

635381/273

M**COMPANIES FORM No. 395****Particulars of a mortgage or charge**

A fee of £13 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

8 1

01400735

Name of company

* Propan Properties Limited (the Company)

Date of creation of the charge

12 January 2009

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

Supplemental debenture dated 12 January 2009 entered into (amongst others) the Company and the Agent (as defined below) (the **Supplemental Debenture**). The Supplemental Debenture is supplemental to a debenture dated 21 December 2004 as amended on 19 May 2005 and entered into between (among others) the Company and the Agent (the **Debenture**).

Amount secured by the mortgage or charge

All money and liabilities owing to the Secured Creditors of any kind and in any currency (whether present or future actual or contingent and whether incurred alone or jointly with another) together with the Secured Creditors' charges and commission Interest and Expenses payable by each Chargor and excludes any liabilities which, if secured by the Debenture would result in a contravention by the company of section 151 of the Companies Act 1985 (the **Secured Liabilities**).

Note: Capitalised terms not defined on this page are defined in the M395 Continuation Sheet attached.

Banc

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

The Royal of Scotland plc as facility and security agent for National Westminster Bank Plc (the **Agent**) of 280 Bishopsgate, London

Taken from Covering Letter

Postcode EC2M 4RB

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

Denton Wilde Sapte LLP
One Fleet Place
London EC4M 7WS

HSJR/CAYH/70001.00438

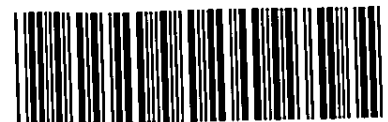
Time critical reference

For official Use (02/00)

Mortgage Section

Post room

TUESDAY



LBWKT6OZ

LD5

20/01/2009

29

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

See the M395 Continuation Sheet attached.

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 Sapie LLP

Date 19 January 2009

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

**A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

Name of company

* insert full name
of company* Propan Properties Limited (the **Company**)

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

Under Clause 2 (*Creation of Security*) of the Debenture, the Company, with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, created the following Security in favour of the Agent for the payment, discharge and performance of all the Secured Liabilities.

1 Creation of Security**1.1 Land**

(a) The Company charged:

- (i) by way of a first priority legal mortgage all estates or interests in any freehold or long leasehold property owned by it (other than any such estates or interests situated in Scotland) and all rights under any licence or other agreement or document which gives the Company a right to occupy or use property; this includes any specified in Part 1 (*Real Property*) of Schedule 2 (*Security Assets*) to the Debenture opposite its name or in Part 1 (*Real Property*) of the schedule to any Deed of Accession by which it became party to the Debenture; and
- (ii) (to the extent that they are not the subject of a mortgage under subparagraph (i) above) by way of first fixed charge all estates or interests in any freehold or long leasehold property owned by it and all rights under any licence or other agreement or document which gives the Company a right to occupy or use property.

(b) A reference in the Debenture to any freehold or leasehold property includes:

- (i) all buildings, erections, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on that property owned by the Company; and
- (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property and any moneys paid or payable in respect of those covenants.

1.2 Investments

(a) Subject to paragraph (b) below, the Company charged:

- (i) by way of a first legal mortgage:
 - (aa) all Target Shares owned by it or held by any nominee on its behalf; and
 - (bb) all shares in any member of the Group owned by it or held by any nominee on its behalf (including any shares specified in Part 2 (*Shares*) of Schedule 2 (*Security Assets*) to the Debenture opposite its name or in Part 2 (*Shares*) of the schedule to any Deed of Accession by which it became party to the Debenture); and
- (ii) (to the extent that they are not the subject of a mortgage under subparagraph (i) above) by way of a first fixed charge its interest in all, shares, stocks, debentures, bonds, warrants, coupons or other securities and investments owned by it or held by any nominee on its behalf.

(b) A reference in paragraph (a)(i) or (ii) above or otherwise in the Debenture to any share, stock, debenture, bond, warrant, coupon or other security or investment includes:

- (i) any dividend, interest or other distribution paid or payable;
- (ii) any right, money or property accruing or offered at any time by way of redemption, substitution,

Name of company

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exchange, bonus or preference, under option rights or otherwise,

- (iii) any right against any clearance system (including any right against CREST or CRESTCo Limited); and
- (iv) any right under any custodian or other agreement (including any right which the Company may have under any agreement with a system-user relating to the use of that system-user's account with CREST)

in relation to that share, stock, debenture, bond, warrant; coupon or other security or investment.

- (c) In the Debenture:

CREST means the clearance system operated by CRESTCO Limited.**clearance system** means a person whose business is or includes the provision of clearance services or security accounts or any nominee or depository for that person (including CREST).**system-user** has the meaning given to it in the Uncertificated Securities Regulations 2001.**1.3 Offer Rights**

The Company charged by way of first priority fixed charge all its Offer Rights.

1.4 Plant and machinery

The Company charged by way of a first fixed charge all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession.

1.5 Credit balances

The Company charged by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account it has with any person and the debt represented by that account.

1.6 Book debts etc.

The Company charged by way of a first fixed charge:

- (a) all of its book and other debts;
- (b) all other moneys due and owing to it; and
- (c) the benefit of all rights, securities, negotiable instruments and guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above.

1.7 Insurances

- (a) The Company assigned absolutely, subject to a proviso for re-assignment on redemption, all amounts payable to it under or in connection with each of its Insurances and all of its rights in connection with those amounts.
- (b) To the extent that they are not effectively assigned under paragraph (a) above, the Company charged by way of first fixed charge all amounts and rights described in paragraph (a) above.
- (c) A reference in this paragraph 1.7 to any amounts excludes all amounts received or receivable under or in connection with any third party liability Insurance and required to settle a liability of an Obligor to a third

Name of company

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party.

1.8 Relevant Contracts

- (a) Subject to paragraph (b) below, the Company assigned absolutely, subject to a proviso for, re-assignment on redemption, all of its rights in respect of its Relevant Contracts, including all damages, compensation, remuneration, profit, rent or income which the Company may derive from that right or be awarded or entitled to in respect of that right.
- (b) To the extent that any such right described in paragraph (a) above is not assignable or capable of assignment, the assignment of that right purported to be effected by paragraph (a) above shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Company may derive from that right or be awarded or entitled to in respect of that right.
- (c) To the extent that they are not effectively assigned under paragraphs (a) and (b) above, the Company charged by way of first fixed charge all of its rights under each agreement and document described in paragraph (a) above.

1.9 Intellectual property

The Company charged by way of a first fixed charge all of its rights in respect of any Intellectual Property Rights; this includes any specified in Part 5 (*Specific Intellectual Property Rights*) of Schedule 2 (*Security Assets*) to the Debenture opposite its name or in Part 5 (*Specific Intellectual Property Rights*) of the schedule to any Deed of Accession by which it became party to the Debenture.

1.10 Assignment of Keyman Insurance Policies

The Company with full title guarantee assigned to the Agent the Keyman Insurance Policies with effect from the date on which such Keyman Insurance Policies are effected and any substituted policy or policies thereafter, together with all monies, benefits and advantages that may become payable or accrue under the Keyman Insurance Policies and the full benefit of all such policies together with power to give an effective discharge for any of the monies assured or otherwise payable under such policies absolutely.

1.11 Miscellaneous

The Company charged by way of a first fixed charge:

- (a) any beneficial interest, claim or entitlement it has to any assets of any pension fund;
- (b) its goodwill;
- (c) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Security Asset and the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph this paragraph (c); and
- (d) its uncalled capital.

1.12 Floating charge

The Company charged by way of a first floating charge:

- (a) all of its assets whatsoever and wheresoever (other than those situated in Scotland) not otherwise effectively mortgaged, charged or assigned under the Debenture; and
- (b) all of its assets situated in Scotland whether or not otherwise effectively mortgaged, charged or assigned

Name of company

* insert full name
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* Propan Properties Limited (the Company)

under the Debenture.

2 Continuation of Debenture

Subject to the amendments contained in the Supplemental Debenture, the provisions of the Debenture shall remain in full force and effect.

3 Restrictions on Dealings

The Company may not:

- (a) create or allow to exist any Security Interest on any of its assets; or
- (b) either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily dispose of all or any part of its assets,

unless permitted under the Credit Agreement.

4 Definitions

In this form 395:

Act means the Companies Act 1985.

Acquisition Documents means the Press Release, the Offer Document, the Receiving Agent Agreement and the Squeeze-out Notice(s).

Additional Chargor means a member of the Group which becomes a Chargor by executing a Deed of Accession.

Ancillary Facility means any facility or financial accommodation (including any overdraft, foreign exchange, guarantee, bonding, documentary or standby letter of credit, credit card or automated payments facility) established by the Ancillary Lender under Clause 7 (*Ancillary Facilities*) of the Credit Agreement in place of all or part of its Commitment.

Ancillary Facility Letter means each letter in the agreed form entered into or to be entered into between certain of the Borrowers and the Ancillary Lender relating to Ancillary Facilities.

Ancillary Lender means National Westminster Bank Plc.

Ancillary Net Outstandings has the meaning given to that term in the Ancillary Facility Letter.

Borrower means (i) the Parent as the original Borrower and (ii) the Target and any other person which has become an additional Borrower in accordance with Clause 3.2 (*Additional Borrowers*) of the Credit Agreement.

Chargor means an Original Chargor and any Additional Chargor.

Closing Date means the date on which the offer has become or is declared unconditional in all respects.

Commitment means:

- (a) for the Original Lender, £40,000,000 and the amount of any other Commitment it acquires; and
- (b) for any other Lender, the amount of any Commitment it acquires,

Name of company

* insert full name
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to the extent not cancelled, transferred or reduced under the Credit Agreement.

Credit Agreement means the revolving credit agreement between the Original Chargors, National Westminster Bank Plc, the Agent and others dated 24 November, 2004.

Direct Insurances means any contract of insurance taken out by or on behalf of a member of the Group.

Deed of Accession means a deed substantially in the form of Schedule 8 (*Form of Deed of Accession*) to the Debenture.

Expenses means any expenses the Secured Creditors or a Receiver incurs (on a full indemnity basis and with interest from the date of payment) in connection with, but not limited to:

- (a) the Mortgaged Property charged by Clause 2 of the Debenture (or any part of a Mortgaged Property); and/or
- (b) taking, perfecting, protecting, enforcing or exercising any power under the Debenture.

Facility means the revolving credit facility referred to in Clause 2.1 (*Facility and Ancillary Facilities*) of the Credit Agreement.

Finance Party means the Agent, a Lender, an Ancillary Lender or the Hedging Bank.

Group means the Parent and its Subsidiaries from time to time, including, on and as from the Closing Date only, the Target Group.

Guarantors means (i) the Parent as original guarantor, (ii) the Target Group companies and Parent Group companies which enter into the Obligor Accession Deed as guarantors pursuant to Clause 3.1 (*Accession of Guarantors*) of the Credit Agreement and (iii) any other person which enters into a Obligor Accession Deed as a guarantor under Clause 27.1 (*New Guarantors*) of the Credit Agreement.

Hedging Bank means National Westminster Bank Plc.

Indirect Insurances means any contract of insurance relating to a freehold or a leasehold property not being Direct Insurance but where:

- (a) the interest of the relevant member of the Group in such property is as a tenant only and, pursuant to the terms of the relevant lease, insurance is to be taken out by the landlord with the relevant member of the Group as a named assured or otherwise to be entitled to the benefit of it; or
- (b) the interest of the relevant member of the Group is as landlord and, pursuant to the terms of the relevant lease, insurance is to be taken out by the tenant with the relevant member of the Group as a named assured or otherwise to be entitled to the benefit of it.

Insurance means Direct Insurances and Indirect Insurances.

Interest means interest at the rate charged by the Secured Creditors, calculated both before and after demand or judgment on a daily basis and compounded according to agreement, or, in the absence of agreement, monthly on the days selected by the Secured Creditors.

Intellectual Property Rights means:

- (a) any know-how, patent, trade mark, service mark, design, business name, domain name, topographical or similar right;
- (b) any copyright, data base or other intellectual property right; or

Name of company

* insert full name
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(c) any interest (including by way of licence) in the above,

in each case whether registered or not, and includes any related application.

Keyman Insurance Policies means keyman insurance policies effected or, as the case may be, to be effected by the Parent on the lives of each of the following persons total prospective death benefits in favour of the Parent in an amount and for a term not less than the amounts and terms set out below:

Names	Amount	Term (Month of Expiry)
Carl Turpin	£500,000	December 2011
Robert Boot	£200,000	February 2009
John Griggs	£250,000	February 2011
Susan Massingham	£250,000	February 2011

Loan means the principal amount of each borrowing under the Facility or the principal amount outstanding of that borrowing and excludes in each case the amount outstanding of any Ancillary Facility, and where designated:

- (a) an **Offer Loan** means any Loan the proceeds of which are to be used solely for the purposes set out in Clause 4.1 (*Offer Loans*) of the Credit Agreement;
- (b) a **Parent Group Loan** means any Loan the proceeds of which are solely to be used for the purposes set out in Clause 4.2 (*Parent Group Loans*) of the Credit Agreement and shall include the OEM Acquisition Refinancing Loan;
- (c) a **Target Group Loan** means any Loan the proceeds of which are solely to be used for the purposes set out in Clause 4.3 (*Target Group Loans*) of the Credit Agreement and shall include the Propan Acquisition Notes Refinancing Loan and the Swaylands Bridging Loan; and
- (d) a **Working Capital Facility Loan** means any Loan the proceeds of which are solely to be used for the purposes set out in Clause 4.4 (*Working Capital Facility Loans and Ancillary Facilities*) of the Credit Agreement.

Lender means (i) the Original Lender or (ii) any person which becomes a Lender after the date of, and in accordance with the terms of, the Credit Agreement (but only for so long as it has any outstanding Commitment or participation in any Loan or Ancillary Net Outstanding or any amount is owed to it (whether actually or contingently) in its capacity as Lender).

Mortgaged Property means all freehold and leasehold property which a Chargor purports to mortgage or charge under the Debenture.

Obligor means a Borrower or a Guarantor.

Obligor Accession Deed means a deed substantially in the form as set out in Schedule 10 (*Form of Obligor Accession Deed*) to the Credit Agreement with such amendments as the Agent may reasonably require.

OEM Acquisition Loan means the £7,500,000 Secured Sterling Term Facility Agreement dated 3 October 2002 between

Name of company

* insert full name
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* Propan Properties Limited (the Company)

the Parent and HSBC Bank Plc.

OEM Acquisition Refinancing Loan means the Loan made under Clause 4.2 (*Parent Group Loans*) of the Credit Agreement to refinance the OEM Acquisition Loan.

Offer means the offer for the Target Shares to be made by Seymour Pierce Limited on behalf of the Parent on the terms and conditions referred to in the Press Release and the Offer Document or as those terms and conditions may be amended in compliance with the Credit Agreement.

Offer Document means the document to be delivered to the shareholders of the Target containing the Offer.

Offer Rights means all rights of the company arising (i) under the terms of any of the Acquisition Documents, (ii) under all acceptances of the Offer including the right to have the Target's shares transferred to the name of, or held to the order of, the company (or its nominee) and (iii) any agreement with the Receiving Agent, including under the Receiving Agent Agreement, or with any brokers which may purchase Target Shares in the market on the company's or its nominee's behalf.

Original Chargors means the persons listed in Schedule 1 to the Debenture.

Original Lender means National Westminster Bank Plc.

Parent means Oakdene Homes Plc.

Parent Group means the Parent and each of its Subsidiaries as at Closing, being as at Signing those as shown in the Parent Group Structure Chart.

Parent Group Structure Chart means the Parent Group's corporate structure chart in the agreed form.

Plant and Machinery means in relation to any Chargor any plant, machinery, computers, office equipment or vehicles specified in Part 3 (*Specific Plant and Machinery*) of Schedule 2 (*Security Assets*) to the Debenture opposite its name or in Part 3 (*Specific Plant and Machinery*) of the schedule to any Deed of Accession by which it became party to the Debenture.

Press Release means the agreed form press release by which the Offer is announced.

Propan Acquisition Notes Refinancing Loan means the Loan made under Clause 4.3 (*Target Group Loans*) of the Credit Agreement to refinance the Propan Acquisition Notes.

Propan Acquisition Notes means the £1,881,381 Propan Unsecured 'B' Loan Notes 2003 to 2004 being consideration loan notes issued by Target (in its previous name of Propan Homes plc) in favour of certain vendors as consideration for the acquisition of Honeygrove Holdings Limited.

Receiver means an administrative receiver, a receiver and manager or a receiver, in each case, appointed under the Debenture.

Receiving Agent means Capita IRG.

Receiving Agent Agreement means the agreement in the agreed form between the Receiving Agent and the Parent in relation to, inter alia, the receipt and settlement of acceptances under the Offer.

Relevant Contract means in relation to the Chargor:

- (a) any agreement specified in Part 4 (*Relevant Contracts*) of Schedule 2 (*Security Assets*) to the Debenture opposite its name or in Part 4 (*Relevant Contracts*) of the schedule to any Deed of Accession by which it became a party to the Debenture; and

Name of company

* insert full name
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* Propan Properties Limited (the **Company**)

- (b) any other agreement to which the Chargor is a party and which the Chargor and the Agent have designated a Relevant Contract.

Secured Creditors means the Finance Parties.

Security means any Security Interest created, evidenced or conferred by or under the Debenture or any Deed of Accession.

Security Interest means any mortgage, pledge, lien, charge (fixed or floating), assignment, hypothecation, set-off or trust arrangement or reservation of title, in each case, for the purpose of creating security or security interest or any other agreement or arrangement having a substantially similar effect.

Signing means the date of the Credit Agreement.

Squeeze-out Notice means a notice under Section 429(4) of the Act to a shareholder of the Target who has not accepted the Offer of the Parent's intention to compulsorily acquire the Target Shares of that shareholder.

Subsidiary means any subsidiary within the meaning of section 736 of the Act any subsidiary undertaking within the meaning of section 258 of the Act and any other entity treated as a subsidiary in the financial statements of any person pursuant to the Accounting Principles.

Target means Honeygrove Group plc (registered number 03630751).

Target Group means the Target and each of its Subsidiaries from time to time, being at Signing those shown as such in the Target Group Structure Chart.

Target Group Structure Chart means the Target Group's corporate structure chart in the agreed form.

Target Shares means all the shares (of whatever class) in the capital of the Target together with all rights attaching thereto or exercisable in respect of any of them.



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY NO. 1400735

CHARGE NO. 89

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SUPPLEMENTAL DEBENTURE
DATED 12 JANUARY 2009 AND CREATED BY PROPAN
PROPERTIES LIMITED FOR SECURING ALL MONIES DUE OR TO
BECOME DUE FROM THE COMPANY TO THE SECURED
CREDITORS ON ANY ACCOUNT WHATSOEVER 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
20 JANUARY 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21 JANUARY
2009



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES