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COMPANIES FORM No. 395
Particulars of a mortgage or charge

395

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Pursuant to section 395 of the Companies Act 1985



CHA 233

To the Registrar of Companies

For official use

Company Number

3751810

Name of company

CBS Underwriting Ltd

*insert full
name of
company

Date of creation of the charge

24 February 2000

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

Lloyd's Kentucky Joint Asset Trust Deed ("the Trust Deed") dated 23 February 1996 (as supplemented and as amended from time to time and as supplemented by a Deed of Accession dated 24 February 2000) made or expressed to be made among
(continued on Continuation Sheet).

Amount secured by the mortgage or charge

1. The payment of all expenditure and fees of the Trustee including, without limitation, 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 this amount shall not exceed \$100,000. The Company irrevocably grants to the Trustee a first priority security interest of \$100,000 against the Trust.
(continued on Continuation Sheet).

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

The Trustee (being, as at the date hereof, National City Bank, Kentucky of Louisville, Kentucky), Lloyd's of One Lime Street, London, England, the Kentucky Attorney-in-Fact for Underwriters at Lloyd's London, all Policyholders, and
(continued on Continuation Sheet).

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

Lloyd's
One Lime Street
London
EC3M 7HA

ref: Legal mgta/Kyjatd395feb2000

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1. The Trust Fund.
2. The property set forth as Schedule A to the Trust Deed comprising assets in aggregate of an amount not less than one third of the Kentucky premiums written during the preceding calendar year.
3. Cash in US currency or specifically designated Readily Marketable Securities and/or Letters of Credit substituted by Current Contributors 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 from time to time and at any time in order to effect or expedite the purchase or sale of securities for the Trust, and the property so purchased and the proceeds from the sale. (continued on Continuation Sheet).

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)

J. T. G. Butler

Signed

Date 25 FEB 2000

On behalf of [company] [mortgagee/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 conditionalfor 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.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

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

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

CHA 233

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

(i) Lloyd's, having its principal office at One Lime Street, London, England (ii) the Kentucky Attorney-in-Fact for Underwriters at Lloyd's London, (iii) each of the Grantors, including the Company and (iv) National City Bank, Kentucky, a national banking organisation organised and existing under the laws of the United States of America and having its principal offices at Louisville, Kentucky ("the Trustee"), as may at any time or times be amended by the Council with the prior written consent of the Kentucky Commissioner.

"Grantor" means a person who is a Current Contributor to the Trust Fund at the date of the Trust Deed and a person becoming a Current Contributor to the Trust Fund after the date of the Trust Deed.

"Trust Fund" or "Trust" means the cash, Readily Marketable Securities and Letters of Credit, or any combination thereof, in the actual and sole possession of the Trustee and held under the provisions of the Trust Deed.

"Current Contributors" means those persons (whether individuals, bodies corporate or partnerships and whether or not Underwriters) whose contributions to the Trust Fund constitute the principal of the Trust Fund for the time being.

"Underwriter" means underwriters at Lloyd's London and such former underwriters at Lloyd's London as continue to have underwriting business at Lloyd's not fully wound up and the personal representatives or trustee in bankruptcy of any such underwriter or former underwriter who has died or become bankrupt.

"Readily Marketable Securities" means securities readily marketable on regulated United States national or principal regional security exchanges or those determined by the Securities Valuation Office of the National Association of Insurance Commissioners to have substantially equivalent liquidity characteristics.

"Letter of Credit" means a clean, unconditional, irrevocable letter of credit in favour of the Trustee which satisfies the requirements of the insurance laws of the Commonwealth of Kentucky and which is issued or confirmed by a Qualified United States Financial Institution.

"Qualified United States Financial Institution" means 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; and
- (b) is regulated, supervised and examined by US federal or state authorities having regulatory authority over banks and trust companies; and
- (c) has been determined by the Securities Valuation Office of the National Association of Insurance Commissioners as an acceptable financial institution.

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).

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

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

CHA 233

Amount due or owing on the mortgage or charge (continued)

2. The payment 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.
3. The payment of Losses.
4. Transfers by the Trustee at the direction from time to time of the Council of any funds in excess of the Trust Fund Minimum Amount to each trust fund relating to the Lloyd's underwriting business of the Current Contributors from which one or more Current Contributions have been made and to each Current Contributor who has made one or more direct Current Contributions.
5. Repayment of the 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 or in connection with 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 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 as a Trustee Priority Claim.
6. Transfers by the Trustee to the Kentucky Commissioner (to be applied in accordance with the laws of the Commonwealth of Kentucky applicable to the liquidation of insurance companies) or other designated Receiver pursuant to an order of the Kentucky Commissioner or 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 3.17 of the Trust Deed.

"Kentucky Policy" shall mean any contract or policy of insurance or any agreement to insure which satisfies the definition of a Kentucky Policy as set forth in any duly executed Lloyd's Kentucky Trust Deed (as amended from time to time).

"Claim" shall mean: (i) a claim against one or more Underwriters by a Policyholder for a loss under a Kentucky Policy excluding punitive and/or exemplary damages or any extracontractual obligations not expressly covered by the Kentucky Policy; and/or (ii) a claim against one or more Underwriters by a Policyholder for the return of unearned premium under a Kentucky Policy; both (i) and (ii) constituting a loss under a Kentucky Policy ("Loss").

"Policyholder" means the holder of a Kentucky Policy resident or doing business in the Commonwealth of Kentucky.

"Council" shall mean the Council of Lloyd's or (in relation to any power or discretion which is hereby vested in the Council to the Committee of Lloyd's or to the Chairman or a Deputy Chairman of the Committee but which has for the time being been delegated by the Council of Lloyd's pursuant to the provisions of Section 6(6) of Lloyd's Act 1982) the Committee of Lloyd's or the Chairman or a Deputy Chairman of Lloyd's as the case may be or such other person or persons (including Lloyd's Signatory) 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.

"Kentucky Commissioner" shall mean the Commissioner of Insurance of the Commonwealth of Kentucky.
(continued on Continuation Sheet).

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"Matured Claim" shall mean a Claim which is enforceable against the Trust Fund as provided for in paragraph 2.3 of the Trust Deed.

"Receiver" shall mean the Kentucky Commissioner or such other person as may be designated as such by statute or ordered by a court of competent jurisdiction.

"Trust Fund Minimum Amount" shall mean the minimum amount which Underwriters are required by law to maintain in the Trust Fund, as notified by the Council to the Trustee in writing and in the minimum amount equal to one third of the Kentucky premiums written during the preceding calendar year.

"Lloyd's Signatory" means the person or persons for the time being authorised by the Council of Lloyd's for that purpose and designated in writing to the Trustee (pursuant to authority given by the Underwriters) to act on behalf of Underwriters and Current Contributors under the Trust Deed and to give or receive any notice or certification to Underwriters and Current Contributors under the Trust Deed.

"Kentucky Representative" shall mean the Lloyd's Attorney-in-Fact in Kentucky.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

Continuation sheet No 3
to Form No 395 and 410 (Scot)

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Names and addresses of the mortgagees or persons entitled to the charge (continued)

- (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 trust fund relating to the Lloyd's underwriting business of Current Contributors is at any time held, and the trustees of any such trust fund;
- (4) the Kentucky Commissioner and any designated Receiver;
- (5) any subsidiary, affiliate or associate of the Trustee;
- (6) those for whose benefit any order for any transfers by the Trustee to the Kentucky Commissioner or other designated Receiver of assets of the Trust Fund except those assets which are necessary to satisfy the Trustee's Priority Claims may be made by the Kentucky Commissioner or court of competent jurisdiction.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

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Continuation sheet No 4
to Form No 395 and 410 (Scot)

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Short particulars of all the property mortgaged or charged (continued)

7. Any investments or other assets held by the Trustee under the Trust Deed in the name of a nominee.
8. All interest, dividends and other income resulting from the investment of the property in the Trust Fund, so far as necessary to maintain the Trust Fund Minimum Amount and honour the Trustee's interests provided in the Trust Deed.

"Principal" shall have the meaning from time to time given thereto in Kentucky Revised Statutes Section 386.191, et seq as from time to time amended, or any successor provision thereto.

"Investment Income" shall have the meaning from time to time given to the term "income" for trust accounting purposes by Kentucky Revised Statutes Section 386.191, et seq, as from time to time amended, or any successor provision thereto.

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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. 03751810

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DATED 24th FEBRUARY 2000 IN THE TERMS OF THE LLOYD'S KENTUCKY JOINT ASSET TRUST DEED (THE "TRUST DEED") ITSELF CONSTITUTED BY AN INSTRUMENT DATED 23rd FEBRUARY 1996 (AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME) AND AS SUPPLEMENTED BY A DEED OF ACCESSION DATED THE 24th FEBRUARY 2000 AND CREATED BY CBS UNDERWRITING LIMITED FOR SECURING (A) THE PAYMENT OF LOSSES UNDER ANY CONTRACT OR POLICY WHICH SATISFIES THE DEFINITION OF A KENTUCKY POLICY IN LLOYD'S KENTUCKY TRUST DEED (AS AMENDED FROM TIME TO TIME) (A "KENTUCKY POLICY") (B) RETURNS OF UNEARNED PREMIUM UNDER A KENTUCKY POLICY, (C) ALL EXPENDITURES AND FEES OF THE TRUSTEE (AS DEFINED IN THE TRUST DEED AND BEING AS AT THE DATE THEREOF NATIONAL CITY BANK KENTUCKY OF LOUISVILLE KENTUCKY USA) (D) REPAYMENT OF CASH OR SECURITIES ADVANCED BY THE TRUSTEE TO THE TRUST HELD UNDER THE PROVISIONS OF THE TRUST DEED (E) CERTAIN TRANSFERS BY THE TRUSTEE TO OTHER TRUST FUNDS OR TO THE KENTUCKY COMMISSIONER 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 16th MARCH 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23rd MARCH 2000.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



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

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