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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 £13 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

05956801

Name of company

* Development Securities (No 41) Limited (the "Chargor")

Date of creation of the charge

30 April 2007

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

Debenture made between the Chargor (1) and the Agent (2) (the "Debenture")

Amount secured by the mortgage or charge

Please see attached schedule 1

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

HSN Nordbank AG, London Branch
Moorgate Hall, 155 Moorgate, London as trustee for the Finance Parties
(the "Agent")

Postcode EC2M 6UJ

Presentor's name address and
reference (if any)

Taylor Wessing LLP
Carmelite
50 Victoria Embankment
London
EC4Y 0DX

Ref RJD/SAH

Time critical reference

HSN-3-51/Deb Dev Sec 41

For official Use (06/2005)
Mortgage Section

Post room

FRIDAY



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11/05/2007

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COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see attached schedule 2

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*Please complete
legibly, preferably
in black type, or
bold block
lettering*

Particulars as to commission allowance or discount (note 3)

Nil

*A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge
(See Note 5)*

Signed

Taylor Wessing

Date

09-05-07

On behalf of ~~XXXXXX~~ [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 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is **Companies House, Crown Way, Cardiff CF14 3UZ**

Definitions

In the Form 395 and schedules "**Environmental Law**", "**Event of Default**", "**Finance Documents**", "**Managing Agent**", "**Security Documents**", "**Subordinated Loan Agreement**", "**Subsidiaries**" have the same meanings as in the Agreement and the following expressions have the following meanings

"Agreement" means a syndicated loan agreement dated on or about the date of the Debenture made between the Borrower (1), the Guarantor (2), the Banks (3), HSH Nordbank AG, London Branch, as underwriter (4) and the Agent, as agent (5),

"Bank" means

- (a) any Original Bank, and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with the terms of the Agreement,

which in each case has not ceased to be a Party in accordance with such terms,

"Borrower" means Development Securities (No 40) Limited (company no 5956761) whose registered office is at Portland House, Bressenden Place, London SW1E 5DS,

"Borrower Group" means the Borrower, the Chargor and following completion of the Share Purchase Agreement, the Target and the Target Subsidiary,

"Charged Property" means all assets mortgaged, charged or assigned by the Debenture,

"Debts" means all present and future book and other debts and rights to money and income (other than Rental Income and Sale Proceeds) liquidated and unliquidated owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but not including cash at bank,

"Encumbrance" means any mortgage, charge, assignment by way of security, pledge, lien, trust, any form of distress, attachment, execution or other legal process or any other type of encumbrance or security interest or any other type of arrangement (including any sale and lease back or sale and repurchase arrangement) having or intended to have a similar effect,

"Event of Default" means any event or circumstance referred to in clause 23 (*Events of Default*) of the Agreement,

"Finance Party" means each of the Agent, the Banks (and the Hedge Counterparty),

"Financial Obligations" means any indebtedness of any person for or in respect of

- (a) money borrowed or raised,

- (b) any acceptance credit facility,
- (c) any loan stock, bond, note or other debt security,
- (d) leases or hire purchase contracts which would, in accordance with generally accepted accounting principles in the United Kingdom, be treated as finance or capital leases,
- (e) any purchase price for assets or services, the payment of which is deferred for a period in excess of 120 days,
- (f) redeemable preference shares,
- (g) any receivables discounting or sale arrangements,
- (h) any other agreement or arrangement having the commercial effect of borrowing or raising money,
- (i) any counter indemnity in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or other instrument issued by a bank or financial institution,
- (j) any currency and/or interest swap agreement, interest rate cap collar or floor or similar arrangement in relation to interest rate or currency movements, option or future or other derivative transaction, and
- (k) any guarantee entered into by that person in relation to the indebtedness of another person which would fall within (a) to (j) above,

"Guarantor" means Development Securities Plc (company number 01528784) whose registered office is at Portland House, Bressenden Place, London SW1E 5DS,

