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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering* insert full name
of companyTo the Registrar of Companies
(Address overleaf)

For official use Company number

35

2864 625

Name of company

* MASTHEAD E LIMITED

("the Company" or "the Underwriter" or "the Current Contributor")

Date of creation of the charge

23 FEB 1996

but effective from January 1, 1996

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 FEB 1996 made or expressed to be made among (i) Lloyd's, having its principal office at One Lime Street, (see Continuation Sheet 1, page 1)

Amount secured by the mortgage or charge

1. The payment of all expenditures 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.
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.

(see Continuation sheet 1, page2)

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 (see Continuation Sheet 1, page 3)

Postcode

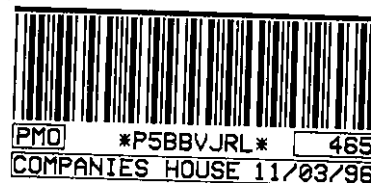
Presentor's name address and
reference (if any):

Lloyd's
One Lime Street
London EC3M 7HA
Ref: CMU 86/G4

VAL1.WFF

For official Use
Mortgage Section

Post room



Time critical reference

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.
7. Any investments or other assets held by the Trustee under the Trust Deed in the name of a nominee.

(see Continuation sheet 1 page 4)

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bold block lettering

Particulars as to commission allowance or discount

29 FEB 1996

Signed



J. L. Patrick, BA FCA
Secretary

Date

On behalf of [company] [chargee]*

*
delete as
appropriate

The address of the Registrar of Companies is: -

Companies House, Crown Way, Cardiff CF4 3UZ

**Particulars of a mortgage or charge
(continued)**Continuation sheet No. 1
to Form No 395 and 410 (Scot)Please do not
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binding marginPlease complete
legibly, preferably
in black type, or
bold block lettering*
delete if
inappropriate

Company number

2864625

Name of company

MASTHEAD E LIMITED

Limited*

Description of the instrument creating or evidencing the mortgage or charge (continued)

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"), and 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 or bodies corporate and whether or not Underwriters) whose contributions to the Trust Fund constitute the principal of the Trust Fund for the time being.

"Underwriters" 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 ("NAIC") 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 ("NAIC") 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).

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 but which has for the time being been delegated by the Council to the Committee of Lloyd's or to the Chairman or a Deputy Chairman of the Committee 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.

"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 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 of an 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.

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binding margin

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

Please complete
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lettering

- (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.

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. 02864625

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE IN THE TERMS OF LLOYD'S KENTUCKY JOINT ASSET TRUST DEED (THE "TRUST DEED") EFFECTIVE FROM 1ST JANUARY 1996 ITSELF CONSTITUTED BY AN INSTRUMENT DATED 23RD FEBRUARY 1996 DATED THE 23rd FEBRUARY 1996 AND CREATED BY MASTHEAD E 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 11th MARCH 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10th SEPTEMBER 1996 .

RICHARD NEIL OWENS

for the Registrar of Companies



COMPANIES HOUSE

HC026B

2/10/96
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11/9