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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



3123333

Name of company

* CWE SPVb LIMITED (the "Chargor")

Date of creation of the charge

27th MARCH, 1997

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

DEFEASANCE DEBENTURE

Amount secured by the mortgage or charge

PLEASE SEE CONTINUATION SHEET 1 ATTACHED

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

MORGAN STANLEY & CO. INTERNATIONAL LIMITED (the "Agent") OF 25, CABOT
SQUARE, CANARY WHARF, LONDON E14 4QA

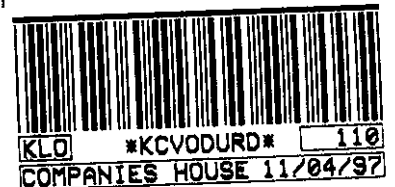
Presentor's name address and
reference (if any):

Allen & Overy
One New Change
London
EC4M 9QQ
TEL: 0171-330-3000
REF: MGD/SEB/B1:90900

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

PLEASE SEE CONTINUATION SHEET 5 ATTACHED

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Particulars as to commission allowance or discount (note 3)

NIL

Signed

Allea & Overay

Date

10th April, 1997

On behalf of ~~company~~ (mortgagee/chargee) †

† delete as
appropriate

- 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.

Company Name:
CWE SPVb Limited
Continuation Sheet 1

Registered Number:
3123333

Amount Secured by the Mortgage or Charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally 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 Debenture contravening Section 151 of the Companies Act 1985 (the "**Secured Liabilities**").

"**Additional Guarantor**" means a member of the Group which becomes a Guarantor in accordance with Clause 27.6 (Additional Guarantors) of the Credit Agreement.

"**Arranger**" means Morgan Stanley & Co. International Limited.

"**Banks**" means the financial institutions listed in Part IV of Schedule I of the Credit Agreement as banks, each a "**Bank**".

"**Borrower**" means Canary Wharf Limited (registered no. 1971312).

"**Clawback Charge**" means the composite first ranking fixed charge dated 27th March, 1997 executed by the Clawback Chargors in favour of the Agent.

"**Clawback Chargor**" means:

- (a) Canary Wharf Investments Limited (registered number 2127410)
- (b) Canary Wharf Investments (Three) (registered number 24557860).
- (c) First Tower T1 Limited (registered number 2550906)
- (d) First Tower T2 Limited (registered number 2558070).
- (e) First Tower GP(1) Limited (registered number SC132920).
- (f) First Tower GP(2) Limited (registered number SC132921).
- (g) First Tower Limited Partnership (English Limited Partnership no. 4087) (acting by its general partners First Tower GP(1) Limited and First Tower GP(2) Limited,

together the "**Clawback Chargors**".

"**Credit Agreement**" means the £160,000,000 credit agreement dated 26th March, 1997 between the Borrower, the Original Guarantors, the Defeasance Chargors (other than the FTLP Parties), the Clawback Chargors (other than the FTLP Parties), the Arranger, the Banks and the Agent.

"**Debenture**" means the composite debenture dated 27th March, 1997 executed by the Obligors (other than the Defeasance Chargors) in favour of the Agent.

"Defeasance" means a defeasance of the EIB Security, following a Morgan Stanley Defeasance Event, in accordance with Clause 4 of the Intercreditor Agreement.

"Defeasance Charge" means the composite second ranking fixed and floating charge dated 27th March, 1997 executed by the Defeasance Chargors in favour of the Agent, and accompanying this Form 395.

"Defeasance Chargor" means:

- (a) Canary Wharf Limited (registered number 1971312).
- (b) Canary Wharf Investments (Three) (registered number 24557860).
- (c) Canary Wharf Investments (Four) Limited (registered number 2388957).
- (d) CWE SPVa Limited (registered number 3123352).
- (e) CWE SPVb Limited (registered number 3123333).
- (f) CWE SPVc Limited (registered number 3123343).
- (g) CWE SPVd Limited (registered number 3123296).
- (h) CWE SPVf Limited (registered number 3123299).
- (i) CWE SPVg Limited (registered number 3123286).
- (j) First Tower T1 Limited (registered number 2550906).
- (k) First Tower T2 Limited (registered number 2558070).
- (l) CWE SPV HCo. Limited (registered number 3123311).
- (m) First Tower GP(1) Limited (registered number SC132920).
- (n) First Tower GP(2) Limited (registered number SC132921).
- (o) First Tower Limited Partnership (English Limited Partnership no. 4087) (acting by its general partners First Tower GP(1) Limited and First Tower GP(2) Limited,

together the **"Defeasance Chargors"**.

"Defeasance Completion Date" in respect of any Defeasance, has the meaning given to it in the Intercreditor Agreement.

"EIB Security" has the meaning given to it in the Intercreditor Agreement.

"Fee Letter" means the letter dated 26th March, 1997 between the Arranger and the Borrower setting out the amount of various fees referred to in Clause 21 (Fees) of the Credit Agreement.

"Finance Document" means the Credit Agreement, the Clawback Charge, the Debenture, the Intercreditor Agreement, the Fee Letter, a Novation Certificate or any other document designated as such by the Agent and the Borrower and includes the Defeasance Charge:

- (a) for the purposes of Clause 17 (Representations and Warranties) of the Credit Agreement, on and from the date of the Credit Agreement; and
- (b) for all other purposes, on and from the Defeasance Completion Date or (if earlier) the date of any breach of Clause 5.2(c) (Restrictions on Dealing) of the Defeasance Charge.

"Finance Party" means the Arranger, a Bank or the Agent.

"FTLP" means the First Tower Limited Partnership, an English limited partnership registered under that name under the Limited Partnership Act 1907 on 22nd August, 1991 (limited partnership number 4087).

"FTLP Companies" means First Tower T1 Limited, First Tower T2 Limited, First Tower GP (1) Limited and First Tower GP (2) Limited, each an **"FTLP Company"**.

"FTLP Party" means each of FTLP and the FTLP Companies.

"Group" means Canary Wharf Holdings Limited and its Subsidiaries.

"Guarantor" means an Original Guarantor or an Additional Guarantor and, on and from the Defeasance Completion Date or, if earlier, the date of a breach of Clause 5.2(c) (Restrictions on Dealing) of the Defeasance Charge includes each Defeasance Chargor other than the FTLP Companies.

"Intercreditor Agreement" means the intercreditor agreement dated on or about 26th March, 1997 between the Borrower, Canary Wharf Investments Limited, various other members of the Group, European Investment Bank, the Agent and Morgan Stanley Group Inc.

"Morgan Stanley Defeasance Event" has the meaning given to it in the Intercreditor Agreement.

"Novation Certificate" has the meaning given to it in Clause 27.3 (Procedure for Novations) of the Credit Agreement.

"Obligor" means the Borrower or a Guarantor, together the **"Obligors"**.

"Original Guarantors" means:

- (a) Seven Westferry Circus Limited (registered number 2732071).
- (b) Seven Westferry Circus (No. 2) Limited (registered number 2732121).
- (c) Cabot Place Limited (registered number 2548110).
- (d) CWC SPVa Limited (registered number 3123292).
- (e) CWC SPVb Limited (registered number 3123060).
- (f) CWC SPVd Limited (registered number 3302741).

Company Name:
CWE SPVb Limited
Continuation Sheet 4

Registered Number:
3123333

(g) CWC SPVe Limited (registered number 3302707).

(h) CWC SPVf Limited (registered number 3302749).

(i) CWC SPVg Limited (registered number 3302682),

each an **"Original Guarantor"**.

"Subsidiaries" means:

- (a) a subsidiary within the meaning of Section 736 of the Companies Act 1985 as amended by Section 144 of the Companies Act 1989; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 258 of the Companies Act 1985 as substituted by Section 21 of the Companies Act 1989.

Reference to a document is a reference to that document as amended, novated or supplemented.

Reference to a person includes its successors and assigns.

