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CHFP014

Please do not
write in this
binding marginPlease 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 5)

For official use

Company number

10

5139897

Name of company

* **Cannon Life No.1 (UK) Limited (the "Company")**

Date of creation of the charge

✓ **25 October 2004**


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

01. **Charge dated 25 October 2004 and made between the Company (1) and the Security Trustee (2) (the "Charge")**

Amount secured by the mortgage or charge

Please see paragraph 1 of the attached continuation sheet for defined terms used in this Form 395.10
The "Obligations" being all monies costs charges, expenses liabilities and obligations whether certain or contingent which now or hereafter may be or become due, owing or incurred by the Borrower, Holdco or the property companies to the Security Trustee and/or any of the Beneficiaries (whether solely or jointly with one or more persons or in any capacity whatsoever under the Finance Documents) except for any obligation or liability which, if it were so included, would result in the unlawful giving of financial assistance, and any reference herein shall include all or any part thereof.

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

T **Deutsche Bank AG (the "Security Trustee")****(Winchester House, 1 Great Winchester Street, London)**Postcode **EC2N 2DB**Presentor's name address and
reference (if any): 
Cadwalader Wickersham & Taft LLP**265 Strand
London WC2R 1BH
JLH.95771.006**

Time critical reference

For official Use
Mortgage Section

Post room

A09
COMPANIES HOUSE0536
03/11/04

Short particulars of all the property mortgaged or charged

Please see paragraph 1 of the attached continuation sheet for defined terms used in this Form 395.

Please do not write in this binding margin

Please see paragraph 2 of the attached continuation sheet for the particulars of all the property mortgaged or charged.

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

Particulars as to commission allowance or discount (Note 3)

NIL

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

Signed

Colin Widdesham & Tahir H/H

Date

02/11/2004

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", "Debentures", "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:-

Continuation Sheet to Form 395

1. Defined Terms

In this Form 395 the following expressions shall have the following meanings (save to the extent that the context otherwise so requires):

“Advance” means, save as otherwise provided herein, an advance (as from time to time reduced by prepayment or repayment) made or to be made by the Banks under the Facility which will be either an Acquisition Advance in relation to one or more Properties or a Top-Up Advance.

“Acquisition Advance” means, in relation to any Property which for the time being is not already included in the Portfolio, an Advance which directly or indirectly funds the acquisition of such Property (or variation of an interest previously held therein) or a Target Company which beneficially owns such Property by the Borrower or a Property Company.

“Bank” means any financial institution named in Schedule 2 (*The Initial Bank*) of the Facility Agreement (other than where it has ceased to be a party in accordance with the terms of the Facility Agreement) or which accedes to the Facility Agreement as a transferee pursuant to Clause 28.5 of the Facility Agreement;

“Beneficiaries” means the Security Trustee, the Banks and each Hedge Counterparty;

“Borrower” means Cannon Capital Funding (UK) Limited;

“Care Facility” means a home which provides nursing, residential care, educational and/or day care facilities to Residents or an assisted living facility, a hospital, a secure unit or a medical or dental surgery;

“Certificates of Title” means the certificates of title delivered or to be delivered pursuant to Part 1(B) of Schedule 4 of the Facility Agreement;

“Debenture” means the debenture dated 3 June 2004 made between Holdco, Borrower, the Security Trustee and the Company.

“Facility” means the sterling revolving warehouse facility granted to the Borrower pursuant to Clause 2 of the Facility Agreement as the same may be increased or reduced from time to time;

“Facility Agreement” means the revolving warehouse facility agreement dated 29 April 2004 between, inter alios, Holdco, the Property Companies, the Borrower and the Security Trustee;

“Finance Documents” means the Facility Agreement, the Security Documents, the Subordination Deed, the Hedges, any Transfer Certificate, any Borrower Accession Notice, any Property Company Accession Notice, any Duty of Care Agreement and any document designated as a Finance Document by the Agent and the Borrower (all as defined in the Facility Agreement).

“Fixtures” includes all buildings, erections and structures at any time on or in the course of construction on any Property comprised in the Portfolio and includes all landlord's fixtures, fittings, plant, machinery, equipment, installations and apparatus now and from time to time in or on or belonging to any such Property;

“Holdco” means Cannon Capital Property Holdings Limited;

“Insurance Policies” means the benefit of any Property Company in any insurance policy in relation to the Properties comprised in the Portfolio;

“Lessee Security” means all such right, title, interest and benefit as either Property Company has now or at any time thereafter in and to all collateral security provided as security by the tenant for its obligations under the Operating Leases including without limitation: deposits; bonds; guarantees; indemnities and letters of credit;

“Loan” means a loan from the Borrower or any Property Company to any Property Company;

“Operating Lease” means a lease in relation to a Property under which an Operator is tenant which requires the Operator to use the Property for a purpose which falls within the definition of Care Facility.

“Operator” means, in relation to a Care Facility, the person which operates or will operate such Care Facility.

“Portfolio” means all Properties at any time beneficially owned by the Borrower, a Property Company or a Target Company (or which will be beneficially owned by such a person immediately following the making of an Advance).

“Property” means a freehold, heritable, leasehold or other estate or interest in land and buildings in the United Kingdom operated or to be operated as a Care Facility (and including any relevant ancillary land and buildings) together with all Fixtures, fittings and other assets of any kind whatsoever beneficially owned by the Borrower or the relevant Property Company or Target Company and situated at or used primarily in connection with such Care Facility;

“Property Companies” means the Company and all other companies which are for the time being “Property Companies” in accordance with the Facility Agreement.

“Real Property” means the property being:

- (a) Immanuel Nursing Home, 9 Valley Road, Chandler's Ford, Eastleigh, Hampshire registered under the title number HP158950.
- (b) Cavell House Nursing Home, Middle Road, Shoreham by Sea, West Sussex registered under the title number WSX170857.
- (c) Ravenscroft Nursing Home, 44 Hilperton Road, Trowbridge, Wiltshire registered under the title number WT169225.
- (d) Nightingale Nursing Home, 11 to 14 Comerton Road, Kidderminster, Worcestershire registered under the title number HW104506.

- (e) The Briary Nursing Home, Reading Road North, Fleet, Hampshire registered under the title number HP419378.
- (f) Alexander Court, Guildhall street, Thetford, Norfolk registered under the title number NK219698.
- (g) Briar House, Losinga Road, Kings Lynn, Norfolk registered under the title numbers NK213078 and NK99247.
- (h) Cameron House, Plumleys, Pitsea, Basildon, Essex registered under the title number EX589994.
- (i) Dungate Manor, Reigate Heath, Flanchford Road, Reigate, Surrey registered under the title number SY75894.
- (j) Withy Grove House, Poplar Grove and land on the South side of Poplar Grove, Bamber Bridge, Preston registered under the title number LA538381.
- (k) The Hollies, Reading Road, Burghfield Common, Reading, Berkshire, RG7 3BH registered under the title numbers BK137563 and BK181592.
- (l) Sampford House, 27 Shurnhold, Melksham, Wiltshire, SN12 8DD registered under the title number WT68230.
- (m) Diamond House Nursing and Residential Home, Bennett Street, Downham Market, Norfolk registered under the title numbers NK209636 and NK214029.
- (n) Hillcrest Nursing Home, 106 Thorpe Road, Norwich, Norfolk registered under the title number NK248510.
- (o) Heartlands Nursing Home, 50 Broadstone Road, Birmingham, West Midlands, B26 2BN registered under the title number WM615528.
- (p) The Chanters Nursing Home, Tyldesley Old Road, Manchester registered under the title number GM672872.
- (q) Bryden House, Marpool Lane, Kidderminster, Worcestershire, WR73517.
- (r) Burgh Hall, Hall Lane, Skegness, Lincolnshire registered under the title number LL165861.
- (s) Badgers Wood Nursing Home and Residential Home, 29 School Road, Brundall, Norwich, Norfolk registered under the title number NK228291.
- (t) Wickwar Nursing Home, Castle House, Sodbury Road, Wickwar, Wooton-under-Edge, Gloucester GL12 8NR registered under the title numbers AV166554 and AV193571.
- (u) Dove Court, Kirkgate St., Wisbech, Cambridgeshire PE13 3QU registered under the title number CB249839.

- (v) Harmony Court, Bull Ring, Nuneaton, Warwickshire, CV10 7BY registered under the title number WK391313.
- (w) Swan House, Pooles Lane, Willenhall, West Midlands WV12 5HH registered under the title numbers WM611634 and WM737813.
- (x) Kingfisher House, 77 South Road, Corby, Northamptonshire NN17 1XD registered under the title number NN153892.
- (y) Lily House, Lynn Road, Ely, Cambridgeshire, CB6 1SD registered under the title number CB232848.
- (z) Edendale Care Home, Jasmin Close, Wisbech, Cambridgeshire PE13 3RN registered under the title number CB226212.

together with the Fixtures thereon and reference to the Real Property shall be taken to include the whole or any part or parts thereof;

“Residents” means elderly, young, mentally or physically infirm, chronically ill, learning or physically disabled or disadvantaged persons, persons with criminal convictions or those with drug, alcohol or other dependencies.

“Target Company” means a company (other than a company which for the time being is an Obligor) the entire issued share capital of which is (or would be on the making of an Advance hereunder) beneficially owned by the Borrower or a Property Company;

“Top-Up Advance” means an Advance made from time to time but which does not constitute an Acquisition Advance; and

2. Short particulars of all the property mortgaged or charged

SECURITY

1.1 The Company with full title guarantee but subject to all matters disclosed in any Certificate of Title (and to the intent that the security so constituted shall be a continuing security in favour of the Security Trustee) as continuing security for the payment and discharge in full of the Obligations:

- (a) by way of first legal mortgage the Real Property;
- (b) by way of first fixed charge of all its rights as landlord over the Operating Leases of the Real Property to which it is a party; and
- (c) by way of first equitable charge all of its rights, title and interest in and to the Lessee Security relating to the Real Property.

Clause 3.2.2 of the Debenture is incorporated by reference.

The Company, with full title guarantee but subject to the matters disclosed in any Certificate of Title, charges and agrees to charge in favour of the Security Trustee, as continuing security for the payment and discharge in full of the Obligations by way of fixed charge, all of its rights, title and interest in and to all Insurance Policies and any proceeds from any claims under such policies subject to the obligations of the Property Company or the rights of any Operator to apply the same in accordance with the Operating Leases in the repair, replacement or reinstatement of the insured property.

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 05139897

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DATED THE 25th OCTOBER 2004 AND CREATED BY CANNON LIFE NO.1 (UK) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE BORROWER, HOLDCO OR THE PROPERTY COMPANIES TO DEUTSCHE BANK AG (THE SECURITY TRUSTEE) AND/OR ANY OF THE BENEFICIARIES 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 3rd NOVEMBER 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 5th NOVEMBER 2004.

P. Angel



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES