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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

CHA 116

To the Registrar of Companies

For official use

Company number

Name of company

* BLUEROOM PROPERTIES LIMITED (the "Chargor")

Date of creation of the charge

09 January 2002

(see fax)

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

LEGAL CHARGE (the "Charge")

Amount secured by the mortgage or charge

All present and future obligations and liabilities of the Borrower to the Finance Parties under the Finance Documents whether actual, contingent, sole, joint and/or several and includes, without limitation, liabilities in respect of advances, interest, fees, commissions, costs and expenses, indemnity liabilities and all other sums due or to become due from time to time from the Borrower to the Finance Parties under the Finance Documents ("Secured Liabilities")

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

ABBEY NATIONAL TREASURY SERVICES PLC of Abbey House, Baker Street,
London NW1 6XL (the "Security Trustee")

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

DLA
3 Noble Street
London EC2V 7EE

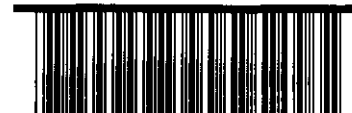
LB/sc/banking

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Time critical reference

For official use
Mortgage Section

| Post room



PMO
COMPANIES HOUSE
COMPANIES HOUSE

0229
221102
190102

1. CHARGES

1.1 First fixed charge

The Borrower with full title guarantee, as security for the payment of all Secured Liabilities, charged in favour of the Security Trustee for the benefit of the Finance Parties:

(a) by way of a first fixed legal mortgage, all the Charged Property, the proceeds of sale of all or any part of it and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Borrower and any money paid or payable in respect of such covenants; and

(b) by way of first fixed charge if and in so far as the legal mortgage set out in Sub-Clause (a) above or the assignment set out in Clause 3.2 of the Charge (Assignment) is, for any reason, ineffective as a legal mortgage or assignment, the Charged Property.

continued on continuation sheet 1, page 4

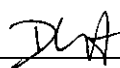
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Particulars as to commission allowance or discount (note 3)

N/A

Signed



Date 11 January 2002

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.

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Particulars of a mortgage or charge (continued)

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

CHA 116

Please complete
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Company Number

1856852

Name of Company

BLUEROOM PROPERTIES LIMITED (the "Chargor")

~~limited~~

* delete if
inappropriate

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

NOTE.

In this form:-

"Account Bank" means Abbey National Treasury Services Plc (Company No: 02338548);

"Agent" means means Abbey National Treasury Services Plc (Company No: 02338548);

"Borrower" means Blueroom Properties Limited (CRN:1856852);

"Charged Property" means all and any part of any interest in the property described in the Schedule and all buildings, erections, fixtures and fittings, fixed plant and machinery from time to time on it and any Insurance;

"Credit Agreement" means the credit agreement between the Borrower and Abbey National Treasury Services Plc as Original Lender and the Security Trustee amongst others dated 20 February 2001 pursuant to which loan facilities of up to £70,000,000 in aggregate were made available to the Borrower by the Original Lenders;

"Default" means an Acceleration Event or a Potential Acceleration Event (all as more particularly defined in the Credit Agreement);

"Encumbrance" means any mortgage, lien, pledge, encumbrance, hypothecation, assignment or other arrangement the effect of which is intended to prefer one creditor over another;

"Facility Agreement" means the facility agreement between the Borrower and Abbey National Treasury Services Plc as Original Lender and the Security Trustee amongst others dated 20 February 2001 pursuant to which loan facilities of up to £70,000,000 in aggregate were made available to the Borrower by the Original Lenders;

"Finance Documents" has the meaning given to it in the Credit Agreement;

"Finance Parties" means, as the context requires, any or all of the Agent, the Security Trustee, the Hedging Counterparty (where such person is a member of the Abbey Group), the Account Bank, the Lenders and NBH;

"Hedging Counterparty" means Abbey National Treasury Services plc in its capacity as Hedging Counterparty under any of the Hedging Documents (as more particularly defined in the Credit Agreement);

"Insurance" means all contracts and policies of insurance of whatever nature which are from time to time taken out by or with the authority or on behalf of the Borrower in connection with the Charged Property or (to the extent of such interest) in which the Borrower has an interest;

"NBH" means North British Housing Limited a non-charitable housing association registered under the Industrial and Provident Societies Act 1965 with registered number 19447R;

"Original Lenders" means Abbey National Treasury Services Plc;

"Receiver" includes any receiver, administrative receiver, trustee in bankruptcy, administrator, custodian, conservator or other similar official.

