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CHFP025

Please do not write in this margin  
Please complete legibly, preferably in black type, or bold block lettering  
\*insert full name of Company

**COMPANIES FORM No. 395**  
**Particulars of a mortgage or charge**  
A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge



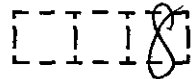
B/B  
**395**  
£10 " 174516

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



2725156

Name of company

\* Pillar Offices Limited (the "Company")

Date of creation of the charge

5 November 2001

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

Security Instrument Agreement dated 5 November 2001 made between the Governor and Company of the Bank of Scotland (the "Bank") (1) and the Company (2) (the "Agreement")

Amount secured by the mortgage or charge

See Part II of the attached Schedule

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

The Governor and Company of the Bank of Scotland, PO Box 267,  
38 Threadneedle Street, London  
Postcode EC2P 2EH

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

Lovells  
65 Holborn Viaduct  
London  
EC1A 2DY

A6VCJC/MJC/938538.01

Time critical reference

For official Use  
Mortgage Section

Post room



LD3  
COMPANIES HOUSE

\*L0FFU5Q5\*

0125  
13/11/01

See Parts III, IV and V of the attached Schedule.

NB. The attached Schedule contains covenants by and restrictions on the Company which protect and further define the charges and which must be read as part of the charges created.

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

Particulars as to commission allowance or discount (note 3)

n/a

Signed

*Lovells Solicitors*

Date

*12 November 2001*

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

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

†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.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

## SCHEDULE TO FORM M395

### PART I

#### DEFINITIONS

**"Agreement Date"** means 5 November 2001;

**"Borrower"** means Pillar Property PLC of Lansdowne House, Berkeley Square, London, W1J 6HQ;

**"CLOUT"** means The City of London Office Unit Trust, a unit trust constituted by the Trust Instrument;

**"Event of Default"** means any of the events defined or referred to in Clause 7 of the Agreement;

**"Encumbrance"** means any mortgage, charge, pledge, lien, assignment, hypothecation, title retention, security interest, trust arrangement or any other agreement or arrangement which has the effect of creating security;

**"Guarantee"** means the corporate guarantee dated 5 November 2001 by the Company in favour of the Bank pursuant to which the obligations of the Borrower to the Bank are guaranteed;

**"Law"** means the Security Interests (Jersey) Law, 1983;

**"Securities"** means the units of a unit trust scheme, shares, stock, debentures, debenture stock, loan stock or bonds specified in Part V of this Schedule (and any units of a unit trust scheme, shares, stock, debentures, debenture stock, loan stock or bonds, added thereto or substituted therefor) and all right, title, benefit and interest at the Agreement Date and future of the Company therein including without limitation, all rights to subscribe for, convert other securities into or otherwise acquire any other units of a unit trust scheme, shares, stock, debentures, debenture stock, loan stock or bonds, all distributions, dividends, interest and other income however deriving from or incidental to such units of a unit trust scheme, shares, stock, debentures, debenture stock, loan stock or bonds and voting rights attaching and relating to such units of a unit trust scheme, shares, stock, debentures, debenture stock, loan stock or bonds.

**"Trust Instrument"** means a trust instrument dated 6 November 2000 and made between the Royal Bank of Scotland Trust Company (Jersey) Limited and RBSI Trust Company Limited (as trustees) and Schroder Property Managers (Jersey) Limited (as manager);

### PART II

#### AMOUNT SECURED BY MORTGAGE OR CHARGE

All money and liabilities due under the Guarantee and otherwise howsoever due by the Company to the Bank (including without limitation monies and liabilities due under the Agreement) at the Agreement Date or thereafter being due, owing or incurred to the Bank by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety including interest (whether simple or compound and as well after as before judgment) together with discount commission and all other lawful charges and expenses of the Bank (the **"Secured Obligations"**).

### **PART III**

#### **PARTICULARS OF THE PROPERTY MORTGAGED OR CHARGED**

By Clause 2 of the Agreement, as a continuing security for the payment and/or discharge of the Secured Obligations, the Company to the intent that the Bank shall have a security interest in accordance with the Law:

- (a) assigned, transferred and otherwise made over to the Bank title to the Securities; and
- (b) agreed that, to the extent that the Company had not assigned, transferred or otherwise made over to the Bank or perfected in favour of the Bank, title to any Securities the Bank shall have possession of the certificates of title thereto.

Provided that the Bank shall not cause itself to become registered holder of the Securities unless and until an Event of Default has occurred.

