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legibly, preferably
in black type, or
bold block lettering

* insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

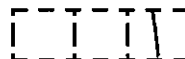
A fee of £10 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



4134749

Name of company

* CHESTNUTBAY LIMITED (the "Chargor")

Date of creation of the charge

10 MAY 2001

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

Debenture dated 10 May 2001 (the "Debenture") between, inter alia, the
Chargor and Dresdner Bank AG, London Branch (the "Security Agent")

Amount secured by the mortgage or charge

In this form 395, unless otherwise defined, the terms used shall have
the meaning given in Appendix 1.

See continuation sheet 1

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

Dresdner Bank AG, London Branch, 2 Swan Lane, London

Postcode EC4R 3TN

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

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

EYF/KO51.00034/2203807

Time critical reference

For official Use
Mortgage Section

Post room



A28
COMPANIES HOUSE

AOMG30WZ

0631
23/05/01

See continuation sheets 2 to 7 inclusive

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in black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Date 22/5/2001

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

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Form 395
Continuation Sheet (1 of 7)

All money or liabilities due, owing or incurred to any Secured Party by any Charging Company or any other Obligor 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**").

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Form 395
Continuation Sheet (2 of 7)

1. CHARGES

1.1 Fixed charges

The Chargor, as 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:-

- (i) all freehold and leasehold property (including the property specified in schedule 2 of the Debenture) together with all buildings and fixtures (including trade fixtures) on that property; and**
- (ii) all the Subsidiary Shares and Investments and all corresponding Distribution Rights;**

(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 plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;**
- (iii) (subject to clause 8.4(b) of the Debenture (Collection of Book Debts)) all Book Debts and all rights and claims against third parties and against any security in respect of Book Debts;**
- (iv) all monies standing to the credit of its accounts (including the Cash Collateral Accounts) with any bank, financial institution or other person;**
- (v) all its Intellectual Property Rights;**
- (vi) the benefit of all consents and agreements held by it in connection with the use of any of its assets;**
- (vii) its goodwill and uncalled capital;**
- (viii) if not effectively assigned by clause 1.3 (Security assignment), all its rights and interests in (and claims under) the Assigned Agreements.**

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1.2 Floating charge

As further security for the payment of the Indebtedness, the Chargor 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 present and future assets not effectively charged by way of first fixed charge under clause 1.1 (Fixed charges) or assigned under clause 1.3 (Security assignment).

1.3 Security assignment

- (a) Subject to clause 1.3(b), as further security for the payment of the Indebtedness, the Chargor assigns absolutely to the Security Agent all its rights, title and interest in the Assigned Agreements, provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the Chargor re-assign the Assigned Agreements to the Chargor (or as it shall direct).
- (b) The Security Agent confirms that where the assignment of any right, title or interest in any Material Contract requires the consent of another party to that Material Contract, that right, title or interest shall not be regarded as capable of assignment until that consent has been obtained. The Chargor shall use all reasonable endeavours to obtain any consent required for the assignment of any such Material Contract.
- (c) Until the occurrence of a Declared Default, but subject to clause 8.8 of the Debenture (Assigned agreements), the Chargor may continue to deal with the counterparties to the relevant Assigned Agreements freely without reference to the Security Agent.

1.4 Conversion of floating charge

If:-

- (a) a Declared Default has occurred; or
- (b) the Security Agent is of the reasonable 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 Chargor, convert the floating charge created under this deed into a fixed charge as regards those assets which it specifies in the notice. The Chargor shall promptly execute a fixed charge or legal assignment over those assets in the form which the Security Agent requires.

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1.5 Automatic conversion of floating charge

If the Chargor creates (or purports to create) any Security Interest (except as permitted by the Senior Credit Agreement and the Mezzanine Loan Agreement 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 this deed will automatically (without notice) and immediately be converted into a fixed charge over the relevant Floating Charge Asset.

1.6 Leasehold Property and Consent

- (a) The Security Agent confirms that where any of the charges created in clause 1.1 (Fixed Charges) would breach the terms of any lease or any other agreement under which the Chargor holds any leasehold property or any interest in any other asset, such leasehold property or other asset shall be excluded from the charges created in clause 1.1 (Fixed Charges) until any consent required for the creation of a charge has been obtained;
- (b) the Chargor shall use all reasonable endeavours to obtain any consent required for the creation of a charge over any such leasehold property or other 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 Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

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3. FURTHER ASSURANCE

3.1 General

(a) The Chargor 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 this 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 this deed; and/or
- (iv) to confer on the Security Agent security over any assets of the Chargor (in whatever jurisdiction situated) equivalent or similar to the security intended to be conferred by this deed,

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

(b) Any security document required to be executed by the Chargor under this clause 3.1 will contain clauses corresponding to but no more onerous than the provisions set out in this deed.

