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in black type, or
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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

[] [] [] [] [] []

2570618

Name of company

* Pillar Property Investments Plc (the "Company")

Date of creation of the charge

25th October, 1996

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

Mortgage of Shares

Amount secured by the mortgage or charge

Please see attached

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

Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft London Branch
of 29 Gresham Street, London EC2V 7HN (the "Bank")

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

Allen & Overy
One New Change
London
EC4M 9QQ
Tel: 0171 330 3000
PBF/B1:75799

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

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Particulars as to commission allowance or discount (note 3)

Signed Allen & Overy Date 31st October, 1996

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.

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Particulars of a mortgage or charge (continued)

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

CHA 116

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Company Number

2570618

Name of Company

Pillar Property Investments Plc (the "Company")

Limited*

* delete if
inappropriate

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

All present future obligations and liabilities whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever of a Partner, the Borrower, a Parent, a Guarantor, Finance, a Relevant Partner Affiliate and a Group Lender to the Bank under each Finance Document.

"Borrower" means Pillar (Mansfield) Limited and SITQ Mansfield Inc carrying on business in partnership under the name of PillarCaisse (Mansfield) Partnership.

"Credit Agreement" means the £17,000,000 credit agreement dated 25th October, 1996 between the Borrower, the Company, SITQ International Inc, Finances and the Bank.

"Debenture" means a debenture dated 25th October, 1996 executed by the Borrower and the Partners in favour of the Bank.

"Finances" means SITQ Finances Inc (a company incorporated in Quebec, Canada)

"Finance Document" means the Credit Agreement, the Debenture, a Subordination Deed, the Mortgage of Shares, a Hedging Arrangement or any other document designated as such by the Bank and the Borrower.

"Group Lender" means the Company and Finances.

"Guarantor" means the Company and SITQ International Inc.

"Hedging Arrangement" means a swap and/or other hedging arrangement relating to the interest payable on the Loan.

"Loan" means the principal amount of the borrowing by the Borrower under the Credit Agreement or the principal amount outstanding of that borrowing.

"Mortgage of Shares" means the mortgage of shares dated 25th October, 1996 between the Company and the Bank accompanying this Form 395.

"Parent" means the Company and SITQ International Inc (a company incorporated in Quebec, Canada).

"Partner" means Pillar (Mansfield) Limited and SITQ Mansfield Inc (a company incorporated in Quebec, Canada).

"Partner Affiliate" means a subsidiary or a Holding Company (as defined in section 736 of the Companies Act 1985) of a Partner, or another subsidiary of that Holding Company.

"Relevant Partner Affiliate" means a Partner Affiliate which has made an unsecured loan to a Partner under the Credit Agreement.

"Subordination Deed" means each subordination deed dated 25th October, 1996 between the relevant Group Lender, the Borrower, the Partners and the Bank.

"Subsidiary" means a subsidiary within the meaning of Section 736 of the Companies Act 1985 as amended by Section 144 of the Companies Act 1989.

References to a Finance Document or another document is a reference to that Finance Document or other document as amended, novated or supplemented.

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

**Please complete
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By way of a first legal mortgage:

- (a) the Shares;
- (b) all dividends paid or payable after the date of the Mortgage of Shares on all or any of the Shares;
- (c) all stocks, shares securities, rights moneys or property accruing or offered at any time (whether by way of redemption, bonus, preferences, option rights or otherwise) to or in respect of any of the Shares or in substitution or exchange for or otherwise derived from, any of the Shares; and
- (d) all dividends, interest or other income in respect of any such asset as referred to in paragraph (c) above.

"Shares" means the Ordinary Shares in Pillar (Mansfield) Limited.

NB: The Company is restricted from assigning, pledging or otherwise encumbering the whole or any part of the Shares and all rights, assets or property referred to in paragraphs (b) to (d) above to anyone other than the Bank.

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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 25th OCTOBER 1996 AND CREATED BY PILLAR PROPERTY INVESTMENTS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO BAYERISCHE HYPOTHEKEN-UND WECHSEL-BANK AKTIENGESELLSCHAFT, LONDON BRANCH ON ANY ACCOUNT WHATSOEVER UNDER EACH FINANCE DOCUMENT (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 1st NOVEMBER 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th NOVEMBER 1996.

M. Ikram Dar
M. IKRAM DAR.

for the Registrar of Companies

LC
6-11-96



COMPANIES HOUSE

HC026B