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COMPANIES FORM No. 395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

395

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

2

3381595

Name of company

* B T LEISURE LIMITED (the "Company")

Date of creation of the charge

20th October 1997

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

Deed of Fee Income Assignment dated 20th October 1997 (the "Deed")

Amount secured by the mortgage or charge

All monies, obligations and liabilities (actual or contingent, present or future) from time to time due, owing or incurred by the Company to the Bank under or in connection with the loan facility agreement made between The Co-operative Bank plc (the "Bank") and the Company the terms of which are set out in a letter dated 7 July 1997 as the same may be amended, varied or supplemented from time to time or the Deed or otherwise howsoever.

A -

to The Co

to

T - The loan facility agreement dated 7th July 1997 and as amended, varied or supplemented from time to time or the deed or otherwise howsoever.

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

The Co-operative Bank Plc

PO Box 10 1, Balloon Street

Manchester

Postcode

M60 4EP

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

Davies Arnold Cooper
60 Fountain Street
Manchester
M2 2FE

Ref 803.5414.8

Time critical reference

For official use
Mortgage section



Short particulars of all the property mortgaged or charged

Please do not
write in
this margin

See attached sheet

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed James Arnold Cooper

Date 4 November 1997

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.

BT LEISURE LIMITED
COMPANY NUMBER 3381595

Continuation of Form 395

Short particulars of the property mortgaged or charged:

By assignment by way of security:

- 1 all rights, title and interest of the Company in and to the gross income of the Company arising out of the fees payable to it from time to time by any member of a health and fitness club owned and/or operated by the Company (a "Member"), including any value added tax payable thereon (the "Membership Fee Income") and the benefit of all personal covenants given by any Member to the Company;
- 2 all rights of the Company in respect of any insurance monies payable and any insurance policies relating to loss of Membership Fee Income for whatever reason. \

By way of first fixed charge all monies from time to time standing to the credit of the Membership Fee Income Account (as defined in the Deed) including any interest thereon and all amounts deriving therefrom.

Note:

The Deed contains a covenant by the Company with the Bank that the Company will not create or permit to come into being any charge or encumbrance of any nature over the assets and rights charged or assigned under the Deed nor will it assign or otherwise deal with any such assets or rights save in pursuance of its obligations thereunder.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03381595

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF FEE INCOME ASSIGNMENT DATED THE 20th OCTOBER 1997 AND CREATED BY BT LEISURE LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE CO-OPERATIVE BANK PLC UNDER THE TERMS OF THE LOAN FACILITY AGREEMENT DATED 7th JULY 1997 AS AMENDED, VARIED OR SUPPLEMENTED FROM TIME TO TIME OR THE DEED OR OTHERWISE HOWSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 4th NOVEMBER 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th NOVEMBER 1997.

A handwritten signature in cursive script, appearing to read 'P. Davies'.

PHIL DAVIES

for the Registrar of Companies



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