

# M

## 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

CHA 116

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

To the Registrar of Companies

For official use

Company number

35

924669

Name of company

\* CARPETS INTERNATIONAL (UK) LIMITED

\*insert full name of company

Date of creation of the charge

3 April 1998

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

Composite Trust Debenture (the "Debenture")

Amount secured by the mortgage or charge

All sums and liabilities (including without limitation all legal and other costs and expenses of the Banks (as defined below) and the Trustee (as defined below) or any of them together in each case with any Value Added Tax applicable thereto) whatsoever in whatever currency present or future, actual or contingent which were then or may at any time thereafter become due, owing or incurred by the Company to the Trustee (as defined below) and the Banks (as defined below) or any of them whether collectively or individually arising under or in connection with the Financing Documents (as defined below) or any of them (the "Secured Obligations").

Continued ....

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

BankBoston, N.A. whose principal place of business in England is at Bank of Boston House, 39 Victoria Street, London SW1H 0ED (as security trustee for itself and each of the Banks (as defined below) of the security constituted by the Debenture) (the "Trustee").

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

Pinsent Curtis  
41 Park Square  
LEEDS


098.0575.7

AJA.JEML.LQ (CARPET)

Time critical reference

For official use

Mortgage Section | Post room



HLE \*H54MD5E8\* 192  
COMPANIES HOUSE 16/04/98

Short particulars of all the property mortgaged or charged

1.1 By way of first legal mortgage all that freehold and/or leasehold property from time to time vested in the Company (including without limitation the property details of which are set out in Schedule 1 below) and all buildings and fixtures and fittings and fixed plant and machinery and equipment thereon and the benefits of any covenant for title in relation thereto and the proceeds of any sale thereof and all insurances thereof and the proceeds of the same (the "Mortgaged Property").

1.2 By way of first fixed equitable charge all estates or interests in any freehold or leasehold property (except the Mortgaged Property) wheresoever situate then or in the future belonging to it and all buildings and fixtures and fittings and fixed plant and machinery and equipment thereon from time to time and the proceeds of sale thereof and insurances in relation thereto and proceeds of insurance thereof.

1.3 By way of first fixed charge the Company's present and future goodwill and uncalled capital and future calls.

Continued...

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



Date 16-4-98

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.

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

Please do not  
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Continuation sheet No 1  
to Form No 395 and 410 (Scot)

CHA 116

Company Number

924669

Please complete  
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bold block lettering

Name of Company

CARPETS INTERNATIONAL (UK) LIMITED

~~limited~~

\* delete if  
inappropriate

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

[Empty box for description of the instrument]

"Bank" means BankBoston, N.A., Burdale Financial Limited, Bank of America National Trust & Savings Association and NationsBank, N.A. and their respective successors and assigns and "Banks" shall mean all of them.

"Financing Documents" means the Facility Agreement dated 3 April 1997 between Carpet International (UK) Limited (1), Carpet Holdings Limited (2), BankBoston Securities Inc (3), the Banks (4), BankBoston, N.A. as facility agent (5) and BankBoston as Trustee (6) (the "Facility Agreement"), the Debenture and any other instruments or documents delivered pursuant to the Facility Agreement.

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

**Please complete  
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1.4 By way of first fixed charge all stocks, shares, debentures, loan capital rights to subscribe for, convert or otherwise acquire any stocks, shares, debentures and/or loan capital of any other body corporate then or in future belonging to the Company together with all dividends, rights, interest and other income of whatsoever kind deriving therefrom or appertaining thereto and all rights, benefits and advantages at any time accruing in respect thereof.

1.5 By way of first fixed charge all book and other debts and monetary claims then and from time to time due or owing to the Company and any bank deposits and credit balances beneficially owned by the Company and the accounts relating to the same (including without limitation any account specified by the Trustee from time to time pursuant to the Debenture or such other account as the Trustee may require, into which any of the Company's receivables are to be paid (the "Receivables Accounts") and the balance from time to time standing to the credit of the Receivables Accounts) and any other accounts into which such debts may be paid and any rights relating to any of the aforesaid including choses in action which may give rise to a debt or debts and all the proceeds thereof.

1.6 By way of first fixed charge all know-how, patents, trademarks, service marks, designs, business names, topographical or similar rights, copyrights and other intellectual property rights and 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) of the Company.

1.7 By way of first fixed charge all present and future benefits in respect of all contracts and policies of insurance which are from time to time taken out by or on behalf of the Company or in which the Company has an interest (to the extent of such interest) and all claims in respect thereof and return of premiums and all proceeds thereof and other benefits arising thereunder.

1.8 By way of floating charge the whole of the Company's undertaking and all its property, assets and rights whatsoever and wheresoever present and/or future (but without prejudice to any fixed charges for the time being effectively subsisting pursuant to sub-clauses 1.1 to 1.7 above).

2. In respect of the property known as High Bangor Road, Donaghadee, Northern Ireland, the terms of the Debenture are varied in the manner set out in schedule 2 below.

3. The Trustee may at any time by notice to the Company convert the floating charge created by the Debenture into a fixed charge as regards any/all assets specified in the notice if the Trustee shall consider it/them to be in danger of being seized or sold or under any form of distress or execution levied or threatened or any Bank shall have made demand for repayment of any of the Secured Obligations or upon the presentation of a petition for an administration order to be made in relation to the Company and the Company will forthwith execute a legal mortgage, standard security, charge or assignment or assignation over such assets and property in favour of the Trustee in such form as the Trustee may require and at any time after the security constituted by the Debenture has become enforceable the Trustee may appoint a Receiver thereof.

The floating charge created by the Debenture shall automatically be converted into a fixed charge:-

Continued...

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

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

CHA 116

Please complete  
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Company Number

924669

Name of Company

CARPETS INTERNATIONAL (UK) LIMITED

~~limited~~

\* delete if  
inappropriate

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

[Empty box for description of the instrument]

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)

**Please complete  
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(a) in respect of any assets subject thereto which shall become subject to a fixed charge in favour of any other person or to a disposition contrary to the provisions of paragraph 5 below immediately upon such charge or disposition; and

(b) in respect of all the assets subject thereto of the Company if and when the Company shall without the prior written consent of the Trustee cease to carry on business or to be a going concern.

4. NOTE: The Debenture also contains an agreement by the Company that it would at the request of the Trustee:-

4.1 execute and do all such assurances, documents and things for further and more effectively securing the Secured Obligations and/or perfecting or realising any security in favour of the Banks and the Trustee;

4.2 execute a legal mortgage, charge or assignment over any assets expressed to be the subject of a fixed charge under the Debenture; and

4.3 at the Company's cost execute such mortgage, charge, memorandum, assignment, transfer or other document (including any document supplemental to the Debenture) and deliver such notices as the Trustee may require in such form as the Trustee shall require in order:-

(a) to perfect the security constituted by the Debenture in respect of the documents or deeds deposited or to better enable the Trustee to realise the same; or

(b) to enable the Trustee or its nominee or any third party designated by the Trustee to be registered as the owner thereof and to exercise any rights in relation thereto or otherwise acquire title to the same.

5. The Company has undertaken in the Debenture that it will not without the prior consent in writing of the Trustee:-

5.1 create or permit to subsist any standard security, assignation in security, bond and floating charge, mortgage, pledge, lien, charge, assignment for the purpose of providing security, hypothecation, right in security, security interest or trust arrangement for the purpose of providing security and any other security agreement or other arrangement arising in the ordinary course of business having the effect of providing security (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien) (an "Encumbrance") in respect of the whole or any part of its undertaking, properties, revenues or assets present or future (including uncalled capital) other than any Encumbrance permitted by Clause 22.3.1 of the Facilities Agreement (as defined above); or

5.2 part with, sell, transfer or otherwise dispose of (which includes agreements to dispose or grant any option in respect of the same) of the whole or any part (other than as permitted under Clause 22.3.2(b) of the Facilities Agreement) of its undertaking, properties, revenues or assets present or future.

Continued .....

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

Please do not  
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Continuation sheet No 3  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

924669

Name of Company

CARPETS INTERNATIONAL (UK) LIMITED

~~limited~~

\* delete if  
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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

[Empty box for description of the instrument]

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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6. The Company further covenanted that:-

6.1 it would get in and realise its book debts and other debts charged by the Debenture in the ordinary course of its business;

6.2 it would pay into the Receivables Accounts all monies which it may receive in respect of the same;

6.3 it would not sell, factor, discount or otherwise dispose of or assign any of such book or other debts in favour of any person or purport to do so;

6.4 that the statutory power of leasing and/or accepting surrenders of leases conferred on mortgagors shall not be exercised by the Company without the consent in writing of the Trustee but the Trustee may at any time after the Trustee becomes entitled to appoint a Receiver under the Debenture grant or accept surrenders of leases without restriction; and

6.5 it would not transfer, lend, lease, sub-lease or (save where such Company is obliged by law to grant the same) permit sub-leases or otherwise dispose of or part with the possession of the Mortgaged Property and the estates and interests charged pursuant to clause 1.2 above or any part of the Debenture nor confer upon any person, firm, company or body whatsoever any licence, right or interest to occupy or share possession of it or any part thereof or permit the creation of any overriding interest or easement or possessory right in respect thereof or consent (save as obliged by law) to the assignment of any underlease or sub-tenancy without the prior consent in writing of the Trustee (except as permitted under the Facilities Agreement).

7. Each Bank and the Trustee (on behalf of itself and in its capacity as Trustee for the Banks) is authorised without prior notice to or any consent from the Company at any time or times without restriction to debit with, in the case of any Bank, any account with such Bank, and in the case of the Trustee any account with the Trustee or any of the Banks, or to appropriate, set-off or apply all or any part of the monies therein in or towards the payment or discharge of any of the Secured Obligations due and payable (but unpaid) to such Bank or the Trustee as the Trustee may in its sole and absolute discretion think fit.

#### Schedule 1

Property Description	Title No/Description
Leasehold property known as Units 5, 6 and 7 and Westcol Shed lying to the South East of Shetcliffe Lane, Bradford, together with the benefit of the Amenity Lease dated 2 April 1986	WYK363310
Leasehold property known as ground floor of part of Gomersal Mills, Spen Lane, Cleckheaton, Yorkshire	
Leasehold property known as Unit 3 "Nidderdale", West Yorkshire Industrial Estate lying to the South East of Shetcliffe Lane, Bradford	WYK266286
Leasehold property known as land to the South East of Shetcliffe Lane, Toftshaw, Bradford, together with the benefit of the Amenity Lease dated 15 July 1983	WYK218043
Leasehold property known as Unit 6 West Yorkshire Industrial Estate, Bradford	WYK294335

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

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Continuation sheet No 4  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

924669

Name of Company

CARPETS INTERNATIONAL (UK) LIMITED

~~limited~~\*

\* delete if  
inappropriate

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

[Empty box for description of the instrument]

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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## Schedule 1 (continued)

Property Description	Title No/Description
Leasehold property known as 5 Nuffield Way, Abingdon, Oxfordshire	
Freehold property known as land and buildings at Pen-y-Fan, Croes, Penmaen, Caerphilly	WA219330, WA223734 and WA246204
Freehold property known as Nant Gau, Uchaf, Croes Penmaen, Caerphilly, excluding that area comprised in a transfer dated April 1998 made between Carpets International (UK) plc (1) and the Welsh Development Agency (2)	part of WA174094
Leasehold property known as property at Gillibrands Road, Skelmersdale, Lancashire	
Freehold property known as land and buildings on the West Side of Plover Road, Huddersfield	WYK563369
Freehold property known as land and buildings on the East Side of Brenda Road, Hartlepool	CE25643
Freehold and leasehold property known as High property known as High Bangor Road, Donaghadee, Northern Ireland	The freehold and leasehold interests more particularly described in Schedule 2

Please complete  
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## Schedule 2

1. The following variations of the Debenture apply in respect of the Company's property known as High Bangor Road, Donaghadee, Northern Ireland (the "Premises"):-

1.1 The Company as Beneficial Owner has charged all that the part of the Premises being comprised in Folio 36293 County Down with payment to the Trustee and each Bank of the Secured Obligations and interest thereon as aforesaid and all other monies covenanted to be paid by the Company and intended to be secured by the Debenture and has requested that the said Charge be registered as a burden on the said Folio subject to the proviso for redemption hereinafter contained.

AND

The Company as Beneficial Owner has demised unto the Trustee all and singular and the remainder of the Premises to hold being comprised in the Lease dated 12 November 1955 and made between Ellen Leslie Jacqueline Day and Georgina Mary Stone (1) and Cyril Lord Carpets Limited (2) comprising 8 acres 2 roods and 12 perches or thereabouts and comprised in the Lease dated 26 September 1960 and made between Ellen Leslie Jacqueline Day and Georgina Mary Stone (1) and Cyril Lord Carpets Limited (2) comprising the sub-lots of 4 acres 3 roods and 12 perches, 3 roods and 2 perches, 1 acre 2 roods and 1 perch respectively and

Continued ...

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

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Continuation sheet No 5  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

924669

Name of Company

CARPETS INTERNATIONAL (UK) LIMITED

~~limited~~\*

\* delete if  
inappropriate

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

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

Please complete  
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Schedule 2 (continued)

comprised in the Lease dated 26 September 1960 and made between Ellen Leslie Jacqueline Day and Georgina Mary Stone (1) and Cyril Lord Carpets Limited (2) comprising the sub-lots of 4 acres 3 roods and 12 perches, 3 roods and 2 perches, 1 acre 2 roods and 1 perch respectively and comprised in the Lease dated 17 May 1965 and made between Ellen Leslie Jacqueline Day and Georgina Mary Stone (1) and Cyril Lord Carpets Limited (2) comprising 1 acre 1 rood and 8 perches or thereabouts and comprised in the Lease dated 11 October 1968 and made between Ellen Leslie Jacqueline Day and Georgina Mary Stone (1) and the Ministry of Commerce for Northern Ireland (2) comprising 9 acres 3 roods and 8 perches or thereabouts such of the same as are of freehold tenure unto the Trustee from the date of the Debenture for the term of Ten Thousand Years and to hold such of the same as are of Leasehold tenure unto the Trustee from the date of the Debenture for the residue of the term of years for which the same are held by the Company less the last ten days thereof subject to the proviso for redemption hereinafter contained.

Provided always that if the Company repays to the Trustee and each Bank the Secured Obligations and all other sums intended to be thereby secured by the Debenture then the Trustee will at the request and at the expense of the Company surrender the Premises to the Company or as the Company shall direct.

1.2 It has been agreed and declared that the Company stands seized of or entitled to the reversions in the Premises mortgaged by the Debenture in trust for the Trustee and to assign, convey and dispose thereof as the Trustee may direct but subject so far as any right of redemption may be subsisting in such property to the proviso for redemption hereinafter contained and it has been declared that the Trustee may at any time or times during the continuance of the security constituted by the Debenture remove the Company or any other person or persons from being a trustee or trustees under the declaration of trust hereinbefore declared and on the removal of any future trustee or trustees as aforesaid may by deed appoint a new trustee or trustees in the Company's place and the Company has irrevocably appointed the Trustee and its substitute or substitutes to be the attorney or attorneys of the Company or otherwise at any time to convey and assign the said reversions and all other the estate and interest of the Company in the Premises or any part or parts thereof unto the Trustee or to the purchaser or purchasers thereof respectively or to any other person as the Trustee may direct and execute and do all deeds, instruments and acts necessary or proper for that purpose.

1.3 The Company has attorned the tenant to the Trustee of the Premises assigned or demised by way of mortgage by or pursuant to the presents at the yearly rent of a peppercorn if demanded provided that the Trustee may at any time from the date of the Debenture enter into and upon the said Premises or any part thereof and determine the tenancy created by the Debenture without giving to the Company or the Company's successors in title any notice to quit and that neither the tenancy created by the said attornment nor any receipt of rent shall constitute the Trustee mortgagee in possession or render it liable to account as such.

**SCHEDULE 2**

**The Companies**

<b>Name</b>	<b>Country of Incorporation</b>	<b>Company Number</b>	<b>Address/Fax</b>
Carpet Holdings Limited	England & Wales	3503892	Toftshaw Lane, Bradford, BD4 6QW  01274 651 408
Carpets International (UK) Limited	England & Wales	924669	Toftshaw Lane, Bradford, BD4 6QW  01274 651 408

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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. 00924669

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE TRUST DEBENTURE DATED THE 3rd APRIL 1998 AND CREATED BY CARPETS INTERNATIONAL (UK) LIMITED FOR SECURING ALL SUMS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR CARPET HOLDINGS LIMITED TO BANKBOSTON, N.A. AS SECURITY TRUSTEE FOR ITSELF AND EACH OF THE BANKS (AS DEFINED) AND THE BANKS OR ANY OF THEM ARISING UNDER OR IN CONNECTION WITH THE FINANCING DOCUMENTS (AS DEFINED) OR ANY OF THEM WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 16th APRIL 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st APRIL 1998.

A handwritten signature in black ink, appearing to read 'J. M. Evans'.

J. M. EVANS

for the Registrar of Companies

A large, stylized handwritten signature in black ink, possibly reading 'J. M. Evans'.



COMPANIES HOUSE