash Tree Lane, Chatham, Kent ME5 7BZ
Wards Construction (Medway) Limited	329622	2 Ash Tree Lane as aforesaid
Wards Construction (Investments) Limited	1132078	2 Ash Tree Lane as aforesaid
Wards Construction (Industrial) Limited	231300	2 Ash Tree Lane as aforesaid
Wards Construction (London) Limited	1069239	2 Ash Tree Lane as aforesaid
Ward Homes (South Eastern) Limited	554130	2 Ash Tree Lane as aforesaid
Ward Homes Anglia Limited	2276750	2 Ash Tree Lane as aforesaid
Lordspan Limited	2152233	2 Ash Tree Lane as aforesaid
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Vancehill Limited	1360146	2 Ash Tree Lane as aforesaid

In the Guarantee and Debenture:

"Company" means the Parent, each of the Original Subsidiaries, and each other Subsidiary (if any) of the Parent which becomes a party to the Guarantee and Debenture pursuant to a Supplemental Deed;

"Subsidiary" shall have the meaning given to it by section 736 of the Companies Act 1985;

"Supplemental Deed" means a deed supplemental to the Guarantee and Debenture executed by a Subsidiary of the Parent in form and substance satisfactory to the Bank by virtue of which that Subsidiary becomes bound by the terms of the Guarantee and Debenture in the capacity of a Company;

"Incapacity", in relation to a person, means the insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of that person whatsoever (and, in the case of a partnership, includes the termination or change in the composition of the partnership);

"Default Rate" means two per cent. per annum over the Bank's published base rate at the relevant time.

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In clause 3.2 of the Guarantee and Debenture, the Original Subsidiary as beneficial owner charges to the Bank by way of floating charge as a continuing security for the payment and discharge of the Secured Obligations its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future, other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge or assignment pursuant to clause 3.1 of the Guarantee and Debenture or otherwise pursuant to the Guarantee and Debenture but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland.

The undertaking, goodwill, property, assets and rights described in paragraphs (a) to (h) above inclusive and in clause 3.2 of the Guarantee and Debenture are together referred to as the "**Charged Assets**".

Pursuant to clause 3.6 of the Guarantee and Debenture, notwithstanding anything expressed or implied in the Guarantee and Debenture but without prejudice to clause 3.5 of the Guarantee and Debenture (see below), the Bank shall be entitled at any time by giving notice in writing to that effect to the Original Subsidiary to convert the floating charge over all or any part of the assets of the Original Subsidiary expressed to be charged by the Guarantee and Debenture by way of floating charge (the "**Floating Charge Assets**") into a fixed charge as regards the assets specified in such notice.

Clause 3.5 of the Guarantee and Debenture provides that, notwithstanding anything expressed or implied in the Guarantee and Debenture, if the Original Subsidiary creates or attempts to create any Encumbrance over all or any of the Floating Charge Assets without the prior consent in writing of the Bank or if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Floating Charge Assets, the floating charge created by clause 3.2 of the Guarantee and Debenture over the property or asset concerned shall thereupon automatically without notice be converted into a fixed charge.

In clause 3.3 of the Guarantee and Debenture, the Original Subsidiary covenants that it will not without the prior consent in writing of the Bank:

- (a) dispose of, or create or attempt to create or permit to subsist or arise any Encumbrance on or over, the Debts or the Credit Balances or any part thereof or release, set off or compound or deal with the same otherwise than in accordance with clause 5.1(a) of the Guarantee and Debenture (see below);
- (b) create or attempt to create or permit to subsist in favour of any person other than the Bank any Encumbrance (except a Permitted Encumbrance) on or affecting the Charged Assets or any part thereof; or
- (c) dispose of the Charged Assets or any part thereof or attempt or agree so to do except in the case of:
 - (i) stock-in-trade and the B Charged Properties, which may, subject to the other provisions of the Guarantee and Debenture, be sold at open market value in the usual course of trading as conducted at the date of the Guarantee and Debenture and for the purpose of carrying on the Original Subsidiary's business; and

See continuation sheet no. 3 page 4

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Particulars of a mortgage or charge (continued)

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

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bold block lettering

Company number

2276750

Name of company

WARD HOMES ANGELIA

Limited*

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

- (ii) other Floating Charge Assets which may, subject to the other provisions of the Guarantee and Debenture, be disposed of in the ordinary course of business.

In clause 3.4 of the Guarantee and Debenture, the Original Subsidiary irrevocably and unconditionally agrees that if there shall from time to time be any credit balance on any of its accounts with the Bank, the Bank shall have the absolute right to refuse to permit such credit balance to be utilised or withdrawn by the Original Subsidiary whether in whole or in part if at that time there are outstanding any of the Secured Obligations.

In clause 4 of the Guarantee and Debenture, the Original Subsidiary agrees that the Bank may at any time without notice, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any of its then existing accounts wheresoever situate (including accounts in the name of the Bank or of the Original Subsidiary jointly with others), whether such accounts are current, deposit, loan or of any other nature whatsoever, whether they are subject to notice or not and whether they are denominated in sterling or in any other currency, and set-off or transfer any sum standing to the credit of any one or more such accounts in or towards satisfaction of its Secured Obligations which, to the extent not then payable, shall automatically become payable to the extent necessary to effect such set-off.

Clause 5.1(a) of the Guarantee and Debenture contains an undertaking by the Original Subsidiary to collect in the ordinary course of its business in a proper and efficient manner and pay into its account with the Bank or such other account as the Bank may from time to time specify all moneys which it may receive in respect of the Debts forthwith on receipt and not, without the prior written consent of the Bank, seek to compromise, compound, vary, discharge, postpone or release any of the Debts or waive its right of action in connection therewith or do or omit to do anything which may delay or prejudice the full recovery thereof.

Clauses 5.1 (h), (l) and (m) of the Guarantee and Debenture respectively contain the following undertakings by the Original Subsidiary:

- (h) not to make any structural or material alteration to or to the user of any of the Properties or do or permit to be done anything which is a "development" within the meaning of the Town and Country Planning Acts from time to time or any orders or regulations under such Acts or do or permit or omit to be done any act, matter or thing as a consequence of which any provision of any statute, bye-law, order or regulation or any condition of any consent, licence, permission or approval (whether of a public or private nature) from time to time in force affecting any of the Properties is or may be infringed if such action might (in the opinion of the Bank acting reasonably) have a material adverse effect on (i) the financial condition of the Original Subsidiary or any of its Subsidiaries or (ii) the ability of the Original Subsidiary or any of its Subsidiaries to perform its obligations under or otherwise comply with the terms of the Guarantee and Debenture or (iii) the value or marketability of any of the Properties;

See continuation sheet no. 4 page 4

Particulars of a mortgage or charge (continued)

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Continuation sheet No. 4
to Form No 395 and 410 (Scot)

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Company number

227 6750

Name of company

WARD HOMES ANGLIA

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

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- (l) not without the prior consent in writing of the Bank (which the Bank shall not unreasonably withhold or delay if it is satisfied in its absolute discretion that the same will not impair the value of the Bank's security or its ability to enforce the same or otherwise prejudice its position) to grant any lease, part with possession or share occupation of the whole or any part of any of the Properties or confer any licence, right or interest to occupy or grant any licence or permission to assign, underlet or part with possession of the same or any part thereof or permit any person:
 - (i) to be registered (jointly with the Original Subsidiary or otherwise) as proprietor under the Land Registration Acts of any of the Properties nor create or permit to arise any overriding interest affecting the same within the definition in those Acts or within the meaning of the Land Registration (Scotland) Act 1979; or
 - (ii) to become entitled to any right, easement, covenant, interest or other title encumbrance which might adversely affect the value or marketability of any of the Properties; and
- (m) not without the prior consent in writing of the Bank to vary, surrender, cancel or dispose of, or permit to be forfeit, any leasehold interest in any of the Properties or any credit sale, hire purchase, leasing, rental, licence or like agreement for any equipment used in its business.

Under clause 5.3 of the Guarantee and Debenture, unless and until an event of default under the Facility Agreement shall have occurred, the undertakings in such clauses 5.1(h), (l) and (m) shall not apply to the B Charged Properties and, following the occurrence of an event of default under the Facility Agreement, such undertakings shall apply to all the Properties.