Short Particulars of all the Property Mortgaged or Charged

The Chargor, as security for the payment of all the Secured Liabilities charges in favour of the Agent (subject to Permitted Security Interests):

- (a) By way of a second legal mortgage, the Charged Property.
- (b) By way of a second fixed charge:
 - (i) all plant and machinery owned by the Chargor at the Mortgaged Property and the Chargor's interest in any plant or machinery in its possession at the Mortgaged Property;
 - (ii) all moneys standing to the credit of any Security Account opened by the Chargor and the debts represented by it;
 - (iii) all benefits in respect of the Insurances to the extent that they relate to any of the Mortgaged Property and all claims and returns of premiums in respect of them;
 - (iv) the benefit of all licences, consents and authorisations (statutory or otherwise) held by the Chargor in connection with the Mortgaged Property or the use of the Mortgaged Property and the right to recover and receive all compensation which may be payable to the Chargor in respect of them; and
 - (v) the Chargor's rights under the Development Documents Trust Deed in relation to any of the Mortgaged Properties.
- (c) The mortgages and charges created by paragraphs (a) and (b) above are made (subject to Clause 1.2(d) (Construction) of the Defeasance Charge) with full title guarantee.
- (d) By way of a second ranking assignment by way of security, subject to any Permitted Security Interests:
 - (i) all Rental Income; and
 - (ii) any guarantee of Rental Income contained in or relating to any Occupational Lease;
- (e) The assignments created by paragraph (d) above are made (subject to Clause 1.2(d) (Construction) of the Defeasance Charge) with full title guarantee.
- (f) as security for the payment of all of the Limited Obligations, by way of a second ranking floating charge, subject to any Permitted Security Interest, all the Chargor's assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge by paragraphs (a)-(e) above. This charge is made (subject to Clause 1.2(d) (Construction) of the Defeasance Charge) with full title guarantee. On and from the earlier of the Defeasance Completion Date and the date of a breach of Clause 5.2(c) (Restrictions on dealing) of the Defeasance Charge, the second ranking floating charge created by this paragraph (f) shall become a first ranking floating charge but otherwise the provisions of the Defeasance Charge relating to that floating charge shall continue in full force and effect.

"Charged Property" means all that leasehold property known as Floors 5-30 (inclusive) and parts of levels B-1 and M-1, One Canada Square, Canary Wharf, London E14 being the property comprised in a lease dated 22nd December, 1995 and made between Canary Wharf Investments Limited (1), Canary Wharf Limited (2), CWE SPVb Limited (3) and Canary Wharf Management Limited (4), in the course of registration under title number EGL 343406.

"Development Documents Trust Deed" means a deed dated 23rd December, 1995 between Canary Wharf Limited and Canary Wharf Contractors Limited and all trust deeds supplemental thereto under which certain development documents are held on trust for all or some of the Defeasance Chargers.

"Fixed Charge Assets" means, in respect of each Obligor, those of its assets which are, or are purported to be, the subject of fixed security under the Debenture or the Defeasance Charge (as appropriate).

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

"Limited Obligations" means those Secured Liabilities which constitute the final £1,000 to be paid or discharged by the Defeasance Chargers to each Finance Party under each Finance Document after all other Secured Liabilities have been paid or discharged.

"Mortgaged Property" means, any of the Chargor's freehold or leasehold property the subject of the security created by the Debenture.

"Occupational Lease" means any occupational lease of, licence of or other right to occupy a Property or any part of it.

"Permitted Security Interests" means:

- (a) a Security Interest created pursuant to the Debenture, the Defeasance Charge or the Clawback Charge;
- (b) liens arising by operation of law securing amounts not more than 90 days overdue;
- (c) any Security Interests subsisting over the assets of any Obligor which are listed in Schedule 9 of the Credit Agreement so long as the principal amount secured by those Security Interests is not increased after 26th March, 1997;
- (d) Security Interests created by way of fixed security after 26th March, 1997 over assets of an Obligor which are not Fixed Charge Assets; and
- (e) floating charges created over the assets of any Obligor in circumstances where the chargee has first entered into an intercreditor agreement (in form and substance satisfactory to the Agent) with the Agent.

"Rental Income" means the aggregate of all amounts payable to or the benefit or account of an Obligor in connection with the letting of a Property or any part of it, 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) sums received from any deposit held as security for performance of any tenant's obligations;
- (e) any other moneys payable in respect of occupation and/or usage of a Property and every fixture and fitting therein and any and every fixture thereon displayed or advertisement, on licence or otherwise;
- (f) any mesne profits awarded or agreed to be payable as a result of any proceedings taken or claim made for the same;
- (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, the relevant Obligor from any party) in furtherance of such proceedings so taken or claim so made;
- (h) any moneys 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 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 after deducting reasonable costs properly incurred in recovering such damages,

but after deducting or excluding the following amounts:

- (i) those amounts (if any) (together with any value added or similar taxes charged thereon) due to or for the account of an Obligor 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 and in respect of costs incurred or to be incurred by an Obligor under any repairing or similar obligations or in providing or procuring the provision of services to such tenant or tenants of such building;
- (ii) any amounts paid by a tenant, in compensation for a breach of covenant resulting from a failure to keep premises in good repair to an Obligor in compensation for expenses incurred by that Obligor in respect of the breach to the extent applied by that Obligor in payment of or reimbursement for payment of those expenses;
- (iii) any contribution to a sinking fund paid by any tenant or other occupier; and
- (iv) any value added tax or similar taxes payable on any of the items listed in paragraphs lettered (a)-(j) above.

"Security Account" means an account established under Clause 11 (Receipts) of the Credit Agreement.

"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.

NB:-

- (a) The Chargor shall not:
- (i) create or permit to subsist any Security Interest on the Mortgaged Property other than any Security Interest created by the Defeasance Charge and the Permitted Security Interests; or
 - (ii) subject to Clause 5 (Automatic Releases and Consents) of the Intercreditor Agreement and Clauses 18.9 (Transactions Similar to Security), 18.10 (Disposals) and 18.14 (Occupational Leases) of the Credit Agreement, sell, transfer, grant, lease or otherwise dispose of any Mortgaged Property.
- (b) Subject to the terms of the Credit Agreement, the Chargor may, at any time prior to enforcement of the Defeasance Charge or when the Chargor is not in liquidation, without the consent of the Agent:
- (i) dispose of or deal with any of the Floating Charged Assets; and
 - (ii) create, permit or acquire any Security Interests which affect the Floating Charged Assets,
- in such manner as the Chargor considers fit.
- (c) Notwithstanding any other term of the Finance Documents, the Chargor shall not create or permit to subsist any Security Interest on the Mortgaged Property if that Security Interest is or was created to secure an EIB Refinancing (as defined in the Intercreditor Agreement) in an aggregate principal amount in excess of £220,000,000 unless that EIB Refinancing complies with the terms of a side letter between the Borrower and the Agent dated 27th March, 1997.

"Floating Charge Assets" means the assets charged by Clause 3.1 (Creation of Floating Charge) of the Defeasance Charge.

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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. 03123333

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEFEASANCE DEBENTURE DATED THE 27th MARCH 1997 AND CREATED BY CWE SPVB LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES (WHETHER ACTUAL OR CONTINGENT AND WHETHER OWED JOINTLY OR SEVERALLY IN ANY OTHER CAPACITY WHATSOEVER) OF EACH OBLIGOR (AS DEFINED) TO MORGAN STANLEY & CO. INTERNATIONAL LIMITED (THE "AGENT") UNDER EACH FINANCE DOCUMENT (AS DEFINED) EXCEPT FOR ANY OBLIGATION WHICH, IF IT WERE SO INCLUDED WOULD RESULT IN THE DEBENTURE CONTRAVENING SECTION 151 OF THE COMPANIES ACT 1985 WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 11th APRIL 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 15th APRIL 1997.

RICHARD NEIL OWENS

for the Registrar of Companies



COMPANIES HOUSE

LC
LT
13/4