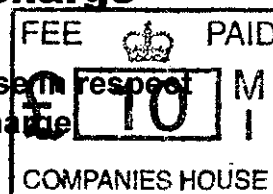


M

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



395

CHFP025

Please do not write in this margin

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

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

1116

3576158

Name of company

* London and Henley (UK) Limited ("the Company")

Date of creation of the charge

28 June 2001

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

Supplemental Debenture ("the Supplemental Debenture")

Amount secured by the mortgage or charge

All monies and liabilities which shall from time to time (and whether on or at any time after any demand or judgment) be due, owing or incurred from the Borrower or the Company to the Beneficiaries under the Finance Documents or otherwise whether actually or contingently and whether solely or jointly with any other person and in whatever style or name and whether as principal or surety on any current or other account whatever including interest discount commission and other costs charges and expenses and any loans or monies properly made available to a Receiver (as agent or in its personal capacity) whether or not following the insolvency of the Borrower or the Company in order to enable the Receiver to carry out or more effectively carry out the matters referred to in Schedule 2 of the Supplemental Debenture ("the Liabilities").

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

Abbey National Treasury Services Plc ("the Security Trustee")
Abbey House
Baker Street
London

Postcode NW1 4QP

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

Berwin Leighton Paisner
Adelaide House
London Bridge
London
EC4R 9HA

GFG/A804/3 (1594657)

Time critical reference

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1 By way of legal mortgage:

1.1 the Property; and

1.2 any other freehold or leasehold property vested in the Company at the date of the Supplemental Debenture.

2 By way of fixed charge each of the following including all rights of enforcement of the same:

2.1 the Company's interest in any freehold or leasehold property acquired after the date of the Supplemental Debenture;

2.2 the Company's interest in the Sale Agreements, the Occupational Leases, the Managing Agent's Agreement, the Headlease and any Hedging Arrangement, including in each case all capital monies or other sums including VAT (if any) payable under them and the benefit of all covenants and agreements of a personal nature and any guarantees entered into under the terms of them (save that the Security Trustee may only serve notices of such assignment on the purchasers under the Sale Agreements and on the tenants under the Occupational Leases following an Event of Default which is continuing);

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

Particulars as to commission allowance or discount (note 3)

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Signed

Berwin Leighton Paine

Date

18/7/01

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.
- 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 CF14 3UZ

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

2.3 the Company's interest in the benefit of all guarantees, warranties and representations given or made by any manufacturers, suppliers and installers of any plant, machinery, equipment, fixtures and fittings now or in future on the Property and/or by any other person under contract with or under a duty to the Company in respect of them;

2.4 all future easements and other rights at any time vested in, or conferred on, the Company in connection with or otherwise for the benefit of the Charged Assets;

2.5 the Company's interest in all plant, materials, machinery, utensils, equipment, furnishings and furniture wherever situate now or in the future used or intended to be used on or in connection with the Charged Assets and/or the Business;

2.6 the Company's interest (whether as beneficiary or trustee) in any Trust;

2.7 the Investments;

2.8 the Company's Intellectual Property;

2.9 if applicable the Company's uncalled capital.

2.10 all the the Company's right, title and interest in the Business including the present and future goodwill of the Business;

2.11 where the Company is (by virtue of an estate or interest in the Property) entitled to a share or shares in any residents or management company connected with a Property all such share or shares and all rights benefits and advantages at any time arising in respect of the same and the Company covenants with the Security Trustee by way of fixed equitable charge that the Company will (if the Security Trustee so requires) following an Event of Default transfer such share or shares to the Security Trustee as it may direct.

3. By way of security assignment each of the following (including all rights of enforcement of the same):

3.1 the Rents (save that the Security Trustee may only serve notice of such assignment on the tenants under the Occupational Leases following an Event of Default which is continuing);

3.2 the Accounts;

3.3 the Sale Proceeds;

3.4 the Insurances;

3.5 all of the Company's right, benefit and interest in the Loan Notes;

3.6 the Guarantee Loan;

3.7 the Inter Group Funding Agreement;

3.8 the benefit of the copyright and rights in the nature of copyright vested in the Borrower from time to time in any plans, specifications and negatives prepared for or in connection with the Property and/or the Business and/or the refurbishment, maintenance, servicing, repair, renewal or other works to the Property or any plant, machinery or equipment on it and the implied licence of the Company in any such plans, specifications and negatives the copyright of which is not vested in the Company;

3.9 all Causes of Action;

3.10 the Debts;

3.11 the monies payable to the Company under any Hedging Arrangement;

3.12 the benefit of any Compensation Payment;

3.13 (to the extent they are not already assigned or charged by the other provisions of this clause) all the Company's estate, rights, title and interest in the Property and other Charged Assets; and

3.14 the Project Management Agreement.

4 By way of floating charge:

4.1 all the assets, property and undertaking of the Company both present and future, including all its goodwill and uncalled capital for the time being; and

4.2 the Movables.

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NOTES

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

1. The Supplemental Debenture provides that the Security Trustee may at any time by written notice to the Company convert the floating charge created by the Supplemental Debenture into a fixed charge as regards any property specified in the notice where, in the reasonable opinion of the Security Trustee, such property is at risk of becoming subject to any Security Interest or is otherwise in jeopardy.

2. The Supplemental Debenture provides that the Company shall execute and do at its own cost and in such form as reasonably required by the Security Trustee such further additional mortgages, fixed or floating charges, assignments, transfers and conveyances and such assurances, deeds, documents, acts and things as the Security Trustee may reasonably require to perfect or protect the security created by the Supplemental Debenture and/or to facilitate or effect any dealing with the Charged Assets in connection with the Supplemental Debenture including service of any notice of assignment (and procuring receipt of that notice) and affixing or indorsing (as appropriate) notice of the security intended by the Supplemental Debenture on any Charged Asset without prejudice to the saving provisions of paragraphs 2.2 and 3.1 above.

3. The Supplemental Debenture provides that so long as the Liabilities are outstanding the Company may not and covenants that it shall not without the prior written consent of the Security Trustee (which shall be deemed given if the Agent shall have given its consent):

3.1 create or attempt or contract to create or suffer or permit to subsist, any Security Interest over the Charged Assets nor do anything which would in any way depreciate, jeopardise or otherwise prejudice the security created by the Finance Documents and to ensure that they remain subject to the security created by the Finance Documents;

3.2 save for the Permitted Disposals (in respect of the Charged Assets) sell, convey, assign, release, exchange, set-off, compound, factor, discount, transfer, nor other than (without prejudice to the fixed nature of any security) in the ordinary course of business make any other disposal or realisation of the Properties Rents and/or Debts or any interest in them, nor enter into any agreement to effect all or any of them;

3.3 otherwise deal with, or dispose of, or contract or purport to do so, in respect of all or any of the Charged Assets which are subject only to the floating charge created by the Supplemental Debenture, nor suffer or permit any set-off or other third-party rights in respect of them to arise otherwise than at market value in the ordinary course of the Business;

3.4 amend, breach, agree not to enforce or otherwise prejudice the value of the Guarantee Loan.

4. The Supplemental Debenture provides that as regards any Rents and/or Debts specifically charged or intended to be specifically charged by the Debenture the Company shall:

4.1 promptly and efficiently get in and realise such Rents and/or Debts in the ordinary course of its business;

4.2 pay or procure the payment of the proceeds of getting in and realising such Rents and/or Debts in accordance with the Facility Agreement;

4.3 not without the prior written approval of the Agent release, exchange, compound, set-off in respect of any such Rents and/or Debts save that prior to an Event of Default occurring which is subsisting this provision will not apply to any Occupational Lease where the rent reserved is less than £1,000,000 per annum; and

4.4 without prejudice to the generality of note 3.1 above, not without the prior written approval of the Agent sell, factor, discount or otherwise deal with or dispose of all or any such Rents and/or Debts.

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5. The Supplemental Debenture provides that at any time after an Enforcement Event and without further notice to the Company the Security Trustee, the Agent and/or the Lenders may combine or consolidate any accounts of the Company (or any other monies held by any of them to the account of the Company) of any nature and/or set-off or transfer any monies standing to the credit of any such accounts in or towards satisfaction of the Liabilities, and that the Security Trustee, the Agent and/or the Lenders may exercise these rights even where such monies have been deposited with any of them for a specific period and such period has not expired.

6. In this form the following terms shall mean:

"Accounts" all accounts of the Company into which the Rent and/or the Debts are paid;

"Agent" the Agent under the Facility Agreement being Abbey National Treasury Services Plc and its successors and assigns;

"Beneficiaries" the Agent, Security Trustee, the Hedging Counterparty and the Lenders;

"Borrower" as defined in the Facility Agreement being London and Henley (UK) Limited including its successors and assigns;

"Business" the business of residential property investment and all related activities carried on by the Company;

"Causes of Action" all causes of action and other rights and remedies which the Company has or may have in relation to the Charged Assets including those against its professional and other advisers and contractors;

"Charged Assets" each and all of the Business, assets, property, undertaking and other interests from time to time assigned or charged or intended to be assigned or charged by the Debenture and the subject matter of each of them;

"Company" London and Henley Limited including its successors in title and assigns;

"Compensation Payment" monies paid or payable to the Company in connection with the Charged Assets by way of compensation, endowment, gift, grant or otherwise;

"Debenture" (as defined in Recital D) as being the Debenture dated 21 December 2000;

"Debts" all book debts and other debts due to the Company now or in the future including any sum due to the Company as a result of any order of the court under sections 238, 239 and/or 244 (or, if appropriate, sections 339, 340 and/or 343) and/or section 423 of the Insolvency Act 1986 and the Company's right to recover any VAT on any supplies made to it relating to the Charged Assets;

"Enforcement Event" the serving of a notice under clause 16 of the Facility Agreement;

"Event of Default" an Event of Default as defined in the Facility Agreement;

"Facility Agreement" the facility agreement dated 21 December 2000 between the Agent (1), the Security Trustee (2), the Lenders (3), the Borrower (4) and the Guarantors (5) and any agreement entered into by the Company from time to time identifying the respective amounts and/or respective terms of any sum or other liability forming part of the Liabilities, whether dated before or after the date of the Debenture and any letter, charge, guarantee, indemnity or other instrument issued or entered into pursuant or supplemental to it;

"Finance Documents" each and all of the Facility Agreement, the Security Documents, the Hedging Arrangement, and all other documents or instruments so designated by the parties now or in the future;

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

"Guarantee Loan" the loan agreement dated 21 December 2000 between London and Henley Limited (1) and London and Henley S.A. (2) under which London and Henley Limited agrees to make available a facility of £1,447,680 to London and Henley S.A. and the guarantee dated 21 December 2000 between London and Henley Limited (1) and Security Capital European Realty (2) under which Security Capital European Realty agrees to guarantee the obligations of London and Henley S.A. under the loan agreement;

"Guarantors" the parties identified as Guarantors in the Facility Agreement being London and Henley Holdings Limited, Cavendish Geared Limited, London and Henley Limited, Cavendish Geared II Limited, Cavat Limited, Issuefuture Limited, L & H Developments Limited, London and Henley Lettings Limited, Namesystem Limited, Cavat II Limited and London and Henley Management Limited;

"Headlease" any lease or underlease under which the Company owns a Property;

"Hedging Arrangement" any currency swap or interest rate swap, cap and/or collar, forward rate, fixed deposit and any other similar financial hedging arrangement to which the Company is a party in connection with the Finance Documents;

"Hedging Counterparty" the party or parties to the Hedging Arrangement other than the Company whether or not such party is the Security Trustee, the Agent and/or the Lenders;

"HoldCo" London and Henley Holdings Limited (company number 3971515);

"Insurances" all insurances from time to time taken out in respect of the Charged Assets (including all buildings, structures, plant, machinery and equipment included in or on the Property) and the Company's interest in all other insurance policies (if any) taken out in relation to the Finance Documents and all monies from time to time payable in respect of them;

"Intellectual Property" any existing or future rights in respect of any patent, patent application, copyright, trademark, trade name, service mark, invention, design, knowhow, confidential information, domain names or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission relating to any of the foregoing;

"Inter Group Funding Agreement" the funding agreement dated 21 December 2000 between HoldCo (1) and London and Henley Limited (2);

"Investments" the existing or future interest of the Company in (a) 105 ordinary shares in the issued share capital of L&H Developments Limited (b) 100,090 ordinary shares in the issued share capital of Issue Future Limited (c) 100,090 ordinary shares in the issued share capital of Namesystem Limited (d) any stocks, shares, bonds or any form of loan or other capital of or in any legal entity (e) any unit in any unit trust or similar scheme (f) any warrant or other right to acquire any such investment, together with all related stocks, shares and other securities offered by way of redemption, bonus, preference or option or otherwise and any related income, offer, right or benefit and, to the extent not otherwise charged by the Debenture, any income, offer, right or benefit in respect of any such investment;

"Lenders" the parties defined as the Lenders in the Facility Agreement being at the date of the Facility Agreement, Abbey National Treasury Services Plc including their successors and assigns in accordance with the Facility Agreement;

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"Project Management Agreement" the project management agreement dated 21 December 2000 between HoldCo(1), the Company(2), Exlon Residential (Didsbury) Limited(3) and Security Capital European Realty(4);

"Property" Belgrave Road 92-94, SW1 (title nos. NGL725203) (and any land, cellars, vaults, eaves, canopies, structures and the like used or enjoyed in connection with them now or in the future) including all buildings, fixtures (including trade fixtures) and fixed plant and machinery and other structures now or in future on them and all easements and rights attaching to them and in each case each and every part of them;

"Receiver" any one or more receiver or manager, or receiver and manager, or administrative receiver appointed by the Security Trustee under the Debenture (whether sole, joint and/or several and including any substitute);

"Rents" all rents and other sums payable under any Occupational Leases including all insurance rent, service charges and VAT (if any) payable on or in respect of them and all insurance monies payable in respect of their loss;

"Sale Agreements" each and all of the agreements now or in the future in force for the sale or other disposal or realisation of the Property, including a sale by the grant of a lease at a premium, but excluding the grant of an Occupational Lease;

"Sale Proceeds" all capital monies or other sums or other consideration paid in respect of a Sale Agreement (whether before, at or after completion) but excluding until available to the Company any deposit payable on the exchange of a Sale Agreement and excluding any VAT (if any) paid on them, but after deduction of all reasonable transaction costs and expenses arising in respect of the transaction the subject of the Sale Agreement;

"Security Documents" each and all the documents referred to in schedule 3 of the Facility Agreement and any other charges, guarantees, indemnities and other security documents or instruments granted or created in favour of the Security Trustee, the Agent and/or the Lenders under this agreement and any other document so designated by the parties now or in the future;

"Security Interest" any mortgage, pledge, lien, charge, security assignment, hypothecation, standard security, security trust, encumbrance or security interest and any other agreement or arrangement entered into to create or confer security over any asset but excluding any valid retention of title and liens arising in the ordinary course of business;

"Security Trustee" Abbey National Treasury Services Limited acting as trustee for the Beneficiaries under the Facility Agreement;

"Trust" any trust or trust fund including any pension fund surplus; and

"VAT" value added tax or any similar or substitute tax.

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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. 03576158

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL DEBENTURE DATED THE 28th JUNE 2001 AND CREATED BY LONDON AND HENLEY (UK) LIMITED FOR SECURING ALL MONIES AND LIABILITIES DUE OR TO BECOME DUE FROM THE BORROWER OR THE COMPANY TO THE BENEFICIARIES UNDER THE FINANCE DOCUMENTS OR ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18th JULY 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th JULY 2001.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

P EG