Clause 15.4 of the Guarantee and Debenture provides that save as permitted by clause 3.3(c) and clause 5.3 of the Guarantee and Debenture (see above) during the continuance of the security constituted by the Guarantee and Debenture the statutory and any other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Original Subsidiary in relation to the Charged Assets or any part thereof.

Clause 6 of the Guarantee and Debenture contains an agreement by the Original Subsidiary at any time if and when required by the Bank to execute such further Encumbrances and assurances in favour of the Bank and do all such acts and things as the Bank shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Obligations of the Original Subsidiary or to perfect or protect the security intended to be created by the Guarantee and Debenture over the Charged Assets or any part thereof or to facilitate the realisation of the same.

In the Guarantee and Debenture:

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement or security interest of any kind securing any obligation of any person or any other type of preferential arrangement (including without limitation title transfer and/or retention arrangements having a similar effect) but does not include liens arising in the ordinary course of trading by operation of law and not by way of contract;

See continuation sheet no. 5 page 4

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Particulars of a mortgage or charge (continued)

Continuation sheet No 5
to Form No 395 and 410 (Scot)

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Company number

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Name of company

WARD HOMES ANGLIA

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

"Collateral Instruments" means 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;

"Insurances" means all present and future contracts or policies of insurance (including life policies) in which the Original Subsidiary from time to time has an interest;

"Properties" means the assets of the Original Subsidiary described in clause 3.1(a) of the Guarantee and Debenture and all present and future heritable and leasehold property of the Original Subsidiary situate in Scotland and all liens, charges, options, agreements, rights and interests in or over land or the proceeds of sale of land situate in Scotland and all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on such property or land belonging to the Original Subsidiary together with all rights, easements, servitudes and privileges appurtenant to, or benefitting, the same, in all cases both present and future;

"disposal" includes any sale, lease, sub-lease, assignment or transfer, the grant of an option or similar right, the grant of any easement, right or privilege, the creation of a trust or other equitable interest in favour of a third party, a sharing or parting with possession or occupation whether by way of licence or otherwise and the granting of access to any other person over any intellectual property, and "dispose" and "disposition" shall be construed accordingly;

"Permitted Encumbrance" means:

- (a) 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 of the Original Subsidiary;
- (b) the Midland Guarantee and Debenture;
- (c) any Encumbrance existing at the date of the Guarantee and Debenture which has been disclosed in writing to the Bank;
- (d) any Encumbrance created or outstanding with the prior written consent of the Bank, provided that, save as provided by any other paragraph of the definition of Permitted Encumbrance, the aggregate principal amount secured by such Encumbrance shall not be increased without the further consent of the Bank; and
- (e) any Encumbrance on an asset acquired after the date of the Guarantee and Debenture by the Original Subsidiary and created at the time of such acquisition to secure payment of the purchase price thereof to the extent that the same is left outstanding, provided that the principal amount so secured does not exceed the acquisition cost of the relevant asset;

See continuation sheet no. 6 page 4

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Particulars of a mortgage or charge (continued)

Continuation sheet No 6
to Form No 395 and 410 (Scot)

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bold block lettering

Company number

227 67 50

Name of company

WARD HOMES ANGLIA

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

"Midland Guarantee and Debenture" means a guarantee and debenture dated 27th May, 1994 made between (1) the Parent, (2) the Original Subsidiaries and (3) Midland Bank plc;

"B Charged Properties" means any completed residential unit and any developed commercial property;

"Facility Agreement" means the facility agreement dated 27th May, 1994 made between (1) the Parent, (2) the Original Subsidiaries, (3) Midland Bank plc and National Westminster Bank PLC as Banks and (4) Midland Bank plc as Agent pursuant to which the Banks agreed to make available to the Parent a £10,000,000 revolving credit facility.

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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. 02276750

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A GUARANTEE AND DEBENTURE DATED THE 27th MAY 1994 AND CREATED BY WARD HOMES ANGLIA LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OF THE OTHER COMPANIES NAMED THEREIN TO NATIONAL WESTMINSTER BANK PLC ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 16th JUNE 1994.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st JUNE 1994.

A handwritten signature in dark ink, appearing to be 'M. J. ...', written over a faint circular stamp.

for the Registrar of Companies



COMPANIES HOUSE