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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
(Address overleaf - Note 5)

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

To the Registrar of Companies

For official use

A

Company number



901311

Name of company

HARCON LIMITED

* insert full name of
company

Date of creation of the charge

29TH SEPTEMBER 1997

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

FIXED AND FLOATING CHARGE

Amount secured by mortgage or charge

All monies, obligations and liabilities (actual or contingent, present or future) from time to time due, owing or incurred by Harcon Limited ("Company") to Credit Lyonnais ("the Bank") (whether solely or jointly with one or more persons) together with interest on all sums covenanted to be paid or indemnified under the fixed and floating charge from the date of demand until payment (after as well as before judgment or liquidation or administration or other incapacity of the Company) at the highest rate agreed in the agreement between the Company and the Bank to be payable by the Company on such unpaid sums and in the absence of such rate calculated on the basis of the actual number of days elapsed or to elapse and a 365 day year and shall accrue at the rate per annum determined by the Bank to be two per cent above the aggregate of (1) the Margin (as defined in the facility agreement referred to below) (2) LIBOR and (3) the mandatory liquid asset cost rate as determined pursuant to a facility agreement dated 29th September 1997 and made between the Bank (1) Hargreaves Developments Limited (2) Hargreaves Property Holdings Limited (3) and the Company (4).

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

Credit Lyonnais, PO Box 81, Broadwalk House

5 Appold Street, London

Postcode **EC2A 2JP**

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

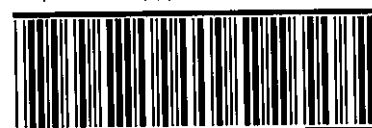
**Davies Arnold Cooper
12 Bridewell Place
London EC4V 6AD**

Ref: 427/7162.13/AH

Time critical reference

For official Use
Mortgage Section

Post room



A06 *AGERYZME* 627
COMPANIES HOUSE 03/10/97

Short particulars of all the property mortgaged or charged

Please do not
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Please complete
legibly, preferably in
black type, or bold
block lettering

(1) By way of legal mortgage :

(a) The freehold property known as Units 1 to 4 Chapel Road, Southwick, East Sussex and more particularly comprised within title number WSX59237 at HM Land Registry; and

(b) The leasehold property on the north side of Chapel Road, Southwick and more particularly comprised within title numbers WSX46982 and WSX43694 at HM Land Registry.

(2) By way of fixed equitable charge all landlords fixtures from time to time upon the property referred to in paragraph (1) above ("Charged Property") and the proceeds of sale thereof.

(3) By way of fixed equitable charge all amounts realised upon the enforcement or execution of any order of the court under Sections 212, 213, 214, 238, 239, 244 or 423 of the Insolvency Act 1986.

(4) By way of fixed equitable charge any account specified by and established with the Bank or established with another bank or financial institution as agreed by the Bank.

Particulars as to commission allowance or discount (note 3)

Nil

Signed

Daniel Andrew

Date

2/10/1997

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.
- 5 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ

Companies House Approval No.

CHA113

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COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**

Continuation sheet No 1
to Form No 395 and 410 (Scot)

Company number

901311

**Please complete
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* delete if
inappropriate

Name of company

HARCON LIMITED

Limited *

Description of the instrument relating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

Please do not
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Please complete
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bold black lettering

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please do not write
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(5) By way of fixed equitable charge the account in the name of the Company and bearing Account No 01222314 - 10000 with the Bank at P O Box 81, Broadwalk House, 5 Appold Street, London EC2A 2JP, (or any renamed, replacement or substituted account therefor whether or not with the same bank) together with all monies from time to time standing to the credit thereof.

(6) By way of floating charge its undertaking and all its other property assets and rights whatsoever and wheresoever present or future including, without limitation, the property, assets and rights mortgaged or charged in sub-clauses (1) to (5) above or assigned pursuant to sub-clause (7) below (if and insofar as such mortgage, charges or assignments shall for any reason be ineffective as fixed charges or security).

(7) By way of assignment (by way of security) all the Company's right title and interest in and to :-

- (i) (a) the gross rent, licence fee, VAT and other monies from time to time payable to the Company under any lease, licence or similar agreement of all or any part of the Charged Property or otherwise arising in respect of the Charged Property but excluding in each case any Capital Receipts (as defined below) and (b) any monies (save for any monies of an income nature) received and/or receivable by the Company in respect of the Charged Property (and including without limitation (1) any amount payable to the Company under a compulsory purchase order for the Charged Property (or any part thereof), (2) any amount received and/or receivable as a result of a successful insurance or compensation claim or other action or claim made by or on behalf of the Company in relation to the Charged Property (including any claim against any building contractor or any professional employed in connection with the development or refurbishment of the Charged Property) and (3) the amount (excluding any VAT thereon and relevant expenses) of any sale proceeds on the sale or other disposition of the interest of the Company in the whole or any part of the Charged Property (including the grant of leases or other derivative interest in consideration of the payment to the Company of a premium or other capital receipt) and the amount of any deposit received by the Company in respect of such sale) (any monies referred to in this sub-clause (7)(i)(b) being referred herein as "Capital Receipts");
- (ii) the benefit of all contracts, collateral warranties, agreements, or disposal (or otherwise) rights and covenants given or made by any person in connection with the use or occupation of the Charged Property (or any part thereof) or the construction, repair or maintenance of any building thereon and the benefit of any guarantees, indemnities or similar instruments given or made in connection with the same (including without limitation any deposit or other sum paid by way of security under any contract for sale of the Charged Property or any option contract relating to the Charged Property);
- (iii) all rent deposit deeds completed from time to time in respect of the Charged Property subject to the rights of the respective tenants therein;
- (iv) any monies payable pursuant to the rent deposit deeds referred to above or any other guarantee or agreement providing security for any obligations of a Tenant;
- (v) all personal covenants given by the tenant or occupier of the Charged Property or guarantor or the occupier to the Company; and
- (vi) all insurance policies and contracts of insurance (or part thereof as applicable) from time to time relating to the Charged Property (as distinct to any other property) and all monies payable thereunder.

PLEASE NOTE :

- (1) *Each of the assignments referred to above at sub-clause (7) shall include all*

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COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**

Continuation sheet No 2
to Form No 395 and 410 (Scot)

Company number

901311

**Please complete
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* delete if
inappropriate

Name of company

HARCON LIMITED

Limited *

Description of the instrument relating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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rights contained (whether expressed or implied) in the assets so assigned and the benefits from time to time accruing thereunder or resulting therefrom including, without limitation, the right to make demand or take any action (including that for specific performance) against any other under or in connection with such assets and to exercise any remedies available at law or equity to the Company.

(2) *The Bank may from time to time following the occurrence of an event of default under the said Facility Agreement by notice to the Company convert the floating charge referred to above into a specific fixed charge as regards any assets specified in the notice.*

(3) *The floating charge referred to above shall automatically and without need for notice operate as a fixed charge the moment :-*

(i) *the Bank serves a demand under the covenant to pay in the legal charge;*

(ii) *the Company breaches the negative pledge in the charge (see below); or*

(iii) *any person levies or attempts to levy any distress, execution, sequestration or other process against any assets referred to above which are charged or assigned to the Bank as security.*

(4) *The Company covenants and agrees that it shall not, without the prior consent of the Bank, create or attempt to create, agree to create or permit to subsist any mortgage, charge, hypothecation, pledge, lien, encumbrance, trust arrangement, contractual arrangement or assignment having the effect of security, conditional sale, or other title retention agreement, combination of accounts or other security interest whatsoever howsoever created or arising or permit or agree to permit any other proprietary right, right to occupy or interest therein to arise on or affect all or any part of the assets charged or assigned above other than any permitted encumbrance (as defined in the said Facility Agreement) or a lease which is permitted pursuant to clause 7 of the said fixed and floating charge or otherwise as permitted by clause 11.2 of the said Facility Agreement.*

(5) *The Company further covenants and agrees that it shall not (subject to the provisions of clause 7 of the fixed and floating charge) part with possession of, transfer, sell, lease or otherwise dispose of all or any part of the assets assigned or charged above, any interest therein, grant any option to do the same or attempt or agree so to do (whether by a single or a series of transactions).*

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00901311

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A FIXED AND FLOATING CHARGE DATED THE 29th SEPTEMBER 1997 AND CREATED BY HARCON LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO CREDIT LYONNAIS WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd OCTOBER 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th OCTOBER 1997.


for the Registrar of Companies



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

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6-10-97

Post

HC026B