"Hedge Counterparty" means any of the Banks or other counterparty which enters into any Hedging Agreement with the Borrower,

"Hedging Agreement" means an interest rate swap, cap, collar or floor agreement or other contract for the purpose of protection against or benefit from fluctuation in any rate or price,

"Intellectual Property" means all present and future rights of the Chargor in respect of any patent, copyright, trade mark, service mark, invention, design, knowhow, confidential information or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission relating to any of the foregoing,

"Intra Group Loan Agreement" means an intra group loan made between the Borrower (1), the Guarantor (2), and the Chargor (3),

"Investment" means any present and future

- (a) stock, share, bond or any form of loan capital of or in any legal entity,
- (b) unit in any unit trust or similar scheme,
- (c) warrant or other right to acquire any such investment,

owned by the Chargor and any income, offer, right or benefit in respect of any such investment (other than in relation to any Permitted Payments),

"Lease" includes any underlease, tenancy, letting, licence, any document supplemental or collateral to any of them and any agreement to enter into any of them and the expression tenant will be construed accordingly,

"Net Rental Income" means Rental Income after deduction of the following amounts payable to or for the benefit or account of any member of the Borrower Group

- (a) any amounts due to any member of the Borrower Group from the tenants under an occupational lease or from other occupiers by way of contribution to insurance premiums and the cost of insurance valuations or by way of service charges in respect of costs incurred or to be incurred by any member of the Borrower Group under any repairing or similar obligations or in providing services to such tenant or tenants of the Property or in providing services which relate to the Property,
- (b) any contribution to a sinking fund or reserve fund paid by any tenant or other occupier of the Property,
- (c) any amounts properly due from any tenants or occupiers of the Property as a contribution to or in discharge of any rating liability in respect of the Property,
- (d) any amount which relates to any breach of any obligations on the part of any tenant or other occupier of the Property other than the obligation to pay rent (in this context excluding payments in respect of insurance premiums, service charges and the like whether or not reserved as rent),
- (e) any VAT payable on any amount referred to in this definition, and
- (f) any other amounts from time to time agreed between the Agent and the Borrower in writing,

"Non-core Property" means all that leasehold property known as land and buildings to the south of Hall Lane Kirkby registered at the Land Registry under title number MS266462 and more particularly described in a lease dated 14 March 1974 between (1) The Urban District Council of Kirkby and (2) Telegraph Properties (Kirkby) Limited (Telegraph Way),

"Original Bank" means a Bank which is a Party at the date of the Agreement,

"Party" means a party to the Agreement,

"Permitted Payments" means any dividend or other distribution or payment of a similar kind made in connection with any Investment owned by the Chargor,

"Property" means all that leasehold property known as land and buildings to the south of Hall Lane Kirkby registered at the Land Registry under title number MS266462 and more particularly described in a lease dated 14 March 1974 between (1) The Urban District Council of Kirkby and (2) Telegraph Properties (Kirkby) Limited (Telegraph Way)

"Real Property" means all freehold or leasehold property forming part of the Charged Property (if any),

"Rent Account" means an interest bearing deposit account of the Borrower maintained by the Borrower with the Agent and numbered 44947001 and designated **"Development Securities (No. 40) Limited Rent Account"** into which the Net Rental Income shall be paid or any replacement account opened by the Borrower at the request of the Agent,

"Rental Income" means all amounts now or at any time in the future payable to or for the benefit of any member of the Borrower Group in connection with the occupation of the Property including each of the following amounts

- (a) rent including any increase of rent or interim rent agreed by the Borrower or Target or payable pursuant to any provisions of the Landlord and Tenant Act 1954 and all other amounts payable under any Lease,
- (b) amounts payable from any deposit held as security for performance of any tenant's obligations or by any person who has given a guarantee and/or indemnity or other assurance against loss of those obligations,
- (c) any other money payable in respect of occupation and/or use of the Property including any fixture for display or advertisement,
- (d) any profits, damages, compensation, settlement or expenses awarded or agreed as a result of any claim made by the Borrower in respect of the Property net of any costs, fees and expenses incurred but not reimbursed to the Borrower or Target in connection with such claim,
- (e) any money payable under any policy of insurance in respect of loss of rent,
- (f) any amount 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,
- (g) any interest payable on any amount referred to above,
- (h) any VAT, and

"Sale" means in relation to the Property or any part of the Property the sale of the freehold or the grant of a Lease at a premium and **"Sold"** shall be construed accordingly,

"Sale Proceeds" means 100% of the gross proceeds of Sale (including any premium in respect of the grant of a Lease) or of any other dealings in any interest in all or any part of the Property,

"Sale Proceeds Account" means the deposit account maintained by the Borrower with the Agent and to be designated **"Development Securities (No.40) Limited Sales Proceeds Account"** account number 44947002 into which all Sale Proceeds are to be paid or any replacement account opened by the Borrower at the request of the Agent,

"Share Purchase Agreement" means the agreement for the purchase of the entire issued share capital of the Target dated on or about the date of the Debenture between the Vendor (1) and the Borrower (2),

"Target" means Kirkby Centre (No 1) Limited (company number 04145785) whose registered office is at 1 Allandale Court, Waterpark Road, Salford, Manchester M7 4JN,

"Target Subsidiary" means Kirkby Centre (No 2) Limited (company number 05289430) whose registered office is at 1 Allandale Court, Waterpark Road, Salford, Manchester M7 4JN,

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature, and

"Vendor" means Aubrey Weiss in his capacity as seller of part of the Property owned by the Chargor and Kirkby Centre Holdings Limited (company number 5390127) whose registered office is at 1 Allandale Court, Waterpark Road, Salford, Manchester M7 4JN as seller of the shares in the Target

SCHEDULE 1

Amount secured by the mortgage or charge

All liabilities of the Chargor owed or expressed to be owed to the Finance Parties under or in connection with the Finance Documents from time to time whether owed jointly or severally, as principal or surety or in any other capacity

(the "**Secured Liabilities**")

SCHEDULE 2

Short particulars of all the property mortgaged or charged

1. Fixed Security

- 1 1 As continuing security for the payment of the Secured Liabilities the Chargor with full title guarantee
- (a) charged to the Agent as trustee for the Finance Parties by way of legal mortgage all freehold or leasehold property owned by the Chargor at the date of the Debenture if any,
 - (b) charged to the Agent as trustee for the Finance Parties by way of equitable mortgage its interest in any freehold or leasehold property acquired by the Chargor after the date of the Debenture,
 - (c) charged to the Agent as trustee for the Finance Parties by way of fixed charge its interest in
 - (i) all fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property owned by the Chargor,
 - (ii) all other present and future fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property owned by the Chargor,
 - (iii) any Investment,
 - (iv) any present and future Hedging Agreement entered into by the Chargor,
 - (v) its present and future goodwill and uncalled capital,
 - (vi) any Intellectual Property,
 - (vii) any money now or at any time after the date of the Debenture standing to the credit of the Rent Account and/or the Sale Proceeds Account,
 - (viii) any present and future insurances in respect of any Charged Property and the proceeds of such insurances, and
 - (ix) any sum now or at any time after the date of the Debenture received by the Chargor as a result of any order of the court under sections 213, 214, 238, 239 or 244 of the Insolvency Act 1986,
 - (d) to the extent the same is capable of being assigned, assigned to the Agent as trustee for the Finance Parties its interest in the agreements to which it has the benefit and the benefit of any guarantee or security for the performance of such agreements provided that if any such agreement, guarantee or security is expressed to be non-assignable then to the extent that the same can lawfully be charged the Chargor charged its interest in it to the Agent as trustee for the Finance Parties by way of fixed charge,

- (e) charged its interest in the Debts to the Agent as trustee for the Finance Parties by way of fixed charge, and
- (f) charged to the Agent as trustee for the Finance Parties by way of fixed charge, all other assets of the Chargor not charged or assigned by the previous paragraphs of this clause (other than the Chargor's stock in trade or work in progress and other than the Rental Income and any Sale Proceeds arising from a sale of a Non-core Property in accordance with clause 19.5 of the Agreement)

2. Floating Security

2.1 Creation

As continuing security for the payment of the Secured Liabilities the Chargor charged to the Agent as trustee for the Finance Parties by way of floating charge with full title guarantee the whole of its assets to the extent that such assets are not effectively mortgaged, charged or assigned to the Agent by way of fixed security pursuant to clause 3.1 of the Debenture

2.2 Conversion

Subject to clause 4.3 of the Debenture, the Agent may at any time by written notice to the Chargor convert the floating charge created by clause 4.1 of the Debenture into a fixed charge as regards any assets specified in the notice if

- (a) an Event of Default has occurred and is continuing, or
- (b) the Agent has reasonable grounds for believing that such assets are at a material risk of becoming subject to any Encumbrance (other than in favour of the Agent) or are otherwise at a material risk of ceasing to be within the ownership or control of the Chargor

2.3 Moratorium under 1986 Act

The Agent shall not be entitled to convert the floating charge created by clause 4.1 of the Debenture into a fixed charge as a result only of the Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and schedule A1 to the Insolvency Act 1986

2.4 Qualifying floating charge

Paragraph 14(2)(a) of schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 4.1 of the Debenture which is a "qualifying floating charge" for the purpose of paragraph 14(1) of schedule B1 to the Insolvency Act 1986

3. Negative Covenants

3.1 The Chargor shall not except with the prior written consent of the Agent

- (a) engage in any business or activity, apart from the borrowing of the Agreement and the ownership, management and letting of the Property and ancillary activities as permitted by the Finance Documents,

- (b) change its accounting reference date,
- (c) enter into, create or permit to subsist any Encumbrance over any of its assets other than pursuant to the Finance Documents and other than where created by operation of law,
- (d) sell, transfer, lease or otherwise dispose or purport or agree to dispose of any of its assets save that in relation to the Property the grant, extension or surrender of a Lease where the annual rent is less than 10% of the Net Rental Income from the Property as a whole the consent of the Agent shall not be required and shall only require that the Chargor notifies the Agent in writing of the relevant transaction and provides copies to the Agent of the relevant documents,
- (e) effect the sale of the Property or arrange for a sale of the same save that the consent of the Agent shall not be required to the extent that the proceeds of the sale are sufficient to repay the whole of the Secured Liabilities,
- (f) effect the sale of part of the Property or arrange a sale of the same provided always that the Borrower may sell the whole or part of the Non-core Property subject to and in accordance with the terms of Clause 8 of the Agreement,
- (g) provide any form of credit or financial assistance to any person or enter into any transaction with any person otherwise than on arm's length (other than the Intra Group Loan Agreement) and other than the financial assistance provided in connection with
 - (i) the repayment of any existing debt of the Target, and
 - (ii) in connection with the security constituted by the Finance Documents,
- (h) other than in the ordinary course of its business incur any actual or contingent liabilities including liabilities under any guarantee, indemnity or other assurance against loss,
- (i) incur any Financial Obligation other than the borrowing under the Agreement and under the Subordinated Loan Agreement,
- (j) undertake any investment of any nature (which expression will include the creation of any Subsidiaries, the purchase of shares in any other company and the forming of any partnership),
- (k) merge or consolidate with any other person,
- (l) issue, redeem or purchase its own shares or provide financial assistance for any such purchase, and
- (m) move its centre of main interests for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency procedures outside England and Wales

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No 05956801

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 30th APRIL 2007 AND CREATED BY DEVELOPMENT SECURITIES (NO 41) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE FINANCE PARTIES 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 11th MAY 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st MAY 2007

PDm



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES