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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

CHA213

Pursuant to section 395 of the Companies Act 1985

Please do not
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legibly, preferably
in black type, or
bold block lettering*Insert full name of
companyTo the Registrar of Companies For official use
(Address overleaf-Note 5)

Company Number

02954958

Name of Company

* Lombard Contract Hire (3) Limited (the "Company")

Date of creation of the charge

31 December 1998

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

Debenture (the "Debenture") between the Company and the Security Trustee.

Amount secured by the charge

All moneys, costs, charges, expenses, liabilities and obligations whether certain or contingent which at the date of the Debenture or thereafter may be or become due, owing or incurred by the Charging Group Companies to the Finance Parties (whether solely or jointly with one or more persons whether under the Financing Documents or otherwise, whether originally incurred by the Charging Group Companies or by some other person) under or pursuant to the Financing Documents and shall include interest on the foregoing day by day from demand until full discharge (as well after as before any judgment) at the rate provided for in any agreement between the Finance Parties and the Charging Group Companies or, in the absence of any such agreement, at the rate of two per cent. per annum above LIBOR from time to time (the "Secured Obligations").

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

Halifax plc, Group Treasury, 33 Old Broad Street, London as agent and trustee for the Finance Parties (the "Security Trustee").

Postcode

EC2N 1HZ

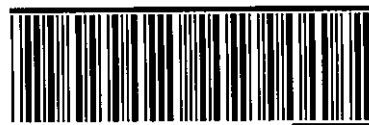
Presenter's name address and
reference (if any):Linklaters & Paines
One Silk Street
London EC2Y 8HQ
Ref: CW/ALJB
Tel: 0171 456 2000

1843451/0.1

Time critical reference

For Official Use
Mortgage Section

Post Room

KLO *KBD3SCR6* 1616
COMPANIES HOUSE 06/01/99

Short particulars of all the property charged

1 With full title guarantee as continuing security for the payment of the Secured Obligations, in favour of the Security Trustee, for the benefit of the Finance Parties:

- (a) by way of first fixed charge all plant, machinery, computers and office and other equipment owned by the Company both present and future;
- (b) by way of first fixed charge all book debts and other debts at the date of the Debenture and from time to time due or owing to the Company and all moneys which the Company receives in respect thereof;
- (c) by way of first fixed charge all current, deposit or other accounts of the Company with the Security Trustee or any of the Finance Parties (including, *inter alia*, any account designated a realisations account for the proceeds of disposals of any of the assets of the Company) or with other bankers, financial institutions or similar third parties and all balances at the date of the Debenture or thereafter standing to the credit of those accounts;
- (d) by way of first fixed charge all stocks, shares, debentures, bonds, notes and loan capital in, or issued by, or of any Subsidiary or stocks or shares held in any other company, both present and future and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may at the date of the Debenture or thereafter belong to the Company,

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Particulars as to commission allowance or discount (note3)

Nil

Signed

Linklaters + Paines

Date

6 January 1999

On behalf of 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.
5. The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ

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Particulars of a mortgage or charge (continued)

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

Please complete
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Company number

02954958

Name of company

Lombard Contract Hire (3) Limited (the "Company")

Description of the instrument creating or evidencing the mortgage or charge (cont.) (note2)

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

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together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

- (e) by way of first fixed charge the goodwill of the Company and its uncalled capital at the date of the Debenture or at any time thereafter in existence;
- (f) by way of first fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom at the date of the Debenture or at any time thereafter belonging to the Company and all fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions; and
- (g) by way of first floating charge the whole of the Company's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, including any property or assets from time to time or for the time being effectively mortgaged or charged to the Security Trustee, for the benefit of the Finance Parties by way of fixed charge by Clause 3.1 of the Debenture (hereinafter collectively referred to as the "**Floating Charge Property**").

- 2 With full title guarantee by way of security the Company assigned to the Security Trustee for the benefit of the Finance Parties all of the Company's present and future right, title and interest in and to and all rights of the Company under, the Vehicle Leases including all moneys payable to the Company, and any claims, awards and judgments in favour of, received or receivable by the Company under or in connection with or pursuant to the Vehicle Leases.

Note (1):

The Debenture provides that:

- 1 The security constituted by or pursuant to the Debenture shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which the Security Trustee may at any time hold in respect of any of the Secured Obligations and it is declared that no prior security held by the Security Trustee over the Charged Property or any part thereof shall merge in the security created by the Debenture or pursuant thereto.
- 2 The floating charge created by Clause 3.1(g) of the Debenture ranks behind all the fixed charges but ranks in priority to any other Encumbrance over the Charged Property except for (i) Encumbrances ranking in priority in accordance with the right of any Receiver appointed pursuant to Clause 13 of the Debenture, either in his own name or in the name of the Company or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person to borrow or raise money unsecured or on the security of the Charged Property (either in priority to the charge created by the Debenture or otherwise) and on such terms and conditions and for such purpose as he may think fit and (ii) for the claims of all of the Company's creditors whose claims are preferred solely by any bankruptcy, insolvency, liquidation or similar laws of general application.
- 3 Without the prior written consent of the Security Trustee the Company shall not nor shall it agree or purport to:
 - (a) create or permit to subsist any Encumbrance whether in any such case ranking in priority to or pari passu with or after the security created by the Debenture other than in favour of the Security Trustee, for the benefit of the Finance Parties, or, in the case of assets other than Real Property at the date of the Debenture or thereafter belonging to the Company, as permitted under the Funding Agreement; or
 - (b) sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or any part of its undertaking or assets or of the Charged Property other than as permitted in the Funding Agreement or in any other security in favour of the Security Trustee, for the benefit of the Finance Parties.

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

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

Please complete
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Company number
02954958

Name of company

Lombard Contract Hire (3) Limited (the "Company")

Description of the instrument creating or evidencing the mortgage or charge (cont.) (note2)

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

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- 4 The Company shall, at the request of the Security Trustee and at the Company's cost, execute in favour of the Security Trustee, for the benefit of the Finance Parties, or as the Security Trustee may direct, such further or other legal assignments, transfers, mortgages, charges or other documents as in any such case the Security Trustee shall stipulate over the Company's estate or interest in any property or assets of whatsoever natures or tenure and wheresoever situate, for the purpose of more effectively providing security to the Security Trustee, for the benefit of the Finance Parties, for the payment or discharge of the Secured Obligations or the exercise of any rights vested in the Security Trustee or any Receiver. Without prejudice to the generality of the foregoing, such assignments, transfers, mortgages, charges or other documents shall be in such form as the Security Trustee shall stipulate and may contain provisions such as are contained in the Debenture or provisions to the like effect and/or such other provisions of whatsoever kind as the Security Trustee shall consider requisite for the improvement or perfection of the security constituted by or pursuant to the Debenture. The obligations of the Company under Clause 5.1 of the Debenture (as set out in this paragraph 4) shall be in addition to and not in substitution for the covenants for further assurance deemed to be included therein by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.
- 5 At any time after an Enforcement Event occurs, the Company shall, if requested by the Security Trustee, promptly execute and deliver (or procure the execution and delivery of) to the Security Trustee (in such form as the Security Trustee shall reasonably require) in favour of the Security Trustee securing the Secured Obligations a legal mortgage of such of its present or future Real Property in England and Wales expressed to be subject to the charges created by the Debenture as is specified (whether generally or specifically) in the relevant request.
- 6 If, at any time, the Security Trustee reasonably believes that any material assets of the Company are in danger of being seized or sold under any form of distress, execution or other similar process or at any time after an Enforcement Event occurs, then without prejudice to the provisions of Clause 9.2 of the Debenture (set out in paragraph 7 below), the Security Trustee may, by notice in writing to the Company, convert the floating charge created by the Debenture into a fixed charge (either generally or specifically) in relation to the assets specified in such notice (which assets need not be exclusively those assets which are in danger of seizure or sale) and the Security Trustee shall further be entitled (but not bound) to take possession of or appoint a Receiver of such assets.
- 7 If the Company creates any Encumbrance in breach of Clause 4 of the Debenture over any of the property, assets and income comprising the Floating Charge Property or attempts so to do without the prior consent in writing of the Security Trustee or if any creditor or other person levies any distress, attachment, execution, sequestration or other process against any of the said property, assets and income then in the absence of any notice or other action by the Security Trustee pursuant to Clause 9.1 of the Debenture (set out in paragraph 6 above), the floating charge created by the Debenture shall automatically operate as a fixed charge forthwith upon the occurrence of such event.

Note (2):

In this Form and its Continuation sheets, except to the extent that the context requires otherwise:

"Additional Obligors" means any Subsidiary of the Company which has become an Additional Obligor pursuant to Clause 2.3 of the Funding Agreement.

"Advance" means an advance made or to be made to an Obligor under the Facility or, as the case may be, the outstanding principal amount of any such advance.

"Agent" means Halifax Plc as the agent of the Banks.

"Banks" means the banks and financial institutions listed in Schedule 1 of the Funding Agreement which expression shall include their respective successors in title, permitted Transferees and assigns, and **"Bank"** means any one of them.

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

3

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

Company number

02954958

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Name of company

Lombard Contract Hire (3) Limited (the "Company")

Description of the instrument creating or evidencing the mortgage or charge (cont.) (note2)

- Amount due or owing on the mortgage or charge (cont.)

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

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"Charged Property" means the property, assets and income of the Company mortgaged, or charged to the Security Trustee, for the benefit of the Finance Parties, (whether by way of legal mortgage, assignment, fixed or floating charge) by or pursuant to the Debenture and each and every part thereof.

"Charging Group" means the Obligors and each of its Material Subsidiaries which has entered into a Security Document in favour of the Security Trustee, for the benefit of the Finance Parties, as security for the obligations of the Obligors under the Funding Agreement and the obligations of each of the Material Subsidiaries under the Security Documents and **"Charging Group Company"** means any one of them.

"Default" means any event specified as such in Clause 13.1 of the Funding Agreement.

"Drawdown Date" means the date on which an Advance is made, or is proposed to be made.

"Encumbrance" means any mortgage, charge, assignment by way of security, pledge, hypothecation, lien, right of set-off, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and any other agreement or arrangement having substantially the same economic effect.

"Enforcement Event" means:

- (a) the presentation of a petition for the making of an administration order in relation to the Company; or
- (b) a Default which is continuing and has not been waived.

"Euros" and **"EUR"** means the lawful currency of the member states of the European Union that accept the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.

"Facility" means the revolving loan facility granted to the Company under the Funding Agreement.

"Finance Parties" means each of the Agent, the Security Trustee and the Banks (each a **"Finance Party"**).

"Financing Documents" means the Funding Agreement and the Security Documents.

"Fixtures" means fixtures, fittings (including trade fixtures and fittings) and fixed plant, machinery and apparatus.

"Funding Agreement" means the agreement dated 31 December 1998 made between (1) Lex Vehicle Leasing (Holdings) Limited, (2) the banks listed in Schedule 1 thereto, (3) Halifax Plc as agent for the Finance Parties and (4) Halifax Plc as security trustee for the Finance Parties.

"Group" means the Company and its Subsidiaries, and **"Group Company"** means any of them.

"Group Shares" means any shares in any Charging Group Company from time to time held by the Company or a nominee on its behalf.

"Interest Period" means, in relation to an Advance, the period from its Drawdown Date to its Maturity Date.

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Particulars of a mortgage or charge (continued)

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

Company number

02954958

Please complete
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Name of company

Lombard Contract Hire (3) Limited (the "Company")

Description of the instrument creating or evidencing the mortgage or charge (cont.) (note2)

Amount due or owing on the mortgage or charge (cont.)

