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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

33

2570618

Name of company

* PILLAR PROPERTY PLC (the "Company")

Date of creation of the charge

16th April, 1999

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

Mortgage of Shares (the "Mortgage of Shares") between the Company and
The Royal Bank of Scotland plc

Amount secured by the mortgage or charge

PLEASE SEE ATTACHED

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

THE ROYAL BANK OF SCOTLAND plc (the "Bank"), Waterhouse Square, 138-142
Holborn, London

Postcode EC1N 2TH

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

Allen & Overy
One New Change
London

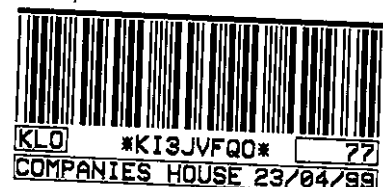
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Time critical reference

For official Use
Mortgage Section

Post room



NW 10 081601

395

PLEASE SEE ATTACHED

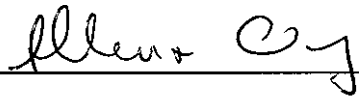
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Particulars as to commission allowance or discount (note 3)

NIL

Signed



Date

22.4.99

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

A fee of £10 is
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

Company Name: Pillar Property PLC
Cont. 1

Company No: 2570618

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 capacity whatsoever of each Obligor to the Bank under each Finance Document except for any obligations which, if it were so included, would result in the Mortgage of Shares contravening Section 151 of the Companies Act 1985 (the "**Secured Liabilities**").

In this Form 395:

"Borrower" means Pillar (Birstall) Limited.

"BriTel" means BriTel Fund Trustees Limited.

"Co-ownership Deed" means the deed dated on or about today's date between amongst others BriTel, the Borrower and the Company.

"Credit Agreement" means the £15,000,000 credit agreement dated 6th April, 1999 between the Company, the Borrower and the Bank.

"Debenture" means the debenture dated 16th April, 1999 executed by the Borrower in favour of the Bank.

"Deed of Adherence" means the deed dated on or about the date of the Credit Agreement between the Borrower, BriTel and the Bank, entered into in accordance with clause 9 of the Co-ownership Deed.

"Finance Document" means the Credit Agreement, a Security Document, a Subordination Deed, a Hedging Document (if the Bank is the counterparty), the Deed of Adherence or any other document designated as such by the Bank and the Company.

"Hedging Document" means any interest rate hedging agreement or arrangement entered into by the Borrower relating to the interest payable under the Credit Agreement and includes any document entered into pursuant to Clause 9.4 (Hedging) of the Credit Agreement.

"Obligor" means the Borrower or the Company.

"Related Rights" means any dividend or interest paid or payable in relation to any Share and any rights, money or property accruing or offered at any time in relation to any Share by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

"Security Asset" means the Shares and all other assets of the Company the subject of any security created by the Mortgage of Shares.

"Security Interest" means any mortgage, standard security, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"Security Document" means the Debenture, the Mortgage of Shares or any other document designated as such by the Bank and the Borrower.

"Shares" means the entire legal and beneficial interest in all of the ordinary shares in the Borrower.

"Subordination Deed" means a subordination deed dated 16th April, 1999 between the Borrower, the Company and the Bank.

Company Name: Pillar Property PLC
Cont. 2

Company No: 2570618

Particulars of all the property mortgaged or charged

The Company, as security for the payment of all the Secured Liabilities, charges in favour of the Bank:-

- (a) by way of a first legal mortgage all Shares held by it and/or any nominee on its behalf and all Related Rights;
- (b) by way of a first fixed charge (to the extent they are not the subject of a mortgage under paragraph (a) above) its interest in all the Shares and all Related Rights.

Restrictions on dealing

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 Mortgage of Shares; or
- (b) sell, transfer or otherwise dispose of any Security Asset or permit the same to occur;
- (c) take or permit the taking of any action whereby the rights attaching to any of the Security Assets are amended or further shares in the Borrower are issued (unless those new Shares are charged to the Bank in form and substance satisfactory to the Bank).

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02570618

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MORTGAGE OF SHARES DATED THE 16th APRIL 1999 AND CREATED BY PILLAR PROPERTY PLC FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES OF EACH OBLIGOR (AS DEFINED) TO THE ROYAL BANK OF SCOTLAND plc UNDER EACH FINANCE DOCUMENT (AS DEFINED) EXCEPT FOR ANY OBLIGATIONS WHICH, IF IT WERE SO INCLUDED, WOULD RESULT IN THE MORTGAGE OF SHARES CONTRAVENING SECTION 151 OF THE COMPANIES ACT 1985 WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd APRIL 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 27th APRIL 1999.

Handwritten signature



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

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