

M

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.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

2991340

Name of company

* Mirenwest Limited (the "Chargor")

Date of creation of the charge

8th November, 1999

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

Debenture between the Chargor and the Bank (the "Debenture").

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 the Bank under each Finance
Document except for any obligation which, if it were so included, would
result in the Debenture contravening Section 151 of the Companies Act
1985.

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

Rheinhyp Rheinische Hypothekenbank Aktiengesellschaft of Postfach
160655, 60311 Frankfurt/Main, Taunustor 3, Germany (the "Bank")

Postcode

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

Allen & Overy
One New Change
London

EC4M 9QQ

BK:691889.1 (RJDB/BM)

Time critical reference

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

Please see continuation sheets.

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

Allen + Overly

Date

12th November, 1999

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 CF4 3UZ

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

- (a) By way of first legal mortgage:
- (i) the property specified in the Schedule to this Form 395; and
 - (ii) all estates or interests in any freehold or leasehold property (except any Security Assets specified in paragraph (i) above) now or hereafter belonging to the Chargor; and
- (b) By way of a first fixed charge:
- (i) (to the extent that they are not the subject of an effective mortgage under paragraph (a) above) all estates or interests in any freehold or leasehold property now or hereafter belonging to the Chargor;
 - (ii) all plant and machinery owned by the Chargor and its interest in any plant or machinery in its possession;
 - (iii) all moneys standing to the credit of any account (including, without limitation, any Security Account) with any person and the debts represented by them;
 - (iv) all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
 - (v) all of the Chargor's book and other debts, the proceeds of the same and all other moneys due and owing to the Chargor and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
 - (vi) (to the extent they are not subject to an effective assignment under paragraph (c) below) all the Chargor's rights under each Refurbishment Document;
 - (vii) (to the extent they are not subject to an effective assignment under paragraph (c) below) all the Chargor's rights under any Hedging Arrangements;
 - (viii) (to the extent they are not subject to an effective assignment under paragraph (c) below) all the Chargor's rights under each Lease Document;
 - (ix) any beneficial interest, claim or entitlement of the Chargor in any pension fund;
 - (x) the Chargor's goodwill;
 - (xi) the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with the Chargor's business or the use of any Security Asset specified in paragraph (a) above, this paragraph (b) or paragraph (c) below and the right to recover and receive all compensation which may be payable to the Chargor in respect of them;
 - (xii) the Chargor's uncalled capital;

Company: Mirenwest Limited
Continuation Sheet 2

- (xiii) the Chargor's rights under the appointment of any managing agent of the Mortgaged Property; and
 - (xiv) the Chargor's rights under the agreement or agreements relating to the purchase of the Mortgaged Property by the Chargor.
- (c) By way of assignment absolutely by way of security all the Chargor's interests in:
- (i) all Rental Income;
 - (ii) any guarantee of Rental Income contained in or relating to any Agreement for Lease or Occupational Lease;
 - (iii) all the Chargor's rights under each Refurbishment Document; and
 - (iv) all the Chargor's rights under any Hedging Arrangements.
- (d) By way of a first floating charge, all the Chargor's assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage or charge or assignment under paragraphs (a), (b) or (c) above.

In this form 395:

"Agreement for Lease"

means the AMEX Agreement for Lease or any other agreement to grant an Occupational Lease of all or part of the Property.

"AMEX"

means American Express Europe Limited.

"AMEX Agreement for Lease"

means the agreement for lease dated 14th April, 1999 between the Borrower and AMEX.

"Amortisation Side Letter"

means a side letter from the Bank to the Borrower setting out the dates and amounts of payments to be made under the terms of the Credit Agreement.

"Borrower"

means the Chargor.

"Building Contract"

means a building contract specified in the Credit Agreement.

Company: Mirenwest Limited
Continuation Sheet 3

"Collateral Warranty"

means a collateral warranty entered into or to be entered into by the Contractor or a Professional in favour of the Bank each containing step-in rights in favour of the Bank.

"Contractor"

means any building contractor employed by the Borrower under a Building Contract in connection with the carrying out and/or completion of the Refurbishment.

"Credit Agreement"

means the £11,000,000 credit agreement dated 3rd November, 1999 between the Chargor, the Guarantor and the Bank.

"Finance Document"

means:

- (a) the Credit Agreement;
- (b) the Amortisation Side Letter;
- (c) the Debenture;
- (d) the Mortgage of Shares;
- (e) any Hedging Arrangement;
- (f) the Subordination Deed; or
- (g) any other document designated as such by the Bank and the Borrower.

"Fixtures"

means all fixtures and fittings (including trade fixtures and fittings) and fixed plant machinery on the Mortgaged Property.

"Guarantor"

means CLS Holdings plc (Registered in England and Wales No. 2714781).

"Headlease"

means the lease of the Property dated 30th October, 1997 between Christchurch United Charities as lessor and the Borrower (then known as Falcosan Limited) as lessee.

"Hedging Arrangements"

means any interest hedging arrangements entered into by the Borrower in connection with, or otherwise relating to, interest payable under the Credit Agreement.

Company: Mirenwest Limited
Continuation Sheet 4

"Insurances"

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

"Lease Document"

means the Headlease, any Occupational Lease or any Agreement for Lease.

"Mortgage of Shares"

means the mortgage of the shares dated 8th November, 1999 between the Borrower and the Guarantor in favour of the Bank.

"Mortgaged Property"

means any freehold or leasehold property the subject of the security created by the Debenture.

"Obligor"

means the Borrower or the Guarantor

"Occupational Lease"

means the AMEX Occupational Lease or any other occupational lease or licence or other right of occupation to which the Property may be subject from time to time.

"Professional"

means any architect, engineer, surveyor or other professional employed by the Borrower in connection with the carrying out and/or completion of the Refurbishment.

"Project Monitor"

means Currie and Brown or such other chartered surveyors or project managers as may be appointed by the Bank.

"Property"

means the property at 230 Blackfriars Road, London SE1 as more particularly described in the Schedule to this Form 395 and, where the context so requires, means the buildings on the Property.

"Refurbishment"

means the refurbishment of the Property in accordance with the Specifications and the AMEX Agreement for Lease.

Company: Mirenwest Limited
Continuation Sheet 5

"Refurbishment Document"

means any document entered into or to be entered into by the Borrower in connection with the Refurbishment including, without limitation, any Collateral Warranty, any Building Contract, any appointment of any Professional and any collateral warranty given in favour of the Borrower by any Professional.

"Rental Income"

means the aggregate of all amounts payable to or for the benefit or account of the Borrower in connection with the letting of the 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 virtue of an offer falling within the proviso of Section 3(1) of the Landlord and Tenant Act 1927;
- (c) any rent payable by virtue of a determination made by the Court under Section 24(A) of the Landlord and Tenant Act 1954;
- (d) any sum received from any deposit held as security for performance of any tenant's obligations;
- (e) a sum equal to any apportionment of rent allowed in favour of the Borrower under the contract for the purchase of the Property;
- (f) any other moneys payable in respect of occupation and/or usage of the Property and every fixture and fitting therein and any and every fixture thereon for display or advertisement, on licence or otherwise;
- (g) any profits awarded or agreed to be payable as a result of any proceedings taken or claim made for the same;
- (h) 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, the Borrower from any party) in furtherance of such proceedings so taken or claim so made;
- (i) any moneys payable under any policy of insurance in respect of loss of rent or interest thereon;
- (j) any sum payable or the value of any consideration to be given by or on behalf of a tenant for the surrender or variation of any Occupational Lease or occupancy agreement;
- (k) any sum payable by any guarantor of any occupational tenant under any Occupational Lease; and

Company: Mirenwest Limited
Continuation Sheet 6

- (I) any interest payable on any sum referred to above and any damages, compensation or settlement payable in respect of the same.

"Security Account"

means an account established under the terms of the Credit Agreement.

"Security Assets"

means all assets of the Chargor the subject of any security created by the Debenture.

"Security Interest"

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

"Specifications"

means those drawings, plans and specifications for the Refurbishment which have been approved and initialled by the Bank and the Project Monitor prior to the date of the Credit Agreement.

"Subordination Deed"

means the subordination deed dated 8th November, 1999 between the Borrower and the Guarantor in favour of the Bank.

NB

1. The Chargor shall not:
 - (a) create or permit to subsist any Security Interest on any Security Asset other than any Security Interest created by the Debenture; or
 - (b) sell, transfer, grant or, subject to the terms of the Credit Agreement, lease or otherwise dispose of any Security Asset or permit the same to occur, except for:
 - (i) the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under paragraph (e) above; or
 - (ii) the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under the Debenture and except in accordance with the express provisions of the Credit Agreement.
2. The charges, mortgages and assignments granted by the Chargor under the Debenture are given with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

Company: Mirenwest Limited
Continuation Sheet 7

3. A reference in this Form 395 to a charge or mortgage of any freehold or leasehold property includes:
- (a) all buildings and Fixtures on that property;
 - (b) the proceeds of sale of any part of that property; and
 - (c) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.
4. In this Form 395 a reference to a Finance Document or another document is a reference to that Finance Document or other document as amended, novated or supplemented.

Schedule

Real Property

All that leasehold land being land and buildings on the east side of Blackfriars Road, the south side of Burrell Street and the west side of Chancel Street registered with title number SGL245275.

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 02991340

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 8th NOVEMBER 1999 AND CREATED BY MIRENWEST LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR (AS DEFINED) TO RHEINHYP RHEINISCHE HYPOTHEKENBANK AKTIENGESELLSCHAFT UNDER EACH FINANCE DOCUMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 15th NOVEMBER 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd NOVEMBER 1999.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



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