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* insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

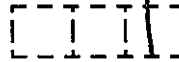
395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number



3440964

Name of company

* Barton Instrument Systems Limited ("the Borrower")

Date of creation of the charge

13 April 1998

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

Loan And Security Agreement ("the Agreement")

Amount secured by the mortgage or charge

See Schedule 1

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

National Bank of Canada of One Cleveland Center, 1375 East 9th Street,
Suite 2430, Cleveland, Ohio 441144, USA as agent for the Lenders (as
defined in the Agreement) of the security constituted by the Agreement
("the Agent")

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

Walker Morris
Kings Court
12 King Street
LEEDS
LS1 2HL Ref: MMS/SVB
0113 283 2500

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See Schedule 2

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Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date

22.4.98

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 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.

Schedule 1

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All debts, liabilities and obligations of the Borrower to the Lenders (as defined in the Agreement) under the Agreement and also any and all other debts, liabilities and obligations of the Borrower to the Lenders of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising including, without limiting the generality of the foregoing, any debt, liability, or obligation of the Borrower to the Lenders under any Guaranty (as defined in the Agreement) or to any other Person (as defined in the Agreement) which the Lenders may have obtained by assignment or otherwise and all interest, fees, charges and expenses which at any time may be payable by the Borrower to the Lenders pursuant to any of the Credit Documents (as defined in the Agreement) or otherwise or all costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements arising from or relating to claims or causes of action made or filed against the Lenders by third parties as a result of the Borrower's actions or inactions ("the Obligations").

Schedule 2

To secure the prompt payment and performance of the Obligations, and in addition to any other Collateral or Lien (both as defined in the Agreement) securing the Obligations, the Borrower by the Agreement grants to the Lenders a continuing security interest in and to all of the following Property (as defined in the Agreement) of the Borrower, whether now owned or existing or hereafter acquired or arising and wheresoever located:

- 1 The Borrower's fixed assets including, without limitation, all machinery, equipment, real property, furniture, furnishings, fixtures, tools, dies, moulds, parts, blueprints, designs, grinders, generators, conveyors, lathes, material handling equipment, supplies, and motor vehicles (titled and untitled) of every kind and description, now or hereafter owned by the Borrower or in which the Borrower may have or may hereafter acquire any interest, wheresoever located ("the Fixed Collateral").
- 2 The Borrower's
 - (a) Inventory;
 - (b) Contract rights and general intangibles including, without limitation, goodwill, trademarks, trademark applications, trade styles, trade secrets, know-how, customer lists, blueprints, designs, inventions, patents, patent applications, deposit accounts, refund claims, rights and claims against carriers and shippers rights to indemnification, proceeds of letters of credit and insurance proceeds, whether now owned or hereafter created or acquired;
 - (c) Accounts and other receivables, together with all customer lists, original books and records, ledger and account cards, computer tapes, discs, printouts and records, whether now in existence or hereafter created; and
 - (d) Documents, warehouse receipts, instruments and chattel paper, whether now owned or hereafter created.
- 3 Any and all deposits or other sums at any time credited by or due from the Lenders to the Borrower whether in the Lockbox Account (as defined in the Agreement) or other account, together with any and all instruments, documents, policies and certificates of insurance, securities, goods, Accounts (as defined in the Agreement), choses in action, general intangibles, chattel paper, cash or other Property and the proceeds of each of the foregoing to the extent owned by the Borrower in which the Borrower has an interest and which now or hereafter are at any time in the possession of any Person acting in the Lenders' behalf, without regard to whether the Lenders received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether the Lenders had conditionally released the same, and any and all balances, sums, proceeds and credits of the Borrower with any claims of the Borrower against, the Lenders.
- 4 All accessions to, substitutions for and all replacements, products and proceeds of the

Property described in paragraphs 1, 2 and 3 above including, without limitation, proceeds of insurance policies insuring such Property and proceeds of all such proceeds.

