

**COMPANIES FORM No. 395****Particulars of a mortgage or charge****395**

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Pursuant to section 395 of the Companies Act 1985

CHA 116

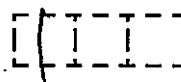
Please complete
legibly, preferably
in black type, or
bold block lettering

* insert full name
of company

To the Registrar of Companies

For official use

Company number



3403681

Name of company

* GENCOR INDUSTRIES LIMITED (the "Company")

Date of creation of the charge

13th November, 1997

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

SECURITY DOCUMENT AND GUARANTEE dated 13th November, 1997 between the Company and the Agent (the "Attached Document")

Amount secured by the mortgage or charge

PLEASE SEE CONTINUATION SHEET 1 ATTACHED

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

CREDIT LYONNAIS NEW YORK BRANCH (the "Agent" (as agent and trustee for the Lenders as defined below)) of 1301 Avenue of the Americas, New York, New York 10019, U.S.A.

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

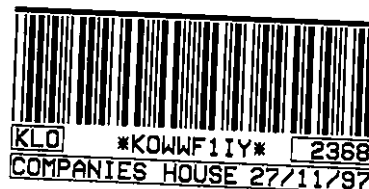
Allen & Overy
One New Change
London
EC4M 9QQ

B1:114048

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

PLEASE SEE CONTINUATION SHEET 1 ATTACHED.

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Allen & Overy

Date

21/11/97

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

[†] delete as
appropriate

- 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.

Amount secured by the Mortgage or Charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Obligor to any Lender under each Loan Document to which the Obligor is a party (the "Secured Liabilities"). The term "Loan Document" as used in this definition includes all amendments and supplements including supplements providing for further advances.

Short Particulars of all the Property Mortgaged or Charged

1. The Company, as security for the payment of all the Secured Liabilities, has charged in favour of the Agent (as agent and trustee as aforesaid):-
 - (a) by way of a first legal mortgage:
 - (i) all the property specified in Schedule 1 of the Attached Document;
 - (ii) all estates or interests in any freehold or leasehold property (except any Security Assets specified in sub-paragraph (i) above) now belonging to it; and
 - (iii) all Group Shares held by it and/or any nominee on its behalf and all Related Rights accruing to the Group Shares; and
 - (b) by way of first fixed charge:-
 - (i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) all estates or interests in any freehold or leasehold property belonging to it;
 - (ii) all plant and machinery owned by the Company and its interest in any plant or machinery in its possession;
 - (iii) (to the extent that they are not the subject of a mortgage under paragraph (a) above) its interest in all the Shares and their Related Rights;
 - (iv) all moneys standing to the credit of any account (including the Security Accounts) with any person and the debts represented by them;
 - (v) all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
 - (vi) all of the Company's book and other debts, the proceeds of the same and all other moneys due and owing to the Company and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;

- (vii) (to the extent that they do not fall within any other sub-paragraph of this paragraph (b)) all of the Company's rights and benefits under the Relevant Agreements, any distributorship or similar agreements entered into by it, any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it;
 - (viii) any beneficial interest, claim or entitlement of the Company in any pension fund;
 - (ix) its goodwill;
 - (x) the benefit of all authorizations (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in any other sub-paragraph in this paragraph 1 and the right to recover and receive all compensation which may be payable to it in respect of them;
 - (xi) its uncalled capital; and
 - (xii) its Intellectual Property Rights (including the patents and trademarks specified in Schedule 2 of the Attached Document).
2. The Company, as security for the payment of all of the Secured Liabilities, has charged in favour of the Agent (as agent and trustee as aforesaid) by way of a first floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge as set out in paragraph 1.
- NB: 1. The Company shall not:-
- (a) create or permit to subsist any Security Interest on any Security Asset other than any Security Interest created by the Attached Document or as permitted by the Credit Agreement; or
 - (b) sell, transfer, grant, or lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade (or as otherwise permitted under the Credit Agreement) of any Security Asset subject to the floating charge created under paragraph 2 above.
2. A reference above to a charge or mortgage of any freehold or leasehold property includes:-
- (i) all buildings and Fixtures on that property;
 - (ii) the proceeds of sale of any part of that property; and
 - (iii) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants.
3. The fact that no details of properties or patents and trademarks or agreements are included in the relevant Schedule of the Attached Document does not affect the validity

or enforceability of any security created by the Attached Document. No such details are included in the relevant Schedules.

4. The guarantee and security created by the Attached Document shall be continuing and will extend to the ultimate balance of all sums payable by the Obligor under the Loan Documents, regardless of any intermediate payment or discharge in whole or in part.
5. The Attached Document is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Lender.
6. If a Lender receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent charge or other interest affecting any Security Asset and/or the proceeds of sale of any Security Asset, the Lender may open a new account with the Company. If the Lender does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which the Attached Document is security.

In this Form 395:

"Account Bank"

means a person with whom a Security Account is maintained and approved by the Agent.

"Credit Agreement"

means the Senior Secured Credit Agreement dated 10th December, 1996, as amended, between (among others) the Obligor and the Agent.

"Fixtures"

means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on the Mortgaged Property;

"Group"

means ACP Holdings Limited and its subsidiaries (as defined in s.736 Companies Act);

"Group Shares"

means any stocks, shares, debentures, bonds or other securities and investments in any member of the Group other than the Company including without limitation the entire issued share capital of ACP Holdings Limited;

"Insurances"

means all contracts and policies of insurance taken out by or on behalf of the Company or (to the extent of its interest) in which the Company has an interest;

"Intellectual Property Rights"

means all know-how, patents, trade marks, service marks, designs, business names, topographical or similar rights, copyrights and other intellectual property monopoly rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same);

"Lenders"

means the lenders and the issuing bank from time to time party to the Credit Agreement;

"Loan Document"

means the Credit Agreement and certain notes, letters of credit, letter of credit requests, guarantees, security documents, a certain closing letter and a certain interest rate agreement entered into (if any) in connection with the Credit Agreement.

"Mortgaged Property"

means all freehold or leasehold property the subject of any security created by the Attached Document;

"Obligor"

means Gencor Industries, Inc., a corporation organised under the laws of Delaware, U.S.A.;

"Receipts Account"

means a bank account, details of which may be specified in writing from time to time to the Company by the Agent;

"Related Rights"

means any dividend or interest paid or payable in relation to any Share and any rights, moneys or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"Relevant Agreements"

means the agreements listed in Schedule 3 of the Attached Document;

"Security Account"

means the Receipts Account and any other account maintained at a branch of the Account Bank approved by the Agent;

"Security Assets"

means all assets of the Company the subject of any security created by the Attached Document;

Company Name: Gencor Industries Limited
Continuation Sheet No.: 5

Company No.: 3403681

"Security Interest"

means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security; and

"Shares"

means the Group Shares and any other stocks, shares, debentures, bonds or other securities and investments.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03403681

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY DOCUMENT AND GUARANTEE DATED THE 13th NOVEMBER 1997 AND CREATED BY GENCOR INDUSTRIES LIMITED FOR SECURING ALL MONIES OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM THE OBLIGOR (AS DEFINED) TO CREDIT LYONNAIS NEW YORK BRANCH; (THE "AGENT" (AS AGENT AND TRUSTEE FOR THE LENDERS)) OR ANY LENDER (AS DEFINED) AND ON ANY ACCOUNT WHATSOEVER UNDER ANY LOAN DOCUMENT (AS DEFINED) TO WHICH THE OBLIGOR IS A PARTY WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 27th NOVEMBER 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 1st DECEMBER 1997.

Peter C Protheroe

for the Registrar of Companies



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

11/12
11/12