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

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"LIBOR" means, in relation to an Advance or other sum and in relation to a particular Interest Period:

- (a) the rate of the offered quotation for deposits in the currency of such Advance or sum for a period which the Agent determines to be comparable to that Interest Period which appears on, in the case of Sterling, the display designated currently as "Page 3750" or, in the case of Euros, such page for the purpose of displaying the relevant interbank offered rates of prime lenders for deposits in Euros as the Agent and the Company may agree, on the Telerate Service (or such other page or service as may replace it for the purpose of displaying London, or, as the case may be, other, interbank offered rates of prime lenders for deposits in Sterling or, as the case may be, Euros) at or about 11.00 am on the Quotation Date for that Interest Period; or
- (b) if no such display rate is available, the rate per annum (rounded, if necessary, to 4 decimal places) at which the Agent would offer deposits in the relevant currency in an amount comparable with that Advance or other sum, as the case may be, to leading banks in the London interbank market, in the case of an Advance or other sum denominated in Sterling, or in such other interbank market as the Agent and the Company may agree, in the case of an Advance or other sum denominated in Euros, for a period equal to that Interest Period at or about 11.00 am on the Quotation Date for that Interest Period.

"Material Subsidiary" means the companies listed in Schedule 8 to the Funding Agreement and any Subsidiary of the Company whose gross assets, as shown in such Subsidiary's most recent audited balance sheet, are not less than three per cent of the gross assets of the Group, as shown in the Company's most recent consolidated audited balance sheet.

"Maturity Date" means, in relation to an Advance, the day on which that Advance is to be repaid.

"Obligors" means save as otherwise provided in the Funding Agreement, the Company and any Additional Obligors.

"Quotation Date" means, in relation to any period for which an interest rate is to be determined under the Funding Agreement, the day on which quotations would ordinarily be given by prime banks in the London interbank market or, in the case of a sum denominated in Euros, such other interbank market as the Agent and the Company may agree, for deposits in the currency in relation to which such rate is to be determined for delivery on the first day of that period provided that, if, for any such period, quotations would ordinarily be given on more than one date the Quotation Date for that period shall be the last of those dates.

"Real Property" means freehold and leasehold (being a lease which currently has more than 25 years left to run) property in England and Wales and other real property anywhere in the world (in each case including any estate or interest therein, all rights from time to time attached or relating thereto and all Fixtures from time to time therein or thereon).

"Receiver" means an administrative receiver or a receiver appointed pursuant to the provisions of the Debenture or pursuant to any applicable law and such expression shall include, without limitation, a receiver and manager.

"Security Documents" means the documents referred to in Clause 10.2 of the Funding Agreement and any other guarantee or document creating, evidencing or acknowledging security in respect of any of the obligations and liabilities of any Group Company under any Financing Document.

"Sterling" and **"£"** denote lawful currency of the United Kingdom.

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**Continuation sheet No _____
to Form No 395 and 410 (Scot)**

Company number

Name of company

Description of the instrument creating or evidencing the mortgage or charge (cont.) (note2)

Amount due or owing on the mortgage or charge (cont.)

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

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Short particulars of all the property mortgaged or charged (cont.)

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"Subsidiary" has the meaning ascribed to it by sections 736 and 736A of the Companies Act 1985 and **"Subsidiaries"** shall be construed accordingly.

"Transferee" means a bank or other financial institution to which a Bank seeks to transfer all or part of such Bank's rights, benefits and obligations under the Funding Agreement.

"Vehicle Leases" means the leases relating to the vehicles leased by the Company to its customers in the ordinary course of its trading activities.

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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. 02954958

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE BETWEEN THE COMPANY AND HALIFAX PLC AS AGENT AND TRUSTEE FOR THE FINANCE PARTIES (THE SECURITY TRUSTEE) DATED THE 31st DECEMBER 1998 AND CREATED BY LOMBARD CONTRACT HIRE (3) LIMITED FOR SECURING ALL MONEYS LIABILITIES AND OBLIGATIONS DUE OR TO BECOME DUE BY THE CHARGING GROUP COMPANIES (AS DEFINED) TO THE FINANCE PARTIES (AS DEFINED) UNDER OR PURSUANT TO THE FINANCING DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 6th JANUARY 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th JANUARY 1999.

A handwritten signature in ink, appearing to read 'A. J. Wagerham'.

A. J. WAGERHAM
for the Registrar of Companies

Handwritten initials, possibly 'JH' or 'JL', in the bottom left corner.



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