continued on continuation sheet 2, page 2

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

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1.2 Assignment

The Borrower with full title guarantee, as security for payment of all Secured Liabilities, assigned to the Security Trustee for the benefit of the Finance Parties all of its rights, title and interest in and to all present and future income and claims which are earned by or become payable to or for the account of the Borrower in connection with or by reference to the Charged Property including, without limitation, income from rent, service charges and licence fees and proceeds of any sale of any interest in (i) the Charged Property and (ii) the Insurances. provided always that until a Default has occurred and is continuing, the Borrower shall, subject to the terms of the Facility Agreement, be entitled to exercise its rights under or in connection with the matters referred to above without reference to the Security Trustee; and provided always that on discharge of the Secured Liabilities in full to the satisfaction of the Security Trustee, the Security Trustee will at the request and cost of the person lawfully requiring the Security Trustee to do so reassign the same and that prior to such payment or discharge upon being requested to do so by the Borrower and upon being provided with a full indemnity for its costs, the Security Trustee will either take such steps (including where appropriate the issue of proceedings) as the Borrower may require to enforce the terms of any of the agreements which are assigned under this Sub-Clause or, at the option of the Security Trustee taking due regard of the representations made by the Borrower, reassign the relevant agreements or the rights of actions accrued thereunder to the Borrower to the extent necessary to enable the Borrower to enforce the same.

1.3 Restrictions on dealing

The Borrower will not, except as permitted by any agreement relating to the Secured Liabilities:

- (a) create or permit to subsist any Encumbrance over the Charged Properties ranking ahead of or *pari passu* with the Charge;
- (b) part with, sell, transfer or otherwise dispose of the Charged Property; or
- (c) grant any option to any person to acquire any interest in the Charged Property unless permitted pursuant to Clause 14.12 of the Facility Agreement.

2. CONTINUATION OF SECURITY

2.1 Continuing security

The Charge will be a continuing security, will extend to the ultimate balance of the Secured Liabilities and continue in force notwithstanding any intermediate payment of any of the Secured Liabilities. If the Charge ceases to be a continuing security for any reason the Security Trustee may open a new account, or continue any existing account, with the Borrower. The liability of the Borrower in respect of Secured Liabilities at the date of cessation will remain regardless of payments in or out of any such account.

2.2 Addition to other security

This certification or determination by the Security Trustee of the amount of the Secured Liabilities or any rate or other amount is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

continued on continuation sheet 2, page 4

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

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

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

CHA 116

Please complete
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Company Number

1856852

Name of Company

BLUEROOM PROPERTIES LIMITED (the "Chargor")

~~limited~~*

* delete if
inappropriate

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

SCHEDULE

Details of the Charged Property

All that feehold land together with the building erected thereon and known as Ashland House 40 Ashland Road Netheredge Sheffield registered under Title Numbers SYK 149769 and SYK 142548

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

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3. FURTHER ASSURANCES

The Borrower will at its own expense execute and do all such assurances, acts and things as the Security Trustee may require for perfecting or protecting the security intended to be created by the Charge or for facilitating the realisation of the Charged Property and in the exercise of all powers, authorities and discretions vested in the Security Trustee or any Receiver or in any delegate or sub-delegate. To that intent, the Borrower will in particular execute all transfers, conveyances, assignments and assurances of such property whether to the Security Trustee or to its nominees and give all notices, orders and directions and make all registrations which the Security Trustee may reasonably think expedient.

4. Assignment

Finance Parties may at any time assign or transfer all or any part of its rights or obligations under the Charge to any person to whom the corresponding Secured Liabilities are assigned or transferred pursuant to the terms of the Facility Agreement.

Please complete
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in black type, or
bold block lettering

DLA

DLA

3 Noble Street London EC2V 7EE DX 33866 Finsbury Square

Direct tel +44 (0) 20 7796 6856 Fax +44 (0) 20 7796 6397 Email louise.burton@dia.com

FAX TRANSMISSION


TO OF	MARK BUCKLEY COMPANIES HOUSE			FAX REF	02920 380827	
DATE	22 JANUARY 2002	PAGES	1	(incl this page)	HARD COPY	NO
FROM	LOUISE BURTON			REF	LB.BANKING.53346.16	
SUBJECT	BLUEROOM PROPERTIES LIMITED					

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IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE ADVISE THE SENDER IMMEDIATELY.

IF YOU DO NOT RECEIVE ALL THE PAGES PLEASE TELEPHONE IMMEDIATELY
MESSAGE

Please accept this fax as confirmation to that the 395's in relation to the above should be amended to read that the Date of the Creation of the Charge was 9 January 2002.

Yours faithfully



DLA

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The partners are either solicitors or registered foreign lawyers and a list of their names and qualifications is open for inspection at the above address
Regulated by the Law Society

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01856852

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LEGAL CHARGE DATED THE 9th JANUARY 2002 AND CREATED BY BLUEROOM PROPERTIES LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE FINANCE PARTIES. UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 22nd JANUARY 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23rd JANUARY 2002.

R
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THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —