

06-04-98

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*Insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

[1110]

2523037

Name of company

* Parinv Northern Limited (the "Company")

Date of creation of the charge

16th March, 1998

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

Charge dated 16th March, 1998 between the Company and Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft, London Branch (the "Deed")

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to each Finance Party under each Finance Document except for any obligation which, if it were so included, would result in the Deed contravening Section 151 of the Companies Act 1985.

Capitalised terms used in this Form 395 are defined below.

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

Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft, London Branch, 29 Gresham Street, London EC2V 7HN, as agent and trustee for the Finance Parties (the "Agent")

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

Allen & Overy
One New Change
London
EC4M 9QQ

For official use
Mortgage Section

Post room



Time critical reference
MON/TMPH/B1:129107

06-04-98

Short particulars of all the property mortgaged or charged

See continuation sheet.

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Particulars as to commission allowance or discount (note 3)

NIL

Signed Aileen Overy

Date 31st March, 1998

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.

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Continuation Sheet No. 1

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

1. (a) By way of a first legal mortgage:
 - (i) the property specified in the schedule; and
 - (ii) all estates or interests in any freehold or leasehold property (except any Security Assets specified in subparagraph (i) above) now or hereafter belonging to it.
- (b) By way of a first fixed charge:
 - (i) (to the extent that they are not the subject of a mortgage under paragraph (a) above or otherwise secured under a Standard Security or Northern Irish Security Document) all estates or interests in any freehold or leasehold property now or hereafter belonging to it;
 - (ii) all plant and machinery owned by the Company and its interest in any plant or machinery in its possession;
 - (iii) all monies standing to the credit of any account (including, without limitation, the Security Accounts (other than the Tenants' Security Accounts and the Sinking Fund Deposit Accounts)) with any person and the debts represented by them;
 - (iv) its interest (such as it may be) in all monies standing to the credit of any Tenants' Security Account or Sinking Fund Deposit Account with any person, and the debts represented by them;
 - (v) all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
 - (vi) all of the Company's book and other debts, the proceeds of the same and all other monies due and owing to the Company and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
 - (vii) any beneficial interest, claim or entitlement of the Company in any pension fund;
 - (viii) its goodwill;
 - (ix) the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in any other subparagraph in this paragraph 1 or paragraph 2 below and the right to recover and receive all compensation which may be payable to it in respect of them;
 - (x) its uncalled capital;

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Continuation Sheet No. 2

- (xi) its rights under any appointment of a Managing Agent of the Mortgaged Property;
- (xii) its rights under the agreement or agreements relating to the purchase of the Properties by the Company;
- (xiii) its rights under any development agreement (including, without limitation, collateral warranties and duty of care deeds) relating to any Property.
- (c) By way of first equitable charge all Shares held by the Company (or by a nominee on its behalf) and all Related Rights.
- 2. By way of an assignment by way of security:
 - (a) (i) all Rental Income;
 - (ii) any guarantee of Rental Income contained in or relating to any Occupational Lease; and
 - (iii) its rights under any Option Agreement, Declaration of Trust or Sale and Purchase Agreement.
 - (b) all the rights (if any) under any insurance of all or any part of the Mortgaged Property which the vendor of that Mortgaged Property assigned to the Company in the sale and purchase agreement for that Mortgaged Property or otherwise.
- 3. By way of a first floating charge all the Company's assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge or assigned by clause 2 (Fixed security) of the Deed and, in the case of assets situated in Scotland and Northern Ireland, whether or not so effectively mortgaged or charged or assigned.

NOTE: NEGATIVE PLEDGE:

The Company has agreed that it shall not:

- (a) create or permit to subsist any Security Interest on any Security Asset other than any Security Interest created by the Deed or any other Security Document or required or permitted by the Credit Agreement; or
- (b) sell, transfer, grant, lease or otherwise dispose of any Security Asset, or permit the same to occur, if such sale, transfer, grant, lease or other disposal would be in breach of the Credit Agreement.

NOTE:

The charges, mortgages and assignments granted by the Company under the Deed are given with full title guarantee.

A reference in the Deed to:

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Continuation Sheet No. 3

- (a) any assets includes properties, revenues and rights of every description, and , unless the context otherwise requires, present and future assets;
- (b) a Finance Document or another document is a reference to that Finance Document or other document as amended, novated or supplemented;
- (c) a person includes its successors and permitted assigns and transferees; and
- (d) a charge or mortgage of any freehold, leasehold or feuhold property includes:
 - (i) all buildings and Fixtures on that property;
 - (ii) the proceeds of sale of any part of that property; and
 - (iii) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants.

TERMS DEFINED

"Additional Chargor"

means a Subsidiary of the Borrower which becomes an Additional Chargor in accordance with clause 26.4 (Additional Chargors) of the Credit Agreement.

"Additional Property"

means a property:

- (a) referred to in clause 26.4(a)(iv) (Additional Chargors and Approved Companies) of the Credit Agreement; or
- (b) the acquisition of which was financed in whole or in part out of the proceeds of a Loan in accordance with clause 3(b)(i) (Purpose) of the Credit Agreement,

as more particularly described in the relevant Security Document, and where the context so requires, means the buildings on that property.

"Arranger"

means Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft, London Branch as arranger.

"Assignment in Security"

means an assignment in security executed or to be executed by the Borrower or a Chargor in favour of the Agent.

"Assignment of Rent"

means an assignment of rent executed or to be executed by an Owner in favour of the Agent.

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Continuation Sheet No. 4

"Banks"

means the financial institutions listed in schedule 1 to the Credit Agreement as banks.

"Borrower"

means Pillar Retail Parks Limited (Registered No. 2725163).

"Charge"

means a charge executed or to be executed by a Chargor in favour of the Agent, substantially in the form of schedule 10 to the Credit Agreement.

"Chargor"

means an Initial Chargor or an Additional Chargor, in each case, until such time as any such Chargor shall cease to be a Chargor under the provisions of clause 26.4(c) (Additional Chargors and Approved Companies) of the Credit Agreement.

"Chargor Accession Agreement"

means a deed substantially in the form of Part II of schedule 7 to the Credit Agreement.

"Counterparty"

means:

- (a) the Original Counterparty in its capacity as counterparty to any Hedging Documents;
- (b) a Bank in its capacity as counterparty to any Hedging Documents; or
- (c) any other counterparty to any Hedging Documents approved by the Agent acting reasonably.

"Credit Agreement"

means the £350,000,000 credit agreement dated 11th March, 1998 between (among others) the parties to the Deed.

"Debenture"

means the debenture executed or to be executed by the Borrower in favour of the Agent substantially in the form of schedule 8 to the Credit Agreement.

"Declaration of Trust"

means the declaration of trust by Pillar (Llandudno) Limited in favour of Pillar Estates Limited.

"Drawdown Date"

means the date of the advance of a Loan.

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Continuation Sheet No. 5

"Fee Letter"

means the letter dated the date of the Credit Agreement between the Arranger and the Borrower setting out the amount of various fees referred to in clause 20 (Fees) of the Credit Agreement.

"Finance Document"

means the Credit Agreement, a Security Document, a Subordination Deed, a Hedging Document, the Fee Letter, a Novation Certificate, a Chargor Accession Agreement, any letter between a Bank and the Borrower relating to clause 12 (Taxes) of the Credit Agreement or any other document designated as such by the Agent and the Borrower.

"Finance Party"

means the Arranger, a Bank, a Counterparty or the Agent.

"Fixtures"

means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on the Mortgaged Property but excluding tenant's fixtures where the Company is not the tenant and landlord's fixtures where the Company is not the landlord.

"Group"

means the Guarantor and its Subsidiaries.

"Guarantor"

means Pillar Property plc (Registered No. 2570618).

"Hedging Document"

means any interest rate hedging agreement or arrangement entered into by the Borrower and a Counterparty relating to the interest payable under the Credit Agreement and includes any document entered into pursuant to clause 9.4 (Hedging) of the Credit Agreement.

"Initial Chargors"

means the Subsidiaries of the Borrower listed in Part I of schedule 1 to the Credit Agreement as Initial Chargors.

"Initial Property"

means a property referred to in schedule 2 to the Credit Agreement, as more particularly described in the Debenture, a Charge, a Standard Security, a Northern Irish Security Document or any other Security Document delivered pursuant to clause 4.1 (Documentary conditions precedent) of the Credit Agreement, as appropriate and, where the context so requires, means the buildings on that property.

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Continuation Sheet No. 6

"Insurances"

means all contracts and policies of insurance taken out by or on behalf of the Company or (to the extent of its interest) in which the Company has an interest.

"Loan"

means the principal amount of each borrowing by the Borrower under the Credit Agreement or the principal amount outstanding of that borrowing.

"Llandudno Property"

means Champneys Retail Park I & II Llandudno as more particularly described in schedule 1 to the Charge executed by Pillar (Llandudno) Limited.

"Managing Agent"

means a managing agent of an Initial Property as at the date of the Credit Agreement or such other managing agent of all or any of the Properties as may be appointed by the Borrower with the prior consent of the Agent (such consent not to be unreasonably withheld or delayed).

"Mortgaged Property"

means any freehold, leasehold or feuhold property the subject of the security created by the Deed.

"Northern Irish Security Document"

means a mortgage or other security document executed or to be executed by an Owner in favour of the Agent in respect of a Property situated in Northern Ireland.

"Novation Certificate"

has the meaning given to it in clause 26.3 (Procedure for novations) of the Credit Agreement.

"Occupational Lease"

means any occupational lease or licence to which a Property may be subject from time to time and any agreement for lease entered into by an Owner.

"Option Agreement"

means :

- (a) the option agreement made between Pillar Estates Limited and Pillar (Llandudno) Limited relating to the Llandudno Property;
- (b) the option agreement to be dated on or about the first Drawdown Date made between Pillar Estates No. 2 Limited and Parinv (Bilston) Limited;
- (c) the option agreement to be dated on or about the first Drawdown Date made between Pillar Estates No. 2 Limited and Pardev (Clandeboyne) Limited; or

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Continuation Sheet No. 7

- (d) the option agreement to be dated on or about the first Drawdown Date made between Pillar Estates No. 2 Limited and Pillar (Preston) Limited

"Original Counterparty"

means Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft, London Branch as original counterparty.

"Owner"

means the Borrower or a Chargor which holds an interest in a Property.

"Property"

means, subject to clause 17.10 (Disposals) of the Credit Agreement, an Initial Property or an Additional Property.

"Related Rights"

means any dividend or interest paid or payable in relation to any Share and any rights, money or property accruing or offered at any time in relation to any Share by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

"Rental Income"

means the aggregate of all amounts payable to or for the benefit or account of an Owner in connection with the letting of a Property or any part thereof, including (without duplication or limiting the generality of the foregoing) each of the following amounts so payable:

- (a) rent (and any amount equivalent thereto) payable whether it is variable or not and however or whenever it is described, reserved or made payable;
- (b) any increase of rent payable by agreement by landlord and tenant under an Occupational Lease;
- (c) any rent payable by virtue of a determination or award made by an arbiter/expert appointed to determine rent on review under an Occupational Lease;
- (d) sums received from any deposit held as security for performance of any tenant's obligations to the extent not held on trust for that tenant;
- (e) any other monies (other than any apportionments of rent allowed in favour of that Owner under the contract for the purchase of a Property) payable in respect of occupation and/or usage of such Property and every fixture and fitting therein and any and every fixture thereon for display or advertisement, on licence or otherwise;
- (f) any profits for occupation and/or usage awarded or agreed to be payable as a result of any proceedings taken or claim made for the same;

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Continuation Sheet No. 8

- (g) any damages, compensation, settlement or expenses for or representing loss of rent or interest thereon awarded or agreed to be payable as a result of any proceedings taken or claim made for the same net of any costs, fees and expenses paid (and which have not been reimbursed to, and which are not recoverable by, that Owner from any party) in furtherance of such proceedings so taken or claim so made;
- (h) any monies payable under any policy of insurance in respect of loss of rent or interest thereon;
- (i) any sum payable or the value of any consideration to be given by or on behalf of a tenant for the surrender, renunciation or variation of any Occupational Lease or occupancy agreement; and
- (j) any interest payable on any sum referred to above and any damages, compensation or settlement payable in respect of the same,

but after excluding the following amounts:

- (i) those amounts (if any) (together with any value added or similar taxes charged thereon) due to that Owner from any tenants under an Occupational Lease or other occupiers by way of contribution to insurance premiums and the cost of insurance valuations or by way of service charges, including charges for gas, electricity, water, telephone and similar services, in respect of costs incurred or to be incurred by that Owner under any repairing or similar obligations or in providing services to such tenant or tenants of such building;
- (ii) any contribution to a sinking fund paid by any tenant or other occupier;
- (iii) any of the items listed under paragraphs (a) to (j) above that are payable to the vendors under any contract for the purchase of a Property; and
- (iv) any value added tax or similar taxes payable on any of the items listed in paragraphs lettered (a) to (i) above.

"Sale and Purchase Agreement"

means:

- (a) the sale and purchase agreement to be dated on or about the first Drawdown Date made between Pillar Estates No 2 Limited and Parinv (Bilston) Limited;
- (b) the sale and purchase agreement to be dated on or about the first Drawdown Date made between Pillar Estates No 2 Limited and Pardev (Clandeboyne) Limited; or
- (c) the sale and purchase agreement to be dated on or about the first Drawdown Date made between Pillar Estates No 2 Limited and Pillar (Preston) Limited.

"Security Account"

means an account established under clause 11 (Bank Accounts of the Borrower) of the Credit Agreement.

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Continuation Sheet No. 9

"Security Assets"

means all assets of the Company the subject of any security created by the Deed.

"Security Document"

means the Debenture, a Standard Security, an Assignment in Security, an Assignment of Rent, a Northern Irish Security Document, a Charge, a Supplemental Security Document or any other document designated as such by the Agent and the Borrower.

"Security Interest"

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

"Shares"

means all those shares in the capital of any company which are held by the Company (or to the extent of its interest) in which the Company has an interest.

"Sinking Fund Deposit Account"

means an account of the kind referred to in clause 11.1(g) (Designation of accounts) of the Credit Agreement.

"Standard Security"

means a standard security over a Property executed or to be executed by an Owner in favour of the Agent.

"Subordination Deed"

means a subordination deed executed or to be executed by the Borrower, the Guarantor, a Chargor or another member of the Group and the Agent, substantially in the form of schedule 12 to the Credit Agreement.

"Subsidiary"

means a subsidiary within the meaning of Section 736 of the Companies Act 1985.

"Supplemental Charge"

means a supplemental charge executed or to be executed by a Chargor in favour of the Agent, substantially in the form of schedule 11 to the Credit Agreement.

"Supplemental Debenture"

means a supplemental debenture executed or to be executed by the Borrower in favour of the Agent, substantially in the form of schedule 9 to the Credit Agreement.

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Continuation Sheet No. 10

"Supplemental Security Document"

means a Supplemental Debenture, Supplemental Charge or any other document creating a security interest over an Additional Property executed or to be executed by an Owner in favour of the Agent.

"Tenants' Security Account"

means an account of the kind referred to in clause 11.1(f) (Designation of accounts) of the Credit Agreement.

SCHEDULE

Mortgaged Property

1. Land being Severnvale Shopping Centre, Quedgeley registered at HM Land Registry with freehold title absolute under title number GR152340.
2. Land known as Newport Retail Park, Queensway, Newport, South Wales registered at HM Land Registry with freehold title absolute under title number WA818591.

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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. 02523037

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DATED THE 16th MARCH 1998 AND CREATED BY PARINV NORTHERN LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES (WHETHER ACTUAL OR CONTINGENT AND WHETHER OWED JOINTLY OR SEVERALLY OR IN ANY OTHER CAPACITY WHATSOEVER) OF EACH OBLIGOR TO EACH FINANCE PARTY UNDER EACH FINANCE DOCUMENT (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 1st APRIL 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 3rd APRIL 1998.

A. Hamilton
A. HAMILTON

for the Registrar of Companies



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