3.2 H.M. Land Registry

(a) In relation to real property charged by way of legal mortgage under this deed situated in England and Wales, the Chargor hereby applies to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that real property (including any unregistered properties subject to compulsory first registration at the date of this deed) and agrees to apply for such a restriction, when requested to do so by the Security Agent, in the following terms:-

"Except under an Order of the Registrar, no disposition by the proprietor of the land or charge or other security interest is to be registered without the consent of the proprietor for the time being of *[the charge hereby created]*".

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- (b) Subject to the terms of the Senior Credit Agreement and the Mezzanine Loan Agreement, the Senior Lenders and the Mezzanine Lenders respectively are under an obligation to make further advances to Obligors and this security has been made for securing those further advances. The Security Agent hereby applies to the Chief Land Registrar in the following terms:-

"*[Description of the Lenders]* are under an obligation to make further advances and application is made to the Registrar for a note to be entered on the register to that effect."

- (c) In respect of any part of the Charged Property title to which is registered at H.M. Land Registry, it is certified that the security created by this deed does not contravene any of the provisions of the memorandum or articles of association of the Chargor.

3.3 Register of trade marks

The Chargor as registered proprietor appoints the Security Agent as its agent to apply for the particulars of this deed and of the Secured Parties' interest in its existing trade marks and trade mark applications and any future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of the Chargor, to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994, and the Chargor agrees to execute all documents and forms required to enable those particulars to be entered on the Register of Trade Marks.

4. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

The Chargor 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 Senior Credit Agreement and the Mezzanine Loan Agreement or with the prior consent of the Security Agent.

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5. SET-OFF

5.1 Set-off rights

Any Secured Party may at any time after a Declared Default has occurred and for so long as it is continuing (without notice to the Chargor):-

- (a) set-off or otherwise apply sums standing to the credit of the Chargor's accounts with that Secured Party (irrespective of the terms applicable to those accounts and whether or not those sums are then due for repayment to that Secured Party); and
- (b) set-off any other obligations (whether or not then due for performance) owed by that Secured Party to the Chargor,

against any liability of the Chargor to the relevant Secured Party under the Finance Documents.

5.2 Different currencies

A Secured Party may exercise its rights under clause 5.1 (Set-off rights) notwithstanding that the amounts concerned may be expressed in different currencies and each Secured Party is authorised to effect any necessary conversions at a market rate of exchange selected by it.

5.3 Unliquidated claims

If the relevant obligation or liability is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

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Appendix 1
Continuation Sheet (1 of 8)

In this Form 395 (including this Appendix 1 and the continuation sheets) the terms used will have the meaning given below:

"Accession Document" means an agreement substantially in the form set out in schedule 6 of the Senior Credit Agreement under which a Group Company becomes a Guarantor and/or a Borrower under the Senior Credit Agreement and becomes a party to the Intercreditor Deed;

"Acquisition Documents" means the Sale and Purchase Agreement, the Disclosure Letter, the Tax Deed and all other documents and agreements made by the Vendor and any Group Company in connection with the Sale and Purchase Agreement;

"Agents" means the Facility Agent and the Security Agent;

"Ancillary Facilities" means working capital facilities made available by an Ancillary Lender under an Ancillary Facility Letter in accordance with clause 6 (Ancillary Facilities) of the Senior Credit Agreement;

"Ancillary Facility Letter" means a facility letter entered into by an Ancillary Lender and one or more Borrowers in accordance with clause 6 (Ancillary Facilities) of the Senior Credit Agreement;

"Ancillary Lender" means a Lender which has agreed to make available Ancillary Facilities under an Ancillary Facility Letter (until all amounts outstanding under those Ancillary Facilities have been discharged and it no longer makes those Ancillary Facilities available);

"Arranger" means Dresdner Kleinwort Wasserstein;

"Assigned Agreements" means the Acquisition Documents, the Hedging Agreements, the Insurances, the Material Contracts and the Key Person Policies;

"Bank Guarantee" means a guarantee or letter of credit issued by an Issuing Lender under the Revolving Facility in the form agreed by the Chargor, the Facility Agent and the relevant Issuing Lender;

"Book Debts" means all book and other debts and monetary claims;

"Borrowers" means the Chargor, Midco, Subco and each other Group Company which becomes a borrower under the Senior Credit Agreement in accordance with clause 18.1 (Additional Borrowers) of the Senior Credit Agreement;

"Cash Collateral Account" means an account with the Security Agent (or any other Lender which the Chargor designates for the purposes of clause 12.9 (Prepayments during Interest Periods) of the Senior Credit Agreement or clause 10.9 (Prepayments during Interest Periods) of the Mezzanine Loan Agreement opened in the name of an Obligor into which amounts are to be paid for the purposes of

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clause 12 (Prepayment and cancellation) of the Senior Credit Agreement, clause 10 (Prepayment and cancellation) of the Mezzanine Loan Agreement or any other purposes specified in the Senior Credit Agreement or the Mezzanine Loan Agreement and over which the Security Agent has a first priority security interest under the Security Documents;

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

"Charging Companies" means the Chargor, Midco, Subco and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

"Declared Default" means an Event of Default which has resulted in the Facility Agent exercising any of its rights under clause 21.2 (Cancellation and repayment) of the Senior Credit Agreement or the Mezzanine Agent exercising any of its rights under clause 19.2 (Cancellation and repayment) of the Mezzanine Loan Agreement;

"Derivative Instrument" means any financial forward rate agreement, option, swap, cap, floor, any combination or hybrid of the foregoing and any other financial derivative agreement;

"Disclosure Letter" means the letter dated on or before the date of the Senior Credit Agreement from the Vendor to Midco 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);

"Event of Default" means any event specified in clause 21.1 (List of events) of the Senior Credit Agreement;

"Facility Agent" means Dresdner Bank AG, London Branch;

"Fees Letter" means the letter from the Facility Agent to the Chargor dated on or about the date of the Senior Credit Agreement setting out details of certain fees payable by the Chargor in connection with the Term Facilities, the Revolving Facility and the Ancillary Facilities;

"Finance Documents" means the Senior Finance Documents and the Mezzanine Finance Documents;

"Finance Party" means Senior Finance Parties and the Mezzanine Finance Parties;

"Floating Charge Asset" means an asset charged under clause 1.2 (Floating charge);

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

"Group Company" means a member of the Group;

"Guarantors" means the Chargor, Midco, Subco and each other Group Company which becomes a guarantor under the Senior Credit Agreement or the Mezzanine Loan Agreement in accordance with clause 18.3 (Additional Guarantors) of the Senior Credit Agreement or clause 16.3 (Additional Guarantors) of the Mezzanine Loan Agreement;

"Hedging Agreements" means Derivative Instruments entered into with the Hedging Lender for the purpose of managing or hedging currency and/or interest rate risk in relation to, inter alia, the Term Facilities and the Mezzanine Facility;

"Hedging Lender" means Dresdner Kleinwort Wasserstein (or its Affiliate) in its capacity as provider of currency and/or interest rate hedging under any Hedging Agreement;

"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;

"Intercreditor Deed" means the intercreditor deed dated on or about the date hereof and entered into between, amongst others, each of the parties to the Finance Documents and each of the Original Equity Investors;

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

"Issuing Lender" means any Lender in its capacity as issuer of a Bank Guarantee;

"Key Person" means Peter Aughterson, Jean Cross and Ron Ring;

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"Key Person Policies" means the insurance policies effected or to be effected by the Chargor in relation to the lives of each Key Person in accordance with clause 20.6(a)(ii) (Insurance) of the Senior Credit Agreement;

"Lender" means Senior Lenders and Mezzanine Lenders;

"Material Contracts" means:

- (a) the management agreements, each dated 7 June 1999 and made between David Lloyd Leisure Nurseries Limited, David Lloyd Leisure Limited, Gatehouse Nursery Services (Surrey) Limited and Asquith Court Holdings Limited in respect of nurseries located at David Lloyd Fitness centres in Warrington, Teeside, Speke, Solihull, Nottingham, Milton Keynes, Maidstone, Belfast, Bolton, Brighton, Bristol, Bushey, Cardiff, Cheadle, Chigwell, Sidcup, Basildon and Eastbourne; and
- (b) the Montessori Joint Venture Agreement;

"Mezzanine Accession Document" means an agreement substantially in the form set out in schedule 6 of the Mezzanine Loan Agreement under which a Group Company becomes a Guarantor under the Mezzanine Loan Agreement and becomes a party to the Intercreditor Deed;

"Mezzanine Agent" means Dresdner Bank AG, London Branch;

"Mezzanine Arranger" means Dresdner Kleinwort Wasserstein.

"Mezzanine Facility" means the term loan facility to be made available by the Mezzanine Lenders under clause 2.1 (Facility) of the Mezzanine Loan Agreement;

"Mezzanine Fees Letter" means the letter from the Mezzanine Agent to the Chargor dated on or about the date of the Mezzanine Loan Agreement setting out details of certain fees payable by the Chargor in connection with the Mezzanine Facility;

"Mezzanine Finance Documents" means the Mezzanine Loan Agreement, each Security Document, the Intercreditor Deed, the Warrant Instrument, the Mezzanine Fees Letter, each Mezzanine Accession Document, each Mezzanine Transfer Certificate and any other document designated as a Mezzanine Finance Document by the Chargor and the Mezzanine Agent;

"Mezzanine Finance Parties" means the Mezzanine Arranger, the Mezzanine Agent, the Security Agent and each Mezzanine Lender;

"Mezzanine Lenders" means:

- (a) the original Mezzanine Lender; and

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- (b) each Mezzanine Transferee which has become a party to the Mezzanine Loan Agreement as a Mezzanine Lender in accordance with clause 25 (Changes to parties) of the Mezzanine Loan Agreement,

in each case until its entire participation in the Mezzanine Facility has been assigned or transferred to a Mezzanine Transferee in accordance with clause 25 (Changes to parties) of the Mezzanine Loan Agreement and all amounts owing to it under the Mezzanine Finance Documents have been paid in full;

"Mezzanine Loan Agreement" means the mezzanine loan agreement in the agreed form dated 10 May 2001 between Midco as borrower, the Chargor and certain of its subsidiaries as guarantors, Dresdner Kleinwort Wasserstein as arranger, Dresdner Bank AG London Branch as underwriter, the lenders named in that agreement and Dresdner Bank AG London Branch as facility agent and security agent;

"Mezzanine Transfer Certificate" means a certificate substantially in the form set out in schedule 5 of the Mezzanine Loan Agreement;

"Mezzanine Transferee" has the meaning given to it in clause 25.2(a) (Assignments and transfers by Mezzanine Lenders) of the Mezzanine Loan Agreement;

"Midco" means Acorndrive Limited (No. 4167362);

"Montessori Joint Venture Agreement" means the joint venture agreement dated 15 December 1998 and made between Asquith Court Holdings Limited, St Nicholas Training Centre for the Montessori Method of Education Limited and London Montessori Centre Limited;

"Novation Deed" means a deed of novation in the agreed form and to be made between, amongst others, the Senior Finance Parties, Midco and Subco pursuant to which the parties thereto agree, inter alia, that Subco will assume all of Midco's obligations under the Senior Credit Agreement;

"Obligors" means the Chargor, each Borrower and each Guarantor;

"Original Equity Investors" means West Private Equity Limited;

"Revolving Facility" means the revolving credit facility made available by the Revolving Lenders under clause 2.1(d) (Facilities) of the Senior Credit Agreement;

"Revolving Lenders" means:

- (a) the Underwriter and any other persons (if any) identified in schedule 1 of the Senior Credit Agreement as participating in the Revolving Facility; and

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- (b) each Senior Transferee which has become a party to the Senior Credit Agreement in relation to the Revolving Facility in accordance with clause 27 (Changes to parties) of the Senior Credit Agreement,

in each case until its entire participation in the Revolving Facility has been assigned or transferred to a Senior Transferee in accordance with clause 27 (Changes to parties) of the Senior Credit Agreement and all amounts owing to it under the Senior Finance Documents in relation to the Revolving Facility have been paid in full;

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

"Secured Parties" means the Senior Finance Parties and the Mezzanine Finance Parties;

"Security Accession Deed" means a deed executed by a Group Company substantially in the form set out in schedule 7 of the Debenture, with those amendments which the Security Agent may approve or reasonably require;

"Security Documents" means the Debenture and all other documents creating, evidencing or granting a Security Interest in favour of any Finance Party in relation to the obligations of any Obligor under any Finance Document;

"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 and repurchase arrangement) having the commercial effect of conferring security;

"Senior Credit Agreement" means the credit agreement dated 10 May 2001 under which certain lenders have made available £28,000,000 of facilities to the Chargor and certain other Group Companies;

"Senior Finance Documents" means this agreement, each Security Document, the Intercreditor Deed, the Novation Deed, each Hedging Agreement, each Ancillary Document, each Accession Document, each Transfer Certificate, the Fees Letter and any other document designated as a Senior Finance Document by the Chargor and the Facility Agent;

"Senior Finance Parties" means the Arranger, the Underwriter, each Agent, each Lender, each Ancillary Lender, each Issuing Lender and each Hedging Lender;

"Senior Lenders" means the Term A Lenders, the Term B Lenders and the Revolving Lenders;

"Subco" means Acorndrift Limited (No. 4167034);

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"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;

"Senior Transferee" has the meaning given to it in clause 27.2(a) (Assignments and transfers by Lenders) of the Senior Credit Agreement;

"Target" means Asquith Court Holdings Limited, a company incorporated in England and Wales with registered number 2512315;

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

"Tax Deed" means the tax deed dated on or before the date of this agreement and made between the Vendor and Midco;

"Term A Facility" means the Term A1 Facility and the Term A2 Facility;

"Term A Lenders" means Term A1 Lenders and Term A2 Lenders;

"Term A1 Facility" means the term loan facility made available by the Term A1 Lenders under clause 2.1(a) (Facilities) of the Senior Credit Agreement;

"Term A1 Lenders" means:

- (a) the Underwriter and any other persons (if any) identified in schedule 1 of the Senior Credit Agreement as participating in the Term A1 Facility; and
- (b) each Senior Transferee which has become a party to the Senior Credit Agreement in relation to the Term A1 Facility in accordance with clause 27 (Changes to parties) of the Senior Credit Agreement,

in each case until its entire participation in the Term A1 Facility has been assigned or transferred to a Senior Transferee in accordance with clause 27 (Changes to parties) of the Senior Credit Agreement and all amounts owing to it under the Senior Finance Documents in relation to the Term A1 Facility have been paid in full;

"Term A2 Facility" means the loan facility made available by the Term A2 Lenders under clause 2.1(b) (Facilities) of the Senior Credit Agreement;

"Term A2 Lenders" means:

- (a) the Underwriter and any other persons (if any) identified in schedule 1 of the Senior Credit Agreement as participating in the Term A2 Facility; and

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- (b) each Senior Transferee which has become a party to the Senior Credit Agreement in relation to the Term A2 Facility in accordance with clause 27 (Changes to parties) of the Senior Credit Agreement,

in each case until its entire participation in the Term A2 Facility has been assigned or transferred to a Senior Transferee in accordance with clause 27 (Changes to parties) of the Senior Credit Agreement and all amounts owing to it under the Senior Finance Documents in relation to the Term A2 Facility have been paid in full;

"Term B Facility" means the term loan facility made available by the Term B Lenders under clause 2.1(c) (Facilities) of the Senior Credit Agreement;

"Term B Lenders" means:

- (a) the Underwriter and any other persons (if any) identified in schedule 1 of the Senior Credit Agreement as participating in the Term B Facility; and
- (b) each Senior Transferee which has become a party to the Senior Credit Agreement in relation to the Term B Facility in accordance with clause 27 (Changes to parties) of the Senior Credit Agreement,

in each case until its entire participation in the Term B Facility has been assigned or transferred to a Senior Transferee in accordance with clause 27 (Changes to parties) of the Senior Credit Agreement and all amounts owing to it under the Senior Finance Documents in relation to the Term B Facility have been paid in full;

"Term Facilities" means the Term A Facility and the Term B Facility;

"Transfer Certificate" means a certificate substantially in the form set out in schedule 5 of the Senior Credit Agreement;

"Underwriter" means Dresdner Bank AG, London Branch;

"Vendor" means Allen & Company Inc., Apax Partners & Co. Ventures Limited as manager of Apax Ventures III and Apax Ventures III International Partners L.P., Candover Investments plc, Candover Trustees Limited, Electra Investment Trust plc, Peter Aughterson, Neville Fridge, Bedell Cristin Trustees Limited, David Gideon Frank Aurele Xavier Soskin, Alexandra Clare Weston Soskin, Talisman Management International Limited and Richard Henry Grogan; and

"Warrant Instrument" means the warrant instrument in the agreed form pursuant to which warrants will be issued to the Mezzanine Lenders.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04134749

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE BETWEEN, INTER ALIA, THE COMPANY AND DRESDNER BANK AG, LONDON BRANCH (THE "SECURITY AGENT") DATED THE 10th MAY 2001 AND CREATED BY CHESTNUTBAY LIMITED FOR SECURING ALL MONIES OR LIABILITIES DUE, OWING OR INCURRED TO ANY SECURED PARTY BY ANY CHARGING COMPANY OR ANY OTHER OBLIGOR AT PRESENT OR IN THE FUTURE, 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 (ALL TERMS AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd MAY 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th MAY 2001.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —