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CHFP041

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

* Insert full name
of company

COMPANIES FORM No. 395

00400071

395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

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

ACCOUNT

2

8 JAN 2005

RECEIVED

For official use

Company number

To the Registrar of Companies

(Address overleaf - Note 6)

Name of company

* Craegmoor Homes Limited (the *Company*)

Date of creation of the charge

21 January 2005

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

Supplemental Legal Mortgage (the *Supplemental Legal Mortgage*) dated 21 January 2005 between the
Company and Barclays Bank PLC (the *Security Agent*)

Amount secured by the mortgage or charge

For a description of the amount secured by the Supplemental Legal Mortgage please see Continuation Sheet
Number 1 attached to this Form 395.

All capitalised terms used in this Form 395 shall have the meaning given to them in Continuation Sheet
Number 3 unless defined elsewhere in this Form 395.

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

Barclays Bank PLC
54 Lombard Street
London

Postcode EC3V 9EX

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

FRESHFIELDS BRUCKHAUS
DERINGER
65 FLEET STREET, LONDON
ENGLAND EC4Y 1HS
DX 23 LONDON/CHANCERY LANE

For official use
Mortgage sectionL11
COMPANIES HOUSE

LTDOP2BH

0612
28/01/05Time critical reference
DGW/CM 007450/0330

Com 395-1/2

Short particulars of all the property mortgaged or charged

For short particulars of all the property charged please see Continuation Sheet Number 2 attached to this Form 395.

Please do not write in this margin

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

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Particulars as to commission allowance or discount (note 3)

Nil

Signed *Freshfields Bruckhaus Deringer*

Date *28.1.05*

On behalf of ~~company~~ [mortgagee/chargee]*

*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 CF4 3UZ.

CONTINUATION SHEET NUMBER 1

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 to the Lenders (or any of them) under each or any of the Finance Documents together with all costs, charges and expenses incurred by any Lender in connection with the protection, preservation or enforcement (in the case of protection or preservation, to the extent such costs, charges and expenses are reasonable) of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities (the *Secured Liabilities*).

CONTINUATION SHEET NUMBER 2

SHORT PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED

The Company charges by way of first legal mortgage in favour of the Security Agent with full title guarantee the Property together with all buildings and fixtures (including trade fixtures) at any time thereon.

CONTINUATION SHEET NUMBER 3

DEFINITIONS

Accession Agreement means a Guarantor Accession Agreement;

Additional Guarantor means any other member of the Warehouse Group that becomes party to the Warehouse Facility Agreement as a Guarantor pursuant to a Guarantor Accession Agreement;

Advance means the principal amount of each borrowing under the Warehouse Facility Agreement or the principal amount of such borrowing outstanding from time to time;

Approved Company means the entire issued share capital of a limited liability company incorporated in England and Wales or in Scotland whose sole business activities comprise owning and running Care Homes satisfying the criteria agreed from time to time between by the Obligors' Agent and the Facility Agent and which is approved in writing by the Facility Agent;

Arranger means Barclays Bank PLC in its capacity as Arranger under the Warehouse Facility Agreement;

Bank means each of the following:

- (a) each bank whose name is set out in Schedule B (*Bank, Facility Office and Notice Details*) of the Warehouse Facility Agreement;
- (b) each bank to which rights and/or obligations under the Warehouse Facility Agreement are assigned or transferred pursuant to Clause 27 (*Assignments, Transfer and Substitution*) of the Warehouse Facility Agreement or which assumes rights and obligations pursuant to a Substitution Certificate; and
- (c) any successor or successors in title to any of the foregoing,

provided that upon (i) termination in full of all the Commitments of any Bank, and (ii) irrevocable payment in full of all amounts which may be or become payable to such Bank under the Finance Documents, such Bank shall not be regarded as being a Bank for the purposes of determining whether any provision of any of the Finance Documents requiring consultation with or the consent or approval of or instructions from the Banks or any of them or the Majority Banks has been complied with;

Borrower means the Parent and/or the Company and, as the context requires and in relation to any Advance, the borrower of such Advance;

Care Homes means a nursing home, residential home or specialist care home providing medical or social care which may be required to be registered by a Health Authority or a Local Authority under the Relevant Act;

CHC means Craegmoor Healthcare Company Limited (No.3830455);

Commitment in relation to a Bank means (subject to Clause 6.1 (*Mandatory cancellation*) of the Warehouse Facility Agreement) an amount appearing and designated as such against that Bank's name in Schedule B (*Bank, Facility Office and Notice Details*) of the Warehouse Facility Agreement or in the Substitution Certificate or other document by which it became party to or acquired rights under the Warehouse Facility Agreement, as reduced or increased by substitution or transfer pursuant to Clause 27 (*Assignments, Transfer and Substitution*) of the Warehouse Facility Agreement and any Substitution Certificates to which such Bank is party, and to the extent not cancelled, reduced or terminated under the Warehouse Facility Agreement;

Debenture means the fixed and floating charge dated 16 October 2003 between the Company and the Security Agent;

Facility Agent means Barclays Bank PLC under the Warehouse Facility Agreement and its permitted successors and assigns;

Finance Documents means the Warehouse Facility Agreement, any Guarantor Accession Agreement, the Servicing Agreement and the Security Documents and any other document designated as such by the Facility Agent and the Obligors' Agent together;

Guarantor means each of the Borrowers and each Additional Guarantor;

Guarantor Accession Agreement means an agreement substantially in the form of Schedule F of the Warehouse Facility Agreement made pursuant to Clause 18 (*Additional Guarantors*) of the Warehouse Facility Agreement;

Health Authority means a health authority in England and Wales or a health board (or, where applicable, local authority) in Scotland;

Lender means each of the Facility Agent, the Security Agent, the Arranger and the Banks party to or having an interest under the Finance Documents from time to time, (together the **Lenders**);

Local Authority means a local authority in England and Wales or a local authority in Scotland;

Majority Banks means a Bank or Banks the aggregate amount of whose Commitments at the relevant time represents by value more than sixty-six and two-thirds per cent. (66 2/3%) of the aggregate Commitments at such time;

Obligor means each Borrower and each Guarantor;

Obligors' Agent means the Company appointed to act on behalf of each Obligor pursuant to Clause 2.3 (b) (*CHL as Obligor's Agent*) of the Warehouse Facility Agreement;

Parent means Craegmoor Group Limited (No.2825572);

Property means the freehold premises brief details of which are set out in Continuation Sheet Number 4 of this document;

Relevant Act means:

- (a) in the case of a Care Home located in England or Wales, the Mental Health Act 1983, the Childrens Act 1989, the Registered Homes Act 1984 or the Care Standards Act 2000; and
- (b) in the case of a Care Home located in Scotland, the Nursing Homes Registration (Scotland) Act 1938 (as amended) or (as applicable) the Social Work (Scotland) Act 1968;

Security Documents means the Share Pledge and the Debenture together with such other documents (if any) as may be required to be entered into by the Parent and/or any member of the Warehouse Group pursuant to Clause 17 (*Guarantee*) or 18 (*Additional Guarantors*) of the Warehouse Facility Agreement or pursuant to the terms of any other Finance Document or the Share Pledge, the Debenture or any such documents;

Servicing Agreement means the servicing agreement between the Parent, the Security Agent, the Company and CHC;

Share Pledge means the mortgage of securities dated 16 October 2003 between the Parent and the Security Agent in respect of the entire issued share capital in CHL;

Substitution Certificate means a certificate in the form of Schedule D (*Substitution Certificate*) of the Warehouse Facility Agreement;

Warehouse Facility Agreement means the £60,000,000 term loan facility agreement dated 16 October 2003 between the Company, the Parent and the Security Agent, together with each Accession Agreement and Substitution Certificate relating thereto and any and each other agreement or instrument supplementing or amending it; and

Warehouse Group means that group of companies consisting of the Company and Approved Companies purchased from time to time by the Parent as contemplated by Clause 3.1 (a) (*Purpose*) of the Warehouse Facility Agreement.

CONTINUATION SHEET NUMBER 4

DETAILS OF REGISTERED LAND

Title No.	Address of Property	Tenure
DY95017	Oaklands, 87 Burton Road, Derby DE1 1TJ	Freehold
HW149434	Stable Cottage and Tithe Barn, Upper Moraston, Herefordshire HR9 6QJ	Freehold
WYK751809	Kinsley Health Centre, Farmfield Drive, Fitzwilliam, Pontefract WF9 4AE	Freehold
EX325608 and EX325609	Suttons Manor, London Road, Stapleford Tawney, Essex RM4 1SP	Freehold

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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. 04790588

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL LEGAL MORTGAGE DATED THE 21st JANUARY 2005 AND CREATED BY CRAEGMOOR HOMES LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO BARCLAYS BANK PLC 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 28th JANUARY 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 2nd FEBRUARY 2005.

DX 4



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES