

# M

**CHFP025**

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write in  
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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

A fee of £10 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

[ 18 ]



2894168

Name of company

\* Conquest Care Homes (Norfolk) Limited (the "Company")

Date of creation of the charge

23 November 2000

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

Group debenture (the "Debenture") between, amongst others, the Company, Craegmoor Funding plc (the "Issuer") and Prudential Trustee Company Limited (the "Security Trustee") dated 23 November 2000

Amount secured by the mortgage or charge

All monies and liabilities whatsoever which were at the date of the Debenture or at any time thereafter may (whether before or after demand) become due, owing or payable to the Security Trustee (whether for its own account or as trustee for the Craegmoor Security Group Secured Parties) or any of the other Craegmoor Security Group Secured Parties (and whether solely or jointly with one or more persons and whether as principal or surety) by the Obligors, actually or contingently, under or in respect of the Issuer/Borrowers Facility Agreement, the Expenses Loan Agreement, the Bank Agreement, the Debenture and any other Transaction Document to which any Obligor is a party (the "Craegmoor Security Group Secured Amounts").

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

Prudential Trustee Company Limited of 142 Holborn Bars, London

Postcode EC1N 2NH

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

Barlow Lyde & Gilbert  
Beaufort House  
15 Botolph Street  
London  
EC3A 7NJ

1353854

Time critical reference

40210.19/RNJ/JJ/7.23

For official Use  
Mortgage Section

Post room



LDS  
COMPANIES HOUSE

\*LG98EW72\*

0377  
06/12/00

Short particulars of all the property mortgaged or charged

See Schedule 1 for particulars of the property mortgaged or charged and Schedule 2 for the definitions to this Form 395 and Schedule 1.

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed Barlow Lyde & Gilbert Date 5 December 2000

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

**SCHEDULE 1 TO FORM 395  
SHORT PARTICULARS OF PROPERTY CHARGED**

- 1 **Fixed and floating charges:** The Company, in Clause 3.4 of the Debenture, with full title guarantee (or, in relation to rights or situated in or governed by the laws of Scotland, with absolute warrandice) and subject to Clause 4 of the Debenture, mortgaged and charged to the Security Trustee as a continuing security for payment or discharge of the Craegmoor Security Group Secured Amounts:
- (a) by way of first ranking legal mortgage:
    - (i) all freehold or leasehold property described in that part of Part 2 of Schedule 3 to the Debenture which applies to the Company; and
    - (ii) all estates and interests in any freehold or leasehold property belonging to it at the date of the Debenture (other than any Scottish Property and other than any Non-Mortgaged Care Home);
  - (b) by way of first ranking equitable mortgage, the Original Securities listed in that part of Part 4 of Schedule 4 to the Debenture which applies to the Company and all its rights, title, interest and benefit in, and options to acquire, Original Securities for the time being owned by it and/or any nominee on its behalf and all rights in respect of or incidental or ancillary thereto, subject to Clause 10.7 of the Debenture;
  - (c) by way of first fixed security (to the extent it is not the subject of an effective mortgage under Clause 3.4 (a) of the Debenture):
    - (i) charged all estates and interests in any freehold or leasehold property (other than any Scottish Property) at the date of the Debenture or thereafter belonging to it other than any Non-Mortgaged Care Home;
    - (ii) charged all of its right, title, interest and benefit, present and future, in and to all sums of money which may be or after the date of the Debenture are, from time to time, standing to the credit of each Craegmoor Security Group Bank Account which is maintained in its name and which is operated and controlled by it or pursuant to its instructions, and any other bank account or deposit account which it may hold, from time to time, together with all interest accruing from time to time thereon and all debts represented thereby;
    - (iii) charged and assigned by way of security all of its right, title, interest and benefit, present and future, in and to all sums of money which may at the date of the Debenture be or thereafter at

**SCHEDULE 1 TO FORM 395 – (CONT.)**

any time and from time to time are paid to it under or pursuant to the terms of any of the Care Contracts to which it is a party together with all interest accruing from time to time and paid in respect thereof and all other book debts and other debts (including rent), the proceeds of the same and all moneys and liabilities whatsoever for the time being due, owing or otherwise payable to it (including the benefit of any judgment, decree or order to pay a sum of money) and the benefit of any Security Interests, rights, guarantees and securities for the time being held by it in respect of any of the foregoing;

- (iv) assigned by way of security all of its right, title, benefit, power and interest, present or future, to, in and under the Insurance Policies under which it is an insured party and to all claims which it is or may after the date of the Debenture become entitled and all proceeds paid in respect of any such claim or claims;
- (v) assigned by way of security all of its right, title, interest and benefit, present and future, in, to and under each of the Transaction Documents to which it is a party and all other contracts, agreements, deeds, instruments and documents to which it is a party (other than in respect of any Care Contracts) including, without limitation, all contracts, conveyances, deeds, agreements and instruments entered into by it in connection with or relating to the acquisition of any Permitted Business and the benefit of all reports, valuations, surveys, notices and consents received in respect thereof and all rights to receive payment of any amounts which may become payable to it thereunder and all rights to serve notices and/or to make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain relief in respect thereof;
- (vi) charged all plant and equipment owned by it and its interest in any plant or equipment (other than that mortgaged or charged under paragraphs (a) or (c)(i) above);
- (vii) charged all bills of exchange, letters of credit issued in its favour, promissory notes and negotiable instruments of any description at any time owned or held by it and all rights and benefits under any performance bond or guarantee or similar agreements entered into by it;
- (viii) charged all Eligible Investments held by it and, whether accrued at the date of the Debenture or accruing in the future, all rights and options to acquire Eligible Investments and all moneys, income and proceeds payable thereunder or accrued thereon and all rights in respect of or incidental thereto including all

**SCHEDULE 1 TO FORM 395 – (CONT.)**

dividends, interest and other distributions paid or payable and all accretions, benefits, covenants and advantages relating thereto and all rights and remedies from enforcing the same;

- (ix) charged all of its present and future goodwill and to its uncalled capital for the time being;
  - (x) assigned all of its present and future rights in intellectual property including all know-how, patents, trademarks, service marks, designs, business names, topographical or similar rights, copyrights and other intellectual property monopoly rights and interests (including by licence) owned or held by it, whether registered or not and including all applications for the same and including all fees, royalties and other rights derived therefrom or incidental thereto;
  - (xi) assigned by way of security all of its right, title, interest and benefit, present and future, in and under any management or other contracts at the date of the Debenture or thereafter entered into by it in relation to the management of its interest in any freehold, heritable or leasehold property belonging to it and the redevelopment of such property or any of it;
  - (xii) charged any beneficial interest, claim or entitlement of it in any pension fund; and
  - (xiii) charged the benefit of all licences, consents and authorisations (statutory or otherwise), present or future, held in connection with its business or the use of the Craegmoor Security Group Charged Property and the right to recover and receive all compensation which may be payable to it in respect of them; and
- (d) by way of first floating charge, the whole of its undertaking and all its property, assets and rights, whatsoever and wheresoever, both present and future (including all stock in trade and including all freehold, heritable and leasehold property) other than any property or assets from time to time or for the time being the subject of fixed charges pursuant to Clause 3.4 of the Debenture or otherwise effectively assigned by way of security (but declaring that the foregoing exclusion shall not extend to any part of its undertaking and assets, present and future, situated in Scotland, or the rights to which are governed by the laws of Scotland, all of which undertaking, rights and assets are charged by the floating charge created by the Debenture).

2 **Dividends and voting:** Clause 10.4 of the Debenture provides that, until a Craegmoor Security Group Enforcement Notice has been served:

- (a) subject to Clause 16.3(d) of the Issuer/Borrowers Facility Agreement, all and any cash dividends that are paid in respect of the Original Securities shall continue to be paid to the relevant Obligor;

## SCHEDULE 1 TO FORM 395 – (CONT.)

- (b) subject to Clause 10.4(c) of the Debenture (repeated in paragraph (c) below), all voting and other rights and powers attached to the Original Securities shall continue to be exercisable by the registered holder of the Original Securities; and
- (c) each Obligor which is a registered holder of any of the Original Securities undertakes to each of the Craegmoor Security Group Secured Parties and the Security Trustee not to vote on or to approve any shareholder resolution (written or otherwise) proposed to put to or which is put to the shareholders of an Obligor or any New Non-Obligor which may, in any way whatsoever, jeopardise or prejudice the Security Interests created under the Debenture.

- 3 **Release of charged property:** Clause 4 of the Debenture provides that, on the irrevocable and unconditional payment or discharge by the Obligors of all the Craegmoor Security Group Secured Amounts, the Security Trustee shall at the request and cost of the Obligors (jointly and severally) release or reassign the Craegmoor Security Group Charged Property to, or to the order of, the relevant Obligor.

On:

- (a) the making at any time by an Obligor of a Permitted Disposal pursuant to the Issuer/Borrowers Facility Agreement; or
- (b) the making at any time by an Obligor of a disposal of any Eligible Investment charged pursuant to Clause 3.1(c)(viii), Clause 3.2(c)(viii), Clause 3.3(c)(viii) and Clause 3.4(c)(viii) of the Debenture; or
- (c) the making at any time by an Obligor of any other disposal or the withdrawal of funds from any Craegmoor Security Group Bank Account permitted by any of the Transaction Documents,

the Security Trustee shall, if so requested by and at the sole cost and expense (on an indemnity basis) of the relevant Obligor, but without being responsible for any loss, costs, claims or liabilities whatsoever occasioned by so acting upon such request, release, reassign or discharge from the Craegmoor Security Group Security:

- (i) the relevant assets or property which are the subject of the Permitted Disposal or other disposal permitted by the Transaction Documents; or
- (ii) the relevant Eligible Investment, provided that the proceeds of such disposal are paid by the relevant Obligor into the relevant Craegmoor Security Group Bank Account from which the moneys used to acquire such Eligible Investment were originally withdrawn; or

## SCHEDULE 1 TO FORM 395 – (CONT.)

- (iii) the relevant funds from the relevant Craegmoor Security Group Bank Account,

and, in all cases, subject to and in accordance with the provisions of the Issuer/Borrowers Facility Agreement and the Debenture.

- 4 **Negative covenants:** The Company undertook that, for so long as any Craegmoor Security Group Secured Amounts remained outstanding, it would not, without the written consent of the Security Trustee:
- (a) permit any person other than the Security Trustee to be registered as or become the holder of the Original Securities; or
  - (b)
    - (i) open or maintain any bank account or deposit account with any bank or any other financial institution other than a Permitted Bank Account;
    - (ii) close any Craegmoor Security Group Bank Account maintained by it other than the Parkcare Distribution Account in accordance with Clause 16.1(ee) of the Issuer/Borrowers Facility Agreement; or
    - (iii) vary the terms of the Mandate in relation to any Craegmoor Security Group Bank Account maintained by it other than in accordance with the Bank Agreement.

## SCHEDULE 2 – DEFINITIONS TO FORM 395

**Account Bank** means National Westminster Bank Plc acting through its Cheltenham branch or in respect of the Peterborough Accounts, National Westminster Bank Plc, acting through its Peterborough branch, or such other person or persons from time to time appointed as account bank, subject to and in accordance with the terms of the Bank Agreement;

**Additional Reserve Account** means the bank account identified in Part 8 of Schedule 2 to the Bank Agreement of Parkcare Homes Limited held at the Account Bank (or any other account in the name of Parkcare Homes Limited subsequently opened to replace such first-mentioned account);

**Additional Borrower** has the meaning given to it in the Issuer/Borrowers Facility Agreement;

**Agency Agreement** means the agreement dated the Closing Date between the Issuer, The Bank of New York as the principal paying agent, The Bank of New York as the agent bank and the Security Trustee;

**Bank Agreement** means the agreement dated the Closing Date between the Issuer, the Obligors, the Security Trustee and the Account Bank in connection with the maintenance of banking agreements for the Issuer and the Obligors at the Account Bank;

**Bank of Scotland Bank Account** means the current account of Southern Counties Care Limited (number 850 917 and sort code 12-12-82) held at the Bank of Scotland, having the name "T/A Birdsgrove";

**Bank of Scotland Letter** means the letter agreement dated as of 23 November 2000 between Southern Counties Care Limited, Craegmoor Healthcare Company Limited, Bank of Scotland and the Security Trustee with respect to an account of Southern Counties Care Limited at Bank of Scotland;

**Block Contract** means each long term and block funding contract for the provision of care services to which a Craegmoor Security Group Entity is a party as of the Closing Date and all future such contracts entered into by any Craegmoor Security Group Entity thereafter;

**Borrowers** means the Initial Borrowers and any Additional Borrowers, and **Borrower** means any one of them;

**Care Contracts** the Block Contracts and the Spot Contracts;

**Care Homes** means a nursing home or care home (as defined in section 21 of the Registered Homes Act 1984, section 10 of the Nursing Homes Registration (Scotland) Act 1938 or section 3 of the Care Standards Act 2000), a children's home (as defined in section 1 of the Care Standards Act 2000), a mental nursing home or care home (as defined in section 22 of the Registered Homes Act 1984), a residential establishment (as defined in section 94 of the Social Work (Scotland) Act 1968), or other buildings providing facilities for persons designated as frail elderly, elderly mentally infirm, elderly severely mentally infirm, young physically disabled, young long term chronic

## SCHEDULE 2 – DEFINITIONS TO FORM 395

sick, persons detained under the Mental Health Act 1983, the Mental Health (Scotland) Act 1984, young persons under the Children's Act 1989 and the Children (Scotland) Act 1995 and persons exhibiting challenging behaviour or such other client group as shall be acceptable to the Rating Agencies and **Care Home** shall be construed accordingly;

**Cash Reserve Account** means the bank account identified in Part 7 of Schedule 2 to the Bank Agreement of Parkcare Homes Limited held at the Account Bank (or any other account in the name of Parkcare Homes Limited subsequently opened to replace such first mentioned account);

**Closing Date** means 23 November 2000 or such earlier date the Manager in its sole and absolute discretion may decide;

**Craegmoor Security Group** means the Obligors;

**Craegmoor Security Group Bank Account** means Craegmoor Security Group Operating Accounts, the Escrow Accounts, the Interim Payment Account, the Parkcare Distribution Account, the Cash Reserve Account and the Additional Reserve Account and **Craegmoor Security Group Bank Account** means any one of them;

**Craegmoor Security Group Care Home** means a Care Home owned and/or operated by any member of the Craegmoor Security Group and which is the subject of a first legal mortgage or first-ranking standard security in favour of the Security Trustee pursuant to the Debenture, a Craegmoor Security Group Standard Security, or any other Craegmoor Security Group Security Document and, for greater certainty, excludes the Non-Mortgaged Care Homes;

**Craegmoor Security Group Charged Property** means the Healthcare Charged Property, the Parkcare Charged Property, the Holdco Charged Property and the Other Obligor Charged Property; and references to the **Craegmoor Security Group Charged Property** include references to any part of it;

**Craegmoor Security Group Enforcement Notice** means a notice given by the Security Trustee in accordance with Clause 17.9 of the Issuer/Borrowers Facility Agreement;

**Craegmoor Securitisation Group** means the Issuer and the Obligors;

**Craegmoor Security Group Entity** means any entity comprised within the Craegmoor Securitisation Group;

**Craegmoor Security Group Operating Accounts** means the Home Accounts, the Parkcare Business Reserve Account, the Healthcare Current Account, the Parkcare TRO Account and the Bank of Scotland Bank Account;

**Craegmoor Security Group Secured Parties** means each of the Security Trustee, the Issuer, the Account Bank, any Receiver appointed under the Debenture, the

## SCHEDULE 2 – DEFINITIONS TO FORM 395

Expenses Loan Provider and any combination of them; and **Craegmoor Group Security Party** includes references to any one of them;

**Craegmoor Security Group Security** means the security from time to time constituted by or pursuant to the Debenture and the Craegmoor Security Group Standard Securities;

**Craegmoor Security Group Security Documents** means the Debenture, the Craegmoor Security Group Standard Securities and any deed or agreement granting any charge, mortgage, standard security, assignment or other security interest which is entered into pursuant to or in connection with the Transaction Documents;

**Craegmoor Security Group Standard Security** means each and any standard security granted over a Scottish Property in substantially in form of Schedule 9 to the Debenture pursuant to Clause 3.7 of the Debenture and **Craegmoor Security Group Standard Securities** means all of them from time to time;

**Dormant Obligors** means each of Ty-Craig Nursing Home Limited, Boughton Manor Nursing Home Limited, Southbank Private Nursing Home Limited, Speciality Care (Rest Care) Limited and Concept Care Limited;

**Eligible Investments** means:

- (a) sterling gilt edged securities; and
- (b) sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases such investments have a maturity date falling no later than the next following date on which a payment is required to be made with the moneys invested in Eligible Investments and the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised bank under the Banking Act 1987) are rated F-1+ and/or P-1+ by the Rating Agencies (or its equivalent) or higher by at least two internationally recognised rating agencies;

**Escrow Accounts** means the bank accounts identified in Part 5 of Schedule 2 to the Bank Agreement of the Initial Borrowers held at the Account Bank (or any other account(s) in the name of any Initial Borrower subsequently opened to replace any such first-mentioned account);

**English Properties** means the freehold and leasehold properties, the details of which are set out in Schedule 3 to the Debenture, and any other freehold or leasehold property located in England or Wales acquired in the future by an Obligor which becomes subject to a first fixed charge or charge by way of legal mortgage in favour of the Security Trustee subject to and in accordance with the terms of the Debenture, and **English Property** shall be construed accordingly;

## SCHEDULE 2 – DEFINITIONS TO FORM 395

**Expenses Loan Agreement** means the loan agreement dated the Closing Date and made between the Expenses Loan Provider, Parkcare Homes Limited and the Security Trustee;

**Expenses Loan Provider** means Barclays Bank PLC acting through its office at 5 The North Colonnade, Canary Wharf, London E14 4BB;

**Financial Advisory and Asset Administration Agreement** means the agreement dated on or about the Closing Date, made between, amongst others, the Issuer, the Obligors, the Security Trustee, Deloitte & Touche as the financial adviser and Deloitte & Touche as the asset administrator;

**Fitch** means Fitch Ratings Ltd. or any successor to its ratings business;

**Global Notes** means the temporary and permanent global notes issued or to be issued by the Issuer, in the form provided for under, or otherwise pursuant to, the Trust Deed;

**Healthcare Charged Property** means all of the property, assets, undertakings and rights for the time being comprised in or subject to the Security Interests provided by Craegmoor Healthcare Company Limited pursuant to the terms of the Debenture and the Craegmoor Security Group Standard Securities; and references to the **Healthcare Charged Property** include references to any part of it;

**Healthcare Current Account** means the bank account identified in Part 4 of Schedule 2 to the Bank Agreement of Craegmoor Healthcare Company Limited held at the Account Bank (or any other account subsequently opened to replace such account);

**Holdco Charged Property** means all of the property, assets and undertakings and rights for the time being comprised in or subject to the Security Interests provided by Craegmoor Holdings Limited pursuant to the terms of the Debenture and the Craegmoor Security Group Standard Securities; and references to the **Holdco Charged Property** include references to any part of it;

**Home Accounts** means the bank accounts identified in Part 1 of Schedule 2 to the Bank Agreement of the Initial Obligors held at the Account Bank (or any other account(s) in the name of any Initial Obligors subsequently opened to replace any such account); and **Home Account** means any one of them;

**Initial Borrowers** means Craegmoor Healthcare Company Limited, Parkcare Homes Limited, Comfort Services Limited, Ferguson Care Limited, London Parkcare Limited, Southern Counties Care Limited, Yorkshire Care Homes Limited, Yorkshire Parkcare Company Limited, Health & Care Services (UK) Limited, Health & Care Services (NW) Limited, Health & Care Services Humbs. Limited, Health & Care Services Yorks Limited, Speciality Healthcare Limited, Speciality Care (Rehab) Limited, Speciality Care (Learning Disabilities) Limited, Speciality Care (Care Homes) Limited, Alphabet Children's Services Limited, Alphabet Children's (Fostering) Services Limited, Conquest Care Homes (Soham) Limited, Conquest Care

## SCHEDULE 2 – DEFINITIONS TO FORM 395

Homes (Peterborough) Limited, Conquest Care Homes (Norfolk) Limited and Conquest Care Homes (March) Limited and **Initial Borrower** means any one of them;

**Initial Obligors** means Craegmoor Holdings Limited, the companies listed in Schedule 1 to the Debenture (as the Initial Borrowers) and the companies listed in Schedule 2 to the Debenture (as the Dormant Obligors) and **Initial Obligor** means any one of them;

**Insurance Policies** means each of the insurance policies (and any cover notes in respect thereof) pursuant to which any Craegmoor Security Group Entity is an insured party and in respect of which those that are in force and effect as of the Closing Date are listed in Schedule 5 of the Debenture and all other insurance policies at any time in the future taken out by any Craegmoor Security Group Entity, either in addition to or by way of renewal, extension, variation, supplement, amendment or endorsement of such insurance policies;

**Interest Rate Hedging Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated the Closing Date between Barclays Bank PLC as the hedge counterparty, the Issuer and the Security Trustee together with the Schedule relating thereto and the swap confirmations and the cap confirmation relating to the interest rate swap and cap transactions entered into pursuant thereto on or about the Closing Date;

**Interim Payment Account** means the bank account identified in Part 6 of Schedule 2 to the Bank Agreement of Parkcare Homes Limited held at the Account Bank (or any other account subsequently opened to replace any such first-mentioned account);

**Inter-Company Administration Agreement** means the agreement dated the Closing Date between, amongst others, Craegmoor Healthcare Company Limited, Speciality Care Limited, certain subsidiaries of Speciality Care Limited and the Security Trustee in respect of the management of certain inter-company balances between Craegmoor Healthcare Company Limited and certain subsidiaries of Speciality Care Limited;

**Issuer/Borrowers Facility Agreement** means the agreement dated the Closing Date between the Initial Obligors, the Issuer and the Security Trustee pursuant to which the Issuer agrees to make available, from time to time, certain loan facilities to the Borrowers upon and subject to the terms set out therein;

**Issuer Deed of Charge** means the deed of charge dated the Closing Date between, amongst others, the Issuer and Security Trustee (and includes, where the context so admits, each deed of charge supplemental thereto);

**Liquidity Facility Agreement** means the agreement dated the Closing Date between the Issuer, the Liquidity Facility Provider and the Security Trustee pursuant to which the Liquidity Facility Provider agrees to provide the Issuer, from time to time, with advances for the purposes specified therein, subject to and in accordance with its terms;

## SCHEDULE 2 – DEFINITIONS TO FORM 395

**Liquidity Facility Provider** means Barclays Bank PLC acting through its office at 54 Lombard Street, London EC3P 3AH or such other bank or banks with at least the requisite credit ratings which agrees to provide a liquidity facility to the Issuer on substantially similar terms to the Liquidity Facility Agreement;

**Manager** means Barclays Bank PLC as manager under the Subscription Agreement;

**Mandate** means, in relation to each Craegmoor Security Group Bank Account all the resolutions, instructions and signature authorities for the time being related to that Craegmoor Security Group Bank Account;

**Master Definitions and Construction Schedule** means the master definitions and construction schedule signed by Freshfields Bruckhaus Deringer and Barlow Lyde & Gilbert for the purposes of identification on 23 November 2000;

**Moody's** means Moody's Investors Service Limited and any successor to its ratings business;

**Mortgaged Properties** means the English Properties and the Scottish Properties which are subject to or intended to be subject to a first fixed charge or charge by way of legal mortgage or standard security in favour of the Security Trustee subject to and in accordance with the terms of the Debenture, the Craegmoor Security Group Standard Securities or any other Craegmoor Security Group Security Document as the case may be, and any other freehold, heritable or leasehold property acquired in the future by an Obligor which becomes subject to the same and, for greater certainty, excludes the Non-Mortgaged Care Homes and **Mortgaged Property** shall be construed accordingly;

**New Non-Obligor** has the meaning given to it in Clause 5.4 of the Issuer/Borrowers Facility Agreement;

**Non-Mortgaged Care Homes** means Delves House and Westfield House Nursing Home, which are subject to a floating charge in favour of the Security Trustee subject to and in accordance with the terms of the Debenture;

**Obligors** means Craegmoor Healthcare Company Limited, Craegmoor Holdings Limited, Parkcare Homes Limited, the companies listed in Schedule 1 to the Debenture and the companies listed in Schedule 2 to the Debenture;

**Original Securities** the securities listed in Schedule 4 to the Debenture and any other securities which, with the prior written consent of the Security Trustee, may be substituted therefor;

**Other Obligor Charged Property** means in relation to any Obligor other than Parkcare Homes Limited, Craegmoor Holdings Limited and Craegmoor Healthcare Company Limited, all of the property, assets, undertaking and rights for the time being comprised in or subject to the Security Interests provided by such other Obligor pursuant to the terms of the Debenture, and the Craegmoor Security Group Standard

## SCHEDULE 2 – DEFINITIONS TO FORM 395

Securities; and references to the **Other Obligor Charged Property** include references to any part of it;

**Parkcare Business Reserve Account** means the bank account identified in Part 2 of Schedule 2 to the Bank Agreement of Parkcare Homes Limited held at the Account Bank (or any other account subsequently opened to replace such account);

**Parkcare TRO Account** means the bank account identified in Part 3 of Schedule 2 to the Bank Agreement of Parkcare Homes Limited held at the Account Bank (or any other account subsequently opened to replace such account);

**Parkcare Charged Property** means all of the property, assets, undertakings and rights for the time being comprised in or subject to the Security Interests provided by Parkcare Homes Limited pursuant to the terms of the Debenture and the Craegmoor Security Group Standard Securities; and references to the **Parkcare Charged Property** includes references to any part of it;

**Parkcare/Craegmoor Facility Agreement** means the agreement dated the Closing Date between Parkcare Homes Limited, Craegmoor Healthcare Company Limited and the Security Trustee for a loan facility to be made available by Parkcare Homes Limited to Craegmoor Healthcare Company Limited;

**Parkcare Distribution Account** means the bank account of Parkcare Homes Limited identified in Part 9 of Schedule 2 to the Bank Agreement held at the Account Bank (or any other account subsequently opened to replace such account);

**Permitted Acquisitions** means any acquisition in accordance with Clauses 16.5(c)(v) and 16.11 of the Issuer/Borrowers Facility Agreement;

**Permitted Bank Account** means:

- (a) each Craegmoor Security Group Bank Account; or
- (b) a bank account or deposit account opened by a Craegmoor Security Group Entity after the date of this Agreement with National Westminster Bank Plc, Cheltenham branch which is secured by the Security Interests created by the Debenture and is subject to the provisions of the Bank Agreement; or
- (c) a bank account or deposit account opened by a Craegmoor Security Group Entity after the Closing Date with a bank or other financial institutions whose short term, unsecured, unguaranteed and unsubordinated debt obligations are rated P-1 by Moody's and F-1+ by Fitch and which is secured by the Security Interests created by the Debenture and which is subject to arrangements on substantially the same terms as are set out in the Bank of Scotland Letter; or;
- (d) a bank account or deposit account of a Permitted Business acquired pursuant to a Permitted Acquisition by any member of the Craegmoor Security Group which account is with a bank or other financial institution whose short term, unsecured, unguaranteed and unsubordinated debt obligations are rated P-1 by Moody's and

## SCHEDULE 2 – DEFINITIONS TO FORM 395

F-1+ by Fitch and which is subject to arrangements on substantially the same terms as are set out in the Bank of Scotland Letter;

**Permitted Business** means any business whose primary purpose is to operate specialist care homes and/or nursing care homes and/or residential care homes in the United Kingdom;

**Permitted Disposal** means a disposal or substitution made in accordance with Clause 16.4 of the Issuer/Borrowers Facility Agreement;

**Peterborough Accounts** has the meaning given to it in the Bank Agreement;

**Rating Agencies** means the internationally recognised rating agencies currently rating the £110,500,000 secured floating rate notes due 2013 (on a "solicited rating" basis) and which as at the Closing Date means Moody's and Fitch;

**Receiver** means any person or persons appointed (and any additional person or persons appointed or substituted) as administrative receiver, receiver, manager, or receiver and manager of the Craegmoor Security Group Charged Property by the Security Trustee under the Debenture or otherwise;

**Scottish Properties** means the heritable and leasehold properties, the details of which are set out in Schedule 8 to the Debenture, and any other heritable or leasehold property located in Scotland acquired in the future by an Obligor which becomes subject to a first ranking standard security in favour of the Security Trustee subject to and in accordance with the terms of the Debenture and **Scottish Property** shall be construed accordingly;

**Security Interest** means any mortgage, standard security, charge, pledge, lien, right of set-off, assignment or assignation by way of security, retention of title, hypothecation, or any security interest whatsoever or any other agreement or arrangement having the effect of conferring security, howsoever created or arising and whether expressed to be conditional or otherwise and any agreement to sell or otherwise dispose of any asset on terms whereby such asset is or may be released to or re-acquired or acquired by the relevant company;

**Security Trustee** means Prudential Company Limited whose registered office is at 142 Holborn Bars, London EC1N 2NH (registered number 1863305) or any other person or persons for the time being acting as the security trustee pursuant to the terms of the Debenture;

**Servicing Agreement** means the agreement dated the Closing Date between the Issuer, the Security Trustee, Craegmoor Holdings Limited and Craegmoor Healthcare Company Limited as the servicer pursuant to which the servicer has agreed to provide the Issuer, Craegmoor Holdings Limited and the Security Trustee with certain administration and investment services, upon and subject to the terms set out therein;

**Spot Contract** each spot contract relating to the provision of specific care services to specific residents, in or other clients of, the Craegmoor Security Group Care Homes to

## SCHEDULE 2 – DEFINITIONS TO FORM 395

which a Craegmoor Security Group Entity is a party and all future such contracts entered into by any Craegmoor Security Group Entity;

**Subordinated Debt Agreement** means the deed dated the Closing Date between Parkcare Homes Limited, Craegmoor Group Limited as the Subordinated Creditor and the Security Trustee;

**Subscription Agreement** means the agreement dated 23 November 2000 between the Issuer, each Obligor and the Manager relating to the issue of, and subscription for, £110,500,000 secured floating rate notes due 2013 of the Issuer;

**Transaction Documents** means:

- (a) Issuer Deed of Charge;
- (b) Liquidity Facility Agreement;
- (c) Trust Deed;
- (d) Agency Agreement;
- (e) Servicing Agreement;
- (f) Financial Advisory and Asset Administration Agreement;
- (g) Global Notes;
- (h) Subordinated Debt Agreement;
- (i) Issuer/Borrowers Facility Agreement;
- (j) Parkcare/Craegmoor Facility Agreement;
- (k) the Debenture;
- (l) Bank Agreement;
- (m) the Craegmoor Security Group Standard Securities;
- (n) Interest Rate Hedging Agreement;
- (o) Tax Deed of Covenant;
- (p) Master Definitions and Constructions Schedule;
- (q) Subscription Agreement;
- (r) Expenses Loan Agreement;
- (s) Bank of Scotland Letter;

## SCHEDULE 2 – DEFINITIONS TO FORM 395

- (t) Inter-Company Administration Agreement; and
- (u) any other agreement or document, from time to time, agreed to be as such by the Security Trustee, the Issuer and the Obligors;

**Trust Deed** means the trust deed dated the Closing Date between the Issuer and Prudential Trustee Company Limited in its capacity as the note trustee constituting the £110,500,000 secured floating rate notes due 2013 of the Issuer together with any deed supplemental thereto; and

**Tax Deed of Covenant** means the deed of covenant in respect of certain tax and related matters to be entered into on the Closing date between, amongst others, Craegmoor Group Limited, the Obligors, the Issuer and the Security Trustee.

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02894168

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A GROUP DEBENTURE BETWEEN, AMONGST OTHERS, THE COMPANY, CRAEGMOOR FUNDING PLC (THE "ISSUER") AND PRUDENTIAL TRUSTEE COMPANY LIMITED (THE "SECURITY TRUSTEE") DATED THE 23rd NOVEMBER 2000 AND CREATED BY CONQUEST CARE HOMES (NORFOLK) LIMITED FOR SECURING ALL MONIES AND LIABILITIES WHATSOEVER DUE, OWING OR PAYABLE TO THE SECURITY TRUSTEE (WHETHER FOR ITS OWN ACCOUNT OR AS TRUSTEE FOR THE CRAEGMOOR SECURITY GROUP SECURED PARTIES) OR ANY OF THE OTHER CRAEGMOOR SECURITY GROUP SECURED PARTIES BY THE OBLIGORS, ACTUALLY OR CONTINGENTLY, UNDER OR IN RESPECT OF THE ISSUER/BORROWERS FACILITY AGREEMENT, THE EXPENSES LOAN AGREEMENT, THE BANK AGREEMENT, THE DEBENTURE AND ANY OTHER TRANSACTION DOCUMENT TO WHICH ANY OBLIGOR IS A PARTY (THE "CRAEGMOOR SECURITY GROUP SECURED AMOUNTS") WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 6th DECEMBER 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11th DECEMBER 2000.

*P. Pam*



C O M P A N I E S H O U S E



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES