



Companies House

— for the record —

395_(ef)

Particulars of a mortgage or charge

Pursuant to section 395 of the companies act 1985

Company Name: COURAGE UNDERWRITING LIMITED

Company Number: 03640182

0 2 7 5



XTPA3RWF

Received for filing in Electronic Format on the: 20/01/2004

Date of creation of the charge:

01/01/2004 (BUT EFFECTIVE FROM 1ST JANUARY 2004 AND THE FIRST DAY OF THE RELEVANT CALENDAR YEAR WITH RESPECT TO EACH TRUST WHICH RELATES TO ANY OTHER YEAR OF ACCOUNT OF THE SYNDICATE).

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

LLOYD'S UNITED STATES SITUS EXCESS OR SURPLUS LINES TRUST DEED ("THE TRUST DEED") DATED 1ST JANUARY 2004 IN RESPECT OF SYNDICATE NO.0780 (INCLUDING ALL INCIDENTAL SYNDICATES OF SUCH A SYNDICATE)("THE SYNDICATE") MADE OR EXPRESSED TO BE MADE AMONG (I) LLOYD'S, HAVING ITS PRINCIPAL OFFICE AT ONE LIME STREET, LONDON, ENGLAND (II) EACH OF THE UNDERWRITERS, EACH OF ONE LIME STREET, LONDON, ENGLAND, AND INCLUDING THE COMPANY (III) THE MANAGING AGENT OF THE SYNDICATE NAMED IN THE FIRST SCHEDULE OF THE TRUST DEED ("THE MANAGING AGENT") AND (IV) CITIBANK N.A., A NATIONAL BANKING ORGANISATION ORGANISED AND EXISTING UNDER THE LAWS OF THE UNITED STATES OF AMERICA AND HAVING ITS PRINCIPAL OFFICES AT NEW YORK, NEW YORK ("THE TRUSTEE"), AS MAY AT ANY TIME OR TIMES BE AMENDED BY THE COUNCIL WITH THE PRIOR WRITTEN CONSENT OF THE DOMICILIARY COMMISSIONER AND THE IID.

"IID" SHALL MEAN THE INTERNATIONAL INSURERS DEPARTMENT OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS ("NAIC"). DECISIONS UNDER THE IID PLAN OF OPERATION ARE MADE BY STATE INSURANCE COMMISSIONERS ACTING PURSUANT TO THE CONSTITUTION AND BYLAWS OF THE NAIC.

"LLOYD'S" SHALL MEAN THE SOCIETY INCORPORATED BY THE LLOYD'S ACT 1871 BY THE NAME OF LLOYD'S.

"TRUST" OR "TRUST FUND" IN RELATION TO A PARTICULAR UNDERWRITER AND YEAR OF ACCOUNT SHALL MEAN THE PROPERTY IN THE ACTUAL AND SOLE POSSESSION OF THE TRUSTEE AND HELD UNDER THE PROVISIONS OF THE TRUST DEED ALLOCABLE TO THE PARTICULAR TRUST CREATED BY THE UNDERWRITER WITH RESPECT TO THE PARTICULAR YEAR OF ACCOUNT OF THE SYNDICATE.

""UNDERWRITER"" MEANS AN UNDERWRITING MEMBER OR A PERSON WHO IS TO BE AN UNDERWRITING MEMBER OF THE SYNDICATE AT LLOYD'S FOR THE CURRENT YEAR OF ACCOUNT AND AS SUCH HAS EXECUTED THE TRUST DEED OR WHO IS A MEMBER OF THE SYNDICATE FROM TIME TO TIME FOR ANY SUBSEQUENT YEAR OF ACCOUNT WHO HAS SUBSEQUENTLY ACCEDED TO THE TRUST DEED OR ANY OTHER MEMBER OF LLOYD'S (WHETHER AN INDIVIDUAL, A BODY CORPORATE OR A PARTNERSHIP) WHO HAS ALLOCATED PREMIUM LIMITS TO THE SYNDICATE AND IS A GRANTOR OF A TRUST CREATED UNDER THE TRUST DEED.

ALL EXPRESSIONS IDENTIFIED IN THIS FORM HAVE THE MEANINGS GIVEN UNLESS THE CONTEXT OTHERWISE REQUIRES.

REFERENCE TO ANY PROVISION OF THE TRUST DEED SHALL AFTER THE COMING INTO FORCE OF ANY AMENDMENT OF THAT PROVISION OF THE TRUST DEED BE READ (UNLESS THE CONTEXT OTHERWISE REQUIRES) AS REFERRING TO THE AMENDED PROVISION OR TO THE TRUST DEED AS SO AMENDED (AS THE CASE MAY BE).

Amount secured by the mortgage or charge:

1. THE PAYMENT (SUBJECT TO ARTICLE 5 OF THE TRUST DEED) OF ALL EXPENDITURE AND FEES OF THE TRUSTEE INCLUDING LEGAL FEES AND EXPENSES ACTUALLY INCURRED BY OR ON

BEHALF OF THE TRUSTEE IN CONNECTION WITH ITS ADMINISTRATION, PRESERVATION OR CONSERVATION OF THE TRUST AND ITS COUNSEL'S FEES AND EXPENSES AND OTHER

DISBURSEMENTS INCURRED IN ADMINISTERING, PRESERVING OR CONSERVING THE TRUST ("TRUSTEE PRIORITY CLAIMS"); PROVIDED, HOWEVER, THAT FOR ANY PARTICULAR CALENDAR

YEAR THE AMOUNT OF TRUSTEE PRIORITY CLAIMS WHICH SHALL BE GIVEN PRIORITY IN PAYMENT OVER MATURED CLAIMS AT ANY GIVEN TIME SHALL BE LIMITED TO THE TRUST'S PRO

RATA SHARE (BASED ON THE AGGREGATE VALUE OF ALL TRUST FUNDS HELD UNDER THE TRUST DEED FOR THE SYNDICATE) OF AN AMOUNT EQUAL TO THE LESSER OF \$50,000 OR 10% OF

THE AGGREGATE VALUE OF ALL TRUST FUNDS HELD UNDER THE TRUST DEED FOR THE SYNDICATE.

THE COMPANY IRREVOCABLY GRANTS TO THE TRUSTEE A SECURITY INTEREST IN AND A LIEN UPON THE TRUST FUND WHICH IS A FIRST PRIORITY SECURITY INTEREST AND LIEN FOR THE

PAYMENT OF TRUSTEE PRIORITY CLAIMS, PROVIDED THAT THE PORTION OF SUCH SECURITY INTEREST AND LIEN THAT SHALL BE ENTITLED TO THE FIRST PRIORITY IN PAYMENT OVER

MATURED CLAIMS SHALL BE LIMITED AS PROVIDED IN PARAGRAPH 2.2 OF THE TRUST DEED.

2. THE PAYMENT (SUBJECT TO ARTICLE 5 OF THE TRUST DEED) OF ANY AMOUNT, IN EXCESS OF THE AMOUNT NECESSARY TO SATISFY TRUSTEE PRIORITY CLAIMS (AS LIMITED BY THE

PROVISO IN (1) ABOVE), IN RESPECT OF MATURED CLAIMS, PROVIDED THAT LOSSES SHALL ALWAYS TAKE PRIORITY OVER UNEARNED PREMIUM IN THE PAYMENT OF CLAIMS SO THAT

THE TRUSTEE SHALL PAY ALL MATURED CLAIMS FOR LOSSES IN FULL PRIOR TO PAYMENT OF ANY PART OF A MATURED CLAIM FOR UNEARNED PREMIUM. THE TRUSTEE SHALL PAY A

MATURED CLAIM FOR UNEARNED PREMIUM AFTER RECEIPT OF A CLAIM FOR LOSSES WHICH HAS NOT YET BECOME A MATURED CLAIM FOR ANY REASON.

3. TRANSFERS BY THE TRUSTEE AT THE DIRECTION FROM TIME TO TIME OF THE AGENT OF ANY FUNDS IN EXCESS OF THE TRUST FUND MINIMUM AMOUNT AS REPORTED ON THE

LATEST REQUIRED NOTICE GIVEN PURSUANT TO PARAGRAPH 2.7 OF THE TRUST DEED TO AN OVERSEAS FUND, (TREATING FUNDS WITHDRAWN FOR PAYMENT OF CLAIMS WITH RESPECT TO

THE AMERICAN POLICIES AS FUNDS IN EXCESS OF THE TRUST FUND MINIMUM AMOUNT); PROVIDED THAT THE LATEST REQUIRED NOTICE HAS BEEN GIVEN, THAT THE AGENT SHALL

