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COMPANIES FORM No. 395

591475/250

Particulars of a mortgage or charge

395

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

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

113

02346804

Name of company

* Bede Village Management Limited (the **Chargor**)

Date of creation of the charge

19 October 2004

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

Debenture (the **Debenture**) dated 19 October 2004 made between (1) the **Chargor** and certain other subsidiaries of Barchester Healthcare Limited (as listed in Schedule 2 of the Debenture) and (2) the Security Trustee (as defined below)

Amount secured by the mortgage or charge

The actual, contingent, present and/or future obligations and liabilities of the Charging Companies under or pursuant to the Guarantee Documents, including the Debenture except for any liabilities which, if secured by this Debenture, would result in a contravention by any **Chargor** of section 151 of the Companies Act 1985 (the **Secured Obligations**)

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

The Royal Bank of Scotland plc as agent and trustee for the Beneficiaries (the **Security Trustee** which expression shall include all successor agents appointed from time to time) of 280 Bishopsgate, London

Please return

via

CH London Counter

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

Denton Wilde Sapte
1 Fleet Place
London
EC4M 7WS

DGs/CJF/70102.00100/6866464

Time critical reference

Postcode EC2M 4RB

For official Use
Mortgage Section

Post room



LD2
COMPANIES HOUSE

0195
02/11/04

1 Mortgages, fixed charges and floating charge

1.1 The Chargor, with full title guarantee, as continuing security for the payment of the Secured Obligations, charged in favour of the Security Trustee (as security trustee and agent for the Beneficiaries):

- (a) by way of legal mortgage all estates or interests in the Legally Mortgaged Property;
- (b) by way of fixed charge all estates or interests in any freehold, leasehold and other immovable property at the date of the Debenture or at any time during the continuance of the security belonging to the Chargor (other than the Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to the Chargor;
- (c) by way of fixed charge all its title, rights and interests in all plant, machinery, vehicles, computers and office and other equipment legally and beneficially owned by the Chargor both present and future;
- (d) by way of fixed charge all book debts and other debts as at the date of the Debenture and from time to time due or owing to the Chargor (the **Debts**) and all moneys which the Chargor receives in respect thereof together with all rights relating thereto including any security and remedies therefor;

continued on document 6866468

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

Deeth Wilde Sapte

Date 2 November 2004

On behalf of [XXXXXX] [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)

† 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

COMPANIES FORM No. 395 (Cont.)

Continuation Sheet No 1/1
Continued from 6866464
Company Number

02346804

Name of company

Bede Village Management Limited (the **Chargor**)

Short Particulars of all the property mortgaged or charged

- (e) by way of fixed charge all balances standing to the credit of any current, deposit or other account of the Chargor including the Charged Accounts (the **Bank Accounts**) with the Security Trustee or any other Beneficiary or with other bankers, financial institutions or similar third parties (the **Credit Balances**);
- (f) by way of fixed charge all stocks, shares, debentures, bonds, notes and loan capital of:
- (i) any Subsidiary; and
 - (ii) any other body corporate;
- and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may at the date of the Debenture or thereafter belong to the Chargor, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;
- (g) by way of fixed charge the goodwill of the Chargor and its uncalled capital at the date of the Debenture or at any time thereafter in existence;
- (h) by way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom at the date of the Debenture or at any time thereafter belonging to the Chargor and all fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions;
- (i) by way of assignment by way of security all of the Chargor's rights, title and interest at the date of the Debenture or in the future in (save where the Chargor is prevented from assigning the same under the terms of any agreement and where the Chargor has used all reasonable endeavours to procure that consent to assignment is provided):
- (i) the rights under the appointment of any managing agent of the Legally Mortgaged Property;
 - (ii) the benefit of all covenants, agreements, Tenancy Agreements, undertakings, security or obligations entered into or to be entered into by the Chargor and of all other guarantees, indemnities, licences, deeds, rent deposit agreements, or other deeds or documents supplemental or collateral in respect of any of the aforesaid;
 - (iii) the benefit of all rights and claims to which the Chargor was at the date of the Debenture or may thereafter become entitled in relation to the Legally Mortgaged Property (including those against all persons who at the date of the Debenture or may at any time be in occupation of the Legally Mortgaged Property under any Tenancy Agreement or licence or otherwise and all guarantors and sureties for the obligations of

COMPANIES FORM No. 395 (Cont.)

Continuation Sheet No 2/1
Continued from 6866464
Company Number
02346804

Name of company

Bede Village Management Limited (the Chargor)

Short Particulars of all the property mortgaged or charged

- such persons);
- (iv) the benefit of all guarantees, warranties and representations given or made at the date of the Debenture or thereafter by and any rights or remedies against all or any of the designers, builders, contractors, professional advisers, sub-contractors, manufacturers, suppliers and installers of any fixtures in relation to the Legally Mortgaged Property;
 - (v) the Chargor's interest in every insurance policy and all benefits in respect of them effected in respect of the Charged Property;
 - (vi) the benefit of all other agreements, contracts, deeds, undertakings, guarantees, warranties or other documents entered into by or given to the Chargor at any time on or after the date of the Debenture in respect of the Charged Property and all documents in existence at any time on or after the date of the Debenture necessary to enable the Security Trustee to perfect the same and all the proceeds of any payment of any claims, awards or judgments paid or payable to the Chargor under or in respect of the Charged Property (including but without limitation all liquidated and ascertained damages payable to the Chargor under the Charged Property) and all the rights or remedies of the Chargor at the date of the Debenture or hereafter in existence arising under the Charged Property;
 - (vii) all Hedging Agreements including without limitation and all proceeds paid or payable thereunder;
 - (viii) the benefit of all Acquisition Agreements and Project Documents entered into by the Chargor at any time on or after the date of the Debenture;
 - (ix) all payments, repayments and refunds of VAT due or owing by HM Customs and Excise to the Chargor;
 - (x) any Intercompany Loans;
 - (xi) the Grove Commitment Letter; and
 - (xii) the Westminster Acquisition Documents;
- (j) by way of floating charge the whole of the Chargor's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, assigned or charged to the Security Trustee by way of fixed charge by this clause (hereinafter collectively referred to as the **Floating Charge Property**).

1.2 To the extent that any right, title or interest described in Clause 1.1(i) above is not assignable or capable of assignment, the assignment purported to be effected by Clause 1.1(i) above shall

Name of company

Bede Village Management Limited (the **Chargor**)

Short Particulars of all the property mortgaged or charged

operate as:

- (i) in the case of insurances, an assignment of any and all proceeds of insurances received by the Chargor; and
- (ii) in the case of the other Assigned Assets as an assignment of any and all damages, compensation, remuneration, profit, rent, income or other benefit which the Chargor may derive or be awarded or entitled to in respect of the relevant Assigned Assets

in each case as continuing security for the payment, discharge and performance of the Secured Obligations.

- 1.3 The assignment of the Westminster Acquisition Documents referred to in Clause 1.1(i)(xii) above shall at all times be subject to the provisions of clause 18.3 of the Westminster Acquisition Agreement.
- 1.4 The security constituted by or pursuant to the Debenture shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which the Security Trustee or any other Beneficiary may at any time hold in respect of any of the Secured Obligations and it was declared that no prior security held by the Security Trustee or any other Beneficiary over the Charged Property or any part thereof shall merge in the security created thereby or pursuant thereto.
- 1.5 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2002) shall apply to any floating charge created pursuant to the Debenture.

2 Negative pledge

2.1 The Chargor shall not create or permit to subsist any Security over any of its assets other than:

- (a) any lien arising by operation of law and in the ordinary course of trading;
- (b) any Security entered into pursuant to any Guarantee Document;
- (c) any lien in respect of a Finance Lease where the aggregate value of such liens granted by the Chargors is less than £500,000;
- (d) any set off or netting agreement (including any guarantee given in connection with that arrangement) entered into with the Agent and the Group in the ordinary course of banking business;
- (e) any other Security notified to the Agent to which the Agent (acting on instructions of the Majority

COMPANIES FORM No. 395 (Cont.)

Continuation Sheet No 4/1
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Company Number

02346804

Name of company

Bede Village Management Limited (the **Chargor**)

Short Particulars of all the property mortgaged or charged

Lenders) has given its prior written consent in writing.

Definitions

Acquisition Agreement has the meaning given to that term in the Credit Agreement

Agent means The Royal Bank of Scotland plc of 135 Bishopsgate, London, EC2M 3UR as agent on behalf of the other Finance Parties

Arranger means The Royal Bank of Scotland plc of 280 Bishopsgate, London, EC2M 4RB

Assigned Assets means all the interests, rights and claims assigned to the Security Trustee under Clause 3.1(i) of the Debenture (as referred to above in clause 1.1(i) of this Form 395)

Beneficiary means all and each Finance Party and the Overdraft Bank and **Beneficiaries** shall be construed accordingly

Borrower means Barchester Healthcare Limited, a company incorporated England and Wales with registered number 02792285.

Bridging Arranger means RBS Mezzanine Limited of 135 Bishopsgate, London EC2M 3UR as arranger of the Bridging Facility

Bridging Facility has the meaning given to such term in the Credit Agreement

Charged Accounts has the meaning given to such term in the Debenture

Charged Property means the property, assets and income of the Chargor mortgaged, assigned or charged to the Security Trustee (whether by way of legal mortgage, assignment, fixed or floating charge) by or pursuant to the Debenture and each and every part thereof.

Charging Companies means the companies referred to in Schedule 2 of the Debenture and each company which accedes to the terms of the Debenture pursuant to the terms of a duly executed Security Accession Deed.

Credit Agreement means the facility agreement dated 19 October 2004 between inter alia Barchester Healthcare Limited, certain Subsidiaries of Barchester Healthcare Limited, certain banks and the Security Trustee.

Fee Letter has the meaning given to such term in the Credit Agreement

Finance Document means the Credit Agreement, the Intercreditor Agreement, any Intercreditor Accession Deed, any Fee Letter, any Hedging Agreement, any Transfer Certificate and any Security Document and any other document designated as such by the Agent and the Borrower.

Continuation Sheet No 5/1
Continued from 6866464
Company Number

02346804

Name of company

Bede Village Management Limited (the **Chargor**)

Short Particulars of all the property mortgaged or charged

Finance Lease has the meaning given to that term in the Credit Agreement

Finance Party means the Agent, the Arranger, the Bridging Arranger, the Issuing Bank, the Security Trustee or a Lender (but shall not include the Overdraft Bank)

Financial Indebtedness has the meaning given to that term in the Credit Agreement

Group means the Barchester Healthcare Limited, Westminster Healthcare Holdings Limited and each of their respective Subsidiaries for the time being and **Group Company** means any one of them.

Grove Commitment Letter means the letter in the agreed form dated 19 October 2004 and made between Grove Limited (a company incorporated in Jersey with registered number 74757) and Barchester Healthcare Limited.

Guarantee Documents means each Finance Document and each Overdraft Document and Guarantee Documents means all such documents.

Hedging Agreements has the meaning given to that term in the Credit Agreement.

Intercompany Loans means all Financial Indebtedness payable or owing by one Group Company to another including, but not limited to, all loans made under the Intercompany Loan Agreement

Intercompany Loan Agreement means the intercompany loan agreement dated on or about 27 November 2003 and made between the Charging Companies (as lenders and borrowers).

Intercreditor Accession Deed has the meaning given to such term in the Credit Agreement

Intercreditor Agreement has the meaning given to such term in the Credit Agreement

Issuing Bank means The Royal Bank of Scotland plc of 280 Bishopsgate, London EC2M 4RB as issuing bank

Legally Mortgaged Property means the property described the Schedule, the proceeds of sale thereof and all buildings and trade and other fixtures on any such property belonging to or charged to the Chargor.

Lender means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with the Credit Agreement.

which in each case has not ceased to be a Party in accordance with the terms of the Credit Agreement but shall not include the Overdraft Bank

Majority Lenders has the meaning given to such term in the Credit Agreement.

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Continuation Sheet No 6/1
Continued from 6866464
Company Number

02346804

Name of company

Bede Village Management Limited (the **Chargor**)

Short Particulars of all the property mortgaged or charged

Original Lender means the financial institutions listed in Schedule 1 of the Credit Agreement.

Overdraft Bank means The Royal Bank of Scotland plc of 280 Bishopsgate, London EC2M 4RB as overdraft bank

Overdraft Document means the Overdraft Letter and any other documents from time to time setting out the terms of the Overdraft Facility and designated as such by the Overdraft Bank and Barchester Healthcare Limited.

Overdraft Facility has the meaning given to such term in the Credit Agreement.

Overdraft Letter has the meaning given to such term in the Credit Agreement

Party means a party to the Credit Agreement.

Project Documents has the meaning given to such term in the Credit Agreement.

Security means a mortgage, charge, pledge, lien, assignment by way of security, 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 other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

Security Accession Deed has the meaning given to such term in the Credit Agreement

Security Document has the meaning given to such term in the Credit Agreement

Subsidiary means a subsidiary within the meaning of Section 736 of the Act and for the purposes of financial statements undertaking within the meaning of section 258 of the Act

Tenancy Agreement means any lease, underlease, sub-lease, licence, agreement, option, occupation agreement or any other document to which the Chargor is a party governing the use or occupation of the Legally Mortgaged Property or any part of the Legally Mortgaged Property.

Transfer Certificate has the meaning given to such term in the Credit Agreement

Vendors means the Sellers (as defined in the Westminster Acquisition Agreement) and **Vendor** shall be construed accordingly.

Westminster Acquisition Agreement means the sale and purchase agreement dated on or about 19 October 2004 relating to the sale and purchase of the Westminster Shares and made between the Vendors and Barchester Healthcare Limited

Westminster Acquisition Documents means the Westminster Acquisition Agreement and any documents ancillary to such agreement but, for the avoidance of doubt, shall not include the Westminster Disclosure Letter

Westminster Disclosure Letter has the meaning given to the term "Disclosure Letter" in the

COMPANIES FORM No. 395 (Cont.)

Continuation Sheet No 7/1
Continued from 6866464
Company Number

02346804

Name of company

Bede Village Management Limited (the **Chargor**)

Short Particulars of all the property mortgaged or charged

Westminster Acquisition Agreement

Westminster Shares means all of the issued share capital of Westminster Healthcare Holdings Limited.

SCHEDULE OF LEGALLY MORTGAGED PROPERTY

None.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02346804

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 19th OCTOBER 2004 AND CREATED BY BEDE VILLAGE MANAGEMENT LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE CHARGING COMPANIES TO THE ROYAL BANK OF SCOTLAND PLC AS AGENT AND TRUSTEE FOR THE BENEFICIARIES (THE SECURITY TRUSTEE) 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 NOVEMBER 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 4th NOVEMBER 2004.

LC Angela



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —