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

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[4] [] [] []

01580744

Name of company

* Westminster Health Care Group Limited (the "Company")

Date of creation of the charge

13 July 2006

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

An intercreditor and subordination agreement dated 13 July 2006 (the
"Intercreditor and Subordination Agreement") between, among others, the
Company and The Royal Bank of Scotland plc as security trustee (the
"Security Trustee") for the Senior Creditors

Amount secured by the mortgage or charge

All the Liabilities and all other present and future obligations at any
time due, owing or incurred by any Obligor to any Secured Party under the
Finance Documents, both actual and contingent and whether incurred solely
or jointly and as principal or surety or in any other capacity (the
"Secured Obligations")

Please see attached Schedule 1 (Definitions)

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

The Royal Bank of Scotland plc, 9th Floor, 280 Bishopsgate, London, as
Security Trustee

Postcode EC2M 4RB

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

(via London Counter)

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

For official Use (06/2005)

Mortgage Section

Post room



Time critical reference

VP/70-40037161/KDH

Short particulars of all the property mortgaged or charged

Please see attached Schedule 1 (Definitions) and Schedule 2 (Short Particulars of all the Property Charged)

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

Particulars as to commission allowance or discount (note 3)

None

Signed **CLIFFORD CHANCE LLP**

Date 25 July 2006

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ [chargee] † The Royal Bank of Scotland plc

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

† 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 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

Schedules to Form 395 relating to the Intercreditor and Subordination Agreement dated 13 July 2006 between, among others, Westminster Health Care Group Limited and The Royal Bank of Scotland plc as Security Trustee for the Senior Creditors

SCHEDULE 1

DEFINITIONS

In this Form 395:

"Agent" means The Royal Bank of Scotland plc as agent for the Senior Lenders and the Hedge Counterparties.

"Barchester" means Barchester Healthcare Limited (registration number 2792285).

"Bridge Facility Agreement" means the bridge facility agreement dated 13 July 2006 made between, among others, Barchester as borrower, the Agent, the Security Trustee and the financial institutions named therein as lenders.

"Charged Property" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Trustee.

"Existing Eurobonds" has the meaning given to it in the Relevant Senior Facility Agreement.

"Finance Document" means each of the Intercreditor and Subordination Agreement, the Senior Finance Documents, the Security Documents, any agreement evidencing the terms of the Intra-Group Liabilities, the Investor Bond Documents and any other document designated as such by the Agent and Barchester.

"Group" means the Parent and each of its Subsidiaries for the time being.

"Hedge Counterparties" means The Royal Bank of Scotland plc and any financial institution which becomes a Party in accordance with the terms of Clause 6.1 (*Identity of Hedge Counterparties*) or Clause 14.1 (*Change of Hedge Counterparty*) of the Intercreditor and Subordination Agreement.

"Insolvency Event" means, in relation to any Obligor:

- (a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that Obligor or an administrator is appointed to that Obligor;
- (b) any composition, assignment or arrangement is made with any of its creditors;
- (c) the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of that Obligor or any of its assets; or
- (d) any analogous procedure or step is taken in any jurisdiction.

"Intra-Group Lenders" means each member of the Group which has made available a loan to an Obligor and which is named on the signing pages of the Intercreditor and Subordination Agreement as an Intra-Group Lender or which becomes a party as an Intra-Group Lender in accordance with the terms of Clause 14 (*Change of Party*) of the Intercreditor and Subordination Agreement.

"Intra-Group Liabilities" means the Liabilities owed by any Obligors to any of the Intra-Group Lenders (including under the "Existing Grove Facility" as defined in the Relevant Senior Facility Agreement).

"Investor" means Grove Limited, a company incorporated in Jersey with company number 74757.

"Investor Bond Documents" means the documents evidencing the terms of the Existing Eurobonds.

"Issuing Bank" means each Senior Lender which is an Issuing Bank in accordance with the terms of the OpCo Facility Agreement.

"Lender Accession Undertaking" means an undertaking in substantially the form set out in Schedule 2 (*Form of Lender Accession Undertaking*) to the Intercreditor and Subordination Agreement.

"Lenders" means the Senior Lenders, Hedge Counterparties and Intra-Group Lenders.

"Liabilities" means all present and future liabilities and obligations at any time of any Obligor to any lender, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for damages or restitution; and
- (c) any claim as a result of any recovery by any Obligor of a payment or discharge on the grounds of preference,

and any amounts which would be included in any of the above but for any discharge, non-provability or unenforceability of those amounts in any insolvency or other similar proceedings.

"Obligor" means each Original Obligor and any subsidiary of Barchester that becomes a Party as an Obligor in accordance with the terms of Clause 14 (*Change of Party*) of the Intercreditor and Subordination Agreement.

"OpCo" means Barchester Healthcare Homes Limited (registration number 2849519).

"OpCo Facility Agreement" means the term facility agreement dated 13 July 2006 made between, among others, OpCo as borrower, the Agent, the Security Trustee and the financial institutions named therein as lenders.

"OpCo / PropCo Utilisation Date" has the meaning given to it in the Bridge Facility Agreement.

"Original Obligors" means the Subsidiaries of the Parent together with Barchester.

"Overdraft Bank" means each financial institution named on the signing pages as an Overdraft Bank and any financial institution which becomes a Party in accordance with the terms of Clause 14.8 (*Change of Overdraft Bank*) of the Intercreditor and Subordination Agreement.

"Parent" has the meaning given to it in the Relevant Senior Facility Agreement.

"Party" means a party to the Intercreditor and Subordination Agreement.

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Relevant Senior Facility Agreement" means:

- (a) until the OpCo / PropCo Utilisation Date, the Bridge Facility Agreement; and
- (b) on and from the OpCo / PropCo Utilisation Date, the OpCo Facility Agreement.

"Secured Parties" means the Security Trustee, any Receiver or Delegate, and the Agent and the Senior Creditors from time to time but, in the case of the Agent or each Senior Creditor, only if it is a party to the Intercreditor and Subordination Agreement or has delivered to the Security Trustee a duly executed Lender Accession Undertaking accepted by the Security Trustee and the Agent.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Documents" means:

- (a) each of the "Security Documents" as defined in the Relevant Senior Facility Agreement;
- (b) any other document entered into at any time by any of the Obligors creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Obligations; and
- (c) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a) and (b) above.

"Senior Creditors" means the Senior Lenders and the Hedge Counterparties.

"Senior Facility Agreement" means each of:

- (a) the Bridge Facility Agreement; and
- (b) the OpCo Facility Agreement.

"Senior Finance Documents" means each of:

- (a) the "Guarantee Documents" as defined in the Bridge Facility Agreement; and
- (b) the "Finance Documents" as defined in the OpCo Facility Agreement.

"Senior Lenders" means each "Lender" as defined in and party to a Senior Facility Agreement, each Issuing Bank and each Overdraft Bank.

"Subsidiary" has the meaning given to it in the Relevant Senior Facility Agreement.

"Transaction Security" means the Security created or expressed to be created under or pursuant to the Security Documents.

SCHEDULE 2

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

TURNOVER BY THE LENDERS

Subject to Clause 10.2 (*Permitted assurance and receipts*) of the Intercreditor and Subordination Agreement, if at any time prior to the discharge in full of the Liabilities of the Senior Creditors, any Lender or Investor receives or recovers:

- (a) any payment or distribution of, or on account of or in relation to, any of the Liabilities which is not permitted by either Clause 7 (*Permitted Payments*) or Clause 13 (*Application of Proceeds*) of the Intercreditor and Subordination Agreement;
- (b) any amount by way of set-off in respect of any of the Liabilities owed to them which does not give effect to a payment permitted by Clause 7 (*Permitted Payments*) of the Intercreditor and Subordination Agreement;
- (c) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 13 (*Application of Proceeds*) of the Intercreditor and Subordination Agreement;
or
- (d) any distribution in cash or in kind made as a result of the occurrence of an Insolvency Event in respect of any Obligor,

that Lender or Investor will hold that amount on trust for the Security Trustee and promptly pay that amount to the Security Trustee or, if this trust cannot be given effect to or if in respect of any Lender or Investor this trust has the effect of creating a proprietary or security interest over that amount registrable under the Companies Act 1985, that Lender shall pay an amount equal to that receipt or recovery to the Security Trustee, in each case to be held on trust by the Security Trustee for application in accordance with the terms of the Intercreditor and Subordination Agreement.

TURNOVER BY THE OBLIGORS

If any of the Obligors receives or recovers any sum which, under the terms of any of the Finance Documents, should have been paid to the Security Trustee, that sum shall be held on trust for the Security Trustee or, if this trust cannot be given effect to, that Obligor shall pay an amount equal to that receipt or recovery to the Security Trustee, in each case to be held on trust by the Security Trustee for application in accordance with the terms of the Intercreditor and Subordination Agreement.

FURTHER ASSURANCE

The Intercreditor and Subordination Agreement contains covenants for further assurance.

NEGATIVE PLEDGE

The Intercreditor and Subordination Agreement contains a negative pledge.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01580744

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN INTERCREDITOR AND SUBORDINATION AGREEMENT DATED THE 13th JULY 2006 AND CREATED BY WESTMINSTER HEALTH CARE GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OBLIGOR TO ANY SECURED PARTY 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 25th JULY 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 3rd AUGUST 2006.

L Cangel



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES