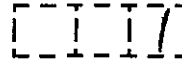


Particulars of a mortgage or charge**395****A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.**

Pursuant to section 395 of the Companies Act 1985

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

For official use Company number



4648654

Name of company

* Pillar Farnborough Limited (the "Charging Company")

Date of creation of the charge

26 February 2003

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

Deed of Charge dated 26 February 2003 made between Pillar Property PLC ("Pillar") and the Charging Company (1) and The Governor and Company of the Bank of Scotland (the "Bank") (2) (the "Deed")

Amount secured by the mortgage or charge

See Part II of the attached Schedule

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

The Governor and Company of the Bank of Scotland
PO Box 39900, Level 7, Bishopsgate Exchange
155 Bishopsgate
London

Postcode EC2M 3YB

Presentor's name address and
reference (if any):Lovells
Atlantic House
Holborn Viaduct
London
EC1A 2FG

F3/PRM/1142496.01

Time critical reference

For official Use
Mortgage Section

Post room

LD3
COMPANIES HOUSE

LRV5NJ7S

0388
13/03/03

See Part III of the attached Schedule.

Part IV of the attached Schedule refers to covenants by, and restrictions on, the Charging Company which protect and further define the charges and which must be read as part of the charges created.

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)

N/A

Signed

Lovells

Date

13/3/03

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 CF14 3UZ

SCHEDULE TO FORM M395

PART I

DEFINITIONS

"Bank" includes any person deriving title under the Bank;

"Charged Assets" means, in relation to a Chargor, all of its property and assets which are charged or assigned to the Bank pursuant to the provisions of this Deed;

"Chargor" a company listed in Part V (*The Chargors*) of this Schedule and includes any person deriving title under a Chargor or entitled to redeem the security constituted by the Deed;

"Deed Date" 26 February 2003;

"Encumbrance" includes any mortgage, pledge, lien, hypothecation, charge, assignment or security interest or any other agreement or arrangement having the effect of conferring security;

"Facility Letter" means the letter from the Bank to Pillar Property PLC dated 21 January 2003 in respect of a development facility which expression shall include any amendments, supplements, accessions, variations or additions to such agreement, however fundamental, including changes to the facility provided or increases in its maximum amount.

"Pillar" means Pillar Property PLC, a company incorporated in England and Wales with registered number 4450726;

"Property" means all estates and interest in the property listed in Part VI (*The Property*) of this Schedule together with all buildings, structures, trade fixtures and fixed plant and machinery at any time on such property and all improvements and additions to such property;

"Secured Sums" means all money and liabilities covenanted to be paid or discharged by each of the Chargors to the Bank under clause 2 of the Deed;

"Security Documents" means collectively the Deed and such additional or substitute documents as may now or at any time in the future be given to the Bank by any person to guarantee or secure all or any part of the Secured Sums;

PART II

AMOUNT SECURED BY MORTGAGE OR CHARGE

All money and liabilities for the time being (whether on or at any time after such demand) due, owing or incurred by Pillar or any Chargor to the Bank under or pursuant to the Facility Letter and the Security Documents in whatever currency on any account or accounts in any manner, whether actually or contingently, whether alone or jointly with others and whether as principal or surety or otherwise, and in whatever name or style and so that interest shall accrue on a daily basis at such rate as is agreed from time to time by the Chargors and the Bank or if not agreed at 1% per annum above the rate of interest specified in clause 3 of the Facility Letter and shall be payable quarterly in arrears on such dates as may be agreed by the Chargors and the Bank or if not agreed on such dates as the Bank shall select and shall be compounded on the interest payment dates and so that such interest shall be payable after as well as before any demand is made or judgment obtained under the Deed.

PART III

PARTICULARS OF THE PROPERTY MORTGAGED OR CHARGED

By Clause 3 of the Deed, the Charging Company with full title guarantee charged to the Bank with the payment and discharge of all Secured Sums:

- (a) by way of first legal mortgage (to the extent that legal title to such Property is vested in the Charging Company) all the property of the Charging Company described in Part VI (*The Property*) of this Schedule;
- (b) by way of a first fixed charge (to the extent that such Property has not already been charged under the charges referred to in paragraph (a) above) all Property at the Deed Date or thereafter held by it; and
- (c) by way of a floating charge all the Assets, including (without limitation) the Property described in Part VI (*The Property*) of this Schedule if and insofar as the charges on it or on any part of it contained in the Deed shall for any reason be ineffective as a fixed charge.

PART IV

COVENANTS AND RESTRICTIONS

- 1. By Clause 4.1 of the Agreement, the Charging Company covenants that it shall not without the prior written consent of the Bank:
 - (a) create, or attempt to create, or allow to arise or subsist any Encumbrance (except for Encumbrances created by or pursuant to the Facility Letter or the Security Documents or liens arising by operation of law in the normal course of business and any existing security over any of the Charged Assets), or increase or extend any liability secured on the Charged Assets by any existing security;
 - (b) save as permitted by the Facility Letter or to the extent that the rent payable under the terms of any lease does not exceed £400,000 per annum, sell, transfer, lease or otherwise dispose of any part of the Property or any estate or interest in it, or agree to do so;
 - (c) save as permitted by the Facility Letter, make or permit to be made any material change in the scope or nature of its business (as conducted at the Deed Date).
- 2. By Clause 9 of the Agreement, the Charging Company covenanted with the Bank that it shall at all times during the continuance of this security:
 - (a) not suffer to be done on the Property anything which shall cause, constitute or contribute to any breach of the Town and Country Planning Act 1990 and any other legislation relative to town and country planning in force from time to time or any orders or regulations made under them;
 - (b) not, without the prior written consent of the Bank:
 - (i) enter into onerous or restrictive obligations affecting any part of the Property or create or permit to arise any overriding interest or any easement or right whatsoever in or over the Property which would be likely to have a material adverse effect on the value of the Property; or

- (c) exercise any of the powers of leasing or accepting surrenders of leases conferred by Sections 99 and 100 of the Act or by law or vary any lease or tenancy agreement or reduce any sum payable under them;

PART V

THE CHARGORS

Name	Registered Number
Pillar Property PLC	4450726
Pillar Farnborough Limited	4648654

PART VI

THE PROPERTY

The freehold property known as land and buildings on the south west side of Solatron Road, Farnborough, Hampshire as the same is registered at HM Land Registry with title absolute under title HP 512803.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04648654

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF CHARGE DATED THE 26th FEBRUARY 2003 AND CREATED BY PILLAR FARNBOROUGH LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR PILLAR PROPERTY PLC TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 13th MARCH 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 18th MARCH 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

Q. Q. Q.