- 5 All books, records and other property (including, without limitation, credit files, programs, printouts, computer software programs and disks, magnetic tape and other magnetics media and other materials and records) of the Borrower pertaining to any of the Property referred to in paragraphs 1-4 above.
- 6 Real property owned by Barton Instrument Systems LLC in City of Industry, California, and Houston, Texas, and by Barton Instrument Systems Ltd in Calgary, Canada, as further described in the Mortgage (as defined in the Agreement).
- 7 The Borrower shall execute the Mortgage and such financing statements provided for by applicable law, and otherwise take such other action (including, without limitation, delivering duly endorsed original certificates of title, certificates evidencing Securities, chattel paper or instruments to the Lenders) and execute such assignments, lien waivers as described in Section 9.1 (j)(xvi) of the Agreement, or other instruments or documents, in each case as the Lenders may request, to continue the perfection and recordation of the Lenders' security interest for the benefit of the Lenders in the Collateral (as defined in the Agreement). The Borrower hereby authorises the Lenders to execute and file any such financing statement or continuation statement on the Borrower's behalf. The parties acknowledge that a carbon, photographic, or other reproductions of the Agreement shall be sufficient as a financing statement to the extent permitted by law.
- 8 So long as any Obligations remain unsatisfied, the Borrower covenants that, unless the Lenders (as defined in the Agreement) have first consented thereto in writing, it and, in the case of Section 7.2(u) of the Agreement, any other member of the Controlled Group (as defined in the Agreement) will not cause to occur or undertake any of the following:
 - 8.1 create, incur, assume or suffer to exist the Borrower's present and future obligations, liabilities, debts, claims and indebtedness, contingent, fixed or otherwise, however evidenced, created, incurred, acquired, owing or arising (whether under written or oral agreement, by operation of law or otherwise) including, without limitation, (a) any obligations of any Person which are secured by any lien upon property of the Borrower, even though the Borrower has not assumed or otherwise become liable for the payment thereof, (b) any obligations or liabilities created or arising under any lease (including capitalised leases) or under any conditional sales contract or other title retention agreement with respect to Property used or acquired by the Borrower, even though the rights and remedies of the lessor, seller or lender are limited to repossession, (c) any obligations or liabilities arising under any lease or other contractual arrangement relating to security deposits, advance payments or other prepaid funds in the hands of or held by the Borrower subject to return or refund to any Person, (d) all unfunded pension fund obligations and

liabilities, (e) any Guaranty of the Borrower and (f) deferred taxes of any nature ("the Indebtedness") except (1) the Indebtedness arising under this Agreement or any of the Credit Documents (2) Indebtedness permitted pursuant to Section 7.2(b) of the Agreement, and (3) the following (herein referred to as "Permitted Indebtedness"):

- 8.1.1 Trade payables and other unsecured current liabilities incurred in the ordinary course of business;
- 8.1.2 Indebtedness incurred in connection with real estate leases and other capital lease operating leases or purchase money obligations in compliance with the terms of the Agreement and the other Credit Documents;
- 8.1.3 Warranties of products or services incurred in the ordinary course of business;
- 8.1.4 Provided no Event of Default (as defined in the Agreement) has occurred and is continuing, and provided the payment of any amount under this subpoint (iv) does not cause an Event of Default, a management fee equal to one-half of one percent (0.5%) of the gross sales of the Companies to ACH LLC (the "Management Fee");
- 8.1.5 Guarantees permitted under Section 7.2 (f); and
- 8.1.6 Such other Indebtedness as described on Exhibit R attached to the Agreement or as approved by the Lenders in writing.

- 9 Become or be liable with respect to any Guaranty except by endorsement of instruments or items of payment in the ordinary course of business for deposit or collection.
- 10 Permit or suffer to exist any Lien in or upon any of the Collateral, except the following (herein referred to as "Permitted Liens"):
 - 10.1 those security interests granted in favour of the Lenders pursuant to the Agreement and the other Credit Documents;
 - 10.2 purchase money security interests or capital leases to the extent permitted under this Agreement and the other Credit Documents, provided that all such Liens be limited to the property subject thereto and no other property;
 - 10.3 other Liens security taxes, assessments, or governmental charges or levies, or the claims or demands of materialman, mechanics, carriers, warehousemen, landlords and other like Persons, provided the payment thereof is not at the time required and adequate reserves for such items have been established;

- 10.4 liens incurred or deposits made in the ordinary course of business, and provided any amounts secured thereby are not overdue or delinquent in any respect;
- 10.5 attachment, judgement, and other similar non-tax liens arising in connection with court proceedings, provided the execution or other enforcement of such liens is effectively stayed or bonded within thirty (30) days after issuance or filing and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;
- 10.6 reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions or encumbrances affecting the Real Property (as defined in paragraph 6 above), provided they do not materially interfere with the use of such Property in the ordinary conduct of the Company's business; and
- 10.7 such other liens as described on Exhibit T attached to the Agreement or as approved by the Lenders in writing.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03440964

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LOAN AND SECURITY AGREEMENT DATED THE 13th APRIL 1998 AND CREATED BY BARTON INSTRUMENT SYSTEMS LIMITED FOR SECURING ALL DEBTS LIABILITIES, AND OBLIGATIONS OF THE BORROWER TO NATIONAL BANK OF CANADA AS AGENT FOR THE LENDERS (AS DEFINED IN THE AGREEMENT) UNDER THE AGREEMENT AND ALL OBLIGATIONS AND LIABILITIES TO NATIONAL BANK OF CANADA AS AGENT FOR THE LENDERS UNDER ANY GUARANTEE (AS DEFINED IN THE AGREEMENT) OR TO ANY OTHER PERSON (AS DEFINED IN THE AGREEMENT) AND ALL FEES CHARGES AND EXPENSES DUE FROM THE BORROWER TO NATIONAL BANK OF CANADA AS AGENT FOR THE LENDERS PURSUANT TO ANY OF THE CREDIT DOCUMENTS (AS DEFINED IN THE AGREEMENT) ("THE OBLIGATIONS") WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd APRIL 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28th APRIL 1998.

Jennifer V Murphy
JENNIFER V MURPHY

for the Registrar of Companies

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