### **PART IV**

#### **COVENANTS AND RESTRICTIONS**

1. By Clause 5.1 of the Agreement, the Company covenanted to deposit with the Bank on the Agreement Date or on later receipt all certificates of title relating to the Securities and undated transfer documents executed in blank and evidence of the authority of the signatory to the transfer documents to sign such documents on behalf of the Company, together with all other evidence as the Registrar or the Manager (each as defined in the Trust Instrument) may require to prove title of the Company to, or its right to transfer, the Securities. The Bank is entitled at any time after the security constituted by the Agreement becomes enforceable, without notice to the Company, to complete such transfers and present them for registration.
2. By Clause 5.2 of the Agreement, the Company covenanted that (subject only as provided by the Agreement) the Bank shall be entitled to exercise all voting rights attaching to the Securities at its absolute discretion and receive all distributions, dividends, interest and other income or monies however deriving from or incidental to the Securities and shall be entitled to apply the same in reduction or discharge of the Secured Obligations.
3. By Clause 5.4 of the Agreement, the Company covenanted that the Securities were at the Agreement Date and will throughout the continuance of the Agreement be, free from all Encumbrance and rights of lien except those created in favour of the Bank.
4. By Clause 5.6 of the Agreement, the Company covenanted with the Bank that it will not sell transfer or otherwise dispose of the Securities or purport or agree to do the same.
5. By Clause 5.10 of the Agreement, the Company covenanted that, subject only to clause 6.2 of the Agreement, it will not do or cause or permit to be done anything (or omit to do anything the omission of) which in the Bank's opinion may, in any way adversely affect any security created by the Agreement and without limitation not without the Bank's prior written consent take or permit the taking of any action whereby the rights attaching to the Securities are altered or diluted, whether by the issue of further units in CLOUT, or by dematerialisation or other action whereby title to the units of CLOUT may be evidenced or represented otherwise than by certificates, or otherwise howsoever.

6. By Clause 5.11 of the Agreement, the Company covenanted that it shall continue to be responsible (notwithstanding anything to the contrary contained in the Agreement) for all liabilities and obligations in respect of the Securities and the Bank shall have no liability or obligation in relation to the Securities or any matter or proceeding arising out of or related thereto and without limitation shall be under no liability to the Company for failure to present any interest coupon, bond or stock which may be called or drawn for repayment or redemption or to pay any calls, instalments or other payments which may become payable on or to accept any offer relating to the Securities or to notify the Company of any such matters whether or not such failure is caused or contributed to by negligence on the part of the Bank or of any employee or agent of the Bank.
7. Clause 6.1 of the Agreement provides that notwithstanding Clause 5.2 of the Agreement but strictly without prejudice to the security interests created or intended to be created pursuant to the Agreement, during the subsistence of the Agreement:
  - (a) all payment of distributions, dividends, interest or other monies arising from the Securities shall be paid to the Company, provided that:
    - (i) the Company agrees and undertakes that any and all distributions of capital paid to the Company, including but not limited to distributions of the proceeds of the realisation of any Property (as defined in the Trust Instrument) and the proceeds of any financing or refinancing of any Property pursuant to Clause 17 of the Trust Instrument (and any and all equivalent or analogous distributions), shall be immediately paid to the Bank and the Bank shall be authorised to apply such amounts to the credit of the Borrower's account, so as to permanently reduce the indebtedness of the Borrower pursuant to the terms of the Working Capital Facility Letter and pending payment to the Bank pursuant to clause 6.1.1.1 of the Agreement, such amount shall be held on trust for the Bank; and
    - (ii) at any time after the occurrence of an Event of Default, the entitlement of the Company to receive such payments shall cease and they shall then be paid to, and retained by, the Bank, and any payments which may be received by the Company after the occurrence of an Event of Default shall, pending payment to the Bank, be held on trust for the Bank; and
  - (b) all voting rights attaching to the Securities shall, where assignment of title to the Securities has been perfected in favour of the Bank, be exercisable by the Bank in such manner as the Company may direct, and otherwise, be exercisable by the Company, but so that:
    - (i) the voting rights shall not be exercised in a manner which, in the Bank's opinion, is inconsistent with the security created by the Agreement or the terms of the Agreement;
    - (ii) without prejudice to the foregoing paragraph (i) and save with the prior written consent of the Bank, the Company will not vote in favour of or otherwise sanction any amendment to the terms of the trusts of HUT or of the Securities, including, but not limited to, by way of amendment, modification or restatement of the Trust Instrument; and
    - (iii) at any time after the occurrence of an Event of Default, the Bank may exercise and require the Company to exercise all voting rights at its absolute discretion (including as the case may be under Clause 9 of the Agreement).
8. By Clause 9.1 of the Agreement, the Company agreed that from time to time forthwith upon the written request of the Bank, the Company shall promptly execute and deliver to

the Bank all further instruments and documents which the Bank may require for the purpose of obtaining the full benefit of the Agreement.

9. By Clause 9.2 of the Agreement, the Company for the purpose of facilitating the powers of the Bank under the Law and the powers pursuant to the Agreement irrevocably appointed the Bank as its attorney for the Company, in the name of and on behalf of the Company to sign, execute, seal, deliver, acknowledge, file, register and perfect any and all assurances, documents, instruments, agreements, certificates and consents whatsoever and to do any and all such acts and things whatever which the Company has capacity to do in relation to any matters dealt with in the Agreement and which the Bank may deem necessary or advisable in order to give full effect to the purposes of the Agreement.

## **PART V**

### **THE SECURITIES**

100 (one hundred) Initial Units in CLOUT registered in the name of the Company and (with the exception Initial Redemption Units (as defined in the Trust Instrument)) all and any units in CLOUT in respect of which the Company is the registered or beneficial owner from time to time.

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02725156

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY INSTRUMENT AGREEMENT (AS DEFINED) DATED THE 5th NOVEMBER 2001 AND CREATED BY PILLAR OFFICES LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND ON ANY ACCOUNT WHATSOEVER UNDER THE GUARANTEE OF EVEN DATE (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 13th NOVEMBER 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 15th NOVEMBER 2001.



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —