

# M

CHFP025

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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**

045451/182

# 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

[1][1][1][7]

4006225

Name of company

\* Fostering Solutions Limited (the "Company")

Date of creation of the charge

14 August 2007

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

A supplemental deed dated 14 August 2007 between, inter alia, the Company, the Chargors (as defined below) and the Agent (as defined below), supplemental to a debenture dated 15 February 2006 (supplemented by supplemental deeds dated 21 July 2006, 2 March 2007 and 22 March 2007) (the "**Debenture**") between, inter alia, the Company and the Agent (the "**Supplemental Deed**")

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor (as defined below) to any Finance Party (as defined below) under each Finance Document (as defined below), except for any obligation which, if it were so included, would result in the Debenture contravening section 151 of the Companies Act 1985 together with costs, charges and expenses incurred by the Agent in connection with the protection or preservation or enforcement of its rights under the Finance Documents (as defined below) or any of them (the "**Secured Liabilities**")

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

Anglo Irish Bank Corporation Plc of 10 Old Jewry, London as agent and trustee for the other Finance Parties (as defined below) (the "**Agent**")

Postcode EC2R 8DN

Presentor's name address and  
reference (if any)

Olswang  
90 High Holborn  
London  
WC1V 6XX

E2S/RMI/SEL/13280 12/2701187/1

Time critical reference

For official Use (06/2005)

Mortgage Section

Post room

THURSDAY



LD3

"L10GOSCI"

23/08/2007

397

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

See Schedule 1 of the Continuation Sheet

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

*Olswang*

Date

*23.8.2007*

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ [chargee] †

*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**.

## **SCHEDULE 1**

### **SHORT PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED**

**Defined terms used in this Schedule 1 have the same meanings given to the same terms in Schedule 2**

#### **1 CONFIRMATION OF SECURITY**

Each of the Chargors confirms that under the Debenture and as security for the payment of all the Secured Liabilities, it has charged or assigned in favour of the Agent all estate, rights, interests, assets and title as stated in clause 2 of the Debenture

#### **2 MORTGAGES, FIXED CHARGES, FLOATING CHARGES**

2 1 To the extent only that the security referred to in Clause 2 of the Supplemental Deed is not effective (for whatever reason), each Chargor charges

2 1 1 to the extent of its interest (whether joint or several, legal or beneficial)

2 1 1 1 by way of a first legal mortgage all estates or interest in any freehold or leasehold property now owned by it, this includes the real property (if any) specified in Schedule 2 (Real Property) of the Supplemental Deed (as set out in Schedule 4 to this Form 395), and

2 1 1 2 (to the extent that they are not the subject of a mortgage under Clause 3 1 1 1 of the Supplemental Deed as set out in paragraph 2 1 1 1 of this Form 395) by way of first fixed charge all estates or interest in any freehold or leasehold property now or subsequently owned by it,

2 1 2 by way of a first fixed charge

2 1 2 1 its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf,

2 1 2 2 any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

2 1 2 3 all plant and machinery owned by it and its interest in any plant or machinery in its possession,

- 2 1 2 4 all of its rights in respect of any amount standing to the credit of any account (including any Account contemplated by the Restated Facility Agreement or the Debenture) it has with any person and the debt represented by it,
  - 2 1 2 5 all of its book and other debts (including without limitation any debts that constitute its operating income),
  - 2 1 2 6 all other moneys due and owing to it,
  - 2 1 2 7 the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3 1 2 5 or 3 1 2 6 of the Supplemental Deed (as set out in paragraphs 2 1 2 5 and 2 1 2 6 of this Form 395),
  - 2 1 2 8 the Intellectual Property Rights for the time being owned, possessed or controlled by it including the Intellectual Property Rights specified in Schedule 6 (Intellectual Property Rights) of the Debenture (as set out in Schedule 5 of this Form 395) (if any) and (to the extent that any Intellectual Property Rights are not capable of being charged, whether by lack of any third party consent which is required or otherwise) assigns absolutely (to the extent that any Intellectual Property Rights are capable of being assigned) all of its right, title and interest in the Intellectual Property Rights and any and all damages, compensation, remuneration, profit, rent or income which it may derive from the Intellectual Property Rights or be awarded or entitled in respect of such Intellectual Property Rights,
  - 2 1 2 9 any right to any refund or surplus it has in any pension fund,
  - 2 1 2 10 its goodwill,
  - 2 1 2 11 the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset (to the extent such benefit is capable of being charged),
  - 2 1 2 12 the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in Clause 3 1 2 11 of the Supplemental Deed (as set out in paragraph 2 1 2 11 of this Form 395), and
  - 2 1 2 13 its uncalled capital
- 2 2 To the extent only that the security referred to in Clause 2 of the Supplemental Deed is not effective (for whatever reason) each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption

- 2 2 1 all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest and without limitation assigns all its right, title and interest, present and future, in and to the Key Person Insurance Documents and all rights and remedies in connection with the Key Person Insurance Documents and all proceeds and claims arising from the Key Person Insurance Documents,
- 2 2 2 all of its rights
  - 2 2 2 1 under each Transaction Document (other than a Finance Document) to which the Chargor is a party,
  - 2 2 2 2 under each Construction Document to which the Chargor is a party,
  - 2 2 2 3 under any agreement relating to the purchase of a Property by that the Chargor, and
  - 2 2 2 4 under any other agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of Clause 3 of the Supplemental Deed (as set out in paragraph 2 of this Form 395)
- 2 3 Each of the charges referred to in Clause 3 1 and Clause 3 2 of the Supplemental Deed (as set out in paragraphs 2 1 and 2 2 of this Form 395) shall be read and construed as, and deemed to be separate charges over each of the items mentioned in each such Clause), so that each item mentioned in each Clause and each item forming any constituent element of the Intellectual Property Rights shall be deemed to be subject to a separate charge Without limiting the previous sentence, if any such item shall be found to be subject to a floating charge and not to a fixed charge, such finding shall not of itself result in any other such item being deemed to be subject to a floating charge (as opposed to a fixed charge)
- 2 4 To the extent only that the security referred to in Clause 2 of the Supplemental Deed is not effective (for whatever reason) each Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under Clause 3 of the Supplemental Deed
- 2 5 Except as provided in the Supplemental Deed, the Agent may by notice to the Chargors convert any of the floating charges hereby created into a fixed charge as regards any Chargor's assets specified in that notice, if
  - 2 5 1 an Event of Default is outstanding, or
  - 2 5 2 the Agent considers in good faith those assets to be in jeopardy, whether in danger of being seized or sold under any form of distress, execution or other legal process or otherwise

- 2 6 The floating charges hereby created may not be converted into fixed charges solely by reason of
- 2 6 1 the obtaining of a moratorium, or
- 2 6 2 anything done with a view to obtaining a moratorium,
- 2 6 3 under the Insolvency Act 2000
- 2 7 The floating charges hereby created will automatically convert into fixed charges over those assets of the Chargors from time to time subject to a floating charge pursuant to this Deed (the "**Floating Charge Assets**")
- 2 7 1 if steps are taken to appoint an administrator or to issue a notice of intention to appoint an administrator,
- 2 7 2 if a Chargor creates or attempts to create any Security over all or any of the Floating Charge Assets, or
- 2 7 3 if any person levies or attempts to levy any distress, execution, sequestration or other process against any of the Floating Charge Assets
- 2 8 Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to the floating charges hereby created which floating charges are accordingly qualifying floating charges for such purposes
- 2 9 All the Security created under the Supplemental Deed
- 2 9 1 is created in favour of the Agent,
- 2 9 2 is created over present and future assets of each Chargor,
- 2 9 3 is security for the payment and satisfaction of all the Secured Liabilities,
- 2 9 4 is created by each Chargor to the extent of its interest whether joint or several, legal or beneficial, and
- 2 9 5 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994
- 2 10 The Agent holds the benefit of the Supplemental Deed on trust for the Finance Parties
- 2 11 A reference herein to a mortgage or charge of any freehold or leasehold property includes
- 2 11 1 all buildings, fixtures, fittings and fixed plant and machinery on that property, and

2 11 2 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargors in respect of that property or any moneys paid or payable in respect of those covenants

## SCHEDULE 2

### Definitions

|   |  |
|---|--|
| <b>"Accession Letter"</b>                         | a document substantially in the form set out in Schedule 6 (Form of Accession Letter) of the Facility Agreement,   |
| <b>"Account"</b>                                  | a General Account, the Deposit Account or the Surplus Deposit Account,   |
| <b>"Acquisition Agreement"</b>                    | an Existing Acquisition Agreement or an Additional Acquisition Agreement,  |
| <b>"Acquisition Disclosure Letter"</b>            | an Existing Acquisition Disclosure Letter or an Additional Acquisition Disclosure Letter,  |
| <b>"Acquisition Document"</b>                     | an Acquisition Agreement or an Acquisition Disclosure Letter or a Tax Deed,  |
| <b>"Additional Acquisition Agreement"</b>         | Either<br><br>(a) a share sale and purchase agreement entered or to be entered into by the Borrower or a subsidiary of the Borrower in connection with the acquisition of the shares in an Additional Guarantor with the prior consent of the Agent, or<br><br>(b) a sale and purchase agreement entered or to be entered into in connection with the acquisition of a business and/or assets and/or an Additional Property with the prior written consent of the Agent, |
| <b>"Additional Acquisition Disclosure Letter"</b> | a disclosure letter pursuant to an Additional Acquisition Agreement,   |
| <b>"Additional Guarantor"</b>                     | a Belmont Company, the Company, Fostering Solutions (Northern), Advance Foster Care, an Underley Company or any other Subsidiary of the Borrower which, in each case, becomes an Additional Guarantor  |



|                              |  |
|------------------------------|--|
|                              | in accordance with Clause 28 (Changes to the Obligors) of the Facility Agreement,  |
| <b>"Additional Property"</b> | any property (other than an Existing Property) owned or acquired by a Guarantor with the prior written consent of the Agent and, in respect of which, the Agent has received in form and substance satisfactory to the Agent, all of the documents and other evidence listed in Part III of Schedule 2 (Additional Property Conditions Precedent) of the Facility Agreement, |
| <b>"Advance Foster Care"</b> | Advance Foster Care Limited, (registered in England and Wales with registration number 4593517),   |
| <b>"Arranger"</b>            | Anglo Irish Bank Corporation PLC,  |
| <b>"Authorisation"</b>       | an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration,   |
| <b>"Bank Indemnity"</b>      | the indemnity provided by the Original Lender in favour of AIB Group (UK) plc in respect of the guarantee obligations of AIB Group (UK) ' plc under the loan stock instrument dated 18 March 2005 of the Borrower constituting £1,000,000 zero coupon guaranteed loan notes 2006,  |
| <b>"Belmont Company"</b>     | Belmont School Limited (registered in England with registered number 03292207) or Waterloo Lodge School Ltd (registered in England with registered number 03921801),   |
| <b>"Borrower"</b>            | Acorn Care and Education Limited (registered in England and Wales with registered number 5019430),   |
| <b>"Chargor"</b>             | the companies identified in Schedule 3 of this Form 395 (each a "Chargor" and together the "Chargors"),  |
| <b>"Commitment"</b>          | Facility A Commitment or Facility B Commitment or Facility C Commitment,   |

**"Construction Document"**

any contract or agreement entered into by a  
Chargor in relation to any construction,  
development, capital expenditure project or  
other similar or related service or contract,

**"Counterparty"**

Anglo Irish Bank Corporation PLC,

**"Event of Default"**

any event or circumstance specified as such  
in Clause 26 (Events of Default) of the  
Facility Agreement,

**"Existing Acquisition Agreement"**

each of

- (a) the share purchase and sale agreement  
dated 17 December 2004 between the  
Borrower and Dr A J Smith and Mrs  
A R Smith in connection with the  
acquisition of the shares in Knossington  
Grange School Limited,
- (b) the share purchase and sale agreement  
dated 18 March 2005 between the  
Borrower and Jane Lloyd, Georgina  
Revell, Miranda Ridgen, Viktoria Lloyd-  
Barlow, Robert Lloyd, David Lloyd and  
Laura Lloyd in connection with the  
acquisition of the shares in Heath Farm  
Limited,
- (c) the share purchase and sale agreement  
dated 28 July 2005 between the  
Borrower and Charles Edmundson and  
Gary Holliday in connection with the  
acquisition of the shares in Crookhey  
Hall Limited, or
- (d) the share purchase and sale agreement  
dated 20 October 2005 between the  
Borrower and Kenneth and Sandra  
Anstese in connection with the  
acquisition of the shares in Bramfield  
House School Limited,

**"Existing Acquisition Disclosure Letter"**

each of

- (a) the disclosure letter dated 17 December  
2004 between the Borrower and Dr A J

Smith and Mrs A R Smith in connection with the acquisition of the shares in Knossington Grange School Limited,

- (b) the disclosure letter dated 18 March 2005 between the Borrower and Jane Lloyd, Georgina Revell, Miranda Ridgen, Viktoria Lloyd-Barlow, Robert Lloyd, David Lloyd and Laura Lloyd in connection with the acquisition of the shares in Heath Farm Limited,
- (c) the disclosure letter dated 28 July 2005 between the Borrower and Charles Edmundson and Gary Holliday in connection with the acquisition of the shares in Crookhey Hall Limited, or
- (d) the disclosure letter dated 12 October 2005 between the Borrower and Kenneth and Sandra Anstese in connection with the acquisition of the shares in Bramfield House School Limited,

**"Existing Property"**

each property listed against an Original Guarantor in Part I of Schedule 1 of the Facility Agreement, each as described in the Debenture entered into by the Original Guarantors and, where the context so requires, includes any buildings on such property,

**"Facility A"**

the term loan facility made available under the Facility Agreement as described in Clause 2.1 (The Facilities) of the Facility Agreement,

**"Facility A Commitment"**

- (a) in relation to the Original Lender, the amount set opposite its name under the heading "Facility A Commitment" in Part II of Schedule 1 (The Original Lender) of the Facility Agreement and the amount of any other Facility A Commitment transferred to it under the Facility

Agreement, and

- (b) in relation to any other Lender, the amount of any Facility A Commitment transferred to it under the Facility Agreement,

**"Facility Agreement"**

an agreement dated 15 February 2006 as amended by an amendment letter dated 24 February 2006, an amendment letter dated 21 April 2006, amended, supplemented and restated by a supplemental agreement dated 21 July 2006, amended, supplemented and restated by a supplemental agreement dated 28 February 2007 and amended, supplemented, and restated by a supplemental agreement dated 21 March 2007, amended, supplemented, and restated by a supplemental agreement dated 12 April 2007 and amended, supplemented and restated by a supplemental agreement dated 13 August 2007,

**"Facility A Loan"**

any loan made or to be made under Facility A or the principal amount outstanding for the time being of such loans,

**"Facility B"**

the capex loan facility made available under the Facility Agreement as described in Clause 2.2 (The Facilities) of the Facility Agreement,

**"Facility B Commitment"**

- (a) in relation to the Original Lender, the amount set opposite its name under the heading "Facility B Commitment" in Part II of Schedule 1 (The Original Lender) of the Facility Agreement and the amount of any other Facility B Commitment transferred to it under the Facility Agreement, and
- (b) in relation to any other Lender, the amount of any Facility B Commitment transferred to it under the Facility Agreement,

**"Facility B Loan"**

any loan made or to be made under Facility B or the principal amount outstanding for the time being of such loans,

**"Facility C"**

the term loan facility made available under the Facility Agreement as described in Clause 23 (The Facilities) of the Facility Agreement,

**"Facility C Commitment"**

(a) in relation to the Original Lender, the amount set opposite its name under the heading "Facility C Commitment" in Part II of Schedule 1 (The Original Lender) of the Facility Agreement and the amount of any other Facility C Commitment transferred to it under the Facility Agreement, and

(b) in relation to any other Lender, the amount of any Facility C Commitment transferred to it under the Facility Agreement,

**"Facility C Loan"**

any loan made or to be made under Facility C or the principal amount outstanding for the time being of such loans,

**"Fee Letter"**

(a) the letter dated on or about the date of the Facility Agreement between the Arranger and the Borrower (or the Agent and the Borrower),

(b) the letter on or around the date of the First Supplemental Agreement between the Arranger and the Borrower (or the Agent and the Borrower) setting out any of the fees referred to in Clause 11 (Fees) of the Facility Agreement and the fees referred to in Clause 5 of the First Supplemental Agreement,

(c) the letter dated on or around the date of the Second Supplemental Agreement setting out any of the fees referred to in Clause 11 (Fees) of the Facility Agreement and the fees referred to in

Clause 5 of Second Supplemental Agreement,

- (d) the letter dated on or about the date of the Third Supplemental Agreement between the Arranger and the Borrower (or the Agent and the Borrower) setting out any of the fees referred to in Clause 11 (Fees) of the Facility Agreement and/or Clause 5 of the Third Supplemental Agreement,
- (e) the letter dated on or about the date of the Fourth Supplemental Agreement between the Arranger and the Borrower (or the Agent and the Borrower) setting out any of the fees referred to in Clause 11 (Fees) of the Facility Agreement and/or Clause 5 of the Fourth Supplemental Agreement,
- (f) the letter dated on or about the date of the Fifth Supplemental Agreement between the Arranger and the Borrower (or the Agent and the Borrower) setting out any of the fees referred to in Clause 11 (Fees) of the Facility Agreement and/or Clause 5 of the Fifth Supplemental Agreement,

**"Fifth Supplement Agreement"**

means the agreement amending, supplementing and restating the Facility Agreement dated 13 August 2007,

**"Finance Document"**

the Facility Agreement, a Security Document, the Subordination Agreement, the Fee Letter, any Accession Letter, the Bank Indemnity, the Hedging Arrangements and any other document designated as such by the Agent and the Borrower,

**"Finance Party"**

the Agent, the Arranger, the Counterparty or a Lender,

**"First Supplemental Agreement"**

the agreement amending, supplementing and restating the Facility Agreement dated

15 February 2006,

**"Fostering Solutions (Northern)"**

Fostering Solutions (Northern) Limited  
(registered in England and Wales with  
registration number 5491569),

**"Fourth Supplemental Agreement"**

means the agreement amending,  
supplementing and restating the Facility  
Agreement dated 12 April 2007,

**"General Account"**

each account designated as such under the  
terms of the Facility Agreement,

**"Guarantor"**

an Original Guarantor or an Additional  
Guarantor,

**"Hedging Arrangement"**

any interest hedging arrangement entered  
into by the Borrower in connection with  
interest payable under the Facility  
Agreement,

**"Individual Shareholder"**

Ms Janet MacLean, Mr Andrew Short and  
each member of the Senior Management  
(other than Mr David Johnson) or any other  
person which becomes a shareholder of the  
Borrower with the prior written consent of the  
Majority Lenders,

**"Intellectual Property Rights"**

all patents (including applications (and any  
goodwill associated with such applications),  
improvements, prolongations, extensions  
and rights to apply for them in any part of the  
world), designs (whether registered or  
unregistered), copyrights and rights in the  
nature of copyright, design rights, trade  
marks and service marks (whether registered  
or unregistered), utility models (in each case  
for their full period and all extensions and  
renewals of them), trade names, business  
names, domain names and brand names,  
know-how, formulae, confidential information,  
trade secrets, computer software programs  
and systems and any similar rights existing in  
any country (including the benefit of any  
licences or consents relating to any of the  
above) and all fees, royalties or other rights

derived from them or incidental to them in any part of the world,

**"Investment Document"**

the Shareholders' Agreement, the Investor Loan Note Instrument or the Investor Loan Notes,

**"Investor Loan Notes"**

- (a) £400,000 unsecured subordinated 15% loan notes 2011,
- (b) £5,415,384 unsecured subordinated 15% loan notes 2011,
- (c) £1,000,000 unsecured subordinated 15% loan notes 2006,
- (d) £168,421 unsecured subordinated 15% loan notes 2011,
- (e) £4,000,000 unsecured subordinated 15% loan notes 2011,
- (f) any transferred notes in relation to (a) above,

**"Investor Loan Note Instrument"**

each of the instruments dated 18 March 2005 creating the Investor Loan Notes referred to in paragraphs (a), (b) and (c) of the definition of "Investor Loan Notes" above and each of the instruments dated 28 July 2005 creating the Investor Loan Notes referred to in paragraphs (d) and (e) of the definition of "Investor Loan Notes" above,

**"Key Person Insurance Document"**

a key person life assurance policy (in form and substance reasonably satisfactory to the Agent and with such insurer as the Agent may reasonably approve) taken out and maintained by the Company in respect of each of Mr Stephen Page and Mr David Johnson (and any substitute or replacement policies entered into relating to the same),

**"Lender"**

- (a) any Original Lender, and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party



|                              |   |
|------------------------------|---|
|                              | in accordance with Clause 27 (Changes to the Lenders) of the Facility Agreement,  |
|                              | which in each case has not ceased to be a Party in accordance with the terms of the Facility Agreement,   |
| <b>"Loan"</b>                | a Facility A Loan, a Facility B Loan or a Facility C Loan,  |
| <b>"Majority Lenders"</b>    | (a) if there are no Loans then outstanding, a Lender or Lenders whose Commitments aggregate more than $66\frac{2}{3}\%$ of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than $66\frac{2}{3}\%$ of the Total Commitments immediately prior to the reduction), or<br><br>(b) at any other time, a Lender or Lenders whose participations in the Loans then outstanding aggregate more than $66\frac{2}{3}\%$ of all the Loans then outstanding, |
| <b>"Obligor"</b>             | an Original Obligor or an Additional Guarantor,   |
| <b>"Original Guarantors"</b> | Knossington Grange School Limited, Heath Farm Limited, Heath Farm Fostering Agency Limited, Heath Farm Family Services Limited, Crookhey Hall Limited and Bramfield House School Limited,   |
| <b>"Original Lender"</b>     | Anglo Irish Bank Corporation plc,   |
| <b>"Original Obligor"</b>    | the Borrower or an Original Guarantor,  |
| <b>"Party"</b>               | a party to the Facility Agreement,  |
| <b>"Phoenix"</b>             | Phoenix Equity Nominees Limited,  |
| <b>"Property"</b>            | an Existing Property or an Additional Property,   |

**"Second Supplemental Agreement"**

the agreement amending ,supplementing and restating the Facility Agreement dated on or around 1 March 2007,

**"Security"**

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

**"Security Assets"**

all the assets of each Chargor which are the subject of any Security created or constituted by the Debenture,

**"Security Documents"**

- (a) a debenture over the assets of each Obligor in form and substance satisfactory to the Agent,
- (b) any other document designated as such by the Agent and the Borrower,

**"Senior Management"**

each of Mr Kevin McNeany, Mr Stephen Page and Mr David Johnson and any other individual in a management position agreed between the Borrower and the Agent,

**"Service Contract"**

a service contract of each member of Senior Management in form and substance acceptable to the Agent,

**"Shareholders Agreement"**

the investment agreement relating to the Borrower dated 18 March 2005 between (1) the Borrower, (2) the Managers (as defined therein), (3-8) The Phoenix Funds (as defined therein), (9) Phoenix Equity Partners Limited, and (10) Phoenix,

**"Subordinated Creditor"**

Phoenix or an Individual Shareholder,

**"Subordination Agreement"**

a subordination agreement entered or to be entered into by the Subordinated Creditors in favour of the Agent in form and substance satisfactory to the Agent,

**"Subsidiary"**

- (a) a subsidiary within the meaning of section 736 of the Companies Act

|                                       |  |
|---------------------------------------|--|
|                                       | 1985, and  |
|                                       | (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985,   |
| <b>"Surplus Deposit Account"</b>      | the account designated as such under the terms of the Facility Agreement,  |
| <b>"Tax Deed"</b>                     | a tax deed entered into by the Borrower or a subsidiary of the Borrower in connection with the acquisition of the shares in an Additional Guarantor with the prior consent of the Agent, |
| <b>"Third Supplemental Agreement"</b> | the agreement amending, supplementing and restating the Facility Agreement, dated on or around 21 March 2007,  |
| <b>"Total Commitments"</b>            | the aggregate at any given time of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments,  |
| <b>"Total Facility A Commitments"</b> | the aggregate of the Facility A Commitments being £67,070,000 as at the date of the Facility Agreement,  |
| <b>"Total Facility B Commitments"</b> | the aggregate of the Facility B Commitments being £6,000,000 as at the date of the Facility Agreement,   |
| <b>"Total Facility C Commitments"</b> | the aggregate of the Facility C Commitments being £1,200,000 as at the date of the Facility Agreement,   |
| <b>"Transaction Document"</b>         | <p>(a) a Finance Document,</p> <p>(b) an Acquisition Document,</p> <p>(c) an Investment Document,</p> <p>(d) a Service Contract, or</p> <p>(e) any other document designated as such</p> |

by the Agent and the Borrower, and

**"Underley Company"**

Underley Educational Services (registered in England and Wales with registration number 3834802), or Underley Schools Limited (registered in England and Wales with registration number 3381128)

### SCHEDULE 3

#### Chargors

| Chargor                                | Registered Number | Registered Address  |
|--|-------------------|---|
| Fostering Solutions Limited            | 4006225           | Burnden House<br>Viking Street<br>Bolton<br>Lancashire<br>BL3 2RR |
| Fostering Solutions (Northern) Limited | 5491569           | Burnden House<br>Viking Street<br>Bolton<br>Lancashire<br>BL3 2RR |

Company Name Fostering Solutions Limited  
Company Number 4006225  
Continuation Sheet 20 of 21

#### **SCHEDULE 4**

#### **Real Property**

**None**

**SCHEDULE 5**

**INTELLECTUAL 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 04006225

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL DEED DATED THE 14th AUGUST 2007 AND CREATED BY FOSTERING SOLUTIONS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO ANY FINANCE 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 23rd AUGUST 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 30th AUGUST 2007

*P. Stacey*



*Companies House*

— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES