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COMPANIES FORM No. 395

Particulars of a mortgage or charge

MM
330x33
106088

395

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

CHFP025

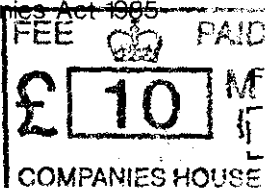
Please do not write in this margin

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

2582268

Name of company

* FERGUSON CARE LIMITED (the "Company")

Date of creation of the charge

31 October 2001

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

Security accession deed dated 31 October 2001 between the New Charging Companies, Craegmoor Limited (the "Parent") and RBS Mezzanine Limited (the "Security Agent") (the "Deed"), and supplemental to a debenture dated 27 July 2001 and made between, inter alia, the Parent, the Charging Companies named therein and the Security Agent (the "Debenture").

Amount secured by the mortgage or charge

All money or liabilities due, owing or incurred to any Secured Party by any Charging Company or any other Obligor under any Note Finance Document at present or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and including all liabilities in connection with any notes, bills or other instruments accepted by any Secured Party for or at the request of an Obligor and all losses incurred by any Secured Party in connection therewith except for any money or liability which, if it were so included, would cause the infringement of section 151 of the Companies Act 1985 (the "Indebtedness").

In this form 395 capitalised terms used have the meanings given to them as set out on continuation sheets 5, 6 and 7.

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

RBS Mezzanine Limited, Level 7, 135 Bishopsgate, London (the "Security Agent").

Postcode EC2M 3UR

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

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London
EC2A 2HA

For official Use
Mortgage Section

Post room



LD6
COMPANIES HOUSE

0280
14/11/01

Time critical reference
Ref: JZP/2428989

Please see continuation sheets 1 to 13.

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

Ashurst Morris Crisp

Date

13 November 2001

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)

† 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

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 1

1. CHARGING CLAUSE

1.1 Fixed charges

The Company, as continuing security for the payment of the Indebtedness, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage all freehold and leasehold property (including the property specified on continuation sheet 10) together with all buildings and fixtures (including trade fixtures) on that property; and
- (b) by way of first fixed charge:
 - (i) all other interests (not charged under clause 1.1(a)) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all warranties and covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
 - (ii) all the Subsidiary Shares and Investments and all corresponding Distribution Rights (including the Subsidiary Shares specified on continuation sheet 12);
 - (iii) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
 - (iv) all Book Debts and all rights and claims against third parties and against any security in respect of Book Debts;
 - (v) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of such debts and claims;
 - (vi) all monies standing to the credit of its accounts (including the Collection Accounts, the Cash Collateral Accounts and the Nominated Accounts) with any bank, financial institution or other person (including those specified on continuation sheet 11);
 - (vii) all its Intellectual Property Rights;
 - (viii) the benefit of all consents and agreements held by it in connection with the use of any of its assets;
 - (ix) its goodwill and uncalled capital;

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 2

- (x) if not effectively assigned by clause 1.3 (Security assignment), all its rights and interests in (and claims under) the Assigned Agreements.

1.2 Floating charge

As further continuing security for the payment of the Indebtedness, the Company charges with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Secured Parties) by way of first floating charge all its assets, both present and future, not effectively charged by way of first fixed charge under clause 1.1 (Fixed charges) or assigned under clause 1.3 (Security assignment), including heritable property and all other assets in Scotland.

1.3 Security assignment

- (a) As further security for the payment of the Indebtedness, the Company assigns absolutely to the Security Agent all its rights, title and interest in the Assigned Agreements identified on continuation sheet 13, provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as it shall direct).
- (b) Until the occurrence of a Declared Default, but subject to clause 8.8 of the Debenture (Assigned agreements), the Company may continue to deal with the counterparties to the relevant Assigned Agreements.

1.4 Conversion of floating charge

If:

- (a) a Declared Default has occurred; or
- (b) the Security Agent is of the view that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized or otherwise in jeopardy,

the Security Agent may, by notice to the Company, convert the floating charge created under the Deed into a fixed charge as regards those assets which it specifies in the notice. The Company shall promptly execute a fixed charge or legal assignment over those assets in the form which the Security Agent requires.

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 3

1.5 **Automatic conversion of floating charge**

If the Company creates (or purports to create) any Security Interest (except as permitted by the Note Instrument or with the prior consent of the Security Agent) on or over any Floating Charge Asset without the prior consent in writing of the Security Agent, or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, the floating charge created under the Deed will automatically (without notice) and immediately be converted into a fixed charge over the relevant Floating Charge Asset.

2. **CONTINUING SECURITY**

2.1 **Continuing security**

This security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Indebtedness or any other matter or thing.

2.2 **Other security**

This security is to be in addition and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent and/or any other Secured Party may now or after the date of this deed hold for any of the Indebtedness, and this security may be enforced against the Company without first having recourse to any other rights of the Security Agent or any other Secured Party.

3. **FURTHER ASSURANCE**

- (a) The Company will, at its own expense, promptly following request by the Security Agent, execute such deeds and other agreements and otherwise take whatever action the Security Agent may require:
 - (i) to perfect and/or protect the security created (or intended to be created) by the Deed;
 - (ii) to facilitate the realisation or enforcement of such security;
 - (iii) to facilitate the exercise of any of the Security Agent's rights, powers or discretions under the Deed; and/or

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 4

- (iv) to confer on the Security Agent security over any assets of that Charging Company (in whatever jurisdiction situated) equivalent or similar to the security intended to be conferred by the Deed,

including the conversion of charges to assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever.

- (b) Any security document required to be executed by the Company under this clause 3 will contain clauses corresponding to the provisions set out in the Deed.

4. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

The Company may not:

- (a) create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than Floating Charge Assets on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except as permitted by the Note Instrument or with the prior consent of the Security Agent.

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 5

"Acquisition Documents" means the Sale and Purchase Agreement, Disclosure Letter, the Vendor Loan Note Instrument, the Vendor Loan Notes, the Friarsfield Side Letter Agreement and all other documents and agreements made by the Vendor and any Group Company in connection with the Sale and Purchase Agreement;

"Agent" means the Noteholders' Agent and the Security Agent;

"Assigned Agreements" means the Acquisition Documents and the Insurances;

"Book Debts" means all book and other debts arising in the ordinary course of trading;

"Cash Collateral Accounts" means the Cash Collateral Account as defined in the Note Instrument;

"Charging Company" means the Parent, the Principal Borrower and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

"Charged Property" means the assets mortgaged, charged or assigned to the Security Agent by the Debenture;

"Collection Accounts" means the accounts of the Charging Companies set out on continuation sheet 12 and/or such other accounts as the relevant Charging Company and the Security Agent shall agree or (following the occurrence of a Declared Default) as the Security Agent shall specify;

"Declared Default" means an Event of Default which has resulted in the Noteholders' Agent exercising any of its rights under Condition 13.2 (cancellation and repayment) of the Note Instrument;

"Disclosure Letter" means the letter dated on or before the date of this instrument from the Vendor to the Company which is described on its face as the disclosure letter;

"Distribution Rights" means all dividends, distributions and other income paid or payable on an Investment or Subsidiary Share, together with all shares or other property derived from that Investment or Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"Events of Default" means the "Events of Default" as defined in the Note Instrument;

"Floating Charge Asset" means an asset charged under clause 2.4 of the Deed (Floating charge);

"Friarsfield Side Letter Agreement" has the meaning given to it in the Note Instrument;

"Group" means the Parent and its Subsidiaries from time to time;

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 6

"Group Company" means a member of the Group;

"Guarantor" means the Parent and each other Group Company which has become a guarantor under the Note Instrument in accordance with schedule 6 of the Note Instrument (Guarantee and security provisions);

"Insurances" means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Charging Company or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors and officers insurance;

"Intellectual Property Rights" means all patents and patent applications, trade and service marks and trade and service mark applications (and all goodwill associated with any such registrations and applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all inventions, all trade secrets, all know-how and all other intellectual property rights throughout the world;

"Investment" means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in part 1 of schedule 1 to the Financial Services Act 1986 as at the date of the Debenture) owned by each Charging Company (including, unless the context otherwise requires, the Subsidiary Shares);

"Mezzanine Arranger" mean RBS Mezzanine Limited;

"New Charging Companies" the companies incorporated in England and Wales with registered numbers set opposite their names on continuation sheets 8 and 9;

"Nominated Accounts" means an account (nominated by the Security Agent) into which the Company will pay all Other Debts charged to the Security Agent under the Debenture, after collecting such Other Debts as agent for the Security Agent.

"Note Finance Documents" has the meaning given to it in the Note Instrument;

"Note Finance Parties" means the Mezzanine Arranger, each Agent and each Noteholder;

"Note Instrument" means the payment in kind loan note instrument dated on or about the date of this deed pursuant to which the Principal Borrower constituted the Notes;

"Noteholder" means a person whose name is entered in the Register as the holder of a Note;

"Noteholders' Agent" means RBS Mezzanine Limited;

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 7

"Notes" means the £200,000,000 floating rate secured loan notes 2013 constituted by the Note Instrument or, as the case may be, the principal amounts represented by them and for the time being issued and outstanding.

"Obligors" means the Parent, the Company and each Guarantor;

"Other Debts" means the debts and claims identified in clause 2.3(b)(v) of the Deed (Fixed charges);

"Principal Borrower" means Craegmoor No.2 Limited;

"Register" means the register of holders of the Notes kept by or on behalf of the Company;

"Sale and Purchase Agreement" means the agreement in the agreed form dated on or before the date of this instrument relating to the acquisition of the Target Assets made between, amongst others, the Company as purchaser and the Vendor;

"Secured Parties" means the Note Finance Parties;

"Security Accession Deed" means a deed executed by a Group Company substantially in the form set out in schedule 6 of the Debenture, with those amendments which the Security Agent may approve or reasonably require;

"Security Interest" means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, right of set-off, security trust, assignment by way of security, reservation of title, any other security interest or any other agreement or arrangement (including a sale a repurchase arrangement) having the commercial effect of conferring security;

"Subsidiary" means a subsidiary and a subsidiary undertaking as defined in sections 736 and 258 of the Companies Act 1985 respectively;

"Subsidiary Shares" means all shares owned by a Charging Company in its Subsidiaries;

"Target" means Craegmoor Group Limited, a company incorporated in England and Wales with registered number 2825572;

"Target Assets" means the entire issued share capital of the Target;

"Vendor" has the meaning given to it in the Note Instrument;

"Vendor Loan Notes" has the meaning given to it in the Note Instrument;

"Vendor Loan Note Instrument" means the loan note instrument in the agreed form dated on or before the date of this instrument constituting the Vendor Loan Notes.

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 8

New Charging Companies

Name	Place of incorporation	Registered number
Craegmoor Group Limited	England and Wales	2825572
Parkcare Homes (No. 2) Limited	England and Wales	04000281
La Pierre Carehomes Limited	England and Wales	2647567
Grovedraft Limited	England and Wales	4166805
Challenge Care Limited	England and Wales	1973823
Craegmoor Healthcare Company Limited	England and Wales	3830455
Alphabet Childrens (Fostering) Services Limited	England and Wales	3078674
Alphabet Childrens Services Limited	England and Wales	2939514
Comfort Services Limited	England and Wales	2960351
Conquest Care Homes (March) Limited	England and Wales	2669273
Conquest Care Homes (Norfolk) Limited	England and Wales	2894168
Conquest Care Homes (Peterborough) Limited	England and Wales	2706124
Conquest Care Homes (Soham) Limited	England and Wales	3934362
Ferguson Care Limited	England and Wales	2582268
Health & Care Services (NW) Limited	England and Wales	2847005
Health & Care Services (UK) Limited	England and Wales	2083074
Health & Care Services Humbs. Limited	England and Wales	2507285
Health & Care Services Yorks. Limited	England and Wales	2507302
London Parkcare Limited	England and Wales	1825148
Parkcare Homes Limited	England and Wales	2155276

CONTINUATION SHEET TO FORM 395

Company: Ferguson Care Limited
No: 2582268

CONTINUATION SHEET 9

Southern Counties Care Limited	England and Wales	2213016
Speciality Care (Care Homes) Limited	England and Wales	3257732
Speciality Care (Learning Disabilities) Limited	England and Wales	2953416
Speciality Care (Rehab) Limited	England and Wales	2965073
Speciality Healthcare Limited	England and Wales	2904221
Yorkshire Care Homes Limited	England and Wales	2676447
Yorkshire Parkcare Company Limited	England and Wales	1915148
Craegmoor Holdings Limited	England and Wales	3830300
Boughton Manor Nursing Homes Limited	England and Wales	2051044
Concept Care Limited	England and Wales	2225965
Southbank Private Nursing Home Limited	England and Wales	1221248
Speciality Care (Rest Care) Limited	England and Wales	3257061
Ty-Craig Nursing Home Limited	England and Wales	1839561

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 10

Details of Freehold and Leasehold Property

Registered Freeholders

Address/Description	Title No.
1. Chateau Fleur de Lys 117 St Helens Park Road Hastings E Sussex	ESX172598
2. 59 Elphinstone Road Hastings Sussex	HT3729
3. La Chenerie 57 Church Road St Leonards on Sea E Sussex	ESX137004
4. Mayfield Children's Home (inc Pinehurst and Sunrays) East Street Mayfield E Sussex	ESX141301 ESX149438 ESX46995
5. Oaklands/Wheelhouse Old Roar Road St Leonards on Sea E Sussex	HT19274 HT20667
6. Outlook Centre 405 Shepherd Street and 3 Valentines Passage St Leonards on Sea E Sussex	HT12744

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 11

Collection Accounts

Contact Details of Bank	Sort Code	Account Number
1. Natwest Bank Sevenside Corporate Business Centre 4th Floor Castlegate House Tower Hill Bristol BS2 0JA	60-05-16	24411558
2. Natwest Bank Sevenside Corporate Business Centre 4th Floor Castlegate House Tower Hill Bristol BS2 0JA	60-05-16	14522276

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 12

Details of Subsidiary Shares

None.

CONTINUATION SHEET TO FORM 395

Company: **Ferguson Care Limited**
No: **2582268**

CONTINUATION SHEET 13

Assigned Agreements

None.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02582268

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY ACCESSION DEED BETWEEN INTER ALIA, THE COMPANY, THE NEW CHARGING COMPANIES (AS DEFINED), CRAEGMOOR LIMITED (THE "PARENT") AND RBS MEZZANINE LIMITED (THE "SECURITY AGENT"), AND SUPPLEMENTAL TO A DEBENTURE DATED 27 JULY 2001 DATED THE 31st OCTOBER 2001 AND CREATED BY FERGUSON CARE LIMITED FOR SECURING ALL MONEY OR LIABILITIES DUE, OWING OR INCURRED TO ANY SECURED PARTY (AS DEFINED) BY ANY CHARGING COMPANY (AS DEFINED) OR ANY OTHER OBLIGOR (AS DEFINED) UNDER ANY NOTE FINANCE DOCUMENT (AS DEFINED) ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 14th NOVEMBER 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 16th NOVEMBER 2001.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —