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CHFP025

COMPANIES FORM NO. 395

Particulars of a mortgage or charge

572651/10

395

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

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

10

Company number

04525593

Name of company

*London & Regional PFI Projects Holdings Limited (the "Shareholder")

Date of creation of the charge

26 November 2003

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

A share charge (the "Charge") relating to shares in PFI Sheffield dated 26 November 2003 made between (1) the Shareholder and (2) the Governor and Company of the Bank of Scotland (the "Bank")

Amount secured by the mortgage or charge

All present and future obligations and liabilities whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever of the Shareholder to all or any of the Secured Parties under each Financing Document (the "Secured Liabilities")

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

The Governor and Company of the Bank of Scotland, Level 7 Bishopsgate Exchange, 155 Bishopsgate, London

Postcode

EC2M 3YB

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

Denton Wilde Sapte
1 Fleet Place
London
EC4M 7WS

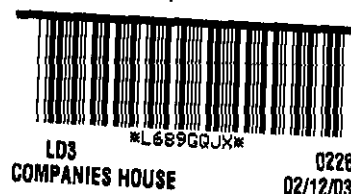
DRM/ZJK/58119.00848

Time critical reference

For official Use

Mortgage Section

Post room



Please return
via
CH London Counter

Short particulars of all the property mortgaged or charged

1. CHARGE

The Shareholder, as security for the payment of all the Secured Liabilities, charges in favour of the Bank by way of a first fixed charge all Shares held by it and/or any nominee on its behalf and all Related Rights.

2. NEGATIVE PLEDGE

The Shareholder shall not:

(a) create or permit to subsist any Encumbrance on any Security Asset other than any Security Interest created by the Charge or the Other Share Charge; or

(b) sell, transfer or otherwise dispose of any Security Asset or permit the same to occur;

take or permit the taking of any action whereby the rights attaching to any of the Security Assets are amended or further shares in PFI Sheffield are issued.

continued on continuation sheet no.1

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 Denton Wilde Sayle

Date 1/12/2003

On behalf of [company] [mortgagee/chargee]†

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

Notes

†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.
- 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 CF4 3UZ, DX: 33050 Cardiff

Company Number

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Name of company

London & Regional PFI Projects Holdings Limited (the "Shareholder")

Short particulars of all the property mortgaged or charged (continued)

3. DEFINITIONS

"Advance" means the advance made or to be made to Heart of the City Limited under the Facility or, as the case may be, the outstanding principal amount of such advance;

"Bank Account Charge" means an account charge in relation to the Revenue Account in the agreed form granted or to be granted by Heart of the City Limited in favour of the Bank;

"Borrower Share Charge" means the share charge over the shares in Heart of the City Limited dated on or about the date hereof and granted by LR PFI in favour of the Bank;

"Counter-Indemnity" means the counter-indemnity granted on or about the date of the Credit Agreement by Heart of the City Limited in favour of the Counterparty Hedging Bank in respect of its obligations under a guarantee granted by the Counterparty Hedging Bank to the Hedging Bank;

"Credit Agreement" means a credit agreement dated 26 November 2003 made between (1) Heart of the City Limited, (2) the Bank and (3) the Governor and Company of the Bank of Scotland as Counterparty Hedging Bank;

"Debenture" means the debenture dated 26 November 2003 made between (1) Heart of the City Limited and (2) the Bank;

"Encumbrance" means any mortgage, charge, assignment by way of security, pledge, hypothecation, lien, right of set-off, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same, or any agreement to sell or otherwise dispose of any asset on terms whereby such asset is or may be leased to or re-acquired or acquired by the Shareholder;

"Facility" means the facility referred to in Clause 2.1 of the Credit Agreement;

"Fees Letter" means the letter dated 26 November 2003 from the Bank to Heart of the City Limited relating to arrangement fees payable to the Bank in relation to the Credit Agreement described on its face as the "Fees Letter";

"Financing Documents" means the Credit Agreement, the Interest Rate Protection Agreement, the Fees Letter and the Security Documents;

"Hedging Bank" means HBOS Treasury Services plc, 33 Old Broad Street, London EC2N 1HZ in its capacity as hedging counterparty, its successors and assignors or such other bank of financial institution approved by the Bank

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Name of company

London & Regional PFI Projects Holdings Limited (the "Shareholder")

Short particulars of all the property mortgaged or charged (continued)

and/or where the context so requires, the Governor and Company of the Bank of Scotland in its capacity as Counterparty Hedging Bank;

"Intercreditor Agreement" means the intercreditor agreement dated 26 November 2003 made between Heart of the City Limited, LR PFI, the Hedging Bank, the Bank and the Banks and the Agent as such terms are defined in the PFI Sheffield Credit Agreement;

"Interest Rate Protection Agreement" means:

- (a) each interest rate management agreement entered into or to be entered into between Heart of the City Limited and the Hedging Bank or entered into by Heart of the City Limited and a group member of the Hedging Bank and in relation to which swap and/or other indemnity arrangements are entered into between the Hedging Bank and that other group member of the relevant Hedging Bank and including:
 - (i) an ISDA agreement dated 26 November 2003 between HBOS Treasury Services plc and Heart of the City Limited;
 - (ii) a counter-indemnity between the Bank and Heart of the City Limited pursuant to the ISDA agreement referred to in (i) above; and
 - (iii) a guarantee between HBOS Treasury Services plc and the Bank entered into on or about the date of the Credit Agreement in relation to Heart of the City Limited's obligations under and pursuant to the ISDA agreement referred to in (i) above; and
- (b) each transaction novated to Heart of the City Limited and/or novated or assigned to the Hedging Bank from another bank or financial institution; and
- (c) each internal swap and indemnity arrangements entered into between the Hedging Bank and any other group company in the corporate group of which the Hedging Bank is a group member,

in each case, directly or indirectly for the purpose of hedging Heart of the City Limited's interest rate liabilities in relation to all or any part of an Advance;

"LR Group Holdings" means London & Regional Group Holdings Limited incorporated under the laws of England and Wales with registered number 04525949 and with its registered office at 4th Floor, St. Alphage House, 2 Fore Street, London, EC2Y 5DH;

"Other Share Charge" means the share charge relating to shares in PFI Sheffield dated 29 October 2003 and made between Heart of the City Limited and the Bank;

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Name of company

London & Regional PFI Projects Holdings Limited (the "Shareholder")

Short particulars of all the property mortgaged or charged (continued)

"Parent Guarantee" means the guarantee in the agreed form from LR Group Holdings in favour of the Bank dated 26 November 2003;

"PFI Sheffield" means LR (Sheffield PFI) Limited, a company incorporated under the laws of England and Wales with registered number 3686944;

"PFI Sheffield Credit Agreement" means the credit agreement dated 29 October 2003 and made between PFI Sheffield as borrower, certain banks, The Governor and Company of the Bank of Scotland as agent and The Governor and Company of the Bank of Scotland as counterparty hedging bank;

"PFI Sheffield Share Charge 1" means the share charge dated on or about the date hereof over the shares in PFI Sheffield granted by Heart of the City Limited in favour of the Bank;

"Revenue Account" means the account referred to in Clauses 10.1 and 10.2 of the Credit Agreement;

"Related Rights" means any dividend or interest paid or payable in relation to any Share and any rights, money or property accruing or offered at any time in relation to any Share by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"Security Assets" means the Shares and the Related Rights;

"Secured Parties" means all and each of the Bank and the Hedging Bank and their respective successors and assigns;

"Security Documents" means the Parent Guarantee, the Debenture, the Intercreditor Agreement, the Share Charges, the Counter-Indemnity, the Bank Account Charge, and any other guarantee or document creating, evidencing or acknowledging security in respect of any of the obligations and liabilities of Heart of the City Limited under any Financing Document;

"Share Charges" means the Borrower Share Charge, the PFI Sheffield Share Charge 1 and the Charge; and

"Shares" means all the shares in the PFI Sheffield legally and/or beneficially owned by the Shareholder.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04525593

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SHARE CHARGE DATED THE 26th NOVEMBER 2003 AND CREATED BY LONDON & REGIONAL PFI PROJECTS HOLDINGS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ALL OR ANY OF THE SECURED 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 2nd DECEMBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 5th DECEMBER 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House
— for the record —

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