HAVE PROVIDED WRITTEN NOTICE TO THE TRUSTEE AND THE DOMICILIARY COMMISSIONER, THE NON-DOMICILIARY COMMISSIONER AND THE IID PRIOR TO ANY WITHDRAWAL, AND

THAT SUCH NOTICE SHALL SPECIFY THE RESERVE FOR SUCH CLAIMS AS SPECIFIED BY THE MOST RECENT DETERMINATION OF THE TRUST FUND MINIMUM AMOUNT FURNISHED TO THE

TRUSTEE AND FUNDS WITHDRAWN SHALL NOT EXCEED THE AMOUNT PREVIOUSLY RESERVED IN THE TRUST FOR SUCH CLAIMS AS SPECIFIED IN SUCH NOTICE.

4. TRANSFERS BY THE TRUSTEE TO AN OVERSEAS FUND UNDER PARAGRAPH 5.5 OF THE TRUST DEED.

5. THE REPAYMENT OF CASH OR SECURITIES ADVANCED BY THE TRUSTEE (IN ITS INDIVIDUAL CAPACITY OR THROUGH ANY SUBSIDIARY, AFFILIATE OR ASSOCIATE OF THE TRUSTEE) TO THE

TRUST TO EFFECT OR EXPEDITE THE PURCHASE OR SALE OF SECURITIES FOR THE TRUST, THE PROPERTY SO PURCHASED OR THE PROCEEDS FROM THE SALE BEING SECURITY FOR

REPAYMENT OF THE CASH OR SECURITIES ADVANCED IN CONNECTION WITH THE PURCHASE OR SALE OF SUCH PROPERTY AND THE TRUSTEE (IN ITS INDIVIDUAL CAPACITY OR THROUGH

ANY SUBSIDIARY AFFILIATE OR ASSOCIATE OF THE TRUSTEE) BEING FURTHER ENTITLED TO REIMBURSEMENT FROM THE TRUST OF ANY PORTION OF ANY SUCH ADVANCE NOT REIMBURSED

AS A TRUSTEE PRIORITY CLAIM.

6. THE TRANSFER BY THE TRUSTEE TO THE DOMICILIARY COMMISSIONER OR OTHER DESIGNATED RECEIVER (TO BE DISTRIBUTED IN COMPLIANCE WITH APPLICABLE STATE LAW)

PURSUANT TO AN ORDER OF THE DOMICILIARY COMMISSIONER OR A U.S. COURT OF COMPETENT JURISDICTION OF ALL OF THE ASSETS OF THE TRUST FUND EXCEPT THOSE ASSETS WHICH

ARE NECESSARY TO SATISFY THE TRUSTEE'S PRIORITY CLAIMS OR TO REIMBURSE THE TRUSTEE FOR FUNDS OR SECURITIES ADVANCED PURSUANT TO PARAGRAPH 4.5 OF THE TRUST DEED.

7. THE PAYMENT OF CLAIMS ORDERED BY A COURT OF COMPETENT JURISDICTION DURING THE 12 MONTH PERIOD COMMENCING ON THE DATE THE TRUSTEE RECEIVED WRITTEN

NOTICE THAT THE TRUST FUND IS DEEMED INADEQUATE (AS DEFINED IN PARAGRAPH 5.1(A) OF THE TRUST DEED) OR THE DATE THE TRUSTEE IS REQUIRED TO TRANSMIT A NOTICE TO

THE AGENT (PURSUANT TO PARAGRAPH 5.1(B) OF THE TRUST DEED), THE INADEQUACY NOT HAVING BEEN CURED AS PROVIDED FOR IN THAT PARAGRAPH, WHICHEVER OCCURS FIRST.

"AGENT" SHALL MEAN THE MANAGING AGENT AT LLOYD'S APPOINTED BY OR ON BEHALF OF THE UNDERWRITER TO ACT, AND WHO IS ACTING, AS AN AGENT OF THE UNDERWRITER FOR

THE PURPOSE OF CONDUCTING THE UNDERWRITING BUSINESS OF THE UNDERWRITER AS A MEMBER OF THE SYNDICATE (REFERRED TO ABOVE AS THE "MANAGING AGENT"), INCLUDING

ANY SUCCESSORS SO ACTING OF THE UNDERWRITING AGENT SO APPOINTED AND ANY SUBSTITUTE AGENT APPOINTED BY THE COUNCIL; AND SHALL, WHEN THE CONTEXT SO ADMITS

INCLUDE A REFERENCE TO ANY REPRESENTATIVE OF THE AGENT.

"AMERICAN POLICY" SHALL MEAN:-

(A) ANY CONTRACT OR POLICY OF INSURANCE (OR ANY AGREEMENT TO INSURE) INCEPTING ON OR AFTER AUGUST 1, 1995 (EXCLUDING ALL CONTRACTS OR POLICIES OF INSURANCE

UNDERWRITTEN OR ANY AGREEMENT TO INSURE TO BE UNDERWRITTEN BY THE UNDERWRITER AS A MEMBER OF THE SYNDICATE UNDER ANY BINDING AUTHORITY INCEPTING PRIOR TO

THAT DATE AND ATTACHING ON OR PRIOR TO NOVEMBER 15, 1995) ISSUED TO A POLICYHOLDER PURSUANT TO SURPLUS LINES OR EXCESS LINES LAWS OF ANY STATE, DISTRICT, TERRITORY,

COMMONWEALTH OR POSSESSION OF THE UNITED STATES IN WHICH SOME OR ALL OF THE MEMBERS OF THE SYNDICATE ARE NOT AT THAT TIME LICENSED TO DO INSURANCE BUSINESS

(I) WHICH IS UNDERWRITTEN BY THE UNDERWRITER AS A MEMBER OF THE SYNDICATE ON OR AFTER AUGUST 1, 1995, AND

(II) WHICH IS ALLOCABLE TO THE YEAR OF ACCOUNT OF THE SYNDICATE CORRESPONDING TO THE PARTICULAR TRUST FUND;

OR

(B) ANY CONTRACT OR POLICY OF INSURANCE UNDERWRITTEN ON OR AFTER AUGUST 1, 1995, AND ISSUED TO A POLICYHOLDER PURSUANT TO SURPLUS LINES OR EXCESS LINES LAWS OF

ANY STATE, DISTRICT, TERRITORY, COMMONWEALTH OR POSSESSION OF THE UNITED STATES IN WHICH SOME OR ALL OF THE MEMBERS OF THE SYNDICATE ARE NOT AT THAT TIME

LICENSED TO DO INSURANCE BUSINESS, IN RESPECT OF WHICH THE UNDERWRITER IS LIABLE AS A MEMBER OF THE SYNDICATE FOR THE YEAR OF ACCOUNT OF THE SYNDICATE

CORRESPONDING TO THE PARTICULAR TRUST FUND TO MEMBERS OF THE SAME SYNDICATE OR ANY OTHER SYNDICATE FOR AN EARLIER YEAR OF ACCOUNT PURSUANT TO ANY CONTRACT OF

REINSURANCE TO CLOSE.

"CLAIM" SHALL MEAN: (I) A CLAIM AGAINST THE UNDERWRITER BY A POLICYHOLDER OR THIRD-PARTY CLAIMANT FOR A LOSS UNDER AN AMERICAN POLICY EXCLUDING PUNITIVE

AND/OR EXEMPLARY DAMAGES AWARDED AGAINST A POLICYHOLDER AND ALSO EXCLUDING ANY EXTRACONTRACTUAL OBLIGATIONS NOT EXPRESSLY COVERED BY THE AMERICAN POLICY

("LOSS") OR (II) A CLAIM AGAINST THE UNDERWRITER BY A POLICYHOLDER FOR THE RETURN OF UNEARNED PREMIUM UNDER AN AMERICAN POLICY ("UNEARNED PREMIUM").

"COUNCIL" SHALL MEAN THE COUNCIL OF LLOYD'S OR THE COMMITTEE OF LLOYD'S OR THE CHAIRMAN OR A DEPUTY CHAIRMAN OF LLOYD'S AS THE CASE MAY BE OR (EXCEPT ONLY

FOR THE PURPOSES OF PARAGRAPH 6.4 OF THE TRUST DEED) SUCH OTHER PERSON OR PERSONS AS ARE FOR THE TIME BEING AUTHORISED BY THE COUNCIL OF LLOYD'S TO EXERCISE

ANY POWER OR DISCRETION WHICH IS VESTED IN THE COUNCIL BY THE TRUST DEED.

"DOMICILIARY COMMISSIONER" SHALL MEAN THE SUPERINTENDENT OF INSURANCE OF THE STATE OF NEW YORK.

"LLOYD'S PREMIUMS TRUST DEED" SHALL MEAN THE LLOYD'S PREMIUMS TRUST DEED APPROVED BY HER MAJESTY'S TREASURY OR FINANCIAL SERVICES AUTHORITY PURSUANT TO

THE INSURANCE COMPANIES ACT (U.K.) 1982, EXECUTED BY THE UNDERWRITER IN RESPECT OF INSURANCE BUSINESS AT LLOYD'S OTHER THAN LONG TERM BUSINESS.

"MATURED CLAIM" SHALL MEAN A CLAIM WHICH IS ENFORCEABLE AGAINST THE TRUST FUND AS PROVIDED FOR IN PARAGRAPH 2.3 OF THE TRUST DEED.

"NON-DOMICILIARY COMMISSIONER" SHALL MEAN THE CHIEF REGULATORY OFFICER FOR INSURANCE OTHER THAN THE DOMICILIARY COMMISSIONER IN ANY STATE, DISTRICT,

TERRITORY, COMMONWEALTH OR POSSESSION OF THE UNITED STATES IN WHICH THE UNDERWRITERS HAVE POLICYHOLDERS AND WHO HAS PROVIDED THE TRUSTEE WITH WRITTEN

NOTICE THAT HE OR SHE REQUIRES ANY NOTIFICATION REQUIRED TO BE MADE TO THE DOMICILIARY COMMISSIONER PURSUANT TO THIS AGREEMENT.

"OTHER UNDERWRITERS" SHALL MEAN THE MEMBERS OF LLOYD'S WHETHER INDIVIDUALS, BODIES CORPORATE OR PARTNERSHIPS (OTHER THAN THE UNDERWRITER) AND SUCH FORMER

MEMBERS OF LLOYD'S AS CONTINUE TO HAVE UNDERWRITING BUSINESS AT LLOYD'S NOT FULLY WOUND UP AND THE PERSONAL REPRESENTATIVES OR TRUSTEE IN BANKRUPTCY OF ANY

SUCH MEMBER OR FORMER MEMBER WHO HAS DIED OR BECOME BANKRUPT.

"OVERSEAS FUND" SHALL MEAN THE LLOYD'S PREMIUM TRUST FUND OR ANY TRUST FUND SET UP WITH RESPECT TO THE UNDERWRITER WHICH IS CONSTITUTED OR REGULATED BY AN

OVERSEAS DIRECTION UNDER THE LLOYD'S PREMIUMS TRUST DEED (AS DEFINED IN THAT DEED).

"POLICYHOLDER" SHALL MEAN THE HOLDER OF AN AMERICAN POLICY RESIDENT OR DOING BUSINESS IN THE UNITED STATES AT ANY TIME DURING THE PERIOD OF COVERAGE OF SUCH

POLICY, AND ANY OTHER PERSONS OR ASSOCIATIONS WHO ARE ASSIGNEES, PLEDGEEES, OR MORTGAGEES NAMED THEREIN.

"RECEIVER" SHALL MEAN THE DOMICILIARY COMMISSIONER OR SUCH OTHER PERSON AS MAY BE APPOINTED BY A COURT OF COMPETENT JURISDICTION OR DESIGNATED BY THE

STATUTE OF A STATE, DISTRICT, TERRITORY, COMMONWEALTH OR POSSESSION OF THE UNITED STATES.

"REINSURANCE TO CLOSE" SHALL MEAN AN AGREEMENT UNDER WHICH UNDERWRITING MEMBERS ("THE REINSURED MEMBERS") WHO ARE MEMBERS OF A SYNDICATE FOR A YEAR OF

ACCOUNT ("THE CLOSED YEAR") AGREE WITH UNDERWRITING MEMBERS WHO COMPRISE THAT OR ANOTHER SYNDICATE FOR A LATER YEAR OF ACCOUNT ("THE REINSURING MEMBERS")

THAT THE REINSURING MEMBERS WILL INDEMNIFY THE REINSURED MEMBERS AGAINST ALL KNOWN AND UNKNOWN LIABILITIES OF THE REINSURED MEMBERS ARISING OUT OF INSURANCE

BUSINESS UNDERWRITTEN THROUGH THAT SYNDICATE AND ALLOCATED TO THE CLOSED YEAR.

"REPRESENTATIVE OF THE AGENT" OR "REPRESENTATIVES" SHALL MEAN ONE OR MORE PERSONS (WITHOUT LIMITATION AS TO NUMBER) DESIGNATED BY THE AGENT BY ONE OR MORE

INSTRUMENTS IN WRITING FILED WITH THE TRUSTEE AS THE AGENT'S REPRESENTATIVE OR REPRESENTATIVES WITH POWER, TO THE EXTENT SET FORTH IN THE RELEVANT DESIGNATION,

TO ACT IN LIKE MANNER AND WITH THE SAME EFFECT AS THE AGENT ITSELF MIGHT ACT HEREUNDER. THE DESIGNATION OF ANY PERSON AS THE AGENT'S REPRESENTATIVE AS

HEREINBEFORE PROVIDED SHALL REMAIN EFFECTIVE FOR THE PERIOD PROVIDED IN THE RELEVANT DESIGNATION OR UNTIL ITS REVOCATION BY THE AGENT BY AN INSTRUMENT IN

WRITING FILED WITH THE TRUSTEE.

"THIRD-PART CLAIMANT" IS ONE NOT A PARTY TO THE INSURANCE CONTRACT BUT HAVING A FINAL JUDGMENT OR ARBITRATION AWARD AGAINST THE UNDERWRITERS FOR CLAIMS OR LOSS

COVERED BY AN AMERICAN POLICY.

"TRUST FUND MINIMUM AMOUNT" SHALL MEAN THE AMOUNT REQUIRED TO BE MAINTAINED IN TRUST BY THE UNDERWRITER PURSUANT TO THE INSURANCE LAWS AND RULES AND

REGULATIONS OF THE IID OR THE STATES WHERE THE SYNDICATE MAINTAINS ELIGIBILITY AS AN EXCESS OR SURPLUS LINES INSURER, WHICHEVER AMOUNT IS GREATER, PROVIDED, THAT IF

(A) THE U.S. LIABILITIES HAVE BEEN REINSURED PURSUANT TO ANY CONTRACT OF REINSURANCE TO CLOSE WITH THE UNDERWRITER AND/OR ONE OR MORE OF THE OTHER

UNDERWRITERS AS MEMBERS OF THE SAME OR ANOTHER SYNDICATE FOR A LATER YEAR OF ACCOUNT, AND

(B) IN RESPECT OF EACH SUCH REINSURER UNDER THAT CONTRACT THERE IS FOR THAT SYNDICATE AND THAT LATER YEAR OF ACCOUNT A TRUST FUND CONSTITUTED UNDER THE TRUST DEED

OR ANY OTHER LLOYD'S UNITED STATES SITUS SURPLUS LINES TRUST DEED WHICH IS AT LEAST EQUAL IN VALUE TO THE TRUST FUND MINIMUM AMOUNT FOR THAT TRUST FUND IN

RESPECT OF THAT SYNDICATE AND YEAR OF ACCOUNT,

THE TRUST FUND MINIMUM AMOUNT SHALL BE ZERO.

"US LIABILITIES" SHALL MEAN THE AGGREGATE LIABILITIES OF THE UNDERWRITER AS A MEMBER OF THE SYNDICATE FOR A PARTICULAR YEAR OF ACCOUNT UNDER THE AMERICAN

POLICIES AS DEFINED IN SUB-PARAGRAPH 1.2(A) OF THE TRUST DEED AND THE AMOUNT IN RESPECT OF WHICH THE UNDERWRITER IS LIABLE UNDER THE AMERICAN POLICIES AS

DEFINED IN SUB-PARAGRAPH 1.2(B) OF THE TRUST FUND.

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

THE TRUSTEE (BEING, AS AT THE DATE HEREOF, CITIBANK N.A. OF 111 WALL STREET, NEW YORK, NY USA), LLOYD'S OF ONE LIME STREET, LONDON, ENGLAND, THE AGENT, ALL POLICYHOLDERS AND THIRD-PARTY CLAIMANTS, AND

(1) THOSE TO WHOM ANY AMOUNT IS OR MAY AT ANY TIME BECOME PAYABLE TO SATISFY TRUSTEE PRIORITY CLAIMS OR CLAIMS TO BE TREATED AS TRUSTEE PRIORITY CLAIMS UNDER THE TRUST DEED;

(2) THOSE TO WHOM ANY AMOUNT IS OR MAY AT ANY TIME BECOME PAYABLE TO SATISFY MATURED CLAIMS;

(3) THOSE FOR WHOSE BENEFIT ANY OVERSEAS FUND AT ANY TIME IS HELD, AND THE TRUSTEES OF ANY OVERSEAS FUND;

(4) THE DOMICILIARY COMMISSIONER;

(5) ANY DESIGNATED RECEIVER;

(6) ANY SUBSIDIARY, AFFILIATE OR ASSOCIATE OF THE TRUSTEE;

(7) THOSE FOR WHOSE BENEFIT ANY ORDER FOR ANY TRANSFERS BY THE TRUSTEE TO THE DOMICILIARY COMMISSIONER OR OTHER DESIGNATED RECEIVER OF ASSETS OF THE TRUST FUND, EXCEPT THOSE ASSETS WHICH ARE NECESSARY TO SATISFY THE TRUSTEE'S PRIORITY CLAIMS OR TO REIMBURSE THE TRUSTEE FOR FUNDS OR SECURITIES ADVANCED, MAY BE MADE BY THE DOMICILIARY COMMISSIONER OR A U.S. COURT OF COMPETENT JURISDICTION;

(8) THE IID AND NON-DOMICILIARY COMMISSIONERS.

Short particulars of all the property mortgages or charged:

1. THE PROPERTY CONSTITUTING THE TRUST PRINCIPAL BUT EXCLUDING THE INVESTMENT INCOME FROM TIME TO TIME EARNED THEREON.

2. THE PROPERTY IN THE ACTUAL AND SOLE POSSESSION OF THE TRUSTEE AT ANY TIME AND HELD UNDER THE PROVISIONS OF THE TRUST DEED ALLOCABLE TO THE PARTICULAR TRUST CREATED BY THE COMPANY WITH RESPECT TO THE PARTICULAR YEAR OF ACCOUNT OF THE SYNDICATE ("THE TRUST FUND" OR "TRUST").

3. CASH IN US CURRENCY OR SPECIFICALLY DESIGNATED READILY MARKETABLE SECURITIES AND/OR LETTERS OF CREDIT SUBSTITUTED BY THE AGENT AT ANY TIME FOR ANY CASH OR ASSETS THEN FORMING PART OF THE TRUST FUND.

4. CASH DRAWN DOWN ON ANY LETTER OF CREDIT AT ANY TIME AND HELD AS AN ASSET OF THE TRUST FUND PURSUANT TO THE TERMS OF THE TRUST DEED.

5. FURTHER CONTRIBUTIONS TO THE TRUST FUND RECEIVED BY THE TRUSTEE FROM TIME TO TIME AND HELD SUBJECT TO THE TERMS AND CONDITIONS OF THE TRUST DEED.

6. ANY ADVANCE OF CASH OR SECURITIES BY THE TRUSTEE TO THE TRUST FUND TO EFFECT OR EXPEDITE THE PURCHASE OR SALE OF SECURITIES FOR THE TRUST, AND THE PROPERTY SO PURCHASED AND THE PROCEEDS FROM THE SALE.

7. ANY INVESTMENTS OR OTHER ASSETS HELD BY THE TRUSTEE UNDER THE TRUST DEED IN THE NAME OF A NOMINEE.

8. THE COLLATERAL FOR ANY SECURITIES LENDING TRANSACTION HELD PURSUANT TO THE TRUST DEED.

"INVESTMENT INCOME" SHALL HAVE THE MEANING FROM TIME TO TIME GIVEN TO THE TERM "INCOME" FOR TRUST ACCOUNTING PURPOSES BY SECTION 11-2.1(B)(1) OF THE NEW YORK ESTATES, POWERS AND TRUSTS LAW AS FROM TIME TO TIME AMENDED, OR ANY SUCCESSOR PROVISION THERETO.

"LETTER OF CREDIT" SHALL MEAN A CLEAN, UNCONDITIONAL, IRREVOCABLE LETTER OF CREDIT IN FAVOR OF THE TRUSTEE WHICH SATISFIES THE REQUIREMENTS OF NEW YORK INSURANCE LAW AND WHICH IS ISSUED OR CONFIRMED BY A QUALIFIED UNITED STATES FINANCIAL INSTITUTION.

"PRINCIPAL" SHALL HAVE THE MEANING FROM TIME TO TIME GIVEN THERETO IN SECTION 11-2.1(B)(2) OF THE NEW YORK ESTATES, POWERS AND TRUSTS LAW AS FROM TIME TO TIME AMENDED, OR ANY SUCCESSOR PROVISION THERETO.

"QUALIFIED UNITED STATES FINANCIAL INSTITUTION" SHALL MEAN AN INSTITUTION THAT:

(A) IS ORGANISED AND LICENSED (OR IN THE CASE OF A US OFFICE OF A FOREIGN BANKING ORGANISATION, LICENSED) UNDER THE LAWS OF THE UNITED STATES OR ANY STATE THEREOF;

(B) IS REGULATED, SUPERVISED AND EXAMINED BY US FEDERAL OR STATE AUTHORITIES HAVING REGULATORY AUTHORITY OVER BANKS AND TRUST COMPANIES;

(C) HAS BEEN DETERMINED BY THE SECURITIES VALUATION OFFICE OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS ("NAIC") AS AN ACCEPTABLE FINANCIAL INSTITUTION; AND

(D) HAS BEEN GRANTED AUTHORITY TO OPERATE WITH TRUST POWERS, AS A QUALIFIED UNITED STATES FINANCIAL INSTITUTION, TO ACT AS THE FIDUCIARY OF THE TRUST.

"READILY MARKETABLE SECURITIES" SHALL MEAN SECURITIES READILY MARKETABLE ON REGULATED UNITED STATES NATIONAL OR PRINCIPAL REGIONAL SECURITY EXCHANGES OR THOSE DETERMINED BY THE SECURITIES VALUATION OFFICE OF THE NAIC TO WARRANT AN NAIC DESIGNATION OF 1 OR 2.

Particulars as to commission allowance or discount: (Note 3)

NIL

Authorisation

Authoriser Designation: **INTERESTED PARTY** *Date Authorised:* **18/01/2002** *Authenticated:* **Yes (E/W)**

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) 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 conditionalfor any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

Company No. 03640182

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DATED 1ST JANUARY 2004 IN THE TERMS OF THE LLOYD'S UNITED STATES SITUS EXCESS OR SURPLUS LINES TRUST DEED (THE "TRUST DEED") BUT EFFECTIVE FROM 1ST JANUARY 2004 DATED THE 1ST JANUARY 2004 AND CREATED BY COURAGE UNDERWRITING LIMITED FOR SECURING THE PAYMENT OF MATURED CLAIMS (INCLUDING CLAIMS FOR LOSS AND CLAIMS FOR THE RETURN OF UNEARNED PREMIUM) UNDER CONTRACTS OR POLICIES OF INSURANCE INCEPTING ON OR AFTER 1ST AUGUST 1995 UNDERWRITTEN BY THE COMPANY AS A MEMBER OF SYNDICATE NO.0780 (THE "SYNDICATE") (INCLUDING ALL INCIDENTAL SYNDICATES OF SUCH SYNDICATE) AND ALLOCABLE TO THE RELEVANT YEAR OF ACCOUNT OR IN RESPECT OF WHICH THE COMPANY IS LIABLE AS A MEMBER OF THE SYNDICATE FOR THE RELEVANT YEAR OF ACCOUNT FOR AN EARLIER YEAR OF ACCOUNT PURSUANT TO ANY CONTRACT OF REINSURANCE TO CLOSE AND ISSUED TO A POLICY HOLDER PURSUANT TO SURPLUS LINES OR EXCESS LINES LAWS OF ANY STATE, DISTRICT, TERRITORY, COMMONWEALTH OR POSSESSION OF THE UNITED STATES (AN "AMERICAN POLICY"), ALL EXPENDITURES AND FEES OF THE TRUSTEE (AS DEFINED IN THE TRUST DEED AND BEING, AS AT THE DATE THEREOF, CITIBANK N.A. OF 111 WALL STREET, NEW YORK, USA), REPAYMENT OF CASH OR SECURITIES ADVANCED BY THE TRUSTEE TO THE TRUST HELD UNDER THE PROVISIONS OF THE TRUST DEED, AND CERTAIN TRANSFERS BY THE TRUSTEE TO AN OVERSEAS FUND (AS DEFINED IN THE TRUST DEED) OR TO THE SUPERINTENDENT OF INSURANCE OF THE STATE OF NEW YORK OR OTHER DESIGNATED RECEIVER, AND FOR SECURING THE OTHER AMOUNTS AND OBLIGATIONS REFERRED TO IN THE TRUST DEED WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 20TH JANUARY 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24TH MAY 2004.