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* insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

874649

Name of company

* JONES STROUD & COMPANY LIMITED ("the Mortgagor")

Date of creation of the charge

14 December 1999

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

Legal Mortgage dated 14 December 1999 ("the Mortgage") made between the
Mortgagor (1) and Bank of America, National Association (2) ("the
Security Trustee")

Amount secured by the mortgage or charge

The Mortgagor covenanted to pay, perform and discharge to the Security
Trustee all moneys, obligations and liabilities on the part of the
Mortgagor or any Obligor to any Beneficiary to be paid, performed or
discharged, whether directly or indirectly, under or pursuant to the
terms of any of the Finance Documents and/or in connection with any loan
facility or other financial accommodation from time to time granted or
otherwise made available pursuant thereto, together with all Expenses
and any interest charged or other amounts due under the terms of any of
the Finance Documents on the due date or dates for payment and discharge
or, in the absence of any such date, forthwith upon any demand made by
the Security Trustee ("the Secured Obligations").

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

Bank of America, National Association acting through its branch at 1
Alie Street London

Postcode E1 8DE

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

Barlow Lyde & Gilbert
Beaufort House
15 St Botolph Street
London EC3A 7NJ

Ref: 43455.38/GAOW/CA/1016785

Time critical reference

For official Use
Mortgage Section

Post room



A02 *A0883MPO* 0525
COMPANIES HOUSE 30/12/99

Short particulars of all the property mortgaged or charged

See Schedule 1

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Particulars as to commission allowance or discount (note 3)

NONE

Signed Barran Hyde & Gilbert Date 29 December 1999

On behalf of [~~company~~] [mortgagee/chargee] †

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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 CF4 3UZ

LEGAL MORTGAGE**SCHEDULE 1: SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED**

1 The Mortgagor with full title guarantee and as a continuing security for the payment and/or discharge of the Secured Obligations :-

1.1 charged to the Security Trustee by way of legal mortgage freehold land and buildings on the west side of Barkby Road, Leicester, Leicestershire registered at HM Land Registry with Title Absolute under Title Nos. LT2621, LT21916, LT60621, LT62507, LT128027 and LT58706 (included in the term "the Property").

1.2 assigned and agreed to assign by way of security to the Security Trustee all rental and other income from the Property;

1.3 charged and agreed to charge to the Security Trustee by way of specific charge all deeds and documents from time to time relating to the Property, the benefit of any covenants for title given or entered into by any predecessor in title of the Mortgagor to the Property, all proceeds of a capital nature in relation to the disposal of the Property, the benefit of any contract for the sale, letting or other disposal of the Property, any rights against lessees, other occupiers or other relevant third parties, and/or their guarantors and/or sureties and all present and future options to renew all leases or purchase all reversions (whether or not freehold) from time to time in relation to the Property and all the rights, title and interest of the Mortgagor in and to the Policies and the compensation moneys referred to in Clause 5.11 of the Mortgage;

1.4 charged by way of specific charge all moveable plant, machinery, implements, building materials of all kinds, utensils, furniture and equipment now or from time to time placed on or used in or about the Property and belonging to the Mortgagor (all of which are included in the expression "the Property").

2 NEGATIVE PLEDGE

The Mortgagor agreed that it would not, save as permitted under the Finance Documents or the Mortgage:-

2.1: create or permit to subsist any encumbrance on or over the Property or any interest therein ranking in priority to, *pari passu* with or subsequent to, the Security;

LEGAL MORTGAGE**SCHEDULE 1: SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED (continued)**

2.2: (save as permitted under the terms of the Finance Documents) sell, transfer, assign, lease out, lend or otherwise dispose of (whether outright, by a sale and repurchase, by a sale and leaseback) or grant any rights (whether of pre-emption or otherwise) in respect of the Property or any interest therein without the Security Trustee's prior written consent, nor enter into any agreement to do any of the same other than where such agreement is conditional upon the consent of the Security Trustee being obtained.

3. CONTINUING SECURITY**3.1 Subsequent Charges**

3.1.1 If the Security Trustee receives notice (whether actual or constructive) of any subsequent encumbrance or other interest affecting any of the Property, or of any other matter which may cause the Security to cease to be a continuing security, the Security Trustee may open a new account or accounts for the Mortgagor.

3.1.2 If the Security Trustee does not open a new account pursuant to Clause 11.1.1 of the Mortgage then, unless the Security Trustee shall notify the Mortgagor to the contrary, it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by or on behalf of the Mortgagor to the Security Trustee shall be credited or deemed to have been credited to the new account and shall not operate to reduce the amount due from the Mortgagor at the time when it received such notice.

3.2 General

The Security constituted by the Mortgage secures present and future advances as may be made by the Lender subject to and in accordance with the terms of the Agreement.

LEGAL MORTGAGE

SCHEDULE 2: DEFINITIONS OF TERMS USED IN FORM 395

Agreement: the credit agreement of 29 September 1999 (as amended by the Supplemental Agreement) made between Composite Materials Technology PLC ("the Borrower") (1) Bank of America, National Association as Agent, the Swingline Bank, Issuing Bank and Security Trustee (2) and certain banks and financial institutions as Banks (3) whereby it was agreed that there should be made available to the Borrower a bid facility of up to £27,100,000 to be renewed by a term facility of £10,000,000 and a revolving facility of up to £14,500,000 upon the terms and conditions contained in it;

Beneficiaries: the Security Trustee, the Agent, the Swingline Bank, the Issuing Bank and each of the Banks and "Beneficiary" means any one of them;

Debenture: the composite guarantee and debenture dated 14 December 1999 made between the Mortgagor, the Security Trustee and others;

Expenses: all banking, legal and other costs, charges, expenses and/or liabilities (including any VAT thereon) paid or, if earlier, incurred by or on behalf of any Beneficiary or any Receiver in each case on a full indemnity basis in relation to the Property or in protecting, preserving, improving, considering the enforcement or exercise of or enforcing or exercising or attempting to enforce or exercise, any rights arising under or pursuant to any of the Finance Documents and/or in procuring the payment, performance or discharge of any of the Secured Obligations and including, without limitation, the principal amount of any borrowings, together with interest thereon, and all other expenses and/or liabilities of any Beneficiary or any Receiver incurred from time to time in relation to the exercise of any right or power on the part of the Security Trustee or any Receiver referred to in the Finance Documents;

Finance Documents: the Agreement, the Debenture, the Mortgages, and any document which evidences, regulates or otherwise sets out the terms and conditions relating to the Secured Obligations or comprises security therefor and all documents from time to time entered into by the Mortgagor in connection with or pursuant to the terms of the Mortgage and any other such document;

Policies: any policy of insurance relating to the Property in which the Mortgagor may now or hereafter have an interest and any proceeds deriving therefrom;

Property: the property specified in Schedule 1, paragraph 1.1 above, including as the context admits, the whole or any part thereof and all buildings and other structures from time to time erected thereon and all fixtures (trade or otherwise) from time to time thereon or therein and all the Mortgagor's fixed plant, machinery and equipment from time to time in, or under but not part of the same;

Receiver: a receiver and/or manager (including, as the context admits, an administrative receiver) appointed under the Mortgage;

LEGAL MORTGAGE

SCHEDULE 2: DEFINITIONS OF TERMS USED IN FORM 395 (continued)

Security: the security from time to time created by or pursuant to the terms of the Mortgage;

Supplemental Agreement: the supplemental agreement dated 14 December 1999 made between the same parties to the Agreement whereby certain amendments were made to the Agreement;

VAT: value added tax or any similar tax substituted therefor.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00874649

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LEGAL MORTGAGE DATED THE 14th DECEMBER 1999 AND CREATED BY JONES, STROUD AND COMPANY LIMITED FOR SECURING ALL MONIES OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM EACH OBLIGOR (AS DEFINED) TO BANK OF AMERICA, NATIONAL ASSOCIATION IN ITS CAPACITY AS TRUSTEE FOR THE BENEFICIARIES (AS DEFINED) ("THE SECURITY TRUSTEE") UNDER OR PURSUANT TO THE TERMS OF ANY OF THE FINANCE DOCUMENTS (AS DEFINED) AND/OR IN CONNECTION WITH ANY LOAN FACILITY OR OTHER FINANCIAL ACCOMMODATION FROM TIME TO TIME GRANTED OR OTHERWISE MADE AVAILABLE PURSUANT THERETO TOGETHER WITH ALL EXPENSES (AS DEFINED) UNDER THE TERMS OF ANY OF THE FINANCE DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 30th DECEMBER 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th JANUARY 2000.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



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